

Buenos Aires, February 19, 2020

## LETTER FROM THE CHAIRMAN

To the Shareholders:

As Chairman of the Board of Directors, I hereby submit the Annual Report of Grupo Supervielle S.A. corresponding to the year ended December 31, 2019.

By way of introduction I would like to make an overview of the macroeconomic context in the period under analysis.

During 2019 the world economy decelerated mainly due to the uncertainty derived from the commercial conflict between China and the USA and the possibility of a disorderly Brexit.

Commodities had a good performance in 2019, reaching 9.4% above the percentage as of 2018. In particular, the prices of commodities exported by Argentina grew by 6.5% during the year.

As regards interest rates, as from August 2019, the US Federal Reserve put a brake on the upward rate process, reducing its interest rate target on three occasions, to 1.75% per annum. International stock markets showed a significant recovery with a lower volatility as compared to the prior year due to more lenient monetary policies.

At national level, the 2019 macroeconomic context posed additional challenges due to the presidential elections held from August to October, generating a great volatility in financial markets. During most of the year, the Argentine economy was under the IMF arrangement program umbrella with a restrictive monetary policy and a contracting fiscal deficit. However, the reaction of both markets and economic players to the outcome of the mandatory simultaneous open primaries (PASO, by its acronym in Spanish) in August gave rise to an immediate reversion of certain still budding positive trends in some indicators such as inflation and the activity level, resulting in a greater deterioration of economic variables. With domestic and international markets virtually closed to take more public debt, the Mauricio Macri administration decided to reprofile the short-term debt, thus adding pressure on the exchange rate and foreign currency-denominated deposits. Following the PASO elections, reserves dropped by US\$21,527 million, ending the year with a stock of US\$44,781.

As to the activity level, the economy ended 2019 in recession for the second year in a row, accumulating a fall of 2.3% as of November of such year and maintaining a similar trend to that of 2018, when the economic activity level went down by 2.5% p.a. on average.

The nominal dollar/peso exchange rate ended 2019 at \$59.89, which meant a devaluation of 58% as compared to the close of the prior year. The exchange rate throughout the year was more or less stable until August (+16% rise in exchange rate) and more volatile following the PASO elections. As a result of the prevailing uncertainty, the BCRA was forced to intervene on a daily basis in the exchange market with net sales of US\$7,456 - which did not manage to contain devaluatory pressures - and imposed greater exchange controls by the end of October.

As regards the monetary policy, the BCRA announced different changes in the monetary program (implemented in October 2018) throughout the year, which were intended to reinforce the contracting bias of the monetary policy with annual average rates 21 percentage points above those of 2018, with caps of 85.99% and floors of 43.94%.

In connection with fiscal accounts, 2019 closed with a fiscal deficit of 0.44% as compared to the GDP, which represents an improvement over the prior year. The general inflation rate showed an increase of 53.8% as compared to 47.6% in 2018.

In order to improve fiscal accounts, the new government sent to the Argentine Congress the “Social Solidarity and Production Reactivation” bill which was passed into law on December 21, 2019. The new law provided for a 30% rise in export taxes, personal assets taxes and taxes on the purchase of US dollars for saving and for payment of services in US dollars. In addition, on January 21, 2020, the “Foreign Public Debt Sustainability Management” law was enacted by the Argentine Congress in early February. The new administration also decided to compulsorily extend the payment term of certain debt securities issued both in foreign and local currency.

On the other hand, the banking industry’s evolution was also affected by high volatility, high inflation, low economic activity and high rates. Total deposits from the private sector in the financial system increased in 2019 by 25%, showing an increase in Peso-denominated deposits but a strong fall in US-dollar denominated deposits as from August. Peso-denominated deposits grew by 35%, US dollar-denominated deposits measured in pesos increased by 6%, as a result of the rise of the nominal exchange rate, though measured in US dollars, deposits dropped by 33%. On the other hand, total loans to the private sector grew only 15% in the year, well below the inflation level. Loans in pesos to the private sector rose by 19% while loans in US dollars measured in the original currency dropped by 33%.

Grupo Supervielle ended 2019 with a net income attributable to owners of \$4,258 million, a comprehensive income attributable to owners of \$4,827 million, assets for \$146,493 million, loans and other financing for \$88,922 million, deposits for \$89,008 million and an attributable shareholders’ equity of \$21,680 million.

Return on equity was of 22.6%. The attributable comprehensive income was 66% higher than the comparable 2018 result.

As regards credit generation, Grupo Supervielle recorded through its subsidiaries a behavior similar to industry levels, which implied a portfolio contraction in real terms.

As from late 2018, Grupo Supervielle started to implement changes intended to continue integrating the management of its operations, looking for more agility and flexibility. In such framework, in April, the CEO of Grupo Supervielle was also appointed CEO of Banco Supervielle and a COO was appointed in Banco Supervielle reporting to the CEO. In addition, certain business areas of Banco Supervielle were redefined in the Personal and Business Banking area, Corporate Banking and Products and Communication area, reporting to the CEO. Since May 2019 the new area of Personal and Business Banking (the former Retail Banking and SMEs Banking areas, which were part of the former Corporate Banking area) is implementing a strategic view, focused on individual customers and SMEs, which demand and value close and digital service models.

With a view to accelerating digital transformation, during 2019 the Agile methodology began to be implemented as a work tool, which generated significant benefits in the business development, leading to better results. Interaction and communication gave members a comprehensive view of the needs and restrictions so as to establish clear targets, design the best actions and favor the speed of implementation of required changes.

The service model continued changing, striking a balance between maximum contact efficiency (through autonomous management channels and personalized services) and service levels required by each customer profile and each strategic segment of Banco Supervielle.

Agile teams developed projects focused on the generation of Open Market and Payroll Payment Plan customers, necessary for growth purposes.

As to the SMEs segment, in 2019, proposals to Franchises, Transportation and Health subsegments launched between 2017 (Franchises and Transportation) and 2018 (Health) consolidated, increasing the customer stock in all subsegments.

In 2019, the senior citizens segment continued enhancing the self-management model with deployment and strengthening of the Caja Rápida channel (cash dispenser with biometric identification), although the milestone for this segment was the launching of “Supervielle Jubilados”, an app offering our customers a new proof of life method, adapted to new technologies. The platform includes facial recognition which identifies the customer and certifies that they are alive through a photograph.

In addition, Banco Supervielle made available a mobile unit equipped with e-channels, mainly to cover events at certain strategic spots, achieving a greater institutional coverage and presence. As regards Corporate Banking, there is a greater synergy among teams, focusing on the unification of existing processes and the acquisition of new technologies to significantly improve customer service quality.

As regards the consumer finance segment developed mainly through Cordial Compañía Financiera, the deep changes and adjustments made in the past two years in credit and collection processes allowed early NPL indicators and non-performing portfolios to stabilize during the second half of the year. However, the difficult macroeconomic context continued having a negative impact on the customer segment of Cordial Compañía Financiera, which resulted in the company's decision to continue adjusting credit scorings and reducing its loan portfolio, and to continue with the restructuring process started in last August, which, added to the effect of high bank funding rates during the year, ended up affecting its profitability.

Despite the hard macroeconomic context for the business segment, the efforts of the consumer finance segment were oriented to establishing new company strategic pillars so as to grow once economic conditions are back to normal and the credit market is reactivated, and launched a digital and cultural transformation process, redefining and developing new products and value propositions in the framework of an omni-channel strategy.

During 2019 Cordial Servicios, our financial products marketing subsidiary of the consumer division since 2018, continued consolidating its value proposition, offering a wide array of products through different channels.

The insurance segment continued operating through Supervielle Seguros in the launching of products for the different customer segments of Grupo Supervielle. It focused on the development of insurance brokerage to sell products of third party insurers and thus expand to other customer segments (Entrepreneurs & SMEs) not served before.

SAM, our mutual funds manager, increased by 23% the amount of assets managed at the end of 2019 as compared to the prior year, showing a similar behavior to that of the mutual funds industry, which was one of the financial industries most affected in the second half of 2019.

The belief that Fintech capacities have a decisive impact on the "customer centric" culture gave rise the creation of our Corporate Fund of Entrepreneur Capital, through which we associate with Fintech and Insurtech companies that are the strategic verticals of Grupo Supervielle. The creation of the fund has a two-fold aim: on the one hand, generate a financial return on the investments made and, at the same time, take advantage of the commercial synergies to add value to one another. With this vision during 2019 we invested in the following two companies: Avancargo, a cargo freight services company that matches supply and demand through the use of technology and, more recently, in January 2020, Blended, a comprehensive management platform for kinder, primary and secondary schools.

As regards the new corporate vehicles created or acquired in 2019, we can mention the creation of Supervielle Productores Asociados de Seguros, an insurance broker mainly intended to enhance product supply to Grupo Supervielle customers initially focused on the Entrepreneur and SMEs segment, which started operations around August. In addition, we made two acquisitions during the year. In June, we purchased Deautos.com, a new and second-hand vehicle purchase and sale platform, one of the leading sites in its category with over 10 years in the market. It was intended to create an innovative and disruptive business model in the online car purchase and sale market, supported by the presence of our subsidiary Mila in car dealers, to provide a new user experience in the platform and generate a digital car ecosystem integrating and simplifying financing, insurance and services of Grupo Supervielle. In addition, in December we purchased the brokerage firm Futuros del Sur, which will allow us to enhance the financial and investment services to institutional and corporate customers of Banco Supervielle. We are currently in the process of changing its corporate name to Supervielle Agente de Negociación.

Grupo Supervielle has become an important referent of the Argentine financial system with a high visibility potential in its community actions. Its social engagement has grown on a sustained basis and, at present, Corporate Social Responsibility has a significant place in Grupo Supervielle's agenda. In 2019 we continued focusing on our social and community activities with

20 programs grouped in 4 main lines of action: Education, Childhood, Senior Citizens, and Institutional Strengthening. In addition, during the year we launched three new environmental programs related to efficient management of energy, plastic reduction and technological scrap recycling. Grupo Supervielle issues the Sustainability Report on a yearly basis, following the guidelines and standards established by the Global Reporting Initiative (GRI). The report surveys the achievements made and the challenges ahead in its ongoing commitment towards sustainability, describing the performance of the different companies controlled by Grupo Supervielle in the economic, social and environmental areas. In the process of drafting the 2019 report we conducted a new materiality assessment survey with our stakeholders to identify those issues that are relevant to the business.

As regards Argentina this year's prospects show some positive international aspects which, should they occur, might help improve the activity level, including the projected improvement in world trade and the expected recovery of the Brazilian economy (the main business partner of Argentina).

The economic consulting firms that participate in the Market Expectations Survey of the BCRA expect a negative economic growth rate of 1.5% as a result mainly of the 2019 activity collapse, and at quarter on quarter level (deseasonalized) a fall is expected of 0.5% for the first quarter and of 0.1% for the second quarter.

Likewise, the inflation rate is expected to fall from 53.8% (at the end of 2019) to 41.7% (year-on-year variation December-December) in 2020, which could lead to disinflation after two years of rising inflation rates. At the same time, the nominal peso/dollar exchange rate is expected to end at \$78.7, which implies a year-on-year depreciation of 31.4% and which would imply a deceleration in the devaluation rate as compared to 2018 and 2019.

We expect the recovery of the financial system after the strong deceleration occurred in 2018 and 2019, as the economy stabilizes and the inflation and interest rates go down in a context of lower exchange volatility and greater monetization in the economy.

In short, we are moderately optimistic regarding the outlook for the year as the reactivation of the economic activity could find a way to set off the consequences from the last two years through the boosting of domestic consumption. In this context, our approach continues to be the origination of loans through the different segments in which we operate, focusing on the needs of our customers and taking care of the credit quality which deteriorated in 2019. The franchise is well positioned and we trust in our capacity to resume growth in a macroeconomic context featured by the recovery of confidence and a reduction of inflation and interest rates.

I am proud to share with you that we have received two awards during the year. For the third time in a row, Banco Supervielle was chosen by the Asociación de Ejecutivos de Mendoza (AEM) as the best Company of Mendoza's Financial Sector. This Association gathers the major Businessmen in the province. In addition, the Bank ranked 5<sup>th</sup> in Social Engagement in the Argentine Banking and Finance category.

Likewise, in October 2019, Grupo Supervielle was admitted in the CG Level of the Corporate Governance Panel of Bolsas y Mercados Argentinos S.A. ("ByMA"). The Corporate Governance Panel includes those companies already listed on BYMA which qualify to be admitted in such special trading panel for voluntarily implementing corporate governance practices in line with the best international standards, in addition to those required by the applicable Argentine laws through the adoption of a set of rules that provide a higher degree of protection to the rights of shareholders and promote an improvement in information disclosure and in the monitoring and control structures.

Finally, I take great pleasure in announcing that BYMA (Bolsas y Mercados Argentinos), together with the IDB (Inter-American Development Bank) and with the academic endorsement of the Earth Institute of Columbia University, submitted in December the rebalanced Sustainability Stock Index and, following such rebalancing, Grupo Supervielle remains part of BYMA's Sustainability Stock Index for the second year in a row after its launching in December 2018. Such index identifies leading companies in Environmental, Social, Sustainable Development and Corporate Governance areas (ESG-D, by its acronym in English).

Finally, I would like to especially thank our teams, suppliers, shareholders and customers, key players of our past, present and future. To all, on behalf of the board, thank you for your support and confidence.

Julio Patricio Supervielle  
Chairman

## LIST OF OFFICERS

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### Board of Directors

#### *Chairman*

Julio Patricio Supervielle

#### *First Vice Chairman*

Jorge Oscar Ramírez

#### *Second Vice Chairman*

Emérico Alejandro Stengel

#### *Directors*

Atilio María Dell 'Oro Maini

Eduardo Pablo Braun

Victoria Premrou

Ricardo Enrique De Lellis

Hugo Enrique Santiago Basso

### Members of the Statutory Audit Committee

#### *Statutory Auditors*

Enrique José Barreiro

Valeria Del Bono Lonardi

Carlos Alfredo Ojeda (\*)

#### *Alternate Statutory Auditors*

Carlos Enrique Lose

Roberto Aníbal Boggiano

(\*) Was appointed as Statutory Auditor on July 25, 2019, in replacement of Carlos Alberto Asato, who resigned to the Statutory Audit Committee on such date.

### Certifying Accountant of the Financial Statements for the fiscal year ended 12/31/2019

Santiago José Mignone (regular member)

Carlo Alberto Pace (alternate member)

Price Waterhouse & Co. S.R.L.

#### *CEO*

Jorge Oscar Ramírez

### Areas reporting to the CEO:

#### *COO of Banco Supervielle*

Emérico Alejandro Stengel

#### *CFO*

Alejandra Gladis Naughton

#### *Chief of Legal Affairs and AML*

Sergio Gabriel Gabai

#### *CCO - Chief Credit Officer*

Pablo Di Salvo

#### *CHRO - Chief of Human Resources*

Santiago Enrique Battle

#### *Chief Officer of Technology & Operations*

Sergio Mazzitello

*Chief of Central Services & Supply Management*  
Claudia Silvia Andretto

Corporate Managers reporting to the Board of Directors:

*CRO*  
Javier Conigliaro

*Head of Internal Audit*  
Sergio Gustavo Vázquez

*Chief Compliance Officer*  
Moira Almar

Chief Executive Officers of Grupo Supervielle Subsidiaries:

*Banco Supervielle*  
Jorge Oscar Ramírez

*Cordial Compañía Financiera / Tarjeta Automática / Micro Lending S.A. / Espacio Cordial  
de Servicios (Consumer segment)*  
Juan Martín Monteverdi

*Supervielle Seguros*  
Diego Squartini

*Supervielle Asset Management*  
Guillermo Guichandut

*InvertirOnline*  
José Vignoli

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#### I.- ABOUT GRUPO SUPERVIELLE

Grupo Supervielle S.A. is an Argentine local financial services company and the controlling company of the 8<sup>th</sup> largest private bank of Argentina in terms of loans, and the 11<sup>th</sup> bank if we also consider public banks. It has a long history in the Argentine financial system with 132 years of operation in the country and a leading competitive position in certain strategic market segments. Grupo Supervielle S.A. offers miscellaneous financial and non-financial products and services, especially designed to cover the different needs of its customers through multiple platforms and brands.

As of December 31, 2019 Grupo Supervielle had 1.8 million active customers. As of that date its infrastructure supports its multi-channel distribution strategy, with a strategic national presence through 316 access points, including 185 bank branches, 13 sales and collection centers and 79 points of sale of Cordial Compañía Financiera located at Walmart supermarkets, 34 branches of Tarjeta Automática and other points of sale in certain retail stores, 5 branches of Mila that offer pledge loans for the purchase of motor vehicles (in addition to its network of 393 related dealers), 537 ATMs, 217 self-service terminals and 202 cash dispensers (not requiring the use of key or card).

As of December 31, 2019, Supervielle's assets amounted to AR\$146,493 million according to the Generally Accepted Accounting Principles of the Central Bank of Argentina.

Grupo Supervielle's shares are listed on and traded in Bolsas y Mercados Argentinos (BYMA) and in the New York Stock Exchange (NYSE).

As of December 31, 2019, Grupo Supervielle had 456,722,322 issued shares, and floating shares in the capital markets represented 65% of its capital stock.

Grupo Supervielle is a corporation organized in Argentina in 1979 that operates as a financial services holding of the following financial services subsidiaries: a bank, Banco Supervielle S.A.; a consumer finance entity engaged in consumer financing, Cordial Compañía Financiera; a consumer finance company, Tarjeta Automática; a company specialized in pledge loan financing, Micro Lending (MILA); an insurance company, Supervielle Seguros; an insurance brokerage company, Supervielle Productores Asesores de Seguros; a company managing mutual funds, Supervielle Asset Management (SAM); an online trading broker, InvertirOnline.com; and most recently Futuros del Sur, which name shall be changed to Supervielle Agente de Negociación. Additionally, and based on its expertise and leadership in the financial services business, Grupo Supervielle aims at reinforcing its commercial offer for its customers and has expanded its offer in the last years with other business segments such as marketing of non-financial products through its controlled company Espacio Cordial de Servicios, which offers its non-financial products and services to Grupo Supervielle's customers. Finally, the portfolio is completed with Sofital S.A.F. e I.I., a company mainly involved in the holding of interests in Grupo Supervielle companies.

#### II.- MAIN INDICATORS

Grupo Supervielle S.A., Consolidated



| <b>MAIN INDICATORS</b>   | <b>Dec. 2019</b> | <b>Dec. 2018</b> | <b>Change%</b> |
|--|------------------|------------------|----------------|
| Net income for the period attributable to the owners of the controlling Company              | 4,257,932        | 2,567,569        | 65.8%          |
| Comprehensive income for the period attributable to the owners of the controlling company    | 4,827,067        | 3,029,982        | 59.3%          |
| Assets (in thousands of Pesos)   | 146,493,108      | 141,115,541      | 3.8%           |
| Liabilities (in thousands of Pesos)  | 124,794,461      | 123,945,364      | 0.7%           |
| Shareholders' Equity (in thousands of Pesos)   | 21,698,647       | 17,170,177       | 26.4%          |
| Shareholders' Equity attributable to the owners of the controlling company                   | 21,680,037       | 17,155,555       | 26.4%          |
| Shareholders' Equity attributable to non-controlling interests                               | 18,610           | 14,622           | 27.3%          |
| ROAE <sup>(1)</sup>  | 22.6%            | 16.5%            |                |
| ROAA <sup>(2)</sup>  | 2.7%             | 2.2%             |                |
| Net Income from services/ (Net Income from services + Gross Financial Margin) <sup>(3)</sup> | 19.7%            | 21.6%            |                |
| Net Income from services/ Administrative Expenses <sup>(3)</sup>                             | 32.4%            | 38.0%            |                |
| Non-performing loans / total loans   | 7.4%             | 4.1%             |                |
| Provisions / Non-performing loans  | 83.0%            | 100.0%           |                |

- (1) Net income for the year attributable to the owners of the controlling Company divided by the average shareholders' equity, calculated on a daily basis
- (2) Net income for the year attributable to the owners of the controlling Company divided by the average assets, calculated on a daily basis
- (3) Including Income from insurance

### III.- ANNUAL REPORT

#### A. EVOLUTION OF THE ECONOMY AND THE FINANCIAL SYSTEM

##### A.1. Macroeconomic Context in 2019

###### *i) International Scenario<sup>1</sup>*

According to recent International Monetary Fund (IMF) estimates, the world economy grew by 2.9% in 2019, a deceleration as compared to the 3.6% growth recorded in 2018. This performance is mainly the result of a 3.7% and 1.75% growth in emerging and developed countries respectively. As in 2018, in 2019 the commercial conflict between China and the USA had a negative impact on the world growth. In addition, a disorderly Brexit and a certain social discontent at world level generated uncertainty and had an impact on the aforementioned performance of the world economy.

As regards emerging economies, Latin America and the Caribbean showed a very low growth (0.1% according to IMF estimates), which accounts for a significant deterioration as compared to 2018, when the region expanded by 1.1%. On its side, Brazil recorded an estimated 1.2% growth, slightly 0.1% lower than the growth recorded in 2018. In 2019, China could decelerate again from an expansion 6.6% expansion rate in 2018 to an estimated 6.1%. On the other hand, India might have suffered a strong deceleration in its growth, from 6.8% in 2018 to an estimated 4.8% for 2019.

Developed countries also recorded a growth deceleration in 2019 (an estimated 1.7% over 2.2% recorded in 2018), which is mainly the result of a lower economic performance in the USA (from 2.9% in 2018 to 2.3% in 2019) and in Europe (1.9% in 2018 to 1.2% in 2019), featured by an economic deceleration in Germany (from 1.5% in 2018 to 0.5% in 2019) and in Italy (0.8% in 2018 to 0.2% in 2019). On the other hand, the United Kingdom grew by 1.3%, matching the figure recorded in 2018, in a context of high uncertainty in connection with the Brexit. Japan managed to improve its economic performance from a slight 0.3% growth in 2018 to 1% in 2019.

<sup>1</sup> Provisional data. The source used was the IMF World Economic Outlook, published in January 2019.

During 2019, the currencies of almost all Argentina's business partners depreciated vis a vis the US dollar in nominal terms (except for the Japanese Yen and the Swiss Franc), which, in addition to the uncertainty prevailing in an electoral year, strongly boosted the Argentine peso's depreciation during the year. Despite the current account surplus, in real terms the peso depreciated 11% on average (and 3.7% year-on-year in December 2019) according to the Multilateral Real Exchange Rate Index of the BCRA (Central Bank of Argentina).

Commodities<sup>2</sup> recorded a good performance in 2019 reaching 9.4% above the values at the close of 2018. However, they are still 4% below the level recorded in late 2017. In particular, the prices of commodities exported by Argentina grew by 6.5% in the year while, if the average commodities index prepared by the BCRA is considered, commodities' prices fell by 4%.

As regards the interest rate, as from August 2019, the US Federal Reserve stopped the upward rate cycle which began in December 2015. Specifically, it reduced three times its interest rate target (August, September and October) to 1.75% p.a. (as compared to the 2.5% rate p.a. at the close of 2018) with a floor of 1.5% p.a. However, the last rise is 3.4% below the historical average since 1971.

International stock markets showed a significant recovery, with a lower volatility, as compared to the prior year due to more lenient monetary policies at world level and, in particular, to the interest rate reduction policy of the US Federal Reserve as from half of the year<sup>3</sup>. Thus, according to the MSCI index, shares rose by 24% at global level (in 2018 they had gone down by 11.2%). Growth in shares at global level was led by developed markets which grew by 25.2% as compared to emerging markets, which grew by 15.4%.

## *ii) Local Scenario*

The 2019 macroeconomic context posed additional challenges due to the presidential elections held between August and October, generating a great volatility in both international and local financial markets. During most of the year, the Argentine economy was under the IMF arrangement program umbrella. However, the impossibility to return to international market financing and, additionally, the reaction of markets and economic players to the outcome of the mandatory simultaneous open primaries ("PASO") in August gave rise to a reversion of certain still budding positive trends in some indicators such as inflation and the activity level, resulting in a greater deterioration of economic variables.

### *Activity Level*

According to Instituto Nacional de Estadísticas y Censos [the National Statistics and Census Bureau] ("INDEC"), the economy ended 2019 in recession, for the second year in a row, accumulating a 2.3% fall as of November of such year, maintaining a similar trend to 2018, when the economic activity contracted by 2.5% p.a. on average. As regards the annual dynamics, the economic activity recorded a negative year-on-year growth rate of 5.8% in the first quarter and of 1.7% in the third quarter, and remained unchanged during the second quarter of the year.

### *Foreign Trade and Foreign Exchange Market*

During 2019 the trade balance surplus amounted to US\$15,992 million, which implies an improvement as compared to the US\$3,701 million deficit of 2018 and the US\$8,308 million recorded in 2017. The trade balance dynamics changed due to the fall in the activity level started by mid-2018 and which went on during 2019, worsening after the exchange depreciation of the past August. In fact, while exports rose by 5.4% during the year, imports dropped by 25%, evidencing the greatest year-on-year fall in August (-30%). Commodities exports (25%) were most dynamic while imports of passenger motor vehicles recorded the worst performance in the year (-55.2%).

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<sup>2</sup> According to Thompson Reuters CRY index.

<sup>3</sup> Taking as a reference the MSCI index prepared by MSCI Inc.

In 2019 (unlike the past three years), international reserves recorded a strong decrease (US\$21,025 million), with a stock of US\$44,781 million at year end. The year was marked by the strong reduction of international reserves on several times as a result of the uncertainty derived from the presidential elections and the sale of foreign currency and the fall of deposits in US dollars in the financial system. Following the PASO elections, reserves dropped by US\$21,527 million. Given the constant exit of reserves as a result of the prevailing uncertainty, the BCRA established exchange controls as of September 1, which were intensified following the general elections held on October 28. With these recent limits, a brake was placed on the exit of reserves and a subsequent increase was recorded of US\$1,375 million.

The nominal dollar/peso exchange rate at the end of 2019 was \$59.89, which meant a devaluation of \$22,8 or 58% as compared to the close of the prior year. The exchange rate throughout the year was more or less stable until August (+16% rise in exchange rate) and more volatile following the PASO elections. As a result of the prevailing uncertainty, the BCRA was forced to intervene on a daily basis in the exchange market with net sales of US\$7,456 - which did not manage to contain devaluatory pressures - and imposed greater exchange controls by the end of October

#### *Labor Market*

In 2019, wages as of October grew by 41.5% year-on-year as a result of the rise of wages of 43.6% to registered employees and to 32.5% of non-registered private sector employees. In addition, within the total of registered employees, wages in the private sector grew by 44.2% and by 42.6% in the public sector. In all cases, the wage increase was well below inflation, thus causing the fall of real wages.

The unemployment rate of the first, second and third quarter was 10.1%, 10.6% and 9.7%, respectively, averaging 10.1% in the first 3 quarters of the year. Comparing the average unemployment rates with those recorded in the first three quarters of 2018, there was an increase of 90 basis points (from 9.2% in 2018 to 10.1% in 2019). On the other hand, the activity rate increased from 46.7% in the third quarter of 2018 to 47.2% in the third quarter of 2019.

#### *Fiscal Balance*

The Argentine Public Sector recorded in 2019 a primary deficit without extraordinary income of \$208,766.7 million (-0.96% of the GDP) while the financial deficit reached \$933,052 million (-4.28% of the GDP). In fact, in 2019 an extraordinary income was received from the transfer of Lotería Nacional to the ambit of City of Buenos Aires (\$4,813.6 million recorded as current income). In addition, proceeds were received from the sale of fixed assets by public companies (\$44,595.5 million) and transfers by FGS to ANSES to finance the *Programa de Reparación Histórica* [Reparation Program] (\$64,236 million), both recorded as capital proceeds. On the other hand, the primary income of such year, taking into account the aforementioned extraordinary income would result in a deficit of \$95,121.6 million. In GDP terms, this would be equal to -0.44%. In such scenario, the financial deficit would increase to \$819,406.9 million which, in GDP terms, would account for -3.76%. The worsening of the financial deficit is due to the fact that in 2019 \$724,285.3 million were paid (not including the intra-public sector interest paid) on account of debt interest, increasing by 86.2% year on year, representing 18.4% of total income of the Argentine Public Sector. Total income for 2019 amounted to \$3,937,073.5 million increasing by 51.4% year-on-year while primary expense amounted to \$4,032,195.1 million, increasing 37.2% year-on-year.

In order to improve fiscal accounts, the new government sent to the Argentine Congress the “Social Solidarity and Production Reactivation” bill which was passed into law on December 21, 2019. The new law provided for a 30% rise in export taxes, personal assets taxes and taxes on the purchase of US dollars for saving and for payment of services in US dollars. In turn, the Law suspended pension increase for 180 days, which increase shall be defined by the Executive Branch, at its discretion.

Once again one of the critical aspects of the year for the Argentine Treasury was access to financing. As a result of the closure of international financial markets in 2018, the Government entered into two stand-by arrangements with the credit agency; by virtue of the last of them the agreement amount increased by SDR 5,335 million (approximately US\$7,100 million) reaching a total of US\$57,000 million, and disbursements were rescheduled, with an advance of SDR 9,600

million (approximately US\$13,400 million) until December 2018, thus totaling US\$28.400 million in the year, and SDR 16,300 (approximately US\$22,650 million) in 2019. However, the IMF suspended disbursements after September of 2019, overriding the program; therefore the total amount disbursed as of the closing of the year was of approximately US\$44,500 million (SDR 31,914 million). Due to the overriding of the arrangement with the IMF and the closure of the international financial markets following the PASO elections, the government had to reschedule the due date of Treasury Bills with holders, exception made for human persons, which consisted in paying 15% of services on the due date, 25% within three months and the remaining 60% six months following the original due date. With the change of government on December 10, 2019, consideration of the Public Sector Debt became a relevant matter and on January 21, 2020, the “Foreign Public Debt Sustainability Management” bill was introduced in the Argentine Congress.

### *Monetary Policy*

During 2019, the BCRA announced different changes in the monetary program (implemented in October 2018), intended to reinforce the contracting bias of the monetary policy. The most relevant changes include the elimination of the June seasonal adjustment of the monetary base and subsequent increases until December. In addition, a goal was set to maintain the monetary base at the over-compliance level of February 2019 (\$1,343.2 billion) and to authorize the sale of foreign currency even within the non-intervention zone established by the BCRA in case of excess volatility, overriding the intervention limit of US\$150 million.

In spite of the fact that, since the effective date of the program, the BCRA met the monetary base target, following the PASO elections, it was forced to partly abandon the implemented program for being unable to sustain the intervention and non-intervention zone scheme and for having to relax compliance with the monetary base target.

During the first part of 2019, the interest rate set by the monetary policy decreased to the minimum of 43.94% p.a. on February 14 to then go up to 74.07% p.a. on May 2 and gradually decrease again until the PASO elections. Following such election, LELIQ interest rates rose until reaching the historical cap of 85.99% p.a. to then go down and end the year at 55% p.a. representing a slight decrease of 4 percentage points as compared to the close of the prior year (however, if we consider the average of each year, the rate in 2019 was 21 percentage points above the 2018 rate).

### *Inflation*

The general inflation rate (measured by the Consumer Price Index) showed an increase of 53.8% while the core inflation rate (excluding the effect of regulated and seasonal goods prices) reached 56.7%. This accounts for a rise of 6.2 and 8.9 percentage points, respectively, with regard to the 2018 inflation rate. Inflation was more or less volatile during 2019. After an increase in the first quarter, inflation decelerated until August, from 4.7% per month in March to 2.2% in July. However, after the devaluation following the PASO elections, prices accelerated and the inflation rate hit 4% in August and 5% in September, ending the year with a monthly inflation rate of 3.7%.

At geographical level, the greatest year-on-year price increases were recorded in the northeastern region of the country (57.6%), northwestern region of the country (55.5%), Cuyo (54.7%) and Patagonia (54%) while in the City of Buenos Aires and Greater Buenos Aires inflation was below the average (52.9%).

As regards inflation components in 2019, prices of goods increased by 58.4% while prices of services increased by 45.7%. As in 2018, that was due to the strong peso devaluation, as the rise in the exchange rate impacts more strongly on goods than on services due to the tradable nature of goods.

## A.2. The Financial System in 2019

### *Financial System*

During 2019 the management of the financial system liquidity was a key issue given the significant market uncertainty that caused a material outflow of deposits in US dollars industry-wide. Even after that, the system’s liquidity remained high. The broad liquidity ratio (including

not only cash but also BCRA instruments and the 2020 Argentine Treasury Bonds recorded as reserve requirements) of the banks in aggregate reached 57.3% of deposits in November, recording an increase of 3.3 percentage points as compared to the prior year.

In addition, solvency ratios in the financial system continued to be historically high. The regulatory capital adequacy ratio of the sector totaled 17.5% of the risk weighted assets (RWA), according to the November data, which represents an two times excess adequacy (201%) according to applicable regulations.

### *Deposits and Loans*

In 2019 private sector total deposits in the financial system increased by 25.4%, closing the year at \$3,935,385 million. By currency, deposits in Pesos ended the year at \$2,770,847 million, increasing by 35.5%, while deposits in US dollars measured in Pesos slightly increased by 6.4% totaling \$1,164,538 million, while the same deposits measured in US dollars dropped by 32.8% as a result of the outflow recorded following the uncertainty generated after the PASO elections. By type of deposit in the private sector in Pesos, the increase was led by Checking Accounts (+7.67%) and, to a lesser extent, by Savings Deposit Accounts (+25.4%), while Fixed Term Deposits recorded a lower activity (24.7%). Checking accounts had a good performance as from August, increasing by 55.2%.

Besides, total private sector loans recorded a year-over-year increase of 15.3% and totaled \$2,462,891 million. Private sector loans in Pesos grew by 18.6%; the poor performance was due to the high interest rates and the economic recession. On the other hand, at product level, a great dispersion was observed: pledge and personal loans dropped by 17% and 4.9%, respectively, mortgage loans increased only 2.1%, documents by 19.5% while advances and credit cards recorded the best performance, rising 48.7% and 48.4%, respectively.

### *Interest Rates*

At the end of the year the BADLAR interest rate of Private Banks was 10 percentage points below the December 2018 level (49.5% in 2018 vs. 39.4% in 2019) following with the downward movement maintained by the LELIQ rate. The TM20 (for deposits above \$20,000,000) recorded a similar behavior, with a drop of 11 percentage points, although average year rates were 14.5 and 14.8 percentage points above the prior year average. The call interest rate among private banks was 46.9% at the end of 2019 decreasing by 12 percentage points, as compared to the end of 2018. The changes in interest rates during the year were due to the changes in the monetary policy and the August devaluation. However, in the past two months and following the implementation of greater exchange controls, the monetary policy relaxed, together with a drop in interest rates.

### A.3. The Insurance Industry in 2019

The share of insurance in the Argentine GDP was 2.9% in 2018, well below the share in developed markets and even in other countries of the region such as Brazil and Chile (8.6% and 6.5%, respectively, in 2017).

In the fiscal year closed in June 2019, production of the insurance market exceeded \$448 billion, 83% of which pertain to Property Insurance and the rest to Personal Insurance. Motor vehicle insurance was close to \$214 billion, representing 38% of Property Insurance, thus leading the segment. Occupational Risk insurance reached \$112 billion, ranking second in insurance sales (25%). Collective Life and Life Insurance - Unpaid Balance in aggregate reached approximately 37 billion pesos with a 51% share in the total Personal Insurance sales and 8.23% of the general ranking. In addition, the expense in insurance per capita amounted in the same period to \$7,576.

As of June 30, 2019, the most recent available information, there were 189 insurance companies, 17 of which offered Retirement insurance, and 172 of which offered Property, Life and "Mixed" policies (i.e. covering Property and Personal insurance).

As from the gradual opening of the reinsurance market, the number of companies fell to 20 in 2019. There are 14 National entities and 6 Branches of Foreign Entities in the local market.

Market intermediation is in the hands of insurance brokers (natural and legal persons) and reinsurance intermediaries. Insurance Brokers act as “Intermediaries” between insurance companies and users and must meet a series of requirements to act and manage the contracts entered into. As of June 30, 2018, there were 36,857 individual brokers and 707 companies authorized to operate. The reinsurance market remains stable in 25 brokers.

#### *Outlook*

The outlook for the insurance market for 2020 is encouraging, with an expected growth of the insurance market in aggregate, provided that the macroeconomic so permits.

We expect that all insurance segments -currently with low market penetration- will continue growing as in recent years as a result of a higher insurance awareness.

#### A.4. The Mutual Funds Industry in 2019

The Mutual Funds industry’s growth measured in terms of monthly average balances as of December 2019, compared to December 2018, was 31%, and if only Mutual Funds in pesos are taken into account, it represents 39%. Mutual funds in US dollars recorded a 0.5% fall – measured in Pesos - due to the devaluation of the local currency, and a 48% decrease in the year measured in US dollars.

The increase was well below inflation data, interest rate levels and Peso depreciation during the year. Until July 2019 the industry showed a sustained growth; however, as from August, due to the peso devaluation, the rise of interest rates and the reprofiling of Argentine government bills there was a significant fall of managed assets. During the last quarter of the year, with the stabilization of these variables and the increase in the monetary base, the fall stopped and showed an increase driven by institutional and corporate customers through lower risk products such as Money Market funds.

During the year the largest amount of investments went to Money Market funds. With a 141% year-on-year growth, these funds, that in December 2018 represented 25% of the industry, reached 46% in December 2019, and if only funds managers of the main private banks are considered such share goes up to 76% of managed funds.

The Argentina Short Term (t+1) Fixed Income funds in Pesos were the most affected by the financial crisis. They recorded a 54% fall during the year (which ratio falls to 80% among the funds managers of the main private banks), decreasing from 22% in December 2018 to 8% in December 2019. During the last quarter the fall stopped because these variables remained stable.

The Argentina Fixed and Mixed Income funds in US dollars showed a similar behavior. Its managed funds dropped by 43% during the year, measured in Pesos, as a result of the devaluation, but in US dollars they recorded a 70% fall. Thus, its share in the industry went from 17% in December 2018 to 7% in December 2019. Although there was certain stabilization during the last quarter, managed funds still don’t show a recovery.

The Argentina Mid and Long Term Fixed and Mixed Income funds in Pesos recorded a 2% growth, and decreased their relative share from 19% in December 2018 to 15% in December 2019. The Variable Income funds of Argentina and from abroad maintained their 3% share of the industry total with an annual 1% growth.

The 31% growth may be broken down as follows: corporate investors grew by 29%, institutional investors rose by 54% and individuals fell by 25%. Thus, at the end of December 2019, 50% of Mutual Funds investors were Institutional investors, 41% were Corporate investors and 9% were Individuals.

2019 was featured by a decrease in the investments of Corporate customers and Individuals mainly in Argentina Short Term (t+1) Fixed Income funds in Pesos and Argentina Fixed and Mixed Income funds in US Dollars, together with a growth of Institutional investments in Money Market funds. Besides, taking into account these circumstances, there was a lower share of fund managers of the main private Banks, which fell from 48% in December 2018 to 44% in

December 2019, and an increase in the share of non-bank fund managers, which increased their share from 37% in December 2018 to 40% in December 2019.

#### A.5. 2020 Outlook

According to recent International Monetary Fund estimates, the world economy is expected to grow by 3.3% in 2020 (reflecting a downward trend in relation to prior forecasts). As compared to 2019, the world growth would be somewhat better but would remain below 2017 and 2018 performance. However, the IMF mentions the risk of re-emergence of the commercial conflict between China and the US, which would have an impact both on the world growth and on the world trade. In addition, the recent outbreak of the Coronavirus could have a negative impact on prior forecasts, especially taking into account that the most affected country is China, the second world economy.

As regards Argentina, two positive international aspects could help improve the activity level. In the first place, an improvement is expected in world trade of 2.9% for 2020 as compared to the 1% growth estimated for 2019. On the other hand, the IMF estimates a strong recovery of the Brazilian economy (Brazil being the main business partner of Argentina) which could expand 2.2% in 2020, an improvement of one percentage point as compared to 1.2% estimated for 2019. The above forecast is subject to the above-mentioned risks involving China, one of the main business partners of the country.

The economic consulting firms that participate in the Market Expectations Survey of the BCRA<sup>4</sup> expect a negative economic growth rate of 1.5% for Argentina as a result mainly of the 2019 activity collapse, and at quarter on quarter level (deseasonalized) a fall is expected of 0.5% for the first quarter and of 0.1% for the second quarter.

Likewise, the inflation rate is expected to fall from 53.8% (at the end of 2019) to 41.7% (year-on-year variation December-December) in 2020, which could lead to disinflation after two years of rising inflation rates. At the same time, the nominal peso/dollar exchange rate is expected to end at \$78.7, which implies a year-on-year depreciation of 31.4% and which would imply a deceleration in the devaluation rate as compared to 2018 and 2019.

We expect the recovery of the financial system after the strong deceleration occurred in 2018 and 2019, as the economy stabilizes, and the inflation and interest rates go down in a context of lower exchange volatility and greater monetization in the economy. Finally, the current high liquidity level, together with the good performance of deposits in the last part of the year will, following the recovery of the loan demand, accelerate the process of channeling of savings to sustain and accelerate the economic recovery.

## B. EVOLUTION OF GRUPO SUPERVIELLE

### B.1. Management Reorganization

As from late 2018, Grupo Supervielle started to implement changes intended to continue integrating the management of its operations, looking for more agility and flexibility. In such framework, Jorge Ramírez was appointed CEO of Grupo Supervielle and also CEO of Banco Supervielle in February 2019.

Subsequently, implementation of such changes was completed in April with the appointment of Alejandro Stengel as COO (Chief Operating Officer) of Banco Supervielle, reporting to the CEO. Alejandro Stengel was already a member of the Board of Directors of Grupo Supervielle since 2010 and was also a member of the Board of Directors of Banco Supervielle.

The COO, the CFO and the Finance Head, Head of Capital Markets and Structuring, Chief Credit Officer, Chief Risk Officer, Chief of Legal Affairs and AML and Chief of Human Resources report to the CEO.

In addition, certain business areas of the Bank were redefined into Personal and Business Banking, Corporate Banking and Products and Communication, all of them reporting to the

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<sup>4</sup> Published in January 2020.

COO. The following areas also report to the COO: Technology and Operations, Customer Experience and Business Intelligence, Processes and Central Services and Strategic Supply.

The COO leads the Bank's digital transformation, ensuring its adequate implementation organization-wide. Digital transformation involves the use of new working methodologies, new technologies and a strong cultural change within the organization. Agile methodologies are implemented in response to current needs, where the willingness to change and the prompt delivery of value are a competitive advantage. Under this methodology, independent and highly efficient work teams are formed with short turnaround times.

The new area of Personal and Business Banking (the former Retail Banking and SMEs Banking areas, which were part of the former Corporate Banking area) is implementing since May 2019 a strategic view, focused on individual customers and SMEs, which demand and value close and digital service models.

The area of Personal and Business Banking is formed by:

- Segments team: responsible for generating and improving face-to-face and digital Value Propositions for Acquisition, Service Models and Development of Businesses with Customers in the following segments: Senior Citizens, Identité, Individuals (Mass), Entrepreneurs and SMEs (natural and legal persons) with specialty and integration proposals (sub-segments) in Education (Blended), Cargo Freight (Avancargo), Health and Professionals.

- Digital and E-Channel team: responsible for developing (Ux), improving and managing (adoption) services for customers of assets/digital channels of the Bank such as Personal Home Banking (HBI) and Corporate Home Banking (HBE), Public Site (www.) and different capabilities in Digital (mobile and web) and electronic areas such as cash dispensers, self-service terminals and ATMs. Through the "Agile" management tool this team is part of the "*Tribu de Motores*" of the Digital Transformation being developed in the Bank.

- Commercial Indirect and Vertical Channel team: responsible for managing the own Call Center; External Call Centers under customer acquisition and cross selling scheme, SMEs Sales Forces and Payroll Payment Plans, Commercial Partnership with Institutions / Retailers / Fintechs, Pledge Loans (MILA) and Mortgage Loans (partnership with Zonaprop-Navent).

- Distribution and Sales team: responsible for managing the Bank's main service channel. The existing teams of both Networks (79 Service Centers of the Senior Citizens Segment and 104 traditional Bank Branches) came together into this team, generating a new direct supervision structure in the management model to cover a new distribution of Services Branches in charge of all business segments in six areas (Mendoza and Cuyo / San Luis and Córdoba / North AMBA + Rosario / West AMBA / South AMBA and City of Buenos Aires and Mar del Plata / including the 7 SMEs Nodes).

Under the strategy to focus on retail and SMEs customers, the new unified distribution network offers the chance to expand to a full business segment model those Branches that only provide customer service to Senior Citizens and that have the potential and capacity to earn a market share with a low investment.

The Personal and Business Banking area has a cross-functional challenge to serve and manage customer satisfaction and thus take improve the NPS to the best mark in the Financial, Banking and Fintech industry as well as the responsibility to become the "best place to work" for the approximately 4000 employees.

The new *Corporate Banking department* resulted from the division of the former corporate banking: SMEs banking area went to the Personal and Business Banking area, while medium and large companies went to the Corporate Banking department. This department is formed in turn by three commercial teams: AMBA Corporate Banking team, Interior Corporate Banking team and Mutual Guarantee Societies Division.

The new *department of Products and Communication* is formed by five product teams and the Marketing and Communication team.

They are all based in the City of Buenos Aires and provide cross-functional service to all of the Bank's commercial channels and makes its products available to all customers, be they human or



legal persons. Products teams are: Assets, Liabilities and Insurance, International Trade (Comex), Leasing and Transaction Banking teams.

On the other hand, the new *department Customer Experience and Business Intelligence* has the mission to coordinate the design of the strategy intended to manage customer experience from data intelligence, planning and controlling data generation to ensure experiences that enhance customers' satisfaction, loyalty and recommendation. The teams main responsibilities include defining the interaction together with the business, focused on an enhanced customer experience in each of the points of contact, and coordinating the transformation process in which the Bank is engaged, from the customers' perspective; leading the design of data bases for the different actions (NPS, campaigns, lead generation, cross-selling, among other); cooperating to enhance business productivity through simplification and transformation of experiences and ensuring the data governance model for decision making in the business.

## B.2. Corporate Image, Positioning and Communications

The Communications and Benefits area launched a new Institutional campaign in line with the motto "*Superate*" [Improve Yourself]. launched in 2017. Based on this, the products campaigns were designed with the statement "*Elegí superarte*" [Choose to improve yourself] taking into account the electoral context in 2019.

The main campaigns in 2019 were oriented to promote products and services offered such as the application Supervielle Jubilados which allows the senior citizens segment to certify their proof of life without the need to attend the branches in person, which is more practical and safer for them; Personal Loans; Insurance; Echeq; cash withdrawal without a card, among other.

In addition, the Bank participated in Mastercard's campaign for its Contactless product, through an aggressive discount and benefits policy which allowed it to become the first choice bank and a greater portfolio activation.

To encourage payment with credit and debit cards and automatic means by senior citizens the "1 2 3 Chances Supervielle" campaign was launched: customers who use these payment means have the chance to participate in monthly lots.

As regards the institutional strategy, a new brand manual (visual and audio) was prepared for the Bank's high net worth segment, Identité, which included the design of a new logo and a new concept "Supervielle Identité, Exclusivo para vos".

Work was also done on a new visual and audio identity for the online sales portal Tienda Supervielle in line with the aesthetics of Club Supervielle, a loyalty program of Banco Supervielle, and Show Supervielle, the Bank's showbiz platform.

### **Awards and Rewards**

Banco Supervielle ranked 5<sup>th</sup> in Social Engagement in the Argentine Banking and Finance category.

For the third time Banco Supervielle was chosen by the Asociación de Ejecutivos de Mendoza (AEM) as the best Company of Mendoza's Financial Sector. This Association gathers the major Businessmen in the province and its annual award ceremony is one of the most relevant events of the year attended by professional businessmen, press representatives and provincial authorities (governor, ministers, etc.) of the city of Mendoza.

## B.3. Evolution of Operations

### ***B. 3.1 Banco Supervielle***

#### **Business Segments**

##### Personal and Business Banking

Banco Supervielle's Personal and Business Banking area offers a wide array of financial products and services designed to meet the needs of individuals and entrepreneurs and small businesses:

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.

To promote digital transformation, focus was placed on development and strengthening of autonomous management channels, with special emphasis on digital contact channels. Face to face automatic platforms continued expanding, supported by biometric assistance, marking the beginning of a radical change in the daily operations of customers. Digital platforms were strongly boosted thanks to developments focused on increasing their capabilities, both in assistance and in credit supply and product marketing, seeking a greater agility in operations and an improvement in the customer's perception in respect of the Bank.

With a view to accelerating digital transformation, during 2019 implementation began of the Agile methodology as a work tool in the organization, which generated significant benefits in the business development, leading to better results. Interaction and communication gave members a comprehensive view of the needs and restrictions so as to establish clear targets, design the best actions and favor the speed of implementation of required changes.

The service model continued changing, striking a balance between maximum contact efficiency (through autonomous management channels and personalized services) and service levels required by each customer profile and each strategic segment of Banco Supervielle.

Based on the assessment of their distinctive features, their needs and specific requirements, the bank's customers are grouped in four strategic segments. The SMEs segment, made up of natural persons engaged in commercial activities, small one-person ventures and small and medium sized companies with a billing lower than \$700 million per year. The Identité segment which gathers natural personas belonging to ABC1 segments. The Personal segment, which includes individual customers with no commercial activities (not included in the Identité segment) and the Senior Citizens segment, which includes senior citizens who are paid their pension benefits through the bank.

#### *Personal Segment*

Agile teams developed projects focused on the generation of open market and salary payment plan customers. In addition, work was done on the readjustment of processes for customers of the segment to have a better experience in their relationship with the Bank and more focused on the agility of digital operations.

Moreover, campaigns were launched to encourage digitalization, and value propositions and benefits were communicated digitally to customers for the development of self-management channels, through the placement of products transactions and other customer transactions.

With regard to lead generation objectives, in 2019 a new proposal was implemented oriented to encourage new customers to use their products and thus gain access to bonuses in their product package. In addition, a new product was launched, "Cuenta Agile" which expands the value proposition to customers with no access to credit.

Aimed at developing its customer portfolio and at becoming the first choice bank, work was done with the Indentité segment to identify high net worth customers and offer them the value proposition and service model of such segment.

In 2019, changes were also made in incentives of the service branch network, giving more relevance to funding goals.

Furthermore, during the year credit policies were updated to maintain a strong control of the segment's delinquency rate.

#### *Identité Segment*

In 2019, this segment of Banco Supervielle established three strategic pillars for business development: funding, customer base growth and profitability. In line with these concepts, focus was placed on investments, developing the “funding rate”, which is used as a cross selling scheme in the main commercial channel.

In addition, other lead generation methods were developed, launching the program “Referidos Empleados”, which allowed the Bank to massively incorporate new customers.

As part of the profitability strategy, tools were used to increase the first-choice bank concept in new customers, so that they are offered benefits and bonuses taking into account the use they make of bank products, such as transactional accounts or fixed term deposits.

As regards the service model of the segment, focus was on digitalization, increasing its penetration by 3% and exceeding 75% of the high net worth customer base. In addition, work was done on automatization within the first 60 days with a view to leading customers to use digital channels and achieve an early activation of their products.

The Bank continued focusing on improving the service quality at services branches reaching a 61% NPS, which represents an year-on-year increase of 5%.

### *SMEs Segment*

The Bank worked on lead generation and on the development of contact and generation networks through agreements with SME associations and through presence in specific events related to economy, finance, investment and franchise, with the focus on specific subsegments, such as Franchises, Transportation and Health.

As regards the commercial management model, work continued on synergy with Product (Plan Sueldo, Comex, Cash Management and Leasing) specialists in order to generate more comprehensive and profitable commercial relationships, seeking to become the first-choice bank for its customers’ daily operations.

Development of the differentiated service model continued at services branches to include over 80% of the branches and over 90% of the segment’s customers. The Bank relied on specific executive profiles for assistance of its customers, offering specialized services to larger SMEs and streamlined services to smaller SMEs. This contributes to accompanying the growth of the customer base by maintaining the service level.

Banco Supervielle continues focusing on providing a close, efficient service with deep financial expertise on SMEs, offering a more personalized business advisor to ensure that each customer is adequately served to boost their business.

NPS follow up and measurement continued, and with the Entrepreneurs and SMEs segment the NPS hit 32%. In 2019 NPS measurement was implemented in the SMEs segment of Corporate Banking, which averaged a 27% ratio.

### *Specific subsegments*

The proposals launched between 2017 (Franchise and Transportation) and 2018 (Health) consolidated in 2019 as Franchises, Transportation and Health subsegments. The number of customers increased by 49.9% in Franchises, 38.2% in Transportation and 28.8% in Health, as compared to December 2018.

During 2020, Supervielle will continue launching to the market special proposals for different sectors/industries which gather over 50% of the SMEs in the country.

Franchises: In order to expand the universe of qualified customers, and not only assist prequalified brands, as from April MGSs started to be used so as to assist customers who already entered into a franchise agreement but do not have a credit track record (start-up) prior to the execution of said franchise agreement.

Banco Supervielle finances up to 40% of the initial investment (cap of \$800 thousand for startups), preferential rates and a grace period of 5 months which are only part of a differential

value proposition. Through the agreement with MGSs, maximum financing caps may be increased according to each brand's performance.

Transportation: Despite the economic situation and the increase in interest rates, the pace of origination of new customers was 36%, which implies a growth above the average in the SMEs segment in 2019.

Health: In November 2018, the value proposition intended to health care and diagnostic centers, external doctor's offices, pharmaceutical companies and wholesalers. In order to offer a tailored proposal, focus groups were held with sector companies and customers, featured by promptness in credit granting and agreements with vendors. As regards access to credit, for amounts lower than \$10 million, response is within 24 hours and within 72 hours for higher amounts. The subsegment consolidated in 2019 achieving an origination pace exceeding that of the sector prior to the creation of the value proposition.

### *Senior Citizens Segment*

Banco Supervielle monthly pays over 950 thousand ANSES payments, including pensions and social plans, and thus is the private bank with the largest presence in this segment.

In 2019 the Bank continued offering products and services in line with the needs of senior citizens while further developing improvements in the value proposition and service model.

Based on the customers' life cycle and their characteristics, redesign was promoted of the commercial management model with focus on the penetration in high net worth customers and the implementation of specific policies to obtain the greatest risk/benefit ratio in low income segments.

The service model continued moving forward through *Caja Rápida* (cash dispenser with biometric identification), reaching a 100% coverage of the network and focusing on communication of this system to and adoption by senior citizens, with clear benefits in terms of waiting times and agility.

In line with the efforts to improve the service level, a new queue management system was implemented. This system allows a better experience, management and control of transactions and of the customer segment, informing customers which is the most favorable operation channel.

The innovation milestone for the segment was the launching of "*Supervielle Jubilados*", an app offering our customers a new proof of life method, adapted to new technologies. The platform includes facial recognition which identifies the customer and certifies that they are alive through a photograph. Only two months have passed from its launching and 40,000 senior customers have downloaded the app, which shows that it has been widely accepted. The idea is to make it easier for senior citizens who are Bank customers to provide their proof of life on a monthly basis, without the need to go to the bank and to do so any time anywhere. This is an advantage too for those customers' attorney or relatives as they may download such app in their cell phones.

### Digital Banking - Business

In 2019, the Digital Banking Business sector continued focusing on improving existing capabilities and developing and incorporating new capabilities within the new digital asset, Online Banking Business, and also within the Mobile Banking - Business module.

The creation of a new cheque app which is simple and quick and is intended to radically improve the digital experience and to align the UX to the remaining digital assets of the organization is worthy of mention. In addition, the new technology used for its creation enables scalability and improves efficiency by creating new capabilities.

During 2019, these milestones allowed the NPS of digital channels of companies to go from 12.9 to 29.2, a significant 16.3 point growth.

All Business digital assets incorporated health and measurement tools which allow the online transaction monitoring and the verification of the adequate functioning of tools in real time.

## Digital Banking - Personal

The Digital Banking – Personal sector continued working strongly on digital adoption focused on: the evolution of platforms in terms of utility, particularly in the generation and improvement of capabilities both in the Online Banking platform and in Supervielle Mobile; and in the access of customers to digital operations, promoting specific actions and implementing highly attractive campaigns.

During the year, digital banking continued strengthening the customers' perception, such as the use of biometrics which favored the customers experience and improved of NPS indicators.

### E-channels

In 2019 the self-management model continued being enhanced with deployment and strengthening of the *Caja Rápida* channel (cash dispenser with biometric identification), with at least two terminals per branch dedicated to payment of pensions. Likewise, improvements were made to increasing usability, adoption and speed in customers' operations.

In line with the efforts to improve our service level, a new queue management system was implemented which covers over 80% of branches serving senior citizens. In particular, this new queue management system allows for a better management, control and study of transactions and customer segment, indicating the most favorable transaction channel according to the transaction requested and streamlining daily transactions.

During 2019 an electronic audit was implemented in Automatic Teller Machines, Self-Service Terminals and *Caja Rápida*, considerably reducing the use of paper and improving availability.

To reduce congestions, deposit hours in ATMs and Self-Service Terminals were extended to 7x24.

The Bank made available a mobile unit equipped with e-channels equipment to cover events at certain strategic spots, achieving greater institutional coverage and presence.

### Contact Center

The Contact Center manages queries and complaints by and sales to customers by phone, e-mail and social media.

During 2019, calls received at the Contact Center through the different customer service lines averaged 268,000 per month, 76% of which were solved on an automated basis. Over 7,000 emails were answered per month.

Work continued on the improvement of the Automatic Banking sector so as to make customer online time and experience more agile, to improve answer quality and to increase sales.

Focused on efficiency of operations, strengthening and development continued of autonomous channel for the comprehensive management of the customers' investment transactions.

The Investment Center that operates since September 2017 within the Telephone Banking department is formed by a Team of Experts on Capital Markets who provide advice on and manage the transactions of customers in all Bank segments. In line with the Bank's strategy, the area favors the unification of management platforms, achieving agility, a larger number of products and better investment alternatives, securing a greater penetration in terms of managed funds and an increase in high net worth customer generation.

In terms of fixed term deposits, mutual funds and purchase and sale of Corporate Notes, the percentage of transactions increased with the support of communicational actions and the establishment of specific benefits. In addition, Capital Market transactions were included in the sector, which offers an attractive proposal to investors seeking to diversify their investments.

### Corporate Banking

Corporate Banking department of Banco Supervielle is formed by three commercial areas:

1) AMBA Corporate Banking which deals with companies operating in the city of Buenos Aires, Greater Buenos Aires, Rosario and Mar del Plata.

2) Interior Corporate Banking which deals with the commercial relations in the Provinces of Mendoza, Córdoba, Tucumán, San Juan and Neuquén.

3) Mutual Guarantee Societies “MGS” Division which operates at the Headquarters in the City of Buenos Aires.

Corporate Banking operates with companies with an annual billing exceeding \$700 million. At the close of 2019, it had a portfolio of approximately 1900 customers, managed by account and marketing officers.

The customer service model is based on regionalization. Services to large companies in the city of Buenos Aires and its vicinities are provided through regional branches located in the most densely populated industrial and commercial areas. Communication, assistance, negotiation and operational teams are centralized in banking nodes.

In 2019, the synergy strengthened among the teams of the different areas, focusing on improvement of existing processes and the acquisition of new technologies intended to significantly improve customer service quality.

The main guidelines on which the management focused were:

- Development of comprehensive proposals seeking to become the first-choice bank in terms of reciprocity and cross-selling
- Protection of business profitability improving effectiveness, productivity and efficiency of commercial and operational areas
- Generation of work sessions with other areas seeking to improve existing processes, increasing synergies and strengthening results.

#### Wine Sector

Banco Supervielle’s Wine Division continues consolidating its position as a benchmark in the wine industry, remaining the only Argentine bank among the top 20 to have an expert team to deal with the sector.

The wine division provides services to grape producers, vineyards and suppliers of raw materials and related capital assets. One of the main objectives is to take part in the different parts of the Value Chain. To such end, specific products were developed such as the Harvest and Carriage Loan, the Wine Visa Distribution Card, Value Chain financing and industry-specific capital assets such as oak barrels or stainless-steel tanks.

Publication continued of quarterly reports on the sector’s situation prepared by Javier Merino for the Bank. Such reports may be publicly accessed through the Bank’s web page and are submitted on a yearly basis at an event gathering the main vineyards and related companies.

The Bank usually invites sector referents to talks with economists who refer to the macroeconomic situation of the country and the world. By late November, the Bank participated in the annual event held by the Cámara de Bodegueros de San Juan [Vineyard Chamber of San Juan], as part of the celebrations for the 85<sup>th</sup> anniversary of the Chamber.

During 2019, greater support was provided to the Vineyard Tour incorporating new customers, which expanded the wine tourism options.

Development began of a vineyard Market Place together with the Tienda Supervielle team which will allow customer vineyards to have a new sales channel.

#### Mutual Guarantee Societies (MGS)

The Mutual Guarantee Societies system is made up of 47 entities. The Bank’s MGS Division operated with 72% of such societies maintaining the sector leadership, being recognized as the “MGS’s Bank” by the Cámara Argentina de Sociedades y Fondos de Garantías [Argentine Chamber of Guarantee Societies and Funds] (Casfog), by other banks and by the Control Authority (Ministry of Production/Sepyme).

Banco Supervielle also remained a leader in terms of development and innovation for being the first private Bank to offer a Business Credit Card with guaranteed purchase limit backed by a MGS and for operating with Cheque Discounts in the Securities Market directly and through Invertir Online, a subsidiary of Grupo Supervielle.

Also during 2019, by decision of the Ministry of Production, the Bank renewed the agreement entered into for receipt of guarantees issued by the Fondo de Garantía Argentina, being the first private bank in the country to develop these operations basically oriented to loans for SMEs.

Together with some MGSs, financing facilities were developed for SMEs, members of the value chain, entrepreneurs and franchises.

#### Oil & Gas Project

The Bank considers that the oil sector has a high growth potential. Therefore, in 2018, the Bank created a specific Oil & Gas division, with a specialized team. Subsequently, in April 2018, a new branch was opened in the city of Neuquén in addition to the existing customer service model. This allows for a close contact with the value chain of large operators and an improved competitiveness through the incorporation of new wage payment plans of individuals with high purchasing power residing in the area.

During 2019 the Bank's Oil & Gas Division organized strategic events with sector companies seeking to position the brand.

In addition, several financing agreements were entered into with Operators' suppliers, such as YPF, whereby the Bank could develop a commercial relationship with SMEs that are suppliers of the oil industry.

However, 2019 was been a complex year for the sector due to macroeconomic conditions: it was hard for sector companies to access markets to obtain financing for their projects in an industry highly dependent on intensive capital investments. In addition, freezing of fuel prices was established by mid-August.

As long as the sector activity goes back to normal, the Bank expects to strengthen the actions on value chains of large operators, taking advantage of the experience gained with the new customers obtained due to the focus placed during the year.

#### Products and Communication

The of Products and Communication department is formed by five teams focused on products s plus the Marketing and Communication team.

All of them are based in the City of Buenos Aires and provide cross-functional services to all of the Bank's commercial channels and make available their products to all customers, be they human or legal persons.

Teams focused on products s include: the Assets, Liabilities and Insurance, International Commerce (Comex), Leasing and Transactional Banking teams.

The Assets team offers personal, corporate, secured and unsecured loans, overdrafts, factoring and/or guarantees issued, among other products, at fixed, variable or UVA adjusted rate.

The Liabilities and Insurance area is responsible for products such as Fixed time deposits, accounts, safe deposit boxes and insurances and other marketed in the commercial network.

The Comex area not only manages customer financing through export prefinancing, import financing and international collections and payments which include CDI, CDE, international factoring, collections and transfers, but is also responsible, together with the Finance area, for the negotiation of commercial and financial facilities with correspondent banks.

The Leasing area structures and markets Leasing, Sale & Lease Back products, pledge loans to companies denominated in US dollars, pesos and at fixed or variable rate, on property in general, mainly oriented to transportation (trucks, cars, etc.) as well as industrial equipment and hardware in general.

Transactional banking deals with collection and payment services to human and legal persons, cash management, e-cheques, among other.

The Comex, Leasing and Transactional Banking areas have highly skilled officers providing advice and generating new businesses with Finance, Corporate Banking and Personal and Business customers.

In addition, the Transactional Banking area comprises the *Plan Sueldo* team and its sales force, as well as the Means of Payment team, mainly through the Debit and Credit Card products oriented to individuals or companies.

#### *Loans*

The Bank decided to provide dynamic personal loans supported by efficient processes and an agile management which have allowed improvements in the delivery times of credit ratings to enhance the tools and sales channels and expand placement, in addition to the launching of new financing facilities and the developments carried out to increase supply through digital platforms, which led to a better user experience and a more assertive segmentation of our customers, resulting in a 4.2% growth in our total market share.

As regards commercial loans special facilities were developed to suit the needs of the different corporate segments together with sales in digital and face-to-face channels, enhancing the placement of factoring transactions, overdrafts and loan agreements.

During 2019 a communicational and management strategy was designed to align the Bank with the highest standards in order to obtain a greater market share in the different regions where it does business, which resulted in the Bank's participation in different credit and financing programs as well as in supply of subsidized credit facilities for development and investment. To such end, the Bank participated in development programs and entered into agreements with financial institutions intended to foster production activities.

With a view to generating a better customer experience, the Bank fully reviewed the management process of credit products. As a result, it launched an agile cell focused on factoring, to analyze current processes, detect points of improvement in internal and external processes and obtain significant benefits both for the Bank and for the customers.

As regards customers, a more fluid communication was achieved with the real time viewing of the proceeding status, agility in credit product management and a significant reduction in times from the first contact to loan disbursement.

What has been done so far had a positive impact on the performance of financial loans during the year but could not avoid the effect of the fall in the demand of loans derived from recession and the high real interest rates.

#### *Means of Payment*

During 2019, work continued on the transition from magnetic band debit cards to chip technology, started in 2018, ensuring a better operation and the reduction of skimming fraud. The Bank thus managed to improve its position in the industry regarding the implementation of this technology in debit cards.

In connection with the digital transformation proposal, focus was maintained on the use of contactless technology for all debit cards of the Personal and Identité segments and in the credit cards for Mastercard International and Gold products and for all Visa products, such as International and Signature. The main goal is to offer an innovative product to make payments in a quick, comfortable and safe way, enhancing customer experience. In addition, migration continued from physical to digital credit card account statements, through email delivery. In the same line, Telephone Banking was created as a new channel for password resetting, in addition to Online Banking and Supervielle Mobile.

During April, October and November different cocktails were organized, with drinks and live bands, by Mastercard and Supervielle Identité with the intent to generate experiences oriented to improve the relationship with customers in a warm and relaxed environment seeking the integration of all guests and Bank executives. Highly positive results were achieved in terms of satisfaction and recommendation.

During 2019, the company acquired First Data, and therefore the value proposition to merchants was enhanced with the inclusion of:

- New Brands: Diners/Naranja
- POS Terminals: 12 month bonus for Wireless Posnet



On the other hand, immediate transfers from CBU to CVU were implemented. This new service, which was included in the immediate transfers module, is implemented through CREDIN transactions.

In 2019, a smart platform was implemented, through a multi-collection project, for collection of fees intended to improve the collection percentage of product packages in all of the Bank's segments.

#### *Leasing*

The Leasing team continues offering this financial tool to Customers and Leads of all commercial banking areas of Banco Supervielle, through the Branch Network and through agreements with of machinery, equipment and truck manufacturers and dealers, in a variety of industries and segments.

During 2019, the increase in interest rates and the lower demand of capital goods affected significantly the placement volume. The focus was on Customer Experience, opening communication channels in Online Banking which offered more information.

The CRM tool was adopted as channel for commercial management and post-sale service, favoring a comprehensive customer view and measurement of response times. Other improvements implemented in the Leasing Operating System enabled the automatization of tasks related to management of goods, payment of fines, together with the associated collection process. Will continue working on that tool, aligning actions to the transformation process driven by Banco Supervielle, with the aim of maintaining the leadership of this product in the Market.

#### *Foreign Trade*

During the first 3 quarters of the year simplification of exchange transactions related to foreign trade continued, following the trend of the last two years. However, due to the market uncertainty following the PASO elections, the Executive passed Decree 609/2019 authorizing the BCRA to issue new provisional and urgent exchange provisions to further regulate the exchange scheme and thus strengthen the normal operation of economy, contribute to a prudent administration of the exchange market, reduce volatility of financial variables and soften the impact of financial flow fluctuation on the real economy.

The set of exchange regulations then issued by the BCRA restored documentary control and verification of terms for import payments and export collections, limited the purchase of foreign exchange for natural and legal persons as well as exchange transactions among related companies.

In March, the Bank was once again invited by BICE Trusts to participate with a US\$12 MM facility in the Argentina Exporta program, a project designed by the Ministry of Production and Labor together with FONDEAR, which allowed for the reduction of interest rates in the granting of export prefinancing facilities to MiPymes customers for up to US\$200 thousand per customer, at a maximum annual nominal rate of 4.5% and for a maximum term of 180 days.

As regards foreign exchange settlements and transaction processing, the Bank grew by 10.4% in terms of number of processed transactions and 27% in terms of settled volumes.

By mid-August the digital offer to legal persons for purchase and sale of US dollars through the Bank's digital platform was completed.

In addition, and in line with the objective to improve the customer comprehensive experience, Banco Supervielle was GPI certified. GPI (Global Payment Innovation) is an initiative developed by SWIFT which is an absolute innovation in the international collections and payments system at global level. Thus, the Bank become the first Argentine bank to be APIS certified and the fourth in the market to implement GPI. Payments are now forwarded immediately within the business banking hours of the receiving entity. On the other hand, thanks to its new system, users may track their transactions until they are received by the final beneficiary.

In connection with International Factoring, Banco Supervielle remains the only bank in the Argentine financial system to operate in such market, through FCI (formerly Factor Chain International).

#### *Plan Sueldo*

During 2019 the Bank implemented a deep reconversion of product operation, aimed at attaining high efficiency standards both in onboarding and in the customer cross selling and subsequent profitability.

In line with digital transformation, new agile services were developed to support the admission processes of new agreements. Thus, agreement admissions were generated, with mass generation of Online Banking - Business accounts and packages and new bonus rules engines, which were a significant incentive for customer early profitability.

In such regard, a specific application was developed for mass Onboarding reaching a milestone in online payroll processing.

In addition to the actions based on the adopted digital path, new and better generation proposals were developed for target companies. With the use of opportunity heat maps, a greater efficiency was obtained in contact with companies, incorporating new tools for generation of quality agreements and lead generation and customer retention campaigns were launched.

All the actions taken resulted in a greater efficiency in contact customer and lead generation and in a greater efficiency in customer relations and credit offer.

#### *Cash Management*

During 2019, the Bank focused on the strengthening of supply, especially on strategic products, Collections, Direct Payment, Payments to Suppliers, Remote Cheque Scanners and e-cheq. The primary objective was to provide agile and simple solutions to customer treasury management, seeking to generate high value positive experiences. To such end, the Bank focused on the increase of collection and payment capabilities and on the training and communication to increase the service level in internal operations.

The new launchings include the development of the ECHEQ, the Bank being one of the first in the market to offer the chance to issue, endorse and act as custodian of Electronic Cheques, through its portals both for corporate and individual customers. The account for collection of Deferred Payment Cheques was also developed, intended to increase the set of transactions available for customers' collections. These actions improved the performance of Cash Management products, increasing their profitability.

The Bank was invited to the BCRA's innovation meeting to introduce ECHEQ and then training breakfasts were held in the City of Buenos Aires and Mendoza to encourage adoption by prospective users.

On the other hand, the specific area started to work jointly under the "agile" scheme with the Collections and Commercial Strengthening Cells. In this regard, strategic Collections and Payments priorities were defined, and different commercial campaign schemes were further designed for Direct Debit and Payment to Suppliers, achieving a reduction in implementation times and improving performance in sales and implementation.

#### Treasury and Finance

##### *Trading Desk and Institutional Sales*

During 2019, Banco Supervielle's trading desk continued dealing in public securities and engaging in foreign trade, in addition to negotiating derivatives.

The total share of institutional deposits remained the same as in the past period.

##### *Correspondent Banks*

During 2019, commercial relationships were maintained with foreign banks both as to financing of foreign trade transactions and to guarantees and letters of credit.

A syndicated loan was entered into in August and subsequently disbursed in September through the FMO, the Dutch Development Bank, and Proparco, a subsidiary of the French Development Agency, for US\$80 million, with a 3 year term, intended to strengthen the Bank's support to SMEs.

##### *Public Sector and Intermediate Entities*

In March 2019, the Bank participated in the public bidding to become the financial agent of the province of San Luis. Last December, the Government of the province of San Luis announced that such public bidding procedure was unsuccessful.

In June 2019, while waiting for the outcome of the bidding process, an agreement was entered into with the province to continue providing the services required by the province throughout the year. This agreement was extended until March 31, 2020.

On the other hand, the financial agency agreement with the Universidad de la Matanza was renewed until 2023.

Additionally to the services rendered in Mendoza and San Luis, the Bank worked with the public sector in the provinces of San Juan, Buenos Aires and also with National Universities (it took part in the public bidding to become the financial agent of the Universidad Nacional de Cuyo).

### Capital Market and Structuring

The main objective of the area of Capital Market and Structuring is to originate and structure financing products for the Argentine corporate capital markets. The idea is to provide financial advice services which allow both its customers and Grupo Supervielle and its subsidiaries to optimize their financial resources and capital structure in order to maximize the profitability of their operations.

The sector is mainly focused on the structuring of financial trusts and syndicated credit facilities, in the organization and placement of negotiable obligations and in Equity Capital Markets transactions and mergers and acquisitions, with a view to providing a comprehensive advice on each product, generating long term relationships with customers and investors.

In 2019, the economic scenario was volatile and featured by high inflation, high interest rates, uncertainty and an increased country risk which made it difficult for companies to issue financial instruments. However, Banco Supervielle continued in the debt market, with YPF Energía Eléctrica S.A. in the reopening of Class I negotiable obligations for US\$25 million, and YPF S.A. in the issuance of Class II, III and IV negotiable obligations for \$1683 million, \$1157 million and US\$19 million, respectively, and Banco Supervielle S.A. in the issuance of Class F negotiable obligations for \$3000 million. As regards the financial trust market, Banco Supervielle acted as arranger and dealer of the trusts Unicred Cheques Series 6 and 7 and CCF Créditos Series 20, 21 and 22. Additionally, during 2019, the area provided advice to different companies on valuations and mergers and acquisitions.

### **Credits**

The Corporate Credit Management mission is to achieve an adequate credit quality of the asset portfolio in line with the Bank's risk appetite. Credit processes use scoring models in the different customer segments (Senior Citizens, Payroll Payment, Open Market) that support admission decisions and credit facilities updates based on behavior models. An admission scoring model is also used in the Entrepreneurs & SMEs segment.

For SMEs segments as well as for Medium and Large Companies, the expert analysis methodology is used through credit analyst teams specifically dedicated to each segment.

Additionally, credit information is provided on portfolio evolution, recovery levels, collection processes and credit alerts in order to continue training the organization in credit matters and provide information to the commercial areas so that they have credit management indicators and can act directly on their portfolios.

In fiscal year 2019, training in Corporate Credit matters continued both in the Credit Management area and in the commercial areas. With the support of external advisors, courses were delivered to commercial officers and analysts of corporate segments.

Training focused on two main areas: 1) Adjustment for inflation and 2) Handling of Delinquent Loans. With the application of the adjustment for inflation in the financial statements closed on December 2018, a training plan organized by credit analysts was implemented in two stages: the first stage consisted of a training session on techniques of inflation accounting, while the second stage dealt with the analysis of balance sheets and the credit implications of inflation on financial statements. On the other hand, and taking into account the worsening of the macroeconomic crisis, hard work was done on a specific training program for early detection and management of delinquent loans. Credit analysts and marketing officers actively took part and interacted in these sessions.

The Personal and Business Collection Banking area participated in the implementation of two agile cells (one focused on Emerix capabilities and the other focused on the definition of management strategies), developed a new reporting system of early NPLs management (which led to a change of strategy), implemented automatic customer contact channels for collection management (and created new contact channels such as HB and ATMs), simplified the refinancing process (adjusted to the new policy), implemented Emerix for management of collection of early NPLs (which allowed an automatic portfolio turnover) and adjusted the rating of auditing firms and agencies to standards according to their management cycle (to assess each of them according to the management cycle they belong to).

During 2019, the Individual Credit policy criteria were aligned with the macroeconomic context, adjusting the offers in segments with a greater deterioration. In addition, revolving lines were increased in segments with a lower risk, thus avoiding loss of credit capacity due to the inflationary context.

Furthermore, the Individual Credit Management continued developing a new supply engine to ensure the alignment of credit rating with the business objectives, maintaining the risk appetite at established levels and making customer admission /maintenance processes more efficient.

Renewal of behavior scorings continued, contributing to the management and rescoreing of existing MSEs customers. The different scoring versions will contribute to a prompt customer response and portfolio control.

This area also cooperated actively in the project of credit limit mass activation. Once this project is fully implemented, there will be efficiency in terms of time and quality in the credit limit activation related to mass admissions and behavior scores.

In connection with the department of Credit for Large and Medium-Sized Companies and Financial Entities, throughout 2019 hard work was done on the identification and proactive management of delinquent loans with a view to improving the bank's relative position in terms of guarantees and reduction of exposure to vulnerable economic sectors and customers. A special delinquent loan management division was created to deal with those cases requiring more active follow up and restructuring. The team is lead by the Head of Corporate Banking, who is assisted by two Senior Credit Analysts.

At the same time, portfolio reviews continued, which were established as from April 2018, when the first signs of the crisis started.

In the Credit Intelligence area Analytics and Reporting teams were designed for credit management. New tools were implemented and focus continued on training, improving information generation, rendering it more specific and timelier. Application started of machine learning techniques and of discovery methodologies workshops with a view to generating and developing better business opportunities.

The plan for 2020 is to continue preserving the quality of our credit exposures, reinforcing portfolio reviews and supporting those customers with sustainable activities and financial capacity which require some kind of debt structure reprofiling.

## **Information Technology and Operations**

During 2019 the area of Technology and Operations of Banco Supervielle continued adapting its functional scheme to its strategy, in line with the business, and enhancing the existing capacity.

The area's strategic planning was updated, with a 3-year scope, incorporating digital capacities as a way to achieve an external differentiation and consolidate Banco Supervielle's positioning in the domestic market. The guidelines of the area of Technology and Operations result from the strategic lines defined by the business. Such guidelines include the evolution of technology and systems (through evolution of their technological architecture to ensure an efficient processing model with adequately managed and contained technological risks), acceleration of the digital transformation (implementing the capacities required to build a new digital business); excellence in operational processes (putting up a technological operational model based on the best practices ensuring an efficient management of technological services and supporting the transformation of operational processes) and the search for a high performance organization (setting up a result oriented organization with clear cut roles and responsibilities and service vision).

Updating of the strategic planning was done on the basis of two pillars: execution of plans related to business strategic projects (initiatives executed in line with the Bank's strategies) and the definition and execution of strategic IT plans, that pave the way for the evolution in areas such as technological infrastructure, applications, service operation, quality and governance.

The business' strategic projects were grouped in 5 programs: Cash Management, Digital Banking, Service Model, Senior Citizens, Commercial Platform and Efficiency. Within these programs the following projects are worthy of mention: a technological solution was developed for e-checke management, implementation continued of a new queue management solution, advance was made on *Plan Sueldo* onboarding programs and on the new scoring and offer system and a new tool was implemented for campaign management.

In line with strategic IT projects, they grouped in five chapters: Applications, Quality, Technological Infrastructure, Service Operation and Security. They include the new reengineering of the entity's batch process, launching of API for cards, individuals, signatures and powers of attorney, reengineering of ESB services, improvements in credit card app, migration of all terminals to Windows 10, improvements in networking and in data architecture and implementation of a new tool for application.

### **B.3.2. Consumer Finance Segment**

The Consumer Finance business is mainly developed through Cordial Compañía Financiera. Cordial Compañía Financiera (CCF) is a financial entity whose controlling shareholder is Banco Supervielle, specialized in consumer finance and financial services. Its business model is based on providing financing solutions to specific target groups, mainly C2 and C3, with focus on two core pillars:

- (i) Accessibility: flexible customer centric proposals adequate for the multichannel concept.
- (ii) Diversification: tailored products to meet customers' needs in every stage of their life with distinct value propositions for each cluster.

The multichannel concept allows the company to be present countrywide, and it is currently settled in 22 provinces through 116 branches of its 3 main marketing channels:

- Walmart financial services
- Tarjeta Automática
- "Tu Crédito Hipertehuelche"

During the second half of 2018 the Company was restructured to face the adverse scenario resulting from the complex macroeconomic context and its negative impact on the business. Managers have a robust experience in the financial system which allowed for a strategic business reshaping for 2019 and the quick implementation of the following measures:

- New strategic pillars were established: enhance the customer experience through digital transformation, expand the consumer product offer and increase cross selling to drive a greater efficiency and profitability.
- The application assessment process was reengineered and more adjustments were made on credit policies, with a view to limiting the loan offer to segments more exposed to macroeconomic uncertainty.
- Changes were implemented in collection strategies and teams so as to support non-performing customers, implementing statistical tools to set priorities in collection management, through data enrichment processes and improvement of allocation and control tools of collection agencies. These changes led to the stabilization of early NPL indicators and non-performing portfolio.
- The funding structure was modified achieving a cost reduction and implementing hedging instruments in case of rate variations.
- Product cross selling increased.
- The structure was tailored to the new situation and expenses were cut.
- Focus was placed on the portfolio quality, reducing exposure.

While the placement of financial products decelerated during 2019 as a result of the macroeconomic context, the following products continued to be marketed:

1. Open Credit Card: it is a financial tool that may be used for purchases in the stores of merchants accepting Mastercard and for cash advances, within the limits determined by the entity, which may be obtained in the Promotion Booths located in Walmart Argentina S.R.L., Hipertehuelche and Tarjeta Automática stores.
2. Personal Loans: fixed rate cash loans using the French amortization system.
3. Consumer Loans: Credit lines for the purchase of certain products; the transaction is completed upon delivery of the purchased products.
4. Car Loans: In order to be positioned as the company with the largest financing products offer, CCF reached an agreement with MILA (a subsidiary of Grupo Supervielle specialized in the marketing of car loans) to offer car loans through car dealers using MILA channels. Thus, Cordial contributes to Grupo Supervielle's strategy to become a player in the car financing market. As this new product is backed by a security interest, the ratio of non-performing loans is reduced.
5. Insurance: a wide array of Personal Accidents, Protected Bag, Unemployment, Total Protection and Pets insurance policies.
6. New products under development: borrowing products: CVU, Remunerated account, Fixed Term Deposits, among other.

#### *Channels and Regions*

The strategy for 2020 mainly focuses on the following three channels. On the other hand, a brief description is made of the 2019 positioning, its situation and competitive advantages to develop the 2020 plan.

#### *Walmart Financial Services*

In December 2014 CCF renewed the agreement as exclusive provider of Walmart financial services, until August 2020. Due to the deterioration of the purchasing power of the consumer segment in 2019, CCF focused on improving and adapting the credit card's value proposition to the new scheme.

At present the Walmart channel concentrates much of the monthly placement of financial products. The strategy in this business is to provide financial products for personal consumption tied to the Walmart brand, with the co-branded Mastercard Walmart card being the main payment instrument.

In order to strengthen its presence and maximize customer satisfaction and leads, CCF has financial services booths in all formats (large and medium-sized) in 79 points of sales and customer service points.

The commercial strategy is focused on providing a broad product portfolio to meet the needs of customers and leads both inside and outside the chain.

#### *Tarjeta Automática*

In December 2012 CCF began to market loans and cards under \$YA and Carta Automática brands through Tarjeta Automática branch channel of Grupo Supervielle, which supplements the consumer division network.

Tarjeta Automática consists of a network of branches created in 1996 with a strong positioning in the Patagonia region. At present it has 20 own branches in 9 provinces. CCF's commercial strategy in this channel is to offer a wide array of financial services and insurance.

The channel's objective is to reach the leadership in the Patagonia region through a differential proposal: services similar to those of a bank but with an approach similar to that of a regional financial entity. To meet the demand of our customers the network focuses on the marketing of loans as the gateway.

CCF is the leader in the consumer loan segment in the Carta Automática markets, with high satisfaction and brand awareness levels among its customers (source: 2018 Quantitative Survey).

### *“Tu Crédito Hipertehuelche”*

In 2017 CCF renewed for another three years the exclusivity agreement with Hipertehuelche. During 2020 special promotions with the card were discontinued due to the still budding “transformation” of the business model into retail.

Currently the retailer has 15 branches in the main cities in the southern region of Argentina. There is a financial services stand in each branch where CCF’s products are marketed.

### *Digital Channels*

The Digital Strategy area was created in 2018, reporting to the CEO, and is in charge of the development of digital channels. The digital strategy area is made up of the following areas: KYC (in charge of origination), Digital Engagement (in charge of the commercial and operative management of digital channels), Data Analytics (formerly Commercial Intelligence) and Digital Channels.

These teams will be in charge of startup of the new origination infrastructure which includes the decision engine, the process manager and API, with focus on the digital channel.

During 2019 this new strategic area focused on developing the 100% digital business of the different company’s business units. Public apps and webs were developed and digital channels were reengineered. Besides, product and service self-management projects were developed and implemented within digital channels, as well as enrollment to automatic debit and e-Statement and payment of products in real time. MasterCard network capabilities were implemented, enabling a new one called App consumptions in 12 categories that show credit card purchases corresponding to the last 90 days (PFM).

A proprietary Chatbot was created that serves 20,000 customers through the app every month, and helps solve the queries of 7 out of 10 customers.

The information governance model was created with all central areas and the customer MDM solution was implemented, data was loaded to the model, which is currently being used for all loan and card campaigns. Additionally all ETLs were developed for data retrieval, transformation and loading from transactional systems to the MDM model. In 2020 said data repository will be servicing (through API REST) the Customer Origination platform and Digital Channels in real time.

The digital marketing area was co-created together with the marketing area team, and an advertisement strategy was defined in Facebook/Instagram, Google and YouTube. Marketing processes related to communication with customers (web, push, mail, sms) were automated, as well as event detection (touchpoints) in the physical and digital channels. A customer contact policy was developed and implemented.

During 2020 the team will be working on the automated opening/origination for all digital channel products (credit card activation, personal loans, insurance, accounts), and the following procedures will be automated: increase of credit limit, cancellation of products, request of debt clearance certificate, filing of chargebacks. Payment through QR code will be implemented.

### *Marketing and Communications*

During 2019 the Marketing and Communications area worked on the creation of a new digital brand centered on an optimal and personalized customer experience through simple and agile processes. The goal is to provide a comprehensive and complete experience of financial products, insurance and payments and offer a higher, simple, dynamic digital experience suited to the customers’ needs. Target segments served by CCF were expanded, and the new brand will reach a wider cross section customer segment due to product diversity. The Marketing area has four strategic pillars on which our brand is working: Digital Multiplatform Marketing (including advertising, social media management and corporate digital image), Content Marketing, eMail Marketing and Relationship Marketing centered in the Customer Journey and continued improvement of customer experience in the different phases of life cycles.

### *Credit and Collection*

Since late 2018 changes were implemented to the origination and cross selling policies intended to improve credit portfolio and guarantee loan repayment capacity in all segments, particularly

those more exposed to the macroeconomic uncertainty. In addition, the internal behavior Scoring model used in cross selling activities was improved and updated, and an improved model is being developed for the evaluation of leads and customers without the required length of bank-customer relationship.

Income prediction models provided by credit bureaus were added to the existing processes, thus improving the repayment capacity assessment and limiting customer indebtedness.

Finally, and taking into account the increase of the nonperforming portfolio ratio during 2018, a thorough review was conducted and changes were implemented in strategies and collection teams so as to offer adequate assistance to nonperforming customers. Statistical tools were added to set collection management priorities, introducing data enrichment processes and improving allocation and control tools of collection agencies.

As a result of all those changes and adjustments in credit and collection processes, indicators of early NPL and non performing portfolios stabilized during the second half of the year.

### *Information Technology*

During 2019, the Information Technology area, aligned with the corporate general strategy, worked on the exploration and implementation of new technologies to offer a competitive, innovative and flexible value proposition, and started transitioning to digital transformation, through the implementation of new platforms, apps and processes.

The creation of the Digital Strategy area, focused on onboarding and customer experience, was key for the consumer segment. Thus, the “Mobile” app continued evolving, offering new capabilities that enhance experience, enabling new services and customer service models (100% digital).

### **Consumer Finance Segment: *Espacio Cordial de Servicios***

As a result of the restructuring of August 2018, Cordial Servicios became part of the consumer finance sector of Grupo Supervielle.

Cordial Servicios was established in October 2012 and started doing business in December of such year. Its object is the sale of any type of goods and services related to insurance, tourism, health care plans and/or services and other goods and services provided for in its corporate by-laws.

During 2019 Cordial continued operating in the direct and indirect channels already developed. The direct channel continued developing through sales points located at services Branches of Banco Supervielle throughout the country, trading mainly home appliances, health care and security, prepaid services and tourism. It was also present in the Carta Automática branch of La Plata, where the first prototype of integrated branch and home appliances outlet was launched, increasing the traffic in the branch and a larger product turnover. The home appliances category strategy during 2019 continued looking for stocks optimization and product mix under the motto: “*Primer precio, Primera marca*” [Best price for a leading brand]. The Services and Assistance category developed a new channel in partnership with Walmart, obtaining 100 additional sales points.

As regards indirect channels, the telephone channel continued to be used for the sale of prepaid health care services.

The digital channel, through Tienda Supervielle Marketplace, was used to sell home appliances, technology, home and furniture, sports, wellness and beauty, toys, perfumes, tires and accessories. As regards the tourism category, Tienda Supervielle continued growing as a sales channel, with the introduction of technological changes, new Look & Feel and the integration to the Rewards program of Banco Supervielle, as the main vertical portal for flights and hotels. In March 2019 the corporate trip management platform was launched for Grupo Supervielle companies. New group packages were developed, fully managed by the area, offering domestic destinations under the Rewards Groups program for employees of the group’s companies.

The services and assistance category continued developing the digital channel with the sale of health care plans through a strong online strategy in the social media and developing digital self-



management products for the companies of the consumer division and the launching of new digital products such as “*Doctor en línea*” [Online doctor].

In June 2019, the company purchased Deautos.com, a new and second-hand vehicle purchase and sale platform, one of the leading sites in its category with over 10 years in the market. The aim was to creating a digital ecosystem, integrating and simplifying the offer of services and increasing the synergy with other Grupo Supervielle companies to deliver a higher customer experience through the best market offers.

During 2019 41,500 home appliances were sold, which accounted for an income of over \$186 million, and 137,000 service plans, which accounted for an income of over \$501 million.

### ***Microlending S.A.U (Mila)***

Microlending S.A.U (Mila) is a Company engaged in the origination of motor vehicle pledge loans and was acquired by Grupo Supervielle on May 2, 2018.

In 2019 the Company originated pledge loans for a total of \$ 605 million from 3,316 transactions. That represented an 8% year-on-year decrease in terms of capital and 52% in terms of number of transactions.

The abovementioned performance occurred in an economic environment featured by a strong reduction in the sale of cars, both new and second hand. In 2019 a total of 440,452 new cars (76,990 of which were financed through pledge loans) and 1,592,965 second hand cars (61,603 of which were financed through pledge loans) were sold in Argentina. As compared to 2018, the sale of new cars fell by 43% while the sale of second-hand cars remained stable. The financing of new cars fell by 54% while the financing of second-hand cars fell by 38%.

Throughout the year MILA operated with six insurance companies, offering a wide array of products, and generated an income that represents about 20% of the total income of the Company.

The goal for 2020 is to increase the placement of transactions, through three strategic pillars: greater commercial efficiency and greater capillarity of the commercial network, launching of new financial products and the use of the group’s synergies, as is the case of deautos.com, that will include the channel to the car dealer relationship strategy offering them a digital channel for listing their vehicles free of charge.

Besides, collection of loans will continue to be a key element to maintain the stability of delinquency rates and out-of-court and court recovery.

### ***B.3.3. Insurance Segment***

#### **Supervielle Seguros**

In 2019 Supervielle Seguros started marketing new products focused on the marketing of the special multiple peril insurance to the Entrepreneurs and SMEs segment.

The insurer is continuously offering new products to the different customer segments of Grupo Supervielle companies: high net worth individuals (Identité), senior citizens, Entrepreneurs and SMEs, customers of the Consumer Finance and Medium and Large companies and Entities segments. Additionally, different marketing channels are being developed to reach more customers.

Supervielle Seguros S.A. focuses on the marketing of insurance policies, such as Personal Accidents, Protected Bag, Life, Home, Protected Content, Total Protection, Broken Bones, Pets, Multi-Peril and Protected Technology through the networks of Banco Supervielle S.A. and Cordial Compañía Financiera S.A, as well as on Credit Related and other insurance intended to meet the needs of our different channels and customers.

During 2019, the company started a Digital Transformation process, which includes a customer focused end-to-end digital processes involving all the organization. In addition, the digital innovation permits the exploration of new businesses, processes and technologies to establish the vision of an insurer of the future, focused on efficiency and customer experience. The

transformation comprises the use of new work methodologies, new technologies and a solid cultural change within the organization.

The organizational structure is focused on critical strategic and control duties, the remaining processes being handled by the core areas of Grupo Supervielle S.A. and independent experts through the implementation of services agreements. The company is making the required investment in technology and infrastructure with a view to optimizing its processing capacity and customer response.

The challenge for 2020 is to continue consolidating the current insurance business and to make the necessary developments for the issuance of Health and Unemployment Insurance policies, among other, focusing on the Entrepreneur and SMEs, medium and large companies, senior citizens and Consumer Finance segments. Additionally, work will be done to develop new sales channels and to assess all those products that contribute to the provision of financial services and insurance to customers.

The continued training program is maintained, as well as employee selection and induction, both in the commercial area and in the staff areas, to strengthen the teams and be prepared to face the new challenges. Additionally, implementation will continue of the defined information technology to optimize the commercial management and internal processes.

#### **Supervielle Productores Asesores de Seguros (Supervielle Insurance Brokers)**

In 2019 Grupo Supervielle created a new company Supervielle Productores Asesores de Seguros which started operations in the second half of 2019. The 2020 goal will be to expand the offer to the group's customers with a focus on the Entrepreneurs and SMEs, SMEs and Medium and Large companies. This will improve risk management through the advice to customers, adding value to Grupo Supervielle's comprehensive proposal.

A team of insurance experts will be working in every region so as to advice customers and create synergies to detect new business opportunities.

#### ***B.3.4. Supervielle Asset Management (SAM)***

SAM offers mutual fund services designed to cover a broad range of possibilities in investment objectives and risk profiles. It manages the PREMIER family of funds.

The PREMIER family of funds consists of 14 mutual funds: a Money Market Fund (Premier Renta Corto Plazo en Pesos), three Argentina Short Term Fixed Income funds in Pesos (Premier Renta Plus, Premier Renta Fija Ahorro, Premier Capital), five Argentina Fixed Income and Mixed Income funds in Pesos (Premier Renta Fija Crecimiento, Premier Commodities, Premier Inversión, Premier Balanceado and Premier Renta Mixta), two Argentina Fixed Income funds in US dollars (Premier Renta Mixta en Dólares and Premier Performance), a Variable Income fund (Premier Renta Variable), and an Investment Fund in SME securities (Premier FCI Abierto PyMEs) and a Fixed Income Latam fund (Premier Global Dólares).

Assets managed at the end of 2019 show an increase of 23% (in average as of December), similar to the results of the industry.

The Money Market fund showed an increase of 143%, mainly due to the investments of corporate and institutional customers, representing 79% of the managed funds in December 2019, as compared to 40% in December 2018.

The Argentina Short Term Fixed Income funds in pesos (t+1) fell by 85%, and its share on the total managed funds fell to 3% in December 2019 as compared to 28% in December 2018. As from August, due to the devaluation and the rise of interest rates, the return became significantly volatile and corporate and individual customers began to redeem their funds. As from the last quarter, funds managed stabilized as a result of the low volatility of interest rates and exchange rates.

The Argentina Fixed and Mixed Income funds in US dollars recorded an 81% fall in terms of pesos. However, in terms of its currency of origin the funds recorded a 90% fall. The share on the total managed funds fell from 21% in December 2018 to 3% in December 2019. In spite of

the fact that during the last quarter the downward trend ceased, investments in this segment have not yet recovered.

In April 2019 the Premier Global in Dollars was launched to the market, with investments in Latam Fixed Income assets. These assets are not at risk at local level and represent 5% of the funds managed by SAM, as per the average balance of December.

As regards the type of portfolio customer, corporate investors grew by 42%, institutional investors grew by 13% and individual investors fell by 38% in 2019. Thus, the customer base changed as compared to the previous year, and in December 2019 corporate investors represented 57% (49% in December 2018), institutional investors represent 39% (42% in December 2018) and individual investors represent 4% (9% in December 2018).

Products are marketed through the channels of the Depositary Company, Banco Supervielle, representing 98.4% of managed assets, and External Placement Agents, which make up the remaining 1.6% of the managed assets.

The Depositary Company places funds through the face-to-face channel of its Branch network, Centro Integral de Inversiones (call center) and mainly through the Home Banking digital channel.

Transactions carried out by corporate customers through Home Banking reached 50% in December 2019, and 88% if Retail Banking corporate customers are considered.

In December 2019, 96% of the transactions carried out by individual customers were made through Home Banking.

The objectives for 2020 are based on the following pillars: launching of new products intended to meet the demand of customers for retirement savings and for the management of institutional customer portfolios; development of commercial policies to increase the share of FCI Premier within the industry; and update of the home banking channel platform to improve customer experience.

### ***B.3.5. InvertirOnLine***

InvertirOnLine is a fintech Company which was established at the end of 2000 and was acquired by Grupo Supervielle from its founder in May 2018.

At present InvertirOnline (IOL) is an online platform that offers brokerage and savings and investment services, with a focus on improving the quality of life of persons, through the increase of their income.

In 2019 there was a 155% increase in the number of transactions made, as compared to 2018, totaling 1,123,000 transactions. In 2018 the number of transactions through InvertirOnline hit a record, with over 724,000 transactions. Besides, the transacted amount in 2019 exceeded the \$76 billion, representing a 213% increase as compared to the previous year, and over 59,000 accounts opened by new customers during that period, which represents a more than 750% increase as compared to the 7800 accounts opened during the prior period.

Besides, during 2019 the Company participated in events and talks on finance, such as the “Expo EFI 2019”, which was attended by a large audience who received information and training on stock exchange matters.

These financial talks were also held in different cities of the country, such as Mendoza, Rosario together with Universidad Abierta Interamericana, twice in the City of Buenos Aires, together with Universidad de Buenos Aires and UADE, and in La Plata, together with Universidad de La Plata, which were attended by over 2,400 persons.

During the period the capabilities offered through the Invertironline.com platform continued to improve and in order to enhance the customer experience work continued to be done in the automatic crediting of online deposits, which enables the immediate transfer of funds made by customers.

Since May 2019 InvertirOnline offers 24x7 services for the purchase and sale of US dollars to all its customers.

As from August the amount of the maximum fee charged was reduced, and account maintenance and withdrawal charges were eliminated, thus attracting more customers to capital markets at very affordable costs and favoring financial inclusion.

With the same objective of facilitating market access to people countrywide, during this period the 100% digital onboarding was launched, therefore the account opening process is automatic, immediate and is available 24x7.

Since the beginning of 2019 InvertirOnline also started to offer the possibility to make transactions in the US market through different investment instruments, so as to diversify the assets invested in one of the largest markets at global level.

### **B.3.6. Futuros del Sur S.A. (in process of changing its corporate name to Supervielle Agente de Negociación S.A.U.)**

On December 18, 2019, Grupo Supervielle acquired 100% of the capital stock of Futuros del Sur S.A., a trading agent registered with the Argentine Securities Commission. Through this acquisition Grupo Supervielle seeks to expand the financial and investment services to institutional and corporate customers and increase cross selling in an efficient and profitable way.

### **B.3.7. Digital Innovation Developments**

The strong belief that Fintech capabilities have a direct impact on the “customer centric” culture boosted the creation of the *Fondo Corporativo de Capital Emprendedor (Fideicomiso Fintech Supervielle I)*, which allows the Company to partner with Fintech companies (digital solutions applied to finance) and Insurtech companies (digital solutions applied to insurance) which are within the strategic verticals of Grupo Supervielle. The goal is double fold: to generate a financial profit from investments made and to create commercial synergies to add mutual value.

With the vision to create incremental business opportunities for the companies of the portfolio and of Grupo Supervielle, four investments were made: 123Seguro, an online car insurance broker; Increase, a financial solutions platform for stores and businesses; Avancargo, a Company that uses technology to facilitate cargo freight contracts to match demand and supply; and more recently, in January 2020, Blended, a comprehensive school management platform for kinder, primary and secondary levels.

Banco Supervielle continues participating in the Arfintech fund together with another 7 local capital Banks and participates in investment rounds; the Arfintech fund portfolio already has 10 companies in the insurance, payment, security, SMEs and blockchain segments.

### **B.3.8. Other Companies**

#### **Sofital**

Sofital is mainly a holding company.

## **B.4. Sustainability**

### **Social Level**

#### **Corporate Social Responsibility Strategy (CSR) - Putting Values into Action**

Grupo Supervielle has become an important referent in the Argentine financial system with high visibility potential of its community activities. Its social engagement has been growing in a sustained fashion and the strong regional presence of its main subsidiary, Banco Supervielle, enables it to take action in certain sectors where social investment is insignificant.

Grupo Supervielle has four strategic objectives for all actions taken: become an agent of change and creator of sustainable social value. Develop an innovative and transforming strategy with

measurable and high-impact actions. Synergize CSR initiatives with local communities in which the bank has commercial activity. Build a cooperative and co-responsible organizational culture, through initiatives in partnership with different NGOs and Corporate Volunteering.

Grupo Supervielle's CSR Strategic Plan was developed basically through the Bank with programs grouped in four lines of action, in addition to our Voluntariado Capitanes program: Senior Citizens, Childhood, Education and Institutional Strengthening.

#### Social Investment

Senior Citizens: To promote an active and healthy aging, social participation and prevention of dependency, to go through the process of aging in a joyful and active manner.

Programs:

#### ***Abuelos en Red (Proprietary program)***

##### **Digital and financial inclusion program for senior citizens**

The program's aim is to introduce senior citizens in the use of new digital technologies to promote financial independence through workshops on the new automatic channels. The program promotes the integration with younger generations through exchange both at real and virtual level. Abuelos en Red is delivered through a training center network made up of public and private universities and institutes where senior citizens may attend, free of charge. In 2019 13,012 training sessions were delivered to 6,633 people in 47 training centers of 20 universities and 3 higher education institutes within the Bank's area of influence. New partnerships were made in the City of Buenos Aires (UCA Puerto Madero and Escuela Argentina de Negocios), Escobar, Garín (UTN Delta), city of Córdoba (Fundación Sapientia) and San Juan (Cervantes). AER was also present in Mendoza: San Martín, General Alvear, Santa Rosa and Tunuyán.

Together with the digital channel area, courses were delivered on HB mobile migration at UCA Mendoza, ITU, Universidad de Mendoza, Municipality of Luján de Cuyo, and Universidad de Flores (Flores and San Miguel), Universidad de Morón.

#### ***La Cita newspaper (proprietary program)***

This newspaper, which is free of charge, is addressed to elderly citizens and publishes articles on current affairs, health care, healthy aging and prevention of dependency.

The newspaper focuses on the elderly from a communication perspective and is aimed at covering in a dynamic, accurate and inclusive fashion the information needs of the elderly.

Proyecto Surcos NGO provides contents to La Cita, and allows the elderly citizens to detect problems and concerns common to their age group and exchange information and solutions. In 2019 the newspaper celebrated 15 years of existence - 182 editions – with a monthly print- run of 105,000 copies, which are distributed in 123 branches dedicated to pension and retirement payment.

#### ***Concurso Grandes Autores, Relatos Cortos (proprietary program)***

Literary and digital contest addressed to senior customers.

The contest seeks to connect with senior citizens and add value to the bank-customer relationship, placing senior citizens in roles where they can have an active participation in the community.

This initiative also includes the participation of volunteer employees who read and preselect the stories.

- 1,042 short stories
- Authors from Buenos Aires, Mendoza, San Luis, Córdoba, Santa Fe, Tucumán and San Juan
- 56% women authors
- 55 volunteers that read the works submitted
- The first prize consisted of \$48,000 and a radio adaptation of the prize-winning story for Radio Cultura, the second prize consisted of \$36,000 and the third prize consisted of \$25,000.

The three prize-winning stories and the finalists were published in La Cita and in the website [www.supervielle.com.ar](http://www.supervielle.com.ar).

#### Childhood:

To support organizations fighting child poverty and malnutrition and foster social transformation through art.

#### Programs:

*Donar alimentos es donar futuro* (in partnership with Banco de Alimentos)

Banco Supervielle supports Banco de Alimentos in its effort to reduce hunger, enhance nutrition and avoid food waste. 766 customers of Banco Supervielle are donors of Banco de Alimentos, 182 of which joined this campaign in 2019. This year \$1,297,850 were raised – \$157,357 per month – which ensures supplemental feeding for 4,563 people every month. 4.3% of individual donors (with monthly donations) of Banco de Alimentos are Supervielle customers.

#### ***Combatir la Desnutrición Infantil*** (in partnership with **Fundación Pilares and A.C. Pequeños Pasos**)

##### **Fundación Pilares –CONIN Center in Barracas**

Since 2012, the Bank supports the CONIN Center of slum Villa 21-24 through the “Supplementary Feeding Assistance” program. The program includes pediatric, nutritional, child development consultations, healthy cooking workshops for mothers and the delivery of bags with food and milk. The Bank’s contribution served to cover the cost of one shift per week of the “Supplementary Feeding Assistance” program throughout the year. An average of 29 children between 0 and 5 years old, 28 mothers and 13 pregnant women attended the program. According to the follow up checks made by the team of experts, 50% of the children that attended the shift, who had an original diagnostic of weight and height deficit, improved during the year and reached the weight and height expected for their age. The team is made up of experts in nutrition, pediatrics, psych pedagogy, early stimulation and social work. Besides, a group of experts in child care guided expecting mothers during their pregnancy and after child birth. 1170 liters of milk and 1531 food bags were delivered during the year to cover that shift.

##### **Asociación Civil Pequeños Pasos**

The Bank supports Espacio de Primera Infancia in San Martín, Buenos Aires. The funds were used to attend 16 children in their early years.

#### ***Socializar a los Niños A Través del Arte*** (in partnership with **Casa Rafael**)

The Bank assists Fundación Casa Rafael in stimulating resilience in socially vulnerable children through art and psychological and social support. Workshops are spaces where children can socialize and grow, taking advantage of their creative resources. 260 children between 4 and 18 years old attend Casa Rafael. In 2019 the direct contribution accounted for 8% of the annual budget and was used to cover the cost of teachers in five of the work areas: wall painting, fine arts, hip-hop, Espacio JugArte and Music. The **Arte Espontáneo** exhibition was carried out in the cafeteria of our Home Office, with works made by approximately 125 children and adolescents aged 7 to 18 who attend the Fine Arts workshop and the Wall Painting Workshop of Casa Rafael. **Alas para volar**, the musical ensemble of Casa Rafael, offered a surprise concert for all employees in the hall of the corporate building. The following projects were supported through the Patronage system: “*Valorar y continuar la rica tradición de música popular urbana de La Boca*” and “*Libros de niñ@s para niñ@s*”.

#### Education:

To create opportunities to build a better future for youths through education.

#### ***Futuros Egresados*** (in partnership with **Cimientos**)

Together with Fundación Cimientos, the Bank gives support to students from the provinces of San Luis and Mendoza so that they can finish school.

Cimientos provides academic and economic support to students who attend schools in vulnerable socio-economic contexts, helping them develop skills and competencies to improve school performance.

As part of the Corporate Volunteering Program, our employees in Mendoza and San Luis sponsor the scholarship beneficiaries, who in Mendoza were 40 high school students of 3<sup>rd</sup> and 4<sup>th</sup> year from Escuela N° 4148 Manuel Belgrano. 40 students finished high school in San Luis: 25 at school N° 51 Maestro Faustino Segundo Mendoza in San Luis and 15 at school N° 11 Benito Juárez in Villa Mercedes. 33 volunteers participated in this program.

2 meetings were held in Mendoza with new scholarship beneficiaries to work on financial education, which included a visit to the Bank's branches. In San Luis, 2 meetings were held in each city, in which the topics dealt with were life project and first employment, drafting of resumé, and with interviews led by the sponsors. 8 beneficiaries who graduated from high school in 2018 participated in the program *Construyendo mi Futuro* in Mendoza.

Due to the Matching Funds program, which started in 2015, 519 Bank's customers became donors of Cimientos.

In 2019, \$1,502,968 were raised for the program.

### ***University Scholarships***

Banco Supervielle, through Fundación Anpuy in Santa Fe and Fundación BisBlick in Buenos Aires, provides support to university or higher education students in their education and entrance to the labor market.

The scholarship beneficiaries receive financial help and also the support of the foundations during their course of studies, so that they may achieve academic success. Besides, those who participate from the Bisblick scholarship are mentored by volunteer employees of Grupo Supervielle throughout their courses of studies.

**Fundación Anpuy:** 17 university scholarships and 2 graduates!

**Bisblick:** 3,5 university scholarships and 5 mentors of Grupo Supervielle.

### ***Construyendo Mi Futuro (in partnership with Enseñá por Argentina and Germinare)***

This internship program, developed by Banco Supervielle, is intended to introduce youths, children of our employees and high school graduates who are beneficiaries of the Germinare and Enseña por Argentina programs to the unique experience of their first paid job.

During January and February, the Bank offers youngsters who have recently graduated from high school the possibility to work in the bank's home office and branches. Participants are guided by a mentor and are provided the tools to develop at personal and professional level, and to become aware of the importance of a university degree. 80 youngsters participated: 20 from ExA, 10 from Germinare, 8 from Cimientos and 42 children of employees.

### ***Enseñá por Argentina***

To support *Enseñá por Argentina* foundation, which fosters inclusion and improvement of education quality through leaders committed to promoting quality education opportunities. 5 scholarships were granted to ExA, which had an impact on the school performance of 500 students.

### ***Fundamentos Empresariales (in partnership with Junior Achievement)***

Banco Supervielle and Junior Achievement work together in the implementation of the "Fundamentos Empresariales" program.

The program is delivered by bank volunteers to 5th and 6th grade students of schools in the cities of Godoy Cruz and Mendoza. 13 volunteers participated in 6 programs of 4 schools, with 160 students; talks were delivered on digital citizenship at Foro Emprendedor and at two schools.

### ***Aprendiendo a Ahorrar (in partnership with BCRA)***

For the third year in a row, Banco Supervielle participated in Mendoza of the financial inclusion program of BCRA. Workshops were delivered in coordination with the Schools Department of the province. Workshops were intended to teach youngsters the benefits of saving over consuming. They were also intended to provide attendants with basic financial knowledge for the use of money and information on the different savings options in the financial system. Workshops were delivered by 20 volunteers and were attended by 326 5<sup>th</sup> year students of 8 schools.

The Bank also participated in the “**Global Money Week**” initiative promoted by the BCRA. The program seeks to introduce children to the financial system and to the benefits of saving through talks with 6<sup>th</sup> grade students. 5 volunteers (at 4 schools) and 229 students participated of this initiative.

### ***Formación de Líderes Educativos (in partnership with Consejo Empresario Mendocino CEM)***

This is a two-year program for school heads of the province of Mendoza.

Banco Supervielle supports the CEM in its endeavor to provide public and private school heads with management tools through the implementation of the methodology created by Córdoba Mejora Foundation. This program seeks to improve education management through the training of school heads as key players of the education process. 13 scholarships were granted to school heads in Mendoza.

#### Institutional Strengthening:

To contribute to the development of a long-term public agenda.

### ***Integridad y Transparencia (in partnership with Fundación RAP)***

The Bank continued supporting RAP (Red de Acción Política), a pluralistic and non-partisan association, in the training and strengthening of political leaders in Argentina.

### ***Barómetro de la Deuda Social con las Personas Mayores (in partnership with Universidad Católica Argentina UCA and Fundación Navarro Viola FNV)(5)***

Banco Supervielle supports the research work of UCA’s Social Debt Observatory for Argentina on the living conditions of senior citizens. Together with FNV we promote the exchange of scientific information among researchers, sociologists, psychologists, educators and social workers. Three bulletins were published.

#### Volunteering

Supervielle has in place a long-term strategic volunteering program in line with the Group’s objectives, the employees’ interests and the social needs of the community. 348 volunteers participated in more than one action. There are two types of programs:

- Proprietary programs or partnerships with NGOs; employees are invited to participate in them.
- Volunteering programs designed by employees for employees: Capitanes.

#### **Voluntariado Capitanes**

In 2019 the fourth edition of the Voluntariado Capitanes program was launched. This program focuses on enhancing the social engagement of Grupo Supervielle’s employees and creating real impact in the communities where Grupo Supervielle is present. 24 projects were carried out: 11 in the city of Buenos Aires and Greater Buenos Aires, 8 in Mendoza, 1 in Córdoba and 4 in San Luis. 14 of these projects were related to childhood, 9 to education and 1 to senior citizens. The projects were carried out by employees of Banco Supervielle, Cordial Servicios and Supervielle Seguros.

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<sup>(5)</sup> <http://www.uca.edu.ar/index.php/site/index/es/uca/observatorio-de-la-deuda-social-argentina/deuda-social-con-las-personas-mayores/>



### ***Strategic Partnership with Museo de Arte Moderno de Buenos Aires (Museo Moderno)***

Since 2014 Banco Supervielle partners with Asociación Amigos del Moderno to support the institution as a strategic partner of the Museum of Modern Art (MAMBA). Important projects and exhibits of great Argentine and international artists were carried out due to this partnership.

### **Urban Art Contest in San Luis**

In order to continue promoting all artistic expressions, the Bank carried out the first Urban Art contest in the city of San Luis. The aim was to support young artists of the province and promote their work. Artists were invited to intervene the Skate Park of Parque de las Naciones. 36 projects were submitted, 8 were preselected, the winner was awarded a prize of \$100.000 and \$200.000 for the execution of the work, and two artists received a special award of \$25.000.

### ***Feria Social de Proveedores [Christmas Fair]***

Together with Fundación Formar a Christmas fair was organized in Banco Supervielle home office. Fundación Formar supports social entrepreneurs from different neighborhoods to enter the formal economy. The aim was to encourage responsible consumption and open new opportunities to social entrepreneurs and help them improve their quality of life.

### **Accessibility program – New mobile branch**

In June 2019 a new mobile branch started operations in San Luis, so as to reach unserved areas. The mobile branch is a truck equipped with 2 cash dispensers in an separate space that may be used as a 24-hour lobby, 2 commercial offices, waiting room and a deck for outdoor activities and promotion actions.

## **Environmental**

### **Efficient Energy Management Program**

The optimization of the use of energy is part of the strategy developed during recent years. To achieve energy efficiency the monthly electricity consumption was analyzed so as to develop continued improvements to reduce consumption. The aim is to encourage an efficient use and develop actions related to environmental care in our organization and with customers.

### **Plastic Reduction Program**

In 2019 Banco Supervielle proposed the implementation of concrete actions to reduce its impact on the environment. A Plastic Reduction program was designed to reduce the environmental impact arising from the use of plastics generated by the activities of Supervielle.

The program will have four pillars:

- 1) Improve the waste management systems. Optimize waste separation at source and further collection, transport and safe storage.
- 2) Promote ecological alternatives to reduce the use of single use plastics. Introduce recycled and/or recyclable alternative materials to replace single use plastics.
- 3) Raise awareness. Campaigns to raise awareness on the global concern, individual responsibilities and possible actions to be taken.
- 4) Measure and communicate with impact.

First a diagnosis was made by the CSR and Architecture and Maintenance areas.

### ***Technological Scrap Recycling program (in partnership with Fundación Equidad)***

The aim of Fundación Equidad is to implement social inclusion education programs through the use of computers. Fundación Equidad has a Recycling Workshop where they teach vulnerable youngsters to recycle second-hand computers and donate them to schools and social organizations throughout the country. Those units that cannot be reused are recycled or disposed of pursuant to the legal provisions in force. The Micro IT team donated 56 desktops, 27 monitors and 25 notebooks.

## C. Board of Directors, Structure and Internal Control

### Board of Directors

The Board's responsibility is to promote and review the general business and risk policies and strategies and to control that measures are taken at management level to identify, monitor and mitigate the assumed risks.

The Board's duty is to manage Grupo Supervielle businesses and approve general policies and strategies.

The Board of Grupo Supervielle is made up of three to nine directors. The Shareholders' Meeting may also appoint the same number or less of alternate Directors.

At present, the Board of Directors is made up of eight members, with no alternate directors.

|                      |  |
|----------------------|--|
| Chairman             | Julio Patricio Supervielle   |
| First Vice-Chairman  | Jorge Oscar Ramírez  |
| Second Vice-Chairman | Emérico Alejandro Stengel  |
| Directors            | Atilio Dell'Oro Maini<br>Eduardo Pablo Braun<br>Victoria Premrou<br>Ricardo De Lellis<br>Hugo Enrique Santiago Basso |

### Statutory Audit Committee

The Statutory Audit Committee is in charge of supervising and monitoring that the company's management of Grupo Supervielle S.A. is carried out according to law.

Statutory auditors are appointed by the Annual Shareholders' Meeting for a term of one year and may be re-elected. Alternate statutory auditors take office in case of temporary or permanent absence of statutory auditors.

As of this date, the Statutory Audit Committee is made up as follows:

|                              |   |
|------------------------------|---|
| Statutory Auditors           | Enrique José Barreiro<br>Carlos Ojeda (1)<br>Valeria del Bono Lonardi |
| Alternate Statutory Auditors | Carlos Lose<br>Roberto Boggiano                                       |

(1) Carlos Ojeda was appointed as statutory auditor on July 25, 2019 in replacement of Carlos Asato, who resigned on that date.

### Corporate Governance

The Corporate Governance Code adopted by Grupo Supervielle seeks to reflect the best corporate governance practices based on stringent standards of complete information, efficiency, control, ethics, investor protection, equal treatment of investors and corporate transparency, so as to create and preserve value for the Bank, its shareholders, customers, employees and the general public.

The Corporate Governance Code adheres to the guidelines of the Rules of the Argentine Securities Commission (CNV Rules). The Code also follows the guidelines of the Central Bank of Argentina, which are observed by its subsidiaries Banco Supervielle and Cordial Compañía Financiera.

Grupo Supervielle has also adopted a Code of Ethics that establishes the main guidelines of professional and labor conduct for all employees of the Bank and their suppliers and other stakeholders.

## C.1. Board Committees

### C.1.1. Audit Committee

The audit committee has no executive duties and acts pursuant to the provisions of the by-laws, the Internal Rules and the applicable laws, in particular the Capital Markets Law, the Rules of the Argentine Securities Commission, the rules of the U.S. Securities and Exchange Commission, the governance standards of the New York Stock Exchange, the resolutions of the Superintendence of Insurance, the standards of the Buenos Aires Stock Exchange, the Minimum Internal Control Rules of the Central Bank of Argentina and the resolutions of the Financial Information Unit, among other control agencies.

The Audit Committee is in charge of assisting the Board in the supervision of financial statements and the control of compliance with the policies, processes, procedures and rules set forth by Grupo Supervielle S.A. and its subsidiaries.

At least three of its members must be independent directors, pursuant to the provisions of the Argentine Securities Commission (i.e. independent both as regards the company and the controlling shareholders, and not holding an executive position in the company).

### C.1.2. Anti-Money Laundering and Terrorist Financing Committee (AML and TF).

Grupo Supervielle has an Anti-Money Laundering and Terrorist Financing Committee, in charge of verifying compliance with current regulations on anti-money laundering and terrorist financing applicable directly and at subsidiary level, to ensure that Grupo Supervielle and its subsidiaries have an adequate compliance level in line with the best practices in that matter.

The Anti-Money Laundering and Terrorist Financing Committee is made up of two Directors (one of whom acts as the Corporate Compliance Officer with UIF and as Chairman of the Committee and the other acts as alternate compliance officer) and the Chief of Anti-Money Laundering and Terrorist Financing area.

### C.1.3 Risks Committee

The Risks Committee's is in charge of dealing at institutional level with strategies and policies applicable to the management of credit, market, interest rate, liquidity, operational and any other risks that may affect Grupo Supervielle and its subsidiaries and submit to the Board of Directors, for approval, the strategy and policy documents on risk management.

Besides, it is in charge of defining the risk appetite and tolerance levels of Grupo Supervielle at consolidated level and of approving the threshold and limit structure for risk management. It must also evaluate the capital adequacy ratio, analyzing the Annual Capital Self-Assessment Report (IAC), as well as defining the policy and methodological framework for stress tests as part of the risk management of Grupo Supervielle.

The Risks Committee is made up of at least two directors, the Chief Executive Officer, the CFO and the Chief Risk Officer.

### C.1.4 Ethics, Compliance and Corporate Governance Committee

The Ethics, Compliance & Corporate Governance Committee is a body of Grupo Supervielle and also of all its subsidiaries, and is in charge of assisting the Board of Directors in the adoption of best corporate governance practices to maximize the growth capacity of Grupo Supervielle and its subsidiaries and to prevent value destruction. It is also in charge of assisting the Board of Directors in the supervision of the ethics & compliance program.

It is made up of at least two directors, the Chief Compliance Officer, the Chief of Legal Affairs and AML, the Chief Risk Officer, the Head of Internal Audit and the Head of Legal Affairs.

### C.1.5. Compensations and Appointments Committee

The Compensations and Appointments Committee is a body of Grupo Supervielle and also of all its subsidiaries, and is in charge of assisting the Board of Directors in matters related to the appointment of Directors and senior officers and succession plans; compensation policies for the Board members and senior officers and employees in general, and in human resources, training and performance assessment policies (including bonuses and variable compensation).

This Committee is made up of at least three directors.

### C.1.6. Credit House Limit Committee

The Credit House Limit Committee is the highest authority in the credit transaction decision-making structure of Grupo Supervielle and its subsidiaries with respect to approval of credit limits in excess of their authority.

It is made up of at least three directors (one of them the Chairman of the Board), the CEO of Banco Supervielle, the Chief Risk Officer of Banco Supervielle, the Head of Corporate Banking and/or the Chief of Treasury and Trading Desk and/or the Head of Personal and Business Banking of Banco Supervielle.

### C.1.7. Information Disclosure Committee

The Information Disclosure Committee is a body of Grupo Supervielle and of all its subsidiaries, in charge of ensuring the timeliness, quality and transparency of the relevant information of Grupo Supervielle S.A. and its subsidiaries that must be disclosed to holders of company securities and the markets where those securities are listed.

It is made up of at least three directors of Grupo Supervielle (including the Chairman of the Audit Committee), the CEO, the CFO, the Investor Relations Officer, the Head of Internal Audit and the company's accountant.

### C.1.8. Fintech Investments Committee

The Fintech Investments Committee is in charge of analyzing and making decisions about the company's participation in fintech endeavors, and related products and projects, including the execution of cost estimates and investments for each endeavor and the follow up of their evolution.

The Fintech Investments Committee is made up of at least one director and other officers of the Company or its subsidiaries.

## C.2. Compensation Policy for the Board of Directors and Senior Management

The members of the Board of Directors and of the Statutory Audit Committee receive compensation for their performance pursuant to the provisions of the Argentine Companies Law and the rules of the Argentine Securities Commission.

The total compensation of Directors determined or approved by the Annual Shareholders' Meeting pursuant to Section 234 of the Argentine Companies Law, cannot exceed the limits established by the CNV and by Section 261 of the Argentine Companies Law.

If the performance by any Director of technical and administrative tasks justifies payment of compensation in excess of the amounts established by the CNV, said payments may only be made if they are expressly agreed by the Shareholders' Meeting, to which end the matter must be included in the agenda of the Annual Shareholders' Meeting.

The total of compensations paid to Directors of Grupo Supervielle, paid or accrued for by Grupo Supervielle S.A. or its subsidiaries, amounted in 2019 to \$176,682,645, as compared to \$124,727,802 paid or accrued for in the previous year.

The Compensations and Appointments Committee is in charge of approving all incentive systems and of determining fixed compensation policies and performance assessment systems for the Senior Management and other members of the staff, excluded the members of the Board of Directors. The most relevant features of the system are:

*Information relating to design and structure of compensation processes*

The underlying concept of the structure compensation of Grupo Supervielle and its subsidiaries is to strike an adequate balance between obtaining results and managing risks in general. The design of compensation processes aims at remunerating and recognizing employees' contribution in the achievement of individual, unit and company goals in an environment of healthy competition and merit and performance-based payment, within a robust risk control framework.

*Description of the measures which take into account current and future risks in compensation processes*

The variable component of the compensation of Grupo Supervielle executive officers is determined considering the achievement of individual objectives, those of their business units and the goals of each company, as well as the achievement of specific goals aimed at keeping the different risks within the desired thresholds.

Some of the risks considered in the incentives plans include:

1) Credit Risk

The objectives of the Corporate Credit and Commercial Officers of Individual and Business Banking and of Corporate Banking are to keep credit risk below desirable parameters, such as: (i) delinquency; (ii) percentage of non-performing portfolio (determined by the Board of Directors) over total portfolio, and (iii) loan loss provisions, among other.

2) Strategic Risk

The objectives of the Chief Executive Officer and CFO are to alert about any deviations from the main performance variables of the bank's finances vis-a-vis the annual plan, and to take measures to adjust said deviations.

3) Market, Liquidity, Rate and Securitization Risk

The objectives of the Bank's Finance Officer are to achieve profitability targets by executing miscellaneous operations within a framework that ensures that risks assumed are within those ranges accepted by the Bank and those permitted by the regulatory body.

Profitability is determined by the applicable policies in the financial area and are monitored by the Assets and Liabilities Committee (ALCO)

*Description of the method implemented by Grupo Supervielle and its subsidiaries to calculate performance-based compensation during the evaluation period.*

Each department has a variable compensation scheme based on the achievement of individual objectives and those of the company. Individual objectives define a performance score that impacts on the calculation of compensation. Achievement of the objectives of the company and/or business unit is an indicator for increasing or reducing the variable incentive amount.

Variable compensation schemes of risk takers take into account an audit scheme at risk level, and determine which is the required degree of compliance and whether the determined risk appetite was met or not.

*Description of the method implemented to adjust compensation taking into account long-term performance (including the deferral policy of the organization)*

Grupo Supervielle established for certain senior executives a long-term performance bonus, which is paid by way of a retirement insurance policy.

This program was not applied in 2019.

*Description of the different types of variable compensation used by Grupo Supervielle and its subsidiaries and justification of same.*

Variable compensation is only paid in cash, in the understanding that this is the most direct and convenient way of compensation.

## Departments Reporting to the Board of Directors

### SOX Department

Given its condition of foreign issuer before the US Securities and Exchange Commission, Grupo Supervielle created the SOX Department, reporting directly to the CFO of Grupo Supervielle to ensure alignment with the criteria outlined in the “Internal Control Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO” Report) and meet the requirements of Sections 302, 404 and 906 of the Sarbanes Oxley Law (SOX). Its main activities during 2019 were:

- a) Definition of the annual scope of the SOX certification process, and generation of control matrices supporting said processes.
- b) Inclusion of the accounting and financial reporting processes of companies acquired by Grupo Supervielle during this year in the annual certification process.
- c) Monitoring of compliance with the execution of controls defined as key for each process.
- d) Advice for the continuous incorporation of the best internal control practices for the main processes of Grupo Supervielle (such as Loans, Accounting, Factoring, Checking Account, Insurance, etc.)
- e) Continuous training of Grupo Supervielle personnel, including the employees of companies acquired by Grupo Supervielle.
- f) Implementation of remediation actions in case of deviations detected by the internal or external audit.

Additionally, the Head of SOX certification of Grupo Supervielle was included as a permanent guest in the Operational Risks Committee and the Internal Audit Committee.

At the end of 2019 no material control deficiencies had been reported that should be informed to the Internal Audit Committee and therefore that should be included in the accounting reports submitted to the SEC.

### Compliance Department

During 2019, the Compliance Department, independent of the business and reporting directly to the Ethics, Compliance and Corporate Governance Committee of the Board of Directors, continued working to expand the culture of integrity of Grupo Supervielle, focused on the following pillars:

#### Regulatory Compliance

In December 2019 the Code of Ethics was revisited and amended to include the responsibility of employees in the use of social media.

Changes were also introduced in the Procurement Policy, the Policy of Analysis of Transactions with Subsidiaries, and the implementation of the Integrity Program for the Prevention of Corrupt Practices was improved.

In September 2019 the team started to prepare a Regulatory Risk Assessment to map and assess regulatory obligations applicable to Grupo Supervielle.

#### Ethics and Values Line

The Compliance Department, together with other areas of Grupo Supervielle, receives and handles the reports made through the Ethics Line. All reports are investigated and handled through different action plans, which go from reinforcement of values and coaching to reported persons to termination of employment if necessary.

#### Product Governance

The Committee of Product, Service and Channel Approval of approved the launching of 9 products and 4 marketing channels.

The team continued reviewing the Sales Quality Program implemented in 2018.

#### Training

Training through e-learning and capsules was implemented in 2019.

An e-learning program was launched on the Integrity Program for the Prevention of Corrupt Acts, Business Gifts and Trips Policy and the FCPA (Foreign Corrupt Practices Act) rules. A capsule on Customer Service was launched and a face-to-face training was delivered on Compliance and Best Practices for the Consumer Division.

In October 2019, Grupo Supervielle was admitted in the CG Level of the Corporate Governance Panel of Bolsas y Mercados Argentinos S.A. (“ByMA”). The Corporate Governance Panel includes those companies already listed on BYMA which qualify to be admitted in such special trading panel for voluntarily implementing corporate governance practices in line with the best international standards, in addition to those required by the applicable Argentine laws through the adoption of a set of rules that provide a higher degree of protection to the rights of shareholders and promote an improvement in information disclosure and in the monitoring and control structures.

The Compliance Department continues working in line with the best market practices to guarantee transparency and a proper conduct by its employees and the company.

#### D. Risk Governance

Pursuant to the guidelines set forth by the Central Bank of Argentina for risks management and corporate governance, Banco Supervielle has been working in recent years on a risk management program, that will introduce the new local regulations and the guidelines recommended by the Basel Committee on Banking Supervision.

The Board of Directors of Grupo Supervielle defined a new Corporate Governance model to ensure the correct alignment of the management of the different business units with a control and risks environment according to international standards. Thus, at Grupo Supervielle, holding company of Banco Supervielle, the new structure is defined as follows:

- a) The CFO (Chief Financial Officer) of Grupo Supervielle, reports directly to the Group’s CEO, to ensure an adequate management control framework and to carry out all the duties related to information that, as public company, must provide to current and prospective shareholders.
- b) The CRO (Chief Risk Officer) of Grupo Supervielle, in charge of the Corporate Risk Department, reporting directly to the Board of Directors of Grupo Supervielle, and in turn to the Board of Directors of Banco Supervielle, since he/she is also the CRO of Banco Supervielle. Thus, the principle of good corporate governance of separating business management from risk management, is met.

The risk governance structure is completed with the Board Committees and Senior Management of the specific areas.

#### E. Analysis of the Balance Sheet and Results

##### Consolidated Data

| <b>CONSOLIDATED BALANCE SHEET (in thousands of pesos)</b> | <b>As of December 31, 2019</b> | <b>As of December 31, 2018</b> |
|---|--------------------------------|--------------------------------|
| Assets  |                                |                                |
| Cash on hand and cash in banks                            | 26,403,099                     | 33,687,553                     |
| Securities at fair value through profit or loss           | 568,501                        | 15,112,115                     |
| Derivatives   | 257,587                        | 15,924                         |
| Swaps   | -                              | -                              |
| Other financial assets                                    | 2,092,818                      | 1,715,534                      |
| Loans and other financing                                 | 88,922,160                     | 78,791,903                     |
| Non financial public sector                               | 28,872                         | 32,802                         |
| Other financial entities                                  | 64,522                         | 398,551                        |
| Non financial private sector and residents abroad         | 88,828,766                     | 78,360,550                     |
| Other debt securities                                     | 10,671,556                     | 4,311,095                      |

|                                   |                    |                    |
|-----------------------------------|--------------------|--------------------|
| Financial assets used as security | 5,333,704          | 2,007,217          |
| Assets for income tax, current    | 120,722            | -                  |
| Investments in equity instruments | 14,579             | 10,404             |
| Property, plant and equipment     | 3,074,769          | 1,777,403          |
| Investment property               | 3,877,642          | 412,822            |
| Intangible assets                 | 2,308,394          | 1,961,817          |
| Assets for deferred income tax    | 1,841,125          | 519,231            |
| Other non financial assets        | 978,083            | 728,068            |
| Inventories                       | 28,369             | 61,655             |
| Non current assets for sale       | -                  | 2,800              |
| <b>Total Assets</b>               | <b>146,493,108</b> | <b>141,115,541</b> |

#### Liabilities

|  |                    |                    |
|--|--------------------|--------------------|
| Deposits   | 89,008,177         | 94,906,014         |
| Liabilities at fair value through profit or loss                           | 189,554            | 268,086            |
| Derivatives  | -                  | 94,222             |
| Repos  | 319,817            | -                  |
| Other financial liabilities  | 9,171,170          | 4,268,401          |
| Financing received from the BCRA and other                                 | 9,017,597          | 8,033,222          |
| Issued negotiable obligations  | 6,086,475          | 9,307,171          |
| Liabilities for current income tax   | -                  | 192,999            |
| Subordinated negotiable obligations  | 2,119,888          | 1,383,817          |
| Provisions   | 677,018            | 86,915             |
| Liabilities for deferred income tax  | 2,028              | 172                |
| Other non financial liabilities  | 8,202,737          | 5,404,345          |
| <b>Total Liabilities</b>   | <b>124,794,461</b> | <b>123,945,364</b> |
| <b>Shareholders' Equity</b>  | <b>21,698,647</b>  | <b>17,170,177</b>  |
| Shareholders' equity attributable to the owners of the controlling company | 21,680,037         | 17,155,555         |
| Shareholders' equity attributable to non controlling interests             | 18,610             | 14,622             |
| <b>Total Liabilities and Shareholders' Equity</b>                          | <b>146,493,108</b> | <b>141,115,541</b> |

| Consolidated Comprehensive Income Statement (in thousands of pesos)                              | As of December 31, | As of December 31, |
|--|--------------------|--------------------|
|  | 2019               | 2018               |
| Interest income  | 36,729,501         | 25,416,468         |
| Interest expense   | (28,204,512)       | (14,954,100)       |
| Net Interest income  | <b>8,524,989</b>   | <b>10,462,368</b>  |
| Fee income   | 7,016,636          | 5,121,990          |
| Fee expense  | (1,850,006)        | (1,140,506)        |
| Income from Insurance Activities   | 946,087            | 657,554            |
| Net fee income   | <b>6,112,717</b>   | <b>4,639,038</b>   |
| Subtotal   | <b>14,637,706</b>  | <b>15,101,406</b>  |
| Net income (loss) from measurement of financial instruments at fair value through profit or loss | 16,653,797         | 5,584,803          |
| Difference in quotation of gold and foreign currency   | (204,897)          | 835,758            |
| Financial income and holding gains (losses)  | <b>16,448,900</b>  | <b>6,420,561</b>   |
| Other operating income   | 2,652,337          | 1,852,306          |
| Loan loss  | (6,479,260)        | (4,220,645)        |
| Net operating income   | <b>27,259,683</b>  | <b>19,153,628</b>  |
| Benefits to personnel  | 11,707,904         | 7,244,626          |
| Administration expenses  | 6,241,408          | 4,599,163          |
| Depreciations and impairment of assets   | 894,209            | 354,601            |
| Other operating expenses   | 5,188,157          | 3,547,388          |
| Operating income (loss)  | <b>3,228,005</b>   | <b>3,407,850</b>   |
| Income before tax on business activities   | <b>3,228,005</b>   | <b>3,407,850</b>   |
| Income tax   | (1,033,380)        | 814,975            |
| Net Income (loss) for the year   | <b>4,261,385</b>   | <b>2,592,875</b>   |



|   |                  |                  |
|---|------------------|------------------|
| Net income (loss) for the year attributable to the owners of the controlling company    | 4,257,932        | 2,567,569        |
| Net income (loss) for the year attributable to non controlling interests                | 3,453            | 25,306           |
| <b>Other comprehensive income (loss)</b>  | <b>569,602</b>   | <b>462,889</b>   |
| Other comprehensive income attributable to non controlling interests                    | 569,135          | 462,413          |
| Other comprehensive income attributable to non controlling interests                    | 467              | 476              |
| <b>Comprehensive Income (loss) for the year</b>   | <b>4,830,987</b> | <b>3,055,764</b> |
| Comprehensive income for the year attributable to the owners of the controlling company | 4,827,067        | 3,029,982        |
| Comprehensive income for the year attributable to non controlling interests             | 3,920            | 25,782           |

#### Standalone Information

| <b>Standalone Comprehensive Income (loss) Statement (in thousands of pesos)</b>                  | <b>2019</b>      | <b>2018</b>      |
|--|------------------|------------------|
| <b>As of December 31,</b>  |                  |                  |
| Interest income  | 75,620           | 129,349          |
| Interest expense   | (1,015)          | (9,794)          |
| <b>Net interest income</b>   | <b>74,605</b>    | <b>119,555</b>   |
| Net income (loss) from measurement of financial instruments at fair value through profit or loss | 228,925          | 703,106          |
| Difference in quotation of gold and foreign currency   | (2,008)          | (24,072)         |
| Other operating income   | 135,245          | 158,626          |
| <b>Net operating income</b>  | <b>436,767</b>   | <b>957,215</b>   |
| Benefits to personnel  | (126,303)        | (176,879)        |
| Administration expenses  | (140,403)        | (95,841)         |
| Depreciation and impairment of assets  | (22,530)         | (14,895)         |
| Other operating expense  | (17,988)         | (10,264)         |
| <b>Operating income (loss)</b>   | <b>129,543</b>   | <b>659,336</b>   |
| Income from subsidiaries, associated and joint businesses  | 4,060,147        | 2,098,545        |
| <b>Income before tax on continuing activities</b>  | <b>4,189,690</b> | <b>2,757,882</b> |
| Income tax on continuing activities  | (68,242)         | 190,313          |
| Net income (loss) for the year   | <b>4,257,932</b> | <b>2,567,569</b> |
| Other comprehensive income (loss)  | 569,135          | 462,413          |
| Comprehensive income (loss) for the year   | <b>4,827,067</b> | <b>3,029,982</b> |

| <b>Consolidated Cash Flow (in thousands of pesos)</b> | <b>As of December 31, 2019</b> | <b>As of December 31, 2018</b> |
|---|--------------------------------|--------------------------------|
| Cash flow from operating activities                   | (18,135,127)                   | 17,289,350                     |
| Cash flow from investment activities                  | (939,169)                      | (3,814,403)                    |
| Cash flow from financing activities                   | (4,352,334)                    | 5,680,988                      |
| Effect of exchange rate change                        | 4,386,556                      | 6,395,255                      |
| <b>Total cash flow change</b>                         | <b>(19,040,073)</b>            | <b>25,551,190</b>              |

Net income (loss) for the year ended December 31, 2019 attributable to the owners of the controlling company amounted to Pesos 4,257.9 million, up from Pesos 1,690.4 million as compared to a net income (loss) of Pesos 2,567.6 million in 2018 as a result of an increase of Pesos 1,961.6 million in the income from investments in related entities (Banco Supervielle S.A. recorded a net profit of Pesos 3,130.3 million as compared to Pesos 1,588.7 million in 2018).

#### Income by Business

(in thousands of Pesos)

|   | <b>12/31/2019</b> | <b>12/31/2018</b> |
|---|-------------------|-------------------|
| Income from interests in Banco Supervielle S.A.   | 3,130,327         | 1,588,667         |
| Income from interests in Cordial Compañía Financiera S.A.                                 | (12,090)          | (30,744)          |
| Income from interests in Tarjeta Automática S.A.  | (48,683)          | (79,546)          |
| Income from interests in Supervielle Asset Management S.A.                                | 170,513           | 166,438           |
| Income from interests in Espacio Cordial de Servicios S.A.                                | 81,962            | 143,283           |
| Income from interests in Supervielle Seguros S.A.   | 600,096           | 306,278           |
| Income from interests in Sofital S.A.F. e I.I.  | 141,213           | 88,570            |
| Income from interests in Micro Lending S.A.U.   | (157,277)         | (164,454)         |
| Income from interests in InvertirOnline S.A.U. and<br>InvertirOnline.Com Argentina S.A.U. | 146,563           | 68,925            |
| Income from interests in Bolsillo Digital S.A.U.  | (104)             | -                 |
| Income from interests in Futuros del Sur S.A.   | 304               | -                 |
| Income from interests in FF Fintech   | 7,323             | 11,128            |
|   | <b>4,060,147</b>  | <b>2,098,546</b>  |

#### Administration expenses

The administration expenses of Grupo Supervielle S.A. as of December 31, 2019 and 2018 were:

| Items<br>(in thousands of pesos)         | <b>Total as of<br/>31/12/2019</b> | <b>Total as of<br/>31/12/2018</b> |
|--|-----------------------------------|-----------------------------------|
| Banking expenses                         | (1,213)                           | (2,147)                           |
| Professional fees                        | (42,153)                          | (44,657)                          |
| Fees of directors and statutory auditors | (59,256)                          | (12,408)                          |
| Taxes, charges and contributions         | (13,167)                          | (18,219)                          |
| Insurance                                | (1,219)                           | (2,818)                           |
| Office expenses and services             | (4,736)                           | (3,044)                           |
| Other expenses                           | (18,659)                          | (12,548)                          |
| <b>Total</b>                             | <b>(140,403)</b>                  | <b>(95,841)</b>                   |

#### Benefits to the Personnel

The benefits to the personnel of Grupo Supervielle S.A. as of December 31, 2019 and 2018 were:

| Items<br>(in thousands of Pesos) | <b>Total as of<br/>12/31/2019</b> | <b>Total as of<br/>12/31/2018</b> |
|----------------------------------|-----------------------------------|-----------------------------------|
| Personnel expenses               | (126,303)                         | (176,879)                         |
| <b>Total</b>                     | <b>(126,303)</b>                  | <b>(176,879)</b>                  |

#### Net income from measurement of financial instruments at fair value through profit or loss

| Items<br>(in thousands of pesos)        | <b>12/31/2019</b> | <b>12/31/2018</b> |
|---|-------------------|-------------------|
| Interest from Fixed Term Deposits       | 87,012            | 17,447            |
| Income from holding of government bonds | 69,970            | 22,042            |
| Income from holding of mutual funds     | 71,943            | 618,421           |
| Income from Hedge Contracts- Forwards   | -                 | 45,196            |
| <b>Total</b>                            | <b>228,925</b>    | <b>703,106</b>    |

Financial income (expense) and holding gains (losses) provided by assets mainly consist of revaluation of, and interest on, time deposits in Financial Instruments and income not allocated from temporary investments in liquidity funds.

#### Other Income and Expense

On December 1, 2008 and on January 16, 2010, the Company and Banco Supervielle entered into a services contract whereby the Company undertook to provide financial, strategic and commercial advisory services for the search and generation of new businesses and expansion of existing businesses.

In addition, Grupo Supervielle entered into similar agreements with Tarjeta Automática S.A., Supervielle Asset Management S.A. and Sofital S.A.F. e I.I., effective as from January 1, 2009, with Cordial Compañía Financiera S.A. effective as from August 1, 2011 and with Espacio Cordial de Servicios S.A. effective as from December 26, 2013. As of December 31, 2019 and 2018, the income for such advice amounted to Pesos 84,888 thousand and 65,129 thousand.

In 2013, Grupo Supervielle S.A. entered into agreements with Espacio Cordial de Servicios S.A. and Cordial Compañía Financiera S.A. to grant licenses to use certain brands on behalf of the Company with the intent to promote the marketing of goods and services provided by the aforementioned companies, which were amended on January 2, 2019. These agreements resulted in an income for the Company of Pesos 684 thousand and Pesos 4,460 thousand as of December 31, 2019 and 2018, respectively.

On May 26, 2014, Grupo Supervielle entered into an agreement for provision of call center services with CAT Technologies Argentina S.A. for an indefinite term. In addition, on March 31, 2017, it entered into an agreement with Ciudad Microfinanzas S.A. whereby it shall receive a consideration during a term of 12 months for the use of the Brand License. Based on such agreements, Grupo Supervielle reported income as of December 31, 2019 and 2018 of Pesos 918 thousand and Pesos 2,666 thousand respectively.

#### Income Tax

As of December 31, 2019, the Company recorded an income tax charge of Pesos (68,242) thousands on its taxable assets, mainly derived from financial income on the investment portfolio. Income from interests in other companies is not considered for determination of the taxable income (it is paid at company level) and dividends are exempt.

#### Regulatory Capital

The table below presents the consolidated minimum capital position of Banco Supervielle.

| Consolidated Information                            | Millions of \$ |                | Change        |              |
|---|----------------|----------------|---------------|--------------|
|   | 12/31/2019     | 12/31/2018     | Amount        | %            |
| <b>CAPITAL STOCK PAYMENT</b>                        |                |                |               |              |
| Tier 1 (a) Capital                                  | 17,284         | 12,199         | 5,085         | 41.7%        |
| Deductible Items from Tier 1 (b) Capital            | (3,090)        | (871)          | (2,218)       | 254.6%       |
| Supplementary Shareholders' Equity (Tier 2 Capital) | 1,034          | 1,164          | (130)         | (11.2)%      |
|   | <b>15,228</b>  | <b>12,492</b>  | <b>2,736</b>  | <b>21.9%</b> |
| <b>CAPITAL REQUIREMENT</b>                          |                |                |               |              |
| Requirement for Credit Risk                         | 8,030          | 6,593          | 1,437         | 21.8%        |
| Requirement for Operational Risk                    | 2,411          | 1,539          | 872           | 56.7%        |
| Requirement for Market Risk                         | 252            | 302            | (50)          | (16.6)%      |
|   | <b>10,693</b>  | <b>8,434</b>   | <b>2,260</b>  | <b>26.8%</b> |
| <b>EXCESS CAPITAL</b>                               | <b>4,534</b>   | <b>4,058</b>   | <b>476</b>    | <b>11.7%</b> |
| <b>Basic Shareholders' Equity (a) - (b)</b>         | <b>14,194</b>  | <b>11,328</b>  | <b>2,866</b>  | <b>25.3%</b> |
| <b>Risk Weighted Assets</b>                         | <b>130,744</b> | <b>103,021</b> | <b>27,723</b> | <b>26.9%</b> |

Grupo Supervielle's Pro forma consolidated Tier 1 capital ratio amounted to 11.35% as of December 31, 2019. This ratio includes \$645,2 million which the Company maintains as liquidity excess which could be applied to the growth of its business and its subsidiaries.

#### Proposed Profit Distribution

The profit for fiscal year 2019 amounted to \$4,257,932,990 which this Board of Directors proposes to distribute as follows:

- To reserve for future dividends: \$426,000,000, authorizing the Board to determine when they will be distributed
- To Optional Reserve: \$3,831,932,990 for future investments.

If the above project is approved by the Shareholders' Meeting, the shareholders' equity of Grupo Supervielle S.A. would be as follows:

|                                   | <b>12.31.2019</b>      |
|-----------------------------------|------------------------|
|                                   | <b>Thousands of \$</b> |
| Capital Stock                     | 456,722                |
| Additional Paid-in Capital        | 8,997,297              |
| Statutory Reserve                 | 91,344                 |
| Optional Reserve                  | 10,540,742             |
| Reserve for future dividends      | 426,000                |
| Other Comprehensive Income        | 1,167,932              |
| <b>Total Shareholders' Equity</b> | <b>21,680,037</b>      |

If an additional dividend distribution is approved out of the total amount of the reserves thus created, the shareholders' equity of Grupo Supervielle S.A. would be as follows:

|                                   | <b>12.31.2019</b>      |
|-----------------------------------|------------------------|
|                                   | <b>Thousands of \$</b> |
| Capital stock                     | 456,722                |
| Additional Paid-in Capital        | 8,997,297              |
| Statutory reserve                 | 91,344                 |
| Optional reserve                  | 10,540,742             |
| Other Comprehensive Income        | 1,167,932              |
| <b>Total Shareholders' Equity</b> | <b>21,254,037</b>      |

**IV.- COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**  
**GRUPO SUPERVIELLE S.A.**  
**(the “Company”)**

**COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**  
**AS OF DECEMBER 31, 2019**

**A) DUTIES OF THE BOARD**

**1. The Board creates an ethical work culture and sets the company’s vision, mission and values.**

The Board of Directors of Grupo Supervielle sets the company’s vision, mission and values, and implements an ethical and good faith conduct, in line with the regulatory requirements applicable to corporate executives.

Those values are included in the Code of Ethics approved by the Board, which sets the basic principles and practices of good corporate governance as well as the defense of honesty, ethics and legal provisions applicable to the Company’s businesses.

**2. The Board sets the general corporate strategy and approves the strategic plan to be developed by the management. In so doing, the Board considers environmental, social and corporate governance factors. The Board uses key performance indicators to supervise its implementation, in furtherance of the best interests of the Company and its shareholders.**

The Board defines the strategic objectives of the Company are communicated to Senior Executives for implementation, and the scope and goals are in turn informed to the different business areas of the Company, so that the personnel is aligned accordingly.

For application of this practice, the Board approves the annual Budget considering the macroeconomic scenario, the different variables, the business challenges and environmental, social and corporate governance factors, and carries out a quarterly performance assessment. The Budget considers Grupo Supervielle objectives, and establishes specific goals and metrics for each of the subsidiaries.

The aim of this follow-up is to assess business performance and make corrections to ensure that the objectives established in the annual budget are achieved. It includes the position of each portfolio, a breakdown of income, expenses, and other items for each of the companies of Grupo Supervielle and for Grupo Supervielle at consolidated level.

This analysis is submitted by the Board to the Senior Executives on a quarterly basis, and includes the results for the period at consolidated level of Grupo Supervielle, and monitors the key indicators and the general and specific situation of each subsidiary.

**3. The Board supervises the executives and sees that an adequate internal control system is developed, implemented and maintained in line with clear reporting guidelines.**

The Board of Grupo Supervielle has in place rules and procedures intended to guarantee an adequate level of internal control and to mitigate all risks inherent in the company’s activity.

The Board takes an active part in the setting of management metrics to measure and monitor performance of the different business lines. The Board regularly analyses the SWOT matrix (strengths, weaknesses, opportunities and threats) of each business line. The independent and non-executive directors hold meetings, without the presence of the executive officers, to analyze the Company’s performance.

The risk management and the information and control system of the Company are monitored by the Audit Committee.

Besides, as a foreign issuer listed on the Securities and Exchange Commission, Grupo Supervielle has a SOX Department reporting directly to the CFO to ensure alignment with the criteria set forth in the “Internal Control Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO Report”) and meet the requirements of sections 302, 404 and 906 of the Sarbanes Oxley Act (SOX). Its main duties are: (i) to define the yearly scope of the SOX certification process and the generation of control matrices underlying said processes; (ii) to include in the annual certification process accounting and financial reporting processes of companies acquired by Grupo Supervielle during that fiscal year; (iii) to monitor compliance with key controls of each process; (iv) to advise on the continued introduction of the best internal control practices for the main processes; (v) to provide on-going training to the personnel; and (vi) to promote remediation plans for any deviations detected by the internal or independent audit.

**4. The Board designs the corporate governance structures and practices, appoints the officer responsible of their implementation, monitors their effectiveness and suggests changes when required.**

The Corporate Governance Code of Grupo Supervielle sets forth the guidelines for performance for all the organization, particularly the Board and the Senior Executives regarding the corporate object, the relationship with shareholders, investors, suppliers and stakeholders.

The Code stipulates the conduct guidelines and corporate governance practices of Grupo Supervielle, which are based on stringent standards of complete information, efficiency, control, ethics, investor protection, equal treatment to investors and corporate transparency, so as to create and preserve value for the Company, the shareholders, customers, employees and the public in general.

The Board is in charge of the creation, dissemination and update of the Corporate Governance Code.

Besides, according to the corporate governance scheme, the Company has an Ethics, Compliance and Corporate Governance Committee, in charge of assisting the Board in the adoption of the best corporate governance practices, aimed at maximizing the growth capacity of Grupo Supervielle and its subsidiaries and at preventing destruction of value.

The duties of the Ethics, Compliance and Corporate Governance Committee include: (i) preparation and submission to the Board for approval of the Corporate Governance Program and the Ethics and Compliance Program, aimed at the gradual achievement by Grupo Supervielle and its subsidiaries of the international ethical, compliance and corporate governance standards; (ii) presentation to the Board of an agenda and an annual Schedule for the implementation of the Corporate Governance Program and Ethics and Compliance Program; (iii) definition of policies and procedures on ethics and compliance; (iv) the fostering, follow up and supervision of the compliance of the Corporate Governance Program and Ethics and Compliance Program and reporting to the Board of any deviations and making recommendations as may be deemed convenient; (v) submission to the Board of the Annual Report on the compliance of the Corporate Governance objectives; (vi) review of the results of audits conducted by the Central Bank of Argentina and of other regulatory agencies and consideration of the objections made by the independent auditors on matters related to ethics, compliance and corporate governance; (vii) submission to the Board of quarterly reports on the general status of the Corporate Governance Program and the Ethics and Compliance Program, and on any incidents and complaints; (viii) presentation to the Board of any eventual amendments to the internal regulations of the Committees so as to improve achievement of their objectives and performance of their duties; (ix) proposal to the Board of policies and procedures for the assessment and self-assessment of the Board, its members and its Committees; (x) making recommendations to the Board about its composition and (xi) definition of policies and guidelines applicable to transactions with related parties of Grupo Supervielle.

**5. The members of the Board have sufficient time to perform their duties in a professional and efficient manner. The Board and its committees have clearly stated rules applicable to their operations and organization, which are communicated through the company’s webpage.**

The Directors devote time and efforts to monitor regularly the matters related to the Company's management.

The Board and the Board's Committees receive disaggregated data on matters that are submitted for their consideration with due anticipation to the holding of meetings, so that they can analyze said data thoroughly and be prepared to make decisions efficiently.

The Board may decide, if deemed convenient and necessary or legally applicable, to create Board committees, determine their composition, duties and scope, and approve their internal rules in line with the powers vested by the by-laws and the law. Each committee has its own internal rules and reports to the Board on a regular basis. The Company informs the shareholders of the composition of each committee.

The Internal Rules approved and in force of each Committee, that clearly state their responsibilities, duties, powers, composition and operation, are available at [www.gruposupervielle.com.ar](http://www.gruposupervielle.com.ar).

## **B) CHAIRMAN OF THE BOARD OF DIRECTORS AND CORPORATE SECRETARY**

- 6. The Chairman of the Board of Directors is in charge of conducting the Board meetings, drafting the agenda, jointly with the other members and ensuring that the directors receive with due anticipation the necessary materials to be adequately informed so as to have an efficient participation in the meetings. Chairpermen of the committees have the same responsibilities in their respective meetings.**

The Chairman of the Company is in charge, among other, of ensuring the effective operation of the Board of Directors and the compliance with the procedures and governance rules, and of organizing and coordinating the distribution of tasks among the members of the Board. The Secretary assists the Chairman in the performance of these tasks.

The Board's agenda allows the directors enough time to make an effective decision-making process, based on in high quality and thorough debates and analysis.

The chairpermen of the Board's Directors have the same responsibilities for their meetings and are assisted by a secretary of the Committee.

- 7. The Chairman of the Board of Directors monitors the adequate internal operation of the Board through the implementation of formal annual assessment processes.**

The Chairman is assisted by the Appointments and Compensations Committee and by the Ethics, Compliance and Corporate Governance Committee, who prepare and regularly review the criteria and guidelines for the self-assessment process of the Board.

- 8. The Chairman creates a positive and constructive work environment for all the members of the Board and ensures that they receive continued training to be updated and prepared to perform their duties.**

The Chairman creates a positive and constructive work environment, and promotes the debate and the active participation of the Board's members.

The Board designs and implements on a yearly basis a training program for directors and approves the training programs for senior executives, together with the Appointments and Compensations Committee and the Chief of Human Resources.

Training policies set forth the general guidelines for training plans, based on the business objectives, and are regularly reviewed to ensure that they reflect the needs of the organization.

- 9. The Corporate Secretary assists the Chairman of the Board in the effective administration of the Board and in the communication among shareholders, Board members and senior executives.**

The Board appoints a Board's Secretary, who assists the Chairman in the development of their duties. At present a member of the Board of Directors acts as Secretary.

Its mission is to provide for the adequate development of the Board's meetings and the Shareholders' Meetings, particularly (i) provide to the members of the Board and the shareholders any required information, (ii) supervise the adequate registration of the corporate documents, (iii) assist the Chairman of the Board in the preparation and compliance with the agenda for Board's meetings and Shareholders' meetings, (iv) distribute to the directors the relevant information in connection with the Board's meetings and the documents to be considered thereat, (v) distribute among the shareholders the relevant information in connection with the Shareholders' meetings and the documents to be considered thereat; (vi) keep adequate records of these meetings in the books of minutes; and (vii) keep an adequate record of the work papers of the Board and of the presentations made by the executives of Grupo Supervielle and by independent advisors.

**10. The Chairman of the Board ensures that all the members of the Board participate in the debate and approval of a succession plan of the company's CEO.**

The Board expressly complies with this duty to the Appointments and Compensations Committee.

This Committee analyses the Human Resources Strategic Plan and submits to the Board the proposals for the appointment of the CEO, the COO, senior executives and other executives, and designs the respective succession plans, which are regularly reviewed.

**C) BOARD COMPOSITION, APPOINTMENT AND SUCCESSION**

**11. Pursuant to the applicable criteria of the National Securities Commission, there must be at least two independent directors in the Board.**

In line with this principle, at the Shareholders' Meeting of Grupo Supervielle held on April 26, 2019, 8 members were elected for the Board, 3 of which are independent, in compliance with the criteria of the Argentine Securities Commission.

**12. The Company has an Appointments Committee made up of at least three (3) members and presided over by an independent director. If the Chairman of the Board presides the Appointments Committee, he/she must not participate in the appointment of their successor.**

Grupo Supervielle has an Appointments and Compensations Committee made up of 3 members of the Board and presided over by an independent director.

**13. The Board, through its Appointments Committee, prepares a succession plan for its members that is used as a guide for the preselection process of candidates to cover the vacancies, and considers the non-binding recommendations of its members, the CEO and the shareholders.**

In line with the provisions of its Internal Rules, the Appointments and Compensations Committee of Grupo Supervielle assists the Board in the appointment of directors and senior executives and prepares their succession plans.

**14. The Board implements an induction program for the newly appointed members.**

The Appointments and Compensations Committee of Grupo Supervielle, by delegation of the Board, coordinates the induction process for the newly appointed members of the Board and Senior Executives.

**D) COMPENSATION**

**15. The Company has a Compensations Committee made up of at least three (3) members, who are independent or non-executive directors.**



Grupo Supervielle has an Appointments and Compensations Committee made up of 3 members of the Board (all of them non-executive directors), which is presided over by an independent director.

**16. The Board, through the Compensations Committee, sets forth a compensation policy for the CEO and the members of the Board of Directors.**

Pursuant to the provisions of its Internal Rules, the Appointments and Compensations Committee is in charge, among other, of assisting the Board in the preparation of principles, parameters and guidelines related to the compensation policies applicable to Board members, Senior Executives and the personnel in general, including fees schemes, fixed and variable wages and incentive plans, retirement plans and related benefits, as the case may be, in line with the applicable regulatory provisions.

In addition, the Appointments and Compensations Committee is in charge of assessing on a yearly basis the economic incentives scheme for Senior Executives, which may be prepared by an independent firm. The Committee works jointly with the Risks Committee in the assessment of incentives to the personnel, generated by the economic incentives scheme.

**E) CONTROL ENVIRONMENT**

**17. The Board determines the company's risk appetite and monitors and ensures the existence of a risk management system that identifies, assesses, decides the course of action and monitors the risks to which the Company is exposed, including – among other, the environmental and social risks and those associated with its business in the short and long term.**

Within its corporate governance structure, the Board of Grupo Supervielle has a Risks Committee which is in charge of: (i) analyzing at an institutional level the strategies and policies for credit, market, interest rate, liquidity, operational risk management and of any other risks likely to affect the Company and its subsidiaries pursuant to the applicable regulations and the best practices, and verifying that they are adequately implemented and complied with; (ii) submitting to the Board for approval the documents related to the risk management strategies and policies, which are reviewed on a yearly basis to ensure their applicability; (iii) defining risk appetite and risk tolerance levels of Grupo Supervielle at consolidated level and the global risk profile, which must be approved by the Board; (iv) approving the risk threshold and limit management structure and become acquainted with the evolution of the respective indicators; (v) regularly monitoring the different risks to which the Company is exposed and the application of strategies and policies defined for the management of said risks; (vi) evaluating the capital adequacy vis a vis the risk profile of Grupo Supervielle, and analyzing the Annual Capital Self-Assessment Report prior to the approval by the Board; (vii) defining the policy and methodological framework for stress tests within risk management and approving scenarios that enable the carrying out of individual and comprehensive stress tests, evaluating the results and making recommendations on applicable contingency plans; (viii) designing efficient information channels and systems to keep the Board duly informed on risk management; and (ix) approving the methodological framework and developments applicable to the quantitative models used to manage the different risks and the models for calculation of the economic capital for every risk, among other.

The Risks Committee holds monthly meetings and the minutes of these meetings are submitted to the Board for consideration.

The Company has a Chief Risk Officer, who reports to the Board.

**18. The Board monitors and reviews the effectiveness of independent internal audits and provides the resources required for the implementation of a risk based annual audit plan, and provides for a direct reporting line to the Audit Committee.**

Grupo Supervielle has an Audit Committee made up of 3 independent directors, in compliance with the criteria established by the Argentine Securities Commission.

This body is in charge of assisting the Board in the supervision of accounting statements and of verifying the enforcement of policies, procedures, proceedings and rules of the Company and its subsidiaries.

As regards the supervision of the internal controls, the Audit Committee: (i) verifies that the Company has adequate internal control systems and supervises its implementation; (ii) verifies the implementation of the administrative accounting system and of the reliability of that system and of the financial information, or of other significant facts that are submitted to the Argentine Securities Commission and the markets, in compliance with the applicable reporting scheme; (iii) verifies that the Company has adequate rules and procedures and supervises its implementation; (iv) verifies and assesses the performance of the Internal Audit, providing the necessary human and economic resources and approving the Annual Audit Plan and any additional *ad-hoc* audits; and (v) follow-up on the enforcement of the audit work plan and issues an opinion upon presentation and publication of the financial statements, among other.

In addition, the Audit Committee supervises the enforcement of the risk management reporting policies of the Company.

The Audit Committee holds monthly meetings and the minutes of these meetings are submitted to the Board for consideration.

The Company has a Chief Internal Auditor, who reports to the Audit Committee.

**19. The internal auditor or the members of the internal audit area are independent and highly qualified.**

Pursuant to the provisions of its by-laws, the Corporate Internal Audit Management area is part of the organizational structure of Grupo Supervielle, and reports to the Audit Committee.

The internal auditor is an independent officer and is in charge of auditing the different areas and activities of Grupo Supervielle and to report on its adequate operation, and, if applicable, of making recommendations intended to protect the company's property, to optimize available resources and to promote compliance with laws, rules and regulations.

The Board and the Audit Committee are directly responsible for ensuring the independence and objectivity of the Internal Auditors. To that end, the internal auditors must be free of interferences regarding the selection of the audits, their scope, procedures, frequency, schedule and content of the reports. Moreover, internal auditors have no responsibility or power over any of the audited activities or the employees working on them. It is therefore stated that they cannot exert internal controls, or develop procedures, or implement systems, or prepare records, or participate in other activities that may affect the opinion of the internal auditors. Each business unit is responsible for their audits.

In the performance of their duties, internal auditors must show the highest level of professional objectivity during collection, evaluation and communication of information on the matter under review, and must take care not to be unduly influenced by third party opinions or by their own interests at the time of issuing their opinion. Any circumstance that might compromise the independence or objectivity of internal auditors must be communicated to their immediate superiors, who will take the actions as are necessary for the case.

**20. The Board has an Audit Committee that acts based on rules. The majority of its members and its Chairman are independent directors, and must not include the CEO. The majority of its members have professional expertise in financial and accounting fields.**

The Company has an Audit Committee made up of 3 directors, one of whom acts as Chairman. All of them are independent directors, in compliance with the provisions of the Argentine Securities Commission. The CEO is not a member of this committee.

The directors who are members of the Audit Committee of Grupo Supervielle are highly qualified in the management, finance, accounting and auditing of large companies and banks.

- 21. The Board, with the opinion of the Audit Committee, approves the selection and monitoring policy of independent auditors, who determine the indicators to be considered for making a recommendation to the shareholders' meetings regarding the replacement or not of the independent auditor.**

The Rules of the Audit Committee set forth that the obligation of this committee is to give an opinion on the proposals made by the Board regarding the appointment of independent auditors or the revocation of said appointment.

The opinion must contain, at least: (i) track record assessment; (ii) the grounds for the continuity or not of a certified accountant in that position, and (iii) in case of auditor revocation and appointment of a new independent auditor, the opinion must include a detailed report of the discrepancies, if any, found in the accounting statements of the Company.

## **F) ETHICS, INTEGRITY AND COMPLIANCE**

- 22. The Board approves a Code of Ethics and Conduct that embodies the ethical and integrity values and principles and the corporate culture. The Code of Ethics and Conduct is communicated and applies to all the directors, executives and employees of the Company.**

The Code of Ethics of Grupo Supervielle, applicable to the Company and all its subsidiaries, sets forth the ethical guidelines for directors, executives and employees, and a set of values that must be abided by during the daily activities with customers, suppliers, employees and control agencies. This document is duly communicated to all directors, executives and employees.

The Code of Ethics is based on three pillars: Values, Ethical principles and Rules of Conduct and Ethics & Values Line.

Values are a distinctive element of Grupo Supervielle and must be abided by its members in their daily activities with stakeholders. Employees are required to have: (i) leadership to be market benchmarks; (ii) innovation to challenge limits and seek new solutions for customers; (iii) commitment to offer sustainable solutions to the demands of customers and stakeholders; (iv) respect towards others, so as to be able to listen and understand the customers' needs and promote constructive personal and business relationships; (v) efficiency to add value and give prompt quality responses, making a responsible and sustainable use of available resources, and (vi) capacity to facilitate the life of customers, respecting their time, operating robust and simple processes and making decisions taking customers into account.

In addition, Ethical Principles and Rules of Conduct set forth a framework of ethics and transparency that enables to build long term and trust-based relationships with stakeholders. These principles and rules promote a culture of integrity and compliance with regulations and the best practices, with the aim of promoting the development of a sustainable and competitive commercial environment.

The general Ethical Principles include: (i) promotion of equal opportunities and nondiscrimination; (ii) provision of a safe and healthy work environment; (iii) promotion of respectful, honest and committed relations with stakeholders; (iv) fair treatment among employees and with customers, suppliers and the community in general, and (v) transparency and respect regarding arrangements made with customers so as to provide a quality service.

The Rules of Conduct for specific situations include: (i) non-disclosure of customer and proprietary information and prohibition to use said information to obtain a personal benefit; (ii) guidelines for cases of conflict of interests; (iii) a corporate gift policy; (iv) guidelines for a kind relationship with government officers, customers, suppliers, competitors and the Company and for the provision of agile and quality services; (v) compliance with the applicable regulations and policies; (vi) guidelines for the prevention of money laundering and terrorist financing practices and (vii) guidelines for hiring employees.

The Ethics & Values Line is available to employees and third parties, so that they may anonymously report anomalies or improper conducts. The Company guarantees that said reports are to be kept confidential and anonymous, and that reporting persons shall not suffer retaliation or negative consequences for said reports.

23. The Board establishes and regularly reviews an Ethics and Integrity Program, based on the risks, size and economic capacity of the Company. The senior executives openly support the plan, and appoint an internal executive to develop, coordinate, supervise and regularly assess the program's efficiency. The program provides for: (i) regular training to directors, executives and employees on topics related to ethics, integrity and compliance; (ii) internal channels to report anomalies, which open to third parties and duly communicated; (iii) a protection policy to prevent retaliation against those who make reports; and an internal investigation system that respects the rights of the investigated parties and imposes effective penalties for the violation of the Code of Ethics and Conduct; (iv) integrity policies in bidding processes; (v) mechanisms for regular risk analysis, monitoring of third party or business partners commercial record (including due diligence to verify any anomalies, misconducts or the existence of vulnerabilities during mergers and acquisitions), including suppliers, distributors, service providers, agents and brokers.

Grupo Supervielle is committed to the implementation of an integrity culture that promotes strict compliance with the laws, regulations, internal codes and good practices applicable to the industry. Grupo Supervielle requires that its employees act with honesty and transparency in their relationship with the Public Administration so as to prevent any act that could be construed as bribery, influence peddling or any form of corruption, and has zero tolerance towards this kind of conducts.

To that end, Grupo Supervielle has in place an Integrity Program aimed at detecting and preventing conducts that are contrary to the objectives and culture of Grupo Supervielle.

The Board is the body in charge of reviewing and amending the Integrity Program policy based on the recommendations made by the Ethics, Compliance and Corporate Governance Committee.

The Chief Compliance Officer is in charge of construing, controlling and supervising this policy and of verifying that it is effectively enforced. The Chief Compliance Officer conducts the regular risk analysis required for to adapt the Integrity Program and is in charge of monitoring and evaluating its effectiveness on a regular basis. The Chief Compliance Officer is in charge of the development, coordination and supervision of the Integrity Program at internal level.

The Integrity Program consists of a set of internal actions, mechanisms and procedures intended to promote integrity, supervision and control, oriented to prevent, detect and correct anomalies and prevent punishable conducts according to that rule. It is made up of four elements:

- (i) Integrity Policies to prevent crimes and improper conducts: set of policies and procedures applicable to all directors, executives and employees that guide the performance of their tasks so as to prevent crimes. Said internal regulations are embodied in the Code of Ethics, the Policy of Gifts and Commercial trips and the Donation Policy.
- (ii) Guidelines of conduct with third parties: in the relationship with public agencies transparency and accountability are key elements for the promotion of integrity and prevention of corrupt practices. Therefore, the Integrity Program sets specific rules and procedures to prevent crimes in bidding processes, in contracts or in any other interaction with the public administration. In turn, prior to the hiring of services from third parties to act on behalf of Grupo Supervielle, the business area carries out a due diligence so as to become acquainted with its intermediaries and prevent improper conducts by those acting on its behalf.
- (iii) Training: The Company has in place a continued anti-corruption training program addressed to directors, executives and employees. The program is implemented through the Chief Compliance Officer in coordination with the Chief Human Resources Officer, and attendance is mandatory for all employees.
- (iv) Internal Investigations and Ethics and Values Line: The Compliance Department may conduct internal investigations on a specific issue or report. In those cases, certain records, books and accounts may be audited or investigated so as to prevent and detect violations of anti-corruption laws and procedures, and to ensure compliance with this

Program and other internal policies and procedures. All employees must cooperate if so required. The Ethics and Values Line is available to all employees and suppliers of Grupo Supervielle, and may be used to report any alleged violation that policy. That report shall give rise to an internal investigation, that must guarantee the rights of the investigated parties, which shall result on the imposition of the applicable penalties. Retaliation against employees that make such reports in good faith is forbidden; the right to defense of the reported party is guaranteed. Besides, internal investigations regarding alleged fraudulent acts are conducted by the Chief Risk Officer, which has a special unit to address these cases.

**24. The Board ensures the existence of formal mechanisms to prevent and deal with conflicts of interest. In the case of transactions with related parties, the Board approves a policy that sets forth the role of each corporate body and defines how to identify, manage and communicate transactions that are harmful for the Company or for certain investors.**

The Company has in place a Conflict of Interest Policy that is intended to define the framework to prevent and manage conflicts of interest so as to avoid or limit their negative effects on the Company's interests.

Said Conflict of Interest Policy supplements laws, rules and regulations on values related to the disclosure and negotiation, and to policies and procedures established in the other corporate governance documents of the Company. In particular, the Rules of the Audit Committee and the Code of Ethics provide additional information regarding the procedures to review disclosure, conduct and preparation of reports on non-compliance.

It applies to Grupo Supervielle S.A. and its subsidiaries, and is addressed to all the members of the Board, the Statutory Audit Committee, Senior Executives and employees.

The Policy sets forth the obligation of reporting parties to inform those facts that might give rise to a conflict of interest as soon as possible to their immediate superior and to the Chief Compliance Officer so as to be removed from that position that creates the conflict of interest. Besides, if an employee is also a shareholder, manager, director or senior executive of a competitor of Grupo Supervielle's goods or services, they must so inform the Chief Compliance Officer, who shall evaluate the situation jointly with the Audit Committee. Executives, managers, professionals and technicians carrying out activities not related to Grupo Supervielle must reveal all the details related to that fact to the Chief Compliance Officer. Current or potential conflicts of interest involving controlling shareholders, the Board members, the Statutory Audit Committee and the Senior Executives must be informed to the Chairman of the Board, the Chairman of the Audit Committee and the Chairman of the Ethics, Compliance and Corporate Governance Committee.

The Policy sets forth that the reporting persons that do not avoid or duly inform conflicts of interest affecting or likely to affect them will be liable for direct and indirect damages to the Company arising from their conduct and shall be subject to penalties pursuant to applicable laws and the contracts in force.

Besides, the Board of Directors of Grupo Supervielle approved a Policy of Transactions with Related Parties, Counterparties and Related Persons that regulates and sets forth the fora of analysis and the conditions for the approval of transactions with related parties, counterparties and related persons, pursuant to the provisions of the Argentine Securities Commission and the Central Bank of Argentina, as applicable, and the rules of the US Securities and Exchange Commission.

The aforementioned Policy is intended to ensure that said transactions be carried out with transparency, fairness and objectivity, under terms and conditions in line with the applicable laws, that are clearly reported in the financial statements, and are in line with good corporate governance practices.

Besides, Grupo Supervielle has a Committee for the Analysis of Transactions with Related Parties, Counterparties and Related Persons, which is governed by Internal Rules and has consultancy and supervision powers to apply the corresponding Policy in order to ensure the

transparency of these transactions and that they are carried out pursuant to the conditions set forth in the applicable regulations.

## **G) SHAREHOLDERS AND INTERESTED PARTIES**

### **25. Financial and non-financial information is disclosed on the website of the Company, which may be accessed by all investors. The website has a special area for consideration of investment inquiries.**

Grupo Supervielle's website [www.gruposupervielle.com.ar](http://www.gruposupervielle.com.ar) is a public website and is updated on a regular basis with relevant corporate information, as follows:

- **Institutional information**: information of the Company, description of its businesses, its share structure, subsidiaries and corporate social responsibility, including the Sustainability Reports prepared pursuant to the GRI (Global Reporting Initiative) Standards that are issued on a regular basis.
- **Investor Relations**: presents information related to shares, investor kit, financial information, news, events and presentations, which enables downloading of the income reports regularly submitted by the Company. Besides, this section includes a financial information database and the records filed with the Argentine Securities Commission and the US Securities and Exchange Commission.
- **Corporate Governance**: includes the corporate governance practices, the composition of committees, senior executives, Board composition and records of Shareholders' Meetings.

The Company's website has a direct line to contact the Investors Relations area: [IR-GrupoSupervielle@gruposupervielle.com.ar](mailto:IR-GrupoSupervielle@gruposupervielle.com.ar).

### **26. The Board must ensure that there is in place a procedure for identification and classification of stakeholders and a channel to communicate with them.**

Grupo Supervielle issues the consolidated Sustainability Report on a yearly basis. This Report includes data and indicators of the Company and its subsidiaries and has in place a procedure for identification and classification of stakeholders that is included in the Stakeholders Involvement Plan.

Involvement with a wide range of stakeholders enables Grupo Supervielle to clearly identify who they are and classify them according to their level of influence, impact, risk, size, closeness, among other.

The aim is to have a better understanding of the social and environmental impacts of the commercial activities, included the indirect impacts derived from projects and businesses that are financed. This has an effect on risk mitigation, crisis anticipation, and eventually, provides tools to solve them efficiently.

Considering their operations and diversity of stakeholders, Grupo Supervielle adopts a decentralized involvement approach. This means that different teams of Grupo Supervielle must interact regularly with their stakeholders in matters of mutual interest to explore possible associations and seek opportunities to create value.

To get involved with their stakeholders, Grupo Supervielle teams follow the principles of easy accessibility, timely response to legitimate concerns, transparency with assumed commitments and disclosure of relevant information.

To identify their stakeholders, the relevant teams use the interaction and business impact criteria, classify their profiles and design adequate communication channels for each of them. Said communication channels must enable receipt, analysis, and timely response to inquires, and are additional to the public information that stakeholders may obtain through the website [www.gruposupervielle.com.ar](http://www.gruposupervielle.com.ar).

The Sustainability Report is prepared on a regular basis pursuant to the GRI (Global Reporting Initiative) Standards and indicates which are the Company's stakeholders and the communication channels for an adequate service.

**27. The Board delivers to the shareholders, prior to the holding of Shareholders' Meetings a "provisional information package" to allow them – through a formal communication channel- to make non-binding comments and issue opinions dissenting with the recommendations made by the Board. At the time of delivery of the final package, the Board must expressly pronounce on the comments received, as necessary.**

The Board of Grupo Supervielle makes recommendations as regards votes and/or informs shareholders of any proposals of motions prior to the holding of Shareholders' Meetings.

To that end, the Board prepares a document with vote recommendations and motion proposals made by other shareholders and issues a document – prepared by the Information Disclosure Committee and later approved by the Board – which is published as a relevant fact in the Financial Information Highway of the Argentine Securities Commission and as a relevant filing in the Securities and Exchange Commission, and in the Company's website.

This information is disclosed to all shareholders at the same time, respecting the principle of symmetric information, and contains disaggregated and complete information on each item of the Shareholders' Meeting agenda.

Although there are yet no plans as to having a formal communication channel to receive non-binding comments and issue opinions dissenting with those of the Board, the Company has adequate means (website and contact data) which may be used to channel any said comments and opinions through the Investor Relations area. Comments received and the corresponding answers must be disclosed to all shareholders through publication as a relevant fact in the Financial Information Highway and as a relevant filing in the US Securities and Exchange Commission, and in the Company's website.

**28. According to the company's by-laws shareholders may receive information packages for Shareholders' Meetings through virtual means and participate in said meetings through electronic communication means enabling the simultaneous transmission of sound, images and words, thus ensuring the principle of equal treatment of participants.**

The Company's by-laws do not make any express reference regarding the possibility that shareholders receive information packages prior to the Shareholders' meetings through virtual means; however, said information is made available by the company to stakeholders as a good governance practice, as proposed by the Board (as explained above).

The by-laws do not provide at present for the holding of Shareholders' meetings through e-means that enable the simultaneous transmission of sound, images and words, thus ensuring the principle of equal treatment of participants.

The Board will analyze the convenience of its implementation.

**29. The Dividend Distribution Policy is in line with the strategy and clearly sets forth the criteria, frequency and terms for any dividend distribution.**

The Corporate Governance Code of Grupo Supervielle has a specific section on the guidelines for dividend distribution; to the extent there are available funds to make any dividend payment pursuant to law, declaration and payment shall be determined by the shareholders at the annual general shareholders' meeting.

The Board makes a recommendation to shareholders regarding the amount of dividends to be distributed, which will depend on a number of factors, including, without limitation, operating results, cash flows, financial condition, capital levels, legal requirements, contractual and regulatory requirements and investments opportunities and acquisition.

As a general rule, the Board makes recommendations in favor of an efficient use of capital. That is to say, the Board will recommend reinvestment profits when there are investment opportunities, whether organic or inorganic, or will recommend a dividend distribution when there is capital surplus.

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