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## CERTAIN DEFINED TERMS AND CONVENTIONS

In this annual report, we use the terms “we,” “us,” “our” and the “Group” to refer to Grupo Supervielle S.A. and its consolidated subsidiaries, including Banco Supervielle S.A., unless otherwise indicated. References to “Grupo Supervielle” mean Grupo Supervielle S.A. References to the “Bank” mean Banco Supervielle S.A. and its consolidated subsidiaries. References to “Tarjeta” mean Tarjeta Automática S.A. References to “SAM” mean Supervielle Asset Management S.A. References to “Sofital” mean Sofital S.A.F.e I.I. References to “CCF” mean Cordial Compañía Financiera S.A. References to “Supervielle Seguros” mean Supervielle Seguros S.A. References to “Espacio Cordial” or “Cordial Servicios” mean Espacio Cordial Servicios S.A. References to “IOL” mean InvertirOnline S.A.U. and InvertirOnline.com Argentina S.A.U. References to “MILA” mean Micro Lending S.A.U.

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

The term “Argentina” refers to the Republic of Argentina. The terms “Argentine government” or the “government” refers to the federal government of Argentina, the term “Central Bank” refers to the *Banco Central de la República Argentina*, or the Argentine Central Bank, and the term “CNV” refers to the Argentine Comisión Nacional de Valores, or the Argentine securities regulator. The term “ByMA” refers to the exchange Bolsas y Mercados Argentinos S.A. The term “MAE” refers to the exchange Mercado Abierto Electrónico S.A. The term “Argentine Capital Markets Law” refers to Law No. 26,831, as amended and supplemented. The term “Argentine Negotiable Obligations Law” refers to Law No. 23,576, as amended and supplemented. The term “AGCL” refers to Law No. 19,550, as amended and supplemented. The term “Argentine Productive Financing Law” refers to Law No. 27,440.

“Argentine GAAP” refers to generally accepted accounting principles in Argentina and “Argentine Banking GAAP” refers to the accounting rules of the Central Bank. “IFRS” refers to the International Financial Reporting Standards, as issued by the International Accounting Standards Board (“IASB”).

The term “GDP” refers to gross domestic product and all references in this annual report to GDP growth are to real GDP growth, the term “CPI” refers to the consumer price index and the term “WPI” refers to the wholesale price index.

The term “customers” refers to individuals or entities that have at least one of our products without any requirement of customer activity during any time period. The term “active customer” refers to customers that had activity in the previous 90 days.

Unless the context otherwise requires, the term “financial institutions” refers to institutions regulated by the Central Bank. The term “Argentine banks” refers to banks that operate in Argentina. The term “Argentine private banks” refers to banks that are not controlled or owned by the Argentine federal government or any Argentine provincial, municipality or city government.

The term “private domestically-owned banks” refers to private banks that are controlled by Argentine shareholders. For information up to December 31, 2017, the term “small businesses” refers to individuals and businesses with annual sales of up to Ps.40.0 million, the term “SMEs” refers to individuals and businesses with annual sales over Ps.40.0 million and below Ps.200.0 million, the term “middle-market companies” refers to companies with annual sales over Ps.200.0 million and below Ps.1.0 billion and the term “large corporates” refers to companies with annual sales over Ps.1.0 billion. For information since January 1, 2018, the term “small businesses” refers to individuals and businesses with annual sales up to Ps.70.0 million, the term “SMEs” refers to individuals and businesses with annual sales over Ps.70.0 million and below Ps.550.0 million, the term “middle-market companies” refers to companies with annual sales over Ps.550.0 million and below Ps.2.0 billion and the term “large corporates” refers to companies with annual sales over Ps.2.0 billion. For information since January 1, 2019, the term “small businesses” refers to individuals and businesses with annual sales up to Ps.100 million, the term “SMEs” refers to individuals and businesses with annual sales over Ps.100 million and below Ps.700 million, the term “middle-market companies” refers to companies with annual sales over Ps.700 million and below Ps.2.5 billion and the term “large corporates” refers to companies with annual sales over Ps.2.5 billion.

The term “ROAE” refers to return on average shareholders’ equity. ROAE is frequently used by financial institutions as a benchmark to measure profitability compared to peers but not as a benchmark to determine returns for investors, which is affected by multiple factors that ROAE does not consider.

The term “NIFFI” refers to Net Income from Financial Instruments.

## **PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

### **Financial Statements**

This annual report contains our audited consolidated financial statements as of December, 2018 and 2017 and January 1, 2017, and for the years ended December 31, 2018 and 2017 (our “audited consolidated financial statements”), which have been audited by Price Waterhouse & Co. S.R.L., Buenos Aires, Argentina, a member firm of PricewaterhouseCoopers, an independent registered public accounting firm (“Price Waterhouse & Co.”), whose report is included herein.

We have prepared our audited consolidated financial statements under IFRS for the first time for our financial year ended December 31, 2018, which included comparative financial information for the year ended December 31, 2017. All IFRS standards issued by the IASB effective at the time of preparing the audited consolidated financial statements have been applied.

The opening IFRS statement of financial position was prepared as of our transition date of January 1, 2017. Prior to the adoption of IFRS, we prepared our audited consolidated financial statements in accordance with Argentine Banking GAAP.

The application of IFRS 1 “First Time Adoption of IFRS” required us to adopt accounting policies based on the standards and interpretations effective at the reporting date of our first IFRS financial statements (December 31, 2018). As a result of adopting IFRS, we have changed many of our previous accounting policies. These IFRS accounting policies have been applied consistently in preparing our audited consolidated financial statements, and in the preparation of the opening IFRS statement of financial position at transition date.

At the same time, IAS 29 “Financial Reporting in Hyperinflationary Economies” requires that the financial statements of an entity whose functional currency is one of a hyperinflationary economy be measured in terms of the current unit of measurement at the closing date of the reporting period, regardless of whether they are based on the historical cost method or the current cost method. This requirement also includes the comparative information of the financial statements.

In order to conclude on whether an economy is categorized as highly inflationary, IAS 29 outlines a series of factors to be considered, including the existence of an accumulated inflation rate in three years that is approximate or exceed 100%. As of July 1, 2018, Argentina reported a cumulative three-year inflation rate higher than 100% and therefore financial information published as from that date should be adjusted for inflation in accordance with IAS 29. Therefore, we have applied IAS 29 to our audited consolidated financial statements.

In preparing the opening IFRS statement of financial position, we have adjusted amounts reported previously in our audited consolidated financial statements prepared in accordance with Argentine Banking GAAP. An explanation of how the transition from Argentine Banking GAAP to IFRS has affected our financial performance and financial position is set out in note 2.3 of our audited consolidated financial statements.

Unless otherwise indicated, all financial information of our company included in this annual report is stated on a consolidated basis under IFRS.

### *Overview of IAS 29*

Pursuant to IAS 29, the financial statements of an entity whose functional currency is that of a highly inflationary economy, as mentioned above, should be reported measured in terms of the measuring unit current as of the date of the financial statements. All the amounts included in the statement of financial position which are not stated in terms

of the measuring unit current as of the date of the financial statements should be restated adjusted applying the general price index. All items in the statement of income should be stated in terms of the measuring unit current as of the date of the financial statements, applying the changes in the general price index occurred from the date on which the revenues and expenses were originally recognized in the financial statements.

Adjustment for inflation in the initial balances has been calculated considering the indexes based on the price indexes published by the National Institute of Statistics and Census (*Instituto Nacional de Estadística y Censos* or “INDEC”, per its initials in Spanish).

The principal inflation adjustment procedures are the following:

- Monetary assets and liabilities that are recorded in the current currency as of the financial position's closing date are not restated because they are already stated in terms of the currency unit current as of the date of the financial statements.
- Non-monetary assets and liabilities are recorded at cost as of the financial position date, and equity components are restated applying the relevant adjustment ratios.
- All items in the consolidated income statement are restated applying the relevant conversion factors.
- The effect of inflation in the Company's net monetary position is included in the consolidated income statement, in the item “Results from exposure to changes in the purchasing power of money.”
- Comparative figures have been adjusted for inflation following the procedure explained in the previous paragraphs.
- Upon initially applying inflation adjustment, the equity accounts were restated as follows:
  - Capital stock was restated as from the date of subscription or the date of the most recent inflation adjustment for accounting purposes, whichever is later.
  - The resulting amount was included in the “Results from exposure to changes in the purchasing power of money” account.
  - Consolidated Statement of Comprehensive Income were restated as from each accounting allocation.
  - The legal reserve and other reserves in the statement of income were not restated as of the initial application date.

#### **Currencies and Rounding**

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

We have translated certain of the Peso amounts contained in this annual report into U.S. dollars for convenience purposes only. Unless otherwise indicated, the rate used to translate such amounts as of December 31, 2018 was Ps.37.8083 to U.S.\$1.00, which was the reference exchange rate reported by the Central Bank for U.S. dollars as of December 28, 2018. The Federal Reserve Bank of New York does not report a noon buying rate for Pesos. The U.S. dollar equivalent information presented in this annual report is provided solely for the convenience of investors and should not be construed as implying that the Peso amounts represent, or could have been or could be converted into, U.S. dollars at such rates or at any other rate. The reference exchange rate reported by the Central Bank was Ps.44.90 per U.S.\$1.00 as of May 6, 2019.

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

#### **Market Share and Other Information**

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

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

**FORWARD-LOOKING STATEMENTS**

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

- (i) changes in general economic, financial, business, political, legal, social or other conditions in Argentina, including the upcoming presidential elections in October 2019, or elsewhere in Latin America or changes in either developed or emerging markets;
- (ii) changes in capital markets in general that may affect policies or attitudes toward lending to or investing in Argentina or Argentine companies, including expected or unexpected turbulence or volatility in domestic and international financial markets;
- (iii) changes in regional, national and international business and economic conditions, including fluctuations in the exchange rate of the Peso and inflation;
- (iv) changes in interest rates and the cost of deposits, which may, among other things, affect margins;
- (v) unanticipated increases in financing or other costs or the inability to obtain additional debt or equity financing on attractive terms, which may limit our ability to fund existing operations and to finance new activities;
- (vi) changes in government regulation, including tax and banking regulations;
- (vii) adverse legal or regulatory disputes or proceedings;
- (viii) the interpretation by judicial courts of the Argentine Civil and Commercial Code;
- (ix) credit and other risks of lending, such as increases in defaults by borrowers;
- (x) exposure to Argentine government liabilities, and fluctuations and declines in the value of Argentine public debt;
- (xi) increased competition in the banking, financial services, credit card services, asset management and related industries;
- (xii) a loss of market share by any of our main businesses;
- (xiii) increase in the allowances for loan losses;
- (xiv) technological changes or an inability to implement new technologies, changes in consumer spending and saving habits;
- (xv) ability to implement our business strategy;
- (xvi) fluctuations in the exchange rate of the Peso; and
- (xvii) other factors discussed under *“Item 3.D Risk Factors”* in this annual report.

The words "believe," "may," "will," "aim," "estimate," "continue," "anticipate," "intend," "expect," "forecast" and similar words are intended to identify forward-looking statements. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, the effects of future regulation and the effects of competition. Forward-looking statements speak only as of the date they were made, and we do not undertake any obligation to update publicly or to revise any forward-looking statements after we distribute this annual report because of new information, future events or other factors, except as required by applicable law. In light of the risks and uncertainties described above, the forward-looking events and circumstances discussed in this annual report might not occur and do not constitute guarantees of future performance. Because of these uncertainties, you should not make any investment decisions based on these estimates and forward-looking statements.