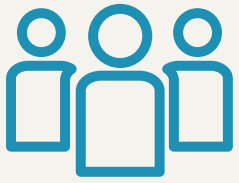
Integrated
Annual Report

2018

Financial, economic, social & environmental performance.

Macro



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Macro

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The presentation of the Annual Report and Balance Sheet of Banco Macro S.A. is an excellent opportunity to address those who, in one way or another, form part of the Institution, in order to communicate to them our vision of what has been done throughout 2018, and our expectations about the context within which the business of the Entity is to develop.

The Annual Report for the Fiscal Year 2018 abounds with all those aspects that are significant for an integral evaluation of management, both those related to economic and financial results, and other aspects also essential for the Institution, such as those connected with its sustainability in the medium and long term, the provision of more and better services to its customers, and the projection of its actions in the communities in which it operates.

At the economic and financial level, 2018 has been satisfactory despite a very changing and uncertain market context affected by a number of factors that challenged the gradualist strategy of the Government and forced the authorities to request financial assistance from the International Monetary Fund. These factors include the increase in interest rates in the international market, the fall in the supply of foreign currency by the agricultural sector caused by the drought, and the deterioration of local and international economic expectations in relation to our country prevailing at the beginning of the fiscal year, given the divergent evolution of economic indicators compared to what was expected at the beginning of the year, with the consequent negative impact on access to voluntary credit markets.

The total integral consolidated result of 16,115.4 million is 57% higher than the result of the previous year, which reflects the robustness of Banco Macro's business, and the ability to adjust its development in a highly volatile market. Net Stockholders' Equity grew by 16.9% reaching ARS 54,637.9 million, which evidences a clear comfortable situation.

On the same level, the indicators that are usually used to measure performance in the activity also show a satisfactory evolution in the period. The Bank has broadly maintained its participation in the loan, deposit and service market, with such risk and finance management that places it among the entities with the best credit quality and liquidity ratios.

On the other hand, the Bank has taken significant steps in the consolidation of its business. In addition to progressing in the incorporation of technology to facilitate customer access to the services it provides and improve the efficiency of the operation, especially in the personal banking segment, it has managed to extend the financial agency agreements made with four provincial states, which expired in the short term.

The agreement with the Province of Misiones was extended for ten years until the end of 2029, while the agreements made with the Governments of the provinces of Salta and Jujuy, whereby the Bank must provide services as a financial agent, as agent for the collection of revenues, and must fulfill payment orders concerning obligations contracted by those provinces, were extended until February 2026 and September 2024, respectively.

Within the same framework of seeking the consolidation of this line of business, in August 2018, the Bank acquired the equity interest of the Province of Tucumán in Banco del Tucumán S.A., an entity that acts as the sole financial agent of the Government of the Province, the Municipality of San Miguel de Tucumán, and the Municipality of Yerba Buena, as well as an agent for them for the collection of their revenues, and the fulfillment of orders for the payment of their obligations.

The operation was carried out within the framework of the provincial law that authorized the sale to Banco Macro S.A. of the shares held by said province, as well as the continuity of Banco del Tucumán as a provincial financial agent for a further 10-year period as from the expiration of the agreement and, where appropriate, the possibility of merging both entities, a decision that the Board of Directors of Banco Macro S.A. adopted in October 2018.

On another level, the Institution that I preside has maintained and enhanced, during fiscal year 2018, the policies that have allowed it to grow as a nationwide financial entity that provides banking services to its customers, whether they are individuals, companies, or institutions. In this regard, the Bank increased the nationwide coverage of its services with the acquisition of 13 branch offices, from Banco de Servicios y Transacciones, including their loan portfolio and staff. Thus, at the end of the fiscal year, the Bank has 8,965 employees and 471 branch offices distributed throughout the country.

In turn, during Fiscal Year 2018, most of the centralized services were concentrated in Torre Macro, a state-of-the-art building, already an icon of the city of Buenos Aires, which will optimize management and innovation, as indicated by the experience gained from other activities, the success of which is based on the integration of the multidisciplinary work teams that share the workplace.

Innovation, and the incorporation of technologies aimed at improving customer service and efficiency in conjunction with the permanent training of the Bank's resources, are key pillars in the management of the Institution.

The implementation of the digital strategies scheduled for 2018 allowed us to be ranked as the financial institution with one of the best digital service offerings, thus achieving recognition which has a high impact on customers. With the development of disruptive technologies, and the execution of our digital transformation program, our goal is to anticipate the needs of our customers by providing them with the best experience. Over the past year, tools such as omnicanality, biometrics, digital onboarding or speech analytics have ceased to be projects to become realities within the reach of those who daily operate with Banco Macro.

Worthy of special mention is the work done in the area of Social Capital. We were recognized inside and outside the country for the Bank's operational work, and for our performance in CSR. The brand Banco Macro was highlighted as one of the two most important brands in the domestic market. We invested more than 108 million pesos in social work. One of our pillars was the financial education program "Cuentas Sanas" (Healthy Accounts), under which 329 face-to-face workshops were held throughout the country. As we do every year,

We supported the already established small- and medium-sized companies, as well as those wishing to start their activity, by offering them tools for the development of their business plans and new projects. In that regard, the 2018 edition of the Program "Naves" allowed us to reach more than 700 entrepreneurs who submitted 281 projects.

2019 will be a year dominated by the electoral process, which will test the ability of economic policy to stabilize the value of the currency, both regarding the prices of local goods and services and in relation to other currencies. In this regard, it should be noted that the Monetary Authority has, in my opinion, the resources and economic policy instruments that this transition requires, while the solvency and liquidity conditions of the financial system ensure its stability, even if there are times of strong uncertainty.

After the elections, the next administration will have a more balanced macroeconomic situation, as regards foreign transactions, debt service, the situation of the Treasury, and the level of regulated prices. The world economy should improve once the monetary harshness is reduced, and the commercial tensions, which developed in the world in the last two years, ease. In this context, Argentina will have the opportunity to implement the reforms and policies that will allow it to capitalize, on behalf of its inhabitants, the natural and human resources that it possesses. Banco Macro S.A. will undoubtedly be the protagonist of that future.

We thank our customers, correspondent banks, suppliers and colleague entities, shareholders, and the authorities and officers of the controlling bodies for all the support received, and we want to acknowledge very specially the Bank's staff, for the high degree of loyalty, cooperation and professionalism with which they have performed their tasks.

Buenos Aires, March 8th, 2019.

Delfín Jorge Ezequiel Carballo
Chairman

Board of Directors

Chairman
Delfín Jorge Ezequiel Carballo

Vice Chairman
Jorge Pablo Brito

Regular Directors
Carlos Alberto Giovanelli
Nelson Damián Pozzoli
José Alfredo Sánchez
Martín Estanislao Gorosito
Constanza Brito
Mario Luis Vicens
Guillermo Eduardo Stanley
Juan Martín Monge Varela
Marcos Brito
Delfín Federico Ezequiel Carballo
Alejandro Eduardo Fargosi

To the Shareholders

In compliance with the legal and statutory provisions in force, the Board of Directors of Banco Macro S.A. ("Banco Macro" or the "Bank") submits to the shareholders this Annual Report for the fiscal year No. 53 ended 31 December 2018.

Notice of Shareholders' Meeting

The Board of Directors of Banco Macro S.A. calls for a General and Special Shareholders' Meeting to be held on April 30th 2019, at 11:00 AM, at Avenida Eduardo Madero 1172, Autonomous City of Buenos Aires, to discuss the following Agenda:

AGENDA

1) Appoint two shareholders to sign the Minutes of the Shareholders' Meeting.

2) Evaluate the documentation provided for in section 234, subsection 1 of Law No. 19550, for the fiscal year ended December 31st 2018.

3) Evaluate the management of the Board and the Supervisory Committee.

4) Evaluate the application of the retained earnings for the fiscal year ended December 31st 2018. Total Retained Earnings: AR$ 19,204,911,966.83 which the Board proposes may be applied as follows: a) AR$ 3,145,848,599.32 to Legal Reserve Fund; b) AR$ 3,475,668,970.21 to the Statutory Reserve Fund - Special for first-time application of IFRS, pursuant to Communication "A" 6618 issued by the Central Bank of the Republic of Argentina and c) AR$ 12,583,394,397.30 to the optional reserve fund for future profit distributions, pursuant to Communication "A" 5273 issued by the Central Bank of the Republic of Argentina.

5) Separate a portion of the optional reserve fund for future profit distributions in order to allow the application of AR$ 6,393,977,460 to the payment of a cash dividend, within 10 business days of its approval by the Shareholders' Meeting. Delegate to the Board of Directors the power to determine the date of the effective availability to the Shareholders of the cash dividend.

6) Evaluate the remunerations of the members of the Board of Directors for the fiscal year ended December 31st 2018 within the limits as to profits, pursuant to section 261 of Law No. 19550 and the Rules of the Comisión Nacional de Valores (Argentine Securities Exchange Commission).

7) Evaluate the remunerations of the members of the Supervisory Committee for the fiscal year ended December 31st 2018.

8) Evaluate the remuneration of the independent auditor for the fiscal year ended December 31st 2018.

9) Appoint five regular directors and three alternate directors who shall hold office for three fiscal years.

10) Establish the number and designate the regular and alternate members of the Supervisory Committee who shall hold office for one fiscal year.

11) Appoint the independent auditor for the fiscal year to end on December 31st 2019.

12) Determine the auditing committee's budget.

13) Evaluate the Preliminary Merger Agreement pursuant to which Banco del Tucumán S.A. shall be merged with and into Banco Macro S.A., dated March 8th, 2019 and the special consolidated financial statements of merger prepared as of December 31st, 2018 and based on the separate financial statements prepared by each merging company as of the same date.

14) Evaluate the exchange relationship between the shares of Banco Macro S.A. and Banco del Tucumán S.A.

15) Capital increase from AR$ 669,663,021 to AR$ 669,678,683, as a result of the merger of Banco del Tucumán S.A. into Banco Macro S.A. through the issuance of 15,662 Class B ordinary book-entry shares of par value AR$ 1 each, entitled to one vote per share, which shall rank pari passu with the outstanding shares at the time of the issuance of the former, to be delivered to the minority shareholders of the absorbed company in exchange for their shareholdings in the absorbed company. Apply for the incorporation of the new shares to the public offering regime and listing in the stock exchange. Delegate to the Board of Directors the preparation and fulfillment of all necessary documents to evidence such exchange.

16) Grant to the Board of Directors all necessary powers and authority for it to make all the amendments and changes eventually suggested by the competent authorities. Grant all necessary powers to execute and deliver the Final Agreement of Merger and carry out any acts or proceedings that may be necessary for the approval of the merger before the competent authorities, signing all public and private instruments that may be appropriate or convenient, being also authorized to accept and appeal eventual resolutions issued by such competent authorities.

17) Capital decrease due to the cancellation of AR$ 30,265,275 representative of 30,265,275 Class B shares, with a par value of Ps. 1 (one Peso) each and entitled to 1 (one) vote per share.

18) Evaluate the amendment of sections 4, 9, 10, 19, 20, 21 and 33 of the By-laws.

19) Adoption of the amended and restated by-laws.

20) Authorization to carry out all acts and filings that are necessary to obtain the administrative approval and registration of the resolutions adopted at the Shareholders' Meeting.

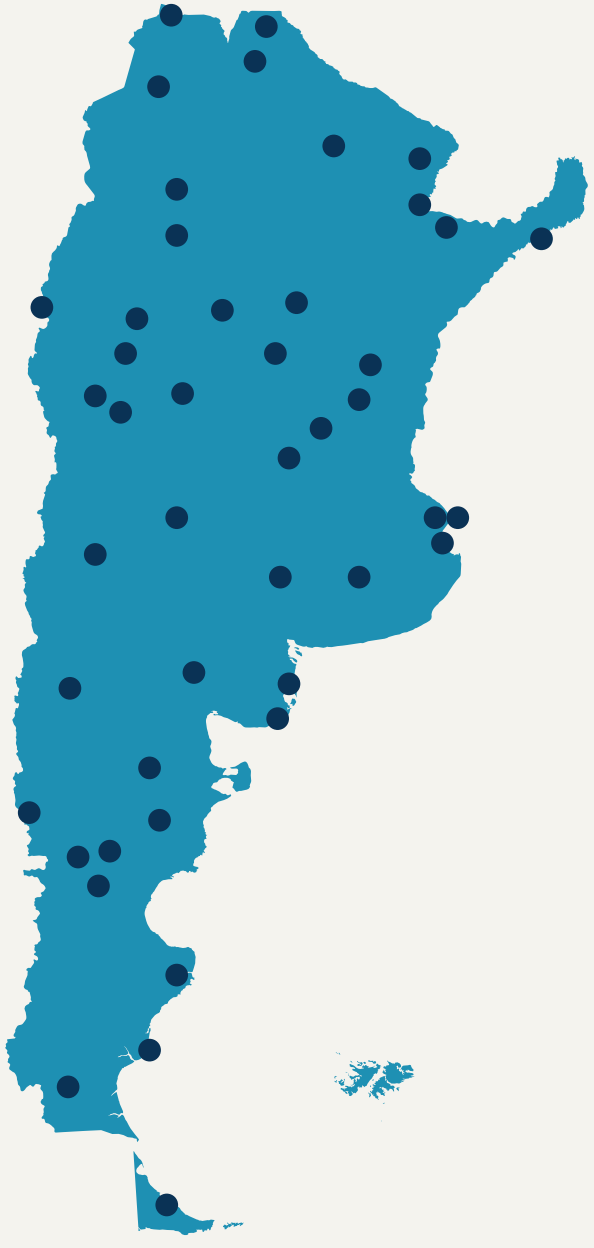
THE BOARD OF DIRECTORS

NOTES: (i) When considering items 4, 5, 13, 14, 15, 16, 17, 18 and 19 of the Agenda, the Shareholders' Meeting shall be held as a Special Meeting; (ii) In order to attend the Shareholders' Meeting, all Shareholders shall by April 24th 2019, at Avenida Eduardo Madero 1182, Ciudad Autónoma de Buenos Aires, from 10 am to 3 pm: (a) deposit evidence or proof of their book-entry shares issued for such purpose by Caja de Valores S.A. and provide sufficient evidence of identity and legal capacity, as the case may be; (b) inform holder's name and last name or complete corporate name, identity card type and number of individuals or, if the shareholder is a legal entity, then they shall furnish all registration data expressly stating the registry with which such legal entity filed all its organizational documents and the jurisdiction and domicile thereof and the domicile thereof. All persons attending the Shareholders' Meeting in the name and on behalf of any shareholder shall provide identical information; and © all shareholders being trusts, foundations or any other similar legal entity, as well as all companies incorporated abroad, who shall in turn be registered with the relevant Public Registry of Commerce under sections 118 or 123 of Law No. 19550, as amended, as the case may be, shall submit the documents required under section 26, Chapter II, Section II of the Rules of the Argentine Securities Exchange Commission; (iii) In order to comply with the Recommendation included in item V.2.5 of Exhibit III, Section IV of the Rules of the Argentine Securities Exchange Commission, attendants shall be requested to disclose, before putting the matter to a vote, the decision of each of the candidates to be elected as directors regarding the adoption or not of a Code of Corporate Governance and the reasons for taking such stand; and (iv) No person subject to the provisions regarding disqualification grounds provided for in section 10 of Act No. 21526 of Financial Entities and Communication "A" 6304 issued by the Central Bank of the Republic of Argentina may be nominated to be a member of the Board of Directors or the Supervisory Committee.

The Board advises that the Shareholders' Meeting shall not be held at the principal place of business located at Avenida Eduardo Madero 1182, Autonomous City of Buenos Aires.

Delfín Jorge Ezequiel Carballo
Chairman

Branch Network



Buenos Aires

Merlo Centro
Martínez
San Isidro
Gral. San Martín
Olivos
San Fernando
Morón
San Miguel
Pilar Centro
Caseros
Tigre
La Plata Sur
Lanús Este
Estación Quilmes
San Justo Peatonal
Avellaneda
Quilmes
Lomas de Zamora
Lanús
La Plata
La Plata Centro
Florencio Varela
Monte Grande
Gerli
San Justo (AMBA)
Berazategui
Ciudad Madero
Temperley
Adrogué
Rafael Calzada
Zárate
Campana
Alberti
Arrecifes
Capitán Sarmiento
Carmen de Areco
Chacabuco
Chivilcoy
Colón
Luján
Mercedes
9 de Julio
Pergamino Centenario
Pergamino
Junín
San Pedro (Buenos Aires)
San Andrés de Giles
Salto
San Antonio de Areco
San Nicolás Centro
Chascomús
Pigüé
Coronel Suárez
Coronel Pringles
Tres Arroyos
Trenque Lauquen
Necochea
Olavarría
Mar del Plata Independencia
Santa Teresita
Pinamar
Bahía Blanca
Mar del Plata
Mar del Plata Puerto
Correo Bahía Blanca
Bolívar
Mar del Plata - Av. Luro
Punta Alta
Tandil
Carhué
Salliqueló

Catamarca

Catamarca

Chaco

Resistencia
Resistencia Plaza

Chubut
Trelew
Comodoro Rivadavia
Barrio Industrial
Puerto Madryn
Esquel
Rawson

Ciudad de Buenos Aires
Barrio Montserrat
Balvanera
Almagro
Botánico
Quintana
Barrio Norte
Alto Palermo
Barracas
Palermo
Plaza Lavalle
Av. Córdoba
Catalinas
Retiro
Casa Central
SMSV
Congreso
Av. Santa Fe
Colegiales
Flores Este
Av. de los Incas
Caballito
Devoto
Boedo
Barrio Belgrano
Chacarita
Mataderos
Villa del Parque
Puerto Madero
Liniers

Córdoba
Alvear
Córdoba
Campus UCA Córdoba
Los Granaderos
Juan B. Justo
Centro República
Nueva Córdoba
Cerro de las Rosas
Los Boulevares
General Paz
Shopping Villa Cabrera
Recta Martinolli
Quebrada de las Rosas
Alem
Sabattini
Beverina
Richieri
Fuerza Aérea
Patio Olmos
Hospital Privado
La Cripta
Nuevocentro Shopping
Av. Colón
La Merced
Córdoba Centro
Córdoba J. B. Justo
Río Tercero
Villa Carlos Paz
La Falda
Villa Allende
Morteros
Río Primero
Marull
Tránsito
Alta Gracia
Oncativo
Jesús María
Villa Dolores
Hernando
Oliva
Villa del Rosario
Villa Carlos Paz - Del Lago
Despeñaderos
Río Segundo
Villa General Belgrano
Arroyito Córdoba
Brinkmann
Freyre
Porteña
Ciudad de San Francisco
Villa María
Río Cuarto
Laboulaye
Marcos Juárez
Bell Ville
Sobremonte
Urquiza
Camilo Aldao
Carnerillo
Cruz Alta
Dalmacio Vélez
General Cabrera
General Deheza
Los Surgentes
Monte Maíz
Río Cuarto - Empresas
Mercomax
Paseo de la Villa
Wenceslao Escalante
Devoto
Las Varillas
San Francisco - Empresas

Corrientes
Ituzaingó
Virasoro
Corrientes
Pedro Ferré
Monte Caseros

Entre Ríos
Concordia
Villa Elisa
Crespo
Cinco Esquinas
Chajarí
Concepción del Uruguay
Villaguay
San Salvador
Paraná

Jujuy
San Martín
Jujuy
Susques
Jujuy - Rentas
Libertador General San Martín
Perico
San Pedro de Jujuy
La Quiaca
Palpalá
Humahuaca
Abra Pampa
Monterrico
San Pedrito
Tribunales
Éxodo
El Carmen
Tilcara
Jujuy - Macro Selecta

La Pampa
Santa Rosa
General Pico

La Rioja
Chilecito
La Rioja

Mendoza
Rodríguez Peña
Mitre
Las Heras
Guaymallén
Godoy Cruz
Maipú
San Rafael
Mendoza - Parque
Mendoza - Centro
San Martín
Luján de Cuyo
Palmares
Malargüe
San Rafael - H. Yrigoyen
Mendoza
Mendoza - Microcentro

Misiones
Posadas
Posadas - Rentas San Martín
Oberá
Eldorado
Montecarlo
Aristóbulo del Valle
Apóstoles
San José
Wanda
Leandro N. Alem
Puerto Iguazú
Jardín América
San Javier
Puerto Rico
San Pedro
Belgrano - Posadas
Candelaria
Garupá
Concepción de la Sierra
Bernardo de Irigoyen
Alba Posse
Campo Viera
Cerro Azul
Sur Posadas
Campo Grande
San Vicente
Capiovi
Almirante Brown
2 de Mayo
Posadas - Villa Cabello
25 de Mayo
San Ignacio
Mercado Central

Puerto Piray
El Soberbio
Itaembé Miní
San Antonio
9 de Julio
Inmigrantes
Plaza Posadas

Neuquén
Neuquén Alcorta
Cutral Có
Zapala
Neuquén
Confluencia
San Martín de los Andes

Río Negro
General Roca
Choele Choel
Villa Regina
Viedma
Cipolletti
Bariloche

Salta
Salta
Alvarado
Grand Bourg
IPDUV
Municipalidad de Salta
Rentas Salta
General Güemes
Embarcación
Orán
Rosario de la Frontera
Tartagal
Joaquín V. González
Metán
Pocitos
España
Co.Pro.Tab
Malvinas Argentinas
Cafayate
Norte - Salta
Cachi
Pichanal
Colonia Santa Rosa
Batalla de Salta
Cerrillos
Las Lajitas
Rosario de Lerma
Plaza Empresas
Aguaray
San Antonio de los Cobres
Pellegrini
Alto NOA Shopping
Limache
Ciudad del Milagro
General Mosconi
Terminal - Salta
El Carril
Ciudad Judicial
Ciudad Municipal
Plaza Belgrano
San Ramón
Los Tártagos
Tribunales Salta
20 De Febrero

San Juan
San Juan
General Acha

San Luis
San Luis
Villa Mercedes
Plaza San Luis

Santa Cruz
Río Gallegos
Caleta Olivia

Santa Fe
Monserrat
CPCE Rosario
Sur
Av. Alberdi
Oeste
Parque Independencia
Boulevard Rondeau
Echesortu
Oroño
Gobernador Gálvez
Rosario
Centro de Pagos Rosario
Rosario Santiago
Rosario Belgrano
Rosario Mitre
Parque Industrial Alvear
Rosario Paseo Del Siglo
Rosario Alberdi
Rosario Bella Vista
Rosario Bolsa de Comercio
Rosario Ricardone
Rosario Fisherton
Rosario Corrientes
Rosario Ovidio Lagos
Bicentenarios
Rosario Tiro Suizo
Puerto Norte
Capitán Bermúdez
San Lorenzo
Gálvez
Armstrong
Cañada de Gómez
Carcarañá
Correa
Fray Luis Beltrán
Funes
Las Parejas
Las Rosas
Maciel
María Susana
Montes de Oca
Oliveros
Puerto General San Martín
Roldán
Salto Grande
San Jerónimo Sud
Serodino
Timbúes
Totoras
Villa Eloísa
Cañada Rosquín
Carlos Pellegrini
Landeta
San Jorge
Santa Fe Centro
Recoleta Santa Fe
Peatonal San Martín
San Carlos Centro
San Jerónimo Norte
Monte Vera
Llambi Campbell
Gobernador Crespo
San Justo
Reconquista
Esperanza
Blas Parera
Profesionales
Catedral
Rafaela
Barrio Candiotti
López y Planes
Sunchales
Felicia
Moisés Ville
Reconquista Plaza
Ciudad de Santo Tomé
Clucellas
Humboldt
Pilar
Rafaela Plaza
Zenón Pereyra
Venado Tuerto
Acebal
Alcorta
Álvarez
Arequito
Arroyo Seco
Arteaga
Carreras
Casilda
Chabás
Coronel Arnold
Firmat
Fuentes
Godoy
Juan B. Molina
Los Molinos
Máximo Paz
Pavón Arriba
Peyrano
Pujato
San José de la Esquina
Santa Teresa
Uranga
Villa Constitución
Wheelwright
Zavalla

Santiago del Estero
La Banda
Santiago del Estero

Tierra del Fuego
Río Grande
Solnik
Ushuaia

Tucumán
Maipú
Ciudadela
Monteros
Concepción
Plazoleta Mitre
Shopping Central Abasto

Correspondent Banks

Germany
BHF Bank Aktiengesellschaft
Commerzbank AG
Deutsche Bank AG
Standard Chartered Bank GMBH
Landesbank Hessen Thueringen Girozentrale
Sparkasse Westmuensterland
Landesbank Baden-Wuerttemberg
Bremer Landesbank
KBC Bank Deutschland AG
Banco Santander
Oldenburgische Landesbank AG

Saudi Arabia
Al Rajhi Bank
Al Inma Bank

Armenia
HSBC Bank Armenia

Australia
Australia And New Zealand Banking Group
St George Bank, Div Westpac Banking

Austria
Raiffeisen Bank International
Raiffeisenlandesbank Niederoesterreich-Wien AG
Erste Group Bank AG

Bahamas
BSI Overseas Limited

Bahrein
Woori Bank, Manama

Bangladesh
Standard Chartered Bank
Woori Bank, Dhaka
Standard Bank Ltd

Belgium
Euroclear Bank S.A. N.V.
Belfius Bank
Byblos Bank Europe
Commerzbank AG
ABN AMRO Bank NV

Belarus
Bank Belveb OJSC

Bolivia
Banco Bisa
Banco de Crédito de Bolivia
Banco Unión S.A.
Banco de la Nación Argentina
Banco Mercantil Santa Cruz
Banco Nacional de Bolivia
Banco Ganadero

Brazil
Banco ABC Brasil
Banco de la Nación Argentina
Banco Do Brasil S.A.
Itau Unibanco S.A.
Deutsche Bank AG
Banco Aleman
Banco Safra S.A.
Banco Santander Brasil
Banco Bradesco
Banco do Estado do Rio Grande do Sul SA
Banco Votorantim
Banco Sumitomo Mitsui Brasileiro
HSBC Banco Multiplo
Banco Nac. de Desenv. Economico e Social (BNDES)
Banco Fibra
China Construction Bank SP

Bulgaria
Unicredit Bulbank

Bosnia and Herzegovina
Unicredit Bank

Canada
Canadian Imperial Bank Of Commerce
Bank of America, Branch
The Toronto Dominion Bank
Royal Bank of Canada
Caisse Centrale Desjardins

Chile
CorpBanca
Banco de Crédito e Inversiones
Banco de Chile
Banco BICE
Banco Internacional
Banco Itau Chile
Banco Santander Chile
Banco de la Nación Argentina
Banco del Estado de Chile
Banco Security
Banco Bilbao Vizcaya Argentaria Chile

China
Standard Chartered Bank
China Construction Bank Corp.
Zhejiang Chouzhou Commercial Bank
Woori Bank
Industrial Bank Co
Sumitomo Mitsui Banking Corp
Mizuho Corporate Bank
Bank of Chengdu
Nanyun Bank
Ningbo Yuyao Rural Commercial Bank

Cyprus
Hellenic Bank Public Company LTD

Colombia
Bancolombia S.A.
Banco Davivienda
Banco de Bogotá
Banco de Occidente

Costa Rica
Banco Nacional de Costa Rica
Banco Lafise

South Korea
Kookmin Bank
KEB Hana Bank
Sumitomo Mitsui Banking Corp
The Bank of New York Mellon
Standard Chartered Bank
Industrial Bank of Korea
Mizuho Corporate Bank
The Export - Import Bank of Korea

Cuba
Banco Financiero Internacional
Banco Nacional de Cuba

Denmark
Danske Bank
Nordea Bank Denmark A.S.
Skandinaviska Enskildan Banken

Ecuador
Banco del Pichincha
Banco Bolivariano CA
Banco de Guayaquil

Egypt
Faisal Islamic Bank of Egypt

United Arab Emirates
SMBC Dubai
Abu Dhabi Commercial Bank
Banque de Commerce
et de Placement

Slovakia
Ceskoslovenska Obchodna Banka
Commerzbank AG

Slovenia
Unicredit Banka Slovenija DD

Spain
Banco Bilbao Vizcaya Argentaria
Banco Popular Español
Banco de Sabadell
Banco Santander
CecaBank
Banco de la Nación Argentina
Banco Pastor
BANKIA SA
CAIXABANK
Banco Caixa General
Bankinter

United States of America
Standard Chartered Bank
Bank of America Na
Bac Florida Bank
Banco de la Nación Argentina
Banco Santander Internacional
Regions Bank
Inter-American Development Bank
Eastern National Bank
East - West Bank
The Northern Trust Co
Deutsche Bank Trust Americas
Commerzbank AG
Citibank N.A.
Israel Discount Bank of New York
Sumitomo Mitsui Banking Corp.
The Bank of New York Mellon
UBS Bank
HSBC Bank USA
Fifth Third Bank
Keybank National
Credit Suisse NY
J.P. Morgan Chase Bank
Wells Fargo Bank

Philippines
Standard Chartered Bank

Finland
Nordea Bank Finland PLC
Pohjola Pankki OYJ
Danske Bank

France
Société Générale
BNP Paribas SA
Crédit Mutuel - CIC Banques
Banques Populaires BPCE Group
Caisses D'Epargne
Banque Internationale
de Commerce Bred
Banque Palatine

Gibraltar
RBSI Trading Natwest International

Greece
National Bank of Greece S.A.
Attika Bank

Holland
ABN Amro Bank
Commerzbank AG

Hong Kong
Standard Chartered Bank
The Bank of New York
Mellon Hong Kong
Deutsche Bank AG
Citibank NA
Sumitomo Mitsui Banking Corp.
Cathay Bank

Hungary
Magyar Takarekszouetkeseti Bank
Kand H Bank ZRT
MKB Bank ZRT

India
Standard Chartered Bank
YES Bank
Union Bank of India
Shinhan Bank

Indonesia
Standard Chartered Bank
Bank Negara Indonesia - PT

Ireland
Unicredit Bank Ireland PLC
Citibank Europe PLC

Israel
Bank Leumi le Israel
Union Bank of Israel

Italy
INTESA San Paolo IMI
Banca Popolare
Cassa di Risparmi in Bologna
Unicredit SPA
UBI Banca SCPA
Banca de Milano
Banca di Sondrio

Japan
The Bank of New York Mellon
Bank of Tokyo Mitsubishi
Standard Chartered Bank
Sumitomo Mitsui Banking Co
Mizuho Bank LTD

Kenya
Paramount Universal Bank

Latvia
Baltikums Bank
Nordea Bank

Lithuania
AS Unicredit Bank Lietuvos Skyrius
Nordea Bank Finland

Luxembourg
Clearstream Banking S.A.
UBS Luxembourg
Caceis Bank Luxembourg

Malaysia
Citibank Berhad

Mexico
Banco Nacional de México
Banco del Bajío
Nacional Financiera SNC

Mexico
DNB Nor Bank A.S.A.
Nordea Bank Norge A.S.A.

New Zealand
Bank of New Zealand

Pakistan
Standard Chartered Bank
Askaribank Ltd

Panama
Banco Latinoamericano
de Exportaciones
Banco de la Nación
Argentina Panamá

Paraguay
Banco de la Nación Argentina
Bancop SA
Banco Continental
Banco regional SAECA

Peru
Banco de Crédito del Perú
HSBC Bank Peru
Banco Internacional
del Perú-Interbank

Poland
Bank BPH. (Unicredit Group)
BRE Bank

Portugal
Banco Santander Totta

Puerto Rico
Banco Popular de Puerto Rico

United Kingdom
HSBC Bank
Standard Bank Plc
Standard Chartered Bank Na
Barclays Bank Plc

Czech Republic
Deskoslovenská Obchodní Banka As
Commerzbank AG

Rumania
Unicredit Tiriac Bank

Russia
Vnesheconombank
Nomos Bank

Serbia
Unicredit Bank Serbia

Singapore
Citibank NA
Mizuho Corporate Singapore

Sri Lanka
Citibank Sri Lanka

South Africa
Standard Bank of South Africa Ltd
Citibank South Africa

Sweden
Nordea Bank
Swedbank International
Danske Bank
Skandinaviska Enskilda Banken

Switzerland
Credit Suisse
UBS Bank AG
Zurcher Kantonalbank
Bank Julius Baer
Banque Cantonale Vaudoise
BSI SA
Banca Cantonale de Geneve
Banque de Commerce et de
Placements

Thailand
Kasikorn Bank Public Co Ltd

Taiwan
The Bank of New York Mellon
Standard Chartered Bank
Wells Fargo Bank Taipei
Citibank NA
Bank of Panhsin
Hwatai Bank
Hua Nan Commercial Bank

Tunisia
North Africa Internacional Bank
Bank de L'Habitat

Turkey
Turkiye Halk Bankasi

Ukraine
Credit Dnepr Bank
First Ukranian International

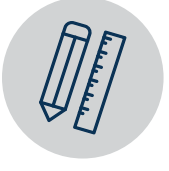
Uruguay
Banco de la Nación Argentina
Banco República Oriental del Uruguay
Banco Heritage
Bandes Uruguay
Banco Santander

Venezuela
Banco de Venezuela
Banco del Caribe
Banesco Banco Universal
Banco Bicentenario Banco Universal

Vietnam
Woori Bank
Citibank Vietnam

Annual Report

The Annual Report presents the results of our management of the business, focusing on the creation of economic, social and environmental value for our different groups of interest, and the Bank's contribution to the United Nations' Sustainable Development Goals (SDG)



This Annual Report presents to our shareholders, investors, customers, vendors, employees, allied organizations, the Public Sector, communication media and local communities ("Groups of Interest") the strategy, proceedings, actions and the performance of Banco Macro during the year 2018, as well as the prospects and challenges for the future within the framework of the national and international situation.

For the last five consecutive years this Annual Report follows the reference framework provided by the International Integrated Reporting Council ("IIRC"), including information on the Bank's sustainability management, meeting the requirements of increasingly more complete and integral information about campaign performance regarding this matter. In this sense, we describe programs, products and services that are material for the business, according the six capitals model: Financial, Industrial, Intellectual, Human, Relational and Social and Natural.

In order to select its contents we carried out a materiality analysis[1], which allowed as to identify those matters related to our strategic pillars generating value for the business and to our key public.

In addition, note that this Annual Report has been prepared in accordance with the standards of the Global Reporting Initiative ("GRI"), Core option. Besides, this publication constitutes our Communication on 2018 Progress and serves to report our performance regarding the 10 principles on Human Rights, Labor Rights, Environment and Anticorruption of the United Nations Global Compact, to which we adhered in 2009[2].

Besides, this year, after mapping the United Nations' Sustainable Development Goals (SDG) to which the Bank contributes most, we present in this publication those SDG that are relevant for our management, showing our commitment and impact on 2030 Global Agenda.

This document is supplemented with other reports, such as Form 20-F of the US Securities Exchange Commission ("SEC") and the sustainability actions summary (Annual Report – Simplified Version).

[1] See Exhibit I for additional information.
[2] www.pactoglobal.org.ar

Macro-Economic Context

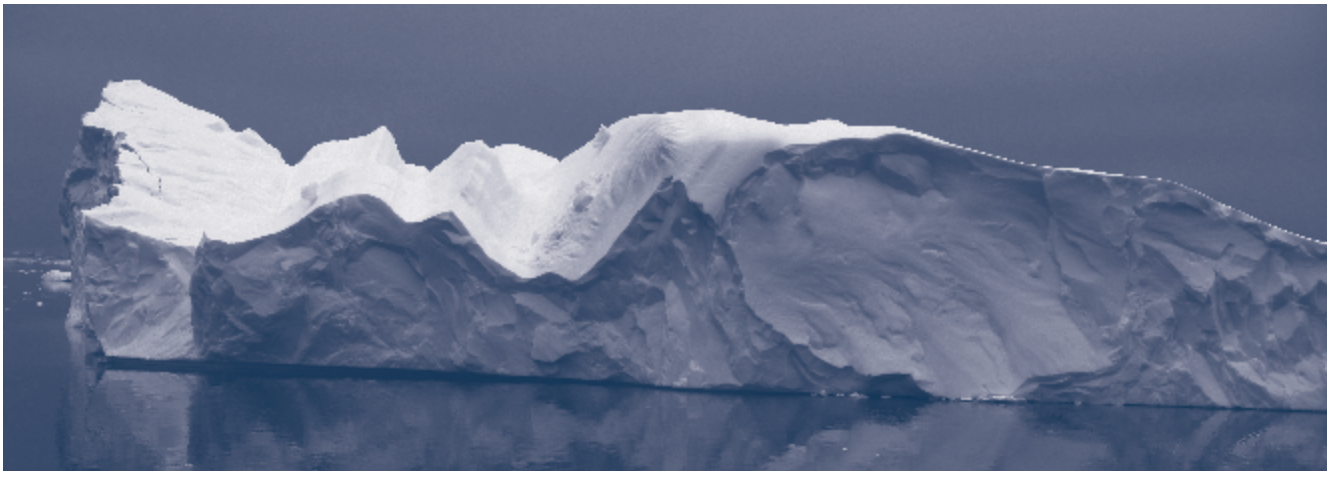
The macroeconomic scenario in 2018

During 2018, the draught that affected chiefly the main crops campaign in the first quarter, and the exit of financial flows from emerging markets during a great part of the year, determined the course of the Argentine economy.

Indeed, the local economy started year 2018 with a high current account deficit (close to 5% of GDP). Financing for this came, to a large extent, from investments of portfolios of external actors and public issue and private placement in foreign markets. However, at the end of the first quarter, this scenario was disrupted, as the appetite of foreign investors for the emerging markets was reduced. In addition to this international change, there was a decline in the harvest of main crops (soybean, corn, and sunflower) of the 2017/18 campaign due to the aforementioned drought. Given the weight of the primary sector on Argentine exports, and the continued and still significant need for financing of the Public Sector, the aforesaid phenomena markedly deteriorated the short-term sustainability of the country's current account deficit. Consequently, the country risk (measured by the EMBI+ index) rose from 347 bps in January to 815 bps in December; the portfolio income for local investments was reduced to a minimum, and the exchange rate fell to ARS/USD 41.3 in August.

External credit stringency, together with the direct impact of the drought, affected growth. It is estimated that during 2018, the Argentine GDP fell by at least -1.8%.

The impact of the exchange rate on tradable prices also affected inflation. The Consumer Price Index showed a variation at the end of the year of + 47.6% year-on-year. This variation also reflects the impact of the adjustment of relative prices affecting the tariffs of regulated utilities, seeking to reach levels consistent with their operating and/or opportunity costs.



Tax policy was adjusted to this new context of greater scarcity, and the primary fiscal deficit target was reduced to 2.7% of GDP, with a view to eliminating it in 2019.

Monetary policy, on the other hand, was tightened up over the year. The Central Bank's reference rate went from 28.75% in January to 73.524% at its peak in October. Besides, the reserve requirement scheme became more stringent. The Central Bank intervened in the foreign exchange market between March and September. During this period, it sold international reserves for USD 15.968 billion. Finally, in terms of monetary regulation, the BCRA eliminated the stock of LEBACs held by banks and other investors to replace them with LELIQs in circulation exclusively in banks as a monetary policy tool. Thus, the banking system has once again become the exclusive channel for the monetary authority's decisions. Finally, the authorities have chosen to abandon the inflation targeting regime to adopt a monetary base control scheme built on explicit objectives established in line with a significant reduction in inflation.

Along with the action above described, the federal authorities requested and obtained financial support from the International Monetary Fund (IMF). In its final draft, support was translated into a three-year Stand-By Agreement (SBA) that involves the disbursement of approximately USD 57.00 billion by the entity. The SBA makes it possible to cover the financing needs of the Treasury, regardless of the issuance of instruments in foreign markets. Within the framework of the implementation of the program contained in the SBA, there was a strong reduction in both levels and volatility in the local foreign exchange and money market, especially since the last quarter of 2018.

At the beginning of 2019, there was a reduction in financing needs, as a result of both a reversal in the current account deficit in line with the new level of the actual exchange rate, and the greater tax efforts aimed at achieving the primary balance in said year. On the other hand, the Treasury has sufficient funding for all its commitments with international debtors on a horizon of at least twelve months, reinforced by the continuous access to the local capital market through auctions of short-term financial instruments such as LETEs (in US dollars), LECAPs and LECERs (in Argentine pesos) that have achieved interesting levels of acceptance. Finally, the monetary policy has fulfilled so far its monetary aggregates goals.

Therefore, the set of economic policies currently underway leads to stronger macroeconomic grounds by reducing imbalances that require financing.

However, we consider unavoidable the influence to be exerted on economic decisions by the expectations of economic agents as regards the outcome of the elections scheduled for 2019 culminating in the presidential election in October. Their necessarily uncertain nature, and their effect on possible economic policy alternatives will have as an immediate consequence the injection of an additional dose of caution in the decisions to be made by economic agents.

Within this general framework, it is estimated that Argentina will maintain macroeconomic policies consistent with its possibilities of obtaining financing by implementing, on the one hand, a monetary policy with a contractionary bias that supports a drop in inflation and, on the other hand, a fiscal policy oriented towards a reduction in the (internal) debt-to-GDP ratio over time. It is also assumed that tax pressure will remain high, and that the business climate will be constructive, though with a Government that will be present with selective interventions, a stable regulatory framework, and limited opening of the economy.

Under the conditions described, and once the political uncertainty has dissipated, the medium-term economic scenario indicates that Argentina can grow at a rate of 3% per year with a gradually decreasing inflation, in which fiscal and current account deficits converge on levels around 2% of the GDP, which allows the (internal and external) debt-to-GDP ratios to stabilize at reasonable levels.

The international context

Year 2018 was less favorable than predicted at its start. Global growth lost some of the strong impetus that it carried from the previous year, and expansion was less synchronized among the countries. Economic activity began to show signs of exhaustion, and slowed in some advanced economies, while in the group of economies of emerging and developing markets, expansion maintained the same pace as a year before.

Factors that contributed to this weaker performance were the negative effects of the growing trade barriers between the United States and China, more restrictive financial conditions, geopolitical tensions, as well as less favorable prospects for some economies of emerging and developing markets due to specific factors of each country.

With regard to the international flows of goods and services, a series of tariff measures applied by the United States, in addition to the retaliatory measures taken by its main trading partners, complicated global trade relations. The escalation of trade tensions, and the potential shift away from a rule-based multilateral trading system are critical risks for the global prospects within a context in which the growth of international trade slowed in 2018 to 4.2% year-on-year versus 5.2% in 2017.

With regard to global financial conditions, there was a higher level of restriction and localized pressures during 2018. Although monetary policies remain flexible, significant differences have arisen between advanced and emerging market economies. The four increases in the year in the interest rate by the Federal Reserve of the United States contributed to the appreciation of the US dollar since April, which caused the price of raw materials to fall and caused a rise in the country risk levels as measured by J.P. Morgan EMBI index. In this context, focal points of pressure have arisen in countries with weaker macroeconomic foundations, and a higher level of political uncertainty, as was the case in Turkey and Argentina.

For this reason, the IMF projects an overall growth of 3.7% year-on-year for 2018, in line with the 2017 figure, though 0.2 percentage points lower than that expected in the middle of the year. The advanced economies grew only 0.1 percentage points above that of 2017, with a greater contribution from the United States, and a slowdown in the Euro zone, the United Kingdom and Japan. As regards emerging economies, the projection is 4.7% growth in 2018, a level similar to that registered in 2017. As in the case of advanced economies, performance is heterogeneous. Africa and India grew above the level of 2017, while in China and Latin America there was a deceleration despite the upturn in Brazil and Mexico.

The US, which represents 25% of the global GDP, grew 2.9% and further added 0.7 pp, driven by the impact on consumption as a result of the improvement in the overall wage bill, and the fall in unemployment, which is at a minimum of 3.9%. The fiscal incentive derived from the tax reform also contributed to the very good economic performance, but this is about one-time effects that will not be repeated in subsequent years, and which will bring along as a cost an increase in the fiscal deficit.

In addition to the aforementioned increases in the interest rate, the Federal Reserve has announced that it will continue with the normalization of its balance sheet, and will continue to reduce its holding of Treasury Bonds, which after scoring a maximum of USD 4.2 trillion in October 2017, reached USD 3.9 trillion at the end of 2018, and will fall at a pace of USD 50 billion per month during 2019, which already implies a sharp monetary contraction, and conditions the growth of the economy, especially in the sectors most dependent on credit.

The participation of Europe in the global GDP also reaches 25% of the total. In 2018, the Euro zone grew at a 2.0% pace per year, 0.4 pp up the pace registered in 2017. The advances achieved in terms of austerity, and the transition to fiscal balance have increased the debt-to-GDP ratio to 90%, but trade tension, deceleration of international trade, uncertainty regarding the exit of the United Kingdom from the European Union, and the recent political conflicts in Italy and France have generated a downward revision of the region activity projections by the IMF.

The growth of the Eurozone during the last few years contributed to reducing unemployment, while inflation remained controlled, and according to the IMF, it reached 1.7% in 2018. The European Central Bank announced the interruption of purchases of bonds as from January 1, 2019, but it expects that monetary conditions will remain flexible, and no increases in interest rates are expected until the second half of 2019.

The process of fiscal consolidation, fundamental for debt sustainability and monetary stability, will be under pressure given the deterioration of the social and political climate in significant countries of the European Union, such as Italy and France. In the first case, the government coalition objects to the cap on the fiscal deficit of 3 points of GDP, since it proposes a tax reduction and an increase in social spending. Similarly, social protests in France will have an uncertain fiscal cost. This issue is very important to project the macroeconomic evolution of the region.

On a level more in connection with the foreign trade of our country, China, India and Brazil offer opportunities for the Argentine economy. China has tripled its pace of expansion in relation to global growth so far this century, and its global share went from 3.7% to 15.1% in 2017 (with its GDP measured in current US dollars). In 2017, the Chinese economy had grown 6.9%, although it is expected to slow down to 6.6% in 2018, and somewhat more in the next few years, as a result of the trade war waged with the United States. The Asian giant is in the transition from a being a net exporting low-wage country to becoming an economy based on domestic consumption of goods and services, with higher per capita income due to the higher productivity resulting from a vigorous process of external and internal private investment, the latter supported by local credit. In the event of a sustained trade war, the diversion of the raw materials trade from the United States to other countries, including Argentina, may be a very interesting opportunity for our country

The expected slowdown in China of 0.3 pp during 2018 will be compensated by further expansion in the Indian economy. According to the IMF, this country grew by 7.3% in 2018 compared to 6.7% in 2017. The economy of India is quite complementary to that of Argentina, and the Argentine government is working on improving commercial relations with that country.

Brazil, Argentina's main trading partner, continues to leave behind the political crisis it went through during 2015 and 2016, whose consequences were an intense outflow of capital, and the severe depreciation of the real. In this context, the economy fell by 7 points in the biennium.

The interim government of Michel Temer put into practice a tax reform that froze the level of public spending in real terms, and a labor reform that is expected to bring an improvement in the productivity and competitiveness of its economy in the coming years. The results of that transition were positive, and the Brazilian economy grew by 1.0% in 2017, while the IMF expects a 1.4% growth by 2018.

In October 2018, Jair Bolsonaro took over the presidency of Brazil after a second round vote against Fernando Hadad. The new administration proposes a strong fiscal adjustment, to open the economy further, move forward with privatizations to reduce the stock of debt, and reform the social security system, a key area to reduce Brazil's fiscal deficit which is high, around of 7% of GDP. The fiscal prospects towards 2020 are largely linked to the delayed approval of the pension reform, which is essential to rebalance public accounts and achieve gradual convergence towards the primary surpluses that are compatible with the stabilization of the public debt. Any setback in the approval of these reforms may exert additional pressure on credit risk and exchange rate, affecting both inflation expectations and their current development.

Positive expectations have been created in the markets on account of Bolsonaro's victory, and the IMF projections point to a growth of 2.4% for 2019, which is positive for the Argentine economy, especially for sectors related to the automotive industry. However, the new administration's capacity to implement the proposed economic reforms without having parliamentary majorities must be confirmed.

With respect to the prices of agricultural commodities, whereas the international price of soybean fell by 7.3% in the year to 324 dollars per ton, the price of wheat and corn rose by 17.9% and 6.9%, respectively. The price of a barrel of WTI oil fell during 2018 by 25.3%.

In summary, it can be seen that the immediate global panorama presents clear challenges, as well as opportunities for emerging economies in general, and especially for Argentina. Macroeconomic and financial performance will continue to be marked by this more challenging global environment, both commercially and financially, and also as regards liquidity and the risk appetite of international investors.

Argentine economy

The economic policy in the Republic of Argentina during 2018 continued to follow the course taken by the government at the start of its administration at the end of 2015. Specifically, significant progress was made in resolving some of the imbalances and problems existing at the beginning of the administration, such as the unification, liberalization and free floating of the exchange rate, exit from credit default, recovery of transparency in official statistics, removal of price controls, and the adjustment of relative prices, such as the rates of public utilities, substantial improvement of the rules of the game under which business is developed, and the return of Argentina to the international financial community.

The decision to implement a gradualist strategy in reducing the fiscal deficit implied a great dependence on the international capital market for its financing, and a consequent exchange rate lag due to the inflow of US dollars to finance the fiscal gap. This combination of exchange rate lag and fiscal deficit led the country to face a significant deficit in the current account of the balance of payments that reached 5% of GDP at the end of 2017. This was how towards the end of 2017, and especially in 2018, the economy was vulnerable to a major shock, which reflected a substantial depreciation of the currency: after several abrupt jumps, the exchange rate went up from ARS/USD 18.8 in December to almost ARS /USD 41 at the end of September. The country went through a currency crisis of such magnitude that led the GDP to drop to around 1.8% and inflation to reach the record of 47.6% year-on-year.

The causes of this crisis were multiple, with a combination of internal and external factors. Among the external factors, the most important was the rise in long-term interest rates in the US, as already discussed, which began at the start of the year, and caused the strengthening of the US dollar worldwide, and a lower appetite for the assets from emerging countries that affected Argentina to a greater extent than other countries in the region.

As a result of this new international scenario, most currencies of emerging countries depreciated between 10 and 30 percent, with some exceptions, such as the Turkish lira, which was depreciated by 60%, and the Argentine Peso, the value of which varied more than 100%, from ARS/USD 18.8 at the beginning of 2018 to ARS/USD 37.8 in December 2018.

As regards the country risk for all emerging countries as measured by the EMBI calculated by investment bank J.P. Morgan, there was a rise in the year of about 120 basic points. In this case, the most affected countries were Turkey, Russia and South Africa, where the country risk rose around 100 bps, and in the Republic of Argentina, it soared by 467 points to close the year at 817 basic points.

Argentina was particularly affected by this external turbulence due to the pre-existing weakness evidenced by its current account deficit, aggravated by the loss of foreign currency caused by the drought that affected its primary exports in the first quarter of 2018.

The Central Bank let the peso float from the end of 2017 until March, but then it began to intervene when the depreciation of the peso was starting to have negative effects on the price level. The intervention was not successful, international reserves were lost without controlling the outflow of funds, and exchange rate instability together with acceleration of inflation and the increase in country risk generated a climate of distrust that negatively affected consumer confidence, which together with the deterioration of real wages began to affect consumption.

This adverse context of fear of exchange rate instability, and the lack of access to the capital market led Argentina to resort to the International Monetary Fund (IMF) to restore confidence. With the agreement, the reserves were recomposed, and the country had access to a high amount of resources that secured external financing for the years 2018 and 2019, while an identical result is facilitated for 2020. As a counterpart, conditions were agreed on the disbursement of funds in terms of fiscal results and monetary and exchange rate policy.

The agreement with the Fund consisted of two stages. Initially, in the month of June, it was for an amount of USD 50.00 billion, which did not stabilize the foreign exchange market. The exchange rate in August went down again (from ARS/USD 28 to ARS/USD 38), and the country risk rose again. This situation led to the revision of some points in the agreement with the IMF, including an increase in the amount of the program to dispel concerns regarding a potential default.

The second program of September was based on a reduction in the primary deficit to bring it to equilibrium in 2019, and on the announcement that the expansion of the monetary base was going to be 0% until June 2019 with seasonal adjustments of 6% in December and 3 % in June.

The IMF supported these measures with an increase in the size of the program, bringing it to 57 billion dollars, and with an advance of disbursements to cover all the financial needs derived from the payment of debt services for 2018 and 2019.

The program managed to bring calm to the foreign exchange market towards the end of 2018, restoring the equilibrium, though at a high level of interest rates that initially stood at around 70% per year, falling to 60% by the end of 2018, making more expensive and limiting the credit offer and the level of economic activity.

With the stabilization of the exchange rate, there was a significant drop in the inflation rate towards the end of 2018, which after reaching a peak of 6.5% per month in September, began a downward trend towards 2.6% monthly in December. Based on these figures, inflation in 2018 amounted to 47.6%, but a deceleration is expected in 2019, at rates closer to 30% per annum.

In this context, the Argentine economy fell by 1.8% in 2018, after having grown 2.9% in 2017. The deterioration of domestic conditions and a real depreciation of more than 50% in the year was reflected in a fall in real wages, consumption and investment, mainly in the construction sector, and in the importation of machinery and equipment.

With regard to demand, investment fell by around 5%, with the shrinkage of public investment in a context of fiscal consolidation, and was affected to a large extent by the high interest rates that discouraged productive investment. On the other hand, consumption, which had grown 3.6% in 2017, fell by 1.5% in 2018, declining practically in all its categories.

Concerning supply, the agricultural sector suffered the worst drought in recent years. The Monthly Estimator of Economic Activity (EMAE) calculated by the INDEC indicated for the sector year-over-year declines of around 30% during the second quarter of the year, when the soybean harvest takes place. In particular, at the end of 2017 it was expected that the soybean harvest would reach 57 million tons, but finally it ended up at 37.8 million tons.

Construction, which had grown 13.4% in 2017, mainly due to the recovery of public works, grew around 2% in 2018 despite having registered double-digit growth rates during the first semester.

On the other hand, industrial activity suffered eight consecutive year-on-year declines between May and December, amongst them, the largest ones since 2009. High interest rates discouraged production through a heavy liquidation of inventories and lower credit, and at the same the exchange rate depreciation raised the price of some consumables and machinery, while the weakening of economic activity in general fully affected domestic demand. Indeed, industrial activity fell around 3.5% throughout the year. This fall was led mainly by the textile and metallurgical sectors (strongly linked to the agricultural sector), while the automotive industry (benefited by the upturn in demand from Brazil), and the basic metal industrial sectors accumulated the highest increases.

On the fiscal front, the government continued to focus its efforts on reducing the primary deficit by combining both measures: moderation in spending, and an increase in revenues. Throughout the year, there was a primary deficit of ARS 338.987 billion, equivalent to 2.4% of GDP. Thus, the primary result exhibited an improvement of 1.4 pp compared to the deficit recorded in 2017 (3.8% of GDP). It is the first time since 2003-2004 that resources grow for two consecutive years above primary expenses.

In particular, total revenues accumulated a 30.2% increase, below the average inflation of the year (34.3%), and in addition to the high relative weight of VAT revenues, they were driven by taxes levied on foreign trade: taxes on imports during the first semester, and export duties as from September.

Moreover, primary expenditure closed the year with a 22.4% rise, which implies an 8.9% reduction in real terms, adding its third consecutive real fall. Furthermore, primary expenditure decreased as a percentage of GDP for the third consecutive year (-1.9% of GDP). While social benefits grew 27.6% throughout the year, capital expenditure grew only 1.1% compared to 2017. If we add the deficit of 2.4% of GDP to the expenses derived from the Priority Investment Program, which are registered as financial application of funds, the primary deficit consistent with the definition included in the stand-by agreement with the IMF was just below the target of 2.7% of GDP.

On the other hand, if payment of interest on the debt for ARS 338.94 billion is taken into account, the fiscal deficit was equivalent to 5.2% of GDP. This result implies an improvement of 0.8 pp compared to the 6% deficit registered in 2017.

Consequently, the federal government had to cover in 2018 financial needs for USD 32.9 billion, of which USD 9 billion came from the international debt market and USD 24.1 billion from the IMF and other multilateral institutions, among other sources. In addition, during the first months of 2018, the Treasury received USD 2.4 billion as temporary advances from the Central Bank, which were stopped after the first agreement with the IMF in which it was established that the Central Bank would not provide more financial assistance.

In this scenario, the net public debt closed the year at levels near 44% of GDP, thus increasing compared to a year ago (28.4%).

The fiscal target for 2019 contemplates a primary balance in equilibrium, while the payment of interest is estimated to be equivalent to 3% of GDP, generating a fiscal deficit of the same magnitude. The Treasury will have to finance USD 24.9 billion, but it has already received USD 22.5 billion from the IMF and USD 4.6 billion from other multilateral organizations.

The currency crisis resulted in an increase in country risk, and a reduction in the sovereign rating of the Argentine debt. In November, S&P modified the sovereign rating of the Argentine debt, from B+ to B. As to Fitch Ratings, it maintained it throughout the year at B, just like Moody's, which kept it at B2. Thus, the Argentine debt was 5 steps away from being Investment Grade according to the three credit rating agencies mentioned.

It should be noted that Argentina was rated as an emerging market, ceasing to be exclusively a frontier market, and thus expanding the range of potential demanders for Argentine assets.

The development of monetary policy during 2018 was affected by the currency crisis, and successive changes in the composition of the Central Bank's board of directors. Once the currency crisis broke out, and in order to avoid the pass-through of the peso depreciation to inflation, the Central Bank intervened strongly in the foreign exchange market, but failed to control the outflow of funds, which meant a net fall of USD 15.968 billion of US dollars in reserves in the attempt to stabilize the foreign exchange market. Simultaneously, the monetary authority proceeded to significantly increase reserve requirements by reducing the availability of domestic credit.

Within the framework of the second agreement with the IMF, it was decided to temporarily abandon the inflation targeting scheme to replace it with a temporary control scheme for monetary aggregates, specifically the monetary base, which, except for seasonal adjustments, will remain unchanged until June 2019. Conceptually, it is a much more robust stabilization program that seeks to anchor inflationary expectations and recover degrees of freedom while greater confidence in the local currency, and a higher real exchange rate contribute to balancing the external front.

Prospects for 2019

After the currency crisis, and the government's reaction, the macroeconomic grounds of Argentina are more solid. These new bases position the economy as a whole in a situation more in line with its real financing possibilities in the short term, and aim to recover the confidence of investors.

The fiscal balance will bring double benefits. First, because it will impact on the financing needs and the issuance of new debt, and second because it will remove pressure from the external front by reducing the need for financing from foreign sources. While fiscal consolidation is achieved, financial assistance from the IMF and its support to the government's economic program will be key to ensuring that the financial program is completed without the need to resort to international debt markets, while at the same time the Central Bank reserves are strengthened.

On the other hand, as the bilateral exchange rate against the dollar depreciated in real terms close to 40%, the foreign exchange market has been balanced, and the Argentine peso seems to be slightly weak or close to equilibrium. Thus, the growth of net exports, the lower dollarization of portfolios, and a reduction in the gap between outbound and inbound tourism lead us to forecast a fall in the negative balance of external accounts to a level below 2% of GDP. This deficit can be financed with direct foreign investment, which is much more stable in nature than portfolio investments.

Finally, the monetary plan of zero growth adjusted for monetary base seasonality is a very restrictive monetary initiative and is helping to stabilize the exchange rate at this competitive level and to control inflation. The sharp exchange rate depreciation, and its transfer to prices led the Central Bank to abandon temporarily the inflation targeting scheme and concentrate on the control of monetary aggregates. As a result of the success of this new scheme, there is less volatility of the exchange rate. Therefore, we project a slowdown in inflation, and a drop in inflation expectations.

Based on the new Argentine macroeconomic grounds, we believe that the appropriate conditions exist for the economy to resume its growth path at a 3% pace per year in the second half of 2019. Alongside with this growth, we expect inflation to slow down. However, the influence to be exerted on economic decisions by the expectations of economic agents, as regards the outcome of the elections scheduled for 2019 culminating in the presidential election in October, is unavoidable. Their necessarily uncertain nature, and their effect on possible economic policy alternatives will have as an immediate consequence the injection of an additional dose of caution in the decisions to be made by economic agents.

Within this general framework, it is estimated that Argentina will maintain macroeconomic policies consistent with its possibilities of obtaining financing by implementing, on the one hand, a monetary policy which supports a drop in inflation and, on the other hand, a fiscal policy ensuring a reduction in the (internal) debt-to-GDP ratio over time. It is also assumed that tax pressure will remain high, and that the business climate will be constructive, though with a Government that will be present with selective interventions, a stable regulatory framework and limited opening of the economy.

Activity and Inflation

The results of monetary restrictions on inflation will be seen more clearly in 2019. It is expected that inflation will fall to 30% in December, and that in the following years its tendency to decrease will deepen.

With reference to activity, the harshness of fiscal and monetary policies will keep domestic demand weak, with net exports being the component with the greatest impact on growth.

As regards the supply, agriculture, livestock breeding, mining, and energy will be the most dynamic sectors. The industry will continue to be affected by less credit, and sectors with the best yields will be those linked to the energy and the agricultural industries, and those that manage to substitute imports.

Regarding the demand, private consumption will continue to be affected by held down real wages, while investment will be concentrated in the niches that will benefit from a weaker peso in real terms. Government intentions to promote public-private partnership (PPPs) initiatives as a significant complement to public investment require that companies obtain financing. At the moment, there is no appetite for debt from this loan. Our projections consider that the expansive cycle of the activity will begin in the first quarter of 2019. However, given the 3% negative statistical carry-over effect, we expect a GDP contraction of around 1% for the year 2019 as measured on average.

Fiscal and external balances

The need to accelerate fiscal consolidation led the government to set a primary deficit target of 2.7% of GDP for 2018, and a primary balance target in 2019. The fiscal effort in 2019 will not only be aimed at moderating public spending, but will also include an increase in public revenues.

As regards expenditures, for which a reduction equivalent to 1.5% of GDP is expected, the main cutbacks will be in capital expenditures, transfers to provinces and subsidies, while social security spending will be increased by 0, 3 pp of GDP. It is important to note that social spending will remain constant as a percentage of GDP, and that health programs will be maintained in terms of purchasing power against inflation.

On the other hand, it is expected that the total revenues of the Federal Government will increase by 1.2 pp of GDP in 2019. This rise will be led by the reintroduction of export duties on all exports of goods, the increase in the ax rate for exports of soybeans and derivatives, and the new tax that will be levied on exports of services.

With regard to the financial deficit, it is expected that the public debt interest burden will reach 3% of GDP in 2019. This increase is added to that of previous years, resulting from both an increase in the stock and the peso depreciation.

External accounts are going through an accelerated process of correction to sustainable values, within a context in which the actual exchange rate has already weakened more than 50% in comparison with the average of 2017. We estimate that, if this new actual exchange rate level is maintained, the current account deficit should be close to 2% of GDP in a sustainable manner.

The trade balance of goods is beginning to show surpluses, as the fall in the level of activity and the depreciation of the exchange rate have drastically reduced imports, while exports have picked up. We estimate that exports will improve considerably in 2019 as a result of the recovery of agricultural, livestock, mining and industrial sales to Brazil. The production start-up of unconventional oil fields in Vaca Muerta is progressing better than expected, and it is very likely that in a few years the country will be once again a net exporter of gas and oil.

Public debt, solvency and liquidity

The Republic of Argentina does not face solvency problems in its debt dynamic, but rather a liquidity event

To the extent that the country meets the fiscal target agreed with the IMF, the maturities of the public intra-sector debt, and at least 50% of the maturities with the private sector are renewed, government's financing needs will be covered until the beginning of 2020. Under these conditions, the net debt/GDP ratio will reach a peak of 50% in 2019, and will then stabilize at levels in line with international ratios.

The average life of Argentina's public debt is 7.5 years, which shows that there is no concentration of maturities in the short term. While IMF disbursements will reduce said average life, since they must be paid off after 3 years, the term structure will remain comfortable. In addition, private sector creditors will be replaced by assistance from the IMF, which is more stable and less subject to the ups and downs of the global market.

Money Market and Financial System

Financial system

The money market in Argentina evolved in line with the currency crisis. The process of accumulation of reserves was interrupted, and the exit of portfolio investments that had entered the market to be exposed to placements in Argentine pesos implied a reversal in the financial flows that triggered a fall in Central Bank reserves plus the intervention by the Federal Treasury selling foreign currencies for about 25.00 billion dollars, and a considerable decrease in the stock of Lebacs.

However, in the second half of 2018, with the program agreed with the IMF, and the expansion of a currency swap with the Central Bank of the People's Republic of China, international reserves were able to recover from the fall sustained by the Central Bank's interventions through foreign currency sales to the private sector. Thus, in the point-by-point comparison, gross international reserves grew 10.751 billion dollars reaching, at the end of 2018, USD 65.806 billion.

One of the conditions to receive credit assistance from the program with the IMF, was that the Central Bank should focus on a much more restrictive monetary stabilization program with nominal growth targets for the monetary base. Furthermore, in order to improve the monetary policy transmission mechanisms, and resume financial intermediation, a Lebac redemption program was carried out. Thus, at the end of 2018, the stock of this BCRA interest-earning liability reached zero, and was partially replaced by Leliqs (Liquidity Letters), 7-day BCRA interest-earning liabilities only accessible by banks. The stock of Leliqs at the end of the year totaled ARS 722 billion, 51% of the monetary base.

The quasi-fiscal deficit was reduced as a result of the considerable depreciation of the exchange rate in addition to the exchange of Lebacs for Leliqs. At the beginning of the year, Lebacs represented more than 100% of the monetary base. After the first agreement with the IMF, a plan was implemented in June to gradually reduce the stock of such instruments through the sale of international reserves, increase in reserve requirements, issuance of government securities and Leliqs. Thus, at the end of 2018 the stock of monetary liabilities of the Central Bank was around 5.2% of GDP, compared to 9.5% in 2017.

During the year, the monetary base grew by ARS 407 billion due to the redemption of Lebacs, which expanded the base by ARS 1.296 billion, while as a contraction factor, there was an absorption of ARS 709 billion via Leliqs, and ARS 411 billion through the sale of foreign currency to the private sector during the intervention period. In 2018, the BCRA transferred ARS 30 billion to the Treasury as provisional advances, and there was no transfer of profits. In 2019, the BCRA will not provide assistance any longer to the Treasury in connection with any of those two items.

On average, the monetary base grew at a rate of 33% per year, somewhat higher than 32% in 2017, although two different paces can be noticed, given that with the launch of the zero-growth plan of the base at the end of September, the average expansion in the last quarter was only 3%.

In this regard, it should be noted that at the end of 2018, accumulated international reserves doubled the monetary base compared to last year, in which they accounted for 100%. Furthermore, as regards BCRA equity, it should be noted that the Net International Reserves/Interest-Earning Debt ratio that had begun to improve in 2017 continued going through that process during 2018, after falling continuously as from 2009 onwards.

The monetary base expanded marginally from 9.5 to 9.7% of GDP, while private M2 fell 1.9 pp of GDP from 13.2 to 11.5% of GDP. In the case of M3, the PBI/M3 ratio dropped by 0.2 pp to 19.1% of GDP.

The weakness of monetization in Argentina is not a new phenomenon. Therefore, and despite the improvement evidenced during 2017 and 2018, the Argentine financial system continues to be of the smallest relative size in Latin America, since bank credit in Argentine pesos and US dollars represent 15.8% of GDP compared to the 35% regional average.

During 2018, Argentine peso-denominated deposits rose 54% yoy, while those US dollar-denominated deposits (measured in Argentine pesos) were up 131% yoy (29% measured in foreign currency + 102% devaluation).

Thus, the total deposits in both currencies in relation to GDP increased 6.8 pp of GDP; this growth is mainly explained by larger time deposits in Argentine pesos, and larger deposits in US dollars, which reached record levels at the end of the year. This growth was well above the rise of just 0.7 pp of GDP for total credit in both currencies.

During 2018, private deposits (Argentine pesos plus dollars) grew 66% yoy due to the combination of a 42% rise in Argentine pesos and 139% in US dollars (measured in ARS), with a notable recovery in the growth of term deposits in Argentine pesos that grew 65% after banks resumed financial intermediation when the stock of Lebacs was fully re-deemed, to which depositors could previously have direct access.

The evolution of private deposits in foreign currency shows the dollarization of deposits during the year, and the confidence of depositors in the local financial system. On average, they were up 225 million dollars per month.

On the other hand, the increase in public sector deposits (Argentine pesos plus dollars) in the year reached 97% yoy. Deposits from the public and private sectors (Argentine pesos plus dollars) reached ARS 3.922 billion, 77% of which belonged to the private sector.

As regards assets, in 2018 the financial system grew in total loans (private plus public) 36.4% yoy, totaling ARS 2.240 billion.

Loans to the private sector rose 37.2% yoy, totaling ARS 2.151 billion, which represents 96% of total loans. Private credit denominated in Argentine pesos grew only 20% yoy, having reached a year-on-year growth peak of 51% in May. Private loans denominated in US dollars increased 125.5% yoy (23.5% yoy in foreign currencies plus 102% due to the Argentine peso devaluation).

Within the Argentine peso category, trade loans fell 0.8% yoy, affected by recession and the rise in interest rates, and was the worst hit item.

On the other hand, the demand for consumer credit evolved below the inflation rate, increasing by 24.6%. In particular, the balance of credit cards showed a 28.9% growth, while personal loans grew by 21% year-on-year.

Collateral loans granted grew 48.5% year-on-year. During the first months of 2018, the boost in mortgage loans adjusted by UVA (Purchasing Value Unit) continued, but then the origination of these loans slowed down rapidly. However, as balances are adjusted for the consumer price level, the stock of mortgages at the end of 2018 had grown 74% year-on-year until reaching ARS 210 billion. Automotive sales financed by collateral had a poor performance and fell 12.6% year-on-year, according to the data provided by AFIMA (Association of Financial Companies for Automotive Brands).

The growth differential between deposits and loans of the financial system in Argentine pesos (54% yoy vs. 20% yoy) was reflected in an increase in the liquidity ratios of the financial system. In effect, the broad liquidity of the system, measured as cash, and cash equivalents in Argentine pesos, integration of liquidity requirements, and Central Bank instruments, reached 51% of deposits at the end of 2018. In the year-on-year comparison, broad liquidity increased by 8 pp.

In this context, interest rates showed a growing trend influenced by the tightening of monetary policy and the dollarization of deposits. As of December 2017, the monetary policy rate was in the middle of the 7-day repo corridor, set at 27.40%. At the end of 2018, the monetary policy rate was the average of Leliqs rates, which was 59.25%, after having hit highs in the month of October of 74%. Thus, the rest of the rates showed a similar evolution: private Badlar rose from 23.3% to 48.6%. The 30-day time deposit rate in Argentine pesos averaged 21.7% at the beginning of the year and ended at 45.6%. As regards the TM20 rate (private banks), applicable to deposits in amounts above ARS 20 million, it started the year at 24.3% and ended at 51.5%.

On the other hand, the rate of advances to companies (at 7 days and more than ARS 10 million) was 31.2% at the beginning of the year, and ended at 65.0%. The Interbank Call Money rate (between private banks) at the end of 2018 was 55.5% compared to 28.0% the previous year.

Furthermore, in 2018 the available data up to October indicates that there was an increase in the profitability of the financial system in general. In particular, private banks made a profit of ARS 376.374 billion in the first 10 months of the year, 56.3% above ARS 240.863 billion for the same period of 2017, and above inflation, which translated in a return on assets (ROA) of 3.9% on average, above the 3.1% averaged for the same period in 2017. This increase in profitability was mainly explained by the higher income from received (collected) interest, which averaged 11.0% of assets versus 10.4% in 2017, and higher income from securities, which averaged 6.0% of assets versus 4.1% a year ago. Thus, the financial margin rose by 0.2 pp up to 10.6% of assets compared to 10.4% in 2017. Likewise, there was an increase in interest expense that averaged 8.7% of assets in 2018 versus 5.6% a year ago.

On the other hand, administrative expenses grew by 35.5% in the annual aggregate, below domestic inflation, and averaged 6.3% of assets, less than 7.1% in 2017. On the other hand, income from services represented 2.2% of the asset versus 2.9% in 2017, and grew by 18.0% in the year. Meanwhile, uncollectability expenses rose to 1.3% of assets from 1.0%, which means low levels, given that the irregular portfolio averaged 2.2% of financing. Finally, tax charges in 2018 amounted to 1.2% of assets, compared to 1.4% the previous year.

As regards capitalization, the capital payment ratio stood at 15.5% of risk-weighted assets in November (similar to the level one year ago), with an excess of integration above the 88% requirement. Furthermore, exposure to the public sector averaged 12.8% of the assets (including loans to the public sector, securities, and Lebacs), below the 15.5% accumulated for the same period of 2017.

The Bank

In four decades we were able to stand as a leading bank in the Argentine private sector. Today we work to become the most sustainable Bank federally speaking and the first in customer service satisfaction. Below we present our 2018 results and the business strategy we follow to achieve this goal.

Banco Macro and its subsidiaries

We are the controlling company of the following entities ("Subsidiary Companies" or "Subsidiaries"):

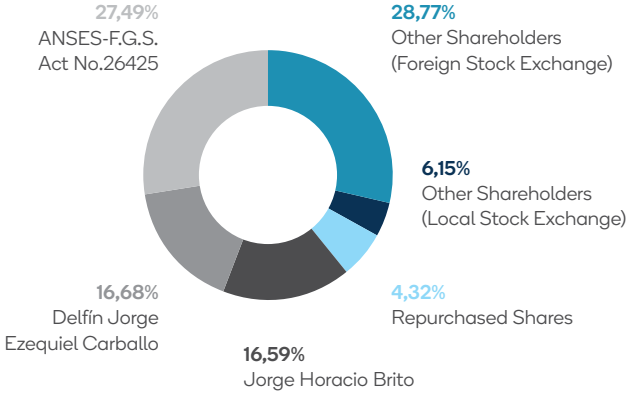
Banco Macro S.A.				
Banco del Tucumán S.A.	**Macro Bank Limited**	**Macro Securities S.A.**	**Macro Fiducia S.A.**	**Macro Fondos S.G.F.C.I. S.A.**
99,95%	**99,99%**	**99,92%**	**98,61%**	**99,94%**

Note: % on the corporate capital - direct and indirect interest.

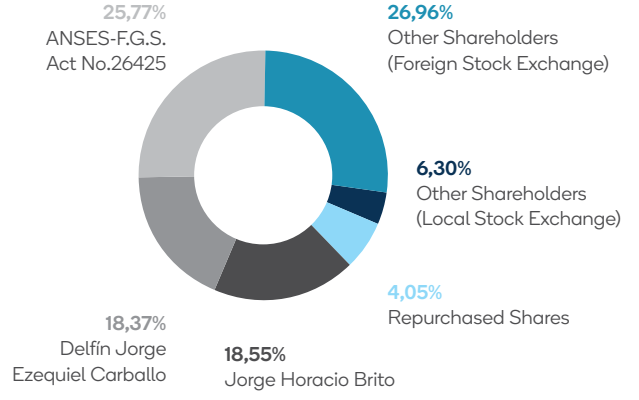
Ownership Structure

This is the ownership structure as of 31 December 2018:

Participating Interest



Voting Interest



Corporate Governance

At Banco Macro, our Corporate Governance is composed of the Board of Directors and the Senior Management, formed by the first line reporting to the General Manager and the Board staff departments. It is a local, dynamic and autonomous structure that enables the management of regional teams, which in turn ensures our presence in different spots of our country.

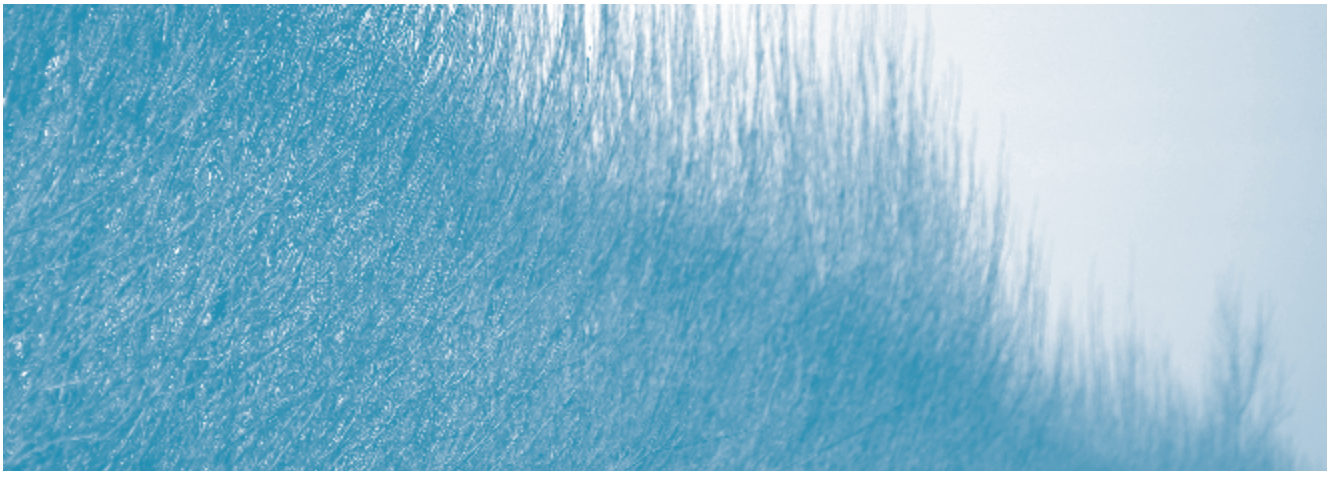
The Board of Directors

The Board of Directors is the maximum administrative body and is responsible for establishing the commercial and risk management goals and policies, with a view towards the development and sustainability in the long term.

Under the Argentine corporate law, its members are to be designated by the Shareholders' Meeting, in this case, to hold office for three fiscal years. In turn, sometimes the nominated directors need the authorization of the Central Bank of the Republic of Argentina (BCRA for its acronym in Spanish) to act as directors and participate in the meetings of the Board. This same entity determines the evaluation criteria to be followed in order to grant the authorization to the directors appointed by the Shareholders' Meeting. Financial entities must certify that the directors are legally capable, suitable and competent and that they have the appropriate experience in the financial activity and the possibility of functional dedication.

In the case of Banco Macro, all its members –being Argentine citizens- are designated by the General Shareholders' Meeting, to hold office for three fiscal years. They have the appropriate training and solid experience in the banking business; most of them even perform technical and administrative functions. This has allowed the Bank to clearly transmit to its stakeholders the goals and guidelines of the business and maintain positive consistent and sustainable results in a changing scenario.

The General and Special Shareholders' Meeting held on April 26th 2016 decided the Board shall be composed of thirteen Regular Directors and three Alternate Directors. Six out of the thirteen regular members and two out of the three alternate members meet the requirements to act as independent directors, as provided for by the applicable rules and regulations of the Argentine Securities Exchange Commission. During 2018 the Board met 17 times.



Each year, the Shareholders' Meeting evaluates the management and performance of the members of the Board. In addition, the Directors make a self-assessment which is then submitted to evaluation by Designations & Corporate Governance Committee. The Shareholders' Meeting fixes the remunerations to be paid to the Directors. In 2018, the Bank has not changed its policy in this regard.

Board Members

Name	Position	Age	Year first designated	Designation Expiry Date – Shareholders' Meeting evaluating the Financial Statements for the Year
Delfín Jorge Ezequiel Carballo	Chairman	66	2002	2020
Jorge Pablo Brito	Vice Chairman	39	2002	2018
Marcos Brito	Regular Director	36	2007	2019
Carlos Alberto Giovanelli	Regular Director	61	2016	2018
Nelson Damián Pozzoli	Regular Director	52	2016	2018
José Alfredo Sánchez (*)	Regular Director	62	2016	2018
Martín Estanislao Gorosito (*)(**)	Regular Director	34	2016	2018
Constanza Brito	Regular Director	37	2007	2020
Mario Luis Vicens (*)	Regular Director	67	2016	2020
Juan Martín Monge Varela (*) (**)	Regular Director	43	2017	2020
Guillermo Eduardo Stanley (*)	Regular Director	70	2018	2020
Alejandro Eduardo Fargosi (*)(**)	Regular Director	64	2016	2019
Delfín Federico Ezequiel Carballo	Regular Director	34	2015	2019
Santiago Horacio Seeber	Alternate Director	41	2018	2018
Alejandro Guillermo Chiti (*)(**)	Alternate Director	40	2018	2018
Fabián Alejandro De Paul (*)	Alternate Director	55	2017	2018

(*) Independent Director.
(**) Designated upon nomination by ANSES-FGS.

Supervisory Committee

The supervision is the responsibility of the Supervisory Committee, which has the powers and duties as established by the Argentine laws.

Composition of Supervisory Committee

Name	Position	Designation Expiry Date – Shareholders' Meeting evaluating the Financial Statements for the Year
Alejandro Almarza	Regular Syndic	2018
Carlos Javier Piazza	Regular Syndic	2018
Silvana María Gentile	Regular Syndic	2018
Alejandro Carlos Piazza	Alternate Syndic	2018
Leonardo Pablo Cortigiani	Alternate Syndic	2018
Jorge Roberto Pardo	Alternate Syndic	2018

Committees

We feature 14 committees formed by the members of the Board and Senior Management departments who contribute their experience and knowledge to the daily management of the business.

In 2018 we created the Financial Services User Protection Committee and designated a Senior Management member as the person responsible for User Protection, pursuant to the rules of the Central Bank of the Republic of Argentina, ensuring our customers the Bank commercializes its products and services in accordance with such rules and becoming user's representative within the Bank[(3)].

Committee	Name of Members	Position
AUDIT	Guillermo Eduardo Stanley	Regular Director
CNV[4] /SEC[5]	José Alfredo Sánchez	Regular Director
	Mario Luis Vicens	Regular Director
ASSETS &	Jorge Pablo Brito	Regular Director
LIABILITIES	José Alfredo Sánchez	Regular Director
	Delfín Federico Ezequiel Carballo	Regular Director
	Gustavo Alejandro Manríquez	General Manager
	Martín Kaplan	Commercial Banking Manager
	Brian Anthony	Management Control & Strategic Planning Manager
	Jorge Francisco Scarinci	Head of Finance/ CFO
	Juan Ignacio Perdomenico	Head of Management Control
CREDIT	Delfín Jorge Ezequiel Carballo [1]	Chairman of the Board
Senior	Jorge Pablo Brito [1]	Vice Chairman of the Board
	Carlos Alberto Giovanelli [1]	Regular Director
	Nelson Damián Pozzoli [1]	Regular Director
	Jorge Pablo Brito [1]	Regular Director
	Marcos Brito [1]	Regular Director
	Gustavo Alejandro Manríquez	General Manager
	Ana María Magdalena Marcet	Credit Risk Manager
	Alejandro Becka	Corporate Risk Manager
	Adrian Mariano Scosceria	Head of Corporate Banking
	Martín Kaplan	Head of Commercial Banking
	María José Perez Van Morlegan	Head of Legal Department
	Relevant Managers	Managers
CREDIT	Marcos Brito [2]	Regular Director
Junior	Nelson Damián Pozzoli [2]	Regular Director
	Ana María Magdalena Marcet	Credit Risk Manager
	Alejandro Becka	Corporate Risk Manager
	Francisco Muro	Distribution & Sales Manager
	Head of Other Relevant Banking Businesses: PyME, Agro, Megra, Investment, Corporate	Head of Other Relevant Banking Businesses: PyME, Agro, Megra, Investment, Corporate
	Head of Divisional Office	Head of Divisional Office
IT SYSTEMS	Marcos Brito	Regular Director
	Delfín Federico Ezequiel Carballo	Regular Director
	Carlos Alberto Giovanelli	Regular Director
	José Alfredo Sánchez [3]	Regular Director
	Gustavo Alejandro Manríquez	General Manager
	Ricardo Mendoza Albán	Head of Operations & Technology
	Leonardo Maglia	Head of Innovation & Technology
	Brian Anthony	Management Control & Strategic Planning Manager
	Alberto Figueroa	Head of Comprehensive Risk Management

[3] See section on "Corporate Governance Guidelines" for addtional information.
[4] Comisión Nacional de Valores (CNV).
[5] US Securities and Exchange Commission.

Committee	Name of Members	Position
ANTI-MONEY LAUNDERING	Nelson Damián Pozzoli [4]	Regular Director
	José Alfredo Sánchez	Regular Director
	Mario Luis Vicens	Regular Director
	Carlos Alberto Giovanelli	Regular Director
	Alfredo Cobos	Responsible of Anti-Money Laundering Office
	Alberto Figueroa	Head of Comprehensive Risk Management
	María José Perez Van Morlegan	Head of Legal Department
INTERNAL AUDIT	José Alfredo Sánchez	Regular Director
	Guillermo Eduardo Stanley	Regular Director
	Mario Luis Vicens	Regular Director
	Nelson Damián Pozzoli [5]	Regular Director
	Carmen Estévez	Head of Internal Audit Department
	Gerentes Invitados	Invited Managers
RECOVERY Senior	Marcos Brito [6]	Regular Director
	Carlos Alberto Giovanelli [6]	Regular Director
	Nelson Damián Pozzoli [6]	Regular Director
	Ana María Magdalena Marcet	Credit Risk Manager
	María José Perez Van Morlegan	Head of Legal Department
	Máximo Luis Casal	Responsible for Recovery
RISK MANAGEMENT	Mario Luis Vicens	Regular Director
	Carlos Alberto Giovanelli	Regular Director
	José Alfredo Sánchez	Regular Director
	Gustavo Alejandro Manríquez	General Manager
	Alberto Figueroa	Head of Comprehensive Risk Management
	Pablo Siwaki	Head of Risk Management
	Ana María Magdalena Marcet	Credit Risk Manager
	Jorge Francisco Scarinci	Head of Finance/ CFO
	Ricardo Mendoza Albán	Head of Operations & Technology
	Ernesto Eduardo Medina	Head of Human Resources
ETHICS & COMPLIANCE	Mario Luis Vicens	Regular Director
	José Alfredo Sánchez	Regular Director
	Carlos Alberto Giovanelli	Regular Director
	Nelson Damián Pozzoli	Regular Director
	Alberto Figueroa	Head of Comprehensive Risk Management
	Ernesto Eduardo Medina	Head of Human Resources
	María José Perez Van Morlegan	Head of Legal Department

Committee	Name of Members	Position
DESIGNATIONS & CORPORATE GOVERNANCE	Mario Luis Vicens	Regular Director
	José Alfredo Sánchez	Regular Director
	Carlos Alberto Giovanelli	Regular Director
	Alberto Figueroa	Head of Comprehensive Risk Management
	Ernesto Eduardo Medina	Head of Human Resources
	María José Perez Van Morlegan	Head of Legal Department
MPLOYEE INCENTIVES	Mario Luis Vicens	Regular Director
	José Alfredo Sánchez	Regular Director
	Carlos Alberto Giovanelli	Regular Director
	Alberto Figueroa	Head of Comprehensive Risk Management
	Ernesto Eduardo Medina	Head of Human Resources
CRISIS	Directors called by the General Manager as needed	Directors
	Gustavo Alejandro Manríquez	General Manager
FINANCIAL SERVICES USER PROTECTION	Mario Luis Vinces	Regular Director
	María Milagro Medrano	Head of Institutional Relations & Customer Service
	María José Perez Van Morlegan	Head of Legal Department
	Alberto Figueroa	Head of Comprehensive Risk Management

(1) Two of the above mentioned directors.
(2) One of the above mentioned directors
(3) Alternate.
(4) FIU Compliance Officer.
(5) Alternate.
(6) Two of the above mentioned directors.

Senior Management

Senior Management is responsible of the day to day management of our business, the alignment thereof with the Bank's corporate strategy and compliance with the Bank's goals.

Senior Management Composition as of 31 December 2018

Name	Position
Gustavo Alejandro Manríquez	General Manager
Brian Anthony	Management Control & Strategic Planning Manager
Martín Kaplan	Head of Commercial Banking
Ernesto Eduardo Medina	Head of Human Resources
Jorge Francisco Scarinci	Head of Finance/ CFO
Francisco Muro	Distribution & Sales Manager
Ana María Magdalena Marcet	Credit Risk Manager
María Milagro Medrano	Head of Institutional Relations & Customer Service
Agustín Devoto	Head of Investment Banking
María José Perez Van Morlegan	Head of Legal Department
Alberto Figueroa	Head of Comprehensive Risk Management
Adrián Mariano Scosceria	Head of Corporate Banking
Ricardo Mendoza Albán	Head of Operations & Technology
Juan Domingo Mazzon	Head of Government Banking

Those who form part of the Senior Management are characterized by their capacity and commitment. The resume of each Senior Management member is available at https://www.macro. com.ar/relaciones-inversores, in the "Corporate Governance – directors and senior management officers".

Remunerations

We feature a Remuneration Policy –approved by the Incentives Committee and the Board of Directors- applicable to the entire Bank's staff and which defines the fixed and variable remuneration structure. Senior Management members and officers holding strategic positions within the Bank receive variable remunerations, allowing us to acknowledge their outstanding performance, measured on parameters related with a way of managing oriented to the entity's mission and values, and to the compliance with the annual strategic plan and its individual goals.

Corporate Governance Guidelines

We keep a strong commitment to business transparency and integrity. We meet the rules and regulations and comply with the codes typical of the financial industry, we respect the corporate values of our entity, we bet on the suitability of our internal control system and of those who work at the Bank, and, in addition, we follow high dialogue standards with the interested parties.

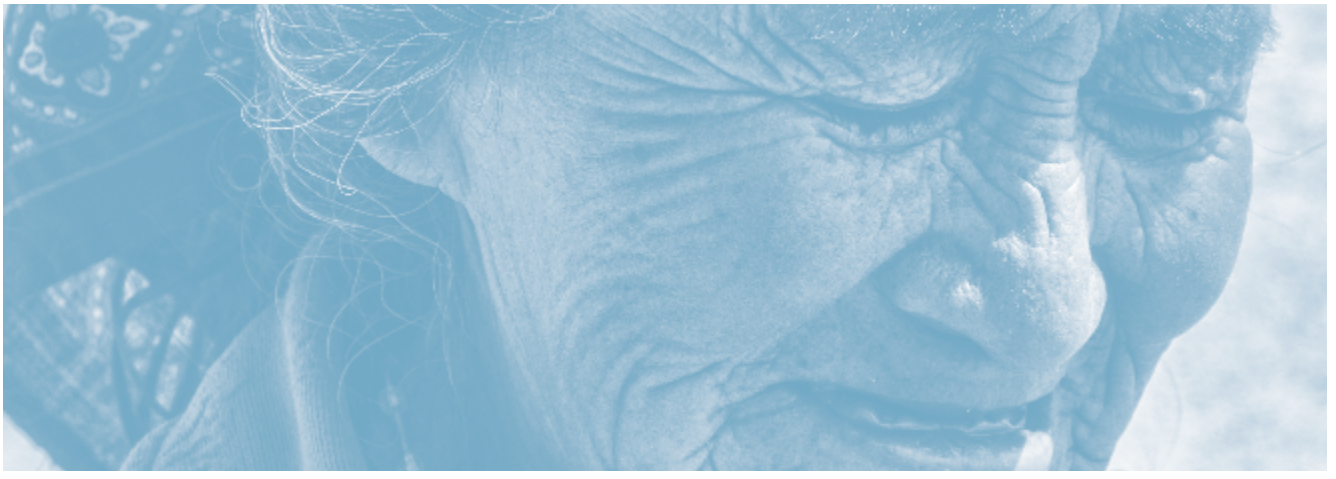
The bylaws and the Corporate Governance Policy define the Corporate Governance scheme applicable both to Banco Macro and its Subsidiaries. These guidelines incorporate the good practices on corporate governance.
Each year we carry out an integral review of this Policy for Board approval in order to guarantee it is up to date and efficient. For this purpose, we feature a Designations & Corporate Governance Committee created by the Board responsible for the application of this Policy and its related proceedings.

On March 2018, the Argentine Corporate Criminal Liability Act No. 27401 came into effect and we had to adjust the Corporate Governance Policy of Banco Macro and Banco del Tucumán. These guidelines are contained in the Code of Ethics for Directors and Senior Management Officers, the Code of Conduct for Employees, the Code of Conduct for Vendors and the Code of Conduct for Agents, as well as in the Anticorruption Policy, which contemplates the general framework adopted by the entity as to corruption risks.

On November, the Designations & Corporate Governance Committee updated the Corporate Governance Policy again in order to incorporate the duties and powers of the Financial Services User Protection Committee. This Committee was created on February 2018 in compliance with the rules of the BCRA and in order to see to the application of corporate governance good practices.

Furthermore, as a quality distinctive, we adhere to the Code of Bank Practices prepared by the different banking associations and financial entities of the Republic of Argentina. In this way, we commit to promoting the best bank practices in the country, in order to strengthen the rights of all users of financial services and products.

We comply with national and international standards that regulate ethical and responsible businesses.



Transparency

Our Information Transparency Policy is part of our Corporate Governance Policy.

To that effect, the Board has adopted standards that ensure at all times access to clear, concrete and detailed information on the Bank's situation, as to organizational, economic and financial aspects. The transparency standard applied to the disclosure of information is supplemented by our willingness to deal with the concerns of our stakeholders through our Investor Relations department.

Transparency, compliance with the rules and codes, dialogue and implementation of the best governance practices are the axis to manage the business focused on the continuous improvement of its processes.

Code of Ethics and Code of Conduct

We know that the trust generated by the different stakeholders depends mainly on our commitment to comply with the highest ethical standards we adhere to and that are materialized in our Code of Ethics and our Code of Conduct.

Our Code of Ethics applicable to all the members of the Board and Senior Management officers, is aimed at ensuring the highest levels of personal and professional integrity in all aspects of their activities, as well as seeing to the compliance with the applicable law and discouraging the performance of any reprehensible acts. The Code of Ethics is available at https://www.macro.com.ar/relaciones-inversores, "Corporate Governance" section.

The Code of Conduct applicable to all Bank's staff supplements this document. We look forward to a work environment that allows the development of all activities with the highest ethical standards and that stimulates responsibility, efficiency, commitment, loyalty, honesty, good communication and team work. For that purpose, we promote mutual respect, trust and warm and simple treatment, both between colleagues and bosses and with vendors and customers.

We feature the "Macro Group Ethical Line", which is managed by an external third party, ensuring compliance with the three guiding principles of this kind of reporting channels: anonymity, confidentiality and transparency. All the reports received are managed by a work team reporting to the Ethics and Compliance Committee. During 2018 the Ethical Line received 35 reports, expanded its scope of application and is now available to Macro Fondos and Macro Fiducia as well.

The Macro Group Ethical Line is operational 24X7 (365 days in a year) through the following channels:

— **Telephone:** 0800-122-5768

— **Fax:** +54 (11) 4316-5800, to the attention of "Macro Group Ethical Line"

— **E-mail:** eticagrupomacro@kpmg.com.ar

— **Web Site:** https://eticagrupomacro.lineaseticas.com

— **Mailing Address:** Bouchard 710, 6° piso, Código Postal 1001, Buenos Aires, Argentina, to the attention of "KPMG-Macro Group Ethical Line".

During 2018 we received 35 reports through our Ethical Line, and we expanded its scope of application to Macro Fondos and Macro Fiducia.

Internal Control System

Our internal control system allows us to provide reasonable certainty as to the achievement of business goals, the reliability of the financial reports and compliance with the applicable local and international laws, rules and regulations. Internal control relies on process management since it shows the company's reality through planning, measuring, management and improvement activities.

In this scenario, we have instrumented rules and policies that provide an appropriate framework to this control environment. The role of the Internal Audit Department is a key role since it develops an independent and objective activity ensuring the internal control system, contributing a systematic and disciplinary approach to evaluate and improve the efficiency of risk management, control and corporate governance processes. Operation of the Internal Audit Department depends directly of the Internal Audit Committee, which is in turn chiefly composed of independent directors.

As provided by the U.S. Securities Exchange Commission (SEC), Banco Macro certifies compliance with the Sarbanes-Oxley Act ("SOX") and in order to get such certification the Bank is subject to the internal control provisions issued by the 2013 Committee of Sponsoring Organizations of the Treadeway Comission ("COSO").

The adoption of international guidelines, internal audits and external certifications allow us to evaluate on a methodological and comparable manner the business management and strengthen the internal control system, the main aim of which is to protect the minority shareholder, ensure the reliability of our financial reports and strengthen the transparency in our management.

Internal audits, external certifications and the adoption of international guidelines allow us to ensure the reliability of our financial reports, protect the minority shareholder and strengthen the transparency in our management.

Comprehensive Risk Management

The risk management process implies planning, organizing, directing and executing the strategies, processes and activities aimed at identifying, assessing, following-up, controlling and mitigating the risks. It includes defining specific policies, practices and procedures for each different risk to which the entity is exposed, and also determining exposure limits, monitoring transactions based on such limits, preparing periodic reports to the Board and following up of tasks. In addition, it comprises the evaluation of the sufficiency of the economic capital in relation to the risk profile, the development of stress tests and the preparation of contingency plans based on the results.

Macro's Risk Management Policy establishes the environment for the risk management process and defines responsibilities of each organizational level regarding risk management. The Risk Management Committee and the Comprehensive Risk Management Department are an important part of this structure.

The Committee is responsible for ensuring the creation of an independent risk management and coordinating the administration of the different types of risks and the action of those in charge of the management thereof. On the other hand, the Comprehensive Risk Management department is in charge of setting risk assessment policies, procedures and methodologies and information reporting systems regarding the risks under its charge, both on a separate and combined basis.

Risk we take into account at Banco Macro:

- Financial
- Credit
- Market
- Operation
- Reputation
- Legal
- Regulatory
- Counterparty
- IT
- Social & Environmental

Social and Environmental Risk Analysis in Credit Granting

Within our credit policies we contemplate the social and environmental risk. On the one hand, we act this way to assess customer's potential environmental behavior and risk and customer's capacity to face any possible corporate responsibilities derived from its activities or business. On the other hand, we do it to promote more environmental commitment and the development, application and spreading of environment-friendly activities and technologies.

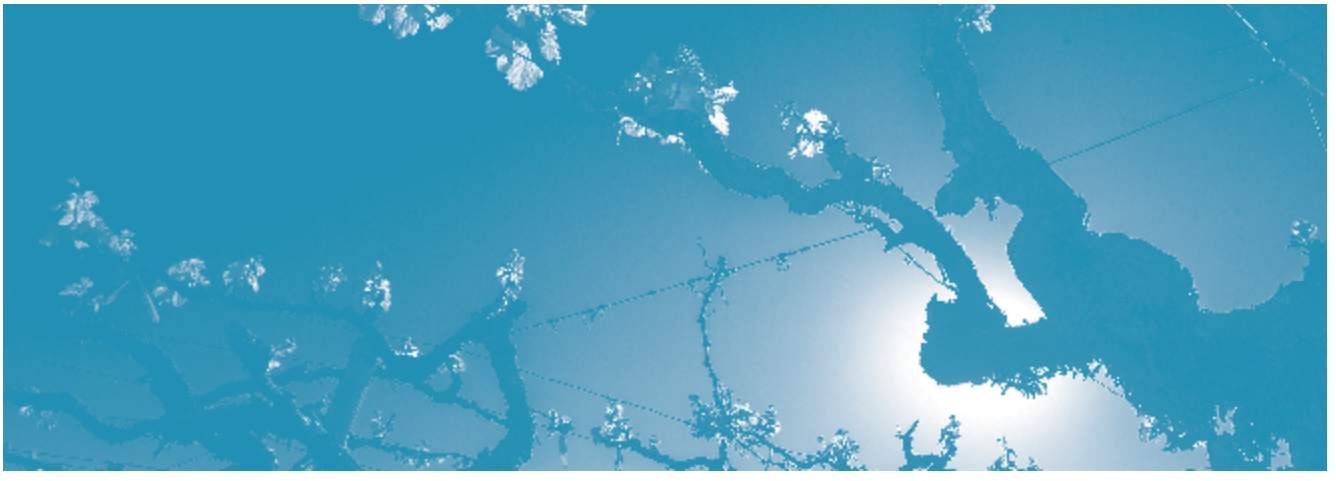
We believe that, as financial entity, our role with sustainable development goes beyond the mere fact of delivering financing facilities or opportunities, it also gives us the responsibility of knowing our customer deeply when it comes to granting financing or renewing or extending customer's credits, not only in connection with customer's economic and financial situation and payment capacity, but also as regards labor, social and environmental aspects related to customer's business, such as transparency in corporate management, health and safety of customer's employees, company's actions with the community, the alliances with non-governmental organizations and environmental protection, among other aspects.

Our Corporate Banking Credit Policy reflects the above by contemplating the social and environmental impact of our customers' businesses. For this reason, we analyze the different aspects of their activities:

- geographic areas of influence
- their employees (composition by sex and age; inclusion of disabled employees)
- their private social investment
- NGOs with which they work and the impact on the community
- eventual actions with their customers and vendors having a positive social or environmental impact
- inclusive procurement from vulnerable areas
- customer service surveys
- complaint management
- supply chain environmental impact management
- responsible use of natural resources
- waste management
- eventual sustainable management-related certifications
- sustainability or corporate social responsibility reports
- code of ethics or business conduct

This information is managed by the Business Banking Officers and those in charge of credit risk assessment tasks, who prudently decide the amounts involved in credit transactions, which amounts shall be consistent both with the assets and income of those who apply for credit facilities and the profitability and sustainability of their projects.

Credit granting is based on a deep knowledge of the activity or business of applicant, of applicant's repayment capacity, of applicant's financial needs, and of other aspects related to the labor conditions of applicant's employees and applicant's management of the social and environmental impact of applicant's operations.



Anti-Money Laundering & Counter-Terrorism Financing

At Banco Macro we are strongly committed to contributing to the preservation of the financial system from fraudulent uses by criminal organizations and taking an active role in the fight against money laundering and terrorism financing.

In order to achieve this goal, we comply with all laws and regulations and with the best local and international practices in this regard. We adopted the appropriate policies, methodologies and procedures aimed at identifying, assessing, mitigating and monitoring the risk that the Bank be used to hide illegal transactions.

In line with the above, we worked in the implementation of the provisions set forth by Resolution 30/2017 issued by the Financial Information Unit (FIU), by applying a risk-based approach instead of a formal regulatory compliance approach as required before the official publication of the above-mentioned resolution. We performed a self-assessment of the entity's risks and captured the results on a risk matrix that constitutes an essential tool to improve the efficiency of our prevention system.

With our employees we set up "Know Your Employee" standards that ensure appropriate employee pre-selection and hiring systems. In addition, we adopted a formal and permanent training, education and updating program.

We carried out several training activities regarding AML & CRF. An aggregate number of 865 employees of the Bank completed the e-learning course on AML & CRF, while other 6,019 employees validated their knowledge with a distant certification. In addition, we organized an on-site course for 2,374 employees, within which there are 41 instructors or coaches who then transmitted their knowledge to their work team.

With our "Know Your Customer" policies and procedures we maximized the scope of the information to verify the identity and determine the legitimate source of the funds involved. In this respect, we verify the reasonability of the economic activity declared by customers with the transactions made and the financial services requested. We feature a risk matrix and a management and control system for detected cash diversions, which generate Alarms and Risk Segmentations that are analyzed to validate the legality and origin thereof.

During 2018 we carried out anti-money laundering and counter-terrorist financing training activities with the participation of 865 employees through e-learning courses, 2,374 employees attending on-site courses and other 6,019 employees who got distance certification.

Besides, we analyzed at branches and banking segments an average of 5,000 monthly alerts; 3,853 cases were analyzed on a centralized manner and we re-defined the risks profiles of 14,695 customers. On the other hand, thanks to the application of controls regarding terrorism financing, we analyzed homonymous customers appearing on the terrorist lists provided by the controlling entities.

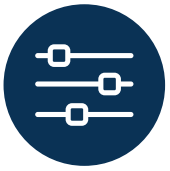
Number of Employees who attended Anti-Money Laundering and Counter-Terrorist Financing Courses	2017	2018
E-learning	5,696	865
Distance Certification	6,074	6,019
On-site Courses	1,162	2,374

Contact with Investors, Employees and Shareholders

Our Website features a section specially dedicated to Investor Relations (https://www.macro.com.ar/relaciones-inversores/home). This section provides information relevant to this group of interest, including among other information data on the ownership structure, the Directors and the Top Management, the composition of committees, the Corporate Governance Policy, financial information and other services targeted to this audience. Additionally, we carry out quarterly conferences at which we explain the results and changes in the economic and financial position of the Bank.

The Bank's Corporate Governance features permanent face-to-face and online communication channels to communicate with its employees. Among such channels, we can mention meetings, events and gatherings to listen and know about the employees' queries and concerns and to address topics of interest and an intranet that informs about the Bank's performance and its sustainability management actions. Through these communication channels we transmit the corporate values and culture.

Business Model



Our management model takes into account the corporate culture; our Vision, Mission and Values; the Bank's policies and processes we manage every day to the benefit of all our stakeholders; the regulations and laws that have an impact on our business; and the local and international guidelines and standards to which we adhere and we accompany such as the Sustainable Development Goals (SDG), the United Nations Global Compact, GRI Standards, among others.

Besides, when we exercise the rendering of accounts, we present the Bank's business management and its performance in a structure based on the six capitals of the Integrated Reporting Initiative model: Financial, Industrial, Intellectual, Human, Social and Reputation and Natural. We were the first entity in the country to present a publication integrating financial and non-financial information, following the guidelines established by the International Integrated Reporting Council ("IIRC") in its document known as "The International <IR> Framework". The above is aimed at being at the forefront of reporting, communicating the way in which we create financial and non-financial value within our entity to the benefit of the sustainable development of the nation, and making this document a reference for financial analysts and investors, and useful material for decision-making for all the Bank's stakeholders.

Corporate Principles

Vision

Banco Macro wants to be recognized as the leading bank in customer satisfaction.

Mission

At Banco Macro every day we work to build up trust relationships and to stand out for our unique culture focused on looking after our customers.

Values

Closeness
We differentiate for our personal and human ways. Knowing our customers allows us to support them in their projects.

Diligence
We are efficient: we look for rapid and efficient solutions. We are flexible: we adapt to the needs of each customer and market.

Self-Demanding
We focus on the permanent improvement of our professional quality. We pursue excellence in our performance (independence, autonomy and participation).

Commitment to Development
We support the progress of companies, entrepreneurs and communities of the regions in which we operate. We re-invest a large part of our profits in the communities where we are present.

Value Creation Model

Resources – Our Capitals

Financial Capital

- Income from previous years.
- Available and potential funds.
- Investments.
- Corporate capital.

Industrial Capital

- Products and services adjusted to each segment.
- Branch network across the entire nation.
- Automatic customer service channels: self-service terminals, ATMs and customer service call center.
- Commercial campaigns for individuals and companies.
- New Headquarters building in the City of Buenos Aires.
- Physical safety and data protection.

Intellectual Capital

- Customer experience design and measuring.
- Market research.
- Digital banking and IT platform development.
- Customer service.
- Data storing technology.
- Contract simplification project.

Human Capital

— Employees' remunerations.
— Peer recognition and incentive program.
— Teleworking.
— Training and development.
— Employee and family benefits.
— Investment on employment health and safety.
— Digital tools for management transparency.
— Corporate voluntary work program.

Social and Relational Capital

— Private social investment.
— Communication media participation at a federal level.
— Financial education and inclusion program.
— Banco Macro Foundation, which drives community relationship actions.
— Procurement from local vendors.
— Financial products and services with social value.
— Social impact events.

Natural Capital

— Environmental Management System (EMS).
— Investment on positive environmental impact projects.
— New Banco Macro Tower in the City of Buenos Aires.
— Development of awareness campaigns.
— Investment on renewable energy.

Value Creation Model

Resources. Our capitals	Factors influencing our Business Management	Performance

Financial Capital

Industrial Capital

Intellectual Capital

Human Capital

Social & Relational Capital

Natural Capital

Internal factors: our management basis
- Our corporate DNA.
- Sustainability Policy.
- Human Rights Policy.
- Employee training.
- Business Plan and strategic goals.

Bank's competitive strengths
- Leading bank in the private sector in Argentina.
- Strong liquidity and capital indicators.
- Presence in fast-growing segments.
- Diversified loan portfolio and prudent risk management.
- Strong return and profits.

External factors guiding our business
- Local and international standards, guidelines and certifications.
- Local and international financial-sector rules and regulations.
- Local and international laws.
- Local currency policy and main economic variables.
- Alliances with local and international organizations.

Financial Capital
- Capital strength.
- One of the private entities with greater deposit volume.
- Growth in private sector loans.

Industrial Capital
- One of the private entities with greater presence in the country.
- Opening of new branches and remodeling old branches at places where Banco Macro is the only entity in town.
- Reclassification of present and potential customers to offer products according to their particular needs.
- Support to PyMEs and entrepreneurs through the granting of credits and products specially tailored to meet their needs.
- Financing of NAVES Competitions, organized by the Entrepreneurship Center at IAE Business School, for the promotion of production ventures.
- Loan granting through automatic channels.
- Accompanying of public sector: 10-year extension of the financial agent agreement with the province of Misiones.

Intellectual Capital
- Digital transformation Project focused on the best experience for our customers.
- 100% renovation of the Bank's websites.
- Financial Services Protection department to safeguard customer satisfaction.
- Incorporation of new tools as part of Customer Service Strategies focusing on digital channels.
- New practical guides on our products, under the Contract Simplification program.

Results

Human Capital
— Job generation throughout the country.
— First labor environment measuring under the Great Place to Work model.
— Incorporation of a tool to ensure the definition of goals between bosses and employees.
— Implementation of a social and collaborative network provided by SAP as main internal communication channel.
— Increase the number of teleworking permits for 90 employees working in central areas.

Social and Relational Capital
— Decentralized and federal communication strategy planning.
— ALUMBRA, a financial inclusion program that grants loans for productive purposes to small businesses and micro-entrepreneurs who have no access to banking services, through Banco Macro Foundation.
— Scaling the Healthy Accounts financial education program to a national level.
— Selecting local vendors in order to promote the regional macro-economic development.
— New vendors' website to speed up processes.

Natural Capital
— Implementation of an Environmental Management System at Banco Macro Tower.
— Renewable energy acquisition under an agreement executed with GENNEIA.
— Inclusion of social-environmental risk analysis within credit policies.

Financial Capital
— 30.7% ROE – Average Return on Equity.
— 15,777 million pesos of profit for the Fiscal Year.

Industrial Capital
— 193 towns/cities where Banco Macro is the only bank present (including branch offices and ATMs).
— 471 branches.
— 44% increase in the number of Macro App users (Mobile Banking).
— 10% share in financial sector.
— 11% PyME customers on total corporate customers.
— 1,896 active customers under ALUMBRA financial inclusion program.
— 34.5% year-over-year growth in loans to the private sector, totaling $171,525 million.
— 716,081 retirees served/assisted.
— 97% of our ATMs are accessible for the blind or visually impaired customers.

Intellectual Capital
— 50% individual customer experience indicator.
— 44% PyME customer service experience indicator.
— 8% customer complaint rate.
— 94% complaints settled.

Human Capital
— 8,965 employees of Banco Macro and Banco del Tucumán.
— 23% women holding Senior Management positions.
— 40% women employees.
— 68% of the employees are from the provinces.
— 100% of the employees return to work after maternity or paternity leave.
— 2,741 voluntary work program enrollments.

Social and Relational Capital
— 99% local vendors.
— More than 108 million pesos in social investment.
— 329 Healthy Accounts financial education on-site workshops.

Natural Capital
— 800 MWh of renewable energy used, representing 8% of energy consumption.
— More than 10 million printouts avoided.
— We donated 4 times more plastic to recycle and 3 times more furniture than we did in 2017.

Value generation for our stakeholders

Shareholders and Investors
We generate profitability. We provide transparent and clear information for decision-making, always respecting the rights and interests of minority shareholders.

Individual Customers
We work to offer financial products and services to each profile and need, with a focus on inclusion, so that people throughout the country may improve their quality of life and can act in the banking market.

Corporate Customers
We assist companies in their growth and in the development of their businesses, focused on the small- and medium-sized companies, and with a strong presence in the productive areas of the provinces.

Employees
We promote the professional and personal development of the people who work at the Bank so that they can carry out their activities in a safe and healthy environment.

Vendors
We manage responsibly the procurement process based on clear and transparent rules, open and amicable dialog, and with a particular interest in local purchases from small businesses, in order to boost regional development.

Community
We manage responsibly the procurement process based on clear and transparent rules, open and amicable dialog, and with a particular interest in local purchases from small businesses, in order to boost regional development.

Public Sector and Regulatory Entities
We build alliances to generate social and environmental value from our own actions, in cooperation with other entities and public and private organizations.

Media
We provide information for the market and society with clear and transparent data, just as we support the mass media in all the towns and cities in which we are present.

Our Corporate Sustainability Policy

At Banco Macro we believe our contribution to society, as a financial entity, is essential for the development of a country. We commit to creating economic, social environmental value in the short, medium and long term, for the benefit of our entity and each of our Stakeholders, which is understood as Corporate Sustainability.

True to our corporate values, our main goal is to be a sustainable company that respects human being and the environment, acting across the business building corporate reputation from a management based on ethics and transparency.

Corporate Sustainability is part of the Bank's culture whose focus is placed on vulnerable sectors, and in creating opportunities in each region of the country, by offering quality financial products and services and managing responsibly the impact and risks of the business for the benefit of the present generations and of the generations to come.

The Board of Directors and Senior Management of the Bank, in addition to signing their adherence to these commitments, undertake to disseminate the Bank's Corporate Sustainability Policy to the rest of the organization and the society as a whole, in order to promote a sustainable administration and be as well a reference company for the entire country.

Sustainability Strategy

Our goal is to be the most sustainable bank federally speaking. In line with the above, we developed a strategy that frames our actions into five pillars and meets the benefit of our Stakeholders. In addition, in order to show our value as a business in sustainable development, we linked our strategic pillars to the capitals of the IIRC model and the Sustainable Development Goals (SDG) in which our management generates high impact.

Table showing direct relationship between sustainability pillars of Banco Macro, Integrated Reporting capitals and Sustainable Development Goals.

Sustainability Strategic Pillars	IIRC Capitals	Sustainable Development Goals (SDG)
Transparency in all our actions	Financial Capital Industrial Capital Intellectual Capital	
Responsibility for Public Welfare and Inclusion	Human Capital	
Financial Education and Inclusion	Industrial Capital Social & Relational Capital	
Development of PyMEs and Ventures	Industrial Capital Social & Relational Capital	
Direct and Indirect Environmental Impact	Natural Capital	

Our goal, to the most sustainable bank federally speaking.

These are our five strategic pillars:

1. Inclusion and Financial Education:

We promote a healthy financial system. That's why we are constantly generating products and tools for the education of critical, prudent and economically responsible bankarized citizens contributing to the economic growth of the country.

Our commitment:

— Promote bankarization and accessibility through our wide network of branches, outbuildings and ATMs.
— Include lower-income sectors in our commercial offering.
— Create innovative products and services to include the different customer profiles.
— Develop financial education programs in all communities and to all kinds of industries and activities.

2. Direct and Indirect Environmental Impact: We promote the care of our social environment and the environment, both internally and in our entire value chain.

Our commitment:

— Use natural resources efficiently.
— Raise awareness on our employees and customers, seeking a multiplying effect in society.
— Measure our institutional carbon footprint.
— Manage in a responsible manner all technological, plastic and paper waste.
— Develop an energy saving program.
— Go deeper into the analysis of environmental and social risks when it comes to granting loans.

3. Responsibility for Public Welfare and Inclusion:

We generate jobs and work opportunities federally; we accompany the professional development of our employees, boosting diversity and inclusion in the working environment.

Our commitment:

— Promote the creation of local employment to be an engine for the development of regional economies.
— Empower talent by implementing an internal retention and professional development strategy.
— Incorporate new benefits for our employees and their families.

4. Development of PyMEs and Ventures: We accompany small companies and new ventures in the development of their businesses with products and services tailored for them, training and tools for the growth thereof.

Our commitment:

— Create products and services tailored to meet the needs of PYMES.
— Accompany their growth with training and advice.
— Listen to our customers with an excellent customer service system.

5. Transparency in all our actions: We operate with maximum transparency in order to create an environment of trust and credibility for all Groups of Interest. We practice active listening and permanent accountability.

Our commitment:

— Give account on a transparent and detailed manner to all our audiences.
— Implement communication channels adjusted to each profile.
— Fight corruption, money laundering and terrorism financing.
— Adhere to and comply with the most important standards and good practices, both locally and internationally, related with transparency and management accountability.
— Develop tools and codes to respect ethics and good business conduct in our transactions.

Banco Macro's Human Rights Policy Launch

At Banco Macro we place people in the center of our business. Our Sustainability Policy is aimed at being "the most sustainable Bank federally speaking", and for that purpose with our products and services we bring development opportunities and welfare improvement to all Argentine people at a personal and professional level, respecting and strengthening their rights.

So, during 2018, we created a specific Human Rights Policy aimed at laying the foundations of our actions, to ensure the Bank's business develops according to fundamental standards and values such as: equality of opportunities, inclusion, fighting discrimination and reject abusive practices.

In this scenario, this document contains obligations and duties affecting employees, customers, vendors and the society generally, and that guide our management and relationship with each of them, providing a formal support to each of our activities. In addition, the Policy features an evaluation process to guarantee the correct implementation and fulfillment thereof, as well as complaint mechanism including corrective procedures in case any deviation occurs.

In this way, the Bank keeps on adding value to its corporate culture and standards for the benefit of the people, and the responsible and sustainable development of communities.

The strategy and management of Banco Macro is governed by general human rights standards based on international rules and internal policies. These are as follows:
- Respect for equality of opportunities
- Foster inclusion
- Repudiate discrimination
- Reject abusive practices

These standards characteristic of the Bank meet its business model, the corporate principles and the national and international rules and laws regarding human rights; and adjust to the different audiences in order to generate a positive impact on the environments in which it operates either directly related with the banking business or with the value chain.

United Nations Sustainable Development Goals (SDG) [6]

We are committed to the 2030 Global Agenda for Sustainable Development and, as part of our progress in this respect, we analyzed the SDG and their objectives in the light of the Bank's Sustainability Strategy, in order to identify our main contribution in this aspect. For this purpose, we took into account the guidelines of the SDG Compass tool, as developed by the Global Reporting Initiative (GRI), the World Business Council for Sustainable Development (WBCSD) and the Global Compact, who guide the business sector on their involvement in SDG.

[6] For additional information visit www.un.org/sustainabledevelopment

Once more, this year we carried out the analysis in which we identified 11 SDGs to which we contribute directly, adding two to last year's exercise: SDG # 5 "Gender Equality" as a consequence of the Bank's Human Rights Policy launch; and SDG # 7 "Affordable and Clean Energy" due to our new Environmental Management System (EMS) for Macro Tower.

Thus, the goals mapped are as follows:

This way, the initiatives developed in respect of sustainability acquire an even more relevant role upon the generation of economic, social and environmental impact, and the contribution to meeting the goals set by the world for the year 2030 to cope with these huge challenges.

Sustainability Strategic Alliances

- United Nations Global Compact Argentine Network.
- Grupo de Fundaciones y Empresas (GDFE).
- Instituto Argentino de Responsabilidad Social Empresaria (IARSE).
- Norte Sustentable.
- Comisión Nacional para la Erradicación del Trabajo Infantil (CONAETI).
- IAE Business School - Universidad Austral.
- Endeavor.

Goals Aligned with the Business

The goals and objectives defined in the Business Plan are applicable to the entire entity generally, taking into account the importance of each business unit at an aggregate level. The Business Plan is defined by the Senior Management and approved by the Board of Directors.

For the year 2018 we proposed the following strategic objectives:

- To maintain the market share of consumer financing lines, with sustained leadership in the personal loan portfolio, and a constant growth of the credit card portfolio.
- To support the development of an atomized funding strategy.
- To continue to provide financing to the private sector to contribute to the economic development of the regions in which we operate, in operations and transactions with a good repayment capacity and proper guarantees.
- To enhance the use of all channels in attracting customers and selling products.
- To increase the volume of new individual customers, through focusing on those segments that allow for efficiency and better results from the cost/benefit equation.
- To serve all segments of Corporate Banking customers, especially micro businesses, small businesses, and agribusinesses, taking advantage of the benefits offered by our extensive network of branches nationwide.
- To increase financing to companies through a wide range of credit and transactional products that suit the profile and needs of each customer.
- To promote the sale of transactional products to companies, focusing on payment and collection services provided to medium- and large-sized companies, as well as to the agricultural sector.
- To maximize profitability, by taking advantage of new business opportunities with the existing and new customers, ensuring financial margins, increasing fee income, and continuing with actions aimed at preventing delays in payment.

To achieve such objectives, we set the following qualitative goals:

— To increase fee revenue generation, and improve in financial intermediation, with a healthy portfolio and maintaining the atomization of business.
— To increase operational efficiency, through the use of economies of scale, and by encouraging customers to use alternative channels.
— To continue to develop differential-value actions that position us as an innovative bank for customer acquisition and loyalty building.
— To improve the use of our customers' information, so that it may serve as a tool to enhance the results of commercial and sales actions.
— To consolidate the branch network management model, and the development of the network of branches with new openings, by enhancing regional business opportunities, and segmenting service and sales centers according to the specific characteristics and needs of our customers.
— To continue to have the position obtained as Macro Credit Cards in the minds of our customers.
— Development of new skills that involve intensifying customized actions with customers, in order to achieve coexistence between more moderate promotions, and an increasing use of direct marketing campaigns addressed to each customer.
— To continue to improve our operational efficiency in the branches, and keep on providing more and better services to our customers.
— Increase the debit card market share, focusing on organic growth opportunities.
— To continue with the development of the different alternative channels, allowing customers to use different methods to carry out their financial transactions through expeditious, efficient, and 100-percent-digital processes.
— To consolidate the new Cash Management model, with differentiation between wholesale and retail banking to increase the value offer to our customers.
— Accompany the development of companies performing foreign trade transactions by offering import and export financing services.

Finally, we also defined quantitative goals for our Individual Banking, PyME Banking, Megra Banking and Corporate Banking segments.

Main Business Results

	2017	2018
Economic Performance		
Financial Indicators (million Argentine pesos)		
Shareholders' Equity as of the end of the fiscal year	46,736	54,638
ROA – Return on Assets (average)	5.6%	5.8%
ROE – Return on Equity (average)	31%	30.7%
Leverage – Liabilities / Shareholders' Equity (times)	3.8	5.3
Net Income before Income Tax	15,084	22,742
Income Tax	4,932	6,965
Profit of the fiscal year	10,152	15,777
Portfolio		
Total Deposits	144,129	237,954
Total Loans – Private Sector	127,536	175,525
Geographic Representation		
Number of jurisdictions	22	22
Total number of branch offices	445	471
Participation in financial sector	10%	10%
Number of towns/cities where Banco Macro is the only bank present (including branch offices and ATMs)	186	193
Total number of ATMs	1,452	1,489
Total number of self-service terminals	900	938
Social Performance		
Individual Banking Customers		
Number of individual banking customers	3,473,097	3,645,766
Number of retirees served/assisted	684,642	716,081
Number of credit cards	2,650,272	2,650,641
Total amount of personal loans (million Argentine pesos)[1]	48,258	57,438
Total amount of mortgage loans (million Argentine pesos)	3,746	9,701
Number of automatic channel users	723,359	889,820
Number of calls to the Telephone Assistance Center	7,997,714	8,832,046
Number of ATMs for the visually impaired over the total number of the Bank's ATMs	94%	97%
Number of branch offices with ramps[2]	486	520
Number of branch offices with special restrooms[2]	186	240
Corporate Banking Customers		
Number of corporate banking customers	93,188	90,930
Number of packages for PyMEs	70,507	69,126

	2017	2018
Vendors		
Number of Vendors	6,599	6,906
% local vendors	99%	99%
Number of visits to strategic vendors	18	21
% of active vendors who adhered to the Code of Conduct	100%	100%
Employees		
Number of employees[3]	8,713	8,965
Female employees	3,373	3,558
Average age	43.43	43.80
Seniority –average	16.12	16.34
Turnover rate	9%	11%
% positions filled by employees	18%	15%
% trained/skilled employees	99%	99%
Absenteeism rate	5.03%	5.32%
Rates of return to work and of retention of employees who took paternity leave	100%	100%
Rates of return to work and of retention of employees who took maternity leave	99%	100%
Community		
Social investment (in Argentine pesos)	82,350,192	108,019,079
Social investment – Number of direct beneficiaries	67,276	77,871
Social investment – Number of allied organizations[4]	260	307
Number of participants in volunteering programs[5]	4,174	2,741
Investment in mass media throughout the country (in Argentine pesos)	115,377,097	148,817,592
Environmental Performance		
Customers subscribed to e-statement	929,965	1,102,645
Recycled paper (kg)	74,920	69,126
Recycled plastic (kg)	653	2,442
Scrap equipment (monitors, computers, printers, peripherals, etc.) (number of items)	1,078	1,188 [7]
Scrap equipment (monitors, computers, printers, peripherals, etc.) (tons)	s/d	12 [7]
Donated furniture (number of items)	767	2,533
Energy consumption (KWh)	11,615,824	10,555,903
CO2 emissions (tCO2e) [6]	7,739.91	7,156.20

[1] Balance of Individual Banking Personal Loan Portfolio (principal + adjustment + interest + OCIF)
[2] We report the "branch offices with ramps and special restrooms" indicator.
[3] Number of employees working in Banco Macro and Banco del Tucumán.
[4] Includes social organizations with which we work through Banco Macro Foundation, organizations and municipalities where we carried out workshops under the Healthy Accounts program of financial education, organizations with which we carried out Corporate Volunteering, Collections, Solidarity Projects and Equity Programs.
[5] Number of participants in: Volunteering Work Days, Charity Collections and Professional Volunteering.
[6] Includes Scope 1 and Scope 2 emissions.
[7] We add this value in tons since from 2018 onwards the calculation method used was weight and number of items. These two indicators do not represent the same volume in different calculation units.

Financial Capital

Resources for Value Creation

We present our results in connection with the financial capital. In this section we describe the economic and financial resources that Banco Macro has to carry out its business and we include the relevant variables and ratios that make our business solvent, profitable and efficient.

Economic and Financial Situation

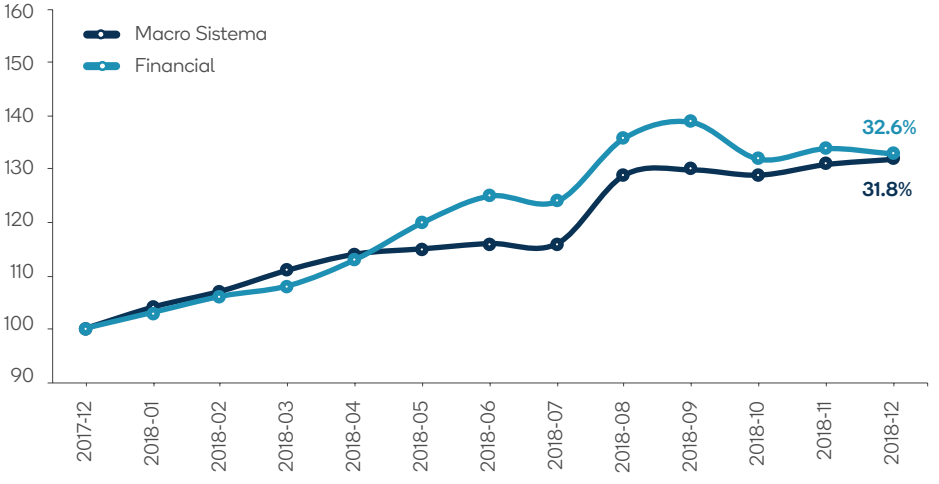
During 2018 Banco Macro strengthened its policy of caring for its efficiency indicators keeping its focus on growth and market share. The Private Sector loan portfolio grows accompanying the average of the system as a whole, allowing us to maintain the Bank's leadership and position. Volume growth was approximately 34% annually.

NFPS Loans

Figures in million AR$.

Loan Portfolio Evolution as compared to the Financial System

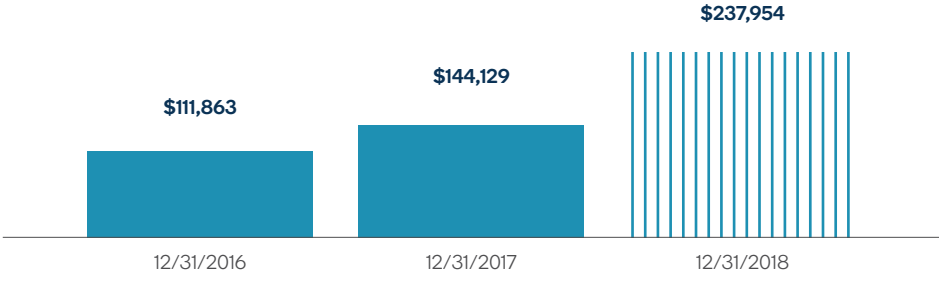
Base 12/31/2017=100



Figures in million AR$.

As to liabilities, loan growth accompanied the boost required by the business, maintaining conservative liquidity and solvency ratios and above regulatory requirements. Total deposits climbed 65% yoy in line with system growth.

Deposits



Solvency

Banco Macro stands out among its competitors because of the strength of its capital. Indicators have progressed adequately throughout the fiscal year and positioned the Bank at the top of the ranking of private banks with the largest equity. Paid-up capital in excess of the established standards amounts to 223%, above the average of private banks[7].

Solvency-Minimum Capitals (consolidated position)	2017	2018
(in million AR$)		
Minimum Capital requirements by credit risk	11.023	15.609
Minimum Capital requirements by market risk	185	212
Minimum Capital requirements by operating risk	3.219	4.616
Total Requirement	**14.427**	**20.437**
Computable Equity Liability (CEL)	49.542	66.113
Subordinated debt included in CEL	7.510	15.123
Margin (excess CEL vs. Requirement)	**243%**	**223%**

Macro's Shareholders Equity rose by 17% in nominal terms; it went from AR $ 46.736 billion to AR $ 54.638 billion.

Deposits

In 2018 deposits showed a 65% annual increase, where private sector demand deposits grew 43% and term deposits, in turn, grew 92%.

In this scenario, Macro Group*, remains among the private entities with the highest deposit volume, and a market share of near 6% of the financial system as a whole or 7.2% if we only take into account the Private Sector deposits in Argentine pesos.

The following table shows the changes in its components:

Deposits	2017	2018
(in million AR$)		
Checking Accounts	20,779	24,375
Savings Accounts	44,532	68,695
Fixed Term Deposits	61,602	118,034
Other	4,244	7,349
Total Non-Financial Private Sector Deposits	**131,157**	**218,452**
Total Public Sector Deposits	**12,891**	**19,354**
Total Financial System Deposits	**81**	**148**
Total Deposits	**144,129**	**237,954**

In addition, increasing funding sources we highlight the issuance of negotiable obligations in Argentine pesos in April 2018 for a nominal value of AR$ 3.207 billion.

[7] Capital position of private banks: 82.4%. Source: Report on Banks, BCRA, November 2018.
** Includes Banco Macro and its Subsidiaries.*

Loans

Credit to the private sector ended the year 2018 with a growth of almost 35% yoy, reaching the amount of AR$ 171.525 billion. The main credit facilities, as to growth volume, included Personal Loans, credit cards, documents and other loans. US dollar denominated credit facilities were particularly favored due to the change of regime as from December 2015 and the extension of the alternatives for the use of foreign currency funds.

As to consumer loan portfolio, Banco Macro maintained its leading position among private banks in personal loans reaching a total of 1.2 million loans, with a portfolio of AR$ 57.517 billion. This product's market share is approximately 14% of the financial system. On the other hand, the "Credit Card" product reported growth levels above 18%, totaling 1.6 million cardholders.

This table shows the composition of the non-financial Private Sector Loan category:

NFPS Loans	2017	2018
(in million AR$)		
Advances	9,465	18,049
Documents	17,641	25,160
Mortgages	8,313	15,853
Pledges	4,154	4,367
Personal Loans	48,425	57,517
Credit Cards	24,781	29,430
Other	13,151	20,433
Total Loans	**125,930**	**170,807**
Financial Trusts	1,012	270
Leasing	594	448
Total Financing	**127,536**	**171,525**

During 2018 we continued with our policy of keeping irregular portfolio high coverage levels by adding more provisions to those required by the BCRA. The coverage rate reached 118% by the end of the year, well above the financial system average.

At the same time, default rates remained at historically low values, reaching a delinquency rate of 1.9%.

Liquidity

The liquidity reached AR$ 135,961 million at the year end, reporting an 88% increase compared to the values reported the previous year. As to deposits, this indicator shows 57.1% above the main market references.

At the end of the year 2018 Lebacs stock reached cero and Leliqs (Liquidity Bills) took their place. Leliqs are 7-day liquidity notes or bills from the BCRA exclusive for banks.

The table below shows the consolidated balances at the end of each fiscal year:

Liquidity	2017	2018
(in million AR$)		
Cash & Banks	35.562	74.766
Guaranties granted in favor of Chambers	4.006	5.720
Granted Call	146	405
Lebacs	32.656	0
Leliqs	0	55.070
Total Liquid Assets	**72.369**	**135.961**
Hedge on Deposits	**50,2%**	**57,1%**

Results

The economic situation strengthened the initiatives aimed at focusing on the growth of intermediation and payment services, but strongly caring for efficiency.

The entire fiscal year (including comprehensive results) ends with a profit of AR$ 16.115 billion, 57% up compared to AR$ 10.290 billion reported the previous fiscal year.

Income derived from loan interests amounted to AR$ 65.577 billion, thus growing by 90% compared to AR$ 34.595 billion in 2017. Income from fees grew 29% compared to the previous year. Combination of both market categories enabled the Bank to improve its net margin by 55%.

Said profitability represented an average Return on Equity of 30.7%, and an average Return on Assets of 5.8%, being ranked among the first positions in the Argentine financial system. These results show stability and continuity in the generation of income, productivity and efficiency in the use of resources over the years.

Results (in million AR$)	2017	2018	Variation
Financial Income	34,595	65,577	90%
Financial Expense	-10,447	-25,932	148%
Net Income from Loan Interest	24,148	39,645	64%
Income from Fees	9,194	11,889	29%
Fees Paid	-683	-756	11%
Net Income from Fees	8,511	11,133	31%
Subtotal (Net Income from Loan Interest + Net Income from Fees)	32,659	50,779	55%
Profit or loss from financial instruments at fair value with changes in OCI	592	1,066	80%
Income from sale of assets at amortized cost	11	-4	-142%
Difference in quoted prices of gold and foreign currency	1,380	-1,378	-200%
Other operating income	1,600	2,846	78%
Allowance for bad debts	-1,595	-2,706	70%
Net operating income	34,648	50,602	46%
Employee benefits	-7,695	-10,305	34%
Administrative expenses	-4,695	-6,833	46%
Depreciation and asset devaluation	-586	-737	26%
Other operating expenses	-6,784	-10,252	51%
Operating income	14,887	22,475	51%
Income from related companies and joint businesses	197	266	35%
Income before tax of continuing operations	15,084	22,742	51%
Income tax on continuing operations	-4,932	-6,965	41%
PROFIT FOR THE FISCAL YEAR	10,152	15,777	55%
TOTAL OTHER COMPREHENSIVE INCOME	138	338	145%
TOTAL COMPREHENSIVE INCOME	10,290	16,115	57%

Main Indicators

The following table presents the main indicators of Banco Macro and its Subsidiaries:

Indicators	Unit	2017	2018
Assets	million AR$	226,339	342,883
Loans to Private Sector	million AR$	127,536	171,525
Liabilities	million AR$	179,603	288,245
Deposits	million AR$	144,129	237,954
Shareholders' Equity	million AR$	46,736	54,638
Profitability (Total Comprehensive Income)	million AR$	10,290	16,115
ROA – Return on Assets (average)	%	5.6%	5.8%
ROE – Return on Equity (average)	%	31.0%	30.7%
Hedging – Provisions/Irregular Portfolio	%	182.2%	117.7%
Irregularity – Irregular Portfolio/Portfolio	%	1.1%	1.9%
Minimum Capital Surplus	%	243%	223%
Leverage – Liabilities/Shareholders' Equity	Times	3.8	5.3

Industrial Capital

Banco Macro stands out within the financial industry in Argentina for its strong federal presence. Our sophisticated infrastructure and our assets (branches, offices, automated teller machines, self-service terminals, and other customer service channels) are a key factor for the development and operation of the business, and allow us to get closer to our customers and groups of Interest. Below we present our product and services offering by segment, as well as the infrastructure that supports such an offering.

Portfolio share per Banking segment	2017	2018
Personal	55.2%	51.7%
Business	30.3%	25.4%
Corporate	12.3%	21.8%
Government	1.3%	0.9%
Treasury	0.8%	0.2%

Personal Banking

Personal Banking develops and implements financial products and services intended for the various segments of individuals who are the institution's target, in accordance with the goals defined by the Board of Directors for the growth of the business, in a sustainable manner.

This year we continued to have our market share in these segments and products. We maintained leadership in consumer loans, among private banks. Regarding longer-term loans, we accompanied the market with a greater mortgage loan offer, although in the last semester of the year, the demand was significantly reduced due to the contractionary policy carried out by the monetary authority.

We worked on stabilizing systems and preparing the technological architecture and infrastructure, which allowed us to get even closer to the customer.

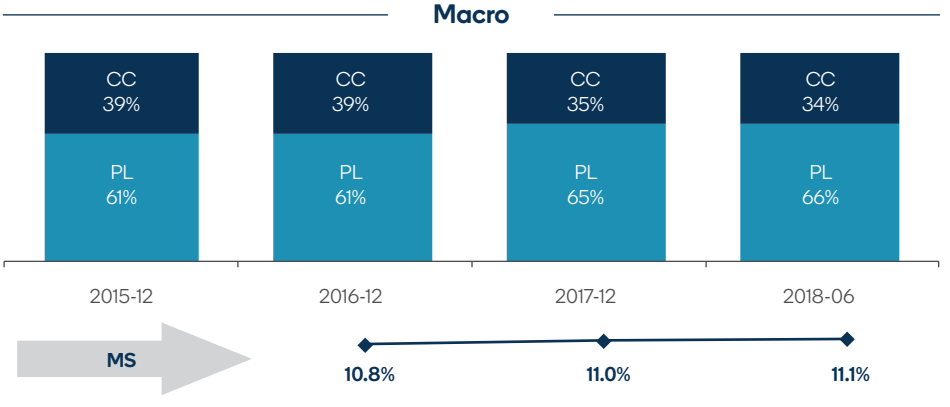
We did this in order to establish and enhance our successful model, based on a well-diversified and strong loan portfolio, supported by salary plan agreements in which we stand out as the financial agent of four provincial governments, with extremely low levels of uncollectibility.

Our customers operate a wide range of products easily and quickly, and substantially improved their experience thanks to the significant improvements in access channels (home banking, App Macro, and portals).

We have made strategic alliances with major operators of massive products. Thus, we enlarged our contact base and facilitated the analysis prior to the granting of loans.

Among the challenges for 2019 we highlight the design of a strategy for customers who hardly use banking services, the updating of our benefits program "Macro Premia" with new awards, functionalities and campaigns, and to continue granting micro-loans.

Market share



In two years, the share market (MS) of Credit Cards (CC) and Personal Loans (PL) rose from 10.8% to 11.1%, in spite of the decline in demand for loans in 2018.

New segmentation by category and value proposal

With the cooperation from the different areas, we worked on the construction of the following customer categories: Young People, Individuals, Retired, and Preferential and, subsequently, on the communication of the value proposal for those segments.

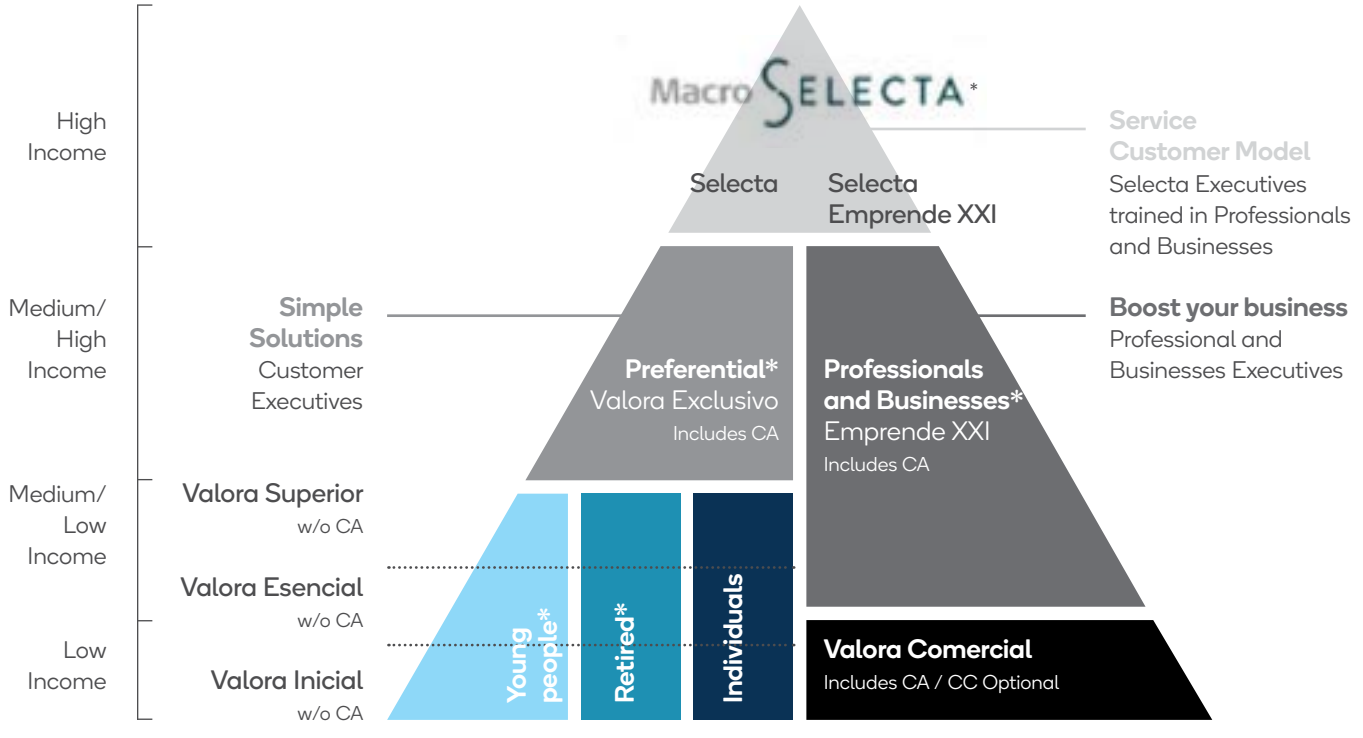
The task was based on our perception of the customer as the center of attention. Therefore, the main challenge was to develop a new segmentation into categories in order to offer them a value proposal centered on their needs. On the one hand, this involved studying the profile of customers according to their income ranges, their activities and ages, which required a detailed analysis of consumption habits and ownership of products within a wide geographical area. On the other, this meant designing a differential service that would add value to the service offering, always prioritizing simplicity in the interaction with our customers.

This segmentation helps us to understand our customers more deeply. Thus, we can accompany them and offer them, in each stage of their lives, products and services tailored to what they need.

The new value proposal –suitable for the conveniently segmented demand– and its efficient communication through commercial campaigns generated a very satisfactory response from retirees and young people, and the general portfolio.

Some of the initiatives proposed for 2019 are to achieve the recognition of the categories within Macro Premia, develop communication materials and cross- campaigns, carry out an analysis of the Salary Plan policy flexibilization, and improve the service models for each segment.

We built a new segmentation of customers, making our offer of products according to their specific needs.



** Products Offered according to Customer's needs.*

Individual customers by segment	2017	2018
Retired workers	684,642	716,081
Salary Plan	859,330	870,678
Professionals and Businesses (Retailers)	265,008	266,880
Open Market	1,398,709	1,506,733
Special[1]	274,408	285,394
Total individual customers	3,482,097	3,645,766

[1] IIncludes: AUH[1], Progresar[2], SUAF[3] and Garrafas[4].

Main segments of Personal Banking

Retired workers

The 716,081 persons who make up this segment require different standards of security, comfort, ease and assurance in their operations. For your experience as customers to be satisfactory, we have 18 specialized payment centers distributed throughout the country.

With that aim, we offer the following benefits to the retired:
— Printing of provisional payment proof at the self-service terminals and automated teller machines, with no need to resort to the Bank's employees.
— Life Certificate renewal at the teller window, ANSES self-service terminals inside the branches, or by using the debit or credit card in purchases made in person.
— A plan of differential benefits and promotions related to highly valued services, such as pharmacy and technology, with benefits in phones, tablets and computers with special friendly applications, and having large icons and a simplified menu.
— Infrastructure that provides easy access and transit around and across the customer service channels and payment centers, due to the installation of dedicated teller windows, ramps, non-slip floors, bathrooms and exclusive seats.

During 2018, our management was oriented to the analysis of alternatives so that we could offer retired customers a differential proposal of products and the opening of new payment counters and stations in branches. Thus, we simplified the procedures and reduced the contingent risk by evaluating different methods and channels, which could serve to renew the life certificate. At the same time, we continued to promote the banking inclusion of the segment through the use of the debit card as a means of payment, and access to several products and services.

Our main objective for 2019 is to expand the segment by offering customers different value proposals tailored to their needs. To achieve this, it will be essential to continue optimizing the customer service model and understand better the consumption behavior and transaction profile of these customers, and which channels they prefers to use.

[1] Universal Child Allowance.
[2] "Make Progress", a national program of assistance to students
[3] Family Allowances Single System.
[4] Gas supply for families without access to the natural gas network.

Retired workers segment	2017	2018
Number of retired workers who received personal loans	265.257	265.544
Total amount of loans [1]	8.538	12.875
Total amount of paid pensions [1] [2]	89.972	102.329
Number of centers	18	18
Number of retired workers served monthly at teller windows	180.685	162.891
Number of benefits paid in the year [2]	8.901.257	9.352.457

[1] Amount in million Argentine pesos.
[2] Accumulated from January through December.

Salary Plan

In order to make this portfolio grow, we focused on the inclusion of new customers from the private sector and from the provinces in which the Bank is not a financial agent, while we worked on strengthening relations with existing customers. As a result of this action, the number of accounts credited with salaries is currently 843,062.

We can highlight the implementation of the following strategic actions:
— Commercial campaigns focused on attracting and encouraging customers to keep our products.
— Improvement of the value proposal through the addition of new benefits and incentives to attract customers and make them keep our products.
— Development of a new comprehensive communication plan, and implementation of new marketing pieces that allow a better approach to customers.
— Implementation of new boards for tracking the making and cancellation of salary plan agreements, focusing on active actions and value offers according to the needs of customers.
— Redefinition of the customer service and relationship model of Government Banking to enhance the value offer and presence in the public sector.

The main goal for 2019 is to continue growing in the segment and enhance the new customer service model to gain greater knowledge of our customers and their employees. In this way, we can put to them value proposals with choices of benefits tailored to their needs, and thus favor both the recruitment of new customers and the retention of existing ones.

Social organizations

We continued working to boost the growth of this portfolio and the profitability of existing customers. With that aim, we redefined the value proposal and added new benefits and incentives to attract new customers.

Social organizations gather individuals, businesses or companies that make regular contributions or provide funds (such as regular payments, registrations fees, etc.), and have corporate-level business with the Bank. These social organizations include educational institutions, clubs, professional associations and pension funds. There must be a medium- or long-term affinity bond between the social organization, the entities or individuals gathered, and the Bank.

We intend to broaden our knowledge of social organizations and their beneficiaries, and strengthen our relationship. In this way, we will be able to generate integral service proposals oriented to the requirements of this segment, assisting all the associated businesses, and increasing their volume.

Professionals and Businesses

With a focus on business development, and the on importance we attach to the entrepreneur or small businessperson in the regions and productive areas where Banco Macro is present, the Professionals and Businesses segment required special attention during 2018, therefore, we concentrated on new actions among which we highlight the following:

— The launch of "Rapifactura", a software program at no cost for 12 months that allows the issue of electronic invoices instantly, thus simplifying the customer's transactions and compliance with the AFIP[5] Resolution No. 4290.

— The launch of "Increase", a platform that allows businesses and stores to control credit and debit card payments received. This alliance allows us to provide customers with this service at no charge for one month.

— No monthly maintenance cost for 12 to 24 months for the purchase of the new LaPos terminals. This allowed us to get new customers, and help the existing ones to comply with the obligation to accept debit card payments as imposed by AFIP.

— Simplified ordering process by calling an exclusive 0810 number, which will speed up the purchase of a LaPos terminal.

— Implementation of a pilot test to provide the customer with the possibility of collecting the LaPos terminal at the Bank's branch.

— Among the sales campaigns, we highlight the action taken with the municipalities of the province of Misiones, for whom we developed a new process that allows us to deliver the terminals immediately.

For next year, we aim to bring together this segment and the microenterprise segment, focusing on a customer service model intended for businesses, micro entrepreneurs and professionals that need financing for their commercial activity.

We will increase our participation in events and training courses to contribute to the development of our customers and detect needs to which we can respond. In addition, we will work on the creation of a community that allows us to understand further the demands of the segment.

[5] *Argentine Tax Authority.*

We are convinced that all these actions will help us to continue fulfilling our objectives in relation to these customers: in particular, to facilitate their transactions, get them to regard us as close and expeditious, and accompany them in their growth.

Selecta, our high-income customers

By applying the Selecta Customer Lifecycle strategy, we achieved growth in the use of services in this segment. We approached the customer as from the moment they were attracted –in a multichannel integral way– and we brought them a value offer tailored to their needs. Thus, we generated a long-term relationship, achieved greater profitability and developed customer loyalty.

In general terms, we redefined and reinforced the strategic pillars on which the segment is based.

In a year marked by the contraction of most indicators, we took special care of our customers' investments by offering appropriate alternatives. Deposits grew around 80% and term deposits, in particular, 120% (October-December). Transactions related to investments in public and private securities rose around 80% (July-December). To this end, we also improved the training of our executives regarding investments, and steps were taken to register them as qualified with the CNV (National Securities Commission).

As regards customer management, we worked on capturing preferences; we established banking access policies and, simultaneously, we purged and regularized the portfolio. Besides, with reference to differential service channels, we implemented WhatsApp as a formal service channel.

In the specific case of Travel, we created a differential concept in this field, managing support to the customer throughout the process: not only during the trip, but also before and after.

In 2019, we will develop a digital platform, and enable telephone service through strategic partners. In addition, we will offer point accumulation programs with a focus on Travel, and free passes to VIP lounges.

Selecta Segment	2017	2018
Year-on-year growth of segment	61%	8%
Year-on-year growth of number of packages	10%	11%
Growth of average balances of lending portfolio	109%	40%
Growth of average balances of borrowing portfolio	33%	99%

In order to achieve greater customer loyalty, we defined and improved the strategic pillars of the segment: Service Model, Investments and Travel.

Underbanked customers

We are working to provide a broad and complete offer, intended for people or enterprises that are not yet banked or are underbanked, through a simplified and user-friendly application with respect to widespread-use products and services –such as reloading of cell phones, refilling of public transportation cards, "nano loans", cell phone insurance, wallet, and digital registration.

These individuals constitute a potential mass of customers, on whom payroll growth can be based. They are individuals who develop their activity in a context of high informality, and are poorly motivated to use bank accounts and payment methods. These actions are carried out in line with the policies implemented by the BCRA, an institutions that promotes measures nationwide aimed at enhancing financial inclusion and digitalization (electronic management) of operations and transactions.

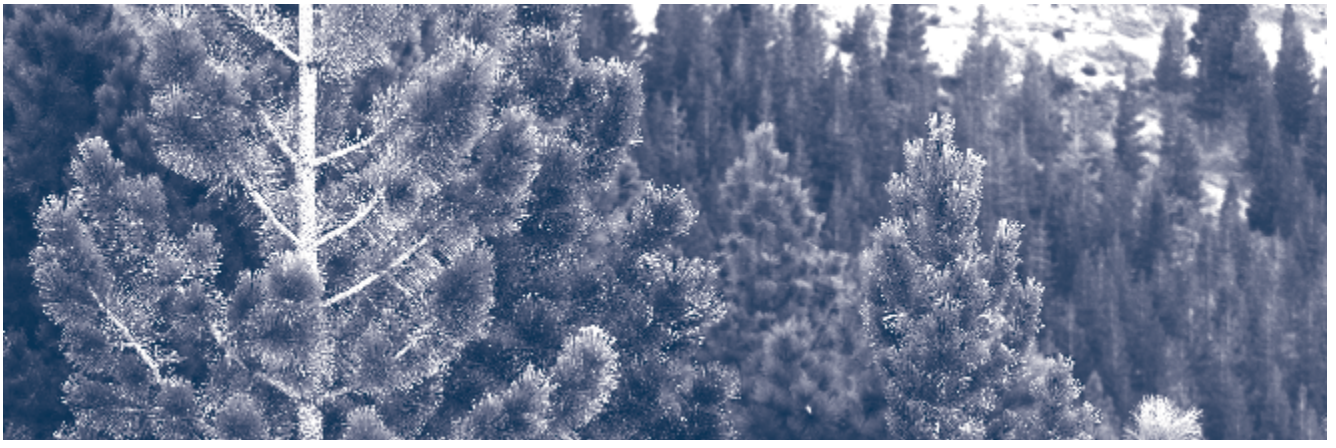
Products and services for individuals

Actions with social impact focused on financial inclusion

True financial inclusion occurs when everyone can access financial products and services according to their needs and circumstances. That is why we highlight the broad geographical distribution of our services, financing, and credit assistance aimed at supporting the most varied regional activities.

In addition, we highlight the implementation of alternative means of refinancing for Personal Banking customers. Thus, the customer can request the refinancing of their debit balance, under a monthly payment system, either by telephone, without going to the branch, or in person; the refinancing procedure is centralized which, in both cases, allows customers to regularize their arrears on payments and continue operating with your current products.

We implemented the telephone channel as a means for commercial transactions, such as the refinancing of products for Personal Banking customers, and credit card refinancing through monthly payments.



With the aim of expanding access to credit for vulnerable sectors, focusing on financial products for profiles not sufficiently served by tradition, we offer:

- Line of personal loans to AUH beneficiaries.
- Line of financing for beneficiaries of non-contributory pensions (Malvinas veterans, disabled people, etc.).
- Lines for retired workers and pensioners.
- Personal loans and access to a credit card for informal customers who do not have a verifiable occupation.
- Mortgage loans to finance the acquisition or construction of wooden houses.
- Program "Procrear" (mortgage loans) in all its stages, and program "Procrear Joven" (mortgage loans for young people).

Investments

Through the offering of preferential rates, we encouraged our customers to use automatic channels and, in this way, they can operate in a simple, comfortable and safe way.

Moreover, in line with the program "Procrear Ahorro Joven" (mortgage loans for young people), we launched "UVA[6] Procrear". This term deposit allowed beneficiaries selected by ANSES to save money and therefore have access to a mortgage loan.

Next year we will continue to expand the offer of term deposits under preferential conditions if digital channels are used (App, Internet Banking, Mobile Banking, Customer Service Call Center) both to activate the use of the various channels and retain the current portfolio, and to attract new customers.

[6] *Units of Purchasing Value.*

Loans

We continued to work on the promotion of an inclusive financial system, placing special emphasis on getting people with a low banking system inclusion level to have access to personal loans, under agreements with municipalities or low-amount loans.

We provided our customers with different means to carry out their financial transactions at any time, comfortably, simply and safely, and without the need to go to a branch. Currently, customers can have access to the following products through these alternative channels:

- Line of loans through Internet Banking
- Line of loans through Automated Teller Machines
- Line of telephone loans
- Line of loans through the web Portal

We continued to form part of the program "Procrear", a line of UVA Mortgage Loans, and to support the program "Ahorro Joven" whose beneficiaries will be able to have access to a subsidized mortgage loan after having demonstrated repayment capacity for 12 months, through UVA term deposits.

In 2019, promotion of tools such as low-amount micro-loans will confirm our commitment to ensuring that the financial system will include underbanked people. Additionally, we will implement a new differential product aimed at the Salary Plan segment –which today does not qualify for the traditional loan offer–, with immediate crediting, short-term financing and reduced amount.

Loans	2017	2018
Personal loans (number)	1,118,846	1,152,126
Personal loans (amount in million pesos) [1]	48,258	57,438
Mortgage loans (number)	4,798	7,002
Mortgage loans (amount in million pesos) [1]	3,746	9,701
UVA Loan approvals (mortgage, personal, other loans)	2,864	2,551

[1] Balance of Personal Banking Portfolio (capital + adjustment + interest + OCIF).

Accounts and packages

We presented digital onboarding, which allows the opening of an account remotely through our App Macro, so whoever wishes so, can register as a Banco Macro customer and immediately open a savings account, manage their respective debit card, and start to operate. These technological tools, which combine an intuitive design of the application, through the cell phone, and a robust logical security scheme, enable quick management and facilitate financial inclusion.

On the other hand, a new package offer accompanied the commercial dynamics of the different customer segments, with a focus on providing a differential product, and on our becoming their main bank.

Our challenge is to continue to grow in package volume and to improve further the value proposal of each product. We are thus committed to becoming the main Bank of our customers. Furthermore, we intend to continue optimizing the use and development of digital channels, with inclusive products and the launch of savings products.

Insurance

We focused on actions aimed at promoting the development of our insurance portfolio, so as to continue to provide our customers with alternatives according to their needs, for each stage of their lives, and considering the current socioeconomic context.

To our traditional and consolidated insurance offer aimed at the protection of our customers, their family and property, we added the Cell Phone Insurance. We managed to diversify our offer, improve our services and follow market trends with a solid and accessible proposal.

The types of insurance that make up our current portfolio are the following:

— Home Insurance: comprehensive coverage that provides protection to the family home in the event of unforeseen situations, and protects the family against domestic accidents. It also includes an additional assistance service in case of emergencies.

— Public Road Protection Insurance: coverage aimed at providing peace of mind by allowing the recovery of the economic loss sustained in an unsafe situation on public roads. It provides coverage against theft or robbery of handbag, purse or wallet, cash, personal documents, cards, keys, cell phone and electronic devices. It also includes an assistance service consisting in a cab ride to the insured's place, transmission of urgent messages, and professional advice on how to report the event and cancel credit and debit cards.

— Liabilities Protection: coverage against accidents for our elderly customers. It also provides coverage to their family or beneficiaries in the event of death.

— Burial insurance: coverage to assist family members with burial expenses in the event of an unexpected situation.

— Cell Phone Insurance: coverage that provides for monetary compensation in the event of robbery on the streets and/or accidental damage to the cell phone up to the insured sum chosen when the insurance was taken out.

For 2019, our goal is to continue to work on improving and enhancing our value offer so that we can effectively meet the specific needs of our customers.

Credit Cards

As of December 2018, 2,650,641 credit cards had been issued, which meant purchases for ARS 91.592 billion. This made it possible for us to maintain our desired position, and enabled growth opportunities for the purchase-leveraged product.

We worked on getting new customers to sign up for the e-statement option, which guarantees effective receipt of information by the customer, as achieved by the successful and, above all, environmentally friendly distribution of such information, and also reducing the complaints management workload.

We also introduced full-chip technology for credit cards Visa Débito and Visa Gold, in line with the advance in payment methods. This is the starting point to endorse and embrace contactless technology, and to be able to put it into effect in 2019 as an improvement of the value offer of our products.

Debit Cards

This product occupies a relevant place within the strategy aimed at generating a greater transactional relationship with customers, because it encourages the use of accounts. As of December 31, 2018, the number of debit cards issued by the Bank was 3,348,204, which represents a year-on-year 6% portfolio growth.

Among the 2018 actions, we highlight the migration of our debit cards to EMV (Europay MasterCard Visa) chip technology, which features debit cards with embedded microprocessor chip. We also increased the withdrawal limits of our customers in order to encourage the use of automatic channels to get cash.

Benefits for Individual Customers

Always with the aim of building customer loyalty, during 2018 we continued offering benefits nationwide. Through several actions, we obtained a minimum monthly share, which amounted to 8%, in Visa credit card purchases, with an 8.48% peak in March.

We offered different credit card promotions in tourism, clothing, and services. We highlight our proposal for savings in supermarkets and pharmacies, which was valid throughout the year for customers who held a package of products or whose retirement pension was credited to their account with Banco Macro.

We also conducted campaigns for special dates, such as "Verano" (Summer), "Vuelta al Cole" (Back to School), Children's Day, Mother's Day, and "Fiestas" (Xmas & New Year). The offering and its communication included both national and regional businesses and stores, with the aim of fulfilling our goal of being a bank that is close to its customers.

From September to November, we conducted a special campaign to encourage debit card purchases in the divisions in which we are a financial agent. This campaign was addressed to customers who have the habit of paying cash and withdrawing their income at a teller window or from an ATM. They could, through their purchases, add chances to enter a monthly draw to win a motorcycle and five smart TVs per division. The action performed was based on two communication axes: on the one hand, we encouraged the use of the debit card, and, on the other, we focused on providing contents on financial education to favor change in the behavioral habits of our customers.

Continuing with our commitment to federal presence, we made different agreements with municipalities and retailers. In particular, the programs "Ahora Góndola" (Now Gondola) –which offers savings in supermarkets in the province of Misiones–, "Ahora Patente"[7] and "Ahora Misiones"[8], among others. We also participated in different campaigns, such as "Fashion Week", promoted by the Federal Government and Nación Fideicomisos.

We enhanced Macro Premia –our nationwide program that allows customers to accumulate points, which they can later exchange for different rewards– with several actions. First of all, we added a new functionality, which allows customers to make purchases on the site with their credit cards without having to redeem their points. In this way, we added new payment methods to existing ones: only points, and points plus pesos. In addition, we offered discounts for the exchange of points in more than 60 stores through the Credit Card Savings proposal.

We also added the possibility of exchanging points for SUBE refills, becoming the first and only bank that offers this service. Besides, we added the possibility of reloading cell phones and paying for that with credit card or Macro Premia Points through Internet Banking or the App Macro, or by sending an SMS.

[7] A program that provides rebates on the provincial transit tax on motor vehicles in Misiones.
[8] This program, established by the Province of Misiones, provides discounts on credit card purchases made at merchant partners.

More than 40 Macro Premia special campaigns were run during the year, the most outstanding of which was "Banco Macro te lleva a Rusia 2018" (Banco Macro takes you to Russia 2018), whereby we sought to encourage Visa credit and debit card purchases. Customers could add chances with their purchases, or through the exchange of Macro Premia Points, and thus participate in a draw to win a trip to the World Cup and many more prizes. This nationwide campaign could be seen in the press, on the radio, on digital media, and in social networks.

On the other hand, high-income customers had access, from the middle of the year, to an exclusive product proposal, accompanied by a differential look and feel for Selecta customers. We continued with the alliance with Aerolíneas Argentinas, which allows our customers to enjoy ticket promotions and earn miles under the Aerolíneas Plus program. Our Selecta customers accumulate miles on purchases with their Visa Signature and MasterCard credit cards, and the Macro Selecta debit cards.

In addition, we continued to add foundations to the "donations" category, which offers different options of exchanging points for economic contributions to civil society organizations. This year we added Fundación Espartanos.

All these actions brought about positive behavior. 45% more transactions were made, 10% more customers participated in the program, and complaints represented only 2.6% of the customers who made transactions. The investment amounted to ARS 185 million.

During 2018, we worked on the three pillars of the current Macro Premia proposal:
Savings, Mobile Reloads, and SUBE.

Macro Premia	2017	2018
Number of transactions		
Products	217,205	185,011
Travel	7,998	10,614
Reloads	23,881	111,146
Miles	14,677	35,631
Savings	305	37,276
Others [1]	11,609	19,245
Total	**275,675**	**398,923**
Number of points exchanged		
Products	2,257,860,001	2,216,682,090
Travel	164,517,900	260,354,606
Reloads	36,036,300	264,558,660
Miles	142,646,122	375,239,468
Savings	700,600	220,932,150
Others [1]	64,585,000	96,424,207
Total	**2,666,345,923**	**3,434,191,181**
Number of users		
Products	115,695	100,381
Travel	6,186	8,181
Reloads	6,736	25,988
Miles	8,101	14,599
Savings	269	16,547
Others [1]	11,514	6,116
Total [2]	**34,520**	**148,569**

[1] The "Others" category covers the rest of the proposal published in December 2018 not included in the mentioned categories: Cinemas, Experiences, Gift Cards, Shows, Instant Prized, Donations, World Chance. The "Reloads" category includes "SUBE Refills".
[2] The total of Single Customers is recorded independently of the number of categories requested.

45% year-on-year growth
of transactions of the Macro Premia program in 2018.

Corporate Banking

This segment includes small- and medium-sized companies (PyMEs, its Spanish acronym), microenterprises, and regional businesses, to which we seek to offer products and services according to their profile, depending on their size and the location where they operate, with the aim of achieving the sustained growth of this segment and building customer loyalty.

Corporate Banking portfolio composition	2017	2018
Corporate	29%	46%
Medium-sized companies	25%	18%
PyMEs	20%	11%
Microenterprises	5%	3%
Agribusiness	21%	22%

Corporate Customers by region	2017	2018
Jujuy	2,574	2,733
NEA (Argentine Northeast)	4,416	4,786
Salta	4,207	4,293
Tucumán	6,655	6,345
West	4,078	6,754
Patagonia [1]	2,901	0
Buenos Aires	16,947	15,690
Córdoba	20,540	21,876
Santa Fe	30,870	27,728
Total Customers	**93,188**	**90,205**

[1] As from 2018 this data is all consolidated under West.

Main segments of Corporate Banking

PyME and Microenterprise Banking

At Banco Macro, we seek to build long-term relationships with PyMEs and microenterprises throughout the country. We do so by betting, as always, on closeness, personalized assistance, geographical presence, and the knowledge of our customers.

Actions undertaken for the PyME and Microenterprise segments during 2018 were focused on the growth of this banking segment and the consolidation of the relationship with existing customers. In the commercial area, we are oriented to the increase in deposits, mainly in call deposit balances, and in Transactional Products (cash management).

We strengthened the teams of officers specialized in cash management in all divisions, and managed to maintain our positioning based on a proactive and a differentiated commercial strategy.

The main objective for 2019 is to strengthen our relationship with customers with comprehensive proposals and tailored relational values. We intend to offer financing and transactional solutions that allow us to support the sustained growth of the segment and increase the productive capacity of our customers. In this respect, we will foster even further the strategy of increasing penetration and cross-selling of our products.

Naves Program

For the past four years, we have been developing the NAVES Program in association with IAE Business School, Universidad Austral, a benchmark in Argentina in entrepreneurship training. This program has two goals: to help entrepreneurs to turn a business idea into reality, and to cooperate with companies so that they grow and prosper, if they are new, or innovate or modernize, if they are already consolidated.

In order to set in motion the federalization of this program, and betting on the PyMEs and entrepreneurs as key actors in the generation of jobs, we have invested more than ARS 38 million since 2015, which allowed 3,000 entrepreneurs across Argentina to have access to NAVES completely free of charge.

The experience for participants includes academic training in entrepreneurship topics, access to tutorials, mentoring and consultancy for the resolution of practical issues, and the relationship with investors and other successful entrepreneurs.

In the 2018 edition, investment in NAVES amounted to more than ARS 15 million. The program was developed in 11 locations: Salta, Jujuy, Oberá, Córdoba, Santa Fe-Paraná, Rosario, Tucumán, Mendoza, Mar del Plata, Tandil and Neuquén. . More than 720 entrepreneurs participated in the training process and more than 280 business plans were evaluated. Participating projects dealt with technological, industrial, service, education, health, agribusiness, and social matters.

At the end of the federal stage of the program, the five winners from each district traveled to Buenos Aires to participate in NAVES Nacional, on the IAE Business School campus in Pilar. The five winning projects from each region were analyzed by the commercial area of Banco Macro's PyME segment for possible financing.

At the end of the program, the first position in each category was awarded the financing of an international training trip to Israel. Three participants traveled to Tel Aviv, one of the biggest centers of innovative entrepreneurship. There, they were trained in the construction of a powerful enterprise, with global projection, future-oriented, and connected with the power of innovation.

Participants whose projects did not reach the final stage continued to receive support and key guidance, through tutorials delivered by a virtual learning platform, and were allowed to share their knowledge in an exchange network to enable them to make progress in their initiatives.

With the Naves Program we bet on PyMEs and enterprises giving them tools for devising business plans and innovative projects. True to our federal mission, the 2018 edition took place in 11 cities and towns across the country.

NAVES Program Results	2018
Seminars held	5
Number of participating towns and cities	11
Participating companies	492
Persons attending	729
Number of business plans	281
Winning projects	55

Megra[9] Banking

We worked to interpret the needs of our Megra Banking customers, developing actions to incorporate their suppliers and small producers in order to achieve the integration of their value chain, and strengthen the business. We also focused on increasing our Salary Plan customer base working jointly with Personal Banking and the network of branch offices.

We sought to concentrate our commercial actions by supporting our positioning within the segment, under a context of control, regulatory compliance and continuous review of the credit portfolio. The objective was to be closer to the companies and improve the quality of service provided.

For 2019, the main goal is to become the main Bank of our customers, by cementing the relationship with existing customers and focusing on getting new ones, in those regions where our presence is not strong yet. Along these lines, we will foster further the strategy of increasing the penetration and cross-selling of our transactional products, especially collections and payments, the major generators of call deposit balances, and working together with the branch network, we will seek to enlarge our salary plan customer base and make the most of our presence throughout the country.

2,488

Megra Banking customers.

[9] *Medium- and large-sized companies.*

Corporate Banking

We focused on the growth of banking and the consolidation of our relationship with customers. We bet heavily on growth in deposits, particularly in call deposit balances, and in transactional products, for which we strengthened the teams of officers specialized in cash management in all divisions. As a result of these actions, we managed to maintain our positioning based on a proactive and differentiated commercial strategy.

The main goal for 2019 is to make stronger our relationship with customers with comprehensive proposals, tailored relational values, as well as to offer financing and transactional solutions that will make the segment grow and increase its productive capacity. In this regard, we will foster even further the strategy of increasing penetration and cross-selling in our products.

Agribusiness Banking

In spite of the macroeconomic context that –due to the increase in the exchange rate, and stock reductions– seemed promising, the agricultural sector went through an unfavorable period. On the one hand, this was due to extreme climatic events, which led several districts to a state of emergency, and on the other, it was the result of volatility in prices, with a downward trend and uncertainty as regards the local industry needs, which affected the production plans decisions.

During 2018, we also continued to grow in our customer portfolio, and kept on strengthening the value chain concept among Corporate, Megra and PyME Banking segments, as well as the “Community of Payment” concept, in order to identify customers from the same community and provide specialized assistance to each of the companies that form part of the different chains.

This year we innovated and improved our processes so that our customers could operate with us directly with grains, and we thus surpassed the 1 million ton milestone per year.

For these reasons, we directed the commercial actions of the segment at supporting and assisting our producer customers. In this way:

— we supported them in their need for the financing of working capital and investment projects;

— we placed operations in US dollars as working capital, medium-term loans (three to five years), by financing the purchase of agricultural machinery, investments or purchase of assets;

— we innovated and improved the processes so that our customers could operate with us directly with grains ("Pay with Grains" Program);

— we entered into agreements with the main manufacturers of consumables to provide predictability in the investment of their campaign plans;

— we continued with the rural credit card promotion agreements (known as zero rate) with an excellent performance;

— we gave advice and provided updated information in business rounds with our customers so they could make better decisions; we listened to them and analyzed the current situation of the agricultural industry sector in Argentina and in the world, and the variables to be taken into account for decision-making in each specific-crop campaign; and

— we strengthened and trained our commercial force to be able to deal with a more challenging demand that exceeds the customer's expectations, all that without neglecting the quality of our portfolio, maintaining a strong and atomized growth, and prioritizing financing in foreign currency.

Cash Management

For our Megra Banking and Corporate Banking customers, we implemented the “remote deposit”, closing the year with a monthly transaction volume of ARS 800 million and 9 active customers.

In addition, we developed connectivity via Web Service, and thus won a new business deal with the oil and gas sector customer. At the same time, we launched a new technology to enhance and defend the business, with another company in this sector, which can be replicated in new cases. Finally, we offered the payment of salaries online, providing more expeditiousness to our customers aligned with the developments of the competition in the market.

In 2019, we will take on three challenges. In the first place, we intend to launch the new Home Banking for Companies, through which we intend to generate a radical change in the way in which our Business customers operate, based on the pillars of Security, Self-management and Transactionality.

We also aim to implement the Web Service in the open market and thus meet the demand for new technologies and communication channels with corporate customers. In this way, we can atomize further the operational customer base in collection services. Our third challenge is to implement Echeq, the electronic check, in replacement of payment to providers with check. It is a new payment methodology with high impact on conventional products, which offers new solutions to Cash Management services.

Financing for the productive sector

We sought to continue providing the best services for the agricultural segment, industry and commerce, trying to promote development and innovation in different areas of the productive sector, inspired by the aspirational values of the Bank, closeness to the customer, effort, devotion, and sense of belonging.

We continued to offer financing for the acquisition of vehicles and machinery for PyMEs, through the “Prenda Ágil” (Expeditious Pledge) product and also the Instant Credit Line designed to finance the working capital of micro entrepreneurs and PyMEs from all over the country, with immediate granting and minimum requirements. In addition, we are working on an electronic credit invoice development process so that MiPyMEs (micro-, small-, and medium-sized companies) can negotiate their invoices in the securities market.

We continued with E-Comex Digital, and Macro Pro-Comex, an exclusive customer service at no cost so that our customers can make any inquiries that help them expand their business abroad. We supplemented this service by offering relevant and significant information, such as customized market research on exporting and/or importing markets, potential buyers and/or sellers of foreign markets, and prices.

As regards commercial programs with public agencies, we developed the following programs and agreements:

— Financial Assistance Program for Small- and Medium-Sized Companies with rate subsidy by the Province of Santa Fe, designed for the industrial sector for the acquisition of new agricultural machinery for primary and livestock production, and new undertakings.
— Sectoral Credit Program for the Province of San Juan - FONDEFIN.
— With the Consejo Federal de Inversiones (Federal Investment Council), the Credit Line for Production Recovery designed for MiPyMEs, a production recovery program considered strategic by the provincial authorities for the development of their economies.
— Rate Discount regime - SEPYME, intended for micro-, small- and medium-sized companies (MiPymes) to finance investment projects, working capital associated with an investment project, and purchase of capital assets.
— Financing agreement for the yerba mate production sector (province of Misiones) subsidized by the National Yerba Mate Institute (INYM).
— Agreement with the government of the Province of Misiones "AHORA PYMES" (Now PyMEs) – Misiones.
— FONDEP, the line to finance working capital at a subsidized rate.

With the Competitiveness Program for Regional Economies (PROCER), designed to finance working capital and investment projects of companies located throughout the country –except those situated in the provinces of Buenos Aires, Córdoba and Santa Fe, and the City of Buenos Aires–, we participated in a new tender organized by the Ministry of Production.

For 2019, we intend to analyze new solutions to expand the financing offer and implement the discounting of deferred payment checks through remote deposit and the new Home Banking for Companies.

We maintained our commitment to the PyME and the agricultural sectors by participating actively in commercial programs and special lines, providing differential financing sources in the market.

Packages for PyMEs (number)	2017	2018
Campo XXI	11,875	11,884
Comercio XXI	16,883	15,857
Emprende XXI	33,750	32,433
MACROPYME	7,999	8,952
Total	**70,507**	**69,126**

Agreements and alliances	2018
Commercial programs with public entities	
Number of agreements and alliances made	7
Amount (in million ARS)	33,284
Financing for agricultural machinery	
Number of loans granted	63
Amount (in million ARS)	11,262
Agreements and alliances with manufacturers and terminals	
Number of agreements and alliances made	10
Amount (in million ARS)	14,588

Commercial campaigns for Individuals and Companies

With our commercial campaigns, we seek to promote the positioning and placement of the Bank's strategic products, support the different segments, and define the best approach strategy as unified with the commercial offer according to the use and consumption profile.

Campaigns are the product of interdisciplinary work that involves commercial intelligence to appeal to the target public, risk management to understand their credit profile, analysis of segments and categories to determine the optimal value offer, communications to deliver the proposal, and distribution and sales to monitor and track commercial channels for the management of the campaign.

During 2018, we launched commercial campaigns for the Personal Banking segment with the aim of attracting new customers, increasing the cross-selling rate, enhancing loyalty and use of products, and working on retaining current customers.

Personal Banking Campaigns

Bimonthly, an average of 2 million customers received at least one product credit offer through an automated qualification process. More than 7 million SMS, and 4.5 million emails were sent, which contained pre-approved loan, credit card and product package offers, the most outstanding of which were addressed to single-product customers and were intended to attract deposits and for the opening of savings accounts.

In addition, personalized mass communications were delivered through our own channels, such as the tickets and screens of ATMs, and the e-flows. Communications were aimed at encouraging the application for pre-approved products, and/or the pick-up at branch offices of pre-embossed cards, as well as at promoting the use of credit cards with early activation benefits.

In 2018, we also introduced a personalized offer on the portal through banners, which brought customers a proposal according to their rating and moment in life. These were the featured campaigns of the period:

— Cross-selling to customers: Bimonthly, outgoing management campaigns were implemented for customers with the greatest cross-selling potential and available contact data.
— Recruitment of new customers: within the framework of the Big Data project, we brought potential customers a personalized offer of products and benefits according to the moment in life of each prospect. In addition, we conducted a pilot test to put to trial a customer-contact model that approached the recipient of communications through different channels.
— Salary Plan-related customer attraction: We sought to promote the transfer of salary crediting of Banco Macro Open Market customers and of companies with related agreements, offering them differential benefits such as credit flexibility, differential price of products, and welcome gifts.
— Pre-embossed cards: We printed almost 50 thousand Visa credit cards to enhance cross-selling among customers from the Salary Plan and Macro Selecta segments who did not have a credit card, and among customers with a current MasterCard credit card.
— Savings Account offer: With the aim of encouraging banking inclusion and the use of our digital channels (App and Internet Banking), we conducted campaigns that delivered our customers an offer of a free savings account with its corresponding debit card. We supplemented the product offer with point benefits to encourage as well knowledge and use of the Bank's loyalty program, "Macro Premia".

Corporate Banking Campaigns

During 2018, an average of 70,000 customers or prospects received at least one product credit offer bimonthly. Most of the campaigns are biannual, renewable, and nationwide, aimed at cooperating with the fulfillment of commercial objectives.

Besides, more than 15 regional campaigns were conducted, which originated in the signature of commercial agreements with chambers and entities present in the communities where our branches operate. In addition, any value offer that implies a credit pre-qualification arises from an integrated process conducted with the Credit Risk Management Department.

Furthermore, we generated offers to attract term deposits from Microenterprise and PyME Banking customers or for them to renew their existing deposits

Featured campaigns run during the year:
— Relationship with new customers: Through a commercial analysis of customers, we generated attractive credit offers and transactional discounts on Cash, Comex, Retailers, and Account Packages.
— Achieving profitability on Cash and Comex cross-selling: Focused on customers from the PYME, Agribusiness and Microenterprise segments, transactional offers include one or more of the current products.
— Biannual supplementary salary: Aimed at increasing the placement of active products on customers with salary payment agreements, we granted the benefit of financing payment of the biannual supplementary salary with a specially designed credit line.
— Pay with Grains: We made Agribusiness Banking customers credit offers in dollars based on the prequalification made by the risk team. In addition, through the program called "Pague con Granos" (Pay with Grains), we allowed agricultural producers to pay their obligations with the grains they produce.

Public Sector

We continued to support and give advice to the provinces of Jujuy, Salta, Tucumán and Misiones (of which we are a financial agent) as regards obtaining funding for the development of infrastructure, through participation in the organization, structuring and placement of the local debt, with the contribution of our experience in the different financing tools through the capital market.

In 2018, we defined our strategic project whose aim is to consolidate Banco Macro as the leading bank in the public sector business. In this respect, our commercial strategy focused on the following actions and initiatives:
— As a team with the Distribution and Sales areas, we made segmented commercial visits where Banco Macro is not a financial agent. As a result, we incorporated new customers and developed cash management, investment and salary plans business. Thus, we tripled the financial volume compared to the previous year.
— We expanded the range of products and services to the public sector, and consolidated in this way a commercial proposal and integral service model, with a focus on the development of relations and sustainable deals.

In 2018, we renewed for 10 years the financial agency agreement with the province of Misiones.

— In search of operational and commercial efficiency, we readjusted rules, standardized processes and simplified circuits in the provinces where the Bank is a financial agent.
— In order to provide support to the network in commercial management, we optimized the reporting boards of the Government Banking business as tools to improve decision-making.

One of the main milestones of the year was the renewal of the Financial Agency Agreement with the province of Misiones for an additional 10-year period, which will expire in 2029. We reaffirmed our commitment to the province, and implemented an investment plan primarily aimed at opening new branches and permanent promotion stands, the creation of new ATMs and self-service terminals with technology and systems in line with service requirements, and the incorporation of technology and innovation into digital platforms and alternative channels to facilitate banking inclusion, financial inclusion, and customer service improvement.

Furthermore, we resolved to develop a program to promote provincial productive and economic development that provides lines of financing specially designed in accordance with the strategic promotion objectives prioritized by the province: actions to foster the development of domestic consumption; financing for PyMEs, small producers, and cooperatives in the different sectors of the economy: yerba mate, tobacco, tea and forestry, commerce and services; funding for equipment and technological renovation of the municipal and communal public sector; and mortgage loans to public administration agents. Finally, we committed ourselves, within the framework of our Sustainability Strategy, to continuing to develop activities and initiatives aimed at promoting the social, educational and environmental welfare of the province.

In our role as financial agent of the provinces of Jujuy, Misiones, Salta and Tucumán, we continued to support incentive programs for the regional economy. We renewed “Ahora Misiones” (Now Misiones) and “3D+15 Salta”, and added, during the year, other programs for the promotion of mass consumption, extended to special holidays. We did so, in all cases, with the participation of chambers of commerce, the province, and the Bank in discounts and financing.

Moreover, we renewed and implemented new efficiency programs for annual tax collection: we offered rebates and financing to taxpayers for early payment with Banco Macro cards.

In addition, due to the current economic situation, we signed agreements for the financing of PyMEs by discounting checks under preferential conditions.

In relation to financial assistance, we disbursed the funds under the ARS 200-million facility agreement made in 2017 with the province of Misiones for the construction of wooden dwellings under a social housing program.

We also provided the Municipality of Ushuaia with a loan of ARS 35 million for the acquisition of public transportation buses and execution of public works.

With those public entities that deposited salaries with Banco Macro, we continued with, and extended the provisional financial assistance agreements for the payment of remunerations.

Promoting public-private synergy, we qualified more than 70 federal, provincial, and municipal public entities throughout the country for more than ARS 7.8 billion to financially assist their providers and contractors in the private sector through loans secured by pledge of public work certificates and/or the discounting of checks issued by them

For 2019, we intend to consolidate the project conceived in 2018, strengthening the model with the following strategic initiatives:
— measurement of Government Banking commercial management for the alignment of incentives in the development of integral business deals,
— development of new products and loyalty actions in line with the increasingly sophisticated needs of public sector customers and the growing competition from other financial institutions, and
— strengthening of the use of digital platforms and automatic alternative collection and payment channels at financial agents; and implementation, as a team with the Distribution and Sales department, of improvement opportunities detected in 2018 in terms of operational and commercial efficiency.

In spite of an adverse financial context,

we continued to support our customers by financing their purchases: we exceeded ARS 4.5 billion in trust underwriting and portfolio purchases.

Investment Banking

The aim of Investment Banking is to create and structure tailor-made financing solutions with high value added, through the development of a long-term priority, support, and commitment relationship with customers, in order to achieve a deep understanding of every business deal, and offer advice. The industries and sectors that receive financing are, among others, the following: energy generation, oil and gas, industrial, construction, automotive, agriculture, and consumption.

In 2018, the business was developed in a close international market environment for the placement of debt and stock shares. There was a context of high volatility in the macro variables of Argentina, such as the interruption of international capital inflow, the severe credit rationing by banks as a consequence of the BCRA's restrictive policies, and very high interest rates. It was difficult to obtain financing for energy investment projects (RENOVAR) and infrastructure (PPP); and the capital market was virtually closed for several months, mainly as a result of the heavy redemptions sustained by the Mutual Fund industry.

Even so, we continued to support our customers by financing their purchases: we exceeded ARS 4,500 million in trust underwriting and portfolio purchases. We also funded renewable energy projects. We did so from Banco Macro –as an organizer– and Macro Securities –as an underwriter– and thus we led the issuance of corporate notes by Genneia, with the aim of financing several renewable energy projects that the company has underway, in particular, "Parque Eólico Madryn" (Wind Farm Madryn). Furthermore, we led the reopening of the capital market in October 2018 with our successful participation in the issuance of Banco Ciudad Corporate Notes.

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Infrastructure and Service Channels

Our presence throughout the country

Branches

We seek to be the entity with the greatest federal presence. Thus, we intend to contribute to increased access to financial products and services, and thus improve people's quality of life of people and promote the development of local communities throughout the country.

That is why we are one of the private financial entities with the greatest presence throughout Argentina. We operate in 22 jurisdictions, and have 471(8) branches, 96% of which are located in districts in the provinces, and we have an active participation in the productive areas of those regions. Our role as financial agent of four provinces strengthens the Bank's business structure.

In 193 districts, we are the only banking institution present –through branches or ATMs. This number has been increasing year after year with the opening of new branches. We opened 9, remodeled 54, and moved 5 branches.

In relation to physical assistance, we implemented a new Commercial Management Model for Corporate Banking and Operational Efficiency, and significant improvements in the technological customer service platform to gain efficiency and productivity in customer contact. In addition, we launched the New Puerto Nuevo Branch Pilot Assistance Model, and designed the new commercial planning scheme "Ideal Branch".

For 2019, we intend to implement the Commercial Management Model for Personal Banking and move forward with the integration with Banco del Tucumán. We will also define the New Service Model and the implementation methodology.

(8) This number includes Banco Macro and Banco del Tucumán.

Regions	Branches	Financial System Branches	Share (%)
NOA (Argentine Northwest)	98	303	32%
Central Region	178	1.003	18%
NEA (Argentine Northeast)	52	367	14%
Patagonia	21	302	7%
Cuyo	21	262	8%
Province of Buenos Aires	73	1.511	5%
City of Buenos Aires	28	850	3%
TOTAL	**471**	**4.598**	**10%**

Districts with the presence of Banco Macro only

Districts	2017	2018
Salta and Jujuy	72	76
Tucumán	28	29
Córdoba	5	5
Misiones	58	59
Santa Fe	21	20
Mendoza	2	4
Total	**186**	**193**

Our 471 branches in 22 jurisdictions

confirm our federal mission: to become the Bank with the strongest presence throughout Argentina.

Automatic Channels

The increase in transactions via automatic channels has two benefits: it simplifies and speeds up customer operations and, at the same time, reduces operational tasks in branches. Banco Macro has ATMs that operate independently from the branch and offer the residents of the area, money withdrawal account and balance checking services, among other transactions.

To guarantee sufficient cash availability in ATMs during the salary payment period, ATM functionality is daily monitored by technicians, and cash refilling is supervised.

In 2018, we reached 1,489 installed ATMs. Among them, 386 feature the cash recognition and deposit crediting function, and 66 feature double cash dispensing. Through the ATM network, 16,056,875 transactions for an aggregate amount of ARS 19.498 billion were made in the year.

Automatic Channel Users [1]	2017	2018
Personal Banking	654,136	798,224
Corporate Banking	69,223	91,596
Total	**723,359**	**889,820**

[1] This includes all those who operate through any automatic channel. Internet Banking, Mobile Banking, Self-Service Terminals, IVR, and Customer Service Call Center.

Transactions through Automatic Channels	2017		2018	
(in million ARS)	Number	Amount	Number	Amount
Digital (Internet Banking and Mobile Banking)	270,369,674	287,960.1	476,460,316	506,759.7
TAS (Self-Service Terminals)	1,295,260	1.6	1,258,076	24,213,4
IVR (Automatic Customer Services)	5,711,168	54.1	6,700,083	71.9
CSCC (Customer Service Call Center)	2,172,074	1,649,5	1,941,313	1,497.9

Automated Teller Machines	2017	2018
Installed machines	1,452	1,489
Replacements	31	73
New locations	22	49
Location reinforcements	58	55
ATMs w/cash recognition and online deposit crediting	340	386
ATMs w/double cash dispensing	59	66
Transactions	15,002,784	16,056,875
Amount of transactions (in million ARS)	17,371	19,480

Self-Service Terminals

We have 938 self-service terminals distributed in the branch network throughout the country, thus offering customers the possibility of making deposits 24 hours a day, 365 days a year. In 2018, 1,304,117 transactions were made for an aggregate amount of ARS 1.7 million.

Self-Service Terminals (TAS)	2017	2018
Installed terminals	900	938
Replacements	54	77
New locations	1	9
Location reinforcements	22	32
Branches with TAS	431	433
Transactions	1,295,260	1,304,117
Amount of transactions in pesos	1,605,706	1,685,911

Intelligent Self-Service Terminal (TASI)

We continued to implement the intelligent check deposit functionality in this type of terminals in order to reduce the operational tasks at the branches. In 2018, we installed 163 terminals in 120 branches throughout the country. Through them, 180,860 transactions were made for the amount of ARS 1.3 million.

Intelligent Self-Service Terminals (TASIs)	2017	2018
Installed terminals	101	163
Branches with TASIs	73	120
Transactions	370,028	180,860
Amount of transactions in ARS	1,369,412	1,300,950

Access to products and services

Seeking to reach every district in the country is not the only way to contribute to financial inclusion. We also focus on ensuring that the people who choose us can access our products, services and facilities, and are provided with customer service that meets their needs and expectations.

For this reason, we offer the braille account statement printout service, and installed access ramps and special bathrooms at branches. We also increased the number of automated teller machines for visually impaired individuals: today, 97% of all ATMs are equipped with a voice guidance system. In addition, we installed non-slip flooring and special seats in our customer service centers for the retired.

Branch accessibility	2017	2018
ATMs for visually impaired customers	1,370	1,440
ATMs for visually impaired customers over the total number of the Bank's ATMs	94%	97%
Branches with ramps [1]	486	520
Branches with special restrooms [1]	186	240

[1] As of 2017, we break down the "branch offices with ramps and special restrooms" indicator.

Physical security and secure information handling

People's Safety

With the aim of guaranteeing the physical security of people, our systematized and monitored processes in place allow us to evaluate and prevent adverse situations. Among them, we highlight the following tools: Branch Security Vulnerability Risk Matrix, Bank Security Manual, and Security Procedures and Policies Guide. In addition, this year we introduced the Electronic Security Manual, and the Physical Security Manual as a step forward in this matter.

We also implemented the Control of Minimum Security Measures at Branches to respond to the needs of the Distribution and Sales division. To achieve this, we generated a strategic plan in conjunction with said division to allow the remote control of access via

CCTV (Closed Circuit Television). Thus, we established a protocol that provides detailed reports on the current situation and the future corrective/preventive measures to be applied in terms of security by the "Image Requirement" Unit officers. In this way, the CROAS (Regional Operative and Administrative Coordinator) can focus 100% on commercial issues.

During the year, there was news regarding the protocols of action in the following areas:
- Performance of Monitoring Center.
- Access Control at the Data and Telecommunications Center in Banco Macro Tower.
- Protocol of Administration and Custody of Keys and Passwords in Central Areas.
- Certificates of Security Devices.
- Image Requirement (Control of Minimum Security Measures at Branches).
- Opening and Closing of Branches.
- ATM load balancing and cash loading.
- Physical Security in Banco Macro Tower.
- CCTV in Banco Macro Tower.
- Instructions for Security Guards in Banco Macro Tower.

We also implemented an annual training plan for additional guards and police officers in coordination with the private security companies and the provincial police departments.

Furthermore, we reengineered the Security Department so as to redistribute resources and thus create a centralized billing system for the nine divisions and streamline the budget process, control and analysis. With the same personnel structure, we absorbed 30% of the operational/administrative tasks of the divisions, and we thus achieved that the Divisional Security Coordinators and the technical resources could devote themselves to the tasks inherent in their specific functions.

In order to generate significant savings in security expense accounts, we reduced 32 external private security guards in Branches and managed, under the Remote Bunker system, to monitor the same number of offices with a smaller number of guards.

In 2018, we managed to raise the security standards and, at the same time, optimize the use of resources.

We developed and implemented the Macro Tower (physical and electronic) security system following the "protection rings" concept, which consists of human and electronic elements that act and operate under specific protocols of the area. We trained all the surveillance staff in several topics of the field and in the specific policies of the Macro Tower.

Besides, we developed a master key system that facilitates access to all groups of doors in the building but does not limit the level of security, and implemented an electronic key management system that allows us to administer, authorize, control and audit all movements made with the building keys.

In 2019, we will develop a tool under the RMS (Risk Measurement System) platform in order to speed up the loading of information obtained in the survey of branches, and thus avoid duplication of processes. Said tool will be based on the Branch Survey Form, completed by the divisional security coordinators as ordered by the division manager.

Furthermore, we will link the Branch Security Vulnerability Risk Matrix with the Expenses and Investment Matrix to quantify the risk in line with the budget. We will also make the Remote Bunker grow along with the 10% increase in the number of branches as specified in the strategic plan formulated for next year.

Personal data protection

Our policies and procedures regarding privacy and the protection of personal data meet the requirements of the Argentina Data Protection Act No. 25326, as amended, and the rules issued by the Access to Public Information Agency.

All our employees having access to personal data on our customers keep such information strictly confidential and are subject to the duties of custody and maintenance. These duties will survive the cancellation or annulment of the information in the databases even after the termination of customer's contractual relationship.

In addition, we feature information signs for our customers on video surveillance security areas at branches in accordance with the laws currently in force. Our "Image Requirement" unit centralizes the downloading of images which can be requested by court order, customers, or which can be used in banking fraud proceedings. We also comply with the Security Rules and Regulations of the BCRA on document digitalization.

New sustainable corporate building

In 2018, we were able to finalize a project that lasted for several years: moving to the Macro Tower. In March, we began to implement an ambitious plan that allowed the transfer of more than 1,600 employees to their new workplace. This task was carried out successfully during successive weekends to guarantee the continuity of the business.

As part of the preparations for that great moment, we started a process of culture change. The aim was to inform the employees of both the benefits of the place and the new habits that we should develop. In this way, we closed the circle of commitment to the environment that we had already taken on with the construction of this LEED-certified tower. By way of example, we replaced the disposable water and coffee cups with reusable ones, which were handed to the employees as part of a welcome kit.

For the design of this building, we adopted an open operational plant model to encourage collaborative work and socialization, although we also noticed an additional benefit: that occupancy standards improved compared to previous buildings. On average, the surface area per inhabitant is 9.50 m2, which represents a work environment of high spatial quality for users.

To encourage healthy habits among employees, we allocated an entire floor for the dining room, with tableware and food refrigeration service, and an eatery concession that includes a healthy menu, and gluten-free meals. We also allocated one floor for the gym, a space that not only promotes physical well-being, but also encourages bonding with workmates beyond work interaction.

To achieve greater energy efficiency, we have already put into operation the following control systems of the building: rainwater collection and utilization for irrigation, and reuse of condensate and bleed-off water from cooling towers as wastewater. The utilization of this recovered water, in conjunction with the automatic shut-off valves and double-discharge valves fitted in the water supply lines to which our toilets are connected, makes it possible to minimize the consumption of drinking water.

An air conditioning control system, that manages in a centralized manner the almost 1,000 evaporative cooling units of the building, is already in operation, and features an on/off timer which allows for time control to be set based on a needs diagram. This Heat Recovery technology system also allows the use of heat and cold simultaneously, which at certain times of the year results in considerable energy savings. At the same time, a lighting control system manages blinds and shades lowering them at the hours of greatest solar radiation, so as to minimize the use of air conditioning.

In order to reduce energy consumption from lighting, our tower is equipped in a very high percentage with LED technology devices. On the other hand, lights closest to the building facade vary in intensity according to the amount of external light they receive. We started to create three lighting schemes under which a schedule for each floor can be programmed from the control system.

The outdoor air treatment units recover part of the energy used for the cooling of a large volume of air, which is later drawn out from restrooms. We also started to implement a central equipment management and energy monitoring system, which will be an important management tool that will allow us to monitor the correct functioning of different services.

In addition, we seek to reduce the use of paper, in compliance with the sustainable office premise. In the light of our moving, we initiated the following actions, which we continue to develop:

Departments / areas	Actions performed	Next steps
Operations – Court documents	In mid-March, we finished our four-month work consisting in the organization, cleaning out and filing court documents in the Court Documentation Section folders. This task comprised all the human and technical aspects necessary and sufficient for the correct administration, digitalization and final disposition of the documents to be handled.	------
Operations – Business Customer Service Center	We coordinated with several departments of the Bank the project for the Digitization of Companies' Files at the head office of the Documentary File Provider. This work took 12 months. The main tasks included receiving, preparing, ordering, selecting, classifying, grouping, scanning, checking, returning, indexing and dispatching the files of Banco Macro's business customers within a period of not more than 72 business hours.	Track the project.
Operations – Documentation Safekeeping	We coordinated the tasks with the area and the provider, mainly based on getting rid of and destroying the relevant documentation from each Pledge Loan/ Discounting of Checks drawer. In addition, we selected and classified documentation to be filed away prior to moving the division to Banco Macro Tower.	------
Credit Risk - Leasing	We coordinated the tasks of organizing and eliminating the stock of files belonging to the Leasing Division.	------
Operations – Business Customer Service Center	We coordinated with the area and the provider, the project for the Digitization of Company Files at the Bank. This work took approximately five months, and mainly consisted in the handling and preparation of each file or document, the assignment of the relevant category/section to each document observing the current physical order, the digital capture of each page and the respective covers, and the renaming of the resulting image file, whose format should be PDF.	Track the project.

The building of Banco Macro Tower is 95% complete. Investment in land, construction, interior design, and technological equipment is expected to be above USD 240 million. We are planning its inauguration for 2019. Banco Macro's head office was established in the corporate building.

In 2019, we will inaugurate our new corporate building, Banco Macro Tower. Its construction, which required an investment of USD 240 million, was designed by the renowned architect César Pelli and complies with the highest energy efficiency and sustainable design standards.

Intellectual Capital

This Capital is composed of intangible assets related to the reputation, development and know-how of the organization. Next, we describe the actions that we carry out in order to make it grow, always guided by the search for innovation, and our positioning as a reference digital bank. In addition, we show our performance relative to the customer service model, in which we prioritize quality, security, and an open and constructive dialog with stakeholders.

Customer's experience as a competitive differentiation strategy

The perception that the customer has after each interaction with us constitutes their service experience, and this, in turn, is what heightens their sense of loyalty to the Bank, and influences the economic value that the organization produces.

We consider that management of customer's experience is a strategy of competitive differentiation and exceeds service satisfaction and quality: it also focuses on the design of each link with the customer. With that aim, we have a Customer's Experience area, which is responsible for defining strategies and promoting the construction of an organizational culture that, rather than thinking about the customer, thinks like them

Getting to know the customer's experience is crucial to us, and that is why we continually strive to improve our customer service channels, our experience measurements, and complaints management. This is how we get closer to our vision: making customer's life easier, and doing sustainable business.

Measurement and design of customer's experience

Understanding our customers and knowing how they experience their relationship with the Bank is key for us to be able to orient the service towards them. Therefore, we set out to achieve a continuous and real-time measurement of customer's experience, automatically and through different means. Specifically, we sought to integrate and validate qualitative and quantitative information through commercial intelligence with the support of our data repository to generate a 360° vision, and bring the complete information to the entire portfolio of the Bank.

During 2018, we consolidated the measurement and design area of customer's experience and customer's role as a strategic and collaborative business partner, to accompany and support the strategic goals of the different departments, always with the customer as the focus. These were the experience measurement and evaluation methodologies that we employed:

— Macro Community "The game of experiences": It is a virtual community of customers where activities are done to gather strategic information for the bank. We engaged in more than 48 activities and 17 on-line surveys with 300 active customers distributed in five Personal Banking communities and one PyME[11] community. These inquiries were related to the chat bot, web portal, Macro Premia, AAplus, Conectividad Perfiles and assessment of connectivity benefits, the platform "Pulse" for the Retired, Life certificate, Pin resetting, Cuentas Sanas (Healthy Accounts), Investment Habits, drivers chosen by Bank for the Salary account, and motivations to change bank.

— Henko Community: It is a virtual community of non-customers oriented to innovation and co-creation, where activities are done to reveal strategic information for the bank, with the participation of 35 customers and non-customers from the creative and innovative fields having a curious and bold profile, and we engaged in 22 activities under the design-thinking concept.

— Business Meetings: These are spaces intended to have meetings with customers while having breakfast or lunch, where they express their ideas based on the issues raised. We held new meetings with 105 customers from PyME, Megra[12], and Corporate Banking in Córdoba, Tandil, Salta, Rosario, AMBA (Metropolitan Area of Buenos Aires), and Expo Agro in San Nicolás. The objective was to know the opinions of customers about the redesign of Corporate Home Banking, and the concept of a access unique code, self-management, MultiProfile operator, and signature and power of attorney uses.

[11] Small- and medium-sized enterprise (SME).
[12] Medium- and large-sized companies.

— Individual and PyME Experience Score: This is an online and telephone survey that we conducted throughout the country, where we measured indicators related to the Bank's strategy. We made three measurements of customer's experience indicators –Net Promoter Score (NPS), Principal Bank Relationship[13], Effort, Future Relationship, Experience and Fidelity. In the latter, we implemented the telephone methodology to reach those customers without an email registered in the Bank's database, and thus we managed to increase, in this last edition, the sample and the indicators.

— First benchmarking of the main Key Performance Indicators (KPI) of Experience: we did this by comparing the main private and public banks in the country, through a mixed methodology with 1,291 online and telephone surveys.

— Immersion in underbanked and unbanked customers and potential customers: To know and explore the underbanked profile, we conducted six focus groups and 18 in-depth interviews in Salta, Córdoba and NEA (Argentine Northeast), in which 50 customers participated.

— Follow-up study of brand strategy results - moment 0: We accompanied and supported the area that develops the Bank's brand positioning, in order to determine, through this study, the starting point of the Banco Macro brand with mixed methodologies, telephone and face-to-face surveys, and online panel, in which 2,293 banked individuals, customers and non-customers, participated. We also did the pretest of the new positioning commercial, and cooperated in the design of a brand health dashboard.

— Digital Banking Study on Home Banking & App: Compared with other banks through 808 self-administered surveys.

— Online investment survey: Online survey of Selecta customers on investment behaviors, answered by 903 Selecta customers.

— Study of traditional, digital media, and social networks: Online and telephone study in which we evaluated the behavior of the general population with traditional and digital communication media, and social networks. We surveyed 4,173 individuals and 461 PyMEs and Agribusinesses through online, telephone, and face-to-face polls.

— Sending of self-administered surveys on SMS recharges, channels, chat bot: Online surveys of Bank customers, in which they answered questions on the issues raised; more than 5,000 customers participated.

— Measurement of the Macro portal and its sections through the Hotjtar tool: Short surveys to measure the experience within the different sections of the Bank's portal; 2,700 visitors participated.

— 40 face-to-face surveys at the Puerto Norte branch to learn about the new service model.

— Measurement of digital transformation initiatives related to online account management and transactions, onboarding, and self-management terminal through online surveys of customers who used these channels, and subsequent co-creation of initiatives with customers.

[13] *The first bank the customer would choose.*

— Participation in the Youth Meeting and in the Entrepreneurs Meeting, in which we conducted a survey of the attendees' profile.

— Updating of the five profiles of Personal Banking customers, integrating the information gathered during the year, and performing micro-segmentation within each category.

On the other hand, these were the novelties in the customer's experience design, and the advances in the development of actions and processes for continuous improvement:

— Internalization and understanding of the Key Performance Indicators (KPI) of Experience, and knowledge of customers.

— Addition of new points of capture of customer's voice to the process of automation, integration and management of data.

— Work with divisions and Human Resources to transmit a DNA in which customer's experience is the focus.

— Development of a customer's experience model for the Corporate segment, and start by knowing the Microenterprise segment.

— Measurement of customer's voice (community) generating insights for the organization that allow the development of sustainable customer-focused business deals oriented to Digital Banking, Digital Transformation and exploration of unbanked or underbanked segments.

— Implementation of continuous measurement through the automation of surveys in real time, doing a pilot test and then extending it to the rest of the customers of the all branches in the country. This gives us information on time and with greater granularity.

— Updating of customer's experience boards with the inclusion of the data arising from the automation of surveys and the implementation of the qualitative data aggregation.

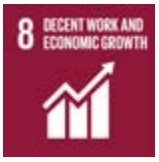
— Supporting of Digital Banking and Digital Transformation projects with appropriate measurements and techniques.

In short, during 2018 we managed to meet the challenges that we had taken on. We also managed to get all projects to relate to each other and nourish customers' profiles. We were able to share knowledge and add value mutually by working in interdisciplinary tables. We will continue in 2019 facing new demands, always focused on the customer, and working towards the strategic objectives of the business.

During 2018, we consolidated the measurement and design area of customer's experience and the role of the customer as a strategic and collaborative partner.

Customer's Experience Indicators	2017	2018
Customer's Experience Score – Individuals	53%	50%
NPS – Individuals	35%	28%
Effort Score [1] of Personal Banking Customer	61%	60%
Principal Bank Relationship Score[2] of Personal Banking Customer	60%	61%
Macro Premia Score[3] of Personal Banking Customer	s/d	52%
Future Relationship Score[4] of Personal Banking Customer	86%	85%
Customer's Experience Score [5] – PyMe	49%	44%
NPS – PyMe	20%	11%
Effort Score of PyMe Customer	65%	60%
Principal Bank Relationship Score of PyMe Customer	48%	44%
Integral Business Assistance Score of PyMe Customer	36%	33%
Future Relationship Score of PyMe Customer	83%	80%

[1] It refers to the degree of effort expended by the customer to perform the operation in the last contact with the Bank. The scale goes from 1 (little effort) to 5 (a lot of effort).
[2] It refers to the percentage of customers that declare that Banco Macro is their main Bank, whether because they operate solely with the Bank or because they choose it as the principal one among the banks with which they operate.
[3] It is the percentage of customers who used Macro Premia loyalty program and rate it on a scale of 1 to 10 (1 is very bad, and 10 very good), with a grade of 9 or 10.
[4] It refers to the percentage of Bank customers who declare that they have operating with Macro so far and intend to continue doing so, or who plan to hire a new product. The indicator arises from a semantic differential scale question between ceasing to operate with the Bank and acquiring more products.
[5] It is the percentage of customers that rate their last contact experience with the Bank, on a scale of 1 to 10 (1 is very bad, and 10 very good), with a grade of 9 or 10.



Digital Banking

Our goal is to position ourselves as the best offer in digital services, and we work on a digital offer of high impact on customers, on the research and development of disruptive technologies, and the implementation of the digital transformation strategy.

For that purpose, we decided on a digital transformation strategy focused on anticipating the needs of our customers and providing them with the best experience.

Thus, during 2018 we worked on different actions and initiatives based mainly on the pillar of providing ease and accessibility to our customers when it comes to operating, seeking to be the "Most Simple Bank". Among them, we highlight:

Mobile Banking (App Macro)

This year we added new functionalities to this application that generate value for customers, such as, access with biometrics (fingerprint or facial recognition), which speeds up access to the channel; digital onboarding, which allows access to generate for the registration of customers and accounts; sending push notifications to customers who have downloaded the app on their cell phone; and the implementation of improvements at the application performance level.

Internet Banking for Individuals

We added new functionalities to this digital channel that permanently seeks to make life easier for our customers and enhance the use of digital channels. Among them, we highlight "mis tenencias" (my holdings) (consolidated information about customer's banking products at the end of each year) to facilitate customer's tax operations, and the new inquiries about checks service.

Focused on becoming the Bank that offers the best digital services, we are working on a digital offer with a high impact on customers, on research and development of innovative technologies.

We also added new management-oriented features in Mobile Banking (App Macro) and Internet Banking for Individuals:

— Self-management of Mobile/Internet Banking Code, which saves customers having to go to an ATM.
— Self-management of security token for customers with an E-banking code card.
— Increase in the limit of immediate transfers with a security token, general portfolio (ARS 200,000), and Selecta (ARS 500,000).
— Generation of telephone/TAS (self-service terminal) code.
— Debit card PIN resetting (with a security token or E-banking code card).
— Insurance checking (statement, and printing of payment certificate).
— Agro Card balance checking.
— New voucher checking that includes the destination account in transfers.
— Mobile reloads via SMS.
— PIM reloads.

During 2018, we used different tools to communicate the news to our customers. Among them, notifications through the mailbox of Mobile/Internet Banking or push information sent to the cell phone, emails, publications on Facebook, and dissemination of contents on the Bank's portal.

Internet Banking for Companies

In January 2018, we began to hold the co-creation workshops of the new Internet Banking for Companies, organizing an interdisciplinary team composed of business areas, processes, technology, operations, customer services and computer security. In total, 28 workshops were held, in which we defined the scope of the new solution, aligned with the Digital Transformation Program, and with the aim of being a simple bank also for our business customers.

Thus, we worked on proposals based on different pillars: Digital Transformation (new functionalities, the only platform for all services, and App Empresas[14]), Ease and Simplicity (single code for Companies and Individuals, self-management of codes and passwords –user name registration or recovery, or password resetting–, biometric access, simple navigation, multiprofile user), Processes (integration with signatures and powers of attorney, architecture review, and synchronization with strategic projects of companies), and Customer Experience (customer testing, and analysis of Competition).

On the other hand, in March and April, 2018 we held meetings with 105 companies from all segments, and from different regions of the country to test the most significant concepts of the new Corporate Home for Companies.

For 2019, we plan to divide the next meetings into four stages, which will add new features.

[14] App for companies.

New web portals

During 2018, we renewed all the websites related to the Bank, unifying the user's experience throughout our digital ecosystem, also achieving greater communication efficiency.

In March, we launched the institutional portal of Banco Macro, which has a responsive design, a clearer language, and new features. A search bar was designed ("What do you need?"), found on the home page, which offers information on frequently asked questions, financial education and search results within the content of the new portal.

Besides, it has a cognitive virtual assistant, which is the intelligent chat that enables the customer to obtain information from the Bank and humanizes contact. Currently, this assistant can answer questions about loans, investments, and frequently asked questions. We expect that by March 2019 it will be able to do so in connection with all our products. The portal can be self-managed, so the updating of contents can be done in a friendly way, and without the need to resort to technological developments, which allows us to update contents much more dynamically.
In June, we enabled the Savings and Monthly Payments webpage with a new design and filters that allow us to specify the search for benefits, and the Macro Securities portal, with renewed aesthetics, stock ticker, and search for Securities and Stock.

In November, we focused on the implementation of the new "Cuentas Sanas" (Healthy Accounts) site, whose renewed design provides a more user-friendly experience and greater accessibility to the information and tools offered. We highlight the development within the portal of the debt simulator, and the monthly savings calculator, which were previously available only in an Excel file.

Finally, in December we enabled the Macro Fondos (Macro Funds) portal. We highlight the inclusion of simulators and comparators of Mutual Funds. For 2019, we have taken on the challenge of relaunching the Investor Relations portal, which informs the Banco Macro stock price on the New York and Buenos Aires Stock Exchanges, as well as quarterly results, financial statements, corporate presentations, communications with regulators, among other topics.

We renewed all our websites, which now offer new functionalities and a general browsing and checking experience much more user-friendly.

In order to evaluate the behavior of portals, we implemented the use of data measurement and collection tools, and surveys, in order to enrich them constantly according to the needs of our customers and the business. These tools have the ability to obtain reports about usability, and the reactions of customers during navigation on those portals, which will allow us to apply continuous improvements in pursuit of greater user satisfaction.

Digital transformation

We aim to transform ourselves into a dynamic and innovative Bank through the use of technology. Our mission is to empower our customers through simple and effective technological solutions that have a positive impact on their experience and on business sustainability. To achieve this, we incorporated face-to-face channels and 100% of digital channels, and created new models of customer service and online business.

Onboarding

We incorporated 100% digital onboarding (customer registration, and savings account opening approval) to the Mobile Banking application. We aim to add new customers by streamlining the process of registering an account as a first step towards the creation of a fully digital experience. This onboarding allows identity validation through a selfie and the identity document photograph without the customer having to visit a branch.

Online loans

Online loans allow Bank customers and non-customers to apply for personal loans from the web without the need to operate with passwords. Particularly for amounts within the established limit, crediting is immediate, and the procedure 100% online. For higher amounts, the application process can be started by uploading documentation online, and subsequently the customer can go to the branch; this equally simplifies the executive's operations.

Self-Service Terminal

This device brings about a change to the customer service model at the branch through a customer service interface that processes post-sale operations and facilitates use of digital tools. Thanks to it, we managed to simplify and reduce the time of usual transactions and post-sale operations, such as the resetting of PINs or passwords.

Co-creation

We conducted a new cycle of co-creation of ideas that generated initiatives aimed at improving the customer's experience, and the efficiency in our customer service channels. These ideas focus on the use of the fingerprint, voice and face biometric traits for the identification of customers who begin their relationship with the Bank or operate with us already.

We will begin to implement biometrics in the origination processes of products for Personal Banking, Life Certificate for the Retired Workers segment, and the generation and resetting of access codes to digital channels, and then we will progressively incorporate this system into the other processes, always with a focus on the customer. The incorporation of biometrics will contribute to the transformation we seek by generating a simpler bank for our customers.

Communication and Customer Service Channels (Digital Banking)	2018
Internet Banking (Businesses)	
Users	91,590
Transactions	52,523,080
Total amounts (in million pesos)	209,247
Total amounts (in million USD)	102
Internet Banking (Individuals)	
Users	591,753
Transactions	328,376,771
Total amounts (in million pesos)	221,295
Total amounts (in million USD)	1,251
Mobile Banking (Individuals)	
Users	294,333
Transactions	95,560,465
Total amounts (in million pesos)	21,512
Total amounts (in million USD)	85,066

Digital payment methods

This year we implemented DEBIN II, a method of making recurring payments through immediate debit transfers using the alias or the CBU number of the destination account. We also launched the possibility of transferring funds to virtual accounts (CVU) (Uniform Virtual Code), and thus made possible transactions between bank accounts (CBU) and virtual accounts.

In 2018, we introduced new types of transfers. We thus helped our customers to make transactions between accounts with a more accurate identification.

Customer Service

Assistance Strategies and Customer Service Call Center (CSCC)

Leveraging new technologies to make our customer service more efficient, in 2018, we worked on these actions:

Speech Analytics – understanding our customers

This tool, recently incorporated, allowed us to monitor all calls received at the Customer Service Call Center (CSCC) and thus improve customer satisfaction and assistance quality. Its main advantages are:

- it detects in the customer's voice improvement situations in assistance circuits;
- it monitors call management to analyze the behavior of customers and operators;
- it monitors the result of actions implemented in real time and automatically;
- it increases the efficiency of processes that improve customer service; and
- it automates audits of operators' performance in order to evaluate with transparency and objectivity 100% of the calls received by each operator.

IVR – improvements in customer service by telephone

In order to improve the quality of service, we implemented the self-service password management solution via IVR (Interactive Voice Response), whose purpose is to allow the customer to manage their password automatically, comfortably from their home.

In addition, we enabled the debit card PIN resetting via IVR option. In this way, we also decompress the branch network and the CSCC, and facilitate our customers' transactions and operations.

Finally, we included in the Corporate IVR initial menu, access to the Foreign Trade section. In this way, we streamlined assistance to those customers who want to contact this sector.

Calls answered at the Customer Service Call Center (CSCC)	2017	2018
Tucumán CSCC	380.504	462.885
Macro CSCC	1.817.859	1.155.937
Corporate CSCC	128.902	121.394
Help Desk	146.390	134.854
Selecta CSCC	119.026	82.941
Investments CSCC	25.467	29.270
Retention and Sales CSCC	80.820	144.682
IVR calls (Total) [1]	5.298.746	6.700.083

[1] *Interactive Voice Response.*

During 2018, the BCRA established –through Communiqué "A" 6418– the creation of a Committee for the Protection of Users of Financial Services. The first meeting of the committee took place on April 9 and, thereafter, meetings were held quarterly. One Director, the Officer Responsible for Financial User Protection, the Legal Department Manager, and the Integral Risk Management Department Manager form part of this committee. Topics related to necessary improvements were discussed in these committee meetings. Based on consensus, and on the joint work with the different areas involved, positive results were achieved in the consumption relationship with the customer, the optimization of circuits and processes, and the decrease in the number of complaints.

For 2019, we have the challenge of continuing to optimize the operations of this division, by simplifying the general processes, designing new products and services and making modifications to existing processes or circuits. This is achieved through proactive interaction to simplify the customer's operations, participation in business meetings and/or forums convened by the Central Bank, the implementation of improvement strategies in line with requirements and designed to optimize customer satisfaction; and the focus on the prevention and measurement of risks related to the problems that have a direct impact on financial users.

Complaints management

We seek to incorporate into the management of complaints the same strategies and customer service models applicable to business assistance, in order to streamline processes and improve the quality of service. In addition, as part of the launch of the Bank's new portal, we incorporated technologies that make it possible to create a differentiated strategy, intended for the general public, customers and non-customers.

We have tools that pursue the aim of offering users a dynamic surfing experience that responds to all inquiries in an innovative and consistent manner, and which were designed to improve our commitment to the customer based on the interpretation of their needs. Among them, the Cognitive Browser (knowledge base), which answers our customers' queries by providing financial education information and frequently asked questions, and the Virtual Assistant, which allows us to chat with customers automatically about personal loans, mortgage loans, frequently asked questions, investments, Macro Premia, and credit cards.

Our goal for 2019 is to get the Virtual Assistant to be trained to give advice to customers and non-customers about all the products and services offered by the Bank according to the Business Strategy. This will be the starting point for the incorporation of artificial intelligence as transversal technology into all our service channels, and the first contact space with our customers.

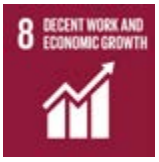
Besides, we are developing the Workforce Management system for the planning, control and measurement of metrics related to the internal processes of the complaints department. Thus, we will set in motion a dynamic of continuous improvement with results, which will allow us to make time estimates and determine performance objectives to optimize the allocation of resources.

In addition, this year we updated the Remedy tool version that we use to resolve incidents and problems. The new version has the following benefits:

— the uploading of the main processes defined to ensure the normal functioning of the Bank;
— a more user-friendly and dynamic user console, which simplifies the process of uploading Incidents, Problems, and Solutions Base; and
— greater access security.

Number of complaints received per channel [1]	2017	2018
Branch	79,302	87,452
Telephone Assistance Center	113,067	107,233
Internet	47,894	47,007
Complaints Management and Quality Department	1,427	1,477
Letters	141	172
Back Businesses	126	152
Officers answerable to the BCRA	239	194
Total	**242,196**	**243,687**
Complaints rate per customer (total complaints/individual banking customers)	8%	8%
Resolved complaints rate (total resolved complaints/total complaints)	99%	94%

[1] The information shown includes GCR (Complaints Management and Quality) of Banco Macro and Banco del Tucumán.



Simplified agreements and new origination of products

For more than two years, we have been working with the intention of making our customers' lives easier. We seek to speed up and improve the interaction with the branch network and with that aim, we continue improving processes designed to achieve greater Simplification of Contracts and the improvement of Origination in the CRM (Customer Relationship Management) system. Both tools are intended to synthesize these processes and make them more efficient. In this way, we help customers to know their rights and obligations more easily, clearly and transparently and thus improve communication with them and their understanding of significant information.

As from the simplification of agreements, we achieved the following:
— elimination of the "small print", because the structure of the agreement clearly highlights the different sections, and the contents of greatest interest;
— replacement of technical terms with everyday expressions;
— writing of texts in a simple way to facilitate reading and make it quicker;
— reduced customer service time thanks to a simpler product origination process, with fewer steps, and with fields automatically completed in forms, such as product data or customer data, among others;
— reduction in the number of signatures by making all product forms into one (we reduced signatures by 62% and forms by 76%);
— offering to executives a documentation checklist, a new and easy tool, useful for creating the customer's file.

As part of our constant search to optimize transparency in the information provided to customers, we developed –as a pilot test– practical handbooks on our products. These guides benefit customers, because they bring concise and clear information to them, as well as executives, because they facilitate their daily work by making all information available to them in a single document.

As part of our goal of making customers' lives easier, we work on the simplification of agreements to help them to know their rights and obligations in an easier, clear, and transparent way.

Human Capital

Human Capital is essential for our growth. We know that without the contribution of each member of our staff, we would not be today, 40 years after our founding, the great Bank we are. We present below the main actions carried out to take care of and develop this vital resource

Our management

Efficiency and professionalism characterize the work done by the Human Resources Department. From there, and in a centralized way –making the most of the available technology in order to make work more dynamic, and be able to say "here" throughout the country– we get close to all the members of the Bank with the commitment that strengthens our brand and fills our employees with pride in belonging to our institution.

During this year, we worked mainly on these initiatives:

— Simple Bank: we tried to develop simple and efficient processes. We centralized processes and optimized resources, and thus we achieved efficiency in decision making.
— Growing Bank: we accompanied the business in the development of its needs.
— Digital transformation: we worked hard on the implementation of digital tools to
— improve and make transparent the management of our human capital

Human capital in figures	2017			2018		
	Men	Women	Total	Men	Women	Total
Number of employees	5,340	3,373	8,713	5,407	3,558	8,965
Mean age	45.85	41.00	43.43	46.32	41.28	43.80
Mean seniority	18.45	13.79	16.12	18.78	13.89	16.34

Staff broken down by region	2017			2018		
	Men	Women	Total	Men	Women	Total
Employees in the city of Buenos Aires and GBA[15]	1,529	1,125	2,654	1,604	1,239	2,843
Employees in provinces	3,811	2,248	6,059	3,803	2,319	6,122

[15] *Greater Metropolitan Area of Buenos Aires*

Staff broken down by Central Areas an d Branches	2017			2018		
	Men	Women	Total	Men	Women	Total
Employees in central areas	2,175	1,282	3,457	2,178	1,309	3,487
Employees in the branch network	3,165	2,091	5,256	3,229	2,249	5,478

By seniority	2017			2018		
	Men	Women	Total	Men	Women	Total
Less than 5 years	945	761	1,706	907	797	1,704
From 5 to 9 years	707	660	1,367	792	697	1,489
From 10 to 14 years	555	560	1,115	601	666	1,267
From 15 to 19 years	518	396	914	342	286	628
From 20 to 24 years	787	475	1,262	768	545	1,313
From 25 to 29 years	706	201	907	787	243	1,030
More than 30 years	1,122	320	1,442	1,210	324	1,534

New employees recruited	2017	2018
Total new employees recruited	**481**	**632**
By region		
Federal Capital and Buenos Aires Metropolitan Area (AMBA)	292	343
Other regions	189	289
By gender		
Man	270	294
Woman	211	338
By age range		
Up to 30 years	269	255
From 31 to 50 years	202	234
More than 50 years	10	143

Employees by age	2017			2018		
	Men	Women	Total	Men	Women	Total
Up to 30 years	514	483	997	457	456	913
From 30 to 50 years	2,762	2,219	4,981	2,806	2,406	5,212
More than 50 years	2,064	671	2,735	2,144	696	2,840

Staff broken down by professional category and gender	2017			2018		
	Men	Women	Total	Men	Women	Total
Top Management	11	3	14	10	3	13
Manager	71	19	90	75	21	96
Head/Supervisor	1,526	533	2,059	1,500	533	2,033
Analyst/Executive Officer	1,898	1,813	3,711	2,012	1,956	3,968
Administrative employee/Operator	1,834	1,005	2,839	1,810	1,045	2,855

Staff broken down by professional category and age	2017			2018		
	Up to 30 years	From 30 to 50 years	More than 50 years	Up to 30 years	From 30 to 50 years	More than 50 years
Top Management	0	11	3	0	9	4
Manager	3	50	37	1	60	35
Head/Supervisor	40	1,135	884	24	1,112	897
Analyst/Executive Officer	677	2,328	706	644	2,545	779
Administrative employee/Operator	277	1,457	1,105	244	1,486	1,125
Total	997	4,981	2,735	913	5,212	2,840

Turnover	Recruited	Dismissed/ Retired	2017 Turnover	Recruited	Dismissed/ Retired	2018 Turnover
By region						
Employees in the city of Buenos Aires and GBA	292	128	12%	343	167	15%
Employees in provinces	189	203	7%	289	213	9%
By age group						
Up to 30 years	269	89	36%	255	111	40%
From 30 to 50 years	202	124	7%	234	140	7%
More than 50 years	10	118	5%	143	129	10%

Turnover by gender	Recruited	Dismissed/ Retired	2017 Turnover	Recruited	Dismissed/ Retired	2018 Turnover
Women	211	131	10%	338	154	14%
Men	270	200	9%	294	226	10%
Total	**481**	**331**	**9%**	**632**	**380**	**11%**

Return and retention rates after maternity or paternity leave, broken down by gender

	2017 Men	2017 Women	2018 Men	2018 Women
Employees on maternity or paternity leave	168	185	165	163
Employees returning after maternity or paternity leave	168	184	165	163
Return and retention rates of employees on maternity or paternity leave	100%	99%	100%	100%

Employment Security Rates

	2017	2018
Absence rate [1]	5.03%	5.32%
Days lost due to absenteeism	106,968	115,224
Accident absence rate	0.11%	0.10%
Days lost due to work accidents	2,266	2,200
Sickness absence rate	2.62%	2.45%
Days lost due to sickness	55,791	52,995

[1] Absence rate: days lost during the year / working days in the year (staff per business days).

DAYS LOST 2018			
By region	**Accidents**	**Sickness**	**Total**
City of Buenos Aires and GBA	1,093	13,753	14,846
Provinces	1,107	39,242	40,349
By gender	**Accidents**	**Sickness**	**Total**
Men	1,099	25,347	26,446
Women	1,101	27,648	28,749

We improved our participation and satisfaction levels in the working environment survey, which follows the Great Place to Work model.

Working environment

In 2018, we performed, for the second consecutive time, the measurement of the working environment under the Great Place to Work model, an anonymous and confidential survey sent to all the employees. The level of participation was very high: 80% of the total staff, eight points higher than in 2017; and we grew two points in the general satisfaction level.

Based on the results, we established new plans of action on a general level. We conducted informative talks and made all the information available to the heads so they can implement plans of action by area.

We will continue striving to detect the necessary improvements in terms of satisfaction and welfare for our employees, and to strengthen our employer brand in order to be a more attractive place to work in every day.

Strategic management of performance

Feedback conversations help to optimize team performance, improve the working environment, and promote a culture based on trust. As from the updating of the management model by ability to assess performance, we established three moments in the year for these conversations to take place.

In 2017 and 2018, we got a thousand employees –all of them heads and managers– to set goals, and then evaluate them based on their achievement. Meanwhile, we held conversations in order to facilitate constant improvement. In 2019, we will extend the model to the entire population of the Bank, in order to continue laying down clear guidelines for the measurement of individual performance.

Acknowledgments

We understand that it is important to recognize the actions of our employees that reflect our corporate values. We maintained the use of the Star Me Up application so that all employees could recognize the actions that reflect our corporate values. Through that means, any person can highlight another's attitude; in this way, the desired behaviors become more visible, and achievements can be shared among all. The most outstanding employees receive additional recognition in the intranet or have breakfast with members of the Top Management.

We believe in the importance of appreciating the work done. Therefore, we pay tribute to those who have been with us for 25 years; we reward outstanding performance within the sales force, and encourage mutual recognition between staff members.

We also continued to recognize the experience of those employees who have been with us for 25 years, and who stand out for their effort to be better every day. To pay tribute to them as they deserve, our directors gave them –in several parts of the country and personally– a silver medal made by the renowned master goldsmith Juan Carlos Pallarols.

The program "Actitud Macro" (Macro Attitude) continues to be the incentive tool that rewards best practices and highlights exceptional performance among the sales force. We are working to extend this recognition to those who, with their Macro attitude, put our values into action.

Training and Development

We work constantly on the development of new training activities with the support of technological tools that allow us to reach the whole country in a dynamic and expeditious manner.

During 2018, we incorporated more than 100 courses into the e-learning platform, with the aim of supplementing the technical and skills training of our employees. The platform –implemented in 2017– is accessible without restrictions from anywhere, even through mobile devices, and records all the activity done.

Seeking to promote the development of new leaders, we renewed the strategic alliance with Universidad Siglo 21, with which we organized two diploma courses this year. The first on leadership skills, and the second was oriented to the development of management skills. A total of 107 employees from all over the country participated in these courses.

Besides, we worked on training activities tailored to the demands of the different areas, and with the aim of contributing to the sustainability of the business through continuous training. The main activities offered throughout the year were:

We provided +48% hours of training per staff member in 2018 compared to 2017.

— Comprehensive Banking Training Program, offered to more than 150 employees from various cities in the country, implemented in association with Universidad Católica Argentina (UCA) and the ADEBA chamber.
— Courses on digital skills for specialist employees (Artificial Intelligence, Digital Marketing, User Experience, Data Sciences), in alliance with the Digital House institute.
— Certification in Capital Markets to grant suitability licenses in this field to branch employees who give advice to the investing public.
— Insurance Certification for all insured Customer Service officers at branches.
— Courses on regulations and policies concerning Hygiene and Safety, Prevention of Money Laundering and Criminal Liability of Legal Entities.
— Training in English language of employees from central areas who require the use of that language for their work.
— Continuity of job position training programs for the branch network, aimed at ensuring the key abilities of each function.
— Implementation of three programs under the format of School of Managers, School of Executives for the Personal Banking Segment, and School of Officers for the Corporate Banking segment. Next year we will continue with this practice, and will offer the School of Operational Managers.

Training of staff	2017	2018
Total man-hours	104,413	154,972
Total hours - face-to-face courses	49,790	95,127
Total hours - distance courses	54,623	59,845
% participation on total staff	99%	99,68%
Man-hours by gender		
Women	51,768	67,059
Men	52,645	87,913
Number of man-hours by professional category		
Top Management	520	187
Manager	1,162	1,181
Head/Supervisor	23,080	48,717
Analyst/Executive Officer/Others	79,651	104,887

Career plans

The commitment to our people is focused on the search of their growth and professional development: they are the ones who drive the organization. For this reason, we worked on the implementation of career plans based on the technical skills of job positions with a customized training offer. This year, we published and started the development model for our branch network employees, and in 2019, we will extend it to other central areas.

Committed to the professional growth of our staff, we devised career and training plans for each job position.

Generation of employment

We continued to generate jobs at the federal level: in 2018, we opened 31 branches, which provided more employment in the communities where we are present. Internally, we conducted 141 searches, and gave 256 promotions, and in this way, we fostered the growth and development possibilities of those who work in the institution. We recruited 632 staff members, and so, we, who form part of Banco Macro, became 8,965 employees.

We participated in different job fairs and work training programs in several places, such as Córdoba, Salta, Jujuy, and other cities in the Northeast of the Argentine Republic, in order to enlarge our database and position ourselves as an employer brand. In "Expo Empleo Joven" (Young Employment Expo), organized by the Government of the City of Buenos Aires, we also presented, together with the company Worcket, an innovative recruitment tool based on artificial intelligence that replaces the written resumé and conventional publication with videos, and thus streamlines the selection process. This presentation was a success, and we attracted applicants with different profiles interested in forming part of Banco Macro.

We also developed a new system for the management of employment processes, with the aim of providing greater transparency and visibility to internal opportunities. In addition, we implemented the Success Factors Recruitment module in order to unify and optimize the process. The new module allows the filling of vacancies easily and expeditiously and the recording of every stage that a candidate goes through until their recruitment is confirmed. It thus unifies the database of candidates and facilitates the recruiter's task, all digitally.

Recruitment of members from Fundación Espartanos

In line with our commitment to social inclusion, in December we added two members of Fundación Espartanos to our team in Buenos Aires and Misiones, respectively. Fundación Espartanos is a non-profit organization that promotes, through rugby, the integration, socialization, and guidance of people deprived of liberty due to criminal conviction, thus contributing to their reintegration into the workplace and encouraging exemplary behavior. As part of the process, we interviewed the candidates, came to know their history, and we learned about their experience within the Foundation.

Teleworking

Based on the possibilities offered by digital tools, we issued teleworking permits to another 90 employees in central areas who work outside the office once or twice a week. Thus, we seek to continue improving performance and job satisfaction, avoiding the transfer from or to the Bank, especially of those whose situation is somewhat special (they live far away from our offices, or are returning to work after maternity leave, for example).

Both managers and employees who are part of the Teleworking program receive training and permanent monitoring so that project results can be evaluated. In 2019, we will continue with this practice.

Welfare

BENEFITS	2017		2018	
	Banco Macro	Banco de Tucumán	Banco Macro	Banco de Tucumán
Children's Day	4,100	600	4,046	590
School Kits	5,470	780	5,161	741
Births	207	19	132	24
Vaccines	4,573		3,645	
Gifts for retirees	72	8	69	6

In Banco Macro, we care about the welfare of our employees and their family. That is why we work on the management and implementation of a proposal that contributes to improving their quality of life. Thus, every year we offer and review a set of actions that include care, recreation, gifts, benefits, and differential products.

Healthcare and recreation

- Health services within the workplace through doctor's offices rooms in central areas.
- Sports, recreational and competition activities that promote physical exercise and integration.
- Flu vaccination campaign, and health tips to prevent diseases.
- Training in accident prevention.

Gifts

- Children's Day gifts for employees' kids.
- School kits for employees' children.
- Gifts to employees' newly born children.
- Gifts for marriage to our employees.

Benefits

- Draw for tickets to shows sponsored by Banco Macro.
- Financial aid for employees with disabled children or spouses.
- Free medical coverage from the coordinator position upwards.
- Discounts on purchases for special days.
- Mortgage and personal credit lines under preferential access conditions.
- —Free banking products.

Event “Los chicos nos visitan” (Children visit us)

Within the framework of our 40th anniversary and the inauguration of the new Macro Tower, we organized a visit by the employees –together with their children and grandchildren– with the aim of offering them a different and memorable experience, which will have a multiplying effect in the years to come that will help to strengthen their pride in belonging.

Creation of the Gender-Based Violence Victims Assistance Commission

Based on an agreement signed with Asociación Bancaria (Banking Association), we created an Assistance Commission, and an action protocol for gender-based violence victims. Both are intended to emotionally support and accompany them through comprehensive guidance on the specific alternatives recommended in each case. In this way, we made a commitment to facilitate the relocation of the victim –or their permanence in the workplace– to make their protection effective, grant them a special paid leave from work, and give them financial aid through emergency loans, and an allowance for possible daycare or moving expenses, among other matters.

The Commission will also propose cultural actions for dissemination, awareness and prevention in connection with this problem through the different communication channels available in the institution, with campaigns and workshops that spread the current protection regulations, and their specific implementation within the Bank.

Internal communication

To improve the system of traditional channels (intranet, email, newsletter) that form part of management, and strengthen internal communication, we launched JAM, a Success Factors tool from SAP that provides a collaborative, friendly and modern internal social network. Now all employees can keep up with the latest news online, from their desktop PCs or mobile phones. They can also give their opinions, make suggestions and express themselves on important topics of the business and the life of the Bank.

In 2018, we continued with the Strategic Planning Meetings, bringing together leaders from several regions of the country, and promoting a closer relationship. We shared in those meetings the most important topics of the Bank's business and strategy.

We implemented a social and collaborative network provided by SAP as the main internal communication channel.

Efficiency

We continued working to achieve a high-level service, drawing on resources to the maximum in order to guarantee our staff the same dynamic and efficient experience.

In order to diagnose significant situations and carry out permanent follow-ups, we built a Human Resources Indicator Board using a Business Analytics tool. In this way, we can now manage with greater efficiency the main variables of the organization, and in particular, the human capital, based on the interpretative reading of the past and the present.

In addition to innovating in technological means that accelerate response times and reduce costs, we went ahead with a centralization plan for areas in order to provide a better service from the Headquarters, and allocate more human resources for the network.

Likewise, we worked on the modification of some areas to adapt them to the organizational structure and make them increasingly efficient. We implemented Staffing Analysis Models in Central Areas, working hand in hand with the departments involved, whereby we were able to determine the required staffing models. Having them allows us to know the existing gap between the ideal staffing and the actual staffing of each area or department, and at the same time take actions focused on efficiency. The actions carried out impact on both Human Resources processes and the management of each area or department analyzed.

At the same time, we focused on the centralization of Central Areas located in the provinces. With the aim of increasing efficiency, reducing operational efforts and optimizing processes, areas and departments were transferred to the Macro Tower with highly satisfactory results.

Volunteering that generates change

"Generando el Cambio" (Generating Change) is the Corporate Volunteering program seeking to arouse the feelings of solidarity of Banco Macro employees and encourage them to donate their time and skills in pursuit of a solidarity cause. For example, they organize collections throughout the country and volunteering meetings in central areas and branches, promote integration into social organizations, and also the annual "Proyectos Solidarios" (Solidarity Projects) contest.

This contest, which we launched in 2007, rewards with funds the best projects presented by the Bank's branches and central areas, together with a social organization. In this edition, 120 teams from central areas and branches participated, and more than 3,100 employees joined the voting phase. We rewarded 60 institutions with ARS 60,000 each to enable them to develop their initiatives, so the total investment in the program was ARS 3,600,000.

Corporate Volunteering Program	2017	2018
Volunteers	4,174	2,741
Hours devoted to solidarity causes	4,695	3,878
Volunteers who participated in the volunteering meetings	372	530
Volunteers who participated in collections	3,714	2,211
Direct beneficiaries	7,643	18,550
Indirect beneficiaries	22,929	15,166

Social and Relational Capital

Our commitment is to achieve real and high-impact economic and social inclusion. To achieve this, we bring value programs and actions to all parts of the country. We accompany thus the local communities, trying to help people and organizations to fulfill their dreams and expectations. In this chapter, we report on our performance as regards social and relational capital.

Awards and honors

In 2018, we were recognized with three awards. We received the Operational Excellence Award from the financial institution JP Morgan Chase, and a special recognition in the 15th edition of "Distinciones RSC" (CSR Awards) for the program "Cuentas Sanas" (Healthy Accounts) (Business category), and we were chosen as the Best Bank of Argentina 2018 according to the prestigious international business and finance publication Euromoney.

In addition, we are ranked in the top positions of the category. BrandZ Top 50 2018 designated our brand as one of the two most valuable in the Argentine market. In addition, the Merco ranking, which monitors corporate reputation, ranked us number 44 among the 100 leading companies in the country, bringing us up 55 positions compared to the previous edition.

Transparent communication

The trust that the interest groups place in us, and the credibility they give to us are key factors in our management. That is why Top Management itself is permanently involved in the communication strategy, and we all work to provide transparent contact channels that facilitate dialogue.

However, our commitment is not only to the transparency of the organization, but also to the development of towns and cities throughout the country. This is why we strive to reach each region directly through local media, small radio stations, and provincial TV programs. Only in 2018, we invested ARS 148,817,592 in advertising, 28% more than the previous year.

Events, patronage and sponsoring

During 2018, we continued to bring the best shows and events to our customers and the community in general. Aiming to promote innovation, culture and sports, we offered entertainment options to residents of both large urban centers and the most remote places in Argentina. In particular, we set out to promote the development of innovation and technology, and that is why we have especially supported entrepreneurs, accelerators and incubators of innovative projects that generate cultural changes and solutions in society.

Events and shows

During this year, we sponsored events and shows that bought entertainment options to our customers, not only in large cities, but also in small towns across the country.

We invited more than 18,000 clients to more than 300 performances by various artists, such as Simona, Diego Torres, Alejandro Lerner, Maluma, CNCO, Los Tekis, J. Balvin, Paulo Londra, David Bisbal and Sebastian Yatra. In addition, we supported theatrical plays, such as Siddharta, and Fiddler on the Roof, and several shows for children, such as Lego Brick Live, Paw Patrol, and Pica Pica.

With the aim of continuing to support regional economies, we also participated in the most significant events, concerts and festivals of each town in the provinces, such as "Festival de la Canción a Orillas del Mar", "Fiesta Internacional de la Cultura Andina", "Festival Nacional de la Doma y el Folklore", "Festival Monteros de la Patria", "Serenata a Cafayate", Carnival of Jujuy, and the Cheese Festival, among others.

Fairs and events

We were present in more than 60 exhibitions and events throughout Argentina. We took advantage of these social occasions to spread the word about benefits and products intended for our current and potential customers, particularly those of the PyME (SME), Foreign Trade (Comex) and Agribusiness (Agro) segments.

In particular, we developed and strengthened our Program for PyME Development, through which we brought talks, trainings and advice to communities throughout the country. We did this thanks to our exclusive alliances with the most important institutions in the industry, such as IAE, Endeavor, El Cronista Comercial, and Cámara de Importadores de la República Argentina (Argentine Chamber of Importers), among others.

Furthermore, we supported the most innovative startups of Fintech and Agtech through the NXTP accelerator. In this way, we integrated the entrepreneurial ecosystem into our Bank.

For the youngest, we participated in micro entrepreneurs' fairs, such as "Cumbre Internacional de Jóvenes Líderes" (International Summit of Young Leaders), and "Día del Emprendedor Porteño" (Porteño Entrepreneur's Day).

In our agribusiness segment, we continued to accompany the growth of the agricultural sector, getting closer to producers across and throughout the country. We participated in the major fairs and exhibitions (Expoagro and Agroactiva), and also in zonal exhibitions, local auctions, and the other agricultural events of each town and city.

Sporting events

Supporting sports means promoting healthy life, and transmitting positive values to all the communities. For this reason, we supported various local and nationwide sports teams and leagues.

Hockey

We renewed our sponsorship for 4 further years, and we are proud to continue supporting the Argentine hockey men's and women's teams, since we share the values that identify them and have led them to great achievements: effort, teamwork, self-improvement, fair play, loyalty, talent, courage and comradeship. The results of this effort are there for everyone to see.

Professional soccer

In addition to being a promoter of habits and values, sports are a key factor in the life of towns. This is even truer in the Argentine provinces, especially due to the intensity and fidelity with which their inhabitants relate to their soccer clubs. Because we believe that by supporting sports clubs we are also supporting the whole town, we continued to support Club Atlético Tigre, and Gimnasia y Esgrima de Jujuy.

Rugby

In order to promote sports, we offer our support to some of the main rugby clubs throughout the country. Thus we contribute to the development of young people and children by providing them with emotional support and more tools to deal with life, given what the sacrifice of training, sharing and cooperating with the team means. We are sponsors of Tucumán Rugby Club, Maristas de Mendoza, Jockey Club de Rosario, Club Atlético del Rosario, Jockey Club de Salta, La Plata Rugby Club, Club San Fernando, Olivos Rugby Club, Belgrano Athletic Club, and Club Pueyrredón.

Boxing

This year we delivered four amazing boxing performances –which included world title fights in some categories– in different towns: Mercedes, Villa Adelina, Tigre, and Mar del Plata.

Padel Tennis

We are sponsors of Asociación Pádel Argentino, which aims to stimulate, promote and support the sustainable development of the game of padel. Besides, we support Roberto Gattiker, the renowned Argentine professional padel player, who accumulates more titles than any other athlete in the history of this sport.

Marathons

We are sponsors of different marathons in more than 14 cities, including Santa Fe, Junín, La Falda, Cordoba, Mendoza, Jujuy, Tucumán, Rosario and Río Tercero, among others.

Polo

We were once again the official sponsor of the Tortugas Country Club Open Polo Championship – Macro Grand Prize. This was the first championship of the 2018 Ar- gentine Triple Crown, and the one with the highest average handicap in the world.

Golf

We participated, for the second time and for three further years, as the presenting sponsor of the Open Golf Championship of the Republic of Argentina (Abierto de la República de Golf) (113th Open Visa presented by Macro), held at Pilará Golf Club, one of the most recognized golf courses in the country, designed by the renowned Jack Nicklaus. The 113th Open Visa of Argentina presented by Banco Macro is the seventh oldest in the world and was organized by the Asociación Argentina de Golf (Argentine Golf Association). In addition, we participated in several exclusive tournaments across and throughout the country: Mar del Plata, Pinamar, Salta, Cordoba, Mendoza, Pinamar, Rosario, and Tandil, among others.

Car racing

We share the great passion that car racing awakens. That is why we supported Marcos Urtubey in the Top Race, and Agustín Canapino in TC (Road Racing), the latter a champion of the most popular category of Argentine car racing. In addition, we are the strategic sponsor of Citroën Total Racing Super TC2000 Team, and sponsored Federico Iribarne, Facundo Chapur and Manuel Urcera.

Support to social impacts events

We seek to provide social value in every place where we are present. Therefore, we bet on providing financial education in the various fairs and exhibitions in which we participate. We do this through our "Cuentas Sanas" program, which offers workshops and also has a web portal –the first of its kind in the country– with information on personal and family finances.

In 2018, we formed part of the following events:

— "Fiesta Nacional de la Manzana", in General Roca: We gave there three workshops "Cuentas Sanas sin esfuerzo" (Healthy Accounts without effort) for those who visited the Banco Macro stand.

— "Expo Empleo Joven" (Employment for the Young) organized by the GCBA (Government of the City of Buenos Aires) at La Rural: We gave 8 workshops "Cuentas Sanas desde tu primer trabajo" (Healthy Accounts from your first job), in which we taught financial and professional skills to young adults.

— "Copa Salta la Linda" with the Asociación de Fútbol Femenino de Argentina (AFFAR) (Argentine Women's Soccer Association): program dissemination activities

— Meeting of the Network of Graduates of Fundación Cimientos at the Centro Metropolitano de Diseño (Metropolitan Design Center) (CABA) with the workshop "Cuentas Sanas para tu futuro" (Healthy Accounts for your future).

— Workshops with Somos Juno, the company that makes the sustainable bags of the kit: two "Cuentas Sanas sin esfuerzo" workshops, and two "Cuentas Sanas para tu negocio" (Healthy Accounts for your business), aimed at the women who manufacture these products.

— Workshops for entrepreneurs "Cuentas Sanas para tu negocio" with Club of Entrepreneurs of Santa Fe (capital city); Club of Entrepreneurs of Maipú, Mendoza; Club of Entrepreneurs of Tandil; Club of Entrepreneurs of Pinamar, and the Incubator of Entrepreneurs of Malargüe (four workshops with the latter).

— "Cuentas Sanas para tu futuro" within the framework of a meeting for Junior Achievement youngsters in Córdoba.

— "Cuentas Sanas sin esfuerzo" in San Salvador de Jujuy with the Ministry of Human Development of the Republic of Argentina, at the multipurpose room of Macro Selecta.

— Family Day: Cuentas Sanas was present with the renovated minibranch and the game of life "Cuentas Sanas".

Our private social investment

As social actors, we take care of the development of the local communities in which we are present. Therefore, we work on programs, products and services that support the economic growth of entrepreneurs, and prioritize projects involving those communities. We do so focused on inclusion and financial education, and through effective investment that maximizes our social impact.

To ensure that our investment is correctly oriented towards value programs, every year we measure its impact through a digital tool – designed by ourselves– developed according to the guidelines of the LBG (London Benchmarking Group) model. In the light of its results, we analyze the implemented actions, our management, the specific contribution, and the installed capacity of each proposal.

In addition, since 2017 we have been implementing a digital survey to make data collection more effective. In 2018, 48 organizations –with which we perform high social-value actions throughout the country– responded to this survey. These results complement the monitoring and permanent surveys in which all the participants of the Cuentas Sanas workshops and Naves program took part.

Social investment in figures	2017	2018
Investment in sustainability (in pesos) [1]	82,350,192	108,019,079
By social work area		
Support to Micro entrepreneurs Program	39,550,022	43,342,404
Sustainable Work Program	13,533,417	17,424,007
Financial Education and Inclusion Program	6,195,497	7,198,399
Nutrition	1,430,162	1,860,011
Education	6,200,599	8,167,290
Integration	1,208,810	13,311,786
Social Medicine	1,451,123	1,857,098
Volunteering	2,481,414	4,063,390
Environment	969,543	2,024,741
Several donations	7,590,197	4,831,489
Fundación Banco Macro Management	1,739,408	3,938,464
Other indicators		
Volunteer employees [2]	4,174	2,741
Number of programs [3]	10	10
Number of provinces	11	11
Number of direct beneficiaries	67,276	77,871
Number of alliances with organizations [4]	260	307

[1] Indicator composed of social investment and administrative expenses from Corporate Sustainability management.
[2] The sum of Volunteering Meetings, Collections and Professional Volunteering.
[3] Includes: Sustainable Work, Financial Education and Inclusion, Nutrition, Education, Social Medicine, Integration, Volunteering, Alumbra, Environment and Social Assistance.
[4] Includes social organizations with which Fundación Banco Macro works, and organizations and municipalities where we ran the Cuentas Sanas workshops on financial education

Beneficiaries 2018

Program area	Direct beneficiaries	Indirect beneficiaries
Sustainable Work	18,180 [1]	25,249
Financial Education and Inclusion	9,134 [2]	17,884
Nutrition	1,264	1,900
Education	15,458	29,167
Integration	1,097	2,756
Social Medicine	14,188	38,122
Corporate Volunteering	18,550	15,166
Totals	**77,871**	**130,244**

[1] Scope; support to civil society organizations that work in this area, and to participants in the NAVES program.
[2] Scope: Cuentas Sanas workshops, and Aula Móvil (Mobile Classroom) workshops by Fundación Educando.

Financial Inclusion

ALUMBRA Program

Since 2014, we have been implementing –through Fundación Banco Macro– ALUMBRA, a financial inclusion program that provides microloans for productive purposes (working capital) to unbanked micro entrepreneurs. We seek, in this way, to respond to those who, due to their lack of formality, do not have regular access to financing in the formal system.

In 2018, we continued to operate in six cities: San Miguel de Tucumán, and Banda del Río Salí (province of Tucumán); city of Salta; and San Salvador de Jujuy, Perico, and Palpalá (province of Jujuy).

This program takes a step forward and surpasses the traditional offers of the sector because it supplements financial support with integral and free advice. It thus provides entrepreneurs with resources such as information, business contacts, and management techniques that allow them to grow in a sustainable manner.

Under the strategic guidelines of the ALUMBRA team, experienced professionals specialized in each of the areas provide the different types of advice. We highlight the advice given on legal and accounting matters, business management, digital inclusion for the insertion of enterprises and their owners into the new technologies, access to quality health systems, and with mPOS devices (mobile POSnet), a financial tool that facilitates commercial operations of companies and generates competitive advantages to which this kind of business did not have access previously.

Fundación Macro's investment also extends to the training of staff involved in the activity, who was recruited from regional universities and has been trained in the most modern and efficient practices in microfinance.

In the Startups segment, we carried out the 4th edition of the program "ALUMBRA tus ganas de emprender, de Salta al mundo" (Light up your interest in setting up a business – from Salta to the World) in nine towns of the Province of Salta; the 3rd edition in three towns of the Province of Jujuy, and the first edition in the Province of Tucumán.

Participation in the financial inclusion program "ALUMBRA", that supports entrepreneurs by providing them with microloans and integral advice, continued to grow and obtained successful results, with business deals that made progress, and financial obligations duly fulfilled.

With this proposal, we provide integral support through training and practices focused on the needs of entrepreneurs, such as, sharing experiences on entrepreneurship, personalized mentoring, networking opportunities, and emotional support to those who go along this path from the idea to the ongoing project.

More than 2,000 entrepreneurs went through the different training commissions, and a great part of them participated after the evaluations. Finally, 76 were supported with more than $ 8.5 million in soft loans to make their projects a reality.

The interest of micro entrepreneurs in participating in these processes continued to grow. In 2018, more than 38% of the lending portfolio received and was strengthened by these services. In terms of progress of the undertakings and fulfillment of the assumed financial obligations, we can say that this year's experience was successful, just like in previous years.

Financial education

Financial Education Program: "Cuentas Sanas" (Healthy Accounts)

For more than three years, we have brought the financial system closer to all citizens so that they can be economically responsible and contribute to the economic growth of our country.

We do this through the Financial Education Program "Cuentas Sanas", through which we developed the first financial education website in Argentina: cuentassanas.com.ar, which offers contents and tools so that all people –of any age, place of residence, level of education, financial situation or moment in life– can find useful knowledge and resources to manage their personal economy and make safe decisions that improve their levels of well-being and financial inclusion.

In 2018, we relaunched the site, which already registers more than 13,000 users. We renewed its image with new characters and a more modern interface with improved website navigability. Through the 759 virtual workshops offered, we trained more than 22,000 people. We also incorporated new concepts and resources associated with regulatory changes, new products –accounts for minors, UVA[16] mortgage loans–, a news section, notes, and the calendar of activities.

[16] *Units of purchasing value.*

To reinforce our commitment, we also continued organizing face-to-face workshops throughout the country. We fulfilled three objectives: to supplement the digital channels with face-to-face spaces, segment the target audience to adapt contents and methodology to the needs of each group, and multiply the scope of the program and, in this way, facilitate its federalization.

In detail, these are the different types of activities and training carried out during 2018:
— 157 workshops with Bank customers.
— 35 workshops with ANSES, and 30 workshops with the CSR Department of the Province of Buenos Aires.
— Workshops with the Food Bank in AMBA, Tucumán and Córdoba.
— Basic economy workshop for entrepreneurial management with AFFAR.
— Workshops with industrial chambers of Puerto Madryn and Puerto Pirámides.
— First series of 8-class workshops with prisoners of Prison Unit No. 48 of San Martín, in association with Fundación Espartanos.
— 7 webinars "Cuentas Sanas para tu futuro" with interns from the program "Jóvenes Valores" (Young Values) of the province of Córdoba (206 young people participated).
— Cuentas Sanas third anniversary celebration (it included a webinar for employees).
— Training for Bank employees in the Press and Social Network areas, plus agencies.
— Training for employees of Córdoba and Misiones as volunteer counselors of the Cuentas Sanas Program.
— First "Cuentas Sanas" workshop for organizations that work with the Ministry of Social Development of the Republic of Argentina.
— Organization of the local team Bariloche (with the inclusion of two counselors from that city), thus counting up to 6 local teams (Salta, Tucumán, Córdoba, Misiones, Bahía Blanca, Bariloche) plus the central one. We also promoted two counselors in Salta and Tucumán.
— Integral renovation of "Cuentas Sanas" mini-branch, and its opening on Family Day, reaching all the provinces in the country (this year we covered San Juan, La Rioja, Entre Rios, Chaco and Formosa).
— Inclusion of sustainable bags, made in partnership with the socially-conscious company Juno, in the kits given to the participants of workshops.
— Participation as the only Argentine private financial institution leader in the GMW for the third consecutive year.
— Participation in the Expo Empleo Joven (Young Employment Expo) with 8 mini-workshops on labor market inclusion, and entrepreneurship for young people.
— Presentation of the Declaration of Educational Interest in San Juan, San Luis and Catamarca.

Cuentas Sanas (Healthy Accounts) received the Declaration of Educational Interest and Teaching Score for the Teachers and Students Training Course "Cuentas Sanas para tu futuro" (Healthy Accounts for your future) in eight jurisdictions: Tucumán, Salta, Jujuy, Misiones, Mendoza, Córdoba, City of Buenos Aires, and the Nation.

Results 2018 of the program "Cuentas Sanas"	Accumulated results of the entire program
329 workshops	767 workshops
8.228 participants	22.341 participants
17.884 indirect beneficiaries	85.184 indirect beneficiaries
106 cities in 19 provinces	170 cities in 23 provinces

Allied organizations:
— AFFAR
— ANSES (National Social Security Administration)
— Banco de Alimentos (Food Bank)
— Cimientos
— Dirección de RSE de la Provincia de Buenos Aires
(CSR Department of the Province of Buenos Aires)
— Dirección Nacional de Responsabilidad Social para el Desarrollo Sostenible
(National Social Responsibility Department for Sustainable Development)
with Fundación Pequeños Pasos
— Fundación Empujar
— Fundación Espartanos
— Fundación DAR
— Fundación Pequeños Pasos
— Fundación Ruta 40
— Fundación Sí
— Fundación Zaldívar
— Young Employment Expo
— Los Grobo
— Mujeres 2000 (Women 2000)
— Ministerio de Desarrollo Social de la Nación
(Ministry of Social Development of the Republic of Argentina)
— Somos Juno

In its four years, Cuentas Sanas ran more than 700 face-to-face workshops in 170 cities of the 23 Argentine provinces. More than 22,000 persons have participated in a direct way in courses, with an indirect impact due to the multiplying effect of training provided to teachers and household heads, estimated at more than 85,000.

News in other programs

Fundación Macro supports local civil society organizations that work on nutrition, social medicine, integration, and education.

Nutrition

We supported and helped community kitchens and "merenderos" located in the provinces of Salta, Jujuy, Misiones, and Tucumán. We worked there in association with the community, and with the mothers in charge of buying food and preparing lunch, who received the training tools to make the project more sustainable. These mothers were supervised by a team of nutrition specialist who guided them.

Social Medicine

We supported projects related to social medicine, and several public hospitals in the provinces where we are present, such as Fundación Saberes, Asociación Civil La Casa del Niño, Fundación Hospital de Niños, TU.JU.ME, Fundación por Nuestros Niños, Asociación Civil Creación, Sala Cuna and Tren Fundación Alma.

Integration

We generated alliances with organizations that work in pursuit of integration of people into society through sports, inclusive workshops, the arts, or alternative rehabilitation therapies. The ultimate goal is to cooperate in improving their quality of life, and to foster and enhance their psychophysical development. Among our alliances, we highlight those made with Fundación ASEMCO, Fundación Cecilia Baccigalupo, Fundación de Equinoterapia del Azul, Fundación Puentes de Luz, Asociación Civil Te Acompañamos, and Fundación Por Nuestros Niños.

Support to education

In association with local organizations in each province, we sponsored primary and secondary school children. Scholarships are awarded to cover the purchase of books and school supplies, travel and food allowance, clothing and footwear, among others. Each scholarship recipient is supervised by a pedagogical companion, who is in charge of providing them with support in the process of learning and personal assessment.

Education for the elderly

For eight years now, we have been working together with Fundación Educando in the program "Educando en Informática" (Educating about Information Technology), which promotes the incorporation of new technologies and basic computer skills. We also reinforced the training of the elderly in the use of automated teller machines. In addition, the financial education and personal finances module on the Healthy Accounts portal addressed to the elderly has been operational since 2015.

University scholarships

Agreement with Universidad Católica de Salta (UCASAL)

The purpose of our agreement with UCASAL is to promote the development of educational, cultural, scientific and common interest activities. The agreement provides for courses, symposia, seminars, workshops, and conferences on sustainability and financial education, according to the requirements and the interest of both institutions.

WARMI Center in the Puna Jujeña

We have been supporting for seven years this innovative project in Abra Pampa, provin- ce of Jujuy, along with Asociación Civil Warmi, Universidad Siglo 21 (specialized in virtual and distance education), Fundación Sí, and other organizations that support this initiative.

The center trains young Coyas in their place of origin. The aim is that these trained youngsters will apply their new knowledge in the future, and be able to help to improve the quality of life of their regions. The students who continue to study come from native communities in the departments of Santa Catalina, Yaví, Rinconada, Cochinoca, Humahuaca, Susques, and Tumbaya.

University Residences

Since 2016, we have supported the project "University Residences" of Fundación Sí. It is intended for young graduates from secondary schools in rural areas or located in areas distant from the urban centers in which the offer of tertiary and university education is concentrated, who, having the intention and desire to progress through studying, do not have the material resources to do so.

The projects consists in providing lodging, meals, financial aid for the acquisition of study materials and travel and food allowance to low-income young people from rural areas, as well as medical assistance, and psychological, psychopedagogical, and emotional support to those who may need this help. Currently, the initiative has nine residences in Santiago del Estero, La Rioja, Catamarca, Cordoba, Salta, Neuquén, Rosario, Corrientes and Tucumán. During 2018, we also cooperated with the annual maintenance of two rooms for two residents (one in the Residence of Córdoba, and the other in the Residence of Salta).

Universidad de San Andrés, Program "Abanderados Argentinos"

We supported the program "Abanderados Argentinos" (Argentine Flag Bearers) of Universidad de San Andrés the objective of which is to reward the effort and improvement of flag bearers. Scholarships are awarded to students from public or government-subsidized high schools appointed as flag bearers or flag-bearer escorts who demonstrate commitment to studying and academic excellence.

Satellite Internet for rural schools

We participated in the program "Humahuaca Escuelas en Red" (Humahuaca Networked Schools) providing the satellite Internet service to 80 schools in the Quebrada de Humahuaca. This project is endorsed by the Ministry of Education of the Province of Jujuy, the purpose of which is to help to reduce the digital gap, and include schools in technological advance.

Likewise, we supported Fundación Equidad through the donation of technological materials which became obsolete for the Bank, and the acquisition of the computers recycled in its labor inclusion workshops, which then allowed us to respond to the multiple requests received from schools and other institutions. With these actions, we turned inequality into opportunity, and created efficient communication spaces in the communities where we are present.

Cooperation with Fundación Espartanos

In August of 2017, we launched, together with Fundación Espartanos, a plan aimed at improving sports facilities in provincial prisons throughout the country. This alliance consists in multiplying the scope of the Espartanos program throughout Argentina for the next seven years.

Thus, we developed a progressive plan to be implemented in five provinces per year, focused on the construction and/or repair of fields and classrooms in prisons of each province. In 2017, we started the construction of one field in Misiones, one in Tucumán, one in Jujuy and two in Salta. In 2018, we continued with these works, and added a field in each of the following provinces: Corrientes, Mendoza, La Pampa and Santa Fe, and in Tierra del Fuego a synthetic turf field. We plan to build in 2019 a field in Catamarca, Santiago del Estero, San Juan, Chubut and Córdoba.

Furthermore, we created spaces to offer workshops on financial education and inclusion. Since November 2018, we have been teaching the first course on personal and family economy for prisoners who participate in the sporting and educational activities of Fundación Espartanos in Prison Unit 48, located in General San Martín district.

The Course on practical economy for life and work: Healthy Accounts for "Espartanos" (Curso de economía práctica para la vida y el trabajo: Cuentas Sanas para Espartanos) is based on the contents of the personal and family finances program "Cuentas Sanas", and was adapted specifically to help prisoners to make better use of their resources. It consists of eight weekly three-hour meetings, which are held inside the prison in the classrooms built by Fundación Espartanos. It covers basic topics such as how to make a resumé, and tips for managing one's own and family finances. The ultimate goal is to bring these contents to the rest of the country's prison units.

Dealing with vendors

Promotion of local development: local and inclusive purchases

We went ahead with our leverage plan for regional economies. That is why we continued to search for small and medium-sized providers in the provinces. In this way, we hired local services and products to supply the branch network, and meet the promotional and gift-giving needs, and at the same time we hired large leading companies for nationwide projects.

99% of our vendors
are of local origin.

We detail here the five most outstanding inclusive purchases from expanding local providers:
— Bottles recycled into batteries from the NGO Ecovolta.
— Electronic queuing systems and exchange rate boards from E-Zener, a company that manufactures these goods, which are assembled with components made in Argentina.
— Towels for the Macro Tower gym, from a small vendor that manufactures its products with domestic fabric, Bicosoft S.A.
— Handmade mate gourds and cups from Arandu S. R. L., a provider that also manufactures saddlery.
— Reupholstering of chairs at El Ébano Designe S.A., a provincial provider.

Vendor portal, qualification system, and database

As we proposed in 2017, during 2018 we started projects related to the management of vendors. In the first place, the development of the Vendors Portal, which has already passed the stage of rigorous testing by the Procurement Department, and is going through its final phase, the audit log.

Secondly, the design of a system of continuous vendor qualification/rating, ranging from the evaluation of their performance in the financial field, their history of legal action, to their behavior towards the AFIP[17]. This project seeks to achieve a homogeneous base of high informative quality and complete in its financial, ethical and political aspects. Although it is still in progress, the project has already allowed the evaluation of 47 providers out of the 150 regarded as the main vendors for the operations of the institution.

Finally, the creation of a database that includes qualified suppliers, grouped by service, that enables us to identify their potential operational capacity and track their performance to the Bank and their evolution as a company. The pilot test of this project will be carried out for the main categories managed by the Administration Department.

During 2018, we moved forward as regards three challenges in the vendor area: we developed their portal, a continuous qualification/rating system, and a database of the most qualified. These initiatives will allow us to manage the area more efficiently, and get to know our providers better.

[17] *Argentine Tax Authority*

Challenges and context

These three projects presented great challenges. In the case of the Vendors Portal, due to the need to host sensitive information in the cloud, and to control possible frauds through the audit log.

In addition, we adopted the Bank's comprehensive anti-corruption policy (Banco Macro Anti-Corruption Policy), with the coordination of the Procurement area and the Vendors and Payments Administration. This way we know more about the provider and generate control barriers for hiring.

Another challenge was to purge the operational base of the inactive vendors that we detected there. To achieve this, we analyzed all the payments made last year to each provider, created a filter for those without movements in the last 13 months, and these vendors were blocked. In the event that we need to activate them again in the future, we will contact them again and request them to submit to us updated documentation.

To promote the opening of checking accounts at the branch, we also resolved that vendors having an account outside the institution and whose services are required more than once, should open an account with the Bank. With this, we establish control and develop vendor loyalty to our products.

In this context, the challenges we propose for 2019 in the management of the value chain are:
— reformulating the procurement and contracting process by applying SAP good practices (approval of need without an amount),
— improving the quality of providers by discarding those with financial, legal and employer situations that are doubtful or do not meet the required standard,
— achieving a vendor database in which we can find useful, clear and necessary information for decision making, and
— supporting the Bank's technological area in the planning of projects both as regards their conceiving and development, and in connection with the hiring process.

Vendors in figures		2017		2018
Number of vendors [1]		6,599		6,906
Vendors by region:	**Total**	**%**	**Total**	**%**
Buenos Aires	2,978	45	2,726	39
Norte Grande Argentino (Large North of Argentina)	533	8	1,862	27
Middle	2,510	38	1,786	26
New Cuyo	279	4	251	4
Patagonia	299	5	281	4

[1] In 2017, we had a total of 8,281 vendors in the system, 80% of them reported active during the year.

Number of vendors		
10 main segments	2017	2018
Transportation	849	1,051
Professional services	937	1,083
Maintenance of machines and equipment	63	144
Advertising and publicity	693	1,073
IT Services	272	244
Security	115	125
Stationery and related supplies	86	117
Medical services	74	80
Cleaning services	71	88
Building repair and maintenance	660	686

Code of Conduct for vendors

All our active vendors know our Code of Conduct and abide by it. This allows us to share with them the importance we attach to social issues, respect for human rights, the protection of the environment, and the management of responsible business deals, always based on ethical rules and transparency.

The main aspects addressed by the Code of Conduct for vendors are the following:
— Ethical conduct: The adoption of the highest principles of personal ethics is required. This is reflected, for example, in the maintenance of the confidential nature of relations with the Bank, respecting intellectual property, trade secrets and any other private information of the Bank.
— Human rights: It encourages compliance with the Universal Declaration of Human Rights guaranteeing that the vendor company does infringe them. It forbids physical punishment, harassment and abuse of power.
— Labor practices: It implies offering a safe, healthy and favorable work environment for all employees and avoiding any type of discrimination in any job position and in the selection process. It forbids child labor, forced labor and abuses in general.
— Environment: It advocates the maintenance of a preventive approach to the preservation of the environment and the efficient management of resources and waste generated by business operations. It encourages initiatives that promote environmental awareness, and the best environmental practices.
— Rule of conduct: It means transmitting the Code to all its employees and subcontractors who participate in the preparation of the products and services offered to the Bank..

During 2018, we made amendments to the Code to keep it up to date with current regulations and trends regarding sustainability and work with the value chain. One of the most representative changes is the application of Act 27401 on Criminal Liability of Legal Entities.

Communication and dialog with vendors

We seek to maintain a smooth and transparent link with our entire value chain, and receive their queries, opinions and suggestions. Therefore, in addition to offering communication channels such as email, our website, and telephone customer service, we visited vendors to have personal contact with them. Under our program “Conozca a su Proveedor” (Know Your Vendor), we visited more than 20 strategic vendors in 2018.

To strengthen proximity to our vendors, we also offer them a checking account at no cost. We also perform a credit analysis, instead of requiring providers to post a bond, thus reducing costs.

Natural Capital

We are aware of the direct and indirect environmental impact we generate as a result of our business and this is why each year we strengthen and renew our commitment to preserving natural resources and fighting climate change. For this reason, we work to improve our environmental management based on the identification of key indicators and the monitoring thereof, and we as well develop initiatives aimed at preserving the natural resources and fight against climate change. In this sense, 2018 was a year of significant progress with respect to our relationship with the environment.

Direct Environmental Impact

Environmental Management System (EMS)

The construction of the Macro Tower under LEED standards –prioritizing energy efficiency and sustainable design- is an essential milestone to reduce the direct impact we generate on the environment. Its design allows each floor to take maximum advantage of daylight. The building features as well intelligent and automated technology that, apart from achieving high energy efficiency, it allows us to save drinking water thanks to two modern systems: one of them recycles water coming from the replacement and cleaning of the air conditioning cooling tower and the other one collects rain water and uses it for irrigation.

This milestone became the kick off for us to rethink our actions affecting environment. We understood that all the effort dedicated to designing a building with less impact should be accompanied by a long-term commitment, which should as well ensure the commitment of all employees and vendors. This is the reason why we decided to implement an ISO 14.001:2015 compliant Environmental Management System (EMS), with the support and involvement of the Senior Management.

The first step was to identify the environmental aspects of each activity in the Tower, studying the entrance and exit of materials and resources, and making interviews and visits to different sectors. For each identified environmental aspect we analyzed the impact thereof on the environment. Then we weighted such impact according to the seriousness thereof, the possibility of occurrence and the associated legal requirement, to finally determine it significance and classify it as high, medium or low in an environmental aspect and impact matrix. As a result, each activity under analysis has an associated valuation in accordance with the impact it generates and its relevant operating controls. For the activities classified as of medium or high significance, we defined certain procedures and goals to ensure the appropriate management thereof.

At the same time, we studied the legal requirements as to environment applicable to the Tower's activity and registered them on a matrix that allows us to follow up on all rules and regulations we must comply with and those we have voluntarily adhered. In addition, we identified the requirements all our vendors must meet from a life cycle perspective.

The aspects and impacts matrix and the environmental-legal requirements matrix were two resources that, combined, turn out essential for the development of our environmental policy, the framework to understand and manage the environmental aspects, and address the risks and opportunities of Banco Macro Tower.

Environmental Commitment

Our aim is to the most sustainable bank federally speaking. To achieve this, we commit to work to improve our environmental impact by making an efficient use of the resources, a responsible management of our business and raising internal and external awareness promoting environmental sustainability in our environment. This approach of action is summarized in the following commitments:

— Ensure compliance with the applicable environmental rules and regulations as well as other requirements voluntarily undertaken.
— Make efficient use of natural resources and perform a responsible management of waste in order to guarantee environmental protection by preventing contamination.
— Define, monitor and review environmental goals oriented to continuous improvement.
— Raise awareness among our stakeholders, understanding commitment to work articulately will be essential for the policy success.
— Promote the construction of positive environmental impact through business lines.

Other notable events related to the EMS implementation were the hiring of environmental insurance and the commencement of a process to redefine position descriptions in order to include responsibilities as to the protection and care of the environment.

Energy Management

Law 26190, as amended, promotes the use of renewable sources for energy production. In this scenario, it defines that large customers –among which we are included- by 2015 must incorporate an increasing energy percentage coming from renewable sources, as part of their own total energy consumption. In order to meet this obligation, we entered into an agreement with Genneia effective from May 2018, under which we agreed the purchase of energy from renewable sources for the Bank's Data Processing Center for a period of 10 years. Under this agreement, during this year we purchased 800 Mwh of renewable energy and, during the period 2019-2027 we shall increase this value almost four times acquiring 3,000 Mwh a year.

This year we achieved an energy consumption saving of 1,059.9 MWh, 9% above total consumption reported last year.

Consumption of Electric Power and CO_2 Emissions	2017	2018
Electric Power Consumption (in MWh)	11,615.8	10,555.9
Energy consumption % from renewable sources	-	8%
CO_2 Emissions in tCO_2e (Scope 2)	6,156,4	5,170,6

(1) Indirect Emissions. Those deriving from consumption of purchased electricity (external source). Emissions calculated according to the Operating Margin Emissions Factor informed by the Secretary of Energy. In order to compare it with 2017, please note that the value reported last year was recalculated according to the new method.

Materials Management

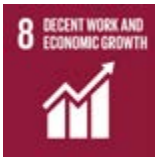
We consider the environmental variable in the materials we use: we buy recycled plastic bags or biodegradable bags; in all our events we use glass and china tableware to avoid single use plastic, and we make our greeting and invitation cards in digital format.

As to paper consumption with implemented a series of actions to keep on reducing its use:
— Due to improvements in our CRM System, such as the automation of internal controls in the stage before customer assessment, we were able to eliminate a significant amount of paper printouts. This allowed us, in turn, to save energy and other supplies, and also to save working time and improve information recording.
— We implemented the autocomplete dynamic check lists and forms that allow a notable reduction in the amount of paper used and facilitate work by reducing errors for manual data entry.
— We also modified the credit ranking approval methodology at inferior Committees, implementing digital signature instead of paper signed authorizations on documents considered in Committees at face-to-face meetings.
— We approved the purchase of software that controls and releases printouts and implemented the new software in the new Banco Macro Tower. We estimate this system will allow a 15% reduction of the current printing levels.
— We encourage our customers to migrate to e-statement and we were able to have more and more subscribers each year.

Paper Management	2017	2018	Variación interanual
Reams used	202,031	162,066	-20%
Print Count	132,195,027	121,349,376	-8%

e-Statement Subscription	2017	2018
Subscriptions		
Customers adhered to e-statement[1]	929,965	1,102,645
Customers adhered to accounts	712,964	875,616
Customers adhered to credit cards	561,131	694,832
Accounts		
Checking Accounts	12,274	12,314
Savings Accounts	363,641	459,261
Packages	455,563	529,145
Credit Cards		
Visa	478,050	605,673
Master	189,470	233,404
American Express	22,995	26,453

(1) A subscription may refer to more than one product.



Waste Management

Among the several waste currents associated with our activity, the generation of electrical and electronic waste is for us particularly important. This waste contains components that may be dangerous for the environment if not properly disposed, but which at the same time may be, in most cases, easily repaired or may contain any component that can be reused in the productive circuit. For this reason, we deliver computers, monitors, printers, servers, cards in disuse, disks, keyboards, ATMs, SSTs and telephone equipment to different organizations who recover them. Extending the useful life of an electronic or electric device significantly minimizes the environmental impact generated by reducing the amount of waste sent to final disposal and also by avoiding raw material extraction to manufacture new products.

Additionally, we donate to different institutions all the furniture we do not use and donate paper and plastic for recycling.

Electronic Waste Management	2017	2018
Scrap equipment (monitors, PCs, printers, peripherals, etc.) (quantity)	1,078	1,188
Scrap equipment (monitors, PCs, printers, peripherals, etc.) (tons)		12 [1]
Equipment derived from ATMs (tons)	37	59
Recycled computers delivered to Fundación Equidad	210	179
Entities that benefited from Fundación Equidad	80	110
Donated IT equipment	946	2.899
Total beneficiary entities	136	246

[1] This value in tons is added to the indicator calculated in quantities, since during 2018 the calculating method was in weight and number. These two indicators do not represent the same volume in different calculation units.

Other Waste Management	2017	2018
Recycled Paper (kg) [1]	74,920	69,126
Recycled Plastic (kg) [2]	653	2,442
Donated furniture	767	2,553

[1] 2018 Breakdown: AMBA 51,230; Salta 93; CBA 1,540; Littoral 16,000, Tucumán 263 kg.
[2] 2018 Breakdown: AMBA 404; Salta 1,796; CBA 6; Jujuy 10; Patagonia 46; Littoral 180 kg.

Macro Bici (Macro Bike) Program

We continue betting on our Macro Bici program, encouraged by the numerous benefits that the use of bikes brings: it is a clean means of transport –since it does not produce greenhouse gas emissions-, it promotes physical exercise and contributes to people's well-being.

Macro Bici is as well an initiative focused on sustainable tourism by establishing strategic stops so that cyclists are able to enjoy and contemplate valuable landscapes throughout the circuit.

During 2018, under Macro Bice program we donated 125 bicycles, with the relevant helmets, padlocks and baskets.

From 2015, we generated alliances with several municipalities and donated bikes, helmets, padlocks, baskets, bicycle parking racks and bike shelters: in 2018 we reached more than 2,400 units delivered. This program features Macro Bici stations in the following localities: Tilcara and El Carmen, in Jujuy; Cachi, La Caldera, San Carlos and Parque del Bicentenario, in Salta; La Falda and Villa Giardino, in Córdoba; Lujan de Cuyo, in Mendoza; Yerba Buena, in Tucumán, and Posadas and San Ignacio and Iguazú, in Misiones. This year we incorporated the second station in Costanera de Posadas and the development of Parque del Bicentenario in Salta.

Renovation of Public Spaces

In urban areas, squares and playgrounds have a key role for the well-being of the inhabitants: they are meeting points, recreation spots and a place to have contact with the natural environment. Besides, they are associated with other environmental services, such as regulating temperature, being the habitat for different species and improving the quality of the air we breathe.

For this reason, since 2014 we accompany several municipalities in which we operate our branches with the reconditioning of their emblematic squares and playgrounds. Our aim is to turn such spaces in what they used to be, a place to enjoy and relax, and to promote the sense of belonging.

Indirect Impact Management

Aware of the key role we have to play in sustainable development when offering financing, we work to achieve a deep knowledge of the environmental and social risks associated with the business of our present and potential customers. These actions are managed through our Corporate Banking Credit Policy [9].

[9] For additional information see "Comprehensive Risk Management" section in this Report.

Dividend Distribution Proposal and Creation Reserve Fund

BCRA's rules on Distribution of Earnings establish that financial entities may distribute earnings without exceeding different off-balance-sheet limits, in order to avoid compromising their solvency and liquidity. Such limits are aimed at maintaining compliance with the basic rules and regulations and ensuring financial entities additional coverage margins. For such purpose, they are required to consider, apart from the minimum capital surplus, a capital conservation margin of 2.5% of the risk-weighted assets, with an additional 1% for those financial entities labeled as systemically important, among which we find Banco Macro. In turn, the BCRA fixes an additional limit, known as anti-cyclical margin that the entity must maintain as coverage, although such Organism has not yet determined the percentage thereof. In turn, the Board of Directors of the Bank must safeguard the Bank's liquidity and solvency and, also approve the business global strategy and monitor the entity's risk profile.

Taking into account the above mentioned elements and in order to maintain appropriate solvency standards, the Board of Directors shall propose the following to the Shareholders' Meeting:

a) To apply the retained earnings for the year ended 31 December 2018 as follows:
— the amount of AR $ 3,145,848,599.32 to the Legal Reserve Fund,
— the amount of AR $ 3,475,668,970.21 to a Statutory Reserve Fund - Special for first-time application of IFRS, pursuant to Communiqué "A" 6618 issued by the Central Bank of the Republic of Argentina, which includes the balance of the profits generated by application for the first time of the International Financial Reporting Standards (IFRS). Such reserve fund may only be used for capitalization or to absorb eventual negative balances in the "Retained Earnings" account.
— the amount of $ 12,583,394,397.30 to the optional reserve fund for future distribution of profits under Communication "A" 5273 issued by the Central Bank of the Republic of Argentina; and

b) Separate from the Optional Reserve Fund for future distribution of profits, for the payment of a cash dividend of AR $10 per outstanding share, which shall make a total amount to be distributed of AR $ 6,393,977,460 (1,000% of the Bank's outstanding capital stock of AR $ 639,397,746).

Acknowledgments

We thank our customers, correspondents, vendors and colleague entities, the shareholders, and the authorities and officers of the regulatory and controlling entities for the support we received.

We thank very specially the staff of the Bank for the high degree of loyalty, cooperation and professionalism with which they performed their duties.

Buenos Aires, March 8th, 2019.

The Board of Directors

Exhibit I

Scope and Guidelines Used

Definition of Contents to be included in this Report

We carried out a materiality analysis following the G4 Guidelines of the Global Reporting Initiative (GRI), the AA1000 Stakeholder Engagement Standard of the English organization AccountAbility and the framework of International Integrated Reporting Council (IRRC) in order to report all significant aspects for the Bank and its stakeholders.

In this way, based on a systematized process we carry out each year, we seek to select all matters reflecting the Bank's most relevant economic, environmental and social impacts, as well as all those aspects having a substantial influence on the decisions of our key audiences.

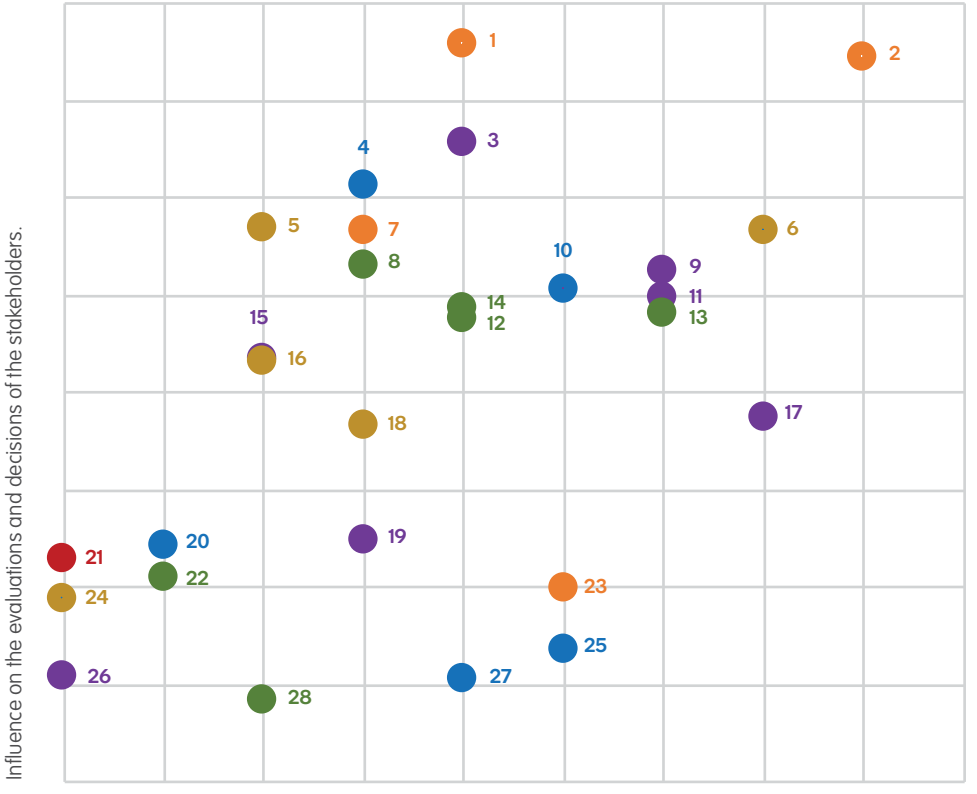
The exercise started with the identification of the issues in 2016 based on the analysis of internal and external sources, sustainability trends and based as well on the Bank's Strategy and Sustainability Policy. As a result of this exercise we defined 28 material issues, divided among the 5 Pillars of our Sustainability Strategy. In addition, we associated these 28 significant issues with the capitals under the Integrated Reporting Framework. This way we identified the most significant capitals for our region and our business model.

The second stage, the prioritization, started in 2016 and the following years -2017 and 2018- we extended the scope of our survey, taking as starting point the same issues originally identified. During these three years 2,818 people from different groups of interest of the Bank participated in the survey; including employees, allied foundations working with Fundación Banco Macro and registered users of our Financial Education Program known as Healthy Accounts. In addition, this year we incorporated the opinion of the Bank's Senior Management represented by 10 directors. As a result we obtained a Materiality Matrix including the issues identified per each of the 5 pillars of our Sustainability Strategy, according to their significance for the Bank's management, in relation to the vision of the sustainability team and of the Groups of Interest.

This materiality matrix provided us information to select the relevant GRI Standards to present in the GRI Table of Contents communicated at the end of this document, and to define the contents of the Report for it to effectively account for the Bank's performance and to allow this document to be a key element for decision-making.

Finally, the Senior Management is in charge of reviewing this Report and seeing to the correct application of the materiality matrix.

Materiality Matrix



References:
Financial Capital
Industrial Capital
Intellectual Capital
Human Capital
Natural Capital
Social and Relational Capital

List of Material Issues

1. Generation of local employment.
2. Employee training and professional development.
3. Products and services adapted to each customer profile.
4. Efficient complaint and customer service channels.
5. Production-oriented microcredits for non-bankarized entrepreneurships.
6. Financial education program for families, young people and children.
7. Integral benefit program for employees and their families.
8. Rational use of paper and recycling process.
9. Products and services tailored for PyMEs.
10. Clear and simplified contracts.
11. Access to banking system in scarcely populated places or areas with low bankarization level.
12. Environmental awareness actions for employees and customers.
13. Responsible use of energy.
14. Technology, plastic and paper waste management.
15. Security and privacy of customers when handling personal information.
16. Support to local vendors and PyMEs.
17. Training and advisory programs for PyMEs.
18. Financing to environmental and social entrepreneurships.
19. Products and services for young people.
20. Customer satisfaction measuring levels.
21. Financial crime prevention and anti-corruption compliance and counter-terrorism financing.
22. Responsible water consumption.
23. Corporate volunteering program for employees and families.
24. Financial education program for elderly people.
25. Transparency line and reporting mechanisms to deal with ethical and conflict of interest issues.
26. Products and services for elderly people.
27. Risk management and compliance with laws, internal rules and regulations applicable to the Bank.
28. Carbon footprint measuring and reduction of greenhouse gas emissions.

Application of the framework prepared by the IIRC

Since 2014 we prepare an annual Report integrating the entire Bank's financial and non-financial information into a single publication. This way, we were pioneers in the country to present a document with this characteristics and that follows the guidelines established by the International Integrated Reporting Council (IIRC) in its document called "The International <IR> Framework".

Below we show the results of the exercise made to link the Bank's sustainability pillars to the capitals of the IIRC model with the aim of being able to align all the tools we use to improve day by day the management of our business and focus on the issues which are significant for the Bank and our Stakeholders.

Relationship between Banco Macro's sustainability pillars and the capitals of the IIRC model.

	Transparency in all our actions	Responsibility for the well-being and inclusion of people	Inclusion and financial education	Development of PyMEs and entrepreneurships	Direct and indirect environmental impact
FINANCIAL	X				
INDUSTRIAL	X		X	X	
INTELLECTUAL	X				
HUMAN		X			
SOCIAL & RELATIONAL			X	X	
NATURAL					X

Besides, within the framework of the materiality analysis, we made this exercise of relating the 28 material issues we selected and prioritized with the capitals of the IIRC model and the table below shows the results we obtained:

Transparency in all our actions

Financial
Financial crime prevention and anti-corruption compliance and counter-terrorism financing.

Industrial
Security and privacy of customers when handling personal information.

Intellectual
Clear and simplified contracts. Customer satisfaction level measuring.
Risk management and compliance with laws, internal rules and regulations applicable to the Bank. Transparency line and reporting mechanisms to deal with ethical and conflict of interest issues.
Efficient complaint and customer service channels.

Responsibility for the Well-Being and Inclusion of People

Human

Generation of local employment.
Corporate volunteering program for employees and families.
Integral benefit program for employees and their families.
Employee training and professional development.

Inclusion and Financial Education

Industrial

Access to banking system in scarcely populated places
or areas with low bankarization level.
Products and services adapted to each customer profile.
Products and services for elderly people.
Products and services for young people.

Social and Relational

Financial education program for elderly people.
Financial education program for families, young people and children.

Development of PyMEs and Entrepreneurships

Industrial

Products and services tailored for PyMEs.
Training and advisory programs for PyMEs.

Social and Relational

Production-oriented microcredits for non-bankarized entrepreneurships.
Financing to environmental and social entrepreneurships.
Support to local vendors and PyMEs.

Direct and Indirect Environmental Impact

Natural

Rational use of paper and recycling process.
Carbon footprint measuring and reduction of greenhouse gas emissions.
Responsible use of energy.
Responsible water consumption.
Technology, plastic and paper waste management.
Environmental awareness actions for employees and customers.

Application of G4 guidelines of the Global Reporting Initiative (GRI)

This Report has been prepared in accordance with GRI standards: Core option. In this way, we carried on an internal work in order to ensure the compliance with the new GRI standards. In addition, we included additional information that is not directly related to any GRI indicator but it is relevant for the Stakeholders and to explain the annual performance of the entity.

In the following Relationship Table, we link the material issues selected in the Analysis to the 5 sustainability pillars of Banco Macro, and the GRI Standards defined for the construction of the following table of contents.

Relationship Table

Strategic Sustainability Pillars	Key sustainability issues identified in the materiality analysis	GRI Standards to be reported or Bank's own aspects to be included in the Table of Contents.	Scope
Inclusion and Financial Education	Access to banking system in scarcely populated places or areas with low bankarization level.	Bank's own aspect: Financial Inclusion	Internal and External
	Products and services adapted to each customer profile.	Bank's own aspect: Financial Inclusion	
	Products and services for elderly people.	Bank's own aspect: Financial Inclusion	
	Products and services for young people.	Bank's own aspect: Financial Inclusion	
	Financial education program for elderly people.	Bank's own aspect: Financial Education	
	Financial education program for families, young people and children.	Bank's own aspect: Financial Education	
Direct and indirect environmental impact	Rational use of paper and recycling process.	GRI 301: Materials 2016	Internal and External
	Carbon footprint measuring and reduction of greenhouse gas emissions.	GRI 305: Emissions 2016	
	Responsible use of energy.	GRI 302: Energy 2016	
	Responsible water consumption.	GRI 303: Water 2016	
	Technology, plastic and paper waste management.	GRI 306: Effluents and Waste 2016	
	Environmental awareness actions for employees and customers.	GRI 308: Supplier Environmental Assessment 2016	
Responsibility for the well-being and inclusion of people	Generation of local employment	GRI 401: Employment 2016	Internal
	Corporate volunteering program for employees and families.	Bank's own aspect: Volunteering	
	Integral benefit program for employees and their families.	GRI 401: Employment 2016	
		GRI 405: Diversity and Equal Opportunity 2016	
	Employee training and professional development	GRI 404: Training and Education 2016	
		GRI 406: Non-discrimination 2016	
		GRI 407: Freedom of Association and Collective Bargaining 2016	
		GRI 408: Child Labor	
		GRI 409: Forced or Compulsory Labor	

Strategic Sustainability Pillars	Key sustainability issues identified in the materiality analysis	GRI Standards to be reported or Bank's own aspects to be included in the Table of Contents.	Scope
Development of PyMEs and entrepreneurships	Products and services tailored for PyMEs	GRI 203: Indirect Economic Impacts	External
	Training and advisory programs for PyMEs.	Bank's own aspect: Financial Education	
	Production-oriented microcredits for non-bankarized entrepreneurships.	Bank's own aspect: Financial Inclusion	
	Financing to environmental and social entrepreneurships.	Bank's own aspect: Financial Inclusion	
	Support to local vendors and PyMEs.	GRI 204: Procurement practices 2016	
Transparency in all our actions	Security and privacy of customers when handling personal information	GRI 418: Customer Privacy 2016	Internal and External
		GRI 416: Customer Health and Safety 2016	
	Clear and simplified contracts	GRI 417: Marketing and Labeling 2016	
	Customer satisfaction measuring levels.	Bank's own aspect: Customer Experience	
	Risk management and compliance with laws, internal rules and regulations applicable to the Bank.	GRI 205: Anti-corruption 2016	
	Financial crime prevention and anti-corruption compliance and counter-terrorism financing.	GRI 205: Anti-corruption 2016	
	Transparency line and reporting mechanisms to deal with ethical and conflict of interest issues.	GRI 205: Anti-corruption 2016	
	Efficient complaint and customer service channels.	Bank's own aspect: Customer Experience	

United Nations Global Compact & Communication on 2018 Progress

This report is our Communication on 2018 Progress, whereby we inform about compliance with the 10 Principles on Human Rights, Labor Rights, Environment and Anti-corruption of the United Nations Global Compact. The GRI G4 Content Index and Communication on Progress included in this Report describes the linking of the GRI Contents to the 10 Principles and indicates the pages in which this Report provides an answer to each of them.

Categories	Principles
Human Rights	Principle 1 - Support and respect the protection of internationally proclaimed human rights.
	Principle 2 - Not to be complicit in human rights abuses.
Employment	Principle 3 - Uphold the freedom of association and the recognition of the right to collective bargaining.
	Principle 4 - Eliminate all forms of forced and compulsory labor.
	Principle 5 - Abolish all forms of child labor.
	Principle 6 - Eliminate discrimination in respect of employment and occupation.
Environment	Principle 7 - Support a precautionary approach to environmental challenges.
	Principle 8 - Promote greater environmental responsibility.
	Principle 9 - Encourage the development and diffusion of environmentally friendly technologies.
Anti-corruption	Principle 10 - Work against corruption in all its forms, including extortion and bribery.

Exhibit II

2018 Corporate Governance Explanatory Report

Compliance		Non-compliance	Inform [2] o Explain [3]
Total[1]	Partial		

PRINCIPLE I. TRANSPARENT THE RELATIONSHIP BETWEEN ISSUER, THE ECONOMIC GRUOP ISSUER LEADS AND/OR INTEGRATES AND ITS RELATED PARTIES

Recommendation I.1: Ensure the disclosure by the management of policies applicable to the relationship of issuer with the economic group issuer leads and/or integrates and with its related parties.
Answer if:

Issuer has an internal rule or policy of authorization of transactions between related parties in compliance with section 73 of Law 17811, transactions performed with shareholders and members of the Management Body, senior managers and auditors and/or members of the supervisory committee, within the scope of the economic group Issuer leads and/or integrates. Explain the main guidelines of the internal rule or policy.	x	Banco Macro S.A. ("Banco Macro" or the "Bank") has adopted a procedure to comply with the provisions of the Capital Markets Act 26831 and the rules and regulations issued by the Comisión Nacional de Valores or CNV (N.T. 2013 and its amendments), as to treatment by the Audit Committee of the transactions with related parties involving a significant amount. This procedure includes requesting the Audit Committee its opinion with respect to the transactions meeting the conditions set forth in the above mentioned law for acts and contracts involving a significant amount. On the other hand, note that the Bank carries out its transactions with related parties under the same conditions as with the rest of its customers, complying with the applicable Credit Policies and the exposure limits regulated by the BCRA. Additionally, the Bank, in its capacity as authorized financial entity, complies with the information provisions and obligations set forth by the Financial and Exchange Entities Act No. 21526 and the regulations issued by the Controlling Entity (Central Bank of the Republic of Argentina). Pursuant to the laws (Business Company Act 19550), the specific applicable rules and regulations issued by the CNV, the professional accounting principles (Technical Resolution No. 21) and the best practices, the Bank informs about the transactions with affiliated and related companies (subsidiaries), in notes to the financial statements. The information provided includes the relevant transactions carried out with shareholders and managers, in habitual market conditions.

	Compliance Total[1]	Partial	Non-compliance	Inform [2] o Explain [3]
RECOMMENDATION I.2: Ensure the existence of mechanisms to prevent conflict of interests. Answer if:				
Issuer has, notwithstanding the laws and rules in force, clear policies and specific procedures to identify, handle and resolve any conflict of interest that may arise between the members of the Management Body, senior management officers and auditors and/or members of the supervisory committee in their relationship with Issuer or with persons related to Issuer. Include a description of the relevant aspects of such policies.	x			The Code of Ethics for Directors and Senior Management Officers sets forth the procedure to be followed in case of interest overlapping or conflict of interest. The Code provides that the Directors and Officers shall: * Act honestly and in an ethical manner, including the ethical handling of any conflicts of interest, be they apparent or real, between their personal and professional relationships, promoting also an ethical behavior among colleagues and subordinates; * Avoid any kind of conflict of interest known by them or which might be reasonably deemed known thereby, reporting the Audit Committee of the Bank's Board of Directors (the "Audit Committee") any significant transaction or personal relationship which might reasonably originate such conflict of interest.
Recommendation I.3: Prevent the abuse of privileged information. Answer if:				
Issuer features, notwithstanding the laws and rules in force, achievable policies and mechanisms to prevent the abuse of privileged information by the members of the Management Body, top management officers, auditors and/or members of the supervisory committee, controlling shareholders or shareholders exercising significant influence, acting professionals and the rest of the persons listed in sections 7 and 33 of the Decree No. 677/01. Include a description of the relevant aspects of such policies.	x			Banco Macro features a policy applicable to it and to its subsidiaries (collectively referred to as the "Bank") in connection with the handling of the confidential information obtained by directors, executive officers and employees of the Bank and the trading of Securities (as defined below) issued by the Bank on the basis of such confidential information (hereinafter the "Policy"); these are the Privileged Information Use Prevention Policy and the Private Investment Policy. This Policy determines the guidelines allowing the directors, executive officers and employees of the Bank to comply with the obligations set forth by the laws in force and applicable to securities in the jurisdictions in which Securities of the Bank are traded. This Policy does not limit in any manner the restrictions and obligations set forth by the rules and regulations applicable to the trading of Securities. The directors, executive officers and employees of the Bank must be aware or informed about the obligations imposed by the different local and national rules and regulations in connection with the trading of Securities, before participating in that kind of transactions. On the other hand, the Board has approved the Personal Investments Policy that governs access to the market by Senior Management members and some members of the Finance, Investment Banking, Capital Market –Transactions Departments and the Secretary of the Board and Corporate Management in connection with the sale and purchase of instruments issued by Banco Macro S.A.

	Compliance Total[1]	Partial	Non-compliance	Inform [2] o Explain [3]
PRINCIPLE II. SET THE BASIS FOR A SOLID MANAGEMENT AND SUPERVISION OF ISSUER				
Recommendation II. 1: Ensure the Management Body assumes the management and supervision of issuer and the strategic orientation thereof. Answer whether the Management Body approves:				
II.1.1.1 the strategic o business plan, as well as the management goals and annual budgets,	x			The Board of Directors each year approves the Business Plan, containing the description of all management goals and also the Expenditure and Investment Budget. The Board trusts the Management Control and Strategic Planning Department with the preparation of the Business Plan, based on the goals defined by the Bank's management. The Business Plan is approved by the Asset and Liability Committee ("ALC") and is subsequently disclosed to the Board. Senior Management is in charge of the execution of the approved Business Plan and the ALC revises compliance with the Plan on a monthly basis. The Management Control and Strategic Planning Department is as well responsible for the follow-up of the budgeting process and informs the Asset and Liability Committee about the revisions made and the causes for the deviations detected by such Department. The ALC informs the Board on the compliance with these plans and budgets.
II.1.1.2 the investment policy (investment in financial and capital assets) and the financing policy,	x			The Board trusts the ALC with the implementation, follow-up and adjustment of the Investment and Financing Policy. The Investment and Financing Policy is reflected in the Business Plan and the Expenditure and Investment Budget. The Board evaluates and approves both and also takes notice of the analysis performed by the ALC with respect to any deviations.
II.1.1.3 the corporate governance policy (Code of Corporate Governance compliance),	x			The Board of Directors has approved the Corporate Governance Policy applicable to the Bank and its subsidiaries. In addition, the Board has decided the creation of the Corporate Governance & Designations Committee. This Committee is in charge of Supervising the implementation and compliance with the good practices contemplated in the Code of Corporate Governance in the Bank and the subsidiary companies, all of which shall be informed to the Board.
II.1.1.4 the policy of selection, evaluation and remuneration of senior managers,	x			With respect to the evaluation and remuneration of Senior Managers, the Bank features a Compensation Policy that contemplates both the fixed remuneration as the variable one; the latter subject to a process of evaluation of goals and responsibilities. The Incentive Committee is in charge of controlling whether the staff economic incentive system is consistent with the entity's culture, goals, long-term business, strategy and control environment and the prudent assumption of risks. The goals that Banco Macro pursues are to compensate its personnel ensuring recognition of their work and acts, internal equity, competitiveness, productivity, efficiency and added value. As to the selection of personnel, Banco Macro's policy is to ensure all vacancies are covered with the most appropriate person for each position, prioritizing internal candidates. The Bank features a selection process that includes defining position requirements and search strategy, competence selection interviews, level of adjustment to the Bank's culture and technical knowledge with Human Resources and the line, and also complementary pre-employment tests, aimed at gathering as much information as possible to choose the best candidate to fill the position.

	Compliance		Non-compliance	Inform [2] o Explain [3]
	Total[1]	Partial		
II.1.1.5 la the policy of allocation of responsibilities to senior managers,	x			The Organization Guide includes a summary of the responsibilities and duties of Senior Management officers, including the General Manager, the first-line managers directly reporting to him/her and the Board's staff and lower positions as well. The Bank's Organization Guide and Organization Chart are approved by the Board of Directors. Furthermore, the Bank features several Policies that the Bank's officers must observe and comply with, which are also approved by the Board.
II.1.1.6 the supervision of managers succession plans,	x			Through the delegation to the Corporate Governance & Designations Committee. Such Committee is in charge of the process to replace or substitute senior management officers, and of approving the designation thereof, following the guidelines of the executive officers succession plan. The Bank features guidelines for the succession of key positions.
II.1.1.7 the corporate social responsibility policy,	x			The Bank features a Sustainability Policy. The Board has decided that the Ethics & Compliance Committee shall be in charge of supervising the application of these guidelines. Besides, the Bank has a specific department that develops actions related to such policy.
II.1.1.8 comprehensive risk management and internal control policies, and fraud prevention policies,	x			Risk Management: The Board has decided the creation of a Risk Management Committee. In addition, it has designated a Comprehensive Risk Manager, who in turn is responsible for each of the risk officers within the Bank. The Risk Management Committee is in charge of following up senior management activities as to credit, market, liquidity, operations, among other aspects. The Risk Management Committee also advises the Board on the risks to which the entity is exposed. Internal Control: The Board defines clear guidelines with respect to the responsibility of each of the members of the organization. It is the responsibility of Senior Management to implement appropriate internal control systems and to monitor the effectiveness thereof, periodically reporting to the Board about compliance with goals. In addition, pursuant to the provisions set forth in the Capital Markets Act 26831 and the Rules and Regulations issued by the CNV (N.T. 2013 and the amendments thereof), it is the responsibility and duty of the Audit Committee to supervise the operation of the internal control systems and of the administrative and accounting system, as well as the reliability of the latter and of all the financial information or of other significant events submitted to the CNV and the self-regulated entities in compliance with the applicable information requirements. Furthermore, the Bank has an Internal Audit Committee –as required by the rules of the Central Bank of the Republic of Argentina- in charge of supervising the appropriate operation of the internal control systems defined in the entity by means of periodic evaluations.

	Compliance Total[1]	Non-compliance Partial	Inform [2] o Explain [3]
			Finally, the Bank complies with the SOX Certification, which is part of the regulatory requirements of the New York Stock Exchange (NYSE) for companies listing its shares in the United States of America, and which requires the assertion that the Entity had, at the end of each fiscal year, an effective internal control over the financial reporting based on a set of control criteria defined in order to meet the requirements under the Auditing Standard No. 5 "An Audit of Internal Control Over Financial Reporting That is Integrated with An Audit of Financial Statements" (AS N. 5) issued by the PCAOB (Public Company Accounting Oversight Board). This certification is reviewed by our Independent Auditors. Prevention of Fraud: The Bank features a department with specific functions as to the prevention and investigation of frauds. The procedures in this regard are aimed at detecting behaviors and investigating fraudulent events and practices in order to protect customers' rights and the Bank's institutional image, preserving the transparency and safety of its transactions.
II.1.1.9 the policy of continuous training and formation for the members of the Management Body and senior managers. In case this policy is in place, please describe the main aspects thereof	x		These officers, within the scope of their responsibilities, have the possibility of arranging their training in different subjects or topics related to the business and the Bank provides the necessary resources for such training. During the last fiscal year, the Directors have been able to attend presentations related to Corporate Governance, Sustainability, Anti-Money Laundering issues, given by independent and internal advisors. Besides they also attend regular information updating sessions about regulatory issues, of banking matters and also about micro and macroeconomic aspects. Furthermore, Board members and senior management officers frequently participate in courses, seminars or similar events that deal with banking, anti-money laundering issues, etc.
II.1.2 If applicable, add other policies applied by the Management Body and not mentioned herein, and describe the significant aspects thereof.	x		Code of Banking Practices • Code of Investor Protection • Corporate Sustainability Policy • Protection of Personally Identifiable Information • Policy of Non-Discrimination in the Composition of the Board of Directors • Know Your Organization Structure Policy • Anticorruption Policy • Information Transparency Policy • Financial Services User Protection Policy • Personal Investment Policy The Code of Corporate Governance, as posted in the corporate Website of Banco Macro –About Us- Investor Relations- http://ri-macro.com.ar/, contains a detailed description of each of these

	Compliance Total[1]	Partial	Non-compliance	Inform [2] o Explain [3]
II.1.3 Issuer features a policy aimed at ensuring the availability of relevant information for decision making by its Management Body and a direct enquiry line for management level members, in order to ensure a symmetric information resource for all its members (executive officers, independent and external) in equal conditions and with reasonable advance in order to allow the adequate analysis of the its content. Please specify	x			The Bank complies with the provisions set forth in the Business Company Act 19550 as to the operation of the Board of Directors as corporate management body. As to the meetings of the Board, before each one of them, the members of the Board are given the list of matters to be discussed and all relevant supporting information/ documentation allowing a correct analysis. Additionally, the members of the Board have the Secretary of the Board to answer any inquiries or questions that may arise. On the other hand, the Bank's committees operate subject to a set of rules and regulations and under the coordination of an officer, who shall be responsible for the distribution and access to the information material to be discussed in each meeting, before such meetings are held.
II.1.4 Issues submitted to the decision of Management Body are accompanied by an analysis of the risk associated to the decisions to be taken, taking into account the corporate risk level defined by Issuer as acceptable. Please specify.	x			The Bank features Risk Management Policies and Procedures and a Risk Management Committee that sees to the application thereof. Within the scope of such Committee, the Bank has established, in agreement with the Board, thresholds and limits for each significant risk exposure and a schedule for the authorization of these risk exposures. In addition, Banco Macro features rules for the analysis and approval of new products and proceedings that include the analysis of related risks.
Recommendation II.2: Ensure an effective control of corporate management. Answer whether the Management Body verifies:				
II.2.1 compliance with the annual budget and the business plan,	x			The Assets & Liabilities Committee is in charge of following up the compliance with the Business Plan and the Budget. Such Committee shall inform the Board of Directors about any significant deviation it may detect.
II.2.2 the performance of senior managers and compliance of the goals defined for them (the level of expected profits versus the level of profits actually obtained, financial rating, accounting report quality, market share, etc.) Include a description of the relevant aspects of Issuer's Management Control policy providing details of the techniques employed and the frequency of the monitoring actions carried out by the Management Body.	x			The performance of the General Manager and of senior managers and the fulfillment of their goals are evaluated on a permanent basis. The Board as a whole and the Directors individually, through their participation in the different committees of the Bank, continuously evaluate the performance of senior management officers, in addition to the annual planning and evaluation contemplated in the Incentive Policy. Furthermore, this review is carried out through the follow-up of the Business Plan and the Budget, which are responsibilities allocated by the Function Manual.

	Compliance		Non-compliance	Inform [2] o Explain [3]
	Total[1]	Partial		
Recomendación II.3: Dar a conocer el proceso de evaluación del desempeño del Órgano de Administración y su impacto. Responder si:				
II.3.1 Each member of the Management Body complies with the Bylaws of the company and, if applicable, with the Operating rules and regulations of the Management Body. Provide details of the main provisions of such Operating rules and regulations. Indicate the degree of compliance with the company's Bylaws and the Operating Rules and Regulations.	x			The Board of Directors has no operating rules and regulations. Each of its members fully complies with the provisions of the corporate bylaws. Section 10 of the Financial Entities Act contemplates certain situations that render a person incompetent to act as Director, and in addition there are certain rules that establish conditions of knowledge and previous experience related with the financial system.
II.3.2 The Management Body reports the results of its administration taking into account the goals set at the beginning of the year, so that the shareholders are able to evaluate the compliance degree of such goals, which include both financial and non-financial aspects. Additionally, the Management Body submits a diagnosis on the compliance degree of the policies described in Recommendation II, items II.1.1. and II.1.2. Describe the main aspects of the evaluation made by the Shareholders' Meeting regarding the degree of compliance on the part of the Management Body of the goals set at the beginning of the year and of the policies described in Recommendation II, items II.1.1 and II.1.2, specifying the date of the Shareholders' Meeting during which such evaluation was submitted.	x			The Board of Directors discloses the results of its administration through the Annual Report and the Balance Sheet (making up the Sustainability Integrated Report), pursuant to section 66 and 63 of the Business Company Act 19550, respectively, and section 60 of the Capital Markets Act No. 26831. In addition, the Board set a Board Self-Assessment Policy, being the Corporate Governance Committee the body in charge of implementing this policy, which shall be carried out each year individually (with a Self-Assessment Survey) and in groups, pursuant to the consolidated results obtained. On the other hand, the Code of Corporate Governance and its accompanying Explanatory Report supplement the reporting as to the management framework. Finally, it is worthwhile mentioning that the Directors' administration has never been questioned by the shareholders.
Recommendation II.4: That the number of external and independent members be a significant proportion in the Management Body. Answer whether:				
II.4.1 The proportion of executive external and independent officers (the latter as defined in the rules of this Commission) of the Management Body is in accordance to Issuer's capital structure. Please specify.	x			The Bank has the number of independent directors that is necessary to meet the requirements of the rules of the Central Bank of the Republic of Argentina, the Argentine Securities Exchange Commission and the US Securities and Exchange Commission ("SEC") and is in proportion to Issuer's capital structure.

	Compliance Total[1]	Partial	Non-compliance	Inform [2] o Explain [3]
II.4.2 During the present year, the shareholders agreed at a Shareholders' Meeting upon a policy aimed at keeping a proportion of at least 20% of independent members over the total number of members of the Management Body. Describe the relevant aspects of such policy and any other shareholders agreement that may help to understand the way in which the members of the Management Body are designated and for how long. Specify whether the independent capacity of the members of the Management Body was questioned during the course of the present year and whether there has been any abstention due to conflict of interests.	x			There is no need of a shareholders' agreement to keep a proportion of at least 20% of independent members, pursuant to the laws mentioned in the preceding item. The Bank complies with the indicated proportion since six out of the 13 members elected by the Shareholders' Meeting to compose the Board of Directors have declared their independent capacity, and therefore, the proportion achieves 53% of the members. The independent capacity of the members of the Board has not been questioned.
Recommendation II.5: Commit to the existence of rules and proceedings inherent to the selection and proposal of the members of the Management Body and first-line managers. Answer whether:				
II.5.1 Issuer has a Designations Committee	x			The Bank has a Designations Committee (known as Corporate Governance and Designations Committee).
II.5.1.1 composed by at least three members of the Management Body, a majority of which acts as independent members,		x		The Committee shall be composed so that independent Directors are the majority. In addition, the Board has designated as members of such Committee the Head of Human Resources, the Head of Comprehensive Risk Management and the Head of Legal Affairs.
II.5.1.2 chaired by an independent member of the Management Body,	x			The Bank determined this Committee shall be chaired by an independent director.
II.5.1.3 whose members prove to have enough knowledge and experience in human capital policy matters,	x			The members of the Committee have long and proved experience in terms of Human Resources and solid knowledge of the banking business.
II.5.1.4 whose members meet at least twice a year.	x			The Committee meets at least semi-annually.

	Compliance Total[1]	Partial	Non-compliance	Inform [2] o Explain [3]
II.5.1.5 whose decisions are not binding for the General Shareholders' Meeting but rather of an advisory nature as to the selection of the members of the Management Body.	x			According to the Board of Directors definition, under the Corporate Governance Policy, the directors must be morally suitable and have experience in and knowledge of the banking business. There are no formal requirements to participate in the board apart from those set forth by the applicable laws. On the other hand, the Central Bank of the Republic of Argentina (BCRA), through its CREFI circulars (communications regarding the Creation and Operation of Financial Entities), sets forth evaluation criteria followed in order to grant the authorization to the directors designated by the shareholders' meeting. No person falling within the inabilities and incompatibilities established by law may act as Director. The legal representative must verify the person nominated to be designated as director does not fall within such inabilities or incompatibility grounds. Regard shall be given to whether the person has been convicted for money-laundering and/or terrorism financing activities or crimes and has been sanctioned by the Financial Reporting Unit or has been disqualified, suspended, prohibited or revoked by the Central Bank of the Republic of Argentina (BCRA), the Argentine Securities Exchange Commission (CNV) and/or the National Superintendency of Insurance (SSN for its acronym in Spanish). The Board must be composed by at least 2/3 of directors suitable and with experience in managing positions or other prominent positions related with the public or private financial activity, either in the country or abroad. The BCRA shall evaluate the background information of the designated directors. Previous evaluation by the BCRA of the background information or record shall not be necessary when: i) the designated director has already acted as such in a financial entity and was subject to previous evaluation by the BCRA; ii) the time elapsed from termination of such office and the new proposal or designation does not exceed 3 years; or iii) the office to hold is in a financial entity of the same or inferior class –pursuant to the provisions of section 2 of the Financial Entities Law No. 21526- and/or of inferior Group, pursuant to the provisions of Section 4 – Revised Text "Financial Entities Authorities – Division of Executive and Management Duties).
II.5.2 In case the entity has a Designations Committee, answer whether such committee:				
II.5.2.1. verifies the annual review and evaluation of its rules and regulations and suggests the Management Body the amendments for the approval thereof,	x			The Committee revises on an annual basis its rules and regulations and suggests to the Board any possible amendments or changes to be done.
II.5.2.2 proposes the development of criteria (qualification, experience, professional reputation, ethics and other) for the selection of new members of the Management and senior managers,		x		The Board of Directors has defined the criteria for the selection of new members of the Board and included them in the Corporate Governance Policy (see II.5.1.5). The Bank's directors must be morally suitable and have experience in and knowledge of the banking business. There are no formal requirements to participate in the Board apart from those set forth by the applicable laws. Fulfillment with such requirements is evaluated at the time of the proposal for the designation of the directors made by the shareholders' meeting as well as on a periodic basis during the time the director holds office as such. As to Senior Management (first-line managers), the Bank features a selection process that includes defining position requirements and search strategy, competence selection interviews, level of adjustment to the Bank's culture and technical knowledge with Human Resources and the line, and also complementary pre-employment tests, aimed at gathering as much information as possible to choose the best candidate to fill the position.

	Compliance Total[1]	Partial	Non-compliance	Inform [2] o Explain [3]
II.5.2.3 identifies candidates to hold office as members of the Management Body to be proposed by the Committee to the General Shareholders' Meeting,				We consider this item does not apply since the Argentine laws establish that the proposal for the designation of new Directors must be submitted by the shareholders, who have not delegated such functions.
II.5.2.4 suggests members of the Management Body who shall act as members of the different Committees within the Management Body in accordance with their background,				We consider this item does not apply since the Board of Directors is the body deciding the composition of the Bank's Committees.
II.5.2.5 recommends that the Chairman of the Board shall not simultaneously act as General Manager of Issuer,	x			The Bank complies with this recommendation since the President of the Bank does not act as General Manager. The Board has designated a General Manager who is not part of the Board of Directors.
II.5.2.6 ensures the availability of the resumes of the members of the Management Body and senior managers in Issuer's website, where there is express indication of the term of their mandates in the first case,	x			Pursuant to the provisions of the Board contemplated in the Transparency Policy, the Bank's website (www.macro.com.ar – Investor Relations section) shows the information regarding the composition and a brief description of the resumes of the directors, the members of the Supervisory Committee and Senior Management Officers.
II.5.2.7 confirms the existence of a succession plan applicable to the Management Body and senior managers.		x		The Argentine laws grant the Shareholders' Meeting the power to appoint the members of the board of directors of a company. Senior Management: when companies need to develop a Business Strategy, they require physical and financial assets, and inevitably people to provide them with the knowledge and management capacity. For this reason, the Bank decided that Human Capital must also be planned, in order to efficiently meet present and future requirements of the business. This planning implies: identifying business needs and what competences and capabilities we will need; when should they be available and implementing actions to have the necessary professional resources for each situation. It is Banco Macro's policy to have a qualified professional team to hold Management positions and to allow the Bank's short, medium and long-term growth and development.
II.5.3 3 If applicable, please add any implemented policies designed by the Designations Committee of Issuer not mentioned in the preceding item.				Not Applicable.

	Compliance Total[1]	Partial	Non-compliance	Inform [2] o Explain [3]
Recommendation II.6: Evaluate whether it is convenient to have the members of the Management Body and/or auditors and/or members of the supervisory committee rendering services for several Issuers. Answer whether:				
Issuer establishes a limit to the members of the Management Body and/or auditors and/or members of the supervisory committee to render services for or hold offices in other entities that are not part of the economic group controlled by Issuer and/or of which Issuer is a member. Specify such limit and indicate whether during the year Issuer detected and verified any violation of such limit.	x			The Board considers appropriate not to limit the number of companies in which the directors and/or auditors of the Bank may hold office as such. The board bases its decision in this respect on the diversity of knowledge and experience that such other offices may contribute to the directors and/or auditors. This decision is contemplated in the Code of Corporate Governance, as approved by the Board of Directors.
Recommendation II.7: Ensure the training and development of the members of the Management Body and senior managers of Issuer. Answer whether:				
II.7.1 Issuer has continuing Training Programs related to Issuer's needs for the members of the Management Body and senior managers, which include matters regarding their role and responsibilities, the integral management of business risks, specific aspects of the business and the rules and regulations applicable thereto, corporate governance dynamics and matters regarding corporate social responsibility. In the case of the members of the Supervisory Committee, international accounting standards, audit and internal control principles and rules and specific capital market rules and regulations. Describe the programs implemented during the year and the level of fulfillment thereof.	x			The Bank features a continuing formation and training program for the members of the Board and Senior Management officers. In addition, these officers, within the scope of their responsibilities, have the possibility of arrange their training in different subjects related to the business, and the bank provides the necessary resources to allow such training. During the last fiscal year, the Directors have attended training courses on Corporate Governance, Corporate Social Responsibility, Anti-Money Laundering, which have been given by independent and internal advisors and have had adequate compliance. Besides, they are regularly given information sessions related to regulatory matters of banking nature and also on micro and macroeconomic aspects. They frequently participate in courses, seminars or similar events on banking, anti-money laundering matters, among other subjects.
II.7.2 Issuer encourages, by other means not described in II.7.1 above, the members of the Management Body and first-line managers to keep a constant training to complement is formation level in order to add value to Issuer. Indicate how Issuer accomplishes this.	x			The formation and training program is aimed at fostering the commitment of those who direct the company so that they are the main transmission sources both of knowledge and the Bank's culture. Therefore, our policy includes both internal and external training activities in order to allow the officers to propose the formation alternatives that best suit or meet their needs and the needs of the person to carry out his/her work at the Bank.

	Compliance Total[1]	Compliance Partial	Non-compliance	Inform [2] o Explain [3]
PRINCIPLE III. GUARANTEE AN EFFECTIVE POLICY OF IDENTIFICATION, MEASUREMENT, MANAGEMENT AND DISCLOSURE OF BUSINESS RISK				
Recommendation III: The Management Body must have a comprehensive business risk management policy and monitors the appropriate implementation thereof. Answer whether:				
III.1 Issuer features comprehensive business risk management policies (of compliance with strategic, operating and financial goals, with account reporting requirements, laws and rules and regulations, among others). Please describe the most relevant aspects of such policies.		x		Macro Risk Management Policy defines the environment for the risk management process, under the notions of risk identification, measurement and monitoring. It also establishes the responsibilities of each level within the Organization in this process. The risk management process includes the Board defining exposure limits for each of the risks, following up the exposure of each of such limits by the persons in charge, preparing periodic reports for the Risk Management Committee, following up the alerts and applying the relevant action plans to such alerts.
III.2 There is a Risk Management Committee within the Management Body or the General Management. Please inform about the existence of procedural guidelines and provide details of the principal risk factors that are specific for Issuer or its activity and the implemented mitigation actions. In the absence of such Committee, please describe the supervisory function performed by the Supervisory Committee as regards risk management. Additionally, specify the interaction level between the Management Body or its committees and Issuer's General Management regarding the comprehensive business risk management actions and proceedings.		x		The Board has decided the creation of a Risk Management Committee. In addition, it has designated a Comprehensive Risk Manager, who supervises the Head of Compliance and the Head of Risk Management, who in turn is responsible for each of the risk officers within the Bank. The Head of Comprehensive Risk Management is responsible for the follow-up of the activities of the Senior Management regarding the management of the credit, market, liquidity, operation risks, among other risks. The Head of Comprehensive Risk Management advices the Board on the risks to which the entity is exposed. This Committee is formed by 3 Directors, 2 of them acting as independent directors, the General Manager, The Head of Comprehensive Risk Management Department, the Head of Risk Management, the Credit Risk Manager, the Head of Finance, the Head of Human Resources and the Head of Operations and Technology. Within the scope of risk management, each person in charge of risk management issues designs and implements the specific policies and proceedings applicable to each of the risks (credit, market, operational), follows up risk exposure based on the limits and/or thresholds defined for each risk in agreement with the Board. Additionally, the person in charge informs about any alerts that may arise and coordinates the implementation of the applicable action plans to regularize the situation. The description of the risk management framework is included in the Annual Report prepared for the present fiscal year, in the notes to the Financial Statements and in our Website. The Committee keeps the Board updated and informed about the risk management framework. The Board is aware of all the minutes of the meetings held by the Committee.
III.3 There is an independent function within Issuer's General Management that implements the comprehensive risk management policies (function of the Risk Management Officer or equivalent). Specify.		x		Risk management responsibility falls on the Head of Integral Risk Management. The Risk Management Committee is in charge of following up risk management matters. The Committee is in charge of establishing an independent risk management. It also advises and keeps the Board updated on the entity's risks.

	Compliance		Non-compliance	Inform [2] o Explain [3]
	Total[1]	Partial		
III.4 Integral risk management policies are constantly updated in accordance with the recommendations and methods recognized and accepted in this field. Specify which ones (Enterprise Risk Management, under the scope of COSO – Committee of Sponsoring Organizations of the Treadway Commission-, ISO 31000, IRAM 17551, section 404 of Sarbanes-Oxley Act, others).	x			Risk Management Policies are continuously updated, adjusting the bank's practices to the best market practices, based on the model's maturity. These policies and specific procedures are submitted to the consideration of the Risk Management Committee as well as any amendments or changes to be introduced. Risk management policies are in line with the recommendations issued by the Basle Committee and the rules of the BCRA and comply with section 404 of Sarbanes-Oxley Act.
III.5 The Management Body communicates the results of supervision of risk management actions performed on a joint basis with the General Management in the financial statements and in the Annual Report. Describe the main aspects of the statements made therein.	x			The risk management framework is shown through the Notes to the Financial Statements, the Annual Report for the relevant fiscal year, and in our Website section called Investors Relations (http://ri-macro.com.ar/). Additionally, in such website we publish the Market Discipline report, a summary of the risk management framework applied by the Bank. The main aspects of the involve a description of the process of identification, measurement, monitoring and control applicable to each risk, as well as the guidelines for stress tests and the methods used to determine de economic capital.
PRINCIPLE IV. PROTECT THE INTEGRITY OF FINANCIAL INFORMATION WITH INDEPENDENT AUDITS				
Recommendation IV: Guarantee the independence and transparency of the functions entrusted to the Audit Committee and the Independent Auditor. Answer whether:				
IV.1. When the Management Body appoints the members of the Audit Committee, taking into account that the majority of them must be independent, evaluates the convenience that such Audit Committee be chaired by an independent member.	x			The Bank lists its shares in the New York Exchange; therefore it is subject to Rule 10A-3 of the Securities Exchange Act of 1934 (Section 303A.06), which establishes that all the members of the Audit Committee must be independent Directors. The Bank's Audit Committee is composed of three regular directors, who are independent under the rules of the CNV. Accordingly, the Audit Committee is chaired by an independent Director.

	Compliance Total[1]	Partial	Non-compliance	Inform [2] o Explain [3]
IV.2 There is an internal audit function reporting to the Audit Committee or to the Chairman of the Management Body and that is in charge of evaluating the internal control system. Indicate whether the Audit Committee or the Management Body makes an annual evaluation about the performance of the internal audit department and the degree of independence of its professional work, meaning that the professionals in charge of such function are independent from the rest of the operating departments and also meet independency requirements as to the controlling shareholders or related entities having significant influence on Issuer. Specify, as well, whether the internal audit function carries out its work in accordance with the standards of international profession of internal audit issued by the Institute of Internal Auditors (IIA).	x			There is an Internal Audit function that reports to the Audit Committee provided for in section 109 of the Capital Markets Act 26831 and to the Internal Audit Committee (the latter, required under the provisions of the Central Bank of the Republic of Argentina). The Audit Committee provided for in section 109 of the Capital Markets Act 26831 performs an annual review on the performance of the Internal Audit department and also on the degree of independence of such activities. This evaluation is carried out by reviewing the internal auditors' plans and the performance thereof. Particularly, there are periodic meetings with them in order to learn about: i) their responsibilities, ii) the internal audit policies and proceedings, iii) the scope and plans for the fiscal year, including the sufficiency of available resources to be used, personnel's experience and related costs, iv) their evaluation on the quality of the controls carried out by the Entity, v) fraud-related risk factors, and vi) the kind of reports issued thereby and to whom they are addressed and sent such reports. In addition, they discuss about: i) the quality of the Entity's general control environment, ii) the material recommendations to improve internal controls and the Board's response to such recommendations, iii) the treatment given to material recommendations issued by independent auditors in order to improve internal control and, iv) the effectiveness of internal controls over the accounting reports to be used by third parties. The Internal Audit department reports directly to the Committee, being independent form the operating and business departments. The internal audit department performs its work in accordance with the standards of international profession of internal audit issued by the Institute of Internal Auditors (IIA). In addition, the Internal Audit department is evaluated by the Central Bank of the Republic of Argentina.
IV.3 The members of the Audit Committee perform an annual evaluation of the competence, independence and performance of Independent Auditors appointed by the Shareholders' Meeting. Describe the relevant aspects of the proceedings used to carry out such evaluation.	x			The Audit Committee provided for in section 109 of the Capital Markets Act 26831 makes an annual evaluation of the competence, experience and performance of Independent Auditors, through periodic meetings with them in order to learn about: i) the internal quality controls the have, ii) the scope and plans for their reviews limited by interim periods and for their audit for the final year, including the sufficiency of the resources to be used and the fees, iii) their evaluation of the risk of material errors in the financial statements and the designed controls, iv) the departments evaluated as of higher risk, and v) internal control improvement recommendations. Besides, at such meetings the Audit Committee and the Independent Auditors discuss about: i) critical accounting policies and alternative accounting treatments discussed with the Management, ii) the most significant estimates and opinions, iii) changes in the scope of the work or proceedings planned due to a change in risk assessment, iii) weakness in internal control of accounting reporting, iv) the use of specialized people or experts in material matters, and v) the results of their limited reviews and audits. Finally, the Committee evaluates the different professional services and their relationship with independence, pursuant to the provisions of the professional standards, the CNV's rules and regulations and the internal policies aimed at ensuring compliance with the above described independence rules and/or standards. The Bank has obtained information on the composition of the fees billed by the different services rendered in accordance with the categorization defined under the CNV's rules and regulations. The Independent Auditors' function is in turn evaluated by the Central Bank of the Republic of Argentina.

	Compliance		Non-compliance	Inform [2] o Explain [3]
	Total[1]	Partial		
IV.4 Issuer features any policy regarding the rotation of the members of the Supervisory Committee and/or the Independent Auditor; and in connection with the latter, whether such rotation includes the auditors company or firm or only the individuals that are members thereof.	x			The provisions of the Central Bank of the Republic of Argentina, through the CONAU rules – Accounting and Audit, Chapter F – Minimum Provisions on Independent Audits of the BCRA, provide for the rotation of the signing partner every five years. On the other hand, the provisions of the CNV for issuing companies provide, pursuant to General Resolution 663 dated 5 May 2016, the following: SECTION 28.- The rotation of the key audit partners must comply with the provisions of the Exhibit "Rules on the Independent Nature of Auditors" of Technical Resolution No. 34 issued by the FACPCE for public interest entities. If the firm or association of public accountants only has a limited number of persons with the knowledge and experience necessary to act as key audit partner of issuer, issuer shall be released form the obligation to rotate audit partners provided the rotation requirement is replaced by the participation of an additional professional not related with the audit team who shall revise the work done or, otherwise give appropriate advice, taking into account –among other factors- the entity's nature, the risks involved and the complexity of the transactions. This additional professional shall not exceed the term of SEVEN (7) years, the above mentioned rotation being applicable, and shall be governed by the same rules and regulations as those applicable to the audit firm or association. Besides, the participation of this professional may be replaced with any person who is not a member of such audit firm or association, allowing all types of service contracts or temporary union by virtue of which such professionals or associations shall meet the present rule. The entity subject to the public offering regime, in order to determine the moment in which it shall rotate the key audit partner in such entity, shall have to take into account the time during which such persona has rendered audit services as key audit partner. When an entity enters the public offering regime, in order to determine the date on which the rotation shall occur, the entity must take into account the time during which the public accountant has rendered services to the entity as key audit partner before the entity entered the public offering regime. If the public accountant has acted as key audit partner for FIVE (5) years or a shorter period, the number of years during which such public accountant may continue to act as key audit partner, before vacating such office due to the rotation requirement, is seven years, after deducting the years he served as key audit partner. If the public accountant has acted as key audit partner for the customer during SIX (6) years or more at the time the entity enters the public offering regime, the partner may continue to act as such during a maximum term of two additional years before vacating the office pursuant to the rotation requirement". On the other hand, the Bank has no rotation policy applicable to the members of the Supervisory Committee, since the designation thereof is the responsibility of the shareholders.

	Compliance Total[1]	Partial	Non-compliance	Inform [2] o Explain [3]
PRINCIPLE V. RESPECT THE RIGHTS OF SHAREHOLDERS				
Recommendation V.1: Ensure shareholders have access to Issuer's information. Answer whether:				
V.1.1 The Management Body promotes periodic information meetings with the shareholders simultaneously with the presentation of the interim financial statements. Provide details and indicate the number and frequency of the meetings held during the year.		x		The Investor Relations department, operating within the Finance Managing Department and whose purpose is to create and maintain relations with institutional investors, analysts and other agents of the local and international financial system, organized during 2018 four public conference calls with investors, in which it submitted the quarterly/annual statements of income.
V.1.2 Issuer features mechanisms to keep investors informed and a specialized department to attend to their queries. It also has a website available to the shareholders and other investors, allowing an access channel for them to be able to contact among themselves. Provide details.		x		Issuer features a channel open to investors through its website and a specialized department devoted to managing Investor Relations through which investors may direct their queries and/or requests. Additionally, Issuer hired press release distribution services and a mail distribution system (mailing) that allows the distribution of all news Issuer considers relevant. Due to the shareholding structure of Banco Macro and the knowledge they have of each other, the Bank does not consider necessary to establish access channels to allow the shareholders to contact among them.
Recommendation V.2: Encourage all shareholders' active participation. Answer whether:				
V.2.1 The Management Body adopts actions to encourage the participation of all the shareholders in General Shareholders' Meetings. Specify, differentiating those measures or actions required by law and those voluntarily offered by Issuer to its shareholders.		x		Banco Macro considers very important to encourage and foster the attendance and active participation of minority shareholders in the meetings. The Board is permanently watching over the respect of the rights of all shareholders. There are no restrictions at all which may limit the participation of such shareholders, being their rights legally and statutorily guaranteed and protected.
V.2.2 The General Shareholders Meeting has Rules and Regulations applicable to its operation that ensure the information is available to the shareholders, sufficiently in advance for decision making. Describe the main guidelines of such Rules and Regulations.		x		The provisions of the Business Company Act No. 19550 ensure that the information and documentation for decision making by the shareholders' meeting is available to the shareholders sufficiently in advance.

	Compliance Total[1]	Partial	Non-compliance	Inform [2] o Explain [3]
V.2.3 The mechanisms implemented by Issuer for the minority shareholders to propose matters to be discussed at the General Shareholders' Meeting pursuant to the laws in force apply. Explain the results.	x			Banco Macro complies with the mechanisms established under Act 19550 and the Rules of the Argentine Securities Exchange Commission (CNV), so that the minority shareholders may propose mattes to be discussed at the General Shareholders' Meeting.
V.2.4 Issuer features policies encouraging the participation of the most relevant shareholders, such as institutional investors. Specify.	x			Banco Macro complies with the applicable laws and, therefore, gives the same treatment to all the shareholders. The Bank has a department of Investor Relations devoted to create and maintain relations with institutional investors, analysts and other local and international financial system agents.
V.2.5 At Shareholders' Meetings, the agenda of which includes the designation of members of the Management Body, the entity discloses, prior to voting: (i) the position of each of the candidates as to the adoption or not of a Code of Corporate Governance; and (ii) the basis for such position.				The Bank has determined that these representations be made at shareholders' meetings and this aspect is communicated to the shareholders in the notice calling to the relevant meeting.
Recommendation V.3: Guarantee the equity principle between share and vote. Answer whether:				
Issuer features a policy that encourages the equity principle between share and vote. Indicate the changes in the composition of outstanding shares per class during the last three years	x			Pursuant to Sect. 216 of the Business Company Act 19550, no shares with privileged voting rights may be issued after the company has been authorized to enter the public offering regime. Therefore, at present Banco Macro cannot issue shares with plural voting votes. The existing 11,235,670 shares with 5 votes represent 1.7% of the total outstanding shares. The composition of the capital stock has changed during the last three years: Class A Shares: 11,235,670 Class A + Class B Shares: 669,663,021
RECOMMENDATION V.4: Define mechanisms to protect all the shareholders from control changes. Answer whether:				
Issuer adheres to the public offering regime of mandatory acquisition. Otherwise, specify if there are other alternative mechanisms provided for in the entity's bylaws, such as tag along or others.	x			Banco Macro adheres to the mandatory public offering regime of acquisition under the Capital Markets Act 26831 and its applicable Rules and Regulations issued by the CNV (N.T. 2013 and the amendments thereof)..

	Compliance Total[1]	Partial	Non-compliance	Inform [2] o Explain [3]

Recommendation V.5: Increase the percentage of outstanding shares over capital sock. Answer whether:

Issuer has a stock dispersion of at least 20% for its common shares. Otherwise, Issuer has a policy aimed at increasing stock dispersion in the market. Indicate Issuer's stock dispersion as a percentage of Issuer's capital stock and the changes it went through during the last three years.	x	Banco Macro's stock dispersion index is above the 20% defined as good practice. Three comparative years: 12/31/2016: Floating 30.10; Anses (FGS) 31.50; Controlling Group 38.40 12/31/2017: Floating 39.25; Anses (FGS) 27.49; Controlling Group 33.26 12/31/2018: Floating 39.24[*]; Anses (FGS) 27.49; Controlling Group 33.27 [*] includes 4.32% treasury stock.

Recommendation V.6: Ensure a transparent dividend policy. Answer whether:

V.6.1 Issuer features a dividend distribution policy under the Corporate Bylaws and approved by the Shareholders' Meeting, which establishes the conditions to distribute dividends in cash or in kind. If such policy exists, indicate the criteria, frequency and conditions that must be met to declare the payment of dividends.	x	Section 32 of the bylaws provides for the application by shareholders' meeting of the net profits reported in the financial statements as approved by such management. The Code of Corporate Governance provides that the dividend distribution policy of Banco Macro is based on keeping the appropriate balance between the distributed amounts and the investment and expansion policies of the Bank. It is worthwhile to mention that this dividend policy may be conditioned in the future for the existence of market regulations and for the strategic plans that the company may adopt on each opportunity. Additionally, the distribution of dividends to shareholders is regulated by the revised text Income Distribution issued by the Central Bank of the Republic of Argentina.
V.6.2 Issuer has documented processes for the preparation of the proposal regarding the application of accumulated earnings of Issuer deriving in the creation of legal, statutory or voluntary reserve funds, or carry forwards and/or payment of dividends. Explain such processes and provide details as to which Shareholders' Meeting approved the distribution (in cash or in kind) or otherwise resolved not to distribute such earnings, in case there are no provisions regarding this aspect in the Corporate Bylaws.	x	The Bank features a procedure for the preparation of the "Year Profit Distribution Project". Such procedure involves the determination of the distributable amount under the provisions of the Central Bank of the Republic of Argentina, the issuance of accompanying reports on the results thereof, the effects of the potential distribution of profits on the technical relationships with the BCRA, the Bank's financial position and Business Plan. These reports are submitted to the Board of Directors to be taken into account at the time of making the proposal to be submitted to the Shareholders' Meeting. The Shareholders' Meeting held on April 27th 2018 resolved to apply the retained earnings of the year 2017 as follows: Total Retained Earnings de AR$ 9,388,771,818.55: a) AR$ 1,877,754,363.71 to the Legal Reserve Fund, b) AR$ 7,511,017,454.84 to the optional reserve fund for future distribution of profits under Communication "A" 5273 issued by the Central Bank of the Republic of Argentina.

	Compliance Total[1]	Partial	Non-compliance	Inform [2] o Explain [3]
PRINCIPLE VI. MAINTAIN A DIRECT AND RESPONSIBLE RELATIONSHIP WITH THE COMMUNITY				
Recommendation VI: Provide to the community the disclosure of matters related to Issuer and a direct communication channel with the company. Answer whether:				
VI.1 Issuer features an updated public access Website, not only providing company-related information (bylaws, economic group, composition of the Management Body, financial statements, annual report, among other information) but also servicing and attending to customers' queries in general.	x			Banco Macro's Website contains an "Investors Relations" link where the Bank presents company-related information required to comply with the best practices. (http://www.macro.com.ar/relaciones-inversores/home). This website provides contact information and allows investors to submit their queries and concerns. In addition the Bank has defined several contact mechanisms through the channels receiving customers' queries (branch offices, call center, customer service, Internet banking).
VI.2 Issuer issues a Social Corporate and Environmental Responsibility Report on an annual basis, under the verification of an Independent Auditor. In case it does so, indicate the scope or legal or geographical coverage thereof and where to find it. Specify which standards or initiatives Issuer has adopted to carry out its corporate social responsibility policy (Global Reporting Initiative and/or United Nations Global Compact ISO 26,000, SA8000, Milenium Development Goals, ESG 21-Foretica, AA 1000, Equator Principles, among others).	x			Banco Macro issues from the year 2007 its annual report on Corporate Social and Environmental Responsibility accounting for the actions performed throughout the country. Corporate Sustainability is part of the Bank's culture where the focus is placed on the vulnerable sectors, and on the creation of opportunities in each region of the country, based on the offering of quality financial products and services and the responsible management of the impact and risks of the business for the benefit of present and future generations. In 2014, the Bank made its first Integrated Sustainability Report. For the preparation of such report we used the following guidelines: i) G4 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) with the Sector Supplements for the financial industry, meeting the "in accordance" criterion and achieving the "Core" option, ii) the Framework prepared by the International Integrated Reporting Council (IIRC) and iii) the 10 principles of the United Nations Global Compact.. These documents are available in our institutional website.
PRINCIPLE VII. PAY FAIR AND RESPONSIBLE REMMUNERATIONS				
Recommendation VII: Define clear remuneration policies applicable to the members of the Management Body and first-line managers, paying particular attention to the recognition of conventional or statutory limitations based on the existence or non-existence of earnings. Answer whether:				
VII.1 Issuer has a Remuneration Committee,	x			The Board has established the creation of an Incentive Committee, with responsibilities regarding the supervision of the economic incentive system applicable to the Bank's personnel and its consistency with the Entity's culture, goals, long-term business, strategy and control environment and prudent assumption of risks. In the definition and description of such responsibilities the Entity considered the recommendations issued by the Central Bank of the Republic of Argentina in its Communication "A" 5201 – Financial Entities Corporate Governance Guidelines.

	Compliance	Non-compliance	Inform [2] o Explain [3]
	Total[1]	Partial	
VII.1.1 composed of at least three members of the Management Body, in its majority independent members ,		x	The Incentives Committee shall be composed of a majority of independent directors. The Board has designated as members of this Committee the Head of Comprehensive Risk Management and the Head of Human Resources as well.
VII.1.2 presided by an independent member of the Management Body,	x		The Remuneration Committee is chaired by an Independent Director.
VII.1.3 formed by members that prove to have enough knowledge and experience in human resources policy issues,	x		The Committee members prove to have knowledge and experience in banking business matters and in human resource management-related policies.
VII.1.4 that meets at least twice a year,	x		The Committee meets at least semiannually.
VII.1.5 whose decisions are not necessarily binding upon the General Shareholders' Meeting or the Supervisory Committee , but are of an advisory nature as to the remuneration of the members of the Management Body.		x	The Argentine laws provide that the Shareholders' Meeting shall evaluate on an annual basis the performance and acts of the Board at the time of holding the general meeting evaluating the matters provided for under subsections 1 and 2 of section 234 of the Business Company Act No. 19550. To the date hereof, such body has not evaluated the possibility that the Board evaluates its own performance prior to the holding of such Shareholders' Meeting. Notwithstanding the above, the Board has established for its own management, the Board's Self-Assessment Policy, being the Corporate Governance Committee the body in charge of seeing to the implementation thereof, which shall be performed individually (through a Self-Assessment Survey) and in groups, pursuant to the consolidated results obtained.
VII.2 If Issuer does have a Remunerations Committee, such Committee shall:			
VII.2.1 ensure the existence of a clear relationship between the key personnel's performance and the fixed and variable remuneration thereof, taking into account the risks assumed and the management thereof,	x		The Variable Remuneration program, within the scope of the Remuneration Policy, is consistent with the mission and values of the organization, the goals, the long-term business sustainability, the strategy, the control environment and the prudent assumption of risks. The Variable Remuneration is aimed at recognizing the extraordinary performance of the employees in accordance with: • employee's contribution to the results obtained • employee's acts in line with the mission and values of the Organization The relevant variables for the determination of the remunerations are the following: • Position's degree of responsibility and complexity • Employee's Capacities and Potential • Employee's Performance and Results • Position with respect to reference market • Organization's results

	Compliance		Non-compliance	Inform [2] o Explain [3]
	Total[1]	Partial		
VII.2.2 supervise that the variable portion of the remuneration of the members of the Management Body and first-line managers relates to the medium/long-term performance of Issuer,		x		The Incentives Committee supervises compliance with the Remuneration Policy and carries out an annual revision of the entire incentive system. The Remuneration Policy, in its chapter on variable remuneration, includes the Senior Managers and some supervision positions. The remuneration of the Directors is determined by the Shareholders' Meeting that evaluates on annual basis the performance and acts of the Board at time of holding the general meeting called to consider the matters provided for under subsections 1 and 2 of section 234 of the Business Company Act No. 19550. The shareholders' meeting defines a fixed amount as annual remuneration of the directors in accordance with reasonability criteria, based on the results obtained during their administration, taking into account the provisions of the Business Company Act No. 19550, the Capital Markets Act No. 26831, as amended and supplemented, and the Rules of the Argentine Securities Exchange Commission (CNV).
VII.2.3 revise the competitive position of Issuer's policies and practices as to remunerations and benefits of comparable companies, and recommend changes or not,	x			The Remuneration Policy includes as fixed remuneration revision mechanism the evaluation of the level thereof within the market scenario.
VII.2.4 define and communicate Issuer's employee-retention, promotion, dismissal and suspension policy applicable to key personnel	x			The Remuneration Policy, the supervision of which is the responsibility of the Incentive Committee, contemplates the mechanisms to be applied in order to evaluate the retention and promotion of the employees marked as key employees for the organization. On the other hand, the Bank has implemented a Code of Ethics and a Code of Business Conduct applicable to its officers. Deviations from internal compliance standards, is within the scope of the Ethics and Compliance Committee and some of the penalties are the suspension or dismissal of employees.
VII.2.5 inform the guidelines to determine the retirement programs for the members of Issuer's Management Body and senior managers,				Not applicable since Issuer has not defined retirement programs.
VII.2.6 account on a regular basis for the actions taken and the matters analyzed during its meetings to the Management Body and the Shareholders' Meeting,	x			The Board acknowledges the minutes of the meetings held by the Incentive Committee.
VII.2.7 it guarantees the presence of the chairman of the Remuneration Committee at the General Shareholders' Meeting approving the remunerations payable to the Management Body for the chairman to explain Issuer's policy as to the remuneration of the members of the Management Body and senior managers.				This item does not apply since the shareholders' meeting determines the annual remuneration of the directors in accordance with the reasonability criteria, based on the results obtained during their administration, taking into account the provisions of the Business Company Act No. 19550, as amended and supplemented and the Rules of the Argentine Securities Exchange Commission (CNV). In addition, it is not applicable for the reasons described in the Remuneration Policy and because in the case of Banco Macro Senior Managers are employed by the Bank and receive no additional payments apart from their remuneration.

	Compliance Total[1]	Partial	Non-compliance	Inform [2] o Explain [3]
VII.3 If relevant, please mention the policies applied by the Remuneration Committee of Issuer not described in the preceding section.				Not applicable
VII.4 If Issuer lacks a Remuneration Committee, explain how the functions described in VII.2 are performed within the Management Body.				Not applicable
PRINCIPLE VIII. ENCOURAGE CORPORATE ETHICS				
Recommendation VIII: Guarantee ethical behavior within Issuer. Answer whether:				
VIII.1 Issuer has a Code of Business Conduct. Describe the main guidelines and if such Code is available to the public in general. Answer if such Code is signed by at least the members of the Management Body and senior managers. Indicate whether Issuer's employees are encouraged to apply such Code to vendors and customers.	x			Banco Macro has adopted a Code of Ethics for its Directors and senior management officers and applicable to the persons that carry out similar functions (jointly referred to as "Senior Financial Officers"). This Code is available to the public in general and can be found in our corporate website. In addition, the Bank has implemented a Code of Conduct applicable to all its employees. The Bank expects all its employees to act in accordance with the highest personal and professional integrity levels in all aspects of their activity, to comply with the applicable laws, to discourage the performance of reprehensible acts and to abide by the Bank's Code of Conduct and other policies and proceedings adopted by the entity and that regulate the conduct of its employees. This Code of Ethics supplements the Bank's Code of Conduct. Furthermore, the Bank has implemented the Code of Conduct for Vendors, aimed at transmitting suppliers/vendors the mission, philosophy and values of the Bank, so as to bring to them the responsibility of sustainable actions. This Code includes aspects such as Ethical Behavior, Human Rights, Employment Practices, Environment and Conduct.
VIII.2 Issuer features mechanisms to receive the reporting of any unlawful act or any non-ethical action, in person or through any electronic means ensuring the information transmitted meets high confidentiality and integrity standards, such as those of registration and preservation of information. Indicate whether the report-reception and evaluation services are rendered by Issuer's personnel or by independent professionals for additional protection of those who report this kind of acts or behavior.	x			In line with its integrity and transparency standards, Banco Macro has made available to its personnel, vendors, investors, and third parties in general, a confidential communication channel known as Ethics Line, managed by an independent third party, KPMG, ensuring the confidentiality and anonymity principles. This communication channel allows the employees, customers and vendors to report any possible irregularities in or deviations from ethical behavior and conduct, including without limitation, those regarding accounting, audit and internal control issues. The reports may be sent through different channels, such as: telephone call, web, e-mail, fax, in person, mail. The received reports are communicated to the relevant Work Group, under de supervision of the Ethics and Conduct Committee. The Line administrator will inform within the next 24 hours from receipt, those reports marked as relevant, according to the defined protocol. The Ethics and Conduct Committee shall take note of all the reports received and processed and how they were treated, pursuant to the investigation and penalty proceedings in force. The Audit Committee analyzes the reports received through our Ethics Line, considering all the information furnished in such reports as strictly confidential to the extent permitted by the applicable law.

	Compliance Total[1]	Partial	Non-compliance	Inform [2] o Explain [3]
VIII.3 Issuer features policies, processes and systems to manage and resolve the reports described in item VIII.2. Please describe the most relevant aspects thereof and indicate the degree of involvement of the Audit Committee in such resolutions, particularly in those related to accounting reporting internal control issues and to the behavior of the members of the Management Body and senior managers.	x			Reports are received and registered through the following channels: Telephone: 0800 - 122 - 5768 E-Mail: eticagrupomacro@kpmg.com.ar Web: www.eticagrupomacro.kpmg.com.ar Mailing Address: Bouchard 710, 6to piso, 1001, Buenos Aires, Argentina, to the attention of "KPMG–Línea Ética Grupo Macro" Fax: +54 (11) 4316-5800 to the attention of "Línea Ética Grupo Macro" In the Bank's Website there is a link "Ethics Line", through which you may have access to institutional information about the Line and the channels. All reports received, are registered by the Line administrator into a system that returns to the reporting subject a registration number. This registration number allows the interested party to follow-up or check the progress of the report. The link is also available in the intranet, for the information of the Bank's employees.
PRINCIPLE IX: GO DEEPER INTO THE SCOPE OF THE CODE				
Recommendation IX: Encourage the incorporation good practices of corporate governance provisions into the bylaws. Answer whether:				
The Management Body evaluates if the provisions of the Code of Corporate Governance must be reflected, totally or partially, in Issuer's Bylaws, including the general and particular responsibilities of the Management Body.. Indicate which provisions are actually included in the Bylaws from the effective date of the Code up to the present day.	x			The general and special shareholders' meeting held on April 21st 2009 resolved to incorporate section 23 bis into the bylaws. This section provides that the Board of Directors may create a Designations and Corporate Governance Committee. Within the scope of such section, on November 7th 2011 the Board resolved to create a Designations and Corporate Governance Committee effective as of January 1st 2012, as well as the Risk Management Committee, the Incentives Committee and the Ethics and Compliance Committee.

GRI Content Index and 2018 Communication on Progress

The following table shows the Contents that meet GRI Standard requirements, pursuant to the Core option. In addition, we include some content required under the Comprehensive Option.

At the same time, we show the relationship with the Principles of the United Nations Global Compact, since this report constitutes our 2018 Communication on Progress (COP). We also show the Sustainable Development Goals that have already been prioritized by the Bank and that are linked to the GRI Contents.

GRI Standard	Content	Page Numbers	Omission	UN Global Compact Principles	Sustainable Development Goals (SDG)(1)
GRI 101: Foundation 2016					
General Contents					
GRI 102: General Disclosures 2016	102-1 Name of the organization	41			
	102-2 Activities, brands, products and services	41, 57-62, 81-93, 96-103,105-108			
	102-3 Location of headquarters	The Headquarters are located in Buenos Aires, Argentina.			
	102-4 Location of operations	Banco Macro has operations in all regions of the Argentina.			
	102-5 Ownership and legal form	41			
	102-6 Markets served	10-12, 81, 84, 96, 101-102, 105-108			
	102-7 Scale of the organization	78-79			
	102-8 Information on employees and other workers	135-136. 100% of the employees work full-time and has a permanent employment agreement		Principle # 6	8.5
	102-9 Supply chain	171-173			
	102-10 Significant changes to the organization and its supply chain	During 2018 there were no significant changes as to the size, structure, ownership and supply chain of Banco Macro.			
	102-11 Precautionary Principle or approach	51, 52-53, 63-65, 163-167			
	102-12 External initiatives	19, 68, 174-177			
	102-13 Membership of associations	68			
	102-14 Statement from senior decision-maker	4-5			
	102-15 Describe key impacts, risks, and opportunities	57-62, 57-71			

GRI Standard	Content	Page Numbers	Omission	UN Global Compact Principles	Sustainable Development Goals (SDG)(1)
	102-16 Values, principles, standards, and norms of behavior	49-55, 57, 63-67		Principle # 10	
	102-17 Mechanisms for advice and concerns about ethics	49-55, 200-201		Principle # 10	
	102-18 Governance structure	42-48			
	102-19 Delegating authority	42-48, 182			
	102-20 Executive-level responsibility for economic, environmental and social topics	Milagro Medrano is the Head of the Bank's Institutional Relations Department. She is in direct contact with the Board and manages the sustainability strategy as well as Fundación Banco Macro.			
	102-21 Consulting stakeholders on economic, environmental and social topics	55, 171-173, 195-197			
	102-22 Composition of the highest governance body and its committees	42-48			
	102-23 Chair of the highest governance body	The Chairman of the Board performs executive functions within the Bank.			16.6
	102-24 Nominating and selecting the highest governance body	42-48,186-188			
	102-25 Conflicts of interest	42-50, 180. During 2018 there were no conflicts of interest.			16.6
	102-26 Role of highest governance body in setting purpose, values and strategy	42, 63-67, 182			
	102-27 Collective knowledge of highest governance body	42-43, 55, 182-183, 189			
	102-28 Evaluating the highest governance body's performance	42-43, 181, 184-185			
	102-29 Identifying and managing economic, environmental and social impacts	48-55, 171-173, 182-183, 189-191			
	102-30 Effectiveness of risk management processes	48-55, 171-173m 182-183, 189-191			
	102-31 Review of economic, environmental, and social topics	42-44, 181-183			
	102-32 Highest governance body's role in sustainability reporting	The President of the Bank approves the Report.			
	102-33 Communicating critical concerns	55, 197			
	102-34 Nature and total number of critical concerns	42, 50, 171-173			
	102-35 Remuneration policies	42-43, 48, 171-173, 197-200			
	102-36 Process for determining remuneration	42-43, 48, 171-173, 197-200			
	102-37 Stakeholders' involvement in remuneration	42-43, 48, 171-173, 197-200. The opinions of external groups are not taken into account for the determination of remunerations.			

GRI Standard	Content	Page Numbers	Omission	UN Global Compact Principles	Sustainable Development Goals (SDG)(1)
	102-38 Annual total compensation ratio		Confidentiality Issues. Due to the local scenario in which the Bank carries out its business, this information is confidential in order to safeguard the personal safety of the Entity's employees and senior management officers.		
	102-39 Percentage increase in annual total compensation ratio		Confidentiality Issues. Due to the local scenario in which the Bank carries out its business, this information is confidential in order to safeguard the personal safety of our employees and top management officers of the entity.		
	102-40 List of stakeholder groups	19, 62			
	102-41 Collective bargaining agreements	All our employees are included in the collective bargaining agreement represented by Asociación Sindical de Bancarios (Banking Trade Union Association)		Principle # 3	8.8
	102-42 Identifying and selecting stakeholders	62-67			
	102-43 Approach to stakeholder engagement	119-133, 138, 144, 147, 151, 158-161, 171-173			
	102-44 Key topics and concerns raised	119-123, 130-132, 138, 151, 171-173			
	102-45 Entities included in the consolidated financial statements	41			
	102-46 Defining report content and topic Boundaries	171-177			
	102-47 List of material topics	171-173			
	102-48 Restatements of information	If there are any restatements of information of previous reports, these shall be explained with a footnote if applicable.			

GRI Standard	Content	Page Numbers	Omission	UN Global Compact Principles	Sustainable Development Goals (SDG)(1)
	102-49 Changes in reporting	There are no significant changes from previous reporting periods in the Scope of material topics and Topic Boundaries.			
	102-50 Reporting period	19			
	102-51 Date of most recent report	Year 2017			
	102-52 Reporting cycle	Banco Macro presents its integrated report communicating its economic, social and environmental performance annually.			
	102-53 Contact point for questions regarding the report	sustentabilidad@macro.com.ar Phone: (011) 5222 6500			
	102-54 Claims of reporting in accordance with the GRI Standards	176, 202			
	102-55 GRI content index	202-2011			
	102-56 External assurance	This report has not been externally verified.			
SIGNIFICANT TOPIS					
Indirect Economic Impacts					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	21-33, 57-62, 63-67, 135, 151-158, 161, 171-173			
	103-3 Evaluation of the management approach	21-33, 57-62, 63-67, 135, 151-158, 161, 171-173			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	151-158			
	Disclosure 203-2 Significant indirect economic impacts	81-93, 96-103, 105-115, 151-158			8.3, 8.5
Procurement Practices					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	21-33, 57-62, 63-67, 158-161, 171-177			1.4
	103-3 Evaluation of the management approach	21-33, 57-62, 63-67, 158-161, 171-177			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	158-161. We understand "Significant locations of operation" as the central departments and branches of Banco Macro distributed throughout the country.			8.3

GRI Standard	Content	Page Numbers	Omission	UN Global Compact Principles	Sustainable Development Goals (SDG)(1)
Anti-corruption					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	21-33, 42-55, 57-62, 63-67, 171-177			
	103-3 Evaluation of the management approach	21-33, 42-55, 57-62, 63-67, 171-177			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	42-55		Principle 10	16.5
	205-2 Communication and training about anti-corruption policies and procedures	205-1 Operations assessed for risks related to corruption			16.5
	205-3 Confirmed incidents of corruption and actions taken	No incidents of corruption reported in 2018.		Principle 10	16.5
Materials					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	57-62, 63-67, 115, 163, 166, 171-177			
	103-3 Evaluation of the management approach	57-62, 63-67, 115, 163, 166, 171-177			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	166		Principles 7 y 8	8.4
	301-2 Recycled input materials used	163-165			8.4, 12.5
	301-3 Reclaimed products and their packaging materials		Not applicable. Due to the nature of the business carried out by Banco Macro, this indicator is no applicable to the company.	Principle 8	8.4, 12.5
Energy					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	57-62, 63-73, 115, 163-165, 171-177			
	103-3 Evaluation of the management approach	57-62, 63-67, 115, 163-165, 171-177			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	163-165		Principles 7 y 8	8.4, 13.1
	302-4 Reduction of energy consumption	163-165		Principles 8 y 9	8.4, 13.1
	302-5 Reductions in energy requirements of products and services	164-165. Due to the nature of the business carried out by Banco Macro, total energy consumption is related to the service rendered.		Principles 8 y 9	8.4, 13.1

GRI Standard	Content	Page Numbers	Omission	UN Global Compact Principles	Sustainable Development Goals (SDG)(1)
Water					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	57-62, 63-67, 115, 163-164, 171-177			
	103-3 Evaluation of the management approach	57-62, 63-67, 115, 163-164, 171-177			
GRI 303: Water 2016	303-2 Water sources significantly affected by withdrawal of water	Water supply at Banco Macro is related to the use for food and sanitary purposes, through utility services without causing material impact on water sources.		Principle 8	
Emissions					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	57-62, 63-67, 115, 163-164, 171-177			
	103-3 Evaluation of the management approach	57-62, 63-67, 115, 163-164, 171-177			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	164-165		Principles 7 y 8	13.1
	305-2 Energy indirect (Scope 2) GHG emissions	164-165		Principles 7 y 8	13.1
	305-5 Reduction of GHG emissions	164-165		Principles 8 y 9	13.1
	305-6 Emissions of ozone-depleting substances (ODS)		Not applicable. Due to the nature of the business carried out by Banco Macro, this indicator is no applicable to the company.	Principles 7 y 8	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		Not applicable. Due to the nature of the business carried out by Banco Macro, this indicator is no applicable to the company.	Principles 7 y 8	
Effluents and Waste					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	57-62, 63-67, 115, 163-166, 171-177			
	103-3 Evaluation of the management approach	57-62, 63-67, 115, 163-166, 171-177			
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	166		Principle 8	12.5

GRI Standard	Content	Page Numbers	Omission	UN Global Compact Principles	Sustainable Development Goals (SDG)(1)
Evaluación ambiental de proveedores					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	57-62, 63-67, 158-161, 171-177			
	103-3 Evaluation of the management approach	57-62, 63-67, 158-161, 171-177			
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	158-161		Principle 8	
	308-2 Negative environmental impacts in the supply chain and actions taken	158-161. No negative impacts to report.		Principle 8	
Employment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	57-62, 63-67, 135, 171-177			
	103-3 Evaluation of the management approach	57-62, 63-67, 135, 171-177			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	135-137		Principle 6	8.5, 8.6
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	142-143. 100% of the employees work full-time. We understand "Significant locations of operation" as the central departments and branches of Banco Macro distributed throughout the country.			8.5
	401-3 Parental leave	137. All employees are entitled to parental leave.		Principle 6	8.5
Training and Education					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	57-62, 63-67, 135, 138-140, 171-177			
	103-3 Evaluation of the management approach	57-62, 63-67, 135, 138-140, 171-177			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	140		Principle 6	4.3, 4.4, 8.5
		138-140			8.5
Diversity and Equal Opportunity					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	57-62, 63-67, 135, 171-177			
	103-3 Evaluation of the management approach	57-62, 63-67, 135, 171-177			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	42-47, 136-137		Principle 6	8.5
	405-2 Ratio of basic salary and remuneration of women to men	We apply the same basic salary per professional category to men and women.		Principle 6	8.5

GRI Standard	Content	Page Numbers	Omission	UN Global Compact Principles	Sustainable Development Goals (SDG)(1)
No Discrimination					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	57-62, 63-67, 135, 171-177			
	103-3 Evaluation of the management approach	57-62, 63-67, 135, 171-177			
GRI 406: No Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No cases to report in 2017.		Principle 6	8.8
Freedom of Association and Collective Bargaining					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	57-62, 63-67, 135, 171-177			
	103-3 Evaluation of the management approach	57-62, 63-67, 135, 171-177			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Banco Macro considers trade union representation as a key aspect for the proper operation of the business. In this sense, we guarantee a fluid dialogue with the labor unions relevant to the Bank's activity.		Principle 3	8.8
Child Labor					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	57-62, 63-67, 135, 161, 171-177			
	103-3 Evaluation of the management approach	57-62, 63-67, 135, 161, 171-177			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	63-67, 161, 171-177		Principle 5	
Forced or Compulsory Labor					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	57-62, 63-67, 135, 161, 171-177			
	103-3 Evaluation of the management approach	57-62, 63-67, 135, 161, 171-177			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	63-67, 161, 171-177		Principle 4	
Customer Health and Safety					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	57-62, 63-67, 112-114, 171-177			
	103-3 Evaluation of the management approach	57-62, 63-67, 112-114, 171-177			

GRI Standard	Content	Page Numbers	Omission	UN Global Compact Principles	Sustainable Development Goals (SDG)(1)
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	112-115, 119-131			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No such incidents to report in 2018.			
Marketing and Labeling					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	57-62, 63-67, 119-123, 171-177			
	103-3 Evaluation of the management approach	57-62, 63-67, 119-123, 171-177			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Banco Macro abides by the following entities and Control Codes: • Central Bank of the Republic of Argentina (BCRA). • Argentine Securities Exchange Commission (CNV), for whom each year we issue our Corporate Governance Explanatory Report. • Code of Corporate Governance Practices of the Argentine Securities Exchange Commission. • Code of Banking Practices prepared by the different associations of banks and financial institutions of Argentina. • Investor Protection Code including guidelines and recommendations for compliance with investor protections rules within the public offering scenario. • Sarbanes-Oxley (SOX) Act, since the Bank lists its shares in the New York Stock Exchange (NYSE). • NYSE's Listed Company Manual, as amended, since the Bank qualifies as private foreign issuer. • Financial Information Unit (UIF) as to anti-money laundering and terrorism financing.			12.8
	417-2 Incidents of non-compliance concerning product and service information and labeling	No such incidents to report in 2018.			
Customer Privacy					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	57-62, 63-67, 112-114, 131, 171-177			
	103-3 Evaluation of the management approach	57-62, 63-67, 112-114, 131, 171-177			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	112-114			

GRI Standard	Content	Page Numbers	Omission	UN Global Compact Principles	Sustainable Development Goals (SDG)(1)
Financial Inclusion					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	21-33, 57-62, 63-67, 81-83, 86-90, 96, 109-110, 152-155, 171-177			
	103-3 Evaluation of the management approach	21-33, 57-62, 63-67, 81-83, 86-90, 96, 109-110, 152-155, 171-177			
	Number of customers per segment.	10-15, 81-84, 96			
	Total monetary value of products and services designed to create social benefits in basic business lines, by goal.	84-89, 96-103, 133, 152-155			
	Access points in scarcely populated or economically disadvantaged areas, by type	109-110			
	Initiatives to improve access of disadvantaged people to financial services	81-92, 112, 133, 152-155			
Financial Education					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	21-33, 57-62, 63-67, 150-158, 171-177			
	103-3 Evaluation of the management approach	21-33, 57-62, 63-67, 150-158, 171-177			
	Number of individuals trained in financial education actions	151-155			
Customer Experience					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	21-33, 57-62, 63-67, 119-133, 171-177			
	103-3 Evaluation of the management approach	21-33, 57-62, 63-67, 119-133, 171-177			
	Customer satisfaction measuring	119-131			
	Number of claims received and satisfactorily settled	131-133			
Volunteering					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	171-177			
	103-2 The management approach and its components	57-62, 63-67, 145, 151-155, 171-177			
	103-3 Evaluation of the management approach	57-62, 63-67, 145, 151-155, 171-177			
	Number of hours devoted to volunteering work days	145, 151-152			
	Number of participants in volunteering program	145, 151-152			

Notes:
(1) To prepare this relationship table we only took into account the SDGs prioritized by Banco Macro. We used the online tool powered by SDG Compass "Inventory of Business Indicators" available in https://sdgcompass.org.

Financial **Statements**

Banco Macro S.A.

Financial Statements for the year ended 31 December 2018 together with the Independent Auditors' Reports and the Supervisory Committee's Report.

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Financial Statements for the Year ended 31 December 2018

CORPORATE NAME:
Banco Macro S.A.

REGISTERED OFFICE:
Avenida Eduardo Madero 1182 - Autonomous City of Buenos Aires

CORPORATE PURPOSE AND MAIN ACTIVITY:
Commercial Bank

CENTRAL BANK OF THE REPUBLIC OF ARGENTINA (BCRA):
Authorized as "Argentine private bank" under No. 285

REGISTRATION WITH THE PUBLIC REGISTRY OF COMMERCE:
Under No. 1154 - By-laws Book No. 2, Folio 75 dated March 8, 1967

BY-LAWS EXPIRY DATE:
March 8, 2066

REGISTRATION WITH THE IGJ (SUPERINTENDENCY OF CORPORATIONS):
Under No. 9777 – Corporations Book No. 119 Volume A of Sociedades Anónimas, dated October 8, 1996.

PERSONAL TAX IDENTIFICATION NUMBER:
30-50001008-4

REGISTRATION DATES OF AMENDMENTS TO BY-LAWS:
August 18, 1972, August 10, 1973, July 15, 1975, May 30, 1985, September 3, 1992, May 10, 1993, November 8, 1995, October 8, 1996, March 23, 1999, September 6, 1999, June 10, 2003, December 17, 2003, September 14, 2005, February 8, 2006, July 11, 2006, July 14, 2009, November 14, 2012, August 2, 2014.

Name of Signing Auditor	Norberto M. Nacuzzi
Auditing Firm	Pistrelli, Henry Martin y Asociados S.R.L.
Report for the fiscal year ended 31 December 2018	001

Consolidated Balance Sheets as of December 31, 2018, 2017 y 2016

(Figures expressed in thousands of pesos)

Items	Notes	Exhibits	12/31/2018	12/31/2017	12/31/2016
ASSETS					
Cash and Cash Equivalents		P	74,766,039	35,561,574	35,986,159
Cash in hand			10,696,465	6,761,426	4,871,152
Central bank of the Republic of Argentina (BCRA)			50,212,127	23,703,476	28,482,100
Other Local and Foreign Entities			13,401,648	3,781,451	2,631,916
Other			455,799	1,315,221	991
Debt Securities at fair value through profit or loss		A and P	2,635,247	1,086,028	332,481
Derivative Financial Instruments	8	P	17,293	8,228	9,721
Repo transactions	4	P	-	1,419,808	19,124
Other Financial Assets		P and R	2,999,584	2,272,679	1,105,513
Borrowings and Other Financing		B, C, D, P and R	178,874,755	132,658,674	88,390,646
Non-financial Public Sector			1,775,507	1,883,581	1,585,481
Other Financial Entities			5,573,806	3,239,514	1,713,170
Non-financial Private Sector and Foreign Residents			171,525,442	127,535,579	85,091,995
Other Debt Securities		A and P	64,584,759	34,703,765	20,395,499
Other Financial Assets delivered as security	5	P	6,756,220	7,638,352	3,690,694
Investments in Equity Instruments		A and P	51,518	282,659	406,868
Investment in associates and joint ventures	11	E	108,823	218,947	124,268
Property, Plant and Equipment		F	9,002,694	8,193,441	7,229,412
Intangible Assets		G	1,401,017	828,022	586,915
Deferred Income Tax Assets	19		46,559	27,762	
Other Non-financial Assets			834,069	1,239,241	998,707
Non-current Assets held of Sale	13		804,017	199,890	94,588
TOTAL ASSETS			**342,882,594**	**226,339,070**	**159,370,595**

Consolidated Balance Sheets as of December 31, 2018, 2017 y 2016

(Figures expressed in thousands of pesos)

Items	Notes	Exhibits	12/31/2018	12/31/2017	12/31/2016
LIABILITIES					
Deposits		H, I and P	237,954,419	144,129,177	111,862,805
Non-financial Public Sector			19,354,087	12,890,701	9,468,055
Financial Sector			148,275	81,359	55,867
Non-financial Private Sector and Foreign Residents			218,452,057	131,157,117	102,338,883
Liabilities at fair value through profit or loss		I and P	-	6,450	
Derivative Financial Instruments	8		1,369	23,107	
Repo Transactions	4	I and P	164,469	2,688,093	1,095,634
Other Financial Liabilities		I and P	15,318,513	10,561,203	6,341,674
Financing received from the BCRA and Other Financial Entities		I and P	2,998,010	1,174,111	260,458
Corporate Bonds	35	I and P	6,377,311	4,712,216	1,684,636
Current Income Tax Liabilities			2,946,479	3,975,320	1,749,800
Subordinated Corporate Bonds	35	I y P	15,288,390	7,565,759	6,376,537
Provisions	15	J	1,045,894	694,919	335,007
Deferred Income Tax Liabilities	19		274,671	496,849	1,321,393
Other Non-financial Liabilities			5,875,117	3,576,001	3,164,159
TOTAL LIABILITIES			**288,244,642**	**179,603,205**	**134,192,103**
SHAREHOLDERS' EQUITY					
Share Capital	27		669,663	669,663	584,563
Non-capitalized Contributions			12,428,461	12,428,461	399,499
Adjustment to Shareholders' Equity			4,511	4,511	4,511
Earnings Reserved			21,995,937	20,363,386	14,384,820
Retained Earnings			3,264,742	2,799,084	2,990,757
Other accumulated Comprehensive Income			543,086	204,560	65,711
Income for the Fiscal Year			15,729,243	10,065,358	6,540,832
Net Shareholders' Equity attributable to the owners of parent company			54,635,643	46,535,023	24,970,693
Net Shareholders' Equity attributable to non-controlling interests			2,309	200,842	207,799
TOTAL SHAREHOLDERS' EQUITY			**54,637,952**	**46,735,865**	**25,178,492**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**342,882,594**	**226,339,070**	**159,370,595**

The accompanying Notes 1 to 41 to the consolidated Financial Statements and Exhibits A to J, L, N, P to R are an integral part of these Consolidated Financial Statements.

Signed as related
to our report dated 03/08/2019
PISTRELLI, HENRY MARTIN Y ASOCIADOS SRL
CPCECABA Tº 1 Fº 13

Norberto M. Nacuzzi
Partner
Certified Public Accountant - UBA
CPCECABA T° 196 F° 142

Signed as related
to our report dated 03/08/2019
BY THE SUPERVISORY COMMITTEE

Alejandro Almarza
Regular Syndic
Certified Public Accountant - UBA
CPCECABA T° 120 F° 210

Daniel H. Violatti
Head of Accounting
& Tax Department

Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
Chairman

Consolidated Financial Statement of Income for the fiscal years ended 31 December 2018 and 2017

(Figures expressed in thousands of pesos)

Items	Notes	Exhibits	12/31/2018	12/31/2017
Income from interest received		Q	65,577,382	34,594,718
Expense for interest paid		Q	(25,931,913)	(10,446,528)
Net Income from interest			**39,645,469**	**24,148,190**
Income from commissions received	20	Q	11,888,974	9,186,220
Expense for commissions paid		Q	(755,907)	(682,673)
Net Income from commissions received			**11,133,067**	**8,503,547**
Subtotal (Net Income from interest + Net Income from commissions)			**50,778,536**	**32,651,737**
Net Income from recognition of financial instruments at fair value through profit or loss		Q	1,065,690	592,431
Loss/(Profit) from sold assets at amortized cost			(4,489)	10,603
Difference in quoted prices of gold and foreign currency	21		(1,377,516)	1,380,309
Other operating income	22		2,846,032	1,607,008
Charges for bad debt			(2,706,406)	(1,594,534)
Net Operating Income			**50,601,847**	**34,647,554**
Employee benefits	23		(10,304,818)	(7,695,169)
Administration expenses	24		(6,832,712)	(4,694,760)
Depreciation of Property, Plant and Equipment			(736,540)	(586,245)
Other Operating Expenses	25		(10,252,432)	(6,784,227)
Operating Income			**22,475,345**	**14,887,153**
Income from associates and joint ventures	11		266,302	196,621
Income before tax on continuing operations			**22,741,647**	**15,083,774**
Income tax on continuing operations	19		(6,964,755)	(4,931,961)
Net Income from continuing operations			**15,776,892**	**10,151,813**
Net Income for the year			15,776,892	10,151,813
Net Income for the year attributable to the owners of the Company			15,729,243	10,065,358
Net Income for the year attributable to non-controlling interests			47,649	86,455

Signed as related
to our report dated 03/08/2019
PISTRELLI, HENRY MARTIN Y ASOCIADOS SRL
CPCECABA Tº 1 Fº 13

Norberto M. Nacuzzi
Partner
Certified Public Accountant - UBA
CPCECABA T° 196 F° 142

Signed as related
to our report dated 03/08/2019
BY THE SUPERVISORY COMMITTEE

Alejandro Almarza
Regular Syndic
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Consolidated Profit per Share
for the fiscal years ended 31 December 2018 and 2017

(Figures expressed in thousands of pesos)

Items	12/31/2018	12/31/2017
Net Profit attributable to Parent's shareholders	15,729,243	10,065,358
PLUS: Potential diluted earnings per common share		
Net Profit attributable to Parent's shareholders adjusted as per diluted earnings	15,729,243	10,065,358
DENOMINATOR		
Weighted average of outstanding common shares for the period	661,141	629,531
PLUS: Weighted average of the number of additional common shares with dilution effects		
Weighted average of outstanding common shares for the period adjusted as per dilution effect	661,141	629,531
Basic earnings per share	23.7911	15.9887

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Consolidated Statement of Other Comprehensive Income for the fiscal years ended 31 December 2018 and 2017

(Figures expressed in thousands of pesos)

Items	Notes	Exhibits	12/31/2018	12/31/2017
Net Income for the period			15,776,892	10,151,813
Foreign currency translation differences in financial statements conversion			732,813	137,148
Foreign currency translation differences for the period			732,813	137,148
Profit or loss for financial assets measured at fair value through other comprehensive income (FVOCI) (IFRS 9(4.1.2)(a)			(394,307)	1,279
Income for the period from financial assets at fair value through other comprehensive income (FVOCI)		Q	(527,371)	21,846
Income tax			133,064	(20,567)
Total other comprehensive income that is subsequently reclassified to profit or loss			338,506	138,427
Total Other Comprehensive Income			338,506	138,427
Total Comprehensive Income for the period			16,115,398	10,290,240
Total Comprehensive Income attributable to the owners of the parent Company			16,067,769	10,204,207
Total Comprehensive Income attributable to non-controlling interests			47,629	86,033

The accompanying Notes 1 to 41 to the consolidated Financial Statements and Exhibits A to J, L, N, P to R are an integral part of these Consolidated Financial Statements.

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Consolidated Statement of Changes in Shareholders' Equity for the fiscal year ended 31 December 2018

(Figures expressed in thousands of pesos)

Changes	Notes	Capital Stock		Non-capital Contributions	Equity Adjustments	Other Comprehensive Income	
		Outstanding Shares	Treasury Stock	Stock Issuance Premium		Accumulated foreign currency translation difference	Other
Balance at the beginning of the fiscal year		669,663		12,428,461	4,511	137,148	67,412
Total Comprehensive Income for the year							
- Net profit for the year							
- Other Comprehensive Income for the year						732,813	(394,287)
Distribution of retained earnings as approved by the Shareholders' Meeting dated 27 April 2018							
- Statutory Reserve							
- Cash Dividends							
- Other[1]							
Other changes							
Treasury Stock	27	(28,948)	28,948				
Balance at the end of the year		**640,715**	**28,948**	**12,428,461**	**4,511**	**869,961**	**(326,875)**

Consolidated Statement of Changes in Shareholders' Equity for the fiscal year ended 31 December 2017

(Figures expressed in thousands of pesos)

Changes	Notes	Capital Stock		Non-capital Contributions	Equity Adjustments	Other Comprehensive Income	
		Outstanding Shares	Treasury Stock	Stock Issuance Premium		Accumulated foreign currency translation difference	Other
Balance at the beginning of the fiscal year		584,563		399,499	4,511		65,711
Total Comprehensive Income for the year							
- Net profit for the year							
- Other Comprehensive Income for the year						137,148	1,701
Distribution of retained earnings as approved by the Shareholders' Meeting dated 28 April 2017							
- Statutory Reserve							
- Cash Dividends							
- Other(1)							
Capital Increase approved as approved by the Shareholders' Meeting dated 28 April 2017	27	85,100		12,028,962			
Balance at the end of the year		**669,663**		**12,428,461**	**4,511**	**137,148**	**67,412**

[1] Reserve fund for future distribution of profits. As of 2017, it includes Shareholders' Personal Asset Tax.

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Earnings Reserved					
Statutory	Other	Retained Earnings	Total Equity net of Controlling Interests	Total Equity net of Non-controlling Interests	Total Equity
4,994,932	15,368,454	12,864,442	46,535,023	200,842	46,735,865
		15,729,243	15,729,243	47,649	15,776,892
			338,526	(20)	338,506
1,877,755		(1,877,755)			
	(3,348,315)		(3,348,315)	(26)	(3,348,341)
	7,511,018	(7,511,018)			
		(210,927)	(210,927)	(246,136)	(457,063)
	(4,407,907)		(4,407,907)		(4,407,907)
6,872,687	**15,123,250**	**18,993,985**	**54,635,643**	**2,309**	**54,637,952**

Earnings Reserved					
Statutory	Other	Retained Earnings	Total Equity net of Controlling Interests	Total Equity net of Non-controlling Interests	Total Equity
3,686,472	10,698,348	9,531,589	24,970,693	207,799	25,178,492
		10,065,358	10,065,358	86,455	10,151,813
			138,849	(422)	138,427
1,308,460		(1,308,460)			
	(701,476)		(701,476)	(92,990)	(794,466)
	5,371,582	(5,424,045)	(52,463)		(52,463)
			12,114,062		12,114,062
4,994,932	**15,368,454**	**12,864,442**	**46,535,023**	**200,842**	**46,735,865**

The accompanying Notes 1 to 41 to the consolidated Financial Statements and Exhibits A to J, L, N, P to R are an integral part of these Consolidated Financial Statements.

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Consolidated Statement of Cash Flows
for the fiscal years ended 31 December 2018 and 2017
(Figures expressed in thousands of pesos)

Items	Notes	12/31/2018	12/31/2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Income for the period before Income Tax		22,741,647	15,083,774
Adjustments to obtain cash flows from operating activities:			
Amortization and depreciation		736,540	586,245
Charges for bad debts		2,706,406	1,594,534
Foreign currency translation difference		(8,920,497)	(384,778)
Other adjustments		1,326,390	(1,924,703)
Net increase/ decrease from operating assets:			
Debt Securities at fair value though profit and loss		(1,569,634)	(1,281,582)
Derivative financial instruments		(9,065)	1,493
Repo transactions		1,419,808	(1,400,684)
Borrowings and other financing			
Non-financial public sector		108,074	(280,926)
Other financial entities		(2,334,292)	(1,526,341)
Non-financial private sector and foreign residents		(46,601,098)	(43,961,424)
Other debt securities		5,784,015	(9,834,145)
Financial assets delivered as security		882,132	(3,947,658)
Investments in equity securities		231,141	124,209
Other assets		(315,871)	(1,387,235)
Net increase/ decrease from operating liabilities:			
Deposits			
Non-financial public sector		6,463,386	3,422,646
Financial sector		66,916	25,492
Non-financial private sector and foreign residents		87,294,940	28,818,234
Liabilities at fair value through profit or loss		(6,450)	6,450
Derivative financial instruments		(21,738)	23,107
Repo transactions		(2,523,624)	1,592,459
Other liabilities		8,867,621	8,754,471
Income Tax payments		(7,142,608)	(4,244,561)
TOTAL CASH FROM OPERATING ACTIVITIES (A)		**69,184,139**	**(10,140,923)**

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Consolidated Statement of Cash Flows
for the fiscal years ended 31 December 2018 and 2017
(Figures expressed in thousands of pesos)

Items	Notes	12/31/2018	12/31/2017
CASH FLOW FROM INVESTING ACTIVITIES			
Payments:			
Acquisition of PPE, intangible assets and other assets		(1,971,946)	(1,926,596)
Proceeds:			
TOTAL CASH USED IN INVESTMENT ACTIVITIES (B)		**(1,971,946)**	**(1,926,596)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments:			
Dividends		(3,348,618)	(846,930)
Acquisition or redemption of the Company's own assets		(4,407,907)	-
Unsubordinated corporate bonds		(2,451,391)	(2,171,204)
Financing from local financial entities		(631,400)	-
Subordinated corporate bonds		(773,358)	(442,935)
Changes in non-controlling interests with no control loss		(456,757)	-
Proceeds/ Income:			
Issuance of additional shares of stock		-	12,114,062
Unsubordinated corporate bonds		3,206,999	4,604,398
Central Bank of the Republic of Argentina		12,940	3,084
Financing to local financial entities		-	864,793
TOTAL CASH USED IN FINANCING ACTIVITIES (C)		**(8,849,492)**	**14,125,268**
EFFECT OF EXCHANGE RATE FLUCTUATIONS (D)		16,581,529	1,557,623
TOTAL CHANGES IN CASH FLOWS			
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**74,944,230**	**3,615,372**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**26**	**55,685,525**	**52,070,153**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**26**	**130,629,755**	**55,685,525**

The accompanying Notes 1 to 41 to the consolidated Financial Statements and Exhibits A to J, L, N, P to R are an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements as of 31 December 2018
(Figures expressed in thousands of pesos)

1. CORPORATE INFORMATION

Banco Macro SA (hereinafter, the Entity), is a stock corporation (sociedad anónima), organized in the Republic of Argentina that offers traditional banking products and services to companies, including those companies operating in regional economies, as well as to individuals, strengthening in this way its goal to be a multi-services bank. In addition, through its subsidiaries, the Bank performs transactions as a trustee agent, direction and management of mutual funds and stock exchange services.

Macro Compañía Financiera SA was created in 1977, as a non-banking financial institution. In May 1988, it received the authorization to operate as a commercial bank and was incorporated as Banco Macro SA. Subsequently, as a result of the merger process with

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other entities, it adopted other names (among them, Banco Macro Bansud SA) and since August 2006, it operates as Banco Macro SA.

The Bank's shares have been publicly listed on the Bolsas y Mercados Argentinos (BYMA) since November 1994 and as from March 24, 2006 they are listed on the New York Stock Exchange (NYSE). Additionally, on October 15, 2015 the Entity was authorized to list its shares on the Mercado Abierto Electrónico SA (MAE).

Since 1994, Banco Macro SA's market strategy was mainly focused on the regional areas outside the City of Buenos Aires. Following this strategy, in 1996, Banco Macro SA started the process to acquire entities and assets and liabilities during the privatization of provincial and other banks.

On March 8, 2019, the Board of Directors approved the issuance of these Consolidated Financial Statements.

2. OPERATIONS OF THE BANK

2.1. Agreement with the Provincial Government of Misiones

The Bank and Misiones' Provincial Government entered into a special-relationship agreement whereby the Bank was appointed, for a five-year term since January 1, 1996, as the Provincial Government's exclusive financial agent, as well as revenue collection and obligation payment agent. On November 25, 1999, and December 28, 2006, extensions to such agreement were agreed upon, making it currently effective through December 31, 2019. In addition, on October 1, 2018, the parties executed a new 10-years extension of the above mentioned agreement from January 1, 2010 through December 31, 2029.

As of December 31, 2018, 2017 and 2016, the deposits held by Misiones' Provincial Government with the Bank amounted to 5,540,994, 3,255,353 and 2,495,781 (including 430,545, 333,032 and 139,610 related to court deposits), respectively.

2.2. 2.2. Agreement with the Provincial Government of Salta

The Bank and Salta's Provincial Government entered into a special-relationship agreement whereby the Bank was appointed, for a ten-year term since March 1, 1996, as the Provincial Government's exclusive financial agent, as well as revenue collection and obligation payment agent.

On February 22, 2005 and August 22, 2014, extensions to such agreements were agreed upon, making it currently effective through February 28, 2026.

As of December 31, 2018, 2017 and 2016, the deposits held by Salta's Provincial Government with the Bank amounted to 2,630,532, 908,270 and 1,340,738 (including 644,863, 458,550 y 370,154 related to court deposits), respectively.

2.3. Agreement with the Provincial Government of Jujuy

The Bank and Jujuy's Provincial Government entered into a special-relationship agreement whereby the Bank was appointed, for a ten-year term since January 12, 1998, as the Provincial Government's exclusive financial agent, as well as revenue collection and obligation payment agent. On April 29, 2005 and July 8, 2014, extensions to such agreement were agreed upon, making it currently effective through September 30, 2024.
As of December 31, 2018, 2017 and 2016, the deposits held by Jujuy's Provincial Government with the Bank amounted to 1,387,236, 4,649,184 and 1,580,312 (including 436,972, 320,825 and 253,622 related to court deposits), respectively.

2.4. Banco del Tucumán S.A.

Banco del Tucumán SA acts as an exclusive financial agent and as revenue collection and obligation payment agent of the Provincial Government of Tucumán, the Municipality of San Miguel de Tucumán and the Municipality of Yerba Buena. The agreements executed with these entities are effective through 2031, 2023 and 2020, respectively.

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On July 4, 2018, the legislative body of the Province of Tucumán turned into law a bill issued by the National Executive Power, authorizing the sale to Banco Macro S.A. of the shares held by such Province in Banco del Tucumán S.A., as well as its continuity as provincial financial agent for 10 additional years from expiration of the relevant agreement, and in this case, the possibility to merge both companies.
On August 10, 2018, the Province of Tucumán transferred to Banco Macro S.A. 43,960 class B common registered non-endorsable shares of nominal value 100 each and entitled to one vote per share, representing 10% of the capital stock and votes. As consideration for this transaction the Entity paid 456,462. Additionally, the Entity acquired from a private person 59 shares for 295.
Such transaction was recorded within the Entity's Equity, cancelling, at book Price, the non-controlling interest. The difference between the amount by which the controlling and non-controlling interests were adjusted and the fair value of the consideration paid was recorded as retained earnings. In the separate financial statements this transaction was reported using the acquisition method of accounting (see also Note 2 to the separate financial statements).
On the other hand, the Board of Banco Macro S.A., on October 17, 2018, resolved, among other issues: (i) to perform all the necessary acts aimed at the reorganization by merger of Banco Macro S.A. and Banco del Tucumán S.A.; (ii) approve the principles that shall guide the Merger, which shall be duly reflected in the documents to be executed to document and register the Merger with the Public Registry of Commerce (Preliminary Merger Agreement); and (iii) prepare the Special Consolidated Financial Statements of Merger as of December 31, 2018.
As of December 31, 2018, 2017 and 2016, the deposits held by Tucumán's Provincial Government, the Municipality of San Miguel de Tucumán and the Municipality of Yerba Buena with Banco del Tucumán SA amounted to 6,047,312, 1,913,801 and 2,450,436 (including 1,890,398, 1,225,993 and 943,683 related to court deposits), respectively.

3. BASIS FOR THE PREPARATION OF THESE FINANCIAL STATEMENTS AND APPLICABLE ACCOUNTING STANDARDS

Preparation Basis

Applicable Accounting Standards

On February 12, 2014 the Central Bank, through Communiqué "A" 5541 established the general guidelines towards conversion to the IFRS issued by the International Accounting Standards Board (IASB) for preparing financial statements of the entities under its supervision, for the annual fiscal years beginning on January 1, 2018 as well as those of interim-periods.

Additionally, through Communiqués "A" 6114, the Central Bank set specific guidelines within the scope of such convergence process, among which it defined (i) the transitory exception to the application of section 5.5 "Impairment" of the IFRS 9 "Financial Instruments" (sections B5.5.1 to B5.5.55)) up to the fiscal years beginning as of January 1, 2020; and (ii) in order to calculate the effective interest rate of assets and liabilities so requiring it for the measurement thereof, pursuant to IFRS 9, up to December 31, 2019, the Bank may transitorily make a global estimate of the calculation of the effective interest rate on a group of financial assets or liabilities with similar characteristics which shall be applied such effective interest rate. To the date of the present condensed consolidated interim financial statements the Bank is in the process of determining and quantifying the effect the application of section 5.5 "Impairment" mentioned in (i) above will have.
Finally, through Communiqués "A" 6323 and 6324 and supplementary rules, the Central Bank defined the minimum chart of accounts and the provisions applicable to the preparation and presentation of the financial statements of financial entities for the fiscal years beginning on January 1, 2018, respectively

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As of December 31, 2018 all conditions have been met for the Entity's Consolidated Financial Statements for the year ended such date to incorporate the inflation adjustment provided under IAS 29 "Financial Reporting in Hyperinflationary Economies". Nevertheless, for the reasons expressed under section "Unit of Measure" in this note, financial entities are temporarily unable to apply the above mentioned standard.
The accompanying consolidated financial statements of the Entity were prepared pursuant to the Accounting framework provided for by the BCRA based on the IFRS (Communiqué "A" 6114 and supplementary rules of the Central Bank of the Republic of Argentina), with the exceptions described in the preceding paragraphs. Taking into account these exceptions, the above mentioned regulatory framework comprises the Standards and Interpretations adopted by the IASB and includes:

— the IFRS;
— the International Accounting Standards (IAS); and
— the interpretations developed by the IFRS Interpretations Committee (IFRIC) or former IFRIC (SIC).

For the preparation of the present Financial Statements the Entity contemplated the exceptions and exemptions provided for in IFRS 1 "First-time Adoption of International Financial Reporting Standards" and those applied are described in section "First-time Adoption of International Financial Reporting Standards in accordance with Communiqué 6114 of the BCRA" of this Note.

The accounting policies comply with the IFRS as currently approved and applicable to the preparation of the first annual consolidated Financial Statements in accordance with the IFRS adopted by the BCRA pursuant to its Communiqué "A" 6114, as amended and supplemented. Generally, the BCRA does not allow the anticipated application of any IFRS, unless it expressly states the contrary.

Going concern

The Management of the Entity made an assessment of the Entity's ability to continue as a going concern and concluded that it has the resources to continue in operation for the foreseeable future. In addition, the Management has no information of any material uncertainty that could cast doubts on the Entity's ability to continue as a going concern. Therefore, the accompanying consolidated Financial Statements were prepared on a going concern basis.

Transcription in the Books of Accounts

To the date of the accompanying Consolidated Financial Statements, the same are in the process of being transcribed in detail as of 31 December 2018, in the Bank's Inventory and Balance Sheet Book.

Figures expressed in thousands of Pesos

The accompanying consolidated Financial Statements disclose figures expressed in thousands of Argentine pesos and round the amounts in thousands of pesos to the nearest whole number, unless it expressly states the contrary.

Balance Sheet Disclosure

The Entity presents its assets and liabilities in order of liquidity, in accordance with the model under Communiqué "A" 6324 of the BCRA. The analysis referred to the recovery of assets and settlement of liabilities during the 12 months following the reporting date and more than 12 months after the reporting date is disclosed in Note 17 to the accompanying consolidated Financial Statements.

Financial assets and financial liabilities are generally disclosed in gross numbers in the Balance Sheet. They are only compensated and disclosed in net figures when there is a legal and unconditional right to compensate such financial assets and liabilities and the Management intends to settle them on a net basis or to realize assets and settle liabilities simultaneously.

Note also that the present consolidated Financial Statements were prepared on the basis of historical amounts, except for monetary Regulation Instruments of the BCRA and certain Federal Government Securities, which were valued at fair value through Other Comprehensive Income (OCI) and Provincial

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Government Securities, Corporate Bonds, Debt Securities and listed and unlisted Certificates of Participation in Financial Trusts and listed and unlisted Equity Securities, which were valued at Fair Value Through Profit or Loss.

Additionally, in the case of derivative instruments (term and forward transactions), both assets and liabilities were valued at Fair Value through Profit or Loss.

Comparative Information

The present consolidated Balance Sheet as of December 31, 2018, the Statements of Income and of Other Comprehensive Income, the Statement of Changes in Shareholders' Equity and the Statement of Cash Flows are presented comparatively with year-end data of the immediately preceding fiscal year.

In addition, In compliance with IFRS 1 "First-time Adoption of IFRS" and since the accompanying consolidated Financial Statements are the first ones being submitted pursuant to Communiqué "A" 6114 of the BCRA, we include the opening Balance sheet to the transition date (December 31, 2016).

Unit of Measure

The IFRS require that financial statements of any entity whose functional currency is the currency of a hyperinflationary economy be restated in a homogenous currency. In order to achieve uniformity as to the identification of an economic environment of this kind, IAS 29 provides certain guidelines, including but not limited to the following, which consist of (i) analyzing the behavior of population, prices, interest rates and wages faced with the development of price indexes and the loss of the currency's purchasing power, as a qualitative indicator, and (ii) as a quantitative feature, which, in practice, is the mostly considered condition, verifying whether the cumulative inflation rate over three years approaches or exceeds 100%. Although in recent years the general level of prices experienced a significant growth, the cumulative inflation rate over three years in Argentina had remained below 100%. However, due to different macroeconomic factors, triennial inflation in 2018 surpassed that percentage, while the federal government's targets and other available projections indicate that this trend will no reverse in the short term.

Therefore, according to IAS 29, the Argentine economy is currently regarded as hyperinflationary and the entities under the control of the BCRA, who are obliged to apply the IFRS as adopted by the BCRA through its Communiqué "A" 6114 and whose functional currency is the Argentine peso, should restate their financial statements to reflect the effects of inflation in conformity with IAS 29. Such restatement shall be made as if the Argentine economy would have been always hyperinflationary; using a general price index that reflects the changes in the currency's purchasing power. In order to carry out the above mentioned restatement, the Entity shall use a series of indexes prepared and informed on a monthly basis by the Federación Argentina de Consejos Profsionales de Ciencias Económicas (FACPCE). That series of indexes combines the consumer price index (CPI) published by the Instituto Nacional de Estadísticas y Censos (INDEC) from January 2017 (base month: December 2016) with the internal wholesale price index (WPI) published by the INDEC through that date, computing for the months of November and December 2015 –in respect of which there is no available information from the INDEC on the development of the WPI- the variation recorded in the CPI of the City of Buenos Aires. Taking into consideration the above-mentioned index, in the fiscal years ended 31 December 2018 and 2017, the inflation rate amounted to 47.64% and 24.79%, respectively.

However, under Communiqué "A" 6651 of the BCRA, financial entities shall start to apply the restatement method of financial statements in conformity with IAS 29 from the fiscal years beginning January 1, 2020.

Failure to report the changes in the currency's general purchasing power under highly inflationary economies may distort the accounting information and, therefore, this situation must be taken into account when interpreting the information reported by the Entity in the accompanying consolidated

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Financial Statements including its balance sheet, its statement of income and statement of cash flows.

The effects of the application of IAS 29 are summarized below:

(a) Financial statements must be adjusted so as to consider the changes in the currency's general purchasing power, so that they are expressed in the current unit of measure at the end of the reporting period.

(b) In summary, the restatement method under IAS 29 is as follows::

(i) Monetary items (those with a fixed nominal value in local currency) are not restated in as much as they are already expressed in terms of the measuring unit current at the closing date of the reporting period. In an inflationary period, keeping monetary assets generates loss of purchasing power and keeping monetary liabilities generates an increase in purchasing power, provided such items are not subject to an adjustment method somehow compensating such effects. The net monetary gain or loss shall be included as income for the period for which it is reported.

(ii) Assets and liabilities subject to adjustments under specific agreements shall be adjusted in accordance with such agreements.

(iii) Non-monetary items carried at the current value of the end date of the reporting period shall not be restated to be presented in the balance sheet, but the restatement process must be completed in order to determine in terms of homogenous unit of measure the income derived from such non-monetary items.

(iv) Non-monetary items carried at historical cost or at the current value of a date prior to the end of the reporting period are restated using coefficients that reflect the variation recorded in the general level of prices from the date of acquisition or revaluation to the closing date of the reporting period, then comparing the restated amounts of such assets with the relevant recoverable values. .

Depreciation charges of property, plant and equipment and amortization charges of intangible assets recognized in profit or loss for the period, as well as any other consumption of non-monetary assets will be determined on the basis of the new restated amounts.

(v) When activation of financial costs applies to non-monetary assets, the portion of these costs compensating creditor for the effects of inflation shall not be capitalized.

(vi) The restatement of non-monetary assets in terms of the measuring unit current at the end of the reporting period without an equivalent adjustment for tax purposes, gives rise to a taxable temporary difference and to the recognition of a deferred tax liability, whose contra-account is recognized. When in addition to the restatement, there is a revaluation of non-monetary assets, the deferred tax derived from the restatement is recognized in income for the period, and the deferred tax derived from the revaluation (amount exceeding revaluation value over restatement value) is recognized in other comprehensive income.

(vii) Income and expenses are restated from the date when they were recorded, except for those profit or loss items that reflect or include in their determination the consumption of assets carried at the purchasing power of the currency as of a date prior to the recording of the consumption, which are restated based on the date when the asset to which the item is related originated; and except also those profit or loss items originated from comparing two measurements expressed in the purchasing power of currency as of different dates, for which it is necessary to identify the compared amounts, restate them separately, and compare them again, but with the restated amounts.

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(viii) At the beginning of the first year of application of the restatement method of financial statements in terms of the current measuring unit, the equity components, except for reserved earnings and undistributed retained earnings, shall be restated in conformity with IAS 29, and the amount of undistributed retained earnings shall be determined by the difference between net assets restated at the date of transition and the other components of opening equity expressed as indicated above, once all remaining equity components are restated.

To the date of the accompanying consolidated Financial Statements, the Entity is in the process of quantifying the effect that the application of IAS 29 would have on the Entity's financial position, but we estimate such effects are significant.

Basis for Consolidation

The accompanying consolidated Financial Statements include the Financial Statements of the Entity and its subsidiaries as of December 31, 2018.

Subsidiaries are all the entities controlled by the Entity. The Entity controls other entity when it is exposed, or has rights, to variable returns from its continuing involvement with such other entity, and has the ability to use its power to direct the operating and financing policies of such other entity, to affect the amounts of such returns.

This generally happens when there is a shareholding of more than half of its shares having voting rights.

Notwithstanding the above, under certain particular circumstances, the Entity may still have control with less than a 50% participating interest or may not have the control even if it holds more than half of the shares of such other entity.

Upon evaluating whether it has power over the controlled entity, and therefore controls the variation of its returns, the Entity shall consider all relevant facts and circumstances, including:

— the purpose and design of the controlled entity,
— what the relevant activities are and how decisions about those activities are made and whether the Entity has the ability to direct such relevant activities,
— contractual arrangements such as call rights, put rights and liquidation rights,
— whether the Entity is exposed, or has rights, to variable returns from its involvement with such controlled entity, and whether the Entity has the ability to use its power over the controlled entity to affect the amount of the Entity's returns.

The Entity has no interests in structured entities that required to be consolidated.

Subsidiaries are completely consolidated since the date of the effective transfer of the control over the same to the Entity and consolidation ceases when the Entity loses control over the subsidiaries. The accompanying consolidated Financial Statements include the assets, liabilities, income and each component of other comprehensive income of the Entity and its subsidiaries. Transactions between consolidated entities are completely eliminated.

Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions. However, if a parent company loses control of a subsidiary, it shall derecognize the assets (including any goodwill) and liabilities of the subsidiary, any non-controlling interests in the former subsidiary and other capital components, while any profit or loss derived from the transaction, event or circumstances that resulted in the loss of control shall be recognized as a profit or loss, and any investment retained in the former subsidiary shall be recognized at its fair value at the date when control is lost.

The Financial Statements of the subsidiaries have been prepared to the same dates and for the same accounting periods as those of the Entity, using uniform accounting policies consistent with those

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applied by the latter. In case necessary, adjustments shall be made to the Financial Statements of the subsidiaries so that the accounting policies used by the group will be uniform.

The Entity considers the Argentine peso as its functional and presentation currency. To such effect, before consolidation, the Financial statements of its subsidiary Macro Bank Limited, originally expressed in US dollars, were translated to pesos (presentation currency) using the following method:

a) Assets and liabilities were converted at the reference exchange rate of the BCRA, in force for that foreign currency at the closing of business on the last business day of the periods ended December 31, 2018, 2017 and 2016.

b) owners' contributions (capital stock, stock issuance premium and irrevocable capital contributions) were translated applying the effective exchange rates as of the date on which such contributions were paid in.

c) Income for the periods ended December 31, 2018 and 2017 were translated to pesos on a monthly basis, using the monthly average of the reference exchange rate of the BCRA.

d) Foreign currency translation differences arising as a result of the preceding paragraphs are recognized as a separate component within the Shareholders' Equity account reporting them in the Statement of Other Comprehensive Income, which is called "Foreign currency translation differences in financial statements conversion".

On the other hand, non-controlling interests represent the portion of income and equity not directly or indirectly attributable to the Entity and in the accompanying consolidated Financial Statements they are disclosed as a separate line in the Balance Sheet, the Statement of Income, the Statement of Other Comprehensive Income and the Statement of Changes in Shareholders' Equity.

As of December 31, 2018, 2017 and 2016, the Bank has consolidated its Financial Statements with the Financial Statements of the following companies:

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Subsidiaries	Principal Place of Business	Country	Main Activity
Banco del Tucumán S.A.	San Martín 721 – San Miguel de Tucumán – Province of Tucumán	Argentina	Banking Entity
Macro Securities S.A. (a) y (b)	Av. Eduardo Madero 1182 – Autonomous City of Buenos Aires	Argentina	Stock Exchange Services
Macro Fiducia S.A.	AV. Leandro N Alem 1110 – 1° piso – Autonomous City of Buenos Aires	Argentina	Services
Macro Fondos S.G.F.C.I.S.A.	Av. Eduardo Madero 1182 – 24th floor Office B - Autonomous City of Buenos Aires	Argentina	Mutual Funds Direction and Management
Macro Bank Limited (c)	Caves Village, Building 8 Office 1 – West Bay St., Nassau	Bahamas	Banking Entity

(a) Consolidates with Macro Fondos SG.F.C.I. S.A. (80,90% Participating and Voting Interest).
(b) The indirect interest of Banco Macro S.A. comes from Macro Fiducia S.A.
© Consolidates with Sud Asesores (ROU) S.A. (100% Voting Interest–Equity interest 3,602).

The Entity's participating interest in the companies it consolidates is as follows:

As of December 31, 2018:

Subsidiaries		Shares	Entity's Participating Interest		Non-controlling Interest	
	Type	Number	Total Capital Stock	Voting Interest	Total Capital Stock	Voting Interest
Banco del Tucumán S.A.	Common	439,360	99.945%	99.945%	0.055%	0.055%
Macro Securities S.A.	Common	12,776,680	99.921%	99.932%	0.079%	0.068%
Macro Fiducia S.A.	Common	6,475,143	98.605%	98.605%	1.395%	1.395%
Macro Fondos S.G.F.C.I.S.A.	Common	327,183	99.936%	100.00%	0.064%	
Macro Bank Limited	Common	39,816,899	99.999%	100.00%	0.001%	

As of December 31, 2017 and 2016:

Subsidiaries		Shares	Entity's Interest Participating		Non-controlling Interest	
	Type	Number	Total Capital Stock	Voting Interest	Total Capital Stock	Voting Interest
Banco del Tucumán S.A.	Common	395,341	89.932%	89.932%	10.068%	10.068%
Macro Securities S.A.	Common	12,776,680	99.921%	99.932%	0.079%	0.068%
Macro Fiducia S.A.	Common	6,475,143	98.605%	98.605%	1.395%	1.395%
Macro Fondos S.G.F.C.I.S.A.	Common	327,183	99.936%	100.00%	0.064%	
Macro Bank Limited	Common	39,816,899	99.999%	100.00%	0.001%	

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Total assets, liabilities and net equity of the Bank and each of its subsidiaries as of December 31, 2018, 2017 and 2016 are as follows:

As of 12/31/2018	Banco Macro S.A.	Banco del Tucumán S.A.	Other Subsidiaries	Eliminations	Consolidated
Assets	323,268,073	21,329,507	4,081,903	(5,796,889)	342,882,594
Liabilities	268,421,503	18,883,250	1,739,951	(800,062)	288,244,642
Equity attributable to the owners of parent company					54,635,643
Equity attributable to non-controlling interests					2,309

As of 12/31/2017	Banco Macro S.A.	Banco del Tucumán S.A.	Other Subsidiaries	Eliminations	Consolidated
Assets	213,157,890	14,789,934	2,922,315	(4,531,069)	226,339,070
Liabilities	166,622,867	12,802,725	1,259,906	(1,082,293)	179,603,205
Equity attributable to the owners of parent company					46,535,023
Equity attributable to non-controlling interests					200,842

As of 12/31/2016	Banco Macro S.A.	Banco del Tucumán S.A.	Other Subsidiaries	Eliminations	Consolidated
Assets	148,783,028	11,548,487	2,215,093	(3,176,014)	159,370,595
Liabilities	123,812,335	9,489,193	1,107,074	(216,500)	134,192,103
Equity attributable to the owners of parent company					24.970.693
Equity attributable to non-controlling interests					207,799

The Entity's Management considers there are no other companies or structured entities to be included in the Financial Statements as of December 31, 2018, 2017 and 2016.

Summary of Significant Accounting Policies

Below there is a description of the principal valuation and disclosure criteria used for the preparation of the accompanying consolidated Financial Statements as December 31, 2018, 2017 and 2016:

3.1 Assets and liabilities denominated in foreign currency

The Entity considers the Argentine Peso as its functional and presentation currency. The assets and liabilities denominated in foreign currency, mainly in US dollars, were valued at BCRA's benchmark US dollar exchange rate effective as of the closing date of transactions on the last business day of each period or fiscal year, as applicable.

Additionally, assets and liabilities denominated in other foreign currencies were translated at the repo exchange rate communicated by the BCRA. Foreign exchange differences were recorded in the related statements of income as "Difference in quoted prices of gold and foreign currency".

3.2 Financial Instruments Initial Recognition and Measurement

The Entity recognizes financial assets when such financial assets become party to the contractual provisions of such financial instrument.
The purchase and sale of financial assets requiring the delivery of assets within the term generally

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established by the rules and regulations or the market conditions are recorded on the transaction's trading date, i.e., on the date the Entity undertakes to acquire or sell the relevant asset.

At initial recognition, the financial assets and liabilities were recognized at fair value. Those financial assets and liabilities not recognized at fair value through profit or loss, were recognized at fair value adjusted for transactions costs directly attributable to the acquisition or issue of the financial asset or liability.

At initial recognition, the fair value of a financial instrument is generally the transaction price. Nevertheless, if part of the consideration received or paid is for something different form the financial instrument, the Entity estimates the fair value of the financial instrument. If this fair value is based on a valuation technique using only observable market data, any additional amount regarding the consideration shall be an expense or a lesser income, unless it meets the requirements to be recognized as any other kind of asset ("day 1" income). If the fair value is based on a valuation technique using non-observable market data, the Entity shall recognize such deferred difference in income only if it arises from a change in a factor (including time) that market players would consider when determining the price of the asset or liability, or when the instrument is cancelled.

Finally, in the ordinary course of business, the Entity performs repo transactions. Under IFRS 9, species involved in active repo and passive repo transactions received from or delivered to third parties, respectively, do not meet the requirements to be recognized or derecognized, respectively.

Subsequent Measurement – Business Model

The Entity established three categories for the classification and measurement of its debt instruments, in accordance with the Entity's business model to manage them and the contractual cash flow characteristics thereof:

— at amortized cost: the objective of the business model is to hold financial assets in order to collect contractual cash flows.
— at fair value through other comprehensive income: the objective of the business model is both collecting the contractual cash flows of the financial asset and/or of those derived from the sale of the financial asset.
— at fair value from profit or loss: the objective of the business model is generating income derived from the purchase and sale of financial assets.

Therefore, the Entity measures its financial assets at fair value, except for those that meet the following two conditions and are measured at amortized cost:

— the financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows,
— the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Entity's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

The business model is not assessed on an instrument-by-instrument approach, but it should rather be determined on a higher level of aggregation and is based on observable factors such as:

— how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Entity's key management personnel.
— the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and,
— the expected frequency, value, timing and reasons of sales are also important aspects.

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The assessment of the business model is performed on the basis of scenarios that the Entity reasonably expects to occur, without taking into account the scenarios such as the so-called 'worst case' or 'stress case' scenarios. If after the initial recognition cash flows are realized in a way that is different from the Entity's expectations, the Entity does not change the classification of the remaining financial assets held in that business model, but rather considers all relevant information to assess the newly originated or newly purchased financial assets.

Test of contractual cash flow characteristics

As part of the classification process, the Entity assessed the contractual terms of its financial instruments in order to determine if such financial instruments give rise to cash flows on specific dates which are solely payments of principal and interest on the principal amount outstanding.

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset at initial recognition, provided such amount may change over the life of the financial asset, for example, if there are repayments of principal or premium amortization or discount.

The most significant elements of interest within a loan agreement are typically the consideration for the time value of money and credit risk.

In order to test contractual cash flow characteristics, the Entity applies judgment and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set.

However, contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. In such cases, financial assets are required to be measured at fair value through profit or loss.

Therefore, the financial assets and liabilities were classified pursuant to the above expressed as "Financial assets at fair value through profit or loss", "Financial assets at fair value through other comprehensive income" or "Financial assets at amortized cost". Such classification is disclosed in Exhibit P "Categories of Financial Assets and Liabilities".

Financial assets at fair value through profit or loss

This category presents two subcategories: financial assets at fair value held for trading and financial assets initially designated at fair value by the Management or under section 6.7.1. of IFRS 9. The Entity's Management, has not designated, at the beginning, financial assets at fair value through profit or loss.

The Entity classifies the financial assets as held for trading when they have been acquired or incurred principally for the purpose of selling or repurchasing them in the near term or when they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Financial assets and liabilities at fair value through profit or loss are recognized at fair value in the Balance Sheet. Changes in fair value are recognized under the item "Net Income for measurement of financial instruments at fair value through profit or loss", as well as income or expenses for interest and dividends pursuant to the contractual terms and conditions, or when the right to receive payment of the dividend is established.

Estimation of fair values is explained in detail under "Accounting judgments, estimates and assumptions" in this Note.

Note 9 to the accompanying consolidated Financial Statements includes a detail description of the process used to measure financial instruments valued at fair value.

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Financial assets at fair value through other comprehensive income (OCI)

(i) A financial asset shall be measured at fair value through other comprehensive income if (i) the financial instrument is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (ii) the contractual terms of the financial asset meet the determination that cash flows are solely payments of principal and interest on the principal amount outstanding.

Debt instruments at fair value through other comprehensive income are recognized in the Balance Sheet at fair value. Profits and losses derived from changes in fair value are recognized in other comprehensive income as "Profits or losses from financial instruments at fair value through other comprehensive income". Income from interest (calculated using the "effective interest method" described in the following section), profit and loss from translation differences and impairment are recognized in the statement of income in the same manner as for financial assets measured at amortized cost and are disclosed as "Income from interest received", "Difference in quoted prices of gold and foreign currency" and "Provision for loan losses", respectively.

When the Entity has more than one investment on the same security, it must be considered that they shall be disclosed using the first in first out costing method.

On derecognition, gains and losses accumulated previously recognized in OCI are reclassified to profit or loss.

Financial assets at amortized cost – Effective Interest Method

They represent financial assets held in order to collect contractual cash flows and the contractual terms of which give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these financial assets are recognized in the Balance Sheet at amortized cost using the effective interest method, less the allowance for loan losses.

Income from interest and impairment are disclosed in the Statement of Income as "Income from interest received" and "Provision for loan losses", respectively. Changes in the allowance are presented in Exhibit R "Value correction for credit losses – Allowance for uncolectibility risk".

The effective interest method uses the rate that allows the discount of estimated future cash payments or receipts through the expected life of the financial instrument or lesser term, if applicable, to the net carrying amount of the financial asset or to the financial liability. When applying this method, the Bank identifies the interest basic points, fees, premiums, discounts and incremental direct costs of the transaction as an integral part of the effective interest rate. For such purposes, interest is the consideration for the time value of money and for the credit risk associated with the amount of principal outstanding during a specific period of time.

3.2.1 Cash and deposits in banks

They were valued at their nominal value plus the relevant accrued interest, if applicable. Accrued interests were allocated to income as "Income from interest received".

3.2.2 Repo transactions (purchase and sale of financial instruments)

These transactions were recognized in the Balance Sheet as financing granted (received), as "Repo transactions".

The difference between purchase and sale prices of such instruments were recognized as interest accrued during the effective term of the transactions using the effective interest method and were allocated to income as "Income from interest received" and "Expense for interest paid".

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3.2.3 Loans and other financing

Non-derivative financial assets that the Entity holds within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of which give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, loans and other financing were measured at amortized cost using the effective interest method, less the allowance for loan losses. The amortized cost was calculated taking into account any discount or premium incurred in the origination or acquisition, and origination fees or commissions, which are part of the effective interest rate. Income from interest was allocated to income as "Income from interest received".

3.2.4 Allowance for loan losses and allowance for eventual commitments

These allowances were built-up based on estimated loan losses of the credit facilities of the Entity, deriving, among other aspects, from the

assessment of the compliance level of debtors and the guarantees that secure the relevant transactions taking into account the provisions of Communiqué "A" 2950 and supplementary provisions of the Central Bank and the allowance policies of the Entity.

In the case of loans with specific allowances that are repaid or generate the reversion of allowances built-up in the current period, and in case of allowances built-up in previous fiscal years that turn out to exceed those deemed necessary, such allowance excess is reversed with impact on the income for the present period.

Impairment losses are included in the Statement of Income as "Provision for loan losses" and the changes in this accounting item are disclosed in Exhibit R "Value correction for credit losses – Allowance for uncolectibility risk". The section "Accounting judgments, estimates and assumptions" in this Note includes a more detailed description of impairment estimates.

3.2.5 Financial Liabilities

After initial recognition, certain financial liabilities were measured at amortized cost using the effective interest method, except for derivatives that were measured at fair value through profit or loss. Interests were allocated to income as "Expense for interest paid"".

Within other financial liabilities we included guarantees granted and eventual liabilities, which must be disclosed in the Notes to the Financial Statements, when the documents supporting such credit facilities are issued and are initially recognized at fair value of the commission received, in the Balance Sheet. After initial recognition, the liability for each guarantee was recognized at the higher of the amortized commission and the best estimate of the disbursement required to settle any financial obligation arising as a result of the financial guarantee.

Any increase in the liabilities related to a financial guarantee was recognized as income. The commission received has been recognized as "Income from commissions received" in the Statement of income, based on the amortization thereof following the straight-line method over the effective term of the financial guarantee granted.

3.2.6 Derivative financial instruments Receivables from forward transactions without delivery of underlying assets

It includes forward purchase and sale transactions of foreign currency without delivery of traded underlying asset. Such transactions were measured at the fair value of the contracts and were performed by the Entity with intermediation purposes on its own account. The originated income was allocated to income as "Net income for measurement of financial instruments at fair value through profit or loss".

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Derecognition of financial assets and liabilities

A financial asset (or, if applicable, a part of a financial asset or a part of a group of similar financial assets) shall be derecognized when: (i) the contractual rights to the cash flows from the financial asset expire, or (ii) the Entity transfers the contractual rights to receive the cash flows of the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows received immediately to a third party pursuant to a transfer agreement.

A transfer shall qualify for derecognition of the financial asset only if (i) the Entity has transferred substantially all the risks and rewards of ownership of the financial asset, or (ii) it has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, but has transferred the control of the financial asset, considering that the control is transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

If the Entity neither transfers nor retains substantially all the risks and rewards of ownership of a transferred asset, and has retained the control over it, the Entity shall continue to recognize such transferred asset to the extent to which it is exposed to changes in the value of the transferred asset.

The Entity derecognizes a loan when the terms and conditions thereof have been renegotiated provided that, such loans substantially becomes a new loan, recognizing the difference as income from account derecognition. If such modification does not generate substantially different cash flows, then the modification shall not result in derecognition. The Entity performs the reassessment of the gross book value of such asset as the current value of the modified contractual cash flows, using the effective interest rate of the original loan for the discount and recognizes an income from modification.

On the other hand, a financial liability is derecognized when the obligation specified in the relevant contract is discharged or cancelled or expires. When there is an exchange between an existing borrower and lender of debt instruments with substantially different terms, or the terms are substantially modified, such exchange or modification shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, recognizing the difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, in profit or loss as "Other operating income".

Reclassification of financial assets and liabilities

The Entity does not reclassify its financial assets after the initial recognition thereof, except under extraordinary circumstances when it changes its business model for managing financial assets, as a result of external or internal changes significant to the Entity's transactions. Financial liabilities are never reclassified. As of December 31, 2018, 2017 and 2016, the Entity has made no significant reclassifications.

3.3 Financial Leases

The Entity grants loans through financial leases, recognizing the current value of lease payments as a financial asset, which the Entity reports in its Balance Sheet as "Borrowings and other financing". The difference between the total lease receivables and the current value of financing is recognized as interest to accrue. This income is recognized during the term of the lease using the effective interest rate method, which reflects a constant rate of return and is recognized in profit or loss as "Income from Interest received". Losses originated for impairment are included in the Statement of income as "Provision for loan losses" and changes in this accounting item are disclosed in Exhibit R "Value correction for credit losses – Allowance for uncolectibility risk".

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3.4 Investments in associates and joint ventures

An associate is an entity over which the Entity has significant influence, i.e. the power to participate in the financial and operating policy decisions of such controlled entity, but without having the control thereof. Investments in associates were recognized through the equity method and they were initially recognized at cost. The Entity's share in the profits or losses after the acquisition of its associates was accounted for in profits or losses, and its share in other comprehensive income after the acquisition were accounted for in other comprehensive income.

A joint arrangement is an arrangement of which the Entity and other party or parties have joint control. Under IFRS 11 "Joint Arrangements", investments in these arrangements are classified as joint ventures or joint operations depending on the contractual rights and obligations of each investor, regardless of the legal structure of the arrangement. A joint venture is an arrangement pursuant to which the parties having joint control of the arrangement have rights to the net assets of such arrangement. A joint operation is an arrangement pursuant to which the parties having joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement.

The Entity has assessed the nature of its joint arrangements and determined that the same are joint ventures. Investments in joint ventures were recognized using the equity method described in the paragraph above. See also Note 11.

3.5 Property, plant and equipment

The Bank chose the cost model for all kinds of assets accounted for in this accounting item, taking into account the considerations mentioned in the section "First-time Adoption of International Financial Reporting Standards in accordance with Central Bank Communiqué "A" 6114" of this Note for the real property owned by the Bank. These assets were carried at their cost less any accumulated depreciation and any accumulated impairment losses, if applicable. The historical cost of acquisition includes all expenses directly attributable to the acquisition of the assets. Maintenance and repair costs were accounted for in profits or losses as incurred. Any replacement and significant improvement of an item of property, plant and equipment is recognized as an asset only when it is likely to produce any future economic benefits exceeding the return originally assessed for such asset.
Depreciation of the items of property, plant and equipment was assessed in proportion to the estimated months of useful life, depreciating completely on the acquisition month of the assets and not on the derecognition date. In addition, at least at each financial year-end, the Bank reviews if expectations regarding the useful life of each item of property, plant and equipment differ from previous estimates, in order to detect any material changes in useful life which, if confirmed, shall be adjusted applying the relevant correction to the depreciation of property, plant and equipment accounting item. Depreciation is recognized in the Statement of Income as "Depreciation of Property, plant and equipment".
The residual value of the assets, as a whole, does not exceed their recoverable amount.

Furthermore, the Bank is building a new corporate building in the Autonomous City of Buenos Aires. Under IAS 23 "Borrowing Costs", this is qualifying asset and therefore all costs related to financing directly or indirectly attributable to the acquisition and construction of this asset were capitalized. On December 2018 the Entity ceased to capitalize the borrowing costs since it completed all necessary activities to render this asset suitable for the intended use. See also Note 14 to the accompanying consolidated Financial Statements.

3.6 Intangible Assets

Intangible assets acquired separately were initially measured at cost. After initial recognition, they were accounted for at cost less any accumulated depreciation (for those to which finite useful lives have been allocated) and any accumulated impairment losses, if applicable.

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Internally generated intangible assets, excluding capitalized development expenses, shall not be capitalized and the relevant disbursement shall be reported in the Balance Sheet for the period in which such expenditure is incurred.

Useful lives of intangible assets may be finite or indefinite.

Intangible assets with finite useful lives are amortized over their economic useful lives, and are reviewed in order to determine whether they had any impairment loss to the extent there is any evidence that indicates that the intangible asset may be impaired. The period and method of amortization for an intangible asset with a finite useful life are reviewed at least at the financial year-end of each reporting period. Amortization charges of intangible assets with finite useful lives are accounted for in the Statement of Income as "Depreciation of Property, plant and Equipment".

Intangible assets with indefinite useful lives are not amortized and are subject to annual tests in order to determine whether they are impaired, either individually or as part of the cash-generating unit to which such intangible assets were allocated. The Entity has no intangible assets with indefinite useful lives.

The gain or loss arising from the derecognition of an intangible asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset, and it shall be recognized in profit or loss when the asset is derecognized.

Development expenditure incurred in a specific project shall be recognized as intangible asset when the Bank can demonstrate all of the following:

— the technical feasibility of completing the intangible asset so that it will be available for the intended use or sale,
— its intention to complete the intangible asset and its ability use or sell it,
— how the intangible asset will generate probable future economic benefits,
— the availability of adequate resources to complete the development, and
— its ability to measure reliably the expenditure attributable to the intangible asset during its development:

After initial recognition of the development expenditure as an asset, such asset shall be carried at its cost less any accumulated amortization and any applicable accumulated impairment losses. Amortization shall begin when the development phase has been completed and the asset is available for use. The asset amortizes over the period in which the asset is expected to generate future benefits. Amortization is accounted for in the Statement of income as "Depreciation of Property, plant and equipment". During the development phase, the asset is subject to annual tests to determine whether there is any impairment loss.

3.7 Investment Property

We included certain real property that the Entity holds for undetermined future use, which were recognized pursuant to IAS 40 "Investment Property".

For this kind of property, the Entity chose the cost model described in Note 3.5 Property, plant and equipment.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of the retirement or disposal as "Other Operating Income".

An entity shall transfer a property to, or from, investment property when, and only when, there is a change in use. For a transfer from investment property to an item of property, plant and equipment, the property's deemed cost for subsequent

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accounting is its fair value at the date of change in use. If an item of property, plant and equipment becomes an investment property the Entity recognizes the asset up to the date of change in use in accordance with the policy established for property, plant and equipment.

3.8 Non-current Assets held for Sale

The Entity reclassifies in this category non-current assets of which the carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.

These non-current assets classified as held for sale are measured, at the time they are reclassified to this category, at the lower of carrying amount and fair value less costs to sell and are reported on a separate line in the Balance Sheet. Once they are classified as held for sale, these assets are not subject to depreciation or amortization. Income from sale of non-current assets held for sale is reported in the Statement of Income as "Other Operating Income".

3.9 Impairment of Non-financial Assets

The Entity evaluates, at least at each fiscal year-end, whether there are any events or changes in the circumstances that may indicate the impairment of non-financial assets or whether there is any evidence that a non-financial asset may be impaired.
When there is any evidence or when an annual impairment test is required for an asset, the Entity shall estimate the recoverable amount of such asset. If the carrying amount of an asset exceeds its recoverable amount, such asset is deemed impaired and its carrying amount shall be reduced to its recoverable amount. To the date of the accompanying consolidated Financial Statements, there is no evidence of impairment of non-financial assets.

3.10 Provisions

The Entity recognizes a provision if and only if the following circumstances are met: (a) the Entity has a present obligation as a result of a past event; (b) it is probable (i.e., it is more likely than not) that an outflow of resources will be required to settle the obligation; and © a reliable estimate can be made of the amount of the obligation.

In order to determine the amount of provisions, the risks and uncertainties were considered taking into account the opinion of independent and internal legal advisors of the Entity. Where the effect of the time value of money is material, the provisions shall be discounted using a pre-tax rate that reflects, if applicable, current risks specific to the liability. When the discount is recognized, the effect of the provision derived from the lapse of time is accounted for as "Expense for interest paid" in the Statement of Income. Based on the analysis carried out, the Entity recognized as provision the amount of the best estimate of the expenditure required to settle the present obligation at the end of each reporting period.

The provisions accounted for by the Entity are reviewed at the end of each reporting period or fiscal year, as applicable, and adjusted to reflect the current best available estimate. In addition, provisions are recognized with specific allocation to be used only for the expenditures for which they were originally recognized.

In the event: a) the obligation is possible; or b) it is not probable that an outflow of resources will be required for the Entity to settle the obligation; or c) the amount of the obligation cannot be estimated reliably, the contingent liability shall not be recognized and shall be disclosed in the Notes. Nevertheless, when the possibility of an outflow of resources is remote, no disclosures shall be made.

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3.11 Recognition of Income and Expenses

3.11.1 Revenue from interest received and expenses for interest paid

Revenue from interest received and expenses for interest paid were recognized according to their accrual period, applying the effective interest method, as described in section "Financial assets at amortized cost – Effective Interest Method".
Revenue from interest received includes the return on fixed income investments and negotiable instruments, as well as the discount and premium on financial instruments.

Bond coupons were recognized at the time they were declared.

3.11.2 Loan Commissions

Commission charges and direct incremental costs related with the granting of financing facilities were deferred and recognized adjusting the effective interest rate thereof.

3.11.3 Service Commissions

This income is accounted for when (or to the extent) the Entity satisfies each performance obligation by transferring the services undertaken under the applicable contracts, in an amount that reflects the consideration to which the Entity expected to be entitled in exchange for those services.

At the commencement of each contract, the Entity evaluates the services involved in such contract and identifies each promise to transfer a different service or a bundle of different services that are substantially the same and that have the same pattern of transfer to the customer.

3.11.4 Non-financial revenue and expenses

They are accounted for in accordance with the terms and conditions for recognition provided for in the Conceptual Framework, such as the requirement for income to be accrued in order to be reported.

3.12 Customer Loyalty Program

The loyalty program offered by the Entity consists in accumulating points generated by purchases made with the credit cards, which can be exchanged by any reward (including, among other offers, products, benefits and awards) available in the program platform.

The Bank concluded that the rewards to be granted originate a separate performance obligation. Therefore, at the end of each fiscal year the Entity recognizes a provision for the rewards to be granted in "Other financial liabilities".

Based on the variables that the Entity takes into account in order to estimate the (fair) value of the points granted to customers (and the relation thereof with the exchange of the Reward), it is worthwhile to mention that such estimates are subject to a significant level of uncertainty (and variation) that should be considered. These considerations are described in detail in the section "Accounting judgments, estimates and assumptions" in this Note.

3.13 Income Tax and Minimum Presumed Income Tax

3.13.1 Income Tax

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income). This tax is accounted for as part of profit or loss in the statements, except in the case of accounting items that are to be recognized directly in other comprehensive income statements. In this case, each accounting item is presented before assessing their impact on Income Tax, which is accounted for in the relevant accounting item.

-Current income tax: the consolidated current income tax expense is the sum of the income tax expenses of the different entities that compose the Group, which were assessed, in each case, by applying the tax rate to the taxable income, in accordance with the Income Tax Law, or equivalent rule or provision, of the countries in which any subsidiary operates.

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-Deferred income tax: it is assessed based on the individual Financial statements of the Bank and of each of its subsidiaries and reflects the effects of temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Assets and liabilities are measured using the tax rate that is expected to be applied to the taxable income in the years in which these differences are expected to be settled or recovered. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that will follow from the manner in which the Bank and its subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities. Deferred tax assets and liabilities are recognized regardless of the time in which the temporary differences are expected to reverse. Deferred tax assets are recognized when it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

On December 29, 2017 the Argentine Executive Power passed and put into effect the Tax Reform Act which, among other things, reduces the corporate rate of income tax applicable to corporate retained earnings and impacts on the measurement of deferred tax assets and liabilities. This reduction in the corporate rate of income shall be implemented gradually over the next four years dropping from the 35% rate applicable for and including the fiscal year 2017, to a 25% rate in 2020. The effects thereof shall be considered from the deferred taxes assessed as of December 31, 2017, as follows: if reverse shall occur from January 1, 2018 and up to December 31, 2019, the applicable tax rate is 30% and if reversion shall occur from January 1, 2020 onwards, the applicable tax rate is 25%. In addition, through this tax reform the Government introduced changes in connection with the balancing tax, tax adjustment for inflation, treatment of acquisitions and investments made from January 1, 2018, tax revaluation and employer contributions among other issues.

3.13.2 Minimum presumed income tax

In the fiscal year 1998, Law No. 25,063 established minimum presumed income tax for a ten-year term. At present, after subsequent extensions, and taking into account the provisions of Law No. 27,260, such tax is effective through the fiscal years ending up to and including December 31, 2018. This tax is supplementary to income tax, while the latter is levied on the taxable income for the year, minimum presumed income tax is a minimum levy assessment applicable on the potential income of certain production assets at a 1% rate. Therefore, the Bank's tax obligation for each year will be equal to the higher of these taxes

In the case of entities subject to the Financial Entities Act, the above mentioned Law provides that such entities shall consider as taxable basis for the minimum presumed income tax 20% of their taxable assets after deducting those defined as non-taxable assets.

However, if minimum presumed income tax exceeds income tax in a given tax year, such excess may be computed as a payment on account of any income tax in excess of minimum presumed income tax that may occur in any of the following ten years, once accumulated net operating losses (NOLs) have been used.

As of December 31, 2018 and 2017, the amounts recognized for income tax exceeded those assessed for minimum presumed income tax for those same periods. See also Note 19.

3.14 Earnings per Share

Basic earnings per share shall be calculated by dividing Net profit attributable to parent's shareholders of the Entity by the weighted average number of ordinary shares outstanding during the period. See also Note 28.

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3.15 Fiduciary Activities and Investment Management

The Entity renders custody, administration, investment management and advisory services to third parties that originate the holding or placement of assets in the name of such third parties. These assets and the income on them are not included in the Financial Statements, since they are not owned by the Entity. The commissions derived from these activities are accounted for as "Income from commissions received" in the Statement of Income. See also Notes 31, 32.3 and 36.

Accounting judgments, estimates and assumptions

The preparation of the accompanying condensed consolidated interim financial statements requires the Entity's Management to consider significant accounting judgments, estimates and assumptions that impact on the reported assets and liabilities, income, revenues and expenses, as well as the assessment and disclosure of contingent assets and liabilities, as of the end of the reporting period. The Entity's reported amounts are based

on the best estimate regarding the probability of occurrence of different future events and, therefore, the uncertainties associated with the estimates and assumptions made by the Entity's Management may drive in the future to final amounts that may differ from those estimates and may require material adjustments to the reported amounts of the affected assets and liabilities.

In certain cases, the Financial Statements prepared in accordance with Communiqué "A" 6114 issued by the BCRA, require that the assets and liabilities to be recognized and/or presented at their fair value. The fair value is the amount at which an asset can be exchanged, or at which a liability can be settled, in mutual independent terms and conditions between participants of the principal market (or most advantageous market) duly informed and willing to transact in an orderly and current transaction. When prices in active markets are available, we have used them as basis for valuation. When prices in active markets are not available, the Entity estimated those values as values based on the best available information, including the use of models and other assessment techniques.

Additionally, the BCRA allows for additional allowances for loan losses and changes in classification of debtors, as the case maybe, based on the Entity's risk management policy. The Risk Management Committee may decide to increase the amount of the provision for loan losses by establishing additional allowances after assessing the portfolio risk, basing its decision for example in the analysis of the local and international macroeconomic conditions.

As to the customer loyalty program, the Bank estimates the fair value of the points awarded to customers under the "Macropremia" program by applying statistics techniques. The data that feed the models include assumptions regarding exchange percentages, the product combinations available for exchange in the future and customers' preferences.

First-time adoption of IFRSs under Communiqué "A" 6114 issued by the BCRA

Communiqué "A" 6324 requires the presentation of the following reconciliations:

-between the consolidated equity determined in accordance with the standards of the BCRA and the consolidated equity determined in accordance with Communiqué "A" 6114 issued by the BCRA, as of December 31, 2016 (date of transition) and December 31, 2017; and

-between the consolidated net income determined in accordance with the standards of the BCRA for the year ended December 31, 2017 and the consolidated total comprehensive income determined in accordance with Communiqué "A" 6114 issued by the BCRA to the same date.

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In preparing these reconciliations, the Entity's Management considered the IFRSs currently approved and applicable to the presentation of the accompanying consolidated Financial Statements that are the first consolidated Financial Statements presented in accordance with Communiqué "A" 6114 issued by the BCRA, but applying the exceptions and exemptions under IFRS 1 described below:

• Optional exemptions

- Business combinations:

The Entity decided not to apply IFRS 3 "Business Combinations" retroactively to the acquisition of subsidiaries (that are deemed businesses), investments in associates and interests in joint ventures occurred before December 31, 2016 (date of transition). Using this exemption implies that the carrying amounts of assets and liabilities measured pursuant to BCRA standards, and that must be recognized in accordance to the IFRSs, are the cost thereof attributed as of the acquisition date. After the acquisition date, measurements shall be made in accordance with Communiqué "A" 6114 issued by the BCRA. Assets and liabilities that do not qualify to be recognized as such according to the IFRSs are excluded from the opening Balance sheet.

In this sense, no previous amount which would have been recognized according to BCRA standards was excluded and no amount which was not previously recognized has been recognized, pursuant to BCRA standards. IFRS 1 also establishes that the carrying amount of goodwill measured according to BCRA standards shall be included in the opening balance sheet, regardless of the adjustments for impairment and for recognition or derecognition of certain intangible assets that qualify or not to be recognized as such under IAS 38 "Intangible Assets".

- Use of fair value as deemed cost for an item of property, plant and equipment and investment properties:

Properties and properties under construction were measured in the opening balance sheet as of December 31, 2016 (date of transition) at fair value, determined on the basis of valuations made to such date by an independent valuer who holds a recognized and relevant professional qualification. The Entity chose to use these values as carrying amount at the date of transition. After the date of transition, measurement of items of property, plant and equipment and investment property were made in accordance with IAS 16 "Property, Plant and Equipment" and IAS 40 "Investment Property", respectively. To such effect, the Entity has chosen the cost model provided for under such standards.

- Accumulated translation differences:

The Entity decided to consider at zero accumulated currency translation differences as of December 31, 2016 (date of transition), for the foreign subsidiary Macro Bank Limited.

- Fair value measurement of financial assets at initial recognition:

For the presentation of the carrying amounts at the date of transition, related to the acquisition of loan portfolio, the Entity decided to go for the exemption contemplated in paragraph D of IFRS 1 and recognized prospectively the cost of transactions related to such acquisitions.

- Borrowing costs:

The Entity decided to apply the transitional provisions of IAS 23 and has capitalized borrowing costs in qualifying assets from December 31, 2016 (date of transition).

The Entity has not used other exemptions or exceptions available under IFRS 1.

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• Obligatory exceptions

- Estimates

The significant accounting judgments, estimates and assumptions made by the Entity's Management to determine the amounts according to the IFRS as of December 31, 2016 (date of transition), and as of December 31, 2017, were consistent with those made as of the same dates according to BCRA standards and reflect the current conditions as of the respective dates.

- Non-controlling interests

The total comprehensive income of subsidiaries was attributed to the owners of the parent company and to the non-controlling interests, from December 31, 2016 (date of transition).

Reconciliations required

• Reconciliation of consolidated equity as of December 31, 2016 (date of transition).

	Previous BCRA Standards	Adjustments & Reclassifications	Balance under Communiqué "A" 6114
Total Assets	154,998,960	4,371,635	159,370,595
Total Liabilities	132,893,062	1,299,041	134,192,103
Equity	22,105,898	3,072,594	25,178,492
Equity attributable to parent company			207,799
Equity attributable to non-controlling interests			24,970,693

Description	Balance as of 12/31/2016
Under previous BCRA Standards	22,105,898
Adjustments & Reclassifications	
Debt securities and investment in equity instruments	153,970
Loans and other financing	(238,730)
Property, plant and equipment and investment property	4,560,495
Deferred income tax assets and liabilities	(1,321,392)
Other non-financial assets	52,757
Other non-financial liabilities	(370,143)
Corporate bonds	31,560
Other adjustments	(3,722)
Third-party minority interests	207,799
Total adjustments	3,072,594
Total Equity under BCRA's Communiqué "A" 6114	25,178,492
Equity attributable to parent company	24,970,693
Equity attributable to non-controlling interests	207,799

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• **Reconciliation of equity as of December 31, 2017.**

Description	Previous BCRA Standards	Adjustments & Reclassifications	Balance under Communiqué "A" 6114
Total Assets	224,242,704	2,096,366	226,339,070
Total Liabilities	181,112,157	(1,508,952)	179,603,205
Equity	43,130,547	3,605,318	46,735,865
Equity attributable to parent company			200,842
Equity attributable to non-controlling interests			46,535,023

Description	Balance as of 12/31/2017
Under previous BCRA Standards	43,130,547
Adjustments & Reclassifications	
Debt securities and investment in equity instruments	17,423
Loans and other financing	(291,040)
Property, plant and equipment and investment property	4,556,825
Deferred income tax assets and liabilities	(469,086)
Other non-financial assets	64,785
Other non-financial liabilities	51,579
Corporate bonds	(515,769)
Other adjustments	(10,241)
Third-party minority interests	200,842
Total adjustments	3,605,318
Total Equity under BCRA's Communiqué "A" 6114	46,735,865
Equity attributable to parent company	46,535,023
Equity attributable to non-controlling interests	200,842

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• Reconciliation of consolidated income and other comprehensive income for the three-month period ended March 31, 2017.

Reconciliation of income for the fiscal year ended 12/31/2017	Net Income for the Period	Other Comprehensive Income	Comprehensive Income
Under previous BCRA Standards	9,388,772		
Income from interest received	(33,158)		
Expenses for interest paid	20,019		
Income from commissions received	(19,556)		
Net Income from measuring financial instruments at fair value through OCI	(109,077)		
Depreciation of Property, plant and equipment	(45,407)		
Employee benefits	(114,042)		
Other operating expenses	(70,000)		
Income from associates and joint ventures	18,633		
Reclassification for share issuance expenses	276,480		
Foreign currency translation differences	(137,148)	137,148	
Income from financial instruments at fair value through OCI		1,279	
Other adjustments	121,333		
Income Tax	854,964		
Total adjustments & reclassifications	763,041	138,427	
Balance under BCRA's Communiqué "A" 6114	10,151,813	138,427	10,290,240
Equity attributable to parent company	10,065,358	138,849	10,240,207
Equity attributable to non-controlling interests	86,455	(422)	86,033

Explanatory notes to the adjustments on transition to IFRS

This section includes a brief description of the main adjustments on transition to the standards established by BCRA's Communiqué "A" 6114 affecting equity as of December 31, 2016 (date of transition) and as of December 31, 2017, and the consolidated income and other comprehensive income for the fiscal year ended December 31, 2017, and which arise from comparing the accounting policies applied by the Entity to the preparation of the Financial Statements up to the end of the previous fiscal year ended December 31, 2017 (BCRA) and the accounting policies applied by the Entity to the preparation of the Financial Statements from the fiscal year beginning on January 1, 2018.

Debt securities

Adjustments in this accounting item arise mainly when the valuation established for each business model into which holdings were classified, differs from the valuation established by the BCRA standards.

In addition, the Entity carried out active repo transactions of which, under BCRA standards, the underlying assets should be recognized as assets of the Entity. Under IFRS, these assets received from third parties do not meet the requirements to be recognized as such.

Furthermore, the Entity received security deposits which, under BCRA standards, implied recognition of such security within this accounting item against a

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liability for deposits for the principal plus the agreed upon interest and the quoting difference, which was accounted for in Deposits. According to IFRS 9, these transactions neither imply the recognition of the asset nor the offset in liabilities. In addition, items accrued in favor were reclassified from "Expense for interest paid" to "Expenses for services" within "Commissions related to security transactions".

Loans and other financing

The Entity's loan portfolio was generated in a business model structure intended principally to receive contractual cash flows (composed of principal and interest). Under IFRS 9, the loan portfolio shall be measured at amortized cost, measuring it at the beginning at fair value, using the effective interest method, which implies that the commissions charged and the direct incremental costs related to the granting of such financing facilities shall be deferred and recognized over the term of the financing facility.

Under BCRA standards, interests were accrued on the basis of exponential distribution in the periods in which they were generated and the commissions were charged and the direct costs were recognized at the time they were generated.

Furthermore, loan portfolio acquisitions made by the Entity were measured for in accordance with such IFRS, recognizing such acquired loan portfolios at fair value at the date of acquisition. Under BCRA standards, these transactions were recognized at their contractual value.

Investments in equity instruments

The contributions to risk funds of Reciprocal Guarantee Companies (RGC) in which the Entity participates, do not meet the financial asset individual test, therefore they are not included in the Entity's business model and were measured at their fair value through profit or loss. As to those companies in which the Entity has no control or significant influence, such companies were recognized at the best approximation to the fair value through profit or loss according to IFRS 9. Under BCRA standards, these approximations were recognized at cost, plus the nominal value of any dividends received in shares.

Non-financial assets

Under IFRS 15 "Revenue from Contracts with Customers", the Entity included Contract Assets for commissions charged for the subscription to one of the Entity's customer loyalty programs. In such program, the only performance obligation contemplated in the contract is the one that requires the Entity to contact its customer with a recognized airline. As consideration for this service, the Entity receives a membership fee.

Investments in associates and joint ventures

The Entity holds interests in UTEs (joint ventures), which according to IFRS 11 "Joint Arrangements" are accounted for using the equity method. Under BCRA standards, the Entity used the proportional consolidation method.

Property, plant and equipment and investment property

For the presentation of the carrying amount to the date of transition the Entity used the exemption contemplated under "Optional exemptions", which implied using the fair value as cost of acquisition. In order to determine such fair value, the Entity used valuations for all properties.

Since the Entity chose the cost model, the new cost of acquisition according to the IFRSs implied an increase in depreciations.

Additionally, within the item Property, plant and equipment, the Entity capitalized from the date of transition, the financing costs attributable to the construction of the new corporate building, in accordance with IAS 23.

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Intangible assets
Under IAS 38, intangible assets shall be measured at cost. Under BCRA standards, the Entity capitalized certain software costs and other organizational expenses, which according to the above mentioned IAS the Entity should have not recognized as intangible assets and, therefore, were accounted for in profit or loss for the relevant period.

Corporate bonds
The Entity issued subordinated and unsubordinated Corporate Bonds that, according to IFRS 9, were measured at amortized cost, using the effective interest method, which implied having to account for lesser liabilities the direct placement expenses. Under BCRA standards, such Corporate Bonds were measured in accordance with the unpaid balance of principal and accrued interest and the expenses were accounted for in profit or loss at the time they were generated.

Assets and liabilities for deferred income tax
According to IAS 12 "Income Tax", the Entity shall recognize (i) the part of the current tax that is expected to be paid or recovered and (ii) the deferred tax that is the tax the Entity expects to settle or recover of Income Tax, for the accumulated tax losses and the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Under BCRA standards, the Entity assessed income tax applying the rate in force to the expected taxable profit, without taking into account the effect of differences between the carrying amount and its tax base.

Other non-financial assets
According to IFRS 15, the Entity recognized income arising in the course of its ordinary activities so that they represent the transfer of goods or services promised to customers in exchange for an amount that reflects the consideration the Entity expects to have the right to receive in exchange for such goods or services.

In addition, and under IAS 19 "Employee Benefits", vacations are considered as irrevocable accumulating paid absences and shall be measured at the expected cost of such absences, based on the additional amount that the Entity expects to pay for such paid absences multiplied by the number of days accumulated in favor of the employees and unused at the end of the reporting period. Under BCRA standards, charges for paid vacations were accounted for at the time the personnel used such benefit, i.e., when vacations were paid.

Capital stock – Stock issuance premium
Under IAS 32 "Financial Instruments: Presentation", the costs incurred by the Entity with respect to the issuance of capital stock are accounted for as a deduction of the amount of such instrument, provided they are incremental costs directly attributable to such equity transaction, which would have been avoided if such transaction had not taken place. Under BCRA standards, the Entity recognized such costs in profit or loss.

Foreign currency translation
Under IAS 21 "The Effects of Changes in Foreign Exchange Rates", the Entity recognized and reclassified foreign exchange translation differences, with respect to the Entity's interest in a foreign subsidiary. The Entity used the voluntary exemption under paragraph D of IFRS 1 "First-time Adoption of International Financial Reporting Standards" and did not recognize the translation differences accumulated as of the beginning of the date of transition.

Explanation of material adjustments in the Statement of Cash Flows
- Preparation method: the Entity chooses the Direct Method, except for the presentation of cash flows from operating activities, for which it shall use the indirect method.

-Cash: (i) it does not include the cash of UTEs, since under IFRS such balances are recognized using the proportional equity method and under BCRA

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standards UTEs are recognized using the proportional consolidation method; (ii) the Entity incorporated foreign currency purchase and sale spot transactions previously not included in the Statement of Cash Flows under BCRA standards.

-Cash equivalents: pursuant to the Entity's policy applicable to cash equivalents, issuer must be the National Government or the BCRA and they must have maturity periods of 90 days or less from the purchase date, whereas under BCRA standards cash equivalents should meet the following requirements: they should be subject to insignificant risks regarding change of value and have maturity periods of 90 days or less from the purchase date.

New pronouncements

Pursuant to Communiqué "A" 6114 issued by the BCRA, as new IFRS are approved and existing IFRS are amended or revoked and, once these changes are approved through Notices of Approval issued by the Argentine Federation of Professionals Councils in Economic Sciences (FACPCA for its Spanish acronym), the BCRA shall issue a statement on the approval thereof for financial entities. Generally, financial entities shall not apply any IFRS in advance, except specifically authorized at the time of the approval thereof. In this case, the Entity shall adopt the following standards:

• Such standard eliminates the dual accounting method for lessees that distinguishes between finance leases recognized within the Financial statements and operating leases for which future lease payments are not required to be recognized. Instead, it develops a single model, within the balance sheet, which is similar to the present finance lease. As to lessor, the standard maintains the present practice –i.e., lessors keep on classifying leases as finance and operating leases. This standard is applicable to fiscal years beginning as of January 1, 2019. The Entity does not expect the above described standard to have a material impact on the consolidated Financial Statements.

• IFRIC 23: "Uncertainty over income tax treatment": this interpretation provides guidance on how to account for uncertainty over income tax treatments under IAS 12. This standard shall apply to fiscal years beginning January 1, 2019. The Entity does not expect the above described standard to have a material impact on the consolidated Financial Statements.

• IFRS 3 "Business combinations" – modification to the definition of business: this modification shall help Entities to determine whether an executed acquisition is a business or a purchase of a group of assets. This new definition emphasizes that the "output" of the business is to provide goods and services to customers, while the previous definition focused on return in the form of dividends, less costs or other economic benefits. This standard applies to fiscal years beginning January 1, 2020. The Entity does not expect the above described standard to have a material impact on the consolidated Financial Statements.

4. REPO TRANSACTIONS

As of December 31, 2018, 2017 and 2016, the Entity has agreed repurchase and reverse repurchase transactions of government and private securities for 164,469, 4,107,901 and 1,114,758, respectively. Maturity of the agreed transactions as of December 2018 shall occur during the month of January 2019. Furthermore, to the those same dates, the securities delivered to guarantee the reverse repurchase transactions total 182,448, 2,993,719 and 1,201,029, respectively, and are recorded under "Financial assets delivered as guarantee", while securities received to guarantee repurchase transactions as of December 31, 2017 and 2016 total 1,591,288 and 19,335, respectively and were recognized outside the balance sheet

Profits generated by the Entity as a result of its repurchase transactions arranged during the fiscal years ended December 31, 2018 and 2017 total 416,569 and 655,742, respectively, and are accounted for in "Income from interest received" in the Statement of Income.

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In addition, losses generated by the Entity as a result of its reverse repurchase transactions arranged during the fiscal years ended December 31, 2018 and 2017 total 184,669 and 112,795, respectively, and were recognized in "Expense for interest paid" in the Statement of Income.

5. FINANCIAL ASSETS DELIVERED AS GUARANTEE

As of December 31, 2018, 2017 and 2016, the Entity delivered as guarantee the following financial assets:

Description	Carrying Amount		
	12/31/2018	12/31/2017	12/31/2016
For transactions with the Central Bank	5,719,689	4,005,730	2,093,960
For equity forward contracts	182,448	2,993,719	1,201,029
For guarantee deposits	854,083	638,903	395,705
Total	**6,756,220**	**7,638,352**	**3,690,694**

The Entity's Management considers there shall be no losses due to the restrictions on the above listed financial assets.

6. 5. LOSS ALLOWANCE – ALLOWANCE FOR UNCOLLECTIBILITY RISK OF LOAN AND OTHER FINANCING LOSSES

Changes in allowances for loan losses as of December 31, 2018 and 2017 are disclosed in Exhibit R "Value correction for credit losses – Allowance for uncolectibility risk" in the accompanying consolidated Financial Statements.

The table below presents the Entity's changes in allowances by portfolio category:

	Commercial loans	Consumer loans	Total
As of December 31, 2017	575,401	2,091,337	2,666,738
Increases	516,676	2,583,451	3,100,127
Reversals	30,045	10,916	40,961
Charge-off	76,136	1,489,023	1,565,159
As of December 31, 2018	985,896	3,174,849	4,160,745

	Commercial loans	Consumer loans	Total
As of December 31, 2016	436,009	1,403,413	1,839,422
Increases	168,936	1,573,900	1,742,836
Reversals	20,161	2,124	22,285
Charge-off	9,383	883,852	893,235
As of December 31, 2017	575,401	2,091,337	2,666,738

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On the other hand, the table below shows the composition of the net uncollectibility charge, generated by loans and other financing:

	12/31/2018	12/31/2017
Uncollectability charge	2,706,406	1,594,534
Repaid loans (Other operating Income)	293,70	346,632

The method to determine the allowance for uncollectibility risk of Loans and other financing is explained in Notes 3 (section "Accounting judgments, estimates and assumptions") and 39 to the accompanying consolidated Financial Statements.

7. CONTINGENT TRANSACTIONS

In order to meet specific financial needs of customers, the Entity's credit policy also includes, among others, the granting of guarantees, securities, bonds, letters of credit and documentary credits. Although these transactions are not recognized in the balance sheet, since they imply a possible obligation or liability for the Entity, they expose the Entity to additional credit risk to those recognized in the balance sheet and are, therefore, an integral part of the total risk of the Entity.

As of December 31, 2018, 2017 and 2016, the Entity maintains the following contingent transactions:

	12/31/2018	12/31/2017	12/31/2016
Overdraft and unused agreed credits [*]	634,288	743,856	291,945
Guarantees granted [*]	940,990	444,526	446,483
Liabilities for foreign trade transactions	256,788	90,274	163,308
Total	1,832,066	1,278,656	901,736

[*] Includes transactions not included in the financial sector debtors standard. As to Overdraft and unused agreed credits, it includes the 221,220, 488,146 and 100,938, for the years 2018, 2017 y 2016, respectively. As to Guarantees granted, it includes 166,650, 191,176 and 158,986, for the years 2018, 2017 and 2016, respectively.
Risks related to the contingent transactions described above have been evaluated and are controlled within the framework of the Entity's credit risk policy described in Note 39.

8. DERIVATIVE FINANCIAL INSTRUMENTS

The Entity holds Forwards and Futures as derivative financial instruments. These are contractual agreements to buy or sell a specific financial instrument at a given price and a fixed date in the future. Forward contracts are customized contracts traded on an over-the-counter market. Futures contracts, in turn, correspond to transactions for standardized amounts, executed in a regulated market and subject to daily cash margin requirements.

The main differences in risks associated with these types of contracts are the credit risk and the liquidity risk. In forward contracts there is counterparty risk, the Entity has credit exposure to the counterparties of the agreements. The credit risk related to futures contracts is deemed very low because daily cash margin requirements help to guarantee these contracts are always fulfilled. In addition, forward contracts are generally settled in gross terms and, therefore, they are deemed to have higher settlement risk than futures contract that, except they are

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chosen to be executed by delivery, are settled on a net base. Both types of contracts expose the Entity to market risk.

At the beginning, derivatives often imply only a mutual exchange of promises with little or no investment. Nevertheless, these instruments frequently imply high levels of leverage and are quite volatile. A relatively small movement in the value of the underlying asset could have a significant impact in profit or loss. Furthermore, over- the-counter derivatives may expose the Entity to risks related to the absence of an exchange market in which to close an open position. The Entity's exposure for derivative contracts is monitored on a regular basis as part of its general risk management framework. Information on the Entity's credit risk management objectives and policies is included in Note 39.

The following tables show the notional values of these instruments, expressed in thousands of US dollars, in the currency of origin. Notional values indicate the number of pending transactions at year end and are not indicative of either the market risk or the credit risk. Additionally, is presented the fair value of the derivative financial instruments recognized as assets or liabilities in the Balance sheet. Changes in fair values were accounted for in profit or loss, the breakdown of which is disclosed in Exhibit Q "Breakdown of profit or loss".

	12/31/2018		12/31/2017		12/31/2016	
Derivative assets	**Notional Value**	**Fair Value**	**Notional Value**	**Fair Value**	**Notional Value**	**Fair Value**
Foreign currency forward purchase contracts without delivery of underlying asset	24,867	14,555	11,700	7,664	7,900	9,721
Forward contracts of Government bonds	5,000	2,738	10,000	564		
Total derivatives held for trading	29,867	17,293	21,700	8,228	7,900	9,721

	12/31/2018		12/31/2017		12/31/2016	
Derivative assets	**Notional Value**	**Fair Value**	**Notional Value**	**Fair Value**	**Notional Value**	**Fair Value**
Foreign currency forward purchase contracts without delivery of underlying asset	1,100	1,369	44,500	23,107		
Total derivatives held for trading	1,100	1,369	44,500	23,107		

Derivatives held for trading are generally related with products offered by the Bank to its customers. The Entity shall also take positions expecting to benefit from favorable changes in prices, rates or indexes, i.e. take advantage of the high level of leverage of these contracts to obtain high yields, assuming at the same time high market risk.

Additionally, they may be held for arbitrage, i.e. to obtain a benefit free of risk for the combination of a derivative product and a portfolio of financial assets, trying to benefit from anomalous situations in the prices of assets in the markets.

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9. FAIR VALUE QUANTITATIVE AND QUALITATIVE DISCLOSURES

The fair value is the amount at which an asset can be exchanged, or at which a liability can be settled, in mutual independent terms and conditions between participants of the principal market (or most advantageous market) duly informed and willing to transact in an orderly and current transaction, at the measurement date in the current market conditions whether the price is directly observable or estimated using a valuation technique under the assumption that the Entity is an ongoing business.

When a financial instrument is quoted in a liquid and active market, its price in the market in a real transaction provides the most reliable evidence of its fair value. Nevertheless, when there is no quoted price in the market or it cannot be an evidence of the fair value of such instrument, in order to determine such fair value, the entities may use the market value of another instrument with similar characteristics, the analysis of discounted cash flows or other applicable techniques, which shall be significantly affected by the assumptions used.

Although the Entity's Management has used its best judgment to estimate the fair values of its financial instruments, any technique to perform such estimate implies certain inherent fragility level.

Fair value hierarchy.

The Entity uses the following hierarchy to determine and disclose the fair value of financial instruments, according to the valuation technique applied:

— Level 1: quoted prices (unadjusted) observable in active markets to which the Entity has access to the measurement date for identical assets or liabilities. The Entity deems markets are active only if there are enough trading activities as to volume and liquidity of identical assets or liabilities and if there are binding and enforceable price quotes available to the closing date of each reporting period.

— Level 2: Valuation techniques for which the data and variables having a significant impact on the determination of the fair value recognized or disclosed are observable for the asset or liability, either directly or indirectly. Such data includes quotes for similar assets or liabilities in active markets, quotes for identical instruments in inactive markets and observable data different from Price quotes, such as interest rates and implicit volatility, credit differentials and yield curves. Besides, it may be necessary adjust Level 2 input data depending on specific factors of assets or liabilities, such as the condition and location of the asset, the extent to which the input data is related to the asset or liability comparable accounting items. Nevertheless, if such adjustments are based on non-observable input data which are material for the entire measurement, then the Entity classifies instruments as Level 3.

— Level 3: Valuation techniques for which the data and variables having a significant impact on the determination of the fair value recognized or disclosed are not based on observable market information.

Exhibit P "Categories of Financial Assets and Liabilities" presents the hierarchy in the Entity's financial asset and liability fair value measurement.

Description of valuation process

The fair value of instruments categorized as Level 1 was assessed by using quoted prices effective at the end of each reporting period or fiscal year, as applicable, in active markets for identical assets or liabilities, if representative. At present, for government and private securities, there are two principal markets in which the Bank operates, to wit: BYMA and MAE. Additionally, in the case of derivatives, both MAE and Mercado a Término de Rosario SA (ROFEX) are deemed active markets.

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CPCECABA T° 196 F° 142

Signed as related
to our report dated 03/08/2019
BY THE SUPERVISORY COMMITTEE

Alejandro Almarza
Regular Syndic
Certified Public Accountant - UBA
CPCECABA T° 120 F° 210

Daniel H. Violatti
Head of Accounting
& Tax Department

Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
Chairman

On the other hand, for certain assets and liabilities that do not have an active market, categorized as Level 2, the Entity used valuation techniques that included the use of market transactions performed under mutual independent terms and conditions, between interested and duly informed parties, provided there are any available, as well as references to the current fair value of other instrument being substantially similar, or otherwise the analysis of cash flows discounted at rates built from market information of similar instruments.

In addition, certain assets and liabilities included in this categorization were valued using identical price quotes of identical instruments in "less active markets".

Finally, the Entity has categorized as level 3 those assets and liabilities for which there are no identical or similar transactions in the market. In order to determine the market value of these instruments, the Entity used valuation techniques based on its own assumptions. For this approach, the Entity mainly used the cash flow discount mode.
As of December 31, 2018, 2017 and 2016, the Entity has neither changed the techniques nor the assumptions used to estimate the fair value of the financial instruments.

Below is presented the reconciliation between the balances at the beginning and the end of the period of the financial assets and liabilities recognized at fair value, using the valuation techniques based on the Entity's own assumptions, as of December 31, 2018 and 2017:

Fair values using valuation techniques based on the Bank's own assumptions (level 3)
December 31, 2018

Description	Debt Securities	Other Financial Assets	Investments in Equity Instruments
Balance at the beginning	35,841	161,751	35,774
Transfers to Level 3			
Transfers from Level 3			
Profit and Loss	(200,279)	(92,022)	9,634
Purchases, sales, issuance and settlement	1,455,490	21,439	
Balance at end of period	1,291,052	91,168	45,408

Fair values using valuation techniques based on the Bank's own assumptions (level 3)
December 31, 2017

Description	Debt Securities	Other Financial Assets	Investments in Equity Instruments
Balance at the beginning	45,834		15,668
Transfers to Level 3			
Transfers from Level 3			
Profit and Loss	5,661		20,421
Purchases, sales, issuance and settlement	(15,654)	161,751	(315)
Balance at end of period	35,841	161,751	35,774

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Instruments measured as level 3, include mainly debt securities and certificate of participation in financial trust, for which, the construction of fair values was obtained based on the Bank's own assumptions that are not easily observable in the market. The most significant assumption was the placement cutoff rate of such instruments in the market at the end of the period, used to determine the actual value of cash flows.

Any increase (decrease) in these assumptions, considered separately, would derive in a higher or lower fair value.

Changes in fair value levels

The Entity monitors the availability of information in the market to evaluate the classification of financial instruments into the fair value hierarchy, as well as the resulting determination of transfers between levels 1, 2 and 3 at each period end.

As of December 31, 2018, 2017 and 2016, the Entity has not recognized any transfers between levels 1, 2 and 3 of the fair value hierarchy.

Financial assets and liabilities not recognized at fair value

Next follows a description the methods and assumptions used to determine the fair values of financial instruments not recognized at their fair value in the accompanying Financial Statements:

— Assets with fair value similar to the carrying amount: financial assets and liabilities that are liquid or have short- term maturities (less than three months) were deemed to have a fair value similar to the carrying amount.

— Fixed-rate financial instruments: The fair value of financial assets was recognized discounting future cash flows at current market rates, for each fiscal year, for financial instruments of similar characteristics. The estimated fair value of fixed-interest rate deposits was assessed discounting future cash flows by using market interest rates for deposits with similar maturities to those of the Entity's portfolio.

— In the case of quoted assets and issued quoted liabilities, or otherwise having prices informed by recognized price providers, the fair value was determined based on such prices.

The following table shows a comparison between the fair value and the carrying amount of financial instruments not measured at fair value as of December 31, 2018, 2017 and 2016:

					12/31/2018
	Carrying Amount	Level 1	Level 2	Level 3	Fair Value
Financial Assets					
Cash and bank deposits	74,766,039	74,766,039			74,766,039
Other financial assets	2,586,448	2,586,448			2,586,448
Loans and other financing	178,874,755		186,951	162,375,447	162,562,398
Other debt securities	8,151,176	173,337	7,165,102	2,749	7,341,188
Financial assets delivered as guarantee	6,605,764	6,573,772	31,992		6,605,764
	270,984,182	84,099,596	7,384,045	162,378,196	253,861,837

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					12/31/2018
	Carrying Amount	Level 1	Level 2	Level 3	Fair Value
Financial liabilities					
Deposits	237,954,419	106,273,098		131,778,797	238,051,895
Other repo transactions	164,469	164,469			164,469
Other financial liabilities	15,318,513	15,152,415	166,522		15,318,937
Financing received from the BCRA and other financial entities	2,998,010		432,346		2,964,630
Issued corporate bonds	6,377,311	2,532,284	4,981,686		4,981,686
Subordinated corporate bonds	15,288,390		12,260,778		12,260,778
	278,101,112	124,122,266	17,841,332	131,778,797	273,742,395

					12/31/2017
	Carrying Amount	Level 1	Level 2	Level 3	Fair Value
Financial Assets					
Cash and bank deposits	35,561,574	35,561,574			35,561,574
Repo transactions	1,419,808	1,419,808			1,419,808
Other financial assets	1,789,433	1,789,433			1,789,433
Loans and other financing	132,658,674		485,347	129,472,430	129,957,777
Other debt securities	937,713	944,876		7,916	952,792
Financial assets delivered as guarantee	4,644,633	4,644,633			4,644,633
	177,011,835	44,360,324	485,347	129,480,346	174,326,017

					12/31/2017
	Carrying Amount	Level 1	Level 2	Level 3	Fair Value
Financial liabilities					
Deposits	144,129,177	77,959,810		66,265,387	144,225,197
Other repo transactions	2,688,093	2,688,093			2,688,093
Other financial liabilities	10,561,203	10,368,143	198,870		10,567,013
Financing received from the BCRA and other financial entities	1,174,111		1,176,397		1,176,397
Issued corporate bonds	4,712,216		4,432,977		4,432,977
Subordinated corporate bonds	7,565,759		7,710,790		7,710,790
	170,830,559	91,016,046	13,519,034	66,265,387	170,800,467

					12/31/2016
	Carrying Amount	12/31/2016	Level 2	Level 3	Fair Value
Financial Assets					
Cash and bank deposits	35,986,159	35,986,159			35,986,159
Repo transactions	19,124	19,124			19,124
Other financial assets	941,218	941,218			941,218
Loans and other financing	88,390,646		481,628	87,807,196	88,288,824
Other debt securities	855,832	843,708	3,223	11,677	858,608
Financial assets delivered as guarantee	2,489,665	2,489,665			2,489,665
	128,682,644	40,279,874	484,851	87,818,873	128,583,598

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					12/31/2016
	Carrying Amount	Level 1	Level 2	Level 3	Fair Value
Financial liabilities					
Deposits	111,862,805	58,773,034		53,175,424	111,948,458
Other repo transactions	1,095,634	1,095,634			1,095,634
Other financial liabilities	6,341,674	6,208,887	135,477		6,344,364
Financing received from the BCRA and other financial entities	260,458		259,775		259,775
Subordinated corporate bonds	1,684,636		1,622,802		1,622,802
Financial liabilities	6,376,537		5,994,056		5,994,056
	127,621,744	66,077,555	8,012,110	53,175,424	127,265,089

10. LEASES

The Entity, as lessor, entered into financial lease contracts, under the usual characteristics of this kind of transactions, without there being any issues that may differentiate them in any aspect from those performed in the Argentine financial market in general. The lease contracts in force do not represent significant balances with respect to the total financing granted by the Entity. The following table shows the reconciliation between the total gross investment of financial leases and the current value of the minimum payments receivables for such leases:

	12/31/2018		12/31/2017		12/31/2016	
	Total Investment	Current Value of Minimum Payments	Total Investment	Current Value of Minimum Payments	Total Investment	Current Value of Minimum Payments
Up to 1 year	314,182	240,231	339,397	237,730	235,152	171,648
From 1 to 5 years	249,561	207,928	441,369	356,071	284,518	233,893
More than 5 years			175	172	2,601	2,597
	563,743	448,159	780,941	593,973	522,271	408,138

As of December 31, 2018 and 2017, income for non-accrued interests totaled 115,584 and 186,968, respectively.

Additionally, the Entity celebrated commercial contracts for the lease of real property, in which the Entity's branches operate. Such lease contracts have an average term of 2 to 10 years.

Future minimum payments for these operating lease contracts are as follows:

	12/31/2018	12/31/2017	12/31/2016
Up to 1 year	277,460	163,107	134,520
From 1 to 5 years	322,568	223,383	209,182
More than 5 years	27,050		1,228
	627,078	386,490	344,930

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11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

11.1. Associates

The Entity holds investments in Macro Warrants S.A. The existence of significant influence is evidenced by the representation the Entity has in the Board of Directors of this related company. In order to measure this investment, we used accounting information of Macro Warrants S.A .as of September 30, 2018.

Additionally, the Entity has considered, when applicable, the material transactions or events occurring between October 1, 2018 and December 31, 2018.

The following table presents the summarized financial information on the Entity's investment in this related company:

Summarized Balance Sheet	12/31/2018	12/31/2017	12/31/2016
Total Assets	18,111	19,798	17,110
Total Liabilities	2,269	3,265	3,424
Net Shareholders' Equity	15,842	16,533	13,686
Proportional interest in the entity	5%	5%	5%
Carrying Amount of Investment	792	827	684

Summarized Statement of Income	12/31/2018	12/31/2017
Net Income for the year	3,308	5,847
Entity's share in net income for the year	165	292

On June 30, 2018, the Entity reclassified its investment in Prisma Medios de Pago S.A. to Non-current assets held for sale (see Note 13).

The summarized information regarding the Entity's investment as of December 31, 2017 and 2016 is as follows:

Summarized Balance Sheet	12/31/2017	12/31/2016
Total Assets	14,366,838	9,703,861
Total Liabilities	12,492,991	8,815,774
Net Shareholders' Equity	1,873,847	888,087
Proportional interest in the entity	7.61%	7.61%
Carrying Amount of Investment	142,600	67,583

Additionally, as of December 2018 and 2017, the Entity's share in income by Prisma Medios de Pago S.A. amounted to 180,350 and 134,508, respectively.

11.2 Joint Ventures in which the Entity participates

The Bank participates in the following joint ventures, instrumented through Uniones Transitorias de Empresas (UTE):

a) Banco Macro S.A. – Worldline Argentina S.A. UTE: on April 7, 1998, the Entity executed an agreement with Siemens Itron Business Servicies S.A. to organize an UTE controlled on a joint basis through a 50% interest, the purpose of which is to facilitate a data processing center for the tax administration, to modernize the systems and tax collection processes of the Province of Salta and manage and recover municipal taxes and fees.

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The following table presents the summarized information on the Entity's investment in this UTE:

Summarized Balance Sheet	12/31/2018	12/31/2017	12/31/2016
Total Assets	270,287	195.829	133,188
Total Liabilities	59,639	54.646	30,362
Net Shareholders' Equity	210,648	141,183	102,826
Proportional interest in the entity	50%	50%	50%
Carrying Amount of Investment	105,324	70,592	51,413
Summarized Statement of Income			
Net Income for the year		140,294	69,623
Entity's share in net income for the year		70,147	34,812

b) Banco Macro S.A. – Gestiva S.A. UTE: on May 4, 2010 and August 15, 2012, the Bank executed with Gestiva SA the UTE agreement to form "Banco Macro SA – Gestiva SA – Unión Transitoria de Empresas", under joint control, the purpose of which relates to rendering the integral processing and management services of the tax system of the Province of Misiones, the management thereof and tax collection services. The Bank holds a 5% interest in this UTE.

On June 27, 2018, the Entity, the UTE and the Tax Authority of the Province of Misiones, executed a "Termination Agreement upon Mutual Consent" of the Amendment to the Agreement, without such termination to imply or modify the rights and obligations of the Entity as Financial Agent of the Province of Misiones with respect to the rendering of the services contemplated in the special-relationship and revenue collection agreement entered into with such provincial government. As of December 31, 2018, pursuant to the above mentioned, the balance of such investment totaled 2,707 and the Entity's share in the net income for the year amounted to 15,640.

The following table presents the summarized information on the Entity's investment as of December 31, 2017 and 2016:

Summarized Balance Sheet	12/31/2017	12/31/2016
Total Assets	116,885	107,376
Total Liabilities	18,319	15,616
Net Shareholders' Equity	98,566	91,760
Proportional interest in the entity	5%	5%
Carrying Amount of Investment	4,928	4,588

– Additionally, as of December 31, 2017, the Entity's share in income by Banco Macro S.A. – Gestiva S.A. UTE amounted to 27,009.

For additional information on investments on joint ventures, see Exhibit E "Detailed information on interests in other companies", within the consolidated Financial Statements.

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12. RELATED PARTIES

A related party is any person or entity that is related to the Entity:

— has control or joint control of the Entity;
— has significant influence over the Entity;
— is a member of the key management personnel of the Entity or of a parent of the Entity;
— members of the same group;
— one entity is an associate (or an associate of a member of a group of which the other entity is a member).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly. The Entity considers as key management personnel, for the purposes of IAS 24, the members of the Board of Directors and the Senior Management members who participate in the Risk Management Committee, Asset and Liability Committee and Senior Credit Committee.

As of December 31, 2018, 2017 and 2016, the balances and income for the transactions executed with related parties are as follows:
Information as of December 31, 2018

	Main Subsidiaries [1]						
	Banco del Tucumán S.A.	Macro Bank Limited	Macro Securities S.A.	Associates	Key Management	Other related parties	Total
ASSETS							
Cash and bank deposits		583					583
Other financial assets	2,504		25,276	20,660			48,440
Loans and other financing[2]							
Documents						331,699	331,699
Overdraft			6		3,505	161,905	165,416
Credit cards			286		19,011	51,424	70,721
Leases			5,746			1,407	7,153
Personal loans					1,388		1,388
Mortgage loans					54,824	356	55,180
Other loans						232,670	232,670
Guarantees granted						391,699	391,699
Other non-financial assets			83,178				83,178
Total Assets	2,504	583	114,492	20,660	78,728	1,171,160	1,388,127
LIABILITIES							
Deposits		13	311,073	1,774,149	4,890,280	984,659	7,960,174
Other financial liabilities				101,232	31	514	101,777
Financing received from BCRA and other financial entities	301,742						301,742
Corporate bonds issued			11,231				11,231
Subordinated Corporate bonds						46,605	46,605
Other non-financial liabilities						119	119
Total Liabilities	301,742	13	322,304	1,875,381	4,890,311	1,031,897	8,421,648

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	Main Subsidiaries [1]						
	Banco del Tucumán S.A.	Macro Bank Limited	Macro Securities S.A.	Associates	Key Management	Other related parties	Total
INCOME							
Income from interest received	372,476				2,398	66,651	441,525
Expense for interest paid	(58,997)		(3,277)	(191,973)	(397,248)	(24,204)	(675,699)
Income from commissions received	9		521	112	21	5,592	6,255
Other operating income	27,280						27,280
Administration expenses	(4)					(9,473)	(9,477)
Other operating expenses				(1,268,375)	[3]	(26,062)	(1,294,437)
Total Income	340,764	-	(2,756)	(1,460,236)	(394,829)	12,504	(1,504,553)

[1] These transactions are eliminated during the consolidation process.
[2] The maximum balance of Loans and other financing as of December 31, 2018 for Banco del Tucumán S.A., Macro Bank Limited, Macro Securities S.A., Associates,Key Management Personnel and Other related parties is 2,550,000.0, 7,216.0, 82,297 and 1,551,047, respectively.
[3] This income is mainly generated by credit and debit card processing costs charged by Prisma Medios de Pago S.A.

• Information as of December 31, 2017

	Main Subsidiaries [1]						
	Banco del Tucumán S.A.	Macro Bank Limited	Macro Securities S.A.	Associates	Key Management	Other related parties	Total
ASSETS							
Cash and bank deposits		13,106					13,106
Debt securities at fair value through profit or loss						83,561	83,561
Other financial assets	1,378						1,378
Loans and other financing							
Other local financial entities	952,147						952,147
Documents						151,898	151,898
Overdraft					633	7,198	7,831
Credit cards			295		10,981	24,357	35,633
Leases			6,973			2,157	9,130
Personal loans					388	397	785
Mortgage loans					13,526	442	13,968
Other loans						147,299	147,299
Guarantees granted			443			53,792	54,235
Total Assets	953,525	13,106	7,711		25,528	471,101	1,470,971

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	Main Subsidiaries [1]						
	Banco del Tucumán S.A.	Macro Bank Limited	Macro Securities S.A.	Associates	Key Management	Other related parties	Total
LIABILITIES							
Deposits		16	108,378	937,658	1,111,813	746,818	2,904,683
Other financial liabilities				80,020	13	153	80,186
Subordinated corporate bonds						29,509	29,509
Other non-financial liabilities						173	173
Total Liabilities		16	108,378	1,017,678	1,111,826	776,653	3,014,551
INCOME							
Income from interest received	28,621		2,057		3,512	78,792	112,982
Expense for interest paid	(10,263)	(257)		(139,560)	(3,082)	(4,930)	(158,092)
Income from commissions received	12		250	75	21	5,110	5,468
Expense for commissions paid						(14)	(14)
Other operating income	21,608	2	674				22,284
Administration expenses	(41)					(13,042)	(13,083)
Other operating expenses			(15,957)	(687,956)	(2)	(24,243)	(728,156)
Total Income	39,937	(255)	(12,976)	(827,441)	451	41,673	(758,611)

[1] These transactions are eliminated during the consolidation process.
[2] This income is mainly generated by credit and debit card processing costs charged by Prisma Medios de Pago S.A.

• Information as of December 31, 2016

	Main Subsidiaries [1]						
	Banco del Tucumán S.A.	Macro Bank Limited	Macro Securities S.A.	Associates	Key Management	Other related parties	Total
ASSETS							
Cash and bank deposits		11,269					11,269
Debt securities at fair value through profit or loss						51,565	51,565
Other financial assets	47						47
Loans and other financing							
Documents						103,775	103,775
Overdraft					4,617	12,044	16,661
Credit cards			53		8,424	11,590	20,067
Leases			8,036			1,168	9,204
Personal loans					1,225	137	1,362
Mortgage loans					4,776	6,082	10,858
Other loans						756,249	756,249
Guarantees granted			885			14,365	15,250
Total Assets	47	11,269	8,974		19,042	956,975	996,307

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	Main Subsidiaries [1]						
	Banco del Tucumán S.A.	Macro Bank Limited	Macro Securities S.A.	Associates	Key Management	Other related parties	Total
LIABILITIES							
Deposits		17	134,778	12,581	1,082,466	600,752	1,830,594
Other financial liabilities				41,000	11	7,415	48,426
Issued Corporate bonds		61,215				68,642	129,857
Subordinated corporate bonds						213,681	213,681
Other non-financial liabilities		196				209	405
Total Liabilities		61,428	134,778	53,581	1,082,477	890,699	2,222,963
INCOME							
Income from interest received	612		3,658		5,118	27,750	37,138
Expense for interest paid	(22,454)	(86)		(117,756)	(9,077)	(11,408)	(160,781)
Income from commissions received	16		143	101	25	4,914	5,199
Expense for commissions paid			(141)				(141)
Other operating income	17,220	2	627				17,849
Administration expenses	(9)					(5,263)	(5,272)
Other operating expenses			(151)	(460,097)	(2)	(22,243)	(482,491)
Total Income	(4,615)	(84)	4,136	(577,752)	(3,934)	(6,250)	(588,499)

[1] These transactions are eliminated during the consolidation process.
[2] This income is mainly generated by credit and debit card processing costs charged by Prisma Medios de Pago S.A.

Transactions generated by the Entity with its subsidiaries and other related parties to it for transactions arranged within the scope of the usual and ordinary course of business, were performed in normal market conditions, both as to interest rates and prices and as to the required guarantees.

The Entity does not have loans granted to Directors and other key management personnel secured with shares.

Total remunerations received as salary and bonus by the key management personnel as of December 31, 2018, 2017 and 2016, totaled 115,906, 79,905 and 41,592 respectively.

In addition, fees received by the Directors as of December 31, 2018, 2017 and 2016 amounted to 636,149, 468,623 and 243,704 respectively.

Additionally, the composition of the Board of Directors and key management personnel is as follows:

	12/31/2018	12/31/2017	12/31/2016
Board of Directors	24	22	21
Senior Management members of the key management personnel	15	14	14
	39	36	35

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Partner
Certified Public Accountant - UBA
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13. NON-CURRENT ASSETS HELD FOR SALE

As of December 31, 2018, the Entity holds its reported interest in Prisma Medios de Pago S.A. ("Prisma") under the non-current Assets held for sale, due to the obligation to sell all the shares of such company undertaken with the Argentina's Anti-trust Commission. As a result, the Entity's interest was valued under IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" at the lower of the carrying amount and best fair value estimate less costs to sell. As of December 31, 2018, the Entity's participating interest, included under this accounting item, amounted to 105,287.

On January 21, 2019, the Entity together with the other shareholders of Prisma, accepted an offer submitted by Al ZENITH (Netherlands) B.V. (a related company of Advent International Global Private Equity) for the purchase of 1,933,051 common book-entry shares of par value 1 peso each and entitled to one vote per share, representing 4.6775% of the capital stock of Prisma and equal to 51% of the Entity's shareholding in Prisma.

On February 1, 2019, the Entity completed the transfer of such shares and determined that the estimated total price adjusted to date was US dollars 64,542 (thousands), out of which the Entity received US dollars 38,311 (thousands) on such date, while payment of the difference, in the amount of US dollars 26,230 (thousands) shall be deferred during the next 5 years and shall be paid as follows: (i) 30% in pesos subject to UVA adjustment plus interest at a 15% nominal rate per annum and (ii) 70% in US dollars plus interest at a 10% nominal rate per annum. Payment of the price is guaranteed by promissory notes issued in favor of the Entity and a pledge on the shares to be transferred.

Furthermore, among other issues, on the one hand, sellers keep the usufruct (dividends) of the shares sold to be declared by Prisma for the fiscal year ended December 31, 2018 and, on the other hand, the proportional amount the buyer is entitled to receive of the dividends to be declared for the subsequent fiscal years, subject to buyer's promise to vote favorably for the distribution of certain minimum percentages, shall be subject to a security trust to repay the deferred amount of the purchase price, instrumented through the granting by buyer and Prisma of an usufruct on the economic rights of the shares in favor of such trust.

The final price shall be determined in accordance with the provisions of the transaction documents, once the parties approve the price adjustment report.

The accounting effects of such sale shall be recognized in the consolidated financial statements for the year 2019.

14. BORROWING COSTS

The Entity capitalized borrowing costs attributable to the construction of the new corporate building.

On December 27, 2018 and since the Entity completed all necessary activities to render the asset suitable for the intended use, it ceased to capitalize borrowing costs and started to reclassify under the accounting item Property, plant and equipment – Real Property, the amounts for capitalized interests to such date amounting to 50,426. The weighted average capitalization rate was 12.24%. In addition, as of December 31, 2017, borrowing costs eligible for capitalization of the expenditures on such qualifying asset to such date totaled 30,587.

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15. PROVISIONS

This item includes the amounts estimated to face a liability of probable occurrence, which in case it occurs, would originate a loss for the Entity.

Exhibit J "Changes in Provisions" presents the changes in provisions during the fiscal years ended December 31, 2018, 2017 and 2016.

The expected terms to settle these obligations are as follows:

	12/31/2018				
	Within 12 months	Beyond 12 months	12/31/2018	12/31/2017	12/31/2016
For administrative, disciplinary and criminal penalties		718	718	718	9,110
Other (*)	333,646	711,530	1,045,176	694,201	325,897
	333,646	712,248	1,045,894	694,919	335,007

(*) Includes mainly provisions established for lawsuits, summary proceedings, enforcement proceedings and other legal actions pending resolution.

In the opinion of the Management of the Bank and its legal advisors, there are no other significant effects than those disclosed in the accompanying Financial Statements, the amounts and settlement terms of which have been recognized based on the current value of such estimates, considering the probable settlement date thereof.

16. EMPLOYEE BENEFITS PAYABLE

The table below presents the amounts of employee benefits payable as of December 31, 2018, 2017 and 2016:

Short-term employee benefits	12/31/2018	12/31/2017	12/31/2016
Salaries, gratifications and social security contributions	810,905	710,093	431,656
Vacation accrual	841,463	547,443	413,004
Total short-term employee benefits	1,652,368	1,257,536	844,660

The Bank has not long-term employee benefits or post-employment benefits as of December 31, 2018, 2017 and 2016.

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17. ANALYSIS OF FINANCIAL ASSETS TO BE RECOVERED AND FINANCIAL LIABILITIES TO BE SETTLED

The following tables show the analysis of the balance of financial asset and liabilities the Bank expects to recover and settle as of December 31, 2018, 2017 and 2016:

12/31/2018	Without due date	Up to 1 month	Over 1 month & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 12 months	Total up to 12 months	Over 12 months & up to 24 months	Over 24 months	Total over 12 months
Assets									
Cash and bank deposits	74,766,039								
Debt securities at fair value through profit or loss		916,325	292,933	259,471	211,948	1,680,677	262,339	692,231	954,570
Derivative instruments		15,836	1,457			17,293			
Repo transactions									
Other financial assets	1,676,223	1,150,525	7,585	99,041		1,257,151	66,210		66,210
Loans and other financing(1)	1,208,855	50,819,544	20,331,086	19,790,867	21,190,109	112,131,606	19,373,289	46,161,005	65,534,294
Other debt securities	2,748	55,674,674		829,760		56,504,434	7,252,752	824,825	8,077,577
Financial assets delivered as guarantee	6,573,772	182,448				182,448			
Investments in equity instruments	51,518								
Total Assets	84,279,155	108,759,352	20,633,061	20,979,139	21,402,057	171,773,609	26,954,590	47,678,061	74,632,651

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12/31/2018	Without due date	Up to 1 month	Over 1 month & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 12 months	Total up to 12 months	Over 12 months & up to 24 months	Over 24 months	Total over 12 months
Assets	103,394,451	94,031,128	32,469,390	6,825,953	1,162,963	134,489,434	57,839	12,695	70,534
Derivative instruments		1,019		350		1,369			
Repo transactions		164,469				164,469			
Other financial liabilities		15,134,783	17,924	8,206	11,525	15,172,438	18,973	127,102	146,075
Financing received from BCRA and other financial entities		423,291	907,790	1,054,312	442,273	2,827,666	62,921	107,423	170,344
Corporate bonds issued		235,912		69,847		305,759		6,071,552	6,071,552
Subordinated Corporate bonds				165,070		165,070		15,123,320	15,123,320
Total Liabilities	103.394.451	109.990.602	33.395.104	8.123.738	1.616.761	153.126.205	139.733	21.442.092	21.581.825

12/31/2017	Without due date	Total up to 12 months	Total over 12 months
Assets			
Cash and bank deposits	35,561,574		
Debt securities at fair value through profit or loss		138,068	947,960
Derivative instruments		8,228	
Repo transactions		1,419,808	
Other financial assets		1,588,751	683,928
Loans and other financing[1]	889,510	91,416,852	40,352,312
Other debt securities		34,703,765	
Financial assets delivered as guarantee	4,644,633	2,993,719	
Investments in equity instruments	282,659		
Total Assets	41,378,376	132,269,191	41,984,200

12/31/2017	Without due date	Total up to 12 months	Total over 12 months
Liabilities			
Deposits	74.499.458	69,596,920	32,799
Liabilities at fair value through profit or loss		6,450	
Derivative instruments		23,107	
Repo transactions		2,688,093	
Other financial liabilities		10,386,583	174,620
Financing received from BCRA and other financial entities		1,045,713	128,398
Corporate bonds issued		118,356	4,593,860
Subordinated Corporate bonds		80,004	7,485,755
Total Liabilities	74,499,458	83,945,226	12,415,432

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12/31/2016	Without due date	Total up to 12 months	Total over 12 months
Assets			
Cash and bank deposits	35,986,159		
Debt securities at fair value through profit or loss		42,269	290,212
Derivative instruments		9,721	
Repo transactions		19,124	
Other financial assets		789,863	315,650
Loans and other financing[1]	542,275	62,609,496	25,238,875
Other debt securities		20,395,499	
Financial assets delivered as guarantee	2,489,700	1,200,994	
Investments in equity instruments	406,868		
Total Assets	39,425,002	85,066,966	25,844,737

12/31/2016	Without due date	Total up to 12 months	Total over 12 months
Liabilities			
Deposits	50,613,570	61,240,314	8,921
Repo transactions		1,095,634	
Other financial liabilities		6,213,535	128,139
Financing received from BCRA and other financial entities		238,835	21,623
Corporate bonds issued			
Subordinated Corporate bonds		1,684,636	
Total Liabilities		67,429	6,309,108
Repo transactions	50,613,570	70,540,383	6,467,791

[1] Amounts included under "without due date" correspond to past due portfolio.

18. DISCLOSURES BY OPERATING SEGMENT

For management purposes the Entity's Management has determined that it has only one operating segment related to banking business. In this sense, the Entity supervises the operating segment results for the period, in order to make decisions about resources to be allocated to the segment and assess its performance, which is measured in a consistent basis with the profit or loss in the financial statements.

19. INCOME TAX

This tax shall be recognized following the liability method, recognizing (as credit or debt) the tax effect of temporary differences between the carrying amount of an asset or liability and its tax base, and its subsequent recognition in profit or loss for the fiscal year in which the reversal of such differences occurs, considering as well the possibility of using tax losses in the future.

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Deferred tax assets and deferred tax liabilities in the Balance sheet are as follows:

	12/31/2018	12/31/2017	12/31/2016
Deferred tax assets			
Debt securities		4,982	
Loans and other financing	1,063,151	834,029	437,724
Other financial assets	1,077	13,166	7,518
Allowances for contingencies	277,445	208,475	117,252
Provisions and employee benefits	260,393	181,834	157,704
Total deferred tax assets	1,602,066	1,242,486	720,198
Deferred tax liabilities			
Property, plant and equipment	1,196,910	1,191,529	1,614,419
Intangible assets	385,309	245,326	222,185
Investment in associates and joint ventures	41,677	167,918	84,333
Other financial and non-financial liabilities	206,282	106,800	120,654
Total deferred tax liabilities	1,830,178	1,711,573	2,041,591
Net deferred tax liabilities	228,112	469,087	1,321,393

Changes in net deferred tax liabilities as of December 31, 2018 and 2017 are summarized as follows:

	12/31/2018	12/31/2017
Net deferred tax liabilities at beginning of year	469,087	1,321,393
Profit for deferred taxes recognized in total comprehensive income(*)	273,884	852,306
Other tax effects	32,909	
Net deferred tax liabilities at year end	228,112	469,087

(*) For changes in fiscal year 2017, the Entity included the effect of the rate change, under the tax reform described in Note 3.13.1 to the accompanying consolidated Financial Statements.

The income tax recognized in the Statement of Income and in the Statement of Other Comprehensive Income differs from the income tax to be recognized if all income were subject to the current tax rate.

The table below shows reconciliation between income tax and the amounts obtained by applying the current tax rate in Argentina to the carrying amount of profit:

	12/31/2018	12/31/2017
Carrying amount of profit before income tax	22,741,647	15,083,774
Applicable income tax rate	30%	35%
Income tax on carrying amount of profit	6,822,494	5,279,321
Net permanent differences and other tax effects	142,261	(347,360)
Total income tax	6,964,755	4,931,961

As of December 31, 2018 and 2017, the effective income tax rate is 30.6% and 32.7%, respectively.

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In the consolidated Financial Statements, tax assets (current and deferred) of an entity of the Group shall not be offset with the tax liabilities (current and deferred) of other entity of the Group because they correspond to income tax applicable to different taxable subjects and also they are not legally entitled before the tax authority to pay or receive only one amount to settle the net position.

20. INCOME FROM COMMISSIONS RECEIVED

Description	12/31/2018	12/31/2017
Performance obligations satisfied in one act [1]	11,862,084	8,618,017
Performance obligations satisfied over certain time period	26,890	568,203
	11,888,974	9,186,220

[1] Includes mainly account maintenance fees, agreements and credit card commissions.

21. DIFFERENCE IN QUOTED PRICES OF GOLD AND FOREIGN CURRENCY

Description	12/31/2018	12/31/2017
Translation of foreign currency assets and liabilities to pesos	(2,721,085)	889,541
Income from foreign currency Exchange	1,343,569	490,768
	(1,377,516)	1,380,309

22. OTHER OPERATING INCOME

Description	12/31/2018	12/31/2017
Services	1,135,862	926,667
Derecognition or substantial changes in financial liabilities	594,424	
Other adjustments and interest from other receivables	221,202	66,051
Sale of investment property and other non-financial assets	161,058	19,915
Initial recognition of loans	53,282	
Sale of property, plant and equipment	38,753	4,115
Other	641,451	590,260
	2,846,032	1,607,008

23. EMPLOYEE BENEFITS

Description	12/31/2018	12/31/2017
Remunerations	7,780,931	5,938,491
Social Security Contributions	1,513,192	1,072,817
Compensations and bonuses to employees	751,839	471,171
Employee services	258,856	212,690
	10,304,818	7,695,169

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24. ADMINISTRATION EXPENSES

Description	12/31/2018	12/31/2017
Maintenance, conservation and repair expenses	909,643	597,837
Taxes	900,608	725,577
Fess to Directors and Syndics	717,067	445,028
Security services	709,935	537,648
Electricity and communications	592,932	348,785
Other fees	565,336	356,800
Leases	330,297	225,679
Advertising and publicity	314,602	232,872
Representation, travel and transportation expenses	114,809	82,705
Insurance	62,941	44,899
Stationary and office supplies	58,338	43,213
Hired administration services	18,210	17,970
Other	1,537,994	1,035,747
	6,832,712	4,694,760

25. OTHER OPERATING EXPENSES

Description	12/31/2018	12/31/2017
Gross turnover tax	5,814,427	3,459,207
Charges for other provisions	1,103,851	718,702
Deposit Guarantee Fund contributions	305,437	213,487
Donations	85,705	95,761
Insurance claims	54,706	33,118
Initial loan recognition		76,000
Other	2,888,306	2,187,952
	10,252,432	6,784,227

26. ADDITIONAL DISCLOSURES IN THE STATEMENT OF CASH FLOWS

The Statement of Cash Flows presents the changes in cash and cash equivalents derived from operating activities, investing activities and financing activities during the period. For the preparation of the Statement of Cash Flows the Entity adopted the indirect method for Operating Activities and the direct method for Investment Activities and Financing Activities.

The Entity considers as "Cash and cash equivalents" the item Cash and deposits in banks and those financial assets that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the preparation of the Statement of Cash Flows the Entity considered the following:

— Operating activities: are the normal revenue-producing activities of the Entity as well as other activities that cannot be qualified as investing or financing activities.

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— Investing activities: are the acquisition, sale and disposal by other means of long-term assets and other investments not included in cash and cash equivalents.

— Financing activities: are activities that result in changes in the size and composition of the Shareholders equity and liabilities of the Entity and that are not part of the operating or investing activities.

The table below presents the reconciliation between the item "Cash and cash equivalents" in the Statement of Cash Flows and the relevant accounting items of the Balance sheet:

	12/31/2018	12/31/2017	12/31/2016
Cash and deposits in banks	74,766,039	35,561,574	35,986,159
Debt securities at fair value		20,415	9,585
Other debt securities	55,674,674	20,009,665	16,074,409
Loans and other financing	189,042	93,871	
	130,629,755	55,685,525	52,070,153

27. CAPITAL STOCK

The Entity's subscribed and paid-in capital as of December 31, 2018, amounted to 669,663. Since December 31, 2015, the Entity's capital stock has changed as follows:

	Issued and paid-in Capital	Outstanding shares	Treasury Stock
As of December 31, 2015 and 2016	**584.563**	**584.563**	
Capital stock increase as approved by Shareholders´ Meeting held on April 28, 2017 [1]	85.100	85.100	
As of December 31, 2017	**669.663**	**669.663**	
Outstanding stock repurchased from stockholders [2]		(28.948)	28.948
As of December 31, 2018	**669.663**	**640.715**	**28.948**

[1] Related to capital stock increase arising from i) the issue of 74,000,000 new, common, registered, Class "B" shares with a face value of Ps. 1, each one entitled to one vote, and entitled to dividends under the same conditions as common, registered, Class "B" shares, outstanding upon issuance, formalized on June 19, 2017 and (ii) additionally, as established by the abovementioned Meeting, the international underwriters exercised the option to oversubscribed 15% of the capital stock which was formalized on July 13, 2017 through the issuance of 11,099,993 new, common, registered, Class "B" shares each one entitled to one vote and with a face value of Ps.1. On August 14, 2017, such capital increases were registered with the Public Registry of Commerce.
The public offering of the new shares was authorized by CNV Resolution No. 18,716 dated on May 24, 2017 and by the BCBA on May 26, 2017. As required by CNV regulations, it is advised that the funds arising from the public subscription of shares shall be used to finance its general business operations, to increase its borrowing capacity and leverage the potential acquisitions opportunities in the Argentine financial system.
[2] Related to the repurchase of outstanding shares within the framework of the programs established by the Board of Directors on August 8, 2018, October 17, 2018 and December 20, 2018, aimed at reducing share quote fluctuations, minimizing the possible temporary imbalances that might arise between supply and demand in the market.
The program dated August 8, 2018, provided that the maximum investment would be 5,000,000 and the maximum number of shares to be repurchased would be an amount equal to 5% of the capital stock. To the closing date of such program, the Entity repurchased 21,463,005 class B common shares of nominal value AR$1 and entitled to 1 vote each for 3,113,925.

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CPCECABA T° 196 F° 142

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to our report dated 03/08/2019
BY THE SUPERVISORY COMMITTEE

Alejandro Almarza
Regular Syndic
Certified Public Accountant - UBA
CPCECABA T° 120 F° 210

Daniel H. Violatti
Head of Accounting
& Tax Department

Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
Chairman

The program dated October 17, 2018 provided a new beginning of the repurchase program using the unsued amount of the already expired program described in the preceding paragraph. To the ending date of such program, the Entity had repurchased 6,774,019 class B common shares of nominal value AR$ 1 and entitled to 1 vote each for a total amount of 995,786.

On December 20, 2018, for the reasons described in the first paragraph, the Board of Banco Macro S.A. resolved to establish the terms and conditions for the repurchase of the Entity's outstanding shares, in accordance with Section 64 of Law 26831 and the CNV rules, subject to the same conditions:

1) Maximum investment: up to 900,000.
2) Maximum number of shares to be repurchased: up to 1% of the capital stock.
3) Maximum price to be paid per share: up to 158 pesos per share.
4) Term within which the repurchase shall take place: by and including January 10, 2019, subject to any renewal or extension of the term to be informed to investors.

As of December 31, 2018, the Entity had repurchased 2,028,251 class B common shares of nominal value AR$1 and entitled to 1 vote each for 298,196, out of which, to the year end, only 711,386 shares were settled for a total amount of 98,353, which means there are 1,316,865 shares to be settled for a total amount of 199,843.

For further information about the composition of the Entity's capital stock, see Exhibit K "Composition of capital stock" to the separate Financial Statements.

28. EARNINGS PER SHARE - DIVIDENDS

Basic earnings per share were calculated by dividing net profit attributable to ordinary equity holders of the Entity by the weighted average number of ordinary shares outstanding during the period.

To determine the weighted average number of ordinary shares outstanding during the period the Entity used the number of ordinary shares outstanding at the beginning of the period adjusted, if applicable, by the number of ordinary shares bought back or issued during the period multiplied by the number of days that the shares were outstanding in the period. Note 27 provides a detail of the changes in the Entity's capital stock.

The calculation of basic earnings per share is disclosed in the table of Earnings per share included in the consolidated Statement of Income. See also Note 38 to the consolidated Financial Statements and the profit distribution Project.

Dividends paid and proposed

Cash dividends paid during the fiscal years 2017 and 2016 to the shareholders of the Bank amount to 701,476 and 596,254, respectively, which considering the number of shares outstanding to the date of effective payment represented 1.20 and 1.10 pesos per share, respectively.

The Shareholders' Meeting held on April 27, 2018 resolved to distribute cash dividends for 3,348,315, which considering the number of shares outstanding at the date of such resolution, represented 5 pesos per share. These dividends were paid and made available on May 15, 2018. See also Note 38 to the accompanying consolidated Financial Statements and the profit distribution Project.

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29. DEPOSIT GUARANTEE INSURANCE

Law No. 24485 and Decree No. 540/1995 created the Deposit Guarantee Insurance System, which was featured as a limited, compulsory and onerous system, aimed at covering the risks of bank deposits, as subsidiary and supplementary to the deposit privilege and protection system established under the Financial Entities Act. The above mentioned legislation also provided for the organization of Sedesa with the exclusive purpose of managing the Deposit Guarantee Fund (DGF). Sedesa was organized in August 1995.

Banco Macro SA holds an 8.300% interest in the capital stock of Sedesa according to the percentages disclosed by Communiqué "B" 11816 issued by the BCRA on February 28, 2019.

According to the above mentioned law and decree, all deposits in pesos and foreign currency placed in participating entities in the form of checking accounts, savings accounts, fixed-term deposits or other forms of deposit that the BCRA may determine from time to time shall be subject to the above described Deposit Guarantee Insurance System, up to the amount of 450 (from March 1, 2019, this amount shall be increased to 1,000) and that meet the requirements provided for in the Decree 540/1995 and other requirements that the regulatory Authority may from time to time determine. On the other hand, the BCRA provided for the exclusion of the guarantee system, among others, of any deposits made by other financial entities, deposits made by persons related to the Entity and security deposits.

30. RESTRICTED ASSETS

As of December 31, 2018 and 2017, the following Entity's assets are restricted:

Item	12/31/2018	12/31/2017
Debt securities at fair value through profit or loss and other debt securities		
Discount bonds in pesos regulated by Argentinean legislation, maturing 2033 securing the regional economies Competitiveness Program – BID loan No. 3174/OC-AR	108,633	98,541
Discount bonds in pesos regulated by Argentinean legislation, maturing 2033 used as security in favor of Sedesa[1]	92,659	117,454
Discount bonds in pesos regulated by Argentinian legislation, maturing 2033 securing the sectorial Credit Program of the Province of San Juan. Production investment financing fund.	64,703	8,704
Discount bonds in pesos regulated by Argentinian legislation, maturing 2033 and Federal government treasury bonds in pesos adjusted by CER - Maturity: 2021 as of December 31, 2018 and Discount bonds in pesos regulated by Argentinian legislation, maturing 2033 as of December 31, 2017, for minimum counterpart required for Agents to act in the new categories contemplated under Resolution No. 622/13, as amended, of the CNV.	24,998	13,139
Discount bonds in pesos regulated by Argentinean legislation, maturing 2033 securing a BID loan of Province of San Juan No. 2763/OC-AR.	6,609	8,869
Central Bank of Argentina Internal Bills in pesos, maturing 02-21-18 as of December 31, 2017, for the performance of forward foreign currency transactions.		53,059
Central Bank of Argentina Internal Bills in pesos, maturing 02-21-2018 as of December 31, 2017, securing the operation through negotiation secured transaction Segment as the main counterparty of the MAE.		9,647

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Item (cont.)	12/31/2018	12/31/2017
Secured bonds under Presidential Decree No. 1579/2002 as security for a loan received from Banco de Inversión y Comercio Exterior SA (Bice).		4,270
Other private and public securities	34,259	27,225
Subtotal debt securities at fair value through profit or loss and other debt securities	331,861	340,908
Other financial assets		
Sundry debtors – Other	2,414	858
Sundry debtors – foreclosure within the scope of the claim filed by the DGR against the City of Buenos Aires for differences on gross turnover tax.	827	827
Subtotal Other financial assets	3,241	1,685
Loans and other financing - non-financial private sector and foreign residents		
Interests derived from contributions made as protector [2]	32,501	110,848
Subtotal Loans and other financing	32,501	110,848
Financial assets delivered as guarantee		
Special guarantee checking accounts opened in Central Bank for transactions related to the electronic clearing houses and similar entities	5,719,689	4,005,730
Guarantee deposits related to credit and debit card transactions	747,487	623,491
Future contracts for repo transactions	182,448	2,993,719
Other guarantee deposits	106,596	15,412
Subtotal Financial assets delivered as guarantee	6,756,220	7,638,352
Other non-financial assets		
Real property related to a call option sold	73,006	222,023
Subtotal Other non-financial assets	73,006	222,023
Total	7,196,829	8,313,816

[1] As replacement for the preferred shares of former Nuevo Banco Bisel SA to secure to Sedesa the price payment and the fulfillment of all the obligations assumed in the purchase and sale agreement dated May 28, 2007, maturing on August 11, 2021.
[2] In order to keep tax benefits related to these contributions, they must be maintained between two and three years from the date they were made. The same correspond to the following risk funds: Risk fund Los Grobo SGR and Risk fund of Avaluar as of December 31, 2018 and 2017 and Risk fund of Intergarantías SGR and Risk fund Garantizar SGR as of December 31, 2017.

Additionally, as of December 31, 2016, the amount of restricted assets was 4,191,090.

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31. TRUST ACTIVITIES

The Entity is related to several types of trusts. The different trust agreements according to the business purpose sought by the Entity, are disclosed below:

31.1 Financial trusts for investment purposes

Debt securities include mainly prepayments towards the placement price of trust securities of the financial trusts under public offerings, made by the Entity through underwriting agreements (Consubond, Garbarino, Accicom, Secubono, Mila, Credicuotas Consumo, Credimas, Pvcred, Naldo Lombardi and Agrocap 1). The assets managed for these trusts are mainly related to securitizations of consumer loans. Trust securities are placed once the public offering is authorized by the CNV. Upon expiry of the placement period, once all trust securities have been placed on the market, the Entity recovers the disbursements made, plus an agreed-upon compensation. If after making the best efforts, such trust securities cannot be placed, the Entity shall retain the securities subject to underwriting.

Additionally, the Entity's portfolio of financial trusts for investment purposes is completed with listed final fiduciary values of financial trusts (Consubond, PVCRED, Best Consumer Directo, Credimas, Garbarino, Chubut Regalías Hidrocarburíferas, Secubono, Megabono and Credicuotas Consumos) and Certificates of participation (Saenz Créditos, Gas Tucumán and Arfintech).

As of December 31, 2018, 2017 and 2016, debt securities and certificates of participation in financial trusts administrated by the Entity for investment purposes total 1,383,743, 1,011,828 and 730672, respectively.

According to the latest accounting information available as of the date of issuance of the accompanying consolidated Financial Statements, the corpus assets of the trusts exceed the carrying amount in the related proportions.

31.2 Trusts created using financial assets transferred by the Entity

The Entity transferred financial assets (loans) to trusts for the purpose of issuing and selling securities for which collection is guaranteed by the cash flow resulting from such assets or group of assets. This way the funds that were originally used to finance the loans are obtained earlier.

As of December 31, 2018, 2017 and 2016, according to the latest accounting information available as of the date of issuance of the accompanying consolidated Financial Statements, the assets managed through Macro Fiducia SA (subsidiary) of this type of trusts amounted to 69,842, 116,697 and 59,128, respectively.

31.3 Trusts guaranteeing loans granted by the Entity

As it is common in the Argentine banking market, the Entity requires, in some cases, that the debtors present certain assets or entitlements to receive assets in a trust as a guarantee for the loans granted. This way, the risk of losses is minimized and access to the security is guaranteed in case of the debtor's noncompliance.

Trusts usually act as conduits to collect cash from the debtor's flow of operations and send it to the bank for the payment of the debtor's loans and thus ensure compliance with the obligations assumed by the trustor and guaranteed through the trust.

Additionally, other guarantee trusts manage specific assets, mainly real property.

Provided there is no noncompliance or delays by debtor in the obligations assumed with the beneficiary, the Trustee shall not execute the guaranty and all excess amounts as to the value of the obligations are reimbursed by the Trustee to the debtor.

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As of December 31, 2018, 2017 and 2016, considering the latest available accounting information as of the date of the accompanying consolidated Financial Statements, the assets managed by the Entity amount to 269,507, 328,268 and 451,569, respectively.

31.4 Trusts in which the Entity acts as trustee (management)

The Entity, through its subsidiaries, performs management duties of the corpus assets directly according to the agreements, performing only trustee duties and has no other interests in the trust.

In no case shall the Trustee be liable with its own assets or for any obligation deriving from the performance as trustee. Such obligations do not imply any type of indebtedness or commitment for the trustee and they will be fulfilled only through trust assets. In addition, the trustee will not encumber the corpus assets or dispose of them beyond the limits established in the related trust agreements. The fees earned by the Entity from its role as trustee are calculated according to the terms and conditions of the agreements.

Trusts usually manage funds derived from the activities performed by trustors, for the following main purposes:

— Guaranteeing, in favor of the beneficiary the existence of the resources required to finance and/or pay certain obligations, such as the payment of amortization installments regarding work or service certificates, and the payment of invoices and fees stipulated in the related agreements,

— Promoting the production development of the private economic sector at a provincial level,

— Being a party to public work concession agreements granting road exploitation, management, keeping and maintenance.

As of December 31, 2018, 2017 and 2016, considering the latest available accounting information as of the date of the accompanying consolidated Financial Statements, the assets managed by the Entity amounted to 3,021,849, 2,200,840 and 2,117,959, respectively.

32. COMPLIANCE WITH CNV STANDARDS

32.1 Compliance with CNV standards to act in the different agent categories defined by the CN:

32.1.1 Operations of Banco Macro S.A.

Considering Banco Macro SA's current operations, and according to the different categories of agents established by CNV (revised text under General Resolution No. 622, as amended), the Entity is registered with this agency as agent for the custody of collective investment products of mutual funds (AC PIC FCI for their acronyms in Spanish language), comprehensive clearing and settlement agent and trading agent (ALyC and AN – comprehensive, for their acronyms in Spanish language), financial trustee Agent (FF for its acronym in Spanish language) and Guarantee Entity (in the process of being registered).

Additionally, the Entity's shareholders' equity exceeds the minimum amount required by this regulation, amounting to 29,000, as well as the minimum counterpart required of 20,000, which the Entity paid-in with government securities as described in Note 30 to the accompanying consolidated Financial Statements and with funds deposited accounts numbers 00285 and 80285 held by the Entity at the BCRA.

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32.1.2 Operations of Banco del Tucumán S.A.

Considering Banco del Tucumán SA's current operations, and according to the different categories of agents established by CNV (revised text under General Resolution No. 622, as amended), the Entity is registered with this agency under the following agent categories: mutual investment funds placement and distribution agent (ACyD FCI) and clearing and settlement agent and trading agent (ALyC and AN – Individual).

Additionally, the shareholders' equity of this Subsidiary exceeds the minimum amount required by this regulation, amounting to 18,125, as well as the minimum counterpart required of 9,000, which the subsidiary paid-in with government securities.

32.1.3 Operations of Macro Securities S.A.

Considering the current operations of this Subsidiary, and according to the provisions established by CNV effective as of the approval of the General Resolution No. 622/2013, as amended and issued by such agency, the Company is registered with the CNV under the following categories: clearing and settlement agent, trading agent, comprehensive trading agent and mutual investment funds placement and distribution agent (ALyC, AN, AN – comprehensive and ACyD FCI).

Additionally, the shareholders' equity of this Subsidiary exceeds the minimum amount required by this regulation, amounting to 18,125, as well as the minimum counterpart required of 9,000, which the subsidiary paid-in with mutual fund units or shares.

32.1.4 Operations of Macro Fondos Sociedad Gerente de Fondos Comunes de Inversión S.A.

Considering the current operations of this Subsidiary, and according to the provisions established by CNV effective as of the approval of the General Resolution No. 622/2013, as amended and issued by such agency, the Company is registered with the CNV as agent for the Administration of Collective Investment Products of Mutual Funds.

Additionally, the shareholders' equity of this Company exceeds the minimum amount required by this regulation, amounting to 500 plus 100 per each additional Mutual Fund it administers, which the Company paid-in with mutual fund units or shares.

32.1.5 Operations of Macro Fiducia S.A.

Considering the current operations of this Subsidiary, and according to the provisions established by CNV effective as of the approval of the General Resolution 622/2013, as amended and issued by such agency, the Company is registered with the CNV as Financial Trustee agent and Non-Financial Trustee agent.

Additionally, the shareholders' equity of this Subsidiary exceeds the minimum amount required by this regulation, amounting to 6,000, as well as the minimum counterpart required of 3,000, which the subsidiary paid-in with mutual fund units or shares.

32.2 Documents in custody

As a general policy, the Entity delivers for custody to third parties, the documentary support of its aged accounting and management operations, i.e. those whose date is prior to the last fiscal year-end, except for the Inventory Book, in which aging is deemed to include those with a date prior to the two fiscal years ended. In compliance with CNV General Resolution No. 629 requirements, the Entity has placed (i) the Inventory Books for fiscal years ended through and including December 31, 2015, and (ii) certain documentation supporting the economic transactions for fiscal years ended through and including December 31, 2017, under the custody of the following companies: AdeA Administradora de Archivos S.A. (warehouse located at Ruta 36, km 31.5, Florencio Varela, Province of Buenos Aires) and ADDOC Administración de Documentos S.A. (warehouse located at Avenida Circunvalación Agustín Tosco with no number, Colectora Sur, between Puente San Carlos and Puente 60 blocks, Province of Córdoba and Avenida Luis Lagomarsino 1750, formerly Ruta 8 Km 51.200, Pilar, Province of Buenos Aires).

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32.3 As depositary of Mutual Funds

As of December 31, 2018 Banco Macro SA, in its capacity as Depositary Company, holds in custody the shares in Mutual Funds subscribed by third parties and assets from the following mutual funds:

Fund	Number of shares	Equity
Pionero Pesos	1,447,569,372	6,857,392
Pionero Renta Ahorro	679,237,270	5,962,020
Pionero F F	70,582,326	506,973
Pionero Renta	5,832,945	110,029
Pionero Acciones	12,464,227	284,843
Pionero Renta Plus	8,103,317	177,486
Pionero Empresas FCI Abierto PYMES	206,274,022	641,616
Pionero Pesos Plus	92,640,428	262,096
Pionero Renta Ahorro Plus	311,647,574	645,952
Pionero Renta Mixta I	27,058,866	47,610
Pionero Renta Mixta II	5,275	10
Pionero Renta Estratégico	422,791,472	519,032
Pionero Renta Capital	50,000	50
Pionero Argentina Bicentenario	50,000	50
Pionero Ahorro Dólares	127,000,808	4,965,715
Pionero Renta Global	50,000	1,890
Pionero Renta Fija Dólares	10,693,684	342,257
Argenfunds Renta Pesos	390,039,169	1,112,198
Argenfunds Renta Argentina	31,303,874	122,005
Argenfunds Ahorro Pesos	285,663,973	1,356,155
Argenfunds Renta Privada FCI	129,917,683	732,832
Argenfunds Abierto Pymes	155,767,333	161,281
Argenfunds Renta Total	974,439,315	2,050,167
Argenfunds Renta Flexible	503,464,296	896,682
Argenfunds Renta Dinámica	228,078,430	388,144
Argenfunds Renta Mixta	9,383	8
Argenfunds Renta Global	94,349,770	164,718
Argenfunds Renta Capital	5,307,151	201,447
Argenfunds Renta Balanceada	190,600,849	331,047
Argenfunds Renta Crecimiento	516,144	18,853

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33. ACCOUNTING ITEMS THAT IDENTIFY THE COMPLIANCE WITH MINIMUM CASH REQUIREMENTS

The items recognized by the Entity to constitute the minimum cash requirement effective for December 2018 are listed below, indicating the balances as of month-end of the related items:

Description	Banco Macro S.A.	Banco del Tucumán S.A.
Cash and bank deposits		
BCRA's accounts balances	46,046,332	4,165,795
Other debt securities		
BCRA liquidity bills computable for minimum cash requirements	18,800,520	
Government bonds computable for minimum cash requirements	7,158,360	785,400
Financial assets delivered as guarantee		
Special guarantee accounts with the BCRA	5,330,580	389,109
Total	77,335,792	5,340,304

34. PENALTIES APPLIED TO THE FINANCIAL ENTITY AND SUMMARY PROCEEDINGS INITIATED BY THE BCRA

The Central Bank Communiqué "A" 5689 requires banks to disclose in their financial statements certain information regarding summaries and sanctions received from certain regulatory authorities, regardless of the amounts involved and the final conclusions of each cause.

Next follows a description of the situation of Banco Macro SA and Banco del Tucumán SA as of December 31, 2018:

Banco Macro S.A.

Summary proceedings filed by the BCRA

Financial Summary proceedings: No. 1496 dated 02/24/2016.
Reason: deficiencies on the consolidated supervision exercised by the Entity regarding its subsidiaries, with non-compliance of internal controls.

Proceeding filed against: Banco Macro SA and the Members of the Board of Directors (Jorge Horacio Brito, Delfín Jorge Ezequiel Carballo, Jorge Pablo Brito, Marcos Brito, Juan Pablo Brito Devoto, Luis Carlos Cerolini, Carlos Enrique Videla, Alejandro Macfarlane, Guillermo Eduardo Stanley, Constanza Brito and Emanuel Antonio Alvarez Agis).
Status: pending resolution before the BCRA. On 04/07/2016, we filed the defenses and evidence. On 05/18/2016 we requested on behalf of the accused Delfin Jorge Ezequiel Carballo the resolution of the motion for lack of standing to be sued. To date this motion is still pending resolution.

Penalties imposed by the BCRA

Financial Summary proceedings: No. 1380 dated 03/11/2013.
Reason: Alleged excess in the assets used for guarantee purposes which should have been used for related statutory operation ratios; failure to fulfill with the limitations of deposit increase, lack of veracity in book records, neglect to present the corresponding accounting disclosure of such excess and failures according to BCRA's requirements.

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Penalty amount: 2,000.
Proceeding filed against: former Banco Privado de Inversiones SA, Directors, Supervisory Committee and Corporate Services Manager (Alejandro Manuel Estrada, Raúl Fernandez, Alejandro Carlos Estrada, Eduardo Guillermo Castro, Jorge Norberto Cerrotta, Armando Rogelio Pomar, Carlos Soulé and Baruki Luis Alberto Gonzalez).
Status: On 06/12/2015 the BCRA passed Judgment No. 527, imposing fines to those responsible. On 06/25/2015 the fine was paid. On 07/10/2015 a direct appeal was filed against such resolution to CNACAF (Court of Appeals in Contentious Administrative Matters). On December 2015, the penalty amount was recovered by the Entity as a result of the guarantee provided by the sellers at the moment of acquisition of the shares of former BPI SA. On September 2015, the appeals were filed with Courtroom II, under case No. 48607/2015 of CNACAF. On 05/10/2016, Courtroom II decided to confirm the penalties imposed by the BCRA. Upon such decision, the Entity filed an extraordinary appeal that was dismissed by the Courtroom II of the CNACAF on 08/02/2016. On 08/16/2016 a motion for reconsideration of dismissal of appeal was lodged on behalf of the Entity and of Mr. Carlos Soulé before the Argentine Supreme Court of Justice (CSJN) upon rejection of the federal extraordinary appeal, which is still pending to date.

Financial Summary proceedings: No. 1401 dated 08/14/2013.
Reason: alleged failure in financing to the non-financial public sector, for temporary overdrafts through checking accounts of the Municipality of Córdoba and Reconquista. Penalty amount: 2,400.
Proceeding filed against: Banco Macro SA and the members of the Board (Jorge Horacio Brito, Jorge Pablo Brito and Marcos Brito)
Status: On 03/02/2015 the BCRA passed Resolution No. 183/15 imposing fines to the Entity, which were debited from the Entity's account 00285 on 03/12/2015. On 03/30/2015 a direct appeal was filed with the CNACAF against such resolution. On April 2015 the appeal was presented at Courtroom IV of the CNACAF under No. 19,971/2015. On 06/23/2015 the Court informed the BCRA about the appeal lodged by Banco Macro. On 07/13/2016 Courtroom IV of the CNACAF sustained the appeal filed by the Entity and annulled the decision imposing the fines to the Entity. The BCRA filed an extraordinary appeal, which was answered by the Entity on 08/29/2016. On 09/06/2016 Courtroom IV of the CNACAF dismissed BCRA's extraordinary appeal. On 09/14/2016 the BCRA lodged a motion for reconsideration of dismissal of the extraordinary appeal with the CSJN (Argentine Supreme Court of Justice), which is still pending resolution.

Penalties imposed by the Financial Information Unit (UIF)

File: No. 62/2009 dated 01/16/2009.
Reason: Purchase of foreign currency from April 2006 through August 2007. Penalty amount: 718.
Penalty imposed on: Banco Macro SA and those in charge of Anti-money laundering regulation compliance (Juan Pablo Brito Devoto and Luis Carlos Cerolini).
Status: The UIF passed Resolution No. 72/2011 on 06/09/2011, imposing fines to those responsible. An appeal was lodged with the CNACAF. On 10/31/2016 the Courtroom III decided the following: (i) on the one hand, as to the transactions carried out between 10/11/2006 and 08/22/2007, to declare that the punitive power of the UIF had expired at the time of the summary proceedings, rendering UIF`s Resolution 72/2011 invalid, (ii) on the other hand, as to the transactions performed from 03/05/2007 and from 04/17/2007 through 08/22/2007, to refer these proceedings again to the UIF for a new resolution readjusting the fines imposed on the Entity and Messrs. Juan Pablo Brito Devoto and Luis Carlos Cerolini. Upon such court order, both the UIF and the Entity lodged an extraordinary appeal. Such appeals were rejected by the Court on April 25, 2017. On May 10, 2017 both the Entity and the UIF filed a motion for reconsideration of dismissal of appeal before the Argentine Supreme Court which is still pending resolution.

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File: No. 248/2014 (UIF Note Presidency 245/2013 11/26/2013) dated 07/30/2014.
Reason: Alleged deficiencies in preparing certain "Reports on suspicious transactions (ROS)" due to cases of infringement detected in certain customer files. Penalty amount: 330.
Penalty imposed on: Banco Macro SA, the members of the Board and those in charge of Anti-money laundering regulation compliance (Luis Carlos Cerolini – both as Compliance Officer and Director - and Jorge Horacio Brito, Delfín Jorge Ezequiel Carballo, Juan Pablo Brito Devoto, Jorge Pablo Brito, Alejandro Macfarlane, Carlos Enrique Videla, Guillermo Eduardo Stanley, Constanza Brito, Emanuel Antonio Alvarez Agis, Marcos Brito and Rafael Magnanini –as Directors of Banco Macro SA-).
Status: upon notice of the summary proceedings, on 05/08/2015 the Entity filed its defense, offering evidence and requesting its acquittal. On 12/26/2016 the UIF passed Resolution 164/16 imposing fines on those responsible and issuing a favorable decision on the plea of lack of locus standi lodged by Messrs. Carballo and Magnanini. On 01/30/2017 the Entity paid the fine imposed by the UIF, due to the non-staying effect thereof. On 03/13/2017 a Direct Appeal was filed against such resolution, and the legal action it be decided at Room III of the CNACAF, entitled "Banco Macro S.A. et al vs. UIF on Criminal Code – Law 25246 – Decree 290/07 sect. 25" (Court File No. 13500/2017). This court file is pending resolution of the Courtroom III of the CNACAF.

• Proceedings ended in the reporting year: Criminal foreign exchange regime summary proceedings (BCRA): No. 6545 dated 09/03/2015 for alleged breach of article No. 1 subsections e) and f) of the CFEL and BCRA's Communiqué "A" 5264, as amended and supplemented, for foreign exchange transactions performed with a customer ended with a favorable decision for the Entity since on 04/12/2018 the Entity was given notice of BCRA's decision to withdraw the accusation filed against the defendants and therefore ordered the closing of the case.

Although the above described penalties do not involve material amounts, as of the date of issuance of the accompanying consolidated Financial Statements, the total amount of monetary penalties received, pending payment due to any appeal lodged by the Entity, amounts to 718 and was recognized according to BCRA's Communiqués "A" 5689 and 5940, as amended and supplemented.
Additionally, there are pending summary proceedings before the CNV and the UIF, as described below:
File: No. 1480/2011 (CNV Resolution No. 17529) dated 09/26/2014.
Reason: Potential non-compliance with the obligation to inform a "Relevant Event".
Persons subject to summary proceedings: Banco Macro SA, the members of the Board, the regular members of the Supervisory Committee and the person/s responsible for Market Relations (Jorge Horacio Brito, Delfín Jorge Ezequiel Carballo, Juan Pablo Brito Devoto, Jorge Pablo Brito, Luis Carlos Cerolini, Roberto Julio Eilbaum, Alejandro Macfarlane, Carlos Enrique Videla, Guillermo Eduardo Stanley, Constanza Brito, Daniel Hugo Violatti, Ladislao Szekely, Santiago Marcelo Maidana and Herman Fernando Aner).
Status: on 10/28/2014 the Entity and the persons involved filed their defenses offering evidence and requesting their acquittal. On 08/03/2015 the term to produce evidence was closed and on 08/19/2015 the defendants lodged their memorials. To the date hereof this action is still pending resolution.

File: 2577/2014 (CNV Resolution No. 18863) dated 07/20/2017.
Reason: potential non-compliance with de provisions of section 59 of Law 19550 and paragraph 1 of Chapter 6 Section 19 of Article IV of Chapter II of CNV Rules (Revised 2013, as amended) in force at the time of the issues under analysis.
Persons subject to summary proceedings: Banco Macro SA, in its capacity as Custody Agent of Collective Investment Products of Mutual Funds, regular Directors and regular members of the

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Supervisory Committee (Jorge Horacio Brito, Delfín Jorge Ezequiel Carballo, Jorge Pablo Brito, Marcos Brito, Juan Pablo Brito Devoto, Luis Carlos Cerolini, Federico Pastrana, Carlos Enrique Videla, Alejandro Macfarlane, Guillermo Eduardo Stanley, Constanza Brito, Emmanuel Antonio Alvarez Agis, Alejandro Almarza, Carlos Javier Piazza and Vivian Haydee Stenghele).

Status: on 07/28/2017 the Entity and the persons subject to these summary proceedings were given notice of this action and were given 10 business days to make the relevant filing. On August 11, 2017, the Entity filed its defense requesting the nullity of the accusation, the expiration of the time limit to file the administrative criminal actions and the lack of responsibility of the people subject to these summary proceedings for the acts subject matter of this action since such supervisory obligation is not in accordance with the role of the Custody Agent. On 12/06/2017 the court held the first preliminary hearing and the summary proceedings turned to be under the analysis of the CNV, who shall decide whether it allows for the production of evidence or directly decides on the merits of the case. On 04/10/2018 the CNV declared the issue a matter of law and ordered notice be given to the accused parties in order for them to file the relevant memorials. On 04/27/2018, Banco Macro filed its memorial. Since then, the case is being analyzed by the CNV.

File: No. 137/2015 (UIF Resolution No. 136/2017) dated 12/19/2017.
Reason: alleged breach to the contents of the Code of Procedure applicable to Anti-money Laundering and Terrorism Financing as Settlement and Clearing Agent at the time of an inspection of the CNV and to the Internal Audit Process referred to in its capacity as Settlement and Clearing Agent. (UIF Resolution No. 229/2011, as amended).
Persons subject to summary proceedings: Banco Macro SA, members of the management body during the period subject-matter of these summary proceedings (Jorge Horacio Brito, Jorge Pablo Brito, Juan Pablo Brito Devoto, Constanza Brito, Marcos Brito, Delfín Jorge Ezequiel Carballo, Delfín Federico Ezequiel Carballo, Carlos Enrique Videla, Alejandro Macfarlane, Guillermo Eduardo Stanley, Emmanuel Antonio Alvarez Agis, Nicolás Alejandro Todesca, Carlos Alberto Giovanelli, José Alfredo Sanchez, Martín Estanislao Gorosito, Roberto Julio Eilbaum, Mario Luis Vicens, Nelson Damián Pozzoli, Luis María Blaquier, Ariel Marcelo Sigal, Alejandro Eduardo Fargosi, Juan Martin Monge Varela and Luis Cerolini in his double capacity as compliance officer and member of the management body).
Status: on 03/08/2018 the Entity and the persons subject to these summary proceedings filed their defenses. Additionally, the UIF ordered the production of evidence and therefore on 03/28/2018 and 04/03/2018 official information written notices were given to the BCRA and CNV. The parties subject to these summary proceedings produced the requested evidence and as result, on 05/21/2018 the UIF closed the production of evidence and rendered the proceedings ready for closing arguments. On 06/08/2018, the Entity, the Directors and the Compliance Officer filed their closing arguments. To the date of the accompanying consolidated Financial Statements, the case is still being analyzed and pending resolution by the UIF.

File: N°1208/2014 (UIF Resolution No. 13/2016) dated 01/15/2016.
Reason: alleged breach to Anti-money Laundering Law and the amendments thereof, and UIF Resolution No. 121/11.
Persons subject to summary proceedings: Banco Macro S.A., Jorge Horacio Brito, Delfín Jorge Ezequiel Carballo, Juan Pablo Brito Devoto, Jorge Pablo Brito, Luis Carlos Cerolini, Alejandro Macfarlane, Carlos Enrique Videla, Guillermo Eduardo Stanley, Constanza Brito, Marcos Brito and Emmanuel Antonio Álvarez Agis.
Status: on 05/17/2018 the Entity and the individuals involved were give notice of Resolution 13/2016 declaring the commencement of the summary proceedings. The proceedings were filed as a consequence of a report submitted on 05/12/2014 by the BCRA on "background information in

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connection with a comprehensive inspection carried out to Banco Macro S.A. between 11/26/2013 and 01/17/2014, by the Special Operations Supervisory Department, in order to evaluate the actions taken by the Entity as to anti-money laundering and terrorism financing". The UIF alleged in its resolution that summary proceedings should be filed "in order to limit any responsibilities or liabilities Banco Macro S.A., its Board of Directors and the Compliance Officer/s holding office at the time the alleged violations described in the whereas clauses of this [resolution] occurred might have, so as to determine whether the above mentioned persons incurred or not in the offense or crime provided for in section 24, subsections 1 and 2 of Law 25246, as amended". On 05/17/2018, the Entity was given notice of the above mentioned summary proceedings. On 06/15/2018, Banco Macro S.A., the members of the Board of Directors and the Compliance Officer filed the relevant defenses. On 07/02/2018, the UIF admitted the plea of lack of locus standi lodged by Delfin Jorge Ezequiel Carballo releasing him from any liability under these summary proceedings. The production of evidence stage in this case was opened and closed and on September 2018 the parties involved submitted the relevant memorials. The date of issuance of the accompanying consolidated Financial Statements, these proceedings are still pending resolution.

Banco del Tucumán S.A.

Summary proceedings filed by the BCRA

Financial summary proceedings: No. 1349 dated 09/07/2012.
Reason: Alleged breach of the provisions of Communiqué "A" 3054, OPRAC 1-476, Exhibit, Article 2, section 2.1 and Article 3, section 3.1.2.; and Communiqué "A" 4798, OPRAC 1-613, Exhibit, Article 4, section 4.1., regarding the financing to the Non-Financial Public Sector, for the acquisition of secured loans without the appropriate authorization by the BCRA. Penalty amount: 1,440.
Proceedings filed against: Banco del Tucumán SA and the members of the Board of Directors (Jorge Horacio Brito, Luis Carlos Cerolini, Delfín Jorge Ezequiel Carballo, Jorge Pablo Brito, Claudio Alejandro Cerezo and Waldo Camilo López)
Status: On 03/12/2014 the BCRA issued Resolution 149/14 applying the fine. On 03/19/2014 such fine was debited from the Entity's bank account number 00060. On 04/08/2014 the Entity filed a direct appeal against the resolution of the SEFyC, on behalf of the Entity and of the individuals involved in the summary proceedings, before the CNACAF, who sustained Resolution 149/14. On 11/14/2014 the Entity filed an extraordinary appeal for arbitrariness of the decision issued by the Court of Appeals. On 02/18/2015 Room III of the National and Federal Court of Appeals (CNAF for its acronym in Spanish language) dismissed the Extraordinary Appeal filed by the Entity with court costs. On 02/26/2015 the Entity lodged a motion for reconsideration of dismissal of the Extraordinary Appeal, which is still pending to date.

• Proceedings ended in the reporting year:

Criminal foreign exchange regime summary proceedings (BCRA): No. 3078 dated 06/24/2008 for alleged breach of Section 8 of the Criminal Foreign Exchange Regime Act, for irregularities in US dollar sale transactions of the financial intermediary established in Communiqué "B" 7174. On 05/24/2018, the Judge of the Federal Court No. 2 declared the criminal action barred due to the statute of limitations under Section 59, subsection 3 of the Criminal Code of the Republic of Argentina.

The Bank Management and its legal advisors consider no further significant accounting effects could arise from the final outcome of the above mentioned judicial proceedings.

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35. 35. ISSUANCE OF CORPORATE BONDS

The corporate bond liabilities recorded by Banco Macro SA in the accompanying consolidated Financial Statements amount to:

Corporate bonds	Original Value		Residual face value as of 12/31/2018	12/31/2018	12/31/2017
Subordinated Resettable – Class A	U$S 400,000,000	(a.1)	U$S 400.000.000	15.288.390	7.565.759
Non-subordinated – Class B	4,620,570,000	(a.2)	3,391,052,000	3,460,899	4,712,216
Non-subordinated – Class C	3,207,500,000	(a.3)	3,207,500,000	2,916,412	
Total				21,665,701	12,277,975

a.1) On April 26, 2016, the general regular shareholders' meeting approved the creation of a Global Program for the Issuance of Medium-Term Debt Securities, in accordance with the provisions of Law No. 23,576, as amended and further applicable regulations, up to a maximum amount outstanding at any time during the term of the program of USD 1,000,000,000 (one billion US dollars), or an equal amount in other currencies, under which it is possible to issue simple corporate bonds, not convertible into shares in one or more classes. Also, on April 28, 2017, the General and Special Shareholder's Meeting resolved to extend of the maximum amount of the abovementioned Global Program up to USD 1,500,000,000 (one thousand five hundred millions US dollars).

On November 4, 2016, under the abovementioned Global Program, Banco Macro SA issued Subordinated Resettable Corporate Bonds, class A, at a fixed rate of 6.750% p.a. until reset date, fully amortizable upon maturity (November 4, 2026) for a face value of USD 400,000,000 (four hundred million US dollars), under the terms and conditions set forth in the pricing supplement dated October 21, 2016. Interest is paid semiannually on May 4 and November 4 of every year and the reset date will be November 4, 2021.

Since reset date, these Corporate Bonds will accrue a benchmark reset rate plus 546.3 basis point, according terms and conditions abovementioned.

In addition, the Entity has the option to fully redeem the issuance as the reset date and under the conditions established in the pricing supplement after that date. The Entity used the funds derived from such issuance to grant loans in accordance with BCRA guidelines.

As of December 31, 2016, the recorded amount related to these corporate bonds was 6,376,537.

a.2) On May 8, 2017, under Global Program mention on item a.1), Banco Macro SA issued non subordinated simple corporate bonds not convertible into shares, at a fixed rate of 17.50%, fully amortizable upon maturity (May 8, 2022) for a face value of pesos 4,620,570,000 equivalent to USD 300,000,000 (three hundred million US dollars), under the terms and conditions set forth in the price supplement dated April 21, 2017. Interest is paid semiannually on November 8 and May 8 of every year, beginning on November 8, 2017.

In addition, the Entity may fully redeem the issuance for tax matters, but not partially. The Entity used the funds derived from such issuance to grant loans in accordance with BCRA guidelines.

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On October 17, 2018, the Board authorized the cancellation of these Corporate Bonds for a nominal value of 1,229,518,000 pesos, equivalent to the amount of acquisitions of this issuance performed to date.

To the date of the accompanying consolidated Financial Statements and after the date mentioned in the preceding paragraph, the Entity reported acquisitions of this issuance for a nominal value of 147,955,000 pesos, then leaving an outstanding nominal value of 3,243,097,000.

a.3) On April 9, 2018, under the Global Program mentioned on item a.1) above, Banco Macro SA issued, non-subordinated corporate bonds, class C, for a face value of pesos 3,207,500, at an annual variable rate equivalent to the sum of (i) Badlar private rate applicable for the related accrued period; plus (ii) applicable margin of 3.5% p.a., fully amortizable upon maturity (April 9, 2021). Interest will be paid quarterly for the periods due on July 9, October 9, January 9 and April 9 of every year, beginning on July 9, 2018.

In addition, the Entity may fully redeem the issuance for tax matters, but not partially. The Entity used the funds derived from such issuance to grant loans in accordance with BCRA guidelines.

To the date of the accompanying consolidated Financial Statements, the Entity reported acquisitions of this issuance for a nominal value of 517,000,000, pesos, then leaving an outstanding nominal value of 2,690,500,000.

As of December 31, 2016 the Bank had recorded 1,684,636, related to Non-subordinated Corporate Bonds – Class 2, for a face value of USD 150,000,000.

Moreover, on April 27, 2018, the Shareholder's Meeting resolved to increase the maximum amount of the Global Program for the Issuance of Corporate Bonds for a face value from USD 1,500,000,000 to USD 2,500,000,000 or an equal amount in other currencies, according to the Board of Directors opportunely determines.

36. ACCOUNTING ITEMS OUTSIDE THE BALANCE SHEET

In addition to the expressed in Note 7, the Entity recognizes different transactions outside its balance sheet, pursuant to the BCRA standards. The table below shows the balances of the most significant accounting items outside the balance sheet as of December 31, 2018, 2017 and 2016:

Description	12/31/2018	12/31/2017	12/31/2016
Senior guarantees and other guarantees received [1]	45,544,953	39,247,291	22,116,120
custody of government and private bonds and other assets held by third parties	80,052,243	82,906,533	51,936,124
Deposited checks pending clearance	1,680,896	1,266,306	1,134,949
Outstanding checks to be paid	3,353,434	2,054,676	1,883,988

[1] For guarantees delivered to secure loan transactions and other financing, under applicable rules and regulations in force.

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37. TAX AND OTHER CLAIMS

37.1. Tax claims

The AFIP (Federal Public Revenue Agency) and tax authorities of the relevant jurisdictions have reviewed the tax returns filed by the Entity related to income tax, minimum presumed income tax and other taxes (mainly gross turnover tax). As a result, there are claims pending at court and/or administrative levels, either subject to discussion or appeal. The most significant claims are summarized below:

a) AFIP's Challenges against the income tax returns filed by former Banco Bansud SA (for the fiscal years since June 30, 1995, through June 30, 1999, and of the irregular six-month period ended December 31, 1999) and by former Banco Macro SA (for the fiscal years ended since December 31, 1998, through December 31, 2000).

The matter under discussion that has not been resolved as yet and on which the regulatory agency bases its position is the impossibility of deducting credits that have collateral security, an issue that has been addressed by the Federal Administrative Tax Court and CSJN in similar cases, which have issued resolutions that are favorable to the Entity's position.

b) Ex-officio gross turnover tax assessments in progress and/or adjustments pending resolution by the tax authorities of certain jurisdictions.

c) On February 20, 2018, the AFIP required the Entity to amend the returns in connection with Employer's Contributions for the period between November, 2012 to December, 2016, or otherwise explain the reasons why it had applied the tax rate set forth in Section 2b) of Presidential Decree No. 814/01 (text as per Section 9 of Law No. 25,453). On March 14, 2018, the Entity submitted a detailed explanation of the grounds supporting its position. As of the date hereof, the Entity has not received an answer from AFIP. In the understanding of the Entity's management and its tax and legal advisors, no amount for Employer's Contributions should be claimed for the indicated periods.

The Entity's Management and its legal advisors consider no further significant accounting effects could arise from the final outcome of the above mentioned proceedings other than those disclosed in the accompanying consolidated Financial Statements.

37.2. Other claims

On the other hand, before merging with and into the Entity, Banco Privado de Inversiones (BPI) had a pending class action styled "Adecua v. Banco Privado de Inversiones on ordinary proceedings", File No. 19073/2007, before Commercial Court No. 3 in and for the City of Buenos Aires, Clerk's Office No. 5, whereby it was required to reimburse to its clients the life insurance amounts allegedly overcharged to amounts payable, as well as to reduce the amounts charged in this regard in the future; this legal proceeding was concluded upon the abovementioned merger because BPI complied in full with the terms of the court-approved agreement reached with Adecua before answering the complaint. However, in March 2013, when BPI had already been merged with and into the Entity, the trial court resolved to amend the terms of the agreement and ordered the reimbursement of amounts of money to a larger number of clients as compared to the number arising from the terms approved by the court in due time. Such resolution was appealed by the Entity as BPI's surviving company. The appeal was dismissed by the Court of Appeals, which abrogated both the trial court decision and the court-approved agreement, thus ordering the Entity to answer the complaint. This gave rise to the filing of an extraordinary appeal against such decision, as well as the subsequent filing of a complaint for the extraordinary appeal denied. It is currently pending with the Argentine Supreme Court.

Moreover, the Entity is also subject to three lawsuits filed with consumers' associations for the same purpose: a) Adecua v. Banco Macro on ordinary

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proceedings, File No. 20495/2007, pending with Commercial Court No. 7 in and for the City of Buenos Aires, Clerk's Office No. 13; b) Damnificados Financieros Asociación Civil Para Su Defensa et al v. Banco Macro on summary proceedings, File No. 37729/2007, pending with National Commercial Court No. 7 in and for the City of Buenos Aires, Clerk's Office No. 13; c) Unión de Usuarios y Consumidores v. Nuevo Banco Bisel on ordinary proceedings, File No. 44704/2008, pending with Commercial Court No. 26 in and for the City of Buenos Aires, Clerk's Office No. 52.

There are also other lawsuits filed by consumer protections associations in relation to the collection of certain commissions and/or financial charges and certain withholdings made by the Bank to individuals as Buenos Aires City stamp tax withholding agent.

In addition, there is an action that challenges the commission charged by the Entity up to December 2014 to its credit card customers for "purchases in excess", which consisted of a percentage on the amount exceeding the purchase limit. Such action is entitled "Unión de Usuarios y Consumidores et al v. Banco Macro S.A. on Summary Proceedings", File No. 31958/2010, pending with Commercial Court No. 1 in and for the City of Buenos Aires, Clerk's Office No. 1. Although we believe it is highly probable we receive a favorable decision from the Court of First Instance, we are aware the Court of Appeals has sustained the petitions filed for the same purposes against two other banking institutions. The Bank's Management and its legal advisors consider no further significant accounting effects could arise from the final outcome of the above mentioned proceedings other than those disclosed in the accompanying Financial Statements.

38. RESTRICTION ON PROFIT DISTRIBUTION

a) According to BCRA regulations, 20% of income for the year plus/less prior-year adjustments and less accumulated losses as for the prior year-end, if any, should be allocated to the Legal or Statutory Reserve. Therefore, the next Shareholders' meeting shall apply 3,145,849 of the Retained Earnings to increase such reserve fund.

b) Pursuant to Law No. 25,063, dividends to be distributed in cash or in kind in excess of taxable income accumulated as of the end of the fiscal year immediately preceding the payment or distribution date shall be subject to a 35% income tax withholding as a one-time and final payment. For this purpose, income to be considered in each year will result from adding dividends or earnings from other corporations not computed in the calculation of those earnings in the same tax period(s) to the earnings determined under application of Income Tax Law, and deducting the tax paid for the tax period(s) in which the earnings, or the related proportional amount, being distributed were generated. This withholding shall not be applicable to earnings distributions payable in the fiscal years beginning as of January 1, 2018.

c) Through Communiqué "A" 6464, the BCRA establishes the general procedure to distribute earnings. According to that procedure, earnings may only be distributed if certain circumstances are met such as no records of financial assistance from the BCRA due to illiquidity or shortages in payments of minimum capital or minimum cash requirement deficiencies and not being subject to the provisions of sections 34 and 35 bis of the Financial Entities Act (sections dealing with tax payment and restructuring agreements and reorganization of the Entity), among other conditions listed in the above-mentioned communiqué that must be met.

In addition, profits may only be distributed to the extent there are positive results, after deducting, on a non- accounting basis, from retained earnings and earnings reserves – other for future distribution of profits, (i) the amounts of the statutory and other earnings reserves which are mandatory, (ii) all debit balances of each one of the accounting items recognized in "Other Comprehensive Income", (iii)

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the income derived of the revaluation of property, plant and equipment, intangible assets and investment property, (iv) the positive net difference between the amortized cost and the fair value of government debt instruments and/or monetary regulation instruments issued by the BCRA for those instruments recognized at amortized cost, (v) the adjustments identified by the Superintendency of Financial and Exchange Entities of the BCRA or by the independent external auditor and that have not been recognized in the accounting records and (vi) certain franchises granted by the BCRA. Additionally, no profit distributions shall be made out of the profit originated as a result of the first-time application of the IFRS, which profit shall be included as a special reserve, the amount of which as of December 31, 2018 is 3,475,669 and is recognized in Retained Earnings.

As of December 2018, the Entity shall make the following adjustments to Retained Earnings:
i. Statutory Reserve Fund: 3,145,849
ii. all debit balances of each one of the accounting items recognized in "Other Comprehensive Income": 527,241
iii. the positive net difference between the amortized cost and the fair value: 42,680
iv. profit originated as a result of first-time application of the IFRS, included in special reserve fund: 3,475,669.

Additionally, the maximum amount to be distributed shall not be over the minimum capital excess recalculating, exclusively for these purposes, the position in order to consider the above mentioned adjustments, among other issues.

Finally, the Entity must verify that, after completion of the proposed profit distribution, a capital maintenance margin equal to 3.5% of risk-weighted assets is kept, apart from the minimum capital required by law, to be integrated by level-1(Con1) ordinary capital, net of deductible items (CDCOn1).

d) Pursuant to CNV General Resolution No. 593, the Shareholders' Meeting in charge of analyzing the annual financial statements will be required to decide on the application of the Entity's retained earnings, such as the actual distribution of dividends, the capitalization thereof through the delivery of bonus shares, the creation of any reserves additional to the Legal or Statutory reserve fund or a combination of any of any of the above.

39. CAPITAL MANAGEMENT AND CORPORATE GOVERNANCE AND RISK MANAGEMENT TRANSPARENCY POLICY

As financial institutions, the activities of Banco Macro SA and Banco del Tucumán SA are governed by the Financial Entities Act No. 21,526, and supplementary rules and regulations, and BCRA standards. Moreover, they adhere to the good banking practices laid out in BCRA's Communiqué "A" 5201 (Financial Entities Corporate Governance Guidelines), and supplementary provisions.

The Entity publicly trades its shares on the Buenos Aires Stock Exchange (BCBA for its acronym in Spanish language) and, thus, it is subject to the regulations issued by the CNV.

Through General Resolution No. 622/13, the CNV established the minimum contents of the Corporate Governance Code, adding notions of good corporate governance to corporate management as guidelines or recommendations that seek to provide transparency thereto. The CNV does not require that

the recommendations be implemented, although it does require the Entity to explain the reasons why it decided not to adopt the good practices described in such resolution. Each year, the Entity publishes a document called Corporate Governance Explanatory Report together with the Annual Report to the Shareholders for the fiscal year. This report is available on the Entity's website and on that of such enforcement agency.

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Delfín Jorge
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Chairman

This regulation reinforces the notions contained in Capital Markets Law establishing principles such as "full disclosure", "transparency", "efficiency", "investor protection", "equal footing between investors" and "protection of the stability of financial entities and financial intermediaries".

On the other hand, as the Entity lists its shares on the NYSE, qualifying as a foreign private issuer, it is required to comply with certain corporate governance standards as established in section 303A of the NYSE's Listed Company Manual, as amended.

The main guidelines under BCRA standards contemplated in the revised text "Financial Entities Corporate Governance Guidelines", and supplementary provisions of the BCRA, are as follows:

• Ownership structure

As of December 31, 2018, the Entity's shareholders are:

Shareholder's Full Name/ Corporate Name	Participating Interest	Voting Interest
Brito Jorge Horacio	16.59	18.55
Carballo Delfín Jorge Ezequiel	16.68	18.37
ANSES F.G.S. Law No. 26425	27.49	25.77
Other shareholders (Local Stock Exchanges)	10.47	10.35
Other shareholders (Foreign Stock Exchanges)	28.77	26.96

On the other hand, the shareholders of Banco del Tucumán SA are:

Shareholder's Full Name/ Corporate Name	Participating Interest	Voting Interest
Banco Macro S.A.	99.95	99.95
Other	0.05	0.05

• Board of Directors and Senior Management

The Bank's Board of Directors is currently made up of 13 regular members. Members are renewed by thirds and the appointed Directors remain in office for three fiscal years. In the fiscal year 2016 particularly, due to the reorganization of the Board, some of them were appointed for shorter periods.

Directors are nominated and appointed by the Shareholders' Meeting. Once elected, the BCRA must confirm the designation of the Directors, expressly authorizing them to accept the designation, pursuant to the provisions as to experience and knowledge, contained in rule CREFI 2-Creation, Operation and Expansion –XV- Financial Entities Authorities.

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Chairman

Name	Position
Delfín Jorge Ezequiel Carballo	Chairman
Jorge Pablo Brito	Vice Chairman
Carlos Alberto Giovanelli	Regular Director
Nelson Damián Pozzoli	Regular Director
José Alfredo Sánchez (*)	Regular Director
Martín Estanislao Gorosito (*)(**)	Regular Director
Constanza Brito	Regular Director
Guillermo Stanley	Regular Director
Mario Luis Vicens (*)	Regular Director
Juan Martín Monge Varela(*)(**)	Regular Director
Marcos Brito	Regular Director
Alejandro Eduardo Fargosi (*)(**)	Regular Director
Delfín Federico Ezequiel Carballo	Regular Director
Santiago Horacio Seeber	Alternate Director
Alejandro Guillermo Chiti (*)	Alternate Director
Fabián Alejandro De Paul (*)	Alternate Director

(*) Independent Director
(**) Designated by ANSES-FGS

In turn, the Board of Directors of Banco del Tucumán S.A. in turn is composed of six members. Members are renewed by thirds and the appointed Directors remain in office for three fiscal years. Directors are nominated and appointed by the Shareholders' Meeting.

Name	Position
Jorge Horacio Brito	Chairman
Delfín Jorge Ezequiel Carballo	Vice Chairman
Jorge Pablo Brito	Regular Director
Nelson Damián Pozzoli	Regular Director
Claudio Alejandro Cerezo	Regular Director
Marcos Brito	Regular Director
Ernesto Eduardo Medina	Alternate Director
María Milagro Medrano	Alternate Director
Ignacio Palma	Alternate Director
Constanza Brito	Alternate Director

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Directors must be morally suitable and have experience in and knowledge of the banking business and comply with the requirements established by the applicable rules and regulations issued by the BCRA. Compliance with such requirements is evaluated at the time the Shareholders' Meeting submits its proposal for the designation of Directors as well as, on a periodic basis during their term of office.

At present, six Directors are independent, pursuant to the provisions of the CNV rules and regulations and the provisions of the Financial Entities Corporate Governance Guidelines issued by the BCRA.

Senior Management is directed by a General Manager designated by the Board and includes as well officers reporting directly to the general manager, as well as officers of three staff areas reporting directly to the Board. The table below shows the members and composition of Senior Management:

Gustavo Alejandro Manriquez	General Manager
Brian Anthony	Management Control & Strategic Planning Manager
Martín Kaplan	Commercial Banking Manager
Ernesto Eduardo Medina	Head of Human Resources
Jorge Francisco Scarinci	Head of Finance/ CFO and Investors Relations
Francisco Muro	Distribution & Sales Manager
Ana María Magdalena Marcet	Credit Risk Manager
María Milagro Medrano	Head of Institutional Relations & Customer Service
Agustín Devoto	Head of Investment Banking
María José Perez Van Morlegan	Head of Legal Department
Alberto Figueroa	Head of Comprehensive Risk Management
Adrian Mariano Scosceria	Head of Corporate Banking
Ricardo Mendoza Alban	Head of Operations & Technology
Juan Domingo Mazzon	Head of Government Banking

• Committees

The corporate by-laws state that the Board of Directors may establish such Committees as it deems appropriate for the business of the Bank, as well as appoint their members. The Entity currently features the following Committees:

Committee	Functions
CNV Audit	They are established in Capital Markets Law as supplementary.
Internal Audit [1]	Overseeing the proper operation of the internal control systems defined at the Bank through a periodic assessment thereof and contributing to improving the effectiveness of internal controls.
Comprehensive Risk Management [2]	It is in charge of monitoring Senior Management's activities involving the management of credit, market, liquidity, operational, compliance and reputation risks, among others. It advises the Board of Directors on the Entity's risks.
Assets & Liabilities	Setting out the Entity's financial strategy, analyzing the markets and establishing the policies on assets and liabilities, management of market, liquidity, interest rate and currency risks.

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Committee	Functions
IT Systems [1]	Overseeing the proper operation of the information technology environment and contributing to improving the effectiveness thereof.
Credit [2]	Approving credit transactions based on credit capacity.
Recovery [2]	Incumbent in defining payment arrangements exceeding the predetermined parameters, as well as reclassifying portfolio to be subject to legal proceedings or accounting derecognitions
Employee Incentives [2]	Ensuring the employee economic incentive system is consistent with the Entity's culture, goals, long-term business, strategy and control environment.
Ethics & Compliance [2]	Ensuring the Entity has the proper means with which to promote correct decision-making and compliance with internal and external regulations.
Designations & Corporate Governance [2]	The Committee's duties include those related to the process of renewing and replacing Senior Management members and the succession plans. It is also in charge of applying the Corporate Governance Code within the Entity and its subsidiaries.
Anti-money Laundering [1]	Planning and coordinating compliance with the policies established by the Board of Directors on the matter.
Financial Services User Protection [2]	The duties of this Committee include those related to ensuring the existence and maintenance of an appropriate financial services user protection process and customer service system.

[1] Each of Banco Macro S.A. and Banco del Tucumán S.A. has their own committee.
[2] Committees of Banco Macro S.A. with a consolidated management vision.

•Code of Ethics
The Entity has adopted a Code of Ethics applicable to directors and Senior Management and expects all of its representatives to act in accordance with the highest levels of personal and professional integrity in all issues related to their activities, to comply with the applicable laws, to discourage the commission of punishable acts and to comply with the Entity's Code of Conduct and further policies and procedures that regulate the conduct of its employees. This Code of Ethics supplements the Entity's Code of Conduct.

• Code of Conduct
The Entity promotes a work environment that will stimulate responsibility, effectiveness, commitment, results, loyalty, honesty, good communication and teamwork.

The Entity's goal is to build day-to-day relations on mutual respect, trust and cordial treatment, both between co-workers and bosses and vendors and customers, conducting all activities in accordance with the highest labor and personal ethical standards.

Accordingly, the Code of Conduct is intended to provide the standards and values all members of the Bank must respect. The trust endowed by shareholders, customers and public in general depends to a large extent of the compliance with such standards.

• Ethics Line
In line with these standards of ethical conduct, the Entity has implemented for itself and its significant subsidiaries, Banco del Tucumán S.A. and Macro Securities S.A., Macro Fondos SGFCI S.A. and Macro Fiducia S.A. an Ethics Line or complaints channel, managed by an independent third party,

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ensuring the principles of anonymity and confidentiality.

Reports and complaints are received by the Ethics and Compliance Committee, who takes notice of them and of the resolution of the cases, according to established protocols.

• Branches
The Entity has a broad network of branches throughout the entire country, featuring as of December 31, 2018, 437 branches of Banco Macro SA and 34 branches of Banco del Tucumán SA.

• Subsidiaries
The Entity carries out certain transactions through its subsidiaries, which are identified in Note 3 to the accompanying consolidated Financial Statements.

• Business lines
The Entity's business lines and transactions with trusts are mentioned in Notes 1 and 31 to the accompanying consolidated Financial Statements, respectively.

• Incentive practices
The Entity features a Remuneration Policy that includes both the fixed and variable remuneration, the latter subject to process of assessment of goals and competencies.

The Variable Remuneration program, within the scope of the Remuneration Policy, is in line with the mission and values of the organization, its goals, the long-term business sustainability, the strategy, the control environment and the prudent assumption of risks. Incentives are aimed at recognizing the outstanding performance of employees according to:

— Their contribution to the goals achieved
— Their performance in line with the mission and values of the Organization.

The most relevant variables involved in the determination of remunerations are:

— The responsibility level and complexity of the positions
— Employee's competence and potential
— Employee's performance and goals achieved
— Position with respect to the reference market
— Entity's results

The Incentives Committee is in charge of ensuring the Entity's employee financial incentive is consistent with the culture, goals, the business in the long term, the strategy and the control environment of the Entity, and the prudent assumption of risks.

The Entity intends to compensate personnel ensuring performance recognition, internal equity, external competitiveness, productivity, efficiency and added value.

• Role of financial agent
The Bank acts as financial agent in the Provinces of Misiones, Salta and Jujuy. In addition, the controlled entity, Banco del Tucumán SA, acts as financial agent of the Province of Tucumán and the Municipalities of San Miguel de Tucumán and Yerba Buena.

• Corporate Sustainability Policy
The Entity is aware of the responsibility it has with the communities in which it operates. The Corporate Sustainability department accompanies this commitment with development, driving and supporting policies and actions with social, environmental and economic impact.

This way it generates permanent dialogue situations with the different departments and stakeholders or groups of interest, which are mainly intended to create social value and to develop policies oriented to the development of a fair, solidary and equitable country.

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The transmission of these Sustainability values shall be presented through our Integrated Report, as an important milestone to align the financial information, (in documents such as the Annual Report and the Financial Statements) and its integration and consistency with Corporate Sustainability.

• Anticorruption Policy

In line with the Corporate Criminal Liability Act (No. 27401), the Board established for the officers and employees of the Entity and its subsidiaries, the express prohibition to offer any payment or pay, or promise to pay or authorize any payment of cash money or any other value item to a (public) official, in order to obtain or retain a business. In addition, these guidelines shall also apply to the private sector. These guidelines are contained in the Code of Ethics for Directors and Senior Management Members and in the Code of Conduct for all employees. Furthermore, the Entity features a Code of Conduct applicable to Vendors.

On the other hand, we are as well subject to rules and regulations of other jurisdictions containing similar prohibitions, particularly the Foreign Corrupt Practices Act (FCPA) since Banco Macro S.A. is a foreign private issuer listing its shares in the NYSE and therefore is subject to the control and supervision of the SEC.

The group companies that intend to perform any transaction which implies the participation of any public administration official or agency, a public entity or public company, both of Argentina or from abroad, shall previously disclose this information to the Board through the General Manager and inform before closing the transaction, the agents and intermediaries who might be involved or participate in the transaction. The Entity features as well a guideline manual for the interaction with public officials.

The above described disclosure obligation shall not apply to transactions arising from the provincial financial agency agreements (excluding the master agreements itself), the ordinary banking transactions (for example, relationship due to payment of salaries) and those that for their minimum amounts imply no material risk.

These anticorruption practices, though oriented to transactions with the public sector, are as well applicable to transactions between private parties, this being an aspect specifically provided for in the Code of Ethics and the Code of Conduct.

The Entity features an Anticorruption Policy and Integrity Program. The Ethics and Compliance Committee shall be in charge of seeing to the application of this Policy and submitting periodic reports to the Board.

• Transactions with related parties – Policy on conflict of interest

As an authorized financial institution, Banco Macro SA complies with the provisions and reporting requirements established in Financial and Foreign Exchange Entities Act No. 21526 and the regulations issued by the regulatory agency (BCRA).

As established by law (Argentine Business Company Law No. 19550), specific applicable regulations (Capital Markets Law, as supplementary), professional accounting standards (Technical Resolution No. 21), IAS 24 and best practice recommendations, the Entity reports on the transactions with related parties in notes to the financial statements. Such transactions are carried out under usual market conditions. See also Note 12 to the consolidated Financial Statements and Note 12 to the separate Financial Statements.

Under current Argentine legislation, directors are required to perform their duties with the loyalty and diligence of a prudent business man. Directors are jointly and severally liable to the Entity, the shareholders and third parties for a poor performance of duties and infringements to the law, bylaws and regulations, as the case may be, and are responsible for repairing the damages caused by fraud, abuse of authority or negligence.

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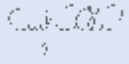

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The loyal duties of a director are considered to include: (i) the ban from using corporate assets and the confidential information to which he/she may have access for personal purposes; (ii) the ban from taking advantage or, due to errors or omissions, allowing a third party to take advantage of the Entity's business opportunities, (iii) the obligation of acting as director only for the purposes established in the law, the Entity's bylaws or the intention of the shareholders or the Board of Directors; and (iv) the obligation of taking extreme care so that the acts conducted by the Board of Directors have no direct or indirect effects against the Entity's interests.

A director should notify the Board of Directors and the Audit Committee about any conflict of interest such director may have in a transaction proposal and should refrain from voting on the matter.

• Public information

The information related to corporate governance at the Entity is included within the transparency policy contained in such precepts and, hence, is available to interested members of the public on the website www.macro.com.ar ("Conocenos" – Relaciones con Inversores) and, www.bancodeltucuman.com.ar ("Información institucional e Inversores") additionally, some guidelines are disclosed in other notes and exhibits to the accompanying Financial Statements. Moreover, the Entity's public information is disclosed on the websites of the BCRA (www.bcra.gob.ar) and the CNV (www.cnv.gob.ar).

In addition, the Entity publishes the Market Discipline Report, pursuant to the guidelines established by the BCRA for such information regime, in accordance with the criteria of the Basle Banking Supervision Committee, which is available in the Entity's website.

• Risk management

Within the framework of the Corporate Governance policy, the Board of Directors of the Entity resolved the creation of a Risk Management Committee and appointed a Head of Comprehensive Risk Management.

Its duties include ensuring that an independent risk management be established, establishing policies, procedures and measurement methodologies and report systems which allow the identification, measurement and monitoring of the risk under its charge and also, the duties of each organizational level in the process.

The risk management process includes the definition of the exposure limits for each risk by the Board of Directors, a follow-up on the exposure to each limit by the persons in charge, the preparation of regular reports for the Comprehensive Risk Management Committee, a follow-up on the alerts and the implementation of action plans regarding the alerts and the guidelines for developing stress tests.

The system is supplementary with policies and procedures specific to each risk (Financial, Credit, Operational, Counterparty Credit, Country Risk, Securitization, Reputational, Compliance, Strategic Risks, among others).

In addition, the Credit Risk Management area is in charge of interpreting, executing and guaranteeing the application of the General Credit Policy as approved by the Board of Directors, pursuant to the internal and external standards and regulations on the matter. Credit Risk Management reports functionally to the General Manager.

Comprehensive Risk Management

The Comprehensive Risk Management area is formed by the Compliance Department and the Risk Management Department, in charge of the Financial Risk, Credit Risk and Operating and Technology Risk areas.

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The main procedures carried out by the Risk Management Department include:

• Stress tests
The process of stress test includes documenting and formalizing the program as well as the persons in charge of carrying it out, the frequency of testing and the validation of the system. It also contemplates the Contingency Plan based on the test results. The Risk Management Committee leads and coordinates this application.

• Economic Capital Calculation
The Risk Management Department estimates the economic capital for each one of the individual risks (Market, Liquidity, Interest Rate, Credit, Counterparty Credit, Concentration, Operational, Securitization, Strategic and Reputational) determined for the Entity on a consolidated basis with its subsidiaries with the same scope as the regulation. The methods used to deal with subsidiaries are exactly the same.

The economic capital sufficiency evaluation process is an integral part of the corporate governance and risk management culture of the entities.

Quantified economic capital was implemented as a formal procedure, both currently and prospectively, and is a tool used in the day-to-day management of risks, in preparing the Business Plan and the Stress Tests.

The methods used to measure the economic capital of each risk were documented and approved by the Management, pursuant to the internal rules on Corporate Governance and Risk Management.

The results must serve to support decision-making, including strategic decisions adopted by the Board and the Senior Management. In this way they may:

— Estimate the level and trend of the relevant risks and the effects thereof on capital needs.
— Evaluate the reasonability of the basic assumptions used in the capital measuring system and the sensitivity of the results to changes in those assumptions.
— Determine whether the Bank has sufficient regulatory capital to cover the different risks and if it meets the capital sufficiency goals required.
— Consider its future capital requirements based on the risk profile and, according thereto, introduce the necessary adjustments into the strategic plan.

The essential elements of the capital evaluation include:

— Policies and proceedings ensuring the risk management process.
— A process connecting economic capital with risk level.
— A process establishing capital sufficiency goals based on the risks, taking into account the strategic approach and the business plan.
— An internal control process, in order to secure a comprehensive risk management.

The Entity actively uses guarantees to mitigate its credit risk.

Excessive risk concentration:

To avoid excessive risk concentrations, the Entity's policies and procedures include specific guidelines to focus on keeping a diversified portfolio. The identified credit risk concentrations are controlled and managed accordingly. The selective coverage is used at the Entity to manage risk concentrations both in terms of relationships and industry.

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In addition, note that the Entity meets the provisions established by the BCRA as regards maximum assistance limits to given groups of debtors, in order to atomize the portfolio, reducing credit risk concentration.

The main types of risks that the Entity is exposed to are those related to credit risk, liquidity risk, market risk, interest rate risk, foreign currency risk and operational risk.

Minimum capital requirements:

The table below shows the minimum capital requirements measured on a consolidated basis, effective for the month of December 2018, together with the integration thereof (computable equity) as of the end of such month:

Description	12/31/2018
Minimum capital requirements	20,437,130
Computable equity	66,113,167
Capital surplus	45,676,037

The following are the policies and processes aimed at identifying, assessing, controlling and mitigating each one of the main risks:

Credit Risk

The credit risk is the existing risk regarding the possibility for the Entity to incur a loss because one or several customers or counterparties fail to meet their obligations.

In order to manage and control the credit risk, the Entity establishes limits regarding the amount of risk it is willing to accept, so as to monitor the indicators with respect to such limits.

The Board of Directors approves the Bank's credit policy and credit assessment in order to provide a framework for the creation of businesses to attain an adequate correlation between the risk assumed and profitability. The Bank has procedure manuals that contain guidelines, the compliance with current regulations and the prescribed limits. Such manuals are aimed at achieving the following goals:

— Achieving an adequate portfolio segmentation by type of customer and by economic sector;
— Boosting the use of the risk analysis and assessment tools that best adjust to the customer's profile;
— Setting consistent standards for granting loans, following conservative parameters based on the customer's solvency, cash flows and profitability in the case of companies, and revenues and equity in the case of individuals;
— Setting limits to individual powers for granting loans depending on the amount, promoting the existence of specific committees that, according to their sphere of competence, will be in charge of defining assistance levels;
— Optimizing the quality of risks assumed, having appropriate guarantees according to the loan term and the level for the risk involved; and
— Monitoring the loan portfolio and the level of customers' compliance permanently.

Credit risk management implies the existence of a structure having the necessary characteristics to achieve the organizational goals in all stages of the credit cycle: admission, follow-up, monitoring and recovery.

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The risk assessment process varies depending on whether it's about Corporate Banking customers or Consumer Banking customers.

For the assessment of customers of the Corporate Banking segment, the Entity features different systems and methods involving several responsible levels and which become more complex according to the magnitude of the transactions, as to amounts and type of assistance, weighted by terms and existing coverage.

When transactions exceed in amount the authorization instances by delegated powers or through the decentralized risk applications/ systems, ratings are approved at Credit Committees. The powers vested on the different decision- making bodies are continuously reviewed, in order to adjust them to the number of transactions the Bank faces and optimize the credit risk rating.

The risk analysis of assistance discussed in Credit Committees is performed at the Corporate Risk Management Department: specialized risk analysts prepare separate Risk Reports per customer or Economic Group, which serve to support the credit decisions made by Committee members.

Risk reports include –at least- information regarding the application of the loans and their repayment source, debtor's historical and current behavior and the economic group to which debtor belongs; debtor's repayment capacity based on debtor's cash flows; the guarantees that shall secure the obligations, the ownership situation of such

collaterals, enforcement possibilities and their sensibility to changes in the economy; the market in which debtor operates and debtor's position; debtor's equity, economic and financial position and debtor's possibility to access to loans.

The resolutions of the Committees include the terms and conditions applicable to the assistance regarding amount, currency, terms, coverage with guarantees, follow-up provisions, etc. Committee decisions are based on debtor's risk of non-performance and, only on secondary basis, on debtor's equity and risk mitigating factors of the transaction.

As to credit risk assessment for Consumer Banking customers, assessment systems are based mainly on a qualification score and certain maximum indebtedness and installment/income relationship rules.

There are specific rules regarding debtor's file integration, in order to duly document the data entered into the assessment systems. Credit risk officers also define a credit power regime based on the margins to be approved and –if applicable- the admitted exceptions.

The Bank features processes to detect interrelated debtor groups that must be considered as a single customer (economic groups) and to group risk exposures with the same debtor or counterparty in different credit facilities.

Before credit rating approval, the Entity performs a series of controls in order to mitigate related credit risks, as well as to conform transactions to the regulatory framework of technical relationships.

The Entity features a formal, strong and well-defined process to manage loans experiencing any problem. Proceedings vary according to the type of portfolio and the delinquency status.

To mitigate credit risk, the Entity requests the granting of guarantees on the agreed financing. A particular area of the Credit Risk Management Department is responsible for the administration of all guarantees received by the Entity, as well as of the periodic evaluation and update of the value thereof, in order to monitor the quality of risk mitigants.

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Head of Accounting
& Tax Department

Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
Chairman

Classification of debtors:

As general classification and allowance policy, the Entity adheres to the rules issued by the BCRA on this matter, which provide for the classification of debtors, grouping levels in decreasing order of quality, in direct relation to the uncollectibility risk derived from different situations.

Classification guidelines also vary depending on whether they are commercial loans or consumer loans/ home mortgages.

The basic criterion to classify the commercial loans portfolio is the future payment capacity of customer's financial commitments. The Entity reviews the classification of customers included in this portfolio respecting the minimum regularity established by the BCRA, which provides as general rule an annual review of such classification, growing to a semi-annual or quarterly frequency based on the increasing order of the debt.

On the total debt of each customer at the end of the month, the Bank applies the following minimum allowance rates, based on the rating level allocated to customer:

Debtor category (Commercial Portfolio)	With Senior A Guarantee	With Senior B Guarantee	Without Senior Guarantee
1 – Normal Situation/ Performing – Assistance w/Sen. A Guarantee	1%	1%	1%
2 - a) Under observation	1%	3%	5%
2 - b) Under negotiation or with refinancing agreements	1%	6%	12%
3 – With trouble	1%	12%	25%
4 – With high risk of insolvency	1%	25%	50%
5 – Irrecoverable	1%	50%	100%
6 – Irrecoverable under BCRA Standards	1%	100%	100%

For the classification of consumer portfolio customers with debts of up to AR $19.8 million, the BCRA authorizes the Entity to follow a simplified method comparable to the consumer loan portfolio, based on days of arrears at the end of each month.

Nevertheless, for consumer portfolio customers, the Entity applies a more conservative criterion for the irrecoverable debtor category, since it includes in such category all consumer loan portfolios registering more than 250 days of arrears:

Debtor category (Consumer Portfolio and comparable)	Arrears (BCRA)	Arrears (Entity)
1 – Normal Situation	Up to 31 days	Up to 31 days
2 – Low Risk	Up to 90 days	Up to 90 days
3 – Medium Risk	Up to 180 days	Up to 180 days
4 – High Risk	Up to 1 year	Up to 250 days
5 – Irrecoverable	More than 1 year	More than 250 days

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On the total debt of each customer at the end of the month, the Entity shall apply the following minimum provisioning levels, based on the category allocated to customer:

Debtor category (Consumer Portfolio and comparable)	With Senior A Guarantee	With Senior B Guarantee	Without Senior Guarantee
1 – Normal Situation/ Performing – Assistance w/Sen. A Guarantee	1%	1%	1%
2 – Low Risk	1%	3%	5%
3 – Medium Risk	1%	12%	25%
4 – High Risk	1%	25%	50%
5 – Irrecoverable	1%	50%	100%
6 – Irrecoverable under BCRA Standards	1%	100%	100%

Pursuant to the Entity's commitment to keep an adequate coverage of allowances on the loan portfolio, the Entity performs periodic reviews of the portfolio situation and of the Allowance Policy, applying –to the extent the Board deems appropriate- provisioning criteria exceeding the regulatory minimum allowances.

Quantification of accounting allowances tends to converge towards Expected Credit Loss (IFRS) criteria, since it is principally based on the recognition of expected losses on the basis of the consideration of the events that affect debtor's credit risk at the time of the analysis thereof (among them, changes in the economic environment and the estimated behavior of the portfolio according to such environment), instead of waiting for such loss to gradually grow as the number of days in arrears increase.

Additional allowance policy:

Pursuant to the Entity's commitment to keep an adequate coverage of allowances on the loan portfolio, the Entity performs periodic reviews of the portfolio situation and of the Allowance Policy, applying –to the extent the Board deems appropriate- provisioning criteria exceeding the regulatory minimum allowances.

Even taking into account the temporary exception under BCRA's Communiqué "A" 6114, the quantification of accounting allowances tends to converge towards Expected Credit Loss (IFRS) criteria, since it is principally based on the recognition of expected losses on the basis of the consideration of the events that affect debtor's credit risk at the time of the analysis thereof (among them, changes in the economic environment and the estimated behavior of the portfolio according to such environment), instead of waiting for such loss to gradually grow as the number of days in arrears increase.

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Portfolio quality

The Entity presents in Exhibit B "Classification of loans and other financing by situation and Guarantee received" to the accompanying Financial Statements, a breakdown of loans and other financing in classification levels and Guarantee received.

In addition, the table below shows the analysis by aging of performing loans in arrears (in days):

12/31/2018

Portfolio Type	Arrears (in days)				
	0 to 31	32 to 90	91 to 180	181 to 360	More than 360
Commercial loans	98.8%	0.6%	0.5%	0.0%	0.0%
Comparable loans	99.7%	0.2%	0.0%	0.0%	0.0%
Consumer loans	100.0%	0.0%	0.0%	0.0%	0.0%
Total	99.5%	0.3%	0.2%	0.0%	0.0%

12/31/2017

Portfolio Type	Arrears (in days)				
	0 to 31	32 to 90	91 to 180	181 to 360	More than 360
Commercial loans	99.5%	0.5%	0.0%	0.0%	0.0%
Comparable loans	99.9%	0.1%	0.0%	0.0%	0.0%
Consumer loans	100.0%	0.0%	0.0%	0.0%	0.0%
Total	99.8%	0.2%	0.0%	0.0%	0.0%

12/31/2016

Portfolio Type	Arrears (in days)				
	0 to 31	32 to 90	91 to 180	181 to 360	More than 360
Commercial loans	99.5%	0.4%	0.0%	0.0%	0.0%
Comparable loans	99.9%	0.1%	0.0%	0.0%	0.0%
Consumer loans	100.0%	0.0%	0.0%	0.0%	0.0%
Total	99.8%	0.2%	0.0%	0.0%	0.0%

The following is an analysis of the Bank's financial assets by activity before and after considering the guarantees received:

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Banco Macro S.A. (consolidated information)

	Gross exposure as of 12/31/2018	Net exposure as of 12/31/2018 [3]	Gross exposure as of 12/31/2017	Net exposure as of 12/31/2017 [3]
Total portfolio (1+2+3)	**184,739,516**	**155,323,402**	**136,585,709**	**115,473,070**
1.Public Sector	**1,778,236**	**1,778,236**	**1,898,650**	**1,898,617**
2.Financial Sector	**5,626,689**	**5,626,689**	**3,551,991**	**3,551,991**
3.Private Sector	**177,334,591**	**147,918,477**	**131,135,068**	**110,022,462**
Crops, cattle and other agricultural activities	16,619,515	8,018,951	10,997,119	5,329,584
1-Crops	11,321,561	5,191,529	7,115,429	3,265,844
2-Stockbreeding	3,693,800	2,087,440	2,634,672	1,581,600
3-Other activities [1]	1,604,154	739,982	1,247,018	482,140
Manufacturing Industry	**34,329,334**	**29,744,511**	**20,051,179**	**15,984,242**
1-Production of food, beverage and dairy products	7,925,771	5,855,146	6,319,006	4,595,337
2-Production of oil and fat	2,190,307	2,166,800	1,135,045	1,090,790
3-Chemical and Pharmaceutical	3,522,524	3,135,910	1,136,218	933,604
4-Metallurgical	3,042,787	2,766,729	3,365,248	3,089,637
5- Other industries [1]	17,647,945	15,819,926	8,095,662	6,274,874
Commercial Industry	**12,808,913**	**8,823,596**	**10,946,278**	**7,161,135**
1-Wholesale industry	8,036,937	5,359,754	6,036,460	3,745,140
2-Retail industry	3,677,846	2,703,036	3,434,122	2,341,145
3-Other activities [1]	1,094,130	760,806	1,475,696	1,074,850
Construction Industry	**3,989,509**	**2,834,865**	**6,495,115**	**5,232,475**
Personal Services	**3,876,409**	**3,407,381**	**3,206,833**	**2,884,642**
Transport Industry	**2,454,523**	**10,065,019**	**2,830,378**	**1,197,000**
Individuals	**83,710,635**	**76,262,018**	**66,409,571**	**63,286,324**
Mining and quarry operation	**8,652,604**	**8,589,221**	**3,015,318**	**2,938,138**
Electricity, gas, steam and air conditioning supply services	**3,214,602**	**3,179,439**	**1,398,064**	**1,365,725**
Other industries [2]	**7,678,547**	**5,993,476**	**5,785,213**	**4,646,105**

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Banco Macro S.A. (individual information)

	Gross exposure as of 12/31/2018	Net exposure as of 12/31/2018 [3]	Gross exposure as of 12/31/2017	Net exposure as of 12/31/2017 [3]
Total portfolio (1+2+3)	**170.779.307**	**142.345.038**	**125.749.816**	**105.274.552**
1.Public Sector	**1.769.577**	**1.769.577**	**1.891.922**	**1.891.922**
2.Financial Sector	**5.626.689**	**5.626.689**	**4.472.531**	**4.472.531**
3.Private Sector	**163.383.041**	**134.948.772**	**119.385.363**	**98.910.099**
Crops, cattle and other agricultural activities	**16.501.626**	**7.964.329**	**10.804.946**	**5.231.228**
1-Crops	11.206.039	5.137.762	6.929.132	3.170.018
2-Stockbreeding	3.691.430	2.086.585	2.628.796	1.579.070
3-Other activities [1]	1.604.157	739.982	1.247.018	482.140
Manufacturing Industry	**34.285.634**	**29.738.171**	**19.963.210**	**15.965.715**
1-Production of food, beverage and dairy products	7.888.473	5.853.877	6.250.423	4.593.501
2-Production of oil and fat	2.190.308	2.166.800	1.135.045	1.090.790
3-Chemical and Pharmaceutical	3.519.860	3.133.423	1.129.495	927.709
4-Metallurgical	3.040.591	2.764.689	3.362.773	3.087.549
5- Other industries [1]	17.646.402	15.819.382	8.085.474	6.266.166
Commercial Industry	**12.709.982**	**8.753.928**	**10.786.084**	**7.039.176**
1-Wholesale industry	8.004.080	5.343.783	5.971.095	3.703.950
2-Retail industry	3.617.540	2.654.064	3.375.120	2.292.125
3-Other activities [1]	1.088.362	756.081	1.439.869	1.043.101
Construction Industry	**3.951.436**	**2.810.005**	**6.364.801**	**5.127.408**
Personal Services	**3.852.591**	**3.392.733**	**3.152.346**	**2.847.824**
Transport Industry	**2.420.511**	**1.044.138**	**2.706.116**	**1.163.227**
Individuals	**70.348.855**	**63.709.683**	**55.492.905**	**52.728.314**
Mining and quarry operation	**8.650.990**	**8.587.608**	**3.013.045**	**2.935.865**
Electricity, gas, steam and air conditioning supply services	**3.214.130**	**3.178.966**	**1.397.420**	**1.365.081**
Other industries [2]	**7.447.286**	**5.769.211**	**5.704.490**	**4.506.261**

[1] Includes activities representing less than 1% of total financing.
[2] Includes the economic sectors representing less than 1% of total financing.
[3] The result of deducting from "Gross Exposure" the amounts of Guarantees Received for the financing facilities and other improvements received.

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Determination of maximum exposure to credit risk

The table below shows the determination of the maximum exposure from the Entity's financing assets by type of assets.

Banco Macro S.A. (Consolidated Information)	Maximum Gross Exposure as of 12/31/2018	Maximum Net Exposure as of 12/31/2018 [1]	Maximum Gross Exposure as of 12/31/2017	Maximum Net Exposure as of 12/31/2017 [1]
Financial assets measured at fair value	59,683,940	59,683,940	38,611,704	38,611,704
Financial assets measured at amortized cost	92,109,427	92,109,427	44,353,161	44,353,161
Derivative financial assets	17,293	17,293	8,228	8,228
Loans and other financing	178,874,755	133,329,802	132,658,674	93,550,339

Banco Macro S.A. (individual information)	Maximum Gross Exposure as of 12/31/2018	Maximum Net Exposure as of 12/31/2018 [1]	Maximum Gross Exposure as of 12/31/2017	Maximum Net Exposure as of 12/31/2017 [1]
Financial assets measured at fair value	57,735,763	57,735,763	36,847,646	36,847,646
Financial assets measured at amortized cost	83,882,590	83,882,590	40,537,547	40,537,547
Derivative financial assets	14,555	14,555	7,664	7,664
Loans and other financing	165,209,389	120,826,251	122,173,846	84,033,984

[1] The result of deducting from "Gross Maximum Exposure" the amounts of Guarantees Received for the financing facilities and other improvements received.

In turn, Exhibit R "Value correction for credit losses – Allowance for uncollectibility risk" to the accompanying consolidated Financial Statements shows the allowances for uncollectibility risk at the beginning and at the end of the year, disclosing as well increases, reversals and charge off.

Collateral and other credit improvements

The table below shows the types of guarantees received:

Consolidated Information	Fair Value		
	12/31/2018	12/31/2017	12/31/2016
Pledges on time deposits	406,244	442,585	523,568
Deferred payment checks	3,439,059	4,080,323	2,268,792
Mortgage on real property	18,396,210	10,055,974	5,260,024
Pledges on vehicles and machinery	4,335,920	4,244,951	2,303,932
Pledges on personal property	741,408	757,750	547,744
Other	18,226,112	19,665,708	11,212,060
Total	45,544,953	39,247,291	22,116,120

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Individual Information			Fair Value
	12/31/2018	12/31/2017	12/31/2016
Pledges on time deposits	405,618	438,434	520,570
Deferred payment checks	3,405,936	3,943,307	2,046,263
Mortgage on real property	17,499,099	9,555,511	5,050,023
Pledges on vehicles and machinery	4,266,217	4,160,059	2,232,668
Pledges on personal property	741,408	757,750	547,744
Other	18,064,860	19,284,801	10,863,837
Total	44,383,138	38,139,862	21,261,105

Liquidity Risk

Liquidity risk is defined as the risk of imbalances occurring between marketable assets and payable liabilities ("mismatches" between payments and collections) that could affect the Entity's ability to meet all of its current and future financial obligations, taking into consideration the different currencies and settlement terms of its rights and obligations, without incurring significant losses.

The Entity features policies regarding liquidity, the purpose of which is to manage liquidity efficiently, optimizing cost and diversification of funding sources, and maximizing the profit from placements through prudent management that ensures the necessary funds to allow the continuity of transactions and compliance with the rules and regulations in force.

In order to reduce the liquidity risk deriving from the uncertainty that the Entity may be exposed to with respect to its capacity to honor the financial commitments assumed with its customers in due time and manner, a policy has been established, the main aspects of which are as follows:

Assets: a high-liquidity assets portfolio will be maintained to cover at least 25% of total liabilities, comprising deposits, the corporate bonds issued by the Bank, the repo agreements taken and financial and interbank borrowing.

Liabilities: to minimize the unintended effects of illiquidity, deriving from the possible withdrawal of deposits and the repayment of interbank loans taken, the Entity has implemented the following policies, the follow-up and control of which are under the charge of the Assets and Liabilities Committee:

a) Giving priority to the attraction of retail deposits in order to have an atomized portfolio, avoiding the risk of concentrating the portfolio in a few investors. The level of retail deposits is expected to be at least 50% of total deposits.

b) The interest held in time deposit portfolio of institutional investors (foreign investors, mutual funds, insurance companies and pension fund managers) shall not exceed 15% of total liabilities.

c) The certificates of deposit taken shall not exceed 5% of total time deposit, or a fixed amount determined by the Entity.

d) No investor may have time deposit for an amount exceeding 10% of the total deposit portfolio.

e) Finally, financial and interbank borrowing shall not exceed 20% of total liabilities. No institution can exceed 50% of such limit.

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In addition, the Entity implemented a series a risk measurement and control tools, including the regular monitoring of liquidity gaps, separated by currency, as well as different liquidity ratios, included "bi-monetary liquidity ratio", "LCR" and "NSFR", among others.
The Risk Management Department regularly monitors compliance of the different levels set by the Board of Directors in relation to liquidity risk, which include minimum levels of liquidity, maximum concentration levels allowed by deposit type and customer type, among others.

The Entity features policies regarding liquidity, the purpose of which is to manage liquidity efficiently, optimizing cost and diversification of funding sources, and maximizing the profit from placements through prudent management that ensures the necessary funds to allow the continuity of transactions and compliance with the rules and regulations in force.

In the event of a liquidity crisis, the Entity has a contingency plan that contemplates the following actions:

a) Sale of high-liquidity assets;

b) Repo agreements with the BCRA with assets issued thereby, which are held in the Entity's portfolio;

c) Limiting any new credit assistance; and

d) Requesting financial assistance from the BCRA in the event of illiquidity. Current BCRA rules set forth the criteria to grant financial assistance to financial institutions in the event of illiquidity problems.

The following table shows the liquidity ratios during the fiscal years 2018, 2017 and 2016, which arise from dividing net liquid assets, made up of cash and cash equivalents, by total deposits.

	2018	2017	2016
December, 31	55.40%	47.00%	45.68%
Average	47.48%	46.20%	45.92%
Maximum	57.08%	51.90%	53.69%
Minimum	42.23%	40.84%	39.61%

The Entity discloses in Exhibit D "Breakdown of loans and other financing by term" and Exhibit I "Breakdown of financial liabilities by residual term" to the accompanying consolidated Financial Statements, the breakdown by contractual maturity, of financial assets and liabilities, respectively.

Market Risk

Market risk is defined as the possibility of suffering losses in positions on and off the Entity's balance sheet as a result of the adverse fluctuations in the market prices of different assets.

Market risks arise from interest rate, currency and price positions, all of which are exposed to general and specific market changes and changes in the price volatility such as interest rates, credit margins, foreign currency exchange rates and prices of shares and securities, among others.

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The Entity determines the market risk exposure arising from the fluctuation in the value of portfolios of investments for trading, which result from changes in market prices, the Entity's net positions in foreign currency, and government and private securities with normal quoted prices.

These risks arise from the size of the Entity's net positions and/or the volatility of the risk factors involved in each financial instrument.

The Entity features Market Risk Management Policies in which the Entity establishes the proceedings to monitor and control of risks derived of the variations in the quotes of financial instruments in order to optimize the risk-return relationship, making use of the appropriate structure of limits, models and management tools. In addition, the Entity features proper tools and proceedings allowing the Risk Management Committee and the Assets and Liabilities Committee to measure and administer this risk.

Risks to which those investment portfolios are exposed are monitored through historical simulation techniques of "Value at Risk" (VaR). The Entity applies the VaR methodology to calculate the market risk of the main positions adopted and the expected maximum loss based on a series of assumptions for a variety of changes in market conditions.

The Entity calculates the economic capital by market risk using the Value at Risk methodology, using the historical simulation approach.

In order to carry out the above mentioned simulation, the Entity needs to have the Price historical series of those instruments that compose the portfolio.
Prices are corrected by purging the effects of coupon payments and dividend payments, in the case of shares, in order to avoid affecting returns.

In this way the Entity obtains the prices of business days for each instrument between the valuation date and the oldest date, the latter to be established based on the days of history with which the Entity intends to calculate VaR.

Once the Entity has obtained the Price matrix, it proceeds to calculate price variations (10-days returns since it is the established Holding Period) occurred in the history during a period of time similar to the chosen holding period, for each instrument separately, obtaining the return matrix.

With the return matrix, in order to generate the different simulations of prices of each of the "n" instruments, the Entity multiplies the current price of each instrument by the relevant returns.

In order to get the portfolio simulations, the Entity multiplies instrument simulations by the position of each instrument in the portfolio and adds the positions of all instruments for each date.

Once all simulations are completed, the Entity obtains the critical value of the portfolio, giving the relevant percentage to confidence level chosen (99% confidence level).

Finally, the Economic Capital by market risk is obtained as the difference between the current value of the portfolio and the critical value previously obtained.

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Ezequiel Carballo
Chairman

Interest Rate Risk

The interest rate risk is defined as the possibility that changes occur in the Entity's financial condition as a result of interest rate fluctuations with a negative impact on net financial income and its economic value.

Within the framework of the interest rate risk management the Entity features a series of policies, procedures and internal controls included in the Structural Risk Management Manual for this kind of risk.

The Entity calculates the risk of interest rate mismatches by making a sensitivity analysis of changes in the net value of assets upon an interest rate increase through the economic value approach with a VaR model.

For this purpose, the maximum potential loss in the net economic value of the assets and liabilities portfolio is determined considering a period of three months with a 99% confidence interval.

The EVM (Economic Value Model) is determined as the net sum of cash flows (losses) that the Entity can generate, discounted at market interest rate curve for each accounting item. If the market interest rate curve (used for the discount) is affected, the effect of such variation impacts directly on the Economic Value of the Entity. Generally speaking, reports related to EVM seek to analyze the Entity's long-term solvency.

It is noteworthy that the use of that approach does not avoid losses beyond those limits in the event of the most significant market changes.

As of December 31, 2018 and 2017, the Entity's VaR by type of risk is as follows:

VaR of trading and investment portfolio	12/31/2018	12/31/2017
Interest rate risk	6,262	3,754
Currency Exchange rate risk	182	37
Price risk	82	35

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Foreign Currency Exchange Rate Risk

The Entity is exposed to fluctuations in foreign currency exchange rates in its financial position and cash flows. The larger proportion of assets and liabilities kept are related to US dollars.

The foreign currency position includes assets and liabilities reflected in pesos at the exchange rate as of the closing dates mentioned below. An institution's open position comprises assets, liabilities and memorandum accounts stated in foreign currency, where an institution assumes the risk. Any devaluation / revaluation of those currencies would affect the Entity's statement of income.

Foreign currency transactions are performed at the supply and demand exchange rates. The Entity's open position, stated in Argentine pesos by currency, is disclosed in Exhibit L "Foreign currency balances" to the accompanying consolidated Financial Statements.

Operational Risk

Operational risk is defined as the risk of loss arising from the inadequacy or failure of internal processes, human errors and/or internal system failures, or those originated by external events. This definition includes the Legal Risk but excludes the Strategic Risk and Reputational Risk.

Within such framework, the legal risk –which may occur from within the Bank or externally- comprises, among other aspects, the exposure to penalties, sanctions or other economic consequences or results for failure to comply with any rule or regulation or contractual obligations.

On the other hand, the Entity implemented an operational risk management system that meets the guidelines and provisions established by the BCRA in its Communiqué "A" 5398, as amended, and under Communiqué "A" 5272 the BCRA provided for a minimum capital requirement under this description, effective as of February 1, 2012.

The operating risk management system is formed by:

a) Organizational structure: the Entity features an Operational Risk Management department that is in charge of managing operational risk and a Risk Management Committee.

b) Policies: the Entity has a "Policy for the Operational Risk Management" approved by the Board of Directors, which defines the main concepts, roles and responsibilities of the Board of Directors, the Operational Risk Committee, the Operational Risk and Technology Management and all the areas involved in the management of this risk.

c) Procedures: the Entity features a procedure for the "Gathering of events and losses from Operational Risk" that includes a process to gather the Operational Events and Losses to register on a systematic basis the frequency, severity, category and other relevant aspects related to the events and losses from Operational Risk.

d) The objective is to assess the Entity's situation upon occurrence of events, in order to better understand the Operational Risk profile and, if applicable, take the necessary corrective actions.

In addition, the Entity features a procedure that establishes the guidelines to prepare risk self-assessments and, in the event of risks exceeding allowed tolerance levels, guidelines to establish risk indicators and action plans.

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e) Systems: the Entity features a comprehensive system that allows managing all Operational and Technology Risks.

f) Database: The Entity has an operational risk event database prepared pursuant to the guidelines under BCRA's Communiqué "A" 4904, as supplementary.

g) Information systems to measure risks: The Risk Management Department generates and sends, on a quarterly basis, reports to the Board of Directors, the Risk Management Committee and the Senior Management. With such reports the Risk Management Department communicates the results of the follow-up of the management of the main risks to which the Entity is exposed. Each report contains information on risk measurement, evolution, trends, principal exposures, control of main limits and the capital level required for each type of risk.
At the meeting of the Integral Risk Management Committee, the Risk Management Department shall submit for consideration the results of the performance of such department and the reports issued during the period under analysis. The resolutions adopted by the Committee shall be recorded in Minutes to be considered by the Board of Directors, who shall subsequently approve, in this manner, the performance and risk level of the analyzed period.

h) Stress tests: stress tests are a support tool to manage risks and a supplement of the results reported by the measurement models of the different risks, which in general show risk measurements that are valid for "normal situations".
They also are an instrument to evaluate the risk profile since they are used to quantify the potential impact in a situation of significant fluctuation of the variables affecting each risk. Stress tests are as well used in the process of internal assessment of economic capital sufficiency.

Stress tests are aimed at evaluating the Entity's financial vulnerability potential faced with the sensibility of the main variables affecting each risk. Generally, it is considered a variation of low probability of occurrence, but if materialized it may cause significant excess of the tolerance limits established for each risk.

i) Assessment of economic capital sufficiency: each year, the Entity calculates the economic capital for those risks which, for their significance, may, eventually, affect the Entity's solvency.
At present, the Entity calculates the economic capital of the following risks: Credit, Concentration, Market, Operational, Interest Rate, Liquidity and Concentration of Funding Sources, Securitization, Reputational and Strategic.
Risk management is directly related to economic capital assessment. Thus, it is expected that with a better management and follow-up, the Entity will need to allocate less amount of capital.

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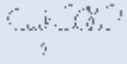

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Based on the internal models developed, Banco Macro manages its risks, determines its risk profile and calculates, therefore, the necessary capital to develop its activities and businesses, adjusting each risk to its relevant exposure level.

j) Transparency: As a supplement to this Manual and as part of the Corporate Governance policy, the Entity features an Information Policy aimed at allowing shareholders, investors and the market in general to evaluate aspects of the Entity related to capital, risk exposure, risk assessment procedures and capital adequacy.

40. CHANGES IN THE ARGENTINE MACROECONOMIC ENVIRONMENT OF THE FINANCIAL AND CAPITAL SYSTEM

The international and local macroeconomic context generates a certain degree of uncertainty regarding its future progress as a result of political events and the level of economic growth, among other issues. In addition, at a local level, there is an increase in the prices for other relevant economic variables, such as salary costs, interest rates, quotes and prices of the main raw materials.

Therefore, the Entity's Management permanently monitors any changes in the abovementioned situations in international and local markets, to determine the possible actions to adopt and to identify the possible impact on its financial situation that may need to be reflected in the financial statements for future periods.

41. EVENTS AFTER REPORTING PERIOD

No events occurred between the end of the reporting period and the issuance of the accompanying consolidated Financial Statements that may materially affect the financial position or the profit and loss for the period, not disclosed in the accompanying Financial Statements.

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DETAIL OF GOVERNMENT AND PRIVATE SECURITIES AS OF DECEMBER 31, 2018, 2017 AND 2016

(Figures expressed in thousands of pesos)

Name	Identification	Fair Value
DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		
- Del país		
Government securities		
Consolidation bonds in pesos 8° Series - Maturity: 10-04-2022	2571	
Debt Securities of Province of Río Negro in pesos - Badlar Private + 500 basis points - Maturity: 07-06-2020	32922	
Federal government treasury bills in pesos - Maturity 01-31-2019	5265	
Federal government treasury bills in pesos - Maturity 02-28-2019	5267	
Debt Securities of Province of Buenos Aires in pesos - Badlar Private + 370 basis points - Maturity: - 04-12-2025	92693	
Federal government treasury bonds in pesos - Maturity 10-03-2021	5318	
Federal government treasury bonds in pesos adjustment by CER - Maturity: 07-22-2021	5315	
Federal government bonds in US dollars at 8.75% - Maturity: 05-07-2024	5458	
Federal government international bonds in US dollars at 7.5% - Maturity: 04-22-2026	92584	
Consolidation bonds in pesos 6° Series at 2% - Maturity: 03-15-2024	2420	
Federal government treasury bills in pesos - Maturity 03-29-2019	5260	
Other		
Subtotal local government securities	5431	
Private securities		
Debt Securities in Financial Trust Consubond	80033	
Debt Securities in Financial Trust Megabono S180 CA - Maturity 12-24-2019	53887	
Debt Securities in Financial Trust Agrocap	80032	
Debt Securities in Financial Trust PVCRED S038 CA - Maturity 08-12-2019	53927	
Debt Securities in Financial Trust Consubond S149 CA - Maturity 10-25-2019	53968	
Debt Securities in Financial Trust Secubono	80029	
Debt Securities in Financial Trust Chubut Regalías Hidrocarburíferas - Maturity: 07-01-2020	36425	
Debt Securities in Financial Trust Consubond S147 CA - Maturity 12-26-2019	53893	
Corporate bonds John Deere Credit Cía. Financiera S.A. C016 - Maturity 04-06-2019	53406	
Debt Securities in Financial Trust Secubono S180 - Maturity 11-28-2019	53875	
Corporate bonds Banco de Inversión y Comercio Exterior S.A. C006 - Maturity 06-27-2020	52582	
Corporate bonds Banco de la Provincia de Buenos Aires C2 - Maturity 11-08-2019	32814	
Other		
Subtotal local private securities		
TOTAL DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		

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EXHIBIT A

Holdings						Position
12/31/2018		12/31/2017	12/31/2016			12/31/2018
Fair Value Level	Book Balance	Book Balance	Book Balance	Position without Options	Options	Final Position
1	169,663	105,882	100,130	169,663		169,663
2	122,869	281,881		122,869		122,869
1	120,690			153,460		153,460
1	103,193			103,193		103,193
1	82,429			82,429		82,429
2	79,622			79,622		79,622
1	77,240		7,133	77,240		77,240
1	61,833	8,934		61,833		61,833
2	55,358		852	55,358		55,358
1	48,396	4	22,288	48,396		48,396
1	45,155			45,155		45,155
	276,401	323,313	146,378	394,087		394,087
	1,242,849	720,014	276,781	1,393,305		1,393,305
3	377,725			377,725		377,725
3	165,980			165,980		165,980
3	130,735			130,735		130,735
3	112,600			112,600		112,600
3	111,017			111,017		111,017
3	79,203			79,203		79,203
3	48,366	34,932		48,366		48,366
3	39,576			39,576		39,576
2	38,451			38,451		38,451
3	34,635			34,635		34,635
		98,603				
			10,779			
	254,110	232,479	44,921	254,110		254,110
	1,392,398	366,014	55,700	1,392,398		1,392,398
	2,635,247	1,086,028	332,481	2,785,703		2,785,703

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DETAIL OF GOVERNMENT AND PRIVATE SECURITIES AS OF DECEMBER 31, 2018, 2017 AND 2016

(Figures expressed in thousands of pesos)

			Holdings					Position
			12/31/2018		12/31/2017	12/31/2016		12/31/2018
Name	Identification	Fair Value	Fair Value Level	Book Balance	Book Balance	Book Balance	Position without Options	Options	Final Position
OTHER DEBT SECURITIES at fair value through other comprehensive income (OCI)									
- Local Government securities									
Federal government bonds in US dollars at 8.75% - Maturity: 05-07-2024	5458		1	530,833	333,522	289,758	530,833		530,833
Discount bonds denominated in pesos at 5.83% - Maturity: 12-31-2033	45696		1	146,446	1,453	1,333,811	146,446		146,446
International bonds of the Argentina Republic in US dollars at 7.125% - Maturity: 06-28-2027	92208		1	81,630			81,630		81,630
Consolidation bonds in pesos 8° Series - Maturity: 10-04-2022	2571				49,726	111,090			
Secured bonds in pesos under Decree No. 1579/02 at 2% - Maturity: 02-04-2018	2405				11,386	37,905			
Treasury bills in US dollars – Maturity 03-20-2017	5199					789,545			
Debt Securities of Province of Buenos Aires S. I Class II – Maturity: 12-06-2019	32831					342,237			
Federal government bonds in pesos - Badlar Private + 250 basis points - Maturity: 03-11-2019	5454					140,888			
Treasury bills of the Province of Neuquén Class 2 S. II – Maturity: 06-06-2018	32829					140,219			
Treasury bills of the Province of Rio Negro Class 1 S. VI – Maturity: 03-15-2017	32835		1			94,139			
Other						165,185			
Subtotal local government securities				758,909	396,087	3,444,777	758,909		758,909
BCRA bills									
BCRA Liquidity Letters in pesos – Maturity: 01-04-2019			1	15,546,415			15,546,415		15,546,415
BCRA Liquidity Letters in pesos – Maturity:01-08-2019			2	13,787,546			13,787,546		13,787,546
BCRA Liquidity Letters in pesos – Maturity: 01-02-2019			1	12,404,850			12,404,850		12,404,850
BCRA Liquidity Letters in pesos – Maturity: 01-03-2019			1	7,926,384			7,926,384		7,926,384
BCRA Liquidity Letters in pesos – Maturity: 01-07-2019			1	5,404,713			5,404,713		5,404,713

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				Holdings					Position
				12/31/2018		12/31/2017	12/31/2016		12/31/2018
Name	Identification	Fair Value	Fair Value Level	Book Balance		Book Balance	Book Balance	Position without Options	Options	Final Position
BCRA Internal Bills in pesos – Maturity: 03-21-2018	46823					6,333,094				
BCRA Internal Bills in pesos – Maturity: 01-17-2018	46821					6,066,602				
BCRA Internal Bills in pesos – Maturity: 05-16-2018	46825					5,769,624				
BCRA Internal Bills in pesos – Maturity: 04-18-2018	46824					5,626,984				
BCRA Internal Bills in pesos – Maturity: 02-21-2018	46822					5,346,681				
BCRA Internal Bills in pesos – Maturity: 01-18-2017	46796						5,291,678			
BCRA Internal Bills in pesos – Maturity: 02-15-2017	46786						2,724,328			
Other						3,512,921	7,116,563			
Subtotal BCRA bills					55,069,908	32,655,906	15,132,569	55,069,908		55,069,908
Private securities										
Corporate bonds Telecom Personal S.A. S4 – Maturity: 11-16-2018	51989						105,210			
Corporate bonds Telecom Personal S.A. S3 – Maturity: 05-16-2018	51988						52,159			
Corporate bonds Genneia SA C19 – Maturity: 02-16-2017	51268						52,277			
Corporate bonds Albanesi SA C2 – Maturity: 10-25-2018	51923						21,216			
Corporate bonds Ledesma SA C3 – Maturity: 04-01-2017	50210						14,330			
Corporate bonds Integración Eléctrica Sur Arg. SA C4 – Maturity: 09-26-2017	51848						13,168			
Corporate bonds Banco Hipotecario S32 – Maturity: 05-30-2017	51072						10,531			
Corporate bonds Arcor SAIC C8 – Maturity: 06-15-2017	50,495						6,257			
Subtotal local private securities							275,148			
Government securities										
US Treasury Bills – Maturity: 01-03-2019			1		226,836			226,836		226,836
US Treasury Bills – Maturity: 01-02-2019			1		189,042			189,042		189,042
US Treasury Bills – Maturity: 01-15-2019			1		188,888			188,888		188,888
US Treasury Bills – Maturity: 01-18-2018						450,342				
US Treasury Bills – Maturity: 01-11-2018						243,995				
US Treasury Bills – Maturity: 01-12-2017							427,916			
US Treasury Bills – Maturity: 01-05-2017							110,949			
Subtotal foreign government securities					604,766	694,337	538,865	604,766		604,766

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DETAIL OF GOVERNMENT AND PRIVATE SECURITIES AS OF DECEMBER 31, 2018, 2017 AND 2016

(Figures expressed in thousands of pesos)

Name	Identification	Fair Value
OTHER DEBT SECURITIES		
at fair value through other comprehensive income (OCI)		
- Private securities	40792	
Corporate bonds Chevron Corp. – Maturity: 03-03-2019		
Corporate bonds Ford Motor Credit Corp. LLC – Maturity: 01-15-2020		
Corporate bonds The Dow Chemical Corp. – Maturity: 05-15-2019		
Corporate bonds Johnson & Johnson – Maturity: 07-15-2018		
Corporate bonds Wal Mart Sotres – Maturity: 02-01-2019		
Corporate bonds Microsoft Corp. – Maturity: 06-01-2019		
Corporate bonds Shell Intl Fin. Maturity: 09-22-2019		
Corporate bonds Celulosa Arauco – Maturity: 07-29-2019		
Subtotal foreign private securities		
Total other debt securities at fair value through OCI		
Measured at amortized cost		
- Local		
Government securities		
Federal government bonds in pesos – Fixed rate 26% - Maturity: 11-21-2020	5330	7,165,102
Discount bonds denominated in pesos at 5.83% - Maturity: 12-31-2033	45696	173,337
Secured bonds under Decree No. 1579/02 at 2% - Maturity: 02-04-2018	2405	
Federal government bonds in pesos at Badlar + 2.00 – Maturity: 03-28-2017	5459	
Consadep Tucumán bonds in pesos – Series 1 – Maturity: 02-04-2018	2414	
Subtotal local government securities		
- Private securities		
Financial Trust Underwriting SAT SAPEM - Maturity 10-01-2019	80033	
Temporary Financial Trust Underwriting Consubond	80029	
Temporary Financial Trust Underwriting Secubono	80028	
Temporary Financial Trust Underwriting Garbarino	80031	
Temporary Financial Trust Underwriting Accicom Préstamos Personales	80034	
Temporary Financial Trust Underwriting Credicuotas Consumo	80032	
Temporary Financial Trust Underwriting Agrocap	80034	
Temporary Financial Trust Underwriting Mila	80034	
Temporary Financial Trust Underwriting Best Consumer Directo	80034	
Temporary Financial Trust Underwriting Best Consumer Finance	80034	
Other		
Subtotal local debt securities		
Total other debt securities at amortized cost		
TOTAL OTHER DEBT SECURITIES		

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Chairman

Holdings						Position
12/31/2018		12/31/2017	12/31/2016			12/31/2018
Fair Value Level	Book Balance	Book Balance	Book Balance	Position without Options	Options	Final Position
		18,584	17,030			
			18,677			
			36,326			
			16,977			
			16,781			
			16,736			
			16,840			
			8,941			
		18,584	148,308			
	56,433,583	33,764,914	19,539,667	56,433,583		56,433,583
	7,991,383			7,991,383		7,991,383
	157,044	117,453		189,036		189,036
		4,270	21,276			
			100,728			
			2,881			
	8,148,427	121,723	124,885	8,180,419		8,180,419
	2,749	7,571	11,008	2,749		2,749
		360,364	281,057			
		110,554	124,628			
		68,070				
		51,041	61,841			
		50,223	15,359			
		46,482				
		32,955	25,647			
		32,136				
		32,086				
		25,646	211,407			
	2,749	817,128	730,947	2,749		2,749
	8,151,176	938,851	855,832	8,183,168		8,183,168
	64,584,759	34,703,765	20,395,499	64,616,751		64,616,751

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Partner
Certified Public Accountant - UBA
CPCECABA T° 196 F° 142

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Head of Accounting
& Tax Department

Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
Chairman

DETAIL OF GOVERNMENT AND PRIVATE SECURITIES AS OF DECEMBER 31, 2018, 2017 AND 2016

(Figures expressed in thousands of pesos)

Name	Identification	Fair Value
EQUITY INSTRUMENTS		
at fair value through profit or loss		
- Local		
Mercado Abierto Electrónico SA	80020	
C.O.E.L.S.A	80021	
Argentina Clearing SA	80022	
Sedesa	80012	
Mercado a Término Rosario SA	80017	
Laboratorios Richmond SACIF	80014	
Provincanje SA		
Sanatorio Las Lomas SA		
Proin SA	80016	
El Taura SA	80024	
Siderar SAIC	80011	
Aluar Aluminio Argentino	80015	
Other		
Subtotal local equity instruments		
- Foreign		
Banco Latinoamericano de Comercio Exterior SA	80025	
Sociedad de Telecomunicaciones Financieras Interbancarias Mundiales	80026	
Subtotal foreign equity instruments		
Total equity instruments at fair value through profit or loss		
TOTAL EQUITY INSTRUMENTS		
TOTAL GOVERNMENT AND PRIVATE SECURITIES		

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EXHIBIT A

Holdings						Position
12/31/2018		12/31/2017	12/31/2016			12/31/2018
Fair Value Level	Book Balance	Book Balance	Book Balance	Position without Options	Options	Final Position
3	25,078	20,747	3,819	25,078		25,078
3	4,826	3,048	1,356	4,826		4,826
3	4,569	3,217	2,393	4,569		4,569
3	3,975	3,909	3,492	3,975		3,975
3	3,663	2,569	1,890	3,663		3,663
1	1,256	2,363		1,256		1,256
3	758	542	1,008	758		758
3	600	404	298	600		600
3	513	513	320	513		513
3	185	185	185	185		185
			106,936			
			78,791			
	349	241,159	202,724	349		349
	45,772	278,656	403,212	45,772		45,772
1	4,777	3,688	3,408	4,777		4,777
3	969	315	248	969		969
	5,746	4,003	3,656	5,746		5,746
	51,518	282,659	406,868	51,518		51,518
	51,518	282,659	406,868	51,518		51,518
	67,271,524	36,072,452	21,134,848	67,453,972		67,453,972

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CONSOLIDATED CLASSIFICATION OF LOANS AND OTHER FINANCING BY SITUATION AND GUARANTEE RECEIVED AS OF DECEMBER 2018, 2017 AND 2016

EXHIBIT B

(Figures expressed in thousands of pesos)

	12/31/2018	12/31/2017	12/31/2016
COMMERCIAL PORTFOLIO			
In normal situation	70,071,286	48,364,751	34,766,790
With Senior "A" guarantees and counter-guarantees	2,554,501	3,822,852	2,545,541
With Senior "B" guarantees and counter-guarantees	8,453,117	7,594,429	5,297,800
Without Senior guarantees or counter-guarantees	59,063,668	36,947,470	26,923,449
Subject to special monitoring	213,632	299,221	27,887
Under observation			
With Senior "A" guarantees and counter-guarantees	3,226	6,042	
With Senior "B" guarantees and counter-guarantees	68,007	66,613	18,875
Without Senior guarantees or counter-guarantees	41,805	226,566	9,012
Under negotiation or refinancing agreements			
With Senior "A" guarantees and counter-guarantees	43,592		
Without Senior guarantees or counter-guarantees	57,002		
Troubled	633,432	37,164	50,039
With Senior "A" guarantees and counter-guarantees		3,441	
With Senior "B" guarantees and counter-guarantees	179,598	22,971	50,039
Without Senior guarantees or counter-guarantees	453,834	10,752	
With high insolvency risk	283,394	144,001	137,431
With Senior "A" guarantees and counter-guarantees	1,223	729	1,882
With Senior "B" guarantees and counter-guarantees	182,130	86,437	61,374
Without Senior guarantees or counter-guarantees	100,041	56,835	74,175
Irrecoverable		6,500	7.372
With Senior "B" guarantees and counter-guarantees			813
Without Senior guarantees or counter-guarantees		6,500	6,559
Subtotal Commercial Portfolio	71,201,744	48,851,637	34,989,519
CONSUMER AND MORTGAGE LOAN PORTFOLIO			
Performing	108,845,927	85,407,541	55,204,350
With Senior "A" guarantees and counter-guarantees	2,959,968	2,140,761	771,053
With Senior "B" guarantees and counter-guarantees	14,552,408	7,272,856	2,573,886
Without Senior guarantees or counter-guarantees	91,333,551	75,993,924	51,859,411

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	12/31/2018	12/31/2017	12/31/2016
Low risk	2,074,849	1,050,600	555,222
With Senior "A" guarantees and counter-guarantees	48,130	7,823	1,486
With Senior "B" guarantees and counter-guarantees	192,993	32,681	20,699
Without Senior guarantees or counter-guarantees	1,833,726	1,010,096	533,037
Medium risk	1,420,894	647,332	443,357
With Senior "A" guarantees and counter-guarantees	16,916	1,447	3,188
With Senior "B" guarantees and counter-guarantees	79,214	13,672	7,676
Without Senior guarantees or counter-guarantees	1,324,764	632,213	432,493
High risk	961,047	479,925	317,466
With Senior "A" guarantees and counter-guarantees	13,707	496	2,099
With Senior "B" guarantees and counter-guarantees	39,126	18,106	20,486
Without Senior guarantees or counter-guarantees	908,214	461,323	294,881
Irrecoverable	234,151	148,425	92,508
With Senior "A" guarantees and counter-guarantees	1,260		
With Senior "B" guarantees and counter-guarantees	26,998	18,375	18,222
Without Senior guarantees or counter-guarantees	205,893	130,050	74,286
Irrecoverable under BCRA standards	904	249	210
Without Senior guarantees or counter-guarantees	904	249	210
Subtotal Consumer and Mortgage Loan Portfolio	113.537.772	87,734,072	56,613,113
Total	184,739,516	136,585,709	91,602,632

This exhibit reports the contractual figures as established by the BCRA.
Reconciliation with the consolidated balance sheet is shown below.

	12/31/2018	12/31/2017	12/31/2016
Loans and other financing	178,874,755	132,658,674	88,390,646
+ Allowances for loans and other financing	4,160,745	2,666,738	1,839,422
+ IFRS adjustment (Amortized cost and fair value adjustment)	257,071	298,538	244,608
+ Debt Securities in Financial Trusts – Measured at amortized cost	2,749		
Corporate bonds		362,425	486.144
Guarantees granted and contingent liabilities	1,444,196	599,334	641,812
Total computable items	184,739,516	136,585,709	91,602,632

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CONSOLIDATED CONCENTRATION OF LOANS AND OTHER FINANCING AS OF DECEMBER 31, 2018, 2017 Y 2016

EXHIBIT C

(Figures expressed in thousands of pesos)

	12/31/2018		12/31/2017		12/31/2016	
Number of Customers	Cutoff balance	% of total portfolio	Cutoff balance	% of total portfolio	Cutoff balance	% of total portfolio
10 largest customers	19,431,965	10,52	10,886,705	7,97	6,363,324	6,95
50 next largest customers	22,338,631	12,09	11,082,657	8,11	9,003,785	9,83
100 next largest customers	13,694,432	7,41	7,511,713	5,50	5,580,023	6,09
Other customers	129,274,488	69,98	107,104,634	78,42	70,655,500	77,13
Total [1]	184,739,516	100,00	136,585,709	100,00	91,602,632	100,00

[1] See reconciliation in Exhibit B.

CONSOLIDATED BREAKDOWN OF LOANS AND OTHER FINANCING BY LOAN TERMS AS OF DECEMBER 31, 2018

EXHIBIT D

(Figures expressed in thousands of pesos)

		Terms to Maturity						
Item	Matured Portfolio	Up to 1 month	Over 1 month and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 12 months	Over 12 months and up to 24 months	Over 24 months	Total
Non-financial government		156,275	403,613	434,592	745,089	968,517	323,784	3,031,870
Financial sector		1,097,205	1,733,758	1,205,293	1,698,740	598,110	22,143	6,355,249
Non-financial private sector and foreign residents	1,896,929	52,337,082	23,411,664	25,455,967	30,819,902	35,342,048	69,687,361	238,950,953
Total	1,896,929	53,590,562	25,549,035	27,095,852	33,263,731	36,908,675	70,033,288	248,338,072

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CONSOLIDATED BREAKDOWN OF LOANS AND OTHER FINANCING BY LOAN TERMS AS OF DECEMBER 31, 2017

(Figures expressed in thousands of pesos)

		Terms to Maturity						
Item	Matured Portfolio	Up to 1 month	Over 1 month and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 12 months	Over 12 months and up to 24 months	Over 24 months	Total
Non-financial government sector		51,827	225,501	183,337	543,855	982,347	876,255	2,863,122
Financial sector		892,707	452,162	715,857	767,396	1,009,635	259,275	4,097,032
Non-financial private sector and foreign residents	889,510	36,721,574	18,795,821	17,988,857	20,395,038	30,679,594	53,884,831	179,355,225
Total	889,510	37,666,108	19,473,484	18,888,051	21,706,289	32,671,576	55,020,361	186,315,379

CONSOLIDATED BREAKDOWN OF LOANS AND OTHER FINANCING BY LOAN TERMS AS OF DECEMBER 31, 2016

(Figures expressed in thousands of pesos)

		Terms to Maturity						
Item	Matured Portfolio	Up to 1 month	Over 1 month and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 12 months	Over 12 months and up to 24 months	Over 24 months	Total
Non-financial government sector - BCRA		748,521	127,713	384,876	142,487	272,196	230,432	1,906,225
Financial sector		404,396	516,771	488,482	389,927	255,790	74,260	2,129,626
Non-financial private sector and foreign residents	542,275	29,757,384	13,015,559	12,247,535	13,861,833	19,345,839	25,649,597	114,420,022
Total	542,275	30,910,301	13,660,043	13,120,893	14,394,247	19,873,825	25,954,289	118,455,873

This Exhibit discloses future contractual cash flow fall, including interests and accessories to be accrued until contract maturity.

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CONSOLIDATED INFORMATION ON INTEREST IN OTHER COMPANIES AS OF DECEMBER 31, 2018, 2017 AND 2016

EXHIBIT E

(Figures expressed in thousands of pesos)

		Shares and/or Participating Interests		
Name	**Class**	**Unit Nominal Value**	**Votes per Share**	**Number**
In supplementary service companies				
- Associates and joint ventures				
Local				
Prisma Medios de Pago SA [1]	Common	1	1	1,141,503
Joint Ventures (UTE)				
Subtotal Local Companies				
Total Associates and joint ventures				
Total supplementary service companies				
In other companies				
- Associates and joint ventures				
Local				
Macro Warrants SA	Common	1	1	50,000
Subtotal Local Companies				
Total Other Associates and joint ventures				
Total interest in other companies				

[1] See Note 13.

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Amount 12/31/2018	Amount 12/31/2017	Amount 12/31/2016	Main Business Activity	Year-end date	Issuer Information Latest Financial Statements Data Capital	Shareholders' Equity	Income for the Year/ Period
	142,600	67,583	Processing services	12-31-17	15,000	2,511,180	2,432,494
108,031	75,520	56,001	Management of tax services				
108,031	218,120	123,584					
108,031	218,120	123,584					
108,031	**218,120**	**123,584**					
792	827	684	Warrant issuance	09-30-18	1,000	15,841	3,308
792	827	684					
792	**827**	**684**					
108,823	**218,947**	**124,268**					

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CONSOLIDATED CHANGES IN PROPERTY, PLANT AND EQUIPMENT AS OF DECEMBER 31, 2018

EXHIBIT F

(Figures expressed in thousands of pesos)

Item	Cost Beginning of fiscal year	Useful life estimated in years	Additions	Disposals	Depreciation for the period: Accumulated Depreciation	Disposal	Of the Year	Year-end	Residual value at year-end
At cost									
Cost measurement									
Land & Buildings	5,291,944	50	2,856,372	779,441	422,212	177,032	95,697	340,877	7,027,998
Furniture and facilities	375,248	10	275,681	6,309	143,554	11	38,992	182,535	462,085
Machinery and equipment	1,046,933	5	585,627	116,728	571,215		210,637	781,852	733,980
Vehicles	117,949	5	38,465	16,825	78,659	14,150	20,692	85,201	54,388
Miscellaneous	1,122		40	13	1,095		34	1,129	20
Works in progress	2,576,980		1,556,054	3,408,811					724,223
Total Property, plant and equipment [1]	9,410,176		5,312,239	4,328,127	1,216,735	191,193	366,052	1,391,594	9,002,694

CONSOLIDATED CHANGES IN PROPERTY, PLANT AND EQUIPMENT AS OF DECEMBER 31, 2017

(Figures expressed in thousands of pesos)

Item	Cost Beginning of fiscal year	Useful life estimated in years	Additions	Disposals	Depreciation for the period: Accumu-lated Depreciation	Disposal	Of the Year	Year-end	Residual value at year-end
At cost									
Cost measurement									
Land & Buildings [2]	5,196,988	50	106,315	11,359	321,302	5,293	106,203	422,212	4,869,732
Furniture and facilities	326,737	10	48,511		109,394		34,160	143,554	231,694
Machinery and equipment	802,855	5	246,633	2,555	415,800	2,548	157,963	571,215	475,718
Vehicles	97,879	5	24,977	4,907	67,003	4,296	15,952	78,659	39,290
Miscellaneous	1,100		22		1,061		34	1,095	27
Works in progress	1,718,413		904,321	45,754					2,576,980
Total Property, plant and equipment [1]	8,143,972		1,330,779	64,575	914,560	12,137	314,312	1,216,735	8,193,441

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CONSOLIDATED CHANGES IN INVESTMENT PROPERTY AS OF DECEMBER 31, 2018

(Figures expressed in thousands of pesos)

Item	Cost				Depreciation for the period				
	Beginning of fiscal year	Useful life estimated in years	Additions	Disposals	Accumulated Depreciation	Disposal	Of the Year	Year-end	Residual value at year-end
At cost									
Leased property		50	90,485		8,027		100	8,127	82,358
Other investment property	658,974	50	303,503	763,881	19,965	18,680	6,065	7,350	191,246
Total investment property[1]	658,974		393,988	763,881	27,992	18,680	6,165	15,477	273,604

CONSOLIDATED CHANGES IN INVESTMENT PROPERTY AS OF DECEMBER 31, 2017

(Figures expressed in thousands of pesos)

Item	Cost				Depreciation for the period				
	Beginning of fiscal year	Useful life estimated in years	Additions	Disposals	Accumulated Depreciation	Disposal	Of the Year	Year-end	Residual value at year-end
At cost									
Other investment property [2]	566,067	50	237,781	144,874	17,945	9,052	6,817	15,710	643,264
Total investment property	566,067		237,781	144,874	17,945	9,052	6,817	15,710	643,264

[1] During the year 2018, this accounting item registered transfers to and from Property, plant and equipment and/or non-current assets held for sale.
[2] As of December 31, 2016, the cost attributed to the Entity's real property items totals 6,978,789 and the adjustment for the same accounting item amounted to 4,560,495.

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CONSOLIDATED CHANGES IN INTANGIBLE ASSETS AS OF DECEMBER 31, 2018

EXHIBIT G

(Figures expressed in thousands of pesos)

Item	Cost				Depreciation for the period				
	Beginning of fiscal year	Useful life estimated in years	Additions	Disposals	Accumulated Depreciation	Disposal	Of the Year	Year-end	Residual value at year-end
At cost									
Licenses	344,671	5	256,269	494	195,765	3	66,425	262,187	338,259
Other intangible assets	1,206,227	5	754,508	72,968	527,111		297,898	825,009	1,062,758
Total intangible assets [1]	1,550,898		1,010,777	73,462	722,876	3	364,323	1,087,196	1,401,017

CONSOLIDATED CHANGES IN INTANGIBLE ASSETS AS OF DECEMBER 31, 2017

(Figures expressed in thousands of pesos)

Item	Cost				Depreciation for the period				
	Beginning of fiscal year	Useful life estimated in years	Additions	Disposals	Accumulated Depreciation	Disposal	Of the Year	Year-end	Residual value at year-end
At cost									
Goodwill – Business combination	56,205			56,205	35,596	56,205	20,609		
Licenses	185,272	5	159,399		68,926		120,162	189,088	155,583
Other intangible assets	861,872	5	346,826	2,471	411,912	2,469	124,345	533,788	672,439
Total intangible assets	1,103,349		506,225	58,676	516,434	58,674	265,116	722,876	828,022

[1] During the year 2018, there were some transfers between different accounting items of this kind that originated differences between balances at year-end for one year and balances at the beginning of the next one, without implying any changes in the total amount of this accounting item.

Signed as related
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PISTRELLI, HENRY MARTIN Y ASOCIADOS SRL
CPCECABA Tº 1 Fº 13

Norberto M. Nacuzzi
Partner
Certified Public Accountant - UBA
CPCECABA T° 196 F° 142

Signed as related
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Alejandro Almarza
Regular Syndic
Certified Public Accountant - UBA
CPCECABA T° 120 F° 210

Daniel H. Violatti
Head of Accounting
& Tax Department

Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
Chairman

CONSOLIDATED DEPOSIT CONCENTRATION AS OF DECEMBER 31, 2018, 2017 AND 2016

EXHIBIT H

(Figures expressed in thousands of pesos)

	12/31/2018		12/31/2017		12/31/2016	
Number of customers	**Outstanding balance**	**% of total portfolio**	**Outstanding balance**	**% of total portfolio**	**Outstanding balance**	**% of total portfolio**
10 largest customers	19,840,988	8,34	9,022,672	6,26	7,222,118	6,45
50 next largest customers	17,271,242	7,26	8,056,114	5,59	7,316,128	6,54
100 next largest customers	10,956,612	4,60	4,988,300	3,46	4,255,954	3,80
Other customers	189,885,577	79,80	122,062,091	84,69	93,068,605	83,21
Total	237,954,419	100,00	144,129,177	100,00	111,862,805	100,00

CONSOLIDATED BREAKDOWN OF FINANCIAL LIABILITIES FOR RESIDUAL TERMS AS OF DECEMBER 31, 2018

EXHIBIT I

(Figures expressed in thousands of pesos)

					Over 24 months		
Item	**Up to 1 month**	**Over 1 month and up to 3 months**	**Over 3 months and up to 6 months**	**Over 6 months and up to 12 months**	**Over 12 months and up to 24 months**	**Over 24 months**	**Total**
Deposits	198,459,625	33,817,014	7,493,854	1,310,113	64,511	15,985	241,161,102
From the non-financial government sector	17,319,378	1,670,962	639,754	46,091	206		19,676,391
From the financial sector	148,275						148,275
From the non-financial private sector and foreign residents	180,991,972	32,146,052	6,854,100	1,264,022	64,305	15,985	221,336,436
Derivative instruments	1,019		350				1,369
Repo transactions	164,667						164,667
Other financial institutions	164,667						164.667
Other financial liabilities	15,140,459	18,645	9,221	13,064	20,085	140,505	15,341,979
Financing received from BCRA and other financial institutions	425,053	918,813	1,083,024	470,177	87,151	125,173	3,109,391
Issued corporate bonds	362,534		584,698	734,105	1,441,379	7,387,182	10,509,898
Subordinated corporate bonds			510,412	510,412	1,020,824	21,757,164	23,798,812
Total	214,553,357	34.754.472	9,681,559	3,037,871	2,633,950	29,426,009	294,087,218

This Exhibit discloses future contractual cash flow fall, including interests and accessories to be accrued until contract maturity.

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CPCECABA Tº 1 Fº 13

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CONSOLIDATED BREAKDOWN OF FINANCIAL LIABILITIES FOR RESIDUAL TERMS AS OF DECEMBER 31, 2017

EXHIBIT I

(Figures expressed in thousands of pesos)

Item	Term to maturity						Total
	Up to 1 month	Over 1 month and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 12 months	Over 12 months and up to 24 months	Over 24 months	
Deposits	122,715,208	19,819,279	2,777,820	538,046	28,735	7,852	145,886,940
From the non-financial government sector	11,487,052	1,149,425	319,233	1,131	17,565		12,974,406
From the financial sector	81,359						81,359
From the non-financial private sector and foreign residents	111,146,797	18,669,854	2,458,587	536,915	11,170	7,852	132,831,175
Derivative instruments	23,107						23,107
Repo transactions	2,688,093						2,688,093
Other financial institutions	2,688,093						2,688,093
Other financial liabilities	10,399,981	21,720	10,720	16,518	25,559	163,965	10,638,463
Financing received from BCRA and other financial institutions	927,410	91,695	11,605	15,967	34,289	94,109	1,175,075
Issued corporate bonds			404,300	404,300	808,600	6,642,069	8,259,269
Subordinated corporate bonds			266,082	271,935	543,869	11,316,764	12,398,650
Total	136,760,249	19,932,694	3,470,527	1,246,766	1,441,052	18,224,759	181,076,047

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CONSOLIDATED BREAKDOWN OF FINANCIAL LIABILITIES FOR RESIDUAL TERMS AS OF DECEMBER 31, 2016

EXHIBIT I

(Figures expressed in thousands of pesos)

Item	Term to maturity						Total
	Up to 1 month	Over 1 month and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 12 months	Over 12 months and up to 24 months	Over 24 months	
Deposits	93,953,798	17,277,573	1,752,894	314,926	9,514	3,643	113,312,348
From the non-financial government sector	7,115,083	2,189,871	266,598	86,676	117		9,658,345
From the financial sector	55,866						55,866
From the non-financial private sector and foreign residents	86,782,849	15,087,702	1,486,296	228,250	9,397	3,643	103,598,137
Derivative instruments	1,095,634						1,095,634
Repo transactions							
Other financial institutions	1,095,634						1,095,634
Other financial liabilities	5,755,622	480,634	6,909	6,868	10,826	147,157	6,408,016
Financing received from BCRA and other financial institutions	85,882	49,164	90,378	14,207	9,867	12,780	262,278
Issued corporate bonds		1,696,838					1,696,838
Subordinated corporate bonds			213,978	213,978	427,955	9,763,723	10,619,634
Total	100,890,936	19,504,209	2,064,159	549,979	458,162	9,927,303	133,394,748

This Exhibit discloses future contractual cash flow fall, including interests and accessories to be accrued until contract maturity.

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CONSOLIDATED CHANGES IN PROVISIONS AS OF DECEMBER 31, 2018

EXHIBIT J

(Figures expressed in thousands of pesos)

Item	Balance, beginning of fiscal year	Increases	Decreases		12/31/2018
			Charge off	Applications	
For administrative, disciplinary and criminal penalties	718				718
Other	694,201	1,103,870	17,424	735,471	1,045,176
Total provisions	694,919	1,103,870	17,424	735,471	1,045,894

CONSOLIDATED CHANGES IN PROVISIONS AS OF DECEMBER 31, 2018

(Figures expressed in thousands of pesos)

Concepto	Balance, beginning of fiscal year	Increases	Decreases		12/31/2017
			Charge off	Applications	
For administrative, disciplinary and criminal penalties	9,110	0	8,062	330	718
Other	325,897	718,703	56,048	294,351	694,201
Total provisions	335,007	718,703	64,110	294,681	694,919

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CONSOLIDATED FORIGN CURRENCY BALANCES AS OF DECEMBER 31, 2018, 2017 AND 2016

EXHIBIT L

(Figures expressed in thousands of pesos)

Items	12/31/2018					12/31/2017	12/31/2016
		Total by currency					
	Total Headquarters & Local Branches	US dollar	Euro	Real	Other	Total	Total
ASSETS							
Cash and bank deposits	42,745,328	42,491,761	175,662	18,635	59,270	21,049,391	21,394,875
Debt securities at favor value through profit or loss	388,276	388,276				50,860	12,788
Derivative instruments						564	
Other financial assets	1,545,982	1,545,982				875,422	376,008
Loans and other financing	46,040,211	46,040,211				18,771,033	10,137,360
Non-financial public sector	80	80					
Other financial institutions	480,324	480,324				175,116	94,834
Non-financial private sector and foreign residents	45,559,807	45,559,807				18,595,917	10,042,526
Other debt securities	1,217,229	1,217,229				1,092,925	1,916,324
Financial assets delivered as guarantee	929,442	926,839	2,603			246,958	98,977
Investments in equity instruments	5,746	5,746				4,003	149,801
Investments in associates and joint ventures						1	78
TOTAL ASSETS	92,872,214	92,616,044	178,265	18,635	59,270	42,091,157	34,086,211
LIABILITIES							
Deposits	71,357,886	71,357,861	25			31,150,622	23,299,436
Non-financial public sector	2,295,035	2,295,035				3,926,989	852,177
Other financial institutions	100,200	100,200				45,895	27,972
Non-financial private sector and foreign residents	68,962,651	68,962,626	25			27,177,738	22,419,287
Other financial liabilities	2,618,946	2,575,391	42,962		593	1,382,688	965,308
Financing from BCRA and other financial institutions	2,598,810	2,598,810				887,321	131,361
Issued corporate bonds							1,684,636
Subordinated corporate bonds	15,288,390	15,288,390				7,565,759	6,376,537
Other non-financial liabilities	34,948	34,948				49,067	2,239
TOTAL LIABILITIES	91,898,980	91,855,400	42,987		593	41,035,457	32,459,517

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CONSOLIDATED CREDIT ASSISTANCE TO RELATED PARTIES AS OF DECEMBER 31, 2018, 2017 AND 2016

EXHIBIT N

(Figures expressed in thousands of pesos)

Item	Performing	High insolvency risk/ High risk: Not matured	High insolvency risk/ High risk: Matured	Irrecoverable	12/31/2018	12/31/2017	12/31/2016
Loans and other financing							
Overdrafts	**153,893**				**153,893**	**8,012**	**8,094**
Without Senior guarantees or counter-guarantees	153,893				153,893	8,012	8,094
Documents	**332,342**				**332,342**	**148,597**	**103,336**
With Senior "A" guarantees and counter-guarantees	11,560				11,560	6,160	7,263
Without Senior guarantees or counter-guarantees	320,782				320,782	142,437	96,073
Mortgage and pledge	**37,918**				**37,918**	**20,797**	**16,313**
With Senior "B" guarantees and counter-guarantees	34,641				34,641	20,053	16,165
Without Senior guarantees or counter-guarantees	3,277				3,277	744	148
Personal	**642**				**642**	**119**	**1,220**
Without Senior guarantees or counter-guarantees	642				642	119	1,220
Credit cards	**74,497**				**74,497**	**40,353**	**24,177**
Without Senior guarantees or counter-guarantees	74,497				74,497	40,353	24,177
Other	**538,025**		**6,746**		**544,771**	**134,820**	**163,910**
With Senior "B" guarantees and counter-guarantees	7,153				7,153		
Without Senior guarantees or counter-guarantees	530,872		6,746		537,618	134,820	163,910
Total loans and other financing	1,137,317		6,746		1,144,063	352,698	317,050
Debt securities						83,561	
Equity instruments						25	475
Eventual commitments	374				374	59,696	23,986
Total	1,137,691		6,746		1,144,437	495,980	341,511
Provisions	4,355	2,567	3,797	85	10,804	3,948	3,578

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CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2018

EXHIBIT P

(Figures expressed in thousands of pesos)

Item	Amortized cost	Fair value through OCI	Fair value through profit or loss Obligatory measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and bank deposits						
Cash in hand	10,696,465					
Financial institutions and correspondents	**63,613,775**					
Other	455,799					
Debt securities at favor value through profit or loss			2,635,247	982,116	362,079	1,291,052
Derivative instruments			17,293	13,732	3,561	
Other financial assets	2,586,448		413,136	321,968		91,168
Loans and other financing						
Non-financial public sector	**1,775,507**					
Other financial institutions	5,573,806					
Non-financial private sector and foreign residents						
Overdrafts	18,048,532					
Documents	25,159,657					
Mortgages	15,852,595					
Pledges	4,367,045					
Personal	57,516,829					
Credit Cards	29,429,548					
Financial leases	448,159					
Other (1)	20,703,077					
Other debt securities	8,151,176			42,646,037	13,787,546	
Financial assets delivered as guarantee	6,605,764	56,433,583	150,456	150,456		
Investment in equity instruments			51,518	6,110		45,408
TOTAL FINANCIAL ASSETS	270,984,182	56,433,583	3,267,650	44,120,419	14,153,186	1,427,628

(1) Includes total provisions to non-financial private sector and foreign residents.

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CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2018

EXHIBIT P

(Figures expressed in thousands of pesos)

Item	Amortized cost	Fair value through OCI	Fair value through profit or loss Obligatory measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL LIABILITIES						
Deposits						
Non-financial public sector	19,354,087					
Financial sector	148,275					
Non-financial private sector and foreign residents						
Checking accounts	24,374,567					
Savings accounts	68,695,090					
Term deposits and term investments	118,033,715					
Other	7,348,685					
Derivative instruments			**1,369**		**593**	**776**
Repo transactions						
Other financial institutions	164,469					
Other financial liabilities	15,318,513					
Financing from BCRA and other financial institutions	2,998,010					
Issued corporate bonds	6,377,311					
Subordinated corporate bonds	15,288,390					
TOTAL FINANCIAL LIABILITIES	278,101,112		1,369		593	776

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CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2017

EXHIBIT P

(Figures expressed in thousands of pesos)

Item	Amortized cost	Fair value through OCI	Fair value through profit or loss Obligatory measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and bank deposits						
Cash in hand	6,761,426					
Financial institutions and correspondents	27,484,927					
Other	1,315,221					
Debt securities at favor value through profit or loss						
Derivative instruments			1,086,028	422,868	627,319	35,841
Repo transactions			8,228	800	7,428	
Other financial institutions	1,419,808					
Other financial assets	1,789,433					
Loans and other financing			483,246	321,495		161,751
Non-financial public sector	1,883,581					
Other financial institutions	3,239,514					
Non-financial private sector and foreign residents						
Overdrafts	9,465,269					
Documents	17,640,795					
Mortgages	8,312,777					
Pledges	4,154,244					
Personal	48,425,246					
Credit Cards	24,780,938					
Financial leases	593,973					
Other [1]	14,162,337					
Other debt securities	937,713					
Financial assets delivered as guarantee	4,644,633	33,766,052		33,590,407	175,645	
Investment in equity instruments		2,989,411	4,308	2,989,411	4,308	
TOTAL FINANCIAL ASSETS	177,011,835		282,659	246,885		35,774
TOTAL ACTIVOS FINANCIEROS	177.011.835	36,755,463	1,864,469	37,571,866	814,700	233,366

[1] Incluye el total de previsiones al sector privado no financiero y residentes del exterior.

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CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2017

EXHIBIT P

(Figures expressed in thousands of pesos)

Item	Amortized cost	Fair value through OCI	Fair value through profit or loss Obligatory measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL LIABILITIES						
Deposits						
Non-financial public sector	12,890,701					
Financial sector	81,359					
Non-financial private sector and foreign residents						
Checking accounts	20,778,610					
Savings accounts	44,531,793					
Term deposits and term investments	61,602,409					
Other	4,244,305					
Liabilities at fair value through profit or loss			6,450	6,450		
Derivative instruments			23,107	7,169	15,938	
Repo transactions						
Other financial institutions	2,688,093					
Other financial liabilities	10,561,203					
Financing from BCRA and other financial institutions	1,174,111					
Issued corporate bonds	4,712,216					
Subordinated corporate bonds	7,565,759					
TOTAL FINANCIAL LIABILITIES	170,830,559		29,557	13,619	15,938	

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CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2016

EXHIBIT P

(Figures expressed in thousands of pesos)

Item	Amortized cost	Fair value through OCI	Fair value through profit or loss Obligatory measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and bank deposits						
Cash in hand	4.871.152					
Financial institutions and correspondents	31.114.016					
Other	991					
Debt securities at favor value through profit or loss			332.481	168.287	164.194	
Derivative instruments			9.721		9.721	
Repo transactions						
Other financial institutions	19.124					
Other financial assets	941.218		164.295	164.295		
Loans and other financing						
Non-financial public sector	1.585.481					
BCRA						
Other financial institutions	1.713.170					
Non-financial private sector and foreign residents						
Overdrafts	9.096.110					
Documents	11.458.137					
Mortgages	4.192.014					
Pledges	2.290.809					
Personal	30.300.667					
Credit Cards	18.730.621					
Financial leases	374.145					
Other [1]	8.649.492					
Other debt securities	855.832	19.539.667		2.638.867	16.900.800	
Financial assets delivered as guarantee	2.489.665	838.366	362.663	1.201.029		
Investment in equity instruments			406.868	301.178	18.289	87.401
TOTAL FINANCIAL ASSETS	128.682.644	20.378.033	1.276.028	4.473.656	17.093.004	87.401

[1] Includes total provisions to non-financial private sector and foreign residents.

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CPCECABA Tº 1 Fº 13

Norberto M. Nacuzzi
Partner
Certified Public Accountant - UBA
CPCECABA T° 196 F° 142

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Regular Syndic
Certified Public Accountant - UBA
CPCECABA T° 120 F° 210

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& Tax Department

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General Manager

Delfín Jorge
Ezequiel Carballo
Chairman

CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2016

EXHIBIT P

(Figures expressed in thousands of pesos)

Item	Amortized cost	Fair value through OCI	Fair value through profit or loss Obligatory measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL LIABILITIES						
Deposits						
Non-financial public sector	9.468.055					
Financial sector	55.867					
Non-financial private sector and foreign residents						
Checking accounts	17.686.171					
Savings accounts	27.884.095					
Term deposits and term investments	48.301.297					
Other	8.467.320					
Repo transactions						
Other financial institutions	1.095.634					
Other financial liabilities	6.341.674					
Financing from BCRA and other financial institutions	260.458					
Issued corporate bonds	1.684.636					
Subordinated corporate bonds	6.376.537					
TOTAL FINANCIAL LIABILITIES	127.621.744					

CONSOLIDATED BREAKDOWN OF PROFIT OR LOSS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

EXHIBIT Q

(Figures expressed in thousands of pesos)

Items	Net financial income/(expense)
	Obligatory measurement
	12/31/2018
For measurement of financial assets at fair value through profit or loss	
Profit/(loss) from government securities	473,759
Profit/(loss) from private securities	284,705
Profit/(loss) from derivative financial instruments	
Forward transactions	212,878
Profit/(loss) from other financial assets	171,527
Profit/(loss) from investment in equity instruments	44,659
Profit/(loss) from sale or disposal of financial assets at fair value	(121,838)
TOTAL	1,065,690

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CONSOLIDATED BREAKDOWN OF PROFIT OR LOSS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

EXHIBIT Q

(Figures expressed in thousands of pesos)

Interest and adjustment for the application of the effective interest rate of financial assets measured at amortized cost Items	Net financial income/ (expense) 12/31/2018
Income from interest received	
From cash and bank deposits	25,007
From government bonds	791,337
From corporate bonds	175,526
From loans and other financing	
Financial sector	1,228,809
Non-financial private sector	
Overdrafts	5,631,760
Documents	3,328,909
Mortgages	4,259,681
Pledges	581,898
Personal	20,718,653
Credit cards	7,060,816
Financial leases	163,890
Other	4,476,174
From repo transactions	
BCRA	22,656
Other financial institutions	393,913
TOTAL	48,859,029
Expenses for interests paid	
For deposits	
Non-financial private sector	
Checking accounts	632,610
Savings accounts	349,331
Term deposits and term investments	22,246,724
For financing by BCRA and other financial institutions	127,258
For repo transactions	
Other financial institutions	184,669
For other financial liabilities	52,332
For issued corporate bonds	1,506,677
For subordinated corporate bonds	832,312
TOTAL	25,931,913

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CONSOLIDATED BREAKDOWN OF PROFIT OR LOSS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

EXHIBIT Q

(Figures expressed in thousands of pesos)

Interest and adjustment for the application of the effective interest rate of financial assets measured at fair value through OCI	Income for the year	OCI
Items	**12/31/2018**	**12/31/2018**
From debt government securities	16.718.353	(527.371)
Total	16.718.353	(527.371)
Income from commissions received		
Commissions related to obligations	8.220.550	
Commissions related to credits	3.340.493	
Commissions related to loans commitments and financial guarantees	1.069	
Commissions related to securities	83.491	
Commissions related to trading and foreign exchange transactions	243.371	
Total	11.888.974	
Expense for commissions paid		
Commissions related to transactions with securities	208	
Other		
Commissions paid for ATM exchange	324.055	
Expenses for check books and clearing houses	176.068	
Credit card and foreign trade commissions	255.576	
Total	755.907	

CONSOLIDATED BREAKDOWN OF PROFIT OR LOSS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

(Figures expressed in thousands of pesos)

Items	Net financial income/(expense) Obligatory measurement
	12/31/2017
For measurement of financial assets at fair value through profit or loss	
Profit/(loss) from government securities	244,311
Profit/(loss) from private securities	99,424
Profit/(loss) from other financial assets	75,233
Profit/(loss) from investment in equity instruments	199,725
Profit/(loss) from measurement of financial liabilities at fair value through profit or loss	
Profit/(loss) from derivative financial instruments	
Forward transactions	(26,262)
TOTAL	592,431

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CONSOLIDATED BREAKDOWN OF PROFIT OR LOSS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

(Figures expressed in thousands of pesos)

Interest and adjustment for the application of the effective interest rate of financial assets measured at amortized cost Items	Net financial income/(expense) 12/31/2017
Income from interest received	
From cash and bank deposits	13,676
From corporate bonds	169,508
From loans and other financing	
Financial sector	503,361
Non-financial private sector	0
Overdrafts	2,707,814
Documents	1,873,030
Mortgages	811,409
Pledges	504,631
Personal	14,468,894
Credit cards	4,434,272
Financial leases	106,204
Other	2,772,495
From repo transactions	
BCRA	612,391
Other financial institutions	43,351
TOTAL	29,021,036
Expenses for interests paid	
For deposits	
Non-financial private sector	
Savings accounts	117,921
Term deposits and term investments	9,189,016
For financing by BCRA and other financial institutions	44,706
For repo transactions	
Other financial institutions	112,795
For other financial liabilities	26,265
For issued corporate bonds	496,203
For subordinated corporate bonds	459,622
TOTAL	10,446,528

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CONSOLIDATED BREAKDOWN OF PROFIT OR LOSS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

EXHIBIT Q

(Figures expressed in thousands of pesos)

Interest and adjustment for the application of the effective interest rate of financial assets measured at fair value through OCI	Income for the year	OCI
Items	**12/31/2017**	**12/31/2017**
From debt government securities	5,573,682	21,846
Total	5,573,682	21,846
Income from commissions received		
Commissions related to obligations	6,088,901	
Commissions related to credits	2,876,592	
Commissions related to loans commitments and financial guarantees	3,211	
Commissions related to securities	64,056	
Commissions related to trading and foreign exchange transactions	153,460	
Total	9,186,220	
Expense for commissions paid		
Commissions related to transactions with securities	286	
Other		
Commissions paid for ATM exchange	285,935	
Expenses for check books and clearing houses	139,092	
Credit card and foreign trade commissions	257,360	
Total	682,673	

VALUE CORRECTION FOR CREDIT LOSSES – CONSOLIDATED ALLOWANCE FOR UNCOLECTIBILITY RISK AS OF DECEMBER 31, 2018

EXHIBIT R

(Figures expressed in thousands of pesos)

Item	Balance, beginning of fiscal year	Increases	Decreases		12/31/2018
			Charge off	Applications	
Other financial assets	6,071	1,850	131	1,835	5,955
Loans and other financing	2,666,738	3,100,127	40,961	1,565,159	4,160,745
Other financial institutions	31,251	25,571	4,701		52,121
Non-financial private sector and foreign residents					0
Overdrafts	139,833	201,391	7,209	51,517	282,498
Documents	202,505	193,753	1,546	40,464	354,248
Mortgages	152,116	153,332	14,208	18,487	272,753
Pledges	74,380	29,647	3,929	22,574	77,524
Personal	1,207,483	1,495,470	267	981,988	1,720,698
Credit card	590,483	575,386	1,005	350,020	814,844
Financial leases	6,487	273	1,190	0	5,570
Other	262,200	425,304	6,906	100,109	580,489
TOTAL PROVISIONS	2,672,809	3,101,977	41,092	1,566,994	4,166,700

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VALUE CORRECTION FOR CREDIT LOSSES – CONSOLIDATED
ALLOWANCE FOR UNCOLECTIBILITY RISK AS OF DECEMBER 31, 2017

(Figures expressed in thousands of pesos)

Item	Balance, beginning of fiscal year	Increases	Decreases		12/31/2017
			Charge off	Applications	
Other financial assets	5,640	1,041	594	16	6,071
Loans and other financing	1,839,422	1,742,836	22,285	893,235	2,666,738
Other financial institutions	17,256	14,470	475		31,251
Non-financial private sector and foreign residents					
Overdrafts	134,725	34,751	1,038	28,605	139,833
Documents	126,158	94,496	5,098	13,051	202,505
Mortgages	74,824	86,406	2,557	6,557	152,116
Pledges	41,816	34,690	432	1,694	74,380
Personal	814,709	983,364	11,324	579,266	1,207,483
Credit card	442,883	367,306	196	219,510	590,483
Financial leases	3,994	2,535	42	0	6,487
Other	183,057	124,818	1,123	44,552	262,200
TOTAL PROVISIONS	1,845,062	1,743,877	22,879	893,251	2,672,809

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Name of Signing Auditor	Norberto M. Nacuzz
Auditing Firm	Pistrelli, Henry Martin y Asociados S.R.L
Report for the fiscal year ended 31 December 2018	001

CONDENSED SEPARATE INTERIM BALANCE SHEET AS OF DECEMBER 31, 2018, 2017 AND 2016

(Figures expressed in thousands of pesos)

Items	Notes	Exhibits	12/31/2018	12/31/2017	12/31/2016
ASSETS					
Cash and Cash Equivalents		P	68,178,537	32,473,987	32,992,475
Cash in hand			9,319,226	5,951,218	4,208,880
Central bank of the Republic of Argentina (BCRA)			46,046,332	21,939,645	26,666,365
Other Local and Foreign Entities			12,370,152	3,267,903	2,116,239
Other			442,827	1,315,221	991
Debt Securities at fair value through profit or loss		A y P	2,150,737	975,371	275,386
Derivative Financial Instruments	8	P	14,555	7,664	9,721
Repo transactions	4	P		1,419,808	19,124
Other Financial Assets		P y R	2,263,655	1,523,930	743,194
Borrowings and Other Financing		B, C, D, P y R	165,209,389	122,173,846	81,475,324
Non-financial Public Sector			1,768,254	1,876,968	1,581,955
Other Financial Entities			5,573,806	4,191,661	1,713,170
Non-financial Private Sector and Foreign Residents		157.867.329	157,867,329	116,105,217	78,180,199
Other Debt Securities		A y P	62,654,466	33,611,201	17,974,087
Financial Assets delivered as security	5	P	6,323,938	7,344,011	3,462,469
Investments in Equity Instruments		A y P	47,020	36,885	337,309
Investment in subsidiaries, associates and joint ventures		E	4,888,171	3,662,374	3,081,485
Property, Plant and Equipment		F	8,512,492	7,735,258	6,794,513
Intangible Assets		G	1,591,857	810,509	573,121
Other Non-financial Assets			629,239	1,183,156	950,232
Non-current Assets held of Sale	13		804,017	199,890	94,588
TOTAL ASSETS			**323,268,073**	**213,157,890**	**148,783,028**
LIABILITIES					
Deposits		H, I y P	219,761,923	132,716,174	102,498,623
Non-financial Public Sector			11,729,037	9,504,522	5,964,863
Financial Sector			148,269	81,357	55,861
Non-financial Private Sector and Foreign Residents		207.884.617	207,884,617	123,130,295	96,477,899
Liabilities at fair value through profit or loss				6,450	
Derivative Financial Instruments	8		1,369	23,107	
Repo Transactions	4	I y P	164,469	2,688,093	1,095,634
Other Financial Liabilities		I y P	14,128,235	9,808,877	5,895,687
Financing received from the BCRA and Other Financial Entities		I y P	3,297,393	1,173,840	260,266
Corporate Bonds	34	I y P	6,388,191	4,712,216	1,745,851
Current Income Tax Liabilities			2,712,536	3,642,484	1,544,046

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Subordinated Corporate Bonds	34	I y P	15,288,390	7,565,759	6,376,537
Provisions	15	J	969,754	595,995	251,366
Deferred Income Tax Liabilities	19		254,957	416,850	1,280,028
Other Non-financial Liabilities			5,454,286	3,273,022	2,864,297
TOTAL LIABILITIES			**268,421,503**	**166,622,867**	**123,812,335**
SHAREHOLDERS' EQUITY					
Share Capital	27	K		669.663	584.563
Non-capitalized Contributions			669,663		399.499
Adjustment to Shareholders' Equity			669,663		4.511
Earnings Reserved			21,995,937	20.363.386	14.384.820
Retained Earnings			3,475,669	2,799,084	2,990,757
Other accumulated Comprehensive Income			543,086	204,560	65,711
Income for the Fiscal Year			15,729,243	10,065,358	6,540,832
TOTAL SHAREHOLDERS' EQUITY			**54,846,570**	**46,535,023**	**24,970,693**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**323,268,073**	**213,157,890**	**148,783,028**

The accompanying Notes 1 to 40 to the separate Financial Statements and Exhibits A to L, N to R are an integral part of these Separate Financial Statements.

SEPARATE FINANCIAL STATEMENT OF INCOME FOR THE FISCAL YEARS ENDED DECEMBER 31, 2018 AND 2017

(Figures expressed in thousands of pesos)

Items	Notes	Exhibits	12/31/2018	12/31/2017
Income from interest received		Q	61,050,533	31,313,363
Expense for interest paid		Q	(23,887,540)	(9,697,229)
Net Income from interest			**37,162,993**	**21,616,134**
Income from commissions received	20	Q	11,045,994	8,564,154
Expense for commissions paid		Q	(654,160)	(610,289)
Net Income from commissions received			**10,391,834**	**7,953,865**
Subtotal (Net Income from interest + Net Income from commissions)			**47,554,827**	**29,569,999**
Net Income from recognition of financial instruments at fair value through profit or loss		Q	**683,473**	**335,287**
Loss/(Profit) from sold assets at amortized cost			(4,489)	10,603
Difference in quoted prices of gold and foreign currency	21		(1,631,953)	1,320,161
Other operating income	22		2,251,636	1,064,444
Charges for bad debt			(2,476,364)	(1,486,591)
Net Operating Income			**46,377,130**	**30,813,903**
Employee benefits	23		(9,384,547)	(7,019,607)
Administration expenses	24		(6,165,227)	(4,189,616)
Depreciation of Property, Plant and Equipment			(677,506)	(534,990)
Other Operating Expenses	25		(9,315,198)	(6,154,096)
Operating Income			**20,834,652**	**12,915,594**

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Income from associates and joint ventures		**1,344,042**	**1,430,586**
Income before tax on continuing operations	19	22,178,694	14,346,180
Income tax on continuing operations		**(6,449,451)**	**(4,280,822)**
Net Income from continuing operations		15,729,243	10,065,358
Net Income for the year		15,729,243	10,065,358

SEPARATE PROFIT PER SHARE FOR THE FISCAL YEARS ENDED DECEMBER 31, 2018 AND 2017

(Figures expressed in thousands of pesos)

Items	12/31/2018	12/31/2017
Net Profit attributable to Parent's shareholders	15,729,243	10,065,358
PLUS: Potential diluted earnings per common share		
Net Profit attributable to Parent's shareholders adjusted as per diluted earnings	15,729,243	10,065,358
Weighted average of outstanding common shares for the period	661,141	629,531
PLUS: Weighted average of the number of additional common shares with dilution effects		
Weighted average of outstanding common shares for the period adjusted as per dilution effect	661,141	629,531
Basic earnings per share	23,7911	15,9887

SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE FISCAL YEARS ENDED DECEMBER 31, 2018 AND 2017

(Figures expressed in thousands of pesos)

Items	Notes	Exhibits	12/31/2018	12/31/2017
Net Income for the year			15,729,243	10,065,358
Items of Other Comprehensive Income that will be reclassified to profit or loss				
Foreign currency translation differences in financial statements conversion			732,813	137,148
Foreign currency translation differences for the period			732,813	137,148
Profit or loss for financial assets measured at fair value through other comprehensive income (FVOCI) (IFRS 9 (4.1.2)(a)			(310,225)	56,022
Income for the period from financial assets at fair value through other comprehensive income (FVOCI)		Q	(443,179)	79,019
Income Tax			132,954	(22,997)
Interest in Other Comprehensive Income of associates and joint ventures accounted for using the participation method			(84,062)	(54,321)
Income for the period from interest in Other Comprehensive Income of associates and joint ventures accounted for using the participation method			(84,062)	(54,321)
Total Other Comprehensive Income that will be reclassified to profit or loss of the period			338,526	138,849
Total Other Comprehensive Income			338,526	138,849
Total Comprehensive Income			16,067,769	10,204,207
Total Comprehensive Income attributable to the owners of the parent Company			16,067,769	10,204,207

The accompanying Notes 1 to 40 to the separate Financial Statements and Exhibits A to L, N to R are an integral part of these Separate Financial Statements.

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SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE FISCAL YEAR ENDED 31 DECEMBER 2018

(Figures expressed in thousands of pesos)

		Capital Social		Non-capital Contributions		Other Comprehensive Income		Earnings Reserved			
Changes	Notes	Outstanding Shares	Treasury Stock	Stock Issuance Premium	Equity Adjustments	Accumulated foreign currency translation difference	Other	Statutory	Other	Retained Earnings	Total Shareholders' Equity
Balance at the beginning of the fiscal year		669,663		12,428,461	4,511	137,148	67,412	4,994,932	15,368,454	12,864,442	46,535,023
Total Comprehensive Income for the year											
- Net profit for the year										15,729,243	15,729,243
- Other Comprehensive Income for the year						732,813	(394,287)				338,526
Distribution of retained earnings as approved by the Shareholders' Meeting dated 27 April 2018											
- Statutory Reserve								1,877,755		(1,877,755)	0
- Cash Dividends									(3,348,315)		(3,348,315)
- Other[1]									7,511,018	(7,511,018)	0
Treasury Stock	27	(28,948)	28,948						(4,407,907)		(4,407,907)
Balance at the end of the year		**640,715**	**28,948**	**12,428,461**	**4,511**	**869,961**	**(326,875)**	**6,872,687**	**15,123,250**	**19,204,912**	**54,846,570**

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SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE FISCAL YEAR ENDED 31 DECEMBER 2017

(Figures expressed in thousands of pesos)

		Capital Social		Non-capital Contributions		Other Comprehensive Income		Earnings Reserved			
Changes	Notes	Outstanding Shares	Treasury Stock	Stock Issuance Premium	Equity Adjustments	Accumulated foreign currency translation difference	Other	Statutory	Other	Retained Earnings	Total Shareholders' Equity
Balance at the beginning of the fiscal year		584,563		339,499	4,511		65,711	3,686,472	10,698,348	9,531,589	24,970,693
Total Comprehensive Income for the year											
- Net profit for the year										10,065,358	10,065,358
- Other Comprehensive Income for the year						137,148	1,701				138,849
Distribution of retained earnings as approved by the Shareholders' Meeting dated 28 April 2017											
- Statutory Reserve								1,308,460		(1,308,460)	
- Cash Dividends									(701,476)		(701,476)
- Other[1]									5,371,582	(5,424,045)	(52,463)
Capital Increase as approved by the Shareholders' Meeting dated 28 April 2017	27	85,100		12,028,962							12,114,062
Balance at the end of the year		**669,663**		**12,428,461**	**4,511**	**137,148**	**67,412**	**4,994,932**	**15,368,454**	**12,864,442**	**46,535,023**

[1] Reserve fund for future distribution of profits. As of 2017, it includes Shareholders' Personal Asset Tax.

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The accompanying Notes 1 to 40 to the separate Financial Statements and Exhibits A to L, N to R are an integral part of these Separate Financial Statements.

SEPARATE STATEMENT OF CASH FLOWS FOR THE FISCAL YEARS ENDED 31 DECEMBER 2018 AND 2017

(Figures expressed in thousands of pesos)

Items	Notes	12/31/2018	12/31/2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Income for the period before Income Tax		22,178,694	14,346,180
Adjustments to obtain cash flows from operating activities:			
Amortization and depreciation		677,506	534,990
Charges for bad debts		2,476,364	1,486,591
Foreign currency translation difference		(7,914,367)	(198,589)
Other adjustments		1,445,587	(1,803,544)
Net increase/ decrease from operating assets:			
Debt Securities at fair value though profit and loss		(1,195,781)	(689,155)
Derivative financial instruments		(6,891)	2,057
Repo transactions		1,419,808	(1,400,684)
Borrowings and other financing			
Non-financial public sector		108,714	(283,318)
Other financial entities		(1,382,145)	(2,478,488)
Non-financial private sector and foreign residents		(44,238,476)	(39,423,307)
Other debt securities		6,732,117	(10,490,828)
Financial assets delivered as security		1,020,073	(3,881,542)
Investments in equity securities		(10,135)	300,424
Other assets		(1,758,706)	(1,472,965)
Net increase/ decrease from operating liabilities:			
Deposits			
Non-financial public sector		2,224,515	3,539,659
Financial sector		66,912	25,496
Non-financial private sector and foreign residents		84,754,322	26,652,396
Liabilities at fair value through profit or loss		(6,450)	6,450
Derivative financial instruments		(21,738)	23,107
Repo transactions		(2,523,624)	1,592,459
Other liabilities		8,576,734	8,255,838
Income Tax payments		(6,361,903)	(3,737,510)
TOTAL CASH FROM OPERATING ACTIVITIES (A)		**66,261,130**	**(9,094,283)**

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SEPARATE STATEMENT OF CASH FLOWS FOR THE FISCAL YEARS ENDED 31 DECEMBER 2018 AND 2017

(Figures expressed in thousands of pesos)

Items	Notes	12/31/2018	12/31/2017
CASH FLOW FROM INVESTING ACTIVITIES			
Payments:			
Acquisition of PPE, intangible assets and other assets		(1,844,008)	(1,854,738)
TOTAL CASH USED IN INVESTMENT ACTIVITIES (B)		(1,844,008)	(1,854,738)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments:			
Dividends		(3,348,315)	(753,939)
Acquisition or redemption of the Company's own assets		(4,407,907)	-
Unsubordinated corporate bonds		(2,441,269)	(2,171,204)
Financing from local financial entities		(323,249)	-
Subordinated corporate bonds		(773,358)	(442,935)
Changes in non-controlling interests with no control loss		(456,757)	-
Proceeds/ Income:			-
Issuance of additional shares of stock		-	12,114,062
Unsubordinated corporate bonds		3,206,999	4,604,398
Central Bank of the Republic of Argentina		10,852	3,005
Financing to local financial entities		-	862,828
TOTAL CASH USED IN FINANCING ACTIVITIES (C)		**(8,533,004)**	**14,216,215**
EFFECT OF EXCHANGE RATE FLUCTUATIONS (D)		**15,575,399**	**1,371,434**
TOTAL CHANGES IN CASH FLOWS			
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**71,459,517**	**4,638,628**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**26**	**51,788,928**	**47,150,300**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**26**	**123,248,445**	**51,788,928**

The accompanying Notes 1 to 40 to the separate Financial Statements and Exhibits A to L, N to R are an integral part of these Separate Financial Statements.

Notes to the Consolidated Financial Statements as of 31 December 2018

(Figures expressed in thousands of pesos)

1. CORPORATE INFORMATION

Banco Macro SA (hereinafter, the Entity), is a stock corporation (sociedad anónima), organized in the Republic of Argentina that offers traditional banking products and services to companies, including those companies operating in regional economies, as well as to individuals, strengthening in this way its goal to be a multi-services bank. In addition, through its subsidiaries Banco del Tucumán S.A., Macro Bank Limited (an entity

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organized under the laws of Bahamas); Macro Securities S.A., Macro Fiducia S.A. and Macro Fondos S.G.F.C.I.S.A.

Macro Compañía Financiera S.A. was created in 1977, as a non-banking financial institution. In May 1988, it received the authorization to operate as a commercial bank and it was incorporated as Banco Macro S.A. Subsequently, as a result of the merger process with other entities, it adopted other names (among them, Banco Macro Bansud S.A.) and since August 2006, Banco Macro S.A.

The Bank´s shares have been publicly listed on the Bolsas y Mercados Argentinos (BYMA) since November 1994, as from March 24, 2006 they are listed on the New York Stock Exchange (NYSE). Additionally, on October 15, 2015 they were authorized to list on the Mercado Abierto Electrónico SA (MAE).

Since 1994, Banco Macro SA's market strategy was mainly focused on the regional areas outside the City of Buenos Aires. Following this strategy, in 1996, Banco Macro SA started the process to acquire entities and assets and liabilities during the privatization of provincial and other banks.

In 2001, 2004, 2006 and 2010, the Entity acquired the control of Banco Bansud S.A., Nuevo Banco Suquía S.A., Nuevo Banco Bisel S.A. and Banco Privado de Inversiones S.A., respectively. Such entities merged with and into Banco Macro S.A. in December 2003, October 2007, August 2009 and December 2013, respectively. In addition, during the year 2006, Banco Macro S.A. acquired the control of Banco del Tucumán S.A.

On March 8, 2019, the Board of Directors approved the issuance of these separate Financial Statements.

2. OPERATIONS OF THE BANK

Note 2 to the consolidated Financial Statements includes a detailed description of the agreements that relate the Entity and its subsidiary Banco del Tucumán to the provincial and municipal Governments.

Additionally, and as mentioned in paragraph 2.4 to the consolidated Financial Statements, the Entity acquired shares of Banco del Tucumán S.A., in the amount of 456,757. This transaction was recorded in this separate Financial Statements under the purchase method. The difference between the consideration paid and the application of the purchase method on the Financial Statements of such Entity determined the reporting of a turnover of 210,927.

On the other hand, the Board of Banco Macro S.A., on October 17, 2018, resolved, among other issues to perform all the necessary acts aimed at the reorganization by merger of Banco Macro S.A. and Banco del Tucumán S.A. (see Note 2 to the consolidated Financial Statements).

3. BASIS FOR THE PREPARATION OF THESE FINANCIAL STATEMENTS AND APPLICABLE ACCOUNTING STANDARDS

On February 12, 2014 the Central Bank, through Communiqué "A" 5541 established the general guidelines towards conversion to the IFRS issued by the International Accounting Standards Board (IASB) for preparing financial statements of the entities under its supervision, for the annual fiscal years beginning on January 1, 2018 as well as those of interim-periods.

Additionally, through Communiqués "A" 6114, the Central Bank set specific guidelines within the scope of such convergence process, among which it defined (i) the transitory exception to the application of section 5.5 "Impairment" of the IFRS 9 "Financial Instruments" (sections B5.5.1 to B5.5.55) up to the fiscal years beginning as of January 1, 2020; and (ii)

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in order to calculate the effective interest rate of assets and liabilities so requiring it for the measurement thereof, pursuant to IFRS 9, up to December 31, 2019, the Bank may transitorily make a global estimate of the calculation of the effective interest rate on a group of financial assets or liabilities with similar characteristics which shall be applied such effective interest rate. To the date of the present separate Financial Statements the Bank is in the process of determining and quantifying the effect the application of section 5.5 "Impairment" mentioned in (i) above will have. Finally, through Communiqués "A" 6323 and 6324 and supplementary rules, the Central Bank defined the minimum chart of accounts and the provisions applicable to the preparation and presentation of the financial statements of financial entities for the fiscal years beginning on January 1, 2018, respectively.

As of December 31, 2018 all conditions have been met for the Entity's separate Financial Statements for the year ended such date to incorporate the inflation adjustment provided under IAS 29 "Financial Reporting in Hyperinflationary Economies". Nevertheless, for the reasons expressed under section "Unit of Measure" in this note, financial entities are temporarily unable to apply the above mentioned standard.

The accounting policies comply with the IFRS presently approved and are applicable to the preparation of this separate Financial Statements as provided for in the IFRS as approved by the BCRA under its Communiqué "A" 6114. As a general rule, the Central Bank does not admit the early application of any IFRS, unless it establishes any provision the contrary.

Note 3 to the consolidated Financial Statements present a detailed description of the basis for the presentation of such financial statements and the main accounting policies applied and the relevant information of subsidiaries. All that is explained therein shall apply to the accompanying separate Financial Statements.

Going concern

The Management of the Entity made an assessment of the Entity's ability to continue as a going concern and concluded that it has the resources to continue in operation for the foreseeable future. In addition, the Management has no information of any material uncertainty that could cast doubts on the Entity's ability to continue as a going concern. Therefore, the accompanying separate Financial Statements were prepared on a going concern basis.

Subsidiaries

As mentioned in Note 1, the Bank performs certain transactions through its subsidiaries.

Subsidiaries are all the entities controlled by the Bank. As described in Note 3 to the consolidated Financial Statements, a Company controls other entity when it is exposed, or has rights, to variable returns from its continuing involvement with such other entity, and has the ability to use its power to direct the operating and financing policies of such other entity, to affect the amounts of such returns. As provided under IAS 27 "Consolidated and Separate Financial Statements", investments in subsidiaries were accounted for using the "equity method" described in IAS 28. When using this method, investments are initially recognized at cost, and such amount increases or decreases to recognize investor's interest in profits and losses of the entity after the date of acquisition or creation.

Share in profits and losses of subsidiaries and associates are recognized in the line "Income from subsidiaries, associates and joint arrangements" in the Statement of income. Ownership interest in other comprehensive income of subsidiaries is accounted for in the line "Income for the period for interest in other comprehensive income of subsidiaries, associates and joint arrangements accounted for using the participation method", in the statement of other comprehensive income.

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Transcription in the Books of Accounts

To the date of the accompanying separate Financial Statements, the same are in the process of being transcribed in detail as of 31 December 2018, in the Bank's Inventory and Balance Sheet Book.

Unit of Measure

The IFRS require that financial statements of any entity whose functional currency is the currency of a hyperinflationary economy be restated in a homogenous currency. In order to achieve uniformity as to the identification of an economic environment of this kind, IAS 29 provides certain guidelines, including but not limited to the following, which consist of (i) analyzing the behavior of population, prices, interest rates and wages faced with the development of price indexes and the loss of the currency's purchasing power, as a qualitative indicator, and (ii) as a quantitative feature, which, in practice, is the mostly considered condition, verifying whether the cumulative inflation rate over three years approaches or exceeds 100%. Although in recent years the general level of prices experienced a significant growth, the cumulative inflation rate over three years in Argentina had remained below 100%. However, due to different macroeconomic factors, triennial inflation in 2018 surpassed that percentage, while the federal government's targets and other available projections indicate that this trend will no reverse in the short term.

Therefore, according to IAS 29, the Argentine economy is currently regarded as hyperinflationary and the entities under the control of the BCRA, who are obliged to apply the IFRS as adopted by the BCRA through its Communiqué "A" 6114 and whose functional currency is the Argentine peso, should restate their financial statements to reflect the effects of inflation in conformity with IAS 29. Such restatement shall be made as if the Argentine economy would have been always hyperinflationary; using a general price index that reflects the changes in the currency's purchasing power.

In order to carry out the above mentioned restatement, the Entity shall use a series of indexes prepared and informed on a monthly basis by the Federación Argentina de Consejos Profsionales de Ciencias Económicas (FACPCE). That series of indexes combines the consumer price index (CPI) published by the Instituto Nacional de Estadísticas y Censos (INDEC) from January 2017 (base month: December 2016) with the internal wholesale price index (WPI) published by the INDEC through that date, computing for the months of November and December 2015 –in respect of which there is no available information from the INDEC on the development of the WPI- the variation recorded in the CPI of the City of Buenos Aires.

Taking into consideration the above-mentioned index, in the fiscal years ended 31 December 2018 and 2017, the inflation rate amounted to 47.64% and 24.79%, respectively.

However, under Communiqué "A" 6651 of the BCRA, financial entities shall start to apply the restatement method of financial statements in conformity with IAS 29 from the fiscal years beginning January 1, 2020.

Failure to report the changes in the currency's general purchasing power under highly inflationary economies may distort the accounting information and, therefore, this situation must be taken into account when interpreting the information reported by the Entity in the accompanying separate Financial Statements including its balance sheet, its statement of income and statement of cash flows.

The effects of the application of IAS 29 are summarized below:

(a) Financial statements must be adjusted so as to consider the changes in the currency's general purchasing power, so that they are expressed in the current unit of measure at the end of the reporting period.

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(b) In summary, the restatement method under IAS 29 is as follows:

(i) Monetary items (those with a fixed nominal value in local currency) are not restated in as much as they are already expressed in terms of the measuring unit current at the closing date of the reporting period. In an inflationary period, keeping monetary assets generates loss of purchasing power and keeping monetary liabilities generates an increase in purchasing power, provided such items are not subject to an adjustment method somehow compensating such effects. The net monetary gain or loss shall be included as income for the period for which it is reported.

(ii) Assets and liabilities subject to adjustments under specific agreements shall be adjusted in accordance with such agreements.

(iii) Non-monetary items carried at the current value of the end date of the reporting period shall not be restated to be presented in the balance sheet, but the restatement process must be completed in order to determine in terms of homogenous unit of measure the income derived from such non-monetary items.

(iv) Non-monetary items carried at historical cost or at the current value of a date prior to the end of the reporting period are restated using coefficients that reflect the variation recorded in the general level of prices from the date of acquisition or revaluation to the closing date of the reporting period, then comparing the restated amounts of such assets with the relevant recoverable values. Depreciation charges of property, plant and equipment and amortization charges of intangible assets recognized in profit or loss for the period, as well as any other consumption of non-monetary assets will be determined on the basis of the new restated amounts.

(v) When activation of financial costs applies to non-monetary assets, the portion of these costs compensating creditor for the effects of inflation shall not be capitalized.

(vi) The restatement of non-monetary assets in terms of the measuring unit current at the end of the reporting period without an equivalent adjustment for tax purposes, gives rise to a taxable temporary difference and to the recognition of a deferred tax liability, whose contra-account is recognized. When in addition to the restatement, there is a revaluation of non-monetary assets, the deferred tax derived from the restatement is recognized in income for the period, and the deferred tax derived from the revaluation (amount exceeding revaluation value over restatement value) is recognized in other comprehensive income.

(vii) Income and expenses are restated from the date when they were recorded, except for those profit or loss items that reflect or include in their determination the consumption of assets carried at the purchasing power of the currency as of a date prior to the recording of the consumption, which are restated based on the date when the asset to which the item is related originated; and except also those profit or loss items originated from comparing two measurements expressed in the purchasing power of currency as of different dates, for which it is necessary to identify the compared amounts, restate them separately, and compare them again, but with the restated amounts.

(viii) At the beginning of the first year of application of the restatement method of financial statements in terms of the current measuring unit, the equity components, except for reserved earnings and undistributed retained earnings, shall be restated in conformity with IAS 29, and the amount of undistributed retained earnings shall be determined by the difference between net assets restated at the date of transition and the other components of opening equity expressed as indicated above, once all remaining equity components are restated.

To the date of the accompanying separate Financial Statements, the Entity is in the process of quantifying the effect that the application of IAS 29 would have on the Entity's financial position, but we estimate such effects are significant.

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First-time adoption of IFRSs under Communiqué "A" 6114 issued by the BCRA

Note 3 to the condensed consolidated interim Financial Statements explains the convergence process under Central Bank Communiqué "A" 6114, as well as the exceptions and exemptions used, situations applicable to the Entity separately. In addition, the following are the reconciliations required by such Communiqué issued by the BCRA.

Required Reconciliations

• Reconciliation of equity as of December 31, 2016 (date of transition)

	Previous BCRA Standards	Adjustments & Reclassifications	Balance under Communiqué "A" 6114
Total Assets	144,421,205	4,361,823	148,783,028
Total Liabilities	122,315,307	1,497,028	123,812,335
Equity	22,105,898	2,864,795	24,970,693

Description	Balance as of 12/31/2016
Under previous BCRA Standards	22,105,898
Adjustments & Reclassifications	
Debt securities and investment in equity instruments	23,473
Loans and other financing	(233,010)
Investments in subsidiaries, associates and joint ventures	342,505
Property, plant and equipment and investment property	4,262,884
Other non-financial assets	51,313
Deferred income tax assets and liabilities	(1,280,028)
Other non-financial liabilities	(341,878)
Corporate bonds	31,560
Other adjustments	7,976
Total adjustments	2,864,795
Total Equity under BCRA's Communiqué "A" 6114	24,970,693

• Reconciliation of equity as of December 31, 2017.

	Previous BCRA Standards	Adjustments & Reclassifications	Balance under Communiqué "A" 6114
Total Assets	211,023,163	2,134,727	213,157,890
Total Liabilities	167,892,616	(1,269,749)	166,622,867
Equity	43,130,547	3,404,476	46,535,023

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Description	Balance as of 12/31/2017
Under previous BCRA Standards	43,130,547
Adjustments & Reclassifications	
Debt securities and investment in equity instruments	17,175
Loans and other financing	(275,056)
Investments in subsidiaries, associates and joint ventures	193,921
Property, plant and equipment and investment property	4,243,595
Deferred income tax assets and liabilities	62,760
Other non-financial assets	(416,850)
Corporate bonds	(472,709)
Other non-financial liabilities	51,579
Other adjustments	61
Total adjustments	3,404,476
Total Equity under BCRA's Communiqué "A" 6114	46,535,023

• Reconciliation of income and other comprehensive income for the year ended December 31, 2017.

Reconciliation of income for the year ended 12/31/2017.	Net Income for the Year	Other Comprehensive Income	Comprehensive Income
Under previous BCRA Standards	9,388,772		
Income from interest received	(45,241)		
Expenses for interest paid	20,019		
Income from commissions received	(19,188)		
Net Income from measuring financial instruments at fair value through OCI	(45,965)		
Employee benefits	(99,511)		
Depreciation of Property, plant and equipment			
Other operating expenses	(66,000)		
Income from associates and joint ventures	(84,295)	(54,321)	
Reclassification for share issuance expenses	275,754		
Foreign currency translation differences	(137,148)	137,148	
Income from financial instruments at fair value through OCI		56,022	
Other adjustments	(8,015)		
Income Tax	886,176		
Total adjustments & reclassifications	676,586	138,849	
Balance under BCRA's Communiqué "A" 6114	10,065,358	138,849	10,204,207

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Norberto M. Nacuzzi
Partner
Certified Public Accountant - UBA
CPCECABA T° 196 F° 142

Signed as related
to our report dated 03/08/2019
BY THE SUPERVISORY COMMITTEE

Alejandro Almarza
Regular Syndic
Certified Public Accountant - UBA
CPCECABA T° 120 F° 210

Daniel H. Violatti
Head of Accounting
& Tax Department

Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
Chairman

• Explanatory notes to the adjustments on transition to IFRS

The main adjustments on transition to the standards established by BCRA's Communiqué "A" 6114 affecting equity as of December 31, 2016 (date of transition) and as of December 31, 2017, and the separate income and other comprehensive income for the fiscal year ended December 31, 2017, are explained in Note 3 to the consolidated Financial Statements.

The proportional equity value of the subsidiaries was recalculated according to the equity method under IAS 28 "Investments in associates and joint ventures".

• New pronouncements

New pronouncements are described in Note 3 to the consolidated Financial Statements.

4. REPO TRANSACTIONS

In the normal course of business, the Entity arranged repo transactions. A detail of these transactions is included in Note 4 to the consolidated Financial Statements.

5. FINANCIAL ASSETS DELIVERED AS GUARANTEE

As of December 31, 2018, 2017 and 2016, the Entity delivered as guarantee the following financial assets:

	Carrying Amount		
Description	12/31/2018	12/31/2017	12/31/2016
For transactions with the Central Bank	5,330,580	3,750,952	1,902,862
For equity forward contracts	182,448	2,993,719	1,201,029
For guarantee deposits	810,910	599,340	358,578
Total	6,323,938	7,344,011	3,462,469

The Entity's Management considers there shall be no losses due to the restrictions on the above listed financial assets.

6. LOSS ALLOWANCE – ALLOWANCE FOR UNCOLLECTIBILITY RISK OF LOAN AND OTHER FINANCING LOSSES

Changes in allowances for loan losses as of December 31, 2018 are disclosed in Exhibit R "Value correction for credit losses – Allowance for uncolectibility risk" in the accompanying consolidated Financial Statements.

The table below presents the Entity's changes in allowances by portfolio category:

	Commercial Loans	Consumer Loans	Total
As of December 31, 2017	570,763	1,899,540	2,470,303
Increases	511,485	2,356,264	2,867,749
Reversals	26,768	10,916	37,684
Charge-off	76,136	1,349,068	1,425,204
As of December 31, 2018	979,344	2,895,820	3,875,164

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	Commercial Loans	Consumer Loans	Total
As of December 31, 2016	430,968	1,231,785	1,662,753
Increases	165,810	1,470,097	1,635,907
Reversals	16,632	2,124	18,756
Charge-off	9,383	800,218	809,601
As of December 31, 2017	570,763	1,899,540	2,470,303

On the other hand, the table below shows the composition of the net uncollectibility charge, generated by loans and other financing:

	12/31/2018	12/31/2017
Uncollectability charge	2,476,364	1,486,591
Repaid loans (Other operating Income)	261,025	300,012

The method to determine the allowance for uncollectibility risk of Loans and other financing is explained in Notes 3 (section "Accounting judgments, estimates and assumptions") and 39 to the consolidated Financial Statements.

7. CONTINGENT TRANSACTIONS

In order to meet specific financial needs of customers, the Entity's credit policy also includes, among others, the granting of guarantees, securities, bonds, letters of credit and documentary credits. Although these transactions are not recognized in the balance sheet, since they imply a possible obligation or liability for the Entity, they expose the Entity to additional credit risk to those recognized in the balance sheet and are, therefore, an integral part of the total risk of the Entity.

As of December 31, 2018, 2017 and 2016, the Entity maintains the following contingent transactions:

	12/31/2018	12/31/2017	12/31/2016
Overdraft and unused agreed credits [*]	634,288	743,856	291,945
Guarantees granted [*]	940,990	444,969	447,368
Liabilities for foreign trade transactions	256,788	90,274	163,308
Total	1,832,066	1,279,099	902,621

[*] Includes transactions not included in the financial sector debtors standard. As to Overdraft and unused agreed credits, it includes 221,220, 488,146 and 100,938, for the years 2018, 2017 y 2016, respectively. As to Guarantees granted, it includes 166,650, 191,176 and 158,986, for the years 2018, 2017 and 2016, respectively.

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Risks related to the contingent transactions described above have been evaluated and are controlled within the framework of the Entity's credit risk policy described in Note 39 to the consolidated Financial Statements.

8. DERIVATIVE FINANCIAL INSTRUMENTS

The Entity performs derivative transactions for trading purposes. In Note 8 to the consolidated Financial Statements, the Entity discloses the reasons and types of derivative financial transactions performed by the Entity.

The following tables show the notional values of these instruments, expressed in thousands of US dollars, in the currency of origin. Notional values indicate the number of pending transactions at year end and are not indicative of either the market risk or the credit risk. Additionally, the Entity presents the fair value of the derivative financial instruments recognized as assets or liabilities in the Balance sheet. Changes in fair values were accounted for in profit or loss, the breakdown of which is disclosed in Exhibit Q "Breakdown of profit or loss".

	12/31/2018		12/31/2017		12/31/2016	
Derivative Assets	**Notional Value**	**Fair Value**	**Notional Value**	**Fair Value**	**Notional Value**	**Fair Value**
Foreign currency forward purchase contracts without delivery of underlying asset	24,867	14,555	11,700	7,664	7,900	9,721
Total derivatives held for trading	24,867	14,555	11,700	7,664	7,900	9,721
Derivative Liabilities						
Foreign currency forward purchase contracts without delivery of underlying asset	1,100	1,369	44,500	23,107		
Total derivatives held for trading	1,100	1,369	44,500	23,107		

9. FAIR VALUE QUANTITATIVE AND QUALITATIVE DISCLOSURES

Note 9 to the consolidated Financial Statements describes the methods and assumptions used to determine the fair value, both of the financial instruments recognized at fair value as of those not accounted for at such fair value in the accompanying separate Financial Statements. In addition, the Entity discloses the relevant information as to instruments included in Level 3 of the fair value hierarchy.

The Management has applied its best judgement to estimate the fair value of its financial instruments. A technique to make such estimate implies certain inherent fragility level. To conclude, the fair value may not indicate the net realizable value or liquidation value.

Fair value hierarchy

The Entity uses the following hierarchy to determine and disclose the fair value of financial instruments, according to the valuation technique applied:

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- Level 1: quoted prices (unadjusted) observable in active markets to which the Entity has access to the measurement date for identical assets or liabilities. The Entity deems markets are active only if there are enough trading activities as to volume and liquidity of identical assets or liabilities and if there are binding and enforceable price quotes available to the closing date of each reporting period.

- Level 2: Valuation techniques for which the data and variables having a significant impact on the determination of the fair value recognized or disclosed are observable for the asset or liability, either directly or indirectly. Such data includes quotes for similar assets or liabilities in active markets, quotes for identical instruments in inactive markets and observable data different from Price quotes, such as interest rates and implicit volatility, credit differentials and yield curves. Besides, it may be necessary adjust Level 2 input data depending on specific factors of assets or liabilities, such as the condition and location of the asset, the extent to which the input data is related to the asset or liability comparable accounting items. Nevertheless, if such adjustments are based on non-observable input data which are material for the entire measurement, then the Entity classifies instruments as Level 3.

- Level 3: Valuation techniques for which the data and variables having a significant impact on the determination of the fair value recognized or disclosed are not based on observable market information.

Exhibit P "Categories of Financial Assets and Liabilities" presents the hierarchy in the Entity's financial asset and liability fair value measurement.

Below we present the reconciliation between the balances at the beginning and the end of the period of the financial assets and liabilities Fair values using valuation techniques based on the Bank's own assumptions, as of December 31, 2018 and 2017:

Fair values using valuation techniques based on the Bank's own assumptions (level 3) December 31, 2018

Description	Debt Securities	Other Financial Assets	Investments in Equity Instruments
Balance at the beginning	35,841	161,751	33,197
Transfers to Level 3			
Transfers from Level 3			
Profit and Loss	(200,279)	(92,022)	9,046
Purchases, sales, issuance and settlement	1,455,490	21,439	
Balance at end of period	1,291,052	91,168	42,243

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	Fair values using valuation techniques based on the Bank's own assumptions (level 3) December 31, 2017		
Description	Debt Securities	Other Financial Assets	Investments in Equity Instruments
Balance at the beginning	45,834		14,741
Transfers to Level 3			
Transfers from Level 3			
Profit and Loss	5,661		18,771
Purchases, sales, issuance and settlement	(15,654)	161,751	(315)
Balance at end of period	35,841	161,751	33,197

Instruments measured as level 3, include mainly debt securities and certificate of participation in financial trust, for which, the construction of fair values was obtained based on the Entity's own assumptions that are not easily observable in the market. The most significant assumption was the placement cutoff rate of such instruments in the market at the end of the period, used to determine the actual value of cash flows. Any increase (decrease) in these assumptions, considered separately, would derive in a higher or lower fair value.

Changes in fair value levels

The Entity monitors the availability of information in the market to evaluate the classification of financial instruments into the fair value hierarchy, as well as the resulting determination of transfers between levels 1, 2 and 3 at each period end.

As of December 31, 2018, 2017 and 2016, the Entity has not recognized any transfers between levels 1, 2 and 3 of the fair value hierarchy.

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Financial assets and liabilities not recognized at fair value

The following table shows a comparison between the fair value and the carrying amount of financial instruments not measured at fair value as of December 31, 2018, 2017 and 2016:

					12/31/2018
	Carrying Amount	Level 1	Level 2	Level 3	Fair Value
Financial Assets					
Cash and bank deposits	68,178,537	68,178,537			68,178,537
Other financial assets	2,172,487	2,172,487			2,172,487
Loans and other financing	165,209,389		175,685	150,201,015	150,376,700
Other debt securities	7,358,084	173,337	7,158,360		7,331,697
Financial assets delivered as guarantee	6,173,482	6,141,490	31,992		6,173,482
	249,091,979	76,665,851	7,366,037	150,201,015	234,232,903
Financial liabilities					
Deposits	219,761,923	99,926,237		119,925,037	219,851,274
Other repo transactions	164,469	164,469			164,469
Other financial liabilities	14,128,235	13,962,137	166,522		14,128,659
Financing received from the BCRA and other financial entities	3,297,393	2,532,284	731,729		3,264,013
Issued corporate bonds	6,388,191		4,992,566		4,992,566
Subordinated corporate bonds	15,288,390		12,260,778		12,260,778
	259,028,601	116,585,127	18,151,595	119,925,037	254,661,759

					12/31/2017
	Carrying Amount	Level 1	Level 2	Level 3	Fair Value
Cash and bank deposits	32,473,987	32,473,987			32,473,987
Repo transactions	1,419,808	1,419,808			1,419,808
Other financial assets	1,362,179	1,362,179			1,362,179
Loans and other financing	122,173,846		477,188	119,183,156	119,660,344
Other debt securities	931,280	945,655			945,655
Financial assets delivered as guarantee	4,350,292	4,350,292			4,350,292
	162,711,392	40,551,921	477,188	119,183,156	160,212,265
Financial liabilities					
Deposits	132,716,174	72,265,769		60,523,556	132,789,325
Other repo transactions	2,688,093	2,688,093			2,688,093
Other financial liabilities	9,808,877	9,615,817	198,870		9,814,687
Financing received from the BCRA and other financial entities	1,173,840		1,176,126		1,176,126
Issued corporate bonds	4,712,216		4,432,977		4,432,977
Subordinated corporate bonds	7,565,759	84,569,679	7,710,790		7,710,790
	158,664,959		13,518,763	60,523,556	158,611,998

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					12/31/2016
	Carrying Amount	Level 1	Level 2	Level 3	Fair Value
Financial Assets					
Cash and bank deposits	32,992,475	32,992,475			32,992,475
Repo transactions	19,124	19,124			19,124
Other financial assets	**743,194**	**743,194**			**743,194**
Loans and other financing	81,475,324		477,464	79,877,385	80,354,849
Other debt securities	841,943	841,943			841,943
Financial assets delivered as guarantee	2,261,440	2,261,440			2,261,440
	118,333,500	36,858,176	477,464	79,877,385	117,213,025
Financial liabilities					
Deposits	102,498,623	54,202,915		48,367,480	102,570,395
Other repo transactions	1,095,634	1,095,634			1,095,634
Other financial liabilities	5,895,687	5,762,900	135,477		5,898,377
Financing received from the BCRA and other financial entities	260,266		259,583		259,583
Issued corporate bonds					
Subordinated corporate bonds	1,745,851		1,466,612		1,466,612
Financial liabilities	6,376,537		5,994,056		5,994,056
	117,872,598	61,061,449	7,855,728	48,367,480	117,284,657

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10. LEASES

As disclosed in Note 10 to the consolidated Financial Statements, the Entity performs financial lease transactions, as lessor and operating lessee.

The following table shows the reconciliation between the total gross investment of financial leases and the current value of the minimum payment receivables for such:

	12/31/2018		12/31/2017		12/31/2016	
	Total Investment	Current Value of Minimum Payments	Total Investment	Current Value of Minimum Payments	Total Investment	Current Value of Minimum Payments
Up to 1 year	316,489	242,223	342,304	239,208	238,068	172,812
From 1 to 5 years	253,416	211,005	447,729	360,750	292,892	205,480
More than 5 years			175	172	2,601	2,598
	569,905	453,228	790,208	600,130	533,561	380,890

As of December 31, 2018 and 2017, income for non-accrued interests totaled 116,677 and 186,708, respectively.

Additionally, the Entity entered into commercial contracts for the lease of real property, in which the Entity's branches operate. Such lease contracts have an average term of 2 to 10 years.

Future minimum payments for these operating lease contracts are as follows:

	12/31/2018	12/31/2017	12/31/2016
Up to 1 year	266,758	152,652	125,770
From 1 to 5 years	316,029	212,357	192,849
More than 5 years	27,050		
	609,837	365,009	318,619

11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The Bank's interests on associates and joint ventures are disclosed in Note 11 to the consolidated Financial Statements. For further information, see Exhibit E "Detailed information on interests in other companies", within the separate Financial Statements".

12. RELATED PARTIES

A related party is any person or entity that is related to the Entity:

— has control or joint control of the Entity;
— has significant influence over the Entity;
— is a member of the key management personnel of the Entity or of a parent of the Entity;
— members of the same group;
— one entity is an associate (or an associate of a member of a group of which the other entity is a member).

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Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Entity, directly or indirectly. The Entity considers as key management personnel, for the purposes of IAS 24, the members of the Board of Directors and the Senior Management members who participate in the Risk Management Committee, Asset and Liability Committee and Senior Credit Committee. As of December 31, 2018, 2017 and 2016, the balances and income for the transactions executed with related parties are as follows:

• Information as of December 31, 2018:

	Main Subsidiaries						
	Banco del Tucumán S.A.	Macro Bank	Macro Securities	Associates	Key Management	Other related	Total
ASSETS							
Cash and bank deposits		583					583
Other financial assets	2,504		25,276	20,660			48,440
Loans and other financing[2]							
Documents						331,265	331,265
Overdraft			6		3,505	143,936	147,447
Credit cards			286		17,012	50,948	68,246
Leases			5,746			1,407	7,153
Personal loans					1,003		1,003
Mortgage loans					51,559		51,559
Other loans						232,670	232,670
Guarantees granted						391,699	391,699
Other non-financial assets			83.178				83,178
Total Assets	2,504	583	114,492	20,660	73,079	1,151,925	1,363,243
LIABILITIES							
Deposits		13	311,073	1,774,149	4,859,377	589,610	7,534,222
Other financial liabilities				101,232	29	514	101,775
Financing received from BCRA and other financial entities	301,742						301,742
Corporate bonds issued			11,231				11,231
Subordinated Corporate bonds						46,605	46,605
Total Liabilities	301,742	13	322,304	1,875,381	4,859,406	636,729	7,995,575
INCOME							
Income from interest received	372,476				1,803	57,887	432,166
Expense for interest paid	(58,997)		(3,277)	(191,973)	(394,840)	(24,220)	(673,307)
Income from commissions received	9		521	112	21	5,592	6,255
Other operating income	27,280						27,280
Administration expenses	[4]					(9,473)	(9,477)
Other operating expenses				(1,191,868) [2]		(26,062)	(1,217,930)
Total Income	340,764		(2,756)	(1,383,729)	(393,016)	3,724	(1,435,013)

[1] The maximum balance of Loans and other financing as of December 31, 2018 for Banco del Tucumán S.A., Macro Bank Limited, Macro Securities S.A., Associates,Key Management Personnel and Other related parties is 2,550,000.0, 7,216.0, 79,066 and 1,533,270, respectively

(2) This income is mainly generated by credit and debit card processing costs charged by Prisma Medios de Pago S.A.

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• **As of December 31, 2017**

	Main Subsidiaries						
	Banco del Tucumán S.A.	Macro Bank	Macro Securities	Associates	Key Management	Other related	Total
ASSETS							
Cash and bank deposits		13,106					13,106
Debt securities at fair value through profit or loss						83,561	83,561
Other financial assets	1,378						1,378
Loans and other financing							
Other local financial entities	952,147						952,147
Documents						151,191	151,191
Overdraft					632	7,198	7,830
Credit cards			295		10,063	23,865	34,223
Leases			6,973			2,157	9,130
Personal loans					17		17
Mortgage loans					13,526		13,526
Other loans						147,295	147,295
Guarantees granted			443			53,792	54,235
Total Assets	953,525	13,106	7,711		24,238	469,059	1,467,639
LIABILITIES							
Deposits		16	108,378	937,658	1,102,027	324,582	2,472,661
Other financial liabilities				80,020	11	153	80,184
Subordinated corporate bonds						29,509	29,509
Total liabilities		16	108,378	1,017,678	1,102,038	354,244	2,582,354
INCOME							
Income from interest received	28,621		2.057		3,058	61,595	95,331
Expense for interest paid	(10,263)	(257)		(139,560)	(3,082)	(4,930)	(158,092)
Income from commissions received	12		250	75	21	4,220	4,578
Expense for commissions paid						(14)	(14)
Other operating income	21,608	2	674				22,284
Administration expenses	(41)					(13,042)	(13,083)
Other operating expenses			(15.957)	(638.267) [1]		(24,243)	(678,467)
Total Income	39,937	(255)	(12,976)	(777,752)	[3]	23,586	(727,463)

[1] This income is mainly generated by credit and debit card processing costs charged by Prisma Medios de Pago S.A.

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• **As of December 31, de 2016**

	Main Subsidiaries						
	Banco del Tucumán S.A.	Macro Bank	Macro Securities	Associates	Key Management	Other related	Total
ASSETS							
Cash and bank deposits		11,269					11,269
Debt securities at fair value through profit or loss						51,565	51,565
Other financial assets	47						47
Loans and other financing							
Documents						99,786	99,786
Overdraft					4,617	12,039	16,656
Credit cards			53		7,720	11,275	19,048
Leases			8,036			1,168	9,204
Personal loans					647		647
Mortgage loans					4,759		4,759
Other loans						739,784	739,784
Guarantees granted			885			14,365	15,250
Total Assets	47	11.269	8.974		17.743	929,982	968,015
LIABILITIES							
Deposits		17	134,778	12,581	1,067,165	445,400	1,659,941
Other financial liabilities				41,000	10	7,415	48,425
Issued Corporate bonds		61,215				68,642	129,857
Subordinated corporate bonds						213,681	213,681
Other non-financial liabilities		196					196
Total Liabilities		61,428	134,778	53,581	1,067,175	735,138	2,052,100
INCOME							
Income from interest received	612		3,658		4,689	17,649	26,608
Expense for interest paid	(22,454)	(86)		(117,756)	(9,077)	(11,408)	(160,781)
Income from commissions received	16		143	101	25	4,052	4,337
Expense for commissions paid			(141)				(141)
Other operating income	17,220	2	627				17,849
Administration expenses	(9)					(5,263)	(5,272)
Other operating expenses			(151)	(426,961)[1]		(22,243)	(449,355)
Total Income	(4,615)	(84)	4,136	(544,616)	(4,363)	(17,213)	(566,755)

[1] This income is mainly generated by credit and debit card processing costs charged by Prisma S.A.

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Partner
Certified Public Accountant - UBA
CPCECABA T° 196 F° 142

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to our report dated 03/08/2019
BY THE SUPERVISORY COMMITTEE

Alejandro Almarza
Regular Syndic
Certified Public Accountant - UBA
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Daniel H. Violatti
Head of Accounting
& Tax Department

Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
Chairman

Transactions generated by the Entity with its subsidiaries and other related parties to it for transactions arranged within the scope of the usual and ordinary course of business, were performed in normal market conditions, both as to interest rates and prices and as to the required guarantees.

The Entity does not have loans granted to Directors and other key management personnel secured with shares.

Total remunerations received as salary and bonus by the key management personnel as of December 31, 2018, 2017 and 2016, totaled 94,630, 64,409 and 30,807 respectively.

In addition, fees received by the Directors as of December 31, 2018, 2017 and 2016 amounted to 581,862, 421,033 and 205,822 respectively.

Additionally, the composition of the Board of Directors and key management personnel is as follows:

	12/31/2018	12/31/2017	12/31/2016
Board of Directors	14	13	12
Senior Management members of the key management personnel	10	10	10
	24	23	22

13. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale as of December 31, 2018 are disclosed in Note 13 to the consolidated Financial Statements.

14. BORROWING COSTS

Borrowing costs as of December 31, 2018 are disclosed in Note 14 to the consolidated Financial Statements.

15. PROVISIONS

This item includes the amounts estimated to face a liability of probable occurrence, which in case it occurs, would originate a loss for the Entity.

E Exhibit J "Changes in Provisions" presents the changes in provisions during the fiscal years ended December 31, 2018, 2017 and 2016.

The expected terms to settle these obligations are as follows:

	12/31/2018				
	Within 12 months	Beyond 12 months	12/31/2018	12/31/2017	12/31/2016
For administrative, disciplinary and criminal penalties		718	718	718	9.110
Other[*]	302,787	666,249	969,036	595,277	242,256
	302,787	666,967	969,754	595,995	251,366

[*] Includes mainly provisions established for lawsuits, summary proceedings, enforcement proceedings and other legal actions pending resolution.

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In the opinion of the Management of the Bank and its legal advisors, there are no other significant effects than those disclosed in the accompanying Financial Statements, the amounts and settlement terms of which have been recognized based on the current value of such estimates, considering the probable settlement date thereof.

16. EMPLOYEE BENEFITS PAYABLE

The table below presents the amounts of employee benefits payable as of December 31, 2018, 2017 and 2016:

Short-term employee benefits	12/31/2018	12/31/2017	12/31/2016
Salaries, gratifications and social security contributions	770,056	672,307	407,366
Vacation accrual	765,281	499,833	381,841
Total short-term employee benefits	1,535,337	1,172,140	789,207

The Bank has not long-term employee benefits or post-employment benefits as of December 31, 2018, 2017 and 2016.

17. ANALYSIS OF FINANCIAL ASSETS TO BE RECOVERED AND FINANCIAL LIABILITIES TO BE SETTLED

The following tables show the analysis of the balance of financial asset and liabilities the Bank expects to recover and settle as of December 31, 2018, 2017 and 2016:

12/31/2018	Without due date	Up to 1 month	Over 1 month & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 12 months	Total up to 12 months	Over 12 months & up to 24 months	Over 24 months	Total over 12 months
Assets									
Cash and bank deposits	68.178.537								
Debt securities at fair value through profit or loss		826.682	144.631	167.469	210.324	1.349.106	262.339	539.292	801.631
Derivative instruments		13.098	1.457			14.555			
Other financial assets	1.354.255	736.564	7.585	99.041		843.190	66.210		66.210
Loans and other financing[1]	1.198.862	48.478.892	19.587.555	18.958.627	19.694.045	106.719.119	16.954.808	40.336.600	57.291.408
Other debt securities		55.069.908		708.839		55.778.747	6.496.164	379.555	6.875.719
Financial assets delivered as guarantee	6.141.490	182.448				182.448			
Investments in equity instruments	47.020								
Total Assets	76.920.164	105.307.592	19.741.228	19.933.976	19.904.369	164.887.165	23.779.521	41.255.447	65.034.968

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12/31/2018	Without due date	Up to 1 month	Over 1 month & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 12 months	Total up to 12 months	Over 12 months & up to 24 months	Over 24 months	Total over 12 months
Liabilities									
Deposits	97,057,501	84,739,321	30,045,179	6,701,818	1,149,317	122,635,635	56,092	12,695	68,787
Derivative instruments		1,019		350		1,369			
Repo transactions		164,469				164,469			
Other financial liabilities		13,944,505	17,924	8,206	11,525	13,982,160	18,973	127,102	146,075
Financing received from BCRA and other financial entities		722,674	907,790	1,054,312	442,273	3,127,049	62,921	107,423	170,344
Corporate bonds issued		236,792		69,847		306,639		6,081,552	6,081,552
Subordinated Corporate bonds				165,070		165,070		15,123,320	15,123,320
Total Liabilities	97,057,501	99,808,780	30,970,893	7,999,603	1,603,115	140,382,391	137,986	21,452,092	21,590,078

12/31/2017	Without due date	Total up to 12 months	Total over 12 months
Assets			
Cash and bank deposits	32,473,987		
Debt securities at fair value through profit or loss		113,181	862,190
Derivative instruments		7,664	
Repo transactions		1,419,808	
Other financial assets		1,060,386	463,544
Loans and other financing[1]	847,585	84,046,983	37,279,278
Other debt securities		33,611,201	
Financial assets delivered as guarantee	4,350,292	2,993,719	
Investments in equity instruments	36,885		
Total Assets	37,708,749	123,252,942	38,605,012
Liabilities			
Deposits	69,069,176	63,615,497	31,501
Liabilities at fair value through profit or loss		6,450	
Derivative instruments		23,107	
Repo transactions		2,688,093	
Other financial liabilities		9,638,710	170,167
Financing received from BCRA and other financial entities		1,045,442	128,398
Corporate bonds issued		118,356	4,593,860
Subordinated Corporate bonds		80,004	7,485,755
Total Liabilities	69,069,176	77,215,659	12,409,681

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12/31/2016	Without due date	Total up to 12 months	Total over 12 months
Assets			
Cash and bank deposits	32,992,475		
Debt securities at fair value through profit or loss		31,956	243,430
Derivative instruments		9,721	
Repo transactions		19,124	
Other financial assets		539,667	203,527
Loans and other financing[1]	512,311	58,657,543	22,305,470
Other debt securities		17,974,087	
Financial assets delivered as guarantee	2,261,475	1,200,994	
Investments in equity instruments	337,309		
Total Assets	36,103,570	78,433,092	22,752,427
Liabilities			
Deposits	46,192,528	56,297,921	8,174
Repo transactions		1,095,634	
Other financial liabilities		5,767,548	128,139
Financing received from BCRA and other financial entities		238,659	21,607
Corporate bonds issued		1,745,851	
Subordinated Corporate bonds		67,429	6,309,108
Total Liabilities	46,192,528	65,213,042	6,467,028

[1] Amounts under "without due date" correspond to past due portfolio.

18. DISCLOSURES BY OPERATING SEGMENT

The Bank has an approach of its banking business that is described in Note 18 to the consolidated Financial Statements.

19. INCOME TAX

This tax shall be recognized following the liability method, recognizing (as credit or debt) the tax effect of temporary differences between the carrying amount of an asset or liability and its tax base, and its subsequent recognition in profit or loss for the fiscal year in which the reversal of such differences occurs, considering as well the possibility of using tax losses in the future.

Deferred tax assets and deferred tax liabilities in the Balance sheet are as follows:

	12/31/2018	12/31/2017	12/31/2016
Deferred tax assets			
Loans and other financing	968,473	765,431	367,970
Allowances for contingencies	256,507	178,798	87,978
Provisions and employee benefits	236,041	165,223	143,036
Other financial assets	793	12,222	7,517
Debt securities		4,702	
Total deferred tax assets	1,461,814	1,126,376	606,501

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	12/31/2018	12/31/2017	12/31/2016
Deferred tax liabilities			
Property, plant and equipment	1,115,184	1,108,577	1,498,909
Intangible assets	376,755	239,108	215,128
Investment in associates and joint ventures	40,970	96,027	61,477
Other financial and non-financial liabilities	183,862	99,514	111,015
Total deferred tax liabilities	1,716,771	1,543,226	1,886,529
Net deferred tax liabilities	254,957	416,850	1,280,028

Changes in net deferred tax liabilities as of December 31, 2018 and 2017 are summarized as follows:

	12/31/2018	12/31/2017
Net deferred tax liabilities at beginning of year	416,850	1,280,028
Profit for deferred taxes recognized in total comprehensive income(*)	194,802	863,178
Other tax effects	32,909	
Net deferred tax liabilities at year end	254,957	416,850

(*) For changes in fiscal year 2017, the Entity included the effect of the rate change, under the tax reform described in Note 3.13.a) to the accompanying consolidated Financial Statements.

The income tax recognized in the Statement of Income and in the Statement of Other Comprehensive Income differs from the income tax to be recognized if all income were subject to the current tax rate.

The table below shows reconciliation between income tax and the amounts obtained by applying the current tax rate in Argentina to the carrying amount of profit:

	12/31/2018	12/31/2017
Carrying amount of profit before income tax	22,178,694	14,346,180
Applicable income tax rate	30%	35%
Income tax on carrying amount of profit	6,653,608	5,021,163
Net permanent differences and other tax effects	(204,157)	(740,341)
Total income tax	6,449,451	4,280,822

As of December 31, 2018 and 2017, the effective income tax rate is 29.1% and 29.8%, respectively.

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20. INCOME FROM COMMISONS RECEIVED

Description	12/31/2018	12/31/2017
Performance obligations satisfied in one act [1]	11,019,104	7,996,301
Performance obligations satisfied over certain time period	26,890	567,853
	11,045,994	8,564,154

[1] Includes mainly account maintenance fees, agreements and credit card commissions

21. DIFFERENCE IN QUOTED PRICES OF GOLD AND FOREIGN CURRENCY

Description	12/31/2018	12/31/2017
Translation of foreign currency assets and liabilities to pesos	(2,945,746)	849,438
Income from foreign currency Exchange	1,313,793	470,723
	(1,631,953)	1,320,161

22. OTHER OPERATING INCOME

Description	12/31/2018	12/31/2017
Derecognition or substantial changes in financial liabilities	594,424	
Services	587,350	439,639
Other adjustments and interest from other receivables	219,997	64,141
Sale of investment property and other non-financial assets	161,058	19,915
Initial recognition of loans	45,493	
Sale of property, plant and equipment	38,753	3,548
Other	604,561	537,201
	2,251,636	1,064,444

23. EMPLOYEE BENEFITS

Description	12/31/2018	12/31/2017
Remunerations	7,081,481	5,405,838
Social Security Contributions	1,383,605	990,341
Compensations and bonuses to employees	692,649	433,488
Employee services	226,812	189,940
	9,384,547	7,019,607

24. ADMINISTRATION EXPENSES

Description	12/31/2018	12/31/2017
Taxes	819,921	649,998
Maintenance, conservation and repair expenses	815,178	537,221
Fees to Directors and Syndics	661,168	394,758
Security services	641,740	485,438
Electricity and communications	526,545	309,441
Other fees	520,331	326,169
Leases	306,835	206,574

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Advertising and publicity	302,414	222,429
Representation, travel and transportation expenses	90,646	67,103
Insurance	48,476	33,544

Description	12/31/2018	12/31/2017
Stationary and office supplies	45,824	36,000
Hired administration services	6,949	9,980
Other	1,379,200	910,961
	6,165,227	4,189,616

25. OTHER OPERATING EXPENSES

Description	12/31/2018	12/31/2017
Gross turnover tax	5,125,366	3,064,773
Charges for other provisions	1,031,170	640,351
Deposit Guarantee Fund contributions	281,862	196,366
Donations	75,789	82,406
Insurance claims	52,866	31,801
Initial loan recognition		66,000
Other	2,748,145	2,072,399
	9,315,198	6,154,096

26. 26. ADDITIONAL DISCLOSURES IN THE STATEMENT OF CASH FLOWS

The Statement of Cash Flows presents the changes in cash and cash equivalents derived from operating activities, investing activities and financing activities during the period. For the preparation of the Statement of Cash Flows the Entity adopted the indirect method for Operating Activities and the direct method for Investment Activities and Financing Activities.
The Entity considers as "Cash and cash equivalents" the item Cash and deposits in banks and those financial assets that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
For the preparation of the Statement of Cash Flows the Entity considered the following:

— Operating activities: are the normal revenue-producing activities of the Entity as well as other activities that cannot be qualified as investing or financing activities.

— Investing activities: are the acquisition, sale and disposal by other means of long-term assets and other investments not included in cash and cash equivalents.

— Financing activities: are activities that result in changes in the size and composition of the Shareholders equity and liabilities of the Entity and that are not part of the operating or investing activities.

The table below presents the reconciliation between the item "Cash and cash equivalents" in the Statement of Cash Flows and the relevant accounting items of the Balance sheet:

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	12/31/2018	12/31/2017	12/31/2016
Cash and deposits in banks	68,178,537	32,473,987	32,992,475
Debt securities at fair value		20,415	9,585
Other debt securities	55,069,908	19,294,526	14,148,240
	123,248,445	51,788,928	47,150,300

27. CAPITAL STOCK

The composition of the Bank's capital stock is disclosed in exhibit K "Composition of capital stock" to the accompanying separate Financial Statements.

Additionally, Note 27 to the consolidated Financial Statements presents the changes in the Bank's capital stock.

28. DEPOSIT GUARANTEE INSURANCE

Note 29 to the consolidated Financial Statements describes the Deposit Guarantee Insurance System and the scope thereof. Banco Macro S.A. holds an 8.300% interest in the capital stock according to the percentages disclosed by Communiqué "B" 11816 issued by the BCRA on February 28, 2019.

29. RESTRICTED ASSETS

As of December 31, 2018 and 2017, the following Entity's assets are restricted:

Item	12/31/2018	12/31/2017
Debt securities at fair value through profit or loss and other debt securities		
- Discount bonds in pesos regulated by Argentinean legislation, maturing 2033 securing the regional economies Competitiveness Program – BID loan No. 3174/OC-AR	108,633	98,541
- Discount bonds in pesos regulated by Argentinean legislation, maturing 2033 used as security in favor of Sedesa[1]	92,659	117,454
- Discount bonds in pesos regulated by Argentinian legislation, maturing 2033 securing the sectorial Credit Program of the Province of San Juan. Production investment financing fund.	64,703	8,704
- Discount bonds in pesos regulated by Argentinian legislation, maturing 2033, for minimum counterpart required for Agents to act in the new categories contemplated under Resolution No. 622/13, as amended, of the CNV.	14,620	13,139
- Discount bonds in pesos regulated by Argentinean legislation, maturing 2033 securing a BID loan of Province of San Juan No. 2763/OC-AR.	6,609	8,869
- Central Bank of Argentina Internal Bills in pesos, maturing 02-21-18 as of December 31, 2017, for the performance of forward foreign currency transactions.		53,059
- Central Bank of Argentina Internal Bills in pesos, maturing 02-21-2018 as of December 31, 2017, securing the operation through negotiation secured transaction Segment as the main counterparty of the MAE.		9,647
- Secured bonds under Presidential Decree No. 1579/2002 as security for a loan received from Banco de Inversión y Comercio Exterior SA (Bice).		4,270
- Other private and public securities		2,331
Subtotal debt securities at fair value through profit or loss and other debt securities	287,224	316,014

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Item	12/31/2018	12/31/2017
Other financial assets		
Sundry debtors – foreclosure within the scope of the claim filed by the DGR against the City of Buenos Aires for differences on gross turnover tax	827	827
Subtotal Other financial assets	827	827
Loans and other financing - non-financial private sector and foreign residents		
Interests derived from contributions made as protector (2)	10,000	90,000
Subtotal Loans and other financing	10,000	90,000
Financial assets delivered as guarantee		
Special guarantee checking accounts opened in Central Bank for transactions related to the electronic clearing houses and similar entities	5,330,580	3,750,952
Guarantee deposits related to credit and debit card transactions	715,022	592,890
Future contracts for repo transactions	182,448	2,993,719
Other guarantee deposits	95,888	6,450
Subtotal Financial assets delivered as guarantee	6,323,938	7,344,011
Other non-financial assets		
Real property related to a call option sold	73,006	222,023
Subtotal Other non-financial assets	73,006	222,023
Total	6,694,995	7,972,875

(1) As replacement for the preferred shares of former Nuevo Banco Bisel SA to secure to Sedesa the price payment and the fulfillment of all the obligations assumed in the purchase and sale agreement dated May 28, 2007, maturing on August 11, 2021.

(2) In order to keep tax benefits related to these contributions, they must be maintained between two and three years from the date they were made. The same correspond to the following risk funds: Risk fund Los Grobo SGR and Risk fund of Avaluar as of December 31, 2018 and 2017 and Risk fund of Intergarantías SGR and Risk fund Garantizar SGR as of December 31, 2017.

Additionally, as of December 31, 2016, the amount of restricted assets was 3,877,051.

30. TRUST ACTIVITIES

Note 31 to the condensed consolidated interim Financial Statements describes the different trust agreements according to the business purpose sought by the Entity, which may be summarized as follows:

30.1 Financial trusts for investment purposes

Debt securities include mainly prepayments towards the placement price of trust securities of the financial trusts under public offerings, made by the Entity through underwriting agreements (Consubond, Garbarino, Accicom, Agrocap II Secubono and Corebono). The assets managed for these trusts are mainly related to securitizations of consumer loans. Trust securities are placed once the public offering is authorized by the CNV. Upon expiry of the placement period, once all trust securities have been placed on the market, the Entity recovers the disbursements made, plus an agreed-upon compensation. If after making the best efforts, such trust securities cannot be placed, the Entity shall retain the securities subject to underwriting.

Additionally, the Entity's portfolio of financial trusts for investment purposes is completed with listed final fiduciary values of financial trusts (Consubond, PVCRED, Best Consumer Directo, Credimas, Garbarino, Chubut Regalías Hidrocarburíferas, Secubono Megabono and Credicuotas consumo)

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Alejandro Almarza
Regular Syndic
Certified Public Accountant - UBA
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Daniel H. Violatti
Head of Accounting
& Tax Department

Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
Chairman

and Certificates of participation (Saenz Créditos, Gas Tucumán and Arfintech).

As of December 31, 2018, 2017 and 2016, debt securities and certificates of participation in financial trusts administrated by the Entity for investment purposes total 1,380,994, 1,003,312 and 719,918, respectively. According to the latest accounting information available as of the date of issuance of the accompanying separate Financial Statements, the corpus assets of the trusts exceed the carrying amount in the related proportions.

30.2 Trusts created using financial assets transferred by the Entity

As of December 31, 2018, 2017 and 2016, according to the latest accounting information available as of the date of issuance of the accompanying separate Financial Statements, the assets managed through Macro Fiducia SA of this type of trusts amounted to 69,444, 116,387 and 58,633, respectively.

30.3 Trusts guaranteeing loans granted by the Entity

As of December 31, 2018, 2017 and 2016, considering the latest available accounting information as of the date of the accompanying separate Financial Statements, the assets managed by the Entity amount to 269,507, 328,268 and 451,569, respectively.

30.4 Trusts in which the Entity acts as trustee (Management)

As of December 31, 2018, 2017 and 2016, considering the latest available accounting information as of the date of the accompanying separate Financial Statements, the assets managed by the Entity amounted to 1,480,540, 1,302,687 and 1,396,421, respectively.

31. COMPLIANCE WITH CNV STANDARDS

Considering Banco Macro SA's current operations, and according to the different categories of agents established by CNV (revised text under General Resolution No. 622, as amended), the Entity is registered with this agency as agent for the custody of collective investment products of mutual funds (AC PIC FCI for their acronyms in Spanish language), comprehensive clearing and settlement agent and trading agent (ALyC and AN – comprehensive, for their acronyms in Spanish language), financial trustee Agent (FF for its acronym in Spanish language) and Guarantee Entity (in the process of being registered). In Note 32.3 to the accompanying consolidated Financial Statements the Entity discloses the shares in Mutual Funds subscribed by third parties and the assets held by the Entity in custody in its capacity as Depositary Company.

Additionally, the Bank's shareholders' equity exceeds the minimum amount required by this regulation, amounting to 29,000, as well as the minimum counterpart required of 20,000, which the Bank paid-in with government securities as described in Note 29 to the accompanying separated Financial Statements and with funds deposited with the BCRA in the accounts number 00285 and 80285 held by the Entity in such institution.

In addition, Note 32.2 to the condensed consolidated interim Financial Statements presents the general policy of documents in custody, describing which information has been disclosed and delivered to third parties for custody.

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32. 32. ACCOUNTING ITEMS THAT IDENTIFY THE COMPLIANCE WITH MINIMUM CASH REQUIREMENTS

The items recognized by the Entity to constitute the minimum cash requirement effective for December 2018 are listed below, indicating the balances as of month-end of the related items:

Description	Banco Macro S.A.
Cash and deposits in other banks	
BCRA's accounts balances	46,046,332
Other debt securities	
BCRA liquidity bills computable for minimum cash requirements	18,800,520
Government bonds computable for minimum cash requirements	7,158,360
Financial assets delivered as guarantee	
Special guarantee accounts with the BCRA	5,330,580
Total	77,335,792

33. PENALTIES APPLIED TO THE FINANCIAL ENTITY AND SUMMARY PROCEEDINGS INITIATED BY THE BCRA

Note 34 to the consolidated Financial Statements describes the penalties applied and the proceedings filed by the BCRA against the Entity, classified as follows:

- Summary proceedings filed by the BCRA
- Penalties applied by the BCRA
- Penalties applied by the UIF

The Bank's Management and its legal advisors consider no further significant accounting effects could arise from the final outcome of the above mentioned judicial proceedings other than those disclosed in the accompanying Financial Statements.

34. ISSUANCE OF CORPORATE BONDS

Note 37 to the consolidated Financial Statements describes liabilities for corporate bonds recognized by the Entity as of December 31, 2018 and 2017, under the terms and values therein expressed.

Additionally, as of December 31, 2016, the Entity recognized Class A subordinated resettable corporate bonds for 6,376,537 and Class 2 non-subordinated corporate bonds for 1,745,851

35. ACCOUNTING ITEMS OUTSIDE THE BALANCE SHEET

In addition to the expressed in Note 7, the Entity recognizes different transactions outside its balance sheet, pursuant to the BCRA standards. The table below shows the balances of the most significant accounting items outside the balance sheet as of December 31, 2018, 2017 and 2016:

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Description	12/31/2018	12/31/2017	12/31/2016
Senior guarantees and other guarantees received [1]	44,383,138	38,139,862	21,261,105
Custody of government and private bonds and other assets held by third parties	63,662,007	70,772,660	41,094,883
Deposited checks pending clearance	1,680,896	1,266,305	1,134,949
Outstanding checks to be paid	3,224,266	2,032,128	1,852,989

[1] For guarantees delivered to secure loan transactions and other financing, under applicable rules and regulations in force.

36. TAX AND OTHER CLAIMS

36.1. Tax claims

Note 37.1. to the consolidated Financial Statements describes the most relevant claims pending resolution and filed by AFIP and the tax authorities of the relevant jurisdiction.

The Entity's Management and its legal advisors consider no further significant accounting effects could arise from the final outcome of the above mentioned proceedings other than those disclosed in the accompanying Financial Statements.

36.2 Other claims

Note 37.2. to the consolidated Financial Statements describes the most relevant claims pending resolution and filed by the different consumer's associations.

The Entity's Management and its legal advisors consider no further significant accounting effects could arise from the final outcome of the above mentioned proceedings other than those disclosed in the accompanying Financial Statements.

37. RESTRICTION ON PROFIT DISTRIBUTION

Note 38 to the consolidated interim Financial Statements describes the main legal provisions regulating the restriction on profit distribution.

38. CAPITAL MANAGEMENT AND CORPORATE GOVERNANCE AND RISK MANAGEMENT TRANSPARENCY POLICY

Note 39 to the consolidated Financial Statements describes the Entity's main guidelines as to capital management and corporate governance transparency policy.

39. CHANGES IN THE ARGENTINE MACROECONOMIC ENVIRONMENT OF THE FINANCIAL AND CAPITAL SYSTEM

The international and national macroeconomic environment in which the Entity operates and the impact on it is described in Note 40 to the consolidated Financial Statements.

40. EVENTS AFTER REPORTING PERIOD

No events occurred between the end of the reporting period and the issuance of the accompanying consolidated Financial Statements that may materially affect the financial position or the profit and loss for the period, not disclosed in the accompanying separate Financial Statements.

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DETAIL OF GOVERNMENT AND PRIVATE SECURITIES AS OF DECEMBER 31, 2018, 2017 AND 2016

(Figures expressed in thousands of pesos)

Name	Identification
DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	
- Local	
Government securities	
Consolidation bonds in pesos 8° Series - Maturity: 10-04-2022	2571
Debt Securities of Province of Río Negro in pesos - Badlar Private + 500 basis points - Maturity: 07-06-2020	32922
Federal government treasury bills in pesos - Maturity 10-03-2021	5318
Federal government treasury bonds in pesos adjustment by CER - Maturity: 07-22-2021	5315
Federal government bonds in US dollars at 8.75% - Maturity: 05-07-2024	5458
Federal government international bonds in US dollars at 7.5% - Maturity: 04-22-2026	92584
Consolidation bonds in pesos 6° Series at 2% - Maturity: 03-15-2024	2420
Federal government bonds in pesos – Badlar Private + 200 basis points – Maturity: 04-03-2022	5480
Par bonds in pesos - Maturity. 12-31-2038	45695
Federal government bonds in US dollars at 8.00% - Maturity 10-08-2020	5468
Discount bonds denominated in pesos at 5.83% - Maturity: 12-31-2033	45696
Federal government bonds in pesos – Badlar Private + 2.00 basis points – Maturity: 03-28-2017	5459
Other	
Subtotal local government securities	5431
Private securities	
Debt Securities in Financial Trust Consubond	80033
Debt Securities in Financial Trust Megabono S180 CA - Maturity 12-24-2019	53887
Debt Securities in Financial Trust Agrocap	80032
Debt Securities in Financial Trust PVCRED S038 CA - Maturity 08-12-2019	53927
Debt Securities in Financial Trust Consubond S149 CA - Maturity 10-25-2019	53968
Debt Securities in Financial Trust Secubono	80029
Debt Securities in Financial Trust Chubut Regalías Hidrocarburíferas - Maturity: 07-01-2020	36425
Debt Securities in Financial Trust Consubond S147 CA - Maturity 12-26-2019	53893
Debt Securities in Financial Trust Secubono S180 - Maturity 11-28-2019	53875
Temporary Financial Trust Underwriting Accicom	80031
Public utility bonds	80019
Other	
Subtotal local private securities	
TOTAL DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	

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EXHIBIT A

Holdings							Position
12/31/2018		12/31/2017	12/31/2016				12/31/2018
Fair Value	Fair Value Level	Book Balance	Book Balance	Book Balance	Position without Options	Options	Final Position
	1	169,663	105,882	100,118	169,663		169,663
	2	122,869	281,881		122,869		122,869
	2	79,622			79,622		79,622
	1	66,862		7,133	66,862		66,862
	1	61,833	8,934		61,833		61,833
	2	55,358		852	55,358		55,358
	1	48,396	4	22,288	48,396		48,396
	1	38,419	292		38,419		38,419
	1	36,656	38,677	3,248	36,656		36,656
	1	34,844		337	34,844		34,844
	1	2,274	89,691	88,164	119,960		119,960
				28,150			
		135,420	194,045	24,016	168,190		168,190
		852,216	719,406	274,306	1,002,672		1,002,672
	3	377,725			377,725		377,725
	3	165,980			165,980		165,980
	3	130,735			130,735		130,735
	3	112,600			112,600		112,600
	3	111,017			111,017		111,017
	3	79,203			79,203		79,203
	3	48,366	34,932		48,366		48,366
	3	39,576			39,576		39,576
	3	34,635			34,635		34,635
	3	32,716			32,716		32,716
	3	1,226	909	1,080	1,226		1,226
		164,742	220,124		164,742		164,742
		1,298,521	255,965	1,080	1,298,521		1,298,521
		2,150,737	975,371	275,386	2,301,193		2,301,193

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Name	Identification
OTHER DEBT SECURITIES	
at fair value through other comprehensive income (OCI)	
- Local	
Government securities	
Discount bonds denominated in pesos at 5,83% - Maturity: 12-31-2033	45696
International bonds of the Argentina Republic in US dollars at 7,125% - Maturity: 06-28-2027	92208
Consolidation bonds in pesos 8° Series - Maturity: 10-04-2022	2571
Treasury bills in US dollars – Maturity 03-20-2017	5199
Debt Securities of Province of Buenos Aires S, I Class II – Maturity: 12-06-2019	32831
Federal government bonds in pesos - Badlar Private + 250 basis points - Maturity: 03-11-2019	5454
Treasury bills of the Province of Neuquén Class 2 S, II – Maturity: 06-06-2018	32829
Treasury bills of the Province of Rio Negro Class 1 S, VI – Maturity: 03-15-2017	32835
Treasury bills of the Province of Neuquén in pesos– Maturity: 09-09-2020	32777
Federal government bonds in pesos at variable rate 2017	5477
Federal government bonds in pesos Badlar +2,00 Maturity: 03-28	
Other	
Subtotal local government securities	
BCRA bills	
BCRA Liquidity Letters in pesos – Maturity: 01-04-2019	80007
BCRA Liquidity Letters in pesos – Maturity:01-08-2019	80010
BCRA Liquidity Letters in pesos – Maturity: 01-02-2019	80005
BCRA Liquidity Letters in pesos – Maturity: 01-03-2019	80006
BCRA Liquidity Letters in pesos – Maturity: 01-07-2019	80009
BCRA Internal Bills in pesos – Maturity: 03-21-2018	46823
BCRA Internal Bills in pesos – Maturity: 01-17-2018	46821
BCRA Internal Bills in pesos – Maturity: 05-16-2018	46825
BCRA Internal Bills in pesos – Maturity: 04-18-2018	46824
BCRA Internal Bills in pesos – Maturity: 02-21-2018	46822
BCRA Internal Bills in pesos – Maturity: 01-18-2017	46796
BCRA Internal Bills in pesos – Maturity: 02-15-2017	46786
Other	
Subtotal BCRA bills	
Private securities	
Corporate bonds Telecom Personal S,A, S4 – Maturity: 11-16-2018	51989
Corporate bonds Telecom Personal S,A, S3 – Maturity: 05-16-2018	51988
Corporate bonds Genneia SA C19 – Maturity: 02-16-2017	51268
Corporate bonds Albanesi SA C2 – Maturity: 10-25-2018	51923
Corporate bonds Ledesma SA C3 – Maturity: 04-01-2017	50210
Corporate bonds Integración Eléctrica Sur Arg, SA C4 – Maturity: 09-26-2017	51848
Corporate bonds Banco Hipotecario S32 – Maturity: 05-30-2017	51072
Corporate bonds Arcor SAIC C8 – Maturity: 06-15-2017	50495
Subtotal local private securities	
TOTAL OTHER DEBT SECURITIES AT FAIR VALUE THROUGH OCI	

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Holdings							Position
	12/31/2018	12/31/2017	12/31/2016				12/31/2018
Fair Value	Fair Value Level	Book Balance	Book Balance	Book Balance	Position without Options	Options	Final Position
	1	144,844		1,332,536	144,844		144,844
	1	81,630			81,630		81,630
			49,726	111,005			
				789,545			
				342,237			
				140,888			
				140,219			
	1			94,139			
				69,752			
				52,285			
				23,483			
				19,286			
		226,474	49,726	3,115,375	226,474		226,474
	1	15,546,415			15,546,415		15,546,415
	2	13,787,546			13,787,546		13,787,546
	1	12,404,850			12,404,850		12,404,850
	1	7,926,384			7,926,384		7,926,384
	1	5,404,713			5,404,713		5,404,713
			6,333,072				
			6,045,824				
			5,769,624				
			5,626,984				
			5,341,770				
				5,291,677			
				2,529,734			
			3,512,921	5,920,210			
		55,069,908	32,630,195	13,741,621	55,069,908		55,069,908
				105,210			
				52,159			
				52,277			
				21,216			
				14,330			
				13,168			
				10,531			
				6,257			
				275,148			
		55,296,382	32,679,921	17,132,144	55,296,382		55,296,382

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Name	Identification	Holdings 12/31/2018 Fair Value	Fair Value Level	12/31/2017 Book Balance	12/31/2016 Book Balance	Book Balance	Position 12/31/2018 Position without Options	Options	Final Position
Measured at amortized cost									
- Local									
Government securities									
Federal government bonds in pesos – Fixed rate 26% - Maturity: 11-21-2020	5330	7,158,360	2	7,201,040			7,201,040		7,201,040
Discount bonds denominated in pesos at 5.83% - Maturity: 12-31-2033	45696	173,337	1	157,044	117,453		189,036		189,036
Secured bonds under Decree No. 1579/02 at 2% - Maturity: 02-04-2018	2405				4,270	21,276			
Federal government bonds in pesos at Badlar + 2.00 – Maturity: 03-28-2017	5459					100,728			
Subtotal local government securities				7,358,084	121,723	122,004	7,390,076		7,390,076
Private securities									
Temporary Financial Trust Underwriting Consubond	80033				360,364	281,057			
Temporary Financial Trust Underwriting Secubono	80029				110,554	124,628			
Temporary Financial Trust Underwriting Garbarino	80028				68,070				
Temporary Financial Trust Underwriting Accicom Préstamos Personales	80031				51,041	61,841			
Temporary Financial Trust Underwriting Credicuotas Consumo					50,223	15,359			
Temporary Financial Trust Underwriting Agrocap	80032				46,482				
Temporary Financial Trust Underwriting Mila	80034				32,955	25,647			
Temporary Financial Trust Underwriting Best Consumer Directo	80034				32,136				
Temporary Financial Trust Underwriting Best Consumer Finance	80034				32,086				
Temporary Financial Trust Underwriting Credimas					25,646	15,325			
Temporary Financial Trust Underwriting PVCRED						102,789			
Other						93,293			
Subtotal local debt securities					809,557	719,939			
Total other debt securities at amortized cost				7,358,084	931,280	841,943	7,390,076		7,390,076
TOTAL OTHER DEBT SECURITIES				62,654,466	33,611,201	17,974,087	62,686,458		62,686,458

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Name	Identification	Holdings 12/31/2018 Fair Value	Fair Value Level	Holdings 12/31/2018 Book Balance	Holdings 12/31/2017 Book Balance	Holdings 12/31/2016 Book Balance	Position 12/31/2018 Position without Options	Options	Position 12/31/2018 Final Position
EQUITY INSTRUMENTS									
at fair value through profit or loss									
- Local									
Mercado Abierto Electrónico SA	80020		3	22,292	18,441	3,395	22,292		22,292
C.O.E.L.S.A	80021		3	4,826	3,048	1,356	4,826		4,826
Argentina Clearing SA	80022		3	4,569	3,217	2,393	4,569		4,569
Sedesa	80012		3	3,975	3,909	3,492	3,975		3,975
Mercado a Término Rosario SA	80017		3	3,663	2,569	1,890	3,663		3,663
Sanatorio Las Lomas SA	80014		3	600	404	298	600		600
Proin SA	80016		3	513	513	320	513		513
Provincanje SA	80024		3	379	271	504	379		379
El Taura SA	80011		3	185	185	185	185		185
Argencontrol SA	80015		3	179	184	138	179		179
Siderar SAIC	839					106,937			
Petrolera Pampa S.A.	457					90,261			
Other				93	141	122,484	93		93
Subtotal local equity instruments				41,274	32,882	333,653	41,274		41,274
Foreign									
Banco Latinoamericano de Comercio Exterior SA	80025		1	4,777	3,688	3,408	4,777		4,777
Sociedad de Telecomunicaciones Financieras Interbancarias Mundiales	80026		3	969	315	248	969		969
Other									
Subtotal foreign equity instruments				5,746	4,003	3,656	5,746		5,746
Total equity instruments at fair value through profit or loss				47,020	36,885	337,309	47,020		47,020
TOTAL EQUITY INSTRUMENTS				47,020	36,885	337,309	47,020		47,020
TOTAL GOVERNMENT AND PRIVATE SECURITIES				64,852,223	34,623,457	18,586,782	65,034,671		65,034,671

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CONSOLIDATED CLASSIFICATION OF LOANS AND OTHER FINANCING BY SITUATION AND GUARANTEE RECEIVED AS OF DECEMBER 2018, 2017 AND 2016

EXHIBIT B

(Figures expressed in thousands of pesos)

	12/31/2018	12/31/2017	12/31/2016
COMMERCIAL PORTFOLIO			
In normal situation	69,702,689	48,622,186	34,128,374
With Senior "A" guarantees and counter-guarantees	2,542,734	3,795,181	2,538,782
With Senior "B" guarantees and counter-guarantees	8,381,277	7,426,689	5,119,268
Without Senior guarantees or counter-guarantees	58,778,678	37,400,316	26,470,324
Subject to special monitoring	213,632	298,886	27,887
Under observation			
With Senior "A" guarantees and counter-guarantees	3,226	6,042	
With Senior "B" guarantees and counter-guarantees	68,007	66,613	18,875
Without Senior guarantees or counter-guarantees	41,805	226,231	9,012
Under negotiation or refinancing agreements			
With Senior "A" guarantees and counter-guarantees	43,592		
Without Senior guarantees or counter-guarantees	57,002		
Troubled	633,432	37,164	50,039
With Senior "A" guarantees and counter-guarantees		3,441	
With Senior "B" guarantees and counter-guarantees	179,598	22,971	50,039
Without Senior guarantees or counter-guarantees	453,834	10,752	
With high insolvency risk	277,016	143,881	137,431
With Senior "A" guarantees and counter-guarantees	1,223	729	1,882
With Senior "B" guarantees and counter-guarantees	180,785	86,437	61,374
Without Senior guarantees or counter-guarantees	95,008	56,715	74,175
Irrecoverable			4
Without Senior guarantees or counter-guarantees			4
Subtotal Commercial Portfolio	70,826,769	49,102,117	34,343,735

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CPCECABA Tº 1 Fº 13

Norberto M. Nacuzzi
Partner
Certified Public Accountant - UBA
CPCECABA T° 196 F° 142

Signed as related
to our report dated 03/08/2019
BY THE SUPERVISORY COMMITTEE

Alejandro Almarza
Regular Syndic
Certified Public Accountant - UBA
CPCECABA T° 120 F° 210

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Head of Accounting
& Tax Department

Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
Chairman

	12/31/2018	12/31/2017	12/31/2016
CONSUMER AND MORTGAGE LOAN PORTFOLIO			
Performing	95,744,514	74,624,457	48,698,468
With Senior "A" guarantees and counter-guarantees	2,949,577	2,129,722	767,733
With Senior "B" guarantees and counter-guarantees	13,676,510	6,847,800	2,483,434
Without Senior guarantees or counter-guarantees	79,118,427	65,646,935	45,447,301
Low risk	1,926,667	941,697	502,812
With Senior "A" guarantees and counter-guarantees	48,130	6,359	1,486
With Senior "B" guarantees and counter-guarantees	187,262	31,801	20,622
Without Senior guarantees or counter-guarantees	1,691,275	903,537	480,704
Medium risk	1,250,021	544,375	390,339
With Senior "A" guarantees and counter-guarantees	16,916	1,447	3,188
With Senior "B" guarantees and counter-guarantees	74,792	13,506	7,634
Without Senior guarantees or counter-guarantees	1,158,313	529,422	379,517
High risk	818,569	397,696	268,927
With Senior "A" guarantees and counter-guarantees	13,707	496	2,099
With Senior "B" guarantees and counter-guarantees	38,991	18,106	20,284
Without Senior guarantees or counter-guarantees	765,871	379,094	246,544
Irrecoverable	211,895	139,268	87,190
With Senior "A" guarantees and counter-guarantees	1,260		
With Senior "B" guarantees and counter-guarantees	26,682	17,924	16,642
Without Senior guarantees or counter-guarantees	183,953	121,344	70,548
Irrecoverable under BCRA standards	872	206	210
Without Senior guarantees or counter-guarantees	872	206	210
Subtotal Consumer and Mortgage Loan Portfolio	99,952,538	76,647,699	49,947,946
Total	170,779,307	125,749,816	84,291,681

This exhibit reports the contractual figures as established by the BCRA. Reconciliation with the consolidated balance sheet is shown below:

	12/31/2018	12/31/2017	12/31/2016
Loans and other financing	165,209,389	122,173,846	81,475,324
+ Allowances for loans and other financing	3,875,164	2,470,303	1,662,753
+ IFRS adjustment (Amortized cost and fair value adjustment)	250,558	279,292	233,241
+ Corporate bonds		226,598	277,666
Guarantees granted and contingent liabilities	1,444,196	599,777	642,697
Total computable items	170,779,307	125,749,816	84,291,681

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CONCENTRATION OF LOANS AND OTHER FINANCING AS OF DECEMBER 31, 2018, 2017 Y 2016

EXHIBIT C

(Figures expressed in thousands of pesos)

	12/31/2018		12/31/2017		12/31/2016	
Number of Customers	Cutoff balance	% of total portfolio	Cutoff balance	% of total portfolio	Cutoff balance	% of total portfolio
10 largest customers	19,431,966	11.38	11,151,842	8.87	6,353,953	7.54
50 next largest customers	22,338,628	13.08	11,488,939	9.14	8,920,400	10.58
100 next largest customers	13,582,068	7.95	7,505,554	5.97	5,525,254	6.55
Other customers	115,426,645	67.59	95,603,481	76.02	63,492,074	75.33
Total [1]	170,779,307	100.00	125,749,816	100.00	84,291,681	100.00

[1] See reconciliation in Exhibit B.

BREAKDOWN OF LOANS AND OTHER FINANCING BY LOAN TERM AS OF DECEMBER 31, 2018

EXHIBIT D

(Figures expressed in thousands of pesos)

		Terms to Maturity						
Item	Matured Portfolio	Up to 1 month	Over 1 month and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 12 months	Over 12 months and up to 24 months	Over 24 months	Total
Non-financial public sector		147,547	403,613	434,592	745,089	968,517	323,784	3,023,142
Financial sector		1,098,948	1,733,758	1,205,293	1,698,740	598,110	22,143	6,356,992
Non-financial private sector and foreign residents								
Total	1,844,588	49,760,432	21,985,020	23,678,562	27,665,062	30,337,330	60,455,954	215,726,948
	1,844,588	51,006,927	24,122,391	25,318,447	30,108,891	31,903,957	60,801,881	225,107,082

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BREAKDOWN OF LOANS AND OTHER FINANCING BY LOAN TERM AS OF DECEMBER 31, 2017

(Figures expressed in thousands of pesos)

		Terms to Maturity						
Item	Matured Portfolio	Up to 1 month	Over 1 month and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 12 months	Over 12 months and up to 24 months	Over 24 months	Total
Non-financial public sector		51,131	219,501	183,337	543,855	982,347	876,255	2,856,426
Financial sector		1,844,657	450.276	710.764	755.578	1.005.476	228.185	4.994.936
Non-financial private sector and foreign residents	847,585	34,163,062	17,642,583	16,550,145	18,000,025	26,527,720	46,828,878	160,559,998
Total	847,585	36,058,850	18,312,360	17,444,246	19,299,458	28,515,543	47,933,318	168,411,360

BREAKDOWN OF LOANS AND OTHER FINANCING BY LOAN TERM AS OF DECEMBER 31, 2016

(Figures expressed in thousands of pesos)

		Terms to Maturity						
Item	Matured Portfolio	Up to 1 month	Over 1 month and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 12 months	Over 12 months and up to 24 months	Over 24 months	Total
Non-financial public sector		747,993	124,713	384,876	142,487	272,196	230,432	1,902,697
Financial sector		403,961	453,069	486,055	384,924	239,092	52,674	2,019,775
Non-financial private sector and foreign residents	512,311	27,908,295	12,322,113	11,244,077	12,270,971	16,758,463	22,362,248	103,378,478
Total	512,311	29,060,249	12,899,895	12,115,008	12,798,382	17,269,751	22,645,354	107,300,950

This Exhibit discloses future contractual cash flow fall, including interests and accessories to be accrued until contract maturity.

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INFORMATION ON INTEREST IN OTHER COMPANIES AS OF DECEMBER 31, 2018, 2017 AND 2016

(Figures expressed in thousands of pesos)

Name	Shares and/or Participating Interests			
	Class	Unit Nominal Value	Votes per Share	Number
In financial entities				
- Controlled entities				
Local				
Banco del Tucumán SA	Common	100	1	439,360
Subtotal Local companies				
Abroad				
Macro Bank Limited	Common	1	1	39,816,899
Subtotal Foreign companies				
Total controlled companies				
Total in financial entities				
In supplementary service companies				
- Controlled entities				
Local				
Macro Securities SA	Common	1	1	12,776,680
Macro Fondos SGFCISA	Common	1	1	6,475,143
Macro Fiducia SA	Common	1	1	327,183
Subtotal local companies				
Total controlled supplementary service companies				
- Associates and joint ventures				
Local				
Prisma Medios de Pago SA	Common	1	1	1,141,503
Joint Ventures (UTE)				
Subtotal local companies				
Total supplementary service associates and joint ventures				
Total supplementary service companies				
Other companies				
- Associates and joint ventures				
Local				
Macro Warrants S.A.	Common	1	1	50,000
Subtotal local companies				
Total in other companies				
Total interest in other companies				

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EXHIBIT E

Amount 12/31/2018	Amount 12/31/2017	Amount 12/31/2016	Main Business Activity	Issuer Information			
				Year-end date	Capital	Latest Financial Statements Data: Shareholders' Equity	Latest Financial Statements Data: Income for the Year/Period
2,444,921	1,787,137	1,851,964	Banking Entity	12-31-18	43,960	2,446,257	459,048
2,444,921	1,787,137	1,851,964					
1,417,060	912,765	769,059	Banking Entity	12-31-18	86,501	1,417,060	654,904
1,417,060	912,765	769,059					
3,861,981	2,699,902	2,621,023					
3,861,981	**2,699,902**	**2,621,023**					
834,927	681,437	292,348	Stock-exchange services	12-31-18	12,886	866,723	304,579
54,067	40,625	24,694	Mutual Fund Management	12-31-18	1,713	284,802	234,696
28,373	21,463	19,152	Services	12-31-18	6,567	23,521	351
917,367	743,525	336,194					
917,367	743,525	336,194					
	142,600	67,583	Processing services	12-31-18	15,000	2,511,180	2,432,494
108,031	75,520	56,001	Management of tax services				
108,031	218,120	123,584					
108,031	218,120	123,584					
1,025,398	**961,645**	**459,778**					
792	827	684	Warrant issuance	09-30-18	1,000	15,841	3,308
792	827	684					
792	827	684					
4,888,171	**3,662,374**	**3,081,485**					

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CHANGES IN PROPERTY, PLANT AND EQUIPMENT AS OF DECEMBER 31, 2018

EXHIBIT F

(Figures expressed in thousands of pesos)

Item	Cost Beginning of fiscal year	Useful life estimated in years	Additions	Disposals	Depreciation for the period				Residual value at year-end
					Accumulated Depreciation	Disposal	Of the Year	Year-end	
At cost									
Land & Buildings	4,885,709	50	2,819,803	744,440	397,490	176,473	87,121	308,138	6,652,934
Furniture and facilities	339,327	10	254,999	6,282	126,282	10	35,587	161,859	426,185
Machinery and equipment	939,919	5	554,843	116,583	509,167		189,832	698,999	679,180
Vehicles	109,825	5	34,399	16,681	75,696	13,940	18,445	80,201	47,342
Works in progress	2,569,113		1,539,596	3,401,858					706,851
Total Property, plant and equipment [1]	8,843,893		5,203,640	4,285,844	1,108,635	190,423	330,985	1,249,197	8,512,492

CHANGES IN PROPERTY, PLANT AND EQUIPMENT AS OF DECEMBER 31, 2017

(Figures expressed in thousands of pesos)

Item	Cost Beginning of fiscal year	Useful life estimated in years	Additions	Disposals	Depreciation for the period				Residual value at year-end
					Accumulated Depreciation	Disposal	Of the Year	Year-end	
At cost									
Land & Buildings[2]	4,812,321	50	84,746	11,358	304,854	5,293	97,929	397,490	4,488,219
Furniture and facilities	302,023	10	37,304		94,493		31,789	126,282	213,045
Machinery and equipment	713,262	5	229,212	2,555	370,753	2,548	140,962	509,167	430,752
Vehicles	91,142	5	23,590	4,907	65,079	3,800	14,417	75,696	34,129
Works in progress	1,710,944		899,056	40,887				0	2,569,113
Total Property, plant and equipment [1]	7,629,692		1,273,908	59,707	835,179	11,641	285,097	1,108,635	7,735,258

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Chairman

CHANGES IN INVESTMENT PROPERTY AS OF DECEMBER 31, 2018

(Figures expressed in thousands of pesos)

Item	Cost Beginning of fiscal year	Useful life estimated in years	Additions	Disposals	Depreciation for the period: Accumulated Depreciation	Depreciation for the period: Disposal	Depreciation for the period: Of the Year	Depreciation for the period: Year-end	Residual value at year-end
At cost									
Leased property									
Other investment property		50	90,485		8,027		100	8,127	82,358
Total investment property(1)	634,771	50	258,330	755,495	19,306	18,680	5,464	6,090	131,516
Total propiedades de inversión [1]	634,771		348,815	755,495	27,333	18,680	5,564	14,217	213,874

CHANGES IN INVESTMENT PROPERTY AS OF DECEMBER 31, 2017

(Figures expressed in thousands of pesos)

Item	Cost Beginning of fiscal year	Useful life estimated in years	Additions	Disposals	Depreciation for the period: Accumulated Depreciation	Depreciation for the period: Disposal	Depreciation for the period: Of the Year	Depreciation for the period: Year-end	Residual value at year-end
At cost									
Other investment property [2]	536,064	50	230,712	132,005	17,879	9,052	6,784	15,611	619,160
Total investment property	536,064		230,712	132,005	17,879	9,052	6,784	15,611	619,160

[1] During the year 2018, this accounting item registered transfers to and from Property, plant and equipment and/or non-current assets held for sale.
[2] As of December 31, 2016, the cost attributed to the Entity's real property items totals 6,635,147 and the adjustment for the same accounting item amounted to 4,262,884.

CHANGES IN INTANGIBLE ASSETS AS OF DECEMBER 31, 2018

EXHIBIT G

(Figures expressed in thousands of pesos)

Item	Cost Beginning of fiscal year	Useful life estimated in years	Additions	Disposals	Depreciation for the period: Accumulated Depreciation	Depreciation for the period: Disposal	Depreciation for the period: Of the Year	Depreciation for the period: Year-end	Residual value at year-end
At cost									
Licenses	306,420	5	243,862	494	163,541	2	61,183	224,722	325,066
Goodwill			210,927						210,927
Other intangible assets	1,179,178	5	740,976	72,968	511,548		279,774	791,322	1,055,864
Total intangible assets [1]	1,485,598		1,195,765	73,462	675,089	2	340,957	1,016,044	1,591,857

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CHANGES IN INTANGIBLE ASSETS AS OF DECEMBER 31, 2017

(Figures expressed in thousands of pesos)

Item	Cost Beginning of fiscal year	Useful life estimated in years	Additions	Disposals	Depreciation for the period				Residual value at year-end
					Accumulated Depreciation	Disposal	Of the Year	Year-end	
At cost									
Goodwill – Business combination	56,205			56,205	35,596	56,205	20,609		
Licenses	161,355	5	145,065		54,331	1	102,534	156,864	149,556
Other intangible assets	843,745	5	335,432		398,257		119,967	518,224	660,953
Total intangible assets	1,061,305		480,497	56,205	488,184	56,206	243,110	675,088	810,509

(1) During the year 2018, there were some transfers between different accounting items of this kind that originated differences between balances at year-end for one year and balances at the beginning of the next one, without implying any changes in the total amount of this accounting item.

DEPOSIT CONCENTRATION AS OF DECEMBER 31, 2018, 2017 AND 2016

EXHIBIT H

(Figures expressed in thousands of pesos)

Number of customers	12/31/2018		12/31/2017		12/31/2016	
	Outstanding balance	% of total portfolio	Outstanding balance	% of total portfolio	Outstanding balance	% of total portfolio
10 largest customers	17,296,726	7,87	8,879,036	6,69	6,187,859	6,04
50 next largest customers	15,385,676	7,00	6,701,842	5,05	6,415,928	6,26
100 next largest customers	10,281,792	4,68	4,617,386	3,48	3,954,135	3,86
Other customers	176,797,729	80,45	112,517,910	84,78	85,940,701	83,84
Total	219,761,923	100,00	132,716,174	100,00	102,498,623	100,00

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BREAKDOWN OF FINANCIAL LIABILITIES FOR RESIDUAL TERMS AS OF DECEMBER 31, 2018

EXHIBIT I

(Figures expressed in thousands of pesos)

Item	Term to maturity						
	Up to 1 month	Over 1 month and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 12 months	Over 12 months and up to 24 months	Over 24 months	Total
Term to maturity	182,738,073	31,261,800	7,363,772	1,293,292	61,860	15,985	222,734,782
From the non-financial government sector	10,262,572	1,021,797	639,422	46,091	206		11,970,088
From the financial sector	148,269						148,269
From the non-financial private sector and foreign residents	172,327,232	30,240,003	6,724,350	1,247,201	61,654	15,985	210,616,425
Derivative instruments	1,019		350				1,369
Repo transactions	164,667						164,667
Other financial institutions	164,667						164,667
Other financial liabilities	13,945,078	18,936	9,668	14,045	22,435	141,539	14,151,701
Financing received from BCRA and other financial institutions	724,436	918,813	1,083,024	470,177	87,151	125,173	3,408,774
Issued corporate bonds	362,870		585,301	735,047	1,443,264	7,394,296	10,520,778
Subordinated corporate bonds			510,412	510,412	1,020,824	21,757,164	23,798,812
Total	214,553,357	34,754,472	9,681,559	3,037,871	2,633,950	29,426,009	294,087,218

This Exhibit discloses future contractual cash flow fall, including interests and accessories to be accrued until contract maturity.

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Ezequiel Carballo
Chairman

BREAKDOWN OF FINANCIAL LIABILITIES FOR RESIDUAL TERMS AS OF DECEMBER 31, 2017

(Figures expressed in thousands of pesos)

Item	Term to maturity						
	Up to 1 month	Over 1 month and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 12 months	Over 12 months and up to 24 months	Over 24 months	Total
Deposits	113,423,914	17,903,144	2,517,574	525,834	27,666	7,458	134,405,590
From the non-financial government sector	8,897,189	419,219	242,413	963	17,565		9,577,349
From the financial sector	81,357						81,357
From the non-financial private sector and foreign residents	104,445,368	17,483,925	2,275,161	524,871	10,101	7,458	124,746,884
Liabilities at fair value with changes through profit or loss	6,450						6,450
Derivative instruments	23,107						23,107
Repo transactions	2,688,093						2,688,093
Other financial institutions	2,688,093						2,688,093
Other financial liabilities	9,601,982	21,720	10,720	16,518	25,559	163,965	9,840,464
Financing received from BCRA and other financial institutions	927,139	91,695	11,605	15,967	34,289	94,109	1,174,804
Issued corporate bonds			404,300	404,300	808,600	6,642,069	8,259,269
Subordinated corporate bonds			266,082	271,935	543,869	11,316,764	12,398,650
Total	126,670,685	18,016,559	3,210,281	1,234,554	1,439,983	18,224,365	168,796,427

This Exhibit discloses future contractual cash flow fall, including interests and accessories to be accrued until contract maturity.

Signed as related
to our report dated 03/08/2019
PISTRELLI, HENRY MARTIN Y ASOCIADOS SRL
CPCECABA Tº 1 Fº 13

Norberto M. Nacuzzi
Partner
Certified Public Accountant - UBA
CPCECABA T° 196 F° 142

Signed as related
to our report dated 03/08/2019
BY THE SUPERVISORY COMMITTEE

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Regular Syndic
Certified Public Accountant - UBA
CPCECABA T° 120 F° 210

Daniel H. Violatti
Head of Accounting
& Tax Department

Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
Chairman

APERTURA DE PASIVOS FINANCIEROS POR PLAZOS REMANENTES AL 31 DE DICIEMBRE DE 2016

(Figures expressed in thousands of pesos)

Item	Term to maturity						
	Up to 1 month	Over 1 month and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 12 months	Over 12 months and up to 24 months	Over 24 months	Total
Deposits	86,801,634	15,016,867	1,669,383	311,924	8,678	3,413	103,811,899
From the non-financial government sector	4,904,400	851,853	209,803	86,529	117		6,052,702
From the financial sector	55,860						55,860
From the non-financial private sector and foreign residents	81,841,374	14,165,014	1,459,580	225,395	8,561	3,413	97,703,337
Repo transactions	1,095,634						1,095,634
Other financial institutions	1,095,634						1,095,634
Other financial liabilities	5,277,791	480,634	6,909	6,868	10,826	147,157	5,930,185
Financing received from BCRA and other financial institutions	85,690	49,164	90,378	14,207	9,867	12,780	262,086
Issued corporate bonds		1,758,053					1,758,053
Subordinated corporate bonds			213,978	213,978	427,955	9,763,723	10,619,634
Total	93,260,749	17,304,718	1,980,648	546,977	457,326	9,927,073	123,477,491

This Exhibit discloses future contractual cash flow fall, including interests and accessories to be accrued until contract maturity.

CHANGES IN PROVISIONS AS OF DECEMBER 31, 2018

EXHIBIT J

(Figures expressed in thousands of pesos)

Item	Balances, beginning of fiscal year	Increases	Decreases		12/31/2018
			Charge off	Applications	
For administrative, disciplinary and criminal penalties	718				718
Other	595,277	1,031,170	14,119	643,292	969,036
Total provisions	595,995	1,031,170	14,119	643,292	969,754

CHANGES IN PROVISIONS AS OF DECEMBER 31, 2017

(Figures expressed in thousands of pesos)

Item	Balances, beginning of fiscal year	Increases	Decreases		12/31/2018
			Charge off	Applications	
For administrative, disciplinary and criminal penalties	9,110	0	8,062	330	718
Other	242,256	640,352	34,034	253,297	595,277
Total provisions	251,366	640,352	42,096	253,627	595,995

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Chairman

COMPOSITION OF CAPITAL STOCK AS OF DECEMBER 31, 2018

EXHIBIT K

(Figures expressed in thousands of pesos)

	Shares					Capital Stock
Class	**Number**	**Nominal Value**	**Votes per Share**	**Outstanding shares**	**Treasury Stock[1]**	**Paid-in**
Registered common stock A	11,235,670	1	5	11,236		11,236
Registered common stock B	658,427,351	1	1	629,479	28,948	658,427
Total	669,663,021			640,715	28,948	669,663

COMPOSITION OF CAPITAL STOCK AS OF DECEMBER 31, 2017

(Figures expressed in thousands of pesos)

	Shares					Capital Stock
Class	**Number**	**Nominal Value**	**Votes per Share**	**Outstanding shares**	**Treasury Stock[1]**	**Paid-in**
Registered common stock A	11,235,670	1	5	11,236		11,236
Registered common stock B	658,427,351	1	1	658.427		658,427
Total	669,663,021			669.663		669.663

COMPOSITION OF CAPITAL STOCK AS OF DECEMBER 31, 2016

(Figures expressed in thousands of pesos)

	Shares					Capital Stock
Class	**Number**	**Nominal Value**	**Votes per Share**	**Outstanding shares**	**Treasury Stock[1]**	**Paid-in**
Registered common stock A	11,235,670	1	5	11,236		11,236
Registered common stock B	573,327,358	1	1	573,327		573,327
Total	669,663,021			584,563		584,563

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FORIGN CURRENCY BALANCES AS OF DECEMBER 31, 2018, 2017 AND 2016

EXHIBIT L

(Figures expressed in thousands of pesos)

						12/31/2018	12/31/2017	12/31/2016
	Total	Total by currency						
Items	Headquarters & Local Branches	US dollar	Euro	Real	Other	Total	Total	
ASSETS								
Cash and bank deposits	39,768,830	39,548,898	145,753	16,098	58,081	19,751,378	20,074,325	
Debt securities at favor value through profit or loss	332,797	332,797				50,860	12,734	
Other financial assets	1,375,996	1,375,996				681,269	333,169	
Loans and other financing	45,803,582	45,803,582				18,651,478	10,105,068	
Other financial institutions	480,324	480,324				175,116	94,834	
Non-financial private sector and foreign residents	45,323,258	45,323,258				18,476,362	10,010,234	
Other debt securities	81,630	81,630				46,482	937,900	
Financial assets delivered as guarantee	916,165	916,165				240,882	95,174	
Investments in equity instruments	5,746	5,746				4,003	3,656	
Investments in associates and joint ventures	1,417,060	1,417,060				912,766	823,876	
TOTAL ASSETS	89,701,806	89,481,874	145,753	16,098	58,081	40,339,118	32,385,902	
LIABILITIES								
Deposits	69,034,060	69,034,060				29,799,489	21,793,774	
Non-financial public sector	2,008,915	2,008,915				3,794,318	536,942	
Financial sector	100,200	100,200				45,895	27,972	
Non-financial private sector and foreign residents	66,924,945	66,924,945				25,959,276	21,228,860	
Other financial liabilities	2,142,161	2,098,690	42,878		593	1,182,283	876,089	
Financing from BCRA and other financial institutions	2,598,810	2,598,810				887,321	131,361	
Issued corporate bonds							1,745,851	
Subordinated corporate bonds	15,288,390	15,288,390				7,565,759	6,376,537	
Other non-financial liabilities	29,566	29,566				45,920	61	
TOTAL LIABILITIES	89,092,987	89,049,516	42,878		593	39,480,772	30,923,673	

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Chairman

CREDIT ASSISTANCE TO RELATED PARTIES AS OF DECEMBER 31, 2018, 2017 AND 2016

EXHIBIT N

(Figures expressed in thousands of pesos)

Item	Performing	High insolvency risk/ High risk		12/31/2018	12/31/2017	12/31/2016
		Not matured	Matured			
Loans and other financing						
Overdrafts	**135,924**			**135,924**	**8,012**	**7,459**
Without Senior guarantees or counter-guarantees	135,924			135,924	8,012	7,459
Documents	**331,265**			**331,265**	**147,026**	**99,347**
With Senior "A" guarantees and counter-guarantees	11,560			11,560	6,160	7,263
Without Senior guarantees or counter-guarantees	319,705			319,705	140,866	92,084
Mortgage and pledge	**36,420**			**36,420**	**17,276**	**5,579**
With Senior "B" guarantees and counter-guarantees	33,143			33,143	16,532	5,431
Without Senior guarantees or counter-guarantees	3,277			3,277	744	148
Personal	**623**			**623**	**44**	**1,083**
Without Senior guarantees or counter-guarantees	623			623	44	1,083
Credit cards	**73,201**			**73,201**	**38,922**	**22,996**
Without Senior guarantees or counter-guarantees	73,201			73,201	38,922	22,996
Other	236,283		6,746	243,029	1,102,909	170,606
With Senior "B" guarantees and counter-guarantees	7,153			7,153	9,130	9,035
Without Senior guarantees or counter-guarantees	229,130		6,746	235,876	1,093,779	161,571
Total loans and other financing	**813,716**		**6,746**	**820,462**	**1,314,189**	**307,070**
Debt securities					**83,561**	
Equity instruments					**25**	**475**
Eventual commitments	**374**			**374**	**59,696**	**23,986**
Total	**814,090**		**6,746**	**820,836**	**1,457,471**	**331,531**
Provisions	**8,137**		**6,408**	**14,545**	**3,873**	**3,092**

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DERIVATIVE FINANCIAL INSTRUMENTS AS OF DECEMBER 31, 2019.

EXHIBIT O

(Figures expressed in thousands of pesos)

Type of or contract	Type of coverage	Purpose of the transactions performed	Underlying asset	Type of settlement	Negotiation environment counter-party	Originally agreed weighted monthly	Residual weighted monthly average term	Weighted daily average term settlement of differences	Amount (*)
Futures		Intermediation - own account	Foreign currency	Daily settlement of differences	MAE (over-the-counter electronic market)	2	1	1	860,806
Forward		Intermediation - own account	Foreign currency	Maturity settlement of differences	Over The Counter – Resident in Argentina - Non-financial sector	4	2	30	187,702
Repo transactions		Intermediation - own account	Federal government securities	With delivery of underlying asset	Other local markets	1	1		182,447
Options		Intermediation - own account	Other	With delivery of underlying asset	Over The Counter – Residents in Argentina - Non-financial sector	32	32		71,458

(*) Corresponds to the valuation of the traded underlying assets, disclosed in absolute terms.

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CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2018

EXHIBIT P

(Figures expressed in thousands of pesos)

Item	Amortized cost	Fair value through OCI	Fair value through profit or loss Obligatory measurement	Fair value hierarchy Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and bank deposits						
Cash in hand	9,319,226					
Financial institutions and correspondents	58,416,484					
Other	442,827					
Debt securities at favor value through profit or loss			2,150,737	591,483	268,202	1,291,052
Derivative instruments			14,555	10,994	3,561	
Repo transactions						
Other financial assets	2,172,487		91,168			91,168
Loans and other financing						
Non-financial public sector	1,768,254					
Other financial institutions	5,573,806					
Non-financial private sector and foreign residents						
Overdrafts	17,985,397					
Documents	25,114,299					
Mortgages	14,903,168					
Pledges	4,299,766					
Personal	46,929,627					
Credit Cards	27,464,655					
Financial leases	453,228					
Other [1]	20,717,189					
Other debt securities	7,358,084	55,296,382		41,508,836	13,787,546	
Financial assets delivered as guarantee	6,173,482		150,456	150,456		
Investment in equity instruments			47,020	4,777		42,243
TOTAL FINANCIAL ASSETS	249,091,979	55,296,382	2,453,936	42,266,546	14,059,309	1,424,463

[1] Includes total provisions to non-financial private sector and foreign residents.

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Item	Amortized cost	Fair value through OCI	Fair value through profit or loss Obligatory measurement	Fair value hierarchy Level 1	Level 2	Level 3
FINANCIAL LIABILITIES						
Deposits						
Non-financial public sector	11,729,037					
Financial sector	148,269					
Non-financial private sector and foreign residents						
Checking accounts	23,136,926					
Savings accounts	65,816,143					
Term deposits and term investments	111,954,950					
Other	6,976,598					
Derivative instruments			1,369	593	776	
Repo transactions						
Other financial institutions	164,469					
Other financial liabilities	14,128,235					
Financing from BCRA and other financial institutions	3,297,393					
Issued corporate bonds	6,388,191					
Subordinated corporate bonds	15,288,390					
TOTAL FINANCIAL LIABILITIES	259,028,601		1,369	593	776	

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CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2017

EXHIBIT P

(Figures expressed in thousands of pesos)

Item	Amortized cost	Fair value through OCI	Fair value through profit or loss Obligatory measurement	Fair value hierarchy Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and bank deposits						
Cash in hand	5,951,218					
Financial institutions and correspondents	25,207,548					
Other	1,315,221					
Debt securities at favor value through profit or loss			975,371	422,260	517,270	35,841
Derivative instruments			7,664	800	6,864	
Repo transactions						
Other financial institutions	1,419,808					
Other financial assets	1,362,179		161,751			161,751
Loans and other financing						
Non-financial public sector	1,876,968					
Other financial institutions	4,191,661					
Non-financial private sector and foreign residents						
Overdrafts	9,410,690					
Documents	17,496,215					
Mortgages	7,737,161					
Pledges	4,048,917					
Personal	39,696,505					
Credit Cards	23,021,212					
Financial leases	600,130					
Other [1]	14,094,387					
Other debt securities	931,280	32,679,921		32,504,276	175,645	
Financial assets delivered as guarantee	4,350,292	2,989,411	4,308	2,989,411	4,308	
Investment in equity instruments			36,885	3,688		33,197
TOTAL FINANCIAL ASSETS	162,711,392	35,669,332	1,185,979	35,920,435	704,087	230,789

[1] Includes total provisions to non-financial private sector and foreign residents.

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Item	Amortized cost	Fair value through OCI	Fair value through profit or loss Obligatory measurement	Fair value hierarchy Level 1	Level 2	Level 3
FINANCIAL LIABILITIES						
Deposits						
Non-financial public sector	9,504,522					
Financial sector	81,357					
Non-financial private sector and foreign residents						
Checking accounts	19,622,581					
Savings accounts	41,984,454					
Term deposits and term investments	57,548,362					
Other	3,974,898					
Liabilities at fair value through profit or loss			6,450	6,450		
Derivative instruments			23,107	7,169	15,938	
Repo transactions						
Other financial institutions	2,688,093					
Other financial liabilities	9,808,877					
Financing from BCRA and other financial institutions	1,173,840					
Issued corporate bonds	4,712,216					
Subordinated corporate bonds	7,565,759					
TOTAL FINANCIAL LIABILITIES	158,664,959	0	29,557	13,619	15,938	

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CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2016

EXHIBIT P

(Figures expressed in thousands of pesos)

Item	Amortized cost	Fair value through OCI	Fair value through profit or loss Obligatory measure-ment	Fair value hierarchy Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and bank deposits						
Cash in hand	4,208,880					
Financial institutions and correspondents	28,782,604					
Other	991					
Debt securities at favor value through profit or loss			275,386	261,751	13,635	
Derivative instruments			9,721		9,721	
Repo transactions						
Other financial institutions	19,124					
Other financial assets	743,194					
Loans and other financing						
Non-financial public sector	1,581,955					
Other financial institutions	1,713,170					
Non-financial private sector and foreign residents						
Overdrafts	9,059,250					
Documents	11,222,509					
Mortgages	3,956,698					
Pledges	2,215,880					
Personal	25,243,638					
Credit Cards	17,352,211					
Financial leases	380,890					
Other (1)	8,749,123					
Other debt securities	841,943	17,132,144		2,604,061	14,528,083	
Financial assets delivered as guarantee	2,261,440	838,366	362,663	1,201,029		
Investment in equity instruments			337,309	240,677		96,632
TOTAL FINANCIAL ASSETS	118,333,500	17,970,510	985,079	4,307,518	14,551,439	96,632

(1) Includes total provisions to non-financial private sector and foreign residents.

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Item	Amortized cost	Fair value through OCI	Fair value through profit or loss Obligatory measurement	Fair value hierarchy Level 1	Level 2	Level 3
FINANCIAL LIABILITIES						
Deposits						
Non-financial public sector	5,964,863					
Financial sector	55,861					
Non-financial private sector and foreign residents						
Checking accounts	16,692,516					
Savings accounts	26,020,530					
Term deposits and term investments	45,499,293					
Other	8,265,560					
Repo transactions						
Other financial institutions	1,095,634					
Other financial liabilities	5,895,687					
Financing from BCRA and other financial institutions	260,266					
Issued corporate bonds	1,745,851					
Subordinated corporate bonds	6,376,537					
TOTAL FINANCIAL LIABILITIES	117,872,598					

BREAKDOWN OF PROFIT OR LOSS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

EXHIBIT Q

(Figures expressed in thousands of pesos)

Items	Net financial income/(expense) Obligatory measurement 12/31/2018
For measurement of financial assets at fair value through profit or loss	
Profit/(loss) from government securities	348,672
Profit/(loss) from private securities	169,206
Profit/(loss) from derivative financial instruments	
Forward transactions	212,878
Profit/(loss) from other financial assets	65,133
Profit/(loss) from investment in equity instruments	10,114
Profit/(loss) from sale or disposal of financial assets at fair value	(122,530)
TOTAL	683,473

Signed as related
to our report dated 03/08/2019
PISTRELLI, HENRY MARTIN Y ASOCIADOS SRL
CPCECABA Tº 1 Fº 13

Norberto M. Nacuzzi
Partner
Certified Public Accountant - UBA
CPCECABA T° 196 F° 142

Signed as related
to our report dated 03/08/2019
BY THE SUPERVISORY COMMITTEE

Alejandro Almarza
Regular Syndic
Certified Public Accountant - UBA
CPCECABA T° 120 F° 210

Daniel H. Violatti
Head of Accounting
& Tax Department

Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
Chairman

Interest and adjustment for the application of the effective interest rate of financial assets measured at amortized cost Items	Net financial income/(expense) 12/31/2018
Income from interest received	
From cash and bank deposits	24,905
From government bonds	791,335
From corporate bonds	169,889
From loans and other financing	
Financial sector	1,601,285
Non-financial private sector	0
Overdrafts	5,604,367
Documents	3,293,955
Mortgages	3,955,644
Pledges	565,133
Personal	17,046,512
Credit cards	6,509,741
Financial leases	166,301
Other	4,439,356
From repo transactions	
BCRA	21,248
Other financial institutions	393,913
TOTAL	44,583,584
Expenses for interests paid	
For deposits	
Non-financial private sector	
Checking accounts	632,610
Savings accounts	340,573
Term deposits and term investments	20,158,521
For financing by BCRA and other financial institutions	179,846
For repo transactions	
Other financial institutions	184,669
For other financial liabilities	52,332
For issued corporate bonds	1,506,677
For subordinated corporate bonds	832,312
TOTAL	23,887,540

Interest and adjustment for the application of the effective interest rate of financial assets measured at fair value through OCI	Income for the year 12/31/2018	OCI 12/31/2018
From debt government securities	16,466,949	(443,179)
Total	16,466,949	(443,179)

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Income from commissions received	Income for the year 12/31/2018
Commissions related to obligations	7,569,971
Commissions related to credits	3,148,608
Commissions related to loans commitments and financial guarantees	1,069
Commissions related to securities	82,975
Commissions related to trading and foreign exchange transactions	243,371
Total	11,045,994

Expense for commissions paid	Resultado del ejercicio 12/31/2018
Commissions related to transactions with securities	208
Other	
Commissions paid for ATM exchange	290,223
Expenses for check books and clearing houses	170,367
Credit card and foreign trade commissions	193,362
Total	654,160

BREAKDOWN OF PROFIT OR LOSS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

(Figures expressed in thousands of pesos)

Items	Net financial income/(expense) Obligatory measurement 12/31/2017
For measurement of financial assets at fair value through profit or loss	
Profit/(loss) from government securities	231,549
Profit/(loss) from private securities	49,174
Profit/(loss) from other financial assets	33,784
Profit/(loss) from investment in equity instruments	47,042
Profit/(loss) from measurement of financial liabilities at fair value through profit or loss	
Profit/(loss) from derivative financial instruments	
Forward transactions	(26,262)
Total	335,287

Signed as related
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Interest and adjustment for the application of the effective interest rate of financial assets measured at amortized cost	Net financial income/(expense) 12/31/2017
Income from interest received	
From cash and bank deposits	13,659
From corporate bonds	164,399
From loans and other financing	
Financial sector	527,937
Non-financial private sector	
Overdrafts	2,691,419
Documents	1,841,349
Mortgages	757,553
Pledges	486,997
Personal	11,975,078
Credit cards	4,045,079
Financial leases	107,847
Other	2,730,011
From repo transactions	
BCRA	512,429
Other financial institutions	43,351
TOTAL	25,897,108
Expenses for interests paid	
For deposits	
Non-financial private sector	
Savings accounts	112,877
Term deposits and term investments	8,434,287
For financing by BCRA and other financial institutions	48,504
For repo transactions	
Other financial institutions	119,214
For other financial liabilities	26,522
For issued corporate bonds	496,203
For subordinated corporate bonds	459,622
Total	9,697,229

Interest and adjustment for the application of the effective interest rate of financial assets measured at fair value through OCI	Income for the year 12/31/2017	OCI 12/31/2017
From debt government securities	5,416,255	79,019
Total	5,416,255	79,019

Signed as related
to our report dated 03/08/2019
PISTRELLI, HENRY MARTIN Y ASOCIADOS SRL
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Income from commissions received	Income for the yea 12/31/2017
Commissions related to obligations	5,633,474
Commissions related to credits	2,710,052
Commissions related to loans commitments and financial guarantees	3,211
Commissions related to securities	63,957
Commissions related to trading and foreign exchange transactions	153,460
Total	8,564,154

Expense for commissions paid	Income for the year 12/31/2017
Commissions related to transactions with securities	286
Other	
Commissions paid for ATM exchange	258,888
Expenses for check books and clearing houses	133,540
Credit card and foreign trade commissions	217,575
Total	610,289

VALUE CORRECTION FOR CREDIT LOSSES –ALLOWANCE FOR UNCOLECTIBILITY RISK AS OF DECEMBER 31, 2018

EXHIBIT R

(Figures expressed in thousands of pesos)

Item	Balance, beginning of fiscal year	Increases	Decreases		12/31/2018
			Charge off	Applications	
Other financial assets	4,916	1,850		1,835	4,931
Loans and other financing	2,470,303	2,867,749	37,684	1,425,204	3,875,164
Other financial institutions	31,251	25,571	4,701		52,121
Non-financial private sector and foreign residents					0
Overdrafts	138,311	198,938	6,822	51,517	278,910
Documents	200,750	193,380	807	40,368	352,955
Mortgages	146,296	148,407	13,466	18,487	262,750
Pledges	73,070	28,738	3,681	22,365	75,762
Personal	1,055,897	1,284,557	267	842,878	1,497,309
Credit card	557,682	565,559	905	349,489	772,847
Financial leases	6,487	268	1,188	0	5,567
Other	260,559	422,331	5,847	100,100	576,943
TOTAL PROVISIONS	2,475,219	2,869,599	37,684	1,427,039	3,880,095

Signed as related
to our report dated 03/08/2019
PISTRELLI, HENRY MARTIN Y ASOCIADOS SRL
CPCECABA Tº 1 Fº 13

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Certified Public Accountant - UBA
CPCECABA T° 196 F° 142

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BY THE SUPERVISORY COMMITTEE

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VALUE CORRECTION FOR CREDIT LOSSES –ALLOWANCE FOR UNCOLECTIBILITY RISK AS OF DECEMBER 31, 2017

EXHIBIT R

(Figures expressed in thousands of pesos)

Item	Balance, beginning of fiscal year	Increases	Decreases		12/31/2017
			Charge off	Applications	
Other financial assets	4,147	785		16	4,916
Loans and other financing	1,662,753	1,635,907	18,756	809,601	2,470,303
Other financial institutions	17,256	14,470	475		31,251
Non-financial private sector and foreign residents					0
Overdrafts	133,644	34,186	914	28,605	138,311
Documents	123,881	93,633	3,713	13,051	200,750
Mortgages	70,570	83,687	1,404	6,557	146,296
Pledges	40,717	34,283	236	1,694	73,070
Personal	683,837	882,346	11,324	498,962	1,055,897
Credit card	406,779	367,306	191	216,212	557,682
Financial leases	3,994	2,534	41	0	6,487
Other	182,075	123,462	458	44,520	260,559
TOTAL PROVISIONS	1,666,900	1,636,692	18,756	809,617	2,475,219

Signed as related
to our report dated 03/08/2019
PISTRELLI, HENRY MARTIN Y ASOCIADOS SRL
CPCECABA Tº 1 Fº 13

Norberto M. Nacuzzi
Partner
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Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
Chairman

Independent Auditors' Report to the Consolidated Financial Statements

To the Directors of BANCO MACRO S.A. CUIT: 30-50001008-4
Legal Domicile: Avenida Eduardo Madero 1182
Ciudad Autónoma de Buenos Aires

I. Report on financial statements

Introduction

1. We audited the accompanying consolidated financial statements of BANCO MACRO S.A. (the "Entity"), and its controlled companies which include: (a) the consolidated balance sheet as of December 31, 2018, (b) the consolidated Statement of Income and of other comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows for the fiscal year ended on such date, and © a summary of the relevant accounting policies and other supplementary information.

Responsibility of the Board and the Management of the Entity in connection with the financial statements

2. The Board and the Management of the Entity are responsible for the preparation and reasonable presentation of the financial statements mentioned in paragraph 1 in accordance with accounting reporting framework established by the Central Bank of the Republic of Argentina ("BCRA"), that, as described in Note 3 to the financial statements mentioned in paragraph 1, is based on the International Financial Reporting Standards ("IFRS"), as such standards were issued by the International Accounting Standards Board and adopted by the Federación Argentina de Consejos Profesionales de Ciencias Económicas ("FACPCE"), and with the exceptions (i) of paragraph 5.5 "Impairment" of the IFRS 9 "Financial Instruments", and (ii) of the International Accounting Standard ("IAS") No. 29 "Financial Reporting in Hyperinflationary Economies", which were temporarily excluded by the BCRA from the accounting framework applicable to financial entities. The Board and the Management of the Entity are as well responsible for the internal control they may deem necessary to allow the preparation of the consolidated financial statements free of significant distortions, whether due to errors or irregularities.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the financial statements mentioned in paragraph 1 based on our audit. We carried out our work pursuant to the auditing standards provided for in Technical Resolution No. 37 of FACPCE and the "Minimum standards on external audits" issued by the BCRA. Such standards require that we comply with the ethical standards, as well as that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit comprises the application of procedures to obtain judgmental evidence regarding figures and the information disclosed in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to error or irregularities. When assessing the risks, the auditor considers the internal control existing in the Entity, as to all that is relevant for the preparation and presentation of the financial statements, in order to design the appropriate audit procedures and not to express an opinion on the efficiency of the Entity's internal control system. An audit also includes assessing the accounting principles used and significant estimates made by the Board and Management of the Entity, as well as evaluating the overall financial statement presentation.

We believe that our audits provide a reasonable basis for our opinion.

Opinion

4. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BANCO MACRO S.A. and its subsidiaries as of December 31, 2018, as well as the results of its operations and its cash flows for the year then ended in conformity with the accounting reporting framework of the BCRA mentioned in paragraph 2.

Emphasis on certain aspects disclosed in the financial statements

5. We draw the attention to the information contained in the following notes to the financial statements mentioned in paragraph 1:

(a) Note 3. "Basis for the Preparation of these Financial Statements and Applicable Accounting Standards", paragraph entitled "Applicable Accounting Standards" in which the Entity informs it is in the process of quantifying the effect that the application of section 5.5. "Impairment" of the IFRS 9 "Financial Instruments", transitorily excluded by the BCRA from the accounting framework applicable to financial entities, would have on the accompanying financial statements. This issue does not modify the opinion expressed in paragraph 4 above, but must be taken into account by those using the IFRS for the interpretation of the financial statements mentioned in paragraph 1.

(b) Note 3. "Note 3. "Basis for the Preparation of these Financial Statements and Applicable Accounting Standards", paragraph entitled "Unit of Measure", in which (a) the Entity explains that although as of December 31, 2018 the Entity meets the conditions provided in IAS 29 for the restatement of financial statements in homogenous currency, Communiqué "A" 6651 of the BCRA temporarily does not allow such restatement; (b) the Entity describes the main impacts that the application of IAS 29 would have , and indicates that although the Entity is in the process of quantifying the effects the application of IAS 29 would have on the accompanying financial statements, it estimates the same would be material, and © the Entity alerts that failure to report the changes in the currency's general purchasing power under highly inflationary economies may distort the accounting information and, therefore, this situation must be taken into account when interpreting the information reported by the Entity in the accompanying Financial Statements including its balance sheet, its statement of income and statement of cash flows. This issue does not modify the opinion expressed in paragraph 4 above, but we expressly state that although the accompanying financial statements have been prepared in order to achieve a reasonable presentation in conformity with the accounting reporting framework established by the BCRA, the practices of such reporting framework as to unit of measure do not allow the Entity to achieve a reasonable presentation in conformity with the professional accounting standards.

Additional Issues

6. We have issued a separate report on the Financial Statements of BANCO MACRO S.A. to the same date and for the same period indicated in paragraph 1 above.

II. Report on other statutory and regulatory requirements

7. In compliance with current legal requirements, we further report that:

(a) The financial statements mentioned in paragraph 1 have been transcribed into the "Inventory and Financial Statements" book of BANCO MACRO S.A. and, in our opinion, were prepared in all material respects, in conformity with the applicable provisions of the Argentine Business Company Law and the CNV (Argentine Securities Commission) regulations.

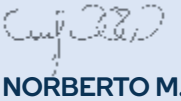
(b) The separate financial statements of BANCO MACRO S.A. for the year ended December 31, 2018 arise from books kept, in the formal aspects thereof, in conformity with current regulations and in accordance with the provisions of CNV Resolutions Nos. 1032/EMI and 1996/EMI dated March 17 and May 20, 2004, respectively, except as mentioned in note 3 to such financial statements "Basis for the Preparation of these Financial Statements and Applicable Accounting Standards", paragraph "Transcription in the Books of Accounts".

© As of December 31, 2018, the liabilities accrued as employee and employer social security contributions to the Integrated Pension Fund System, as recorded in the Entity's books, amounted to AR $166,980,590, none of which was due and payable as of that date.

(d) During the year ended December 31, 2018, we invoiced fees for auditing services rendered to BANCO MACRO S.A., which represent 98% of total invoicing to the Entity for any item, 72% of total auditing services invoiced to the Entity and its subsidiaries, and 72% of total invoicing to the Bank and its subsidiaries for any item.

Autonomous City of Buenos Aires, March 8th, 2019

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. Vol. 1 – Fo. 13



NORBERTO M. NACUZZI
Partner
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 196 – Fo. 142

Independent Auditors' Report to the Separate Financial Statements

To the Directors of BANCO MACRO S.A. CUIT: 30-50001008-4
Legal Domicile: Avenida Eduardo Madero 1182
Ciudad Autónoma de Buenos Aires

I. Report on financial statements

Introduction

1. We audited the accompanying separate financial statements of BANCO MACRO S.A. (the "Entity"), which include: (a) the separate balance sheet as of December 31, 2018, (b) the separate Statement of Income and of other comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows for the fiscal year ended on such date, and © a summary of the relevant accounting policies and other supplementary information.

Responsibility of the Board and the Management of the Entity in connection with the financial statements

2. The Board and the Management of the Entity are responsible for the preparation and reasonable presentation of the financial statements mentioned in paragraph 1 in accordance with accounting reporting framework established by the Central Bank of the Republic of Argentina ("BCRA"), that, as described in Note 3 to the financial statements mentioned in paragraph 1, is based on the International Financial Reporting Standards ("IFRS"), as such standards were issued by the International Accounting Standards Board and adopted by the Federación Argentina de Consejos Profesionales de Ciencias Económicas ("FACPCE"), and with the exceptions (i) of paragraph 5.5 "Impairment" of the IFRS 9 "Financial Instruments", and (ii) of the International Accounting Standard ("IAS") No. 29 "Financial Reporting in Hyperinflationary Economies", which were temporarily excluded by the BCRA from the accounting framework applicable to financial entities. The Board and the Management of the Entity are as well responsible for the internal control they may deem necessary to allow the preparation of the consolidated financial statements free of significant distortions, whether due to errors or irregularities.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the financial statements mentioned in paragraph 1 based on our audit. We carried out our work pursuant to the auditing standards provided for in Technical Resolution No. 37 of FACPCE and the "Minimum standards on external audits" issued by the BCRA. Such standards require that we comply with the ethical standards, as well as that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit comprises the application of procedures to obtain judgmental evidence regarding figures and the information disclosed in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to error or irregularities. When assessing the risks, the auditor considers the internal control existing in the Entity, as to all that is relevant for the preparation and presentation of the financial statements, in order to design the appropriate audit procedures and not to express an opinion on the efficiency of the Entity's internal control system. An audit also includes assessing the accounting principles used and significant estimates made by the Board and Management of the Entity, as well as evaluating the overall financial statement presentation.

We believe that our audits provide a reasonable basis for our opinion.

Opinion

4. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BANCO MACRO S.A. and its subsidiaries as of December 31, 2018, as well as the results of its operations and its cash flows for the year then ended in conformity with the accounting reporting framework of the BCRA mentioned in paragraph 2.

Emphasis on certain aspects disclosed in the financial statements

5. We draw the attention to the information contained in the following notes to the financial statements mentioned in paragraph 1:

(a) Note 3. "Basis for the Preparation of these Financial Statements and Applicable Accounting Standards", paragraph entitled "Applicable Accounting Standards" in which the Entity informs it is in the process of quantifying the effect that the application of section 5.5. "Impairment" of the IFRS 9 "Financial Instruments", transitorily excluded by the BCRA from the accounting framework applicable to financial entities, would have on the accompanying financial statements. This issue does not modify the opinion expressed in paragraph 4 above, but must be taken into account by those using the IFRS for the interpretation of the financial statements mentioned in paragraph 1.

(b) Note 3. "Note 3. "Basis for the Preparation of these Financial Statements and Applicable Accounting Standards", paragraph entitled "Unit of Measure", in which (a) the Entity explains that although as of December 31, 2018 the Entity meets the conditions provided in IAS 29 for the restatement of financial statements in homogenous currency, Communiqué "A" 6651 of the BCRA temporarily does not allow such restatement; (b) the Entity describes the main impacts that the application of IAS 29 would have , and indicates that although the Entity is in the process of quantifying the effects the application of IAS 29 would have on the accompanying financial statements, it estimates the same would be material, and © the Entity alerts that failure to report the changes in the currency's general purchasing power under highly inflationary economies may distort the accounting information and, therefore, this situation must be taken into account when interpreting the information reported by the Entity in the accompanying Financial Statements including its balance sheet, its statement of income and statement of cash flows. This issue does not modify the opinion expressed in paragraph 4 above, but we expressly state that although the accompanying financial statements have been prepared in order to achieve a reasonable presentation in conformity with the accounting reporting framework established by the BCRA, the practices of such reporting framework as to unit of measure do not allow the Entity to achieve a reasonable presentation in conformity with the professional accounting standards.

Additional Issues

We have issued a separate report on the Financial Statements of BANCO MACRO S.A. to the same date and for the same period indicated in paragraph 1 above.

II. Report on other statutory and regulatory requirements

7. In compliance with current legal requirements, we further report that:

(a) The financial statements mentioned in paragraph 1 have been transcribed into the "Inventory and Financial Statements" book of BANCO MACRO S.A. and, in our opinion, were prepared in all material respects, in conformity with the applicable provisions of the Argentine Business Company Law and the CNV (Argentine Securities Commission) regulations.

(b) The financial statements mentioned in paragraph 1 above arise from books kept, in the formal aspects thereof, in conformity with current regulations and in accordance with the provisions of CNV Resolutions Nos. 1032/EMI and 1996/EMI dated March 17 and May 20, 2004, respectively, except as mentioned in note 3 to such financial statements "Basis for the Preparation of these Financial Statements and Applicable Accounting Standards", paragraph "Transcription in the Books of Accounts".

© As of December 31, 2017, as stated in note 31 to the financial statements mentioned in paragraph 1 above, the Entity carries shareholders' equity and a counterpart in eligible assets that exceed the minimum amounts required by relevant CNV regulations for these items.

(d) As of December 31, 2018, the liabilities accrued as employee and employer social security contributions to the Integrated Pension Fund System, as recorded in the Entity's books, amounted to AR $166,980,590, none of which was due and payable as of that date.

(e) During the year ended December 31, 2018, we invoiced fees for auditing services rendered to BANCO MACRO S.A., which represent 98% of total invoicing to the Entity for any item, 72% of total auditing services invoiced to the Entity and its subsidiaries, and 72% of total invoicing to the Bank and its subsidiaries for any item.

Autonomous City of Buenos Aires, March 8th, 2019.

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. Vol. 1 – Fo. 13

NORBERTO M. NACUZZI
Partner
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 196 – Fo. 142

MINUTES OF THE MEETING OF THE SUPERVISORY COMMITTEE No. 618

In the City of Buenos Aires, this 8th day of the month of March 2018, at 4:15 pm, meet at the principal place of business of BANCO MACRO S.A. the regular members of the Supervisory Committee of the Company, Messrs. Alejandro Almarza and Carlos Javier Piazza, and express that the Accountant Jorge R. Pardo shall not attend the meeting pursuant to the letter transcribed at the end hereof.

Mr. Almarza opens the meeting and expresses that this meeting is aimed at discussing the following:

• the separate balance sheet for the year ended 31 December 2018 of BANCO MACRO S.A. and the related separate statement of income and other comprehensive income, statement of changes in Shareholders' Equity and statement of cash flow and cash equivalents for the year ended on such date and the notes, exhibits and additional information submitted by the Company for our audit,

• the consolidated balance sheet for the year ended 31 December 2018 of BANCO MACRO S.A. and the related consolidated statement of income and other comprehensive income, statement of changes in Shareholders' Equity and statement of cash flow and cash equivalents for the year ended on such date and the notes, exhibits and additional information submitted by the Company for our audit, and

• the Report of the Supervisory Committee for such Financial Statements.

Those present at the meeting comment on the different aspects regarding the above described documents pointing out that they have included in the examination of such Financial Statements the compliance with audit planning for the period under analysis, as well as the exchange of opinions at the meetings held in that connection with the independent auditors of the accounting and auditing firm Pistrelli, Henry Martin y Asociados S.R.L. and the analysis of the work done by the latter.

Additionally, all accounting and legal controls provided for under Sect. 294 of Law No. 19550 have been complied with.

In line with such work, on the date hereof the Supervisory Committee has requested the Balance Sheet Book of the Company and has verified the transcription of the Financial Statements for the year ended 31 December 2018 on pages 183 to 381 of Book No. 32 officially stamped on 06/02/2016 under Number 33800-16.

At this point, it is time for the Supervisory Committee to consider the Financial Statements for the year ended 31 December 2018, since such Financial Statements have been revised and all enquiries and clarifications have already been made to the Company.

The members of the Supervisory Committee submit for consideration the draft of the relevant Report of the Supervisory Committee, which they proceed to read and transcribe in the present minutes as follows:

Supervisory Committee's Report

To the Shareholders of
BANCO MACRO S.A.
Avenida Eduardo Madero 1182
Ciudad Autónoma de Buenos Aires

1. In compliance with the legal, regulatory and statutory provisions in force we have received for consideration the separate financial statements of BANCO MACRO S.A. for the year ended 31 December 2018, and the relevant separate statement of income and other comprehensive income, changes in shareholders' equity, and cash flow statements and its equivalents for the fiscal year ended on such date and the notes and exhibits complementing such financial statements. In addition, we have received the consolidated financial statements for the year ended on such date of BANCO MACRO S.A. together with its subsidiaries. The above listed documents are the responsibility of the Company's Board of Directors. Our responsibility is to inform on such documents based on the work described in the next paragraph.

2. We carried out our audit in accordance with the auditing standards in force and applicable in the Autonomous City of Buenos Aires. Those standards require that we perform the audit pursuant to the auditing standards in force, and verify the consistency of the revised documents with the information on the corporate resolutions and actions shown in the minutes, and the conformity of such decisions and actions with the law and bylaws, as to the formal and documentary aspects thereof. In order to perform our audit we have taken into account the audit performed by the independent auditors Pisterlli, Henry Martin y Asociados SRL, who issue their report dated 8 March 2019 signed by the firm's partner and Certified Public Accountant, Mr. Norberto M. Nacuzzi, in accordance with the auditing standards in force and applicable in the Autonomous City of Buenos Aires. Since it is not the responsibility of syndics to control the administration, the review did not include the criteria and business decisions taken by the different Company departments, such issues being the exclusive responsibility of the Board. We believe that our audit provides reasonable and appropriate basis for our opinion.

3. The separate and consolidated financial statements have been prepared by the Company in accordance with the accounting principles established by the Central Bank of the Republic of Argentina (BCRA), which, as mentioned in Note 3 to the accompanying financial statements, is based on the International Financial Reporting Standards ("IFRS"), as such standards were issued by the International Accounting Standards Board and adopted by the Federación Argentina de Consejos Profesionales de Ciencias Económicas ("FACPCE"), and with the exceptions (i) of paragraph 5.5 "Impairment" of the IFRS 9 "Financial Instruments", and (ii) of the International Accounting Standard ("IAS") No. 29 "Financial Reporting in Hyperinflationary Economies", which were temporarily excluded by the BCRA from the accounting framework applicable to financial entities. The Board and the Management of the Entity are as well responsible for the internal control they may deem necessary to allow the preparation of the consolidated financial statements free of significant distortions, whether due to errors or irregularities.

4. In our opinion, the financial statements of BANCO MACRO S.A., referred to in paragraph 1, present fairly, in all material respects, the financial position of the Company and the consolidated financial position of BANCO MACRO S.A. with its subsidiaries as of 31 December 2018 as well as the results of its operations, the changes in shareholders' equity and cash flows for the fiscal year ended on such date, in conformity with the rules established by the BCRA described in paragraph 3.

5. Without modifying the conclusion expressed in paragraph 4 above, we draw the attention to Note 3 to the financial statements mentioned in paragraph 1 above:
a) in which the Entity informs it is in the process of quantifying the effect that the application of section 5.5. "Impairment" of the IFRS 9 "Financial Instruments", transitorily excluded by the BCRA from the accounting framework applicable to financial entities, would have on the accompanying financial statements.

b) In paragraph "Unit of Measure", in which (a) the Entity explains that although as of December 31, 2018 the Entity meets the conditions provided in IAS 29 for the restatement of financial statements in homogenous currency, Communiqué "A" 6651 of the BCRA temporarily does not allow such restatement; (b) the Entity describes the main impacts that the application of IAS 29 would have , and indicates that although the Entity is in the process of quantifying the effects the application of IAS 29 would have on the accompanying financial statements, it estimates the same would be material, and © the Entity alerts that failure to report the changes in the currency's general purchasing power under highly inflationary economies may distort the accounting information and, therefore, this situation must be taken into account when interpreting the information reported by the Entity in the accompanying Financial Statements including its balance sheet, its statement of income and statement of cash flows. We expressly state that although the accompanying financial statements have been prepared in order to achieve a reasonable presentation in conformity with the accounting reporting framework established by the BCRA, the practices of such reporting framework as to unit of measure do not allow the Entity to achieve a reasonable presentation in conformity with the professional accounting standards.

6. In addition, in compliance with the legal and regulatory provisions in force, we inform the following:
a) the Board's annual report to which we have no objections to make as to the issues within the scope of our supervisory functions, being all statements regarding future events the responsibility of the Board. In addition, we have reviewed the Report on compliance with the Code of Corporate Governance, attached as an exhibit to the Annual Report and prepared by the Management in conformity with General Resolution No. 606/2012 issued by the Argentine Securities Exchange Commission (CNV for its acronym in Spanish language). As a result of our review there has been no evidence of any aspect that may make us believe that such Exhibit contains any material errors or has not be prepared, in all material aspects, in accordance with the provisions of such General Resolution issued by the CNV.

b) we performed the other legality controls provided for under section 294 of Law No. 19550, which we consider necessary pursuant to the circumstances, including among other controls, the audit of the creation and survival of the directors' guarantees, having no objections in this respect,

c) the financial statements of BANCO MACRO S.A. arise from the accounting records of the Entity, which are kept, as to its formal aspects, in conformity with the legal rules in force and the regulatory provisions of the B.C.R.A., except for the transcription of the detailed inventory which is in its way as mentioned in note 3.

d) we have no material objections or comments on the information included under note 34 to the accompanying separate financial statements for the year ended 31 December 2018, as to the requirements established by the CNV regarding the Minimum Assets Requirement and Counterparty.

e) pursuant to the provisions of General Resolution No. 622 issued by the CNV, on the independent nature of external auditors and on the quality of the auditing standards applied thereby and of the Entity's accounting principles, the independent auditors' report referred above includes the representation regarding the application of the auditing principles in force, which include the independence requirement, and contains no reserves as to the application of such principles, except as expressly provided for in paragraph five of such report, regarding the application of the rules issued by the B.C.R.A. over the professional accounting principles.

Autonomous City of Buenos Aires, March 8th, 2019.

After a brief discussion, the Supervisory Committee resolves to approve the Supervisory Committee's Report that shall be signed after the approval of the financial statements for the fiscal year ended December 31, 2018 by the Board, provided such approval is given without making material changes.

The Supervisory Committee further authorizes the Accountant Alejandro Almarza to sign this Report on behalf of the Supervisory Committee.

Next follows the letter sent by the Accountant Jorge R. Pardo to the Supervisory Committee:
Buenos Aires, March 7th 2019
To the President of the
Supervisory Committee of
Banco Macro S.A. Dear Sir,
I write to you in order to inform that, pursuant to commitments previously undertaken with other listed companies, in which I act as regular member of the Supervisory Committee, I will not be able to attend the meeting of the Supervisory Committee and of the Board of Directors of Banco Macro S.A. to be held on March 8th. Please be further advised that I have not received the material sufficiently in advance in order to be able to revise and analyze all the documents which shall support the reports on the financial statements for the year ended December 31, 2019 and the merger with Banco del Tucumán S.A. On the other hand, I have not had the work papers of the independent auditor in order to issue an opinion on such financial statements. By virtue of the above, apart from not being able to attend the above mentioned meeting of the Supervisory Committee and of the Board of Directors, I shall abstain from giving an opinion on all that such meeting is to discuss.

Sincerely,

Jorge R. Pardo

C/c Secretary of the Board of Banco Macro S.A.

There being no further issues to discuss, the meeting is adjourned at 14:45 pm.

Alejandro Almarza
Regular Syndic

Carlos Javier Piazza
Regular Syndic

PROFIT DISTRIBUTION PROPOSAL FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

(Figures expressed in thousands of pesos)

RETAINED EARNINGS [1]	34,327,951
To Statutory Reserve Fund	(3,145,849)
To Special Reserve Fund ""First-time Adoption of IFRS"	(3,475,669)
Adjustments (Section 2.3. Revised Text "Profit Distribution") [2]	(42,680)
SUBTOTAL 1	27,663,753
Adjustments (Section 2.1. Revised Text "Profit Distribution") [2]	(527,241)
SUBTOTAL 2	27,136,512
DISTRIBUTABLE AMOUNT [3] **AND** [4]	26,001,632
DISTRIBUTED PROFITS	
To Optional Reserve Fund	19,607,655
To Cash Dividends	
- Outstanding Common Shares ($ 10 on 639,398)	6,393,977
DISTRIBUTED EARNINGS	26,001,632
UNDISTRIBUTED EARNINGS	0

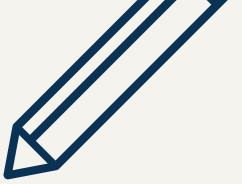
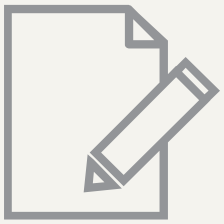
Includes Optional Reserve fund for future profit distribution of 15,123,039 See Note 38.c).
The profit distribution shall be admitted provided the minimum average cash payment –either in pesos or foreign currency- is not below the relevant requirement to the last closed position or projected position considering the effect of the profit distribution.
Relates to the lower amount between the Subtotal 2 and that arising from calculating the excess of computable capital over required minimum capital as of December 31, 2018, also considering the restrictions further described in Note 38, as provided under BCRA's rule regarding "Profit Distribution".
Relates to the shares outstanding to the date of issuance of this Financial Statements.

Daniel H. Violatti
Head of Accounting
and Tax Department

Gustavo A. Manriquez
General Manager

Delfín Jorge Ezequiel Carballo
Chairman

Graphic Design
Tholön Kunst, Comunicación visual

Printing House
Latingráfica

Photography
Rodrigo Vergara