

## **BANCO MACRO S.A.**

Financial statements as of December 31, 2018 together with the Independent Auditor's Reports on financial statements.

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**FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2018**

**CORPORATE NAME:** Banco Macro SA

**REGISTERED OFFICE:** Avenida Eduardo Madero 1182 – Autonomous City of Buenos Aires

**CORPORATE PURPOSE AND MAIN ACTIVITY:** Commercial bank

**CENTRAL BANK OF ARGENTINA:** 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.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2018, 2017 AND 2016**  
(Translation of Financial statements originally issued in Spanish – See Note 42)  
(Figures expressed in thousands of Pesos)

Items	Notes	Exhibits	12/31/2018	12/31/2017	12/31/2016
<b>ASSETS</b>					
Cash and Deposits in Banks		P	74,766,039	35,561,574	35,986,159
Cash			10,696,465	6,761,426	4,871,152
Central Bank of Argentina			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
Loans 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
Financial Assets delivered as guarantee	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 arrangements	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 for sale	13		804,017	199,890	94,588
<b>TOTAL ASSETS</b>			<b>342,882,594</b>	<b>226,339,070</b>	<b>159,370,595</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2018, 2017 AND 2016**  
(Translation of Financial statements originally issued in Spanish – See Note 42)  
(Figures expressed in thousands of Pesos)

Items	Notes	Exhibits	12/31/2018	12/31/2017	12/31/2016
<b>LIABILITIES</b>					
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 Central Bank of Argentina and other financial entities		I and P	2,998,010	1,174,111	260,458
Issued 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 and 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
<b>TOTAL LIABILITIES</b>			<b>288,244,642</b>	<b>179,603,205</b>	<b>134,192,103</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2018, 2017 AND 2016**  
(Translation of Financial statements originally issued in Spanish – See Note 42)  
(Figures expressed in thousands of Pesos)

Items	Notes	Exhibits	12/31/2018	12/31/2017	12/31/2016
SHAREHOLDERS' EQUITY					
Capital Stock	27		669,663	669,663	584,563
Non capital contributions			12,428,461	12,428,461	399,499
Adjustments to Shareholders' Equity			4,511	4,511	4,511
Earnings Reserved			21,995,937	20,363,386	14,384,820
Unappropriated Retained Earnings			3,264,742	2,799,084	2,990,757
Other Comprehensive Income			543,086	204,560	65,711
Net 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
<b>TOTAL SHAREHOLDERS' EQUITY</b>			<b>54,637,952</b>	<b>46,735,865</b>	<b>25,178,492</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>			<b>342,882,594</b>	<b>226,339,070</b>	<b>159,370,595</b>

**CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018 AND 2017**  
(Translation of Financial statements originally issued in Spanish – See Note 42)  
(Figures expressed in thousands of Pesos)

Items	Notes	Exhibits	12/31/2018	12/31/2017
Interest income		Q	65,577,382	34,594,718
Interest expense		Q	(25,931,913)	(10,446,528)
<b>Net interest income</b>			<b>39,645,469</b>	<b>24,148,190</b>
Commissions income	20	Q	11,888,974	9,186,220
Commissions expense		Q	(755,907)	(682,673)
<b>Net Commissions income</b>			<b>11,133,067</b>	<b>8,503,547</b>
<b>Subtotal (Net Interest income + Net Commissions income)</b>			<b>50,778,536</b>	<b>32,651,737</b>
Net Income from measurement of financial instruments at fair value through profit or loss		Q	1,065,690	592,431
Profit / (Loss) 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
Allowance for loan losses			(2,706,406)	(1,594,534)
<b>Net Operating Income</b>			<b>50,601,847</b>	<b>34,647,554</b>
Employee benefits	23		(10,304,818)	(7,695,169)
Administrative 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)
<b>Operating Income</b>			<b>22,475,345</b>	<b>14,887,153</b>
Income from associates and joint arrangements	11		266,302	196,621
<b>Income before tax on continuing operations</b>			<b>22,741,647</b>	<b>15,083,774</b>
Income tax on continuing operations	19		(6,964,755)	(4,931,961)
<b>Net Income from continuing operations</b>			<b>15,776,892</b>	<b>10,151,813</b>
Net Income for the fiscal year			15,776,892	10,151,813
Net Income for the fiscal year attributable to the owners of the Parent Company			15,729,243	10,065,358
Net Income for the fiscal year attributable to non-controlling interests			47,649	86,455

**CONSOLIDATED EARNINGS PER SHARE**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018 AND 2017**  
(Translation of Financial statements originally issued in Spanish – See Note 42)  
(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

**STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018 AND 2017**  
(Translation of Financial statements originally issued in Spanish – See Note 42)  
(Figures expressed in thousands of Pesos)

Items	Notes	Exhibits	12/31/2018	12/31/2017
Net Income for the fiscal year			15,776,892	10,151,813
Foreign currency translation differences in financial statements conversion			732,813	137,148
Foreign currency translation differences for the fiscal year			732,813	137,148
Profits or losses for financial instruments measured at fair value through other comprehensive income (FVOCI) (IFRS 9(4.1.2)(a))			(394,307)	1,279
Profits or losses for the fiscal year from financial instruments 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 fiscal year			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 notes 1 to 42 to the consolidated financial statements and the exhibits A to J, L, N, P to R, are an integral part of the consolidated financial statements.



**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

(Translation of Financial statements originally issued in Spanish – See Note 42)

(Figures expressed in thousands of Pesos)

Changes	Notes	Capital stock		Non capital contributions	Other comprehensive income			Earnings Reserved		Unappropriated Retained Earnings	Total Controlling Interests	Total Non-Controlling Interests	Total Equity
		Outstanding shares	In portfolio	Additional paid-in capital	Adjustments to Shareholders' Equity	Accumulative foreign currency translation difference in financial statements conversion	Other	Legal	Other				
Amount 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	200,842	46,735,865
Total comprehensive income for the fiscal year													
- Net income for the fiscal year										15,729,243	15,729,243	47,649	15,776,892
- Other comprehensive income for the fiscal year						732,813	(394,287)				338,526	(20)	338,506
Distribution of unappropriated retained earnings as approved by Shareholders' Meeting held on April 27, 2018													
- Legal reserve								1,877,755		(1,877,755)			
- Cash dividends									(3,348,315)		(3,348,315)	(26)	(3,348,341)
- Other (1)									7,511,018	(7,511,018)			
Other changes										(210,927)	(210,927)	(246,136)	(457,063)
Treasury shares	27	(28,948)	28,948						(4,407,907)		(4,407,907)		(4,407,907)
<b>Amount at the end of the fiscal year</b>		<b>640,715</b>	<b>28,948</b>	<b>12,428,461</b>	<b>4,511</b>	<b>869,961</b>	<b>(326,875)</b>	<b>6,872,687</b>	<b>15,123,250</b>	<b>18,993,985</b>	<b>54,635,643</b>	<b>2,309</b>	<b>54,637,952</b>

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

(Translation of Financial statements originally issued in Spanish – See Note 42)

(Figures expressed in thousands of Pesos)

Changes	Notes	Capital stock		Non capital Contributions	Other comprehensive income			Earnings Reserved		Unappropriated Retained Earnings	Total Controlling Interests	Total Non-Controlling Interests	Total Equity
		Outstanding shares	In portfolio	Additional paid-in capital	Adjustments to Shareholders' Equity	Accumulative foreign currency translation difference in financial statements conversion	Other	Legal	Other				
Amount at the beginning of the fiscal year		584,563		399,499	4,511		65,711	3,686,472	10,698,348	9,531,589	24,970,693	207,799	25,178,492
Total comprehensive income for the fiscal year													
- Net income for the fiscal year										10,065,358	10,065,358	86,455	10,151,813
- Other comprehensive income for the fiscal year						137,148	1,701				138,849	(422)	138,427
Distribution of unappropriated retained earnings as approved by Shareholders' Meeting held on April 28, 2017													
- Legal reserve								1,308,460		(1,308,460)			
- Cash dividends									(701,476)		(701,476)	(92,990)	(794,466)
- Other (1)									5,371,582	(5,424,045)	(52,463)		(52,463)
Increase of Capital Stock approved by Shareholders' Meeting held on April 28, 2017	27	85,100		12,028,962							12,114,062		12,114,062
<b>Amount at the end of the fiscal year</b>		<b>669,663</b>		<b>12,428,461</b>	<b>4,511</b>	<b>137,148</b>	<b>67,412</b>	<b>4,994,932</b>	<b>15,368,454</b>	<b>12,864,442</b>	<b>46,535,023</b>	<b>200,842</b>	<b>46,735,865</b>

(1) Related to earnings reserved for future distribution of earnings. At 2017, included tax on personal assets of shareholders.

The notes 1 to 42 to the consolidated financial statements and the exhibits A to J, L, N, P to R, are an integral part of the consolidated financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEARS ENDED DECEMBER 31, 2018 AND 2017**  
(Translation of Financial statements originally issued in Spanish – See Note 42)  
(Figures expressed in thousands of Pesos)

Items	Notes	12/31/2018	12/31/2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income for the fiscal year before Income Tax		22,741,647	15,083,774
Adjustments to obtain cash flows from operating activities:			
Amortization and depreciation		736,540	586,245
Allowance for loan losses		2,706,406	1,594,534
Difference in quoted prices of foreign currency		(8,920,497)	(384,778)
Other adjustments		1,326,390	(1,924,703)
Net increase/ decrease from operating assets:			
Debt Securities at fair value through profit and loss		(1,569,634)	(1,281,582)
Derivative financial instruments		(9,065)	1,493
Repo transactions		1,419,808	(1,400,684)
Loans 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 guarantee		882,132	(3,947,658)
Investments in equity instruments		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
Payments for Income Tax		(7,142,608)	(4,244,561)
<b>TOTAL CASH FROM OPERATING ACTIVITIES (A)</b>		<b>69,184,139</b>	<b>(10,140,923)</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018 AND 2017**  
(Translation of Financial statements originally issued in Spanish – See Note 42)  
(Figures expressed in thousands of Pesos)

Items	Notes	12/31/2018	12/31/2017
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments:			
Acquisition of PPE, intangible assets and other assets		(1,971,946)	(1,926,596)
<b>TOTAL CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>(1,971,946)</b>	<b>(1,926,596)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments:			
Dividends		(3,348,618)	(846,930)
Acquisition or redemption of equity instruments		(4,407,907)	
Non subordinated corporate bonds		(2,451,391)	(2,171,204)
Financing from local financial entities		(631,400)	
Subordinated corporate bonds		(773,358)	(442,935)
Changes in equity instruments of subsidiaries that do not lead to the loss of control		(456,757)	
Proceeds:			
Issued Equity instruments			12,114,062
Non subordinated corporate bonds		3,206,999	4,604,398
Central Bank of Argentina		12,940	3,084
Financing to local financial entities			864,793
<b>TOTAL CASH FROM FINANCING ACTIVITIES (C)</b>		<b>(8,849,492)</b>	<b>14,125,268</b>
EFFECT OF EXCHANGE RATE FLUCTUATIONS (D)		16,581,529	1,557,623
<b>TOTAL CHANGES IN CASH FLOWS</b>			
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		<b>74,944,230</b>	<b>3,615,372</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FISCAL YEAR	26	<b>55,685,525</b>	<b>52,070,153</b>
CASH AND CASH EQUIVALENTS AT THE END OF THE FISCAL YEAR	26	<b>130,629,755</b>	<b>55,685,525</b>

The notes 1 to 42 to the consolidated financial statements and the exhibits A to J, L, N, P to R, are an integral part of the consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2018**

(Translation of Financial statements originally issued in Spanish – See Note 42)  
(Figures expressed in thousands of pesos)

**1. CORPORATE INFORMATION**

Banco Macro SA (hereinafter, the Bank), 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, thus strengthening its goal to be a multiservice bank. In addition, through its subsidiaries, the Bank performs transactions as a trustee agent, manager and administrator of mutual funds and renders 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 it was incorporated as Banco Macro SA. Subsequently, as a result of the merger process with other entities, it adopted other names (among them, Banco Macro Bansud SA) and since August 2006, Banco Macro SA.

The Bank's shares have been publicly listed on 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, they were authorized to be listed 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 Misiones Provincial Government**

The Bank and the 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. Additionally, on October 1, 2018, the above-mentioned agreement was extended for a ten-year term beginning on January 1, 2020, and being effective through December 31, 2029.

As of December 31, 2018, 2017 and 2016, the deposits held by the 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. Agreement with the Salta Provincial Government**

The Bank and the Salta 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 the Salta Provincial Government with the Bank amounted to 2,630,532, 908,270 and 1,340,738 (including 644,863, 458,550 and 370,154 related to court deposits), respectively.

**2.3. Agreement with the Jujuy Provincial Government**

The Bank and the Jujuy 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2018**

(Translation of Financial statements originally issued in Spanish – See Note 42)  
(Figures expressed in thousands of pesos)

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 the Jujuy 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 SA**

Banco del Tucumán SA acts as an exclusive financial agent and as revenue collection and obligation payment agent of the Tucumán Provincial Government, the Municipality of San Miguel de Tucumán and the Municipality of Yerba Buena. The services agreements with the Provincial and Municipalities Governments are effective through years 2031, 2023 and 2020, respectively.

On July 4, 2018 the legislative body of the province of Tucumán enacted, into law a bill issued by the provincial executive, authorizing the sale of the shares held by such province in Banco de Tucumán SA to Banco Macro SA as well as the continuity as a provincial finance agent for an additional period of ten years from the expiration of the contract, and if applicable, the possibility of merging both entities.

On August 10, 2018, the province of Tucumán transferred to Banco Macro SA, 43,960 Class B common registered nonendorsable shares, with a face value of Ps. 100 each one and entitled to one vote, which is equivalent to 10% of its common stock and votes. For this transaction, the Bank paid 456,462. In addition, the Bank acquired from an individual shareholder 59 shares for an amount of 295.

This transaction was registered in the consolidated financial statements in the Bank's shareholders' equity, derecognizing, at the carrying amount, the non-controlling interest. The difference between the adjustment of the controlling and non-controlling interests and the fair value of the consideration paid was registered in retained earnings. In the separate financial statements this transaction was registered by the acquisition method (see additionally note 2 to the separate financial statements).

On the other hand, on October 17, 2018, the Board of Directors of Banco Macro SA decided, among other issues: (i) to initiate negotiations for the merger reorganization between Banco Macro SA and Banco del Tucumán SA, (ii) to approve guidelines according to which the merger will be operationally implemented, to be included in due time in the documents to be issued for the formalization and registration with the public registry (Preliminary Merger Agreement); and (iii) to prepare a merger consolidated special statement of financial position as of December 31, 2018.

As of December 31, 2018, 2017 and 2016, the deposits held by the Tucumán 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**

**Presentation basis**

**Applicable Accounting Standards**

On February 12, 2014, through Communiqué "A" 5541, the Central Bank of Argentina (BCRA, for its acronym in Spanish) 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.

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Additionally, through Communiqués "A" 6114, the BCRA 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 consolidated financial statements the Bank is in the process of quantifying the effect of the application of section 5.5 "Impairment" mentioned in (i) above will have. Finally, through Communiqués "A" 6323 and 6324 and supplementary rules, the BCRA 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, the conditions to apply inflation adjustment in the consolidated Financial Statement for the fiscal year ended on that date, as established by IAS 29 "Financial Reporting in Hyperinflationary Economy" were met. However, for the reasons described in section "measuring unit" of this note, financial institutions, transitorily, cannot apply the above-mentioned standard.

The accompanying consolidated financial statements of the Bank were prepared pursuant with Conceptual Framework as established by BCRA based on IFRS (Comunicado "A" 6114 and supplementary rules of the BCRA), with the exceptions described in the preceding paragraphs. Taking into account these exceptions, the Conceptual 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).

In the preparation of these consolidated financial statements, the Bank further contemplated the exceptions and exemptions provided for in IFRS 1 "First-time Adoption of International Financial Reporting Standards" and those which were applied are described in the section "First-time Adoption of International Financial Reporting Standards in accordance with Comunicado "A" 6114 of the BCRA" of this note.

Up to the fiscal year ended December 31, 2017, the Bank prepared its financial statements in accordance with the rules and standards issued by the BCRA. The financial information for previous fiscal years and included in the accompanying consolidated financial statements for comparative purposes, was modified and is disclosed in accordance with the basis described in the preceding paragraphs. The effects of changes between the standards applied at the end of the fiscal year ended December 31, 2017 and the IFRS, as adopted by the BCRA through in Comunicado "A" 6114", are explained in the reconciliations disclosed under the title "First-time Adoption of International Financial Reporting Standards in accordance with BCRA Comunicado "A" 6114" of this note.

The accounting policies comply with the IFRS as currently approved and are applicable to the preparation of these first annual consolidated financial statements in accordance with the IFRS as adopted by the BCRA through Comunicado "A" 6114, as amended and supplementary rules. Generally, the BCRA does not allow the anticipated application of any IFRS, unless otherwise expressly stated.

### Going concern

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Bank's ability to continue as a going concern. Therefore, these consolidated financial statements continue to be prepared on the going concern basis.

### Transcription in the Inventory book

As of the date of the accompanying consolidated financial statements, are in the process of being transcribed in the Bank's inventory book the analytical detail as of December 31, 2018 of Banco Macro SA.

### Figures expressed in thousands of pesos

The accompanying consolidated financial statements disclose figures expressed in thousands of Argentine pesos and are rounded up to the nearest amount in thousands of pesos, unless otherwise expressly stated.

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Statement of financial position - Disclosure

The Bank presents its assets and liabilities in order of liquidity, as established by BCRA Communiqué "A" 6324. 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 reported gross in the statement of financial position. They are only offset and reported net when there is a legal and enforceable right to offset such financial assets and liabilities and the Management also intends to settle them on a net basis or to realize assets and settle liabilities simultaneously.

These present consolidated financial statements were prepared on the basis of historical cost 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 Government Securities, certain Federal Government Securities, Corporate Bonds, listed Debt Securities and Certificates of Participation in Financial Trusts, unlisted Participation in Financial trust and listed or unlisted Investments in Equity Instruments, which were valued at Fair Value Through Profit or Loss. In addition, derivative instruments (term and forwards transactions) both assets and liabilities were valued at Fair Value through Profit or Loss.

Comparative information

The statement of financial position as of December 31, 2018, the statement of income and other comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows for the fiscal year ended December 31, 2018, are presented comparatively with the immediately preceding fiscal year.

Additionally, in compliance with IFRS 1 and since the accompanying consolidated financial statements are the first ones being submitted pursuant to Communiqué "A" 6114 of the BCRA, it is included the opening Statement of financial position to the transition date (December 31, 2016).

Measuring unit

IFRS require that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy be restated in terms of measuring unit current at the end of the reporting period. To achieve consistency in identifying an economic environment of that nature, IAS 29 establishes (i) certain qualitative indicators, not limited to, consist of analyzing the general population behavior, prices, interest rates and wages with changes to a price index and the loss of purchasing power, and (ii) as quantitative characteristic, which is the mostly condition used in practice, to test if a three-year cumulative inflation rate is around 100% or more. Whilst in the recent years there was an important increase in the general level prices, the three-year cumulative inflation had maintained in Argentina below 100%. However, due to miscellaneous macroeconomic factors the three-year inflation rate for 2018 exceeds that figures, and, also the Argentine government goals and other available estimates indicate that this trend will not be reversed in the short term.

Consequently, the Argentine economy is currently considered hyperinflationary under IAS 29 and the Argentine financial entities that are required to apply the IFRSs adopted by the BCRA through Communiqué "A" 6114 and the functional currency of which is the Argentine peso should restate their financial statements. Such restatement should be applied as if the economy had always been hyperinflationary, using a general price index that reflects changes in general purchasing power. To apply the restatement, a series of indexes will be used, as prepared and published on a monthly basis by the Argentine Federation of Professionals Councils in Economic Sciences (FACPCE, for its acronym in Spanish), which combines consumer price index (CPI) on a monthly basis published by the Argentine Institute of Statistics and Censuses (INDEC, for its acronym in Spanish) since January 2017 (baseline month: December 2016) with the wholesale prices indexes published by the INDEC until that date. For the months of November and December 2015, for which the INDEC did not publish the wholesale price index (WPI) variation, the CPI variation for the CABA is used.

Considering the abovementioned indexes, the inflation rate was 47.64% and 24.79% for the fiscal years ended on December 31, 2018 and 2017, respectively.

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Notwithstanding the above, as established by BCRA Communiqué "A" 6651, financial institutions shall be started the inflation adjustment on its financial statements according to IAS 29, for the fiscal years beginning on January 1, 2020.

The nonrecognition of changes in the general purchasing power under hyperinflationary conditions, may distort accounting information and, therefore, this situation should be taken into account in the interpretation of the Bank's information on these consolidated financial statements over financial position, the result of its operations and its cash flows.

Below is a description of the main impacts if IAS 29 were to be applied:

- (a) Financial statements shall be restated considering the changes in the general purchasing power of the currency to ensure that they are stated in the current measuring unit at end of the reporting period.
- (b) To sum up, the restating mechanism provided by IAS 29 is as follows:
  - (i) Monetary items (the ones that are already stated in terms of the current measuring unit) are not restated because they are already expressed in terms of the monetary unit current at the end of the reporting period. In an inflationary period, an entity holding monetary assets generates purchasing power loss and holding monetary liabilities generates purchasing power gain, provided that the assets and liabilities are not linked to an adjustment mechanism that offsets, in some extend such effects. The net gain or loss on a monetary basis shall be included in profit or loss for the period.
  - (ii) Assets and liabilities subject to adjustments based on specific agreements will be adjusted in accordance with such agreements.
  - (iii) Nonmonetary items stated at current cost at the end of the reporting period, are not restated for presentation purposes in the statement of financial position, but the adjustment process must be completed to determine, in terms of constant measurement unit, the income or loss produced by holding these nonmonetary items.
  - (iv) Nonmonetary items carried at historical cost or at current cost at some earlier date before the reporting date, shall be restated by an index that reflects the general level of price variation from the acquisition or revaluation date to the closing date, proceeding then to compare the restated amounts of those assets with their recoverable amounts. Income or loss for the period related to depreciation of property, plant and equipment and amortization of intangible assets and other nonmonetary cost shall be determined over the new restated amounts.
  - (v) When an entity capitalizes borrowing cost in the nonmonetary assets, the part of the borrowing cost that compensates for the inflation during the same period will not be capitalized.
  - (vi) The restatement of nonmonetary assets in terms of a current measurement unit at the end of the reporting period, without an equivalent adjustment for tax purposes generates a taxable temporary difference and a deferred income tax liability is recognized and the contra account is recognized as profit or loss for the period. When, beyond the restatement, there is a revaluation of nonmonetary assets, the deferred tax related to the restatement is recognized in profit or loss for the period and deferred tax related with the revaluation is recognized in other comprehensive income for the period.
  - (vii) Income and expenses are restated from the date the items were recorded, except for those income or loss items that reflect or include, in their determination, the consumption of assets measured at the currency purchasing power from a date prior to that which the consumption was recorded, which is restated using as a basis the acquisition date of the assets related to the item, and except for income or losses arising from comparing the two measurements at currency purchasing power of different dates, for which it requires to identify the compared amounts, to restate them separately and to repeat the comparison, with the restated amounts.
  - (viii) At the beginning of the first period of application of the restatement of financial statements in constant currency, the components of equity, except for the retained earnings, are restated according IAS 29, and the retained earning amount is determinated as a difference, once the equity items were restated.

As of the date of issuance of these consolidated financial statements, the Bank is in the process of quantifying the effects that would result from the IAS 29 application, but estimates that such effects are significant.

**Basis for Consolidation**

The accompanying consolidated financial statements include the financial statements of the Bank and its subsidiaries as of December 31, 2018.



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Subsidiaries are all the entities controlled by the Bank. The Bank 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 Bank 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 Bank 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 Bank has the ability to direct such relevant activities,
- Contractual arrangements such as call rights, put rights and liquidation rights,
- Whether the Bank is exposed, or has rights, to variable returns from its involvement with such controlled entity, and whether the Bank has the ability to use its power over the controlled entity to affect the amount of the Bank's returns.

The Bank 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 Bank and consolidation ceases when the Bank loses control over the subsidiaries. The accompanying consolidated financial statements include the assets, liabilities, income and each component of other comprehensive income of the Bank 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 in 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 as of the same dates and for the same accounting periods as those of the Bank, using uniform accounting policies consistent with those applied by the entity. 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 Bank 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:

- 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 fiscal years ended December 31, 2018, 2017 and 2016.
- Figures related to the 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.
- Income for the fiscal years 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.
- 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".

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On the other hand, noncontrolling interests represent the portion of income and equity not directly or indirectly attributable to the Bank. In the accompanying consolidated financial statements they are disclosed as a separate line in the statement of financial position, 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:

Subsidiaries	Principal Place of Business	Country	Main Activity
Banco del Tucumán SA	San Martín 721 – San Miguel de Tucumán – Province of Tucumán	Argentina	Banking entity
Macro Securities SA (a) and (b)	Av. Eduardo Madero 1182 – Autonomous City of Buenos Aires	Argentina	Stock exchange services
Macro Fiducia SA	Av. Leandro N. Alem 1110– 1st floor. Autonomous City of Buenos Aires	Argentina	Services
Macro Fondos SGFCISA	Av. Eduardo Madero 1182– 24th floor, Office B–. Autonomous City of Buenos Aires	Argentina	Management and administration of mutual funds
Macro Bank Limited (c)	Caves Village, Building 8 Office 1 – West Bay St., Nassau	Bahamas	Banking entity

(a) Consolidated with Macro Fondos SGFCI SA (80.90% equity interest and voting rights).

(b) The indirect interest of Banco Macro SA comes from Macro Fiducia SA.

(c) Consolidated with Sud Asesores (ROU) SA (100% voting rights – Equity interest 3,602).

The table below shows the Bank's equity interest and voting rights in the companies it consolidates:

- As of December 31, 2018:

Subsidiaries	Shares		Bank's interest		Noncontrolling interest	
	Type	Number	Total capital stock	Voting rights	Total capital stock	Voting rights
Banco del Tucumán SA	Common	439,360	99.945%	99.945%	0.055%	0.055%
Macro Securities SA	Common	12,776,680	99.921%	99.932%	0.079%	0.068%
Macro Fiducia SA	Common	6,475,143	98.605%	98.605%	1.395%	1.395%
Macro Fondos SGFCISA	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		Bank's interest		Noncontrolling interest	
	Type	Number	Total capital stock	Voting rights	Total capital stock	Voting rights
Banco del Tucumán SA	Common	395,341	89.932%	89.932%	10.068%	10.068%
Macro Securities SA	Common	12,776,680	99.921%	99.932%	0.079%	0.068%
Macro Fiducia SA	Common	6,475,143	98.605%	98.605%	1.395%	1.395%
Macro Fondos SGFCISA	Common	327,183	99.936%	100.00%	0.064%	-
Macro Bank Limited	Common	39,816,899	99.999%	100.00%	0.001%	-

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:

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As of 12/31/2018	Banco Macro SA	Banco del Tucumán SA	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 the Bank					54,635,643
Equity attributable to non- controlling interests					2,309
As of 12/31/2017	Banco Macro SA	Banco del Tucumán SA	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 the Bank					46,535,023
Equity attributable to non- controlling interests					200,842
As of 12/31/2016	Banco Macro SA	Banco del Tucumán SA	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 the Bank					24,970,693
Equity attributable to non- controlling interests					207,799

The Bank's Management considers there are no other companies or structured entities to be included in the consolidated 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 Bank 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 benchmark US dollar exchange rate effective as of the closing date of transactions on the last business day of each fiscal year.

Additionally, assets and liabilities denominated in other foreign currencies were translated at the repo exchange rate in US Dollars communicated by the BCRA's dealing room. 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 Bank recognizes a financial instrument when it becomes party to the contractual provisions thereof.

The purchase and sale of financial assets requiring the delivery of assets within the term generally established by the rules and regulations or the market conditions are recorded on the transaction's trading date, i.e., on the date the Bank 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.

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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 from the financial instrument, the Bank estimates the fair value of the financial instrument. If the fair value is based on a valuation technique that uses only data from observable markets, any additional amount regarding the consideration shall be an expense or lesser income, unless it meets the requirements to be recognized as any other type of asset ("day 1" results). When the fair value is based on a valuation technique that uses data from nonobservable markets, the Bank shall recognize that deferred difference in profit or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability, or when the instrument is derecognized.

Finally, in the normal course of business, the Bank arranges repo transactions. According to IFRS 9, assets involved in repurchase and reverse repurchase transactions and received from or delivered to third parties, respectively, do not qualify to be recognized or derecognized, respectively.

Subsequent measurement – Business Model

The Bank established three categories for the classification and measurement of its debt instruments, in accordance with the Bank'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 Bank 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 Bank'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 Bank'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.

The assessment of the business model is performed on the basis of scenarios that the Bank 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 Bank's expectations, the classification of the remaining financial assets held in that business model does not change, but it rather considers all relevant information to assess the newly originated or newly purchased financial assets.

Test of solely payments of principal and interest (SPPI)

As part of the classification process, the Bank assessed the contractual terms of its financial assets 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.

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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 instrument, 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 SPPI test contractual cash flow characteristics, the Bank 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 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 and liabilities 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 Bank’s Management, has not designated, at the beginning, financial assets at fair value through profit or loss.

The Bank classifies the financial assets as held for trading when they have been acquired or incurred principally for the purpose of selling or repurchasing it 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 statement of financial position. Changes in fair value are recognized under the item “Net Income for measurement of financial instruments at fair value through profit or loss” in the statement of income, as well as interest income or expenses and dividends pursuant to the contractual terms and conditions, or when the right to receive payment of the dividend is established.

The fair value estimation is explained on a detail basis in section “Accounting judgments, estimates and assumptions” of this note.

Note 9 to the consolidated financial statements describes the valuation process of financial instruments at fair value.

- Financial assets at fair value through other comprehensive income (OCI)

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 statement of financial position 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 measured at fair value through other comprehensive income”. Interest income (calculating by the “effective interest method”, which is explained 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 “Interest income”, “Difference in quoted prices of gold and foreign currency” and “Allowance for loan losses”, respectively.

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When the Bank 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 statement of financial position at amortized cost using the effective interest method, less the allowance for loan losses.

Interest income and impairment are disclosed in the statement of income as “Interest income” and “Allowance for loan losses”, respectively. Changes in the allowance are presented in exhibit R “Value adjustment for credit losses – Allowance for uncollectibility 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 such financial instrument. When applying this method, the Bank identifies points paid or received, fees, premiums, discounts and transaction costs, incremental and direct costs 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 value at their nominal value plus the relevant accrued interest, if applicable. Accrued interests were allocated in the statement of income as “Interest income”.

3.2.2 Repo transactions (purchase and sale of financial instruments)

These transactions were recognized in the statement of financial position 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 in the statement of income as “Interest income” and “Interest expense”.

3.2.3 Loans and other financing

Non-derivative financial assets that the Bank 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 in the statement of income as “Interest income”.

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 Bank, 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 BCRA and the allowance policies of the Bank.

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In the case of loans with specific allowances that are repaid or generate the reversion of allowances built-up in the current fiscal year, 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 fiscal year.

Impairment losses are included in the statement of income as "Allowance for loan losses" and the changes in this accounting item are disclosed in exhibit R "Value correction for credit losses – Allowance for uncollectibility 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 in the statement of income as "Interest expense".

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 statement of financial position. 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 "Commissions income" 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 and payables 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 Bank with intermediation purposes on its own account. The originated income was allocated in the statement of income as "Net income for measurement of financial instruments at fair value through profit or loss".

**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 Bank 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 Bank 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 Bank neither transfers nor retains substantially all the risks and rewards of ownership of a transferred asset, and has retained the control over it, the Bank shall continue to recognize such transferred asset to the extent to which it is exposed to changes in the value of the transferred asset.

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The Bank derecognizes a loan when the terms and conditions have been renegotiated and if, substantially, it becomes in a new loan, recognizing the difference for derecognition in profit or loss. If the modification does not generate substantially different cash flows, the modification does not result in derecognition of the loan. The Bank recalculates the gross carrying amount of the assets as present value of modified contractual cash flows, using for the discount the original effective interest rate and recognizes profit or loss 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 the statement of income as "Other operating income".

Reclassification of financial assets and liabilities

The Bank 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 Bank's transactions. Financial liabilities are never reclassified. As of December 31, 2018, 2017 and 2016, the Bank has made no significant reclassifications.

**3.3 Financial Leases**

The Bank grants loans through financial leases, recognizing the current value of lease payments as a financial asset, which is registered in the statement of financial position in the item "loans 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 the statement of income as "Interest income". Losses originated for impairment are included in the statement of income as "Allowance for loan losses" and changes in this accounting item are disclosed in exhibit R "Loss allowance-Allowance for uncollectibility risk".

**3.4 Investment in associates and joint arrangements**

An associate is an entity over which the Bank 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 Bank's share in the profits or losses after the acquisition of its associates was accounted in the statement of income, and its share in other comprehensive income after the acquisition were accounted for in the statement of other comprehensive income.

A joint arrangement is an arrangement of which the Bank 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 Bank 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.



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**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 BCRA 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 the statement of income 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 charges are recorded in the related 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 built a new corporate building in the Autonomous CABA. Under IAS 23 "Borrowing Costs", this was a qualifying asset and therefore all costs related to financing directly or indirectly attributable to the acquisition and construction of this asset were capitalized. In December 2018, the Bank ceased capitalizing borrowing cost because all the activities necessary to prepare the qualifying assets for its intended use were completed. See additionally note 14 to these 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.

For internally generated intangible assets, only disbursements related with development are capitalized while the other disbursements are not be capitalized and are recognized in the statement of income 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. Depreciation 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 Bank has not 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 the statement of income 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 use or sale,

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- its intention to complete the intangible asset and 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 Bank holds for undetermined future use, which were recognized pursuant to IAS 40 "Investment Property".

For this kind of property, the Bank 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 the statement of income 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 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 Bank 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 Bank 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.

Non-current assets classified as held for sale are measured, when they are reclassified to this category, at the lower of carrying amount and fair value less costs to sell and are disclosed in a separate item in the statement of financial position. Once these assets are classified as held for sale, depreciation and amortization ceased.

Profit or loss generated in the sale of assets held for sale is recorded in the statement of income as "other operating income".

**3.9 Impairment of Non-financial Assets**

The Bank 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.

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When there is any evidence or when an annual impairment test is required for an asset, the Bank 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 Bank recognizes a provision if and only if the following circumstances are met: (a) the Bank 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 embodying economic benefits will be required to settle the obligation; and (c) 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 Bank. 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 "Interest expense" in the statement of income. Based on the analysis carried out, the Bank recognized as provision the amount of the best estimate of the expenditure required to settle the present obligation at the end of each fiscal year.

The provisions accounted for by the Bank 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 Bank 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 notes. Nevertheless, when the possibility of an outflow of resources is remote, no disclosures shall be made.

**3.11 Recognition of income and expenses**

**3.11.1 Revenue from interests income and interests expense**

Revenue from interest received and expenses for interest paid were recognized according to their accrual period, applying the effective interest method, which is explained 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**

These revenues are recognized when (or to the extent) the Bank satisfies each performance obligation by transferring promised services for an amount that reflects the consideration to which the Bank expects to be entitled in exchange for such services.

At each contract inception, the Bank assess the services promised in a contract and identifies as a performance obligation, each promise to transfer a distinct service or a series of distinct services that are substantially the same and that have the same pattern of transfer.

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**3.11.4 Non-financial revenue and expenses**

These items are recognized according to the recognition criteria established in the conceptual Framework, as for example revenues should be accrued.

**3.12 Customer Loyalty Program**

The loyalty program offered by the Bank 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 Bank recognized a provision for the rewards to be granted in "Other financial liabilities".

Based on the variables that the Bank 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 in the statement of income, except in the case of accounting items that are to be recognized directly in the statements of other comprehensive income. 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.
- 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 statement of financial position 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 measured by their nominal figures, without discount, the tax rates that are expected to be applied in the fiscal year in which the asset shall be realized or the liability shall be settled. Deferred tax assets are recognized when it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

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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 fiscal years. 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 Bank by the weighted average number of ordinary shares outstanding during the fiscal year. See also note 28.

### **3.15 Fiduciary activities and investment management**

The Bank 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 Bank. The commissions derived from these activities are accounted for as "Commissions income" in the statement of income. See also notes 31, 32.3 and 36.

### **Accounting judgments, estimates and assumptions**

The preparation of these consolidated financial statements requires the Bank'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 fiscal year. The Bank'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 Bank'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.

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In certain cases, the financial statements prepared in accordance with BCRA Communiqué "A" 6114, 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 Bank 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 Bank's risk management policy. The Risk Management Committee may decide to increase the amount of the allowance 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 BCRA Communiqué "A" 6114**

Communiqué "A" 6324 requires the presentation of the following reconciliations:

- between the Bank's shareholders' equity determined in accordance with the standards of the BCRA and the Bank's shareholders' equity determined in accordance with BCRA Communiqué "A" 6114, as of December 31, 2016 (date of transition) and December 31, 2017; and
- between the net income determined in accordance with BCRA standards for the fiscal year ended December 31, 2017 and the total comprehensive income determined in accordance with BCRA Communiqué "A" 6114 to the same date.

In preparing these reconciliations, the Bank's Management considered the IFRSs that are applicable to the preparation of the accompanying consolidated financial statements that are the first annual consolidated financial statements presented that are presented in accordance with BCRA Communiqué "A" 6114, but applying the exceptions and exemptions under IFRS 1 described below:

• Optional exemptions

- Business combinations:

The Bank 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 the 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 the BCRA Communiqué "A" 6114. Assets and liabilities that do not qualify to be recognized as such according to the IFRSs are excluded from the opening statement of financial position. In this sense, no previous amount which would have been recognized according to the BCRA standards was excluded and no amount which was not previously recognized has been recognized, pursuant to the BCRA standards. IFRS 1 also establishes that the carrying amount of goodwill measured according to the BCRA standards shall be included in the opening statement of financial position, regardless of the adjustments for impairment and for recognition or derecognition of certain intangible assets that qualify or not to be recognized as such according to IAS 38 "Intangible Assets".

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- 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 appraiser who holds a recognized and relevant professional qualification. The Bank 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, respectively. To such effect, the Bank has chosen the cost model provided for under such standards.

- Accumulated translation differences:

The Bank 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 Bank 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 Bank 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 Bank has not used other optional exemptions available under IFRS 1.

- Obligatory exceptions

- Estimates

The significant accounting judgments, estimates and assumptions made by the Bank'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 the previous 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 and reclassifications	Amounts according to BCRA 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
Net Shareholders' equity attributable to noncontrolling interests			207,799
Net Shareholders' equity attributable to controlling interests			24,970,693

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Item	Amounts as of 12/31/2016
According to previous BCRA Standards	22,105,898
Adjustments and reclassifications:	
Debt securities and investments in equity instruments	153,970
Loans and other financing	(238,730)
Property, plant and equipment and investment property	4,560,495
Deferred income tax liabilities	(1,321,392)
Other nonfinancial assets	52,757
Other nonfinancial liabilities	(370,143)
Corporate bonds	31,560
Other adjustments	(3,722)
Noncontrolling interest	207,799
Total adjustments and reclassifications	3,072,594
Shareholders equity according to BCRA Communiqué "A" 6114	25,178,492
Shareholders' Equity attributable to controlling interests	24,970,693
Shareholders' Equity attributable to noncontrolling interests	207,799

- Reconciliation of equity as of December 31, 2017.

	Previous BCRA Standards	Adjustments and reclassifications	Amounts according to BCRA 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
Net Shareholders' equity attributable to noncontrolling interests			200,842
Net Shareholders' equity attributable to controlling interests			46,535,023

Item	Amounts as of 12/31/2017
According to previous BCRA Standards	43,130,547
Adjustments and 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 nonfinancial assets	64,785
Corporate bonds	51,579
Other nonfinancial liabilities	(515,769)
Other adjustments	(10,241)
Noncontrolling interest	200,842
Total adjustments and reclassifications	3,605,318
Shareholders equity according to BCRA Communiqué "A" 6114	46,735,865
Shareholders' equity attributable to controlling interests	46,535,023
Shareholders' equity attributable to noncontrolling interests	200,842



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- Reconciliation of consolidated income and other comprehensive income for fiscal year ended December 31, 2017.

Reconciliation of income for the fiscal year ended 12/31/2017	Net income for the fiscal year	Other comprehensive income	Comprehensive Income
According to previous BCRA Standards	9,388,772		
Interest income	(33,158)		
Interest expense	20,019		
Commissions income	(19,556)		
Net income from measurement of financial instruments at fair value through profit or loss	(109,077)		
Depreciation and impairment of assets	(45,407)		
Employee benefits	(114,042)		
Other operating expenses	(70,000)		
Income from associates and joint ventures	18,633		
Reclassifications of stock issuance cost	276,480		
Foreign currency translation differences	(137,148)	137,148	
Income from financial instruments at fair value through OCI		1,279	
Other adjustment	121,333		
Income tax	854,964		
Total adjustments and reclassifications	763,041	138,427	
Amount according to BCRA Communiqué "A" 6114	10,151,813	138,427	10,290,240
Attributable to controlling interests	10,065,358	138,849	10,204,207
Attributable to noncontrolling 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 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 Bank 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 Bank to the preparation of the financial statements from the fiscal year beginning on January 1st, 2018 onwards.

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 Bank carried out active repo transactions of which, under BCRA standards, the underlying assets should be recognized as assets of the Bank. Under IFRS, these assets received from third parties do not meet the requirements to be recognized as such.

Furthermore, the Bank received security deposits which, under BCRA standards, implied recognition of such security within this accounting item against a 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 "Interest expense" to "Expenses for services" within "Commissions related to security transactions".

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### Loans and other financing

The Bank'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 Bank 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 (SGR, for its acronym in Spanish) in which the Bank participates, do not meet the financial asset individual test, therefore they are not included in the Bank's business model and were measured at their fair value through profit or loss.

As to those companies in which the Bank 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 on shares.

### Non-financial assets

Under IFRS 15 "Revenue from Contracts with Customers", the Bank included Contract Assets for commissions charged for the subscription to one of the Bank's customer loyalty programs. In such program, the only performance obligation contemplated in the contract is the one that requires the Bank to contact its customer with a recognized airline. As consideration for this service, the Bank receives a membership fee.

### Investments in associates and joint ventures

The Bank holds interests in UTEs (joint ventures), which according to IFRS 11 are accounted for using the equity method. Under BCRA standards, the Bank 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 Bank used the exemption contemplated under "Optional exemptions", which implied using the fair value as a deemed cost. In order to determine such fair value, the Bank used valuations for all properties.

Since the Bank 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 Bank capitalized from the date of transition, the financing costs attributable to the construction of the new corporate building, in accordance with IAS 23.

### Intangible assets

Under IAS 38, intangible assets shall be measured at cost. Under BCRA standards, the Bank capitalized certain software costs and other organizational expenses, which according to the above mentioned IAS the Bank should have not recognized as intangible assets and, therefore, were accounted for in profit or loss for the fiscal year.

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### Corporate Bonds

The Bank 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 issuance 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 Bank 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 Bank 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 Bank assessed income tax applying the rate in force to the expected taxable profit, without taking into account the effect of the temporary differences between the carrying amount and its tax base.

### Other nonfinancial liabilities

According to IFRS 15, the Bank recognized income arising in the course of its ordinary activities so that they represent the transfer of services promised to customers in exchange for an amount that reflects the consideration the Bank expects to have the right to receive in exchange for such 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 Bank 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 Bank 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. According to BCRA standards, the Bank recognized such costs in profit or loss.

### Foreign currency translation

Under IAS 21 "The Effects of Changes in Foreign Exchange Rates", the Bank recognized and reclassified foreign exchange translation differences, with respect to the Bank's interest in a foreign subsidiary. The Bank 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 Bank 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 standards UTEs are recognized using the proportional consolidation method; (ii) the Bank incorporated foreign currency purchase and sale spot transactions previously not included in the statement of cash flows under BCRA standards.
- Cash equivalents: according with the accounting policy established by the Bank for cash equivalents, the 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.

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**New pronouncements**

Pursuant to Communiqué "A" 6114 of the BCRA, as new IFRS are approved and existing IFRS are amended or revoked and, once these changes are approved through the notices of approval issued by FACPCA, the BCRA shall issue a statement on the approval thereof for financial entities. Generally, financial institutions shall not apply any IFRS in advance, except as specifically authorized at the time of the adoption thereof. In this case, the Bank shall adopt the following standards:

- IFRS 16 "Leases": 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 on January 1, 2019. The Bank does not expect this standard to have a material impact on the consolidated financial statements.
- IFRIC 23 "Uncertainty over income tax treatments". This interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 "Income tax" when there is uncertainty over income tax treatments. The Bank does not expect that standard to have a material impact on the consolidated financial statements.
- IFRS 3 "Business Combination" – amendments in definition of a business: the amendments will help entities determine whether an acquisition made is a business or the purchase of a group of assets. The new amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits. This standard is applicable to fiscal years beginning on January 1, 2020. The Bank does not expect that standard to have a material impact on the consolidated financial statements.

**4. REPO TRANSACTIONS**

As of December 31, 2018, 2017 and 2016, the Bank has agreed repurchase and reverse repurchase transactions of government and private securities, in absolute value, 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 guarantee repurchase transactions as of December 31, 2017 and 2016 total 1,591,288 and 19,335, respectively and were recognized as an off balance sheet transaction.

Profits generated by the Bank as a result of its repurchase transactions arranged during the fiscal years ended on December 31, 2018 and 2017 total 416,569 and 655,742, respectively, and were accounted for in "Interest income" in the statement of income. In addition, losses generated by the Bank as a result of its reverse repurchase transactions arranged during the fiscal years ended on December 31, 2018 and 2017 total 184,669 and 112,795, respectively, and were recognized in "Interest expense" in the statement of income.

**5. FINANCIAL ASSETS DELIVERED AS GUARANTEE**

As of December 31, 2018, 2017 and 2016, the Bank delivered as guarantee the following financial assets:

Description	Carrying Amount		
	12/31/2018	12/31/2017	12/31/2016
For transactions with the BCRA	5,719,689	4,005,730	2,093,960
For securities 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 Bank's Management considers there shall be no losses due to the restrictions on the above listed financial assets.

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**6. 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 "Loss allowance – Allowance for uncollectibility risk" in the accompanying consolidated financial statements.

The table below presents the Bank's changes in allowances by portfolios:

	Commercial portfolio	Consumer portfolio	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 portfolio	Consumer portfolio	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

Additionally, is disclosed the net allowance for loan losses, generated by loans and other financing:

	12/31/2018	12/31/2017
Allowance for loan losses	2,706,406	1,594,534
Recoveries (other operating income)	293,708	346,632

The methodology for determination allowance for loan losses from loans and other financing is explained in note 3 (section "Accounting judgments, estimates and assumptions") and 39 to these consolidated financial statements.

**7. CONTINGENT TRANSACTIONS**

In order to meet specific financial needs of customers, the Bank'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 statement of financial position, since they imply a possible liability for the Bank, they expose the Bank to credit risks other than those recognized in statement of financial position and they are, therefore, an integral part of the total risk of the Bank.

As of December 31, 2018, 2017 and 2016, the Bank 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 covered by BCRA debtor classification standards. For overdraft and unused agreed credits, it includes an amount of 221,220, 488,146 and 100,938 for the years 2018, 2017 and 2016, respectively. For guarantee granted it includes the amount of 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 Bank's credit risk policy described in note 39.

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**8. DERIVATIVE FINANCIAL INSTRUMENTS**

The Bank performs derivative transactions for trading purposes through Forwards and Futures. 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 since the Bank has credit exposure to 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, unless they are chosen to be executed by delivery, are settled on a net base. Both types of contracts expose the Bank 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 Bank to risks related to the absence of an exchange market in which to close an open position. The Bank's exposure for derivative contracts is monitored on a regular basis as part of its general risk management framework. Information on the Bank's credit risk management objectives and policies is included in note 39.

The following tables show the notional values, of thousands of US dollars, of these instruments 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 statement of financial position. 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".

Derivative assets	12/31/2018		12/31/2017		12/31/2016	
	Notional Value	Fair Value	Notional Value	Fair Value	Notional Value	Fair Value
Transactions of foreign currency contract 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

  

Derivative liabilities	12/31/2018		12/31/2017		12/31/2016	
	Notional Value	Fair Value	Notional Value	Fair Value	Notional Value	Fair Value
Transactions of foreign currency contract 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 Bank 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 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.

**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 the most advantageous market) who are duly informed and willing to transact in an orderly and current transaction, at the measurement date under the current market conditions whether the price is directly observable or estimated using a valuation technique under the assumption that the Bank is an ongoing business.

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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.

Notwithstanding the above, the Bank'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 Bank 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 that the Bank accesses to at the measurement day for identical assets or liabilities. The Bank considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available at 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 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments to level 2 inputs may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Bank will classify the 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 Bank'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 fiscal year, in active markets for identical assets or liabilities, if representative. Currently, for government and private securities, there are two principal markets in which the Bank operates: BYMA and MAE. Additionally, in the case of derivatives, both MAE and *Mercado a Término de Rosario SA* (ROFEX) are deemed active markets.

On the other hand, for certain assets and liabilities that do not have an active market, categorized as Level 2, the Bank used valuation techniques that included the use of market transactions performed under mutual independent terms and conditions, between interested and duly informed parties, provided that they are available, as well as references to the current fair value of another 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 category were valued using price quotes of identical instruments in "less active markets".

Finally, the Bank 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 Bank used valuation techniques based on its own assumptions. For this approach, the Bank mainly used the cash flow discount model.

As of December 31, 2018, 2017 and 2016, the Bank has neither changed the techniques nor the assumptions used to estimate the fair value of the financial instruments.

Below is the reconciliation between the amounts at the beginning and at the end of the fiscal year of the financial assets and liabilities recognized at fair value, using the valuation technique based on the Bank's own assumptions, as of December 31, 2018 and 2017:

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Description	Fair values using valuation techniques based on the Bank's own assumptions (level 3) December 31, 2018		
	Debt securities	Other financial assets	Investments in equity instruments
Amount 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	
Amount at end of the fiscal year	1,291,052	91,168	45,408

Description	Fair values using valuation techniques based on the Bank's own assumptions (level 3) December 31, 2017		
	Debt securities	Other financial assets	Investments in equity instruments
Amount 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)
Amount at end of the fiscal year	35,841	161,751	35,774

Instruments measured as level 3 include mainly debt securities and certificates of participation in financial trusts, for which the construction of fair values was obtained based on the Bank's own assumptions that are not easily available 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 Bank 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 Bank 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 of the methods and assumptions used to determine the fair values of financial instruments no recognized at their fair value in these consolidated financial statements:

- Instruments 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 and liabilities was assessed discounting future cash flows by using estimated interest rates for deposits or placings with similar maturities to those of the Bank's portfolio.
- For public listed assets and liabilities, or prices reported by certain renown suppliers of prices, the fair value was determined based on such prices.



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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
<b>Financial assets</b>					
Cash and deposits in banks	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
	<u>270,984,182</u>	<u>84,099,596</u>	<u>7,384,045</u>	<u>162,378,196</u>	<u>253,861,837</u>
<b>Financial liabilities</b>					
Deposits	237,954,419	106,273,098		131,778,797	238,051,895
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	2,532,284	432,346		2,964,630
Issued corporate bonds	6,377,311		4,981,686		4,981,686
Subordinated corporate bonds	15,288,390		12,260,778		12,260,778
	<u>278,101,112</u>	<u>124,122,266</u>	<u>17,841,332</u>	<u>131,778,797</u>	<u>273,742,395</u>
12/31/2017					
	Carrying amount	Level 1	Level 2	Level 3	Fair value
<b>Financial assets</b>					
Cash and deposits in banks	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
	<u>177,011,835</u>	<u>44,360,324</u>	<u>485,347</u>	<u>129,480,346</u>	<u>174,326,017</u>
<b>Financial liabilities</b>					
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
	<u>170,830,559</u>	<u>91,016,046</u>	<u>13,519,034</u>	<u>66,265,387</u>	<u>170,800,467</u>
12/31/2016					
	Carrying amount	Level 1	Level 2	Level 3	Fair value
<b>Financial assets</b>					
Cash and deposits in banks	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
	<u>128,682,644</u>	<u>40,279,874</u>	<u>484,851</u>	<u>87,818,873</u>	<u>128,583,598</u>

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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
Issued corporate bonds	1,684,636		1,622,802		1,622,802
Subordinated corporate bonds	6,376,537		5,994,056		5,994,056
	<u>127,621,744</u>	<u>66,077,555</u>	<u>8,012,110</u>	<u>53,175,424</u>	<u>127,265,089</u>

**10. LEASES**

The Bank, 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 Bank.

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 gross investment	Current value of minimum payments	Total gross investment	Current value of minimum payments	Total gross 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
	<u>563,743</u>	<u>448,159</u>	<u>780,941</u>	<u>593,973</u>	<u>522,271</u>	<u>408,138</u>

As of December 31, 2018 and 2017, income for non-accrued interests totaled 115,584 and 186,968 respectively.

Additionally, the Bank celebrated commercial contracts for the lease of real property, in which the Bank'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
	<u>627,078</u>	<u>386,490</u>	<u>344,930</u>

**11. INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS**

**11.1 Associates entities**

The Bank holds an investment in the associate Macro Warrants SA. The existence of significant influence is evidenced by the representation the Bank has in the Board of Directors of the associate. In order to measure this investment, we used accounting information of Macro Warrants SA as of September 30, 2018. Additionally, the Bank 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 Bank's investment in the associate:

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Summarized statement of financial position	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
Shareholders' equity	15,842	16,533	13,686
Proportional interest at the Bank	5%	5%	5%
Investment carrying amount	792	827	684
Summarized statement of comprehensive income			
Net income for the year	3,308	5,847	
Investment carrying amount in the net income	165	292	

On June 30, 2018, the investment in Prisma Medios de Pagos SA was reclassified as noncurrent assets held for sale (see note 13). The following table presents summarized information on the Bank's investments as of December 31, 2017 and 2016:

Summarized statement of financial position	12/31/2017	12/31/2016
Total assets	14,366,838	9,703,861
Total liabilities	12,492,991	8,815,774
Shareholders' equity	1,873,847	888,087
Proportional interest at the Bank	7.61%	7.61%
Investment carrying amount	142,600	67,583

Additionally, for the years ended on December 31, 2018 and 2017, the Bank's investment carrying amount in the net income of Prisma Medios de Pago SA, amounted to 180,350 and 134,508, respectively.

#### 11.2 Joint ventures

The Bank participates in the following joint ventures, implemented through *Uniones Transitorias de Empresas* (UTE):

- a) Banco Macro SA – Wordline Argentina SA Unión transitoria: on April 7, 1998, the Bank executed an agreement with Siemens Itron Services SA 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.

The following table presents the summarized financial information on the Bank's investment in the UTE:

Summarized statement of financial position	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
Shareholders' equity	210,648	141,183	102,826
Proportional interest at the Bank	50%	50%	50%
Investment carrying amount	105,324	70,592	51,413
Summarized statement of comprehensive income			
Net income for the year	140,294	69,623	
Investment carrying amount in the net income	70,147	34,812	

- b) Banco Macro SA – Gestiva SA Unión transitoria: 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 is to render 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.

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On June 27, 2018, the Bank, the UTE and the tax authorities of the Misiones provincial government entered into an agreement of "termination by mutual agreement" of the adaptation agreement, without implying or modifying the Bank's rights and obligations as a financial agent of the province for the services provision established in the agreement. As of December 31, 2018, according to the above-mentioned, the remaining investment amounted to 2,707 and the Bank's investment carrying amount in the net income amounted to 15,640.

The following table presents the summarized financial information on the Bank's investment as of December 31, 2017 and 2016.

Summarized Statement of financial position	<u>12/31/2017</u>	<u>12/31/2016</u>
Total assets	116,885	107,376
Total liabilities	18,319	15,616
Shareholders' equity	98,566	91,760
Proportional interest at the Bank	5%	5%
Investment carrying amount	4,928	4,588

Additionally, for the fiscal year ended December 31, 2017, the investment carrying amount in the net income for Banco Macro SA – Gestiva SA Unión transitoria de empresas, amounted to 27,009.

For further information, see exhibit E "Detailed information on interest in other companies" to the consolidated financial statements.

**12. RELATED PARTIES**

A related party is a person or entity that is related to the Bank:

- has control or joint control of the Bank;
- has significant influence over the Bank;
- is a member of the key management personnel of the Bank or of the parent of the Bank;
- 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 Bank considers as key management personnel, for the purposes of IAS 24, the members of the Board of Directors and the senior management members of the Risk Management Committee, the Assets and Liabilities Committee and the Senior Credit Committee.

As of December 31, 2018, 2017 and 2016, amounts and profit or loss related to transactions generated with related parties are as follows:

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- Information as of December 31, 2018

	Main subsidiaries (1)					Key management personnel	Other related parties	Total
	Banco del Tucumán SA	Macro Bank Limited	Macro Securities SA	Associates				
<b>Assets</b>								
Cash and deposits in banks		583						583
Other financial assets	2,504		25,276	20,660				48,440
Loans and other financing (2)								
Documents							331,699	331,699
Overdrafts			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 nonfinancial assets			83,178					83,178
<b>Total assets</b>	<b>2,504</b>	<b>583</b>	<b>114,492</b>	<b>20,660</b>		<b>78,728</b>	<b>1,171,160</b>	<b>1,388,127</b>
<b>Liabilities</b>								
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 the BCRA and other financial entities	301,742							301,742
Issued corporate bonds			11,231					11,231
Subordinated corporate bonds							46,605	46,605
Other nonfinancial liabilities							119	119
<b>Total liabilities</b>	<b>301,742</b>	<b>13</b>	<b>322,304</b>	<b>1,875,381</b>		<b>4,890,311</b>	<b>1,031,897</b>	<b>8,421,648</b>
<b>Income</b>								
Interest income	372,476					2,398	66,651	441,525
Interest expense	(58,997)		(3,277)	(191,973)		(397,248)	(24,204)	(675,699)
Commissions income	9		521	112		21	5,592	6,255
Other operating income	27,280							27,280
Administrative expenses	(4)						(9,473)	(9,477)
Other operating expenses				(1,268,375)	(3)		(26,062)	(1,294,437)
<b>Income / (loss)</b>	<b>340,764</b>	<b>-</b>	<b>(2,756)</b>	<b>(1,460,236)</b>		<b>(394,829)</b>	<b>12,504</b>	<b>(1,504,553)</b>

- (1) These transactions are eliminated during the consolidation process.
- (2) The maximum financing amount for loans and other financing as of December 31, 2018 for Banco del Tucumán SA, Macro Bank Limited, Macro Securities SA, associates, Key management personnel and other related parties amounted to 2,550,000, 0, 7,216, 0, 82,297 and 1,551,047, respectively.
- (3) These losses are mainly generated by debit and credit cards processing expenses billed by Prisma Medios de Pago SA.

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	Main subsidiaries (1)				Key management personnel	Other related parties	Total
	Banco del Tucumán SA	Macro Bank Limited	Macro Securities SA	Associates			
<b>Assets</b>							
Cash and deposits in banks		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 (2)							
Other financial entities	952,147						952,147
Documents						151,898	151,898
Overdrafts					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
<b>Total assets</b>	<b>953,525</b>	<b>13,106</b>	<b>7,711</b>		<b>25,528</b>	<b>471,101</b>	<b>1,470,971</b>
<b>Liabilities</b>							
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 nonfinancial liabilities						173	173
<b>Total liabilities</b>		<b>16</b>	<b>108,378</b>	<b>1,017,678</b>	<b>1,111,826</b>	<b>776,653</b>	<b>3,014,551</b>
<b>Income</b>							
Interest income	28,621		2,057		3,512	78,792	112,982
Interest expense	(10,263)	(257)		(139,560)	(3,082)	(4,930)	(158,092)
Commissions income	12		250	75	21	5,110	5,468
Commissions expenses						(14)	(14)
Other operating income	21,608	2	674				22,284
Administrative expenses	(41)					(13,042)	(13,083)
Other operating expenses			(15,957)	(687,956)	(2)	(24,243)	(728,156)
<b>Income / (loss)</b>	<b>39,937</b>	<b>(255)</b>	<b>(12,976)</b>	<b>(827,441)</b>	<b>451</b>	<b>41,673</b>	<b>(758,611)</b>

(1) These transactions are eliminated during the consolidation process.

(2) These losses are mainly generated by debit and credit cards processing expenses billed by Prisma Medios de Pago SA.

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	Main subsidiaries (1)						
	Banco del Tucumán SA	Macro Bank Limited	Macro Securities SA	Associates	Key management personnel	Other related parties	Total
<b>Assets</b>							
Cash and deposits in banks		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 (2)							
Documents						103,775	103,775
Overdrafts					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
<b>Total assets</b>	<b>47</b>	<b>11,269</b>	<b>8,974</b>		<b>19,042</b>	<b>956,975</b>	<b>996,307</b>
<b>Liabilities</b>							
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 nonfinancial liabilities		196				209	405
<b>Total liabilities</b>		<b>61,428</b>	<b>134,778</b>	<b>53,581</b>	<b>1,082,477</b>	<b>890,699</b>	<b>2,222,963</b>
<b>Income</b>							
Interest income	612		3,658		5,118	27,750	37,138
Interest expense	(22,454)	(86)		(117,756)	(9,077)	(11,408)	(160,781)
Commissions income	16		143	101	25	4,914	5,199
Commissions expenses			(141)				(141)
Other operating income	17,220	2	627				17,849
Administrative expenses	(9)					(5,263)	(5,272)
Other operating expenses			(151)	(460,097)	(2)	(22,243)	(482,491)
<b>Income / loss</b>	<b>(4,615)</b>	<b>(84)</b>	<b>4,136</b>	<b>(577,752)</b>	<b>(3,934)</b>	<b>(6,250)</b>	<b>(588,499)</b>

(1) These transactions are eliminated during the consolidation process.

(2) These losses are mainly generated by debit and credit cards processing expenses billed by Prisma Medios de Pago SA.

Transactions generated by the Bank with its related parties to it for transactions arranged within the course 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 Bank 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 managers of the key management personnel	15	14	14
	39	36	35

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**13. NONCURRENT ASSETS HELD FOR SALE**

As of December 31, 2018, the Bank maintains recorded its investment in Prisma Medios de Pago SA ("Prisma"), under noncurrent assets held for sale, due to the obligation to transfer all its shares within the scope of the Divestment obligation undertaken with the Argentine Antitrust Commission. Therefore, the investment was valued according with IFRS 5 "Non-current assets held for sale and discontinued operations", at the lowest of its carrying amount and the best estimation of the fair value less costs until its sale. As of December 31, 2018 the investment amount, included in this item, amounted to 105,287.

On January 21, 2019, the Bank, together with the other shareholders, accepted a purchase offer made by AI ZENITH (Netherlands) B.V. (a company related to Advent International Corporation) for the acquisition of 1,933,051 common shares of par value Ps.1 each and entitled to one, representing 4.6775 % of its share capital, equivalent to 51% of the Bank's capital stock in such company.

On February 1, 2019, the Bank completed the transfer of such shares and determined that the estimated total purchase price adjusted to that date was (in thousands) USD 64,542 out of which the Bank received on the date hereof (in thousands) USD 38,311 and the payment of the balance for an amount of (in thousands) USD 26,230 shall be deferred during the next 5 years as follows: (i) 30% of such amount in Pesos adjusted by UVA at a 15% nominal annual rate; and (ii) 70% in US Dollars at a 10% nominal annual rate. The purchase price is guaranteed by the issuance of notes in favor of the Bank and pledges of the transferred shares.

In addition, sellers retain the usufruct (dividends) of the shares sold to be reported by Prisma for the year ended December 31, 2018. Besides, the proportion applicable to the buyer of the dividends to be reported for the following fiscal years –with the buyer's commitment to voting in favor of the distribution of certain minimum percentages– will be used to create a guarantee trust to repay the deferred price amount through the concession by the buyer and Prisma of a usufruct over the economic rights of the shares in favor of such trust.

The final price will be determined as established in the transaction documents once the parties approve the price adjustment report.

The accounting effects for this transaction shall be recognized in the consolidated financial statements during 2019.

**14. BORROWING COSTS**

The Bank capitalized borrowing costs attributable to the construction of the new corporate building.

On December 27, 2018 and due to the fact that the Bank completed all the activities necessary to prepare the qualifying assets for its intended use, it ceased capitalizing borrowing cost and, as of that date, the capitalized interest were reclassified in the item Property, plant and equipment – real property, for an amount of 50,426. The weight average capitalization rate was 12.24%. Additionally, as of December 31, 2017 borrowing costs eligible for capitalization of the expenditures on such qualifying asset amounted to 30,587.

**15. PROVISIONS**

This item includes the amounts estimated to face a liability of probable occurrence, which if occurring, would originate a loss for the Bank.

Exhibit J "Changes in Provisions" presents the changes in provisions during the fiscal years ended on December 31, 2018, 2017 and 2016.

The expected terms to settle these obligations are as follows:



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	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
	<u>333,646</u>	<u>712,248</u>	<u>1,045,894</u>	<u>694,919</u>	<u>335,007</u>

(\*) Mainly includes provisions for trials, summaries, executions and other legal cases pending resolution.

In the opinion of the Management of the Bank and its legal counsel, there are no other significant effects than those disclosed in these consolidated 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	<u>1,652,368</u>	<u>1,257,536</u>	<u>844,660</u>

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 financial assets 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 and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 12 months	Total up to 12 months	Over 12 months and up to 24 months	Over 24 months	Total over 12 months
<b>Assets</b>									
Cash and deposits in banks	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			
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			
Investment in equity instruments	51,518								
Total assets	<u>84,279,155</u>	<u>108,759,352</u>	<u>20,633,061</u>	<u>20,979,139</u>	<u>21,402,057</u>	<u>171,773,609</u>	<u>26,954,590</u>	<u>47,678,061</u>	<u>74,632,651</u>

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12/31/2018	Without due date	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	Total up to 12 months	Over 12 months and up to 24 months	Over 24 months	Total over 12 months
<b>Liabilities</b>									
Deposits	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 the BCRA and other financial entities		423,291	907,790	1,054,312	442,273	2,827,666	62,921	107,423	170,344
Issued corporate bonds		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
<b>Total liabilities</b>	<b>103,394,451</b>	<b>109,990,602</b>	<b>33,395,104</b>	<b>8,123,738</b>	<b>1,616,761</b>	<b>153,126,205</b>	<b>139,733</b>	<b>21,442,092</b>	<b>21,581,825</b>

12/31/2017	Without due date	Total up to 12 months	Total over 12 months
<b>Assets</b>			
Cash and deposits in banks	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	
Investment in equity instruments	282,659		
<b>Total assets</b>	<b>41,378,376</b>	<b>132,269,191</b>	<b>41,984,200</b>
<b>Liabilities</b>			
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
Issued corporate bonds		118,356	4,593,860
Subordinated corporate bonds		80,004	7,485,755
<b>Total liabilities</b>	<b>74,499,458</b>	<b>83,945,226</b>	<b>12,415,432</b>

12/31/2016	Without due date	Total up to 12 months	Total over 12 months
<b>Assets</b>			
Cash and deposits in banks	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	
Investment in equity instruments	406,868		
<b>Total assets</b>	<b>39,425,002</b>	<b>85,066,966</b>	<b>25,844,737</b>

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12/31/2016	Without due date	Total up to 12 months	Total over 12 months
<b>Liabilities</b>			
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
Issued corporate bonds		1,684,636	
Subordinated corporate bonds		67,429	6,309,108
Total liabilities	50,613,570	70,540,383	6,467,791

(1) The amounts included in "without due date", are related with the non performing portfolio.

**18. DISCLOSURES BY OPERATING SEGMENT**

For management purposes the Bank's Management has determined that it has only one operating segment related to the banking business. In this sense, the Bank supervises the operating segment income (loss) for the period in order to make decisions about resources to be allocated to the segment and assess its performance, which is measured on 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.

Deferred tax assets and deferred tax liabilities in the statement of financial position are as follows:

	12/31/2018	12/31/2017	12/31/2016
<b>Deferred tax assets</b>			
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
<b>Deferred tax liabilities</b>			
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 nonfinancial 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 fiscal year end	228,112	469,087

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(\*) For changes in fiscal year 2017, the Bank included the effect of the rate change, under the tax reform described in Note 3.13.1 to these 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 the reconciliation between income tax and the amounts obtained by applying the current tax rate in Argentina to the income carrying amount:

	<u>12/31/2018</u>	<u>12/31/2017</u>
Income carrying amount before income tax	22,741,647	15,083,774
Applicable income tax rate	30%	35%
Income tax on income carrying amount	<u>6,822,494</u>	<u>5,279,321</u>
Net permanent differences and other tax effects	<u>142,261</u>	<u>(347,360)</u>
Total income tax	<u>6,964,755</u>	<u>4,931,961</u>

As of December 31, 2018 and 2017, the effective income tax rate is 30.6% and 32.7%, respectively.

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. COMMISSIONS INCOME**

Description	<u>12/31/2018</u>	<u>12/31/2017</u>
Performance obligations satisfied at a point in time (1)	11,862,084	8,618,017
Performance obligations satisfied over certain time period	26,890	568,203
	<u>11,888,974</u>	<u>9,186,220</u>

(1) Includes mainly account maintenance fees, agreements and credit card commissions.

**21. DIFFERENCE IN QUOTED PRICES OF GOLD AND FOREIGN CURRENCY**

Description	<u>12/31/2018</u>	<u>12/31/2017</u>
Translation of foreign currency assets and liabilities into pesos	(2,721,085)	889,541
Income from foreign currency exchange	1,343,569	490,768
	<u>(1,377,516)</u>	<u>1,380,309</u>

**22. OTHER OPERATING INCOME**

Description	<u>12/31/2018</u>	<u>12/31/2017</u>
Services	1,135,862	926,667
Derecognition or substantial modification of financial liabilities	594,424	
Adjustments and interest from other receivables	221,202	66,051
Sale of investment property and other nonfinancial 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
	<u>2,846,032</u>	<u>1,607,008</u>

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**23. EMPLOYEE BENEFITS**

Description	12/31/2018	12/31/2017
Remunerations	7,780,931	5,938,491
Payroll taxes	1,513,192	1,072,817
Compensations and bonuses to employees	751,839	471,171
Employee services	258,856	212,690
	<u>10,304,818</u>	<u>7,695,169</u>

**24. ADMINISTRATIVE EXPENSES**

Description	12/31/2018	12/31/2017
Maintenance, conservation and repair expenses	909,643	597,837
Taxes	900,608	725,577
Fees to directors and statutory audits	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
Stationery and office supplies	58,338	43,213
Hired administrative services	18,210	17,970
Other	1,537,994	1,035,747
	<u>6,832,712</u>	<u>4,694,760</u>

**25. OTHER OPERATING EXPENSES**

Description	12/31/2018	12/31/2017
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
	<u>10,252,432</u>	<u>6,784,227</u>

**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 fiscal year. For the preparation of the statement of cash flows, the Bank adopted the indirect method for operating activities and the direct method for investment activities and financing activities.

The Bank 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 Bank considered the following:

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- Operating activities: the normal revenue-producing activities of the Bank as well as other activities that cannot qualify as investing or financing activities.
- Investing activities: the acquisition, sale and disposal by other means of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of the shareholders' equity and liabilities of the Bank 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 statement of financial position:

	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	
	<u>130,629,755</u>	<u>55,685,525</u>	<u>52,070,153</u>

## 27. CAPITAL STOCK

The Bank's subscribed and paid-in capital as of December 31, 2018, amounted to 669,663. Since December 31, 2015, the Bank's capital stock has changed as follows:

	Capital stock issued and paid-in	Issued outstanding	In treasury
<b>As of December 31, 2015 and 2016</b>	<b>584,563</b>	<b>584,563</b>	
Capital stock increase as approved by Shareholders' Meeting held on April 28, 2017 (1)	85,100	85,100	
<b>As of December 31, 2017</b>	<b>669,663</b>	<b>669,663</b>	
Own shares acquired (2)		(28,948)	28,948
<b>As of December 31, 2018</b>	<b>669,663</b>	<b>640,715</b>	<b>28,948</b>

- (1) Related to the 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 oversubscribe 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 banking system.

- (2) Related to the repurchase of the Bank's own shares under the programs established by the Bank's Board of Directors on August 8, 2018, October 17, 2018 and December 20, 2018 with the purpose of reducing share price fluctuations, minimizing possible temporary imbalances between market supply and demand.

The Program dated on August 8, 2018, established, that the maximum amount of the investment amounted to 5,000,000 and the maximum numbers of shares to be acquired were equivalent to 5% of the capital stock. At the end of this program the Bank had acquired 21,463,005 common, registered, Class B shares with a face value of Ps. 1 each one entitled with one vote for an amount of 3,113,925.

The Program dated on October 17, 2018, established the start over of the repurchase of the Bank's own shares, with the pending use of funds of the abovementioned Program, already expired. At the end of this program, the Bank had acquired 6,774,019 common, registered, Class B shares with a face value of Ps. 1 each one entitled with one vote for an amount of 995,786

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On December 20, 2018, for the reasons mentioned in the first paragraph of this section (2), the Board of Directors of Banco Macro SA, decided the terms and conditions for the acquisition of its own shares, in accordance with section 64 Law 26,831 and CNV rules, under the following conditions:

- (1) Maximum amount to invest: up to 900,000.
- (2) Maximum number of shares for own acquisition: up to 1% of the capital stock.
- (3) Maximum price to pay for shares: up to Ps. 158 per share.
- (4) Terms in which the acquisition took place: up to January 10, 2019, that date included, subject to any renewal or extension of the term, which will be informed in due time.

As of December 31, 2018, the Bank has acquired 2,028,251 common, registered, Class B shares with a face value of Ps. 1 each one entitled with one vote for an amount of 298,196, of which, at the fiscal year-end were only settled 711,386 common shares for an amount of 98,353, pending settlement 1,316,865 common shares for an amount of 199,843.

For further information about the composition of the Bank'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 common shareholders of the Bank by the weighted average number of common shares outstanding during the fiscal year.

To determine the weighted average number of common shares outstanding during the fiscal year, the Bank used the number of common shares outstanding at the beginning of the period adjusted, if applicable, by the number of common shares bought back or issued during the fiscal year multiplied by the number of days that the shares were outstanding in the period. Note 27 provides a breakdown of the changes in the Bank'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.

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 cash dividends were paid and made available on May 15, 2018. See also note 38 to these consolidated financial statements and the earning distribution proposal.

**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 Law. The above-mentioned legislation also provided for the incorporation of Sedesa with the exclusive purpose of managing the Deposit Guarantee Fund (DGF). Sedesa was incorporated in August 1995.

Banco Macro SA holds an 8.300% interest in the capital stock of Sedesa according to the percentages disclosed by BCRA Comunicado "B" 11816 on February 28, 2019.

All deposits in pesos and foreign currency placed in participating entities in the form of checking accounts, savings accounts, certificates of deposits or other forms of deposit that the BCRA may determine from time to time shall be subject to the abovementioned Deposit Guarantee Insurance System up to the amount of 450 (from March 1, 2019, the amount shall be raised to 1,000) which must meet the requirements provided for in Presidential 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 Bank and securities deposits.

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**30. RESTRICTED ASSETS**

As of December 31, 2018 and 2017, the followings Bank'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 Argentine legislation, maturing 2033 securing the regional economies Competitiveness Program – IDB loan No. 3174/OC-AR.	108,633	98,541
• Discount bonds in pesos regulated by Argentine legislation, maturing 2033 used as security in favor of Sedesa (1).	92,659	117,454
• Discount bonds in pesos regulated by Argentine 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 Argentine legislation, maturing 2033 and , National treasury bills in pesos adjusted by CER, maturing 2021 as of December 31, 2018 and Discount bonds in pesos regulated by Argentine legislation, maturing 2033 for minimum statutory guarantee account required for Agents to act in the new categories contemplated under Resolution No. 622/13 of the CNV	24,998	13,139
• Discount bonds in pesos regulated by Argentine legislation, maturing 2033 securing a IDB loan of Province of San Juan No. 2763/OC-AR.	6,609	8,869
• BCRA Internal Bills in pesos, maturing 02-21-2018 as of December 31, 2017, for the performance of forward foreign currency transactions.		53,059
• BCRA Internal Bills in pesos, maturing 02-21-2018 as of December 31, 2017, securing the operation through the 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 public and private securities.	34,259	27,225
Subtotal debt securities at fair value through profit or loss and other debt securities	<u>331,861</u>	<u>340,908</u>
Other financial assets		
• Sundry debtors – Other	2,414	858
• Sundry debtors – attachment within the scope of the claim filed by the DGR against the City of Buenos Aires for differences on turnover tax.	827	827
Subtotal Other financial assets	<u>3,241</u>	<u>1,685</u>
Loans and other financing – non-financial private sector and foreign residents		
• Interests derived from contributions made as contributing partner- (2)	32,501	110,848
Subtotal loans and other financing – non-financial private sector and foreign residents	<u>32,501</u>	<u>110,848</u>
Financial assets delivered as a guarantee		
• Special guarantee checking accounts opened in the BCRA 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
• Forward purchase for repo transactions	182,448	2,993,719
• Other guarantee deposits	106,596	15,412
Subtotal Financial assets delivered as a guarantee	<u>6,756,220</u>	<u>7,638,352</u>



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Item (contd.)	12/31/2018	12/31/2017
Other nonfinancial assets		
• Real property related to a call option sold	73,006	222,023
Subtotal Other nonfinancial assets	<u>73,006</u>	<u>222,023</u>
Total	<u>7,196,829</u>	<u>8,313,816</u>

- (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. They are related to the following risk funds: Risk fund Los Grobo SGR and Risk fund of Avaluar SGR as of December 31, 2018 and 2017 and Risk fund of Intergarantías SGR and Risk fund of Garantizar SGR as of December 31, 2017.

Additionally, as of December 31, 2016, the amount of restricted assets was 4,191,090.

### **31. TRUST ACTIVITIES**

The Bank is related to several types of trusts. The different trust agreements according to the business purpose sought by the Bank are disclosed below:

#### **31.1 Financial trusts for investment purposes**

Debt securities include mainly prepayments towards the placement price of provisional trust securities of the financial trusts under public offerings (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 Bank recovers the disbursements made, plus an agreed-upon compensation. If after making the best efforts, such trust securities cannot be placed, the Bank will retain the definitive trust securities.

In addition, the Bank's portfolio is completed with financial trusts for investment purposes, trust securities of definitive financial trusts in public offering (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 for investment purposes, total 1,383,743, 1,011,828 and 730,672, respectively.

According to the latest accounting information available as of the date of issuance of these 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 Bank (securitization)**

The Bank 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. Through this way the funds that were originally used by the Bank to finance the loans are obtained earlier.

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 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 Bank**

As it is common in the Argentine banking market, the Bank 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.

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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 guarantee and all excess amounts as to the value of the obligations are reimbursed by the trustee to the debtor.

As of December 31, 2018, 2017 and 2016, considering the latest available accounting information as of the date of these consolidated financial statements, the assets managed by the Bank amounted to 269,507, 328,268 and 451,569, respectively.

**31.4 Trusts in which the Bank acts as trustee (management)**

The Bank, 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 Bank 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 these consolidated financial statements, the assets managed by the Bank amounted to 3,021,849, 2,200,840 and 2,117,959, respectively.

**32. COMPLIANCE WITH CNV REGULATIONS**

**32.1 Compliance with CNV standards to act in the different agent categories defined by the CNV:**

**32.1.1 Operations of Banco Macro SA**

Considering Banco Macro SA's current operations, and according to the different categories of agents established by CNV rules (as per General Resolution No. 622/2013, as amended), the Bank 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), comprehensive clearing and settlement agent and trading agent (ALyC and AN – comprehensive, for their acronyms in Spanish), financial trustee agent (FF, for its acronym in Spanish) and Guarantee Entity (in the process of being registered).

Additionally, the Bank's shareholders' equity exceeds the minimum amount required by this regulation, amounting to 29,000, as well as the minimum statutory guarantee account required of 20,000, which the Bank paid-in with government securities as described in note 30 to the accompanying consolidated financial statements and the cash deposits in BCRA accounts 00285 and 80285 belonging to the Bank.

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**32.1.2 Operations of Banco del Tucumán SA**

Considering Banco del Tucumán SA's current operations, and according to the different categories of agents established by CNV rules (as per General Resolution No. 622/2013, as amended), such Bank 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 statutory guarantee account required of 9,000, which the subsidiary paid-in with government securities.

**32.1.3 Operations of Macro Securities SA**

Considering the current operations of this subsidiary, and according to the provisions established by CNV effective as of the approval of General Resolution No. 622/2013, as amended, issued by such agency, such Company is registered 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 such Company exceeds the minimum amount required by this regulation, amounting to 18,125 and the minimum statutory guarantee account required of 9,000, which the Company paid-in with mutual fund shares.

**32.1.4 Operations of Macro Fondos Sociedad Gerente de Fondos Comunes de Inversión SA**

Considering the current operations of this subsidiary, and according to the provisions established by CNV effective as of the approval of General Resolution No. 622/2013, as amended, issued by such agency, such Company is registered 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, and the minimum statutory guarantee account amounting to 1,100 and is paid-in with mutual fund shares.

**32.1.5 Operations of Macro Fiducia SA**

Considering the current operations of this subsidiary and according to the provisions established by CNV effective as of the approval of General Resolution 622/2013, as amended, issued by such agency, such Company is registered as financial trustee agent and nonfinancial trustee agent.

Additionally, the shareholders' equity of such Company exceeds the minimum amount required by this regulation, amounting to 6,000, and the minimum statutory guarantee account amounting to 3,000 and is paid-in with mutual fund shares.

**32.2 Documents in custody**

As a general policy, the Bank 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 Bank has placed (i) the Inventory Books for fiscal years ended through December 31, 2015 included, and (ii) certain documentation supporting the economic transactions for fiscal years ended through December 31, 2017, included, under the custody of the following companies: AdeA Administradora de Archivos SA (warehouse located at Ruta 36, km 31.5, Florencio Varela, Province of Buenos Aires) and ADDOC Administración de Documentos SA (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

**33. ACCOUNTING ITEMS THAT IDENTIFY THE COMPLIANCE WITH MINIMUM CASH REQUIREMENTS**

The items recognized by the Bank to constitute the minimum cash requirement effective for December 2018 are listed below, indicating the amounts as of month-end of the related items:

Description	Banco Macro SA	Banco del Tucumán SA
Cash and deposits in banks		
Amounts in BCRA accounts	46,046,332	4,165,795
Other debt securities		
BCRA Internal Bills computable for the minimum cash requirements	18,800,520	
Government securities computable for the 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

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**34. PENALTIES APPLIED TO THE FINANCIAL ENTITY AND SUMMARY PROCEEDINGS INITIATED BY THE BCRA**

BCRA Communiqué “A” 5689, as supplemented and amended, requires financial institutions to disclose in their financial statements certain information regarding summaries and penalties received from certain regulatory authorities, regardless of the amounts involved and the final conclusions of each case.

Next follows a description of the situation of Banco Macro SA and Banco del Tucumán SA as of December 31, 2018:

**Banco Macro SA**

Summary proceedings filed by the BCRA

Financial summary proceedings: No. 1496 dated 02/24/2016.

Reason: deficiencies on the consolidated supervision exercised by the Bank regarding its subsidiaries, with noncompliance 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 Delfín 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 Bank's requirements. Penalty amount: 2,000.

Proceeding filed against: former Banco Privado de Inversiones SA, Directors, Statutory Audit 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, due to the nonstaying effect thereof. On 07/10/2015 a direct appeal was filed against such resolution with the Court of Appeals in Contentious Administrative Matters (CNACAF, for its acronyms in Spanish). 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 Bank filed a Federal 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 Bank and of Mr. Carlos Soulé before the Argentine Supreme Court of Justice (CSJN, for its acronyms in Spanish) 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 nonfinancial 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 Bank, which were debited from the Bank'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 Bank and annulled the decision imposing the fines to the Bank. The BCRA filed a federal extraordinary appeal, which was answered by the Bank on 08/29/2016. On 09/06/2016 Courtroom IV of the CNACAF dismissed the BCRA extraordinary appeal. On 09/14/2016 the BCRA lodged a motion for reconsideration of dismissal of the extraordinary appeal with the CSJN, which is still pending resolution.

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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 Bank and Messrs. Juan Pablo Brito Devoto and Luis Carlos Cerolini. Upon such court order, both the UIF and the Bank lodged a federal extraordinary appeal. Such appeals were rejected by the Court on 04/25/2017. On 05/10/2017 both the Bank and the UIF filed a motion for reconsideration of dismissal of appeal before the Argentine Supreme Court which is still pending resolution.

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 Bank 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 capacity to be sued lodged by Messrs. Carballo and Magnanini. On 01/30/2017 the Bank paid the fine imposed by the UIF, due to the nonstaying 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 SA et al v. UIF on Criminal Code – Law No. 25246 – Presidential Decree 290/07, Section 25" (Court File No. 13500/2017). This court file is pending resolution.

• Summaries proceedings ended during the year

Criminal foreign exchange summary proceedings (BCRA): No. 6545 dated 09/03/2015, alleged breach of article section 1 (e) and (f) of Foreign Exchange Criminal Law and BCRA Communiqué "A" 5264, as amended and supplemented, for foreign exchange transactions with a customer ended in favor of the Bank due to on 04/14/2018, the Bank was served notice of the decision of the BCRA which declared its accusation against the individuals involved in the summary proceedings null and void and therefore ordered the closing of the proceedings.

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 Bank, amounts to 718 and was recognized according to the BCRA 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 noncompliance with the obligation to inform a "Significant Event".

Persons subject to summary proceedings: Banco Macro SA, the members of the Board, the regular members of the Statutory Audit 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 Bank 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.

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File: 2577/2014 (CNV Resolution No. 18863) dated 07/20/2017.

Reason: potential noncompliance with the provisions of section 59, 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 Statutory Audit 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 Bank 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 08/11/2017, the Bank 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 that are the 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 April 10, 2018, the CNV (Argentine Securities Commission) declared the issue as a matter of law and ordered that notice be served to the persons subject to the summary proceedings for filing briefs. On April 27, 2018, Banco Macro filed its brief. The CNV is analyzing the file as from that date.

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 comprehensive 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 that is the 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 Bank 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 evidence offered was provided; therefore, on May 21, 2018, the UIF declared that the trial stage was concluded and set the case for the closing arguments. On June 8, 2018, the Bank, the directors and the compliance officer provided their closing arguments. To date, the UIF is analyzing the file in order to issue a resolution.

File: No. 1208/2014 (UIF Resolution No. 13/2016) dated January 15, 2016.

Reason: alleged failure to comply with the Anti-Money Laundering Law, as amended, and UIF Resolution No. 121/11.

Persons subject to the summary proceedings: Banco Macro SA, 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 Bank and the individuals were notified about Resolution No. 13/2016, whereby the summary proceedings were opened. The proceedings began due to the BCRA submission on 05/12/2014, of the background related to "the overall inspection performed in Banco Macro SA from 11/26/2013, through 01/17/2014, by the Special Operations Oversight Management in order to evaluate the measures adopted by the Bank for the prevention of money laundering and terrorism financing". The UIF stated in the resolution that summary proceedings should be filed "to discharge any responsibility that may be borne by Banco Macro SA, its Board of Directors and/or Compliance Officers that were holding office during the term of the alleged infringements described in the recitals hereof [resolution], so as to determine whether they committed the crime punished under section 24(1) and (2), Law No. 25,246, as amended". On May 17, 2018, the Bank was notified about such case file. On June 15, 2018, Banco Macro SA, the members of the Board of Directors and the compliance officer filed their defense briefs. On July 2, 2018, the UIF sustained the lack of capacity to be sued of Delfín Jorge Ezequiel Carballo, discarding his responsibility in this summary proceeding. The proceedings were opened to the production of evidence and closing of the evidence stage; on September 2018 the defendants lodged their memorial. As of the date hereof these actions are in a stage to issue a resolution, which is pending.

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**Banco del Tucumán SA**

Penalties imposed 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 41., regarding the financing to the nonfinancial 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 account number 00060 of the Bank. On 04/08/2014 the Bank filed a direct appeal against the resolution of the SEFYC, on behalf of the Bank and of the individuals involved in the summary proceedings, before the CNACAF, who sustained Resolution 149/14. On 11/14/2014 the Bank filed a federal 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) dismissed the extraordinary appeal filed by Banco del Tucumán SA with court costs. On 02/26/2015 the Bank lodged a motion for reconsideration of dismissal of the extraordinary appeal, which is still pending to date.

- Summary proceedings ended during the 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 System Law, for irregularities in US dollar sale transactions of the financial intermediary established in Communiqué "B" 7174. On May 24, 2018, Federal Court No. 2 decided to declare the criminal action to be barred by the statute of limitations pursuant to section 59(3) of the Criminal Code.

Bank Management and its legal counsel consider no further significant accounting effects could arise from the final outcome of the above mentioned judicial proceedings.

**35. CORPORATE BONDS ISSUANCE**

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	USD 400,000,000 (a.1)	USD 400,000,000	15,288,390	7,565,759
Nonsubordinated – Class B	Ps. 4,620,570,000 (a.2)	Ps. 3,391,052,000	3,460,899	4,712,216
Nonsubordinated – Class C	Ps. 3,207,500,000 (a.3)	Ps. 3,207,500,000	2,916,412	
Total			<u>21,665,701</u>	<u>12,277,975</u>

- 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' Meeting resolved to extend the maximum amount of the abovementioned Global Program up to USD 1,500,000,000 (one thousand five hundred millions US dollars).



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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 points, according to the abovementioned terms and conditions.

In addition, the Bank 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 Bank 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 the Global Program mentioned on item a.1), Banco Macro SA issued non-subordinated simple corporate bonds Class B 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 Bank may fully redeem the issuance for tax matters, but not partially. The Bank used the funds derived from such issuance to grant loans in accordance with BCRA guidelines.

On October 17, 2018 the Board of Directors decided to pay off these corporate bonds for a face value of 1,229,518,000, equivalent to the amount of purchases made to that date.

As of the date of issuance of these consolidated financial statement and after the abovementioned date, the Bank made purchases of this issuance for a face value of pesos 147,955,000, with a remaining outstanding face value of 3,243,097,000.

- a.3) On April 9, 2018, under the Global Program mention on item a.1), Banco Macro SA issued non subordinated simple corporate bonds Class C, for a face value of pesos 3,207,500,000, 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 Bank may fully redeem the issuance for tax matters, but not partially. The Bank used the funds derived from such issuance to grant loans in accordance with BCRA guidelines.

As of the date of issuance of these consolidated financial statement, the Bank made purchases of this issuance for a face value of pesos 517,000,000, with a remaining outstanding face value of pesos 2,690,500,000.

As of December 31, 2016 the Bank had recorded 1,684,636, related to Nonsubordinated 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, as determined by the Board of Directors in due time.

**36. OFF BALANCE SHEET TRANSACTIONS**

In addition to note 7, the Bank recognizes different off balance sheet transactions, pursuant to the BCRA standards. Below are the amounts of the main off Balance sheet transactions as of December 31, 2018, 2017 and 2016:

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Item	12/31/2018	12/31/2017	12/31/2016
Preferred and other collaterals received from customers (1)	45,544,953	39,247,291	22,116,120
Custody of government and private securities and other assets held by third parties	80,052,243	82,906,533	51,936,124
Checks already deposited and pending clearance	1,680,896	1,266,306	1,134,949
Outstanding checks not yet paid	3,353,434	2,054,676	1,883,988

(1) Related to collaterals used to secure loans transactions and other financing, under the applicable rules in force in this matter.

### 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 Bank related to income tax, minimum presumed income tax and other taxes (mainly 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 Bank's position.

- b) Ex-officio 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 Bank 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 Bank submitted a detailed explanation of the grounds supporting its position. As of the date hereof, the Bank has not received an answer from the AFIP. In the understanding of the Bank's management and its tax advisors and legal counsel, no amount for employer's contributions should be claimed for the indicated periods.

The Bank's Management and its legal counsel 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. In addition, before merging with and into the Bank, Banco Privado de Inversiones SA (BPI) had a pending class action styled "Adecua v. Banco Privado de Inversiones on ordinary proceedings", File No. 19073/2007, pending with 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 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 Bank, 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 Bank 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 Bank 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.

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Moreover, the Bank is also subject to three class actions initiated by consumers' associations for the same purpose: a) Adecua v, Banco Macro on ordinary 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 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 class actions initiated by consumer protection associations in relation to the collection of certain commissions and/or financial charges or practices and certain withholdings made by the Bank to individuals as Buenos Aires City stamp tax withholding agent.

Furthermore, there is a case challenging the Bank for charging credit card users until December 2014 a commission for "purchase limit excess" that consisted of a percentage over the purchase limit excess amount. It is styled "User and Consumer Union et. al v. Banco Macro SA on summary proceedings" [Unión de Usuarios y Consumidores y otro c/ Banco Macro SA s/ Sumarísimo], 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 understand that it is highly likely that a favorable ruling is obtained from the trial court, we became aware that the Court of Appeals approved related actions against other two banks.

The Bank's Management and its legal counsel 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 DIVIDENDS DISTRIBUTION**

- a) According to BCRA regulations, 20% of Banco Macro SA 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 retained earnings. Consequently, the upcoming shareholders' meeting shall apply 3,145,849 out of unappropriated retained earnings, to increase such legal earnings reserves.
- b) Pursuant to Law No. 25,063, dividends to be distributed in cash or in kind in excess of taxable income accumulated at the end of the fiscal year immediately preceding the payment or distribution date shall be subject to a 35% income tax withholding as a single and definitive 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 accrue 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 Law (sections dealing with tax payment and restructuring agreements and reorganization of the Bank), among other conditions listed in the abovementioned communiqué that must be met.

In addition, profits may only be distributed to the extent there are positive results, after deducting, on a nonaccounting basis, from retained earnings and the optional reserves for the future distribution of profits, (i) the amounts of the legal and other earnings reserves which are mandatory, (ii) all debit amounts of each one of the accounting items recognized in "Other Comprehensive Income", (iii) income from 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.

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As of December 31, 2018, the related adjustments to be made on unappropriated retained earnings are as follows:

- i. Legal earnings reserves 3,145,848.
- ii. Debit amounts 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 the first-time application of the IFRS, included as special reserve 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 Bank 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 Tier 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 Bank's retained earnings, such as the actual distribution of dividends, the capitalization thereof through the delivery of bonus shares, the creation of earnings reserves additional to the Legal earnings retained or a combination of any of these applications.

**39. CAPITAL MANAGEMENT, CORPORATE GOVERNANCE TRANSPARENCY POLICY AND RISK MANAGEMENT**

As financial institutions, the activities of Banco Macro SA and Banco del Tucumán SA are governed by the Financial Entities Law No. 21,526, as supplementary, and the regulations issued by the BCRA. Moreover, they adhere to the good banking practices laid out in BCRA Communiqué "A" 5201 (Financial Entities Corporate Governance Guidelines) as supplementary.

The Bank 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 that the Bank explain the reasons why it decided not to adopt the good practices described in such resolution. The Bank annually publishes a document called Corporate Governance Explanatory Report together with the Annual Report to the Shareholders for the fiscal year, required by regulations, which is available on the Bank's website and on that of such enforcement agency.

This regulation reinforces the notions contained in Capital Markets Law establishing principles such as "full disclosure", "transparency", "efficiency", "public investor protection", "equal footing between investors" and "protection of the stability of financial entities and financial intermediaries".

On the other hand, as the Bank 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 the BCRA standards contemplated in the revised text "Financial Entities Corporate Governance Guidelines", as supplementary, are as follows:

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- Ownership structure

As of December 31, 2018, the Bank's shareholders are:

FULL NAME/ CORPORATE NAME	Participating Interest	Voting Interest
Brito Jorge Horacio	16.59	18.55
Carballo Delfín Jorge Ezequiel	16.68	18.37
ANSES FGS Law No. 26425	27.49	25.77
Grouped shareholders (Local Stock Exchanges)	10.47	10.35
Grouped shareholders (Foreign stock exchanges)	28.77	26.96

On the other hand, the shareholders of Banco del Tucumán SA are:

FULL NAME/ CORPORATE NAME	Participating Interest	Voting Interest
Banco Macro SA	99.95%	99.95%
Others	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 terms as to experience and knowledge, contained in the rules CREFI 2-Creation, Operation and Expansion –XV- Financial Entities Authorities.

Name	Position
Delfín Jorge Ezequiel Carballo	Chairman
Jorge Pablo Brito	Vice chairman
Carlos Alberto Giovanelli	Director
Nelson Damián Pozzoli	Director
José Alfredo Sanchez (*)	Director
Martín Estanislao Gorosito (*)(**)	Director
Constanza Brito	Director
Guillermo Stanley	Director
Mario Luis Vicens (*)	Director
Juan Martín Monge Varela(*)(**)	Director
Marcos Brito	Director
Alejandro Eduardo Fargosi (*)(**)	Director
Delfín Federico Ezequiel Carballo	Director
Santiago Horacio Seeber	Alternate director
Alejandro Guillermo Chiti (*)	Alternate director
Fabian Alejandro De Paul (*)	Alternate director

(\*) Independent directors.

(\*\*) Designated by Anses-Fgs.

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.

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Name	Position
Jorge Horacio Brito	Chairman
Delfín Jorge Ezequiel Carballo	Vice chairman
Jorge Pablo Brito	Director
Nelson Damián Pozzoli	Director
Claudio Alejandro Cerezo	Director
Marcos Brito	Director
Ernesto Eduardo Medina	Alternate director
María Milagro Medrano	Alternate director
Ignacio Palma	Alternate director
Constanza Brito	Alternate director

Directors should be morally suitable, experienced and knowledgeable in the banking business and meet the requirements established in the effective regulations, issued by the BCRA. Compliance with these requirements is assessed when the Shareholders' Meeting appoints the directors and on a regular 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. Members are detailed below:

Gustavo Alejandro Manriquez	General manager
Brian Anthony	Management control and strategic planning manager
Martín Kaplan	Commercial banking manager
Ernesto Eduardo Medina	Human resources manager
Jorge Francisco Scarinci	Finance and investor relation manager
Francisco Muro	Distribution and sales manager
Ana María Magdalena Marcet	Credit risk manager
María Milagro Medrano	Institutional relations and customer service manager
Agustín Devoto	Investment banking manager
María José Perez Van Morlegan	Legal manager
Alberto Figueroa	Comprehensive risk management manager
Adrian Mariano Scosceria	Corporate banking manager
Ricardo Mendoza Alban	Operations and system manager
Juan Domingo Mazzon	Government banking manager

• 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 Bank 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.
Integral 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 Bank's risks.
Assets and Liabilities	Setting out the Bank'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 (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.
Legal 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
Personnel Incentives (2)	Ensuring the financial incentives for personnel system is consistent with the culture, the objectives, the business in the long term, the strategy and the control environment of the Bank.
Ethics and Compliance (2)	Ensuring the Bank has the proper means with which to promote correct decision-making and compliance with internal and external regulations.
Corporate Governance and Designations (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 at the Bank and at 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 ensure the existence and maintenance of a financial services user protection process and a customer service system.

(1) Banco Macro SA and Banco del Tucumán SA have its own Committee

(2) Banco Macro SA ´ with a group management view.

- Code of ethics

The Bank has established a Code of Ethics for directors and senior management, expecting that their members act according to the highest standards of personal and professional integrity in all aspects of their activities; to comply with the applicable law, to discourage reproachable behaviors and to comply with the Bank's Code of conduct and other policies and procedures governing employee conduct. This Code of ethics is supplemental to the Bank's Code of Conduct.

- Code of Conduct

The Entity promotes a work environment where responsibility, execution, commitment, results, loyalty, honesty, good communication and teamwork are encouraged.

The goal is to base daily relationships on mutual respect, trust and cordial and simple behavior, between coworkers and bosses as well as with suppliers and customers, developing all the activities with the highest ethical working and personal principles.

In that direction, the Code of Conduct is intended to establish the principles and values that all Bank members must comply. The trust provided by shareholders, customers and the general public depends to a large extent on compliance with these principles.

- Ethical line

According with ethical behavior standards, it was implemented for the Bank and its subsidiaries, Banco del Tucumán SA y Macro Securities SA, Macro Fondos SGFCI SA y Macro Fiducia SA, an Ethical line or a report channel, which is managed by an external third party, ensuring compliance with anonymity and confidentiality principles.

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Reports are received by the Ethical and Compliance Committee, who takes knowledge of them, as well as the resolution of cases, following the protocols.

**Branches**

The Bank 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 Bank carries out certain transactions through its subsidiaries, which are identified in note 3. to the Bank's consolidated financial statements.

**Business lines**

The Bank's business lines and transactions with trusts are mentioned in notes 1 and 31, respectively.

- Incentive practices

The Bank adopts a compensation policy that comprises fixed and variable compensation; the latter is granted within the framework of an objective and competency assessment process.

The variable compensation program, in the context of the compensation policy, is consistent with the Bank's mission, values, organization, objectives, long-term business sustainability, strategy, control environment and the prudent assumption of risk. It is aimed at recognizing the extraordinary performance displayed by employees according to:

- ✓ Their contribution to the results reached
- ✓ Their management in keeping with the Bank's mission and values

The key variables in determining compensation are:

- ✓ The level of responsibility and complexity of the position
- ✓ The person's competencies and potential
- ✓ The person's performance and outcomes
- ✓ The position with respect to the benchmark market
- ✓ The results reached by the Bank

The Incentives Committee is in charge of ensuring the financial incentives for personnel system is consistent with the culture, the objectives, the business in the long term, the strategy and the control environment of the Bank, and the prudent assumption of risks.

The Bank aims at compensating personnel ensuring performance recognition, internal equity, 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 Yerba Buena and San Miguel de Tucumán.

- Corporate Sustainability Policy

The Bank is aware of its responsibility towards the surrounding communities. The Corporate Sustainability area promotes this development by fostering and implementing policies and actions that exert a positive social, environmental and economic impact.

Thus, it engages in constant dialogue with the different areas and stakeholders with the ultimate goal of creating social value and drafting policies aimed at promoting a fair, supporting and equal world.



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These sustainability values are disclosed in the Comprehensive Report as a major milestone to align the financial information (in documents such as the Letter to the Shareholders and financial statements) and ensure their integration and consistency with corporate sustainability.

- Anticorruption policy

Pursuant to Law No. 27,401 (Law on Corporate Criminal Liability), the Board establishes that officers and employees of the Bank and its subsidiaries shall not offer to pay, pay or authorize the payment of money or anything of value to (public) officers to obtaining or keeping a business. It also extends these guidelines to the private sphere. These principles are contained in the Ethics Code for directors and senior managers, and the Code of Conduct for all employees. Besides, the Bank has a Code of Conduct for suppliers.

The laws of other jurisdictions with similar prohibitions apply, especially the Foreign Corrupt Practices Act (FCPA) because Banco Macro S.A. is a foreign company that lists its shares in the NYSE and is subject to SEC control and oversight.

The Group companies that wish to perform any transaction involving any public administration officer, public agency or public company, either Argentine or foreign, shall communicate this event in advance to the Board through the General Manager and inform, before the transaction is conducted, the agents or intermediaries that may be involved in the transaction. The Bank also has a manual with guidelines for interacting with public officers.

This communication duty is not mandatory for the transactions derived from agreements with provincial financial agents (except for the subscription of framework agreements), ordinary bank transactions (for example, payroll processing) and the transactions that do not pose any major risk due to the minimum amounts involved.

These anticorruption policies, although they are aimed at transactions within the public sector, also apply to transactions between private parties, as specifically set forth in the Ethic Code and the Code of Conduct.

The Bank has in place an Anticorruption Policy and an Integrity Program. The Ethics and Compliance Committee will be responsible for its adoption, follow-up and period reporting 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 Bank 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 Bank, 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.

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 Bank's business opportunities, (iii) the obligation of acting as director only for the purposes established in the law, the Bank'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 Bank'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.

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- Public information

The information related to corporate governance at the Bank 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](http://www.macro.com.ar) ("*Conocenos*" – *Relaciones con Inversores*) and, [www.bancodeltucuman.com.ar](http://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 Bank's public information is disclosed on the websites of the BCRA ([www.bcra.gob.ar](http://www.bcra.gob.ar)) and the CNV ([www.cnv.gob.ar](http://www.cnv.gob.ar)).

In addition, the Bank publishes the Market Discipline Report, pursuant to the guidelines established by the BCRA for such information regime, in accordance with the criteria of the Basel Banking Supervision Committee, which is available in the Bank's website.

#### Risk management

Within the framework of the Corporate Governance policy, the Board of Directors of the Bank resolved the creation of a Risk Management Committee and appointed a Head of Integral Risk Management.

Its duties includes 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 establishment 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 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.

#### Integral Risk Management

The Integral 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.

The main procedures carried out by the Risk Management Department are:

- 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 Bank 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.

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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 Bank actively uses guarantees to mitigate its credit risk.

Excessive risk concentration:

To avoid excessive risk concentrations, the Bank'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 Bank to manage risk concentrations both in terms of relationships and industry.

In addition, note that the Bank 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 Bank 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	<u>66,113,167</u>
Capital surplus	<u>45,676,037</u>

The following are the policies and processes aimed at identifying, assessing, controlling and mitigating each one of the main risks:

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**Credit Risk**

The credit risk is the existing risk regarding the possibility for the Bank 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 Bank 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.

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 Bank features different 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 analysis, 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 client or Economic Group, which serves 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.

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.

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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 Bank performs a series of controls in order to mitigate related credit risks, as well as to conform the transactions to the regulatory framework of technical relationships.

The Bank 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 Bank 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 Bank, as well as of the periodic evaluation and update of the value thereof, in order to monitor the quality of risk mitigants.

Classification of debtors:

As general classification and allowance policy, the Bank 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.

The basic criterion to classify the commercial loans portfolio is the future payment capacity of customer's financial commitments. Banco Macro 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 classification level allocated to customer:

Debtor's category (Commercial portfolio)	With Preferred A Collateral	With Preferred B Collateral	Without Preferred Collateral
1 – Normal Situation / Performing – Assistance w/ Pref. A Collateral	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 according with BCRA standards	1%	100%	100%

For the classification of consumer portfolio, as well as commercial portfolio with debts of up to AR \$19.8 million, for which the BCRA authorizes the Bank to follow a simplified method comparable to the consumer loan portfolio, while this latter defines classification levels according to the days of arrears recorded at the end of the month. Notwithstanding the above, for consumer portfolio customers, the Bank applies a more conservative criterion for irrecoverable loans, since it includes in such category all consumer loan portfolios having more than 250 days of arrears:

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Classification levels – Consumer and comparable portfolio	Arrears for the BCRA	Arrears for the Bank
1 – Normal	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 a year	More than 250 days

On the total debt of each customer at the end of the month, the Bank shall apply the following minimum provisioning levels, based on the classification level allocated to customer:

Debtor category	With Preferred A Collateral	With Preferred B Collateral	Without Preferred Collateral
1 - Normal Sit – Assistance w/ Pref A Collateral	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 according with BCRA standards	1%	100%	100%

Additional allowance policy:

Pursuant to the Bank's commitment to keep an adequate coverage of allowances on the loan portfolio, the Bank 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.

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.

Portfolio quality

The Bank presents in exhibit B "Classification of loans and other financing by situation and collateral received" to the accompanying financial statements, a breakdown of loans and other financing in classification levels and collateral received.

In addition, the table below shows the analysis by aging of performing loans in arrears (in days):

12/31/2018

Portfolio Type	Delinquent, performing (in days)				
	0 to 31	From 32 to 90	From 91 to 180	From 181 to 360	Over 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%

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12/31/2017

Portfolio Type	Delinquent, performing (in days)				
	0 to 31	From 32 to 90	From 91 to 180	From 181 to 360	Over 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	Delinquent, performing (in days)				
	0 to 31	From 32 to 90	From 91 to 180	From 181 to 360	Over 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:

Banco Macro SA (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)
<b>Total portfolio (1+2+3)</b>	<b>184,739,516</b>	<b>155,323,402</b>	<b>136,585,709</b>	<b>115,473,070</b>
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 activities	12,808,913	8,823,596	10,946,278	7,161,135
1-Wholesale	8,036,937	5,359,754	6,036,460	3,745,140
2-Retail	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 activities	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 activities	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
Exploration of mines and quarries	8,652,604	8,589,221	3,015,318	2,938,138
Electricity supply, gas, steam and air conditioner	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 SA (Separate 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 activities	12,709,982	8,753,928	10,786,084	7,039,176
1-Wholesale	8,004,080	5,343,783	5,971,095	3,703,950
2-Retail	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 activities	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 activities	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
Exploration of mines and quarries	8,650,990	8,587,608	3,013,045	2,935,865
Electricity supply, gas, steam and air conditioner	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 Preferred Guarantees Received for the financing facilities and other improvements received.

Determination of maximum exposure to credit risk

The table below shows the determination of the maximum exposure from the Bank's financing assets by type of assets.



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	Gross maximum exposure as of 12/31/2018	Net maximum exposures as of 12/31/2018 (1)	Gross maximum exposure as of 12/31/2017	Net maximum exposures as of 12/31/2017 (1)
Banco Macro SA (Consolidated Information)				
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
	Gross maximum exposure as of 12/31/2018	Net maximum exposures as of 12/31/2018 (1)	Gross maximum exposure as of 12/31/2017	Net maximum exposures as of 12/31/2017 (1)
Banco Macro SA (Separate Information)				
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 Exposure" (net of allowances) the amounts of Guarantees Received for the financing facilities.

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 cheques	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
Separate Information	Fair Value		
	12/31/2018	12/31/2017	12/31/2016
Pledges on time deposits	405,618	438,434	520,570
Deferred payment cheques	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

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**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 Bank'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 Bank 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 Bank 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 the financial and interbank loans borrowed.

**Liabilities:** to minimize the unintended effects of illiquidity, deriving from the possible withdrawal of deposits and the repayment of interbank loans taken, the Bank 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 Bank.
- d) No investor may have time deposit for an amount exceeding 10% of the total deposits portfolio.
- e) Finally, financial and interbank loans borrowed may not exceed 20% of total liabilities. No institution can exceed 50% of such limit.

In addition, the Bank 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", "Liquidity Coverage Ratio" (LCR) and "Net Stable Funding Ratio" (NSFR), among others.

The Executive 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 type of deposit and by type of customer, among others.

The Bank 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 Bank has a contingency plan with the following actions:

- a) Sale of high-liquidity assets;
- b) Repo agreements with the BCRA with assets issued thereby, which are held in the Bank's portfolio;
- c) Limit any new credit assistance; and

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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%
max	57.08%	51.90%	53.69%
min	42.23%	40.84%	39.61%

The Bank discloses in exhibit D "Breakdown of loans and other financing by terms" and exhibit I "Breakdown of financial liabilities by residual terms" 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 Bank'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.

The Bank 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 Bank's net positions in foreign currency, and government and private securities with normal quoted prices.

These risks arise from the size of the Bank's net positions and/or the volatility of the risk factors involved in each financial instrument.

The Bank features Market Risk Management Policies in which the Bank 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 Bank 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 Bank 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 Bank 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 Bank 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 Bank 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 Bank intends to calculate VaR.

Once the Bank 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.

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With the return matrix, in order to generate the different simulations of prices of each of the “n” instruments, the Bank multiplies the current price of each instrument by the relevant returns.

In order to get the portfolio simulations, the Bank 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 Bank 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.

**Interest Rate Risk**

The interest rate risk is defined as the possibility that changes occur in the Bank'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 Bank features a series of policies, procedures and internal controls included in the Structural Risk Management Manual for this kind of risk.

The Bank 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 Economic Value Model (EVM) is determined as the net sum of cash flows (losses) that the Bank 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 Bank. Generally speaking, reports related to EVM seek to analyze the Bank'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 Bank's VaR by type of risk is as follows:

<u>VaR of the trading and investment portfolio</u>	<u>12/31/2018</u>	<u>12/31/2017</u>
Interest rate risk	6,262	3,754
Currency Exchange rate risk	182	37
Price risk	82	35

**Foreign Currency Exchange Rate Risk**

The Bank 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 Bank's statement of income.

Foreign currency transactions are performed at the supply and demand exchange rates. The Bank'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.

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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 obligation.

On the other hand, the Bank 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 Bank has an Operational Risk Management that is in charge of managing operational risk and a Risk Management Committee.
- b) Policies: the Bank has a "Policy for the Operational Risk Management" approved by the Board of Directors, which define 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 this risk management.
- c) Procedures: the Bank 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 Bank'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 Bank has 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.

- e) Systems: the Bank has a comprehensive system that allows managing all Operational and Technology Risks.
- f) Database: The Bank has an operational risk event database prepared pursuant to the guidelines established in Communiqué "A" 4904, as supplementary.
- g) Information systems to measure risks: The Comprehensive 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 Bank 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 Comprehensive 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 Bank'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 may cause significant excess of the tolerance limits established for each risk.

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- i) Assessment of economic capital sufficiency: each year, the Bank calculates the economic capital for those risks which, for their significance, may, eventually, affect the Bank's solvency.

At present, the Bank 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 Bank will need to allocate less amount of capital.

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 Bank features an Information Policy aimed at allowing shareholders, investors and the market in general to evaluate aspects of the Bank related to capital, risk exposure, risk assessment procedures and capital adequacy.

**40. CHANGES IN THE ARGENTINE MACROECONOMIC ENVIRONMENT OF THE FINANCIAL AND CAPITAL MARKETS**

The international and local macroeconomic context generates a certain degree of uncertainty regarding its future progress as a result of the financial assets and foreign exchange market volatility and, additionally certain political events and the level of economic growth, among other issues. At a local level, there is an increase in the prices for other relevant economic variables, such as salary costs, exchange rate, interest rates and prices of the main raw materials.

Therefore, the Bank'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 fiscal year and the issuance of the accompanying consolidated financial statements that may materially affect the financial position or the profit and loss for the fiscal year, not disclosed in the accompanying consolidated financial statements.

**42. ACCOUNTING PRINCIPLES – EXPLANATION ADDED FOR TRANSLATION INTO ENGLISH**

These consolidated financial statements are presented in accordance with the accounting framework established by the BCRA, as mentioned in note 3. These accounting standards may not conform with accounting principles generally accepted in other countries.

## DETAIL OF GOVERNMENT AND PRIVATE SECURITIES

AS OF DECEMBER 31, 2018, 2017 AND 2016

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Name	Identification	Holdings			12/31/2017	12/31/2016	Position		
		12/31/2018					12/31/2018		
		Fair value	Fair value level	Book amounts			Book amounts	Book amounts	Position without options
DEBT SECURITIES AT FAIR VALUE TROUGH PROFIT OR LOSS									
- Local									
Government securities									
Consolidation bonds in pesos 8° Serie - Maturity: 10-04-2022	2571		1	169,663	105,882	100,130	169,663		169,663
Debt Securities of Province of Río Negro in pesos - Badlar Private + 500 basis point - Maturity: 07-06-2020	32922		2	122,869	281,881		122,869		122,869
National treasury bills capitalized in pesos - Maturity: 01-31-2019	5265		1	120,690			153,460		153,460
National treasury bills capitalized in pesos - Maturity: 02-28-2019	5267		1	103,193			103,193		103,193
Debt Securities of Province of Buenos Aires in pesos - Badlar Private + 375 basis point - Maturity: 04-12-2025	92693		1	82,429			82,429		82,429
Federal government treasury bonds in pesos - Maturity: 10-03-2021	5318		2	79,622			79,622		79,622
Federal government treasury bonds in pesos adjustment by CER - Maturity: 07-22-2021	5315		1	77,240		7,133	77,240		77,240
Federal government bonds in US dollars at 8.75% - Maturity: 05-07-2024	5458		1	61,833	8,934		61,833		61,833
International bonds of the Argentina Republic in US dollars at 7.5% - Maturity: 04-22-2026	92584		2	55,358		852	55,358		55,358
Consolidation bonds in pesos 6° Series at 2% - Maturity: 03-15-2024	2420		1	48,396	4	22,288	48,396		48,396
National treasury bills capitalized in pesos - Maturity: 03-29-2019	5260		1	45,155			45,155		45,155
Other				276,401	323,313	146,378	394,087		394,087
Subtotal local government securities	5431			1,242,849	720,014	276,781	1,393,305		1,393,305
Private securities									
Debt Securities in Financial Trusts Consubond	80033		3	377,725			377,725		377,725
Debt Securities in Financial Trusts Megabono Series 180 Class A - Maturity: 12-24-2019	53887		3	165,980			165,980		165,980
Debt Securities in Financial Trusts Agrocap	80032		3	130,735			130,735		130,735
Debt Securities in Financial Trusts PVCRED Series 038 Class A - Maturity: 08-12-2019	53927		3	112,600			112,600		112,600
Debt Securities in Financial Trusts Consubond Series 149 Class A - Maturity: 10-25-2019	53968		3	111,017			111,017		111,017
Debt Securities in Financial Trusts Secubono	80029		3	79,203			79,203		79,203
Debt Securities in Financial Trusts Chubut Regalías Hidrocarburíferas - Maturity: 07-01-2020	36425		3	48,366	34,932		48,366		48,366
Debt Securities in Financial Trusts Consubond Series 147 Class A - Maturity: 12-26-2019	53893		3	39,576			39,576		39,576
Corporate Bonds John Deere Credit financial company Series A Class 016 - Maturity: 04-06-2019	53406		2	38,451			38,451		38,451
Debt Securities in Financial Trusts Secubono Series 180 - Maturity: 11-28-2019	53875		3	34,635			34,635		34,635
Corporate Bonds Banco de Inversión y Comercio Exterior SA Class 006 - Maturity: 06-27-2020	52582				98,603				
Corporate Bonds Province of Buenos Aires Class 2 - Maturity: 11-08-2019	32814					10,779			
Other				254,110	232,479	44,921	254,110		254,110
Subtotal local private securities				1,392,398	366,014	55,700	1,392,398		1,392,398
TOTAL DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				2,635,247	1,086,028	332,481	2,785,703		2,785,703

**DETAIL OF GOVERNMENT AND PRIVATE SECURITIES**  
**AS OF DECEMBER 31, 2018, 2017 AND 2016**  
(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Name	Identification	Holdings			Position				
		12/31/2018			12/31/2017	12/31/2016	12/31/2018		
		Fair value	Fair value level	Book amounts	Book amounts	Book amounts	Position without options	Options	Final position
<b>OTHER DEBT SECURITIES</b>									
<b>Measured at fair value through other comprehensive income</b>									
<b>- Local</b>									
<b>Government securities</b>									
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: 06-28-2117	92208		1	81,630			81,630		81,630
Consolidation bonds in pesos 8° Serie - Maturity: 10-04-2022	2571				49,726	111,090			
Secured bonds in pesos under Presidential 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 Series I Class II - Maturity: 12-06-2019	32831					342,237			
Federal government bonds in pesos - Badlar Private + 250 PBS. - Maturity: 03-11-2019	5454					140,888			
Province of Neuquén Treasury bills Class 2 Series II - Maturity: 06-06-2018	32829					140,219			
Province of Río Negro Treasury bills Class 1 Sries VI - Maturity: 03-15-17	32835		1			94,139			
Other						165,185			
<b>Subtotal local government securities</b>				758,909	396,087	3,444,777	758,909		758,909
<b>Central Bank of Argentina Bills</b>									
Liquidity letters of Central Bank of Argentina in pesos - Maturity: 01-04-2019			1	15,546,415			15,546,415		15,546,415
Liquidity letters of Central Bank of Argentina in pesos - Maturity: 01-08-2019			2	13,787,546			13,787,546		13,787,546
Liquidity letters of Central Bank of Argentina in pesos - Maturity 01-02-2019			1	12,404,850			12,404,850		12,404,850
Liquidity letters of Central Bank of Argentina in pesos - Maturity: 01-03-2019			1	7,926,384			7,926,384		7,926,384
Liquidity letters of Central Bank of Argentina in pesos - Maturity: 01-07-2019			1	5,404,713			5,404,713		5,404,713
Central Bank of Argentina Internal Bills in pesos – Maturity: 03-21-2018	46823				6,333,094				
Central Bank of Argentina Internal Bills in pesos – Maturity: 01-17-2018	46821				6,066,602				
Central Bank of Argentina Internal Bills in pesos – Maturity: 05-16-2018	46825				5,769,624				
Central Bank of Argentina Internal Bills in pesos – Maturity: 04-18-2018	46824				5,626,984				
Central Bank of Argentina Internal Bills in pesos – Maturity: 02-21-2018	46822				5,346,681				
Central Bank of Argentina Internal Bills in pesos – Maturity: 01-18-2017	46796					5,291,678			
Central Bank of Argentina Internal Bills in pesos – Maturity: 02-15-2017	46786					2,724,328			
Other					3,512,921	7,116,563			
<b>Subtotal Central Bank of Argentina Bills</b>				55,069,908	32,655,906	15,132,569	55,069,908		55,069,908
<b>Private securities</b>									
Corporate Bonds Telecom Personal SA Series 4 - Maturity: 11-16-2018	51989					105,210			
Corporate Bonds Telecom Personal SA Series 3 - Maturity: 05-16-2018	51988					52,159			
Corporate Bonds Genneia SA Class 19 - Maturity: 02-16-2017	51268					52,277			
Corporate Bonds Albanesi SA Class 2 - Maturity: 10-25-2018	51923					21,216			
Corporate Bonds Ledesma SA Class 3 - Maturity: 04-01-2017	50210					14,330			
Corporate Bond Integración Eléctrica Sur Arg. SA Class 4 - Maturity: 09-26-2017	51848					13,168			
Corporate Bond Banco Hipotecario Series 32 - Maturity: 05-30-2017	51072					10,531			
Corporate Bonds Arcor SAIC Class 8 - Maturity: 06-15-2017	50495					6,257			
<b>Subtotal local Private securities</b>						275,148			
<b>- Foreign</b>									
<b>Government securities</b>									
US Treasury Bill – Maturity: 01-13-2019			1	226,836			226,836		226,836
US Treasury Bill – Maturity: 01-02-2019			1	189,042			189,042		189,042
US Treasury Bill – Maturity: 01-15-2019			1	188,888			188,888		188,888
US Treasury Bill – Maturity: 01-18-2018					450,342				
US Treasury Bill – Maturity: 01-11-2018					243,995				
US Treasury Bill – Maturity: 01-12-2017						427,916			
US Treasury Bill – Maturity: 01-05-2017						110,949			
<b>Subtotal foreign government securities</b>				604,766	694,337	538,865	604,766		604,766



**DETAIL OF GOVERNMENT AND PRIVATE SECURITIES**  
**AS OF DECEMBER 31, 2018,, 2017 AND 2016**  
(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Name	Identification	Holdings			12/31/2017	12/31/2016	Position		
		12/31/2018		12/31/2018			Position without options	Options	Final position
		Fair value	Fair value level		Book amounts	Book amounts			
Private securities	40792								
Corporate Bonds Chevron Corp - Maturity: 03-03-2019					18,584	17,030			
Corporate Bonds Ford Motor Credit Corp LLC - Maturity: 01-15-2020						18,677			
Corporate Bonds The Dow Chemical Corp - Maturity: 05-15-2019						36,326			
Corporate Bonds Johnson & Johnson - Maturity: 07-15-2018						16,977			
Corporate Bonds Wal Mart Stores - Maturity: 02-01-2019						16,781			
Corporate Bonds Microsoft Corp - Maturity: 06-01-2019						16,736			
Corporate Bonds Shell Intl Fin - Maturity: 09-22-2019						16,840			
Corporate Bonds Celulosa Arauco - Maturity: 07-29-2019						8,941			
Subtotal foreign private securities					18,584	148,308			
Total Other debt securities measured at fair value thought other comprehensive income				56,433,583	33,764,914	19,539,667	56,433,583		56,433,583
Measured at amortized cost									
- Local									
Government securities									
Federal government bonds in pesos - Fixed rate 26% - Maturity: 11-21-2020	5330	7,165,102		7,991,383			7,991,383		7,991,383
Discount bonds denominated in pesos at 5.83% - Maturity: 12-31-2033	45696	173,337		157,044	117,453		189,036		189,036
Secured bonds in pesos under Presidential Decree No. 1579/02 at 2% - Maturity: 02-04-2018	2405				4,270	21,276			
Federal government bonds in pesos Badlar + 2.00 - Maturity: 03-28-17	5459					100,728			
Bonds Consadep Tucumán - Series 1 in pesos - Maturity: 02-04-2018	2414					2,881			
Subtotal local government securities				8,148,427	121,723	124,885	8,180,419		8,180,419
Private securities									
Debt Securities in Financial Trust SAT SAPEM - Maturity: 01-10-2019	80033			2,749	7,571	11,008	2,749		2,749
Debt Securities in Financial Trust provisional Consubond	80029				360,364	281,057			
Debt Securities in Financial Trust provisional Secubono	80028				110,554	124,628			
Debt Securities in Financial Trust provisional Garbarino	80031				68,070				
Debt Securities in Financial Trust provisional Accicom									
Préstamos Personales	80034				51,041	61,841			
Debt Securities in Financial Trust provisional									
Credicuotas Consumo	80032				50,223	15,359			
Debt Securities in Financial Trust provisional Agrocap	80034				46,482				
Debt Securities in Financial Trust provisional Mila	80034				32,955	25,647			
Debt Securities in Financial Trust provisional Best									
Consumer Directo	80034				32,136				
Debt Securities in Financial Trust provisional Best									
Consumer Finance	80034				32,086				
Other					25,646	211,407			
Subtotal local private securities				2,749	817,128	730,947	2,749		2,749
Total other debt securities measurement at amortized cost				8,151,176	938,851	855,832	8,183,168		8,183,168
TOTAL OTHER DEBT SECURITIES				64,584,759	34,703,765	20,395,499	64,616,751		64,616,751

**DETAIL OF GOVERNMENT AND PRIVATE SECURITIES**  
**AS OF DECEMBER 31, 2018, 2017 AND 2016**  
(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Identification	Holdings			Book amounts	Book amounts	Position			
		12/31/2018		12/31/2017			12/31/2016	12/31/2018		
		Fair value	Fair value level	Book amounts			Position without options	Options	Final position	
<b>Equity Instruments</b>										
<b>Measured at fair value through profit or loss</b>										
<b>- Local</b>										
Mercado Abierto Electrónico SA	80020		3	25,078	20,747	3,819	25,078		25,078	
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	
Laboratorios Richmond SACIF	80014		1	1,256	2,363		1,256		1,256	
Provincanje SA			3	758	542	1,008	758		758	
Sanatorio Las Lomas SA			3	600	404	298	600		600	
Proin SA	80016		3	513	513	320	513		513	
El Taura SA	80024		3	185	185	185	185		185	
Siderar SAIC	80011					106,936				
Aluar Aluminio Argentino	80015					78,791				
Other				349	241,159	202,724	349		349	
<b>Subtotal local</b>				45,772	278,656	403,212	45,772		45,772	
<b>- Foreign</b>										
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	
<b>Subtotal foreign</b>				5,746	4,003	3,656	5,746		5,746	
<b>Total measured at fair value through profit or loss</b>				51,518	282,659	406,868	51,518		51,518	
<b>Total Equity Instruments</b>				51,518	282,659	406,868	51,518		51,518	
<b>TOTAL GOVERNMENT AND PRIVATE SECURITIES</b>				67,271,524	36,072,452	21,134,848	67,453,972		67,453,972	

**EXHIBIT B**

**CONSOLIDATED CLASSIFICATION OF LOANS AND OTHER FINANCING  
BY SITUATION AND COLLATERAL RECEIVED  
AS OF DECEMBER 31, 2018, 2017 AND 2016**  
(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>
<b>COMMERCIAL</b>			
<b>In normal situation</b>	<u>70,071,286</u>	<u>48,364,751</u>	<u>34,766,790</u>
With senior "A" collateral and counter-collateral	2,554,501	3,822,852	2,545,541
With senior "B" collateral and counter-collateral	8,453,117	7,594,429	5,297,800
Without senior collateral or counter-collateral	59,063,668	36,947,470	26,923,449
<b>Subject to special monitoring</b>	<u>213,632</u>	<u>299,221</u>	<u>27,887</u>
<b>In observation</b>			
With senior "A" collateral and counter-collateral	3,226	6,042	
With senior "B" collateral and counter-collateral	68,007	66,613	18,875
Without senior collateral or counter-collateral	41,805	226,566	9,012
<b>In negotiation or with financing agreements</b>			
With senior "A" collateral and counter-collateral	43,592		
Without senior collateral or counter-collateral	57,002		
<b>Troubled</b>	<u>633,432</u>	<u>37,164</u>	<u>50,039</u>
With senior "A" collateral and counter-collateral		3,441	
With senior "B" collateral and counter-collateral	179,598	22,971	50,039
Without senior collateral or counter-collateral	453,834	10,752	
<b>With high risk of insolvency</b>	<u>283,394</u>	<u>144,001</u>	<u>137,431</u>
With senior "A" collateral and counter-collateral	1,223	729	1,882
With senior "B" collateral and counter-collateral	182,130	86,437	61,374
Without senior collateral or counter-collateral	100,041	56,835	74,175
<b>Irrecoverable</b>		<u>6,500</u>	<u>7,372</u>
With senior "B" collateral and counter-collateral			813
Without senior collateral or counter-collateral		6,500	6,559
<b>Subtotal Commercial</b>	<u>71,201,744</u>	<u>48,851,637</u>	<u>34,989,519</u>

**CONSOLIDATED CLASSIFICATION OF LOANS AND OTHER FINANCING  
BY SITUATION AND COLLATERAL RECEIVED  
AS OF DECEMBER 31, 2018, 2017 AND 2016**  
(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>
<b>CONSUMER AND MORTGAGE</b>			
<b>Performing</b>	108,845,927	85,407,541	55,204,350
With senior "A" collateral and counter-collateral	2,959,968	2,140,761	771,053
With senior "B" collateral and counter-collateral	14,552,408	7,272,856	2,573,886
Without senior collateral or counter-collateral	91,333,551	75,993,924	51,859,411
<b>Low risk</b>	2,074,849	1,050,600	555,222
With senior "A" collateral and counter-collateral	48,130	7,823	1,486
With senior "B" collateral and counter-collateral	192,993	32,681	20,699
Without senior collateral or counter-collateral	1,833,726	1,010,096	533,037
<b>Medium risk</b>	1,420,894	647,332	443,357
With senior "A" collateral and counter-collateral	16,916	1,447	3,188
With senior "B" collateral and counter-collateral	79,214	13,672	7,676
Without senior collateral or counter-collateral	1,324,764	632,213	432,493
<b>High risk</b>	961,047	479,925	317,466
With senior "A" collateral and counter-collateral	13,707	496	2,099
With senior "B" collateral and counter-collateral	39,126	18,106	20,486
Without senior collateral or counter-collateral	908,214	461,323	294,881
<b>Irrecoverable</b>	234,151	148,425	92,508
With senior "A" collateral and counter-collateral	1,260		
With senior "B" collateral and counter-collateral	26,998	18,375	18,222
Without senior collateral or counter-collateral	205,893	130,050	74,286
<b>Irrecoverable according to Central Bank's rules</b>	904	249	210
Without senior collateral or counter-collateral	904	249	210
<b>Subtotal consumer and mortgage</b>	<u>113,537,772</u>	<u>87,734,072</u>	<u>56,613,113</u>
<b>Total</b>	<u>184,739,516</u>	<u>136,585,709</u>	<u>91,602,632</u>

This exhibit discloses the contractual figures as established by the BCRA. The conciliation with the consolidated statement of financial position is listed below:

	As of 12/31/2018	As of 12/31/2017	As of 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
+ Adjustment IFRS (adjustment amortized cost and fair value)	257,071	298,538	244,608
+ Debt securities of financial trust - Measured at amortized cost	2,749		
+ Corporate bonds		362,425	486,144
Guarantees provided and contingent liabilities	1,444,196	599,334	641,812
Total computable items	<u>184,739,516</u>	<u>136,585,709</u>	<u>91,602,632</u>

**CONSOLIDATED CONCENTRATION OF LOANS AND FINANCING FACILITIES  
AS OF DECEMBER 31, 2018, 2017 AND 2016**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

	<b>12/31/2018</b>		<b>12/31/2017</b>		<b>12/31/2016</b>	
<b>Number of customers</b>	<b>Cut off balance</b>	<b>% of total portfolio</b>	<b>Cut off balance</b>	<b>% of total portfolio</b>	<b>Cut off balance</b>	<b>% of total portfolio</b>
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
<b>Total (1)</b>	<b>184,739,516</b>	<b>100.00</b>	<b>136,585,709</b>	<b>100.00</b>	<b>91,602,632</b>	<b>100.00</b>

(1) See reconciliation in Exhibit B

**CONSOLIDATED BREAKDOWN OF LOANS AND OTHER FINANCING BY TERM  
AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Matured	Remaining terms 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	
Non financial government sector		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
<b>Total</b>	<b>1,896,929</b>	<b>53,590,562</b>	<b>25,549,035</b>	<b>27,095,852</b>	<b>33,263,731</b>	<b>36,908,675</b>	<b>70,033,288</b>	<b>248,338,072</b>

**CONSOLIDATED BREAKDOWN OF LOANS AND OTHER FINANCING BY TERM  
AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Matured	Remaining terms 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	
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
<b>Total</b>	<b>889,510</b>	<b>37,666,108</b>	<b>19,473,484</b>	<b>18,888,051</b>	<b>21,706,289</b>	<b>32,671,576</b>	<b>55,020,361</b>	<b>186,315,379</b>

**CONSOLIDATED BREAKDOWN OF LOANS AND OTHER FINANCING BY TERM  
AS OF DECEMBER 31, 2016**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Matured	Remaining terms 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	
Non financial government sector		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
<b>Total</b>	<b>542,275</b>	<b>30,910,301</b>	<b>13,660,043</b>	<b>13,120,893</b>	<b>14,394,247</b>	<b>19,873,825</b>	<b>25,954,289</b>	<b>118,455,873</b>

This exhibit discloses the contractual future cash flows that include interest and charges to be accrued until maturity of the contracts.

**CONSOLIDATED DETAILED INFORMATION ON INTERESTS IN OTHER COMPANIES  
AS OF DECEMBER 31, 2018, 2017 AND 2016**

(Translation of Financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Name	Shares of interest				Information of the issuer							
	Class	Unit face value	Votes per share	Number	Amount 12/31/2018	Amount 12/31/2017	Amount 12/31/2016	Main business activity	Year-end date / Period	Capital stock	Shareholders' equity	Income for the year / Period
<b>In complementary services companies</b>												
<b>Associates and joint ventures</b>												
<b>Local</b>												
Prisma Medio de Pagos (1)	Common	1	1	1,141,503		142,600	67,583	Processing services	12-31-17	15,000	2,511,180	2,432,494
Joint Ventures (UTE)					108,031	75,520	56,001	Management of tax services				
<b>Subtotal local</b>					<b>108,031</b>	<b>218,120</b>	<b>123,584</b>					
<b>Total in complementary services associates companies and joint ventures</b>												
<b>Total in complementary services companies</b>					<b>108,031</b>	<b>218,120</b>	<b>123,584</b>					
<b>In other associates</b>												
<b>- Associates and joint ventures</b>												
<b>Local</b>												
Macro Warrants S.A.	Common	1	1	50,000	792	827	684	Issue of warrants	09-30-18	1,000	15,841	3,308
<b>Subtotal local</b>					<b>792</b>	<b>827</b>	<b>684</b>					
<b>Total in other associates and joint ventures</b>												
<b>Total investments in other companies</b>					<b>108,823</b>	<b>218,947</b>	<b>124,268</b>					

(1) See Note 13.

**CONSOLIDATED CHANGE OF PROPERTY, PLANT AND EQUIPMENT  
AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Original value at beginning of fiscal year	Total life estimated in years	Increases	Decreases	Depreciation for the fiscal year		For the fiscal year	At the end	Residual value at end of the fiscal year
					Accumulated	Decrease			
<b>Cost</b>									
Real property	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
Other	1,122		40	13	1,095		34	1,129	20
Work in progress	2,576,980		1,556,054	3,408,811					724,223
<b>Total property, plant and equipment (1)</b>	<b>9,410,176</b>		<b>5,312,239</b>	<b>4,328,127</b>	<b>1,216,735</b>	<b>191,193</b>	<b>366,052</b>	<b>1,391,594</b>	<b>9,002,694</b>

**CONSOLIDATED CHANGE OF PROPERTY, PLANT AND EQUIPMENT  
AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Original value at beginning of fiscal year	Total life estimated in years	Increases	Decreases	Depreciation for the fiscal year		For the fiscal year	At the end	Residual value at end of the fiscal year
					Accumulated	Decrease			
<b>Cost</b>									
Real property (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
Other	1,100		22		1,061		34	1,095	27
Work in progress	1,718,413		904,321	45,754					2,576,980
<b>Total property, plant and equipment</b>	<b>8,143,972</b>		<b>1,330,779</b>	<b>64,575</b>	<b>914,560</b>	<b>12,137</b>	<b>314,312</b>	<b>1,216,735</b>	<b>8,193,441</b>



**CONSOLIDATED CHANGE IN INVESTMENT PROPERTY  
AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Original Value at beginning of fiscal year	Total life estimated in years	Depreciation for the fiscal year						Residual value at the end of the fiscal year
			Increases	Decreases	Accumulated	Decrease	For the fiscal year	At the end	
<b>Cost</b>									
Rented properties		50	90,485		8,027		100	8,127	82,358
Other investment properties	658,974	50	303,503	763,881	19,965	18,680	6,065	7,350	191,246
<b>Total investment property (1)</b>	<u>658,974</u>		<u>393,988</u>	<u>763,881</u>	<u>27,992</u>	<u>18,680</u>	<u>6,165</u>	<u>15,477</u>	<u>273,604</u>

**CONSOLIDATED CHANGE IN INVESTMENT PROPERTY  
AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Original Value at beginning of fiscal year	Total life estimated in years	Depreciation for the fiscal year						Residual value at the end of the fiscal year
			Increases	Decreases	Accumulated	Decrease	For the fiscal year	At the end	
<b>Cost</b>									
Other investment properties (2)	566,067	50	237,781	144,874	17,945	9,052	6,817	15,710	643,264
<b>Total investment property</b>	<u>566,067</u>		<u>237,781</u>	<u>144,874</u>	<u>17,945</u>	<u>9,052</u>	<u>6,817</u>	<u>15,710</u>	<u>643,264</u>

(1) During the fiscal year 2018, this item observed transfers to and from property, plant and equipment and/or non current assets held for sale.

(2) As of December 31, 2016, the deemed cost of the Bank's real property amounted to 6,978,789 and the adjustment for this item totaled 4,560,495.

**CONSOLIDATED CHANGE IN INTANGIBLE ASSETS  
AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Original Value at beginning of fiscal year	Total life estimated in years	Depreciation for the fiscal year						Residual value at the end of the fiscal year
			Increases	Decreases	Accumulated	Decrease	For the fiscal year	At end	
<b>Cost</b>									
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
<b>Total intangible assets (1)</b>	<u>1,550,898</u>		<u>1,010,777</u>	<u>73,462</u>	<u>722,876</u>	<u>3</u>	<u>364,323</u>	<u>1,087,196</u>	<u>1,401,017</u>

**CONSOLIDATED CHANGE IN INTANGIBLE ASSETS  
AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Original Value at beginning of fiscal year	Total life estimated in years	Depreciation for the fiscal year						Residual value at the end of the fiscal year
			Increases	Decreases	Accumulated	Decrease	For the fiscal year	At end	
<b>Cost</b>									
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
<b>Total intangible assets</b>	<u>1,103,349</u>		<u>506,225</u>	<u>58,676</u>	<u>516,434</u>	<u>58,674</u>	<u>265,116</u>	<u>722,876</u>	<u>828,022</u>

(1) During the fiscal year 2018, there were transfers between different lines of the item, that produce differences between the amounts at the end of one year and the beginning of other, without implying modifications of total this item.

**CONSOLIDATED DEPOSIT CONCENTRATION  
AS OF DECEMBER 31, 2018, 2017 AND 2016**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

	<b>12/31/2018</b>		<b>12/31/2017</b>		<b>12/31/2016</b>	
<b>Number of customers</b>	<b>Outstanding amount</b>	<b>% of total portfolio</b>	<b>Outstanding amount</b>	<b>% of total portfolio</b>	<b>Outstanding amount</b>	<b>% of total portfolio</b>
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
<b>Total</b>	<b>237,954,419</b>	<b>100.00</b>	<b>144,129,177</b>	<b>100.00</b>	<b>111,862,805</b>	<b>100.00</b>

**CONSOLIDATED BREAKDOWN OF FINANCIAL LIABILITIES  
FOR RESIDUAL TERMS  
AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Remaining terms 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	
<b>Deposits</b>	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
<b>Derivative instruments</b>	1,019		350				1,369
<b>Repo Transactions</b>	164,667						164,667
Other financial institutions	164,667						164,667
<b>Other financial liabilities</b>	15,140,459	18,645	9,221	13,064	20,085	140,505	15,341,979
<b>Financing received from the Central Bank of Argentina and other financial institutions</b>	425,053	918,813	1,083,024	470,177	87,151	125,173	3,109,391
<b>Issued corporate bonds</b>	362,534		584,698	734,105	1,441,379	7,387,182	10,509,898
<b>Subordinated corporate bonds</b>			510,412	510,412	1,020,824	21,757,164	23,798,812
<b>Total</b>	<u>214,553,357</u>	<u>34,754,472</u>	<u>9,681,559</u>	<u>3,037,871</u>	<u>2,633,950</u>	<u>29,426,009</u>	<u>294,087,218</u>

This exhibit discloses the contractual future cash flows that include interest and charges to be accrued until maturity of the contracts.

**CONSOLIDATED BREAKDOWN OF FINANCIAL LIABILITIES  
FOR RESIDUAL TERMS  
AS OF DECEMBER 31, 2017**

(Translation of the Financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Remaining terms 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	
<b>Deposits</b>	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
<b>Liabilities at fair value through profit or loss</b>	6,450						6,450
<b>Derivative instruments</b>	23,107						23,107
<b>Repo Transactions</b>	2,688,093						2,688,093
Other financial institutions	2,688,093						2,688,093
<b>Other Financial Liabilities</b>	10,399,981	21,720	10,720	16,518	25,559	163,965	10,638,463
<b>Financing received from the Central Bank of Argentina and other financial institutions</b>	927,410	91,695	11,605	15,967	34,289	94,109	1,175,075
<b>Issued corporate bonds</b>			404,300	404,300	808,600	6,642,069	8,259,269
<b>Subordinated corporate bonds</b>			266,082	271,935	543,869	11,316,764	12,398,650
<b>Total</b>	<u>136,760,249</u>	<u>19,932,694</u>	<u>3,470,527</u>	<u>1,246,766</u>	<u>1,441,052</u>	<u>18,224,759</u>	<u>181,076,047</u>

This exhibit discloses contractual future cash flows that include interests and accesories to be accrued until maturity of the contracts.

**CONSOLIDATED BREAKDOWN OF FINANCIAL LIABILITIES  
FOR RESIDUAL TERMS  
AS OF DECEMBER 31, 2016**

(Translation of the Financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Remaining terms 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	
<b>Deposits</b>	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
<b>Repo Transactions</b>	1,095,634						1,095,634
Other financial institutions	1,095,634						1,095,634
<b>Other Financial Liabilities</b>	5,755,622	480,634	6,909	6,868	10,826	147,157	6,408,016
<b>Financing received from the Central Bank of Argentina and other financial institutions</b>	85,882	49,164	90,378	14,207	9,867	12,780	262,278
<b>Issued corporate bonds</b>		1,696,838					1,696,838
<b>Subordinated corporate bonds</b>			213,978	213,978	427,955	9,763,723	10,619,634
<b>Total</b>	<u>100,890,936</u>	<u>19,504,209</u>	<u>2,064,159</u>	<u>549,979</u>	<u>458,162</u>	<u>9,927,303</u>	<u>133,394,748</u>

This exhibit discloses contractual future cash flows that include interests and accessories to be accrued until maturity of the contracts.

**CONSOLIDATED CHANGES IN PROVISIONS  
AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Amounts at beginning of fiscal year	Increases	Decreases		12/31/2018
			Reversals	Charge off	
For administrative, disciplinary and criminal penalties	718				718
Other	694,201	1,103,870	17,424	735,471	1,045,176
<b>Total provisions</b>	<b>694,919</b>	<b>1,103,870</b>	<b>17,424</b>	<b>735,471</b>	<b>1,045,894</b>

**CONSOLIDATED CHANGES IN PROVISIONS  
AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Amounts at beginning of fiscal year	Increases	Decreases		12/31/2017
			Reversals	Charge off	
For administrative, disciplinary and criminal penalties	9,110		8,062	330	718
Other	325,897	718,703	56,048	294,351	694,201
<b>Total provisions</b>	<b>335,007</b>	<b>718,703</b>	<b>64,110</b>	<b>294,681</b>	<b>694,919</b>

**CONSOLIDATED FOREIGN CURRENCY AMOUNTS  
AS OF DECEMBER 31, 2018, 2017 AND 2016**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

		12/31/2018				12/31/2017	12/31/2016
Item	Total parent company and local branches	Total per currency				Total	Total
		US dollar	Euro	Real	Other		
<b>ASSETS</b>							
Cash and deposits in banks	42,745,328	42,491,761	175,662	18,635	59,270	21,049,391	21,394,875
Debt securities at fair 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
To the non financial government sector	80	80					
Other financial institutions	480,324	480,324				175,116	94,834
From the 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
<b>TOTAL ASSETS</b>	<b>92,872,214</b>	<b>92,616,044</b>	<b>178,265</b>	<b>18,635</b>	<b>59,270</b>	<b>42,091,157</b>	<b>34,086,211</b>
<b>LIABILITIES</b>							
Deposits	71,357,886	71,357,861	25			31,150,622	23,299,436
Non financial government sector	2,295,035	2,295,035				3,926,989	852,177
Financial sector	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 the Central Bank 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
<b>TOTAL LIABILITIES</b>	<b>91,898,980</b>	<b>91,855,400</b>	<b>42,987</b>		<b>593</b>	<b>41,035,457</b>	<b>32,459,517</b>



**CONSOLIDATED CREDIT ASSISTANCE TO RELATED PARTIES  
AS OF DECEMBER 31, 2018, 2017 AND 2016**

(Translation of the financial statements originally issued in Spanish - See Note 42)

(Figures stated in thousands of pesos)

Item	In normal situation	With high risk of insolvency / High risk			12/31/2018	12/31/2017	12/31/2016
		Non-maturity	Maturity	Irrecoverable			
<b>Loans and other financing</b>							
<b>Overdrafts</b>	<b>153,893</b>				<b>153,893</b>	<b>8,012</b>	<b>8,094</b>
Without senior collateral or counter-collateral	153,893				153,893	8,012	8,094
<b>Documents</b>	<b>332,342</b>				<b>332,342</b>	<b>148,597</b>	<b>103,336</b>
With senior "A" collateral and counter-collateral	11,560				11,560	6,160	7,263
Without senior collateral or counter-collateral	320,782				320,782	142,437	96,073
<b>Mortgage and pledge</b>	<b>37,918</b>				<b>37,918</b>	<b>20,797</b>	<b>16,313</b>
With senior "B" collateral and counter-collateral	34,641				34,641	20,053	16,165
Without senior collateral or counter-collateral	3,277				3,277	744	148
<b>Personal</b>	<b>642</b>				<b>642</b>	<b>119</b>	<b>1,220</b>
Without senior collateral or counter-collateral	642				642	119	1,220
<b>Credit cards</b>	<b>74,497</b>				<b>74,497</b>	<b>40,353</b>	<b>24,177</b>
Without senior collateral or counter-collateral	74,497				74,497	40,353	24,177
<b>Other</b>	<b>538,025</b>		<b>6,746</b>		<b>544,771</b>	<b>134,820</b>	<b>163,910</b>
With senior "B" collateral and counter-collateral	7,153				7,153		
Without senior collateral or counter-collateral	530,872		6,746		537,618	134,820	163,910
<b>Total loans and other financial</b>	<b>1,137,317</b>		<b>6,746</b>		<b>1,144,063</b>	<b>352,698</b>	<b>317,050</b>
<b>Debts securities</b>						83,561	
<b>Equity instruments</b>						25	475
Eventual commitments	374				374	59,696	23,986
<b>Total</b>	<b>1,137,691</b>		<b>6,746</b>		<b>1,144,437</b>	<b>495,980</b>	<b>341,511</b>
<b>Allowances</b>	<b>4,355</b>	<b>2,567</b>	<b>3,797</b>	<b>85</b>	<b>10,804</b>	<b>3,948</b>	<b>3,578</b>

**CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES**  
**AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Amortized cost	Fair value with changes in in other comprehensive income	Fair value with changes in result Mandatory measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and deposits in banks						
Cash	10,696,465					
Financial institutions and correspondents	63,613,775					
Other	455,799					
Debt securities at fair 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						
To the non-financial government sector	1,775,507					
Other financial institutions	5,573,806					
To the non financial private sector and foreign residents						
Overdrafts	18,048,532					
Documents	25,159,657					
Mortgage loans	15,852,595					
Pledge loans	4,367,045					
Personal loans	57,516,829					
Credit cards	29,429,548					
Financial leases	448,159					
Other (1)	20,703,077					
Other debt securities	8,151,176	56,433,583		42,646,037	13,787,546	
Financial assets delivered as guarantee	6,605,764		150,456	150,456		
Investments 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 the total provisions to the non financial private sector and foreign residents.

**CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES  
AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Amortized cost	Fair value with changes in in other comprehensive income	Fair value with changes in result  Mandatory measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL LIABILITIES						
Deposits						
From the non-financial government sector	19,354,087					
From the financial sector	148,275					
From the non-financial private sector and foreign residents						
Checking accounts	24,374,567					
Savings accounts	68,695,090					
Time deposits and Investment accounts	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 received from Central Bank and other financial institutions	2,998,010					
Issued corporate bonds	6,377,311					
Subordinated corporate bonds	15,288,390					
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>278,101,112</b>		<b>1,369</b>	<b>593</b>	<b>776</b>	

**CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES**  
**AS OF DECEMBER 31, 2017**  
(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Amortized cost	Fair value with changes in in other comprehensive income	Fair value with changes in result Mandatory measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and deposits in banks						
Cash	6,761,426					
Financial institutions and correspondents	27,484,927					
Other	1,315,221					
Debt securities at fair value through profit or loss			1,086,028	422,868	627,319	35,841
Derivative instruments			8,228	800	7,428	
Repo transactions						
Other financial institutions	1,419,808					
Other financial assets	1,789,433		483,246	321,495		161,751
Loans and other financing						
To the non-financial government sector	1,883,581					
Other financial institutions	3,239,514					
To the non financial private sector and foreign residents						
Overdrafts	9,465,269					
Documents	17,640,795					
Mortgage loans	8,312,777					
Pledge loans	4,154,244					
Personal loans	48,425,246					
Credit cards	24,780,938					
Financial leases	593,973					
Other (1)	14,162,337					
Other debt securities	937,713	33,766,052		33,590,407	175,645	
Financial assets delivered as guarantee	4,644,633	2,989,411	4,308	2,989,411	4,308	
Investments in equity instruments			282,659	246,885		35,774
TOTAL FINANCIAL ASSETS	177,011,835	36,755,463	1,864,469	37,571,866	814,700	233,366

(1) Includes the total provisions to the non financial private sector and foreign residents.

**CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES**  
**AS OF DECEMBER 31, 2017**  
(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Amortized cost	Fair value with changes in in other comprehensive income	Fair value with changes in result Mandatory measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL LIABILITIES						
Deposits						
From the non-financial government sector	12,890,701					
From the financial sector	81,359					
From the non-financial private sector and foreign residents						
Checking accounts	20,778,610					
Savings accounts	44,531,793					
Time deposits and Investment accounts	61,602,409					
Other	4,244,305					
Liabilities at fair value with changes in result			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 received from Central Bank and other financial institutions	1,174,111					
Issued corporate bonds	4,712,216					
Subordinated corporate bonds	7,565,759					
<b>TOTAL FINANCIAL LIABILITIES</b>	170,830,559		29,557	13,619	15,938	

**CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES**  
**AS OF DECEMBER 31, 2016**  
(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Amortized cost	Fair value with changes in in other comprehensive income	Fair value with changes in result  Mandatory measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and deposits in banks						
Cash	4,871,152					
Financial institutions and correspondents	31,114,016					
Other	991					
Debt securities at fair 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						
To the non-financial government sector	1,585,481					
Other financial institutions	1,713,170					
To the non financial private sector and foreign residents						
Overdrafts	9,096,110					
Documents	11,458,137					
Mortgage loans	4,192,014					
Pledge loans	2,290,809					
Personal loans	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		
Investments 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 the total provisions to the non financial private sector and foreign residents.

**CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES**  
**AS OF DECEMBER 31, 2016**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Amortized cost	Fair value with changes in in other comprehensive income	Fair value with changes in result	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL LIABILITIES						
Deposits						
From the non-financial government sector	9,468,055					
From the financial sector	55,867					
From the non-financial private sector and foreign residents						
Checking accounts	17,686,171					
Savings accounts	27,884,095					
Time deposits and Investment accounts	48,301,297					
Other	8,467,320					
Repo transactions						
Other financial institutions	1,095,634					
Other financial liabilities	6,341,674					
Financing received from Central Bank and other financial institutions	260,458					
Issued corporate bonds	1,684,636					
Subordinated corporate bonds	6,376,537					
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>127,621,744</b>					

**EXHIBIT Q****CONSOLIDATED BREAKDOWN OF STATEMENT OF INCOME  
AS OF DECEMBER 31, 2018**

(Translation of the Financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Items	Net financial Income/ Loss
	Mandatory measurement
	12/31/2018
For measurement of financial assets at fair value through profit or loss	
Gain from government securities	473,759
Gain from private securities	284,705
Gain from derivative financial instruments	
Forwards transactions	212,878
Gain from other financial assets	171,527
Gain from investment in equity instruments	44,659
Loss from sales or low of financial assets at fair value	(121,838)
<b>TOTAL</b>	<b>1,065,690</b>



**CONSOLIDATED BREAKDOWN OF STATEMENT OF INCOME**  
**AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Interest and adjustment for the application of the effective interest rate of financial assets measured at amortized cost	Net financial income/ loss
	12/31/2018
Interest income	
For cash and bank deposits	25,007
For government securities	791,337
For debt securities	175,526
For loans and other financing	
Financial sector	1,228,809
Non financial private sector	
Overdrafts	5,631,760
Documents	3,328,909
Mortgage loans	4,259,681
Pledge loans	581,898
Personal loans	20,718,653
Credit cards	7,060,816
Financial leases	163,890
Other	4,476,174
for repo transactions	
Central Bank of Argentina	22,656
Other financial institutions	393,913
<b>TOTAL</b>	<b>48,859,029</b>
Interest expenses	
From deposits	
Non financial private sector	
Checking accounts	632,610
Saving accounts	349,331
Time deposits and investments accounts	22,246,724
for Financing received from Central Bank of Argentina and other financial institutions	127,258
for repo transactions	
Other financial institutions	184,669
for other financial liabilities	52,332
issued corporate bonds	1,506,677
for subordinated corporate bonds	832,312
<b>TOTAL</b>	<b>25,931,913</b>

**CONSOLIDATED BREAKDOWN OF STATEMENT OF INCOME  
AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

<b>Interest and adjustment for the application of the effective interest rate of financial assets measured at fair value through other comprehensive income</b>	<b>Income for the fiscal year</b>	<b>Other comprehensive income</b>
	<b>12/31/2018</b>	<b>12/31/2018</b>
From debt government securities	16,718,353	(527,371)
<b>Total</b>	<b>16,718,353</b>	<b>(527,371)</b>

<b>Commissions income</b>	<b>Income for the fiscal year</b>
	<b>12/31/2018</b>
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 value	83,491
Commissions related to trading and foreign exchange transactions	243,371
<b>Total</b>	<b>11,888,974</b>

<b>Commissions expenses</b>	<b>Income for the fiscal year</b>
	<b>12/31/2018</b>
Commissions related to transactions to debt securities	208
Other	
Commissions paid ATM exchange	324,055
Checkbooks commissions and compensating cameras	176,068
Commissions Credit cards and foreign trade	255,576
<b>Total</b>	<b>755,907</b>

**EXHIBIT Q****CONSOLIDATED BREAKDOWN OF STATEMENT OF INCOME  
AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Items	Net financial income/ loss
	Mandatory measurement
	12/31/2017
For measurement of financial assets at fair value through profit or loss	
Gain from government securities	244,311
Gain from private securities	99,424
Gain from other financial assets	75,233
Gain from investment in equity instruments	199,725
For measurement of financial liabilities at fair value through profit or loss	
Loss from derivative financial instruments	
Forwards transactions	(26,262)
<b>Total</b>	<b>592,431</b>

**CONSOLIDATED BREAKDOWN OF STATEMENT OF INCOME**  
**AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

<b>Interest and adjustment for the application of the effective interest rate of financial assets measured at amortized cost</b>	<b>Net financial income/ loss</b>
	<b>12/31/2017</b>
Interest income	
For cash and bank deposits	13,676
For debt securities	169,508
For loans and other financing	
Financial sector	503,361
Non financial private sector	
Overdrafts	2,707,814
Documents	1,873,030
Mortgage loans	811,409
Pledge loans	504,631
Personal loans	14,468,894
Credit cards	4,434,272
Financial leases	106,204
Other	2,772,495
for repo transactions	
Central Bank of Argentina	612,391
Other financial institutions	43,351
<b>Total</b>	<b>29,021,036</b>
Interest expenses	
From deposits	
Non financial private sector	
Saving accounts	117,921
Time deposits and investments accounts	9,189,016
Other	
For Financing received from Central Bank of Argentina and other financial institutions	44,706
For repo transactions	
Other financial institutions	112,795
for other financial liabilities	26,265
issued corporate bonds	496,203
for subordinated corporate bonds	459,622
<b>Total</b>	<b>10,446,528</b>

**CONSOLIDATED BREAKDOWN OF STATEMENT OF INCOME**  
**AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

<b>Interest and adjustment for the application of the effective interest rate of financial assets measured at fair value through other comprehensive income</b>	<b>Income for the fiscal year</b>	<b>Other comprehensive income</b>
	<b>12/31/2017</b>	<b>12/31/2017</b>
From debt government securities	5,573,682	21,846
<b>Total</b>	<b>5,573,682</b>	<b>21,846</b>

<b>Commissions income</b>	<b>Income for the fiscal year</b>
	<b>12/31/2017</b>
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 value	64,056
Commissions related to trading and foreign exchange transactions	153,460
<b>Total</b>	<b>9,186,220</b>

<b>Commissions expenses</b>	<b>Income for the fiscal year</b>
	<b>12/31/2017</b>
Commissions related to transactions to debt securities	286
Other	
Commissions paid ATM exchange	285,935
Checkbooks commissions and compensating cameras	139,092
Commissions Credit cards and foreign trade	257,360
<b>Total</b>	<b>682,673</b>

**EXHIBIT R**

**VALUE ADJUSTMENT FOR CREDIT LOSSES - CONSOLIDATED ALLOWANCES FOR UNCOLLECTIBILITY RISK**  
**AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Amounts at beginning of the fiscal year	Increases	Decreases		12/31/2018
			Reversals	Charge off	
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
To the non-financial private sector and foreign residents					
Overdrafts	139,833	201,391	7,209	51,517	282,498
Documents	202,505	193,753	1,546	40,464	354,248
Mortgage loans	152,116	153,332	14,208	18,487	272,753
Pledge loans	74,380	29,647	3,929	22,574	77,524
Personal loans	1,207,483	1,495,470	267	981,988	1,720,698
Credit cards	590,483	575,386	1,005	350,020	814,844
Financial leases	6,487	273	1,190		5,570
Other	262,200	425,304	6,906	100,109	580,489
<b>TOTAL ALLOWANCES</b>	<b>2,672,809</b>	<b>3,101,977</b>	<b>41,092</b>	<b>1,566,994</b>	<b>4,166,700</b>

**VALUE ADJUSTMENT FOR CREDIT LOSSES - CONSOLIDATED ALLOWANCES FOR UNCOLLECTIBILITY RISK**  
**AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 42)  
(Figures stated in thousands of pesos)

Item	Amounts at beginning of the fiscal year	Increases	Decreases		12/31/2017
			Reversals	Charge off	
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
To the 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
Mortgage loans	74,824	86,406	2,557	6,557	152,116
Pledge loans	41,816	34,690	432	1,694	74,380
Personal loans	814,709	983,364	11,324	579,266	1,207,483
Credit cards	442,883	367,306	196	219,510	590,483
Financial leases	3,994	2,535	42		6,487
Other	183,057	124,818	1,123	44,552	262,200
<b>TOTAL ALLOWANCES</b>	<b>1,845,062</b>	<b>1,743,877</b>	<b>22,879</b>	<b>893,251</b>	<b>2,672,809</b>

**SEPARATE STATEMENT OF FINANCIAL POSITION**

**AS OF DECEMBER 31, 2018, 2017 AND 2016**

(Translation of the Financial statements originally issued in Spanish – See Note 41)

(Figures expressed in thousands of Pesos)

Items	Notes	Exhibits	12/31/2018	12/31/2017	12/31/2016
<b>ASSETS</b>					
Cash and Deposits in Banks		P	68,178,537	32,473,987	32,992,475
Cash			9,319,226	5,951,218	4,208,880
Central Bank of Argentina			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 and 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 and R	2,263,655	1,523,930	743,194
Loans and other financing		B, C, D, P and 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	116,105,217	78,180,199
Other Debt Securities		A and P	62,654,466	33,611,201	17,974,087
Financial Assets delivered as guarantee	5	P	6,323,938	7,344,011	3,462,469
Investments in Equity Instruments		A and P	47,020	36,885	337,309
Investment in subsidiaries, associated and joint arrangements		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 for sale	13		804,017	199,890	94,588
<b>TOTAL ASSETS</b>			<b>323,268,073</b>	<b>213,157,890</b>	<b>148,783,028</b>

**SEPARATE STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2018, 2017 AND 2016**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures expressed in thousands of Pesos)

Items	Notes	Exhibits	12/31/2018	12/31/2017	12/31/2016
<b>LIABILITIES</b>					
Deposits		H, I and 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	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 and P	164,469	2,688,093	1,095,634
Other Financial Liabilities		I and P	14,128,235	9,808,877	5,895,687
Financing received from the Central Bank of Argentina and other financial entities		I and P	3,297,393	1,173,840	260,266
Issued Corporate Bonds	34	I and P	6,388,191	4,712,216	1,745,851
Current Income Tax Liabilities			2,712,536	3,642,484	1,544,046
Subordinated Corporate Bonds	34	I and 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
<b>TOTAL LIABILITIES</b>			<b>268,421,503</b>	<b>166,622,867</b>	<b>123,812,335</b>
<b>SHAREHOLDERS' EQUITY</b>					
Capital Stock	27	K	669,663	669,663	584,563
Non capital contributions			12,428,461	12,428,461	399,499
Adjustments to Shareholders' Equity			4,511	4,511	4,511
Earnings Reserved			21,995,937	20,363,386	14,384,820
Unappropriated Retained Earnings			3,475,669	2,799,084	2,990,757
Other Comprehensive Income			543,086	204,560	65,711
Net Income for the fiscal year			15,729,243	10,065,358	6,540,832
<b>TOTAL SHAREHOLDERS' EQUITY</b>			<b>54,846,570</b>	<b>46,535,023</b>	<b>24,970,693</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>			<b>323,268,073</b>	<b>213,157,890</b>	<b>148,783,028</b>

The notes 1 to 41 to the separate financial statements and the exhibits A to L, N to R, are an integral part of the separate financial statements.



**SEPARATE STATEMENT OF INCOME**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018 AND 2017**  
(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures expressed in thousands of Pesos)

Items	Notes	Exhibits	12/31/2018	12/31/2017
Interest income		Q	61,050,533	31,313,363
Interest expense		Q	(23,887,540)	(9,697,229)
<b>Net Interest income</b>			<b>37,162,993</b>	<b>21,616,134</b>
Commissions income	20	Q	11,045,994	8,564,154
Commissions expense		Q	(654,160)	(610,289)
<b>Net Commissions income</b>			<b>10,391,834</b>	<b>7,953,865</b>
<b>Subtotal (Net Interest income + Net Commissions income)</b>			<b>47,554,827</b>	<b>29,569,999</b>
Net Income from measurement of financial instruments at fair value through profit or loss		Q	683,473	335,287
Profit/ (Loss) from sold assets at amortized cost			(4,489)	10,603
Differences 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
Allowances for loan losses			(2,476,364)	(1,486,591)
<b>Net Operating Income</b>			<b>46,377,130</b>	<b>30,813,903</b>
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)
<b>Operating Income</b>			<b>20,834,652</b>	<b>12,915,594</b>
Income from subsidiaries, associates and joint arrangements			1,344,042	1,430,586
<b>Income before tax on continuing operations</b>			<b>22,178,694</b>	<b>14,346,180</b>
Income tax on continuing operations	19		(6,449,451)	(4,280,822)
<b>Net Income from continuing operations</b>			<b>15,729,243</b>	<b>10,065,358</b>
Net Income for the fiscal year			15,729,243	10,065,358

**SEPARATE EARNINGS PER SHARE**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018 AND 2017**  
(Translation of Financial statements originally issued in Spanish – See Note 41)  
(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 fiscal year	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 fiscal year adjusted as per dilution effect	661,141	629,531
Basic earnings per share	23.7911	15.9887

**STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018 AND 2017**  
(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures expressed in thousands of Pesos)

Items	Notes	Exhibits	12/31/2018	12/31/2017
Net Income for the fiscal 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 fiscal year			732,813	137,148
Profit or losses for financial instruments measured at fair value through OCI (IFRS 9(4.1.2)(a))			(310,225)	56,022
Profit or losses for financial instruments at fair value through OCI		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 fiscal year			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 controlling interest			16,067,769	10,204,207

The notes 1 to 41 to the separate financial statements and the exhibits A to L, N to R, are an integral part of the separate financial statements.

**SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

(Translation of Financial statements originally issued in Spanish – See Note 41)

(Figures expressed in thousands of Pesos)

Changes	Notes	Capital stock		Non capital contributions	Adjustments to Shareholders' Equity	Other comprehensive income		Earnings Reserved			Total Equity
		Outstanding shares	In portfolio	Additional paid-in capital		Accumulative foreign currency translation difference in financial statements conversion	Other	Legal	Other	Unappropriated Retained Earnings	
Amount 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 fiscal year											
- Net income for the fiscal year										15,729,243	15,729,243
- Other comprehensive income for the fiscal year						732,813	(394,287)				338,526
Distribution of unappropriated retained earnings as approved by Shareholders' Meeting held on April 27, 2018											
- Legal reserve								1,877,755		(1,877,755)	
- Cash dividends									(3,348,315)		(3,348,315)
- Other (1)									7,511,018	(7,511,018)	
Treasury shares	27	(28,948)	28,948						(4,407,907)		(4,407,907)
<b>Amount at the end of the fiscal year</b>		<b>640,715</b>	<b>28,948</b>	<b>12,428,461</b>	<b>4,511</b>	<b>869,961</b>	<b>(326,875)</b>	<b>6,872,687</b>	<b>15,123,250</b>	<b>19,204,912</b>	<b>54,846,570</b>

**SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

(Translation of Financial statements originally issued in Spanish – See Note 41)

(Figures expressed in thousands of Pesos)

Changes	Notes	Capital stock		Non capital Contributions	Adjustments to Shareholders' Equity	Other comprehensive income		Earnings Reserved			Total Equity
		Outstanding shares	In portfolio	Additional paid-in capital		Accumulative foreign currency translation difference in financial statements conversion	Other	Legal	Other	Unappropriate d Retained Earnings	
Amount at the beginning of the fiscal year		584,563		399,499	4,511		65,711	3,686,472	10,698,348	9,531,589	24,970,693
Total comprehensive income for the fiscal year											
- Net income for the fiscal year										10,065,358	10,065,358
- Other comprehensive income for the fiscal year						137,148	1,701				138,849
Distribution of unappropriated retained earnings as approved by Shareholders' Meeting held on April 28, 2017											
- Legal reserve								1,308,460		(1,308,460)	
- Cash dividends									(701,476)		(701,476)
- Other (1)									5,371,582	(5,424,045)	(52,463)
Increase of Capital Stock approved by Shareholders' Meeting held on April 28, 2017	27	85,100		12,028,962							12,114,062
<b>Amount at the end of the fiscal year</b>		<b>669,663</b>		<b>12,428,461</b>	<b>4,511</b>	<b>137,148</b>	<b>67,412</b>	<b>4,994,932</b>	<b>15,368,454</b>	<b>12,864,442</b>	<b>46,535,023</b>

(1) Related to earnings reserved for future distribution of earnings. At 2017, included tax on personal assets of shareholders.

The notes 1 to 41 to the separate financial statements and the exhibits A to L, N to R, are an integral part of the separate financial statements.

**SEPARATE STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018 AND 2017**  
(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures expressed in thousands of Pesos)

<b>Items</b>	<b>Notes</b>	<b>12/31/2018</b>	<b>12/31/2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income for the fiscal year before Income Tax		22,178,694	14,346,180
Adjustments to obtain cash flows from operating activities:			
Amortization and depreciation		677,506	534,990
Allowance for loan losses		2,476,364	1,486,591
Difference in quoted prices of foreign currency		(7,914,367)	(198,589)
Other adjustments		1,445,587	(1,803,544)
Net increase / decrease from operating assets:			
Debt Securities at fair value through profit and loss		(1,195,781)	(689,155)
Derivative financial instruments		(6,891)	2,057
Repo transactions		1,419,808	(1,400,684)
Loans 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 guarantee		1,020,073	(3,881,542)
Investments in equity instruments		(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
Payments for Income Tax		(6,361,903)	(3,737,510)
<b>TOTAL CASH FROM / (USED IN) OPERATING ACTIVITIES (A)</b>		<b>66,261,130</b>	<b>(9,094,283)</b>

**SEPARATE STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018 AND 2017**  
(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures expressed in thousands of Pesos)

Items	Notes	12/31/2018	12/31/2017
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments:			
Acquisition of PPE, intangible assets and other assets		(1,844,008)	(1,854,738)
<b>TOTAL CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>(1,844,008)</b>	<b>(1,854,738)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments:			
Dividends		(3,348,315)	(753,939)
Acquisition or redemption of equity instruments		(4,407,907)	
Nonsubordinated corporate bonds		(2,441,269)	(2,171,204)
Financing from local financial entities		(323,249)	
Subordinated corporate bonds		(773,358)	(442,935)
Changes in the equity interests of subsidiaries that do not lead to the loss of control		(456,757)	
Proceeds:			
Issued equity instruments			12,114,062
Nonsubordinated corporate bonds		3,206,999	4,604,398
Central Bank of Argentina		10,852	3,005
Financing to local financial entities			862,828
<b>TOTAL CASH (USED IN) / RECEIVED FROM FINANCING ACTIVITIES (C)</b>		<b>(8,533,004)</b>	<b>14,216,215</b>
<b>EFFECT OF EXCHANGE RATE FLUCTUATIONS (D)</b>		<b>15,575,399</b>	<b>1,371,434</b>
<b>TOTAL CHANGES IN CASH FLOWS</b>			
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>71,459,517</b>	<b>4,638,628</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING THE FISCAL YEAR</b>	26	<b>51,788,928</b>	<b>47,150,300</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FISCAL YEAR</b>	26	<b>123,248,445</b>	<b>51,788,928</b>

The notes 1 to 41 to the separate financial statements and the exhibits A to L, N to R, are an integral part of the separate financial statements.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2018**

(Translation of Financial statements originally issued in Spanish – See Note 41)

(Figures expressed in thousands of pesos)

**1. CORPORATE INFORMATION**

Banco Macro SA (hereinafter, the "Bank") is a business 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, thus strengthening its goal to be a multiservice bank. In addition, the Bank performs certain transactions through its subsidiaries banco del Tucumán SA, Macro Bank Limited (a company organized under the laws of Bahamas), Macro Securities SA, Macro Fiducia SA and Macro Fondos SGFCISA.

Macro Compañía Financiera SA was created in 1977 as a nonbanking financial institution. In May 1988, it received the authorization to operate as a commercial bank and it was incorporated as Banco Macro SA. Subsequently, as a result of the merger process with other entities, it adopted other names (among them, Banco Macro Bansud SA) and since August 2006, Banco Macro SA.

The Bank's shares are publicly listed on 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 they were authorized to be listed 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 Bank acquired the control of Banco Bansud SA, Nuevo Banco Suquia SA, Nuevo Banco Bisel SA and Banco Privado de Inversiones SA, respectively. Such entities merged with and into Banco Macro SA in December 2003, October 2007, August 2009 and December 2013, respectively. In addition, during the fiscal year 2006, Banco Macro SA acquired control over Banco del Tucumán SA.

On March 8, 2019, the Bank's Board of Directors approved the issuance of the accompanying 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 Bank and its subsidiary Banco del Tucumán to the provincial and municipalities governments.

In addition, as mentioned in note 2.4 to the consolidated financial statement, the Bank has acquired shares of Banco del Tucumán SA for an amount of 456,757. This transaction was registered in these separate financial statements by the acquisition method. The difference between the consideration paid and the application of the purchase price method gave rise to goodwill recognition for an amount of 210,927.

On the other hand, on October 17, 2018, the Board of Directors of Banco Macro SA, decided to initiate negotiations for the merger reorganization between Banco Macro SA and Banco del Tucuman SA (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 BCRA, through Communiqué "A" 5541 established the general guidelines towards conversion to the IFRS issued by the International Accounting Standards Board (IASB) for preparing the 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.

## **NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018**

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(Figures expressed in thousands of pesos)

Additionally, through Communiqué "A" 6114, the BCRA 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) that in order to calculate the effective interest rate of assets and liabilities so requiring it for the measurement thereof, pursuant to IFRS 9, transitorily up to 31 December 2019, the Bank may 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 accompanying separate financial statements the Bank is in the process of quantifying the effect of the application of section 5.5 "Impairment" mentioned in (i) above would have. Finally, through Communiqués "A" 6323 and 6324 and supplementary provisions the BCRA 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, the conditions to apply inflation adjustments in the consolidated financial statement for the fiscal year as established by IAS 29 "Financial Reporting in Hyperinflationary Economy" were met. However, for the reasons described in section "measuring unit" of this note, financial institutions, transitorily, cannot apply the above-mentioned standard.

The accounting policies comply with the IFRS presently approved and are applicable to the preparation of these separate financial statements according to IFRS approved by the BCRA through Communiqué "A" 6114. As a general rule, the BCRA does not admit the early application of any IFRS, unless it establishes any provision to the contrary.

Note 3 to the consolidated financial statements presents a detailed description of the basis for the presentation of such financial statements and the main accounting policies used and the relevant information of the subsidiaries. All that is explained therein shall apply to the accompanying separate financial statements.

### Going concern

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Bank's ability to continue as a going concern. Therefore, these consolidated financial statements continue to be prepared on the 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, an entity controls another 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", established 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.

Shares in profits and losses of subsidiaries and associates are recognized under "Income from subsidiaries, associates and joint ventures" in the statement of income. Ownership interest in other comprehensive income of subsidiaries is accounted for under "Income for the fiscal year in other comprehensive income of subsidiaries, associates and joint ventures accounted for using the participation method", in the statement of other comprehensive income.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
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(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures expressed in thousands of pesos)

Transcription in the Inventory book

As of the date of these separate financial statements, the analytical detail is in the process of being transcribed in the Bank's inventory book as of December 31, 2018 of Banco Macro SA.

Measuring unit

IFRS require that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy be restated in terms of measuring unit current at the end of the reporting period. To achieve consistency in identifying an economic environment of that nature, IAS 29 establishes (i) certain qualitative indicators, not limited to, consist of analyzing the general population behavior, prices, interest rates and wages with changes to a price index and the loss of purchasing power, and (ii) as quantitative characteristic, which is the mostly condition used in practice, to test if a three-year cumulative inflation rate is around 100% or more. Whilst in the recent years there was an important increase in the general level prices, the three-year cumulative inflation had maintained in Argentina below 100%. However, due to miscellaneous macroeconomic factors the three-year inflation rate for 2018 exceeds that figures, and, also the Argentine government goals and other available estimates indicate that this trend will not be reversed in the short term.

Consequently, the Argentine economy is currently considered hyperinflationary under IAS 29 and the Argentine financial entities that are required to apply the IFRSs adopted by the BCRA through Communiqué "A" 6114 and the functional currency of which is the Argentine peso should restate their financial statements. Such restatement should be applied as if the economy had always been hyperinflationary, using a general price index that reflects changes in general purchasing power. To apply the restatement, a series of indexes will be used, as prepared and published on a monthly basis by the Argentine Federation of Professionals Councils in Economic Sciences (FACPCE, for its acronym in Spanish), which combines consumer price index (CPI) on a monthly basis published by the Argentine Institute of Statistics and Censuses (INDEC, for its acronym in Spanish) since January 2017 (baseline month: December 2016) with the wholesale prices indexes published by the INDEC until that date. For the months of November and December 2015, for which the INDEC did not publish the wholesale price index (WPI) variation, the CPI variation for the CABA is used.

Considering the abovementioned index, the inflation rate was 47.64% and 24.79% for the fiscal years ended on December 31, 2018 and 2017, respectively.

Notwithstanding the above, as established by BCRA Communiqué "A" 6651, financial institutions shall be started the inflation adjustment on its financial statements according to IAS 29, for the fiscal years beginning on January 1, 2020.

The nonrecognition of changes in the general purchasing power under hyperinflationary conditions, may distort accounting information and, therefore, this situation should be taken into account in the interpretation of the Bank's information on these consolidated financial statements over financial position, the result of its operations and its cash flows.

Below is a description of the main impacts if IAS 29 were to be applied:

- (a) Financial Statements shall be restated considering the changes in the general purchasing power of the currency to ensure that they are stated in the current measuring unit at end of the reporting period.
- (b) To sum up, the restating mechanism provided by IAS 29 is as follows:
  - (i) Monetary items (the ones that are already stated in terms of the current measuring unit) are not restated because they are already expressed in terms of the monetary unit current at the end of the reporting period. In an inflationary period, an entity holding monetary assets generates purchasing power loss and holding monetary liabilities generates purchasing power gain, provided that the assets and liabilities are not linked to an adjustment mechanism that offsets, in some extend such effects. The net gain or loss on a monetary basis shall be included in profit or loss for the period.
  - (ii) Assets and liabilities subject to adjustments based on specific agreements will be adjusted in accordance with such agreements.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
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(Translation of Financial statements originally issued in Spanish – See Note 41)

(Figures expressed in thousands of pesos)

- (iii) Nonmonetary items stated at current cost at the end of the reporting period, are not restated for presentation purposes in the statement of financial position, but the adjustment process must be completed to determine, in terms of constant measurement unit, the income or loss produced by holding these nonmonetary items.
- (iv) Nonmonetary items carried at historical cost or at current cost at some earlier date before the reporting date, shall be restated by an index that reflects the general level of price variation from the acquisition or revaluation date to the closing date, proceeding then to compare the restated amounts of those assets with their recoverable amounts. Income or loss for the period related to depreciation of property, plant and equipment and amortization of intangible assets and other nonmonetary cost shall be determined over the new restated amounts.
- (v) When an entity capitalizes borrowing cost in the nonmonetary assets, the part of the borrowing cost that compensates for the inflation during the same period will not be capitalized.
- (vi) The restatement of nonmonetary assets in terms of a current measurement unit at the end of the reporting period, without an equivalent adjustment for tax purposes generates a taxable temporary difference and a deferred income tax liability is recognized and the contra account is recognized as profit or loss for the period. When, beyond the restatement, there is a revaluation of nonmonetary assets, the deferred tax related to the restatement is recognized in profit or loss for the period and deferred tax related with the revaluation is recognized in other comprehensive income for the period.
- (vii) Income and expenses are restated from the date the items were recorded, except for those income or loss items that reflect or include, in their determination, the consumption of assets measured at the currency purchasing power from a date prior to that which the consumption was recorded, which is restated using as a basis the acquisition date of the assets related to the item, and except for income or losses arising from comparing the two measurements at currency purchasing power of different dates, for which it requires to identify the compared amounts, to restate them separately and to repeat the comparison, with the restated amounts.
- (viii) At the beginning of the first period of application of the restatement of financial statements in constant currency, the components of equity, except for the retained earnings, are restated according IAS 29, and the retained earning amount is determined as a difference, once the equity items were restated.

As of the date of issuance of these separate financial statements, the Bank is in the process of quantifying the effects that would result from the IAS 29 application, but estimates that such effects are significant.

**First-time Adoption of International Financial Reporting Standards in accordance with BCRA Communiqué "A" 6114**

Note 3 to the consolidated financial statements explains the convergence process under BCRA Communiqué "A" 6114 and the obligatory exceptions and exemptions used by Bank on a separate basis. Additionally, the required reconciliations by BCRA are as follows:

**Required reconciliations**

- Reconciliation of equity as of December 31, 2016 (date of transition).

	Previous BCRA Standards	Adjustments and reclassifications	IFRS according 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
Shareholders' equity	22,105,898	2,864,795	24,970,693

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
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Item	Amount as of 12/31/2016
According to previous BCRA Standards	22,105,898
Adjustments and reclassifications:	
Debt securities and investment in equity instruments	23,473
Loans and other financing	(233,010)
Investment in subsidiaries, associates and joint ventures	342,505
Property, plant and equipment and investment property	4,262,884
Other nonfinancial assets	51,313
Deferred tax liabilities	(1,280,028)
Other nonfinancial liabilities	(341,878)
Corporate bonds	31,560
Other adjustments	7,976
Total adjustments	2,864,795
Total Shareholders' equity according to Communiqué "A" 6114	24,970,693

- Reconciliation of equity as of December 31, 2017

	Previous BCRA Standards	Adjustments and reclassifications	IFRS according 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
Shareholders' equity	43,130,547	3,404,476	46,535,023

Item	Amounts as of 12/31/2017
According to previous BCRA Standards	43,130,547
Adjustments and reclassifications:	
Debt securities and investment in equity instruments	17,175
Loans and other financing	(275,056)
Investment in subsidiaries, associated and joint ventures	193,921
Property, plant and equipment and investment property	4,243,595
Deferred tax liabilities	62,760
Other nonfinancial assets	(416,850)
Corporate bonds	(472,709)
Other nonfinancial liabilities	51,579
Other adjustments	61
Total adjustments	3,404,476
Total Shareholders' equity according to Communiqué "A" 6114	46,535,023

- Reconciliation of separate income and other comprehensive income for the fiscal year ended on December 31, 2017.

Reconciliation of income for the fiscal year ended on December 31, 2017	Net income for the fiscal year	Other comprehensive income	Comprehensive Income
According to previous BCRA Standards	9,388,772		
Adjustments and reclassifications			
Interest income	(45,241)		
Interest expense	20,019		
Commissions income	(19,188)		
Net income from measurement of financial instruments at fair value through profit or loss	(45,965)		
Employee benefits	(99,511)		

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS  
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(Figures expressed in thousands of pesos)

Reconciliation of income for the fiscal year ended on December 31, 2017	Net income for the fiscal year	Other comprehensive income	Comprehensive Income
Other operating expenses	(66,000)		
Investment in subsidiaries, associated and joint ventures	(84,295)	(54,321)	
Reclassifications of stock issuance cost	275,754		
Foreign currency translation differences	(137,148)	137,148	
Income from financial instruments at fair value through OCI		56,022	
Other adjustment	(8,015)		
Income tax	886,176		
Total adjustments and reclassifications	676,586	138,849	
Amounts according to Comunicado "A" 6114	10,065,358	138,849	10,204,207

• Explanatory notes to the adjustments on transition to IFRS

The main adjustments on transition to the standards established by BCRA Comunicado "A" 6114 affecting equity as of December 31, 2016 (date of transition) and as of December 31, 2017, and the income and other comprehensive income for the fiscal year ended on 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 Bank 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 Bank delivered as guarantee the following financial assets:

Description	Carrying Amount		
	12/31/2018	12/31/2017	12/31/2016
For transactions with the BCRA	5,330,580	3,750,952	1,902,862
For securities 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 Bank'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 FOR LOANS AND OTHER FINANCING LOSSES**

Changes in allowances for loan losses as of December 31, 2018 and 2017 are disclosed in exhibit R "Loss allowance – Allowance for uncollectibility risk" in the accompanying separate financial statements.

The table below presents the Bank's changes in allowances by portfolios:

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	Commercial portfolio	Consumer portfolio	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

  

	Commercial portfolio	Consumer portfolio	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

Additionally, is disclosed the net allowance for loan losses, generated by loans and other financing:

	12/31/2018	12/31/2017
Allowance for loan losses	2,476,364	1,486,591
Recoveries (other operating income)	261,025	300,012

The methodology for determination allowance for loan losses from loans and other financing is explained in note 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 Bank'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 statement of financial position, since they imply a possible liability for the Bank, they expose the Bank to credit risks other than those recognized in the statement of financial position and are, therefore, an integral part of the total risk of the Bank.

As of December 31, 2018, 2017 and 2016, the Bank 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
	<u>1,832,066</u>	<u>1,279,099</u>	<u>902,621</u>

(\*) Includes transactions not covered by BCRA debtor classification standards. For overdraft and unused agreed credits, it includes an amount of 221,220, 488,146 and 100,938 for the years 2018, 2017 and 2016, respectively. For guarantee granted it includes the amount of 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 Bank's credit risk policy detail in note 39 to the consolidated financial statements.

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(Figures expressed in thousands of pesos)

**8. DERIVATIVE FINANCIAL INSTRUMENTS**

The Bank performs derivative transactions for trading purposes. In note 8 to the consolidated financial statements, the Bank discloses the reasons and types of derivative financial transactions performed by the Bank.

The following tables show the notional values, in thousands of US dollars, of these instruments, 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 Bank presents the fair value of the derivative financial instruments recognized as assets or liabilities in the statement of financial position. Changes in fair values were accounted for in the statement of Income, the breakdown of which is disclosed in exhibit Q "Breakdown of profit or loss" or in the statement of other comprehensive income, as the case may be.

Derivative assets	12/31/2018		12/31/2017		12/31/2016	
	Notional Value	Fair Value	Notional Value	Fair Value	Notional Value	Fair Value
Transactions of foreign currency contract 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	12/31/2018		12/31/2017		12/31/2016	
	Notional Value	Fair Value	Notional Value	Fair Value	Notional Value	Fair Value
Transactions of foreign currency contract 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 Bank discloses the relevant information as to instruments included in Level 3 of the fair value hierarchy.

The Bank'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. In conclusion, the fair value may not be indicative of the net realizable value or settlement value.

Fair value hierarchy

The Bank 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 that the Bank accesses to at the measurement day for identical assets or liabilities. The Bank considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available at 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 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments to level 2 inputs may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Bank will classify the instruments as Level 3.

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- 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 Bank’s financial asset and liability fair value measurement.

Below is the reconciliation between the amounts at the beginning and the end of the period of the financial assets and liabilities recognized at fair value, using the valuation technical information 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
Amount 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	
Amount at end of the fiscal year	1,291,052	91,168	42,243

  

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
Amount 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)
Amount at end of the fiscal year	35,841	161,751	33,197

Instruments measured as level 3 include mainly debt securities and certificates of participation in financial trusts, 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 Bank 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 Bank 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 recognized at fair value as of December 31, 2018, 2017 and 2016:

		12/31/2018			
	Carrying amount	Level 1	Level 2	Level 3	Fair value
<b>Financial Assets</b>					
Cash and deposits in banks	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
	<u>249,091,979</u>	<u>76,665,851</u>	<u>7,366,037</u>	<u>150,201,015</u>	<u>234,232,903</u>
<b>Financial liabilities</b>					
Deposits	219,761,923	99,926,237		119,925,037	219,851,274
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
	<u>259,028,601</u>	<u>116,585,127</u>	<u>18,151,595</u>	<u>119,925,037</u>	<u>254,661,759</u>
		12/31/2017			
	Carrying amount	Level 1	Level 2	Level 3	Fair value
<b>Financial assets</b>					
Cash and deposits in banks	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
	<u>162,711,392</u>	<u>40,551,921</u>	<u>477,188</u>	<u>119,183,156</u>	<u>160,212,265</u>
<b>Financial liabilities</b>					
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		7,710,790		7,710,790
	<u>158,664,959</u>	<u>84,569,679</u>	<u>13,518,763</u>	<u>60,523,556</u>	<u>158,611,998</u>



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	12/31/2016				
	Carrying amount	Level 1	Level 2	Level 3	Fair value
Financial assets					
Cash and deposits in banks	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
	<u>118,333,500</u>	<u>36,858,176</u>	<u>477,464</u>	<u>79,877,385</u>	<u>117,213,025</u>
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	1,745,851		1,466,612		1,466,612
Subordinated corporate bonds	6,376,537		5,994,056		5,994,056
	<u>117,872,598</u>	<u>61,061,449</u>	<u>7,855,728</u>	<u>48,367,480</u>	<u>117,284,657</u>

**10. LEASES**

As disclosed in note 10 to the consolidated financial statements, the Bank 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 leases:

	12/31/2018		12/31/2017		12/31/2016	
	Total gross investment	Current value of minimum payments	Total gross investment	Current value of minimum payments	Total gross 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
	<u>569,905</u>	<u>453,228</u>	<u>790,208</u>	<u>600,130</u>	<u>533,561</u>	<u>380,890</u>

As of December 31, 2017 and 2016, income for non-accrued interests amounted to 116,677 and 186,708, respectively.

Additionally, the Bank celebrated commercial contracts for the lease of real property, in which the Bank's branches operate. Such lease contracts have an average term of 2 to 10 years.

Additionally, the following table shows the future minimum payments for these operating lease contracts:

	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		
	<u>609,837</u>	<u>365,009</u>	<u>318,619</u>

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**11. INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS**

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 interest in other companies" to the separate financial statements.

**12. RELATED PARTIES**

A related party is a person or entity that is related to the Bank:

- has control or joint control of the Bank;
- has significant influence over the Bank;
- is a member of the key management personnel of the Bank or of a parent of the Bank;
- 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 Bank considers as key management personnel, for the purposes of IAS 24, the members of the Board of Directors and the senior management members of the Risk Management Committee, the Assets and Liabilities Committee and the Senior Credit Committee.

As of December 31, 2018, 2017 and 2016, amounts and profit or loss related to transactions generated with related parties are as follows:

- Information as of December 31, 2018

	Main subsidiaries			Associates	Key management personnel	Other related parties	Total
	Banco del Tucumán SA	Macro Bank Limited	Macro Securities SA				
Assets							
Cash and deposits in banks		583					583
Other financial assets	2,504		25,276	20,660			48,440
Loans and other financing (1)							
Documents						331,265	331,265
Overdrafts			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 nonfinancial assets			83,178				83,178
Total assets	2,504	583	114,492	20,660	73,079	1,151,925	1,363,243

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	Main subsidiaries				Key management personnel	Other related parties	Total
	Banco del Tucumán SA	Macro Bank Limited	Macro Securities SA	Associates			
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 the BCRA and other financial entities	301,742						301,742
Issued corporate bonds			11,231				11,231
Subordinated corporate bonds						46,605	46,605
<b>Total Liabilities</b>	<b>301,742</b>	<b>13</b>	<b>322,304</b>	<b>1,875,381</b>	<b>4,859,406</b>	<b>636,729</b>	<b>7,995,575</b>
Income							
Interest income	372,476				1,803	57,887	432,166
Interest expense	(58,997)		(3,277)	(191,973)	(394,840)	(24,220)	(673,307)
Commissions income	9		521	112	21	5,592	6,255
Other operating income	27,280						27,280
Administrative expenses	(4)					(9,473)	(9,477)
Other operating expenses				(1,191,868)	(2)	(26,062)	(1,217,930)
<b>Income / (loss)</b>	<b>340,764</b>		<b>(2,756)</b>	<b>(1,383,729)</b>	<b>(393,016)</b>	<b>3,724</b>	<b>(1,435,013)</b>

(1) The maximum financing amount for loans and other financing as of December 31, 2018 for Banco del Tucumán SA, Macro Bank Limited, Macro Securities SA, associates, Key management personnel and other related parties amounted to 2,550,000, 0, 7,216, 0, 79,066 and 1,533,270, respectively.

(2) These losses are mainly generated by debit and credit cards processing expenses billed by Prisma Medios de Pago SA.

• Information as of December 31, 2017

	Main subsidiaries				Key management personnel	Other related parties	Total
	Banco del Tucumán SA	Macro Bank Limited	Macro Securities SA	Associates			
Assets							
Cash and deposits in banks		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 financial entities	952,147						952,147
Documents						151,191	151,191
Overdrafts					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
<b>Total assets</b>	<b>953,525</b>	<b>13,106</b>	<b>7,711</b>		<b>24,238</b>	<b>469,059</b>	<b>1,467,639</b>
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
<b>Total liabilities</b>		<b>16</b>	<b>108,378</b>	<b>1,017,678</b>	<b>1,102,038</b>	<b>354,244</b>	<b>2,582,354</b>

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	Main subsidiaries				Key management personnel	Other related parties	Total
	Banco del Tucumán SA	Macro Bank Limited	Macro Securities SA	Associates			
Income							
Interest income	28,621		2,057		3,058	61,595	95,331
Interest expense	(10,263)	(257)		(139,560)	(3,082)	(4,930)	(158,092)
Commissions income	12		250	75	21	4,220	4,578
Commissions expenses						(14)	(14)
Other operating income	21,608	2	674				22,284
Administrative expenses	(41)					(13,042)	(13,083)
Other operating expenses			(15,957)	(638,267)	(1)	(24,243)	(678,467)
Income / (loss)	39,937	(255)	(12,976)	(777,752)	(3)	23,586	(727,463)

(1) These losses are mainly generated by debit and credit cards processing expenses billed by Prisma Medios de Pago SA.

- Information as of December 31, 2016

	Main subsidiaries (1)				Key management personnel	Other related parties	Total
	Banco del Tucumán SA	Macro Bank Limited	Macro Securities SA	Associates			
Assets							
Cash and deposits in banks		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 (2)							
Documents						99,786	99,786
Overdrafts					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 nonfinancial liabilities		196					196
Total liabilities		61,428	134,778	53,581	1,067,175	735,138	2,052,100
Income							
Interest income	612		3,658		4,689	17,649	26,608
Interest expense	(22,454)	(86)		(117,756)	(9,077)	(11,408)	(160,781)
Commissions income	16		143	101	25	4,052	4,337
Commissions expenses			(141)				(141)
Other operating income	17,220	2	627				17,849
Administrative expenses	(9)					(5,263)	(5,272)
Other operating expenses			(151)	(426,961)	(1)	(22,243)	(449,355)
Income / loss	(4,615)	(84)	4,136	(544,616)	(4,363)	(17,213)	(566,755)

(1) These losses are mainly generated by debit and credit cards processing expenses billed by Prisma Medios de Pago SA.

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Transactions generated by the Bank with other related parties to it for transactions arranged within the course 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 Bank 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:

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>
Board of Directors	14	13	12
Senior manager of the key management personnel	<u>10</u>	<u>10</u>	<u>10</u>
	<u>24</u>	<u>23</u>	<u>22</u>

**13. NONCURRENT ASSETS HELD FOR SALE**

Noncurrent assets held for sale as of December 31, 2018 are described in note 13 to the consolidated financial statements.

**14. BORROWING COSTS**

Borrowing costs capitalized by the Bank 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 if occurring, would originate a loss for the Bank.

Exhibit J "Changes in Provisions" presents the changes in provisions during the fiscal years ended on December 31, 2018, 2017 and 2016.

The expected terms to settle these obligations are as follows:

	<u>12/31/2018</u>		<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>
	<u>Within 12 months</u>	<u>Beyond 12 months</u>			
For administrative, disciplinary and criminal penalties		718	718	718	9,110
Other (*)	<u>302,787</u>	<u>666,249</u>	<u>969,036</u>	<u>595,277</u>	<u>242,256</u>
	<u>302,787</u>	<u>666,967</u>	<u>969,754</u>	<u>595,995</u>	<u>251,366</u>

(\*) Mainly includes provisions for trials, summaries, executions and other legal cases pending resolution.

In the opinion of the Management of the Bank and its legal counsel, there are no other significant effects than those disclosed in the accompanying separate 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.

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**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 financial assets 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 and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 12 months	Total up to 12 months	Over 12 months and up to 24 months	Over 24 months	Total over 12 months
Assets									
Cash and deposits in banks	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			
Investment 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 and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 12 months	Total up to 12 months	Over 12 months and 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 the BCRA and other financial entities		722,674	907,790	1,054,312	442,273	3,127,049	62,921	107,423	170,344
Issued Corporate bonds		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
<b>Total Liabilities</b>	<b>97,057,501</b>	<b>99,808,780</b>	<b>30,970,893</b>	<b>7,999,603</b>	<b>1,603,115</b>	<b>140,382,391</b>	<b>137,986</b>	<b>21,452,092</b>	<b>21,590,078</b>

12/31/2017	Without due date	Total up to 12 months	Total over 12 months
<b>Assets</b>			
Cash and deposits in banks	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	
Investment in equity instruments	36,885		
<b>Total assets</b>	<b>37,708,749</b>	<b>123,252,942</b>	<b>38,605,012</b>
<b>Liabilities</b>			
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
Issued corporate bonds		118,356	4,593,860
Subordinated corporate bonds		80,004	7,485,755
<b>Total liabilities</b>	<b>69,069,176</b>	<b>77,215,659</b>	<b>12,409,681</b>
<b>12/31/2016</b>	<b>Without due date</b>	<b>Total up to 12 months</b>	<b>Total over 12 months</b>
<b>Assets</b>			
Cash and deposits in banks	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	
Investment in equity instruments	337,309		
<b>Total assets</b>	<b>36,103,570</b>	<b>78,433,092</b>	<b>22,752,427</b>

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12/31/2016	Without due date	Total up to 12 months	Total over 12 months
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
Issued Corporate bonds		1,745,851	
Subordinated corporate bonds		67,429	6,309,108
Total liabilities	46,192,528	65,213,042	6,467,028

(1) The amounts included in "without due date", are related with the non performing 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 debit) 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 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 statement of financial position 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
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 subsidiaries, 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 liabilities as of December 31, 2018 and 2017 may be 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 fiscal year end	254,957	416,850

(\*) For changes in fiscal year 2017, the Bank included the effect of the rate change, under the tax reform described in note 3.13.1 to the consolidated financial statements.



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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 the reconciliation between income tax and the amounts obtained by applying the current tax rate in Argentina to the income carrying amount:

	<u>12/31/2018</u>	<u>12/31/2017</u>
Income carrying amount before income tax	22,178,694	14,346,180
Applicable income tax rate	30%	35%
Income tax on income carrying amount	<u>6,653,608</u>	<u>5,021,163</u>
Net permanent differences and other tax effects	<u>(204,157)</u>	<u>(740,341)</u>
Total income tax	<u>6,449,451</u>	<u>4,280,822</u>

As of December 31, 2018 and 2017, the effective income tax rate is 29.1% and 29.8%, respectively.

**20. COMMISSIONS INCOME**

<u>Description</u>	<u>12/31/2018</u>	<u>12/31/2017</u>
Performance obligations satisfied at a point in time (1)	11,019,104	7,996,301
Performance obligations satisfied over certain time period	<u>26,890</u>	<u>567,853</u>
	<u>11,045,994</u>	<u>8,564,154</u>

(1) Includes principally account maintenance fees, agreements and credit card commissions.

**21. DIFFERENCE IN QUOTED PRICES OF GOLD AND FOREIGN CURRENCY**

<u>Description</u>	<u>12/31/2018</u>	<u>12/31/2017</u>
Translation of foreign currency assets and liabilities into pesos	(2,945,746)	849,438
Income from foreign currency exchange	<u>1,313,793</u>	<u>470,723</u>
	<u>(1,631,953)</u>	<u>1,320,161</u>

**22. OTHER OPERATING INCOME**

<u>Description</u>	<u>12/31/2018</u>	<u>12/31/2017</u>
Derecognition or substantial modification of financial liabilities	594,424	
Services	587,350	439,639
Adjustments and interest from other receivables	219,997	64,141
Sale of investment property and other nonfinancial assets	161,058	19,915
Initial recognition of loans	45,493	
Sale of property, plant and equipment	38,753	3,548
Other	<u>604,561</u>	<u>537,201</u>
	<u>2,251,636</u>	<u>1,064,444</u>

**23. EMPLOYEE BENEFITS**

<u>Description</u>	<u>12/31/2018</u>	<u>12/31/2017</u>
Remunerations	7,081,481	5,405,838
Payroll taxes	1,383,605	990,341
Compensations and bonuses to employees	692,649	433,488
Employee services	<u>226,812</u>	<u>189,940</u>
	<u>9,384,547</u>	<u>7,019,607</u>

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**24. ADMINISTRATIVE 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 statutory auditors	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
Advertising and publicity	302,414	222,429
Representation, travel and transportation expenses	90,646	67,103
Insurance	48,476	33,544
Stationery and office supplies	45,824	36,000
Hired administrative services	6,949	9,980
Other	1,379,200	910,961
	<u>6,165,227</u>	<u>4,189,616</u>

**25. OTHER OPERATING EXPENSES**

Description	12/31/2018	12/31/2017
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
	<u>9,315,198</u>	<u>6,154,096</u>

**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 fiscal year. For the preparation of the statement of cash flows the Bank adopted the indirect method for operating activities and the direct method for investment activities and financing activities.

The Bank 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 Bank considered the following:

- Operating activities: the normal revenue-producing activities of the Bank as well as other activities that cannot qualify as investing or financing activities.
- Investing activities: the acquisition, sale and disposal by other means of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of the shareholders' equity and liabilities of the Bank and that are not part of the operating or investing activities.

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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:

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>
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
	<u>123,248,445</u>	<u>51,788,928</u>	<u>47,150,300</u>

**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 SA holds an 8.300% interest in the capital stock according to the percentages disclosed by BCRA Comunicado “B” 11816 issued on February 28, 2019.

**29. RESTRICTED ASSETS**

As of December 31, 2018 and 2017 the following Bank’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 Argentine legislation, maturing 2033 securing the regional economies Competitiveness Program – IDB Loan No. 3174/OC-AR.	108,633	98,541
• Discount bonds in pesos regulated by Argentine legislation, maturing 2033 used as security in favor of Sedesa (1).	92,659	117,454
• Discount bonds in pesos regulated by Argentine 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 Argentine legislation, maturing 2033, for minimum statutory guarantee account required for Agents to act in the new categories contemplated under Resolution No. 622/13 of the CNV.	14,620	13,139
• Discount bonds in pesos regulated by Argentine legislation, maturing 2033 securing IBD Loan of the Province of San Juan No. 2763/OC-AR.	6,609	8,869
• BCRA Internal Bills in pesos, maturity 02-21-2018 as of December 31, 2017 for the performance of forward foreign currency translation.		53,059
• BCRA Internal Bills in pesos, maturity 02/21/2018 as of December 31, 2017 securing operations through the negotiation secured transaction segment as the main counterparty of the MAE.		9,647
• Secured Bonds under Presidential Decree No. 1579/02 as security for a loan received from Banco de Inversión y Comercio Exterior SA (Bice).		4,270
• Other government and private securities.		2,331
Subtotal Debt securities at fair value through profit or loss and other debt securities	<u>287,224</u>	<u>316,014</u>

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Item (contd.)	12/31/2018	12/31/2017
Other financial assets		
• Sundry debtors – attachment within the scope of the claim filed by the DGR against the City of Buenos Aires for differences in turnover tax	827	827
Subtotal other financial assets	827	827
Loans and other financing – Nonfinancial sector and foreign residents		
• Interests derived from contributions made as contributing partner (2)	10,000	90,000
Subtotal loans and other financing - Nonfinancial private sector and foreign residents	10,000	90,000
Financial assets delivered as guarantee		
• Special guarantee checking accounts opened in BCRA 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
• Forward purchase for repo transactions	182,448	2,993,719
• Other guarantee deposits	95,888	6,450
Subtotal Other financial assets delivered as guarantee	6,323,938	7,344,011
Other nonfinancial assets		
• Real property related to call options sold	73,006	222,023
Subtotal Other nonfinancial 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. They correspond to the following risk funds: Los Grobo SGR Risk Fund as of December 31, 2018 and 2017 and Intergarantías SGR Risk Fund and Garantizar SGR Risk Fund as of December 31, 2017.

Additionally, as of December 31, 2016, the amount of restricted assets was 3,877,051.

### 30. TRUST AGREEMENTS

Note 31 to the consolidated financial statements describes the different trust agreements according to the business purpose sought by the Bank, which may be summarized as follows:

#### 30.1 Financial trusts for investment purposes

Debt securities include mainly prepayments towards the placement price of provisional trust securities of the financial trusts under public offerings (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 Bank recovers the disbursements made, plus an agreed-upon compensation. If after making the best efforts, such trust securities cannot be placed, the Bank will retain the definitive trust securities.

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In addition, the Bank's portfolio is completed with financial trusts for investment purpose, trust securities of definitive financial trust in public offering (Consubond, PVCRED, Best Consumer Directo, Credimas, Garbarino, Chubut Regalías Hidrocarburíferas, Secubono, Megabono and Credicuotas consumo) and certificates of participation (Saenz Créditos, Gas Tucumán and Arfintech).

As of December 31, 2018, 2017 and 2016 the debt securities with investment purposes and certificate of participation in financial trusts 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 these 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 Bank (Securitization)**

As 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 through Macro Fiducia SA of this type of trusts amount to 69,444, 116,387 and 58,633, respectively.

**30.3 Trusts guaranteeing loans granted by the Bank**

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 Bank amount to 269,507, 328,268 and 451,569, respectively.

**30.4 Trusts in which the Bank 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 financial statements, the assets managed by the Bank amount to 1,480,540, 1,302,687 and 1,396,421, respectively.

**31. COMPLIANCE WITH CNV REGULATIONS**

Considering Banco Macro SA's current operations, and according to the different categories of agents established by CNV rules (as per General Resolution 622/2013, as amended), the Bank 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), comprehensive clearing and settlement agent and trading agent (ALyC and AN – comprehensive, for their acronyms in Spanish), financial trustee Agent (FF, for its acronym in Spanish) and Guarantee Entity (in the process of being registered). Note 32.3 to the consolidated financial statements describes the number of shares subscribed by third parties and the assets held by the Bank 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 statutory guarantee account 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 cash deposits in BCRA accounts 00285 and 80285 belonging to the Bank.

In addition, note 32.2 to the consolidated financial statements presents the general policy of documents in custody, describing which information has been disclosed and delivered to third parties for custody.

**32. ACCOUNTING ITEMS THAT IDENTIFY THE COMPLIANCE WITH MINIMUM CASH REQUIREMENTS**

The items recognized by the Bank to constitute the minimum cash requirement effective for December 2018 are listed below, indicating the amounts as of month-end of the related items:

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Description	Banco Macro SA
Cash and deposits in banks	
Amounts in BCRA accounts	46,046,332
Other debt securities	
BCRA Internal Bills computable for the minimum cash requirements	18,800,520
Government securities computable for the minimum cash requirements	7,158,360
Financial assets delivered as guarantee	
Special guarantee accounts with the BCRA	<u>5,330,580</u>
Total	<u>77,335,792</u>

**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 Bank, 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 counsel consider no further significant accounting effects, other than those previously mentioned, should be recorded or disclosed.

**34. ISSUANCE OF CORPORATE BONDS**

Note 35 to the consolidated financial statements describes liabilities for corporate bonds recognized by the Bank as December 31, 2018 and 2017, under the terms and values therein expressed.

Additionally, as of December 31, 2016, the Bank recognized Class A subordinated resettable corporate bonds for 6,376,537 and Class 2 non-subordinated corporate bonds for 1,745,851.

**35. OFF BALANCE SHEET TRANSACTIONS**

In addition to note 7, the Bank recognizes different off balance sheet transactions, pursuant to the BCRA standards. Below are the amounts of the main off balance sheet transactions as of December 31, 2018, 2017 and 2016:

Item	12/31/2018	12/31/2017	12/31/2016
Preferred and other collaterals received from customers (1)	44,383,138	38,139,862	21,261,105
Custody of government and private securities and other assets held by third parties	63,662,007	70,772,660	41,094,883
Checks already deposited and pending clearance	1,680,896	1,266,305	1,134,949
Outstanding checks not yet paid	3,224,266	2,032,128	1,852,989

- (1) Related to collaterals used to secure loans transactions and other financing, under the applicable rules in force in this matter.

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**36. TAX AND OTHER CLAIMS**

36.1. Tax claims

Note 37.1 to the financial statements describes the most relevant claims pending resolution and filed by AFIP and the tax authorities of the relevant jurisdiction.

The Bank's Management and its legal counsel consider no further significant accounting effects could arise from the final outcome of the above mentioned proceedings other than those disclosed in the accompanying separate 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 Bank's Management and its legal counsel consider no further significant accounting effects could arise from the final outcome of the above mentioned proceedings other than those disclosed in the accompanying separate financial statements.

**37. RESTRICTION ON DIVIDENDS DISTRIBUTION**

Note 38 to the consolidated financial statements describes the main legal provisions regulating the restriction on profit distribution.

**38. CAPITAL MANAGEMENT, CORPORATE GOVERNANCE TRANSPARENCY POLICY AND RISK MANAGEMENT AND RISK MANAGEMENT**

Note 39 to the consolidated financial statements describes the main guidelines of the Bank as to capital management and corporate governance transparency policy.

**39. CHANGES IN THE ARGENTINE MACROECONOMIC ENVIRONMENT OF THE FINANCIAL AND CAPITAL MARKETS**

The international and domestic macroeconomics environments in which the Bank operates and its impacts are 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 separate financial statements that may materially affect the financial position or the profit and loss for the fiscal year, not disclosed in the accompanying separate financial statements.

**41. ACCOUNTING PRINCIPLES – EXPLANATION ADDED FOR TRANSLATION INTO ENGLISH**

These separate financial statements are presented in accordance with the accounting framework established by the BCRA, as mention in note 3. These accounting standards may not conform with accounting principles generally accepted in other countries.

**DETAIL OF GOVERNMENT AND PRIVATE SECURITIES  
AS OF DECEMBER 31, 2018, 2017 AND 2016**  
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Name	Identification	Holdings			Position				
		12/31/2018		12/31/2017	12/31/2016	12/31/2018			
		Fair value	Level Fair value			Book amounts	Position without options	Options	Position final
DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS									
- Local									
Government securities									
Consolidation bonds in pesos 8° Serie - Maturity: 10-04-2022	2571		1	169,663	105,882	100,118	169,663		169,663
Debt Securities of Province of Río Negro in pesos - Badlar Private + 500 basis point - Maturity: 07-06-2020	32922		2	122,869	281,881		122,869		122,869
Federal government treasury bonds in pesos - Maturity: 10-03-2021	5318		2	79,622			79,622		79,622
Federal government treasury bonds in pesos adjustment by CER - Maturity: 07-22-2021	5315		1	66,862		7,133	66,862		66,862
Federal government bonds in US dollars at 8.75% - Maturity: 05-07-2024	5458		1	61,833	8,934		61,833		61,833
International bonds of the Argentina Republic in US dollars at 7.5% - Maturity: 04-22-2026	92584		2	55,358		852	55,358		55,358
Consolidation bonds in pesos 6° Series at 2% - Maturity: 03-15-2024	2420		1	48,396	4	22,288	48,396		48,396
Federal government bonds in pesos at Badlar Private + 200 basic points - Maturity: 04-03-2022	5480		1	38,419	292		38,419		38,419
Par bonds denominated in pesos - Maturity: 12-31-2038	45695		1	36,656	38,677	3,248	36,656		36,656
Federal government bonds in US dollars at 8 % - Maturity: 10-08-2020	5468		1	34,844		337	34,844		34,844
Discount bonds denominated in pesos at 5.83% - Maturity: 12-31-2033	45696		1	2,274	89,691	88,164	119,960		119,960
Federal government bonds in pesos at Badlar Private + 2.0 basic points - Maturity: 03-28-2017	5459					28,150			
Other				135,420	194,045	24,016	168,190		168,190
Subtotal local government securities	5431			852,216	719,406	274,306	1,002,672		1,002,672
Private securities									
Debt Securities in Financial Trusts Consuond	80033		3	377,725			377,725		377,725
Debt Securities in Financial Trusts Megabono Series 180 Class A - Maturity: 12-24-2019	53887		3	165,980			165,980		165,980
Debt Securities in Financial Trusts Agrocapi	80032		3	130,735			130,735		130,735
Debt Securities in Financial Trusts PVCRED S038 Class A - Maturity: 08-12-2019	53927		3	112,600			112,600		112,600
Debt Securities in Financial Trusts Consuond Series 149 Class A - Maturity: 10-25-2019	53968		3	111,017			111,017		111,017
Debt Securities in Financial Trust provisional Secubono	80029		3	79,203			79,203		79,203
Debt Securities in Financial Trust Chubut Regalias Hidrocarburiferas - Maturity: 07-01-2020	36425		3	48,366	34,932		48,366		48,366
Debt Securities in Financial Trusts Consuond Series 147 Class A - Maturity: 12-26-2019	53893		3	39,576			39,576		39,576
Debt Securities in Financial Trusto Secubono S180 - Maturity: 11-28-2019	53875		3	34,635			34,635		34,635
Debt Securities in Financial Trust provisional Accicom									
Personal Loans	80031		3	32,716			32,716		32,716
Securities of public service companies	80019		3	1,226	909	1,080	1,226		1,226
Other				164,742	220,124		164,742		164,742
Subtotal local private securities				1,298,521	255,965	1,080	1,298,521		1,298,521
TOTAL DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				2,150,737	975,371	275,386	2,301,193		2,301,193



**DETAIL OF GOVERNMENT AND PRIVATE SECURITIES  
AS OF DECEMBER 31, 2018, 2017 AND 2016**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Name	Identification	Holdings			Position			
		12/31/2018			12/31/2017	12/31/2016	12/31/2018	
		Fair Value	Level Fair Value	Book amounts	Book amounts	Book amounts	Position without options	Options
OTHER DEBT SECURITIES								
Measured at fair value through other comprehensive income								
- Local								
Government securities								
Discount bonds denominated in pesos at 5.83% - Maturity: 12-31-2033	45696		1	144,844		1,332,536	144,844	144,844
International bonds of the Argentina Republic in US dollars at 7.125% - Maturity: 06-28-2117	92208		1	81,630			81,630	81,630
Consolidation bonds in pesos 8° Serie - Maturity: 10-04-2022	2571				49,726	111,005		
Treasury Bills in US dollars - Maturity: 03-20-2017	5199					789,545		
Debt Securities of Province of Buenos Aires Series I Class II - Maturity: 12-06-2019	32831					342,237		
Federal government bonds at Badlar Private + 250 basis point – Maturity: 2019	5454					140,888		
Province of Neuquén Treasury bills Class 2 Series II - Maturity: 06-06-2018	32829					140,219		
Province of Río Negro Treasury bills Class 1 Series VI - Maturity: 03-15-17	32835		1			94,139		
Province of Neuquén Treasury in pesos - Maturity: 09-09-2020	32777					69,752		
Federal government bonds in Pesos at variable rate - Maturity: 2017	5477					52,285		
Federal government bonds at Badlar Private + 2.0 basis point – Maturity: 03-28-17	5459					23,483		
Other						19,286		
Subtotal local government securities				226,474	49,726	3,115,375	226,474	226,474
Central Bank of Argentina Bills								
Liquidity letters of Central Bank of Argentina in pesos - Maturity: 01-04-2019	80007		1	15,546,415			15,546,415	15,546,415
Liquidity letters of Central Bank of Argentina in pesos - Maturity: 01-08-2019	80010		2	13,787,546			13,787,546	13,787,546
Liquidity letters of Central Bank of Argentina in pesos - Maturity 01-02-2019	80005		1	12,404,850			12,404,850	12,404,850
Liquidity letters of Central Bank of Argentina in pesos - Maturity: 01-03-2019	80006		1	7,926,384			7,926,384	7,926,384
Liquidity letters of Central Bank of Argentina in pesos - Maturity: 01-07-2019	80009		1	5,404,713			5,404,713	5,404,713
Central Bank of Argentina Internal Bills in pesos – Maturity: 03-21-2018	46823				6,333,072			
Central Bank of Argentina Internal Bills in pesos – Maturity: 01-17-2018	46821				6,045,824			
Central Bank of Argentina Internal Bills in pesos – Maturity: 05-16-2018	46825				5,769,624			
Central Bank of Argentina Internal Bills in pesos – Maturity: 04-18-2018	46824				5,626,984			
Central Bank of Argentina Internal Bills in pesos – Maturity: 02-21-2018	46822				5,341,770			
Central Bank of Argentina Internal Bills in pesos – Maturity: 01-18-2017	46796					5,291,677		
Central Bank of Argentina Internal Bills in pesos – Maturity: 02-15-2017	46786					2,529,734		
Other					3,512,921	5,920,210		
Subtotal Central Bank of Argentina Bills				55,069,908	32,630,195	13,741,621	55,069,908	55,069,908
Private securities								
Corporate Bonds Telecom Personal SA Series 4 - Maturity: 11-16-2018	51989					105,210		
Corporate Bonds Telecom Personal SA Series 3 - Maturity: 05-16-2018	51988					52,159		
Corporate Bonds Genneia SA Class 19 - Maturity: 02-16-2017	51268					52,277		
Corporate Bonds Albanesi SA Class 2 - Maturity: 10-25-2018	51923					21,216		
Corporate Bonds Ledesma SA Class 3 - Maturity: 04-01-2017	50210					14,330		
Corporate Bond Integración Eléctrica Sur Arg. SA Class 4 - Maturity: 09-26-2017	51848					13,168		
Corporate Bond Banco Hipotecario Series 32 - Maturity: 05-30-2017	51072					10,531		
Corporate Bonds Arcor SAIC Class 8 - Maturity: 06-15-2017	50495					6,257		
Subtotal local private securities						275,148		
Total Other debt securities measured at fair value thought other comprehensive income				55,296,382	32,679,921	17,132,144	55,296,382	55,296,382

**DETAIL OF GOVERNMENT AND PRIVATE SECURITIES  
AS OF DECEMBER 31, 2018, 2017 AND 2016**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Name	Identification	Holdings					Position		
		12/31/2018			12/31/2017	12/31/2016	12/31/2018		
		Fair value	Fair value level	Book amounts	Book amounts	Book amounts	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 in pesos under Presidential Decree No. 1579/02 at 2% - Maturity: 02-04-2018	2405				4,270	21,276			
Federal government bonds in pesos Badlar + 2.00 - Maturity: 03-28-17	5459					100,728			
Subtotal local government securities				7,358,084	121,723	122,004	7,390,076		7,390,076
Private securities									
Debt Securities in Financial Trust provisional Consubond	80033				360,364	281,057			
Debt Securities in Financial Trust provisional Secubono	80029				110,554	124,628			
Debt Securities in Financial Trust provisional Garbarino	80028				68,070				
Debt Securities in Financial Trust provisional Accicom Préstamos Personales	80031				51,041	61,841			
Debt Securities in Financial Trust provisional Credicuotas Consumo					50,223	15,359			
Debt Securities in Financial Trust provisional Agrocap	80032				46,482				
Debt Securities in Financial Trust provisional Mila	80034				32,955	25,647			
Debt Securities in Financial Trust provisional Best Consumer Directo	80034				32,136				
Debt Securities in Financial Trust provisional Best Consumer Finance	80034				32,086				
Debt Securities in Financial Trust provisional Credimas					25,646	15,325			
Debt Securities in Financial Trust provisional PVCRED						102,789			
Other						93,293			
Subtotal local private securities					809,557	719,939			
Total other debt securities measurement 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

**DETAIL OF GOVERNMENT AND PRIVATE SECURITIES**  
**AS OF DECEMBER 31, 2018, 2017 AND 2016**  
(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Name	Identification	Holdings					Position		
		12/31/2018			12/31/2017	12/31/2016	12/31/2018		
		Fair value	Fair value level	Book amounts	Book amounts	Book amounts	Position without options	Options	Final position
Equity Instruments									
Measured 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
Provincanaje 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			
Otros				93	141	122,484	93		93
Subtotal local				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				5,746	4,003	3,656	5,746		5,746
Total measured at fair value through profit or loss									
Total Equity Instruments									
TOTAL GOVERNMENT AND PRIVATE SECURITIES				64,852,223	34,623,457	18,586,782	65,034,671		65,034,671

**CLASSIFICATION OF LOANS AND OTHER FINANCING  
BY SITUATION AND COLLATERAL RECEIVED  
AS OF DECEMBER 31, 2018, 2017 AND 2016**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>
<b>COMMERCIAL</b>			
<b>In normal situation</b>	69,702,689	48,622,186	34,128,374
With senior "A" collateral and counter-collateral	2,542,734	3,795,181	2,538,782
With senior "B" collateral and counter-collateral	8,381,277	7,426,689	5,119,268
Without senior collateral or counter-collateral	58,778,678	37,400,316	26,470,324
<b>Subject to special monitoring</b>	213,632	298,886	27,887
<b>In observation</b>			
With senior "A" collateral and counter-collateral	3,226	6,042	
With senior "B" collateral and counter-collateral	68,007	66,613	18,875
Without senior collateral or counter-collateral	41,805	226,231	9,012
<b>In negotiation or with financing agreements</b>			
With senior "A" collateral and counter-collateral	43,592		
Without senior collateral or counter-collateral	57,002		
<b>Troubled</b>	633,432	37,164	50,039
With senior "A" collateral and counter-collateral		3,441	
With senior "B" collateral and counter-collateral	179,598	22,971	50,039
Without senior collateral or counter-collateral	453,834	10,752	
<b>With high risk of insolvency</b>	277,016	143,881	137,431
With senior "A" collateral and counter-collateral	1,223	729	1,882
With senior "B" collateral and counter-collateral	180,785	86,437	61,374
Without senior collateral or counter-collateral	95,008	56,715	74,175
<b>Irrecoverable</b>			4
Without senior collateral or counter-collateral			4
<b>Subtotal Commercial</b>	<u>70,826,769</u>	<u>49,102,117</u>	<u>34,343,735</u>

**CLASSIFICATION OF LOANS AND OTHER FINANCING  
BY SITUATION AND COLLATERAL RECEIVED  
AS OF DECEMBER 31, 2018, 2017 AND 2016**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>
<b>CONSUMER AND MORTGAGE</b>			
<b>Performing</b>	95,744,514	74,624,457	48,698,468
With senior "A" collateral and counter-collateral	2,949,577	2,129,722	767,733
With senior "B" collateral and counter-collateral	13,676,510	6,847,800	2,483,434
Without senior collateral or counter-collateral	79,118,427	65,646,935	45,447,301
<b>Low risk</b>	1,926,667	941,697	502,812
With senior "A" collateral and counter-collateral	48,130	6,359	1,486
With senior "B" collateral and counter-collateral	187,262	31,801	20,622
Without senior collateral or counter-collateral	1,691,275	903,537	480,704
<b>Medium risk</b>	1,250,021	544,375	390,339
With senior "A" collateral and counter-collateral	16,916	1,447	3,188
With senior "B" collateral and counter-collateral	74,792	13,506	7,634
Without senior collateral or counter-collateral	1,158,313	529,422	379,517
<b>High risk</b>	818,569	397,696	268,927
With senior "A" collateral and counter-collateral	13,707	496	2,099
With senior "B" collateral and counter-collateral	38,991	18,106	20,284
Without senior collateral or counter-collateral	765,871	379,094	246,544
<b>Irrecoverable</b>	211,895	139,268	87,190
With senior "A" collateral and counter-collateral	1,260		
With senior "B" collateral and counter-collateral	26,682	17,924	16,642
Without senior collateral or counter-collateral	183,953	121,344	70,548
<b>Irrecoverable according to Central Bank's rules</b>	872	206	210
Without senior collateral or counter-collateral	872	206	210
<b>Subtotal consumer and mortgage</b>	<u>99,952,538</u>	<u>76,647,699</u>	<u>49,947,946</u>
<b>Total</b>	<u>170,779,307</u>	<u>125,749,816</u>	<u>84,291,681</u>

This exhibit discloses the contractual figures as established by the BCRA. The conciliation with the separate statement of financial position is listed below:

	As of 12/31/2018	As of 12/31/2017	As of 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
+ Adjustment amortized cost and fair value	250,558	279,292	233,241
+ Corporate bonds	-	226,598	277,666
Guarantees provided and contingent liabilities	1,444,196	599,777	642,697
Total computable items	<u>170,779,307</u>	<u>125,749,816</u>	<u>84,291,681</u>

**EXHIBIT C**

**CONCENTRATION OF LOANS AND FINANCING FACILITIES**

**AS OF DECEMBER 31, 2018, 2017 AND 2016**

(Translation of the financial statements originally issued in Spanish - See Note 41)

(Figures stated in thousands of pesos)

	<b>12/31/2018</b>		<b>12/31/2017</b>		<b>12/31/2016</b>	
<b>Number of customers</b>	<b>Cut off balance</b>	<b>% of total portfolio</b>	<b>Cut off balance</b>	<b>% of total portfolio</b>	<b>Cut off balance</b>	<b>% of total portfolio</b>
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
<b>Total (1)</b>	<b>170,779,307</b>	<b>100.00</b>	<b>125,749,816</b>	<b>100.00</b>	<b>84,291,681</b>	<b>100.00</b>

(1) See reconciliation in exhibit B

**BREAKDOWN OF LOANS AND OTHER FINANCING BY TERM  
AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

**Remaining terms to maturity**

<b>Item</b>	<b>Matured</b>	<b>Up to 1 month</b>	<b>Over 1 month and up to 3 months</b>	<b>Over 3 months and up to 6 months</b>	<b>Over 6 months and up to 12 months</b>	<b>Over 12 months and up to 24 months</b>	<b>Over 24 months</b>	<b>Total</b>
Non financial government 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	1,844,588	49,760,432	21,985,020	23,678,562	27,665,062	30,337,330	60,455,954	215,726,948
<b>Total</b>	<b>1,844,588</b>	<b>51,006,927</b>	<b>24,122,391</b>	<b>25,318,447</b>	<b>30,108,891</b>	<b>31,903,957</b>	<b>60,801,881</b>	<b>225,107,082</b>

**BREAKDOWN OF LOANS AND OTHER FINANCING BY TERM  
AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

**Remaining terms to maturity**

<b>Item</b>	<b>Matured</b>	<b>Up to 1 month</b>	<b>Over 1 month and up to 3 months</b>	<b>Over 3 months and up to 6 months</b>	<b>Over 6 months and up to 12 months</b>	<b>Over 12 months and up to 24 months</b>	<b>Over 24 months</b>	<b>Total</b>
Non financial government 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
<b>Total</b>	<b>847,585</b>	<b>36,058,850</b>	<b>18,312,360</b>	<b>17,444,246</b>	<b>19,299,458</b>	<b>28,515,543</b>	<b>47,933,318</b>	<b>168,411,360</b>

**BREAKDOWN OF LOANS AND OTHER FINANCING BY TERM  
AS OF DECEMBER 31, 2016**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

**Remaining terms to maturity**

<b>Item</b>	<b>Matured</b>	<b>Up to 1 month</b>	<b>Over 1 month and up to 3 months</b>	<b>Over 3 months and up to 6 months</b>	<b>Over 6 months and up to 12 months</b>	<b>Over 12 months and up to 24 months</b>	<b>Over 24 months</b>	<b>Total</b>
Non financial government 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
<b>Total</b>	<b>512,311</b>	<b>29,060,249</b>	<b>12,899,895</b>	<b>12,115,008</b>	<b>12,798,382</b>	<b>17,269,751</b>	<b>22,645,354</b>	<b>107,300,950</b>

This exhibit discloses the contractual future cash flows that include interest and charges to be accrued until maturity of the contracts.

**DETAILED INFORMATION ON INTERESTS IN OTHER COMPANIES  
AS OF DECEMBER 31, 2018 AND DECEMBER 31, 2017 AND 2016**  
(Translation of Financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

								Information of the issuer				
Name	Shares of interest				Amount 12/31/2018	Amount 12/31/2017	Amount 12/31/2016	Main business activity	Data from latest financial statements			
	Class	Unit face value	Votes per share	Number					Year- end date / Period	Capital stock	Shareholders' equity	Income for the year / Period
<b>In financial institutions</b>												
<b>- Subsidiaries</b>												
<b>Local</b>												
Banco del Tucumán SA	Common	100	1	439,360	2,444,921	1,787,137	1,851,964	Financial institution	12-31-18	43,960	2,446,257	459,048
<b>Subtotal local</b>					2,444,921	1,787,137	1,851,964					
<b>Foreign</b>												
Macro Bank Limited	Common	1	1	39,816,899	1,417,060	912,765	769,059	Financial institution	12-31-18	86,501	1,417,060	654,904
<b>Subtotal foreign</b>					1,417,060	912,765	769,059					
<b>Total in financial institutions subsidiaries</b>					3,861,981	2,699,902	2,621,023					
<b>Total in financial institutions</b>					3,861,981	2,699,902	2,621,023					
<b>In complementary services companies</b>												
<b>- Subsidiaries</b>												
<b>Local</b>												
Macro Securities SA	Common	1	1	12,776,680	834,927	681,437	292,348	Brokerage house	12-31-18	12,886	866,723	304,579
Macro Fondos SGFCISA	Common	1	1	6,475,143	54,067	40,625	24,694	Management company of FCI	12-31-18	1,713	284,802	234,696
Macro Fiducia SA	Common	1	1	327,183	28,373	21,463	19,152	Services	12-31-18	6,567	23,521	351
<b>Subtotal local</b>					917,367	743,525	336,194					
<b>Total in complementary services subsidiary companies</b>					917,367	743,525	336,194					
<b>Associates and joint ventures</b>												
<b>Local</b>												
Prisma Medio de Pagos	Common	1	1	1,141,503		142,600	67,583	Processing services	12-31-17	15,000	2,511,180	2,432,494
Joint Ventures (UTE)					108,031	75,520	56,001	Management of tax services				
<b>Subtotal local</b>					108,031	218,120	123,584					
<b>Total in complementary services associates companies and join ventures</b>					108,031	218,120	123,584					
<b>Total in complementary services companies</b>					1,025,398	961,645	459,778					
<b>In other associates</b>												
<b>- Associates and joint ventures</b>												
<b>Local</b>												
Macro Warrants S.A.	Common	1	1	50,000	792	827	684	Issue of warrants	09-30-18	1,000	15,841	3,308
<b>Subtotal local</b>					792	827	684					
<b>Total in other associates</b>					792	827	684					
<b>Total investments in other companies</b>					4,888,171	3,662,374	3,081,485					



**CHANGE OF PROPERTY, PLANT AND EQUIPMENT  
AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Item	Original value at beginning of fiscal year	Total life estimated in years	Increases	Decreases	Depreciation for the fiscal year				Residual value at end of the fiscal year
					Accumulated	Decrease	For the fiscal year	At the end	
<b>Cost</b>									
Real property	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
Work in progress	2,569,113		1,539,596	3,401,858					706,851
<b>Total property, plant and equipment (1)</b>	<b>8,843,893</b>		<b>5,203,640</b>	<b>4,285,844</b>	<b>1,108,635</b>	<b>190,423</b>	<b>330,985</b>	<b>1,249,197</b>	<b>8,512,492</b>

**CHANGE OF PROPERTY, PLANT AND EQUIPMENT  
AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Item	Original value at beginning of fiscal year	Total life estimated in years	Increases	Decreases	Depreciation for the fiscal year				Residual value at end of the fiscal year
					Accumulated	Decrease	For the fiscal year	At the end	
<b>Cost</b>									
Real property (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
Work in progress	1,710,944		899,056	40,887					2,569,113
<b>Total property, plant and equipment</b>	<b>7,629,692</b>		<b>1,273,908</b>	<b>59,707</b>	<b>835,179</b>	<b>11,641</b>	<b>285,097</b>	<b>1,108,635</b>	<b>7,735,258</b>

**EXHIBIT F**  
(Continued)

**CHANGE IN INVESTMENT PROPERTY  
AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Item	Original Value at beginning of fiscal year	Total life estimated in years	Increases	Decreases	Depreciation for the fiscal year				Residual value at the end of the fiscal year
					Accumulated	Decrease	For the fiscal year	At the end	
<b>Cost</b>									
Rented properties		50	90,485		8,027		100	8,127	82,358
Other investment properties	634,771	50	258,330	755,495	19,306	18,680	5,464	6,090	131,516
<b>Total investment property (1)</b>	<u>634,771</u>		<u>348,815</u>	<u>755,495</u>	<u>27,333</u>	<u>18,680</u>	<u>5,564</u>	<u>14,217</u>	<u>213,874</u>

**CHANGE IN INVESTMENT PROPERTY  
AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Item	Original Value at beginning of fiscal year	Total life estimated in years	Increases	Decreases	Depreciation for the fiscal year				Residual value at the end of the fiscal year
					Accumulated	Decrease	For the fiscal year	At the end	
<b>Cost</b>									
Other investment properties (2)	536,064	50	230,712	132,005	17,879	9,052	6,784	15,611	619,160
<b>Total investment property</b>	<u>536,064</u>		<u>230,712</u>	<u>132,005</u>	<u>17,879</u>	<u>9,052</u>	<u>6,784</u>	<u>15,611</u>	<u>619,160</u>

(1) During the fiscal year 2018, this item observed transfers to and from property, plant and equipment and/or non current assets held for sale.

(2) As of December 31, 2016, the deemed cost of the Bank's real property amounted to 6,635,147 and the adjustment for this item totaled 4,262,884.

**CHANGE IN INTANGIBLE ASSETS  
AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Item	Original Value at beginning of fiscal year	Total life estimated in years	Increases	Decreases	Depreciation for the fiscal year				Residual value at the end of the fiscal year
					Accumulated	Decrease	For the fiscal year	At end	
<b>Cost</b>									
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
<b>Total intangible assets (1)</b>	<u>1,485,598</u>		<u>1,195,765</u>	<u>73,462</u>	<u>675,089</u>	<u>2</u>	<u>340,957</u>	<u>1,016,044</u>	<u>1,591,857</u>

**CHANGE IN INTANGIBLE ASSETS  
AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Item	Original Value at beginning of fiscal year	Total life estimated in years	Increases	Decreases	Depreciation for the fiscal year				Residual value at the end of the fiscal year
					Accumulated	Decrease	For the fiscal year	At end	
<b>Cost</b>									
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
<b>Total intangible assets</b>	<u>1,061,305</u>		<u>480,497</u>	<u>56,205</u>	<u>488,184</u>	<u>56,206</u>	<u>243,110</u>	<u>675,088</u>	<u>810,509</u>

(1) During the fiscal year 2018, there were transfers between different lines of the item, that produce differences between the amounts at the end of one year and the beginning of other, without implying modifications of total this item.

**DEPOSIT CONCENTRATION**  
**AS OF DECEMBER 31, 2018, 2017 AND 2016**

(Translation of the financial statements originally issued in Spanish - See Note 41)

(Figures stated in thousands of pesos)

	<b>12/31/2018</b>		<b>12/31/2017</b>		<b>12/31/2016</b>	
<b>Number of customers</b>	<b>Outstanding amount</b>	<b>% of total portfolio</b>	<b>Outstanding amount</b>	<b>% of total portfolio</b>	<b>Outstanding amount</b>	<b>% of total portfolio</b>
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
<b>Total</b>	<b>219,761,923</b>	<b>100.00</b>	<b>132,716,174</b>	<b>100.00</b>	<b>102,498,623</b>	<b>100.00</b>

**BREAKDOWN OF FINANCIAL LIABILITIES  
FOR RESIDUAL TERMS  
AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Item	Remaining terms 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	
<b>Deposits</b>	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
<b>Derivative instruments</b>	1,019		350				1,369
<b>Repo Transactions</b>	164,667						164,667
Other financial institutions	164,667						164,667
<b>Other financial liabilities</b>	13,945,078	18,936	9,668	14,045	22,435	141,539	14,151,701
<b>Financing received from the Central Bank of Argentina and other financial institutions</b>	724,436	918,813	1,083,024	470,177	87,151	125,173	3,408,774
<b>Issued corporate bonds</b>	362,870		585,301	735,047	1,443,264	7,394,296	10,520,778
<b>Subordinated corporate bonds</b>			510,412	510,412	1,020,824	21,757,164	23,798,812
<b>Total</b>	<u>197,936,143</u>	<u>32,199,549</u>	<u>9,552,527</u>	<u>3,022,973</u>	<u>2,635,534</u>	<u>29,434,157</u>	<u>274,780,883</u>

This exhibit discloses the contractual future cash flows that include interest and charges to be accrued until maturity of the contracts.

**BREAKDOWN OF FINANCIAL LIABILITIES  
FOR RESIDUAL TERMS  
AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Item	Remaining terms 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	
<b>Deposits</b>	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
<b>Liabilities at fair value through profit or loss</b>	6,450						6,450
<b>Derivative instruments</b>	23,107						23,107
<b>Repo Transactions</b>	2,688,093						2,688,093
Other financial institutions	2,688,093						2,688,093
<b>Other financial liabilities</b>	9,601,982	21,720	10,720	16,518	25,559	163,965	9,840,464
<b>Financing received from the Central Bank of Argentina and other financial institutions</b>	927,139	91,695	11,605	15,967	34,289	94,109	1,174,804
<b>Issued corporate bonds</b>			404,300	404,300	808,600	6,642,069	8,259,269
<b>Subordinated corporate bonds</b>			266,082	271,935	543,869	11,316,764	12,398,650
<b>Total</b>	<b>126,670,685</b>	<b>18,016,559</b>	<b>3,210,281</b>	<b>1,234,554</b>	<b>1,439,983</b>	<b>18,224,365</b>	<b>168,796,427</b>

This exhibit discloses the contractual future cash flows that include interest and charges to be accrued until maturity of the contracts.

**BREAKDOWN OF FINANCIAL LIABILITIES  
FOR RESIDUAL TERMS  
AS OF DECEMBER 31, 2016**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Item	Remaining terms 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	
<b>Deposits</b>	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
<b>Repo Transactions</b>	1,095,634						1,095,634
Other financial institutions	1,095,634						1,095,634
<b>Other financial liabilities</b>	5,277,791	480,634	6,909	6,868	10,826	147,157	5,930,185
<b>Financing received from the Central Bank of Argentina and other financial institutions</b>	85,690	49,164	90,378	14,207	9,867	12,780	262,086
<b>Issued corporate bonds</b>		1,758,053					1,758,053
<b>Subordinated corporate bonds</b>			213,978	213,978	427,955	9,763,723	10,619,634
<b>Total</b>	<b>93,260,749</b>	<b>17,304,718</b>	<b>1,980,648</b>	<b>546,977</b>	<b>457,326</b>	<b>9,927,073</b>	<b>123,477,491</b>

This exhibit discloses the contractual future cash flows that include interest and charges to be accrued until maturity of the contracts.

**EXHIBIT J****CHANGES IN PROVISIONS  
AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Item	Amounts at beginning of fiscal year	Increases	Decreases		12/31/2018
			Reversals	Charge off	
For administrative, disciplinary and criminal penalties	718				718
Other	595,277	1,031,170	14,119	643,292	969,036
<b>Total provisions</b>	<u>595,995</u>	<u>1,031,170</u>	<u>14,119</u>	<u>643,292</u>	<u>969,754</u>

**CHANGES IN PROVISIONS  
AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Item	Amounts at beginning of fiscal year	Increases	Decreases		12/31/2017
			Reversals	Charge off	
For administrative, disciplinary and criminal penalties	9,110		8,062	330	718
Other	242,256	640,352	34,034	253,297	595,277
<b>Total provisions</b>	<u>251,366</u>	<u>640,352</u>	<u>42,096</u>	<u>253,627</u>	<u>595,995</u>



**EXHIBIT K**
**COMPOSITION OF CAPITAL STOCK  
AS OF DECEMBER 31, 2018**

(Translation of Financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Shares				Capital stock		
Class	Stock number	Face value	Votes per share	Issued outstanding	In treasury (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
<b>Total</b>	<u>669,663,021</u>			<u>640,715</u>	<u>28,948</u>	<u>669,663</u>

(1) See Note 27.

**COMPOSITION OF CAPITAL STOCK  
AS OF DECEMBER 31, 2017**

(Translation of Financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Shares				Capital stock		
Class	Stock number	Face value	Votes per share	Issued outstanding	In treasury (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
<b>Total</b>	<u>669,663,021</u>			<u>669,663</u>		<u>669,663</u>

**COMPOSITION OF CAPITAL STOCK  
AS OF DECEMBER 31, 2016**

(Translation of Financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Shares				Capital stock		
Class	Stock number	Face value	Votes per share	Issued outstanding	In portfolio (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
<b>Total</b>	<u>584,563,028</u>			<u>584,563</u>		<u>584,563</u>

**EXHIBIT L**

**FOREIGN CURRENCY AMOUNTS  
AS OF DECEMBER 31, 2018, 2017 AND 2016**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

	12/31/2018					12/31/2017	12/31/2016
	Total parent company and local branches	Total per currency				Total	Total
Item		US dollar	Euro	Real	Other		
<b>ASSETS</b>							
Cash and deposits in banks	39,768,830	39,548,898	145,753	16,098	58,081	19,751,378	20,074,325
Debt securities at fair value through profit or loss	332,797	332,797				50,860	12,734
Derivative instruments							
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
From the 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
<b>TOTAL ASSETS</b>	<b>89,701,806</b>	<b>89,481,874</b>	<b>145,753</b>	<b>16,098</b>	<b>58,081</b>	<b>40,339,118</b>	<b>32,385,902</b>
<b>LIABILITIES</b>							
Deposits	69,034,060	69,034,060				29,799,489	21,793,774
Non financial government 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 the Central Bank 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
<b>TOTAL LIABILITIES</b>	<b>89,092,987</b>	<b>89,049,516</b>	<b>42,878</b>		<b>593</b>	<b>39,480,772</b>	<b>30,923,673</b>

**CREDIT ASSISTANCE TO RELATED PARTIES  
AS OF DECEMBER 31, 2018, 2017 AND 2016**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Item	In normal situation	With high risk of insolvency / High risk		12/31/2018	12/31/2017	12/31/2016
		Non maturity	Maturity			
<b>Loans and other financing</b>						
<b>Overdrafts</b>	<b>135,924</b>			<b>135,924</b>	<b>8,012</b>	<b>7,459</b>
Without senior collateral or counter-collateral	135,924			135,924	8,012	7,459
<b>Documents</b>	<b>331,265</b>			<b>331,265</b>	<b>147,026</b>	<b>99,347</b>
With senior "A" collateral and counter-collateral	11,560			11,560	6,160	7,263
Without senior collateral or counter-collateral	319,705			319,705	140,866	92,084
<b>Mortgage and pledge</b>	<b>36,420</b>			<b>36,420</b>	<b>17,276</b>	<b>5,579</b>
With senior "B" collateral and counter-collateral	33,143			33,143	16,532	5,431
Without senior collateral or counter-collateral	3,277			3,277	744	148
<b>Personal</b>	<b>623</b>			<b>623</b>	<b>44</b>	<b>1,083</b>
Without senior collateral or counter-collateral	623			623	44	1,083
<b>Credit cards</b>	<b>73,201</b>			<b>73,201</b>	<b>38,922</b>	<b>22,996</b>
Without senior collateral or counter-collateral	73,201			73,201	38,922	22,996
<b>Other</b>	<b>236,283</b>		<b>6,746</b>	<b>243,029</b>	<b>1,102,909</b>	<b>170,606</b>
With senior "B" collateral and counter-collateral	7,153			7,153	9,130	9,035
Without senior collateral or counter-collateral	229,130		6,746	235,876	1,093,779	161,571
<b>Total loans and other financial</b>	<b>813,716</b>		<b>6,746</b>	<b>820,462</b>	<b>1,314,189</b>	<b>307,070</b>
<b>Debts securities</b>					83,561	
<b>Equity instruments</b>					25	475
Eventual commitments	374			374	59,696	23,986
<b>Total</b>	<b>814,090</b>		<b>6,746</b>	<b>820,836</b>	<b>1,457,471</b>	<b>331,531</b>
<b>Allowances</b>	<b>8,137</b>		<b>6,408</b>	<b>14,545</b>	<b>3,873</b>	<b>3,092</b>

**DERIVATIVE FINANCIAL INSTRUMENTS  
AS OF DECEMBER 31, 2018**

(Translation of financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Type of contract	Type of coverage	Purpose of the transactions performed	Underlying asset	Type of settlement	Negotiation environment or counter-party	Originally agreed weighted monthly average term	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) Over The Counter - Residents in Argentina - Non-financial sector	2	1	1	860,805
Forward		Intermediation - own account	Foreign currency	Maturity settlement of differences With delivery of underlying asset	Other markets in the country Over The Counter - Residents in Argentina - Non-financial sector	4	2	30	187,702
Repo transactions		Intermediation - own account	Federal government securities	With delivery of underlying asset		1	1		182,447
Options		Intermediation - own account	Other	With delivery of underlying asset		32	32		71,458

(\*) Related to the valuation of the underlying traded, exposed in absolute value.

**CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES  
AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Item	Amortized cost	Fair value with changes in in other comprehensive income	Fair value with changes in result Mandatory measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and deposits in banks						
Cash	9,319,226					
Financial institutions and correspondents	58,416,484					
Other	442,827					
Debt securities at fair value through profit or loss			2,150,737	591,483	268,202	1,291,052
Derivative instruments			14,555	10,994	3,561	
Other financial assets	2,172,487		91,168			91,168
Loans and other financing						
To the non-financial government sector	1,768,254					
Other financial institutions	5,573,806					
To the non financial private sector and foreign residents						
Overdrafts	17,985,397					
Documents	25,114,299					
Mortgage loans	14,903,168					
Pledge loans	4,299,766					
Personal loans	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		
Investments in equity instruments			47,020	4,777		42,243
<b>TOTAL FINANCIAL ASSETS</b>	<b>249,091,979</b>	<b>55,296,382</b>	<b>2,453,936</b>	<b>42,266,546</b>	<b>14,059,309</b>	<b>1,424,463</b>

(1) Includes the total provisions to the non financial private sector and foreign residents.

**CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES**  
**AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Item	Amortized cost	Fair value with changes in in other comprehensive income	Fair value with changes in result Mandatory measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL LIABILITIES						
Deposits						
From the non-financial government sector	11,729,037					
From the financial sector	148,269					
From the non-financial private sector and foreign residents						
Checking accounts	23,136,926					
Savings accounts	65,816,143					
Time deposits and Investment accounts	111,954,950					
Other	6,976,598					
Liabilities at fair value with changes in result						
Derivative instruments			1,369	593	776	
Repo transactions						
Other financial institutions	164,469					
Other financial liabilities	14,128,235					
Financing received from Central Bank and other financial institutions	3,297,393					
Issued corporate bonds	6,388,191					
Subordinated corporate bonds	15,288,390					
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>259,028,601</b>		<b>1,369</b>	<b>593</b>	<b>776</b>	

**CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES**  
**AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Item	Amortized cost	Fair value with changes in in other comprehensive income	Fair value with changes in result Mandatory measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and deposits in banks						
Cash	5,951,218					
Financial institutions and correspondents	25,207,548					
Other	1,315,221					
Debt securities at fair value through profit or loss			975,371	422,260	517,270	35,841
Derivative instruments			7,664	800	6,864	
Other financial institutions	1,419,808					
Other financial assets	1,362,179		161,751			161,751
Loans and other financing						
To the non-financial government sector	1,876,968					
Other financial institutions	4,191,661					
To the non financial private sector and foreign residents						
Overdrafts	9,410,690					
Documents	17,496,215					
Mortgage loans	7,737,161					
Pledge loans	4,048,917					
Personal loans	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	
Investments in equity instruments			36,885	3,688		33,197
<b>TOTAL FINANCIAL ASSETS</b>	<b>162,711,392</b>	<b>35,669,332</b>	<b>1,185,979</b>	<b>35,920,435</b>	<b>704,087</b>	<b>230,789</b>

(1) Includes the total provisions to the non financial private sector and foreign residents.

**CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES**  
**AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Item	Amortized cost	Fair value with changes in in other comprehensive income	Fair value with changes in result Mandatory measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL LIABILITIES						
Deposits						
From the non-financial government sector	9,504,522					
From the financial sector	81,357					
From the non-financial private sector and foreign residents						
Checking accounts	19,622,581					
Savings accounts	41,984,454					
Time deposits and Investment accounts	57,548,362					
Other	3,974,898					
Liabilities at fair value with changes in result			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 received from Central Bank and other financial institutions	1,173,840					
Issued corporate bonds	4,712,216					
Subordinated corporate bonds	7,565,759					
<b>TOTAL FINANCIAL LIABILITIES</b>	158,664,959		29,557	13,619	15,938	



**CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES  
AS OF DECEMBER 31, 2016**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Item	Amortized cost	Fair value with changes in in other comprehensive income	Fair value with changes in result Mandatory measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and deposits in banks						
Cash	4,208,880					
Financial institutions and correspondents	28,782,604					
Other	991					
Debt securities at fair value through profit or loss			275,386	261,751	13,635	
Derivative instruments			9,721		9,721	
Other financial institutions	19,124					
Other financial assets	743,194					
Loans and other financing						
To the non-financial government sector	1,581,955					
Other financial institutions	1,713,170					
To the non financial private sector and foreign residents						
Overdrafts	9,059,250					
Documents	11,222,509					
Mortgage loans	3,956,698					
Pledge loans	2,215,880					
Personal loans	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		
Investments in equity instruments			337,309	240,677		96,632
<b>TOTAL FINANCIAL ASSETS</b>	<b>118,333,500</b>	<b>17,970,510</b>	<b>985,079</b>	<b>4,307,518</b>	<b>14,551,439</b>	<b>96,632</b>

(1) Includes the total provisions to the non financial private sector and foreign residents.

**CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES  
AS OF DECEMBER 31, 2016**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Item	Amortized cost	Fair value with changes in in other comprehensive income	Fair value with changes in result Mandatory measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL LIABILITIES						
Deposits						
From the non financial government sector	5,964,863					
From the financial sector	55,861					
From the non financial private sector and foreign residents						
Checking accounts	16,692,516					
Savings accounts	26,020,530					
Time deposits and Investment accounts	45,499,293					
Other	8,265,560					
Repo transactions						
Other financial institutions	1,095,634					
Other financial liabilities	5,895,687					
Financing received from Central Bank and other financial institutions	260,266					
Issued corporate bonds	1,745,851					
Subordinated corporate bonds	6,376,537					
<b>TOTAL FINANCIAL LIABILITIES</b>	117,872,598					

**EXHIBIT Q****BREAKDOWN OF STATEMENT OF INCOME****AS OF DECEMBER 31, 2018**

(Translation of the Financial statements originally issued in Spanish - See Note 41)

(Figures stated in thousands of pesos)

Items	Net financial Income/ Loss
	Mandatory measurement
	12/31/2018
For measurement of financial assets at fair value through profit or loss	
Gain from government securities	348,672
Gain from private securities	169,206
Gain from derivative financial instruments	
Forwards transactions	212,878
Gain from other financial assets	65,133
Gain from investment in equity instruments	10,114
Loss from sales or low of financial assets at fair value	(122,530)
<b>TOTAL</b>	<b>683,473</b>

**EXHIBIT Q**  
(Continued)

**BREAKDOWN OF STATEMENT OF INCOME**  
**AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

<b>Interest and adjustment for the application of the effective interest rate of financial assets measured at amortized cost</b>	<b>Net financial income/ loss</b>
	<b>12/31/2018</b>
Interest income	
For cash and bank deposits	24,905
For government securities	791,335
For debt securities	169,889
For loans and other financing	
Financial sector	1,601,285
Non financial private sector	
Overdrafts	5,604,367
Documents	3,293,955
Mortgage loans	3,955,644
Pledge loans	565,133
Personal loans	17,046,512
Credit cards	6,509,741
Financial leases	166,301
Other	4,439,356
for repo transactions	
Central Bank of Argentina	21,248
Other financial institutions	393,913
<b>TOTAL</b>	<b>44,583,584</b>
Interest expenses	
From deposits	
Non financial private sector	
Checking accounts	632,610
Saving accounts	340,573
Time deposits and investments accounts	20,158,521
for Financing received from Central Bank of Argentina and other financial institutions	179,846
for repo transactions	
Other financial institutions	184,669
for other financial liabilities	52,332
issued corporate bonds	1,506,677
for subordinated corporate bonds	832,312
<b>TOTAL</b>	<b>23,887,540</b>

**BREAKDOWN OF STATEMENT OF INCOME  
AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

<b>Interest and adjustment for the application of the effective interest rate of financial assets measured at fair value through other comprehensive income</b>	<b>Income for the fiscal year</b>	<b>Other comprehensive income</b>
	<b>12/31/2018</b>	<b>12/31/2018</b>
From debt government securities	16,466,949	(443,179)
<b>Total</b>	<b>16,466,949</b>	<b>(443,179)</b>

<b>Commissions income</b>	<b>Income for the fiscal year</b>
	<b>12/31/2018</b>
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 value	82,975
Commissions related to trading and foreign exchange transactions	243,371
<b>Total</b>	<b>11,045,994</b>

<b>Commissions expenses</b>	<b>Income for the fiscal year</b>
	<b>12/31/2018</b>
Commissions related to transactions to debt securities	208
Other	
Commissions paid ATM exchange	290,223
Checkbooks commissions and compensating cameras	170,367
Commissions Credit cards and foreign trade	193,362
<b>Total</b>	<b>654,160</b>

**EXHIBIT Q**  
(Continued)

**BREAKDOWN OF STATEMENT OF INCOME  
AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

Items	Net financial income/ loss
	Mandatory measurement
	12/31/2018
For measurement of financial assets at fair value through profit or loss	
Gain from government securities	231,549
Gain from private securities	49,174
Gain from other financial assets	33,784
Gain from investment in equity instruments	47,042
For measurement of financial liabilities at fair value through profit or loss	
Loss from derivative financial instruments	
Forwards transactions	(26,262)
<b>Total</b>	<b>335,287</b>

**BREAKDOWN OF STATEMENT OF INCOME  
AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

<b>Interest and adjustment for the application of the effective interest rate of financial assets measured at amortized cost</b>	<b>Net financial income/ loss</b>
	<b>12/31/2017</b>
Interest income	
For cash and bank deposits	13,659
For debt securities	164,399
For loans and other financing	
Financial sector	527,937
Non financial private sector	
Overdrafts	2,691,419
Documents	1,841,349
Mortgage loans	757,553
Pledge loans	486,997
Personal loans	11,975,078
Credit cards	4,045,079
Financial leases	107,847
Other	2,730,011
for repo transactions	
Central Bank of Argentina	512,429
Other financial institutions	43,351
<b>Total</b>	<b>25,897,108</b>
Interest expenses	
From deposits	
Non financial private sector	
Saving accounts	112,877
Time deposits and investments accounts	8,434,287
For Financing received from Central Bank of Argentina and other financial institutions	48,504
For repo transactions	
Other financial institutions	119,214
for other financial liabilities	26,522
issued corporate bonds	496,203
for subordinated corporate bonds	459,622
<b>Total</b>	<b>9,697,229</b>

**BREAKDOWN OF STATEMENT OF INCOME  
AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 41)  
(Figures stated in thousands of pesos)

<b>Interest and adjustment for the application of the effective interest rate of financial assets measured at fair value through other comprehensive income</b>	<b>Income for the fiscal year</b>	<b>Other comprehensive income</b>
	<b>12/31/2017</b>	<b>12/31/2017</b>
From debt government securities	5,416,255	79,019
<b>Total</b>	<b>5,416,255</b>	<b>79,019</b>

<b>Commissions income</b>	<b>Income for the fiscal year</b>
	<b>12/31/2017</b>
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 value	63,957
Commissions related to trading and foreign exchange transactions	153,460
<b>Total</b>	<b>8,564,154</b>

<b>Commissions expenses</b>	<b>Income for the fiscal year</b>
	<b>12/31/2017</b>
Commissions related to transactions to debt securities	286
Other	
Commissions paid ATM exchange	258,888
Checkbooks commissions and compensating cameras	133,540
Commissions Credit cards and foreign trade	217,575
<b>Total</b>	<b>610,289</b>



**EXHIBIT R**

**VALUE ADJUSTMENT FOR CREDIT LOSSES - ALLOWANCES FOR UNCOLLECTIBILITY RISK  
AS OF DECEMBER 31, 2018**

(Translation of the financial statements originally issued in Spanish - See Note 41)

(Figures stated in thousands of pesos)

Item	Amounts at beginning of the fiscal year	Increases	Decreases		12/31/2018
			Reversals	Charge off	
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
To the non-financial private sector and foreign residents					
Overdrafts	138,311	198,938	6,822	51,517	278,910
Documents	200,750	193,380	807	40,368	352,955
Mortgage loans	146,296	148,407	13,466	18,487	262,750
Pledge loans	73,070	28,738	3,681	22,365	75,762
Personal loans	1,055,897	1,284,557	267	842,878	1,497,309
Credit cards	557,682	565,559	905	349,489	772,847
Financial leases	6,487	268	1,188		5,567
Other	260,559	422,331	5,847	100,100	576,943
<b>TOTAL ALLOWANCES</b>	<u>2,475,219</u>	<u>2,869,599</u>	<u>37,684</u>	<u>1,427,039</u>	<u>3,880,095</u>

**VALUE ADJUSTMENT FOR CREDIT LOSSES - ALLOWANCES FOR UNCOLLECTIBILITY RISK  
AS OF DECEMBER 31, 2017**

(Translation of the financial statements originally issued in Spanish - See Note 41)

(Figures stated in thousands of pesos)

Item	Amounts at beginning of the fiscal year	Increases	Decreases		12/31/2017
			Reversals	Charge off	
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
To the non-financial private sector and foreign residents					
Overdrafts	133,644	34,186	914	28,605	138,311
Documents	123,881	93,633	3,713	13,051	200,750
Mortgage loans	70,570	83,687	1,404	6,557	146,296
Pledge loans	40,717	34,283	236	1,694	73,070
Personal loans	683,837	882,346	11,324	498,962	1,055,897
Credit cards	406,779	367,306	191	216,212	557,682
Financial leases	3,994	2,534	41		6,487
Other	182,075	123,462	458	44,520	260,559
<b>TOTAL ALLOWANCES</b>	<u>1,666,900</u>	<u>1,636,692</u>	<u>18,756</u>	<u>809,617</u>	<u>2,475,219</u>

**EARNING DISTRIBUTION PROPOSAL  
FOR THE FISCAL YEAR  
ENDED DECEMBER 31, 2018**

(Translation of financial statements originally issued in Spanish -  
See Note 42 to the consolidated financial statements)  
(Figures stated in thousands of pesos)

<b>UNAPPROPRIATED RETAINED EARNINGS (1)</b>	34,327,951
- To legal reserve	(3,145,849)
- To Especial Reserve "First-time adoption of IFRS"	(3,475,669)
- Adjustments (Point 2.3. of BCRA rules regarding "Earnings distribution") (2)	(42,680)
<b>SUBTOTAL 1</b>	<u>27,663,753</u>
- Adjustments (Point 2.1. of BCRA rules regarding "Earnings distribution") (2)	(527,241)
<b>SUBTOTAL 2</b>	<u><u>27,136,512</u></u>
 <b>DISTRIBUTABLE AMOUNT (3) y (4)</b>	 <u><u>26,001,632</u></u>
 <b>DISTRIBUTED EARNINGS</b>	
To optional reserves	19,607,655
To cash dividends	
- Outstanding common shares (\$ 10 s/ 639,398) (5)	6,393,977
 <b>DISTRIBUTED EARNINGS</b>	 26,001,632
 <b>NON DISTRIBUTED EARNINGS</b>	 <u><u>0</u></u>

- (1) Includes voluntary reserve for future distribution of earnings amounted to 15,123,039
- (2) See note 38.c).
- (3) The earning distribution will be admitted, provided that the minimum cash requirement, on average – in pesos or foreign currency – will be shorter than the closing date position or the projected one, considering the earning distribution effects.
- (4) Related to the lower amount between 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 established by BCRA rules regarding "Earnings distribution".
- (5) Related to the outstanding common shares as of the date of issuance the financial statements.

## **INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To the Directors of

**BANCO MACRO S.A.**

CUIT (Argentine tax identification number): 30-50001008-4

Registered office: Avenida Eduardo Madero 1182

Buenos Aires City

### **I. Report on the financial statements**

#### **Introduction**

1. We have audited the accompanying consolidated financial statements of BANCO MACRO S.A. and its subsidiaries ("the Bank"), which comprise: (a) the consolidated statement of financial position as of December 31, 2018, (b) the consolidated statements of income and other comprehensive income, changes in shareholders' equity and cash flows for the fiscal year then ended, and (c) a summary of the significant accounting policies and other supplementary information.

#### **Responsibility of the Bank's Management and Board of Directors in connection with the financial statements**

2. The Bank's Board of Directors and Management are responsible for the preparation and fair presentation of the financial statements mentioned in paragraph 1 in accordance with the accounting framework established by the Central Bank of Argentina ("BCRA"), which, as indicated in note 3. to the financial statements mentioned in paragraph 1., is based on International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and adopted by the Argentine Federation of Professional Councils in Economic Sciences ("FACPCE" for its Spanish acronym), only subject to the exceptions stated in (i) point 5.5. "Impairment" of IFRS 9 "Financial instruments", and (ii) International Accounting Standards ("IAS") 29 "Financial Reporting in Hyperinflationary Economies", which were temporarily excluded by the BCRA from the accounting framework applicable to financial institutions. The Bank's Board of Directors and Management are also responsible for the internal control they may deem necessary to allow the financial statements to be prepared free of material misstatements, 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 have performed our work in conformity with the auditing standards established by FACPCE Technical Resolution No. 37 and with the "Minimum standards on external audits" issued by the BCRA. Such standards require that we comply with the ethical requirements and that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material deviations.

An audit comprises the application of procedures to obtain judgmental evidence regarding figures and information disclosed in 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 errors or irregularities. In making this risk assessment, the auditor considers the Bank's internal control relevant to the preparation and fair presentation of the financial statements in order to design the appropriate audit procedures in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's Board of Directors and Management, as well as evaluating the overall presentation of the financial statements.

We believe that the judgmental evidence we have obtained is sufficient and appropriate for our audit opinion.

**Opinion**

4. In our opinion, the financial statements mentioned in paragraph 1. 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, changes in shareholders' equity and cash flows for the year then ended, in accordance with the accounting framework established by the BCRA mentioned in paragraph 2.

### **Emphasis on certain aspects disclosed in the financial statements**

5. We would like to draw 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", section "Applicable Accounting Standards", where the Bank states that it is currently quantifying the effect on the financial statements of the application of section 5.5 "Impairment" of IFRS 9 "Financial instruments", which was temporarily excluded by the BCRA from the accounting framework applicable to financial entities. This issue does not change the opinion stated in paragraph 4, but it should be taken into account by the users of IFRS for interpreting the financial statements mentioned in paragraph 1.
  - (b) Note 3. "Basis for the preparation of these financial statements and applicable accounting standards", section "Measuring unit", which (a) explains that although as of December 31, 2018, the conditions mentioned in IAS 29 for the inflation adjustment of the financial statements into measuring unit current are met, BCRA Communiqué "A" 6651 does not allow such inflation adjustment temporarily; (b) describes the main impacts that would be derived from applying IAS 29 and mentions that although the Bank is currently quantifying the effect of IAS 29 on the accompanying financial statements, it estimates that it is significant and (c) warns that the nonrecognition of changes occurred in the general purchasing power may distort the accounting information and should be taken into account in the interpretation of the information included by the Bank in the accompanying financial statements over financial position, results of operations and cash flows. This issue does not modify the opinion mentioned in paragraph 4, but we expressly state that although the accompanying financial statements were prepared to make a fair presentation pursuant to the accounting information framework established by the BCRA, the practices within this information framework concerning the measuring unit do not allow to make a fair presentation according to professional accounting standards.

6. As further explained in Note 42. to the consolidated financial statements mentioned in paragraph 1, certain accounting practices used by the Bank to prepare the accompanying financial statements conform with the accounting framework established by the BCRA but may not conform with the accounting principles generally accepted in other countries.

## **Other matters**

7. We also issued a separate report on the separate financial statements of BANCO MACRO S.A. as of the same date and for the same period indicated in paragraph 1.

## **II. Report on other legal and regulatory requirements**

8. In compliance with current legal requirements, we further report that:
  - a) The financial statements mentioned in paragraph 1 were transcribed into the “Financial Statements” book of BANCO MACRO S.A. and, in our opinion, were prepared in all material respects, in conformity with the applicable Argentine Business Associations Law provisions and Argentine Securities Commission (“CNV”) regulations.
  - b) The separate financial statements of BANCO MACRO S.A., except from what is mentioned in Note 3. “Basis for the preparation of these financial statements and applicable accounting standards” section “Transcription in the Inventory book”, are taken from books kept, in all formal respects, in conformity with current legal regulations and with the terms and conditions established in CNV Resolution Nos. 1032/EMI and 1996/EMI dated March 17, and May 20, 2004, respectively.
  - c) As of December 31, 2018, the liabilities accrued from employee and employer contributions to the Integrated Pension Fund System, as recorded in the Bank’s books, amounted to Ps. 166,980,590, none of which was due and payable as of that date.

- d) During the fiscal year ended December 31, 2018, we billed fees for audit services rendered to BANCO MACRO S.A., representing 98% of the total amount billed to the Bank on any and all account, 72% of the total audit fees billed to the Bank and its subsidiaries, and 71% of the total amount billed to the Bank and its subsidiaries on any and all accounts.

Buenos Aires City,

March 8, 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 ON SEPARATE FINANCIAL STATEMENTS**

To the Directors of

**BANCO MACRO S.A.**

CUIT (Argentine tax identification number): 30-50001008-4

Registered office: Avenida Eduardo Madero 1182

Buenos Aires City

### **III. Report on the financial statements**

#### **Introduction**

9. We have audited the accompanying separate financial statements of BANCO MACRO S.A. ("the Bank"), which comprise: (a) the separate statement of financial position as of December 31, 2018; (b) the separate statements of income and other comprehensive income, changes in shareholders' equity, and cash flows for the fiscal year then ended, and (c) a summary of significant accounting policies and other supplementary information.

#### **Responsibility of the Bank's Management and Board of Directors in connection with the financial statements**

10. The Bank's Board of Directors and Management are responsible for the preparation and fair presentation of the financial statements mentioned in paragraph 1 in accordance with the accounting framework established by the Central Bank of Argentina ("BCRA"), which, as indicated in note 3. to the financial statements mentioned in paragraph 1., is based on International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and adopted by the Argentine Federation of Professional Councils in Economic Sciences ("FACPCE" for its Spanish acronym), only subject to the exceptions stated in (i) point 5.5. "Impairment" of IFRS 9 "Financial instruments", and (ii) International Accounting Standards ("IAS") 29 "Financial Reporting in Hyperinflationary Economies", which were temporarily excluded by the BCRA from the accounting framework applicable to financial institutions. The Bank's Board of Directors and Management are also responsible for the internal control they may deem necessary to allow the financial statements to be prepared free of material misstatements, whether due to errors or irregularities.



**Auditor's responsibility**

11. Our responsibility is to express an opinion on the financial statements mentioned in paragraph 1 based on our audit. We have performed our work in conformity with the auditing standards established by FACPCE Technical Resolution No. 37 and with the "Minimum standards on external audits" issued by the BCRA. Such standards require that we comply with the ethical requirements and that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material deviations.

An audit comprises the application of procedures to obtain judgmental evidence regarding figures and information disclosed in 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 errors or irregularities. In making this risk assessment, the auditor considers the Bank's internal control relevant to the preparation and fair presentation of the financial statements in order to design the appropriate audit procedures in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's Board of Directors and Management, as well as evaluating the overall presentation of the financial statements.

We believe that the judgmental evidence we have obtained is sufficient and appropriate for our audit opinion.

**Opinion**

12. In our opinion, the financial statements mentioned in paragraph 1. present fairly, in all material respects, the financial position of BANCO MACRO S.A. as of December 31, 2018, as well as the results of its operations, changes in shareholders' equity and cash flows for the year then ended, in accordance with the accounting framework established by the BCRA mentioned in paragraph 2.

### **Emphasis on certain aspects disclosed in the financial statements**

13. We would like to draw attention to the information contained in the following note to the financial statements mentioned in paragraph 1:

(c) Note 3. “Basis for the preparation of these financial statements and applicable accounting standards”, where the Bank states that it is currently quantifying the effect on the financial statements of the application of section 5.5 “Impairment” of IFRS 9 “Financial instruments”, which was temporarily excluded by the BCRA from the accounting framework applicable to financial entities. This issue does not change the opinion stated in paragraph 4, but it should be taken into account by the users of IFRS for interpreting the financial statements mentioned in paragraph 1.

(d) Note 3. “Basis for the preparation of these financial statements and applicable accounting standards”, section “Measuring unit”, which (a) explains that although as of December 31, 2018, the conditions mentioned in IAS 29 for the inflation adjustment of the financial statements into measuring unit current are met, BCRA Communiqué “A” 6651 does not allow such inflation adjustment temporarily; (b) describes the main impacts that would be derived from applying IAS 29 and mentions that although the Bank is currently quantifying the effect of IAS 29 on the accompanying financial statements, it estimates that it is significant and (c) warns that the nonrecognition of changes occurred in the general purchasing power may distort the accounting information and should be taken into account in the interpretation of the information included by the Bank in the accompanying financial statements over financial position, results of operations and cash flows. This issue does not modify the opinion mentioned in paragraph 4, but we expressly state that although the accompanying financial statements were prepared to make a fair presentation pursuant to the accounting information framework established by the BCRA, the practices within this information framework concerning the measuring unit do not allow to make a fair presentation according to professional accounting standards.

14. As further explained in Note 41. to the separate financial statements mentioned in paragraph 1, certain accounting practices used by the Bank to prepare the accompanying financial statements conform with the accounting framework established by the BCRA but may not conform with the accounting principles generally accepted in other countries.

## **Other matters**

15. We also issued a separate report on the consolidated financial statements of BANCO MACRO S.A. and its subsidiaries as of the same date and for the same period indicated in paragraph 1.

## **Report on other legal and regulatory requirements**

16. In compliance with current legal requirements, we further report that:

- a) In our opinion, the financial statements mentioned in paragraph 1, were prepared in all material respects, in conformity with the applicable Argentine Business Associations Law provisions and Argentine Securities Commission ("CNV") regulations.
- b) The financial statements mentioned in paragraph 1, except from what is mentioned in Note 3. "Basis for the preparation of these financial statements and applicable accounting standards" section "Transcription in the Inventory book", are taken from books kept, in all formal respects, in conformity with current legal regulations and with the terms and conditions established in CNV Resolution Nos. 1032/EMI and 1996/EMI dated March 17, and May 20, 2004, respectively.
- c) As of December 31, 2018, the liabilities accrued from employee and employer contributions to the Integrated Pension Fund System, as recorded in the Bank's books, amounted to Ps. 166,980,590, none of which was due and payable as of that date.
- d) As of December 31, 2018, as stated in note 31 to the financial statements mentioned in paragraph 1., the Bank carries shareholders' equity and a contra account to eligible assets that exceed the minimum amounts required by relevant CNV regulations for these items.
- e) During the fiscal year ended December 31, 2018, we billed fees for audit services rendered to BANCO MACRO S.A., representing 98% of the total amount billed to the Bank on any and all account, 72% of the total audit fees billed to the Bank and its subsidiaries, and 71% of the total amount billed to the Bank and its subsidiaries on any and all accounts.

Buenos Aires City,

March 8, 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.)

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