

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

Condensed interim financial statements as of March 31, 2020  
together with the reports on review of interim financial statements.

### **CONTENT**

- Cover Sheet
- Condensed consolidated interim statement of financial position
- Condensed consolidated interim statement of income
- Condensed consolidated interim statement of other comprehensive income
- Condensed consolidated interim statement of changes in shareholders' equity
- Condensed consolidated interim statement of cash flows
- Notes to the condensed consolidated interim financial statements
- Consolidated exhibits
- Condensed separate interim statement of financial position
- Condensed separate interim statement of income
- Condensed separate interim statement of other comprehensive income
- Condensed separate interim statement of changes in shareholders' equity
- Condensed separate interim statement of cash flows
- Notes to the condensed separate interim financial statements
- Separate exhibits
- Review report on condensed consolidated interim financial statements
- Review report on condensed separate interim financial statements

**INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

**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, July 15, 2019.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Items	Notes	Exhibits	03/31/2020	12/31/2019
<b>ASSETS</b>				
Cash and Deposits in Banks	6		123,320,547	108,532,630
Cash			18,557,351	21,033,451
Central Bank of Argentina			71,818,942	59,460,233
Other Local and Foreign Entities			32,940,222	28,034,908
Other			4,032	4,038
Debt Securities at fair value through profit or loss	6 and 37		1,697,689	6,117,632
Derivative Financial Instruments	6		41,305	54,638
Repo transactions	6		409,769	1,172,768
Other financial assets	6	R	12,193,631	6,644,655
Loans and other financing	5 y 6	B, C, D and R	225,109,798	238,126,794
Non-financial Public Sector			4,204,004	6,953,767
Other Financial Entities			2,776,137	4,260,459
Non-financial Private Sector and Foreign Residents			218,129,657	226,912,568
Other Debt Securities	6 and 37	R	97,282,079	69,593,506
Financial Assets delivered as guarantee	6 and 27		10,000,135	11,505,804
Equity Instruments at fair value through profit or loss	6, 11 and 37		1,583,618	1,656,046
Investment in associates and joint arrangements	7		168,057	157,744
Property, plant and equipment		F	27,560,613	27,755,745
Intangible Assets		G	3,946,991	3,818,325
Deferred Income Tax Assets	16.b)		57,144	46,810
Other Non-financial Assets	8		1,462,256	1,169,989
Non-current assets held for sale			1,948,844	1,887,669
<b>TOTAL ASSETS</b>			<b>506,782,476</b>	<b>478,240,755</b>

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Items	Notes	Exhibits	03/31/2020	12/31/2019
<b>LIABILITIES</b>				
Deposits	6	H and I	311,315,017	283,367,604
Non-financial Public Sector			27,309,698	18,929,901
Financial Sector			291,115	338,666
Non-financial Private Sector and Foreign Residents			283,714,204	264,099,037
Derivative Financial Instruments	6	I	160,295	828,689
Repo Transactions	6	I		1,080,702
Other Financial Liabilities	6 and 13	I	23,484,647	23,898,733
Financing received from the Central Bank of Argentina and other financial institutions	6	I	864,777	2,420,966
Issued Corporate Bonds	6 and 32	I	5,462,885	5,955,965
Current Income Tax Liabilities	16		10,291,120	8,770,769
Subordinated Corporate Bonds	6 and 32	I	26,606,050	26,207,857
Provisions	12	J	1,587,542	1,588,444
Deferred Income Tax Liabilities			3,550	175,292
Other Non-financial Liabilities	13		7,935,667	10,908,580
<b>TOTAL LIABILITIES</b>			<b>387,711,550</b>	<b>365,203,601</b>
<b>SHAREHOLDERS' EQUITY</b>				
Capital Stock	24		639,413	639,413
Non-capital contributions			12,429,781	12,429,781
Adjustments to Shareholders' Equity			37,118,530	37,118,530
Earnings Reserved			59,210,024	59,210,024
Unappropriated Retained Earnings			3,497,840	(17,466,495)
Other Comprehensive Income			(900,651)	140,047
Net Income for the period/ fiscal year			7,074,404	20,964,335
Net Shareholders' Equity attributable to controlling interest			119,069,341	113,035,635
Net Shareholders' Equity attributable to non-controlling interests			1,585	1,519
<b>TOTAL SHAREHOLDERS' EQUITY</b>			<b>119,070,926</b>	<b>113,037,154</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>			<b>506,782,476</b>	<b>478,240,755</b>

The notes 1 to 41 to the condensed consolidated interim financial statements and the exhibits B to D, F to J, L, Q and R are an integral part of the condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME**  
**FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2020 AND 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Items	Notes	Exhibits	Quarter ended 03/31/2020	Quarter ended 03/31/2019
Interest income		Q	30,909,862	37,716,987
Interest expense		Q	(9,608,390)	(17,756,228)
<b>Net Interest income</b>			<b>21,301,472</b>	<b>19,960,759</b>
Commissions income	17	Q	4,867,425	5,502,555
Commissions expense		Q	(436,245)	(373,311)
<b>Net Commissions income</b>			<b>4,431,180</b>	<b>5,129,244</b>
<b>Subtotal (Net Interest income + Net Commissions income)</b>			<b>25,732,652</b>	<b>25,090,003</b>
Loss from measurement of financial instruments at fair value through profit or loss		Q	(4,093,259)	(8,102,552)
Profit / (Loss) from sold or derecognized assets at amortized cost			852,503	(27,065)
Differences in quoted prices of gold and foreign currency	18		532,434	(43,659)
Other operating income	19		1,099,060	4,798,198
Allowance for loan losses			(861,452)	(1,577,359)
<b>Net Operating Income</b>			<b>23,261,938</b>	<b>20,137,566</b>
Employee benefits	20		(4,726,192)	(4,852,023)
Administrative expenses	21		(2,674,411)	(3,237,507)
Depreciation and amortization of fixed assets		F and G	(836,045)	(770,381)
Other Operating Expenses	22		(4,323,077)	(4,915,041)
<b>Operating Income</b>			<b>10,702,213</b>	<b>6,362,614</b>
Income from associates and joint arrangements	7		20,647	40,598
Loss on net monetary position			295,462	3,200,090
<b>Income before tax on continuing operations</b>			<b>11,018,322</b>	<b>9,603,302</b>
Income tax on continuing operations	16.c)		(3,943,852)	(5,675,128)
<b>Net Income from continuing operations</b>			<b>7,074,470</b>	<b>3,928,174</b>
Net Income for the period			7,074,470	3,928,174
Net Income for the period attributable to controlling interest			7,074,404	3,928,091
Net Income for the period attributable to non-controlling interest			66	83

**CONSOLIDATED EARNINGS PER SHARE**  
**FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2020 AND 2019**  
(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Items	Quarter ended 03/31/2020	Quarter ended 03/31/2019
<b>Net Profit attributable to Parent's shareholders</b>	<b>7,074,404</b>	<b>3,928,091</b>
PLUS: Potential diluted earnings per common share		
<b>Net Profit attributable to Parent's shareholders adjusted as per diluted earnings</b>	<b>7,074,404</b>	<b>3,928,091</b>
Weighted average of outstanding common shares for the period	639,413	639,415
PLUS: Weighted average of the number of additional common shares with dilution effects		
<b>Weighted average of outstanding common shares for the period adjusted as per dilution effect</b>	<b>639,413</b>	<b>639,415</b>
<b>Basic earnings per share (in pesos)</b>	<b>11.0639</b>	<b>6.1433</b>

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2020 AND 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Items	Notes	Exhibits	Quarter ended 03/31/2020	Quarter ended 03/31/2019
<b>Net Income for the period</b>			<b>7,074,470</b>	<b>3,928,174</b>
Items of Other Comprehensive Income that will be reclassified to profit or loss				
<b>Foreign currency translation differences in financial statements conversion</b>			<b>(7,091)</b>	<b>61,328</b>
Foreign currency translation differences for the period			(7,091)	61,328
<b>Profit or losses for financial instruments measured at fair value through other comprehensive income (FVOCI) (IFRS 9(4.1.2)(a))</b>			<b>(1,033,607)</b>	<b>(89,168)</b>
Profit or losses for the period from financial instruments at fair value through other comprehensive income (FVOCI) (*)		Q	(1,250,304)	(142,645)
Income tax	16.c)		216,697	53,477
<b>Total Other Comprehensive Income/ (loss) that is subsequently reclassified to profit or loss</b>			<b>(1,040,698)</b>	<b>(27,840)</b>
<b>Total Other Comprehensive Income/ (loss)</b>			<b>(1,040,698)</b>	<b>(27,840)</b>
<b>Total Comprehensive Income for the period</b>			<b>6,033,772</b>	<b>3,900,334</b>
Total Comprehensive Income attributable to controlling interest			6,033,706	3,900,249
Total Comprehensive Income attributable to non-controlling interest			66	85

(\*) Net amount of reclassifications to the income statement of instruments classified at fair value through other comprehensive income that were derecognized or charged during the period.

The notes 1 to 41 to the condensed consolidated interim financial statements and the exhibits B to D, F to J, L, Q and R are an integral part of the condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2020**

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

(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Changes	Notes	Capital stock		Non- capital contributions	Adjustments to Shareholders' Equity	Other comprehensive income		Earnings Reserved		Unappropriated Retained Earnings	Total Controlling Interests	Total Non-Controlling Interests	Total Equity
		Outstanding shares	In treasury	Additional paid-in capital		Accumulative foreign currency translation difference in financial statements conversion	Other	Legal	Other				
Amount at the beginning of the fiscal year restated		639,413		12,429,781	37,118,530	621,933	(481,886)	16,613,797	12,596,227	3,497,840	113,035,635	1,519	113,037,154
Total comprehensive income for the period										7,074,404	7,074,404	66	7,074,470
- Net income for the period													
- Other comprehensive income/ (loss) for the period						(7,091)	(1,033,607)				(1,040,698)		(1,040,698)
<b>Amount at the end of period</b>		<b>639,413</b>		<b>12,429,781</b>	<b>37,118,530</b>	<b>614,842</b>	<b>(1,515,493)</b>	<b>16,613,797</b>	<b>12,596,227</b>	<b>10,572,244</b>	<b>119,069,341</b>	<b>1,585</b>	<b>119,070,926</b>

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2019**

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

(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Changes	Notes	Capital stock		Non-capital Contributions	Adjustments to Shareholders' Equity	Other comprehensive income		Earnings Reserved		Unappropriated Retained Earnings	Total Controlling Interests	Total Non-Controlling Interests	Total Equity
		Outstanding shares	In treasury	Additional paid-in capital		Accumulative foreign currency translation difference in financial statements conversion	Other	Legal	Other				
Amount at the beginning of the fiscal year restated		640,715	28,948	12,428,461	37,143,574	529,956	(624,122)	11,397,018	25,078,976	14,054,954	100,678,480	1,661	100,680,141
Adjustment and retroactive restatements	3									326,161	326,161		326,161
Amount at the beginning of the fiscal year adjusted and restated		640,715	28,948	12,428,461	37,143,574	529,956	(624,122)	11,397,018	25,078,976	14,381,115	101,004,641	1,661	101,006,302
Total comprehensive income for the period										3,928,091	3,928,091	83	3,928,174
- Net income for the period													
- Other comprehensive income/ (loss) for the period						61,328	(89,170)				(27,842)	2	(27,840)
Own shares in treasury	24	(1,317)	1,317										
<b>Amount at the end of the period</b>		<b>639,398</b>	<b>30,265</b>	<b>12,428,461</b>	<b>37,143,574</b>	<b>591,284</b>	<b>(713,292)</b>	<b>11,397,018</b>	<b>25,078,976</b>	<b>18,309,206</b>	<b>104,904,890</b>	<b>1,746</b>	<b>104,906,636</b>

The notes 1 to 41 to the condensed consolidated interim financial statements and the exhibits B to D, F to J, L, Q and R are an integral part of the condensed consolidated interim financial statements.



**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2020 AND 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Items	Notes	03/31/2020	03/31/2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income for the period before Income Tax		11,018,322	9,603,302
Adjustment for the total monetary effect of the period		10,236,539	18,686,853
Adjustments to obtain cash flows from operating activities:			
Amortization and depreciation		836,045	770,381
Allowance for loan losses		861,452	1,577,359
Difference in quoted prices of foreign currency		(2,897,631)	(4,436,885)
Other adjustments		(692,931)	(1,070,110)
Net increase/ (decrease) from operating assets:			
Debt Securities at fair value through profit and loss		4,451,299	396,598
Derivative financial instruments		13,333	(33,695)
Repo transactions		762,999	
Loans and other financing			
Non-financial public sector		2,749,763	1,012,258
Other financial entities		1,484,322	3,661,746
Non-financial private sector and foreign residents		7,903,820	26,953,916
Other debt securities		(33,226,999)	851,005
Financial assets delivered as guarantee		1,505,669	373,567
Equity instruments at fair value through profit or loss		72,428	(2,146,191)
Other assets		(5,813,260)	(1,645,789)
Net increase/ (decrease) from operating liabilities:			
Deposits			
Non-financial public sector		8,379,797	9,799,544
Financial sector		(47,551)	67,216
Non-financial private sector and foreign residents		19,615,167	(34,744)
Derivative financial instruments		(668,394)	162,101
Repo transactions		(1,080,702)	(272,739)
Other liabilities		(3,358,202)	(989,254)
Payments for Income Tax		(1,569,652)	(1,920,115)
<b>TOTAL CASH FROM OPERATING ACTIVITIES (A)</b>		<b>20,535,633</b>	<b>61,366,324</b>

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2020 AND 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Items	Notes	03/31/2020	03/31/2019
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments:			
Acquisition of PPE, intangible assets and other assets		(801,145)	(927,621)
<b>TOTAL CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>(801,145)</b>	<b>(927,621)</b>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments:			
Acquisition or redemption of equity instruments			(322,044)
Non-subordinated corporate bonds		(359,235)	(584,755)
Central Bank of Argentina		(11,169)	(6,161)
Subordinated Corporate Bonds		(23,301)	
Other payments related to financing activities		(1,631,559)	(1,299,065)
Proceeds:			
Financing to local financial entities		93,725	866,613
<b>TOTAL CASH USED IN FINANCING ACTIVITIES (C)</b>		<b>(1,931,539)</b>	<b>(1,345,412)</b>
EFFECT OF EXCHANGE RATE FLUCTUATIONS (D)		4,898,652	8,281,694
MONETARY EFFECT ON CASH AND CASH EQUIVALENTS (E)		(13,411,889)	(23,674,089)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D+E)</b>		<b>9,289,712</b>	<b>43,700,896</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FISCAL YEAR</b>	<b>23</b>	<b>159,363,592</b>	<b>216,624,105</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>23</b>	<b>168,653,304</b>	<b>260,325,001</b>

The notes 1 to 41 to the condensed consolidated interim financial statements and the exhibits B to D, F to J, L, Q and R are an integral part of the condensed consolidated interim financial statements.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

### 1. CORPORATE INFORMATION

Banco Macro SA (hereinafter, the Bank), is a stock corporation (*sociedad anónima*), organized in the Argentine Republic 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 May 21, 2019, the Bank acquired 100% of Argenpay SAU for an amount of 100 conformed by 100,000 common, registered shares, with a face value of Ps. 1 each one and entitled to one vote. The main activity of such company is the development of its own network or the incorporation into other networks so that it can operate with individuals or companies, in-person or remotely, by using information and communication technologies, grant, offer or accept electronic payments *online* or *offline*, digital and virtual wallets and e-commerce in general. This subsidiary started to develop its principal activities during the fourth quarter of 2019.

On June 8, 2020, the Board of Directors approved the issuance of these condensed consolidated interim 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, December 28, 2006 and October 1, 2018 extensions to such agreement were agreed upon, making it currently effective through December 31, 2029.

As of March 31, 2020 and December 31, 2019, the deposits held by the Misiones Provincial Government with the Bank amounted to 7,398,265 and 7,368,711 (including 716,855 and 746,138 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.

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

As of March 31, 2020 and December 31, 2019, the deposits held by the Salta Provincial Government with the Bank amounted to 5,545,071 and 4,698,517 (including 1,025,426 and 978,033 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.

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 March 31, 2020 and December 31, 2019, the deposits held by the Jujuy Provincial Government with the Bank amounted to 1,696,171 and 1,272,628 (including 729,349 and 692,114 related to court deposits), respectively.

### **2.4. Agreement with the Tucumán Provincial Government. Merger with Banco del Tucumán SA**

The Bank, 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 non-endorsable 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.

On April 30, and July 19, 2019, the Shareholders' Meeting of Banco Macro SA and the Shareholders' Meeting of Banco del Tucumán SA, respectively, decided, among other issues, to approve a preliminary merger agreement, the special consolidated financial statement of merger as of December 31, 2018, the exchange relationship of shares, the legal feasibility Report and technical, economic and financial feasibility Report of the merger between Banco Macro SA and Banco del Tucumán SA - Consolidation of technical relationships regarding liquidity and solvency.

On August 15, 2019, the Board of the Central Bank of Argentina (BCRA, for its acronym in Spanish) through Resolution No. 179, authorized the merger of Banco del Tucumán SA by Banco Macro SA. On September 25, 2019, Argentine Securities and Exchange Commission (CNV, for its acronym in Spanish), authorized the merger which was registered at the Public Registry of Commerce on September 30, 2019.

Through Comunicado "C" 84993, the BCRA informed that according to the authorization gave in due time, on October 15, 2019, Banco Macro SA performed the merger with Banco del Tucumán SA. Additionally, since that date, the authorization of Banco del Tucumán SA to operate as a commercial bank was revoked and its buildings were incorporated to Banco Macro SA as branches.

The exchange ratio has been agreed at 0.65258 ordinary shares of Banco Macro SA for each face value \$ 1 of common share of Banco del Tucumán SA. Therefore, the minority shareholders of Banco del Tucumán SA were entitled to receive at 0.65258 common shares of Banco Macro SA, for each face value \$ 1 of ordinary shares they hold in Banco del Tucumán SA. Consequently, Banco Macro SA issued 15,662 Class B common, registered shares, with a face value of Ps. 1 each one and entitled to one vote (see additionally note 24).

As of March 31, 2020 and December 31, 2019, the deposits held by the Tucumán Provincial Government, the Municipality of San Miguel de Tucumán and the Municipality of Yerba Buena with the Bank amounted to 4,128,000 and 3,881,644 (including 2,729,487 and 2,646,527 related to court deposits), respectively.

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

Additionally, as of March 31, 2020 and December 31, 2019, the Bank granted loans to the Tucumán Provincial Government for an amount of 3,397,102 and 6,023,055, respectively.

### **3. BASIS FOR THE PREPARATION OF THESE FINANCIAL STATEMENTS AND APPLICABLE ACCOUNTING STANDARDS**

#### **Presentation basis**

##### **Applicable Accounting Standards**

These condensed consolidated interim financial statements of the Bank were prepared pursuant with Conceptual Framework as established by BCRA (Communiqué "A" 6114 as supplementary rules of the BCRA). Apart from the exceptions established by the BCRA which are explained in the following paragraph, such framework is based on International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the Argentine Federation of Professionals Councils in Economic Sciences (FACPCE, for its acronym in Spanish). The abovementioned international standards include the IFRS, the International Accounting Standards (IAS) and the interpretations developed by the IFRS Interpretations Committee (IFRIC) or former IFRIC (SIC).

From transitory exceptions established by BCRA to the application of effective IFRS, the following have affected the preparation of these condensed consolidated interim financial statements.

- a) According to Communiqué "A" 6114, as supplementary, and in the convergence process through IFRS, the BCRA established that since fiscal years beginning on January 1, 2020 included, financial institutions defined as "Group A" by BCRA rules, in which the Bank is included, begin to apply section 5.5 "Impairment" of the IFRS 9 "Financial Instruments" (sections B5.5.1 to B5.5.55), except for the temporary exclusion for the debt securities of the non-financial public sector established by BCRA Communiqué "A" 6847.
- b) Additionally, on April 29, 2019, the Bank received a Memorandum from the BCRA, which established specific guidelines related to the measurement of the Bank's holding in Prisma Medios de Pago SA as explained in note 11. Considering such guidelines, the Bank adjusted the fair value previously determined.

As of the date of issuance of these condensed consolidated interim financial statements, the Bank is in the process of quantifying the effect of the fully application of section 5.5 "Impairment" will have and the needed adjustment over the fair value of the Bank's holding in Prisma Medios de Pago SA, as mentioned in sections (a) and (b) abovementioned, which could be material.

Except for what was mentioned in the preceding paragraphs, the accounting policies applied by the Bank comply with the IFRS as currently approved and are applicable to the preparation of these condensed consolidated interim financial statements in accordance with the IFRS as adopted by the BCRA through Communiqué "A" 6840. Generally, the BCRA does not allow the anticipated application of any IFRS, unless otherwise expressly stated.

##### **Basis for the preparation and consolidation**

These condensed consolidated interim financial statements for the three-month period ended on March 31, 2020, have been prepared in accordance with the Conceptual Framework established by the BCRA as mentioned in the previous section "Applicable accounting standards" which, particularly for condensed consolidated interim financial statements, is based on IAS 34 "Interim Financial Reporting".

For the preparation of these condensed consolidated interim financial statements, in addition to sections "measuring unit" and "Beginning effects of application of section 5.5. "impairment" of the IFRS 9", of this note, the Bank has applied the basis for the preparation and consolidation, the accounting policies and the material accounting judgements, estimates and assumptions described in the consolidated financial statements for the fiscal year ended on December 31, 2019, already issued.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

These condensed consolidated interim financial statements include all the necessary information for an appropriate understanding, by the users thereof, of the basis for the preparation and disclosure used therein, as well as the relevant events and transactions occurred after the issuance of the last annual consolidated financial statements for the fiscal year ended on December 31, 2019, already issued. Nevertheless, the present condensed consolidated interim financial statements do not include all the information or all the disclosures required for the annual consolidated financial statements prepared in accordance with the IAS 1 "Presentation of Financial Statements". Therefore, these condensed consolidated interim financial statements must be read together with the annual consolidated financial statements for the fiscal year ended December 31, 2019, already issued.

As of March 31, 2020 and December 31, 2019, the Bank has consolidated into its financial statements the financial statements of the following companies:

Subsidiaries	Principal Place of Business	Country	Main Activity
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
Argenpay SAU (d)	Av. Eduardo Madero 1182 – Autonomous City of Buenos Aires	Argentina	Electronic payments services

(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 14,051).

(d) Consolidated with the Bank since May 2019, as the equity interest was acquired on such month.

As of March 31, 2020 and December 31, 2019, the Bank's equity interest and voting rights in the companies it consolidates is as follows:

Subsidiaries	Shares		Bank's interest		Non-controlling interest	
	Type	Number	Total capital stock	Voting rights	Total capital stock	Voting Rights
Macro Securities SA	Common	12,776,680	99.925%	99.932%	0.075%	0.068%
Macro Fiducia SA	Common	46,935,318	99.046%	99.046%	0.954%	0.954%
Macro Fondos SGFCISA	Common	327,183	99.939%	100.00%	0.061%	
Macro Bank Limited	Common	39,816,899	99.999%	100.00%	0.001%	
Argenpay SAU	Common	7,700,000	100.00%	100.00%		

Total assets, liabilities and Shareholders' equity of the Bank and all its subsidiaries as of March 31, 2020 and December 31, 2019 are as follows:

As of 03/31/2020	Banco Macro SA	Other Subsidiaries	Eliminations	Consolidated
Assets	496,490,465	15,507,899	(5,215,888)	506,782,476
Liabilities	377,421,124	11,979,928	(1,689,502)	387,711,550
Equity attributable to the owners of the Bank	119,069,341	3,445,096	(3,445,096)	119,069,341
Equity attributable to non-controlling interests		82,875	(81,290)	1,585

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

As of 12/31/2019	Banco Macro SA	Other Subsidiaries	Eliminations	Consolidated
Assets	474,914,185	8,122,323	(4,795,753)	478,240,755
Liabilities	361,878,550	4,522,252	(1,197,201)	365,203,601
Equity attributable to the owners of the Bank	113,035,635	3,524,414	(3,524,414)	113,035,635
Equity attributable to non- controlling interests		75,657	(74,138)	1,519

Transcription in the Books of Accounts

As of the date of issuance of these condensed consolidated interim financial statements, the same are in the process of being transcribed in the Books of Accounts of Banco Macro SA.

Figures expressed in thousands of pesos

These condensed consolidated interim financial statements disclose figures expressed in thousands of Argentine pesos in terms of purchasing power as of March 31, 2020, and are rounded up to the nearest amount in thousands of pesos, unless otherwise expressly stated (see section "Measuring unit" of this note).

Comparative information

The condensed consolidated interim statement of financial position as of March 31, 2020, is presented comparatively with year-end data of the immediately preceding fiscal year, while the statement of income, the statement of other comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows and cash equivalents for the three-month period ended March 31, 2020, are presented comparatively with data as of the same period of the immediately preceding fiscal year.

The figures related to comparative information have been restated to consider the changes in the general purchasing power of the functional currency and, as a result, are stated in terms of the measuring unit current at the end of the reporting period (see the following section "measuring unit"):

Measuring unit

These condensed consolidated interim financial statements as of March 31, 2020 have been restated for the changes in the general purchasing power of the functional currency (Argentine pesos) of the Bank, as of that date, as established by IAS 29 "Financial Reporting in Hyperinflationary Economies" and considering, in addition, specific rules established by BCRA through Communiqués "A" 6651, 6849, as amendments, which established to apply this method, on a mandatory basis, from fiscal years beginning on January 1, 2020, included and determined as the transition date on December 31, 2018.

According to IFRS, the restatement of financial statements is needed when the functional currency is the currency of a hyperinflationary economy. To achieve consistency in identifying an economic environment of that nature, IAS 29 establishes (i) certain qualitative indicators, not limited to, consisting 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 most used condition in practice, to test if a three-year cumulative inflation rate is around 100% or more. Due to miscellaneous macroeconomic factors the three-year inflation rate 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.

The restatement was 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 were used, as prepared and published on a monthly basis by the FACPCE, 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 CABA was used.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

Considering the abovementioned indexes, the inflation rate was 7.80% and 11.78 % for the three-month periods ended on March 31, 2020 and 2019, respectively and 53.83% for the fiscal year ended on December 31, 2019.

Below is a description of the restating mechanism provided by IAS 29 and the restatement process for financial statements established by BCRA Comunicu   "A" 6849, as supplementary:

Description of the main aspects of the restatement process for statements of financial position:

- (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 extent such effects. The net gain or loss on a monetary basis is included in profit or loss for the period.
- (ii) Assets and liabilities subject to adjustments based on specific agreements is adjusted in accordance with such agreements.
- (iii) Non-monetary 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 non-monetary items.
- (iv) Non-monetary items carried at historical cost or at current cost at some earlier date before the reporting date, are 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 non-monetary cost are determined over the new restated amounts.
- (v) When an entity capitalizes borrowing cost in the non-monetary assets, the part of the borrowing cost that compensates for the inflation during the same period is not capitalized.
- (vi) The restatement of non-monetary 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 non-monetary assets, the deferred tax related to the restatement is recognized in profit or loss for the period and deferred tax related to the revaluation is recognized in other comprehensive income for the period.

Description of the main aspects of the restatement process for statements of income and other comprehensive income:

- (i) 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, 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.
- (ii) Certain income and expenses generated at fair value measurement or for derecognition of non-monetary assets and items of other comprehensive income are disclosed in terms of measuring unit current.
- (iii) The gain or loss from monetary position will be classified based on the item that generated it and will be separately disclosed reflecting the inflationary effects over such items.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

Description of the main aspects of the restatement process for the statements of changes in shareholders' equity:

- (i) As the transition date (December 31, 2018), the Bank has applied the following procedures:
  - (a) The components of equity, except the ones mentioned below, were restated from the dates the components were contributed or otherwise arose according to BCRA Communiqué "A" 6849, for each items.
  - (b) Earnings reserved, including the special reserve for the first time application of IFRS, were stated at nominal value at the transition date (legal amount not restated).
  - (c) The accumulated balances of other comprehensive income were recalculated in terms of measuring unit current at the transition date.
  - (d) The unappropriated retained earnings were determined as a difference between the restated net asset at the transition date and the other components of equity, restated as disclosed in the abovementioned paragraphs.
- (ii) After the transition date restatement abovementioned in (i), all equity's components are restated by applying a general price index as mentioned before from the beginning of the period and each variation of those components is restated from the contribution date or from the moment it was produced by any other way.

Other comprehensive income generated after the transition date are presented in terms of the measuring unit current at the end of the reporting period.

Description of the main aspects of the restatement process for the statement of cash flows:

- a) All items are restated in terms of the measuring unit current at the end of the reporting period.
- b) The monetary gain or losses generated by cash and cash equivalents are separately disclosed in the statement of cash flows after the cash flow from operating investment activities and financing activities, in a separate and independent line, under the description "Effect of inflation on cash and cash equivalent".

**Other new standards adopted in the fiscal year**

Beginning effects of application of section 5.5. "impairment" of the IFRS 9.

Through Communiqué "A" 6114, the BCRA set specific guidelines within the scope of the convergence process among which it defined the transitory exception to the application of section 5.5. of IFRS 9 "Financial Instruments" (sections B5.5.1 to B5.5.5) up to the fiscal years beginning as of January 1, 2020. In addition, the BCRA established that December 31, 2018 as the transition date and the temporary exclusion for the debt securities of the non-financial public sector under the scope of IFRS 9.

The impact of transition of retained earnings into Expected Credit Losses (ECL) methodology established in section 5.5 of IFRS 9 is as follows:

	<b>Retained earnings</b>
Closing balance under previous standards (December 31, 2018)	14,054,954
Recognition of IFRS 9 ECL	465,947
Deferred tax in relation to the above	(139,786)
Opening balance under IFRS 9'S ECL (January 1, 2019)	14,381,115
Total change in equity due to adopting IFRS 9's ECL	326,161

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

The following table reconciles the aggregate opening allowances and provisions for financial instruments in accordance with previous standards to the ECL:

	<b>Credit loss provision under previous standards</b>	<b>Re - measurement</b>	<b>ECL under IFRS 9 as of January 1, 2019</b>
<b>Impairment allowance for</b>			
Loans and other financing and other items	6,899,788	(483,740)	6,416,048
<b>Subtotal</b>	<b>6,899,788</b>	<b>(483,740)</b>	<b>6,416,048</b>
Loan commitments		17,793	17,793
<b>Subtotal</b>		<b>17,793</b>	<b>17,793</b>
<b>Total</b>	<b>6,899,788</b>	<b>(465,947)</b>	<b>6,433,841</b>

### 1. New accounting standard over impairment of financial assets not measured at fair value through profit or loss

#### 1.1 Overview of the ECL principles

Except for public sector exposures which were temporary excluded through BCRA Communiqué "A" 6847, the Bank records an allowance for ECL for all loans, other financing and other debt financial assets not measured at fair value through profit or loss, together with loan commitments and financial guarantee contracts (not measured at fair value through profit or loss) and contract assets and lease receivables, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9. In accordance with the abovementioned BCRA Communiqué "A" 6847, for public sector exposures the BCRA rule "Regulatory minimum allowance for uncollectibility risk" is continuing to apply and it established that this specific sector is not subject to impairment.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the ECL are based on the 12 months expected credit loss (hereinafter, 12mECL). The Bank's policies for determining if there has been a significant increase in credit risk are set out in note 36.1.5 "Significant increase in credit risk".

The 12mECL is the portion of the lifetime expected credit loss (hereinafter, LTECL) that represents the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both the LTECL and 12mECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Bank's policy for grouping financial assets measured on a collective basis is explained in note 36.1.1.1 "Clients evaluated on a collective basis" and 36.1.1.2 "Clients evaluated on an individual basis".

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. This is further explained in note 36.1.5 "Significant increase in credit risk".

Based on the above process, the Bank groups its loans into Stage 1, Stage 2 and Stage 3, including Purchased or originated credit impaired (hereinafter, POCI), as described below:

- Stage 1: when financial instruments are first recognized, the Bank recognizes an allowance based on 12mECL. Stage 1 financial instruments also include facilities where the credit risk has improved and the financial instrument has been reclassified from other stage.
- Stage 2: when a financial instrument has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECL. Stage 2 financial instruments also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

- Stage 3: financial instruments considered credit-impaired (as described in note 36.1.1 “Definition of default and impaired”). The Bank records an allowance for the LTECL.
- POCI: financial instruments that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognized based on a credit-adjusted effective interest rate. The ECL allowance is only recognized or released to the extent that there is a subsequent change in the ECL. It is worthwhile to mention that the Bank has not purchased nor originated POCI financial instruments.

For financial instruments for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial instrument is reduced. This is considered a (partial) derecognition of the financial instruments.

### **1.2 The calculation of Expected Credit Loss**

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- Probability of Default (PD): is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio. The concept of PD is further explained in note 36.1.2 “The Bank’s internal rating and PD estimation process”.
- Exposure at Default (EAD): is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The EAD is further explained in note 36.1.3 “Exposure at default EAD”.
- Loss Given Default (LGD): is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral or credit enhancement related to the loan. It is usually expressed as a percentage of the EAD. The LGD is further explained in note 36.1.4 “Loss given default”.

When estimating the ECL, the Bank considers three probability-weighted scenarios (base case, upside and downside) and the amount resulting for the multiplication of the abovementioned scenarios is discounted at the EIR determined at initial recognition.

For credit cards and revolving facilities that include both a loan and an undrawn commitment, ECL is calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognized within Provisions.

The mechanics of the ECL method are summarized below:

- Stage 1: the 12mECL is calculated as the portion of LTECL that represents the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios (base case, upside and downside), as explained above.
- Stage 2: when a financial instrument has shown a significant increase in credit risk since origination, the Bank records a credit loss expense on financial instruments for the LTECL. The mechanics are similar to those explained above, including the use of different scenarios, but PDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

- Stage 3: for financial instruments considered credit-impaired, the Bank recognizes the LTECL for these financial instruments. The method is similar to that for Stage 2 financial instruments, with the PD set at 100%.
- Loan commitments and letters of credit: when estimating LTECL for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over 12 months or its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.
- Guarantees and other commitments: the Bank's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the income statement, and the ECL provision. For this purpose, the Bank estimates ECL based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the three forward-looking scenarios. The ECL related to financial guarantee contracts are recognized within Provisions.

### **1.3 Forward looking information**

In its ECL models, the Bank relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Central Bank of Argentina base rates
- CPI

The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of these condensed consolidated interim financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments. Detailed information about these inputs and sensitivity analysis are provided in note 36.2 "Analysis on inputs to the ECL model under multiple scenarios".

### **1.4 Debt instruments measured at fair value through OCI**

The ECL for debt instruments measured at fair value through Other Comprehensive Income (OCI) do not reduce the carrying amount of these financial instruments in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortized cost is recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to the profit and loss upon derecognition of the assets.

### **1.5 Credit cards and other revolving facilities**

For credit cards and other revolving facilities, the Bank does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Bank's expectations of the customer behavior, its unused agreed commitments, its likelihood of default and the Bank's future risk mitigation procedures, which could include reducing or cancelling the facilities. Based on the Bank's methodology, the period over which the Bank calculates ECL for these products is three years.

The interest rate used to discount the ECL for credit cards is based on the average EIR that is expected to be charged over the expected period of exposure to the facilities. This estimation takes into account that some facilities are repaid in full each month and are consequently charged no interest.

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

### **1.6 Write-offs**

The Bank's financial instruments are derecognized after the first month in which the Bank has no reasonable expectation of recovering a financial instrument in its entirety or a portion thereof. If the amount written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries impact on the income statement of the current period under "Other operating income".

### **1.7 Forborne and modified loans**

The Bank considers a loan forborne when such modifications are provided as a result of the borrower's present or expected financial difficulties. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Bank's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis for commercial portfolio and collectively for consumer portfolio. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

When the loan has been renegotiated or modified but not derecognized, the Bank also reassesses whether there has been a significant increase in credit risk. The Bank also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborne, it will remain in Stage 2 until it is fully collected or considered impaired (Stage 3).

If modifications are substantial, the loan is derecognized and a new loan with different conditions is recognized.

### **1.8 Collateral valuation**

To mitigate its credit risks on financial instruments, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECL. It is generally assessed, at a minimum, at inception and re-assessed on a periodically basis.

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using internal procedures. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers.

### **1.9 . Collateral repossessed**

The Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset.

Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Bank's policy.

In its normal course of business, the Bank does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

### **2. Amendments to the Conceptual Framework for Financial Reporting:**

The modification to the Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

The changes to the Conceptual Framework may affect the application of IFRS in situations where no standard applies to a particular transaction or event.

This standard did not have a material impact on these condensed consolidated interim financial statements since, currently, there are not material uncertainties about the application to a particular transaction or event.

### **3. IFRS 3 “Business Combination” – amendments in definition of a business:**

These 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 did not have a material impact on these condensed consolidated interim financial statements since, currently, there are not business combination transactions.

### **4. IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” – amendments to definition of material:**

The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information or both. These amendments replaced the threshold “could influence” with “could reasonably be expected to influence”. This implies that the materiality assessment will need to take into account how primary users could reasonably be expected to be influenced in making economic decisions. This standard did not have a material impact on these condensed consolidated interim financial.

## **New pronouncements**

### **A. Modifications to IFRS adopted by FACPCE:**

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.

The new and amended standards and interpretation that are issued, but not yet effective, up to the date of issuance of these condensed consolidated interim financial statements are disclosed below. The Bank intends to adopt these standards, if applicable, when they come effective.

IFRS 16 “leases” – Amendment that provides accounting relief to lessees on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19: this amendment excepts lessees to assess lease arrangement, on an individual basis, whether a rent concession arising as a direct consequence of COVID-19 pandemic, is a lease modification and allows lessees to account the rent concession as if it was not a lease modification and charged it in the statement of income. This applies to rent concession related to COVID-19 that reduces lease payments due on or before June 30, 2021. This amendment is applicable as of June 30, 2020. The Bank does not expect this standard to have a material impact on the consolidated financial statements (see note 39).

### **B. Amendments to BCRA accounting information framework:**

Public sector instruments to be received in a swap transaction: through BCRA Communiqué “A” 7014, dated on May 14, 2020, the BCRA established that instruments to be received by financial entities in a swap transaction, will be recognized at the carrying amount of the delivered instruments at the swap date (see note 38).

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

**4. 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. The Bank is also exposed to overdrafts and unused agreed credits on credit cards of the Bank. Since they imply a contingent obligation 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 March 31, 2020 and December 31, 2019, the Bank maintains the following maximum exposures to credit risk related to this type of transactions:

	03/31/2020	12/31/2019
Undrawn commitments of credit cards and checking accounts (1)	102,880,010	98,474,797
Overdraft and unused agreed commitments (1)	1,063,675	1,134,444
Letters of credit	499,906	481,293
Guarantees granted (1)	<u>284,186</u>	<u>1,853,089</u>
	<u>104,727,777</u>	<u>101,943,623</u>
Less: Allowance for ECL	<u>(17,147)</u>	<u>(18,620)</u>
Total	<u>104,710,630</u>	<u>101,925,003</u>

(1) Includes transactions not covered by BCRA debtor classification standard. For overdraft and unused agreed commitments, it includes an amount of 331,569 and 204,310 as of March 31, 2020 and December 31, 2019, respectively. For Guarantee granted, it includes an amount of 183,863 and 192,286 as of March 31, 2020 and December 31, 2019, 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 41 to the consolidated financial statements as of December 31, 2019, already issued.

**5. LOSS ALLOWANCE FOR EXPECTED CREDIT LOSSES ON CREDIT EXPOSURES NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS**

The Bank recognizes a loss allowance for expected credit losses on all credit exposures not measured at fair value through profit or loss, like debt instruments measured at amortized cost, debt instruments measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts (not measured at fair value through profit or loss), contract assets and lease receivables.

Note 6 discloses financial assets measured at fair value through profit or loss on a recurring basis and financial assets not recognized at fair value. This classification is made pursuant to the expressed in note 3 "Basis for the preparation of these financial statements and applicable accounting standards" for the annual consolidated financial statements as of December 31, 2019, already issued. Additionally, note 6 explains the information related to the valuation process.

As a consequence, considering the temporary exclusion established by BCRA mentioned in note 3 "applicable accounting standards", the Bank applies the impairment requirements for the recognition and measurement of a loss allowance for financial assets measured at amortized cost or at fair value through profit or loss, except for public sector exposures. In addition, the Bank applies the impairment requirements for guarantees granted, undrawn commitments of credit cards and checking accounts, letter of credits, which are not recognized in the consolidated statement of financial position.

For the purpose of assessing the Bank's credit risk exposure and identifying material credit risk concentration, disclosures regarding to credit risk of financial assets and items not recognized in the statement of financial position, are as follows:

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

5.1 Loans and other financing measured at amortized cost

According to the nature of the information to be disclosed and the loans characteristic, the Bank groups them as follows:

	<b>03/31/2020</b>	<b>12/31/2019</b>
<b>Loans and other financing</b>	<b>230,605,655</b>	<b>243,591,933</b>
Collective assessment	134,848,210	137,330,517
Individual assessment	95,757,445	106,261,416
<b>Less: Allowance for ECL (*)</b>	<b>(5,495,857)</b>	<b>(5,465,139)</b>
	<b>225,109,798</b>	<b>238,126,794</b>

(\*) As explain in note 3 section “applicable accounting standards” point a), ECL are not calculated to public sector exposures.

The following table shows the credit quality and the maximum exposure to credit risk, based on the Bank’s credit risk rating system and the year-end stage classification. The amounts presented are gross of impairment allowances:

		<b>03/31/2020</b>				
<b>Internal rating grade</b>	<b>Range PD</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>	<b>%</b>
<b>Performing</b>		<b>207,589,851</b>	<b>19,067,866</b>		<b>226,657,717</b>	<b>98.29%</b>
High grade	0.00%-3.50%	173,179,670	161,436		173,341,106	75.17%
Standard grade	3.51%-7.00%	18,328,328	1,060,153		19,388,481	8.41%
Sub-standard grade	7.01%-33.00%	15,523,650	8,377,681		23,901,331	10.36%
Past due but not impaired	33.01%-99.99%	558,203	9,468,596		10,026,799	4.35%
<b>Not-performing</b>				<b>3,947,938</b>	<b>3,947,938</b>	<b>1.71%</b>
Individual impairment	100%			3,947,938	3,947,938	1.71%
<b>Total</b>		<b>207,589,851</b>	<b>19,067,866</b>	<b>3,947,938</b>	<b>230,605,655</b>	<b>100%</b>
		<b>90.02%</b>	<b>8.27%</b>	<b>1.71%</b>	<b>100%</b>	

  

		<b>12/31/2019</b>				
<b>Internal rating grade</b>	<b>Range PD</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>	<b>%</b>
<b>Performing</b>		<b>222,158,133</b>	<b>17,258,646</b>		<b>239,416,779</b>	<b>98.29%</b>
High grade	0.00%-3.50%	185,968,442	121,500		186,089,942	76.39%
Standard grade	3.51%-7.00%	18,359,102	1,698,569		20,057,671	8.23%
Sub-standard grade	7.01%-33.00%	17,442,266	8,921,468		26,363,734	10.82%
Past due but not impaired	33.01%-99.99%	388,323	6,517,109		6,905,432	2.83%
<b>Not-performing</b>				<b>4,175,154</b>	<b>4,175,154</b>	<b>1.71%</b>
Individual impairment	100%			4,175,154	4,175,154	1.71%
<b>Total</b>		<b>222,158,133</b>	<b>17,258,646</b>	<b>4,175,154</b>	<b>243,591,933</b>	<b>100%</b>
		<b>91.20%</b>	<b>7.09%</b>	<b>1.71%</b>	<b>100%</b>	

5.1.1 Loans on individual assessment

The table below shows the credit quality and maximum exposure to credit risk of loans based by grade on the Bank’s internal credit rating system, PD range and year-end stage classification. The Bank’s internal credit rating systems and the evaluation and measurement approaches are explained in note 36 section “Credit risk”.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

		<b>31/03/2020</b>				
<b>Internal rating grade</b>	<b>Range PD</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>	<b>%</b>
<b>Performing</b>		<b>90,979,027</b>	<b>3,415,438</b>		<b>94,394,465</b>	<b>98.58%</b>
High grade	0.00%-3.50%	86,584,675			86,584,675	90.42%
Standard grade	3.51%-7.00%		643,168		643,168	0.67%
Sub-standard grade	7.01%-33.00%	4,394,352	2,362,648		6,757,000	7.06%
Past due but not impaired	33.01%-99.99%		409,622		409,622	0.43%
<b>Not-performing</b>				<b>1,362,980</b>	<b>1,362,980</b>	<b>1.42%</b>
Individual impairment	100%			1,362,980	1,362,980	1.42%
<b>Total</b>		<b>90,979,027</b>	<b>3,415,438</b>	<b>1,362,980</b>	<b>95,757,445</b>	<b>100%</b>
		<b>95.01%</b>	<b>3.57%</b>	<b>1.42%</b>	<b>100%</b>	

		<b>12/31/2019</b>				
<b>Internal rating grade</b>	<b>Range PD</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>	<b>%</b>
<b>Performing</b>		<b>101,370,031</b>	<b>3,392,898</b>		<b>104,762,929</b>	<b>98.59%</b>
High grade	0.00%-3.50%	95,901,980	8,488		95,910,468	90.26%
Standard grade	3.51%-7.00%	20,491	937,723		958,214	0.90%
Sub-standard grade	7.01%-33.00%	5,447,560	1,346,792		6,794,352	6.39%
Past due but not impaired	33.01%-99.99%		1,099,895		1,099,895	1.04%
<b>Not-performing</b>				<b>1,498,487</b>	<b>1,498,487</b>	<b>1.41%</b>
Individual impairment	100%			1,498,487	1,498,487	1.41%
<b>Total</b>		<b>101,370,031</b>	<b>3,392,898</b>	<b>1,498,487</b>	<b>106,261,416</b>	<b>100%</b>
		<b>95.40%</b>	<b>3.19%</b>	<b>1.41%</b>	<b>100%</b>	

5.1.2 Loans on collective assessment

The table below shows the credit quality and maximum exposure to credit risk of loans portfolio under collective assessment, by grade of credit risk classification based on the Bank's internal credit rating system, PD range and year-end stage classification. The Bank's internal credit rating systems and the evaluation and measurement approaches are explained in note 36 section "Credit risk".

		<b>03/31/2020</b>				
<b>Internal rating grade</b>	<b>Range PD</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>	<b>%</b>
<b>Performing</b>		<b>116,610,824</b>	<b>15,652,428</b>		<b>132,263,252</b>	<b>98.08%</b>
High grade	0.00%-3.50%	86,594,995	161,436		86,756,431	64.34%
Standard grade	3.51%-7.00%	18,328,328	416,985		18,745,313	13.90%
Sub-standard grade	7.01%-33.00%	11,129,298	6,015,033		17,144,331	12.71%
Past due but not impaired	33.01%-99.99%	558,203	9,058,974		9,617,177	7.13%
<b>Not-performing</b>				<b>2,584,958</b>	<b>2,584,958</b>	<b>1.92%</b>
Individual impairment	100%			2,584,958	2,584,958	1.92%
<b>Total</b>		<b>116,610,824</b>	<b>15,652,428</b>	<b>2,584,958</b>	<b>134,848,210</b>	<b>100%</b>
		<b>86.48%</b>	<b>11.61%</b>	<b>1.92%</b>	<b>100%</b>	

		<b>12/31/2019</b>				
<b>Internal rating grade</b>	<b>Range PD</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>	<b>%</b>
<b>Performing</b>		<b>120,788,102</b>	<b>13,865,748</b>		<b>134,653,850</b>	<b>98.05%</b>
High grade	0.00%-3.50%	90,066,462	113,012		90,179,474	65.67%
Standard grade	3.51%-7.00%	18,338,611	760,846		19,099,457	13.91%
Sub-standard grade	7.01%-33.00%	11,994,706	7,574,676		19,569,382	14.25%
Past due but not impaired	33.01%-99.99%	388,323	5,417,214		5,805,537	4.23%
<b>Not-performing</b>				<b>2,676,667</b>	<b>2,676,667</b>	<b>1.95%</b>
Individual impairment	100%			2,676,667	2,676,667	1.95%
<b>Total</b>		<b>120,788,102</b>	<b>13,865,748</b>	<b>2,676,667</b>	<b>137,330,517</b>	<b>100%</b>
		<b>87.95%</b>	<b>10.10%</b>	<b>1.95%</b>	<b>100%</b>	

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

In addition, in exhibit R “Value adjustment for credit losses for credit losses – Allowance for uncollectibility risk” are also disclosed the ECL movements by portfolio and products.

During the three-month periods ended March 31, 2020 and 2019, losses for ECL related to loans and other financing measured at amortized cost amounted to 861,452 and 1,577,359, respectively, and were recognized in the consolidated interim statements of income under the item “allowance for loan losses”.

**5.2 Other debt securities at amortized cost**

For financial trusts at amortized cost, the criteria that was used in the calculation of ECL is based on credit risk ratings given by a credit rating agency for each types of debt securities that compose each financial trust. That is, the factor to be used will vary in relation to the holding of certificates of participation or debt securities (A or B). It is assumed that the EAD is equal to the debt balance.

For corporate bonds issued by the Bank’s customers, PD and LGD parameters calculated for loan exposures of those customers were used. The corporate bonds’ EAD is considered equal to the debt balance, because there is not available information of such instrument’s behavior when it defaulted.

The table below shows the exposures gross of impairment allowances by stages:

	<b>03/31/2020</b>				
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>	<b>%</b>
Financial trusts	974,228			974,228	<b>41.89%</b>
Corporate bonds	1,351,711			1,351,711	<b>58.11%</b>
<b>Total</b>	<b>2,325,939</b>			<b>2,325,939</b>	
	<b>100%</b>			<b>100%</b>	

  

	<b>31/12/2019</b>				
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>	<b>%</b>
Financial trusts	1,186,508			1,186,508	<b>40.53%</b>
Corporate bonds	1,740,766			1,740,766	<b>59.47%</b>
<b>Total</b>	<b>2,927,274</b>			<b>2,927,274</b>	
	<b>100%</b>			<b>100%</b>	

The related ECL for financial trusts as of March 31, 2020 and December 31, 2019 amounted to 614 and 435, respectively. The ECL related to corporate bonds as of March 31, 2020 and December 31, 2019 amounted to 7,673 and 2,089, respectively.

**5.3 Government securities at amortized cost or fair value through OCI**

This group includes federal government securities, provincial or Central Bank instruments measured at amortized cost or fair value through OCI. For these assets, an individual assessment of the related parameters was performed. However, under domestic standards and according to Communiqué “A” 6847, no ECL was calculated for these instruments.

A detail of these investments and their characteristics are disclosed in note 37.

**5.4 Prisma Medios de Pago SA**

The ECL related to the payments to be collect for the sale of Prisma Medios de Pago is recognized in the item “Other financial assets”, as mentioned in note 11 and amounted to 9,918 and 1,783 as of March 31, 2020 and December 31, 2019, respectively.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

**6. 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.

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.

The following tables show the hierarchy in the Bank's financial asset and liability at fair value measurement, as of March 31, 2020 and December 31, 2019:

Description	Financial assets and financial liabilities measured at fair value on a recurring basis as of March 31, 2020			
	Total	Level 1	Level 2	Level 3
Financial assets				
At fair value through profit or loss				
Debt Securities at fair value through profit or loss	1,697,689	1,035,352	57,525	604,812
Derivative Financial Instruments	41,305	12,096	29,209	
Other financial assets	748,251	673,168		75,083
Equity instruments at fair value through profit or loss	1,583,618	4,914		1,578,704
At fair value through OCI				
Other debt securities	81,501,252	40,303,186	41,198,066	
Total	85,572,115	42,028,716	41,284,800	2,258,599

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

Description (contd.)		Financial assets and financial liabilities measured at fair value on a recurring basis as of March 31, 2020			
		Total	Level 1	Level 2	Level 3
Financial liabilities					
At fair value through profit or loss					
Derivatives financial instruments		160,295		160,295	
Total		160,295		160,295	
Description		Financial assets and financial liabilities measured at fair value on a recurring basis as of December 31, 2019			
		Total	Level 1	Level 2	Level 3
Financial assets					
At fair value through profit or loss					
Debt Securities at fair value through profit or loss		6,117,632	4,717,392	521,610	878,630
Derivative Financial Instruments		54,638	34,058	20,580	
Other financial assets		397,919	373,124		24,795
Equity instruments at fair value through profit or loss		1,656,046	10,169		1,645,877
At fair value through OCI					
Other debt securities		50,538,022	39,872,927	10,665,095	
Total		58,764,257	45,007,670	11,207,285	2,549,302
Financial liabilities					
At fair value through profit or loss					
Derivatives financial instruments		828,689		828,689	
Total		828,689		828,689	

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 period or fiscal year, as applicable, in active markets for identical assets or liabilities, if representative. Currently, for most of the 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. To determine the market value of these instruments, valuation techniques based on own assumptions were used. For this approach, the Bank mainly used the cash flow discount model.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

As of March 31, 2020 and December 31, 2019, 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 period or fiscal year, as applicable, of the financial instruments recognized at fair value categorized as level 3:

Description	As of March 31, 2020		
	Debt securities	Other financial assets	Equity instruments at fair value through profit or loss
Amount at the beginning	878,630	24,795	1,645,877
Transfers to Level 3			
Transfers from Level 3			
Profit and loss	(85,717)	4,646	49,847
Recognition and derecognition	(184,927)	44,950	
Monetary effects	(3,174)	692	(117,020)
Amount at end of the period	604,812	75,083	1,578,704

  

Description	As of December 31, 2019		
	Debt securities	Other financial assets	Equity instruments at fair value through profit or loss
Amount at the beginning	2,140,926	151,182	75,298
Transfers to Level 3			
Transfers from Level 3			
Profit and loss	701,090	14,836	(118,351)
Recognition and derecognition	(1,350,987)	(113,442)	2,515,925 (*)
Monetary effects	(612,399)	(27,781)	(826,995)
Amount at end of the fiscal year	878,630	24,795	1,645,877

(\*) It is mainly related to the reclassification from non-current assets held for sale of Prisma Medios de Pago SA. See also note 11.

Instruments measured as level 3 of fair value mainly include equity instruments at fair value through profit or loss and debt securities, for which the construction of the fair value was obtained based on the Bank's own assumptions that are not easily available in the market.

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 March 31, 2020 and December 31, 2019, the Bank has not recognized any transfers between levels 1, 2 and 3.

Financial assets and liabilities not recognized at fair value

Next follows a description of the main methods and assumptions used to determine the fair values of financial instruments not recognized at their fair value in these condensed consolidated interim 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.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

- Fixed and variable rate of financial instruments: the fair value of financial assets was recognized discounting future cash flows at current market rates, for each period or fiscal year, as applicable, 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 those for which the prices are reported by certain renown pricing providers, the fair value was determined based on such prices.

The following table shows a comparison between the fair value and the carrying amount of financial instruments not measured at fair value as of March 31, 2020 and December 31, 2019:

03/31/2020					
	Carrying amount	Level 1	Level 2	Level 3	Fair Value
Financial assets					
Cash and deposits in banks	123,320,547	123,320,547			123,320,547
Repo transactions	409,769	409,769			409,769
Other financial assets	11,445,380	11,445,380			11,445,380
Loans and other financing	225,109,798	311,728	161,548	209,885,787	210,359,063
Other debt securities	15,780,827	2,265,649	12,578,324	1,016,064	15,860,037
Financial assets delivered as guarantee	10,000,135	10,000,135			10,000,135
	<u>386,066,456</u>	<u>147,753,208</u>	<u>12,739,872</u>	<u>210,901,851</u>	<u>371,394,931</u>
Financial liabilities					
Deposits	311,315,017	167,377,298		144,241,588	311,618,886
Other financial liabilities	23,484,647	22,344,412	1,133,482		23,477,894
Financing received from the BCRA and other financial entities	864,777	518,965	332,111		851,076
Issued corporate bonds	5,462,885		1,530,688	2,587,942	4,118,630
Subordinated corporate bonds	26,606,050		15,741,206		15,741,206
	<u>367,733,376</u>	<u>190,240,675</u>	<u>18,737,487</u>	<u>146,829,530</u>	<u>355,807,692</u>
12/31/2019					
	Carrying amount	Level 1	Level 2	Level 3	Fair Value
Financial assets					
Cash and deposits in banks	108,532,630	108,532,630			108,532,630
Repo transactions	1,172,768	1,172,768			1,172,768
Other financial assets	6,246,736	6,246,736			6,246,736
Loans and other financing	238,126,794	336,041	153,816	209,027,403	209,517,260
Other debt securities	19,055,484	1,684,498	17,936,424	1,315,201	20,936,123
Financial assets delivered as guarantee	11,505,804	10,344,714			10,344,714
	<u>384,640,216</u>	<u>128,317,387</u>	<u>18,090,240</u>	<u>210,342,604</u>	<u>356,750,231</u>
Financial liabilities					
Deposits	283,367,604	158,597,192		125,014,642	283,611,834
Repo transactions	1,080,702	1,080,702			1,080,702
Other financial liabilities	23,898,733	22,709,677	1,179,324		23,889,001
Financing received from the BCRA and other financial entities	2,420,966	1,980,683	381,092		2,361,775
Issued corporate bonds	5,955,965		1,487,669	2,866,205	4,353,874
Subordinated corporate bonds	26,207,857		19,769,753		19,769,753
	<u>342,931,827</u>	<u>184,368,254</u>	<u>22,817,838</u>	<u>127,880,847</u>	<u>335,066,939</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

### 7. INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS

#### 7.1 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, the Bank used accounting information of Macro Warrants SA as of December 31, 2019. Additionally, the Bank has considered, when applicable, the material transactions or events occurring between January 1, 2020, and March 31, 2020.

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

Summarized statement of financial position	03/31/2020	12/31/2019
Total assets	33,185	33,934
Total liabilities	7,864	8,484
Shareholders' equity	25,321	25,450
Proportional Bank's interest	5%	5%
Investment carrying amount	1,266	1,273

As of March 31, 2020 and 2019, the investment carrying amount in the net income for the periods amounted to (7) and 101, respectively.

#### 7.2 Joint ventures

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

- 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	03/31/2020	12/31/2019
Total assets	431,684	410,242
Total liabilities	98,173	99,792
Shareholders' equity	333,511	310,450
Proportional Bank's interest	50%	50%
Investment carrying amount	166,756	155,225

As of March 31, 2020 and 2019, the investment carrying amount in the net income for the periods amounted to 21,865 and 38,470, respectively.

- 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.

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 March 31, 2020 and December 31, 2019, according to the above-mentioned, the remaining investment amounted to 35 and 1,246, respectively.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

**8. OTHER FINANCIAL AND NON-FINANCIAL ASSETS**

The breakdown of other financial and non-financial assets as of March 31, 2020 and December 31, 2019 is as follows:

<u>Other financial assets</u>	<u>03/31/2020</u>	<u>12/31/2019</u>
Sundry debtors (see note 11)	5,059,359	5,065,144
Receivables from spot sales of foreign currency pending settlement	4,512,569	14,491
Receivables from other spot sales pending settlement	1,776,841	982,980
Private securities	748,251	397,919
Receivables from spot sales of government securities pending settlement	15,622	6,930
Other	100,005	188,302
Allowances	(19,016)	(11,113)
	<u><b>12,193,631</b></u>	<u><b>6,644,655</b></u>
 <u>Other non-financial assets</u>	 <u>03/31/2020</u>	 <u>12/31/2019</u>
Investment property (see Exhibit F)	818,952	781,273
Advanced prepayments	438,110	253,631
Tax advances	118,159	40,609
Other	87,035	94,476
	<u><b>1,462,256</b></u>	<u><b>1,169,989</b></u>

Disclosures related to allowance for ECL are detailed in note 5 "Loss allowance for credit losses on credit exposures not measured at fair value through profit or loss".

**9. 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 March 31, 2020 and December 31, 2019, amounts related to transactions generated with related parties are as follows:



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

Information as of March 31, 2020								
	Main subsidiaries (1)				Associates	Key management personnel (2)	Other related parties	Total
	Macro Bank Limited	Macro Securities SA	Macro Fondos SGFCISA	Argenpay SAU				
<b>ASSETS</b>								
Cash and deposit in banks	517							517
Other financial assets		15,946						15,946
Loans and other financing (3)								
Documents							7,028	7,028
Overdraft						14,518	1,240,299	1,254,817
Credit Cards						27,495	57,459	84,954
Lease		3,031					6,820	9,851
Personal loans						42		42
Mortgage loans						52,158		52,158
Other loans							307,885	307,885
Guarantee granted							30,113	30,113
<b>Total Assets</b>	<b>517</b>	<b>18,977</b>				<b>94,213</b>	<b>1,649,604</b>	<b>1,763,311</b>
<b>LIABILITIES</b>								
Deposits	10	1,531,100	104,252	7,756	19,508	4,567,362	8,907,448	15,137,436
Other financial liabilities						117	4,194	4,311
Subordinated corporate bonds		23,300						23,300
Other non-financial liabilities							8,160	8,160
<b>Total Liabilities</b>	<b>10</b>	<b>1,554,400</b>	<b>104,252</b>	<b>7,756</b>	<b>19,508</b>	<b>4,567,479</b>	<b>8,919,802</b>	<b>15,173,207</b>

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

(2) Includes close family members of the key management personnel.

(3) The maximum financing amount for loans and other financing as of March 31, 2020 for Macro Securities SA, Key management personnel and other related parties amounted to 3,031, 1,007,652 and 3,527,601, respectively.

Information as of December 31, 2019								
	Main subsidiaries (1)				Associates	Key management personnel (2)	Other related parties	Total
	Macro Bank Limited	Macro Securities SA	Macro Fondos SGFCISA	Argenpay SAU				
<b>ASSETS</b>								
Cash and deposit in banks	517							517
Other financial assets		126,996						126,996
Loans and other financing (3)								
Documents							593,364	593,364
Overdraft						717,311	1,146,093	1,863,404
Credit Cards						41,770	25,403	67,173
Lease		3,648					7,384	11,032
Mortgage loans						63,588		63,588
Other loans							360,724	360,724
Guarantee granted							616,033	616,033
<b>Total Assets</b>	<b>517</b>	<b>130,644</b>				<b>822,669</b>	<b>2,749,001</b>	<b>3,702,831</b>
<b>LIABILITIES</b>								
Deposits	12	970,909	90,571	1,285	24,705	14,082,750	1,423,272	16,593,504
Other financial liabilities						98	6,032	6,130
<b>Total Liabilities</b>	<b>12</b>	<b>970,909</b>	<b>90,571</b>	<b>1,285</b>	<b>24,705</b>	<b>14,082,848</b>	<b>1,429,304</b>	<b>16,599,634</b>

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

(2) Includes close family members of the key management personnel.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

- (3) The maximum financing amount for loans and other financing as of December 31, 2019 for Macro Securities SA, Key management personnel and other related parties amounted to 5,802, 920,800 and 4,024,704, respectively.

As of March 31, 2020 and 2019, income (loss) related to transactions generated with related parties are as follows:

As of March 31, 2020							
	Main subsidiaries (1)						
	Macro Bank Limited	Macro Securities SA	Macro Fondos SGFCISA	Argenpay SAU	Associates	Key management personnel (2)	Other related parties
INCOME / (LOSS)							Total
Interest income		1,387				34,893	160,181
Interest expense					(1,500)	(593,961)	(25,518)
Commissions income		107	56		9	30	1,324
Other operating income	1			1			4
Administrative expense							(32,213)
Other operating expense							(15,466)
Income / (loss)	1	1,494	56	1	(1,491)	(559,038)	88,312

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

(2) Includes close family members of the key management personnel.

As of March 31, 2019							
	Main subsidiaries (1)						
	Macro Bank Limited	Macro Securities SA	Macro Fondos SGFCISA	Argenpay SAU	Associates	Key management personnel (2)	Other related parties
INCOME / (LOSS)							Total
Interest income		1,395				1,938	33,502
Interest expense					(949)	(464,036)	(264,397)
Commissions income		119	52		57	12	1,517
Net loss from measurement of financial instruments at fair value through profit or loss						(780)	(68,101)
Other operating income	1						8
Administrative expense							(5,130)
Other operating expense							(22,116)
Income / (loss)	1	1,514	52		(892)	(462,866)	(324,717)

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

(2) Includes close family members of the key management personnel.

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 March 31, 2020 and 2019, totaled 49,936 and 50,938, respectively.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

In addition, fees received by the Directors as of March 31, 2020 and 2019 amounted to 585,634 and 378,342, respectively.

Additionally, the composition of the Board of Directors and key management personnel is as follows:

	<u>03/31/2020</u>	<u>12/31/2019</u>
Board of Directors	21	24
Senior managers of the key management personnel	<u>9</u>	<u>10</u>
	<u>30</u>	<u>34</u>

**10. MODIFICATIONS OF FINANCIAL ASSETS**

As explained in note 38, on August 28, 2019, the Federal Executive Power, through the Emergency Decree No. 596/2019 (DNU, for its acronym in Spanish) set, for certain short-term government securities, an immediate and stepped extension of their maturities, with no effects on the denomination currency, principal and the agreed-upon interest rate. This DNU, established the following schedule related to how these obligations will be canceled: (i) 15% upon maturity according to the original terms and conditions of its issuance, (ii) 90 calendar days after the payments described in (i), 25% of the amount owed will be cancelled, plus accrued interest over the carrying amount (net of the payments made according to section (i)); and (iii) the remaining amount owed will be cancelled 180 calendar days as from the first payment described in (i). For LECAPS with maturity date from January 1, 2020, the remaining amount owed, after the payments described in section (i), will be fully cancelled at 90 calendar days after such payments.

As the Bank had in its portfolio under amortized cost business model, government securities which contractual cash flows were modified as explained above, the Bank recalculated, at the modification date, the gross carrying amount of those financial assets as the present value of the modified contractual cash flows discounted at the original effective rate.

At the modification date, the gross carrying amount of the modified financial assets amounted to 10,267,754. As a consequence, the new gross carrying amount amounted to 7,177,966 and generated a modification loss for 3,089,788 included in "Other operating expenses".

**11. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS – PRISMA MEDIOS DE PAGO SA**

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 vote, 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 for a total purchase price of (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 26,231 shall be deferred for 5 years as follows: (i) 30% of such amount in Pesos adjusted by Unit of Purchasing Power (UVA, for its acronym in Spanish) 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.

During July 2019, the process to determine the final selling price of the shares of Prisma Medios de Pago SA was completed and the final price was (in thousands) USD 63,456. The difference arising from a final price lower than the estimated price was deducted from the price balance, therefore there was no need for the Bank to return any amounts received. All other payment conditions were not modified and remain in full force and effect under the terms described in this note.

Income generated in this sale was recorded in the item "other operating income". The amounts receivable, in pesos and US dollars, are recorded in the item "Other financial assets".

The remaining holding of the Bank in Prisma Medios de Pago SA (equivalent to 49%), is recorded in "Equity instruments at fair value through profit or loss" determined from valuations performed by independent experts, which was adjusted in less, as required by a Memorandum dated April 29, 2019, issued by the BCRA.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

In addition, sellers retained the usufruct (dividends) of the shares sold to be reported by Prisma for the year ended December 31, 2018, which were collected on April 26, 2019, and have the possibility to execute a put for the non-sold shares of this transaction (49%) and the buyer has the obligation to buy them, on an specific term established on the agreement, according to specifics clauses. 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.

**12. 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 period or fiscal year, as applicable, ended on March 31, 2020 and December 31, 2019.

The expected terms to settle these obligations are as follows:

	03/31/2020		03/31/2020	12/31/2019
	Within 12 months	Beyond 12 months		
For administrative, disciplinary and criminal penalties		718	718	774
Letters of credits, guarantees and other Commitments (1)	17,147		17,147	18,620
Commercial claims in progress	740,428	157,428	897,856	904,929
Labor lawsuits	86,182	102,998	189,180	191,165
Pension funds - reimbursement	101,859	47,001	148,860	172,319
Other	299,389	34,392	333,781	300,637
	<u>1,245,005</u>	<u>342,537</u>	<u>1,587,542</u>	<u>1,588,444</u>

(1) These amounts correspond to the ECL calculated for contingent transactions mentioned in note 4.

In the opinion of the Management of the Bank and its legal counsel, there are no other significant effects than those disclosed in these condensed consolidated interim 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.

**13. OTHER FINANCIAL AND NON-FINANCIAL LIABILITIES**

The breakdown of other financial and non-financial liabilities as of March 31, 2020 and December 31, 2019 is as follows:

<b>Other financial liabilities</b>	<b>03/31/2020</b>	<b>12/31/2019</b>
Credit and debit card settlement - due to merchants	10,178,415	14,531,124
Amounts payable for spot purchases of foreign currency pending settlement	4,513,186	24,934
Amounts payable for other spot purchases pending settlement	3,435,633	2,753,284
Payment orders pending settlement foreign exchange	2,465,229	2,208,941
Finance leases liabilities	957,336	988,466
Collections and other transactions on account and behalf others	610,274	1,695,544
Amounts payable for spot purchases of government securities pending settlement	32,615	14,737
Other	<u>1,291,959</u>	<u>1,681,703</u>
	<b><u>23,484,647</u></b>	<b><u>23,898,733</u></b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

<b>Other non-financial liabilities</b>	<b>03/31/2020</b>	<b>12/31/2019</b>
Salaries and payroll taxes payables	3,182,237	3,954,538
Withholdings	1,697,668	2,485,946
Taxes payables	1,326,868	2,043,109
Miscellaneous payables	690,759	1,032,952
Retirement pension payment orders pending settlement	367,202	357,942
Fees payables	219,366	528,394
Other	451,567	505,699
	<b>7,935,667</b>	<b>10,908,580</b>

**14. 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 March 31, 2020 and December 31, 2019:

	<b>Without due date</b>	<b>Total up to 12 months</b>	<b>Total over 12 months</b>
<b>03/31/2020</b>			
<b>Assets</b>			
Cash and deposits in banks	123,320,547		
Debt securities at fair value through profit or loss		763,364	934,325
Derivative instruments		41,305	
Repo transactions		409,769	
Other financial assets	3,368,066	7,617,902	1,207,663
Loans and other financing (1)	2,174,546	147,155,742	75,779,510
Other debt securities		94,454,019	2,828,060
Financial assets delivered as guarantee	10,000,135		
Investment in equity instruments at fair value through profit or loss		1,583,618	
<b>Total Assets</b>	<b>140,446,912</b>	<b>250,442,101</b>	<b>80,749,558</b>
<b>Liabilities</b>			
Deposits	162,539,281	148,730,452	45,284
Derivative instruments		160,295	
Other financial liabilities		23,333,388	151,259
Financing received from the BCRA and other financial institutions		714,974	149,803
Issued corporate bonds		208,965	5,253,920
Subordinated corporate bonds		818,170	25,787,880
<b>Total Liabilities</b>	<b>162,539,281</b>	<b>173,966,244</b>	<b>31,388,146</b>
<b>12/31/2019</b>			
<b>Assets</b>			
Cash and deposits in banks	108,532,630		
Debt securities at fair value through profit or loss		1,376,630	4,741,002
Derivative instruments		54,638	
Repo transactions		1,172,768	
Other financial assets	2,999,296	2,352,970	1,292,389
Loans and other financing (1)	3,150,346	156,294,505	78,681,943
Other debt securities		68,544,593	1,048,913
Financial assets delivered as guarantee	10,344,715	1,161,089	
Investment in equity instruments at fair value through profit or loss		1,656,046	
<b>Total Assets</b>	<b>126,683,033</b>	<b>230,957,193</b>	<b>85,764,247</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

12/31/2019	Without due date	Total up to 12 months	Total over 12 months
Liabilities			
Deposits	153,878,686	129,433,153	55,765
Derivative instruments		828,689	
Repo transactions		1,080,702	
Other financial liabilities		23,100,526	798,207
Financing received from the BCRA and other financial institutions		2,220,419	200,547
Issued corporate bonds		269,627	5,686,338
Subordinated corporate bonds		381,247	25,826,610
Total Liabilities	153,878,686	157,314,363	32,567,467

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

**15. 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.

**16. INCOME TAX**

a) Inflation adjustment on income tax

Tax Reform Law 27430, amended by Laws 27468 and 27541, established the following, regarding to inflation adjustment on income tax for the fiscal years beginning on January 1, 2018.

- i) Such adjustment will be applicable in the fiscal year in which the variation of the IPC will be higher than 100% for the thirty-six months before the end of the tax period.
- ii) Regarding to the first, second and third fiscal year after its effective date, this procedure will be applicable if the variation of the abovementioned index, calculated from the beginning until the end of each of those fiscal years exceeds 55%, 30% and 15% for the first, second and third fiscal year of application, respectively.
- iii) The positive or negative inflation adjustment, as the case may be, corresponding to the first, second and third fiscal years beginning on January 1, 2018, shall be allocated one third in the fiscal year for which the adjustment is calculated and the remaining two thirds in equal parts in the following two immediate fiscal years.
- iv) The positive or negative inflation adjustment, corresponding to the first and second fiscal years beginning on January 1, 2019, shall be allocated one sixth to the fiscal year in which the adjustment is determined and the remaining five sixth in the following immediate fiscal years.
- v) For fiscal years beginning on January 1, 2021, 100% of the adjustment may be deducted in the year in which it will be determined.

As of March 31, 2020 and December 31, 2019, all the conditions established by the income tax Law to practice the inflation adjustment are met and the current and deferred income tax was recognized, including the effects of the application of the inflation adjustment on income taxes established by Law (see section d) of this note).

b) Income tax rate

The Law No. 27541 (see note 38) suspends, up to fiscal years beginning on January 1, 2019 included, the income tax rate reduction that had established the Law 27430, setting up for the suspended period a rate of 30%. For fiscal years beginning on January 1, 2022, the income rate will be 25%.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

- c) The main items of income tax expense in the condensed consolidated interim financial statements are as follows:

	03/31/2020	03/31/2019
Current income tax expense	3,993,545	4,447,471
(Gain) / loss for deferred income tax	(191,273) (*)	1,009,447
Monetary effects	141,580	218,210
Income tax expense recorded in the statement of income	3,943,852	5,675,128
Income tax gain recorded in other comprehensive income	(216,697)	(53,477)
	<u>3,727,155</u>	<u>5,621,651</u>

(\*) Includes gain effects for the deferred income tax as explained point a) of this note.

- d) As decided by the Board of Directors in the meeting dated May 11, 2020, considering certain case-law on the subject assessed by its legal and tax advisors, on May 26, 2020, the Bank filed with the Administración Federal de Ingresos Públicos (AFIP, for its acronym in Spanish) its annual income tax return considering the total effect of the inflation adjustment on income tax (see section a) iv) of this note). As a result, the current income tax determined by Banco Macro SA for fiscal year 2019 amounted to 7,002,124 (not restated).

**17. COMMISSIONS INCOME**

Description	03/31/2020	03/31/2019
Performance obligations satisfied at a point in time		
Commissions related to obligations	2,635,772	3,258,770
Commissions related to credit cards	1,658,416	1,620,406
Commissions related to insurance	308,613	348,566
Commissions related to securities value	84,862	32,109
Commissions related to trading and foreign exchange transactions	78,371	111,653
Commissions related to loans and other financing	15,798	36,090
Commissions related to financial guarantees granted	131	3,420
Performance obligations satisfied over certain time period		
Commissions related to credit cards	76,264	85,495
Commissions related to trading and foreign exchange transactions	8,709	3,055
Commissions related to loans and other financing	63	1,716
Commissions related to obligations	426	1,274
Commissions related to financial guarantees granted	1	1
	<u>4,867,425</u>	<u>5,502,555</u>

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

Description	03/31/2020	03/31/2019
Translation of foreign currency assets and liabilities into pesos	483,598	(712,773)
Income from foreign currency exchange	48,836	669,114
	<u>532,434</u>	<u>(43,659)</u>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

**19. OTHER OPERATING INCOME**

Description	03/31/2020	03/31/2019
Services	668,210	571,322
Adjustments and interest from other receivables	161,503	176,282
Adjustments from other receivables with CER clauses	40,394	26,614
Sale of property, plant and equipment	33	
Sale of non-current assets held for sale (1)		3,608,634
Derecognition or substantial modification of financial liabilities		92,023
Initial recognition of loans		40,847
Other	228,920	282,476
	<b><u>1,099,060</u></b>	<b><u>4,798,198</u></b>

(1) Mainly related to the sale of Prisma Medios de Pago SA, which was classified as non-current assets held for sale when it was sold. See also note 11.

**20. EMPLOYEE BENEFITS**

Description	03/31/2020	03/31/2019
Remunerations	3,482,932	3,560,391
Payroll taxes	773,835	739,358
Compensations and bonuses to employees	364,988	428,754
Employee services	104,437	123,520
	<b><u>4,726,192</u></b>	<b><u>4,852,023</u></b>

**21. ADMINISTRATIVE EXPENSES**

Description	03/31/2020	03/31/2019
Maintenance, conservation and repair expenses	405,371	432,905
Taxes	384,754	412,706
Armored truck, documentation and events	345,476	353,374
Electricity and communications	311,168	322,449
Fees to directors and syndics	303,425	496,184
Security services	293,533	328,066
Software	200,279	232,252
Other fees	183,647	253,151
Advertising and publicity	57,753	79,372
Representation, travel and transportation expenses	33,334	51,411
Insurance	25,857	31,450
Leases	22,795	81,730
Stationery and office supplies	19,394	26,727
Hired administrative services	642	1,089
Other	86,983	134,641
	<b><u>2,674,411</u></b>	<b><u>3,237,507</u></b>



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

**22. OTHER OPERATING EXPENSES**

Description	03/31/2020	03/31/2019
Turnover tax	2,444,702	2,873,651
For credit cards	833,229	981,058
Charges for other provisions	300,338	282,977
Taxes	124,998	1,103
Deposit guarantee fund contributions	121,029	161,041
Donations	108,150	53,530
Interest on lease liabilities	32,714	26,207
Insurance claims	14,702	16,747
Initial recognition of loans	2,827	
Loss from sale or impairment of investments in properties and other non-financial assets	1,323	110,064
Modification of financial liabilities	513	
Other	338,552	408,663
	<b>4,323,077</b>	<b>4,915,041</b>

**23. ADDITIONAL DISCLOSURES IN THE STATEMENT OF CASH FLOWS**

The statement of cash flows presents the changes in cash and cash equivalents derived from operating activities, investing activities and financing activities during the period. For the preparation of the statement of cash flows, the 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.

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:

	03/31/2020	12/31/2019	03/31/2019	12/31/2018
Cash and deposits in banks	123,320,547	108,532,630	111,725,411	123,984,971
Debt Securities at fair value through profit or loss	31,356		423,124	
Other debt securities	44,979,052	50,517,478	147,854,877	92,325,644
Loans and other financing	322,349	313,484	321,589	313,490
	<b>168,653,304</b>	<b>159,363,592</b>	<b>260,325,001</b>	<b>216,624,105</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

**24. CAPITAL STOCK**

The Bank's subscribed and paid-in capital as of March 31, 2020, amounted to 639,413. Since December 31, 2017, the Bank's capital stock has changed as follows:

	Capital stock issued and paid-in	Issued outstanding	In treasury
<b>As of December 31, 2017</b>	<b>669,663</b>	<b>669,663</b>	
Own shares acquired (1)		(28,948)	28,948
<b>As of December 31, 2018</b>	<b>669,663</b>	<b>640,715</b>	<b>28,948</b>
Own shares acquired (1)		(1,317)	1,317
Capital stock decrease (2)	(30,265)		(30,265)
Capital stock increase (3)	15	15	
<b>As of March 31, 2020 and December 31, 2019</b>	<b>639,413</b>	<b>639,413</b>	

- (1) 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 6,013,975 (nominal value: 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 1,747,137 (nominal value: 995,786).

The Program dated on December 20, 2018, established that the maximum amount of the investment amounted to 900,000 and the maximum numbers of shares to be acquired were equivalent to 1% of the capital stock. At the end of this program the Bank had 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 494,494 (nominal value: 298,196) of which, as of December 31, 2018 were settled 711,386 common shares for an amount of 163,099 (nominal value: 98,353), and in January 2019 were settled 1,316,865 common shares for an amount of 331,395 (nominal value: 199,843).

- (2) Related to capital stock decrease approved by the Shareholders' Meeting of Banco Macro SA held on April 30, 2019 for an amount of 30,265, equivalent to 30,265,275 common, registered, Class B shares with a face value of Ps. 1 each one entitled with one vote, equivalent to all the own shares acquired as mentioned in section (1). On August 14, 2019 the Bank was notified that the capital stock decrease was registered at the Public Registry of Commerce.
- (3) Related to the capital stock increase through the issuance of 15,662 common, registered, Class B shares with a face value of Ps. 1 each one entitled with one vote, approved by Shareholders' Meeting mentioned in (2), due to the merger effects between Banco Macro SA and Banco del Tucumán SA (see additionally note 2.4). On October 29, 2019 the Bank was notified that the capital stock increase was registered at the Public Registry of Commerce.

**25. 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 period.

To determine the weighted average number of common shares outstanding during the period, 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 period multiplied by the number of days that the shares were outstanding in the period. Note 24 provides a breakdown of the changes in the Bank's capital stock.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

The calculation of basic earnings per share is disclosed in the table of Earnings per share included in the condensed consolidated interim statement of income.

### Dividends paid and proposed

Cash dividends paid during the fiscal years 2019 and 2018 to the shareholders of the Bank amount to 6,393,978 (not restated) and 3,348,315 (not restated), respectively, which considering the number of shares outstanding to the date of effective payment that represents 10 and 5 pesos per share (not restated), respectively.

The Shareholders' Meeting held on April 30, 2020, resolved to distribute cash dividends for 12,788,268 (not restated), which considering the number of shares outstanding at the date of such resolution, represented 20 pesos per share. As mentioned in note 35, the BCRA will not approved any earning distribution up to December 31, 2020.

## **26. 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 8.9440% interest in the capital stock of Sedesa according to the percentages disclosed by BCRA Communiqué "B" 11959 on February 27, 2020.

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 1,500 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.

## **27. RESTRICTED ASSETS**

As of March 31, 2020 and December 31, 2019, the following Bank's assets are restricted:

Item	03/31/2020	12/31/2019
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 sectorial Credit Program of the Province of San Juan. Production investment financing fund.	150,346	162,677
• Discount bonds in pesos regulated by Argentine legislation, maturing 2033 securing the regional economies Competitiveness Program – IDB loan No. 3174/OC-AR.	116,449	126,483
• Discount bonds in pesos regulated by Argentine legislation, maturing 2033 used as security in favor of Sedesa (1).	94,982	103,880
• 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, as amended, of the CNV	21,353	23,354
• Discount bonds in pesos regulated by Argentine legislation, maturing 2033 securing a IDB loan of Province of San Juan No. 2763/OC-AR.	3,424	3,702
Subtotal debt securities at fair value through profit or loss and other debt securities	386,554	420,096

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

Item (contd.)	03/31/2020	12/31/2019
Other financial assets		
• Mutual fund shares for minimum statutory guarantee account required for Agents to act in the new categories contemplated under Resolution No. 622/13, as amended, of the CNV	74,249	72,549
• Sundry debtors – Other	3,712	3,718
• 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	892
Subtotal Other financial assets	<u>78,788</u>	<u>77,159</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.	8,698,780	8,018,824
• Guarantee deposits related to credit and debit card transactions	870,033	869,525
• Forward purchase for repo transactions		1,161,089
• Other guarantee deposits	431,322	1,456,366
Subtotal Financial assets delivered as a guarantee	<u>10,000,135</u>	<u>11,505,804</u>
Other non-financial assets		
• Real property related to a call option sold	386,188	345,749
Subtotal Other non-financial assets	<u>386,188</u>	<u>345,749</u>
Total	<u>10,851,665</u>	<u>12,348,808</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.

## **28. 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:

### **28.1 Financial trusts for investment purposes**

Debt securities include mainly prepayments towards the placement price of provisional trust securities of the financial trusts under public and private offerings (Consubond, Secubono, Carfacil, Agrocap and Accicom). 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 and private offering (Chubut Regalías Hidrocarburíferas, Secubono, Garbarino, Megabono, Consubond and Carfauto) and certificates of participation (Saenz Créditos, Ribeiro and Arfintech).

As of March 31, 2020 and December 31, 2019, debt securities and certificates of participation in financial trusts for investment purposes, total 1,652,187 and 2,088,055, respectively.

According to the latest accounting information available as of the date of issuance of these condensed consolidated interim financial statements, the corpus assets of the trusts exceed the carrying amount in the related proportions.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

**28.2 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 March 31, 2020 and December 31, 2019, considering the latest available accounting information as of the date of these condensed consolidated interim financial statements, the assets managed through Macro Fiducia SA (subsidiary) of this type of trusts amounted to 9,997 and 9,868, respectively.

**28.3 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 non-compliance.

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 non-compliance 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 March 31, 2020 and December 31, 2019, considering the latest available accounting information as of the date of these condensed consolidated interim financial statements, the assets managed by the Bank amounted to 1,053,067 and 1,106,403, respectively.

**28.4 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 March 31, 2020 and December 31, 2019, considering the latest available accounting information as of these condensed consolidated interim financial statements, the assets managed by the Bank amounted to 6,767,541 and 6,817,158, respectively.

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

### **29. COMPLIANCE WITH CNV REGULATIONS**

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

#### **29.1.1 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) – Depositary company 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 minimum amount required by this regulation, for the different categories of agents amounting to 1,420,350 UVAs as of March 31, 2020, and the minimum statutory guarantee account required of 710,175 UVAs, which the Bank paid-in with government securities as described in note 27 and the cash deposits in BCRA accounts 000285 and 80285 belonging to the Bank.

#### **29.1.2 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 – comprehensive and ACyD FCI).

Additionally, the shareholders' equity of such Company exceeds the minimum amount required by this regulation, amounting to 470,350 UVAs and the minimum statutory guarantee account required a minimum of 50% of the minimum amount of Shareholders' equity, which the Company paid-in with mutual fund shares.

#### **29.1.3 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 150,000 UVAs plus 20,000 UVAs per each additional mutual fund it manages. The minimum statutory guarantee account required a minimum of 50% of the minimum amount of Shareholders' equity, which the Company paid-in with mutual fund shares.

#### **29.1.4 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 non-financial trustee agent.

Additionally, the shareholders' equity of such Company exceeds the minimum amount required by General resolution No. 795 established in 950,000 UVAs. The minimum statutory guarantee account requires a minimum of 50% of the minimum amount of Shareholders' equity, which the Company paid-in with mutual fund shares. The CNV through General resolution No. 825, decided that the 50% of the amounts required as of March 31, 2020 and December 31, 2019, shall be credited and the Shareholders' equity may not be less than 6,000.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

29.2 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, 2016 included, and (ii) certain documentation supporting the economic transactions for fiscal years ended through December 31, 2018, 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).

29.3 As depositary of mutual funds

As of March 31, 2020 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 (see note 33):

Fund	Number of shares	Equity
Pionero Pesos	459,216,040	3,471,166
Pionero Renta Ahorro	71,953,150	1,153,257
Pionero FF	34,749,550	457,203
Pionero Renta	4,214,885	124,230
Pionero Acciones	9,360,423	159,267
Pionero Empresas FCI Abierto Pymes	251,153,892	1,225,251
Pionero Pesos Plus	3,122,065,860	14,168,936
Pionero Renta Ahorro Plus	114,385,207	391,256
Pionero Renta Mixta I	7,344,596	16,771
Pionero Renta Estratégico	473,739,513	907,329
Pionero Argentina Bicentenario	309,931,572	503,469
Pionero Ahorro Dólares	3,618,462	208,858
Pionero Renta Fija Dólares	3,554,841	153,502
Argenfunds Renta Pesos	526,460,535	2,266,821
Argenfunds Renta Argentina	18,672,874	63,538
Argenfunds Ahorro Pesos	7,716,628	54,683
Argenfunds Abierto Pymes	1,024,161,463	1,642,001
Argenfunds Renta Total	919,547,120	3,279,408
Argenfunds Renta Flexible	610,879,881	1,709,574
Argenfunds Renta Dinámica	108,132,080	278,240
Argenfunds Renta Mixta	117,445,198	91,599
Argenfunds Renta Global	8,983,257	25,039
Argenfunds Renta Capital	24,214,511	1,573,499
Argenfunds Renta Balanceada	46,387,280	138,417
Argenfunds Liquidez	4,305,911,784	5,960,737
Argenfunds Retorno Absoluto	285,486,145	377,556
Argenfunds Renta Crecimiento	391,632	23,066
Argenfunds Renta Mixta Plus	5,112,464	300,751
Argenfunds Renta Variable	100,000	47
Argenfunds Renta Fija	25,312,635	274,838

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

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

The items recognized by the Bank to constitute the minimum cash requirement effective for March 2020 are listed below, indicating the amounts as of month-end of the related items:

Description	Banco Macro SA
Cash and deposits in banks	
Amounts in BCRA accounts	71,818,942
Other debt securities	
Central Bank Internal Bills computable for the minimum cash requirements	15,609,302
Government securities computable for the minimum cash requirements	10,272,402
Financial assets delivered as guarantee	
Special guarantee accounts with the BCRA	8,698,780
Total	<u>106,399,426</u>

**31. 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 as of March 31, 2020:

Summary proceedings filed by the BCRA

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

Reason: control observations over subsidiaries.

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 Mr. Delfín Jorge Ezequiel Carballo the resolution of the motion for lack of standing to be sued. As of the date, it is pending resolution.

Penalties imposed by the BCRA

Financial summary proceedings: No. 1401 dated 08/14/2013.

Reason: alleged failure in financing to the non-financial public sector, for temporary overdrafts through checking accounts of the Municipality of Córdoba and Reconquista. Penalty amount: 2,400.

Proceeding filed against: Banco Macro SA and the members of the Board (Jorge Horacio Brito, Jorge Pablo Brito and Marcos Brito).

Status: on 03/02/2015 the BCRA passed Resolution No. 183/15 imposing fines to the Bank. Therefore and against such resolution, a direct appeal was filed to the Federal Civil and Commercial Court of Appeals (CNACAF, for its acronym in Spanish). Courtroom IV of the CNACAF sustained the appeal filed by the Bank and annulled the decision imposing the fines to the Bank. Consequently, the BCRA filed a federal extraordinary appeal, which was dismissed. Finally, BCRA lodged a motion for reconsideration of dismissal of the extraordinary appeal with the Argentine Supreme Court (CSJN, for its acronym in Spanish) which is still pending resolution.

Penalties imposed by the Financial Information Unit (UIF)

File: No. 62/2009 dated 01/16/2009.

Reason: observations on the purchase of foreign currency from April 2006 through August 2007. Penalty amount: 718.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

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. After successive remedies filed by the Bank, part of the fines were dismissed in relation to statute-barred periods, and the decision became final on 06/25/2019; therefore, the case file will be submitted to the UIF to readjust fines to the open period.

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: on 12/26/2016 the UIF passed Resolution No. 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. Against such resolution, the Bank and the individual responsables filed direct appeals, which will be decided at Room III of the CNACAF. Such appeals were dismissed through a final sentence dated 07/18/2019. The term to file the federal extraordinary appeal against such resolution is already running. On 08/15/2019, the Bank filed a federal extraordinary appeal which was dismissed through resolution dated 09/26/2019. Against such resolution, on 10/03/2019 the Bank filed an appeal to Argentine Supreme Court, which is pending resolution from CSJN.

Although the above described penalties do not involve material amounts, as of the date of issuance of these 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 Comunicués "A" 5689 and 5940, as amended and supplemented.

Additionally, there are pending summary proceedings before the CNV and the UIF, as described below:

File: No. 1480/2011 (CNV Resolution No. 17529) dated 09/26/2014.

Reason: potential non-compliance with the obligation to inform a "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.

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

Reason: potential non-compliance 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).

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

Status: On May 22, 2019, the CNV (Argentine Securities Commission) issued Resolution No. 80/2019, whereby a warning penalty was imposed on the persons subject to the summary proceedings (except for Delfín J. E. Carballo and Federico Pastrana, as to whom the lack of capacity to be sued was sustained). On 6/7/2019, the Bank, its directors and statutory auditors filed a direct remedy requesting the abrogation of the penalty. The file was submitted to the CNACAF Courtroom II, which issued the resolution for the commencement of proceedings on 19/09/2019. On 12/23/2019, the Court served the direct appeal upon the CNV. On 03/02/2020 the direct appeal served was notified to the CNV. As of the date, that Agency has not answered.

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 04/23/2019, UIF passed Resolution No. 41, whereby it imposed fines to responsables. Against such resolution, the Bank, its Board of Directors and its Statutory audits filed a direct appeal on 06/12/2019, requesting a repeal of the penalty imposed. Such appeal is in process at CNACAF. The file was submitted to Courtroom IV of CNACAF that received the proceedings on 06/21/2019. The direct appeal filed was notified to UIF on 12/3/2019 and this Agent has not answered yet, having 30 business days to answer. On 02/19/2020, the UIF answered the mentioned served and after that the file was passed to the Public Attorney. The file is in the Public Attorney Office since 03/04/2020.

File: No. 1208/2014 (UIF Resolution No. 13/2016) dated 1/15/2016.

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 05/17/2019 UIF passed resolution No. 13/2016, whereby it filed the summary proceedings related to observations over an overall inspection performed by BCRA. On 06/15/2018, the responsables filed their defenses. On 7/2/2018, 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, is pending to issue an administrative resolution.

File: No. 379/2015 (UIF Resolution No. 96/2019) dated 09/17/2019

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, Jorge Pablo Brito, Marcos Brito, Juan Pablo Brito Devoto, Carlos Enrique Videla, Alejandro Macfarlane, Guillermo Eduardo Stanley, Emanuel Antonio Alvarez Agis, Constanza Brito and Luis Carlos Cerolini.

Status: On 10/02/2019, Banco Macro SA and the individual responsables were passed of the initiation of the proceedings. On 10/31/2019, the Bank and the individuals subject to summary proceedings filed their defense. To date, the plea filed in relation to the statute of limitations has not been resolved yet, and no initial notification has been issued yet. On 01/07/2020, the party hearing the summary proceedings considered the defense filed and deferred the motion to dismiss for lack of capacity to be sued and statute of limitations upon issuing an opinion about the substance of the case.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

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

**32. CORPORATE BONDS ISSUANCE**

The corporate bond liabilities recorded by Banco Macro SA in these condensed consolidated interim financial statements amount to:

Corporate Bonds	Original value	Residual face value as of 03/31/2020	03/31/2020	12/31/2019
Subordinated Resetable – Class A	USD 400,000,000 (a.1)	USD 400,000,000	26,606,050	26,207,857
Non-subordinated – Class B	Ps. 4,620,570,000 (a.2)	Ps. 2,889,191,000	3,027,294	3,128,462
Non-subordinated – Class C	Ps. 3,207,500,000 (a.3)	Ps. 2,413,000,000	2,435,591	2,827,503
Total			<u>32,068,935</u>	<u>32,163,822</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).

On November 4, 2016, under the abovementioned Global Program, Banco Macro SA issued Subordinated Resetable 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.

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 and October 16, 2019 the Board of Directors decided to pay off these corporate bonds for a face value of 1,229,518,000 and 501,861,000, respectively, equivalent to the amount of purchases made as those dates.

As of the date of issuance of these condensed consolidated interim financial statements the Bank made purchases of this issuance for a face value of pesos 511,495,000, with a remaining outstanding face value of 2,377,696,000.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

- 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.

In addition, on October 16, 2019 and January 29, 2020, the Board of Directors decided to pay off these corporate bonds for a face value of 750,500,000 and 44,000,000, respectively.

As of the date of issuance of these condensed consolidated interim financial statements, the Bank made purchases of this issuance for a face value of pesos 45,000,000, with a remaining outstanding face value of pesos 2,368,000,000

The Shareholder's Meeting held on April 27, 2018, 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. During the meeting held on April 10, 2019 the Board of Directors decided to use the maximum amount of the Global Program for the Issuance of Corporate Bonds approved on April 27, 2018, i.e., U\$S 1,000,000,000 (one billion US dollars) or an equal amount in other currencies or value units, for the issuance of Corporate Bonds under CNV frequent issuers system.

### 33. OFF BALANCE SHEET TRANSACTIONS

In addition to note 4, the Bank maintains different off balance sheet transactions, pursuant to the BCRA standards. Below are the amounts of the main off Balance sheet transactions as of March 31, 2020 and December 31, 2019:

Item	03/31/2020	12/31/2019
Custody of government and private securities and other assets held by third parties	84,540,413	87,752,037
Preferred and other collaterals received from customers (1)	56,893,686	59,872,463
Outstanding checks not yet paid	5,485,322	8,646,624
Checks already deposited and pending clearance	2,056,337	3,252,360

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

### 34. TAX AND OTHER CLAIMS

#### 34.1. Tax claims

The AFIP 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).

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

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.

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 these condensed consolidated interim financial statements.

**34.2. Other claims**

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.

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. On 03/15/2019 a court order was passed against the Bank from a trial court that ordered the reimbursement for all the collected amounts plus VAT and interest. Although this court decision was appealed, the Entity understands that there is a low probability that a favorable ruling shall be obtained from the trial court, as the Entity became aware of that the Court of Appeals approved related actions against other two banks, an agreement was reached and filed for court-approval effects on 11/03/2020. On such agreement, the Bank compromised to reimburse to credit card users for the period from August 2007 to December 2014, the amounts collected over the abovementioned concepts plus VAT over such commissions and interest calculated at the average current rate for Documents transactions in force at the Banco de la Nación Argentina. As of the date of issuance of these condensed consolidated interim financial statements, the court agreement is pending resolution.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

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 these condensed consolidated interim financial statements.

### 35. RESTRICTION ON DIVIDENDS DISTRIBUTION

- a) According to BCRA regulations, 20% of Banco Macro SA income for the year, without including Other comprehensive income, 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.
- b) Through BCRA rules related to Earnings distribution of financial entities, 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, as established by BCRA Communiqué "A" 6768, the earnings distribution approved by the Shareholders' Meeting of the Bank could only be formalized once the Superintendence of Financial and Foreign Exchange Institutions assesses the potential effects of the application of IFRS according to Communiqué "A" 6430 (section 5.5 IFRS 9 "Impairment") and the restatement of financial statements according to Communiqué "A" 6651 in accordance with accounting standards established by Communiqué "A" 6847 and the guidelines to apply the restatement procedures established by Communiqué "A" 6849.

In addition, profits may only be distributed to the extent that the financial institution has positive results, after deducting, on a non-accounting 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, (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 was created a special reserve, and its balance as of March 31, 2020 was 5,763,723.

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.

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).

In addition, through Communiqué "A" 7035, the BCRA established the suspension of earning distribution of financial entities up to December 31, 2020.

- c) 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.

In compliance with the abovementioned, and according to the distribution approved by the General regular Shareholders' Meeting held on April 30, 2020, 8,159,955 (not restated) and 32,428,893 (not restated) were applied to increase the legal retained earnings and the other earnings reserved for future earnings distribution.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

Furthermore, the abovementioned Shareholders' Meeting approved a cash dividends distribution for 12,788,268 (not restated), that represents 20 pesos per action and delegated into the Board of Directors to establish the effective date that the cash dividends will be available to the shareholders, according to their holdings. The abovementioned cash dividends distribution is pending resolution for the BCRA, considering, in addition, what was established by Communiqué "A" 7035 abovementioned.

### 36. CAPITAL MANAGEMENT AND CORPORATE GOVERNANCE TRANSPARENCY POLICY AND RISK MANAGEMENT

As financial institution, Banco Macro SA is governed by the Financial Entities Law No. 21,526, as supplemented, and the regulations issued by the BCRA and, is exposed to intrinsic risks related to the financial industry. Moreover, the Bank adheres to the good banking practices laid out in BCRA Communiqué "A" 5201 (Financial Entities Corporate Governance Guidelines). Detailed explanations about the main aspects related to capital management and corporate governance transparency policy related to the Bank, are disclosed in note 41 to the consolidated financial statements as of December 31, 2019, already issued.

Additionally, the table below shows the minimum capital requirements measured on a consolidated basis, effective for the month of March 2020, together with the integration thereof (computable equity) as of the end of such month:

Description	03/31/2020
Minimum capital requirements	33,107,715
Computable equity	129,517,173
Capital surplus	96,409,458

Finally, in relation to risk management, note 41 to consolidated financial statements as of December 31, 2019, already issued, exposes relevant information of this regards. However, an update over credit risk is disclosed as follows, due to the begging of the application of section 5.5 of IFRS 9 which is mentioned in note 3, with the temporary exclusion of public sector exposures.

#### Credit risk

The credit risk is the existing risk regarding the possibility for the Bank to incur in 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 for individuals counterparties and geographical concentrations and industries, so as to monitor the indicators with respect to such limits.

The Bank's Credit Risk Management is in charge of controls and reviews and manages the credit risk of all types of counterparties. The credit risk managers are responsible for their business lines and manage specific portfolios. Experts support both the credit risk manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Bank has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Bank to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

In addition, the Bank makes available to its customers guarantees that may require that the Bank makes payments on their behalf and enters into commitments to extend credit lines to secure their liquidity needs. Such commitments expose the Bank to similar risks to loans and are mitigated by the same control processes and policies.

#### 36.1 Impairment assessment

This note must be read together with note 3 section "New accounting standards over impairment of financial assets not measured at fair value through profit or loss".

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

### **36.1.1 Definition of default and impaired**

The method for calculating the expected credit loss of customers analyzed on an individual and collective basis is the same as the method adopted for managing these customers.

The analysis on an individual basis is also used for the origination and granting of limits to customers included in these portfolios. The Bank performs ongoing individual management through analysts specialized in company risks who draft a report on the financial position and economic and financial situation of each customer considering also qualitative elements, economic group, economic activity, market indicators and company positioning, among others. This individual report is analyzed by Credit Committee members to define the credit assistance to be granted to the customer and is also used for assessing the significant increase of the risk.

For customers analyzed on a collective basis, the probability of default for the origination, management and calculation of expected losses is determined at customer level.

Behavioral scoring models are used for risk management and the origination scores are used to grant financings to new customers. These scores provide the probability of default to the massive credit rating tools and the statistical models to calculate the expected credit loss.

The criterion to assess whether a financial instrument is impaired will depend on the analysis to which such customer is exposed.

#### **36.1.1.1. Customers evaluated on a collective basis**

The following impaired stages of financial assets were determined for customers evaluated on a collective basis:

- Stage 1: the credit risk on instruments has not increased significantly since initial recognition, the Bank recognized an allowance base for 12mECL.
- Stage 2: when instruments have shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECL.
- Stage 3: instruments considered credit-impaired. The Bank records an allowance for the LTECL.

In conclusion, all financial instruments of the same customer are impaired when:

- Some of its instruments becomes 90 days past due on its contractual payments (section B.5.5.37 of IFRS9).
- Recognized a loan due to the derecognition of delinquency products.
- Loan recognized for refinancing.
- Customer PD is equal to 1.

#### **36.1.1.2. Customers evaluated on an individual basis**

The Bank's credit risk impairment evaluation model analyzes all clients within its "commercial portfolio" on an individual basis according to the definition provided by the BCRA concerning debtor classification and allowances regulation, as revised.

To make such assessment, some objective data were defined to analyze whether there is an increase in credit risk to determine whether it should be reclassified to Stage 2 due to the existence of a significant increase in risk; be reclassified to Stage 3 when a default is produced or projected, or remain in Stage 1. These events mainly comprise:

- Significant arrears in the main credit lines granted.
- Legal actions by the Bank to collect the assistance granted.
- Request for reorganization proceeding or bankruptcy.
- Forborne loans with principal still outstanding.



## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

### **36.1.2 The Bank's internal rating and PD estimation process**

The Bank's Risk Management Department operates its internal rating models. The Bank runs separate models for its key portfolios in which its customers are rated using internal grades. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilize supplemental external information that could affect the borrower's behavior. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information and the IFRS 9 Stage classification of the exposure. This is repeated for each economic scenario as appropriate.

The rating model developed by the entity, in order to identify the risks and concentrations associated with the PDs in accordance with the individual assessment, is based on a Behavior Module considering the behavior scores of the commercial portfolio segments and contemplates variables of internal behavior and variables from public sources. The Probabilities of Default are established based on the behavior scores of the commercial portfolio, in order to determine the ECL over each customer's credit exposure.

To classify the collective assessment per risk levels, the Bank has developed a dual-matrix methodology that combines generic Market Scores with the Bank's internal behavior scores, to determine each customer's Probability of Default (PD).

Credit Risk Management is responsible for the development of the Score Models.

The proposals for implementing the models, as well as the changes in the policy conditions or model parameters, are submitted to the Risk Management Committee for approval. The methodologies, variables, development population, observation windows and results that support the preparation of the models are documented in special reports, as well as their frequent validation.

### **36.1.3 Exposure at default (EAD)**

The EAD represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for Stage 1 financial assets, the Bank assesses the possible default events within 12 months for the calculation of the 12mECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The Bank developed a calculation method for the products that have a defined flow schedule, and another method for the products that provide the customers with a credit line (revolving products). For revolving products, the Bank calculated a credit risk factor that contemplates the use that this credit line could represent in case of default. Upon building the credit risk factors, the aging of the product and level of use was considered, among other characteristics.

### **36.1.4 Loss given default (LGD)**

LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive (i.e., all cash shortfalls), including from the realization of any collateral.

It is the complement to the unit of the recovery rate; that is, the proportion not collected by the Bank with respect to the EAD. Consequently, the default amount is compared with the current value of the amounts recovered after the date of default.

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

The Bank segments its loans into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a different set of transaction characteristics (e.g., product type, different range of collateral types, etc.) as well as borrower characteristics.

The estimates are based on the historical information observed in the Bank, by discounting the flows that are recorded throughout the recovery process of the contracts in default at a certain time using the EIR.

Once the recovery rates are obtained, this behavior is projected through a triangular method to estimate the periods with less aging. Finally, the weighted average of the loss for each portfolio is determined.

The workout period corresponds to the term observed for recovery flows as from the date of default, so that an increase in the observation period does not significantly alter the recovery amount. In other words, it is a period in which it is assumed that all recovery efforts are practically exhausted.

Further recent data and forward-looking economic scenarios are used in order to determine the LGD rates of the ECL according to IFRS9. When assessing forward-looking information, the expectation is based on different scenarios (base case, upside and downside).

### **36.1.5 Significant increase in credit risk**

The Bank continuously monitors all assets subject to ECL. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Bank assesses qualitative and quantitative information whether there has been a significant increase in credit risk since initial recognition.

When estimating ECL on a collective basis for a group of similar assets, the Bank applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

The significant increase in credit risk is assessed by comparing PD as from the date of origin and the PD as from the reporting date adjusted by the forward-looking factor. The Bank considers that there is a significant increase in credit risk when there is more than one level of variation in the clients' risk category at the reporting date, except for clients considered of very low risk where the variation required is more than two categories.

All the customers subject to individual analysis are reviewed monthly in order to define the corresponding stage for each of them. The staging is agreed with Corporate Risk Management and Recovery Management and presented for the approval of the Senior Management.

In order to carry out the abovementioned evaluation, the Credit Risk Management has defined a series of objective data that help to analyze if there is a significant increase in credit risk, for the purpose of determine if it is appropriate to recategorize the debtor in Stage 2 due to the existence of a significant increase in credit risk, or in Stage 3 when a default has occurred or is projected, or if, on the contrary, it must remain in Stage 1.

As for the defined objective criteria, the following stand out:

- Maximum arrears.
- Number and amount of rejected checks recorded in the last quarter.
- Customers who register defaults in other financial entities of the Argentinian financial system.

Moreover, the Bank monitors the effectiveness of the criteria used in identifying the significant increase in credit risk through periodic reviews to confirm that:

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

- The criteria are able to identify significant increases in credit risk before an exposure defaults.
- The average time between a significant increase in credit risk is identified and the date the default occurs is reasonable.

**36.2 Analysis of inputs to the ECL model under multiple economic scenarios**

To ensure completeness and accuracy, the Bank obtains the data used from third party sources and a team of economists within its Credit Risk Department verifies the accuracy of inputs to the Bank's ECL models including the weights attributable to the multiple scenarios.

The key economic variables used in each of the economic scenarios for the ECL calculation, are as follows:

- GDP growth
- Central Bank of Argentina base rates
- CPI

When the ECL are estimated, the Bank calculates PD, LGD and EAD parameters for each of the three-weighted scenarios (base case, upside and downside) according to its estimated probability of an event. Such probability may vary over a period of time related to the observed forward-looking.

**37. ADDITIONAL INFORMATION**

The table below shows the amounts corresponding to the detail of Government and private debt securities as of March 31, 2020 and December 31, 2019.

Description	03/31/2020	12/31/2019
Debt securities at fair value through profit or loss		
Government securities	1,032,483	5,184,963
Private securities	662,337	932,669
Government securities – Foreign	2,869	
<b>Total debt securities at fair value through profit or loss</b>	<b>1,697,689</b>	<b>6,117,632</b>
Other debt securities		
At fair value through OCI		
Central Bank internal bills	71,442,137	49,514,606
Government securities	6,577,773	506,981
Government securities – Foreign	3,481,342	516,435
<b>Total at fair value through OCI</b>	<b>81,501,252</b>	<b>50,538,022</b>
At amortized cost		
Government securities (see notes 10 and 38)	13,443,099	16,130,299
Private securities	2,317,649	2,925,185
Central Bank internal bills	20,079	
<b>Total at amortized cost</b>	<b>15,780,827</b>	<b>19,055,484</b>
<b>Total other debt securities</b>	<b>97,282,079</b>	<b>69,593,506</b>
Equity instruments		
At fair value through profit or loss	1,583,618	1,656,046
<b>Total equity instruments</b>	<b>1,583,618</b>	<b>1,656,046</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

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

The international and local macroeconomic context generates 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, including what is mentioned in note 39.

Specifically, in Argentina, as a step prior to general presidential elections, the PASO (open primary elections) were held on August 11, 2019. The results were adverse to the party running the Argentine government, which was confirmed with the results of the general presidential elections held on October 27, 2019, giving rise to a change in federal authorities on December 10, 2019. The market values of Argentine government and private financial instruments plummeted the day after the PASO, so the country risk and the value of the US dollar also skyrocketed. These situations remain as of the date of issuance of these condensed consolidated interim financial statements.

Among other measures introduced by the PEN after the PASO, DNU No. 596/2019 was issued on August 28, 2019, whereby it established, with certain exceptions, a first reprofiling in the maturities of short-term Government securities (Letes, Lecaps, Lelinks and Lecer) Then, the new PEN issued Presidential Decree No. 49/2019 on December 19, 2019, to extend through August 31, 2020, the amortization of treasury bills (Letes) in US dollars.

On December 23, 2019, "Social Solidarity and Productive Reactivation" Law No. 27541 was published in the Official Bulletin. Furthermore, on December 28, 2019, Presidential Decree No. 99/2019 was published including several economic, financial, tax and other social security, administrative, fee, energy, sanitary and social reforms, and empowered the PEN to complete the formalities and acts needed to recover and secure the sustainability of the government debt as already mentioned and introduced minimum salary increases, among other issues.

On January 20, 2020, the PEN voluntarily swapped Lecaps for about 60% of the stock for the new Lebad, which pay BADLAR plus a spread with maturity date in 240 and 335 days that generated an income for such swap for an amount of 755,718, due to the Bank presentation. After that, on February 11, 2020, through Presidential Decree No. 141/2020 it was decided, with certain exceptions, to delay up to September 30, 2020, the charge for the principal amortization of Federal Government bonds of dual currency (AF20, as its acronym in Spanish) to be made on February 13, 2020, without interrupting the payment of interest established in the original terms and conditions.

On February 12, 2020, Law No. 27544 "Restoration of the sustainability of government debt issued under foreign law" was published in the Official Bulletin which, among other issues, empowers the PEN to perform transactions to manage liabilities or swaps or restructuring of interest expiry and principal amortization of government securities issued under foreign law.

On April 6, 2020, the payment of all public debt issued under Argentine legislation was deferred through Decree No. 346/2020 until December 31, 2020.

Finally, on April 16, 2020, the National Government announced the offer of restructuring of public debt under foreign legislation which contemplates a withdrawal of interest and principal, along with a grace period before payments restart. As of the date of issuance of these condensed consolidated interim financial statements, this process is not concluded.

Related to tax regulation, through the abovementioned Law No. 27541, among other provisions, redressing systems were added, amendments to employer contributions were made and a "tax for an inclusive and supportive Argentina" (PAIS tax, for its acronym in Spanish) was created for five fiscal years at a 30% rate on the acquisition of foreign currency for hoarding purposes, to purchase assets and services in foreign currency and international passenger transportation, among others. Finally, note 16 a) and b) explains the amendments introduced pursuant to Income Tax Law.

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

Between August 2019 and the date of issuance of these condensed consolidated interim financial statements, the BCRA issued several regulations that, along with Presidential Decree No. 609/2019 of September 1, 2019, introduced certain restrictions with different scopes and specifications for natural and artificial persons, including the acquisition of foreign currency for hoarding purposes, transfers abroad and foreign exchange transactions, among other issues, effective as of the date of issuance of these condensed consolidated interim financial statements according to BCRA Communiqué "A" 6844, as supplemented and amended. In addition, in the last few months the gap between the official price of the US dollar -used mainly for foreign trade- and the alternative values that arise through the stock market operation and also with respect to the unofficial value, has begun to widen around 75% as of the date of issuance of these condensed consolidated interim financial statements.

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 future consolidated financial statements.

### **39. EFFECTS OF THE CORONAVIRUS (COVID-19) OUTBREAK**

In early March 2020, the World Health Organization recognized Coronavirus (Covid-19) as a pandemic. This emergency situation over public health was worldwide expanded and several countries have taken different measures to contain the effects. This situation and the measures adopted have materially affected the international economy activity with different impacts on several countries and business lines.

Particularly in the Argentine Republic, on March 19, 2020, through Decree No. 297/2020, the Government established the "social, preventive and compulsory isolation" measure until March 31, 2020, which was then extended until June 28, 2020.

Along with health protection rules, tax and financial measures were taken to mitigate the impact on the economy associated with the pandemic, including public direct financial assistance measures for part of the population, the establishment of financial and fiscal facilities for both individuals and companies. As regards measures related to the financial institutions, the BCRA established maturities extensions, froze the mortgage loan installments and encouraged banks to lend to companies at reduced rates. In addition, as explained in note 35, the distribution of dividends of the finance institutions was suspended until December 31, 2020.

In addition, in the mandatory quarantine context, the BCRA ruled that financial institutions would not be able to open their branches for public service during that period and should continue to provide services to users remotely. They could also trade with each other and their clients in the exchange market remotely. During quarantine, remote trading of stock exchanges and capital markets authorized by the CNV, by the custodians and capital market agents registered with the CNV was admitted.

In view of the extension of mandatory quarantine, the BCRA then decided that financial institutions would open their branches from Friday, April 3, 2020 for public attention through previous appointments obtained by the Bank's website.

The Bank is developing its activities under the conditions detailed above, giving priority to the compliance of social isolation measures by its employees, with the primary objective of taking care of the public health and well-being of all its stakeholders (employees, suppliers, customers, among others). To this end, it has put in place contingency procedures and has enabled its staff to carry out their tasks remotely. From a commercial point of view, it has emphasized maintaining a close relationship with its customers, trying to respond to their needs at this difficult time, sustaining all virtual channels of care to ensure operability and a good response to requirements, monitoring compliance with their business obligations and monitoring the active portfolio in order to detect possible delays in collection and set new conditions for them.

Considering the size of the abovementioned situation, the Bank's Management estimates that this situation could have an impact on its operations and the financial situation and the profit or loss of the Bank, which are under analysis, and will ultimately depend on the extent and duration of the health emergency and the success of the measures taken and taken in the future.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020)

**40. EVENTS AFTER REPORTING PERIOD**

No other events occurred between the end of the period and the issuance of these condensed consolidated interim financial statements that may materially affect the financial position or the profit and loss for the period, not disclosed in these condensed consolidated interim financial statements.

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

These condensed consolidated interim 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.

**CONSOLIDATED CLASSIFICATION OF LOANS AND OTHER FINANCING  
BY SITUATION AND COLLATERAL RECEIVED  
AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

	<b>03/31/2020</b>	<b>12/31/2019</b>
<b>COMMERCIAL</b>		
<b>In normal situation</b>	97,682,124	110,468,075
With senior "A" collateral and counter-collateral	3,064,245	3,621,814
With senior "B" collateral and counter-collateral	11,337,700	11,839,848
Without senior collateral or counter-collateral	83,280,179	95,006,413
<b>Subject to special monitoring</b>	319,083	277,501
<b>In observation</b>		
With senior "A" collateral and counter-collateral	40,683	
With senior "B" collateral and counter-collateral	21,473	
Without senior collateral or counter-collateral	18	554
<b>In negotiation or with financing agreements</b>		
With senior "B" collateral and counter-collateral	104,262	104,419
Without senior collateral or counter-collateral	152,647	172,528
<b>Troubled</b>	85,641	76,342
With senior "B" collateral and counter-collateral	31,966	11,319
Without senior collateral or counter-collateral	53,675	65,023
<b>With high risk of insolvency</b>	1,210,927	1,416,042
With senior "A" collateral and counter-collateral	9,490	9,347
With senior "B" collateral and counter-collateral	282,784	332,895
Without senior collateral or counter-collateral	918,653	1,073,800
<b>Irrecoverable</b>	56,545	6,106
With senior "A" collateral and counter-collateral	108	448
With senior "B" collateral and counter-collateral	29,709	
Without senior collateral or counter-collateral	26,728	5,658
<b>Subtotal Commercial</b>	99,354,320	112,244,066

**CONSOLIDATED CLASSIFICATION OF LOANS AND OTHER FINANCING  
BY SITUATION AND COLLATERAL RECEIVED  
AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

	<b>03/31/2020</b>	<b>31/12/2019</b>
<b>CONSUMER AND MORTGAGE</b>		
<b>Performing</b>	<u>132,261,618</u>	<u>131,953,487</u>
With senior "A" collateral and counter-collateral	2,849,575	2,579,900
With senior "B" collateral and counter-collateral	14,363,487	15,392,398
Without senior collateral or counter-collateral	<u>115,048,556</u>	<u>113,981,189</u>
<b>Low risk</b>	<u>827,395</u>	<u>1,781,706</u>
With senior "A" collateral and counter-collateral	3,574	17,982
With senior "B" collateral and counter-collateral	87,844	196,019
Without senior collateral or counter-collateral	<u>735,977</u>	<u>1,567,705</u>
<b>Medium risk</b>	<u>848,764</u>	<u>1,506,564</u>
With senior "A" collateral and counter-collateral	1,884	14,372
With senior "B" collateral and counter-collateral	81,593	140,132
Without senior collateral or counter-collateral	<u>765,287</u>	<u>1,352,060</u>
<b>High risk</b>	<u>499,252</u>	<u>1,703,700</u>
With senior "A" collateral and counter-collateral	18,071	28,920
With senior "B" collateral and counter-collateral	102,049	142,780
Without senior collateral or counter-collateral	<u>379,132</u>	<u>1,532,000</u>
<b>Irrecoverable</b>	<u>487,106</u>	<u>465,982</u>
With senior "A" collateral and counter-collateral	6,101	10,060
With senior "B" collateral and counter-collateral	151,874	154,113
Without senior collateral or counter-collateral	<u>329,131</u>	<u>301,809</u>
<b>Subtotal consumer and mortgage</b>	<u>134,924,135</u>	<u>137,411,439</u>
<b>Total</b>	<u><u>234,278,455</u></u>	<u><u>249,655,505</u></u>

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

	<b>03/31/2020</b>	<b>12/31/2019</b>
Loans and other financing	225,109,798	238,126,794
+ Allowances for loans and other financing	5,495,857	5,465,139
+ Adjustment IFRS (adjustment amortized cost and fair value)	96,835	122,682
+ Debt securities of financial trust - Measured at amortized cost	974,228	1,186,508
+ Corporate bonds	1,351,711	1,740,766
- Interest and other accrued items receivable from financial assets with impaired credit value	(82,309)	(58,614)
Guarantees provided and contingent liabilities	<u>1,332,335</u>	<u>3,072,230</u>
Total computable items	<u><u>234,278,455</u></u>	<u><u>249,655,505</u></u>



**CONSOLIDATED CONCENTRATION OF LOANS AND FINANCING FACILITIES  
AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Number of customers	03/31/2020		12/31/2019	
	Cut off balance	% of total portfolio	Cut off balance	% of total portfolio
10 largest customers	37,180,167	15.87	40,936,633	16.40
50 next largest customers	32,147,390	13.72	38,431,162	15.39
100 next largest customers	15,434,864	6.59	16,875,219	6.76
Other customers	149,516,034	63.82	153,412,491	61.45
<b>Total (1)</b>	<u>234,278,455</u>	<u>100.00</u>	<u>249,655,505</u>	<u>100.00</u>

(1) See reconciliation in Exhibit B

**CONSOLIDATED BREAKDOWN OF LOANS AND OTHER FINANCING BY TERM  
AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

**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		658,871	461,645	784,245	1,552,855	2,530,906	1,362,368	7,350,890
Financial sector		816,860	456,184	1,007,000	413,483	2,096,436	3,630	4,793,593
Non-financial private sector and foreign residents	3,642,072	81,649,700	28,259,621	34,083,166	34,073,031	47,024,806	66,439,553	295,171,949
<b>Total</b>	<b>3,642,072</b>	<b>83,125,431</b>	<b>29,177,450</b>	<b>35,874,411</b>	<b>36,039,369</b>	<b>51,652,148</b>	<b>67,805,551</b>	<b>307,316,432</b>

**CONSOLIDATED BREAKDOWN OF LOANS AND OTHER FINANCING BY TERM  
AS OF DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

**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		2,947,839	697,539	823,924	1,980,466	3,263,851	2,178,477	11,892,096
Financial sector		1,978,479	2,378,722	508,616	680,653	962,645	5,893	6,515,008
Non-financial private sector and foreign residents	3,908,564	97,771,269	29,119,755	26,138,101	32,645,430	47,080,266	72,638,857	309,302,242
<b>Total</b>	<b>3,908,564</b>	<b>102,697,587</b>	<b>32,196,016</b>	<b>27,470,641</b>	<b>35,306,549</b>	<b>51,306,762</b>	<b>74,823,227</b>	<b>327,709,346</b>

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

**CONSOLIDATED CHANGE OF PROPERTY, PLANT AND EQUIPMENT  
AS OF MARCH 31, 2020**

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

(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Original value at beginning of fiscal year	Total life estimated in years	Increases	Decreases	Depreciation for the period				Residual value at the end of the period
					Accumulated	Decrease	For the period	At the end	
<b>Cost</b>									
Real property	23,613,775	50	19,672		1,496,550	23	117,530	1,614,057	22,019,390
Furniture and facilities	2,916,173	10	9,102	136	1,136,425		71,364	1,207,789	1,717,350
Machinery and equipment	3,849,641	5	59,693	24	2,046,286		173,762	2,220,048	1,689,262
Vehicles	663,530	5	15,245	23,297	541,927	21,544	15,206	535,589	119,889
Other	2,112				2,097		2	2,099	13
Work in progress	941,651		103,900						1,045,551
Right of use real property	1,318,624	5	121,470	58,441	326,510	12,087	98,072	412,495	969,158
<b>Total property, plant and equipment (1)</b>	<b>33,305,506</b>		<b>329,082</b>	<b>81,898</b>	<b>5,549,795</b>	<b>33,654</b>	<b>475,936</b>	<b>5,992,077</b>	<b>27,560,613</b>

**CONSOLIDATED CHANGE OF PROPERTY, PLANT AND EQUIPMENT  
AS OF DECEMBER 31, 2019**

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

(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

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>									
Real property (1)	21,870,708	50	1,862,866	119,799	1,167,791	93,739	422,498	1,496,550	22,117,225
Furniture and facilities	2,722,045	10	573,867	379,739	1,268,914	377,927	245,395	1,136,382	1,779,791
Machinery and equipment	6,054,147	5	681,203	2,885,709	4,183,601	2,882,668	745,364	2,046,297	1,803,344
Vehicles	657,939	5	106,091	100,500	527,894	51,855	65,887	541,926	121,604
Other	1,952		160		1,919		178	2,097	15
Work in progress	1,620,232		1,567,330	2,245,911					941,651
Right of use real property		5	1,433,837	115,213		32,929	359,438	326,509	992,115
<b>Total property, plant and equipment (1)</b>	<b>32,927,023</b>		<b>6,225,354</b>	<b>5,846,871</b>	<b>7,150,119</b>	<b>3,439,118</b>	<b>1,838,760</b>	<b>5,549,761</b>	<b>27,755,745</b>

(1) During the fiscal year 2020 and 2019, this item observed transfers to and from property, plant and equipment and/or non-current assets held for sale.

**CONSOLIDATED CHANGE IN INVESTMENT PROPERTY  
AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Original Value at beginning of fiscal year	Useful life estimated in years	Increases	Decreases	Depreciation for the period				Residual value at the end of the period
					Accumulated	Decrease	For the period	At the end	
<b>Cost</b>									
Rented properties	174,374	50	1		26,680		473	27,153	147,222
Other investment properties	664,331	50	43,344	3,195	30,749		2,001	32,750	671,730
<b>Total investment property</b>	<b>838,705</b>		<b>43,345</b>	<b>3,195</b>	<b>57,429</b>		<b>2,474</b>	<b>59,903</b>	<b>818,952</b>

**CONSOLIDATED CHANGE IN INVESTMENT PROPERTY  
AS OF DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Original Value at beginning of fiscal year	Useful 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	174,371	50	3		24,731	1	1,950	26,680	147,694
Other investment properties	577,582	50	343,606	256,857	22,710	1	8,040	30,749	633,582
<b>Total investment property</b>	<b>751,953</b>		<b>343,609</b>	<b>256,857</b>	<b>47,441</b>	<b>2</b>	<b>9,990</b>	<b>57,429</b>	<b>781,276</b>

**CONSOLIDATED CHANGE IN INTANGIBLE ASSETS  
AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Original Value at beginning of fiscal year	Useful life estimated in years	Increases	Decreases	Depreciation for the period				Residual value at the end of the period
					Accumulated	Decrease	For the period	At the end	
<b>Cost</b>									
Licenses	1,761,621	5	221,808		722,127		94,003	816,130	1,167,299
Other intangible assets	5,497,534	5	264,493		2,718,703		263,632	2,982,335	2,779,692
<b>Total intangible assets</b>	<u>7,259,155</u>		<u>486,301</u>		<u>3,440,830</u>		<u>357,635</u>	<u>3,798,465</u>	<u>3,946,991</u>

**CONSOLIDATED CHANGE IN INTANGIBLE ASSETS  
AS OF DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Original Value at beginning of fiscal year	Useful 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>									
Licenses	2,144,206	5	551,059	933,644	1,321,960	927,444	327,611	722,127	1,039,494
Other intangible assets	6,533,572	5	1,281,610	2,317,648	3,839,277	2,185,322	1,064,748	2,718,703	2,778,831
<b>Total intangible assets</b>	<u>8,677,778</u>		<u>1,832,669</u>	<u>3,251,292</u>	<u>5,161,237</u>	<u>3,112,766</u>	<u>1,392,359</u>	<u>3,440,830</u>	<u>3,818,325</u>

**CONSOLIDATED DEPOSIT CONCENTRATION**  
**AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
 (Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Number of customers	03/31/2020		12/31/2019	
	Outstanding balance	% of total portfolio	Outstanding balance	% of total portfolio
10 largest customers	28,565,889	9.18	26,442,516	9.33
50 next largest customers	20,449,569	6.57	13,156,472	4.64
100 next largest customers	12,378,769	3.98	10,244,078	3.62
Other customers	249,920,790	80.27	233,524,538	82.41
<b>Total</b>	<b>311,315,017</b>	<b>100.00</b>	<b>283,367,604</b>	<b>100.00</b>

**CONSOLIDATED BREAKDOWN OF FINANCIAL LIABILITIES  
FOR RESIDUAL TERMS  
AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

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>	283,641,497	24,881,022	3,692,385	854,829	58,588	7,768	313,136,089
From the non-financial government sector	26,757,584	600,631	168,443	832			27,527,490
From the financial sector	291,115						291,115
From the non-financial private sector and foreign residents	256,592,798	24,280,391	3,523,942	853,997	58,588	7,768	285,317,484
<b>Derivative instruments</b>	2,526	157,769					160,295
<b>Other Financial Liabilities</b>	23,266,365	42,967	13,806	21,324	151,380	13,637	23,509,479
<b>Financing received from the Central Bank of Argentina and other financial institutions</b>	142,820	155,468	350,421	105,959	144,722	27,561	926,951
<b>Issued corporate bonds</b>	223,633	248,581	197,524	657,702	3,111,861	3,089,501	7,528,802
<b>Subordinated corporate bonds</b>		847,040		870,341	1,740,682	35,359,051	38,817,114
<b>Total</b>	<u>307,276,841</u>	<u>26,332,847</u>	<u>4,254,136</u>	<u>2,510,155</u>	<u>5,207,233</u>	<u>38,497,518</u>	<u>384,078,730</u>

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

**CONSOLIDATED BREAKDOWN OF FINANCIAL LIABILITIES  
FOR RESIDUAL TERMS  
AS OF DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

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>	252,693,850	28,152,829	3,743,995	1,107,730	57,710	24,440	285,780,554
From the non-financial government sector	18,191,460	838,905	46,092	2,242			19,078,699
From the financial sector	338,666						338,666
From the non-financial private sector and foreign residents	234,163,724	27,313,924	3,697,903	1,105,488	57,710	24,440	266,363,189
<b>Derivative instruments</b>	315,999	367,755	144,935				828,689
<b>Repo transactions</b>	1,080,811						1,080,811
Other financial entities	1,080,811						1,080,811
<b>Other Financial Liabilities</b>	22,715,617	105,634	112,161	180,522	350,137	463,263	23,927,334
<b>Financing received from the Central Bank of Argentina and other financial institutions</b>	1,111,520	894,808	162,326	105,843	182,889	49,391	2,506,777
<b>Issued corporate bonds</b>	345,260		555,146	797,155	3,626,548	3,330,467	8,654,576
<b>Subordinated corporate bonds</b>			871,648	871,649	1,743,296	35,412,156	38,898,749
<b>Total</b>	<u>278,263,057</u>	<u>29,521,026</u>	<u>5,590,211</u>	<u>3,062,899</u>	<u>5,960,580</u>	<u>39,279,717</u>	<u>361,677,490</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 MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Amounts at beginning of fiscal year	Increases	Decreases		Monetary effects generated by provisions	03/31/2020
			Reversals	Charge off		
Commissions for eventual commitments	18,620	5,964		6,026	(1,411)	17,147
For Administrative, disciplinary and criminal penalties	774				(56)	718
Other	1,569,050	300,719		182,533	(117,559)	1,569,677
<b>Total Provisions</b>	<u>1,588,444</u>	<u>306,683</u>		<u>188,559</u>	<u>(119,026)</u>	<u>1,587,542</u>

**CONSOLIDATED CHANGES IN PROVISIONS  
AS OF DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Amounts at beginning of fiscal year	Increases	Decreases		Monetary effects generated by provisions	12/31/2019
			Reversals	Charge off		
Commissions for eventual commitments	17,793	8,695			(7,868)	18,620
For Administrative, disciplinary and criminal penalties	1,190				(416)	774
Other	1,733,194	1,424,423	912,725	29,080	(646,762)	1,569,050
<b>Total Provisions</b>	<u>1,752,177</u>	<u>1,433,118</u>	<u>912,725</u>	<u>29,080</u>	<u>(655,046)</u>	<u>1,588,444</u>

**CONSOLIDATED FOREIGN CURRENCY AMOUNTS  
AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Items	03/31/2020					12/31/2019
	Total parent company and local branches	Total per currency				Total
		US dollar	Euro	Real	Other	
<b>ASSETS</b>						
Cash and deposits in banks	68,573,207	68,228,652	243,828	15,044	85,683	76,489,284
Debt securities at fair value through profit or loss	139,867	139,867				266,530
Other financial assets	4,065,302	4,065,302				4,042,437
Loans and other financing	39,930,010	39,930,010				42,013,547
To the non-financial government sector						
Other financial institutions	71,110	71,110				655,621
From the non-financial private sector and foreign residents	39,858,900	39,858,900				41,357,926
Other debt securities	3,716,294	3,716,294				933,021
Financial assets delivered as guarantee	2,089,929	2,085,658	4,271			3,117,775
Equity Instruments at fair value through profit or loss	6,220	6,220				11,449
<b>TOTAL ASSETS</b>	<b>118,520,829</b>	<b>118,172,003</b>	<b>248,099</b>	<b>15,044</b>	<b>85,683</b>	<b>126,874,043</b>
<b>LIABILITIES</b>						
Deposits	77,901,582	77,901,541	41			85,896,796
Non-financial government sector	3,124,176	3,124,176				4,301,525
Financial sector	246,309	246,309				247,856
Non-financial private sector and foreign residents	74,531,097	74,531,056	41			81,347,415
Other financial liabilities	5,805,596	5,718,517	78,565		8,514	5,657,378
Financing from Central Bank and other financial institutions	687,740	687,740				2,205,173
Subordinated corporate bonds	26,606,050	26,606,050				26,207,857
Other non-financial liabilities	30,996	30,996				26,907
<b>TOTAL LIABILITIES</b>	<b>111,031,964</b>	<b>110,944,844</b>	<b>78,606</b>		<b>8,514</b>	<b>119,994,111</b>

**CONSOLIDATED BREAKDOWN OF STATEMENT OF INCOME  
AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Items	Net financial Income/ (Loss)
	Mandatory measurement
For measurement of financial assets at fair value through profit or loss	
Gain from government securities	1,328,895
Gain from private securities	226,280
Gain from derivative financial instruments	
Forward transactions	36,011
Loss from other financial assets	(5,559)
Gain from equity instruments at fair value through profit or loss	90,404
Loss from sales or decreases of financial assets at fair value (*)	(5,769,290)
<b>TOTAL</b>	<b>(4,093,259)</b>

(\*) Includes reclassifications of instruments classified at fair value through other comprehensive income that were derecognized or charged during the period.

**EXHIBIT Q**  
(Continued)

**CONSOLIDATED BREAKDOWN OF STATEMENT OF INCOME  
AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

<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>
Interest income	
for cash and bank deposits	60,921
for government securities	1,703,001
for debt securities	583,876
for loans and other financing	
Non-financial public sector	555,305
Financial sector	251,892
Non-financial private sector	
Overdrafts	4,062,309
Documents	1,272,899
Mortgage loans	1,797,225
Pledge loans	106,554
Personal loans	6,658,348
Credit cards	2,735,938
Financial leases	22,461
Other	1,992,664
for repo transactions	
Central Bank of Argentina	322,010
Other financial institutions	41,822
<b>TOTAL</b>	<b>22,167,225</b>
Interest expenses	
for deposits	
Non-financial private sector	
Checking accounts	(120,325)
Saving accounts	(145,711)
Time deposits and investments accounts	(8,490,505)
for financing received from Central Bank of Argentina and other financial institutions	(22,087)
for repo transactions	
Other financial institutions	(65,597)
for other financial liabilities	(21,038)
Issued corporate bonds	(284,843)
for subordinated corporate bonds	(458,284)
<b>TOTAL</b>	<b>(9,608,390)</b>

**EXHIBIT Q**  
(Continued)

**CONSOLIDATED BREAKDOWN OF STATEMENT OF INCOME**  
**AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

<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 period</b>	<b>Other comprehensive income/ (Loss)</b>
From debt government securities	8,742,637	(1,250,304)
<b>Total</b>	<b>8,742,637</b>	<b>(1,250,304)</b>

<b>Commissions income</b>	<b>Income for the period</b>
Commissions related to obligations	2,636,198
Commissions related to credits	15,861
Commissions related to loans commitments and financial guarantees	131
Commissions related to securities value	84,862
Commissions for credit cards	1,734,680
Commissions for insurances	308,613
Commissions related to trading and foreign exchange transactions	87,080
<b>Total</b>	<b>4,867,425</b>

<b>Commissions expenses</b>	<b>Loss for the period</b>
Commissions related to trading and foreign exchange transactions	(20,970)
Other	
Commissions paid ATM exchange	(264,257)
Checkbooks commissions and compensating cameras	(82,638)
Commissions credit cards and foreign trade	(68,380)
<b>Total</b>	<b>(436,245)</b>

**CONSOLIDATED BREAKDOWN OF STATEMENT OF INCOME**  
**AS OF MARCH 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Items	Net financial Income/ (Loss)
	Mandatory measurement
For measurement of financial assets at fair value through profit or loss	
Gain from government securities	259,803
Gain from private securities	232,170
Gain from derivative financial instruments	
Forwards transactions	450,039
Gain from other financial assets	65,098
Gain from equity instruments at fair value through profit or loss	2,047,895
Loss from sales or decreases of financial assets at fair value (*)	(11,157,557)
<b>Total</b>	<b>(8,102,552)</b>

(\*) Includes reclassifications of instruments classified at fair value through other comprehensive income that were derecognized or charged during the period.

**CONSOLIDATED BREAKDOWN OF STATEMENT OF INCOME  
AS OF MARCH 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

<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>
Interest income	
for cash and bank deposits	48,517
for debt securities	786,993
for government securities	2,075
for loans and other financing	
Non-financial public sector	307,067
Financial sector	770,546
Non-financial private sector	
Overdrafts	2,915,470
Documents	1,864,327
Mortgage loans	2,028,040
Pledge loans	199,107
Personal loans	8,952,269
Credit cards	3,980,931
Financial leases	68,114
Other	1,437,327
for repo transactions	
Central Bank of Argentina	15,118
Other financial institutions	485,252
<b>Total</b>	<b>23,861,153</b>
Interest expenses	
for deposits	
Non-financial private sector	
Checking accounts	(188,275)
Saving accounts	(149,656)
Time deposits and investments accounts	(16,061,998)
for financing received from Central Bank of Argentina and other financial institutions	(66,652)
Other financial institutions	(108,168)
for other financial liabilities	(48,017)
Issued corporate bonds	(699,978)
for subordinated corporate bonds	(433,484)
<b>Total</b>	<b>(17,756,228)</b>

**CONSOLIDATED BREAKDOWN OF STATEMENT OF INCOME**  
**AS OF MARCH 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

<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 period</b>	<b>Other comprehensive income/ (Loss)</b>
From debt government securities	13,855,834	(142,645)
<b>Total</b>	<b>13,855,834</b>	<b>(142,645)</b>

<b>Commissions income</b>	<b>Income for the period</b>
Commissions related to obligations	3,260,044
Commissions related to credits	37,806
Commissions related to loans commitments and financial guarantees	3,421
Commissions related to securities value	32,109
Commissions for credit cards	1,705,901
Commissions for insurances	348,566
Commissions related to trading and foreign exchange transactions	114,708
<b>Total</b>	<b>5,502,555</b>

<b>Commissions expenses</b>	<b>Loss for the period</b>
Commissions related to trading and foreign exchange transactions	(14,173)
Other	
Commissions paid ATM exchange	(171,970)
Checkbooks commissions and compensating cameras	(87,122)
Commissions credit cards and foreign trade	(100,046)
<b>Total</b>	<b>(373,311)</b>



**VALUE ADJUSTMENT FOR CREDIT LOSSES - CONSOLIDATED ALLOWANCES FOR UNCOLLECTIBILITY RISK  
AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 41)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Balances at beginning of the fiscal year	ECL of the next 12 months	ECL of remanent life of financial asset		Effect monetary generated by provisions	03/31/2020
			Financial instruments with a significant increase in credit risk	Financial instruments with impairment		
Other financial assets	11,113	8,708			(805)	19,016
Loans and other financing	5,465,139	27,073	219,035	180,022	(395,412)	5,495,857
Other financial institutions	29,749	(10,198)			(2,152)	17,399
To the non-financial private sector and foreign residents						
Overdrafts	831,945	(20,077)	6,467	61,890	(60,191)	820,034
Documents	395,941	12,359	(6,176)	3,261	(28,647)	376,738
Mortgage loans	412,919	749	(238)	17,715	(29,876)	401,269
Pledge loans	139,116	(530)	(12,497)	13,559	(10,065)	129,583
Personal loans	1,980,686	(39,826)	143,524	89,464	(143,307)	2,030,541
Credit cards	854,913	40,462	92,464	9,262	(61,855)	935,246
Financial leases	5,768	(1,154)	771	1,224	(417)	6,192
Other	814,102	45,288	(5,280)	(16,353)	(58,902)	778,855
Eventual commitments	18,620	1,068	(3,444)	2,250	(1,347)	17,147
Other debt securities	2,089	6,352			(151)	8,290
<b>TOTAL OF ALLOWANCES</b>	<b>5,496,961</b>	<b>43,201</b>	<b>215,591</b>	<b>182,272</b>	<b>(397,715)</b>	<b>5,540,310</b>

**CONDENSED SEPARATE INTERIM STATEMENT OF FINANCIAL POSITION  
AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Items	Notes	Exhibits	03/31/2020	12/31/2019
<b>ASSETS</b>				
Cash and Deposits in Banks	6		116,571,664	104,993,748
Cash			18,556,451	21,032,624
Central Bank of Argentina			71,818,942	59,460,233
Other Local and Foreign Entities			26,192,239	24,496,853
Other			4,032	4,038
Debt Securities at fair value through profit or loss	6	A	1,497,233	5,566,534
Derivative Financial Instruments	6		41,305	54,638
Repo transactions	6		409,769	1,172,768
Other financial assets	8	R	9,713,014	5,373,180
Loans and other financing	5 and 6	B, C, D and R	224,753,137	237,792,304
Non-financial Public Sector			4,204,004	6,953,767
Other Financial Entities			2,776,137	4,260,459
Non-financial Private Sector and Foreign Residents			217,772,996	226,578,078
Other Debt Securities	6	A and R	93,565,785	68,660,485
Financial Assets delivered as guarantee	6 and 26		9,985,037	11,490,615
Equity Instruments at fair value through profit or loss	6 and 11	A	1,583,559	1,655,958
Investment in subsidiaries, associates and joint arrangements	7		3,683,533	3,746,063
Property, plant and equipment		F	27,532,047	27,723,026
Intangible Assets		G	3,945,253	3,817,020
Deferred Income Tax Assets	16.a)		11,317	
Other Non-financial Assets	8		1,272,930	985,225
Non-current assets held for sale			1,924,882	1,882,621
<b>TOTAL ASSETS</b>			<b>496,490,465</b>	<b>474,914,185</b>

**CONDENSED SEPARATE INTERIM STATEMENT OF FINANCIAL POSITION  
AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Items	Notes	Exhibits	03/31/2020	12/31/2019
<b>LIABILITIES</b>				
Deposits	6	H and I	304,586,410	282,879,345
Non-financial Public Sector			27,309,698	18,929,901
Financial Sector			291,115	338,666
Non-financial Private Sector and Foreign Residents			276,985,597	263,610,778
Derivative Financial Instruments	6	I	160,295	828,689
Repo Transactions	6	I		1,080,702
Other Financial Liabilities	6 and 13	I	20,043,719	21,168,224
Financing received from the Central Bank of Argentina and other financial entities	6	I	864,606	2,420,795
Issued Corporate Bonds	6 and 31	I	5,462,885	5,955,965
Current Income Tax Liabilities	16		10,226,413	8,716,210
Subordinated Corporate Bonds	6 and 31	I	26,629,350	26,207,857
Provisions	12	J	1,587,542	1,588,444
Deferred Income Tax Liabilities				173,017
Other Non-financial Liabilities	13		7,859,904	10,859,302
<b>TOTAL LIABILITIES</b>			<b>377,421,124</b>	<b>361,878,550</b>
<b>SHAREHOLDERS' EQUITY</b>				
Capital Stock	24		639,413	639,413
Non-capital contributions			12,429,781	12,429,781
Adjustments to Shareholders' Equity			37,118,530	37,118,530
Earnings Reserved			59,210,024	59,210,024
Unappropriated Retained Earnings			3,497,840	(17,466,495)
Other Comprehensive Income accumulated			(900,651)	140,047
Net Income for the period/ fiscal year			7,074,404	20,964,335
<b>TOTAL SHAREHOLDERS' EQUITY</b>			<b>119,069,341</b>	<b>113,035,635</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>			<b>496,490,465</b>	<b>474,914,185</b>

The notes 1 to 39 to the condensed separate interim financial statement and the exhibits A to D, F to L, O, Q and R are an integral part of the condensed separate interim financial statement.

**CONDENSED SEPARATE STATEMENT OF INCOME**  
**FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2020 AND 2019**  
(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Items	Notes	Exhibits	Quarter ended 03/31/2020	Quarter ended 03/31/2019
Interest income		Q	30,883,761	37,680,361
Interest expense		Q	(9,608,390)	(17,756,228)
<b>Net Interest income</b>			<b>21,275,371</b>	<b>19,924,133</b>
Commissions income	17	Q	4,804,996	5,502,726
Commissions expense		Q	(433,070)	(371,215)
<b>Net Commissions income</b>			<b>4,371,926</b>	<b>5,131,511</b>
<b>Subtotal (Net Interest income + Net Commissions income)</b>			<b>25,647,297</b>	<b>25,055,644</b>
Loss from measurement of financial instruments at fair value through profit or loss		Q	(4,224,206)	(8,283,889)
Profit / (Loss) from sold or derecognized assets at amortized cost			852,503	(27,065)
Differences in quoted prices of gold and foreign currency	18		509,879	(95,156)
Other operating income	19		996,837	4,544,345
Allowances for loan losses			(861,448)	(1,576,509)
<b>Net Operating Income</b>			<b>22,920,862</b>	<b>19,617,370</b>
Employee benefits	20		(4,633,783)	(4,763,057)
Administrative expenses	21		(2,636,523)	(3,197,044)
Depreciation and amortization of fixed assets		F and G	(831,296)	(767,480)
Other Operating Expenses	22		(4,307,233)	(4,899,220)
<b>Operating Income</b>			<b>10,512,027</b>	<b>5,990,569</b>
Income from subsidiaries, associates and joint arrangements			107,003	168,394
Loss on net monetary position			353,449	3,357,592
<b>Income before tax on continuing operations</b>			<b>10,972,479</b>	<b>9,516,555</b>
Income tax on continuing operations	16.b)		(3,898,075)	(5,588,464)
<b>Net Income from continuing operations</b>			<b>7,074,404</b>	<b>3,928,091</b>
<b>Net Income for the period</b>			<b>7,074,404</b>	<b>3,928,091</b>

**SEPARATE EARNINGS PER SHARE**  
**FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2020 AND 2019**  
(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Items	Quarter ended 03/31/2020	Quarter ended 03/31/2019
<b>Net Profit attributable to Parent's shareholders</b>	<b>7,074,404</b>	<b>3,928,091</b>
PLUS: Potential diluted earnings per common share		
<b>Net Profit attributable to Parent's shareholders adjusted as per diluted earnings</b>	<b>7,074,404</b>	<b>3,928,091</b>
Weighted average of outstanding common shares for the fiscal year	639,413	639,415
PLUS: Weighted average of the number of additional common shares with dilution effects		
<b>Weighted average of outstanding common shares for the fiscal year adjusted as per dilution effect</b>	<b>639,413</b>	<b>639,415</b>
<b>Basic earnings per share (in pesos)</b>	<b>11.0639</b>	<b>6.1433</b>

**CONDENSED SEPARATE INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2020 AND 2019**  
(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Items	Notes	Exhibits	Quarter ended 03/31/2020	Quarter ended 03/31/2019
<b>Net Income for the period</b>			<b>7,074,404</b>	<b>3,928,091</b>
Items of Other Comprehensive Income that will be reclassified to profit or loss				
<b>Foreign currency translation differences in financial statements conversion</b>			<b>(7,091)</b>	<b>61,328</b>
Foreign currency translation differences for the period			(7,091)	61,328
<b>Profit or losses for financial instruments measured at fair value through OCI (IFRS 9(4.1.2)(a))</b>			<b>(846,432)</b>	<b>(93,368)</b>
Profit or losses for financial instruments at fair value through OCI		Q	(1,063,129)	(146,888)
Income tax	16.b)		216,697	53,520
Other Comprehensive Income				
<b>Interest in Other Comprehensive Income of associates and joint ventures accounted for using the participation method</b>			<b>(187,175)</b>	<b>4,198</b>
Income/ (loss) for the period from interest in Other Comprehensive Income of associates and joint ventures accounted for using the participation method			(187,175)	4,198
<b>Total Other Comprehensive Income/ (loss) that will be reclassified to profit or loss for the period</b>			<b>(1,040,698)</b>	<b>(27,842)</b>
<b>Total Other Comprehensive Income/ (loss)</b>			<b>(1,040,698)</b>	<b>(27,842)</b>
<b>Total Comprehensive Income</b>			<b>6,033,706</b>	<b>3,900,249</b>

(\*)Net amount of reclassifications to the income statement of instruments classified at fair value through other comprehensive income that were derecognized or charged during the period.

The notes 1 to 39 to the condensed separate interim financial statement and the exhibits A to D, F to L, O, Q and R are an integral part of the condensed separate interim financial statement.

**CONDENSED SEPARATE INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Changes	Notes	Capital stock		Non- capital contributions	Adjustments to Shareholders' Equity	Other comprehensive income		Earnings Reserved			Total Equity
		Outstanding shares	In treasury	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 restated		639,413		12,429,781	37,118,530	621,933	(481,886)	16,613,797	42,596,227	3,497,840	113,035,635
Total comprehensive income for the period											
- Net income for the period										7,074,404	7,074,404
- Other comprehensive income/ (loss) for the period						(7,091)	(1,033,607)				(1,040,698)
<b>Amount at the end of the period</b>		<b>639,413</b>		<b>12,429,781</b>	<b>37,118,530</b>	<b>614,842</b>	<b>(1,515,493)</b>	<b>16,613,797</b>	<b>42,596,227</b>	<b>10,572,244</b>	<b>119,069,341</b>

**CONDENSED SEPARATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2019**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Changes	Notes	Capital stock		Non-capital Contributions	Adjustments to Shareholders' Equity	Other comprehensive income		Earnings Reserved			Total Equity
		Outstanding shares	In treasury	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 restated		640,715	28,948	12,428,461	37,143,574	529,956	(624,122)	11,397,018	25,078,976	14,054,954	100,678,480
Adjustment and retroactive restatements	3									326,161	326,161
Amount at the beginning of the fiscal year adjusted and restated		640,715	28,948	12,428,461	37,143,574	529,956	(624,122)	11,397,018	25,078,976	14,381,115	101,004,641
Total comprehensive income for the period											
- Net income for the period										3,928,091	3,928,091
- Other comprehensive income/ (loss) for the period						61,328	(89,170)				(27,842)
Own shares in treasury	24	(1,317)	1,317								
<b>Amount at the end of the period</b>		<b>639,398</b>	<b>30,265</b>	<b>12,428,461</b>	<b>37,143,574</b>	<b>591,284</b>	<b>(713,292)</b>	<b>11,397,018</b>	<b>25,078,976</b>	<b>18,309,206</b>	<b>104,904,890</b>

The notes 1 to 39 to the condensed separate interim financial statement and the exhibits A to D, F to L, O, Q and R are an integral part of the condensed separate interim financial statement.

**CONDENSED SEPARATE INTERIM STATEMENT OF CASH FLOWS  
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2020 AND 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Items	Notes	Quarter ended 03/31/2020	Quarter ended 03/31/2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income for the period before Income Tax		10,972,479	9,516,555
Adjustment for total monetary effect of the period		9,878,190	18,505,091
Adjustments to obtain cash flows from operating activities:			
Amortization and depreciation		831,296	767,480
Allowance for loan losses		861,448	1,576,509
Difference in quoted prices of foreign currency		(2,617,355)	(4,183,460)
Other adjustments		(687,327)	(1,090,603)
Net increase/ (decrease) from operating assets:			
Debt Securities at fair value through profit and loss		4,100,657	(2,654)
Derivative financial instruments		13,333	(36,336)
Repo transactions		762,999	
Loans and other financing			
Non-financial public sector		2,749,763	1,012,258
Other financial entities		1,484,322	3,661,746
Non-financial private sector and foreign residents		7,917,130	26,930,936
Other debt securities		(32,922,196)	889,917
Financial assets delivered as guarantee		1,505,578	373,616
Equity instruments at fair value through profit or loss		72,399	(2,148,285)
Other assets		(4,527,333)	(1,621,364)
Net increase/ (decrease) from operating liabilities:			
Deposits			
Non-financial public sector		8,379,797	9,799,544
Financial sector		(47,551)	67,216
Non-financial private sector and foreign residents		13,374,819	77,229
Derivative financial instruments		(668,394)	162,101
Repo transactions		(1,080,702)	(272,739)
Other liabilities		(4,095,134)	(1,349,286)
Payments for Income Tax		(1,544,060)	(1,861,175)
<b>TOTAL CASH FROM OPERATING ACTIVITIES (A)</b>		<b>14,714,158</b>	<b>60,774,296</b>



**CONDENSED SEPARATE INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2020 AND 2019**  
(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Items	Notes	Quarter ended 03/31/2020	Quarter ended 03/31/2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments:			
Acquisition of PPE, intangible assets and other assets		(780,017)	(927,621)
<b>TOTAL CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>(780,017)</b>	<b>(927,621)</b>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments:			
Acquisition or redemption of equity instruments			(322,044)
Non-subordinated corporate bonds		(359,235)	(584,755)
Central Bank of Argentina		(11,169)	(6,161)
Other payments related to financing activities		(1,631,127)	(1,296,985)
Proceeds:			
Financing to local financial entities		93,712	866,613
<b>TOTAL CASH USED IN FINANCING ACTIVITIES (C)</b>		<b>(1,907,819)</b>	<b>(1,343,332)</b>
<b>EFFECT OF EXCHANGE RATE FLUCTUATIONS (D)</b>		<b>4,618,376</b>	<b>8,028,270</b>
<b>MONETARY EFFECT ON CASH AND CASH EQUIVALENTS (E)</b>		<b>(13,052,322)</b>	<b>(23,446,166)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D+E)</b>		<b>3,592,376</b>	<b>43,085,447</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FISCAL YEAR</b>	23	<b>154,508,354</b>	<b>213,673,351</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	23	<b>158,100,730</b>	<b>256,758,798</b>

The notes 1 to 39 to the condensed separate interim financial statement and the exhibits A to D, F to L, O, Q and R are an integral part of the condensed separate interim financial statement.

## **NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020, except otherwise indicated)

### **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 Macro Bank Limited (a company organized under the laws of Bahamas), Macro Securities SA, Macro Fiducia SA, Macro Fondos SGFCISA and Argenpay SAU.

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 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 Suquía 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, the Bank acquired control over Banco del Tucumán SA, which was merged with Banco Macro SA in October 2019. Additionally, on May 21, 2019 the Bank acquired 100% of Argenpay SA (see note 1 to the condensed consolidated interim financial statements).

On June 8, 2020, the Bank's Board of Directors approved the issuance of these condensed separate interim financial statements.

### **2. OPERATIONS OF THE BANK**

Note 2 to the condensed consolidated interim financial statements includes a detailed description of the agreements that relate the Bank with the provincial and municipalities governments.

### **3. BASIS FOR THE PREPARATION OF THESE FINANCIAL STATEMENTS AND APPLICABLE ACCOUNTING STANDARDS**

#### Applicable Accounting Standards

These condensed separate interim financial statements of the Bank were prepared pursuant with Conceptual Framework as established by BCRA (Communiqué "A" 6114 as supplementary rules of the BCRA). Apart from the exceptions established by the BCRA which are explained in the following paragraph, such framework is based on International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the Argentine Federation of Professionals Councils in Economic Sciences (FACPCE, for its acronym in Spanish). The abovementioned international standards include the IFRS, the International Accounting Standards (IAS) and the interpretations developed by the IFRS Interpretations Committee (IFRIC) or former IFRIC (SIC).

From the transitory exceptions established by BCRA to the application of effective IFRS, the following have affected the preparation of these condensed consolidated interim financial statements.

- a) According to Communiqué "A" 6114, as supplementary, and in the convergence process through IFRS, the BCRA established that since fiscal years beginning on January 1, 2020 included, financial institutions defined as Group A by BCRA rules, in which the Bank is included, begin to apply section 5.5 "Impairment" of the IFRS 9 "Financial Instruments" (sections B5.5.1 to B5.5.55), except for the temporary exclusion for the debt securities of the non-financial public sector established by BCRA Communiqué "A" 6847.

## **NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of  
March 31, 2020, except otherwise indicated)

- b) Additionally, on April 29, 2019, the Bank received a Memorandum from the BCRA, which established specific guidelines related to the measurement of the Bank's holding in Prisma Medios de Pago SA as explained in note 11. Considering such guidelines, the Bank adjusted the fair value previously determined.

As of the date of issuance of these condensed separate interim financial statements, the Bank is in the process of quantifying the effect of the application of section 5.5 "Impairment" will have and the needed adjustment over the fair value of the Bank's holding in Prisma Medios de Pago SA, as mentioned in sections (a) and (b) abovementioned, which could be material.

Except for what was mentioned in the preceding paragraphs, the accounting policies applied by the Bank comply with the IFRS as currently approved and are applicable to the preparation of these condensed separate interim financial statements in accordance with the IFRS as adopted by the BCRA through Communiqué "A" 6840. Generally, the BCRA does not allow the anticipated application of any IFRS, unless otherwise expressly stated.

Note 3 to the condensed consolidated interim 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 these condensed separate interim financial statements.

### Subsidiaries

As mentioned in note 1, the Bank performs certain transactions through its subsidiaries.

Subsidiaries are all the entities controlled by the Bank. 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 period in other comprehensive income of subsidiaries, associates and joint ventures accounted for using the participation method", in the statement of other comprehensive income.

### Transcription in the Books of Accounts

As of the date of issuance of these condensed separate interim financial statements, the same are in the process of being transcribed in the Books of Accounts of Banco Macro SA.

### New standards adopted

New standards adopted are described in note 3 to the condensed consolidated interim financial statements.

### New pronouncements

New pronouncements are described in note 3 to the condensed consolidated interim financial statements.

## **NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of March 31, 2020, except otherwise indicated)

### **4. 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. The Bank is also exposed to overdrafts and unused agreed credits on credit cards of the Bank. Since they imply a contingent obligation 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. These Transactions are detailed in note 4 to the condensed consolidated interim financial statements.

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 41 to the consolidated financial statements as of December 31, 2019, already issued.

### **5. LOSS ALLOWANCE FOR EXPECTED CREDIT LOSSES ON CREDIT EXPOSURES NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS**

Note 5 to the condensed consolidated interim financial statements, are detailed the allowances recognized by the Bank under this concept.

In addition, in exhibit R "Value adjustment for credit losses for credit losses – Allowance for uncollectibility risk" are also disclosed the ECL movements by portfolio and products.

During three-month periods ended March 31, 2020 and 2019, losses for ECL related to loans and other financing measured at amortized cost amounted to 861,448 and 1,576,509, respectively, which were recognized in the separate interim statements of income under the item "allowance for loan losses".

### **6. FAIR VALUE QUANTITATIVE AND QUALITATIVE DISCLOSURES**

Note 6 to the condensed consolidated interim 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 these condensed separate interim financial statements. In addition, the Bank discloses the relevant information as to instruments included in Level 3 of the fair value hierarchy.

Even though 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.

**NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of  
March 31, 2020, except otherwise indicated)

The following tables show the hierarchy in the Bank's financial asset and liability at fair value measurement, as of March 31, 2020 and December 31, 2019:

Description	Financial assets and financial liabilities measured at fair value on a recurring basis as of March 31, 2020			
	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>				
At fair value through profit or loss				
Debt Securities at fair value through profit or loss	1,497,233	892,421		604,812
Derivative Financial Instruments	41,305	12,096	29,209	
Other financial assets	75,083			75,083
Equity instruments at fair value through profit or loss	1,583,559	4,855		1,578,704
At fair value through OCI				
Other debt securities	77,784,958	36,586,892	41,198,066	
<b>Total</b>	<b>80,982,138</b>	<b>37,496,264</b>	<b>41,227,275</b>	<b>2,258,599</b>
<b>Financial liabilities</b>				
At fair value through profit or loss				
Derivatives financial instruments	160,295		160,295	
<b>Total</b>	<b>160,295</b>		<b>160,295</b>	

  

Description	Financial assets and financial liabilities measured at fair value on a recurring basis as of December 31, 2019			
	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>				
At fair value through profit or loss				
Debt Securities at fair value through profit or loss	5,566,534	4,684,392	3,512	878,630
Derivative Financial Instruments	54,638	34,058	20,580	
Other financial assets	24,795			24,795
Equity instruments at fair value through profit or loss	1,655,958	10,081		1,645,877
At fair value through OCI				
Other debt securities	49,605,001	38,939,906	10,665,095	
<b>Total</b>	<b>56,906,926</b>	<b>43,668,437</b>	<b>10,689,187</b>	<b>2,549,302</b>
<b>Financial liabilities</b>				
At fair value through profit or loss				
Derivatives financial instruments	828,689		828,689	
<b>Total</b>	<b>828,689</b>		<b>828,689</b>	

Below is the reconciliation between the amounts at the beginning and the end of the period or fiscal, as applicable, year for the financial assets and liabilities recognized at fair value, categorized as level 3:

Description	As of March 31, 2020		
	Debt securities	Other financial assets	Investments in equity instruments
Amount at the beginning	878,630	24,795	1,645,877
Transfers to Level 3			
Transfers from Level 3			
Profit and loss	(85,717)	4,646	49,847
Recognition and derecognition	(184,927)	44,950	
Monetary effects	(3,174)	692	(117,020)
Amount at end of the period	604,812	75,083	1,578,704

**NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of  
March 31, 2020, except otherwise indicated)

Description	As of December 31, 2019		
	Debt securities	Other financial assets	Investments in equity instruments
Amount at the beginning	2,140,926	151,182	70,050
Transfers to Level 3			
Transfers from Level 3			
Profit and loss	725,356	14,836	(121,731)
Recognition and derecognition	(1,379,711)	(113,442)	2,515,924 (*)
Monetary effects	(607,941)	(27,781)	(818,366)
Amount at end of the fiscal year	878,630	24,795	1,645,877

(\*)It is related to the reclassification pursuant to IFRS 5 from non-current assets held for sale of Prisma Medios de Pago SA. See also note 11 to the condensed consolidated interim financial statements.

Instruments measured as level 3 of fair value mainly include equity instruments at fair value through profit or loss and debt securities, for which the construction of the fair value was obtained based on the Bank's own assumptions that are not easily available in the market.

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 March 31, 2020 and December 31, 2019, 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

The following table shows a comparison between the fair value and the carrying amount of financial instruments not recognized at fair value as of March 31, 2020 and December 31, 2019:

	03/31/2020				Fair value
	Carrying amount	Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Cash and deposits in banks	116,571,664	16,571,664			116,571,664
Repo transactions	409,769	409,769			409,769
Other financial assets	9,637,931	9,637,931			9,637,931
Loans and other financing	224,753,137		161,548	209,885,787	210,047,335
Other debt securities	15,780,827	2,265,649	12,578,324	1,016,064	15,860,037
Financial assets delivered as guarantee	9,985,037	9,985,037			9,985,037
	<u>377,138,365</u>	<u>138,870,050</u>	<u>12,739,872</u>	<u>210,901,851</u>	<u>362,511,773</u>
<b>Financial liabilities</b>					
Deposits	304,586,410	160,648,691		144,241,588	304,890,279
Other financial liabilities	20,043,719	18,907,550	1,133,482		20,041,032
Financing received from the BCRA and other financial entities	864,606	518,965	331,940		850,905
Issued corporate bonds	5,462,885		1,530,688	2,587,942	4,118,630
Subordinated corporate bonds	26,629,350		15,764,506		15,764,506
	<u>357,586,970</u>	<u>180,075,206</u>	<u>18,760,616</u>	<u>146,829,530</u>	<u>345,665,352</u>

**NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of  
March 31, 2020, except otherwise indicated)

	12/31/2019				
	Carrying amount	Level 1	Level 2	Level 3	Fair value
<b>Financial assets</b>					
Cash and deposits in banks	104,993,748	104,993,748			104,993,748
Repo transactions	1,172,768	1,172,768			1,172,768
Other financial assets	5,348,385	5,348,385			5,348,385
Loans and other financing	237,792,304		153,816	209,027,403	209,181,219
Other debt securities	19,055,485	1,684,498	17,936,424	1,315,201	20,936,123
Financial assets delivered as guarantee	11,490,615	10,329,525			10,329,525
	<u>379,853,305</u>	<u>123,528,924</u>	<u>18,090,240</u>	<u>210,342,604</u>	<u>351,961,768</u>
<b>Financial liabilities</b>					
Deposits	282,879,345	158,108,933		125,014,642	283,123,575
Repo transactions	1,080,702	1,080,702			1,080,702
Other financial liabilities	21,168,224	19,984,874	1,179,324		21,164,198
Financing received from the BCRA and other financial entities	2,420,795	1,980,683	380,921		2,361,604
Issued corporate bonds	5,955,965		1,487,669	2,866,205	4,353,874
Subordinated corporate bonds	26,207,857		19,769,753		19,769,753
	<u>339,712,888</u>	<u>181,155,192</u>	<u>22,817,667</u>	<u>127,880,847</u>	<u>331,853,706</u>

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

The Bank's interests on associates and joint ventures are disclosed in note 7 to the condensed consolidated interim financial statements.

**8. OTHER FINANCIAL AND NON-FINANCIAL ASSETS**

The breakdown of other financial and non-financial assets as of March 31, 2020 and December 31, 2019 is as follows:

	03/31/2020	12/31/2019
<b>Other financial assets</b>		
Sundry debtors (see note 11)	5,012,805	5,022,778
Amounts receivables from spot sales of foreign currency pending settlements	4,512,569	14,490
Private securities	75,083	24,795
Amounts receivables from spot sales of government securities pending settlements	31,568	133,926
Other	100,005	188,302
Allowances	(19,016)	(11,113)
	<u>9,713,014</u>	<u>5,373,180</u>
<b>Other non-financial assets</b>		
Investment in property (see Exhibit F)	653,771	616,096
Advanced prepayment	438,110	252,911
Tax advances	116,745	39,241
Other	64,304	76,977
	<u>1,272,930</u>	<u>985,225</u>

Disclosures related to allowance for ECL are detailed in note 5 "Loss allowance for credit losses on credit exposures not measured at fair value through profit or loss".

**9. 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;

**NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of  
March 31, 2020, except otherwise indicated)

- 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 March 31, 2020 and December 31, 2019, amounts related to transactions generated with related parties are as follows:

Information as of March 31, 2020							
	Main subsidiaries			Associates	Key management personnel (1)	Other related parties	Total
	Macro Bank Limited	Macro Securities SA	Macro Fondos SGFCISA				
<b>ASSETS</b>							
Cash and deposits in banks	517						517
Other financial assets		15,946					15,946
Loans and other financing (2)							
Documents						7,028	7,028
Overdraft					14,518	1,206,452	1,220,970
Credit cards					23,376	58,142	81,518
Lease		3,031				6,820	9,851
Mortgage loans					42		42
Personal loans					52,097	61	52,158
Other loans						307,885	307,885
Guarantees granted						30,113	30,113
<b>Total Assets</b>	<b>517</b>	<b>18,977</b>			<b>90,033</b>	<b>1,616,501</b>	<b>1,726,028</b>
<b>LIABILITIES</b>							
Deposits	10	1,531,100	104,252	7,756	19,508	4,534,201	7,514,342
Other financial liabilities						104	4,301
Subordinated corporate bonds		23,300				4,197	23,300
Other non-financial liabilities						8,160	8,160
<b>Total Liabilities</b>	<b>10</b>	<b>1,554,400</b>	<b>104,252</b>	<b>7,756</b>	<b>19,508</b>	<b>4,534,305</b>	<b>7,550,103</b>

(1) Includes close family members of the key management personnel.

(2) The maximum financing amount for loans and other financing as of March 31, 2020 for Macro Securities SA, Key management personnel and other related parties amounted to 3,031, 998,750 and 3,528,423, respectively.

Information as of December 31, 2019							
	Main subsidiaries			Associates	Key management personnel (1)	Other related parties	Total
	Macro Bank Limited	Macro Securities SA	Macro Fondos SGFCISA				
<b>ASSETS</b>							
Cash and deposits in banks	517						517
Other financial assets		126,996					126,996
Loans and other financing (2)							
Documents						593,364	593,364
Overdraft					717,303	1,143,832	1,861,135
Credit cards					34,197	25,403	59,600
Lease		3,648				7,384	11,032
Mortgage loans					51,774		51,774
Other loans						360,724	360,724
Guarantees granted						616,033	616,033
<b>Total Assets</b>	<b>517</b>	<b>130,644</b>			<b>803,274</b>	<b>2,746,740</b>	<b>3,681,175</b>



**NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of  
March 31, 2020, except otherwise indicated)

	Information as of December 31, 2020						
	Main subsidiaries				Associates	Key management personnel (1)	Other related parties
	Macro Bank Limited	Macro Securities SA	Macro Fondos SGFCISA	Argenpay SAU			
<b>LIABILITIES</b>							
Deposits	12	970,909	90,571	1,285	24,705	14,015,167	437,122
Other financial liabilities						88	6,032
<b>Total liabilities</b>	<b>12</b>	<b>970,909</b>	<b>90,571</b>	<b>1,285</b>	<b>24,705</b>	<b>14,015,255</b>	<b>443,154</b>
							<b>15,545,891</b>

- (1) Includes close family members of the key management personnel.  
(2) The maximum financing amount for loans and other financing as of December 31, 2019 for Macro Securities SA, Key management personnel and other related parties amounted to 5,593, 853,235 and 3,879,468, respectively.

As of March 31, 2020 and 2019, income (loss) related to transactions generated with related parties are as follows:

	As of March 31, 2020						
	Main subsidiaries				Associates	Key management personnel (1)	Other related parties
	Macro Bank Limited	Macro Securities SA	Macro Fondos SGFCISA	Argenpay SAU			
<b>INCOME / (LOSS)</b>							
Interest income		1,387				34,867	160,207
Interest expense					(1,500)	(593,308)	(26,148)
Commissions income		107	56		9	22	1,330
Other operating income	1			1			4
Administrative expense							(32,213)
Other operating expense							(15,466)
<b>Total Income / (loss)</b>	<b>1</b>	<b>1,494</b>	<b>56</b>	<b>1</b>	<b>(1,491)</b>	<b>(558,419)</b>	<b>87,714</b>
							<b>(470,644)</b>

- (1) Includes close family members of the key management personnel.

	As of March 31, 2019						
	Main subsidiaries				Associates	Key management personnel (1)	Other related parties
	Macro Bank Limited	Macro Securities SA	Macro Fondos SGFCISA	Argenpay SAU			
<b>INCOME / (LOSS)</b>							
Interest income		1,395				1,788	27,809
Interest expense					(949)	(464,036)	(264,397)
Commissions income		119	52		57	2	1,512
Net loss from measurement of financial instruments at fair value through profit or loss						(780)	(68,101)
Other operating income	1						8
Administrative expense							(5,130)
Other operating expense							(22,116)
<b>Total Income / (loss)</b>	<b>1</b>	<b>1,514</b>	<b>52</b>		<b>(892)</b>	<b>(463,026)</b>	<b>(330,415)</b>
							<b>(792,766)</b>

- (1) Includes close family members of the key management personnel.

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.

**NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of  
March 31, 2020, except otherwise indicated)

Total remunerations received as salary and bonus by the key management personnel as of March 31, 2020 and 2019, totaled 39,047 and 37,836 respectively.

In addition, fees received by the Directors as of March 31, 2020 and 2019 amounted to 580,182 and 348,101 respectively.

Additionally, the composition of the Board of Directors and key management personnel is as follows:

	<u>03/31/2020</u>	<u>12/31/2019</u>
Board of Directors	13	14
Senior manager of the key management personnel	<u>9</u>	<u>10</u>
	<u>22</u>	<u>24</u>

**10. MODIFICATION OF FINANCIAL ASSETS**

The financial assets modified during the period and their new gross carrying amounts are described in note 10 to the condensed consolidated interim financial statements.

**11. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS – PRIMA MEDIOS DE PAGO SA**

The Bank's investment in Prisma Medios de Pago SA as of March 31, 2020 and December 31, 2019 is described in note 11 to the condensed consolidated interim financial statements.

**12. 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 period or fiscal year, as applicable, ended on March 31, 2020 and December 31, 2019.

The expected terms to settle these obligations are detailed in note 12 to the condensed consolidated interim financial statements.

**13. OTHER FINANCIAL AND NON-FINANCIAL LIABILITIES**

The breakdown of other financial and non-financial liabilities as of March 31, 2020 and December 31, 2019 is as follows:

<u>Other financial liabilities</u>	<u>03/31/2020</u>	<u>12/31/2019</u>
Credit and debit card settlement - due to merchants	10,178,415	14,531,124
Amounts payable for spot purchases of foreign currency pending settlement	4,513,186	24,934
Payments orders pending settlement foreign exchange	2,465,229	2,208,941
Finance leases liabilities	953,270	982,760
Collections and other transactions on account and behalf others	610,274	1,695,544
Amounts payable for spot purchases of government securities pending settlement	32,615	14,737
Amounts payable for spot purchases of other pending settlement		28,567
Other	<u>1,290,730</u>	<u>1,681,617</u>
	<u><b>20,043,719</b></u>	<u><b>21,168,224</b></u>

**NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of  
March 31, 2020, except otherwise indicated)

Other non-financial liabilities	03/31/2020	12/31/2019
Salaries and payroll taxes payables	3,154,201	3,940,855
Withholdings	1,688,365	2,484,045
Taxes payables	1,326,868	2,043,109
Miscellaneous payables	679,504	1,020,598
Retirement pension payment orders pending settlement	367,202	357,942
Fees payables	196,065	512,118
Other	447,699	500,635
	<b>7,859,904</b>	<b>10,859,302</b>

**14. 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 March 31, 2020 and December 31, 2019:

03/31/2020	Without due date	Total up to 12 months	Total over 12 months
<b>Assets</b>			
Cash and deposits in banks	116,571,664		
Debt securities at fair value through profit or loss		647,216	850,017
Derivative instruments		41,305	
Repo transactions		409,769	
Other financial assets	2,693,886	5,811,465	1,207,663
Loans and other financing (1)	2,174,546	146,799,081	75,779,510
Other debt securities		90,925,709	2,640,076
Financial assets delivered as guarantee	9,985,037		
Investment in equity instruments	1,583,559		
Total assets	133,008,692	244,634,545	80,477,266
<b>Liabilities</b>			
Deposits	155,955,281	148,585,845	45,284
Derivative instruments		160,295	
Other financial liabilities		19,892,460	151,259
Financing received from the BCRA and other financial entities		714,803	149,803
Issued Corporate bonds		208,965	5,253,920
Subordinated corporate bonds		841,470	25,787,880
Total Liabilities	155,955,281	170,403,838	31,388,146
12/31/2019	Without due date	Total up to 12 months	Total over 12 months
<b>Assets</b>			
Cash and deposits in banks	104,993,748		
Debt securities at fair value through profit or loss		912,567	4,653,967
Derivative instruments		54,638	
Repo transactions		1,172,768	
Other financial assets	2,626,172	1,454,619	1,292,389
Loans and other financing (1)	3,150,346	155,960,015	78,681,943
Other debt securities		67,944,880	715,605
Financial assets delivered as guarantee	10,329,526	1,161,089	
Investment in equity instruments	1,655,958		
Total assets	122,755,750	228,660,576	85,343,904

**NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of  
March 31, 2020, except otherwise indicated)

13/31/2019	Without due date	Total up to 12 months	Total over 12 months
Liabilities			
Deposits	153,390,427	129,433,153	55,765
Derivative instruments		828,689	
Repo transaction		1,080,702	
Other financial liabilities		20,372,786	795,438
Financing received from the BCRA and other financial entities		2,220,248	200,547
Issued Corporate bonds		269,627	5,686,338
Subordinated corporate bonds		381,247	25,826,610
Total Liabilities	153.390.427	154.586.452	32.564.698

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

**15. DISCLOSURES BY OPERATING SEGMENT**

The Bank has an approach of its banking business that is described in note 15 to the condensed consolidated interim financial statements.

**16. INCOME TAX**

a) Inflation adjustment and tax rate on income tax

In note 16 to the condensed consolidated interim financial statements are detailed the legal aspects of the inflation adjustment on income tax and the corporate tax rate on tax rate.

b) The main items of income tax expense in the condensed consolidated interim financial statements are as follows:

	03/31/2020	03/31/2019
Current income tax expense	3,951,446	4,338,834
(Gain) / loss for deferred income tax	(193,279) (*)	1,005,540
Monetary effects	139,908	244,090
Income tax expense recorded in the statement of income	3,898,075	5,588,464
Income tax gain recorded in other comprehensive income	(216,697)	(53,520)
	<u>3,681,378</u>	<u>5,534,944</u>

(\*) Includes gain effects for the deferred income tax as explained point a) in note 16 to the condensed consolidated interim financial statements.

c) As decided by the Board of Directors in the meeting dated May 11, 2020, considering certain case-law on the subject assessed by its legal and tax advisors, on May 26, 2020, the Bank filed with the Administración Federal de Ingresos Públicos (AFIP, for its acronym in Spanish) its annual income tax return considering the total effect of the inflation adjustment on income tax (see section a) iv) of note 16 to the condensed consolidated interim financial statements). As a result, the current income tax determined by the Bank for fiscal year 2019 amounted to 7,002,124 (not restated).

**NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of  
March 31, 2020, except otherwise indicated)

**17. COMMISSIONS INCOME**

Description	03/31/2020	03/31/2019
Performance obligations satisfied at a point in time		
Commissions related to obligations	2,635,927	3,258,941
Commissions related to credit cards	1,658,416	1,620,406
Commissions related to insurance	308,613	348,566
Commissions related to trading and foreign exchange transactions	78,371	111,653
Commissions related to securities value	22,278	32,109
Commissions related to loans and other financing	15,798	36,090
Commissions related to financial guarantees granted	131	3,420
Performance obligations satisfied over certain time period		
Commissions related to credit cards	76,264	85,495
Commissions related to trading and foreign exchange transactions	8,709	3,055
Commissions related to obligations	426	1,274
Commissions related to loans and other financing	63	1,716
Commissions related to financial guarantees granted		1
	<b>4,804,996</b>	<b>5,502,726</b>

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

Description	03/31/2020	03/31/2019
Translation of foreign currency assets and liabilities into pesos	461,044	(764,026)
Income from foreign currency exchange	48,835	668,870
	<b>509,879</b>	<b>(95,156)</b>

**19. OTHER OPERATING INCOME**

Description	03/31/2020	03/31/2019
Services	566,548	344,621
Adjustments and interest from other receivables	161,503	176,282
Adjustments from other receivables with CER clauses	40,394	26,614
Sale of property, plant and equipment	33	
Sale of non-current assets held for sale (1)		3,608,634
Derecognition or substantial modification of financial liabilities		92,023
Initial recognition of loans		40,847
Other	228,359	255,324
	<b>996,837</b>	<b>4,544,345</b>

(1) Mainly related to the sale of Prisma Medios de Pago SA, which was classified as non-current assets held for sale when it was sold. See also note 11.

**NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of  
March 31, 2020, except otherwise indicated)

**20. EMPLOYEE BENEFITS**

Description	03/31/2020	03/31/2019
Remunerations	3,439,168	3,522,078
Payroll taxes	756,707	722,789
Compensations and bonuses to employees	333,541	395,284
Employee services	104,367	122,906
	<b>4,633,783</b>	<b>4,763,057</b>

**21. ADMINISTRATIVE EXPENSES**

Description	03/31/2020	03/31/2019
Maintenance, conservation and repair expenses	401,223	429,076
Taxes	380,642	408,237
Armored truck, documentation and events	345,419	353,374
Electricity and communications	310,791	321,771
Fees to directors and statutory auditors	293,541	488,926
Security services	293,533	328,066
Software	200,279	232,252
Other fees	173,330	241,909
Advertising and publicity	57,439	79,347
Representation, travel and transportation expenses	29,611	46,382
Insurance	25,420	30,400
Leases	22,504	79,650
Stationery and office supplies	19,235	26,553
Hired administrative services	642	1,089
Other	82,914	130,012
	<b>2,636,523</b>	<b>3,197,044</b>

**22. OTHER OPERATING EXPENSES**

Description	03/31/2020	03/31/2019
Turnover tax	2,433,756	2,858,883
For credit cards	833,229	981,058
Charges for other provisions	300,338	282,977
Taxes	124,983	1,103
Deposit guarantee fund contributions	121,029	161,041
Donations	108,057	53,379
Interest on the lease liability	32,714	26,207
Insurance claims	14,702	16,747
Initial recognition of loans	2,827	
Modification of financial liabilities	513	
Loss from sale or impairment of investments in properties and other non-financial assets		110,064
Other	335,085	407,761
	<b>4,307,233</b>	<b>4,899,220</b>

**23. ADDITIONAL DISCLOSURES IN THE STATEMENT OF CASH FLOWS**

The statement of cash flows presents the changes in cash and cash equivalents derived from operating activities, investing activities and financing activities during the period. For the preparation of the statement of cash flows the Bank adopted the indirect method for operating activities and the direct method for investment activities and financing activities.

**NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of  
March 31, 2020, except otherwise indicated)

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.

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:

	03/31/2020	12/31/2019	03/31/2019	12/31/2018
Cash and deposit in banks	116,571,664	104,993,748	109,932,372	122,350,593
Debt Securities at fair value through profit or loss	31,356			
Other debt securities	41,497,710	49,514,606	146,826,426	91,322,758
	<u>158,100,730</u>	<u>154,508,354</u>	<u>256,758,798</u>	<u>213,673,351</u>

**24. CAPITAL STOCK**

Note 24 to the condensed consolidated interim financial statements presents the changes in the Bank’s capital stock.

**25. DEPOSIT GUARANTEE INSURANCE**

Note 26 to the condensed consolidated interim financial statements describes the Deposit Guarantee Insurance System and the scope thereof.

Banco Macro SA holds an 8.9440% interest in the capital stock according to the percentages disclosed by BCRA Communiqué “B” 11959 issued on February 27, 2020.

**26. RESTRICTED ASSETS**

As of March 31, 2020 and December 31, 2019 the following Bank’s assets are restricted:

Item	03/31/2020	12/31/2019
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 sectorial Credit Program of the Province of San Juan. Production investment financing fund.	150,346	162,677
• Discount bonds in pesos regulated by Argentine legislation, maturing 2033 securing the regional economies Competitiveness Program – IDB Loan No. 3174/OC-AR.	116,449	126,483
• Discount bonds in pesos regulated by Argentine legislation, maturing 2033 used as security in favor of Sedesa (1).	94,982	103,880
• 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, as amended, of the CNV.	21,353	23,354
• Discount bonds in pesos regulated by Argentine legislation, maturing 2033 securing IBD Loan of the Province of San Juan No. 2763/OC-AR.	3,424	3,702
Subtotal Debt securities at fair value through profit or loss and other debt securities	<u>386,554</u>	<u>420,096</u>

**NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of  
March 31, 2020, except otherwise indicated)

Item (contd.)	03/31/2020	12/31/2019
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	892
Subtotal other financial assets	<u>827</u>	<u>892</u>
Financial assets delivered as guarantee		
• Special guarantee checking accounts opened in BCRA for transactions related to the electronic clearing houses and similar entities.	8,698,780	8,018,824
• Guarantee deposits related to credit and debit card transactions	870,033	869,525
• Forward purchase for repo transactions		1,161,089
• Other guarantee deposits	416,224	1,441,177
Subtotal Other financial assets delivered as guarantee	<u>9,985,037</u>	<u>11,490,615</u>
Other non-financial assets		
• Real property related to call options sold	386,188	345,749
Subtotal Other non-financial assets	<u>386,188</u>	<u>345,749</u>
Total	<u>10,758,606</u>	<u>12,257,352</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.

**27. TRUST ACTIVITIES**

Note 28 to the condensed consolidated interim financial statements describes the different trust agreements according to the business purpose sought by the Bank, which may be summarized as follows:

**27.1 Financial trusts for investment purposes**

As of March 31, 2020 and December 31, 2019 the debt securities with investment purposes and certificate of participation in financial trusts total 1,652,187 and 2,088,055, respectively.

According to the latest accounting information available as of the date of issuance of these condensed separate interim financial statements, the corpus assets of the trusts exceed the carrying amount in the related proportions.

**27.2 Trusts created using financial assets transferred by the Bank (Securitization)**

As March 31, 2020 and December 31, 2019, considering the latest available accounting information as of the date of these condensed separate interim financial statements, the assets managed through Macro Fiducia SA of this type of trusts amount to 9,997 and 9,868, respectively.

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

As of March 31, 2020 and December 31, 2019, considering the latest available accounting information as of the date of these condensed separate interim financial statements, the assets managed by the Bank amount to 1,053,067 and 1,106,403, respectively.

**27.4 Trusts in which the Bank acts as Trustee (Management)**

As of March 31, 2020 and December 31, 2019, considering the latest available accounting information as of the date of these condensed separate interim financial statements, the assets managed by the Bank amount to 2,281,535 and 2,095,527, respectively.



## NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2020

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of  
March 31, 2020, except otherwise indicated)

### 28. 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) – Depositary Company, 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 29.3 to the condensed consolidated interim 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, for the different categories of agents in which the Bank is registered, amounting to 1,420,350 Unit of Purchasing Power (UVA, for its acronym in Spanish) as of March 31, 2020, and the minimum statutory guarantee account required of 710,175 UVA, which the Bank paid-in with government securities as described in note 26 and with cash deposits in BCRA accounts 00285 and 80285 belonging to the Bank.

In addition, note 29.2 to the condensed consolidated interim financial statements presents the general policy of documents in custody, describing which information has been disclosed and delivered to third parties for custody.

### 29. ACCOUNTING ITEMS THAT IDENTIFY THE COMPLIANCE WITH MINIMUM CASH REQUIREMENTS

The items recognized by the Bank to constitute the minimum cash requirement effective for March 2020 are described in note 30 to the condensed consolidated interim financial statements.

### 30. PENALTIES APPLIED TO THE FINANCIAL ENTITY AND SUMMARY PROCEEDINGS INITIATED BY THE BCRA

Note 31 to the condensed consolidated interim 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 previous mentioned, should be recorded or disclosed.

### 31. ISSUANCE OF CORPORATE BONDS

Note 32 to the condensed consolidated interim financial statements describes liabilities for corporate bonds recognized by the Bank as March 31, 2020 and December 31, 2019, under the terms and values therein expressed.

The corporate bond liabilities recorded by Banco Macro SA in these separate financial statements amount to:

Corporate Bonds		Original value	Residual face value as of 03/31/2020	03/31/2020	12/31/2019
Subordinated	Resetable –				
Class A		USD 400,000,000	USD 400,000,000	26,629,350	26,207,857
Non-subordinated – Class B		Ps. 4,620,570,000	Ps. 2,889,191,000	3,027,294	3,128,462
Non-subordinated – Class C		Ps. 3,207,500,000	Ps. 2,413,000,000	2,435,591	2,827,503
Total				<u>32,092,235</u>	<u>32,163,822</u>

**NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of Argentine pesos as of  
March 31, 2020, except otherwise indicated)

**32. OFF BALANCE SHEET TRANSACTIONS**

In addition to note 4, 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 March 31, 2020 and December 31, 2019:

Item	03/31/2020	12/31/2019
Custody of government and private securities and other assets held by third parties	76,435,205	73,576,460
Preferred and other collaterals received from customers (1)	56,896,717	59,872,463
Outstanding checks not yet paid	5,485,322	8,646,624
Checks already deposited and pending clearance	2,056,337	3,252,360

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

**33. TAX AND OTHER CLAIMS**

**33.1. Tax claims**

Note 34.1 to the condensed consolidated interim financial statements describes the most relevant claims pending resolution and filed by Federal Public Revenue Agency (AFIP, for its acronym in Spanish) 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 these condensed separate interim financial statements.

**33.2. Other claims**

Note 34.2. to the condensed consolidated interim 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 these condensed separate interim financial statements.

**34. RESTRICTION ON DIVIDENDS DISTRIBUTION**

Note 35 to the condensed consolidated interim financial statements describes the main legal provisions regulating the restriction on profit distribution.

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

Note 36 to the condensed consolidated interim financial statements describes the main guidelines of the Bank as to capital management, corporate governance transparency policy and risk management.

**36. CHANGES IN THE ARGENTINE MACROECONOMIC ENVIRONMENT OF THE FINANCIAL AND CAPITAL MARKET**

The international and domestic macroeconomics environments in which the Bank operates, and its impacts are described in note 38 to the condensed consolidated interim financial statements.

**NOTES TO THE CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2020**

(Translation of Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousand of pesos in terms of purchasing power of Argentine pesos as of  
March 31, 2020)

**37. EFFECTS OF THE CORONAVIRUS (COVID-19) OUTBREAK**

In early March 2020, the World Health Organization recognized Coronavirus (Covid-19) as a pandemic. This emergency situation over public health was worldwide expanded and several countries have taken different measures to contain the effects. This situation and the measures adopted have materially affected the international economy activity with different impacts on several countries and business lines and are detailed in note 39 to the condensed consolidated interim financial statements.

**38. EVENTS AFTER REPORTING PERIOD**

No other events occurred between the end of the reporting period and the issuance of these condensed separate interim financial statements that may materially affect the financial position or the profit and loss for the period, not disclosed in these condensed separate interim financial statements.

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

These condensed separate interim 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.

## EXHIBIT A

**DETAIL OF GOVERNMENT AND PRIVATE SECURITIES  
AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish - See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Name	Identification	Holdings			Position		
		03/31/2020			12/31/2019	03/31/2020	
		Fair Value	Fair Value Level	Book Amounts	Book Amounts	Position without options	Options
<b>DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>							
<b>- Local</b>							
<b>Government securities</b>							
Federal government treasury bonds in pesos adjustment by CER - Maturity: 07-22-2021	5315		1	527,148	4,229,302	527,148	527,148
Bonds Par denominated in pesos - Maturity: 12-31-2038	45695		1	196,599	183,711	196,599	196,599
Discount bonds denominated in pesos at 5.83% - Maturity: 12-31-2033	45696		1	69,274	142,037	69,274	69,274
Consolidation bonds in pesos 6° Serie at 2%- Maturity: 03-15-2024	2420		1	42,096	76,846	42,096	42,096
Consolidation bonds in pesos 8° Serie - Maturity: 10-04-2022	2571		1	21,234	29,752	21,234	21,234
Federal government treasury bonds in pesos adjustment by CER - Maturity: 04-28-2020	5321		1	21,059	298	21,059	21,059
Federal government treasury bonds in US dollars at 8.75% - Maturity: 05-07-2024	5458		1	6,585	10,189	6,585	6,585
Bonds Par denominated in US dollars Argentina Law - Maturity: 12-31-2038	45699		1	2,829	4,470	2,829	2,829
Federal government treasury bonds in US dollars at 8.00% - Maturity: 10-08-2020	5468		1	2,300	3,557	2,300	2,300
Federal government treasury bonds in pesos adjustment by CER- Maturity: 03-06-2023	5324		1	1,427	3,459	1,427	1,427
Other				1,870	4,283	463,370	463,370
<b>Subtotal local government securities</b>				<b>892,421</b>	<b>4,687,904</b>	<b>1,353,921</b>	<b>1,353,921</b>
<b>Private securities</b>							
Debt Securities in Financial Trusts Consubond	80036		3	190,057	381,952	190,057	190,057
Debt Securities in Financial Trusts Secubono	80038		3	180,417	73,596	180,417	180,417
Debt Securities in Financial Trusts Agrocap	80039		3	104,253	102,218	104,253	104,253
Debt Securities in Financial Trusts Secubono Series 191 - Maturity: 06-29-2020	54375		3	45,926	90,917	45,926	45,926
Debt Securities in Financial Trusts Chubut Regalias Hidrocarburíferas - Maturity: 07-01-2020	36425		3	20,886	32,548	20,886	20,886
Debt Securities in Financial Trusts Secubono Series 191 Class B - Maturity: 07-28-2020	54376		3	15,724	13,003	15,724	15,724
Debt Securities in Financial Trusts Carfacil	80037		3	15,204		15,204	15,204
Debt Securities in Financial Trusts Secubono Series 190 Class B- Maturity: 06-29-2020	54319		3	10,363	7,978	10,363	10,363
Debt Securities in Financial Trusts Secubono Series 189 Class B- Maturity: 04-28-2020	54229		3	9,039	7,503	9,039	9,039
Debt Securities in Financial Trusts Secubono Series 191 Class C- Maturity: 08-28-2020	54377		3	6,514	5,199	6,514	6,514
Other				6,429	163,716	6,429	6,429
<b>Subtotal local private securities</b>				<b>604,812</b>	<b>878,630</b>	<b>604,812</b>	<b>604,812</b>
<b>TOTAL DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				<b>1,497,233</b>	<b>5,566,534</b>	<b>1,958,733</b>	<b>1,958,733</b>

**EXHIBIT A**  
(continued)

**DETAIL OF GOVERNMENT AND PRIVATE SECURITIES**  
**AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**  
(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Name	Identifica tion	Holdings			Position			
		03/31/2020		12/31/2019	03/31/2020			
		Fair Value	Fair value level	Book amounts	Book amounts	Position without options	Options position	
<b>OTHER DEBT SECURITIES</b>								
<b>Measured at fair value through other comprehensive income</b>								
<b>- Local</b>								
<b>Government securities</b>								
National treasury bills BADLAR + 400 Basic points - Maturity: 09-18-2020	5356		2	5,232,799		5,232,799		5,232,799
National treasury bills capitalized in pesos - Maturity: 10-31-2019 (1)	5269		1	303,324		303,324		303,324
Treasury bills of Province of Neuquen Series 1 Class 1 - Maturity: 07-29-2020	42185		2	273,260		273,260		273,260
National treasury bills BADLAR + 175 Basic Point - Maturity: 05-28-2020	5355		1	265,200		265,200		265,200
Treasury bills of Province of Chaco Class 6 - Maturity: 07-24-2020	42196		2	183,143		183,143		183,143
Discount bonds denominated in pesos at 5.83% - Maturity: 12-31-2033	45696		1	85,095	90,395	85,095		85,095
<b>Subtotal local government Securities</b>				6,342,821	90,395	6,342,821		6,342,821
<b>Central Bank of Argentina Bills</b>								
Liquidity letters of Central Bank of Argentina in pesos - Maturity: 03-31-2020	80042		1	29,944,427		29,944,427		29,944,427
Liquidity letters of Central Bank of Argentina in pesos - Maturity: 04-08-2020	80013		2	14,950,392		14,950,392		14,950,392
Liquidity letters of Central Bank of Argentina in pesos - Maturity: 04-21-2020	80015		2	7,499,476		7,499,476		7,499,476
Liquidity letters of Central Bank of Argentina in pesos - Maturity: 04-23-2020	80016		2	7,355,288		7,355,288		7,355,288
Liquidity letters of Central Bank of Argentina in pesos - Maturity: 04-03-2020	80012		1	5,988,846		5,988,846		5,988,846
Liquidity letters of Central Bank of Argentina in pesos - Maturity: 04-14-2020	80014		2	5,703,708		5,703,708		5,703,708
Liquidity letters of Central Bank of Argentina in pesos - Maturity: 01-03-2019	80049				15,935,342			
Liquidity letters of Central Bank of Argentina in pesos - Maturity: 01-07-2019	80049				12,190,090			
Liquidity letters of Central Bank of Argentina in pesos - Maturity: 01-08-2020	80049				10,665,095			
Liquidity letters of Central Bank of Argentina in pesos - Maturity: 01-06-2020	80049				8,576,445			
Other					2,147,634			
<b>Subtotal Central Bank of Argentina Bills</b>				71,442,137	49,514,606	71,442,137		71,442,137
<b>Total Other debt securities measured at fair value though other comprehensive income</b>				77,784,958	49,605,001	77,784,958		77,784,958
<b>Measured at amortized cost</b>								
<b>- Local</b>								
<b>Government securities</b>								
Federal government bonds in pesos - Fixed rate 26% - Maturity: 11-21-2020	5330	11,217,405	2	10,971,869	8,595,927	10,971,869		10,971,869
Federal government treasury bonds adjustment by CER - Maturity: 08-05-2021	5359	1,734,856	1	2,035,160		2,035,160		2,035,160
Discount bonds denominated in pesos at 5.83% - Maturity: 12-31-2033	45696	319,431	1	316,815	346,496	316,815		316,815
National treasury bills capitalized in pesos - Maturity: 04-30-2020	5271	80,843	1	94,997	6,459	94,997		94,997
Bonds Par denominated in Pesos - Maturity 12-31-2038	45695	52,230	1	24,258	24,931	24,258		24,258
National treasury bills coupon capitalized in pesos - Maturity: 02-26-2020 (2)	5349				1,619,338			
National treasury bills capitalized in pesos - Maturity: 05-13-2020 (2)	5343				1,550,045			
National treasury bills capitalized in pesos - Maturity: 08-29-2020	5341				1,317,513			
National treasury bills coupon capitalized in pesos - Maturity: 03-11-2020 (2)	5351				952,185			
National treasury bills capitalized in pesos - Maturity: 10-31-2019	5269				844,298			
Other					873,107			
<b>Subtotal local government Securities</b>				13,443,099	16,130,299	13,443,099		13,443,099
<b>Central Bank of Argentina Notes</b>								
Notes of compensation of cash of Central Bank of Argentina - Maturity: 04-24-2019	80001	20,079	3	20,079		20,079		20,079
<b>Subtotal Central Bank of Argentina Notes</b>				20,079		20,079		20,079
<b>Private Securities</b>								
Debt Securities in Financial Trusts Megabono Series 214 Class A - Maturity: 09-28-2020	54458	195,951	3	171,465	317,985	171,465		171,465
Corporate Bonds Banco Galicia S.A. Class 005 Series 001 -Maturity: 04-26-2020	53477	163,546	2	150,346	129,172	150,346		150,346
Debt Securities in Financial Trusts Secubono Series 197 Class A - Maturity: 12-28-2020	54645	150,202	3	146,090		146,090		146,090
Corporate Bonds YPF Class 017 -Maturity: 04-30-2020	38562	118,024	2	111,134	102,284	111,134		111,134
Debt Securities in Financial Trusts Garbarino Series 153 Class B - Maturity: 06-10-2020	54404	110,749	3	98,643	130,446	98,643		98,643
Corporate Bonds HSBC Bank Argentina SA Class 007 -Maturity: 12-17-2020	53068	132,530	2	91,371	71,288	91,371		91,371
Corporate Bonds YPF Class 043-Maturity: 10-21-2023	50939	53,849	1	89,424	79,450	89,424		89,424
Debt Securities in Financial Trusts Secubono Series 196 Class A - Maturity: 11-30-2020	54595	91,352	3	88,208		88,208		88,208
Corporate Bonds Province of Buenos Aires Bank Class 012 -Maturity: 02-15-2020	42075	91,612	2	78,079	80,652	78,079		78,079
Corporate Bonds Province of BBVA Banco Frances SA Class 027 -Maturity: 08-28-2020	54079	106,089	2	73,035	69,386	73,035		73,035
Other				1,219,854	1,944,522	1,219,854		1,219,854
<b>Subtotal local private Securities</b>				2,317,649	2,925,185	2,317,649		2,317,649
<b>Total Other debt securities measured at cost amortized</b>				15,780,827	19,055,484	15,780,827		15,780,827
<b>TOTAL OTHER DEBT SECURITIES</b>				93,565,785	68,660,485	93,565,785		93,565,785

(1) For operational questions, the securities was liquidated at 04/01/2020  
(2) See Note 38 at condensed consolidated interim financial statements.

**DETAIL OF GOVERNMENT AND PRIVATE SECURITIES  
AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Name	Identification	Holdings			Position		
		03/31/2020		12/31/2019	03/31/2020		
		Fair Value	Fair value level	Book amounts	Book amounts	Position without options	Options
<b>Equity Instruments</b>							
<b>Measured at fair value through profit or loss</b>							
<b>- Local</b>							
Prisma Medios de Pago SA	80033		3	1,420,696	1,531,503	1,420,696	1,420,696
Mercado Abierto Electrónico SA	80026		3	98,364	56,006	98,364	98,364
Matba Rofex SA	80034		3	13,909	12,450	13,909	13,909
Sedesa	80018		3	11,682	7,516	11,682	11,682
Argentina Clearing SA	80035		3	9,975	11,258	9,975	9,975
C.O.E.L.S.A	80027		3	9,605	10,354	9,605	9,605
AC Inversora SA	80028		3	4,439		4,439	4,439
Mercado a Término Rosario SA	80023		3	3,477	9,906	3,477	3,477
Provincanje SA	80030		3	2,435	2,625	2,435	2,435
Proin SA	80022		3	1,478	1,593	1,478	1,478
Other				1,279	1,298	1,279	1,279
<b>Subtotal local</b>				<b>1,577,339</b>	<b>1,644,509</b>	<b>1,577,339</b>	<b>1,577,339</b>
<b>- Foreign</b>							
Banco Latinoamericano de Comercio Exterior SA	80031		1	4,855	10,081	4,855	4,855
Sociedad de Telecomunicaciones Financieras Interbancarias Mundiales	80032		3	1,365	1,368	1,365	1,365
<b>Subtotal foreign</b>				<b>6,220</b>	<b>11,449</b>	<b>6,220</b>	<b>6,220</b>
<b>Total measured at fair value through profit or loss</b>				<b>1,583,559</b>	<b>1,655,958</b>	<b>1,583,559</b>	<b>1,583,559</b>
<b>TOTAL EQUITY INSTRUMENTS</b>							
				<b>1,583,559</b>	<b>1,655,958</b>	<b>1,583,559</b>	<b>1,583,559</b>
<b>TOTAL GOVERNMENT AND PRIVATE SECURITIES</b>							
				96,646,577	75,882,977	97,108,077	97,108,077

**EXHIBIT B**

**CLASSIFICATION OF LOANS AND OTHER FINANCING  
BY SITUATION AND COLLATERAL RECEIVED  
AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

	<b>03/31/2020</b>	<b>12/31/2019</b>
<b>COMMERCIAL</b>		
<b>In normal situation</b>	<u>97,320,279</u>	<u>110,128,602</u>
With senior "A" collateral and counter-collateral	3,064,245	3,621,814
With senior "B" collateral and counter-collateral	11,340,731	11,843,496
Without senior collateral or counter-collateral	<u>82,915,303</u>	<u>94,663,292</u>
<b>Subject to special monitoring</b>	<u>319,083</u>	<u>277,501</u>
<b>In observation</b>		
With senior "A" collateral and counter-collateral	40,683	
With senior "B" collateral and counter-collateral	21,473	
Without senior collateral or counter-collateral	18	554
<b>In negotiation or with financing agreements</b>		
With senior "B" collateral and counter-collateral	104,262	104,419
Without senior collateral or counter-collateral	<u>152,647</u>	<u>172,528</u>
<b>Troubled</b>	<u>85,641</u>	<u>76,342</u>
With senior "B" collateral and counter-collateral	31,966	11,319
Without senior collateral or counter-collateral	<u>53,675</u>	<u>65,023</u>
<b>With high risk of insolvency</b>	<u>1,210,927</u>	<u>1,416,042</u>
With senior "A" collateral and counter-collateral	9,490	9,347
With senior "B" collateral and counter-collateral	282,784	332,895
Without senior collateral or counter-collateral	<u>918,653</u>	<u>1,073,800</u>
<b>Irrecoverable</b>	<u>56,545</u>	<u>6,106</u>
With senior "A" collateral and counter-collateral	108	448
With senior "B" collateral and counter-collateral	29,709	
Without senior collateral or counter-collateral	<u>26,728</u>	<u>5,658</u>
<b>Subtotal Commercial</b>	<u>98,992,475</u>	<u>111,904,593</u>

**EXHIBIT B**  
(continued)

**CLASSIFICATION OF LOANS AND OTHER FINANCING  
BY SITUATION AND COLLATERAL RECEIVED  
AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

	<b>03/31/2020</b>	<b>12/31/2019</b>
<b>CONSUMER AND MORTGAGE</b>		
<b>Performing</b>		
With senior "A" collateral and counter-collateral	132,261,618	131,953,489
With senior "B" collateral and counter-collateral	2,849,575	2,579,900
Without senior collateral or counter-collateral	14,363,487	15,392,398
	115,048,556	113,981,191
<b>Low risk</b>	827,395	1,781,706
With senior "A" collateral and counter-collateral	3,574	17,982
With senior "B" collateral and counter-collateral	87,844	196,019
Without senior collateral or counter-collateral	735,977	1,567,705
<b>Medium risk</b>	848,764	1,506,564
With senior "A" collateral and counter-collateral	1,884	14,372
With senior "B" collateral and counter-collateral	81,593	140,132
Without senior collateral or counter-collateral	765,287	1,352,060
<b>High risk</b>	499,252	1,703,700
With senior "A" collateral and counter-collateral	18,071	28,920
With senior "B" collateral and counter-collateral	102,049	142,780
Without senior collateral or counter-collateral	379,132	1,532,000
<b>Irrecoverable</b>	487,106	465,982
With senior "A" collateral and counter-collateral	6,101	10,060
With senior "B" collateral and counter-collateral	151,874	154,113
Without senior collateral or counter-collateral	329,131	301,809
<b>Subtotal consumer and mortgage</b>	134,924,135	137,411,441
<b>Total</b>	233,916,610	249,316,034

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

	<b>At 03/31/2020</b>	<b>At 12/31/2019</b>
Loans and other financing	224,753,137	237,792,304
+ Allowances for loans and other financing	5,490,673	5,460,157
+ Adjustment IFRS (adjustment amortized cost and fair value)	96,835	122,682
+ Debt securities of financial trust - Measured at amortized cost	974,228	1,186,508
+ Corporate bonds	1,351,711	1,740,766
- Interest and other accrued items receivable from financial assets with impaired credit value	(82,309)	(58,614)
Guarantees provided and contingent liabilities	1,332,335	3,072,231
Total computable items	233,916,610	249,316,034



**EXHIBIT C**

**CONCENTRATION OF LOANS AND FINANCING FACILITIES  
AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Number of customers	03/31/2020		12/31/2019	
	Cut off balance	% of total portfolio	Cut off balance	% of total portfolio
10 largest customers	37,180,167	15.89	40,936,634	16.42
50 next largest customers	32,147,300	13.74	38,431,160	15.41
100 next largest customers	15,197,472	6.50	16,647,482	6.68
Other customers	149,391,671	63.87	153,300,758	61.49
<b>Total (1)</b>	<b>233,916,610</b>	<b>100.00</b>	<b>249,316,034</b>	<b>100.00</b>

(1) See reconciliation in Exhibit B

## EXHIBIT D

**BREAKDOWN OF LOANS AND OTHER FINANCING BY TERMS  
AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Remaining terms to maturity							Total
	Matured	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		658,871	461,645	784,245	1,552,855	2,530,906	1,362,368	7,350,890
Financial sector		816,860	456,184	1,007,000	413,483	2,096,436	3,630	4,793,593
Non-financial private sector and foreign residents	3,633,923	81,292,220	28,259,864	34,083,895	34,074,489	47,025,410	66,439,553	294,809,354
<b>Total</b>	<b>3,633,923</b>	<b>82,767,951</b>	<b>29,177,693</b>	<b>35,875,140</b>	<b>36,040,827</b>	<b>51,652,752</b>	<b>67,805,551</b>	<b>306,953,837</b>

**BREAKDOWN OF LOANS AND OTHER FINANCING BY TERMS  
AS OF DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Remaining terms to maturity							Total
	Matured	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		2,947,839	697,539	823,924	1,980,466	3,263,851	2,178,477	11,892,096
Financial sector		1,978,479	2,378,722	508,616	680,653	962,645	5,893	6,515,008
Non-financial private sector and foreign residents	3,890,944	97,771,047	28,796,946	26,136,295	32,647,002	47,081,702	72,638,857	308,962,793
<b>Total</b>	<b>3,890,944</b>	<b>102,697,365</b>	<b>31,873,207</b>	<b>27,468,835</b>	<b>35,308,121</b>	<b>51,308,198</b>	<b>74,823,227</b>	<b>327,369,897</b>

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

**CHANGE OF PROPERTY, PLANT AND EQUIPMENT  
AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Original value at beginning of fiscal year	Total life estimated in years	Depreciation for the period						Residual value at the end of the period
			Increases	Decreases	Accumulated	Decrease	Of the period	At the end	
<b>Cost</b>									
Real property	23,613,775	50	19,672		1,496,550	23	117,530	1,614,057	22,019,390
Furniture and facilities	2,863,317	10	9,102	15	1,099,388		70,291	1,169,679	1,702,725
Machinery and equipment	3,839,798	5	59,688	21	2,039,120		173,446	2,212,566	1,686,899
Vehicles	644,924	5	15,245	23,293	531,824	21,545	14,207	524,486	112,390
Work in progress	941,651		103,900						1,045,551
Right of use real property	1,305,558	5	121,239	58,192		11,926	96,292	403,513	965,092
<b>Total property, plant and equipment (1)</b>	<b>33,209,023</b>		<b>328,846</b>	<b>81,521</b>	<b>5,486,029</b>	<b>33,494</b>	<b>471,766</b>	<b>5,924,301</b>	<b>27,532,047</b>

**CHANGE OF PROPERTY, PLANT AND EQUIPMENT  
AS OF DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

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>									
Real property	21,870,708	50	1,862,866	119,799	1,167,791	93,739	422,498	1,496,550	22,117,225
Furniture and facilities	2,669,980	10	573,076	379,739	1,236,323	377,926	240,948	1,099,345	1,763,972
Machinery and equipment	6,047,273	5	678,233	2,885,708	4,177,594	2,882,569	744,106	2,039,131	1,800,667
Vehicles	638,359	5	104,481	97,916	520,153	50,207	61,878	531,824	113,100
Work in progress	1,620,232		1,567,330	2,245,911					941,651
Right of use real property		5	1,420,771	115,213		32,928	352,075	319,147	986,411
<b>Total property, plant and equipment (1)</b>	<b>32,846,552</b>		<b>6,206,757</b>	<b>5,844,286</b>	<b>7,101,861</b>	<b>3,437,369</b>	<b>1,821,505</b>	<b>5,485,997</b>	<b>27,723,026</b>

(1) During the fiscal year 2020 and 2019, this item observed transfers to and from property, plant and equipment and/or non-current assets held for sale.

**CHANGE IN INVESTMENT PROPERTY  
AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Original Value at beginning of fiscal year	Useful life estimated in years	Increases	Decreases	Depreciation for the period			Residual value at the end of the period
					Accumulated	Decrease	For the period	At the end
<b>Cost</b>								
Rented properties	174,374	50			26,680		473	27,153
Other investment properties	494,018	50	42,916	3,195	25,616		1,573	27,189
<b>Total investment property</b>	668,392		42,916	3,195	52,296		2,046	54,342

**CHANGE IN INVESTMENT PROPERTY  
AS OF DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Original Value at beginning of fiscal year	Useful 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	174,374	50			24,731	1	1,950	26,680
Other investment properties	407,275	50	343,600	256,857	19,287		6,329	25,616
<b>Total investment property</b>	581,649		343,600	256,857	44,018	1	8,279	52,296

## CHANGE IN INTANGIBLE ASSETS

## AS OF MARCH 31, 2020

(Translation of the Financial statements originally issued in Spanish – See Note 39)

(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Original Value at beginning of fiscal year	Useful life estimated in years	Increases	Decreases	Depreciation for the period				Residual value at the end of the period
					Accumulated	Decrease	For the period	At the end	
<b>Cost</b>									
Licenses	1,761,621	5	221,808		722,127	1	94,004	816,130	1,167,299
Other intangible assets	5,488,238	5	263,906		2,710,712	2	263,480	2,974,190	2,777,954
<b>Total intangible assets</b>	<u>7,249,859</u>		<u>485,714</u>		<u>3,432,839</u>	<u>3</u>	<u>357,484</u>	<u>3,790,320</u>	<u>3,945,253</u>

## CHANGE IN INTANGIBLE ASSETS

## AS OF DECEMBER 31, 2019

(Translation of the Financial statements originally issued in Spanish – See Note 39)

(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Original Value at beginning of fiscal year	Useful 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>									
Licenses	2,144,206	5	551,059	933,644	1,321,960	927,444	327,611	722,127	1,039,494
Other intangible assets	6,524,964	5	1,280,570	2,317,296	3,831,835	2,185,217	1,064,094	2,710,712	2,777,526
<b>Total intangible assets</b>	<u>8,669,170</u>		<u>1,831,629</u>	<u>3,250,940</u>	<u>5,153,795</u>	<u>3,112,661</u>	<u>1,391,705</u>	<u>3,432,839</u>	<u>3,817,020</u>

**DEPOSIT CONCENTRATION**  
**AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Number of customers	03/31/2020		12/31/2019	
	Outstanding balance	% of total portfolio	Outstanding balance	% of total portfolio
10 largest customers	28,727,875	9.43	26,804,253	9.48
50 next largest customers	21,600,529	7.09	13,615,193	4.81
100 next largest customers	12,513,559	4.11	10,326,197	3.65
Other customers	241,744,447	79.37	232,133,702	82.06
<b>Total</b>	<b>304,586,410</b>	<b>100.00</b>	<b>282,879,345</b>	<b>100.00</b>

**BREAKDOWN OF FINANCIAL LIABILITIES  
FOR RESIDUAL TERMS  
AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

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>	276,912,895	24,881,022	3,692,385	854,829	58,588	7,768	306,407,487
From the non-financial government sector	26,757,584	600,631	168,443	832			27,527,490
From the financial sector	291,115						291,115
From the non-financial private sector and foreign residents	249,864,196	24,280,391	3,523,942	853,997	58,588	7,768	278,588,882
<b>Derivative instruments</b>	2,526	157,769					160,295
<b>Other financial liabilities</b>	19,826,126	42,594	13,771	21,369	150,883	13,637	20,068,380
<b>Financing received from the Central Bank of Argentina and other financial institutions</b>	142,820	155,468	350,421	105,959	144,722	27,561	926,951
<b>Issued corporate bonds</b>	223,633	248,581	197,524	657,702	3,111,861	3,089,501	7,528,802
<b>Subordinated corporate bonds</b>		870,341		870,341	1,740,682	35,359,051	38,840,415
<b>Total</b>	<u>297,108,000</u>	<u>26,355,775</u>	<u>4,254,101</u>	<u>2,510,200</u>	<u>5,206,736</u>	<u>38,497,518</u>	<u>373,932,330</u>

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

**BREAKDOWN OF FINANCIAL LIABILITIES  
FOR RESIDUAL TERMS  
AS OF DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

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>	252,205,598	28,152,829	3,743,995	1,107,730	57,710	24,440	285,292,302
From the non-financial government sector	18,191,460	838,905	46,092	2,242			19,078,699
From the financial sector	338,666						338,666
From the non-financial private sector and foreign residents	233,675,472	27,313,924	3,697,903	1,105,488	57,710	24,440	265,874,937
<b>Derivative instruments</b>	315,999	367,755	144,935				828,689
<b>Repo transactions</b>	1,080,811						1,080,811
Other financial entities	1,080,811						1,080,811
<b>Other financial liabilities</b>	19,986,637	104,936	111,471	180,586	349,760	463,263	21,196,653
<b>Financing received from the Central Bank of Argentina and other financial institutions</b>	1,111,520	894,808	162,326	105,843	182,889	49,391	2,506,777
<b>Issued corporate bonds</b>	345,260		555,146	797,155	3,626,548	3,330,467	8,654,576
<b>Subordinated corporate bonds</b>			871,648	871,649	1,743,296	35,412,156	38,898,749
<b>Total</b>	<u>275,045,825</u>	<u>29,520,328</u>	<u>5,589,521</u>	<u>3,062,963</u>	<u>5,960,203</u>	<u>39,279,717</u>	<u>358,458,557</u>

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



**EXHIBIT J****CHANGES IN PROVISIONS****AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
 (Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Amounts at beginning of fiscal year	Increases	Decreases		Monetary effects generated by provisions	03/31/2020
			Reversals	Charge off		
Commissions for eventual commitments	18,620	5,964		6,026	(1,411)	17,147
For Administrative, disciplinary and criminal penalties	774				(56)	718
Other	1,569,050	300,719		182,533	(117,559)	1,569,677
<b>Total Provisions</b>	<b>1,588,444</b>	<b>306,683</b>		<b>188,559</b>	<b>(119,026)</b>	<b>1,587,542</b>

**CHANGES IN PROVISIONS****AS OF DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
 (Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Amounts at beginning of fiscal year	Increases	Decreases		Monetary effects generated by provisions	12/31/2019
			Reversals	Charge off		
Commissions for eventual commitments	17,793	8,695			(7,868)	18,620
For Administrative, disciplinary and criminal penalties	1,190				(416)	774
Other	1,733,194	1,424,423	912,725	29,080	(646,762)	1,569,050
<b>Total Provisions</b>	<b>1,752,177</b>	<b>1,433,118</b>	<b>912,725</b>	<b>29,080</b>	<b>(655,046)</b>	<b>1,588,444</b>

**EXHIBIT K****COMPOSITION OF CAPITAL STOCK  
AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

<b>Shares</b>				<b>Capital Stock</b>	
<b>Class</b>	<b>Stock number</b>	<b>Face value</b>	<b>Votes per share</b>	<b>Issued outstanding</b>	<b>Paid in</b>
Registered common stock A	11,235,670	1	5	11,236	11,236
Registered common stock B	628,177,738	1	1	628,177	628,177
<b>Total</b>	<u>639,413,408</u>			<u>639,413</u>	<u>639,413</u>

**COMPOSITION OF CAPITAL STOCK  
AS OF DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

<b>Shares</b>				<b>Capital Stock</b>	
<b>Class</b>	<b>Stock number</b>	<b>Face value</b>	<b>Votes per share</b>	<b>Issued outstanding</b>	<b>Paid in</b>
Registered common stock A	11,235,670	1	5	11,236	11,236
Registered common stock B	628,177,738	1	1	628,177	628,177
<b>Total</b>	<u>639,413,408</u>			<u>639,413</u>	<u>639,413</u>

**FOREIGN CURRENCY AMOUNTS**  
**AS OF MARCH 31, 2020 AND DECEMBER 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Total parent company and local branches	03/31/2020				12/31/2019
		Total per currency				Total
		US dollar	Euro	Real	Other	
<b>ASSETS</b>						
Cash and deposits in banks	61,824,351	61,480,119	243,575	15,044	85,613	72,950,437
Debt securities at fair value through profit or loss	136,998	136,998				266,530
Other financial assets	3,712,786	3,712,786				3,946,804
Loans and other financing	39,578,446	39,578,446				41,692,372
Non-financial Public Sector						
Other financial institutions	71,110	71,110				655,621
From the non-financial private sector and foreign residents	39,507,336	39,507,336				41,036,751
Other debt securities						
Financial assets delivered as guarantee	2,074,831	2,074,831				3,102,586
Equity instruments at fair value through profit or loss	6,220	6,220				11,449
Investments in subsidiaries, associates and joint ventures	1,942,581	1,942,581				2,136,065
<b>TOTAL ASSETS</b>	<b>109,276,213</b>	<b>108,931,981</b>	<b>243,575</b>	<b>15,044</b>	<b>85,613</b>	<b>124,106,243</b>
<b>LIABILITIES</b>						
Deposits	71,066,170	71,066,170				85,390,237
Non-financial government sector	3,124,176	3,124,176				4,301,525
Financial sector	246,309	246,309				247,856
Non-financial private sector and foreign residents	67,695,685	67,695,685				80,840,856
Other financial liabilities	3,820,889	3,733,810	78,565		8,514	3,757,480
Financing from the Central Bank and other financial institutions	687,569	687,569				2,205,002
Subordinated corporate bonds	26,629,350	26,629,350				26,207,857
Other non-financial liabilities	21,013	21,013				15,472
<b>TOTAL LIABILITIES</b>	<b>102,224,991</b>	<b>102,137,912</b>	<b>78,565</b>		<b>8,514</b>	<b>117,576,048</b>

**EXHIBIT O**
**DERIVATIVE FINANCIAL INSTRUMENTS  
AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Type of contract	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	ROFEX (over-the-counter electronic market)	3	3	1	2,690,150
Forward	Intermediation - own account	Foreign currency	Maturity settlement of differences	Over The Counter - Residents in Argentina – Non-financial sector	6	3	30	2,079,270
Repo transactions	Intermediation - own account	Local government securities	With delivery of underlying asset	Other countries of local	1	1	-	461,500
Options	Intermediation - own account	Other	With delivery of underlying asset	Over The Counter - Residents in Argentina – Non-financial sector	24	13	-	515,113

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

**BREAKDOWN OF STATEMENT OF INCOME  
AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Items	Net financial Income/ (Loss)
	Mandatory measurement
For measurement of financial assets at fair value through profit or loss	
Gain from government securities	1,346,419
Gain from private securities	88,948
Gain from derivative financial instruments	
Forward transactions	36,011
Loss from other financial assets	(16,644)
Gain from equity instruments at fair value through profit or loss	90,404
Loss from sales or decreases of financial assets at fair value (*)	(5,769,344)
<b>Total</b>	<b>(4,224,206)</b>

(\*) Includes reclassifications of instruments classified at fair value through other comprehensive income that were derecognized or charged or charged during the period.

**EXHIBIT Q**  
(Continued)

**BREAKDOWN OF STATEMENT OF INCOME**  
**AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

<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>
Interest income	
for cash and bank deposits	60,907
for government securities	1,703,001
for private securities	583,876
for loans and other financing	
Non-financial public sector	555,305
Financial sector	251,892
Non-financial private sector	
Overdrafts	4,063,157
Documents	1,272,899
Mortgage loans	1,797,225
Pledge loans	106,554
Personal loans	6,658,348
Credit cards	2,735,938
Financial leases	17,805
Other	1,985,611
for repo transactions	
Central Bank of Argentina	322,010
Other financial institutions	41,822
<b>Total</b>	<b>22,156,350</b>
Interest expenses	
for deposits	
Non-financial private sector	
Checking accounts	(120,325)
Saving accounts	(145,711)
Time deposits and investments accounts	(8,490,505)
for financing received from Central Bank of Argentina and other financial institutions	(22,087)
Other financial institutions	(65,597)
for other financial liabilities	(21,038)
Issued corporate bonds	(284,843)
for subordinated corporate bonds	(458,284)
<b>Total</b>	<b>(9,608,390)</b>

**BREAKDOWN OF STATEMENT OF INCOME**  
**AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

<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 period</b>	<b>Other comprehensive income/ (Loss)</b>
From debt government securities	8,727,411	(1,063,129)
<b>Total</b>	<b>8,727,411</b>	<b>(1,063,129)</b>

<b>Commissions income</b>	<b>Income for the period</b>
Commissions related to obligations	2,636,353
Commissions related to credits	15,861
Commissions related to loans commitments and financial guarantees	131
Commissions related to securities value	22,278
Commissions to credit cards	1,734,680
Commissions to insurances	308,613
Commissions related to trading and foreign exchange transactions	87,080
<b>Total</b>	<b>4,804,996</b>

<b>Commissions expenses</b>	<b>Income for the period</b>
Commissions related to trading and foreign exchange transactions	(20,970)
Other	
Commissions paid ATM exchange	(261,756)
Checkbooks commissions and compensating cameras	(82,638)
Commissions credit cards and foreign trade	(67,706)
	<b>(433,070)</b>

**EXHIBIT Q**  
(Continued)

**BREAKDOWN OF STATEMENT OF INCOME**  
**AS OF MARCH 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Net financial Income/ (Loss)
	Mandatory measurement
For measurement of financial assets at fair value through profit or loss	
Gain from government securities	184,295
Gain from private securities	186,412
Gain from derivative financial instruments	
Forwards transactions	452,623
Gain from other financial assets	2,483
Gain from equity instruments at fair value through profit or loss	2,047,855
Loss from sales or decreases of financial assets at fair value (*)	(11,157,557)
<b>Total</b>	<b>(8,283,889)</b>

(\*)Includes reclassifications of instruments classified at fair value through other comprehensive income that were derecognized or charged during the period.



**EXHIBIT Q**

(Continued)

**BREAKDOWN OF STATEMENT OF INCOME****AS OF MARCH 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 39)

(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

<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>
Interest income	
for cash and bank deposits	48,418
for government securities	786,993
for private securities	2,074
for loans and other financing	
Non-financial public sector	307,067
Financial sector	770,546
Non-financial private sector	
Overdrafts	2,915,305
Documents	1,864,327
Mortgage loans	2,028,040
Pledge loans	199,107
Personal loans	8,952,269
Credit cards	3,980,931
Financial leases	65,271
Other	1,431,148
for forward transactions	
Central Bank of Argentina	15,118
Other financial institutions	485,252
<b>Total</b>	<b>23,851,866</b>
Interest expenses	
for deposits	
Non-financial private sector	
Checking accounts	(188,275)
Saving accounts	(149,656)
Time deposits and investments accounts	(16,061,998)
for financing received from Central Bank of Argentina and other financial institutions	(66,652)
for repo transactions	
Other financial institutions	(108,168)
for other financial liabilities	(48,017)
Issued corporate bonds	(699,978)
for subordinated corporate bonds	(433,484)
<b>Total</b>	<b>(17,756,228)</b>

**BREAKDOWN OF STATEMENT OF INCOME  
AS OF MARCH 31, 2019**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

<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 period</b>	<b>Other comprehensive income/ (Loss)</b>
From debt government securities	13,828,495	(146,888)
<b>Total</b>	<u>13,828,495</u>	<u>(146,888)</u>

<b>Commissions income</b>	<b>Income for the period</b>
Commissions related to obligations	3,260,215
Commissions related to credits	37,806
Commissions related to loans commitments and financial guarantees	3,421
Commissions related to securities value	32,109
Commissions to credit cards	1,705,901
Commissions to insurances	348,566
Commissions related to trading and foreign exchange transactions	114,708
<b>Total</b>	<u>5,502,726</u>

<b>Commissions expenses</b>	<b>Loss for the period</b>
Commissions related to trading and foreign exchange transactions	(14,173)
Other	
Commissions paid ATM exchange	(170,608)
Checkbooks commissions and compensating cameras	(87,122)
Commissions credit cards and foreign trade	(99,312)
<b>Total</b>	<u>(371,215)</u>

**EXHIBIT R**

**VALUE ADJUSTMENT FOR CREDIT LOSSES - ALLOWANCES FOR UNCOLLECTIBILITY RISK  
AS OF MARCH 31, 2020**

(Translation of the Financial statements originally issued in Spanish – See Note 39)  
(Figures stated in thousands of pesos in terms of purchasing power of pesos as of March 31, 2020)

Item	Amounts at beginning of the fiscal year	ECL of the next 12 months	ECL of remanent life of financial asset		Effect monetary generated by provisions	03/31/2020
			Financial instruments with a significant increase in credit risk	Financial instruments with impairment		
Other financial assets	11,113	8,708			(805)	19,016
Loans and other financing	5,460,156	26,512	219,035	180,022	(395,052)	5,490,673
Other financial institutions	29,749	(10,198)			(2,152)	17,399
To the non-financial private sector and foreign residents						
Overdrafts	831,912	(20,482)	6,467	61,890	(60,189)	819,598
Documents	395,941	12,359	(6,176)	3,261	(28,647)	376,738
Mortgage loans	412,919	749	(238)	17,715	(29,876)	401,269
Pledge loans	139,116	(530)	(12,497)	13,559	(10,065)	129,583
Personal loans	1,980,686	(39,824)	143,524	89,464	(143,307)	2,030,543
Credit cards	854,913	40,462	92,464	9,262	(61,855)	935,246
Financial leases	5,768	(1,154)	771	1,224	(417)	6,192
Other	809,152	45,130	(5,280)	(16,353)	(58,544)	774,105
Eventual commitments	18,620	1,068	(3,444)	2,250	(1,347)	17,147
Other debt Securities	2,089	6,352			(151)	8,290
<b>Total allowances</b>	<b>5,491,978</b>	<b>42,640</b>	<b>215,591</b>	<b>182,272</b>	<b>(397,355)</b>	<b>5,535,126</b>

# **REVIEW REPORT ON CONDENSED CONSOLIDATED INTERIM 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 reviewed the accompanying condensed consolidated interim financial statements of BANCO MACRO S.A. and its subsidiaries ("the Bank"), which comprise: (a) the consolidated statement of financial position as of March 31, 2020, (b) the consolidated statements of income and other comprehensive income, and the changes in shareholders' equity and cash flows for the three-month period then ended, and (c) explanatory notes and other supplementary information.

### **Responsibility of the Bank's Board of Directors and Management in connection with the financial statements**

2. The Bank's Board of Directors and Management are responsible for the preparation and 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"), and in particular for the condensed interim financial statements on the International Accounting Standard ("IAS") 34 "Interim Financial Reporting", as those standards were 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), subject to the exceptions established by the BCRA that are explained in the aforementioned note. The Bank's Board of Directors and Management are also responsible for the internal control they may deem necessary to allow the interim consolidated financial statements to be prepared free of material misstatements, whether due to errors or irregularities.

### **Auditor's responsibility**

3. Our responsibility is to express a conclusion on the financial statements mentioned in paragraph 1. based on our review, which was performed in accordance with the standards established by FACPCE Technical Resolution No. 37 and with the "Minimum external auditing standards" issued by the BCRA, applicable to the review of interim financial statements, and in compliance with the ethical requirements relevant to the audit of the Bank's annual financial statements. A review of interim financial statements consists of making inquiries, mainly to the persons in charge of accounting and financial matters, as well as applying analytical procedures and other review procedures. A review is substantially less in scope than an audit of financial statements; therefore, we cannot obtain reasonable assurance that we will become aware of all the material issues that may arise in an audit. Therefore, we do not express an audit opinion.

## **Conclusion**

4. Based on our review, we have not become aware of anything that may lead us to believe that the financial statements mentioned in paragraph 1. have not been prepared, in all material respects, in accordance with the accounting framework established by the BCRA mentioned in paragraph 2.

## **Emphasis on certain aspects disclosed in the financial statements and other issues**

5. We would like to draw attention to the information contained in the following notes to the consolidated 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", in which the Entity indicates (i) that it has not applied section 5.5 "Impairment" of the IFRS 9 "Financial Instruments" to financial assets that comprise exposures to the public sector, which were temporarily excluded from that application by Communication "A" 6487 of the BCRA, and (ii) that although it is in process of quantifying the effects that the full application of the mentioned standard would have on the financial statements, the Entity considers that these effects could be significant.

(b) Note 3. "Basis for the preparation of these financial statements and applicable accounting standards", section "Applicable Accounting Standards", in which the Entity discloses that (i) for the purposes of measuring a holding of equity instruments in particular at fair value, it has applied the items required by the BCRA through a Memorandum dated April 29, 2019, and (ii) that although it is in process of quantifying the difference between the value that arises from what is mentioned in point (i) above and the fair value determined in accordance with the application of IFRS as of March 31, 2020, the Entity estimates that these effects could be significant.

These aspects do not modify the conclusion expressed in paragraph 4., but must be taken into account by those users who use IFRS for the interpretation of the financial statements mentioned in paragraph 1.

6. As further explained in note 41. 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 condensed separate interim 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., as mentioned in note 3. thereto, are in process of being transcribed into the Books of Accounts of BANCO MACRO S.A. and, based on our review, we have not become aware of anything that may lead us to believe that these financial statements have not been prepared, in all material respects, in conformity with the applicable Argentine Business Associations Law provisions and Argentine Securities Commission ("CNV") regulations.
- (b) The condensed separate interim financial statements of BANCO MACRO S.A. as of March 31, 2020, arise from the accounting books kept, in all formal respects, pursuant to current legal requirements.
- (c) As of March 31, 2020, the liabilities accrued from employee and employer contributions to the Integrated Pension Fund System, as recorded in the Bank's books, amounted to Ps. 292,471,514, none of which was due and payable as of that date.

Buenos Aires City,  
June 8, 2020

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E.C.A.B.A. Vol. 1 – Fo. 13

CARLOS M. SZPUNAR  
Partner  
Certified Public Accountant (U.B.A.)  
C.P.C.E.C.A.B.A. Vol. 192 – Fo. 110

## REVIEW REPORT ON CONDENSED SEPARATE INTERIM 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

1. We have reviewed the accompanying condensed separate interim financial statements of BANCO MACRO S.A. ("the Bank"), which comprise: (a) the separate statement of financial position as of March 31, 2020, (b) the separate statements of income and other comprehensive income, the changes in shareholders' equity and cash flows for the three-month period then ended, and (c) explanatory notes and other supplementary information.

#### Responsibility of the Bank's Board of Directors and Management in connection with the financial statements

2. The Bank's Board of Directors and Management are responsible for the preparation and 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"), and in particular for the condensed interim financial statements on the International Accounting Standard ("IAS") 34 "Interim Financial Reporting", as those standards were 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), subject to the exceptions established by the BCRA that are explained in the aforementioned note. The Bank's Board of Directors and Management are also responsible for the internal control they may deem necessary to allow the interim financial statements to be prepared free of material misstatements, whether due to errors or irregularities.

### **Auditor's responsibility**

3. Our responsibility is to express a conclusion on the financial statements mentioned in paragraph 1. based on our review, which was performed in accordance with the standards established by FACPCE Technical Resolution No. 37 and with the "Minimum external auditing standards" issued by the BCRA, applicable to the review of interim financial statements, and in compliance with the ethical requirements relevant to the audit of the Bank's annual financial statements. A review of interim financial statements consists of making inquiries, mainly to the persons in charge of accounting and financial matters, as well as applying analytical procedures and other review procedures. A review is substantially less in scope than an audit of financial statements; therefore, we cannot obtain reasonable assurance that we will become aware of all the material issues that may arise in an audit. Therefore, we do not express an audit opinion.

### **Conclusion**

4. Based on our review, we have not become aware of anything that may lead us to believe that the financial statements mentioned in paragraph 1. have not been prepared, in all material respects, in accordance with the accounting framework established by the BCRA mentioned in paragraph 2.

### **Emphasis on certain aspects disclosed in the financial statements and other issues**

5. We would like to draw attention to the information contained in the following notes to the separate 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", in which the Entity indicates (i) that it has not applied section 5.5 "Impairment" of the IFRS 9 "Financial Instruments" to financial assets that comprise exposures to the public sector, which were temporarily excluded from that application by Communication "A" 6487 of the BCRA, and (ii) that although it is in process of quantifying the effects that the full application of the mentioned standard would have on the financial statements, the Entity considers that these effects could be significant.
  - (b) Note 3. "Basis for the preparation of these financial statements and applicable accounting standards", section "Applicable Accounting Standards ", in which the Entity discloses that (i) for the purposes of measuring a holding of equity instruments in particular at fair value, it has applied the items required by the BCRA through a Memorandum dated April 29, 2019, and (ii) that although it is in process of quantifying the difference between the value that arises from what is in point (i) above and the fair value determined in accordance with the application of IFRS as of March 31, 2020, the Entity estimates that these effects could be significant.



These aspects do not modify the conclusion expressed in paragraph 4., but must be taken into account by those users who use IFRS for the interpretation of the financial statements mentioned in paragraph 1.

6. As further explained in note 39. 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**

7. We also issued a separate report on the condensed consolidated interim financial statements of BANCO MACRO S.A. and its subsidiaries as of the same date and for the same period indicated in paragraph 1.

#### **IV. Report on other legal and regulatory requirements**

8. In compliance with current legal requirements, we further report that:
  - (a) Based on our review, we have not become aware of anything that may lead us to believe that the financial statements mentioned in paragraph 1. have not been 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. as mentioned in note 3. thereto, are in process of being transcribed into the Books of Accounts of BANCO MACRO S.A. and arise from the accounting books kept, in all formal respects, pursuant to current legal requirements.
  - (c) As of March 31, 2020, the liabilities accrued from employee and employer contributions to the Integrated Pension Fund System, as recorded in the Bank's books, amounted to Ps. 292,471,514, none of which was due and payable as of that date.

- (d) As of March 31, 2020, as stated in note 28. to the financial statements mentioned in paragraph 1., the Bank carries shareholders' equity and a statutory guarantee account to eligible assets that exceed the minimum amounts required by relevant CNV regulations for the categories indicated in the abovementioned note.

Buenos Aires City,

June 8, 2020

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.

C.P.C.E.C.A.B.A. Vol. 1 – Fo. 13

CARLOS M. SZPUNAR

Partner

Certified Public Accountant (U.B.A.)

C.P.C.E.C.A.B.A. Vol. 192 – Fo. 110