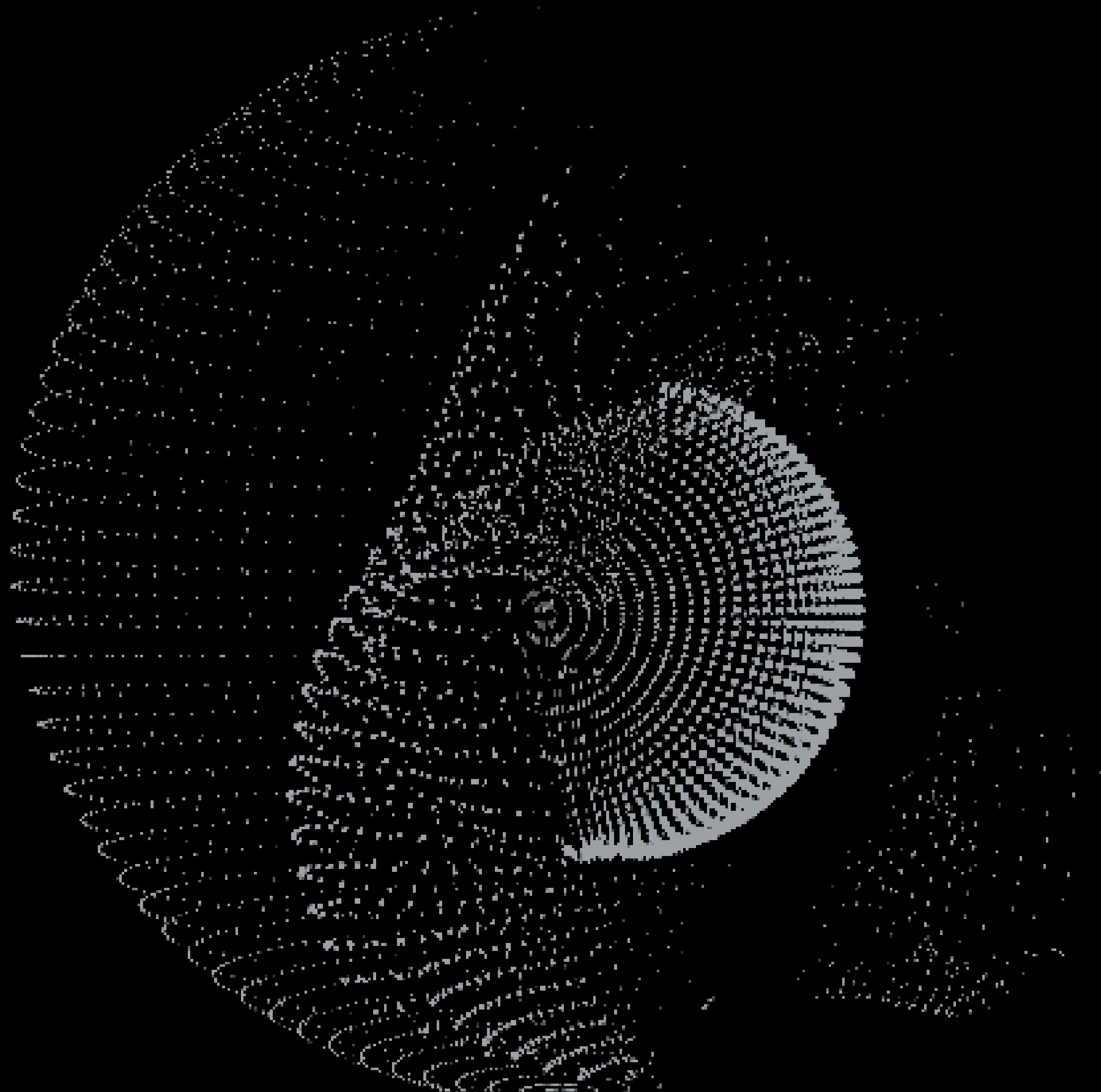
2020

INTEGRATED
ANNUAL REPORT

FINANCIAL, ECONOMIC,
SOCIAL, AND ENVIRONMENTAL
PERFORMANCE



Macro

2020

INTEGRATED ANNUAL REPORT

FINANCIAL, ECONOMIC, SOCIAL, AND ENVIRONMENTAL PERFORMANCE

Macro

The year 2020 was particularly difficult and sad for Banco Macro's big family. With deep sorrow, every one of us who is a part of this institution bids farewell to Jorge Horacio Brito, who was Banco Macro's chairman since the year 1988.

Jorge was a model of work, passion, effort, dedication, and professionalism. These are the values we will remember him for; his legacy will forever be with us at every office and every branch in every corner of the country.

We pay tribute to him with this Report and our day-to-day work, following the example of his life.

UNITING

C L O

GROWING

BUILDING

GUIDING

EVOLVING

OSE

GETTING FAR

Being close to individuals and communities. Helping them develop. Connecting every corner of the country.

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The year 2020 was particularly difficult and exceptionally challenging for our institution. Not only did we have to stand the test of adapting while still properly serving our customers amid the restrictions imposed in the wake of the pandemic, but we were also faced with the loss of our chairman, Jorge Horacio Brito.

Jorge was the founding shareholder of Banco Macro S.A. and chairman until the day of his death. He was a model of work, passion, effort, dedication, and professionalism. The legacy of these values will forever be with every one of us who is a part of Banco Macro's big family. We will remember him for everything he was and what his career path has taught us. And it should be recalled that, at such a difficult time and despite his departure, the Bank showed, through actual results, that it relies on a solid management team and a strong business model.

As explained in this Report, the publication of which is accompanied by this Letter, the COVID-19 pandemic became the factor shaping, albeit not exclusively, economic and social life both in our country and across the globe. Predictably enough, the financial markets and banking activity fully reflected the enormous difficulties facing individuals and economies as a result of the uncertainty arising from the coronavirus outbreak and the measures adopted by the countries to mitigate its impact.

As most developed countries announced packages of fiscal and monetary stimulus measures to counter the inevitable recession, so did the Argentine government on March 19, when it unveiled a mandatory lockdown of all but essential workers and launched a number of economic measures basically intended to assist households directly and through companies.

About 8 million informal and self-employed workers received transfers from the National Social Security Administration (ANSES, for its Spanish acronym), as did the large majority of retirees and welfare program beneficiaries. In turn, in order to help companies pay salaries, the Government implemented a program providing for subsidized interest rate loans.

We are a major player in the Argentine banking sector and the domestic private capital bank with the largest branch network nationwide, mainly located in the interior. We assist individuals and small and medium-sized enterprises with bank and transactional services, we act as financial agents for four provinces, and we help pay salaries and retirement benefits to 1,892,532 customers who use our network. As such, Banco Macro performed a key role in channeling the assistance afforded by the State amid the coronavirus emergency.

Against this backdrop, we were forced to change our way of working in order to conduct business and provide our customers and employees with the tools required to continue operating without any risks to their health while abiding by the government's recommendations.

We are proud to have promptly and orderly helped implement the welfare programs and benefits introduced by the government in the wake of the pandemic while at the same time honoring our permanent commitment to customers, human resources, and equity. This was quite a challenge given the unprecedented nature of the situation, the number of beneficiaries involved, and the stringent preventive measures in place.

The year 2020 forced most organizations into a digital transformation. In the case of Banco Macro, the consolidation of its ongoing digital transformation and the prompt adoption of digital tools and methodologies in the face of the new ways of working contributed to further modifying its structures and processes in order to speed up employees' tasks, enhance the efficiency of our services, broaden the scope of our customers' self-service activities, and improve the level of satisfaction resulting from choosing to operate with us.

The pandemic meant that over 2,100 employees had to work from home as teleworkers. To make this feasible, we provided them with the tools required to gain remote access to the information in the Bank's cloud servers and work in teams via video calls. In this way, we were able to keep all our branches operating by assisting those physically working there and in turn prevent crowds from gathering. We were thus forced to adapt our infrastructure to the reality imposed by COVID 19 and to provide special training on the use of new tools, which was possible thanks to the enormous effort and dedication of both our branch and support staff.

In turn, we continued to introduce digital schemes that add to our value proposition both in the personal and business banking divisions. Within the former, we rolled out My Macro App to encourage low-income and underbanked individuals to go digital and the viüMi aggregator for stores and professionals. Additionally, we worked in collaboration with another thirty banks to create the MODO e-wallet.

In the business banking division, 95 percent of our customers already use our new online corporate banking platform, which includes new ECHECK features that turn electronic checks into wide-ranging payment and financial instruments. We also launched Macro Payment Click, a 100 percent digital click-to-pay option which facilitates online collection and other operations, improved our traditional Cash Management products, and integrated the Payment-to-Suppliers service with the ECHECK as a new payment tool.

On the financial front, Banco Macro's 2020 policy was also directed towards maintaining efficiency and solvency indicators, with a focus on sustainable growth and liquidity preservation. Total deposits grew at a pace of 37 percent annually despite a 12 percent fall in the loans to the private sector due to a weak demand for credit and the reallocation to subsidized assistance programs set up by the government to lessen the impact of the pandemic on both individuals and companies.

In this context, the Bank reassessed the creditworthiness of all the micro, small, and medium-sized enterprises within its customer portfolio, granting loans at a reduced rate for over ARS 70 billion under the Argentine Central Bank's credit policies and thus becoming the leading private sector provider of loans to such segment.

Following the start of the pandemic, we granted 1,300 loans for ARS 800 million for companies to pay salaries under the government's Labor and Production Assistance Program and 60,000 zero-rate loans for ARS 6.5 billion to VAT registered taxpayers, small non VAT-registered taxpayers, and those in the culture industry.

Liquidity was 84 percent higher than the previous year, accounting for 90 percent of the deposits.

Our capital strength and results continued to set us apart. Indicators progressed adequately during the year, leading the Bank to rank among the top private banks in terms of equity size. The Bank's shareholders' equity grew by 4 percent, as indexed by inflation, from ARS 142,755 million to ARS 148,081 million, net of the dividends approved at the Shareholders' Meeting held on April 30, 2020 in an amount equal to ARS 19,980 million as of December 31, 2020. Paid-up capital in excess of the regulatory minimum amounts to 319 percent.

The year 2020 ended with profits (excluding other comprehensive income) of 30,269 million, 14 percent higher than the previous year, despite the fact that the Bank's interest income fell by 24 percent relative to the previous year and its net commission income decreased by 7 percent. The combination of both items (financial margin + net commissions) represented a year-over-year fall of 17 percent.

Such profitability entailed a return on average equity equal to 20.9 percent and a return on average assets equal to 4.3 percent, which enabled the Bank to rank among the first in the Argentine financial system. These results show that the Bank's productivity and efficiency in the use of resources over the years ensure a stable and continuous flow of income for all its stakeholders.

Although it is too early to assess or predict what the post-pandemic world will be like, we expect massive vaccination to drive the economy gradually back to normal and thus restore the activity in financial markets.

We will continue working every day to expand our footprint to every corner of the country, providing financial solutions to both individuals and companies and operating in a responsible, transparent, and sustainable way.

Buenos Aires, May 10, 2021.

Delfín Jorge Ezequiel Carballo
Chairman

BOARD OF DIRECTORS

Chairman
Delfín Jorge Ezequiel Carballo

Vice-Chairman
Jorge Pablo Brito

Directors
Carlos Alberto Giovanelli
Nelson Damián Pozzoli
Fabián Alejandro de Paul
Guillermo Merediz
Constanza Brito
Mario Luis Vicens
Guillermo Eduardo Stanley
Mariano Ignacio Elizondo
Delfín Federico Ezequiel Carballo
Ramiro Tosi
Santiago Horacio Seeber

DEAR SHAREHOLDERS

As required by our bylaws and the legislation in force, the Board of Directors of Banco Macro S.A. ("Banco Macro" or the "Bank") submits this Annual Report for fiscal year No. 55 ended December 31, 2020 for consideration by its shareholders.

BANCO MACRO S.A.
NOTICE OF SHAREHOLDERS' MEETING

Notice is hereby given of the General and Special Meeting to be held on April 30, 2021, at 11:00 a.m., at Avenida Eduardo Madero 1172, in the City of Buenos Aires (a venue different to the Bank's registered office), in order to transact business as follows:

AGENDA

1) Consideration of the Shareholders' Meeting being held remotely under General Resolution No. 830/2020 issued by the Argentine Securities Commission.

2) Appointment of two shareholders to sign the Meeting's minutes.

3) Consideration of the documents required under Section 234[1] of Act No. 19,550 for the fiscal year ended December 31, 2020.

4) Assessment of the Board of Directors' and Statutory Audit Committee's performance.

5) Consideration of the negative retained earnings as of December 31, 2020, totaling ARS 50,602,847,744.91, and the personal assets tax on shares and other equity interests, totaling ARS 311,943,788.14, which, as proposed by the Board of Directors, may be absorbed as follows: a) ARS 30,268,993,306.90 with the income for the year 2020; b) ARS 442,037.35 with the voluntary reserve fund; and c) ARS 20,645,356,188,80 with the voluntary reserve fund set up for future profit distributions. Figures stated in constant currency as of December 31, 2020.

6) Partial write-off of the voluntary reserve fund for future profit distributions, which amounted to ARS 70,446,357,678.11 (in constant currency) as of December 31, 2020, in order to authorize the allocation of up to ARS 10,000,425,701.12 to the payment of a dividend in cash or in kind, in this case measured at market value, or in any combination thereof, subject to the Argentine Central Bank's prior approval. Delegation of authority to the Board of Directors to establish how and when such dividend will be made available to the shareholders. The dividend is calculated on the basis of figures stated in constant currency as of December 31, 2020.

7) Consideration of the remuneration payable to the members of the Board of Directors for the fiscal year ended December 31, 2020, subject to the limit on profits prescribed under Section 261 of Act No. 19,550 and the Rules of the Argentine Securities Commission.

8) Consideration of the remuneration payable to the members of the Statutory Audit Committee for the fiscal year ended December 31, 2020.

9) Consideration of the remuneration payable to the auditing accountant for the fiscal year ended December 31, 2020.

10) Ratification of the appointment of Santiago Horacio Seeber as director to fill the vacancy resulting from the death of Jorge Horacio Brito for his remaining term of office pursuant to Section 4 of the Bank's bylaws.

11) Appointment of five directors for three fiscal years to fill the vacancies resulting from the expiration of the relevant terms of office.

12) Appointment of an alternate director to fill the vacancy resulting from the appointment of Santiago Horacio Seeber as director for his remaining term of office.

13) Determination of the number of members of the Statutory Audit Committee and appointment of such members for a fiscal year.

14) Appointment of an auditing accountant for the fiscal year ending December 31, 2021.

15) Setting of the Board of Directors' Audit Committee's budget.

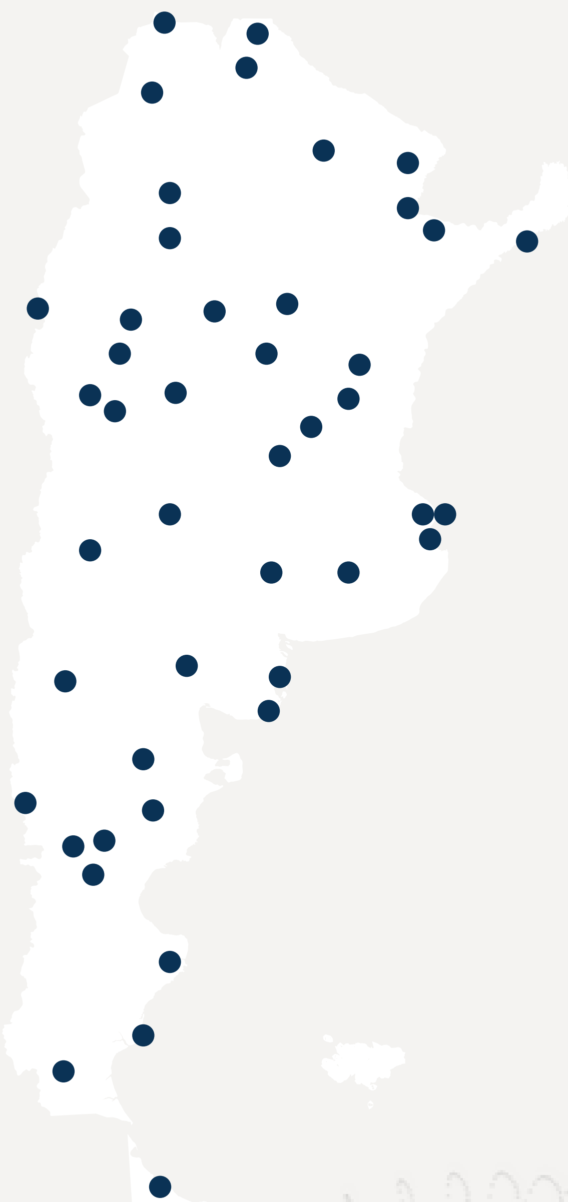
16) Authorization to complete the procedures and submissions required to obtain the pertinent administrative approval and the registration of any resolutions adopted.

THE BOARD OF DIRECTORS

NOTES: For the purpose of addressing items 1 and 6 on the agenda, the Shareholders' Meeting shall be deemed a Special Meeting. In the event the preventive and/or mandatory and/or sector-specific restriction on the free movement of people is maintained as a result of the state of emergency declared under Emergency Executive Order No. 297 (published in the Official Gazette on March 20, 2021) and any extensions thereof, the Shareholders' Meeting shall be held remotely via a video-conferencing system pursuant to General Resolution No. 830/2020 issued by the Argentine Securities Commission ("CNV General Resolution No. 830"), among others, subject to the following conditions: (i) all shareholders with full voting rights shall enjoy free access thereto; (ii) the quorum thereat shall be that required for a special meeting and, as the first item on the agenda, approval shall be granted to the meeting so held by the majority required to amend the bylaws; and (iii) any means used shall allow for the simultaneous transmission of audio, images, and words during the entire meeting and for their recording on digital media. To such effect, it is hereby reported as follows: 1) The system to be used shall be provided by WEBEX and may be accessed through a link made available with the meeting access and proceedings instructions to the shareholders who confirm their attendance by email as prescribed below. 2) In order to confirm their attendance, shareholders shall file the instruments required under the laws in force by email to asambleabancomacro@macro.com.ar on or before April 26. Unless otherwise provided, the link to the video conference shall be sent to the email address used by each shareholder to confirm their attendance. 3) In the case of proxies, the relevant appointment instruments shall be duly certified and filed with the Company on or before April 22. 4) Upon joining the Shareholders' Meeting, attendees shall share their location, the technical mechanisms used, and the following information about the owners of the shares: their full name or corporate name; their ID type and number in the case of individuals or the relevant registration information in the case of legal entities, expressly including the registry they are registered with and their jurisdiction; and their address and type of address. The same information shall be provided by any individuals participating as proxies. Additionally, it is hereby requested that both domestic and foreign corporate shareholders disclose the name of their own shareholders and the number of shares whereby they will cast their vote. 5) The Shareholders' Meeting Attendance Register shall be signed as coordinated once the emergency restrictions in force have been lifted. 6) At the time of voting, each shareholder shall be asked about their vote on the motions proposed so that such vote is cast with audio and image in order to ensure it can be verified when required. 7) In the event no preventive and/or mandatory and/or sector-specific prohibition and/or limitation and/or restriction on the free movement of people is in place as a result of the state of emergency declared under Emergency Executive Order No. 297 and any extensions, supplements, and/or amendments thereto, and/or any other regulations issued within its framework by an agency of the National Executive as of the date of the Shareholders' Meeting, the Shareholders' Meeting shall be held on site. It is further reported that no individual who might be disqualified on the grounds provided for under Section 10 of Financial Institutions Act No. 21,526 and/or the Argentine Central Bank's Restated Rules on the "Authorities of Financial Entities" may be nominated to serve on the Board of Directors or the Statutory Audit Committee.

Delfín Jorge Ezequiel Carballo
Chairman

BRANCH
NETWORK



Buenos Aires
9 de Julio
Adrogué
Alberti
Arrecifes
Avellaneda
Bahía Blanca
Berazategui
Bolívar
Campana
Capitán Sarmiento
Carhué
Carmen de Areco
Caseros
Chacabuco
Chascomús
Chivilcoy
Colón
Coronel Pringles
Coronel Suárez
Florencio Varela
Gerli
Junín
La Plata
Lanús
Lomas de Zamora
Luján
Mar del Plata
Martínez
Mercedes
Merlo
Monte Grande
Morón
Necochea
Olavarría
Olivos
Pergamino
Pigüé
Pilar
Pinamar
Punta Alta
Quilmes
Rafael Calzada
Salliqueló
Salto
San Andrés de Giles
San Antonio de Areco
San Fernando
San Isidro
San Justo
San Martín
San Miguel
San Nicolás
San Pedro
Santa Teresita
Tandil
Temperley
Tigre
Trenque Lauquen
Tres Arroyos
Villa Insuperable
Zárate

Catamarca
San Fernando del Valle
de Catamarca

Chaco
Resistencia

Chubut
Comodoro Rivadavia
Esquel
Puerto Madryn
Rawson
Trelew

City of Buenos Aires
Colegiales
Balvanera
Flores Este
Almagro
Caballito
Chacarita
Av. Córdoba
Catalinas
Retiro
Monserrat
Botánico
Banco Macro's Tower

Quintana
Barrio Norte
Alto Palermo
Palermo
Plaza Lavalle
Banco Macro's Headquarters
SMSV
Congreso
Av. Santa Fe
Av. de los Incas
Devoto
Boedo
Barracas
Constitución
Belgrano
Mataderos
Villa del Parque
Puerto Madero
Liniers

Córdoba
Alta Gracia
Arroyito
Bell Ville
Brinkmann
Camilo Aldao
Carnerillo
Córdoba
Cruz Alta
Dalmacio Vélez
Despeñaderos
Devoto
Freyre
General Cabrera
General Deheza
Hernando
Jesús María
La Falda
Laboulaye
Las Varillas
Los Surgentes
Marcos Juárez
Marull
Monte Maíz
Morteros
Oliva
Oncativo
Porteña
Río Cuarto
Río Primero
Río Segundo
Río Tercero
San Francisco
Tránsito
Villa Allende
Villa Carlos Paz
Villa del Rosario
Villa Dolores
Villa General Belgrano
Villa María
Wenceslao Escalante

Corrientes
Corrientes
Gobernador Virasoro
Ituzaingó

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

Jujuy
Abra Pampa
El Carmen
Humahuaca
La Quiaca
Libertador General San
Martín
Monterrico
Palpalá
Perico
San Pedro
San Salvador de Jujuy
Susques
Tilcara

La Pampa
General Pico
Santa Rosa

La Rioja
Chilecito
La Rioja

Mendoza
Godoy Cruz
Guaymallén
Las Heras
Luján de Cuyo
Maipú
Malargüe
Mendoza
San Martín
San Rafael

Misiones
2 de Mayo
25 de Mayo
Alba Posse
Almirante Brown
Apóstoles
Aristóbulo del Valle
Bernardo de Irigoyen
Campo Grande
Campo Viera
Candelaria
Capioví
Cerro Azul
Concepción de la Sierra
El Soberbio
Eldorado
Garupá
Jardín América
Leandro N. Alem
Montecarlo
Oberá
Posadas
Puerto Iguazú

Puerto Piray
Puerto Rico
San Antonio
San Ignacio
San Javier
San José
San Pedro
San Vicente
Wanda

Neuquén
Cutral Có
Neuquén
San Martín de los Andes
Zapala

Río Negro
Choele Choel
Cipolletti
General Roca
San Carlos de Bariloche
Viedma
Villa Regina

Salta
Aguaray
Barrio Grand Bourg
Cachi
Cafayate
Cerrillos
Colonia Santa Rosa
El Carril
Embarcación
General Güemes
Joaquín V. González
Las Lajitas
Metán
Mosconi
Orán
Pichanal
Rosario de la Frontera
Rosario de Lerma
Salta
Salvador Mazza
San Antonio de los Cobres
San José de Metán
Tartagal

San Juan
San Juan

San Luis
San Luis
Villa Mercedes

Santa Cruz
Caleta Olivia
Río Gallegos

Santa Fe
Acebal
Alcorta
Álvarez
Alvear
Arequito
Armstrong
Arroyo Seco
Arteaga
Cañada de Gómez
Cañada Rosquín
Capitán Bermúdez
Carcarañá
Carlos Pellegrini
Carreras
Casilda
Chabás
Clucellas
Coronel Arnold
Correa
Esperanza
Felicia
Firmat
Fray Luis Beltrán
Fuentes
Funes
Gálvez
Gobernador Crespo
Gobernador Gálvez
Godoy
Humboldt
Juan B. Molina
Landeta
Las Parejas
Las Rosas
Llambi Campbell
Los Molinos
Maciel
María Susana
Máximo Paz
Moisés Ville
Montes de Oca
Oliveros
Pavón Arriba
Peyrano
Pilar
Puerto General San Martín
Pujato
Rafaela
Reconquista
Roldán
Rosario
Salto Grande
San Carlos Centro
San Jerónimo Norte
San Jerónimo Sur
San Jorge
San José de la Esquina
San Justo
San Lorenzo
Santa Fe
Santa Teresa
Santo Tomé
Serodino
Sunchales
Timbúes
Totoras
Uranga
Venado Tuerto
Villa Constitución
Villa Eloísa
Wheelwright
Zavalla
Zenón Pereyra

Santiago del Estero
La Banda
Santiago del Estero

Tierra del Fuego
Río Grande
Ushuaia

Tucumán
Aguilares
Alderetes
Banda del Río Salí
Bella Vista
Cevil Redondo
Concepción
Famaillá
Juan B. Alberdi
La Cocha
La Ramada
Los Ralos
Lules
Monteros
San Miguel de Tucumán
Simoca
Tafí del Valle
Tafí Viejo
Trancas
Yerba Buena

Being close

CORRESPONDENT **BANKS**

GERMANY
BHF Bank Aktiengesellschaft
Commerzbank AG
Deutsche Bank AG
Standard Chartered Bank GMBH
Banco Santander
Sparkasse Westmuensterland
Kreissparkasse Biberach
Landesbank Baden-Wuerttemberg
Bremer Landesbank
KBC Bank Deutschland AG
HSH Nordbank AG
Sparkasse Paderborn Detmold
Oldenburgische Landesbank AG

SAUDI ARABIA
Al Rajhi Bank
Al Inma Bank

ARMENIA
HSBC Bank Armenia

AUSTRALIA
Australia and New Zealand Banking Group
St. George Bank, a Division of Westpac Banking

AUSTRIA
Raiffeisen Landesbank Steiermark AG
Raiffeisenlandesbank Burgenland RGMBH
Erste Bank Group AG

BAHRAIN
Woori Bank, Manama

BANGLADESH
Standard Chartered Bank
Woori Bank, Dhaka
Standard Bank Ltd.

BELGIUM
Euroclear Bank S.A. N.V.
Belfius Bank
ABN AMRO Bank N.V.

BELORUSSIA
Bank Belveb OJSC
BPS Bank

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

BRAZIL
Banco do Estado do Rio Grande do Sul S.A.
Banco Do Brasil S.A.
Banco Nac. de Desenv. Econômico e Social (BNDES)
Banco ABC Brasil
Banco de la Nación Argentina
Banco Safra S.A.
Banco Santander (Brazil)
Banco Bradesco
Banco Votorantim
Banco Sumitomo Mitsui Brasileiro
HSBC Banco Múltiplo
Banco Fibra
China Construction Bank SP

BULGARY
Unicredit Bulbank

BOSNIA AND HERZEGOVINA
Unicredit Bank

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

CHILE
CorpBanca
Banco de Crédito e Inversiones
Banco de Chile
Banco BICE
Banco Internacional
Banco Itaú Chile
Banco Santander Chile
Banco del Estado de Chile
Scotiabank Chile
Banco Security

CHINA
Standard Chartered Bank
Mizuho Corporate Bank
China Construction Bank Corp.
Woori Bank
Industrial Bank Co.
Bank of Chengdu
Nanxun Bank
Ningbo Yuyao Rural Commercial Bank
Zhejiang Chouzhou Commercial Bank

CYPRUS
Hellenic Bank Public Company Ltd.

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

COSTA RICA
Banco Nacional de Costa Rica
Banco Lafise

SOUTH KOREA
Kookmin Bank
KEB Hana Bank
Industrial Bank of Korea
Mizuho Corporate Bank
The Export - Import Bank of Korea

DENMARK
Danske Bank
Nordea Bank Denmark A.S.
JYSKE Bank

ECUADOR
Banco del Pichincha
Banco Bolivariano C.A.
Banco de Guayaquil

EGYPT
Faisal Islamic Bank of Egypt

UNITED ARAB EMIRATES
Mashreqbank PSC United Arab Emirates
Banque de Commerce et de Placement

SLOVAKIA
Unicredit Bank Slovakia

SLOVENIA
Unicredit Banka Slovenija DD

SPAIN
Banco Bilbao Vizcaya Argentaria
Banco Santander
CecaBank
Banco de la Nación Argentina
BANKIA S.A.
Bankiter
Banco de Sabadell
Banco Pastor
CAIXABANK

UNITED STATES OF AMERICA
Standard Chartered Bank
Bank of America N.A.
Commerzbank AG
Citibank N.A.
Israel Discount Bank of New York
The Bank of New York Mellon
HSBC Bank USA
JP Morgan Chase Bank
Bac Florida Bank
Banco de la Nación Argentina
Banco Santander International
Eastern National Bank
Deutsche Bank Trust Americas
Regions Bank
Inter-American Development Bank
East West Bank
The Northern Trust Co.
Keybank
Wells Fargo Bank

THE PHILIPPINES
Standard Chartered Bank

FINLAND
Nordea Bank Finland PLC
Pohjola Pankki OYJ
Danske Bank

FRANCE
Société Générale
BNP Paribas S.A.
Banque Internationale de Commerce Bred
Banque Palatine
Crédit Mutuel - CIC Banques

GREECE
National Bank of Greece S.A.

NETHERLANDS
ABN Amro Bank
INTESA San Paolo IMI

HONG KONG
Standard Chartered Bank
Deutsche Bank AG
Citibank N.A.
Cathay Bank

HUNGARY
Magyar Takarekszouetkeseti Bank
Kand H Bank ZRT
Raiffeisen Bank ZRT

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

INDONESIA
Standard Chartered Bank
Bank Negara Indonesia - PT

IRELAND
UniCredit Bank Ireland PLC
Citibank Europe PLC

ISRAEL
Bank Leumi le Israel

ITALY
INTESA San Paolo IMI
Unicredit SPA
Banca de Milano
Banca Popolare Soc. Coop.
Cassa di Risparmi in Bologna
UBI Banca SCPA
Banca di Sondrio

JAPAN
Bank of Tokyo Mitsubishi
Mizuho Bank LTD

KENYA
Paramount Universal Bank

LATVIA
Baltikums Bank

LUXEMBOURG
Clearstream Banking S.A.
Danske Bank International
Unicredit International Bank

MALAYSIA
Citibank Berhad

MEXICO
Banco Nacional de México
Nacional Financiera SNC
Banco del Bajío

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

PAKISTAN
Standard Chartered Bank
Askaribank Ltd.

PANAMA
Banco Latinoamericano de Exportaciones
Banco de la Nación Argentina (Panama)

PARAGUAY
Banco de la Nación Argentina
Bancop S.A.
Banco Continental
Banco Regional SAECA

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

POLAND
Bank BPH (Unicredit Group)
BRE Bank

PORTUGAL
Banco Santander Totta

PUERTO RICO
Banco Popular de Puerto Rico

UNITED KINGDOM
HSBC Bank
Standard Bank Plc.
Standard Chartered Bank N.A.
Barclays Bank Plc.

CZECH REPUBLIC
Československá Obchodní Banka, a.s.

ROMANIA
Unicredit Tiriac Bank

RUSSIA
Vnesheconombank
Nomos Bank

SERBIA
Unicredit Bank Serbia

SINGAPORE
Citibank N.A.
Mizuho Corporate Singapore

SOUTH AFRICA
Standard Bank of South Africa Ltd.
Citibank South Africa

SWEDEN
Nordea Bank
Swedbank International
Danske Bank

SWITZERLAND
Credit Suisse
UBS Bank AG
Zurcher Kantonalbank
Bank Julius Baer
Banque Cantonale Vaudoise
Banca Cantonale de Genève
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Banco República Oriental del Uruguay
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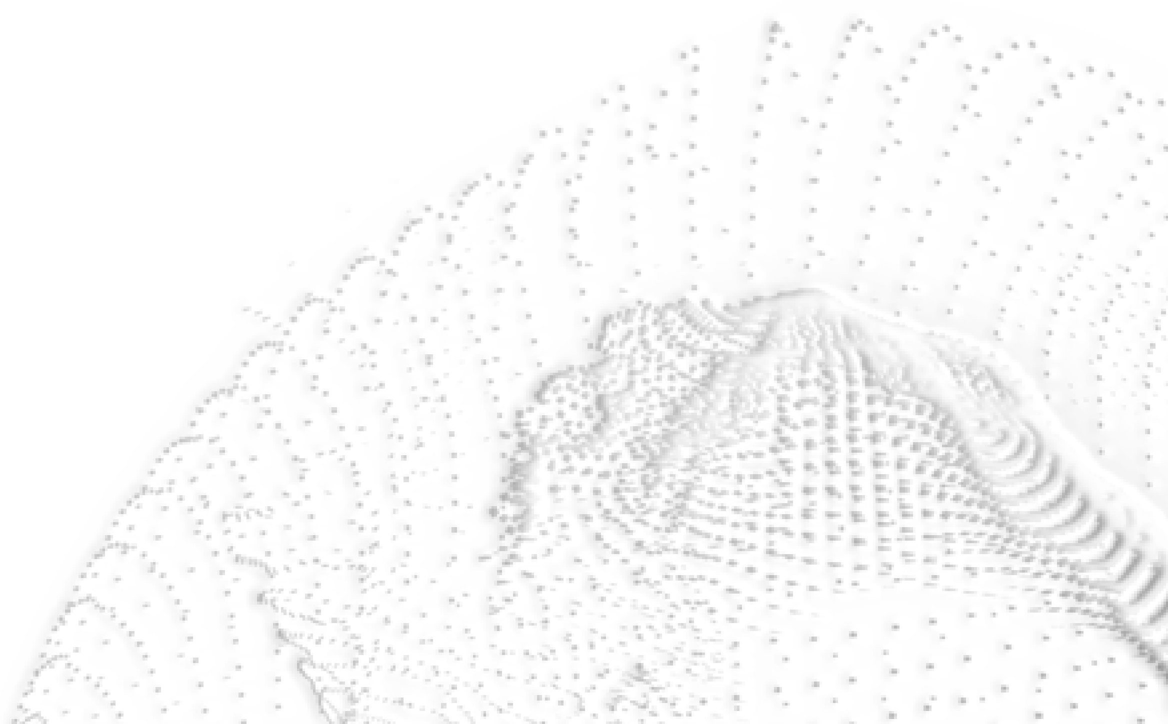
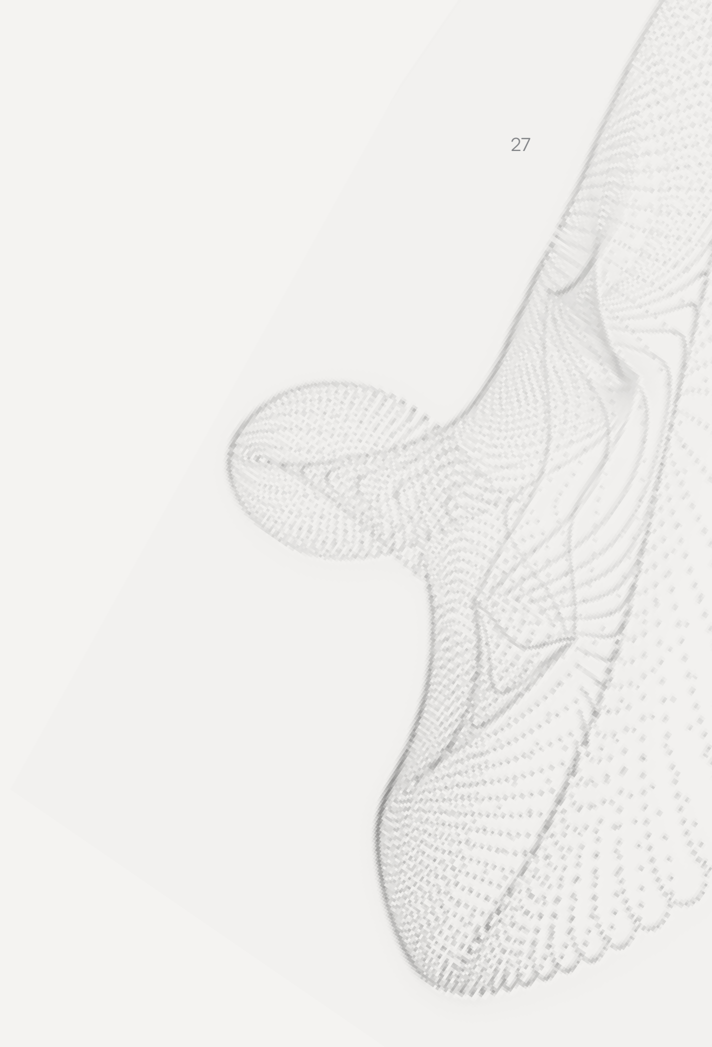
ANNUAL REPORT



This document contains our Integrated Annual Report, in which we share our economic, social, and environmental performance in 2020, including our financial and non-financial results in line with the Bank's sustainability strategy and commitment to sustainable development.



We present this document in order to share our actions, processes, and programs in 2020 and the prospects and challenges facing our business in the future with our stakeholders: shareholders, investors, customers, suppliers, employees, partner organizations, the public sector, the communication media, and the local communities.

This Integrated Report follows the latest reference framework developed by the International Integrated Reporting Council (IIRC), launched in January 2021, and shows the Bank's comprehensive performance across six capitals categorized as Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural.

This publication has also been prepared in line with the Global Reporting Initiative (GRI) Standards, Comprehensive Option, and constitutes our 2020 Communication on Progress, which reports on our performance as is related to the Ten Principles of the UN Global Compact[1] and our contribution to the Global Agenda 2030 through the identification of the Sustainable Development Goals (SDGs) relevant to our business. Where applicable, this document shows the SDGs to which a contribution has been made through the actions shared in each section.

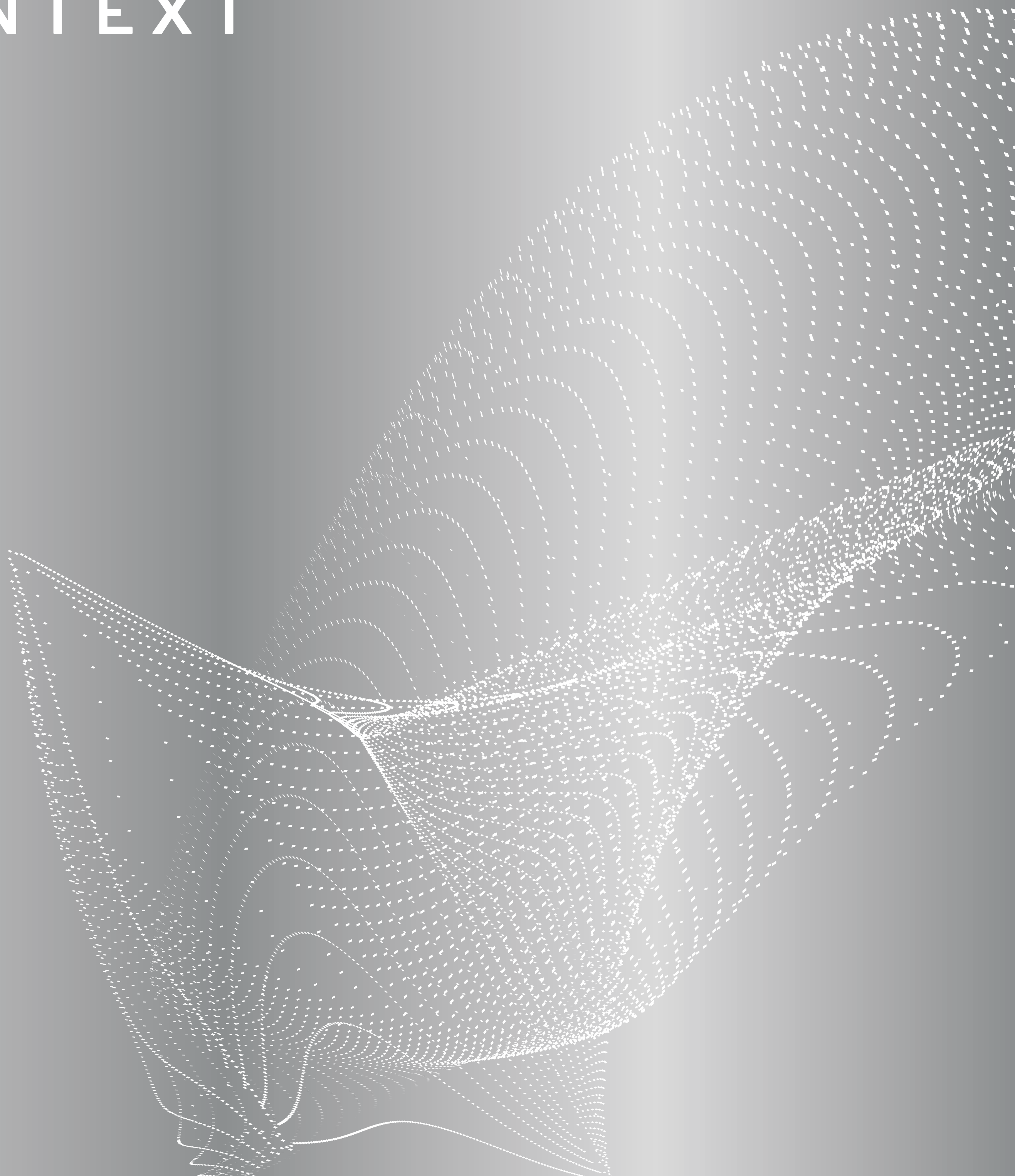
The data for the fiscal year 2020 are stated in constant currency under IAS 29, "Financial Reporting in Hyperinflationary Economies." Such data further include the effect of adopting Section 5.5, "Impairment," of IFRS 9, "Financial instruments." Both standards were applied following the specific guidelines established by the Argentine Central Bank in Communications "A" 6651, 6847, and 6849 and those supplementary thereto.

In this unprecedented year, we placed value on the Bank's work to respond to the COVID-19 pandemic and on the decisions made to ensure business continuity. As a reference to select the contents for this Report, we considered the results of the materiality analysis conducted during the previous years under the above international standards.

Finally, this publication is supplemented by other reports, such as Form 20-F issued by the U.S. Securities and Exchange Commission (SEC) and our summary of sustainable actions (Annual Report – Abridged Version).

(1) www.pactoglobal.org.ar

MACROECONOMIC CONTEXT



THE MACROECONOMIC SCENARIO IN 2020

As in most countries across the world, the COVID-19 pandemic had an impact on the pace of the Argentine economy in 2020. With a decline of around 10 percent, the downturn adversely affected the performance of different activities, especially those in the services sector.

In order to counter the economic and social consequences of the coronavirus crisis, the government rolled out an emergency program that helped companies pay salaries and informal workers restore some of their lost income. It also used public funds to back bank loans to companies and subsidized the interest rate on certain loans to SMEs and self-employed workers. These measures entailed a fiscal cost of almost 4 percent of GDP over the year and made the primary fiscal deficit climb from 6.5 percent to 8.5 percent of GDP when the relevant interest was included. Cut off from the international credit markets, the Treasury was forced to obtain funding, to a large extent, from the Argentine Central Bank's temporary advances which, along with the transfer of its dividends, played a key role in the period's monetary expansion.

The annual inflation rate of 36.1 percent was considerably lower than the 53.8 percent rate in 2019. Several factors account for this behavior, and especially worthy of note is the impact of the pandemic. In the services sector, the rise was of only 22.2 percent and the fact that the prices of a vast number of products were virtually frozen helped curb and stabilize the inflation rate over a large part of 2020. The monthly rates recorded an increase towards the end of the year in line with the first signs of an economy that was going back to normal.

The salaries of registered workers experienced an increase of around 35 percent, slightly below the inflation rate. Predictably enough, the fall in salaries and employment was more remarkable among highly informal sectors, which in general suffered the effects of the lockdown (hotels, restaurants, stores) and found it more difficult to obtain the government's aid.

Before the virus hit the country, the government had made some progress towards certain fiscal consolidation with a rise in the rates on some taxes and the creation of new ones: it increased the personal assets tax rate, reduced the VAT and income tax exemptions, and, with a view to both improving fiscal resources and preserving the Argentine Central Bank's forex reserves, imposed a new tax and a 35 percent withholding on the purchase of foreign currency for the purposes of saving and incurring expenses abroad. By the end of the year, Congress passed Act No. 27,605 providing for the payment of a Solidary and Extraordinary Contribution by all taxpayers with assets in excess of ARS 200 million as of the date on which the act was passed.

Along with these tax schemes, the government unveiled a foreign debt restructuring proposal intended to reduce the burden of principal and interest repayments with maturities within its term of office. In the meantime, it paid the interest due in foreign currency until March and managed to voluntarily reschedule a large part of the debt incurred in local currency.

In August, following several extensions, an agreement was reached with the holders of debt in foreign currency issued under foreign legislation and, in September, with the holders of debt issued under local law. Subject to the new debt maturity schedule, Argentina has no significant foreign currency obligations until 2024.

On the foreign front, the strain was unrelenting despite the country's current account surplus of around 1 percent of GDP and the real exchange rate competitiveness in comparison with the long-term historical average rates. In view of the steady decline in its reserves, the Argentine Central Bank introduced more stringent controls, thus making it increasingly difficult to access the foreign exchange market, especially for the purposes of saving, paying for purchases abroad, and even canceling corporate debts. The monetary authority ended up selling USD 4,169 million in the market as a part of a process that reduced its reserves by USD 5,439 million in 2020.

The price of the U.S. dollar for foreign trade operations recorded an increase of over 40 percent from ARS 59.87 to ARS 84.15, a small real depreciation of the Argentine peso if compared with the inflation affecting the basket of basic goods measured by the Consumer Price Index. In turn, a large part of the exports and purchases for saving and touristic purposes, among others, were subject to specific taxes and withholdings. The exchange rates implied in operations involving bonds denominated in foreign currency varied widely in line with the changes in market conditions over the year.

Even when interest rates were not enough to sustain the purchasing power of savings, private sector deposits grew by 84.6 percent largely as a result of the monetary policy in a context in which the demand for credit only experienced a rise in the subsidized sectors. In turn, the loans in foreign currency fell by 48 percent, 10 percent more than foreign currency deposits, thus showing the impact of foreign exchange expectations and the pesification process that characterized the financial system at that time. Despite such a difficult backdrop, the public sector managed to implement its financing strategy, consisting in converting assets and issuing bonds denominated in pesos (known as LEDES, LEBAC, and LEPASE notes) and adjustable by the reference stabilization coefficient (CER, for its Spanish acronym) (LECER Y BONCER) and, marginally, by the exchange rate. In turn, the financial system's assets and liabilities continued to be converted into pesos.

Argentina is expected to reach an agreement with the International Monetary Fund in 2021 in order to repay 45 billion U.S. dollars. The first repayments of principal are scheduled for September and December 2021, with their full impact on 2022. Within this framework of clear finances and in a favorable international context with low interest rates and stable commodity prices, the country will have a great opportunity to lay the groundwork required to achieve economic recovery and redress the macroeconomic imbalances that condition its capacity for steady growth.

THE INTERNATIONAL CONTEXT

The COVID-19 pandemic delivered a global economic shock in 2020. As projected by the International Monetary Fund, global GDP fell by 3.5 percent, with a decline of 4.9 percent across advanced economies and of 2.4 percent in emerging markets. The fall was not worse for the latter because China managed to close the year with positive growth rates, expanding by 2.3 percent and recovering more rapidly than the rest of the world. GDP shrank by 3.4 percent in the United States, by 7.2 percent in the Eurozone, by 10 percent in the United Kingdom, by 5.1 percent in Japan, and by 8 percent in India. In turn, the downturn in Latin America was of 7.4 percent.

Virtually all countries provided a timely and robust response to the pandemic, with generous fiscal measures intended to guarantee the income of those individuals and companies forced to shut down or reduce their activities. As a result, the fiscal deficit in many countries rose to an all-time high, as did the debt-to-GDP ratio. In turn, the central banks in the major countries reduced the benchmark interest rate to near-zero levels, which made it possible for many states and countries to obtain very cheap financing while sustaining debt levels that would otherwise have been considered very dangerous. Many countries even implemented strongly expansionary monetary policies to hose their economies with further liquidity.

The pandemic had a more profound impact on the services sector, especially on the tourism, leisure, and culture industries, bringing them to almost a standstill. Those producing goods were relatively less affected, and despite the red growth figures and the effects of the second wave, the manufacturing industry is expanding in many countries (by over 50 points), unlike the services sector, which remains in the red.

For the year 2021, the IMF projects a global economic recovery of around 5.5 percent year over year, with a growth of 6.3 percent in emerging markets and of 4.3 percent for the advanced economies. The United States is projected to grow by 5.1 percent while the Eurozone would be left behind with 4.2 percent and continue to see a reduction in its share of

The first wave of coronavirus dealt a huge blow to several European countries, especially Italy and Europe, which saw their healthcare system collapse in some of the worst-hit regions. The United Kingdom and most European countries severely affected by the pandemic introduced measures restricting the free movement of their population, with an impact on their economies and that of the continent.

During the second quarter of 2020, the Eurozone economies fell by 14.7 compared with the previous year. Unemployment climbed from 7.2 percent in February, before the outbreak of the pandemic, to a maximum of 8.7 percent in July and then experienced a gradual decline to 8.3 percent. The inflation rate, which had closed 2019 at 1.3 percent, gradually turned into a deflation rate as the pandemic left its footprint on the economy. Since August 2020, the prices for the twelve previous months have shown a decline, with the annual CPI in negative territory at -0.3 percent, the core inflation still positive at +0.2 percent, and food standing at +0,9 percent. In almost all major European countries, public debt interest rates are negative. Other debtors which used to be regarded as a risk, such as Portugal and Greece, are obtaining financing at near-zero rates.

global GDP. Among the major emerging markets, India takes the lead with over 11 percent and China is expected to grow by 8.1 percent. Latin American economies would expand by 4.1 percent, which entails a decline of 3.6 percent considering both 2020 and 2021. Hardly would the region as a whole be able to reach, in 2022, the level of activity of 2019, although Brazil, the most important economy of the region for Argentina, may be able to do so as it is expected to grow by 3.5 percent in 2021 following a fall of 4.5 percent in 2020. The outlook looks less promising for Argentina, Mexico, and Peru.

The U.S. economy contracted by 2.5 percent compared with 2019, but showed great volatility over the year, largely in line with the evolution of the pandemic. During the second quarter, economic activity fell at an annual rate of 31.4 percent, rose to 33.4 percent during the third quarter, and kept a much more moderate pace of annual growth at 4 percent in the last quarter of the year. Unemployment rose from 4 to 14 percent in the first month of the crisis sparked off by the pandemic to remain below 7 percent during the rest of the year. The inflation rate closed at 1.4 percent and, despite gaining some momentum over the last months of the year, it remains below the annual 2 percent benchmark established by the monetary authorities to administer their monetary policy and possibly reduce the programs currently in place.

The elections might have had an impact on the economy as well. However, and despite the many peculiarities of the process, the financial markets showed no significant signs of concern in a bid to economic recovery. With Joe Biden's victory and the Democrats' control of Congress, the new government is expected to place more stringent measures to fight the pandemic and to maintain the aid programs in place in a context in which the United States reassumes a more open attitude and a deeper commitment to the problems facing the rest of the world and western countries in particular.

Brazil outperformed most countries in the region, shrinking by around 4.5 percent. Despite the very damaging effects of the virus in many areas of the country, the restrictions imposed were relatively milder compared with those introduced in other Latin American countries. With an interest rate of -2 percent in real terms, Brazil appears to have embarked on recovery and is expected to continue at a strong pace, leveraging the good export prices of its raw materials to its advantage. Despite a slight decline from the peak of 14.6 percent, unemployment remains high, standing at 14.1 percent as of November 2020.

The early closure of many areas of China at the start of 2020 seriously affected the value chains worldwide and led to the shortage of inputs in several sectors of the global production system. But the policies adopted by the Chinese government, which were initially very harsh in terms of the restrictions imposed on the population, made it possible for the country to rapidly return to some normality. China ended 2020 at a pace of growth of 6.5 percent year over year, in line with its performance prior to the onset of the pandemic. The unemployment rate also reached its pre-pandemic level, while the inflation rate fell by 5.4 percent annually from January to 0.2 percent in December (last 12 months).

The stock markets around the world ended the year in positive territory despite the pandemic and global recession. The Standard & Poor's 500 Index increased by 16.3 percent propelled by IT companies and the Nasdaq index grew by 43.6 percent, its biggest gain over the last decade. Although markets experienced a sharp decline at the start of the coronavirus crisis, by the end of the second quarter they had already recouped losses and optimism prevailed. This is in contrast to the negative performance of European markets, with fewer companies in the IT industry and a large share held by those in the tourism sector, heavily hit by the COVID-19 pandemic. The Stoxx 600 index fell by 3.8 percent. The British FTSE declined by 14 percent, the French CAC 40 was down by 7 percent, and the Milan Stock Exchange's index slid by 5.4 percent in 2020, while Germany's DAX was the only one in positive territory, albeit below the U.S. figures, with a 3.5 percent gain.

Fixed-income markets experienced their dose of volatility. The interest rate on the 10-Year U.S. Treasury Note started at 1.8 percent to dip to 0.6 percent at the peak of the pandemic and end the year above 1 percent. This is still regarded as a negative yield in real terms, but began to reflect expectations of a return to some economic normality and, possibly, increased inflation. The 30-Year Treasury Note yield is near 2 percent while the debt maturing in less than 2 years has remained stable at around 0.1 percent annually. As noted, debt yields are negative in most major European countries. A second group includes Spain, with virtually near-zero yields, while Italy pays around 0.6 percent annually on its 10-year bond.

Raw materials also experienced volatility, but ended the year in positive territory. The price of oil plummeted at the onset of the pandemic, so much so that WTI futures were even traded at negative prices, but then they gradually recovered and closed the year almost at the level of the start, standing above 50 U.S. dollars per barrel. The OPEC countries agreed to reduce production in order to stabilize prices. Gold had a promising start, with a peak of USD 2,000 per ounce in August, which it never hit again. With respect to agricultural products, the price of soy, Argentina's main crop, was on average USD 349 per ton, but ended the year near USD 500. In turn, maize started the year at 385 cents per bushel and closed at 511 cents.

Among industrial commodities, copper started the year at USD 2.64 per pound and fell to a minimum of USD 2.10 during the pandemic to end the year at USD 3.60.

The good performance of raw materials is in part attributable to the weakness of the U.S. dollar, which rose from 1.09 to 1.21 per euro at the end of last year, in turn helping strengthen the currencies of emerging markets as commodity producers.

THE ARGENTINE ECONOMY

Relying on the Economic Emergency Act, passed at the end of 2019, the government started the year with several goals: to organize fiscal accounts by increasing tax revenues and de-indexing spending, to protect forex reserves and thus show foreign currency payment capacity in view of the country's lack of access to credit markets, to encourage saving in pesos, to dispel the fears of a new inflation hike, and to fuel consumer spending in order to kick-start the economy. Unlike the previous administration, which focused on gradually reducing public spending and money printing, the new government sought to improve the fiscal situation by raising taxes, de-indexing pension spending, restructuring public debt repayments, and relying on the positive impact of economic reactivation.

The economic plan implemented by Economy Minister Martín Guzmán was basically aimed at organizing the State's fiscal and financial accounts. Export duties were increased by eliminating the ceiling of 3 or 4 pesos per U.S. dollar established by the previous administration and raising the rate on several products, a 30% tax was introduced on foreign currency operations (the "Tax for an Inclusive and Supportive Argentina" or "PAIS Tax"), and, with respect to direct taxes, the tax rate on personal assets was increased and the income tax ceased to be levied on the income from term deposits and public debt in local currency. On the spending front, the main measure was the 180-day suspension of the Retirement Adjustment Act, which was replaced by rises granted at the Executive's discretion while the new adjustment formula was under debate.

With regard to public debt, the Executive ordered the rescheduling of the maturities of all dollar-denominated Treasury Notes until August while continuing to pay those issued in pesos while, taking advantage of the market conditions prevailing at that time, the Ministry of Economy successfully handled the placement of the latter.

Following the restructuring of the country's AF20 bond, no further payments in pesos were postponed as the Treasury was able to issue notes and bonds in local currency and use them to refinance debt. At the beginning of March, the Office of the Secretary of Finance obtained a 65 percent approval to swap ARS 74 billion in A2M2 bonds for new Badlar Notes (Lebad notes) with maturities in July and CER-adjustable bonds with maturities in 2021. By mid-March, a new voluntary local debt swap was completed, including several Lecap and Lebad notes and the TJ20 bond linked to the monetary policy rate, all of them with maturities before July, in exchange for the placement of new inflation-linked (CER-adjustable) debt with maturities between 2021 and 2024. With a 52 percent approval, a swap was completed of the equivalent of ARS 257 billion in nominal terms. In this manner, following his first months in office, Alberto Fernández had secured the support of investors, mainly institutional investors, in a context in which the government intended to reach a friendly agreement with the holders of foreign-currency debt issued under foreign legislation.

At the same time, the Fernández administration had spent its first three months containing the social and economic situation. A few days before the announcement of the "preventive and mandatory social confinement" (ASPO, for its Spanish acronym), Economy Minister Martín Guzmán and Production Minister Matías Kulfas had unveiled a package of emergency economic measures including special bonuses for minimum retirement and welfare benefit recipients, an increase in unemployment insurance, a public works plan, and the freezing of the prices of basic goods during 30 days in addition to the already frozen public utility rates.

But the social and economic reality changed drastically during the second half of March, when the first cases of COVID-19 were reported in the country. The coronavirus crisis and the restructuring of the country's debt in foreign currency would shape, from then on, Argentina's economic policy agenda in 2020. On March 19, President Fernández unveiled the preventive and mandatory social confinement at national level, which would begin on Friday, March 20, and, following successive extensions and reviews, would formally come to an end on November 9.

As most developed countries announced a package of fiscal and monetary stimulus measures to counter the inevitable recession, Argentina introduced a number of measures basically aimed at assisting households. Around 8 million informal and self-employed workers received, at a first stage, a transfer of ARS 10,000 from ANSES, followed by two other transfers as the year went by. ANSES was also the vehicle to grant a bonus to minimum retirement, universal child allowance, and pregnancy allowance recipients, with a total fiscal cost of ARS 27.5 billion. In addition, the government launched a financial assistance program at subsidized interest rates for ARS 350 billion to help companies pay up to 50 percent of salaries and other current expenses. The fiscal cost of the pandemic-related assistance measures adopted was thus about 4 percent of GDP.

The social confinement measures deepened the existing economic recession and economic activity experienced the greatest-ever monthly and year-over-year falls on record in the series published by the National Institute of Statistics and

Censuses (INDEC, for its Spanish acronym). For the first time since the start of the official series in 2004, the fifteen sectors of activity grouped by the Institute recorded year-over-year contractions. The manufacturing industry experienced falls of above 30 percent, construction plunged by over 80 percent, and wholesale and retail trade fell by more than 25 percent compared with the previous year. Paradoxically, one of the worst beaten sectors was healthcare, which dropped by over 30 percent year over year as, except for the services associated with the pandemic, healthcare centers were largely underused. The restaurant and hospitality industry, the worst hit by the pandemic, plummeted by over 85%.

The Argentine Central Bank's foreign exchange policy continued to focus on preventing hikes in the dollar exchange rate by intervening in the market with its freely available reserves. In this manner, during the first half of the year, the official exchange rate grew at a constant daily rate of 0.09 percent, reaching almost 18 percent while the reserves had been reduced by over USD 1.5 billion. In June, the Argentine Central Bank introduced more stringent restrictions on importers' access to the forex market, forcing them to use their own dollars to make payments in foreign currency before resorting to such market, in which case they would need the approval of the Argentine Central Bank. These access restrictions were also imposed on any persons having purchased foreign currency through debt securities denominated in foreign currency (blue-chip swap and MEP dollar) over the previous 90 days and on those having purchased foreign currency in the official market, who should abstain from such operation during the following 90 days. On the other hand, the monetary authority relaxed the currency controls applicable to SMEs and to a number of key imports (drugs and fertilizers for the agricultural sector). Against this backdrop, the Argentine Central Bank was able to purchase foreign currency in the market for USD 672 million in June although it sold reserves again in July after slightly easing currency controls.

In February, prior to nationwide lockdown, the Argentine Central Bank extended the maturities on its main liquidity-absorbing instrument, the Leliq notes, from 7 to 28 days while spurring a gradual move towards lower interest rates. The monetary policy rate decreased from 55 percent at the end of 2019 to 36 percent in March, while the Badlar rate on private banks' wholesale deposits fell from 40 percent to 29.3 percent. The fiscal deficit financing, increased by the pandemic aid package, resulted in the substantial printing of money that conditioned the Argentine Central Bank's monetary policy and, as a currency control by-product, had an impact on the price of the U.S. dollar in non-regulated markets. In April, rates started to rise again, and in June the Argentine Central Bank raised the floor on term deposit interest rates up to 30.02 percent in an attempt to sustain the demand for pesos and ease the strain on the dollar gap.

On May 22, amid the efforts to contain the coronavirus crisis, Argentina defaulted on the sovereign debt due to private bondholders. On August 31, following several rounds of talks involving intense negotiations and requiring our country to review the exchange proposal and extend the offer deadline on many occasions, the government officially announced the results of the agreement reached with the holders of sovereign debt issued under foreign legislation and providing for the swap of 93.55 percent of the total eligible debt (USD 65 billion), a proportion which, in virtue of the collective action clauses, would lift overall acceptance to 99.01 percent. In the meantime, country risk, which had climbed above 4,300 points in March, reached around 2,800 points in view of the growing prospects of a deal. At the same time, the government restructured debt issued under Argentine legislation for USD 41.7 billion subject to the same conditions applicable to its foreign debt and secured the approval of 99.4 percent of the holders of eligible debt.

The financial burden on the country was thus alleviated by almost USD 35 billion over the next decade as a result of an interest reduction and extended principal and interest maturities, especially during the next three years. Country risk in turn suffered a slight fall to stand at around 2,000 points.

Despite the successful debt restructuring, the problems on the foreign exchange front continued to deplete the Argentine Central Bank's reserves. In response, the country's monetary authority imposed even more stringent restrictions on the access to the official foreign exchange market. As a result, the companies owing more than USD 1 million a month in financial debt were only allowed to cancel 40 percent of such maturities with dollars purchased from the Argentine Central Bank and forced to negotiate new terms for the remainder over an average period of two years. In turn, a 35 percent withholding was introduced to be deducted from the payment

of the income and personal assets taxes by those purchasing their authorized USD 200 monthly quota in the official market for the purposes of saving and overseas payments. In addition, foreigners would no longer be allowed to access the foreign currency bonds market for their settlement abroad.

These measures were adopted in a context in which the sale of reserves in the market by the Argentine Central Bank had trebled from USD 568 million in July to USD 1,618 million in September. The interest rate policy was reviewed and soy export duties were provisionally reduced to encourage the inflow of dollars from exports, but this failed to lessen the strain on the reserves. The gap between the official price of the U.S. dollar and that of the blue-chip swap and MEP dollar, which had shown high levels of volatility from the beginning of August, rose to around 80 percent. With respect to shares, the S&P Merval index fell by more than 20 percent in pesos in a month and half and by 30 percent in dollars because, among other factors, it was expected that the latest measures would decisively affect private companies' access to the international financial market.

Following a rough October in which the dollar gap threatened to get out of control, the government managed to calm down the financial markets with Minister Guzmán voicing his intention to bridge the fiscal deficit in November and December without resorting to the Argentine Central Bank's temporary advances and successfully rescheduling debt maturities in the domestic market. To this effect, the Treasury issued further debt linked to the dollar and the inflation and, through two swaps of USD 750 million each, enabled investors to exchange peso-denominated securities for U.S. dollar-denominated bonds. In turn, the Argentine Central Bank continued to intervene in the futures market and sold bonds with ANSES to provide liquidity to the bonds markets used to have access to the dollar.

With stricter controls over imports and a relatively calm foreign exchange market, the Argentine Central Bank could repurchase reserves during the first days of November. The net monthly intervention remained in negative territory (USD 327 million), though well below October, September or August, when sales stood above USD 1 billion monthly. Gross forex reserves plummeted to USD 39 billion in mid-November, although dollar-denominated deposits grew by USD 23 million following two months of falls of over USD 1 billion.

December was an uneventful month. The dollar's weakness at global level and the strength gained by the main emerging currencies, especially by the Brazilian real, contributed to the calmness in the local foreign exchange market. The demand for pesos began to react to the end-of-year season while dollar-denominated deposits rose not only because of this relative market tranquility, but also due to the exemption from the personal assets tax levied on cash holdings at year end. Banks received more than USD 1.5 billion during the month and closed the year at around USD 19 billion (USD 16 billion for private banks). The Argentine Central bank managed to buy USD 605 million in the market in December while reserves grew by USD 757 million to end the year at USD 39,410 million, almost USD 5.4 billion less than at the beginning of 2020. The value of the peso continued to decline for the official dollar rate not to lag behind and the gap with rest of the markets remained contained. The official exchange rate closed the year at ARS 84.145, 40.5 percent higher than at the end of 2019, while the MEP and blue-chip swap rates closed at ARS 139.99 (+93 percent year over year) and at ARS 140.33 (+88 percent year over year), respectively.

December drew to a close with a cumulative inflation rate of 36.1 percent. Despite the 17.7 percent fall compared with the previous year, it should be recalled that 2020 was a very special year due to the impact of the pandemic and the measures adopted to mitigate its consequences. January and February recorded monthly inflation rates of around 2 percent, which rose to 3.3 percent in March as a result of a 3.6 percent increase in the official exchange rate and substantial rises in regulated and seasonal prices. However, following the implementation of the lockdown nationwide, gauges showed a slowdown in the monthly inflation rate until the easing of the restrictions by mid-2020 and the abundant liquidity drove it to around 3 percent monthly during the third quarter. End-of-year spending, the announced increase in retirement benefits, the rise in fuels, and the high inflation transferred from wholesale to retail prices refired the inflation figure for the last month of the year.

The annual data from the Consumer Price Index show significant variations between the different categories, with an increase of 14.8 percent in regulated prices, of 39.4 percent in core inflation, and of 64.4 percent in seasonal prices. Goods rose by 43 percent, while services grew by 22.2 percent.

After hitting a floor in April with a fall of 16 percent in the second quarter by comparison with the first one, economic activity experienced quite a swift recovery as indicators showed a pick-up of over 12 percent in the third quarter.

In terms of supply, the country's agricultural production was mediocre. The tonnage of the six main crops dropped by 9 percent and the agricultural production and afforestation sector as a whole ended 2020 with a fall of around 7 percent. In turn, industrial activity decreased by 8%, a few points less than the average of the different sectors. Automotive production saw a decline of 18.5 percent, with remarkably no units produced in April in the wake of the pandemic.

Having come to almost a complete halt in April as a result of the coronavirus crisis, production regained strength in May and June in a very special scenario as producers were faced with cost overruns arising from the transport of workers, the absence of staff considered at risk, and the difficulties inherent in a pandemic.

The commercial sector also outperformed the average of the other sectors, with a fall of around 6 percent. Some categories, such as the sale of food and essentials and, at a point in the year, of durable goods, were subject to fewer restrictions and/or able to overcome the logistic problems arising from the measures adopted.

The construction sector navigated very different periods over the year. Despite a decline of around 25 percent compared with the previous year, the sector saw a fall of 35 percent during the first months. Over the last months of the year, construction made an important recovery largely attributable to private investment. The lower construction costs in a market traditionally denominated in dollars served as a very effective incentive to boost private works. Public works also picked up during the last quarter of the year.

As to demand, investment fell by about 20 percent annually, but it started to recover by the end of the year fueled by private construction. Consumer spending, which had dropped by 2.2 percent in 2018 and by 6.6 percent in 2019, declined by around 13.5 percent in 2020, with an adverse impact on virtually all categories. In particular, based on data from the Argentine Confederation of Medium-Sized Enterprises (CAME, for its Spanish acronym), retail sales closed the year with negative year-over-year records during the twelve months, with an accumulated decline of 21.3 percent. The automotive industry was badly hit and the sale of brand-new cars in the local market experienced an accumulated fall of 16.1 percent at year end, after having plunged by 45.3 percent in 2019.

On the fiscal front, the government's efforts were targeted at providing financial assistance to the households and companies most adversely affected by the pandemic, with an aid package that climbed to almost 4 percent of GDP as a result of greater spending and tax exemptions. The annual primary fiscal deficit reached ARS 1,749,957 million, which accounts for 6.5 percent of GDP, a deterioration of 6.3 percent when compared with the deficit in 2019 (0.2 percent of GDP under the current methodology). The increase occurred despite the fact that tax revenues rose by more than 1 percent of GDP, from 23.4 to 24.7 percent, and the part received by the State following revenue sharing with the provinces grew from 16 to 16.4 percent of GDP. Non-tax revenues fell from 2.4 to 1.6 percent of GDP.

Year over year, total revenues increased by 23 percent, well below the average annual inflation rate (42.7 percent). Tax revenues rose by 28.2 percent, with the personal assets tax on top, which grew by more than 500 percent as a result of higher tax rates. In contrast, the revenues from export duties fell by 3.6 percent in nominal terms, VAT revenues increased by barely 21.7 percent, and social security resources, by 25.2 percent.

Building

In turn, primary spending reached 63.5 percent in nominal terms at year end, which entails a rise of 14.6 percent adjusted by inflation following four years of consecutive falls in real terms. At the same time, it increased by 6 points as a percentage of GDP to 24.5 percent, although this is a relative comparison given the pandemic and the fact that the denominator plummeted and would not be in equilibrium. It is clear that the coronavirus crisis considerably conditioned spending along the year. Seasonally-adjusted primary spending hit very high levels during the second quarter to fall again the following quarter and return to the levels of the first one in the fourth quarter with the disappearance of the Emergency Family Income (IFE, for its Spanish acronym) and the Emergency Work and Production Assistance Program (ATP, for its Spanish acronym). However, the spending in the last quarter proved much higher than that in any of the quarters of the previous year.

Welfare payouts climbed by 67.1 percent, led by welfare programs, which grew fivefold, whereas retirement and pension benefits rose by 40 percent on average. Capital spending rose by 18.3 percent while economic subsidies grew by 105.9 percent, well above the inflation and in contrast to the freezing of public utility rates in force during the year. The transfers to the provinces increased by more than 170 percent as an offset against the lower revenues received in the wake of the pandemic.

In 2020, the Treasury had to cover a fiscal deficit of 8.5 GDP points, equal to around ARS 2.3 trillion. The Treasury's net financing reached ARS 386 billion basically as a result of the debt sold during the second half of the year. More than 70 percent of the maturities in pesos were scheduled within the first semester. In the meantime, the money printed by the Argentine Central Bank in order to finance the Treasury climbed to more than ARS 2 trillion including temporary advances and transfers of dividends. In turn, the country's monetary authority sold foreign currency in the forex market in an amount equal to ARS 473 billion and absorbed funds from the financial system through the placement of short-term interest-bearing notes (Leliq notes) and repo transactions renewable on a daily basis in an amount equal to ARS 1.6 trillion. The monetary base grew by 30.3 percent compared with that at the end of 2019.

In this scenario, net public debt reached around 53 percent of GDP at year end, a level higher than that recorded in the previous year (43.6 percent). Gross public debt climbed to USD 333 billion at the end of 2020, i.e., almost 90 percent of GDP, largely as a result of the slump in the level of activity affecting the denominator.

THE OUTLOOK FOR 2021

A number of factors lead us to expect a recovery in activity in 2021. On the one hand, the comparative base is very low and the level of activity at the end of 2020 was much higher than the year's average, resulting in a statistical carryover of around 5 percent. On the other, the economy is expected to gradually come back to normal fueled by massive vaccination and the restoration of in-person activities at schools and other facilities which still operate remotely, with a resulting loss of productivity.

Consumer spending is expected to rise by about 7.2 percent and investment is projected at 7 percent, mainly as a result of the construction sector's pick-up, which would be one of the year's winners having already seen a recovery over the last few months of 2020, in which it grew by more than 30 percent. Industrial activity is also expected to outperform the average of the other sectors of the economy and increase by 10 percent. It is further estimated that the hydrocarbons sector will experience a recovery as well (of around 5 percent) thanks to the investments in unconventional gas which now rely on "Plan Gas IV" as an incentive.

In the services sector, the "new normality" is expected to help tourism come back to normal during the second half of the year, enabling hotels and restaurants to experience a recovery of over 35 percent, which in any case entails a level of activity well below the sector's historic average. The return to in-person activities such as education (though subject to some limitations) would improve the supply of labor and help make this and other services more dynamic. Excluding agriculture, GDP could grow by almost 8 percent.

Inflation is likely to remain a problem in 2021, especially in view of the recovery of aggregate demand. In 2020, a number of prices were affected by the pandemic and the measures adopted to mitigate its impact on the population. The government will, in part, follow through with this policy in 2021, but any adjustments to regulated and relative prices might have an effect on the general level of prices.

Primary fiscal deficit is expected to fall from 6.5 percent to between 3.5 and 4.5 of GDP, in line with budget projections, as a result of a decrease in spending to respond to the pandemic and a higher level of activity. However, an increase is estimated in the budget resources allocated to economic subsidies and in spending on public works as little was invested in 2020 as a result of the limitations imposed by the coronavirus crisis.

The tax burden is expected to remain high with the approval of a new tax on assets. The Federal State will obtain over 26 percent of GDP, a rise of around 1.5 percent over the year. Another key factor is the increase in revenues from export duties as a result of a higher average export price. One threat to the economy is posed, however, by a higher informality rate. For the provincial treasuries, this will be the first time in 5 years that their share in the State's revenues does not grow following the decision of the Argentine Supreme Court of Justice whereby they were returned the 15% share retained by ANSES at the end of 2015.

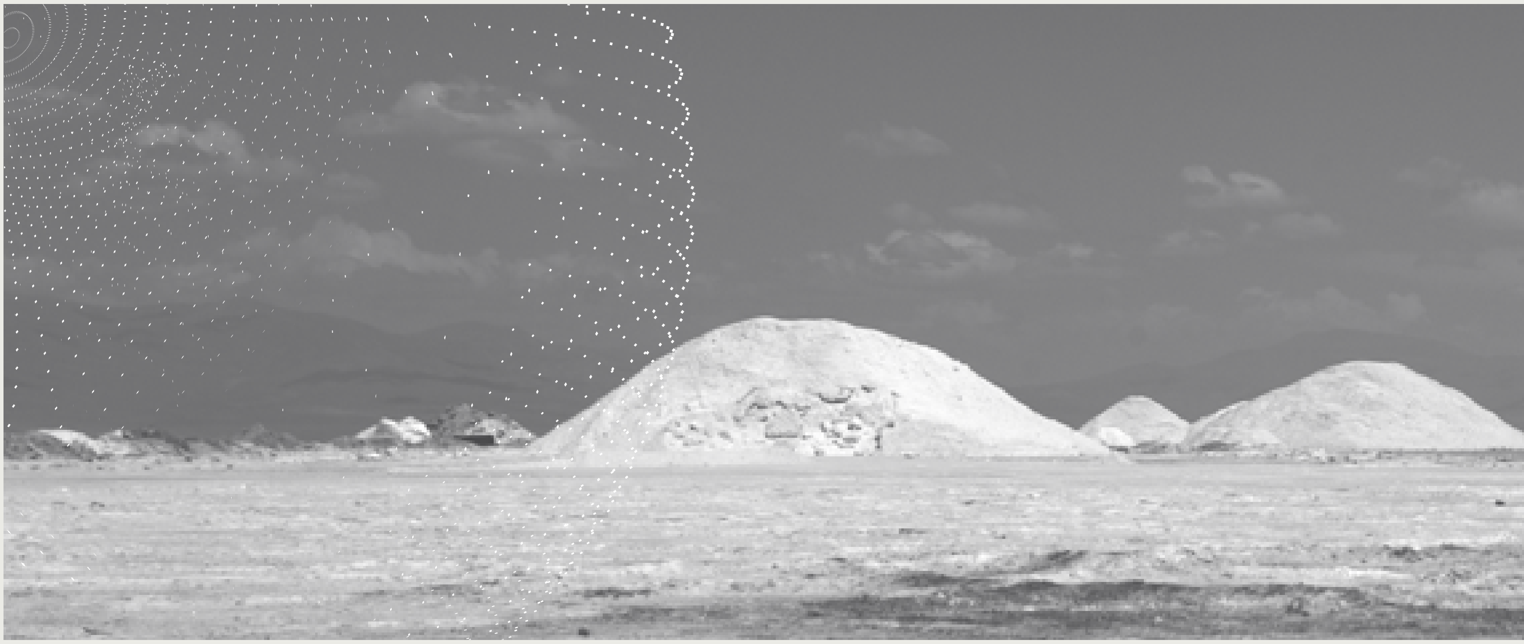
This fiscal result will mean that the Argentine Central Bank will print money for over 1.6 trillion pesos to finance the Treasury (60 percent of the financial needs in pesos), and added to this is the interest on the monetary authority's financial liabilities (repo transactions and Leliq notes). Therefore, the financial needs arising from the fiscal and quasi-fiscal deficit will continue to condition the monetary policy in 2021 as well.

The foreign exchange policy will surely continue to rely on daily peso devaluations, more or less in line with the inflation, within the framework of persistent currency controls. The increase in the price of the products exported by Argentina contributes to forex management by improving the expected trade surplus and facilitating the Argentine Central Bank's purchase of foreign currency. In turn, the country's monetary authority should implement its interest rate and market intervention policy in order to prevent the dollar gap from expanding significantly and the impact of its adverse effects on the expectations and behavior of economic agents.

The public sector's gross debt is expected to fall 5 points from 88 to 83 percent of GDP, while the sector's debt net of holdings is expected to decrease from 53 to 50 percent, even with a total fiscal deficit standing above 5 percent of GDP including debt interest. The debt in dollars is almost exclusively held by multilateral organizations such as the IMF, the World Bank, and the IDB. The World Bank and the IDB are expected to finance projects in an amount similar to that of their claims against our country, while the program to be negotiated with the IMF would cover the 44 billion maturing over the next three years and starting with 3.7 billion in 2021. No difficulties are expected to arise in refinancing the inflation- and non-inflation-adjusted short-term peso-denominated debt with new placements.

Argentina will continue to enjoy a trade surplus which is projected at around 13 billion dollars. However, if we consider the deficit arising from the payment of principal and interest, the current account surplus reaches 4.4 billion dollars, a little more than 1 percent of GDP. The GDP in dollars is estimated at 409 billion. Forex reserves would grow by 2.5 billion as a result of purchases in the market for 3 billion.

Unemployment climbed to 13 percent in 2020, in part lessened by a reduction in the number of job seekers in the wake of the pandemic. The improvement in economic activity in 2021 is expected to result in some normalization and an increase in job opportunities could thus be matched by a normalizing supply of labor without a reduction in the



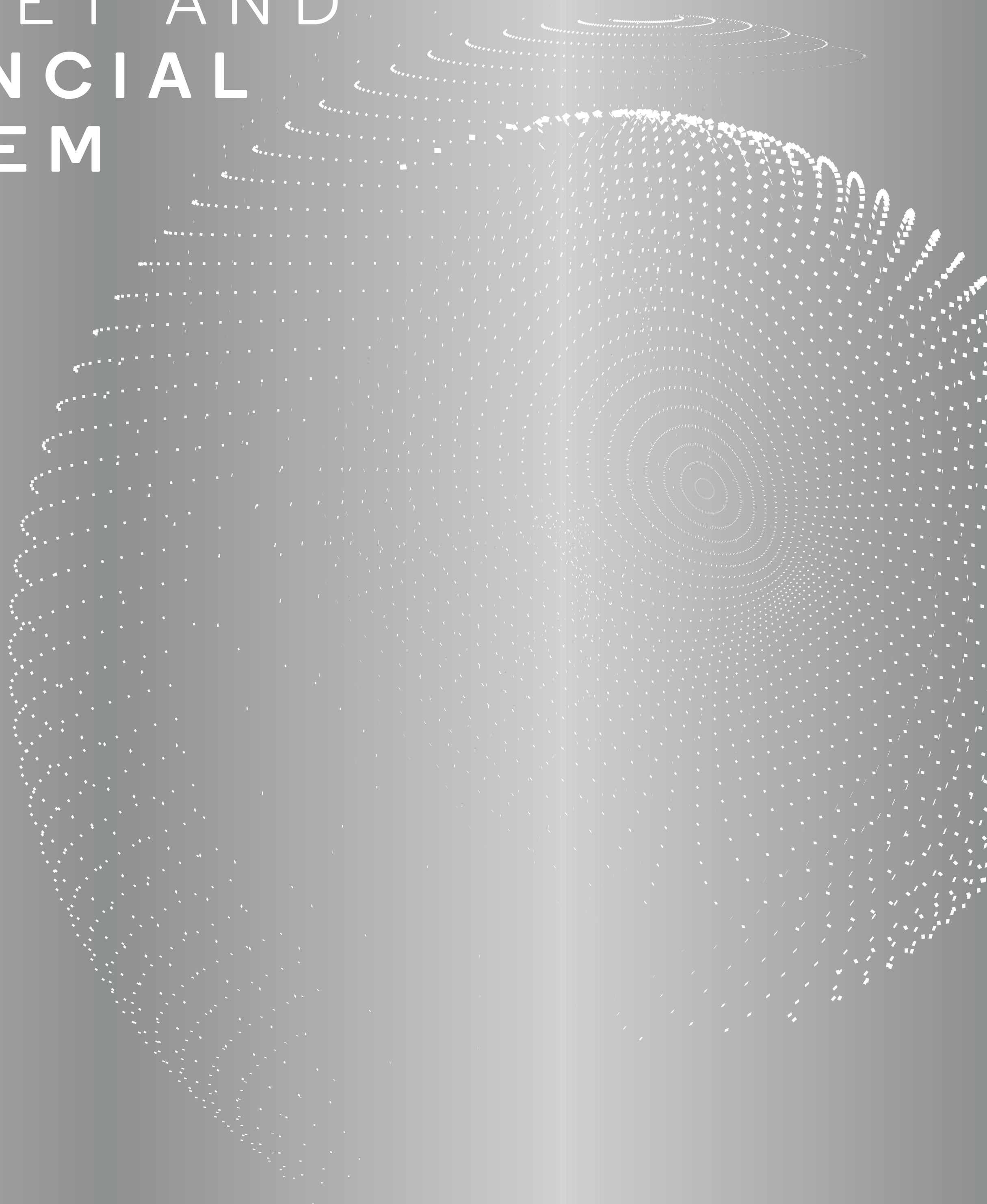
unemployment rate. The wages that lagged behind in real terms in 2018, 2019 y 2020 are expected to marginally lose, on average, their purchasing power against inflation. Any agreed-upon and granted rises will be subject to adjustment depending on the changes in the context as a whole, not only from an strictly economic perspective.

The negotiations with the IMF will occupy center stage for the most part of the year. The government has announced its intention to seek an Extended Fund Facility, a long-term arrangement not only providing for monetary and fiscal programs, but also for structural reforms. It is expected that the fiscal plan will be aimed at a consolidation that eliminates primary deficit in the medium term and that the burden placed by it on monetary policy can be contained.

On the political front, the 2021 highlight will be the congressional midterm elections, in which voters choose one-half of representatives and one-third of senators. The ruling coalition currently holds an absolute majority in the Senate (41 senators; 36 are required to approve laws) and defends 15 seats. Juntos por el Cambio defends 8 seats and the Independent Peronists, 1 seat. In the House of Representatives, Juntos por el Cambio defends 62 seats and the ruling coalition, 51. The remaining 16 belong to provincial, left-wing, and other parties. Frente de Todos currently holds 119 seats in the House of Representatives and needs 10 additional seats to hold an absolute majority.

Participating

MONETARY MARKET AND **FINANCIAL SYSTEM**



THE FINANCIAL SYSTEM

In 2020, in line with the new economic and social context, the government changed its monetary policy as it went along, moving from the idea of keeping to a minimum the Argentine Central Bank's assistance to the Treasury and the placement of LELIC notes into the financial system to almost unlimitedly financing the fiscal deficit resulting from spending in the wake of the pandemic. The strain on the forex market, the monetary imbalance, and the inadequate demand for pesos to absorb the excess liquidity not only forced the Argentine Central Bank to intervene in the official forex market by selling reserves, but also to continue placing interest-bearing bonds into the financial system in order to prevent the monetary and foreign exchange situation from getting out of control.

In 2020, the monetary base expanded by ARS 574,879 million compared with the close of 2019. The assistance to the Treasury was the main expansion factor, as it received net temporary advances for ARS 407,720 million and dividends for ARS 1,606,982 million. As a contraction factor, ARS 900,692 million was absorbed through Leliq notes and ARS 710,187 million, through repo transactions for a total of ARS 721,559 billion. The other highly contractive factor was the sale of reserves to the private sector for ARS 312,175 million and to the public sector for ARS 161,011 million. Predictably enough, the combination of a highly expansionary supply of money within the framework of unprecedented circumstances and a sharp downturn in economic activity resulted in substantial increases in monetary aggregates relative to GDP which are probably temporary in nature. The monetary base rose from 6.5 to 8.1 percent of GDP at year end while private M2 grew from 8.4 to 11.8 percent.

The weakness of monetization in Argentina is not a new phenomenon; it stems from recurrent macroeconomic crises that have undermined residents' confidence in the local currency. As a result, the Argentine financial system remains among the ones with the lowest level of financial intermediation in Latin America, and the situation has worsened over the last two years. Bank credit to the private sector, both in Argentine pesos and U.S. dollars, accounted f

or only 12.1 percent of GDP in 2020, when the regional average over the last ten years has been close to 40 percent.

In 2020, peso-denominated deposits (considering both the public and private sectors) rose by 88.8 percent year over year, whereas dollar-denominated deposits fell by 14.2 percent year over year. In a clearly unusual context as a result of the pandemic, peso-denominated deposits climbed from 13.5 to 17.2 percent of GDP. Dollar-denominated deposits fell again following their precipitous decline in 2019, this time from USD 22,138 billion at the end of 2019 to USD 18,984 million.

In 2020, total private deposits (pesos plus dollars measured in pesos) grew by 64.5 percent year over year due to the combination of an average rise of 85.7 percent in pesos and of 13.9 percent in dollars (measured in pesos, favored exclusively by a depreciation of the exchange rate). The private sector's segment in pesos was led by saving accounts (+106 percent) and checking accounts (+84 percent) in a scenario in which economic agents' behavior was largely influenced by their preference for liquidity. In turn, term deposits grew by 66 percent in nominal terms, virtually in line with GDP at current prices.

Foreign currency denominated private deposits recorded their most significant falls in September and October, when currency controls were tightened for the last time, which falls reached USD 539 million and USD 869 million, respectively, with an annual decline of USD 2,359 million (and closing the year at USD 15,956 million).

The public sector's share of deposits experienced a slight increase in 2020. Peso-denominated deposits grew by 102.9 percent whereas the total (pesos plus dollars measured in pesos) rose by 93 percent. At the end of 2020, public and private sector deposits (pesos plus dollars) reached ARS 7.5 trillion, 18.8 percent of which were public sector deposits, which accounted for 16 percent of the total in 2019.

On the lending side, the loans measured in both currencies (considering both the public and private sectors) rose by 27.4 percent year over year, totaling ARS 3,235,464 million, well below the inflation rate. The loans in pesos (both sectors) increased by 46.9 percent year over year and 1 percent of GDP to 8.7 percent, largely as a result of the lending to companies to counter the economic crisis unleashed by the pandemic (under the ATP Program and SME lending schemes at subsidized interest rates). The loans in dollars (mainly pre-export financing to the private sector) fell by USD 5.4 billion annually to USD 5.3 billion.

Peso-denominated private lending grew by 49.2 percent, whereas its dollar-denominated counterpart measured in pesos fell by 30.6 percent. Within the former category, commercial loans grew by 78.8 percent, mainly as a result of document discounting, which jumped to 121.5 percent with the inclusion of the State's aid to companies in the wake of the pandemic. I n turn, consumer lending grew by 38.3 percent, just a few points below the average annual inflation rate, led by credit card purchases (+59.6 percent). The fall in real wages and the fact that many households were even deprived of their income for a number of weeks led many families to default on their payments, against which backdrop the government ordered banks to refinance any unpaid balances subject to a three-month grace period and a reduced interest rate. Collateral loans grew a meager 7.8 percent mainly as a consequence of the curb on mortgage liens (-0.1 percent), whereas those secured by personal property started to show increased dynamism at the end of the year, rising by 29.3 percent.

The financial system's year-over-year growth differential in pesos between deposits and loans (85.7 percent v. 46.9 percent) was mirrored by a rise in the liquidity ratios and by the increasingly important role played by the interest on the Argentine Central Bank liabilities held by the banks in the system's profitability and capitalization. Indeed, broad liquidity, defined as cash and cash equivalents in pesos, the assets held in compliance with liquidity requirements, and the Argentine Central Bank instruments accounted for 61.09 percent of the deposits at the end of 2020. Year over year, broad liquidity rose by 1.7 percent.

Against this background, interest rates showed some volatility, mainly in line with exchange rate pressures. In December 2019, the monetary policy interest rate (7-day Leliq note) had reached 55 percent. In February, the Argentine Central Bank extended the Leliq term to 28 days and the interest rate closed at 40 percent. A week before the announcement of the lockdown, the monetary authority lowered the monetary policy rate to 38 percent, which would remain unchanged until mid-October.

At the start of October, in order to ease the strain on the forex market and the reserves, the Argentine Central Bank increased the interest rate on 1-day repo transactions from 19 to 24 percent. At the same time, the regulator issued Communication "A" 7122 requiring financial institutions to reduce their net position in Leliq notes by 20 percent in comparison with their average position in September. By forcing banks to change these positions with a monthly rate of 3.2 percent and offering the alternative of a short-term repo transaction now yielding 2 percent monthly, the weighted cost of sterilization fell slightly from 2.8 to 2.7 percent monthly. On the other hand, by shortening terms from 28 days to 1 day, the Argentine Central Bank was more exposed to the daily renewal of repo transactions with banks by facing a number of short maturities relatively larger than before.

A week later, the country's monetary authority decided to raise the rate on repo transactions by 3 percent to 27 percent, in addition to the 5 percent rise of the previous week, and reduced the Leliq interest rate from 38 to 37 percent. A week afterwards, it increased the minimum rates on term deposits in pesos for up to ARS 1 million from 33 to 34 percent annually and decided to raise the rate on 1-day repo transactions by 3 percent to 30 percent in annual nominal terms. In addition, it announced that it would start to offer 7-day repo transactions at an annual nominal rate of 33 percent and once again reduced the Leliq interest rate for new auctions from 37 to 36 percent annually. Added to these signs was the announcement of a bill for the removal of taxes from investments in pesos, including indexed (whether CER- or UVA-adjustable) and other peso-denominated assets allocated to manufacture-related investments.

A new round of rises at the end of October increased the rate on 1- and 7-day repo transactions to 31 and 34.5 percent, respectively. By mid-November, the Argentine Central Bank introduced the last adjustment of the year, increasing the 28-day Leliq interest rate by 2 percent and thus taking it to 38 percent (back to the yield at the beginning of October) and the rate on 1- and 7-day repo transactions to 32 and 36.5 percent, respectively.

The financial system's liquidity, as broadly defined by the Argentine Central Bank, reached 64 percent in November 2020, 4 points above that at the close of 2019. Net of Leliq notes and government bonds, the liquidity-to-assets ratio reached 39 percent against 36 percent at the end of the previous year. In part, this increase stems from the private sector's weak demand for borrowing, which resulted in a fall from 40 to 34 percent of assets, including the assistance provided by the government to cushion the impact of the pandemic.

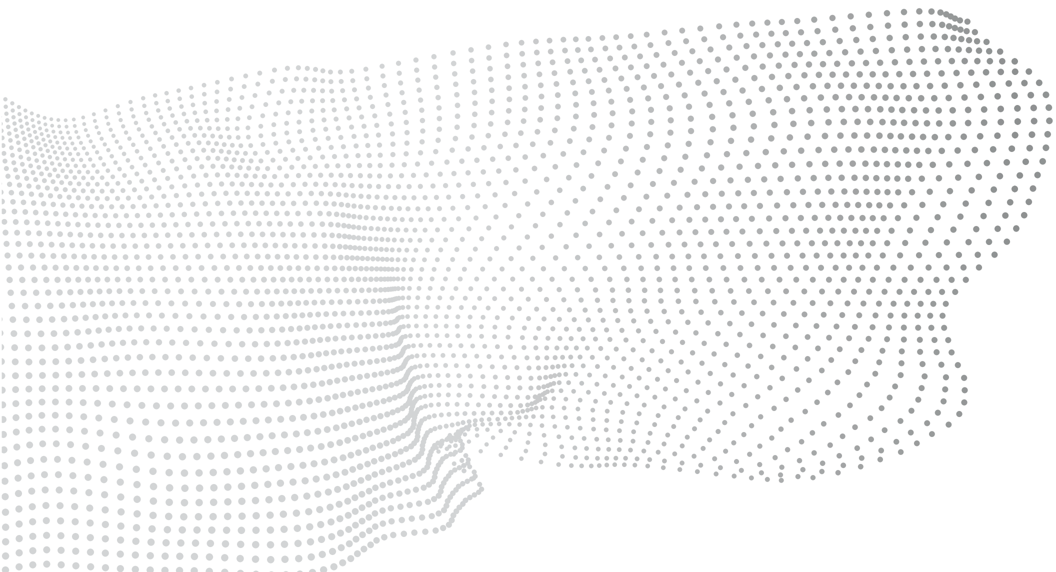
Since January 2020, financial entities are required to adjust their accounts by inflation for reporting purposes. Based on the data available as of November 2020, the financial system as a whole obtained profits in an amount equal to 271.5 billion pesos, a 40 percent fall in constant currency. The banking sector's return on equity fell from 46 to 14.7 percent, whereas its return on assets fell from 5.4 to 2.2 percent. The decline in profitability results from a smaller bank spread, which decreased by 17 percent over the first 11 months of the year in a context in which administrative expenses increased from 53 to over 60 percent of such spread.

The financial system's delinquency rate reached 4.4 percent of the total and 4.1 percent considering the private sector alone. Among private banks the rate is even lower, standing at 2.3 percent. Private banks have reserves for over 200 percent of their non-performing portfolio. The figures are not comparable to those in previous years for two reasons. First of all, payment terms were extended for a person to be considered in arrears. And secondly, the mandatory credit card refinancing schemes established in April and September prevented potentially struggling debtors from defaulting on their payments. Something similar holds true for the borrowers of UVA-adjustable loans (where UVA stands for Units of Purchasing Value), which were subject to no adjustments in 2020.

The financial system's capitalization ratio is 21.3% (tier 1 capital ratio), 75 percent above the Basel standards.

THE BANK

We are a bank committed to society and its development. With a nationwide footprint, we strive to be close in every corner of the country. We offer products and services at federal level to contribute to individuals' and companies' improved well-being and responsible growth.



We are the domestic private bank with the largest branch network of Argentina. We work every day to expand our footprint to every corner of the country, offering financial solutions for individuals and companies and conducting business responsibly and transparently, in a bet to economic, social, and environmental sustainability.

We strive to become the most sustainable bank at federal level and the leading bank in terms of customer satisfaction. Our focus is thus placed on the financial inclusion of the most vulnerable sectors and small and medium-sized enterprises.

VISION

We want to be recognized as the leading bank in terms of customer satisfaction.

MISSION

At Banco Macro, we work every day to build relations based on trust and stand out because of our unique, customer-oriented culture.

VALUES

Closeness: We stand out because of our kind and personalized service. Knowing our customers enables us to support their projects.

Speediness: We are decisive: we seek fast and effective solutions. We are flexible: we adapt to the needs of every customer and market.

Excellence-driven attitude: We strive to improve our professional quality on a continuous basis. We pursue management excellence (independence, autonomy, and participation).

Commitment to development: We support the growth of companies, entrepreneurs, and communities in the regions where we operate. We reinvest a large part of our profits in the communities within our footprint.

BANCO MACRO'S SUBSIDIARIES

Banco Macro S.A. is the corporation whereby we hold a controlling interest in other entities known as "subsidiary companies" or "subsidiaries."

Companies under the control of Banco Macro S.A.

Banco Macro S.A.				
Macro Bank Limited 99.99%	**Macro Securities S.A.** 99.92%	**Macro Fiducia S.A.** 99.05%	**Macro Fondos S.G.F.C.I.** 99.94%	**Argenpay S.A.U.** 100%
A company based in the Bahamas and engaged in the banking business and all kinds of financial investments, trade and negotiation activities, and other operations.	A leading Argentine company in the stock market and asset management which offers counsel and investment administration services to a wide array of customers, from individuals to corporations.	A company that serves as a fiduciary agent and offers financial analysis and advice, and agency, financial and investment services.	A company engaged in the management of mutual investment funds which, given its proven track record, is ranked among the first participants in the local market to launch such funds.	A company seeking to develop its own network or to be a part of other networks to operate with individuals or legal entities, whether in person or remotely, by means of information and communication technologies, and offer or accept online and offline electronic payments, electronic or virtual wallets or purses, and e-commerce in general.

Percentages of the capital stock (whether by direct and indirect shareholding).

SHAREHOLDING STRUCTURE

Individual's name / Corporate name	Unit	2019	2020
National Social Security Administration Sustainability Guarantee Fund (ANSES-FGS, for its Spanish acronym) - Act No. 26,425	Percentage of capital stock	28.80%	28.80%
Grouped shareholders (local stock exchanges)	Percentage of capital stock	6.11%	9.72%
Grouped shareholders (foreign stock exchanges)	Percentage of capital stock	30.25%	26.73%
Delfín Jorge Ezequiel Carballo	Percentage of capital stock	17.47%	17.47%
"Trust JHB" (*)	Percentage of capital stock	17.37%	17.28%
ANSES-FGS - Act No. 26,425	Percentage of vote	26.90%	26.90%
Grouped shareholders (local stock exchanges)	Percentage of vote	6.27%	9.28%
Grouped shareholders (foreign stock exchanges)	Percentage of vote	28.27%	24.98%
Delfín Jorge Ezequiel Carballo	Percentage of vote	19.19%	19.19%
"Trust JHB" (*)	Percentage of vote	19.37%	19.65%

(*) Due to the death of Jorge Horacio Brito on November 20, 2020, his shares were transferred, by testamentary disposition and subject to the approval of the Argentine Central Bank, to the management trust known as "Trust JHB," the beneficiaries of which are Jorge Horacio Brito's forced heirs.

Empowering

OUR SUSTAINABILITY POLICY

At Banco Macro, we believe that our contribution to society as a financial institution is crucial for the progress of a country. We have taken on the commitment to creating economic, social, and environmental value in the short, medium, and long term for our benefit and that of each of our stakeholders.

True to our corporate values, we mainly seek to be a sustainable company that respects human beings and the environment with actions cutting across the business in building a corporate reputation based on ethical and transparent management.

Corporate Sustainability is a part of Banco Macro's culture, which focuses on the creation of opportunities in each region of the country on the basis of an array of quality financial products and services and the responsible management of business impacts and risks for the benefit of present and future generations while mainly serving the most vulnerable sectors.

STRATEGIC CORNERSTONES

Financial education and inclusion

We promote a healthy financial system. To that effect, we create financial education products, services, tools, and contents to shape reflective and financially responsible bank users capable of critical thinking and of contributing to the economic growth of the country.

Our commitment:

- To encourage accessibility and the use of banks through our wide network of branches, annexes, and ATMs.
- To include lower-income sectors in the Bank's value proposition.
- To create innovative products and services intended for different customer profiles.
- To develop financial education initiatives in all the communities including all sectors and activities.

Direct and indirect environmental impact

We encourage the protection of our community and the environment, both internally and along our value chain.

Our commitment:

- To make an efficient use of natural resources.
- To raise awareness among our employees and customers, seeking to create a multiplier effect across the community.
- To measure our institutional carbon footprint.
- To manage paper, plastic, and electronic waste in a responsible way.
- To develop an energy saving program.

Responsibility for people's well-being and inclusion

We create jobs at federal level, supporting our employees' professional growth, and favor diversity and inclusion in the workplace.

Our commitment:

- To promote the creation of local jobs to be the driving force behind the development of regional economies.
- To empower employees through an internal professional development and retention strategy.
- To include further benefits for our employees and their families.

Progress of SMEs and entrepreneurs

We assist small, medium-sized, and new enterprises in conducting their business with customized products and services, providing them with training and tools for their growth.

Our commitment:

- To create products and services that suit the needs of SMEs and entrepreneurs.
- To shore up their growth with training and counsel.
- To listen to customers through an exceptional customer care service.

Transparency in everything we do

We operate with utmost transparency in order to create a framework of confidence and credibility for all our stakeholders. We are active listeners and regularly account for our actions.

Our commitment:

- To report our actions to all our stakeholders in a transparent and detailed fashion.
- To offer profile-specific communication channels.
- To fight against corruption, money laundering, and terrorism financing.
- To follow the main standards and good practices in terms of management transparency and responsibility both at national and international level.
- To develop tools and codes to uphold ethics and good conduct in our operations.

Our contribution to the UN Sustainable Development Goals (SDGs)

As a part of our commitment to the UN Global Agenda 2030, we consider the Sustainable Development Goals (SDGs) on which our business has the greatest impact and strive to work on and attain them through our actions. In addition, we communicate such goals in this Report in order to raise awareness and share knowledge, with a multiplier effect among our stakeholders. By implementing tools such as the SDG Compass developed by the Global Reporting Initiative (GRI), the World Business Council for Sustainable Development (WBCSD), and the Global Compact, we have identified a total of 11 SDGs towards which we have made a relevant contribution:

STRATEGIC SUSTAINABILITY PARTNERSHIPS

In a scenario as unique as that of 2020, the work performed in partnership with public, private, and third sector organizations focusing on social and environmental issues gained increased significance and had a more profound impact:

- Argentine Bankers Association (ADEBA, for its Spanish acronym) – Sustainable Finances Group and Gender Equality Group.
- Argentine Ministry of Education – educ.ar
- UN Global Compact Network Argentina.
- Foundations and Companies Group (GDFE, for its Spanish acronym).
- Norte Sustentable.
- National Commission for the Eradication of Child Labor (CONAETI, for its Spanish acronym).
- IAE Business School - Universidad Austral.
- Argentine Stock Exchanges and Markets (BYMA, for its Spanish acronym).
- Argentine Red Cross.

Moving forward

VALUE CREATION, PRESERVATION OR EROSION MODEL

Our Business Model is published following the revised Integrated Reporting Framework launched by the International Integrated Reporting Council (IIRC) in January 2021 and summarizes our main actions and performance —across each of the Framework's six capitals— that create economic, social, and environmental value for all our stakeholders.

	Resources	Impact and value creation	Material topics
FINANCIAL CAPITAL	• **Prior fiscal years' financial results.** • **Potential and available funds.** • **Investments.** • **The Bank's own capital.**	We generate profitability. We provide clear and transparent information for decision-making purposes, always respecting the rights and interests of minority shareholders.	• Financial crimes prevention, anti-corruption, and counter-terrorism.
MANUFACTURED CAPITAL	• **Products and services for each segment.** • **Nationwide branch network.** • **Banco Macro's Tower in the City of Buenos Aires.** • **Automatic customer service channels.** • **Personal and Business Banking marketing campaigns.** • **Physical safety and personal data protection.**	We work in order to offer financial products and services that suit each and every profile and need while focusing on inclusion so that both individuals and companies nationwide can improve their standard of living, grow, and participate in the banking market.	• Products and services for unbanked and underbanked individuals. • Products and services for SMEs. • Clear and simplified contracts. • Digital Banking-oriented accessibility to the banking system. • Training and counseling plans for SMEs and entrepreneurs. • Products and services for senior adults.

Performance | **SDGs, contribution to the targets towards 2030** | **Main business results**

- Capital strength.
- Among the private banks with the largest shareholders' equity.
- Leading provider of personal loans.
- Financial stability.

Main business results	2019	2020
Shareholders' equity at year end	142,755	148,081[2]
ROA – Return on average assets	4.2%	4.3%
ROE – Return on average equity	19.3%	20.9%
Operating income (before taxes)	43,482	42,510
Income tax	17,006	12,240
Total comprehensive income	26,772	25,306

- Broad footprint nationwide.
- Products for each customer profile.
- Support to SMEs and entrepreneurs.
- NAVES program in furtherance of manufacture-related enterprises.
- Microloans for underbanked sectors.
- Support to the public sector.
- Customer service channels and infrastructure development.
- Accessibility.
- Physical safety.

Main business results	2019	2020
Total Deposits	357,866	488,741
Total financing to the private sector (ARS million)	286,569	251,889
Total jurisdictions	23	23
Total branches	463	463
Share of the financial sector including branches	10%	10%
Number of towns where Banco Macro is the only bank (including ATMs)	152	200
Total ATMs	1,542	1,578
Total self-service terminals	955	960
Total Personal Banking customers	3,702,804	4,125,545
Total retired customers	698,133	698,395
Total credit cards	2,657,772	2,631,289
Total disbursed on personal loans (ARS million)	75,678	67,095
Total disbursed on mortgage loans (ARS million)	17,343	13,483
Total Business Banking customes	86,458	84,691
Total product packages for SMEs	65,588	64,097

(2) Balance at year end net of the dividends approved at the Shareholders' Meeting held on April 30, 2020 in an amount equal to ARS 19,980 million stated as of December 31, 2020.

	Resources	Impact and value creation	Material topics
INTELLECTUAL CAPITAL	**• Customer experience design and measurement. • Market research. • Digital Banking and online platforms development. • Customer service. • Data storage technology. • Product sheet and contract simplification project.**	We are constantly thinking about innovating, about being at the forefront, and about using technological advances for a transformation into a digital bank that streamlines processes and enhances customer experience.	• Efficient customer service and complaint handling channels. • Customers' security and privacy in relation to information management. • Assessment of customer satisfaction. • Transparency line and complaint handling mechanisms applicable to ethical matters and conflicts of interests. • Risk management and compliance with applicable laws, regulations, and the Bank's internal policies. • Financial education program for the community.
HUMAN CAPITAL	**• Peer recognition and incentives program. • Teleworking. • Training and development. • Career plans. • Benefits for employees and their families. • Investment in health and safety in the workplace. • JAM, our internal social network. • Corporate Volunteering Program.**	We enhance the personal and professional development of the people who work at the Bank so that they can work in a safe and healthy environment.	• Creation of local jobs. • Employees' training and professional development. • Work environment management. • Diversity and inclusion practices in the workplace. • Actions towards gender equality. • Corporate Volunteering Program for employees and their families.

Performance	SDGs, contribution to the targets towards 2030	Main business results	2019	2020

- Digital transformation project.
- Focus on enhancing customer experience.
- Co-creation of products and services with our customers.
- Ecosystemic approach to unbanked and under-banked segments.
- Creation of a digital culture that encourages self-service across digital channels.
- Contract simplification.
- Financial services user protection and security.

8 DECENT WORK AND ECONOMIC GROWTH

Main business results	2019	2020
Total automatic channel users	1,160,720	1,499,099
Personal Experience Score	55%	54%
SME Primary Bank Choice Score	53%	69%
Rate of complaints per customer	9%	9%
Complaints resolved	100%	94%

- Creation of jobs all over the country.
- Improved work environment under the Great Place to Work model.
- Initiatives to foster diversity and inclusion in the workplace.
- Teleworking management.
- Employees' health and safety.
- Benefits and well-being program.

1 NO POVERTY
4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

Main business results	2019	2020
Total employees	8,711	8,489
Female employees	40%	39.70%
Women in senior management roles	15%	17%
Average age	45.23	46.09
Average length of service	15.15	16.03
Employees from the interior of the country	73.18%	71.45%
Staff turnover rate	4%	2.91%
Percentage of trained employees	100%	96.87%
Rate of absenteeism	5.32%	15.62%[3]
Rates of return to work and retention of employees on paternity leave	100%	100%
Rates of return to work and retention of employees on maternity leave	100%	100%
Volunteer Program participants	3,306	1,015

(3) Increase as a result of the COVID-19 pandemic.

	Resources	Impact and value creation	Material topics
SOCIAL AND RELATIONSHIP CAPITAL	• **Private social investment.** • **Participation in communication media at federal level.** • **Financial education and inclusion programs.** • **Fundación Banco Macro's social work.** • **Encouragement of and procurement from local suppliers.**	We contribute to the social and economic progress of the communities within our footprint, for which purpose we invest in strategic actions and programs with a high positive impact and make those communities a part of our value chain.	• Manufacture-related microloans for unbanked enterprises. • Responsible procurement with emphasis on local suppliers and SMEs. • Financing for enterprises for environmental and social well-being purposes.
NATURAL CAPITAL	• **Environmental Policy.** • **Investment in and management of projects with a positive environmental impact.** • **Banco Macro's Tower in the City of Buenos Aires.** • **Awareness-raising campaigns.** • **Investment in renewable energy.**	We help take care of the environment through the way in which we conduct business and also by responsibly assessing how the assets managed by the Bank are placed into financial products.	• Sensible use of paper and recycling process. • Environmental awareness raising among employees and customers. • Responsible use of energy. • Paper, plastic, and electronic waste management. • Responsible water consumption. • Measurement of carbon footprint and reduction of greenhouse gas emissions.

Performance	SDGs, contribution to the targets towards 2030	Main business results	2019	2020

- "Healthy Finances" *("Cuentas Sanas")* financial education program.
- Actions with a social impact in the wake of the COVID-19 pandemic.
- Local sourcing in furtherance of regional development.

Main business results	2019	2020
Total suppliers	4,064	3,699
Percentage of local suppliers	98%	98%
Percentage of active suppliers that have subscribed the Code of Conduct	100%	100%
Social investment (ARS million)	131	105
Social investment – Total direct beneficiaries	169,799	365,376[4]
Social investment – Total partner organizations	414	323
Investment in communication media nationwide (ARS million)	209	240

- Environmental Policy.
- Environmental Management System at Banco Macro's Tower.
- Purchase of renewable energy.

Main business results	2019	2020
Total e-statement subscriptions	1,356,399	1,987,839
Recycled paper (kg)	52,041	9,792[5]
Recycled plastic (kg)	348	91[6]
Scrap equipment (computers; monitors, printers, and other peripherals; etc.) (number)	2,621	4,089
Scrap equipment (computers; monitors, printers, and other peripherals; etc.) (tons)	6	20
Furniture donated (units)	1,020	1,472
Energy used (MWh)	13,013.4	13,291.3
Gas-oil used by branch generating sets (liters)	86,720	78,027
Renewable energy use (MWh)	2,313	1,826
CO_2 emissions (tCO_2e)	8,673.56	7,379.77

(4) There was a rise in the number of direct beneficiaries compared with the previous year as we took into account the direct beneficiaries of the 60 winning charity projects. This information was not included in 2019.
(5) There was a decrease in the number of kilograms of recycled paper because our headquarters were closed.
(6) There was a decrease in the number of kilograms of recycled plastic because our headquarters were closed.

CORPORATE **GOVERNANCE**

We rely on a dynamic and independent structure that makes it possible to manage regional teams across the country. Our practices rest on four cornerstones: management transparency, the interaction with shareholders and investors, sustainability, and an adequate risk management framework.

6,723
employees trained in anti-money laundering and counter-terrorism financing

6%
of directors are women

15
members of the Board of Directors

THE BOARD OF DIRECTORS

Government responsibilities are vested in the Bank's Board of Directors and Senior Management, which is in turn made up of the General Manager, the General Manager's first line of reporting officers, and the Board's support areas.

The Board of Directors is the Bank's governing body and is tasked with setting the commercial and risk management policies and goals while adopting a long-term sustainable development-oriented vision.

APPOINTMENT

The members of the Board are appointed at the Shareholders' General Meeting to serve for three fiscal years. The Argentina Central Bank establishes eligibility criteria to hold the position of director and participate in the Board's meetings. In turn, financial institutions are required to certify that their directors remain in compliance with legal capacity, suitability, competence, and financial industry experience requirements. Under certain circumstances, proposed directors may need the approval of the Argentine Central Bank in order to serve as such and participate in the Board's meetings.

EXPERIENCE

Banco Macro's directors, who are all nationals, have an educational background and a proven track record in the banking business. They actively participate in the Bank's management as members of different committees. This has enabled us to clearly share our business guidelines and goals with our stakeholders and to maintain sustainable positive results in a challenging context.

TRAINING

The Bank relies on an Annual Training Plan for the Board of Directors encompassing matters relevant to the Bank's needs and to the duties of the Board and its members. In furtherance of such plan, the Bank takes into account the training topics put forward by the members of the governing body themselves through the Office of the Secretary of the Board. The training courses are taught by professionals specializing in each of the topics, including, but not limited to, corporate governance, internal control, risk management, anti-money laundering and counter-terrorism financing, international accounting standards, and financial system and capital market regulations.

ASSESSMENT

The performance of the members of the Board of Directors is assessed, on a yearly basis, at the Shareholders' Meeting, at which shareholders also determine the directors' remuneration as provided for in the General Companies Act. Besides, directors conduct a self-assessment which is then submitted to the Corporate Governance and Appointment Committee for consideration and returned to the Board.

MEETINGS

As a result of the preventive and mandatory social confinement measures adopted, we were forced to adapt processes so that the Board's monthly meetings could be held remotely. Likewise, the Shareholders' Meetings that took place in 2020 —in virtue of the state of health emergency declared under Emergency Executive Order No. 297/2020 (published in the Official Gazette on March 20, 2020) and then extended under Emergency Executive Order No. 325/2020 (published in the Official Gazette on March 31, 2020) and Emergency Executive Order No. 355/2020 (published in the Official Gazette on April 11, 2020)— were held via video conferencing pursuant to CNV General Resolution No. 830/2020.

COMMITMENT TO SUSTAINABLE DEVELOPMENT

Apart from supporting the Bank's Sustainability Strategy and commitments to sustainable development, the Board of Directors and senior managers have undertaken to share the Corporate Sustainability Policy with the rest of the organization and the public at large in order to turn the Bank into a benchmark institution nationwide.

Members of the Board of Directors as of December 31, 2020	Title	Age	Year first appointed	Term expires at the Shareholders' Meeting considering the FY Financial Statements
Delfín Jorge Ezequiel Carballo	Chairman	68	2002	2020
Jorge Pablo Brito	Vice-Chairman	41	2002	2021
Carlos Alberto Giovanelli	Director	63	2016	2021
Nelson Damián Pozzoli	Director	54	2016	2021
Fabián Alejandro de Paul [1]	Director	57	2019	2021
Guillermo Merediz [1,2]	Director	44	2020	2021
Constanza Brito	Director	39	2007	2020
Mario Luis Vicens [1]	Director	69	2016	2020
Guillermo Eduardo Stanley	Director	72	2018	2020
Mariano Ignacio Elizondo [1,2]	Director	48	2020	2020
Delfín Federico Ezequiel Carballo	Director	36	2020	2022
Ramiro Tosi [1,2]	Director	45	2020	2022
Santiago Horacio Seeber	Director	43	2018	2021
Alan Whamond [1]	Alternate Director	59	2019	2021
Juan Santiago Fraschina [1,2]	Alternate Director	43	2020	2021

(1) Independent Director.
(2) Appointed upon nomination by the ANSES-FGS.

Due to the death of Jorge Horacio Brito on November 20, 2020, at the Board's Meeting held on November 30, the Board resolved that Alternate Director Santiago Horacio Seeber should assume the position of director until the following Shareholders' General Meeting pursuant to section 14 of the bylaws.

It was also necessary to redistribute positions within the Board: Delfín Jorge Ezequiel Carballo was thus appointed Chairman of the Board and Pablo Brito was appointed Vice-Chairman.

Directors by gender and age as of December 31, 2020	Number	%
Members of the Board of Directors	15	100%
By gender		
Women	1	6%
Men	14	94%
By age		
Up to 30 years	0	0%
From 31 to 50 years	8	50%
Over 50 years	7	50%

STATUTORY AUDIT COMMITTEE

The Statutory Audit Committee is tasked with overseeing the management of the company subject to the powers and duties prescribed under Argentine law.

COMPOSITION OF THE STATUTORY AUDIT COMMITTEE AS OF DECEMBER 31, 2020

Name	Title	Term expires at the Shareholders' Meeting considering the FY Financial Statements
Alejandro Almarza	Auditor	2020
Carlos Javier Piazza	Auditor	2020
Enrique Alfredo Fila [(1)]	Auditor	2020
Alejandro Carlos Piazza	Alternate Auditor	2020
Leonardo Pablo Cortigiani	Alternate Auditor	2020
Gustavo Alberto Macagno [(1)]	Alternate Auditor	2020

(1) Appointed upon nomination by the ANSES-FGS.

COMMITTEES

The daily management of the business relies on a total of 13 committees made up of members of the Board of Directors and Senior Management. Their profile can be found on the **Bank's website** (www.macro.com.ar/relaciones-inversores/gobiernocorporativo/directivos-y-alta-gerencia).

Committee	Members' names	Title
CNV [7] / SEC [8] AUDIT	Guillermo Eduardo Stanley Fabián Alejandro de Paul Mario Luis Vicens	Director Director Director
ASSETS AND LIABILITIES	Jorge Pablo Brito Fabián Alejandro de Paul Delfín Federico Ezequiel Carballo Gustavo Alejandro Manriquez Jorge Francisco Scarinci Juan Ignacio Perdomenico Juan Domingo Mazzon	Director Director Director General Manager Finance Manager Management Control Manager Government and Management Control Manager
SENIOR CREDIT	Delfín Jorge Ezequiel Carballo [1] Jorge Pablo Brito [1] Carlos Alberto Giovanelli [1] Nelson Damián Pozzoli [1] Gustavo Alejandro Manríquez Ana María Magdalena Marcet Alejandro Becka Adrián Mariano Scosceria Ernesto López Javier Accattoli	Chairman of the Board of Directors Vice-Chairman of the Board of Directors Director Director General Manager Credit Risk Manager Corporate Risk Manager Business Banking Manager Legal Affairs Manager Personal Banking Manager
JUNIOR CREDIT	Nelson Damián Pozzoli [2] Delfín Federico Ezequiel Carballo Ana María Magdalena Marcet Alejandro Becka Francisco Muro	Director Director Credit Risk Manager Corporate Risk Manager Sales and Distribution Manager
IT	Delfín Federico Ezequiel Carballo Carlos Alberto Giovanelli Fabián Alejandro de Paul [3] Gustavo Alejandro Manriquez Juan Domingo Mazzon Ernesto Medina Carlos Vechhio	Director Director Director General Manager Government and Management Control Manager Operations and IT Manager Development Manager
ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING	Nelson Damián Pozzoli [4] Mario Luis Vicens Carlos Alberto Giovanelli Alfredo Cobos Ernesto López	Director Director Director Anti-Money Laundering Manager Legal Affairs Manager

(7) Argentine Securities Commission (CNV, for its Spanish acronym)
(8) U.S. Securities and Exchange Commission (SEC).

INTERNAL AUDIT	Fabián Alejandro de Paul Guillermo Eduardo Stanley Mario Luis Vicens Nelson Damián Pozzoli [5] Alberto Figueroa	Director Director Director Director Internal Audit Manager
SENIOR DEBT RECOVERY	Carlos Alberto Giovanelli [6] Nelson Damián Pozzoli [6] Delfín Jorge Ezequiel Carballo Jorge Pablo Brito Delfín Federico Ezequiel Carballo Ana María Magdalena Marcet Ernesto López Juan Caillon Rocha	Director Director Chairman of the Board of Directors Vice-Chairman of the Board of Directors Director Credit Risk Manager Legal Affairs Manager Debt Recovery Officer
RISK MANAGEMENT	Mario Luis Vicens Carlos Alberto Giovanelli Fabián Alejandro de Paul Gustavo Alejandro Manriquez Pablo Siwacki Ana María Magdalena Marcet Jorge Francisco Scarinci Eduardo Roque Covello Ernesto Eduardo Medina	Director Director Director General Manager Risk Management Manager Credit Risk Manager Finance Manager Bank Operations Manager Operations and IT Manager
ETHICS AND COMPLIANCE	Mario Luis Vicens Fabián Alejandro de Paul Carlos Alberto Giovanelli Nelson Damián Pozzoli Gustavo Pessagno Ernesto López Gerardo Adrián Álvarez	Director Director Director Director Compliance Manager Legal Affairs Manager Human Resources and Administration Manager
CORPORATE GOVERNANCE AND APPOINTMENT	Mario Luis Vicens Fabián Alejandro de Paul Carlos Alberto Giovanelli	Director Director Director
INCENTIVES	Mario Luis Vicens Fabián Alejandro de Paul Carlos Alberto Giovanelli	Director Director Director
FINANCIAL SERVICES USER PROTECTION	Mario Luis Vicens Ernesto López Gustavo Pessagno Daniela Campiotti Estela Pastor	Director Legal Affairs Manager Compliance Manager Operating Risk Management Coordinator Customer Service Officer

(1) Two of the directors appointed.
(2) One of the directors appointed.
(3) In an alternate capacity.
(4) UIF Compliance Officer.
(5) In an alternate capacity.
(6) Two of the directors appointed.

SENIOR MANAGEMENT

Senior managers are in charge of the daily management of the business in line with the Bank's corporate strategy and goals. As evidenced by their résumés, which can be viewed on the Bank's website, www.macro.com.ar/relaciones-inversores/gobierno-corporativo/directivos-y-alta-gerencia, they stand out because of their capacity and commitment. Some of them also serve on the committees.

SENIOR MANAGEMENT COMPOSITION AS OF DECEMBER 31, 2020

Name	Title
Gustavo Alejandro Manriquez	General Manager
Ernesto Eduardo Medina	Operations and IT Manager
Jorge Francisco Scarinci	Finance and Investor Relations Manager
Francisco Muro	Sales and Distribution Manager
Ana María Magdalena Marcet	Credit Risk Manager
María Milagro Medrano	Commercial Banking and Institutional Relations Manager
Marcelo Agustín Devoto	Investment Banking Manager
Ernesto López	Legal Affairs Manager
Alberto Figueroa	Internal Audit Manager
Adrián Mariano Scosceria	Business Banking Manager
Juan Domingo Mazzon	Government and Management Control Manager
Gerardo Adrián Álvarez	Human Resources and Administration Manager

REMUNERATION

The Remuneration Policy, approved by the Incentives Committee and the Board of Directors, extends all of the Bank's employees, including senior managers, and lays down guidelines for a fixed and variable pay scheme.

Senior managers and all employees holding strategic positions within the Bank receive variable pay tied to their performance insofar as it is in line with the Bank's mission and values, the execution of the annual strategic plan, and their own individual goals.

CORPORATE GOVERNANCE GUIDELINES

We are committed to transparency and integrity, to the interaction with our stakeholders, and to the observance of local and international standards that ensure ethical and responsible business processes.

The commitment to transparency and integrity and the observance of local and international standards on ethical and responsible business processes guide our path. In this regard, we apply the financial industry's codes, respect our own corporate values, rely on the suitability of our internal control system, and hold ourselves to high standards of dialog with all stakeholders.

Our bylaws and Corporate Governance Policy define the corporate governance framework applicable to Banco Macro, following guidelines based on good practices on the matter. Our subsidiary companies have also adopted this type of practices.

The Corporate Governance Policy is approved by the Board of Directors and reviewed by the Board on an annual basis in order to keep it updated and ensure it works efficiently.

The Corporate Governance and Appointment Committee, created by the Board, is tasked with the enforcement of this Policy and related procedures.

We also subscribe to the Code of Banking Practices prepared by the different associations of banks and financial institutions of Argentina in a bid to promote the best banking practices in the country and protect the rights of the users of financial products and services.

10 REDUCED INEQUALITIES

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

TRANSPARENCY

We seek to improve processes on a continuous basis. Dialog, the observance of codes and regulations, and the implementation of the best governance practices are at the core of such goal.

In this regard, our Information Transparency Policy is a part of the Corporate Governance Policy. The Board of Directors applies standards that make it possible to access clear and adequate information on the situation of the company as to organizational, economic, and financial aspects. The reporting transparency principle is further supported by our willingness to attend to the needs of our stakeholders, which is why we have a department specializing in Investor Relations.

10 REDUCED INEQUALITIES

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

CODE OF ETHICS AND CODE OF CONDUCT

We rely on different tools to establish the ethical principles expected to underpin our relations with both employees and third parties. For instance, we have a Code of Ethics in place to be observed by the members of the Board of Directors and Senior Management which seeks to:

- **Guarantee the highest standards of personal and professional integrity in every aspect of their work,**
- **Ensure compliance with the applicable law, and**
- **Deter the commission of blameworthy acts.**

In turn, we have implemented a Code of Conduct for all our employees which seeks to create a work environment that encourages responsibility, efficiency, commitment, loyalty, honesty, good communication, teamwork, mutual respect, trust, and a friendly interaction among Banco Macro's employees and with persons external to the Bank, such as customers and suppliers.

These sets of rules are supplemented by a Code of Conduct for Suppliers, which covers aspects such as human rights, labor practices, environmental management, and ethical business practices.

We have also implemented an Ethics Line, an incident reporting tool managed by an independent third-party administrator with a view to ensuring anonymity, confidentiality, and transparency. The incidents reported are received by a work group that reports to the Bank's Ethics and Compliance Committee and, where an incident proves relevant, a specific record is entered so that the Board of Directors is put on notice at each of the Committee's meetings.

In 2020, 10 incidents were reported which were mostly related to situations arising from internal interpersonal relationships or aspects of customer service complaints.

Banco Macro's Ethics Line is available 24/7, 365 days a year:

Telephone: 0800-122-5768

Fax: +54 (11) 4316-5800, for the attention of "Línea Ética Grupo Macro."

Email: eticagrupomacro@kpmg.com.ar

Website: https://eticagrupomacro.lineaseticas.com/

Mailing address: Bouchard 710, 6th Floor, Zip Code 1001, Buenos Aires, Argentina, for the attention of "KPMG-Línea Ética Grupo Macro."

Since 2019, the Reporting Line has included Macro Fiducia S.A. and Argenpay SAU.

THREE DOCUMENTS FORMALLY LAY DOWN THE ETHICAL PRINCIPLES UNDERPINNING OUR RELATIONS: THE CODE OF ETHICS FOR OUR BOARD OF DIRECTORS AND SENIOR MANAGERS, THE CODE OF CONDUCT FOR OUR EMPLOYEES, AND THE CODE OF CONDUCT FOR OUR SUPPLIERS.

INTERNAL CONTROL SYSTEM

We know that for an institution like ours it is essential to guarantee the reliability of financial statements, to provide reasonable assurance as to the attainment of business goals, to protect minority shareholders, and to reinforce business transparency. It is for this reason that Banco Macro relies on a highly efficient internal control system based on internal audits, external certifications, regulatory compliance, and the observance of international standards.

The system is under the control of the Internal Audit Management Department, which is functionally within the purview of the Internal Audit Committee. The Department serves an independent and objective role in assessing the effectiveness of the risk management, control, and corporate governance processes. In addition, pursuant to the provisions of the U.S. Securities and Exchange Commission, we certify compliance with the Sarbanes-Oxley Act (SOX), for which purposes we use the Internal Control Framework released by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013.

In 2020 in particular, the Internal Audit Management Department tested over 800 critical controls and conducted specific reviews and the continuous monitoring of different indicators at more than 100 branches. Unable to make the visits scheduled, but with the firm intention of keeping to the original plan, the Department implemented a 100 percent remote branch review methodology with a level of coverage akin to that of in-person audits. At the same time, and with a view to auditing the Bank's operations and compliance with the Argentine Central Bank's main regulations during the mandatory and preventive social confinement period, the Department also defined a number of controls intended to serve as a third line of defense.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

In 2020, 100 percent of the branch controls were implemented remotely without an impact on the exhaustiveness of the processes.

In 2021, we will:

- Continue to streamline the audit process, with a focus on increasingly automated reviews;
- Support the Bank's digitalization process by assessing projects and control aspects at the time of their creation; and
- Follow through with the development of the continuous audit process through its consolidation in the centralized and IT departments and at the branches.

RISK MANAGEMENT

We have a policy, a committee, and a management department intended for comprehensive risk management. Through these tools, we design and implement strategies, processes, and actions in order to identify, assess, control, and reduce financial, credit, market, operational, reputational, legal, regulatory, counterparty, IT, social, and environmental risks.

The Risk Management Framework Policy defines the environment for the risk management process and the responsibilities within the organization. In turn, the Risk Management Committee guarantees independent management and coordinates the administration of the different types of risk and the action to be taken by the relevant decision-makers. Lastly, the Risk Management Department is tasked with establishing the measurement methodologies, procedures, and policies, and the reporting systems applicable to the risks under its charge.

In particular, with respect to social and environmental risks, we have a Credit Policy in place whereby we analyze investment projects and loans not only from a financial, tax, or compliance perspective.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Within this framework, our actions include:

- Definition of risk-specific policies, practices, and procedures.
- Determination of exposure limits.
- Operations monitoring.
- Regular reporting to the Board of Directors.
- Alert follow-ups.
- Capital adequacy assessment based on the risk profile.
- Development of stress tests.
- Formulation of contingency plans.

We consider financial, credit, market, operational, reputational, legal, regulatory, counterparty, it, social, and environmental risks.

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING

Despite the challenges posed by the year 2020, we made substantial progress: we implemented the automated update of Supporting Documents, we secured the digital support to Alerts and Profiles, and we started to use Joint Dashboards with the Internal Audit Management Department.

Committed to guarding the financial system against its fraudulent use by criminal organizations, we play an active role in anti-money laundering and counter-terrorism financing.

To that effect, we work to ensure compliance with the applicable laws and the regulations of the Financial Information Unit, the Argentine Central Bank, and the Argentine Securities Commission. We have thus adopted policies, methodologies, and procedures to identify, assess, mitigate, and monitor the risk that our Bank might be used to cover up illegal activities through a risk-based approach entailing the Bank's self-assessment, the results of which are then documented in a risk matrix, a fundamental tool to improve the efficiency of our prevention system.

In this regard, we followed through with the adoption of the "Know your Employee" guidelines, which ensure suitable candidate shortlisting and hiring systems, and with the design of a continuous education, training, and refresher program. As a result, 6,689 employees took part in an e-learning course on Anti-Money Laundering and Counter-Terrorism Financing and remotely certified their knowledge, while 34 employees received on-site training.

With respect to our KYC practices, we extended the scope of the information required to verify our customers' identity and the lawful source of their funds. We thus verify the reasonableness of the economic activity disclosed by customers relative to their operations and the financial services requested. Moreover, our risk matrix and a system for the management and control of detected deviations generate alerts and segment risk in order to validate the origin of such funds and their lawfulness.

In May we were forced to adapt to the mandatory social confinement and distancing stages imposed as a result of the COVID-19 pandemic and to implement measures to continue doing business while keeping in-person activities at our offices to a minimum. Specifically:

- We trained in the use of technological tools to stay in contact and interact with internal and external customers (Zoom, MS Teams, etc.), and
- We enhanced the use of digital media to validate information and documents in support of the operations analyzed.

Despite the challenges of this context, we made substantial progress: we implemented the automated update of Supporting Documents, we secured the digital support to Alerts and Profiles, and we started to use Joint Dashboards with the Internal Audit Management Department.

In 2021 we will consolidate team teleworking as required by social distancing and technically update the monitoring system.

2020 TRAINING COURSES IN ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING

6,689

Employees
in e-learning courses

34

Employees
in on-site courses

OTHER INDICATORS

5,659

Monthly
alerts on average

24,599

Customers
who had their risk profile analyzed

5,005

Cases
analyzed on a centralized basis

CONTACT WITH INVESTORS AND SHAREHOLDERS

Maintaining a fluent communication stream with our investors and shareholders proves essential for the successful conduct of our business and, to that effect, we have implemented different channels that encourage contact and consolidate communication.

Our website features a specialized section including information on the Bank's shareholding structure; the members of the Board of Directors, Senior Management, and committees; the Corporate Governance Policy; and the components of the Integrity Program. It also offers financial information and other investor-oriented services. In addition, we hold conferences on a quarterly basis in order to explain the results and changes in the Bank's financial and economic position.


CORTE EL CAÑON

Resources for value creation

FINANCIAL
CAPITAL

INTELLECTUAL
CAPITAL

SOCIAL AND RELATIONSHIP CAPITAL

MANUFACTURED CAPITAL

HUMAN CAPITAL

NATURAL CAPITAL

FINANCIAL **CAPITAL**

We present the main results regarding our financial capital. In this section, we describe the economic and financial resources we operate with, including the variables and ratios relevant to a solvent, profitable, and efficient business.

7.7%
market share of total loans to the private sector

15.1%
market share of personal loans

11%
year-over-year growth in credit cards

37%
annual growth in total deposits

14%
growth in profits compared with 2019

20.9%
return on equity (ROE)

4.3%
return on assets (ROA)

ECONOMIC AND FINANCIAL SITUATION

In 2020, the Bank's policy remained focused on maintaining both its efficiency and solvency indicators, with the emphasis on growth and market share.

With a weak demand for credit, the loans to the private sector fell by 12 percent as a result of the overperforming segment encompassing the subsidized credit facilities rolled out by the government to mitigate the impact of the pandemic on both individuals and companies. At the end of 2020, the Bank's market share of the peso-denominated loans to the private sector was equal to 7.7 percent.

TOTAL DEPOSITS WERE IN LINE WITH OUR GROWTH, INCREASING BY 37 PERCENT ANNUALLY AND REACHING ARS 488,741 MILLION.

SOLVENCY

Our capital strength continued to set us apart. Indicators progressed adequately over the year, leading the Bank to rank among the top private banks in terms of equity size. Paid-up capital in excess of the regulatory requirements amounts to 319%.

MINIMUM CAPITAL REQUIREMENT	MACRO Consolidated		Variation
ARS million	**2019(*)**	**2020**	**Annually**
By credit risk	21,404	28,025	31%
By market risk	591	1,556	163%
By operating risk	7,563	11,777	56%
Total required	**29,558**	**41,358**	**40%**
Common Equity Tier 1 capital (CET1)	83,090	146,462	76%
CET1 deductibles	-10,637	-9,150	-14%
Tier 2 capital	26,113	36,248	39%
Paid-up capital - Regulatory capital (RPC, for its Spanish acronym)	**98,566**	**177,449**	**76%**
Paid-up capital in excess	**69,008**	**132,091**	**91%**
Margin (surplus from RPC v. requirement)	**233.5%**	**319.4%**	

RWA (ii): Risk-weighted assets, considering total requirements.
(*) Without adjustment by inflation.

The Bank's shareholders' equity increased by 4 percent in real terms, from ARS 142,755 million to ARS 148,081 million.

DEPOSITS

In 2020, deposits grew by 37 percent annually, with an increase in private sector term deposits equal to 40.6 percent.

We ended the year with a market share equal to 10 percent in terms of total deposits and increased our market share of non-financial private sector demand deposits in pesos from 5.7 to 7.5 percent.

The table below shows the breakdown of and changes in the Bank's deposits:

DEPOSITS BY CURRENCY	MACRO Consolidated		Variation
ARS million	**2019**	**2020**	**Annually**
Non-financial public sector	**23,907**	**73,565**	**208%**
Financial sector	**428**	**696**	**63%**
Non-financial private sector and residents abroad	**333,531**	**414,480**	**24%**
Checking accounts	54,625	65,401	20%
Saving accounts	123,518	138,553	12%
Term deposits	144,416	202,968	41%
Other	10,972	7,558	-31%
TOTAL	**357,866**	**488,741**	**37%**
Pesos	**249,386**	**411,641**	**65%**
Foreign currency	**108,480**	**77,100**	**-29%**

LOANS AND OTHER FINANCING

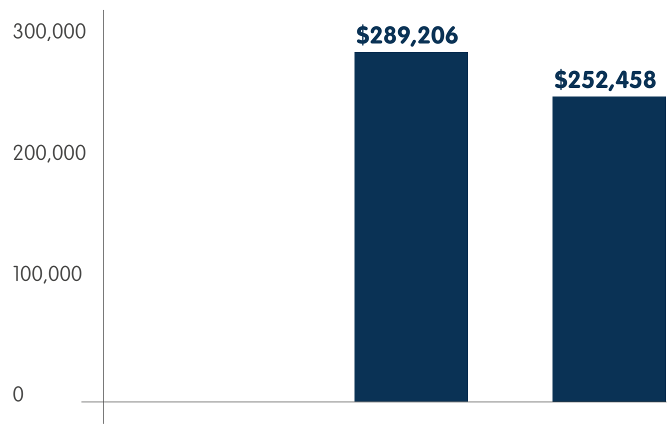
The financing to the private sector experienced an annual fall of 13% in 2020, totaling ARS 252,458 million, with credit cards and other loans being the ranges recording the greatest growth in volume.

With respect to the consumer portfolio, Banco Macro remained the leading provider of personal loans among private banks with such product range reaching ARS 67,095 million and the Bank's market share standing at 15.1 percent above the financial system in December 2020. In turn, the sale of credit cards grew by 11 percent year over year.

The table below shows the breakdown of and changes in the financing provided to the non-financial private sector:

Financing to the non-financial private sector (ARS million)	2019	2020
Overdrafts	50,561	17,075
Documents	26,761	26,172
Mortgage loans	17,343	13,483
Loans secured by personal property	5,455	3,259
Personal loans	75,678	67,095
Credit cards	57,393	63,876
Other	30,831	39,411
Interest	21,064	19,761
Subtotal loans	**285,086**	**250,132**
Lease options	312	119
Financial trusts	2,637	569
Other	1,171	1,638
Total financing	**289,206**	**252,458**

Financing to the non-financial private sector (ARS million) **2019** **2020**



LIQUIDITY

Liquid assets reached ARS 439,772 million at year end, thus increasing by 84 percent compared with the previous year. Relative to deposits, the ratio stood at 90 percent, 23 percent higher than in 2019. The table below shows the consolidated balances at the end of each fiscal year:

LIQUID ASSETS	MACRO Consolidated		Variation
ARS million	**2019**	**2020**	**Annually**
Cash and cash equivalents	137,066	129,967	-5%
Guarantees furnished to clearing houses	10,127	12,041	19%
Call option granted	136	50	-63%
Lebac notes	0	0	0%
Leliq notes	62,532	128,676	106%
Net repos	116	38,057	32,708%
Other government bonds	29,026	130,981	351%
TOTAL	**239,003**	**439,772**	**84%**
Coverage relative to deposits	**67%**	**90%**	

RESULTS

In 2020, the Bank earned profits (excluding other comprehensive income) equal to ARS 30,269 million, 14 percent higher than the ARS 26,476 million obtained the previous year.

Interest income reached ARS 157,080 million, thus declining by 24 percent from ARS 206,344 million in 2019. Net commission income fell by 7 percent compared with the previous year. Both items combined (bank spread + net commissions) represented a year-over-year decrease of 17 percent.

Such profitability entailed a return on average equity equal to 20.9 percent and a return on average assets equal to 4.3 percent, which enabled the Bank to rank among the first in the Argentine financial system. These results show the Bank's stable and continuous generation of income, productivity, and efficiency in the use of resources over the years.

Grupo Macro's results (ARS million)	**12/31/2019**	**12/31/2020**	**Variation %**
Interest income	206,344	157,080	-24%
Interest expense	87,344	60,834	-30%
Net interest income/(loss)	**119,000**	**96,246**	**-19%**
Commission income	26,468	24,743	-7%
Commission expense	2,192	2,047	-7%
Subtotal - Net interest income/(loss) + Net commission income/(loss)	**143,276**	**118,942**	**-17%**
Net income/(loss) due to measurement of financial instruments at fair value through profit or loss	-44,398	-26,653	-40%
Income/(loss) due to derecognition of assets measured at amortized cost	37	1,293	3,364%
Gold and foreign currency exchange rate differences	4,761	4,230	-11%
Other operating income	10,457	5,370	**-49%**
Bad debt charge	5,830	8,003	37%
Net operating income	**108,303**	**95,179**	**-12%**
Personnel benefits	28,865	26,599	-8%
Administrative expenses	17,427	14,540	-17%
Asset amortizations and depreciations	4,093	4,402	8%
Other operating expenses	30,088	20,469	-32%
Operating income/(loss)	**27,830**	**29,168**	**5%**
Income/(loss) due to associates and joint arrangements	1,223	-7	-101%
Income/(loss) from ongoing activities before taxes	**43,482**	**42,510**	**-2%**
Income tax from ongoing activities	17,006	12,240	-28%
INCOME/(LOSS) FOR THE YEAR	**26,476**	**30,269**	**14%**
OTHER COMPREHENSIVE INCOME	**296**	**-4,963**	**-1,777%**
COMPREHENSIVE INCOME	**26,772**	**25,306**	**-5%**

MAIN INDICATORS

The table below shows Grupo Macro's main items/indicators:

Indicators	Unit	2019	2020
Assets	ARS million	603,973	769,901
Financing to the private sector	ARS million	286,569	251,889
Liabilities	**ARS million**	**461,218**	**621,820**
Deposits	ARS million	357,866	488,741
Shareholders' equity	ARS million	142,755	148,081
Profitability (total comprehensive income)	ARS million	26,772	25,306

ANNUALIZED ACCUMULATED RATIOS	2019	2020
Profitability and performance		
Net interest margin including forex	18.1%	19.2%
Net interest margin excluding forex	17.1%	18.4%
Net commission income/total net income	20.1%	17.9%
Efficiency ratio	50.7%	50.7%
Net commission income as a percentage of administrative expenses	39.7%	35.3%
Return on average assets	4.2%	4.3%
Return on average equity	19.3%	20.9%
Liquidity		
Loan-to-deposit ratio	84.0%	52.7%
Liquid assets to deposit ratio	67.0%	90.0%
Equity		
Equity-to-assets ratio	23.6%	19.2%
Regulatory capital to risk-weighted assets ratio	27.3%	34.3%
Assets quality		
Allowance for loan losses as a percentage of total loans	2.3%	3.9%
Non-performing financing ratio	2.1%	0.8%
Allowance for financing losses as a percentage of non-performing financing	106.1%	479.2%
Cost of risk	1.9%	3.0%

INTELLECTUAL CAPITAL

Our intellectual capital is vital to move forward towards an innovative business model primarily based on the use of technology and intended to turn us into a benchmark digital bank. We seek to promote a customer-oriented culture by making customer experience simpler and providing customers with constant training to make better choices.

+425%

increase in the SME Net Promoter Score

398%

increase in the number of questions received by our Virtual Assistant

166,867

Onboarding new clients

143,254

MODO registrations

86

million logins to our website

216,440

enquiries received by the Digital Contact Center

4,675,743

bank appointments requested

91%

increase in Macro Mobile Banking users

CUSTOMER EXPERIENCE

We strive every day to include our customers' view in each of our processes and procedures. We do so by remaining true to our vision: to make our customers' life easier while conducting business sustainably.

Our Customer Experience Department defines customized strategies and promotes a customer-oriented approach. We listen to our customers' needs and monitor, design, and create digital prototypes and customized customer service models to obtain successful results.

In 2020, we managed to make progress on several initiatives oriented towards digital transformation and a comprehensive customer service model. We also applied a series of metrics to measure Personal and SME Banking customers' experience and the Bank's positioning in the market: Benchmark Experience to measure performance.

In this way, we can continue building a customer-oriented culture and measuring the main Personal and Business Banking Key Performance Indicators. With this information, we seek to have a real-time interaction with our customers to know their opinion and offer them the products and services that best suit their needs.

In the context of the COVID-19 pandemic, we conducted research to better understand our customers in this new scenario and analyze their traceability and behavior changes. An active listening approach enabled us to learn about their opinion, gather information, and obtain tools to take action and get ahead of the near future with new business opportunities.

Our goal for 2021 is to further develop our customer experience measurement model, customer insights and market research while following through with the co-creation and testing of products and new services.

IN THE WAKE OF THE COVID-19 PANDEMIC, WE APPLIED A SERIES OF CUSTOMER EXPERIENCE METRICS IMPLEMENTED DIGITAL TRANSFORMATION AND COMPREHENSIVE CUSTOMER SERVICE MODEL INITIATIVES TO PROVIDE BETTER SERVICES AND TOOLS.

DIGITALIZATION-ORIENTED CUSTOMER EXPERIENCE DESIGN

We always listen to our customers' experiences, following a comprehensive measurement model, with the aim of continually improving their interaction with us, thus enhancing Bank-customer relationships and boosting their confidence in our business. This comprehensive model enables us to know our customers, who they are and the way they behave and think, which, in turn, makes it possible to reach customers in a customized way based on their needs, through simpler and clearer processes.

Additionally, we moved forward with the design of customer experience and the development of actions and processes for continuous improvement as follows:

- We worked together with the different bank divisions and the Human Resources Department to convey the message that customer experience should be at the center of our DNA. We do so by internalizing and incorporating customer experience and KYC indicators.
- We gathered detailed, real-time information through constant measurement, survey automation, and pilot trials. Under these circumstances, relying on a thermometer whereby we can collect context information enables us to take action in a timelier manner.
- Based on the data from surveys and qualitative information, we continually updated our customer experience dashboards.
- In 2020, we supported the digital banking and digital transformation projects with adequate techniques and measurements to remain close to and help our customers in this context.

Personal Banking

- **We analyzed the COVID-19 customer profile:** We conducted research on consumer behavior in times of pandemic for the purpose of addressing customer traceability and changes during the preventive and mandatory social confinement imposed by the Argentine government. We integrated the actions implemented by the Bank in this context and the evolution of the Digital Banking and Marketing results.
- **Digital transformation initiatives:** We supported and encouraged the creation and implementation of different tools that add value to online banking and facilitate customers' operations, such as:

  Onboarding: We conducted 7,196 online surveys to gather information on our customers' experience regarding self-registration through the Onboarding App and our website.

  Whyline: We helped implement this new virtual bank appointment and queue management system and participated in the pilot trial conducted to evaluate our customers' experience and user-friendliness when requesting a bank appointment through the Bank's App or website.
- **We implemented a new Customer Service Model:** We were there for the first implementation of a new Alpha Customer Service Model at five branches in the province of Santa Fe, which consisted in readjusting features, redefining existing flows, and incorporating technology and in-branch customer service positions in order to streamline customer service and help customers make the most of their visits to a branch. Our Customer Experience Department participated in the design and conduct of studies to learn about our customers (through online surveys and in-depth interviews for the collection of both qualitative and quantitative data).
- **Portability initiative:** This initiative was targeted at enabling bank representatives to access customers' data in a portable way through a tablet. This information helps representatives, for instance, to check a password/code status and make decisions either at branches or anywhere else.

Business Banking and Government Banking

Together with the Digital Transformation Department and in partnership with an IT company, we held work discussions and interviews with bank employees to gain insight into the current state of affairs within the Discovery Business Banking, Agribusiness Banking, and Government Banking divisions. We focused on processes, operations, products, customer service points, and service experience.

We conducted 15 interviews with customers from seven regions: Northeast Argentina (NEA), Southwest Argentina, Salta, Tucumán, Córdoba, Santa Fe, and the Metropolitan Area of Buenos Aires (AMBA). The purpose of such interviews was to learn about our customers' opinion and view of the Bank to detect experience pain points and improvement opportunities.

Our goal for 2021 is to continue applying new methodologies to nurture business with a customer-centric approach towards digital transformation.

INDICATORS USED

Our purpose is to continue assessing customer experience to offer enhanced services and be a supportive Bank. In this regard, we believe it is important to work with indicators that provide us with valuable information on our customers' behavior and needs.

- **Personal Experience Score:** We implemented three-stage assessments to continue applying the model designed to measure the main customer experience indicators (Net Promoter Score (NPS), Primary Bank Choice, Efforts, Future Relationship, Experience, and Loyalty). To such end, we conducted an online and a phone survey answered by more than 15,000 customers from all over the country and across all banking divisions.

- **SME Experience Assessment Model:** We conducted two assessments under the Customer Experience Score Model through online and phone surveys with a view to better understanding SME customers' experience with the Bank in relation to the main KPIs: NPS (Net Promoter Score) and CES (Customer Effort Score), Primary Bank Choice, and Growth Potential. The Model was implemented nationwide and in all banking divisions, reaching a total of 2,783 customers.

- **Benchmarking of the main key performance indicators (KPIs):** Using a blended methodology, we compared with the main private and public banks in Argentine. We conducted 1,300 online and phone surveys. In 2020, once again, we improved our performance and reached a leading position in the banking industry. Banco Macro is within TIER1 with an NPS of 41 percent against competitor banks' average NPS, which stands at 32 percent. Good customer service and our employees' kindness remain our most valued distinctive features. We also took the lead in terms of new digital experience through our contact channels, the implementation of new technologies during the lockdown, and the streamlining of operations.

- **Internalization and understanding of experience key performance indicators + SME Experience Assessment Model:** To learn more about our customers, we continued working with the different bank departments to convey the message that customer experience is at the center of our identity.

1. **Identify** a need
2. **Validate it** among the community
3. **Analyse, create prototypes, and test** with customers to get insights
4. **Make adjustments** as required
5. **Stage implementation:** iterate, adjust, and implement

Customer Experience Scores	2019	2020
Personal Experience Score	55%	54%
Personal Net Promoter Score	35	29
Personal Banking Customer – Efforts Score[1]	68%	64%
Personal Banking Customer – Primary Bank Choice Score[2]	76%	71%
Personal Banking Customer – Macro Rewards Score[3]	48%	45%
Personal Banking Customer – Future Relationship Score[4]	87%	85%
SME Net Promoter Score	4	21
SME – Efforts Score	60%	65%
SME – Primary Bank Choice Score	53%	69%

(1) It refers to the degree of effort made by a customer to complete an operation during the last interaction with the Bank. This degree ranges from 1 (little effort) to 5 (great effort).

(2) It refers to the percentage of customers that state they regard Banco Macro as their primary bank either because they only operate with Banco Macro or because they choose it as their primary bank from among all other banks with which they bank.

(3) It refers to the percentage of customers that make use of the Macro Rewards loyalty program and give it a score of 9 or 10 on a scale from 1 to 10 (where 1 is poor and 10 is exceptionally good).

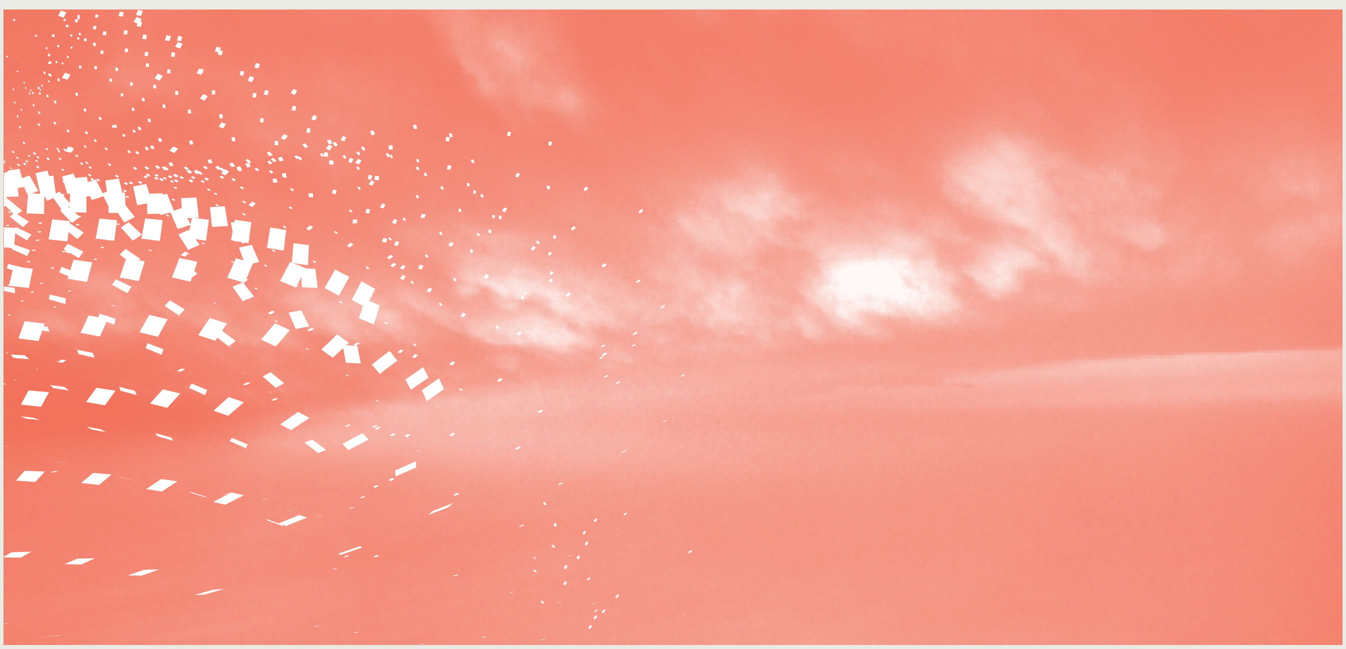
(4) It refers to the percentage of customers that state they will continue operating with Banco Macro as they have been doing so far or are either planning to purchase a new product. The results of this score are obtained through a semantic scale question from "no longer operating with the Bank" to "purchasing more products."

TOWARDS A DATA DRIVEN CULTURE

During 2020, under the Data Driven Project (for the efficient use of data), we conducted work discussions with all bank departments engaged in data management and mapped all Bank's digital assets to identify the information we generate and where it is stored.

We developed Google Data Studio dashboards to learn about customer experience at every step of the Simple Operations process and analyzed the data models to optimize follow-up and develop patterns for the identification of opportunities.

Our goal for 2021 is to continue building a data driven culture with a view to a more efficient data analysis. In this regard, we seek to anticipate customer needs and identify business opportunities.



Fostering

DIGITAL TRANSFORMATION

During 2020, we had to face new challenges and implement solutions to provide our customers with a friendly service to enable them to operate without leaving home.

In this context, we focused on four main actions:

1 – to continue streamlining our digital banking;

2 – to improve our payment ecosystem and include new payment options;

3 – to develop innovative features; and

4 – to improve our digital customer service strategy.

Five lines of action to consolidate digital transformation

We also faced the challenge of working on five lines of action we regard as important to continue incorporating resources towards digital transformation:

- **Customer experience:** One of the goals common to the digital channels targeted at Personal Banking customers is to continue working on user experience. This not only entails the experience itself, but also new features to increase customers' digital banking.

- **Security:** We worked to adapt our credentials resetting system to the new market trends with a strong focus on biometrics.

- **Individuals with a business activity:** We seek to include the possibility of operating on a new Business Internet Banking platform and making use of all the features available in the different banking divisions' range for individuals with a business activity. In this way, we will be able to provide them with a complete, 100 percent digital value proposition.

- **Request for assets and viewing of credit facilities:** Our aim is to offer customers the possibility of obtaining credit products on our Business Internet Banking platform and repaying them on the spot.

- **Courts and court clerk's offices:** Our goal is to migrate all the courts' and court clerk's offices' operations currently on the old platform to the new Business Internet Banking platform so that we can discontinue the use of the former and improve customers' bank operations.

Our challenge for 2021 is to continue making progress towards digitalization in order to streamline processes and reduce our reliance on paper. We will also focus on the incorporation of biometrics to remove the difficulties experienced by customers when using passwords and on further developing our Business Home Banking features.

IN SEPTEMBER, WE JOINED THE FINTECH CHAMBER TO BE A PART OF THE TRANSFORMATION OF THE FINANCIAL SERVICES INDUSTRY IN ARGENTINA. THE FINTECH CHAMBER IS MADE UP OF THE MAJOR LOCAL FINTECH COMPANIES. IN ADDITION, IN NOVEMBER, WE FORMALLY REGISTERED WITH THE ARGENTINE CENTRAL BANK AS PAYMENT SERVICE PROVIDERS (PSP).

8 DECENT WORK AND ECONOMIC GROWTH

DIGITAL BANKING IMPROVEMENTS

To improve our service and give rise to self-managed experiences, we launched My Macro App and digital solutions on our website.

In 2020, and added to the progress made on customer service and experience with a focus on digitalization, we adapted our products to encourage digital banking. The pandemic speeded up processes and challenged us to introduce changes to eliminate the use of paper and increase the use of online channels.

- **My Macro App:** We rolled out a new application targeted at the low-income or underbanked segments with a view to broadening our value proposition and enabling more customers to go digital. The most significant features include transfers between customers' own accounts and to third-party accounts, withdrawals without a debit card, the payment of bills, and credit purchases.

- **Digitalization of operations:** Given the need to reduce customers' visits to bank branches during the pandemic, we increased the number of digital customers by 50 percent and digital banking monetary operations by 100 percent.

- **Business Internet Banking Migration Project:** We completed the migration from the old Business Internet Banking platform to the new one. We improved customers' operations and transaction banking. During 2020, we migrated the Payment to Suppliers, Commercial Cards, Check Discounts, Foreign Trade, and Payroll Plan features. We also introduced stabilization and streamlining improvements to encourage their use. In line with these migrations and the different features launched, 95 percent of the customers that operate digitally now use the new Business Internet Banking platform.

- **Electronic Check (ECHECK):** This is a new payment method that became significantly important in the context of the COVID-19 pandemic, with more than 500,000 operations. ECHECKs are used by individuals, businesses, and public entities through the Internet Banking and Macro App digital channels, giving rise to a speedier experience. In 2020,
we incorporated new features, such as assignment and multi-checks, and we integrated ECHECKs with Payment of Suppliers to make its use widespread, including the possibility of discounting electronic checks.

- **Advanced Origination:** We ran this project with the aim of digitalizing processes that commence upon origination from personal banking customers. The creation of a customer digital file and the implementation of the biometric physical signature are useful to eliminate the use of paper and streamline procedures. This also makes it possible to reuse a customer digital file for other processes and future interactions.

We also conducted a fingerprint and face biometrics concept test at three branches (through the Password Guru application) to assess the solution in terms of customer experience, robustness, and security.

BANCO MACRO HAS A WEBSITE AND AN APP WITH THE FOLLOWING FEATURES

Internet Banking

- Transfers
- Self-service password management
- Account enquiry
- Term deposit enquiry
- Loans enquiry
- Comprehensive collection services
- Checkbook request
- E-statement subscription
- Check enquiry
- ECHECK issuance, endorsement, deposit, and enquiry

Business App

- Account enquiry
- Corporate token
- Authorization of monetary operations

MODO, BANKS E-WALLET

We seek to shift from a transactional bank to a relational bank. To compete with the main wallets in the market, we partnered with more than 30 private and public banks across Argentina to create Play Digital S.A. and develop an e-wallet that streamlines the way customers spend their money.

MODO makes it possible to complete operations among users and with stores in an easy and consistent way while bringing together two fundamental elements: technology (supplied by Play) and bank security and benefits when operating.

In November 2020, after getting through the Friends and Family period, when the product was tested among bank employees and their relatives, we managed to implement money transfer and request and QR-code payment features while the integration of the MODO e-wallet into the bank apps was underway. By the end of the month, the MODO e-wallet was available to all customers through the Macro App. Its implementation was welcomed among customers: 143,254 users registered with the app and 4,616 money transfers for ARS 8,030,023.6, 263 QR-code payments for ARS 193,438.8, and 7,358 requests for money were made since its implementation up to December 2020.

We partnered with more than 30 private and public banks in Argentina to create the MODO virtual wallet and integrated it with the Macro App to facilitate customers' banking experience.

FORTHCOMING FEATURES IN THE PAYMENT ECOSYSTEM

By the end of 2020, we started working with Boston Consulting Group (the BCG Project) to analyze the payment ecosystem in its entirety. This analysis will enable us to develop a comprehensive payment strategy.

Our goal for 2021 is to integrate the Saeta virtual card into the Macro and My Macro apps so that customers can buy bus tickets in Salta without a physical card via a QR code on their cell phones and make Saeta credit purchases for their own or third-party virtual and physical cards.

We integrated the MODO e-wallet into the Macro App and plan to continue adding new features and services to the wallet based on customers' needs. In this way, we seek to support customers with tools that can help them use their money efficiently.

In this regard, we will also work to outline a comprehensive strategy for the Bank's payment ecosystem in order to focus our efforts on projects that add value to our business and customers. To such end, we will use the analysis conducted in 2020 as a part of the BCG Project.

PERSONAL BANKING INNOVATION

We worked to offer self-service tools through "Simple Operations," available on the Bank's website. We also developed solutions so that stores can increase sales through our loans and we investigated technological and market trends with a view to discovering and assessing relevant innovations.

Simple Operations is a resource including several features:

- **Bank Appointment Requests:** We developed a bank appointment request method so that customers can visit bank branches in person aiming at reducing the number of customers' visits during the restriction periods imposed in the context of the COVID-19 pandemic.
- **Opening of Savings Accounts and Granting of Debit Cards:** The opening of an account now includes user and digital code generation. We are also working to improve customer experience through explanatory notes available at every stage of the process, from the opening of an account to completing an operation.
- **Card-less cash withdrawals:** We incorporated a new facial recognition function that allows customers to make a cash withdrawal order and subsequently withdraw funds at ATMs without a card.
- **Debit card unblocking:** We incorporated a debit card unblocking feature in our website through facial biometrics.
- **E-statement subscription:** Our customers can receive bank statements in digital format by e-mail.
- **Data Update:** Customers can change their e-mail address and cellphone number to properly receive any relevant information.

166,867
new Onboarding customers

4,675,743
bank appointments requested

383,639
money withdrawal requests

484
updates

107,268
debit Card PIN resets

During 2020, we continued streamlining tools and offering distinctive features. In this regard, we worked on the process of keeping customers posted on cards' shipping status, whose implementation is expected to be completed in 2021.

We also improved the platform that enables the direct selling of personal loans at stores. This solution re-uses different components of the process of customer registration, savings account opening, and granting of a personal loan, which is completed in one single 100% online procedure. A digital file is also created, which file is signed by the customer and contains all dynamic product registration forms and the relevant purchase invoice. This tool is integrated into a credit assessment engine both for customers and non-customers.

macro.com.ar in figures:

86

million logins

3,351,193

enquiries directed to eMe

700,000

single users

14

users visited the benefits section

For the purpose of improving communication, we took the following measures:

- We conducted work discussions with bank departments to develop a solution that enables customers to make enquiries and operations via WhatsApp. These discussions helped us detect the required functionalities for a Minimum Viable Product (MVP).
- We participated in Fintech Ecosystem and new market and technological trends events, seeking for strategic partners to add value to our proposition for customers.
- We attended the Meet the Companies event organized by Endeavor and we were in contact with French Embassy officials.
- We started to study bank procedures to implement new deployment and quality-related technologies.

With respect to the Chat Banking, our intention is to incorporate this new communication channel, which will enable us to advance in the financial inclusion of underbanked and unbanked individuals via WhatsApp.

Additionally, for the purpose of speeding up products and services innovation process, we will assess the development and management of Application Programming Interfaces (APIs). This initiative will enable us to partner with third parties (fintech companies and other banks) in a more efficient and safe way. In this regard, we will also analyze technological solutions to predict the behavior of those who have no credit history and, this way, enhance financial inclusion. These alternative scoring models gather information from non-traditional sources such as social media.

We will continue working on the implementation of the e-signature. In this respect, we will assess different alternatives for customers to confirm operations without a physical signature being required. This will improve both customer experience and bank procedures efficiency.

As to the offer of online products, our intention is to streamline platforms that enable the direct selling of loans at stores and in our bank website so that both customers and non-customers can request a loan through an immediate credit rating without visiting a branch. Lastly, we will evaluate and implement solutions that would allow us to speed up the development and execution of new technologies to reduce times and errors.

GOVERNMENT BANKING AND BUSINESS BANKING INNOVATION

We conducted a Discovery process consisting in analyzing the current state of affairs, discovering needs and potential improvements, and aligning expectations.

We conducted a study of the Business Banking (Business and Agribusiness Banking) and Government Banking in their entirety to have a complete overview. We surveyed both present and desired products, services, and functionalities under a digital transformation scenario. This process enabled us to understand the needs, motivations, and problems of businesses and players for the purpose of detecting opportunities for improvement. The final purpose of mapping and comprehension is to define the most suitable strategy for each banking area in the medium-term and devise the relevant action plan.

The survey was divided in three stages:

1. Discovery
2. Vision and strategy
3. Prioritized Roadmap 2021

Our intention for 2021 is to advance in the implementation of any initiatives discovered, defined, and prioritized during the Discovery stage. As these are initiatives pending final definition, they will be focused on issues such as data capitalization, customized versus automated customer service, operational load, process simplification and streamlining (both front-office and back-office processes), and users' profile.

During Discovery, we detected opportunity areas where to implement such initiatives. We will work on fostering online banking, implementing a new communication channel, encouraging customer loyalty and community building actions, consolidating customer information, and supplying information analysis and intelligence.

DIGITAL CUSTOMER SERVICE

91%

increase of Macro Mobile Banking users

216,440

enquiries directed to the Digital Contact Center

The COVID-19 pandemic changed bank customer service and limited on-site banking activities, thus putting the financial system to the test. The restrictions imposed by the national government, the lockdown, and the preventive and mandatory social confinement, forced us to change our working methodology and customer service and all banking operations had to migrate to electronic channels all off a sudden for the bank to be able to continue operating without interruptions. This represented a huge challenge: to maintain service quality no matter what.

In this context, we continued working on the "Strategic Plan" commenced in February 2020 to convert the Call Center into a Digital Contact Center, and we completed the process of shifting Community Manager functions formerly performed by an external consulting company to a 100% Bank task force. We then created a team made up of ten digital agents, one supervisor, and specialized analysts.

We are currently providing a comprehensive digital customer service that includes social media moderation, "contact us" email addresses, "Code of Banking Practices," and management of requests and enquiries from Internet Banking and App Stores.

Customer Service and Communication Channels (Digital Banking)	2019	2020
(Business) Internet Banking		
Users	49,916	44,898
Operations	57,801,317	52,156,826
Total amount (ARS million)	351,265	957,627
Total amount (USD million)	202	213
(Personal) Internet Banking		
Users	653,608	785,120
Operations	187,467,321	208,224,543
Total amount (ARS million)	321,955	515,600
Total amount (USD million)	1,669	859
(Personal) Mobile Banking		
Users	564,661	1,079,833
Operations	104,626,919	239,713,051
Total amount (ARS million)	76,456	273,806
Total amount (USD million)	241	224

CUSTOMER SERVICE MODEL INNOVATION

38

SSTs Installed

23

Password Gurus Installed

We implemented a new technological equipment featuring two tools (the Self-Service Terminal (SST) and the Password Guru) that enables simple and safe customer self-service, and we also redefined roles and the flow of customers visiting branches.

To better comprehend customer experience and detect opportunities for improvement, we conducted surveys to both customers and employees. We also developed new features such as the create-a-group tool, customer identification, and shared contact list. These initiatives enable a customer-tailored communication, and provide customer information to branch employees.

We upgraded SSTs and new features were incorporated, such as proof-of-life certificates, and printing of retirement pay stubs and withdrawal orders. We implemented biometric identifiers to avoid the use of passwords. In this respect, the Password Guru -a tablet available at branches- was redesigned, and new technologies and physical support were incorporated to streamline the customer identification process (ID document scanning and facial recognition).

We also continued installing new SSTs and Password Guru pieces of equipment at branches and we created the new position of Self-Service Officer to assist customers in the use of technological devices. To implement these measures, we developed remote training methods.

In 2021 we will continue broadening the SST and Password Guru services. Our aim is to improve customer experience in existing channels and add features that would enable customer self-service in a simple and safe way. We also intend to implement portability initiatives so that bank representatives are supplied with relevant customer information and improve customer service. In this regard, our challenge is to continue expanding the implementation of the Alpha Customer Service Model whose implemented for the first time in Santa Fe in 2020 to all bank areas in furtherance of service and process efficiency.

FROM A CALL CENTER TO A DIGITAL CONTACT CENTER

15,181,375

calls received by the Call Center

102%

year-over-year growth in calls received by the Call Center

We gave priority to customer service in the unexpected context of the worldwide pandemic that directly affected face-to-face services at branches. We managed to adapt to teleworking, which allowed us to migrate to the Digital Contact Center, a solution that turned to be vital to continue providing assistance without interruptions. This way we could adjust circuits to respond to enquiries and assist customers.

We also think of those who have not yet gone digital, and we offer them solutions such as loan reversal, bank accounts relation, change of limits and debit cards rescue. Most importantly, we stood out as one of the primary banks that offered the possibility of collecting the Emergency Family Income (IFE, for its Spanish acronym) by phone through the “withdrawal of funds without a debit card” option in a speedy and simple way.

In this regard, we incorporated and implemented a new contact software -the “Collab Virtual Call Center,”- a technological solution that helped meet our customers’ demands for information.

The Virtual Call Center allowed us to double our customer service capacity, engaging 75 employees from different country regions that were unable to resume on-site activities for different reasons. Nowadays, the Center offers counselling services.

All the above allows us to handle from 50% to 70% more calls than those usually received, and assist anyone that may contact us.

We also incorporated new features such as payment of credit card balances in US Dollars through a debit in customers’ foreign currency accounts, and foreign trade counselling, and we enabled the possibility of adjusting and processing the removal of automatic debit payments for non-bank services paid from our customers’ accounts.

In 2021, we will continue working on the conversion of the Call Center into a Digital Contact Center. We will implement new technologies and we will tailor them to our customers’ service needs. We will also continue working on the specialization of resources and the sectioning of the Digital Contact Center for the purpose of providing best quality counselling services. Finally, we will focus on actively providing assistance in the inclusion of new digital channels as a first customer service instance to have a 24/7 customer service.

Calls received by the Call Center	2019	2020
Call Center – Macro	861,496	811,424
Call Center – Personal Contingency Non-validated Customers	n/a	495,498
Call Center – Business	115,270	35,984
Help Desk	149,802	154,042
Call Center – Selecta	76,268	73,501
Call Center – Investments	24,704	19,877
Call Center – Customer retention and sales	80,398	14,785
IVR calls (Total)	5,807,433	13,576,264
Call Center Calls – Total	7,521,793	15,181,375

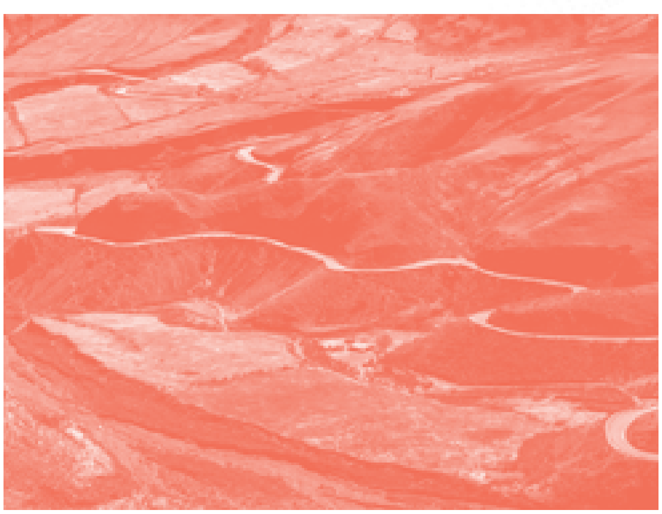
CALL CENTER STRATEGIES FOR BUSINESS BANKING

We customized our technical support and counseling services for companies through new technological solutions. We assisted companies to migrate to the New Internet Banking and encouraged the use of products such as Cash Management and Macro Payroll. In addition, we enabled contingency processes to prevent their normal operation from being affected during the pandemic.

Specifically, for the Government Banking and MEGRA (medium-sized and large enterprises) segment, we changed our customer service protocol by incorporating outcoming calls to provide proactive counselling and improve business experience.

SPEECH ANALYTICS - OUR CUSTOMERS' VOICE

As part of our continual improvement process, the Speech Analytics platform -which verbatim transcribes "Customers' Voice"- enabled us to gather information and analyze recorded conversations, detecting trending topics that helped us assist customers with speedier resolution circuits in this communication channel. We also implemented Stage II of the Automatic Auditing Process by assessing phone operators, defining additional categories to assess each customer's degree of satisfaction, closeness, and digital education.



IVR – CALL CENTER IMPROVEMENTS

We redesigned the start menu and adjusted it to call flows. As to transaction banking and self-service, we incorporated the option of payment of credit card balances in US Dollars through a debit in a USD-denominated account. We also incorporated the direct referral to insurance companies to improve retention, smoothness, and promptness in terms of management of insurance policies.

We started the analysis to shift to a conversational IVR through a combination of artificial intelligence, natural language understanding (NLU), and natural language processing (NLP).

VIRTUAL ASSISTANT

7,699,323
enquiries received

398%
increase in the number of enquiries received

6,698,411
business-related enquiries received

Our virtual assistant, called "eMe," answers queries from both customers and non-customers, offering information on bank products and services such as loans, investments, debit and credit cards, accounts and packages, insurance, Macro Rewards, financial education, and frequently asked questions regarding passwords, benefits, Internet Banking, and Mobile Banking (App).

In 2020, we improved the artificial intelligence engine as a starting point to incorporate our virtual assistant eMe to contact channels: Macro App, Internet Banking, and social media (Facebook and Instagram).

We are planning to incorporate in 2021 tools that will enable us to improve eMe artificial intelligence training method. Through the "Nina Coach" tool we will be able to re-train eMe in a more dynamic way, which will improve comprehension analysis and reduce the rate of words not understood. Further, the Live Chat, through business rules, will enable customers to contact a digital operator that will help them handle enquiries online.

HANDLING OF COMPLAINTS

We seek to make the handling of purchase-related complaints more efficient and speedier in order to improve their receipt at the contact point and avoid complaint analysts' manual data entry into the administrators' applications. In this respect, we improved the process to identify and select not-recognized or disputed charges. These complaints are now handled in an automated way, shortening resolution times. Thanks to this improvement, we managed to handle 30% of all monthly complaints received.

We also worked to increase the number of issues that may be handled through contact channels (Rebates, Request for Loan Installments Reversal and Current Account Automatic Debit Payments) and their autonomy in terms of amounts to be reimbursed so that more complaints can be resolved on the spot. We are planning to incorporate in 2021 issues related to Credit Card Payments Reversals.

As to Internet Banking, in 2020, we improved complaints language classification and submission channels and added explanatory assistance fields to help customers understand the types of complaints available through this channel. We also enabled product cancellation and enquiries buttons for better problem-solving purposes.

FINANCIAL SERVICES USER PROTECTION

The Financial Services Users' Protection Committee held four meetings, which were attended by a director, Financial User Protection Officers, and the Legal Affairs, Risk Management and Compliance Managers.

We discussed items related to the changes introduced by laws and regulations, specially, the communications issued by the Argentine Central Bank affecting financial users during the health emergency. We also discussed items related to improvements to be implemented in circuits and processes, and any progress made on these issues and those under discussion.

Our main challenge was to ensure that we understand customers' concerns along the entire transition process and that all actions required under the applicable decrees and regulations are taken. This way, we worked hand in hand with all customer service channels and points to identify customers' primary concerns.

We closely followed-up the implementation and improvement of operating processes, services, and products available for customers intended to provide a simpler streamlined system. To such end, we extended the deadline for completing certain procedures and we released customers from payment of a series of services. We further granted loan financing and credit card funding to facilitate debt payment.

We also sent alert messages and recommendations on the use of confidential data and passwords under communications related to health emergency rules and executive orders. We identified financial service users' concerns to improve operational quality.

REGULAR SURVEYS

In line with the proactive actions taken years ago, we continued working on identifying improvement opportunities regarding operating circuits to streamline processes as provided by our user protection policy.

To improve feedback at customer service points, we aligned communication criteria to give clearer answers and make positive changes in terms of customer experience and procedures.

Number of complaints by channel (1)	2019	2020
Branch	103,411	93,769
Call Center	126,105	109,243
Internet	100,479	152,375
Complaint Handling and Quality Department	1,750	472
Letters	116	226
Business Back Office	165	161
Officers before the Argentine Central Bank	227	585
Total	**322,253**	**356,831**
Complaints rate by customer (total complaints / Personal Banking customers)	9%	9%
Complaints resolution rate by customer (total complaints resolved / total complaints)	100%	94%

(1) The information includes Banco Macro's Complaints Handling and Quality.

SIMPLIFIED CONTRACTS AND NEW PRODUCT GENERATION

We are aware of the information asymmetry between customers and banks. In line with this, five years ago we were the first bank in Argentina to make a streamlining proposal. Our goal is to make processes shorter, clearer, and easier to understand.

We supplemented simplified contracts with “product sheets” with the aim of making bank-customer communication as simple and brief as possible. Product sheets are sent by e-mail or submitted in printed form, as requested by customers.

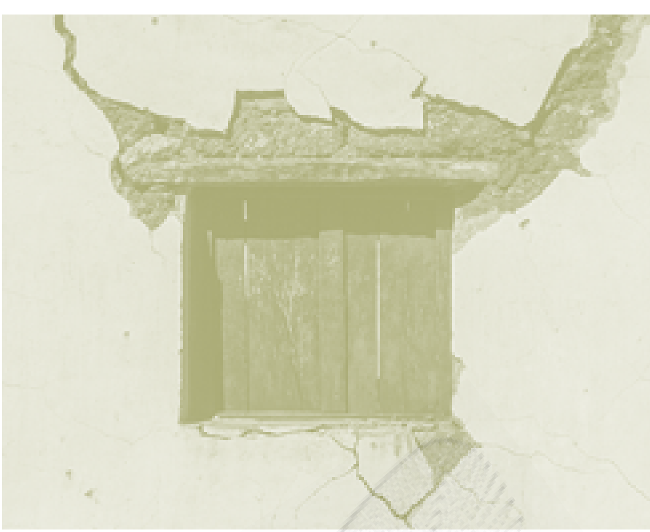
MANUFACTURED **CAPITAL**

Even in the context of the pandemic, we worked daily to offer the best solutions to the different customer segments, aware of the fact that each one of them has their own specific, actual needs. This is why we continued developing schemes to simplify processes and speed up operations.

+889,000	750,000	2	2,631,289
salary deposit accounts	IFE beneficiaries	million policies issued	credit cards issued
$274	+$64	+3,900	200
million invested in the Macro Reward benefits program	million invested in the NAVES Program since 2015	projects submitted under the NAVES Program since 2005	towns where Banco Macro is the only bank

We speeded up the digital transformation process through several apps and websites. We did so by gradually shifting customers to online channels, supplying them with clear and sufficient information so that they could operate with ease. We further established new communication channels with all segments and our officers received proper training to provide adequate counseling on procedures, operations, services, and packages.

Share per banking división	2019	2020
Personal Banking	49.5%	56.0%
Business Banking	20.8%	29.2%
Corporate Banking	26.8%	13.3%
Government Banking	2.8%	1.3%
Financial Banking	0.1%	0.2%



+94%

increase in the amount of ATM operations

PERSONAL BANKING

During 2020, all digital transformation processes speeded up primarily because of the COVID-19 pandemic and companies' digitalization driven by teleworking. In this regard, we targeted our efforts at developing marketing actions designed to retain customers, attract Payroll Plans, and continue offering credit cards and deposit services.

Aware of how important it is for our customers to feel that we support them, especially during the pandemic, we enhanced communication with all the segments across digital channels and launched campaigns to promote self-service.

BUSINESS STATUS

Over the first half of 2020, there was a downturn in the financial market driven by the complex economic situation undergone in Argentina. To address this situation, we targeted our efforts at promoting the development of business actions aiming at financing our customers. Thus, we offered credit cards, new loans, and more flexible loan renewals, and we increased the number of products by customer and sought to attract more Payroll Plans.

Personal Banking customers account for 55.2% both of our active portfolio and our private sector deposits. This is why the sale of products, agreements, and Payroll Plans play a key role in maintaining this division. It is also essential to strengthen our credit range and supplementary portfolio of transactional products and services with a value proposition that suits each segment in order to enhance customer relationships based on their life cycle and improve their well-being.

As a business, we seek to accompany customers and be the driving force along the path to attain their goals. We understand that their goals are specific to their time-in-life and income (buying their first home, starting a family, etc.).

This year, we refined our business model by maintaining a well-diversified loan portfolio. We kept our share of the consumer products market and remained a leading provider of personal loans.

A large number of our customers have managed to migrate —and will continue to progressively do so— the operations associated with a wide array of products to our automatic access channels: Banco Macro's Home Banking, My Macro App, Simple Operations, and websites. This streamlines processes as they can operate safely, anywhere they are, and in a much faster way.

MAIN PERSONAL BANKING SEGMENTS

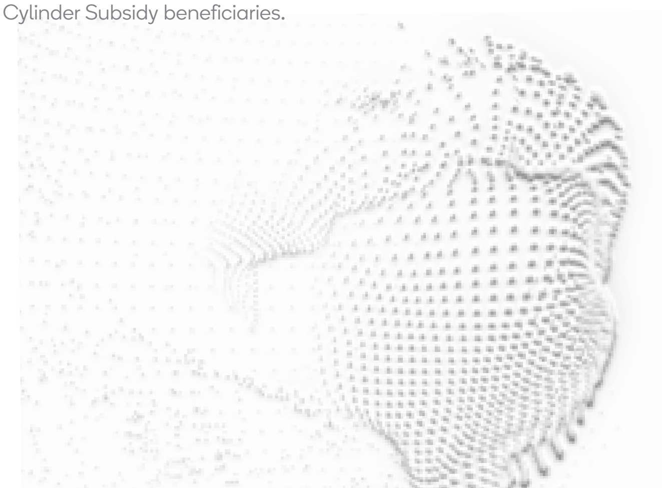
We implemented an improvement process regarding the analysis of customer segmentation criteria which entailed assigning customers to different categories in order to provide them with a value proposition that serves their specific needs. To do so and to offer customers further and better service, we grouped them on the basis of customer qualitative and quantitative characteristics.

Classifying customers allows us to:

- offer a customer service model specific to each customer category;
- provide a customized range of products and services;
- offer benefits attractive to each customer category that enable customers make the most of their economy; and
- improve communication efficiency.

Personal Banking by segment	2019	2020
Retired People	698,133	698,395
Payroll Plans	867,322	897,153
Professional and Merchants	261,693	263,055
Open Market	1,844,412	2,244,041
Special Customers [1]	31,244	22,901
Total Personal Banking Customers	**3,702,804**	**4,125,545**

(1) This segment includes Universal Child Allowance (AUH, after its Spanish acronym), Progresar, Family Allowance Payment System (SUAF, after its Spanish acronym), and Gas Cylinder Subsidy beneficiaries.



MASS SEGMENTS

The individuals that made up the Mass Segments are quite diverse. Within this universe, some have basic needs -savings accounts, enquiries, cash withdrawals, and transfers- while others' are more complex: investments, and insurance, amongst others. Our mission is to offer customers products, services, customer service channels, benefits, and communications that best suit their profile.

This way, we developed an App that allows customers to get access to the most frequently used basic features: balance enquiries, transfers, bill payments, and cellphone and travelcards credit purchases. We now have two Apps that enable us to reach and financially include a greater number of people.

In 2020, especially in the context of the COVID-19 pandemic, we worked in concert with the different Bank departments, and succeeded in attaining the following:

- 100% digital savings accounts opening, PIN reset, and cash withdrawal requests, among other operations;
- Launching of the My Macro App for low-income customers; and
- Digital communication with customers based on their geographic area.

Our challenge for 2021 is to continue improving our value proposition and develop benefits suitable for each segment and improve the efficiency of existing products. We will continue working to better identify customers through a new segmentation strategy based on customer income, by delivering proper training to our officers to implement loyalty and attachment actions.

In 2021, we will implement a customer classification by income.

RETIRED PEOPLE

WE MADE IT POSSIBLE FOR 99 PERCENT OF THE RETIRED'S SEGMENT TO HAVE AN ACTIVE DEBIT CARD SO THAT SENIOR ADULTS CAN OPERATE REMOTELY DURING THE PANDEMIC.

698,395

retired customers

ARS 18,000

million in retirement payments

We have more than 698,000 retired customers, who collect retirement payments every month, totaling more than ARS 18,000 million. In 2020, we implemented the Salary Advance for the Retired, whereby retired customers can request an advance of retirement payments.

To promote compliance with the preventive and mandatory social confinement ordered by the Argentine government, we targeted our efforts at ensuring that all retired customers have their debit card activated. Currently, 99% of our retired customers have their debit cards to operate.

In the context of the pandemic, ANSES temporarily suspended the requirement of demanding proof-of-life certificates and instructed bank entities to implement no face-to-face control measures. In this regard, we developed a web-application whereby customers can get access from their cellphones through facial biometrics, without any passwords being required. Thus, through this platform, customers can renew proof-of-life certificates and enquiry about the next retirement payment date and download pension pay stubs from the comfort of their home.

Lastly, to be able to provide retired customers with a better customer service that helps them easily bank without leaving home, we further developed an exclusive digital section clearly visible on our Bank's main website.

This was a challenging year of significant progress for this segment. We managed to increase their value from ARS 769 in 2019 to ARS 986 in 2020 (+ 28% in nominal values) by customer (the retired segment accounts for 44% of the total), and we grew by bringing in new customers who voluntarily migrated their retirement payments. We will continue to work towards attracting more beneficiaries under strategic partnerships with professional social security entities.

In 2021, we will continue implementing our customer service strategy through new platforms, an exclusive digital space, and web application whereby retired customers can submit proof-of-life certificates. We will further develop campaigns to attract new retired customers based on our active customers who have attained the retirement age and who collect retirement payments in our bank for them to keep on choosing us as their paying bank.

Retired's segment	2019	2020
Number of retired people granted personal loans	252,879	231,924
Total amount disbursed on loans (1)	17,395	23,331
Total amount paid by way of pensions (1) (2)	171,235	215,907
Total centers	24	27
Number of retired people served at the cashier's window monthly	161,783	96,683
Total benefits paid annually (2)	9,884,940	9,953,656

(1) ARS million.
(2) Accumulated from January through December.

10 REDUCED INEQUALITIES

PAYROLL PLAN

+ 889 thousand salary crediting accounts over 2020.

In spite of the complex economic situation, the market increased the range of products and services to attract this segment's customers. To face the increased competitiveness, we refined our actions not only in order to bring in new customers, but also to retain and cultivate the loyalty of our existing portfolio. This way we managed to maintain our share in the financial market, remaining our position at number 4 in terms of number of Payroll Plan customers.

Specifically, throughout 2020, we implemented the following strategic actions:

- **We conducted marketing campaigns** to attract, retain, and build loyalty among customers, and specific actions to address specific needs.
- **We enhanced our value proposition** by including new benefits and incentives.
- **We devised a comprehensive communication plan** which incorporated a contact form on the Bank's website whereby customers are referred to the relevant bank department as appropriate. This plan further entailed an improved data display and content rearrangement as well as the creation of new marketing pieces and the optimization of existing ones. This way we approached customers, provided our sales force with training tools, and incorporated merchandising support material for relational and marketing actions.
- **We devised contact strategies** to promote the attraction of this segment's customers through virtual meetings with customers.
- **We also improved the dashboards** whereby we keep track of salary crediting set-ups and cancellations, which enabled us to work proactively and put forward value propositions in line with our customers' needs.
- **We continually improved processes** to streamline proposition management and operation.

Payroll Plan	2019	2020
Salary crediting accounts	860,959	889,148
Active agreements	20,834	22,914
Year-over-year growth in active agreements	9.60%	9.98%

SOCIAL WELFARE ORGANIZATIONS

This year, we implemented the following actions:

- **We conducted marketing campaigns** to attract new customers, retaining the existing portfolio, and cultivate their loyalty. We took specific actions to address each social organization specific needs.
- **We devised a new comprehensive communication plan** that includes the design and development of a segment exclusive website, featuring a specific benefit search engine. We further created a contact form for customers and direct access through a QR code. To such end, we developed new marketing pieces and streamlined existing ones.
- **We improved the segment's dashboard,** with a focus on proactive actions and portfolio normalization.
- **We continually improved processes** to streamline proposition management and operation.

The challenge for next year is to increase the volume and profitability of business by gaining deeper insight into social organizations and their members in order to build closer relationships and creating new value propositions tailored to the segment's or the social organization's needs and market demands.

PROFESSIONALS AND MERCHANTS

We reorganized our range of products targeted at this segment to improve their efficiency. Thus, after launching the viüMi collection platform, we continued enhancing the relationship with our customers. We seek to facilitate their processes and support their growth by initiatives aimed at boosting their business activities and enhancing their personal development and adequate response to their needs.

To such end, this year:

- We discontinued the offer of the *Valora Comercial* package, which allowed us to optimize the current range of packages and focus on the selling of the viüMi platform as the sole collection product available for Personal Banking Customers who conduct a business activity.
- We add the viüMi platform to our value proposition.
- We devised marketing campaigns to advertise the viüMi platform as a payment solution for this segment.

8 DECENT WORK AND ECONOMIC GROWTH

MACRO SELECTA, OUR HIGH-INCOME CUSTOMERS

During this year, we defined three strategic focuses: strengthening of the Customer Service Model, primary bank choice, and attraction of Payroll Plan customers.

Customer Service Model

We focused on accompanying both external and internal customers. We enhanced the interaction proximity with our officers through monthly calls on different topics of interest and improved customer service processes on the basis of a speedy and transparent model. To such end, we encouraged the use of WhatsApp as a direct channel between customers and officers to enhance communication through this means. We further monitored and tailored our executives' capacities and we made changes in their goals based on the context and the strategic focuses devised.

Primary Bank Choice

Through a comparative analysis of our customer portfolio with market conduct jointly with our Business Intelligence team, we identified consumption behavior, primary bank choice, and credit limits. This enabled us to learn about our current scenario and work on different actions to increase the Primary Bank Choice Indicator, such as a study and tracking of credit cards facilities, automatic debit payment subscriptions, and widening of our range of benefits.

Macro Selecta Payroll Plan Customers

For the purpose of attracting Payroll Plan customers, we improved our regular range of products. To such end, we worked hand in hand with the Business Development team to implement the Aerolíneas Plus miles' accumulation benefit program for these customers for free, which program is relevant to and valued by this segment. At the same time, we promoted the Customer Referrals Program, which grants points or miles as a reward -depending on each customer's loyalty program-, and we updated our executives' goals to attract more Payroll Plan Customers.

Our challenges for 2021 are the following:

- To be a Bank with simple, efficient, and quick processes. We will seek to facilitate processes to improve daily operations.
- To focus our customer service model on customers. We will work on issues relating to value proposition and customer service model following a Customer Experience analysis.
- We will develop the inclusion of operations in our digital channels, and we will enhance customer service via WhatsApp, a channel that allows us to be as close and streamline as we intend to be.
- As to Primary Bank Choice matters, we will increase interaction and transaction banking of our Macro Selecta customers to promote consumption, and we will work on credit cards facilities and automatic payment subscriptions. We will promote the attraction of Payroll Plan customers and we will enhance our value proposition for this segment.

Macro Selecta	2019	2020
Year-over-year segment growth	10.3%	2.9%
Year-over-year growth in the number of packages	9.9%	3.1%
Average active portfolio balance growth	39.6%	45.3%
Average passive portfolio balance growth	-0.5%	43.9%
Year-over-year growth in the number of mortgage loans	7.2%	25.8%
Year-over-year growth in the number of common investment funds	-58.8%	41.1%

PREFERENTIAL SEGMENT

We worked to provide preferential customers the required tools to make decisions, on the basis of clear and transparent information.

Our goals for 2021 will be to devise value propositions targeted at this segment, improve indicators and work to gain insight into and analyze preferential customers' needs. We will search for interesting issues, attributes, and benefits expected by this segment through an analysis to be conducted jointly with the Customer Experience department. Following such analysis, we will work on the value proposition and how to approach these customers. In this regard, the purpose will be to capitalize the new features of digital channels and devise a proposition including differential benefits.

Supporting

UNBANKED CUSTOMERS

This segment is made up by individuals that work in a highly informal sector of the economy and, as such, they are not sufficiently encouraged to use bank accounts and payment methods. However, they constitute a potential group of customers that may be incorporated to our customer portfolio through a series of propositions developed to address their specific needs.

1 NO POVERTY

10 REDUCED INEQUALITIES

We simplified operations so that customers can withdraw Emergency Family Income funds, update data, and reset passwords with their debit cards without having to log in to the Bank's app or website.

750,000

beneficiaries received the Emergency Family Income (IFE, for its Spanish acronym)

During the pandemic, the Argentine government implemented a welfare program called Emergency Family Income (IFE, for its Spanish acronym). As a Bank, we provided wealth of clear information and assistance to over 189,000 beneficiaries who had no debit card to collect payment thereof. Thus, on the collection date, we sent a one-to-one communication via SMS and emails containing a direct access to an exclusive website, and provided guidance so that beneficiaries could generate withdrawal codes for ATMs in an easy and streamlined way. To avoid crowding at branches, we further implemented a differential time schedule to provide customer service at branches.

PERSONAL BANKING PRODUCTS AND SERVICES

Initiatives with a social impact focused on financial inclusion

We worked to meet customers' needs through the granting of zero-interest loans, UVA-denominated term deposits (where UVA stands for Units of Purchasing Value), and loans and cards refinancing facilities, among others.

In 2020, we reinvented our processes to provide innovative solutions and prevent the pandemic from affecting our regular operations. Through digital media, we focused on providing alternatives to simplify customers' banking. We also offered products that allowed them to easily access to financial facilities at preferential rates, at all times focused on digital channels to avoid crowding at branches. For the purpose of promoting social distancing, we developed new digital processes that simplify debit card PIN reset, withdrawal orders, and Onboarding web (account opening and shipping of debit cards).

We particularly made sure that people got access to their account funds without need to visit a branch. To such end, we developed massive debit card embossing processes and we even implemented tools such as card-less cash withdrawal orders for customers who had no debit card. We further extended debit cards' expiration dates so that customers could still use them until receipt of the new cards.

All this was implemented along with a 100% online account opening process for unbanked people, who could open an account without visiting a branch. We also took part in the granting of 1,810,230 Emergency Family Income plans (IFE, for its Spanish acronym), which allowed us to pay benefits totaling more than ARS 18,102,300,000. We opened accounts for and granted debit cards to IFE beneficiaries.

We developed a new over-the-phone loan selling process at branches, and a new pilot process for the direct selling of loans at stores to address customers' needs. To such end, we incorporated insurance for low- and middle-income segments into the packages so as to offer a full array of products.

Throughout this year, we further implemented the products established within the regulatory framework as a result of the pandemic: term deposits at a minimum guaranteed rate, comprehensive free account opening through different channels, accounts for the repatriation of funds, zero-interest loans, and credit card and loan refinancing credit facilities, amongst others. We also suspended collection of passive commissions, the closing of checking accounts and fines for dishonored checks.

Our goal for 2021 is to increase the level digitalization reached in 2020 to promote financial inclusion even further. To achieve process efficiency, we developed solutions to assist customers seeking for financing at stores or directly from the bank by offering 100% digital credit products.

IN THE CONTEXT OF THE PANDEMIC, WE ENCOURAGED THE USE OF THE ONBOARDING WEBSITE FOR ACCOUNT OPENING AND SHIPPING OF DEBIT CARDS TO AVOID CROWDING AT BRANCHES.

1 NO POVERTY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

LOANS

We continued developing initiatives towards a financial system that includes underbanked individuals. Accordingly, we implemented a 100% online indirect selling channel for purchases or services financing directly at stores through a broad store network under an agreement.

Under strategic agreements, we managed to offer small personal loans subject to short repayment terms. In this line, we continued implementing salary advances targeted at those workers whose salary is deposited at our Bank. This product has been designed to provide the underbanked segment with access to credit through a 100% digital short-term financing option.

During the pandemic, we updated processes so that customers could defer payment of loan installments. We further designed a dynamic form including clear clauses to facilitate the reading and interpretation of product terms and conditions.
The purpose of these actions is to create increasingly more tools so that customers can make better decisions.

Moreover, since March, we have extended the deadlines of unpaid installments of more than 1,000 mortgage loans totaling ARS 3,000 million. We also froze mortgage loan installments. As to credit cards, we refinanced balances for ARS 7,500 million, and regarding personal and corporate loans we rescheduled installments payment relating to 178,000 loans totaling ARS 25,000 million.

Next year, our intention is to improve customer service through a 100% online new account opening and personal loan granting process. In this regard, we will further develop a 100% digital loan selling process at stores, and we will continue improving loan selling through alternative channels such as ATMs or Internet Banking to be able to tailor products to customers' needs.

1 NO POVERTY

Loans	2019	2020
Personal loans (number)	1,128,718	1,007,756
Personal loans (ARS million) [1]	56,757	70,172
Mortgage loans (number)	6,921	6,824
Mortgage loans (ARS million) [1]	14,037	17,805
Grant of UVA-denominated loans (mortgage, personal, and other loans)	181	30

(1) Balance of the Personal Banking portfolio (principal + adjustment + interest + other receivables from intermediation-OCIF)

ACCOUNTS AND PRODUCT PACKAGES

We continued working in order to improve our value proposition with a view to becoming our customers' primary bank choice. The number of packages we offer grows year over year and so does their quality. During 2020, we adjusted our value proposition to keep on offering products and services that meet the needs of each segment and customer category.

We launched the Comprehensive Free Account targeted at people who have no account in the financial system. We sought to promote the inclusion of unbanked people in the financial system.

Against the backdrop of the pandemic, we took the following actions:

- We suspended collection of passive bank fees.
- We implemented the Onboarding web (account opening and shipping of debit cards)
- We suspended the closing of checking accounts and fines for dishonored checks.

We implemented the Onboarding web to enable customer registration and savings account opening on our website in very simple steps. Access to the Onboarding web can be made by scanning a QR code or through an SMS sent to a cellphone.

In the context of the COVID-19 pandemic, we were forced to implement a series of exceptional measures established by the Government through the Argentine Central Bank. Communication "A" 6945, which communication ordered the suspension of accounts and packages fees and charges collection during March 2020. Communication "A" 7107, in turn, informed of the suspension of collection of fees for ATMs operations throughout the country until December 31, 2020, whether such operations are made either by customers or non-customers and regardless of the type of account concerned.

As to checking accounts, we extended the deadline of all account agreements to April 1, 2021, to ensure that no deadlines fall before March 31. Argentine Central Bank's Communications A 6950 and B12005 and Executive Order No. 544/2020 ordered the extension of checks' due dates and the suspension of processing of dishonored checks for lack of sufficient account funds, the collection of fees, fines, non-payment orders, processing of dishonored checks for remote deposits and discount of checks from March 25 through December 31, 2020.

Next year, we will continue improving our products and processes' efficiency with a view to improving, customer experience, promoting the use of these channels, and increasing our market share.

During 2020, we re-launched product packages and we implemented the comprehensive free account and the account for the repatriation of funds.

INSURANCE

WE HAVE OVER 2 MILLION INSURANCE POLICIES THAT MEET CUSTOMERS' NEEDS.

We continued developing a strong personal insurance portfolio. To support our customers and meet their protection needs throughout their lives, we offer a broad range of insurance options. Our current portfolio has over 2 million voluntary insurance policies.

During 2020, we implemented a 100% digital insurance purchase process on the Internet Banking. We managed to do so by launching a new insurance purchase channel which enables customers to purchase a more adequate coverage in a speedy and simple way.

We further developed a loyalty program to listen to our customers' opinion. The purpose of this program is to provide customers with further information on insurance benefits, communicate the importance of purchasing an insurance policy, and detect potential improvements throughout the entire insurance purchase and after-sales process.

Both strategic initiatives are focused on continuing developing a comprehensive value proposition by increasing the number of channels available for purchasing insurance policies and taking into consideration our customers' experience when operating with us.

We continued broadening the range of insurance options and improving our services through different actions:

- A regular review of insurance policies to ensure they are in line with the actual context development of the local economy. The purpose of this measure is to ensure customers products suitable for their needs.
- Market testing to incorporate attributes to offer more attractive insurance products and reach customers who have not yet been reached.
- The strengthening of multiple digital strategies to provide our customers with insurance policies that better suit their needs.

Our goals for 2021 are the following:

- To continue enhancing our insurance options to improve the existing range and launching new products.
- To improve the development of the digital channel by incorporating new products to our current options and apply the digital processing of after-sale services on the Internet Banking.
- To broaden the scope of the loyalty program to all customer service points to continue maintaining the value of our portfolio.

Evolving

CREDIT CARDS

During 2020, we incorporated the Contactless Credit and Debit Card technology.

2,631,289
credit cards issued

ARS 171,463
million worth of credit card purchases

During 2020, we worked to bring technology closer to a greater number of customers to facilitate payment operations. We conducted the migration of credit and debit cards featuring magnetic stripes to a contactless technology. We also granted debit cards massively and conducted a mass card embossing process to facilitate card-less cash withdrawal at ATMs.

In addition, we implemented the financing facilities established by the Argentine Central Bank (Communication “A” 6964 and Communication “A” 7095), including zero-interest loans and zero-interest loans for taxpayers engaged in cultural activities.

We worked to offer credit card selling at stores for the purpose of financing the purchase of goods on the spot. We further developed a rechargeable new product to reach the underbanked segment, and took action to improve process efficiency towards a better customer service, including clearance of idle cards.

During this year, we also took the following actions:

- We set in motion and implemented zero-interest loans and zero-interest loans for taxpayers engaged in cultural activities, including the granting of a new card for customers who had none.
- We incorporated the refinancing processes established under Argentine Central Bank’s Communications “A” 6964 and 7095, which allowed customers to refinance credit card balances.
- We sent e-statements by email to customers who, because of the context, were not receiving their statements in printed form in proper time and manner.
- We generated airport lounge access digital cards on a massive scale to replace the use of physical cards.
- We worked together with processing executives to monitor e-commerce fraud in view of the increase of online purchases so as to implement new controls and alerts to mitigate risks.
- We designed and updated product sheets to offer an array of differential benefits and highlight their features.

IN VIEW OF THE E-COMMERCE GROWTH DURING 2020, WE WORKED TO MONITOR FRAUD AND DEVELOP NEW CONTROLS AND THE TRIGGERING OF ALERTS.

DEBIT CARDS

3,948,147

active debit cards

+10%

year-over-year growth in this portfolio

We continued implementing actions in relation to this product, which we believe is one of the main products within our portfolio. To such end, we incorporated a dual interface (contactless) technology in all the debit cards issued by the Bank, whether for the first time or upon renewal or replacement (Selecta and general portfolios).

In the case of those cards already supplied with a dual interface chip, which are regarded as “secure cards”, we generated mass alphabetic password deactivations in order to simplify customers’ operations and improve their experience upon operating an ATM. We increased the withdrawal, purchase, and transfer limits to encourage our customers to use our automatic channels to obtain cash.

In the context of the pandemic, we extended debit cards’ expiry date for customers to continue withdrawing cash at ATMs instead of visiting a branch. We also kept debit cards in custody at branches so that customers could have more time to take them away.

We also increased the limits of withdrawals and withdrawal orders without a debit card. In line with this, we moved debit card renewals forward to ensure that customers get their cards to purchase and withdraw cash. We also generated special debit card PIN reset processes.

INVESTMENTS

As a part of the digital transformation process, we continued encouraging customers to operate in the simplest and most comfortable secure way through the use of automatic channels. In the Investments area, the initiative is targeted at encouraging the use of technology either through the App or Home Banking.

In February 2020, we implemented UVA-denominated Term Deposits Redeemable Before Maturity (where UVA stands for Units of Purchasing Value) established by the Argentine Central Bank’s Communication “A” 6871. The minimum deposit term is of 90 days, the novel feature being that they can be redeemed before maturity after a 30-day period.

As branches were closed because of the pandemic, we extended term deposits maturity and renewal with no account crediting from March through early April 2020 and we paid the relevant interest accrued.

Once branches opened, for the purpose of reducing the number of customers visits, we made available remote acceptance (either by email or phone) of requests for:

- Renewals of term deposits without cash movement.
- Renewals of term deposits with an increase / decrease in debit / credit account balance; and
- Redemption of term deposits with a credit account balance.

We also developed a series of digital pieces to advise our customers on how to operate through alternative channels (the Macro App and Internet Banking).

Our purpose for next year is to implement new features across our channels in order to encourage their use and improve customer experience and to create a simple proof of term deposit instead of the certificate currently in use. This would reduce the time spent by customers at branches when operating.

Against the backdrop of the pandemic, we focused on providing special assistance to our customers. To such end, we extended term deposits maturity and we designed support material to facilitate remote banking.

BENEFITS FOR OUR PERSONAL BANKING CUSTOMERS

We continued to offer a variety of benefits countrywide through a series of actions including credit card special offers in home, decor and clothing, and discounts at supermarkets. From all actions implemented, it is worth noting our delivery applications and e-shop discounts, which were in force during the entire year. Because of the pandemic, we added new supermarkets to our discount proposition, which enabled us to reach areas where consumption increased during the restriction months.

We continued working on a differential proposition for each segment: pharmacies discounts were granted to Retired Customers whereas fuel purchase discounts were offered to Selecta Customers. During the second half of the year, we implemented a proposition exclusive for Private Selecta Customers in partnership with luxury brands.

In furtherance of attaining our goal of being a Bank that is close to customers, we launched campaigns for special dates such as the Children's Day, the Mother's Day, the summer, and Christmas holidays. The proposition encompassed countrywide and regional stores as well as stores having an e-shop. Among the highlights is the new cellphone credit purchase campaign on Internet Banking and the Macro App, which grants customers a 30% discount twice a month throughout the year.

We further incorporated propositions for paint, home, and decor products, which were some of the best-selling products during the pandemic. Among the highlights are the "Home Special Thursdays," a program that includes discounts and payment in installments at the main stores. We participated in the "Painting Week," offering differential and exclusive benefits and communication to Banco Macro customers. We also incorporated payment in interest-free installments for the purchase of household appliances.

In line with our federal approach, we entered into agreements with municipalities and stores to make prominent propositions. Our customers can benefit from special debit card offers or discounts and interest-free installment payment with credit cards, such as *Ahora Misiones, Ahora Bienes Durables, Ahora Góndola, Ahora Patente, Ahora Gastronomía, Ahora Carne,* and *Promo Salta*.

We rewarded credit card purchases with Macro Rewards or Aerolíneas Plus Miles. In this regard, our partnership with Aerolíneas Argentinas allows our customers to buy tickets at promotional prices and accumulate miles under the Aerolíneas Plus Miles program.

Moreover, our Selecta customers accumulate miles based on their Visa Signature and MasterCard credit cards and Macro Selecta debit cards purchases. All Macro Selecta customers belonging to the Payroll Plan segment who have purchased such package were granted a free membership to the Aerolíneas Plus Miles program.

Macro Rewards	2019	2020
Redemptions		
Products	147,530	162,278
Trips	9,238	1,652
Credit Purchases (1)	256,560	195,480
Miles	70,623	59,370
Discounts	72,848	51,468
Others (1)	11,478	30,511
Total	**568,277**	**500,759**
Points redeemed	**Points redeemed**	**Points redeemed**
Products	2,966,947,706	4,755,557,881
Trips	381,049,204	125,048,293
Credit Purchases (1)	1,021,778,100	897,304,874
Miles	1,105,661,639	1,202,311,940
Discounts	394,223,350	447,898,700
Others (2)	132,472,018	246,192,944
Total	**6,002,132,017**	**7,674,314,632**
Beneficiaries	**Beneficiaries**	**Beneficiaries**
Products	76,266	87,828
Trips	6,424	1,398
Credit Purchases (1)	53,629	43,636
Miles	22,547	17,483
Discounts	23,632	15,268
Others (2)	4,580	35,676
Total	**164,323**	**166,043**

(1) The “Credit Purchases” category includes information on the “Cellphone Credit Purchases” and “SUBE Credit Purchases” rewards.
(2) The “Others” category includes information on the “Movie Theaters,” “Experiences,” “Gift Cards,” “Shows,” “On-the-spot Rewards,” “Donations,” and “Chance Mundial” rewards.
(3) The total is calculated regardless of the categories requested.

Supporting

BUSINESS BANKING

We worked to foster closeness with businesses and understanding of their needs to develop tailored solutions. Gaining insight into companies' size, location, and other variables relating to their activities allows us to devise more suitable and specific propositions for each sector and development stage.

Because of that, the concept of value chain and networking is of outmost importance for us. We continued to grow our customer portfolio and to enhance the relation among the SME, MEGRA, and Corporate Banking divisions. We also identified customers within the same community and offered expert advice to each of the companies based on their specific needs.

Business Banking portfolio	2019	2020
Corporate segment	57%	31%
Medium-sized enterprises	16%	20%
SMEs	7%	21%
Micro enterprises	2%	3%
Agribusiness	18%	25%

Business Banking customers by region	2019	2020
Jujuy	2,738	2,824
Northeast Argentina (NEA)	4,851	4,864
Salta	4,188	4,076
Tucumán	4,727	4,705
Western region	6,152	6,028
Buenos Aires	16,197	16,511
Córdoba	21,558	20,936
Santa Fe	26,047	24,747
Total customers	**86,458**	**84,691**

MAIN BUSINESS BANKING SEGMENTS

SMEs and Micro Enterprises Banking

66,693

SMEs and micro enterprises

During 2020, we implemented a new SME segmentation focused on our customers' activities. In furtherance thereof, we developed a unique value proposition exclusive for stores, small enterprises, and institutions.

We streamlined and improved the loan granting process. We also updated and standardized internal forms to reduce the documentation required for credit eligibility at each stage. We improved our tools and credit assessment engine, and increased credit rating nominal limits to provide better solutions. Furthermore, for the purpose of gaining deep insight into the sector's needs, we conducted a new SME experience service survey in June and November.

With the aim of providing a comprehensive proposition that addresses the blended needs of Business Banking individuals, we developed the Professionals and Merchants segment within the Metropolitan Area of Buenos Aires. This allows us to devise specific strategies for this sector, which will, in turn, improve our array of products.

Financing with social and economic impact in pandemic times
The complex situation caused by the outbreak of the pandemic in 2020 forced us to take a series of special actions. Firstly, we had to implement teleworking. This was a measured that needed to be taken immediately as the financial aid established by the Argentine government, such as the granting of soft loans and maturity rescheduling, had a direct impact on our employees' everyday work.

The pandemic also increased the need to provide solutions for individuals, companies, and local governments in financial distress. To such end, the bank departments related to loan granting and collection fully engaged in providing a better customer service to these customers. In this context, the Credit Risk Management Department conducted a credit assessment of all micro, small, and medium-sized enterprises that were our customers. In the aggregate, over ARS 70,000 million were granted by way of loans at reduced interest rates as per the credit policies established by the Argentine Central Bank. Thanks to this measure, Banco Macro ranks at the top among private companies in terms of funds granted to micro, small, and medium-sized enterprises.

For the purpose of keeping the level of employment, since the commencement of the pandemic we granted 1,300 loans for an aggregate amount of ARS 800 million for payroll payment to eligible companies under the Emergency Work and Production Assistance Program (ATP, for its Spanish acronym) implemented by the Ministry of Production Development. We also granted 60,000 Zero-Interest Loans for an aggregate amount of ARS 6,500 million to small non-VAT registered taxpayers, VAT-registered taxpayers, and individuals engaged in cultural activities.

To supply our customers with greater tools, we speeded up digital transformation through the New Business Internet Banking, an additional contact channel available on our website.

At the same time, we gave priority to build a close relation with these segments by improving tailored customer service and focusing on consolidating long-lasting relations. We supported our customers through transactional products (cash management) and attracting term and demand deposits. We managed to retain our positioning thanks to a proactive marketing strategy. We also enhanced employees' teams that provide customer service to this segment, and consolidated training delivered to executives from all areas.

Our challenges for next year are the following:

- To increase cross-selling among our customers through a value proposition focused on the most recently developed collection and payment solutions.
- To incorporate new Business Internet Banking features to facilitate self-service.
- To incorporate individuals who conduct a business or agribusiness activity to the New Business Internet Banking.
- To implement the "Best Action Coming Next" tool for the purpose of facilitating a more efficient business management that allows us to grow in terms of cross-selling and primary bank choice.
- To incorporate the new Professional and Merchants segment into the branch network and improve customer experience and products purchase by individuals who conduct a business activity.
- To take the most of our footprint countrywide to increase our Payroll Plan customer base.
- To continue offering propositions for all segments.

To mitigate the impact of the pandemic on micro, small, and medium-sized enterprises that are our customers, we granted over ARS 70,000 million by way of reduced interest rate loans. This has allowed us to rank at the top among private entities in terms of funds granted to MSMEs.

COVID-19 Social Bond

From the Macro Securities area, we provide funding to Banco Ciudad to grant credit facilities to mitigate or prevent COVID-19. Banco Ciudad will use placement proceeds exclusively for the granting of credit facilities to mitigate or prevent the impact of COVID-19, including the financing of the health care, and business sectors as well as SMEs and micro enterprises with a view to keeping the employment level of such sectors unchanged, and other credit facilities that would contribute to face the health care situation and economic downturn caused by the pandemic. Social bonds issued are the following: Class 22 UVA 69,456,502 equivalent to ARS 3.999.999.950,18 (where UVA stands for Units of Purchasing Value).

NAVES Program

During the pandemic, the Federal NAVES program went virtual. This allowed us to broaden the scope of participants by incorporating teams from all towns in the nine provinces that participated in the 2020 edition: Misiones, Mendoza, Neuquén, Córdoba, Santa Fe, Salta, Jujuy, Tucumán, and the Province of Buenos Aires.

In addition to the change in the training method applied, we added new content relating to the challenges and issues posed by the present context as well as an online business simulator called Game Roi. This simulator allowed entrepreneurs to go through a decision-making process based on their enterprise's specific situation and the present scenario.

We launched the campaign in June, granting Banco Macro customers the exclusive benefit of an early registration week.

Next, we made a "digital interactive" nationwide launch for the press, including a landing page for live broadcast. More than 1,200 journalists, social organizations, and government officers were present.

In this edition, over 1,300 industrial, services, health, education, technology, agribusiness, cooking, tourism, or social wellness projects were submitted. A total of 174 training hours were delivered and all provincial projects obtained a scholarship from Banco Macro, besides the National Naves projects paid in the Pilar branch. The Federal NAVES Program and the National NAVES Program total 1,900 participating projects.

47% of participating teams are Macro customers, whereas the remainder 53% is made up by scholarships granted by Banco Macro to non-customers and the community at large. In this edition, we invested over ARS 8.5 million in scholarships.

+ARS 64

million invested

+3,900

projects submitted

+8,100

entrepreneurs received training

+1,518

free training hours

NAVES Program results	2019	2020
Seminars delivered	5	5
Total participating towns	11	19
Total participating companies	703	1.330
Total attendees	977	2.675
Total business plans	297	321
Winning projects	55	60

Megra Banking

2,467

MEGRA Banking customers

The outbreak of the pandemic forced us to change our customer service model. Accordingly, we adjusted internal processes and incorporated the use of digital signature, ensuring that all relevant authorizations were previously obtained. We speeded-up the digital transformation process by incorporating more and better tools to the New Business Internet Banking, plus an additional contact channel available on our website.

To strengthen contact with our customers, we early implemented a series of virtual meetings (via Zoom, Teams, etc.) and chat communication between customers and account executives. These alternative channels allowed us to remain close to our customers in a speedy and efficient fashion to ensure and facilitate banking.

Additionally, we delivered virtual seminars on foreign trade regulatory changes for the purpose of providing our customers with better knowledge to operate in a more secure way. We further granted special credit facilities to our customers to make payroll payments and meet working capital needs.

We helped boost this segment by conducting actions to incorporate their suppliers and small producers through an aligned and strong value proposition. We worked day after day in furtherance of a close relationship with companies and an improved service focusing on the review of our credit portfolio and on regulatory compliance.

In 2021, we will continue working on attaining certain goals from the year before:

- To continue disseminating new uses of technology for banking and improve their scope in those regions where our footprint is still low.
- To increase the penetration and cross-selling of transactional products, especially with regard to collection and payment.
- To increase our Payroll Plan customer base, along with our branch network, and take full advantage of our footprint across the country.
- To target our efforts at all matters related to our customers transaction banking, the purpose being to show the new uses of technology for banking and funds movements at customers' treasury departments.

Corporate Banking

The increased use of digital channels during the COVID-19 pandemic entailed the challenge of addressing new needs. This is why this year we focused on the increase of deposits, particularly demand deposits, as well as on cash management, and the incorporation of ECHECKs and digital collection methods. Moreover, cash management executives received more training to be able to provide proper advice on transactional products.

The pandemic forced us to change our customer service model. Accordingly, we implemented the following actions:

- We adjusted internal process to quickly migrate to the acceptance of digital signature, ensuring all relevant authorizations have been previously obtained.
- We incorporated a new communication channel with our customers via video calls.
- We thoroughly examined the new exchange and operations rules issued by the Argentine Central Bank to provide proper counseling to our customers.
- We speeded up the digital transformation process to provide greater tools at the New Business Internet Banking and offer an additional contact channel available on our website.
- We offered a credit line at a 24% interest rate for corporate customers within the health industry in financial distress.

We also continued to strengthen the relationship with our customers through comprehensive propositions, customized relational values, and transactional solutions that enable growth of Corporate Banking customers and help them improve their productive capacity. Our intention is to continue fostering the strategy aimed at increasing the penetration and cross-selling of our products.

In 2021, we will focus on issues relating to the transaction banking of our customers, particularly, in terms of digital transformation, so as to disseminate new uses of technology in transaction banking and funds movements at customers' treasury departments. We will also work to increase our Payroll Plan customer base, along with our branch network, and take full advantage of our footprint across the country.

During the pandemic we granted special financing for customers belonging to the health industry and we incorporated new digital collection methods.

8 DECENT WORK AND ECONOMIC GROWTH

Agribusiness Banking

15,051

agribusiness customers

At the beginning of this year, the Agribusiness segment seemed promising in view of the increase in inventories and bumper crops. The adverse macroeconomic environment, coupled with a year with a strong water shortage, translated into significant changes in production-related decisions made by these customers.

We then decided to assist and support our customers, virtually and on-site, by financing both working capital and investment projects, as well as financing the purchase of agricultural machinery, asset investments or purchases. We also streamlined operation processes directly with grains and partnered with manufacturers in the pursuit of foreseeability. We continued with our rural credit card special offers and provided customized advice to our customers. To such end, we strengthened the loyalty of and provided training to our sales staff.

We consolidated and adjusted the "Agribusiness Development Program," whereby we provide customers with information to make decisions, contacts to grow, and financing to invest. In this regard, we took the following actions:

- We submitted grain and cattle-farming reports every fifteen days to our customers through our "Agribusiness Community;"
- We conducted business rounds with producers (both customers and non-customers) across the country -both on-site and virtually in the context of the health emergency-. Some of the issues addressed were the national and international context, season stage-based financing strategy, national and international cattle-farming markets, climate, projected margins by zone, seasonal decision-making based on crop type, and the importance of trading;
- We fostered the value chain with companies engaged in the selling of supplies, seeds, and capital goods;
- We enhanced the training of business teams from several provinces in grain, cattle-farming, and national and international environment to improve management.

During 2020, we granted special credit facilities to our customers to finance payroll payments and meet working capital needs, through zero-interest loans and loans under the Emergency Work and Production Assistance Program (ATP, for its Spanish acronym). We further provided financing based on commodities crop cycles and regional crops.

We also professionalized our comprehensive customer service model for agricultural producers through a range of products made up by grain financing and trading. We adjusted our customer service model to the pandemic scenario by incorporating video calls as a means of communication, restructuring internal processes, and quickly migrating to the use of digital signature ensuring that all relevant authorizations have been previously obtained. We further adjusted the agribusiness development program, which now went virtual (business rounds and training), and we went through the newly-issued exchange and operating regulations from the Argentine Central Bank to provide proper counsel to our customers.

Our challenges for 2021 are to increase financing amounts for the purpose of helping producers meet their needs in a context of yields affected by droughts. We will continue working on adding digital tools to the agribusiness value chain and we will encourage partnerships with machinery manufacturers and agricultural inputs sellers in the pursuit of benefits for the entire value chain.

Agribusiness packages (in figures)	2019	2020
Campo XXI	10,554	10,608
Comercio XXI	114	123
Emprende XXI	651	666
MACROPYME	281	297
Total	**11,600**	**11,694**

8 DECENT WORK AND ECONOMIC GROWTH

Cash management

In 2020, we developed new digital solutions that add value to our customers. We launched the Macro Payment Click, a payment button that enables a 100% digital collection solution and allows customers to collect payment online 24/7 via Debin and credit and debit cards from all banks and almost all brands.

Our customers can now see online, download, or integrate to their own systems, payments, operations, and settlements. They can also generate specific or massive links for payment to send by e-mail, share on social media, or attach to digital invoices. Lastly, the so-called “Simple Button” provides a quick and simple solution to start operating immediately.

We further added Home Banking features that facilitate our customers’ operations and experience, and we completed the migration of all New Business Internet Banking stages.

Customers can now operate transaction and enquiry modules through administrators and operators already fully-adjusted to preset powers. For instance, payroll payment solutions, payments to suppliers, and Foreign Trade payments, are already available, which allows us to provide a 100% digital solution.

During this year, we also improved our Cash Management traditional products: collection integration with transfers and payments to suppliers with ECHECKs, among others. To such end, we integrated the collecting account to any transfers received, which improves data reporting.

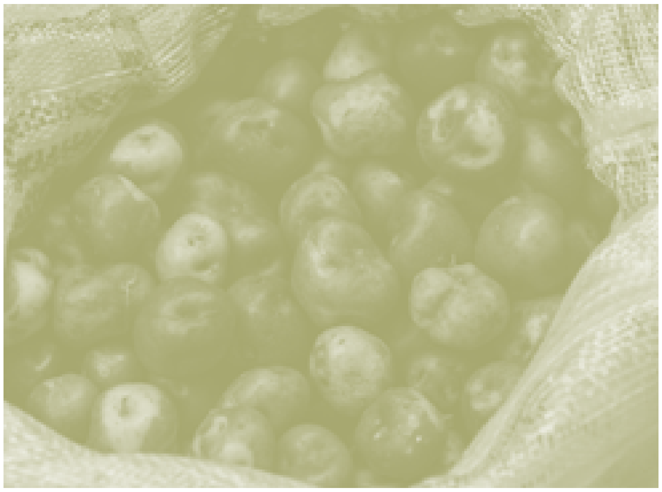
Besides, we integrated the Payment to Suppliers service to ECHECKs as a novel alternative payment tool. In line with this, we developed a solution for paper and ECHECKs discount through BIE, the first financing product available at the Business Internet Banking.

Productive sector financing

In spite of the pandemic, we managed to set in motion some of our goals for last year. We granted credit facilities promoted by the national government; we signed special agreements with the Treasury of the Province of Salta; we developed ECHECKs discount; and we granted zero-interest and subsidized-rate financing, supporting our customers in the context of such an emergency.

This was a year of constant development of products and services for the trade industrial, and farming sectors, aiming at providing solutions, including the following:

- Competitive financial services to support the productive development of SMEs requiring the financing of their working capital or investing in capital goods.
- Lending programs to boost and support regional activities such as the special agreements signed with the Treasury of the Province of Salta, with subsidized-interest rates for checks discount and repayable loans.
- Financing lines from the national government intended to assist micro, small, and medium-sized enterprises, and companies. These include, for instance, the financing of working capital secured by the Argentine Guarantee Fund (FOGAR, for its Spanish acronym), the Emergency Work and Production Assistance Program (ATP, for its Spanish acronym), and financing lines for productive investments.

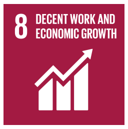


As to the business programs with public entities, we developed the following programs and signed the following agreements:

- The Sector Lending Program in the Province of San Juan – FONDEFIN.
- In partnership with the Federal Investment Association, we developed the Credit Facilities for Production Recovery for "Mi PyMEs," a production program considered of strategic importance for the growth of their economies by provincial authorities.
- FONDEP, the credit facility designed to finance working capital at a subsidized-interest rate.

Our challenge for 2021 is to implement Digital Surety Bond for all mutual guarantee societies (MGS) that operate with the bank and discount Electronic Credit Invoices.

Packages for SMEs (in figures)	2019	2020
Campo XXI	11,438	11,211
Comercio XXI	14,649	14,098
Emprende XXI	30,505	28,158
MACROPYME	8,996	10,630
Total	**65,588**	**64,097**



MARKETING CAMPAIGNS FOR INDIVIDUALS AND COMPANIES

Even under such adverse conditions in the COVID-19 scenario, we managed to develop strategies whose purpose is to advertise our products and services among current and potential customers. For the purpose of reaching all segments, we developed both massive and tailored campaigns in several digital media and on the Bank's website, among other platforms.

Thus, we have developed a wide array of business strategies whose purpose is to advertise our products and services among current and potential customers. Strategies are defined based on use and consumption profiles.

To such end, we worked together with several bank departments to define target audiences, determine risk management, understand credit profiles, and analyze different segments and categories. Based on this analysis, we defined our value proposition and the way to communicate it.

PERSONAL BANKING CAMPAIGNS

The main purposes of our campaigns this year were to win new customers, increase our cross-selling index, improve loyalty and the use of products, and manage to retain current customers.

We resorted to different channels, both for mass and tailored communications, such as emails, SMS, ATM stubs and screens, banners and voicemail or push App and Internet Banking.

We also fostered campaigns launched in 2019 based on customer rating and time-in-life, and incorporated new actions. Among the highlights are following:

- New offers to win customers under the Payroll Plan through differential financing products for current and prospective customers under a contract of employment with companies who have signed salary payment agreements with the Bank.
- Cross-selling of loans (for a first loan or loan renewals) as well as packages and credit cards based on our customers' needs and income.
- New salary advance products for customers who have started to have their salary credited on our bank.
- Improved package retention and Payroll Plan recovery offers, as well as the opening of savings accounts through digital channels.
- Incorporation of a program fostering the use of credit and debit cards, to improve primary bank choice through early and late activation and reactivation at special dates such as the Children's Day, Father's Day, Mother's Day, and Christmas;
- Training in the use and conduct of operations through our digital channels.

BUSINESS BANKING CAMPAIGNS

Over the year, we ran nationwide campaigns every two and six months in furtherance of our business goals. We continued implementing the campaigns on capitalization of cross-selling of cash and foreign trade, Payroll Plan, and "Pay in Grains." We also continued implementing the following initiatives:

- Agribusiness Development Program: We held business rounds with our customers to be closer to the primary producers of the country. Some of the issues addressed include the following: new business in the grain market, season stage-based financing strategy, and business environment, among others. Furthermore, we continued developing the Agribusiness Community section on our website, an exclusive section containing relevant information on this segment so that our customers can make better decisions. Lastly, we accompanied our customers in the Expo Agro 2020 fair offering special financing for the purchase of agricultural machinery.
- SME segment identification: Using innovative illustrations, we built an SME identity that represents the wide range of our portfolio of current and potential customers with their own peculiarities, regardless of the segment category to which they belong. We further developed the SME Development Program, under which training and lectures are delivered across the country thanks to strategic partnerships with El Cronista, Endeavor, IAE, NAVES, and CIRA.

In 2020, we also implemented the following actions:

- Against the local backdrop, we stood side by side to those customers who are entrepreneurs or owners of small and medium-sized companies that have registered under the MIPYME scheme. In line with this, we offered loans at special rates and for special terms so that they could finance payment of salaries, working capital, and check coverage.
- We launched throughout our branch network the selling of ViüMi, an alternative collection solution for stores, professionals, and companies.
- We fostered the offer of loans through our digital channels and over the phone to be at all times close to our customers in furtherance of their well-being.

We also offered customers more flexible loan renewals, including installment deferral. Customers falling within the scope of Credit Card Balance refinancing under the Argentine Central Bank's Communication "A" 6964 were given the opportunity to refinance payment of the first installments. During 2020, we also implemented a customer service model and a bank appointment request system, which enabled us to give proper assistance based on our customers' demands.

Our intention for next year is to raise awareness and improve education on the use of our digital channels among new customers and existing customers who have not yet gone digital or who just make enquiries but do not operate.

The purpose of this measure is to bring customers closer to a simple and streamline bank without leaving home.

Another goal is to improve our loan offer through digital channels and ATMs and improve the advertising of online loans on the social media, the purpose being to provide customers with immediate financing solutions on the spot.

Lastly, we will work to improve our offer for customers through the "Best Action Coming Next" program, which allows to identify the top five value propositions that best suit our customers' profile based on their previous behavior and knowledge.

GOVERNMENT BANKING

In 2020, we continued speeding up the digital transformation of our processes, with a focus on different actions. We focused on promoting the use of electronic means through comprehensive service propositions targeted at our Public Sector customers, making emphasis on their collection and payment needs as well as digital solutions for their Community.

We also actively participated, jointly with all other Bank departments, in the development, adjustment, and implementation of both existing and new digital tools. Moreover, we continued working on the attainment of our operating efficiency goals, focused mainly on digitalization including proper adjustment of our customers to the regulatory framework.

Lastly, we worked to improve actions towards financial sustainability of public sector players. We managed to do so by disseminating simple operations, Healthy Finances workshops, and including, by fostering the use of bank services, staff hired and payment of subsidies.

To still work on our purpose of being the leading bank in the public sector business at a federal level and to face the global challenges posed by the pandemic, we implemented the following actions:

- We provided continual financial support to our customers for salary payment through the assistance and advances established under the applicable rules issued by the Argentine Central Bank.

- We provided financing to other players eligible for public policy benefits -such as companies relating to regional economies- through the management of subsidized-rate credit facilities in the Provinces of Misiones and Salta. We also renewed and implemented new partnerships for annual tax collection by providing financing to taxpayers for early payment by Banco Macro credit cards.

- We provided support under regional economy promotion programs by renewing programs to promote mass consumption and their extension to special festive days. In all cases, our discounts and financing offers were made in partnership with chambers of commerce, provincial governments, and the Bank.

- We broadened the scope of e-court payment order system in the province of Salta and its implementation in Misiones, Jujuy, and Tucumán. Thanks to our continual training of bank executives and the adjustment of tools to each province's applicable rules, we managed to replace over-the-count cash payment orders.

- We adjusted process processes to enable the use of digital signatures, both for the receipt of documentation from our customers and the issuance of reports.

- We advanced in the implementation and use of the new Business Internet Banking, which started in 2019. By the end of 2020, the migration of over 89% customers was completed. This strengthens the notion that public entities need the same services as any other regular customer, such as transfers, payment to suppliers, ECHECKs, and, in the near future, salary payment available at the platform.

- We participated in the Payment Method Ecosystems committee along with the Business Products and Digital Transformation Management Department for the purpose of incorporating new technologies and partnerships with Fintech suppliers. The purpose of this action is to offer our customers comprehensive digital services. To such end, we devised a comprehensive proposition designed to provide a 100% digital offer to entities and their community, including citizens, suppliers, and stores. This action cross-sectional incorporates the full range of products developed by the Bank, including Macro Payment Click, viüMi, Simple Operations, Internet Banking, Payment to Suppliers, MODO e-wallet, and Healthy Finances.

- We related with the Innovation team and Globant -an external strategic partner- to address proposals for the development of new internal management and management tools, the purpose being to encourage the use of technology among customers and share insight into the Government Banking business' specific features.

- We worked hand in hand with the Business Products, Operations and Systems departments for the continual alignment of business procedures and operations following the merger with Banco de Tucumán.

Next year, we will continue fostering actions to become the leading bank in the provision of financial services to the public sector at the federal level. We will also work to consolidate and broaden an active agenda at a national level towards financial inclusion and digital transformation with our customers to complete the implementation and use of new payment and collection digital media.

Lastly, our intention is to advance on the incorporation of technological developments towards operating efficiency and streamlined processes relating to the provinces where the Bank operates as a Financial Agent, including the incorporation of deposits and court ordered payments into the Personal and Business Internet Banking.

Agreements signed in 2020

During this year, we signed several agreements with different provinces to implement a system for the receipt of, and answer to, official letters. We did so through provincial websites - as in the case of Córdoba, Jujuy, Tucumán, Mendoza, and Neuquén- similar to the so called DEOX system, an e-service of notice platform implemented by the Argentine Supreme Court, to which we subscribed last year.

We also signed agreements with provinces and municipalities to implement a system to receive and answer digital consumer complaints. In some cases, these complaints were settled through written claims while others were settled through no on-site conciliation hearings held through digital means, such as in the City of Buenos Aires, the Coastal District, the Municipality of Salta, Jujuy, and Córdoba.

Lastly, among the highlights was the opening of a bank e-mail address to receive and answer digitally signed official letters.

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

17 PARTNERSHIPS FOR THE GOALS

INVESTMENT BANKING

In such a disruptive context as the pandemic scenario, the Bank supported companies by participating during the private stage of financial trusts and in the equity market.

In 2020, we faced major challenges to conduct Investment Banking business. Nonetheless, we continued financing consumer loans and agricultural production through underwriting and structured loans for over ARS 3.5 billion. Moreover, we made the most of market opportunities, assisting our customers in the issuance of corporate bonds for an aggregate amount exceeding ARS 125 billion.

Against the backdrop of the pandemic, we managed to adapt to a new way of working in 24 hours, and conducted all operations that arose. We succeeded in adjusting and closing business affected by the rules issued by the Argentine Central Bank or the Argentine Securities Commission between the onset of a business and closing thereof. Although this year, trustors' businesses were closed, the structure of financial trusts created by the area responded positively. Even in this context, payments were made as scheduled.

A large part of our customers -who generate financial trusts- are retail customers. This sector was deeply affected at the onset of the preventive mandatory confinement (stores were closed and were unable to sell or collect securitized portfolios, which in many cases, break the payment chain, etc.). This situation triggered the need of permanently monitoring securitized portfolio collection. The final result was more than satisfactory, as it showed that financial trusts structures are robust and capable of suffering from portfolio collection delays.

Our purpose for next year is to continue improving our relationship with customers within the currency creation chain in the country, such as Agribusiness-related SMEs and MEGRA. We also plan to regain the business volume lost over this year.

We will further advance in the analysis of new businesses based on the recently-issued regional rules, real estate ventures, etc., and attract other large financial trusts issuers in markets where we do not currently operate.

INFRASTRUCTURE FOR ON-SITE CUSTOMER SERVICE

Even under the adverse context of the COVID-19 pandemic, we managed to continue operating at all branches, and stood out in the Customer Experience Core from among other competing entities in the market. We managed to do so thanks to the great efforts and commitment of all branch network and ATM operating support sectors employees.

One of the challenges we had to face over the pandemic in terms of customer service was to adapt our infrastructure to the compelling COVID-19 reality. In line with this, we took measures to avoid crowding at branches by implementing a bank appointment system, which enabled us to be close to our customers. We granted 25,300 daily bank appointments to provide assistance in all places where we operate.

Moreover, we managed to implement a new Customer Service Model so that our customers can self-service after sales. A major step was the consolidation of a network of sales leaders specialized in specific goods and services. The purpose of this action was to ensure the sale and quality of customer service for business customers, public agencies, provincial entities, and municipal governments.

OUR FOOTPRINT ACROSS THE COUNTRY

BRANCHES

Branches are at the heart of our business. Each branch is in charge of identifying customers and determining to which segment they belong so as to offer value propositions that suit their needs.

We have implemented a business management model that defines, on the basis of a practices and recommendations guide, what is expected from our officers' performance in terms of customer experience. Such model further contributes to depicting the image of a professional bank committed to meeting customers' needs and expectations through a unique experience at all branches. Furthermore, we defined a comprehensive ideal on-site and digital customer service model.

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

New self-service model for simpler operations

We started to implement a new customer service model at 30 branches so that our customers can self-service after-sales operations. This consists of a digital experience supported by an executive that will assist customers whenever required. This experience streamlines operations as it enables customers' biometrics identification, and reduces the use of printed forms and document signing, and the average time by operation by 50%.

Regions	Number of branches	Branches in the financial system	Share
Northwest Argentina (NOA)	100	311	32 %
Center of Argentina	177	1,021	17 %
Northeast Argentina (NEA)	52	372	14 %
Patagonia	21	313	7 %
Cuyo	18	263	7 %
Province of Buenos Aires	67	1,495	4 %
City of Buenos Aires	28	830	3 %
TOTAL	**463**	**4,605**	**10 %**

Places where Banco Macro is the only bank present

Places	2020
Salta and Jujuy	80
Tucumán	29
Córdoba	5
Misiones	61
Santa Fe	20
Mendoza	2
Buenos Aires	2
Rio Negro	1
Total	**200**

viüMi, a nationwide collection App

In 2020, we launched the viüMi App at a national level. viüMi is a solution that offers a series of collection services and provides a high added-value service for stores, professionals, or enterprises that need to conduct sales in a speedy and flexible way. viüMi features a card reader, a payment link to remotely operate with customers, an online catalog, and a payment button.

The creation of an online catalog allowed stores to have a website to upload products and conduct remote sales without customers need to go to the store. We also fostered payment in interest-free installment with Banco Macro cards so as to assist small and big stores to overcome the challenges posed in 2020, encouraging consumption and sales.

In 2021, we will work to increase the number of features available, such as QR-code payments, digital accounts, prepaid cards, discount modules, and the integration to the MODO e-wallet, among others. Moreover, to continue encouraging financial inclusion and providing outstanding services to help small and big stores grow at a national level. In terms of risk management, we will add platforms to improve safety and store automated monitoring standards, which will allow us to improve control efficiency to gain insight into our stores and provide them with better services.

22,396
viüMi customers

5,501
active customers by December

ARS 1,155
million in operations

571,784
operations

AUTOMATIC CHANNELS

ATMs serve to meet customers' specific needs, such as money withdrawals and balance enquiries, in an easy and speedy way. This year, the number of ATMs totals 1,578, of which 464 enable cash recognition and crediting of deposits, while 74 feature a dual cash dispenser. Through our ATM network, an average of 23.951.782 operations are carried out monthly.

Besides, to better serve our customers, in 2021, we will continue installing this type of equipment across the country, featuring new functionalities.

In 2020, an average of 23,951,782 ATM operations were carried out monthly, for a total amount of ARS 47,619 million, plus 876,963 SST operations.

Automatic channel users [1]	2019	2020
Personal Banking	1,064,085	1,382,592
Business Banking	96,635	116,507
Total	**1,160,720**	**1,499,099**

(1) It includes users who operate through any automatic channel. Internet Banking, Mobile Banking, self-service terminals, Interactive Voice Response, and Call Center.

Automatic channel operations	2019		2020	
	Number	Amount [1]	Number	Amount [1]
Digital (Internet Banking and Mobile Banking)	349,896,557	749,677,4	500,094,420	1,473,227,0
SST (Self-service terminals)	993,743	31,858,0	876,963	35,864,0
Interactive Voice Response	1,202,529	67,4	1,637,688	124,9
Call Centers	1,462,055	2,547,7	1,333,651	32,279,6

(1) ARS million

ATMs	2019	2020
Installed equipment	1,542	1,578
Replacements	80	22
New equipment	29	15
Equipment support	51	43
ATMs featuring online cash recognition and crediting of deposits	441	464
ATMs featuring a dual cash dispenser	74	74
Monthly operations	17,668,965	23,951,782
Monthly operations amount (ARS million)	26,502	47,619

SELF-SERVICE TERMINALS

Our self-service terminals enable everyone to make deposits 24/7/365. There are 960 terminals operating in our branch network across the country. In 2020, an average of 876,963 operations took place.

Self-service terminals (SST)	2019	2020
Installed equipment	955	960
Replacements	57	2
New equipment	9	4
Equipment support	20	7
Branches equipped with self-service terminals	440	441
Operations	993,743	876,963
Operations amounts (ARS million)	31,858	35,864

INTELLIGENT SELF_SERVICE TERMINALS (ISSTS)

We intend to reduce operational work at branches and enable customers to complete operations in a speedier way, with no waiting times. To such end, we continued incorporating a feature that enables the intelligent deposit of checks at self-service terminals. In 2020, we incorporated this feature into 212 self-service terminals at 148 branches across the country.

Intelligent self-service terminals (ISST)	2019	2020
Installed equipment	209	212
Branches equipped with intelligent self-service terminals	146	148
Operations	162,378	168,456
Operations amount (ARS million)	10,789	17,883

PRODUCTS AND SERVICES ACCESSIBILITY

In the context of the pandemic, our priority was to care for our employees, trying not to affect business. To such end, we managed to handle bank appointment requests from customers to avoid unnecessary visits at branches. The number of people visiting branches decreased, without business efficiency being undermined.

We have ATMs that may be operated by visually impaired people. All our 1,578 ATMs feature audible and voice guidance technology for visually impaired people. To foster integration, our branches are equipped with ramps and special restrooms for the physically impaired.

Branch accessibility	2019	2020
Operating ATMs for blind users	1,542	1,578
ATMs for blind users as a percentage of the Bank's total ATMs	99%	99%
Branches and customer service points equipped with ramps	528	555
Branches equipped with special restrooms	252	283

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

PHYSICAL SAFETY AND INFORMATION MANAGEMENT SECURITY

PEOPLE'S SAFETY

In 2020, we advanced in the implementation of the following personal safety measures:

- We obtained IRAM 4174 certification for the Buenos Aires Monitoring Center and Remote Support of Branches.
- We drafted and published the Events Management Procedures Handbook to provide online training to all staff from this area.
- We implemented technological measures (alarms and CCTV) in lieu of physical security at head offices in Salta, Jujuy, and Tucumán, in order to reduce the bank's private security expenses.

The audit plan establishes that branches having no safety deposit boxes must be visited by auditors at least once a year. In 2020, because of the pandemic, during the first quarter, we fulfilled 18% of all audits scheduled under said the plan.

During this year, we actively cooperated in the logistics and distribution of supplies for the prevention of COVID-19 within the Metropolitan Area of Buenos Aires division. In addition, we took contingency measures and protocols, such as work bubbles for Remote Support of Branches and Monitoring sectors, and security service agents at the Macro Tower.

Next year, we will work to uniform the CCTV Obsolescence plan to link it to the branch bandwidth upgrade plan (Remote Support of Branches). This plan will enable to improve the number of branches that can operate remotely.

Another purpose for 2021 is to transform the Buenos Aires Monitoring Center Re-engineering into a Service Center by incorporating cross-sectional features and implement a mainstreaming software to receive and manage warning signs that have an impact on the Monitoring Central internal processes.

Better safety standards optimizing the use of resources

We successfully introduced a Risk Measurement System (RMS) through the following tools:

- We set uniform standards for auditing findings forms so that they can be validated on-site by the relevant officers and control areas.
- We incorporated safety deposit boxes to our information system, which enabled us to learn about the number of safety deposit boxes used, the number of those out-of-service, and those available
- We continued using the Police Alarm Trigger Measurement Board to optimize preventive measures.

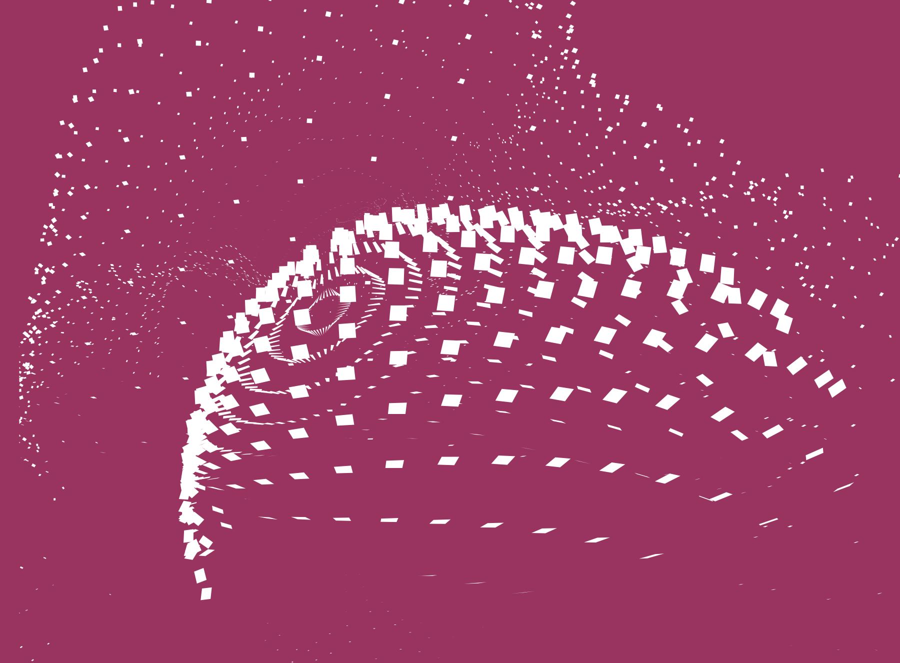
We kept on working on the continuous improvement process regarding the control of the minimum safety standards at branches. During this year, we updated several internal rules, of which the preparation of an Events Management Procedures Handbook for the Buenos Aires Monitoring Center.

PERSONAL DATA PROTECTION

We commit to ensure compliance with Personal Data Protection Act No. 25,326, as amended, and the rules issued by the Public Information Agency. Our customers' privacy policies and procedures follow the provisions set forth therein.

All current employees and those who no longer work with us have a duty of custody and maintenance. Furthermore, as established by the applicable law, we inform of all branch areas that are under video surveillance, and we comply with the Safety Rules issued by the Argentine Central Bank regarding the scanning of documents.

8 DECENT WORK AND ECONOMIC GROWTH



HUMAN CAPITAL

At Banco Macro, we are firmly convinced that encouraging the growth of each of our members is to enhance our human capital. Predictably enough, in this difficult year of the outbreak of the COVID-19 pandemic, we reaffirmed our commitment to the integral development of our people and gave them all the tools within our reach to ensure their well-being.

8,489
employees

39.70%
female employees

17%
women in senior management roles

+2,200
teleworking employees in the core departments and at-risk groups

1,015
volunteers

1,305
at-risk or caregiving employees on leave

3,024
COVID-19 tests performed and personal protective equipment items for employees

87%
of positions filled by the Bank's employees

261,664
virtual training hours

OUR HR MANAGEMENT

WE ADOPTED MEASURES TO TAKE CARE OF OUR PEOPLE'S HEALTH DURING THE PANDEMIC AND REINVENTED OURSELVES TO CONTINUE GROWING WHILE PROVIDING SUPPORT TO ALL OUR BRANCHES.

In 2020, we learnt to work in new ways while taking the precautions required to preserve people's health. We thus made sure we operated in the best environment possible, maintained the team spirit that sets us apart, and continued to grow together.

Among the actions implemented during the year, the following are worthy of note:

- **Access to virtual tools by 2,100 new employees.** Thanks to these tools, they were able to provide support for the proper operation of branches, call centers, and digital channels across the country.
- **Training for employees in the core departments to hold in-branch positions.** True to teamwork and ready to solve difficult situations, we trained all the employees in the core departments to hold in-branch positions and address any urgent needs arising as a result of the pandemic.
- **Follow-up on the health of employees serving customers on site.** We implemented a centralized management system to closely monitor the health of the employees who served customers in person and make prompt decisions regarding COVID-19-affected branches and other workplaces across the country.
- **Personal protective equipment and safe work areas.** We provided our employees with personal protective equipment to prevent the spread of COVID-19 and modified work areas for them to work safely.
- **Remote HR processes.** HR processes, such as payroll calculation, personnel administration, and training and development, were conducted remotely.

39.71%

female employees

17%

women in senior management roles (2 percent higher than in 2019)

71.45%

employees in the interior of the country

Human capital in figures			2019			2020
	Men	Women	Total	Men	Women	Total
Total employees	5,254	3,457	8,711	5,119	3,371	8,489
Average age	47.22	42.21	45.23	48.08	43.09	46.09
Average length of service (in years)	17.10	12.18	15.15	17.99	13.05	16.03

Payroll breakdown by geographical area			2019			2020
	Men	Women	Total	Men	Women	Total
Employees in the City of Buenos Aires and Greater Buenos Aires	1,316	1,020	2,336	1,383	1,041	2,424
Employees in the interior of the country	3,938	2,437	6,375	2,329	3,736	6,065

Payroll breakdown into core departments and branches			2019			2020
	Men	Women	Total	Men	Women	Total
Employees in the core departments	2,076	1,220	3,296	2,031	1,172	3,203
Employees at the branches	3,178	2,237	5,415	3,088	2,198	5,286

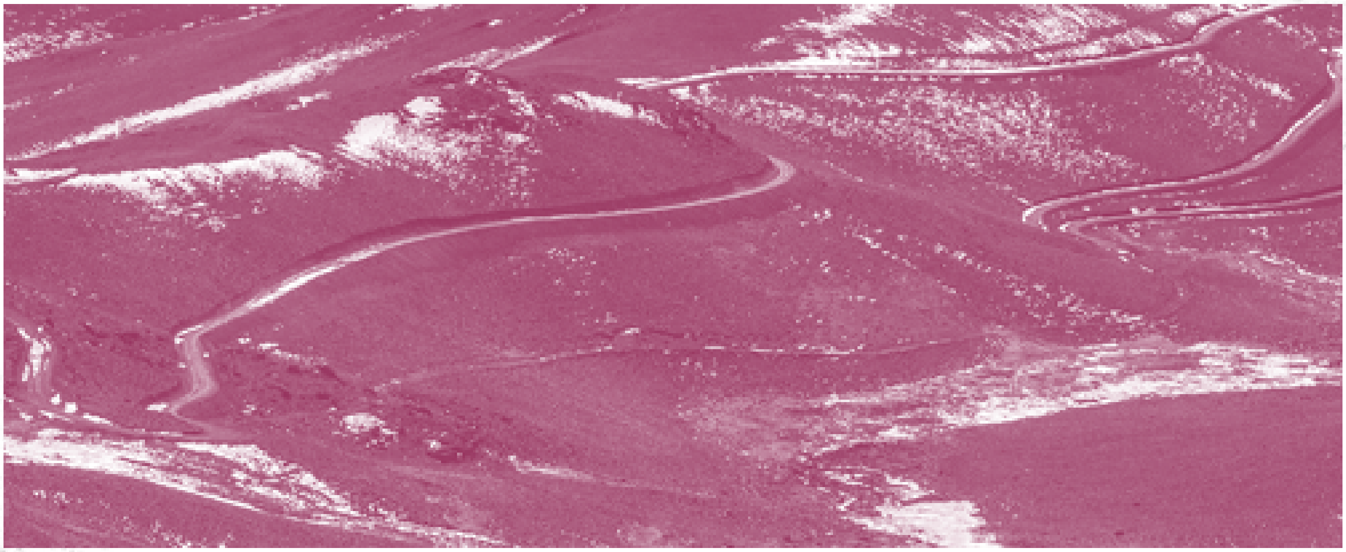
Payroll breakdown by length of service			2019			2020
	Men	Women	Total	Men	Women	Total
Less than 5 years	1,077	1,031	2,108	891	866	1,757
Between 5 and 9 years	879	694	1,573	764	587	1,351
Between 10 and 14 years	628	607	1,235	686	714	1,400
Between 15 and 19 years	269	182	451	373	250	623
Between 20 and 24 years	1,490	728	2,218	670	450	1,121
Between 25 and 29 years	18	18	36	808	304	1,112
Over 30 years	893	197	1,090	927	199	1,126

New hires	2019	2020
Total new hires	**29**	**13**
By region		
City of Buenos Aires and Metropolitan Area of Buenos Aires	22	12
Other regions	7	1
By gender		
Men	21	10
Women	8	3
By age range		
Up to 30 years	12	2
From 31 to 50 years	14	10
Over 50 years	3	1

Payroll breakdown by age			2019			2020
	Men	Women	Total	Men	Women	Total
Less than 30 years	265	261	526	250	244	494
From 30 to 50 years	2,607	2,408	5,015	2,572	2,382	4,954
Over 50 years	2,382	788	3,170	2,297	744	3,041

Payroll breakdown by occupational category and gender			2019			2020
	Men	Women	Total	Men	Women	Total
Senior Manager	11	2	13	10	2	12
Manager	64	19	83	65	19	84
Head/Supervisor	1,457	499	1,956	1,436	495	1,931
Analyst/Officer	1,952	1,896	3,848	1,889	1,854	3,743
Office Clerk/Operator	1,770	1,041	2,811	1,719	1,000	2,719

Payroll breakdown by occupational category and age			2019			2020
	Less than 30 years	From 30 to 50 years	Over 50 years	Less than 30 years	From 30 to 50 years	Over 50 years
Senior Manager	0	6	7	0	6	6
Manager	1	51	31	1	52	31
Head/Supervisor	13	973	970	13	986	932
Analyst/Officer	369	2,547	932	338	2,508	897
Office Clerk/Operator	143	1,438	1,230	142	1,402	1,175
Total	**526**	**5,015**	**3,170**	**494**	**4,954**	**3,041**



WORK ENVIRONMENT

In order to provide solutions and support during the pandemic, we established a Network of People Managers in all the provinces within the Bank's footprint and thus managed to bring certainty to our employees. We also implemented the tools and measures required for the members of our branch support staff to be able to telework from their homes.

In addition, we undertook strong awareness-raising efforts. From the start of the pandemic, we used JAM —the Bank's collaborative network— to post information on COVID-19 preventive measures and organized a round of Lockdown Talks featuring expert speakers. The program included 11 talks attended by 1,200 employees and addressed topics such as physical and mental health, emotional well-being, IT security, family and emotional relationships, domestic and gender-based violence prevention, home space organization, and nutrition.

Lastly, our senior managers maintained virtual talks with over 750 employees from all our divisions. The initiative included 15 weekly meetings, held from June to October, with bank leaders and managers.

STRATEGIC PERFORMANCE MANAGEMENT

In 2020, we continued to hold the talks on performance introduced in 2019 because we believe that human talent is our most valued capital. We know that every talk is a key factor in promoting our culture and that, by setting individual goals, we steer professional development.

We thus organized a goal setting and competences (skills and knowledge) development process divided into three stages:

1

Goal setting:
The responsibilities, goals, and competences expected for any given position are established at the beginning of the year.

2

Review:
A mid-year review of the goals is held to detect any deviations and possible corrections.

3

Final assessment:
An end-of-year review of the goals achieved is conducted by assessing individual performance based on what was established during the two stages above.

In 2020, we restructured the stages and modified the goals taking into account the conditions in which employees performed their work during the COVID-19 pandemic. Against this backdrop, we emphasized the importance of talking, of team members' closeness, and of strengthening the relationship with the leaders.

HEALTH AND SAFETY

In 2020, as a part of our preventive and training actions in the wake of the COVID-19 pandemic, the Health and Safety Department was brought into the purview of the Human Resources Management Department. These are the highlights within this area:

- **Purchase and distribution of personal protective equipment** on all of the Bank's premises (mainly masks, alcohol gel and 70 percent alcohol-based hand sanitizers, infrared thermometers, social distancing screens and signage, and disposable gloves), which entailed an investment of ARS 49,600,000 as of December 2020.
- **Drafting of protocols** in compliance with the national and relevant provincial regulations in force.
- **E-learning courses for all of the Bank's employees,** including information on the characteristics of the disease, routes of transmission, preventive measures, and use of protective equipment.
- **Return-to-work plan at Banco Macro's Tower** for those employees gradually returning to their workplace. The plan considered the services and aspects that characterize the premises and the specific signage required to raise awareness and ensure social distancing.
- **Healthcare offices open during the pandemic** in the core departments in Santa Fe, Córdoba, Misiones, Salta, and at Banco Macro's Tower and a **new healthcare office** for the Tucumán Division's core departments.
- **PCR tests** performed on 3,024 employees with symptoms suggestive of COVID-19.
- **People's physical safety.** We rely on systematized and monitored processes to assess and prevent adverse situations: the Branch Security Vulnerability Risk Matrix, the Banking Security Handbook, the Security Policies and Procedures Handbook, the Electronic Security Handbook, and the Physical Safety Handbook. Our **personal data and privacy protection** policies and procedures comply with national laws and with the rules issued by regulatory agencies. (For further information, see "Physical Safety and Information Management Security" in the chapter "Manufactured Capital").

Job security rates	2019	2020
Rate of absenteeism (1)	5.32%	15.62%
Days lost to absenteeism (2)	115,534	329,539
Rate of absenteeism due to occupational accidents	0.12%	0.02%
Days lost to occupational accidents (3)	2,632	6,834
Rate of absenteeism due to sickness	2.64%	2.09%
Days lost to sickness	57,249	44,024

(1) Rate of absenteeism: days lost over the year / working days over the year (payroll by working days).

(2) The increase reported in the number of days lost to absenteeism in 2020 results from the leaves taken by employees belonging to at-risk groups as established in our country due to the COVID-19 pandemic.

(3) The increase reported in the number of days lost to occupational accidents in 2020 results from the leaves established in our country due to the COVID-19 pandemic.

DAYS LOST			2020
By region	**Accidents**	**Sickness**	**Total**
City of Buenos Aires and Greater Buenos Aires	1,681	9,901	11,582
Interior of the country	5,153	34,123	39,276
By gender	**Accidents**	**Sickness**	**Total**
Men	3,875	23,947	27,822
Women	2,959	20,077	23,036

TELEWORKING

In 2020, as a result of the pandemic, over 2,100 employees were forced to work from home as teleworkers. To make this feasible, we provided them with the tools required to gain remote access to the information in the Bank's cloud servers and talk via video calls.

We also offered special training on the use of the new tools and made available a Technology Service Center to advise users and help them resolve problems.

WELL-BEING

In 2020, taking care of our employees' well-being during the pandemic was crucial as well as maintaining our wide array of benefits. These were the year's highlights:

Health

- **Influenza vaccination campaign.**
- **Partnerships with Gympass and Sportclub.** We adapted both physical wellness programs during the lockdown and included online gym and training classes for all members.
- **Round of Lockdown Talks.** Through these talks held weekly from September to November, we offered tools and training on family counseling, children's first aid, gender-based violence, professional organization, nutrition, breast cancer prevention, and precautions in digital social settings.
- **Financial support** for employees who have disabled children or spouses.
- **Free-of-charge healthcare coverage** for 1,677 employees.
- **Funeral insurance**, a benefit extended to the employee's family group.
- **Surgery insurance.**
- **Optional life insurance** at preferential rates.

Wellness and family

- **Childbirth bonus** for our employees' children.
- **Marriage bonus.**
- **Nursery.** We help our employees take care of their children with a salary-based payment to cover nursery expenses which is adjusted every year. Widowed parents and parents having the sole custody of their children are eligible for this benefit.
- **Flexible school kits.** This is a benefit for our employees' school-aged children (from three-year-old kindergarten children to those in the last year of high school) which enables parents to select the content in a simple way before the beginning of the school year.
- **Children's Day gift** for our employees' children (up to the age of 12).
- **Personal leaves** under special circumstances.

Other benefits

- **Macro's 42nd Anniversary.** We celebrated it together by sharing images on our collaborative network and raffled 42 gifts among participants.
- **Bank products at a discount.**
- **Online orders for snacks.** In 2020, our branch staff could start ordering snacks on a web platform in an easy and dynamic way. In this manner, we sought to facilitate employees' access to products while at the same time minimizing risks during the pandemic.

The path to retirement

Even though 2020 was fraught with difficulties, our Human Resources Department continued to offer personalized guidance and fully handle the retirement process for those employees nearing the end of their working life.

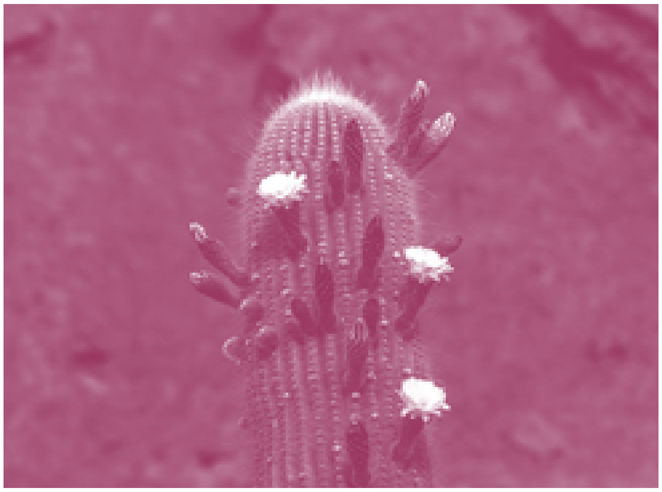
This entails preparing the path by completing a number of steps at the Federal Public Revenue Administration (AFIP, for its Spanish acronym), ANSES, or a provincial social security entity, as the case may be, until the end of the process at ANSES.

This year we handled the process online, which made it possible to complete it for 31 employees and to initiate it for 35.

BENEFITS	2019	2020
Children's Day gift	4,613	4,577
School kits	6,059	5,976
Childbirth	281	261
Vaccines	3,854	5,711
Gifts for retirees	36	17

STAFF RECOGNITION

In 2020, we appreciated, more than ever, our employees' effort. As essential workers during the COVID-19 pandemic, each one of them put into practice the closeness and commitment-to-development values assumed by the Bank within the Argentine society. This is why we recognized their performance and attitude through these initiatives:



Career path

We rewarded 60 employees who worked with us for 25 years. Each one of them was awarded a silver medal engraved by master goldsmith Juan Carlos Pallarols and a gift to share with their families or peers. We also paid special tribute to those who celebrated years working at the Bank on our collaborative social network, JAM.

Macro Attitude

We continued to implement this program that strengthens our values and provided a significant commercial incentive for 53 percent of our branch staff.

Star Me Up

Through this platform, our employees could make their peers' attitude stand out, increasing the visibility of expected conduct and sharing the goals achieved.

TRAINING AND DEVELOPMENT

Even in the context of a pandemic, we provided our employees with the same percentage of training hours as the previous year.

At Banco Macro, we believe it is crucial to strengthen people's training and help them improve the skills that contribute to their growth. This is why we offered a total of 245,748 virtual training hours in 2020 (an average of 29 hours per employee), even outnumbering those delivered in 2019.

We thus worked on our teams' training by making available more than 250 online and synchronous courses. Training paths are organized on the basis of four large subject-areas:

1. Technical Skills
2. Digital Skills
3. Management Skills
4. Leadership and Management Skills

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

Training school by position

A scheme designed to standardize knowledge in order to ensure branch criteria consistency and good practices from the onset. In 2020, we worked on modules and managed to satisfy training needs while overcoming the constraints of the context.

Manage your own learning

In furtherance of our self-learning strategy, we launched a new home page including the training and development options on offer for each employee to access a wide array of e-learning courses and training paths. In 2020, we uploaded 91 new courses.

Training for new leaders

Through a strategic partnership with Universidad Siglo 21, a remote-learning leading university, we offer a number of exclusive university diploma courses designed to develop leadership skills among those who, because of their performance, commitment, and attitude, can be trained to hold key positions in the future.

In 2020, 100 participants graduated and another 100 joined the Leadership and Management Diploma Course with a view to improving leadership or business management skills by adopting a social responsibility approach based on the specialization.

This used to be a blended learning course and became 100% virtual last year, with 288 training hours per participant.

Bank Management Program

With a view to offering a comprehensive view of the financial business, we made this program available jointly with ADEBA and the School of Business of Universidad Católica Argentina (UCA, for its Spanish acronym) on fourth occasions. The program is targeted at officers, executives, branch managers, and employees holding expert positions in the Bank's core departments. We provided virtual training to 157 participants across the country.

University Diploma Course on Bank Branch Management
In furtherance of our branch staff's career development, we trained new branch managers. This is a new UCA- and ADEBA-certified program taught jointly with experts from Banco Macro, which guarantees academic excellence and hands-on training. The course lasted 4 months with a total of 144 virtual training hours.

Speedy Methodologies

We provided training targeted at strategic project leaders and employees to adapt to this new environment and generate less hierarchical structures that can help us reduce decision-making time.

Regulatory compliance

We trained our employees on compliance-related topics such as anti-money laundering regulations and good anti-money laundering practices, occupational health and safety, and first aid. Branch employees were offered certification courses on capital markets, whereby they are awarded Proof of Suitability to provide advice to investors, and on insurance for all customer service officers dealing with insured customers.

Scholarships

We support our employees' training and help them complete their formal education in furtherance of their development. In 2020, we granted 190 undergraduate and graduate scholarships regarding the main subject-areas in the banking business.

Career plans

Aware of the importance of encouraging professional growth, we designed career plans for branch employees. These plans are a map of the needs to be covered and the chances of moving up the career ladder.

All employees can access these plans on our HR online platform. This helps us improve transparency and consistency as to the criteria applied to development processes.

Internal Trainers' Program

This is a scheme whereby the Bank's employees may offer to share their expert knowledge and make it available to their peers. To this effect, we held trainers' training workshops to provide participants with the required teaching tools and strategies.

Staff training	**2019**	**2020**
Total man hours	**245,734**	**288,127**
Total on-site training hours	96,886	26,463
Total remote training hours	148,848	261,664
Percentage of participation over total payroll	100%	96.87%
Man hours by gender		
Women	109,119	128,244
Men	136,615	159,883
Man hours by occupational category		
Senior Manager	353	320
Manager	4,535	2,679
Head/Supervisor	83,610	77,095
Analyst/Officer/Other	157,236	208,033

EMPLOYMENT PROMOTION

87%

of positions filled by the Bank's employees

117

promotions

In 2020, we continued fostering our employees' growth through 87 searches conducted as a part of an internal recruitment process.

Also, and for the fourth consecutive year, we participated in the Youth Employment Fair organized by the Government of the City of Buenos Aires, a three-day virtual edition with over 60,000 participants. Our stand received 4,613 visits.

1 NO POVERTY

8 DECENT WORK AND ECONOMIC GROWTH

Staff turnover	2019			2020		
	New hires	Departures	Staff turnover rate	New hires	Departures	Staff turnover rate
By region						
Employees in the City of Buenos Aires and Greater Buenos Aires	22	115	6%	12	86	4%
Employees in the interior of the country	7	169	3%	1	149	2%
By age						
Less than 30 years	12	40	10%	2	36	8%
From 30 to 50 years	14	116	3%	10	69	2%
Over 50 years	3	128	4%	1	130	4%

Staff turnover by gender	2019			2020		
	New hires	Departures	Staff turnover rate	New hires	Departures	Staff turnover rate
Women	8	109	3%	3	91	3%
Men	21	175	4%	10	144	3%
Total	**29**	**284**	**4%**	**13**	**235**	**3%**

Return-to-work and retention rates following maternity or paternity leave, broken down by gender	2019		2020	
	Men	Women	Men	Women
Employees on maternity or paternity leave	191	151	157	134
Employees that returned to work following maternity or paternity leave	191	151	157	134
Return-to-work and retention rates following maternity or paternity leave	100%	100%	100%	100%

REMUNERATION

The Bank's remuneration philosophy seeks to guarantee that the remuneration paid to employees along their career path is in line with four fundamental principles:

1

Equal treatment, which means that those holding positions entailing similar levels of complexity, responsibility, demand, and contribution should receive a similar range of pay.

2

Competitiveness, thus creating remuneration programs comparable to those offered by first-rate banks like Banco Macro.

3

Performance-based treatment, taking into account the value added by employees to their jobs and to the organization.

4

Sustainability, thus monitoring that remuneration programs remain consistent with the Bank's economic capacity in the short and long term.

Therefore, our employees' guaranteed remuneration is to be in line with the minimum wage provided for by the legal and contractual provisions in force. We also consider the complexity and responsibility inherent in each position as well as pay differences among employees with similar responsibility levels where those differences arise from distinguishing variables such as individual performance, the attainment of goals, and the professional experience gained in the position.

INTERNAL COMMUNICATION

We consolidated JAM as our sole collaborative network, an internal communication tool that enables us to be closer and more connected and to share content. In 2020, the network was fully adopted by our employees, who participated, made comments, and easily searched for information. JAM already has more than 8,000 active users and there are eight main groups where news and chat threads are assigned categories based on the topics of interest.

During the pandemic, JAM gained great importance as it was one of the main channels used to share the COVID-19 prevention protocols and the measures adopted in the different workplaces. We also promoted regular team meetings through ProMacro, a newsletter published on JAM which summarizes the most salient points for the Bank's business and employees.

In 2020, we also launched the ProMacro Podcast Series for our employees to listen to the company's news and share them easily with their peers.

EFFICIENCY

The year 2020 forced most organizations into a digital transformation. In the case of Banco Macro, the prompt adoption of digital tools and methodologies for the new ways of working contributed to further modifying our structures and processes in order to speed up employees' tasks and obtain better results with our customers.

8 DECENT WORK AND ECONOMIC GROWTH

DIVERSITY AND EQUAL OPPORTUNITY

As we have done for years, we partnered with Fundación Espartanos, an organization that contributes to improving inmates' employment prospects and fosters exemplary conduct among them. In furtherance of their integration, socialization, and support, the foundation provides rugby training. We currently have seven members carrying out their labor market re-entry project in Buenos Aires, Misiones, and Tierra del Fuego.

In addition, during Women's Month, we conducted an internal communication campaign to raise gender equality awareness among our employees. For this purpose, we interviewed inspiring women who work at the Bank and held an open talk delivered by Evelina Cabrera, president of the Argentine Women's Soccer Association.

With regard to gender, we have a Gender-based Violence Victims Assistance Protocol in place to provide support to our employees and their families and help them navigate the situation.

Finally, together with Fundación Avon, we offered an introductory workshop on gender-based violence as a part of our round of Lockdown Talks. Our employees were provided with hands-on tools to prevent both physical and symbolic violence.

Diversity and equality assessment methodology

When we conduct external recruitment processes, the searches published are intended for the public at large, without gender-based distinctions. In addition, our recruitment team seeks candidates on the basis of a thorough analysis of their skills, experience, and education without regard to personal data such as gender, age, marital status, or parent status.

As to the way in which we fill vacancies with current employees, the searches published are shared across the entire organization in order to guarantee the transparency of the process and everyone's equal opportunity to participate.

In addition, our internal promotion processes make it possible for both men and women to participate on an equal footing and grow in all departments, positions, and occupational categories. We recruit those employees who have been assessed as to their performance and potential and we then create a talent pool which does not discriminate on the basis of gender. We focus on identifying the requirements and skills demanded for the position to be filled.

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

VOLUNTEERING WORK THAT MAKES A DIFFERENCE

8 DECENT WORK AND ECONOMIC GROWTH

1,015

volunteers

3,340

hours allocated to charity projects

550

volunteers engaged in fundraising events

244,653

indirect beneficiaries

75

volunteers that participated in our Volunteering Days

201,723

direct beneficiaries

390

volunteers engaged in charity projects

At critical times like those we navigated in 2020, our team's helping attitude was more present than ever. Despite the pandemic-related restrictions, we ran different projects that serve a social purpose while engaging our employees' commitment.

We thus worked on the following initiatives:

- We organized and shared a nationwide directory (charity-related classifieds) including information updated by region on social welfare organizations in need of food, hygiene kits, school supplies, and clothes (largely demanded during the first months of the lockdown).
- We held a round of Lockdown Talks and invited all our employees and their families to engage in a dialog with different experts. We invited a different social welfare organization (the Red Cross, Enlazadas, Fundación Padres, Argentina Cibersegura, Tlex Institute, etc.) every week to address topics of interest during the pandemic, focusing on family, children, and personal wellness. We dealt with issues such as first aid, nutrition, IT security, breast cancer, teenage children and the lockdown, and mindfulness, among others.
- We continued to implement our annual charity projects contest and provided virtual training to all those employees who wish to be a part of the Healthy Finances team.

Because of the restrictions, we were not able to hold our in-person charity work days and fundraising events (except for the school supplies donation event held in February).

Charity projects

During the second half of 2020, we launched the 13th Call for Charity Projects, a contest which is already a tradition within our organization and very much awaited by the teams from our branches and core departments. On this occasion, the main themes were health, nutrition, and the creation of sustainable jobs with the ultimate goal of responding to the pandemic.

The 120 participating teams had to upload the information on their project and a brief explanatory video to a platform especially designed by the organization Nobleza Obliga. Over 3,000 employees from the Bank voted on the same platform and selected 60 winners.

The winning teams received ARS 120,000 to carry out their projects. In total, we awarded over ARS 7.2 million worth of prizes.

Among the selected initiatives were 24 health-related projects (purchase of supplies, facility improvements); 23 nutrition-related projects (soup kitchens' equipment, tune-up, etc.), and 13 projects aimed at sustainable work (equipment, materials, etc.).

Our charity project in figures

3 themes: health, nutrition, and the creation of sustainable jobs

120

projects

60

winners

3,000

voters

ARS 7.2

million worth of prizes (ARS 120,000 for each selected project)

Volunteers for financial education and inclusion

As a part of our Healthy Finances Program, we called and trained over 70 employees from all over the country to serve as program counselors through (virtual, for the time being) workshops run in their communities (at their children's schools, neighbors' centers, etc.).

They were thus trained at three of the workshops held under the program:

- **Effortless Healthy Finances.**
- **Forward-Looking Healthy Finances.**
- **Digital Healthy Finances.**

Participants were trained in soft skills (how to handle communication with their different audiences, how to keep their attention, how to use the virtual platform and materials) and hard contents connected with the topics of each workshop. They attended a total of 8 training sessions.

Each participant could choose the training that best suited their preferences and, based on that, participate in two training days addressing the content selected. They were then provided with:

- recordings of each session,
- presentations and other resources used,
- an updated counselor's manual (including principles and good practices to serve as such), and
- a letter of introduction, which works as a link between the program and the institutions counselors establish relations with so that, in addition to their role as counselors, they also serve as program promoters.

SOCIAL AND RELATIONSHIP CAPITAL

In a year full of big challenges, we changed in order to continue fostering our communities' economic, financial, and social inclusion. In 2020, while abiding by the precautions and restrictions imposed as a result of the pandemic, we helped individuals and organizations across the country towards their full development.

ARS 105,032,206
allocated to social investment

3,699
active suppliers

9,799
Healthy Finances portal users

ARS 240
million invested in advertising, mainly through local communication media (+17 percent v. 2019)

19,058,812
purchases with a positive social or environmental impact

365,376
direct beneficiaries

479,081
indirect beneficiaries

11
provinces covered

PRIZES AND AWARDS

During 2020, we received many prizes and awards that confirm that our daily efforts translate into good results, which in turn encourages us to move forward:

- **The best private bank.** Global Finance, the international finance magazine, highlighted our speediness and capacity to adapt to new realities by naming us Argentina's Best Private Bank (The World's Best Private Bank Awards 2020).

- **We ranked third among the most valuable brands** in Argentina as a part of the BrandZ Top 50 ranking prepared by the international consultancies WPP and Kantar.

- **Bank innovation leaders.** Fintech Americas recognized our work as Americas' Financial Innovators via the Country Awards, thus consolidating our leading position in the sector's transformation in Argentina.

- **Good reputation.** We were ranked No. 6 in the banking sector in the Merco Companies Ranking, which monitors the corporate reputation of leading companies in the country.

- **Among the top selling companies.** We were ranked No. 13 by the magazine Mercado among "The top 1,000 selling companies."

TRANSPARENT COMMUNICATION

We seek to maintain a fluent and regular dialog with our stakeholders, implementing tools for clear and orderly communication and a constructive approach that fosters reporting practices.

In this way, we yearly reach every corner of our country through local and provincial communication media. In 2020, we strengthened these bridges by investing over ARS 240 million in advertising, 17 percent more than in 2019.

We build confidence and show that honesty and credibility are fundamental cornerstones underpinning our business: these are values cutting across the entire organization, from our senior managers all the way through our employees, customers, trading partners, and suppliers.

CONCRETE ACTIONS IN A YEAR FULL OF CHALLENGES

Our commitment to the community extends to every corner of the country. We want each of our customers to know everything there is to know to operate with us in the easiest way possible. For this purpose, we seek to offer a comprehensive range of products and services that fuel everyone's growth.

In a year of unprecedented challenges, we continued working with a view to our customers' financial empowerment. We thus offered virtual workshops and webinars open to the entire community, shared recommendations and advice on how to handle personal and family finances, and facilitated the access to financial education and resources to grow.

WE PROMPTLY AND ORDERLY HELPED IMPLEMENT THE WELFARE PROGRAMS AND BENEFITS INTRODUCED BY THE GOVERNMENT IN THE WAKE OF THE PANDEMIC. THIS WAS QUITE A CHALLENGE GIVEN THE NUMBER OF BENEFICIARIES COVERED AND THE PREVENTIVE MEASURES IN EFFECT.

Communication highlights in 2020

1

On our customers' side, with a prompt and accurate response.

- **Clear service and effective communication for a new everyday reality.** We were able to effectively respond to the customer service contingencies and difficulties arising from the pandemic. We focused on communicating the new ways to complete processes, carry out operations, and submit queries through virtual channels, digital tools designed for our customers' self-service without visiting a branch or leaving home. We also guided and simplified our customers' daily lives by seamlessly responding to their questions and needs.

- **Welfare program and benefit requirements promptly updated.** We met the requirements for the payment o f the pandemic-related welfare programs and benefits established by the government promptly, orderly, and almost ahead of time.

  This challenge was marked by the large number of beneficiaries involved and the health recommendations we were to follow in order to take care of everyone's health. We assumed this commitment with responsibility and made a significant communication effort to organize and clarify the information and in this manner prevent people from visiting a branch when this was not necessary.

2

Financial education and support every step of the way.

- **Inclusion-oriented actions and campaigns.** We prepared all our communication pieces with a view to promoting financial education and inclusion and thus focused on their simplicity and clarity for our customers to rely on the information required to operate with us in a user-friendly way. We provided them with a comprehensive range of products and services that fueled their growth and with guidance and help to simplify their experience.

3

Information on new self-service digital tools and security recommendations.

- **New services campaign.** We launched new services promotional campaigns, especially in connection with digital tools and mobile applications, in order to improve our customers' experience in a general context of superabundance of information where clarity and assertiveness were crucial. In addition, we supplemented these pieces with security recommendations to prevent cyberfraud when operating through digital channels.

WE CHANGED FOR OUR CUSTOMERS TO OPERATE WITH US DURING THE PANDEMIC

We developed a number of resources to help our customers operate with us from their homes in a safe and easy way during the COVID-19 pandemic.

In a year marked by the ways of the COVID-19 pandemic, we were able to change our manner of working and provide our customers with the tools required to continue operating without any risks to their health while abiding by the government's recommendations.

Our website, a key and regularly updated channel.

Due to the restrictions on the circulation of people, we supplemented our website with a number of tools and communications to encourage online operations, prevent crowds from gathering, and keep our customers informed.

- **"COVID: latest news."**[9] This was a prominently visible section on our home page including constantly updated information on COVID-19 (latest news, protocols, and measures). In addition, our customers could find out about, for instance, which operations could be carried out at our branches, how to schedule a bank appointment online, and all the actions implemented to make it easy to operate with us on a daily basis.

- **"Online bank appointments."** Once we were authorized to open our doors again, we enabled our customers to schedule bank appointments online in order to observe health protocols and prevent crowds from gathering outside our branches. We supplemented this initiative with communications addressed to each customer by email and SMS at each stage of the process (when requesting the bank appointment, when the appointment was scheduled, or in the event the appointment had to be rescheduled).

- **"Simple Operations. You choose, we are close."** Aware of the fact that each customer is different, we created this section that provides options for them to solve their daily needs at their own convenience. We implemented tools to carry out different online operations easily and safely, such as transferring money and making QR-code payments with a cell phone, unblocking the debit card, updating information, withdrawing cash or collecting the Family Emergency Income (IFE) without a debit card (see the table "IFE beneficiaries communication campaign").

- **"What do you need to do? Choose the best option to operate as you wish."** In addition to the digital tools above, we included a section with the most frequent operations and information on how to complete them. In order for customers to operate on their own in a manner that suits their needs, this section also features video tutorials for each process or operation (the full playlist can be found on our official YouTube channel), shortcuts, and the possibility of accessing daily operations in just a few clicks.

(9) www.macro.com.ar/coronavirus-informacion-importante

- **"More for you. We tell you more so that you can make better choices."**[10] As a supplement to our guides to carry out operations, we included this new section with educational and general interest content for our customers' financial education. We published articles with information on our products and services and banking and financial definitions beyond Banco Macro's commercial range.

- **"Retirees' exclusive digital corner."** We launched this section where retirees can quickly access all the information they need without leaving home. They can view the date of payment of their benefits, obtain their pay stub, and renew their proof-of-life certificate. They can also find step-by-step information on how to carry out several operations and processes, including how to unblock their debit card.

(10) www.macro.com.ar/jubilados

Social media

For the purposes of guiding, supporting, and simplifying customer experience, we developed communication hubs on Facebook, Instagram, YouTube, and LinkedIn over the entire year. In this way, we offered different options for our clients to operate online relying on the digital and technological advances required by our community and on closer and friendlier contact channels, as is the case of the social media we use every day.

Multi-channel communication

In 2020, we remained in contact with our customers via direct channels such as SMS messaging and email as well as through mass communication media such as television, the radio, and the press in general.

IFE beneficiaries communication campaign

We launched this campaign with great success in order to facilitate the receipt of the Family Emergency Income in all payment locations (especially in those where we served as financial agent). With a view to preventing crowds from gathering at the branches and respecting social distancing, we conducted a media campaign (on the radio and television and in the newspapers) and used one-to-one communication with our customers.

It is apposite to mention that, in addition to the payment schedules and protocols, we also explained that it was possible to withdraw cash from an ATM without a debit card (withdrawal order via a code received by SMS messaging) as an accessibility and inclusion tool.

Cyberfraud awareness-raising and cybersecurity campaign

We ran a fierce nationwide campaign on the media to raise awareness of the measures that customers should implement to guard against cyberfraud. We thus shared a number of recommendations under the slogan “Don’t let them scam you.” We focused on social media profiles and advised customers not to share their personal information, answer messages or accept the help of strangers.

This campaign was conducted within the framework of a wider-reaching one jointly launched by all the banks operating in the country. This marked a historic milestone as we worked together towards the shared goal of protecting bank customers from cyberfraud.

Mobile Banking Units in Salta, Jujuy, and Tucumán

In order to provide the provinces with further customer service alternatives, we made available our Mobile Banking Units, thus offering a further cash withdrawal point (mobile ATM) in the absence of ATMs located nearby. This measure meant that customers did not need to travel to downtown areas for cash.

On-site health measures

In the wake of the COVID-19 pandemic, we placed signage on the safety protocols and recommendations to be followed and physical distancing signage to control the flow of people at our branches.

Empathize

EVENTS AND SPONSORED ACTIVITIES

42

sports events sponsored or held by the Bank

40

sponsored shows

218

sponsored fairs, exhibitions, and events

Despite the pandemic and in compliance with all the protocols in place, we continued to offer entertainment options not only in the main urban centers, but also in the most remote corners of the country. As usual, we did so from a gender perspective and with a view to gender parity in order to address current challenges and present the main tools we make available to SMEs and entrepreneurs. In person during the first months of the year, and digitally afterwards, we shared relevant and attractive content with our customers and the community at large.

In 2020, we managed to adapt to a new reality, remain in contact with our customers through virtual events, and overcome distances. We were thus present at different financial and business events, such as *Nuevo Dinero* (by the financial platform Roadshow), the Banking Law Conference Banktech (Bank Magazine), the Conference held by the Foundation for Latin American Economic Research (FIEL, for its Spanish acronym), and the Talks on Current Economic Affairs (Fundación Mediterránea and Fundación Mediterránea's Institute for Studies on Argentine and Latin American Reality - IERAL).

We also organized our own events and business training talks addressed to the business segments, with programs oriented toward Foreign Trade and Agribusiness Banking. We sought to train our customers to help them navigate the difficulties posed by the year.

Besides, we used social media such as Facebook and Instagram to post the events held and activities sponsored by the Bank during the year, reaching over 7.3 million people. We also held raffles for over 2 million users.

EVENTS AND SHOWS

Every day of the year, we reaffirmed our promise that we would always be close to our customers. We started 2020 with events in tourist spots such as Candilejas Theater in Carlos Paz with the play entitled *"La Jaula de las Locas,"* Luxor Theater with *"Un Estreno un Velorio,"* Melos Theater with *"Perfectos Desconocidos,"* and the plays *"Desnudos"* in Mar del Plata and "Hello, Dolly" in Buenos Aires. We were also present at the live shows featuring MYA in Pinamar, Chule Von Wernich in Mar del Plata, and so many others in the Coastal District which filled the summer for free. We also participated in promotional activities and invited customers to Alejandro Sanz's show in February.

We also affirmed our commitment to regional economies and traditions with our participation, in many cases virtual, in the main events held in the interior of the country. We were thus present at the National Taming and Folk Music Festival, the Chicha Festival, the Heights Film Festival, the Serenade to Cafayate, the Jujuy Carnival, and the National Student's Festival, among others.

The virtual world provided a shared setting for many events in 2020. It enabled us to steam events for a larger number of customers and to reach several provinces at the same time. We supported, for instance, the Trap Festival, which was streamed live on YouTube and received over 1,260,000 views.

We also signed an agreement with the Argentine platform Show Live. We offered the possibility of purchasing tickets in installments without interest and invited 900 customers to watch events on the platform from the comfort of their homes, including shows featuring Valeria Lynch, *La Mona* Giménez, *El Polaco*, Cristian Castro, Fátima Flores, and many others. We also sponsored the play starring Flavia Palmiero and available via streaming.

FAIRS AND EVENTS

We participated in fairs and events to be closer to people and better understand their needs, which in turn enables us to give answers through our products and services. We focused on the SME, Foreign Trade, and Agribusiness segments:

- **SME Development Program:** The purpose of this program is to empower SMEs to foster their growth. To such end, we provide advice and training talks in partnership with IAE and Endeavor, among others.
- **Agribusiness:** The more information our customers have, the better decisions they can make. We provided them with advice, whether in person or remotely, in fairs, regional exhibitions, local auctions, and other agribusiness events across the country.
- **Women in business:** We were present at the 5th Leadership Women Forum (El Cronista newspaper).

SPORTS EVENTS

We foster sports values because we believe that effort, persistence, and self-improvement can turn weaknesses into strengths. For this reason, we support local and national leagues and teams across the country.

In 2020, always abreast of international trends and good practices, we supported virtual events held by the Sports Innovation Forum. It was a difficult year for sports institutions and, therefore, we focused on maintaining our sponsorship commitments. Detailed information on the efforts undertaken by the Bank to sponsor clubs and sportsmen throughout Argentina is provided on our social media.

Hockey

We are proud to have continued supporting the male and female Argentine hockey teams because they foster good habits and values among the members of society. This year we were present during the first matches in the Pro League, an annual tournament that gathers the best teams in the world.

Professional hockey

We believe that supporting this sport is also a way to be close to those who share this passion. In 2020, we sponsored Club Atlético Tigre, Club Gimnasia y Esgrima de Jujuy, and Independiente Rivadavia soccer teams.

Rugby

We feel represented by the respect for teammates, opponents, referees, and game participants inspired by rugby and we thus support this sport so that children and teenagers can enjoy it.

Marathons

Races promote healthy habits in the communities where they take place. We sponsored more than 10 marathons held during the first months of the year in Córdoba, Mendoza, Jujuy, Tucumán, Rosario, and Santa Fe, among others.

Golf

In this year of few in-person events, we held a Golf Tournament in Pinamar and sponsored the South Open tournament in Mar del Plata.

OUR PRIVATE SOCIAL INVESTMENT

We seek to continue increasing financial education and inclusion in every corner of the country.

We are aware of the impact we have on the communities where we operate as a result of the products and services we offer and the investment we make in propositions for them. That is why we focus on what we do best, on those propositions connected with our business, and accordingly give priority to programs and projects oriented to SMEs and entrepreneurs, sustainable work, and financial education and inclusion.

In order to evaluate our social action, we rely on a proprietary digital tool which follows the London Benchmarking Group (LBG) model guidelines.

We use this tool to assess our impact on the community and improve management.

In this regard, we implemented and analyzed the results of surveys administered to partner social welfare organizations. In 2020, we conducted surveys involving 323 institutions and gathered extremely useful data. We also collect this type of information from the surveys answered by the participants in the Healthy Finances and NAVES programs.

Argentina Needs Us

We joined the efforts undertaken by the Argentine State and the Healthcare System to curb the COVID-19 pandemic by helping organize, communicate, and donate ARS 25.5 million as a part of the "Argentina Needs Us" fundraising campaign.

This initiative, which was also endorsed by other private sector companies, was led by the Argentine Red Cross and coordinated by the Ministry of Health. These are the program highlights:

- We expanded the installed capacity of the intensive care units at different public and private hospitals across the country.
- We provided ICU rooms with beds, ventilators, and the equipment required for the health staff to work properly.
- We purchased virus detection kits and other necessary equipment and supplies (as instructed by the Ministry of Health).

TOGETHER WITH THE ARGENTINE RED CROSS, WE WORKED ON THE "ARGENTINA NEEDS US" CAMPAIGN, A HEALTH PROGRAM TO CURB THE COVID-19 PANDEMIC.

17 PARTNERSHIPS FOR THE GOALS

Water well project in Tartagal

Through Fundación Banco Macro, and in partnership with the Ministry of Production of the province of Salta and Aguas del Norte, we participated in the construction of a water well in Paseo Roberto Avellaneda Alfonsín, town of Tartagal, province of Salta.

With the hydrological pre-feasibility study furnished by the province, which made it possible to select the area where the well will be located, Fundación Banco Macro made its contribution to alleviate the shortage of water and provide access to drinking water in a safe and sustainable way through the drilling and installation of the water well, thus benefiting the local community. The total invested amounted to over ARS 10 million.

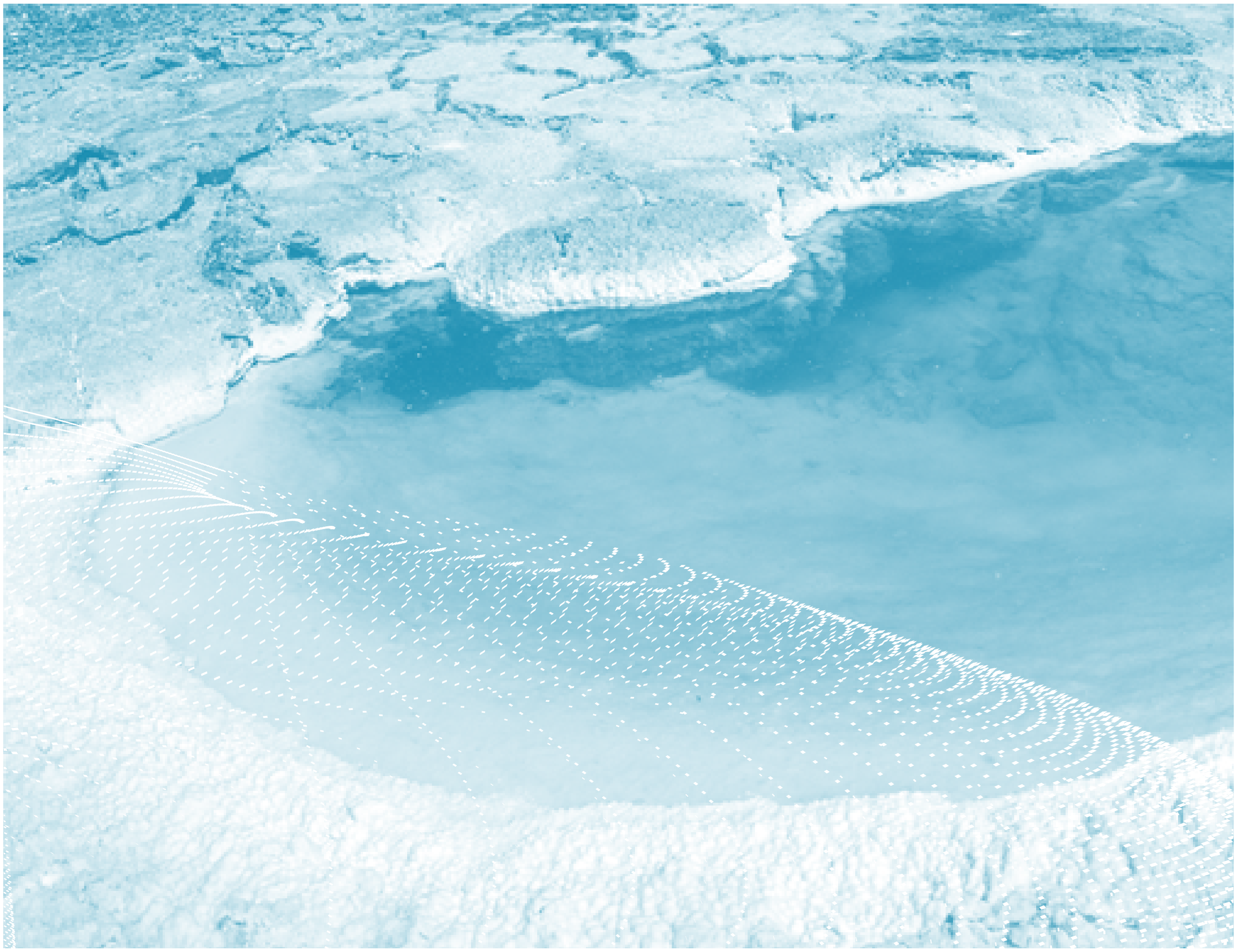
As usual, and especially in the context of a pandemic, water was a fundamental resource to reduce public health problems in addition to the provision of sanitation services and the management of water resources.

Social investment in figures	**2019**	**2020**
Investment in sustainability (ARS) (1)	131,355,869	105,032,206
Breakdown by type of social work		
Micro Enterprises Support Program (2)	51,054,465	11,092,920
Sustainable Work Program	19,535,622	842,375
Financial Education and Inclusion Program (3)	11,313,988	7,357,073
Nutrition	859,586	985,159
Education	9,271,770	8,806,835
Integration	10,481,637	14,074,450
Social medicine	1,675,000	10,520,932
Volunteering projects	5,002,741	7,437,000
Environment	750,437	786,645
Social Assistance	8,027,099	15,304,352
Management of Fundación Banco Macro	13,383,524	27,824,465
Contributions to social assistance campaigns (Banco Macro)	(4)	39,448,108
Other indicators		
Volunteer employees (5)	3,306	1,015
Number of programs (6)	12	10
Number of provinces	11	11
Number of direct beneficiaries	169,799	365,376
Number of partnerships with organizations (7)	414	323

(1) This indicator is made up of social investment and administrative expenses arising from the Corporate Sustainability management.
(2) It takes into account the suspension of the ALUMBRA Program and includes the NAVES and other entrepreneurial support programs.
(3) It includes the Healthy Finances and other financial education programs.
(4) A new indicator for 2020.
(5) This indicator is made up of Volunteering, Fundraising Events, and Professional Volunteering Projects.
(6) It includes Sustainable Work, Financial Education and Inclusion, Nutrition, Education, Social Medicine, Integration, Volunteering Projects, the ALUMBRA Program, Environment, and Social Assistance.
(7) It includes social welfare organizations with which we work through Fundación Banco Macro and organizations and municipalities where we held the Healthy Finances financial education workshops.

2020 Beneficiaries

Program area	Direct beneficiaries	Indirect beneficiaries
Sustainable work	764	3,575
Financial education and inclusion	7,903	22,667
Support to micro enterprises	54,465	10,225
Nutrition	2,680	9,140
Education	21,194	44,400
Integration	11,167	23,559
Social medicine	65,480	120,862
Corporate Volunteering Program	201,723	244,653
Total	**365,376**	**479,081**



FINANCIAL INCLUSION

FINANCIAL EDUCATION

Financial Education Program: Healthy Finances

9,799
portal users

215
virtual workshops

22,164
indirect beneficiaries

11
provinces

ARS 6,323,818
invested

6,757
direct beneficiaries

54
cities

On the financial education and inclusion front, and within the framework of the Healthy Finances program, we promptly transformed our value proposition by offering virtual training workshops. We could thus provide a quality response, especially to high school teachers and students.

In 2020, we delivered 215 workshops directly to 6,757 people. We also established new institutional partnerships relevant to the program, such as those with the Argentine Ministry of Education, the Ministry of Education of the City of Buenos Aires, Salta's University for Senior Citizens, labor unions from Tucumán, Fundación Par, and Fundación Avon, among others.

In August, we rolled out the portal tallerescuentassanas.com, whereby we offered weekly online workshops open to the community which were attended by 6,757 people.

Other program highlights include the following:

- **Preparation of the report entitled Financial Education Experiences and Lessons in Argentina. Healthy Finances: An Inclusion Program.** Its main purpose was to assess the goals achieved by the program as a way to present it in institutional settings.
- **The launch of 3 new workshops:** Digital Healthy Finances, designed to help our customers use the Online Banking platform and to explain its benefits; SME-oriented Healthy Finances, designed to provide financial tools for business development purposes; and Healthy Finances for Gender Equality, a women's economic empowerment workshop intended to offer work, financial, and family development tools.
- **Virtualization of the contents of the Effortless Healthy Finances and Forward-looking Healthy Finances workshops through Moodle.** Our aim was to turn them into tutor-assisted self-study courses for the Argentine Ministry of Education's educ.ar platform.
- **New dashboard** for a real-time statistical control of the program and improved internal management.
- **Virtual Youth Employment Fair organized by the Government of the City of Buenos Aires.** We participated with 3 workshops.
- **Financial education workshops for journalists from Salta, Jujuy, Misiones, and Tucumán,** which in turn resulted in 20 capsule workshops held in radio and television media.

OTHER PROGRAMS HIGHLIGHTS

We want to be a part of the progress of the companies, entrepreneurs, and communities within our footprint. For this reason, and true to our commitment to growth, we foster development opportunities through Fundación Banco Macro.

Nutrition

With the help of a team of nutritionists, we train and assist mothers who do volunteering work at soup kitchens in Salta, Jujuy, Misiones, and Tucumán. In the context of 2020, we worked handing out food bags and hygiene kits.

Social medicine

As we are fully committed to our community, we collaborate with several healthcare-related organizations: Fundación Saberes, Asociación Civil La Casa del Niño, Fundación Hospital de Niños, TU.JU.ME, Fundación por Nuestros Niños, Asociación Civil Creación, Sala Cuna, and the Argentine Red Cross.

Integration

We constantly seek to improve people's quality of life and their psychological and physical development. To such end, we have partnered with expert organizations that encourage inclusion through sports, arts, and other rehabilitation therapies, such as Fundación ASEMCO, Fundación Cecilia Baccigalupo, Fundación de Equinoterapia del Azul, Fundación Puentes de Luz, Asociación Civil Te Acompañamos, and Fundación Por Nuestros Niños.

Education

Under our mentorship program for elementary and high school students, we offer scholarships and support through learning coaches that help program beneficiaries along the learning path, building a close bond with them. In an unprecedented year like 2020, we maintained this commitment, supporting education more than ever hand in hand with institutions such as Universidad Católica de Salta, Fundación SI, Anpuy, and Brazos Abiertos.

1 NO POVERTY

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

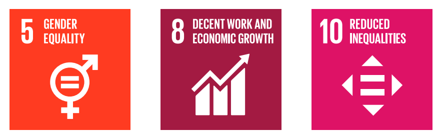
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Support to Fundación Espartanos

In order to imporove the sports facilities of provincial prisons across the country, we partnered with Fundación Espartanos with a view to the gradual implementation of a 7-year program under which we undertook to assist 5 provinces a year. We started in 2017 in Misiones, Tucumán, Jujuy, and Salta. In 2018, we continued with these works and built synthetic grass soccer fields in Corrientes, Mendoza, La Pampa, Santa Fe, and Tierra del Fuego. In 2019, we built soccer fields in Catamarca, Santiago del Estero, San Juan, Chubut, and Córdoba.

We also continued to deliver our Healthy Finances program workshops, which address a range of topics from basic matters such as how to write a résumé to suggestions regarding the administration of personal and family finances. In 2020, we continued to support Fundación Espartanos and held 12 talks at regional level so that the Bank's main customers get to know the work of our Foundation.

We also continued to help the new hires from Espartanos that are a part of the Bank's stable staff. Seven former Espartanos members have recently become status employees at our offices in Eldorado (Misiones) and Río Grande (Tierra del Fuego) and at Banco Macro's Tower (City of Buenos Aires).



HUMAN RIGHTS POLICY

We rely on a Human Rights Policy which serves as an important cornerstone of our business.

The Policy embodies the principles and values at the core of our business: equal opportunity, inclusion, the fight against discrimination, and the repudiation of abusive conduct. This document contains commitments that apply to employees, customers, suppliers, and the community at large and that guide our relations with each one of them, formally underpinning all our activities. Our Policy also provides for an assessment process to ensure its correct implementation and compliance, and a complaint-submission mechanism including corrective procedures in the event of deviations.

In 2020, we continued communicating and strengthening these values among our employees and other stakeholders.

SUPPLIER MANAGEMENT

PROMOTION OF LOCAL GROWTH: LOCAL INCLUSIVE PROCUREMENT

For the third consecutive year, we can state that 98% of our suppliers are local.

3,699

suppliers

ARS 19,030

million paid to suppliers

19,058,812

environmentally-friendly products purchased: biodegradable, recycled plastic, and ecological bags, among others.

As we have branches located all over the country, we give priority to the purchase of local goods and to the hiring of local services, this being at the core of our value chain. What we intend is to boost regional economies by becoming our suppliers' trading partners. Nationwide projects are entrusted to large leading companies.

Some of the inclusive local purchases made in 2020 include the following:

- **Graphic services and display boards:** Industrias Crayon in Salta; Staffolani Javier and González y González, both in Tucumán; Ferreira Soluciones Gráficas in Misiones; Formato Gráfico in Buenos Aires, a company engaged in the printing of ATM rolls.
- **Furniture:** Easy Teach in Tucumán, Gegoris y Roberto Da Campo in Santa Fe, and Javier Portillo in Salta, all of them engaged in the manufacture and assembly of furniture.
- **Local water services:** Bahía Jugos in Bahía Blanca, Aguas Patagónicas in the Patagonia region, and Cunagua in Córdoba, all of them engaged in the provision of mineral water.
- **Equipamiento Sial,** in Santa Fe, a company engaged in the manufacture and assembly of electrical panels.
- **Works:** AYASSA and Fombella in Córdoba, COM S.R.L. in Salta, and ITECH in Tucumán, all of them engaged in the execution of works.

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

OUR WORK

Despite the restrictions imposed in the wake of the COVID-19 pandemic, we did lots. The following achievements are worthy of note:

1. We selected and hired suppliers for the processing of scrap microcomputing equipment and cell phones that guarantee the responsible treatment of recyclable materials and disposable waste.

2. We hired suppliers in the areas of microcomputing and COVID-19 protection products, the latter being local.

3. We enabled the Supplier Portal so that suppliers can upload their invoices and view their documents and tax withholdings on their own.

In addition, the pandemic forced us to serve specific needs, including the enforcement of a COVID-19 teleworking protocol with the tools required for its implementation (PCs, headsets, modems, cell phones, technical support, etc.), the purchase of personal protective equipment items (alcohol gel and 70 percent alcohol-based hand sanitizers, masks, social distancing screens for branch business officers, infrared thermometers to measure temperature, and face shields), and the observance of social distancing.

For next year, we plan to visit our suppliers, health situation permitting; to hire local suppliers engaged in the building works and maintenance business; and to promote joint initiatives involving the Sales and Distribution Department so that our suppliers become our customers in the future.

2020 supplier management

Flexible environment to work in collaboration with suppliers for increased efficiency:

- A significant reduction in the Total Acquisition Cost.
- A reduction in the tied-up working capital.
- Improved level of service hired.
- Use of technology to reduce management time.
- Hiring of new suppliers or strategic business partners.

Main value chain actors and industries:	• civil works • electricity and thermomechanics • building maintenance services	• logistical services • cleaning services • surveillance • IT goods and services • woodworking and furniture	• general goods • machinery • reduced tied-up working capital
Products:	• PCs • monitors • keyboards • headsets • check readers	• furniture • merchandising • technical equipment • currency counting machine • UPS	• generating sets • envelopes • security bags • etc.
Procurement source:	• domestic and international manufacturing sites		
Company sizes:	• large • medium-sized • small		

SUPPLIER PORTAL, RATING SYSTEM, AND DATABASE

In 2020, we launched the final version of the Supplier Portal, which makes it possible to upload invoices through information search mechanisms. With this tool, suppliers can upload their documents in advance and thus facilitate the entire process traceability and speed up payment. The system is also in compliance with a new AFIP regulation on electronic credit sale invoices, which ensures document tracking and improves suppliers' experience.

In addition, in order to promote the opening of checking accounts at branches, we established that those suppliers required to provide services to the Bank on more than one occasion need to open an account with the Bank, for which purpose they are offered other attractive bank products. In this way, we exercise greater control and build suppliers' loyalty to our products.

Also worthy of note are the good results of the application of our supplier continuous rating system, which provides a uniform database containing complete and relevant information about each supplier's financial, ethical, and political characteristics.

Lastly, we continued to place value on the Bank's compliance with its comprehensive anti-corruption policy, which enables us to know suppliers better and adopt procurement control measures as appropriate.

SUPPLIER MANAGEMENT PROGRESS

We seek to do business with better and better suppliers. For this purpose, we regularly conduct an initial assessment as a part of the supplier registration process through a Nosis business report to verify whether a supplier has any “Negative Comments.” The issues under analysis include whether any checks have been returned by the Argentine Central Bank, which the credit rating granted by the Argentine Central Bank is, whether there are any court alerts regarding a supplier undergoing reorganization or bankruptcy proceedings, and the supplier’s pension, social security, and tax landscape.

If any negative comments are detected, action is taken as appropriate and the relevant inquiries are conducted to remedy the situation, whenever possible, or otherwise action is taken to have such supplier deregistered, with the intervention of the Administration Senior Management.

Moreover, at the end of the year, we update the status of active suppliers through an assessment of those cases where the amounts involved exceed ARS 12,000,000.

Suppliers in figures		2019		2020
Number of active suppliers		**4,064**		**3,699**
Suppliers by region:	**Total**	**%**	**Total**	**%**
Buenos Aires	1,859	46%	1,641	44%
Far North of Argentina	368	9%	346	9%
Center of Argentina	1,476	36%	1,380	37%
Nuevo Cuyo	193	5%	180	5%
Patagonia	168	4%	152	4%

Procurement expenses by region (1)	2020
Suppliers by region:	**%**
Buenos Aires	84%
Far North of Argentina	3%
Center of Argentina	11%
Nuevo Cuyo	1%
Patagonia	1%

(1) This includes payments made to Argentine suppliers only, which represent 98% of the Bank’s total expenses.

Number of suppliers providing the top 10 services hired	2019	2020
Transport	436	366
Professional services	501	440
Machinery and equipment maintenance	47	40
Advertising and publicity	565	496
IT services	162	151
Security	67	62
Office supplies	41	38
Healthcare services	41	34
Cleaning services	57	39
Buildings repair and maintenance	331	262

CODE OF CONDUCT FOR SUPPLIERS

Even though our value chain is completely independent, we promote the knowledge and application of our Code of Conduct for Suppliers. Suppliers agree to abide by it upon signing it, this being regarded as a sign of cooperation on their part. The Code is intended to inure to the benefit of both parties, who shall respect each other at all times.

The issues addressed by the Code of Conduct for Suppliers are the following:

- **Ethical Conduct:** All suppliers undertake to follow the professional and personal ethical principles under the Code.
- **Human Rights:** Suppliers are required to comply with the Universal Declaration of Human Rights.
- **Labor Practices:** This refers to non-discrimination at work and during staff recruitment. Suppliers are required to provide their staff with a safe, healthy, and suitable work environment. Our Code further prohibits child labor, forced labor, and abusive practices in general.
- **Environment:** Suppliers are required to promote environmental awareness and, as far as possible, to develop actions to protect the environment and foster sustainable development.
- **Rules of Conduct:** Suppliers are required to share the Code with their employees and any other hired persons, who are to abide by it.

10 REDUCED INEQUALITIES

COMMUNICATION WITH SUPPLIERS

We intend to build long-term relations with our suppliers. We achieve this through clear, effective, and continuous communication over the year and visits to our suppliers' facilities. Our main contact channels are e-mail, our website, and the telephone service. We additionally grant suppliers a free checking account and conduct a credit analysis in order not to require the posting of a surety bond.

IT procurement

For the purpose of speeding up procurement and implementing efficient internal processes, we have an IT Procurement Department which is responsible for all the Bank's IT bidding processes and thus leads the work teams from the beginning, including the selection of local and international suppliers and the drafting of any required bidding documentation. For transparency purposes, bidders can only communicate with the Bank through this department.

In 2020, we improved our procurement system, which became digital in the wake of the COVID-19 pandemic, giving priority to teleworking practices and guaranteeing the security and accessibility conditions required therefor. We also integrated suppliers by brand, products, and services, optimizing the work by expert professionals following well-known international standards and subject to a scale economy for both parties.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

NATURAL CAPITAL

The outbreak of the COVID-19 pandemic presented great challenges, but far from undermining our commitment, it reaffirmed it: despite the pandemic, we were able to conduct business as an institution responsible for all the aspects cutting across environmental management and the use of natural resources. We thus made progress on different areas and made significant changes with an impact on the activities of our company and our community.

277.9

kWh of energy saved

14%

electricity consumption from renewable sources

14%

reduction in the use of reams of paper

26%

less printouts

DIRECT ENVIRONMENTAL IMPACT

ENVIRONMENTAL POLICY AND ENVIRONMENTAL MANAGEMENT SYSTEM (SGA)

Following the construction of Banco Macro's Tower and our employees' full relocation in 2019, we remained true to our commitment to environmental management. The premises are equipped with an intelligent energy consumption system, under LEED standards, and rely on a sustainable design that seeks to make energy efficiency a priority.

From the onset, the building was intended to save energy, reuse drinking water, and make a controlled use of supplies. In order to assess that such goals have been attained, we started to measure indicators which, in addition to serving as a baseline, can guide us through the way in which to continue mitigating environmental impacts.

In order to increase our level of commitment and make it long-lasting, in 2018, we started to design the Environmental Management System following the guidelines established by ISO Standard 14.001:2015. With the support and participation of our senior managers, one of last year's lines of action was to obtain the Corporate Governance and Appointment Committee's approval of the Environmental Policy for Banco Macro's Tower. This enabled us to assess and manage our impacts on the environment and to think about how to mitigate such impacts.

A building with its own environmental policy

We seek to become an increasingly sustainable bank on a daily basis and a benchmark-setting company for the entire country. To this effect, two years ago we launched Banco Macro's Tower's Environmental Policy —and have since then complied with it.

This Policy provides a framework for action on environmental matters with a view to the efficient handling of the environmental impacts generated by our business. At the core of it are the Bank's compliance with the applicable environmental laws and other international standards, the efficient use of natural resources and the fight against pollution, our employees' training and awareness, and the implementation, monitoring, and review of the goals set.

Environmental commitment

The efficient use of resources is one of our main goals. This is why we seek to raise internal and external awareness as to environmental sustainability in the workplace. We do so through the following commitments:

1. Complying with the applicable environmental laws and other requirements voluntarily accepted.
2. Making an efficient use of natural resources and undertaking responsible waste management to ensure environmental protection through pollution prevention.
3. Setting, monitoring, and reviewing environmental goals in furtherance of continuous improvement.
4. Raising environmental awareness among employees for the success of Banco Macro's Tower Environmental Policy.

We verified how effective the design of Banco Macro's Tower is by measuring environmental noise and vibrations and gas effluents.

In January 2020, we measured the environmental noise, acoustic impact, and vibrations released into the environment. And, in June, we measured the generating sets' gas effluents. Within the framework of the Program to Monitor Parameters as identified in the Legal Matrix in effect under Banco Macro's Tower's Environmental Management Program, both measurements ensured the attainment of the goals set for those areas.

By comparing the results with the maximum limits permitted by law, we were able to verify the effectiveness of the design of Banco Macro's Tower equipment, intended not to have an adverse effect on the surrounding ecosystems.

A SUSTAINABLE CORPORATE BUILDING

We continued to make progress on a cultural transformation process that seeks to have a positive impact on the environment based on the concept of continuous improvement. In order to consolidate this process, we adopted a collaborative space model which enhances teamwork and socialization in line the "Best place to work" premise. We also continued to implement the energy efficiency optimization processes in place at Banco Macro's Tower in order to gradually reduce the effects on the environment.

LEED certification process

We aim to be at the forefront in terms of building sustainability worldwide. In 2020, we continued working to obtain the LEED Certification and made progress as follows:

1. Design
As to the Design Submittal stage, we updated the improvements made to the original project in order to increase the chances of obtaining the rating points required for a better standard. At the end of this period, we sent information to the certifying body to complete this first process. We expect to receive a favorable answer in the first semester of 2021.

2. Construction:
The documents that prove the traceability of this process are already in the final preparation stage. To this effect, we rely on the coordination of an expert study validated by the U.S. Green Building Council. If we complete the Design Submittal stage in February, we expect to file the Construction Submittal in April and to have it approved by mid-2021. Our goal is to receive a LEED GOLD certification.

ENERGY MANAGEMENT

We undertook to standardize the registration of electricity consumption at Banco Macro's Tower over a calendar year in order to set a baseline. At the same time, in compliance with Act No. 26,190, we encouraged the use of renewable resources for electricity production.

277.9

kWh reduction in energy consumption

Energy consumption	2019	2020
Electricity consumption (in MWh) (1)	13,013.4	13,291.3
Percentage of electricity consumption from renewable sources	18%	14%
Renewable energy consumption (in MWh)	2,313	1,826
Gas-oil consumption by branch generating sets (2)	86,720	78,027

(1) Energy consumption is calculated on the basis of the use made internally and includes Banco Macro's Tower and core departments (excluding branches).
(2) Gas-oil consumption all over the country.

Carbon footprint	2019	2020
CO_2 emissions in tCO_2e (scope 1)	214.85	247.79
CO_2 emissions in tCO_2e (scope 2)	8,458.71	7,110.84
CO_2 emissions in tCO_2e (scope 3) (1)	Not available	21.14
CO_2 emissions in tCO_2e – Totals	8,673.56	7,379.77

(1) Scope 3 includes corporate flights, calculated as per World Resources Institute (2015). GHG Protocol tool for mobile combustion, version 2.6.

We started to measure the energy intensity ratio: 125 MWh/M2

We continued to purchase renewable energy for one of the Bank's calculations centers under an agreement signed with Genneia in 2018 for a term of 10 years.

Given the downturn in activity caused by the COVID-19 pandemic, energy consumption fell from 2,313 MW/h to 1,826 MW/h, which entails a decline of 26.6 percent compared with previous years. The energy used comes from renewable sources and accounts for 14 percent of the total as required by Act No. 26,190, as amended.

MATERIALS MANAGEMENT

In 2020, due to the pandemic and, therefore, to a decrease in the number of employees working on-site, we recorded a significant reduction in the use of paper at Banco Macro's Tower. At the same time, we developed and successfully implemented a Digital Payments platform and ceased to process paper invoices.

With regard to the implementation of the health and safety digital binders, we worked on the tune-up of the document processing platform to include this new feature. We expect to make it available in January 2021.

14%

reduction in the use of reams

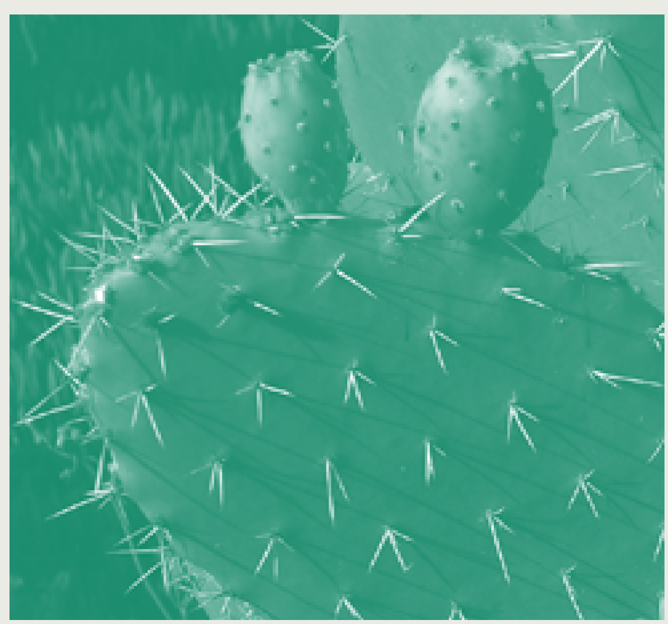
25.4%

reduction in the number of printouts

Paper management	2019	2020	Year-over-year variation
Use of reams	144,134	123,582	-14%
Number of printouts	119,524,061	89,186,681	-25.4%

E-statement subscriptions	2019	2020
Subscriptions		
Customers suscribed to the service [1]	1,356,399	1,987,839
Customers subscribed to accounts	1,185,537	1,967,820
Customers subscribed to cards	839,786	1,606,727
Accounts		
Checking accounts	13,490	14,714
Savings accounts	566,967	1,085,177
Packages	652,333	867,929
Cards		
Visa	752,694	1,181,213
MasterCard	264,319	384,286
American Express	23,793	41,228

(1) A subscription may refer to more than one product.



WASTE MANAGEMENT

During 2020, we renewed our registration as hazardous and urban solid waste generators. Mainly due to the impact of the pandemic on the province's municipal systems, the registration of the Avellaneda Warehouse as a hazardous waste generating establishment is delayed but underway.

We undertook to work in order to rely on information on hazardous waste management in the short run. These were our initiatives:

- With regard to significant hazardous waste spills, we worked on the drafting of a fuel discharge protocol applicable to Banco Macro's Tower. This protocol is in full force and effect and binding on suppliers, security staff, firefighters, and any other individuals performing the task.
- As to the transport of such waste, we collected the used oil coming from the generating sets located at Banco Macro's Tower. The service was rendered by a company authorized for the management, transport, and final disposal of hazardous waste.

Electronic waste management	2019	2020
Scrap equipment (computers; monitors, printers, and other peripherals; etc.) (number)	2,621	4,089
Scrap equipment (computers; monitors, printers, and other peripherals; etc.) (tons)	6	20
Equipment from ATMs for final disposal	0	105
IT equipment donated	3,342	42
Total beneficiary institutions	117	12

(1) This value in tons is added to the indicator calculated in figures, as in 2018 the calculation method was based on weight and quantity. These two indicators do not represent the same volume expressed in different calculation units.

Other waste management	2019	2020
Recycled paper (kg) (1)	52,041	9,792
Recycled plastic (kg) (2)	348	91
Pieces of furniture donated	1,020	1,475

(1) 2020 breakdown: Metropolitan Area of Buenos Aires: 3,352 kg; Salta: 800 kg; Santa Fe: 3,500 kg; Córdoba 2,140 kg.
(2) 2020 breakdown: Metropolitan Area of Buenos Aires: 71 kg; Santa Fe: 20 kg.

REFURBISHMENT OF PUBLIC SPACES

With the view to enhancing the value of public spaces in the towns within our footprint, we have been helping the municipalities where our branches are located to refurbish their parks since 2014. In this way, and aware of their importance, especially in the context of the COVID-19 pandemic, we have created recreational areas that foster a sense of belonging in the community as they serve as meeting points and leisure spaces and make it possible for visitors to enjoy the natural surroundings. In turn, parks have other environmental effects, as they are home to many species, regulate temperature, and improve the quality of the air we breathe.

ENVIRONMENTAL AWARENESS

In 2020, we shared our environmental commitment within the framework of the Environmental Policy published on JAM, the Bank's internal communication channel.

INDIRECT IMPACT MANAGEMENT

We are convinced that our true and steady growth depends not only on economic results but also on environmental protection and the creation of social value. This is why we manage our business responsibly, seeking to reach the highest profitability ratios while protecting our natural and social capital. At the same time, we know that sustainable development brings new opportunities in different areas: investment, sustainable housing, renewable energies, agribusiness, and transport, among others.

In this regard, our Credit Policy shows the interest of the Board of Directors and senior managers in the management of the environmental and social risks we are exposed to as a result of our credit portfolio operations. The Credit Handbook provides for the analysis of less conventional risks, such as environmental risks, upon assessing an investment project.

In 2020, and through Macro Securities, we participated in the organization and placement of the green bonds issued by the electric power generating company AES Argentina in order to conclude the Vientos Neuquinos Wind Farm project, in the province of Neuquén, which makes it possible to generate almost 100 MW of clean energy. The green bonds issued and listed on the Argentine Stock Exchanges and Markets (BYMA) included Class B Notes in an aggregate amount equal to USD 22,162, 946, Class C Notes in an aggregate amount equal to USD 18,629,677, and Class D Notes in an aggregate amount equal to ARS 468,880,940. The issuer will allocate the net proceeds from the issuance to the funding of an eligible green project, which is the Vientos Neuquinos Wind Farm project.

POLICY ON THE DISTRIBUTION OF DIVIDENDS AND THE CREATION OF RESERVES

The Argentine Central Bank's rules on the distribution of profits provide that financial institutions may distribute profits insofar as certain off-balance sheet limits are not exceeded, thus compromising their solvency and liquidity. These limits are prescribed to ensure financial institutions' compliance with basic regulations and reliance on additional buffers. To such end, they are required to consider, in addition to the capital paid-up in excess of the required regulatory minimum, a capital conservation buffer of 2.5 percent of risk-weighted assets, plus an additional 1 percent for those institutions designated as systemically important, as is the case of Banco Macro. The Argentine Central Bank has introduced yet another limit, known as countercyclical capital buffer, which shall be held as coverage, although the percentage to be paid up is yet to be defined. Additionally, the Bank's Board of Directors shall protect the Bank's liquidity and solvency and also approve the business global strategy and monitor the institution's risk profile.

As provided for in the rules issued by the Argentine Central Bank, the distribution of profits as approved at the Bank's Shareholders' Meeting can only become effective upon the prior approval of the Office of the Superintendent of Financial and Foreign Exchange Institutions of the Argentine Central Bank. Under Communication "A" 7181 of December 17, 2020, the Argentine Central Bank ordered that financial institutions' distribution of profits be further suspended until June 30, 2021, which suspension had been originally established by Communication "A" 6939 of March 19, 2020, as amended.

ACKNOWLEDGEMENTS

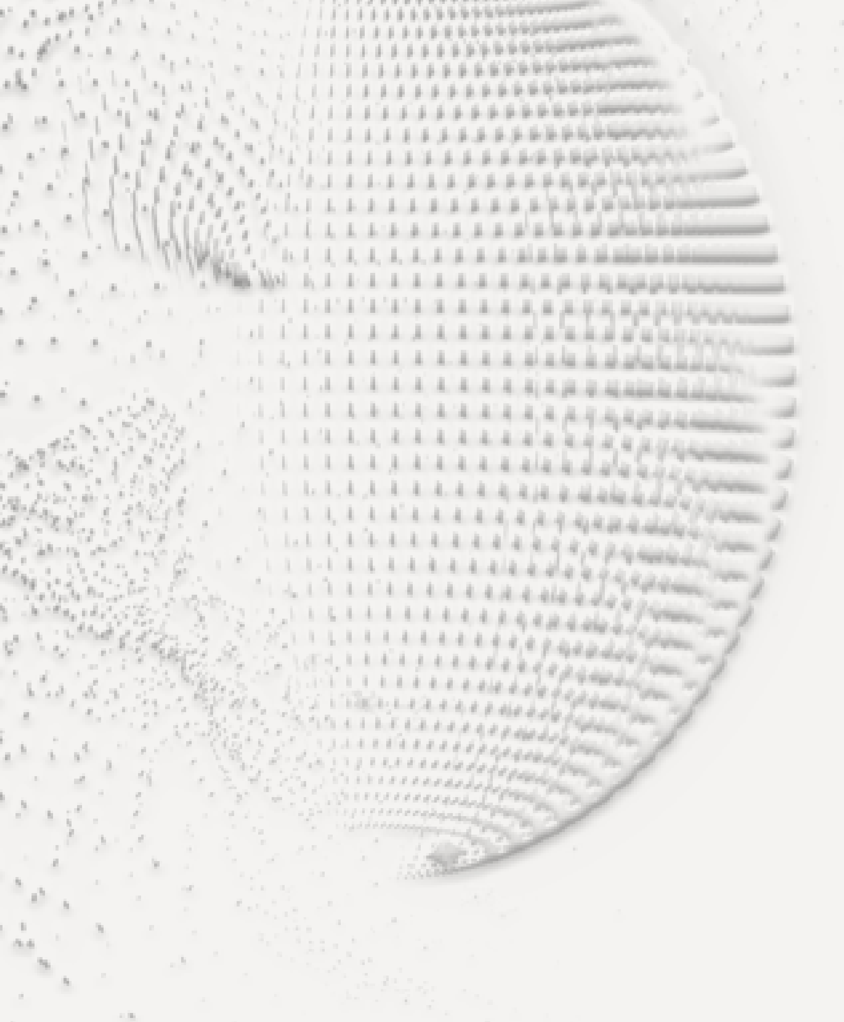
We would like to thank our customers, correspondent banks, suppliers, fellow institutions, shareholders, authorities, and the officials at regulatory agencies for their support.

Special thanks to the members of the Bank's staff for their high level of loyalty, cooperation, and professionalism in discharging their duties.

Buenos Aires, March 10, 2021.

The Board of Directors

ANNEX I
SCOPE AND GUIDELINES



REPORT CONTENT DETERMINATION

In order to select the content of this Report, in compliance with the GRI standards, we conducted a materiality analysis following the GRI 101: Foundation 2016 standard, the Accountability Standard AA1000SES, and the Integrated Reporting Framework developed by the International Integrated Reporting Council (IIRC).

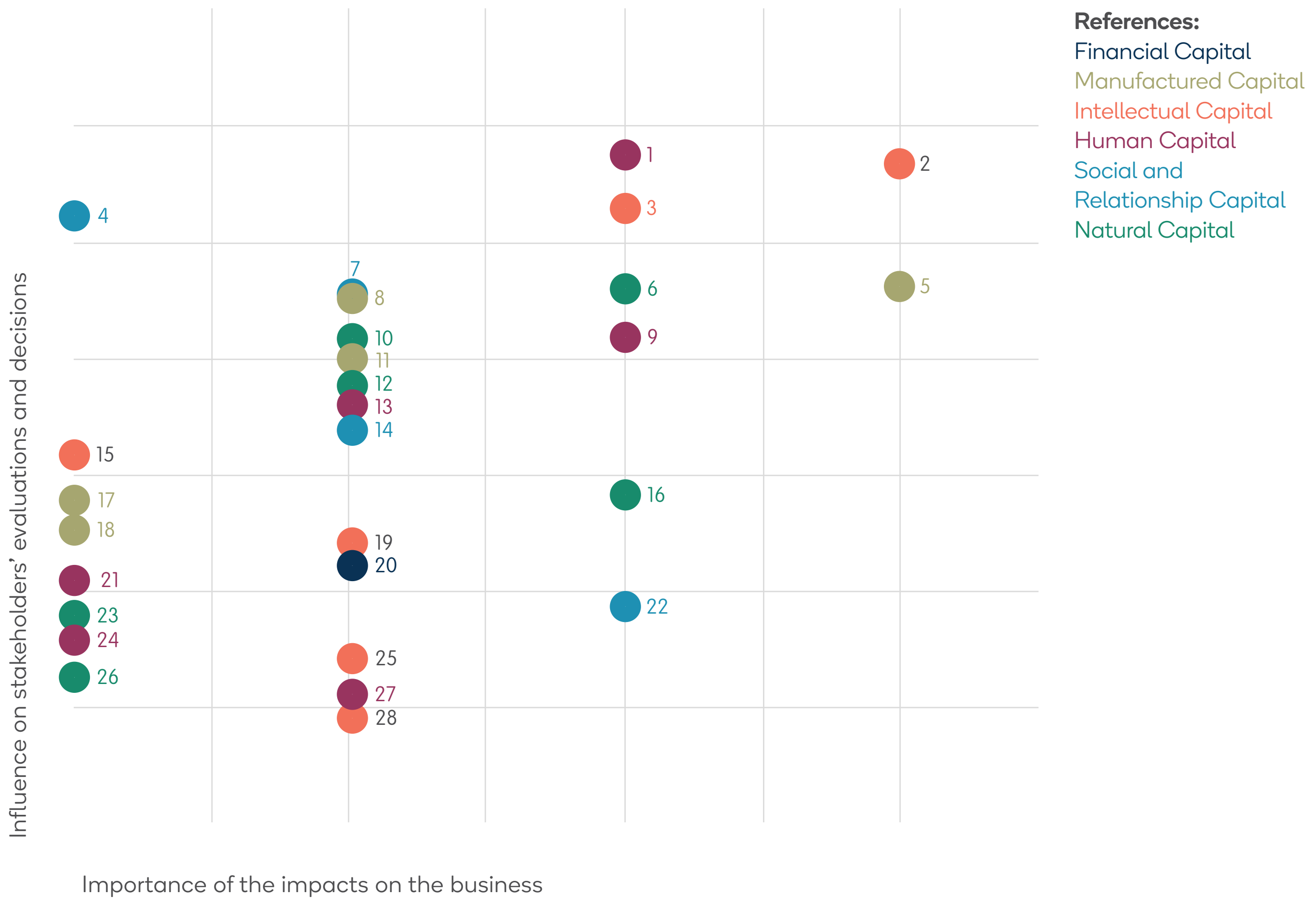
For the purposes of this Report, we considered the process conducted in 2019[11]. We are in turn faced with the challenge of updating our materiality analysis in 2021 in the light of the review of the GRI Standards (101, 102, and 103)

The topics included in this document reflect the Bank's most significant economic, environmental, and social impacts, as well as all those aspects with a substantial influence on the decision-making process of our key target audiences. This is how we report our performance in relation to such topics herein.

The Materiality Matrix shown includes the topics identified, broken down by capital following the Integrated Reporting Framework, based on their importance for our business and their impact on social players.

(11) For further information see our 2019 Integrated Annual Report.

MATERIALITY MATRIX



List of material topics

1. Employees' training and professional development.
2. Digital banking-oriented accessibility to the banking system.
3. Efficient customer service and complaint handling channels.
4. Financial education program for the community.
5. Products and services for unbanked and underbanked people.
6. Paper, plastic and electronic waste management.
7. Manufacture-related microloans for unbanked enterprises.
8. Products and services for SMEs.
9. Work environment management.
10. Sensible use of paper and recycling process.
11. Training and counseling plans for SMEs and entrepreneurs.
12. Environmental awareness raising among employees and customers.
13. Creation of local jobs.
14. Financing for enterprises for environmental and social well-being purposes.
15. Clear and simplified contracts.
16. Responsible use of energy.
17. Products and services for senior adults.
18. Customers' security and privacy in relation to information management.
19. Assessment of customer satisfaction.
20. Financial crimes prevention, anti-corruption, and counter terrorism.
21. Diversity and inclusion practices in the workplace.
22. Responsible procurement with emphasis on local suppliers and SMEs.
23. Responsible water consumption.
24. Corporate Volunteering Program for employees and their families.
25. Transparency line and complaint handling mechanisms applicable to ethical matters and conflicts of interest.
26. Measurement of carbon footprint and reduction of greenhouse emissions.
27. Actions towards gender equality.
28. Risk management and compliance with applicable laws, regulations, and the Bank's internal policies.

INTEGRATED REPORTING FRAMEWORK DEVELOPED BY THE IIRC

Since 2014, we have presented an Annual Report including all the Bank's financial and non-financial information in one single document, following the guidelines established in "The International <IR> Framework," developed by the International Integrated Reporting Council (IIRC). We were thus the first company in Argentina to follow such framework and to implement its latest version in 2020, dated January 19, 2021, which means we are always at the forefront of reporting.

Below is an analysis conducted in order to establish the relationship between the Bank's sustainability cornerstones and the IIRC model capitals so as to efficiently communicate and manage the topics relevant to our business.

Table showing the direct relationship between Banco Macro's sustainability cornerstones and the Integrated Reporting model capitals

	Transparency in everything we do	Responsibility for people's well-being and inclusion	Financial education and inclusion	Development of SMEs and entrepreneurs	Direct and indirect environmental impact
Financial	X				
Manufactured	X		X	X	
Intellectual	X				
Human		X			
Social and relationship			X	X	
Natural					X

At the same time, as a part of the materiality analysis, we completed this exercise with our 28 material topics. The results are shown in the table below:

	Transparency in everything we do	Responsibility for people's well-being and inclusion	Financial education and inclusion	Development of SMEs and entrepreneurs	Direct and indirect environmental impact
Financial	Financial crimes prevention, anti-corruption, and counter-terrorism.				
Manufactured	Customers' security and privacy in relation to information management.		Digital banking-oriented accessibility to the banking system. Products and services for unbanked and underbanked people. Products and services for senior adults.	Products and services for SMEs. Training and counseling plans for SMEs and entrepreneurs.	

	Transparency in everything we do	Responsibility for people's well-being and inclusion	Financial education and inclusion	Development of SMEs and entrepreneurs	Direct and indirect environmental impact
Intellectual	Clear and simplified contracts. Assessment of customer satisfaction. Risk management and compliance with applicable laws, regulations, and the Bank's internal policies. Transparency line and complaint handling mechanisms applicable to ethical matters and conflicts of interest. Efficient customer service and complaint handling channels.				
Human		Creation of local jobs. Corporate Volunteering Program for employees and their families. Work environment management. Diversity and inclusion practices in the workplace. Actions towards gender equality. Employees' training and professional development.			
Social and relationship			Financial education program for the community.	Manufacture-related microloans for unbanked enterprises. Financing for enterprises for environmental and social well-being purposes. Responsible procurement with emphasis on local suppliers and SMEs.	
Natural					Sensible use of paper and recycling process. Measurement of carbon footprint and reduction of greenhouse emissions. Responsible use of energy. Responsible water consumption. Paper, plastic, and electronic waste management. Environmental awareness raising among employees and customers.

GLOBAL REPORTING INITIATIVE STANDARDS

This publication has been prepared in line with the GRI standards, Comprehensive Option. The internal data gathering process was designed accordingly.

The materiality analysis enabled us to identify the GRI Standards to be reported. In this context, we analyzed the relationship between the material topics selected based on the materiality analysis, the Bank's five sustainability cornerstones, and the GRI Standards. The results are shown in the table below:

Relationship table

Strategic sustainability cornerstones	Material sustainability topics identified in the materiality analysis	GRI Standards or Banco Macro-specific topics to be included in the Content Index	Scope
Financial education and inclusion	Digital banking-oriented accessibility to the banking system.	Banco Macro-specific topic: Financial inclusion	Internal and external
	Products and services for unbanked and underbanked people	Banco Macro-specific topic: Financial inclusion	
	Products and services for senior adults	Banco Macro-specific topic: Financial inclusion	
	Financial education program for the community.	Banco Macro-specific topic: Financial education	
Direct and indirect environmental impact	Sensible use of paper and recycling process.	GRI 301: Materials 2016	Internal and external
	Measurement of carbon footprint and reduction of greenhouse emissions.	GRI 305: Emissions 2016	
	Responsible use of energy.	GRI 302: Energy 2016	
	Responsible water consumption.	GRI 303: Water 2016	
	Paper, plastic, and electronic waste management.	GRI 306: Effluents and waste 2016	
	Environmental awareness raising among employees and customers.	GRI 308: Supplier Environmental Assessment 2016	
Responsibility for people's well-being and inclusion	Creation of local jobs.	GRI 401: Employment 2016	Internal and external
	Corporate Volunteering Program for employees and their families.	Banco Macro-specific topic: Volunteering	
	Employees' training and professional development.	GRI 404: Training and education 2016	
	Diversity and inclusion practices in the workplace.	GRI 405: Diversity and equal opportunity 2016	
		GRI 406: Non-discrimination 2016	
	Actions towards gender equality.	GRI 405: Diversity and equal opportunity 2016	
		GRI 406: Non-discrimination 2016	
	Work environment management	GRI 407: Freedom of association and collective bargaining 2016	
		GRI 408: Child labor	
		GRI 409: Forced or compulsory labor	

Strategic sustainability cornerstones	Material sustainability topics identified in the materiality analysis	GRI Standards or Banco Macro-specific topics to be included in the Content Index	Scope
Development of small, medium-sized, and other enterprises	Products and services for SMEs.	GRI 203: Indirect economic impacts 2016	External
	Training and counseling plans for SMEs and entrepreneurs.	Banco Macro-specific topic: Financial education	
	Manufacture-related microloans for unbanked enterprises	Banco Macro-specific topic: Financial inclusion	
	Financing for enterprises for environmental and social well-being purposes.	Banco Macro-specific topic: Financial inclusion	
	Responsible procurement with emphasis on local suppliers and SMEs.	GRI 204: Procurement practices 2016	
Transparency in everything we do	Customers' security and privacy in relation to information management.	GRI 418: Customer privacy 2016 GRI 416: Customer health and safety 2016	Internal and external
	Clear and simplified contracts.	GRI 417: Marketing and labeling 2016	
	Assessment of customer satisfaction.	Banco Macro-specific topic: Customer experience	
	Risk management and compliance with applicable laws, regulations, and the Bank's internal policies.	GRI 205: Anti-corruption 2016	
	Financial crimes prevention, anti-corruption, and counter terrorism.	GRI 205: Anti-corruption 2016	
	Transparency line and complaint handling mechanisms applicable to ethical matters and conflicts of interests.	GRI 205: Anti-corruption 2016	
	Efficient customer service and complaint handling channels	Banco Macro-specific topic: Customer experience	

THE UNITED NATIONS GLOBAL COMPACT AND OUR 2020 COMMUNICATION ON PROGRESS

This Report constitutes our 2020 Communication on Progress in compliance with the Ten Principles of the UN Global Compact in the areas of human rights, labor rights, the environment, and anti-corruption. The GRI Content Index included in this Report shows the relationship with the 10 Principles and indicates the pages on which each one of them is addressed.

Categories	Principles
Human Rights	Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2 - Make sure that they are not complicit in human rights abuses.
Labor	Principle 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4 - the elimination of all forms of forced and compulsory labor; Principle 5 - the effective abolition of child labor; and Principle 6 - the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7 - Businesses should support a precautionary approach to environmental challenges; Principle 8 - undertake initiatives to promote greater environmental responsibility; and Principle 9 - encourage the development and diffusion of environmentally friendly technologies
Anti-corruption	Principle 10 - Businesses should work against corruption in all its forms, including extortion and bribery.

ANNEX II
2020 CORPORATE GOVERNANCE REPORT

INTRODUCTION

The Argentine Securities Commission issued General Resolution No. 797/2019 establishing general corporate governance guidelines for listed companies. Corporate governance is the collection of practices, processes, and structures used to run and control companies. In general terms, good corporate governance practices help create an atmosphere of trust and transparency which seeks to thrive long-term investment, financial certainty, and business integrity. The implementation of these practices also enables companies to improve their competitiveness, reputation, and dialog with investors and other stakeholders.

The Argentine Securities Commission's Code of Corporate Governance Practices is structured on the basis of three tiers: Principles, Recommended Practices, and Guidelines. The Principles are general concepts underpinning good corporate governance that serve to guide and inspire the Recommended Practices established by the Code and other *ad-hoc* practices that best suit the company. The second tier includes specific Recommended Practices regarded as the "best practices." Each practice can be deemed "applied" when a company implements it as established by the Code. Lastly, the Guidelines are the rationale behind and the explanation for the Principles and Practices. The purpose of the Guidelines is to steer, inspire, and clarify the matters discussed in each chapter.

Companies are required to prepare a report, which is to be submitted to the regulatory agency annually together with the Annual Report. In this report, the Board of Directors is required to explain in detail how the principles are applied under the so-called "applicable or not applicable, please explain" system. Under this system, corporate governance should not translate into a strict model of rules applicable in like manner to all companies. Rather, the principles are sufficiently flexible and broad in scope to provide companies with a certain degree of freedom upon explaining whether a given practice is implemented or not. This is why the Board of Directors can offer a reasoned explanation denoting an alternative manner in which a principle is applied.

The Bank relies on a Corporate Governance Policy that establishes the general guidelines for all practices and processes implemented by the Bank taking into account the good practices stemming from the recommendations issued by the Argentine Securities Commission and the Argentine Central Bank.

CORPORATE GOVERNANCE REPORT

A) THE ROLE OF THE BOARD OF DIRECTORS

Principles

I. . The company shall be headed by a professional and qualified Board of Directors, which is responsible for laying the foundations required to ensure the company's sustainable success. The Board of Directors is the guardian of the company and of its Shareholders' rights.
II. The Board of Directors is responsible for determining and promoting corporate values and culture. In discharging its duties, the Board of Directors shall ensure the observance of the highest ethical and integrity standards in the best interests of the company.
III. The Board of Directors is responsible for guaranteeing a corporate vision- and mission-driven strategy in line with the company's values and culture. The Board of Directors shall constructively engage with the management to ensure that the company's strategy is properly developed, executed, monitored, and updated.
IV. The Board of Directors is in charge of continually controlling and monitoring the company's management, ensuring that the managers take action as appropriate towards the implementation of the strategy and the business plan approved by the Board of Directors.
V. The Board of Directors shall rely on policies and mechanisms required for the efficient and effective discharge of duties both by the Board of Directors and each of its members.

Practices

1. The Board of Directors establishes the company's general strategy and approves the strategic plan developed by the management. To such end, the Board of Directors takes into account environmental, social, and corporate governance factors. The Board of Directors monitors its implementation through key performance indicators in furtherance of the best interests of the company and its shareholders.

2. The Board of Directors monitors the management and ensures that an adequate internal control system providing for clear lines of reporting is developed, implemented, and maintained by such management.

3. The Board of Directors designs corporate governance structures and practices, appoints the officer responsible for their implementation, monitors the effectiveness of such structures and practices, and suggests changes as may be required.

4. The Board of Directors is responsible for the approval of policies that foster inclusion and diversity and for ensuring the existence of education and training policies on gender issues and on the prevention or management of gender-based violence.

5. The members of the Board of Directors have plenty of time to discharge their duties in a professional and efficient way. The Board of Directors and its committees have established clear and formal rules for their operation and organization, which are available on the company's website.

Application

The affairs of the Bank are managed by the Board of Directors, which defines and establishes the company's vision, mission, and values. The Board also devises the global business strategy within an adequate risk management framework oriented to maintaining the Bank's liquidity and solvency and business sustainability in the long term. The Board of Directors promotes corporate governance practices and monitors the implementation of the Corporate Governance Code by sharing the Bank's corporate principles and values while reaffirming its commitment. The Corporate Governance and Appointment Committee is responsible for the implementation and follow-up of applicable good practices. The Committee reports to the Board of Directors after every meeting held, recording any issues addressed in minutes.

By participating in the Bank's committees, the Board of Directors assesses the performance of senior managers by monitoring the discharge of their duties and controls the implementation of the actions required in order to identify, assess, monitor, control, and mitigate any risks undertaken. This review is conducted through a follow-up of the Budget and Business Plans and their adjustment to align them with the strategy defined by the Board of Directors. The Bank has a communication channel in place for the timely revision of policies and the monitoring of corporate goals.

Through the Corporate Governance and Appointment Committee, the Board of Directors conducts an annual review of the Corporate Governance Code to make sure that it is in line with the Bank's profile, based on its size, complexity, and relative importance within the financial system.

The Board of Directors and the committees rely on clear, written, and formal operating rules which describe the scope of their duties and responsibilities. The Board of Directors' Rules are available on our corporate website. The Board's composition and the committees' structure, as well as the names of their members, are shared with third parties through the Bank's website.

There are no restrictions as to the number of companies in which the members of the Board of Directors can hold similar positions. However, commitment and readiness to perform their duties are a must. Except for any unexpected contingencies, the members of the Board of Directors shall attend all meetings of the Board.

B) CHAIRMAN OF THE BOARD OF DIRECTORS AND CORPORATE SECRETARY

Principles

VI. The Chairman of the Board of Directors is responsible for ensuring the Board of Directors' proper discharge of its duties and for guiding its members. The Chairman shall create a positive work environment and promote the constructive engagement of board members while ensuring their reliance on the elements and information required to make decisions. This also applies to the chairperson of the Board of Directors' committees.

VII. The Chairman of the Board of Directors shall lead processes and establish structures in furtherance of the commitment, objectivity, and proficiency of its members as well as the body's best performance as a whole and evolution based on the company's needs.

VIII. The Chairman of the Board of Directors shall ensure that the Board of Directors in its entirety is involved in and responsible for the succession to the general manager.

Practices

1. The Chairman of the Board of Directors is responsible for the proper organization of the Board of Directors' meetings, prepares the items on the agenda with the cooperation of all the other members, and ensures that they all receive the materials required sufficiently in advance to participate in an efficient and informed way. The chairpersons of the committees have the same responsibilities when presiding over committees' meetings.

2. The Chairman of the Board of Directors sees to the Board of Directors' proper internal operation through the implementation of formal annual assessment processes.

3. The Chairman is responsible for creating a positive and constructive work environment for all the members of the Board of Directors and for ensuring that they receive continuous training to keep up to date and properly discharge their duties.

4. The Corporate Secretary provides the Chairman of the Board with support for the effective management thereof and with assistance in the communication between shareholders, the Board of Directors, and the management.

5. The Chairman of the Board of Directors is responsible for ensuring all the members' participation in the development and approval of the company's general manager succession plan.

Application

The Secretary of the Board of Directors assists the Chairman of the Board in discharging his duties and sees to the proper conduct of proceedings at the Board of Directors' and Shareholders' meetings. Among the Secretary's main duties is to provide Directors and Shareholders with the items on the agenda that will be addressed at the scheduled meetings and with any information relevant to the Shareholders' Meeting sufficiently in advance for their analysis.

The Secretary is also responsible for properly recording the proceedings at the Board's meetings in the relevant minutes books and for the proper registration of all corporate documentation.

The Board of Directors has established the Board of Directors' Self-assessment Policy and the Corporate Governance Committee is responsible for its implementation and review. The Policy is implemented individually through a Self-assessment Survey.

The assessment is qualitative in nature and focuses on the Board of Directors' operation as a multi-member body, the frequency and length of the meetings, the timely availability of adequate information, the assessment of the Senior Management, and, lastly, personal issues.

The Board of Directors' self-assessment process is held during the first quarter of each year and the Corporate Governance Committee evaluates the results obtained. The directors that serve on the Committee are responsible for disclosing the results to the Board. The management results are also presented in the Integrated Annual Sustainability Report, which is included in the Annual Report for the relevant year.

C) BOARD OF DIRECTORS' COMPOSITION, APPOINTMENT, AND SUCCESSION

Principles

IX. The Board of Directors shall rely on adequate levels of independence and diversity to make decisions in the best interests of the company, keeping away from groupthink and decision-making by single members or dominating groups within the Board.

X. The Board of Directors shall ensure that the company has formal procedures in place for the nomination and appointment of candidates to hold positions within the Board as a part of a succession plan.

Practices

1. At least, two members of the Board of Directors shall be independent under the criteria in force established by the Argentine Securities Commission.

2. The company has a Nomination Committee made up of at least three (3) members and chaired by an independent director. Should the Chairman of the Board of Directors preside over the Nomination Committee, he or she shall refrain from participating in any discussions regarding the appointment of his or her own successor.

3. Through the Nomination Committee, the Board of Directors devises a succession plan for its members to steer the shortlisting process and takes into account non-binding recommendations made by its members, the general manager and shareholders.

4. Under the Argentine Central Bank's rules, it is a good practice for companies to adopt gender parity criteria regarding the Board of Directors' composition, thus enhancing discussions and enriching the decision-making process, and to consider the gradual appointment of women to fill or continue to fill a position until reaching gender parity.

5. The Board of Directors implements a guidance program for newly appointed members.

Application

Banco Macro has independent directors pursuant to the standards applicable to it as a financial institution issuing shares as a publicly-traded company listed on local stock exchanges and the New York Stock Exchange. Directors' independence makes it possible to ensure independence and consolidate objectivity in the decision-making process.

Nowadays, the Bank does not have a policy in place to maintain a specific proportion of independent directors over the total number of directors, nor does it rely on specific policies providing that such independent directors shall hold exclusive meetings.

The Bank has a Corporate Governance and Appointment Committee presided over by an independent director. The Committee is organized in such a way that independent directors hold a majority and chair the Committee.

The duties and responsibilities of the Corporate Governance and Appointment Committee do not include the development of a succession plan for the Committee's or the Board of Directors' members. The candidates to serve on the Board of Directors of Banco Macro S.A. are nominated by the shareholders and appointed at the Shareholders' Annual General Meeting.

It is the Bank's policy that the shareholders present at the meeting where the appointment of the members of the Board of Directors is discussed shall be asked to inform under oath of the independence of the candidates proposed.

The Bank has implemented a training and education program for the members of the Board of Directors and the Senior Management. The program takes into account both legal and regulatory matters, issues connected with corporate sustainability practices, the development of products and services, innovation, financial education, and other business matters. The Secretary of the Board of Directors is in charge of coordinating the preparation and approval of the Board of Directors' Training Plan.

D) REMUNERATION

Principles

XI. The Board of Directors shall create remuneration incentives to ensure that the performance of both the managers —headed by the general manager — and the Board of Directors is in line with the company's long-term interests so that all directors can discharge their duties to shareholders in an equitable manner.

Practices

1. The company has a Remuneration Committee which is made up of at least three (3) members. Members shall be independent or not officers.

2. Through the Remuneration Committee, the Board of Directors establishes a remuneration policy for the general manager and the members of the Board.

Application

The Bank has an Incentives Committee, which is responsible for defining a Fixed and Variable Remuneration Policy applicable to all of Banco Macro's employees, including senior managers.

The Variable Remuneration Policy is in line with the Bank's mission and values, goals, long-term business sustainability, strategy, control environment, and prudent risk taking.

Its purpose is to reward employees' outstanding performance based on i) their contribution to the results obtained and ii) the way of working in consistency with the bank's mission and values.

Banco Macro seeks to remunerate its employees by ensuring that they are rewarded for their performance, internal equity, competitiveness, productivity, efficiency, and added value.

The Incentives Committee is not responsible for determining the Board of Directors' remuneration. Rather, the amount is established at the Shareholders' General Meeting based on reasonableness criteria depending on the results obtained under its administration. As provided by Companies Act No. 19,550, as amended and supplemented, the Shareholders at the Shareholders' General Meeting may entrust the Board of Directors with the individual allocation of the remuneration approved. Every year, the Board of Directors submits the Board's proposed remuneration as a multi-member body for consideration by the Shareholders at the Shareholders' General Meeting.

As provided by Section 261 of the Companies Act and the rules issued by the Argentine Securities Commission, the maximum remuneration amount payable to the members of the Board of Directors in every respect cannot be higher than twenty percent (25%) of the profits. This maximum amount is limited to five percent (5%) when no dividends are distributed among shareholders and increased proportionately to the distribution of dividends until the twenty-five percent (25%) cap is reached when all profits are distributed.

When the compliance with special commitments or the discharge of technical and administrative duties by one or more directors requires that such predetermined limits be increased, any remuneration in excess may be paid only if expressly approved by the Shareholders at the Shareholders' Meeting.

As a good practice, in order to serve on the Committee, the Board of Directors appoints independent members with experience in risk management and knowledge of remuneration systems.

E) CONTROL ENVIRONMENT

Principles

XII. The Board of Directors shall ensure the existence of a control environment consisting of internal controls developed by the management, internal audit, risk management, regulatory compliance, and external audit staff and defining the lines of defense required to ensure the integrity of the company's operations and financial reports.
XIII. The Board of Directors shall ensure the existence of a comprehensive risk management system that enables the managers and the Board of Directors to efficiently lead the company towards attaining its strategic goals.
XIV. The Board of Directors shall ensure that a department or a person (depending on the size and complexity of the business, the nature of its operations, and the risks faced) is responsible for the internal audit of the company. In order to assess and audit the company's internal controls, corporate governance processes, and risk management, the auditor or audit department shall be independent and objective, with clearly established lines of reporting.
XV. The Board of Directors' Audit Committee shall be made up of qualified and experienced members and discharge its duties in a transparent and independent manner.
XVI. The Board of Directors shall establish adequate procedures to ensure that the external auditors discharge their duties in an independent and effective way.

Practices

1. The Board of Directors determines the company's risk-taking level and supervises and ensures the existence of a comprehensive risk management system to identify and assess the risks faced by the company, decide on the course of action to be taken, and monitor such risks, which include, among others, short- and long-term business, social, and environmental risks.

2. The Board of Directors monitors and verifies the effectiveness of the independent internal audit and guarantees the availability of resources for the implementation of an annual risk-based audit plan and a line of reporting directly to the Board of Directors' Audit Committee.

3. The internal auditor or the members of the internal audit department are independent and highly qualified.

4. The Board of Directors has an Audit Committee, which discharges its duties based on a set of regulations. The Committee is mostly made up of and presided over by independent directors. The general manager cannot serve on it. Most of its members have professional experience in finance and accounting.

5. The Board of Directors, based on the opinion of the Audit Committee, approves an external auditors' selection and monitoring policy providing for the indicators to be taken into account upon submitting a recommendation at the Shareholders' Meeting as to whether external auditors should continue to hold their position or be replaced.

Application

Banco Macro, in furtherance of its own policy and the implementation of the guidelines required for proper risk management, has decided to create a Risk Management Committee and the position of Comprehensive Risk Management Manager. The individual holding such position shall ensure that the Bank relies on specific policies on the administration and management of operational (including technological risk), credit, market (including liquidity and rate), counterparty, securitization, strategic, and reputation risks.

The risk management process involves a number of responsibilities on the part of the Board of Directors, the general manager, first line managers and bank officers and includes all of the Bank's employees.

Risk management seeks to define strategies and identify potential events that may affect the company in order to manage their effects within the range of risk accepted and provide reasonable assurance as to the attainment of goals. Accordingly, the Bank relies on a comprehensive policy and several specific policies for each of the risks to which it is exposed.

In addition, the Bank's Internal Audit Management Department is tasked with assessing the proper operation of the internal control system and the observance of industry-specific regulations and the policies and procedures established by the Board of Directors with the professionalism, objectivity, and independence inherent in the function.

The Internal Audit Management Department is independent, reports directly to the Internal Audit Committee, and relies on adequate resources and a budget consistent with the complexity of business. Every year, it prepares and submits the Annual Audit Plan to the Committee for its approval.

The Audit Committee is made up of three directors and one alternate director. It is responsible for annually reviewing the Internal Audit Department's performance and the degree of independence enjoyed by it. It also assesses the suitability, experience, and performance of the external auditors on an annual basis.

F) ETHICS, INTEGRITY, AND COMPLIANCE

Principles

XVII. The Board of Directors shall design and establish suitable structures and practices to promote a culture of ethics, integrity, and regulatory compliance that makes it possible to prevent, detect, and respond to serious personal or corporate misconduct.

XVIII. The Board of Directors shall ensure that formal mechanisms are in place to prevent or otherwise deal with any conflicts of interests facing managers and directors. It shall rely on formal procedures intended to guarantee that any operations between related parties are carried out in the best interests of the company while all shareholders are afforded equitable treatment.

Practices

1. The Board of Directors is responsible for approving a Code of Ethics and Conduct that reflects the company's ethical and integrity values and principles as well as its culture. The Code of Ethics and Conduct is shared with and binding upon all directors, managers, and employees.

2. The Board of Directors regularly establishes and reviews, based on the risks, size, and economic capacity, an Ethics and Integrity Program. The plan is clearly and unequivocally supported by the management, which appoints an internal officer that shall develop, coordinate, monitor, and regularly assess the program as to its effectiveness. The program provides for the following: (i) regular training on compliance, ethics, and integrity matters for directors, managers and employees; (ii) internal channels to report irregularities available to third parties and properly advertised; (iii) a policy for the protection of whistleblowers against retaliation and an internal investigation system that respects the rights of those under investigation and imposes effective penalties upon the violations of the Code of Ethics and Conduct; (iv) integrity policies applicable to bidding processes; (v) mechanisms for the regular analysis of risks and the monitoring and assessment of the Program; and (vi) procedures to verify the integrity and track record of third parties or trading partners (including the due diligence performed to verify the existence of any irregularities, offenses, or vulnerabilities during acquisition and corporate transformation processes), including suppliers, distribution companies, service providers, agents, and intermediaries.

3. The Board of Directors ensures the existence of formal mechanisms to prevent and handle conflicts of interests. In the case of operations involving related parties, the Board of Directors shall approve a policy that defines each corporate body's role and how to detect, handle and disclose those operations that may adversely affect the company or certain investors.

Application

The Bank has implemented a Code of Ethics applicable to the members of the Board of Directors and Senior Management. The Bank expects them to discharge their duties while upholding, in every respect, the highest standards of personal and professional integrity, to comply with the applicable law, and to deter the commission of reprehensible acts.

The Code of Ethics provides for guidelines and formal mechanisms to handle situations entailing a conflict of interest. It establishes that duties shall be discharged honestly and ethically, including the ethical handling of conflicts of interest, whether real or apparent, within the framework of personal and professional relations and also among co-workers and down hierarchy staff. The Audit Committee shall be informed of any significant operation or personal relationship that may reasonably entail a conflict of interest.

The Code of Ethics is supplemented by the Bank's Code of Conduct, which applies to all employees.

The purpose of the Code of Conduct is to establish the principles and values to be upheld by all of the Bank's employees, who are informed of the ethical and conduct standards defined by the Board of Directors and undertake to observe them at all times. The scheme is supplemented by training programs or specific communication actions regarding the scheme in general or specific situations that prove worthy of attention. The members of the Board of Directors and Senior Management assume the leadership role in this area, imposing a line of conduct that applies to all employees on a top-down basis.

Banco Macro S.A. has implemented an Integrity Program pursuant to Corporate Criminal Liability Act No. 27,401, applicable laws and regulations, and the good practices introduced by relevant agencies.

This Program is based on the Anti-corruption Policy, which was approved by the Board of Directors and provides, *inter alia*, for the following:

i) The implementation of training courses or regular dissemination activities regarding compliance, integrity, and ethics and targeted at directors, the senior managers, employees, and third parties.
ii) A reporting line and a report handling protocol.
iii) The protection of whistleblowers from any possible retaliation.
iv) Integrity policies shared with suppliers or trading partners.
v) The regular analysis of the program, including the risk matrix and the monitoring and reporting scheme.
vi) Guidelines to interact with public officials and to detect the existence of vulnerabilities in acquisition or corporate transformation processes.
vii) A Code of Conduct for Suppliers and guidelines applicable to the relations with trading partners through the inclusion of contract clauses.

The Board of Directors has resolved that the Ethics and Compliance Committee shall be responsible for the enforcement and follow-up of the Policy and shall regularly to the Board of Directors. In addition, the Board has appointed a member of the Senior Management to implement the Integrity Program and established that the Compliance Management Department shall monitor that the Program is complied with.

G) PARTICIPATION OF SHAREHOLDERS AND STAKEHOLDERS

Principles

XIX. The company shall afford equitable treatment to all Shareholders and guarantee equal access to non-confidential information relevant to decision-making at the company's shareholders' meetings.
XX. The company shall promote the active and informed participation of all Shareholders, particularly in the appointment of the members of the Board of Directors.
XXI. The company shall rely on a transparent Policy on the Distribution of Dividends in line with the corporate strategy.
XXII. The company shall take into account its stakeholders' interests.

Practices

1. The company's website shall include financial and non-financial information, provide all investors with equal and timely access thereto, and feature a special section for Investors to submit their queries.

2. The Board of Directors shall ensure that there is a stakeholder identification and classification procedure in place and a stakeholder-exclusive communication channel.

3. Before the Shareholders' Meeting is held, the Board of Directors shall provide the shareholders with a "provisional information package" to enable them to make non-binding comments and share dissenting opinions on the recommendations submitted by the Board of Directors through a formal communication channel. Upon delivery of the final information package, the Board of Directors shall expressly address such comments as deemed convenient.

4. The company's bylaws establish that the shareholders can receive information packages for the Shareholders' Meetings through virtual means of communication. They are also allowed to attend Shareholders' Meetings through electronic media insofar as they enable the simultaneous transmission of sound, image, and words, making sure that all participants receive equal treatment.

5. The Policy on the Distribution of Dividends is in line with the company's strategy and clearly establishes the criteria, frequency, and conditions applicable to such distribution.

Application

Banco Macro promotes reporting transparency by making its corporate and financial information immediately and widely available to investors, shareholders, customers, and the public at large —its stakeholders— based on the rules and best practices applicable thereto. Our Investors Relations website can be accessed following this link: https://www.macro.com.ar/relaciones-inversores/home.

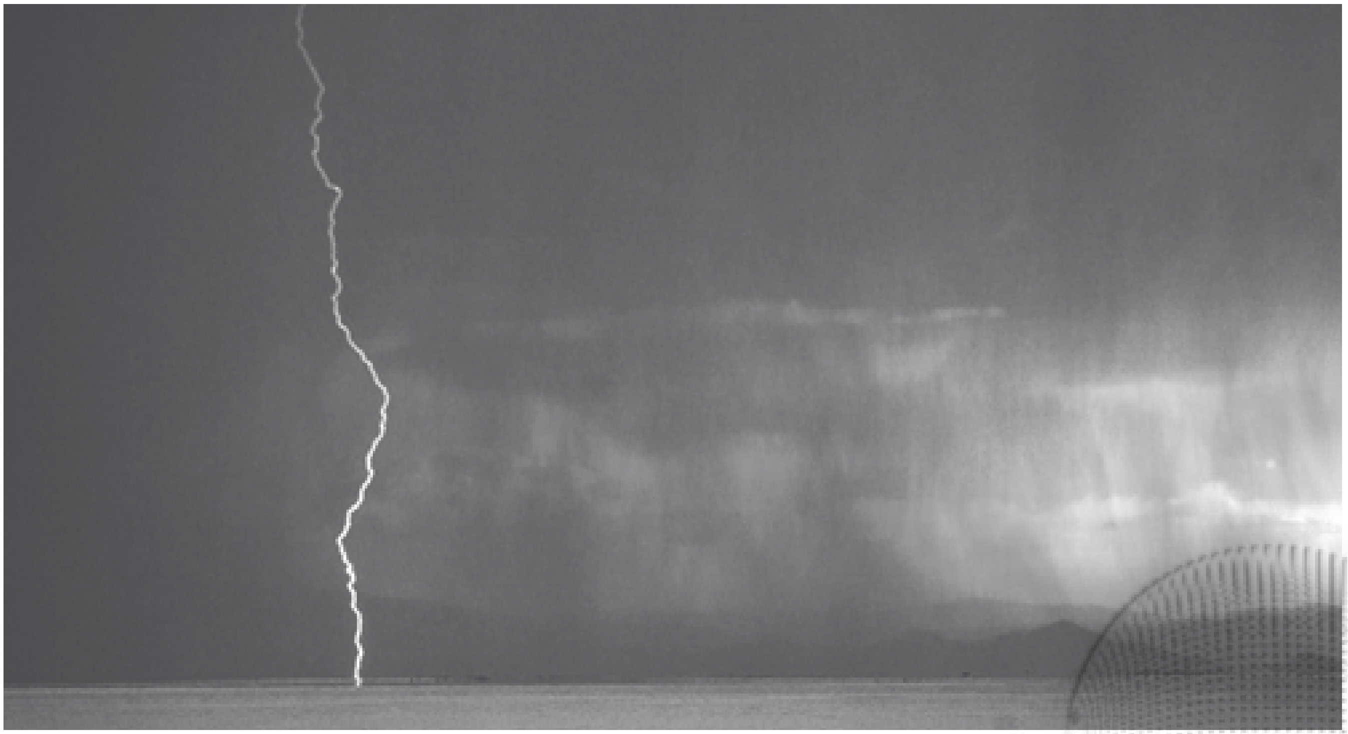
The Bank has appointed an Investor Relations Officer with a view to creating and maintaining the bonds with institutional investors, analysts, and other local and international financial system agents. Coupled with the reporting transparency principle is the Bank's willingness to solve any queries and concerns.

Sufficiently in advance before a Shareholders' Meeting is held, the Secretary of the Board of Directors provides the Shareholders with the items on the agenda and any supporting information for the analysis of the business to be transacted. The Board of Directors' Rules set forth that directors may attend meetings through any communication media that enables the simultaneous transmission of sound, image, and words, such as video conferencing or the like.

The Bank's Policy on the Distribution of Dividends seeks to maintain an adequate balance between any amounts distributed and the expansion and investment policies without compromising its liquidity or solvency. The distribution of dividends to shareholders is governed by the Argentine Central Bank's Rules (Restated Rules – Accounting and Audit – B. Accounts Handbook– 9. Distribution of Earnings).

It should be noted that the distribution of dividends is subject to the Argentine Central Bank's prior authorization.

Dividends shall be paid in proportion to the shares owned by each shareholder as recorded in the register of shareholders kept by the Bank. In conformity with the applicable rules issued by the Argentine Securities Commission, dividends shall be paid within thirty (30) calendar days following their approval at the Shareholders' Meeting. As provided by the rules of Argentine Stock Exchange Markets (BYMA), the payment of cash dividends shall start within ten (10) days following the resolution issued by the competent body.



Facilitating

2020 GRI CONTENT INDEX AND COMMUNICATION ON PROGRESS

The following Content Index has been prepared in compliance with the GRI Standards requirements, Comprehensive Option.

The Index shows the relationship between such contents and the Principles of the UN Global Compact, as this publication is our 2020 Communication on Progress (COP), and the Targets of the Sustainable Development Goals, which have already been made a priority by the Bank and are relevant to the GRI Content Index.

2020 GRI Content Index and Communication on Progress

GRI Standard	Content	Page No.	Omission	Principles of the UN Global Compact	Targets of the Sustainable Development Goals (SDGs)(1)
GRI 101: Foundation 2016 **General Contents**					
GRI 102: General Disclosures 2016	102-1 Name of the organization	48			
	102-2 Activities, brands, products, and services	48, 54-59, 91-104, 106-143. Banco Macro does not sell products or offer services forbidden in other markets.			
	102-3 Location of headquarters	Its headquarters are located in Buenos Aires, Argentina.			
	102-4 Location of operations	Banco Macro operates in all the regions of Argentina.			
	102-5 Ownership and legal form	48			
	102-6 Markets served	16-22, 107, 109, 125, 131-133, 136-137			
	102-7 Scale of the organization	82-83, 146			
	102-8 Information on employees and other workers	146. All of Banco Macro's employees work full time under a contract of employment.		Principle 6	8.5
	102-9 Supply chain	179-181			
	102-10 Significant changes to the organization and its supply chain	49			
	102-11 Precautionary principle or approach	50-52, 58-59, 70-73, 184-191			
	102-12 External initiatives	27, 52, 195-201			
	102-13 Membership of associations	52			
	102-14 Statement from senior decision-maker	10-11			
	102-15 Key impacts, risks, and opportunities	10-11, 50-59, 70-73			
	102-16 Values, principles, standards, and norms of behavior	47, 50-59, 68-73		Principle 10	

2020 GRI Content Index and Communication on Progress

GRI Standard	Content	Page No.	Omission	Principles of the UN Global Compact	Targets of the Sustainable Development Goals (SDGs)[1]
GRI 102: General Disclosures 2016	102-17 Mechanisms for advice and concerns about ethics	69, 210-211		Principio 10	
	102-18 Governance structure	61-67			
	102-19 Delegating authority	61-62			
	102-20 Executive-level responsibility for economic, environmental, and social topics	Banco Macro's Institutional Relations Management Department works in direct liaison with the Board of Directors and manages both the Sustainability Strategy and Fundación Banco Macro.			
	102-21 Consulting stakeholders on economic, environmental, and social topics	74, 195-196, 211-212			
	102-22 Composition of the highest governance body and its committees	61-67. The shareholders nominate and appoint the members of the Board of Directors at the Shareholders' Meeting as provided for in Companies Act No. 19,550 and Banco Macro's bylaws.			5.5
	102-23 Chair of the highest governance body	Neither the Chairman nor the members of the Board of Directors discharge executive duties. The Argentine Central Bank's rules establish specific guidelines on the exercise of executive duties by the directors of certain financial institutions, mainly those with a key role in the financial system, precluding such possibility.			16.6
	102-24 Nominating and selecting the highest governance body	61-67. Banco Macro's Corporate Governance Policy provides for the diversity of composition of the Board of Directors. It does not set out any minimum requirements or composition quotas.			5.5
	102-25 Conflicts of interest	61-69, 210-211. No conflicts of interest occurred in 2020.			16.6
	102-26 Role of highest governance body in setting purposes, values, and strategy	50-52, 61-62, 204-205			
	102-27 Collective knowledge of highest governance body	61-62, 205. The members of the Board of Directors received training on anti-corruption and anti-money laundering issues, among others.			
	102-28 Evaluating the highest governance body's performance	61-62, 205-206			
	102-29 Identifying and managing economic, environmental, and social impacts	68-74, 195-196, 206-207			
	102-30 Effectiveness of risk management processes	68-74, 195-196, 206-207			
	102-31 Review of economic, environmental, and social topics	61-67, 205-207. The Board of Directors holds a meeting at least once a month.			
	102-32 Highest governance body's role in sustainability reporting	The report is approved by the President of the Bank.			

2020 GRI Content Index and Communication on Progress

GRI Standard	Content	Page No.	Omission	Principles of the UN Global Compact	Targets of the Sustainable Development Goals (SDGs)[1]
GRI 102: General Disclosures 2016	102-33 Communicating critical concerns	69, 74, 211-212			
	102-34 Nature and total number of critical concerns	61-62, 69, 195-196. The report handling protocol contains a classification for the identification of critical incidents, which are immediately reported to the Ethics and Compliance Committee for their consideration in order to decide how they will be dealt with and devise an action plan.			
	102-35 Remuneration policies	61-63, 67, 195-196, 205-208			
	102-36 Process for determining remuneration	61-63, 67, 195-196, 205-208			
	102-37 Stakeholders' involvement in remuneration	No external stakeholders' opinions are considered upon determining remunerations.			
	102-38 Annual total compensation ratio		Confidentiality issues. Given the local context in which Banco Macro conducts business, this information is kept confidential in order to ensure the personal safety of its staff and senior management.		
	102-39 Percentage increase in annual total compensation ratio		Confidentiality issues. Given the local context in which Banco Macro conducts business, this information is kept confidential in order to ensure the personal safety of its staff and senior management.		
	102-40 List of stakeholder groups	27, 50-59			
	102-41 Collective bargaining agreements	All our employees are included in the collective bargaining agreement entered into by the Banking Labor Union.		Principle 3	8.8
	102-42 Identifying and selecting stakeholders	50-59, 195-196			

2020 GRI Content Index and Communication on Progress

GRI Standard	Content	Page No.	Omission	Principles of the UN Global Compact	Targets of the Sustainable Development Goals (SDGs)[1]
GRI 102: General Disclosures 2016	102-43 Approach to stakeholder engagement	27, 69, 74, 85-104, 148, 156, 164-168, 171, 179-183			
	102-44 Key topics and concerns raised	69, 85-104			
	102-45 Entities included in the consolidated financial statements	48			
	102-46 Defining report content and topic boundaries	195-201			
	102-47 List of material topics	195-196			
	102-48 Restatements of information	In the event the information contained in previous reports is restated, this is included in footnotes where applicable.			
	102-49 Changes in reporting	There are no significant changes in the Scope or Boundary of any aspects with respect to previous reports.			
	102-50 Reporting period	26-27			
	102-51 Date of most recent report	2019			
	102-52 Reporting cycle	Banco Macro presents an integrated report on its economic, social, and environmental performance on a yearly basis.			
	102-53 Contact point for questions regarding the report	sustentabilidad@macro.com.ar Tel: (011) 5222 6500			
	102-54 Claims of reporting in accordance with the GRI Standards	27, 199, 214			
	102-55 GRI Content Index	214-224			
	102-56 External assurance	This report is not subject to external assurance.			
MATERIAL TOPICS **Indirect Economic Impacts**					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-200			
	103-2 The management approach and its components	28-45, 50-52, 54-59, 144-145, 171-178, 193, 195-196			
	103-3 Evaluation of the management approach	28-45, 50-52, 54-59, 144-145, 171-178, 193, 195-196			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	171-178			7.b
	203-2 Significant indirect economic impacts	106-133, 136-142, 171-183			8.3, 8.5
Procurement Practices					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	28-45, 50-52, 54-59, 179-183, 195-201			1.4, 5.1
	103-3 Evaluation of the management approach	28-45, 50-52, 54-59, 179-183, 195-201			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	179-183. "Significant locations of operations" means Banco Macro's core departments and branches located across the country.			8.3

2020 GRI Content Index and Communication on Progress

GRI Standard	Content	Page No.	Omission	Principles of the UN Global Compact	Targets of the Sustainable Development Goals (SDGs)[1]
Anti-corruption					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	28-45, 50-52, 54-59, 61-74, 182-183, 195-201			
	103-3 Evaluation of the management approach	28-45, 50-52, 54-59, 61-74, 182-183, 195-201			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	61-74, 182-183		Principle 10	16.5
	205-2 Communication and training about anti-corruption policies and procedures	61-74, 182-183			16.5
	205-3 Confirmed incidents of corruption and actions taken	No incidents of corruption were reported in 220.		Principle 10	16.5
Materials					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-52, 54-59, 184-186, 187-189, 195-201			
	103-3 Evaluation of the management approach	50-52, 54-59, 184-186, 187-189, 195-201			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	188		Principles 7 and 8	8.4
	301-2 Recycled input materials used	188-189			8.4, 12.5
	301-3 Reclaimed products and their packaging materials		Not applicable given the nature of Banco Macro's activities.	Principle 8	8.4, 12.5
Energy					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-52, 54-59, 184-188, 195-201			
	103-3 Evaluation of the management approach	50-52, 54-59, 184-188, 195-201			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	187-188		Principles 7 and 8	7.2, 7.3, 8.4, 13.1
	302-2 Energy consumption outside of the organization		This information is not available. The company is going to work to have it available in the short term.	Principle 8	7.2, 7.3, 8.4, 13.1
	302-3 Energy intensity	184-188		Principle 8	7.3, 8.4, 13.1
	302-4 Reduction of energy consumption	184-188		Principles 8 and 9	7.3, 8.4, 13.1
	302-5 Reductions in energy requirements of products and services	187-188. Given the nature of Banco Macro's activities, its total energy consumption is related to the service provided.		Principles 8 and 9	7.3, 8.4, 13.1

2020 GRI Content Index and Communication on Progress

GRI Standard	Content	Page No.	Omission	Principles of the UN Global Compact	Targets of the Sustainable Development Goals (SDGs)[1]
Water and Effluents					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-59, 184-187, 195-201			
	103-3 Evaluation of the management approach	50-59, 184-187, 195-201			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	The water used at Banco Macro serves consumption and sanitary purposes and is supplied by a public utility without significantly affecting any water sources.			
	303-2 Management of water discharge-related impacts	The water used at Banco Macro serves consumption and sanitary purposes and is supplied by a public utility without significantly affecting any water sources.			
	303-3 Water withdrawal		This information is not available. The company is going to work to have it available in the short term.		
	303-4 Water discharge		This information is not available. The company is going to work to have it available in the short term.		
	303-5 Water consumption		This information is not available. The company is going to work to have it available in the short term.		
Emissions					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-59, 184-188, 195-201			
	103-3 Evaluation of the management approach	50-59, 184-188, 195-201			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	187-188		Principles 7 and 8	13.1
	305-2 Energy indirect (Scope 2) GHG emissions	187-188		Principles 7 and 8	13.1
	305-3 Other indirect (Scope 3) GHG emissions	187-188		Principles 7 and 8	13.1

2020 GRI Content Index and Communication on Progress

GRI Standard	Content	Page No.	Omission	Principles of the UN Global Compact	Targets of the Sustainable Development Goals (SDGs)[1]
GRI 305: Emissions 2016	305-4 GHG emissions intensity		This information is not available. The company is going to work to have it available in the short term.	Principle 8	13.1
	305-5 Reduction of GHG emissions	187-188		Principles 8 and 9	13.1
	305-6 Emissions of ozone-depleting substances (ODS)		Not applicable given the nature of Banco Macro's activities.	Principles 7 and 8	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		Not applicable given the nature of Banco Macro's activities.	Principles 7 and 8	
Waste					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-59, 184-189, 195-201			
	103-3 Evaluation of the management approach	50-59, 184-189, 195-201			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	184-189			
	306-2 Management of significant waste-related impacts	184-189			
	306-3 Waste generated	184-189			
	306-4 Waste diverted from disposal	184-189			
	306-5 Waste directed to disposal	184-189			
Supplier Environmental Assessment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-59, 179-201			
	103-3 Evaluation of the management approach	50-59, 179-201			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	179-183		Principle 8	
	308-2 Negative environmental impacts in the supply chain and actions taken	179-183. No negative impacts were reported.		Principle 8	
Employment					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-59, 144-157, 195-201			
	103-3 Evaluation of the management approach	50-59, 144-157, 195-201			

2020 GRI Content Index and Communication on Progress

GRI Standard	Content	Page No.	Omission	Principles of the UN Global Compact	Targets of the Sustainable Development Goals (SDGs)[1]
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	144-147, 156		Principle 6	5.1, 8.5, 8.6
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	150-151. All of Banco Macro's employees work full time. "Significant locations of operations" means Banco Macro's core departments and branches located across the country.			8.5
	401-3 Parental leave	155. All the employees are entitled to parental leave.		Principle 6	5.1, 8.5
Training and Education					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-59, 144, 148, 152-154, 195-201			
	103-3 Evaluation of the management approach	50-59, 144, 148, 152-154, 195-201			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	154		Principle 6	4.3, 4.4, 5.1, 8.5
	404-2 Programs for upgrading employee skills and transition assistance programs	152-154			8.5
	404-3 Percentage of employees receiving regular performance and career development reviews	148		Principle 6	5.1, 8.5
Diversity and Equal Opportunity					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-63, 144-157, 195-201			
	103-3 Evaluation of the management approach	50-63, 144-157, 195-201			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	60-67, 144-147		Principle 6	5.1, 5.5, 8.5
	405-2 Ratio of basic salary and remuneration of women to men	Both men and women receive the same basic salary per occupational category.		Principle 6	5.1, 8.5
Non-discrimination					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-59, 144-145, 157, 183, 195-201			
	103-3 Evaluation of the management approach	50-59, 144-145, 157, 183, 195-201			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incidents occurred in 2020.		Principle 6	5.1, 8.8
Freedom of Association and Collective Bargaining					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-59, 144-145, 195-201			
	103-3 Evaluation of the management approach	50-59, 144-145, 195-201			

2020 GRI Content Index and Communication on Progress

GRI Standard	Content	Page No.	Omission	Principles of the UN Global Compact	Targets of the Sustainable Development Goals (SDGs)[1]
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Banco Macro believes that employee representation is essential for the proper conduct of its business. In this regard, banking-related labor unions are guaranteed fluent dialog. No incidents were reported within Banco Macro in which the right to freedom of association and collective bargaining may be at risk. Based on our suppliers' subscription to the Code of Conduct, no cases involving suppliers were detected in which such right may be in peril.		Principle 3	8.8
Child Labor					
GRI 103: Management Approach 2016	103-1 Explanation of the material t opic and its boundary	195-201			
	103-2 The management approach and its components	50-59, 144-145, 183, 195-201			
	103-3 Evaluation of the management approach	50-59, 144-145, 183, 195-201			
GRI 408: Child Labor 2016	408-1 Operaciones y proveedores con riesgo significativo de casos de trabajo infantil	50-52, 183, 195-201. No incidents were detected within Banco Macro. Based on our suppliers' subscription to the Code of Conduct, no cases involving suppliers were detected of child labor or young workers exposed to hazardous jobs.		Principle 5	
Forced or Compulsory Labor					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-59, 144-145, 183, 195-201			
	103-3 Evaluation of the management approach	50-59, 144-145, 183, 195-201			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	50-52, 183, 195-201. No incidents were detected within Banco Macro. Based on our suppliers' subscription to the Code of Conduct, no cases involving suppliers were detected of forced or compulsory labor.		Principle 4	
Customer Health and Safety					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-59, 85-88, 142-143, 195-201			
	103-3 Evaluation of the management approach	50-59, 85-88, 142-143, 195-201			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	85-88, 142-143			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents of this type were reported in 2020.			

2020 GRI Content Index and Communication on Progress

GRI Standard	Content	Page No.	Omission	Principles of the UN Global Compact	Targets of the Sustainable Development Goals (SDGs)[1]
Marketing and Labeling					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-59, 70, 85-88, 195-201			
	103-3 Evaluation of the management approach	50-59, 70, 85-88, 195-201			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Banco Macro complies with the following regulatory bodies and codes: -Argentine Central Bank (BCRA). -Argentine Securities Commission (CNV). -Argentine Securities Commission's Code of Corporate Governance Practices. -Code of Banking Practices prepared by the different associations of banks and financial institutions of Argentina. -Code of Investor Protection, which includes guidelines and recommendations to comply with investor protection rules within the context of public offers. -Sarbanes-Oxley Act (SOX), as Banco Macro lists its shares on the New York Stock Exchange (NYSE). -NYSE Listed Companies Manual, as amended, applicable to Banco Macro as foreign private issuer. -Financial Information Unit (UIF, for its Spanish acronym) with regard to anti-money laundering and counter-terrorism financing matters.			12.8
	417-2 Incidents of non-compliance concerning product and service information and labeling	Banco Macro is subject to the oversight of the Argentine Central Bank as superintendence authority and did not receive any comments on its products or services.			
	417-3 Incidents of non-compliance concerning marketing communications	No incidents of this type were reported in 2020.			
Customer Privacy					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-59, 102, 142-143, 195-201			
	103-3 Evaluation of the management approach	50-59, 102, 142-143, 195-201			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	42-143. No significant incidents of this type were reported in 2020.			

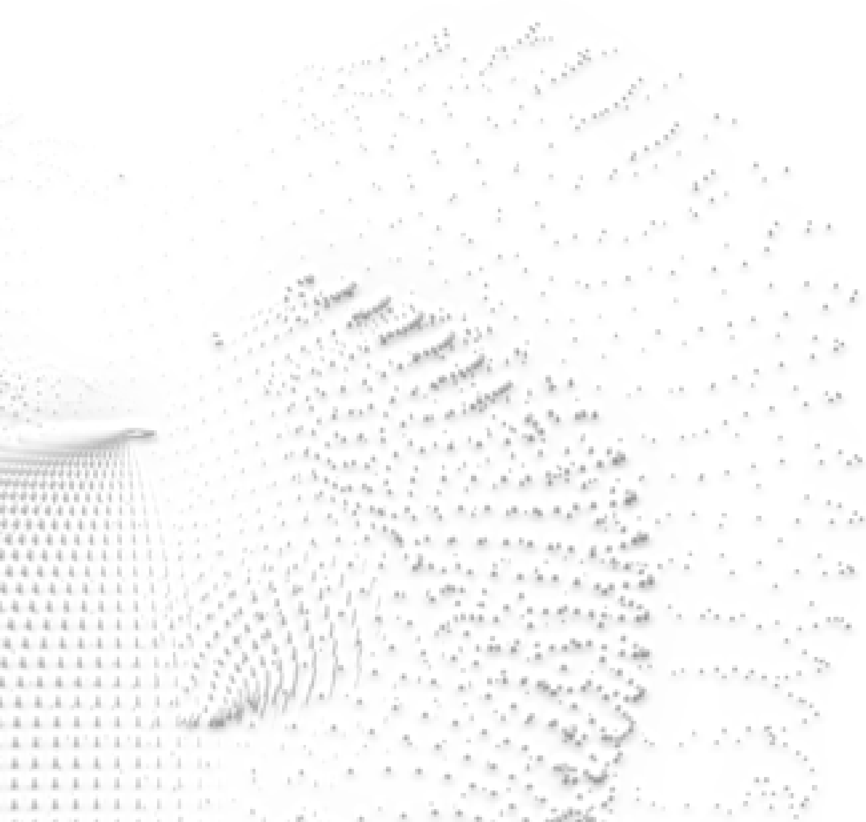
2020 GRI Content Index and Communication on Progress

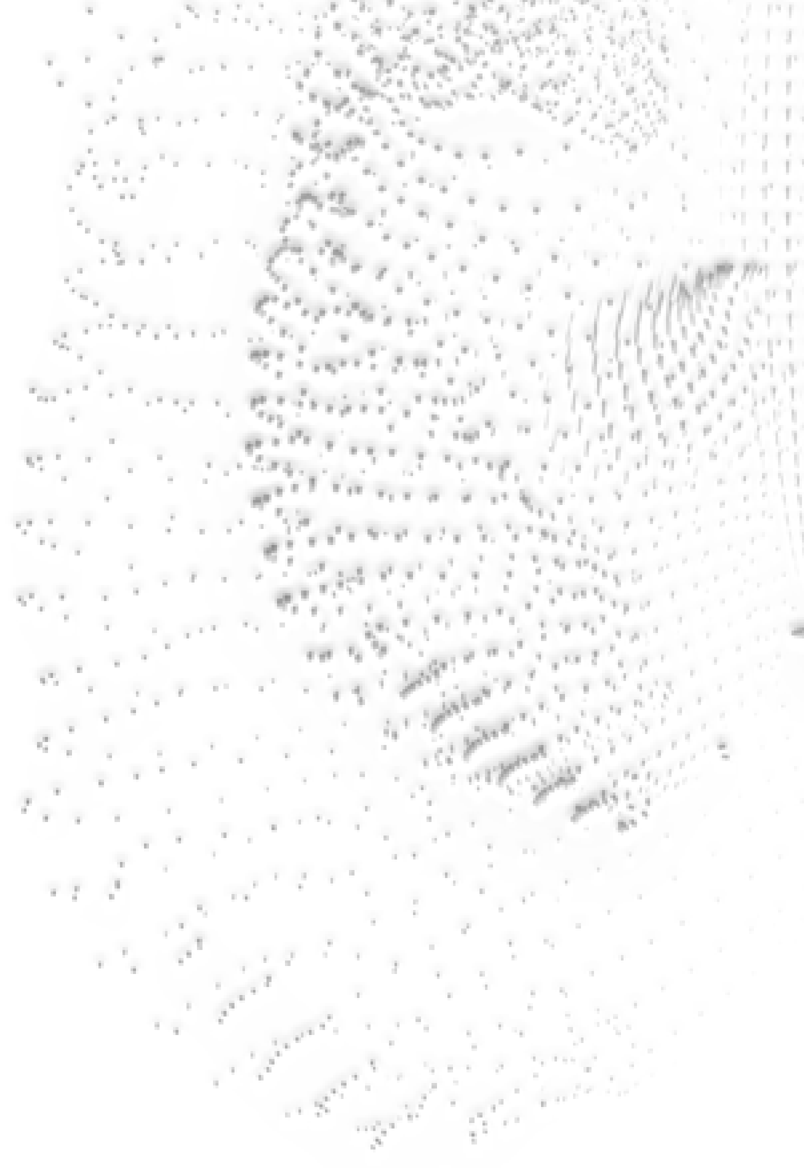
GRI Standard	Content	Page No.	Omission	Principles of the UN Global Compact	Targets of the Sustainable Development Goals (SDGs)[1]
Financial Inclusion					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-59, 106-109, 116-117, 125-128, 139-140, 171-175, 195-201			
	103-3 Evaluation of the management approach	50-59, 106-109, 116-117, 125-128, 139-140, 171-175, 195-201			
	Number of customers per segment	106-109, 125			1.4, 8.3, 8.10, 9.3
	Total monetary value of products and services designed to create social benefits in basic business lines, by goal	104, 111-117, 125-133, 171-178			1.4, 8.3, 8.10, 9.3, 10.2
	Access points in scarcely populated or economically disadvantaged areas, by type	16-18, 139-140			1.4, 8.10, 10.2
	Initiatives to improve access of disadvantaged people to financial services	104, 111-117, 125-133, 171-178			1.4, 8.10, 10.2
Financial Education					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-59, 128, 171-178, 195-201			
	103-3 Evaluation of the management approach	50-59, 128, 171-178, 195-201			
	Number of individuals trained in financial education actions	128, 171-175			1.4, 8.10, 10.2
Customer Experience					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-59, 85-88, 102-103, 195-201			
	103-3 Evaluation of the management approach	50-59, 85-88, 102-103, 195-201			
	Customer satisfaction measuring	85-88			
	Number of claims received and satisfactorily settled	102-103			
Volunteering					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	195-201			
	103-2 The management approach and its components	50-59, 158-160, 171-173, 195-201			
	103-3 Evaluation of the management approach	50-59, 158-160, 171-173, 195-201			
	Number of hours devoted to volunteering work days	158-160, 171-173			
	Number of participants in volunteering program	158-160, 171-173			

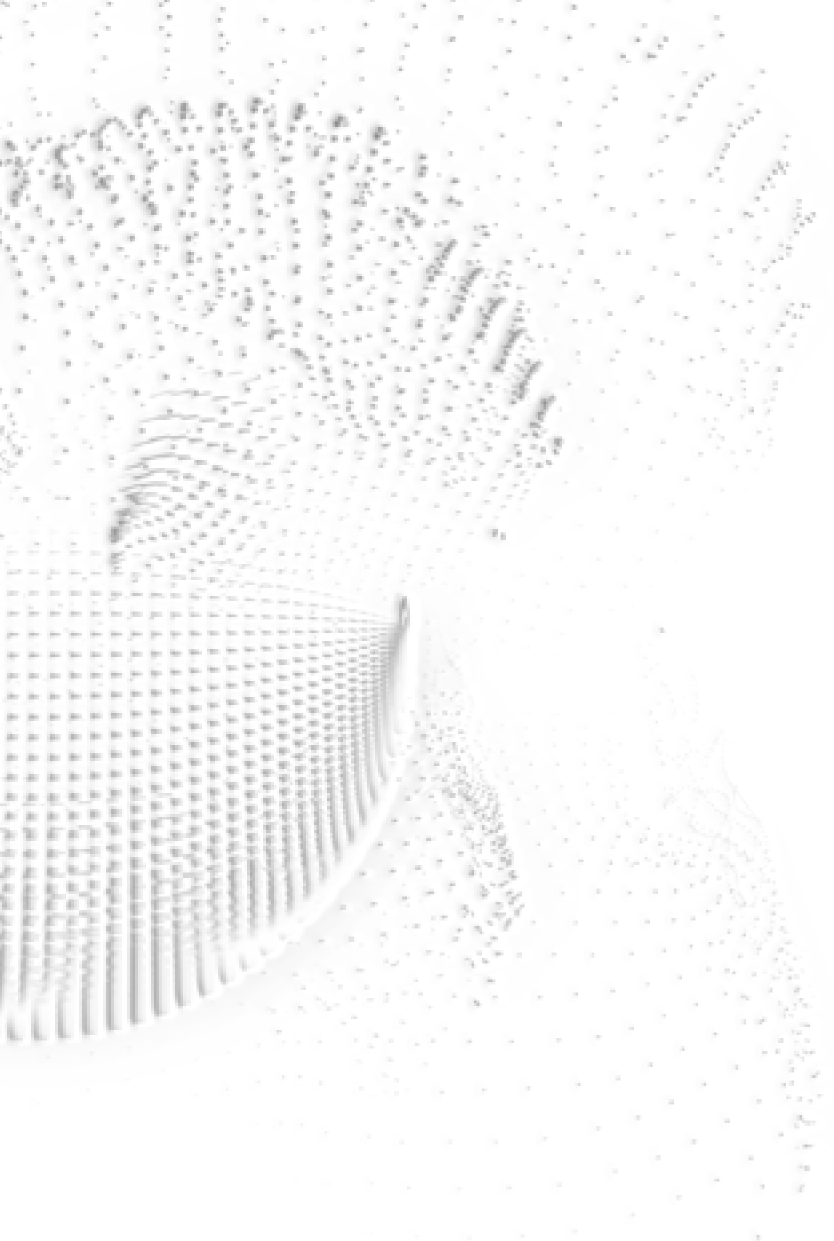
(1) In order to establish the relationships in this table, we only considered the targets of the SDGs made a priority by Banco Macro. We used the online tool powered by SDG Compass "Inventory of Business Indicators," available at https://sdgcompass.org

Simplifying

FINANCIAL STATEMENTS







BANCO MACRO S.A.

Financial Statements as of December 31, 2020, accompanied by the Independent Auditors' Reports and Statutory Audit Committee's Report

CONTENTS

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020

COMPANY NAME:
Banco Macro S.A.

REGISTERED OFFICE:
Avenida Eduardo Madero 1182 - City of Buenos Aires

CORPORATE PURPOSE AND MAIN COURSE OF BUSINESS:
Commercial Bank

ARGENTINE CENTRAL BANK:
"Argentine Private Bank" authorization No. 285

REGISTERED WITH THE PUBLIC REGISTRY OF COMMERCE:
Under No. 1154 - Bylaws Book No. 2, Page 75, on March 8, 1967

ARTICLES OF INCORPORATION EXPIRATION DATE:
March 8, 2066

REGISTERED WITH THE REGISTRAR OF COMPANIES:
Under No. 9777 - Book No. 119, Volume A of Corporations, on October 8, 1996

TAXPAYER ID No.:
30-50001008-4

DATES OF REGISTRATION OF AMENDMENTS TO THE BYLAWS:
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.

Undersigned auditor	Carlos M. Szpunar
Professional Association	Pistrelli, Henry Martin y Asociados S.R.L.
Report for the year ended December 31, 2020	001

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2020, 2019 AND 2018

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Items	Notes	Annexes	12/31/2020	12/31/2019	12/31/2018
ASSETS					
Cash and bank deposits	9	P	129,967,486	137,066,430	156,581,272
Cash			25,422,664	26,563,255	22,401,428
Argentine Central Bank			49,994,923	75,092,641	105,158,422
Other Argentine and foreign banks			54,544,637	35,405,434	28,066,849
Other			5,262	5,100	954,573
Debt securities at fair value through profit or loss	9	A and P	54,982,465	7,725,991	5,518,954
Derivatives	8 and 9	P	7,232	69,003	36,216
Repo transactions	4 and 9	P	39,421,705	1,481,096	
Other financial assets	9 and 12	P and R	18,886,290	8,391,566	6,282,447
Loans and other financing transactions	7 and 9	B, C, D, P and R	257,326,707	300,731,589	375,224,887
Non-financial public sector			3,614,805	8,781,948	3,721,504
Other financial institutions			1,822,643	5,380,555	11,782,119
Non-financial private sector and persons domiciled abroad			251,889,259	286,569,086	359,721,264
Other debt securities	7 and 9	A, P and R	209,123,062	87,890,009	135,258,785
Financial assets transferred as collateral	5, 9 and 32	P	14,292,358	14,530,739	14,149,438
Investments in equity securities	7, 9 and 15	A and P	1,663,017	2,091,428	107,892
Investments in associates and joint arrangements	11	E	203,905	199,216	227,907
Property, plant and equipment		F	34,369,465	35,052,877	32,554,081
Intangible assets		G	5,104,060	4,822,183	4,441,128
Deferred income tax assets	21.c)		63,189	59,115	
Other non-financial assets	12		2,232,053	1,477,587	2,063,777
Non-current assets held for sale			2,258,182	2,383,947	3,134,634
TOTAL ASSETS			**769,901,176**	**603,972,776**	**735,581,418**

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2020, 2019 AND 2018

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Items	Notes	Annexes	12/31/2020	12/31/2019	12/31/2018
LIABILITIES					
Deposits	9	H, I and P	488,741,363	357,866,442	498,349,718
Non-financial public sector			73,565,424	23,906,675	40,444,381
Financial sector			696,415	427,702	310,531
Non-financial private sector and persons domiciled abroad			414,479,524	333,532,065	457,594,806
Derivatives	8 and 9	I and P	230	1,046,556	2,867
Repo transactions	4 and 9	I and P	618,572	1,364,825	344,445
Other financial liabilities	9 and 17	I and P	49,215,887	30,181,836	32,074,038
Financing received from the Argentine Central Bank and other financial institutions	9	I and P	919,103	3,057,451	6,278,682
Bonds issued	9 and 37	I and P	4,926,901	7,521,820	13,355,897
Current income tax liabilities	21	I and P	5,145,324	11,076,651	6,170,762
Subordinated bonds	9 and 37	I and P	34,300,292	33,098,040	32,018,221
Provisions	16	J	1,304,524	2,006,052	2,212,870
Deferred income tax liabilities	21.c)		6,291,243	221,376	4,903,673
Other non-financial liabilities	17		30,356,941	13,776,518	12,309,288
TOTAL LIABILITIES			**621,820,380**	**461,217,567**	**608,020,461**
SHAREHOLDERS' EQUITY					
Capital stock	29		639,413	639,413	669,663
Non-capitalized contributions			12,429,781	12,429,781	12,428,461
Capital adjustments			50,313,147	50,313,147	50,352,382
Reserved earnings			109,816,498	74,776,648	46,065,725
Retained earnings			(50,602,848)	(22,058,528)	20,090,218
Retained other comprehensive income			(4,786,055)	176,867	(119,386)
Income/(loss) for the year			30,268,992	26,475,968	(1,928,218)
Shareholders' equity attributable to the shareholders of the controlling company			148,078,928	142,753,296	127,558,845
Shareholders' equity attributable to non-controlling interests			1,868	1,913	2,112
TOTAL SHAREHOLDERS' EQUITY			**148,080,796**	**142,755,209**	**127,560,957**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**769,901,176**	**603,972,776**	**735,581,418**

Notes 1 through 44 to the Consolidated Financial Statements, and Annexes A through J, L, N, P through R are an integral part of the Consolidated Financial Statements.

Signed for identification purposes
together with our report of: 03/10/2021
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. V1 P13

Carlos M. Szpunar
Partner
Public Accountant - UBA
C.P.C.E.C.A.B.A. V 192 P 110

Signed for identification purposes
together with our report of: 03/10/2021
BY STATUTORY AUDIT COMMITTEE

Alejandro Almarza
Statutory Auditor
Public Accountant - UBA
C.P.C.E.C.A.B.A. V 120 P 210

Daniel H. Violatti
Accounting and
Tax Manager

Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
President

CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Items	Notes	Annexes	12/31/2020	12/31/2019
Interest income		Q	157,080,212	206,343,721
Interest expense		Q	(60,833,919)	(87,343,660)
Net interest income/(loss)			**96,246,293**	**119,000,061**
Commission income	22	Q	24,742,767	26,467,679
Commission expense		Q	(2,047,292)	(2,191,792)
Net commission income/(loss)			**22,695,475**	**24,275,887**
Subtotal (Net interest income/(loss) + Net commission income/(loss))			**118,941,768**	**143,275,948**
Net income/(loss) due to measurement of financial instruments at fair value through profit or loss		Q	(26,653,356)	(44,397,956)
Income/(loss) due to derecognition of assets at amortized cost			1,292,836	37,325
Gold and foreign currency exchange rate differences	23		4,229,690	4,761,247
Other operating income	24		5,369,762	10,456,756
Bad debt charges	7		(8,002,788)	(5,830,073)
Net operating income			**95,177,912**	**108,303,247**
Personnel benefits	25		(26,598,602)	(28,865,342)
Administrative expenses	26		(14,539,871)	(17,427,021)
Asset amortizations and depreciations		F and G	(4,402,387)	(4,092,898)
Other operating expenses	27		(20,469,213)	(30,088,399)
Operating income			**29,167,839**	**27,829,587**
Income/(loss) due to associates and joint arrangements	11		(6,856)	1,223,124
Gain/(loss) on net monetary position			13,348,858	14,429,118
Income/(loss) from ongoing activities before taxes			**42,509,841**	**43,481,829**
Income tax from ongoing activities	21,c)		(12,240,487)	(17,005,619)
Net income/(loss) from ongoing activities			**30,269,354**	**26,476,210**
Net income for the year			30,269,354	26,476,210
Net income for the year attributable to the shareholders of the controlling company			30,268,992	26,475,968
Net income for the year attributable to non-controlling interests			362	242

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Ezequiel Carballo
President

CONSOLIDATED EARNINGS PER SHARE
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Items	12/31/2020	12/31/2019
Net earnings attributable to the shareholders of the controlling company	**30,268,992**	**26,475,968**
PLUS: dilutive effects inherent in potential common shares	-	-
Net earnings attributable to the shareholders of the controlling company adjusted by dilutive effects	**30,268,992**	**26,475,968**
Weighted average number of outstanding common shares at year-end	639,413	639,402
PLUS: weighted average number of additional common shares with dilutive effects	-	-
Weighted average number of outstanding common shares at year-end adjusted by dilutive effects	**639,413**	**639,402**
Basic earnings per share (in Argentine pesos)	**47.3387**	**41.4074**

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CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 Y 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Items	Notes	Annexes	12/31/2020	12/31/2019
Net income for the year			**30,269,354**	**26,476,210**
Other Comprehensive Income items to be reclassified as income/(loss) for the year				
Exchange differences due to the translation of the Financial Statements			**119,864**	**116,159**
Exchange difference for the year			119,864	116,159
Income/(loss) due to financial instruments measured at fair value through OCI (Section 4.1.2a of IFRS 9)			**(5,082,786)**	**180,081**
Income/(loss) for the year due to financial instruments measured at fair value through OCI (*)		Q	(4,910,379)	332,274
Income tax	21.c)		(172,407)	(152,193)
Total Other Comprehensive Income items to be reclassified as income/(loss) for the year			**(4,962,922)**	**296,240**
Total Other Comprehensive Income			**(4,962,922)**	**296,240**
Total comprehensive income			**25,306,432**	**26,772,450**
Total comprehensive income attributable to the shareholders of the controlling company			25,306,070	26,772,221
Total comprehensive income attributable to non-controlling interests			362	229

(*) Net amount of reclassifications as income/loss of items classified at fair value through OCI derecognized or collected during the year. The amount reclassified as income/(loss) for the years ended December 31, 2020 and 2019 amounted to ARS (45,699,928) and ARS (63,011,413), respectively.

If the criteria under Communication "A" 7211 had been applied, the amount reclassified as income/(loss) for the years ended December 31, 2020 and 2019 would have amounted to ARS (2,373,856) and ARS (10,521,657), respectively.

Notes 1 through 44 to the Consolidated Financial Statements, and Annexes A through J, L, N, P through R are an integral part of the Consolidated Financial Statements.

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

		Capital stock		Non-capitalized contributions		Other comprehensive income	
Movements	**Notes**	**Outstanding shares**	**Tresury shares**	**Share issue premium**	**Capital adjustments**	**Accumulated exchange difference due to translation of the financial statements**	**Other**
Restated balances at the beginning of the year		639,413		12,429,781	50,313,147	785,443	(608,576)
Total comprehensive income for the year							
- Net income for the year							
- Other comprehensive income for the year						119,864	(5,082,786)
Distribution of retained earnings approved at the Shareholders' Meeting of April 30, 2020							
Statutory reserve fund							
Regulatory reserve fund							
Cash dividends [1]	30 and 40						
Other							
Balances at year-end		**639,413**		**12,429,781**	**50,313,147**	**905,307**	**(5,691,362)**

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Reserve funds					
Statutory	**Other**	**Retained earnings**	**Total equity of controlling shareholders**	**Total equity of non-controlling shareholders**	**Total shareholders' equity**
20,981,650	53,794,998	4,417,440	142,753,296	1,913	142,755,209
		30,268,992	30,268,992	362	30,269,354
			(4,962,922)		(4,962,922)
11,109,012		(11,109,012)			
	43,911,276	(43,911,276)			
	(19,980,438)		(19,980,438)		(19,980,438)
				(407)	(407)
32,090,662	**77,725,836**	**(20,333,856)**	**148,078,928**	**1,868**	**148,080,796**

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

		Capital stock		Non-capitalized contributions		Other comprehensive income	
Movements	**Notes**	**Outstanding shares**	**Tresury shares**	**Share issue premium**	**Capital adjustments**	**Accumulated exchange difference due to translation of the financial statements**	**Other**
Restated balances at the beginning of the year		640,715	28,948	12,428,461	50,352,382	669,284	(788,670)
Retrospective adjustments and restatements	3						
Adjusted and restated balances at the beginning of the year		640,715	28,948	12,428,461	50,352,382	669,284	(788,670)
Total comprehensive income for the year							
- Net income for the year							
- Other comprehensive income for the year						116,159	180,094
Distribution of retained earnings approved at the Shareholders' Meeting of April 30, 2019							
Statutory reserve fund							
Regulatory reserve fund							
Cash dividends							
Other							
Treasury shares	29	(1,317)	1,317				
Derecognition of treasury shares	29		(30,265)		(41,006)		
Other	29	15		1,320	1,771		
Balances at year-end		**639,413**		**12,429,781**	**50,313,147**	**785,443**	**(608,576)**

(1) Includes supplementary cash dividends approved at the Shareholders' Special Meeting of October 21, 2020. See also, Notes 30 and 40.

Notes 1 through 44 to the Consolidated Financial Statements, and Annexes A through J, L, N, P through R are an integral part of the Consolidated Financial Statements.

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President

Reserve funds					
Statutory	Other	Retained earnings	Total equity of controlling shareholders	Total equity of non-controlling shareholders	Total shareholders' equity
14,393,354	31,672,371	17,750,090	127,146,935	2,112	127,149,047
		411,910	411,910		411,910
14,393,354	31,672,371	18,162,000	127,558,845	2,112	127,560,957
		26,475,968	26,475,968	242	26,476,210
			296,253	(13)	296,240
6,588,296		(6,588,296)			
	7,279,036	(7,279,036)			
	(11,580,876)		(11,580,876)		(11,580,876)
	26,353,196	(26,353,196)			
	71,271				
			3,106	(428)	2,678
20,981,650	**53,794,998**	**4,417,440**	**142,753,296**	**1,913**	**142,755,209**

Signed for identification purposes
together with our report of: 03/10/2021
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. V1 P13

Carlos M. Szpunar
Partner
Public Accountant - UBA
C.P.C.E.C.A.B.A. V 192 P 110

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BY STATUTORY AUDIT COMMITTEE

Alejandro Almarza
Statutory Auditor
Public Accountant - UBA
C.P.C.E.C.A.B.A. V 120 P 210

Daniel H. Violatti
Accounting and
Tax Manager

Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
President

CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Items	Notes	12/31/2020	12/31/2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income/(loss) for the year before income tax		42,509,841	43,481,829
Adjustments for the total monetary gain/(loss) for the year		(13,348,858)	(14,429,118)
Adjustments to calculate cash flows from operating activities:			
Amortizations and depreciations		4,402,387	4,092,898
Bad debt charges		8,002,788	5,830,073
Exchange rate differences		(17,139,522)	(35,090,773)
Other adjustments		67,892,011	109,219,180
Net increase/decrease from operating assets:			
Debt securities at fair value through profit or loss		(83,048,429)	(2,207,037)
Derivatives		61,771	(32,787)
Repo transactions		(37,940,609)	(1,481,096)
Loans and other financing transactions			
Non-financial public sector		5,167,143	(5,060,444)
Other financial institutions		3,557,912	6,401,564
Non-financial private sector and persons domiciled abroad		26,641,990	67,937,726
Other debt securities		(15,409,031)	(6,045,300)
Financial assets transferred as collateral		238,381	(381,301)
Investments in equity securities		428,411	1,421,607
Other assets		(11,260,166)	(1,541,014)
Net increase/decrease from operating liabilities:			
Deposits			
Non-financial public sector		49,658,749	(16,537,706)
Financial sector		268,713	117,171
Non-financial private sector and persons domiciled abroad		80,947,459	(124,062,741)
Derivatives		(1,046,326)	1,043,689
Repo transactions		(746,253)	1,020,380
Other liabilities		18,319,036	(1,406,904)
Income tax payments		(8,348,230)	(12,736,961)
TOTAL OPERATING ACTIVITIES (A)		**119,809,168**	**19,552,935**

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CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Items	Notes	12/31/2020	12/31/2019
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Payments:			
Net payments due to the purchase of PPE, intangible and other assets		(3,676,079)	(5,635,795)
TOTAL INVESTMENT ACTIVITIES (B)		**(3,676,079)**	**(5,635,795)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments:			
Dividends		(407)	(11,581,304)
Acquisition or redemption of own equity securities			(406,710)
Unsubordinated bonds		(2,114,046)	(4,087,381)
Argentine Central Bank		(9,701)	
Financing from local financial institutions		(2,038,626)	(3,208,872)
Subordinated bonds		(2,246,089)	(2,204,680)
Other payments linked to financing activities		(537,316)	(321,154)
Collections/income:			
Argentine Central Bank			4,917
Financing from local financial institutions		76	790
TOTAL FINANCING ACTIVITIES (C)		**(6,946,109)**	**(21,804,394)**
EFFECT OF EXCHANGE RATE VARIATIONS (D)		**29,175,803**	**52,181,858**
MONETARY EFFECT ON CASH AND CASH EQUIVALENTS (E)		**(75,416,642)**	**(117,211,723)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D+E)		**62,946,141**	**(72,917,119)**
RESTATED CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	28	**200,658,604**	**273,575,723**
CASH AND CASH EQUIVALENTS AT YEAR-END	28	**263,604,745**	**200,658,604**

Notes 1 through 44 to the Consolidated Financial Statements, and Annexes A through J, L, N, P through R are an integral part of the Consolidated Financial Statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

1. CORPORATE INFORMATION

Banco Macro SA (hereinafter, the Entity), is a corporation incorporated in the Argentine Republic, that offers traditional banking products and services to both companies, including those operating in regional economies, and individuals, thus strengthening its goal to operate as a multiservice bank. Through other companies in the group, the Entity also renders services as trustee agent and director and manager of mutual funds, as well as stock exchange services.

Macro Compañía Financiera SA was incorporated in 1977 to operate as a non-bank financial institution. In May 1988, it was granted authorization to operate as a commercial bank and was incorporated as Banco Macro SA. Subsequently, as a result of various mergers with other entities, it adopted different names (among them, Banco Macro Bansud SA) until it became Banco Macro SA in August 2006.

The Entity's shares have been publicly listed on Bolsas y Mercados Argentinos (BYMA) since November 1994, and on the New York Stock Exchange (NYSE) since March 24, 2006. Additionally, on October 15, 2015, an authorization was granted for them to be listed on Mercado Abierto Electrónico SA (MAE).

Since 1994, Banco Macro SA has focused mainly on regional areas outside the City of Buenos Aires. In line with this strategy, in 1996, Banco Macro SA began the process of acquiring entities, assets and liabilities as part of the privatization of provincial banks and other banking institutions.

On May 21, 2019, the Entity acquired 100 percent of Argenpay SAU for ARS 100, by means of the acquisition of 100,000 common book-entry shares with a value of ARS 1, carrying one vote each. Argenpay SAU was incorporated for the purpose of developing its own network or incorporating into other networks to allow individuals or entities to complete transactions, either in person or remotely, by means of information and communication technologies, and make, offer or accept online or offline electronic payments; manage digital or electronic wallets or purses; and provide e-commerce services in general. This subsidiary began operating during the fourth quarter of 2019. On November 18, 2020, it was registered with the "Registry of Payment Service Providers that provide payment accounts" of the Argentine Central Bank under No. 33.678.

Additionally, on July 17, August 26 and October 15, 2020 the Entity made irrevocable capital contributions on account of the future subscription of shares to Play Digital for ARS 16,250, ARS 27,250 and ARS 61,689, respectively. On July 23, August 16 and October 15, 2020, the shareholders at the Shareholders' Special Meeting of Play Digital S.A. accepted the irrevocable contributions and agreed to the Entity subscribing for 16,250,000, 26,634,046 and 58,017,400 shares of a face value (FV) of ARS 1, respectively. On December 15, 2020, the shareholders at the Shareholders' Special Meeting of Play Digital S.A approved an increase in capital stock and on December 16, 2020, the Entity subscribed for 18,276,059 new shares of a FV of ARS 1 for an amount of 20,727. As a result, the equity interest in Play Digital S.A. amounts to 9.9545 percent. The initial shareholders, including the Entity, were Banco de Galicia and Buenos Aires S.A.U., Banco BBVA Argentina S.A. and Banco Santander Río S.A. Subsequently, other entities became shareholders in addition to the aforementioned. Furthermore, on March 4, 2021, the Entity made a new contribution for ARS 19.505. The purpose of this corporation is to develop and market a payment solution linked to the bank accounts of the users of the financial system in order to significantly enhance their payment experience.

On March 10, 2021, the Entity's Board of Directors approved the preparation of these Consolidated Financial Statements. In the opinion of the Entity's Management, no modifications are to be introduced to these Consolidated Financial Statements following their preparation, even though the shareholders have the power to do so at the Shareholders' Meeting.

2. OPERATIONS OF THE ENTITY

2.1. Special-relationship agreement with the government of the Province of Misiones

The Entity entered into a special-relationship agreement with the government of the Province of Misiones, whereby it was appointed as said government's sole financial agent, revenue collection agent and obligation payment agent for a term of five years as from January 1, 1996.

Said agreement was extended on November 25, 1999, December 28, 2006 and October 1, 2018, and is currently to expire on December 31, 2029.

As of December 31, 2020 and 2019, the deposits held by the government of the Province of Misiones with the Entity amounted to ARS 16,239,739 and ARS 9,305,984 (including ARS 808,570 and ARS 942,301, in legal deposits), respectively.

2.2. Special-relationship agreement with the government of the Province of Salta

The Entity entered into a special-relationship agreement with the government of the Province of Salta, whereby it was appointed as said government's sole financial agent, revenue collection agent and obligation payment agent for a term of ten years as from March 1, 1996.

Said agreement was extended on February 22, 2005 and August 22, 2014, and is currently to expire on February 28, 2026.

As of December 31, 2020 and 2019, the deposits held by the government of the Province of Salta with the Entity amounted to ARS 3,777,068 and ARS 5,933,781 (including ARS 1,240,932 and ARS 1,235,163, in legal deposits), respectively.

2.3. Special-relationship agreement with the government of the Province of Jujuy

The Entity entered into a special-relationship agreement with the government of the Province of Jujuy, whereby it was appointed as said government's sole financial agent, revenue collection agent and obligation payment agent for a term of ten years as from January 12, 1998.

Said agreement was extended on April 29, 2005 and July 8, 2014, and is currently to expire on September 30, 2024.

As of December 31, 2020 and 2019, the deposits held by the government of the Province of Jujuy with the Entity amounted to ARS 10,910,810 and ARS 1,607,209 (including ARS 1,168,418 and ARS 874,074, in legal deposits), respectively.

2.4 Special-relationship agreement with the government of the Province of Tucumán. Merger with Banco del Tucumán SA

The Entity is the sole financial agent, revenue collection agent and obligation payment agent of the government of the

Province of Tucumán, the Municipality of San Miguel de Tucumán and the Municipality of Yerba Buena. The agreements entered into with these bodies are currently to expire in 2031, 2023 and 2025, respectively.

On July 4, 2018 the Congress of the province of Tucumán passed a bill submitted by the provincial executive, authorizing the sale of the shares held by the province in Banco de Tucumán SA to Banco Macro SA. On August 10, 2018, the province of Tucumán transferred to Banco Macro SA 43,960 Class B book-entry non-endorsable common shares with a face value of ARS 100, carrying one vote each, amounting to 10 percent of the capital stock and votes. The swap ratio between the entities was set at 0,65258 common shares of Banco Macro S.A. per ARS 1 of face value of each common share in Banco del Tucumán S.A. Therefore, the minority shareholders of Banco del Tucumán SA received 0,65258 common shares in Banco Macro S.A. per ARS 1 of face value of each common share held by them in Banco del Tucumán S.A. As a result, Banco Macro S.A. issued 15.662 Class B book-entry common shares with a face value of ARS 1 per share, carrying one vote each (see also, Note 29).

The merger of Banco del Tucumán S.A. with Banco Macro S.A, authorized by Argentine Central Bank's Board of Directors on August 15, 2019 by Resolution No 179, took place in 2019. On September 25, 2019, the Argentine Securities Commission (CNV, for its Spanish acronym) approved the merger, which was registered with the Pubic Registry of Commerce on September 30, 2019.

Through Communication "C" 84993 the Argentine Central Bank reported that Banco Macro SA completed the merger with Banco del Tucumán S.A, in accordance with the authorization granted on October 15, 2019. Furthermore, as from that date, the authorization granted to Banco del Tucumán SA to operate as a commercial bank was revoked, and the bank's offices became part of the surviving entity as branches.

As of December 31, 2020 and 2019 the deposits kept by the government of the Province of Tucumán, the Municipality of San Miguel de Tucumán and the Municipality of Yerba Buena with the Entity amounted to ARS 14,274,476 and ARS 4,902,149 (including ARS 3,536,735 and ARS 3,342,313 in legal deposits), respectively.

Additionally, the loans granted by the Entity to the government of the Province of Tucumán as of December 31, 2020 and 2019 amounted to ARS 2,860,617 and ARS 7,606,547, respectively.

3. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING POLICIES APPLIED

Basis of presentation

Accounting standards applied

The Entity's Consolidated Financial Statements were prepared in accordance with the Financial Reporting Framework established by the Argentine Central Bank (through Argentine Central Bank's Communication "A" 6114, as supplemented). Such framework is based on the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and adopted by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE, for its Spanish acronym), with the exception of the regulatory provisions issued by the Argentine Central Bank detailed below. The aforementioned accounting information framework includes the IFRSs, the International Accounting Standards (IAS) and the interpretations issued by the IFRS Interpretations Committee (IFRIC) or the former Standards Interpretation Committee (SIC).

The following transitory exceptions and regulatory provisions established by the Argentine Central Bank to the application of the IFRSs in force have affected the preparation of these Consolidated financial statements:

a) Pursuant to Argentine Central Bank's Communication "A" 6114, as amended and supplemented, within the framework of the convergence process towards the IFRSs, the Argentine Central Bank determined that as from the fiscal years beginning on or after January 1, 2020, financial institutions categorized "Group A" in accordance with the regulations of the Central Bank, among which the Entity is included, must begin to apply Section 5.5 "Impairment" of IFRS 9 "Financial Instruments" (Subsections B5.5.1 to B5.5.55 except for the exposures to the public sector, taking into account the transitory exception established by Communication "A" 6847. As of the date of these Consolidated Financial Statements, the Entity is in the process of calculating the effects resulting from the full application of the aforementioned standard.

b) Additionally, on April 29, 2019, the Entity received a Memorandum from the Argentine Central Bank, containing specific provisions linked to the measurement of the participation in Prisma Medios de Pago SA, as explained in Note 15. In line with said provisions, the Entity adjusted the originally calculated fair value. As of the date of these Consolidated Financial Statements, the Entity is in the process of calculating the difference between such value and the fair value determined in accordance with the IFRSs, but it estimates that such difference could be significant.

c) As explained in the "Unit of Measure" section of this Note, Argentine Central Bank's Communications "A" 6651 and 6849 established the mandatory application of the comprehensive inflation adjustment as from the financial statements for the fiscal years beginning on or after January 1, 2020. Among the specific regulations established by the Central Bank, said communications set forth that the amounts of the changes in financial assets measured at fair value through comprehensive income are to be determined in real terms, so that the monetary gain or loss generated by those monetary assets is disclosed in the statement of other comprehensive income; in turn, by application of IAS 29 "Financial Reporting in Hyperinflationary Economies." the total monetary gain or loss generated by those financial assets must be disclosed in the income/(loss) for the year, whereas the changes to be disclosed in other comprehensive income will arise from comparing (i) the opening deferred balance in shareholders' equity, restated in the measuring unit of measure current at the end of the reporting period, and (ii) the difference between the amortized cost of the financial assets and their fair value at year-end. In accordance with the requirements under Communication "A" 7211, Annex Q discloses the monetary gain/loss generated by these kinds of items.

Except as mentioned in the preceding paragraphs, the accounting policies applied by the Entity comply with the IFRSs currently approved and are applied to the preparation of these annual Consolidated Financial Statements in accordance with the IFRSs adopted by the Argentine Central Bank under Communication "A" 7183. Generally, the Argentine Central Bank does not allow the early application of any IFRS unless it expressly authorizes otherwise.

Going concern

The Entity's Management conducted an assessment of the Entity's capacity to continue operating as a going concern, and concluded that the Entity has sufficient resources to continue operating for the foreseeable future. Moreover, the Management has no knowledge of any material uncertainties which may bring into question the Entity's ability to continue as a going concern. Therefore, these Consolidated Financial Statements were prepared on a going concern basis.

Transcription into the Entity's books

As of the date of these Consolidated Financial Statements, the analytical report and the Consolidated Financial Statements were in the process of being transcribed into the Inventories book and the Banco Macro SA Balance Sheet as of December 31, 2020 book, respectively.

Figures in thousands of Argentine pesos

Except as otherwise indicated, these Consolidated Financial Statements disclose figures in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, rounded to the nearest thousand (see "Unit of Measure" section of this Note).

Presentation of the Balance Sheet

The Entity's Balance Sheet presents assets and liabilities in order of liquidity, pursuant to the model established in Argentine Central Bank's Communication "A" 6324. The analysis on the recovery of assets and the settlement of liabilities during the 12 months following the reporting date and more than 12 months following the reporting date is presented in Note 19 to these Consolidated Financial Statements.

Financial assets and liabilities are generally disclosed in the Balance Sheet using gross figures. Net amounts are only settled and disclosed once the Entity has the legal and unconditional right to settle them, and Management intends to settle them with a net amount or to simultaneously realize the asset and settle the liability.

Note also that these Consolidated Financial Statements were prepared on a historical cost basis, with the exception of certain items which were recorded at fair value through Other Comprehensive Income (OCI) or at Fair Value through Profit or Loss. For more information, see Annex P to these Consolidated Financial Statements. In addition, in the case of derivatives (term and forward transactions), both assets and liabilities were recorded at Fair Value through profit or loss.

Comparative information
The Consolidated Balance Sheet as of December 31, 2020 as well as the Income Statement, the Statement of Other Comprehensive Income, the Statement of Changes in Shareholders' Equity and the Cash Flow Statement for the year ended December 31, 2020, are presented comparatively with the ones for the preceding year.

Additionally, as a result of the application of Communication "A" 6868 "Restatement of financial statements – IAS 29," the opening balance sheet as of the transition date (December 31, 2018) is included.

The figures of the comparative information have been restated to consider the changes in the general purchasing power of the currency and, as a result, they are expressed in the current unit of measure in force as of the end of the reporting period (see "Unit of Measure" section below).

Unit of measure
These consolidated Financial Statements have been adjusted so that they are expressed based on the purchasing power of a given currency as of that date, as established by IAS 29, and additionally considering the Argentine Central Bank's specific rules provided for in Communications "A" 6651, 6849, as amended and supplemented, which established the obligation to apply such method as from the financial statements for the fiscal years beginning on and after January 1, 2020, and defined December 18, 2018 as the transition date.

Under the IFRSs, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy must be restated using a constant currency. In order to ensure a uniform identification of hyperinflationary environments, IAS 29 sets forth (i) certain nonexclusive qualitative indicators consisting in an analysis of the general population behavior, prices, interest rates and wages as compared to changes in price indexes and the loss of the local currency's purchasing power; and (ii) a quantitative indicator, which is the one most commonly used in practice, which consists in determining whether the accumulated inflation rate for the last three years is near or above 100 percent. Due to miscellaneous macroeconomic factors, the current three-yearly inflation rate exceeds that figure, and the goals of the Argentine government and other available estimates indicate that this trend will not be reversed in the short term.

Such restatement must be carried out on the hypothetical basis that the economy has always been hyperinflationary, using a general price index that reflects the changes in the purchasing power of the Argentine peso. A series of indexes are used for restatement purposes, which are prepared and published on a monthly basis by the FACPCE. Such indexes combine the national consumer price index (CPI), published by the Argentine Institute of Statistics and Censuses (INDEC, for its Spanish acronym) since January 2017 (baseline month: December 2016) with the domestic wholesale prices index (WPI) published by the INDEC until said date. The CPI variation for the City of Buenos Aires was used in replacement of the WPI for November and December 2015, as the INDEC did not publish information on the variation of the WPI for said months.

Using the index described above, the inflation rate for the years ended December 31, 2020 and 2019 was calculated at 36.14 percent and 53.83 percent, respectively.

Below is a description of the main effects of the application of IAS 29 and of the financial statements restatement process established by Argentine Central Bank's Communication A" 6849, as supplemented:

Description of the main aspects of the balance sheet restatement process
(i) Monetary items (those with a fixed nominal value in local currency) are not restated because they are already disclosed using the current unit of measure in force as of the end of the reporting period. In an inflationary period, the holding of monetary assets results in a loss of purchasing power and the

holding of monetary liabilities results in an increase in purchasing power, provided the applicable items are not subject to an adjustment mechanism offsetting such effects to some extent. The net monetary gain or loss must be disclosed as part of the profit or loss for the reporting period.

(ii) Assets and liabilities subject to adjustments based on specific agreements must be adjusted in accordance with such agreements.

(iii) Nonmonetary items recorded at their current values as of the end of the reporting period must not be restated for the purpose of including them in the balance sheet, but the adjustment process must be carried out to determine the income or loss derived from the holding of these nonmonetary items in a constant unit of measure.

(iv) Nonmonetary items recorded at a historical cost or at their current cost as of some date preceding the end of the applicable reporting period must be restated using ratios reflecting the general price level variation between the acquisition or revaluation date and the reporting date. The restated amounts for such assets are then compared with their relevant recoverable values. The income or losses for the period due to the depreciation of property, plant and equipment, and the amortization of intangible assets, as well as any other consumption of nonmonetary assets must be determined on the basis of the newly restated amounts.

(v) Upon the capitalization of financial costs on nonmonetary assets the portion of the costs compensating the applicable creditor for the effects of inflation must not be capitalized.

(vi) The restatement of nonmonetary assets using a current unit of measure in force as of the end of the reporting period without an equivalent adjustment for tax purposes generates a taxable temporary difference and a deferred tax liability which is offset in the income or loss for the period. When the restatement is accompanied by a revaluation of nonmonetary assets, the deferred tax resulting from the restatement is disclosed as part of the income or loss for the period and the deferred tax resulting from the revaluation (the amount by which the revalued value exceeds the restated value) is disclosed as part of other comprehensive income.

Description of the main aspects of the income statement and the statement of other comprehensive income restatement process

(i) Expenses and income are restated from the date in which they were recorded for accounting purposes, with the exception of income or loss items reflecting or including in their determination the consumption of assets measured based on the purchasing power of a given currency as of a date preceding the one in which the consumption was recorded, which income or loss items must be restated using as a basis the date on which the assets linked thereto were originated. Also excluded are the income or losses resulting from comparing two measurements based on the purchasing power of a given currency as of different dates, in which case the compared amounts must be identified and restated separately, and the comparison must be repeated using the restated amounts.

(ii) Certain income or loss derived from the measurement at fair value or derecognition of non-monetary items and items that are part of other comprehensive income are disclosed in real terms (see also Annex Q, where the calculation required by Communication "A" 7211 is disclosed).

(iii) The gain or loss of the monetary position is classified based on the item giving origin to it, and is disclosed in an independent line reflecting the effect of inflation on monetary positions.

Description of the main aspects of the statement of changes in shareholders' equity restatement process

(i) As of the transition date (December 31, 2018), the Entity has applied the following procedures:

(a) Equity components, with the exception of those indicated in the subsections below, are restated as from the date in which they were subscribed for or paid in, in accordance with Communication "A" 6849 for each item in particular.

(b) Reserved earnings, including the reserve fund for first-time adoption of the IFRS, were held at their nominal value as of the transition date (statutory amount without being restated).

(c) Retained other comprehensive income balances were recalculated in real terms as of the transition date.

(d) Restated retained earnings were determined by the difference between the net asset restated as of the transition date and initial equity other components restated as indicated in the preceding paragraphs.

(ii) After performing the restatements as of the transition date referred to in (i) above, all shareholders' equity components are restated applying the general price index as from the beginning of the year and each change in these components is restated as from the date they are contributed or as from the time when such contribution is made in any other manner.

Other comprehensive income generated after the transition date are disclosed in real terms.

Description of the main aspects of the cash flow statement restatement process

(i) All items are restated using the current unit of measure in force as of the end of the applicable reporting period.

(ii) The monetary gain or loss on cash and cash equivalents components is disclosed in the cash flow statement, after operating, investment and financing activities, in a separate line independent from those activities, under "Monetary Effect on Cash and Cash Equivalents."

Basis for consolidation

These Consolidated Financial Statements include the Financial Statements of the Entity and its subsidiaries as of December 31, 2020.

A subsidiary is any entity controlled by the Entity. The Entity controls other entities whenever it is exposed or has a right to variable returns as a result of its continued involvement with such other entities, and has the ability to use its power to direct the operating and financing policies of such other entities, to influence such returns.

This generally occurs where the Entity holds more than half of another entity's shares carrying voting rights.

However, under certain circumstances, the Entity may still control another entity despite holding less than 50 percent of its shares, or may not control another entity even if it holds more than 50 percent of its shares.

In assessing whether it has power over another entity, and therefore controls the variability of its returns, the Entity considers all relevant facts and circumstances, including:

- The purpose and design of the entity in which interests are held.
- The entity's relevant activities and how decisions about them are made, and whether the Entity has the ability to direct such activities.
- Contractual arrangements, such as call rights, put rights and liquidation rights Contractual arrangements, such as call rights, put rights and liquidation rights.
- Whether the Entity is exposed or has a right to variable returns as a result of it holding a participating interest in such other entity, and whether the Entity has the power to affect the variability of said returns.

The Entity has no interests in structured entities which are to be consolidated.

Subsidiaries are entirely consolidated as from the date in which control over them was effectively transferred to the Entity, and cease to be consolidated as from the date such control is lost. These Consolidated Financial Statements include the assets, liabilities, income and each of other comprehensive income components of the Entity and its subsidiaries. Transactions between consolidated entities are entirely eliminated.

Changes in the ownership structure of a subsidiary which do not result in the loss of control thereof are recorded as equity transactions. Conversely, if the Entity loses control of a subsidiary, it derecognizes the related assets (including goodwill) and liabilities, as well as any non-controlling interests and other capital components, while any resulting profit or loss is recorded in the Income Statement, and any surviving investment is recorded at fair value as of the date control is lost.

Subsidiaries' financial statements have been prepared as of the same dates and for the same accounting periods as those of the Entity, using accounting policies consistent with those

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Tax Manager

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General Manager

Delfín Jorge
Ezequiel Carballo
President

applied by the Entity in a uniform manner. Where necessary, the relevant adjustments are made to subsidiaries' Financial Statements to ensure that the accounting policies used by the group are uniform.

The Entity uses the Argentine peso as its functional and presentation currency. Therefore, before consolidation, the Financial Statements of subsidiary Macro Bank Limited, originally expressed in US dollars, were translated to Argentine pesos (presentation currency) as follows:

a) Assets and liabilities were translated using the reference exchange rate published by the Argentine Central Bank for the applicable foreign currency at the close of business of the last business day of each of the fiscal years.

b) Shareholders' contributions (capital stock, issuance premiums and irrevocable contributions) were translated using the effective exchange rates in force as of the date on which they were paid in.

c) Income for the years ended December 31, 2020 and 2019, was translated into Argentine pesos on a monthly basis, using the monthly average of the reference exchange rates published by the Argentine Central Bank.

d) Exchange differences resulting from the translations described in the preceding paragraphs are recorded as a separate component of Shareholders' Equity, and disclosed in the Statement of Other Comprehensive Income as "Exchange differences due to the translation of the Financial Statements."

In turn, non-controlling interests represent the portion of the income and shareholders' equity not directly or indirectly attributable to the Entity. They are recorded in the Consolidated Financial Statements as a separate line in the Balance Sheet, the Income Statement, the Statement of Other Comprehensive Income and the Statement of Changes in Shareholders' Equity.

The Entity has consolidated its Financial Statements with the Financial Statements of the following companies:

Subsidiaries	Principal Place of Business	Country	Main Activity
Macro Securities S.A. (a) and (b)	Av. Eduardo Madero 1182 - City of Buenos Aires	Argentina	Stock-exchange services
Macro Fiducia S.A.	AV. Leandro N Alem 1110 – 1° piso - City of Buenos Aires	Argentina	Services
Macro Fondos S.G.F.C.I.S.A.	Av. Eduardo Madero 1182 - 24° piso oficina B - City of Buenos Aires	Argentina	Mutual fund direction and management
Macro Bank Limited (c)	Caves Village, Building 8 Office 1 – West Bay St., Nassau	Bahamas	Banking Entity
Argenpay S.A.U. (d)	Av. Eduardo Madero 1182 - City of Buenos Aires	Argentina	Electronic payment services

(a) Consolidates with Macro Fondos S.G.F.C.I S.A. (participation interest and votes 80,90 percent).
(b) The indirect interest in Banco Macro S.A. comes from Macro Fiducia S.A.
(c) Consolidates with Sud Asesores (ROU) S.A. (votes: 100 percent – proportional equity value 20.453).
(d) Consolidates with the Entity since May 2019, as the participation interest was acquired in said month.

The table below shows the Entity's participating interest in the consolidated companies:

- **As of December 31, 2020:**

	Shares		Entity's interest		Non-controlling interest	
Subsidiaries	**Type**	**Quantity**	**Total Capital**	**Potential votes**	**Total Capital**	**Potential votes**
Macro Securities S.A.	Common	12,776,680	99.925%	99.932%	0.075%	0.068%
Macro Fiducia S.A.	Common	46,935,318	99.046%	99.046%	0.954%	0.954%
Macro Fondos S.G.F.C.I.S.A.	Common	327,183	99.939%	100.00%	0.061%	
Macro Bank Limited	Common	39,816,899	99.999%	100.00%	0.001%	
Argenpay S.A.U.	Common	241,200,000	100.00%	100.00%		

- **As of December 31, 2019:**

	Shares		Entity's interest		Non-controlling interest	
Subsidiaries	**Type**	**Quantity**	**Total Capital**	**Potential votes**	**Total Capital**	**Potential votes**
Macro Securities S.A.	Common	12,776,680	99.925%	99.932%	0.075%	0.068%
Macro Fiducia S.A.	Common	46,935,318	99.046%	99.046%	0.954%	0.954%
Macro Fondos S.G.F.C.I.S.A.	Common	327,183	99.939%	100.00%	0.061%	
Macro Bank Limited	Common	39,816,899	99.999%	100.00%	0.001%	
Argenpay S.A.U.	Common	7,700,000	100.00%	100.00%		

The table below shows the total assets, liabilities and shareholders' equity of the Entity and its subsidiaries as of December 31, 2020 and 2019:

As of 12/31/2020	**Banco Macro S.A.**	**Macro Bank Limited**	**Macro Securities S.A.**	**Macro Fiducia S.A.**	**Argenpay S.A.U.**	**Eliminations**	**Consolidated**
Assets	749,965,030	7,561,808	19,266,913	88,400	351,736	(7,332,711)	69,901,176
Liabilities	601,886,102	4,957,062	17,597,611	5,380	169,722	(2,795,497)	621,820,380
Shareholders' equity attributable to the shareholders of the controlling company	148,078,928	2,604,746	1,592,455	83,020	182,014	(4,462,235)	148,078,928
Shareholders' equity attributable to non-controlling interests			76,847			(74,979)	1,868

As of 12/31/2019	**Banco Macro S.A.**	**Macro Bank Limited**	**Macro Securities S.A.**	**Macro Fiducia S.A.**	**Argenpay S.A.U.**	**Eliminations**	**Consolidated**
Assets	599,771,558	4,681,429	5,478,637	87,150	10,506	(6,056,504)	603,972,776
Liabilities	457,018,262	1,983,781	3,722,427	4,280	769	(1,511,952)	461,217,567
Shareholders' equity attributable to the shareholders of the controlling company	142,753,296	2,697,648	1,660,662	82,870	9,737	(4,450,917)	142,753,296
Shareholders' equity attributable to non-controlling interests			95,548			(93,635)	1,913

Signed for identification purposes
together with our report of: 03/10/2021
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. V1 P13

Carlos M. Szpunar
Partner
Public Accountant - UBA
C.P.C.E.C.A.B.A. V 192 P 110

Signed for identification purposes
together with our report of: 03/10/2021
BY STATUTORY AUDIT COMMITTEE

Alejandro Almarza
Statutory Auditor
Public Accountant - UBA
C.P.C.E.C.A.B.A. V 120 P 210

Daniel H. Violatti
Accounting and
Tax Manager

Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
President

The Entity's Management believes no other companies or structured entities should be included in the Financial Statements as of December 31.

Summary of significant accounting policies

Described below are the main valuation and disclosure criteria used in the preparation of these Consolidated Financial Statements as of December 31:

3.1 Assets and liabilities denominated in foreign currency

The Entity uses the Argentine peso as its functional and presentation currency. Assets and liabilities denominated in foreign currencies, mainly US dollars, were valued using the reference US dollar exchange rate published by the Argentine Central Bank at the close of business of the last business day of each fiscal year.

Additionally, assets and liabilities denominated in other foreign currencies were translated at the repo exchange rates published by the Argentine Central Bank. Exchange differences were recorded in the income statements for each year as "Gold and foreign currency exchange rate differences."

3.2 Financial instruments

Initial recognition and measurement

The Entity records financial instruments once it becomes a party to the contractual provisions thereof.

Purchases and sales of financial assets requiring the delivery of assets within the term generally established by market rules or conditions are recorded on the transaction's negotiation date, *i.e.*, on the date the Entity undertakes to purchase or sell the relevant asset.

Initially, financial assets and liabilities were recorded at fair value. Financial assets and liabilities not recorded at fair value through profit or loss were recorded at their fair value adjusted for the transaction costs directly attributable to the purchase or issuing thereof.

Upon initial recording, the fair value of a financial instrument is generally the transaction price. However, if part of the consideration is paid or received for something other than the applicable financial instrument, the Entity estimates said instrument's fair value. Where the fair value is based on a valuation technique using only observable market data, the Entity records the difference between the fair value upon initial recording and the transaction price as either a profit or a loss. Where the fair value is based on a valuation technique using unobservable market data, the Entity only records the aforementioned difference as income or loss to the extent it results from a change in any factor (including time) market participants would take into account upon determining the price of the asset or liability, or when the instrument is derecognized.

Finally, in its ordinary course of business, the Entity carries out certain repo transactions. According to IFRS 9, the instruments involved in repo transactions undertaken as either purchaser or seller, and which were received from and delivered to third parties, respectively, do not meet the requirements to be recognized or derecognized in accounts, respectively (see Note 4).

Subsequent measurement – Business Model

The Entity established three categories for the classification and measurement of its debt securities, depending on the business model applied by the Entity to manage them and their contractual cash flow characteristics:

- Amortized cost: the business goal is to collect the contractual cash flows generated by the financial asset.
- Fair value through other comprehensive income: the business goal is to collect the contractual cash flows generated by the financial asset and/or those derived from its sale.
- Fair value through profit or loss: the business goal is to generate income derived as a result of the purchase/sale of financial assets.

Therefore, the Entity measures its financial assets at fair value, with the exception of those which meet the following conditions and are therefore measured at their amortized cost:

- are held under a business model whose goal is to hold them to collect the resulting contractual cash flows.
- are acquired under contracts which generate cash flows, on specific dates, which are solely payments of principal and interest on the outstanding principal.

The Entity determines its business model at the level that best reflects how groups of financial assets are managed to achieve a particular business goal.

The business model is not assessed on an instrument-by-instrument basis, but on the broader level of aggregated portfolios, and is based on observable factors such as:

- The mechanism used to assess and report the performance of the business model and the financial assets held under that business model to key Entity personnel.
- The risks affecting the performance of the business model (and the financial assets held under it) and, in particular, the manner in which such risks are managed.
- The expected frequency, value, timing and reasons of the sales are also relevant aspects.

The assessment of the business model is based on reasonably expected scenarios, and does not take into account the “worst case” or “stress case” scenarios. Where, after being initially recorded, cash flows are realized in a manner other than as originally expected by the Entity, the classification of the remaining financial assets held in the applicable business model is not modified, but rather the applicable information is taken into account for the purpose of assessing recent purchases or originations of financial assets.

Solely Payments of Principal and Interest Test (SPPI Test)

As part of the classification process, the Entity assessed the contractual terms of its financial instruments in order to determine whether they generate cash flows on specific dates which are solely payments of principal and interest on the outstanding principal.

For the purposes of this assessment, “principal” is defined as the fair value of the financial asset as initially recorded, which may change over the life of the asset, for example, in the event of principal repayments, premium amortizations or discounts.

The most significant interest components within a loan agreement are typically the consideration for the time value of money and credit risk.

In order to conduct the SPPI test, the Entity applies reasonable judgment and considers relevant factors, such as the currency in which the financial assets are denominated and the period for which the interest rate is set.

In turn, contractual terms introducing a more than minimal exposure to risk or volatility in contractual cash flows not linked to a basic loan agreement, do not give rise to contractual cash flows that are solely payments of principal and interest on the outstanding principal. In such cases, financial assets must be measured at fair value through profit or loss.

Therefore, financial assets are classified in the manner provided for in the preceding paragraphs into: “Financial assets at fair value through profit or loss,” “Financial assets at fair value through other comprehensive income” or “Financial assets at amortized cost.” Such classification is further explained in Annex P “Categories of Financial Assets and Liabilities.”

Financial assets and liabilities at fair value through profit or loss

This category includes two subcategories: financial assets at fair value held for trading and financial assets initially measured at fair value by the Board or under IFRS 9 Section 6.7.1. The Entity’s Board has not initially recorded financial assets at fair value through profit or loss.

The Entity classifies financial assets as held for trading when they have been acquired or issued primarily for the purpose of obtaining short-term benefits through negotiation activities, or are part of a portfolio of financial instruments which are managed together and for which there is evidence of a recent short-term profit-taking pattern.

Financial assets and liabilities at fair value through profit or loss are recorded at fair value in the Balance Sheet. Changes in fair value, as well as interest income, interest expenses and dividends under the applicable contractual terms or upon the establishment of the right to collect, are recorded in the Income Statement as “Net income/(loss) due to measurement of financial instruments at fair value through profit or loss.”

The estimation of fair values is further explained in the “Accounting judgements, estimates and assumptions” section of this Note. The process used to measure instruments at fair value is described in Note 9.

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

A financial asset is recorded at fair value through other comprehensive income where: (i) the applicable instrument is held under a business model whose goal is achieved by both collecting contractual cash flows and selling the applicable asset; and (ii) an assessment of the applicable contractual terms shows that the cash flows are solely payments of principal and interest on the outstanding principal.

Debt securities at fair value through other comprehensive income are recorded in the Balance Sheet at fair value. Income and losses derived from changes in fair value are recorded in other comprehensive income as "Income/(loss) due to financial instruments measured at fair value through OCI." Interest income (calculated using the "effective interest method" explained in the following section), income and losses due to exchange differences, and impairments are recorded in the Income Statement in the same manner as financial assets at amortized cost, and are disclosed as "Interest income," "Gold and foreign currency exchange rate differences" and "Bad debt charges," respectively.

Where the Entity owns more than one investment on the same security, said investments are disclosed using the first in first out costing method.

Upon the derecognition of accounts, the accumulated income or losses previously recorded in other comprehensive income are reclassified as income/(loss).

Financial assets at amortized cost – Effective interest method

Financial assets at amortized cost represent financial assets held for the purpose of collecting contractual cash flows, whose contractual terms generate cash flows on specific dates which are solely payments of principal and interest on the outstanding principal.

After initial disclosure, these financial assets are recorded in the Balance Sheet at amortized cost using the effective interest method, less an adjustment of value due to Expected Credit Losses (ECL), taking into account the exceptions under Argentine Central Bank's Communication "A" 6847, detailed in Note 3.2.4.

Interest income and impairments are recorded in the Income Statement as "Interest income" and "Bad debt charges," respectively. The evolution of the adjustment of value due to ECL, is shown in Note 7 and in Annex R "Adjustment of value due to loss – Provision for bad debts."

The effective interest method uses the rate that allows discounting the future cash flows estimated to be received or paid throughout the life of a financial instrument or a shorter term, if applicable, so that they match the net carrying value of said financial instrument. To apply this method, the Entity identifies interest basis points, commissions, premiums, discounts, and direct and incremental transaction costs as an integral part of the effective interest rate. For such purpose, "interest" is defined as the consideration for the time value of money and the credit risk associated with the outstanding principal during a specific period of time.

3.2.1 Cash and Bank Deposits

Cash and bank deposits were valued at face value plus the relevant accrued interest, where applicable. Accrued interest was disclosed in the Income Statement as "Interest income."

3.2.2 Repo transactions (purchase and sale of financial instruments)

Repo transactions were recorded in the Balance Sheet as financing granted/(received), in the "Repo transactions" account.

The difference between such instruments' purchase and sale prices was recorded as interest accrued during the effective term of the transactions using the effective interest method, and was disclosed in the Income Statement as "Interest income" and "Interest expense."

3.2.3 Loans and other financing transactions

Loans and other financing transactions include financial assets other than derivatives held by the Entity under a business model whose goal is to collect contractual cash flows, and whose contractual terms generate cash flows on specific dates which are solely payments of principal and interest on the outstanding principal.

After initial disclosure, loans and other financing transactions are valued at amortized cost using the effective interest method, less the adjustment of value due to ECL. The amortized cost was calculated taking into account any discount or premium incurred in the origination or acquisition process, as well as the origination commissions, which are part of the effective interest rate. The income from interest was disclosed in the Income Statement as "Interest income."

3.2.4 Impairment of financial assets

Through Communication "A" 6114, the Argentine Central Bank established specific guidelines within the scope of the convergence process, which included: (i) a transitory exception to the application of Section 5.5 "Impairment" of IFRS 9 "Financial Instruments" (Subsections B5.5.1 to B5.5.55) for the fiscal years beginning before January 1, 2020. Furthermore, the Argentine Central Bank set December 31, 2018 as the transition date for these purposes and temporarily excluded debt securities from the public sector form the scope of IFRS 9.

The new accounting policy adopted on the impairment of financial assets not measured at fair value through profit or loss is described below:

3.2.4.1 Overview of ECL principles:

Except for the exposures to the public sector, which were temporarily excluded by Argentine Central Bank's Communication "A" 6847, the Entity discloses an adjustment of value due to ECL for all loans, other financing transactions and other debt securities not measured at fair value through profit or loss, as well as loan commitments and financial guarantee contracts (not measured at fair value through profit or loss) and contract assets and lease receivables, hereinafter referred to in this section as "financial instruments." Investments in equity securities are not subject to impairment under IFRS 9. Pursuant to the aforementioned Communication "A" 6847, the Argentine Central Bank's regulations on "Minimum loss provisions for bad debts" still apply to the exposures to the public sector.

The adjustment of value due to ECL is based on the credit losses expected to arise over the life of a financial asset (Lifetime ECL), unless there has been no significant increase in credit risk since initial recognition, in which case the adjustment of value due to ECL is based on the 12-month ECL. Note 41.1.1.1. "Definitions of significant risk increase, impairment and default" describes the Entity's policies to determine whether credit risk ha significantly increased.

12-month ECLs are the portion of the lifetime ECL of an asset that result from possible default events on a financial instrument within 12 months after the reporting date.

Lifetime ECL and 12-months ECL are calculated on an individual or collective basis according to the nature of the financial instruments portfolio. Note 41.1.1.1.1 "Customers analyzed on a Collective Basis" and Note 41.1.1.1.2 "Customers analyzed on an Individual Basis" describe the Entity's policies to group information on a collective and individual basis, respectively.

The Entity adopted a policy to assess, at the end of each reporting period, whether a financial instrument has had a significant increase in credit risk since initial recognition, by considering whether there has been a change in the risk of a default occurring during the remaining life of the financial instrument. Note 41.1.1.1. "Definitions of significant risk increase, impairment and default" describes this in more detail.

In accordance with the process mentioned above, the Entity groups its financial instruments in three stages, Stage 1, Stage 2 and Stage 3, along with purchased or originated credit-impaired financial assets as described below:

- Stage 1: When financial instruments are initially recognized, the Entity records an adjustment of value based on 12-month ECL. Stage 1 financial instruments also include credit facilities whose credit risk has improved within the parameters established by the Entity and the financial instrument has been reclassified from another Stage.
- Stage 2: When a financial instrument shows a significant increase in credit risk since initial recognition, the Entity records an adjustment of value due to ECL over the life of the asset. Stage 2 financial instruments also include credit facilities whose credit risk has improved within the

parameters established by the Entity and the financial instrument has been reclassified from Stage 3.

- Stage 3: Credit-impaired financial instruments (as described in Note 41.1.1.1. "Definitions of significant risk increase, impairment and default"). The Entity records an adjustment of value due to ECL over the life of the asset.
- Purchased or originated credit-impaired financial instruments: They are credit-impaired financial instruments since initial recognition. Purchased or originated credit-impaired financial instruments are recorded at fair value on initial recognition and interest income is later recorded based on a credit-adjusted effective interest rate. The adjustment of value due to ECL is only recognized or released to the extent that there is a subsequent change in the ECL. It is worth mentioning that the Entity has not purchased or generated credit-impaired financial instruments.

In the case of financial instruments for which the Entity has no reasonable expectations of recovering the amount owed in whole or in part, the gross carrying value of the financial instrument is reduced. This is deemed a (partial) derecognition of the financial instrument.

3.2.4.2 ECL calculation

The key parameters for ECL calculation are as follows:

- Probability of Default (PD): PD provides an estimate of the likelihood of default over a particular time horizon. A default can only occur at a certain point in time of the period under assessment if the credit facility has not been derecognized before and is still part of the portfolio. The notion of PD is described in Note 41.1.1.2. "The Entity's internal rating and the PD estimation process."
- Exposure at Default (EAD): EAD provides an estimate of the exposure at a future default date, taking into account the expected changes in exposure after the reporting date, including settlement of principal and interest, whether scheduled by contract or otherwise, the expected drawdowns on the committed facilities and interest on late payments accrued. Note 41.1.1.3. "Exposure at Default (EAD)" describes said exposure.
- Loss Given Default (LGD): LGD provides an estimate of the loss arising where a default occurs at a given time. It is based on the difference between contractual cash flows and those the lender would expect to receive, including the realization of a security or credit enhancement related to the loan. It is generally expressed as a percentage of the exposure to default. Note 41.1.1.4. "Loss Given Default (LGD)" includes more information on LGD.

When estimating ECL, the Entity calculates such parameters for each of the three scenarios (the base case scenario, the upside scenario and the downside scenario), weighted according to their estimated probabilities of occurrence, and discounts the amount resulting from multiplying the above-mentioned parameters by the effective interest rate determined at initial recognition.

In the case of credit cards and revolving facilities including both a loan and an unused loan commitment, ECL are calculated and presented together with the loan. The ECL for loan commitments and financial guarantee contracts, are disclosed under "Provisions."

The mechanism for calculating ECL is summarized below:

- Stage 1: the 12-month ECL is calculated as the portion of the lifetime ECL, which represents the ECL of financial instruments resulting from default events within 12 months after the reporting date. The Entity calculates the 12-month ECL based on the expectation of a default event occurring within 12 months after the reporting date. These expected 12-month probabilities of default are applied to an EAD and are multiplied by the expected LGD and discounted by an approximation to the original rate These calculations are made for each of the three scenarios (base, upside and downside case) as explained above.

- Stage 2: When a financial instrument shows a significant increase in credit risk since initial recognition, the Entity records a lifetime ECL for the financial instrument. This mechanism is similar to the one explained above, including the use of different scenarios, but PDs are estimated over the remaining life of the instrument. Expected cash deficits are discounted by an approximation to the original effective interest rate.

- Stage 3: In the case of financial instruments deemed credit-impaired, the Entity recognizes the ECL for the remaining life of the instruments. The method is similar to Stage 2 financial instruments, with a PD set in 100 percent.

- Loan commitments and letters of credit: When estimating the lifetime ECL for loan commitments, the Entity estimates the expected portion of the loan commitment that will be reduced during 12 months or its expected life. The ECL is then based on the current value of the expected declines in cash flow if the loan is withdrawn, based on the probability weighting of the three scenarios. The expected cash flows are discounted by an approximation to the original rate for each transaction.

- Guarantees and other commitments: the Entity's liabilities under each guarantee are measured based on the higher amount initially recognized less the accumulated amortization recorded in the Income Statement, and provision for ECL. To this end, the Entity estimates the ECL based on the current value of the expected payments to be made to the guarantee holder if the debtor defaults on its payments. Cash flows are discounted by a risk-adjusted interest rate relevant to the exposure. The calculation is made using the probability weighted of the three prospective scenarios. ECLs related to financial guarantee contracts are disclosed under "Provisions."

3.2.4.3 Prospective information

For the purposes of determining a correction in the calculation of ECLs, the impact of the main macroeconomic variables should be analyzed in order to adjust historical data to the current conditions and to the outlook for the immediate future. To this end, the different and probable macroeconomic scenarios (base, upside and downside scenarios) are weighted, using variables that are relevant for credit risk determination (such as GDP growth, interest rate, price indexes.)

The inputs and models used for calculating ECL not always capture all of the market characteristics as of the reporting date of these Consolidated Financial Statements. Thus, the Entity may consider certain qualitative factors on a temporary basis so that the model takes them into consideration when such differences are material. Note 41.1.2 "Prospective Information taken into consideration in ECL Models" includes information on these inputs.

3.2.4.4 Debt securities measured at fair value through other comprehensive income

ECL for debt securities measured at fair value through other comprehensive income do not reduce the carrying value of these financial instruments in the balance sheet, which remains at fair value. Conversely, an amount equal to the adjustment of value that would arise if the assets were measured at amortized cost is disclosed in other comprehensive income as accumulated impairment loss and the relevant charge to profit or loss. Upon derecognition of the assets, the accumulated impairment loss disclosed in other comprehensive income is reclassified to the income statement.

3.2.4.5 Credit cards and other revolving credit facilities

In the case of credit cards and other revolving credit facilities, the Entity does not limit its exposure to credit losses to the contractual notice period but instead it calculates the ECL over a period that reflects its expectations about the customers' behavior, their unused credit balances, the likelihood of default and its expectations about future risk mitigation, which may include reducing or cancelling the credit facilities. Based on the Entity's methodology, the period over which ECL are calculated for these products is three years.

The interest rate used to discount ECL for credit cards is based on the average effective interest rate expected to be charged during the expected period of exposure to these credit facilities. This estimate takes into account that some of these credit facilities may be fully settled each month and, thus, no interest would be charged.

3.2.4.6 Applications

Financial instruments are derecognized in whole or in part after the first month in which the Entity has no reasonable expectations of recovering the financial instrument or a portion thereof. If the amount to be derecognized is higher than the accumulated adjustment of value due to loss, the difference is first treated as an addition to the adjustment of value, which is then applied against the gross carrying value. Any subsequent recovery is recorded in the income statement of the fiscal year in which the recovery takes place, under "Other operating income."

3.2.4.7 Renegotiated and modified loans

The Entity deems a loan renegotiated when such modification is the result of the customer's current or expected financial difficulties. The renegotiation may include an extension of the payment arrangements or the agreement of new loan terms. Upon the renegotiation of the terms, any impairment is measured using the original effective interest rate as calculated before the terms were modified. It is the Entity's policy to monitor renegotiated loans to ensure that future payments will continue to be made. Any decisions on derecognition and classification between Stages 2 and 3 are determined on a case-by-case basis for the commercial portfolio, and collectively for the consumer portfolio. Where these procedures identify a loss related to a loan, this is managed as an impaired Stage 3 renegotiated loan until it is collected or derecognized.

When the loan has been renegotiated or modified but not derecognized, the Entity also considers whether the assets should be reclassified in Stage 3. Upon classifying an asset as renegotiated, such asset shall remain in Stage 2 until it is fully collected or is deemed impaired (Stage 3).

Where modifications are material, the loan is derecognized and a new loan with different terms is then recognized.

3.2.4.8 Collateral valuation

For the purpose of mitigating the risks of its financial instruments, the Entity seeks to use collateral, where possible. There are several types of collateral, such as cash, securities, letters of credit/guarantees, real estate, credits, other non-financial assets and credit enhancement, such as netting agreements. Collateral is not disclosed in the Entity's Balance Sheet, with the exception of property seized. However, collateral fair value affects ECL calculation for certain products and customers assessed on an individual basis. The assessment is generally made at least at the initial date, and is re-assessed periodically.

Where available, the Entity uses active markets data to assess financial instruments held as collateral. Other financial instruments for which there are no market prices easily available are assessed using internal methods. Non-financial collateral, such as real property, is assessed based on data provided by third parties, such as appraisers.

3.2.4.9 Property seized

It is the Entity's policy to determine whether property seized is best used if internally used or should be sold. Upon determining that internal use is the best option, such assets are transferred to the relevant asset category at the lower of the value of the asset seized or the carrying value of the original asset secured.

Assets for which sale is determined to be the best option are transferred as assets held for sale at their fair value (if financial assets) and at their fair value less their cost of sale at the date of seizure (if non-financial assets), in line with the Entity's policy.

In the ordinary course of business, the Entity does not include property and other assets seized in its portfolio, but engages external agents instead to recover the funds, generally at auctions, to settle the outstanding debt. Any surplus is returned to the customer/debtor. As a result of this practice, residential properties under foreclosure procedures are not recorded in the balance sheet.

3.2.5 Financial liabilities

After their initial recording, some financial liabilities were valued at amortized cost using the effective interest method, with the exception of derivatives, which were valued at fair value through profit or loss. Interest is disclosed in the Income Statement as "Interest expense."

Other financial liabilities include guarantees granted and contingent liabilities, which must be disclosed in the Notes to the Financial statements when the documents supporting such credit facilities are issued and said facilities are initially recorded using the fair value of the commission received in the Balance Sheet. After initial recording, the liability for each guarantee was recorded at the higher of the adjustment of value due to ECL and the amount initially recorded, less, if applicable, the aggregate income recorded in accordance with IFRS 15 "Revenues from contract with customers." The commissions charged were recorded in the Income Statement as "Commission income" based on their amortization following the straight-line method over the effective term of the financial guarantee granted.

3.2.6 Derivatives

Forward transactions without delivery of underlying assets

These transactions include forward purchases and sales of foreign currency without delivery of the underlying traded asset. Such transactions were valued at the fair value of the applicable contracts and were undertaken by the Entity, on its own behalf, for intermediation purposes. The resulting income or loss was disclosed in the Income Statement as “Net income/(loss) due to measurement of financial instruments at fair value through profit or loss.”

Derecognition of financial assets and liabilities

A financial asset (or, where applicable, part of a financial asset or a group of similar financial assets) is derecognized: (i) upon the expiration of the contractual rights to collect the cash flows generated by the financial asset; or (ii) upon the Entity transferring the contractual rights to collect the cash flows generated by the financial asset or undertaking the obligation to immediately pay such cash flows to a third party under a transfer agreement.

A transfer can only result in the derecognition of a financial asset where: (i) the Entity has transferred substantially all the risks and benefits derived from the asset; or (ii) the Entity has neither transferred nor retained substantially all the risks and benefits derived from, but has transferred control over the asset, under the understanding that control is only transferred if the transferee has the effective ability to sell the asset in its entirety to an unrelated third party, and can unilaterally exercise such ability without the need to impose additional restrictions on the transfer.

If the Entity has neither transferred nor retained substantially all the risks and benefits derived from ownership of a transferred asset, and has retained control over said asset, the Entity must continue to disclose such transferred asset to the extent it is exposed to changes in the value thereof.

The Entity derecognizes a loan when the terms and conditions have been renegotiated to such extent that it substantially becomes a new loan, and discloses the difference as income or loss due to the derecognition of accounts. Modifications which do not generate substantially different cash flows do not result in the derecognition of accounts. The Entity recalculates the gross carrying value of the asset as the current value of the modified contractual cash flows, discounts it using the effective interest rate of the original loan, and records an income or loss due to a modification, as explained in detail in Section 3.2.4.7 “Renegotiated and modified loans.”

In turn, a financial liability is derecognized when the payment obligation provided for in the applicable contract is discharged, terminates or expires. Where an existing financial liability is replaced by another financial liability undertaken by the same borrower under substantially different terms, or the terms are substantially modified, such replacement or modification is disclosed through the derecognition of the original financial liability and the disclosure of a new liability. The difference between both such liabilities is recorded in the Income Statement as “Other operating income.”

Reclassification of financial assets and liabilities – Changes to the business model

During 2020, the Entity’s Management deemed convenient to update the goal related to the investments detailed below:

- Argentine Treasury Bonds adjusted by CER 1 percent - Maturity date: 08/05/2021

  Given the context prevailing in local markets, which showed significant volatility within the framework of debt renegotiation and the international crisis resulting from the COVID-19 pandemic; and given the considerable increase observed in the issuance of Argentine Government Bonds, the Entity concluded that the arbitrage of the securities held in the Entity’s portfolio was a better option for doing business and obtaining profits. For this reason, in July and August 2020, the Management reclassified holdings from amortized cost (AC) to fair value through profit or loss (FVPL). As of the dates of the aforementioned reclassifications, the amortized cost amounted to ARS 2,603,590 and ARS 5,116,512, respectively, while fair value as of those dates amounted to ARS 3,604,389 and ARS 5,511,940 respectively, resulting in gains due to reclassifications amounting to ARS 1,000,799 and ARS 395,428, respectively.

- Argentine Treasury Bonds adjusted by CER 2.5 percent – Maturity Date 07/22/2021

  Given the context prevailing as a result of debt renegotiation and the issuance of new local securities, the volatility in the prices of securities creates a scenario in which it is unclear whether the recovery of cash flows from these holdings will occur exclusively through the trading of these holdings or could also be generated by holding them to maturity. For this reason, in July and August 2020, the Management reclassified holdings from FVPL to fair value through OCI (FVOCI). As of the aforementioned dates, the reclassified investments amounted to ARS 4,150,395 and ARS 5,034,995, respectively. Effective interest rates as of the dates of reclassifications amounted to 31.45 percent and 33.31 percent respectively. As of December 31, 2020, the fair value of said holdings amounted to ARS 4,214,500 and ARS 5,057,400, respectively. The interest disclosed as part of the income/(loss) for the period amounted to ARS 718,356 and ARS 676,818, respectively.

- Argentine Treasury Notes in Argentine pesos at a discount maturing on 01/29/2021 and Argentine Treasury Notes in Argentine pesos at a discount maturing on 02/26/2021

  Based on the expectations of high nominal yields for assets denominated in pesos, in December 2020, the Management deemed appropriate to adjust the Entity's investment policy and sell such assets in the short term, before their respective maturities. As a result, these holding were reclassified from FVOCI to FVPL. As of the date of reclassification, the investments amounted to ARS 22,625,105 and ARS 13,629,800, respectively.

- Argentine Treasury Bonds adjusted by CER 2021

  Given a scenario in which inflation is expected to rise and be higher than in 2020, and the short duration of this investment valued at FVOCI, the Management deemed that the sale of the totality of this investment in the short term was unlikely and not very advisable. For this reason, it was deemed appropriate to reclassify 50 percent of the portfolio to AC. As of the date of reclassification, the fair value amounted to ARS 8,314,307, the AC amounted to ARS 8,287,135, disclosing ARS 27,172 as part of the income/(loss) for the period. As of December 31, 2020, the fair value of such holdings amounted to ARS 8,601,844, while the gain that would have been recognized in other comprehensive income for the period would have been ARS 27,577.

3.3 Leases

As of the effective date, the Entity determines whether the contract is or contains a lease; *i.e.*, whether the contract transfers the right to control the use of an identified asset for a given period of time in exchange for consideration.

3.3.1 The Entity as lessee

The Entity uses a unique approach for the disclosure and measurement of all leases, with the exception of short-term leases and leases for underlying assets having a low value, in which cases payments are recorded as expenses on a straight-line basis. The Entity records a lease liability reflecting the obligation to make future payments in consideration for the lease, and a right-of-use asset representing the right to use the underlying asset.

- Recognition of a right-of-use asset

  The Entity records a right-of-use asset as of the effective date of the lease. The right of use is measured at cost, minus accumulated depreciations and accumulated impairment losses, and adjusted by any revaluation of the lease liability. The cost of the right-of-use asset includes the balance of the recorded lease liability, the initial direct costs incurred, and the payments made on or before the effective date of the lease, minus any incentives received. Right-of-use assets are amortized on a straight-line basis over the shorter of their estimated life or the term of the lease.

  The right-of-use asset is also subject to devaluation pursuant to Section 3.9 of this Note.

- Lease liability

  On the effective date of the lease, the Entity records a lease liability for the current value of the payments to be made throughout the term of the lease. Lease payments include fix payments minus any lease incentives receivable, variable lease payments calculated based on an index or rate, and amounts payable as residual value guarantee. Lease payments also include the price to exercise a purchase option, provided the Entity is reasonably certain that it will exercise said option, and any fines paid for the termination of the lease, provided it is possible to infer from the term of the lease that the Entity will exercise an option to terminate it. Variable payments not calculated based on an index or rate are recorded as expenses for the period in which the event or condition giving rise to said payments occurs.

In order to calculate the current value of lease payments the Entity uses the incremental borrowing rate in force as of the effective date of the lease, provided the implied interest rate of the lease cannot easily be determined. After the effective date, the balance of the lease liability will increase to reflect the interest rate and reduced by the amount of the payments made. In turn, the carrying value of the lease liability will be recalculated in the event of an amendment, or a modification of the term, the fix payments due or the assessment of a purchase option over the underlying asset.

3.3.2 The Entity as lessor

The Entity grants loans through financial leases, and records the current value of the payments collected thereunder as an asset in the Balance Sheet, under "Loans and other financing transactions." The difference between the total value to be collected and the current value of the financing is disclosed as interest receivable. This income is recorded throughout the term of the lease using the effective interest method, which reflects a constant rate of return and is disclosed in the Income Statement as "Interest income." Impairment losses are disclosed in the Income Statement as "Bad debt charges" and their development is further explained in Annex R "Adjustment of value due to loss – Provision for bad debts."

3.4 Investment in associates and joint arrangements

An associate is a company over which the Entity has significant influence, *i.e.*, the power to influence said other company's financial policy and operating decisions, without controlling it. Investments in associates were recorded using the equity method and were initially recorded at cost. The Entity's share in the profits or losses of its associates after acquisition was accounted for in the Income Statement, and its share in other comprehensive income after acquisition was accounted for in the Statement of Other Comprehensive Income.

A joint arrangement is an arrangement which is jointly controlled by both the Entity and another party or parties. Under IFRS 11 "Joint Arrangements," investments in these types of arrangements are classified as joint ventures or joint operations depending on each investor's contractual rights and obligations, regardless of the legal structure of the arrangement itself. A joint venture is an arrangement under which the parties having joint control of the arrangement have rights to the net assets of such arrangement. A joint operation is an arrangement under which the parties having joint control of the arrangement have rights to the assets and obligations for the liabilities resulting from the arrangement. The Entity has assessed the nature of its joint arrangements and determined that they are joint ventures. Investments in joint ventures were recorded using the equity method described in the preceding paragraph. See also, Note 11.

3.5 Property, plant and equipment

The Entity selected the cost model for all kinds of assets in this account. These assets were carried at their acquisition cost less any accumulated depreciations and impairments, if any. The historical acquisition cost includes all expenses directly attributable to the acquisition of the assets. Maintenance and repair costs were recorded in the Income Statement. Replacements and significant improvements are only recognized as assets when likely to produce future economic benefits exceeding the return originally assessed for the asset.

These assets were depreciated in proportion to the number of months in their estimated useful lives, were fully depreciated on the month of their acquisition and were not depreciated on the month in which they were derecognized. In addition, the useful lives of these assets are reviewed at least once at the end of each year to detect any material changes thereon. If any such change is confirmed, the useful life of the applicable asset is adjusted by correcting the depreciation charge as needed. Depreciation charges are recorded in the Income Statement under "Asset amortizations and depreciations."

The residual value of the assets, as a whole, does not exceed their recoverable amount.

3.6 Intangible assets

Intangible assets acquired separately were initially measured at cost. After initial recognition, they were recorded at cost minus any accumulated amortizations (for those assigned finite useful lives) and accumulated impairment losses, if any.

In the case of internally generated intangible assets, only development-related disbursements are capitalized. Other

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disbursements are not capitalized and are disclosed in the Income Statement for the period in which they are incurred.

The useful lives of intangible assets may be finite or indefinite.

Intangible assets with finite useful lives are amortized over their economic useful lives, and are reviewed to determine whether they have sustained an impairment loss where evidence exists that they may have incurred such impairment. The amortization period and method applicable to intangible assets with finite useful lives are reviewed at least once at the end of each fiscal year. The amortization charges for intangible assets with finite useful lives are recorded in the Income Statement under "Asset amortizations and depreciations."

Intangible assets with indefinite useful lives are not amortized and are subject to annual tests to determine whether they have suffered any impairment loss, either individually or as part of the cash-generating unit to which they are allocated. The Entity owns no intangible assets with indefinite useful lives.

The profits or losses derived from the derecognition of an intangible asset are measured as the difference between the net proceeds generated by the sale and the carrying value of the applicable asset, and are disclosed in the Income Statement when the applicable asset is derecognized.

Development expenses incurred for a specific project are recorded as intangible asset when the Entity can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for its intended use or sale;
- its intention to complete the intangible asset and its ability to either use or sell it;
- how the intangible asset will generate future economic benefits;
- the availability of adequate resources to complete the asset; and
- the ability to reliably measure the disbursements necessary during the development of the asset.

After the initial recording of the development expense as an asset, the cost model is applied, which requires that the asset be carried at cost minus accumulated amortizations and accumulated impairment losses, if any. The asset is first amortized once the development phase is finished and the asset is available for use. The asset is amortized over the period in which it is expected to generate future benefits. Amortizations are recorded in the Income Statement under "Asset amortizations and depreciations." During the development phase, the asset is subject to annual tests to determine whether its value has been impaired.

3.7 Investment property

Investment property includes certain real properties held by the Entity for undetermined future use, which were recorded pursuant to IAS 40 "Investment Property."

For this kind of real properties, the Entity chose the cost model described in Section 3.5 Property, plant and equipment.

Investment property is derecognized upon its sale or when permanently withdrawn from use, provided no future economic benefits are expected from its sale. The difference between the net proceeds originated by the sale and the carrying value of the asset is recorded in the Income Statement for the period in which the asset is derecognized under "Other operating income."

Transfers to or from an investment property only occur upon a change in the use of the applicable asset. In the event of a transfer from an investment property to an item of property, plant and equipment, the cost attributed to the property and subsequently used for accounting purposes is said property's fair value as of the date in which its use changed. If an item of property, plant and equipment is transferred to an investment property, the Entity records the asset up to the date in which its use changed, in accordance with the policy applicable to property, plant and equipment.

3.8 Non-current assets held for sale

The Entity reclassifies in this category non-current assets whose carrying value will be recovered mainly through sales rather than through continued use. The asset (or disposal group) must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), and its sale must be highly probable.

Non-current assets classified as assets held for sale are measured, upon being reclassified into this category, at the lower of their carrying value or their fair value minus the applicable sale costs, and are recorded in an independent line in the Balance Sheet. Once classified as assets held for sale, these assets are subject to no further depreciation or amortization.

The profit or loss from the sale of non-current assets held for sale is recorded in the Income Statement under "Other operating income."

3.9 Impairment of non-financial assets

The Entity analyses, at least once at the end of each fiscal year, whether any events or changes in circumstances have occurred which may indicate the potential impairment of non-financial assets, or whether any evidence exists that a non-financial asset may have been impaired.

Where such evidence exists or an asset is to be subject to an annual impairment test, the Entity estimates such asset's recoverable amount. If the carrying value of an asset exceeds its recoverable amount, such asset is deemed impaired and its carrying value is reduced to match its recoverable amount. As of the date of these Consolidated Financial Statements, no evidence exists of the impairment of non-financial assets.

3.10 Provisions

The Entity records a provision only where the following circumstances are met: (a) the Entity has a current obligation as a result of a past event; (b) it is probable (*i.e.*, it is more likely than not) that the Entity will have to disburse resources generating economic benefits to settle said obligation; and (c) the amount of the applicable obligation can be reliably estimated.

In order to calculate the balance of provisions, existing risks and uncertainties were considered taking into account the opinion of the Entity's external and internal legal advisors. Where the time value of money has a material effect, provisions are discounted using a current pre-tax market rate reflecting, where applicable, the specific risks associated to the relevant liability. When the discount is recorded, the effect of the passing of time on the provision is disclosed as "Interest expense" in the Income Statement. A provision was recorded based on the analysis carried out by the Entity, for a balance equal to the amount of the best estimate of the potential disbursement necessary to settle the current obligation at the end of each fiscal year.

The provisions recorded by the Entity are reviewed at the end of each reporting period or fiscal year, as applicable, and adjusted to reflect the best available estimate as of each applicable date.

Additionally, provisions are recorded with specific allocations to ensure they are only used to cover the disbursements for which they were created.

In the event that: a) the obligation is possible; or b) it is not likely for the Entity to have to disburse resources to settle the obligation; or c) the amount of the obligation cannot be reliably estimated, the contingent liability is not recorded and is disclosed in the Notes. However, where the potential need for a disbursement is remote, no disclosure whatsoever is made.

3.11 Recording of income and expenses

3.11.1 Interest income and expenses

Interest income and expenses were recorded depending on their accrual periods, using the effective interest method, explained in the "Financial assets measured at amortized cost – Effective interest method" section.

Interest income includes the returns on fixed-income investments and negotiable instruments, as well as the discounts and premiums on financial instruments.

Bond coupons were recorded at the time they were declared.

3.11.2 Loan commissions

Commissions charged and direct incremental costs linked to the granting of financing facilities were deferred and recorded adjusting said facilities effective interest rate.

3.11.3 Service commissions

This income is recorded when (or as) the Entity discharges each performance obligation by means of the transfer of the undertaken services, for an amount reflecting the consideration the Entity expects to receive in exchange for said services.

Upon the coming into force of each contract, the Entity assesses the services committed thereunder and identifies each commitment to transfer a unique service or a series of unique services which are substantially the same and have the same transfer pattern as a performance obligation.

3.11.4 Non-financial income and expenses

Non-financial income and expenses are recorded based on the disclosure conditions resulting from the Conceptual Framework, such as the requirement that income or expenses be accrued.

3.12 Customer loyalty program

The loyalty program offered by the Entity consists in the accumulation of points generated by purchases made with the credit cards, which can be exchanged for any reward (including, among others, products, benefits and awards) available in the Entity's platform.

The Entity concluded that the rewards to be granted create a separate performance obligation. Therefore, at the end of each fiscal year, the Entity records a provision for said rewards under "Other financial liabilities."

It is worth mentioning that the variables assessed by the Entity to estimate the (fair) value of the points granted to customers (and their link to the exchange of the Reward) are subject to significant uncertainties (and variations) that should be taken into account. These factors are further described in the "Accounting judgments, estimates and assumptions" section of this Note.

3.13 Income tax (see Note 21)

Income tax charges include current and deferred taxes. This tax is recorded in the Income Statement, unless the applicable accounts must be recorded directly in the Statement of Other Comprehensive Income. In such case, each account is recorded before calculating its impact on Income Tax, which is disclosed in the relevant account.

- Current income tax: the consolidated current income tax charge is the sum of the income tax charges of the different companies in the Group (see Note 1), which were assessed, in each case, by applying the applicable tax rate to the relevant taxable income, in accordance with the Income Tax Act or equivalent regulation in force in the countries in which each subsidiary operates.

- Deferred income tax: is assessed based on the Separate Financial statements of the Entity and each of its subsidiaries, and reflects the effects of temporary differences between the balances of assets or liabilities calculated for accounting and those calculated for tax purposes. Assets and liabilities are measured using the tax rate the Entity expects to apply to the taxable income during the years in which such differences are to be recovered or settled. The measurement of deferred assets and liabilities reflects the tax consequences of the manner in which the Entity and its subsidiaries expect to recover or settle the value of their assets and liabilities. Deferred assets and liabilities are measured using their undiscounted face values, at the expected tax rates for the year in which the assets are to be realized or the liabilities are to be settled. Deferred assets are recorded when sufficient potential future tax benefits exist to offset them.

On December 29, 2017 the Argentine Executive enacted a tax reform act which, among other things, reduced the corporate income tax rate on retained corporate earnings and modified the calculation of deferred tax assets and liabilities. This reduction of the corporate income tax rate was to be implemented gradually over the following four years, to move from the 35 percent rate in force up to and including the 2017 fiscal year, to a 25 percent rate by 2020. On December 23, 2019 the Argentine Congress passed Act No. 27,541 (see Notes 21.b and 42), suspending the reduction of the corporate income tax rate to 25 percent and the raise of withholdings on dividend and profit distributions to 13 percent until January 1, 2021.

3.14 Earnings per share

Basic earnings per share are calculated by dividing the net profits attributable to the shareholders of the Entity by the weighted average number of common shares outstanding during each year. See also, Note 30.

3.15 Fiduciary and investment management activities

The Entity renders escrow, management, investment management and advisory services to third parties which result in the Entity holding or placing assets on behalf of said third parties. Such assets, as well as the income or losses generated by them, are not included in the Financial Statements, as they are not owned by the Entity. The commissions charged for these services are recorded in the Income Statement under “Commissions income.” See also, Notes 33, 34.3 and 38.

Accounting judgments, estimates and assumptions

The preparation of the Consolidated Financial Statements requires the Entity’s Management to make and consider significant accounting judgments, estimates and assumptions that affect the reported balances of assets, liabilities, income and expenses, as well as the identification and disclosure of contingent assets and liabilities as of the end of the fiscal year. The reported balances are based on the best estimates of the probability of various future events effectively occurring. The uncertainties associated with the aforementioned estimates and assumptions may generate future results different from the estimated ones, and require material adjustments to the reported balances of the affected assets and liabilities.

In some cases, the preparation of the Financial Statements in accordance with the Central Bank’s Financial Reporting Framework requires that assets and liabilities be recorded and/or disclosed at fair value. The fair value of an asset or liability is the amount at which they can be respectively exchanged or settled in a transaction between mutually independent participants of the primary (or most advantageous) market, who are duly informed and willing to participate in an orderly and current transaction. Where available, market prices in force in active markets were used as a valuation basis. Where market prices in force in active markets were not available, the Entity estimated those values based on the best information available, including the use of models and other assessment techniques. See also, Note 9.

When estimating taxes payable, the Entity assesses the relative risks to achieve an adequate tax treatment, taking into account judicial and regulatory provisions within the context in which it operates. Given the complexity of tax laws and regulations, interpretations can be complex and may be subject to professional judgement. Others with the same information could reach different conclusions concerning taxes to be paid (See Note 21 for more information).

In the ordinary course of business, the Entity is a party to several lawsuits. Note 39 describes the contingencies related with claims, lawsuits and other existing or potential legal proceedings. Additionally, the Entity records a provision for litigation when it is probable that future litigation costs will be incurred and can be reasonably estimated.

The measurement of impairment losses under IFRS 9 for all categories of financial instruments, taking into account the transitory exceptions under Argentine Central Bank’s Communication “A” 6847, requires professional judgement when determining impairment losses and assessing significant increases in credit risk, particularly when estimating the amounts and future cash flow schedules and the measurement of collaterals. These estimates depend on a number of factors, and changes may result in different provision levels (See Section 3.2.4 of this note and 41.1 for more information related to impairment losses under IFRS 9).

For purposes of the customer loyalty program, the Entity estimates the fair value of the points awarded to customers under the “Macro Premia” program by applying statistic techniques. The data fed into the models include assumptions on exchange percentages, the product combinations that will be available for exchange in the future and customers’ preferences.

Changes in standards introduced throughout the year

Impacts as a result of the adoption of Section 5.5. “Impairment” of IFRS 9

Section 3.2.4, describes the convergence process for the adoption of Section 5.5. of IFRS 9 in accordance with Argentine Central Bank’s Communication “A” 6114.

The impact on retained earnings as a result of the transition to the expected credit loss (ECL) method under Section 5.5 of IFRS 9 mentioned above is described below:

	Retained earnings
Balance as of December 31, 2018 under previous regulations	17,750,090
ECL recognition under IFRS 9	588,447
Related deferred tax	(176,537)
Opening balance by virtue of the ECL under IFRS 9 (January 1, 2019)	18,162,000
Total change in shareholders’ equity as a result of the adoption of the ECL under IFRS 9	411,910

The table below shows the reconciliation between the balances of provisions for bad debts as of the transition date determined in accordance with the previous regulations and the new balances of provisions calculated in accordance with the ECL:

	Provision under previous regulations	Re-measurement	ECL under IFRS 9 as of January 1, 2019
Loans, other financing transactions and other items	8,713,774	(610,918)	8,102,856
Subtotal	**8,713,774**	**(610,918)**	**8,102,856**
Contingent commitments		22,471	**22,471**
Subtotal		**22,471**	**22,471**
Total	**8,713,774**	**(588,447)**	**8,125,327**

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The new accounting policies on impairment under Section 5.5. of IFRS 9 are described in Section 3.2.4 of this note.

Other regulatory changes introduced in this fiscal year

During the fiscal year commenced on January 1, 2020, the following amendments to the IFRSs entered into effect. These amendments had no significant impact on these Consolidated Financial Statements as a whole.

1. Amendments to the Conceptual Framework for Financial Reporting
This framework includes some new concepts, updated definitions and disclosure criteria for assets and liabilities, and clarifications on some important concepts.

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

This standard had no significant impact on these Consolidated Financial Statements since there are no current uncertainties as to the application of a particular transaction or regulation.

2. IFRS 3 "Business Combination" – amendments to the definition of a business:
This amendment will help entities determine whether a given acquisition constitutes a business or the purchase of a group of assets. The new definition emphasizes that the output of a business is to provide goods and services to customers, while the previous definition focused on returns in the form of dividends, lower costs or other economic benefits. This standard had no significant impact on these Consolidated financial statements, since there are no current business combination transactions.

3. 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 where its omission, misstatement or obscuring could reasonably be expected to influence the decisions that primary users of financial statements make on the basis thereof. The amendment further clarifies that materiality depends upon the nature and/or magnitude of the information. The amendment replaced the "could influence" threshold with a "could reasonably be expected to influence" threshold. This means that a materiality assessment must only take into account whether the applicable information can reasonably be expected to influence the economic decisions of primary users. This standard had no significant impact on these Consolidated financial statements.

4. IFRS 16 "Leases" – Amendment permitting lessees to account for Covid-19-Related Rent:
This amendment exempts lessees from assessing whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead permits lessees to account for those rent concessions as if they are not lease modifications and record them in the Income Statement. This applies to Covid-19 rent concessions reducing lease payments on or before June 30, 2021. This standard had no significant impact on these Consolidated financial statements (see Note 43).

New pronouncements

A. Adoption of the new IFRSs

Pursuant to Argentine Central Bank's Communication "A" 6114, as new IFRSs are approved and existing IFRSs are amended or revoked, and once these changes are approved through Approval Circulars issued by the FACPCE, the Argentine Central Bank will issue a statement on the approval thereof for use by financial institutions. Generally, the IFRSs may not be adopted in advance other than as specifically authorized at the time of the adoption thereof.

Listed below are the standards and interpretations issued but not in force as of the date of these Consolidated Financial Statements. The Entity will adopt these standards, where applicable, once they come into force:

a) Amendments to IFRS 3 – Reference to the Conceptual Framework: the amendments are aimed at replacing the references to the previous IASB' Conceptual Framework by the references to the current version of same issued in March, 2018, without this implying a significant change in its requirements. The amendments include an exception to the IFRS 3 recognition principle to avoid the problem of "day 2" potential losses or gains that arise from liabilities or contingent liabilities that could fall within the scope of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets." or IFRIC 21 "Levies" if incurred separately. The exception requires that entities apply the criterion under IAS 37 or IFRIC 21 instead of the Conceptual Framework to determine whether a present obligation exists at the acquisition date. Additionally, a new paragraph is added to IFRS 3, which clarifies that a contingent asset does not qualify for recognition as of the acquisition date. This standard is effective as of January 1, 2022. The Entity does not expect it to have a significant impact on the Financial Statements.

b) Amendments to IAS 16 – "Property, Plant and Equipment" (PPE): proceeds before intended use. The amendment prohibits an entity from deducting from the cost of an item of PPE any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Entity recognizes the proceeds from the sale of such items and the cost to produce them in profit or loss. This standard is effective as of January 1, 2022. The Entity does not expect it to have a significant impact on the Financial Statements.

c) Amendments to IAS 37 – Onerous Contracts – Cost of fulfilling a contract: The IASB issued amendments to IAS 37, which specifies which costs an Entity should include when assessing whether a contract is onerous or generates losses. This amendment applies a "direct cost approach." Costs directly related to a contract for the provision of goods or services comprise both incremental costs and the allocation of costs that relate directly to the contract activities The impact of these amendments on entities previously applying the incremental cost approach will be that they will need to recognize larger provisions to reflect the inclusion of costs directly related to the contract activities, while those entities previously recognizing provisions for losses on contracts using IAS 11 "Construction Contracts" guide (no longer in force) shall exclude the allocation of indirect costs from their provisions. This standard is effective as of January 1, 2022. The Entity does not expect it to have a significant impact on the Financial Statements.

d) Annual Improvements to IFRS 2018-2020 Cycle: a summary of the amendments deriving from the Annual Improvements to IFRS 2018-2020 Cycle is described below:

- IFRS 1 "First time adoption of International Financial Reporting Standards" – A subsidiary as a first-time adopter: the amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, to be based on the parent's date of transition to the IFRSs. This amendment is also applicable to associates and joint arrangements that elect to apply paragraph D16(a) of IFRS. This amendment is applicable as of January 1, 2022.

- IFRS 9 "Financial instruments" – Fees in the '10 per cent' test for derecognition of financial liabilities: the amendment clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees only include those paid or received between the borrower and the lender, including fees paid or received on behalf of the borrower or the lender.

- IFRS 16 "Leases." Illustrative examples – Lease incentives: the amendments remove Example 13 accompanying IFRS 16 on payments by the lessor related to lease improvements. This resolves any potential confusion regarding to lease incentives treatment when applying IFRS 16.

The Entity does not expect it to have a significant impact on the Financial Statements.

B. Amendments to the Central Bank's Financial Reporting Framework:

Disclosure of monetary gain/(loss) as a result of the application of the financial statements restatement procedure (Communication "A" 7211): as from the fiscal year commenced on January 1, 2021, the monetary effect accrued with respect to monetary items measured at fair value through Other Comprehensive Income (OCI) shall be disclosed in the income/(loss) for the relevant period. Therefore, at the beginning of the fiscal year 2021, the relevant retained earnings shall be adjusted as Adjustments to retained earnings resulting from previous periods, in order to include the monetary gain or losses of the aforementioned items recorded in accumulated OCI as of such date (see also Annex Q).

4. REPO TRANSACTIONS

As of December 31, 2020 and 2019, the Entity records outstanding repurchase and reverse repurchase transactions over government and private securities for an absolute value of ARS 40,040,277 and ARS 2,845,921, respectively. The transactions outstanding as of December 2020 matured on January 2021. Furthermore, as of the aforementioned dates, the securities delivered to guarantee reverse repurchase transactions totaled ARS 695,748 and ARS 1,466,345, respectively, and were recorded under "Financial assets transferred as collateral," while securities received to guarantee repurchase transactions as of December 31, 2020 and 2019 amounted to ARS 44,338,930 and ARS 1,648,337, respectively, and were recorded outside the balance sheet.

The profits derived by the Entity from repurchase transactions closed during the years ended December 31, 2020 and 2019 amount to ARS 7,067,389 and ARS 4,472,211, respectively, and are recorded in the Consolidated Income Statement under "Interest income." The losses derived by the Entity from reverse repurchase transactions closed during the years ended December 31, 2020 and 2019 amount to ARS 195,747 and 458,103, respectively, and were recorded in the Consolidated Income Statement under "Interest expense."

5. FINANCIAL ASSETS TRANSFERRED AS COLLATERAL

As of December 31, 2020 and 2019, the Entity had transferred as collateral the following financial assets:

	Carrying value	
Description	**12/31/2020**	**12/31/2019**
For transactions with the Argentine Central Bank	12,040,746	10,127,017
For guarantee deposits	1,555,864	2,937,377
For forward contracts on securities	695,748	1,466,345
Total	**14,292,358**	**14,530,739**

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Partner
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Gustavo A. Manriquez
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Delfín Jorge
Ezequiel Carballo
President

The Entity's Management believes no losses will result from the restrictions on the disposal of the foregoing financial assets.

6. CONTINGENT TRANSACTIONS

In order to meet customers' specific financial needs, the Entity's credit policy includes, among other transactions, the granting of guarantees, securities, bonds, letters of credit and documentary credits. It also incurs certain exposures due to authorized current account overdraft limits and credit card limits not yet used by costumers. Since they involve obligations or liabilities which are contingent for the Entity, they expose the Entity to credit risks additional to the ones disclosed in the Balance Sheet and are, therefore, an integral part of the Entity's total risk.

As of December 31, 2020 and 2019, the Entity recorded the following maximum exposures to credit risk related to this type of transactions:

	12/31/2020	12/31/2019
Unused credit card limits and current account overdrafts	95,220,298	124,364,340
Guarantees granted [1]	1,282,770	2,340,277
Liabilities from foreign trade transactions	888,664	607,827
Unused advances and credits granted [1]	518,606	1,432,695
	97,910,338	128,745,139
Minus: Provision for ECL	(17,207)	(23,514)
Total	**97,893,131**	**128,721,625**

(1) Includes transactions not provided for under the standard for the classification of financial system debtors. The guarantees granted amounted to ARS 161,869 and 242,840, as of December 31, 2020 and 2019, respectively. Unused advances and credits granted amounted to ARS 81,622 and ARS 258,023, as of December 31, 2020 and 2019, respectively.

The risks derived from the contingent transactions described above were assessed and controlled within the framework of the Entity's credit risk policy, described in Note 41 to these Consolidated Financial Statements.

7. ADJUSTMENT OF VALUE DUE TO EXPECTED CREDIT LOSSES ON CREDIT EXPOSURES NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The Entity must disclose an adjustment of value due to expected credit losses for all credit exposures not measured at fair value through profit or loss, such as debt securities measured at amortized cost, debt securities 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.

Annex P "Financial Assets and Liabilities Categories" classifies financial instruments as "measured at amortized cost" "measured at fair value through other comprehensive income" and "measured at fair value through profit or loss." This classification is based on Note 3.2. Furthermore, Note 9 provides information on valuation methods.

Therefore, taking into account the transitory exception mentioned in Note 3.2.4, the Entity applies the impairment requirements for the recognition and measurement of an adjustment of value for losses to financial assets measured at amortized cost or at fair value through other comprehensive income listed in Annex P, except for the exposures to the public sector. Additionally, the Entity applies the impairment requirements to guarantees granted, unused credit card balances, current accounts overdraft arrangements and letters of credit, which are recorded outside the Consolidated Balance Sheet.

For the purpose of assessing the Entity's exposure to credit risk and understand material credit risk concentration, the disclosures related to the credit risk of financial assets and items recorded outside the balance sheet are described below:

7.1 Loans and other financing transactions measured at amortized cost

According to nature of the information to be disclosed and loans characteristics, the Entity groups them into the following categories:

	12/31/2020	12/31/2019
Total loans and other financing transactions	**267,349,317**	**307,633,542**
Collective assessment	193,056,864	173,435,436
Individual assessment	74,292,453	134,198,106
Less: Provision for ECL (*)	(10,022,610)	(6,901,953
	257,326,707	**300,731,589**

(*) As mentioned in Note 3.2.4, ECL for exposures to the Public Sector are not calculated.

The following table shows credit quality and the relevant debt balance, according to the Entity's internal credit rating system and the stage of each transaction as of the cut-off date, taking into account Argentine Central Bank' several provisions on credit flexibilization to mitigate the effects generated by COVID-19 pandemic (see also Note 41.1.3). Amounts are disclosed before provisions.

		12/31/2020 (*)				
Internal rating	**PD Range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**%**
Performing		**248,152,798**	**8,667,313**		**256,820,111**	**96.06%**
High grade	0.00%-3.50%	203,625,434	35,479		203,660,913	76.18%
Standard grade	3.51%-7.00%	31,910,933	1,853,985		33,764,918	12.63%
Sub-standard grade	7.01%-33.00%	12,616,431	6,777,849		19,394,280	7.25%
Past-due but not impaired	33.01%-99.99%	**794,019**	**6,705,317**		**7,499,336**	**2.81%**
Impaired	100%			**3.029.870**	**3.029.870**	**1.13%**
Total		**248,946,817**	**15,372,630**	**3,029,870**	**267,349,317**	**100%**
		93.12%	**5.75%**	**1.13%**	**100%**	

(*) See also Note 41.1.3.

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Internal rating	PD Range	12/31/2019 Stage 1	Stage 2	Stage 3	Total	%
Performing		**280,074,262**	**13,565,543**		**293,639,805**	**95.45%**
High grade	0.00%-3.50%	234,860,526	153,443		235,013,969	76.40%
Standard grade	3.51%-7.00%	23,185,807	2,145,131		25,330,938	8.23%
Sub-standard grade	7.01%-33.00%	22,027,929	11,266,969		33,294,898	10.82%
Past-due but not impaired	33.01%-99.99%	**490,415**	**8,230,491**		**8,720,906**	**2.84%**
Impaired	100%			**5,272,831**	**5,272,831**	**1.71%**
Total		**280,564,677**	**21,796,034**	**5,272,831**	**307,633,542**	**100%**
		91.20%	**7.09%**	**1.71%**	**100%**	

7.1.1 Loans – Individual Assessment

The tables below show the credit quality and the debt balance at credit risk of corporate loans by credit risk rating grades, based on the Entity's internal credit rating system, PD range and stage category as of the reporting date of the reported fiscal years. The Entity's internal credit rating system and approach to impairment assessment and measurement are explained in Note 41 "Credit Risk" section.

Internal rating	PD Range	12/31/2020 (*) Stage 1	Stage 2	Stage 3	Total	%
Performing		**67,960,595**	**2,781,608**		**70,742,203**	**95.22%**
High grade	0.00%-3.50%	64,283,220	812		64,284,032	86.53%
Standard grade	3.51%-7.00%	2,742,148	1,454,671		4,196,819	5.65%
Sub-standard grade	7.01%-33.00%	935,227	1,326,125		2,261,352	3.04%
Past-due but not impaired	33.01%-99.99%	**372,660**	**1,614,916**		**1,987,576**	**2.68%**
Impaired	100%			**1,562,674**	**1,562,674**	**2.10%**
Total	**68,333,255**	**4,396,524**	**1,562,674**	**74,292,453**	**100%**	
		91.98%	**5.92%**	**2.10%**	**100%**	

(*) See also Note 41.1.3.

Internal rating	PD Range	12/31/2019 Stage 1	Stage 2	Stage 3	Total	%
Performing		**128,020,746**	**2,895,846**		**130,916,592**	**97.55%**
High grade	0.00%-3.50%	121,115,116	10,720		121,125,836	90.26%
Standard grade	3.51%-7.00%	25,878	1,184,255		1,210,133	0.90%
Sub-standard grade	7.01%-33.00%	6,879,752	1,700,871		8,580,623	6.39%
Past-due but not impaired	33.01%-99.99%		**1,389,063**		**1,389,063**	**1.04%**
Impaired	100%			**1,892,451**	**1,892,451**	**1.41%**
Total		**128,020,746**	**4,284,909**	**1,892,451**	**134,198,106**	**100%**
		95.40%	**3.19%**	**1.41%**	**100%**	

The tables below show the assessment on changes in debt balances and the relevant adjustment due to ECL for corporate loans:

	Stage 1	Stage 2	Stage 3	Total
Debt balance as of January 1, 2020	**128,020,746**	**4,284,909**	**1,892,451**	**134,198,106**
Purchased or originated assets	62,435,429	2,414,823		64,850,252
Impaired or paid assets	(102,930,411)	(926,908)	(1,029,675)	(104,886,994)
Transfers to Stage 1	213,137	(213,137)		
Transfers to Stage 2	(378,924)	378,924		
Transfers to Stage 3	(1,541,904)	(157,275)	1,699,179	
Applications			(375,325)	(375,325)
Monetary effects	(17,484,818)	(1,384,812)	(623,956)	(19,493,586)
As of December 31, 2020	**68,333,255**	**4,396,524**	**1,562,674**	**74,292,453**

	Stage 1	Stage 2	Stage 3	Total
Debt balance as of January 1, 2019	**140,670,991**	**2,125,782**	**2,353,984**	**145,150,757**
Purchased or originated assets	150,197,527	4,510,146		154,707,673
Impaired or paid assets	(110,364,709)	(1,623,329)	(1,733,006)	(113,721,044)
Transfers to Stage 1	536,346	(428,565)	(107,781)	
Transfers to Stage 2	(1,249,433)	1,249,433		
Transfers to Stage 3	(2,569,451)	(29,397)	2,598,848	
Applications		(236)	(123,425)	(123,661)
Monetary effects	(49,200,525)	(1,518,925)	(1,096,169)	(51,815,619)
As of December 31, 2019	**128,020,746**	**4,284,909**	**1,892,451**	**134,198,106**

	Stage 1	Stage 2	Stage 3	Total (*)
ECL as of January 1, 2020	**436,429**	**456,030**	**1,303,908**	**2,196,367**
Purchased or originated assets	1,515,913	517,367		2,033,280
Impaired or paid assets	(329,604)	(16,133)	(813,640)	(1,159,377)
Transfers to Stage 1	9,749	(9,749)		
Transfers to Stage 2	(1,181)	1,181		
Transfers to Stage 3	(929,211)	(5,996)	935,207	
Applications			(329,807)	(329,807)
Monetary effects	(41,048)	(184,349)	(313,036)	(538,433)
As of December 31, 2020	**661,047**	**758,351**	**782,632**	**2,202,030**

(*) See also Note 41.1.3.

	Stage			
	1	2	3	Total
ECL as of January 1, 2019	**559,906**	**120,738**	**896,211**	**1,576,855**
Purchased or originated assets	2,089,381	586,750		2,676,131
Impaired or paid assets	(411,174)	(87,985)	(628,383)	(1,127,542)
Transfers to Stage 1	76,434	(13,892)	(62,542)	
Transfers to Stage 2	(17,184)	17,184		
Transfers to Stage 3	(1,843,210)	(1,035)	1,844,245	
Applications		(5)	(53,717)	(53,722)
Monetary effects	(17,724)	(165,725)	(691,906)	(875,355)
As of December 31, 2019	**436,429**	**456,030**	**1,303,908**	**2,196,367**

7.1.2 Loans – Collective assessment

The tables below show the credit quality and the debt balance at credit risk of the loans portfolio under collective assessment, by credit risk rating grades, based on the Entity's internal credit rating system, PD range and stage category as of the reporting date of the reported fiscal years. The Entity's internal credit rating system and approach to impairment assessment and measurement are explained in Note 41 "Credit Risk" section.

		12/31/2020 (*)				
Internal rating	**PD Range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**%**
Performing		**180,192,203**	**5,885,705**		**186,077,908**	**96.39%**
High grade	0.00%-3.50%	139,342,214	34,667		139,376,881	72.19%
Standard grade	3.51%-7.00%	29,168,785	399,314		29,568,099	15.32%
Sub-standard grade	7.01%-33.00%	11,681,204	5,451,724		17,132,928	8.88%
Past-due but not impaired	33.01%-99.99%	**421,359**	**5,090,401**		**5,511,760**	**2.85%**
Impaired	100%			**1,467,196**	**1,467,196**	**0.76%**
Total		**180,613,562**	**10,976,106**	**1,467,196**	**193,056,864**	**100%**
		93.55%	**5.69%**	**0.76%**	**100%**	

(*) See also Note 41.1.3.

		12/31/2019				
Internal rating	**PD Range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**%**
Performing		**152,053,516**	**10,669,697**		**162,723,213**	**93.82%**
High grade	0.00%-3.50%	113,745,410	142,723		113,888,133	65.66%
Standard grade	3.51%-7.00%	23,159,929	960,876		24,120,805	13.91%
Sub-standard grade	7.01%-33.00%	15,148,177	9,566,098		24,714,275	14.25%
Past-due but not impaired	33.01%-99.99%	**490,415**	**6,841,428**		**7,331,843**	**4.23%**
Impaired	100%			**3,380,380**	**3,380,380**	**1.95%**
Total		**152,543,931**	**17,511,125**	**3,380,380**	**173,435,436**	**100%**
		87.95%	**10.10%**	**1.95%**	**100%**	

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Delfín Jorge
Ezequiel Carballo
President

The tables below show the assessment on changes in debt balances and the relevant ECL allowance for loans under collective assessment:

	Stage			
	1	2	3	Total
Debt balance as of January 1, 2020	**152,543,931**	**17,511,125**	**3,380,380**	**173,435,436**
Purchased or originated assets	122,759,519	6,864,009		129,623,528
Impaired or paid assets	(48,194,960)	(7,286,602)	(980,906)	(56,462,468)
Transfers to Stage 1	8,651,172	(8,354,152)	(297,020)	
Transfers to Stage 2	(4,493,269)	4,748,355	(255,086)	
Transfers to Stage 3	(1,104,828)	(309,271)	1,414,099	
Applications	(35,643)	(284,523)	(1,378,194)	(1,698,360)
Monetary effects	(49,512,360)	(1,912,835)	(416,077)	(51,841,272)
As of December 31, 2020	**180,613,562**	**10,976,106**	**1,467,196**	**193,056,864**

	Stage			
	1	2	3	Total
Debt balance as of January 1, 2019	**190,999,547**	**42,324,135**	**4,847,798**	**238,171,480**
Purchased or originated assets	103,467,653	10,167,092		113,634,745
Impaired or paid assets	(71,378,819)	(19,642,849)	(1,649,885)	(92,671,553)
Transfers to Stage 1	14,992,526	(14,771,361)	(221,165)	
Transfers to Stage 2	(8,171,761)	8,759,526	(587,765)	
Transfers to Stage 3	(4,033,895)	(951,529)	4,985,424	
Applications	(323,899)	(936,075)	(2,198,639)	(3,458,613)
Monetary effects	(73,007,421)	(7,437,814)	(1,795,388)	(82,240,623)
As of December 31, 2019	**152,543,931**	**17,511,125**	**3,380,380**	**173,435,436**

	Stage			
	1	2	3	Total (*)
ECL as of January 1, 2020	**1,561,988**	**1,480,049**	**1,663,549**	**4,705,586**
Purchased or originated assets	4,317,896	1,844,022		6,161,918
Impaired or paid assets	320,647	(369,719)	(539,226)	(588,298)
Transfers to Stage 1	767,495	(622,632)	(144,863)	
Transfers to Stage 2	(75,073)	187,329	(112,256)	
Transfers to Stage 3	(708,400)	(48,396)	756,796	
Applications	(1,676)	(56,306)	(702,095)	(760,077)
Monetary effects	(1,643,209)	(8,919)	(46,421)	(1,698,549)
As of December 31, 2020	**4,539,668**	**2,405,428**	**875,484**	**7,820,580**

(*) See also Note 41.1.3.

	Stage			
	1	2	3	Total
ECL as of January 1, 2019	**1,621,844**	**2,602,099**	**2,301,929**	**6,525,872**
Purchased or originated assets	2,472,513	881,811		3,354,324
Impaired or paid assets	19,972	(1,093,709)	(917,811)	(1,991,548)
Transfers to Stage 1	733,257	(636,265)	(96,992)	
Transfers to Stage 2	(115,770)	330,095	(214,325)	
Transfers to Stage 3	(1,912,100)	(100,707)	2,012,807	
Applications	(9,224)	(144,692)	(1,106,555)	(1,260,471)
Monetary effects	(1,248,504)	(358,583)	(315,504)	(1,922,591)
As of December 31, 2019	**1,561,988**	**1,480,049**	**1,663,549**	**4,705,586**

7.2 Other debt securities at amortized cost

For corporate bonds issued by the Entity's customers, the PD and LGD parameters calculated for these customers in loan exposures are used. Corporate bonds EAD is deemed equal to the debt balance since there is no information available on such instrument behavior at the time of default.

The criterion used to calculate the expected loss for Financial Trusts valued at amortized cost is based on the rating granted by the relevant Credit Rating Agency for each type of bond comprising the Financial Trust. This means that the factor to be used will vary based on the debt securities held (A or B). The EAD is deemed equal to the debt balance.

The tables below show the gross exposures of provisions by stages:

	12/31/2020				
	Stage 1	Stage 2	Stage 3	Total	%
Corporate Bonds	365,341			365,341	68.67%
Financial Trusts	166,692			166,692	31.33%
Total	**532,033**			**532,033**	
	100%			**100%**	

	12/31/2019				
	Stage 1	Stage 2	Stage 3	Total	%
Corporate Bonds	2,198,423			2,198,423	59.47%
Financial Trusts	1,498,448			1,498,448	40.53%
Total	**3,696,871**			**3,696,871**	
	100%			**100%**	

The ECL for Corporate bonds as of December 31, 2020 and 2019 amounted to ARS 1,234 and ARS 2,088, respectively. The ECL for Financial Trusts as of December 31, 2020 and 2019 amounted to ARS 109 and ARS 549, respectively.

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7.3 Government bonds measured at amortized cost or at fair value through OCI.

This group comprises national and provincial government bonds or Argentine Central Bank's securities measured at amortized cost or at fair value through OCI. The relevant parameters of these assets are assessed individually. However, under local regulations and in compliance with Communication "A" 6847, the expected credit loss for these securities is not calculated.

These financial investments and their characteristics are described in detail in Annex A.

7.4 Other financial assets

As of December 31, 2020 and 2019, the ECL for this type of instruments amounts to ARS 18,929 and ARS 14,032 respectively, including the ECL for balances receivable for the transaction mentioned in Note 15.

For the fiscal years ended December 31, 2020 and 2019, the total provision for ECL for loans and other financing transactions, other debt securities measured at amortized cost and other financial assets amount to ARS 8,002,788 and ARS 5,830,073, respectively, and are recorded in the Consolidated Income Statements under "Bad debt charges."

Additionally, Annex R "Adjustment of value due to loss – Provision for bad debts" also includes de progress in provisions for expected credit losses at the sector and product level.

8. DERIVATIVES

The Entity performs derivative transactions for trading purposes through Forwards and Futures. These are contractual agreements to purchase or sell a specific financial instrument at a specified price on a stipulated future date. Forward contracts are customized contracts negotiated in an over-the-counter market. Futures contracts, on the other hand, are transactions for standardized amounts closed within a regulated market, and are generally subject to daily cash margin requirements.

The main differences in the risks associated to these types of contracts are credit risks and liquidity risks. Forward contracts entail a counterparty risk, as the Entity has a degree of credit exposure to the counterparties to the contracts. The credit risk associated to futures contracts is deemed lower, because cash margin requirements help guarantee performance of these contracts. Additionally, forward contracts are generally liquidated on a gross basis, and are therefore deemed to result in higher liquidity risks than futures contracts, which, unless selected for performance by delivery, are liquidated on a net basis. Both types of contracts expose the Entity to market risks.

Initially, derivatives often entail only a mutual exchange of promises accompanied by little or no investment. However, these instruments frequently entail high leverage ratios and are very volatile. A relatively small change in the value of the underlying asset could have a significant impact on income or losses Furthermore, over-the-counter derivatives may expose the Entity to risks linked to the absence of an exchange market in which to close an open position. The Entity monitors its exposure to derivative contracts on a regular basis as part of its general risk management framework. Note 41 provides information on the Entity's credit risk management goals and policies.

The notional values indicate the number of outstanding transactions at year-end and are not indicative of either the market risk or the credit risk. The tables below show the fair value of the derivatives recorded as assets or liabilities in the Consolidated Balance Sheet. Changes in fair values were accounted for as income or loss, which are broken down in Exhibit Q "Breakdown of income and loss."

Derivative assets	Notional value currency	12/31/2020 Notional value (thousands)	12/31/2020 Fair value	12/31/2019 Notional value (thousands)	12/31/2019 Fair value
Foreign currency futures transactions without transfer of the underlying asset	USD	1,580	7,232	73,920	69,003
Total derivatives held for trading		1,580	7,232	73,920	69,003

Derivative liabilities	Notional value currency	12/31/2020 Notional value (thousands)	12/31/2020 Fair value	12/31/2019 Notional value (thousands)	12/31/2019 Fair value
Foreign currency futures transactions without transfer of the underlying asset	USD	1,755	230	73,920	1,046,556
Total derivatives held for trading		1,755	230	73,920	1,046,556

Derivatives held for trading are generally linked to products offered by the Entity to its customers. The Entity also acquires positions to benefit from favorable changes in prices, rates or indexes, *i.e.*, to take advantage of these contracts' high leverage ratios in order to obtain high yields. In doing so, the Entity assumes a high market risk. Additionally, these assets may be held for arbitrage purposes, *i.e.*, to obtain a risk-free benefit for the combination of a derivative product and a portfolio of financial assets, in order to benefit from anomalous changes in the market prices of assets.

9. QUANTITATIVE AND QUALITATIVE INFORMATION ON FAIR VALUES

Fair value is defined as the amount at which an asset could be exchanged or a liability settled in a transaction between mutually independent participants of the primary (or most advantageous) market, who are duly informed and willing to participate in an orderly and current transaction, as of the measurement date, in current market conditions, regardless of whether the price is directly observable or estimated using a valuation technique under the assumption that the Entity is a going concern.

When a financial instrument is traded in a liquid and active market, its market price in a real transaction provides the most reliable evidence of its fair value. When no market price is known or the market price cannot be used as an indicator of the fair value of the applicable instrument, such fair value can be estimated using the market value of another instrument with similar characteristics, the analysis of discounted cash flows or other applicable techniques, which are significantly affected by the assumptions used.

Even though the Entity's Management has applied its best judgment to the estimation of the fair value of financial instruments, any estimation technique carries with it a certain inherent level of fallibility.

Fair value hierarchy

The Entity uses the following hierarchies to determine and disclose the fair value of financial instruments, depending on the valuation technique used:

- Level 1: (unadjusted) quoted prices observable for identical assets or liabilities in active markets to which the Entity has access as of the measurement date. A market is only deemed active by the Entity where sufficient trading activities are recorded in proportion to the volume or liquidity of the identical assets or liabilities, and binding and enforceable quoted prices exist as of the end of each reporting period.

- Level 2: valuation techniques in which the data and variables having a significant impact on the determination of the fair value recorded or disclosed are directly or indirectly observable. These data include the quoted prices of similar assets or liabilities in active markets, the quoted prices of identical instruments in inactive markets, and observable data other than quoted prices, such as interest rates, yield curves, implied volatilities and credit differentials. Level 2 entry data may also require adjustments depending on the specific factors of the applicable asset or liability, such as the asset's condition or location, or the extent to which entry data are linked to items comparable to the applicable asset or liability. However, where said adjustments are based on unobservable entry data which are significant for purposes of the entire measurement, the Entity classifies the applicable instruments under Level 3.

- Level 3: Valuation techniques in which the data and variables having a significant impact on the determination of the fair value recorded or disclosed are not based on observable market information.

Annex P "Categories of Financial Assets and Liabilities" describes the hierarchy as applicable to the measurement of the fair value of the Entity's financial asset and liabilities.

Description of the measurement process

The fair value of instruments categorized as Level 1 was assessed using quoted prices for identical assets or liabilities in active markets as of the end of each fiscal year, where representative. There are currently two primary markets for government bonds and private securities in which the Entity operates: BYMA and MAE. Additionally, both MAE and Mercado a Término de Rosario SA (ROFEX) are deemed active markets for the purpose of derivatives.

In turn, certain securities for which no active market exists, categorized as Level 2, were measured using valuation techniques including the use of market transactions performed by mutually independent and duly informed interested parties, where available, as well as references to the current fair value of other substantially similar securities, or an analysis of cash flows discounted at rates calculated based on market information on similar instruments.

Additionally, certain assets and liabilities within this category were valued using the identified quoted prices for identical instruments in "less active markets."

Finally, the Entity categorized as Level 3 those assets and liabilities for which no identical or similar transactions exist in the market. The Entity used valuation techniques based on its own assumptions and independent valuations made by external experts to estimate the fair value of these instruments. For this approach, the Entity used mainly the cash flow discount model.

As of December 31, 2020 and 2019, the Entity had modified neither the techniques nor the assumptions used for the estimation of the fair value of financial instruments.

The tables below show the reconciliation of the balances of Level 3 financial instruments recorded at fair value at the beginning of the year and at year-end:

	As of December 31, 2020		
Description	**Debt Securities**	**Other financial assets**	**Investments in equity securities**
Balance at the beginning of the year	1,109,626	31,314	2,078,586
Transfers to level 3			
Transfers from level 3			
Profit and loss	207,791	9,472	133,672
Recognitions and derecognitions	(791,555)	(6,506)	17,111
Monetary effect	(147,418)	(8,101)	(576,207)
Balance at year-end	**378,444**	**26,179**	**1,653,162**

	As of December 31, 2019		
Description	**Debt Securities**	**Other financial assets**	**Investments in equity securities**
Balance at the beginning of the year	2,703,786	190,929	95,095
Transfers to level 3			
Transfers from level 3			
Profit and loss	885,411	18,737	(149,466)
Recognitions and derecognitions	(1,706,169)	(143,266)	3,177,373 (*)
Monetary effect	(773,402)	(35,086)	(1,044,416)
Balance at year-end	**1,109,626**	**31,314**	**2,078,586**

(*) Resulting mainly from the reclassification of non-current assets of Prisma Medios de Pago SA held for sale. See also, Note 15.

Quantitative information on Level 3 instruments

The table below contains information on the valuation techniques and significant unobservable inputs used for the valuation of the main Level 3 assets measured at fair value, based on the reasons why the Entity uses an internal model (the participation in Prisma Medios de Pago SA is excluded for the reasons described in Note 15).

	Fair value	Valuation technique	Significant unobservable inputs	Input range		
	Level 3 assets 12/31/2020			12/31/2020 Input range		
				Low	High	Unit of measure
Provisional trust securities from financial trusts	376,090	Input method (discounted cash flow)	Discount rate in ARS	43.84	47.60	%

	Fair value	Valuation technique	Significant unobservable inputs	Input range		
	Level 3 assets 12/31/2019			12/31/2019 Input range		
				Low	High	Unit of measure
Trust debt securities from financial trusts	259,482	Input method (discounted cash flow)	Discount rate in ARS	48.50	74.06	%
Provisional trust securities from financial trusts	847,773	Input method (discounted cash flow)	Discount rate in ARS	39.27	44.97	%

The table below shows the effects of changing one unobservable input for the purpose of disclosing a potential alternative. Sensitivity data were calculated using techniques which include a dispersion analysis of the prices from different sources, adjusting the inputs in the model to assess changes in the fair value method.

	12/31/2020		12/31/2019	
	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Trust debt securities / Interest from trust debt securities from financial trusts			5,654	(5,000)
Provisional securities from financial trusts	450	(439)	1,083	(1,057)

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Changes in fair value levels

The Entity monitors the availability of market information to assess the classification of financial instruments into the different fair value hierarchies, as well as the resulting determination of transfers between levels 1, 2 and 3 at the end of each year.

As of December 31, 2020 and 2019, the Entity recorded no transfers between levels 1, 2 or 3.

Financial assets and liabilities not recorded at fair value

Described below are the main methods and assumptions used to determine the fair value of financial instruments not recorded at fair value in these Consolidated Financial Statements:

- Instruments whose fair value is similar to their carrying value: 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 their respective carrying values.
- Financial instruments with fixed and variable rates: the fair value of financial assets was calculated by discounting future cash flows at current market rates for financial instruments of similar characteristics for each fiscal year. The estimated fair value of fixed-interest rate deposits or debts was calculated by discounting future cash flows using estimated interest rates for deposits or investments with maturities similar to those in the Entity's portfolio.
- The fair value of publicly listed assets and liabilities, or assets and liabilities with prices reported by certain known price sources, was calculated based on said listed or reported prices.

The table below shows a comparison between the fair value and the carrying value of financial instruments not recorded at fair value as of December 31, 2020 and 2019:

	12/31/2020				
	Carrying value	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Financial assets					
Cash and bank deposits	129,967,486	129,967,486			129,967,486
Repo transactions	39,421,705	39,421,705			39,421,705
Other financial assets	18,280,848	18,280,848			18,280,848
Loans and other financing transactions	257,326,707			239,959,333	239,959,333
Other debt securities	31,117,918	10,559,766	22,210,308	148,327	32,918,401
Financial assets transferred as collateral	13,596,610	13,596,610			13,596,610
	489,711,274	**211,826,415**	**22,210,308**	**240,107,660**	**474,144,383**
Financial liabilities					
Deposits	488,741,363	243,062,751		245,400,493	488,463,244
Repo transactions	618,572	618,572			618,572
Other financial liabilities	49,215,887	47,879,138	1,331,299		49,210,437
Financing received from the Argentine Central Bank and other financial institutions	919,103	323,872	585,643		909,515
Bonds issued	4,926,901		4,120,798		4,120,798
Subordinated bonds	34,300,292		29,103,736		29,103,736
	578,722,118	**291,884,333**	**35,141,476**	**245,400,493**	**572,426,302**

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	12/31/2019				
	Carrying value	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Financial assets					
Cash and bank deposits	137,066,430	137,066,430			137,066,430
Repo transactions	1,481,096	1,481,096			1,481,096
Other financial assets	7,889,031	7,889,031			7,889,031
Loans and other financing transactions	300,731,589	424,388		264,176,063	264,600,451
Other debt securities	24,065,274	2,127,361	22,652,005	1,660,974	26,440,340
Financial assets transferred as collateral	14,530,739	13,064,394			13,064,394
	485,764,159	**162,052,700**	**22,652,005**	**265,837,037**	**450,541,742**
Deposits	357,866,442	200,293,229		157,881,650	358,174,879
Repo transactions	1,364,825	1,364,825			1,364,825
Other financial liabilities	30,181,836	28,680,171	1,489,374		30,169,545
Financing received from the Argentine Central Bank and other financial institutions	3,057,451	2,501,414	481,284		2,982,698
Bonds issued	7,521,820		1,878,785	3,619,745	5,498,530
Subordinated bonds	33,098,040		24,967,325		24,967,325
	433,090,414	**232,839,639**	**28,816,768**	**161,501,395**	**423,157,802**

10. LEASES

10.1 The Entity as lessee

The entity is a party to lease agreements mainly over real property classified as "Property, plant and equipment." The Entity's ability to allocate or sub-allocate leased assets is generally restricted.

The balances of the assets derived from the right to use the property identified in the applicable lease agreements, the depreciation charges for the year and the incorporation of right-of-use assets as of December 31, 2020 and 2019 are further described in Annex F to these Consolidated Financial Statements.

Listed below are the balances of lease liabilities and the changes recorded during the year:

	2020	**2019**
Balance at the beginning of the year	1,248,339	816,166
Increases	380,862	674,781
Accumulated interest (see Note 27)	180,785	166,048
Valuation difference	292,007	370,981
Payments made	(561,773)	(312,356)
Monetary effects	(364,693)	(467,281)
Balance at the end of the year (see Note 17)	**1,175,527**	**1,248,339**

Short-term leases were recorded as expenses for the year for a total of ARS 3,538 and ARS 151,848 as of December 2020 and 2019, respectively.

The table below shows the maturities of lease liabilities as of December 31, 2020 and 2019:

Lease liabilities	Up to 1 month	1-3 months	3-6 months	6-12 months	Total up to 12 months	12-24 months	Over 24 months	Total over 12 months
As of 12/31/2020	46,132	83,521	108,132	178,066	**415,851**	250,322	509,354	**759,676**
As of 12/31/2019	52,511	87,497	119,928	196,711	**456,647**	233,434	558,258	**791,692**

10.2 The Entity as lessor

The Entity, in a capacity as lessor, entered into financial lease agreements having the usual characteristics of this type of transactions, which contain no elements differentiating them in any respect from those generally executed in the Argentine financial market in general. The lease agreements in force do not represent significant balances as compared to the total financing granted by the Entity.

The table below shows the reconciliation of the total gross investment on financial leases and the current value of the minimum payments receivable thereunder:

	12/31/2020		12/31/2019	
	Current minimum payment	Total gross investment	Current minimum payment	Total gross investment
Up to 1 year	80,408	102,282	214,710	263,150
1-5 years	38,154	59,291	97,785	129,338
	118,562	**161,573**	**312,495**	**392,488**

As of December 31, 2020 and 2019, non-accrued interest income amounted to ARS 43,011 and ARS 79,993, respectively.

11. INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS

11.1 Associates

a) Macro Warrants S.A.
The Entity holds an investment in Macro Warrants SA. The existence of significant influence is evidenced by the manner in which the Entity is represented in this associate's Board of Directors. This investment was measured using accounting information for Macro Warrants SA as of September 30, 2020. Additionally, the Entity has considered, when applicable, the material transactions or events recorded between October 1, 2020 and December 31, 2020.

The table below shows summarized financial information on the Entity's investment in the aforementioned associate:

Summarized Balance Sheet	12/31/2020	12/31/2019
Total Assets	58,950	42,826
Total Liabilities	12,145	10,714
Shareholders' Equity	46,805	32,112
Proportional interest in the entity	5%	5%
Carrying value of the investment	2,340	1,606

As of December 31, 2020 and 2019, the entity's participation in the income/(loss) for the year amounted to ARS 745 and ARS 889, respectively.

b) Play Digital SA
As mentioned in Note 1, the Entity holds an investment in Play Digital S.A. The existence of significant influence is evidenced by the manner in which the Entity is represented in this associate's Board of Directors.

The table below shows summarized financial information on the Entity's investment in the aforementioned associate:

Summarized Balance Sheet	12/31/2020
Total Assets	659,866
Total Liabilities	87,619
Shareholders' Equity	572,247
Proportional interest in the entity	9.9545%
Carrying value of the investment	56,964

As of December 31, 2020, the entity's participation in the income/(loss) for the year amounted to ARS 80,264 (loss).

11.2 Joint Ventures to which the Entity is a party

The Entity is a party to the following joint ventures, registered as *"Uniones Transitorias de Empresas"* (UTE):

a) Banco Macro S.A. – Worldline Argentina S.A. *Unión transitoria:* on April 7, 1998, the Entity entered into a joint venture agreement with Siemens Itron Business Services S.A to be jointly controlled by both companies by means of a 50 percent participation interest, for the purpose of facilitating the development of a tax management data processing center, modernizing the existing tax collection systems and processes used by the Province of Salta, and managing and recovering municipal taxes and fees.

The table below shows summarized information on the Entity's investment in this joint venture:

Summarized Balance Sheet	12/31/2020	12/31/2019
Total Assets	387,526	518,096
Total Liabilities	98,397	126,028
Shareholders' Equity	289,129	392,068
Proportional interest in the entity	50%	50%
Carrying value of the investment	144,565	196,034

As of December 31, 2020 and 2019, the entity's participation in the income/(loss) for the year amounted to ARS 74,202 and 152,984, respectively.

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b) Banco Macro S.A. – Gestiva S.A. *Unión transitoria:* on May 4, 2010 and August 15, 2012, the Entity entered into a joint venture agreement with Gestiva SA, to form "Banco Macro SA Gestiva SA Unión Transitoria de Empresas," a jointly controlled entity created for the purpose of providing an integral tax processing and management services system to the Province of Misiones, managing said system and providing tax collection services. The Entity owns 5 percent of the joint venture's capital.

On June 27, 2018, the Entity, the Joint Venture, and the Tax Authority of the Province of Misiones executed a "Termination by mutual agreement" of the Adaptation Agreement, which in no way affected the Entity's rights and obligations as the Province's Financial Agent in charge of rendering the services provided for under the applicable special relationship contract and tax collection agreement. As a result, the outstanding amount of the investment as of December 31, 2020 and 2019, was ARS 36 and ARS 1,576, respectively.

For more information on the investments on associates and joint arrangements, see Annex E "Interests in other companies" to these Consolidated Financial Statements.

12. OTHER FINANCIAL AND NON-FINANCIAL ASSETS

Listed below are the items in the other financial and non-financial assets accounts as of December 31, 2020 and 2019:

Other financial assets	12/31/2020	12/31/2019
Receivables from unliquidated spot sales of foreign currency	8,440,351	18,301
Sundry debtors (see Note 15)	7,390,700	6,396,792
Receivables from other unliquidated spot sales	1,722,085	1,241,411
Private securities	605,442	502,534
Receivables from unliquidated sales of government securities	553,943	8,752
Other	192,698	237,808
Provisions	(18,929)	(14,032)
	18,886,290	**8,391,566**

Other non-financial assets	12/31/2020	12/31/2019
Investment property (see Annex F)	980,176	986,674
Tax advances	604,257	51,287
Advanced payments	466,204	320,313
Other	181,416	119,313
	2,232,053	**1,477,587**

Disclosures on provisions for ECL are detailed in Note 7 "Adjustment of value due to expected credit losses on credit exposures not measured at fair value through profit and loss."

13. RELATED PARTIES

A related party is any person or entity related to the Entity in such a form that:

- they exercise sole or joint control over the Entity;
- they have a significant influence on the Entity;
- they are a member of the key management personnel of the Entity or its controller;
- they are a member of the same group as the Entity;
- they are an associate (or an associate of a member of a group to which the Entity is a member).

"Key Management Personnel" means any person having the required authority and responsibility to directly or indirectly plan, direct and control the Entity's activities. The Entity deems members of the Board of Directors and Senior Managers who are members of the Risk Management Committee, the Assets and Liabilities Committee and the Senior Credit Committee to be key management personnel for purposes of IAS 24.

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As of December 31, 2020 and 2019, the balances and income or loss for operations with related parties were as follows:

	Information as of December 31, 2020							
	Main subsidiaries (1)							
	Macro Bank Limited	Macro Securities S.A.	Macro Fondos S.G.F.C.I.S.A.	Argenpay S.A.U.	Associates	Key management personnel (2)	Other related parties	Total
ASSETS								
Cash and Bank Deposits	674							674
Repo transactions		767,386						767,386
Other financial assets							148	148
Loans and other financing transactions (3)								
Checks							1,528	1,528
Advances						32,754	406,418	439,172
Credit cards						45,318	11,003	56,321
Leases		1,034					5,223	6,257
Personal loans						11,651		11,651
Mortgage loans						84,173		84,173
Other loans		711,777					380,489	1,092,266
Guarantees grated							831,701	831,701
Total Assets	**674**	**1,480,197**				**173,896**	**1,636,510**	**3,291,277**
LIABILITIES								
Deposits	7	671,420	130,614	56,976	43,339	620,654	3,777,234	5,300,244
Other financial liabilities		15,615				162	11,813,748	11,829,525
Other non-financial liabilities							11,423	11,423
Total Liabilities	**7**	**687,035**	**130,614**	**56,976**	**43,339**	**620,816**	**15,602,405**	**17,141,192**
INCOME/(LOSS)								
Interest income		47,019				60,519	635,329	742,867
Interest expense		(627)			(8,864)	(893,465)	(737,515)	(1,640,471)
Commission income		10,737	307		89	155	61,586	72,874
Commission expense						(135)	(235)	(370)
Net income/(loss) due to measurement of financial instruments at fair value through profit or loss							17,861	17,861
Other operating income	4			1			23	28
Bad debt charges		(6,886)						(6,886)
Administrative expenses							(167,219)	(167,219)
Other operating expenses							(76,761)	(76,761)
Total income/(loss)	**4**	**50,243**	**307**	**1**	**(8,775)**	**(832,926)**	**(266,931)**	**(1,058,077)**

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

(2) Includes close relatives of Key Management Personnel.

(3) The maximum balance for loans and other financing transactions as of December 31, 2020 for Macro Securities SA, Key Management Personnel and other related parties was ARS 714,987, ARS 997,346 and ARS 4,673.348, respectively.

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Delfín Jorge
Ezequiel Carballo
President

	Information as of December 31, 2019							
	Main subsidiaries (1)							
	Macro Bank Limited	Macro Securities S.A.	Macro Fondos S.G.F.C.I.S.A.	Argenpay S.A.U.	Associates	Key management personnel (2)	Other related parties	Total
ASSETS								
Cash and Bank Deposits	653							653
Other financial assets		160,385					71	160,456
Loans and other financing transactions (3)								
Checks							749,363	749,363
Advances						905,896	1,447,407	2,353,303
Credit cards						52,752	32,082	84,834
Leases		4,607					9,326	13,933
Mortgage loans						80,305		80,305
Other loans							455,560	455,560
Guarantees grated							777,992	777,992
Total Assets	**653**	**164,992**				**1,038,953**	**3,471,801**	**4,676,399**
LIABILITIES								
Deposits	15	1,226,167	114,383	1,623	31,201	17,785,179	1,797,457	20,956,025
Other financial liabilities						124	793,437	793,561
Total Liabilities	**15**	**1,226,167**	**114,383**	**1,623**	**31,201**	**17,785,303**	**2,590,894**	**21,749,586**
INCOME/(LOSS)								
Interest income		13,000				102,201	307,541	422,742
Interest expense					(4,865)	(1,194,235)	(339,661)	(1,538,761)
Commission income		760	259		262	74	7,458	8,813
Net income/(loss) due to measurement of financial instruments at fair value through profit or loss						(54,322)	(283,860)	(338,182)
Other operating income	5						43	48
Administrative expenses							(53,669)	(53,669)
Other operating expenses							(139,868)	(139,868)
Total Income/(loss)	**5**	**13,760**	**259**		**(4,603)**	**(1,146,282)**	**(502,016)**	**(1,638,877)**

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

(2) Includes close relatives of Key Management Personnel.

(3) The maximum balance for loans and other financing transactions as of December 31, 2019 for Macro Securities SA, Key Management Personnel and other related parties was ARS 7,063, ARS 1,120,919 and ARS 4,899,400, respectively.

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The interest rates, prices and required guarantees for transactions completed by the Entity with its related parties in the ordinary course of business were in line with normal market conditions.

The Entity has granted no loans to Directors and other Key Management Personnel which are guaranteed by shares.

Total remunerations paid as wages and bonuses to Key Management Personnel as of December 31, 2020 and 2019 amounted to ARS 323,793 and ARS 325,577, respectively.

Additionally, Directors' remunerations as of December 31, 2020 and 2019 amounted to ARS 1,704,130 and ARS 2,298,592, respectively.

The composition of the Board of Directors and Key Management Personnel is as follows:

Other non-financial assets	12/31/2020	12/31/2019
Board of Directors	22	24
Senior Managers classified as Key Management Personnel	11	10
	33	34

14. MODIFIED FINANCIAL ASSETS

As explained in Note 42, on August 28, 2019, the Argentine Executive, through Emergency Executive Order No. 596/2019, established an immediate and staggered extension of certain short-term government bonds, without altering their agreed upon currency, principal, or interest rate. The aforementioned executive order established the following payment calendar: (i) 15 percent of the amount due will be paid upon the originally stipulated maturity; (ii) 25 percent of the amount due, plus any accrued interest thereon (net of the payment made under (i)) will be paid 90 days following the payment described in (i); and (iii) the outstanding balance will be paid 180 calendar days after the payment described in (i). In the case of compoundable letters (LECAPS) due as from January 1, 2020, the balance outstanding after the payment described in (i), above, will be fully repaid 90 calendar days thereafter.

Given that the Entity held bonds in its portfolio whose contractual cash flows were modified as set forth in the preceding paragraph, recorded under the amortized cost business model, the gross carrying value of said financial assets and the current value of the modified contractual cash flows discounted at the original effective interest rate were recalculated as of the modification date.

As of the modification date, the carrying value of the modified financial assets amounted to ARS 12,967,201. As a consequence of said modification, the new carrying value of said assets amounts to ARS 9,065,091. This resulted in a net loss of ARS 3,902,110 disclosed under "Other operating expenses" as of December 31, 2019. The Entity does not hold these bonds in its portfolio as of December 31, 2020.

15. INVESTMENTS IN EQUITY SECURITIES– PRISMA MEDIOS DE PAGO SA

On January 21, 2019, the Entity and Prisma's remaining shareholders accepted an offer from AI ZENITH (Netherlands) B.V. (a company related to Advent International Global Private Equity) for the purchase of 1,933,051 book-entry common shares with a face value of ARS 1, carrying one vote each, amounting to 4.6775 percent of the capital stock, equivalent to 51 percent of the Entity's holdings in Prisma.

On February 1, 2019 the aforementioned shares were effectively transferred in exchange for USD 64,542,000, of which the Entity received USD 38,311,000 on that same date. The remaining

USD 26,231,000 were deferred for 5 years and are to be paid as follows: (i) 30 percent in Argentine pesos, adjusted by Units of Purchasing Value (UVA, for its Spanish acronym), plus a 15 percent nominal annual interest rate; and (ii) 70 percent in US dollars plus a 10 percent nominal annual interest rate. The payment of the price is guaranteed by promissory notes issued to the Entity, and a lien on the transferred shares.

The calculation of the final sale price of the shares in Prisma Medios de Pago SA was made in July 2019. The price thus calculated amounted to USD 63,456,000. The difference between the final price and the estimated closing price was discounted from the balance of the price, wherefore the entity conducted no restructuring of the funds received. The remaining payment terms have not been modified and remain in force as described in this Note.

The income from the sale was recorded under “Other operating income.” The amounts receivable in both Argentine pesos and US dollars are recorded under “Other Financial Assets.”

As of December 31, 2020 and 2019, the Entity’s remaining interest in Prisma (equivalent to 49 percent) is disclosed as an investment in equity securities and measured at fair value, calculated based on valuations carried out by independent experts and reduced as required by the Argentine Central Bank in its Memorandum of April 29, 2019.

Among other relevant matters, the sellers retained equitable title (right to dividends) to the shares sold for purposes of the dividends to be declared by Prisma for the year ended December 31, 2018, which were paid on April 26, 2019, as well as an option to sell the shares not sold in the transaction described herein (49 percent), which the buyer will be under an obligation to buy for a specified term set forth in the contract and under the specific terms and conditions therein. In turn, in order to guarantee the payment of the deferred price, the proportion of the dividends to be declared for future years attributable to the buyer will be paid into a trust to be created by the buyer and Prisma by transferring to said trust equitable title to the economic rights attached to the shares. For such purpose, the buyer has further undertaken to vote for the distribution of dividends amounting to certain minimum percentages.

On February 22, 2021, the Entity collected cash dividends amounting to ARS 425,811, ARS 216,441 of which were allocated to reduce the outstanding balance of the financing granted to AI ZENITH (Netherlands) B.V. for the purchase of the shares in Prisma Medios de Pago SA.

16. PROVISIONS

Provisions include the estimated amounts required to face probable liabilities which, if incurred, would result in a loss for the Entity.

Annex J “Changes in Provisions” shows the evolution of provisions throughout the years ended December 31, 2020 and 2019.

The table below shows the terms within which these obligations are expected to be settled:

	12/31/2020			
	Within 12 months	Beyond 12 months	12/31/2020	12/31/2019
Administrative, disciplinary and criminal penalties	718		718	977
Letters of credit, guarantees and other commitments (1)	17,207		17,207	23,514
Ongoing commercial claims (2)	434,658	254,459	689,117	1,142,840
Labor claims	47,239	180,512	227,751	241,424
Social security claims	32,005	56,846	88,851	217,622
Other	250,179	30,701	280,880	379,675
	782,006	**522,518**	**1,304,524**	**2,006,052**

(1) These amounts relate to the ECL calculated for contingent transactions mentioned in Note 6.
(2) See also Note 39.2.

In the opinion of the Entity's Board of Directors and legal advisors, no significant effects exist other than the ones disclosed in these Consolidated Financial Statements, whose amounts and setoff terms have been recorded based on the current value of the applicable estimations, and the dates on which the applicable claims are to be potentially settled.

17. OTHER FINANCIAL AND NON-FINANCIAL LIABILITIES

The tables below show the Entity's financial and non-financial liabilities as of December 31, 2020 and 2019:

Other financial liabilities	12/31/2020	12/31/2019
Credit and debit card obligations	17,203,560	18,351,431
Payables from other unliquidated spot sales	15,506,806	3,477,137
Payables from unliquidated spot purchases of foreign currency	8,449,971	31,488
Unliquidated payment orders from foreign trade transactions	3,073,105	2,789,684
Amounts collected on behalf of third parties	1,413,544	2,141,311
Financial leases payable (see Note 10.1)	1,175,527	1,248,339
Payables from unliquidated spot purchases of government bonds	420,552	18,612
Other	1,972,822	2,123,834
	49,215,887	**30,181,836**

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Other non-financial liabilities	12/31/2020	12/31/2019
Dividends payable (see Note 40)	16,579,990	
Wages, bonuses and social security contributions payable	4,909,779	4,994,206
Withholdings and levies	4,136,489	3,139,511
Taxes payable	1,788,389	2,580,254
Sundry creditors - provision of goods and services	1,426,724	1,304,518
Fees payable	503,649	667,312
Payment orders for unliquidated social security contributions	409,534	452,047
Other	602,387	638,670
	30,356,941	**13,776,518**

18. EMPLOYEE BENEFITS PAYABLE

The table below shows the employee benefits payable as of December 31, 2020 and 2019:

Short-term benefits	12/31/2020	12/31/2019
Wages, bonuses and social security contributions payable	2,625,872	3,161,201
Provision for vacation pay	2,283,907	1,833,005
Total short-term benefits	**4,909,779**	**4,994,206**

As of December 31, 2020 and 2019, the Entity granted no long-term or post-employment benefits.

19. ANALYSIS OF FINANCIAL ASSETS TO BE RECOVERED AND FINANCIAL LIABILITIES TO BE SETTLED

The following tables show an assessment of the financial assets and liabilities the Entity expected to recover and settle as of December 31, 2020 and 2019:

12/31/2020	Without due date	Up to 1 month	1-3 months	3-6 months	6-12 months	Total up to 12 months	12-24 months	More than 24 months	Total over 12 months
Assets									
Cash and Bank Deposits	**129,967,486**								
Debt securities at fair value through profit or loss	**2,354**	17,427,585	11,276,647	90,670	23,731,690	**52,526,592**	858,296	1,595,223	**2,453,519**
Derivatives		1,107	6,125			**7,232**			
Repo transactions		39,421,705				**39,421,705**			
Other financial assets	**2,030,643**	12,354,670	45,334	269,908		**12,669,912**		4,185,735	**4,185,735**
Loans and other financing transactions (1)	**625,948**	88,929,754	23,930,686	32,042,691	33,177,594	**178,080,725**	27,818,852	50,801,182	**78,620,034**
Other debt securities		133,258,646	2,792,467	17,533,158	32,632,409	**186,216,680**	20,305,725	2,600,657	**22,906,382**
Financial assets transferred as collateral	**13,596,610**	695,748				**695,748**			
Investments in equity securities	**1,663,017**								
Total Assets	**147,886,058**	292,089,215	38,051,259	49,936,427	89,541,693	**469,618,594**	48,982,873	59,182,797	**108,165,670**
Liabilities									
Deposits	**238,381,658**	199,611,251	43,211,475	5,106,431	2,409,127	**250,338,284**	20,547	874	**21,421**
Derivatives		42	188			**230**			
Repo transactions		618,572				**618,572**			
Other financial liabilities		47,873,434	131,538	122,638	311,478	**48,439,088**	262,771	514,028	**776,799**
Financing received from the Argentine Central Bank and other financial institutions		419,058	194,054	195,387	72,033	**880,532**	33,469	5,102	**38,571**
Bonds issued		169,927		2,379,278		**2,549,205**	2,377,696		**2,377,696**
Subordinated bonds				642,292		**642,292**		33,658,000	**33,658,000**
Total Liabilities	**238,381,658**	248,692,284	43,537,255	8,446,026	2,792,638	**303,468,203**	2,694,483	34,178,004	**36,872,487**

12/31/2019	Without due date	Up to 1 month	1-3 months	3-6 months	6-12 months	Total up to 12 months	12-24 months	More than 24 months	Total over 12 months
Assets									
Cash and Bank Deposits	**137,066,430**								
Debt securities at fair value through profit or loss		680,755	712,263	283,096	62,438	**1,738,552**	5,446,344	541,095	**5,987,439**
Derivatives		69,003				**69,003**			
Repo transactions		1,481,096				**1,481,096**			
Other financial assets	**3,787,812**	2,581,155	2,949	387,485		**2,971,589**		1,632,165	**1,632,165**
Loans and other financing transactions (1)	**3,978,589**	124,683,513	29,740,732	20,333,701	22,627,214	**197,385,160**	36,406,782	62,961,058	**99,367,840**
Other debt securities		63,481,876	4,539,709	4,922,940	13,620,806	**86,565,331**	355,003	969,675	**1,324,678**
Financial assets transferred as collateral	**13,064,394**	1,466,345				**1,466,345**			
Investments in equity securities	**2,091,428**								
Total Assets	**159,988,653**	194,443,743	34,995,653	25,927,222	36,310,458	**291,677,076**	42,208,129	66,103,993	**108,312,122**
Liabilities									
Deposits	**194,334,201**	123,518,528	34,293,022	4,374,131	1,276,135	**163,461,816**	56,294	14,131	**70,425**
Derivatives		399,076	464,440	183,040		**1,046,556**			
Repo transactions		1,364,825				**1,364,825**			
Other financial liabilities		28,681,380	129,844	140,734	221,818	**29,173,776**	425,976	582,084	**1,008,060**
Financing received from the Argentine Central Bank and other financial institutions		1,398,972	1,111,838	185,384	107,985	**2,804,179**	200,761	52,511	**253,272**
Bonds issued		257,208		83,306		**340,514**	3,313,662	3,867,644	**7,181,306**
Subordinated bonds				481,479		**481,479**		32,616,561	**32,616,561**
Total Liabilities	**194,334,201**	155,619,989	35,999,144	5,448,074	1,605,938	**198,673,145**	3,996,693	37,132,931	**41,129,624**

(1) Balances in the "Without due date" column are for assets and liabilities in the non-performing portfolio.

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20. INFORMATION BY SEGMENTS

For management purposes, the Entity has determined that it has only one segment linked to banking operations. The Entity supervises said segment's results to make decisions on the allocation of resources and asses its yield, which is measured in a manner consistent with the income or loss in the financial statements.

21. INCOME TAX

a) Tax adjustments due to inflation

Tax Reform Act No. 27,430, as amended by Acts No. 27468 and 27541, sets forth the following provisions on tax adjustments due to inflation for all fiscal years commenced as from January 1, 2018:

i) Tax adjustments due to inflation must be recorded for the fiscal years in which the variation of the general consumer price index for the thirty-six-month period immediately preceding the reporting date is above 100 percent;

ii) For the first, second and third year following the coming into force of the aforementioned provisions, tax adjustments due to inflation may only be recorded provided the general consumer price index variation between the beginning and the end of each such year is above 55 percent, 30 percent and 15 percent, respectively;

iii) The negative or positive effects of tax adjustments due to inflation for the first, second and third years as from January 1, 2018 must be disclosed as follows: one third of the adjustment must be recorded in the fiscal year for which it is calculated, and each of the remaining two thirds must be recorded over the two immediately following fiscal periods;

iv) The negative or positive effects of tax adjustments due to inflation for the first and second year as from January 1, 2019 must be disclosed as follows: one sixth of the adjustment must be recorded in the fiscal year for which it is calculated, and each of the remaining five sixths must be recorded over the immediately following fiscal periods; and

v) For the fiscal years commenced as from January 1, 2021, 100 percent of the adjustments can be deducted in the fiscal year for which they are calculated.

As of December 31, 2020 and 2019, all parameters set forth in the income tax act for the recording of tax adjustments due to inflation were met, and the current and deferred income tax was disclosed taking into account the effects of said adjustment in accordance with the applicable law (see Section d) in this note).

b) Corporate Income Tax rate

Act No. 27,541 (see Note 42) suspends the reduction of the corporate Income Tax rate provided for in Act No. 27,430 for all fiscal years commenced on or before January 1, 2021, and sets a 30 percent tax rate for the suspension period.

c) Main deferred tax components

This tax must be recorded using the liability method, disclosing (as a credit or debt) the tax effects of the temporary differences between the carrying value of an asset or liability and its tax base, and must be subsequently recorded as either income or loss for the fiscal year in which such differences are reversed, without disregarding the possibility of using tax losses in the future.

The deferred tax assets and liabilities recorded in the Balance Sheet are as follows:

	12/31/2020	12/31/2019
Deferred tax assets		
Loans and other financing transactions	1,730,655	375,314
Provisions and employee benefits	591,113	529,485
Contingency provisions	365,174	594,761
Leases	106,147	82,349
Deferred tax adjustment due to inflation	112,133	7,404,561
Other	161,767	407,933
Total Deferred tax assets	**3,066,989**	**9,394,403**
Deferred tax liabilities		
Property, plant and equipment and other non-financial assets	6,851,232	7,104,570
Intangible assets	1,377,624	1,320,956
Income/loss from forward sales	511,718	317,513
Investment in other companies	395,080	521,512
Other	159,389	292,113
Total Deferred tax liabilities	**9,295,043**	**9,556,664**
Net deferred tax liabilities	**(6,228,054)**	**(162,261)**

In the Consolidated Financial Statements, the (current and deferred) tax assets of an entity in the Group are not offset with the (current and deferred) tax liabilities of another entity in the Group, because they result from income taxes payable by different taxpayers, who do not have the legal right to pay or collect to or from the applicable tax authority a single amount cancelling their net balance.

The evolution of net deferred income tax assets and liabilities as of December 31, 2020 and 2019 is as follows:

	12/31/2020	12/31/2019	
Net deferred tax liabilities at the beginning of the year	162,261	4,903,673	
Deferred tax profit/(loss) disclosed in the Income Statement	(6,065,793)	4,794,153	(*)
Other tax effects		(52,741)	
Net deferred tax liabilities at year-end	**6,228,054**	**162,261**	

(*) Includes the effect explained in paragraphs a) and d) of this note. The entire evolution in deferred income tax for the year is recorded in the Consolidated Income Statement, and has no impact on the Consolidated Statement of Other Comprehensive Income.

The income tax charges disclosed in the Income Statement and the Statement of Other Comprehensive Income is different from the income tax charges that would have been recorded had all income been taxed at the rate currently in force.

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The main components of Income tax expense are as follows:

	12/31/2020	12/31/2019
Current income tax expense (*)	4,401,927	17,920,438
Deferred income tax loss/(profit)	6,065,793	(4,794,153)
Other tax effects		52,741
Monetary effect	1,772,767	3,826,593
Income tax expense disclosed in the Income Statement	12,240,487	17,005,619
Loss for income tax expense disclosed in other comprehensive income	172,407	152,193
	12,412,894	**17,157,812**

(*) Current income tax expense for 2020 includes the effects of the adoption of the criterion described in paragraph d) of this Note.

The chart below shows a reconciliation between the income tax charge and the amounts resulting from applying the tax rate in force in Argentina to the accounting profit:

	12/31/2020	12/31/2019
Accounting profit before income tax	42,509,841	43,481,829
Income tax statutory rate	30%	30%
Tax on accounting profit	12,752,952	13,044,549
Net permanent differences and other tax effects, including tax inflation adjustments	(512,465)	3,961,070
Total income tax	**12,240,487**	**17,005,619**

As of December 31, 2020 and 2019, income tax effective rate is 28,8 percent and 39,1 percent, respectively.

d) Pursuant to the decisions adopted at the Board of Directors' meeting held on May 11, 2020, and taking in account case law on this matter assessed by our legal and tax advisors, the annual income tax return filed by the Entity with the Federal Public Revenue Administration (AFIP, for its Spanish acronym) on May 26 disclosed the total effect of tax inflation adjustment (see Section a) iv) in this note). As a result, the current income tax determined by Banco Macro SA for the fiscal year 2019 amounted to ARS 7,002,124 (non-restated amount). The same criterion has been applied for the 2020 current income tax annual provision, which amounted to ARS 10,230,500 (non-restated amount) by way of income tax to be paid by Banco Macro SA for said fiscal year.

Additionally, on October 24, 2019, Banco Macro SA brought two actions for recovery before the AFIP-DGI within the terms of paragraph 1 of Art. 81 of Act 11683 seeking the reimbursement of ARS 4,782,766 and ARS 5,015,451 (non-restated amounts) paid to the Tax Authority by way of Income Tax for the fiscal years 2013 to 2017 and 2018, respectively, given the impossibility of applying the inflation update and adjustment mechanism provided for in the Income Tax Act (prior to the amendments introduced by Acts 27430 and 27468, for the fiscal years 2013 to 2017, and pursuant to the 2019 Restated Income Tax Act, as amended, for the fiscal year 2018), plus the relevant compensatory interest (Files SIGEA Nos. 19144-14224/2019 and 19144-14222/2019). The above-mentioned body having not resolved said claims, on August 7, 2020, the Entity filed two contentious actions for recovery, one for each of the claims, before the First Instance Courts in and for the City of Buenos Aires with Jurisdiction over Federal Administrative Matters, which are respectively heard before the Courts No. 8 and No. 2 of such Forum.

22. COMMISSION INCOME

Items	12/31/2020	12/31/2019
Performance obligations discharged in a single act		
Commissions from bonds	12,993,348	15,155,762
Commissions from cards	8,410,516	8,075,227
Commissions from insurance policies	1,601,339	1,591,978
Commissions from transferable securities	544,485	371,863
Commissions from foreign trade and exchange transactions	536,763	620,678
Commissions from credits	183,726	217,173
Commissions from financial guarantees granted	1,159	5,408
Performance obligations discharged over a certain period of time		
Commissions from cards	427,955	361,896
Commissions from foreign trade and exchange transactions	41,900	46,232
Commissions from bonds	843	3,873
Commissions from credits	732	14,562
Commissions from financial guarantees granted	1	3,027
	24,742,767	**26,467,679**

23. GOLD AND FOREIGN CURRENCY EXCHANGE RATE DIFFERENCES

Items	12/31/2020	12/31/2019
Income/(loss) from the Translation of assets and liabilities denominated in foreign currencies into Argentine pesos	3,277,757	(193,842)
Income/(loss) from the purchase and sale of foreign currency	951,933	4,955,089
	4,229,690	**4,761,247**

24. OTHER OPERATING INCOME

Items	12/31/2020	12/31/2019
OCI from services	2,873,053	2,740,048
Other adjustments and interest under various credits	722,473	855,246
Other receivables for financial intermediation	509,248	
OCI from the derecognition or substantial modification of financial assets	228,983	556,936
Adjustments due to miscellaneous credits with CER clauses	176,133	216,298
OCI from the sale of property, plant and equipment	7,767	
Sale of non-current assets held for sale (1)		4,490,457
OCI from the initial recording of loans		163,172
Other	852,105	1,434,599
	5,369,762	**10,456,756**

(1) Mainly related to the sale of Prima Medios de Pago SA classified as non-current assets held for sale at the time of the sale. See also Note 15.

25. EMPLOYEE BENEFITS

Items	12/31/2020	12/31/2019
Wages	19,677,575	19,957,891
Social security contributions	4,412,779	5,858,301
Compensations and bonuses	1,950,014	2,381,904
Employee services	558,234	667,246
	26,598,602	**28,865,342**

26. ADMINISTRATIVE EXPENSES

Items	12/31/2020	12/31/2019
Maintenance, preservation and repair expenses	2,270,241	2,335,918
Armored car services, documents and events	2,043,964	2,306,997
Taxes	1,854,458	2,063,455
Remuneration of Directors and Statutory Auditors	1,623,253	2,820,293
Electricity and communications	1,529,052	1,614,474
Security services	1,414,620	1,612,060
Software expenses	1,067,755	1,112,284
Other fees	888,329	1,377,867
Advertising and publicity Advertising and publicity	431,890	643,902
Insurances	170,619	165,379
Representation, travel and transportation expenses	128,300	269,521
Stationary and office supplies	91,311	139,146
Leases	90,887	306,688
Outsourced management services	3,266	5,921
Other	931,926	653,116
	14,539,871	**17,427,021**

27. OTHER OPERATING EXPENSES

Items	12/31/2020	12/31/2019
Turnover tax	11,255,405	13,929,404
Cards	4,553,624	4,990,875
Charges for other provisions	1,121,883	1,949,146
Deposit Guarantee Fund contributions	739,624	784,007
Tax expenses	539,793	1,673,874
Interest on lease liabilities (see Note 10.1)	180,785	166,048
Donations	168,550	380,577
Losses due to the sale or depreciation of investment property and other non-financial assets	132,382	155,959
Insurance claims	63,090	81,133
Charges for contracts entailing mutual obligations	7,366	
Modification of financial assets (see Note 14)		3,902,110
Losses due to the sale or depreciation of property, plant and equipment		61,890
Charges for Administrative, disciplinary and criminal penalties		91
Other	1,706,711	2,013,285
	20,469,213	**30,088,399**

28. ADDITIONAL INFORMATION ON THE CASH FLOW STATEMENT

The Cash Flow Statement presents the changes in cash and cash equivalents from operating activities, investment activities and financing activities throughout the year. The Cash Flow Statement was prepared by the Entity using the indirect method for Operating Activities and the direct method for Investment Activities and Financing Activities.

The Entity discloses as "Cash and cash equivalents" both Cash and Bank Deposits and any financial assets that are readily convertible to known amounts of cash which are exposed to an insignificant risk of changes in value.

The Entity prepares the Cash Flow Statement taking into account the following activities:

- Operating activities: activities normally undertaken by the Entity, as well as other activities that cannot be classified as either investment or financing activities.
- Investment activities: acquisition, sale or disposal, by any other means, of long-term assets and other investments not disclosed as cash and cash equivalents.
- Financing activities: activities that result in changes to the size and composition of shareholders' equity and liabilities, and are not operating or investing activities.

The table below shows the reconciliation between the "Cash and cash equivalents" account in the Cash Flow Statement and the relevant accounts in the Balance Sheet:

	12/31/2020	12/31/2019	12/31/2018
Cash and bank deposits	129,967,486	137,066,430	156,581,272
Other debt securities	133,216,534	63,184,467	116,598,543
Loans and other financing transactions	420,725	407,707	395,908
	263,604,745	**200,658,604**	**273,575,723**

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Carlos M. Szpunar
Partner
Public Accountant - UBA
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Ezequiel Carballo
President

29. CAPITAL STOCK

The Entity's subscribed for and paid-in capital as of December 31, 2020 amounts to ARS 639,413. Since December 31, 2017, the Entity's capital stock changed as follows:

	Capital stock issued and paid in	Outstanding shares	Treasury shares
As of December 31, 2017	**669,663**	**669,663**	
Acquisition of own shares [1]		(28,948)	28,948
As of December 31, 2018	**669,663**	**640,715**	**28,948**
Acquisition of own shares [1]		(1,317)	1,317
Capital decrease [2]	(30,265)		(30,265)
Capital increase [3]	15	15	
As of December 31, 2019 and 2020	**639,413**	**639,413**	

(1) Acquisition of the Entity's own shares under the programs launched by the Board of Directors on August 8, 2018, October 17, 2018 and December 20, 2018 for the purpose of reducing share price fluctuations to minimize potential temporary imbalances between market supply and demand.

The program launched on August 8, 2018 provided for an investment cap of ARS 5,000,000 and the acquisition of a maximum numbers of shares equivalent to 5 percent of the capital stock. By the end of this program the Entity had acquired 21,463,005 Class B common shares with a face value of ARS 1, carrying one vote each, for an amount of ARS 7,747,151 (face value: ARS 3,113,925).

The program launched on October 17, 2018 provided for the relaunching of the program for the acquisition of the Entity's own shares using the unused balance of the program described in the preceding paragraph, which had already expired. By the end of this program, the Entity had acquired 6,774,019 Class B common shares with a face value of ARS 1, carrying one vote each, for an amount of ARS 2,206,503 (face value: ARS 995,786).

The program launched on December 20, 2018 provided for an investment cap of ARS 900,000 and the acquisition of a maximum numbers of shares equivalent to 1 percent of the capital stock. By the end of this program, the Entity had acquired 2,028,251 Class B common shares with a face value of ARS 1, carrying one vote each, for an amount of ARS 624,507 (face value: ARS 298,196) of which 711,386 shares had been settled by December 31, 2018, for ARS 205,979 (face value: 98,353) and the remaining 1,316,865 shares were settled in January 2019, for ARS 418,528 (face value: ARS 199,843).

(2) Capital decrease approved at the Shareholders' Meeting of April 30, 2019, for an amount of ARS 30,265, representing 30,265,275 Class B book-entry common shares with a face value of ARS 1, carrying one vote each, equivalent to all the shares acquired by the Entity under the program described in paragraph (1). On August 14, 2019, the Entity was notified of the registration of the capital decrease with the Public Registry of Commerce.

(3) Capital increases resulting from the issuing of 15,662 Class B book-entry common shares, approved at the Shareholders' Meeting referred to in paragraph (2), as the result of the merger between Banco Macro SA and Banco del Tucumán SA (see also, Note 2.4). On October 29, 2019, the Entity was notified of the registration of the capital increase with the Public Registry of Commerce.

For more information on the Structure of the Entity's capital stock, see Annex K "Structure of the Entity's capital stock" to the separate financial statements.

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30. EARNINGS PER SHARE. DIVIDENDS

Basic earnings per share were calculated by dividing the net profit attributable to the holders of the Entity's common shares by the weighted average number of common shares outstanding during the year.

To calculate the weighted average number of outstanding common shares, the Entity used the number of shares outstanding at the beginning of the year adjusted, where applicable, by the number of common shares issued or called during the year, weighed by the number of days the shares remained outstanding. Note 29 describes the changes in the Entity's capital stock.

The calculation of basic earnings per share is described in the Earnings per Share table of the Consolidated Income Statement. See also, Note 40 and the Profit Distribution Project.

Paid and proposed dividends

Cash dividends paid to the Entity's shareholders during 2019 and 2018 amounted to ARS 6,393,978 (non-restated amount) and ARS 3,348,315 (non-restated amount), respectively, which, given the number of shares outstanding as of the effective payment date, amounted to ARS 10 and ARS 5 per share (non-restated amount), respectively.

The shareholders at the Shareholders' Meeting of April 30, 2020 approved the distribution of cash dividends for ARS 12,788,268 (non-restated amount), which, given the number of shares outstanding as of said date, amounted to ARS 20 per share (non-restated amount). The Argentine Central Bank, by Communication "A" 7035, initially extended the suspension of dividend distribution until December 31, 2020. By Communication A" 7181, such suspension was extended until June 30, 2021. As a result, the shareholders at the Shareholders' meeting held on October 21, 2020 approved a supplementary cash dividend to be calculated by multiplying the ARS 20 dividend approved by the shareholders at the Shareholders' Meeting held on April 30, 2020, by the ratio resulting from dividing the CPI last published by the INDEC as of the date the Argentine Central Bank issues its payment authorization, by the CPI for April, 2020. The total amount to be distributed as dividend shall not exceed ARS 3,791,722 (non-restated amount). For more information, see Note 40.

31. DEPOSIT GUARANTEE INSURANCE

Act No. 24,485 and Executive Order No. 540/1995 created the Deposit Guarantee Insurance System, which is a limited, mandatory and for-consideration system intended to cover bank deposits risks, and operates jointly with and supplementarily to the deposit privilege and protection system created under the Financial Institutions Act. The aforementioned regulations also provided for the incorporation of Sedesa, for the exclusive purpose of managing the Deposit Guarantee Fund (DGF). Sedesa was incorporated in August 1995.

Pursuant to Argentine Central Banks's Communication "B" 11959, of February 27, 2020, Banco Macro SA holds an 8,9440% interest in the capital stock of Sedesa.

The system covers all deposits in Argentine pesos and foreign currencies held with the participating entities in checking accounts, savings accounts or term deposits, or under other arrangements allowed by the Argentine Central Bank for a maximum of ARS 1,500 and which meet the requirements established in Executive Order No. 540/1995 and any such other requirements as may be established by the Application Authority. In turn, the Argentine Central Bank provided for the exclusion from the guarantee system of, among others, any deposits by other financial institutions, deposits by persons related to the Entity and security deposits.

32. RESTRICTED ASSETS

As of December 31, 2020 and 2019 the Entity held the following restricted assets:

Item	12/31/2020	12/31/2019
Debt securities at fair value through profit or loss and other debt securities		
Discount bonds in ARS governed by Argentine laws maturing in 2033, delivered as collateral in favor of Sedesa [1].	146,459	131,191
Argentine Treasury Bonds denominated in ARS adjusted by CER 1% maturing in 2021 as of December 31, 2020 and Discount bonds in ARS governed by Argentine laws maturing in 2033 as of December 31, 2019, delivered as collateral under the Industry Credit Program of the Province of San Juan. Industrial investment financing fund.	61,180	205,446
Argentine Treasury Bonds denominated in ARS adjusted by CER 1% maturing in 2021 as of December 31, 2020 and Discount bonds in ARS governed by Argentine laws maturing in 2033 delivered as collateral under the Regional Economy Competitiveness Program - IDB Loan No. 3174/OC-AR.	39,368	159,736
Discount bonds in ARS governed by Argentine laws maturing in 2033, comprising the minimum balancing entry required for Agents to act within the new categories provided for under CNV Resolution No. 622/13, as amended.	32,926	29,493
Argentine Treasury Bills in ARS at a discount maturing on January 29, 2021, delivered as collateral under the MAE Transaction Secured Futures CPC2.	19,600	
Argentine treasury bonds in ARS adjusted by CER 1% maturing in 2021 for the contribution to the Guarantee Fund II in BYMA pursuant to Art. 45 of Act 26831 and its supplementary regulations under CNV Rules (as revised in 2013 and amended).	3,192	
Discount bonds in ARS governed by Argentine laws maturing in 2033 delivered as collateral under the BID Loan of the Province of San Juan No. 2763/OC-AR.		4,676
Subtotal Debt securities at fair value through profit or loss and other debt securities	**302,725**	**530,542**
Other financial assets		
Interests in mutual funds comprising the minimum balancing entry required for Agents to act within the categories provided for under CNV Resolution No. 622/2013, as amended	103,252	91,623
Sundry debtors – Other	11,459	4,695
Sundry debtors - Attachment imposed as part of the claim brought by the Tax Authority of the City of Buenos Aires due to turnover tax differences	827	1,126
Subtotal Other financial assets	**115,538**	**97,444**
Loans and other financing transactions - Non-financial private sector and persons domiciled abroad		
Interests derived from contributions in a capacity as sponsoring partner [2]	260,000	
Subtotal Loans and other financing transactions	**260,000**	
Financial assets transferred as collateral		
Special guarantee checking accounts opened with the Argentine Central Bank for transactions with electronic clearing houses and similar entities	12,040,746	10,127,017
Guarantee deposits for credit and debit card transactions	1,317,869	1,098,129
For forward contracts on securities	695,748	1,466,345
Other guarantee deposits	237,995	1,839,248
Subtotal Financial assets transferred as collateral	**14,292,358**	**14,530,739**
Other non-financial assets		
Real property linked to call options launched	216,420	436,648
Subtotal Other non-financial assets	**216,420**	**436,648**
Total	**15,187,041**	**15,595,373**

(1) To replace the preferred shares of the former Nuevo Banco Bisel SA, securing to Sedesa the payment and fulfillment of all outstanding obligations under the purchase and sale agreement of May 28, 2007, expiring on August 11, 2021.
(2) In order to retain the resulting tax benefits, these contributions must be held for two to three years as from the date in which they were made. As of December 31, 2020, contributions had been made to the following risk funds: Fintech S.G.R. and Garantizar S.G.R. On the other hand, on November 9, 2020, the Entity paid ARS 12,638 for the option to increase its equity interest in Fintech S.G.R up 24.99 percent.

33. TRUST ACTIVITIES

The Entity is tied to several types of trusts. Listed below are the different trust agreements to which the Entity is a party, classified depending on the business goal pursued by the Entity in each case:

33.1 Financial trusts for investment purposes

Debt securities include mainly advances paid for the placement of provisional trust securities issued by financial trusts through public and private offers (Red Surcos and Secubono). The assets managed by these trusts originate mainly in the securitization of consumer loans. Trust securities are placed once their public offering is authorized by the CNV. Upon expiration of the placement period, once all trust securities have been placed on the market, the Entity recovers the disbursements made, plus an agreed-upon compensation. If best efforts are insufficient to place all trust securities, the Entity retains the final trust securities.

The financial trusts for investment purposes portfolio also includes final trust securities issued by financial trusts through public and private offers (Secubono) and Trust Participation Certificates (Arfintech).

As of December 31, 2020 and 2019, the debt securities and financial trust participation certificates for investment purposes amounted to ARS 568,961 and ARS 2,637,016, respectively.

According to the latest accounting information available as of the date of these Consolidated Financial Statements, the value of trust assets exceeds their carrying value in the applicable proportions.

33.2 Trusts settled with financial assets transferred by the Entity

The Entity transferred financial assets (loans) to trusts for the purpose of issuing and selling securities whose payment is guaranteed by the cash flows derived from said assets or group of assets. This allows for the early procurement of the funds originally used to finance loans.

According to the latest accounting information available as of the date of these Consolidated Financial Statements, as of December 31, 2020 and 2019, the assets held under this type of trusts, managed through Macro Fiducia SA (subsidiary), amounted to ARS 6,641 and ARS 12,462, respectively.

33.3 Trusts guaranteeing loans granted by the Entity

As is common in the Argentine banking market, the Entity requires, in some cases, that debtors settle certain assets or entitlements to receive assets in trust to guarantee the loans granted to them. This minimizes the risk of loss and guarantees access to the collateral in the event of a breach by the debtor.

Trusts usually work as vehicles to collect cash from a debtor's operations and direct it to the bank for the repayment of loans, thus ensuring compliance with the obligations undertaken by the trustor and guaranteed through the trust.

Additionally, other guarantee trusts manage specific assets, which include mainly real property.

Provided the debtor does not breach or fail to discharge any of the obligations undertaken towards the beneficiary in a timely manner, the trustee does not foreclose on the guarantee and all amounts in excess of the value of the obligations are reimbursed by the trustee to the debtor.

According to the latest accounting information available as of the date of these Consolidated Financial Statements, as of December 31, 2020 and 2019, the assets managed by the Entity amounted to ARS 2,061,643 and ARS 1,397,282, respectively.

33.4 Trusts in which the Entity acts in a capacity as trustee (management)

The Entity manages Trust assets through its Subsidiaries under the applicable trust agreements, acting solely as a trustee and having no other interests in the trust.

In no case does the Trustee's liability extend to its own personal assets or to obligations originating as a result of it discharging its duties under the trust. Such obligations do not constitute a form of indebtedness or commitment for the trustee, and must be discharged using only trust assets. In addition, the trustee cannot encumber the trust assets or dispose of them beyond the limits established in the applicable Trust agreements. The commissions earned by the Entity in consideration for its role as a trustee are calculated in accordance with the terms and conditions of the applicable agreements.

Trusts usually manage funds derived from the activities of the trustors for the purpose of:

- Guaranteeing to the beneficiary the existence of the resources necessary to finance and/or pay certain obligations, such as accruals of the installments due under work certificates or service certificates, and the payment of invoices and fees stipulated in the applicable agreements;
- Promoting private industrial development at a provincial level;
- Participating in public works concession contracts for the exploitation, management, preservation and maintenance of public roads.

According to the latest accounting information available as of the date of these Consolidated Financial Statements, as of December 31, 2020 and 2019, the assets managed by the Entity amounted to ARS 9,286,164 and ARS 8,609,425, respectively.

34. COMPLIANCE WITH CNV REGULATIONS

34.1 Compliance with requirements to act as an agent in the various capacities defined by the CNV:

34.1.1 Operations of Banco Macro SA

Given Banco Macro SA's current operations, and the different categories of agents established by CNV regulations (as restated by General Resolution No. 622/2013 as amended), the Entity is registered with the CNV as an Escrow Agent of Mutual Fund Collective Investment Products (AC PIC FCI, for its Spanish acronym), a Depository Company, a Clearing and Settlement Agent (ALyC, for its Spanish acronym), a Comprehensive Trading Agent (AN, for its Spanish acronym), a Trust Agent (FF, for its Spanish acronym) and a Guarantee Entity (registration pending).

Additionally, as of December 31, 2020, the shareholders' equity of operations of Banco Macro SA, in Units of Purchasing Power, amounts to 2,305,704,726 and exceeds the minimum amount required by the aforementioned regulations for agents registered in the categories listed above, which amounted to 1.420.350 Units of Purchasing Power as of that date. In turn, the minimum statutory balancing entry amounting to 710.175 Units of Purchasing Powers has been duly recorded and consists of government bonds, as detailed in Note 32, and funds deposited with the Argentine Central Bank in accounts Nos. 000285 and 80285, held by the Entity.

34.1.2 Operations of Macro Securities SA

Given its current operations, and pursuant to the provisions established by CNV effective as from the enactment of CNV General Resolution No. 622/2013, as amended, this Company is registered as a Clearing and Settlement Agent, a Comprehensive Trading Agent, and a Mutual Fund Placement and Distribution Agent (ACyD FCI, for its Spanish acronym).

Additionally, as of December 31, 2020, the shareholders' equity of operations of Macro Securities SA, amounts to 24,312,085, and exceeds the minimum amount required by the aforementioned regulations, which amounts to 470,350 Units of Purchasing Value. In turn, the minimum statutory balancing entry, equivalent to 50 percent of the minimum required shareholder's equity, has been duly recorded and consists of interests in Mutual Funds.

34.1.3 Operations of Macro Fondos Sociedad Gerente de Fondos Comunes de Inversión SA

Given its current operations, and pursuant to the provisions established by CNV effective as from the enactment of CNV General Resolution No. 622/2013, this Company is registered as a Mutual Fund Collective Investment Product Management Agent.

Additionally, the shareholders' equity of Operations of Macro Fondos Sociedad Gerente de Fondos Comunes de Inversión SA, stated in Units of Purchasing Value, amounts to 6,311,462,

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Carlos M. Szpunar
Partner
Public Accountant - UBA
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and exceeds the minimum amount required by the aforementioned regulation, which amounts to 150,000 Units of Purchasing Value plus 20,000 Units of Purchasing Value for every additional Mutual Fund managed. In turn, the minimum statutory balancing entry, equivalent to 50 percent of the minimum required shareholder's equity, has been duly recorded and consists of interests in Mutual Funds.

34.1.4 Operations of Macro Fiducia S.A.

Given its current operations, and pursuant to the provisions established by CNV effective as from the enactment of CNV General Resolution No. 622/2013, this Company is registered as a Financial Trustee and a Non-Financial Trustee.

Additionally, the shareholders' equity of Operations of Macro Fiducia SA as of December 31, 2020, stated in Units of Purchasing Value, amounts to 1,142,820 and exceeds the minimum amount required by General Regulation 795, which amounts to 950,000 Units of Purchasing Power. In turn, the minimum statutory balancing entry, equivalent to 50 percent of the minimum required shareholder's equity, has been duly recorded and consists of interests in Mutual Funds. Through General Resolution No. 825, the CNV established that, as of December 31, 2020 and 2019 entities must credit 50 percent of the total amount required and their shareholders' equity cannot be below 6,000.

34.2 Documents placed in custody

As a general policy, the Entity delivers to third parties, for custody, the documents supporting its accounting and management operations dated before the end of the last fiscal year, with the exception of Inventories Books, which are only placed in custody if predating the last two full fiscal years. To ensure compliance by CNV General Resolution No. 629, the Entity has placed in custody (i) the Inventories Books for the fiscal years ended on or before December 31, 2017; and y (ii) certain documents supporting the economic transactions for the fiscal years ended on or before December 31, 2017. Said documents were given in custody to 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 no number, Colectora Sur, between Puente San Carlos and Puente 60 Cuadras, Province of Córdoba, and Avenida Luis Lagomarsino 1750, formerly Ruta 8, Km 51200, Pilar, Province of Buenos Aires).

34.3 As a depositary of Mutual Funds

As of December 31, 2020, Banco Macro S.A., in its capacity as Depository Company, holds in escrow mutual funds interests subscribed by third parties and assets from the following mutual funds:

Fund	Number of interests	Equity
Pionero Acciones	9,756,071	327,566
Pionero Argentina Bicentenario	343,298,122	836,673
Pionero Empresas FCI Abierto Pymes	261,731,584	1,475,402
Pionero FF	38,872,932	621,204
Pionero Gestión	996,810,463	1,081,486
Pionero Pesos	710,991,706	6,230,480
Pionero Pesos Plus	5,815,110,750	30,594,852
Pionero Renta	16,676,404	838,913
Pionero Renta Ahorro	97,409,727	1,882,603
Pionero Renta Ahorro Plus	961,427,834	4,326,701
Pionero Renta Estratégico	751,241,010	2,065,990
Pionero Renta Mixta I	20,336,414	92,278
Pionero Ahorro Dólares	3,624,907	286,176
Pionero Renta Fija Dólares	3,108,507	191,867
Argenfunds Abierto Pymes	2,273,411,547	4,638,247
Argenfunds Ahorro Pesos	65,544,394	605,472
Argenfunds Liquidez	5,556,185,412	8,941,739
Argenfunds Renta Argentina	8,911,464	33,916
Argenfunds Renta Balanceada	257,312,382	1,046,268
Argenfunds Renta Dinámica	8,522	25
Argenfunds Renta Fija	198,066,516	3,045,372
Argenfunds Renta Flexible	440,119,193	1,418,107
Argenfunds Renta Global	8,983,257	33,192
Argenfunds Renta Mixta	43,881	28
Argenfunds Renta Pesos	199,849,796	1,334,857
Argenfunds Renta Total	833,924,833	860,190
Argenfunds Renta Variable	276,458,840	5,261
Argenfunds Retorno Absoluto	574,667,044	1,088,368
Argenfunds Renta Capital	23,013,791	1,991,021
Argenfunds Renta Crecimiento	23,949,324	1,911,422
Argenfunds Renta Mixta Plus	353,432	23,928

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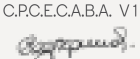

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35. ACCOUNTS EVIDENCING COMPLIANCE WITH MINIMUM CASH REQUIREMENTS

Detailed below are the items used by the Entity to comply with the minimum cash requirement effective as of December 2020, as well as the balance of the applicable accounts as of the end of said month:

Item	Banco Macro S.A.
Cash and bank deposits	
Balance of accounts held with the Argentine Central Bank	49,994,923
Other debt securities	
Central Bank liquidity bills computable for minimum cash requirements	47,216,670
Government securities computable for minimum cash requirements	17,725,006
Financial assets transferred as collateral	
Special guarantee accounts with the Argentine Central Bank	12,040,746
Total	**126,977,345**

36. PENALTIES APPLIED TO THE FINANCIAL INSTITUTION AND SUMMARY PROCEEDINGS COMMENCED BY THE ARGENTINE CENTRAL BANK

Argentine Central Bank's Communication "A" 5689, as amended and supplemented, requires financial institutions to disclose in their financial statements information on the summary proceedings commenced and the penalties imposed by certain regulatory authorities, regardless of the amounts involved and the projected outcome of each action.

The standing of Banco Macro SA as of December 31, 2020 is as follows:

Summary proceedings commenced by the Argentine Central Bank

Financial Summary proceedings No. 1496, dated 02/24/2016.
Grounds: observations on control over subsidiaries.
Penalty: ARS 30,608
Defendants: Banco Macro SA and 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 Argentine Central Bank. On 04/07/2016, the Entity filed its defenses and submitted evidence. On 05/18/2016 the Entity requested that a decision be entered on the motion for lack of standing to be sued filed on behalf of Mr. Delfín Jorge Ezequiel Carballo. On 09/09/2020 Argentine Central Bank issued Resolution No. 132/20 – notice of which was given on 02/22/2021 – whereby it acquitted Delfín Jorge Ezequiel Carballo and imposed a fine on the Entity and the other members of the board of directors under this summary proceeding. This resolution shall be appealed within 15 business days.

Penalties imposed by the Argentine Central Bank

Financial Summary proceedings No. 1401, dated 08/14/2013.
Grounds: alleged breach of the duty to finance the nonfinancial public sector due to temporary advances to the checking accounts of the Municipalities of Córdoba and Reconquista.
Penalty: ARS 2,400.
Penalty: ARS 2,400.
Imposed against: Banco Macro SA and members of the Board of Directors (Jorge Horacio Brito, Jorge Pablo Brito and Marcos Brito).
Status: on 03/02/2015 the Argentine Central Bank passed Resolution No. 183/15, whereby it imposed certain fines on the Entity. A direct appeal was filed against such resolution before the Court of Appeals with Jurisdiction over Administrative Matters (CNACAF, for its Spanish acronym). Division IV of the

CNACAF granted the Entity's claim and annulled the resolution whereby it was fined. The Argentine Central Bank then filed an extraordinary appeal for review, which was dismissed. The Argentine Central Bank then filed a motion for admission of the denied appeal with the Argentine Supreme Court. On 07/30/2020 the Argentine Supreme Court dismissed the motion for admission of the denied appeal filed by the Argentine Central Bank. As of the date hereof, this proceedings are closed.

Penalties imposed by the Financial Information Unit

File No. 62/2009, dated 16/01/2009.
Grounds: observations on foreign currency purchase operations between April 2006 and August 2007. Penalty: ARS 718.
Imposed against: Banco Macro SA and officers in charge of the Prevention of Money Laundering (Juan Pablo Brito Devoto and Luis Carlos Cerolini).
Status: on 06/09/2011, the Financial Information Unit (UIF, for its Spanish acronym) passed Resolution No. 72/2011, whereby it imposed fines on the defendants named in the applicable summary proceedings. After the filing of various actions by the Entity, part of the fines were dismissed on the grounds of the expiration of the applicable statute of limitations, under a decision which became final on June 06/25/2019. The case file is therefore to be sent back to the UIF for the readjustment of the non-time-barred fines. As of the date hereof, the UIF has not yet readjusted the fines related to the operations carried out from 03/05/2007 and from 04/17/2007 to 08/22/2007, in accordance with the resolution rendered by Division III of the CNACAF on 10/31/2016.

File No. 248/2014 (UIF Presidency Note No. 245/2013 of 11/26/2013), dated 07/30/2014.
Grounds: alleged deficiencies in the preparation of certain suspicious activity reports due to infringements detected in certain customer files. Penalty: ARS 330.
Filed against: Banco Macro SA, members of the Board of Directors and officers in charge of the Prevention of Money Laundering (Luis Carlos Cerolini (as both 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, whereby it imposed a fine on the defendants named in the applicable summary proceedings, and granted the motion for lack of standing to be sued filed on behalf of Messrs. Carballo and Magnanini. The Entity and the individual defendants filed direct appeals against said resolution before Division III of the CNACAF. Such appeals were dismissed by means of a final judgment entered on 07/18/2019. The term for the filing of an extraordinary appeal for review against such decision is currently running. On 08/15/2019, the Entity filed an extraordinary appeal for review which was dismissed through a resolution dated 09/26/2019. On 10/03/2019 the Entity filed a motion for admission of the denied appeal before the Argentine Supreme Court, which is pending resolution as of the date hereof.

Notwithstanding the fact that no penalties for material amounts have been imposed on the Entity as of the date of these Consolidated Financial Statements, the total outstanding contested fines amount to ARS 718, and were disclosed as required by Argentine Central Bank's Communications "A" 5689 and 5940, as amended and supplemented.

Additionally, the Entity is a party to the following summary proceedings currently ongoing before the CNV and the UIF:

File No. 1480/2011 (CNV Resolution No. 17529), dated 09/26/2014.
Grounds: potential breach of the obligation to report a "Significant Event."
Defendants: Banco Macro SA, members of the Board of Directors, members of the Statutory Audit Committee and the Head of Market Relations (Jorge Horacio Brito, Delfín Jorge Ezequiel Carballo, Juan Pablo Brito Devoto, Jorge Pablo Brito, Luis Carlos Cerolini, Roberto Julio Eilbaum, Alejandro Macfarlane, Carlos Enrique Videla, Guillermo Eduardo Stanley, Constanza Brito, Daniel Hugo Violatti, Ladislao Szekely, Santiago Marcelo Maidana and Herman Fernando Aner).
Status: on 10/28/2014 the Entity and the individual defendants filed their defenses, offered evidence and moved for their acquittal. The term for the submission of evidence expired on 08/03/2015 and the applicable briefs were filed on 08/19/2015. As of the date hereof this action is still pending.

File No. 2577/2014 (CNV Resolution No. 18863), dated 07/20/2017.
Grounds: potential breach of the provisions of Section 59 of Act No. 19,550 and point 1 of Chapter 6 of Article 19 of Section

IV of Chapter II of the RULES (as revised in 2013 and amended) in force as of the occurrence of the relevant events.
Defendants: Banco Macro SA, in its capacity as Escrow Agent of Mutual Fund Collective Investment Products, directors and members of the Statutory Audit Committee (Jorge Horacio Brito, Delfín Jorge Ezequiel Carballo, Jorge Pablo Brito, Marcos Brito, Juan Pablo Brito Devoto, Luis Carlos Cerolini, Federico Pastrana, Carlos Enrique Videla, Alejandro Macfarlane, Guillermo Eduardo Stanley, Constanza Brito, Emmanuel Antonio Alvarez Agis, Alejandro Almarza, Carlos Javier Piazza and Vivian Haydee Stenghele).
Status: On 05/22/2019, the CNV passed Resolution No. 80/2019, whereby it imposed a penalty on the defendants named in the applicable summary proceedings (with the exception of Delfín J. E. Carballo and Federico Pastrana, with respect to whom a motion for lack of standing to be sued was granted). On 06/07/2019, the Entity, together with its Directors and Statutory Auditors, filed a direct appeal requesting the revocation of the penalty. The case file was sent to Division II of the Court of Appeals with Jurisdiction over Civil and Commercial Matters, which issued a ruling for the commencement of the applicable proceedings on 09/19/2019. The CNV has filed the answer to the direct appeals brought by the Entity and by Argenfunds. The submission of the case file for analysis and further rendering of the final judgment has been requested.

File No. 137/2015 (UIF Resolution No. 136/2017), dated 12/19/2017.
Grounds: alleged breach of the Procedural Handbook for the Prevention of Money Laundering and the Financing of Terrorism as a Comprehensive Settlement and Clearing Agent at the time of an inspection by the CNV; and alleged breach of the Internal Audit Process for Comprehensive Settlement and Clearing Agents (UIF Resolution No. 229/2011, as amended).
Defendants: Banco Macro S.A. and Management members during the period covered by 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 capacity as both Compliance Officer and Management member).
Status: on 04/23/2019, the UIF passed Resolution No. 41, whereby it imposed fines on the aforementioned defendants. The Entity, together with its Directors and Statutory Auditors, filed a direct appeal against such resolution on 06/12/2019, requesting that the penalty imposed thereunder be repealed. Such appeal is ongoing before Division V of the CNACAF, which received the case file on 06/21/2019. On 12/3/2019, the direct appeal was notified to the UIF. On 02/19/2020 the UIF filed the answer to the aforementioned appeal, and the case file was then referred to the Court's Prosecutor for examination. On 07/29/2020 the Prosecutor's office referred the case file back to the Court for analysis and further judgment.

File No. 1208/2014 (UIF Resolution No. 13/2016), dated 01/15/2016.
Grounds: alleged breaches of the Anti-Money Laundering Act, as amended, and UIF Resolution No. 121/11.
Defendants: 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, the UIF passed resolution No. 13/2016, whereby it commenced summary proceedings on the grounds of a series of observations made as the result of an inspection conducted by the Argentine Central Bank. On 06/15/2018, the defendants filed their respective defenses. On 07/02/2018, the UIF granted the motion for lack of standing to be sued filed by Delfín Jorge Ezequiel Carballo, dismissing the charges against him for purposes of these proceedings. A term was set for the submission of evidence, which has since expired. On September 2018 the defendants filed their respective briefs. On 01/08/2021 the UIF passed Resolution No. 80 whereby it imposed a fine on the Entity and the defendants. A direct appeal against said Resolution shall be filed before the CNACAF in due course. On 01/26/2021, ARS 60 were paid through the Entity's account held in the Argentine Central Bank.

File No. 379/2015 (UIF Resolution No. 96/2019), dated 09/17/2019.
Grounds: alleged breach of the Anti-Money Laundering Act, as amended, and UIF Resolution No. 121/11.
Defendants: 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 defendants were notified of the commencement of summary proceedings. On 10/31/2019, the Entity and the individual defendants filed their respective defenses. As of the date hereof no decision has been entered on the motion to dismiss due to the expiration of the statute of limitations or the beginning of the proceedings. On 01/07/2020, the investigation authority deemed the defenses to have been file and deferred the decisions on lack of standing to be sued and the expiration of the statute of limitations to the moment of ruling on the merits of the case. Administrative terms were suspended due to the mandatory and preventive social distancing as a result of Covid-19 pandemic (Conf. Emergency Executive Order No. 297/2020) up to and including 11/29/2020. On 11/30/2020 said procedural terms were resumed (conf. Emergency Executive Order No. 876/2020).

The Entity's Board of Directors and its legal advisors estimate that no significant accounting effects will result from these proceedings, other than the ones mentioned above.

37. ISSUANCE OF CORPORATE BONDS

The table below shows the corporate bond liabilities recorded by Banco Macro SA in these Consolidated Financial Statements:

Corporate Bonds	Original value	Residual value as of 12/31/2020	12/31/2020	12/31/2019
Subordinated adjustable – Class A	US$ 400,000,000 (a.1)	US$ 400,000,000	34,300,292	33,098,040
Unsubordinated – Class B	4,620,570,000 (a.2)	$ 2,889,191,000	2,430,823	3,950,950
Unsubordinated – Class C	3,207,500,000 (a.3)	$ 2,413,000,000	2,496,078	3,570,870
Total			**39,227,193**	**40,619,860**

a.1) On April 26, 2016, the shareholders at the Shareholders' Annual General Meeting approved the creation of a Global Program for the issuing of medium-term Debt Securities, pursuant to Act No. 23,576, as amended, and the remaining applicable regulations. The maximum outstanding value of said securities at any given time throughout the life of the program was set at USD 1,000,000,000 (one billion US dollars) or its equivalent in other currencies, and the program provided for the issuance of simple nonconvertible corporate bonds of one or more classes. On April 28, 2017, the shareholders at the Shareholders' General and Special Meeting approved, among other things, an increase of the maximum amount of bonds issuable under the Global Program to USD 1,500,000,000 (one billion five hundred million US dollars).

On November 4, 2016, under the aforementioned Global Program, Banco Macro SA issued Class A Subordinated Adjustable Bonds at a fixed rate of 6.750 percent per annum, until the adjustment 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 on these bonds is paid on May 4 and November 4 of every year, and the adjustment date is November 4, 2021. As from the adjustment date, these bonds will accrue an adjusted benchmark rate plus 546.3 basis point, as provided for in the aforementioned terms and conditions.

In turn, the Entity has the option to redeem the issuance in full on the adjustment date, or under the conditions provided for in the pricing supplement thereafter. The Entity used the funds derived from such issue to grant loans in accordance with Central Bank guidelines.

a.2) On May 8, 2017, as part of the Global Program mentioned on paragraph a.1), above, Banco Macro SA issued simple nonconvertible Unsubordinated Class B Corporate Bonds at a fixed rate of 17.50 percent per annum, fully amortizable upon maturity (May 8, 2022), for a face value of ARS 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 on these bonds is paid on November 8 and May 8 of every year, beginning on November 8, 2017.

In turn, the Entity has the option to redeem the issue for tax purposes, but only in its entirety. The Entity used the funds derived from such issue to grant loans in accordance with Central Bank guidelines.

On October 17, 2018 and October 16, 2019, the Board of Directors decided to pay off these bonds for a nominal sum of ARS 1,229,518,000 and ARS 501,861,000, respectively, equivalent to the sales recorded for this issue as of each said date.

As of the date of these Consolidated Financial Statements, the Entity purchased bonds in this issue for a total face value of ARS 511,495,000, wherefore the current outstanding face value of this issue is ARS 2,377,696,000.

a.3) On April 9, 2018, as part of the Global Program mentioned on paragraph a.1), above, Banco Macro SA issued Unsubordinated Class C Corporate Bonds, for a face value of ARS 3,207,500,000, at an annual variable interest rate equivalent to the sum of (i) the Badlar Private Rate for the applicable accrual period; plus (ii) the 3.5 percent nominal annual Applicable Margin, amortizable in full upon maturity (April 9, 2021). Interest will be paid in arrears, on a quarterly basis, for the periods ended July 9, October 9, January 9 and April 9 of every year, beginning on July 9, 2018.

In turn, the Entity may redeem the issue for tax purposes, but only in its entirety. The Entity used the funds derived from such issue to grant loans in accordance with Central Bank guidelines.

Additionally, on October 16, 2019 and January 29, 2020, the Board of Directors decided to pay off these bonds for a nominal sum of ARS 750,500,000 and ARS 44,000,000.

As of the date of these Consolidated Financial Statements, the Entity purchased bonds in this issue for a face value of ARS 794,500,000, wherefore the current outstanding face value of this issue is ARS 2,413,000,000. Additionally, on October 16, 2019 and January 29, 2020, the Board of Directors decided to pay off these bonds for a nominal value of ARS 750,500,000 and ARS 44,000,000.

The shareholders at the Shareholders' Meeting of April 27, 2018 decided to increase the maximum amount of the Global Program for the Issuing of Corporate Bonds from USD 1,500,000,000 to USD 2,500,000,000 or its equivalent in other currencies, or any such lower amount as may be determined from time to time by the Board of Directors. During the meeting of April 10, 2019, the Board of Directors decided to issue bonds under the CNV frequent issuer system for the maximum amount allowed under the extension of Global Program for the Issuing of Corporate Bonds approved on April 27, 2018; *i.e.*, USD 1,000,000,000 (one billon US dollars) or its equivalent in other currencies or units of value.

38. OFF-BALANCE SHEET TRANSACTIONS

In addition to the transactions described in Note 6, the Entity records different off-balance sheet transactions in accordance with the regulations issued by the Argentine Central Bank. The table below shows the balances of the main off-balance sheet transactions as of December 31, 2020 and 2019:

Item	12/31/2020	12/31/2019
Government and private securities, and other assets owned by third parties held in custody	184,427,915	110,822,511
Preferred and other guarantees received (1)	84,474,882	75,613,250
Checks pending debit	7,536,159	10,919,866
Checks pending clearance	3,818,869	4,107,423

(1) Guarantees securing loans and other financing transactions under the applicable rules in force.

Signed for identification purposes
together with our report of: 03/10/2021
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. V1 P13

Carlos M. Szpunar
Partner
Public Accountant - UBA
C.P.C.E.C.A.B.A. V 192 P 110

Signed for identification purposes
together with our report of: 03/10/2021
BY STATUTORY AUDIT COMMITTEE

Alejandro Almarza
Statutory Auditor
Public Accountant - UBA
C.P.C.E.C.A.B.A. V 120 P 210

Daniel H. Violatti
Accounting and
Tax Manager

Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
President

39. TAX AND OTHER CLAIMS

39.1. Tax claims

The Federal Public Income Administration (AFIP, for its Spanish acronym) and the tax authorities of the various competent jurisdictions have reviewed the tax returns filed by the Entity in connection with the income taxes, minimum presumed income taxes and other taxes (mainly turnover tax) levied on it. As a result, there are claims pending before various courts and/or administrative agencies to which the Entity is a party, at both trial and appeal stages. The most significant claims are summarized below:

a) AFIP's objections to the income tax returns filed by the former Banco Bansud SA (for the fiscal years ended between June 30, 1995 and June 30, 1999, and the irregular six-month period ended December 31, 1999) and the former Banco Macro SA (for the fiscal years ended between December 31, 1998 and December 31, 2000).

No decision has been entered so far on the subject matter of the claim, which is the basis for the AFIP's complaint: the impossibility of deducting credits secured by a collateral, an issue that has been addressed by both the Federal Tax Court and the Argentine Supreme Court in similar cases whose final decisions favor the Entity's position.

b) Ex-officio ongoing turnover tax assessments and/or turnover tax adjustments by the tax authorities of certain jurisdictions pending resolution.

In the opinion of the Entity's Board of Directors and legal and tax advisors, no significant effects other than the ones disclosed in these financial statements are likely to result from the final decisions to be entered on the aforementioned claims.

39.2. Other claims

Before merging into the Entity, Banco Privado de Inversiones SA (BPI) was the defendant in "Adecua v. Banco Privado de Inversiones on ordinary proceedings" - File No. 19073/2007, a class action filed before Commercial Court No. 3 in and for the City of Buenos Aires, Clerk's Office No. 5, whereby it was required to reimburse to its clients any amounts charged in excess of the ones due under life insurance policies, and to reduce the amounts charged under such policies in the future. This case was closed as of the date of the aforementioned merger, on the grounds that BPI had fully complied with the terms of the court-approved settlement reached with Adecua before the filing of an answer to the complaint. However, in March 2013, when BPI had already merged into the Entity, the trial court decided to amend the terms of the settlement and order reimbursements to be made to a number of customers larger than the one provided for under the previously approved settlement. Such decision was appealed by the Entity in its capacity as BPI's continuing company. The appeal was dismissed by the Court of Appeals, which repealed both the decision entered by the trial court and the court-approved settlement, and ordered the Entity to answer the complaint. This gave rise to the filing of an extraordinary appeal for review against such decision, and a subsequent motion for admission of said appeal once it was denied. The case is currently pending resolution by the Argentine Supreme Court.

The Entity is also a defendant in three class actions commenced by consumer associations in connection with the same subject matter, all of them ongoing before Commercial Court No. 7 in and for the City of Buenos Aires, Clerk's Office No. 13: a) Adecua v. Banco Macro on ordinary proceedings - File No. 20495/2007; b) Damnificados Financieros Asociación Civil Para Su Defensa et al v. Banco Macro on summary proceedings - File No. 37729/2007; c) Unión de Usuarios y Consumidores v. Nuevo Banco Bisel on ordinary proceedings - File No. 44704/2008.

Other class actions have also been commenced by consumer associations regarding the collection of certain charges, commissions or interest and the development of certain practices by the entity, and the making of certain withholdings from individuals by the Entity in its capacity as Stamp Tax Withholding Agent for the City of Buenos Aires.

Additionally, a case is pending against the Entity for charging a commission to credit card users who exceeded their purchase limits until December 2014, which commission was calculated as a percentage of the amount by which said limit had been exceeded. The case, titled "Unión de Usuarios y Consumidores et al v. Banco Macro S.A. on summary proceedings" - File No. 31958/2010, is currently ongoing before Commercial Court No. 1 in and for the City of Buenos Aires, Clerk's Office No 1. On March 15, 2019, the trial court entered a decision against the Entity, ordering the reimbursement of all amounts collected as commissions plus VAT and interest. Even though this decision was appealed by the Entity, and in the understanding that the probability of it being repealed is low, as the Court of Appeals has upheld decisions in actions on the same subject matter against two other banking institutions, a settlement agreement has been reached, which was submitted for its approval by the court on March 11, 2020. The agreement sets forth that all users shall be reimbursed the amounts collected as commissions between August 2007 and December 2014 plus VAT and interest at the average lending rate of Banco de la Nación Argentina for discount transactions of trade documents. On August 26, 2020, the agreement was approved by the Court. On October 28, 2020, the first stage of the agreement was completed, and the second stage will be conducted throughout the following 12 months.

In the opinion of the Entity's Board of Directors and legal advisors, no significant effects other than the ones disclosed in these financial statements are likely to result from the final decisions to be entered on the aforementioned claims.

40. RESTRICTION ON THE DISTRIBUTION OF PROFITS

a) Pursuant to the regulations issued by the Argentine Central Bank, 20 percent of the profits recorded by Banco Macro SA for the year, not including Other Comprehensive Income, plus/minus the adjustments to the income/loss for previous years, minus the accumulated losses as of the end of the previous year, if any, must be allocated to the statutory reserve fund.

There are no profits for the year ended on December 31, 2020 to be allocated to the statutory reserve fund, taking into consideration the effect of the adjustment to the income/loss for previous years due to the initial application of IAS 29, as mentioned in the "Unit of measure" section of Note 3. Therefore, the shareholders at the following Shareholders' Meeting will not have to establish a statutory reserve fund.

b) Under the Restated Rules on the Distribution of Income by Financial Institutions, the Argentine Central Bank established the general procedure for the distribution of profits. Under said rules, distributions are only allowed if the distributing institution has requested no financial assistance from the Argentine Central Bank due to a lack of liquidity, has not breached the minimum paid-in capital or minimum cash requirements, is not reached by Sections 34 and 35 bis of the Financial Institutions Act (dealing with regularization and curing plans upon a breach of Central Bank regulations, and the reorganization of financial institutions), and meets the remaining conditions listed in the aforementioned communication. Moreover, under Argentine Central Bank's Communication "A" 6768, distributions of profits approved by the Entity's shareholders at the Shareholders' Meeting may only be effectively carried out once authorized by the Office of the Superintendent of Financial and Foreign Exchange Institutions of the Argentine Central Bank, after an assessment of the potential effects of the application of the IFRSs pursuant to Communication "A" 6430 (section 5.5 of IFRS 9 "Impairment"), the deduction of the lower provisions and increased RPC resulting from the treatment specified in item 2 of Communication "A" 6946 as amended, to fund the MiPyME program, destined to the payment of salaries, and the restatement of financial statements under Communication "A" 6651, in accordance with the balance-sheet provisions specified by Communication "A" 6847 and the guidelines to apply the restatement procedure of financial statements under Communication "A" 6849.

Profits may further only be distributed to the extent the applicable financial institution has recorded a net income after deducting from retained earnings and the optional reserves for the future distribution of profits, on an off-balance-sheet basis: (i) the amounts of any statutory reserve funds and other mandatory reserve funds provided for in the bylaws; (ii) all debit balances of the items disclosed under "Other Comprehensive Income;" (iii) the income/loss derived from the revaluation of property, plant and equipment, intangible assets and investment property; (iv) the net positive difference between the amortized cost and the fair value of government debt securities and/or monetary policy instruments issued by the Argentine Central Bank measured at amortized cost; (v) any adjustments identified by the Office of the Superintendent of Financial and Foreign Exchange Institutions of the Argentine Central Bank or the external auditor which were not disclosed in the financial statements; and (vi) certain deductibles granted by the Argentine Central Bank. Additionally, no profit distributions can be made out of the income derived from the application of the IFRS for the first time, which was settled in a special reserve fund having a balance of ARS 7,279,036 (face value: ARS 3,475,669) as of December 31, 2020.

The maximum amount to be distributed cannot exceed the amount by which the paid-in capital exceeds the minimum paid-in capital requirements upon recalculating the applicable position, solely for this purpose, taking into account the aforementioned adjustments, among other factors.

The Entity must verify that, after the proposed distribution, the capital conservation buffer is still equivalent to 3.5 percent of the risk-weighted assets (RWA), in addition to the minimum capital required by the applicable regulations, made up of Common Equity Tier 1 capital (CET1), net of deductibles.

As of December 31, 2020, the adjustments to be made to unallocated profits are as follows:

i. Debit balances of the items disclosed under "Other Comprehensive Income": ARS 5,691,362.
ii. Net positive difference between amortized cost and fair value: ARS 35.
iii. Income by application of the IFRSs for the first time, included in the special reserve fund: ARS 7,279,036.

In addition to the above, through Communication "A" 7181, the Argentine Central Bank suspended the distribution of profits of Financial Institutions until June 20, 2021.

c) Under CNV General Resolution No. 622, the shareholders at the Shareholders' Meeting in charge of assessing the yearly financial statements must decide on the specific application of the Entity's retained earnings, which may be effectively distributed as dividends, capitalized into bonus shares to be delivered to the shareholders, settled into additional voluntary reserve funds, or any combination of the foregoing actions.

In compliance with the preceding enumeration, the shareholders at the Shareholders' General Meeting of April 30, 2020 approved the distribution of cash dividends (the Dividend) for ARS 12,788,268 (non-restated amount), which represents ARS 20 per share as of the date of such meeting and granted the Board of Directors the power to set the date on which such dividends would be made available to the shareholders in proportion to their respective holdings. This distribution is yet to be approved by the Argentine Central Bank, additionally considering the provisions of Communication "A" 7181 above.

On October 21, 2020, a Special Meeting was held at which the shareholders approved a supplementary dividend (the Supplementary Dividend) in order to increase the amount of the cash dividend approved at the Shareholders' General and Special Meeting held on April 30, 2020. Such Dividend shall be multiplied by the ratio resulting from dividing the CPI last published by the INDEC as of the date the Argentine Central Bank issues the authorization for payment of both the Dividend and the Supplementary Dividend, by the CPI for April, 2020. The difference between the amount resulting from said calculation and the Dividend shall determine the amount of the Supplementary Dividend. The total amount to be distributed as Supplementary Dividend shall not exceed ARS 3,791,722, to be allocated from the voluntary reserve fund for future profit distributions.

41. CAPITAL MANAGEMENT, CORPORATE GOVERNANCE TRANSPARENCY AND RISK MANAGEMENT POLICIES

As a financial institution, Banco Macro S.A. is governed by Financial Institutions Act No. 21,526, as supplemented, and the regulations issued by the Argentine Central Bank. It also adheres to the good banking practices set forth in Argentine Central Bank's Communication "A" 5201 - Corporate Governance Guidelines for Financial Institutions, as supplemented by the Argentine Central Bank.

The Entity's shares are publicly listed on the Buenos Aires Stock Exchange, wherefore the Entity is also subject to the regulations issued by the CNV.

Through General Resolution No. 797/17, the CNV established the minimum contents of the Corporate Governance Code, incorporating notions of good corporate governance into corporate management, in the form of guidelines or recommendations aimed at improving transparency. The CNV further requires financial institutions to issue an annual report in which they explain either the manner in which they apply the aforementioned recommendations or the reasons why they chose not to adopt the good practices described in such resolution. As per such requirement, the Entity publishes on an annual basis, together with the Annual Report, a document titled Corporate Governance Explanatory Report which is available on both the Entity's website and the CNV's website.

The aforementioned regulation reinforces the notions included in Capital Markets Act, as regulated, which defines principles such as "full disclosure," "transparency," "efficiency," "public investor protection," "equal treatment of investors," and "protection of the stability of financial institutions and intermediaries."

The Entity's shares are also listed in the NYSE, wherefore the Entity qualifies as a foreign private issuer and is required to comply with certain corporate governance standards pursuant to Section 303A of the NYSE's Listed Company Manual, as amended.

Described below are the main standards established by the Argentine Central Bank under the restated Corporate Governance Guidelines for Financial Institutions, as supplemented:

- **Ownership structure**

As of December 31, 2020, the shareholders of the Entity were:

Full name / corporate name	Participating Interest	Voting Interest
"Trust JHB" (*)	17.28	19.65
Carballo Delfín Jorge Ezequiel	17.47	19.19
ANSES F.G.S. under Act No. 26,425	28.80	26.90
Grouped shareholders (local stock exchanges)	9.72	9.28
Grouped shareholders (foreign stock exchanges)	26.73	24.98

(*) As of the date of these consolidated Financial Statements, and due to the death of Mr. Jorge Horacio Brito, which occurred on November 20, 2020, as specified in his last will, the shares owned by Mr. Brito were transferred, *ad referendum*, to the management trust called "Trust JHB," whose beneficiaries are his forced heirs.

• Board of Directors and Senior Management

The Entity's Board of Directors currently has 13 members. Directors remain in office for three fiscal years and one third of them are renewed every election. Directors are nominated and elected at the Shareholders' Meeting, and their appointment must be confirmed by the Argentine Central Bank, which must expressly authorize them to take office upon determining that they meet the eligibility and experience criteria set forth in Financial Institutions Creation, Operation and Expansion Rule No. 2 - Creation, Operation and Expansion - XV - Authorities of Financial Institution.

Name	Office
Delfín Jorge Ezequiel Carballo	Chair
Jorge Pablo Brito	Deputy Chair
Carlos Alberto Giovanelli	Director
Nelson Damián Pozzoli	Director
Fabián Alejandro De Paul (*)	Director
Constanza Brito	Director
Guillermo Stanley	Director
Mario Luis Vicens (*)	Director
Delfín Federico Ezequiel Carballo	Director
Santiago Horacio Seeber	Director
Ramiro Tosi (*)(**)	Director
Mariano Ignacio Elizondo (*)	Director
Guillermo Merediz (*)(**)	Director
Juan Santiago Fraschina (*)(**)	Alternate Director
Alan Whamond (*)	Alternate Director

(*) Independent Director (**) Director appointed by the ANSES-FGS

Directors must be morally fit, have the required experience in and knowledge of banking services, and meet the requirements resulting from the applicable regulations issued by the Argentine Central Bank. Abidance by said requirements is assessed upon the proposal of candidates for their appointment as Directors at the Shareholders' Meeting, and periodically after their appointment.

Currently, six Directors are independent directors pursuant to CNV rules and the restated Corporate Governance Guidelines for Financial Institutions issued by the Argentine Central Bank.

The Entity's Senior Management is headed by a General Manager appointed by the Board of Directors, and consists of a series of officers who report directly to the General Manager and three staff divisions which report directly to the Board of Directors. Senior Managers are listed below:

Gustavo Alejandro Manriquez	General Manager
Gerardo Adrian Álvarez	Human Resources and Administration Manager
Alberto Figueroa	Internal Audit Manager
Ernesto López	Legal Affairs Manager
Ana María Magdalena Marcet	Credit Risk Manager
Juan Domingo Mazzon	Government Banking and Management Control Manager
Ernesto Eduardo Medina	Operations and IT Manager
María Milagro Medrano	Commercial Banking and Institutional Relations Manager
Francisco Muro Gerente de	Sales and Distribution Manager
Jorge Francisco Scarinci	Finance and Investor Relations Manager
Agustín Devoto	Investment Banking Manager
Adrian Mariano Scosceria	Business Banking Manager

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together with our report of: 03/10/2021
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. V1 P13

Carlos M. Szpunar
Partner
Public Accountant - UBA
C.P.C.E.C.A.B.A. V 192 P 110

Signed for identification purposes
together with our report of: 03/10/2021
BY STATUTORY AUDIT COMMITTEE

Alejandro Almarza
Statutory Auditor
Public Accountant - UBA
C.P.C.E.C.A.B.A. V 120 P 210

Daniel H. Violatti
Accounting and
Tax Manager

Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
President

• Committees

The Entity's bylaws state that the Board of Directors may establish such Committees as it deems appropriate for the conduct of the Entity's business, and appoint their respective members. The Entity currently has the following committees:

Committee	Functions
CNV/SEC Audit	Those set forth in the Capital Markets Act, as regulated.
Internal Audit	Monitoring the adequate operation of the internal control systems adopted by the Entity through periodic assessments, and contributing towards the improvement of the effectiveness of internal controls
Comprehensive Risk Management	Monitoring Senior Management activities involving the management of credit, market, liquidity, operational, compliance and reputational risks, among others. Advising the Board of Directors on the Entity's risks.
Assets and Liabilities	Setting out the Entity's financial strategy by analyzing the markets and deciding on the Entity's policies on assets and liabilities, and the management of market, liquidity, interest rate and currency risks.
IT	Monitoring the proper operation of the IT environment and contributing towards improving the effectiveness thereof.
Credit	Approving credit transactions based on credit capacity.
Recovery	Deciding on payment arrangements which exceed the predetermined parameters, and the reclassification of portfolios to legal management or derecognitions.
Personnel Incentives	Ensuring the personnel financial incentives program is consistent with the Entity's culture, goals, long-term operations, strategy and control environment.
Ethics and Compliance	Ensuring the Entity has the proper means to promote adequate decision-making and compliance with internal and external regulations.
Corporate Governance and Appointment	Managing the process for the renewal and replacement of Senior Managers, and succession plans. This Committee is also in charge of enforcing the Corporate Governance Code on the Entity and at its subsidiaries.
Anti-money Laundering and Counter-terrorism Financing	Planning and coordinating compliance with the policies established by the Board of Directors on these matters.
Financial Services Users' Protection	The duties of this Committee include ensuring the existence and maintenance of a process for the protection of users of financial services and a customer care system.

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Delfín Jorge
Ezequiel Carballo
President

• Code of Ethics
The Entity has adopted a Code of Ethics applicable to both Directors and Senior Managers and expects them to discharge all of their duties in line with the highest personal and professional integrity standards, abide by the applicable laws, discourage the commission of blameworthy acts, and abide by the Entity's Code of Ethics and remaining policies and procedures governing the behavior of its employees. The Code of Ethics supplements the Entity's Code of Conduct.

• Code of Conduct
The Entity creates a working environment which promotes accountability, enforceability, commitment, results, loyalty, honesty, good communication and teamwork.

Its goal is to ensure daily relationships are built on mutual respect, trust, and cordial and simple interactions between teammates and superiors, and with suppliers and customers, and activities are carried out in a manner consistent with the outmost personal and professional ethical principles.

In this framework, the Code of Conduct is intended to establish the principles and values all members of the Entity must abide by. The trust placed on them by shareholders, customers and the public and large depends, to a great extent, on their abidance by these principles.

• Ethics line
In line with these ethical standards, a report line has been developed for the Entity, Macro Securities S.A., Macro Fondos S.G.F.C.I. S.A., Macro Fiducia S.A. and Argenpay S.A.U., managed by an independent third party to ensure both anonymity and confidentiality.

Reports are received by the Ethics and Compliance Committee, which investigates them and closes each case in accordance with pre-established protocols.

Branches
As of the date of these Financial Statements, the Entity has 463 branches throughout the Argentine Republic.

Subsidiaries
The Entity carries out certain transactions through its subsidiaries, which are identified in Note 3 to the Consolidated Financial Statements.

Business lines
The Entity's business lines and transactions involving trusts are mentioned in Notes 1 and 33 to the Consolidated Financial Statements, respectively.

• Incentives
The Entity has a Remuneration Policy which covers both fixed and variable remunerations. Variable remunerations are calculated based on a goal and competency assessment process.

The Variable Remuneration program, which is part of the Remuneration Policy, is consistent with the Entity's mission, values, goals, long-term business sustainability, strategy, control environment and prudent risk assumption. Its goal is to acknowledge employees' outstanding performance based on:

- Their contribution to the Entity's income.
- The alignment of their management strategy to the Entity's mission and values.

The most relevant variables in determining remunerations are:

- Responsibility level and complexity of the position
- Competencies and personal potential
- Personal performance and results
- Position in the reference market
- Entity's income or losses

The Incentives Committee is responsible for ensuring that the personnel financial incentives system is consistent with the Entity's culture, goals, long-term business, strategy, control environment and prudent risk assumption.

The Entity's ultimate goal is to compensate its staff in a manner that ensures the recognition of good performance, internal equity, competitiveness, productivity, efficiency and value added.

• Role as a financial agent
The Entity acts as a financial agent for the Provinces of Misiones, Salta, Jujuy and Tucumán, and the Municipalities of San Miguel de Tucumán and Yerba Buena.

• Corporate sustainability policy
The Entity is aware of its responsibilities towards the communities in which it is present. The Corporate Sustainability

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division accompanies this commitment by developing, promoting and supporting policies and actions with a positive impact on society, the environment and the economy.

For such purpose, it permanently engages in dialogues with the various areas and groups of interest for the ultimate goal of creating social value and adopting policies aimed at the development of a fair, solidary and equitable country.

The transmission of these Sustainability values is presented in the Integrated Report as a milestone for the alignment, integration, and correlation of financial information (in documents such as the Annual Report and the Financial Statements) with Corporate Sustainability.

- **Anti-corruption policy**

As required by the Corporate Criminal Liability Act (No. 27,401), the Board of Directors has expressly forbidden the officers and employees of both the Entity and its subsidiaries from paying, offering or promising to pay, or authorizing the payment of money or other valuables to any (public) official for the purpose of procuring or maintaining a business. These guidelines further extend to private dealings. These principles are stated in the Code of Ethics for Directors and Senior Managers and the Code of Conduct applicable to all employees. The Entity also enforces a Code of Conduct for Suppliers.

The Entity is also bound by the laws of other jurisdictions containing similar prohibitions and, specifically, by the Foreign Corrupt Practices Act (FCPA), as Banco Macro S.A. is a foreign company listed in the NYSE and is therefore under the supervision of the SEC.

Companies in the group planning to engage in transactions requiring the intervention, in any capacity, of a member of the public administration, a government agency or a government company, in Argentina or abroad, must previously notify this to the Board of Directors through the General Manager, and identify, before the closing of the transactions, the agents and intermediaries who may participate in it. The Entity also has a handbook with guidelines for interaction with public officials.

The notification requirement described in the preceding paragraph does not apply to transactions originated in the financial agency agreements entered into with the provinces (but does apply to the execution of new framework agreements), ordinary banking transactions (*e.g.*, contacts due to the payment of wages) and transactions which do not represent significant risks because of their low value.

These anti-corruption practices focus mainly on transactions with the public sector, but also apply to transactions between private parties. This is expressly stated in both the Code of Ethics and the Code of Conduct.

The Entity has implemented an Anti-corruption Policy and an Integrity Program. The Ethics and Compliance Committee is responsible for the enforcement and monitoring of the Policy, and for the submission of periodic reports to the Board of Directors.

- **Transactions with related parties – Conflicts of interest policy**

As an authorized financial institution, the Entity abides by all provisions and reporting requirements resulting from Financial and Foreign Exchange Institutions Act No. 21,526 and the regulations issued by the regulatory agency (Argentine Central Bank).

As required by the applicable law (Companies Act No. 19,550), specific regulations (Capital Markets Act, as regulated), professional accounting standards (Technical Resolution No. 21), IAS 24 and best practice recommendations, the Entity reports transactions with related parties in the notes to the Financial Statements. Such transactions are completed under regular market conditions. See also Note 13 to the Consolidated Financial Statements and Note 13 to the Separate Financial Statements.

Under the applicable laws in force, directors are required to discharge their duties with the loyalty and diligence of a prudent business man. Directors are jointly and severally liable towards the Entity, the shareholders and third parties for the inadequate performance of their duties, and any infringements of the applicable laws, bylaws and regulations, as applicable, and are responsible for curing any and all damages caused by their fraudulent behavior, abuse of authority or negligence.

Directors' duty of loyalty includes: (i) refraining from using the corporate assets and confidential information to which they may have access for personal purposes; (ii) refraining from taking advantage or allowing others to take advantage of the Entity's business opportunities, through acts or omissions; (iii) exercising the powers granted to them solely for the purposes authorized by law or the Entity's bylaws, or in line with the intentions of the shareholders or the Board of Directors; and (iv) taking extreme precautions to ensure the acts of the Board of Directors have no direct or indirect effects detrimental to the Entity's interests.

Directors must notify the Board of Directors and the Audit Committee about any conflicts of interest to which they may be a party in connection with a proposed transaction, and refrain from voting on the applicable matter.

- **Public information**

Information pertaining the Entity's Corporate Governance falls within the transparency policy contained in the aforementioned principles, and is therefore available to all interested members of the public at www.macro.com.ar *("Conocenos" – "Relaciones con Inversores")*. Some guidelines are also disclosed in other notes and annexes to these Financial Statements, and public information on the Entity can be accessed through the websites of the Argentine Central Bank (www.bcra.gob.ar) and the CNV (www.cnv.gob.ar).

The Entity also publishes a Market Discipline Report as required by the guidelines established by the Argentine Central Bank for the market discipline information system, in accordance with the criteria adopted by the Basel Banking Supervision Committee. Such report is also available in the Entity's website.

Comprehensive risk management

Within the framework of the Corporate Governance policy, the Entity's Board of Directors decided to create a Risk Management Committee and appointed a Risk Manager reporting directly to the Board of Directors.

The Risk Manager's duties include ensuring the creation of an independent risk management system, the adoption of policies, procedures, measurement methodologies and report systems allowing for the identification, measurement and monitoring of the risks under their purview, and the identification of the duties of each organizational level involved in the process.

The risk management process includes the setting of exposure limits for each risk by the Board of Directors, the tracking of the Entity's exposure to each such limit by the applicable officers, the submission of periodic reports to the Risk Management Committee, the processing of warnings, and the implementation of action plans upon receiving a warning and the guidelines for the development of stress tests.

The system is supplemented by policies and procedures specific to each risk (Financial, Credit, Operational, Counterparty, Credit, Country, Securitization, Reputational, Compliance, Strategic, etc.).

In turn, the Credit Risk Management Department is responsible for interpreting, executing and guaranteeing the application of the General Credit Policy approved by the Board of Directors, in accordance with the applicable internal and external standards. The Credit Risk Management Department is under the functional purview of the General Manager.

Risk management

The Risk Management Department oversees the Financial Risk, Credit Risk and Operating and Technology Risk divisions.

The main duties of the Risk Management Department are:

- **Stress tests**

The stress testing process includes documenting and setting formal rules for the program, identifying the persons in charge of its implementation, determining the frequency of the tests and validating the resulting system. It also requires the development of a Contingency Plan based on test results.
The Risk Management Committee leads and coordinates this application.

- **Economic capital calculation**

The Risk Management Department estimates the economic capital for each individual risk (Market, Liquidity, Interest Rate, Credit, Counterparty Credit, Concentration, Operational, Securitization, Strategic and Reputational) identified for the Entity and its subsidiaries, with the same scope as the applicable regulation. The methodologies used to estimate the economic capital of subsidiaries are exactly the same.

The economic capital adequacy assessment process is an integral part of an entity's corporate governance and risk management culture.

The current and prospective economic capital is quantified by means of a formal process and is a tool used in the day-to-day management of risks, and the preparation of the Business Plan and Stress Tests.

The methodologies used to measure the economic capital of each risk were documented and approved by the Management in accordance with the internal Corporate Governance and Risk Management rules.

The results must support the decision-making process, including the strategic decisions adopted by the Board and Senior Management, who may thus:

- Estimate the level and trend of the relevant risks, and their effects on capital needs.
- Assess the reasonability of the basic assumptions used in the capital measurement system and the sensitivity of income or losses to changes in those assumptions.
- Determine whether the Entity has sufficient statutory capital to cover the different risks and meet the applicable capital sufficiency goals.
- Estimate future capital requirements based on the risk profile, and introduce the necessary adjustments into the strategic plan.

Essential capital assessment tools include:

- Policies and procedure guaranteeing the risk management process.
- A process linking the economic capital to the risk level.
- A process to set capital sufficiency goals based on risks, taking into account the strategic approach and the business plan.
- An internal control process to guarantee a comprehensive management of risks.

The Entity actively uses guarantees to mitigate its credit risk.

Excessive risk concentration:

In order to avoid excessive risk concentrations, the Entity's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified credit risk concentrations are controlled and managed accordingly. Selective coverage is used by the Entity to manage risk concentrations at both the relationships and the industry levels.

It is also worth noting that the Entity abides by Central Bank provisions on limitations to the maximum assistance that can be given to groups of debtors, in order to atomize portfolios and reduce the concentration of credit risks.

The main types of risks to which the Entity is exposed are those derived from credit risks, liquidity risks, market risks, interest rate risks, foreign currency risks and operational risks.

Minimum capital requirements:

The table below shows the minimum capital requirements measured on a consolidated basis as of December 2020, together with the paid-up capital (regulatory capital) as of the end of such month:

Description	12/31/2020
Minimum capital requirement	41,357,542
Regulatory capital	173,448,698
Paid-up surplus	132,091,156

The subsections below describe the policies and procedures adopted to identify, assess, control and mitigate each of the main risks:

41.1 Credit risk

The credit risk is the risk of the Entity incurring a loss as the result of one or several customers' or counterparties' failing to meet their contractual obligations.

In order to manage and control its credit risk, the Entity sets limits to the amount of risk it is willing to accept, in order to monitor the indicators linked to such limits.

The Board of Directors further approves the Entity's credit and credit assessment policies to provide a framework for the creation of businesses allowing for the attainment of an adequate correlation between the risk assumed and profitability. The Entity has procedural handbooks that contain relevant guidelines, ensure abidance by the applicable regulations and set forth the prescribed limits. Such handbooks have the following goals:

- Achieving an adequate segmentation of the portfolio by type of customer and economic sector.
- Strengthening the use of the risk analysis and assessment tools that best match each customer's profile.
- Setting consistent standards for the granting loans under conservative parameters based on the customer's solvency, cash flows and profitability, in the case of companies, and revenues and equity, in the case of individuals.
- Setting limits to the individual powers to grant loans based on the capital thereof, by promoting the creation of specific committees in charge of defining assistance levels within their respective areas of influence.
- Optimizing the quality of the risks assumed and procuring adequate guarantees depending on the term of the loan and the level of risk involved.
- Monitoring the loan portfolio and customers' compliance on a permanent basis.

The management of credit risks requires the existence of a structure with the characteristics necessary to achieve the organizational goals in all stages of the credit cycle: admission, follow-up, monitoring and recovery.

The risk assessment process varies depending on whether it applies to Corporate or Personal Banking customers.

For the assessment of customers in the Corporate Banking segment, the Entity uses various techniques which involve different responsibility levels and become more complex depending on the amounts of the transactions and the levels of assistance required, weighed by their respective terms and existing coverages.

When the amount of a given transaction exceeds the amount that can be authorized under delegated powers or through a decentralized risk assessment, the ratings are approved by Credit Committees. The powers vested on the different decision-making bodies are continuously reviewed to adjust them based on the volume of transactions undertaken by the Entity, and optimize the credit risk rating process.

The risks posed by the assistance requirements discussed in Credit Committees are assessed by the Corporate Risk Management Department: specialized risk analysts prepare Risk Reports for each individual customer or Economic Group, which are delivered to the members of the Committee as a tool to support their decisions.

Risk reports include (as a minimum) information on the allocation of the loans and their repayment source, the debtor's historic and current behavior, and the economic group to which the debtor belongs; the debtor's repayment capacity, based on their cash flows; the collaterals that are to secure the obligations, who holds title to them, the possibility of foreclosing on them and their sensitivity to changes in the economy; the market in which the debtor operates and the debtor's position in it; the debtor's equity, economic and financial position, and their ability to obtain credit.

Committee resolutions set forth the terms and conditions applicable to any assistance granted in connection with amounts, currency, terms, collateral coverages, follow-up clauses, etc. The decisions made by the Committee are based on the debtor's cash flows and payment capacity and, to a lesser extent, on the debtor's equity and the risk mitigating factors of the transaction.

In the case of individuals, credit assistance assessment systems are based mainly on a qualification score associated with a probability of default, and certain maximum indebtedness and installment/income proportion rules.

Specific rules must be followed upon creating a debtor's file in order to duly document the data entered into the assessment systems. Credit risk officers are also given specific powers depending on the margins that are to be approved and the admitted exceptions (if any).

The Entity uses different processes to detect interrelated debtor groups with correlated risks (economic groups), and to group risk exposures derived from one same debtor or counterparty into different credit facilities.

Before approving a credit rating, the Entity performs a series of checks in order to mitigate the associated credit and operational risks and conform the transactions to the regulatory framework for technical relationships.

The Entity has a formal, sound and well-defined process to manage loans with problems. Procedures vary depending on the type of portfolio managed and the applicable delinquency status.

To mitigate its credit risk, the Entity asks for guarantees to secure credit lines. A particular sector of the Credit Risk Management Department is responsible for managing all guarantees received by the Entity, and for periodically assessing and updating the value thereof in order to monitor the quality of risk mitigation factors.

Classification of debtors in accordance with the Argentine Central Bank:

As a general regulatory classification policy, the Entity adopts the relevant rules issued by the Central Bank, which provide for the classification of debtors into groups of different levels in decreasing order of quality, depending directly on the risk of their credits becoming bad debt.

Classification guidelines also vary depending on whether the applicable loans are commercial loans, consumer loans or home loans.

The basic criterion applied to the classification of the commercial loan portfolio is the customer's future capacity to repay their financial commitments. The Entity reviews the classification of customers in this portfolio within the minimum intervals established by the Argentine Central Bank, which requires, as a general rule, that said classification be reviewed once a year, or once every six or three months as the debt increases.

In accordance with their risk of default, customers in the commercial loan portfolio are classified as follows:

1- Normal status
2 a) Under observation
2 b) Under negotiation or refinancing agreements
2 c) Under special treatment
3 - With problems
4 - With high insolvency risk
5 - Bad debt

Customers in the consumer loan portfolio, as well as those in the commercial portfolio owing debts of up to ARS 72,640, for whom the Argentine Central Bank authorizes the use of a simplified method similar to that used for the consumer loan portfolio, are classified into different levels based on the number of days for which the customer has remained delinquent as of the end of each month.

1- Normal Status: Up to 31 days
2- Low Risk: Up to 90 days
3- Medium Risk: Up to 180 days
4- High Risk: Up to 1 year
5- Bad Debt: Over 1 year

Within the context of the health emergency arising out of the COVID-19 pandemic, the Argentine Central Bank issued Communication "A" 6938, as amended, temporarily easing the debtor classification system and thus increasing by 60 days the periods established for levels 1, 2, and 3, for the commercial loan portfolio as well as for the consumer or home loan portfolios. Classification criteria were laid down as follows:

1- Normal Status: Delay in payment of up to 91 days.
2- Low Risk: Delay in payment of over 91 days and up to 150 days from the due date.
3- Medium Risk: Delay in payment of over 150 days and up to 240 days.
4- High Risk: Delay in payment of over 240 days and up to 1 year.

This system will remain in force until March 31, 2021.

Provisions for loan portfolio risk impairment

As from the year 2020, the Entity's credit risk provisions policy is supported in the calculation of the ECL based on Analytical Models (statistical models linked to the management of the loan portfolio), in accordance with IFRS 9. Pursuant to Section 5.5 on Impairment of Value (including the principles and methodologies to recognize ECL by significant risk increase and the resulting impairment of the value of financial assets through ECL), the Entity acknowledges the impairment of the value of its financial assets. The provisions for credit risks thus calculated may in no case be lower than the minimum provisions set by the Argentine Central Bank in its Restated Minimum Provisions for Default Risk. If they are lower, the difference is not recorded as provisions for bad debt in the Financial Statements, but as a deduction of the RPC pursuant to the Argentine Central Bank's rules.

The value adjustment through ECL is based on credit losses expected during the lifetime of an asset (ECL during the lifetime of an asset), unless there was no significant increase of the credit risk since the initial recognition, in which case the value adjustment is based on 12-month ECL.

The following table shows the distribution of provisions for bad debt in accordance with the class of financial instrument as of December 31, 2020 and 2019:

	21/31/2020	12/31/2019
Loans and other financing transactions	10,022,610	6,901,953
Contingent commitments	17,207	23,514
Other financial assets	18,929	14,032
Other debt securities at amortized cost	1,343	2,637
	10,060,089	**6,942,136**

The Credit Risk Management Department is in charge of managing credit risk, which consists in identifying, assessing, following up, controlling and mitigating this risk at all stages of the credit cycle.

The design and development of Expected Credit Loss Models is the responsibility of the Credit Risk Handling Department. This Department, which is under the purview of the Credit Risk Management Department, is also in charge of designing and calculating the Rating and Scoring Models to quantify credit risk, as well as the models that allow to calculate the probability of default (PD), exposure at default (EAD) and loss given default (LGD), and the models to calculate the impact of the prospective view.

The Credit Management and Operations Department, through the Credit Review sector, analyzes the entire portfolio subject to an individual analysis and classifies customers at the different credit risk stages. Together with the Business Risk and Credit Recovery departments (which provide their opinion from the risk and recovery procedures analysis), they calculate the ECL for Stage 3 commercial customers.

The definitions and determination of the ECL are submitted on a regular basis to the Risk Management Committee, which approves the methodologies, recalibrations and validations of the models.

41.1.1 Assessment of Credit Risk Impairment

41.1.1.1 Definitions of significant risk increase, impairment and default

The Entity recognizes the impairment of the value of its financial assets in accordance with the guidelines of Section 5.5 of IFRS 9. To that end, it calculates the ECL of the financial instruments based on a "three-stage" risk model based on changes in credit quality since initial recognition, as summarized below:

- Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition;
- Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition but that yet considered impaired; and
- Stage 3 includes financial assets with credit impairment.

The Entity measures ECL in accordance with the following definitions:

- For financial instruments included in Stage 1, the Entity measures the ECL as the portion of the ECL of the lifetime of the asset resulting from the possible default events within the following 12 months.
- For financial instruments included in Stage 2 and Stage 3, the Entity measures the ECL during the lifetime of the asset.
- For the calculation of ECL, in accordance with IFRS 9, prospective information is also taken into consideration.

Staging by PD comparison:
Significant credit risk increase is assessed comparing the initial PD with the PD as of the observed date, adjusted with prospective vision. The Entity considers that there is a significant credit risk increase if there is more than one level of change in the customers' risk category, except in certain customers considered low-risk (reduced PD), in which a change of more than two risk categories is required to recognize a significant increase.

Through regular reviews, the Entity further monitors the effectiveness of the criteria employed to identify significant credit risk increase.

Customer segmentation:
The criterion to determine if a financial asset is impaired depends on the kind of analysis to which the customer is exposed. Losses are estimated both collectively and individually:

41.1.1.1.1 Customers analyzed on a collective basis
For the collective estimation of ECL, exposures are grouped on the basis of segments of customers with homogeneous risk characteristics, relevant to analyze their repayment capacity or future recovery flows.

The identified segments are grouped into two large categories:

i) Low Risk: customers in this segment have job stability and contractual security in the recovery of credits.
- Public Payroll Plan: Employees of National, Provincial or Municipal Agencies, who have their salaries deposited in Banco Macro. High job stability. The Entity ensures by contract the collection of the financial commitments enforceable at the time of the deposit of salaries.
- Private Payroll Plan: Employees of Private Companies, with whom salary deposit agreements are executed. The Entity ensures by contract the collection of the financial commitments enforceable at the time of the deposit of salaries.
- Retirees: Beneficiaries of National or Provincial Retirement or Pension Benefits that have such benefits deposited in Banco Macro. They have life annuities, which ensures very high stability in their income flow. In this segment, the Entity ensures the payback of credits through a third party (ANSES or the applicable pension fund), which transfers directly to the accounts of each retiree in the Entity.

ii) Non-Low Risk: each of the segments has a large volume of cases, with atomized debt amounts, for whose Origination and risk management the Entity uses mass credit qualification tools based on statistical models.
- Open Market: individuals from different kinds of activities (employees, self-employed, or monotax payers) that request financing for their consumption or housing. This is a segment where the fluctuations of the economic cycle has a greater impact on their financial capacity.
- SMEs with a similar portfolio with debts up to ARS 72,640: customers with business, industrial and/or services activities, who request financial assistance in relatively low amounts for an essentially commercial use, and eventually for consumption in the case of individuals.
- Agribusiness with a similar portfolio with debts up to ARS 72,640: customers with activities linked to agricultural production, or service providers for that sector, who essentially request limited financial assistance for the development of their business activities, and eventually for consumption in the case of individuals. Their financial demands and business cycles are typical for the kind of productive approach they develop.
- Micro enterprises: customers with a business activity that request financial assistance for working capital or capital goods, in low amounts; also, eventually, for consumption in the case of individuals. This segment includes customers with a low level of invoicing and that, therefore, require low levels of financial assistance.

Under the analysis on a collective basis, the Entity has determined the following criteria to define the inclusion in the different Impairment Stages:

For Low-Risk Customers:

Stage 1:

- no delay or delays up to 5 days,
- delays greater than 4 days without a significant increase of risk by comparison of PD

Stage 2:

- delay greater tan 30 days,
- delays greater than 4 days with a significant increase of risk by comparison of PD

Stage 3:

- delay greater than 90 days in any financial instrument.

For Non-Low-Risk Customers:

Stage 1:

- no delay or delays up to 31 days,
- without a significant increase of risk by comparison of PD.

Stage 2:

- delay greater than 30 days in any financial instrument,
- delays up to 31 days with a significant increase of risk by comparison of PD.

Stage 3:

- delay greater than 90 days in any financial instrument.

41.1.1.1.2 Customers analyzed on an individual basis

The purpose of the individual analysis is to estimate the ECL for customers with significant risks or with risks that require a special treatment, or that do not have homogeneous features with other segments of the portfolio, for whom statistical information does not suffice to predict future behavior.

The following customers and financial assets are included under this analysis:

- Corporate Companies.
- Medium and Large Companies.
- SMEs and Agribusiness of a Business Portfolio in accordance with the definition of the Argentine Central Bank.
- Financial Institutions.
- Public Sector.
- Government and Private Securities.

On a monthly basis, the Credit Review sector analyzes the entire portfolio subject to the individual analysis methodology in order to classify customers, focusing on those in Stage 2 and Stage 3 during the previous month and those that, while in Stage 1, show a significant increase in risk. In order to conduct the assessment, a series of objective data has been defined to help analyze if there is an increase in credit risk, to determine whether they should be reclassified as Stage 2 (due to the existence of a Significant Risk Increase) or Stage 3 (if a Default is incurred or projected), or if they should remain in Stage 1. These events comprise, mainly, the following:

- Significant delays in the main credit lines granted.
- Legal proceedings by the Entity for the assistance granted.
- Filing for reorganization proceedings or bankruptcy.
- Overdue loans with capital still pending.
- Volume of bad checks.

Additionally, through regular reviews, this sector monitors the effectiveness of the criteria employed to identify the significant risk in credit risk, to confirm that:

- The criteria can recognize significant increases in credit risks before default occurs.
- The average time between a significant increase in credit risk being identified and the date on which default occurs is reasonable.
- The exposures are not transferred directly from the measurement of the 12-month Expected Loss to impaired financial instruments.

The "staging" proposal is supplemented by the expert opinion from the Corporate Risk and Credit Recovery departments.

The characteristics of the customers analyzed on an individual bases for each Stage are described below:

Stage 1:

Customers are deemed included in Stage 1 if their final individual assessment reflects the following conditions:

- They have not experienced any significant increases in risk of financial instruments.
- The customers' cash flow analysis shows that they can properly meet all their financial commitments.
- They have a liquid financial situation, with a low level and proper structure of indebtedness in relation to their earning capacity, and they show a high debt repayment capacity (capital and interest) under the agreed-upon conditions.
- The cash flow is not susceptible to significant variations due to important changes in the behavior of variables, both their own variables and those related to their industry.
- They regularly comply with the payment of their obliga-

tions, even if they incur minor delays with low significance.
- If they were previously classified as Stage 2 or Stage 3, they have improved their credit risk indicators as of the date of the assessment, complying with the parameters defined for Stage 1.

Stage 2:
Customers are included in this Stage if, from the individual analysis of their payment capacity, they show a Significant Increase in Risk, which is not serious enough to qualify as the Default defined for Stage 3.

The following are the most important of the elements taken into consideration to define the existence of a Significant Increase in Risk:

- The customers show profitability, liquidity and solvency indicators that tend to weaken, or present some of the following indications of impairment:

  - A significant increase in their debts, not accompanied by the corresponding change in their income.
  - A significant decrease in the operating margins or operating loss.
  - Adverse changes in the regulatory, technological or economic environment, which negatively affect their future financial flow.
  - Drastic fall in the demand or negative changes in their business plans.
  - Significant changes in the value of the collateral received.

- The delays experienced in the payment of their obligations to the Entity are caused by a situational or extraordinary operating circumstance, which is expected to be resolved promptly.
- Customers are also included in this Stage if they were previously classified as Stage 3 and they have improved their credit risk indicators so as to no longer qualify as Default, but their situation does not allow to reclassify them as Stage 1.

Stage 3:
Customers are included in Stage 3 if, after an individual analysis, they show one or more of the following situations:

- They incur significant delays in the main credit facilities granted, if this was not agreed upon with the Entity.
- The Entity has filed court proceedings against them to recover the assistance granted.
- They have filed for their own Reorganization Proceedings or they have been declared in Bankruptcy.
- They show systematic refinancing of their debts and have not yet repaid more than 5 percent of the refinanced capital.
- The analysis of the customers' cash flow shows that it is highly unlikely that they will be able to comply with all their financial commitments as agreed.

This analysis is used as an input by the Credit Risk Management Department to estimate the provisions of customers in Stage 1 and Stage 2.

In turn, the provisions of customers in Stage 3 are calculated by the Credit Review sector, based on the elements of judgment available to the Entity, estimating on a monthly basis the expected cash flows for each operation and discounting them at the effective interest rate. The difference between the carrying debt and the present value of the expected cash flows determines the bad debt provision. For this task, the Credit Review sector requests the Recovery Management to estimate the cash flows to be received and the estimated moment in which this will occur, taking into consideration the degree of progress in repayment negotiations, as well as the flows arising out of a potential execution of the collateral received or other credit improvements that are an integral part of the contract's terms and conditions.

41.1.1.2 The Entity's internal rating and the PD estimation process
The PD represents the probability that a debtor will not meet its financial obligation, either during the following 12 months (Stage 1) or during the remaining life time of the financial asset (Stages 2 and 3).

The PD is determined by customer, in line with the Entity's risk management model.

For the individual basis analysis portfolio, the rating model developed to identify the risks and concentrations associated with the PD in accordance with the commercial strategies is based on a Behavior Module that takes into consideration the behavior scores of the commercial portfolio and includes internal behavior variables and variables from external suppliers.

For the collective basis analysis portfolio, to classify by risk levels, the Entity developed a 12-month PD based on Dual Matrices combining Internal Behavior Score Models and Bureau Generic Scores, obtaining a higher breakdown level by considering information from the internal behavior and the Financial System. Lifetime PD models have also been developed for each of the groups of assets defined as having a homogeneous risk, in order to calculate the value of the financial assets classified as Stage 2.

The proposals to implement the PD Models are submitted to the Risk Management Committee fro approval. The methodologies, variables, development population, observation windows and results that support the preparation of the models are tested and recalibrated at least once a year.

The following chart shows the risk levels resulting from the Entity's scoring and rating models:

		12/31/2020		12/31/2019
Internal classifications	**Weighted PD**	**% Debt Balance**	**Weighted PD**	**% Debt Balance**
In compliance	**2.32%**	**96.06%**	**2.60%**	**95.45%**
High Degree	1.13%	76.18%	1.25%	76.40%
Standard Degree	4.79%	12.63%	4.83%	8.23%
Substandard Degree	12.48%	7.25%	11.64%	10.82%
Delayed but not Impaired	**33.49%**	**2.81%**	**32.13%**	**2.84%**
Impaired	**100.00%**	**1.13%**	**100.00%**	**1.71%**
Total		**100.00%**		**100.00%**

41.1.1.3 Exposure at default (EAD)

EAD is based on the amounts that the Entity expects to be owed at default, during the following 12 months (Stage 1) or during the remaining life time of the instrument (Stages 2 and 3).

The EAD model uses the same sources of information as the PD model. Segmentation also uses the structure defined for the PD.

The Entity has developed a calculation method for the products with a defined flow schedule, and another method for the products that provide the customers with a credit facility (revolving products). For resolving products, the Entity has calculated a credit factor that takes into consideration the use of this credit facility and the risk it could represent in case of default. When the credit risk factors are built, the maturity of the product and the level of use were taken into consideration, among other characteristics.

41.1.1.4 Loss given default (LGD)

LGD is the estimation of the loss arising in the case of default. It is based on the difference between all the contract cash flows and the cash flows the Entity expects to receive (*i.e.*, all cash insufficiencies), taking into consideration the produce from the enforcement of collateral.

Loss given default represents the complement of the unit of the recovery rate; *i.e.*, the portion not recovered by the Entity with regard to the EAD. Consequently, the amount at default is compared with the present value of the recovered amounts after the date of default.

LGD varies in accordance with the kind of counterparty, the age and kind of claim, and the existence of collateral guaranteeing the credits. It is stated as a percentage of the loss by EAD.

To calculate LGD, the Entity breaks down by product. The Entity bases its estimations on the historical information observed with regard to the recoveries obtained on the defaulted operations, discounted at the effective interest rate of the contracts and measured at the time of default.

Once the recovery rates are obtained, this behavior is projected through the triangles methodology to estimate the periods with a lower maturity. Lastly, the weighted average of the loss is determined for each portfolio.

As the PD, LGD is corrected by the macroeconomic models applied for the prospective view.

41.1.2 Prospective information taken into consideration in ECL Models

The calculation of ECL by impairment of the risk incorporates and is corrected by the prospective vision of the behavior of the portfolio. For such purpose, the Entity conducts studies regarding the macroeconomic variables that have an impact both on PD and LGD, and has built models that capture such impact for the commercial portfolio, comparable commercial portfolio and consumer portfolio.

The main economic variables that generate expected losses that are used to calculate the ECL in each of the economic scenarios are:

- Variation of GDP
- Interest rates (BADLAR published by the Argentine Central Bank)
- Price Indices

As specified by IFRS 9, the impact is calculated in different behavior scenarios of the variables, for which a renowned economic consulting firm is requested to provide the 36-month estimation of the variables of the models. This estimation is prepared for three alternative macroeconomic scenarios, which are assigned a likelihood of occurrence.

Lastly, the Entity calculates the ECL applying the alternative scenarios taking their weight into consideration, which are updated on a quarterly basis, pursuant to the submission of the Financial Statements in each calendar quarter.

The table below shows the estimated values of the macroeconomic variables used in the models for the different scenarios (base, intermediate and adverse), with the likelihoods of occurrence assigned to each of them:

Key indicators	Scenario	Likelihood Assigned	2021	2022	2023
			%	%	%
Actual GDP %	Base	65%	5.96%	2.16%	3.04%
	Intermediate	30%	2.66%	(1.52)%	1.04%
	Adverse	5%	(1.80)%	(2.48)%	1.00%
Central Bank Rate (Badlar) %	Base	65%	37.00%	28.05%	23.44%
	Intermediate	30%	45.00%	35.00%	30.00%
	Adverse	5%	80.00%	100.00%	120.00%
Consumer Price Index %	Base	65%	56.98%	39.96%	35.01%
	Intermediate	30%	68.00%	65.00%	49.99%
	Adverse	5%	100.03%	130.01%	150.03%

The measures ordered by the government and the Argentine Central Bank in connection with the deferral of due dates and/or mandatory rescheduling of debts have created a highly significant decrease in the Non-performing Portfolio indicator, a dependent variable in the PD prospective models used by the Entity. Therefore, as of December 31, 2020, and in order to properly estimate the expected losses adjusted by the macroeconomic model, the prospective models of Probabilities of Default were applied to the Non-performing Portfolio projected to such date by the same models based on the information available before such measures, instead of doing so based on indicators that do not reflect the actual situation of the loan portfolio.

41.1.3 Adjustment for expected losses due to COVID-19

The pandemic and its direct consequences (preventive lockdown initially, then social distancing), had a significant impact on the Argentine economy and, as a consequence, on the behavior of debtors of the financial system.

The Argentine government, the Argentine Central Bank and other tax and regulatory agencies have taken a series of measures to decrease the impact of the resulting economic stagnation; some of the most important measures include the extension of tax and social security payment due dates; economic assistance for the most vulnerable sectors; the deferral of the payment of banking obligations for all debtors (companies or individuals); the promotion of financing for the payment of salaries; mandatory refinancing of overdue debts; more flexible treatment for the disclosure of regulatory impairment of bank customers; the prohibition of dismissals and suspensions; etc. Although all of these measures helped get through 2020 with a low impact in the default rate of banks' portfolios, the negative results arising out of the impairment of the debtors' financial capacity cannot be overlooked; therefore, an increase in the impairment of assets subject to credit risk is expected.

Given that statistical models do not properly reflect the effects derived from the pandemic in the Expected Credit Losses, the Entity decided to conduct a special adjustment with a prospective vision, based on an estimation of the impairment of certain financial assets with higher levels of vulnerability or symptoms of difficulties in the payment of obligations.

The ECL Adjustment due to COVID-19 is recalculated on a monthly basis in order to gather the new information on the affected customers and to adapt the estimated amounts to the situation at the time of observation, or to adjust the calculation criteria for more accurate estimations. The Adjustment is submitted for approval subject to the same frequency to the Entity's highest decision-makers, and to the Comprehensive Risk Management Committee for consideration and approval.

With regard to companies, the Entity estimated as of December 31, 2020 additional losses due to impairment of the risk of ARS

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435,343, in connection with customers that have been the beneficiaries of credit facilities at lower rates for the payment of salaries during the lockdown period and that belong to sector of the economy on whom the most negative effects of the pandemic are expected, both in terms of decrease in turnover and time for the subsequent recovery. Additionally, the same criterion was applied to companies of the same sectors that chose to reschedule the due dates of their debts, availing themselves of the flexibilities allowed by the Argentine Central Bank in general and special cases for the payment of financial obligations, where an amount of ARS 152,105 is estimated.

With regard to loans to individuals, the adjustment was made on the financing to employees of companies of the private sector, self-employed individuals and microentrepreneurs, considering that these segments suffered the highest impact in terms of dismissals, suspensions and loss of the salaries' purchasing power, decrease in sales and decreased activity levels as a consequence of the mandatory lockdown. Within these segments, an impairment was calculated in the risk of customers when they chose to delay the payment of their obligations to the Entity (balances owed in credit cards and installments of personal loans), using the mandatory extensions and payment facilities set forth by the Argentine Central Bank in the case of financial obligations not paid during the pandemic. The adjustment made on the consumer credits as of December 31, 2020 amounted to ARS 3,114,200. The adjustment, together with the amount recorded for companies, totals ARS 3,701,648.

Quality of the portfolio

Annex B "Classification of loans and other financing by status and guarantee" to these financial statements, presents a breakdown of loans and other financing based on their classification levels and the guarantee received.

Additionally, the table below shows the proportion of performing loans to days of delinquency:

12/31/2020

Type of portfolio	Delinquency (days)				
	0-31	32-90	91-180	181-360	Over 360
Commercial	99.5%	0.5%	0.0%	0.0%	0.0%
Comparable	99.8%	0.2%	0.0%	0.0%	0.0%
Consumer	99.5%	0.5%	0.0%	0.0%	0.0%
Total	**99.6%**	**0.4%**	**0.0%**	**0.0%**	**0.0%**

12/31/2019

Type of portfolio	Delinquency (days)				
	0-31	32-90	91-180	181-360	Over 360
Commercial	99.2%	0.8%	0.0%	0.0%	0.0%
Comparable	99.9%	0.1%	0.0%	0.0%	0.0%
Consumer	100.0%	0.0%	0.0%	0.0%	0.0%
Total	**99.6%**	**0.4%**	**0.0%**	**0.0%**	**0.0%**

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The table below shows the portfolio subject to credit risk, broken down by activity sector, classified by risk stage, and identifying whether the Expected Loss was calculated on the basis of an individual or collective analysis:

	1		2		3	12/31/2020
	Collective	Individual	Collective	Individual		
Loans and other financing transactions	**180,613,562**	**68,333,255**	**10,976,106**	**4,396,524**	**3,029,870**	**267,349,317**
Non-financial public sector	13,230	3,601,297	175		103	3,614,805
Other financial institutions	24	1,839,235				1,839,259
Non-financial private sector	180,600,308	62,892,723	10,975,931	4,396,524	3,029,767	261,895,253
Individuals	114,276,694	881,453	6,181,575		685,859	122,025,581
Manufacturing Industry	10,276,269	14,025,285	665,537	1,526,516	498,780	26,992,387
Agriculture and livestock	14,418,941	6,741,231	962,757	2,759,232	435,379	25,317,540
Services	22,331,925	11,185,975	1,764,674	110,206	107,590	35,500,370
Commerce	13,289,241	9,222,944	957,371	570	301,854	23,771,980
Exploitation of mines and quarries	653,112	14,544,611	35,095		873,558	16,106,376
Financial intermediation services	1,040,247	3,731,946	31,021		5,648	4,808,862
Construction	3,061,030	1,444,030	286,158		114,440	4,905,658
Electricy and gas supply	155,514	1,115,248	8,092		179	1,279,033
Public administration	1,037,475		82,715		6,207	1,126,397
Water and sewage supply	59,860		936		273	61,069

	1		2		3	12/31/2019
	Collective	Individual	Collective	Individual		
Loans and other financing transactions	**152,543,931**	**128,020,746**	**17,511,125**	**4,284,909**	**5,272,831**	**307,633,542**
Non-financial public sector	8,573	8,773,060	221		94	8,781,948
Other financial institutions	246	5,417,881				5,418,127
Non-financial private sector	152,535,112	113,829,805	17,510,904	4,284,909	5,272,737	293,433,467
Individuals	117,874,202	511,834	9,172,222		1,980,256	129,538,514
Manufacturing industyr	4,722,054	46,359,585	1,244,104	843,873	1,624,661	54,794,277
Agriculture and livestock	7,696,443	11,045,886	2,857,436	3,165,627	554,555	25,319,947
Services	13,205,385	13,175,749	2,069,526	72,040	346,332	28,869,032
Commerce	5,248,612	13,123,381	1,420,453	199,317	567,853	20,559,616
Exploitation of mines and quarries	229,146	20,069,007	66,215		11,854	20,376,222
Financial intermediation services	930,240	3,840,710	83,338		18,248	4,872,536
Construction	1,385,661	2,241,773	456,169	4,052	152,667	4,240,322
Electricy and gas supply	100,044	3,435,177	9,827		1,483	3,546,531
Public administration	1,103,771	26,703	128,161		14,720	1,273,355
Water and sewage supply	39,554		3,453		108	43,115

Collaterals received and other credit improvements

The tables below show the value of the collaterals received for the entire portfolio and for the portfolio in Stage 3 as of December 31, 2020.

Type of financial instrument	Maximum exposure at credit risk	Value of collaterals		
		Pledges on term deposits	Pledges on deferred payment checks	Pledges on mortgages on real propery
Loans and other financing transactions	267,349,317	797,460	6,546,693	23,996,519
Contingent commitments	97,910,338	1,305		
Other financial assets	18,905,219			
Other debt securities at amortized cost	532,033			
Total	**384,696,907**	**798,765**	**6,546,693**	**23,996,519**

Type of financial instrument	Maximum exposure at credit risk	Value of collaterals	
		Pledges on deferred payment checks	Pledges on mortgages on real propery
Loans and other financing transactions	3,029,870	1,064	709,038
Total	**3,029,870**	**1,064**	**709,038**

The tables below show the value of the collaterals received for the entire portfolio and for the portfolio in Stage 3 as of December 31, 2019.

Type of financial instrument	Maximum exposure at credit risk	Value of collaterals		
		Pledges on term deposits	Pledges on deferred payment checks	Pledges on mortgages on real propery
Loans and other financing transactions	307,633,542	513,103	3,665,050	29,919,411
Contingent commitments	128,745,139	2,787		
Other financial assets	8,405,598			
Other debt securities at amortized cost	3,696,871			
Total	**448,481,150**	**515,890**	**3,665,050**	**29,919,411**

Type of financial instrument	Maximum exposure at credit risk	Value of collaterals	
		Pledges on deferred payment checks	Pledges on mortgages on real propery
Loans and other financing transactions	5,272,831	3,086	735,440
Total	**5,272,831**	**3,086**	**735,440**

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Value of collaterals					
Pledges on vehicles and machinery	**Pledges on personal property**	**Other**	**Total collateral**	**Net exposure**	**Associated expected loss**
4,124,485	1,667,100	47,062,080	84,194,337	183,154,980	10,022,610
		279,240	280,545	97,629,793	17,207
				18,905,219	18,929
				532,033	1,343
4,124,485	**1,667,100**	**47,341,320**	**84,474,882**	**300,222,025**	**10,060,089**

Value of collaterals					
Pledges on vehicles and machinery	**Pledges on personal property**	**Other**	**Total collateral**	**Net exposure**	**Associated expected loss**
935,558	65,485	270,083	1,981,228	1,048,642	1,658,116
935,558	**65,485**	**270,083**	**1,981,228**	**1,048,642**	**1,658,116**

Value of collaterals					
Pledges on vehicles and machinery	**Pledges on personal property**	**Other**	**Total collateral**	**Net exposure**	**Associated expected loss**
5,490,143	1,465,710	33,654,626	74,708,043	232,925,499	6,901,953
		902,420	905,207	127,839,932	23,514
				8,405,598	14,032
				3,696,871	2,637
5,490,143	**1,465,710**	**34,557,046**	**75,613,250**	**372,867,900**	**6,942,136**

Value of collaterals					
Pledges on vehicles and machinery	**Pledges on personal property**	**Other**	**Total collateral**	**Net exposure**	**Associated expected loss**
167,028	11,805	955,458	1,872,817	3,400,014	2,967,457
167,028	**11,805**	**955,458**	**1,872,817**	**3,400,014**	**2,967,457**

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41.2 Liquidity Risk

Liquidity Risk is defined as the possibility of the Entity being unable to efficiently meet all of its expected and unexpected current and future cash flows and guarantees without having to alter its daily operations or its financial position.

Market Liquidity Risk, in turn, is defined as the risk of the Entity being unable to offset or close a position at market price due to:

- The lack of a sufficient secondary market for the applicable assets; or
- Market fluctuations.

The Entity has adopted liquidity policies for the purpose of efficiently managing liquidity, optimizing costs and the diversification of funding sources, and maximizing placement profits through prudent management in a manner that ensures the necessary funds to allow for the continuation of operations and compliance with the rules and regulations in force.

In order to mitigate liquidity risks, the Entity has developed a policy whose main aspects are as follows:

Assets: a high-liquidity asset portfolio is maintained to cover at least 25 percent of total liabilities, which include deposits, the bonds issued by the Entity, repo agreements, and financial and interbank loans.

Liabilities: to minimize the undesired effects of illiquidity from potential withdrawals of deposits and repayments of interbank loans, the Entity:

- Ensures an adequate diversification of financing sources to allow for the constant availability of funds to meet its institutional obligations in a fluctuating market environment.
- Prioritizes the acquisition of retail deposits to create an atomized deposit portfolio, minimizing the risk of large withdrawals by a small number of depositors.
- Does not extensively depend on the acquisition of repo transactions and financial loans as a permanent fund sourcing resource.

The Entity has further adopted a series of risk measurement and monitoring tools, including the regular monitoring of liquidity gaps, segregated by currency, as well as different liquidity ratios, including a bi-monetary liquidity ratio, a liquidity coverage ratio (LCR) and a Net Stable Funding Ratio (NSFR), among others.

The Risk Management Department regularly monitors compliance with the different liquidity risk limits established by the Board of Directors, which include minimum liquidity levels and maximum allowed concentration levels by type of deposit and customer, among others.

In the event of a liquidity crisis, the Entity has provided for several actions in its contingency plan, which include, for example:

- Financing through Interbank Call and Repo Transactions with the Argentine Central Bank.
- Selling the spot security portfolio.
- Restricting the granting of loans to the private sector.
- Increasing deposit rates to attract a higher volume of deposits.

The following table shows the liquidity ratios for the 2020 and 2019 fiscal years, which are calculated by dividing net liquid assets, consisting of cash and cash equivalents, by total deposits.

	2020	**2019**
Dec-31	86.39%	57.75%
Average	81.57%	61.24%
Maximum	87.13%	70.13%
Minimum	71.49%	51.73%

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Annex D “Breakdown of loans and other financing by term” and Annex I “Breakdown of financial liabilities by residual term” to these Consolidated Financial Statements contain a breakdown of financial assets and liabilities, respectively, by maturity.

41.3 Market risk

Market risk is defined as the possibility of suffering losses to on-balance and off-balance positions as a result of adverse fluctuations in the market price of different assets.

Market risks include interest rate, currency and price risks, all of which are exposed to general and specific market fluctuations and changes to the volatility of prices, interest rates, credit margins, exchange rates and the price of shares and other securities, among others.

The Entity estimates the exposure to market risks derived from fluctuations in the value of investment for trading portfolios, which result from changes in market prices and the Entity’s net positions in foreign currencies and regularly quoted government and private securities.

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

The Entity has adopted Market Risk management policies which describe the process of monitoring and controlling risks of variations in the quoted price of financial instruments to optimize the risk to return ratio using appropriate limit structures, models and management tools. The Entity also has proper tools and procedures allowing the Risk Management Committee and the Assets and Liabilities Committee to measure and manage this risk.

The risks to which investment portfolios are exposed are monitored through “Value at Risk” (VaR) Monte Carlo simulations. The Entity uses the VaR methodology to calculate the market risk derived from its main positions and the expected maximum loss based on a series of assumptions for a variety of changes in market conditions.

In order to conduct the aforementioned simulation, the Entity requires historical price data on the instruments which comprise the portfolio.

Prices are corrected by depurating the effects of coupon clippings and dividend payments (in the case of shares) in order to avoid affecting returns.

The method consists in the development of yield or price scenarios for an asset by means of the generation of random numbers. It is based on the selection of a stochastic model describing the behavior of the prices for each asset with the required specification of certain parameters necessary for the calculation. The model used is the geometric Brownian motion model.

Once all “n” possible Valued Position scenarios are obtained, the profit and loss (P&L) vector is calculated as the difference between the estimated value of the future portfolio and the value of the portfolio at the time of the calculation. Profits and losses are then arranged to obtain the VaR for the 99 percent percentile.

Finally, the Economic Capital for market risks is calculated as the difference between the current value of the portfolio and the critical value obtained.

41.4 Interest Rate Risk

The interest rate risk is defined as the possibility of changes occurring in the Entity’s financial condition as a result of adverse interest rate fluctuations with a potential negative impact on equity or income.

As part of its interest rate risk management strategy, the Entity has adopted a series of policies, procedures and internal controls included in the Structural Risk Management Handbook.

The Entity monitors the variation in the current net value of its assets, liabilities and off-balance-sheet balances in certain interest rate variation and stress scenarios by means of Monte Carlo simulations.

For this purpose, the maximum potential loss is estimated over a period of three months with a 99 percent onfidence interval.

The Entity’s market value of equity (MVE) is calculated as the net sum of the cash flows (interest rate drops and amortization) the Entity is able to generate, discounted at a market interest rate curve. Any changes in the market interest rate curve used to calculate the discount will directly impact the Entity's value. In general terms, MVE-related reports seek to assess the Entity's long-term solvency.

It is worth noting that the use of this approach does not prevent losses beyond the applicable limits in the event of more significant market fluctuations.

As of December 31, 2020 and 2019, the Entity's market value of equity was as follows:

Market value of equity (in millions of ARS)	12/31/2020	12/31/2019
Interest rate risk	6,621	8,723
Foreign exchange risk	1,727	2,486
Price risk	5,198	192

41.5 Foreign exchange risk

The Entity is exposed to fluctuations in the exchange rates of the foreign currencies in which its financial position and cash flows are mainly denominated. Most assets and liabilities are denominated in US dollars.

The foreign currency position includes assets and liabilities recorded in Argentine pesos at the exchange rate in force as of the indicated closing dates. An institution's open position includes assets, liabilities and memorandum accounts denominated in the foreign currencies in which the institution assumes the applicable risks. Any devaluation/revaluation of said currencies affects the Entity's income statement.

The Entity's open position, denominated in Argentine pesos per unit of foreign currency, is further described in Exhibit L "Balances denominated in foreign currencies" to these consolidated financial statements.

41.6 Operational risk

Operational risk is defined as the risk of loss arising from the inadequacy or failure of internal processes, human errors and/or internal system failures, or from external events. This definition includes Legal Risks but excludes Strategic Risks and Reputational Risks.

Within this framework, legal risks (which may originate within or outside the Entity) include, among others, the exposure to penalties, fines or other economic consequences due to the failure to comply with regulatory or contractual obligations.

In turn, the Entity has adopted an operational risk management system that meets the guidelines established by the Argentine Central Bank in Communication "A" 5398, as amended. Moreover, Communication "A" 5272 established a minimum capital requirement for operational risks, effective as of February 1, 2012.

The operating risk management system includes the following elements:

a) Organizational structure: the Entity has a Risk Management Department in charge of managing operational risks, and a Risk Management Committee.

b) Policies: the Entity has an "Operational Risk Management Handbook" approved by the Board of Directors, which defines the main concepts, roles and responsibilities of the Board of Directors, the Operational Risk Committee, the Operational and Technological Risk Department, and all the divisions involved in the management of operational risks.

c) Procedures: the Entity has adopted a procedure for the "Gathering of events and losses from Operational Risks" which includes a process for the gathering of the Operational Events and Losses in order to register, on a systematic basis, the frequency, severity, categories and other relevant aspects of the events and losses linked to Operational Risks.

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d) The goal is to assess the Entity's standing upon the occurrence of events, in order to better understand the Operational Risk profile and take the necessary corrective steps, if any.

The Entity has also adopted a procedure including guidelines for the self-assessment of risks, and implement risk indicators and action plans for risks exceeding allowed tolerance levels.

e) Systems: the Entity has a system that allows managing all Operational and Technological Risks.

f) Database: The Entity has an Operational Risk event database, developed in accordance with the guidelines established in Communication "A" 4904, as supplemented.

g) Risk measurement systems: The Comprehensive Risk Management Department generates and sends reports, on a quarterly basis, to the Board of Directors, the Risk Management Committee and Senior Management. In them, the Department communicates the results of the follow-up mechanisms used to monitor the management of the main risks to which the Entity is exposed. Each report contains information on the measurement, evolution and trends of the applicable risks, the main exposures and limit controls, and the capital required for each type of risk.

During the meetings of the Risk Management Committee, the Comprehensive Risk Management Department must submit for consideration the results of its activities and the reports issued during the period under analysis. The resolutions adopted by the Committee are recorded in Minutes which are submitted to the consideration of the Board of Directors, which must approve the risk management activities and risk levels for the analyzed period.

h) Stress tests: stress tests are a tool intended to support risk management decisions and supplement the results obtained from the measurement models applied to different risks, which usually show risk measurements that are valid under "normal circumstances."

They also are a tool for the assessment of the risk profile, since they are used to quantify potential impacts upon a significant fluctuation of the variables affecting each risk. Stress tests are also used in the internal economic capital sufficiency assessment process.

Their goal is to assess the Entity's potential financial vulnerability to the sensitivity of the main variables affecting each risk. These tests are usually based on variations which are highly unlikely to occur but which, if materialized, may result in the surpassing of the tolerance limits established for each risk.

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

At present, the Entity calculates the economic capital associated to Credit Risks, Concentration Risks, Market Risks, Operational Risks, Interest Rate Risks, Liquidity and Funding Source Concentration Risks, Securitization Risks, Reputational Risks and Strategic Risks.

Risk management is directly related to the calculation of the economic capital. Thus, an improved risk management and follow-up strategy is expected to result in a lower allocation of capital by the Entity.

Banco Macro uses its internal models to manage its risks, determine its risk profile and calculate the capital necessary to develop its activities and businesses, adjusted by its exposure to each type of risk.

j) Transparency: as a supplement to this Handbook and part of the Corporate Governance policy, the Entity has developed a Disclosure Policy aimed at allowing shareholders, investors and the market in general to assess certain aspects of the Entity's capital, risk exposure and risk assessment procedures, and the adequacy of tis capital.

42. CHANGES IN THE MACROECONOMIC CONDITIONS OF THE FINANCIAL AND CAPITAL MARKETS

The evolution of the international and domestic macroeconomic conditions is subject to a certain degree of uncertainty as a result of the volatility of financial assets and the exchange market, as a consequence of certain political events and the level of economic growth, among other factors, and, in addition, due to the effects of the situation described in Note 43.

Specifically, at the domestic level, as a step prior to the general elections, primary elections (PASO, for its Spanish acronym) were held on Sunday August 11, 2019, which had a negative outcome for the government party. Such trend was confirmed by the results of the presidential elections held on October 27, 2019, which resulted in a new administration coming into office on December 10, 2019. The day after the primary elections, the market value of Argentine government and private securities experienced a very significant generalized drop, while the country risk and the value of the US dollar experienced a significant increase. This situation is still present as of the date of these consolidated financial statements.

Among other measures taken after the primary elections, on August 28, 2019 the Executive issued Executive Order No. 596/2019, which established, with certain exceptions, the reprofiling of the due dates of short-term federal government bonds (Letes, Lecaps, Lelinks and Lecer). On December 19, 2019, the new administration issued Executive Order No. 49/2019, whereby it postponed the amortization of treasury bills (Letes) denominated in US dollars until August 31, 2020.

On December 23, 2019, Social Solidarity and Production Reactivation in Times of Public Emergency Act No. 27,541 was published in the Official Gazette, which established various reforms and empowered the Executive to take such measures and complete such actions as may be necessary to recover and ensure the sustainability of the national debt, among other things.

On January 20, 2020, a voluntary exchange was launched of approximately 60 percent of the existing stock of compoundable bills (Lecaps) for new bills known as Lebads, and, subsequently, by means of Executive Order No. 141/2020, of February 11, 2020, the administration postponed until September 30, 2020, with certain exceptions, the payment of the capital accrued on the Argentine Dual Currency Bonds Maturing in 2020 (AF20).

On February 12, 2020, Public Debt under Foreign Law Sustainability Restructuring Act No. 27,544 was published in the Official Gazette, which, among other things, authorizes the Executive to manage the liabilities and/or swaps resulting from Argentine Government Bonds issued under foreign law, and/or restructure the debt service payments on such bonds.

On April 6, 2020, pursuant to Executive Order No. 346/2020, the interest and capital amortization service payments resulting from public debt under domestic law were postponed until December 31, 2020. Subseuqnely, other debt instruments issued under domestic law were subject to swaps and restructured.

On August 31, 2020, the Ministry of Economy issued a communication notifying that the Argentine Republic and representatives from Groups of Creditors had reached an agreement regarding 99.01 percent of the total capital amount of the restructuring proposal of Argentine debt issued under foreign law. The restructuring involves mainly reduction of interest and a grace period before the payments are resumed. Additionally, on August 8, 2020, Law 27556 was published, which established, for an initial term of 90 days, a voluntary swap of public debt denominated in US dollars issued under Argentine Law, extending such term for eligible securities not made part of the initial swap until July 28, 2021 pursuant to Resolution 540/2020 of the Ministry of Economy.

Lastly, the authorities of the Ministry of Economy are currently engaged in negotiations with the International Monetary Fund to renegotiate the terms of the financial aid granted by the Fund to the Argentine Republic.

As part of the reforms introduced to the tax system, Act No. 27,541 established, among other things, regularization schemes, modifications to the social security contributions payable by employers, the levying of a 30 percent tax on all foreign currency purchases for savings purposes, all purchases of goods and services denominated in foreign currencies, and all purchases of international transportation tickets, among other transactions, known as the “Tax for an Inclusive and Solidary Country” (PAIS, for its Spanish acronym), which is to remain in force for a term of five fiscal years. It also introduced some changes to the income tax regime, which are explained in Sections a) and b) of Note 21.

As for the exchange market, between August 2019 and the issuing of these Consolidated Financial Statements, the Argentine Central Bank issued various regulations which, together with Executive Order No. 609/2019 of September 1, 2019, imposed certain exchange restrictions with different scopes and characteristics for individuals and entities, including restrictions on the acquisition of foreign currencies for savings purposes, transferences to foreign countries, and foreign trade transactions, among others activities. Such restrictions were in force as of the date of these consolidated financial statements under Argentine Central Bank's Communication "A" 6844, as amended and supplemented. Later, in September 2020, it was established that the purchase of foreign currency for savings purposes, in addition to the 30 percent of the PAIS tax mentioned above, would be levied an additional 35 percent that will be deemed as collection of income tax. Moreover, since late-2019, the gap between the official price of the US dollar (used mainly for foreign trade) and the alternative values arising out of stock market operations and also the non-official exchange rate has widened significantly, reaching approximately 60 percent as of the date of these Consolidated Financial Statements.

In view of the above, the Entity's Management permanently monitors the evolution of the aforementioned events in international and domestic markets, to determine the potential measures the Entity can adopt and identify any potential impact on the Entity's financial position which may have to be disclosed in the Consolidated Financial Statements for future periods.

43. EFFECTS OF THE CORONAVIRUS (COVID-19) OUTBREAK

In early March 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak as a pandemic. The emergency situation affecting public health expanded virtually to the whole world and the countries have taken various measures to deal with it. This situation and the measures taken have significantly affected the international economic activity with various impacts on the different countries and business sectors.

Particularly in the Argentine Republic, on March 19, 2020, through Executive Order No. 297/2020, the National government established a mandatory quarantine through a measure of "social, preventive and mandatory lockdown," which, after several extensions and modifications, is still in force as of the date of these Consolidated Financial Statements in certain urban agglomerations and departments of Argentine provinces, whereas other cities the measure is now more flexible and has become "social, preventive and mandatory distancing."

Together with the health protection rules, certain tax and financial measures were taken to mitigate the impact of the pandemic on the economy, including public direct financial aid measures for part of the population, as well as tax provisions for both individuals and companies. With regard to financial institutions, the Argentine Central Bank established extensions of due dates, froze the installments of mortgage loans and encouraged the banks to grant financing for companies at reduced rates. Furthermore, as explained in Note 40, the distribution of dividends of financial institutions was suspended until June 30, 2021.

Additionally, in the context of the mandatory lockdown, the Argentine Central Bank originally ordered that financial institutions would be unable to open their branches to the public during such period and that they were to continue providing their services to users remotely. Further, they could trade with each other and with customers in the exchange market remotely. During lockdown, remote trading was allowed in stock exchanges and capital markets authorized by the CNV, as well as for the activities of custodians and agents of the capital market registered with the CNV.

Subsequently, within the context of the extension of mandatory lockdown, the Argentine Central Bank ordered that financial institutions should open their branches to the public starting on Friday, April 3, 2020, through appointments made previously through the institutions' websites.

Currently, the Entity conducts its activities as described above, prioritizing compliance by its employees with the social lockdown measures, with the primary objective of safeguarding public health and the well-being of all its stakeholders (employees, suppliers, and customers, among others). For that purpose, it has a series of contingency procedures in place and has allowed its personnel to conduct their tasks remotely. From a commercial point of view, it has stressed the importance of maintaining a close relationship with its customers, trying to attend to their needs during these difficult times, maintaining all virtual customer service channels to guarantee operability and a good response to the customers' requests, monitoring compliance with its business obligations and paying particular attention to its active portfolio in order to detect any possible delays or defaults and to establish new conditions in such cases.

Taking into consideration the seriousness of the situation, the Entity's Management estimates that this situation could have significant impacts on its operations and the Entity's financial situation and profit/loss, which impacts are currently being analyzed, but that will depend on the seriousness of the health emergency and the success of the measures taken and to be taken in the future.

44. EVENTS THAT OCCURRED AFTER THE REPORTING PERIOD

No other significant events occurred between the end of the fiscal year and the issuance of these Consolidated Financial Statements which may materially affect the Entity's financial position or income for the year, other than the ones disclosed in these Consolidated Financial Statements.

GOVERNMENT AND PRIVATE SECURITIES AS OF DECEMBER 31, 2020 AND 2019

ANNEX A

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

		Holding				Position		
		12/31/2020			12/31/2019	12/31/2020		
Name	ID	Fair value	Fair value level	Carrying value	Carrying value	Position without options	Options	Final Position
DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS - Argentine								
Government securities								
Argentine Treasury Bills at a discount in ARS - Mat. 01-29-2021	5381		1	17,049,960		17,245,960		17,245,960
Argentine Treasury Bills at a discount in ARS - Mat. 02-26-2021	5385		1	11,273,975		11,773,723		11,773,723
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 07-22-2021	5315		1	10,000,259	5,341,210	10,688,451		10,688,451
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 08-05-2021	5359		1	7,747,857		8,109,054		8,109,054
Argentine Treasury Bonds in ARS BADLAR + 100PB - Mat. 08-05-2021	5360		1	5,971,755		5,971,755		5,971,755
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 03-25-2023	5492		1	974,607		974,607		974,607
Argentine Bonds in ARS – Private Badlar + 200 PBS. - Mat. 04-03-2022	5480		1	533,627	3,296	533,627		533,627
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 11-09-2026	5925		1	314,671		314,671		314,671
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 03-18-2022	5491		1	307,664		307,664		307,664
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 03-25-2024	5493		1	252,086		252,086		252,086
Other				177,554	1,203,612	177,554		177,554
Subtotal Argentine government securities				**54,604,015**	**6,548,118**	**56,349,152**		**56,349,152**

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GOVERNMENT AND PRIVATE SECURITIES AS OF DECEMBER 31, 2020 AND 2019

ANNEX A

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

		Holding				Position		
		12/31/2020			12/31/2019	12/31/2020		
Name	**ID**	**Fair value**	**Fair value level**	**Carrying value**	**Carrying value**	**Position without options**	**Options**	**Final Position**
Private securities								
Trust Debt Securities issued by Fideicomiso Financiero Surcos			3	249,107	143,368	249,107		249,107
Trust Debt Securities issued by Fideicomiso Financiero Secubono			3	126,983	92,945	126,983		126,983
Securities issued by utility companies			3	2,354	2,371	2,354		2,354
Aluar Aluminio Argentino S.A. C003 Bonds - Mat. 07-30-2023	54839		2	6		6		6
Trust Debt Securities issued by Fideicomiso Financiero Consubond					482,369			
Trust Debt Securities issued by Fideicomiso Financiero Agrocap					129,091			
Trust Debt Securities issued by Fideicomiso Financiero Secubono S191 CL.A - Mat. 06-29-2020	54375				114,820			
Banco de la Provincia de Buenas Aires C009 Bonds - Mat. 04-18-2021	42018				68,246			
Trust Debt Securities issued by Fideicomiso Financiero Chubut Regalías Hidrocarburiferas - Mat. 07-01-2020	36425				41,105			
Trust Debt Securities issued by Fideicomiso Financiero Secubono S189A - Mat. 03-30-2020	54228				30,220			
Other					73,338			
Subtotal private Argentine securities				**378,450**	**1,177,873**	**378,450**		**378,450**
TOTAL DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				**54,982,465**	**7,725,991**	**56,727,602**		**56,727,602**

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		Holding				Position		
		12/31/2020			12/31/2019	12/31/2020		
Name	ID	Fair value	Fair value level	Carrying value	Carrying value	Position without options	Options	Final Position
OTHER DEBT SECURITIES At fair value through OCI - Argentine								
Government securities								
Argentine Treasury Bonds in ARS BADLAR + 100PB - Mat. 08-05-2021	5360		1	19,275,639		19,275,639		19,275,639
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 07-22-2021	5315		1	8,941,173		8,941,173		8,941,173
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 04-17-2021	5494		1	8,601,842		8,601,842		8,601,842
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 08-05-2021	5359		1	3,419,978		3,419,978		3,419,978
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 03-25-2023	5492		1	1,039,269		1,039,269		1,039,269
Argentine Treasury Bills at variable rate in ARS - Mat. 03-31-2021	5388		1	986,265		986,265		986,265
Dollar-linked Argentine Treasury Bonds - Mat. 11-30-2021	5498		1	900,540		900,540		900,540
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 03-25-2024	5493		1	875,759		875,759		875,759
Argentine Bonds in dollars Step up - Mat. 07-09-2030	5921		1	417,330		417,330		417,330
Neuquén Province Treasury Bills S.1 C.1 - Mat. 04-07-2021	42263		1	264,546		264,546		264,546
Other				66,269	640,268	66,269		66,269
Subtotal Argentine government securities				**44,788,610**	**640,268**	**44,788,610**		**44,788,610**

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GOVERNMENT AND PRIVATE SECURITIES AS OF DECEMBER 31, 2020 AND 2019

ANNEX A

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

		Holding				Position		
		12/31/2020			12/31/2019	12/31/2020		
Name	**ID**	**Fair value**	**Fair value level**	**Carrying value**	**Carrying value**	**Position without options**	**Options**	**Final Position**
Argentine Central Bank Bills								
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-21-2021			2	21,218,562		21,218,562		21,218,562
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-12-2021			1	19,732,940		19,732,940		19,732,940
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-28-2021			2	18,420,266		18,420,266		18,420,266
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-19-2021			1	17,642,322		17,642,322		17,642,322
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-05-2021			1	15,109,347		15,109,347		15,109,347
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-26-2021			1	13,603,450		13,603,450		13,603,450
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-14-2021			2	12,025,981		12,025,981		12,025,981
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-07-2021			2	10,922,852		10,922,852		10,922,852
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-03-2020					20,124,827			
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-07-2020					15,394,929			
Other					27,012,501			
Subtotal Argentine Central Bank Bills				**128,675,720**	**62,532,257**	**128,675,720**		**128,675,720**

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Name	ID	Holding				Position		
		12/31/2020			12/31/2019	12/31/2020		
		Fair value	Fair value level	Carrying value	Carrying value	Position without options	Options	Final Position
- Foreign								
Government securities								
US Treasury Bills - Mat. 01-14-2021			1	2,524,323		2,524,323		2,524,323
US Treasury Bills - Mat. 01-19-2021			1	841,433		841,433		841,433
US Treasury Bills - Mat. 01-21-2021			1	673,150		673,150		673,150
US Treasury Bills - Mat. 01-28-2021			1	501,908		501,908		501,908
US Treasury Bills - Mat. 01-07-2020					652,210			
Subtotal foreign government securities				**4,540,814**	**652,210**	**4,540,814**		**4,540,814**
Total other debt securities at fair value through OCI				**178,005,144**	**63,824,735**	**178,005,144**		**178,005,144**

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GOVERNMENT AND PRIVATE SECURITIES AS OF DECEMBER 31, 2020 AND 2019

ANNEX A

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

		Holding				Position		
		12/31/2020			12/31/2019	12/31/2020		
Name	**ID**	**Fair value**	**Fair value level**	**Carrying value**	**Carrying value**	**Position without options**	**Options**	**Final Position**
At amortized cost - Argentine								
Government securities								
Argentine Treasure Bonds in ARS at 22% - Mat. 05-21-2022	5496	21,750,000	2	20,161,989		20,161,989		20,161,989
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 04-17-2021	5494	8,601,844	1	8,574,267		8,574,267		8,574,267
Argentine Treasury Bills at variable rate in ARS- Mat. 03-31-2021	5388	1,574,700	1	1,583,353		1,583,353		1,583,353
Discount Bonds denominated in ARS at 5.83% - Mat. 12-31-2033	45696	251,009	1	183,664	437,591	183,664		183,664
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 03-18-2022	5491	60,813	1	55,700		55,700		55,700
Par Bonds in ARS - Mat. 12-31-2038	45695	71,400	1	28,255	31,485	28,255		28,255
Argentine Bonds in ARS - Fixed 26% Rate - Mat. 11-21-2020	5330				10,855,842			
Compoundable Argentine Treasury Bill Coupon in ARS - Mat. 02-26-2020	5349				2,045,071			
Compoundable Argentine Treasury Bills in ARS - Mat. 05-13-2020	5343				1,957,560			
Compoundable Argentine Treasury Bills in ARS - Mat. 08-29-2020	5341				1,663,894			
Other					3,379,597			
Subtotal Argentine government securities				**30,587,228**	**20,371,040**	**30,587,228**		**30,587,228**

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		Holding				Position		
		12/31/2020			12/31/2019	12/31/2020		
Name	ID	Fair value	Fair value level	Carrying value	Carrying value	Position without options	Options	Final Position
Private securities								
YPF SA C046 Bonds - Mat. 03-04-2021	51308	118,252	2	97,853	80,217	97,853		97,853
Trust Debt Securities issued by Fideicomiso Financiero Secubono S201 CL.A - Mat. 08-30-2021	55089	54,628	3	78,659		78,659		78,659
YPF SA C043 Bonds - Mat. 10-21-2023	50939	105,325	2	74,269	100,337	74,269		74,269
Trust Debt Securities issued by Fideicomiso Financiero Secubono S200 CL.A - Mat. 06-28-2021	54966	68,382	3	71,025		71,025		71,025
Tecpetrol S.A. C003 Bonds - Mat. 02-20-2021	54629	49,931	2	49,563		49,563		49,563
Central Térmica Roca S.A. C004 Bonds - Mat. 07-24-2021	52650	57,371	2	36,863	35,559	36,863		36,863
Albanesi S.A. CL003 Bonds - Mat. 06-15-2021	52559	40,886	2	30,897	38,446	30,897		30,897
Banco Santander Rio S.A. C021 Bonds - Mat. 01-26-2022	53219	26,848	2	25,709		25,709		25,709
Generación Mediterranea S.A. CL008 CL.B Bonds - Mat. 08-29-2021	52778	29,932	2	20,973	21,943	20,973		20,973
Rombo Compañía Financiera S.A. S041 Bonds - Mat. 01-29-2021	53237	17,343	2	17,000	69,082	17,000		17,000
Other				27,879	3,348,650	27,879		27,879
Subtotal Argentine private securities				**530,690**	**3,694,234**	**530,690**		**530,690**
Total other debt securities at amortized cost				**31,117,918**	**24,065,274**	**31,117,918**		**31,117,918**
TOTAL OTHER DEBT SECURITIES				**209,123,062**	**87,890,009**	**209,123,062**		**209,123,062**

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GOVERNMENT AND PRIVATE SECURITIES AS OF DECEMBER 31, 2020 AND 2019

ANNEX A

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

		Holding				Position		
		12/31/2020			12/31/2019	12/31/2020		
Name	**ID**	**Fair value**	**Fair value level**	**Carrying value**	**Carrying value**	**Position without options**	**Options**	**Final Position**
EQUITY SECURITIES At fair value through profit or loss - Argentine								
Prisma Medios de Pago SA			3	1,420,695	1,934,144	1,420,695		1,420,695
Mercado Abierto Electrónico SA			3	144,222	70,730	144,222		144,222
Matba Rofex SA			3	21,242	15,723	21,242		21,242
C.O.E.L.S.A			3	19,511	13,076	19,511		19,511
Argentina Clearing SA			3	14,731	14,217	14,731		14,731
Sedesa			3	11,682	9,492	11,682		11,682
Provincanje SA			3	6,243	3,315	6,243		6,243
AC Inversora S.A.			3	5,389		5,389		5,389
Mercado a Término Rosario SA			3	4,308	12,510	4,308		4,308
Proin SA			3	1,960	2,012	1,960		1,960
Other				1,407	1,751	1,407		1,407
Subtotal Argentine equity securities				**1,651,390**	**2,076,970**	**1,651,390**		**1,651,390**
- Foreign								
Banco Latinoamericano de Comercio Exterior SA			1	9,728	12,731	9,728		9,728
Sociedad de Telecomunicaciones Financieras Interbancarias Mundiales			3	1,899	1,727	1,899		1,899
Subtotal foreign equity securities				**11,627**	**14,458**	**11,627**		**11,627**
Total equity securities at fair value through profit or loss				**1,663,017**	**2,091,428**	**1,663,017**		**1,663,017**
TOTAL EQUITY SECURITIES				**1,663,017**	**2,091,428**	**1,663,017**		**1,663,017**
TOTAL GOVERNMENT AND PRIVATE SECURITIES				**265,768,544**	**97,707,428**	**267,513,681**		**267,513,681**

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CLASSIFICATION OF LOANS AND OTHER FINANCING BY STATUS AND GUARANTEE AS OF DECEMBER 31, 2020 AND 2019

ANNEX B

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

	12/31/2020	12/31/2019
COMMERCIAL PORTFOLIO		
Performing	**72,766,058**	**139,510,719**
With preferred "A" guarantees and counter-guarantees	3,391,649	4,574,008
With preferred "B" guarantees and counter-guarantees	9,700,967	14,952,607
Without preferred guarantees or counter-guarantees	59,673,442	119,984,104
Subject to special monitoring	**2,997,745**	**350,457**
Under observation		
With preferred "A" guarantees and counter-guarantees	338	
With preferred "B" guarantees and counter-guarantees	2,130,233	
Without preferred guarantees or counter-guarantees	610,083	700
Under negotiation or refinancing agreements		
With preferred "B" guarantees and counter-guarantees	136,081	131,871
Without preferred guarantees or counter-guarantees	121,010	217,886
With problems	**82,453**	**96,412**
With preferred "B" guarantees and counter-guarantees		14,295
Without preferred guarantees or counter-guarantees	82,453	82,117
High insolvency risk	**85,161**	**1,788,326**
With preferred "A" guarantees and counter-guarantees		11,805
With preferred "B" guarantees and counter-guarantees	78,238	420,414
Without preferred guarantees or counter-guarantees	6,923	1,356,107
Bad debts	**521,866**	**7,712**
With preferred "A" guarantees and counter-guarantees	53,098	566
With preferred "B" guarantees and counter-guarantees	425,044	
Without preferred guarantees or counter-guarantees	43,724	7,146
Subtotal commercial portfolio	**76,453,283**	**141,753,626**

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CLASSIFICATION OF LOANS AND OTHER FINANCING BY STATUS AND GUARANTEE AS OF DECEMBER 31, 2020 AND 2019 (CONT.)

ANNEX B

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

	12/31/2020	12/31/2019
CONSUMER AND HOME PORTFOLIO		
Performing	**192,457,444**	**166,644,755**
With preferred "A" guarantees and counter-guarantees	19,582,396	3,258,170
With preferred "B" guarantees and counter-guarantees	16,363,538	19,439,140
Without preferred guarantees or counter-guarantees	156,511,510	143,947,445
Low risk	**74,388**	**2,250,127**
With preferred "A" guarantees and counter-guarantees	5,005	22,710
With preferred "B" guarantees and counter-guarantees	55	247,554
Without preferred guarantees or counter-guarantees	69,328	1,979,863
Low risk – in special treatment	**10,538**	
Without preferred guarantees or counter-guarantees	10,538	
Medium risk	**214,725**	**1,902,647**
With preferred "A" guarantees and counter-guarantees	4,539	18,150
With preferred "B" guarantees and counter-guarantees	30,025	176,973
Without preferred guarantees or counter-guarantees	180,161	1,707,524
High risk	**374,291**	**2,151,613**
With preferred "A" guarantees and counter-guarantees	20,937	36,524
With preferred "B" guarantees and counter-guarantees	47,337	180,318
Without preferred guarantees or counter-guarantees	306,017	1,934,771
Bad debts	**820,007**	**588,493**
With preferred "A" guarantees and counter-guarantees	11,229	12,705
With preferred "B" guarantees and counter-guarantees	239,810	194,631
Without preferred guarantees or counter-guarantees	568,968	381,157
Subtotal consumer and home portfolio	**193,951,393**	**173,537,635**
	270,404,676	**315,291,261**

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This Annex disclosures contractual figures as required by the Argentine Central Bank. The table below shows the reconciliation with the Consolidated Balance Sheets:

	12/31/2020	12/31/2019
Loans and other financing transactions	257,326,707	300,731,589
+ Provisions for loans and other financing	10,022,610	6,901,953
+ IFRS adjustment (amortized cost and fair value)	135,080	154,937
+ Financial Trust debt securities at amortized cost	166,692	1,498,448
+ Debt securities	365,341	2,198,423
– Interest and other accrued receivables of financial assets with credit value impairment	(58,303)	(74,025)
Guarantees granted and contingent liabilities	2,446,549	3,879,936
Total computable amounts	**270,404,676**	**315,291,261**

CONSOLIDATED CONCENTRATION OF LOANS AND OTHER FINANCING AS OF DECEMBER 31, 2020 AND 2019

ANNEX C

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

	12/31/2020		12/31/2019	
Number of customers	**Outstanding Balance**	**% of total portfolio**	**Outstanding Balance**	**% of total portfolio**
10 largest customers	30,204,625	11.17	51,699,090	16.40
50 next largest customers	23,509,428	8.69	48,534,917	15.39
100 next largest customers	13,656,910	5.05	21,311,803	6.76
Other customers	203,033,713	75.09	193,745,451	61.45
Total (1)	**270,404,676**	**100.00**	**315,291,261**	**100.00**

(1) See reconciliation in Annex B

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

ANNEX D

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

		Term to maturity						
Item	**Overdue**	**Up to 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**12-24 months**	**Over 24 months**	**Total**
Non-financial public sector		240,063	709,789	722,124	1,302,701	2,240,210	475,185	5,690,072
Financial sector		73,164	366,107	542,488	336,233	1,005,712		2,323,704
Non-financial private sector and persons domiciled abroad	1,309,651	94,565,908	30,753,008	41,943,648	49,509,992	47,067,374	76,591,919	341,741,500
Total	**1,309,651**	**94,879,135**	**31,828,904**	**43,208,260**	**51,148,926**	**50,313,296**	**77,067,104**	**349,755,276**

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

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

		Term to maturity						
Item	**Overdue**	**Up to 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**12-24 months**	**Over 24 months**	**Total**
Non-financial public sector		3,722,842	880,926	1,040,537	2,501,141	4,121,934	2,751,211	15,018,591
Financial sector		2,498,632	3,004,100	642,334	859,600	1,215,730	7,443	8,227,839
Non-financial private sector and persons domiciled abroad	4,936,146	123,475,851	36,775,492	33,009,946	41,228,086	59,457,916	91,735,995	390,619,432
Total	**4,936,146**	**129,697,325**	**40,660,518**	**34,692,817**	**44,588,827**	**64,795,580**	**94,494,649**	**413,865,862**

This Annex discloses the drop in future contractual cash flows, including interest and accessories accruable until the expiration of the applicable contracts.

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CONSOLIDATED BREAKDOWN OF INTERESTS IN OTHER COMPANIES AS OF DECEMBER 31, 2020 AND 2019

ANNEX E

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

							Issuer information				
	Shares and/or interests						Data on last published financial statements				
Name	**Class**	**Nominal unit value**	**Votes per share**	**Number**	**Amount as of 31/31/2019**	**Amount as of 12/31/2018**	**Main activity**	**End of the fiscal year**	**Capital**	**Share-holders' Equity**	**Income for the year/ period**
Complementary service companies - Associates and joint ventures In Argentina											
Joint Ventures (UTE) (See Note 11.2)					144,601	197,610	Tax service management				
Play Digital S.A. (See Note 11.1.b)	Common			119,177,505	56,964		Electronic, technological and IT services	12-31-20	1,197,221	572,247	(796,797)
Subtotal in Argentina					**201,565**	**197,610**					
Total other associates and joint ventures					**201,565**	**197,610**					
Total complementary service companies					**201,565**	**197,610**					

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CONSOLIDATED BREAKDOWN OF INTERESTS IN OTHER COMPANIES AS OF DECEMBER 31, 2020 AND 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

	Shares and/or interests						Issuer information – Data on last published financial statements				
Name	Class	Nominal unit value	Votes per share	Number	Amount as of 31/31/2019	Amount as of 12/31/2018	Main activity	End of the fiscal year	Capital	Share-hold-ers' Equity	Income for the year/ period
Other companies - Associates and joint ventures In Argentina											
Macro Warrants SA (see Note 11.1.a)	Common	1	1	50,000	2,340	1,606	Issuing of warrants	09-30-19	1,000	46,805	14,551
Subtotal in Argentina					**2,340**	**1,606**					
Total associates and joint ventures					**2,340**	**1,606**					
Total interests in other companies					**203,905**	**199,216**					

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CONSOLIDATED CHANGES IN PROPERTY, PLANT AND EQUIPMENT AS OF DECEMBER 31, 2020

ANNEX F

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Original value at beginning of the year	Estimated service life in years	Recog.	Derecog.	Depreciation				Residual value at year-end
					Accum.	Derecog.	For the year	At year-end	
Measured at cost									
Real property	29,821,961	50	678,094	25,227	1,890,000	12,096	617,806	2,495,710	27,979,118
Furniture and fixtures	3,682,851	10	308,616	782	1,435,143	28	370,087	1,805,202	2,185,483
Machinery and equipment	4,861,732	5	630,516	106	2,584,279	45	871,640	3,455,874	2,036,268
Vehicles	837,976	5	80,942	62,807	684,402	58,325	75,190	701,267	154,844
Miscellaneous	2,667		28		2,648		21	2,669	26
Works in progress	1,189,216		465,125	815,824					838,517
Right of use	1,665,298	5	528,499	117,714	412,352	33,458	521,980	900,874	1,175,209
Total property, plant and equipment (1)	**42,061,701**		**2,691,820**	**1,022,460**	**7,008,824**	**103,952**	**2,456,724**	**9,361,596**	**34,369,465**

CONSOLIDATED CHANGES IN PROPERTY, PLANT AND EQUIPMENT AS OF DECEMBER 31, 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Original value at beginning of the year	Estimated service life in years	Recog.	Derecog.	Depreciation				Residual value at year-end
					Accum.	Derecog.	For the year	At year-end	
Measured at cost									
Real property (1)	27,620,633	50	2,352,622	151,294	1,474,810	118,384	533,574	1,890,000	27,931,961
Furniture and fixtures	3,437,685	10	724,740	479,574	1,602,518	477,285	309,910	1,435,143	2,247,708
Machinery and equipment	7,645,815	5	860,294	3,644,377	5,283,492	3,640,537	941,324	2,584,279	2,277,453
Vehicles	830,915	5	133,984	126,923	666,680	65,487	83,209	684,402	153,574
Miscellaneous	2,465		202		2,423		225	2,648	19
Works in progress	2,046,200		1,979,389	2,836,373					1,189,216
Right of use		5	1,810,801	145,503		41,271	453,623	412,352	1,252,946
Total property, plant and equipment (1)	**41,583,713**		**7,862,032**	**7,384,044**	**9,029,923**	**4,342,964**	**2,321,865**	**7,008,824**	**35,052,877**

(1) During the 2020 and 2019 fiscal years, balances in this account were transferred to and from Property, Plant and Equipment and/or noncurrent assets held for sale.

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C.P.C.E.C.A.B.A. V1 P13

Carlos M. Szpunar
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CONSOLIDATED CHANGES IN INVESTMENT PROPERTY AS OF DECEMBER 31, 2020

ANNEX F

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Original value at beginning of the year	Estimated service life in years	Recog.	Derecog.	Depreciation				Residual value at year-end
					Accum.	Derecog.	For the year	At year-end	
Measured at cost									
Leased realty	220,218	50	1		33,694		2,461	36,155	184,064
Other investment property	838,983	50	70,201	62,302	38,833	9	11,946	50,770	796,112
Total investment property (1)	**1,059,201**		**70,202**	**62,302**	**72,527**	**9**	**14,407**	**86,925**	**980,176**

CONSOLIDATED CHANGES IN INVESTMENT PROPERTY AS OF DECEMBER 31, 2019

(in thousands of Argentine pesos)

Item	Original value at beginning of the year	Estimated service life in years	Recog.	Derecog.	Depreciation				Residual value at year-end
					Accum.	Derecog.	For the year	At year-end	
Measured at cost									
Leased realty	220,215	50	4	1	31,233	1	2,462	33,694	186,524
Other investment property	729,432	50	433,937	324,386	28,680		10,153	38,833	800,150
Total investment property (2)	**949,647**		**433,941**	**324,387**	**59,913**	**1**	**12,615**	**72,527**	**986,674**

(1) During the 2020 fiscal year, balances in this account were transferred to and from Property, Plant and Equipment.

(2) During the 2019 fiscal year, balances in this account were transferred to and from Property, Plant and Equipment and/or noncurrent assets held for sale.

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CONSOLIDATED CHANGES IN INTANGIBLE ASSETS AS OF DECEMBER 31, 2020

ANNEX G

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Original value at beginning of the year	Estimated service life in years	Recog.	Derecog.	Depreciation				Residual value at year-end
					Accum.	Derecog.	For the year	At year-end	
Measured at cost									
Licenses	2,224,761	5	524,722		911,978	1	514,339	1,426,316	1,323,167
Other intangible assets	6,942,583	5	1,688,410	1,192	3,433,183	1,192	1,416,917	4,848,908	3,780,893
Total Intangible assets (1)	**9,167,344**		**2,213,132**	**1,192**	**4,345,161**	**1,193**	**1,931,256**	**6,275,224**	**5,104,060**

CONSOLIDATED CHANGES IN INTANGIBLE ASSETS AS OF DECEMBER 31, 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Original value at beginning of the year	Estimated service life in years	Recog.	Derecog.	Depreciation				Residual value at year-end
					Accum.	Derecog.	For the year	At year-end	
Measured at cost									
Licensees	2,707,929	5	695,936	1,179,104	1,669,510	1,171,274	413,742	911,978	1,312,783
Other intangible assets	8,251,282	5	1,618,269	2,926,968	4,848,643	2,760,136	1,344,676	3,433,183	3,509,400
Total Intangible assets (1)	**10,959,211**		**2,314,205**	**4,106,072**	**6,518,153**	**3,931,410**	**1,758,418**	**4,345,161**	**4,822,183**

(1) During the 2019 fiscal year, balances were transferred to and from the different items in the account, which resulted in differences between the balances recorded as of the end of one year and those recorded as of the beginning of the following one, without this altering the total balance for the account.

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CONSOLIDATED DEPOSIT CONCENTRATION AS OF DECEMBER 31, 2020 AND 2019

ANNEX H

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Number of customers	12/31/2020 Placement balance	12/31/2020 % of total portfolio	12/31/2019 Placement balance	12/31/2019 % of total portfolio
10 largest customers	93,600,447	19.15	33,394,393	9.33
50 next largest customers	46,083,821	9.43	16,615,377	4.64
100 next largest customers	20,901,885	4.28	12,937,300	3.62
Other customers	328,155,210	67.14	294,919,372	82.41
Total	**488,741,363**	**100.00**	**357,866,442**	**100.00**

CONSOLIDATED BREAKDOWN OF FINANCIAL LIABILITIES BY RESIDUAL TERM AS OF DECEMBER 31, 2020

ANNEX I

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Term to maturity: Up to 1 month	1-3 months	3-6 months	6-12 months	12-24 months	Over 24 months	Total
Deposits	**439,899,936**	**45,047,684**	**5,581,716**	**3,025,417**	**34,807**	**2,187**	**493,591,747**
Non-financial public sector	67,873,301	5,558,974	901,974	2,128			74,336,377
Financial sector	696,415						696,415
Non-financial private sector and persons domiciled abroad	371,330,220	39,488,710	4,679,742	3,023,289	34,807	2,187	418,558,955
Derivatives	**42**	**188**					**230**
Repo transactions	**620,389**						**620,389**
Other financial institutions	620,389						620,389
Other financial liabilities	**47,876,408**	**133,674**	**125,844**	**317,199**	**264,590**	**514,354**	**49,232,069**
Financing received from the Argentine Central Bank and other financial institutions	**419,441**	**199,471**	**204,074**	**80,703**	**40,093**	**5,724**	**949,506**
Bonds issued	**209,346**		**2,762,098**	**208,048**	**2,585,744**		**5,765,236**
Subordinated bonds			**1,135,957**	**1,135,958**	**2,498,433**	**43,651,732**	**48,422,080**
Total	**489,025,562**	**45,381,017**	**9,809,689**	**4,767,325**	**5,423,667**	**44,173,997**	**598,581,257**

This Annex discloses the drop in future contractual cash flows, including interest and accessories accruable until the expiration of the applicable contracts.

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CONSOLIDATED BREAKDOWN OF FINANCIAL LIABILITIES BY RESIDUAL TERM AS OF DECEMBER 31, 2019

ANNEX I

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Term to maturity						
	Up to 1 month	**1-3 months**	**3-6 months**	**6-12 months**	**12-24 months**	**Over 24 months**	**Total**
Deposits	**319,128,393**	**35,554,356**	**4,728,311**	**1,398,959**	**72,883**	**30,866**	**360,913,768**
Non-financial public sector	22,974,090	1,059,457	58,210	2,832			24,094,589
Financial sector	427,702						427,702
Non-financial private sector and persons domiciled abroad	295,726,601	34,494,899	4,670,101	1,396,127	72,883	30,866	336,391,477
Derivatives	**399,076**	**464,440**	**183,040**				**1,046,556**
Repo transactions	**1,364,962**						**1,364,962**
Other financial institutions	1,364,962						1,364,962
Other financial liabilities	**28,687,673**	**133,406**	**141,649**	**227,982**	**442,189**	**585,057**	**30,217,956**
Financing received from the Argentine Central Bank and other financial institutions	**1,403,744**	**1,130,058**	**205,002**	**133,670**	**230,972**	**62,376**	**3,165,822**
Bonds issued	**436,031**		**701,097**	**1,006,731**	**4,579,987**	**4,206,065**	**10,929,911**
Subordinated bonds			**1,100,808**	**1,100,810**	**2,201,618**	**44,722,198**	**49,125,434**
Total	**351,419,879**	**37,282,260**	**7,059,907**	**3,868,152**	**7,527,649**	**49,606,562**	**456,764,409**

This Annex discloses the drop in future contractual cash flows, including interest and accessories accruable until the expiration of the applicable contracts.

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CONSOLIDATED CHANGES IN PROVISIONS AS OF DECEMBER 31, 2020

ANNEX J

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Balances at the beginning of the year	Increases	Reductions		Monetary gain/loss from provisions	12/31/2020
			Reversals	Applications		
Provisions for contingent commitments	23,514	7,872		8,021	(6,158)	17,207
Administrative, disciplinary and criminal penalties	977				(259)	718
Other	1,981,561	1,122,012	8	1,261,108	(555,858)	1,286,599
Total provisions	**2,006,052**	**1,129,884**	**8**	**1,269,129**	**(562,275)**	**1,304,524**

CONSOLIDATED CHANGES IN PROVISIONS AS OF DECEMBER 31, 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Balances at the beginning of the year	Increases	Reductions		Monetary gain/loss from provisions	12/31/2019
			Reversals	Applications		
Provisions for contingent commitments	22,471	10,981			(9,938)	23,514
Administrative, disciplinary and criminal penalties	1,504				(527)	977
Other	2,188,895	1,798,911	1,152,685	36,725	(816,835)	1,981,561
Total provisions	**2,212,870**	**1,809,892**	**1,152,685**	**36,725**	**(827,300)**	**2,006,052**

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CONSOLIDATED BALANCES DENOMINATED IN FOREIGN CURRENCIES AS OF DECEMBER 31, 2020 AND 2019

ANNEX L

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

	12/31/2020					12/31/2019
	Total	Total by currency				
Items	**Parent company and Argentine branches**	**US dollar**	**Euro**	**Real**	**Other**	**Total**
ASSETS						
Cash and bank deposits	105,720,560	105,194,576	332,411	19,495	174,078	96,598,721
Debt securities at fair value through profit or loss	5,957	5,957				336,603
Derivatives	4,977,237	4,977,237				5,105,215
Other financial assets	23,290,852	23,290,852				53,059,132
Loans and other financing transactions	21,230	21,230				827,986
Non-financial public sector	23,269,622	23,269,622				52,231,146
Other financial institutions	5,890,302	5,890,302				1,178,318
Non-financial private sector and persons domiciled abroad	1,822,376	1,816,203	6,173			3,937,454
Other debt securities	11,627	11,627				14,458
Financial assets transferred as collateral	105,720,560	105,194,576	332,411	19,495	174,078	96,598,721
Investments in equity securities	5,957	5,957				336,603
TOTAL ASSETS	**141,718,911**	**141,186,754**	**338,584**	**19,495**	**174,078**	**160,229,901**
LIABILITIES						
Deposits	77,100,334	77,100,275	59			108,479,516
Non-financial public sector	4,198,481	4,198,481				5,432,420
Financial sector	573,892	573,892				313,018
Non-financial private sector and persons domiciled abroad	72,327,961	72,327,902	59			102,734,078
Other financial liabilities	18,449,094	18,348,283	90,618		10,193	7,144,736
Financing received from the Argentine Central Bank and other financial institutions	469,614	469,614				2,784,926
Subordinated bonds	34,300,292	34,300,292				33,098,040
Other non-financial liabilities	20,313	20,313				33,981
TOTAL LIABILITIES	**130,339,647**	**130,238,777**	**90,677**		**10,193**	**151,541,199**

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CONSOLIDATED ASSISTANCE TO RELATED PARTIES AS OF DECEMBER 31, 2020 AND 2019

ANNEX N

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Normal	12/31/2020	12/31/2019
Loans and other financing transactions			
Advances	**409,555**	**409,555**	**1,331,983**
Without preferred guarantees or counter-guarantees	409,555	409,555	1,331,983
Checks	**1,528**	**1,528**	**749,365**
With preferred "A" guarantees and counter-guarantees	1,528	1,528	35,397
Without preferred guarantees or counter-guarantees			713,968
Mortgage loans and loans secured by pledges	**165,974**	**165,974**	**41,100**
With preferred "B" guarantees and counter-guarantees	141,893	141,893	27,566
Without preferred guarantees or counter-guarantees	24,081	24,081	13,534
Personal loans	**13,093**	**13,093**	**1,450**
Without preferred guarantees or counter-guarantees	13,093	13,093	1,450
Cards	**59,988**	**59,988**	**93,111**
With preferred "A" guarantees and counter-guarantees	159	159	
Without preferred guarantees or counter-guarantees	59,829	59,829	93,111
Other	**1,132,770**	**1,132,770**	**465,765**
With preferred "A" guarantees and counter-guarantees	20,345	20,345	
With preferred "B" guarantees and counter-guarantees	6,260	6,260	12,115
Without preferred guarantees or counter-guarantees	1,106,165	1,106,165	453,650
Total Loans and other financing transactions	**1,782,908**	**1,782,908**	**2,682,774**
Contingent commitments	**107,869**	**107,869**	**87,662**
Total	**1,890,777**	**1,890,777**	**2,770,436**
Provisions	**15,332**	**15,332**	**18,399**

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CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2020

ANNEX P

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Amortized cost	Fair value through OCI	Mandatory fair value through profit or loss measurement	Fair value hierarchy Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and bank deposits						
Cash	25,422,664					
Financial institutions and correspondents	104,539,560					
Other	5,262					
Debt securities at fair value through profit or loss			54,982,465	54,604,015	6	378,444
Derivatives			7,232		7,232	
Repo transactions						
Argentine Central Bank	39,421,705					
Other financial assets	18,280,848		605,442	579,263		26,179
Loans and other financing transactions						
Non-financial public sector	3,614,805					
Other financial institutions	1,822,643					
Non-financial private sector and persons domiciled abroad						
Advances	17,611,869					
Checks	27,339,195					
Mortgage loans	25,410,608					
Loans secured by pledges	3,325,554					
Personal loans	70,258,760					
Credit cards	64,266,490					
Financial leases	118,562					
Other [1]	43,558,221					
Other debt securities	31,117,918	178,005,144		115,417,483	62,587,661	
Financial assets transferred as collateral	13,596,610	695,748		695,748		
Investments in equity securities			1,663,017	9,855		1,653,162
TOTAL FINANCIAL ASSETS	**489,711,274**	**178,700,892**	**57,258,156**	**171,306,364**	**62,594,899**	**2,057,785**

(1) Includes the total provisions for non-financial private sector and persons domiciled abroad.

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President

CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2020

ANNEX P

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Amortized cost	Fair value through OCI	Mandatory fair value through profit or loss measurement	Fair value hierarchy Level 1	Level 2	Level 3
FINANCIAL LIABILITIES						
Deposits						
Non-financial public sector	73,565,424					
Financial sector	696,415					
Non-financial private sector and persons domiciled abroad						
Checking accounts	65,401,102					
Savings accounts	138,844,482					
Term deposits and term investments	181,767,558					
Other	28,466,382					
Derivatives			230	230		
Repo transactions						
Other financial institutions	618,572					
Other financial liabilities	49,215,887					
Financing received from the Argentine Central Bank and other financial institutions	919,103					
Bonds issued	4,926,901					
Subordinated bonds	34,300,292					
TOTAL FINANCIAL LIABILITIES	**578,722,118**		**230**	**230**		

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PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. V 1 P 13

Carlos M. Szpunar
Partner
Public Accountant - UBA
C.P.C.E.C.A.B.A. V 192 P 110

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BY STATUTORY AUDIT COMMITTEE

Alejandro Almarza
Statutory Auditor
Public Accountant - UBA
C.P.C.E.C.A.B.A. V 120 P 210

Daniel H. Violatti
Accounting and
Tax Manager

Gustavo A. Manriquez
General Manager

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President

CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2019

ANNEX P

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Amortized cost	Fair value through OCI	Mandatory fair value through profit or loss measurement	Fair value hierarchy Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and bank deposits						
Cash	26,563,255					
Financial institutions and correspondents	110,498,075					
Other	5,100					
Debt securities at fair value through profit or loss			7,725,991	6,543,684	72,681	1,109,626
Derivatives			69,003	43,012	25,991	
Repo transactions						
Other financial institutions	1,481,096					
Other financial assets	7,889,031		502,535	471,221		31,314
Loans and other financing transactions						
Non-financial public sector	8,781,948					
Other financial institutions	5,380,555					
Non-financial private sector and persons domiciled abroad						
Advances	56,276,823					
Checks	28,085,343					
Mortgage loans	28,053,169					
Loans secured by pledges	5,536,821					
Personal loans	77,326,738					
Credit cards	57,392,877					
Financial leases	312,495					
Other (1)	33,584,820					
Other debt securities	24,065,274	63,824,735		50,355,730	13,469,005	
Financial assets transferred as collateral	14,530,739					
Investments in equity securities			2,091,428	12,842		2,078,586
TOTAL FINANCIAL ASSETS	**485,764,159**	**63,824,735**	**10,388,957**	**57,426,489**	**13,567,677**	**3,219,526**

(1) Includes the total provisions for non-financial private sector and persons domiciled abroad.

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CONSOLIDATED CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2019

ANNEX P

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

				Fair value hierarchy		
Item	**Amortized cost**	**Fair value through OCI**	**Mandatory fair value through profit or loss measurement**	**Level 1**	**Level 2**	**Level 3**
FINANCIAL LIABILITIES						
Deposits						
Non-financial public sector	23,906,675					
Financial sector	427,702					
Non-financial private sector and persons domiciled abroad						
Checking accounts	54,625,032					
Savings accounts	123,517,591					
Term deposits and term investments	144,401,841					
Other	10,987,601					
Derivatives		1,046,556			1,046,556	
Repo transactions						
Other financial institutions	1,364,825					
Other financial liabilities	30,181,836					
Financing received from the Argentine Central Bank and other financial institutions	3,057,451					
Bonds issued	7,521,820					
Subordinated bonds	33,098,040					
TOTAL FINANCIAL LIABILITIES	**433,090,414**	**1,046,556**			**1,046,556**	

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CONSOLIDATED BREAKDOWN OF INCOME AND LOSS AS OF DECEMBER 31, 2020 AND 2019

ANNEX Q

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Items	Net financial income / (loss) Mandatory measurement	
	12/31/2020	12/31/2019
Income/(loss) from measurement of financial assets at fair value through profit or loss		
Income/(loss) from government securities	10,076,885	2,570,385
Income/(loss) from private securities	847,819	1,133,453
Income/(loss) from derivatives		
Term transactions	75,950	2,051,534
Income/(loss) from other financial assets	2,671	246,433
Income/(loss) from investments in equity securities	48,790	2,592,025
Income/(loss) from sale or derecognition of financial assets at fair value (*)	(37,705,471)	(52,991,786)
Total	**(26,653,356)**	**(44,397,956)**

(*) Includes reclassifications from items that were classified at fair value through OCI that were derecognized or collected during the year.

Interest and adjustments due to the application of the effective interest rate for financial assets measured at amortized cost	Financial income / (loss)	
	12/31/2020	12/31/2019
Interest income		
Income/(loss) from cash and bank deposits	128,169	354,797
Income/(loss) from government securities	6,429,385	9,805,282
Income/(loss) from private securities	1,607,980	1,942,810
Income/(loss) from loans and other financing		
Non-financial public sector	2,953,253	1,840,235
Financial sector	1,012,071	2,821,733
Non-financial private sector		
Advances	10,812,954	21,176,144
Checks	4,758,585	7,594,077
Mortgage loans	8,074,017	11,031,618
Loans secured by pledges	476,023	855,500
Personal loans	32,690,320	40,829,605
Credit cards	11,510,688	17,978,756
Financial leases	57,036	247,430
Other	13,213,833	7,164,626
Income/(loss) from repo transactions		
Argentine Central Bank	6,971,713	552,926
Other financial institutions	95,676	3,919,285
Total	**100,791,703**	**128,114,824**

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CONSOLIDATED BREAKDOWN OF INCOME AND LOSS AS OF DECEMBER 31, 2020 AND 2019

ANNEX Q

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Interest and adjustments due to the application of the effective interest rate for financial assets measured at amortized cost	Financial income / (loss)	
	12/31/2020	12/31/2019
Interest expenses		
Income/(loss) from deposits		
Non-financial private sector		
Checking accounts	(1,975,888)	(537,004)
Savings accounts	(654,139)	(896,495)
Term deposits and term investments	(53,900,325)	(79,268,075)
Income/(loss) from financing received from the Argentine Central Bank and other financial institutions	(100,834)	(361,756)
Income/(loss) from repo transactions		
Other financial institutions	(195,747)	(458,103)
Income/(loss) from other financial liabilities	(61,339)	(252,763)
Income/(loss) from bonds issued	(1,547,872)	(3,250,458)
Income/(loss) from other subordinated bonds	(2,397,775)	(2,319,006)
Total	**(60,833,919)**	**(87,343,660)**

Interest and adjustments due to the application of the effective interest rate for financial assets measured at fair value through OCI	Income/(loss) for the year	OCI	Income/(loss) for the year	OCI
	12/31/2020	12/31/2020	12/31/2019	12/31/2019
Income / (loss) from government securities (*)	56,288,509	(4,910,379)	78,228,897	332,274
Total	**56,288,509**	**(4,910,379)**	**78,228,897**	**332,274**

Commission income	Income/(loss) for the year	
	12/31/2020	12/31/2019
Commissions from bonds	12,994,191	15,159,635
Commissions from credits	184,458	231,735
Commissions from loan commitments and financial guarantees	1,160	8,435
Commissions from securities	544,485	371,863
Commissions from cards	8,838,471	8,437,123
Commissions from insurances	1,601,339	1,591,978
Commissions from foreign trade and exchange transactions	578,663	666,910
Total	**24,742,767**	**26,467,679**

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CONSOLIDATED BREAKDOWN OF INCOME AND LOSS AS OF DECEMBER 31, 2020 AND 2019

ANNEX Q

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Commission expenses	Income/(loss) for the year	
	12/31/2020	12/31/2019
Commissions for foreign trade and exchange transactions	(117,519)	(209,142)
Commissions paid due to ATM exchanges	(1,263,086)	(1,057,783)
Checkbook and clearing house expenses	(404,450)	(453,613)
Credit card and foreign trade commissions	(262,237)	(471,254)
Total	**(2,047,292)**	**(2,191,792)**

(*) If the criteria set forth by Communication "A" 7211 had been applied in the reporting period, the "Net income/(loss) from monetary position" would have amounted to ARS 30,260,486 (loss). The stated amount includes ARS 37,699,560 (loss), recorded in the Consolidated Profit/Loss Statement for the year ended on December 31, 2020 under the item "Net income/(loss) due to measurement of financial instruments at fair value," which amount originated from reclassifications from Other Comprehensive Income. Taking into consideration the net effects above, if the criteria set forth by Communication "A" 7211 had been applied in the reporting period, the "Income/(loss) for the year" would have been ARS 24,359,570 (gain).

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CONSOLIDATED ADJUSTMENT OF VALUE DUE TO LOSS – PROVISION FOR BAD DEBTS AS OF DECEMBER 31, 2020

ANNEX R

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

		Changes between stages of the year				
			Remaining lifetime ECL of the financial asset			
Item	**Balances at the beginning of the year**	**ECL of the following 12 months**	**Financial instrument with significant increase in credit risk**	**Financial instrument with credit impairment**	**Monetary income/(loss) from provisions**	**12/31/2020**
Other financial assets	14,032	11,318			(6,421)	18,929
Loans and other financing transactions	6,901,953	4,206,875	2,013,698	(477,390)	(2,622,526)	10,022,610
Other financial institutions	37,572	(13,052)			(7,907)	16,613
Non-financial private sector and persons domiciled abroad						
Advances	1,050,668	13,596	1,262	(21,507)	(358,285)	685,734
Checks	500,036	138,681	84,346	(30,978)	(157,463)	534,622
Mortgage loans	521,477	104,994	302,003	3,928	(179,453)	752,949
Loans secured by pledges	175,691	24,614	7,175	(17,249)	(55,886)	134,345
Personal loans	2,501,419	913,987	499,491	(235,074)	(834,085)	2,845,738
Credit cards	1,079,674	2,164,256	804,075	(73,526)	(585,610)	3,388,869
Financial leases	7,285	(1,946)	(789)	7,728	(2,230)	10,048
Other	1,028,131	861,745	316,135	(110,712)	(441,607)	1,653,692
Contingent commitments	23,514	5,318	(5,440)	349	(6,534)	17,207
Other debt securities	2,637	266			(1,560)	1,343
Total Provisions	**6,942,136**	**4,223,777**	**2,008,258**	**(477,041)**	**(2,637,041)**	**10,060,089**

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CONSOLIDATED ADJUSTMENT OF VALUE DUE TO LOSS – PROVISION FOR BAD DEBTS AS OF DECEMBER 31, 2019

ANNEX R

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Balances at the beginning of the year	Changes between stages of the year			Monetary income/(loss) from provisions	12/31/2019
			Remaining lifetime ECL of the financial asset			
		ECL of the following 12 months	Financial instrument with significant increase in credit risk	Financial instrument with credit impairment		
Other financial assets		17,088			(3,056)	14,032
Loans and other financing transactions	8,102,856	748,250	198,312	1,044,084	(3,191,549)	6,901,953
Other financial institutions	78	45,692			(8,198)	37,572
Non-financial private sector and persons domiciled abroad						
Advances	542,650	141,112	(108,657)	817,465	(341,902)	1,050,668
Checks	1,096,177	(60,075)	131,993	(330,752)	(337,307)	500,036
Mortgage loans	512,266	3,215	146,918	79,391	(220,313)	521,477
Loans secured by pledges	434,015	9,780	(174,276)	34,869	(128,697)	175,691
Personal loans	2,896,787	467,207	219,890	65,916	(1,148,381)	2,501,419
Credit cards	1,725,970	110,535	(130,435)	(31,622)	(594,774)	1,079,674
Financial leases	20,678	717	(4,092)	(4,123)	(5,895)	7,285
Other	874,235	30,067	116,971	412,940	(406,082)	1,028,131
Contingent commitments	22,471	1,466	9,382		(9,805)	23,514
Other debt securities		3,212			(575)	2,637
Total Provisions	**8,125,327**	**770,016**	**207,694**	**1,044,084**	**(3,204,985)**	**6,942,136**

Undersigned auditor	Carlos M. Szpunar
Professional Association	Pistrelli, Henry Martin y Asociados S.R.L.
Report for the year ended December 31, 2020	001

SEPARATE BALANCE SHEETS
AS OF DECEMBER 31, 2020, 2019 AND 2018

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Items	Notes	Annexes	12/31/2020	12/31/2019	12/31/2018
ASSETS					
Cash and bank deposits	9	P	114,497,285	132,597,159	154,517,208
Cash			25,421,745	26,562,212	22,400,249
Argentine Central Bank			49,994,923	75,092,641	105,158,422
Other Argentine and foreign banks			39,075,355	30,937,206	26,003,964
Other balances			5,262	5,100	954,573
Debt securities at fair value through profit or loss	9	A and P	53,186,569	7,030,006	4,525,988
Derivatives	8 and 9	P	7,232	69,003	30,482
Repo transactions	4 and 9	P	40,189,091	1,481,096	
Other financial assets	9 and 12	P and R	16,322,269	6,785,817	4,880,045
Loans and other financing transactions	7 and 9	B, C, D, P and R	257,394,046	300,309,160	374,759,501
Non-financial public sector			3,614,805	8,781,948	3,721,504
Other financial institutions			1,822,643	5,380,555	11,782,119
Non-financial private sector and persons domiciled abroad			251,956,598	286,146,657	359,255,878
Other debt securities	7 and 9	A, P and R	204,136,099	86,711,691	132,877,164
Financial assets transferred as collateral	5, 9 and 31	P	14,210,993	14,511,557	14,142,311
Investments in equity securities	7, 9 and 15	A and P	1,662,890	2,091,317	105,100
Investments in associates and joint arrangements	11	E	4,728,726	4,730,843	5,194,707
Property, plant and equipment		F	34,342,248	35,011,555	32,513,356
Intangible assets		G	5,102,311	4,820,535	4,439,655
Other non-financial assets	12		1,974,627	1,244,247	1,827,628
Non-current assets held for sale			2,210,644	2,377,572	3,134,634
TOTAL ASSETS			**749,965,030**	**599,771,558**	**732,947,779**

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SEPARATE BALANCE SHEETS AS OF DECEMBER 31, 2020, 2019 AND 2018

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Items	Notes	Annexes	12/31/2020	12/31/2019	12/31/2018
LIABILITIES					
Deposits	9	H, I and P	485,100,728	357,249,819	497,518,528
Non-financial public sector			73,565,424	23,906,675	40,444,381
Financial sector			696,415	427,702	310,531
Non-financial private sector and persons domiciled abroad			410,838,889	332,915,442	456,763,616
Derivatives	8 and 9	I and P	230	1,046,556	2,867
Repo transactions	4 and 9	I and P	618,572	1,364,825	344,445
Other financial liabilities	9 and 17	I and P	33,230,041	26,733,461	30,894,240
Financing received from the Argentine Central Bank and other financial institutions	9	I and P	918,879	3,057,235	6,278,682
Bonds issued	9 and 36	I and P	4,926,901	7,521,820	13,378,682
Current income tax liabilities	21.b)		4,988,725	11,007,747	5,680,819
Subordinated bonds	9 and 36	I and P	34,300,292	33,098,040	32,018,221
Provisions	16	J	1,304,524	2,006,052	2,212,870
Deferred income tax liabilities	21.b)		6,291,243	218,504	4,836,417
Other non-financial liabilities	17		30,205,967	13,714,203	12,223,163
TOTAL LIABILITIES			**601,886,102**	**457,018,262**	**605,388,934**
SHAREHOLDERS' EQUITY					
Capital stock	29	K	639,413	639,413	669,663
Non-capitalized contributions			12,429,781	12,429,781	12,428,461
Capital adjustments			50,313,147	50,313,147	50,352,382
Reserved earnings			109,816,498	74,776,648	46,065,725
Retained earnings			(50,602,848)	(22,058,528)	20,090,218
Retained other comprehensive income			(4,786,055)	176,867	(119,386)
Income/(loss) for the year			30,268,992	26,475,968	(1,928,218)
TOTAL SHAREHOLDERS' EQUITY			**148,078,928**	**142,753,296**	**127,558,845**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**749,965,030**	**599,771,558**	**732,947,779**

Notes 1 through 43 to the Separate Financial Statements, and Annexes A through L, and N through R are an integral part of these Separate Financial Statements.

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SEPARATE INCOME STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Items	Notes	Annexes	12/31/2020	12/31/2019
Interest income		Q	157,058,465	206,207,131
Interest expense		Q	(60,830,469)	(87,307,795)
Net interest income/(loss)			**96,227,996**	**118,899,336**
Commission income	22	Q	24,333,119	26,250,663
Commission expense		Q	(1,993,702)	(2,182,335)
Net commission income/(loss)			**22,339,417**	**24,068,328**
Subtotal (Net interest income/(loss) + Net commission income/(loss))			**118,567,413**	**142,967,664**
Net income/(loss) due to measurement of financial instruments at fair value through profit or loss		Q	(26,515,196)	(45,284,714)
Income/(loss) due to derecognition of assets at amortized cost			1,292,836	37,325
Gold and foreign currency exchange rate differences	23		4,029,386	4,606,657
Other operating income	24		4,672,921	9,759,829
Bad debt charges	7		(8,008,366)	(5,827,688)
Net operating income			**94,038,994**	**106,259,073**
Personnel benefits	25		(26,179,960)	(28,542,036)
Administrative expenses	26		(14,352,069)	(17,224,641)
Asset amortizations and depreciations		F and G	(4,380,949)	(4,068,435)
Other operating expenses	27		(20,327,663)	(30,019,331)
Operating income			**28,798,353**	**26,404,630**
Income/(loss) from subsidiaries, associates and joint ventures	11		(285,199)	1,722,815
Income/(loss) from net monetary position			13,631,888	15,116,742
Income/(loss) from ongoing activities before taxes			**42,145,042**	**43,244,187**
Income tax from ongoing activities	21.b)		(11,876,050)	(16,768,219)
Net income/(loss) from ongoing activities			**30,268,992**	**26,475,968**
Net income for the year			**30,268,992**	**26,475,968**

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SEPARATE EARNINGS PER SHARE
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Items	12/31/2020	12/31/2019
Net earnings attributable to the shareholders of the controlling company	**30,268,992**	**26,475,968**
Plus: dilutive effects inherent in potential common shares		
Net earnings attributable to the shareholders of the controlling company adjusted by dilutive effects	**30,268,992**	**26,475,968**
Weighted average number of outstanding common shares at year-end	639,413	639,402
Plus: weighted average number of additional common shares with dilutive effects		
Weighted average number of outstanding common shares at year-end adjusted by dilutive effects	**639,413**	**639,402**
Basic earnings per share (in ARS)	**47.3387**	**41.4074**

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SEPARATE STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Items	Notes	Annexes	12/31/2020	12/31/2019
Net income for the year			**30,268,992**	**26,475,968**
Other Comprehensive Income items to be reclassified as income/(loss) for the year				
Exchange differences due to the translation of the Financial Statements			**119,864**	**116,159**
Exchange difference for the year			119,864	116,159
Income/(loss) due to financial instruments measured at fair value through OCI (Section 4.1.2a of IFRS 9)			**(5,622,312)**	**572,216**
Income/(loss) for the year due to financial instruments measured at fair value through OCI (*)		Q	(5,449,905)	724,901
Income tax	21.b)		(172,407)	(152,685)
Other comprehensive income				
Other comprehensive income for the year				
Interest in Other Comprehensive Income of associates and joint ventures recorded using the equity method			**539,526**	**(392,122)**
Income/(loss) for the year due to interest in Other Comprehensive Income of associates and joint ventures recorded using the equity method			539,526	(392,122)
Total Other Comprehensive Income items to be reclassified as income/(loss) for the year			**(4,962,922)**	**296,253**
Total Other Comprehensive Income			**(4,962,922)**	**296,253**
Total comprehensive income			**25,306,070**	**26,772,221**

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(*) Net amount of reclassifications as income/(loss) of items that were classified at fair value through OCI that were derecognized or collected during the year. For the years ended on December 31, 2020 and 2019, the amount reclassified as income/(loss) was (44,979,730) and (63,011,907), respectively.

If the criteria set forth by Communication "A" 7211 had been applied, the amount reclassified as income/(loss) for the years ended on December 31, 2020 and 2019 would have been (1,653,657) and (10,522,151), respectively.

Notes 1 through 43 to the Separate Financial Statements, and Annexes A through L, and N through R are an integral part of these Separate Financial Statements.

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SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Movements	Notes	Capital stock		Non-capitalized contributions
		Outstanding shares	Treasury shares	Share issue premium
Balances at the beginning of the year		639,413		12,429,781
Total comprehensive income for the year:				
- Net income for the year				
- Other comprehensive income for the year				
Distribution of retained earnings approved at the Shareholders' Meeting of April 30, 2020				
- Statutory reserve fund				
- Regulatory reserve fund				
- Cash dividends (1)	39			
Balances at year-end		**639,413**		**12,429,781**

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Capital adjustments	Other comprehensive income		Reserve funds		Retained earnings	Total shareholder's equity
	Accumulated exchange difference due to translation of the financial statements	Other	Statutory	Other		
50,313,147	785,443	(608,576)	20,981,650	53,794,998	4,417,440	142,753,296
					30,268,992	30,268,992
	119,864	(5,082,786)				(4,962,922)
			11,109,012		(11,109,012)	
				43,911,276	(43,911,276)	
				(19,980,438)		(19,980,438)
50,313,147	**905,307**	**(5,691,362)**	**32,090,662**	**77,725,836**	**(20,333,856)**	**148,078,928**

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SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Movements	Notes	Capital stock Outstanding shares	Capital stock Treasury shares	Non-capitalized contributions Share issue premium
Restated balances at the beginning of the year		640,715	28,948	12,428,461
Retroactive adjustments and restatements	3			
Adjusted and restated balances at the beginning of the year		640,715	28,948	12,428,461
Total comprehensive income for the year				
- Net income for the year				
- Other comprehensive income for the year				
Distribution of retained earnings approved at the Shareholders' Meeting of April 28, 2019				
- Statutory reserve fund				
- Regulatory reserve fund				
- Cash dividends				
- Other				
Treasury shares	29	(1,317)	1,317	
Derecognition of treasury shares	29		(30,265)	
Other movements	29	15		1,320
Balances at year-end		**639,413**		**12,429,781**

(1) Includes the supplementary cash dividends approved by the shareholders at the Shareholders' Annual General Meeting held on October 21, 2020. See also Note 39.

Notes 1 through 43 to the Separate Financial Statements, and Annexes A through L, and N through R are an integral part of these Separate Financial Statements.

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Capital adjustments	Other comprehensive income: Accumulated exchange difference due to translation of the financial statements	Other comprehensive income: Other	Reserve funds: Statutory	Reserve funds: Other	Retained earnings	Total shareholder's equity
50,352,382	669,284	(788,670)	14,393,354	31,672,371	17,750,090	127,146,935
					411,910	411,910
50,352,382	669,284	(788,670)	14,393,354	31,672,371	18,162,000	127,558,845
					26,475,968	26,475,968
	116,159	180,094				296,253
			6,588,296		(6,588,296)	
				7,279,036	(7,279,036)	
				(11,580,876)		(11,580,876)
				26,353,196	(26,353,196)	
(41,006)				71,271		
1,771						3,106
50,313,147	**785,443**	**(608,576)**	**20,981,650**	**53,794,998**	**4,417,440**	**142,753,296**

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SEPARATE CASH FLOW STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Items	Notes	12/31/2020	12/31/2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income/(loss) for the year before income tax		42,145,042	43,244,187
Adjustment for the total monetary income/(loss) for the year		(13,631,888)	(15,116,742)
Adjustments to calculate cash flows from operating activities:			
Amortizations and depreciations		4,380,949	4,068,435
Bad debt charges		8,008,366	5,827,688
Exchange rate differences		(15,934,824)	(34,221,036)
Other adjustments		63,574,698	107,798,496
Net increase/decrease from operating assets			
Debt securities at fair value through profit or loss		(81,948,518)	(2,504,018)
Derivatives		61,771	(38,521)
Repo transactions		(38,707,995)	(1,481,096)
Loans and other financing transactions			
Non-financial public sector		5,167,143	(5,060,444)
Other financial institutions		3,557,912	6,401,564
Non-financial private sector and persons domiciled abroad		26,133,626	67,885,355
Other debt securities		(15,488,990)	(6,634,262)
Financial assets transferred as collateral		300,564	(369,246)
Investments in equity securities		428,427	1,418,926
Other assets		(10,269,597)	(903,037)
Net increase/decrease from operating liabilities			
Deposits			
Non-financial public sector		49,658,749	(16,537,706)
Financial sector		268,713	117,171
Non-financial private sector and persons domiciled abroad		77,923,447	(123,848,174)
Derivatives		(1,046,326)	1,043,689
Repo transactions		(746,253)	1,020,380
Other liabilities		5,689,921	(3,642,871)
Income tax payments		(8,095,222)	(12,208,094)
TOTAL OPERATING ACTIVITIES (A)		**101,429,715**	**16,260,644**

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SEPARATE CASH FLOW STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Items	Notes	12/31/2020	12/31/2019
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Payments:			
Net payments due to the purchase of PPE, intangible and other assets		(3,587,132)	(5,621,937)
TOTAL INVESTMENT ACTIVITIES (B)		**(3,587,132)**	**(5,621,937)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments:			
Dividends			(11,580,876)
Acquisition or redemption of own equity securities			(406,710)
Non-subordinated bonds		(2,114,046)	(4,087,381)
Argentine Central Bank		(9,701)	
Financing from local financial institutions		(2,038,626)	(3,208,872)
Subordinated bonds		(2,216,662)	(2,204,680)
Other payments linked to financing activities		(529,024)	(308,858)
Collections:			
Argentine Central Bank			4,917
TOTAL FINANCING ACTIVITIES (C)		**(6,908,059)**	**(21,792,460)**
EFFECT OF EXCHANGE RATE VARIATIONS (D)		**27,971,105**	**51,312,121**
EFFECT OF THE MONETARY INCOME/(LOSS) OF CASH AND CASH EQUIVALENTS		**(70,862,040)**	**(114,878,152)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D+E)		**48,043,589**	**(74,719,784)**
RESTATED CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	28	**195,129,416**	**269,849,200**
CASH AND CASH EQUIVALENTS AT YEAR-END	28	**243,173,005**	**195,129,416**

Notes 1 through 43 to the Separate Financial Statements, and Annexes A through L, and N through R are an integral part of these Separate Financial Statements.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

1. CORPORATE INFORMATION

Banco Macro S.A. (hereinafter, the Entity), is a corporation incorporated in the Argentine Republic, that offers traditional banking products and services to both companies, including those operating in regional economies, and individuals, thus strengthening its goal to operate as a multiservice bank. The Entity also renders services through its subsidiaries, Macro Bank Limited (a Company incorporated under the laws of Bahamas), Macro Securities S.A., Macro Fiducia S.A., Macro Fondos S.G.F.C.I.S.A. and Argenpay S.A.U.

Macro Compañía Financiera S.A. was incorporated in 1977 to operate as a non-bank financial institution. In May 1988, it was granted authorization to operate as a commercial bank and was incorporated as Banco Macro SA. Subsequently, as a result of various mergers with other entities, it adopted different names (among them, Banco Macro Bansud S.A.) until it became Banco Macro S.A. in August 2006.

The Entity's shares have been publicly listed on Bolsas y Mercados Argentinos (BYMA) since November 1994, and on the New York Stock Exchange (NYSE) since March 24, 2006. Additionally, on October 15, 2015, an authorization was granted for them to be listed on Mercado Abierto Electrónico S.A. (MAE).

Since 1994, Banco Macro SA has focused mainly on regional areas outside the City of Buenos Aires. In line with this strategy, in 1996, Banco Macro SA began the process of acquiring entities, assets and liabilities as part of the privatization of provincial banks and other banking institutions.

In 2001, 2004, 2006 and 2010, the Entity acquired control over Banco Bansud S.A., Nuevo Banco Suquía S.A., Nuevo Banco Bisel S.A. and Banco Privado de Inversiones S.A., respectively. Such entities merged with Banco Macro S.A. in December 2003, October 2007, August 2009 and December 2013, respectively. Moreover, in 2006, the Entity acquired control over Banco del Tucumán SA., which merged with the Banco Macro S.A. in October 2019. Additionally, on May 21, 2019, the Entity acquired 100 percent of Argenpay S.A.U. (see Note 1 to the Consolidated Financial Statements).

Additionally, on July 17, August 26 and October 15, 2020, the Entity made irrevocable capital contributions on account of the future subscription of shares to Play Digital S.A., which were accepted by such Entity's shareholders at the Shareholders' Special Meeting. Additionally, on December 15, 2020, the shareholders at the Shareholders' Special Meeting of Play Digital S.A. approved an increase in capital stock and thus the Entity subscribed new shares on December 16, 2020. On March 4, 2021, the Entity made a new contribution for ARS 19,505 (see Note 1 to the Consolidated financial statements).

On March 10, 2021, the Entity's Board of Directors approved the preparation of these Separate Financial Statements. In the opinion of the Entity's Management, no modifications are to be introduced to these Separate Financial Statements following their preparation, even though the shareholders have the power to do so at the Shareholders' Meeting.

2. OPERATIONS OF THE ENTITY

Note 2 to the Consolidated Financial Statements includes a detailed description of the agreements between the Entity and various provincial and municipal governments.

3. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING POLICIES APPLIED

Accounting standards applied

The Entity's Separate Financial Statements were prepared in accordance with the Financial Reporting Framework established by the Argentine Central Bank (through Communication "A" 6114, as supplemented). Except for the regulatory provisions set forth by the Argentine Central

Bank explained in the paragraph below, the framework is based on the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and adopted by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE). Such international standards include the IFRS, the International Accounting Standards (IAS), and the interpretations issued by the IFRS Interpretations Committee (IFRIC) or the former Standards Interpretation Committee (SIC).

Of the temporary exclusions established by the Argentine Central Bank to the application of the IFRSs in force, the following have affected the preparation of these Separate Financial Statements:

(a) Pursuant to Argentine Central Bank's Communication "A" 6114, as amended and supplemented, within the framework of the convergence process towards IFRS, the Argentine Central Bank determined that, as from the fiscal years beginning on or after January 1, 2020, financial institutions categorized "Group A" in accordance with the regulations of the Central Bank, among which the Entity is included, must begin to apply Section 5.5 "Impairment" of IFRS 9 "Financial Instruments" (subsections B5.5.1 to B5.5.55) except for the exposures to the public sector, taking into consideration the temporary exception established by Communication "A" 6847. As of the date of these Separate Financial Statements, the Entity is in the process of calculating the effects resulting from the full application of this standard.

(b) Additionally, the Entity received a Memorandum dated April 29, 2019 from the Argentine Central Bank, establishing specific provisions related to the measurement of the interest in Prisma Medios de Pago S.A., which is explained in Note 15. Taking such provisions into consideration, the Entity adjusted the fair value previously established. As of the date of these Separate Financial Statements, the Entity is in the process of calculating the difference between such value and the fair value determined in accordance with the IFRS, but it estimates that such difference could be significant.

(c) As explained in the "Unit of measure" section of this Note, Argentine Central Bank's Communications "A" 6651 and 6849 established the mandatory application of the comprehensive inflation adjustment as from the financial statements for the fiscal years beginning on or after January 1, 2020. Among the specific regulations established by the Central Bank, said communications set forth that the amounts of the changes in financial assets measured at fair value through comprehensive income are to be determined in real terms, so that the monetary income or loss generated by those monetary assets is disclosed in the statement of other comprehensive income; in turn, by application of IAS 29 "Financial Reporting in Hyperinflationary Economies," the entire monetary income or loss generated by those financial assets must be disclosed in the income/(loss) for the year, whereas the changes to be disclosed in other comprehensive income will arise from comparing (i) the opening deferred balance in shareholders' equity, restated in the measuring unit current at the end of the reporting period, and (ii) the difference between the amortized cost of the financial assets and their fair value at year-end. In accordance with Communication "A" 7211, Annex Q discloses the monetary gain/(loss) generated by these kinds of items.

Accounting policies applied

Except as detailed above, the accounting policies applied by the Entity comply with the IFRSs currently approved, and were applied to the preparation these annual Consolidated Financial Statements in accordance with the IFRSs adopted by the Argentine Central Bank under Communication "A" 7183. Generally, the Argentine Central Bank does not allow the early application of any IFRS unless it expressly authorizes otherwise.

Note 3 to the Consolidated Financial Statements provides additional information on the basis for the presentation of the Consolidated Financial Statements and the main accounting policies applied, as well as information on the Entity's subsidiaries. All of the information in said Note is also applicable to these Separate Financial Statements.

Going concern

The Entity's Management conducted an assessment of the Entity's capacity to continue operating as a going concern, and concluded that the Entity has sufficient resources to continue operating for the foreseeable future. Moreover, the Management has no knowledge of any material uncertainties which may bring into question the Entity's ability to continue as a going concern. Therefore, these Separate Financial Statements were prepared on a going concern basis.

Subsidiaries
As stated in Note 1, the Entity undertakes certain transactions through its subsidiaries.

A subsidiary is any entity controlled by the Entity. An Entity controls other entities whenever it is exposed or has a right to variable returns as a result of its continued involvement with such other entities, and has the ability to use its power to direct the operating and financing policies of such other entities, to influence such returns.

As required by IAS 27 "Consolidated and Separate Financial Statements," investments in subsidiaries were disclosed using the "equity method" provided for under IAS 28 "Investments in Associates and Joint Arrangements." Under this method, investments are initially disclosed at cost and their value is then increased or reduced to reflect the investor's interest in the profits and losses of the applicable entity after the acquisition or incorporation date.

The Entity's interest in the profits and losses of subsidiaries is disclosed in the "Income/(loss) from subsidiaries, associates and joint ventures" line of the Income Statement. The Entity's interest in its subsidiaries' other comprehensive income is recorded in the "Income/(loss) for the year due to interest in OCI of associates and joint ventures recorded using the equity method" line of the Statement of Other Comprehensive Income.

Transcription into the Entity's books
As of the date of these Separate Financial Statements, the analytical report and the Separate Financial Statements were in the process of being transcribed into the Inventories and Ledger book and the Banco Macro S.A. Balance Sheet as of December 31, 2020 book, respectively.

Reclassification of financial assets and liabilities – Changes to the business model
Taking into consideration the current context of volatility of domestic markets summarized in Note 42 to the Consolidated Financial Statements, during 2020, the Entity's Management has considered it convenient to update the business model related to certain investments. For greater detail, see the "Reclassification of assets and liabilities – Changes to the business model" section of Note 3 to the Consolidated Financial Statements.

Changes in standards introduced throughout the year

See Note 3 to the Consolidated Financial Statements.

New pronouncements

See Note 3 to the Consolidated Financial Statements.

4. REPO TRANSACTIONS

As of December 31, 2020 and 2019, the Entity the Entity records outstanding repurchase and reverse repurchase transactions over government and private securities for an absolute value of ARS 40,807,663 and ARS 2,845,921, respectively. The transactions outstanding as of December 2020 matured on January 2021. Furthermore, as of the aforementioned dates, the securities delivered to guarantee reverse repurchase transactions totaled ARS 695,748 and ARS 1,466,345, respectively, and were recorded under "Financial assets transferred as collateral," while securities received to guarantee repurchase transactions as of December 31, 2020 and 2019 amounted to ARS 45,125,743 and 1,648,337, respectively, and were recorded outside the balance sheet.

The profits derived by the Entity from repurchase transactions closed during the years ended December 31, 2020 and 2018 amount to ARS 7,111,237 and ARS 4,472,211, respectively, and are recorded in the Separate Income Statement under "Interest income." The losses derived by the Entity from reverse repurchase transactions closed during the years ended December 31, 2020 and 2019 amount to ARS 195,747 and ARS 458,103, respectively, and were recorded in the Separate Income Statement under "Interest expense."

5. FINANCIAL ASSETS TRANSFERRED AS COLLATERAL

As of December 31, 2020 and 2019, the Entity had transferred as collateral following financial assets:

Description	Carrying value 12/31/2020	12/31/2019
For transactions with the Argentine Central Bank	12,040,746	10,127,017
For guarantee deposits	1,474,499	2,918,195
For forward contracts on securities	695,748	1,466,345
Total	**14,210,993**	**14,511,557**

The Entity's Management believes no losses will result from the restrictions on the disposal of the foregoing financial assets.

6. CONTINGENT TRANSACTIONS

In order to meet customers' specific financial needs, the Entity's credit policy includes, among other transactions, the granting of guarantees, securities, bonds, letters of credit and documentary credits. Furthermore, there are exposures related to authorized overdrafts in checking accounts and unused purchase limits in credit cards issued by the Entity. As they involve obligations or liabilities which are contingent for the Entity, they expose the Entity to credit risks additional to the ones disclosed in the Balance Sheet and are, therefore, an integral part of the Entity's total risk. These transactions are further described in Note 6 to the Consolidated Financial Statements.

The risks related to the contingent operations specified above are assessed and controlled within the framework of the Entity's credit risk policies, mentioned in Note 41 to the Consolidated Financial Statements.

7. ADJUSTMENT OF VALUE DUE TO EXPECTED CREDIT LOSSES OVER CREDIT EXPOSURES NOT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Note 7 to the Consolidated Financial Statements details the provisions disclosed by the Entity under this item.

During the fiscal years ended on December 31, 2020 and 2019, the total income/(loss) from ECL provision for loans and other financing activities, other debt securities at amortized cost, and other financial assets total 8,008,366 and 5,827,688, respectively, recorded in the Separate Income Statement under the item "Bad debt charges."

Additionally, the evolution of the provisions for credit losses expected at sector and product level is described in Annex R "Adjustment of value – Adjustment of value due to loss – Provision for bad debts."

8. DERIVATIVES

The Entity takes part in transactions involving derivatives for trading purposes. Note 8 to the Consolidated Financial Statements contains a description of the types of transactions executed by the Entity involving derivatives, and the notional and fair values of the derivatives recorded as assets or liabilities in the Balance Sheet.

9. QUANTITATIVE AND QUALITATIVE INFORMATION ON FAIR VALUES

Note 9 to the Consolidated Financial Statements describes the methodologies and scenarios used to calculate the fair value of the financial instruments recorded at fair value in these Separate Financial Statements, and the financial instruments which were not recorded herein. It also provides relevant information on the instrument classified into level 3 of the fair value hierarchy.

Even though the Entity's Management has applied its best judgment to the estimation of the fair value of financial instruments, any estimation technique carries with it a certain inherent level of fallibility.

Fair value hierarchies

The Entity uses the following hierarchies to determine and disclose the fair value of financial instruments, depending on the valuation technique used:

- Level 1: (unadjusted) quoted prices observable for identical assets or liabilities in active markets to which the Entity has access as of the measurement date. A market is only deemed active by the Entity where sufficient trading activities are recorded in proportion to the volume or liquidity of the identical assets or liabilities, and binding and enforceable quoted prices exist as of the end of each reporting period.

- Level 2: valuation techniques in which the data and variables having a significant impact on the determination of the fair value recorded or disclosed are directly or indirectly observable. These data include the quoted prices of similar assets or liabilities in active markets, the quoted prices of identical instruments in inactive markets, and observable data other than quoted prices, such as interest rates, yield curves, implied volatilities and credit differentials. Level 2 entry data may also require adjustments depending on the specific factors of the applicable asset or liability, such as the asset's condition or location, or the extent to which entry data are linked to items comparable to the applicable asset or liability. However, where said adjustments are based on unobservable entry data which are significant for purposes of the entire measurement, the Entity classifies the applicable instruments under Level 3.

- Level 3: Valuation techniques in which the data and variables having a significant impact on the determination of the fair value recorded or disclosed are not based on observable market information.

Annex P "Categories of Financial Assets and Liabilities" describes the hierarchy as applicable to the measurement of the fair value of the Entity's financial asset and liabilities.

The table below shows a reconciliation of the balances recorded at the beginning and the end of the year for Level 3 financial assets and liabilities measured at fair value:

Description	As of December 31, 2020		
	Debt Securities	Other financial assets	Investments in equity securities
Balance at the beginning of the year	1,109,626	31,314	2,078,586
Transfers to level 3			
Transfers from level 3			
Profit and loss	207,791	9,472	133,672
Recognitions and derecognitions	(791,555)	(6,506)	17,111
Balance at year-end	**378,444**	**26,179**	**1,653,162**

Description	As of December 31, 2019		
	Debt Securities	Other financial assets	Investments in equity securities
Balance at the beginning of the year	2,703,786	190,929	88,466
Transfers to level 3			
Transfers from level 3			
Profit and loss	916,056	18,737	(153,735)
Recognitions and derecognitions	(1,742,443)	(143,266)	3,177,374 (*)
Balance at year-end	**1,109,626**	**31,314**	**2,078,586**

(*) Resulting mainly from the reclassification of non-current assets of Prisma Medios de Pago S.A. held for sale. See Note 15 to the Consolidated Financial Statements.

Note 9 to the Consolidated Financial Statements describes the valuation techniques and significant unobservable inputs used for the valuation of Level 3 Assets and Liabilities.

Changes in fair value levels

The Entity monitors the availability of market information to assess the classification of financial instruments into the different fair value hierarchies, as well as the resulting determination of transfers between levels 1, 2 and 3 at the end of each year.

As of December 31, 2020 and 2019, the Entity recorded no transfers between levels 1, 2 or 3.

Financial assets and liabilities not recorded at fair value

The table below shows a comparison between the fair value and the carrying value of financial instruments not recorded at fair value as of December 31, 2020 and 2019:

	12/31/2020				
	Carrying value	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Financial assets					
Cash and bank deposits	114,497,285	114,497,285			114,497,285
Repo transactions	40,189,091	40,189,091			40,189,091
Other financial assets	16,296,090	16,296,090			16,296,090
Loans and other financing transactions	257,394,046		22,210,308	239,959,333	239,959,333
Other debt securities	31,117,918	10,559,766		148,327	32,918,401
Financial assets transferred as collateral	13,515,245	13,515,245			13,515,245
	473,009,675	**195,057,477**	**22,210,308**	**240,107,660**	**457,375,445**
Financial liabilities					
Deposits	485,100,728	239,610,856		245,211,806	484,822,662
Repo transactions	618,572	618,572			618,572
Other financial liabilities	33,230,041	31,897,444	1,331,299		33,228,743
Financing received from the Argentine Central Bank and other financial institutions	918,879	323,872	585,419		909,291
Bonds issued	4,926,901		4,120,798		4,120,798
Subordinated bonds	34,300,292		29,103,736		29,103,736
	559,095,413	**272,450,744**	**35,141,252**	**245,211,806**	**552,803,802**

	12/31/2019				
	Carrying value	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Financial assets					
Cash and bank deposits	132,597,159	132,597,159			132,597,159
Repo transactions	1,481,096	1,481,096			1,481,096
Other financial assets	6,754,503	6,754,503			6,754,503
Loans and other financing transactions	300,309,160			264,176,063	264,176,063
Other debt securities	24,065,274	2,127,361	22,652,005	1,660,974	26,440,340
Financial assets transferred as collateral	14,511,557	13,045,212			13,045,212
	479,718,749	**156,005,331**	**22,652,005**	**265,837,037**	**444,494,373**
Financial liabilities					
Deposits	357,249,819	199,676,605		157,881,650	357,558,255
Repo transactions	1,364,825	1,364,825			1,364,825
Other financial liabilities	26,733,461	25,239,003	1,489,374		26,728,377
Financing received from the Argentine Central Bank and other financial institutions	3,057,235	2,501,414	481,067		2,982,481
Bonds issued	7,521,820		1,878,785	3,619,745	5,498,530
Subordinated bonds	33,098,040		24,967,325		24,967,325
	429,025,200	**228,781,847**	**28,816,551**	**161,501,395**	**419,099,793**

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10. LEASES

10.1 The Entity as lessee

As mentioned in Note 10.1 to the Consolidated Financial Statements, the Entity is a party to lease agreements mainly over real property classified as “Property, plant and equipment.”

Listed below are the balances of lease liabilities and the changes recorded during the year:

	2020	2019
Balance at the beginning of the year	1,241,133	816,166
Increases	380,862	664,962
Accumulated interest (see Note 27)	180,785	166,048
Valuation difference	292,007	370,981
Payments made	(560,575)	(309,124)
Monetary effects	(362,837)	(467,900)
Balance at year-end (see Note 17)	**1,171,375**	**1,241,133**

Short-term leases were recorded as expenses for the year for a total of ARS 3,538 and 151,848 as of December 31, 2020 and 2019, respectively.

The table below shows the maturities of lease liabilities as of December 31, 2020 and 2019:

Lease liabilities	Up to 1 month	1-3 months	3-6 months	6-12 months	Total up to 12 months	12-24 months	Over 24 months	Total over 12 month
As of 12/31/2020	45,413	82,082	106,416	177,788	**411,699**	250,322	509,354	**759,676**
As of 12/31/2019	45,305	87,497	119,928	196,711	**449,441**	233,434	558,258	**791,692**

10.2 The Entity as lessor

Note 10.2 to the Consolidated Financial Statements describes the transactions in which the Entity acts in a capacity as lessor.

The table below shows the reconciliation of the total gross investment on financial leases and the current value of the minimum payments receivable thereunder:

	12/31/2020		12/31/2019	
	Current minimum payment	Total gross investment	Current minimum payment	Total gross investment
Up to 1 year	81,442	103,350	217,909	267,026
1-5 years	38,154	59,291	99,193	130,822
	119,596	**162,641**	**317,102**	**397,848**

As of December 31, 2020 and 2019, non-accrued interest income amounted to ARS 43,045 and ARS 80,746, respectively.

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11. INVESTMENTS IN ASSOCIATES AND JOINT ARRANGEMENTS

The Entity's interest in associates and joint arrangements is described in Note 11 to the Consolidated Financial Statements. For more information, see Annex E "Participation in other companies" to these Separate Financial Statements.

12. OTHER FINANCIAL AND NON-FINANCIAL ASSETS

Listed below are the items in the other financial and non-financial assets accounts as of December 31, 2020 and 2019:

Other financial assets	12/31/2020	12/31/2019
Receivables from unliquidated spot sales of foreign currency	8,440,351	18,300
Sundry debtors (see Note 15)	7,128,027	6,343,291
Receivables from unliquidated sales of government securities	553,943	169,136
Private securities	192,698	31,314
Other	(18,929)	237,808
Provisions	8,440,351	(14,032)
	16,322,269	**6,785,817**

Other non-financial assets	12/31/2020	12/31/2019
Investment property (see Annex F)	773,190	778,072
Tax advances	600,979	49,557
Advanced payments	455,938	319,403
Other	144,520	97,215
	1,974,627	**1,244,247**

The disclosures regarding the ECL provision are included in Note 7 "Adjustment of values due to expected credit losses on credit exposures not measured at fair value through profit or loss."

13. RELATED PARTIES

A related party is any person or entity related to the Entity in such a form that:

- they exercise sole or joint control over the Entity;
- they have a significant influence on the Entity;
- they are a member of the key management personnel of the Entity or its controller;
- they are a member of the same group as the Entity;
- they are an associate (or an associate of a member of a group to which the Entity is a member).

Key Management Personnel means any person having the required authority and responsibility to directly or indirectly plan, direct and control the Entity's activities. The Entity deems members of the Board of Directors and Senior Managers who are members of the Risk Management Committee, the Assets and Liabilities Committee and the Senior Credit Committee to be key management personnel for purposes of IAS 24.

The following are the balances and income or loss for operations with related parties as of December 31, 2020 and 2019:

	As of December 31, 2020							
	Main subsidiaries							
	Macro Bank Limited	Macro Securities S.A.	Macro Fondos S.G.F.C.I.S.A.	Argenpay S.A.U.	Associ-ates	Key man-agement personnel (1)	Other related parties	Total
ASSETS								
Cash and Bank Deposits	674							674
Repo transactions		767,386						767,386
Loans and other financing transactions (2)								
Checks							1,528	1,528
Advances						32,754	406,418	439,172
Credit cards						45,318	4,933	50,251
Leases		1,034					5,223	6,257
Personal loans						11,651		11,651
Mortgage loans						84,173		84,173
Other loans		711,777					380,489	1,092,266
Guarantees granted							831,701	831,701
Total Assets	**674**	**1,480,197**				**173,896**	**1,630,292**	**3,285,059**
LIABILITIES								
Deposits	7	671,420	130,614	56,976	43,339	496,701	793,760	2,192,817
Other financial liabilities		15,615				149	8,367	24,131
Other non-financial liabilities							11,423	11,423
Total Liabilities	**7**	**687,035**	**130,614**	**56,976**	**43,339**	**496,850**	**813,550**	**2,228,371**
INCOME/(LOSS)								
Interest income		47,019				60,479	599,224	706,722
Interest expense		(627)			(8,864)	(892,558)	(737,557)	(1,639,606)
Commission income		10,737	307		89	142	7,402	18,677
Commission expense						(135)	(235)	(370)
Net income/(loss) due to measurement of financial instruments at fair value through profit or loss							17,861	17,861
Other operating income	4			1			23	28
Bad debt charges		(6,886)						(6,886)
Administrative expenses							(167,219)	(167,219)
Other operating expenses							(76,761)	(76,761)
Total income/(loss)	**4**	**50,243**	**307**	**1**	**(8,775)**	**(832,072)**	**(357,262)**	**(1,147,554)**

(1) Includes close relatives of Key Management Personnel.

(2) The maximum balance for loans and other financing transactions as of December 31, 2020 for Macro Securities S.A., Key Management Personnel and Other related parties was ARS 714,987, ARS 987,790 and ARS 4,673,348, respectively.

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	As of December 31, 2019							
	Main subsidiaries							
	Macro Bank Limited	Macro Securities S.A.	Macro Fondos S.G.F.C.I.S.A.	Argenpay S.A.U.	Associates	Key management personnel (1)	Other related parties	Total
ASSETS								
Cash and Bank Deposits	653							653
Other financial assets		160,385						160,385
Loans and other financing transactions (2)								
Checks							749,363	749,363
Advances						905,886	1,444,551	2,350,437
Credit cards						43,188	32,082	75,270
Leases		4,607					9,326	13,933
Mortgage loans						65,386		65,386
Other loans							455,560	455,560
Guarantees granted							777,992	777,992
Total Assets	**653**	**164,992**				**1,014,460**	**3,468,874**	**4,648,979**
LIABILITIES								
Deposits	15	1,226,167	114,383	1,623	31,201	17,699,828	552,043	19,625,260
Other financial liabilities						112	7,618	7,730
Total Liabilities	**15**	**1,226,167**	**114,383**	**1,623**	**31,201**	**17,699,940**	**559,661**	**19,632,990**
INCOME/(LOSS)								
Interest income		13,000				102,071	288,934	404,005
Interest expense					(4,865)	(1,193,969)	(339,743)	(1,538,577)
Commission income		760	259		262	39	7,449	8,769
Net income/(loss) due to measurement of financial instruments at fair value through profit or loss						(54,322)	(283,860)	(338,182)
Other operating income	5						43	48
Administrative expenses							(53,669)	(53,669)
Other operating expenses							(139,868)	(139,868)
Total income/(loss)	**5**	**13,760**	**259**		**(4,603)**	**(1,146,181)**	**(520,714)**	**(1,657,474)**

(1) Includes close relatives of Key Management Personnel.

(2) The maximum balance for loans and other financing transactions as of December 31, 2019 for Macro Securities S.A., Key Management Personnel and Other related parties was ARS 7,063, ARS 1,077,555, and ARS 4,899,400, respectively.

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The interest rates, prices and required guarantees for transactions completed by the Entity with its related parties in the ordinary course of business were in line with normal market conditions.

The Entity has granted no loans guaranteed by shares to Directors and other Key Management Personnel.

Total remunerations paid as wages and bonuses to Key Management Personnel as of December 31, 2020 and 2019 amounted to ARS 293,965 and ARS 297,595, respectively.

Additionally, Directors' remunerations as of December 31, 2020 and 2019 amounted to ARS 1,663,796 and ARS 2,256,387, respectively.

The composition of the Board of Directors and Key Management Personnel is as follows:

	12/31/2020	12/31/2019
Board of Directors	13	14
Senior Managers classified as Key Management Personnel	11	10
	24	**24**

14. MODIFIED FINANCIAL ASSETS

Note 14 to the Consolidated Financial Statements describes the financial assets modified throughout the fiscal year and their new carrying value. The net income or loss from the modification is detailed in Note 27.

15. INVESTMENTS IN EQUITY SECURITIES – PRISMA MEDIOS DE PAGO S.A.

The Entity's interest in Prisma Medios de Pagos S.A. as of December 31, 2020 and 2019 is detailed in Note 15 to the Consolidated Financial Statements.

16. PROVISIONS

Provisions include the estimated amounts required to face probable liabilities which, if incurred, would result in a loss for the Entity.

Annex J "Changes in Provisions" shows the evolution of provisions throughout the years ended December 31, 2020 and 2019.

The terms within which these obligations are expected to be settled are detailed in Note 16 to the Consolidated Financial Statements.

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17. OTHER FINANCIAL AND NON-FINANCIAL LIABILITIES

The tables below show the Entity's financial and non-financial liabilities as of December 31, 2020 and 2019:

Other financial liabilities	12/31/2020	12/31/2019
Credit and debit card obligations	17,203,560	18,351,431
Payables from unliquidated spot purchases of foreign currency	8,449,971	31,488
Unliquidated payment orders from foreign trade transactions	3,073,105	2,789,684
Amounts collected on behalf of third parties	1,413,544	2,141,311
Financial leases payable (see Note 10.1)	1,171,375	1,241,133
Payables from other unliquidated spot purchases of government bonds	436,167	18,612
Payables from other unliquidated spot sales		36,077
Other	1,482,319	2,123,725
	33,230,041	**26,733,461**

Other non-financial liabilities	12/31/2020	12/31/2019
Dividends payable (see Note 39)	16,579,990	
Wages, bonuses and social security contributions payable (see Note 38.1)	4,830,318	4,976,927
Withholdings and levies	4,121,280	3,137,113
Taxes payable	1,788,389	2,580,254
Sundry creditors - provision of goods and services	1,402,590	1,288,915
Fees payable	476,385	646,757
Payment orders for unliquidated social security contributions	409,534	452,047
Other	597,481	632,190
	30,205,967	**13,714,203**

18. EMPLOYEE BENEFITS PAYABLE

The table below shows the employee benefits payable as of December 31, 2020 and 2019:

Short-term benefits	12/31/2020	12/31/2019
Wages, bonuses and social security contributions payable	2,566,249	3,156,100
Provision for vacation pay	2,264,069	1,820,827
	4,830,318	**4,976,927**

As of December 31, 2020 and 2019, the Entity granted no long-term or post-employment benefits.

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19. ANALYSIS OF FINANCIAL ASSETS TO BE RECOVERED AND FINANCIAL LIABILITIES TO BE SETTLED

The following tables show an assessment of the financial assets and liabilities the Entity expected to recover and settle as of December 31, 2020 and 2019:

12/31/2020	Without due date	Up to 1 month	1-3 months	3-6 months	6-12 months	Total up to 12 months	12-24 months	More than 24 months	Total over 12 months
Assets									
Cash and Bank Deposits	**114,497,285**								
Debt securities at fair value through profit or loss	**2,354**	17,427,585	11,276,647	90,669	22,306,897	**51,101,798**	667,796	1,414,621	**2,082,417**
Derivatives		1,107	6,125			**7,232**			
Repo transactions		40,189,091				**40,189,091**			
Other financial assets	**1,451,380**	10,369,912	45,334	269,908		**10,685,154**		4,185,735	**4,185,735**
Loans and other financing transactions [(1)]	**625,948**	88,997,093	23,930,686	32,042,691	33,177,594	**178,148,064**	27,818,852	50,801,182	**78,620,034**
Other debt securities		128,717,832	2,792,467	17,533,158	32,632,409	**181,675,866**	20,305,725	2,154,508	**22,460,233**
Financial assets transferred as collateral	**13,515,245**	695,748				**695,748**			
Investments in equity securities	**1,662,890**								
Total Assets	**131,755,102**	**286,398,368**	**38,051,259**	**49,936,426**	**88,116,900**	**462,502,953**	**48,792,373**	**58,556,046**	**107,348,419**
Liabilities									
Deposits	**234,903,692**	199,447,955	43,211,475	5,107,058	2,409,127	**250,175,615**	20,547	874	**21,421**
Derivatives		42	188			**230**			
Repo transactions		618,572				**618,572**			
Other financial liabilities		31,891,021	130,099	120,922	311,200	**32,453,242**	262,771	514,028	**776,799**
Financing received from the Argentine Central Bank and other financial institutions		418,834	194,054	195,387	72,033	**880,308**	33,469	5,102	**38,571**
Bonds issued		169,927		2,379,278		**2,549,205**	2,377,696		**2,377,696**
Subordinated bonds				642,292		**642,292**		33,658,000	**33,658,000**
Total Liabilities	**234,903,692**	**232,546,351**	**43,535,816**	**8,444,937**	**2,792,360**	**287,319,464**	**2,694,483**	**34,178,004**	**36,872,487**

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12/31/2019	Without due date	Up to 1 month	1-3 months	3-6 months	6-12 months	Total up to 12 months	12-24 months	More than 24 months	Total over 12 months
Assets									
Cash and Bank Deposits	**132,597,159**								
Debt securities at fair value through profit or loss		680,753	317,118	92,178	62,435	**1,152,484**	5,378,093	499,429	**5,877,522**
Derivatives		69,003				**69,003**			
Repo transactions		1,481,096				**1,481,096**			
Other financial assets	**3,316,592**	1,446,626	2,949	387,485		**1,837,060**		1,632,165	**1,632,165**
Loans and other financing transactions (1)	**3,978,589**	124,261,084	29,740,732	20,333,701	22,627,214	**196,962,731**	36,406,782	62,961,058	**99,367,840**
Other debt securities		62,829,666	4,539,709	4,817,769	13,620,806	**85,807,950**	249,832	653,909	**903,741**
Financial assets transferred as collateral	**13,045,212**	1,466,345				**1,466,345**			
Investments in equity securities	**2,091,317**								
Total Assets	**155,028,869**	**192,234,573**	**34,600,508**	**25,631,133**	**36,310,455**	**288,776,669**	**42,034,707**	**65,746,561**	**107,781,268**
Liabilities									
Deposits	**193,717,578**	123,518,528	34,293,022	4,374,131	1,276,135	**163,461,816**	56,294	14,131	**70,425**
Derivatives		399,076	464,440	183,040		**1,046,556**			
Repo transactions		1,364,825				**1,364,825**			
Other financial liabilities		25,240,211	129,844	137,026	221,818	**25,728,899**	422,478	582,084	**1,004,562**
Financing received from the Argentine Central Bank and other financial institutions		1,398,756	1,111,838	185,384	107,985	**2,803,963**	200,761	52,511	**253,272**
Bonds issued		257,208		83,306		**340,514**	3,313,662	3,867,644	**7,181,306**
Subordinated bonds				481,479		**481,479**		32,616,561	**32,616,561**
Total Liabilities	**193,717,578**	**152,178,604**	**35,999,144**	**5,444,366**	**1,605,938**	**195,228,052**	**3,993,195**	**37,132,931**	**41,126,126**

(1) Balances in the "Without due date" column are for assets and liabilities in the non-performing portfolio.

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20. INFORMATION BY SEGMENTS

The Entity focuses on its banking business, which is described in Note 20 to the Consolidated Financial Statements.

21. INCOME TAX

a) Tax adjustments due to inflation and corporate income tax rate.

Note 21 to the Consolidated Financial Statements summarizes the regulatory aspects regarding the tax adjustments due to inflation as well as the corporate income tax rate.

b) Main deferred tax components

This tax must be recorded using the liability method, disclosing (as a credit or debt) the tax effects of the temporary differences between the carrying value of an asset or liability and its tax base, and must be subsequently recorded as either income or loss for the fiscal year in which such differences are reversed, without disregarding the possibility of using tax losses in the future.

The deferred tax assets and liabilities recorded in the Balance Sheet are as follows:

	12/31/2020	12/31/2019
Deferred tax assets		
Loans and other financing transactions	1,732,475	375,314
Provisions and employee benefits	585,922	525,594
Contingency provisions	365,174	594,761
Leases	106,147	82,274
Deferred tax adjustment due to inflation		7,290,439
Other	151,207	407,270
Total de Deferred tax assets	**2,940,925**	**9,275,652**
Deferred tax liabilities		
Property, plant and equipment and other non-financial assets	6,807,577	7,058,846
Intangible assets	1,377,624	1,320,697
Income/loss from forward sales	511,718	317,513
Investments in other companies	395,080	521,512
Other	140,169	275,588
Total Deferred tax liabilities	**9,232,168**	**9,494,156**
Net deferred tax assets/(liabilities)	**(6,291,243)**	**(218,504)**

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The evolution of net deferred income tax assets and liabilities as of December 31, 2020 and 2019 is as follows:

	12/31/2020	12/31/2019
Net deferred tax liabilities at the beginning of the year	218,504	4,836,417
Deferred tax (loss)/profit disclosed as income	(6,072,739)	4,670,654 (*)
Other tax effects		(52,741)
Net deferred tax liabilities at year-end	**6,291,243**	**218,504**

(*) Includes the effect explained in items a) and c) of this Note. The entire evolution of deferred tax for the year is recorded in the Consolidated Income Statement, and has no impact on the Separate Statement of Other Comprehensive Income.

The income tax charges disclosed in the Income Statement and the Statement of Other Comprehensive Income is different from the income tax that would have been recorded had all income been taxed at the rate currently in force.

The main components of the income tax expense are the following:

	12/31/2020	12/31/2019
Current income tax expense (*)	4,078,947	17,621,330
Deferred income tax loss / (profit)	6,072,739	(4,670,654)
Other tax effects		52,741
Monetary effect	1,724,364	3,764,802
Income tax expense disclosed as income	11,876,050	16,768,219
Income tax loss disclosed as other comprehensive income	172,407	152,685
	12,048,457	**16,920,904**

(*) The current income tax expense for the year 2020 includes the effects of adopting the criterion explained in item c) of this Note.

The table below shows the reconciliation of the income tax charges and the amounts calculated by applying the tax rate in force in Argentina to the income for the year:

	12/31/2020	12/31/2019
Income for the year before income tax	42,145,042	43,244,187
Income tax rate	30%	30%
Income tax for the year	12,643,513	12,973,256
Net permanent differences and other tax effects, including tax adjustments due to inflation	(767,463)	3,794,963
Total income tax	**11,876,050**	**16,768,219**

As of December 31, 2020 and 2019, the effective income tax rate was 28.2 percent and 38.8 percent, respectively.

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c) Pursuant to the decisions adopted in the Board of Directors' meeting held on May 11, 2020, and taking in account case law on this matter assessed by our legal and tax advisors, the annual income tax return filed by the Entity with the Federal Public Revenue Administration (AFIP, for its Spanish acronym) on May 26 disclosed the total effect of tax inflation adjustment (see Section a) iv) of Note 21 to the Consolidated Financial Statements). As a result, the current income tax determined by the Entity for the fiscal year 2019 amounted to ARS 7,002,124 (non-restated amount). The same criterion has been applied for the 2020 current income tax annual provision, which amounted to ARS 10,230,500 (non-restated amount) by way of income tax to be paid by Banco Macro SA for said fiscal year.

Additionally, on October 24, 2019, the Entity Additionally, on October 24, 2019, Banco Macro S.A. brought two actions for recovery before the AFIP-DGI within the terms of paragraph 1 of Art. 81 of Law 11683 seeking the reimbursement of ARS 4,782,766 and ARS 5,015,451 (non-restated amounts) unduly paid to the Tax Authority by way of Income Tax for the fiscal years 2013 to 2017 and 2018, respectively, given the impossibility of applying the inflation update and adjustment mechanism provided for in the Income Tax Act. See also Note 21.d) to the Consolidated Financial Statements.

22. COMMISSION INCOME

Items	12/31/2020	12/31/2019
Performance obligations discharged in a single act		
Commissions from bonds	12,994,182	15,156,780
Commissions from cards	8,410,516	8,075,227
Commissions from insurances	1,601,339	1,591,978
Commissions from foreign trade and exchange transactions	536,763	620,678
Commissions from credits	180,743	217,173
Commissions from securities	136,986	153,829
Commissions from financial guarantees granted	1,159	5,408
Performance obligations discharged over a certain period of time		
Commissions from cards	427,955	361,896
Commissions from foreign trade and exchange transactions	41,900	46,232
Commissions from bonds	843	3,873
Commissions from credits	732	14,562
Commissions from financial guarantees granted	1	3,027
	24,333,119	**26,250,663**

23. GOLD AND FOREIGN CURRENCY EXCHANGE RATE DIFFERENCES

Items	12/31/2020	12/31/2019
Income/(loss) from the translation of assets and liabilities denominated in foreign currencies into Argentine pesos	3,077,452	(348,432)
Income/(loss) from the purchase and sale of foreign currencies	951,934	4,955,089
	4,029,386	**4,606,657**

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24. OTHER OPERATING INCOME

Items	12/31/2019	12/31/2018
OCI from services	2,182,232	2,071,714
OCI from other credits from financial intermediation	509,248	
Other adjustments and interest under various credits	722,473	855,246
OCI from the derecognition or substantial modification of financial assets	228,983	556,936
Adjustments due to miscellaneous credits with CER clauses	176,133	216,298
OCI from the sale of property, plant and equipment	6,279	
OCI from the sale of noncurrent assets held for sale (1)		4,490,457
OCI from the initial recording of loans		163,172
Other	847,573	1,406,006
	4,672,921	**9,759,829**

(1) Mainly from the sale of Prisma Medios de Pago S,A, classified at the moment of sale as noncurrent assets available for sale, See also Note 15,

25. EMPLOYEE BENEFITS

Items	12/31/2020	12/31/2019
Wages	19,447,340	19,763,908
Social security contributions	4,346,890	5,800,750
Compensations and bonuses	1,828,780	2,311,770
Employee services	556,950	665,608
	26,179,960	**28,542,036**

26. ADMINISTRATIVE EXPENSES

Items	12/31/2020	12/31/2019
Maintenance, preservation and repair expenses	2,249,204	2,316,872
Armored car services, documents and events	2,039,249	2,306,981
Taxes	1,822,350	2,031,008
Remunerations of Directors and Statutory Auditors	1,579,584	2,784,754
Electricity and communications	1,527,089	1,611,507
Security services	1,414,620	1,612,060
Software expenses	1,067,755	1,112,284
Other fees	850,793	1,323,880
Advertising and publicity	422,056	643,716
Insurances	167,460	161,601
Representation, travel and transportation expenses	116,933	240,352
Stationary and office supplies	90,629	137,984
Leases	89,442	303,373
Outsourced management services	3,266	5,921
Other	911,639	632,348
	14,352,069	**17,224,641**

27. OTHER OPERATING EXPENSES

Items	12/31/2020	12/31/2019
Turnover tax	11,189,680	13,871,275
Cards	4,553,624	4,990,875
Charges for other provisions	1,121,883	1,949,146
Deposit Guarantee Fund contributions	739,624	784,007
Tax expenses	533,333	1,673,728
Interest on lease liabilities (see Note 10.1)	180,785	166,048
Donations	168,127	379,853
Loss due to sale or depreciation of investment properties and other non-financial assets	85,135	155,959
Insurance claims	63,090	81,133
Charges for contracts for pecuniary interest	7,366	
Refinancing of financial assets (see Note 14)		3,902,110
Losses due to the sale or depreciation of property, plant and equipment		61,294
Charges for administrative, disciplinary and criminal penalties		91
Other	1,685,016	2,003,812
	20,327,663	**30,019,331**

28. ADDITIONAL INFORMATION ON THE CASH FLOW STATEMENT

The Cash Flow Statement presents the changes in cash and cash equivalents from operating activities, investment activities and financing activities throughout the year. The Cash Flow Statement was prepared by the Entity using the indirect method for Operating Activities and the direct method for Investment Activities and Financing Activities.

The Entity discloses as "Cash and cash equivalents" both Cash and Bank Deposits and any financial assets that are readily convertible to known amounts of cash which are exposed to an insignificant risk of changes in value.

The Entity prepares the Cash Flow Statement taking into account the following activities:

- Operating activities: activities normally undertaken by the Entity, as well as other activities that cannot be classified as either investment or financing activities.
- Investment activities: acquisition, sale or disposal, by any other means, of long-term assets and other investments not disclosed as cash and cash equivalents.
- Financing activities: activities that result in changes to the size and composition of shareholders' equity and liabilities, and are not operating or investing activities.

The table below shows the reconciliation between the "Cash and cash equivalents" account in the Cash Flow Statement and the relevant accounts in the Balance Sheet:

	12/31/2020	12/31/2019	12/31/2018
Cash and bank deposits	114,497,285	132,597,159	154,517,208
Other debt securities	128,675,720	62,532,257	115,331,992
	243,173,005	**195,129,416**	**269,849,200**

29. CAPITAL STOCK

The structure of the Entity's capital stock is described in Annex K "Structure of the Entity's capital stock" to these Separate Financial Statements.

Additionally, Note 29 to the Consolidated Financial Statements describes the changes to the Entity's capital stock.

30. DEPOSIT GUARANTEE INSURANCE

Note 31 to the Consolidated Financial Statements describes the Deposit Guarantee Insurance System and its scope.

Pursuant to Argentine Central Bank's Communication "B" 11681, of February 27, 2020, Banco Macro S.A. holds an 8.9440 percent interest in the Entity's capital stock.

31. RESTRICTED ASSETS

As of December 31, 2020 and 2019 the Entity held the following restricted assets:

Items	12/31/2020	12/31/2019
Debt securities at fair value through profit or loss and other debt securities		
Discount bonds in ARS governed by Argentine laws maturing in 2033, delivered as collateral to Sedesa [1]	146,459	131,191
Argentine Treasury Bonds denominated in ARS adjusted by CER 1% maturing in 2021 as of December 31, 2020 and Discount bonds in ARS governed by Argentine laws maturing in 2033 as of December 31, 2019, delivered as collateral under the Industry Credit Program of the Province of San Juan. Industrial investment financing fund	61,180	205,446
Argentine Treasury Bonds denominated in ARS adjusted by CER 1% maturing in 2021 as of December 31, 2020 and Discount bonds in ARS governed by Argentine laws maturing in 2033, delivered as collateral under the Regional Economy Competitiveness Program - IDB Loan No. 3174/OC-AR	39,368	159,736
Discount bonds in ARS governed by Argentine laws maturing in 2033, comprising the minimum balancing entry required for Agents to act within the new categories provided for under CNV Resolution No. 622/132, as amended	32,926	29,493
Argentine Treasury Letters in ARS maturing on January 29, 2021, delivered as collateral for MAE transactions Secured Futures CPC2	19,600	
Argentine Treasury Bonds in ARS adjusted by CER 1% maturing in 2021 for the contribution to the Guarantee Fund II in BYMA under Section 45 of Act No. 26,831, as regulated, established in the CNV Rules (INT 2013, as amended)	3,192	
Discount bonds in ARS governed by Argentine laws maturing in 2033, delivered as collateral for IDB loan No. 2763/OC-AR granted to the Province of San Juan		4,676
Subtotal Debt securities at fair value through profit or loss and other debt securities	**302,725**	**530,542**
Other financial assets		
Sundry debtors - Attachment imposed as part of the claim brought by the Tax Authority of the City of Buenos Aires due to turnover tax differences	827	1,126
Subtotal Other financial assets	**827**	**1,126**
Loans and other financing transactions - Non-financial private sector and persons domiciled abroad		
Interests derived from contributions in a capacity as sponsoring partner [2]	260,000	
Subtotal Loans and other financing transactions	**260,000**	
Financial assets transferred as collateral		
Special guarantee checking accounts opened with the Argentine Central Bank for transactions with electronic clearing houses and similar entities	12,040,746	10,127,017
Guarantee deposits for credit and debit card transactions	1,317,869	1,098,128
For forward contracts on securities	695,748	1,466,345
Other guarantee deposits	156,630	1,820,067
Subtotal Financial assets transferred as collateral	**14,210,993**	**14,511,557**
Other non-financial assets		
Real property linked to call options launched	216,420	436,648
Subtotal Other non-financial assets	**216,420**	**436,648**
Total	**14,990,965**	**15,479,873**

(1) To replace the preferred shares of the former Nuevo Banco Bisel S.A., securing to Sedesa the payment and fulfillment of all outstanding obligations under the purchase and sale agreement of May 28, 2007, expiring on August 11, 2021.

(2) As of December 31, 2020, contributions have been made to the risk fund Fintech S.G.R. and Garantizar S.G.R. In order to retain the resulting tax benefits, this contribution must be maintained for two to three years as from the date in which it was made.
Additionally, on November 9, 2020, the Entity paid ARS 12,638 for the option to increase up to 24.99 percent the its interest percentage in the capital stock of Fintech S.G.R.

32. TRUST ACTIVITIES

Note 33 to the Consolidated Financial Statements describes the different trust agreements to which the Entity is a party, classified depending on the business goal pursued by the Entity in each case, which are described below:

32.1 Financial trusts for investment purposes

As of December 31, 2020 and 2019, the debt securities for investment purposes and financial trust participation certificates for the purposes of investment amounted to ARS 568,961 and ARS 2,637,016, respectively.

According to the latest accounting information available as of the date of these Separate Financial Statements, the value of trust assets exceeds their carrying value in the applicable proportions.

32.2 Trusts settled with financial assets transferred by the Entity

According to the latest accounting information available as of the date of these Separate Financial Statements, as of December 31, 2020 and 2019, the assets held under this type of trusts, managed through Macro Fiducia S.A., amounted to ARS 6,641 and ARS 12,462, respectively.

32.3 Trusts guaranteeing loans granted by the Entity

According to the latest accounting information available as of the date of these Separate Financial Statements, as of December 31, 2020 and 2019, the assets managed by the Entity amounted to ARS 2,061,643 and ARS 1,397,282, respectively.

32.4 Trusts in which the Entity acts in a capacity as trustee (management)

According to the latest accounting information available as of the date of these Separate Financial Statements, as of December 31, 2020 and 2019, the assets managed by the Entity amounted to ARS 2,379,972 and 2,646,452, respectively.

33. COMPLIANCE WITH CNV REGULATIONS

Given Banco Macro S.A.'s current operations, and the different categories of agents established by CNV regulations (as restated by General Resolution No. 622/2013 and amended), the Entity is registered with the CNV as an Escrow Agent of Mutual Fund Collective Investment Products (AC PIC FCI), a Depository Company, a Clearing and Settlement Agent (ALyC), a Comprehensive Trading Agent (AN), a Trust Agent (FF) and a Guarantee Entity (registration pending). Note 34.3 to the Consolidated Financial Statements describes the interests subscribed for by third parties and the assets held in escrow by the Entity in its capacity as a depository company.

Additionally, as of December 31, 2020, the shareholders' equity of Banco Macro S.A., in Units of Purchasing Power, amounts to 2,305,704,726, and exceeds the minimum amount required by the aforementioned regulations for agents registered in the categories listed above, which amounted to 710,175 Units of Purchasing Power as of that date and consists of government bonds, as detailed in Note 31 to these Separate Financial Statements, and funds deposited with the Argentine Central Bank in accounts No. 000285 and 80285, held by the Entity.

Moreover, Note 34.2 to the Consolidated Financial Statements describes the general policy for the safekeeping of documents, and lists the information delivered to third parties for safekeeping.

34. ACCOUNTS EVIDENCING COMPLIANCE WITH MINIMUM CASH REQUIREMENTS

The assets settled by the Entity to meet the minimum cash requirements in force as of December 2020 are listed in Note 35 to the Consolidated Financial Statements.

35. PENALTIES APPLIED TO THE FINANCIAL INSTITUTION AND SUMMARY PROCEEDINGS COMMENCED BY THE ARGENTINE CENTRAL BANK

Note 36 to the Consolidated Financial Statements describes the penalties applied and summary proceedings commenced by the Argentine Central Bank against the Entity, classified as:

- Summary proceedings commenced by the Argentine Central Bank
- Penalties imposed by the Argentine Central Bank
- Penalties imposed by the Financial Information Unit

The Entity's Board of Directors and its legal advisors estimate that no significant accounting effects will result from these proceedings, other than the ones mentioned above.

36. ISSUANCE OF CORPORATE BONDS

Note 37 to the Consolidated Financial Statements describes the corporate bond liabilities recorded by the Entity as of December 31, 2020 and 2019, under the terms and for the amounts disclosed therein.

37. OFF-BALANCE SHEET TRANSACTIONS

In addition to the transactions described in Note 6, the Entity records different off-balance sheet transactions in accordance with the regulations issued by the Argentine Central Bank. The table below shows the balances of the main off-balance sheet transactions as of December 31, 2020 and 2019:

Item	12/31/2020	12/31/2019
Government and private securities, and other assets owned by third parties held in custody	159,203,110	92,920,099
Preferred and other guarantees received (1)	84,475,916	75,613,250
Checks pending debit	7,536,159	10,919,866
Checks pending clearance	3,818,869	4,107,423

(1) Guarantees securing loans and other financing transactions under the applicable rules in force.

38. TAX AND OTHER CLAIMS

38.1. Tax claims

Note 39.1. to the Consolidated Financial Statements describes the most relevant ongoing claims filed by the AFIP and other competent local tax authorities.

In the opinion of the Entity's Board of Directors and legal and tax advisors, no significant effects other than the ones disclosed in the financial statements are likely to result from the final decisions to be entered on the aforementioned claims.

38.2 Other claims

Note 39.2. to the Consolidated Financial Statements describes the most relevant ongoing claims filed by different consumer associations.

In the opinion of the Entity's Board of Directors and legal advisors, no significant effects other than the ones disclosed in the financial statements are likely to result from the final decisions to be entered on the aforementioned claims.

39. RESTRICTION ON THE DISTRIBUTION OF PROFITS

Note 40 to the Consolidated Financial Statements describes the main regulations restricting the distribution of profits.

As of December 31, 2020, the adjustments to be made to unallocated profits of Banco Macro S.A. are as follows:

i. Debit balances of the items disclosed under "Other Comprehensive Income": ARS 5,691,362.
ii. Net positive difference between amortized cost and fair value: ARS 9,786.
iii. Income by application of the IFRSs for the first time, included in the special reserve fund: ARS 7,279,036

40. CAPITAL MANAGEMENT, CORPORATE GOVERNANCE TRANSPARENCY AND RISK MANAGEMENT POLICIES

Note 41 to the Consolidated Financial Statements describes the Entity's main Capital Management, Corporate Governance transparency policy and Risk Management guidelines.

41. CHANGES IN THE MACROECONOMIC CONDITIONS OF THE FINANCIAL AND CAPITAL MARKETS

The international and Argentine macroeconomic environment in which the Entity operates and its impact on the Entity are described in Note 42 to the Consolidated Financial Statements.

42. EFFECTS OF THE CORONAVIRUS (COVID-19) OUTBREAK

In early March 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak as a pandemic. The emergency situation affecting public health expanded virtually to the whole world and the countries have taken various measures to deal with it. This situation and the measures taken have significantly affected the international economic activity with various impacts on the different countries and business sectors, and are detailed in Note 43 to the Consolidated Financial Statements.

43. EVENTS THAT OCCURRED AFTER THE REPORTING PERIOD

No significant events occurred between the end of the fiscal year and the issuance of these Separate Financial Statements which may materially affect the Entity's financial position or income for the year, other than the ones disclosed in these Separate Financial Statements.

GOVERNMENT AND PRIVATE SECURITIES AS OF DECEMBER 31, 2020 AND 2019

ANNEX A

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

		Holding				Position		
		12/31/2020			12/31/2019	12/31/2020		
Name	ID	Fair value	Fair value level	Carrying value	Carrying value	Position without options	Options	Final position
OTHER DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS								
- Argentine								
Government securities								
Argentine Treasury Bills at a discount in ARS - Mat. 01-29-2021	5381		1	17,049,960		17,245,960		17,245,960
Argentine Treasury Bills at a discount in ARS - Mat. 02-26-2021	5385		1	11,273,975		11,773,723		11,773,723
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 07-22-2021	5315		1	9,451,341	5,341,210	10,139,533		10,139,533
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 08-05-2021	5359		1	7,188,287		7,549,484		7,549,484
Argentine Treasury Bonds in ARS BADLAR + 100PB - Mat. 08-05-2021	5360		1	5,658,855		5,658,855		5,658,855
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 03-25-2023	5492		1	796,557		796,557		796,557
Argentine Bonds in ARS – Private Badlar + 200 PBS. - Mat. 04-03-2022	5480		1	533,627	3,296	533,627		533,627
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 11-09-2026	5925		1	314,671		314,671		314,671
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 03-25-2024	5493		1	252,086		252,086		252,086
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 03-18-2022	5491		1	117,164		117,164		117,164
Other				171,602	575,873	171,602		171,602
Subtotal Argentine government securities				**52,808,125**	**5,920,379**	**54,553,262**		**54,553,262**

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General Manager

Delfín Jorge Ezequiel Carballo
President

Name	ID	Holding				Position		
		12/31/2020			12/31/2019	12/31/2020		
		Fair value	Fair value level	Carrying value	Carrying value	Position without options	Op-tions	Final position
Private securities								
Trust Debt Securities issued by Fideicomiso Financiero Surcos			3	249,107	143,368	249,107		249,107
Trust Debt Securities issued by Fideicomiso Financiero Secubono			3	126,983	92,945	126,983		126,983
Securities issued by utility companies			3	2,354	2,371	2,354		2,354
Trust Debt Securities issued by Fideicomiso Financiero Consubond					482,369			
Trust Debt Securities issued by Fideicomiso Financiero Agrocap					129,091			
Trust Debt Securities issued by Fideicomiso Financiero Secubono S191 CL.A - Mat. 06-29-2020	54375				114,820			
Trust Debt Securities issued by Fideicomiso Financiero Chubut Regalías Hidrocarburíferas - Mat. 07-01-2020	36425				41,105			
Trust Debt Securities issued by Fideicomiso Financiero Secubo-no S189A - Mat. 03-30-2020	54228				30,220			
Trust Debt Securities issued by Fideicomiso Financiero Secubono S191 CL.B - Mat. 07-28-2020	54376				16,421			
Trust Debt Securities issued by Fideicomiso Financiero Secubono S190 CL.A - Mat. 04-28-2020	54318				15,206			
Other					41,711			
Subtotal private Argentine securities				**378,444**	**1,109,627**	**378,444**		**378,444**
TOTAL DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				**53,186,569**	**7,030,006**	**54,931,706**		**54,931,706**

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		Holding				Position		
		12/31/2020			12/31/2019	12/31/2020		
Name	ID	Fair value	Fair value level	Carrying value	Carrying value	Position without options	Options	Final position
OTHER DEBT SECURITIES At fair value through OCI - Argentine								
Government securities								
Argentine Treasury Bonds in ARS BADLAR + 100PB - Mat. 08-05-2021	5360		1	19,275,639		19,275,639		19,275,639
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 07-22-2021	5315		1	8,941,173		8,941,173		8,941,173
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 04-17-2021	5494		1	8,601,842		8,601,842		8,601,842
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 08-05-2021	5359		1	3,419,978		3,419,978		3,419,978
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 03-25-2023	5492		1	1,039,269		1,039,269		1,039,269
Argentine Treasury Bills at variable rate in ARS- Mat. 03-31-2021	5388		1	986,265		986,265		986,265
Dollar-linked Argentine Treasury Bonds - Mat. 11-30-2021	5498		1	900,540		900,540		900,540
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 03-25-2024	5493		1	875,759		875,759		875,759
Neuquén Province Treasury Billls S.1 C.1 - Mat. 04-07-2021	42263		1	264,546		264,546		264,546
Argentine Bonds in ARS – Private Badlar + 200 PBS. - Mat. 04-03-2022	5480		1	32,945		32,945		32,945
Other				4,505	114,160	4,505		4,505
Subtotal Argentine government securities				**44,342,461**	**114,160**	**44,342,461**		**44,342,461**

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GOVERNMENT AND PRIVATE SECURITIES AS OF DECEMBER 31, 2020 AND 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

		Holding				Position		
		12/31/2020			12/31/2019	12/31/2020		
Name	ID	Fair value	Fair value level	Carrying value	Carrying value	Position without options	Options	Final position
Argentine Central Bank Bills								
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-21-2021			2	21,218,562		21,218,562		21,218,562
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-12-2021			1	19,732,940		19,732,940		19,732,940
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-28-2021			2	18,420,266		18,420,266		18,420,266
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-19-2021			1	17,642,322		17,642,322		17,642,322
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-05-2021			1	15,109,347		15,109,347		15,109,347
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-26-2021			1	13,603,450		13,603,450		13,603,450
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-14-2021			2	12,025,981		12,025,981		12,025,981
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-07-2021			2	10,922,852		10,922,852		10,922,852
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-03-2020					20,124,827			
Argentine Central Bank Liquidity Bills in ARS - Mat. 01-07-2020					15,394,929			
Otros					27,012,501			
Subtotal Argentine Central Bank Bills				**128,675,720**	**62,532,257**	**128,675,720**		**128,675,720**
Total Other debt securities at fair value through OCI				**173,018,181**	**62,646,417**	**173,018,181**		**173,018,181**

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		Holding				Position		
		12/31/2020			12/31/2019	12/31/2020		
Name	**ID**	**Fair value**	**Fair value level**	**Carrying value**	**Carrying value**	**Position without options**	**Options**	**Final position**
At amortized cost - Argentine								
Government securities								
Argentine Treasure Bonds in ARS at 22% - Mat. 05-21-2022	5496	21,750,000	2	20,161,989		20,161,989		20,161,989
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 04-17-2021	5494	8,601,844	1	8,574,267		8,574,267		8,574,267
Argentine Treasury Bills at variable rate in ARS- Mat. 03-31-2021	5388	1,574,700	1	1,583,353		1,583,353		1,583,353
Discount Bonds denominated in ARS at 5.83% - Mat. 12-31-2033	45696	251,009	1	183,664	437,591	183,664		183,664
Argentine Treasury Bonds in ARS adjusted by CER - Mat. 03-18-2022	5491	60,813	1	55,700		55,700		55,700
Par Bonds in ARS - Mat. 12-31-2038	45695	71,400	1	28,255	31,485	28,255		28,255
Argentine Bonds in ARS - Fix 26% Rate - Mat. 11-21-2020	5330				10,855,842			
Compoundable Argentine Treasury Bill Coupon in ARS - Mat. 02-26-2020	5349				2,045,071			
Compoundable Argentine Treasury Bills in ARS - Mat. 05-13-2020	5343				1,957,560			
Compoundable Argentine Treasury Bills in ARS - Mat. 08-29-2020	5341				1,663,894			
Other					3,379,597			
Subtotal Argentine government securities				**30,587,228**	**20,371,040**	**30,587,228**		**30,587,228**

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Name	ID	Holding				Position		
		12/31/2020			12/31/2019	12/31/2020		
		Fair value	Fair value level	Carrying value	Carrying value	Position without options	Op-tions	Final position
Private securities								
YPF SA C046 Bonds - Mat. 03-04-2021	51308	118,252	2	97,853	80,217	97,853		97,853
Trust Debt Securities issued by Fideicomiso Financiero Secubono S201 CL.A - Mat. 08-30-2021	55089	54,628	3	78,659		78,659		78,659
YPF SA C043 Bonds - Mat. 10-21-2023	50939	105,325	2	74,269	100,337	74,269		74,269
Trust Debt Securities issued by Fideicomiso Financiero Secubono S200 CL.A - Mat. 06-28-2021	54966	68,382	3	71,025		71,025		71,025
Tecpetrol S.A. C003 Bonds - Mat. 02-20-2021	54629	49,931	3	49,563		49,563		49,563
Central Térmica Roca S.A. C004 Bonds - Mat. 07-24-2021	52650	57,371	2	36,863	35,559	36,863		36,863
Albanesi S.A. CL003 Bonds - Mat. 06-15-2021	52559	40,886	2	30,897	38,446	30,897		30,897
Banco Santander Rio S.A. C021 Bonds - Mat. 01-26-2022	53219	26,848	2	25,709		25,709		25,709
Generación Mediterranea S.A. CL008 CL.B Bonds - Mat. 08-29-2021	52778	29,932	2	20,973	21,943	20,973		20,973
Rombo Compañía Financiera S.A. S041 Bonds - Mat. 01-29-2021	53237	17,343	2	17,000	69,082	17,000		17,000
YPF SA C046 Bonds - Mat. 03-04-2021				27,879	3,348,650	27,879		27,879
Subtotal Argentine private securities				**530,690**	**3,694,234**	**530,690**		**530,690**
Total other debt securities at amortized cost				**31,117,918**	**24,065,274**	**31,117,918**		**31,117,918**
TOTAL OTHER DEBT SECURITIES				**204,136,099**	**86,711,691**	**204,136,099**		**204,136,099**

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Name	ID	Holding				Position		
		12/31/2020			12/31/2019	12/31/2020		
		Fair value	Fair value level	Carrying value	Carrying value	Position without options	Options	Final position
EQUITY SECURITIES At fair value through profit or loss - Argentine								
Prisma Medios de Pago S.A.			3	1,420,695	1,934,144	1,420,695		1,420,695
Mercado Abierto Electrónico S.A.			3	144,222	70,730	144,222		144,222
Matba Rofex S.A.			3	21,242	15,723	21,242		21,242
C.O.E.L.S.A			3	19,511	13,076	19,511		19,511
Argentina Clearing y Resgistro S.A.			3	14,731	14,217	14,731		14,731
Sedesa			3	11,682	9,492	11,682		11,682
Provincanje S.A.			3	6,243	3,315	6,243		6,243
AC Inversora S.A.			3	5,389		5,389		5,389
Mercado a Término Rosario S.A.			3	4,308	12,510	4,308		4,308
Proin S.A.			3	1,960	2,012	1,960		1,960
Other				1,280	1,640	1,280		1,280
Subtotal Argentine equity securities				**1,651,263**	**2,076,859**	**1,651,263**		**1,651,263**
- Foreign								
Banco Latinoamericano de Comercio Exterior S.A.			1	9,728	12,731	9,728		9,728
Sociedad de Telecomunicaciones Financieras Interbancarias Mundiales			3	1,899	1,727	1,899		1,899
Subtotal foreign equity securities				**11,627**	**14,458**	**11,627**		**11,627**
Total equity securities at fair value through profit or loss				**1,662,890**	**2,091,317**	**1,662,890**		**1,662,890**
TOTAL EQUITY SECURITIES				**1,662,890**	**2,091,317**	**1,662,890**		**1,662,890**
TOTAL GOVERNMENT AND PRIVATE SECURITIES				**258,985,558**	**95,833,014**	**260,730,695**		**260,730,695**

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CONSOLIDATED CLASSIFICATION OF LOANS AND OTHER FINANCING BY STATUS AND GUARANTEE AS OF DECEMBER 31, 2020 AND 2019

ANNEX B

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

	12/31/2020	12/31/2019
COMMERCIAL PORTFOLIO		
Performing	**72,766,058**	**139,510,719**
With preferred "A" guarantees and counter-guarantees	3,391,649	4,574,008
With preferred "B" guarantees and counter-guarantees	9,700,967	14,952,607
Without preferred guarantees or counter-guarantees	59,673,442	119,984,104
Subject to special monitoring	**2,997,745**	**350,457**
Under observation		
With preferred "A" guarantees and counter-guarantees	338	
With preferred "B" guarantees and counter-guarantees	2,130,233	
Without preferred guarantees or counter-guarantees	610,083	700
Under negotiation or refinancing agreements		
With preferred "B" guarantees and counter-guarantees	136,081	131,871
Without preferred guarantees or counter-guarantees	121,010	217,886
With problems	**82,453**	**96,412**
With preferred "B" guarantees and counter-guarantees		14,295
Without preferred guarantees or counter-guarantees	82,453	82,117
High insolvency risk	**85,161**	**1,788,326**
With preferred "A" guarantees and counter-guarantees		11,805
With preferred "B" guarantees and counter-guarantees	78,238	420,414
Without preferred guarantees or counter-guarantees	6,923	1,356,107
Bad debts	**521,866**	**7,712**
With preferred "A" guarantees and counter-guarantees	53,098	566
With preferred "B" guarantees and counter-guarantees	425,044	
Without preferred guarantees or counter-guarantees	43,724	7,146
Subtotal commercial portfolio	**76,453,283**	**141,753,626**

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	12/31/2020	12/31/2019
CONSUMER AND HOME PORTFOLIO		
Performing	**192,457,444**	**166,644,755**
With preferred "A" guarantees and counter-guarantees	19,582,396	3,258,170
With preferred "B" guarantees and counter-guarantees	16,363,538	19,439,140
Without preferred guarantees or counter-guarantees	156,511,510	143,947,445
Low risk	**74,388**	**2,250,127**
With preferred "A" guarantees and counter-guarantees	5,005	22,710
With preferred "B" guarantees and counter-guarantees	55	247,554
Without preferred guarantees or counter-guarantees	69,328	1,979,863
Low risk – in special treatment	**10,538**	
With preferred "A" guarantees and counter-guarantees	10,538	
Medium risk	**214,725**	**1,902,647**
With preferred "A" guarantees and counter-guarantees	4,539	18,150
With preferred "B" guarantees and counter-guarantees	30,025	176,973
Without preferred guarantees or counter-guarantees	180,161	1,707,524
High risk	**374,291**	**2,151,613**
With preferred "A" guarantees and counter-guarantees	20,937	36,524
With preferred "B" guarantees and counter-guarantees	47,337	180,318
Without preferred guarantees or counter-guarantees	306,017	1,934,771
Bad debts	**820,007**	**588,493**
With preferred "A" guarantees and counter-guarantees	11,229	12,705
With preferred "B" guarantees and counter-guarantees	239,810	194,631
Without preferred guarantees or counter-guarantees	568,968	381,157
Subtotal consumer and home portfolio	**193,951,393**	**173,537,635**
Total	**270,473,107**	**314,862,540**

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Ezequiel Carballo
President

This Annex discloses contractual figures as required by the Argentine Central Bank. The table below shows the reconciliation with the Separate Balance Sheets:

	As of 12/31/2020	As of 12/31/2019
Loans and other financing transactions	257,394,046	300,309,160
+ Provisions for loans and other financing	10,023,702	6,895,662
+ IFRS adjustment (amortized cost and fair value)	135,080	154,936
+ Financial Trust debt securities at amortized cost	166,692	1,498,448
+ Debt securities	365,341	2,198,423
– Interest and other accrued receivables of financial assets with credit value impairment	(58,303)	(74,025)
Guarantees granted and contingent liabilities	2,446,549	3,879,936
Total computable amounts	**270,473,107**	**314,862,540**

CONSOLIDATED CONCENTRATION OF LOANS AND OTHER FINANCING AS OF DECEMBER 31, 2020 AND 2019

ANNEX C

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

	12/31/2020		12/31/2019	
Number of customers	**Placement balance**	**% of total portfolio**	**Placement balance**	**% of total portfolio**
10 largest customers	30,204,627	11.17	51,699,091	16.42
50 next largest customers	23,808,602	8.80	48,534,915	15.41
100 next largest customers	13,656,910	5.05	21,024,192	6.68
Other customers	202,802,968	74.98	193,604,342	61.49
Total (1)	**270,473,107**	**100.00**	**314,862,540**	**100.00**

(1) See reconciliation in Annex B.

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

ANNEX D

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

		Term to maturity						
Item	Overdue	Up to 1 month	1-3 months	3-6 months	6-12 months	12-24 months	Over 24 months	Total
Non-financial public sector		240,063	709,789	722,124	1,302,701	2,240,210	475,185	5,690,072
Financial sector		73,164	366,107	542,488	336,233	1,005,712		2,323,704
Non-financial private sector and persons domiciled abroad	1,303,388	94,342,079	31,051,161	41,944,002	49,509,992	47,067,374	76,591,919	341,809,915
Total	**1,303,388**	**94,655,306**	**32,127,057**	**43,208,614**	**51,148,926**	**50,313,296**	**77,067,104**	**349,823,691**

CONSOLIDATED BREAKDOWN OF LOANS AND OTHER FINANCING BY TERMAS OF DECEMBER 31, 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

		Term to maturity						
Item	Overdue	Up to 1 month	1-3 months	3-6 months	6-12 months	12-24 months	Over 24 months	Total
Non-financial public sector		3,722,842	880,926	1,040,537	2,501,141	4,121,934	2,751,211	15,018,591
Financial sector		2,498,632	3,004,100	642,334	859,600	1,215,730	7,443	8,227,839
Non-financial private sector and persons domiciled abroad	4,913,894	123,475,571	36,367,815	33,007,665	41,230,071	59,459,730	91,735,995	390,190,741
Total	**4,913,894**	**129,697,045**	**40,252,841**	**34,690,536**	**44,590,812**	**64,797,394**	**94,494,649**	**413,437,171**

This Annex shows the drop in future contractual cash flows, including interest and accessories accruable until the expiration of the applicable contracts.

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CONSOLIDATED BREAKDOWN OF INTERESTS IN OTHER COMPANIES AS OF DECEMBER 31, 2020 AND 2019

ANNEX E

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

	Shares and/or interests			
Name	**Class**	**Nominal unit value**	**Votes per share**	**Number**
Financial institutions - Subsidiaries Abroad				
Macro Bank Limited	Common	1	1	39,816,899
Subtotal abroad				
Total subsidiary financial institutions				
Total financial institutions				
Complementary service companies - Subsidiaries In Argentina				
Macro Securities S.A.	Common	1	1	12,776,680
Macro Fondos S.G.F.C.I.S.A.	Common	1	1	327,183
Macro Fiducia S.A.	Common	1	1	46,935,318
Argenpay S.A.U.	Common	1	1	241,200,000
Subtotal in Argentina				
Total subsidiary complementary service companies				

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Amount as of 12/31/2020	Amount as of 12/31/2019	Issuer information				
			Data on last published financial statements			
		Main activity	End of the period / fiscal year	Capital	Shareholders' Equity	Income for the period / year
2,604,747	2,697,648	Banking institution	31-12-20	86,501	2,604,747	(92,901)
2,604,747	**2,697,648**					
2,604,747	**2,697,648**					
2,604,747	**2,697,648**					
1,578,986	1,646,615	Stock exch, services	31-12-20	12,886	1,563,753	530,409
76,847	95,548	Mutual fund managing partner	31-12-20	1,713	405,953	266,476
82,228	82,081	Services	31-12-20	47,387	73,506	766
182,013	9,735	Electronic payment services	31-12-20	241,200	183,941	(101,257)
1,920,074	**1,833,979**					
1,920,074	**1,833,979**					

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CONSOLIDATED BREAKDOWN OF INTERESTS IN OTHER COMPANIES AS OF DECEMBER 31, 2020 AND 2019 (CONT.)

ANNEX E

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

	Shares and/or interests			
Name	**Class**	**Nominal unit value**	**Votes per share**	**Number**
- Associates and joint ventures In Argentina				
Joint Ventures				
Play Digital S.A.	Common	1	1	119,177,505
Subtotal in Argentina				
Total associated complementary service companies and joint ventures				
Total complementary service companies				
Other companies - Associates and joint ventures In Argentina				
Macro Warrants S.A.	Common	1	1	50,000
Subtotal in Argentina				
Total other companies				
Total interests in other companies				

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Amount as of 12/31/2020	Amount as of 12/31/2019	Issuer information				
			Data on last published financial statements			
		Main activity	End of the period / fiscal year	Capital	Shareholders' Equity	Income for the period / year
144,601	197,610	Tax service management				
56,964		Electronic, technological and IT services	31-12-20	1,197,221	572,247	(796,797)
201,565	**197,610**					
201,565	**197,610**					
2,121,639	**2,031,589**					
2,340	1,606	Issuing of warrants	30-09-20	1,000	46,805	14,551
2,340	**1,606**					
2,340	**1,606**					
4,728,726	**4,730,843**					

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CHANGES IN PROPERTY, PLANT AND EQUIPMENT AS OF DECEMBER 31, 2020

ANNEX F

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Original value at beginning of the year	Estimated service life in years	Recog.	Derecog.	Depreciation				Residual value at year-end
					Accum.	Derecog.	For the year	At year-end	
Measured at cost									
Real property	29,821,961	50	678,094	25,227	1,890,000	12,096	617,806	2,495,710	27,979,118
Furniture and fixtures	3,616,099	10	308,009	639	1,388,369	29	364,552	1,752,892	2,170,577
Machinery and equipment	4,849,301	5	630,485	73	2,575,230	18	870,274	3,445,486	2,034,227
Vehicles	814,478	5	80,941	62,801	671,644	58,326	70,548	683,866	148,752
Works in progress	1,189,216		465,125	815,824					838,517
Right of use	1,648,796	5	518,581	103,258	403,053	25,127	515,136	893,062	1,171,057
Total propiedad, planta y equipo	**41,939,851**		**2,681,235**	**1,007,822**	**6,928,296**	**95,596**	**2,438,316**	**9,271,016**	**34,342,248**

CHANGES IN PROPERTY, PLANT AND EQUIPMENT AS OF DECEMBER 31, 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Original value at beginning of the year	Estimated service life in years	Recog.	Derecog.	Depreciation				Residual value at year-end
					Accum.	Derecog.	For the year	At year-end	
Measured at cost									
Real property	27,620,633	50	2,352,622	151,294	1,474,810	118,384	533,574	1,890,000	27,931,961
Furniture and fixtures	3,371,931	10	723,742	479,574	1,561,358	477,284	304,295	1,388,369	2,227,730
Machinery and equipment	7,637,133	5	856,544	3,644,376	5,275,905	3,640,410	939,735	2,575,230	2,274,071
Vehicles	806,186	5	131,951	123,659	656,904	63,406	78,146	671,644	142,834
Works in progress	2,046,200		1,979,389	2,836,373					1,189,216
Right of use		5	1,794,299	145,503		41,585	444,638	403,053	1,245,743
Total property, plant and equipment (1)	**41,482,083**		**7,838,547**	**7,380,779**	**8,968,977**	**4,341,069**	**2,300,388**	**6,928,296**	**35,011,555**

(1) During the 2020 and 2019 fiscal years, balances in this account were transferred to and from Property, Plant and Equipment and/or noncurrent assets held for sale.

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CHANGES IN INVESTMENT PROPERTY AS OF DECEMBER 31, 2020

ANNEX F

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Original value at beginning of the year	Estimated service life in years	Recog.	Derecog.	Depreciation				Residual value at year-end
					Accum.	Derecog.	For the year	At year-end	
Measured at cost									
Leased realty	220,218	50	1		33,694		2,461	36,155	184,064
Other investment property	623,898	50	69,656	62,302	32,350	9	9,785	42,126	589,126
Total investment property (1)	**844,116**		**69,657**	**62,302**	**66,044**	**9**	**12,246**	**78,281**	**773,190**

CHANGES IN INVESTMENT PROPERTY AS OF DECEMBER 31, 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Original value at beginning of the year	Estimated service life in years	Recog.	Derecog.	Depreciation				Residual value at year-end
					Accum.	Derecog.	For the year	At year-end	
Measured at cost									
Leased realty	220,218	50			31,233	1	2,462	33,694	186,524
Other investment property	514,350	50	433,934	324,386	24,358	1	7,993	32,350	591,548
Total investment property (2)	**734,568**		**433,934**	**324,386**	**55,591**	**2**	**10,455**	**66,044**	**778,072**

(1) During the 2020 fiscal year, balances in this account were transferred to and from Property, Plant and Equipment.

(2) During the 2019 fiscal year, balances in this account were transferred to and from Property, Plant and Equipment and/or noncurrent assets held for sale.

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CHANGES IN INTANGIBLE ASSETS AS OF DECEMBER 31, 2020

ANNEX G

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Original value at beginning of the year	Estimated service life in years	Recog.	Derecog.	Depreciation				Residual value at year-end
					Accum.	Derecog.	For the year	At year-end	
Measured at cost									
Licenses	2,224,761	5	524,722		911,978	1	514,339	1,426,316	1,323,167
Other intangible assets	6,931,124	5	1,687,439		3,423,372	1	1,416,048	4,839,419	3,779,144
Total Intangible assets	**9,155,885**		**2,212,161**		**4,335,350**	**2**	**1,930,387**	**6,265,735**	**5,102,311**

CHANGES IN INTANGIBLE ASSETS AS OF DECEMBER 31, 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Original value at beginning of the year	Estimated service life in years	Recog.	Derecog.	Depreciation				Residual value at year-end
					Accum.	Derecog.	For the year	At year-end	
Measured at cost									
Licenses	2,707,929	5	695,936	1,179,104	1,669,510	1,171,274	413,742	911,978	1,312,783
Other intangible assets	8,240,411	5	1,617,239	2,926,526	4,839,245	2,759,723	1,343,850	3,423,372	3,507,752
Total Intangible assets (1)	**10,948,340**		**2,313,175**	**4,105,630**	**6,508,755**	**3,930,997**	**1,757,592**	**4,335,350**	**4,820,535**

(1) During the 2019 fiscal year, balances were transferred to and from the different items in the account, which resulted in differences between the balances recorded as of the end of one year and those recorded as of the beginning of the following one, without this altering the total balance for the account.

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DEPOSIT CONCENTRATION AS OF DECEMBER 31, 2020 AND 2019

ANNEX H

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Number of customers	12/31/2020 Placement balance	12/31/2020 % of total portfolio	12/31/2019 Placement balance	12/31/2019 % of total portfolio
10 largest customers	93,600,447	19.30	33,851,232	9.48
50 next largest customers	46,396,670	9.56	17,194,699	4.81
100 next largest customers	21,123,356	4.35	13,041,009	3.65
Other customers	323,980,255	66.79	293,162,879	82.06
Total	**485,100,728**	**100.00**	**357,249,819**	**100.00**

BREAKDOWN OF FINANCIAL LIABILITIES BY RESIDUAL TERM AS OF DECEMBER 31, 2020

ANNEX I

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Term to maturity: Up to 1 month	1-3 months	3-6 months	6-12 months	12-24 months	Over 24 months	Total
Deposits	**436,259,302**	**45,047,684**	**5,581,716**	**3,025,417**	**34,807**	**2,187**	**489,951,113**
Non-financial public sector	67,873,301	5,558,974	901,974	2,128			74,336,377
Financial sector	696,415						696,415
Non-financial private sector and persons domiciled abroad	367,689,586	39,488,710	4,679,742	3,023,289	34,807	2,187	414,918,321
Derivatives	**42**	**188**					**230**
Repo transactions	**620,389**						**620,389**
Other financial institutions	620,389						620,389
Other financial liabilities	**31,892,464**	**131,255**	**122,488**	**316,921**	**264,590**	**514,354**	**33,242,072**
Financing received from the Argentine Central Bank and other financial institutions	**419,217**	**199,471**	**204,074**	**80,703**	**40,093**	**5,724**	**949,282**
Bonds issued	**209,346**		**2,762,098**	**208,048**	**2,585,744**		**5,765,236**
Subordinated bonds			**1,135,957**	**1,135,958**	**2,498,433**	**43,651,732**	**48,422,080**
Total	**469,400,760**	**45,378,598**	**9,806,333**	**4,767,047**	**5,423,667**	**44,173,997**	**578,950,402**

This Annex discloses the drop in future contractual cash flows, including interest and accessories accruable until the expiration of the applicable contracts.

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BREAKDOWN OF FINANCIAL LIABILITIES BY RESIDUAL TERM AS OF DECEMBER 31, 2019

ANNEX I

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Term to maturity						
	Up to 1 month	1-3 months	3-6 months	6-12 months	12-24 months	Over 24 months	Total
Deposits	**318,511,777**	**35,554,356**	**4,728,311**	**1,398,959**	**72,883**	**30,866**	**360,297,152**
Non-financial public sector	22,974,090	1,059,457	58,210	2,832			24,094,589
Financial sector	427,702						427,702
Non-financial private sector and persons domiciled abroad	295,109,985	34,494,899	4,670,101	1,396,127	72,883	30,866	335,774,861
Derivatives	**399,076**	**464,440**	**183,040**				**1,046,556**
Repo transactions	**1,364,962**						**1,364,962**
Other financial institutions	1,364,962						1,364,962
Other financial liabilities	**25,241,229**	**132,525**	**140,778**	**228,063**	**441,714**	**585,057**	**26,769,366**
Financing received from the Argentine Central Bank and other financial institutions	**1,403,744**	**1,130,058**	**205,002**	**133,670**	**230,972**	**62,376**	**3,165,822**
Bonds issued	**436,031**		**701,097**	**1,006,731**	**4,579,987**	**4,206,065**	**10,929,911**
Subordinated bonds			**1,100,808**	**1,100,810**	**2,201,618**	**44,722,198**	**49,125,434**
Total	**347,356,819**	**37,281,379**	**7,059,036**	**3,868,233**	**7,527,174**	**49,606,562**	**452,699,203**

This Annex discloses the drop in future contractual cash flows, including interest and accessories accruable until the expiration of the applicable contracts.

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CHANGES IN PROVISIONS AS OF DECEMBER 31, 2020

ANNEX J

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Balances at the beginning of the year	Increases	Reductions		Monetary gain/(loss) from provisions	12/31/2020
			Reversals	Applications		
Provisions for contingent commitments	23,514	7,872		8,021	(6,158)	17,207
Administrative, disciplinary and criminal penalties	977				(259)	718
Other	1,981,561	1,122,012	8	1,261,108	(555,858)	1,286,599
Total provisions	**2,006,052**	**1,129,884**	**8**	**1,269,129**	**(562,275)**	**1,304,524**

CHANGES IN PROVISIONS AS OF DECEMBER 31, 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Balances at the beginning of the year	Increases	Reductions		Monetary gain/(loss) from provisions	12/31/2019
			Reversals	Applications		
Provisions for contingent commitments	22,471	10,981			(9,938)	23,514
Administrative, disciplinary and criminal penalties	1,504				(527)	977
Other	2,188,895	1,798,911	1,152,685	36,725	(816,835)	1,981,561
Total provisions	**2,212,870**	**1,809,892**	**1,152,685**	**36,725**	**(827,300)**	**2,006,052**

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STRUCTURE OF THE ENTITY'S CAPITAL STOCK AS OF DECEMBER 31, 2020

ANNEX K

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Shares				Capital stock	
Class	**Number**	**Face value**	**Votes p/share**	**Outstanding**	**Paid in**
Common book-entry A	11,235,670	1	5	11,236	11,236
Common book-entry B	628,177,738	1	1	628,177	628,177
TOTAL	**639,413,408**			**639,413**	**639,413**

STRUCTURE OF THE ENTITY'S CAPITAL STOCK AS OF DECEMBER 31, 2019

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Shares				Capital stock	
Class	**Number**	**Face value**	**Votes p/share**	**Outstanding**	**Paid in**
Common book-entry A	11,235,670	1	5	11,236	11,236
Common book-entry B	628,177,738	1	1	628,177	628,177
TOTAL	**639,413,408**			**639,413**	**639,413**

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BALANCES DENOMINATED IN FOREIGN CURRENCIES AS OF DECEMBER 31, 2020 AND 2019

ANNEX L

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified))

	12/31/2020					12/31/2019
	Total	Total by currency				
Items	HQ and Argentine branches	US dollar	Euro	Real	Other	Total
ASSETS						
Cash and bank deposits	90,250,377	89,724,815	332,051	19,495	174,016	92,129,493
Debt securities at fair value through profit or loss						336,603
Other financial assets	4,671,947	4,671,947				4,984,440
Loans and other financing transactions	22,874,861	22,874,861				52,653,519
Other financial institutions	21,230	21,230				827,986
Non-financial private sector and persons domiciled abroad	22,853,631	22,853,631				51,825,533
Other debt securities	903,339	903,339				
Financial assets transferred as collateral	1,756,802	1,756,802				3,918,272
Investments in equity securities	11,627	11,627				14,458
Investments in subsidiaries, associates and joint ventures	2,604,747	2,604,747				2,697,648
TOTAL ASSETS	**123,073,700**	**122,548,138**	**332,051**	**19,495**	**174,016**	**156,734,433**
LIABILITIES						
Deposits	73,237,116	73,237,116				107,839,781
Non-financial public sector	4,198,481	4,198,481				5,432,420
Financial sector	573,892	573,892				313,018
Non-financial private sector and persons domiciled abroad	68,464,743	68,464,743				102,094,343
Other financial liabilities	4,411,546	4,310,735	90,618		10,193	4,745,344
Financing received from the Argentine Central Bank and other financial institutions	469,390	469,390				2,784,710
Subordinated bonds	34,300,292	34,300,292				33,098,040
Other non-financial liabilities	6,485	6,485				19,540
TOTAL LIABILITIES	**112,424,829**	**112,324,018**	**90,618**		**10,193**	**148,487,415**

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ASSISTANCE TO RELATED PARTIES AS OF DECEMBER 31, 2020 Y 2019

ANNEX N

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Normal	12/31/2020	12/31/2019
Loans and other financing transactions			
Advances	**409,555**	**409,555**	**1,329,127**
Without preferred guarantees or counter-guarantees	409,555	409,555	1,329,127
Checks	**1,528**	**1,528**	**749,365**
With preferred "A" guarantees and counter-guarantees	1,528	1,528	35,397
Without preferred guarantees or counter-guarantees			713,968
Mortgage loans and loans secured by pledges	**165,974**	**165,974**	**41,100**
With preferred "B" guarantees and counter-guarantees	141,893	141,893	27,566
Without preferred guarantees or counter-guarantees	24,081	24,081	13,534
Personal loans	**13,093**	**13,093**	**1,450**
Without preferred guarantees or counter-guarantees	13,093	13,093	1,450
Cards	**59,988**	**59,988**	**93,111**
With preferred "A" guarantees and counter-guarantees	159	159	
Without preferred guarantees or counter-guarantees	59,829	59,829	93,111
Other	**1,132,770**	**1,132,770**	**465,765**
With preferred "A" guarantees and counter-guarantees	20,345	20,345	
With preferred "B" guarantees and counter-guarantees	6,260	6,260	12,115
Without preferred guarantees or counter-guarantees	1,106,165	1,106,165	453,650
Total Loans and other financing transactions	**1,782,908**	**1,782,908**	**2,679,918**
Contingent commitments	**107,869**	**107,869**	**87,662**
Total	**1,890,777**	**1,890,777**	**2,767,580**
Provisions	**15,332**	**15,332**	**18,371**

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DERIVATIVES AS OF DECEMBER 31, 2020

ANNEX O

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Type of contract	Transaction goals	Underlying assets	Type of liquidation	Negotiation scope or counterparty	Weighted average term originally agreed upon (in months)	Residual weighted average term (in months)	Weighted average term for the liquidation of differences (in days)	Amount (*)
Futures	Intermediation – own behalf	Foreign currency	Daily for differences	Mercado Abierto Electrónico (ROFEX)	3	3	1	150,908
Forwards	Intermediation own behalf	Foreign currency	On maturity for differences	OTC Persons domiciled in Argentina Non-financial public sector	5	3	30	150,908
Repo transactions	Intermediation - own behalf	National government securities	Against delivery of underlying asset	Other Argentine markets	1	1		45,821,491
Options	Intermediation - own behalf	Other	Against delivery of underlying asset	OTC Persons domiciled in Argentina Non-financial sector	35	13		318,910

(*) Valuation of the negotiated underlying assets, in absolute terms.

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CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2020

ANNEX P

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Amortized cost	Fair value through OCI	Mandatory fair value through profit or loss measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and bank deposits						
Cash	25,421,745					
Financial institutions and correspondents	89,070,278					
Other	5,262					
Debt securities at fair value through profit or loss			53,186,569	52,808,125		378,444
Derivatives			7,232		7,232	
Repo transactions						
Argentine Central Bank	39,421,705					
Other financial institutions	767,386					
Other financial assets	16,296,090		26,179			26,179
Loans and other financing transactions						
Non-financial public sector	3,614,805					
Other financial institutions	1,822,643					
Non-financial private sector and persons domiciled abroad						
Advances	17,611,869					
Checks	27,294,496					
Mortgage loans	25,410,608					
Loans secured by pledges	3,325,554					
Personal loans	70,258,760					
Credit cards	64,266,490					
Financial leases	119,596					
Other (1)	43,669,225					
Other debt securities	31,117,918	173,018,181		110,430,520	62,587,661	
Financial assets transferred as collateral	13,515,245	695,748		695,748		
Investments in equity securities			1,662,890	9,728		1,653,162
TOTAL FINANCIAL ASSETS	**473,009,675**	**173,713,929**	**54,882,870**	**163,944,121**	**62,594,893**	**2,057,785**

(1) Includes the total provisions for non-financial private sector and persons domiciled abroad.

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CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2020

ANNEX P

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Amortized cost	Fair value through OCI	Mandatory fair value through profit or loss measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL LIABILITIES						
Deposits						
Non-financial public sector	73,565,424					
Financial sector	696,415					
Non-financial private sector and persons domiciled abroad						
Checking accounts	61,284,075					
Savings accounts	139,483,543					
Term deposits and term investments	181,604,889					
Other	28,466,382					
Derivatives			230	230		
Repo transactions						
Other financial institutions	618,572					
Other financial liabilities	33,230,041					
Financing received from the Argentine Central Bank and other financial institutions	918,879					
Bonds issued	4,926,901					
Subordinated bonds	34,300,292					
TOTAL FINANCIAL LIABILITIES	**559,095,413**		**230**	**230**		

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CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2019

ANNEX P

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Amortized cost	Fair value through OCI	Mandatory fair value through profit or loss measurement	Fair value hierarchy		
				Level 1	Level 2	Level 3
FINANCIAL ASSETS						
Cash and bank deposits						
Cash	26,562,212					
Financial institutions and correspondents	106,029,847					
Other	5,100					
Debt securities at fair value through profit or loss			7,030,006	5,915,945	4,435	1,109,626
Derivatives			69,003	43,012	25,991	
Repo transactions						
Other financial institutions	1,481,096					
Other financial assets	6,754,503		31,314			31,314
Loans and other financing transactions						
Non-financial public sector	8,781,948					
Other financial institutions	5,380,555					
Non-financial private sector and persons domiciled abroad						
Advances	56,273,968					
Checks	28,085,343					
Mortgage loans	28,053,169					
Loans secured by pledges	5,536,821					
Personal loans	77,326,738					
Credit cards	57,392,877					
Financial leases	317,102					
Other (1)	33,160,639					
Other debt securities	24,065,274	62,646,417		49,177,412	13,469,005	
Financial assets transferred as collateral	14,511,557					
Investments in equity securities			2,091,317	12,731		2,078,586
TOTAL FINANCIAL ASSETS	**479,718,749**	**62,646,417**	**9,221,640**	**55,149,100**	**13,499,431**	**3,219,526**

(1) Includes the total provisions for non-financial private sector and persons domiciled abroad.

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CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2019

ANNEX P

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

				Fair value hierarchy		
Item	**Amortized cost**	**Fair value through OCI**	**Mandatory fair value through profit or loss measurement**	**Level 1**	**Level 2**	**Level 3**
FINANCIAL LIABILITIES						
Deposits						
Non-financial public sector	23,906,675					
Financial sector	427,702					
Non-financial private sector and persons domiciled abroad						
Checking accounts	52,686,340					
Savings accounts	124,839,660					
Term deposits and term investments	144,401,841					
Other	10,987,601					
Derivatives			1,046,556		1,046,556	
Repo transactions						
Other financial institutions	1,364,825					
Other financial liabilities	26,733,461					
Financing received from the Argentine Central Bank and other financial institutions	3,057,235					
Bonds issued	7,521,820					
Subordinated bonds	33,098,040					
TOTAL FINANCIAL LIABILITIES	**429,025,200**		**1,046,556**		**1,046,556**	

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BREAKDOWN OF INCOME AND LOSS AS OF DECEMBER 31, 2020 AND 2019

ANNEX Q

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Items	Net financial income / (loss)	
	Mandatory measurement	
	12/31/2020	12/31/2019
Income/(loss) from measurement of financial assets at fair value through profit or loss		
Income/(loss) from government securities	10,255,560	2,273,436
Income/(loss) from private securities	106,596	823,810
Income/(loss) from derivatives		
Term transactions	75,950	2,056,224
Income/(loss) from other financial assets	270	(12,988)
Income/(loss) from investments in equity securities	48,790	2,587,956
Income/(loss) from sale or derecognition of financial assets at fair value (*)	(37,002,362)	(53,013,152)
Total	**(26,515,196)**	**(45,284,714)**

(*) Net amount of reclassifications as income/(loss) of items that were classified at fair value through OCI that were derecognized or collected during the year

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BREAKDOWN OF INCOME AND LOSS AS OF DECEMBER 31, 2020 AND 2019

ANNEX Q

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Interest and adjustments due to the application of the effective interest rate for financial assets measured at amortized cost	Financial income / (loss) 12/31/2020	12/31/2019
Interest income		
Income/(loss) from cash and bank deposits	128,152	354,361
Income/(loss) from government securities	6,429,385	9,805,282
Income/(loss) from private securities	1,607,980	1,942,808
Income/(loss) from loans and other financing		
Non-financial public sector	2,953,253	1,840,235
Financial sector	1,012,071	2,821,733
Non-financial private sector		
Advances	10,814,364	21,182,811
Checks	4,758,585	7,594,077
Mortgage loans	8,074,017	11,031,618
Loans secured by pledges	476,023	855,500
Personal loans	32,690,320	40,829,605
Credit cards	11,492,721	17,978,756
Financial leases	58,198	251,036
Other	13,202,178	7,121,782
Income/(loss) from repo transactions		
Argentine Central Bank	6,971,713	552,926
Other financial institutions	139,524	3,919,285
Total	**100,808,484**	**128,081,815**
Interest expenses		
Income/(loss) from deposits		
Non-financial private sector		
Checking accounts	(1,975,888)	(537,004)
Savings accounts	(654,139)	(896,495)
Term deposits and term investments	(53,900,952)	(79,268,075)
Income/(loss) from financing received from the Argentine Central Bank and other financial institutions	(100,834)	(362,305)
Income/(loss) from repo transactions		
Other financial institutions	(195,747)	(458,103)
Income/(loss) from other financial liabilities	(57,262)	(216,349)
Income/(loss) from bonds issued	(1,547,872)	(3,250,458)
Income/(loss) from other subordinated bonds	(2,397,775)	(2,319,006)
Total	**(60,830,469)**	**(87,307,795)**

Signed for identification purposes
together with our report of: 03/10/2021
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. V1 P13

Carlos M. Szpunar
Partner
Public Accountant - UBA
C.P.C.E.C.A.B.A. V 192 P 110

Signed for identification purposes
together with our report of: 03/10/2021
BY STATUTORY AUDIT COMMITTEE

Alejandro Almarza
Statutory Auditor
Public Accountant - UBA
C.P.C.E.C.A.B.A. V 120 P 210

Daniel H. Violatti
Accounting and
Tax Manager

Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
President

BREAKDOWN OF INCOME AND LOSS AS OF DECEMBER 31, 2020 AND 2019

ANNEX Q

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Interest and adjustments due to the application of the effective interest rate for financial assets measured at fair value through OCI	Income/(loss) for the year	OCI	Income/(loss) for the year	OCI
	12/31/2020	12/31/2020	12/31/2019	12/31/2019
Income/(loss) from government securities (*)	56,249,981	(5,449,905)	78,125,316	724,901
Total	**56,249,981**	**(5,449,905)**	**78,125,316**	**724,901**

Commission income	Income/(loss) for the year	
	12/31/2020	12/31/2019
Commissions from bonds	12,995,025	15,160,653
Commissions from credits	181,475	231,735
Commissions from loan commitments and financial guarantees	1,160	8,435
Commissions from securities	136,986	153,829
Commissions from cards	8,838,471	8,437,123
Commissions from insurances	1,601,339	1,591,978
Commissions from foreign trade and exchange transactions	578,663	666,910
Total	**24,333,119**	**26,250,663**

Commission expenses	Income/(loss) for the year	
	12/31/2020	12/31/2019
Commissions for foreign trade and exchange transactions	(117,519)	(209,142)
Other		
Commissions paid due to ATM exchanges	(1,212,632)	(1,051,474)
Checkbook and clearing house expenses	(404,450)	(453,613)
Credit card and foreign trade commissions	(259,101)	(468,106)
Total	**(1,993,702)**	**(2,182,335)**

(*) If the criteria set forth by Communication "A" 7211 had been applied in the reporting period, the "Net income/(loss) from monetary position" would have amounted to ARS 30,260,486 (loss). The stated amount includes ARS 37,699,560 (loss), recorded in the Consolidated Profit/Loss Statement for the year ended on December 31, 2020 under the item "Net income/(loss) due to measurement of financial instruments at fair value," which amount originated from reclassifications from Other Comprehensive Income. Taking into consideration the net effects above, if the criteria set forth by Communication "A" 7211 had been applied in the reporting period, the "Income/(loss) for the year" would have been ARS 24,359,570 (gain).

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Carlos M. Szpunar
Partner
Public Accountant - UBA
C.P.C.E.C.A.B.A. V 192 P 110

Signed for identification purposes
together with our report of: 03/10/2021
BY STATUTORY AUDIT COMMITTEE

Alejandro Almarza
Statutory Auditor
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Gustavo A. Manriquez
General Manager

Delfín Jorge
Ezequiel Carballo
President

ADJUSTMENT OF VALUE DUE TO LOSS – PROVISION FOR BAD DEBTS AS OF DECEMBER 31, 2020

ANNEX R

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

		Changes between stages of the year				
			Remaining lifetime ECL of the financial asset			
Item	**Balances at the beginning of the year**	**ECL of the following 12 months**	**Financial instrument with significant increase in credit risk**	**Financial instrument with credit impairment**	**Monetary income/(loss) from provisions**	**12/31/2020**
Other financial assets	14,032	11,318			(6,421)	18,929
Loans and other financing transactions	6,895,662	4,214,369	2,013,697	(477,391)	(2,622,635)	10,023,702
Other financial institutions	37,572	(13,052)			(7,907)	16,613
Non-financial private sector and persons domiciled abroad						
Advances	1,050,626	13,598	1,262	(21,507)	(358,245)	685,734
Checks	500,036	138,681	84,346	(30,978)	(157,463)	534,622
Mortgage loans	521,477	104,994	302,003	3,928	(179,453)	752,949
Loans secured by pledges	175,691	24,616	7,175	(17,249)	(55,888)	134,345
Personal loans	2,501,419	913,989	499,491	(235,074)	(834,085)	2,845,740
Credit cards	1,079,674	2,164,256	804,075	(73,526)	(585,610)	3,388,869
Financial leases	7,285	(1,946)	(789)	7,728	(2,230)	10,048
Other	1,021,882	869,233	316,134	(110,713)	(441,754)	1,654,782
Contingent commitments	23,514	5,319	(5,441)	349	(6,534)	17,207
Other debt securities	2,637	266			(1,560)	1,343
Total Provisions	**6,935,845**	**4,231,272**	**2,008,256**	**(477,042)**	**(2,637,150)**	**10,061,181**

Signed for identification purposes
together with our report of: 03/10/2021
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. V1 P13

Carlos M. Szpunar
Partner
Public Accountant - UBA
C.P.C.E.C.A.B.A. V 192 P 110

Signed for identification purposes
together with our report of: 03/10/2021
BY STATUTORY AUDIT COMMITTEE

Alejandro Almarza
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President

ADJUSTMENT OF VALUE DUE TO LOSS – PROVISION FOR BAD DEBTS AS OF DECEMBER 31, 2019

ANNEX R

(in thousands of Argentine pesos in terms of purchasing power as of December 31, 2020, unless otherwise specified)

Item	Balances at the beginning of the year	Changes between stages of the year			Monetary income/(loss) from provisions	12/31/2019
			Remaining lifetime ECL of the financial asset			
		ECL of the following 12 months	Financial instrument with significant increase in credit risk	Financial instrument with credit impairment		
Other financial assets		17,088			(3,056)	14,032
Loans and other financing transactions	8,102,742	740,676	198,313	1,044,084	(3,190,153)	6,895,662
Other financial institutions	78	45,691			(8,197)	37,572
Non-financial private sector and persons domiciled abroad						
Advances	542,651	141,059	(108,657)	817,465	(341,892)	1,050,626
Checks	1,096,176	(60,075)	131,994	(330,752)	(337,307)	500,036
Mortgage loans	512,266	3,215	146,918	79,391	(220,313)	521,477
Loans secured by pledges	434,016	9,779	(174,276)	34,869	(128,697)	175,691
Personal loans	2,896,788	467,206	219,890	65,916	(1,148,381)	2,501,419
Credit cards	1,725,970	110,535	(130,435)	(31,622)	(594,774)	1,079,674
Financial leases	20,678	717	(4,092)	(4,123)	(5,895)	7,285
Other	874,119	22,549	116,971	412,940	(404,697)	1,021,882
Contingent commitments	22,471	1,466	9,382		(9,805)	23,514
Other debt securities		3,212			(575)	2,637
Total Provisions	**8,125,213**	**762,442**	**207,695**	**1,044,084**	**(3,203,589)**	**6,935,845**

Signed for identification purposes
together with our report of: 03/10/2021
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. V1 P13

Carlos M. Szpunar
Partner
Public Accountant - UBA
C.P.C.E.C.A.B.A. V 192 P 110

Signed for identification purposes
together with our report of: 03/10/2021
BY STATUTORY AUDIT COMMITTEE

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C.P.C.E.C.A.B.A. V 120 P 210

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Delfín Jorge
Ezequiel Carballo
President

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Directors of
BANCO MACRO S.A.
Taxpayer ID No. 30-50001008-4
Registered office: Avenida Eduardo Madero 1182
City of Buenos Aires

I. REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. We have reviewed the accompanying consolidated financial statements of BANCO MACRO S.A. (the "Entity") and its subsidiaries, which comprise: (a) the consolidated balance sheet as of December 31, 2020; (b) the consolidated income statements, statements of other comprehensive income, statements of changes in shareholders' equity and cash flow statements for the year then ended; and (c) a summary of the significant accounting policies and other supplementary information.

Responsibility of the Entity's Board of Directors and Management for the financial statements

2. The Entity's Board of Directors and Management are responsible for the preparation and fair presentation of the financial statements mentioned in paragraph 1 in accordance with the financial reporting framework established by the Argentine Central Bank, which, as mentioned in Note 3 to the financial statements mentioned in paragraph 1, are based on the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and adopted by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE, for its Spanish acronym) with the exceptions provided for by the Argentine Central Bank and described in the aforementioned note. The Entity's Board of Directors and Management are also responsible for implementing all such internal controls as they may deem necessary to allow for the preparation of consolidated financial statements free from material misstatements due to errors or irregularities.

Auditors' responsibility

3. Our responsibility is to express an opinion on the financial statements mentioned in paragraph 1 based on our audit. We conducted our audit in accordance with the audit standards adopted through FACPCE Technical Resolution No. 37 and the "Minimum external audit standards" issued by the Argentine Central Bank. Those standards require that we meet all applicable ethical requirements and that we plan and perform our audit to obtain reasonable assurance as to the absence of material misstatements in the financial statements.

An audit involves performing procedures to obtain audit evidence on the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatements in the financial statements due to errors or irregularities. In making those risk assessments, the auditor considers the internal controls relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control system. An audit also entails assessing the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Board of Directors and Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion, the financial statements mentioned in paragraph 1 present fairly, in all material respects, the financial position of BANCO MACRO S.A. and its subsidiaries as of December 31, 2020, as well as the results of their operations and the changes in shareholders' equity and cash flows for the year then ended, in accordance with the financial reporting framework established by the Argentine Central Bank mentioned in paragraph 2.

Emphasis on certain disclosures 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 of presentation of the financial statements and accounting policies applied" – "Accounting standards applied," in which the Entity states (i) that it has not applied Section 5.5. "Impairment" of IFRS N 9 "Financial Instruments" to the financial assets comprising exposures to the public sector, which were temporarily excluded from such application through Communication "A" 6847 of the Argentine Central Bank, and (ii) that it is in the process of quantifying the effects the full application of said standard would have on the financial statements.

(b) Note 3. "Basis of presentation of the financial statements and accounting policies applied" - "Accounting standards applied," in which the Entity explains (i) that for the purposes of measuring, at fair value, a holding of equity securities in particular, it has applied the matters required by the Argentine Central Bank through a Memorandum dated April 29, 2019, and (ii) that although it is currently in the process of quantifying the difference between the value resulting from (i) above and the fair value determined in accordance with the IFRSs as of December 31, 2020, it estimates such effects could be significant.

(c) Note 3. "Basis of presentation of the financial statements and accounting policies applied" - "Accounting standards applied," in which the Entity explains, in connection with the application of the comprehensive inflation adjustment method, (i) that pursuant to Communications "A" 6651 and 6849, the amounts of the changes in certain financial assets measured at fair value through comprehensive income were determined in real terms and thus the monetary income or loss generated by those monetary assets is disclosed in the statement of other comprehensive income whereas by application of IAS 29 "Financial Reporting in Hyperinflationary Economies," the entire monetary income or loss generated by those financial assets must be disclosed in the income/(loss) for the year, and (ii) the quantification of the effect of what is described in (i) above.

These matters do not change the opinion expressed in paragraph 4, but must be taken into account by users applying the IFRSs to the interpretation of the financial statements mentioned in paragraph 1.

Other matters

6. We have issued a separate report on the separate financial statements of BANCO MACRO S.A. as of the same date and for the same period stated in paragraph 1.

II. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. As required by the regulations in force, we hereby report that:

(a) The financial statements mentioned in paragraph 1 are currently being transcribed into the Balance Sheet Book of BANCO MACRO S.A. and, in our opinion, were prepared, in all material respects, in accordance with the applicable provisions of the Argentine Companies Act and the rules issued by the Argentine Securities Commission (CNV).

(b) With the exceptions mentioned in Note 3, "Basis of presentation of the financial statements and accounting policies applied" – "Transcription into the Entity's books" thereto, the financial statements mentioned in paragraph 1 result from accounting records kept, in all formal respects, in accordance with the laws in force and the conditions set forth in CNV Resolutions No. 1032/EMI and 1996/EMI, of March 17 and May 20, 2004, respectively.

(c) As of December 31, 2020, the liabilities accrued from contributions to the Argentine Unified Social Security System, as evidenced by the accounting records kept by the Entity, amounted to ARS 415,811,317, none of them being due and payable as of said date.

(d) During the year ended December 31, 2020, we invoiced audit service fees to BANCO MACRO S.A. which represent 100 percent of the total amount invoiced to the Entity on any grounds, 87 percent of the total audit service fees invoiced to the Entity and its subsidiaries, and 87 percent of the total amounts invoiced to the Entity and its subsidiaries on any grounds.

City of Buenos Aires,
March 10, 2021

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council of Economic Sciences
of the City of Buenos Aires, V 1 – P 13

CARLOS M. SZPUNAR
Partner
Public Accountant - University of Buenos Aires
Professional Council of Economic Sciences
of the City of Buenos Aires, V 192 – P 110

INDEPENDENT AUDITORS' REPORT ON THE SEPARATE FINANCIAL STATEMENTS

To the Directors of
BANCO MACRO S.A.
Taxpayer ID No. 30-50001008-4
Registered office: Avenida Eduardo Madero 1182
City of Buenos Aires

I. REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. We have reviewed the accompanying separate financial statements of BANCO MACRO S.A. ("the Entity"), which comprise: (a) the separate balance sheet as of December 31, 2020; (b) the separate income statements, statements of other comprehensive income, statements of changes in shareholders' equity and cash flow statements for the year then ended; and (c) a summary of the significant accounting policies and other supplementary information.

Responsibility of the Entity's Board of Directors and Management for the financial statements

2. The Entity's Board of Directors and Management are responsible for the preparation and fair presentation of the financial statements mentioned in paragraph 1 in accordance with the financial reporting framework established by the Argentine Central Bank, which, as mentioned in Note 3 to the financial statements mentioned in paragraph 1, are based on the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and adopted by the Argentine Federation of Professional Councils of Economic Sciences (FACPCA, for its Spanish acronym) with the exceptions provided for by the Argentine Central Bank and described in the aforementioned note. The Entity's Board of Directors and Management are also responsible for implementing all such internal controls as they may deem necessary to allow for the preparation of financial statements free from material misstatements due to errors or irregularities.

Auditors' responsibility

3. Our responsibility is to express an opinion on the financial statements mentioned in paragraph 1 based on our audit. We conducted our audit in accordance with the audit standards adopted through FACPCE Technical Resolution No. 37 and the "Minimum external audit standards" issued by the Argentine Central Bank. Those standards require that we meet all applicable ethical requirements and that we plan and perform our audit to obtain reasonable assurance as to the absence of material misstatements in the financial statements.

An audit involves performing procedures to obtain audit evidence on the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatements in the financial statements due to errors or irregularities. In making those risk assessments, the auditor considers the internal controls relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control system. An audit also entails assessing the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Board of Directors and Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion, the financial statements mentioned in paragraph 1 present fairly, in all material respects, the financial position of BANCO MACRO S.A. as of December 31, 2020, as well as the results of its operations and the changes in shareholders' equity and cash flows for the year then ended, in accordance with the financial reporting framework established by the Argentine Central Bank mentioned in paragraph 2.

Emphasis on certain disclosures 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 of presentation of the financial statements and accounting policies applied" – "Accounting standards applied," in which the Entity states (i) that it has not applied Section 5.5. "Impairment" of IFRS N 9 "Financial Instruments" to the financial assets comprising exposures to the public sector, which were temporarily excluded from such application through Communication "A" 6847 of the Argentine Central Bank, and (ii) that it is in the process of quantifying the effects the full application of said standard would have on the financial statements.

(b) Note 3. "Basis of presentation of the financial statements and accounting policies applied" - "Accounting standards applied," in which the Entity explains (i) that for the purposes of measuring, at fair value, a holding of equity securities in particular, it has applied the matters required by the Argentine Central Bank through a Memorandum dated April 29, 2019, and (ii) that although it is currently in the process of quantifying the difference between the value resulting from (i) above and the fair value determined in accordance with the IFRSs as of December 31, 2020, it estimates such effects could be significant.

(c) Note 3. "Basis of presentation of the financial statements and accounting policies applied" - "Accounting standards applied," in which the Entity explains, in connection with the application of the comprehensive inflation adjustment method, (i) that pursuant to Communications "A" 6651 and 6849, the amounts of the changes in certain financial assets measured at fair value through comprehensive income were determined in real terms and thus the monetary income or loss generated by those monetary assets is disclosed in the statement of other comprehensive income whereas by application of IAS 29 "Financial Reporting in Hyperinflationary Economies," the entire monetary income or loss generated by those financial assets must be disclosed in the income/(loss) for the year, and (ii) the quantification of the effect of what is described in (i) above.

These matters do not change the opinion expressed in paragraph 4, but must be taken into account by users applying the IFRSs to the interpretation of the financial statements mentioned in paragraph 1.

Other matters

6. We have issued a separate report on the consolidated financial statements of BANCO MACRO S.A. and its subsidiaries as of the same date and for the same period stated in paragraph 1.

II. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. As required by the regulations in force, we hereby report that:

(a) In our opinion, the financial statements mentioned in paragraph 1 were prepared, in all material respects, in accordance with the applicable provisions of the Argentine Companies Act and the rules issued by the Argentine Securities Commission (CNV).

(b) With the exceptions mentioned in Note 3, "Basis of presentation of the financial statements and accounting policies applied" – "Transcription into the Entity's books" thereto, the financial statements mentioned in paragraph 1 result from accounting records kept, in all formal respects, in accordance with the laws in force and the conditions set forth in CNV Resolutions No. 1032/EMI and 1996/EMI, of March 17 and May 20, 2004, respectively.

(c) As of December 31, 2020, the liabilities accrued from contributions to the Argentine Unified Social Security System, as evidenced by the accounting records kept by BANCO MACRO S.A., amounted to ARS 415,811,317, none of them being due and payable as of said date.

(d) As mentioned in Note 33 to the financial statements mentioned in paragraph 1, as of December 31, 2020, the Entity had a shareholders' equity and a balancing entry comprising eligible assets in excess of the minimum amounts required by the applicable rules issued by the Argentine Securities Commission for the categories listed in said note.

(e) During the year ended December 31, 2020, we invoiced audit service fees to BANCO MACRO S.A. which represent 100 percent of the total amount invoiced to the Entity on any grounds, 87 percent of the total audit service fees invoiced to the Entity and its subsidiaries, and 87 percent of the total amounts invoiced to the Entity and its subsidiaries on any grounds.

City of Buenos Aires,
March 10, 2021

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Professional Council of Economic Sciences
of the City of Buenos Aires, V 1 – P 13

CARLOS M. SZPUNAR
Partner
Public Accountant - University of Buenos Aires
Professional Council of Economic Sciences
of the City of Buenos Aires, V 192 – P 110

STATUTORY AUDIT COMMITTEE'S REPORT

To the Shareholders of
BANCO MACRO S.A.
Avenida Eduardo Madero 1182
City of Buenos Aires

1. As required by the applicable laws, regulations, and bylaws, we have received for consideration the separate balance sheet of BANCO MACRO S.A. as of December 31, 2020, as well as the separate income statement, the separate statement of other comprehensive income, the separate statement of changes in shareholders' equity and the separate cash flow statement of said company for the year then ended, together with their notes and annexes. We have also received the consolidated financial statements for the aforementioned year of BANCO MACRO S.A. and its subsidiaries. The Company's Board of Directors is responsible for the preparation of the aforementioned documents. Our responsibility consists in issuing a report on said documents based on the work described in the following paragraph.

2. We conducted our assessment in accordance with the statutory auditing standards in force in the City of Buenos Aires. Under such standards, we are required to conduct our assessment in accordance with the auditing standards in force and to verify whether the documents reviewed match the information on corporate decisions resulting from the relevant minutes and whether such decisions are consistent, in all formal and documentary respects, with the applicable laws and corporate bylaws. We have discharged our duties taking into account the audit conducted by the external auditors, Pistrelli, Henry Martin y Asociados S.R.L, who issued a report dated March 10, 2021, which was signed by one of the company's partners, Public Accountant Carlos M. Szpunar, in accordance with the auditing standards in force in the City of Buenos Aires. As it is not the statutory auditors' responsibility to control the management of the corporation, our assessment did not cover the business decisions of and the criteria applied by the various departments of the Company, which are exclusively within the purview of the Board of Directors. We believe that the audit evidence we have obtained is sufficient to provide a reasonable basis for our opinion.

3. The separate and consolidated financial statements were prepared by the Company in accordance with the accounting standards established by the Argentine Central Bank, which, as mentioned in Note 3 to the accompanying financial statements, are based on the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and adopted by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE), with the exception of (i) Section 5.5. "Impairment" of IFRS 9 "Financial Instruments" and (ii) International Accounting Standard (IAS) No. 29 "Financial Reporting in Hyperinflationary Economies," which were transitorily excluded from the financial reporting framework applicable to financial institutions by the Argentine Central Bank. The Entity's Board of Directors and Management are also responsible for implementing all such internal controls as they may deem necessary to allow for the preparation of financial statements free from material misstatements due to errors or irregularities.

4. In our opinion, the financial statements mentioned in paragraph 1 present fairly, in all material respects, the financial position of BANCO MACRO S.A. and its financial position consolidated with that of its subsidiaries as of December 31, 2020, as well as the results of their operation and the changes in shareholders' equity and cash flows for the year then ended, in accordance with the financial reporting framework established by the Argentine Central Bank mentioned in paragraph 3.

5. Without modifying the opinion expressed in paragraph 4, we hereby draw attention to the following information, stated in Note 3 to the consolidated financial statements:

a) The Entity states that it has not applied Section 5.5. "Impairment" of IFRS N 9 "Financial Instruments" to the financial assets comprising exposures to the public sector, which were temporarily excluded from such application through Communication "A" 6847 of the Argentine Central Bank, and that it is in the process of quantifying the effects the full application of said standard would have on the financial statements.

b) The Entity explains, in connection with the application of the comprehensive inflation adjustment method, (i) that pursuant to Communications "A" 6651 and 6849, the amounts of the changes in certain financial assets measured at fair value through comprehensive income were determined in real terms and thus the monetary income or loss generated by those monetary assets is disclosed in the statement of other comprehensive income whereas by application of IAS 29 "Financial Reporting in Hyperinflationary Economies," the entire monetary income or loss generated by those financial assets must be disclosed in the income/(loss) for the year, and (ii) the quantification of the effect of what is described in (i) above.

c) The Entity explains that for the purposes of measuring, at fair value, a holding of equity securities in particular, it has applied the matters required by the Argentine Central Bank through a Memorandum dated April 29, 2019, and that although it is currently in the process of quantifying the difference between said value and the fair value determined in accordance with the IFRSs as of December 31, 2020, it estimates such effects could be significant.

6. As required by the laws and regulations in force, we hereby further report that:

a) We have reviewed the Board of Director's annual report and have no comments to make as to the matters within our purview, with forward-looking statements being the exclusive responsibility of the Board of Directors. We have also reviewed the Report on the degree of compliance with the Corporate Governance Code, enclosed as an Annex to the Report, prepared by the Board of Directors pursuant to CVN General Resolution No. 606/2012. As a result of our review, no aspects have been detected that may lead us to believe that such Annex contains material misstatements or that it has not been prepared, in all material respects, in accordance with said resolution.

b) We have completed all such remaining compliance monitoring tasks required under Section 294 of Act No. 19,550 as we deemed necessary under the circumstances, including, among others, monitoring the posting and maintenance of the directors' performance bond, and have no comments to make in this regard.

c) The financial statements of BANCO MACRO S.A. are currently being transcribed into the Balance Sheet Book of Banco Macro S.A. and result from accounting records kept, in all formal respects, in accordance with the laws in force and the implementing rules of the Argentine Central Bank.

d) We have no significant comments, as to the matters within our purview, on the information disclosed in Note 33 to the accompanying separate financial statements as of December 31, 2019, regarding the Minimum Shareholders' Equity and Balancing Entry requirements established by the Argentine securities Commission.

e) Under CNV General Resolution No. 622 on the independence of external auditors and the quality of the audit policies applied by them and the Company's accounting policies, the external auditors' report mentioned above states that the external auditors applied the auditing standards in force, which include independence requirements, and describes no exceptions to the application of said rules other than those disclosed in paragraph 5 of said report regarding the application of the rules issued by the Argentine Central Bank in lieu of the professional accounting standards.

City of Buenos Aires, March 10, 2021.

Signed on behalf of the Statutory Audit Committee by:

Alejandro Almarza
Statutory Auditor
Public Accountant - University of Buenos Aires
Professional Council of Economic Sciences
of the City of Buenos Aires; V 120 P 210

PROFIT DISTRIBUTION PROJECT
FOR THE YEAR ENDED DECEMBER 31, 2020

(in thousands of Argentine pesos)

RETAINED EARNINGS [1]	**50,112,847**
Allocated to statutory reserve fund [2]	
Adjustments (Section 2.3 of the restated "Profit Distribution" project) [3]	(35)
SUBTOTAL 1	**50,112,812**
Adjustments (Section 2.1 of the restated "Profit Distribution" project) [3]	(5,691,362)
SUBTOTAL 2	**44,421,450**
DISTRIBUTABLE PROFITS [4]	**44,421,450**

(1) It includes the voluntary reserve fund for future profit distributions in an amount equal to ARS 70,446,703.

(2) There are no profits for the year ended on December 31, 2020 to be allocated to the statutory reserve fund taking into account the effect of the adjustment to the income/loss for previous years due to the initial application of IAS 29, as mentioned in the "Unit of measure" section of the Note "Basis of presentation of the financial statements and accounting policies applied."

(3) See Note 39 to the Separate Financial Statements.

(4) Profit distributions will only be allowed to the extent the average minimum cash holdings (in Argentine pesos or any foreign currency) are not lower than the ones required for the last closed or projected position net of the effects of the applicable distribution.

The Board of Directors shall, in due course, submit the profit allocation proposal for consideration by the Shareholders at the Shareholders' Meeting.

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