



Buenos Aires, Argentina, November 7, 2016 – Banco Patagonia S.A. (BCBA: BPAT; BOVESPA: BPAT33) reports on the consolidated income of 3rd quarter (3Q16) for financial year 2016.

### OUTSTANDING DATA

- Banco Patagonia ended the third quarter of 2016 with Assets totaling ARS 63,096.3 million, Loans totaling ARS 36,444.8 million, Deposits totaling ARS 44,943.5 million, and a Shareholders' Equity amounted to ARS 8,383.4 million and in consolidated form with Assets totaling ARS 65,874.9 million, Loans totaling ARS 39,220.2 million and Deposits totaling ARS 45,674.8 million.
- Net income of the quarter amounted to ARS 841.2 million, an increase of 2.3% compared to 2Q16 (ARS 822.3 million) and 39.7% compared to 3Q15 (ARS 602.3 million) determining a ROE of 38.6% (Return On Average Equity) and a ROA of 5.2% (Return on Average Assets).
- Loans granted to non-financial private sector in consolidated form amounted to ARS 38,613.5 million, an increase of 4.9% and 28.7% compared to 2Q16 (ARS 36,810.3 million) and 3Q15 (ARS 29,994.2 million), respectively.
- Total consolidated deposits amounted ARS 45,674.8 million, an increase of 7.6% compared to 2Q16 (ARS 42,450.5 million) and an increase of 31.3% with reference to 3Q15 (ARS 34,774.5 million).
- Regarding the portfolio quality indexes, the non-performing portfolio ratio is 1.1%, and coverage of the non-performing portfolio with provisions is 277.3%.
- Consolidated liquidity ratio was 43.0% (liquid assets on total deposits). Likewise, the integration of the consolidated minimum capital exceeds in ARS 3,390.5 million the exigency of the BCRA rules.
- On September 30, 2016, Banco Patagonia S.A. paid ARS 1,715.2 million in cash dividends, which had been authorized by the SEFyC of the BCRA on September 13, 2016.
- On September 30, 2016, Banco Patagonia S.A. has a staff of 3,425 employees and a network comprising 201 service points at the national level, distributed in capitals and major cities in each Province.

## FINANCIAL REPORTING

For the purposes of drafting this Report, Banco Patagonia S.A. has consolidated line by line its balance sheet and profit and loss statement with the financial statements of its subsidiaries: Patagonia Valores S.A., Patagonia Inversora S.A. Sociedad Gerente de Fondos Comunes de Inversión, Banco Patagonia (Uruguay) S.A.I.F.E. and GPAT Compañía Financiera S.A.

### 3Q16 GAINS (LOSSES)

| Summarized Statement of Income          | Banco Patagonia Consolidated Figures |                |              | Change (%) as of |              |
|---|--------------------------------------|----------------|--------------|------------------|--------------|
|   | 3Q16                                 | 2Q16           | 3Q15         | 2Q16             | 3Q15         |
| <b>In million pesos</b>                 |                                      |                |              |                  |              |
| Intermediation Spread                   | 1,928.5                              | 1,969.8        | 1,487.0      | (2.1%)           | 29.7%        |
| Uncollectibility Charge                 | (135.6)                              | (136.7)        | (172.3)      | (0.8%)           | (21.3%)      |
| Net Fee Income                          | 667.3                                | 578.7          | 507.9        | 15.3%            | 31.4%        |
| Administrative Expenses                 | (1,194.6)                            | (1,215.8)      | (882.4)      | (1.7%)           | 35.4%        |
| <b>Net Operating Income</b>             | <b>1,265.6</b>                       | <b>1,196.0</b> | <b>940.2</b> | <b>5.8%</b>      | <b>34.6%</b> |
| Miscellaneous Profits                   | 53.4                                 | 101.5          | 44.6         | (47.4%)          | 19.7%        |
| <b>Income before Income Tax</b>         | <b>1,319.0</b>                       | <b>1,297.5</b> | <b>984.8</b> | <b>1.7%</b>      | <b>33.9%</b> |
| Income Tax                              | (477.8)                              | (475.2)        | (382.5)      | 0.5%             | 24.9%        |
| <b>Net Profit (Loss) of the Quarter</b> | <b>841.2</b>                         | <b>822.3</b>   | <b>602.3</b> | <b>2.3%</b>      | <b>39.7%</b> |

Net income for 3Q16 totaled ARS 841.2 million increase of 2.3% (ARS 18.9 million) with reference to 2Q16 (ARS 822.3 million) and 39.7% (ARS 238.9 million) with reference to 3Q15 (ARS 602.3 million).

#### a) Earnings per Share

| Earnings per Share                             | Banco Patagonia Consolidated Figures |                |                | Change (%) as of |              |
|--|--------------------------------------|----------------|----------------|------------------|--------------|
|  | 3Q16                                 | 2Q16           | 3Q15           | 2Q16             | 3Q15         |
| <b>In million pesos</b>                        |                                      |                |                |                  |              |
| Net Income for the Quarter                     | 841.2                                | 822.3          | 602.3          | 2.3%             | 39.7%        |
| Quarterly Average Number of Outstanding Shares | 719.1                                | 719.1          | 719.1          | 0.0%             | 0.0%         |
| Quarterly Average Number of Treasury Shares    | 0.0                                  | 0.0            | 0.2            | 0.0%             | (100.0%)     |
| Shares Issued at quarter-end                   | 719.1                                | 719.1          | 719.3          | 0.0%             | 0.0%         |
| <b>Earnings per Share – Amounts in pesos</b>   | <b>1.1698</b>                        | <b>1.1435</b>  | <b>0.8373</b>  | <b>2.3%</b>      | <b>39.7%</b> |
| <b>Earnings per BDR (*) – Amounts in pesos</b> | <b>23.3959</b>                       | <b>22.8703</b> | <b>16.7468</b> | <b>2.3%</b>      | <b>39.7%</b> |
| <b>Book value per share – Amounts in pesos</b> | <b>11.6574</b>                       | <b>12.7995</b> | <b>9.6569</b>  | <b>-8.9%</b>     | <b>20.7%</b> |

(\*) Each BDR is equivalent to 20 common shares.

# BANCO PATAGONIA

## b) Net Financial Income

| Gross Intermediation Spread | Banco Patagonia Consolidated Figures |                |                | Change (%) as of |              |
|-----------------------------|--------------------------------------|----------------|----------------|------------------|--------------|
|                             | 3Q16                                 | 2Q16           | 3Q15           | 2Q16             | 3Q15         |
| In million pesos            |                                      |                |                |                  |              |
| Financial Income            | 3,507.1                              | 3,708.5        | 2,722.1        | (5.4%)           | 28.8%        |
| Financial Expenses          | (1,578.6)                            | (1,738.7)      | (1,235.1)      | (9.2%)           | 27.8%        |
| <b>Total</b>                | <b>1,928.5</b>                       | <b>1,969.8</b> | <b>1,487.0</b> | <b>(2.1%)</b>    | <b>29.7%</b> |

Gross interest income in 3Q16 totaled ARS 1,928,5 million declining 2.1% (ARS 41.3 million) with reference to 2Q16 (ARS 1,969.8 million) and an increase of 29.7% (ARS 441.5 million) with reference to 3Q15 (ARS 1,487.0 million), as per the following table:

| Financial Income                                  | Banco Patagonia Consolidated Figures |                |                | Change (%) as of |              |
|---|--------------------------------------|----------------|----------------|------------------|--------------|
|   | 3Q16                                 | 2Q16           | 3Q15           | 2Q16             | 3Q15         |
| In million pesos                                  |                                      |                |                |                  |              |
| Interest on loans to the financial sector         | 93.3                                 | 85.3           | 56.0           | 9.4%             | 66.6%        |
| Interest on overdrafts                            | 596.7                                | 627.2          | 411.7          | -4.9%            | 44.9%        |
| Interest on documentary credits                   | 732.7                                | 763.5          | 581.9          | -4.0%            | 25.9%        |
| Interest on auto loans                            | 182.6                                | 166.6          | 105.7          | 9.6%             | 72.8%        |
| Interest on credit card loans                     | 325.5                                | 334.4          | 244.7          | -2.7%            | 33.0%        |
| Interest on personal loans                        | 363.0                                | 332.7          | 280.4          | 9.1%             | 29.5%        |
| Interest on other loans                           | 120.8                                | 131.9          | 70.1           | -8.4%            | 72.3%        |
| Interest on financial leasing                     | 79.9                                 | 74.0           | 62.2           | 8.0%             | 28.5%        |
| Net income from government and private securities | 744.2                                | 963.7          | 751.2          | -22.8%           | -0.9%        |
| Exchange difference                               | 168.3                                | 103.1          | 71.4           | 63.2%            | 135.7%       |
| Other   | 100.1                                | 126.1          | 86.8           | -20.6%           | 15.3%        |
| <b>Total</b>                                      | <b>3,507.1</b>                       | <b>3,708.5</b> | <b>2,722.1</b> | <b>(5.4%)</b>    | <b>28.8%</b> |

Financial income to 3Q16 totaled ARS 3,507.1 million declining 5.4% (ARS 201.4 million) with reference to 2Q16 (ARS 3,708.5 million) and an increase of 28.8% (ARS 785.0 million) with reference to 3Q15 (ARS 2,722.1 million).

While the portfolio of loans granted to the non-financial private sector totaled ARS 38,613.5 million in 3Q16, an increase of 4.9% (ARS 1,803.2 million) with reference to 2Q16 (ARS 36,810.3 million), accrued interest was reduced by 1.2% (ARS 29.1 million), totaling ARS 2,401.2 million compared to ARS 2,430.3 million in 2Q16. This decrease arose from lower active interest rates which on September 2016 were on average at an annual nominal rate of 25.8% compared to annual nominal rate of 27.2% on June 2016.

To this effect, the interests of lines of documents and advances, decreased by 4.0% (ARS 30.8 million) and 4.9% (ARS 30.5 million) respectively and were partially offset by increase in the interests of personal loans by 9.1% (ARS 30.3 million) and of mortgage loans by 9.6% (ARS 16.0 million).

Likewise, it can be seen a lower result for the government and private securities portfolio by 22.8% (\$ 219.5 million) compared to 2T16, mainly given to fall in the yields on instruments issued by the BCRA, as a result of policy-rate reductions undertaken by the BCRA. This result is partially offset by an increase of 63.2% (ARS 65.2 million) as result of the foreign exchange differences.

# BANCO PATAGONIA

| Financial Expenses<br>In million pesos                     | Banco Patagonia Consolidated<br>Figures |                |                | Change (%) as of |              |
|--|---|----------------|----------------|------------------|--------------|
|  | 3Q16                                    | 2Q16           | 3Q15           | 2Q16             | 3Q15         |
| Interest on term deposits                                  | 1,160.9                                 | 1,344.6        | 931.1          | (13.7%)          | 24.7%        |
| Other interest   | 14.5                                    | 15.4           | 32.8           | (5.8%)           | (55.8%)      |
| Interest on other liabilities for financial intermediation | 105.6                                   | 79.8           | 62.2           | 32.3%            | 69.8%        |
| Contribution to the deposit guarantee fund                 | 18.1                                    | 18.2           | 56.8           | (0.5%)           | (68.1%)      |
| Other  | 279.5                                   | 280.7          | 152.2          | (0.4%)           | 83.6%        |
| <b>Total</b>   | <b>1,578.6</b>                          | <b>1,738.7</b> | <b>1,235.1</b> | <b>(9.2%)</b>    | <b>27.8%</b> |

Financial expenses to 3Q16 amounted ARS 1,578.6 million, declining 9.2% (ARS 160.1 million) with reference to 2Q16 (ARS 1,738.7 million), as a result of a reduction of 13.7% (ARS 183.7 million) in the accrual of interest of time deposits portfolio.

While in 3Q16 the time deposits portfolio totaled ARS 18,609.5 million, an increase of 10.5% (ARS 1,773.9 million) with reference to 2Q16 (ARS 16,835.6 million), the reduction in the accrual interests arose after reduction in passive interest rate which on September 2016 was, on average, at an annual nominal rate of 22.7% compared to annual nominal rate of 26.9% on June 2016.

## c) Net Fee Income

| Net Fee Income<br>In million pesos | Banco Patagonia Consolidated<br>Figures |                |                | Change (%) as of |              |
|------------------------------------|---|----------------|----------------|------------------|--------------|
|                                    | 3Q16                                    | 2Q16           | 3Q15           | 2Q16             | 3Q15         |
| Deposits                           | 314.9                                   | 291.9          | 250.6          | 7.9%             | 25.7%        |
| Credit and Debit Cards             | 309.6                                   | 286.7          | 218.7          | 8.0%             | 41.6%        |
| Related to Loans                   | 184.5                                   | 131.7          | 104.8          | 40.1%            | 76.0%        |
| Safe-deposit boxes                 | 35.5                                    | 34.4           | 24.7           | 3.2%             | 43.7%        |
| Foreign Trade                      | 30.2                                    | 25.9           | 21.2           | 16.6%            | 42.5%        |
| Capital and Securities Market      | 24.0                                    | 21.7           | 19.0           | 10.6%            | 26.3%        |
| Other                              | 71.3                                    | 68.7           | 66.6           | 3.8%             | 7.1%         |
| <b>Fee income</b>                  | <b>970.0</b>                            | <b>861.0</b>   | <b>705.6</b>   | <b>12.7%</b>     | <b>37.5%</b> |
| <b>Fee expense</b>                 | <b>(302.7)</b>                          | <b>(282.3)</b> | <b>(197.7)</b> | <b>7.2%</b>      | <b>53.1%</b> |
| <b>Total</b>                       | <b>667.3</b>                            | <b>578.7</b>   | <b>507.9</b>   | <b>15.3%</b>     | <b>31.4%</b> |

Net fee income to 3Q16 amounted ARS 667.3 million, an increase of 15.3% (ARS 88.6 million) compared to 2Q16 (ARS 578.7 million) and 31.4% (ARS 159.4 million) compared to 3Q15 (ARS 507.9 million).

With regard to commissions service-charge income amounted ARS 970.0 million, an increase of 12.7% (ARS 109.0 million) compared to 2Q16 (ARS 861.0 million), mainly due to increase of the commissions related with credits by 40.1% (ARS 52.8 million), related with deposits by 7.9% (ARS 23.0 million) and related with safety boxes by 16.6% (ARS 4.3 million).

For its part, the service charge expenses of the quarter amounted ARS 302.7 million, an increase of 7.2% (ARS 20.4 million) compared to 2Q16 (ARS 282.3 million) and 53.1% (ARS 105.0 million) compared to ARS 197.7 million of the 3Q15.

## d) Administrative Expenses

| Administrative Expenses<br>In million pesos | Banco Patagonia Consolidated<br>Figures |                |              | Change (%) as of |              |
|---|---|----------------|--------------|------------------|--------------|
|   | 3Q16                                    | 2Q16           | 3Q15         | 2Q16             | 3Q15         |
| Payroll expenses                            | 700.7                                   | 785.8          | 527.3        | (10.8%)          | 32.9%        |
| Fees  | 44.1                                    | 57.0           | 28.7         | (22.6%)          | 53.7%        |
| Advertising and publicity                   | 32.1                                    | 33.8           | 24.8         | (5.0%)           | 29.4%        |
| Taxes                                       | 89.3                                    | 49.0           | 70.5         | 82.2%            | 26.7%        |
| Other operating expenses                    | 195.2                                   | 175.1          | 139.8        | 11.5%            | 39.6%        |
| Other                                       | 133.2                                   | 115.1          | 91.3         | 15.7%            | 45.9%        |
| <b>Total</b>                                | <b>1,194.6</b>                          | <b>1,215.8</b> | <b>882.4</b> | <b>(1.7%)</b>    | <b>35.4%</b> |

Administrative expenses to 3Q16 amounted ARS 1,194.6 million, declining 1.7% (ARS 21.2 million) with reference to 2Q16 (ARS 1,215.8 million) and an increase of 35.4% (ARS 312.2 million) with reference to 3Q15 (ARS 882.4 million).

The main variations compared to 2Q16 are related with the reduction of 10.8% (ARS 85.1 million) in the personnel expenses. This decrease was partially offset by increase of 82.2% (ARS 40.3 million) as part of the taxes.

On September 30, 2016, el ratio of coverage of administrative expenses with net income from services ascended to 51.3% and the ratio of efficiency, measured as the quotient between administrative expenses and the total net income, amounted to 47.2%.

## RELEVANT FINANCIAL INFORMATION

### a) Loan Portfolio

| Loans<br>In million pesos                  | Banco Patagonia Consolidated Figures |                  |                  | Change (%) as of |               |
|--|--------------------------------------|------------------|------------------|------------------|---------------|
|  | 3Q16                                 | 2Q16             | 3Q15             | 2Q16             | 3Q15          |
| <b>To the Non-Financial Public Sector</b>  | <b>612.9</b>                         | <b>672.2</b>     | <b>168.8</b>     | <b>(8.8%)</b>    | <b>263.1%</b> |
| <b>To the Financial Sector</b>             | <b>1,290.4</b>                       | <b>1,411.7</b>   | <b>678.8</b>     | <b>(8.6%)</b>    | <b>90.1%</b>  |
| <b>To the Non-Financial Private Sector</b> | <b>38,613.5</b>                      | <b>36,810.3</b>  | <b>29,994.2</b>  | <b>4.9%</b>      | <b>28.7%</b>  |
| Overdrafts                                 | 7,709.4                              | 7,244.9          | 5,903.4          | 6.4%             | 30.6%         |
| Documentary credits                        | 13,265.7                             | 13,645.2         | 13,068.3         | (2.8%)           | 1.5%          |
| Auto loans                                 | 2,737.1                              | 2,518.6          | 1,719.5          | 8.7%             | 59.2%         |
| Consumer loans                             | 5,068.2                              | 4,202.3          | 3,657.5          | 20.6%            | 38.6%         |
| Credit cards                               | 6,474.3                              | 6,199.5          | 4,445.6          | 4.4%             | 45.6%         |
| Other                                      | 3,358.8                              | 2,999.8          | 1,199.9          | 12.0%            | 179.9%        |
| <b>(Provisions)</b>                        | <b>(1,296.6)</b>                     | <b>(1,264.7)</b> | <b>(1,207.2)</b> | <b>2.5%</b>      | <b>7.4%</b>   |
| <b>Total</b>                               | <b>39,220.2</b>                      | <b>37,629.5</b>  | <b>29,634.6</b>  | <b>4.2%</b>      | <b>32.3%</b>  |

On September 30, 2016, the portfolio of loans granted to the non-financial private sector totaled ARS 38,613.5 million, an increase of 4.9% (ARS 1,803.2 million) with reference to 2Q16 (ARS 36,810.3 million) and 28.7% (ARS 8,619.3 million) compared to 3Q15 (ARS 29,994.2 million).

In 3Q16, highlights the growth of the consumer portfolio, notably, the portfolio of personal loans increased by 20.6% (ARS 865,9 million) and financing with credit cards by 4.4% (ARS 274,8 million).

Likewise, mortgage loans corresponding to the funds grants by GPAT Compañía Financiera S.A. for the acquisition of vehicles Chevrolet have increased 8.7% (ARS 218.5 million).

For its part, with reference to the commercial portfolio, in 3Q16 highlights the growth of 6.4% in the advance lines (ARS 464.5 million).

It is worth mentioning regarding the "Line of credit facilities for production and financial inclusion" oriented to the financing of investment projects with specific purposes, both for small and medium-sized enterprises and large companies, Banco Patagonia S.A had achieved the objectives of placement established by Argentine Central Bank since the creation of the above mentioned line.

# BANCO PATAGONIA

## b) Exposure to the Public Sector

| Exposure to the Public Sector<br>In million pesos | Banco Patagonia Consolidated<br>Figures |                |                | Change (%) as of |                |
|---|---|----------------|----------------|------------------|----------------|
|   | 3Q16                                    | 2Q16           | 3Q15           | 2Q16             | 3Q15           |
| Government Securities (*)                         | 2,659.3                                 | 2,860.2        | 2,852.6        | (7.0%)           | (6.8%)         |
| Loans to the Public Sector                        | 612.9                                   | 672.2          | 168.8          | (8.8%)           | 263.1%         |
| <b>Exposure to the Public Sector</b>              | <b>3,272.2</b>                          | <b>3,532.4</b> | <b>3,021.4</b> | <b>(7.4%)</b>    | <b>8.3%</b>    |
| <b>Share on Total Assets</b>                      | <b>5.0%</b>                             | <b>5.7%</b>    | <b>5.9%</b>    | <b>(12.9%)</b>   | <b>(15.8%)</b> |

(\*) Includes "Equity Interest" plus "Loans" and "Spot Purchases to be Settled and Forward Purchases" less "Deposits" and "Spot Sales to be settled and Forward Sales".

On September 30, 2016, the exposure in assets by public sector amounted to ARS 3,272.2 million, declining 7.4% (ARS 260.2 million) with reference to 2Q16 (ARS 3,532.4 million) and an increase of 8.3% (ARS 250.8 million) compared to 3Q15 (ARS 3,021.4 million). The share of public-sector assets over total assets in 3Q16 is of 5.0%.

## c) Deposits

| Deposits<br>In million pesos               | Banco Patagonia Consolidado |                 |                 | Variación % al: |              |
|--|-----------------------------|-----------------|-----------------|-----------------|--------------|
|  | 3Q16                        | 2Q16            | 3Q15            | 2Q16            | 3Q15         |
| <b>Non-Financial Public Sector</b>         | <b>3,558.4</b>              | <b>4,478.5</b>  | <b>2,626.1</b>  | <b>(20.5%)</b>  | <b>35.5%</b> |
| Checking Accounts                          | 1,983.1                     | 1,638.9         | 1,164.2         | 21.0%           | 70.3%        |
| Time deposits                              | 1,575.3                     | 2,839.6         | 1,461.9         | (44.5%)         | 7.8%         |
| <b>Financial Sector</b>                    | <b>10.4</b>                 | <b>8.5</b>      | <b>9.6</b>      | <b>22.4%</b>    | <b>8.3%</b>  |
| <b>To the Non-Financial Private Sector</b> | <b>42,106.0</b>             | <b>37,963.5</b> | <b>32,138.8</b> | <b>10.9%</b>    | <b>31.0%</b> |
| Checking Accounts                          | 6,519.4                     | 6,929.9         | 6,012.4         | (5.9%)          | 8.4%         |
| Savings accounts                           | 14,500.5                    | 11,726.2        | 7,771.3         | 23.7%           | 86.6%        |
| Time deposits                              | 18,609.5                    | 16,835.6        | 16,617.2        | 10.5%           | 12.0%        |
| Other                                      | 2,476.6                     | 2,471.8         | 1,737.9         | 0.2%            | 42.5%        |
| <b>Total</b>                               | <b>45,674.8</b>             | <b>42,450.5</b> | <b>34,774.5</b> | <b>7.6%</b>     | <b>31.3%</b> |

In 3Q16, the total deposits amounted is of ARS 45,674.8 million, an increase of 7.6% (ARS 3,224.3 million) with reference to 2Q16 (ARS 42,450.5 million) and 31.3% (ARS 10,900.3 million) with reference to 3Q15 (ARS 34,774.5 million).

The deposits of the private non-financial sector totaled ARS 42,106.0 million, an increase of 10.9% (ARS 4,142.5 million) compared to 2Q16 (ARS 37,963.5 million) and 31.0% (ARS 9,967.2 million) with reference to 3Q15 (ARS 32,138.8 million).

In quarter-on-quarter terms, the highlight is the increase of the deposits in savings account with a fluctuation of 23.7% (ARS 2,774.3 million) and time deposits by 10.5% (ARS 1,773.9 million).

Total deposits in the closing of the 3Q16 represent 79.4% of the total liabilities. Time deposits represent 44.2% of total deposits.

# BANCO PATAGONIA

## d) Other Funding Sources

| Other Funding Sources<br>In million pesos        | Banco Patagonia Consolidated<br>Figures |                |                | Change (%) as of |             |
|--|---|----------------|----------------|------------------|-------------|
|  | 3Q16                                    | 2Q16           | 3Q15           | 2Q16             | 3Q15        |
| Central Bank of the Republic of Argentina (BCRA) | 13.9                                    | 16.4           | 22.3           | (15.2%)          | (37.7%)     |
| Banks and international organizations            | 1,713.6                                 | 1,722.7        | 2,085.2        | (0.5%)           | (17.8%)     |
| Unsubordinated corporate bonds                   | 1,481.5                                 | 1,266.4        | 1,057.5        | 17.0%            | 40.1%       |
| <b>Total</b>                                     | <b>3,209.0</b>                          | <b>3,005.5</b> | <b>3,165.0</b> | <b>6.8%</b>      | <b>1.4%</b> |

“With reference to “Other sources of funding” used by the Entity, in 3Q16 totaled ARS 3,209.0 million, an increase of 6.8% (ARS 203.5 million) with reference to 2Q16 (ARS 3,005.5 million) and 1.4% (ARS 44.0 million) with reference to 3Q15 (ARS 3,165.0 million).

Compared to 2Q16, the main increment corresponds to the segment Unsubordinated Corporate Bonds by 17.0% (ARS 215.1 million), due to placement of GPAT Compañía Financiera S.A. of the Series XXIV of an amount of ARS 200.0 million.

## e) Liquidity

| Liquid Assets<br>In million pesos         | Banco Patagonia Consolidated<br>Figures |                 |                 | Change (%) as of |                |
|---|---|-----------------|-----------------|------------------|----------------|
|   | 3Q16                                    | 2Q16            | 3Q15            | 2Q16             | 3Q15           |
| Cash and Cash Equivalents                 | 8,600.6                                 | 8,900.8         | 7,277.5         | (3.4%)           | 18.2%          |
| Lebacs                                    | 8,530.0                                 | 6,778.2         | 6,576.9         | 25.8%            | 29.7%          |
| Other Government and Corporate Securities | 2,530.1                                 | 2,543.0         | 3,029.4         | (0.5%)           | (16.5%)        |
| <b>Liquid Assets</b>                      | <b>19,660.7</b>                         | <b>18,222.0</b> | <b>16,883.8</b> | <b>7.9%</b>      | <b>16.4%</b>   |
| <b>Deposits</b>                           | <b>45,674.8</b>                         | <b>42,450.5</b> | <b>34,774.5</b> | <b>7.6%</b>      | <b>31.3%</b>   |
| <b>Liquid Assets on Total Deposits</b>    | <b>43.0%</b>                            | <b>42.9%</b>    | <b>48.6%</b>    | <b>0.3%</b>      | <b>(11.4%)</b> |

Banco Patagonia has consolidated in 3Q16 liquid assets for ARS 19,660.7 million, an increase of 7.9% (ARS 1,438.7 million) compared to 2Q16 (ARS 18,222.0 million) and 16.4% (ARS 2,776.9 million) with reference to 3Q15 (ARS 16,883.8 million).

In the closing of the 3Q16, the ratio between net assets and total deposits was 43.0%.



# BANCO PATAGONIA

## f) Portfolio Quality

| Financing Portfolio<br>In million pesos                 | Banco Patagonia Consolidated<br>Figures |          |          | Change (%) as of |         |
|---|---|----------|----------|------------------|---------|
|   | 3Q16                                    | 2Q16     | 3Q15     | 2Q16             | 3Q15    |
| Total financing   | 44,925.0                                | 42,650.1 | 33,896.9 | 5.3%             | 32.5%   |
| Private sector financing                                | 42,023.2                                | 40,581.1 | 32,986.9 | 3.6%             | 27.4%   |
| Non-performing portfolio                                | 478.9                                   | 479.4    | 448.9    | (0.1%)           | 6.7%    |
| Provisions  | 1,328.1                                 | 1,294.0  | 1,236.2  | 2.6%             | 7.4%    |
| Non-performing portfolio as a % of total financing      | 1.1%                                    | 1.1%     | 1.3%     | (4.8%)           | (19.2%) |
| Provisions as a % of non-performing financing portfolio | 277.3%                                  | 269.9%   | 275.4%   | 2.7%             | 0.7%    |

As of September 30, 2016 the non-performing portfolio index over total financing was 1.1%, and coverage with provisions on the non-performing loan portfolio was 277.3%.

Variation of indexes related to the portfolio is monitored on a permanent basis by the Bank's Management in order to take the corresponding steps in each scenario.

## g) Capitalization

| Capitalization<br>In million pesos    | Banco Patagonia Consolidated<br>Figures |                |                | Change (%) as of |                |
|---------------------------------------|---|----------------|----------------|------------------|----------------|
|                                       | 3Q16                                    | 2Q16           | 3Q15           | 2Q16             | 3Q15           |
| Minimum Capital Requirement (A)       | 4,935.0                                 | 4,779.3        | 3,615.5        | 3.3%             | 36.5%          |
| Credit Risk                           | 3,698.4                                 | 3,477.3        | 2,464.0        | 6.4%             | 50.1%          |
| Market risk - Securities              | 45.8                                    | 119.0          | 157.1          | (61.5%)          | (70.8%)        |
| Market risk - Currencies              | 43.2                                    | 138.4          | 50.1           | (68.8%)          | (13.8%)        |
| Operational Risk                      | 1,106.7                                 | 1,003.7        | 822.9          | 10.3%            | 34.5%          |
| Bad Debts                             | 40.9                                    | 40.9           | 121.4          | -                | (66.3%)        |
| <b>Composition (B)</b>                | <b>8,325.5</b>                          | <b>9,158.2</b> | <b>6,928.0</b> | <b>(9.1%)</b>    | <b>20.2%</b>   |
| Common Capital - Level 1              | 7,962.8                                 | 8,793.5        | 6,644.8        | (9.4%)           | 19.8%          |
| Deductible items COn1                 | (42.5)                                  | (21.7)         | (28.8)         | 95.9%            | 47.6%          |
| Common Capital - Level 2              | 405.2                                   | 386.4          | 312.0          | 4.9%             | 29.9%          |
| <b>Difference (B) - (A)</b>           | <b>3,390.5</b>                          | <b>4,378.9</b> | <b>3,312.5</b> | <b>(22.6%)</b>   | <b>2.4%</b>    |
| Risk-weighted assets - APR (D)        | 60,161.9                                | 57,963.5       | 29,863.6       | 3.8%             | 101.5%         |
| <b>TIER 1 ratio (C) / (D)</b>         | <b>13.2%</b>                            | <b>15.2%</b>   | <b>22.3%</b>   | <b>(12.8%)</b>   | <b>(40.5%)</b> |
| <b>Capitalization ratio (B) / (D)</b> | <b>13.8%</b>                            | <b>15.8%</b>   | <b>23.2%</b>   | <b>(12.4%)</b>   | <b>(40.3%)</b> |

On September 30, 2016 Banco Patagonia shows a surplus of consolidated minimum capital of ARS 3,390.5 million compared with the requested by Argentine Central Bank, declining by 22.6% (ARS988.4 million) with reference to 2Q16 (ARS 4.378,9 million) due to distribution of cash dividends carried out during the 3Q16 and an increase of 2.4% (ARS 78.0 million) with reference to 3Q15 (ARS 3,312.5 million).

Finally, the capitalization ratio was 13.8% and the TIER1 ratio reached 13.2%.

# BANCO PATAGONIA

## MAIN INDICATORS

| Breakdown  | Banco Patagonia Consolidated |        |        |        |        |
|--|------------------------------|--------|--------|--------|--------|
|  | 3Q16                         | 3Q15   | 3Q14   | 3Q13   | 3Q12   |
| <b>Profitability Indexes</b>                                   |                              |        |        |        |        |
| Return on average assets (1)                                   | 5.2%                         | 4.8%   | 6.3%   | 7.1%   | 4.2%   |
| Return on average shareholders' equity (2)                     | 38.6%                        | 32.9%  | 42.2%  | 30.6%  | 30.9%  |
| <b>Indexes on Financial Margin and by Service</b>              |                              |        |        |        |        |
| Total financial margin (net financial income / Average Assets) | 11.9%                        | 11.3%  | 12.9%  | 14.2%  | 9.6%   |
| Margin on net services (net fee income / Average Assets)       | 3.8%                         | 3.9%   | 4.1%   | 4.0%   | 4.5%   |
| Total margin (net total income . average assets) (3)           | 15.7%                        | 15.2%  | 16.9%  | 18.2%  | 14.1%  |
| Net fee income on net total income (3)                         | 24.2%                        | 25.9%  | 24.2%  | 22.1%  | 32.0%  |
| <b>Shareholders' Equity Indexes</b>                            |                              |        |        |        |        |
| Shareholders' equity on total assets                           | 12.7%                        | 13.5%  | 15.0%  | 14.8%  | 14.2%  |
| Financial standing (shareholders' equity on total liabilities) | 14.6%                        | 15.6%  | 17.7%  | 17.4%  | 16.6%  |
| Total liabilities as a multiple of shareholders' equity        | 6.9                          | 6.4    | 5.7    | 5.8    | 6.0    |
| RPC on risk-weighted assets (4)                                | 13.8%                        | 15.3%  | 17.2%  | 15.9%  | 19.1%  |
| <b>Portfolio Quality Ratio</b>                                 |                              |        |        |        |        |
| Non-performing portfolio on financing (before provisions) (5)  | 1.1%                         | 1.3%   | 1.8%   | 1.9%   | 1.5%   |
| Provisions on non-performing financing portfolio (5)           | 277.3%                       | 275.4% | 224.5% | 223.0% | 208.1% |
| <b>Efficiency Index</b>  |                              |        |        |        |        |
| Administrative expenses on total net income (3)                | 47.2%                        | 46.3%  | 37.9%  | 35.4%  | 45.9%  |
| Net fee income on administrative expenses                      | 51.3%                        | 56.0%  | 63.7%  | 62.4%  | 69.8%  |
| <b>Liquidity Ratios</b>  |                              |        |        |        |        |
| Liquid Assets on deposits (6)                                  | 43.0%                        | 48.6%  | 44.2%  | 43.7%  | 28.5%  |
| Loans (net of provisions) on assets                            | 59.5%                        | 57.5%  | 60.3%  | 59.4%  | 68.5%  |
| Deposits on liabilities  | 79.4%                        | 78.0%  | 82.0%  | 79.9%  | 82.3%  |
| Loans on deposits  | 85.9%                        | 85.2%  | 86.5%  | 87.3%  | 97.1%  |
| Fixed assets (7)   | 10.0%                        | 7.7%   | 7.0%   | 6.2%   | 8.4%   |

(1) defined as the quotient between income for the year / annualized period and average assets calculated according to monthly balances.

(2) defined as the quotient between income for the year / annualized period and average shareholders' equity calculated according to monthly balances.

(3) total net income defined as the sum total of financial income and net fee income.

(4) RPC means accountable corporate liability.

(5) non-performing portfolio is defined as loans classified as 3 – 4 – 5 and 6 condition.

(6) defined as the quotient between the sum total of cash and cash equivalents and government and corporate securities and total deposits.

(7) defined as the quotient between the sum total of fixed, sundry and intangible assets and shareholders' equity.

# BANCO PATAGONIA

## SUMMARIZED ACCOUNTING INFORMATION

### a) Consolidated Financial Structure

| Statement of Financial Position<br>In million pesos | Banco Patagonia Consolidated Figures |               |                 |               |                 |               |                 |               |                 |               |
|---|--------------------------------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
|   | 3Q16                                 | %             | 3Q15            | %             | 3Q14            | %             | 3Q13            | %             | 3Q12            | %             |
| Cash and Cash Equivalents                           | 8,600.6                              | 13.1%         | 7,277.5         | 14.1%         | 5,500.5         | 14.1%         | 4,453.1         | 15.0%         | 3,371.0         | 15.0%         |
| Government and Corporate Securities                 | 11,060.1                             | 16.8%         | 9,606.3         | 18.6%         | 6,525.0         | 16.7%         | 1,525.2         | 5.1%          | 1,711.1         | 7.6%          |
| Loans   | 39,220.2                             | 59.5%         | 29,634.6        | 57.5%         | 23,529.4        | 60.3%         | 20,400.9        | 68.5%         | 15,045.5        | 67.1%         |
| To the Non-Financial Public Sector                  | 612.9                                | 0.9%          | 168.8           | 0.3%          | 252.0           | 0.6%          | 204.1           | 0.7%          | 169.5           | 0.8%          |
| Financial Sector                                    | 1,290.4                              | 2.0%          | 678.8           | 1.3%          | 829.6           | 2.1%          | 591.8           | 2.0%          | 395.8           | 1.8%          |
| To the Non-Financial Private Sector                 | 38,613.5                             | 58.6%         | 29,994.2        | 58.2%         | 23,538.5        | 60.3%         | 20,343.4        | 68.3%         | 14,902.5        | 66.4%         |
| (Provisions)  | (1,296.6)                            | (2.0%)        | (1,207.2)       | (2.3%)        | (1,090.7)       | (2.7%)        | (738.4)         | (2.5%)        | (422.3)         | (1.9%)        |
| Other Receivables from Financial Intermediation     | 3,922.3                              | 6.0%          | 2,610.4         | 5.1%          | 1,750.3         | 4.5%          | 1,880.2         | 6.3%          | 1,038.8         | 4.6%          |
| Receivables for Financial Leasing                   | 1,394.9                              | 2.1%          | 1,259.8         | 2.4%          | 878.7           | 2.3%          | 773.7           | 2.6%          | 498.5           | 2.2%          |
| Other Assets  | 1,676.8                              | 2.5%          | 1,149.8         | 2.3%          | 852.3           | 2.1%          | 742.7           | 2.5%          | 764.0           | 3.5%          |
| <b>ASSETS</b>                                       | <b>65,874.9</b>                      | <b>100.0%</b> | <b>51,538.4</b> | <b>100.0%</b> | <b>39,036.2</b> | <b>100.0%</b> | <b>29,775.8</b> | <b>100.0%</b> | <b>22,428.9</b> | <b>100.0%</b> |

| Statement of Financial Position<br>In million pesos | Banco Patagonia Consolidated Figures |               |                 |               |                 |               |                 |               |                 |               |
|---|--------------------------------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
|   | 3Q16                                 | %             | 3Q15            | %             | 3Q14            | %             | 3Q13            | %             | 3Q12            | %             |
| Deposits  | 45,674.8                             | 69.3%         | 34,774.5        | 67.5%         | 27,188.7        | 69.6%         | 21,005.0        | 70.6%         | 15,742.3        | 70.2%         |
| Non-Financial Public Sector                         | 3,558.4                              | 5.4%          | 2,626.1         | 5.1%          | 3,134.2         | 8.0%          | 2,511.0         | 8.4%          | 1,916.9         | 8.5%          |
| Financial Sector                                    | 10.4                                 | 0.0%          | 9.6             | 0.0%          | 15.6            | 0.0%          | 15.4            | 0.1%          | 18.9            | 0.1%          |
| Non-Financial Private Sector                        | 42,106.0                             | 63.9%         | 32,138.8        | 62.4%         | 24,038.9        | 61.6%         | 18,478.6        | 62.1%         | 13,806.5        | 61.5%         |
| Other liabilities for financial intermediation      | 9,656.4                              | 14.7%         | 7,371.7         | 14.3%         | 4,591.1         | 11.8%         | 3,646.6         | 12.2%         | 2,594.3         | 11.6%         |
| Other Liabilities                                   | 2,160.3                              | 3.3%          | 2,446.3         | 4.7%          | 1,389.4         | 3.6%          | 882.4           | 3.0%          | 953.5           | 4.3%          |
| <b>LIABILITIES</b>                                  | <b>57,491.5</b>                      | <b>87.3%</b>  | <b>44,592.5</b> | <b>86.5%</b>  | <b>33,169.2</b> | <b>85.0%</b>  | <b>25,534.0</b> | <b>85.8%</b>  | <b>19,290.1</b> | <b>86.0%</b>  |
| <b>SHAREHOLDERS' EQUITY,</b>                        | <b>8,383.4</b>                       | <b>12.7%</b>  | <b>6,945.9</b>  | <b>13.5%</b>  | <b>5,867.0</b>  | <b>15.0%</b>  | <b>4,241.8</b>  | <b>14.2%</b>  | <b>3,138.8</b>  | <b>14.0%</b>  |
| <b>Total Liabilities + Shareholders' Equity</b>     | <b>65,874.9</b>                      | <b>100.0%</b> | <b>51,538.4</b> | <b>100.0%</b> | <b>39,036.2</b> | <b>100.0%</b> | <b>29,775.8</b> | <b>100.0%</b> | <b>22,428.9</b> | <b>100.0%</b> |

# BANCO PATAGONIA

## b) Comparative Consolidated Profit and Loss Structure

| Statement of Income               | Banco Patagonia Consolidated Figures |              |                |              |              |              |              |              |              |              |
|-----------------------------------|--------------------------------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                   | 3Q16                                 |              | 3Q15           |              | 3Q14         |              | 3Q13         |              | 3Q12         |              |
| In million pesos                  |                                      | %            |                | %            |              | %            |              | %            |              | %            |
| Financial Income                  | 3,507.1                              | 100.0%       | 2,722.1        | 100.0%       | 1,905.7      | 100.0%       | 1,508.2      | 100.0%       | 1,015.4      | 100.0%       |
| Financial Expenses                | 1,578.6                              | 45.0%        | 1,235.1        | 45.4%        | 908.3        | 47.7%        | 627.4        | 41.6%        | 321.4        | 31.7%        |
| <b>Gross Interest Income</b>      | <b>1,928.5</b>                       | <b>55.0%</b> | <b>1,487.0</b> | <b>54.6%</b> | <b>997.4</b> | <b>52.3%</b> | <b>880.8</b> | <b>58.4%</b> | <b>694.0</b> | <b>68.3%</b> |
| Uncollectible Charge              | 135.6                                | 3.9%         | 172.3          | 6.3%         | 99.1         | 5.2%         | 138.6        | 9.2%         | 144.5        | 14.2%        |
| Net Fee Income                    | 667.3                                | 19.0%        | 507.9          | 18.7%        | 407.7        | 21.4%        | 325.3        | 21.6%        | 256.1        | 25.2%        |
| Administrative Expenses           | 1,194.6                              | 34.1%        | 882.4          | 32.4%        | 615.8        | 32.3%        | 462.5        | 30.7%        | 372.4        | 36.6%        |
| <b>Net Operative Income</b>       | <b>1,265.6</b>                       | <b>36.1%</b> | <b>940.2</b>   | <b>34.5%</b> | <b>690.2</b> | <b>36.2%</b> | <b>605.0</b> | <b>40.1%</b> | <b>433.2</b> | <b>42.7%</b> |
| Miscellaneous Income Loss         | 53.4                                 | 1.5%         | 44.6           | 1.6%         | 53.3         | 2.8%         | -0.6         | 0.0%         | 18.0         | 1.7%         |
| <b>Income before Income Tax</b>   | <b>1,319.0</b>                       | <b>37.6%</b> | <b>984.8</b>   | <b>36.2%</b> | <b>743.5</b> | <b>39.0%</b> | <b>604.4</b> | <b>40.1%</b> | <b>451.2</b> | <b>44.4%</b> |
| <b>Income Tax</b>                 | <b>477.8</b>                         | <b>13.6%</b> | <b>382.5</b>   | <b>14.1%</b> | <b>289.1</b> | <b>15.2%</b> | <b>248.5</b> | <b>16.5%</b> | <b>202.6</b> | <b>19.9%</b> |
| <b>Net Income for the Quarter</b> | <b>841.2</b>                         | <b>24.0%</b> | <b>602.3</b>   | <b>22.1%</b> | <b>454.4</b> | <b>23.8%</b> | <b>355.9</b> | <b>23.6%</b> | <b>248.6</b> | <b>24.5%</b> |

## c) Consolidated Foreign Currency Position

| Foreign Currency. Position                      | Banco Patagonia Consolidated Figures |                |                |                |                |
|---|--------------------------------------|----------------|----------------|----------------|----------------|
|   | 3Q16                                 | 3Q15           | 3Q14           | 3Q13           | 3Q12           |
| In million pesos                                |                                      |                |                |                |                |
| Cash and Cash Equivalents                       | 2,946.5                              | 2,526.9        | 2,554.9        | 1,849.2        | 1,408.3        |
| Government and Corporate Securities             | 1,526.8                              | 1,486.8        | 391.4          | 128.3          | 59.7           |
| Loans   | 5,986.2                              | 2,669.3        | 1,369.7        | 1,067.4        | 1,629.3        |
| Other Receivables from Financial Intermediation | 509.1                                | 325.0          | 587.0          | 594.3          | 350.7          |
| Receivables for Financial Leasing               | 0.0                                  | 1.0            | 2.1            | 4.9            | 10.8           |
| Other Assets                                    | 8.7                                  | 1.0            | 6.1            | 5.0            | 4.8            |
| <b>ASSETS</b>                                   | <b>10,977.3</b>                      | <b>7,010.0</b> | <b>4,911.2</b> | <b>3,649.1</b> | <b>3,463.6</b> |
| Deposits  | 6,630.2                              | 2,117.5        | 1,943.8        | 1,718.5        | 1,511.6        |
| Other liabilities for financial intermediation  | 2,589.6                              | 3,044.9        | 1,537.0        | 484.1          | 800.7          |
| Other Liabilities                               | 5.8                                  | 2.1            | 1.1            | 0.7            | 3.8            |
| <b>LIABILITIES</b>                              | <b>9,225.6</b>                       | <b>5,164.5</b> | <b>3,481.9</b> | <b>2,203.3</b> | <b>2,316.1</b> |
| <b>Foreign Currency Position in Pesos</b>       | <b>1,751.7</b>                       | <b>1,845.5</b> | <b>1,429.3</b> | <b>1,445.8</b> | <b>1,147.5</b> |
| <b>Benchmark Exchange Rate</b>                  | <b>15.2633</b>                       | <b>9.4192</b>  | <b>8.4643</b>  | <b>5.7915</b>  | <b>4.6942</b>  |
| <b>Foreign Currency Position in US Dollars</b>  | <b>114.8</b>                         | <b>195.9</b>   | <b>168.9</b>   | <b>249.6</b>   | <b>244.5</b>   |

## d) Comparative Individual Financial Structure

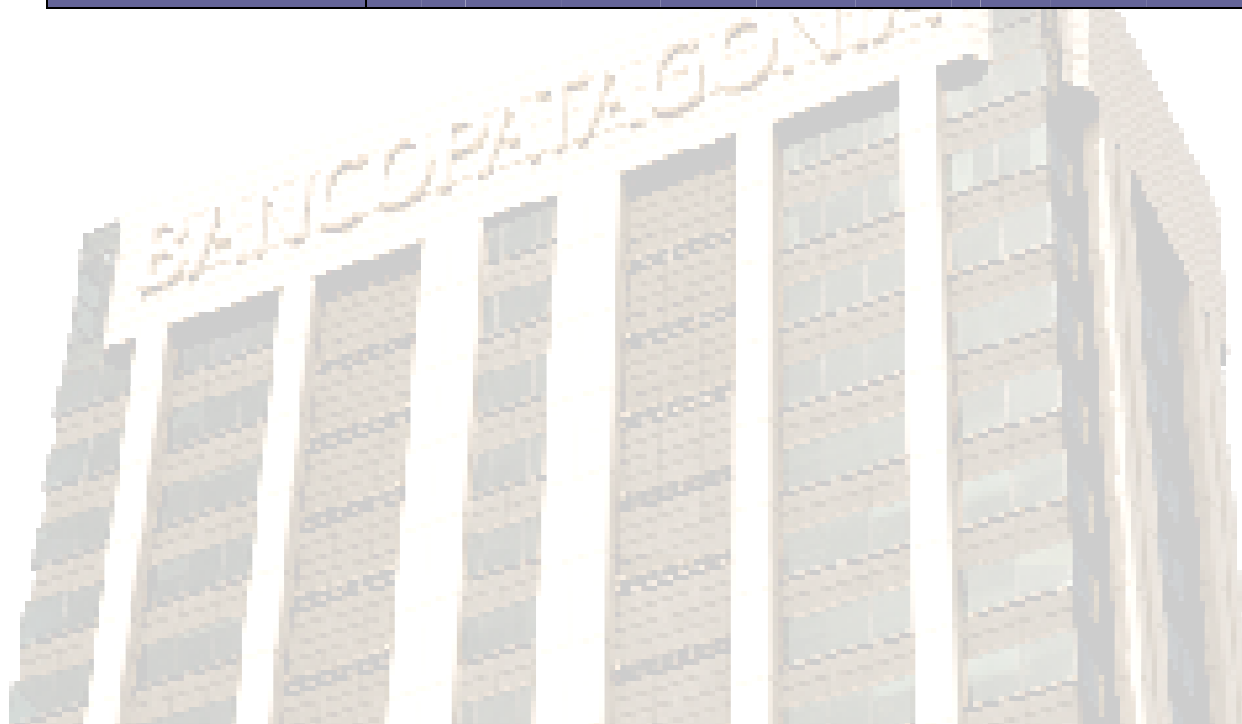
| Statement of Financial Position<br>In million pesos | Banco Patagonia Standalone |               |                 |               |                 |               |                 |               |                 |               |
|---|----------------------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
|   | 3Q16                       | %             | 3Q15            | %             | 3Q14            | %             | 3Q13            | %             | 3Q12            | %             |
| Cash and Cash Equivalents                           | 8,087.2                    | 12.8%         | 6,938.4         | 13.9%         | 5,222.2         | 14.1%         | 4,170.7         | 15.1%         | 3,167.8         | 15.2%         |
| Government and Corporate Securities                 | 10,765.3                   | 17.1%         | 9,452.6         | 18.9%         | 6,398.4         | 17.3%         | 1,500.6         | 5.4%          | 1,687.2         | 8.1%          |
| Loans   | 36,444.8                   | 57.8%         | 27,934.6        | 55.9%         | 21,767.5        | 58.8%         | 18,541.2        | 67.3%         | 13,778.9        | 65.9%         |
| To the Non-Financial Public Sector                  | 612.9                      | 1.0%          | 168.8           | 0.3%          | 252.0           | 0.7%          | 204.1           | 0.7%          | 169.5           | 0.8%          |
| Financial Sector                                    | 1,736.2                    | 2.8%          | 856.9           | 1.7%          | 856.6           | 2.3%          | 661.9           | 2.4%          | 525.9           | 2.5%          |
| Non-Financial Private Sector                        | 35,328.3                   | 56.0%         | 28,083.4        | 56.2%         | 21,715.7        | 58.7%         | 18,381.8        | 66.7%         | 13,487.0        | 64.5%         |
| (Provisions)  | (1,232.6)                  | (2.0%)        | (1,174.5)       | (2.3%)        | (1,056.8)       | (2.9%)        | (706.6)         | (2.5%)        | (403.5)         | (1.9%)        |
| Other Receivables from Financial Intermediation     | 3,518.7                    | 5.6%          | 2,378.4         | 4.8%          | 1,254.9         | 3.4%          | 1,365.6         | 5.0%          | 692.1           | 3.3%          |
| Receivables for Financial Leasing                   | 1,394.9                    | 2.2%          | 1,259.8         | 2.5%          | 878.7           | 2.4%          | 773.7           | 2.8%          | 498.5           | 2.4%          |
| Other Assets  | 2,885.4                    | 4.5%          | 2,022.4         | 4.0%          | 1,468.1         | 4.0%          | 1,192.4         | 4.4%          | 1,078.2         | 5.1%          |
| <b>ASSETS</b>                                       | <b>63,096.3</b>            | <b>100.0%</b> | <b>49,986.2</b> | <b>100.0%</b> | <b>36,989.8</b> | <b>100.0%</b> | <b>27,544.2</b> | <b>100.0%</b> | <b>20,902.7</b> | <b>100.0%</b> |

| Statement of Financial Position<br>In million pesos | Banco Patagonia Standalone |               |                 |               |                 |               |                 |               |                 |               |
|---|----------------------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
|   | 3Q16                       | %             | 3Q15            | %             | 3Q14            | %             | 3Q13            | %             | 3Q12            | %             |
| Deposits  | 44,943.5                   | 71.2%         | 34,356.0        | 68.7%         | 26,589.9        | 71.9%         | 20,325.3        | 73.8%         | 15,295.8        | 73.2%         |
| Non-Financial Public Sector                         | 3,558.4                    | 5.6%          | 2,626.1         | 5.3%          | 3,134.2         | 8.5%          | 2,511.0         | 9.1%          | 1,916.9         | 9.2%          |
| Financial Sector                                    | 16.1                       | 0.0%          | 10.0            | 0.0%          | 18.5            | 0.1%          | 21.6            | 0.1%          | 20.4            | 0.1%          |
| Non-Financial Private Sector                        | 41,369.0                   | 65.6%         | 31,719.9        | 63.5%         | 23,437.2        | 63.3%         | 17,792.7        | 64.6%         | 13,358.5        | 63.9%         |
| Other liabilities for financial intermediation      | 7,883.2                    | 12.5%         | 6,369.8         | 12.7%         | 3,282.9         | 8.9%          | 2,240.8         | 8.1%          | 1,659.9         | 7.9%          |
| Other Liabilities                                   | 1,886.2                    | 3.0%          | 2,314.5         | 4.6%          | 1,250.1         | 3.3%          | 736.3           | 2.7%          | 808.2           | 3.9%          |
| <b>LIABILITIES</b>                                  | <b>54,712.9</b>            | <b>86.7%</b>  | <b>43,040.3</b> | <b>86.1%</b>  | <b>31,122.9</b> | <b>84.1%</b>  | <b>23,302.4</b> | <b>84.6%</b>  | <b>17,763.9</b> | <b>85.0%</b>  |
| <b>SHAREHOLDERS' EQUIT.</b>                         | <b>8,383.4</b>             | <b>13.3%</b>  | <b>6,945.9</b>  | <b>13.9%</b>  | <b>5,866.9</b>  | <b>15.9%</b>  | <b>4,241.8</b>  | <b>15.4%</b>  | <b>3,138.8</b>  | <b>15.0%</b>  |
| <b>Total Liabilities + Shareholders' Equity.</b>    | <b>63,096.3</b>            | <b>100.0%</b> | <b>49,986.2</b> | <b>100.0%</b> | <b>36,989.8</b> | <b>100.0%</b> | <b>27,544.2</b> | <b>100.0%</b> | <b>20,902.7</b> | <b>100.0%</b> |

# BANCO PATAGONIA

## e) Comparative Individual Income and Loss Structure

| Statement of Income<br>In million pesos | Statement of Income |              |                |              |              |              |              |              |              |              |
|---|---------------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 3Q16                | %            | 3Q15           | %            | 3Q14         | %            | 3Q13         | %            | 3Q12         | %            |
| Financial Income                        | 3,327.6             | 100.0%       | 2,607.1        | 100.0%       | 1,799.5      | 100.0%       | 1,430.7      | 100.0%       | 962.0        | 100.0%       |
| Financial Expenses                      | 1,476.2             | 44.4%        | 1,182.6        | 45.4%        | 824.5        | 45.8%        | 560.5        | 39.2%        | 290.6        | 30.2%        |
| <b>Gross Interest Income</b>            | <b>1,851.4</b>      | <b>55.6%</b> | <b>1,424.5</b> | <b>54.6%</b> | <b>975.0</b> | <b>54.2%</b> | <b>870.2</b> | <b>60.8%</b> | <b>671.4</b> | <b>69.8%</b> |
| Uncollectible Charge                    | 118.9               | 3.6%         | 168.1          | 6.4%         | 94.5         | 5.3%         | 133.3        | 9.3%         | 142.4        | 14.8%        |
| Net Fee Income                          | 561.9               | 16.9%        | 443.1          | 17.0%        | 332.1        | 18.5%        | 267.7        | 18.7%        | 215.5        | 22.4%        |
| Administrative Expenses                 | 1,161.9             | 34.9%        | 859.4          | 33.0%        | 599.0        | 33.3%        | 448.8        | 31.4%        | 361.1        | 37.5%        |
| <b>Net Operative Income</b>             | <b>1,132.5</b>      | <b>34.0%</b> | <b>840.1</b>   | <b>32.2%</b> | <b>613.6</b> | <b>34.1%</b> | <b>555.8</b> | <b>38.8%</b> | <b>383.4</b> | <b>39.9%</b> |
| Miscellaneous Income . Loss             | 133.0               | 4.0%         | 107.2          | 4.1%         | 101.4        | 5.6%         | 29.4         | 2.1%         | 49.4         | 5.1%         |
| <b>Income before Income Tax</b>         | <b>1,265.5</b>      | <b>38.0%</b> | <b>947.3</b>   | <b>36.3%</b> | <b>715.0</b> | <b>39.7%</b> | <b>585.2</b> | <b>40.9%</b> | <b>432.8</b> | <b>45.0%</b> |
| Income Tax                              | 424.3               | 12.8%        | 345.0          | 13.2%        | 260.6        | 14.4%        | 229.3        | 16.0%        | 184.2        | 19.2%        |
| <b>Net Income for the Quarter</b>       | <b>841.2</b>        | <b>25.3%</b> | <b>602.3</b>   | <b>23.1%</b> | <b>454.4</b> | <b>25.3%</b> | <b>355.9</b> | <b>24.9%</b> | <b>248.6</b> | <b>25.8%</b> |



## NOTE

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This report might include forward-looking statements. If included, these statements are mainly based on the current opinions, expectations and projections by the Bank and its management about future events and operating and financial trends that will affect the Bank's business. There are many important factors that could cause the Bank's actual results to differ substantially from those results anticipated in our forward-looking statements, such as, but not limited to: inflation; changes in interest rates and the costs of deposits; Argentine government regulations affecting the Bank's operations; adverse judicial or administrative decisions; general credit risks, such as increases in defaults by borrowers; unexpected increases in financing or other costs; fluctuation or depreciation of the value of the Argentine public debt held in treasury by the Bank; competition in the banking or financial market or in other related Argentine markets; withdrawal of deposits by Bank's clients; deterioration in the regional, national and international business and economic conditions; and fluctuations in the Argentine peso exchange rate.

The words "it is considered", "might", "would", "estimate", "continue", "anticipate", "intend", "expect", "forecast" and similar terms are intended to identify forward-looking statements. Such statements include information concerning results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities, effects of future regulations and effects of competition that possibly or supposedly may happen in the future. These statements are valid only as of the date they were made, and the Bank assumes no obligation to publicly update or to revise any of the forward-looking statements after the distribution of this report as a result of new information, future events or other factors. These expectations and projections are subject to material risks and uncertainties and may not be accurate or may change significantly. In light of these risks and uncertainties, the future events and circumstances discussed in this report are not to be taken as guarantees of future performance.

This report is a summary analysis of the results of Banco Patagonia and its subsidiaries. For a proper interpretation, this report must be read in conjunction with any other material periodically filed with the Comisión Nacional de Valores ([www.cnv.gov.ar](http://www.cnv.gov.ar)), Comissão de Valores Mobiliários ([www.cvm.gov.br](http://www.cvm.gov.br)), Bolsa de Comercio de Buenos Aires ([www.bolsar.com.ar](http://www.bolsar.com.ar)), and Bolsa de Valores de São Paulo ([www.bovespa.com.br](http://www.bovespa.com.br)). In addition, the Argentine Central Bank ([www.bcra.gov.ar](http://www.bcra.gov.ar)) may publish information related to Banco Patagonia as of a date subsequent to the last date for which the Bank has published information.

# BANCO PATAGONIA

## CONFERENCE CALL

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Banco Patagonia S.A. will hold a conference call to discuss the profit, loss corresponding to 3Q16 on November 9, 2016 at 13:00 p.m. (Buenos Aires Time). 11.00 a.m. (US Eastern Time). To participate, please dial:

Participant Dial in (Toll Free): 0-800-444-2930

Participant International Dial In: 1-412-317-2509

Participant International Dial In (Toll Free): 1-844-839-2187

Code: 10094158

## INVESTOR RELATIONS

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Banco Patagonia S.A.  
Adrián Sánchez Seoane

Investor Relations

Phone: (5411) – 4132 – 6038

Fax: (5411) – 4132 – 6075

e-mail: [investors@bancopatagonia.com.ar](mailto:investors@bancopatagonia.com.ar)

website: [www.bancopatagonia.com.ar/relacionconinversores](http://www.bancopatagonia.com.ar/relacionconinversores)

