



Buenos Aires, Argentina, February 15, 2017 – Banco Patagonia S.A. (BCBA: BPAT; BOVESPA: BPAT33) reports on the consolidated income of 4th quarter (4Q16) for financial year 2016.

### OUTSTANDING DATA

- Banco Patagonia ended 2016 with Assets of ARS 69,533.5 million, Loans (net of forecasts) of ARS 40,430.7 million, Deposits of ARS 51,788.4 million, and Net Worth of ARS 9,235.3 million and in consolidated form with Assets of ARS 72,117.0 million, Loans of ARS 43,428.2 million and Deposits of ARS 52,219.6 million.
- The net result of the quarter was of ARS 852.1 million, an increase of 1.3% compared to 3Q16 (ARS 841.2 million) and 15.8% compared to 4Q15 (ARS 735.6 million) determining a ROE of 38.3% (return on equity) and a ROA of 5.1% (return on assets).
- Loans granted to non-financial private sector in consolidated form amounted to ARS 42,857.5 million, an increase of 11.0% and 30.5% compared to 3Q16 (ARS 38,613.5 million) and 4Q15 (ARS 32,848.2 million), respectively.
- Total consolidated deposits amounted to ARS 52,219.6 million, an increase of 14.3% compared to 3Q16 (ARS 45,674.8 million) and an increase of 24.2% compared to 4Q15 (ARS 42,051.2 million).
- With reference to portfolio quality indicators, the index of irregular portfolio was of 1.0%, and the coverage of irregular portfolio with expectations was 274.2%.
- Consolidated liquidity ratio (net assets over total deposits) was of 45.3%. Likewise, the integration of the consolidated minimum capital exceeds in ARS 3,735.4 million the exigency of the BCRA rules.
- Until September 30 of 2016, the Entity paid ARS 1,715.2 million of cash dividends.
- On December 31 of 2016, the Entity has a staff of 3,434 employees and a network comprising 200 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.

### 4Q16 GAINS (LOSSES)

Summarized Statement of Income In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	4Q16	3Q16	4Q15	3Q16	4Q15
Intermediation Spread	1,839.5	1,928.5	1,612.8	(4.6%)	14.1%
Uncollectibility Charge	(149.1)	(135.6)	(70.6)	10.0%	111.2%
Net Fee Income	734.9	667.3	515.1	10.1%	42.7%
Administrative Expenses	(1,379.4)	(1,194.6)	(1,016.8)	15.5%	35.7%
<b>Net Operating Income</b>	<b>1,045.9</b>	<b>1,265.6</b>	<b>1,040.5</b>	<b>(17.4%)</b>	<b>0.5%</b>
Miscellaneous Profits	103.9	53.4	20.0	94.6%	419.5%
<b>Income before Income Tax</b>	<b>1,149.8</b>	<b>1,319.0</b>	<b>1,060.5</b>	<b>(12.8%)</b>	<b>8.4%</b>
Income Tax	(297.7)	(477.8)	(324.9)	(37.7%)	(8.4%)
<b>Net Profit (Loss) of the Quarter</b>	<b>852.1</b>	<b>841.2</b>	<b>735.6</b>	<b>1.3%</b>	<b>15.8%</b>

The net result of the 4Q16 was of ARS 852.1 million, an increase of 1.3% (ARS 10.9 million) compared to 3Q16 (ARS 841.2 million) and 15.8% (ARS 116.5 million) compared to 4Q15 (ARS 735.6 million).

#### a) Earnings per Share

Earnings per Share In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	4Q16	3Q16	4Q15	3Q16	4Q15
Net Income for the Quarter	852.1	841.2	735.6	1.3%	15.8%
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>1.1850</b>	<b>1.1698</b>	<b>1.0227</b>	<b>1.3%</b>	<b>15.9%</b>
<b>Earnings per BDR (*) – Amounts in pesos</b>	<b>23.6991</b>	<b>23.3959</b>	<b>20.4532</b>	<b>1.3%</b>	<b>15.9%</b>
<b>Book value per share – Amounts in pesos</b>	<b>12.8420</b>	<b>11.6574</b>	<b>10.6797</b>	<b>10.2%</b>	<b>20.2%</b>

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

## b) Net Financial Income

Gross Intermediation Spread In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	4Q16	3Q16	4Q15	3Q16	4Q15
Financial Income	3,320.6	3,507.1	3,113.1	(5.3%)	6.7%
Financial Expenses	(1,481.1)	(1,578.6)	(1,500.3)	(6.2%)	(1.3%)
<b>Total</b>	<b>1,839.5</b>	<b>1,928.5</b>	<b>1,612.8</b>	<b>(4.6%)</b>	<b>14.1%</b>

Gross Intermediation Margin to 4Q16 amounted to ARS 1,839.5 million, decreased by 4.6% (ARS 89.0 million) compared to 3Q16 (ARS 1,928.5 million) and an increase of 14.1% (ARS 226.7 million) compared to 4Q15 (ARS 1,612.8 million), according to the following scheme:

Financial Income In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	4Q16	3Q16	4Q15	3Q16	4Q15
Interest on loans to the financial sector	87.1	93.3	62.1	(6.6%)	40.3%
Interest on overdrafts	475.6	596.7	491.2	(20.3%)	(3.2%)
Interest on documentary credits	735.6	732.7	763.6	0.4%	(3.7%)
Interest on auto loans	205.2	182.6	124.8	12.4%	64.4%
Interest on credit card loans	372.6	325.5	289.0	14.5%	28.9%
Interest on personal loans	455.1	363.0	300.1	25.4%	51.6%
Interest on other loans	115.7	120.8	65.5	(4.2%)	76.6%
Interest on financial leasing	78.5	79.9	63.9	(1.8%)	22.8%
Net income from government and private securities	590.5	744.2	524.4	(20.7%)	12.6%
Exchange difference	177.9	168.3	180.8	5.7%	(1.6%)
Other	26.8	100.1	247.7	(73.2%)	(89.2%)
<b>Total</b>	<b>3,320.6</b>	<b>3,507.1</b>	<b>3,113.1</b>	<b>(5.3%)</b>	<b>6.7%</b>

Financial income to 4Q16 amounted to ARS 3,320.6 million, decreased by 5.3% (ARS 186.5 million) compared to 3Q16 (ARS 3,507.1 million) and an increase of 6.7% (ARS 207.5 million) compared to 4Q15 (ARS 3,113.1 million).

On 4Q16, the interests of loans granted to the non-financial private sector totaled ARS 2,438.3 million, an increase of 1.5 % (37.1 million) compared to 3Q16 (ARS 2,401.2 million). Despite the average rate to fall during the last quarter of the past year, of TNA 25.8% on September of 2016 to TNA 22.5% on December of 2016, the result was offset for increase of 11.0% of the portfolio mentioned which amounted to ARS 42,857.5 million on the 4Q16, compared with ARS 38,613.5 million on 3Q16.

In this regard, the interest that had accrued by the consumer portfolio stand out, in special, personal loans, credit cards and mortgage loans which increased by 25.4% (ARS 92.1 million), 14.5% (ARS 47.1 million) and 12.4% (ARS 22.6 million). The highest yield of the consumer portfolio partially offset by a decrease of 20.3% (ARS 121.1 million) in interest yielded by the advances.

As a final point, the result of the portfolio of private and government securities amounted to ARS 590.5 million decreased by 20.7% (ARS 153.7 million) compared to 3Q16 (ARS 744.2 million), mostly due to a decrease in the gains of the instruments issued by BCRA, as a consequence of the current policy of rate reductions of the BCRA.

Financial Expenses In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	4Q16	3Q16	4Q15	3Q16	4Q15
Interest on term deposits	1,007.9	1,160.9	1,142.3	(13.2%)	(11.8%)
Other interest	12.2	14.5	29.1	(15.9%)	(58.1%)
Interest on other liabilities for financial intermediation	109.9	105.6	82.1	4.1%	33.9%
Contribution to the deposit guarantee fund	19.4	18.1	59.5	7.2%	(67.4%)
Other	331.7	279.5	187.3	18.7%	77.1%
<b>Total</b>	<b>1,481.1</b>	<b>1,578.6</b>	<b>1,500.3</b>	<b>(6.2%)</b>	<b>(1.3%)</b>

The financial disbursements on 4Q16 amounted to ARS 1,481.1 million, a decrease of 6.2% (ARS 97.5 million) compared to 3Q16 (ARS 1,578.6 million) and 1.3% (ARS 19.2 million) compared to 4Q15.

On 4Q16, the accrued interest of the time deposits portfolio declined 13.2% (ARS 153.0 million). Despite the time deposits portfolio totaled ARS 22,977.5 million on December 31 of 2016, an increase of 13.8% (ARS 2,792.7 million) compared to previous quarter (ARS 20,184.8 million), a reduction in accrued interest after reduction in the passive interest rate that on December 2016 was, on average, of TNA 19.2% compared with TNA 22.7% on September 2016.

## c) Net Fee Income

Net Fee Income In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	4Q16	3Q16	4Q15	3Q16	4Q15
Deposits	345.5	314.9	259.2	9.7%	33.3%
Credit and Debit Cards	325.5	309.6	248.0	5.1%	31.3%
Related to Loans	215.1	184.5	110.0	16.6%	95.5%
Safe-deposit boxes	38.9	35.5	25.2	9.6%	54.4%
Foreign Trade	34.0	30.2	28.6	12.6%	18.9%
Capital and Securities Market	29.3	24.0	17.3	22.1%	69.4%
Other	70.3	71.3	72.2	(1.4%)	(2.6%)
<b>Fee income</b>	<b>1,058.6</b>	<b>970.0</b>	<b>760.5</b>	<b>9.1%</b>	<b>39.2%</b>
<b>Fee expense</b>	<b>(323.7)</b>	<b>(302.7)</b>	<b>(245.4)</b>	<b>6.9%</b>	<b>31.9%</b>
<b>Total</b>	<b>734.9</b>	<b>667.3</b>	<b>515.1</b>	<b>10.1%</b>	<b>42.7%</b>

The net revenue on services of the 4Q16 amounted to ARS 734.9 million, an increase of 10.1% (ARS 67.6 million) compared to 3Q16 (ARS 667.3 million) and 42.7% (ARS 219.8 million) compared to 4Q15 (ARS 515.1 million).

With regard to revenue on services, amounted to ARS 1,058.6 million on 4Q16, an increase of 9.1% (ARS 88.6 million) compared to 3Q16 (ARS 970.0 million), mainly due to increase of the commissions related with credits 16.6% (ARS 30.6 million), the ones related with deposits in 9.7% (ARS 30.6 million), and the ones related with credit and debit cards in 5.1% (ARS 15.9 million).

On its part, the service charge expenses of the quarter amounted to ARS 323.7 million, an increase of 6.9% (ARS 21.0 million) compared to 3Q16 (ARS 302.7 million) and 31.9% (ARS 78.3 million) compared to 4Q15 (ARS 245.4 million).

## d) Administrative Expenses

Administrative Expenses In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	4Q16	3Q16	4Q15	3Q16	4Q15
Payroll expenses	745.5	700.7	532.2	6.4%	40.1%
Fees	94.5	44.1	39.9	114.3%	136.8%
Advertising and publicity	60.5	32.1	77.8	88.5%	(22.2%)
Taxes	71.4	89.3	61.9	(20.0%)	15.3%
Other operating expenses	237.4	195.2	198.4	21.6%	19.7%
Other	170.1	133.2	106.6	27.7%	59.6%
<b>Total</b>	<b>1,379.4</b>	<b>1,194.6</b>	<b>1,016.8</b>	<b>15.5%</b>	<b>35.7%</b>

Administrative expenses do 4Q16 amounted to ARS 1,379.4 million, an increase of 15.5% (ARS 184.8 million) compared to 3Q16 (ARS 1,194.6 million) and 35.7% (ARS 362.6 million) compared to 4Q15 (ARS 1,016.8 million).

The main variations compared to previous quarter are related with the increase on consulting fees (ARS 50.4 million), in the payroll expenses (ARS 44.8 million) and other operating expenses (ARS 42.2 million).

On December 31 of 2016, el ratio of coverage of administrative expenses with net income from services ascended to 51.9% and the ratio of efficiency, measured as the quotient between administrative expenses and the total net income amounted 48.9%.

## RELEVANT FINANCIAL INFORMATION

### a) Loan Portfolio

Loans In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	4Q16	3Q16	4Q15	3Q16	4Q15
<b>To the Non-Financial Public Sector</b>	<b>483.7</b>	<b>612.9</b>	<b>474.1</b>	<b>(21.1%)</b>	<b>2.0%</b>
<b>To the Financial Sector</b>	<b>1,447.5</b>	<b>1,290.4</b>	<b>1,053.3</b>	<b>12.2%</b>	<b>37.4%</b>
<b>To the Non-Financial Private Sector</b>	<b>42,857.5</b>	<b>38,613.5</b>	<b>32,848.2</b>	<b>11.0%</b>	<b>30.5%</b>
Overdrafts	5,129.4	7,709.4	6,743.1	(33.5%)	(23.9%)
Documentary credits	16,008.1	13,265.7	13,238.6	20.7%	20.9%
Auto loans	3,409.8	2,737.1	1,929.3	24.6%	76.7%
Consumer loans	5,990.5	5,068.2	3,968.4	18.2%	51.0%
Credit cards	7,368.4	6,474.3	5,325.4	13.8%	38.4%
Other	4,951.3	3,358.8	1,643.4	47.4%	201.3%
<b>(Provisions)</b>	<b>(1,360.5)</b>	<b>(1,296.6)</b>	<b>(1,239.8)</b>	<b>4.9%</b>	<b>9.7%</b>
<b>Total</b>	<b>43,428.2</b>	<b>39,220.2</b>	<b>33,135.8</b>	<b>10.7%</b>	<b>31.1%</b>

On December 31 of 2016, the portfolio of loans granted to the non-financial private sector totaled ARS 42,857.5 million, an increase of 11.0% (ARS 4,244.0 million) compared to 3Q16 (ARS 38,613.5 million) and 30.5% (ARS 10,009.3 million) compared to 4Q15 (ARS 32,848.2 million).

Among the loans for consumption purposes, the lines of greatest growing were the personal loans with 18.2% (ARS 922.3 million), the loans with credit cards with 13.8% (ARS 894.1 million) and the mortgage loans granted by GPAT Compañía Financiera S.A with 24.6% (ARS 672.7 million)

With regard to commercial loans, highlights the increase of 20,7% (ARS 2.742,4 million) in the line of documents. In contrast, the advance line has a reduction of 33.5% (ARS 2,580.0).

Compared to segment "Others", has an increase of 47.4% (ARS 1,952.5 million), primarily due to the increase of the loans related with foreign trade operations.

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.

## b) Exposure to the Public Sector

Exposure to the Public Sector In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	4Q16	3Q16	4Q15	3Q16	4Q15
Government Securities (*)	3,123.5	2,659.3	2,749.7	17.5%	13.6%
Loans to the Public Sector	483.7	612.9	474.1	(21.1%)	2.0%
<b>Exposure to the Public Sector</b>	<b>3,607.2</b>	<b>3,272.2</b>	<b>3,223.8</b>	<b>10.2%</b>	<b>11.9%</b>
<b>Share on Total Assets</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.2%</b>	<b>0.7%</b>	<b>(3.8%)</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 December 31 of 2016, the exposure in assets by public sector amounted to ARS 3,607.2 million, an increase of 9.8% (ARS 335,0 million) compared to 3Q16 (ARS 3,272.2 million) and 11.9% (ARS 383.4 million) compared to 4Q15 (ARS 3,223.8 million). The share of public-sector assets over total assets in the 4Q16 is of 5.0%.

## c) Deposits

Deposits In million pesos	Banco Patagonia Consolidado			Variación % al:	
	4Q16	3Q16	4Q15	3Q16	4Q15
<b>Non-Financial Public Sector</b>	<b>3,297.4</b>	<b>3,558.4</b>	<b>2,791.7</b>	<b>(7.3%)</b>	<b>18.1%</b>
Checking Accounts	1,655.2	1,983.1	1,335.4	(16.5%)	23.9%
Time deposits	1,642.2	1,575.3	1,456.3	4.2%	12.8%
<b>Financial Sector</b>	<b>6.0</b>	<b>10.4</b>	<b>31.7</b>	<b>(42.3%)</b>	<b>(81.1%)</b>
<b>To the Non-Financial Private Sector</b>	<b>48,916.2</b>	<b>42,106.0</b>	<b>39,227.8</b>	<b>16.2%</b>	<b>24.7%</b>
Checking Accounts	7,104.1	6,519.4	5,990.9	9.0%	18.6%
Savings accounts	18,272.2	14,500.5	10,751.8	26.0%	69.9%
Time deposits	21,335.3	18,609.5	20,713.5	14.6%	3.0%
Other	2,204.6	2,476.6	1,771.6	(11.0%)	24.4%
<b>Total</b>	<b>52,219.6</b>	<b>45,674.8</b>	<b>42,051.2</b>	<b>14.3%</b>	<b>24.2%</b>

On 4Q16, total deposits amounted to ARS 52,219.6 million an increase of 14.3% (ARS 6,544.8 million) compared to 3Q16 (ARS 45,674.8 million) and 24.2% (ARS 10,168.4 million) compared to 4Q15 (ARS 42,051.2 million).

The deposits of the private non-financial sector totaled ARS 48,916.2 million, an increase of 16.2% (ARS 6,810.2 million) compared to 3Q16 (ARS 42,106.0 million) and 24.7% (ARS 9,688.4 million) compared to 4Q15 (ARS 39,227.8 million).

In quarter-on-quarter terms, the highlight is the increase of the deposits in savings account with a fluctuation of 26.0% (ARS 3,771.7 million), and in time deposits by 14.6% (ARS 2,725.8 million).

Total deposits in the closing of the 4Q16 represent 83.1% of the total liabilities. Time deposits represent 44.0% of total deposits.

## d) Other Funding Sources

Other Funding Sources In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	4Q16	3Q16	4Q15	3Q16	4Q15
Central Bank of the Republic of Argentina (BCRA)	12.5	13.9	20.6	(10.1%)	(39.3%)
Banks and international organizations	1,824.3	1,713.6	2,329.8	6.5%	(21.7%)
Unsubordinated corporate bonds	1,532.5	1,481.5	1,058.5	3.4%	44.8%
<b>Total</b>	<b>3,369.3</b>	<b>3,209.0</b>	<b>3,408.9</b>	<b>5.0%</b>	<b>(1.2%)</b>

With reference to "Other sources of funding" used by the Entity, in 4Q16 totaled ARS 3,369.3 million, an increase of 5.0% (ARS 160.3 million) compared to 3Q16 (ARS 3,209.0 million) and decreased by 1.2% (ARS 39.6 million) compared to 4Q15 (ARS 3,408.9 million).

## e) Liquidity

Liquid Assets In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	4Q16	3Q16	4Q15	3Q16	4Q15
Cash and Cash Equivalents	10,885.2	8,600.6	9,606.3	26.6%	13.3%
Lebacs	9,437.4	8,530.0	9,370.8	10.6%	0.7%
Other Government and Corporate Securities	3,315.5	2,530.1	3,040.6	31.0%	9.0%
<b>Liquid Assets</b>	<b>23,638.1</b>	<b>19,660.7</b>	<b>22,017.7</b>	<b>20.2%</b>	<b>7.4%</b>
<b>Deposits</b>	<b>52,219.6</b>	<b>45,674.8</b>	<b>42,051.2</b>	<b>14.3%</b>	<b>24.2%</b>
<b>Liquid Assets on Total Deposits</b>	<b>45.3%</b>	<b>43.0%</b>	<b>52.4%</b>	<b>5.2%</b>	<b>-13.5%</b>

Banco Patagonia has consolidated in 4Q16 net assets totaling ARS 23,638.1 million, an increase of 20.2% (ARS 3,977.4 million) compared to 3Q16 (ARS 19,660.7 million) and 7.4% (ARS 1,620.4 million) compared to 3T15 (ARS 22,017.7 million).

In the closing of the 4Q16, the ratio between net assets and total deposits was 45.3%.



## f) Portfolio Quality

Financing Portfolio In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	4Q16	3Q16	4Q15	3Q16	4Q15
Total financing	49,304.5	44,925.0	37,745.7	9.7%	30.6%
Private sector financing	47,372.8	42,023.2	36,007.0	12.7%	31.6%
Non-performing portfolio	508.9	478.9	442.0	6.3%	15.1%
Provisions	1,395.4	1,328.1	1,265.6	5.1%	10.3%
Non-performing portfolio as a % of total financing	1.0%	1.1%	1.2%	(6.5%)	(16.7%)
Provisions as a % of non-performing financing portfolio	274.2%	277.3%	286.3%	(1.1%)	(4.2%)

On December 31 of 2016, the non-performing portfolio index over total financing was 1.0%, and coverage with provisions on the non-performing loan portfolio was 274.2%.

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 In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	4Q16	3Q16	4Q15	3Q16	4Q15
<b>Minimum Capital Requirement (A)</b>	<b>5,450.9</b>	<b>4,935.0</b>	<b>4,266.6</b>	<b>10.5%</b>	<b>27.8%</b>
Credit Risk.	4,134.4	3,698.4	3,069.0	11.8%	34.7%
Market risk - Securities	57.6	45.8	191.9	25.8%	-70.0%
Market risk - Currencies	84.2	43.2	70.1	94.9%	20.1%
Operational Risk	1,174.7	1,106.7	894.7	6.1%	31.3%
Bad Debts	0.0	40.9	40.9	-100.0%	-100.0%
<b>Composition (B)</b>	<b>9,186.3</b>	<b>8,325.5</b>	<b>7,629.6</b>	<b>10.3%</b>	<b>20.4%</b>
Common Capital - Level 1	8,809.3	7,962.8	7,313.7	10.6%	20.4%
Deductible items COn1	-75.9	-42.5	-28.4	78.6%	167.3%
Common Capital - Level 2	452.9	405.2	344.3	11.8%	31.5%
<b>Difference (B) - (A)</b>	<b>3,735.4</b>	<b>3,390.5</b>	<b>3,363.0</b>	<b>10.2%</b>	<b>11.1%</b>
Risk-weighted assets - APR (D)	66,632.5	60,161.9	53,333.5	10.8%	24.9%
<b>TIER 1 ratio (C) / (D)</b>	<b>13.2%</b>	<b>13.2%</b>	<b>13.7%</b>	<b>-0.1%</b>	<b>-3.6%</b>
<b>Capitalization ratio (B) / (D)</b>	<b>13.8%</b>	<b>13.8%</b>	<b>14.3%</b>	<b>-0.4%</b>	<b>-3.6%</b>

On December 31 of 2016, the Entity shows a surplus of consolidated minimum capital of ARS 3,735.4 million with the requested by Argentine Central Bank, an increase of 10.2% (ARS 344.9 million) compared to 3Q16 (ARS 3,390.5 million), and an increase of 11.1% (ARS 372.4 million) compared to 4Q15 (ARS 3,363.0 million).

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

## MAIN INDICATORS

Banco Patagonia Consolidated	As of December 31:				
	2016	2015	2014	2013	2012
<b>Profitability Indexes</b>					
Return on average assets (1)	5.1%	4.8%	5.8%	4.3%	4.0%
Return on average shareholders' equity (2)	38.3%	35.2%	38.8%	30.9%	30.0%
<b>Indexes on Financial Margin and by Service</b>					
Total financial margin (net financial income / Average Assets)	11.5%	11.2%	12.0%	10.9%	10.0%
Margin on net services (net fee income / Average Assets)	3.9%	3.8%	4.2%	4.4%	4.5%
Total margin (net total income . average assets) (3)	15.4%	15.0%	16.2%	15.3%	14.5%
Net fee income on net total income (3)	25.3%	25.4%	25.7%	28.8%	30.9%
<b>Shareholders' Equity Indexes</b>					
Shareholders' equity on total assets	12.8%	12.5%	15.4%	14.2%	12.4%
Financial standing (shareholders' equity on total liabilities)	14.7%	14.3%	18.2%	16.6%	14.2%
Total liabilities as a multiple of shareholders' equity	6.8	7.02	5.50	6.00	7.10
RPC on risk-weighted assets (4)	13.3%	14.4%	16.9%	15.0%	18.9%
<b>Portfolio Quality Ratio</b>					
Non-performing portfolio on financing (before provisions) (5)	1.0%	1.2%	1.8%	1.5%	1.0%
Provisions on non-performing financing portfolio (5)	274.2%	286.3%	226.1%	266.6%	256.7%
<b>Efficiency Index</b>					
Administrative expenses on total net income (3)	48.9%	46.7%	40.5%	41.9%	45.6%
Net fee income on administrative expenses	51.9%	54.4%	63.5%	68.9%	67.8%
<b>Liquidity Ratios</b>					
Liquid Assets on deposits (6)	45.3%	52.4%	46.3%	35.2%	35.6%
Loans (net of provisions) on assets	60.2%	53.8%	59.2%	65.5%	64.3%
Deposits on liabilities	83.0%	78.0%	80.3%	81.6%	80.1%
Loans on deposits	83.2%	78.8%	87.1%	93.6%	91.7%
Fixed assets (7)	9.7%	8.0%	6.2%	7.0%	9.2%

(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.

## SUMMARIZED ACCOUNTING INFORMATION

### a) Consolidated Financial Structure

Banco Patagonia Consolidated Figures In million pesos	Statement of Financial Position As of December 31:									
	2016	%	2015	%	2014	%	2013	%	2012	%
Cash and Cash Equivalents	10,885.2	15.1%	9,606.3	15.6%	6,600.4	16.1%	5,949.7	18.4%	4,618.8	17.0%
Government and Corporate Securities	12,752.9	17.7%	12,411.4	20.2%	6,284.6	15.3%	2,020.4	6.3%	2,142.2	7.9%
Loans	43,428.2	60.2%	33,135.8	53.8%	24,233.6	59.2%	21,174.2	65.5%	17,422.9	64.3%
To the Non-Financial Public Sector	483.7	0.7%	474.1	0.8%	171.8	0.4%	283.1	0.9%	170.8	0.6%
Financial Sector	1,447.5	2.0%	1,053.3	1.7%	504.9	1.2%	696.7	2.2%	621.6	2.3%
To the Non-Financial Private Sector	42,857.5	59.4%	32,848.2	53.3%	24,701.0	60.3%	21,161.4	65.5%	17,137.6	63.2%
(Provisions)	(1,360.5)	(1.9%)	(1,239.8)	(2.0%)	(1,144.1)	(2.7%)	(967.0)	(3.1%)	(507.1)	(1.8%)
Other Receivables from Financial Intermediation	1,913.9	2.7%	3,889.7	6.3%	1,939.8	4.7%	1,527.5	4.7%	1,699.4	6.3%
Receivables for Financial Leasing	1,451.3	2.0%	1,284.7	2.1%	1,017.2	2.5%	920.2	2.8%	636.6	2.3%
Other Assets	1,685.5	2.3%	1,257.5	2.0%	885.5	2.2%	722.1	2.3%	585.4	2.2%
<b>ASSETS</b>	<b>72,117.0</b>	<b>100.0%</b>	<b>61,585.4</b>	<b>100.0%</b>	<b>40,961.1</b>	<b>100.0%</b>	<b>32,314.1</b>	<b>100.0%</b>	<b>27,105.3</b>	<b>100.0%</b>

Banco Patagonia Consolidated Figures In million pesos	Statement of Financial Position As of December 31:									
	2016	%	2015	%	2014	%	2013	%	2012	%
Deposits	52,219.6	72.4%	42,051.2	68.3%	27,822.0	67.9%	22,613.7	70.0%	19,005.1	70.1%
Non-Financial Public Sector	3,297.4	4.6%	2,791.7	4.5%	2,991.5	7.3%	2,693.6	8.3%	2,045.3	7.5%
Financial Sector	6.0	0.0%	31.7	0.1%	168.5	0.4%	15.5	0.0%	18.9	0.1%
Non-Financial Private Sector	48,916.2	67.8%	39,227.8	63.7%	24,662.0	60.2%	19,904.6	61.7%	16,940.9	62.5%
Other liabilities for financial intermediation	8,385.3	11.6%	10,530.7	17.1%	5,441.4	13.3%	3,935.2	12.2%	3,835.3	14.1%
Other Liabilities	2,276.8	3.2%	1,322.0	2.1%	1,377.1	3.4%	1,168.7	3.6%	898.1	3.4%
<b>LIABILITIES</b>	<b>62,881.7</b>	<b>87.2%</b>	<b>53,903.9</b>	<b>87.5%</b>	<b>34,640.5</b>	<b>84.6%</b>	<b>27,717.6</b>	<b>85.8%</b>	<b>23,738.5</b>	<b>87.6%</b>
<b>SHAREHOLDERS' EQUIT,</b>	<b>9,235.3</b>	<b>12.8%</b>	<b>7,681.5</b>	<b>12.5%</b>	<b>6,320.6</b>	<b>15.4%</b>	<b>4,596.5</b>	<b>14.2%</b>	<b>3,366.8</b>	<b>12.4%</b>
<b>Total Liabilities + Shareholders' Equity</b>	<b>72,117.0</b>	<b>100.0%</b>	<b>61,585.4</b>	<b>100.0%</b>	<b>40,961.1</b>	<b>100.0%</b>	<b>32,314.1</b>	<b>100.0%</b>	<b>27,105.3</b>	<b>100.0%</b>

## b) Comparative Consolidated Profit and Loss Structure

Banco Patagonia Consolidated Figures In million pesos	Statement of Income									
	4Q16	%	4Q15	%	4Q14	%	4Q13	%	4Q12	%
Financial Income	3,320.6	100.0%	3,113.1	100.0%	1,986.3	100.0%	1,893.7	100.0%	989.3	100.0%
Financial Expenses	1,481.1	44.6%	1,500.3	48.2%	1,001.2	50.4%	748.9	39.5%	421.9	42.6%
<b>Gross Interest Income</b>	<b>1,839.5</b>	<b>55.4%</b>	<b>1,612.8</b>	<b>51.8%</b>	<b>985.1</b>	<b>49.6%</b>	<b>1,144.8</b>	<b>60.5%</b>	<b>567.4</b>	<b>57.4%</b>
Uncollectible Charge	149.1	4.5%	70.6	2.3%	90.0	4.5%	267.6	14.1%	96.5	9.8%
Net Fee Income	734.9	22.1%	515.1	16.5%	436.6	22.0%	331.9	17.5%	287.5	29.1%
Administrative Expenses	1,379.4	41.5%	1,016.8	32.7%	695.2	35.1%	499.7	26.4%	393.7	39.8%
<b>Net Operative Income</b>	<b>1,045.9</b>	<b>31.5%</b>	<b>1,040.5</b>	<b>33.4%</b>	<b>636.5</b>	<b>32.0%</b>	<b>709.4</b>	<b>37.5%</b>	<b>364.7</b>	<b>36.9%</b>
Miscellaneous Income Loss	103.9	3.1%	20.0	0.6%	(5.0)	(0.2%)	(5.5)	(0.3%)	24.7	2.5%
<b>Income before Income Tax</b>	<b>1,149.8</b>	<b>34.6%</b>	<b>1,060.5</b>	<b>34.1%</b>	<b>631.5</b>	<b>31.8%</b>	<b>703.9</b>	<b>37.2%</b>	<b>389.4</b>	<b>39.4%</b>
Income Tax	297.7	9.0%	324.9	10.4%	177.9	9.0%	349.3	18.5%	161.4	16.4%
<b>Net Income for the Quarter</b>	<b>852.1</b>	<b>25.7%</b>	<b>735.6</b>	<b>23.6%</b>	<b>453.6</b>	<b>22.8%</b>	<b>354.6</b>	<b>18.7%</b>	<b>228.0</b>	<b>23.0%</b>

## c) Consolidated Foreign Currency Position

Banco Patagonia Consolidated Figures In million pesos	Foreign Currency Position As of December 31:				
	2016	2015	2014	2013	2012
Cash and Cash Equivalents	4,640.9	4,450.6	2,451.7	2,808.6	1,561.7
Government and Corporate Securities	2,701.3	1,655.4	377.3	265.4	52.8
Loans	8,332.7	2,896.9	1,330.3	925.4	1,433.2
Other Receivables from Financial Intermediation	210.0	261.4	546.5	505.4	270.3
Receivables for Financial Leasing	0.0	1.0	1.8	4.0	8.6
Other Assets	14.1	1.7	5.8	5.7	4.4
<b>ASSETS</b>	<b>15,899.0</b>	<b>9,267.0</b>	<b>4,713.4</b>	<b>4,514.5</b>	<b>3,331.0</b>
Deposits	11,415.3	3,606.6	1,822.1	1,711.1	1,462.1
Other liabilities for financial intermediation	2,653.9	3,218.7	1,489.9	892.1	682.7
Other Liabilities	8.8	4.3	1.6	1.1	1.0
<b>LIABILITIES</b>	<b>14,078.0</b>	<b>6,829.6</b>	<b>3,313.6</b>	<b>2,604.3</b>	<b>2,145.8</b>
<b>Foreign Currency Position in Pesos</b>	<b>1,821.0</b>	<b>2,437.4</b>	<b>1,399.8</b>	<b>1,910.2</b>	<b>1,185.2</b>
<b>Benchmark Exchange Rate</b>	<b>15.2633</b>	<b>13.005</b>	<b>8.552</b>	<b>6.518</b>	<b>4.9173</b>
<b>Foreign Currency Position in US Dollars</b>	<b>119.3</b>	<b>187.4</b>	<b>163.7</b>	<b>293.1</b>	<b>241.0</b>

## d) Comparative Individual Financial Structure

Banco Patagonia Standalone In million pesos	Statement of Financial Position As of December 31:									
	2016	%	2015	%	2014	%	2013	%	2012	%
Cash and Cash Equivalents	10,665.2	15.3%	9,266.8	15.5%	6,360.1	16.2%	5,758.0	19.1%	4,403.8	17.2%
Government and Corporate Securities	12,390.9	17.8%	12,235.3	20.4%	6,001.1	15.3%	1,993.7	6.6%	2,117.1	8.3%
Loans	40,430.7	58.1%	31,398.4	52.4%	22,759.9	57.9%	19,187.8	63.6%	16,031.4	62.7%
To the Non-Financial Public Sector	483.7	0.7%	474.1	0.8%	171.8	0.4%	283.1	0.9%	170.8	0.7%
Financial Sector	2,214.1	3.2%	1,353.7	2.3%	528.0	1.3%	753.8	2.5%	713.7	2.8%
Non-Financial Private Sector	39,013.6	56.1%	30,776.3	51.3%	23,171.0	58.9%	19,086.3	63.3%	15,634.2	61.2%
(Provisions)	(1,280.7)	(1.8%)	(1,205.7)	(2.0%)	(1,110.9)	(2.7%)	(935.4)	(3.1%)	(487.3)	(2.0%)
Other Receivables from Financial Intermediation	1,558.3	2.2%	3,544.4	5.9%	1,628.0	4.1%	1,074.8	3.6%	1,444.7	5.7%
Receivables for Financial Leasing	1,451.3	2.1%	1,284.7	2.1%	1,017.2	2.6%	920.2	3.1%	636.6	2.5%
Other Assets	3,037.1	4.5%	2,241.6	3.7%	1,566.2	3.9%	1,211.9	4.0%	926.4	3.6%
<b>ASSETS</b>	<b>69,533.5</b>	<b>100.0%</b>	<b>59,971.2</b>	<b>100.0%</b>	<b>39,332.5</b>	<b>100.0%</b>	<b>30,146.4</b>	<b>100.0%</b>	<b>25,560.0</b>	<b>100.0%</b>

Banco Patagonia Standalone In million pesos	Statement of Financial Position As of December 31:									
	2016	%	2015	%	2014	%	2013	%	2012	%
Deposits	51,788.4	74.5%	41,651.5	69.5%	27,466.7	69.8%	22,067.0	73.2%	18,645.2	73.0%
Non-Financial Public Sector	3,297.4	4.7%	2,791.7	4.7%	2,991.5	7.6%	2,693.6	8.9%	2,045.3	8.0%
Financial Sector	35.4	0.1%	31.7	0.1%	180.2	0.5%	18.0	0.1%	24.1	0.1%
Non-Financial Private Sector	48,455.6	69.7%	38,828.1	64.7%	24,295.0	61.7%	19,355.4	64.2%	16,575.8	64.9%
Other liabilities for financial intermediation	6,604.3	9.5%	9,476.4	15.8%	4,289.2	10.9%	2,482.9	8.2%	2,821.2	11.0%
Other Liabilities	1,905.6	2.7%	1,161.7	1.9%	1,256.0	3.2%	1,000.0	3.4%	726.8	2.8%
<b>LIABILITIES</b>	<b>60,298.3</b>	<b>86.7%</b>	<b>52,289.6</b>	<b>87.2%</b>	<b>33,011.9</b>	<b>83.9%</b>	<b>25,549.9</b>	<b>84.8%</b>	<b>22,193.2</b>	<b>86.8%</b>
<b>SHAREHOLDERS' EQUIT.</b>	<b>9,235.2</b>	<b>13.3%</b>	<b>7,681.6</b>	<b>12.8%</b>	<b>6,320.6</b>	<b>16.1%</b>	<b>4,596.5</b>	<b>15.2%</b>	<b>3,366.8</b>	<b>13.2%</b>
<b>Total Liabilities + Shareholders' Equity.</b>	<b>69,533.5</b>	<b>100.0%</b>	<b>59,971.2</b>	<b>100.0%</b>	<b>39,332.5</b>	<b>100.0%</b>	<b>30,146.4</b>	<b>100.0%</b>	<b>25,560.0</b>	<b>100.0%</b>

## e) Comparative Individual Income and Loss Structure

Banco Patagonia Standalone In million pesos	Statement of Income									
	4Q16	%	4Q15	%	4Q14	%	4Q13	%	4Q12	%
Financial Income	3,121.8	100.0%	2,957.0	100.0%	1,891.2	100.0%	1,810.8	100.0%	934.9	100.0%
Financial Expenses	1,361.9	43.6%	1,434.4	48.5%	932.7	49.3%	673.8	37.2%	382.2	40.9%
<b>Gross Interest Income</b>	<b>1,759.9</b>	<b>56.4%</b>	<b>1,522.6</b>	<b>51.5%</b>	<b>958.5</b>	<b>50.7%</b>	<b>1,137.0</b>	<b>62.8%</b>	<b>552.7</b>	<b>59.1%</b>
Uncollectible Charge	129.5	4.1%	65.7	2.2%	88.7	4.7%	266.9	14.7%	93.8	10.0%
Net Fee Income	624.9	20.0%	451.6	15.3%	362.6	19.2%	266.9	14.7%	241.3	25.8%
Administrative Expenses	1,347.6	43.2%	987.1	33.4%	677.5	35.9%	485.7	26.8%	380.3	40.7%
<b>Net Operative Income</b>	<b>907.7</b>	<b>29.1%</b>	<b>921.4</b>	<b>31.2%</b>	<b>554.9</b>	<b>29.3%</b>	<b>651.3</b>	<b>36.0%</b>	<b>319.9</b>	<b>34.2%</b>
Miscellaneous Income . Loss	165.2	5.3%	99.3	3.4%	46.8	2.5%	32.3	1.8%	52.7	5.7%
<b>Income before Income Tax</b>	<b>1,072.9</b>	<b>34.4%</b>	<b>1,020.7</b>	<b>34.5%</b>	<b>601.7</b>	<b>31.8%</b>	<b>683.6</b>	<b>37.8%</b>	<b>372.6</b>	<b>39.9%</b>
Income Tax	220.8	7.1%	285.1	9.6%	148.1	7.8%	329.0	18.2%	144.6	15.5%
<b>Net Income for the Quarter</b>	<b>852.1</b>	<b>27.3%</b>	<b>735.6</b>	<b>24.9%</b>	<b>453.6</b>	<b>24.0%</b>	<b>354.6</b>	<b>19.6%</b>	<b>228.0</b>	<b>24.4%</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 4Q16 on February 16, 2017 at 01:00 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: 10099156

## INVESTOR RELATIONS

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