



Buenos Aires, Argentina, August 7, 2017 – Banco Patagonia S.A. (BCBA: BPAT; BOVESPA: BPAT33) reports on the consolidated income of 2nd quarter (2Q17) for financial year 2017.

### OUTSTANDING DATA

- Banco Patagonia ended the second quarter of 2017 with Assets of ARS 88,561.7 million, Loans (net of provisioning) of ARS 42,220.1 million, Deposits of ARS 55,870.2 million, and a Net Worth of ARS 9,183.6 million and consolidated net assets of ARS 92,659.5 million, Loans (net of provisioning) of ARS 46,642.1 million and Deposits of ARS 56,477.8 million.
- The net result to the quarter was of ARS 823.5 million, an increase of 8.5% compared with 1Q17 (ARS 759.3 million) and an increase of 0.1% in comparison with 2Q16 (ARS 822.3 million) resulting in an ROE de 36.7% (return on equity on average) and an ROA de 4.5% (return on assets on average).
- Loans granted to non-financial private sector in consolidated form amounted to ARS 46,303.3 million, an increase of 7.6% (ARS 3,284.9 million) and 25.8% (ARS 9,493.0 million) compared with 1Q17 (ARS 43,018.4 million) and the 2Q16 (ARS 36,810.3 million), respectively.
- The consolidated total deposits amounted to ARS 56,477.8 million, an increase of 10.6% (ARS 5,430.6 million) compared with 1Q17 (ARS 51,047.2 million) and 33.0% (ARS 14,027.3 million) in comparison with 2Q16 (ARS 42,450.5 million).
- With respect to the portfolio quality indicators, the index of irregular portfolio was of 1.3% and coverage with provisions on the irregular portfolio was of 239.7%.
- The index of consolidated liquidity (net assets on deposits) was of 49.6%. Likewise, the integration of consolidated minimum capital shows a surplus of ARS 3,341.7 million as compared to the requirements of the BCRA.
- The Ordinary General Meeting of Shareholders held on April 26, 2017, approved the payment of ARS 1,634.5 million as dividends in cash for the fiscal year 2016, which was made available to the entity's shareholders on July 13, 2017.
- As of June 30, 2017, the Banco Patagonia S.A. has a staff of 3,367 employees and a wide network of 206 customer desks nationwide, distributed among the main province capitals and major cities.

## 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.

### 2Q17 GAINS (LOSSES)

Summarized Statement of Income In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	2Q17	1Q17	2Q16	1Q17	2Q16
Intermediation Spread	2,213.7	2,021.2	1,969.8	9.5%	12.4%
Uncollectibility Charge	(177.4)	(121.0)	(136.7)	46.6%	29.8%
Net Fee Income	854.0	826.9	578.7	3.3%	47.6%
Administrative Expenses	(1,507.1)	(1,453.0)	(1,215.8)	3.7%	24.0%
<b>Net Operating Income</b>	<b>1,383.2</b>	<b>1,274.1</b>	<b>1,196.0</b>	<b>8.6%</b>	<b>15.7%</b>
Miscellaneous Profits	72.8	51.0	101.5	42.7%	(28.3%)
<b>Income before Income Tax</b>	<b>1,456.1</b>	<b>1,325.1</b>	<b>1,297.5</b>	<b>9.9%</b>	<b>12.2%</b>
Income Tax	(632.5)	(565.8)	(475.2)	11.8%	33.1%
<b>Net Profit (Loss) of the Quarter</b>	<b>823.5</b>	<b>759.3</b>	<b>822.3</b>	<b>8.5%</b>	<b>0.1%</b>

The net result to the 2Q17 was of ARS 823.5 million, a increase of 8.5% (ARS 64.2 million) compared with 1Q17 (ARS 759.3 million) and an increase of 0.1% (ARS 1.2 million) compared to 2Q16 (ARS 822.3 million).

#### a) Earnings per Share

Earnings per Share In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	2Q17	1Q17	2Q16	1Q17	2Q16
Net Income for the Quarter	823.5	759.3	822.3	8.5%	0.1%
Quarterly Average Number of Outstanding Shares	719.1	719.1	719.1	0.0%	0.0%
Shares Issued at quarter-end	719.1	719.1	719.1	0.0%	0.0%
<b>Earnings per Share – Amounts in pesos</b>	<b>1.1452</b>	<b>1.0559</b>	<b>1.1435</b>	<b>8.5%</b>	<b>0.1%</b>
<b>Earnings per BDR (*) – Amounts in pesos</b>	<b>22.9036</b>	<b>21.1181</b>	<b>22.8703</b>	<b>8.5%</b>	<b>0.1%</b>
<b>Book value per share – Amounts in pesos</b>	<b>12.7708</b>	<b>13.8978</b>	<b>12.7995</b>	<b>-8.1%</b>	<b>-0.2%</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	
	2Q17	1Q17	2Q16	1Q17	2Q16
Financial Income	3,600.5	3,288.7	3,708.5	9.5%	(2.9%)
Financial Expenses	(1,386.8)	(1,267.5)	(1,738.7)	9.4%	(20.2%)
<b>Total</b>	<b>2,213.7</b>	<b>2,021.2</b>	<b>1,969.8</b>	<b>9.5%</b>	<b>12.4%</b>

Gross Intermediation Margin to the 2Q17 amounted to ARS 2,213.7 million an increase of 9.5% (ARS 192.5 million) compared with 1Q17 (ARS 2,021.2 million) and 12.4% (ARS 243.9 million) compared with 2Q16 (ARS 1,969.8 million), as follows:

Financial Income In million pesos	Banco Patagonia Consolidado			Change (%) as of	
	2Q17	1Q17	2Q16	1Q17	2Q16
Interest on loans to the financial sector	77.3	90.5	85.3	(14.6%)	(9.4%)
Interest on overdrafts	370.9	396.3	627.2	(6.4%)	(40.9%)
Interest on documentary credits	590.8	648.9	763.5	(9.0%)	(22.6%)
Interest on car loans	249.0	223.6	166.6	11.4%	49.5%
Interest on credit card loans	361.2	348.1	334.4	3.8%	8.0%
Interest on credit consumer loans	616.9	537.1	332.7	14.9%	85.4%
Interest on other loans	147.1	136.1	131.9	8.1%	11.5%
Interest on financial leasing	75.9	78.6	74.0	(3.4%)	2.6%
Net income from government and private securities	481.9	392.2	963.7	22.9%	(50.0%)
Exchange difference	161.9	120.8	103.1	34.0%	57.0%
Other	467.6	316.5	126.1	47.7%	270.8%
<b>Total</b>	<b>3,600.5</b>	<b>3,288.7</b>	<b>3,708.5</b>	<b>9.5%</b>	<b>(2.9%)</b>

The financial incomes of 2Q17 amounted to ARS 3,600.5 million, an increase of 9.5% (ARS 311.8 million) in comparison with 1Q17 (ARS 3,288.7 million), and a decrease of 2.9% (ARS 108.0 million) when compared to 2Q16 (ARS 3,708.5 million).

On the 2Q17, interest on loans granted to non-financial private sector amounted to ARS 2,411.8 million, an increase of 1.8 % (43.1 million) in comparison with 1Q17 (ARS 2,368.7 million). Such a variation originates from the growth of 7.6% (ARS 3,284.9 million) in the loan portfolio, amounting ARS 46.303,3 million during the 2Q17 when compared to ARS 43,018.4 in 1Q17. However, this result was offset by the decrease of the average rate that went from TNA 21.5% on March, 2017 to TNA 21.1% on June, 2017.

The main increases in interests were in the consumer portfolio, specifically in the personal and car loans lines with a variation of 14.9% (ARS 79.8 million) and 11.4% (ARS 25.4 million), respectively. However, these were partially offset by lower interest on commercial portfolio lines: the interest by documents and overdrafts have experienced a decrease of 9.0% (ARS 58.1 million) and 6.4% (ARS 25.4 million), respectively.

The result by the portfolio of government and corporate securities amounted to ARS 481.9 million, an increase of 22.9% (89.7 million) in comparison with 1Q17 (ARS 392.2 million), due to a higher yield from the government securities portfolio.

On the 2Q17, the result by "Others - Financial Incomes" amounted to ARS 467.6 million, an increase of 47.7% (ARS 151.1 million) when compared to 1Q17 (ARS 316.5 million), mainly due to higher returns by premiums of active swaps (ARS 285.8 million), partially offset by a decrease in the result by forward operations of foreign exchange (ARS 134.2 million).

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The result due to variation in foreign currency exchange rates amounted to, on the 2Q17, ARS 161.9 million, an increase of 34.0% (ARS 41.1 million) in comparison with 1Q17 (ARS 120.8 million), attributable to increase of the exchange rate of the United States dollar that went from 15.3818 on March 31, 2017 to 16.5985 on June 30, 2017.

Financial Expenses In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	2Q17	1Q17	2Q16	1Q17	2Q16
Interest on term deposits	940.2	865.5	1,344.6	8.6%	(30.1%)
Other interest	22.4	16.1	15.4	39.1%	45.5%
Interest on other liabilities for financial intermediation	93.1	94.4	79.8	(1.4%)	16.7%
Contribution to the deposit guarantee fund	22.9	21.9	18.2	4.6%	25.8%
Other	308.2	269.6	280.7	14.3%	9.8%
<b>Total</b>	<b>1,386.8</b>	<b>1,267.5</b>	<b>1,738.7</b>	<b>9.4%</b>	<b>(20.2%)</b>

The financial expenses to the 2Q17 amounted to ARS 1,386.8 million, an increase of 9.4% (ARS 119.3 million) in comparison with 1Q17 (ARS 1,267.5), and a decrease of 20.2% (ARS 351.9 million) when compared to 2Q16.

On the 2Q17, the accrual interest of the time deposits portfolio amounted to ARS 940.2 million, an increase of 8.6% (ARS 74.7 million) when compared to 1Q17 (ARS 865.5 million). This variation originates from the increase of the interest rate to this kind of operations that, on June, 2017, was, on average, TNA 18.2% in comparison with TNA 17.3% on March, 2017, and in the increase of the time deposits portfolio of 14.0% (ARS 3,032.8 million) that went from ARS 21,625.3 million on March 31, 2017 to ARS 24,658.1 million on June 30, 2017.

Finally, the item "Others" had an increase of 14.3% (ARS 38.6 million), mainly due to higher interests by funding received from financial entities of ARS 41.4 million.

## c) Net Fee Income

Net Fee Income In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	2Q17	1Q17	2Q16	1Q17	2Q16
Deposits	461.4	411.2	291.9	12.2%	58.1%
Credit and Debit Cards	294.7	330.8	286.7	(10.9%)	2.8%
Related to Loans	275.6	250.3	131.7	10.1%	109.3%
Foreign Trade	38.0	34.2	25.9	11.1%	46.7%
Safe-deposit boxes	40.3	35.6	34.4	13.2%	17.2%
Capital and Securities Market	31.3	29.4	21.7	6.5%	44.2%
Other	79.0	76.8	68.7	2.9%	15.0%
<b>Fee income</b>	<b>1,220.3</b>	<b>1,168.3</b>	<b>861.0</b>	<b>4.5%</b>	<b>41.7%</b>
<b>Fee expense</b>	<b>(366.3)</b>	<b>(341.4)</b>	<b>(282.3)</b>	<b>7.3%</b>	<b>29.8%</b>
<b>Total</b>	<b>854.0</b>	<b>826.9</b>	<b>578.7</b>	<b>3.3%</b>	<b>47.6%</b>

The net fee income on 2Q17 amounted to ARS 854.0 million, an increase of 3.3% (ARS 27.1 million) when compared to 1Q17 (ARS 826.9 million), and 47.6% (ARS 275.3 million) when compared to 2Q16 (ARS 578.7 million).

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In terms of the fee income amounted to ARS 1,220.3 million for the 2Q17, an increase of 4.5% (ARS 52.0 million) when compared to 1Q17 (ARS 1,168.3 million), mainly due to increase of the commissions by transactions linked with deposits and related to loans of 12.2% (ARS 50.2 million), and 10.1% (ARS 25.3 million), respectively. These increases were partially offset by a decrease in commissions for debit and credit cards of 10.9% (ARS 36.1 million), because of the drop during the second quarter of 2017 in the commissions that the issuing banks charge for transactions carried out with credit and debit cards by shops.

For its part, the fee expenses to the 2Q17 amounted to ARS 366.3 million, an increase of 7.3% (ARS 24.9 million) when compared to 1Q17 (ARS 341.4 million), and 29.8% (ARS 84.0 million) in comparison with 2Q16 (ARS 282.3 million).

## d) Administrative Expenses

Administrative Expenses In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	2Q17	1Q17	2Q16	1Q17	2Q16
Payroll expenses	886.6	897.5	785.8	(1.2%)	12.8%
Fees	76.3	35.8	57.0	113.1%	33.9%
Advertising and publicity	37.5	64.2	33.8	(41.6%)	10.9%
Taxes	93.5	84.9	49.0	10.1%	90.8%
Other operating expenses	223.0	208.0	175.1	7.2%	27.4%
Other	190.2	162.6	115.1	17.0%	65.2%
<b>Total</b>	<b>1,507.1</b>	<b>1,453.0</b>	<b>1,215.8</b>	<b>3.7%</b>	<b>24.0%</b>

The administrative expenses to the 2Q17 amounted to ARS 1,507.1 million, an increase of 3.7% (ARS 54.1 million) in comparison with 1Q17 (ARS 1,453.0 million), and 24.0% (ARS 291.3 million) when compared to 2Q16 (ARS 1,215.8 million).

This variation is related, mainly, to the increase in fees of 113.1% (ARS 40.5 million), and in the item "Others" of 17.0% (ARS 27.6 million), mainly in courier and securities transportation expenses. These expenses were partially offset by a decrease in costs of advertising and publicity and in payroll expenses of 41.6% (ARS 26.7 million), and 1.2% (ARS 10.9 million), respectively.

As of June 30, 2017, the index of coverage of administration expenses with net revenue from services increased to 56.8% and the efficiency index ratio, measured as the ratio between administrative expenses and total net income, was of 50.0%.

## RELEVANT FINANCIAL INFORMATION

### a) Loan Portfolio

Loans In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	2Q17	1Q17	2Q16	1Q17	2Q16
<b>To the Non-Financial Public Sector</b>	<b>413.1</b>	<b>446.7</b>	<b>672.2</b>	<b>(7.5%)</b>	<b>(38.5%)</b>
<b>To the Financial Sector</b>	<b>1,506.5</b>	<b>1,408.8</b>	<b>1,411.7</b>	<b>6.9%</b>	<b>6.7%</b>
<b>To the Non-Financial Private Sector</b>	<b>46,303.3</b>	<b>43,018.4</b>	<b>36,810.3</b>	<b>7.6%</b>	<b>25.8%</b>
Overdrafts	4,424.2	5,316.0	7,244.9	(16.8%)	(38.9%)
Documentary credits	16,123.9	14,503.1	13,645.2	11.2%	18.2%
Car loans	4,559.6	3,921.5	2,518.6	16.3%	81.0%
Consumer loans	7,425.1	6,869.5	4,202.3	8.1%	76.7%
Credit cards loans	8,097.5	7,663.6	6,199.5	5.7%	30.6%
Other	5,673.0	4,744.7	2,999.8	19.6%	89.1%
<b>(Provisions)</b>	<b>(1,580.8)</b>	<b>(1,442.6)</b>	<b>(1,264.7)</b>	<b>9.6%</b>	<b>25.0%</b>
<b>Total</b>	<b>46,642.1</b>	<b>43,431.3</b>	<b>37,629.5</b>	<b>7.4%</b>	<b>24.0%</b>

On June 30, 2017, the loans granted to non-financial private sector portfolio amounted to ARS 46,303.3 million, an increase of 7.6% (ARS 3,284.9 million) in comparison with 1Q17 (ARS 43,018.4 million) and 25.8% (ARS 9,493.0 million) when compared to 2Q16 (ARS 36,810.3 million).

During the second quarter, the highlight is the growth of the retail loans portfolio: the lines of higher increase were car loans granted by GPAT Compañía Financiera S.A with a variation of 16.3% (ARS 638.1 million), consumer loans with 8.1% (ARS 555.6 million), and credit cards loans with 5.7% (ARS 433.9 million).

In terms of commercial portfolio, the highlight is the documentary credits line that had an increase of 11.2% (ARS 1,620.8 million), while the advance line had a decrease of 16.8% (ARS 891.8 million).

It is worth mentioning regarding the line of credit facilities for production and financial investment oriented to the financing of investment projects with specific purposes, both for small and medium-sized enterprises and larger 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	
	2Q17	1Q17	2Q16	1Q17	2Q16
Government Securities (*)	1,964.7	2,269.8	2,860.2	(13.4%)	(31.3%)
Loans to the Public Sector	413.1	446.7	672.2	(7.5%)	(38.5%)
<b>Exposure to the Public Sector</b>	<b>2,377.8</b>	<b>2,716.5</b>	<b>3,532.4</b>	<b>(12.5%)</b>	<b>(32.7%)</b>
<b>Share on Total Assets</b>	<b>2.6%</b>	<b>3.7%</b>	<b>5.7%</b>	<b>(30.6%)</b>	<b>(55.0%)</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".

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On June 30, 2017, the exposure in assets by public sector amounted to ARS 2,377.8 million, a decrease of 12.5% (ARS 338.7 million) when compared to 1Q17 (ARS 2,716.5 million), and 32.7% (ARS 1,554.6 million) in comparison with the 2Q16 (ARS 3,532.4 million).

The share of public-sector assets over total assets in the 2Q17 was of 2.6%, in comparison with 3.7% on the 1Q17 and 5.7% on the 2Q16.

## c) Deposits

Deposits In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	2Q17	1Q17	2Q16	1Q17	2Q16
<b>Non-Financial Public Sector</b>	<b>4,502.8</b>	<b>3,533.8</b>	<b>4,478.5</b>	<b>27.4%</b>	<b>0.5%</b>
Checking Accounts	1,629.6	1,863.9	1,638.9	(12.6%)	(0.6%)
Time deposits	2,873.0	1,669.9	2,839.6	72.0%	1.2%
<b>Financial Sector</b>	<b>8.5</b>	<b>7.9</b>	<b>8.5</b>	<b>7.6%</b>	<b>0.0%</b>
<b>Non-Financial Private Sector</b>	<b>51,966.7</b>	<b>47,505.5</b>	<b>37,963.5</b>	<b>9.4%</b>	<b>36.9%</b>
Checking Accounts	7,688.9	7,797.7	6,929.9	(1.4%)	11.0%
Savings accounts	20,143.1	17,492.4	11,726.2	15.2%	71.8%
Time deposits	21,785.1	19,955.4	16,835.6	9.2%	29.4%
Other	2,349.6	2,260.0	2,471.8	4.0%	(4.9%)
<b>Total</b>	<b>56,477.8</b>	<b>51,047.2</b>	<b>42,450.5</b>	<b>10.6%</b>	<b>33.0%</b>

On the 2Q17, the total deposits amounted to ARS 56,477.8 million, an increase of 10.6% (ARS 5,430.6 million), in comparison with 1Q17 (ARS 51,047.2 million) and 33.0% (ARS 14,027.3 million) when compared to 2Q16 (ARS 42,450.5 million).

The deposits from the non-financial private sector amounted to ARS 51,966.7 million, an increase of 9.4% (ARS 4,461.2 million) when compared to 1Q17 (ARS 47,505.5 million), and 36.9% (ARS 14,003.2 million) in comparison with 2Q16 (ARS 37,963.5 million).

On the quarter, the main variations correspond to saving accounts deposits, with an increase of 15.2% (ARS 2,650.7 million), and time deposits, with an increase of 9.2% (ARS 1,829.7 million).

Likewise, on the 2Q17, the portfolio of public-sector deposits amounted to ARS 4,502.6 million, an increase of 27.4% (ARS 968.8 million) when compared to 1Q17 (ARS 3,533.8 million), mainly due to the increase in the time deposits of 72.0% (ARS 1,203.1 million).

The total deposits in the closing of the 2Q17 represent 67.7% of the liabilities total. The time deposits represent 43.7% of the total deposits.

## d) Other Funding Sources

Other Funding Sources In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	2Q17	1Q17	2Q16	1Q17	2Q16
Central Bank of the Republic of Argentina (BCRA)	9.7	10.2	16.4	(4.9%)	(40.9%)
Banks and international organizations	1,547.5	1,606.2	1,722.7	(3.7%)	(10.2%)
Unsubordinated corporate bonds	1,884.8	1,335.5	1,266.4	41.1%	48.8%
<b>Total</b>	<b>3,442.0</b>	<b>2,951.9</b>	<b>3,005.5</b>	<b>16.6%</b>	<b>14.5%</b>

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In comparison with other sources of funding used by the Entity, on the 2Q17, amounted to ARS 3,442.0 million, an increase of 16.6% (ARS 490.1 million) in comparison with 1Q17 (ARS 2,951.9 million), and an increase of 14.5% (ARS 436.5 million) when compared to 2Q16 (ARS 3,005.5 million).

The main variation of the quarter corresponds to higher accrued interest of the portfolio of unsubordinated corporate bonds of GPAT Compañía Financiera S.A., with a variation of 41.1% (ARS 549.3 million), as result of the issuance of the Series XXVII.

## e) Liquidity

Liquid Assets In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	2Q17	1Q17	2Q16	1Q17	2Q16
Cash and Cash Equivalents	11,547.5	11,699.7	8,900.8	(1.3%)	29.7%
Instruments issued by the BCRA	14,434.2	8,816.1	6,778.2	63.7%	113.0%
Other Government and Corporate Securities	2,007.6	2,203.8	2,543.0	(8.9%)	(21.1%)
<b>Liquid Assets</b>	<b>27,989.3</b>	<b>22,719.6</b>	<b>18,222.0</b>	<b>23.2%</b>	<b>53.6%</b>
<b>Deposits</b>	<b>56,477.8</b>	<b>51,047.2</b>	<b>42,450.5</b>	<b>10.6%</b>	<b>33.0%</b>
<b>Liquid Assets on Total Deposits</b>	<b>49.6%</b>	<b>44.5%</b>	<b>42.9%</b>	<b>11.4%</b>	<b>15.5%</b>

Banco Patagonia holds for the 2Q17 liquid assets of ARS 27,989.3 million, an increase of 23.2% (ARS 5,269.7 million) in comparison with the 1Q17 (ARS 22,719.6 million), and an increase of 53.6% (ARS 9,767.3 million) when compared to 2Q16 (ARS 18,222.0 million).

The main increase corresponds to portfolio of instruments issued by the BCRA, with a variation of 63.7% (ARS 5,618.1 million) in comparison with 1Q17.

In the closing of the 2Q17, the index that relates the liquid assets with the total de deposits was of 49.6%.

## f) Portfolio Quality

Financing Portfolio In million pesos	Banco Patagonia Consolidated Figures			Change (%) as of	
	2Q17	1Q17	2Q16	1Q17	2Q16
Total financing	52,670.0	49,222.4	42,650.8	7.0%	23.5%
Private sector financing	51,995.8	47,475.2	40,581.1	9.5%	28.1%
Non-performing portfolio	674.2	584.2	479.4	15.4%	40.6%
Provisions	1,616.0	1,475.3	1,294.0	9.5%	24.9%
Non-performing portfolio as a % of total financing	1.3%	1.2%	1.1%	6.7%	16.4%
Provisions as a % of non-performing financing portfolio	239.7%	252.5%	269.9%	(5.1%)	(11.2%)

As of June 30, 2017 the non-performing portfolio index over total financing was 1.3%, and coverage with provisions on the non-performing loan portfolio was 239.7%.

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	Banco Patagonia Consolidated Figures			Change (%) as of	
	2Q17	1Q17	2Q16	1Q17	2Q16
In million pesos					
Minimum Capital Requirement (A)	5,806.3	5,470.5	5,353.8	6.1%	8.5%
Credit Risk.	4,367.5	4,113.8	3,477.3	6.2%	25.6%
Market risk - Securities	51.8	64.0	119.0	(19.1%)	(56.5%)
Market risk - Currencies	93.1	81.1	138.4	14.8%	(32.7%)
Operational Risk	1,293.9	1,211.6	1,003.7	6.8%	28.9%
Additional requirements	-	-	615.4	0.0%	(100.0%)
<b>Composition (B)</b>	<b>9,153.2</b>	<b>9,999.0</b>	<b>9,158.2</b>	<b>(8.5%)</b>	<b>(0.1%)</b>
Common Capital - Level 1	8,771.8	9,614.9	8,793.5	(8.8%)	(0.2%)
Deductible items COn1	(103.7)	(68.1)	(21.7)	52.3%	377.9%
Common Capital - Level 2	485.1	452.2	386.4	7.3%	25.5%
<b>Difference (B) - (A)</b>	<b>3,346.9</b>	<b>4,528.5</b>	<b>3,804.4</b>	<b>(26.1%)</b>	<b>(12.0%)</b>
Risk-weighted assets - APR (D)	70,988.1	66,882.7	57,963.5	6.1%	22.5%
<b>TIER 1 ratio (C) / (D)</b>	<b>12.2%</b>	<b>14.4%</b>	<b>15.1%</b>	<b>(15.2%)</b>	<b>(19.1%)</b>
<b>Capitalization ratio (B) / (D)</b>	<b>12.9%</b>	<b>15.0%</b>	<b>15.8%</b>	<b>(14.0%)</b>	<b>(18.4%)</b>

On June 30, 2017, the Entity shows a surplus of consolidated minimum capital of ARS 3,346.9 million with the requested by the BCRA, a decrease of 26.1% (ARS 1,181.6 million) in comparison with 1Q17 (ARS 4,528.5 million) and 12.0% (ARS 457.5 million) when compared to 2Q16 (ARS 3,804.4 million).

Finally, the capitalization ratio was 12.9% and the TIER 1 ratio reached 12.2%.

# BANCO PATAGONIA

## MAIN INDICATORS

Banco Patagonia Consolidado	As of June 30:				
	2017	2016	2015	2014	2013
<b>Profitability Indexes</b>					
Return on average assets (1)	4.5%	5.1%	4.7%	7.1%	3.8%
Return on average shareholders' equity (2)	36.7%	37.3%	31.9%	47.9%	28.4%
<b>Indexes on Financial Margin and by Service</b>					
Total financial margin (net financial income / Average Assets)	12.2%	11.9%	10.9%	14.2%	8.3%
Margin on net services (net fee income / Average Assets)	4.8%	3.6%	3.9%	4.0%	4.6%
Total margin (net total income / average assets) (3)	17.0%	15.6%	14.8%	18.2%	12.8%
Net fee income on net total income (3)	28.4%	23.4%	26.2%	22.1%	35.5%
<b>Shareholders' Equity Indexes</b>					
Shareholders' equity on total assets	9.9%	14.9%	12.4%	14.8%	14.2%
Financial standing (shareholders' equity on total liabilities)	11.0%	17.5%	14.2%	17.4%	16.6%
Total liabilities as a multiple of shareholders' equity	9.1	5.7	7.0	5.8	6.0
RPC on risk-weighted assets (4)	13.8%	15.1%	15.1%	15.9%	19.3%
<b>Portfolio Quality Ratio</b>					
Non-performing portfolio on financing (before provisions) (5)	1.3%	1.1%	1.6%	1.9%	1.3%
Provisions on non-performing financing portfolio (5)	239.7%	269.9%	236.7%	223.0%	226.4%
<b>Efficiency Index</b>					
Administrative expenses on total net income (3)	50.0%	47.9%	47.5%	35.4%	51.1%
Net fee income on administrative expenses	56.8%	48.9%	55.1%	62.4%	69.5%
<b>Liquidity Ratios</b>					
Liquid Assets on deposits (6)	49.6%	42.9%	57.0%	43.7%	31.6%
Loans (net of provisions) on assets	50.3%	60.8%	49.3%	59.4%	66.7%
Deposits on liabilities	67.7%	80.6%	77.4%	79.9%	84.4%
Loans on deposits	82.6%	88.6%	72.7%	87.3%	92.1%
Fixed assets (7)	9.9%	7.7%	7.0%	6.2%	8.5%

(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 interannual income 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 for the year / period.

(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

Banco Patagonia Consolidated Figures In million pesos	Statement of Financial Position As of June 30:									
	2017	%	2016	%	2015	%	2014	%	2013	%
Cash and Cash Equivalents	11,547.5	12.5%	8,900.8	14.4%	6,305.7	12.4%	5,151.1	14.1%	3,890.2	14.3%
Government and Corporate Securities	16,441.8	17.7%	9,321.2	15.1%	13,383.3	26.2%	5,726.9	15.7%	2,354.3	8.6%
Loans	46,642.1	50.3%	37,629.5	60.8%	25,115.4	49.3%	21,725.6	59.4%	18,207.3	66.7%
To the Non-Financial Public Sector	413.1	0.4%	672.2	1.1%	158.9	0.3%	244.2	0.7%	249.0	0.9%
Financial Sector	1,506.5	1.6%	1,411.7	2.3%	862.1	1.7%	562.2	1.5%	567.7	2.1%
To the Non-Financial Private Sector	46,303.3	50.0%	36,810.3	59.5%	25,195.7	49.4%	21,945.9	60.0%	18,009.2	66.0%
(Provisions)	(1,580.8)	(1.7%)	(1,264.7)	(2.0%)	(1,101.3)	(2.1%)	(1,026.7)	(2.8%)	(618.6)	(2.3%)
Other Receivables from Financial Intermediation	14,685.8	15.8%	3,144.2	5.1%	3,847.8	7.5%	2,193.4	6.0%	1,392.1	5.1%
Receivables from Financial Leasing	1,470.9	1.6%	1,331.8	2.2%	1,295.9	2.5%	937.1	2.6%	770.1	2.8%
Other Assets	1,871.4	2.1%	1,549.5	2.5%	1,037.5	2.1%	832.4	2.2%	683.9	2.5%
<b>ASSETS</b>	<b>92,659.5</b>	<b>100.0%</b>	<b>61,877.0</b>	<b>100.0%</b>	<b>50,985.6</b>	<b>100.0%</b>	<b>36,566.5</b>	<b>100.0%</b>	<b>27,297.9</b>	<b>100.0%</b>

Banco Patagonia Consolidated Figures In million pesos	Statement of Financial Position As of June 30:									
	2017	%	2016	%	2015	%	2014	%	2013	%
Deposits	56,477.8	61.0%	42,450.5	68.6%	34,544.5	67.8%	24,879.2	68.0%	19,765.3	72.4%
Non-Financial Public Sector	4,502.6	4.9%	4,478.5	7.2%	3,213.4	6.3%	3,502.9	9.6%	2,442.3	8.9%
Financial Sector	8.5	0.0%	8.5	0.0%	7.8	0.0%	13.6	0.0%	22.9	0.1%
Non-Financial Private Sector	51,966.7	56.1%	37,963.5	61.4%	31,323.3	61.5%	21,362.7	58.4%	17,300.1	63.4%
Other liabilities from financial intermediation	22,999.0	24.8%	8,345.9	13.5%	7,822.0	15.3%	5,060.0	13.8%	2,932.5	10.7%
Other Liabilities	3,999.2	4.3%	1,875.9	3.0%	2,275.5	4.5%	1,214.7	3.4%	714.1	2.7%
<b>LIABILITIES</b>	<b>83,476.0</b>	<b>90.1%</b>	<b>52,672.3</b>	<b>85.1%</b>	<b>44,642.0</b>	<b>87.6%</b>	<b>31,153.9</b>	<b>85.2%</b>	<b>23,411.9</b>	<b>85.8%</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>9,183.5</b>	<b>9.9%</b>	<b>9,204.7</b>	<b>14.9%</b>	<b>6,343.6</b>	<b>12.4%</b>	<b>5,412.6</b>	<b>14.8%</b>	<b>3,886.0</b>	<b>14.2%</b>
<b>Total Liabilities + Shareholders' Equity</b>	<b>92,659.5</b>	<b>100.0%</b>	<b>61,877.0</b>	<b>100.0%</b>	<b>50,985.6</b>	<b>100.0%</b>	<b>36,566.5</b>	<b>100.0%</b>	<b>27,297.9</b>	<b>100.0%</b>

# BANCO PATAGONIA

## b) Comparative Consolidated Profit and Loss Structure

Banco Patagonia Consolidated Figures In million pesos	Statement of Income									
	2Q17	%	2Q16	%	2Q15	%	2Q14	%	2Q13	%
Financial Income	3,600.5	100.0%	3,708.5	100.0%	2,326.8	100.0%	1,956.0	100.0%	1,119.5	100.0%
Financial Expenses	1,386.8	38.5%	1,738.7	46.9%	1,152.7	49.5%	1,083.7	55.4%	529.6	47.3%
<b>Gross Interest Income</b>	<b>2,213.7</b>	<b>61.5%</b>	<b>1,969.8</b>	<b>53.1%</b>	<b>1,174.1</b>	<b>50.5%</b>	<b>872.3</b>	<b>44.6%</b>	<b>589.9</b>	<b>52.7%</b>
Uncollectible Charge	177.4	4.9%	136.7	3.7%	89.2	3.8%	77.3	4.0%	101.2	9.0%
Net Fee Income	854.0	23.7%	578.7	15.6%	463.2	19.9%	387.8	19.8%	329.4	29.4%
Administrative Expenses	1,507.1	41.9%	1,215.8	32.8%	836.1	36.0%	588.2	30.1%	459.4	41.1%
<b>Net Operative Income</b>	<b>1,383.2</b>	<b>38.4%</b>	<b>1,196.0</b>	<b>32.3%</b>	<b>712.0</b>	<b>30.6%</b>	<b>594.6</b>	<b>30.4%</b>	<b>358.7</b>	<b>32.0%</b>
Miscellaneous Income Loss	72.8	2.0%	101.5	2.7%	66.9	2.9%	38.1	1.9%	118.5	10.6%
<b>Income before Income Tax</b>	<b>1,456.1</b>	<b>40.4%</b>	<b>1,297.5</b>	<b>35.0%</b>	<b>778.9</b>	<b>33.5%</b>	<b>632.7</b>	<b>32.3%</b>	<b>477.2</b>	<b>42.6%</b>
Income Tax	632.5	17.6%	475.2	12.8%	286.7	12.3%	225.7	11.5%	185.2	16.5%
<b>Net Income for the Quarter</b>	<b>823.5</b>	<b>22.9%</b>	<b>822.3</b>	<b>22.2%</b>	<b>492.2</b>	<b>21.2%</b>	<b>407.0</b>	<b>20.8%</b>	<b>292.0</b>	<b>26.1%</b>

## c) Consolidated Foreign Currency Position

Banco Patagonia Consolidated Figures In million pesos	Foreign Currency Position As of June 30:				
	2017	2016	2015	2014	2013
Cash and Cash Equivalents	4,429.0	3,188.1	2,624.6	2,587.0	1,476.5
Government and Corporate Securities	1,594.5	821.2	821.7	502.9	61.4
Loans	9,168.5	5,111.6	1,335.1	1,084.7	1,237.6
Other Receivables from Financial Intermediation	384.2	379.7	265.4	367.3	407.7
Receivables from Financial Leasing	0.0	0.3	1.5	3.2	7.1
Other Assets	15.3	8.5	6.0	6.7	4.8
<b>ASSETS</b>	<b>15,591.5</b>	<b>9,509.4</b>	<b>5,054.3</b>	<b>4,551.8</b>	<b>3,195.1</b>
Deposits	11,995.5	5,414.8	1,854.1	1,776.5	1,493.2
Other liabilities from financial intermediation	2,710.8	2,754.0	1,560.4	1,238.0	571.3
Other Liabilities	7.7	4.3	1.7	1.5	1.2
<b>LIABILITIES</b>	<b>14,714.0</b>	<b>8,173.1</b>	<b>3,416.2</b>	<b>3,016.0</b>	<b>2,065.7</b>
<b>Foreign Currency Position in Pesos</b>	<b>877.5</b>	<b>1,336.3</b>	<b>1,638.1</b>	<b>1,535.8</b>	<b>1,129.4</b>
<b>Benchmark Exchange Rate</b>	<b>16.5985</b>	<b>14.5817</b>	<b>8.8197</b>	<b>8.0098</b>	<b>5.1223</b>
<b>Foreign Currency Position in US Dollars</b>	<b>52.9</b>	<b>91.6</b>	<b>185.7</b>	<b>191.7</b>	<b>220.5</b>

# BANCO PATAGONIA

## d) Comparative Individual Financial Structure

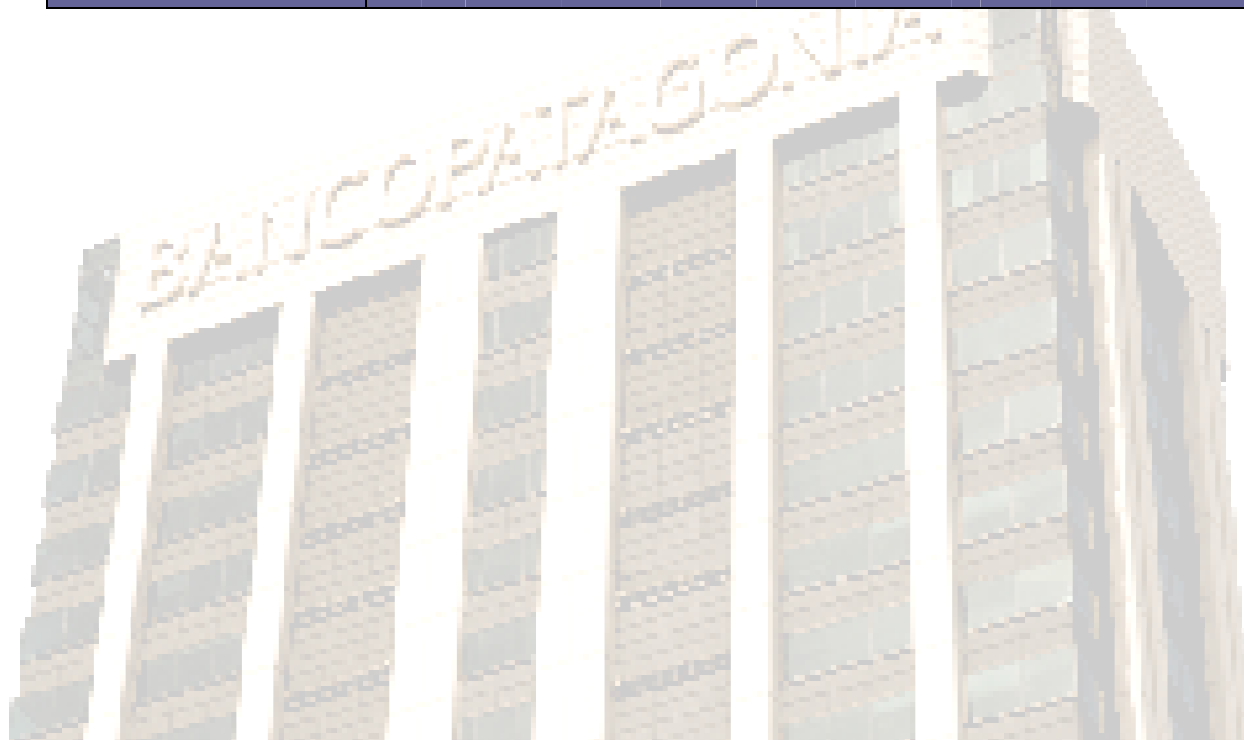
Banco Patagonia Standalone In million pesos	Statement of Financial Position As of June 30:									
	2017	%	2016	%	2015	%	2014	%	2013	%
Cash and Cash Equivalents	11,248.6	12.7%	8,456.3	14.2%	5,708.9	11.5%	4,920.8	14.2%	3,729.2	14.7%
Government and Corporate Securities	16,025.0	18.1%	9,034.0	15.2%	13,232.8	26.8%	5,643.3	16.3%	2,334.3	9.2%
Loans	42,220.1	47.7%	35,319.6	59.2%	23,745.2	48.0%	19,942.7	57.5%	16,536.2	65.2%
To the Non-Financial Public Sector	413.1	0.5%	672.2	1.1%	158.9	0.3%	244.2	0.7%	249.0	1.0%
Financial Sector	2,043.9	2.3%	1,787.7	3.0%	1,059.7	2.1%	619.2	1.8%	658.0	2.6%
Non-Financial Private Sector	41,225.4	46.5%	34,073.8	57.1%	23,596.7	47.7%	20,074.5	57.9%	16,220.4	63.9%
(Provisions)	(1,462.3)	(1.7%)	(1,214.1)	(2.0%)	(1,070.1)	(2.1%)	(995.2)	(2.9%)	(591.2)	(2.3%)
Other Receivables from Financial Intermediation	14,155.9	16.0%	2,809.3	4.7%	3,633.1	7.3%	1,826.6	5.3%	902.2	3.6%
Receivables from Financial Leasing	1,470.9	1.7%	1,331.8	2.2%	1,295.9	2.6%	937.1	2.7%	770.1	3.0%
Other Assets	3,441.2	3.8%	2,672.7	4.5%	1,840.1	3.8%	1,386.2	4.0%	1,100.2	4.3%
<b>ASSETS</b>	<b>88,561.7</b>	<b>100.0%</b>	<b>59,623.7</b>	<b>100.0%</b>	<b>49,456.0</b>	<b>100.0%</b>	<b>34,656.7</b>	<b>100.0%</b>	<b>25,372.2</b>	<b>100.0%</b>

Banco Patagonia Standalone In million pesos	Statement of Financial Position As of June 30:									
	2017	%	2016	%	2015	%	2014	%	2013	%
Deposits	55,870.2	63.1%	41,858.7	70.2%	34,033.8	68.8%	24,443.0	70.5%	19,217.8	75.7%
Non-Financial Public Sector	4,502.6	5.1%	4,478.5	7.5%	3,213.4	6.5%	3,502.9	10.1%	2,442.3	9.6%
Financial Sector	19.9	0.0%	10.1	0.0%	10.4	0.0%	16.4	0.0%	22.9	0.1%
Non-Financial Private Sector	51,347.7	58.0%	37,370.1	62.7%	30,810.0	62.3%	20,923.7	60.4%	16,752.6	66.0%
Other liabilities from financial intermediation	19,956.1	22.5%	6,885.1	11.5%	6,906.2	14.0%	3,717.6	10.7%	1,683.6	6.6%
Other Liabilities	3,551.8	4.0%	1,675.2	2.8%	2,172.4	4.4%	1,083.5	3.2%	584.8	2.4%
<b>LIABILITIES</b>	<b>79,378.1</b>	<b>89.6%</b>	<b>50,419.0</b>	<b>84.6%</b>	<b>43,112.4</b>	<b>87.2%</b>	<b>29,244.1</b>	<b>84.4%</b>	<b>21,486.2</b>	<b>84.7%</b>
<b>SHAREHOLDERS' EQUIT.</b>	<b>9,183.6</b>	<b>10.4%</b>	<b>9,204.7</b>	<b>15.4%</b>	<b>6,343.6</b>	<b>12.8%</b>	<b>5,412.6</b>	<b>15.6%</b>	<b>3,886.0</b>	<b>15.3%</b>
<b>Total Liabilities + Shareholders' Equity.</b>	<b>88,561.7</b>	<b>100.0%</b>	<b>59,623.7</b>	<b>100.0%</b>	<b>49,456.0</b>	<b>100.0%</b>	<b>34,656.7</b>	<b>100.0%</b>	<b>25,372.2</b>	<b>100.0%</b>

# BANCO PATAGONIA

## e) Comparative Individual Income and Loss Structure

Banco Patagonia Standalone In million pesos	Statement of Income									
	2Q17	%	2Q16	%	2Q15	%	2Q14	%	2Q13	%
Financial Income	3,292.6	100.0%	3,553.1	100.0%	2,211.9	100.0%	1,860.8	100.0%	1,057.1	100.0%
Financial Expenses	1,235.0	37.5%	1,643.5	46.3%	1,100.3	49.7%	994.9	53.5%	474.0	44.8%
<b>Gross Interest Income</b>	<b>2,057.6</b>	<b>62.5%</b>	<b>1,909.6</b>	<b>53.7%</b>	<b>1,111.6</b>	<b>50.3%</b>	<b>865.9</b>	<b>46.5%</b>	<b>583.1</b>	<b>55.2%</b>
Uncollectible Charge	149.7	4.5%	127.3	3.6%	86.2	3.9%	75.8	4.1%	96.4	9.1%
Net Fee Income	718.8	21.8%	509.0	14.3%	407.2	18.4%	319.6	17.2%	276.2	26.1%
Administrative Expenses	1,464.4	44.5%	1,182.5	33.3%	814.1	36.8%	571.3	30.7%	446.4	42.3%
<b>Net Operative Income</b>	<b>1,162.3</b>	<b>35.3%</b>	<b>1,108.8</b>	<b>31.2%</b>	<b>618.5</b>	<b>28.0%</b>	<b>538.4</b>	<b>28.9%</b>	<b>316.5</b>	<b>29.9%</b>
Miscellaneous Income Loss	208.1	6.3%	157.6	4.4%	128.7	5.8%	73.5	4.0%	145.0	13.8%
<b>Income before Income Tax</b>	<b>1,370.3</b>	<b>41.6%</b>	<b>1,266.4</b>	<b>35.6%</b>	<b>747.2</b>	<b>33.8%</b>	<b>611.9</b>	<b>32.9%</b>	<b>461.5</b>	<b>43.7%</b>
Income Tax	546.9	16.6%	444.1	12.5%	255.0	11.5%	204.9	11.0%	169.5	16.1%
<b>Net Income for the Quarter</b>	<b>823.5</b>	<b>25.0%</b>	<b>822.3</b>	<b>23.1%</b>	<b>492.2</b>	<b>22.3%</b>	<b>407.0</b>	<b>21.9%</b>	<b>292.0</b>	<b>27.6%</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 2Q17 on August 9, 2017 at 01:00 p.m. (Buenos Aires Time). 12.00 p.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

Conference ID: BANCO PATAGONIA

## INVESTOR RELATIONS

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