

1Q18 EARNINGS RELEASE



Buenos Aires, Argentina, May 24, 2018 – Banco Patagonia S.A. (BCBA: BPAT; BOVESPA: BPAT33) reports on the consolidated income of 1st quarter (1Q18) for financial year 2018.

OUTSTANDING DATA

The present Earnings Report was prepared in accordance with new accounting framework based on the International Financial Reporting Standards (IFRS) established by BCRA with validity as from January 1, 2018 and, therefore, it has been reworked the comparative accounting information for the fiscal periods/years required by the BCRA. The adoption of the aforementioned standards comprises changes in the valuation and exposition of asset entries and earnings, as well as on the estimation of indicators and other related information.

Banco Patagonia ended the first quarter of 2018 with Assets of ARS 95,088.6 million, Loans (net of provisioning) of ARS 60,953.0 million, Deposits of ARS 64,771.2 million, and a Shareholders equity of ARS 13,429.8 million in a consolidated form.

The net result of the quarter was of ARS 990.3 million, an increase of 22.8% compared with 1Q17 (ARS 806.2 million) determining a ROE of 31.7% (annualized return on average equity) and a ROA of 4.7% (annualized return on average assets).

Loans granted to non-financial private sector in consolidated form amounted to ARS 59,146.0 million, an increase of 38.0% compared with 1Q17 (ARS 42,865.7 million).

Total consolidated deposits amounted to ARS 64,771.2 million, an increase of 26.9% compared with 1Q17 (ARS 51,047.2 million).

With reference to portfolio quality indicators, the index of irregular portfolio was of 1.6% and the coverage of irregular portfolio with expectations was 203.3%.

Consolidated liquidity ratio (liquid assets on deposits) was of 39.0%. Likewise, the integration of consolidated minimum capital shows a surplus of ARS 4,576.2 million as compared to the requirements of the BCRA.

The General Shareholders' Meeting held in April 25, 2018 approved the payment of ARS 1,777.6 million, as cash dividends for the fiscal year 2017, which will be made available to the Shareholders on May 30, 2018.

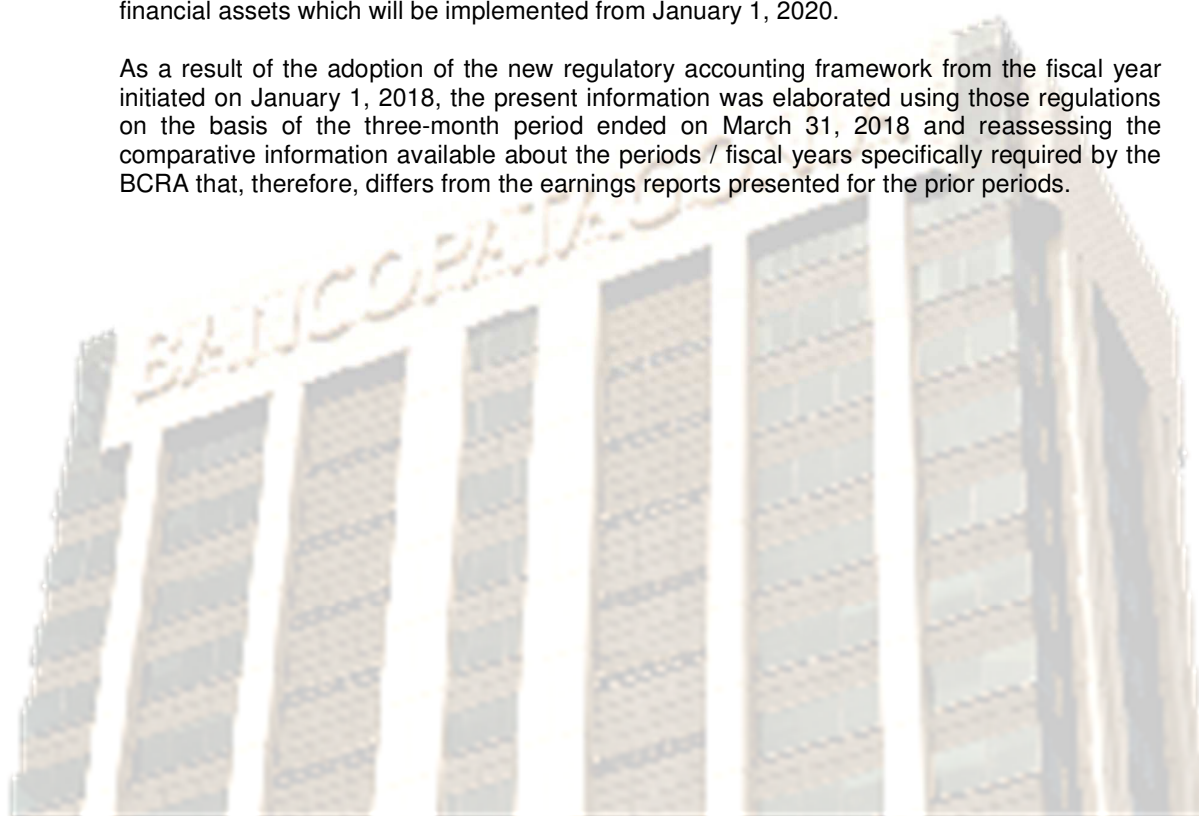
On March 31, 2018, the Entity has a staff of 3,360 employees and a wide network of 206 service points nationwide, distributed among the main province capitals and major cities.

FINANCIAL REPORTING

For the purposes of the preparation of the present report, Banco Patagonia S.A. consolidated line by line its statement of financial position and income, with the financial statements of its subsidiaries companies: Patagonia Valores S.A., Patagonia Inversora S.A. Sociedad Gerente de Fondos Comunes de Inversión, Banco Patagonia (Uruguay) S.A.I.F.E. y GPAT Compañía Financiera S.A.

The consolidated financial statements have been prepared in accordance with the regulations of the Central Bank of Republic of Argentina (BCRA, for its acronym in Spanish,) establishing that the Entities under its supervision to submit financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), except by the transitional derogation in the application of the section 5.5 “Value Impairment” of the IFRS 9 “Financial instruments”, applicable for the of financial assets which will be implemented from January 1, 2020.

As a result of the adoption of the new regulatory accounting framework from the fiscal year initiated on January 1, 2018, the present information was elaborated using those regulations on the basis of the three-month period ended on March 31, 2018 and reassessing the comparative information available about the periods / fiscal years specifically required by the BCRA that, therefore, differs from the earnings reports presented for the prior periods.



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1Q18 GAINS (LOSSES)

Condensed Consolidated Statements of Income (In Millions of Pesos)	Banco Patagonia Consolidated		Change (%)
	1Q18	1Q17	
Net interest income	2,574.5	2,027.2	27.0%
Net fee income	777.7	659.3	18.0%
Gains on financial assets measured at fair value through profit or loss	246.4	230.9	6.7%
Exchange difference	6.5	126.4	-94.9%
Other operative income	452	341.3	32.4%
Charge for uncollectibility	-220.9	-121.7	81.5%
Net operating income	3,836.2	3,263.4	17.6%
Employee benefits	-1,068.3	-893.9	19.5%
Administrative expenses	-629.3	-536.1	17.4%
Depreciation and devaluation of Goods	-48.1	-38.5	24.9%
Other operating expenses	-670.9	-572.9	17.1%
Operating income	1,419.6	1,222.0	16.2%
Net income of associates and joint ventures	48.7	7.6	540.8%
Income before tax	1,468.3	1,229.6	19.4%
Income tax expense	-478	-423.4	12.9%
Net income for the period	990.3	806.2	22.8%

The net result of the 1Q18 was of ARS 990.3 million, an increase of 22.8% (ARS 184.1 million) compared with 1Q17 (ARS 806.2 million).

a) Earnings per Share

Earnings per Share (In million pesos)	Banco Patagonia Consolidated		Change (%)
	1Q18	1Q17	
Net Income for the Quarter	990.3	806.2	22.8%
Quarterly Average Number of Outstanding Shares	719.1	719.1	0.0%
Quarterly Average Number of Treasury Shares	0.0	0.0	0.0%
Shares Issued at quarter-end	719.1	719.1	0.0%
Earnings per Share – Amounts in pesos	1,377	1,121	22.8%
Earnings per BDR (*) – Amounts in pesos	27.54	22.42	22.8%

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

b) Net Interest Income

Net Interest Income (In million pesos)	Banco Patagonia Consolidated		Change (%)
	1Q18	1Q17	
Interest Income	4,045.6	3,073.8	31.6%
Interest Expenses	-1,471.1	-1,046.6	40.6%
Total	2,574.5	2,027.2	27.0%

Net Interest Income to the 1Q18 amounted to ARS 2,574.5 million an increase of 27.0% (ARS 547.3 million) compared with 1Q17 (ARS 2,027.2 million), as follows:

Interest income

Interest income (In Millions of Pesos)	Banco Patagonia Consolidated		Change (%)
	1Q18	1Q17	
Personal loans	807.0	549.9	46.8%
Documents	760.8	690.6	10.2%
Government securities at fair value with changes in other comprehensive income	627.9	273.2	129.8%
Advances	557.3	396.3	40.6%
Credit cards	365.2	360.6	1.3%
Secured loans	325.4	315.4	3.2%
Other loans	322.5	136.8	135.7%
Loans to Financial Sector	104.3	86.3	20.9%
Finance Leases	75.2	77.6	-3.1%
Premiums of Active Swaps to the financial sector	35.4	162.5	-78.2%
Government securities at amortized cost	8.2	2.5	228.0%
Other	56.4	22.1	155.2%
Total	4,045.6	3,073.8	31.6%

Interest income of the 1Q18 amounted to ARS 4,045.6 million, an increase of 31.6% (ARS 971.8 million) in comparison with 1Q17 (ARS 3,073.8 million).

This increase comes, mainly, from the growth of 38.1% in the private sector portfolio (ARS 61,223.2 million in the face of ARS 44,341.0 million over the same quarter of the previous year). In the same way, the average of accrual rate of the portfolio had a slight increase, going from TNA 21.4% in March 2017 to TNA 21.7% in March 2018.

In the consumer portfolio, it was highlighted the better results of personal loans with a change of 46.8% (ARS 257.1 million) going from ARS 549.9 million in the 1Q17 to ARS 807.0 million in the 1Q18.

In the commercial portfolio, it was highlighted the interest charges by advances with an increase of 40.6% (ARS 161.0 million) with regard to 1Q17, the interest charges by loans granted to General Motors Argentina S.R.L. official dealers with a growth of ARS 147.1 million (included in the line "Other loans), and the interest charges documents with an increase of 10.2% (ARS 70.2 million).

The income by the portfolio of public and private Bonds totalized ARS 636.1 million, increasing 130.7% (ARS 360.4 million) with regard to 1Q17 (ARS 275.7 million), as a result of the increase in volume and performance of the instruments issued by the BCRA.

On the other hand, the income by premiums of active Swaps reduced 78.2% (ARS 127.1 million), because of the change in the allocation of the liquidity surplus, in accordance as mentioned in the preceding paragraph.

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Interest expenses

Interest expenses (In Millions of Pesos)	Banco Patagonia Consolidated		Change (%)
	1T18	1T17	
Time Deposits	1,076.5	865.5	24.4%
Corporate Bonds	149.8	81.5	83.8%
Funding received from Financial Entities	62.4	21.8	186.2%
Deposits in Savings Accounts	45.8	6.4	615.6%
Premiums of passive swaps to the financial sector	38.8	13.6	185.3%
Other Funding received from Financial Entities	21.4	18.3	16.9%
Other	76.4	39.5	93.4%
Total	1,471.1	1,046.6	40.6%

Interest expenses in 1Q18 reached \$ 1,471.1 million, increasing 40.6% (\$ 424.5 million) with respect to 1Q17 (\$ 1,046.6 million).

In the 1Q18, the accrual of interest of the portfolio of time Deposits increased 24.4% (ARS 211.0 million) mainly, as a result of the increase in its volume of 17.3% (ARS 25,364.3 million in the face of ARS 21,625.3 million over the same quarter of the previous year).

On the other side, the interest expenses of corporate bonds increased 83.8% (ARS 68.3 million) due to the increased issuance of corporate bonds on the part of GPAT, reaching a total of ARS 2,541.3 million, representing an increase of 85.1% (ARS 1,168.6 million) compared to 1Q17.

The interest expense of deposits in savings account grew ARS 39.4 million (615.6%) due, mainly, to an increase of the portfolio of special interest-bearing accounts.

Finally, it was observed the increase in the short-term interest of financial instruments: by funding received from Financial Entities of ARS 40.6 million (186.2%) and by premiums of passive swaps to the financial sector of ARS 25.0 million (185.3%).

c) Net fee income

Net fee income (In Millions of Pesos)	Banco Patagonia Consolidated		Change (%)
	1T18	1T17	
Deposits	288.4	214.8	34.3%
Credit and Debit Cards	260.8	279.6	-6.7%
Bundles of Products	154.6	97.9	57.9%
Revenues	61.7	40	54.3%
Foreign Trade	39.5	33.5	17.9%
Loans	28	29.6	-5.4%
Insurances	26.4	28.4	-7.0%
Security Titles	11.7	6.9	69.6%
Other	12.6	10.8	16.7%
Fee income	883.7	741.5	19.2%
Fee expenses	-106.0	-82.2	29.0%
Total	777.7	659.3	18.0%

The Net fee income in the 1Q18 reached ARS 777.7 million, increasing 18.0% (ARS 118.4 million) compared to 1Q17 (ARS 659.3 million), whereas the fee gross income reached ARS 883.7 million in the 1Q18, increasing 19.2% (ARS 142.2 million) compared to 1Q17 (ARS 741.5 million).

It was highlighted the fees associated with deposits and bundles of products, with an increase of 34.3% (ARS 73.6 million) and 57.9% (ARS 56.7 million), respectively, as a result of greater quantities of commissionable transactions and a price increase.

Also, it was highlighted the increase in the fees for revenues and security titles, with a variation 54.3% (ARS 21.7 million) and 69.6% (ARS 4.8 million), respectively.

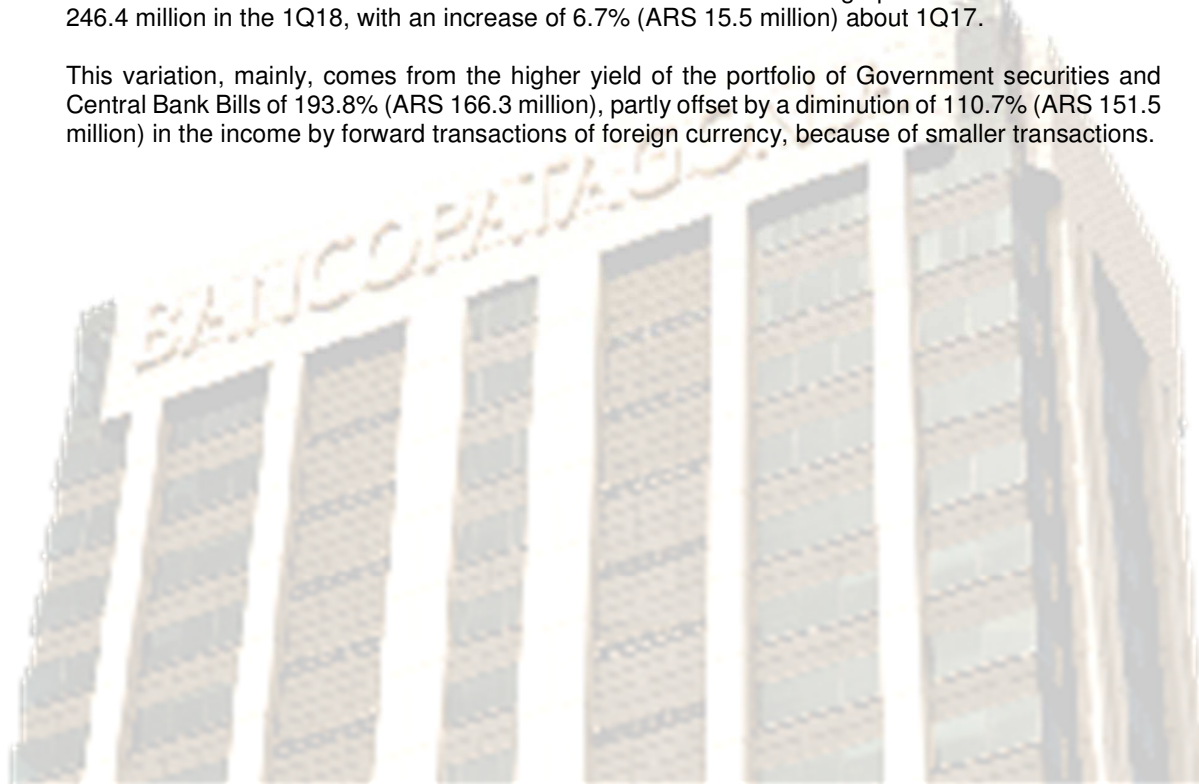
For its part, the fees expenses during the quarter reached ARS 106.0 million, increasing 29.0% (ARS 23.8 million) compared to 1Q17 (ARS 82.2 million).

d) Net income of financial instruments measured at fair value through profit or loss.

Net income of financial instruments measured at fair value through profit or loss (In Millions of Pesos)	Banco Patagonia Consolidated		Change (%)
	1T18	1T17	
Government securities and instruments issued by the BCRA	252.1	85.8	193.8%
Private Bonds	5.1	4.5	13.3%
Negotiable obligations	3.8	3.7	2.7%
Forward transactions of foreign currency	-14.6	136.9	-110.7%
Total	246.4	230.9	6.7%

The Net income of financial instruments measured at fair value through profit or loss totaled ARS 246.4 million in the 1Q18, with an increase of 6.7% (ARS 15.5 million) about 1Q17.

This variation, mainly, comes from the higher yield of the portfolio of Government securities and Central Bank Bills of 193.8% (ARS 166.3 million), partly offset by a diminution of 110.7% (ARS 151.5 million) in the income by forward transactions of foreign currency, because of smaller transactions.



e) Other operative income

Other operative income (In Millions of Pesos)	Banco Patagonia Consolidated		Change (%)
	1T18	1T17	
Associated with commissions	352.9	280	26,0%
Commissions associated with Insurances	151.2	113.8	32.9%
Commissions for safe deposit box rentals	47.2	35.6	32.6%
Maintenance of Credit and Debit Cards	42.6	34.3	24.2%
Management Fees (Manager Company FCI)	38.2	28.4	34.5%
Commissions GPAT - Adm. Portfolio and recovery management	22.3	19.9	12.1%
Other	51.4	48	7.1%
Sales revenue of property, plant and equipment	16.1	6.0	168.3%
Recovered credits	14.0	9.5	47.4%
Punitive interests	10.5	8.2	28,0%
Other	58.5	37.6	55.6%
Total	452.0	341.3	32.4%

The earnings from other operative income totaled, in the 1Q18, ARS 452.0 million, increasing 32.4% (ARS 110.7 million) with regard to 1Q17.

The main variations correspond to income associated with commissions, with an increase interannual of 26.0% (ARS 72.9 million), highlighting the commissions associated with insurances of ARS 37.4 million (32.9%) and with safe deposit boxes por ARS 11.6 million (32.6%), respectively.

f) Charge for uncollectibility

Charge for uncollectibility (In Millions of Pesos)	Banco Patagonia Consolidated		Change (%)
	1T18	1T17	
Net charges by provisions for Funding	220.0	120.9	82,0%
Net charges by expectations for other credits	0.9	0.8	12.5%
Total	220.9	121.7	81.5%

The charge for uncollectibility totalized in the 1Q18 ARS 220.9 million, increasing 81.5% with regard to 1Q17 (ARS 121.7 million).

About the quality ratios of the portfolio associated with the 1Q18, the irregular financing portfolio indicator was of 1.6% and the of coverage of irregular portfolio with expectations was of 203.3%

g) Administrative expenses

Administrative expenses (In Millions of Pesos)	Banco Patagonia Consolidated		Change (%)
	1T18	1T17	
Employee benefits	1,068.3	893.9	19.5%
Administrative expenses (operatives)	629.3	536.1	17.4%
Taxes	116.2	84.9	36.9%
Expenditures of maintenance, conservation and reparations	104.5	76.1	37.3%
Advertising and publicity	60.1	64.2	-6.4%
Carriage of different values	55.7	66.3	-16.0%
Rentals	50.9	41.2	23.5%
Security services	42.8	45.8	-6.5%
Fees	29.1	25.3	22.9%
Directors and trustees fees	12.9	10.5	9.8%
Electricity and communications	35.8	32.6	9.8%
Costs of representation, travel and mobility expenses	11.0	6.8	61.8%
Other	110.2	82.3	33.9%
Depreciation and devaluation of goods	48.1	38.5	24.9%
Total	1,745.7	1,468.5	18.9%

The administrative expenses totaled \$ 1,745.7 million in 1Q18, increasing 18.9% (\$ 277.2 million) with respect to 1Q17.

The employee benefits reached to 1,068.3 million, with an increase of 19.5% (ARS 174.4 million) with regard to 1Q17, mainly, as a result of the wage increases agreed to the banking activity.

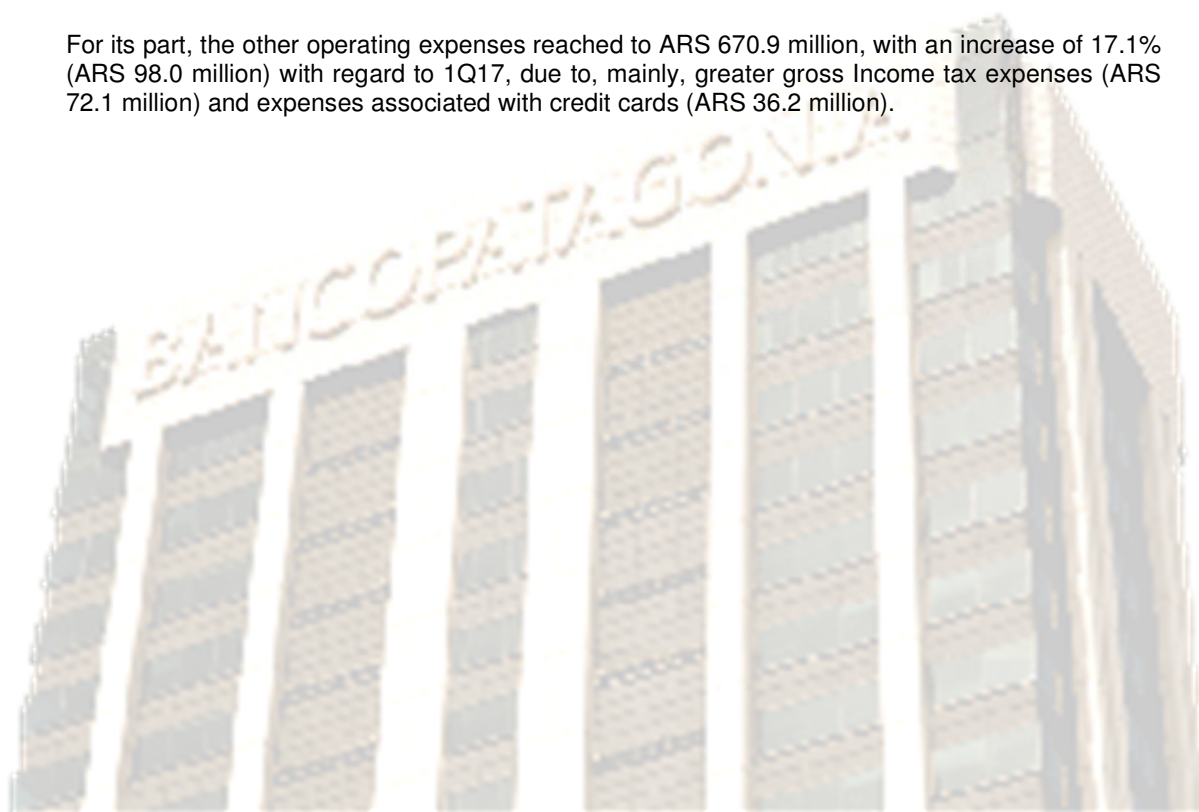
Regarding administrative expenses (operatives), had an increase of 17.4% interannual (ARS 93.2 million), due to mainly, an increase in the taxes (ARS 31.3 million) and expenditures of maintenance, conservation and reparations (ARS 28.4 million).

As of march 31, 2018, the coverage ratio of administration expenses with net revenue from services increased to 52.0% and the efficiency index ratio, measured as the ratio between administrative expenses and total net income, was of 44.9%.

h) Other operating expenses

Other operating expenses (In Millions of Pesos)	Banco Patagonia Consolidated		Change (%)
	1T18	1T17	
Gross Income tax expense	350.4	278.3	25.9%
Associated with Credit and Debit cards	170.2	134.0	27,0%
Associated with ATMs	59.2	38.0	55.8%
Contribution to the deposit guarantee fund	28.7	21.9	31.1%
Charge for another provisions	13.6	3.0	353.3%
Other	48.8	97.7	99.2%
Total	670.9	572.9	17.1%

For its part, the other operating expenses reached to ARS 670.9 million, with an increase of 17.1% (ARS 98.0 million) with regard to 1Q17, due to, mainly, greater gross Income tax expenses (ARS 72.1 million) and expenses associated with credit cards (ARS 36.2 million).



RELEVANT FINANCIAL INFORMATION

a) Portfolio of loans

Loans (In Millions of Pesos)	Banco Patagonia Consolidated			Change (%) as of	
	1T18	4T17	1T17	4T17	1T17
To the non-financial public sector	447.5	450.7	441.5	-0.7%	1.4%
To the Financial sector	1,359.5	2,139.3	1,389.7	-36.5%	-2.2%
To the non-financial private sector	59,146.0	59,033.7	42,865.7	0.2%	38.0%
Advances	7,469.0	7,311.8	5,316.0	2.1%	40.5%
Documents	18,576.0	18,759.9	14,503.1	-1.0%	28.1%
Mortgage	364.4	235.5	87.0	54.7%	318.9%
Pledges	5,080.3	5,086.8	3,921.5	-0.1%	29.5%
Personals	9,743.0	8,968.1	7,059.6	8.6%	38.0%
Credit cards	10,851.4	10,553.2	7,663.6	2.8%	41.6%
Other	9,972.8	10,889.7	6,508.9	-8.4%	53.5%
Adjustment IFRS	-833.6	-822.2	-708.2	1.4%	17.7%
(provisions)	-2,077.3	-1,949.1	-1,485.8	6.6%	40.8%
Total	60,953.0	61,623.7	44,696.9	-1.1%	36.4%

On March 31, 2018, the loans granted to non-financial private sector portfolio amounted to ARS 59,146.0 million, an increase of 0.2% (ARS 112.3 million) in comparison with 4Q17 and 38.0% (ARS 16,280.3 million) when compared to 1Q17.

With regard to consumer portfolio the growth of the personal loans was of 8.6% (ARS 774.9 million) and 38.0% (ARS 2,683.4 million) compared with the 4Q17 and 1Q17, respectively and the increase of credit cards loans was of 2.8% (ARS 298.2 million) and 41.6% (ARS 3,187.8 million) compared to 4Q17 and 1Q17, respectively. In the same way, the secured loans from GPAT increased 29.5% (ARS 1,158.8 million) in comparison with 1Q17.

For its part, the commercial portfolio had no significant changes in regard to 4Q17. In comparison with the 1Q17, the increases in advances of 40.5% (ARS 2,153.0 million) and in documents of 28.1% (ARS 4,072.9 million) were highlighted, and in the line Other, the principal variation corresponds to loans to General Motors Dealers' Network, which climbed to 226.3% (ARS 2,402.7 million).

b) Exposure to the Public Sector

Exposure to the Public Sector (In million pesos)	Banco Patagonia Consolidated			Change (%) as of	
	1T18	4T17	1T17	4T17	1T17
Government Securities (*)	3,293.9	2,579.5	2,164.7	27.7%	52.2%
Loans to the Public Sector	447.5	450.7	441.5	-0.7%	1.4%
Exposure to the Public Sector	3,741.4	3,030.2	2,606.2	23.5%	43.6%
Share on Total Assets	3.9%	3.1%	3.6%	26.4%	10.8%

(*) 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 March 31, 2018, the exposure in assets to the public sector amounted to ARS 3,741.4 million, a decrease of 23.5% (ARS 711.2 million) when compared to 4Q17 and increasing 43.6% (ARS 1,135.2 million), compared to 1Q17.

The share of public sector assets over total assets in 1Q18 was 3.9%

c) Portfolio Quality

Portfolio Quality (In million pesos)	Banco Patagonia Consolidated			Change (%) as of	
	1T18	4T17	1T17	4T17	1T17
Total fundings	64,112.7	64,748.6	49,222.4	-0.9%	30.3%
Irregular portfolio	1,021.6	871.6	584.2	17.2%	74.9%
Provisions	2,077.3	1,949.1	1,485.8	6.6%	39.7%
Non-performing portfolio as a % of total financing	1.6%	1.3%	1.2%	23.1%	33.3%
Provisions as a % of non-performing financing portfolio	203.3%	223.6%	254.3%	-11.0%	-21.8%

Regarding the portfolio quality indexes, in March 31, 2018, the non-performing portfolio ratio on total funding was of 1.6% and the coverage of non-performing portfolio with provisions was of 203.3%.

Changes on ratios 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.

d) Deposits

Deposits (In million pesos)	Banco Patagonia Consolidated			Change (%) as of	
	1T18	4T17	1T17	4T17	1T17
Non-Financial Public Sector	4,722.0	4,666.9	3,533.8	1.2%	33.6%
Checking Accounts	2,054.8	2,436.8	1,863.9	-15.7%	10.2%
Time deposits	2,667.2	2,230.1	1,669.9	19.6%	59.7%
Financial Sector	66.0	13.2	7.9	400.0%	735.4%
Non-Financial Private Sector	59,983.2	64,382.5	47,505.5	-6.8%	26.3%
Checking Accounts	8,595.3	9,178.6	7,797.7	-6.4%	10.2%
Savings accounts	25,486.1	30,054.5	17,492.4	-15.2%	45.7%
Time deposits	22,697.1	22,518.9	19,955.4	0.8%	13.7%
Other	3,204.7	2,630.5	2,260.0	21.8%	41.8%
Total	64,771.2	69,062.6	51,047.2	-6.2%	26.9%

On the 1Q18, the total deposits amounted to ARS 64,771.2 million, a decrease of 6.2% (ARS 4,291.4 million), with respect to 4Q17 and increasing 26.9% (ARS 13,724.0 million), with respect to 1Q17.

The deposits from the non-financial private sector amounted to ARS 59,983.2 million, a decrease of 6.8% (ARS 4,399.3 million), with respect to 4Q17 and increasing 26.3% (ARS 16,877.0 million), with respect to 1Q17.

The principal variation was observed in savings accounts with a decrease of 15.2% (ARS 4,568.4 million) compared to 4Q17 and an increase of 45.7% (ARS 7,993.7 million) compared to 1Q17.

e) Other sources of funding

Other Sources of funding (In Millions of Pesos)	Banco Patagonia Consolidated			Change (%) as of	
	1T18	4T17	1T17	4T17	1T17
Funding received from BCRA and other financial institutions.	2,852.7	2,372.8	2,348.9	20.2%	21.4%
Corporate bonds issued	2,541.3	2,231.0	1,372.7	13.9%	85.1%
Total	5,394.0	4,603.8	3,721.6	17.1%	44.9%

Regarding other sources of funding used by the Entity, on the 1Q18, amounted to ARS 5,394.0 million, an increase of 17.1% (ARS 790.2 million) in comparison with 4Q17 and of 44.9% (ARS 1,672.4 million) when compared to 1Q17.

The funding received from BCRA and other financial institutions grew 20.2% (ARS 479.9 million), whereas the corporate bonds (issued entirely by GPAT) grew 13.9% (ARS 310.3 million).

f) Liquidity

Liquidity (In Millions of Pesos)	Banco Patagonia Consolidated			Change (%) as of	
	1T18	4T17	1T17	4T17	1T17
Cash and deposits in Banks	13,085.8	14,422.4	11,699.8	-9.3%	11.8%
Debt securities and investment in equity instruments	12,184.4	13,636.3	11,032.0	-10.6%	10.4%
Liquid assets	25,270.2	28,058.7	22,731.8	-9.9%	11.2%
Deposits	64,771.2	69,062.6	51,047.2	-6.2%	26.9%
Liquid assets over total deposits	39.0%	40.6%	44.5%		

Banco Patagonia holds as of 1Q18 liquid assets for ARS 25,270.2 million, decreasing 9.9% (ARS 2,788.5 million) in comparison with the 4Q17 and increasing 11.2% (ARS 2,538.4 million) when compared to 1Q17.

In the closing of the 1Q18, the ratio that relates the liquid assets with the total de deposits was of 39.0%.



g) Capitalization

Capitalization (In million pesos)	Banco Patagonia Consolidated			Change (%) as of	
	1T18	4T17	1T17	4T17	1T17
Minimum Capital Requirement (A)	7,228.4	7,099.9	5,471.0	1,8%	32,1%
Credit Risk.	5,506.0	5,551.9	4,114.0	-0.8%	33.8%
Market risk - Securities	79.5	36.0	64.0	120.8%	24.2%
Market risk - Currencies	88.2	46.5	81.0	89.7%	8.9%
Operational Risk	1,554.6	1,465.5	1,212.0	6.1%	28.3%
Composition (B)	11,804.6	11,095.5	9,999.0	6.4%	18.1%
Common Capital - Level 1	12,179.2	10,640.1	9,615.0	14.5%	26.7%
Deductible items COn1	-981.9	-162.2	-68.0	505.4%	1,344.0%
Common Capital - Level 2	607.3	617.6	452.0	-1.7%	34.4%
Difference (B) - (A)	4,576.2	3,995.6	4,528.0	14.5%	1.1%
Risk-weighted assets - APR (D)	88,349.9	86,727.5	66,883.0	1.9%	32.1%
TIER 1 ratio (C) / (D)	13.8%	12.3%	14.4%	12.4%	-4.1%
Capitalization ratio (B) / (D)	13.4%	12.8%	15.0%	4.4%	-10.6%

On March 31 of 2018, the Entity shows a surplus of consolidated minimum capital of ARS 4,576.2 million with the requested by Argentine Central Bank, an increase of 14.5% (ARS 580.6 million) compared to 4Q17 and 1.1% (ARS 48.2 million) compared to 1Q17.

Finally, the capitalization ratio was 13.4% and the TIER1 ratio reached 13.8%.

MAIN INDICATORS

Banco Patagonia Consolidated	As of March 31:	
	2018	2017
Profitability Indexes		
Return on average assets (1)	4.7%	4.8%
Return on average shareholders' equity (2)	31.7%	32.3%
Indexes on Financial Margin and by Service		
Total financial margin (net financial income / Average Assets)	12.2%	12.2%
Margin on net services (net fee income / Average Assets) (3)	3.7%	4.1%
Total margin (net total income . average assets) (4)	15.9%	16.3%
Net fee income on net total income (4)	23.3%	25.3%
Shareholders' Equity Indexes		
Shareholders' equity on total assets	14.1%	15.8%
Financial standing (shareholders' equity on total liabilities)	16.4%	18.7%
Total liabilities as a multiple of shareholders' equity	610.0%	530.0%
RPC on risk-weighted assets (5)	13.4%	15.0%
Portfolio Quality Ratio		
Non-performing portfolio on financing (before provisions) (6)	1.6%	1.2%
Provisions on non-performing financing portfolio (6)	203.3%	254.3%
Efficiency Index		
Administrative expenses on total net income (4)	52.0%	54.1%
Net fee income on administrative expenses	44.9%	46.7%
Liquidity Ratios		
Liquid Assets on deposits (7)	39.0%	44.5%
Loans (net of provisions) on assets	64.1%	60.9%
Deposits on liabilities	79.3%	82.6%
Loans on deposits	94.1%	87.6%
Fixed assets (8)	19.0%	22.9%

References:

- (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 income fee defined as the Net fee income plus the fee income included in other operating income and other operating expenses.
- (4) net total income defined as the sum of the net interest income and the total fee income.
- (5) RPC means accountable corporate liability.
- (6) irregular portfolio defined as loans classified as stage 3 - 4 - 5 and 6, in accordance with to BCRA rule.
- (7) defined as the sum of cash and deposits in Banks, debt securities and investments in equity instruments divided by the total deposits.
- (8) defined as the ratio between the sum of Property, plant and equipment and intangible assets over and shareholders' equity.

SUMMARIZED ACCOUNTING INFORMATION

a) Consolidated Financial Structure

Banco Patagonia Consolidated Figures (In Millions Pesos)	Statement of Financial Position as of March 31			
	2018	%	2017	%
Assets				
Cash and deposits in Banks	13,085.8	13.8%	11,699.8	15.9%
Debt securities measured at fair value through profit or loss	918.3	1.0%	1,550.0	2.1%
Derivative instruments	41.7	0.0%	53.4	0.1%
Swap operations	805.2	0.8%	527.2	0.7%
Other financial assets	2,733.3	2.9%	975.9	1.3%
Loans and other funding	60,953.0	64.1%	44,696.9	60.9%
Non-financial public sector	447.5	0.5%	441.5	0.6%
Other Financial Entities	1,359.5	1.4%	1,389.7	1.9%
Non-financial private sector	59,146.0	62.2%	42,865.7	58.4%
Other Debt securities	11,255.8	11.8%	9,479.0	12.9%
Financial assets given as collateral	1,866.5	2.0%	1,363.7	1.9%
Investments in equity instruments	10.4	0.0%	3.0	0.0%
Investment in subsidiaries, associate and joint ventures	91.5	0.1%	120.5	0.2%
Property, plant and equipment	2,501.9	2.6%	2,615.7	3.6%
Intangible assets	43.7	0.0%	24.8	0.0%
Assets by deferred Income tax expenses	160.7	0.2%	0.6	0.0%
Other non-financial assets	353.0	0.4%	270.5	0.4%
Non-current Assets Held for Sale	267.8	0.3%	-	0.0%
Total assets	95,088.6	100.0%	73,381.0	100.0%

a) Consolidated Financial Structure (continues)

Banco Patagonia Consolidated Figures (In Millions Pesos)	Statement of Financial Position as of March 31			
	2018	%	2017	%
Liabilities				
Deposits	64,771.2	68.1%	51,047.2	69.6%
Non-financial public sector	4,722.0	5.0%	3,533.8	4.8%
Financial sector	66.0	0.1%	7.9	0.0%
Non-financial private sector and foreign results	59,983.2	63.1%	47,505.5	64.7%
Liabilities at fair value through profit or loss	163.8	0.2%	105.9	0.1%
Derivative instruments	9.5	0.0%	1.8	0.0%
Swap operations	1,504.8	1.6%	411.8	0.6%
Other financial liabilities	6,235.0	6.6%	3,611.4	4.9%
Funding received from BCRA and other financial institutions	2,859.4	3.0%	2,348.9	3.2%
Corporate bonds issued	2,541.3	2.7%	1,372.7	1.9%
Liabilities by Current Income tax expense	1,015.9	1.1%	1,137.2	1.5%
Provisions	224.8	0.2%	142.6	0.2%
Liabilities by deferred Income tax expense	22.9	0.0%	1.4	0.0%
Other non-financial liabilities	2,310.2	2.4%	1,642.1	2.2%
Total liabilities	81,658.8	85.9%	61,823.0	84.2%
Shareholder's equity	13,429.8	14.1%	11,558.0	15.8%
Total Liabilities + Shareholder's equity	95,088.6	100.0%	73,381.0	100.0%

b) Consolidated earnings structure

Banco Patagonia Consolidated (In Millions Pesos)	Statement of Income		
	1Q18	1Q17	%
Net interest income	2,574.5	2,027.2	27.0%
Net fee income	777.7	659.3	18.0%
Net income of financial instruments measured at fair value through profit or loss	246.4	230.9	6.7%
Exchange difference	6.5	126.4	(94.9%)
Other operating income	452.0	341.3	32.4%
Uncollectible Charge	(220.9)	(121.7)	81.5%
Net operating income	3,836.2	3,263.4	17.6%
Employee benefits	(1,068.3)	(893.9)	19.5%
Administrative expenses	(629.3)	(536.1)	17.4%
Depreciation and devaluation of goods	(48.1)	(38.5)	24.9%
Other operating expenses	(670.9)	(572.9)	17.1%
Operating income	1,419.6	1,222.0	16.2%
Net income of associates and joint ventures	48.7	7.6	540.8%
Income before tax	1,468.3	1,229.6	19.4%
Income tax expense	(478.0)	(423.4)	12.9%
Net income for the period	990.3	806.2	22.8%

Banco Patagonia Consolidated (In Millions Pesos)	Statement of Other Comprehensive Income		
	1Q18	1Q17	%
Exchange rate differences from the conversion of Financial statements	12.4	(3.7)	(435.1%)
Gain and Loss from financial instruments measured at fair value with changes in other comprehensive income	(36.2)	21.9	(265.3%)
Total other comprehensive income which will be reclassified to the result for the period	(23.8)	18.2	(230.8%)
Total comprehensive income	966.5	824.4	17.2%

c) Consolidated position of foreign currency

Banco Patagonia Consolidated (In Millions of Pesos)	1T18	1T17
Cash and deposits in Banks	5,786.9	5,236.7
Debt securities measured at fair value through profit or loss	181.2	436.0
Other financial assets	79.5	21.9
Loans and other funding	11,718.7	8,276.5
Other Debt securities	2,797.6	1,215.6
Financial assets given as collateral	28.3	15.5
Investments in equity instruments	3.0	0.3
Total assets	20,595.2	15,202.5
Deposits	15,965.2	11,567.1
Swap operations	6.6	-0.3
Other financial liabilities	2,086.3	616.9
Funding received from BCRA and other financial institutions	1,690.0	1,625.2
Other non-financial liabilities	87.4	10.7
Total liabilities	19,835.5	13,819.6
Position of foreign currency in pesos	759.7	1,382.9
Reference exchange rate	20.1433	15.3818
Position of foreign currency in dollars	37.7	89.9

d) Separate Financial Structure

Banco Patagonia Separate (In Millions of Pesos)	Statement of Financial Position as of March 31			
	2018	%	2017	%
Assets				
Cash and deposits in Banks	12,861.4	14.2%	11,441.0	16.2%
Debt securities measured at fair value through profit or loss	954.3	1.1%	1,236.7	1.8%
Derivative instruments	43.7	0,0%	53.4	0.1%
Swap operations	805.2	0.9%	527.2	0.7%
Other financial assets	2,409.7	2.7%	1,048.5	1.5%
Loans and other funding	56,338.6	62,0%	41,288.6	58.5%
Non-financial public sector	447.5	0.5%	441.5	0.6%
Other Financial Entities	2,092.6	2.3%	2,293.3	3.2%
Non-financial private sector	53,798.5	59.2%	38,553.8	54.6%
Other Debt securities	10,781.9	11.9%	9,497.4	13.5%
Financial assets given as collateral	1,856.4	2,0%	1,355.9	1.9%
Investments in equity instruments	3.8	0,0%	1	0,0%
Investment in subsidiaries, associate and joint ventures	1,562.6	1.7%	1,299.7	1.8%
Property, plant and equipment	2,488.9	2.7%	2,567.3	3.6%
Intangible assets	43.7	0,0%	24.8	0,0%
Assets by deferred Income tax expenses	72.6	0.1%	-	0,0%
Other non-financial assets	352.2	0.4%	268.6	0.4%
Non-current Assets Held for Sale	231.5	0.3%	-	0,0%
Total assets	90,806.5	100,0%	70,610.1	100,00%

e) Separate Financial Structure (continued)

Banco Patagonia Separate (In Millions of Pesos)	Statement of Financial Position as of March 31			
	2018	%	2017	%
Liabilities				
Deposits	64,227.9	70.7%	50,632.7	71.7%
Non-financial public sector	4,721.9	5.2%	3,533.8	5.0%
Financial sector	98.9	0.1%	25.4	0.0%
Non-financial private sector and foreign results	59,407.1	65.4%	47,073.5	66.7%
Liabilities measured at fair value through profit or loss	163.8	0.2%	105.9	0.1%
Derivative instruments	20.2	0.0%	1.8	0.0%
Swap operations	1,504.8	1.7%	411.8	0.6%
Other financial liabilities	5,824.1	6.4%	3,187.8	4.5%
Funding received from BCRA and other financial institutions	2,347.6	2.6%	1,907.1	2.7%
Liabilities by current Income tax expense	939.0	1.0%	992.4	1.4%
Provisions	217.4	0.2%	137.3	0.2%
Liabilities by deferred Income tax expense	-	0.0%	87.4	0.1%
Other non-financial liabilities	2,131.9	2.3%	1,587.5	2.2%
Total liabilities	77,376.7	85.2%	59,051.7	83.6%
Shareholder's equity	13,429.8	14.8%	11,558.4	16.4%
Total Liabilities + Shareholder's equity	90,806.5	100.0%	70,610.1	100.0%

f) Separate Results Structure

Banco Patagonia Separate (In Millions of Pesos)	Statement of Income		
	1T18	1T17	Variación %
Net interest income	24,63.1	1,829.1	34.7%
Net fee income	779.7	657.4	18.6%
Net income of financial instruments measured at fair value through profit or loss	246.4	231	6.7%
Exchange difference	6.5	133.2	-95.1%
Other operating income	371.3	265.1	40.1%
Uncollectible Charge	-175.6	-97.4	80.3%
Net operating income	3,691.4	3,018.4	22.3%
Employee benefits	-1,044.7	-875.7	19.3%
Administrative expenses	-602.9	-517.2	16.6%
Depreciation and devaluation of goods	-47.7	-37.9	25.9%
Other operating expenses	-630.4	-536.8	17.4%
Operating income	1,365.7	1,050.8	30.0%
Net income of associates and joint ventures	78.1	117.7	-33.6%
Income before tax	1,443.8	1,168.5	23.6%
Income tax expense	-453.5	-362.3	25.2%
Net income for the period	990.3	806.2	22.8%

Banco Patagonia Separate (In Millions of Pesos)	Statement of Other Comprehensive Income		
	1T18	1T17	Variación %
Exchange rate differences from the conversion of Financial statements	12.4	-3.7	-435.1%
Gain or Loss from financial instruments measured at fair value with changes in other comprehensive income	-28.2	21.9	-228.8%
Participation of ORI of associates and joint ventures	-8.0	-0.9	-788.9%
Total of other comprehensive income which will be reclassified to the result for the period	-23.8	18.2	-230.8%
Total comprehensive income	966.5	824.4	17.2%

NOTE

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). Comissão de Valores Mobiliários (www.cvm.gov.br). Bolsa de Comercio de Buenos Aires (www.bolsar.com.ar). and Bolsa de Valores de São Paulo (www.bovespa.com.br). In addition, the Argentine Central Bank (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

Banco Patagonia S.A. will hold a conference call to discuss the profit, loss corresponding to 1Q18 on May 29, 2018 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

Please tell the operator you are calling to participate in the Banco Patagonia's Conference Call.

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