

1Q19 EARNINGS RELEASE

Buenos Aires, Argentina, May 10, 2019

Banco Patagonia S.A. (ByMA: BPAT; B3: BPAT33) reports on the consolidated income of 1st quarter (1Q19) for financial year 2019.

OUTSTANDING DATA

The present Earnings Release was prepared based on consolidated financial information and in accordance with new accounting framework based on the International Financial Reporting Standards (IFRS) established by BCRA with validity as from January 1, 2018.

Banco Patagonia ended 2019 with Assets of ARS 174,426.3 million, Loans (net of provisions for loan losses) of ARS 78,659.8 million, Deposits of ARS 121,762.1 million, and a Shareholders equity of ARS 21,028.1 million.

The net income of the quarter was of ARS 2,617.0 million, an increase of 40.4% compared with 4Q18 (ARS 1,863.3 million) and of 164.3 % compared with 1Q18 (ARS 990.3 million) determining a ROE of 44.4% and an ROA of 5.4%.

Loans granted to non-financial private sector amounted to ARS 80,043.0 million, decreasing 3.0% compared with 4Q18 (ARS 82,527.5 million) and showing an increase of 30.8% with respect to 1Q18 (ARS 61,207.2 million). Total deposits amounted to ARS 121,762.1 million, an increase of 11.6% compared with 4Q18 (ARS 109,117.0 million) and 88.0% with respect to 1Q18 (ARS 64,771.2 million).

With reference to portfolio quality ratios, the non-performing portfolio as a percentage of total funding was of 3.1% and the coverage of provisions as a percentage of non-performing portfolio was 183.3%.

Liquidity ratio (liquid assets on deposits) was of 67.9 %. Likewise, the integration of minimum capital shows a surplus of ARS 8,610.4 million as compared to the BCRA's requirements and the capitalization ratio was 15.2%.

On March 31, 2019, the Entity employs a staff of 3,402 people and owns a wide network of 210 service points nationwide, distributed among the main province capitals and major cities.

The General Shareholders' Meeting held on April 25, 2019 approved the payment of ARS 2,675.3 million, as cash dividends for the fiscal year 2018, which will be made available to Shareholders on May 10, 2019.

FINANCIAL REPORTING

For 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.U.

The consolidated financial statements have been prepared in accordance with the Central Bank of Republic of Argentina (BCRA, for its acronym in Spanish) regulations which establish that the Entities under its supervision must 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 to Provisions for Loan Losses and the International Accounting Standard 29 (IAS 29) “Financial Reporting in Hyperinflationary Economies”, which will be implemented from January 1, 2020 onwards.

The existence of an inflationary context affects the equity situation, income and cash flows, and, by extension, the impact of inflation should be taken into consideration in the interpretation of this report and the entity’s financial statements.

1Q19 GAINS (LOSSES)

Condensed Consolidated Statements of Income (In Millions of Pesos)	Banco Patagonia Consolidated			Change (%)	
	1Q19	4Q18	1Q18	4Q18	1Q18
Net interest income	5,509.5	5,033.4	2,574.5	9.5%	114.0%
Net fee income	1,258.1	1,312.2	960.3	-4.1%	31.0%
Gains on financial assets measured at fair value through profit or loss	51.3	217.5	246.4	-76.4%	-79.2%
Net exchange gains	441.7	463.3	6.5	-4.7%	-
Other operative income	1,876.7	218.0	269.4	760.9%	596.6%
Net impairment loss on financial assets	-1,658.9	-1,017.6	-221.0	63.0%	650.6%
Net operating income	7,478.4	6,226.8	3,836.1	20.1%	94.9%
Employee benefits	-1,501.1	-1,306.8	-1,068.3	14.9%	40.5%
Administrative expenses	-944.8	-972.3	-629.3	-2.8%	50.1%
Depreciation	-114.8	-54.6	-48.1	110.3%	138.7%
Other operating expenses	-1,122.8	-1,033.1	-670.8	8.7%	67.4%
Operating income	3,794.9	2,860.0	1,419.6	32.7%	167.3%
Net income of associates and joint ventures	40.8	114.2	48.7	-64.3%	-16.2%
Income before tax	3,835.7	2,974.2	1,468.3	29.0%	161.2%
Income tax expense	-1,218.7	-1,110.9	-478.0	9.7%	155.0%
Net income for the period	2,617.0	1,863.3	990.3	40.4%	164.3%
Other comprehensive income	117.9	2,161.5	-23.8	-94.5%	-595.4%
Total comprehensive income	2,734.9	4,024.8	966.5	-32.0%	183.0%

The net income of the 1Q19 was of ARS 2,617.0 million, an increase of 40.4% (ARS 753.7 million) compared with 4Q18 (ARS 1,863.3 million) and 164.3% (ARS 1,626.7 million) compared with 1Q18 (ARS 990.3 million).

On the other hand, the "Other comprehensive income" of the 1Q19 was of ARS 117.9 million in comparison with ARS 2,161.5 million of the 4Q18, as a result of the revaluation made on the real estate at December 31, 2018.

Finally, Total comprehensive income of the 1Q19 was of ARS 2,734.9 million decreasing 32.0% (ARS 1,289.9 million) in comparison with the 4Q18 (ARS 4,024.8 million) and with an increase of 183.0% (ARS 1,768.4 million) compared to 1Q18 (ARS 966.5 million).

a) Earnings per Share

Earnings per Share (In million pesos)	Banco Patagonia Consolidated			Change (%)	
	1Q19	4Q18	1Q18	4Q18	1Q18
Net Income for the Quarter	2,617.0	1,863.3	990.3	40.4%	164.3%
Quarterly Average Number of Outstanding Shares	719	719	719	0.0%	0.0%
Shares Issued at quarter-end	719	719	719	0.0%	0.0%
Earnings per Share – Amounts in pesos	3.639	2.591	1.377	40.4%	164.3%
Earnings per BDR (*) – Amounts in pesos	72.79	51.82	27.54	40.4%	164.3%

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

b) Net Interest Income

Net Interest Income (In million pesos)	Banco Patagonia Consolidated			Change (%)	
	1Q19	4Q18	1Q18	4Q18	1Q18
Interest Income	10,328.7	10,223.2	4,045.7	1.0%	155.3%
Interest Expenses	-4,819.2	-5,189.8	-1,471.2	-7.1%	227.6%
Total	5,509.5	5,033.4	2,574.5	9.5%	114.0%

Net Interest Income of the 1Q19 amounted to ARS 5,509.5 million an increase of 9.5% (ARS 476.1 million) compared with 4Q18 (ARS 5,033.4 million and with an increase of 114.0% compared to 1Q18 (ARS 2,574.5 million), in accordance with the following detail:

Interest income

Interest income In Millions of Pesos	Banco Patagonia Consolidated			Change (%)	
	1Q19	4Q18	1Q18	4Q18	1Q18
Financial assets measured at fair value through other comprehensive income	4,244.9	3,337.1	636.1	27.2%	567.3%
Documents	1,605.9	1,752.6	760.8	-8.4%	111.1%
Overdrafts	964.9	1,588.6	557.3	-39.3%	73.1%
Personal loans	1,041.7	996.3	807.0	4.6%	29.1%
Credit cards	1,001.9	922.2	365.2	8.6%	174.3%
Other loans	400.0	408.6	322.5	-2.1%	24.0%
Secured loans	290.9	325.3	325.4	-10.6%	-10.6%
Loans to Financial Sector	225.6	312.1	104.3	-27.7%	116.3%
Other	552.9	580.4	167.1	-4.7%	230.9%
Total	10,328.7	10,223.2	4,045.7	1.0%	155.3%

Interest income of the 1Q19 amounted to ARS 10,328.7 million, an increase of 1.0% (ARS 105,5 million) in comparison with 4Q18 (ARS 10,223.2 million) and 155.3 % (ARS 6,283.0 million) in comparison with 1Q18 (ARS 4,045.7 million).

The main variation is given by financial assets measured at fair value through other comprehensive income, which amounted to ARS 4,244.9 million, with an increase of 27.2% (ARS 907.8 million) compared to 4Q18 (ARS 3,337.1 million), and 567.3% compared to 1Q18 (ARS 636.1 million), due to an increase in interest rates of instruments issued by BCRA (Leliq), in accordance to its monetary policy and the increase of Banco Patagonia's holding.

The interest on loans granted to the non-financial private sector, amounted ARS 5,380.3 million, decreasing 11.5 % (ARS 697.8 million) compared to 4Q18 (ARS 6,078.1 million), and with an increase of 67.4% (ARS 2,166.9 million) compared to 1Q18 (ARS 3,213.4 million).

The average portfolio's accrual rate on loans granted to non-financial private sector showed a decrease of 570 bps, from of 34.3% nominal annual rate in December 2018 to 28.6% nominal annual rate in March 2019.

Interest expenses

Interest expenses (In Millions of Pesos)	Banco Patagonia Consolidated			Change (%)	
	1Q19	4Q18	1Q18	4Q18	1Q18
Time Deposits	3,765.3	3,924.8	1,076.5	-4.1%	249.8%
Deposits in Savings Accounts	207.3	471.7	45.8	-56.1%	352.6%
Corporate Bonds	144.2	186.1	149.8	-22.5%	-3.7%
Financing facilities received from Financial Entities	176.3	128.5	62.4	37.2%	182.5%
Premiums of passive swaps to the financial sector	166.2	63.1	38.8	163.4%	328.4%
Other financing facilities received from Financial Entities	27.9	30.7	21.4	-9.1%	30.4%
Other	332.0	384.9	76.5	-13.7%	334.0%
Total	4,819.2	5,189.8	1,471.2	-7.1%	227.6%

Interest expenses in 1Q19 amounted ARS 4,819.2 million, decreasing 7.1% (ARS 370.6 million) compared to 4Q18 (ARS 5,189.8 million) and with an increase of 227.6% (ARS 3,348.0 million) compared to 1Q18 (ARS 1,471.2 million).

In 1Q19, the interest of the time deposits portfolio decreased 4.1% (ARS 159.5 million), as result of the decline of bank deposit's rate from 38.0% nominal annual rate in December 2018 to 31.9% nominal annual rate in March 2019 referring to deposits in pesos, despite the growth of 18.5% registered in the deposits' stock during the quarter (from ARS 45,929.2 million to ARS 54,437.2 million).

The interest earned by deposits in savings accounts decreased 56.1% in 1Q19 (ARS 264.4 million), mainly by the lower amount of the interest-bearing accounts.

c) Net fee income

Net fee income (In Millions of Pesos)	Banco Patagonia Consolidated			Change (%)	
	1Q19	4Q18	1Q18	4Q18	1Q18
Deposits	410.8	390.5	288.4	5.2%	42.4%
Credit and Debit Cards	369.6	412.2	303.3	-10.3%	21.9%
Bundles of Products	221.3	226.4	154.6	-2.3%	43.1%
Collection Services	119.9	107.8	61.7	11.2%	94.3%
Foreign Trade	63.9	70.4	39.5	-9.2%	61.8%
Insurances	209.2	202.2	168.9	3.5%	23.9%
Private Securities	17.6	20.2	11.6	-12.9%	51.7%
Loans	10.2	4.2	25.5	142.9%	-60.0%
Other	18.5	16.2	12.8	14.2%	44.5%
Fee income	1,441.0	1,450.1	1,066.3	-0.6%	35.1%
Fee expenses	-182.9	-137.9	-106.0	32.6%	72.5%
Total	1,258.1	1,312.2	960.3	-4.1%	31.0%

In 1Q19, the net fee income amounted ARS 1,258.1 million, decreasing 4.1% (ARS 54.1 million) with regard to the 4Q18 (ARS 1,312.2 million), and with an increase of 31.0% (ARS 297.8 million) compared to 1Q18 (ARS 960.3 million).

Gross fee income amounted ARS 1,441.0 million, in 1Q19, in similar values than the 4Q18 levels (ARS 1,450.1 million) and with an increase of 35.1% (ARS 374.7 million) compared to 1Q18, mainly due to commissions associated with deposits (ARS 122.4 million), bundles of products (ARS 66.7 million) and collections services (ARS 58.2 million).

d) Other operative income

Other operative income (In Millions of Pesos)	Banco Patagonia Consolidated			Change (%)	
	1Q19	4Q18	1Q18	4Q18	1Q18
Associated with other commissions	53.9	30.4	49.4	77.3%	9.1%
Commissions with Safe deposit box rentals	58.9	55.8	47.2	5.6%	24.8%
Sale result of non-current assets held for sale	1,434.1	-	-	-	-
Recovered credits	75.4	33.3	13.9	126.4%	442.4%
Punitive interests	30.3	27.7	10.5	9.4%	188.6%
Sales revenue of property, plant and equipment	52.9	2.8	16.1	1789.3%	228.6%
Other	171.2	68.0	132.3	151.8%	29.4%
Total	1,876.7	218.0	269.4	760.9%	596.6%

Other operative income amounted, in the 1Q19, to ARS 1,876.7 million, increasing 760.9% (ARS 1,658.7 million) regarding the 4Q18 (ARS 218.0 million) and 596.6% (ARS 1,607.3 million) compared to 1Q18.

The main variation is related to the sale of 51% of Banco Patagonia's shareholding interest in Prisma Medios de Pago S.A. that amounted to ARS 1,434.1 million.

e) Net impairment loss on financial assets

Net impairment loss on financial assets (In Millions of Pesos)	Banco Patagonia Consolidated			Change (%)	
	1Q19	4Q18	1Q18	4Q18	1Q18
Net impairment loss on funding	1,658.9	1,017.6	221.0	63.0%	650.6%
Total	1,658.9	1,017.6	221.0	63.0%	650.6%

Net impairment loss on financial assets amounted to ARS 1,658.9 million, with an increase of 63.0% compared to 4Q18 (ARS 641.3 million), and 650.6% compared to 1Q18 (ARS 1,437.9 million), generated by an increase in impairment rate and additional provisions than the minimum required by the BCRA. Likewise, this item contains 594.0 million related to regulatory provisions over the 5 year payable portion (40% of the total transfer) of the sale of the shareholding interest in Prisma Medios de Pago S.A.

Regarding the portfolio quality ratios at 1Q19, the non-performing portfolio on funding ratio was of 3.1% and the coverage of provisions as a percentage of non-performing portfolio was of 183.3%.

f) Administrative expenses

Administrative expenses (In Millions of Pesos)	Banco Patagonia Consolidated			Change (%)	
	1Q19	4Q18	1Q18	4Q18	1Q18
Employee benefits	1,501.1	1,306.8	1,068.3	14.9%	40.5%
Administrative expenses (operative)	944.8	972.3	629.3	-2.8%	50.1%
Expenditures of maintenance, conservation and reparations	204.5	234.6	104.5	-12.8%	95.7%
Taxes	175.3	152.9	116.2	14.7%	50.9%
Other	154.6	158.4	121.2	-2.4%	27.6%
Advertising and publicity	123.1	91.6	60.1	34.4%	104.8%
Carriage of different values	73.3	63.6	55.7	15.3%	31.6%
Electricity and communications	73.2	75.5	35.8	-3.0%	104.5%
Security services	64.4	49.3	42.9	30.6%	50.1%
Fees	63.6	81.2	42.0	-21.7%	51.4%
Rentals	12.8	65.2	50.9	-80.4%	-74.9%
Depreciation	114.8	54.6	48.1	110.3%	138.7%
Total	2,560.7	2,333.7	1,745.7	9.7%	46.7%

The administrative expenses (including Employee benefits and Depreciation) amounted to ARS 2,560.7 million in 1Q19, increasing 9.7% (ARS 277.0 million) compared to 4Q18 and 46.7% (ARS 815.0 million) compared to 1Q18.

The employee benefits were ARS 1,501.1 million, with an increase of 14.9% (ARS 194.3 million), compared to 4Q18 (ARS 1,306.8 million), and 40.5% (ARS 432.8 million), compared to 1Q18, according to the wage increases of the banking sector.

Administrative expenses (operative) have a decrease of 2.8% (ARS 27.5 million) compared to 4Q18, mainly due to the reduction in rental (ARS 52.4 million), before the implementation of IFRS 16 (see following paragraph), and maintenance, conservation and reparations expenses (ARS 30.1 million). These were partially offset by increases in advertising and publicity (ARS 31.5 million) and tax expenses (ARS 22.4 million).

The depreciation increased 110.3% (ARS 60.2 million), mainly by the recognition of the right-of-use of leased property, as result of the application of IFRS 16, with a prospective effect as from January 1, 2019.

As of march 31, 2019, the net fee income on administrative expenses coverage ratio increased to 40.1% and the efficiency ratio, measured as the percentage between administrative expenses and net total income, was of 39.2%.

g) Other operating expenses

Other operating expenses (In Millions of Pesos)	Banco Patagonia Consolidated			Change (%)	
	1Q19	4Q18	1Q18	4Q18	1Q18
Gross Income tax expense	618.7	644.8	350.4	-4.0%	76.6%
Associated with other commissions	259.1	249.3	229.5	3.9%	12.9%
Contribution to the deposit guarantee fund	47.4	41.3	28.7	14.8%	65.2%
Charge for another provisions	23.6	13.9	13.7	69.8%	72.3%
Other	173.9	83.8	48.5	107.5%	258.6%
Total	1,122.7	1,033.1	670.8	8.7%	67.4%

Other operative expenses amounted ARS 1,122.7 million, with an increase of 8.7% (ARS 89.6 million) compared to 4Q18, mainly due to the interest expenses related to the lease liabilities, as result of the application of IFRS 16, with a prospective effect as from January 1, 2019.

RELEVANT FINANCIAL INFORMATION
a) Loans Portfolio

Loans (In Millions of Pesos)	Banco Patagonia Consolidated			Change (%) as of	
	1Q19	4Q18	1Q18	4Q18	1Q18
To the non-financial public sector	106.8	221.8	447.5	-51.8%	-76.1%
Other Financial entities	3,270.1	3,617.2	1,359.5	-9.6%	140.5%
To the non-financial private sector net of provisions	75,282.9	78,710.2	59,164.0	-4.4%	27.2%
To the non-financial private sector	80,043.0	82,527.5	61,207.2	-3.0%	30.8%
Overdrafts	9,041.1	11,167.5	7,469.0	-19.0%	21.0%
Documents	29,518.3	29,572.8	18,576.0	-0.2%	58.9%
Mortgage loans	1,006.6	950.1	280.6	5.9%	258.7%
Car loans	3,956.9	4,495.5	5,152.4	-12.0%	-23.2%
Personals	9,821.4	9,829.3	9,493.8	-0.1%	3.5%
Credit cards	12,452.6	12,766.5	10,851.4	-2.5%	14.8%
Other	14,246.1	13,745.8	9,384.0	3.6%	51.8%
(Provisions for loan losses)	-4,760.1	-3,817.3	-2,043.2	24.7%	133.0%
Total	78,659.8	82,549.2	60,971.0	-4.7%	29.0%

As of March 31, 2019, loans granted to non-financial private sector portfolio amounted to ARS 80,043.0 million, a decrease of 3.0% (ARS 2,484.5 million) in comparison with 4Q18 and increasing 30.8% (ARS 18,835.8 million) when compared to 1Q18.

In the commercial portfolio, the main reduction corresponds to short-term financing, given by current account overdrafts (ARS 2,126.4 million).

In the consumer portfolio, it was highlighted the reduction in car loans of 12.0% (ARS 538.6 million), corresponding to operations of the subsidiary company GPAT, related the decrease in the automotive industry and in credit cards of 2.5% (ARS 313.9 million) compared to 4Q18, as result of the retraction in the overall consumption of the economy.

b) Exposure to the Public Sector

Exposure to the Public Sector (In million pesos)	Banco Patagonia Consolidated			Change (%) as of	
	1Q19	4Q18	1Q18	4Q18	1Q18
Government Securities (*)	6,899.0	6,263.1	3,344.1	10.2%	106.3%
Loans to the Public Sector	106.8	221.8	447.5	-51.8%	-76.1%
Exposure to the Public Sector	7,005.8	6,484.9	3,791.6	8.0%	84.8%
Share on Total Assets	4.0%	4.2%	3.9%	-41.1%	3.1%

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

In March 31, 2019, the exposure in assets to the public sector amounted to ARS 7,005.8 million with an increase of 8.0% (ARS 520.9 million) with regard to the 4Q18 and 84.8% (ARS 3,214.2 million) in comparison with the 1Q18, due to an increase in the exchange rate reassessing the foreign currency portfolio and the issuance of government bonds to cover the minimum cash requirements admitted by the BCRA. The public sector assets represent 4.0% over the Bank's total assets.

c) Portfolio Quality

Portfolio Quality (In million pesos)	Banco Patagonia Consolidated			Change (%) as of	
	1Q19	4Q18	1Q18	4Q18	1Q18
Total fundings	84,867.2	84,635.2	64,154.8	0.3%	32.3%
Non-performing portfolio	2,607.2	1,781.1	1,022.3	46.4%	155.1%
Provisions for loan losses	4,780.2	3,691.3	2,060.9	29.5%	131.9%
Non-performing portfolio as a % of total funding	3.1%	2.1%	1.6%	46.0%	93.8%
Provisions as a % of non-performing portfolio	183.3%	207.2%	201.6%	-11.5%	-9.1%

In March 31, 2019 the index of the non-performing portfolio as a percentage of total funding ratio amounted to 3.1%. The coverage of provisions as a percentage of non-performing portfolio amounted to 183.3% in the 1Q19 and 207.2 % in 4Q18.

Changes on ratios related to the portfolio are 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	
	1Q19	4Q18	1Q18	4Q18	1Q18
Non-Financial Public Sector	10,892.4	11,995.4	4,722.0	-9.2%	130.7%
Checking Accounts	2,327.3	4,002.6	2,054.8	-41.9%	13.3%
Time deposits	8,565.1	7,992.8	2,667.2	7.2%	221.1%
Financial Sector	43.6	38.3	66.0	13.8%	-33.9%
Non-Financial Private Sector	110,826.1	97,083.3	59,983.2	14.2%	84.8%
Checking Accounts	10,353.3	10,149.2	8,595.3	2.0%	20.5%
Savings accounts	48,719.0	44,273.4	25,486.1	10.0%	91.2%
Time deposits	45,872.1	37,936.4	22,698.1	20.9%	102.1%
Other	4,672.5	3,418.7	2,718.4	36.7%	71.9%
Interests and Adjustments	1,209.2	1,305.6	485.3	-7.4%	149.2%
Total	121,762.1	109,117.0	64,771.2	11.6%	88.0%

On the 1Q19, the total deposits amounted to ARS 121,762.1 million, an increase of 11.6% (ARS 12,645.1 million), compared to 4Q18 and 88.0% (ARS 56,990.9 million), compared to 1Q18.

Deposits from non-financial private sector amounted ARS 110,826.1 million, with an increase of 14.2% (ARS 13,742.8 million) compared to 4Q18 and 84.8% (ARS 50,842.9 million) to 1Q18.

The main variation was observed in time deposits of 20.9% (ARS 7,935.7 million) with regard to the 4Q18 and 102.1% (ARS 23,174.0 million) with regard to the 1Q18. In the same way, the increase of deposits in savings account was of 10.0% (ARS 4,445.6 million) regarding the 4Q18 and 91.2% (ARS 23,232.9 million) with regard to the 1Q18 mainly linked to the interest-bearing accounts operations.

Total deposits at the closing of 1Q19 represent 79.4% of total liabilities. The time deposits represent 44.7% of total deposits.

e) Other sources of funding

Other Sources of funding (In Millions of Pesos)	Banco Patagonia Consolidated			Change (%) as of	
	1Q19	4Q18	1Q18	4Q18	1Q18
Financing facilities received from BCRA and other financial institutions	11,541.7	9,358.0	2,859.3	23.3%	303.7%
Corporate bonds	1,663.8	1,678.1	2,541.4	-0.9%	-34.5%
Total	13,205.5	11,036.1	5,400.7	19.7%	144.5%

Other sources of funding, in 1Q19, amounted ARS 13,205.5 million, with an increase of 19.7% (ARS 2,169.4 million) compared to 4Q18 (ARS 11,036.1 million) and 144.5% (ARS 7,804.8 million) compared to 1Q18 (ARS 5,400.7 million), as result of new facilities acquired and the revaluation due to the increase of the exchange rate in the period.

Financing facilities received from BCRA and other financial institutions grew 23.3% (ARS 2,183.7 million) compared to the 4Q18, mainly due to foreign trade operations.

f) Liquidity

Liquidity (In Millions of Pesos)	Banco Patagonia Consolidated			Change (%) as of	
	1Q19	4Q18	1Q18	4Q18	1Q18
Cash and deposits in Banks	36,643.3	34,940.6	13,085.8	4.9%	180.0%
Financial assets measured at fair value and investment in equity instruments	46,012.2	23,838.3	12,184.5	93.0%	277.6%
Liquid assets	82,655.5	58,778.9	25,270.3	40.6%	227.1%
Deposits	121,762.1	109,117.0	64,771.2	11.6%	88.0%
Liquid assets over total deposits	67.9%	53.9%	39.0%	26.0%	74.0%

At the end of 1Q19, Banco Patagonia holds liquid assets of ARS 82,655.5 million, with an increase of 40.6% (ARS 23,876.6 million), in comparison with the 4Q18, and 227.1% (ARS 57,385.2 million), with regard to the 1Q18. The aforementioned increase is due to a higher issuance of BCRA's bonds (leliqs).

In the closing of the 1Q19, the ratio that relates liquid assets with total deposits was of 67.9%.

g) Capitalization

Capitalization (In million pesos)	Banco Patagonia Consolidated			Change (%) as of	
	1Q19	4Q18	1Q18	4Q18	1Q18
Minimum Capital Requirement (A)	10,037.1	9,266.0	7,228.4	8.3%	38.9%
Credit Risk	7,567.4	7,331.0	5,506.1	3.2%	37.4%
Market Risk - Securities	71.2	16.0	79.5	345.0%	-10.4%
Market Risk - Currencies	159.8	35.0	88.2	356.6%	81.2%
Operational Risk	2,238.7	1,884.0	1,554.6	18.8%	44.0%
Composition (B)	18,647.5	14,165.7	11,804.6	31.6%	58.0%
Common Capital - Level 1	19,501.4	16,110.7	12,179.2	21.0%	60.1%
Deductible items COn1	(1,625.4)	(2,723.0)	(981.9)	-40.3%	65.5%
Deductible items - Level 1 (C)	17,876.0	13,387.7	11,197.3	33.5%	59.6%
Common Capital - Level 2	771.5	778.0	607.3	-0.8%	27.0%
Difference (B) - (A)	8,610.4	4,899.7	4,576.2	75.7%	88.2%
Risk-weighted assets - APR (D)	122,710.6	113,140.0	88,340.9	8.5%	38.9%
TIER I ratio (C) / (D)	14.6%	11.8%	12.7%	23.1%	14.9%
Capitalization ratio (B) / (D)	15.2%	12.5%	13.4%	21.4%	13.7%

As of March 31, 2019, the Entity shows a surplus of consolidated minimum capital of ARS 8,610.4 million with the requested by Argentine Central Bank, an increase of 75.7% (ARS 3,710.7 million) compared to 4Q18 and 88.2% (ARS 4,034.2 million) compared to 1Q18.

Finally, the capitalization ratio (TIER I + TIER II) was 15.2% and the TIER I ratio reached 14.6%.

MAIN RATIOS

Banco Patagonia Consolidated	As of March 31:	
	2019	2018
Profitability Ratios		
Return on average assets (1)	5,4%	4,8%
Return on average shareholders' equity (2)	44,4%	35,5%
Ratios on Financial Margin and by Service		
Net interest margin (net interest income / average assets)	13,9%	11,0%
Margin on net services (total fee income / average assets)	2,6%	3,3%
Total margin (net total income / average assets) (3)	16,5%	14,3%
Net fee income on net total income (4)	15,7%	23,3%
Shareholders' Equity Ratios		
Shareholders' equity on total assets	12,1%	14,1%
Financial standing (shareholders' equity on total liabilities)	13,7%	16,4%
Total liabilities as a multiple of shareholders' equity	7,2	6,0
RPC on risk-weighted assets (5)	15,2%	13,4%
Portfolio Quality Ratios		
Non-performing portfolio on funding (before provisions) (6)	3,1%	1,6%
Provisions on non-performing portfolio (6)	183,3%	201,6%
Cost of Risk (7)	9,1%	1,4%
Efficiency Ratios		
Administrative expenses on net total income	39,2%	52,0%
Net fee income on administrative expenses	40,1%	44,8%
Liquidity Ratios		
Liquid Assets on deposits (8)	67,9%	39,0%
Loans (net of provisions) on assets	45,1%	64,1%
Deposits on liabilities	79,4%	79,3%
Loans on deposits	64,6%	94,1%
Fixed assets (9)	28,3%	19,0%

References:

- (1) Defined as the quotient between net income for the year / annualized period and average assets.
- (2) Defined as the quotient between net income for the year and average shareholders' equity.
- (3) Total fee income 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) Non-performing portfolio defined as loans classified as stage 3 - 4 - 5 and 6, in accordance with to BCRA rule.
- (7) Defined as the quotient between Net impairment loss on financial assets and average loan portfolio before provisions.
- (8) Defined as the sum of cash and deposits in Banks, financial assets measured at fair value and investments in equity instruments divided by the total deposits.
- (9) Defined as the ratio between the sum of Property and equipment and intangible assets over and shareholders' equity.

SUMMARIZED ACCOUNTING INFORMATION
a) Consolidated Financial Position

Banco Patagonia Consolidated (In Millions Pesos)	Statement of Financial Position as of March 31			
	2019	%	2018	%
Assets				
Cash and deposits in Banks	36,643.3	21.0%	13,085.8	13.8%
Financial assets measured at fair value through profit or loss	25.2	-	918.3	1.0%
Derivative financial instruments	7.8	-	41.7	-
Repurchase agreements assets	1,167.2	0.7%	805.2	0.8%
Other receivables	2,276.3	1.3%	2,715.3	2.9%
Loans and other funding	78,659.8	45.1%	60,971.0	64.1%
Non-financial public sector	106.8	0.1%	447.5	0.5%
Other Financial Entities	3,270.1	1.9%	1,359.5	1.4%
Non-financial private sector	80,043.0	45.9%	61,207.2	64.4%
Provisions for loan losses	-4,760.1	-2.7%	-2,043.2	-2.1%
Other financial assets	45,766.7	26.2%	11,255.8	11.8%
Financial assets given as collateral	3,071.4	1.8%	1,866.5	2.0%
Current Income tax assets	16.1	-	0.2	-
Investments in equity instruments	220.3	0.1%	10.4	-
Investment in subsidiaries, associates and joint ventures	187.7	0.1%	91.5	0.1%
Property and equipment	5,801.2	3.3%	2,501.9	2.6%
Intangible assets	158.6	0.1%	43.7	0.0%
Deferred tax assets	84.0	-	160.7	0.2%
Other non-financial assets	340.7	0.2%	353.0	0.4%
Non-current Assets Held for Sale	-	-	267.6	0.3%
Total Assets	174,426.3	100.0%	95,088.6	100.0%

a) Consolidated Financial Position (continues)

Banco Patagonia Consolidated (In Millions Pesos)	Statement of Financial Position as of March 31			
	2019	%	2018	%
Liabilities				
Deposits	121,762.1	69.8%	64,771.2	68.1%
Non-financial public sector	10,892.4	6.2%	4,722.0	5.0%
Financial sector	43.6	-	66.0	0.1%
Non-financial private sector and foreign results	110,826.1	63.5%	59,983.2	63.1%
Financial liabilities measured at fair value through profit or loss	128.1	0.1%	163.8	0.2%
Derivative financial instruments	117.6	0.1%	9.5	-
Repurchase agreements liabilities	3,957.6	2.3%	1,504.8	1.6%
Other financial liabilities	7,903.1	4.5%	6,235.2	6.6%
Financing facilities received from BCRA and other financial institutions	11,541.7	6.6%	2,859.3	3.0%
Corporate bonds	1,663.7	1.0%	2,541.3	2.7%
Current Income tax liabilities	2,709.2	1.6%	1,015.9	1.1%
Provisions	398.8	0.2%	224.8	0.2%
Deferred tax liabilities	14.5	-	22.9	-
Other non-financial liabilities	3,201.8	1.8%	2,310.1	2.4%
Total liabilities	153,398.2	87.9%	81,658.8	85.9%
Shareholders' equity	21,028.1	12.1%	13,429.8	14.1%
Total Liabilities + Shareholders' equity	174,426.3	100.0%	95,088.6	100.0%

b) Consolidated income structure

Banco Patagonia Consolidated (In Millions Pesos)	Statement of Income		
	1Q19	1Q18	Change %
Net interest income	5,509.5	2,574.5	114.0%
Net fee income	1,258.1	960.3	31.0%
Gains on financial instruments measured at fair value through profit or loss	51.3	246.4	-79.2%
Net exchange gains	441.7	6.5	6695.4%
Other operating income	1,876.7	269.4	596.6%
Net impairment loss on financial assets	-1,658.9	-221.0	650.6%
Net operating income	7,478.4	3,836.1	94.9%
Employee benefits	-1,501.1	-1,068.3	40.5%
Administrative expenses	-944.8	-629.3	50.1%
Depreciation	-114.8	-48.1	138.7%
Other operating expenses	-1,122.8	-670.8	67.4%
Operating income	3,794.9	1,419.6	167.3%
Net income of associates and joint ventures	40.8	48.7	-16.2%
Income before tax	3,835.7	1,468.3	161.2%
Income tax expense	-1,218.7	-478.0	155.0%
Net income for the period	2,617.0	990.3	164.3%
Other comprehensive income	117.9	-23.8	-595.4%
Total comprehensive income	2,734.9	966.5	183.0%

c) Consolidated foreign currency's position

Banco Patagonia Consolidated (In Millions of Pesos)	1Q19	1Q18	Change
Cash and deposits in Banks	19,245.4	5,786.9	13,458.5
Financial assets measured at fair value through profit or loss	17.5	181.2	-163.7
Other receivables	145.4	79.5	65.9
Loans and other funding	31,023.7	11,722.8	19,300.9
Other financial assets	3,027.3	2,797.6	229.7
Financial assets given as collateral	1,491.0	28.3	1,462.7
Investments in equity instruments	4.5	3.0	1.5
Total assets	54,954.8	20,599.3	34,355.5
Deposits	41,006.9	15,965.2	25,041.7
Repurchase agreements liabilities	-	4.5	-4.5
Other financial liabilities	2,969.7	2,086.3	883.4
Financing facilities received from BCRA and other financial institutions	10,235.1	1,692.0	8,543.1
Other non-financial liabilities	29.5	87.4	-57.9
Total liabilities	54,241.2	19,835.4	34,405.8
Position of foreign currency in pesos	713.6	763.9	-50.3
Reference exchange rate	43.3533	20.1433	23.2100
Position of foreign currency in dollars	16.5	37.9	-21.5

d) Separate Financial Position

Banco Patagonia Separate (In Millions of Pesos)	Statement of Financial Position as of March 31			
	2019	%	2018	%
ASSETS				
Cash and deposits in Banks	36,249.9	21.2%	12,861.4	14.2%
Financial assets measured at fair value through profit or loss	35.4	-	954.3	1.1%
Derivative financial instruments	13.3	-	43.7	-
Repurchase agreements assets	1,167.2	0.7%	805.2	0.9%
Other receivables	1,862.1	1.1%	2,392.3	2.6%
Loans and other funding	75,122.3	44.0%	56,355.9	62.1%
Non-financial public sector	106.8	0.1%	447.5	0.5%
Other Financial Entities	4,770.6	2.8%	2,092.6	2.3%
Non-financial private sector	74,852.9	43.9%	55,690.7	61.3%
Provisions for loan losses	-4,608.0	-2.7%	-1,874.9	-1.1%
Other financial assets	45,027.9	26.4%	10,781.9	11.9%
Financial assets given as collateral	3,049.7	1.8%	1,856.4	2.0%
Investments in equity instruments	218.1	0.1%	3.8	-
Investment in subsidiaries, associates and joint ventures	1,706.2	1.0%	1,562.6	1.7%
Property and equipment	5,778.6	3.4%	2,489.0	2.7%
Intangible assets	158.6	0.1%	43.7	-
Deferred tax assets	-	-	72.6	0.1%
Other non-financial assets	307.7	0.2%	352.3	0.4%
Non-current Assets Held for Sale	-	-	231.5	0.3%
Total assets	170,697.0	100.0%	90,806.6	100.0%

d) Separate Financial Position (continued)

Banco Patagonia Separate (In Millions of Pesos)	Statement of Financial Position as of March 31			
	2019	%	2018	%
LIABILITIES				
Deposits	120,292.6	70.5%	64,228.0	70.7%
Non-financial public sector	10,892.4	6.4%	4,722.0	5.2%
Financial sector	62.9	-	98.9	0.1%
Non-financial private sector and foreign results	109,337.3	64.1%	59,407.1	65.4%
Financial liabilities measured at fair value through profit or loss	128.1	0.1%	163.8	0.2%
Derivative financial instruments	117.6	0.1%	20.2	-
Repurchase agreements liabilities	3,957.6	2.3%	1,504.8	1.7%
Other financial liabilities	7,473.7	4.4%	5,824.1	6.4%
Financing facilities received from BCRA and other financial institutions	11,541.7	6.8%	2,347.6	2.6%
Current income tax liabilities	2,653.4	1.6%	939.0	1.0%
Provisions	395.2	0.2%	217.4	0.2%
Deferred tax liabilities	14.5	-	-	-
Other non-financial liabilities	3,094.5	1.8%	2,131.9	2.3%
Total liabilities	149,668.9	87.7%	77,376.8	85.2%
Shareholders' equity	21,028.1	12.3%	13,429.8	14.8%
Total Liabilities + Shareholders' equity	170,697.0	100.0%	90,806.6	100.0%

e) Separate Results Structure

Banco Patagonia Separate (In Millions of Pesos)	Statement of Income		
	1Q19	1Q18	Change %
Net interest income	5,450.7	2,463.1	121.3%
Net fee income	1,256.4	962.3	30.6%
Gains on financial instruments measured at fair value through profit or loss	56.7	246.4	-77.0%
Net Exchange gains	441.0	6.5	6684.6%
Other operating income	1,771.5	188.7	838.8%
Net impairment loss on financial assets	-1,653.3	-175.6	841.5%
Net operating income	7,323.0	3,691.4	98.4%
Employee benefits	-1,468.0	-1,044.7	40.5%
Administrative expenses	-915.8	-602.9	51.9%
Depreciation	-114.4	-47.8	139.3%
Other operating expenses	-1,085.0	-630.3	72.1%
Operating income	3,739.8	1,365.7	173.8%
Net income of associates and joint ventures	70.0	78.1	-10.4%
Income before tax	3,809.8	1,443.8	163.9%
Income tax expense	-1,192.8	-453.5	163.0%
Net income for the period	2,617.0	990.3	164.3%
Other comprehensive income	117.9	-23.8	-595.4%
Total comprehensive income	2,734.9	966.5	183.0%

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 B3 (www.b3.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.

CONFERENCE CALL

Banco Patagonia S.A. will hold a conference call to discuss the profit, loss corresponding to 1Q19 on May 13, 2019 at 12:00 p.m. (Buenos Aires Time). 11.00 a.m. (US Eastern Time). To participate, please dial:
Participant Dial in: +54 (11) 3984-5677
Participant International Dial In: +1 (412) 317-6371

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

INVESTOR RELATIONS

Banco Patagonia S.A.
Adrián Sánchez Seoane

Investor Relations
Phone:(5411) – 4132 – 6038
Fax: (5411) – 4132 – 6075
e-mail: investors@bancopatagonia.com.ar
website: www.bancopatagonia.com.ar.relacionconinversores