

Translation from the original prepared in Spanish for publication in Argentina

BANCOPATAGONIA

**Condensed Interim Consolidated Financial Statements as
of June 30, 2020**

**Jointly with the Independent Auditors' and Supervisory Audit
Committee's Reports on interim financial statement**

Translation from the original prepared in Spanish for publication in Argentina

BANCO PATAGONIA S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2020

CONTENTS

	Pages
Limited Review Report on Condensed Interim Consolidated Financial Statements	
Independent auditors report on review of condensed interim separated financial statements	
Cover page.....	1
Condensed Interim Consolidated Statements of Financial Position	2
Condensed Interim Consolidated Statements of Income.....	4
Condensed Interim Consolidated Statements of Income – Earnings per Share	5
Condensed Interim Consolidated Statements of Other Comprehensive Income	6
Condensed Interim Consolidated Statements of Changes in shareholders' Equity	7
Condensed Interim Consolidated Statements of Cash Flows	9
Notes to the Condensed Interim Consolidated Financial Statements	11
Note 1 – General Information	
Note 2 – Basis for the preparation of the financial statements	
Note 3 – Functional and reporting currency	
Note 4 – Accounting estimates and Judgments	
Note 5 – Changes in accounting policies	
Note 6 – Consolidation basis	
Note 7 – Cash and bank deposits	
Note 8 – Debt securities measured at fair value with changes through profit or loss	
Note 9 – Derivative instruments	
Note 10 – Repo transactions	
Note 11 – Other financial assets	
Note 12 – Loans and other financing facilities	
Note 13 – Other debt securities	
Note 14 – Financial assets granted as collateral	
Note 15 – Income tax	
Note 16 – Investments in equity instruments	
Note 17 – Investment in subsidiaries, associates and joint ventures	
Note 18 – Property and equipment	
Note 19 – Intangible assets	
Note 20 – Other non-financial assets	
Note 21 – Non-current assets held for sale	
Note 22 – Deposits	
Note 23 – Other financial liabilities	
Note 24 – Financing facilities received from the BCRA and other financial institutions	

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BANCO PATAGONIA S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2020

CONTENTS

- Note 25 – Corporate bonds issued
- Note 26 – Provisions
- Note 27 – Other non-financial liabilities
- Note 28 – Share capital
- Note 29 – Interest income
- Note 30 – Interest expense
- Note 31 – Fee income
- Note 32 – Fee expenses
- Note 33 – Net gain on financial instruments measured at fair value with changes through profit or loss
- Note 34 – Other operating income
- Note 35 – Employee benefits
- Note 36 – Administrative expenses
- Note 37 – Other operating expenses
- Note 38 – Fair value of financial instruments
- Note 39 – Transfer of financial assets
- Note 40 – Segment reporting
- Note 41 – Subsidiaries
- Note 42 – Related parties
- Note 43 – Distribution of earnings and restrictions
- Note 44 – Restricted assets
- Note 45 – Deposit Guarantee Insurance
- Note 46 – Minimum cash and capital requirements
- Note 47 – Trust activities
- Note 48 – Depositary of mutual funds
- Note 49 – Sanctions imposed and proceedings initiated by the BCRA
- Note 50 – Financial agent of the Province of Río Negro
- Note 51 – CNV requirements to act as an Over-the-counter Broker
- Note 52 – Transactions with directors

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BANCO PATAGONIA S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2020

CONTENTS

Note 53 – CNV requirement– Custody of Group’s Documentation	
Note 54 – Compliance with provisions set forth by Law No. 25738	
Note 55 – Macroeconomic context	
Note 56 – Subsequent events	
Exhibit B - Loans and other financing facilities classified by status and other guarantees received	76
Exhibit C - Loans and other financing facilities concentration.....	79
Exhibit D - Loans and other financing facilities broken down by term.....	80
Exhibit H - Deposits concentration	81
Exhibit I - Financial liabilities broken down by terms remaining to maturity	82
Exhibit J - Changes in provisions	83
Exhibit R - Loss impairment adjustment – Allowances for loan losses.....	84
Condensed Interim Separate Financial Statements	85
Additional information to the notes of the Condensed Interim Separate Financial Statements Reporting Summary	
Supervisory Audit Committee’s Review on Condensed Interim Financial Statements	



INDEPENDENT AUDITOR'S REPORT
(On the condensed interim consolidated financial statements)

To the President and Directors of
Banco Patagonia S.A.
CUIT N° 30-50000661-3
Legal Address: Av. de Mayo 701, Floor 24th
City of Buenos Aires

Report on condensed interim consolidated financial statements

1. Identification of the condensed interim consolidated financial statements subject to review

We have reviewed the accompanying condensed interim consolidated financial statements of Banco Patagonia S.A. (hereinafter, referred to as "Banco Patagonia S.A." or the "Entity"), which comprise the condensed interim consolidated statement of financial position as of June 30, 2020, the condensed interim consolidated statements of income, other comprehensive income, changes in shareholders' equity and cash flow for the six-month period then ended, and other explanatory information included in notes 1 to 56 and exhibits B, C, D, H, I, J, and R.

The amounts and other information corresponding to the year ended December 31, 2019 and to the six-month period ended June 30, 2019, restated as June 2020 currency, are included as an integral part of the condensed interim consolidated financial statements referred to above and are intended to be read only in relation to the amounts and other information of the interim current period.

2. Responsibility of the Entity's Board of Directors for the condensed interim consolidated financial statements

The Entity's Board of Directors is responsible for the preparation and fair presentation of the accompanying condensed interim consolidated financial statements in accordance with the accounting information framework established by the Central Bank of The Argentine Republic ("BCRA") and, in particular, with the International Accounting Standard 34, "Interim financial information" (IAS 34). As described in note 2.1, said financial reporting framework is based on the application of International Financial Reporting Standards ("IFRS") adopted by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE) as professional accounting standards, as approved by the International Accounting Standards Board ("IASB"). "IFRS" standards were adopted by the BCRA with the temporary exception of item 5.5 "Impairment of Value" of IFRS 9 "Financial Instruments" for Group "B" Financial Institutions, while for Group "A" Financial Institutions, said exception is limited to debt instruments of the non-financial public sector. Likewise, the Entity's Board of Directors and Management are also responsible for the internal control they deem necessary to allow the preparation of financial statements free of significant distortions.

3. Auditors' responsibility

Our responsibility is to express a conclusion on the accompanying condensed interim consolidated financial statements based on our review. We conducted our review in accordance with the standards on review of interim financial statements established in the Section IV of the Technical Resolution N° 37 issued by the FACPCE and with the "Minimum Standards on External Audits" for Financial Entities issued by the BCRA, applicable to the review of financial statements intermediate period; complying with the relevant ethical requirements for the annual financial statements of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, as well as applying analytical and other review procedures. A review is substantially less in scope than an audit, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements of Banco Patagonia S.A. for the six-month period ended June 30, 2020, are not presented, in all material respects, in accordance with the accounting reporting framework established by the BCRA, and in particular with IAS 34.

5. Emphasis paragraph

Without modifying our conclusion, we would like to point out what has been indicated in the following notes to the accompanying condensed interim consolidated financial statements:

- a) As explained at note 2.1 a) to the attached condensed interim consolidated financial statements, respectively, they have been prepared by the Board of Directors and the Management of the Entity in accordance with the accounting reporting framework established by the BCRA, that differs from IFRS at the application of item 5.5 "Impairment" of IFRS 9 "Financial instruments" on debt instruments of the non-financial public sector, in accordance with Communication "A" 6847 of the BCRA. Moreover, in the aforementioned note, the controlled entity GPAT Compañía Financiera SAU, in accordance with the provisions of BCRA Communication "A" 6938 issued on March 19, 2020, did not apply the impairment model set forth in section 5.5 "Value impairment" of the IFRS No. 9 "Financial instruments" applicable for "Allowances for Bad Debt", since it has been postponed until January 1, 2021 for Group "B" financial entities based on said Communication.
- a) As explained in note 2.1.b), the remaining shareholding in Prisma Medios de Pago S.A. Classified under the heading "Investments in Equity Instruments", is recorded according to the accounting treatment established by the BCRA. The accounting criteria applied constitutes a departure from the provisions of IFRS 9 with respect to the measurement of equity instruments at their fair value.
- b) The amounts of the financial year ended December 31, 2019 and the six-month period ended June 30, 2019 presented in the condensed consolidated financial statements attached for comparative purposes, have been amended to reflect the application of IAS 29 "Financial Information in Hyperinflationary Economy" and item 5.5 "Impairment of Value" of IFRS 9 "Financial Instruments".

These matters should be taken into account for their condensed interim consolidated financial statements attached interpretation.

6. Other issues

- a) With regard to the amounts of the financial year ended 31 December 2019 and the six-month period ended June 30, 2019 presented for comparative purposes as indicated in Chapter 1 of this report, they arise from the condensed consolidated financial statements for the financial year ended 31 December 2019, prepared in accordance with the accounting information framework established by the BCRA in force as of that date, and audited by other professionals, who have issued their report with an unqualified opinion dated 19 February 2020. The amounts corresponding to the six-month period ended June 30, 2019 presented for comparative purposes as indicated in Chapter 1 of this report, arise from the condensed interim consolidated financial statements for the six-month period ended June 30, 2019, prepared in accordance with the accounting reporting framework established by the BCRA in force at that date, and were reviewed by other professionals, who have issued their report with an unmodified conclusion dated August 8 2019.
- b) We have issued a separate review report on the interim consolidated financial statements of Banco Patagonia at the same date and for the same period indicated in Chapter 1.

7. English translation of statutory condensed interim consolidated financial statements

This report and the condensed interim consolidated financial statements referred to in section 1 have been translated into English for the convenience of English-speaking readers. Those have been originally prepared by the Entity in Spanish and presented in accordance with Argentine professional accounting standards.

The effects of the differences between Argentine professional standards and the accounting principles generally accepted in the countries in which the condensed interim consolidated financial statements are to be used have not been quantified.

Accordingly, the accompanying condensed interim consolidated financial statements are not intended to present the Entity's financial position, statements of income, changes in shareholders' equity or cash flow in accordance with accounting principles generally accepted in the countries of users of the interim financial statements, other than Argentina.

Information on other legal and regulatory requirements

- a) The condensed interim consolidated financial statements of Banco Patagonia S.A. as of June 30, 2020 are transcribed in the book "Balances" and comply, as far as our competence is, in accordance with the established at the General Law of Companies and at resolutions of the BCRA and the National Securities Commission.
- b) The condensed interim consolidated financial statements of Banco Patagonia S.A. arise from accounting records kept in their formal aspects in accordance with legal rules.
- c) As required by General Resolution No. 622/13 of the National Securities Commission, we report that we have no comments to make on the information contained at note 51 to the condensed interim consolidated financial statements attached to the requirements of Minimum Net Estate and Liquid Consideration required by that legislation.
- d) We have reviewed the information summary required by the National Securities And Exchange Commission on which, as far as our competence is concerned, we have no significant comments to make.
- e) As arising from the accounting records of the Entity referred to in subparagraph (a) of this chapter, the liability accrued as of June 30, 2020 in favor of the National Social Security Regime in respect of contributions and planned contributions amounted to \$202,875,148.29 with no amounts being due as of that date.

City of Buenos Aires, August 26, 2020

DELOITTE & Co. S.A.

(Public Registry of Commerce

C.P.C.E.C.A.B.A. Tº 1 Fº 3)

GUSTAVO CARBALLAL (Partner)

Public Accountant (U.B.)

C.P.C.E.C.A.B.A. Tomo 218 - Folio 224



INDEPENDENT AUDITOR'S REPORT
(On the condensed interim separate financial statements)

To the President and Directors of
Banco Patagonia S.A.
CUIT N° 30-50000661-3
Legal Address: Av. de Mayo 701, Floor 24th
City of Buenos Aires

Report on condensed interim separate financial statements

8. Identification of the condensed interim separate financial statements subject to review

We have reviewed the accompanying condensed interim separate financial statements of Banco Patagonia S.A. (hereinafter, referred to as "Banco Patagonia S.A." or the "Entity"), which comprise the condensed interim separate statement of financial position as of June 30, 2020, the condensed interim separate statements of income, other comprehensive income, changes in shareholders' equity and cash flow for the six-month period then ended, and other explanatory information included in notes 1 to 37 and exhibits A, B, C, D, H, I, J, L, O and R.

The amounts and other information corresponding to the year ended December 31, 2019 and to the six-month period ended June 30, 2019, restated as June 2020 currency, are included as an integral part of the condensed interim separate financial statements referred to above and are intended to be read only in relation to the amounts and other information of the interim current period.

9. Responsibility of the Entity's Board of Directors for the condensed interim separate financial statements

The Entity's Board of Directors is responsible for the preparation and fair presentation of the accompanying condensed interim separate financial statements in accordance with the accounting information framework established by the Central Bank of The Argentine Republic ("BCRA") and, in particular, with the International Accounting Standard 34, "Interim financial information" (IAS 34). As described in note 2 of the accompanying condensed interim separate financial statements, said financial reporting framework is based on the application of International Financial Reporting Standards ("IFRS") adopted by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE) as professional accounting standards, as approved by the International Accounting Standards Board ("IASB"). "IFRS" standards were adopted by the BCRA with the temporary exception of item 5.5 "Impairment of Value" of IFRS 9 "Financial Instruments" for Group "B" Financial Institutions, while for Group "A" Financial Institutions, said exception is limited to debt instruments of the non-financial public sector. Likewise, the Entity's Board of Directors and Management are also responsible for the internal control they deem necessary to allow the preparation of financial statements free of significant distortions.

10. Auditors' responsibility

Our responsibility is to express a conclusion on the accompanying condensed interim separate financial statements based on our review. We conducted our review in accordance with the standards on review of interim financial statements established in the Section IV of the Technical Resolution N° 37 issued by the FACPCE and with the "Minimum Standards on External Audits" for Financial Entities issued by the BCRA, applicable to the review of financial statements intermediate period; complying with the relevant ethical requirements for the annual financial statements of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, as well as applying analytical and other review procedures. A review is substantially less in scope than an audit, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

11. Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim separate financial statements of Banco Patagonia S.A. for the six-month period ended June 30, 2020, are not presented, in all material respects, in accordance with the accounting reporting framework established by the BCRA, and in particular with IAS 34.

12. Emphasis paragraph

Without modifying our conclusion, we would like to point out what has been indicated in the following notes to the accompanying condensed interim separate financial statements:

- c) As explained at note 2 a) to the attached condensed interim separate financial statements, respectively, they have been prepared by the Board of Directors and the Management of the Entity in accordance with the accounting reporting framework established by the BCRA, that differs from IFRS at the application of item 5.5 "Impairment" of IFRS 9 "Financial instruments" on debt instruments of the non-financial public sector, in accordance with Communication "A" 6847 of the BCRA. These matters should be taken into account for their interim condensed separate financial statements attached interpretation.
- d) As explained in note 2 b), the remaining shareholding in Prisma Medios de Pago S.A. Classified under the heading "Investments in Equity Instruments", is recorded according to the accounting treatment established by the BCRA. The accounting criteria applied constitutes a departure from the provisions of IFRS 9 with respect to the measurement of equity instruments at their fair value.
- e) The amounts of the financial year ended December 31, 2019 and the six-month period ended June 30, 2019 presented in the condensed separate financial statements attached for comparative purposes, have been amended to reflect the application of IAS 29 "Financial Information in Hyperinflationary Economy" and item 5.5 "Impairment of Value" of IFRS 9 "Financial Instruments".

These matters should be taken into account for their interim condensed separate financial statements attached interpretation.

13. Other issues

- c) With regard to the amounts of the financial year ended 31 December 2019 and the six-month period ended June 30, 2019 presented for comparative purposes as indicated in Chapter 1 of this report, they arise from the condensed separate financial statements for the financial year ended 31 December 2019, prepared in accordance with the accounting information framework established by the BCRA in force as of that date, and audited by other professionals, who have issued their report with an unqualified opinion dated 19 February 2020. The amounts corresponding to the six-month period ended June 30, 2019 presented for comparative purposes as indicated in Chapter 1 of this report, arise from the condensed interim separate financial statements for the six-month period ended June 30, 2019, prepared in accordance with the accounting reporting framework established by the BCRA in force at that date, and were reviewed by other professionals, who have issued their report with an unmodified conclusion dated August 8 2019.
- d) We have issued a consolidated review report on the interim consolidated financial statements of Banco Patagonia at the same date and for the same period indicated in Chapter 1.

14. English translation of statutory condensed interim separate financial statements

This report and the condensed interim separate financial statements referred to in section 1 have been translated into English for the convenience of English-speaking readers. Those have been originally prepared by the Entity in Spanish and presented in accordance with Argentine professional accounting standards.

The effects of the differences between Argentine professional standards and the accounting principles generally accepted in the countries in which the condensed interim separate financial statements are to be used have not been quantified.

Accordingly, the accompanying condensed interim separate financial statements are not intended to present the Entity's financial position, statements of income, changes in shareholders' equity or cash flow in accordance with accounting principles generally accepted in the countries of users of the interim financial statements, other than Argentina.

Information on other legal and regulatory requirements

- f) The condensed interim separate financial statements of Banco Patagonia S.A. as of June 30, 2020 are transcribed in the book "Balances" and comply, as far as our competence is, in accordance with the established at the General Law of Companies and at resolutions of the BCRA and the National Securities Commission.
- g) The condensed interim separate financial statements of Banco Patagonia S.A. arise from accounting records kept in their formal aspects in accordance with legal rules.
- h) As required by General Resolution No. 622/13 of the National Securities Commission, we report that we have no comments to make on the information contained at note 36 to the condensed interim separate financial statements attached to the requirements of Minimum Net Estate and Liquid Consideration required by that legislation.
- i) We have reviewed the information summary required by the National Securities And Exchange Commission on which, as far as our competence is concerned, we have no significant comments to make.
- j) As arising from the accounting records of the Entity referred to in subparagraph (a) of this chapter, the liability accrued as of June 30, 2020 in favor of the National Social Security Regime in respect of contributions and planned contributions amounted to \$199,993,339.94 with no amounts being due as of that date.

City of Buenos Aires, August 26, 2020

DELOITTE & Co. S.A.

(Public Registry of Commerce

C.P.C.E.C.A.B.A. Tº 1 Fº 3)

GUSTAVO CARBALLAL (Partner)

Public Accountant (U.B.)

C.P.C.E.C.A.B.A. Tomo 218 - Folio 224

BANCO PATAGONIA S.A.		
Legal Address:		
Avenida de Mayo 701- Floor 24 – City of Buenos Aires – Argentina		
Main business activity: Commercial bank		Taxpayer identification No. [C.U.I.T.]: 30 - 50000661 – 3
Incorporation date: May 4, 1928		
Registration with the Public Registry of Commerce of the Autonomous City of Buenos Aires	Date	Of the articles of incorporation: 09/18/1928
		Of the latest amendment: 07/05/2019
	Book	Stock Corporations Book: 85
		Number: 13,826
Expiry of articles of incorporation: August 29, 2038		
Fiscal year No. 97		
Beginning date: January 1, 2020		Closing date: December 31, 2020
Capital structure (Note 28)		
Number and characteristics of shares	In Argentine pesos	
	Subscribed	Paid in
719,145,237 registered, common shares, with a nominal value of ARS 1, and entitled to one vote each	719,145,237	719,145,237
Information required by the BCRA (Central Bank of Argentina)		
Name of the undersigned auditor:		Gustavo Carballal
Professional firm:		Deloitte & Co. S.A.
Report for the six-month period ended June 30, 2020		8 – (quarterly closing – Unqualified opinion)

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

João Carlos de Nobrega Pecego
President

Signed for identification purposes
with our report dated 8/26/2020

By Supervisory Committee

Signed for identification purposes
with our report dated 08/26/2020
Deloitte & Co. S.A.
C.P.C.E.C.A.B.A. T° 1 F° 3

Mónica M. Cukar
Regular Supervisory Auditor
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. T° 147 F° 66

Gustavo Carballal (Partner)
Public Accountant (U.B.)
C.P.C.E.C.A.B.A. T° 218 F° 224

BANCO PATAGONIA S.A.

**CONDENSED INTERIM CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION AS OF 06/30/2020 AND 12/31/2019**
(Stated in thousands of pesos)

ITEM	NOTES	06/30/2020	12/31/2019
ASSETS			
Cash and bank deposits	7	51,174,091	50,345,793
Cash on hand		9,347,189	13,167,297
Financial institutions and correspondents		41,826,902	37,178,496
BCRA		40,307,464	36,278,914
Other in Argentina and abroad		1,519,438	899,582
Debt securities measured at fair value with changes through profit or loss	8	1,083,143	387,516
Derivative instruments	9	222,726	87,147
Repo transactions	10	8,749,852	-
Other financial assets	11	2,407,430	2,318,477
Loans and other financing facilities (Exhibits B, C and D)	12	95,175,451	99,726,345
Non-financial government sector		151,899	25,509
Other financial institutions		6,495,934	4,842,681
Nonfinancial private sector and foreign residents		88,527,618	94,858,155
Other debt securities	13	73,580,413	47,520,228
Financial assets granted as collateral	14	5,032,551	4,040,216
Current income tax assets	15 a)	54,325	42,130
Investments in equity instruments	16	843,744	951,150
Investments in subsidiaries, associates and joint ventures	17	106,133	260,830
Property and equipment	18	9,631,911	9,779,563
Intangible assets	19	412,172	386,091
Deferred income tax assets		2,306,389	1,343,905
Other non-financial assets	20	800,134	1,167,562
Non-current assets held for sale	21	22,594	-
TOTAL ASSETS		251,603,059	218,356,953

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

João Carlos de Nobrega Pecego
President

Signed for identification purposes
with our report dated 8/26/2020

By Supervisory Committee

Signed for identification purposes
with our report dated 08/26/2020
Deloitte & Co. S.A.

C.P.C.E.C.A.B.A. T° 1 F° 3

Mónica M. Cukar
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Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. T° 147 F° 66

Gustavo Carballeda (Partner)
Public Accountant (U.B.)
C.P.C.E.C.A.B.A. T° 218 F° 224

BANCO PATAGONIA S.A.

**CONDENSED INTERIM CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION AS OF 06/30/2020 AND 12/31/2019**
(Stated in thousands of Pesos)

ITEM	NOTES	06/30/2020	12/31/2019
LIABILITIES			
Deposits (Exhibits H)		181,089,929	137,853,214
Nonfinancial government sector		18,535,013	13,532,515
Financial sector		764,820	820,017
Nonfinancial private sector and foreign residents	22	161,790,096	123,500,682
Liabilities at fair value through profit or loss		35	-
Derivative instruments	9	20,595	280,535
Repo transactions	10	38,798	-
Other financial liabilities	23	7,495,730	9,458,506
Financing facilities received from the BCRA and other financial institutions	24	6,755,282	18,676,965
Corporate bonds issued	25	930,882	1,167,799
Current income tax liabilities	15 a)	2,285,157	5,311,504
Provisions (Exhibit J)	26	1,811,392	1,846,571
Other nonfinancial liabilities	27	12,867,598	5,066,742
TOTAL LIABILITIES		213,295,398	179,661,836
SHAREHOLDERS' EQUITY			
Share capital	28	719,145	719,145
Non-capitalized contributions		217,191	217,191
Share capital adjustments		15,424,266	15,424,266
Retained earnings		28,376,573	18,383,996
Unappropriated retained earnings	43	(13,234,475)	(15,270,612)
Other comprehensive income		443,735	(669,971)
Income for the period		6,361,226	19,891,102
Equity attributable to the owners of the parent company		38,307,661	38,695,117
Equity attributable to non-controlling interests (*)		-	-
TOTAL SHAREHOLDERS' EQUITY		38,307,661	38,695,117
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		251,603,059	218,356,953

(*) As of June 30, 2020 and December 31, 2019, the Net Equity attributable to uncontrolled participations amounts to ARS 200.71 y ARS 187.05, respectively.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent

João Carlos de Nobrega Pecego
President

Finance, Administration and Public Sector

Signed for identification purposes
with our report dated 8/26/2020

By Supervisory Committee

Signed for identification purposes
with our report dated 08/26/2020
Deloitte & Co. S.A.

C.P.C.E.C.A.B.A. T° 1 F° 3

Mónica M. Cukar
Regular Supervisory Auditor
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. T° 147 F° 66

Gustavo Carballal (Partner)
Public Accountant (U.B.)
C.P.C.E.C.A.B.A. T° 218 F° 224

BANCO PATAGONIA S.A.

**CONDENSED INTERIM CONSOLIDATED
STATEMENTS OF INCOME AS OF 06/30/2020 AND 06/30/2019**
(Stated in thousands of Pesos)

ITEM	NOTES	THREE-MONTH PERIOD ENDED		SIX-MONTH PERIOD ENDED	
		06/30/2020	06/30/2019	06/30/2020	06/30/2019
Interest income	29	13,184,517	20,615,662	28,155,347	37,326,804
Interest expense	30	(4,011,621)	(9,685,003)	(9,535,900)	(17,492,217)
Net interest income		9,172,896	10,930,659	18,619,447	19,834,587
Fee income	31	1,778,887	2,224,228	3,815,138	4,561,556
Fee expenses	32	(503,047)	(636,648)	(1,123,428)	(1,222,992)
Net fee income		1,275,840	1,587,580	2,691,710	3,338,564
Net result from measurement of financial instruments at fair value with changes in results	33	379,432	966,719	468,489	1,034,699
Result from derecognition of assets measured at amortized cost and at fair value with changes in ORI		(1,532,035)	-	(1,532,035)	-
Gold and foreign currency bid/offer spread		207,416	762,082	395,426	1,480,243
Other operating income	34	977,047	807,202	1,672,867	3,856,708
Charge for Loan Losses		(532,912)	(775,543)	(631,227)	(3,458,563)
Net operating income		9,947,684	14,278,699	21,684,677	26,086,238
Employee benefits	35	(2,430,662)	(2,418,269)	(4,686,817)	(4,851,179)
Administrative expenses	36	(1,402,031)	(1,479,952)	(2,687,051)	(3,012,258)
Depreciation and impairment of assets		(263,320)	(259,596)	(530,226)	(510,599)
Other operating expenses	37	(1,109,770)	(1,102,587)	(2,222,796)	(2,634,510)
Operating income		4,741,901	9,018,295	11,557,787	15,077,692
Gain/loss on associates and joint ventures		(2,938)	564,235	(11,858)	600,974
Inflation effect (net position of assets and liabilities)		(1,521,402)	(1,436,067)	(2,628,929)	(4,392,879)
Income before tax relating to continuing operations		3,217,561	8,146,463	8,917,000	11,285,787
Income tax relating to continuing operations	15 b)	(737,791)	(3,480,764)	(2,555,774)	(5,261,718)
Net income from continuing operations		2,479,770	4,665,699	6,361,226	6,024,069
INCOME FOR THE PERIOD		2,479,770	4,665,699	6,361,226	6,024,069

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Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

João Carlos de Nobrega Pecego
President

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By Supervisory Committee

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BANCO PATAGONIA S.A.

**CONDENSED INTERIM CONSOLIDATED
STATEMENTS OF INCOME AS OF 06/30/2020 AND 06/30/2019**
(Stated in thousands of Pesos)

INCOME FOR THE PERIOD	THREE-MONTH PERIOD ENDED		SIX-MONTH PERIOD ENDED	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Net income attributable to the owners of the parent company	2,479,770	4,665,699	6,361,226	6,024,069
Net income attributable to non-controlling interests (*)	-	-	-	-

(*) As of June 30, 2020 and 2019, the Net Income for the six-month period attributable to non-controlling interests amounts to ARS 28.56 y ARS 7.72, respectively.

EARNINGS PER SHARE	THREE-MONTH PERIOD ENDED		SIX-MONTH PERIOD ENDED	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
NUMERATOR				
Net income attributable to the shareholders of the parent company	2,479,770	4,665,699	6,361,226	6,024,069
Net income attributable to the shareholders of the parent company adjusted to reflect dilution	2,479,770	4,665,699	6,361,226	6,024,069
DENOMINATOR				
Weighted average outstanding common shares for the year	719,145	719,145	719,145	719,145
Weighted average outstanding common shares for the period adjusted to reflect dilution	719,145	719,145	719,145	719,145
Earnings per share – Basic	3.448	6.488	8.846	8.377
Earnings per share – Diluted	3.448	6.488	8.846	8.377

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**CONDENSED INTERIM CONSOLIDATED STATEMENTS
OF OTHER COMPREHENSIVE INCOME AS OF 06/30/2020 AND 06/30/2019**

(Stated in thousands of Pesos)

ITEM	THREE-MONTH PERIOD ENDED		SIX-MONTH PERIOD ENDED	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
INCOME FOR THE PERIOD	2,479,770	4,665,699	6,361,226	6,024,069
Components of other comprehensive income that will be reclassified to income for the period				
Exchange differences on translation of financial statements	8,948	(52,713)	11,733	(38,787)
Exchange differences for the period	11,930	(70,284)	15,644	(51,716)
Income tax	(2,982)	17,571	(3,911)	12,929
Gains or losses from financial instruments at fair value through OCI (paragraph 4.1.2 of IFRS 9)	2,851,165	(449,662)	1,101,973	133,870
Gains on financial instruments carried at fair value through OCI	4,069,293	(630,694)	1,582,309	198,652
Income tax	(1,218,128)	181,032	(480,336)	(64,782)
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED TO INCOME FOR THE PERIOD	2,860,113	(502,375)	1,113,706	95,084
TOTAL OTHER COMPREHENSIVE INCOME	2,860,113	(502,375)	1,113,706	95,084
TOTAL COMPREHENSIVE INCOME	5,339,883	4,163,324	7,474,932	6,119,153
Attributable to the owners of the parent company	5,339,883	4,163,324	7,474,932	6,119,153

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BANCO PATAGONIA S.A.

CONDENSED INTERIM CONSOLIDATED STATEMENTS
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 06/30/2020
(Stated in thousands of Pesos)

Changes	Share capital (1)		Share Capital adjustments	Other comprehensive income			Retained earnings		Unappropriated retained earnings	Total equity attributable to controlling interests	Total shareholders' equity as of 06/30/2020
	Outstanding	Non-capitalized contributions Additional paid-in capital		Foreign exchange differences arising from the translation of financial statements	Revaluation of property and equipment	Accumulated gains/losses from financial instruments at fair value with changes through OCI	Legal	Other			
Restated balances at the beginning of the period(*)	719,145	217,191	119,990	364,779	5,931,341	(1,428,325)	4,876,942	6,973,620	19,891,102	37,665,785	37,665,785
Adjustments and restatement of balances by initial application IAS 29	-	-	15,304,276	(218,278)	(4,773,668)	(545,820)	2,625,374	3,908,060	(15,270,612)	1,029,332	1,029,332
Adjusted and restated balances at the beginning of the year	719,145	217,191	15,424,266	146,501	1,157,673	(1,974,145)	7,502,316	10,881,680	4,620,490	38,695,117	38,695,117
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholders's Meeting held on 04/23/20 (2)											
- Legal reserve	-	-	-	-	-	-	3,570,993	-	(3,570,993)	-	-
- Optional Reserve - Future distribution of profits	-	-	-	-	-	-	-	14,283,972	(14,283,972)	-	-
- Partial reversal of the optional reserve for cash dividends payment (3)	-	-	-	-	-	-	-	(7,862,388)	-	(7,862,388)	(7,862,388)
Income for the period	-	-	-	-	-	-	-	-	6,361,226	6,361,226	6,361,226
Other comprehensive income for the period	-	-	-	11,733	-	1,101,973	-	-	-	1,113,706	1,113,706
Balances at period-end	719,145	217,191	15,424,266	158,234	1,157,673	(872,172)	11,073,309	17,303,264	(6,873,249)	38,307,661	38,307,661

(1) See note 28.

(2) See note 43.

(3) Corresponds to \$ 10,933 per share.

(*) Balances as of December 31, 2019 restated as of June 30, 2020.

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BANCO PATAGONIA S.A.

**CONDENSED INTERIM CONSOLIDATED STATEMENTS
OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 06/30/2019**
(Stated in thousands of Pesos)

Changes	Share capital (1)	Non-capitalized contributions	Share Capital adjustments	Other comprehensive income			Retained earnings		Unappropriated retained earnings	Total equity attributable to controlling interests	Total shareholders' equity as of 06/30/2019
	Outstanding	Additional paid-in capital		Foreign exchange differences arising from the translation of financial statements	Revaluation of property and equipment	Accumulated gains/losses from financial instruments at fair value with changes through OCI	Legal	Other			
Restated balances at the beginning of the period (*)	719,145	217,191	688,635	312,498	6,359,853	(190,796)	5,645,145	9,005,620	8,989,797	31,747,088	31,747,088
Adjustments and restatement of balances by initial application IAS 29	-	-	14,735,631	(196,474)	(4,731,737)	(973,730)	-	-	(7,989,904)	843,786	843,786
Balances at the beginning of the year adjusted and restated	719,145	217,191	15,424,266	116,024	1,628,116	(1,164,526)	5,645,145	9,005,620	999,893	32,590,874	32,590,874
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholders's Meeting held on 04/25/19 (2)											
- Legal reserve	-	-	-	-	-	-	1,857,171	-	(1,857,171)	-	-
- Optional Reserve - Future distribution of earnings	-	-	-	-	-	-	-	2,785,757	(2,785,757)	-	-
- Absorption of adjustment from IFRS-first-time adoption	-	-	-	-	-	-	-	(296,058)	296,058	-	-
- Cash dividends	-	-	-	-	-	-	-	-	(4,015,380)	(4,015,380)	(4,015,380)
Income for the period	-	-	-	-	-	-	-	-	6,024,069	6,024,069	6,024,069
Other comprehensive income for the period	-	-	-	(38,787)	-	133,871	-	-	-	95,084	95,084
Balances at period-end	719,145	217,191	15,424,266	77,237	1,628,116	(1,030,655)	7,502,316	11,495,319	(1,338,288)	34,694,647	34,694,647

(1) See note 28.

(*) Balances as of December 31, 2018 restated as of June 30, 2020

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BANCO PATAGONIA S.A

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS AS OF 06/30/2020 AND 06/30/2019**

(Stated in thousands of Pesos)

ITEM	06/30/2020	06/30/2019
Cash flows from financing activities		
Income before Income Tax	8,917,000	11,285,787
Inflation effect (net position of assets and liabilities)	2,628,929	4,392,879
Adjustments to obtain cash flows from operating activities:	(2,807,200)	2,171,684
Assets depreciation and impairment of value	530,226	510,599
Charge for Loan Losses	631,227	3,458,563
Other adjustments	(3,968,653)	(1,797,478)
Net increases from operating assets:	(27,644,328)	13,675,912
Debt securities measured at fair value with changes through profit or loss	(684,998)	37,890
Derivative instruments	(135,579)	(487,683)
Repo transactions	(8,749,852)	(615,572)
Loans and other financing facilities	8,174,572	38,138,001
Non-financial government sector	10,930	115,731
Other financial institutions	474,701	1,495,123
Nonfinancial private sector and foreign residents	7,688,941	36,527,147
Other debt securities	(25,952,927)	(25,235,608)
Financial assets granted as collateral	(992,335)	706,105
Investment in equity instruments	(4,575)	(1,185,449)
Other assets	701,366	2,318,228
Net increases from operating liabilities:	20,224,401	(29,996,354)
Deposits	38,738,139	(27,284,934)
Nonfinancial government sector	4,008,949	(2,157,129)
Financial sector	186,831	(5,871)
Nonfinancial private sector and foreign residents	34,542,359	(25,121,934)
Liabilities measured at fair value with changes through profit or loss	35	48,706
Derivative instruments	(259,940)	7,677
Repo transactions	38,798	701,236
Financing facilities received from the BCRA and other financial institutions	(11,598,340)	(61,448)
Other liabilities	(6,694,291)	(3,407,591)
Income tax payments	(1,002,376)	(2,344,405)
TOTAL OPERATING ACTIVITIES (A)	316,426	(814,497)
ITEM	06/30/2020	06/30/2019
Cash flows from investing activities		
Payments:		
Purchase of property and equipment, intangible assets and other assets	(427,492)	(248,047)
Proceeds:		
Sale of property and equipment, intangible assets and other assets	25,746	582,248
TOTAL INVESTING ACTIVITIES (B)	(401,746)	334,201

BANCO PATAGONIA S.A.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS AS OF 06/30/2020 AND 06/30/2019**
(Stated in thousands of Pesos)

Cash flows from financing activities		
Payments:		
Dividends	-	(4,015,380)
Unsubordinated corporate bonds	(1,074,586)	(1,690,614)
Financing facilities from local financial institutions	(629,836)	(306,448)
Payment for leases	(180,323)	(167,111)
Proceeds:		
Unsubordinated corporate bonds	746,899	497,548
TOTAL FINANCING ACTIVITIES (C)	(1,137,846)	(5,682,005)
EFFECTS OF EXCHANGE RATE CHANGES (D)	5,111,114	2,077,039
EFFECT OF MONETARY GAIN/LOSS ON CASH AND CASH EQUIVALENTS (E)	(3,059,650)	(5,675,662)

TOTAL CHANGES IN CASH FLOWS	06/30/2020	06/30/2019
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C + D + E)	828,298	(9,760,924)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	50,345,793	60,637,916
CASH AND CASH EQUIVALENTS AT PERIOD-END	51,174,091	50,876,992

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BANCO PATAGONIA S.A.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 1 – GENERAL INFORMATION

Banco Patagonia S.A. (the “Bank”) is a corporation organized in Argentina that operates as a universal bank and has a nationwide distribution network. The Bank is controlled by Banco do Brasil S.A.

These financial statements include the Bank and its subsidiaries (collectively, the “Group”). The subsidiaries of the Bank are:

- GPAT Compañía Financiera S.A.U. (GPAT): it is a company authorized to act as a financial institution, specialized in wholesale and retail financing for the acquisition of new automobiles, from both dealers especially in the General Motors network in Argentina - and private customers.
- Patagonia Inversora S.A. Sociedad Gerente de Fondos Comunes de Inversión: it channels the mutual fund management business. Mutual funds are traded exclusively through the Bank, which, in turn, operates as mutual funds custodian.
- Patagonia Valores S.A.: it is the company authorized to trade securities on the Buenos Aires Securities Market (Mercado de Valores de Buenos Aires).
- Banco Patagonia (Uruguay) S.A.I.F.E.: it is a Uruguayan corporation authorized to conduct financial intermediation activities in Uruguay between nonresidents exclusively and in any foreign currency other than the Uruguayan peso, under the supervision of the Banco Central del Uruguay (Uruguayan Central Bank).

Since July 20, 2007, Banco Patagonia S.A.’s shares have been publicly offered and listed on Bolsa y Mercados Argentinos (BYMA).

The companies of the Group are registered with the CNV for the purposes of acting in the following capacities:

Banco Patagonia S.A.

- Financial and Non-Financial Trustee: authorized through Resolution No. 17418, issued by the CNV on August 8, 2014.
- Mutual Fund Depository: authorized through Order No. 2081 of the CNV dated September 18, 2014.
- Settlement and Clearing Agent and Full Trading Agent: authorized through Order No. 2095 of the CNV dated September 19, 2014.

Patagonia Inversora S.A. Sociedad Gerente de Fondos Comunes de Inversión

- Management Agent for Collective Investment Products of Mutual Investment Funds: authorized by Provision No. 2013 of the CNV dated August 7, 2014.

Patagonia Valores S.A.

- Settlement and Clearing Agent and Full Trading Agent: authorized through Order No. 2114 of the CNV dated November 11, 2014.

NOTE 2 – BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

BANCO PATAGONIA S.A.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

2.1 Basis for presentation

These condensed consolidated financial statements for the six-month period ended June 30, 2020 have been prepared in accordance with the regulations of the Argentine Central Bank (BCRA) (hereinafter, "BCRA Financial Information Framework"), whereby the institutions under its supervision should submit financial statements prepared under the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), subject to the following exceptions:

- a) Application of the impairment model in section 5.5 "Impairment" of IFRS 9 "Financial instruments" on debt instruments of the non-financial public sector, in accordance with BCRA Communication "A" 6847.

Moreover, the controlled entity GPAT Compañía Financiera SAU, in accordance with the provisions of BCRA Communication "A" 6938 issued on March 19, 2020, did not apply the impairment model set forth in section 5.5 "Value impairment" of the IFRS No. 9 "Financial instruments" applicable for "Allowances for Bad Debt", since it has been postponed until January 1, 2021 for Group "B" financial entities based on said Communication.

- b) With respect to the valuation of Prisma Medios de Pago SA, these Condensed Consolidated Financial Statements corresponding to the six-month period ended June 30, 2020 consider the guidelines established by the BCRA whereby the accounting treatment to be afforded to the investment remainder held by the Entity in said company, registered under "Investments in Equity Instruments" as of June 30, 2020 (See Note 16).

As it is an interim period, the Bank chose to present condensed information, in accordance with the guidelines of IAS 34 Interim Financial Information and, hence, all the information required in the preparation of complete financial statements under IFRS is not included. Consequently, these financial statements must be read in conjunction with the consolidated financial statements as of December 31, 2019. However, notes are included that explain the events and transactions that are significant for the understanding of changes in the financial situation since December 31, 2019.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

The guidelines for the preparation and presentation of the financial statements of the entities, including the additional information requirements, as well as the information to be disclosed in the form of Exhibits, are established in Communications "A" 6323 and "A" 6324, as amended and supplemented.

2.2 Seasonality of transactions

The Group's activity is not deemed to be seasonal.

2.3 Comparative information

The Condensed Interim Consolidated Statement of Financial Position as of June 30, 2020 is presented comparatively with data at the end of the previous year, while the Condensed Interim Consolidated Statements of Income, Other Comprehensive Income, Changes in Equity and Cash Flow and related Notes for the six-month period ended June 30, 2020, are presented comparatively with the same period of the previous year.

For the purposes of comparative presentation, certain reclassifications were made in the information presented for the previous fiscal year/period, in order to present them on a uniform basis. The modification of the comparative information does not imply changes in the decisions made based on it. Additionally, the figures as of December 31, 2019 and June 30, 2019 have been restated at the end of this period currency, as indicated in note 3, in order to allow comparability and with the caveat that such restatement does not modify the decisions made based on the accounting information corresponding to the previous year.

NOTE 3 – FUNCTIONAL AND REPORTING CURRENCY

The Bank considers the Argentine Peso as its functional and reporting currency. Figures are stated in thousands of pesos, unless otherwise stated.

IAS 29 - "Financial Reporting in Hyperinflationary Economies" requires that the financial statements of an entity whose functional currency corresponds to a hyperinflationary economy should be stated in terms of the measuring unit current at the end of the reporting period, notwithstanding whether they are based on the historic cost method or the current cost method. Accordingly, inflation is computed in the non-monetary items as from acquisition date or revaluation date, as applicable. In order to determine whether an economy is hyperinflationary, the IAS describes a number of guidelines to be considered, including the cumulative inflation rate over three years of or above 100%.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

Due to the increase in inflation levels experienced by the Argentine economy, that the general consensus agrees that Argentina meets the requirements established to be considered an inflationary economy under IAS 29. Based on the aforementioned, it is necessary to apply IAS 29 to present the financial information under IFRS for the annual or interim periods as from July 1, 2018.

In accordance with the provisions of Resolution CD 107/18 issued by the Professional Council of Economic Sciences of the Autonomous City of Buenos Aires (CPCECABA), which established the need for constant currency restatement of financial statements corresponding to fiscal years closed on or after July 1 of 2018, in accordance with Resolution JG FACPCE 539/18 dated September 29, 2018, the financial statements of the subsidiaries Patagonia Inversora SA and Patagonia Valores S.A have been prepared in constant currency as from December 31, 2018.

Moreover, as per the amendments to Chapter III, Article 3, section 1 of Title IV of the Standards (NT 2013 and amendments published on December 26, 2018), the CNV now requires that financial information be reported in constant currency for annual financial statements, for interim or special periods, ending on or after December 31, 2018.

However, Communication "A" 6651 of the BCRA issued on February 22, 2019, established the adoption of IAS 29 for financial entities as from the years started on or after January 1, 2020.

BCRA Communication "A" 6778, dated September 5, 2019, established January 1, 2019 as the transition date for financial entities and a monthly frequency for the restatement of financial information, using for this purpose the National Consumer Price Index (CPI) published by the National Institute of Statistics and Census (INDEC). In addition, it incorporated the financial accounts to record the result for the net monetary position.

Additionally, on December 27, 2019, the BCRA issued Communication "A" 6849 setting forth the complementary guidelines for the application of the restatement procedure, with the integral adjustment for inflation begin initially applicable at the transition date and at the closing date with its respective comparative period; it also defined the monthly restatement mechanism for the years beginning on or after January 1, 2020.

Therefore, these financial statements have been prepared in constant currency as of June 30, 2020, including comparative information from prior periods or years, as applicable.

Under the provisions of BCRA Communication "A" 6849, the Group has adopted the following methodology and criteria for the initial application of the integral adjustment for inflation and the determination of the balances at the end of the comparative period (December 31, 2019).

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BANCO PATAGONIA S.A.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

Initial application of the integral adjustment for inflation

1. Application at the beginning of the comparative period (December 31, 2018)

The balances of assets, liabilities, capital, reserves, retained earnings and other components of equity corresponding to December 31, 2018, and stated in constant currency as of that date, have been determined as follows:

- a) For the restatement of the balances of assets and liabilities on the transition date, at the beginning of year currency for the comparative period.

Non-monetary assets and liabilities not stated at December 31, 2018 currency have been restated since the date of incorporation.

On the other hand, non-monetary assets and liabilities measured at fair value as of the commencement date and monetary assets and liabilities have not been restated.

For assets revalued after the transition date to IFRS (December 31, 2016), the corresponding restatement coefficient has been used from the date to which said measurement refers.

Interests in other companies measured under the equity method, whose functional currency also corresponds to a hyperinflationary economy, have been recalculated as from IAS 29 application start date. For interests in Group companies with a functional currency other than that of the controlling Entity, the amount of the participation has been calculated using the exchange rate of that date.

Additionally, deferred tax items have been calculated after restating the amounts of the non-monetary items.

- b) For the restatement of the equity components (excluding the accumulated earnings and the components of comprehensive income) on the transition date, in the currency of the beginning of the comparative period:

Share capital: it has been restated since the last restatement date. The "Capital" account is presented at nominal value, in accordance with legal provisions, and the difference with its restated amount is presented in the "Equity Adjustments" account.

Additional paid-in capital: Restated as from the subscription date.

Profit reserves: Stated as of December 31, 2018.

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

The components of other comprehensive income (OCI) accumulated in equity on the transition date include:

Property and equipment revaluation surplus calculated in real terms and adjusted for 2019 inflation.

Other accumulated OCI balances: calculated in real terms from the date of its generation.

- c) The amount of accumulated earnings on the transition date, stated in the currency of the beginning of the comparative period, results from the difference between the equity that was obtained with the assets and liabilities determined in point a) and the restated components of point b).

Application at the end of the year / comparative period (December 31, 2019 and June 30, 2019)

The balances of assets, liabilities, capital, reserves, retained earnings and other components of equity corresponding to December 31, 2019 have been calculated applying the inflation adjustment methodology, stated in constant currency as of that date.

Any differences with respect to the balances determined according to the previous accounting framework have been charged against "Retained Earnings - Adjustment of results from previous years". The resulting amounts constitute the initial balances for the fiscal year beginning on January 1, 2020, which, adjusted by the corresponding coefficients, are shown together with the financial statements of the initial application period as comparative information.

When applying the restatement on non-monetary assets, the Group takes into account that under no circumstance, the resulting amount may exceed the recoverable value as provided in IAS 36.

For the comparative period as of June 30, 2019, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statements of cash flow for the period ended June 2019, including the calculation of the gain or loss on the net monetary position, have all been restated

Moreover, in accounting for its operations in constant currency as from January 1, 2020 the Group adopts the monthly restatement mechanism established by Communication "A" 6849.

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
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NOTE 4 – ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim consolidated financial statements requires that Management make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses so reported.

The estimates and associated assumptions are based on expectations and other factors that are considered reasonable under the circumstances, the results of which form the basis of judgments about the value of assets and liabilities that do not easily arise from other sources. Actual results may differ from these estimates.

The Bank's Management has made material estimates by applying the same Group accounting policies and underlying premises as those applied for the Consolidated Financial Statements as of December 31, 2019, adjusted to the macroeconomic context described in note 55.

NOTE 5 - CHANGES IN ACCOUNTING POLICIES

The Group has consistently applied the accounting policies described in the consolidated financial statements as of December 31, 2019, except for the application of IAS 29 "Financial information in hyperinflationary economies" for Banco Patagonia S.A. and GPAT Compañía Financiera S.A.U., and the impairment of financial instruments for Banco Patagonia S.A., as of January 1, 2020 with the adoption by the BCRA of point 5.5 of IFRS 9.

The new revised IFRSs and IASs with mandatory effect from January 1, 2020 had no effect on these condensed Interim consolidated financial statements, except for the aforementioned.

Restatement of Financial Statements

As described in note 3, the financial statement restatement mechanisms apply as of January 1, 2020, presenting your accounting information in constant currency.

Impairment of financial assets

Impairment requirements apply to financial assets measured at amortized cost, measured at fair value with changes through OCI, accounts receivable for leases and certain loan commitments and financial guarantee contracts.

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
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For these financial assets, loan commitments and financial guarantees that are considered to be in Stage 1, that is, those instruments that do not show a significant increase in credit risk, the Group recognizes a provision for expected credit losses (ECL) resulting from default events that are considered possible within the next 12 months (ECL 12 months).

Additionally, at this stage, certain debt securities are included based on the rating assigned to them by the main risk rating agencies.

When a significant increase in credit risk occurs since initial recognition, the Group considers that the instrument is in Stage 2, and a provision is required for the ECL resulting from all default events that may occur throughout life of the instrument (ECL throughout life).

The Group has defined a significant increase in credit risk following initial recognition based on the weighting of different variables, which depends on the category of each financial asset.

The Group performs a credit risk assessment and an estimate of impartial PCE and considering a probability weighted, incorporating all the relevant available information on past events, current conditions, the time value of money and a reasonable estimate of the economic conditions at each date closing.

Financial assets that are in "default" are included in Stage 3.

The Group defines the "default" of its financial assets in accordance with the definition used for the purposes of managing internal credit risk. Said evaluation considers each client's segment and considers arrears of more than 90 days in complying with the debtor's obligations, the client's situation reported to the BCRA, and the internal credit rating. Regarding debt securities, the "Default" rating assigned by the risk rating agencies to the corresponding instruments is considered.

In the case of financial assets in default, the Group measures their estimated recovery value, considering the time value of money.

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 6 - CONSOLIDATION BASIS

On June 30, 2020 and December 31, 2019, the Bank's financial statements were consolidated with the financial statements of the following companies:

Company	Shares		06/30/2020		12/31/2019	
			Percentage of		Percentage of	
	Class	Amount	Total Share capital	Voting rights	Total Share capital	Voting rights
GPAT Compañía Financiera S.A.U.	Common Stock	86,837,083	100,00%	100,00%	100,00%	100,00%
Patagonia Inversora S.A. Sociedad Gerente Fondos Comunes de Inversión	Common Stock	13,317,237	99,99%	99,99%	99,99%	99,99%
Patagonia Valores S.A.	Common Stock	13,862,667	99,99%	99,99%	99,99%	99,99%
Banco Patagonia (Uruguay) S.A.I.F.E.	Common Stock	50,000	100,00%	100,00%	100,00%	100,00%

The financial statements of the subsidiaries have been prepared on the same closing dates and for the same financial years and periods as those of the Bank, uniformly using accounting policies consistent with those applied by the latter, with the exception of GPAT Compañía Financiera SAU which, in accordance with the provisions of the BCRA in its Communication "A" 6938 dated March 20, 2020, the application of the impairment model of section 5.5 "Impairment of value" has been deferred until January 1, 2021. IFRS 9 "Financial Instruments" applicable to "Allowances for Bad Debt Risk".

Non-controlling interests represent the portion of profit and equity that does not belong to the Group and are disclosed as a separate line in the Condensed Interim Consolidated Statements of Financial Position, Income, Other Comprehensive Income and Changes in Equity

The Board of Directors of the Bank considers that no other companies or special-purpose entities should be included in the condensed interim consolidated financial statements as of June 30, 2020 and 2019, and December 31, 2019.

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 7 – CASH AND BANK DEPOSITS

Cash and cash equivalents computed for the purposes of preparing the condensed interim consolidated statement of cash flows include the following items:

	<u>06/30/20</u>	<u>12/31/19</u>
Cash on hand	9,347,189	13,167,297
BCRA - Current account	40,307,464	36,278,914
Balances with financial institutions in Argentina and abroad	1,519,438	899,582
Total	<u>51,174,091</u>	<u>50,345,793</u>

NOTE 8 – DEBT SECURITIES MEASURED AT FAIR VALUE WITH CHANGES THROUGH PROFIT OR LOSS

The composition of the debt securities item at fair value with changes in results is detailed below (*):

	<u>06/30/20</u>	<u>12/31/19</u>
Public Securities of the National Treasury	571,252	161,591
Public titles of the National Government	431,659	105,794
Private titles of the country	74,902	114,304
Provincial Government Securities	5,330	5,827
Total	<u>1,083,143</u>	<u>387,516</u>

(*) See Note 55.

NOTE 9 – DERIVATIVE INSTRUMENTS

In the ordinary course of business, the Group entered into non-deliverable FX forwards with cash settlement on a daily basis or at maturity, and forward foreign currency transactions. Such transactions do not qualify as hedging under IFRS 9 Financial Instruments.

These instruments are measured at fair value with changes recognized in the condensed interim consolidated statements of income in the line "Gain/ loss on financial instruments measured at fair value through profit or loss".

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
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Breakdown is as follows:

	<u>06/30/20</u>	<u>12/31/19</u>
Effective values		
FX forward transactions	1,924	-
Foreign currency forwards	220,802	87,147
Total	<u>222,726</u>	<u>87,147</u>
Liabilities		
FX forward transactions	-	4,652
Foreign currency forwards	20,595	275,883
Total	<u>20,595</u>	<u>280,535</u>
Notional values		
Assets – Purchase contracts		
FX forward transactions	121,227	2,883
Foreign currency forwards	18,130	20,327
Total	<u>139,357</u>	<u>23,210</u>
Liabilities – Sales contracts		
FX forward transactions	-	883
Foreign currency forwards	136,907	21,210
Total	<u>136,907</u>	<u>22,093</u>

NOTE 10 – REPO TRANSACTIONS

Breakdown is as follows:

	<u>06/30/20</u>	<u>12/31/19</u>
Assets		
Instruments issued by the BCRA	8,749,852	-
Total	<u>8,749,852</u>	<u>-</u>
Liabilities		
Government securities	38,798	-
Total	<u>38,798</u>	<u>-</u>

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NOTE 11 – OTHER FINANCIAL ASSETS

Breakdown is as follows:

	<u>06/30/20</u>	<u>12/31/19</u>
Measured at amortized cost		
Sundry receivables from the sale of Prisma Medios de Pago S.A.	1,029,954	1,093,845
Receivables from spot sales of foreign currency to be settled	43	406,734
Receivables from spot sales of government securities to be settled	338,612	27,300
Sundry receivables	1,586,375	1,386,384
Sub - Total	2,954,984	2,914,263
Measured at fair value with changes through profit or loss		
Mutual fund shares	550,863	517,332
Sub – Total	550,863	517,332
Less: Allowance for loan losses (Exhibit R)	(1,098,417)	(1,113,118)
Total	2,407,430	2,318,477

NOTE 12 – LOANS AND OTHER FINANCING FACILITIES

The Group holds loans and other financing facilities under a business model whose objective is to collect the contractual cash flows. Consequently, loans and other financing facilities are measured at amortized cost, unless their terms and conditions do not meet the “principal and interest payment only” criterion; then, they are measured at fair value with changes through profit or loss.

Loans and other financing facilities classified on the basis of their measurement are shown below:

	<u>06/30/20</u>	<u>12/31/19</u>
Measured at amortized cost	99,889,250	105,119,690
Less: Allowance for loan losses (Exhibit R)	(4,713,799)	(5,393,345)
Total	95,175,451	99,726,345

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
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Breakdown of loans and other financing facilities is shown below:

	06/30/20	12/31/19
Government sector	151,899	3,952
Financial sector	6,498,184	4,810,225
Overdrafts	26,030,080	21,538,398
Notes	23,727,441	29,615,972
Credit cards	16,129,727	17,814,145
Personal consumer loans	7,768,730	9,598,526
Pledge loans	3,418,498	4,210,613
Mortgage loans	2,334,092	2,340,463
Finance leases	317,492	596,412
Other	11,623,358	11,795,250
Interest and other adjustments	1,889,749	2,795,734
Sub – Total	99,889,250	105,119,690
Less: Allowance for loan losses (Exhibit R)	(4,713,799)	(5,393,345)
Total	95,175,451	99,726,345

Exhibit “B” reports on loans and financing facilities classified by status (determined according to the BCRA criteria) and guarantees received, and also presents the reconciliation of information and accounting balances.

Exhibit “C” presents information on the concentration of loan and other financing facilities as well as the reconciliation of information and accounting balances.

Finance leases

The Group provides financing under finance leases.

The following table breaks them down according to the term of the total gross investment of financial leases and the present value of the minimum payments receivable:

Term	06/30/20		12/31/19	
	Total investment	Present value of minimum lease payments	Investment Total	Present value of minimum lease payments
Up to 1 year	296,826	224,607	541,735	403,769
From 1 to 5 years	119,801	96,917	257,730	203,633
Totales	416,627	321,524	799,465	607,402

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
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Breakdown of the present value of minimum lease payments receivable is shown below:

	<u>06/30/20</u>	<u>12/31/19</u>
Capital	317,492	596,412
Accrued interest	4,032	10,990
Total	<u>321,524</u>	<u>607,402</u>

Allowances for bad debt related to loans and other financings

As described in note 5, the impairment of financial assets is determined using the expected credit loss model established in point 5.5 of IFRS 9.

In this sense, the Group's internal impairment estimates are based on the PCE model, according to the following formula

$$PCE = (PD * CFL * LGD * EAD) / (1 + TIR)^T$$

EAD: Exposure at Default

PD: Probability of Default

LGD: Loss given Default

FLC: Forward Looking Coefficient

IRR: ECL internal rate of return

The main methodological guidelines for each of these parameters are set out below:

Probability of default

For the calculation of the ECLs, the values of the PD to be used are PiT (*Point in Time*) that is, they are specific to a certain point in the time with the last available value being used for the calculation.

As far as the probability of *default* is concerned, IFRS 9 establishes a differentiation by category according to the level of customer impairment defined as Stages:

Performing (Status 1): in the case of assets whose credit risk has not increased significantly since initial recognition, the PD is estimated for the next 12 months, which estimate considers the effect of forward-looking economic variables.

Underperforming (Stage 2): for assets whose credit risk has increased significantly since initial recognition, a PD is estimated for the entire life cycle of the asset, which estimate takes into account the effect of forward-looking economic variables. For revolving products, such as credit cards and checking accounts, a 12-month DP applies.

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Non-Performing (3): Considers assets in which a default has occurred and a 100% DP is assigned.

In the case of personal banking, the PD is estimated based on internal behavioral scoring models, which are developed following widely accepted practices and are subject to independent validation.

For customers who do not have an internal behavioral score, a third-party rating is used to derive the PD by score ranges from the *defaults* observed for each range.

For business banking, PDs are determined from transition matrices, following the method known as "*Hazard Rate Approach*". For collective determination of PDs, the segment is broken down into subgroups.

In addition, a Credit Rating Adjustment Coefficient (CACR) is applied on the PDs resulting from the previous model, which considers the relative payment behavior arising from the PD ratio of each category of the *Credit Rating Internal*.

For debt instruments, the PD allocation is based on the rating assigned by rating agencies.

Loss given Default - LGD

The LGD is defined as the percentage over the EAD that is not expected to be recovered in case of default.

The Group bases the construction of its LGD model on the "historical experience" approach where estimates arise from the measurement of balances recovered over a year, discounted by the funding benchmark rate, after deducting the estimated costs associated with recovery management and considering the effect of the guarantees associated to the operations

An average 12-month trailing LGD is used, thus isolating the monthly volatility inherent in the parameter. The model includes the following breakdown:

- Personal banking segment.
- Business banking segment.
- Refinancing.

As regards the LGD for debt securities, a general convention rate is used, according to a history of defaults, where a certain percentage of capital recovery is assumed given the default.

Marcelo A. Iadarola
Executive Manager of Administration

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By Supervisory Committee

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

Exposure to Default - EAD

The Group estimates the EAD separately for each product; in determining that value, it adds the debt at the customer's amortized cost and a credit conversion factor (CCF) multiplied by the unused limit of credit cards (CC) and current account agreements.

The CCF is a percentage coefficient applied to each customer which measures the level of utilization of the limits available at the time of default. For its computation, the debt and limit prior to the time of default (normal use by the customer) is used as input and compared against the balance then used. Finally, the average of 12 coefficients per product is computed and an adjustment to the CCF of credit card is performed for the customers that have not used their credit cards in the last 3, 6 and 12 months, taking into account the probability of the mentioned product

The EAD for the securities portfolio is determined as the value at amortized cost of positions in financial instruments measured at amortized cost and fair value with changes through OCI.

Forward Looking Coefficient (FLC):

The modeling approach for projecting internal PDs contingent upon forward looking scenarios makes use of macroeconomic variables; as a result, three scenarios are established, each with a probability of occurrence, with the resulting coefficient being an average of the three scenarios.

Firstly, a model is estimated that relates the development of a series of systemic delinquencies published by the BCRA, which has a historical timeline of more than ten years, with the development of the relevant macroeconomic variables. Based on this model, it is possible to project this systemic arrears twenty-four months in advance for each of the macro scenarios being considered.

The underlying assumption for the use of this series is that, as it represents the overall delinquency of the system, it is an adequate indicator of potential changes in the probabilities of default, generally associated with systemic causes.

As a second step, based on the projected development of systemic delinquency, an adjustment coefficient of internal PDs is calculated, which is then revised up or down depending on the expected prospective scenario.

Two FLCs are calculated for each scenario, which consists of the 12-month and 24-month average projected systemic default relative to its value at the beginning of the projection.

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Finally, the estimated PDs for the initial moment are corrected by the FLCs (either at 12 or 24 months, depending on the "bucket" of each operation), thus obtaining a PD contingent on the development of the macroeconomic variables for each t+k moment (with k=1...24), according to the following expression:

$$PD_{t+k} = PD_t * CFL_{t+k}$$

Where:

PD_t = Probability of default at the start of the projection (t)

CFL_{t+k} = Forward-looking adjustment coefficient until t+k, defined as $CFL_{t+k} = \frac{\sum_{k=1}^T \text{Mora sistémica}_{t+k}}{T}$, where, for this particular indicator, $k \in \{12,24\}$

The development of allowances by type of financing is presented in Exhibit "R", Impairment correction – Allowance for bad debts.

NOTE 13 – OTHER DEBT SECURITIES

Breakdown is shown below:

Measured at fair value with changes through OCI (*)

	<u>06/30/20</u>	<u>12/31/19</u>
BCRA instruments	59,979,558	38,997,381
Argentine Treasury securities	11,672,114	6,327,280
Argentine government securities	501,906	488,369
US Treasury bonds	281,737	235,107
Provincial Government securities	260,887	326,791
Sub - Total	<u>72,696,202</u>	<u>46,374,928</u>

Measured at amortized cost (*)

	<u>06/30/20</u>	<u>12/31/19</u>
Provincial Government securities	796,060	-
Argentine corporate securities	88,151	217,655
Argentine Treasury securities	-	792,470
BCRA instruments	-	135,175
Sub – Total	<u>884,211</u>	<u>1,145,300</u>
Total	<u>73,580,413</u>	<u>47,520,228</u>

(*) See Note 55.

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NOTE 14 – FINANCIAL ASSETS GRANTED AS COLLATERAL

Financial assets granted as collateral as of June 30, 2020 and December 31, 2019 are broken down as follows:

	<u>06/30/20</u>	<u>12/31/19</u>
Special guarantee accounts (*)	1,553,952	1,882,724
BCRA - Financial trusts under guarantee of forward transactions	2,742,846	1,264,058
- Treasury bonds	2,320,046	-
- Treasury bills	422,800	1,264,058
Security deposits – Credit and debit card managing companies	486,501	480,995
Security deposits – IADB loan – Global Credit Program for micro-, small- and medium-sized enterprises	233,274	395,116
- Treasury bonds	221,274	160,741
- Treasury bills	-	234,375
- Pesos as guarantees	10,000	-
- Dollars as guarantees	2,000	-
Other security deposits	15,978	17,323
Total	<u>5,032,551</u>	<u>4,040,216</u>

(*) Granted as collateral and held with the BCRA and Banco Central de Uruguay (see Note 44).

NOTE 15 - INCOME TAX

a) Current income tax assets and liabilities:

Broken down as follows:

	<u>06/30/2020</u>	<u>12/31/19</u>
Current income tax assets	54,325	42,130
Current income tax liabilities		
Tax provision	3,938,745	7,847,352
Advance payments	(1,653,588)	(2,520,627)
Withholdings and collections at source	-	(15,221)
Total	<u>2,285,157</u>	<u>5,311,504</u>

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

b) Income tax expense:

The income tax charge for the interim period is determined by multiplying income before tax by Management's best estimate of the annual effective tax rate expected for the full year, adjusted for the tax effect of certain concepts fully recognized in the period.

In this regard, Law No. 27,468 modified the transition regime established by Law No. 27,430 for the application of the adjustment for tax inflation of the Income Tax Law, indicating that it would be in force for the years beginning on or after January 1, 2018 where the change in the IPC (Consumer Price Index) for the first, second and third year, calculated from the beginning to the end of each of those years, exceeds fifty-five percent(55%), thirty percent (30%) and fifteen percent (15%), respectively.

The resulting positive or negative adjustment for inflation is to be accounted for in accordance with the amendment made by Law No. 27,541 passed on December 23, 2019 as follows: one sixth in that fiscal period and the remaining five sixths, in equal parts, in the immediately following fiscal periods.

Given that, as of this balance sheet date, the IPC change has exceeded the 30% required for the third year, the Bank's Management has considered the effects of inflation and has included said estimate in the provision for income tax payable.

The effect deferring five-sixths of the result from exposure to inflation as of June 30, 2020 has been recognized as a deferred tax asset.

The Group's effective rate for the six-month periods ended June 30, 2020 and 2019 was 28.7% and 31.3%, respectively.

Income tax expense is broken down as follows:

	<u>06/30/20</u>	<u>06/30/19</u>
Current tax	3,891,178	5,155,023
Deferred tax	(1,335,404)	106,695
Income tax expense	<u>2,555,774</u>	<u>5,261,718</u>

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NOTE 16 – INVESTMENTS IN EQUITY INSTRUMENTS

Investments in equity instruments, in which the Group does not exercise control, joint control or significant influence are measured at fair value with changes through profit or loss. The breakdown is shown below:

<i>Information as of June 30, 2020</i>		
Description	Fair value level	Book balances as of 06/30/20
- Prisma Medios de Pago S.A. (*)	3	835,625
- Banco Latinoamericano de Comercio Exterior S.A.	2	4,078
- Matba Rofex S.A. (**)	2	3,041
- Seguros de depósitos S.A.	2	493
- Society for Worldwide Interbank Financial Telecommunication	2	232
- Miralejos S.A.C.F. Y Agropecuaria	2	106
- Bolsa de Comercio de Mar del Plata S.A.	2	56
- Argencontrol S.A.	2	53
- Sanatorio Las Lomas S.A.	2	47
- Celta Coop. Obras Ser. Tres Arroyos	2	12
- Coop. Electrica Ltda. de Claromeco	2	1
Total		843,744

<i>Information as of December 31, 2019</i>		
Description	Fair value level	Book balances as of 12/31/19
- Prisma Medios de Pago S.A.	3	942,708
- Banco Latinoamericano de Comercio Exterior S.A.	2	7,335
- Seguros de depósitos S.A.	2	556
- Society for Worldwide Interbank Financial Telecommunication	2	158
- Miralejos S.A.C.F. Y Agropecuaria	2	120
- Matba Rofex S.A. (**)	1	82
- Bolsa de Comercio de Mar del Plata S.A.	2	63
- Argencontrol S.A.	2	60
- Sanatorio Las Lomas S.A.	2	53
- Celta Coop. Obras Ser. Tres Arroyos	2	14
- Coop. Electrica Ltda. de Claromeco	2	1
Total		951,150

(*) On February 1, 2019, the transfer to Al Zenith (Netherlands) B.V. (a company related to Advent International Corporation) of the 51% stake in Prisma Medios de Pago S.A., equal to 1,153,706 ordinary book-entry shares with a nominal value of ARS 1 each and one vote per share was completed. The price offered for said shares amounted to US ARS 38,520,752 payable: (i) 60% at the time of the transfer of the shares and (ii) 40% within a period of 5 years from the transfer.

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
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As of the date of issuance of these financial statements, the Entity retains ownership of 5,318,293 shares of Prisma Medios de Pago S.A. representing 2.6822% of its share capital and recorded in "Investments in Equity Instruments".

(**) Corresponds to the society created on August 1, 2019, as consequence of the merger between Mercado a Término de Buenos Aires (MATBA) and Rofex S.A.

The company's core business recording the available contracts, immediate delivery, in term, of futures and options or other negotiable values with public offer authorized by CNV

Over the new society, Banco Patagonia SA owns 70,000 suscribed shares that represent a 0.0570% over all the shares.

NOTE 17 – INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group holds investments in the following entities over which it has significant influence, therefore, they are measured using the equity method:

	<u>06/30/20</u>	<u>12/31/19</u>
Mercado Abierto Electrónico S.A.	50,180	43,031
Interbanking S.A.	44,269	210,515
Compensadora Electrónica S.A.	7,958	4,420
Provincanaje S.A.	3,726	2,864
Total	<u>106,133</u>	<u>260,830</u>

NOTE 18 - PROPERTY AND EQUIPMENT

Additionally, as mentioned in Note 5.6 to the consolidated financial statements as of December 31, 2019, the Group adopted the revaluation method as the accounting policy applicable to all real estate of its own.

In compliance with the referred accounting policy, the Group hired the services of an independent expert in appraisals for the determination of the fair values and reassessment of real estate useful lives.

To determine the fair value, the market approach was used, which assumes that a well-informed purchaser shall not pay for an asset more than the purchase price of another similar asset, that is, the value is indicated by comparing the asset with other similar assets.

The assets subject to revaluation are frequently negotiated, and to the date of the analysis, units with market prices were available, or else, the independent appraiser was able to obtain the opinion of real estate brokers or agents in the areas where each such piece of real property is located. Therefore, there was a stable market of real estate of a similar nature offered for sale in order to determine the fair value by using the market approach.

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
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Given that the revaluation of real estate (considered as a non recurrent valuation) is based on unobservable market data, a level 3 Fair value is provided.

The table below shows the summary of activity in the account:

	Real property	Rights of use	Remaining assets	Total
Net book value as of January 1, 2020	8,066,075	444,897	1,268,591	9,779,563
Additions	3,613	162,897	166,565	333,075
Retirements	-	(18,064)	(1,737)	(19,801)
Depreciation charge	(59,347)	(153,555)	(248,024)	(460,926)
Net book value as of June 30, 2020	8,010,341	436,175	1,185,395	9,631,911

NOTE 19 – INTANGIBLE ASSETS

The table below shows a summary of activity in the account:

	Total
Net book value as of January 1, 2020	386,091
Additions	94,417
Retirements	-
Amortization charge	(68,336)
Net book value as of June 30, 2020	412,172

NOTE 20 – OTHER NON FINANCIAL ASSETS

Breakdown is as follows:

	06/30/20	12/31/19
Advance payments	365,639	713,187
Other assets	215,039	218,508
Assets acquired as collateral for loans	100,343	122,937
Piece of art	49,980	49,980
Investment property	43,245	43,245
Other	25,888	19,705
Total	800,134	1,167,562

NOTA 21 – NON CURRENT ASSETS HELD FOR SALE

As of June 30, 2020, the Group holds for sale a field located at Anta department, province of Salta, in the amount of 22,594.

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NOTE 22 - DEPOSITS

Information about this account as of June 30, 2020 and December 31, 2019 is disclosed in Exhibit "H"– Deposits Concentration, which follows to these condensed interim consolidated financial statements.

Breakdown of deposits of the non-financial private sector and foreign residents is as follows:

	<u>06/30/20</u>	<u>12/31/19</u>
Savings accounts	69,688,803	55,810,996
Time deposit and investments	57,754,824	42,047,242
Checking accounts	21,538,728	17,050,138
Investment accounts	919,611	113
Interest and adjustment	999,512	941,403
Other	10,888,618	7,650,790
Total	<u>161,790,096</u>	<u>123,500,682</u>

NOTE 23 – OTHER FINANCIAL LIABILITIES

Other financial liabilities are measured at amortized cost and they are broken down as follows:

	<u>06/30/20</u>	<u>12/31/19</u>
Credit card charges payable	4,801,510	5,605,321
Other payables	1,376,498	2,466,029
Collections on account and on behalf of third parties	827,062	629,546
Payables related to foreign trade transactions	317,641	621,606
Payables related to purchase of government securities to be settled	173,019	513
Payables related to FX purchases on the spot market to be settled	-	135,491
Total	<u>7,495,730</u>	<u>9,458,506</u>

NOTE 24 – FINANCING FACILITIES RECEIVED FROM BCRA AND OTHER FINANCIAL INSTITUTIONS

Financial facilities received from BCRA and other financial institutions are measured at amortized cost and they are broken down as follows:

	<u>06/30/20</u>	<u>12/31/19</u>
Financing facilities received from foreign financial institutions	5,141,073	16,992,635
Financing facilities received from local financial institutions	1,604,901	1,672,520
BCRA	9,308	11,810
Total	<u>6,755,282</u>	<u>18,676,965</u>

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NOTE 25 – CORPORATE BONDS ISSUED

The current programs for the issue of corporate bonds are the following:

1. Program for the issue of corporate bonds of Banco Patagonia S.A. approved by the CNV on October 25, 2012:

The Annual Shareholders' Meeting of Banco Patagonia S.A., held on April 26, 2012, approved the creation of a Global Program for the Issue of Simple Corporate Bonds for a maximum amount, outstanding at any time, of up to USD 250,000,000 or its equivalent in other currencies.

The Program has a term of 5 years as from CNV's authorization or for the maximum term that may be established by future applicable regulations; in that case, the Board of Directors of the Bank may decide to extend its effective term.

In addition, the Bank's Board of Directors decided that the proceeds from corporate notes issued under such program shall be used for one or more of the purposes set forth under section 36, Law No. 23576, and BCRA Communication "A" 3046, or as indicated in the corresponding Pricing Supplement.

As the current Global Program for the Issuance of Simple Corporate Bonds was reaching the maturity date, the Annual Shareholders' Meeting held on April 26, 2017 approved the extension of such program in accordance with the CNV rules, as well as the increase in the maximum outstanding amount, as described below:

- a) Effective for 5 years from CNV authorization or the maximum term to be established by the future applicable regulations;
- b) Different classes and/or series of corporate bonds may be issued, denominated in US Dollars or other currencies and the successive classes or series amortized may be re-issued;
- c) The amount of USD 500,000,000 or its equivalent in other currencies will be the maximum outstanding amount during the effective term of the program; and
- d) The proceeds from the placement of the corporate notes to be issued under the program will be used for one or more of the purposes provided for in article 36 of Law No. 23,576 as amended, and in the Regulations on Borrowing Operations, Placement of Securities and Debt Instruments Section the BCRA, or those established in the applicable regulations, and as indicated in the Pricing Supplement.

On September 14, 2017, the CNV issued Resolution No. 18,933 whereby it authorized the increase in the maximum amount and the extension of the aforementioned program.

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COMPARATIVELY PRESENTED
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As of June 30, 2020 and December 31, 2019, the Bank does not have any class and / or series of corporate notes in force under said program.

2. GPAT corporate notes issuance program approved by the CNV on February 11, 2011.

Through Resolution No. 15,868 of the April 30, 2008, the CNV authorized the admission to listing of GMAC Financial Company S.A. (Predecessor of GPAT Compañía Financiera SAU) by creating a global program for the issue of simple non-convertible corporate notes of up to 400,000 or its equivalent in other currencies.

On July 24, 2008, the CNV was informed of the decision to suspend the subscription period for the corporate notes, also informing that GPAT may, in its sole discretion, restart the subscription period again.

On January 4, 2011, the GPAT Board of Directors decided to resume the simple corporate notes program and prepared an addendum to the prospectus duly published. Additionally, it decided to request authorization from the CNV for the global corporate note program and the issue of short-term corporate notes under said program.

On January 26, 2012, the GPAT Board of Directors requested authorization from the CNV to expand the Program from 400,000 to 800,000, with the authorization being granted on February 28, 2012.

Subsequently, on October 25, 2012, the CNV approved the extension of the said program from 800,000 to 1,500,000 and its renewal for a period of 5 years from that date. The proceeds from this placement were applied to the granting of retail loans.

On January 3, 2017, the GPAT Board of Directors proposed the expansion of the current Global Simple Corporate Notes Program from 1,500,000 to 3,000,000 and its renewal for a period of 5 years. The increase and extension was approved by the Ordinary General Meeting of Shareholders held on January 18, 2017, and by the National Securities Commission on April 12, 2017.

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BANCO PATAGONIA S.A.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

The current issues are detailed below:

Issue	Issued value	Annual nominal rate	Date of issuance	Maturity date	Balance as of 06/30/20	Balance as of 12/31/19
GPAT Compañía Financiera S.A.U.						
Series XXVII Class B	177,500	Badlar + 3.50%	05/10/2017	05/10/2020	-	181,692
Series XXVIII Class B	123,333	Badlar + 3.97%	06/27/2017	06/27/2020	-	139,771
Series XXX Class B	191,111	27.50% (04/05/18) - Badlar + 4.17%	10/05/2017	10/05/2020	179,219	219,946
Series XXXIII Class C ⁽¹⁾	397,000	45.00%	02/05/2019	02/05/2020	-	626,390
Series XXXIV Class A	241,667	Badlar + 2.94%	06/24/2020	12/24/2020	242,155	-
Series XXXIV Class B	508,333	Badlar + 5%	06/24/2020	06/24/2021	509,508	-
Total					930,882	1,167,799

- (1) On November 5, 2019, and December 5, 2019 GPAT Compañía Financiera S.A.U. repurchased the corporate note Series XXXIII class C, in the amount of nominal value 3,000 and nominal value 100,000 at a price of 1.24 y 1.3348, respectively, out of a total nominal value 500,000 corporate notes issued.

NOTE 26 - PROVISIONS

It includes estimated amounts to face potential risks which, in the event of occurring, will give rise to a loss for the Group. The activity of said provisions for the six-month period ended June 30, 2020 is disclosed in Exhibit J "Activity of Provisions" which forms part of these condensed interim consolidated financial statements.

Due to the nature of its business, the Group has several pending lawsuits for which provisions are recorded where, in the opinion of Management and its legal advisors, it is probable that these may result in an additional liability and the amount can be estimated. With respect to other claims against the Group that have not been provisioned, Management and its legal advisors consider they will not result in additional liabilities to those already recorded nor will they have a material effect on the Group's financial statements.

Note 49 includes, at the request of the BCRA, all administrative, disciplinary and criminal sanctions with a first instance judicial decision or not, which were applied or initiated by the BCRA, the Financial Information Unit, the CNV and the Superintendency of Insurance of the Nation, regardless of whether they are probable, possible or remote.

The Group's Management and its legal advisors consider that the cases in which they may involve cash disbursements are not material, and that there are no significant effects other than those set forth in these condensed interim consolidated financial statements.

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 27 – OTHER NON FINANCIAL LIABILITIES

Other non-financial liabilities are measured at amortized cost and they are broken down as follows:

	<u>06/30/20</u>	<u>12/31/19</u>
Cash dividends payable	7,764,051	-
Other short term employee benefits payable	1,285,580	1,347,739
Withholdings and collections	825,438	905,470
Sundry accounts payable	814,257	608,084
Advanced payments received	637,466	717,131
Other taxes payable	555,730	612,283
Payroll and social security contributions payable	332,314	325,615
Social security payment orders to be settled	282,587	184,863
Liabilities from contracts with costumers	205,121	190,492
Other	165,054	175,065
Total	<u>12,867,598</u>	<u>5,066,742</u>

NOTE 28 – SHARE CAPITAL

The Bank's share capital is made up of 719,145,237 shares, comprising 22,768,818 Class "A" shares and 696,376,419 Class "B" shares, all of them registered, common shares with a nominal value of ARS 1, and one vote per share.

Class "A" shares represent the ownership interest held by the Province of Río Negro, whereas Class "B" shares account for the ownership interest held by private capital.

The Bank's controlling shareholder is Banco do Brasil S.A., which has a shareholding of 80.39% of the total share capital.

NOTE 29 – INTEREST INCOME

Breakdown is as follows:

	<u>06/30/20</u>	<u>06/30/19</u>
Interest income		
Government securities measured at fair value with changes through OCI	12,986,205	18,569,016
Overdrafts	3,838,100	3,140,139
Notes	3,244,036	4,644,294
Consumer loans	2,115,744	3,281,738
Other loans	1,857,225	1,809,780
Credit cards	1,700,962	3,103,219
Loans to the financial sector	798,351	621,349
Premiums on repos with the financial sector	712,056	656,854
Car Loans	573,867	889,057
Finance leases	76,320	215,461
Other	252,481	395,897
Total	<u>28,155,347</u>	<u>37,326,804</u>

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 30 – INTEREST EXPENSE

Breakdown is as follows:

Interest expense	06/30/20	06/30/19
Time deposits	7,557,311	14,218,696
Deposits in savings accounts	918,730	616,944
Financing facilities received from financial institutions (Call)	178,800	720,163
Premium on reverse repo transactions with the financial sector	143,185	808,408
Corporate bonds	90,770	470,509
Other financing facilities received from financial institutions	72,698	73,585
Other	574,406	583,912
Total	9,535,900	17,492,217

NOTE 31 – FEE INCOME

Breakdown is as follows:

Fee income	06/30/20	06/30/19
Credit and debit cards	991,709	1,169,949
Deposits	811,805	1,171,479
Product packages	806,595	744,654
Insurance	589,900	688,603
Collections	298,784	385,348
Foreign trade	153,184	223,632
Securities	53,141	55,954
Loans	37,181	60,793
Other	72,839	61,144
Total	3,815,138	4,561,556

NOTE 32 – FEE EXPENSES

Breakdown is as follows:

Fee expenses	06/30/20	06/30/19
Related to credit and debit cards	710,274	774,279
Government sector	215,999	208,545
Collections	56,152	79,735
Related to securities	27,148	25,720
Transfers	21,908	29,289
Other	91,947	105,424
Total	1,123,428	1,222,992

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 33 – NET GAIN ON FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE WITH CHANGES THROUGH PROFIT OR LOSS

Breakdown is as follows:

Net gain on financial instruments measured at fair value with changes through profit or loss	06/30/20	06/30/19
Forward foreign currency transactions	155,742	(29,797)
Government securities and instruments issued by the BCRA	115,629	102,026
Gain on the sale or derecognition of financial assets	100,455	117,703
Corporate securities	96,663	844,767
Total	468,489	1,034,699

NOTE 34 – OTHER OPERATING INCOME

Breakdown is as follows:

Other operating income	06/30/20	06/30/19
Recovered taxes	320,000	250,631
Safe deposit box rental	219,630	192,340
Derecognized provisions	169,512	18,074
Management fees (FCI manager company)	147,676	159,578
Other adjustments and interests from miscellaneous credits	143,541	164,024
Recovered receivables	141,597	184,180
Related to capital and securities markets	76,733	79,103
Punitive interest	24,796	95,876
Related to transfers	16,652	19,301
Related to deposits	16,426	20,909
Gain on the sale of property and equipment	5,320	93,234
Gain on the sale of non-current assets held for sale	-	2,295,191
Other	390,984	284,267
Total	1,672,867	3,856,708

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 35 – EMPLOYEE BENEFITS

Breakdown is as follows:

Employee benefits	06/30/20	06/30/19
Salaries	3,638,630	3,752,051
Social security contributions	702,351	734,175
Other benefits	155,377	112,054
Services to personnel	127,469	144,024
Severance payments	62,990	108,875
Total	4,686,817	4,851,179

NOTE 36 – ADMINISTRATIVE EXPENSES

Breakdown is as follows:

Administrative expenses	06/30/20	06/30/19
Maintenance, conservation and repair expenses	600,852	611,638
Taxes	499,073	564,475
Fee	343,669	321,508
Armored vehicle services	260,762	231,556
Electric power and communications	239,050	242,627
Security services	201,319	204,304
Stationery and supplies	52,930	99,313
Advertising and marketing	44,635	227,375
Leases	38,606	42,585
Representation, per diem and mobility	19,648	45,637
Other	386,507	421,240
Total	2,687,051	3,012,258

NOTE 37 – OTHER OPERATING EXPENSES

Breakdown is as follows:

Other operating expenses	06/30/20	06/30/19
Turnover tax	1,403,243	1,813,892
ATM expenses	194,624	292,664
Other allowance charges	118,315	63,576
Contribution to the deposit guarantee fund	116,807	151,091
Other	389,807	313,287
Total	2,222,796	2,634,510

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 38 – FAIR VALUE OF FINANCIAL INSTRUMENTS

a) Assets and liabilities measured at fair value

The fair value hierarchy of assets and liabilities measured at fair value as of June 30, 2020 is as follows:

Item	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Level 1	Level 2	Level 3
Financial assets							
Debt securities measured at fair value with changes through profit or loss	1,083,143	-	-	1,083,143	1,077,254	5,889	-
Derivative financial instruments	222,726	-	-	222,726	-	222,726	-
Other debt securities	73,580,413	884,211	72,696,202	-	18,366,314	54,329,888	-
Financial assets granted as collateral	5,032,551	2,068,430	2,920,907	43,214	2,964,121	-	-
Investments in equity instruments	843,744	-	-	843,744	-	8,119	835,625
Total	80,762,577	2,952,641	75,617,109	2,192,827	22,407,689	54,566,622	835,625

Item	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Level 1	Level 2	Level 3
Financial liabilities							
Liabilities at fair value with changes through profit or loss	35	-	-	35	35	-	-
Derivative financial instruments	20,595	-	-	20,595	-	20,595	-
Total	20,630	-	-	20,630	35	20,595	-

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

The fair value hierarchy of assets and liabilities measured at fair value as of December 31, 2019 is as follows:

Item	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Level 1	Level 2	Level 3
Financial assets							
Debt securities measured at fair value with changes through profit or loss	387,516	-	-	387,516	253,283	134,233	-
Derivative financial instruments	87,147	-	-	87,147	-	87,147	-
Other debt securities	47,520,228	1,166,520	46,374,928	-	34,378,012	11,996,916	-
Financial assets granted as collateral	4,040,216	158,959	3,881,257	-	-	3,881,257	-
Investments in equity instruments	951,150	-	-	951,150	-	8,442	942,708
Total	52,986,257	1,325,479	50,256,185	1,425,813	34,631,295	16,107,995	942,708

Item	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Level 1	Level 2	Level 3
Financial liabilities							
Derivative financial instruments	280,535	-	-	280,535	-	280,535	-
Total	280,535	-	-	280,535	-	280,535	-

b) Transfers between hierarchy levels

b.1) Transfers from level 1 to level 2

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The following instruments measured at fair value were transferred from Level 1 to Level 2 of the fair value hierarchy:

	06/30/2020	12/31/2019
Argentine Treasury Bond in ARS at Fixed Rate, due in 2020	4.764.225	-
Total	4.764.225	-

b.2) Transfers from level 2 to level 1

The following instruments measured at fair value were transferred from Level 2 to Level 1 of the fair value hierarchy:

Breakdown	06/30/20	12/31/19
Argentine Treasury Bond in ARS at Fixed Rate, due in 2020	-	4,373,054
Debt security, Class 1, Province of Rio Negro, due in 2021	-	213,784
Debt security, Class 1, Province of Rio Negro, due in 2020	-	75,749
Total	-	4,662,587

These holdings were included in hierarchy level 2 as of December 31, 2019, and as of June 30, 2020, they were carried at fair value by using their listed prices in active markets.

b.3) Valuation techniques of Levels 2 and 3

Below is a description of the financial instruments carried at fair value using valuation techniques based on observable market data (Level 2):

Financial assets and liabilities measured at fair value: it mainly includes provincial debt securities and Treasury Bills in USD carried at fair value using yield curves for comparable securities, regularly quoted on the market and with similar duration.

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
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Financial Derivatives: it includes the fair value of forward transactions with settlement at maturity, estimated as the difference between the agreed-upon values and market prices, discounted to the measurement date.

Investments in equity instruments: the Group includes in Level 3 its interest in Prisma Medios de Pago S.A., which is recognized as Investments in equity instruments since, in measuring their fair value, the valuation made by independent professionals has been used as adjusted in accordance with the BCRA requirements. The gain or loss on the asset stated at fair value based on unobservable market data is recognized in net gain or loss on financial instruments measured at fair value through profit or loss.

Below we describe the main financial instruments not measured at fair value, when there are no quoted prices in the active markets for such instrument, and the methodologies and assumptions used to determine their fair value.

- Assets and liabilities whose fair value approximates the carrying amount

For financial assets and liabilities that have short-term maturities (less than three months), it is considered that the carrying amount approximates fair value. This assumption is also applied to savings accounts, checking accounts and other deposits.

- Fixed-rate financial instruments

The fair value of financial assets was determined by discounting future cash flows at the market rates paid for financial instruments of similar characteristics on the measurement date.

The estimated fair value of fixed-interest rate deposits was determined by discounting future cash flows using market interest rates for deposits with maturities similar to those of the Bank's portfolio.

- Variable-rate financial instruments

The fair value of financial assets and liabilities priced with a variable rate was determined by discounting the estimated future cash flows considering the variable rate contractually applicable at measurement date, discounted by applying the market rates for financial instruments of similar characteristics and credit risk. The fair value hierarchy of assets and liabilities not measured at fair value as of June 30, 2020 is as follows:

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Item	Accounting balance as of 06/30/20	FV Total	FV Level 1	FV Level 2	FV Level 3
Financial assets					
Cash and bank deposits	51,174,091	(1)	-	-	-
Repo transactions	8,749,852	(1)	-	-	-
Other financial assets	2,407,430	2,104,211	-	-	2,104,211
Loans and other financing facilities	95,175,451	93,309,834	-	-	93,309,834
Financial liabilities					
Deposits	181,089,929	180,024,615	-	-	180,024,615
Repo transactions	38,798	(1)	-	-	-
Other financial liabilities	7,495,730	(1)	-	-	-
Financing facilities received from the BCRA and other financial institutions	6,755,282	6,778,982	-	-	6,778,982
Corporate notes issued	930,882	958,876	-	-	958,876

(1) The fair value is not reported because it is deemed to approximate the carrying amount.

The fair value hierarchy of assets and liabilities not measured at fair value as of December 31, 2019 is as follows:

Item	Accounting balance as of 12/31/19	FV Total	FV Level 1	FV Level 2	FV Level 3
Financial assets					
Cash and bank deposits	50,345,793	(1)	-	-	-
Other financial assets	2,318,477	2,104,329	-	-	2,104,329
Loans and other financing facilities	99,726,345	98,200,747	-	-	98,200,747
Financial liabilities					
Deposits	137,853,214	132,107,855	-	-	132,107,855
Other financial liabilities	9,458,506	(1)	-	-	-
Financing facilities received from the BCRA and other financial institutions	18,676,965	(1)	-	-	-
Corporate notes issued	1,167,799	1,298,718	-	-	1,298,718

(1) The fair value is not reported because it is deemed to be similar to the carrying amount.

Marcelo A. Iadarola
Executive Manager of Administration

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By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and PublicSector

João Carlos de Nobrega Pecego
President

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BANCO PATAGONIA S.A.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 39 – TRANSFER OF FINANCIAL ASSETS

During the regular course of business, the Group performs transactions that involve the transfer of financial assets, mainly, loans and government securities.

In accordance with the accounting policy described in Note 5.4 d) to the consolidated financial statements as of December 31, 2019, based on the transaction conditions, the financial asset is still fully recognized or derecognized.

A transferred asset that is not derecognized arises from repo transactions, that is a contract in which the vendor of a security agrees to repurchase it from the buyer at an agreed price.

In these transactions, the Group sells financial instruments (usually, government securities) and simultaneously agrees to repurchase them at a fixed price on a given date.

The Group still recognizes the instruments as a whole in the consolidated statement of financial position because it substantially holds all the risks and returns of ownership. The consideration received is recognized as a financial asset and the obligation to repurchase the instrument is recognized as a financial liability.

The financial assets that have been transferred but not derecognized, together with the related financial liabilities as of June 30, 2020 and December 31, 2019 are reported below:

Item	06/30/20	12/31/19
Securities receivable from repo transactions involving government securities		
Liquidity Bills measured at fair value with changes through OCI	43,666	-
Total	43,666	-
Other payables from repo transactions involving government securities		
Government securities	38,798	-
Total	38,798	-

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 40 – SEGMENT REPORTING

The Group presents information to the highest decision-making authorities based on the following operating segments:

- Personal banking: this segment groups transactions of customers that are individuals. These customers mainly acquire the following products, among others: personal loans, credit cards, time deposits, and demand deposit accounts.
- Business banking: it groups transactions relating to credit facilities, transactional services and deposits granted to large, medium, micro, and small-sized companies, and transactions performed with the Bank by the different national, provincial and municipal government agencies
- Treasury and others: it includes transactions with financial sector customers, investment activities, derivative instruments, subsidiaries and funding transactions.

For management information purposes, asset and liability balances are reported on a monthly average, not those at period end, and the profit or loss for each segment was determined using the Bank's internal transfer rate

For the six-month periods ended June 30, 2020 and 2019, there are no transactions with individual customers accounting for 10% or more of the Bank's total revenues, nor operations in geographical areas significantly different from the country of main residence of the Bank (Argentina).

The following tables show information related to the Bank's business segments:

- As of June 30, 2020 and December 31, 2019 for the information related to the Bank's financial position;
- For the six-month period ended June 30, 2020 and 2019 for the information related to the Bank's income.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

Information as of June 30, 2020

	<u>Personal banking</u>	<u>Business banking</u>	<u>Treasury and other</u>	<u>Total As of 06/30/20</u>
Interest income/loss	2,726,588	3,418,599	10,949,734	17,094,921
Fee income/loss	1,038,614	1,369,754	86,631	2,494,999
Net gain on financial instruments measured at fair value through profit or loss	-	112,817	255,302	368,119
Gold and foreign currency bid/offer spread	111,804	147,840	121,113	380,757
Other operating income – net	45,928	200,579	962,370	1,208,877
Charge for Loan Losses	<u>(76,454)</u>	<u>(10,860)</u>	<u>(543,914)</u>	<u>(631,228)</u>
TOTAL OPERATING INCOME	<u>3,846,480</u>	<u>5,238,729</u>	<u>11,831,236</u>	<u>20,916,445</u>
Operating and administrative expenses				(10,126,890)
Gain/loss on associates and joint ventures				(11,858)
Net monetary position gain/loss				(2,628,929)
Income tax				(2,555,774)
NET INCOME				<u>5,592,994</u>
Reconciliation with the statement of income				
Net income as of 06/30/20 as per statement of income				6,361,226
Reconciliation between management information and regulatory information				(768,232)
Total profit or loss reported in segments				5,592,994

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

Information as of June 30, 2020

	Personal banking	Business banking	Treasury and other	Total as of 06/30/20
Loans	23,830,093	56,283,158	15,908,595	96,021,846
Other assets	4,049,010	1,579,218	125,364,067	130,992,295
TOTAL ASSETS	27,879,103	57,862,376	141,272,662	227,014,141
Deposits	75,979,083	61,440,240	35,440,569	172,859,892
Other liabilities	-	-	20,053,058	20,053,058
TOTAL LIABILITIES	75,979,083	61,440,240	55,493,627	192,912,950

Reconciliation with the statement of financial position

Assets as of 06/30/20 as per the statement of financial position	251,603,059
Reconciliation between management information and regulatory information:	
- Loans	846,395
- Other assets	(25,435,313)
Total assets reported in segments	227,014,141
Liabilities as of 06/30/20 as per the statement of financial position	213,295,398
Reconciliation between management information and regulatory information:	
- Deposits	(8,230,037)
- Other liabilities	(12,152,411)
Total liabilities reported in segments	192,912,950

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Information as of June 30, 2019

	Personal banking	Business banking	Treasury and other	Total as of 06/30/19
Interest income/loss	5,037,452	4,295,962	8,727,612	18,061,026
Fee income/loss	1,170,067	1,521,254	144,058	2,835,379
Net gain on financial instruments measured at fair value through profit or loss	-	24,836	1,041,009	1,065,845
Gold and foreign currency bid/offer spread	473,773	441,593	452,822	1,368,188
Other operating income – net	89,579	147,643	2,838,859	3,076,081
Charge for Loan Losses	(930,024)	(721,552)	(1,458,042)	(3,109,618)
TOTAL OPERATING INCOME	5,840,847	5,709,736	11,746,318	23,296,901
Operating and administrative expenses				(8,982,359)
Gain/loss on associates and joint ventures				633,309
Income tax				(4,959,294)
NET INCOME				9,988,557

Reconciliation with the statement of income

Net income for the fiscal year ended 06/30/19 as per statement of income	6,024,069
Reconciliation between management information and regulatory information	13,493
Application of financial statements restatement - IAS 29	3,950,995
Total profit or loss reported in segments	9,988,557

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
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Information as of December 31, 2019

	Personal banking	Business banking	Treasury and other	Total as of 12/31/19
Loans	25,815,617	59,098,959	11,073,684	95,988,260
Other assets	3,997,368	1,867,844	96,602,514	102,467,726
TOTAL ASSETS	29,812,985	60,966,803	107,676,198	198,455,986
Deposits	67,012,266	48,684,324	15,109,554	130,806,144
Other liabilities	-	-	31,162,881	31,162,881
TOTAL LIABILITIES	67,012,266	48,684,324	46,272,435	161,969,025

Reconciliation with the statement of financial position

Assets as of 12/31/2019 as per the statement of financial position **218,356,953**

Reconciliation between management information and regulatory information:

- Loans	(3,441,032)
- Other assets	(15,145,160)
- Application of financial statements restatement - IAS 29	(1,314,775)

Total assets reported in segments **198,455,986**

Liabilities as of 12/31/2019 as per the statement of financial position **179,661,836**

Reconciliation between management information and regulatory information:

- Deposits	(7,047,075)
- Other liabilities	(10,360,294)
- Application of financial statements restatement - IAS 29	(285,442)

Total liabilities reported in segments **161,969,025**

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NOTE 41 - SUBSIDIARIES

Below there is information about the Bank's subsidiaries as of June 30, 2020 and December 31, 2019

Company	Shares		Percentage of	
	Class	Amount	Total share capital	Possible votes
GPAT Compañía Financiera S.A.U.	Common stock	86,837,083	100,00%	100,00%
Patagonia Inversora S.A. Sociedad Gerente Fondos Comunes de Inversión	Common stock	13,317,237	99,99%	99,99%
Patagonia Valores S.A.	Common stock	13,862,667	99,99%	99,99%
Banco Patagonia (Uruguay) S.A.I.F.E.	Common stock	50,000	100,00%	100,00%

Structured and not consolidated entities

The Bank entered into a number of agreements with other companies, whereby it was appointed trustee of certain financial trusts. The assets held in trust were mainly loans. Those loans were not recorded in the financial statements, since they are not the Bank's assets and, therefore, they are not consolidated.

NOTE 42 – RELATED PARTIES

All transactions with related parties (individuals and companies related to the Group) are described below.

Key management personnel

Pursuant to IAS 24, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Bank, either directly or indirectly. According to that definition, Directors are deemed to be key personnel by the Bank.

The number of regular directors of the Board is established by the Shareholders' Meeting, and ranges from seven to nine; they are appointed for a term of three fiscal years, with the possibility of being reappointed indefinitely. At present, the Board of Directors is made up of eight members.

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

Section 9 of the Bylaws sets forth that the Directors' fees are established by the Shareholders' Meeting, taking into account their responsibilities, the time devoted to the fulfillment of duties, their experience and professional reputation and the value of services provided by directors for the Bank's performance in the market. Additionally, Directors do not assume any executive positions at the Bank and, therefore, they do not earn any other remuneration, and the Bank's policy does not allow the possibility of granting other benefits such as equity interests.

The transactions with key management personnel, including their close relatives and related entities are as follows:

Item	Balances as of		Largest balance for the period/year (1)	
	06/30/20	12/31/19	06/30/20	12/31/19
Loans – Credit cards	4,228	4,879	6,799	7,105
Deposits received	296,400	81,362	309,983	149,485

(1) Due to the large number of transactions, particularly, in the checking accounts and deposits, the Bank considers that presenting the largest balance for the year is the best indicator of the transactions performed during the period.

The loans and deposits were agreed in accordance with the market conditions applicable to other clients of the Bank. Loans are classified as regularly performing in accordance with the Debtor Classification Standards of BCRA. Total fees received by the Board of Directors for the six-month period ended June 20, 2020 and 2019 amounted to 116.675 y a 138.910, respectively.

Banco do Brasil S.A.

Banco do Brasil S.A. is a financial institution organized under the laws of Brazil and is the Bank's majority shareholder.

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
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The assets and liabilities balances with Banco do Brasil S.A. at June 20, 2020 and December 31, 2019 are as follow:

Item	Balances as of		Largest balance for the period/year (1)	
	06/30/20	12/31/19	06/30/20	12/31/19
Cash and cash equivalents – balances in Other financial institutions	134,632	13,414	134,632	178,311
Other receivables	1,137,211	673,499	1,137,211	714,423
Deposits	84	21,975	39,237	37,542
Financing facilities received from financial institutions	1,710,863	5,714,642	4,461,979	6,059,837
Guarantees granted (2)	105,683	101,356	105,683	101,356
Guarantees received (3)	563,641	540,563	1,069,360	540,563

- (1) Due to the large number of transactions, the Bank considers that presenting the largest balance for the period is the best indicator of the transactions performed during the period.
- (2) It is related to guarantees granted to Banco do Brasil S.A.
- (3) It is related to credit letters granted by Banco do Brasil S.A. to clients of the Bank.

Transactions with Banco do Brasil S.A. are performed on an arm's length basis.

Profit or loss for the six-month periods ended June 30, 2020 and 2019 were as follows:

Item	six-month period ended	
	06/30/20	06/30/19
Interest income	12,557	8,663
Interest expense	97,652	42,802
Other operating income	243	356

Province of Río Negro

As provided for in the Bank's bylaws, the province of Río Negro, sole shareholder holding Class A shares, is empowered to appoint a director for Class A shares, as long as it owns, at least, one share of that class. Since 1996, the Bank has been acting as financial agent of the Province of Río Negro, by virtue of an agreement signed in 1996.

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
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On December 22, 2016, the Executive Branch of the Province of Río Negro issued Executive Order 2140 calling for a bidding process for the selection and subsequent appointment of the Financial Agent of the Province of Río Negro for a term of ten years, to be extended for a five-year period, unless otherwise decided by any of the parties.

According to the bidding process schedule the award date was April 6, 2017 and the date of execution of the Agreements was April 28, 2017. Finally, as a result of the bidding process referred to above, on April 28, 2017, the Bank was once again awarded the contract to act as financial agent for the Province of Río Negro, and the Río Negro Province Banking and Financial Services Agreement was thus signed.

As a financial agent for the province, the Bank may provide several services to meet the financial and service needs of the different government areas in the province (central management, agencies and affiliates, as well as municipalities) such as tax collection, payroll deposit, among others. Such duties do not include the obligation to provide financial aid to the Province of Río Negro under conditions other than those consistent with the private banking nature of this bank.

Item	Balances as of		Largest balance for the period/year (1)	
	06/30/20	12/31/19	06/30/20	12/31/19
Financial assets measured at fair value – Securities issued by the Province of Río Negro	1,008,054	289,649	1,008,054	326,803
Loans – Overdrafts	-	-	2,066,860	1,692,221
Loans – syndicated loan	-	-	-	76,283
Deposits	19,414	118,666	1,300,206	1,236,965

(1) Due to the large number of transactions, particularly at checking accounts and deposits, the Bank considers that presenting the largest balance for the period is the best indicator of the transactions performed during the period.

Transactions with the Province of Río Negro are performed on an arm's length basis while financing facilities granted are rated as regularly performing in accordance with the BCRA applicable regulations.

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COMPARATIVELY PRESENTED
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Profit or loss for the six-month periods ended June 30, 2020 and 2019 were as follows:

Item	six-month period ended	
	06/30/20	06/30/19
Interest income	87,440	65,443
Fee income	67,074	42,127

Associates

Balances with the Group's associates are as follows:

Item	Balances as of		Largest balance for the period/year (1)	
	06/30/20	12/31/19	06/30/20	12/31/19
Deposits	1,574,975	2,133,534	2,018,151	2,785,985

- (1) Due to the large number of transactions, the Bank considers that presenting the largest balance for the period is the best indicator of the transactions performed during the period.

NOTE 43 – DISTRIBUTION OF EARNINGS AND RESTRICTIONS

Banco Patagonia S.A.

In accordance with BCRA rules, a 20% of income for the year is to be allocated to the Legal Reserve

According to Law No. 25,063, dividends that are distributed, in cash or in kind, in excess of the accumulated tax income at the end of the fiscal year immediately prior to the payment or distribution date, will be subject to a final income tax withholding at the standard statutory rate then applicable.

Income to be considered for each fiscal year amounts to the tax income less the tax paid for the fiscal year(s) when the income being distributed was generated or the corresponding proportion, and the adding the dividends or profits distributed by other companies that were not included in computing such income for the corresponding fiscal period(s).

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Mónica M. Cukar
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BANCO PATAGONIA S.A.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

Moreover, Law No. 27,430 published on December 29, 2017 reduced the rate of income tax paid by joint stock companies from 35% to 30% for the two fiscal years beginning on or after December 1, 2018 and complements it with a 7% withholding tax on the payment of dividends distributed from earnings made for the year.

In accordance with such law, for the fiscal years commenced on January 1, 2020, the income tax rate on joint stock companies would drop to 25% and was supplemented by a withholding tax on the distribution of dividends of 13%. This law was modified by Law No. 27,541 passed on December 23, 2019, which postponed the reduction of tax rates until fiscal years beginning on or after January 1, 2021, while maintaining until then the withholding rate of 7% for the distribution of profits for the financial year 2020.

The BCRA establishes in its regulations the general procedure for the distribution of profits. Under such procedure, profits can be distributed provided certain conditions: the bank should not have received financial assistance from the BCRA due to illiquidity, it should not have any shortfall in payment of capital contributions or minimum cash nor should it have been subject to penalties established by specific regulatory entities considered to be material and / or it should not have failed to implement corrective measures among other preconditions detailed in the aforementioned communication that must be met.

In this sense, entities may distribute results up to the amount that arises from the off-balance sheet computation that adds all balances in "Retained Earnings" and optional reserves for distribution, at the end of the corresponding fiscal year, and then deducts the mandatory legal and statutory reserves and other items established in the corresponding applicable regulations.

In turn, the Entity must verify that, after the proposed distribution of earnings has been made, a capital conservation buffer is maintained on its risk-weighted assets, which is supplementary to the minimum capital requirement established by law; such buffer is funded with Common Tier 1 capital, net of any deductions.

On the other hand, through communication "A" 6768 issued on August 30, 2019, the BCRA established that financial entities must have prior authorization from the BCRA to make profit distributions.

In said authorization process, the Superintendency of Financial and Exchange Entities will take into account, among other elements, the potential effects of applying section 5.5. of IFRS 9 - Impairment of financial assets (Communication "A" 6430) and of the restatement of financial statements, applying the inflation adjustment of said statements provided for in Communication "A" 6651.

In accordance with the provisions of General Resolution No. 593 of the CNV, the Shareholders' Meeting that considers the annual financial statements, must resolve on the specific allocation of the accumulated earnings of the Entity, which may include the effective distribution of dividends, capitalization of earnings with delivery of script issues, setting up optional reserves in addition to the Legal Reserve, or a combination of any of these allocations.

Marcelo A. Iadarola
Executive Manager of Administration

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By Supervisory Committee

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Superintendent
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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

Finally, taking into account what is explained in the preceding paragraph, the Ordinary and Extraordinary General Meeting of Shareholders held on April 23, 2020 approved the following allocation of earnings for the year ended December 31, 2019:

Concepto	Importe
- To Legal reserve (20% s/17,631,649)	3,526,330
- To Optional Reserve for future distribution of earnings	14,105,319
Total	<u>17,631,649</u>

Additionally, it approved to partially reduce the Optional Reserve for Future Distribution of Profits in the amount of 7,764,051 to be applied to the payment of Cash Dividends, upon prior authorization of the BCRA.

The corresponding authorization request was made by the Entity under file number EX2020-00071097, however, on March 19, 2020, the BCRA, through Communication "A" 6939, ordered the suspension of profit distributions by Financial Institutions until June 30, 2020.

Subsequently, on June 4, 2020, the BCRA issued the Communication "A" 7035 extending until December 31, 2020 the suspension of results distribution for Financial Entities

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Finally, taking into account the BCRA and CNV regulations described above, distributable earnings amount to 145,581, and the annual and extraordinary shareholders' meeting held on April 15, 2020, approved the following allocation:

- Item	Amount
- To Legal reserve (20% s/145,581)	29,116
- To Optional Reserve for future distribution of earnings	116,465
Total	<u>145,581</u>

Patagonia Valores S.A.

The loss for the fiscal year ended December 31, 2019 was 11,565.

On April 22, 2020, the shareholders meeting unanimously approved the absorption of the 2019 fiscal year loss by partially charging the "Equity Adjustment" account.

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
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Patagonia Inversora S.A. Sociedad Gerente de Fondos Comunes de Inversión

As provided for by section 70 of Law 19550, 5% of income for the year shall be allocated to set up the legal reserve until 20% of the share capital is reached plus the capital adjustment.

The Unanimous Ordinary General Meeting of Shareholders held on April 22, 2020 approved the following allocation of earnings for the year ended December 31, 2019:

- Item	Amount
- To Legal Reserve	4,889
- To Unappropriated retained earnings	44,005
- To Cash dividends (50% s/97,788)	48,894
Total	97,788

NOTE 44 – RESTRICTED ASSETS

The Group has the following restricted assets:

	<u>06/30/20</u>	<u>12/31/19</u>
Special guarantee accounts (*)	1,553,952	1,882,724
BCRA - Financial trusts under guarantee of forward transactions	2,742,846	1,264,058
- Treasury bonds	2,320,046	-
- Treasury bills	426,358	1,264,058
Security deposits – Credit and debit card managers	486,501	480,995
Government securities – IADB loan – Global Credit Program for micro-, small- and medium-sized enterprises	233,274	395,116
- Treasury bonds	221,274	160,741
- Treasury bills	-	234,375
- Pesos as guarantees	10,000	-
- Dollars as guarantees	2,000	-
Other security deposits	15,978	17,323
Sub - Total	5,032,551	4,040,216
Security deposits for repurchase agreements	4,367	-
Sub - Total	4,367	-
Total	5,036,918	4,040,216

(*) Granted as collateral and held with the BCRA and in Banco Central de Uruguay (see Note 14).

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NOTE 45 – DEPOSIT GUARANTEE INSURANCE

Law No. 24,485 and Executive Order No. 540/95 created the Deposit Guarantee Insurance System, which is limited, compulsory and onerous, in order to cover bank deposit risks subsidiarily and complementarily to the deposit protection and privilege system established by the Financial Institutions Law.

This law created of the company Seguro de Depósito S.A. (SEDESA) for the sole purpose of managing the Deposit Guarantee Fund, whose shareholders, in accordance with the modifications introduced by Executive Order No. 1292/96, are the BCRA, with at least one share and the trustees of the trust agreement established by financial institutions in the proportion so determined by the BCRA based on their contributions to the Deposit Guarantee Fund. Said company was incorporated in August 1995 where the Entity holds a 3.8950% share according to what was reported by the BCRA through Communication "B" 11959 issued on February 27, 2020.

As of December 31, 2019, it covers the deposits in pesos and in foreign currency placed with the participating entities in the form of current accounts, savings accounts, fixed term deposits, term investments, salary account, basic, free, social security universal and special accounts, the restricted balances of the preceding items or others as determined by the BCRA up to the sum of 1,000, with certain exclusions established by the monetary authority.

Communication "A" 6973 of April 16, 2020, established that, as of May 1, 2020, the BCRA will increase the deposit guarantee insurance coverage cap to 1,500.

As of June 30, 2020 and 2019, the contributions made have been recorded in the item "Other Operating Expenses - Contributions to the deposit guarantee fund" in the amount of 116.807 y 151.091, respectively (see Note 37).

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
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NOTE 46 – MINIMUM CASH AND CAPITAL REQUIREMENTS

Minimum cash requirements

The BCRA establishes different requirements that should be met by financial institutions regarding solvency, liquidity, maximum amount of loans that may be granted, among others.

The minimum cash requirement establishes that a financial institution shall keep liquid assets in relation to deposits and other obligations recorded in each period. The following table shows the items computed as minimum cash requirements:

Minimum cash requirements	06/30/20	12/31/19
Cash and bank deposits		
BCRA - Current account	40,307,464	36,278,916
Other debt securities		
Argentine Treasury Bond in ARS - Fixed Rate, maturity 2020	5,393,296	4,215,587
BCRA Liquidity Bills	12,133,057	6,611,077
Financial assets granted as collaterals		
BCRA - Special guarantee accounts	1,518,724	1,848,938
Total	59,352,541	48,954,518

Minimum capital requirements

The minimum capital requirements is shown below at each reporting date:

Minimum capital requirements	06/30/20	12/31/19
Minimum capital requirements (A)	14,274,363	14,012,149
Credit risk	9,716,927	9,917,558
Market risk – Securities	101,490	70,953
Market risk – Currencies	357,860	240,546
Operational risk	4,098,086	3,783,092
Payment (B)	30,750,546	30,611,086
Surplus (B - A)	16,476,183	16,598,937

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FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
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NOTE 47 – TRUST ACTIVITIES

The Bank executed a number of agreements with other companies, whereby it was appointed trustee of certain financial trusts. The assets held in trust were mainly loans. As of June 30, 2020, the Bank manages the following financial trusts listed in the stock exchange:

Financial trust	Trustor	Date of agreement	Assets as of 06/30/20	Assets held in trust	Net asset value as of 06/30/20
CMR Falabella LXXVI	CMR Falabella	10/21/2019	82,190	Loans resulting from the use of credit cards	-
Ribeiro Minicreditos 5	Ribeiro S,A,C,I,F,A, e I,	10/31/2018	7,039	Consumer loans	6.069
Mercado Crédito IV	Mercado Libre S,R,L,	05/08/2019	1,683	Loans granted electronically	-
Mercado Crédito V	Mercado Libre S,R,L,	07/22/2019	98,484	Loans granted electronically	77.398
Mercado Crédito VI	Mercado Libre S,R,L,	12/12/2019	162,895	Loans granted electronically	72.295
MELI Derechos Creditórios Tarjetas I	Mercado Libre S,R,L,	10/03/2019	428,254	Loans granted electronically	-
MELI Derechos Creditórios Tarjetas II	Mercado Libre S,R,L,	11/21/2019	510,849	Loans granted electronically	-
MELI Derechos Creditórios Tarjetas III	Mercado Libre S,R,L,	02/20/2020	864,815	Loans granted electronically	-
Mercado Credito Consumo I	Mercado Libre S,R,L,	12/04/2019	390,448	Loans granted electronically	121.227
Serie Ribeiro C	Ribeiro S,A,C,I,F,A, e I,	04/12/2018	42,046	Consumer loans	41.690
Serie Ribeiro CI	Ribeiro S,A,C,I,F,A, e I,	07/16/2018	27,716	Consumer loans	27.343
Serie Ribeiro CII	Ribeiro S,A,C,I,F,A, e I,	04/12/2018	20,718	Consumer loans	20.431
Serie Ribeiro CIII	Ribeiro S,A,C,I,F,A, e I,	12/12/2018	12,909	Consumer loans	12.662
Serie Ribeiro CIV	Ribeiro S,A,C,I,F,A, e I,	12/12/2018	41,451	Consumer loans	40.946
Serie Ribeiro CV	Ribeiro S,A,C,I,F,A, e I,	05/28/2019	62,143	Consumer loans	61.638
Serie Ribeiro CVI	Ribeiro S,A,C,I,F,A, e I,	07/31/2019	95,660	Consumer loans	49.507
Total			2,849,300		531,206

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Public financial trusts authorized by the CNV, the financial statements of which are to be filed after 06/30/2020

Financial trust	Trustor	Date of agreement	Assets held in trust
Serie Ribeiro CVII	Ribeiro S.A.C.I.F.A. e I.	10/22/2019	Consumer loans
MELI Derechos Creditórios Tarjetas IV	Mercado Libre S.R.L.	05/14/2020	Credits granted merely through electronic means

Financial trusts in escrow

Financial trust	Trustor	Date of agreement	Assets held in trust
Bogar Clase II Serie II	Provincia de Río Negro	06/11/09	Percentage of the daily provincial tax revenues
Bogar Clase II Serie III	Provincia de Río Negro	07/30/13	Percentage of the daily provincial tax revenues
Fondo Fiduciario de desarrollo Rionegrino Plan Gobernador Castello	Provincia de Río Negro	11/24/17	Funds received by public credit operations authorized in article 1 of Law No. 5,201
Fideicomiso de Garantía Energía San Juan – SEPSA/Caja	Energía San Juan S.A.	03/23/17	Assignment and transfer of each and every one of the rights, titles and interests present and future emerging from the SEPSA Collection Agreements

The Bank acts as a trustee of the above mentioned trusts, and in no case will it meet the obligations assumed in executing these trusts with its own assets; these obligations will only be satisfied with and up to the amount of the assets held in trust and the proceeds therefrom. In addition, the trustee shall not encumber the assets held in trust or dispose of them beyond the limits established in the related trust agreements.

The fees earned by the Bank for its trustee's duties are calculated under the terms of the related agreements.

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NOTE 48 – DEPOSITARY OF MUTUAL FUNDS

Banco Patagonia S.A., in its capacity as depositary of mutual funds, keeps the custody of shares subscribed by third parties and assets in the following Mutual Funds:

Information as of June 30, 2020

Name	Deposits	Other	Total assets	Net asset value
Lombard Renta en Pesos Fondo Común de Inversión	24,043,701	2,977,544	27,021,245	27,020,336
Lombard Capital F.C.I.	769,351	3,269,988	4,039,339	4,020,794
Fondo Común de Inversión Lombard Renta Fija	70	156,512	156,582	156,094
Fondo Común de Inversión Lombard Pesos Plus (*)	-	-	-	-
Fondo Común de Inversión Lombard Ahorro	11,023	-	11,023	11,023
Fondo Común de Inversión Lombard Abierto Plus	201,731	729,391	931,122	928,260
Fondo Común de Inversión Lombard Acciones Líderes	95	99,490	99,585	99,177
Lombard Renta Fija en Dólares F.C.I.	2,769,848	2,641,572	5,411,420	4,877,646
Lombard Ahorro Plus F.C.I.	88,187	780,417	868,604	868,594
TOTAL	27,884,006	10,654,914	38,538,920	37,981,924

Information as of December 31, 2019

Name	Deposits	Other	Total assets	Net asset value
Lombard Renta en Pesos Fondo Común de Inversión	13,184,224	7,379,093	20,563,317	20,561,329
Lombard Capital F.C.I.	331,119	3,088,982	3,420,101	3,405,777
Fondo Común de Inversión Lombard Renta Fija	4,721	71,164	75,885	75,652
Fondo Común de Inversión Lombard Pesos Plus (*)	-	-	-	-
Fondo Común de Inversión Lombard Ahorro	11,497	-	11,497	11,495
Fondo Común de Inversión Lombard Abierto Plus	74,312	452,882	527,195	527,143
Fondo Común de Inversión Lombard Acciones Líderes	344	117,928	118,272	104,450
Lombard Renta Fija en Dólares F.C.I.	1,212,671	2,615,655	3,828,326	3,810,658
Lombard Ahorro Plus F.C.I.	415	825,321	825,736	825,709
TOTAL	14,819,304	14,551,026	29,370,329	29,322,214

(*) To the date of issuance of these financial statements, the Board of Directors of the Management Company is analyzing market conditions to proceed to the relaunching of the Lombard Pesos Plus whenever those conditions are deemed as adequate.

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NOTE 49 - SANCTIONS IMPOSED AND PROCEEDINGS INITIATED BY THE BCRA

Banco Patagonia S.A.

On January 8, 2015, the BCRA issued Communication "A" 5689 whereby it established that financial institutions shall recognize and report the administrative, disciplinary and criminal sanctions imposed by the BCRA, the UIF, the CNV, or the SSN, with judgment rendered in a court of original jurisdiction.

All the sanctions shall be taken into account, and a provision shall be set up for 100% of each sanction, which shall be kept until the payment is made or a final judgment is rendered.

As of June 30, 2020, the Bank set up a provision for the following proceedings:

Exchange proceedings No. 4969 notified on April 17, 2012; ruling issued on July 4, 2015 by the Court in Economic Criminal Matters No. 6, Court Clerk's Office No 12: of the charges are lack of authorization by the BCRA for the sale of foreign currency to a client in excess of the monthly limit of USD 2,000,000. The persons subject to these proceedings are Banco Patagonia S.A., Ariel Aranda, David Rodríguez, and Santiago Miñana. An appeal was filed with the Supreme Court of Justice and, within that context, on May 12, 2016, a filing was made with new events to request that the defendants be acquitted by the application of the less severe criminal law in relation to Communication "A" 5963, which extended the maximum limit for the acquisition of foreign currency without prior approval of the BCRA to USD 5,000,000. On December 17, 2019, the Supreme Court of Justice resolved to suspend the resolution of the case until the court of original jurisdiction decides upon the issue raised related to the most favorable criminal law.

As of June 30, 2020, the Entity set up a provision in the amount of 33 to cover both sanctions.

The proceedings brought by the BCRA that are still in process are outlined below:

Under Communication "A" 5940 dated April 1, 2016, the BCRA provided that the financial institutions having provisions recorded for the sanctions mentioned above at such date shall analyze, based on legal opinions, whether they meet the conditions to be fully or partially recorded. In case of sanctions not meeting the conditions for a provision, the Bank shall reverse such balances and recognize them in "Adjustments to prior-year profit or loss" or in the other expenses account: "Expenses from administrative, disciplinary and criminal sanctions", as applicable.

For sanctions pending payment that do not meet the conditions for the provision to be set up, the next Shareholders' Meeting shall set up a special reserve in the amount of the sanctions imposed for which no provision has been set up, provided the Bank has unappropriated retained earnings available. If the balance is not sufficient, the Statutory Special Reserve shall be set up to the extent the unappropriated retained earnings are generated.

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As of June 30, 2019, GPAT Compañía Financiera S.A.U. has not received any notice of administrative, disciplinary or criminal sanctions, or any proceedings.

NOTE 50 – FINANCIAL AGENT OF THE PROVINCE OF RÍO NEGRO

Under Law No. 2929 of the Province of Río Negro, and the agreement signed on May 27, 1996, the Bank serves as financial agent for the Provincial Government, and is responsible for the banking services set forth in article 1.2 of the aforementioned agreement.

On February 28, 2006, such agreement expired, but was then successively extended until December 31, 2006, under the same terms and conditions as those of the above mentioned agreement.

Thereafter, the Entity was awarded again with the contract to act as financial agent, and on December 14, 2006, the Río Negro Province Banking and Financial Services Agreement was signed for a 10-year term, which expired on December 13, 2016.

On December 29, 2016, Law No. 5187 enacted by the Legislature of the Province of Río Negro extended the application of the aforementioned contract for a period of 180 days, automatically renewable, or less if the bidding process called for the selection of a bank to provide financial agent services concluded before the extension period.

On December 22, 2016, through Executive Order No. 2140, the Executive Power of the Province of Río Negro launched a National Public Bid for the selection and subsequent appointment of a Financial Agent of the Province of Río Negro, for a term of ten years, subject to an extension of another five years, unless any of the parties stated otherwise.

The bidding process schedule establishes that the award date is April 6, 2017 and the date of execution of the Agreements is April 28, 2017.

Finally, as a result of the bidding process referred to above, on April 28, 2017, the Bank was again awarded the contract to act as financial agent for the Province of Río Negro, and the Río Negro Province Banking and Financial Services Agreement was signed for a 10-year term, with the possibility of an extension for other five years.

The services do not include the obligation to provide financial aid to the Province of Río Negro under conditions other than those consistent with the private banking nature of this bank.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 08/26/2020

By Supervisory Committee

Mónica M. Cukar
Regular Supervisory Auditor
Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. T° 147 F° 66

Juan M. Trejo
Superintendent
Finance, Administration and PublicSector

João Carlos de Nobrega Pecego
President

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Gustavo Carballal (Partner)
Public Accountant (U.B.)
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BANCO PATAGONIA S.A.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 51 – CNV REQUIREMENTS TO ACT AS AN OVER-THE-COUNTER BROKER

Banco Patagonia S.A.

Considering the operation that Banco Patagonia S.A. is currently performing, and according to the different broker categories established by the CNV standards (consolidated text of General Resolution No. 622/2013 and amendments), the entity is registered with the mentioned entity as a Custodian Broker of Mutual Funds and Financial and Non-financial Trustee.

The minimum equity required by the mentioned standard for the each registered broker category on June 30, 2020 amounts to 1,420,350 Units of Purchasing Power (UVA) adjusted by “CER” – Law No. 25,827, which is equivalent to 78,205.

Cash contra-account requirements account for 50% of the amount required as minimum shareholders’ Equity, which amounts to 710,175 Units of Purchasing Power (UVA), which is equivalent to 39,102.

As of June 30, 2020, the Entity’s capital exceeds CNV’s requirements and the minimum cash contra-account required is made up of funds deposited with the BCRA in its current account N° 034.

Patagonia Inversora S.A. Sociedad Gerente de Fondos Comunes de Inversión

As provided for by General Resolution No. 792 issued by the CNV on April 26, 2019, the minimum shareholders’ equity required to act as a Manager company is equivalent to 150,000 Units of Purchasing Power (UVA), needing to increase it on an amount equivalent to 20,000 UVA’s for each Mutual Fund that it manages, by a total amount of 310,000 UVAs, equivalent to a required minimum shareholders’ Equity of 17,069 as of June 30, 2020.

Cash contra-account requirements account for 50% of the amount required as minimum shareholders’ Equity, which amounts to 155.000 Units of Purchasing Power (UVA), which is equivalent to 8,534.

As of June 30, 2020, the Entity’s capital exceeds CNV’s requirements and the minimum cash contra-account required is broken down as follows:

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

Breakdown	Amount
Demand deposit accounts in local and foreign banks	56,821
Mutual funds	549,951
Corporate bonds	75,628
Fiduciary funds	1,684
Listed common shares	1,082
Argentine Government Securities	5,240
Total	690,406

Patagonia Valores S.A.

In compliance with the provisions of the CNV in force under GR No. 821/2019, and pursuant to the requirements established, the minimum shareholders' equity required to act as a Full Settlement and Clearing Agent amounts to 470,350 Units of Purchasing Power (UVA), which is equivalent to 25,897

Cash contra-account requirements account for 50% of the amount required as minimum shareholders' Equity, which amounts to 235,175 Units of Purchasing Power (UVA), which is equivalent to 12,949.

As of June 30, 2020, the Entity's capital exceeds CNV's requirements and the minimum cash contra-account required is broken down as follows:

Breakdown	Amount
Argentine Government Securities	45,764
Mutual funds	912
Total	46,676

NOTE 52 – TRANSACTIONS WITH DIRECTORS

No transactions falling under the provisions of section 271 of Business Companies Law (Law No. 19,550) have been identified.

NOTE 53 – CNV REQUIREMENT - CUSTODY OF GROUP'S DOCUMENTATION

Pursuant to the provisions of General Resolution No. 629 issued by the CNV on August 14, 2014, it is informed that the Group's companies have entrusted the custody of support documentation related to accounting transactions and other management documentation, not included in article 5 a.3), Section I, Chapter V, Title II of the CNV Rules (2013 consolidated text and amendments), to the third parties listed below:

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BANCO PATAGONIA S.A.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

Banco Patagonia S.A.

Company	Address
AdeA Administradora de Archivos S.A.	Route 36 - Km. 31.5 - Florencio Varela – Province of Buenos Aires
Iron Mountain Argentina S.A.	Av. Amancio Alcorta 2482 - Autonomous City of Buenos Aires. Azara 1245 – Autonomous City of Buenos Aires San Miguel de Tucumán 601 - Carlos Spegazzini – Province of Buenos Aires Torcuato Di Tella 1800 – Carlos Spegazzini – Province of Buenos Aires Puente del Inca 2450 – Tristán Suárez – Province of Buenos Aires

Patagonia Inversora S.A. Sociedad Gerente de Fondos Comunes de Inversión

Company	Address
AdeA Administradora de Archivos S.A.	Route 36 - Km. 31.5 - Florencio Varela – Province of Buenos Aires

Patagonia Valores S.A.

Company	Address
AdeA Administradora de Archivos S.A.	Route 36 - Km. 31.5 - Florencio Varela – Province of Buenos Aires

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

GPAT Compañía Financiera S.A.U.

Company	Address
AdeA Administradora de Archivos S.A.	Route 36 - Km. 31.5 - Florencio Varela – Province of Buenos Aires
Bank S.A.	Unamuno 2095 - Quilmes - Province of Buenos Aires Diógenes Taborda 73 - Autonomous City of Buenos Aires Carlos Pellegrini 1401 – Dock Sud – Province of Buenos Aires Av. Fleming 2190 - Munro - Province of Buenos Aires Ruta Panamericana Km 37.5 – Garín – Province of Buenos Aires Ruta Panamericana Km 31.5 – El Talar, Tigre – Province of Buenos Aires
Iron Mountain Argentina S.A.	Av. Amancio Alcorta 2482 - Autonomous City of Buenos Aires

In addition, all the aforementioned companies keep a detailed record of all documents entrusted to them in custody for review by the controlling bodies at their registered office.

NOTE 54 – COMPLIANCE WITH PROVISIONS SET FORTH BY LAW No. 25738

Banco Patagonia S.A. is a joint stock company organized under the laws of Argentina, the shareholders of which limit their liability to the paid-in shares subscribed in accordance with Law No. 19550. Therefore, in compliance with Law No. 25738, we report that neither the foreign majority shareholders nor the local or foreign shareholders are liable, in excess of such paid-in shares, for the obligations arising from the transactions performed by the Bank.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 55 - MACROECONOMIC CONTEXT

a) Argentina public debt situation

On August 29th, 2019, the National Executive Branch (PEN) issued Executive Order 596/2019, whereby it provided an immediate and phased extension of the maturities of payment obligations corresponding to certain short-term government securities. The postponement provided did not interrupt the accrual of interest established in the original terms and conditions of such securities, nor did it affect the principal or the interest rates agreed in each case.

In outlining the reasons for this measure, the PEN noted that the Argentine economy had been simultaneously affected by a decrease in its export capacity and a reversal in international capital flows, which led to an unforeseen devaluation of the nominal exchange rate against the US Dollar. According to the PEN recitals, the situation described above gave rise to a state of uncertainty in the financial markets, evidenced by the sharp and sustained fall in trading prices of national government bonds, which meant no further access to international markets for new financing.

On February 5th, 2020, the National Congress passed a law that intends to restore the sustainability of the Argentine external public debt. The law notes that borrowing policies have been inconsistent with the country's capacity to repay in foreign exchange, which makes restoring the sustainability of external public debt critical. The law authorizes the PEN to manage liabilities, carry out exchanges and/or restructuring of the interest maturity and principal amortization debt services of the Argentine Government Securities issued under foreign law.

This law designates the Ministry of Economy as the implementing authority, and enables it to carry out, among other things, the following acts: (a) issue new government securities in order to modify the interest maturity and capital repayment profile and restore the sustainability of external government debt; (b) determine the periods, time limits, methods and procedures for issuing new government securities; (c) designate financial institutions and/or advisers to act as lead managers and; (d) designate financial institutions and/or advisers to act as placing agents and/or to conduct public credit transactions and/or to provide liability management services and/or issue new securities and/or the hiring of other public credit loans.

On April 6th, 2020, the PEN issued Executive Order 346/2020, which provided for the deferral of interest payments and capital repayments of the national public debt securities denominated in US Dollars issued under Argentine law until December 31st 2020, or earlier if so determined by the Ministry of Economy, which will depend on the degree of progress and implementation of public debt sustainability restoration process.

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On April 17th, 2020, the Ministry of Economy released a statement inviting to tender sovereign bonds issued under foreign law and eligible for restructuring for new bonds. The statement outlined the main terms of the proposal, which were then approved together with the tender documents by PEN Executive Order 391/2020. The deadline for acceptance to tender the bonds ended on May 8th, 2020. Subsequently, by Resolution No. 221/2020, the Ministry of Economy provided for the extension of that period until May 22nd, 2020.

On May 15th, 2020, the Ministry of Economy reported that it received counteroffers from its creditors to the debt exchange offer, which were being analyzed. It also reported that the Argentine government and creditors continue to negotiate to reach a sustainable agreement under the external public debt restructuring process.

In addition, on April 6th, 2020, the Province of Buenos Aires submitted to external private creditors a proposal to restructure its public debt under foreign law. Such proposal includes a three-year grace period, an interest and principal reduction and the extension of the average life of the debt.

The Argentine government, after a long negotiation, informed on August 4, 2020 that an agreement with main private creditors was made, which allows them to accomplish a debt restructuring in bonds for approximately sixty-six million thousand dollars.

The Group Management constantly monitors developments in the macroeconomic situation, in order to define possible actions to be taken and to identify possible impacts that should be disclosed as regards the financial and cash situation of the company.

b) COVID Pandemic 19

On March 11th, 2020, the World Health Organization (WHO) declared the Coronavirus (COVID-19) pandemic, due to its rapid spread around the world, having affected more than 150 countries.

Most governments were taking restrictive measures to contain the spread, including: isolation, lockdown, quarantine and restriction on the free movement of persons, closure of public and private premises, except for so-called essential or primary need products (health, food, fuel and communications) and border closure as well as a dramatic reduction of air, sea, rail and land transport.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

In the Argentine Republic, on March 12th, 2020, PEN Executive Order No. 260/2020, as amended, declared the health emergency to manage the crisis caused by the aforementioned COVID-19, and finally, on March 19th, the PEN passed Executive Order 297/2020 declaring the preventive, mandatory social distancing (ASPO in Spanish), which governed from March 20th to 31st, 2020, and was subsequently extended after that date. In recent weeks, these measures have been made more flexible, allowing for a gradual return of certain economic activities, mainly in the interior, although mandatory distancing is maintained.

The various restrictive measures adopted, as mentioned above, are affecting the global, regional and national economies due to the disruption of slowdown of supply chains and the increased economic uncertainty, as evidenced by an increase in asset price volatility, exchange rates and a long-term interest rate decline.

The BCRA regulations issued after the COVID-19 crisis included measures to extend the maturities of any loans past due during the lockdown period ordered by the Argentine government in mid-March, to provide credit lines below the market rate for individuals and companies that have been most affected by the pandemic and to ensure the availability of banking services and the payment chain at all levels, even in light of the extended branch closures that occurred during the first stage of the lockdown.

In particular, the new regulations established by the BCRA include:

- Restrictions on the maximum liquidity position of the BCRA (LELIQ), in order to make liquidity available and encourage the provision of credit lines to SMEs, through secured loans from the Argentine Guarantee Fund (FoGAR),
- Temporary flexibilization of bank loan classification rules,
- Deferral of financial institutions' dividend payments until June 30th, 2020,
- Capital requirement of 1.250% on exposure to credit card loans corresponding to tourism-related purchases made outside Argentina,
- Temporary elimination of charge fees related to ATM services
- Freezing UVA indexing on home loans until September 30th, 2020,
- Deferring credit card payments for three months,
- Lowering maximum credit card interest rates, and
- Extension of all overdue loan payments during the second quarter without punitive interest.

At Banco Patagonia, since the implementation of ASPO, the level of attention and operability was maintained in its entirety according to the standards issued by the BCRA.

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In central areas, 93% of staff work remotely over VPN connections, and in branches rotating teams are changed every two weeks to ensure business continuity.

During this period, the usual performance was maintained in terms of the availability of ATMs and self-service terminals to meet user demand, as well as continuing with the implementation of ongoing projects.

In turn, biosecurity measures were implemented at the branches in order to prevent contagion, such as the mandatory use of personal protective elements (gloves and masks), the implementation of protective barriers in the workplace and provision of hand sanitizer.

The cleaning and disinfection measures of the branches were also reinforced.

With regard to the financial situation, the COVID-19 crisis finds the Entity with a strong position of solvency and capital adequacy, exhibiting as of June 30th, 2020, a capitalization ratio according to Basel Committee Rules above 17.6%.

During the first quarter of 2020, liquidity conditions remained loose. The wide liquidity margins and the prudential management of such margins have allowed the Bank to maintain internal risk appetite and tolerance ratios as well as regulatory ratios far above the minimum required.

In this regard, it is important to note that the key indicators of Basel III, the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) more than double the minimum required, exceeding 200%.

The Entity also maintains an adequate liquidity reserve consisting of high-quality assets, and a strong balance sheet structure (in local and foreign currency) that allows it to address this situation from a strong position; it maintains prudential levels of short-term and long-term liquidity risk appetite indicators, such as liquid asset-to deposit ratio and maturity mismatch ratio.

With regard to interest rate risk management, the Entity has a favorable position with low mismatch risk (duration between assets and liabilities), both with respect to interest rate sensitivity measures and changes in economic value; as such, it shows an adequate management of the structural balance sheet risk, even considering the volatility of rates and prices of financial assets generated by COVID-19.

With regard to credit risk and allowance levels, the estimated allowance for expected credit losses incorporates updated forward-looking information in IFRS 9 models to respond to the exceptional circumstances generated by the COVID-19 pandemic in the macroeconomic and financial environment, characterized by a high level of uncertainty as to its intensity and duration.

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Notwithstanding the foregoing, the Entity has taken prudential measures to efficiently manage its portfolios, monitoring changes in credit ratings and avoiding deterioration in the quality of its financial assets, in order to guarantee the recoverability of the portfolio at risk and sustainability of default rates, which will be affected by the current situation.

Management continuously monitors the situation described above in order to identify and determine its possible impact on its financial and cash position, which may be necessary to reflect in the financial statements.

NOTE 56 – SUBSEQUENT EVENTS

No other events or transactions have occurred from period-end to the date of issuance of these financial statements that would have a material effect on the financial position of the Bank or the results of its operations as of June 30th, 2020.

Marcelo A. Iadarola
Executive Manager of Administration

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BANCO PATAGONIA S.A.

EXHIBIT B
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED
BY STATUS AND OTHER GUARANTEES RECEIVED
AS OF 06/30/20 AND 12/31/19
 (Figures stated in thousands of pesos)

COMMERCIAL LOAN PORTFOLIO	06/30/20	12/31/19
Performing	65,684,950	67,306,997
- With "A" preferred guarantees and counter-guarantees	1,967,447	2,014,954
- With "B" preferred guarantees and counter-guarantees	4,485,482	4,516,399
- Without preferred guarantees or counter-guarantees	59,232,021	60,775,644
Subject to special monitoring	147,234	129,471
In observation	139,932	93,439
- With "A" preferred guarantees and counter-guarantees	-	3,938
- With "B" preferred guarantees or counter-guarantees	90,227	85,632
- Without preferred guarantees or counter-guarantees	49,705	3,869
In negotiation or under refinancing agreements	7,302	36,032
- With "A" preferred guarantees and counter-guarantees	-	97
- With "B" preferred guarantees or counter-guarantees	7,297	31,395
- Without preferred guarantees or counter-guarantees	5	4,540
Troubled	92,947	90,413
- With "A" preferred guarantees and counter-guarantees	-	772
- With "B" preferred guarantees or counter-guarantees	2,652	2,562
- Without preferred guarantees or counter-guarantees	90,295	87,079
With high risk of insolvency	382,555	55,527
- With "B" preferred guarantees or counter-guarantees	360,887	52,400
- Without preferred guarantees or counter-guarantees	21,668	3,127
Non-recoverable	53,092	551,292
- With "A" preferred guarantees and counter-guarantees	6,750	-
- With "B" preferred guarantees or counter-guarantees	19,718	422,929
- Without preferred guarantees or counter-guarantees	26,624	128,363
TOTAL COMMERCIAL LOAN PORTFOLIO	66,360,778	68,133,701

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BY STATUS AND OTHER GUARANTEES RECEIVED
AS OF 06/30/20 AND 12/31/19
(Figures stated in thousands of pesos)**

CONSUMER AND/OR HOME LOAN PORTFOLIO	06/30/20	12/31/19
Performing	33,293,841	35,450,675
- With "A" preferred guarantees and counter-guarantees	1,060,854	606,861
- With "B" preferred guarantees and counter-guarantees	5,474,361	6,386,017
- Without preferred guarantees or counter-guarantees	26,758,626	28,457,797
Low risk	333,018	806,013
- With "A" preferred guarantees and counter-guarantees	5,861	16,006
- With "B" preferred guarantees and counter-guarantees	36,659	214,225
- Without preferred guarantees or counter-guarantees	290,498	575,782
Low risk – At special treatment	831	-
- Without preferred guarantees or counter-guarantees	831	-
Medium risk	298,004	593,420
- With "A" preferred guarantees and counter-guarantees	4,007	12,422
- With "B" preferred guarantees and counter-guarantees	15,156	25,827
- Without preferred guarantees or counter-guarantees	278,841	555,172
High risk	424,812	962,115
- With "A" preferred guarantees and counter-guarantees	3,083	9,690
- With "B" preferred guarantees and counter-guarantees	258	10,784
- Without preferred guarantees or counter-guarantees	421,471	941,641
Irrecoverable	630,747	436,264
- With "A" preferred guarantees and counter-guarantees	3,518	8,332
- With "B" preferred guarantees and counter-guarantees	2,974	3,682
- Without preferred guarantees or counter-guarantees	624,255	424,250
Non-recoverable according to BCRA regulations	-	584
- With "B" preferred guarantees and counter-guarantees	-	570
- Without preferred guarantees or counter-guarantees	-	14
TOTAL CONSUMER AND/OR HOME LOAN PORTFOLIO	34,981,253	38,249,071
TOTAL GENERAL	101,342,031	106,382,772

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

João Carlos de Nobrega Pecego
President

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By Supervisory Committee

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BANCO PATAGONIA S.A.

**EXHIBIT B
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED
BY STATUS AND OTHER GUARANTEES RECEIVED
AS OF 06/30/20 AND 12/31/19**

(Figures stated in thousands of pesos)

RECONCILIATION OF LOANS AND OTHER FINANCING FACILITIES AS PER CONSOLIDATED STATEMENT OF FINANCIAL POSITION

BREAKDOWN	06/30/20	12/31/19
BALANCE AS PER EXHIBIT "B"	101,342,031	106,382,772
Items included in Exhibit "B" and not included in Loans and other financing facilities	(1,065,036)	(935,786)
Off-balance sheet items– agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards	(931,936)	(707,521)
Other items	(133,100)	(228,265)
Items not included in Exhibit "B" and included in Loans and other financing facilities	(5,101,544)	(5,719,560)
Loans and other financing facilities- loans to personnel	271,815	308,790
Loans and other financing facilities – IFRS adjustment at effective interest rate	(659,560)	(635,086)
Loans and other financing facilities– Allowances for loan losses	(4,713,799)	(5,393,345)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	95,175,451	99,726,345

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**EXHIBIT C
LOANS AND OTHER FINANCING FACILITIES CONCENTRATION
AS OF 06/30/20 AND 12/31/19
(Figures stated in thousands of Pesos)**

Number of customers	FINANCING FACILITIES			
	06/30/20		12/31/19	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	18,219,311	18,0%	20,157,150	18,9%
50 next largest customers	25,692,029	25,4%	27,041,793	25,4%
100 next largest customers	8,866,864	8,8%	9,628,925	9,1%
Rest of customers	48,563,827	47,9%	49,554,904	46,6%
TOTAL	101,342,031	100%	106,382,772	100%

RECONCILIATION OF LOANS AND OTHER FINANCING FACILITIES AS PER CONSOLIDATED STATEMENT OF FINANCIAL POSITION

BREAKDOWN	06/30/20	12/31/19
BALANCE AS PER EXHIBIT "C"	101,342,031	106,382,772
Items included in Exhibit "C" and not included in Loans and other financing facilities	(1,065,036)	(935,786)
Off-balance sheet items– agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards	(931,936)	(707,521)
Other items	(133,100)	(228,265)
Items not included in Exhibit "C" and included in Loans and other financing facilities	(5,101,544)	(5,719,560)
Loans and other financing facilities- loans to personnel	271,815	308,790
Loans and other financing facilities–IFRS adjustment at effective interest rate	(659,560)	(635,086)
Loans and other financing facilities– Allowances for loan losses	(4,713,799)	(5,393,345)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	95,175,451	99,726,345

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**EXHIBIT D
LOANS AND OTHER FINANCING FACILITIES BROKEN DOWN BY TERM
AS OF 06/30/20**

(Figures stated in thousands of Pesos)

Item	Matured	Terms remaining to maturity						Total al 06/30/20
		1 month	3 months	6 months	12 months	24 months	Over 24 months	
Non-financial government sector	-	152,462	4	73	514	-	-	153,053
Financial sector	1,145	1,495,605	1,047,836	1,245,737	1,583,335	3,388,267	106,301	8,868,226
Nonfinancial private sector and foreign residents	2,047,432	46,145,748	7,140,934	8,669,828	18,029,179	9,627,307	9,824,578	101,485,006
TOTAL	2,048,577	47,793,815	8,188,774	9,915,638	19,613,028	13,015,574	9,930,879	110,506,285

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Translation from the original prepared in Spanish for publication in Argentina

BANCO PATAGONIA S.A.

EXHIBIT H
DEPOSIT CONCENTRATION
AS OF 06/30/20 AND 12/31/19
(Figures stated in thousands of Pesos)

Number of customers	06/30/20		12/31/19	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	27,841,818	15,4%	15,071,398	10.9%
50 next largest customers	23,962,053	13,2%	15,025,676	10.9%
100 next largest customers	11,921,251	6,6%	8,149,709	5.9%
Rest of customers	117,364,807	64,8%	99,606,431	72.3%
TOTAL	181,089,929	100,0%	137,853,214	100,0%

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**EXHIBIT I
FINANCIAL LIABILITIES BROKEN DOWN BY TERMS REMAINING TO MATURITY
AS OF 06/30/2020**

(Figures stated in thousands of Pesos)

Item	Terms remaining to maturity						
	1 month	3 months	6 months	12 months	24 months	over 24 months	Total as of 06/30/20
Deposits	170,891,733	10,139,069	871,511	218,063	789	789	182,121,954
Non-financial government sector	17,548,443	1,101,756	14,226	-	-	-	18,664,425
Financial sector	772,585	-	-	-	-	-	772,585
Nonfinancial private sector and foreign residents	152,570,705	9,037,313	857,285	218,063	789	789	162,684,944
Liabilities at fair value through profit or loss	35	-	-	-	-	-	35
Derivative instruments	20,595	-	-	-	-	-	20,595
Repo transactions	38,798	-	-	-	-	-	38,798
Other financial institutions	38,798	-	-	-	-	-	38,798
Other financial liabilities	7,495,730	-	-	-	-	-	7,495,730
Financing facilities received from the BCRA and other financial institutions	2,373,444	2,260,678	973,679	13,732	933,696	2,382,158	8,937,387
Corporate bonds issued	-	66,000	490,955	598,333	-	-	1,155,288
TOTAL	180,820,335	12,465,747	2,336,145	830,128	934,485	2,382,947	199,769,787

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**EXHIBIT J
CHANGES IN PROVISIONS
AS OF 06/30/20**

(Figures stated in thousands of Pesos)

Item	Balances at beginning of year	Increases	Decreases		Monetary result for allowances and provisions	Balance as of 06/30/20
			Reversals	Uses		
INCLUDED IN LIABILITIES						
For contingent commitments	293,866	218,129	-	147,450	(33,381)	331,164
For administrative, disciplinary and criminal sanctions	37	-	-	-	(4)	33
Other	1,552,668	118,315	1,306	10,221	(179,261)	1,480,195
Labor lawsuits	77,652	20,024	-	8,678	(8,971)	80,027
Complaints, proceedings, appeals	1,340,328	84,601	1,306	1,405	(154,612)	1,267,606
Tax lawsuits	134,688	13,690	-	138	(15,678)	132,562
TOTAL ALLOWANCES AND PROVISIONS	1,846,571	336,444	1,306	157,671	(212,646)	1,811,392

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**EXHIBIT R
LOSS IMPAIRMENT ADJUSTMENT - ALLOWANCES FOR LOAN LOSSES
AS OF 06/30/2020**

(Figures stated in thousands of Pesos)

Item	Balances at beginning of year	ECL for the next 12 months	ECL of the remaining life of the financial asset		Monetary gain/loss from allowances	Balances as of 06/30/20
			IF with significant increase in CR	IF with credit impairment		
Other financial assets	1,113,118	111,578	1,161	83	(127,522)	1,098,418
Loans and other financing facilities	5,393,345	(355,063)	268,651	53,905	(647,039)	4,713,799
Other financial institutions	2,407	674	-	-	(273)	2,808
Nonfinancial private sector and foreign residents	5,390,938	(355,737)	268,651	53,905	(646,766)	4,710,991
Overdrafts	291,019	(195,726)	29,824	63,598	(33,057)	155,658
Notes	716,401	(74,057)	(37,007)	(210,854)	(81,377)	313,106
Mortgage loans	33,380	(16,934)	12,436	1,727	(3,792)	26,817
Car loans	95,203	(1,898)	-	-	(10,814)	82,491
Consumer	1,830,947	89,875	115,999	187,125	(207,979)	2,015,967
Credit cards	505,170	340,206	154,080	53,287	(67,911)	984,832
Finance lease	36,718	(7,740)	(5,825)	(7,695)	(4,171)	11,287
Other	1,882,100	(489,463)	(856)	(33,283)	(237,665)	1,120,833
Other debt securities	10,610	35,544	-	-	(1,205)	44,949
Eventual commitments	293,865	64,007	(1,939)	(1,917)	(22,852)	331,164
TOTAL ALLOWANCES	6,810,938	(143,934)	267,873	52,071	(798,618)	6,188,330

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BANCO PATAGONIA S.A.

CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
As of June 30, 2020

CONTENTS

	Page
Condensed Interim Separate Statements of Financial Position	85
Condensed Interim Separate Statements of Income	87
Condensed Interim Separate Statements of Income - Earnings per Share.....	88
Condensed Interim Separate Statements of Other Comprehensive Income.....	89
Condensed Interim Separate Statements of Changes in shareholders' Equity.....	90
Condensed Interim Separate Statements of Cash Flows	92
Notes to the Condensed Interim Separate Financial Statements.....	94
Note 1 – Reason for the preparation of separate financial statements	
Note 2 – Basis for the preparation of the financial statements	
Note 3 - Significant accounting policies	
Note 4 – Cash and bank deposits	
Note 5 – Derivative instruments	
Note 6 – Repo transactions	
Note 7 – Other financial assets	
Note 8 – Loans and other financing facilities	
Note 9 – Financial assets granted as collateral	
Note 10 – Income tax	
Note 11 – Investment in subsidiaries, associates and joint ventures	
Note 12 – Property and equipment	
Note 13 – Intangible assets	
Note 14 – Other non-financial assets	
Note 15 – Non current assets held for sale	

BANCO PATAGONIA S.A.

CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS

As of June 30, 2020

CONTENTS

Page

Note 16 – Deposits	
Note 17 – Other financial liabilities	
Note 18 – Financing facilities received from BCRA and other financial institutions	
Note 19 – Corporate bonds issued	
Note 20 – Other non-financial liabilities	
Note 21 – Provisions	
Note 22 – Interest income	
Note 23 – Interest expense	
Note 24 – Fee income	
Note 25 – Fee expenses	
Note 26 – Net gain on financial instruments measured at fair value with changes through profit or loss	
Note 27 – Other operating income	
Note 28 – Employee benefits	
Note 29 – Administrative expenses	
Note 30 – Other operating expenses	
Note 31 – Fair value of financial instruments	
Note 32 – Restricted assets	
Note 33 – Minimum cash and capital requirements	
Note 34 – Transactions with Companies included in section 33, Companies Law No. 19550	
Note 35 – Compliance with provisions set forth by Law No. 25738	
Note 36 – CNV requirements to act as an Over-the-counter Broker	
Note 37 – Subsequent events	

BANCO PATAGONIA S.A.

CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
As of June 30, 2020

CONTENTS

	Page
Exhibit A - Breakdown of government and corporate securities	119
Exhibit B - Loans and other financing facilities classified by status and other guarantees received	122
Exhibit C - Loans and other financing facilities concentration.....	125
Exhibit D - Loans and other financing facilities broken down by term.....	126
Exhibit H - Deposit concentration	127
Exhibit I - Financial liabilities broken down by terms remaining to maturity	128
Exhibit J - Changes in provisions	129
Exhibit L - Balances in foreign currency	130
Exhibit O - Derivatives instruments	131
Exhibit R - Loss impairment adjustment – Allowances for loan losses.....	132

BANCO PATAGONIA S.A.

**CONDENSED INTERIM SEPARATE
STATEMENTS OF FINANCIAL POSITION AS OF 06/30/2020 AND 12/31/2019**
(Stated in thousands of Pesos)

ITEMS	NOTES	06/30/20	12/31/19
ASSETS			
Cash and bank deposits	4	50,656,366	49,916,968
Cash on hand		9,344,410	13,164,382
Financial institutions and correspondents		41,311,956	36,752,586
BCRA		40,188,156	36,228,440
Other in Argentina and abroad		1,123,800	524,146
Debt securities measured at fair value with change through profit or loss (Exhibit A)		952,239	253,931
Derivative instruments	5	222,726	87,147
Repo transactions	6	8,749,852	-
Other financial assets	7	1,803,376	1,753,681
Loans and other financing facilities (Exhibits B and C)	8	86,964,781	95,182,355
Non-financial government sector		151,899	25,509
Other financial institutions		7,706,696	6,742,124
Nonfinancial private sector and foreign residents		79,106,186	88,414,722
Other debt securities (Exhibit A)		72,823,115	46,715,994
Financial assets granted as collateral	9	4,997,323	4,006,430
Investments in equity instruments (Exhibit A)		843,744	951,150
Investments in subsidiaries, associates and joint ventures	11	2,295,859	2,292,211
Property and equipment	12	9,592,395	9,739,251
Intangible assets	13	412,172	386,091
Deferred income tax assets		2,154,955	1,153,728
Other non-financial assets	14	792,020	1,166,391
Non current assets held for sale	15	22,594	-
TOTAL ASSETS		243,283,517	213,605,328

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**CONDENSED INTERIM SEPARATE
STATEMENTS OF FINANCIAL POSITION AS OF 06/30/2020 AND 12/31/2019**
(Stated in thousands of Pesos)

ITEM	NOTES	06/30/20	12/31/19
LIABILITIES			
Deposits (Exhibits H)		174,779,903	134,853,559
Nonfinancial government sector		18,535,013	13,532,515
Financial sector		772,453	844,686
Nonfinancial private sector and foreign residents	16	155,472,437	120,476,358
Liabilities at fair value through profit or loss		35	-
Derivative instruments	5	20,595	280,535
Repo transactions	6	38,798	-
Other financial liabilities	17	7,126,377	9,034,282
Financing facilities received from the BCRA and other financial institutions	18	6,505,246	18,781,019
Current income tax liabilities	10 a)	2,190,092	5,231,665
Provisions (Exhibit J)	21	1,804,350	1,840,194
Other nonfinancial liabilities	20	12,510,460	4,888,957
TOTAL LIABILITIES		204,975,856	174,910,211
SHAREHOLDERS' EQUITY			
Share capital		719,145	719,145
Non-capitalized contributions		217,191	217,191
Share capital adjustments		15,424,266	15,424,266
Retained earnings		28,376,573	18,383,996
Unappropriated retained earnings		(13,234,475)	(15,270,612)
Other comprehensive income		443,735	(669,971)
Income for the period		6,361,226	19,891,102
TOTAL SHAREHOLDERS' EQUITY		38,307,661	38,695,117
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		243,283,517	213,605,328

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**CONDENSED INTERIM SEPARATE
STATEMENTS OF INCOME AS OF 06/30/2020 AND 06/30/2019**
(Stated in thousands of Pesos)

ITEMS	NOTES	THREE-MONTH PERIOD ENDED		SIX-MONTH PERIOD ENDED	
		06/30/20	06/30/19	06/30/20	06/30/19
Interest income	22	12,788,229	20,180,191	27,492,444	36.452.941
Interest expense	23	(3,939,396)	(9,359,656)	(9,398,398)	(16.821.769)
Interest income/loss		8,848,833	10,820,535	18,094,046	19.631.172
Fee income	24	1,777,704	2,229,005	3,817,926	4.570.751
Fee expenses	25	(507,678)	(640,716)	(1,134,770)	(1.234.055)
Fee income/loss		1,270,026	1,588,289	2,683,156	3.336.696
Net gain on financial instruments measured at fair value through profit or loss	26	372,461	960,929	451,220	1.038.751
Result from derecognition of assets measured at amortized cost and at fair value with changes in ORI		(1,532,035)	-	(1,532,035)	-
Gold and foreign currency bid/offer spread		201,805	761,919	385,926	1.478.947
Other operating income	27	824,157	654,688	1,407,019	3.533.285
Charge for Loan Losses		(513,901)	(771,395)	(605,808)	(3.445.413)
Net operating income		9,471,346	14,014,965	20,883,524	25.573.438
Employee benefits	28	(2,381,262)	(2,371,546)	(4,586,095)	(4.751.524)
Administrative expenses	29	(1,346,432)	(1,430,142)	(2,574,570)	(2.916.029)
Depreciation and impairment of assets		(262,406)	(258,689)	(528,381)	(508.523)
Other operating expenses	30	(1,062,851)	(1,032,585)	(2,126,294)	(2.503.294)
Operating income		4,418,395	8,922,003	11,068,184	14.894.068
Gain/loss on associates and joint ventures		170,700	491,204	198,435	382.473
Inflation effect (net position of assets and liabilities)		(1,432,512)	(1,289,936)	(2,454,421)	(4.055.697)
Income before tax relating to continuing operations		3,156,583	8,123,271	8,812,198	11.220.844
Income tax relating to continuing operations	10 b)	(676,813)	(3,457,572)	(2,450,972)	(5.196.775)
Net income from continuing operations		2,479,770	4,665,699	6,361,226	6.024.069
INCOME FOR THE PERIOD		2.479.770	4.665.699	6.361.226	6.024.069

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**CONDENSED INTERIM SEPARATE
STATEMENTS OF INCOME AS OF 06/30/2020 AND 06/30/2019**
(Stated in thousands of Pesos)

EARNINGS PER SHARE	THREE-MONTH PERIOD ENDED		SIX-MONTH PERIOD ENDED	
	06/30/20	06/30/19	06/30/20	06/30/19
NUMERATOR				
Net income attributable to the shareholders of the parent company	2,479,770	4,665,699	6,361,226	6,024,069
Net income attributable to the shareholders of the parent company adjusted to reflect dilution	2,479,770	4,665,699	6,361,226	6,024,069
DENOMINATOR				
Weighted average outstanding common shares for the period	719,145	719,145	719,145	719,145
Weighted average outstanding common shares for the period adjusted to reflect dilution	719,145	719,145	719,145	719,145
Earnings per share – Basic	3.448	6.488	8.846	3.777
Earnings per shares - Diluted	3.448	6.488	8.846	3.777

Marcelo A. Iadarola
Executive Manager of Administration

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with our report dated 08/26/2020

By Supervisory Committee

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Superintendent
Finance, Administration and Public

João Carlos de Nobrega Pecego
President

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BANCO PATAGONIA S.A.

**CONDENSED INTERIM SEPARATE
STATEMENTS OF OTHER COMPREHENSIVE INCOME AS OF 06/30/2020 AND 06/30/2019**
(Stated in thousands of Pesos)

ITEM	THREE-MONTH PERIOD ENDED		SIX-MONTH PERIOD ENDED	
	06/30/20	06/30/19	06/30/20	06/30/19
INCOME FOR THE PERIOD	2,479,770	4,665,699	6,361,226	6,024,069
Components of other comprehensive income that will be reclassified to income for the period				
Exchange differences on translation of financial statements	8,948	(52,714)	11,733	(38,787)
Exchange differences for the period	11,930	(70,285)	15,644	(51,716)
Income tax	(2,982)	17,571	(3,911)	12,929
Gains or losses from financial instruments at fair value through OCI (paragraph 4.1.2 of IFRS 9)	2,841,811	(422,409)	1,120,785	151,172
Gains on financial instruments carried at fair value through OCI	4,059,939	(603,441)	1,601,121	215,954
Income tax	(1,218,128)	181,032	(480,336)	(64,782)
Equity in other comprehensive income of associates and joint ventures recognized by using the equity method	9,353	(27,253)	(18,812)	(17,301)
Income for the period arising from the equity in other comprehensive income of associates and joint ventures recognized by using the equity method	9,353	(27,253)	(18,812)	(17,301)
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED TO INCOME FOR THE PERIOD	2,860,112	(502,376)	1,113,706	95,084
TOTAL OTHER COMPREHENSIVE INCOME	2,860,112	(502,376)	1,113,706	95,084
TOTAL COMPREHENSIVE INCOME	5,339,882	4,163,323	7,474,932	6,119,153

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**CONDENSED INTERIM SEPARATE STATEMENT
OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF 06/30/2020**

(Figures stated in thousands of Pesos)

Changes	Share capital (1)	Non-capitalized contributions	Share capital adjustments	Other comprehensive income				Retained earnings		Unappropriated retained earnings	Total equity Attributable to controlling interests	Total shareholders' equity as of 06/30/2020
	Outstanding	Additional paid-in capital		Exchange differences on translation of financial Statements	Revaluation of Property and Equipment	Accumulated gains/losses from financial instr. at fair value with changes through OCI	Other	Legal	Other			
Restated balances at the beginning of the period (*)	719,145	217,191	119,990	364,779	5,898,554	(1,107,738)	(287,799)	4,876,942	6,973,620	19,891,102	37,665,786	37,665,786
Adjustments and restatements of balances by initial application IAS 29	-	-	15,304,276	(218,278)	(4,740,881)	(453,485)	(125,123)	2,625,374	3,908,060	(15,270,612)	1,029,331	1,029,331
Adjusted and restated balances at the beginning of the year	719,145	217,191	15,424,266	146,501	1,157,673	(1,561,223)	(412,922)	7,502,316	10,881,680	4,620,490	38,695,117	38,695,117
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholders's Meeting held on 04/23/20 (2)												
- Legal reserve	-	-	-	-	-	-	-	3,570,993	-	(3,570,993)	-	-
- Optional reserve – Future distribution of earnings	-	-	-	-	-	-	-	-	14,283,972	(14,283,972)	-	-
- Partial reversal of the optional reserve for cash dividends payment (3)	-	-	-	-	-	-	-	-	(7,862,388)	-	(7,862,388)	(7,862,388)
Income for the period	-	-	-	-	-	-	-	-	-	6,361,226	6,361,226	6,361,226
Other comprehensive income for the period	-	-	-	11,733	-	1,120,785	(18,812)	-	-	-	1,113,706	1,113,706
Balances at period-end	719,145	217,191	15,424,266	158,234	1,157,673	(440,438)	(431,734)	11,073,309	17,303,264	(6,873,249)	38,307,661	38,307,661

(1) See note 28 to these condensed interim consolidated financial statements.

(2) See note 43 to these condensed interim consolidated financial statements.

(3) Corresponds to \$ 10.933 per share.

(*) Balances as of December 31, 2019 restated as of June 30, 2020.

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**CONDENSED INTERIM SEPARATE STATEMENT
OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF 06/30/2019**

(Figures stated in thousands of Pesos)

Changes	Share capital (1)		Share capital adjustments	Other comprehensive income				Retained earnings		Unappropriated retained earnings	Total equity Attributable to controlling interests	Total shareholders' equity as of 06/30/2019
	Outstanding	Non-capitalized contributions Additional paid-in capital		Exchange differences on translation of financial statements	Revaluation of Property and Equipment	Accumulated gains/losses from financial instru. at fair value with changes through OCI	Other	Legal	Other			
Restated balances at the beginning of the period (*)	719,145	217,191	688,635	312,498	6,310,160	(88,538)	(52,565)	5,645,145	9,005,620	8,989,797	31,747,088	31,747,088
Adjustments and restatements of balances by initial application IAS 29	-	-	14,735,631	(196,474)	(4,684,736)	(974,331)	(46,400)	-	-	(7,989,904)	843,786	843,786
Adjusted and restated balances at the beginning of the year	719,145	217,191	15,424,266	116,024	1,625,424	(1,062,869)	(98,965)	5,645,145	9,005,620	999,893	32,590,874	32,590,874
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholder's meeting held on 04/25/19 (2)												
- Reserva legal	-	-	-	-	-	-	-	1,857,171	-	(1,857,171)	-	-
- Optional reserve – Future distribution of earnings	-	-	-	-	-	-	-	-	2,785,757	(2,785,757)	-	-
- Absorption of adjustment from IFRS-first-time adoption	-	-	-	-	-	-	-	-	(296,058)	296,058	-	-
- Cash dividends (2)	-	-	-	-	-	-	-	-	-	(4,015,380)	(4,015,380)	(4,015,380)
Income for the period	-	-	-	-	-	-	-	-	-	6,024,069	6,024,069	6,024,069
Other comprehensive income for the period	-	-	-	(38,787)	-	151,172	(17,301)	-	-	-	95,084	95,084
Balances at period-end	719,145	217,191	15,424,266	77,237	1,625,424	(911,697)	(116,266)	7,502,316	11,495,319	(1,338,288)	34,694,647	34,694,647

(1) See note 28 to the condensed interim consolidated financial statements.

(*) Balances as of December 31, 2018 restated as of June 30, 2020.

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BANCO PATAGONIA S.A.

**CONDENSED INTERIM SEPARATE STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 06/30/2020 AND 06/30/2019**
(Stated in thousands of Pesos)

ITEM	06/30/20	06/30/19
Cash flows from operating activities		
Income for the period before income tax	8,812,198	11,220,844
Inflation effect (net position of assets and liabilities)	2,454,421	4,055,697
Adjustments to obtain cash flows from operating activities:	(2,237,788)	7,793,990
Depreciation and impairment of assets	528,381	508,523
Charge for Loan Losses	605,808	3,445,413
Other adjustments	(3,371,977)	3,840,054
Net increases from operating assets:	(25,603,166)	7,007,287
Debt securities measured at fair value with changes through profit or loss	(698,308)	59,329
Derivative instruments	(135,579)	(478,327)
Repo transactions	(8,749,852)	(615,572)
Loans and other financing facilities	10,512,332	31,590,998
Non-financial government sector	17,294	94,860
Other financial institutions	884,911	1,767,463
Nonfinancial private sector and foreign residents	9,610,127	29,728,675
Other debt securities	(26,106,565)	(25,472,372)
Financial assets granted as collateral	(990,893)	703,389
Investments in equity instruments	(4,575)	(1,184,596)
Other assets	570,274	2,404,438
Net increases from operating liabilities:	17,506,300	(28,519,746)
Deposits	36,157,723	(27,843,116)
Non-financial government sector	3,806,597	(2,223,418)
Financial sector	180,878	(9,568)
Nonfinancial private sector and foreign residents	32,170,248	(25,610,130)
Liabilities measured at fair value with changes through profit or loss	35	48,706
Derivative instruments	(259,940)	768
Repo transactions	38,798	701,236
Financing facilities received from the BCRA and other financial institutions	(11,927,214)	345,791
Other liabilities	(6,503,102)	(1,773,131)
Income tax payments	(974,290)	(2,301,385)
TOTAL OPERATING ACTIVITIES (A)	(42,325)	(743,313)

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BANCO PATAGONIA S.A.

**CONDENSED INTERIM SEPARATE STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 06/30/2020 AND 06/30/2019**
(Stated in thousands of pesos)

ITEM	06/30/20	06/30/19
Cash flows from investing activities		
Payments:		
Purchase of property and equipment, intangible assets and other assets	(425,575)	(245,866)
Proceeds:		
Sale of property and equipment, intangible assets and other assets	23,033	497,652
Sale of property and equipment, intangible assets and other assets	(402,542)	251,786
Cash flows from financing activities		
Payments:		
Dividends	-	(4,015,380)
Financing facilities from local financial institutions	(629,836)	(943,352)
Operating leases	(180,323)	(167,111)
TOTAL FINANCING ACTIVITIES (C)	(810,159)	(5,125,843)
EFFECTS OF EXCHANGE RATE CHANGES (D)	5,054,074	2,044,951
EFFECT OF MONETARY GAIN/LOSS ON CASH AND CASH EQUIVALENTS (E)	(3,059,650)	(5,675,662)
TOTAL CHANGES IN CASH FLOWS	06/30/20	06/30/19
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C + D + E)	739,398	(9,248,081)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	49,916,968	59,660,292
CASH AND CASH EQUIVALENTS AT PERIOD-END	50,656,366	50,412,211

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**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED 06/30/2020 COMPARATIVELY PRESENTED**
(Figures stated in thousands of Pesos)

NOTE 1 – REASON FOR THE PREPARATION OF SEPARATE FINANCIAL STATEMENTS

As mentioned in Note 2 to the condensed interim consolidated financial statements, Banco Patagonia S.A. (hereinafter, "the Bank") presents consolidated financial statements in accordance with IFRS with the adaptations of the BCRA.

These Bank financial statements are supplementary to the aforementioned consolidated financial statements, with the aim of complying with legal and regulatory requirements.

NOTE 2 – BASIS FOR THE PREPARATION OF SEPARATE FINANCIAL STATEMENTS

These condensed interim separate financial statements for the six-month period ended June 30, 2020 have been prepared in accordance with the regulations of the Central Bank of the Argentine Republic, (hereinafter "Accounting information framework established by the "CBAR") which establishes that the entities under its supervision should present financial statements prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), except for the following exceptions:

- a) Application of the impairment model in section 5.5 "Impairment" of IFRS 9 "Financial instruments" on debt instruments of the non-financial public sector, in accordance with BCRA Communication "A" 6847.
- b) With respect to the valuation of Prisma Medios de Pago SA, these Condensed Interim Separate Financial Statements corresponding to the six-month period ended June 30, 2020, consider the guidelines established by the BCRA whereby the accounting treatment to be afforded to the remaining investment held by the Entity in said company, accounted for under "Investments in Equity Instruments" as of June 30, 2020.

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**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED 06/30/2020 COMPARATIVELY PRESENTED**
(Figures stated in thousands of Pesos)

The exceptions described constitute departures from IFRS.

The guidelines for the preparation and presentation of the financial statements of the entities, including the additional information requirements, as well as the information to be presented in the form of Exhibits, established through communications "A" 6323 and "A" 6324.

In order to avoid duplication of the information already provided, we refer to the condensed interim consolidated financial statements in relation to:

- Functional and reporting currency (Note 3 to the consolidated financial statements)
- Accounting estimates and Judgments (Note 4 to the consolidated financial statements)
- Share capital (Note 28 to the consolidated financial statements)
- Transfer of Financial Assets (Note 39 to the consolidated financial statements)
- Segment reporting (Note 40 to the consolidated financial statements)
- Subsidiaries (Note 41 to the consolidated financial statements)
- Related Parties (Note 42 to the consolidated financial statements)
- Distribution of earnings and restrictions (Note 43 to the consolidated financial statements)
- Deposit guarantee insurance (Note 45 to the consolidated financial statements)
- Trust activity (Note 47 to the consolidated financial statements)
- Depositary of mutual funds (Note 48 to the consolidated financial statements)
- Sanctions imposed and proceedings initiated by the BCRA (Note 49 to the consolidated financial statements)
- Transactions with directors (Note 52 to the consolidated financial statements)
- CNV Requirement - Custody of documentation (Note 53 to the consolidated financial statements)
- Macroeconomic situation (Note 55 to the consolidated financial statements)

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**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED 06/30/2020 COMPARATIVELY PRESENTED**
(Figures stated in thousands of Pesos)

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

The Bank has consistently applied the accounting policies described in the separate financial statements as of December 31, 2019, with the exception of the new IFRS applicable as of January 1, 2020, in accordance with the provisions of Note 5 to condensed interim consolidated financial statements.

NOTE 4 – CASH AND BANK DEPOSITS

The balance of Cash and bank deposits determined for the purposes of preparing the Statement of cash flows includes the following items:

	<u>06/30/20</u>	<u>12/31/19</u>
Cash on hand	9,344,410	13,164,382
BCRA - Current account	40,188,156	36,228,440
Balances with financial institutions in Argentina and abroad	1,123,800	524,146
Total	<u>50,656,366</u>	<u>49,916,968</u>

NOTE 5 – DERIVATIVE INSTRUMENTS

In the ordinary course of business, the Group entered into non-deliverable FX forwards with cash settlement on a daily or monthly basis, forward foreign currency transactions and interest rate swaps. Such transactions do not qualify as hedging under IFRS 9 Financial Instruments

The aforementioned instruments are measured at their fair value and changes in fair values are recognized in the Separate Statements of Income in the lines "Net result from measurement of financial instruments at fair value with changes in results". The composition of the item is as follows:

	<u>06/30/20</u>	<u>12/31/19</u>
Assets		
FX forward transactions	1,924	-
Foreign currency forwards	220,802	87,147
Total	<u>222,726</u>	<u>87,147</u>

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**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED 06/30/2020 COMPARATIVELY PRESENTED**
(Figures stated in thousands of Pesos)

	<u>06/30/20</u>	<u>12/31/19</u>
Liabilities		
FX forward transactions	-	4,652
Foreign currency forwards	20,595	275,883
Total	<u>20,595</u>	<u>280,535</u>
Notional values	<u>06/30/20</u>	<u>12/31/19</u>
Assets – purchase contract		
FX forward transactions	121,227	2,883
Foreign currency forwards	18,130	20,327
Total	<u>139,357</u>	<u>23,210</u>
Liabilities – sales contract		
FX forward transactions	-	883
Foreign currency forwards	136,907	21,210
Total	<u>136,907</u>	<u>22,093</u>

NOTE 6 – REPO TRANSACTIONS

The repo transactions of the Entity are included in Note 10 to the consolidated financial statements since it is the only Group Entity that performs the aforementioned operations.

NOTE 7 – OTHER FINANCIAL ASSETS

Breakdown is as follows:

	<u>06/30/20</u>	<u>12/31/19</u>
Measured at amortized cost		
Sundry receivables from the sale of Prisma Medios de Pago S.A.	1,029,954	1,093,845
Receivables from spot sales of foreign currency to be settled	43	406,734
Receivables from spot sales of government securities to be settled	338,612	27,300
Sundry receivables	1,533,184	1,338,921
	<u>2,901,793</u>	<u>2,866,800</u>
Less: Allowance for loan losses (Exhibit R)	<u>(1,098,417)</u>	<u>(1,113,119)</u>
Total	<u>1,803,376</u>	<u>1,753,681</u>

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**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED 06/30/2020 COMPARATIVELY PRESENTED**
(Figures stated in thousands of Pesos)

NOTE 8 – LOANS AND OTHER FINANCING FACILITIES

The Bank holds loans and other financing facilities under a business model whose objective is to collect the contractual cash flows. Consequently, loans and other financing facilities are measured at amortized cost, unless their terms and conditions do not meet the “principal and interest payment only” criterion; then, they are measured at fair value with changes in profit or loss.

Loans and other financing facilities classified on the basis of their measurement are shown below:

	<u>06/30/20</u>	<u>12/31/19</u>
Measured at amortized cost	91,557,750	100,448,761
Less: Allowance for loan losses (Exhibit R)	(4,592,969)	(5,266,406)
Total	<u>86,964,781</u>	<u>95,182,355</u>

Breakdown is shown below:

	<u>06/30/20</u>	<u>12/31/19</u>
Government sector	151,899	3,952
Financial sector	7,708,946	6,710,735
Overdrafts	25,466,570	21,449,271
Notes	23,727,441	29,615,972
Credit cards	16,129,727	17,814,145
Personal consumer loans	7,768,730	9,598,526
Mortgage loans	2,334,092	2,729,181
Finance leases	317,492	596,412
Other loans	6,115,676	9,590,104
Interest and other adjustments	1,837,177	2,340,463
Sub – Total	<u>91,557,750</u>	<u>100,448,761</u>
Less: Allowance for loan losses (Exhibit R)	(4,592,969)	(5,266,406)
Total	<u>86,964,781</u>	<u>95,182,355</u>

Exhibit “B” reports on loans and financing facilities classified by status (determined according to the BCRA criteria) and guarantees received and also presents the reconciliation of information and accounting balances.

Exhibit “C” presents information on the concentration of loan and other financing facilities as well as the reconciliation of information and accounting balances.

Allowances for loan losses and other financing

Changes in allowances according to the financing classification are reported in Exhibit “R”, Loss impairment adjustment–Allowances for loan losses.

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**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED 06/30/2020 COMPARATIVELY PRESENTED**
(Figures stated in thousands of Pesos)

NOTE 9 – FINANCIAL ASSETS GRANTED AS COLLATERAL

Financial assets granted as collaterals as of June 30, 2020 and December 31, 2019 are broken down as follows:

	<u>06/30/20</u>	<u>12/31/19</u>
Special guarantee accounts (*)	1,518,724	1,848,938
BCRA - Financial trusts under guarantee of OCT	2,742,846	1,264,058
- Treasury bonds	2,320,046	-
- Treasury bills	422,800	1,264,058
Guarantee Deposits Credit and debit card managers	486,501	480,995
Public Titles - BID Line - Global Credit Program for micro-, small- and medium-sized enterprises	233,274	395,116
- Treasury bonds	221,274	160,741
- Treasury bills	-	234,375
- Pesos as guarantee	10,000	-
- Dollars as guarantee	2,000	-
Other security deposits	15,978	17,323
Total	<u>4,997,323</u>	<u>4,006,430</u>

(*) See note 32.

NOTE 10 – INCOME TAX

a) Current income tax liabilities:

Breakdown is as follows:

	<u>06/30/20</u>	<u>12/31/19</u>
Current income tax liabilities		
Tax provision	3,825,119	7,754,955
Advance payments	(1,635,027)	(2,520,629)
Withholdings and collections at source	-	(2,661)
	<u>2,190,092</u>	<u>5,231,665</u>

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THE SIX-MONTH PERIOD ENDED 06/30/2020 COMPARATIVELY PRESENTED**
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b) Income tax expense:

The income tax charge for the interim period is determined by multiplying income before tax by Management's best estimate of the annual effective tax rate expected for the full year, adjusted for the tax effect of certain concepts fully recognized in the period.

In this regard, Law No. 27,468 modified the transition regime established by Law No. 27,430 for the application of the adjustment for tax inflation of the Income Tax Law, indicating that it would be in force for the years beginning on or after January 1, 2018 where the change in the IPC (Consumer Price Index) for the first, second and third year, calculated from the beginning to the end of each of those years, exceeds fifty-five percent(55%), thirty percent (30%) and fifteen percent (15%), respectively.

The resulting positive or negative adjustment for inflation is to be accounted for in accordance with the amendment made by Law No. 27,541 passed on December 23, 2019 as follows: one sixth in that fiscal period and the remaining five sixths, in equal parts, in the immediately following fiscal periods.

Given that, as of this balance sheet date, the IPC change has exceeded the 15% required for the third year, the Bank's Management has considered the effects of inflation and has included said estimate in the provision for income tax payable.

The effect deferring five-sixths of the result from exposure to inflation as of June 30, 2020 has been recognized as a deferred tax asset

The Group's effective rate for the six-month periods ended June 30, 2020 and 2019 was 27.8% and 31.8%, respectively.

Income tax expense is broken down as follows:

	<u>06/30/20</u>	<u>06/30/19</u>
Current tax	3,825,119	5,090,080
Deferred tax	(1,374,147)	106,695
Income tax expense	<u>2,450,972</u>	<u>5,196,775</u>

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**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR
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(Figures stated in thousands of Pesos)

NOTE 11 – INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Investments in subsidiaries, associates and joint ventures as of June 30, 2020, and December 31, 2019 is broken down as follows:

	<u>06/30/20</u>	<u>12/31/19</u>
GPAT Compañía Financiera S.A.U.	1,121,884	1,002,915
Patagonia Inversora Sociedad Gerente de FCI	605,338	570,425
Banco Patagonia (Uruguay) S.A.I.F.E.	399,546	405,680
Interbanking S.A	44,269	210,515
Patagonia Valores S.A.	62,958	52,361
Mercado Abierto Electrónico S.A.	50,180	43,031
Compensadora Electrónica S.A.	7,958	4,420
Provincanje S.A.	3,726	2,864
Total	<u>2,295,859</u>	<u>2,292,211</u>

NOTE 12 – PROPERTY AND EQUIPMENT

The table below shows a summary of changes in property and equipment:

	<u>Buildings</u>	<u>Rights of use</u>	<u>Remaining assets</u>	<u>Total</u>
Net book value as of January 1, 2020	8,039,047	444,897	1,255,307	9,739,251
Additions	2,459	162,897	165,802	331,158
Retirements	-	(18,064)	(869)	(18,933)
Depreciation expense	(59,146)	(153,555)	(246,380)	(459,081)
Net book value as of June 30, 2020	<u>7,982,360</u>	<u>436,175</u>	<u>1,173,860</u>	<u>9,592,395</u>

NOTE 13 – INTANGIBLE ASSETS

The table below shows a summary of changes in intangible assets:

	<u>Total</u>
Net book value as of January 1, 2020	386,091
Additions	94,417
Retirements	-
Depreciation expense	(68,336)
Net book value as of June 30, 2020	<u>412,172</u>

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(Figures stated in thousands of Pesos)

NOTE 14 – OTHER NON FINANCIAL ASSETS

	<u>06/30/20</u>	<u>12/31/19</u>
Advance payments	365,639	713,187
Other assets	215,039	218,508
Assets acquired as collateral for loans	100,343	122,937
Piece of art	49,980	49,980
Investment property	43,245	43,245
Other	17,774	18,534
Total	<u>792,020</u>	<u>1,166,391</u>

Additionally, for the valuation thereof, the criteria informed in Note 20 to the condensed interim consolidated financial statements have been applied.

NOTE 15 – NON CURRENT ASSETS HELD FOR SALE

As of June 30, 2020, the Group holds for sale a field located at Anta department, province of Salta, in the amount of 22,594.

NOTE 16 – DEPOSITS

Information about deposits is disclosed in Exhibit H– Deposits concentration to these separate financial statements, and the breakdown of deposits related to the non-financial private sector is as follows:

	<u>06/30/20</u>	<u>12/31/19</u>
Savings accounts	69,698,110	55,822,259
Time deposit and investments	57,754,824	42,047,242
Checking accounts	21,539,112	17,050,309
Investment accounts	919,611	113
Interest and adjustment	999,512	941,403
Other	4,561,268	4,615,032
Total	<u>155,472,437</u>	<u>120,476,358</u>

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(Figures stated in thousands of Pesos)

NOTE 16 – OTHER FINANCIAL LIABILITIES

Other financial liabilities are measured at amortized cost and they are broken down as follows:

	<u>06/30/20</u>	<u>12/31/19</u>
Credit card charges payable	4,801,510	5,605,321
Other Payables	1,011,467	2,043,161
Collections on account and on behalf of third parties	822,740	628,190
Payables related to foreign trade transactions	317,641	621,606
Payables related to purchase of government securities to be settled.	173,019	513
Payables related to FX purchases on the spot market to be settled	-	135,491
Total	<u>7,126,377</u>	<u>9,034,282</u>

NOTE 18 – FINANCING FACILITIES RECEIVED FROM BCRA AND OTHER FINANCIAL INSTITUTIONS

The financial facilities received from BCRA and other financial institutions are measured at amortized cost and they are broken down as follows:

	<u>06/30/20</u>	<u>12/31/19</u>
Financing facilities received from foreign financial institutions	5,141,073	16,992,637
Financing facilities received from local financial institutions	1,354,865	1,776,573
BCRA	9,308	11,809
Total	<u>6,505,246</u>	<u>18,781,019</u>

NOTE 19 – CORPORATE BONDS ISSUED

The Bank's corporate bonds program in force is described in Note 25 to the condensed interim consolidated financial statements and to date, no corporate bonds series have been issued under the referred Program.

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(Figures stated in thousands of Pesos)

NOTE 20 – OTHER NON FINANCIAL LIABILITIES

Other non-financial liabilities are measured at amortized cost and they are broken down as follows:

	<u>06/30/20</u>	<u>12/31/19</u>
Cash dividends payable	7,764,051	-
Other short term employees' benefits payable	1,284,085	1,346,483
Withholdings and collections	824,603	904,600
Advance payments received	637,466	717,131
Sundry accounts payable	529,249	483,301
Other taxes payable	512,276	580,719
Payroll and social security contributions payable	313,689	307,976
Social security payment orders to be settled	282,587	184,863
Liabilities with contracts with customers	198,971	190,492
Other	163,483	173,392
Total	<u>12,510,460</u>	<u>4,888,957</u>

NOTA 21 – PROVISIONS

It includes estimated amounts to face potential risks which, in the event of occurring, will give rise to a loss for the Group. The activity of said provisions for the six-month period ended June 30, 2020 is disclosed in Exhibit J "Activity of Provisions" which forms part of these condensed interim consolidated financial statements.

Due to the nature of its business, the Entity has various pending lawsuits for which provisions are recorded where, in the opinion of Management and its legal advisors, it is probable that these may result in an additional liability and the amount can be reasonably estimated with respect to other lawsuits against the Entity that have not been provisioned, Management and its legal advisors consider they will not result in additional liabilities to those already recorded, nor will they have a material effect on the Entity's financial statements.

The Entity's Management and its legal advisors consider that the cases in which it is possible for them to mean any disbursement of cash are not material, and that there are no significant effects other than those set forth in these financial statements.

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**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED 06/30/2020 COMPARATIVELY PRESENTED**
(Figures stated in thousands of Pesos)

NOTE 22 – INTEREST INCOME

Breakdown is as follows:

Interest income	06/30/20	06/30/19
Government securities measured at fair value with changes through OCI	12,951,707	18,523,420
Overdrafts	3,782,905	3,124,095
Notes	3,244,036	4,644,294
Consumer loans	2,115,744	3,281,738
Other loans	1,785,137	1,712,745
Credit cards	1,700,962	3,103,219
Loans to the financial sector	887,973	665,518
Premium on repo transactions with the financial sector	712,056	656,854
Finance leases	76,320	215,461
Other	235,604	525,597
Total	27,492,444	36,452,941

NOTE 23 – INTEREST EXPENSE

Breakdown is as follows:

Interest expense	06/30/20	06/30/19
Time deposits	7,555,332	14,218,696
Deposits in savings accounts	918,730	616,944
Financing facilities received from financial institutions (Call)	176,864	507,454
Premium on reverse repo transactions with the financial sector	143,185	808,408
Other financing facilities received from financial institutions	29,881	86,361
Other	574,406	583,906
Total	9,398,398	16,821,769

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(Figures stated in thousands of Pesos)

NOTE 24 – FEE INCOME

Breakdown is as follows:

Fee income	06/30/20	06/30/19
Credit and debit cards	991,708	1,169,949
Deposits	811,804	1,171,479
Product packages	806,595	744,654
Insurance	589,901	688,603
Collections	303,387	395,568
Foreign trade	153,184	223,632
Securities	53,141	55,954
Loans	35,366	59,768
Other	72,840	61,144
Total	3,817,926	4,570,751

NOTE 25 – FEE EXPENSES

Breakdown is as follows:

Fee expenses	06/30/20	06/30/19
Related to credit and debit cards	710,274	774,279
Government sector	215,999	208,545
Collections	56,152	79,735
Related to securities	27,148	25,720
Transfers	21,908	29,289
Other	103,289	116,487
Total	1,134,770	1,234,055

NOTE 26 – NET GAIN ON FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE WITH CHANGES THROUGH PROFIT OR LOSS

Breakdown is as follows:

Net gain on financial instruments measured at fair value with changes through profit or loss	06/30/20	06/30/19
Government securities and instruments issued by the BCRA	115,629	97,439
Gain on the sale or derecognition of financial assets	100,455	117,703
Corporate securities	79,394	844,767
Gain/loss on interest rate swap	-	8,639
Forward foreign currency transactions	155,742	(29,797)
Total	451,220	1,038,751

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(Figures stated in thousands of Pesos)

NOTE 27 – OTHER OPERATING INCOME

Breakdown is as follows:

Other operating income	06/30/20	06/30/19
Recovered taxes	320,000	250,631
Safe deposit box rental	219,630	192,340
Derecognized provisions	165,243	14,995
Other adjustments and interests from miscellaneous credits	143,541	164,024
Recovered receivables	136,093	121,378
Related to capital and securities markets	76,631	79,103
Punitive interest	21,220	79,247
Related to transfers	16,627	19,301
Related to deposits	15,326	20,909
Gain on the sale of property and equipment	5,064	92,975
Gain on the sale of non-current assets held for sale	-	2,295,191
Other	287,644	203,191
Total	1,407,019	3,533,285

NOTE 28 – EMPLOYEE BENEFITS

Breakdown is as follows:

Employee benefits	06/30/20	06/30/19
Salaries	3,568,043	3,678,671
Social security contributions	682,508	713,835
Other benefits	155,377	112,054
Services to personnel	124,079	141,105
Severance payments	56,088	105,859
Total	4,586,095	4,751,524

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(Figures stated in thousands of Pesos)

NOTE 29 – ADMINISTRATIVE EXPENSES

Breakdown is as follows:

Administrative expenses	06/30/20	06/30/19
Maintenance, conservation and repair expenses	557,857	578,375
Taxes	483,191	549,092
Fees	320,454	294,300
Armored vehicle services	260,762	231,556
Electric power and communications	235,407	238,261
Security services	200,160	203,131
Stationery and supplies	51,038	95,245
Advertising and marketing	39,287	226,677
Leases	36,861	41,428
Representation per diem and mobility	14,527	42,112
Other	375,026	415,852
Total	2,574,570	2,916,029

NOTE 30 – OTHER OPERATING EXPENSES

Breakdown is as follows:

Other operating expenses	06/30/20	06/30/19
Turnover tax	1,335,690	1,738,218
ATM expenses	194,624	292,664
Other allowance charges	116,863	60,956
Contribution to the deposit guarantee fund	116,795	151,091
Other	362,322	260,365
Total	2,126,294	2,503,294

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(Figures stated in thousands of Pesos)

NOTE 31 – FAIR VALUE OF FINANCIAL INSTRUMENTS

a) Assets and liabilities measured at fair value

The fair value hierarchy of assets and liabilities measured at fair value as of June 30, 2020 is as follows:

Item	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Level 1	Level 2	Level 3
Financial assets							
Debt securities measured at fair value with changes through profit or loss	952,239	-	-	952,239	946,350	5,889	-
Derivative financial instruments	222,726	-	-	222,726	-	222,726	-
Other debt securities	72,823,115	909,034	71,914,081	-	17,584,193	54,329,888	-
Financial assets granted as collateral	4,997,323	2,033,202	2,920,907	43,214	2,964,121	-	-
Investments in equity instruments	843,744	-	-	843,744	-	8,119	835,625
Total	79,839,147	2,942,236	74,834,988	2,061,923	21,494,664	54,566,622	835,625

Item	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Level 1	Level 2	Level 3
Financial liabilities							
Liabilities at fair value with changes through profit or loss	35	-	-	35	35	-	-
Derivative financial instruments	20,595	-	-	20,595	-	20,595	-
Total	20,630	-	-	20,630	35	20,595	-

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BANCO PATAGONIA S.A.

**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED 06/30/2020 COMPARATIVELY PRESENTED**
(Figures stated in thousands of Pesos)

The fair value hierarchy of assets and liabilities measured at fair value as of December 31, 2019 is as follows:

Item	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Level 1	Level 2	Level 3
Financial assets							
Debt securities measured at fair value with changes through profit or loss	253,931	-	-	253,931	253,283	648	-
Derivative financial instruments	87,147	-	-	87,147	-	87,147	-
Other debt securities	46,715,994	1,040,654	45,675,340	-	34,378,012	11,297,328	-
Financial assets granted as collateral	4,006,430	158,959	3,847,471	-	-	3,847,471	-
Investments in equity instruments	951,150	-	-	951,150	-	8,442	942,708
Total	52,014,652	1,199,613	49,522,811	1,292,228	34,631,295	15,241,036	942,708

Item	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Level 1	Level 2	Level 3
Financial liabilities							
Derivative financial instruments	280,535	-	-	280,535	-	280,535	-
Total	280,535	-	-	280,535	-	280,535	-

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THE SIX-MONTH PERIOD ENDED 06/30/2020 COMPARATIVELY PRESENTED**
(Figures stated in thousands of Pesos)

b) Transfers between hierarchy levels

b.1) Transfers from level 1 to level 2

The following instruments measured at fair value were transferred from Level 1 to Level 2 of the fair value hierarchy:

	<u>06/30/20</u>	<u>12/31/19</u>
Fixed Rate National Treasury Bond - Maturity 2020	4,764,225	-
Total	<u>4,764,225</u>	<u>-</u>

b.2) Transfers from level 2 to level 1

The following instruments measured at fair value were transferred from Level 2 to Level 1 of the fair value hierarchy:

Breakdown	<u>06/30/20</u>	<u>12/31/19</u>
Fixed Rate National Treasury Bond - Maturity 2020	-	4,373,054
Debt Title Province of Río Negro Class 1 - Maturity 2021	-	213,784
Debt Title Province of Río Negro Class 1 - Maturity 2020	-	75,749
Total	<u>-</u>	<u>4,662,587</u>

These holdings were included in Level 2 as of December 31, 2019 and as of June 30, 2020, were recorded at fair value using their listed prices in active markets.

b.3) Valuation techniques of Levels 2 and 3

The following is a description of the financial instruments recorded at fair value using valuation techniques based on observable market data (Level 2):

Financial assets and liabilities valued at fair value: mainly includes provincial debt securities and Treasury Bills in USD that are recorded at fair value using species yield curves for comparable securities regularly quoted on the market and with similar duration.

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THE SIX-MONTH PERIOD ENDED 06/30/2020 COMPARATIVELY PRESENTED**
(Figures stated in thousands of Pesos)

Financial derivatives: includes the fair value of the forward transaction contracts with settlement at maturity estimated as the difference between the agreed and market values, discounted to the measurement date.

The Entity includes in Level 3 its interest in Prisma Medios de Pago S.A., which is recognized as Investments in equity instruments since, in measuring their fair value, the valuation made by independent professionals has been used as adjusted in accordance with the BCRA requirements. The gain or loss on the asset stated at fair value based on unobservable market data is recognized in net gain or loss on financial instruments measured at fair value through profit or loss.

c) Fair value of financial assets and liabilities not measured at fair value

Below we describe the methodologies and assumptions used to determine the fair values of the main financial instruments not measured at fair value, when there are no quoted prices in the active markets for such instrument.

- Assets and liabilities whose fair value approximates the carrying value.

For financial assets and liabilities with short term maturities (less than three months), it is considered that the carrying value approximates fair value. This assumption also applies to saving deposits, checking accounts and other deposits.

- Fixed-rate financial instruments

The fair value of financial assets was determined by discounting future cash flows at the market rates paid for financial instruments of similar characteristics on the measurement date.

The estimated fair value of fixed-interest rate deposits was determined by discounting future cash flows using market interest rates for deposits with maturities similar to those of the Bank's portfolio.

- Variable-rate financial instruments

The fair value of financial assets and liabilities priced with a variable rate was determined by discounting the estimated future cash flows considering the variable rate contractually applicable at measurement date, discounted by applying the market rates for financial instruments of similar characteristics and credit risk.

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**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED 06/30/2020 COMPARATIVELY PRESENTED**
(Figures stated in thousands of Pesos)

The hierarchy of fair value of assets and liabilities not measured at fair value as of June 30, 2020 is detailed below:

Item	Accounting balance as of 06/30/20	Total fair value	Level 1 fair value	Level 2 fair value	Level 3 fair value
Financial assets					
Cash and bank deposits	50,656,366	(1)	-	-	-
Repo transactions	8,749,852	(1)	-	-	-
Other financial assets	1,803,376	1,803,190	-	-	1,803,190
Loans and other financing facilities	86,964,781	85,762,474	-	-	85,762,474
Financial liabilities					
Deposits	174,779,903	173,714,589	-	-	173,714,589
Repo transactions	38,798	(1)	-	-	-
Other financial liabilities	7,126,377	(1)	-	-	-
Financing facilities received from the BCRA and other financial institutions	6,505,246	(1)	-	-	-

(1) The fair value is not reported because it is deemed to be similar to the carrying amount.

The hierarchy of fair value of assets and liabilities not measured at fair value as of December 31, 2019 is detailed below.

Item	Accounting balance as of 12/31/19	Total fair value	Level 1 fair value	Level 2 fair value	Level 3 fair value
Financial assets					
Cash and bank deposits	49,916,968	(1)	-	-	-
Other financial assets	1,753,681	1,754,594	-	-	1,655,018
Loans and other financing facilities	95,182,355	88,090,050	-	-	83,090,794
Financial liabilities					
Deposits	134,853,559	129,108,199	-	-	129,108,199
Other financial liabilities	9,034,282	(1)	-	-	-
Financing facilities received from the BCRA and other financial institutions	18,781,019	(1)	-	-	-

(1) The fair value is not reported because it is deemed to be similar to the carrying amount.

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**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED 06/30/2020 COMPARATIVELY PRESENTED**
(Figures stated in thousands of Pesos)

NOTE 32 – RESTRICTED ASSETS

	<u>06/30/20</u>	<u>12/31/19</u>
Special guarantee accounts (*)	1,518,724	1,848,938
BCRA - Financial trusts under guarantee of OCT	2,742,846	1,264,058
- Treasury bonds	2,320,046	-
- Treasury bills	422,800	1,264,058
Security deposits – Credit and debit card managers	486,501	480,995
Government securities – IADB loan – Global Credit Program for micro-, small- and medium-sized enterprises	233,274	395,116
- Treasury bonds	221,274	160,741
- Treasury bills	-	234,375
- Pesos as guarantee	10,000	-
- Dollars as guarantee	2,000	-
Other security deposits	15,978	17,323
Sub-Total	<u>4,997,323</u>	<u>4,006,430</u>
Security deposits for repurchase agreements	4,367	-
Sub – Total	<u>4,367</u>	<u>-</u>
Total	<u>5,001,690</u>	<u>4,006,430</u>

(*) See Note 9.

NOTE 33 – MINIMUM CASH AND CAPITAL REQUIREMENTS

The BCRA establishes different requirements that should be met by financial institutions regarding solvency, liquidity, maximum amount of loans that may be granted, among others.

The minimum cash requirement establishes that a financial institution shall keep liquid assets on deposits and other obligations recorded in each period. The following table shows the items computed as minimum cash requirements:

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Minimum cash requirements	06/30/20	12/31/19
Cash and bank deposits		
BCRA - Current account	40,188,156	36,228,442
Other debt securities		
Argentine Treasury Bond in ARS Fixed Rate, maturity 2020	5,393,296	4,215,587
BCRA Liquidity Bills	12,133,057	6,611,077
Financial assets granted as collaterals		
BCRA - Special guarantee accounts	1,518,724	1,848,938
Total	59,233,233	48,904,044

Minimum capital requirements breakdown is as follows

Minimum capital requirements	06/30/20	12/31/19
Minimum capital requirements (A)	13,230,112	13,287,343
Credit risk	8,927,522	9,445,648
Market risk – Securities	38,631	7,183
Market risk – Currencies	229,970	118,630
Operational risk	4,033,989	3,715,882
Payment (B)	29,417,722	29,321,676
Surplus (B - A)	16,187,610	16,034,333

NOTE 34 – TRANSACTIONS WITH COMPANIES INCLUDED IN SECTION 33, COMPANIES LAW No. 19550

The following table shows the Bank's balances with its subsidiaries and affiliates, and its parent company as of June 30, 2020 and December 31, 2019:

	06/30/20	12/31/19
Patagonia Valores S.A.		
Other financial assets– other debtors	250	197
Deposits – Checking accounts	124	113
Deposits – Special checking account	3,971	3,809
Checks and securities in custody	912	35,792
Patagonia Inversora S.A. Sociedad Gerente de F.C.I.		
Deposits – Checking accounts	254	53
Deposits – Special checking account	-	1,091
Checks and securities in custody	622,611	659,725

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**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR
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Banco Patagonia (Uruguay) S.A.I.F.E.		
Deposits – Checking account	6	7
Deposits – Special checking account	5,336	6,360
Checks and securities in custody	364,465	2,528,408
Guarantees received	101,807	12,703
GPAT Compañía Financiera S.A.U.		
Loans and other financings - Other loans	-	1,898,361
Loans and other financing facilities– interbank loans (call options granted)	570,312	104,054
Loans and other financing facilities – Other financing facilities granted to local financial institutions	640,463	1,082
Debt securities– corporate bonds	24,823	53,705
Deposits – Checking accounts	7,633	24,669
Other financial liabilities	4,237	1,988
Banco do Brasil S.A.		
Cash and bank deposits – Financial institutions and correspondents	127,584	6,656
Deposits – Checking accounts	84	21,975
Financing facilities received from financial institutions	1,710,863	5,714,642
Guarantees received	563,640	540,563
Other Guarantees Granted	105,683	101,356
Checks and securities in custody	41,599	20,119

The Bank's income (losses) for the six-month period ended June 30, 2020 and 2019 resulting from transactions with its subsidiaries, related companies and its parent company is as follows:

	<u>06/30/20</u>	<u>06/30/19</u>
Patagonia Valores S.A.		
Fees and other operating income	1	2
Other operating income - Other income	475	1.836
Patagonia Inversora S.A. Sociedad Gerente de F.C.I.		
Other operating income - Other income	239	260
Banco Patagonia (Uruguay) S.A.I.F.E.		
Other operating income – Fees	-	-

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(Figures stated in thousands of Pesos)

GPAT Compañía Financiera S.A.U.		
Interest income – Financial sector	330,404	446,069
Interest income – Corporate bonds	15,735	16,515
Interest income – Overdrafts	1,205	865
Interest expense - Gain/loss on interest rate swap	-	6,980
Interest expense– Interest from financing facilities to local financial institutions	5,353	2,522
Fees and other operating income	6,857	12,219
Fee expenses	14,538	13,007
Other operating income – Other income	4,472	5,790
Banco do Brasil S.A.		
Financial expenses – Interest on other loans from financial institutions	97,652	46,488
Fee income	-	2
Other operating income –Other income	243	387

NOTE 35 – COMPLIANCE WITH PROVISIONS SET FORTH BY LAW No. 25738

Banco Patagonia S.A. is a joint stock company organized under the laws of Argentina, the shareholders of which limit their liability to the paid-in shares subscribed in accordance with Law No. 19550. Therefore, in compliance with Law No. 25738, we report that neither the foreign majority shareholders nor the local or foreign shareholders are liable, in excess of such paid-in shares, for the obligations arising from the transactions performed by the Bank.

NOTE 36 – CNV REQUIREMENT TO ACT AS AN OVER-THE-COUNTER BROKER

Considering the operation that Banco Patagonia S.A. is currently performing, and according to the different broker categories established by the CNV standards (consolidated text of General Resolution No. 622/2013 and amendments), the entity is registered with the mentioned entity as a Custodian Broker of Mutual Funds and Financial and Non-financial Trustee.

The minimum equity required by the mentioned standard for the each registered broker category on June 30, 2020 amounts to 1,420,350 Units of Purchasing Power (UVA) adjusted by “CER” – Law No. 25,827, which is equivalent to 78,205.

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(Figures stated in thousands of Pesos)

For its part, the minimum cash contra-account must be 50% of the amount required as minimum capital, which amounts to 710,175 UVA's, equivalent to 39,102

As of June 30, 2020, the Bank's capital exceeds CNV's requirements and the minimum cash contra-account required is made up of funds deposited with the BCRA in current account No. 034 of Banco Patagonia S.A.

NOTE 37 – SUBSEQUENT EVENTS

No other events or transactions have occurred from period-end to the date of issuance of these financial statements that would have a material effect on the financial position of the Bank or the results of its operations as of June 30th, 2020

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EXHIBIT "A"
BREAKDOWN OF GOVERNMENT AND CORPORATE SECURITIES
AS OF 06/30/20 Y 12/31/19
(Figures stated in thousands of Pesos)

Item	Identification	Holding				Position	
		Fair value	Level Fair value	Balance as of 06/30/2020	Balance as of 12/31/2019	without options (2)	Final
DEBT SECURITIES MEASURED AT FAIR VALUE WITH CHANGES THROUGH PROFIT OR LOSS (1)		951,681		952,239	253,931	1,025,018	1,025,018
In Argentina		951,681		952,239	253,931	1,025,018	1,025,018
Government securities		951,681		951,681	253,301	1,024,460	1,024,460
- Discount Bond in ARS, 2033 (Argentine law)	45696	426,419	1	426,419	11,816	456,019	456,019
- Treasury bills in ARS, maturity 09/11/2020	5375	141,825	1	141,825	-	141,825	141,825
- Treasury bills in ARS, maturity 09/18/2020	5356	114,350	1	114,350	-	114,350	114,350
- Treasury bills in ARS, maturity 08/28/2020	5370	76,680	1	76,680	-	76,680	76,680
- National treasury bonds in ARS adjusted by CER + 1,2%, maturity 03/18/2022	5491	55,512	1	55,512	-	55,512	55,512
- Treasury bonds adjusted by CER + 1,3% , maturity 09/20/2022	5495	38,109	1	38,109	-	38,109	38,109
- Treasury bills in ARS, maturity 07/31/2020	5369	26,175	1	26,175	-	26,175	26,175
- Treasury bills in ARS, maturity 08/28/2020	5358	22,560	1	22,560	-	22,560	22,560
- Treasury bonds in ARS adjusted by CER + 1,4%, maturity 03/25/2023	5492	21,845	1	21,845	-	21,845	21,845
- Treasury bills in ARS, maturity 08/13/2020	5372	13,587	1	13,587	-	13,587	13,587
- Other		14,619	-	14,619	241,485	57,798	57,798
Corporate securities		-		558	630	558	558
- Other		-	-	558	630	558	558

(1) See note 55 to these condensed interim consolidated financial statements.

(2) It includes "Holding" plus "Deposits offered as security" and "Loans" less "Deposits".

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BANCO PATAGONIA S.A.

EXHIBIT "A"
BREAKDOWN OF GOVERNMENT AND CORPORATE SECURITIES
AS OF 06/30/20 Y 12/31/19
(Figures stated in thousands of Pesos)

Item	Identification	Holding				Position	
		Fair value	Level Fair value	Balance as of 06/30/2020	Balance as of 12/31/2019	without options (2)	Final
Other debt securities		71,914,081		72,823,115	46,715,994	75,744,049	75,744,049
MEASURED AT FAIR VALUE WITH CHANGES THROUGH OCI (1)		71,914,081		71,914,081	45,675,341	74,835,015	74,835,015
In Argentina		71,914,081		71,914,081	45,675,341	74,835,015	74,835,015
Government securities		11,934,523		11,934,523	6,654,784	14,855,457	14,855,457
- Argentine Treasury Bond in Fixed Rate 26%, maturity 11/24/2020	5330	4,764,225	2	4,764,225	4,373,055	4,764,225	4,764,225
- Treasury bills in ARS, maturity 08/13/2020	5372	1,342,526	1	1,342,526	-	1,536,626	1,536,626
- Argentine Treasury Bond in ARS fixed rate 22%, maturity 05/21/2022	5496	1,050,000	1	1,050,000	-	1,050,000	1,050,000
- Treasury bills in ARS, maturity 09/11/2020	5375	945,500	1	945,500	-	945,500	945,500
- Treasury bonds in ARS adjusted by CER + 1,4%, maturity 03/25/2023	5492	541,417	1	541,417	-	722,444	722,444
- Treasury bills in ARS, maturity 07/31/2020	5369	538,615	1	538,615	-	538,615	538,615
- Treasury bonds in ARS with adjustment CER 1,20%, maturity 03/18/2022	5491	515,875	1	515,875	-	817,921	817,921
- Treasury bonds in ARS adjusted by CER + 1%, maturity 08/05/2021	5359	395,518	1	395,518	-	395,518	395,518
- Treasury bills in ARS, maturity 07/13/2020	5371	242,096	1	242,096	-	242,096	242,096
- Treasury bonds in ARS with CER + 1,5%, maturity 03/25/2024	5493	237,711	1	237,711	-	2,252,772	2,252,772
- Others		1,361,040		1,361,040	2,281,729	1,589,740	1,589,740
Letras BCRA		59,979,558		59,979,558	38,997,381	59,979,558	59,979,558
- BCRA Liquidity Bill, maturity 07/28/2020	2893	17,862,729	2	17,862,729	-	17,862,729	17,862,729
- BCRA Liquidity Bill, maturity 07/14/2020	2872	8,881,548	2	8,881,548	-	8,881,548	8,881,548
- BCRA Liquidity Bill, maturity 07/07/2020	2865	8,388,865	2	8,388,865	-	8,388,865	8,388,865
- BCRA Liquidity Bill, maturity 07/21/2020	2880	7,649,588	2	7,649,588	-	7,649,588	7,649,588
- BCRA Liquidity Bill, maturity 07/16/2020	2874	6,064,260	1	6,064,260	-	6,064,260	6,064,260
- BCRA Liquidity Bill, maturity 07/23/2020	2886	5,403,183	2	5,403,183	-	5,403,183	5,403,183
- BCRA Liquidity Bill, maturity 07/02/2020	2862	4,004,735	1	4,004,735	-	4,004,735	4,004,735
- BCRA Liquidity Bill, maturity 07/08/2020	2868	1,724,650	1	1,724,650	-	1,724,650	1,724,650
- Others		-	-	-	38,997,381	-	-
Corporate securities		-	-	-	23,176	-	-
- Others		-	-	-	23,176	-	-

(1) See note 55 to these condensed interim consolidated financial statements.

(2) It includes "Holding" plus "Deposits offered as security" and "Loans" less "Deposits".

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

João Carlos de Nobrega Pecego
President

Signed for identification purposes
with our report dated 08/26/2020

By Supervisory Committee

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C.P.C.E.C.A.B.A. T° 1 F° 3

Mónica M. Cukar
Regular Supervisory Auditor
Public Accountant (U.B.A.)
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Public Accountant (U.B.)
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BANCO PATAGONIA S.A.

EXHIBIT "A"
BREAKDOWN OF GOVERNMENT AND CORPORATE SECURITIES
AS OF 06/30/20 Y 12/31/19
(Figures stated in thousands of Pesos)

Item	Identification	Holding				Position	
		Fair value	Level Fair value	Balance as of 06/30/2020	Balance as of 12/31/2019	without options (2)	Final
Measured at amortized cost		-	-	909,034	1,040,653	909,034	909,034
In Argentina		-	-	909,034	1,040,653	909,034	909,034
Government securities		-	-	796,060	792,471	796,060	796,060
- Treasury bills Rio Negro Series 1, maturity 10/29/2020	42232	-	-	745,798	-	745,798	745,798
- Treasury bills Neuquén Series 1, maturity 07/29/2020	42185	-	-	50,262	-	50,262	50,262
- Other		-	-	-	792,471	-	-
Corporate securities				112,974	248,182	112,974	112,974
- Financial Trust VD Ribeiro 107 - Class "A"	R107	-	-	32,276	-	32,276	32,276
- ON BACS - Class 3	54485	-	-	41,249	46,953	41,249	41,249
- ON GPAT Compañía Financiera - Series 30 - Class "B"	52897	-	-	24,814	22,610	24,814	24,814
- Financial Trust VD Créditos - Series 22	54473	-	-	9,729	25,102	9,729	9,729
- Financial Trust VD Créditos - Series 21	54279	-	-	4,906	19,531	4,906	4,906
- Other		-	-	-	133,986	-	-
Equity Instruments		843,744		843,744	951,150	843,744	843,744
MEASURED AT FAIR VALUE WITH CHANGES THROUGH PROFIT OR LOSS		843,744		843,744	951,150	843,744	843,744
In Argentina		839,434		839,434	943,657	839,434	839,434
- Prisma Medios de Pago S.A	-	835,625	3	835,625	942,708	835,625	835,625
- Matba Rofex S.A	-	3,041	-	3,041	-	3,041	3,041
- Seguro de depósitos S.A	-	493	2	493	556	493	493
- Miralejos S.A.C.F. y Agropecuaria SACIFIA	-	106	2	106	120	106	106
- Mercado a Término de Buenos Aires S.A.	-	-	2	-	82	-	-
- Bolsa de Comercio de Mar del Plata S.A.	-	56	2	56	63	56	56
- Argencontrol S.A.	-	53	2	53	60	53	53
- Sanatorio Las Lomas S.A.	-	47	2	47	53	47	47
- Celta Coop. Obras Ser. Tres Arroyos	-	12	2	12	14	12	12
- Coop. Eléctrica Claromecó	-	1	2	1	1	1	1
Del Exterior		4,310		4,310	7,493	4,310	4,310
- Banco Latinoamericano de Comercio Exterior S.A.	-	4,078	2	4,078	7,335	4,078	4,078
- Society for Worldwide Interbank Financial Telecommunication	-	232	2	232	158	232	232

(1) See note 55 to these condensed interim consolidated financial statements.

(2) It includes "Holding" plus "Deposits offered as security" and "Loans" less "Deposits".

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

João Carlos de Nobrega Pecego
President

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BANCO PATAGONIA S.A.

EXHIBIT "B"
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED BY STATUS AND OTHER GUARANTEES
RECEIVED AS OF 06/30/2020 AND 12/31/2019
(Stated in thousands of Pesos)

COMMERCIAL LOAN PORTFOLIO	06/30/20	12/31/19
Performing	61,159,718	66,836,799
- With "A" preferred guarantees and counter-guarantees	1,967,447	2,014,954
- With "B" preferred guarantees and counter-guarantees	4,485,482	4,516,399
- Without preferred guarantees or counter-guarantees	54,706,789	60,305,446
Subject to special monitoring	147,234	129,470
In observation	139,932	93,438
- With "A" preferred guarantees and counter-guarantees	-	3,938
- With "B" preferred guarantees or counter-guarantees	90,227	85,632
- Without preferred guarantees or counter-guarantees	49,705	3,868
In negotiation or under refinancing agreements	7,302	36,032
- With "A" preferred guarantees and counter-guarantees	-	97
- With "B" preferred guarantees or counter-guarantees	7,297	31,395
- Without preferred guarantees or counter-guarantees	5	4,540
Troubled	92,947	90,413
- With "A" preferred guarantees and counter-guarantees	-	772
- With "B" preferred guarantees or counter-guarantees	2,652	2,562
- Without preferred guarantees or counter-guarantees	90,295	87,079
With high risk of insolvency	382,555	55,527
- With "B" preferred guarantees and counter-guarantees	360,887	52,400
- Without preferred guarantees or counter-guarantees	21,668	3,127
Non-recoverable	53,092	551,292
- With "A" preferred guarantees and counter-guarantees	6,750	-
- With "B" preferred guarantees or counter-guarantees	19,718	422,929
- Without preferred guarantees or counter-guarantees	26,624	128,363
TOTAL COMMERCIAL LOAN PORTFOLIO	61,835,546	67,663,501

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EXHIBIT "B"
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED BY STATUS AND OTHER GUARANTEES
RECEIVED AS OF 06/30/2020 AND 12/31/2019
(Stated in thousands of Pesos)

CONSUMER AND/OR HOME LOAN PORTFOLIO	06/30/20	12/31/19
Performing	29,276,886	31,267,213
- With "A" preferred guarantees and counter-guarantees	1,060,854	606,861
- With "B" preferred guarantees and counter-guarantees	2,089,715	2,376,969
- Without preferred guarantees or counter-guarantees	26,126,317	28,283,383
Low risk	300,542	603,566
- With "A" preferred guarantees and counter-guarantees	5,861	16,006
- With "B" preferred guarantees and counter-guarantees	5,162	25,173
- Without preferred guarantees or counter-guarantees	289,519	562,387
Low risk – At special treatment	831	-
- Without preferred guarantees or counter-guarantees	831	-
Medium risk	287,448	562,399
- With "A" preferred guarantees and counter-guarantees	4,007	12,422
- With "B" preferred guarantees and counter-guarantees	5,554	5,760
- Without preferred guarantees or counter-guarantees	277,887	544,217
High risk	402,305	928,609
- With "A" preferred guarantees and counter-guarantees	3,083	9,690
- With "B" preferred guarantees and counter-guarantees	150	2,791
- Without preferred guarantees or counter-guarantees	399,072	916,128
Non-recoverable	611,842	422,967
- With "A" preferred guarantees and counter-guarantees	3,518	8,331
- With "B" preferred guarantees and counter-guarantees	2,646	3,360
- Without preferred guarantees or counter-guarantees	605,678	411,276
Non-recoverable according to BCRA regulations	-	12
- Without preferred guarantees or counter-guarantees	-	12
TOTAL CONSUMER AND/OR HOME LOAN PORTFOLIO	30,879,023	33,784,766
TOTAL GENERAL	92,714,569	101,448,267

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EXHIBIT "B"
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED BY STATUS AND GUARANTEES RECEIVED
AS OF 06/30/2020 AND 12/31/2019
(Stated in thousands of Pesos)

RECONCILIATION OF LOANS AND OTHER FINANCING FACILITIES AS PER CONSOLIDATED STATEMENT OF FINANCIAL POSITION

BREAKDOWN	06/30/20	12/31/19
BALANCE AS PER EXHIBIT "B"	92,714,569	101,448,267
Items included in Exhibit "B" and not included in Loans and other financing facilities	(1,089,859)	(989,154)
Off-balance sheet items– agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards.	(931,936)	(707,183)
Other items	(157,923)	(281,971)
Items not included in Exhibit "B" and included in Loans and other financing facilities	(4,659,929)	(5,276,758)
Loans and other financing facilities- loans to personnel	271,815	308,790
Loans and other financing facilities–IFRS adjustment at effective interest rate	(338,775)	(319,142)
Loans and other financing facilities– Allowances for loan losses	(4,592,969)	(5,266,406)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	86,964,781	95,182,355

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BANCO PATAGONIA S.A.

**EXHIBIT C
LOANS AND OTHER FINANCING FACILITIES CONCENTRATION
AS OF 06/30/2020 AND 12/31/2019
(Figures stated in thousands of Pesos)**

Number of customers	FINANCING FACILITIES			
	06/30/20		12/31/2019	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	18,265,813	19.7%	20,592,225	20.3%
50 next largest customers	26,605,947	28.7%	28,363,640	28.0%
100 next largest customers	8,982,404	9.7%	9,768,311	9.6%
Rest of customers	38,860,405	41.9%	42,724,091	42.1%
TOTAL	92,714,569	100.0%	101,448,267	100.0%

RECONCILIATION OF LOANS AND OTHER FINANCING FACILITIES AS PER CONSOLIDATED STATEMENT OF FINANCIAL POSITION

BREAKDOWN	06/30/20	12/31/19
BALANCE AS PER EXHIBIT "C"	92,714,569	101,448,267
Items included in Exhibit "C" and not included in Loans and other financing facilities	(1,089,859)	(989,154)
Off-balance sheet items— agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards.	(931,936)	(707,183)
Other items	(157,923)	(281,971)
Items not included in Exhibit "C" and included in Loans and other financing facilities	(4,659,929)	(5,276,758)
Loans and other financing facilities- loans to personnel	271,815	308,790
Loans and other financing facilities—IFRS adjustment at effective interest rate	(338,775)	(319,142)
Loans and other financing facilities— Allowances for loan losses	(4,592,969)	(5,266,406)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	86,964,781	95,182,355

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BANCO PATAGONIA S.A.

**EXHIBIT D
LOANS AND OTHER FINANCING FACILITIES BROKEN DOWN BY TERM
AS OF 06/30/2020
(Figures stated in thousands of Pesos)**

Item	Matured	Terms remaining to maturity						Total as of 06/30/2020
		1 month	3 months	6 months	12 months	24 months	Over 24 months	
Non-financial government sector	-	152,462	4	73	514	-	-	153,053
Financial sector	1,145	2,067,066	1,481,822	1,475,875	1,583,335	3,388,267	106,301	10,103,812
Nonfinancial private sector and foreign residents	1,945,667	45,880,111	6,641,802	7,999,963	16,785,511	8,131,150	9,165,422	96,549,626
TOTAL	1,946,812	48,099,639	8,123,628	9,475,911	18,369,360	11,519,417	9,271,723	106,806,491

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**EXHIBIT H
DEPOSITS CONCENTRATION
AS OF 06/30/2020 AND 12/31/2019
(Figures stated in thousands of Pesos)**

Number of customers	06/30/20		12/31/19	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	27,841,818	15.9%	15,071,398	11.2%
50 next largest customers	23,962,053	13.7%	15,025,676	11.1%
100 next largest customers	11,921,251	6.8%	8,149,709	6.0%
Rest of customers	111,054,781	63.6%	96,606,776	71.7%
TOTAL	174,779,903	100.0%	134,853,559	100.0%

Marcelo A. Iadarola
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Translation from the original prepared in Spanish for publication in Argentina

BANCO PATAGONIA S.A.

EXHIBIT I
FINANCIAL LIABILITIES BROKEN DOWN BY TERMS REMAINING TO MATURITY
AS OF 06/30/2020
(Figures stated in thousands of Pesos)

Item	Terms remaining to maturity						Total al 06/30/2020
	1 month	3 months	6 months	12 months	24 months	over 24 months	
Deposits	164,507,814	10,139,069	871,511	218,063	789	789	175,738,035
Non-financial government sector	17,548,443	1,101,756	14,226	-	-	-	18,664,425
Financial sector	772,583	-	-	-	-	-	772,583
Nonfinancial private sector and foreign residents	146,186,788	9,037,313	857,285	218,063	789	789	156,301,027
Liabilities at fair value through profit or loss	35	-	-	-	-	-	35
Derivative instruments	20,595	-	-	-	-	-	20,595
Repo transactions	38,798	-	-	-	-	-	38,798
Other financial institutions	38,798	-	-	-	-	-	38,798
Other financial liabilities	7,126,377	-	-	-	-	-	7,126,377
Financing facilities received from the BCRA and other financial institutions	1,803,132	1,787,039	451,838	13,732	933,696	2,382,158	7,371,595
TOTAL	173,496,751	11,926,108	1,323,349	231,795	934,485	2,382,947	190,295,435

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BANCO PATAGONIA S.A.

**EXHIBIT J
CHANGES IN PROVISIONS
AS OF 06/30/2020**

(Figures stated in thousands of Pesos)

Item	Balances at beginning of year	Increases	Decreases		Monetary result for allowances and provisions	Balance as of 06/30/2020
			Reversals	Uses		
INCLUDED IN LIABILITIES						
For contingent commitments	293,866	218,129	-	147,450	(33,381)	331,164
For administrative, disciplinary and criminal sanctions	37	-	-	-	(4)	33
Other	1,546,291	116,863	1,273	10,221	(178,507)	1,473,153
Labor lawsuits	75,697	19,698	-	8,678	(8,749)	77,968
Complaints, proceedings, appeals	1,335,963	83,875	1,273	1,405	(154,086)	1,263,074
Tax lawsuits	134,631	13,290	-	138	(15,672)	132,111
TOTAL PROVISIONS	1,840,194	334,992	1,273	157,671	(211,892)	1,804,350

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C.P.C.E.C.A.B.A. T° 147 F° 66

Gustavo Carballal (Partner)
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BANCO PATAGONIA S.A.

EXHIBIT "L"
BALANCES IN FOREIGN CURRENCY
AS OF 06/30/2020
 (Figures stated in thousands of Pesos)

Items	Head office and branches in Argentina	Total as of 06/30/2020	US dollar	Euro	Brazilian real	Other	Total as of 12/31/2019
ASSETS							
Cash and bank deposits	33,019,566	33,019,566	31,930,178	986,007	12,837	90,544	30,786,044
Debt securities measured at fair value with changes through profit or loss	-	-	-	-	-	-	17,177
Other financial assets	277,229	277,229	277,189	40	-	-	178,849
Loans and other financing facilities	8,671,401	8,671,401	8,557,012	114,389	-	-	24,952,305
Other financial institutions	53,239	53,239	53,239	-	-	-	103,015
Nonfinancial private sector and foreign residents	8,618,162	8,618,162	8,503,773	114,389	-	-	24,849,290
Other debt securities	3,960	3,960	3,960	-	-	-	2,064,259
Financial assets granted as collateral	66,239	66,239	66,239	-	-	-	1,560,221
Investments in equity instruments	4,310	4,310	4,078	232	-	-	7,493
Investments in subsidiaries, associates and joint ventures	399,546	399,546	399,546	-	-	-	405,677
TOTAL ASSETS	42,442,251	42,442,251	41,238,202	1,100,668	12,837	90,544	59,972,025
LIABILITIES							
Deposits	34,026,935	34,026,935	33,029,288	997,647	-	-	39,485,720
Non-financial government sector	3,806,926	3,806,926	3,802,709	4,217	-	-	4,863,137
Financial sector	190	190	190	-	-	-	275
Nonfinancial private sector and foreign residents	30,219,819	30,219,819	29,226,389	993,430	-	-	34,622,308
Other financial liabilities	1,290,831	1,290,831	1,233,142	56,820	-	869	2,273,234
Financing facilities received from the BCRA and other financial institutions	5,183,912	5,183,912	5,070,559	113,353	-	-	16,768,197
Other nonfinancial liabilities	109,276	109,276	109,276	-	-	-	11,200
TOTAL LIABILITIES	40,610,954	40,610,954	39,442,265	1,167,820	-	869	58,538,351

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 08/26/2020

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public

João Carlos de Nobrega Pecego
President

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Translation from the original prepared in Spanish for publication in Argentina

BANCO PATAGONIA S.A.

**EXHIBIT O
DERIVATIVE INSTRUMENTS
AS OF 06/30/2020**

(Figures stated in thousands of Pesos)

Type of contract	Purpose of transactions	Underlying asset	Type of settlement	Negotiation environment or counter-party	Weighted average term Originally agreed	Residual weighted average term	Weighted average term for the settlement of differences	Amount as of 06/30/2020
Futures	Intermediation on own account	Foreign currency	Daily settlement of differences	ROFEX	4	3	1	6,565,606
Futures	Intermediation on own account	Foreign currency	Daily settlement of differences	MAE	2	2	1	2,745,100
Futures	Intermediation on own account	Foreign currency	Upon maturity of differences	OTC -residents in Argentina Nonfinancial sector	4	2	71	11,784,052
Repo transactions	Intermediation on own account	Government securities and instruments issued by the BCRA	Delivery of underlying asset	MAE	-	-	-	9,829,714

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BANCO PATAGONIA S.A.

EXHIBIT "R"
LOSS IMPAIRMENT ADJUSTMENT- ALLOWANCES FOR LOAN LOSSES
AS OF 06/30/2020

(Figures stated in thousands of Pesos)

Item	Balances at beginning of year	ECL for the next 12 months	ECL of the remaining life of the financial asset		Monetary result for allowances	Balance as of 06/30/2020
			IF with significant increase in CR	IF with credit impairment		
Other financial assets	1,113,119	110,509	1,161	83	(126,454)	1,098,418
Loans and other financing facilities	5,266,406	(376,062)	268,651	53,904	(619,930)	4,592,969
Other financial institutions	2,407	674	-	-	(273)	2,808
Nonfinancial private sector and foreign residents	5,263,999	(376,736)	268,651	53,904	(619,657)	4,590,161
Overdrafts	289,554	(200,115)	29,824	63,598	(32,891)	149,970
Notes	716,401	(74,057)	(37,007)	(210,854)	(81,377)	313,106
Mortgage loans	33,380	(16,934)	12,436	1,727	(3,792)	26,817
Consumer	1,830,947	89,875	115,999	187,125	(207,979)	2,015,967
Credit cards	505,170	340,206	154,080	53,287	(67,911)	984,832
Finance lease	36,718	(7,740)	(5,825)	(7,695)	(4,171)	11,287
Other	1,851,829	(507,971)	(856)	(33,284)	(221,536)	1,088,182
Other debt securities	10,610	35,544	-	-	(1,205)	44,949
Eventual Commitments	293,865	64,007	(1,939)	(1,917)	(22,852)	331,164
TOTAL ALLOWANCES	6,684,000	(166,002)	267,873	52,070	(770,441)	6,067,500

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BANCO PATAGONIA S.A.

**ADDITIONAL INFORMATION OVER THE CONDENSED INTERIM FINANCIAL STATEMENTS NOTES
REQUIRED BY SECTION 12 OF CHAPTER III, TITLE IV OF
CNV REGULATIONS (GENERAL RESOLUTION NO. 622/13)**

1. General background on the Bank's business
 - a) Specific and significant legal regimes that entail the contingent loss or acquisition of legal benefits.

None.
 - a) M Significant amendments to the company's business or other similar circumstances occurring during the periods included in the financial statements that affect their comparability to prior-year financial statements, or that might affect their comparability to financial statements to be published in the future.

None.
2. Classification of loan (financing) and debt (deposits and liabilities) balances as per their maturities.

See Exhibit "D"– Breakdown of loans, other financing and Exhibit "I"– Breakdown of Financial liabilities by term remaining to maturity to the Bank's consolidated financial statements.
3. Classification of receivables and payables to disclose the financial effects derived from the maintenance thereof.

Item (In thousands of pesos)	Local currency			Foreign currency	
	With interest clause	CER/UVA Adjustme nt Clause	Without interest clause	With interest clause	Without interest clause
Loans and other financing facilities	80,510,695	786,266	-	13,878,490	-
TOTAL	80,510,695	786,266	-	13,878,490	-

Item (In thousands of pesos)	Local currency			Foreign currency	
	With interest clause	CER/UVA Adjustment Clause	Without interest clause	With interest clause	Without interest clause
Deposits and Liabilities					
Deposits	115,277,635	1,413,529	24,053,785	36,731,163	3,613,817
Derivative financial instruments	-	-	20,595	-	-
Repo transactions	38,798	-	-	-	-
Other financial liabilities	395,329	-	5,809,570	31,493	1,259,338
Financing facilities received from the BCRA and other financial institutions	1,562,026	-	9,344	5,109,660	74,252
Corporate bonds issued	930,882	-	-	-	-
TOTAL	118,204,670	1,413,529	29,893,294	41,872,316	4,947,407

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**ADDITIONAL INFORMATION OVER THE CONDENSED INTERIM FINANCIAL STATEMENTS NOTES
REQUIRED BY SECTION 12 OF CHAPTER III, TITLE IV OF
CNV REGULATIONS (GENERAL RESOLUTION NO. 622/13)**

4. Breakdown of percentage interest in companies under section 33 of Law No. 19,550 including shares voting rights and debit and / or credit balances per company.

Company	Shares		Percentage of	
	Class	Amount	Principal Total	Possible votes
GPAT Compañía Financiera S.A.U.	Common stock	86,837,083	100.00%	100.00%
Patagonia Valores S.A.	Common stock	13,862,667	99.99%	99.99%
Patagonia Inversora S.A. Sociedad Gerente Fondos Comunes de Inversión	Common stock	13,317,237	99.99%	99.99%
Banco Patagonia (Uruguay) S.A.I.F.E.	Common stock	50,000	100.00%	100.00%

For debit and credit balances per company, see Note 34 to the Entity's separate financial statements.

5. Trade receivables or loans with directors, supervisory auditors, members of the supervisory audit committee, and relatives up to and including the second degree.

In thousands of Pesos	Financing 06/30/2020	Maximum Financing
Directors and relatives	3,179	3,243
Supervisory auditors and relatives	877	920
TOTAL	4,056	4,163

Such financial aid is represented by loans in pesos, granted under similar terms and conditions as those applied to the other clients of the Bank, with no monetary adjustment clause.

6. Physical count of inventories. Frequency and scope of physical counts of inventories.

Not applicable.

7. Investments in other companies exceeding the limits established in section 31, Law No. 19550, and plans to regularize the situation

None.

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**ADDITIONAL INFORMATION OVER THE CONDENSED INTERIM FINANCIAL STATEMENTS NOTES
REQUIRED BY SECTION 12 OF CHAPTER III, TITLE IV OF
CNV REGULATIONS (GENERAL RESOLUTION NO. 622/13)**

8. Recoverable value: Criteria followed to assess the significant "recoverable value" of inventories, fixed assets and other assets, used as a limit to their valuation for accounting reporting purposes.
9. Insurance taken in relation to tangible assets.

Property insured In thousands of pesos	Risk	Amount insured	Book value
Cash, checks, and securities	Fraud, theft, security deposit boxes, and transportation	2,818,200	9,347,189
Buildings, machines, equipment, furniture, fixtures, and works of art	Fire, vandalism, and earthquake	14,440,021	9,098,794
Cars	All risk and third-party insurance	53,459	31,592

10. Negative and positive contingencies.
- a) Items considered to calculate the allowances, the balances of which considered either individually or as a whole, exceed two percent (2%) of the shareholders' equity
- b) Contingencies as of the balance sheet date, which are not remote and the effects of which on the financial position have not been recognized, stating whether lack of accounting is based on the likelihood of occurrence or on any difficulty in quantifying its effects.
- None.
11. Irrevocable advances to be applied to future subscriptions. Status of the processing aimed at its capitalization.
- None.
12. Unpaid cumulative dividends on preferred shares.
- None.
13. Conditions, circumstances, or terms for the removal of restrictions on the distribution of unappropriated retained earnings.
- See Note 43 - Distribution of profits and Restrictions of the Entity's Consolidated Financial Statements.

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BANCOPATAGONIA

**Reporting summary
For the six-month period ended
June 30, 2020**

BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE SIX – MONTH PERIOD
ENDED JUNE 30, 2020**

RELEVANT ASPECTS:

This reporting summary was prepared based on the consolidated financial information and under the new accounting framework based on the International Financial Reporting Standards (“IFRS”) established by the BCRA effective as from January 1, 2018.

The BCRA established the adoption of IAS 29 “Financial Information in Hyperinflationary Economies” as of January 1, 2020; therefore, this review has been prepared in constant currency as of June 30, 2020.

Banco Patagonia ended the second quarter of 2020 recorded assets in the amount of ARS 251,603.0 million, Loans and other financing facilities (net of allowances) in the amount of ARS 95,175.4 million, Deposits in the amount of ARS 181,089.9 million and Shareholders’ equity in the amount of ARS 38,307.6 million.

Comprehensive income for the six-month period amounted to \$ 7,474.9 million, which is a 22.2% (\$ 1,355.7 million) up on 2T19 (\$ 6,119.2 million), with an annual ROE of 38.3% and ROA of 6.6%.

Loans granted to the non-financial private sector amounted to ARS 93,239.1 million, an 18.7% decrease (ARS 21,430.9 million) compared to June 30, 2019 (\$ 114,670.0 million).

Total deposits amounted ARS 181,089.9 million, which means a 4.2% (\$ 7,294.4 million) year-over-year decline (\$ 173,795.5 million).

Regarding portfolio quality indicators, the irregular portfolio ratio was 1.9% and the irregular portfolio coverage with provisions was 274.6% (calculated according to the BCRA's debtor classification rules).

The liquidity ratio stood at 74.3% (liquid assets over total deposits). In addition, the minimum capital exceeds that required by BCRA regulations by ARS 16,476.2 M and the capitalization ratio was 17.6%.

As of June 30, 2020, Banco Patagonia S.A. employs 3,265 people, and has a wide network made up of 208 premises all over the country, distributed in the capital and major cities of each province.

Marcelo A. Iadarola
Executive manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public area

João Carlos de Nobrega Pecego
President

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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE SIX – MONTH PERIOD
ENDED JUNE 30, 2020**

Presentation of information

For the preparation of this reporting summary, Banco Patagonia S.A. consolidated its statement of financial position and statement of income on a line-by-line basis 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.U.

The consolidated financial statements have been prepared in accordance with the Argentine Central Bank (BCRA) regulations that require the entities under its supervision to present financial statements prepared in accordance with IFRS issued by the International Accounting Standards Board (IASB), except for the following exceptions (see note 2.1 to these Condensed Interim Consolidated Financial Statements):

- Application of the impairment model in section 5.5 "Impairment" of IFRS 9 "Financial instruments" on debt instruments of the non-financial public sector, in accordance with BCRA Communication "A" 6847.

Moreover, the controlled entity GPAT Compañía Financiera SAU, in accordance with the provisions of BCRA Communication "A" 6938 issued on March 19, 2020, did not apply the impairment model set forth in section 5.5 "Value impairment" of the IFRS No. 9 "Financial instruments" applicable for "Allowances for Bad Debt", since it has been postponed until January 1, 2021 for Group "B" financial entities based on said Communication.

- With respect to the valuation of Prisma Medios de Pago S.A, have been considered the guidelines established by the BCRA, whereby the accounting treatment to be afforded to the investment remainder held by the Entity on this company was established, registered under "Investments in Equity Instruments" as of June 30, 2020

Likewise, as of January 1, 2020, the BCRA established the adoption of Section 5.5 "Impairment" of IFRS 9 "Financial Instruments" with the exception mentioned above and of IAS 29 "Financial Information in Hyperinflationary Economies Therefore, this report has been prepared considering both regulations as of June 30, 2020, as well as in the comparative information.

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Finance, Administration and Public area

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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE SIX – MONTH PERIOD
ENDED JUNE 30, 2020**

a) Summary comparative consolidated financial position

Information for periods ended June 30, 2020 and 2019:

Consolidated Financial Statements		
(In Millions of Pesos)	06/30/2020	06/30/2019
Cash and bank deposits	51,174.1	50,877.0
Debt securities	74,663.5	67,387.8
Other financial assets	16,412.6	10,261.1
Loans and other financing facilities	95,175.4	112,670.3
Non-financial government sector	151.9	396.0
Other financial institutions	6,495.9	4,453.8
Non-financial private sector net of allowances	88,527.6	107,820.5
Property and equipment	9,631.9	10,448.0
Other assets	4,545.5	2,868.5
TOTAL ASSETS	251,603.0	254,512.7
Deposits	181,089.9	173,795.5
Non-financial government sector	18,535.0	16,378.0
Financial sector	764.8	61.0
Non-financial private sector	161,790.1	157,356.5
Other financial liabilities	7,555.1	14,238.9
Financing facilities received from the BCRA and other financial institutions	6,755.3	19,472.1
Corporate notes issued	930.9	2,189.6
Other liabilities	16,964.2	10,122.0
TOTAL LIABILITIES	213,295.4	219,818.1
SHAREHOLDERS' EQUITY	38,307.6	34,694.6
TOTAL LIABILITIES + SHAREHOLDERS' EQUITY	251,603.0	254,512.7

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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE SIX – MONTH PERIOD
ENDED JUNE 30, 2020**

b) Summary comparative consolidated income/loss

Information for the six-month periods ended June 30, 2020 and 2019:

Consolidated Financial Statements		
(In Millions of Pesos)	06/30/20	06/30/19
Interest income/loss	18,619.4	19,834.6
Fee income/loss	2,691.7	3,338.6
Net gain on financial instruments measured at fair value through profit or loss	468.5	1,034.7
Result from derecognition of assets measured at amortized cost	(1,532.0)	-
Gold and foreign currency bid/offer spread	395.4	1,480.2
Other operating income	1,672.9	3,856.7
Charge for loan losses	(631.2)	(3,458.5)
Net operating income	21,684.7	26,086.3
Administrative expenses	(10,126.9)	(11,008.6)
Operating income	11,557.8	15,077.7
Gain/loss on associates and joint ventures	(11.9)	601.0
Inflation effect (net position of assets and liabilities)	(2,628.9)	(4,392.9)
Income before tax relating to continuing operations	8,917.0	11,285.8
Income tax relating to continuing operations	(2,555.8)	(5,261.7)
Income for the period	6,361.2	6,024.1

Statement of comprehensive income		
(In Millions of Pesos)	06/30/20	06/30/19
Exchange differences on conversion of financial statements	11.7	(38.8)
Gain/loss on financial instruments carried at fair value with changes through OCI	1,102.0	133.9
Total other comprehensive income	1,113.7	95.1

Total comprehensive income	7,474.9	6,119.2
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**REPORTING SUMMARY
FOR THE SIX – MONTH PERIOD
ENDED JUNE 30, 2020**

c) Comparative consolidated statement of cash flows

Information for periods ended June 30, 2020 and 2019:

Consolidated Statement of Cash Flows		
(In Millions of Pesos)	06/30/20	06/30/19
Cash flows provided by operating activities	316.4	(814.5)
Cash flows provided by / (used in) investment activities	(401.8)	334.2
Cash flows used in financing activities	(1,137.8)	(5,682.0)
Financial and holding gains/losses on cash and cash equivalents	5,111.1	2,077.0
Monetary gain/loss on cash and cash equivalents	(2,886.0)	(5,675.7)
Total cash flows provided / (used in) by the period	828.4	(9,761.0)

d) Summary of statistical data

Summary of statistical data		
Item	06/30/20	06/30/19
Number of term deposit transactions – Personal banking	82,377	82,834
Number of time deposit transactions – Business banking	3,001	3,674
Number of loan transactions – Personal banking	984,933	1,174,116
Number of loan transactions – Business banking	26,494	52,815
Number of customer desks	208	210
Number of automatic teller machines (ATMs)	600	609
Number of self-service terminals (SSTs)	398	396
Payroll	3,265	3,402

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**REPORTING SUMMARY
FOR THE SIX – MONTH PERIOD
ENDED JUNE 30, 2020**

Breakdown	As of June 30:	
	2020	2019
Profitability Ratios		
Return on average assets (1)	6.6%	4.6%
Return on average shareholders' equity (2)	38.3%	35.3%
Interest and Commission Margin Ratios		
Total financial margin (interest income-loss/average assets)	14.9%	15.0%
Margin on net services (net fee income / Average Assets) (3)	2.2%	2.5%
Total margin (total revenues / average assets) (4)	17.1%	17.5%
Net fee income on net total revenues (3) (4)	12.6%	14.1%
Shareholders' Equity Ratios		
Shareholders' equity on total assets	15.2%	13.6%
Financial standing (shareholders' equity / total liabilities)	18.0%	15.8%
Total liabilities as a multiple of shareholders' equity	5.6	6.3
RPC on risk-weighted assets (5)	17.6%	14.8%
Portfolio Quality Ratio		
Non-performing portfolio / financing (before allowances) (6)	1.9%	3.3%
Allowances on non-performing financing portfolio (6)	274.6%	176.9%
Cost of Risk (7)	1.3%	5.8%
Efficiency Ratio		
Administrative expenses / total net income (4)	37.1%	36.3%
Net fee income / administrative expenses	34.0%	38.8%
Liquidity Ratios		
Liquid Assets on deposits (8)	74.3%	56.5%
Loans (net of allowances) on assets	37.8%	39.2%
Deposits on liabilities	84.9%	79.1%
Loans on deposits	52.6%	57.4%
Fixed assets from equity (9)	26.2%	29.3%

References:

- (1) Defined as the quotient between net year-over-year income and average assets.
- (2) Defined as the quotient between net year-over-year income and average shareholders' equity.
- (3) Total fee income defined as net fee income plus fee income/loss included in other operating income and other operating expenses.
- (4) Total net revenue defined as the addition of interest income and total fee income.
- (5) RPC means computable equity.
- (6) Non-performing portfolio is defined as loans classified as 3 – 4 – 5 and 6 condition under BCRA regulations.
- (7) Defined as the annualized charge for loan losses divided by average loans without allowances.
- (8) Defined as the addition of cash and bank deposits, debt securities and investments in equity instruments net of repo transactions divided by total deposits.
- (9) Defined as the quotient between the addition of property and equipment and intangible assets on shareholders' equity.

Marcelo A. Iadarola
Executive manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public area

João Carlos de Nobrega Pecego
President

Signed for identification purposes
with our report dated 08/26/2020
Deloitte & Co. S.A.
C.P.C.E.C.A.B.A. T° 1 F° 3

Gustavo Carballal (Partner)
Public Accountant (U.B.)
C.P.C.E.C.A.B.A. T° 218 F° 224

BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE SIX – MONTH PERIOD
ENDED JUNE 30, 2020**

e) Outlook

As a result of the COVID-19 pandemic the world economy is expected to contract by 4.9% along the present year. The economic impact has been a little more intense than expected, so a very gradual recovery is expected

In 2021, a growth rate of 5.4% is projected based on a slight improvement in consumption and investment.

The Advanced economies project a decrease rate of 8,0% for 2020 and a gradual recovery for the second semester. The main countries that show the highest decreasing rate of their economies are: Italy and Spain with indicators surrounding 12.8%, France with 12.5%, and United Kingdom with 10.2%. Regarding to 2021, for this group's GDP is projected a growth rate of 4.8%.

According to emerging market and developing economies, the growth rate is expected to be -3.0% for 2020, reversing at next year with a growth of 5.9%, The growth expectations mentioned, are based fundamentally in the Chinese contribution within this group, with a rate of 8.2%.

Latin America is currently the zone which is working more exhaustively to contain the virus.

Argentina is still applying social distancing measures, in order to contain the virus spread, allowing certain economic activities, according to the health's progress at each geographic zone. Furthermore, like the other countries affected for the pandemic, Argentina is still allocating resources to the most vulnerable sectors, and supporting the different economic activities around the country.

During the present year the focus will continue on the economic activity and its gradual reactivation, the inflation level, the fiscal deficit and the renegotiation of external debt. As of the date of issuance of this Summary, a positive progress has been made in the negotiation of debt under foreign legislation, announcing an agreement with the main groups of private creditors.

Banco Patagonia continues to pursue its goal of positioning among the Top Private Sector Banks of the Argentine Financial System. To such end, it works on completing strategic projects that form the pillars for the development of all its businesses and on serving all customer segments through its Branch Network, with a presence in all provinces, Business Centers and customer service through online attention channels, Mobile, the Telephone Attention Center and its Digital Relationship Channel.

Marcelo A. Iadarola
Executive manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public area

João Carlos de Nobrega Pecego
President

Signed for identification purposes
with our report dated 08/26/2020
Deloitte & Co. S.A.
C.P.C.E.C.A.B.A. T° 1 F° 3

Gustavo Carballal (Partner)
Public Accountant (U.B.)
C.P.C.E.C.A.B.A. T° 218 F° 224

SUPERVISORY AUDIT COMMITTEE'S REVIEW ON CONDENSED INTERIM FINANCIAL STATEMENTS

Banco Patagonia S.A.

Legal address: Av. de Mayo 701, Floor 24
Taxpayer Identification No. [C.U.I.T.] No. 30-50000661-3
City of Buenos Aires

I. Report on the financial statements

We have reviewed the attached condensed interim period separate financial statements of Banco Patagonia SA ("the Entity"), which include the condensed interim separate statement of financial position as of June 30, 2020, the condensed separate statements of income, of other comprehensive income, changes in equity and cash flow for the six-month period then ended, exhibits and selected notes. Likewise, we have reviewed the condensed interim consolidated financial statements of Banco Patagonia S.A. and its subsidiaries, which are attached, those with the condensed interim consolidated statement of financial position as of June 30, 2020; the condensed interim consolidated statements of income, other comprehensive income, changes in equity and cash flow for the six-month period ended on that date, exhibits and selected notes.

The balances and other information corresponding to the fiscal year ended December 31, 2019 and the six-month period ended June 30, 2019, restated in constant currency of June 2020, form an integral part of the financial statements previously mentioned and should, therefore, be considered exclusively in relation to figures and other data of the current year.

II. Board of Directors' and Management responsibility for the financial statements.

The Entity's Board of Directors and Management are responsible for the preparation and presentation of the attached financial statements, in accordance with the accounting information framework established by the Central Bank of the Argentine Republic ("BCRA") and, in particular, with the International Accounting Standard 34, "Interim financial information" (IAS 34). As described in note 2 to the accompanying financial statements mentioned in point I, said financial reporting framework is based on the application of International Financial Reporting Standards ("IFRS") adopted by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE) as professional accounting standards, as approved by the International Accounting Standards Board ("IASB") and adopted by the BCRA with the provisional excepted application of point 5.5 "Impairment of Value" of IFRS 9 "Financial Instruments" for Group "B" Financial Institutions, while for Group "A" Financial Institutions, said exception is limited to debt instruments of the non-financial public sector. Likewise, the Entity's Board of Directors and Management are also responsible for the internal control deemed necessary for the preparation of financial information of interim periods free of material misstatements, whether due to fraud or error.

III. Supervisory Audit Committee's responsibility.

Our responsibility is to render a conclusion on the accompanying condensed interim separate and consolidated financial statements based on our work performed in accordance with applicable supervisory audit standards. To carry out our professional task on the documents mentioned in point I, we have reviewed the work carried out by the firm DELOITTE & CO.SA, in its capacity as external auditors, who issued their reports on August 26, 2020, in accordance with the standards for reviewing financial statements for interim periods established in section IV of Technical Resolution No. 37 of the FACPCE and with the "Minimum Standards on External Audits" for Financial

Entities issued by the BCRA, applicable to the review of financial statements interim period; complying with the relevant ethical requirements. According to these standards, a review consists mainly of applying analytical procedures and other review procedures on the accounting information included in the interim financial statements and in making inquiries to those responsible for preparing them. The scope of a review is significantly less than that of an audit and therefore does not ensure that all significant issues that could be identified in an audit are brought to our attention. Therefore, we do not express an audit opinion on the accompanying financial statements mentioned in point I.

Since it is not the responsibility of the supervisory auditor to carry out management control, our review did not cover the criteria and business decisions related to administration, financing and marketing, since these matters are the sole responsibility of the Board of Directors.

IV. Opinion

As a result of our review and based on the reports dated August 26, 2020 issued by Dr. Gustavo Carballal (Partner of Deloitte & Co. SA), nothing has come to our attention that causes us to believe that the financial statements of Banco Patagonia SA for the six-month period ended June 30, 2020, as attached, have not been prepared in all significant respects, in accordance with the accounting reporting framework established by the BCRA, and in particular with IAS 34.

V. Other accounting issues disclosed in the financial statements

Without modifying our conclusion, we draw the attention of users of this report to the following issues disclosed in the accompanying condensed interim separate and consolidated financial statements, which should be taken into account for their interpretation:

- b) As explained in notes 2.a) and 2.1.a) to the attached condensed separate and consolidated financial statements, respectively, they have been prepared by the Board and the Management of the Entity in accordance with the accounting reporting framework established by the BCRA that differs from IFRS in relation to the application of the impairment model in section 5.5 "Impairment" of IFRS 9 "Financial instruments" on debt instruments of the non-financial public sector, in accordance with BCRA Communication "A" 6847. Moreover, the controlled entity GPAT Compañía Financiera SAU, in accordance with the provisions of BCRA Communication "A" 6938 issued on March 19, 2020, did not apply the impairment model set forth in section 5.5 "Value impairment" of the IFRS No. 9 "Financial instruments" applicable for "Allowances for Bad Debt", since it has been postponed until January 1, 2021 for Group "B" financial entities based on said Communication.
- c) As explained in notes 2.b) and 2.1.b) to the attached separate and consolidated financial statements, respectively, the remaining shareholding in Prisma Medios de Pago S.A. Classified under the heading "Investments in Equity Instruments", is recorded according to the accounting treatment established by the BCRA. The accounting criteria applied constitutes a departure from the provisions of IFRS 9 with respect to the measurement of equity instruments at their fair value.
- d) The figures for the fiscal year ended December 31, 2019 and the six-month period ended June, 2019, which are presented in the accompanying condensed financial statements for comparative purposes, have been modified to reflect the application of IAS29 "Financial Information in Hyperinflationary Economies" and point 5.5 "Impairment" of IFRS 9 "Financial Instruments".

VI. *Information on other legal and regulatory requirements*

In compliance with current provisions, we inform that:

1. In exercising the control of legality within our scope of work, we have applied for the six-month period ended on June 30, 2020 the procedures described in section 294 of Law Nº19.550, which we consider necessary according to the circumstances; in this respect, there are no observations to be made;
2. The condensed interim separate and consolidated financial statements of Banco Patagonia S.A. mentioned under section I above are recorded on the balance sheet, and arise from the entity's accounting records kept, in their formal aspects, in accordance with current legal regulations;
3. As of June 30, 2020, the Entity records the minimum net equity and liquidity counterpart required by the regulations of the National Securities Commission in accordance with what is indicated in Notes 36 and 51 to the condensed interim separate and consolidated financial statements, respectively.

City of Buenos Aires, August 26, 2020.

By Supervisory Committee
Mónica M. Cukar
Regular Supervisory Auditor
Public Accountant (UBA)
C.P.C.E.C.A.B.A. T° 147 F° 66