

Translation from the original prepared in Spanish for publication in Argentina

BANCOPATAGONIA

**Condensed Interim Consolidated Financial Statements as
of June 30, 2021**

**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, 2021

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BANCO PATAGONIA S.A.

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BANCO PATAGONIA S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2021

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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, 2021, 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, 2020 and to the six-month period ended June 30, 2020, restated as June 2021 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 exceptions described in the aforementioned note. 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, 2021, 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 want to emphasize what is mentioned in note 2.1 to the accompanying condensed consolidated interim financial statements, which indicates that they have been prepared in accordance with the financial reporting framework established by the BCRA that presents certain differences with respect to the IFRS described in the aforementioned note. These issues must be taken into account for the interpretation of the accompanying condensed consolidated interim financial statements.

6. Other issues

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, 2021 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, 2021 in favor of the National Social Security Regime in respect of contributions and planned contributions amounted to ARS 306,914,006.91 with no amounts being due as of that date.

City of Buenos Aires, August 26, 2021

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. Tome 218 - Foil 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

1. 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, 2021, 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, 2020 and to the six-month period ended June 30, 2020, restated as June 2021 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.

2. 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"). 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 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.

4. 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, 2021, 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 want to emphasize what is mentioned in note 2 to the accompanying condensed separate interim financial statements, which indicates that they have been prepared in accordance with the financial reporting framework established by the BCRA, which presents certain differences with respect to the IFRS described in the aforementioned note. These issues must be taken into account for the interpretation of the accompanying condensed separate interim financial statements.

6. Other issues

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.

7. 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

- a) The condensed interim separate financial statements of Banco Patagonia S.A. as of June 30, 2021 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 separate 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 36 to the condensed interim separate 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, 2021 in favor of the National Social Security Regime in respect of contributions and planned contributions amounted to ARS 302,809,172.232 with no amounts being due as of that date.

City of Buenos Aires, August 26, 2021

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. Tome 218 - Foil 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. 98		
Beginning date: January 1, 2021	Closing date: December 31, 2021	
Capital structure (Note 28)		
Number and characteristics of shares	In Argentine pesos	
	Subscribed	Subscribed
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, 2021	8 – (quarterly closing – Unqualified opinion)	

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 08/26/2021

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 08/26/2021

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 06/30/21 AND 12/31/20**

(Stated in thousands of pesos)

ITEM	NOTES	06/30/21	12/31/20
ASSETS			
Cash and bank deposits	7	56,635,013	76,093,030
Cash on hand		14,721,649	24,044,393
Financial institutions and correspondents		39,890,852	51,099,952
BCRA		38,074,556	48,601,493
Other in Argentina and abroad		1,816,296	2,498,459
Other		2,022,512	948,685
Debt securities measured at fair value with changes through profit or loss	8	2,512,178	1,924,761
Derivative instruments	9	328,408	356,721
Repo transactions	10	70,100,074	9,975,582
Other financial assets	11	4,168,939	3,199,639
Loans and other financing facilities (Exhibits B, C y D)	12	124,307,993	142,107,530
Non-financial government sector		83,864	9,894
Other financial institutions		9,009,359	9,513,512
Nonfinancial private sector and foreign residents		115,214,770	132,584,124
Other debt securities	13	123,078,412	110,703,918
Financial assets granted as collateral	14	5,965,804	10,887,414
Current income tax assets	15 a)	719,782	23,124
Investments in equity instruments	16	1,080,603	1,060,346
Investments in subsidiaries, associates and joint ventures	17	667,941	563,169
Property and equipment	18	14,813,606	14,710,935
Intangible assets	19	657,827	611,401
Deferred income tax assets		2,301,046	3,808,986
Other non-financial assets	20	893,960	1,123,405
Non-current assets held for sale	21	34,162	185,881
TOTAL ASSETS		408,265,748	377,335,842

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 08/26/2021

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 Public Sector

Oswaldo Parré Dos Santos
President
Signed for identification purposes
with our report dated 08/26/2021

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.

**CONDENSED INTERIM CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION AS OF 06/30/21 AND 12/31/20**

(Stated in thousands of pesos)

ITEM	NOTES	06/30/21	12/31/20
LIABILITIES			
Deposits (Exhibits H)		301,655,487	273,286,331
Nonfinancial government sector		23,711,006	26,730,148
Financial sector		1,019,417	15,082
Nonfinancial private sector and foreign residents	22	276,925,064	246,541,101
Liabilities at fair value through profit or loss		283,306	-
Derivative instruments	9	5,688	-
Repo transactions	10	281,744	5,823
Other financial liabilities	23	13,087,567	12,535,169
Financing facilities received from the BCRA and other financial institutions	24	9,089,865	5,154,124
Corporate bonds issued	25	1,190,354	1,216,442
Current income tax liabilities	15 a)	163,851	1,734,869
Allowances and provisions (Exhibit J)	26	2,408,303	2,356,390
Other nonfinancial liabilities	27	21,380,472	18,173,767
TOTAL LIABILITIES		349,546,637	314,462,915
SHAREHOLDERS' EQUITY			
Share capital	28	719,145	719,145
Non-capitalized contributions		217,191	217,191
Share capital adjustments		23,801,009	23,801,009
Retained earnings		28,949,366	42,905,578
Unappropriated retained earnings	43	-	(20,520,348)
Other comprehensive income		2,110,667	2,622,078
Income for the period / fiscal year		2,921,733	13,128,274
Equity attributable to the owners of the parent company		58,719,111	62,872,927
Equity attributable to non-controlling interests (*)		-	-
TOTAL SHAREHOLDERS' EQUITY		58,719,111	62,872,927
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		408,265,748	377,335,842

(*) As of June 30, 2021 and December 31, 2020 the Net Equity attributable to uncontrolled participations amounts \$278.25 y \$328.31, respectively

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 08/26/2021

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 Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 08/26/2021

Deloitte & Co. S.A.
C.P.C.E.C.A.B.A. T° 1 F° 3

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

**CONDENSED INTERIM CONSOLIDATED
STATEMENTS OF INCOME AS OF 06/30/21 AND 06/30/20**

(Stated in thousands of Pesos)

ITEM	NOTES	THREE-MONTH PERIOD ENDED		SIX-MONTH PERIOD ENDED	
		06/30/21	06/30/20	06/30/21	06/30/20
Interest income	29	24,830,417	19,935,081	47,509,443	42,571,084
Interest expense	30	(14,084,521)	(6,065,599)	(25,501,933)	(14,418,348)
Net interest income		10,745,896	13,869,482	22,007,510	28,152,736
Fee income	31	2,839,098	2,689,691	5,603,038	5,768,517
Fee expenses	32	(811,682)	(760,612)	(1,641,348)	(1,698,632)
Net fee income		2,027,416	1,929,079	3,961,690	4,069,885
Net result from measurement of financial instruments at fair value with changes in results	33	179,942	573,701	975,287	708,357
Result from derecognition of assets measured at amortized cost and at fair value with changes in OCI		379,307	(3,161,129)	500,797	(3,030,270)
Gold and foreign currency bid/offer spread		262,314	313,616	799,315	597,888
Other operating income	34	948,796	1,477,310	2,555,106	2,529,388
Charge for Loan Losses		(216,895)	(805,768)	(357,853)	(954,420)
Net operating income		14,326,776	14,196,291	30,441,852	32,073,564
Benefits to personnel	35	(3,693,926)	(3,675,177)	(7,480,249)	(7,086,500)
Administrative expenses	36	(1,991,169)	(2,119,892)	(4,072,829)	(4,062,839)
Depreciation and impairment of assets		(410,773)	(398,143)	(821,742)	(801,706)
Other operating expenses	37	(2,441,044)	(1,677,963)	(5,326,480)	(3,360,883)
Operating income		5,789,864	6,325,116	12,740,552	16,761,636
Gain/loss on associates and joint ventures		58,905	(4,447)	8,091	(17,929)
Inflation effect (net position of assets and liabilities)		(4,147,827)	(2,284,501)	(8,715,495)	(4,635,574)
Income before tax relating to continuing operations		1,700,942	4,036,168	4,033,148	12,108,133
Income tax relating to continuing operations	15 b)	(452,727)	(867,122)	(1,111,415)	(3,452,017)
Net income from continuing operations		1,248,215	3,169,046	2,921,733	8,656,116
INCOME FOR THE PERIOD		1,248,215	3,169,046	2,921,733	8,656,116

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 08/26/2021

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 Public Sector

Oswaldo Parré Dos Santos
President
Signed for identification purposes
with our report dated 08/26/2021

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.

**CONDENSED INTERIM CONSOLIDATED
STATEMENTS OF INCOME AS OF 06/30/21 AND 06/30/20**

(Stated in thousands of Pesos)

NET INCOME FOR THE PERIOD	THREE-MONTH PERIOD ENDED		SIX-MONTH PERIOD ENDED	
	06/30/21	06/30/20	06/30/21	06/30/20
Net income attributable to the owners of the parent company	1,248,215	3,169,046	2,921,733	8,656,116
Net income attributable to non-controlling interests (*)	-	-	-	-

(*) As of June 30, 2021 and 2020 the Net Income for the six-month period attributable to non-controlling interests amounts to \$25.15 y \$44.96, respectively.

EARNINGS PER SHARE	THREE-MONTH PERIOD ENDED		SIX-MONTH PERIOD ENDED	
	06/30/21	06/30/20	06/30/21	06/30/20
NUMERATOR				
Net income attributable to the shareholders of the parent company	1,248,215	3,169,046	2,921,733	8,656,116
Net income attributable to the shareholders of the parent company adjusted to reflect dilution	1,248,215	3,169,046	2,921,733	8,656,116
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	1.736	4.407	4.063	12.037
Earnings per share – Diluted	1.736	4.407	4.063	12.037

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 08/26/2021

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 Public Sector

Oswaldo Parré Dos Santos
President
Signed for identification purposes
with our report dated 08/26/2021

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.

**CONDENSED INTERIM CONSOLIDATED
STATEMENTS OF OTHER COMPREHENSIVE INCOME AS OF 06/30/21 AND 06/30/20**

(Stated in thousands of Pesos)

ITEM	THREE-MONTH PERIOD ENDED		SIX-MONTH PERIOD ENDED	
	06/30/21	06/30/20	06/30/21	06/30/20
INCOME FOR THE PERIOD	1,248,215	3,169,046	2,921,733	8,656,116
Components of other comprehensive income that will not be reclassified to income for the period				
Property plan and equipment revaluation	(178,230)	-	(178,230)	-
Income tax	(178,230)	-	(178,230)	-
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO INCOME FOR THE PERIOD	(178,230)	-	(178,230)	-
Components of other comprehensive income that will be reclassified to income for the period				
Exchange differences on translation of financial statements	(13,872)	13,530	(46,610)	17,741
Exchange differences for the period	(20,680)	18,039	(29,196)	23,654
Income tax	6,808	(4,509)	(17,414)	(5,913)
Gains or losses on financial instruments carried at fair value through OCI (paragraph 4.1.2 of IFRS 9)	(223,579)	4,891,367	(286,572)	2,628,298
Gains on financial instruments carried at fair value through OCI	(306,282)	6,981,609	(232,576)	3,766,901
Income tax	82,703	(2,090,242)	(53,996)	(1,138,603)
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED TO INCOME FOR THE PERIOD	(237,451)	4,904,897	(333,182)	2,646,039
TOTAL OTHER COMPREHENSIVE INCOME	(415,681)	4,904,897	(511,412)	2,646,039
TOTAL COMPREHENSIVE INCOME	832,534	8,073,943	2,410,321	11,302,155
Attributable to the owners of the parent company	832,534	8,073,943	2,410,321	11,302,155

Marcelo A. Iadarola
Executive Manager of Administration

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with our report dated 08/26/2021

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President
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CONDENSED INTERIM CONSOLIDATED STATEMENTS
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 06/30/21
(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 06/30/2021
	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 year (*)	719,145	217,191	23,801,009	234,274	1,752,738	635,067	16,742,921	26,162,656	(7,392,074)	62,872,927	62,872,927
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholders's Meeting held on 04/22/21 (2)											
- Legal reserve	-	-	-	-	-	-	2,625,654	-	(2,625,654)	-	-
- Optional Reserve - Future distribution of profits	-	-	-	-	-	-	-	3,938,484	(3,938,484)	-	-
- Cash dividends (3)	-	-	-	-	-	-	-	-	(6,564,137)	(6,564,137)	(6,564,137)
Absorb of Negative Unappropriated retained earnings for the initial application of IAS 29	-	-	-	-	-	-	-	(20,520,349)	20,520,349	-	-
Income for the period	-	-	-	-	-	-	-	-	2,921,733	2,921,733	2,921,733
Other comprehensive income for the period	-	-	-	(46,610)	(178,230)	(286,572)	-	-	-	(511,412)	(511,412)
Balances at period-end	719,145	217,191	23,801,009	187,664	1,574,508	348,495	19,368,575	9,580,791	2,921,733	58,719,111	58,719,111

(*) Balances as of December 31, 2020 restated as of June 30, 2021.

(1) See note 28.

(2) See note 43.

(3) Corresponds to \$ 9.128 per share.

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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 06/30/20
 (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		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 year (*)	719,145	217,191	23,801,009	221,511	1,753,930	(2,478,710)	11,343,554	16,453,177	6,476,484	58,507,291	58,507,291
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholders's Meeting held on 04/23/20											
- Legal reserve	-	-	-	-	-	-	5,399,367	-	(5,399,367)	-	-
- Optional Reserve - Future distribution of profits	-	-	-	-	-	-	-	21,597,468	(21,597,468)	-	-
- Partial reversal of the optional reserve for cash dividends payment	-	-	-	-	-	-	-	(11,887,988)	-	(11,887,988)	(11,887,988)
Income for the period	-	-	-	-	-	-	-	-	8,656,116	8,656,116	8,656,116
Other comprehensive income for the period	-	-	-	17,741	-	2,628,298	-	-	-	2,646,039	2,646,039
Balances at period-end	719,145	217,191	23,801,009	239,252	1,753,930	149,588	16,742,921	26,162,657	(11,864,235)	57,921,458	57,921,458

(*) Balances as of December 31, 2019 restated as of June 30, 2021.

(1) See note 28.

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BANCO PATAGONIA S.A

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS AS OF 06/30/21 AND 06/30/20
 (Stated in thousands of Pesos)

ITEM	06/30/21	06/30/20
Cash flows from operating activities		
Income before Income Tax	4,033,148	12,108,133
Monetary result adjustment of the period	8,715,495	4,635,574
Adjustments to obtain cash flows from operating activities:	(850,686)	(4,139,290)
Assets depreciation and impairment of value	821,742	801,706
Charge for Loan Losses	357,853	954,420
Other adjustments	(2,030,281)	(5,895,416)
Increase from operating assets:	(43,135,627)	(41,759,442)
Debt securities measured at fair value with changes through profit or loss	(378,542)	(1,035,721)
Derivative instruments	28,313	(204,996)
Repo transactions	(60,124,492)	(13,229,838)
Loans and other financing facilities	22,653,602	12,360,017
Non-financial government sector	13,762	16,527
Other financial institutions	1,478,384	717,752
Nonfinancial private sector and foreign residents	21,161,456	11,625,738
Other debt securities	(12,013,336)	(39,241,007)
Financial assets granted as collateral	4,921,610	(1,500,419)
Investment in equity instruments	(20,257)	(6,926)
Other assets	1,797,475	1,099,448
Increase from operating liabilities:	20,597,053	31,811,468
Deposits	22,843,570	58,572,311
Nonfinancial government sector	1,880,936	6,061,556
Financial sector	96,741	282,491
Nonfinancial private sector and foreign residents	20,865,893	52,228,264
Liabilities measured at fair value with changes through profit or loss	283,306	53
Derivative instruments	5,688	(393,031)
Repo transactions	275,921	58,663
Financing facilities received from the BCRA and other financial institutions	3,524,303	(17,149,631)
Other liabilities	(6,335,735)	(9,276,897)
Income tax payments	(653,303)	(1,513,575)
TOTAL OPERATING ACTIVITIES (A)	(11,293,920)	1,142,868

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BANCO PATAGONIA S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS AS OF 06/30/21 AND 06/30/20
 (Stated in thousands of Pesos)

ITEM	06/30/21	06/30/20
Cash flows from investing activities		
Payments:		
Purchase of property and equipment, intangible assets and other assets	(820,431)	(652,065)
Proceeds:		
Sale of property and equipment, intangible assets and other assets	6,694	42,225
TOTAL INVESTING ACTIVITIES (B)	(813,737)	(609,840)
Cash flows from financing activities		
Payments:		
Unsubordinated corporate bonds	(1,181,007)	(1,624,782)
Financing facilities from local financial institutions	(545,469)	(838,355)
Payment for leases	(244,411)	(272,650)
Proceeds:		
Unsubordinated corporate bonds	836,034	1,129,317
TOTAL FINANCING ACTIVITIES (C)	(1,134,853)	(1,606,470)
EFFECTS OF EXCHANGE RATE CHANGES (D)	5,039,251	6,951,944
EFFECT OF MONETARY GAIN/LOSS ON CASH AND CASH EQUIVALENTS (E)	(11,254,758)	(4,626,212)
TOTAL CHANGES IN CASH FLOWS	06/30/21	06/30/20
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D + E)	(19,458,017)	1,252,290
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	76,093,030	76,123,190
CASH AND CASH EQUIVALENTS AT PERIOD-END	56,635,013	77,375,480

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BANCO PATAGONIA S.A.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2021
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.
- 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.

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BANCO PATAGONIA S.A.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2021
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

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

2.1 Basis for presentation

These condensed consolidated financial statements for the six-month period ended June 30, 2021 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" 7181 issued on December 17, 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, 2022 for Group "B" and "C" financial entities based on said Communication.

- b) With respect to the valuation of Prisma Medios de Pago SA, the guidelines established by the BCRA are considered whereby the accounting treatment to be afforded to the investment remainder held by the Entity in said company, registered under "Investments in Equity Instruments" (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, 2020. 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, 2020.

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BANCO PATAGONIA S.A.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2021
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 Información comparativa

The Condensed Interim Consolidated Statement of Financial Position as of June 30, 2021 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, 2021, 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, 2020 and June 30, 2020 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, 2021
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, 2021, including comparative information from prior periods or years, as applicable.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2021
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

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, 2020, 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, 2020.

The new revised IFRSs and IASs with mandatory effect from January 1, 2021 had no effect on these condensed Interim consolidated financial statements.

NOTE 6 - CONSOLIDATION BASIS

As of June 30, 2021 and December 31, 2020, the Bank's financial statements were consolidated with the financial statements of the following companies:

Company	Shares		06/30/21		12/31/20	
			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%

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Executive Manager of Administration

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By Supervisory Committee

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Superintendent
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BANCO PATAGONIA S.A.

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(Stated in thousands of Pesos)**

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" 7181 dated December 17, 2020, the application of the impairment model of section 5.5 "Impairment of value" has been deferred until January 1, 2022. 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, 2021 and 2020, and December 31, 2020.

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>06/30/21</u>	<u>12/31/20</u>
Cash on hand	14,721,649	24,044,393
BCRA - Current account	38,074,556	48,601,493
Balances with financial institutions in Argentina and abroad	1,816,296	2,498,459
Other	2,022,512	948,685
Total	<u>56,635,013</u>	<u>76,093,030</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>06/30/21</u>	<u>12/31/20</u>
Public Securities of the National Treasury	2,178,854	1,490,819
Public Securities of the National Government	212,507	299,332
Private Securities of the country	120,817	134,610
Total	<u>2,512,178</u>	<u>1,924,761</u>

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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".

Breakdown is as follows:

Effective values	06/30/21	12/31/20
Assets		
FX forward transactions	-	3,693
Foreign currency forwards	328,408	353,028
Total	328,408	356,721
Liabilities		
FX forward transactions	5,688	-
Total	5,688	-
 Notional values	 06/30/21	 12/31/20
Assets – Purchase contracts		
FX forward transactions	82,056	118,785
Foreign currency forwards	2,800	3,645
Total	84,856	122,430
Liabilities – Sales contracts		
FX forward transactions	81,961	90,864
Foreign currency forwards	48,035	48,390
Total	129,996	139,254

NOTE 10 – REPO TRANSACTIONS

Breakdown is as follows:

	06/30/21	12/31/20
Assets		
Government securities	596,688	372,846
Instruments issued by the BCRA	69,503,386	9,602,736
Total	70,100,074	9,975,582
Liabilities		
Government securities	281,744	5,823
Total	281,744	5,823

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NOTE 11 – OTHER FINANCIAL ASSETS

Breakdown is as follows:

	<u>06/30/21</u>	<u>12/31/20</u>
Measured at amortized cost		
Sundry receivables from the sale of Prisma Medios de Pago S.A.	1,447,149	1,620,070
Receivables from spot sales of foreign currency to be settled	766,723	106,259
Receivables from spot sales of government securities to be settled	1,271,022	634,466
Sundry receivables	1,380,119	1,583,417
Sub – Total	4,865,013	3,944,212
Measured at fair value with changes through profit or loss		
Mutual fund shares	787,157	947,449
Sub – Total	787,157	947,449
Less: Allowance for loan losses (Exhibit R)	(1,483,231)	(1,692,022)
Total	4,168,939	3,199,639

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>06/30/21</u>	<u>12/31/20</u>
Measured at amortized cost	127,905,730	147,744,696
Less: Allowance for loan losses (Exhibit R)	(3,597,737)	(5,637,166)
Total	124,307,993	142,107,530

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Breakdown of loans and other financing facilities is shown below:

	<u>06/30/21</u>	<u>12/31/20</u>
Government sector	83,864	9,894
Financial sector	9,009,910	9,517,518
Non-financial private sector and residents abroad	118,811,956	138,217,284
Notes	39,640,866	36,317,609
Overdrafts	23,120,116	37,964,891
Credit cards	23,112,749	27,682,306
Personal consumer loans	9,958,259	9,615,753
Pledge loans	3,989,112	4,539,301
Mortgage loans	3,137,813	3,242,253
Finance leases	670,639	344,026
Other	12,569,163	14,244,237
Interest and other adjustments	2,613,239	4,266,908
Sub – Total	127,905,730	147,744,696
Less: Allowance for loan losses (Exhibit R)	(3,597,737)	(5,637,166)
Total	124,307,993	142,107,530

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.

Information on financing classified according to the remaining terms until maturity is reported in Exhibit “D”

For this purpose, the total contractual flows of capital, interest and accessories are distributed in the terms indicated in the Exhibit.

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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	06/30/21		12/31/20	
	Total investment	Present value of minimum lease payments	Investment Total	Present value of minimum lease payments
Up to 1 year	363,340	173,116	278,664	191,392
From 1 to 5 years	719,378	509,972	214,247	160,552
Totals	1,082,718	683,088	492,911	351,944

Breakdown of the present value of minimum lease payments receivable is shown below:

	06/30/21	12/31/20
Capital	670,639	344,026
Accrued interest	12,449	7,918
Total	683,088	351,944

Allowances for bad debt related to loans and other financings

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

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(Stated in thousands of Pesos)**

NOTE 13 – OTHER DEBT SECURITIES

Breakdown is shown below:

Measured at fair value with changes through OCI

	<u>06/30/21</u>	<u>12/31/20</u>
BCRA instruments	90,483,738	81,566,969
Argentine Treasury securities	25,342,221	22,659,496
Argentine Corporate securities	2,756,321	1,583,966
Provincial Government securities	1,192,805	1,358,843
Argentine government securities	449,801	540,188
US Treasury bonds	382,905	421,570
Sub – Total	<u>120,607,791</u>	<u>108,131,032</u>

Measured at amortized cost

	<u>06/30/21</u>	<u>12/31/20</u>
Argentine Treasury securities	2,447,248	2,410,290
Argentine corporate securities	23,373	162,596
Sub – Total	<u>2,470,621</u>	<u>2,572,886</u>
Total	<u>123,078,412</u>	<u>110,703,918</u>

NOTE 14 – FINANCIAL ASSETS GRANTED AS COLLATERAL

Financial assets granted as collateral as of June 30, 2021 and December 31, 2020 are broken down as follows:

	<u>06/30/21</u>	<u>12/31/20</u>
Special guarantee accounts (*)	2,558,439	3,106,466
BCRA - Financial trusts under guarantee of forward transactions	2,317,013	6,676,005
- Argentine Treasury Bonds in ARS Adjusted by CER	1,218,808	2,959,473
- Argentine Treasury Bills in ARS Adjusted by CER	452,000	3,047,000
- Treasury Bonds Linked to u\$s	346,955	669,532
- Argentine Treasury Bonds in ARS	299,250	-
Security deposits – Credit and debit card managing companies	668,954	700,026
Security deposits – IADB loan – Global Credit Program for micro-, small- and medium-sized enterprises	398,958	381,813
- Argentine Treasury Bonds in ARS Adjusted by CER	386,240	366,293
- Pesos as guarantees	10,000	12,527
- Dollars as guarantees	2,718	2,993
Other security deposits	22,440	23,104
Total	<u>5,965,804</u>	<u>10,887,414</u>

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

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NOTE 15 - INCOME TAX

a) Current income tax assets and liabilities:

Broken down as follows:

	<u>06/30/21</u>	<u>12/31/20</u>
Current income tax assets		
Advance payments	809,903	11,583
Withholdings and collections at source	7,907	11,541
Tax provision	(98,028)	-
Total	<u>719,782</u>	<u>23,124</u>
Current income tax liabilities		
Tax provision	218,513	7,953,236
Advance payments	(54,662)	(6,209,732)
Withholdings and collections at source	-	(8,635)
Total	<u>163,851</u>	<u>1,734,869</u>

b) Income tax expense:

The income tax expense 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 CPI (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.

The variation in the CPI for the year 2019 exceeded the 30% established by Law No. 27,468, therefore, the Entity included the effect of exposure to inflation in the provision for the tax payable and incorporated five-sixths of the years following tax assets in the deferred tax asset as of December 31, 2019

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On the other hand, considering that, on the date of issuance of these financial statements, the variation in the CPI has exceeded the 15% required for the third year of validity, Management has considered the effects of inflation and has included said estimate in the provision of income tax payable.

The effect deferring sixths-parts of the result from exposure to inflation as of 2019, 2020 and June 30, 2021 has been recognized as a deferred tax asset.

Likewise, on June 16, 2021, Law No. 27,630 was published that modifies the income tax rate, establishing a scale for the purposes of paying the tax according to the accumulated taxable net income: up to \$ 5,000,000 corresponds pay 25% tax; from \$ 5,000,000 to \$ 50,000,000 corresponds to tax the sum of \$ 1,250,000 plus 30% on the excess of \$ 5,000,000; and from \$ 50,000,000 it corresponds to pay \$ 14,750,000, plus 35% on the surplus of \$ 50,000,000. These amounts will be adjustable as of January 1, 2022 considering the annual variation of the Consumer Price Index (CPI).

Additionally, it is established that the additional rate of 7% must be entered at the time of remitting the profits to the parent company, among other modifications

The aforementioned modifications are applicable to the calculation of the provision for income tax and deferred tax for entities that began their fiscal year as of January 1, 2021.

Income tax charge is as follows:

	<u>06/30/21</u>	<u>06/30/20</u>
Current tax	391,162	5,883,489
Deferred tax	720,253	(2,431,472)
Income tax expense	<u>1,111,415</u>	<u>3,452,017</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:

Information as of June 30, 2021

Description	Fair value level	Book balances as 06/30/21
- Prisma Medios de Pago S.A. (*)	3	1,068,960
- Banco Latinoamericano de Comercio Exterior S.A.	2	7,467
- Matba Rofex S.A.	2	3,041
- Seguros de depósitos S.A.	2	493
- Society for Worldwide Interbank Financial Telecommunication	2	287
- 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
- Otros	2	80
Total		1,080,603

Information as of December 31, 2020

Description	Fair value level	Book balances as 12/31/20
- Prisma Medios de Pago S.A. (*)	3	1,046,797
- Banco Latinoamericano de Comercio Exterior S.A.	2	8,397
- Matba Rofex S.A.	2	3,809
- Seguros de depósitos S.A.	2	618
- Society for Worldwide Interbank Financial Telecommunication	2	381
- Miralejos S.A.C.F. Y Agropecuaria	2	133
- Bolsa de Comercio de Mar del Plata S.A.	2	70
- Argencontrol S.A.	2	66
- Sanatorio Las Lomas S.A.	2	59
- Celta Coop. Obras Ser. Tres Arroyos	2	15
- Coop. Electrica Ltda. de Claromeco	2	1
Total		1,060,346

(*) 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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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>06/30/21</u>	<u>12/31/20</u>
Interbanking S.A.	458,933	393,531
Play Digital S.A. (*)	115,900	74,675
Mercado Abierto Electrónico S.A.	80,389	80,298
Compensadora Electrónica S.A.	7,958	9,969
Provincanje S.A.	4,761	4,696
Total	<u>667,941</u>	<u>563,169</u>

(*) On December 18, 2020, Banco Patagonia S.A. has made the initial contribution to the company of 59,611.

The main activity of the company is to develop and offer a digital "payment solution" (MODO), with advanced technology for users of the Argentine financial system.

As of June 30, 2021, the Entity owns 52,562,043 ordinary shares, representative of the 4.3903% of the share capital.

NOTE 18 - PROPERTY AND EQUIPMENT

Additionally, as mentioned in Note 5.6 to the consolidated financial statements as of December 31, 2020, 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.

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.

Marcelo A. Iadarola
Executive Manager of Administration

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with our report dated 08/26/2021

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 Public Sector

Oswaldo Parré Dos Santos
President

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BANCO PATAGONIA S.A.

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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, 2021	12,025,260	730,152	1,955,523	14,710,935
Additions	-	267,880	546,720	814,600
Retirements	(3,873)	(6,809)	(2,140)	(12,822)
Depreciation charge	(89,965)	(246,460)	(362,682)	(699,107)
Net book value as of June 30, 2021	11,931,422	744,763	2,137,421	14,813,606

NOTE 19 – INTANGIBLE ASSETS

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

	Total
Net book value as of January 1, 2021	611,401
Additions	167,605
Amortization charge	(121,179)
Net book value as of June 30, 2021	657,827

NOTE 20 – OTHER NON FINANCIAL ASSETS

Breakdown is as follows:

	06/30/21	12/31/20
Advance payments	391,427	558,030
Other assets	280,599	317,363
Piece of art	75,571	75,571
Investment property	57,975	57,975
Other	88,388	114,466
Total	893,960	1,123,405

NOTE 21 – NON CURRENT ASSETS HELD FOR SALE

As of June 30, 2021 the Group includes at non current assets held for sale, a field located at Anta department, province of Salta, in the amount of 34,162, which was discharged on July 13, 2021, at the time of signing the title deed.

As of December 31, 2020, two fields located at Anta department, province of Salta, in the amount of 185,881.

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NOTE 22 - DEPOSITS

Information about this account as of June 30, 2021 and December 31, 2020 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>06/30/21</u>	<u>12/31/20</u>
Time deposit and investments	127,497,448	103,673,578
Savings accounts	106,716,274	95,442,765
Checking accounts	25,541,862	31,499,787
Other	13,611,700	13,906,843
Interest and adjustment	3,557,780	2,018,128
Total	<u>276,925,064</u>	<u>246,541,101</u>

NOTE 23 – OTHER FINANCIAL LIABILITIES

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

	<u>06/30/21</u>	<u>12/31/20</u>
Credit card charges payable	5,771,188	7,151,770
Other payables	2,716,809	2,019,592
Payables related to FX purchases on the spot market to be settled	2,217,108	1,062,312
Collections on account and on behalf of third parties	1,327,812	1,468,019
Payables related to purchase of government securities to be settled	552,460	74,675
Payables related to foreign trade transactions	502,190	758,801
Total	<u>13,087,567</u>	<u>12,535,169</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>06/30/21</u>	<u>12/31/20</u>
Financing facilities received from foreign financial institutions	8,232,955	3,105,971
Financing facilities received from local financial institutions	810,852	2,035,364
BCRA	46,058	12,789
Total	<u>9,089,865</u>	<u>5,154,124</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.

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

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

The funds to be obtained by the placement of the negotiable obligations to be issued under the program will be destined for one or more of the destinations provided in article 36 of Law No. 23,576 and its amendments and in the Passive Operations Regulations, Placement Section of Securities and Debt of the BCRA, or those established in the applicable regulations, and as specified in the respective price supplement

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As of June 30, 2021 and December 31, 2020, 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 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.

The current issues are detailed below:

Issue	Issued value	Annual nominal rate	Date of issuance	Maturity date	Balance as of 06/30/21	Balance as of 12/31/20
GPAT						
Series XXXIV Class B	508,333	Badlar + 5%	06/24/20	06/24/21	-	640,489
Series XXXV Class A	500,000	38.5%	10/21/20	10/21/21	460,425	575,953
Series XXXVI Class A	750,000	Badlar + 5%	01/13/21	01/13/22	729,929	-
Total					1,190,354	1,216,442

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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, 2021 is disclosed in Exhibit J "Changes in 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 Superintendence 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.

NOTE 27 – OTHER NON FINANCIAL LIABILITIES

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

	<u>06/30/21</u>	<u>12/31/20</u>
Cash dividends payable	13,003,996	9,726,114
Other short term employee benefits payable	2,207,720	2,582,605
Withholdings and collections	1,308,235	1,586,873
Advanced payments received	1,224,249	1,205,788
Sundry accounts payable	1,108,702	1,157,843
Other taxes payable	980,286	599,134
Payroll and social security contributions payable	534,297	360,545
Social security payment orders to be settled	386,972	206,177
Liabilities from contracts with costumers	253,335	285,589
Payroll withholdings payable	208,385	236,414
Advanced payments received for the sale of goods	33,067	43,530
Other	131,228	183,155
Total	<u>21,380,472</u>	<u>18,173,767</u>

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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:

Interest income	06/30/21	06/30/20
Government securities measured at fair value with changes through OCI	20,715,854	19,635,234
Premiums on repos with the financial sector	7,514,035	1,076,634
Notes	5,357,288	4,905,006
Overdrafts	4,812,620	5,803,234
Consumer loans	2,371,103	3,199,020
Credit cards	2,034,299	2,571,867
Other loans	1,886,510	2,808,137
Loans to the financial sector	979,685	1,207,112
Pledge Loans	906,862	867,691
Finance leases	77,326	115,396
Other	853,861	381,753
Total	47,509,443	42,571,084

NOTE 30 – INTEREST EXPENSE

Breakdown is as follows:

Interest expense	06/30/21	06/30/20
Time deposits	20,674,694	11,426,707
Deposits in savings accounts	3,362,918	1,389,126
Corporate bonds	318,885	137,245
Financing facilities received from financial institutions (Call)	119,097	270,348
Other financing facilities received from financial institutions	98,371	109,919
Premium on reverse repo transactions with the financial sector	25,100	216,497
Other	902,868	868,506
Total	25,501,933	14,418,348

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NOTE 31 – FEE INCOME

Breakdown is as follows:

Fee income	06/30/21	06/30/20
Credit and debit cards	1,510,563	1,499,472
Product packages	1,290,675	1,219,577
Deposits	1,006,627	1,227,454
Insurance	802,449	891,932
Collections	458,996	451,766
Foreign trade	238,535	231,616
Loans	105,669	56,212
Securities	81,605	80,353
Other	107,919	110,135
Total	5,603,038	5,768,517

NOTE 32 – FEE EXPENSES

Breakdown is as follows:

Fee expenses	06/30/21	06/30/20
Related to credit and debit cards	1,062,484	1,073,944
Government sector	336,831	326,592
Collections	73,376	84,903
Transfers	42,500	33,124
Related to securities	40,955	41,050
Other	85,202	139,019
Total	1,641,348	1,698,632

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	06/30/21	06/30/20
Forward foreign currency transactions	576,887	235,483
Corporate securities	279,788	146,155
Government securities and instruments issued by the BCRA	91,194	174,831
Gain on the sale or derecognition of financial assets	27,418	151,888
Total	975,287	708,357

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NOTE 34 – OTHER OPERATING INCOME

Breakdown is as follows:

	<u>06/30/21</u>	<u>06/30/20</u>
Other operating income		
Derecognized provisions	590,209	256,304
Recovered receivables	437,314	214,096
Safe deposit box rental	313,561	332,082
Management fees (FCI manager company)	265,235	223,287
Other adjustments and interests from miscellaneous credits	169,994	217,035
Related to capital and securities markets	132,509	111,258
Related to transfers	21,642	24,141
Punitive interest	19,812	37,492
Related to deposits	16,124	23,843
Gain on the sale of property and equipment	6,718	8,044
Recovered taxes	-	483,843
Other	581,988	597,963
Total	<u>2,555,106</u>	<u>2,529,388</u>

NOTE 35 – EMPLOYEE BENEFITS

Breakdown is as follows:

	<u>06/30/21</u>	<u>06/30/20</u>
Employee benefits		
Social security contributions	6,870,020	6,563,594
Other benefits	247,799	234,931
Services to personnel	210,849	192,734
Severance payments	151,581	95,241
Total	<u>7,480,249</u>	<u>7,086,500</u>

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NOTE 36 – ADMINISTRATIVE EXPENSES

Breakdown is as follows:

Administrative expenses	06/30/21	06/30/20
Maintenance, conservation and repair expenses	1,018,324	908,493
Taxes	747,637	754,602
Fee	482,309	519,630
Armored vehicle services	381,672	394,274
Electric power and communications	329,023	361,445
Security services	282,636	304,395
Advertising and marketing	92,557	67,488
Leases	49,893	58,373
Stationery and supplies	26,088	80,031
Representation, per diem and mobility	17,952	29,708
Other	644,738	584,400
Total	4,072,829	4,062,839

NOTE 37 – OTHER OPERATING EXPENSES

Breakdown is as follows:

Other operating expenses	06/30/21	06/30/20
Gross income tax	3,411,308	2,121,713
Other allowance charges	607,992	178,893
ATM expenses	514,349	294,273
Contribution to the deposit guarantee fund	207,581	176,613
Other	585,250	589,391
Total	5,326,480	3,360,883

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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, 2021 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	2,512,178	-	-	2,512,178	2,501,405	10,773	-
Derivative financial instruments	328,408	-	-	328,408	-	328,408	-
Other debt securities	123,078,412	2,470,621	120,607,791	-	23,662,177	96,945,614	-
Financial assets granted as collateral	5,965,804	3,609,506	-	2,356,298	2,356,298	-	-
Investments in equity instruments	1,080,603	-	-	1,080,603	-	11,643	1,068,960
Total	132,965,405	6,080,127	120,607,791	6,277,487	28,519,880	97,296,438	1,068,960

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	283,306	-	-	283,306	283,306	-	-
Derivative financial instruments	5,688	-	-	5,688	-	5,688	-
Total	288,994	-	-	288,994	283,306	5,688	-

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BANCO PATAGONIA S.A.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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The fair value hierarchy of assets and liabilities measured at fair value as of December 31, 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	1,924,761	-	-	1,924,761	1,910,157	14,604	-
Derivative financial instruments	356,721	-	-	356,721	-	356,721	-
Other debt securities	110,703,918	3,437,912	107,266,006	-	67,821,704	39,444,302	-
Financial assets granted as collateral	10,887,414	669,531	6,372,768	3,845,115	3,845,115	6,372,768	-
Investments in equity instruments	1,060,346	-	-	1,060,346	-	13,549	1,046,797
Total	124,933,160	4,107,443	113,638,774	7,186,943	73,576,976	46,201,944	1,046,797

As of December 31, 2020, the Entity did not have liabilities measured at fair value.

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:

	06/30/21	12/31/20
Argentine Treasury Bond in ARS Adjusted by CER + 2%, maturity 11/09/2026	9,214	-
Total	9,214	-

These holdings were included in hierarchy level 1 as of December 31, 2020, and as of June 30, 2021, they were carried at fair value by using their listed prices in active markets.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

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By Supervisory Committee

Mónica M. Cukar
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b.2) 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.
- *Derivative instruments:* 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.

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• 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, 2021 is as follows:

Item	Accounting balance as of 06/30/21	FV Total	FV Level 1	FV Level 2	FV Level 3
Financial assets					
Cash and bank deposits	56,635,013	(1)	-	-	-
Repo transactions	70,100,074	(1)	-	-	-
Other financial assets	4,168,939	3,865,840	-	-	3,865,840
Loans and other financing facilities	124,307,993	120,417,635	-	-	120,417,635
Financial liabilities					
Deposits	301,655,487	298,058,995	-	298,058,995	-
Repo transactions	281,744	(1)	-	-	-
Other financial liabilities	13,087,567	(1)	-	-	-
Financing facilities received from the BCRA and other financial institutions	9,089,865	8,435,310	-	-	8,435,310
Corporate notes issued	1,190,354	1,118,421	-	-	1,118,421

(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, 2020 is as follows:

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	76,093,030	(1)	-	-	-
Repo transactions	9,975,582	(1)	-	-	-
Other financial assets	3,199,639	2,820,758	-	-	2,820,758
Loans and other financing facilities	142,107,530	137,713,482	-	-	137,713,482
Financial liabilities					
Deposits	273,286,331	270,012,948	-	270,012,948	-
Repo transactions	5,823	(1)	-	-	-
Other financial liabilities	12,535,169	(1)	-	-	-
Financing facilities received from the BCRA and other financial institutions	5,154,124	5,513,419	-	-	5,513,419
Corporate notes issued	1,216,442	1,326,933	-	-	1,326,933

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

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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, 2020, 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, 2021 and December 31, 2020 are reported below:

Item	<u>06/30/21</u>	<u>12/31/20</u>
Securities receivable from repo transactions involving government securities		
Government securities measured at fair value with changes through OCI	314,500	6,502
Total	<u>314,500</u>	<u>6,502</u>
Other payables from repo transactions involving government securities		
Government securities	281,744	5,823
Total	<u>281,744</u>	<u>5,823</u>

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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, 2021 and 2020, 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, 2021 and December 31, 2020 for the information related to the Bank's financial position;
- For the six-month period ended June 30, 2021 and 2020 for the information related to the Bank's income.

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Information as of June 30, 2021

	Personal banking	Business banking	Treasury and other	Total As of 06/30/21
Interest income/loss	2,685,001	4,306,172	15,698,358	22,689,531
Fee income/loss	1,222,145	1,641,789	1,105,767	3,969,701
Net gain on financial instruments measured at fair value through profit or loss	-	212,903	721,717	934,620
Gold and foreign currency bid/offer spread	108,720	97,725	506,602	713,047
Other operating income – net	93,115	369,244	2,044,461	2,506,820
Charge for Loan Losses	<u>(457,732)</u>	<u>(409,706)</u>	<u>509,585</u>	<u>(357,853)</u>
TOTAL OPERATING INCOME	<u>3,651,249</u>	<u>6,218,127</u>	<u>20,586,490</u>	<u>30,455,866</u>
Operating and administrative expenses				(17,701,300)
Gain/loss on associates and joint ventures				8,091
Net monetary position gain/loss				(8,715,495)
Income tax				(1,111,415)
NET INCOME				<u>2,935,747</u>

Reconciliation with the statement of income

Net income as of 06/30/21 as per statement of income	2,921,733
Reconciliation between management information and regulatory information	14,014
Total profit or loss reported in segments	2,935,747

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Information as of June 30, 2021

	Personal banking	Business banking	Treasury and other	Total As of 06/30/21
Loans	32,967,837	61,449,451	19,257,287	113,674,575
Other assets	5,120,304	2,225,134	256,147,292	263,492,730
TOTAL ASSETS	38,088,141	63,674,585	275,404,579	377,167,305
Deposits	110,498,507	96,567,248	89,942,467	297,008,222
Other liabilities	-	-	28,032,301	28,032,301
TOTAL LIABILITIES	110,498,507	96,567,248	117,974,768	325,040,523

Reconciliation with the statement of financial position

Assets as of 06/30/21 as per the statement of financial position	408,265,748
Reconciliation between management information and regulatory information:	
- Loans	(10,633,418)
- Other assets	(20,465,025)
Total assets reported in segments	377,167,305
Liabilities as of 06/30/21 as per the statement of financial position	349,546,637
Reconciliation between management information and regulatory information:	
- Deposits	(4,647,265)
- Other liabilities	(19,858,849)
Total liabilities reported in segments	325,040,523

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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	4,122,620	5,168,946	16,556,075	25,847,641
Fee income/loss	1,570,391	2,071,078	130,986	3,772,455
Net gain on financial instruments measured at fair value through profit or loss	-	170,581	386,019	556,600
Gold and foreign currency bid/offer spread	169,049	223,535	183,124	575,708
Other operating income – net	69,443	303,278	1,455,111	1,827,832
Charge for Loan Losses	(115,599)	(16,421)	(822,402)	(954,422)
TOTAL OPERATING INCOME	<u>5,815,904</u>	<u>7,920,997</u>	<u>17,888,913</u>	<u>31,625,814</u>
Operating and administrative expenses				(15,311,931)
Gain/loss on associates and joint ventures				(17,929)
Net monetary position gain/loss				(4,635,574)
Income tax				(3,452,017)
NET INCOME				<u>8,208,363</u>

Reconciliation with the statement of income

Net income for the period ended 06/30/20 as per statement of income	8,656,116
Reconciliation between management information and regulatory information	(447,753)
Total profit or loss reported in segments	8,208,363

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Information as of December 31, 2020

	<u>Personal banking</u>	<u>Business banking</u>	<u>Treasury and other</u>	<u>Total as of 12/31/20</u>
Loans	36,558,973	81,486,827	21,725,272	139,771,072
Other assets	7,105,016	2,684,591	179,006,673	188,796,280
TOTAL ASSETS	<u>43,663,989</u>	<u>84,171,418</u>	<u>200,731,945</u>	<u>328,567,352</u>
Deposits	113,079,919	102,766,904	40,909,844	256,756,667
Other liabilities	-	-	22,474,330	22,474,330
TOTAL LIABILITIES	<u>113,079,919</u>	<u>102,766,904</u>	<u>63,384,174</u>	<u>279,230,997</u>

Reconciliation with the statement of financial position

Assets as of 12/31/2020 as per the statement of financial position	377,335,842
Reconciliation between management information and regulatory information:	
- Loans	(2,336,458)
- Other assets	(46,432,032)
Total assets reported in segments	328,567,352
Liabilities as of 12/31/2020 as per the statement of financial position	314,462,915
Reconciliation between management information and regulatory information:	
- Deposits	(16,529,664)
- Other liabilities	(18,702,254)
Total liabilities reported in segments	279,230,997

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NOTE 41 - SUBSIDIARIES

Below there is information about the Bank's subsidiaries as of June 30, 2021 and December 31, 2020

Company	Shares		Percentage of	
	Class	Amount	Total share capital	Class
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 nine members.

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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 year (1)	
	06/30/21	12/31/20	06/30/21	12/31/20
Loans – Personal Loans	-	3	3	11
Loans – Credit cards	7,578	5,166	8,586	9,999
Deposits received	49,580	75,072	67,101	127,804

(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 30, 2021 and 2020 amounted to 178,966 y 183,716, 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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C.P.C.E.C.A.B.A. T° 1 F° 3

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Public Accountant (U.B.)
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BANCO PATAGONIA S.A.

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

The assets and liabilities balances with Banco do Brasil S.A. at June 30, 2021 and December 31, 2020 are as follow:

Item	Balances as of		Largest balance for the period/year (1)	
	06/30/21	12/31/20	06/30/21	12/31/20
Cash and cash equivalents – balances in Other financial institutions	747,415	30,989	855,566	168,655
Other receivables	545,212	-	545,212	1,627,971
Deposits	5	53	224	49,153
Financing facilities received from financial institutions	7,156,125	-	7,156,125	5,589,572
Guarantees granted (2)	95,727	137,033	116,773	137,033
Guarantees received (3)	478,634	843,275	718,600	1,339,599
Securities in custody	56,942	56,942	67,565	67,565

- (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, 2021 and 2020 were as follows:

Item	Six-month period ended	
	06/30/21	06/30/20
Interest income	3,680	18,986
Interest expense	10,003	147,651
Fee expense	13	-
Other operating income	300	367

Marcelo A. Iadarola
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Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

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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. (See note 50)

Item	Balances as of		Largest balance for the period/year (1)	
	06/30/21	12/31/20	06/30/21	12/31/20
Financial assets measured at fair value – Securities issued by the Province of Río Negro	1,075,007	1,270,765	1,156,579	1,497,958
Loans – Overdrafts	26,825	-	1,934,169	2,589,179
Deposits	1,042,615	2,173,045	1,150,748	2,637,620

(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 or fiscal year.

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.

Profit or loss for the six-month periods ended June 30, 2021 and 2020 were as follows:

Item	Six-month period ended	
	06/30/21	06/30/20
Interest income	49,257	132,210
Fee income	96,401	101,416

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Associates

Balances with the Group's associates are as follows:

Item	Balances as of		Largest balance for the period/year (1)	
	06/30/21	12/31/20	06/30/21	12/31/20
Deposits	1,098,358	763,797	1,099,340	2,537,862

(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 or fiscal year.

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 as a single and definitive payment 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).

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.

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Finally, Law No. 27,630 published on June 16, 2021, modified the income tax rate by establishing a scale for the purposes of paying the tax according to the accumulated taxable net income. (See Note 15 b)). Additionally, it was established that the additional rate of 7% must be entered at the time of remitting the profits to the parent company.

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 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.

As of March 19, 2020, the BCRA through Communication "A" 6939 established the suspension of profit distributions by Financial Institutions until June 30, 2020.

Subsequently, on December 17, 2020, the BCRA issued the communications "A" 7181 and 7312 extending the suspension until June 30, 2021 and December 31, 2021, respectively.

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Finally, taking into account what is explained in the preceding paragraph, the Ordinary and Extraordinary General Meeting of Shareholders held on April 22, 2021 approved the following allocation of earnings for the year ended December 31, 2020 (in historical currency):

Item	Amount
- To Legal reserve (20% s/10,479,889)	2,095,978
- To Optional Reserve for future distribution of earnings	3,143,966
- To Cash Dividends	5,239,945
Total	<u>10,479,889</u>

The amount to be applied to the payment of Cash Dividends is subject upon authorization of the BCRA and the lifting of the suspension established through communication "A" 7312.

Additionally, it approved the absorption of Negative Unappropriated retained earnings as of December 31, 2020, with a counterpart at Optional Reserve for Future Distribution of earnings, for 16,380,748 provided by the Adjustments and restatement of balances by initial application of IAS 29 "Financial Information in Hyperinflationary Economies" since January 1, 2020, in accordance with Communication "A" 6651 issued by the BCRA.

GPAT Compañía Financiera S.A.U.

Finally, taking into account the BCRA and CNV regulations described above, the Ordinary and Extraordinary General meeting of Shareholders held on April 14, 2021 approved the treatment of Negative Unappropriated retained earnings as of December 31, 2020, through the absorption of balances in Shareholders' Equity accounts as indicated below (in historical currency).

Item	Amount
- Income for the fiscal year	281,605
- To Optional Reserve for future distribution of earnings	(2,173,282)
Total	<u>(1,891,677)</u>
- To Capital Adjustment	400,585
- To Legal reserve	574,818
- To Optional Reserve for future distribution of earnings	916,274
Total	<u>1,891,677</u>

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Patagonia Valores S.A.

The Ordinary and Extraordinary General meeting of Shareholders' held on April 21, 2021, approved, among other issues, the application of 2,731 provided by the earnings for the fiscal year ended December 31, 2020 (in historical currency) to the recomposition of the Legal Reserve used to absorb negative results.

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

The Ordinary and Extraordinary General meeting of Shareholders' held on April 21, 2021 approved, among other issues, the distribution of earnings for the fiscal year ended December 31, 2020. It included the total distribution of the results for the year and the partial disaffection of the Optional Reserve constituted in the fiscal year ended on December 31, 2019 for 44,005 in the currency of said date. Of the aforementioned amount, an additional payment of Cash Dividends for 24,451 was approved, as indicated below (in historical currency):

Item	Amount
- To Legal reserve	9,239
- To Cash dividends (*)	175,549
Total distribution of earnings as of December 31, 2020	184,788
<hr/>	
- To Cash dividends (*)	24,451
Total partial disaffection of Optional Reserve	24,451
<hr/>	
Total distribution approved	209,239

(*) The total amount of Cash Dividends proposed is 200,000. It will be subject to the payment of applicable taxes in accordance with current regulations.

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NOTE 44 – RESTRICTED ASSETS

The Group has the following restricted assets:

	<u>06/30/21</u>	<u>12/31/20</u>
Special guarantee accounts (*)	2,558,439	3,106,466
BCRA - Financial trusts under guarantee of forward transactions	2,317,013	6,676,005
- Argentine Treasury Bonds in ARS Adjusted by CER	1,218,808	2,959,473
- Argentine Treasury Bills in ARS Adjusted by CER	452,000	3,047,000
- Argentine Treasury Bonds Linked to u\$s	346,955	669,532
- Argentine Treasury Bonds in ARS	299,250	-
Security deposits – Credit and debit card managers	668,954	700,026
Government securities – IADB loan – Global Credit Program for micro-, small- and medium-sized enterprises	398,958	381,813
- Argentine Treasury Bonds in ARS Adjusted by CER	386,240	366,293
- Pesos as guarantees	10,000	12,527
- Dollars as guarantees	2,718	2,993
Other security deposits	22,440	23,104
Sub-Total	<u>5,965,804</u>	<u>10,887,414</u>
Deposits in guarantee - Capacity for repo transactions	31,450	650
Sub - Total	<u>31,450</u>	<u>650</u>
Total	<u>5,997,254</u>	<u>10,888,064</u>

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

NOTE 45 – DEPOSIT GUARANTEE INSURANCE

Law No. 24,485 and Executive Order No. 540/95 created the Deposit Guarantee Insurance, 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 3.8850% share according to what was reported by the BCRA through Communication "B" 12,152 issued on April 14, 2021.

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As of June 30, 2021 and as of December 31, 2020 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 1,500, with certain exclusions established by the monetary authority. (Communication "A" 6973).

As of June 30, 2021 y 2020 the contributions made have been recorded in the item "Other Operating Expenses - Contributions to the deposit guarantee fund" in the amount of 207,581 y 176,613, respectively (see Note 37).

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:

<u>Minimum cash requirements</u>	<u>06/30/21</u>	<u>12/31/20</u>
Cash and bank deposits		
BCRA - Current account	38,074,556	48,601,493
Other debt securities		
Argentine Treasury Bonds in ARS - Fixed Rate 22%, maturity 05/21/2022	9,970,958	9,395,334
BCRA Liquidity Bills	32,937,712	24,112,611
Financial assets granted as collaterals		
BCRA - Special guarantee accounts	2,510,576	3,053,761
Total	<u>83,493,802</u>	<u>85,163,199</u>

Minimum capital requirements

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

<u>Minimum cash requirements</u>	<u>06/30/21</u>	<u>12/31/20</u>
Minimum capital requirements (A)	19,401,427	22,406,818
Credit risk	12,889,852	15,116,620
Market risk – Securities	238,802	307,578
Market risk – Currencies	351,289	673,605
Operational risk	5,921,484	6,309,015
Payment (B)	49,985,533	54,233,585
Surplus (B – A)	<u>30,584,106</u>	<u>31,826,767</u>

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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, 2021, the Bank manages the following financial trusts listed in the stock exchange:

Financial trust	Trustor	Date of agreement	Assets as of 06/30/21	Assets held in trust	Net asset value as of 06/30/21
Mercado Crédito VII	Mercado Libre S,R,L,	07/24/2020	132,400	Loans granted electronically	130,835
Mercado Crédito VIII	Mercado Libre S,R,L,	10/16/2020	468,530	Loans granted electronically	208,105
Mercado Crédito IX	Mercado Libre S,R,L,	03/19/2021	1,074,147	Loans granted electronically	201,960
MELI Derechos Creditorios Tarjetas III	Mercado Libre S,R,L,	02/20/2020	(*) 20,232	Loans granted electronically	-
MELI Derechos Creditorios Tarjetas IV	Mercado Libre S,R,L,	05/14/2020	136,240	Loans granted electronically	-
MELI Derechos Creditorios Tarjetas V	Mercado Libre S,R,L,	09/28/2020	624,467	Loans granted electronically	-
MELI Derechos Creditorios Tarjetas VI	Mercado Libre S,R,L,	01/14/2021	590,280	Loans granted electronically	-
Mercado Crédito Consumo II	Mercado Libre S,R,L,	09/11/2020	899,967	Loans granted electronically	196,639
Mercado Crédito Consumo III	Mercado Libre S,R,L,	11/18/2020	997,054	Loans granted electronically	206,407
Serie Ribeiro C	Ribeiro S,A,C,I,F,A, e I,	04/12/2018	(*) 919	Consumer loans	-
Serie Ribeiro CI	Ribeiro S,A,C,I,F,A, e I,	07/16/2018	1,174	Consumer loans	664
Serie Ribeiro CII	Ribeiro S,A,C,I,F,A, e I,	08/30/2018	2,766	Consumer loans	2,439
Serie Ribeiro CIII	Ribeiro S,A,C,I,F,A, e I,	12/12/2018	1,087	Consumer loans	784
Serie Ribeiro CIV	Ribeiro S,A,C,I,F,A, e I,	02/19/2019	2,346	Consumer loans	2,012
Serie Ribeiro CV	Ribeiro S,A,C,I,F,A, e I,	05/28/2019	2,594	Consumer loans	2,237
Serie Ribeiro CVI	Ribeiro S,A,C,I,F,A, e I,	07/30/2019	4,201	Consumer loans	3,804
Total			4,958,404		955,886

(*) Corresponds to Liquidation Financial Statements as of 12/31/20.

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Public financial trusts authorized by the CNV, the financial statements of which are to be filed after 06/30/2021

Financial trust	Trustor	Date of agreement	Assets held in trust
Mercado Crédito X	Mercado Libre S.R.L.	06/17/2021	Credits granted merely through electronic means
Mercado Crédito Consumo IV	Mercado Libre S.R.L.	04/26/2021	Credits granted merely through electronic means

Financial trusts in escrow

Financial trust	Trustor	Date of agreement	Assets held in trust
Bogar Class II Series II	Provincia de Río Negro	06/11/09	Percentage of the daily provincial tax revenues
Bogar Class II Series 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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C.P.C.E.C.A.B.A. T° 147 F° 66

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 08/26/2021
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.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2021
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

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, 2021

Name	Deposits	Other	Total assets	Net asset value
Lombard Renta en Pesos Fondo Común de Inversión	40,153,028	2,669,818	42,822,846	42,821,479
Lombard Capital F.C.I.	335,346	4,612,310	4,947,656	4,829,271
Fondo Común de Inversión Lombard Renta Fija	909	2,333,951	2,334,860	2,111,793
Fondo Común de Inversión Lombard Pesos Plus (*)	-	-	-	-
Lombard Fondo Común de Inversión Abierto PYMES (**)	-	-	-	-
Fondo Común de Inversión Lombard Ahorro	13,634	-	13,634	13,634
Fondo Común de Inversión Lombard Abierto Plus	9,393	2,938,402	2,947,795	2,461,535
Fondo Común de Inversión Lombard Acciones Líderes	160	153,635	153,795	152,569
Lombard Renta Fija en Dólares F.C.I.	540,062	3,316,367	3,856,429	3,852,185
Lombard Ahorro Plus F.C.I.	368	1,209,937	1,210,305	1,210,292
TOTAL	41,052,900	17,234,420	58,287,320	57,452,758

Information as of December 31, 2020

Name	Deposits	Other	Total assets	Net asset value
Lombard Renta en Pesos Fondo Común de Inversión	42,242,346	9,390,642	51,632,988	51,631,539
Lombard Capital F.C.I.	222,252	5,926,948	6,149,200	5,723,886
Fondo Común de Inversión Lombard Renta Fija	1,135	2,488,392	2,489,527	2,086,967
Fondo Común de Inversión Lombard Pesos Plus (*)	-	-	-	-
Fondo Común de Inversión Lombard Ahorro	15,162	-	15,162	15,162
Fondo Común de Inversión Lombard Abierto Plus	157,184	1,733,660	1,890,844	1,890,032
Fondo Común de Inversión Lombard Acciones Líderes	194	172,065	172,259	169,121
Lombard Renta Fija en Dólares F.C.I.	386,513	3,924,730	4,311,242	4,274,236
Lombard Ahorro Plus F.C.I.	127,195	1,127,553	1,254,748	1,254,734
TOTAL	43,151,981	24,763,990	67,915,970	67,045,677

(*) 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.

(**) Approved by CNV through resolution RESFC-2021-21048-APN-DIR dated March 25, 2021.

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Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2021
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

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, 2021 Banco Patagonia S.A. does not record accounting nor does it have administrative and / or disciplinary or criminal sanctions with a court ruling of first instance initiated or applied by the BCRA, the Financial Information Unit (UIF), the CNV and the National Insurance Superintendency (SSN).

The BCRA, through Communication “A” 5940 dated April 1, 2016, provided that financial entities that have recorded provisions for the aforementioned sanctions as of that date must analyze, in accordance with current legal reports, whether the conditions for its total or partial accounting registration are met or not. In the case of sanctions that do not meet the conditions to carry out the accounting forecast, the Entity must cancel these balances with a counterpart in "Adjustment of Results from Previous Years" or in the various loss account "Charges for Administrative, Disciplinary and Criminal Sanctions", as appropriate.

For the penalties pending payment that do not meet the conditions to make the accounting provision, the next Shareholders' Meeting must provide for the constitution of a special regulatory reserve for the amount not provisioned corresponding to the penalties applied to the extent that not assigned results are available. If said balance is not enough, the Special Regulatory Reserve must be established as positive unallocated results are obtained.

GPAT Compañía Financiera S.A.U.

As of June 30, 2021, GPAT Compañía Financiera S.A.U. has not received any notice of administrative, disciplinary or criminal sanctions, or any proceedings.

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BANCO PATAGONIA S.A.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2021
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

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.

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BANCO PATAGONIA S.A.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2021
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, 2021 a 1,420,350 Units of Purchasing Power (UVA), adjusted by “CER” - Law No. 25,827, which is equivalent to 115,233.

Cash contra-account requirements account for 50% of the amount required as minimum shareholders' Equity, which amounts to 710,175 UVAs, which is equivalent to 57,617.

As of June 30, 2021, 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 350,000 UVAs, equivalent to a required minimum shareholders' Equity of 28,396 as of June 30, 2021.

Cash contra-account requirements account for 50% of the amount required as minimum shareholders' Equity, which amounts to 175,000 Units of Purchasing Power (UVA), which is equivalent to 14,198.

As of June 30, 2021, 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, 2021
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

Breakdown	Amount
Demand deposit accounts in local and foreign banks	75,372
Mutual funds	781,654
Corporate bonds	119,626
Listed common shares	2,260
Argentine Government Securities	4,308
Total	983,220

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 UVAs, Units of Purchasing Power (UVA), which is equivalent to 38,160.

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 19,080.

As of June 30, 2021, 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	18,277
Sight Accounts	5,457
Total	23,734

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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Executive Manager of Administration

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Juan M. Trejo
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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2021
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

Banco Patagonia S.A.

Company	Address
AdeA Administradora de Archivos S.A.	Ruta 36 - Km. 31,5 - Florencio Varela - Province of Buenos Aires.
Iron Mountain Argentina S.A.	Av. Amancio Alcorta 2482 - City of Buenos Aires. Azara 1245 – 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.	Ruta 36 - Km. 31,5 - Florencio Varela - Province of Buenos Aires

Patagonia Valores S.A.

Company	Address
AdeA Administradora de Archivos S.A.	Ruta 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, 2021
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

GPAT Compañía Financiera S.A.U.

Company	Address
AdeA Administradora de Archivos S.A.	Ruta 36 Km. 31,5 - Florencio Varela - Province of Buenos Aires
Bank S.A.	Unamuno 2095 - Quilmes - Province of Buenos Aires Diógenes Taborda 73 - 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 - 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 entity.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2021
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 55 - MACROECONOMIC CONTEXT

COVID 19 Pandemic:

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.

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

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 as of the COVID-19 crisis included measures related to ensuring the availability of banking services, suspension of the collection of commissions, postponement of maturities of overdue loans and the provision of credit lines for below the market rate for individuals and businesses hardest hit by the pandemic

Since July 2021, a decrease in the number of infections and an increase in vaccinated people has been seen, which has allowed the different governments to relax restrictions on activities

Regarding the equity situation, the COVID-19 crisis finds the Entity with a solid position of solvency and capital adequacy, exhibiting as of June 30, 2021, a capitalization ratio based on the standards issued by the Basel Committee 21% at a consolidated level

Basel III essential indicators, the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) are at comfortable levels with respect to the minimum required

Likewise, the Entity also maintains an adequate liquidity reserve made up of high-quality assets, and a solid balance sheet structure (in local and foreign currency) that allows it to face this situation from a solid position, with prudential levels in the appetite indicators . due to short-term and long-term liquidity risk

Regarding the management of interest rate risk, the Entity exhibits a favorable position, observing low levels of mismatch risk (duration between assets and liabilities), both in the sensitivity measurements of the interest margin, and of variations in value economic.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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Regarding the management of interest rate risk, the Entity exhibits a favorable position, observing low levels of mismatch risk (duration between assets and liabilities), both in the sensitivity measurements of the interest margin, and of variations in value economic.

However, the aforementioned, the Entity has taken prudential measures in order 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 the support of delinquency rates.

The Entity's Management permanently monitors the situation described above in order to identify and determine the eventual impact on its equity and financial situation, which may be reflected 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 entity or the results of its operations as of June 30, 2021.

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BANCO PATAGONIA S.A.

**EXHIBIT B
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED
BY STATUS AND OTHER GUARANTEES RECEIVED
AS OF 06/30/21 AND 12/31/20
(Stated in thousands of pesos)**

COMMERCIAL LOAN PORTFOLIO	06/30/21	12/31/20
Performing	84,973,322	99,228,593
- With "A" preferred guarantees and counter-guarantees	5,147,078	4,515,364
- With "B" preferred guarantees and counter-guarantees	4,325,376	5,579,701
- Without preferred guarantees or counter-guarantees	75,500,868	89,133,528
Subject to special monitoring	304,069	401,413
In observation	3,068	9,235
- Without preferred guarantees or counter-guarantees	3,068	9,235
In negotiation or under refinancing agreements	301,001	392,178
- With "B" preferred guarantees or counter-guarantees	301,001	327,647
- Without preferred guarantees or counter-guarantees	-	64,531
Troubled	163,405	620,870
- With "B" preferred guarantees or counter-guarantees	88,409	474,418
- Without preferred guarantees or counter-guarantees	74,996	146,452
With high risk of insolvency	19,896	61,919
- With "A" preferred guarantees and counter-guarantees	5,467	-
- With "B" preferred guarantees and counter-guarantees	1,188	51,530
- Without preferred guarantees or counter-guarantees	13,241	10,389
Non-recoverable	400,767	40,627
- With "B" preferred guarantees or counter-guarantees	298,751	19,788
- Without preferred guarantees or counter-guarantees	102,016	20,839
TOTAL COMMERCIAL LOAN PORTFOLIO	85,861,459	100,353,422

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**EXHIBIT B
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED
BY STATUS AND OTHER GUARANTEES RECEIVED
AS OF 06/30/21 AND 12/31/20
(Stated in thousands of pesos)**

CONSUMER AND/OR HOME LOAN PORTFOLIO	06/30/21	12/31/20
Performing	45,494,143	51,991,056
- With "A" preferred guarantees and counter-guarantees	1,853,458	2,162,795
- With "B" preferred guarantees and counter-guarantees	7,026,107	8,090,047
- Without preferred guarantees or counter-guarantees	36,614,578	41,738,214
Low risk	907,303	179,616
- With "A" preferred guarantees and counter-guarantees	23,644	1,283
- With "B" preferred guarantees and counter-guarantees	141,017	790
- Without preferred guarantees or counter-guarantees	742,642	177,543
Low risk – At special treatment	2,526	-
- Without preferred guarantees or counter-guarantees	2,526	-
Medium risk	299,960	151,577
- With "A" preferred guarantees and counter-guarantees	1,661	598
- With "B" preferred guarantees and counter-guarantees	3,977	6,381
- Without preferred guarantees or counter-guarantees	294,322	144,598
High risk	417,331	267,311
- With "A" preferred guarantees and counter-guarantees	2,749	3,835
- With "B" preferred guarantees and counter-guarantees	272	12,454
- Without preferred guarantees or counter-guarantees	414,310	251,022
Irrecoverable	59,437	548,263
- With "A" preferred guarantees and counter-guarantees	784	4,959
- With "B" preferred guarantees and counter-guarantees	1,269	1,432
- Without preferred guarantees or counter-guarantees	57,384	541,872
TOTAL CONSUMER AND/OR HOME LOAN PORTFOLIO	47,180,700	53,137,823
GRAND TOTAL	133,042,159	153,491,245

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Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

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BANCO PATAGONIA S.A.

**EXHIBIT B
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED
BY STATUS AND OTHER GUARANTEES RECEIVED 06/30/21 AND 12/31/20
(Stated in thousands of pesos)**

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

BREAKDOWN	06/30/21	12/31/20
BALANCE AS PER EXHIBIT "B"	133,042,159	153,491,245
Items included in Exhibit "C" and not included in Loans and other financing facilities	(4,510,840)	(4,975,673)
Off-balance sheet items – agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards	(1,573,957)	(3,133,737)
Other items	(2,936,883)	(1,841,936)
Items not included in Exhibit "B" and included in Loans and other financing facilities	(4,223,326)	(6,408,042)
Loans and other financing facilities - Loans to personnel	343,885	388,127
Loans and other financing facilities – IFRS adjustment at effective interest rate	(969,474)	(1,159,003)
Loans and other financing facilities– Allowances for loan losses	(3,597,737)	(5,637,166)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	124,307,993	142,107,530

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BANCO PATAGONIA S.A.

**EXHIBIT C
LOANS AND OTHER FINANCING FACILITIES CONCENTRATION
AS OF 06/30/21 AND 12/31/20
(Stated in thousands of Pesos)**

Number of customers	FINANCING FACILITIES			
	06/30/21		12/31/20	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	28,178,013	21.2%	29,801,128	19.4%
50 next largest customers	27,259,087	20.5%	28,113,072	18.3%
100 next largest customers	11,085,078	8.3%	11,916,887	7.8%
Rest of customers	66,519,981	50.0%	83,660,158	54.5%
TOTAL	133,042,159	100%	153,491,245	100%

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

BREAKDOWN	06/30/21	12/31/20
BALANCE AS PER EXHIBIT "C"	133,042,159	153,491,245
Items included in Exhibit "C" and not included in Loans and other financing facilities	(4,510,840)	(4,975,673)
Off-balance sheet items – agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards	(1,573,957)	(3,133,737)
Other items	(2,936,883)	(1,841,936)
Items not included in Exhibit "C" and included in Loans and other financing facilities	(4,223,326)	(6,408,042)
Loans and other financing facilities - Loans to personnel	343,885	388,127
Loans and other financing facilities – IFRS adjustment at effective interest rate	(969,474)	(1,159,003)
Loans and other financing facilities – Allowances for loan losses	(3,597,737)	(5,637,166)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	124,307,993	142,107,530

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**EXHIBIT D
LOANS AND OTHER FINANCING FACILITIES BROKEN DOWN BY TERM
AS OF 06/30/21**

(Stated in thousands of Pesos)

Item	Matured	Terms remaining to maturity						Total as of 06/30/21
		1 month	3 months	6 months	12 months	24 months	Over 24 months	
Non-financial government sector	-	78,521	-	-	5,348	-	-	83,869
Financial sector	39,398	1,292,798	561,740	1,137,071	5,576,902	2,827,255	822,595	12,257,759
Nonfinancial private sector and foreign residents	1,693,704	36,595,344	10,710,874	10,853,020	38,794,874	20,101,522	19,616,210	138,365,548
TOTAL	1,733,102	37,966,663	11,272,614	11,990,091	44,377,124	22,928,777	20,438,805	150,707,176

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**EXHIBIT H
DEPOSIT CONCENTRATION
AS OF 06/30/21 AND 12/31/20
(Stated in thousands of Pesos)**

Number of customers	06/30/21		12/31/20	
	Outstanding amount	% of total portfolio	Outstanding amount	Outstanding amount
10 largest customers	65,185,265	21.6%	37,173,956	13.6%
50 next largest customers	51,985,152	17.2%	46,266,011	16.9%
100 next largest customers	21,271,684	7.1%	18,420,875	6.7%
Rest of customers	163,213,386	54.1%	171,425,489	62.8%
TOTAL	301,655,487	100.0%	273,286,331	100.0%

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BANCO PATAGONIA S.A.

EXHIBIT I
FINANCIAL LIABILITIES BROKEN DOWN BY TERMS REMAINING TO MATURITY
AS OF 06/30/21
 (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 06/30/21
Deposits	268,441,766	22,710,753	14,001,680	267,867	583	583	305,423,232
Non-financial government sector	101,642,968	17,916,198	13,508,159	138,833	431	431	133,207,020
Financial sector	1,555,059	3,047,129	154,808	28,817	152	152	4,786,117
Nonfinancial private sector and foreign residents	165,243,739	1,747,426	338,713	100,217	-	-	167,430,095
Liabilities at fair value through profit or loss	283,306	-	-	-	-	-	283,306
Derivative instruments	5,688	-	-	-	-	-	5,688
Repo transactions	281,744	-	-	-	-	-	281,744
Other financial liabilities	13,087,567	-	-	-	-	-	13,087,567
Financing facilities received from the BCRA and other financial institutions	2,683,194	326,718	2,856,692	2,306,359	24,917	2,418,567	10,616,447
Corporate bonds issued	121,622	-	622,958	823,886	-	-	1,568,466
TOTAL	284,904,887	23,037,471	17,481,330	3,398,112	25,500	2,419,150	331,266,450

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BANCO PATAGONIA S.A.

**EXHIBIT J
CHANGES IN PROVISIONS
AS OF 06/30/21
(Stated in thousands of Pesos)**

Item	Balances at beginning of year	Increases	Decreases		Monetary result for allowances and provisions	Balance as of 06/30/21
			Reversals	Reversals		
INCLUDED IN LIABILITIES						
For contingent commitments	381,037	240,907	-	86,710	(76,867)	458,367
Other	1,975,353	555,388	157,998	24,664	(398,143)	1,949,936
Labor lawsuits	122,885	39,419	-	15,913	(24,941)	121,450
Complaints, proceedings, appeals	1,653,487	505,071	157,998	8,751	(332,648)	1,659,161
Tax lawsuits	198,981	10,898	-	-	(40,554)	169,325
TOTAL ALLOWANCES AND PROVISIONS	2,356,390	796,295	157,998	111,374	(475,010)	2,408,303

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EXHIBIT R
LOSS IMPAIRMENT ADJUSTMENT - ALLOWANCE FOR LOAN LOSSES
AS OF 06/30/21
(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 06/30/21
			IF with significant increase in CR	IF with credit impairment		
Other financial assets	1,692,022	135,612	(2,689)	(380)	(341,334)	1,483,231
Loans and other financing facilities	5,637,166	(1,210,590)	546,646	(224,118)	(1,151,367)	3,597,737
Other financial institutions	4,006	(2,647)	-	-	(808)	551
Nonfinancial private sector and foreign residents	5,633,160	(1,207,943)	546,646	(224,118)	(1,150,559)	3,597,186
Overdrafts	360,297	(33,596)	(51,050)	50,198	(75,600)	250,249
Notes	441,117	20,613	(28,041)	(28,759)	(88,987)	315,943
Mortgage loans	62,478	3,523	61,737	1,512	(12,604)	116,646
Car loans	72,042	19,687	-	-	(25,973)	65,756
Consumer	2,199,834	(286,445)	(200,604)	(344,710)	(443,773)	924,302
Credit cards	1,162,689	(302,360)	756,545	(14,461)	(234,551)	1,367,862
Finance lease	12,363	4,086	13,554	5,524	(2,494)	33,033
Other	1,322,340	(633,451)	(5,495)	106,578	(266,577)	523,395
Other debt securities	152	(116)	-	-	(31)	5
Eventual commitments	381,037	110,605	42,175	1,417	(76,867)	458,367
TOTAL ALLOWANCES	7,710,377	(964,489)	586,132	(223,081)	(1,569,599)	5,539,340

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CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS
AS OF JUNE 30, 2021

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AS OF JUNE 30, 2021

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AS OF JUNE 30, 2021

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BANCO PATAGONIA S.A.

**CONDENSED INTERIM SEPARATE
STATEMENTS OF FINANCIAL POSITION AS OF 06/30/21 AND 12/31/20**
(Stated in thousands of Pesos)

ITEMS	NOTES	06/30/21	12/31/20
ASSETS			
Cash and bank deposits	4	55,390,239	75,432,849
Cash on hand		14,713,328	24,038,062
Financial institutions and correspondents		38,654,399	50,446,102
BCRA		37,874,496	48,411,216
Other in Argentina and abroad		779,903	2,034,886
Others		2,022,512	948,685
Debt securities measured at fair value with change through profit or loss (Exhibit A)		2,369,188	1,717,150
Derivative instruments	5	328,408	356,721
Repo transactions	6	70,100,074	9,975,582
Other financial assets	7	3,266,841	2,132,686
Loans and other financing facilities (Exhibits B and C)	8	114,910,500	130,469,584
Non-financial government sector		83,864	9,894
Other financial institutions		9,715,052	10,608,257
Nonfinancial private sector and foreign residents		105,111,584	119,851,433
Other debt securities (Exhibit A)		122,403,867	109,838,892
Financial assets granted as collateral	9	5,917,941	10,834,709
Current income tax assets	10 a)	712,161	-
Investments in equity instruments (Exhibit A)		1,080,603	1,060,346
Investments in subsidiaries, associates and joint ventures	11	3,926,116	3,899,420
Property and equipment	12	14,759,010	14,649,514
Intangible assets	13	657,827	611,401
Deferred income tax assets		2,137,232	3,581,227
Other non-financial assets	14	868,691	1,067,352
Non-current assets held for sale	15	34,162	185,881
TOTAL ASSETS		398,862,860	365,813,314

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**CONDENSED INTERIM SEPARATE
STATEMENTS OF FINANCIAL POSITION AS OF 06/30/21 AND 12/31/20**
(Stated in thousands of Pesos)

TEMS	NOTES	06/30/21	12/31/20
LIABILITIES			
Deposits (Exhibits H)		294,624,741	264,976,188
Nonfinancial government sector		23,711,006	26,730,148
Financial sector		1,045,473	65,118
Nonfinancial private sector and foreign residents	16	269,868,262	238,180,922
Liabilities at fair value through profit or loss		283,306	-
Derivative instruments	5	5,688	-
Repo transactions	6	281,744	5,823
Other financial liabilities	17	12,654,787	11,901,417
Financing facilities received from the BCRA and other financial institutions	18	8,749,865	4,420,259
Current income tax liabilities	10 a)	-	1,406,136
Accruals and provisions (Exhibit J)	21	2,398,520	2,344,003
Other nonfinancial liabilities	20	21,145,098	17,886,561
TOTAL LIABILITIES		340,143,749	302,940,387
SHAREHOLDERS' EQUITY			
Share capital		719,145	719,145
Non-capitalized contributions		217,191	217,191
Share capital adjustments		23,801,009	23,801,009
Retained earnings		28,949,366	42,905,578
Unappropriated retained earnings		-	(20,520,348)
Other comprehensive income		2,110,667	2,622,078
Income for the period / fiscal year		2,921,733	13,128,274
TOTAL SHAREHOLDERS' EQUITY		58,719,111	62,872,927
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		398,862,860	365,813,314

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**CONDENSED INTERIM SEPARATE
STATEMENTS OF INCOME AS OF 06/30/21 AND 06/30/20**
(Stated in thousands of Pesos)

ITEMS	NOTES	THREE-MONTH PERIOD ENDED		SIX-MONTH PERIOD ENDED	
		06/30/21	06/30/20	06/30/21	06/30/20
Interest income	22	24,162,961	19,335,894	46,105,378	41,568,770
Interest expense	23	(13,890,566)	(5,956,393)	(25,096,480)	(14,210,444)
Interest income/loss		10,272,395	13,379,501	21,008,898	27,358,326
Fee income	24	2,840,300	2,687,901	5,604,018	5,772,731
Fee expenses	25	(817,204)	(767,614)	(1,656,205)	(1,715,780)
Fee income/loss		2,023,096	1,920,287	3,947,813	4,056,951
Net gain on financial instruments measured at fair value through profit or loss	26	165,243	563,162	954,494	682,246
Result from derecognition of assets measured at amortized cost and at fair value with changes in OCI		379,307	(3,161,129)	500,797	(3,030,270)
Gold and foreign currency bid/offer spread		258,503	305,130	787,609	583,523
Other operating income	27	745,932	1,246,135	2,131,510	2,127,424
Charge for Loan Losses		(187,459)	(777,022)	(307,904)	(915,986)
Net operating income		13,657,017	13,476,064	29,023,217	30,862,214
Benefits to personnel	28	(3,622,925)	(3,600,484)	(7,331,265)	(6,934,207)
Administrative expenses	29	(1,921,498)	(2,035,831)	(3,927,355)	(3,892,766)
Depreciation and impairment of assets		(409,393)	(396,760)	(818,877)	(798,916)
Other operating expenses	30	(2,371,501)	(1,607,022)	(5,184,144)	(3,214,971)
Operating income		5,331,700	5,835,967	11,761,576	16,021,354
Gain/loss on associates and joint ventures		140,570	258,099	195,005	300,035
Inflation effect (net position of assets and liabilities)		(3,834,790)	(2,150,099)	(8,097,681)	(4,371,718)
Income before tax relating to continuing operations		1,637,480	3,943,967	3,858,900	11,949,671
Income tax relating to continuing operations	10 b)	(389,265)	(774,921)	(937,167)	(3,293,555)
Net income from continuing operations		1,248,215	3,169,046	2,921,733	8,656,116
INCOME FOR THE PERIOD		1,248,215	3,169,046	2,921,733	8,656,116

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BANCO PATAGONIA S.A.

**CONDENSED INTERIM SEPARATE
STATEMENTS OF INCOME AS OF 06/30/21 AND 06/30/20**
(Stated in thousands of Pesos)

EARNINGS PER SHARE	THREE-MONTH PERIOD ENDED		SIX-MONTH PERIOD ENDED	
	06/30/21	06/30/20	06/30/21	06/30/20
NUMERATOR				
Net income attributable to the shareholders of the parent company	1,248,215	3,169,046	2,921,733	8,656,116
Net income attributable to the shareholders of the parent company adjusted to reflect dilution	1,248,215	3,169,046	2,921,733	8,656,116
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	1.736	4.407	4.063	12.037
Earnings per shares - Diluted	1.736	4.407	4.063	12.037

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BANCO PATAGONIA S.A.

**CONDENSED INTERIM SEPARATE
STATEMENTS OF OTHER COMPREHENSIVE INCOME AS OF 06/30/21 AND 06/30/20**
(Stated in thousands of Pesos)

ITEM	THREE-MONTH PERIOD ENDED		SIX-MONTH PERIOD ENDED	
	06/30/21	06/30/20	06/30/21	06/30/20
INCOME FOR THE PERIOD	1,248,215	3,169,046	2,921,733	8,656,116
Components of other comprehensive income that will not be reclassified to income for the period				
Revaluation of property and equipment and intangibles	(178,230)	-	(178,230)	-
Income tax	(178,230)	-	(178,230)	-
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO INCOME FOR THE PERIOD	(178,230)	-	(178,230)	-
Components of other comprehensive income that will be reclassified to income for the period				
Exchange differences on translation of financial statements	(13,872)	13,530	(46,610)	17,741
Exchange differences for the period	(20,680)	18,039	(29,196)	23,654
Income tax	6,808	(4,509)	(17,414)	(5,913)
Gains or losses on financial instruments carried at fair value through OCI (paragraph 4.1.2 of IFRS 9)	(214,300)	4,877,225	(206,340)	2,656,742
Gains on financial instruments carried at fair value through OCI	(297,003)	6,967,467	(152,344)	3,795,345
Income tax	82,703	(2,090,242)	(53,996)	(1,138,603)
Equity in other comprehensive income of associates and joint ventures recognized by using the equity method	(9,279)	14,142	(80,232)	(28,444)
Income for the period arising from the equity in other comprehensive income of associates and joint ventures recognized by using the equity method	(9,279)	14,142	(80,232)	(28,444)
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED TO INCOME FOR THE PERIOD	(237,451)	4,904,897	(333,182)	2,646,039
TOTAL OTHER COMPREHENSIVE INCOME	(415,681)	4,904,897	(511,412)	2,646,039
TOTAL COMPREHENSIVE INCOME	832,534	8,073,943	2,410,321	11,302,155

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BANCO PATAGONIA S.A.

**CONDENSED INTERIM SEPARATE STATEMENT
OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF 06/30/21
(Stated in thousands of Pesos)**

Changes	Capital stock (1)	Non-capitalized contributions	Share Capital adjustments	Other comprehensive income				Share Capital adjustments		Unappropriated retained earnings	Total equity Attributable to controlling interests	Total shareholders' equity as of 06/30/21
	Outstanding	Additional paid-in capital		Exchange differences on translation of financial Statements	Revaluation of Property and Equipment	Accumulated gains/losses from financial instr. carried at fair value with changes through OCI	Other	Legal	Other			
Restated balances at the beginning of the year (*)	719,145	217,191	23,801,009	234,274	1,750,410	692,198	(54,803)	16,742,921	26,162,656	(7,392,074)	62,872,927	62,872,927
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholders's Meeting held on 04/22/21 (2)												
- Legal reserve	-	-	-	-	-	-	-	2,625,654	-	(2,625,654)	-	-
- Optional reserve – Future distribution of earnings	-	-	-	-	-	-	-	-	3,938,484	(3,938,484)	-	-
- Partial reversal of the optional reserve for cash dividends payment (3)	-	-	-	-	-	-	-	-	-	(6,564,137)	(6,564,137)	(6,564,137)
Absorb of Negative Unappropriated retained earnings for the initial application of IAS 29	-	-	-	-	-	-	-	-	(20,520,349)	20,520,349	-	-
Income for the period	-	-	-	-	-	-	-	-	-	2,921,733	2,921,733	2,921,733
Other comprehensive income for the period	-	-	-	(46,610)	(178,230)	(206,340)	(80,232)	-	-	-	(511,412)	(511,412)
Balances at period-end	719,145	217,191	23,801,009	187,664	1,572,180	485,858	(135,035)	19,368,575	9,580,791	2,921,733	58,719,111	58,719,111

(*) Balances as of December 31, 2020 restated as of June 30, 2021.

(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 \$ 9.128 per share.

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BANCO PATAGONIA S.A.

**CONDENSED INTERIM SEPARATE STATEMENT
OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF 06/30/20**
(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 06/30/20
	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. carried. at fair value with changes through OCI	Other	Legal	Other			
Restated balances at the beginning of the year (*)	719,145	217,191	23,801,009	221,511	1,750,410	(1,850,849)	(624,341)	11,343,554	16,453,177	6,476,484	58,507,291	58,507,291
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholders's Meeting held on 04/23/20 (2)												
- Legal reserve	-	-	-	-	-	-	-	5,399,367	-	(5,399,367)	-	-
- Optional reserve – Future distribution of earnings	-	-	-	-	-	-	-	-	21,597,468	(21,597,468)	-	-
- Partial reversal of the optional reserve for cash dividends payment (3)	-	-	-	-	-	-	-	-	(11,887,988)	-	(11,887,988)	(11,887,988)
Income for the period	-	-	-	-	-	-	-	-	-	8,656,116	8,656,116	8,656,116
Other comprehensive income for the period	-	-	-	17,741	-	2,656,742	(28,444)	-	-	-	2,646,039	2,646,039
Balances at period-end	719,145	217,191	23,801,009	239,252	1,750,410	805,893	(652,785)	16,742,921	26,162,657	(11,864,235)	57,921,458	57,921,458

(*) Balances as of December 31, 2019 restated as of June 30, 2021.

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

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BANCO PATAGONIA S.A.

**CONDENSED INTERIM SEPARATE STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 06/30/21 AND 06/30/20**
(Stated in thousands of Pesos)

ITEM	06/30/21	06/30/20
Cash flows from operating activities		
Income for the period before income tax	3,858,900	11,949,671
Monetary result adjustment for the period	8,097,681	4,371,718
Adjustments to obtain cash flows from operating activities:	(558,534)	(3,280,929)
Depreciation and impairment of assets	818,877	798,916
Charge for Loan Losses	307,904	915,986
Other adjustments	(1,685,315)	(4,995,831)
Net increases from operating assets:	(47,141,311)	(38,712,124)
Debt securities measured at fair value with changes through profit or loss	(455,371)	(1,055,845)
Derivative instruments	28,313	(204,996)
Repo transactions	(60,124,492)	(13,229,838)
Loans and other financing facilities	19,012,758	15,894,716
Non-financial government sector	12,616	26,149
Other financial institutions	1,461,431	1,337,991
Nonfinancial private sector and foreign residents	17,538,711	14,530,576
Other debt securities	(12,290,235)	(39,473,312)
Financial assets granted as collateral	4,916,768	(1,498,238)
Investments in equity instruments	(20,257)	(6,926)
Other assets	1,791,205	862,315
Net increases from operating liabilities:	24,158,816	27,733,077
Deposits	24,808,286	54,670,726
Non-financial government sector	2,031,164	5,755,601
Financial sector	106,124	273,489
Nonfinancial private sector and foreign residents	22,670,998	48,641,636
Liabilities measured at fair value with changes through profit or loss	283,306	53
Derivative instruments	5,688	(393,031)
Repo transactions	275,921	58,663
Financing facilities received from the BCRA and other financial institutions	3,933,788	(17,646,887)
Other liabilities	(5,148,173)	(8,956,447)
Income tax payments	(597,306)	(1,472,201)
TOTAL OPERATING ACTIVITIES (A)	(12,181,754)	589,212

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BANCO PATAGONIA S.A.

**CONDENSED INTERIM SEPARATE STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 06/30/21 AND 06/30/20**
(Stated in thousands of pesos)

ITEM	06/30/21	06/30/20
Cash flows from investing activities		
Payments:		
Purchase of property and equipment, intangible assets and other assets	(820,033)	(643,472)
Proceeds:		
Sale of property and equipment, intangible assets and other assets	2,772	34,830
TOTAL INVESTING ACTIVITIES (B)	(817,261)	(608,642)
Cash flows from financing activities		
Payments:		
Financing facilities from local financial institutions	(545,469)	(838,355)
Operating leases	(244,411)	(272,650)
TOTAL FINANCING ACTIVITIES (C)	(789,880)	(1,111,005)
EFFECTS OF EXCHANGE RATE CHANGES (D)	5,001,043	6,874,628
EFFECT OF MONETARY GAIN/LOSS ON CASH AND CASH EQUIVALENTS (E)	(11,254,758)	(4,626,212)
TOTAL CHANGES IN CASH FLOWS	06/30/21	06/30/20
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C + D + E)	(20,042,610)	1,117,981
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	75,432,849	75,474,810
CASH AND CASH EQUIVALENTS AT PERIOD-END	55,390,239	76,592,791

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BANCO PATAGONIA S.A.

**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED 06/30/21 COMPARATIVELY PRESENTED**

(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, 2021 have been prepared in accordance with the regulations of the Central Bank of the Argentine Republic, (hereinafter “Accounting information framework established by the “BCRA”) 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.

Additionally, the controlled entity GPAT Compañía Financiera SAU, in accordance with the provisions of the BCRA in its Communication “A” 7181 issued on December 17, 2020, did not apply the impairment model of section 5.5 “Impairment” of the IFRS No. 9 “Financial Instruments” applicable to “Allowances for Bad Debt Risk”, since it has been postponed until January 1, 2022 for financial entities of Group “B” and “C” based on said Communication.. Therefore, the proportional equity value corresponding to the participation of Banco Patagonia S.A. in said Entity, which is recorded in the caption “Investment in subsidiaries, associates and joint ventures” and its counterpart in results recorded in the caption “Results from associates and joint ventures”, has been calculated considering the aforementioned Communication.

- 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, 2021, 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, 2021.

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BANCO PATAGONIA S.A.

**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED 06/30/21 COMPARATIVELY PRESENTED**
(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 judgments and estimates (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 Profits 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)
- Depository for Collective Investment Products of Mutual Investment Funds (Note 48 to the consolidated financial statements)
- Sanctions 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 06/30/21 COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

NOTE 3 – CHANGES IN ACCOUNTING POLICIES

The Bank has consistently applied the accounting policies described in the separate financial statements as of December 31, 2020.

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>06/30/21</u>	<u>12/31/20</u>
Cash on hand	14,713,328	24,038,062
BCRA - Current account	37,874,496	48,411,216
Balances with financial institutions in Argentina and abroad	779,903	2,034,886
Other	2,022,512	948,685
Total	<u>55,390,239</u>	<u>75,432,849</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:

Effective Values	<u>06/30/21</u>	<u>12/31/20</u>
Assets		
FX forward transactions	-	3,693
Foreign currency forwards	328,408	353,028
Total	<u>328,408</u>	<u>356,721</u>
Liabilities		
FX forward transactions	5,688	-
Total	<u>5,688</u>	<u>-</u>

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**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED 06/30/21 COMPARATIVELY PRESENTED**

(Stated in thousands of Pesos)

Notional values	06/30/21	12/31/20
Assets – purchase contract		
FX forward transactions	82,056	118,785
Foreign currency forwards	2,800	3,645
Total	84,856	122,430
Liabilities – sales contract		
FX forward transactions	81,961	48,390
Foreign currency forwards	48,035	90,864
Total	129,996	139,254

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:

	06/30/21	12/31/20
Measured at amortized cost		
Sundry receivables from the sale of Prisma Medios de Pago S.A.	1,447,149	1,620,070
Receivables from spot sales of foreign currency to be settled	766,723	106,259
Receivables from spot sales of government securities to be settled	1,271,022	634,466
Sundry receivables	1,265,178	1,463,913
Total	4,750,072	3,824,708
Less: Allowance for loan losses (Exhibit R)	(1,483,231)	(1,692,022)
Total	3,266,841	2,132,686

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.

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Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

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(Stated in thousands of Pesos)

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

	<u>06/30/21</u>	<u>12/31/20</u>
Measured at amortized cost	118,395,408	135,993,770
Less: Allowance for loan losses (Exhibit R)	(3,484,908)	(5,524,186)
Total	<u>114,910,500</u>	<u>130,469,584</u>

Breakdown is shown below:

	<u>06/30/21</u>	<u>12/31/20</u>
Government sector	83,864	9,894
Financial sector	9,715,603	10,612,263
Non-financial private sector and residents abroad	108,595,941	125,371,613
Notes	39,640,866	36,317,609
Credit cards	23,112,749	27,682,306
Overdrafts	22,920,829	37,436,083
Personal consumer loans	9,956,674	9,614,811
Mortgage loans	3,137,813	3,242,253
Finance leases	670,639	344,026
Other loans	7,447,170	7,391,306
Interest and other adjustments	1,709,201	3,343,219
Sub – Total	<u>118,395,408</u>	<u>135,993,770</u>
Less: Allowance for loan losses (Exhibit R)	(3,484,908)	(5,524,186)
Total	<u>114,910,500</u>	<u>130,469,584</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.

Information on financing classified according to the remaining terms until maturity is reported in Exhibit “D”. For this purpose, the total contractual flows of capital, interest and accessories are distributed over the terms set forth in the Exhibit.

Allowances for loan losses and other financing

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

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NOTE 9 – FINANCIAL ASSETS GRANTED AS COLLATERAL

Financial assets granted as collaterals as of June 30, 2021 and December 31, 2020 are broken down as follows:

	<u>06/30/21</u>	<u>12/31/20</u>
Special guarantee accounts (*)	2,510,576	3,053,761
BCRA - Financial trusts under guarantee of OCT	2,317,013	6,676,005
- Argentine Treasury Bonds in ARS Adjusted by CER	1,218,808	2,959,473
- Argentine Treasury Bills in ARS Adjusted by CER	452,000	3,047,000
- Argentine Treasury Bonds Linked to u\$s	346,955	669,532
- Argentine Treasury Bonds in ARS	299,250	-
Guarantee Deposits Credit and debit card managers	668,954	700,026
Public Titles - BID Line - Global Credit Program for micro-, small- and medium-sized enterprises	398,958	381,813
- Argentine Treasury Bonds in ARS Adjusted by CER	386,240	366,293
- Pesos as guarantee	10,000	12,527
- Dollars as guarantee	2,718	2,993
Other security deposits	22,440	23,104
Total	<u>5,917,941</u>	<u>10,834,709</u>

(*) See note 32.

NOTE 10 – INCOME TAX

a) Current income tax:

Breakdown is as follows:

	<u>06/30/21</u>	<u>12/31/20</u>
Current income tax assets		
Advance payments	808,738	-
Withholdings and collections at source	1,451	-
Tax provision	(98,028)	-
Total	<u>712,161</u>	<u>-</u>
Current income tax liabilities		
Tax provision	-	7,557,784
Advance payments	-	(6,143,013)
Withholdings and collections at source	-	(8,635)
Total	<u>-</u>	<u>1,406,136</u>

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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 CPI (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 corresponding to the first and second fiscal year beginning on January 1, 2019 has to be accounted 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.

The variation of the CPI for the year 2019 exceeded the 30% established by Law No. 27,468, therefore, the Entity included the effect of exposure to inflation in the provision of the tax payable and incorporated five-sixths of the years following tax assets in the deferred tax asset as of December 31, 2019.

On the other hand, considering that, on the date of issuance of these financial statements, the variation in the CPI has exceeded the 15% required for the third year of validity, Management has considered the effects of inflation and has included said estimate in the provision of income tax payable.

The effect deferring six-sixths of the result from exposure to inflation for 2019 and 2020, as of June 30, 2021 has been recognized as a deferred tax asset.

Likewise, on June 16, 2021, Law No. 27,630 was published that modifies the income tax rate, establishing a scale for the purposes of paying the tax according to the accumulated taxable net income: up to \$ 5,000,000 corresponds pay 25% tax; from \$ 5,000,000 to \$ 50,000,000 corresponds to tax the sum of \$ 1,250,000 plus 30% on the excess of \$ 5,000,000; and from \$ 50,000,000 corresponds to tax \$ 14,750,000, plus 35% on the excess of \$ 50,000,000. These amounts will be adjustable as of January 1, 2022 considering the annual variation of the Consumer Price Index (CPI).

Additionally, it is established that the additional rate of 7% must be entered at the time of remitting the profits to the parent company, among other modifications.

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The aforementioned modifications are applicable to the calculation of the provision for income tax and deferred tax of entities that began their fiscal year as of January 1, 2021

Income tax expense is broken down as follows:

	<u>06/30/21</u>	<u>06/30/20</u>
Current tax	244,395	5,783,607
Deferred tax	692,772	(2,490,052)
Income tax expense	<u>937,167</u>	<u>3,293,555</u>

NOTE 11 – INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Investments in subsidiaries, associates and joint ventures as of June 30, 2021, and December 31, 2020 is broken down as follows:

	<u>06/30/21</u>	<u>12/31/20</u>
GPAT Compañía Financiera S.A.U.	1,978,920	1,869,190
Patagonia Inversora Sociedad Gerente de FCI	852,043	1,010,517
Interbanking S.A.	458,933	393,530
Banco Patagonia (Uruguay) S.A.I.F.E.	346,694	373,947
Patagonia Valores S.A.	74,395	82,598
Mercado Abierto Electrónico S.A.	80,389	80,298
Play Digital S.A.	115,900	74,675
Compensadora Electrónica S.A.	7,958	9,969
Provincanje S.A.	4,761	4,696
Other	6,123	-
Total	<u>3,926,116</u>	<u>3,899,420</u>

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NOTE 12 – PROPERTY AND EQUIPMENT

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

	<u>Real property</u>	<u>Rights of use</u>	<u>Remaining assets</u>	<u>Total</u>
Net book value as of January 1, 2021	11,983,702	730,152	1,935,660	14,649,514
Additions	-	267,880	546,322	814,202
Retirements	-	(6,809)	(1,654)	(8,463)
Depreciation expense	(89,749)	(246,460)	(360,034)	(696,243)
Net book value as of June 30, 2021	11,893,953	744,763	2,120,294	14,759,010

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, 2021	611,401
Additions	167,605
Depreciation expense	(121,179)
Net book value as of June 30, 2021	657,827

NOTE 14 – OTHER NON FINANCIAL ASSETS

	<u>06/30/21</u>	<u>12/31/20</u>
Advance payments	391,427	558,030
Other assets	280,599	317,363
Piece of art	75,571	75,571
Investment property	57,975	57,975
Other	63,119	58,413
Total	868,691	1,067,352

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NOTE 15 – NON CURRENT ASSETS HELD FOR SALE

As of June 30, 2021, the Group holds for sale a field located at Anta department, province of Salta, in the amount of 34,162, which was discharged on July 13, 2021, at the time of signing the title deed.

As of December 31, 2020 the Group holds as noncurrent assets held for sale two fields located at Anta department, province of Salta, in the amount of 185,881.

NOTE 16 – DEPOSITS

Information about deposits as of June 30, 2021 and December 31, 2020 is disclosed in Exhibit H – Deposits concentration to these separate financial statements.

The breakdown of deposits related to the non-financial private sector is as follows:

	<u>06/30/21</u>	<u>12/31/20</u>
Time deposit and investments	127,497,448	103,673,578
Savings accounts	106,726,512	95,455,408
Checking accounts	25,542,366	31,501,994
Other	6,544,156	7,549,942
Interests and adjustments	3,557,780	-
Total	<u>269,868,262</u>	<u>238,180,922</u>

NOTE 17 – OTHER FINANCIAL LIABILITIES

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

	<u>06/30/21</u>	<u>12/31/20</u>
Credit card charges payable	5,771,188	7,151,770
Sundry Payables	2,289,431	1,391,855
Payables related to FX purchases on the spot market to be settled	2,217,108	1,062,312
Collections on account and on behalf of third parties	1,322,410	1,462,004
Payables related to purchase of government securities to be settled	552,460	74,675
Payables related to foreign trade transactions	502,190	758,801
Total	<u>12,654,787</u>	<u>11,901,417</u>

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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>06/30/21</u>	<u>12/31/20</u>
Financing facilities received from foreign financial institutions	8,232,955	3,105,971
Financing facilities received from local financial institutions	470,852	1,301,499
BCRA	46,058	12,789
Total	<u>8,749,865</u>	<u>4,420,259</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.

NOTE 20 – OTHER NON FINANCIAL LIABILITIES

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

	<u>06/30/21</u>	<u>12/31/20</u>
Cash dividends payable	13,003,996	9,726,114
Other short term employees' benefits payable	2,205,874	2,580,397
Withholdings and collections	1,307,208	1,585,158
Advance payments received	1,224,249	1,205,788
Sundry accounts payable	1,000,785	1,015,325
Other taxes payable	941,245	554,322
Payroll and social security contributions payable	504,698	328,777
Social security payment orders to be settled	386,972	206,177
Liabilities with contracts with customers	250,035	282,207
Payroll withholdings payable	205,653	233,691
Advanced payments received for the sale of goods	33,067	43,530
Other	81,316	125,075
Total	<u>21,145,098</u>	<u>17,886,561</u>

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(Stated in thousands of Pesos)

NOTE 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, 2021 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.

NOTE 22 – INTEREST INCOME

Breakdown is as follows:

Interest income	06/30/21	06/30/20
Government securities measured at fair value with changes through OCI	20,671,231	19,583,072
Premium on repo transactions with the financial sector	7,514,035	1,076,634
Notes	5,357,288	4,905,006
Overdrafts	4,753,610	5,719,779
Consumer loans	2,370,727	3,199,020
Credit cards	2,034,299	2,571,867
Other loans	1,566,393	2,699,140
Loans to the financial sector	979,685	1,342,621
Finance leases	77,326	115,396
Other	780,784	356,235
Total	46,105,378	41,568,770

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NOTE 23 – INTEREST EXPENSE

Breakdown is as follows:

Interest expense	06/30/21	06/30/20
Time deposits	20,674,694	11,423,715
Deposits in savings accounts	3,362,918	1,389,126
Financing facilities received from financial institutions (Call)	116,464	267,420
Premium on reverse repo transactions with the financial sector	25,100	216,497
Other financing facilities received from financial institutions	14,436	45,180
Other	902,868	868,506
Total	25,096,480	14,210,444

NOTE 24 – FEE INCOME

Breakdown is as follows:

Fee income	06/30/21	06/30/20
Credit and debit cards	1,510,563	1,499,472
Product packages	1,290,675	1,219,577
Deposits	1,006,625	1,227,454
Insurance	802,448	891,932
Collections	460,637	458,723
Foreign trade	238,535	231,616
Loans	105,022	53,469
Securities	81,605	80,353
Other	107,908	110,135
Total	5,604,018	5,772,731

NOTE 25 – FEE EXPENSES

Breakdown is as follows:

Fee expenses	06/30/21	06/30/20
Related to credit and debit cards	1,062,483	1,073,944
Government sector	336,832	326,592
Collections	73,374	84,903
Related to securities	40,955	41,050
Transfers	42,500	33,124
Other	100,061	156,167
Total	1,656,205	1,715,780

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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	06/30/21	06/30/20
Forward foreign currency transactions	576,887	235,483
Corporate securities	258,995	120,044
Government securities and instruments issued by the BCRA	91,194	174,831
Gain on the sale or derecognition of financial assets	27,418	151,888
Total	954,494	682,246

NOTE 27 – OTHER OPERATING INCOME

Breakdown is as follows:

Other operating income	06/30/21	06/30/20
Derecognized provisions	586,649	249,849
Recovered receivables	424,754	205,774
Safe deposit box rental	313,561	332,082
Other adjustments and interests from miscellaneous credits	169,994	217,035
Related to capital and securities markets	132,509	111,258
Punitive interest	26,348	32,085
Related to transfers	21,642	24,141
Related to deposits	16,124	23,843
Gain on the sale of property and equipment	6,225	7,657
Recovered taxes	-	483,843
Other	433,704	439,857
Total	2,131,510	2,127,424

NOTE 28 – EMPLOYEE BENEFITS

Breakdown is as follows:

Employee benefits	06/30/21	06/30/20
Salaries	6,739,429	6,426,863
Other benefits	247,799	234,931
Services to personnel	205,196	187,608
Severance payments	138,841	84,805
Total	7,331,265	6,934,207

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BANCO PATAGONIA S.A.

**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED 06/30/21 COMPARATIVELY PRESENTED**

(Stated in thousands of Pesos)

NOTE 29 – ADMINISTRATIVE EXPENSES

Breakdown is as follows:

Administrative expenses	06/30/21	06/30/20
Maintenance, conservation and repair expenses	963,855	843,484
Taxes	725,241	730,588
Fees	451,886	484,528
Armored vehicle services	381,672	394,274
Electric power and communications	325,334	355,937
Security services	281,035	302,643
Advertising and marketing	88,833	59,402
Leases	50,100	55,734
Stationery and supplies	22,634	77,170
Representation per diem and mobility	15,010	21,965
Other	621,755	567,041
Total	3,927,355	3,892,766

NOTE 30 – OTHER OPERATING EXPENSES

Breakdown is as follows:

Other operating expenses	06/30/21	06/30/20
Gross Income tax	3,297,830	2,019,573
ATM expenses	514,349	294,273
Other allowance charges	605,723	176,698
Contribution to the deposit guarantee fund	207,581	176,595
Other	558,661	547,832
Total	5,184,144	3,214,971

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(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, 2021 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	2,369,188	-	-	2,369,188	2,358,415	10,773	-
Derivative financial instruments	328,408	-	-	328,408	-	328,408	-
Other debt securities	122,403,867	2,470,621	119,933,246	-	22,987,632	96,945,614	-
Financial assets granted as collateral	5,917,941	346,955	2,356,298	3,214,688	5,570,986	-	-
Investments in equity instruments	1,080,603	-	-	1,080,603	-	11,643	1,068,960
Total	132,100,007	2,817,576	122,289,544	6,992,887	30,917,033	97,296,438	1,068,960

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	283,306	-	-	283,306	283,306	-	-
Derivative financial instruments	5,688	-	-	5,688	-	5,688	-
Total	288,994	-	-	288,994	283,306	5,688	-

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THE SIX-MONTH PERIOD ENDED 06/30/21 COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

The fair value hierarchy of assets and liabilities measured at fair value as of December 31, 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	1,717,150	-	-	1,717,150	1,702,547	14,603	-
Derivative financial instruments	356,721	-	-	356,721	-	356,721	-
Other debt securities	109,838,892	2,572,886	107,266,006	-	67,821,704	39,444,302	-
Financial assets granted as collateral	10,834,709	669,532	6,372,768	3,792,409	3,792,409	6,372,768	-
Investments in equity instruments	1,060,346	-	-	1,060,346	-	13,549	1,046,797
Total	123,807,818	3,242,418	113,638,774	6,926,626	73,316,660	46,201,943	1,046,797

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:

	06/30/21	12/31/20
Argentine Treasury Bonds in ARS Adjusted by CER 2%, maturity 11/09/2026	9,214	-
Total	9,214	-

These holdings are included in Level 1 as of December 31, 2020 and as of June 30, 2021 a fair value was recorded using yield curves of species corresponding to the same type of instrument, with normal and customary trading and of similar duration.

b.2) 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):

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**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED 06/30/21 COMPARATIVELY PRESENTED**

(Stated in thousands of Pesos)

- *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.
- *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.

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

- 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 hierarchy of fair value of assets and liabilities not measured at fair value as of June 30, 2021 is detailed below:

Item	Accounting balance as of 06/30/21	Total fair value	Level 1 fair value	Level 2 fair value	Level 3 fair value
Financial assets					
Cash and bank deposits	55,390,239	(1)	-	-	-
Repo transactions	70,100,074	(1)	-	-	-
Other financial assets	3,266,841	3,266,736	-	-	3,266,736
Loans and other financing facilities	114,910,500	112,192,020	-	-	112,192,020
Financial liabilities					
Deposits	294,624,741	291,028,249	-	291,028,249	-
Repo transactions	281,744	(1)	-	-	-
Other financial liabilities	12,654,787	(1)	-	-	-
Financing facilities received from the BCRA and other financial institutions	8,749,865	(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, 2020 is detailed below.

Item	Accounting balance as of 12/31/20	Total fair value	Level 1 fair value	Level 2 fair value	Level 3 fair value
Financial assets					
Cash and bank deposits	75,432,849	(1)	-	-	-
Repo transactions	9,975,582	(1)	-	-	-
Other financial assets	2,132,686	1,906,063	-	-	1,906,063
Loans and other financing facilities	130,469,584	114,013,262	-	-	114,013,262
Financial liabilities					
Deposits	264,976,188	233,818,420	-	233,818,420	-
Repo transactions	5,823	(1)	-	-	-
Other financial liabilities	11,901,417	(1)	-	-	-
Financing facilities received from the BCRA and other financial institutions	4,420,259	(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 06/30/21 COMPARATIVELY PRESENTED**

(Stated in thousands of Pesos)

NOTE 32 – RESTRICTED ASSETS

	06/30/21	12/31/20
Special guarantee accounts (*)	2,510,576	3,053,761
BCRA - Financial trusts under guarantee of OCT	2,317,013	6,676,005
- Argentine Treasury Bonds in ARS Adjusted by CER	1,218,808	2,959,473
- Argentine Treasury Bills in ARS Adjusted by CER	452,000	3,047,000
- Argentine Treasury Bonds Linked to u\$s	346,955	669,531
- Argentine Treasury Bonds in ARS	299,250	-
Security deposits – Credit and debit card managers	668,954	700,026
Government securities – IADB loan – Global Credit Program for micro-, small- and medium-sized enterprises	398,958	381,813
- Argentine Treasury Bonds in ARS Adjusted by CER	386,240	366,293
- Pesos as guarantee	10,000	12,527
- Dollars as guarantee	2,718	2,993
Other security deposits	22,440	23,104
Sub – Total	5,917,941	10,834,709
Deposits in guarantee - Capacity for repo transactions	31,450	650
Sub - Total	31,450	650
Total	5,949,391	10,835,359

(*) 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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**NOTES TO THE CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED 06/30/21 COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

<u>Minimum cash requirements</u>	<u>06/30/21</u>	<u>12/31/20</u>
Cash and bank deposits		
BCRA - Current account	37,874,496	48,411,216
Other debt securities		
Argentine Treasury Bond in ARS Fixed Rate 22%, maturity 05/21/2022	10,192,182	9,395,334
BCRA Liquidity Bills	32,937,712	24,112,611
Financial assets granted as collaterals		
BCRA - Special guarantee accounts	2,510,576	3,053,761
Total	83,514,966	84,972,922

Minimum capital requirements breakdown is as follows

<u>Minimum cash requirements</u>	<u>06/30/21</u>	<u>12/31/20</u>
Minimum capital requirements (A)	18,014,653	20,844,478
Credit risk	11,937,062	14,007,171
Market risk – Securities	86,402	139,349
Market risk – Currencies	182,424	493,694
Operational risk	5,808,765	6,204,264
Payment (B)	47,792,116	52,223,232
Surplus (B - A)	29,777,463	31,378,754

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, 2021 and December 31, 2020:

	<u>06/30/21</u>	<u>12/31/20</u>
Patagonia Valores S.A.		
Deposits – Checking accounts	347	1,362
Deposits – Special checking account	5,477	6,031
Checks and securities in custody	582	660
Patagonia Inversora S.A. Sociedad Gerente de F.C.I.		
Deposits – Checking accounts	151	838
Checks and securities in custody	901,279	946,789

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(Stated in thousands of Pesos)

	<u>06/30/21</u>	<u>12/31/20</u>
Banco Patagonia (Uruguay) S.A.I.F.E.		
Deposits – Checking account	6	8
Deposits – Special checking account	4,761	6,613
Checks and securities in custody	2,354,364	2,301,450
Guarantees received	1,014,502	768,645
GPAT Compañía Financiera S.A.U.		
Loans and other financing facilities– interbank loans (call options granted)	705,693	1,094,566
Debt securities– corporate bonds	157,184	95,222
Deposits – Checking accounts	26,056	50,036
Other financial liabilities	2,020	4,247
Banco do Brasil S.A.		
Cash and bank deposits – Financial institutions and correspondents	19,635	-
Deposits – Checking accounts	5	53
Financing received from financial entities	7,156,125	-
Guarantees received	478,634	843,275
Other Guarantees Granted	95,727	137,033
Checks and securities in custody	56,942	60,367

The Bank's income (losses) for the six-month period ended June 30, 2021 and 2020 resulting from transactions with its subsidiaries, related companies and its parent company is as follows:

	<u>06/30/21</u>	<u>06/30/20</u>
Patagonia Valores S.A.		
Fees and other operating income	1	2
Other operating income – Other income	196	718
Patagonia Inversora S.A. Sociedad Gerente de F.C.I.		
Other operating income – Other income	1,565	361

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(Stated in thousands of Pesos)

	<u>06/30/21</u>	<u>06/30/20</u>
GPAT Compañía Financiera S.A.U.		
Interest income – Financial sector	35,475	499,573
Interest income – Corporate bonds	41,709	23,791
Interest income – Overdrafts	1,609	1,822
Interest expense– Interest from financing facilities to local financial institutions	1,668	8,094
Fees and other operating income	3,635	10,368
Fee expenses	18,680	21,982
Other operating income – Other income	5,158	6,762
 Banco do Brasil S.A.		
Financial expenses – Interest on other loans from financial institutions	10,003	147,651
Fee income	13	-
Other operating income –Other income	300	367

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 registred broker category on June 30, 2021 amounts to 1,420,350 Units of Purchasing Power (UVA) adjusted by “CER” – Law No. 25,827, which is equivalent to 115,233.

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(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 UVAs, equivalent to 57,617.

As of June 30, 2021, 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 30, 2021.

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**EXHIBIT A
BREAKDOWN OF GOVERNMENT AND CORPORATE SECURITIES
AS OF 06/30/21 AND 12/31/20
(Stated in thousands of Pesos)**

Item	Identification	Holding				Position	
		Fair value	Level Fair value	Balance as of 06/30/21	Balance as of 12/31/20	Without options (2)	Final
DEBT SECURITIES MEASURED AT FAIR VALUE WITH CHANGES THROUGH PROFIT OR LOSS		2,368,776		2,369,188	1,717,150	2,652,494	2,652,494
In Argentina		2,368,776		2,369,188	1,717,150	2,652,494	2,652,494
Government securities		2,368,776		2,368,776	1,716,634	2,652,082	2,652,082
- National treasury bonds Linked to u\$s, maturity 11/30/2021	5498	1,515,525	1	1,515,525	472,624	1,515,525	1,515,525
- National treasury bonds in ARS Adjusted by CER 1%, maturity 08/05/2021	5359	219,611	1	219,611	-	219,611	219,611
- National treasury bonds Linked to u\$s, maturity 04/29/2022	5499	165,526	1	165,526	456,345	165,526	165,526
- Discount bonds in ARS maturity 12/31/2033	45696	132,964	1	132,964	149,597	132,964	132,964
- National treasury bills in ARS Adjusted by CER to Discount, maturity 03/31/2022	5931	110,750	1	110,750	-	110,750	110,750
- National Bonds linked to u\$s maturity 07/09/2030	81086	75,235	1	75,235	140,813	75,235	75,235
- National Treasury Bonds in ARS Fixed Rate, maturity 10/03/2021	5318	44,498	1	44,498	150,180	44,498	44,498
- National Treasury Bills in ARS to Discount, maturity 11/30/2021	5935	38,790	1	38,790	-	38,790	38,790
- National treasury bills in ARS Adjusted by CER to Discount , maturity 02/28/2022	5500	36,171	1	36,171	-	36,171	36,171
- National treasury bonds in ARS Adjusted by CER 2%, maturity 11/09/2026	5925	9,214	2	9,214	197,824	9,214	9,214
- Other		20,492	-	20,492	149,251	303,798	303,798
Corporate securities		-		412	516	412	412
- Other		-	-	412	516	412	412

(1) 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 Sector

Oswaldo Parré Dos Santos
President

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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.

**EXHIBIT A
BREAKDOWN OF GOVERNMENT AND CORPORATE SECURITIES
AS OF 06/30/21 AND 12/31/20
(Stated in thousands of Pesos)**

Item	Identification	Holding				Position	
		Fair value	Level Fair value	Balance as of 06/30/2021	Balance as of 12/31/2020	Without options (2)	Final
OTHER DEBT SECURITIES		119,933,246		122,403,867	109,838,892	125,107,120	125,107,120
MEASURED AT FAIR VALUE WITH CHANGES THROUGH OCI		119,933,246		119,933,246	107,266,006	122,636,499	122,636,499
In Argentina		119,933,246		119,933,246	107,266,006	122,636,499	122,636,499
Government securities		26,536,003		26,536,003	24,019,849	29,239,256	29,239,256
- National treasury bonds in ARS Fixed Rate 22%, maturity 05/21/2022	5496	10,192,182	2	10,192,182	9,395,334	10,192,182	10,192,182
- National treasury bills in ARS Adjusted by CER to Discount, maturity 02/28/2022	5500	4,186,650	1	4,186,650	-	4,638,650	4,638,650
- National treasury bills in ARS Adjusted by CER to Discount, maturity 03/31/2022	5931	3,854,100	1	3,854,100	-	3,854,100	3,854,100
- National treasury bonds in ARS private Badlar + 100 pbs., maturity 08/05/2021	5495	2,883,333	1	2,883,333	2,971,819	2,986,863	2,986,863
- National treasury bills in ARS Variable Rate 2.25%, maturity 07/30/2021	5400	1,415,625	1	1,415,625	-	1,415,625	1,415,625
- National treasury bonds in ARS Adjusted by CER 1.5%, maturity 03/25/2024	5493	1,073,600	1	1,073,600	108,926	1,929,618	1,929,618
- Treasury Bill from the Province of Río Negro, maturity 05/20/2022	42395	456,676	2	456,676	-	456,676	456,676
- National Treasury Bonds, maturity 10/03/2021	5318	415,747	1	415,747	344,311	714,997	714,997
- Treasury bonds from the Province of Río Negro, maturity 12/04/2022	42385	402,264	2	402,264	-	402,264	402,264
- National Treasury Bonds in ARS Adjusted by CER 1.20%, maturity 03/28/2022	5491	381,144	1	381,144	379,542	1,010,144	1,010,144
- Other		1,274,682	-	1,274,682	10,819,917	1638,137	1638,137
BCRA Bills		90,483,738		90,483,738	81,566,969	90,483,738	90,483,738
- BCRA Liquidity Bill, maturity 07/01/2021	3400	18,980,240	2	18,980,240	-	18,980,240	18,980,240
- BCRA Liquidity Bill, maturity 07/06/2021	3405	12,226,994	2	12,226,994	-	12,226,994	12,226,994
- BCRA Liquidity Bill, maturity 07/08/2021	3407	12,198,402	2	12,198,402	-	12,198,402	12,198,402
- BCRA Liquidity Bill, maturity 07/13/2021	3408	11,505,316	2	11,505,316	-	11,505,316	11,505,316
- BCRA Liquidity Bill, maturity 07/22/2021	3427	10,812,353	2	10,812,353	-	10,812,353	10,812,353
- BCRA Liquidity Bill, maturity 07/27/2021	3435	8,753,930	2	8,753,930	-	8,753,930	8,753,930
- BCRA Liquidity Bill, maturity 07/20/2021	3418	8,169,887	2	8,169,887	-	8,169,887	8,169,887
- BCRA Liquidity Bill, maturity 07/15/2021	3414	7,836,616	1	7,836,616	-	7,836,616	7,836,616
- Other		-	-	-	81,566,969	-	-
Corporative securities		2,913,505		2,913,505	1,679,188	2,913,505	2,913,505
- ON Tarjeta Naranja in ARS Class 48	55317	535,365	2	535,365	-	535,365	535,365
- ON Tarjeta Naranja in ARS Class 46	55187	418,680	2	418,680	-	418,680	418,680
- ON Tarjeta Naranja in ARS Class 45	55094	354,900	2	354,900	509,511	354,900	354,900
- ON Inversora Juramento in ARS Class 9	55349	316,161	2	316,161	-	316,161	316,161
- ON FCA Compañía Financiera en UVA in ARS Class 19	55424	164,093	2	164,093	-	164,093	164,093
- ON Petroquímica Comodoro Rivadavia in ARS Class F	55256	152,608	2	152,608	-	152,608	152,608
- ON Pan American Energy in ARS Class 8	55081	152,400	2	152,400	191,711	152,400	152,400
- ON FCA Compañía Financiera en UVA, Class 18 Serie 1	55008	134,611	2	134,611	147,141	134,611	134,611
- ON IRSA SA in ARS Class 6	54829	110,500	2	110,500	222,906	110,500	110,500
- ON FCA Compañía Financiera in ARS Class 23	55063	92,281	2	92,281	116,118	92,281	92,281
- Other		481,906	-	481,906	491,801	481,906	481,906

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

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Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
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Gustavo Carballeda (Partner)
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BANCO PATAGONIA S.A.

**EXHIBIT A
BREAKDOWN OF GOVERNMENT AND CORPORATE SECURITIES
AS OF 06/30/21 AND 12/31/20
(Stated in thousands of Pesos)**

Item	Identification	Holding				Position	
		Fair value	Level Fair value	Balance as of 06/30/21	Balance as of 12/31/20	Without options (1)	Final
Measured at amortized cost		-		2,470,621	2,572,886	2,470,621	2,470,621
In Argentina		-		2,470,621	2,572,886	2,470,621	2,470,621
Government securities		-		2,447,248	2,410,290	2,447,248	2,447,248
- Argentine Treasury Bond Linked to u\$S, maturity 11/30/2021	5498	-	-	1,516,360	1,722,186	1,516,360	1,516,360
- Argentine Treasury Bond Linked to u\$S, maturity 04/29/2022	5499	-	-	930,888	688,104	930,888	930,888
Corporate securities		-		23,373	162,596	23,373	23,373
- VD FF Meli Derechos Crediticios Tarjetas 5 in ARS	54959	-	-	15,912	50,189	15,912	15,912
- VD FF Mercado Crédito Class 8 in ARS	54976	-	-	7,461	112,407	7,461	7,461
Equity Instruments		1,080,603		1,080,603	1,060,346	1,080,603	1,080,603
MEASURED AT FAIR VALUE WITH CHANGES THROUGH PROFIT OR LOSS		1,080,603		1,080,603	1,060,346	1,080,603	1,080,603
In Argentina		1,072,849		1,072,849	1,051,568	1,072,849	1,072,849
- Prisma Medios de Pago S.A.		1,068,960	3	1,068,960	1,046,797	1,068,960	1,068,960
- Matba Rofex S.A.		3,041	2	3,041	3,809	3,041	3,041
- Seguro de depósitos S.A.		493	2	493	618	493	493
- Miralejos S.A.C.F. y Agropecuaria		106	2	106	133	106	106
- Bolsa de Comercio de Mar del Plata S.A.		56	2	56	70	56	56
- Argencontrol S.A.		53	2	53	66	53	53
- Sanatorio Las Lomas S.A.		47	2	47	59	47	47
- Celta Coop. Obras Ser. Tres Arroyos		12	2	12	15	12	12
- Cooperativa Eléctrica Limitada de Claromecó		1	2	1	1	1	1
- Other		80	2	80	-	80	80
Foreign equity instruments		7,754		7,754	8,778	7,754	7,754
- Banco Latinoamericano de Comercio Exterior S.A		7,467	2	7,467	8,397	7,467	7,467
- Society for Worldwide Interbank Financial Telecommunication		287	2	287	381	287	287

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

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BANCO PATAGONIA S.A.

**EXHIBIT B
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED BY STATUS AND GUARANTEES
RECEIVED AS OF 06/30/21 AND 12/31/20
(Stated in thousands of Pesos)**

COMMERCIAL LOAN PORTFOLIO	06/30/21	12/31/20
Performing	80,001,856	92,863,176
- With "A" preferred guarantees and counter-guarantees	5,147,078	4,515,364
- With "B" preferred guarantees and counter-guarantees	4,325,376	5,579,701
- Without preferred guarantees or counter-guarantees	70,529,402	82,768,111
Subject to special monitoring	304,069	401,413
In observation	3,068	9,235
- Without preferred guarantees or counter-guarantees	3,068	9,235
In negotiation or under refinancing agreements	301,001	392,178
- With "B" preferred guarantees or counter-guarantees	301,001	327,647
- Without preferred guarantees or counter-guarantees	-	64,531
Troubled	163,405	620,870
- With "B" preferred guarantees or counter-guarantees	88,409	474,418
- Without preferred guarantees or counter-guarantees	74,996	146,452
With high risk of insolvency	19,896	61,919
- With "A" preferred guarantees and counter-guarantees	5,467	-
- With "B" preferred guarantees and counter-guarantees	1,188	51,530
- Without preferred guarantees or counter-guarantees	13,241	10,389
Non-recoverable	400,767	40,627
- With "B" preferred guarantees and counter-guarantees	298,751	19,788
- Without preferred guarantees or counter-guarantees	102,016	20,839
TOTAL COMMERCIAL LOAN PORTFOLIO	80,889,993	93,988,005

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**EXHIBIT B
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED BY STATUS AND GUARANTEES
RECEIVED AS OF 06/30/21 AND 12/31/20
(Stated in thousands of Pesos)**

CONSUMER AND/OR HOME LOAN PORTFOLIO	06/30/21	12/31/20
Performing	40,505,220	45,964,686
- With "A" preferred guarantees and counter-guarantees	1,853,458	2,162,795
- With "B" preferred guarantees and counter-guarantees	2,274,884	2,651,377
- Without preferred guarantees or counter-guarantees	36,376,878	41,150,514
Low risk	778,210	179,473
- With "A" preferred guarantees and counter-guarantees	23,644	1,283
- With "B" preferred guarantees and counter-guarantees	16,145	691
- Without preferred guarantees or counter-guarantees	738,421	177,499
Low risk – At special treatment	2,526	-
- Without preferred guarantees or counter-guarantees	2,526	-
Medium risk	299,960	151,577
- With "A" preferred guarantees and counter-guarantees	1,661	598
- With "B" preferred guarantees and counter-guarantees	3,977	6,381
- Without preferred guarantees or counter-guarantees	294,322	144,598
High risk	403,175	253,421
- With "A" preferred guarantees and counter-guarantees	2,749	3,835
- With "B" preferred guarantees and counter-guarantees	272	2,401
- Without preferred guarantees or counter-guarantees	400,154	247,185
Non-recoverable	58,646	543,637
- With "A" preferred guarantees and counter-guarantees	784	4,959
- With "B" preferred guarantees and counter-guarantees	723	517
- Without preferred guarantees or counter-guarantees	57,139	538,161
TOTAL CONSUMER AND/OR HOME LOAN PORTFOLIO	42,047,737	47,092,794
GRAND TOTAL	122,937,730	141,080,799

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**EXHIBIT B
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED BY STATUS AND GUARANTEES
RECEIVED AS OF 06/30/21 AND 12/31/20
(Stated in thousands of Pesos)**

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

BREAKDOWN	06/30/21	12/31/20
BALANCE AS PER EXHIBIT "B"	122,937,730	141,080,799
Items included in Exhibit "B" and not included in Loans and other financing facilities	(4,510,840)	(4,975,673)
Off-balance sheet items – agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards.	(1,573,957)	(3,133,737)
Other items	(2,936,883)	(1,841,936)
Items not included in Exhibit "B" and included in Loans and other financing facilities	(3,516,390)	(5,635,542)
Loans and other financing facilities - loans to personnel	343,885	388,127
Loans and other financing facilities – IFRS adjustment at effective interest rate	(375,367)	(499,483)
Loans and other financing facilities – Allowances for loan losses	(3,484,908)	(5,524,186)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	114,910,500	130,469,584

Marcelo A. Iadarola
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BANCO PATAGONIA S.A.

**EXHIBIT C
LOANS AND OTHER FINANCING FACILITIES CONCENTRATION
AS OF 06/30/21 AND 12/31/20
(Stated in thousands of Pesos)**

Number of customers	FINANCING FACILITIES			
	06/30/21		12/31/20	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	25,734,505	20.9%	34,859,345	24.7%
50 next largest customers	34,531,482	28.1%	34,586,355	24.5%
100 next largest customers	12,048,794	9.8%	12,906,435	9.1%
Rest of customers	50,622,949	41.2%	58,728,664	41.7%
TOTAL	122,937,730	100%	141,080,799	100.0%

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

BREAKDOWN	06/30/21	12/31/20
BALANCE AS PER EXHIBIT "C"	122,937,730	141,080,799
Items included in Exhibit "C" and not included in Loans and other financing facilities	(4,510,840)	(4,975,673)
Off-balance sheet items – agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards.	(1,573,957)	(3,133,737)
Other items	(2,936,883)	(1,841,936)
Items not included in Exhibit "C" and included in Loans and other financing facilities	(3,516,390)	(5,635,542)
Loans and other financing facilities - loans to personnel	343,885	388,127
Loans and other financing facilities –IFRS adjustment at effective interest rate	(375,367)	(499,483)
Loans and other financing facilities – Allowances for loan losses	(3,484,908)	(5,524,186)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	114,910,500	130,469,584

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BANCO PATAGONIA S.A.

**EXHIBIT D
LOANS AND OTHER FINANCING FACILITIES BROKEN DOWN BY TERM
AS OF 06/30/21**

(Stated in thousands of Pesos)

Item	Matured	Terms remaining to maturity						Total as of 06/30/21
		1 month	3 months	6 months	12 months	24 months	Over 24 months	
Non-financial government sector	-	78,521	-	-	5,348	-	-	83,869
Financial sector	39,398	1,292,798	561,740	1,137,071	5,576,902	2,827,255	822,595	12,257,759
Nonfinancial private sector and foreign residents	1,629,633	36,939,532	10,038,265	10,086,971	37,127,462	18,283,679	19,109,028	133,214,570
TOTAL	1,669,031	38,310,851	10,600,005	11,224,042	42,709,712	21,110,934	19,931,623	145,556,198

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BANCO PATAGONIA S.A.

**EXHIBIT H
DEPOSITS CONCENTRATION
AS OF 06/30/21 AND 12/31/20
(Stated in thousands of Pesos)**

Number of customers	06/30/21		12/31/20	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	65,185,265	22.1%	37,173,956	14.0%
50 next largest customers	51,985,152	17.6%	46,266,011	17.5%
100 next largest customers	21,271,684	7.2%	18,420,875	7.0%
Rest of customers	156,182,640	53.1%	163,115,346	61.5%
TOTAL	294,624,741	100.0%	264,976,188	100.0%

Marcelo A. Iadarola
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BANCO PATAGONIA S.A.

**EXHIBIT I
FINANCIAL LIABILITIES BROKEN DOWN BY TERMS REMAINING TO MATURITY
AS OF 06/30/21
(Stated in thousands of Pesos)**

Item	Terms remaining to maturity						
	1 month	3 months	6 months	12 months	24 months	Over 24 months	Total al 06/30/21
Deposits	261,298,999	22,710,753	14,001,680	267,867	583	673	298,280,555
Non-financial government sector	101,642,970	17,916,198	13,508,159	138,833	431	-	133,206,591
Financial sector	1,555,056	3,047,129	154,808	28,817	152	673	4,786,635
Nonfinancial private sector and foreign residents	158,100,973	1,747,426	338,713	100,217	-	-	160,287,329
Liabilities at fair value through profit or loss	283,306	-	-	-	-	-	283,306
Derivative instruments	5,688	-	-	-	-	-	5,688
Repo transactions	281,744	-	-	-	-	-	281,744
Other financial liabilities	12,654,787	-	-	-	-	-	12,654,787
Financing facilities received from the BCRA and other financial institutions	1,748,759	165,165	2,838,738	2,306,359	24,917	2,418,567	9,502,505
TOTAL	276,273,283	22,875,918	16,840,418	2,574,226	25,500	2,419,240	321,008,585

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

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with our report dated 08/26/2021

By Supervisory Committee

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BANCO PATAGONIA S.A.

**EXHIBIT J
CHANGES IN PROVISIONS
AS OF 06/30/21
(Stated in thousands of Pesos)**

Item	Balances at beginning of year	Increases	Decreases		Monetary result for allowances and provisions	Balance as of 06/30/21
			Reversals	Uses		
INCLUDED IN LIABILITIES						
For contingent commitments	381,037	240,907	-	86,710	(76,867)	458,367
Other	1,962,966	553,621	155,777	24,664	(395,993)	1,940,153
Labor lawsuits	119,821	39,047	-	15,913	(24,172)	118,783
Complaints, proceedings, appeals	1,645,698	504,076	155,777	8,751	(331,989)	1,653,257
Tax lawsuits	197,447	10,498	-	-	(39,832)	168,113
TOTAL PROVISIONS	2,344,003	794,528	155,777	111,374	(472,860)	2,398,520

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BANCO PATAGONIA S.A.

**EXHIBIT L
BALANCES IN FOREIGN CURRENCY
AS OF 06/30/21
(Stated in thousands of Pesos)**

Items	Head office and branches in Argentina	Total as of 06/30/21	US dollar	Euro	Brazilian real	Other	Total as of 12/31/20
ASSETS							
Cash and bank deposits	39,313,049	39,313,049	37,255,969	1,872,031	18,902	166,147	47,290,197
Debt securities measured at fair value with changes through profit or loss	1,764,121	1,764,121	1,764,121	-	-	-	1,082,219
Other financial assets	40,919	40,919	40,862	57	-	-	176,847
Loans and other financing facilities	18,251,694	18,251,694	18,158,387	93,307	-	-	9,186,585
Other financial institutions	-	-	-	-	-	-	341,732
Nonfinancial private sector and foreign residents	18,251,694	18,251,694	18,158,387	93,307	-	-	8,844,853
Other debt securities	2,464,445	2,464,445	2,464,445	-	-	-	2,431,727
Financial assets granted as collateral	510,825	510,825	510,825	-	-	-	770,166
Investments in equity instruments	346,694	346,694	346,694	-	-	-	373,947
Other nonfinancial assets	20	20	20	-	-	-	10
TOTAL ASSETS	62,691,767	62,691,767	60,541,323	1,965,395	18,902	166,147	61,311,698
LIABILITIES							
Deposits	45,973,734	45,973,734	44,519,881	1,453,853	-	-	48,644,255
Non-financial government sector	3,389,305	3,389,305	3,363,264	26,041	-	-	4,795,307
Financial sector	851	851	851	-	-	-	1,074
Nonfinancial private sector and foreign residents	42,583,578	42,583,578	41,155,766	1,427,812	-	-	43,847,874
Other financial liabilities	2,485,600	2,485,600	2,378,548	104,769	-	2,283	2,443,913
Financing facilities received from the BCRA and other financial institutions	8,247,684	8,247,684	8,154,635	93,049	-	-	3,146,363
Other nonfinancial liabilities	14,660	14,660	14,660	-	-	-	161,089
TOTAL LIABILITIES	56,721,678	56,721,678	55,067,724	1,651,671	-	2,283	54,395,620

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Translation from the original prepared in Spanish for publication in Argentina

BANCO PATAGONIA S.A.

**EXHIBIT O
DERIVATIVE FINANCIAL INSTRUMENTS
AS OF 06/30/21**

(Stated in thousands of Pesos)

Type of contract	Purpose of transactions	Underlying asset	Type of settlement	Negotiation environment or counter-party	Weighted average term			Amount as of 06/30/21
					Originally agreed - in months -	Residual - in months -	Settlement of differences - in days -	
Futures	Intermediation on own account	Foreign currency	Daily settlement of differences	ROFEX	4	3	1	9,886,594
Futures	Intermediation on own account	Foreign currency	Daily settlement of differences	MAE	2	1	1	6,907,561
Futures	Intermediation on own account	Foreign currency	Daily settlement of differences	OTC - Residents in Argentina Nonfinancial sector	5	3	96	5,306,281
Repo transactions	Intermediation on own account	Government securities and instruments issued by the BCRA	Delivery of underlying asset	MAE	-	-	-	78,615,218

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BANCO PATAGONIA S.A.

EXHIBIT R
LOSS IMPAIRMENT ADJUSTMENT- ALLOWANCE FOR LOAN LOSSES
AS OF 06/30/21
(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 06/30/21
			IF with significant increase in CR	IF with credit impairment		
Other financial assets	1,692,022	135,612	(2,690)	(379)	(341,334)	1,483,231
Loans and other financing facilities	5,524,186	(1,247,405)	546,646	(224,117)	(1,114,402)	3,484,908
Other financial institutions	4,006	(2,647)	-	-	(808)	551
Nonfinancial private sector and foreign residents	5,520,180	(1,244,758)	546,646	(224,117)	(1,113,594)	3,484,357
Overdrafts	354,963	(34,264)	(51,050)	50,198	(71,607)	248,240
Notes	441,117	20,613	(28,041)	(28,759)	(88,987)	315,943
Mortgage loans	62,478	3,523	61,737	1,512	(12,604)	116,646
Consumer	2,199,824	(286,450)	(200,604)	(344,710)	(443,774)	924,286
Credit cards	1,162,689	(302,360)	756,545	(14,461)	(234,551)	1,367,862
Finance lease	12,363	4,086	13,554	5,524	(2,494)	33,033
Other	1,286,746	(649,906)	(5,495)	106,579	(259,577)	478,347
Other debt securities	152	(116)	-	-	(31)	5
Eventual Commitments	381,037	110,605	42,175	1,417	(76,867)	458,367
TOTAL ALLOWANCES	7,597,397	(1,001,304)	586,131	(223,079)	(1,532,634)	5,426,511

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BANCOPATAGONIA

**Reporting summary
For the six-month period ended
June 30, 2021**

BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE SIX – MONTH PERIOD
ENDED JUNE 30, 2021**

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, 2021.

Banco Patagonia ended the second trimester of 2021 with assets in the amount of ARS 408,265.7 million, Loans and other financing facilities (net of allowances) in the amount of ARS 124,308.0 million, Deposits in the amount of ARS 301,655.5 million and a shareholder’s equity of ARS 58,719.1 million.

Comprehensive income for the six-month period amounted to ARS 2,410.3 million, decreasing 78.7% (ARS 8,891.9 million) compared to 2T20 (ARS 11,302.2 million), with an annual ROE of 8.6% an annual ROA of 1.4%.

Loans granted to the non-financial private sector amounted to ARS 115,214.8 million decrease 13.9% (ARS 18,639.6 million) compared to June 30, 2020 (ARS 133,854.4 million).

Total deposits amounted ARS 301,655.5 million, which means an increase of 10.2% (ARS 27,846.3 million) year-over-year (ARS 273,809.2 million).

Regarding portfolio quality indicators, the irregular portfolio ratio was 1.0% and the irregular portfolio coverage with provisions was 298.1% (calculated according to the BCRA’s debtor classification rules).

The liquidity ratio was 83.9% (liquid assets over total deposits). In addition, the minimum capital exceeds that required by BCRA regulations by ARS 30,584.1 million and the capitalization ratio was 21.0%.

As of June 30, 2021, Banco Patagonia S.A. employs 3,173 people and has a wide network made up of 207 premises all over the country, distributed in the capital and major cities of each province.

Marcelo A. Iadarola
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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE SIX – MONTH PERIOD
ENDED JUNE 30, 2021**

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 for the six-month period ended June 30, 2021 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" 7181 issued on December 17, 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, 2022 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".

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, 2021, as well as in the comparative information.

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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE SIX – MONTH PERIOD
ENDED JUNE 30, 2021**

a) Summary comparative consolidated financial position

Information for periods ended June 30, 2021, 2020 and 2019:

Consolidated Financial Statements			
(In Millions of Pesos)	06/30/21	06/30/20	06/30/19
Cash and bank deposits	56,635.0	77,375.5	76,926.5
Debt securities	125,598.4	112,898.3	101,900.6
Other financial assets	80,563.2	24,815.9	15,515.0
Loans and other financing facilities	124,308.0	143,906.0	170,358.2
Non-financial government sector	83.9	229.7	598.8
Other financial institutions	9,009.3	9,821.9	6,734.1
Non-financial private sector net of allowances	115,214.8	133,854.4	163,025.3
Property and equipment	14,813.6	14,563.5	15,797.4
Other assets	6,347.5	6,866.4	4,327.3
TOTAL ASSETS	408,265.7	380,425.6	384,825.0
Deposits	301,655.5	273,809.2	262,780.2
Non-financial government sector	23,711.0	28,025.0	24,763.6
Financial sector	1,019.4	1,156.4	92.3
Non-financial private sector	276,925.1	244,627.8	237,924.3
Other financial liabilities	13,658.3	11,535.7	21,800.2
Financing facilities received from the BCRA and other financial institutions	9,089.9	10,101.8	29,171.0
Corporate notes issued	1,190.3	1,407.5	3,310.7
Other liabilities	23,952.6	25,649.9	15,304.5
TOTAL LIABILITIES	349,546.6	322,504.1	332,366.6
SHAREHOLDERS' EQUITY	58,719.1	57,921.5	52,458.4
TOTAL LIABILITIES + SHAREHOLDERS' EQUITY	408,265.7	380,425.6	384,825.0

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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE SIX – MONTH PERIOD
ENDED JUNE 30, 2021**

b) Summary comparative consolidated income/loss

Information for the six-month periods ended June 30, 2021, 2020 y 2019:

Consolidated Income Statement			
(In Millions of Pesos)	06/30/21	06/30/20	06/30/19
Interest income/loss	22,007.5	28,152.7	29,990.0
Fee income/loss	3,961.7	4,069.9	5,047.9
Net gain on financial instruments measured at fair value through profit or loss	975.3	708.3	1,564.5
Result from derecognition of assets measured at amortized cost and fair value with changes through OCI	500.8	(3,030.3)	-
Gold and foreign currency bid/offer spread	799.3	597.9	2,238.1
Other operating income	2,555.1	2,529.4	5,831.4
Charge for loan losses	(357.9)	(954.4)	(5,229.4)
Net operating income	30,441.8	32,073.5	39,442.5
Administrative expenses	(17,701.2)	(15,311.9)	(16,644.9)
Operating income	12,740.6	16,761.6	22,797.6
Gain/loss on associates and joint ventures	8.0	(17.9)	908.7
Inflation effect (net position of assets and liabilities)	(8,715.5)	(4,635.6)	(6,642.1)
Income before tax relating to continuing operations	4,033.1	12,108.1	17,064.2
Income tax relating to continuing operations	(1,111.4)	(3,452.0)	(7,955.8)
Income for the period	2,921.7	8,656.1	9,108.4

Statement of comprehensive income			
(In Millions of Pesos)	06/30/21	06/30/20	06/30/19
Property and equipment revaluation	(178.2)	-	-
Exchange differences on conversion of financial statements	(46.6)	17.7	(58.6)
Loss on financial instruments carried at fair value with changes through OCI	(286.6)	2,628.3	202.3
Total other comprehensive income	(511.4)	2,646.0	143.7

Total comprehensive income	2,410.3	11,302.1	9,252.1
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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE SIX – MONTH PERIOD
ENDED JUNE 30, 2021**

c) Comparative consolidated statement of cash flows

Information for periods ended June 30, 2021, 2020 y 2019:

Consolidated Statement of Cash Flows			
(In Millions of Pesos)	06/30/21	06/30/20	06/30/19
Cash flows provided by / (used in) operating activities	(11,293.9)	1,142.80	(1,746.1)
Cash flows used in investment activities	(813.7)	(609.8)	716.4
Cash flows used in financing activities	(1,134.9)	(1,606.40)	(12,180.7)
Financial and holding gains/losses on cash and cash equivalents	5,039.2	6,951.90	4,452.5
Monetary gain/loss on cash and cash equivalents	(11,254.8)	(4,626.20)	(12,167.2)
Total cash flows (used in) / provided by the period	(19,458.1)	1,252.3	(20,925.1)

d) Summary of statistical data

Summary of statistical data					
Item	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17
Number of term deposit transactions – Personal banking	100,182	82,377	82,834	83,911	79,680
Number of time deposit transactions – Business banking	3,534	3,001	3,674	2,690	2,709
Number of loan transactions – Personal banking	945,883	984,933	1,174,116	1,130,052	1,049,340
Number of loan transactions – Business banking	25,505	26,494	52,815	98,274	72,826
Number of customer desks	207	208	210	206	204
Number of automatic teller machines (ATMs)	593	600	609	601	588
Number of self-service terminals (SSTs)	401	398	396	389	370
Payroll	3,173	3,265	3,402	3,361	3,391

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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE SIX – MONTH PERIOD
ENDED JUNE 30, 2021**

Breakdown	As of June 30:		
	2021	2020	2019
Profitability Ratios			
Return on average assets (1)	1.4%	1.8%	6.6%
Return on average shareholders' equity (2)	8.6%	10.2%	38.3%
Interest and Commission Margin Ratios			
Total financial margin (interest income-loss/average assets)	11.8%	12.1%	14.9%
Margin on net services (net fee income / Average Assets) (3)	2.0%	1.9%	2.2%
Total margin (total revenues / average assets) (4)	13.8%	14.0%	17.1%
Net fee income on net total revenues (3) (4)	14.5%	13.7%	12.6%
Shareholders' Equity Ratios			
Shareholders' equity on total assets	17.5%	17.5%	15.2%
Financial standing (shareholders' equity / total liabilities)	16.9%	21.2%	18.0%
Total liabilities as a multiple of shareholders' equity	5.9	4.7	5.6
RPC on risk-weighted assets (5)	21.0%	21.8%	17.6%
Portfolio Quality Ratio			
Non-performing portfolio / financing (before allowances) (6)	1.0%	0.9%	1.9%
Allowances on non-performing financing portfolio (6)	298.1%	361.1%	250.9%
Cost of Risk (7)	0.6%	0.4%	1.3%
Efficiency Ratio			
Administrative expenses / total net income (4)	48.1%	48.1%	37.1%
Net fee income / administrative expenses	30.2%	28.5%	34.0%
Liquidity Ratios			
Liquid Assets on deposits (8)	83.9%	77.3%	74.3%
Loans (net of allowances) on assets	36.6%	35.1%	37.8%
Deposits on liabilities	86.3%	87.4%	84.9%
Loans on deposits	41.2%	48.7%	52.6%
Fixed assets from equity (9)	26.1%	24.2%	26.2%

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.

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Executive manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 08/26/2021
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, 2021**

e) Outlook

Global economy perspectives are linked to the pandemic course. Nowadays it seems that many countries are beginning to recover their activity and growth levels.

A stronger recovery is expected in 2021 and 2022 for the global economy compared to previous forecasts: growth is projected at 6% in 2021 and 4.4% in 2022.

This is due to the recovery expected for the second half of the year thanks to vaccination campaigns and measures to contain the advance of the pandemic.

Recovery rates vary between countries, subject to access to medical resources, the trajectory of the health crisis, the effectiveness of the policies implemented to limit economic damage, and the evolution of financial and economic conditions.

For 2021, the group corresponding to advanced economies, the projections show an indicator of around 5.1%. The group of countries belonging to euro shows an increase of 4.4%; while for United States is around of 6.4%. For 2022 the indicator is 3.8% and 3.5% respectively; and for the whole group 3.6%.

With respect to emerging markets and developing economies, the indicator in 2021 is 6.7% and 5.0% for 2022. Within this group India stands out with positive rates both years: 12.5% and 6.9% respectively. China is the second country at growth rates, with indicators of 8.4% for 2021 and 5.6% for the next year. The group of countries inside this category, like Latin America and the Caribbean for example, although they show negative projections thought 2020, they have positive growth indicators for 2021 and 2022: 4.6% and 3.1% respectively.

In Argentina, the virus had a negative impact on economic activity throughout 2020, the year when the main efforts were focused on health measures to mitigate the consequences. The estimated growth indicator in 2021 is 3.7% while for 2022 it is 2.6%.

For the rest of the year, the focus is expected to be on achieving the economic recovery and on the legislative elections.

Banco Patagonia ratifies its objective of positioning itself within the main Private Banks of the Argentine Financial System, and to this end, it works continuously on the realization of its strategic projects; as well as in improving the experience of the clients of each segment in the different service channels.

Marcelo A. Iadarola
Executive manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

SUPERVISORY AUDIT COMMITTEE'S REVIEW ON CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders and Directors of
Banco Patagonia S.A.
Legal address: Av. de Mayo 701, Floor 24
Taxpayer Identification No. [C.U.I.T.] No. 30-5000661-3
City of Buenos Aires

I. Report on the interim 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, 2021, 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, 2021; 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, 2020 and the six-month period ended June 30, 2020, restated in constant currency of June 2021, 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, 2021, 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. Conclusion

As a result of our review and based on the reports dated August 26, 2021 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, 2021, 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 notes 2 and 2.1, to the attached condensed separate and consolidated financial statements, respectively, they have been prepared in accordance with the accounting reporting framework established by the BCRA which differs from IFRS described in the cited notes. These considerations must be taken into account for the interim financial statements interpretation mentioned at the point 1

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, 2021 the procedures described in section 294 of Law N°19.550, 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 they comply, in what is a matter of our competence, with the provisions of the General Companies Law and the pertinent resolutions of the BCRA and the National Securities Commission. In addition, arise from the entity's accounting records kept, in their formal aspects, in accordance with current legal regulations;
3. As of June 30, 2021, 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, 2021

By Supervisory Committee
Mónica María Cukar

Regular Supervisory Auditor
Public Accountant (UBA)
C.P.C.E.C.A.B.A. T° 147 F° 66