

BANCOPATAGONIA

Integrated annual shareholders' letter as of December
31, 2020

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INTEGRATED ANNUAL SHAREHOLDERS' LETTER 2020

1. CHAIRMAN'S LETTER

I proudly present Banco Patagonia's 2020 Integrated Annual Report which summarizes our actions carried out during the year in economic, social and environmental matters. In particular, this year emphasizes our contribution extraordinary forehead to the context of pandemic by COVID-19.

We are convinced that to create value for the shareholders, it is also necessary to build lasting and successful relationships with all our stakeholders as well. Throughout this document, re-produced under the International Integrated Reporting Framework (IIRF) and the Global Reporting Initiative (GRI), which describes how we reinvented for, continue being an engine of transformation and growth of our society.

Our focus was on being a strategic ally to accompany the development of regional economies, boost SMEs and agribusiness, and, in turn, take care of the well-being of our employees and customers, as well as offering clear answers to the needs of our parts interested.

This approach in the management of our business allowed us finish the year with a integral result of \$12,974.8 M, representing an increase of 0.2%, compared to the previous year (\$19.8 M). The Bank's total assets reached \$301,215.3 MM, an increase in deposits of 31.1% (\$51,768.8 MM) and a liquidity ratio of 73.1%. As of September 2020, among the banks were number 1° in ROE, and we stand out for the quality of our portfolio of credit with excellent level provision for possible delays.

In 2020, we accompanied our customers on this path to new habits and needs, through of the development of intuitive experiences of digital banking, what also allowed saving time and staying safe in their homes. In this sense, we launched the platform *onboarding* digital, with a 100% online proposal; we developed a digital relationship channel for care, and implemented a digital model to strengthen the bond with them. We like this simplified processes, and they offer to the market comfortable and safe experiences.

We also take care of us and of our clients. Bank's team worked quickly to facilitate processes and adapt them to new ways of working. As a result, today we have a remote working structure that ensures the safety of employees and maintains operational continuity of the business. In the branches, about 1,000 screens were placed, more than 36,800 elements of personal protection were distributed, and equipment bubbles were organized for the safety of customers and collaborators. In addition, we contribute to health and welfare of our team with meetings of containment Directed by Professional of the Bless you Videos and virtual meetings on psychic and emotional health, wellness workshops *online* and putting disposal of one telephone line of anonymous and confidential psychological contention and free for the Collaborators and their families, between other actions.

This new normality also brought more challenges, there was an increase of the fraud amount in the financial system and in response, we strengthen Banco Patagonia's cybersecurity strategy and we conduct internal and external training and awareness-raising instances, including of the safety in format virtual.

Following this path of innovation, we launched the virtual experience "Ideathon Banco Patagonia" through which we invite all members of our teams to be part of a space creative with the end of contribute to the transformation cultural of the organization. In addition, we redesigned in 100% digital format the training actions of collaborators, as well as we managed to successfully celebrating the Shareholders annual assembly virtually.

We continue to deepen our digital transformation strategy with the incorporation of the Bank as a shareholder in MODO, a mobile payments platform, launched in conjunction with a group of banks Leaders.

Technology was also a key resource to adapt our social impact programs and accompany our local communities in finding solutions to address challenges generated by the COVID-19. More of 22,400 people herself benefited by actions chiefly related to education entrepreneurship and volunteering. Also were near those who need us most through partner care donation campaigns training of health personnel and the provision of basic supplies with donations Extraordinary to Cruz Roja Argentina and to the campaign "Seamos Uno".

There was an outstanding work made in the province of Rio Negro, our shareholder and one of our main clients promoting and accompanying different actions what have like as an objective to be part of the educational and productive development of the region in our RN Entrepreneurs program in 2020. It was distinguished by the declaration of productive, economic and social interest by the Legislature of the province of Rio Negro.

Another milestone of 2020 was the launch of the Principles for Supplier and Third Party Management Related to through of the which one extend our commitment of act with beginning Ethical Social environmental to members of our supply chain. In turn, we continue to include social and environmental criteria in their selection and we are moving forward in digitizing the process of approval of Proposals.

For end this year, result still more important to mention the commitment of the collaborators of the bank forehead to the pandemic by COVID-19. The advances accomplished in this year challenging were thank you to the work and dedication of each of the members of our team. In addition, I take the opportunity to thank to our Shareholders and clients that provided us their confidence for continuing creating value for the society as a whole. I am sure we are better prepared to face all the new challenges that the year 2021 will bring us, and that will find us stronger to find and find solutions collective.

Joao Carlos de Nobrega Pecego
President

Brazilian, born on March 12, 1964, is the Chairman of the Board of Directors of the Bank since 2014. He is also an alternate director of the Board of Directors of GPAT Compañía Financiera S.A.U., Patagonia Valores S.A. and Banco Patagonia (Uruguay) S.A.I.F.E., member of the Board of Directors of Banco Latinoamericano de Comercio Exterior S.A. (Bladex) since 2010 and Vice-president of the Argentine Banks' Association (ABA) since 2019. He started his career in Banco do Brasil in 1978 and held different executive positions as Commercial Superintendent, Corporate Executive Manager, and Regional Manager for Latin America, among others. In 2011, he was appointed Vice-president of Banco Patagonia. Mr. Pecego has a degree in Business Administration. He has also completed postgraduate studies in Business Management and two MBA in International Business and Marketing in the Pontificia Universidad Católica de Río de Janeiro and Fundación Dom Cabral in Minas Gerais.

2. ABOUT THIS LETTER TO SHAREHOLDERS

In compliance with the legal provisions in force and the bylaws, the Board of Directors of Patagonia S.A. (either "Banco Patagonia" or "the Bank" or "the Entity") prepares to be submitted for the consideration of the Shareholders, this Letter to shareholders for the fiscal year No. 97 ended 31 December of 2020.

This Integrated annual shareholders' letter 2020 informs about the performance of Banco Patagonia in terms of economic, social and environmental matters from January 1 to December 31, 2020. Thus, the Entity consolidates financial and non-financial information in only one document, in answer to the information and transparency requirements from markets and key stakeholders.

For the third year in a row, the International Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC) was used for reference, this year latest version released in January 2021. In addition, the report has been prepared in accordance with the GRI Standards of the Global Reporting Initiative ("GRI"), reaching the Essential option.

Banco Patagonia presents information about the responsible development of its business under the scheme of the six capitals IIRC framework: Financial, Industrial, Intellectual, Human, Social and relational and natural.

A Limited Assurance Report has been issued in connection with this Letter to shareholders by KPMG, as independent auditors, and in compliance with the legal provisions, it has been reviewed by the Supervisory Committee, as stated in the Report on the Financial Statements as of December 31, 2020.

3. ECONOMIC AND FINANCIAL SYSTEM CONTEXT

Year 2020 will remain in history as the year of the COVID-19 pandemic, with huge impacts of short-term on the global economy and with uncertain effects that will remain present for the coming years and decades.

3.1. Economic overview at a worldwide level

The magnitude of the impact of COVID-19, unpublished in recent history, can be exemplified in the evolution of the estimates of activity of the IMF with modifications what reflected the need of rewrite projections in an uncertain context and where history doesn't offered lessons.

Global economy growth estimates for 2020 increased from 3.3% in the World Economic Outlook January to -3.0 % in April (-6,1 % the Economies advanced), -4.9 % in June (-8.0 %) and -4.4 % in October (-5,8 %).

Changes in projections reflect the great uncertainty generated by the pandemic and impacts of containment measures carried out by governments, in a year that put the spotlight like never before on the trilemma of economy, health and individual rights, with different handling level global.

Projections for 2021 also kept on uncertain ground, as they will depend on the natural evolution of the virus, the success of containment measures and the ability and effectiveness of vaccines that began to be applied by the end of 2020 to achieve an immunization that allows transit towards one new normality. The acceleration in the adoption of new technologies, (e.g. telework, online commerce and payments) changes in habits, health experience, scientific gained by the positive, the direct and indirect human cost through deterioration of social indicators, and an increase in inequality due to negative; are some of the structural changes that leave the pandemic. Those changes contribute to mold the years by come. The commerce global scored a 17.5% i.a. drop in May, at the peaking restrictions, to recover in September the levels of February. The IMF projections point to a recovery in diverging between countries and regions, with the global economy returning to pre-pandemic levels recently towards 2022.

During a year where trade and geopolitical tensions between the US and China were highlighted, and with difficulties in lathe to the Brexit, the pandemic once again put to the central banks in the focus of the scene. The central banks reaffirmed the role of "containment dam", in the face of uncertainty events that have been fulfilling since the crisis of 2007/2008. Until December the Fed and the Bank Central European expanded his leafmore than 75% i.a., meanwhile the Bank of England and the Bank of Japan did so by 60% and 30%, respectively. Although uncertainty surrounding the evolution of COVID-19 remainsand the risks to the casualty are considerable in the closing of 2020, the high liquidity global and the development offvaccines in time record anesthetized the aversion to the risk the what activated flows of capital and capital improved the financial conditions for emerging economies. Countries that had managed to consolidate macroeconomic stability and build a national currency over the past two decades were able to respond to the crisis in form unpublished: depreciating their currencies, down rates of interest and implementing tax and credit measures funded via debt placements to minors rates of his story. Peru even put USD 1 billion at 100 years at a rate of 3.2% in November one month of political tensions where alternated 3 presidents.

3.2. Economic overview of the Republic of Argentina

In Argentina, the year was marked by the pandemic and the renegotiation of debt in foreign currency, which was concluded in August. The Government, which took office in December 2019, gave some initial steps. Linked to one program of stabilization, including the deindexing pension, the exchange rate, administration under access restrictions to the MULC in a country that came of one year and middle of crisis of balance of payments and the advertisement of one schedule of renegotiation debt to clear one of the main uncertainties. However, delays in negotiations and the lack of signals in late to one program macroeconomic consistent began to reverse expectations by February, in a global context that became more challenging, while in March, the pandemic and associated restrictions under Social, Preventive and Obligatory (ASPO) impacted of full in the economy local.

PBI has fallen by more than 10%, bringing PBI per capita back to 2004 levels, although concentrated in the second quarter and with a subsequent rebound that left a statistical drag considerable for 2021. The reduction in the velocity of circulation of the money, and the increase in the rate savings of income-earnings sectors, along with price agreements in several areas and the rates frozen (just one 40 % of the basket of the IPC kept "prices free") contributed to that 2020 finish with one inflation annual almost 20 points by under of the of 2019. However, with "dollarized" prices (about 10% of the basket) that grew on average to three times that of index (capturing the impact of widening on the exchange rate gap), "free" prices double-increasing and relative price corrections pending, inflationary dynamics during 2021 and 2022 will depend to a large extent on the ability to reverse expectations and stabilize market of Changes.

The dollar returned to be protagonist central of the macroeconomics. The implementation of the restrictions after the 2019 elections, in conjunction with the seasonality of demand for money. In addition, some signals of the government that began to contribute for the BCRA herself to develop in net claimant on the stock market, recovering reserves (net purchases of USD 4,106 between November 2019 and January 2020) and stabilizing the exchange rate after the jump after the PASS. As of February, the change in the seasonality of demand for pesos and the deterioration in expectations began to reverse the sign of BCRA's interventions, as long as since September, further deterioration in expectations along with the impact of the tightening of exchange restrictions on September 15 accelerated dynamics. The reference exchange rate accumulated an increase of 40% in 2020, as long as the gap with the price implied in the liquidation, which in October had reached more than 130%, averaged near of 70 % to the closing of the year.

The high level of the gap strongly shocked the external sector, both for its impact on the balance earned how envelope the base box. The balance commercial earned accumulated until November, one surplus of \$12,947M with one fall year-on-year of 14, 6 % and 16, 3 % in the exports and imports respectively. The foreign exchange surplus, affected by debt cancellation commercial was of \$7,565 million in the same period.

The pandemic also generated one strong impact envelope the accounts public what had concluded 2019 with one deficit primary of the sector Public no Financial of 0,4 % of the PBI. The combination of fall real increase in spending to mitigate the consequences of restrictions and closure led to a sharp increase in the primary deficit, which accumulated \$1.44 bn (5.3% of GDP) between January and November. The increase in the deficit was largely financed by emissions, with one impact monetary operations of the sector public \$1.85 MM until the 15 December.

The increase in BCRA's peso liabilities accelerated nominal growth in deposits in accumulated a 75% increase in the first 11 months of the year, as long as financing in pesos grew 45 % in the same period contracted mainly by the lines with below-market rates. For its part, dollar intermediation was shocked by the uncertainty and tensions in the stock market, with a 20% and 48% drop in deposits of the sector private and on loans between January and November.

4. INTRODUCTION TO THE BANK

With a comprehensive value proposition for each of the market segments, Banco Patagonia is characterized by being a universal bank, close to its customers, with a national presence and a vocation of growth.

4.1. Introduction to the bank

Banco Patagonia is distinguished by orienting its vocation towards the client, so year after year it invests in technology of outpost e innovation continuous in the offer of products services. These features, coupled with personalized attention, allows you to give effective answers to their customers' needs and guarantee them: quality, security, solvency, transparency and access fast and effective to all the information required.

In 2020, its strategic plan was finalized with 2018-2020 and the new plan was developed 2021-2025. This is the first strategic plan with a term of five years and was carried out in together with all the Superintendence of the bank and approved by his directory.

The strategic formulation continues with the seven corporate results that represent the pillars strategic goals and are the main global goals to be achieved by Banco Patagonia. In the elaboration Strategic Plan defined objectives, both business and functional – those that are Transverse to the organization, what reflect goals intermediate to achieve how drivers for the compliance with corporate results and Strategic Lines of Action (LEAs). The latter define the actions developments and Implementations of strategy that the bank must face and carry out by the areas for power reach the proposed goals.

The plan strategic 2021-2025, made in digital remote way includes the challenges and opportunities for current megatrends, including the impacts of new reality product of the pandemic by COVID-19.

4.2. Capital structure

Since April 2011, Banco do Brasil S.A. has been the majority shareholder of Banco Patagonia, with participation in the capital social 80.39 % 31 of December of 2020.

At such date, the capital structure was as follows:

- Banco do Brasil S.A. 80.39 %
- Market 16.44 %
- Province of Río Negro 3.17 %

4.3. Subsidiaries

Banco Patagonia is the parent company of the following companies:

- Patagonia Inversora S.A. S.G.F.C.I.: 99.99 %
- Patagonia Valores S.A.: 99.99 %
- Banco Patagonia (Uruguay) S.A. I.F.E.: 100 %
- GPAT Compañía Financiera S.A.U.: 100 %

4.4. Banco Patagonia in figures

Concept	Description	2020 M\$	2019 M\$
ECONOMIC VALUE DIRECTLY GENERATED REVENUES (1)	Financial income plus revenues from services. Including gain/loss from financial instruments, gold and foreign currency quoted price difference, other operating income and charge for loan losses, gain/loss on associates and joint ventures.	66,365,067	91,913,297

ECONOMIC VALUE DISTRIBUTED (1)		(49,728,701)	(65,288,784)
Operating costs	Total administrative expenses less salaries and employees' benefits, taxes and amortization and depreciation. Including contribution to the Deposit Guarantee Fund, teller machine related expenses, credit cards and other	(7,795,975)	(9,836,826)
Employees' salaries and benefits (personnel expenses, under administrative expenses)	Personnel expenses, under administrative expenses.	(11,369,149)	(11,406,366)
Payments to capital suppliers	Financial expenses	(26,295,523)	(38,487,402)
Payments to the government	Payment of taxes. Not including the payment of income tax. (2)	(4,268,054)	(5,558,190)
Withholdings	Economic value directly generated less the economic value distributed.	16,636,366	26,624,513
(1) Data arises from the financial statements audited by the independent accountant as of December 31, 2020 and 2019.			
(2) Not including the payment of income tax. Total income tax paid by the Bank in 2019 was M\$ 6,542,475.-. For year 2020, M\$ 6,438,415.-.			

4.5. Framework for the Bank's performance

For the definition of the new Strategic Plan 2021-2025, the Guidelines were analyzed and evaluated Bank's current strategies and a purpose was defined for this new strategic horizon Corporate, replacing the Mission statement, such as the statement of permanent reason of exist as enterprise.

The Vision of the Future reflects the validity of corporate aspiration in relation to positioning and recognition of the market in relation to the experience of the service. It is defined as: being a bank recognized for the experience of service to its customers, positioning itself among the first banks Private of the Argentina.

Banco Patagonia keeps the definition of the values Corporate already current in the Plan Strategic reflecting the ethical and professional line of action of employees and organization in his group e Include: ethics belonging competence innovation potential human sustainability efficiency and agility.

4.6. Strategic Alliances

In order to multiply the impact of our business and the role of the financial sector in the sustainable development of the country, we built strategic alliances with key players to work jointly in value proposals.

- Association of Banks of the Argentina (ABA). Banco Patagonia Exercises the Vice presidency 4°.
- Association civil Argentina of enterprises Brazilian (Group Brazil), in where Banco Patagonia Exercises the presidency.
- Association of leasing of Argentina.
- Camera of commerce Argentine Chilean (CCACH).
- Camera of commerce industry and services of San Lorenzo and his zone.
- Center of research and action social (CIAS).
- Institute for the development business of the Argentina (IDEA).
- Foundation of Research Economic Latin American (FIEL).
- GDFE – group of foundation and enterprises.

Protocol of finance Sustainable

Through the signing of the Protocol of Sustainable Finance, Banco Patagonia contributes to the construction of the joint financial sector strategy that integrates policies, processes, social practices and environmental in the financing of activities and in the interior of the Entities. To the end of year, the Bank participated in the first meeting of the Environmental and Social Commission of this initiative in conjunction with other to outline the work plan for 2021-2022.

4.7. History

Banco Patagonia has more than 90 years in the Argentine financial market built on the former entities of which the Bank is the surviving entity.

Banco Patagonia gathers the experience of its former banks, among which, we can mention Banco Mercantil Argentino (pioneer in the salary plan business), which in 1999 merges with Banco Caja de Ahorro (early forerunner of the inclusion of the insurance business in the banking sector) and adopts the name of the latter. In year 2000, there is a merger with Banco Sudameris Argentina and the surviving entity adopts this corporate name.

In year 2003, Banco Patagonia S.A. merges into Banco Sudameris Argentina. Banco Patagonia S.A. is dissolved without going through the liquidation process and changes its name to Banco Patagonia Sudameris.

Such Banco Patagonia had been formed as a result of the merger between Banco Mildesa and Banco Río Negro in 1997, and the corporate name of the latter was maintained until year 2000 when the name is changed to Banco Patagonia (whose dissolution without liquidation is registered in September 2004).

In year 2004, Banco Patagonia Sudameris acquires the business of Lloyds TSB Bank plc Sucursal Argentina, with more than 140 years in the country, and reinstates the name of Banco Patagonia.

In 2007, Banco Patagonia lists its shares on the Buenos Aires and Sao Paulo Stock Exchanges. It is the first entity in listing shares in the BOVESPA, without operations in Brazil, up to 2019.

In year 2010, the Bank acquires the ownership interest of GPAT Compañía Financiera S.A. (formerly, GMAC Compañía Financiera S.A.) in order to extend its business.

During 2011, 58.96% of the capital stock of Banco Patagonia was transferred to the majority shareholder, Banco do Brasil S.A., a financial institution with more than 200 years of history in the Brazilian financial market, operating also in other countries.

In 2018, the sale option was exercised by the non-controlling shareholders to Banco do Brasil S.A., thus, increasing its interest in Banco Patagonia S.A. It became the owner of 80.39% of the capital stock and voting stock.

The legacies of these institutions and others that are currently part of Banco Patagonia account for a high value asset for the Entity as well as a competitive and differentiating feature.

4.8. BANCO DO BRASIL

Banco do Brasil S.A. is the shareholder majority of Banco Patagonia S.A. with one participation to the 31 of December of 2020 of 80,39 % in the equity capital and Votes per share.

It is the first bank set up in Brazil and also the first entity that listed its shares on the Brazilian capital market. With over 200 years of age, it has the largest geographical distribution network; it has establishments in 15 countries, and serves the demand of more than 70 million customers.

It is one of the most important financial institutions in Latin America in terms of total assets. It operates in all segments: banking, credit cards, third-party management, insurance, capital markets, with an important portfolio of products and services.

The institutional and financial information of Banco do Brasil is available at the website www.bb.com.br.

5. Subsidiaries

Banco Patagonia is the parent company of the following companies: Patagonia Inversora S.A. S.G.F.C.I., Patagonia Valores S.A., Banco Patagonia (Uruguay) S.A.I.F.E. and GPAT Compañía Financiera S.A.U.; the financial reporting of which is conducted in accordance with the applicable standards.

The Entity is the parent company of the companies described below: They meet the objectives of providing services in addition to those offered by the Bank, which centralizes in its planning the main guidelines for the corporate management of such companies.

Subsidiaries

- PATAGONIA INVERSORA S.A. S.G.F.C.I.: it is a stock company registered with the Argentine Securities and Exchange Commission (CNV) as a Management Agent of Mutual Funds, whose purpose is to promote and manage mutual funds. Mutual funds are traded exclusively through the Bank, which, in turn, operates as a mutual funds custodian.
- PATAGONIA VALORES S.A.: it is a stock company registered with the CNV as Settlement and Clearing Agent and Comprehensive Trading Agent. Its sole purpose is acting in the settlement and clearing of transactions— in first issue and secondary trading, on its own account or on account of third parties.
- BANCO PATAGONIA (Uruguay) S.A. I.F.E.: it is a Uruguayan company performing financial intermediation activities in Uruguay, exclusively between non-residents. Its commercial and administrative operations are conducted under the supervision of the Central Bank of Uruguay.
- GPAT Compañía Financiera S.A.U.: it is a sort of sole proprietorship, specialized in wholesale and retail financing in the automotive industry, by granting pledge loans for the acquisition of new and pre-owned automobiles sold especially by the General Motors de Argentina S.R.L. network of dealers. It is also engaged in the supply of management services of the portfolio of loans granted by Banco Patagonia to the dealers of General Motors de Argentina. It is supervised by the Argentine Central Bank (BCRA). It is also supervised by the CNV, as it is authorized to issue corporate bonds for public offer.

SUBSIDIARIES IN NUMBERS

PATAGONIA INVERSORA S.A. S.G.F.C.I.

The open-end mutual fund industry achieved a considerable growth in Argentina during year 2020. The net equity managed by the mutual fund companies stated the year with the amount of \$ 824,645 MM and by December 2020 it had amounted to \$ 1,898,969 MM, which accounts for an increase of 130.3 % during the year.¹

As to the investments by type of mutual fund, by the end of 2020, the equity managed by Money Market Funds accounted for 47.2 % of total equity managed, while by the end of 2019, only 42.3 % of the total equity of the industry was managed. Fixed income funds decreased their share in the market, and accounted for 33.9% of the Mutual Funds industry by the end of year 2020, while by the end of year 2019 they accounted for 33.1 %.

¹ fountain CAFCI – camera Argentina of funds Common of investment (historical figures).

The remaining share by type of mutual fund is as follows:

Multi-asset income fund: 8.7%

Fondos PYME: 4.2%

Infrastructure investment fund 2.5%

Variable income fund: 1.8 %

Absolute return funds: 1.7 %

As of December 31, 2020, the Company discloses a total equity managed in the amount of \$53,520.5 MM. Such equity has increased by 51.3 % in relation to the equity managed as of December 31, 2019 as restated to reflect the effects of inflation (\$35,384.9 MM). As of December 31, 2020, the Company ranks 13 among equity managed by manager companies with a market share of 2,9 %. Patagonia Inversora S.A. Sociedad Gerente de Fondos Comunes de Inversión discloses income in the amount of \$184,104,231 as of December 31, 2020, which accounts for a 38.3% increase over the balances of the previous financial year adjusted by inflation.

As of December 31, 2020, total inflation-adjusted assets increased by 17.9% over the year previous originated chiefly by the increment in the Investments local. With relation to the passive increased by 22.5% compared to the previous financial year, the increase resulted in chiefly in Current tax debts.

Respects to the results adjusted by inflation was one increase of the 38.3 % of the result of the financial year compared to the previous financial year. This increase was mainly caused by the increase of the 20.6 % in the honorarium of management and management the decrease of the 18.5 % of the result negative exposure to changes in the purchasing power of the currency, both with respect to the financial year previous.

PATAGONIA VALORES S.A.

The S&P Merval index and S&P Byma General index, stated in USD showed a downward trend for the third year in a row. In the case of S&P Merval, its value at the end of 2020 is 22% of the observed to the end of 2017, the last year with increase.

Between the end of the year 2019 and 20/03/2020, when ASPO began, S&P Merval fell 42.7% in pesos, since that then grew one 110 % in Pesos.

Out of the 5 raises during the year in USD, 3 correspond to S&P ByMA General (MORI, GAMI and MOLA) and only 2 to S&P Merval (MIRG and VALO).

The best 10 shares traded explained 79 % of total volume, in line with 65 % of the prior year. As in the last three years, GGAL was the best traded share, although during this year, its participation increased to 32.2 % unlike 24,29 % for 2019.

ByMA's stock was the fifth most traded with 4.2% of the total, while ALUA, LOMA and TXAR were the ones that this year entered the ranking of the highest volume (CEPU, TGSU and TRAN stopped be).

Following the same trend of prior years, AY24 was the best trade bond in USD, which explained 29.3 % of total volume and was followed by AL30 with 8.95 %. TV31 (Dollar linked) was the best traded bond in pesos.

The effective volume in pesos grew by 178.1% (97% as measured in USD). In pesos, operated on added \$29.6MM, equivalent to USD 414.733M.

The only instrument that decreased in volume compared to the previous year was financial trusts. The traded in shares showed a positive variation of almost 20% compared to the previous year. The volume of public securities increased 94.5% and explained 50% of the increase in total volume. Likewise, the volume increase in Negotiable Obligations stood out, with an increase of 887.4% compared to 2019.

Out of total placements in senior secured notes (USD 4,411M), the three main sectors were the Oil and Gas industry (USD 973M), Power Generation (USD 549.5M) and Financial and Insurance Activities (USD 307M).

The Company disclosed a gain of \$2.7 MM in year 2020. As of December 31, 2020, the Company's total assets amounted to \$73.3 MM, which accounts for an increase of 13.8%, in relation to the prior year (\$64.4 MM). This variation arises mainly from the decrease in investments.

Regarding liabilities, they increased in relation to the prior year from \$1.2 MM to \$7.3 MM, originated by the increase of the debt tax and of the item of creditors by operations generated by the relaunch of the operation of the society.

It should be noted that, until July 2020, the Company's operation had been reduced considerably and it was without generating operating revenue and with reduced costs, why new business alternatives were evaluated, which involved changes in the processes operational and commercial to effects what the society recover his operativeness in the market. At the end of July 2020, the Company began conducting the first operations under the methodology willing by the directory in his meeting date 24 June of 2020.

BANCO PATAGONIA (URUGUAY) S.A. I.F.E.

At fiscal year ended 2020 the Company disclosed income in the amount of USD 8.730 M. The portfolio of non-residents in Uruguay was USD 80.2 MM, which accounted for an increase of 75.64 % (USD 34.554 M) compared to the prior year (USD 45.7 MM). As of December 31, 2020, the Entity has assets USD 84.7 for MM and a net equity in the amount of USD 3.9 MM, and maintains a surplus of USD 556 M to meet the minimum capital requirements according to the regulations of the Uruguayan Central Bank.

At the same date, the funds managed that include demand deposit accounts and securities in custody stated at market price, both the clients' and the bank's own, amounted to USD 140 MM, which accounts for an additional 37.54 % compared to the balance as of December 31, 2019 (USD 224 MM).

GPAT COMPAÑIA FINANCIERA S.A.U.

The year 2020 was an atypical year that culminated in the lowest number of patentings in the last 16 years. The total of vehicles particular and commercial ended the year with one fall of the 26,07 % (334,313 records versus 452,200 in 2019). This low is mainly caused by the effects of the quarantine what caused the inactivity of the dealers in April and May like this how by the conditions macroeconomic what generated an increase prices and casualty of the power acquisitive.

The level of production contracted significantly by 18.3% with a manufacturing of 257,187 vehicles. As for the level of exports, the year 2020 closed with a volume of 137,891 38.5% decrease from the previous year. This fall mainly resulted in economic instability resulting in rate swings and variability would change what adds to Brazil's stagnation, which is the main export destination (Source: ACARA).

The volume of financing also suffered a significant decline in 122,697 operations, a drop of 33.18% compared to the previous year. As for participation in the total of garments issued by creditor type, between banks and branded financial institutions 52.79% compared to the Savings Plans was 44.39%. On the other hand, the apparel market share over patenting was in the order of 36.70% including Financing of Plans saving.

GPAT will continue maintaining the leadership in providing financing to Chevrolet, with a 91 % volume of pledge-secured loans granted. During year 2020, the total volume of vehicles through the wholesale program totaled 24,271 units in the amount exceeding \$35 billion.

However, the foregoing, GPAT ended the 2020 Financial Year with a profit of \$ 281.6 MM representing an increase of 181.9% compared to 2019 (\$ 343.7 MM loss). ROE was 24.17% compared to -26.9% in the previous year. The company's financial income totaled \$ 2,139.4 MM with a variation of -24.9% (- \$ 708.7) compared to the previous year (\$ 2,848.0 MM). Financial expenses reached \$ 1,185.9 MM with a variation of -54.6% (- \$ 1,427.1 MM) compared to 2019 (\$ 2,613 MM). The main variations correspond to interest on inter-financial loans (Call), which registered a decrease of \$ 695.8 MM, and interest on negotiable obligations issued by the company, which decreased by \$ 692.5 MM.

Figures for 2019 are in current currency.

6. FINANCIAL AND INCOME/LOSS ANALYSIS OF THE ENTITY

For the preparation of this analysis, Banco Patagonia consolidated its statement of financial position and statement of income on a line-by-line basis with the financial statements of its subsidiaries: Patagonia Valores S.A., Patagonia Inversora S.A. Sociedad Gerente de Fondos Comunes de Inversión, Banco Patagonia (Uruguay) S.A.I.F.E. and GPAT Compañía Financiera S.A.U.

The consolidated financial statements have been prepared in accordance with the regulations of the Argentine Central Bank (BCRA), which state that 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 deterioration section 5.5 "Deterioration value" IFRS 9 "Instruments financial sectors" envelope the Instruments of debt of the sector public no financial of agreement with the communication "A" 6847 of the BCRA.

Likewise, the entity controlled GPAT Compañía Financiera S.A.U., in function to the willing BCRA in its Communication "A" 7181 issued on 17 December 2020, did not apply the impairment model of section 5.5 "Deterioration of value" of IFRS No. 9 "Financials Instruments" applicable to the "Incobrability Risk Forecasts", as there has been postponed until the 1° of January of 2022 for the Entities Financial of the group "B" and "C" in function to communication.

- b) Regarding the valuation of Prisma Medios de Pago S.A., the Entity follows the guidelines established by the BCRA, whereby the accounting treatment to be given to the remaining investment held in such company is stated, which is recorded in "Investments in equity instruments".

Also, as of January 1, 2020, the BCRA established the adoption of Section 5.5 "Deterioration of value" of IFRS 9 "Financial Instruments" with the above-mentioned exception and IAS 29 "Financial Information in Hyperinflationary Economies". Accordingly, the present analysis has been prepared by looking at both regulations as of December 31, 2020 as well as in the information comparative.

Therefore, all the amounts and variations described in this analysis are expressed in coin constant to the 31 of December of 2020.

Finally, by Communication "A" 7211 dated 28 January 2021, the BCRA established modifications in the exposition of the result monetary generated by the application of the procedure of restatement of states financial diffused by means of the communication "A" 6849 and complementary.

In this regard, it provided that the monetary result accrued in respect of items of a monetary what herself find measurement to value reasonable with changes in other comprehensive income (OCI),

should be recorded in the planned accounts for the results of the financial year (before registered in OCI).

Moreover, Communication "A" 7222 dated February 9, 2021, supported the application December 31, 2020, of the above-mentioned rule, an option to which the entity has acceded. As a result, the result of the financial year ended December 31, 2020, was adjusted in order to incorporate the monetary results that were accounted for in the ORI of the aforementioned Games to Bliss date. Likewise, herself has appropriate information comparative corresponding.

Income for year 2020

Income for fiscal year 2020 amounted to \$12,974.8 M which accounted for an increase of 0.2% (\$19.8 M) compared to 2019 (\$12,954.9 MM). The main variations in income for the year are as follows:

Interest income/loss amounted to \$41,874.0 MM which accounted for a decrease of 18.5% (\$9,490.5 MM) compared to the prior year (\$51,364.5 MM). Break down as follows:

- Interest income amounted to \$68,797.7 MM which accounted for a decrease of 23.5% (\$21,131.0 MM) compared to the prior year (\$89,928.7 MM).

The main variation is related to interest on the portfolio of securities measured at fair value with changes through OCI, which decreased to \$11,691.1 Mm (\$32,257.4 vs. 43,948.5MM) as a result of the increase in the portfolio of securities issued by the BCRA as well as the increase in the interest rate from an average annual nominal rate of 55.0% to the 38.0% arising from the monetary policy implemented by the BCRA.

With regard to loans, there is a lower accrual of interest decrease of the rates active chiefly how consequence of the measurement BCRA to mitigate the economic effects of the pandemic. Therefore, in the attendance financial to enterprises the Interests by documents decreased \$2,666.0 and by advances \$1,119.1 M. In the consumer portfolio, there is a decrease in credit card interest for \$2,895.9 MM and on personal loans for \$2,713.4 MM.

- Interest expense amounted to \$26,923.7 MM which accounted for an increase of 30.2% (\$11,640.5 MM) compared to 2019 (\$38,564.2 MM), mainly as a result of a higher accrual of interest on time deposits in the amount of \$11,290.3 MM as a consequence of the increase in the average annual interest rate for time deposits from 39.8% to 27.3%.

Fee income/loss amounted to \$6,331.4 MM, which accounted for an increase of 18.3% (\$1,417.9 MM), compared to the prior year (\$7,749.3 MM). Break down as follows:

- Fee income amounted to \$9,131.2 MM, which accounted for an increase of 14.3% (\$1,521.2 MM) compared to 2019 (\$10,652.4 MM) due to the increase in fees related to credit and debit cards in the amount of \$819.1 MM as a result of limitations in the collection of these commissions established by the BCRA in the frame of the measurement taken by the pandemic and cards of debit and credit in \$426.3 MM.
- Commission graduates totaled \$2,79.8 MM, down 3.6% (\$103.3 MM) compared to the previous year (\$2,903.1 MM) mainly due to lower commissions Linked with revenues and titles.

The net result per measurement of Instruments Financial to value reasonable with changes in results was \$1,520.7 MM remaining at levels similar to the previous year (\$1,529.1 MM).

The result of de low assets measured at amortized cost and at fair value with changes in ORI was one loss of \$2,963.9 MM forehead to one loss of \$232.9 MM of the exercise previous being hismain component the registration of the ORI of the lyrics of the treasure in coin foreigner what were

exchanged by titles in pesos adjustable by CER in the sundry exchanges willing by the Ministry of Economy of the Nation.

The gold and foreign currency price difference was \$1,342.3 MM versus \$4,160.8 MM previous year, as a result of the exchange restrictions provided for by the government national 2020.

The result for other operating income was \$3,589.3 MM versus \$5,866.5 MM for the year mainly motivated by the result generated by non-current assets held for the sale highlighting the sale of the participation of the 51 % in Prisma Medios de Pago S.A.

The uncobrability fee was \$1,301.0 MM versus \$5,878.6 MM from the previous financial year, declining 77.9% (\$4,577.6) year-on-year, as a result of forecasting additional to the established ones by the BCRA during exercise 2019.

In the portfolio quality indicators (calculated according to the debtor classification standard of the BCRA) an improvement was observed in the delinquency rate, which went from 2.5% in 2019 to 1.1% in 2020 and in coverage of allowances on the irregular portfolio that went from 356.1% to 211.5%, as a consequence of an adequate management of credit risks and the measures implemented by the BCRA in credit matters (modification of criteria for debtor classification and rescheduling loan installments).

Benefits to personnel amounted to \$ 11,591.4 MM keeping in levels similar to the exercise previous (\$ 11,369.7 MM).

Administrative expenses amounted to \$7,243.5 MM, which accounted a decrease of 9.9% (\$794.6 MM) compared to 2019 (\$ 8,038.1 MM). The main variations occurred in propaganda and advertising (\$ 307.1 MM), taxation (\$ 122.0 MM), transport of values (\$ 69.4 MM) and electricity and communications (\$ 45.7 MM).

On the other hand, other operating expenses amounted to \$ 5,258.8 MM decreasing 33.3 % (\$ 2,622.6 MM) compared to 2019 (\$7,881.4 MM), mainly due to lower charges for legal forecasts (\$1,320.3 MM) and lower taxes paid on gross income (\$ 1,193.8 MM) how consequence of the decrease of the revenue by Interests and commissions.

Other comprehensive income (OCI)

OCI amounted to \$2,494.9 MM, which accounted for an increase of 209,6% (\$4,777.2 MM) compared to a loss of \$2,277.3 MM for the prior year, mainly due to the decrease in gain on financial instruments at fair value with changes through OCI in the amount of \$4,234.7. The result corresponding to the exercise 2020 herself originates chiefly in the reclassification to results ("Result by casualty of assets Measured to cost Amortized and to value reasonable with Changes in OCI") OCI of the Treasury Bills in foreign currency that were exchanged for peso securities adjustable by CER in the sundry exchanges willing by the Ministry of Economy of the Nation. by the loss of the 2019 financial year stems mainly from the fall in the public securities affected by the provisions of Decree No. 596/2019 dated 28 of August 2019, what determined the reprogramming of the dates of expiration of the same.

ROE (Return on equity)

As of December 31, 2020, the return (total comprehensive income) on average equity for the year was 30.8 % compared to 30.1 % for the prior year.

ROA (return on assets)

As of December 31, 2020, the return (total comprehensive income) on average assets for the year was 5.2 % compared to 4.4 % for the prior year.

Statement of financial position

Total assets of the entity amounted to \$301,215.3 MM, which accounted for a variation of 14.3% (\$37,661.1 MM) compared to 2019 (\$263,554.2 MM), while total liabilities amounted to \$ 251,025.8MM which accounted for a variation of 15.8 % (\$ 34,176.2 MM) compared to the prior year (\$ 216,849.6 MM).

Changes in loans and other financing facilities

The portfolio of loans and other financing facilities granted to the nonfinancial private sector before allowances amounted to \$113,439.9 MM which accounted for a variation of 5.8% (\$ 6,928.6 MM) compared to the prior year (\$ 120,368.5 MM).

In the commercial loan portfolio, the overdraft line had the highest growth for 16.6% (\$4,309.6 MM) and decrease in documents from 18.9 % (\$ 6,754.9 MM).

As to the consumer loan portfolio, which is mainly contracted by the personal loans, with one fall of 34.4 % (\$ 3.925,3 MM).

Changes in deposits

Total deposits amounted to \$ 218,155.9 which accounted for a variation of 31.1% (\$51,768.8 MM) compared to the prior year (\$ 166.387,1 MM).

The nonfinancial private sector deposits amounted to \$196,806.0 MM, which accounted for an increase of \$ 32.0% (\$47,742.2 MM) compared to the prior year (\$149,063.8 MM), most notably the increase of \$ 32,483.5 MM in term fixed and investments to term.

Liquidity ratio

The liquidity ratio was 73.1% of total deposits compared to 72.0% for the prior year. Liquid assets (cash and bank deposits, debt securities and investments in equity instruments net of repo transactions) increased by 33.2 % (\$ 39,716.8 MM) compared to the prior year.

Solvency ratio

The solvency ratio measured in terms of net equity over total liabilities was 20.0 %, compared to 21.5 % of the prior year.

Net equity over assets

The leverage calculated by dividing net equity by total assets was 16.7 %, compared to 17.7 % of the prior year.

Non current assets

Non current assets ratio understood as fixed assets (property, plant and equipment and intangible assets) over total assets was 24.4 %, compared to 26.3 % of the prior year.

Regulatory framework

The Entity meets the regulations established by the BCRA. As of December 31, 2020, it meets the consolidated minimum capital requirements in excess in the amount of \$25,406.3MM, with respect to the requirements of the BCRA. Accordingly, the capitalization ratio that relates the Computable equity (RPC) to the assets weighted according to their risk was 19.8 % compared to 17.3 % for the prior year.

Consolidated structure of financial position and income/loss

Below we include the consolidated statement of financial position of the Group as of December 31, 2020, comparative with the fiscal years ended December 31, 2019 and 2018.

Consolidated financial position (in thousands of \$)	2020	2019	2018
Cash and bank deposits	60,742,675	60,766,741	73,189,207
Debt securities measured at fair value with changes through profit or loss	1,543,483	476,771	390,318
Derivative financial instruments	284,759	105,186	312,081
Repo transactions	7,963,194	-	1,389,681
Other financial assets	2,554,170	2,798,377	6,612,650
Loans and other financing facilities	113,439,972	120,368,466	173,138,799
Other debt securities	88,371,457	57,356,327	49,535,616
Financial assets granted as collaterals	8,691,080	4,876,490	5,860,216
Current income tax assets	18,459	19,780	36,483
Investments in equity instruments	839,434	1,138,982	6,150
Investments in subsidiaries, associates and joint ventures	449,560	314,818	307,610
Property, plant and equipment	11,743,276	11,803,819	12,214,306
Intangible assets	488,062	466,008	247,696
Deferred income tax assets	3,040,594	1,622,078	150,938
Other non-financial assets	896,780	1,440,350	1,166,451
Non-current assets held for sale	148,383	-	530,793
TOTAL ASSETS	301,215,338	263,554,193	325,088,995

Consolidated financial position (in thousands of \$)	2020	2019	2018
Deposits	218,155,883	166,387,132	228,564,697
Derivative financial instruments	-	338,603	155,699
Repo transactions	4,648	-	1,918,743
Other liabilities Financial	10,006,431	11,782,963	19,525,918
Financing facilities received from the BCRA and other financial institutions	4,114,374	22,176,205	19,602,065
Obligations Negotiable Issued	971,047	1,409,519	3,514,980
Passive by taxes on the earnings stream	1,384,891	6,410,920	3,682,183
Provisions	1,881,032	2,228,790	1,063,075
Deferred income tax liabilities	-	-	620,348
Other nonfinancial liabilities	14,507,552	6,115,535	7,104,510
Total liabilities	251,025,858	216,849,667	285,752,218
SHAREHOLDERS' EQUITY	50,189,480	46,704,526	39,336,777
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	301,215,338	263,554,193	325,088,995

Below we include the consolidated statement of income of the Group for the fiscal year ended December 31, 2020 comparative with the prior year.

Consolidated income items (in thousands of \$)	2020	2019
Interest income	68,797,747	89,928,669
Interest expense	-26,923,654	-38,564,192
Interest income/loss	41,874,093	51,364,477
Fee income	9,131,244	10,652,400
Fee expenses	-2,799,842	-2,903,119
Fee income/loss	6,331,402	7,749,281
Net result from measurement of financial instruments at fair value with changes in results	1,520,687	1,529,135
Result from derecognition of assets measured at amortized cost and at fair value with changes in OCI	-2,963,857	-232,887

Gold and foreign currency bid/offer spread	1,342,322	4,160,800
Other operating income	3,589,250	5,866,450
Charge for Loan Losses	-1,300,978	-5,878,597
Net operating income	50,392,919	64,558,659
Benefits to personnel	-11,591,389	-11,639,665
Administrative expenses	-7,243,536	-8,038,075
Depreciation and impairment of assets	-1,277,232	-1,210,938
Other operating expenses	-5,258,812	-7,881,449
Operating income	25,021,950	35,788,532
Gain/loss on associates and joint ventures	170,932	812,459
Inflation effect (net position of assets and liabilities)	-9,482,192	-11,177,855
Income before tax relating to continuing operations	15,710,690	25,423,136
Income tax relating to continuing operations	-5,230,801	-10,190,878
Net Income	10,479,889	15,232,258
Other comprehensive income (OCI)	2,494,869	-2,277,339
Components of OCI that will not be reclassified to income for the year	-	-563,986
Revaluation of property and equipment and Intangible assets	-	-563,986
Components of OCI that will be reclassified to income for the year	2,494,869	-1,713,353
Exchange differences on translation of financial statements	10,189	36,784
Gains or losses on financial instruments carried at fair value through OCI	2,484,680	-1,750,137
Total comprehensive Income	12,974,758	12,954,919

Consolidated cash flow items

Below we include the consolidated cash flow items for the fiscal year ended December 31, 2020 comparative with the prior year.

CHANGES IN CASH (in thousands of \$)	2020	2019
Cash provided by operating activities	10,573,013	-10,648,399
Cash provided by (used in) investing activities	-1,052,360	5,084,281
Cash provided by (used in) financing activities	-2,292,278	-9,483,200
Effects of exchange rate changes	11,481,423	9,475,306
Effect of monetary gain/loss of cash and cash equivalents	-18,733,864	-6,850,454
NET DECREASE IN CASH AND CASH EQUIVALENTS	-24,066	-12,422,466

7. POLICY AND PROJECT FOR THE DISTRIBUTION OF EARNINGS

7.1. Procedure for the payment of dividends according to the applicable regulations

The BCRA regulations provide for the criteria applicable for the distribution of earnings by the financial institutions without affecting their liquidity and solvency. A special procedure is established to determine the distributable earnings and prove that the distribution of dividends does not affect the solvency and liquidity of the Entities.

In accordance with the provisions of the CNV, the Shareholders' Meeting that considers the annual financial statements will have to solve a specific destination for the positive cumulative results of Entity, through the effective distribution of dividends, its capitalization with the delivery of released actions, the establishment of voluntary reserves in addition to the Legal Reserve, or a combination of some of these destinations.

In addition, as established by BCRA Communication "A" 6768, dated 30 August 2019, financial institutions must have prior authorization from the BCRA for the distribution of their results.

With date 19 of March of 2020, the BCRA, by means of the communication "A" 6939, Arranged the suspension of the distribution profits entities financial institutions up to the 30 of June of 2020.

Finally, with date 17 of December of 2020, the BCRA issued the communication "A" 7181 extending until the 30 of June of 2021 the aforementioned suspension.

7.2. Project for the distribution of earnings

The dividends declaration, amount and payment are decided by the majority vote of shareholders at Meeting, usually, as proposed by the Board of Directors.

It was defined, as a policy, that the Board of Directors of the Entity shall propose to the Shareholders at Meeting the distribution of up to 50% of liquid and realized earnings for the year as dividends, which shall be paid in cash, depending on income for the year, the financial position of the Bank at such moment, the potential requirements of liquidity and additional capital margin and other factors that are considered to be relevant by the Board of Directors of the Bank and the Shareholders to maintain the Entity's solvency.

The following table details the dividends paid in cash to the shareholders of the Bank in connection with the fiscal years ended December 2015, 2016, 2017 and 2018:

exercise	Dividends for action in circulation (in pesos)	Full payment of Dividends (in thousands of pesos)	percentages/ utilities
2015 (*)	2.3851	1,715,261	70.81 %
2016	2.2728	1,634,497	50.00 %
2017	2.4718	1,777,606	50.00 %
2018 (**)	4.3352	3,117,658	58.27 %

(*) During the Annual Shareholders' Meeting held on April 27, 2016, it was decided that a cash dividend be approved in the amount of thousands of \$ 52,728. Furthermore, the Shareholders' Meeting held on July 25, 2016 resolved to increase the amount of cash dividends in thousands of \$ 1,662,533, to reach the total amount requested of thousands of \$ 1,715,261. The amount shall be transferred from the Optional Reserve for future distribution of earnings. Finally, on September 13, 2016, the SEFyC of the BCRA authorized the payment of cash dividends, which were made available to the Bank's shareholders on September 30, 2016. It is explained that the dividends paid were related to the amount of dividends not distributed for fiscal years 2011, 2012, 2013, 2014 and part of fiscal year 2015.

(**) During the Annual Shareholders' Meeting held on April 25, 2019, it was decided that a cash dividend be approved in the amount of thousands of \$ 2,675,335, for fiscal year 2018 (50% of earnings), which were made available to the Bank's shareholders on May 10, 2019. Furthermore, the Shareholders' Meeting held on July 15, 2019 resolved to increase the amount of cash dividends in thousands of \$ 442,323, related to the amount outstanding for fiscal 2015, which were made available to the Bank's shareholders on July 29, 2019, to reach the total amount requested of thousands of \$ 3,117,656. The amount shall be transferred from the Optional Reserve for future distribution of earnings.

The Ordinary and Extraordinary General Meeting of Shareholders held on April 23, 2020 Approved the distribution of utilities corresponding to the exercise finalized the 31 of December of 2019, constituting a reservation optional 14,105,319.

Additionally approved disaffect in form partial the reservation optional for future distribution of profits per thousands of pesos 7,764,051 to apply to the payment of cash dividends. Nevertheless distribution of profits is suspended by the BCRA until 30 June 2021, according to herself details in the herepite previous.

The project for the distribution of earnings for the fiscal year ended December 31, 2020 is as follows:

Concept	Amount
Unappropriated retained earnings (1)	14,983,967
Retained earnings - Legal Reserva (20% s/ 10,479,889)	2,095,978
Distributable earnings balance (2)	8,383,911
To be allocated by the Annual Shareholders' Meeting	8,383,911

(1) It includes the "Optional reserve" for future distribution of earnings in the amount of 20,884,826 plus negative Unappropriated retained earnings of 5,900,859.

(2) Income for the year of 10,479,889 net of Legal reserve of 2,095,978.

The Board of Directors will make the proposals for the distribution of earnings at the meeting in which the next Shareholders' Meeting is convened.

8. STRATEGY FOR CORPORATE SOCIAL RESPONSIBILITY

Banco Patagonia is fully committed to the integral development of Argentina and its role as financial institution. Accordingly, it is working on a triple-impact strategy from its own actions and indirectly through financing and investment, seeking to empower the regional economies, the SMEs and people welfare.

With an eye on sustainable development and the empowerment of its role as an entity Banco Patagonia develops its business model by considering all interest and the impact economic social and environmental what generates in every one of they.

Banco Patagonia develops programs and initiatives of corporate social responsibility together with and for the benefit of its stakeholders in order to:

- Offer simple and clear answers to the needs of the stakeholders.
- Ensure the transparency of the corporate governance.
- Promote the organization sustainability value.
- Encourage a sense of belonging among employees.
- Work together with the regional economies.

Recognitions

- Banco Patagonia was recognized for its 2019 Integrated Annual Report as one of the three most highlighted in the category "BYMA Award for Integrated Reporting" in the Leadership Award Sustainable the camera of commerce Argentine – Briton.

- The Rio Negro Entrepreneurs Program was declared of Productive, Economic and Social for the Legislature of the Province of Rio Negro and distinguished as one of the top three in the category "Education and Eredurism" of the prize conscience contest what recognizes companies for their actions to generate positive change and achieve a more inclusive and inclusive sustainable.
- Banco Patagonia was distinguished by the Brazil Group in its Integration Award, in the category Innovation, for its strategy of transformation cultural and digital.

8.1. Identification and relationship with the stakeholders

Banco Patagonia identifies its stakeholders in order to hold a dialogue and maintain a fluent contact, understand their needs and expectations with respect to the business, their products and services. This stakeholders' mapping is based on the following criteria: legal, financial and operating responsibilities, influence in the achievement of its goals, nearness, dependence and representation of other people, such as the leaders of the local communities.

Banco Patagonia stakeholders

Shareholders	Collaborators	Society	Suppliers	Clients
Commitment				
Protecting interests shareholders' through a ethical administration, transparent and respecting the Regulations Current.	Promoting your development integral withproceeds possibilities of growth internal and training through a communication adequate.	Providing answers Simple and Clear to theneeds of the society, ensure transparency corporate government, promote volunteering corporate and accompanying the growth in Economies Regional.	fulfill the relations Contractual looking for relationships long-term and Providing proceeds from the openingaccounts bonuses.	offer products and quality services, attention Custom and Answers Effective to their needs.
canals of communication				
- assemblies of Shareholders - function of relation with Investors - conferences Telephone	- Workplace - intranet - Billboards - Visits, contact telephone, by mail electronic management Executive ofHuman Development and climate organizational - Survey of Suggestions by partof the area of quality - line ethics	- contact direct with the communities - Alliances with Organizations of the society civil - mail electronic - attention Telephone - website institutional	- mail electronic - attention Telephone	- Email Marketing (EMM) - networks Social - Media communication massive - surveys and Studies of market - attention Telephone "Patagonia in line" - website institutional

8.2. Model for the creation of value

Capital	Resources	Model of business for the creation of value	Yield	Results	Topics materials
Capital financial	Own funds Investments capital social	mission vision values	profitability Financial strength liquidity	<ul style="list-style-type: none"> 30.8% ROE (Return about heritage net) 73,1 % ratio liquidity 	1. Ethics and Ethics transparency 3. Comprehensive managementrisk
Capital intellectual	Processes and Systems innovation technology Systems safety	structure organizational: Board of Directory, Commission Audit, Committees, Superintendencies and Managements	experience of thecustomer products and tailor-made servicessafety in the data management banking digital	<ul style="list-style-type: none"> +55% of customers operated in a way that digital Strategy cybersecurity 	2. Experience service of the customer 5. Security andprivacy of the customer
capital industrial	the net Channels attention Products and services infrastructur efor the safety	groups of interest: Shareholders collaborators, customers,Suppliers and society	Federal bank Presence in the market accessibility safety physics	<ul style="list-style-type: none"> 186 branches throughoutthe country 19% increase in Atms adapted for use of people No Seers 100 % of Collaborators trained in safety in front of the COVID-19 	2. Experience service of the customer 5. Security andprivacy of the customer 8. Inclusion financial
capital human	Collaborators formation continuous and developmen t of teams of work	Risk management andSystems of control	Opportunities Labour development climate Labour Bless you and safety	<ul style="list-style-type: none"> 80 employees Promoted 39,023 hours training Collaborators 3049 Collaborators Evaluated 300 virtual tours to branches 	4. Development and training of Collaborators
capital social and relational	Programs withthe community alliances multisectoral Relationships with government chain of value		education Support for communities by the context COVID-19 entrepreneurship volunteering development local	<ul style="list-style-type: none"> 2.555 Students teachers and seniors60 years participated in initiatives of education 1,307 entrepreneurs Empowered 17,235 people benefited by actions of volunteering 	7. Programs development of the community local 9. Programs education 10. Criteria for hiringSuppliers
capital natural	materials and Resources energy Investment in environme nt Products and services withimpact environme ntal		recycling Paperless sale file digital Value credit environmental Awareness efficiency energetics Energies Renewable	<ul style="list-style-type: none"> 2.365 proposals credit categorized intoTopics Environmental 33.4% decrease inthe consumption of paper 20% purchase of energy renewable for Av building. De Mayo 701 4% savings energy in branches, and 10% in Areas Central 61% of paperwork package courses were done with a filedigital 	6. Rational use of resources

9. CORPORATE GOVERNANCE

Banco Patagonia follows corporate governance best practices, where the Board of Directors and Senior Management are responsible for ensuring compliance. They are committed to lead and control that the activities and businesses are conducted under ethical, transparent criteria in accordance with the regulations in force.

9.1. Corporate governance best practices

The implementation of Corporate governance best practices is aimed at protecting the Company's, shareholders' and stakeholders' interests, laying the basis of an ethical and transparent management within an adequate risk management.

The CNV General Resolution No. 797/2019 defines Corporate governance as the set of practices, processes and structures whereby companies are led and controlled, and it is added that the Organization for Economic Cooperation and Development (OECD) states that corporate governance "involves a number of relations between the Company's management, its Board of Directors, shareholders and other stakeholders".

As provided for by this Resolution, the Corporate Governance Code 2020 is attached as Exhibit II to this Integrated Annual Shareholders' Letter.

9.2. Board of Directors of the Bank

Responsible for the Entity's strategy

The Board of Directors is ultimately responsible for the implementation of the decisions adopted by the Shareholders at meetings and for the development of the strategic management of the Bank in compliance with the tasks especially delegated by the Shareholders. It is in charge of the management and strategy of the Bank and takes all decisions related to this end, as well as those decisions expressly established by the Companies Law No. 19550, the Bank's bylaws and other applicable regulations.

BOARD OF DIRECTORS

Members of the Board of Directors

Chairman

Joao Carlos de Nobrega Pecego

Vice-presidents

Oswaldo Parré dos Santos
Ruben Miguel Iparraguirre
Delano Valentim de Andrade
Marvio Melo Freitas
Camilo Buzzi

Regular directors:

Ernesto Juan Cassani (Director Independent)
Augustin Domingo (Shares class "A" – director Independent)

Alternate Directors

Thompson Soares Pereira Cesar
José Ricardo Fagonde Forni
Mauricio Nogueira
Gustavo De Souza Fosse
Juan Manuel Trejo
Alejandro Damian Mella
Luis Carlos Cerolini (Director independent)

9.3. Characteristics of the Board of Directors

Responsibilities

The Board is responsible for establishing the overall business strategy. It is your duty to approve general policies aimed at this purpose, ensuring the bank's liquidity and solvency and instructing the Senior Management so that implement the procedures and controls of management of risks.

In accordance with the provisions of the Social Statute, the Board must meet at least once per month. During the year 2020, herself held twenty meetings of directory the what told with one loud participation of their limbs. After verifying that the Social, Preventive and Mandatory Isolation was decreed on March 20, 2020, the Board meetings began to be held with all its members connected remotely, a modality that was maintained until the end of the year. They were carried out through a platform that allows the simultaneous transmission of sound, images and words during the entire meeting, allowing their normal development.

Composition

The number of regular directors of the Board is established by the Shareholders' Meeting, and ranges from seven to nine directors, appointed for a term of three fiscal years, with the possibility of being reappointed indefinitely.

The BCRA considers that a Board's structure that enables an independent judgment for decision making is a best practice. Both independence and objectivity can be secured by including independent and qualified Directors. The CNV requires that Independent Directors be included to constitute majority in the CNV Audit Committee.

Banco Patagonia has two regular and independent directors in its Board, which constitutes the majority in the CNV Audit Committee.

None of the Board members has executive offices.

Appointment

The BCRA assesses the conditions of legal skill, suitability, competence, probity, experience in the activity financial and possibility of dedication functional of the limbs of the directory Proposed. These conditions should be maintained during the all the period performance in the charge.

No can integrate the directory who herself find included in the disabilities and incompatibilities provided for in Article 264 of The General Law on Companies No. 19.550, nor in the Article 10 of Law No. 21.526 on Financial Institutions, nor in the rules of the BCRA on Authorities of Financial Institutions, nor those covered by the CNV regulations. For its part, the Bank's Social Statute provides that directors may not perform any office or employment, rented or not, in the National, Provincial or Municipal Public Administration, with except teachers, directors or administrators of legal persons who are delinquent debtors of Financial Institutions.

Until the BCRA notifies the Bank of the approval of the proposed Director, he will not be able to assume the position for which he was appointed. Notwithstanding the foregoing, the Director appointed by the class "A" shares corresponding to the Province of Río Negro, provided that the corresponding provincial decree designating him is in place, may assume the position while his authorization is processed in the BCRA Considering his appointment in ad-referendum commission of the authorization resolution, and without prejudice to the validity of the acts in which he participates during that period, by application of the BCRA regulations.

When no new evaluation is available by the BCRA, the Financial Institutions must certify annually that their Directors maintain the conditions required by said Body for the performance of the position.

Training

All the Bank's members are considered within the organizational teaching approach, known as the 70-20-10 Model for Learning and Development, whereby, it is held that individuals obtain 70 percent of their knowledge from experiences and challenges, 20 percent from interactions with others (leaders, peers) and 10 percent from formal educational events. The Training and Development sector provides for activities devised to favor this teaching approach under the assumption of self-development and growth of all employees.

Evaluation

The Board of Directors displays its management results in the Integrated Annual Shareholders' Letter, the annual report of corporate governance and the quarterly and annual financial statements.

Management of conflict of interest

The conflict of interest takes place when a person fails to comply with a duty inherent to the organization for the benefit of other interests for personal reasons.

The Board of Directors of Banco Patagonia has considered the question of "conflict of interest" in the following documents:

- Code of Ethics: it identifies the potential cases of conflict between personal interests and business interests or the clients' interests, which shall be avoided. Additionally, the Code addresses the confidentiality of information applicable to the performance of all the Bank's members.
- Code of conduct: it defines the duties of loyalty required from all the persons while discharging their duties related to the roles of Settlement and Clearing Agent and Comprehensive Trading Agent in order to avoid conflicts of interest. It also defines the aspects related to the use of privileged or reserved information and the confidentiality duty.
- Policy for performing acts or entering into contracts between Banco Patagonia and a related party involving a significant amount: it defines the concepts of "related party" and "significant amount", and it states the procedure to be followed for the approval of the transaction.
- Advertising and communication of information policy: it considers the duty of all persons to maintain strict confidentiality when, as a result of their position, activity or relations, they have information about the performance of the Bank or its business or of its subsidiaries, provided that such information has not been publicly disclosed and whether the importance thereof may affect the placement of securities or the business development in the markets.
- Corporate governance code: it considers the conflict of interest between shareholders and the Bank upon dealing with a specific issue at the Shareholders' meetings. This code also considers the duties of loyalty and effectiveness that shall be adopted by the Directors as to the public offering, and states that they shall abstain from making decisions when a conflict of interests exist, which may prevent them from discharging their duties adequately and impartially.
- Integrity program: it is a system of actions, mechanisms and procedures in place at Banco Patagonia aimed at promoting integrity and preventing, detecting and correcting and, eventually, imposing penalties on misconduct or wrongful acts, particularly those under Law 27401 of Criminal
- Responsibility of Legal Entities that may be carried out by an officer or third party in the interest or benefit of the Bank.

Communication with groups of interest

Banco Patagonia communicates its financial information through its corporate website (www.bancopatagonia.com.ar) besides the information that should be periodically filed with the CNV through the Financial Information Highway to the entities where its securities are listed and to the BCRA.

The Shareholders' meeting is a key forum for the communication with the shareholders and decisionmaking. Accordingly, the participation of shareholders in the meetings is strongly encouraged, which is done by applying the procedures provided for by the local legislation relating to convening notice and disclosure of information. The progress made during the year in terms of sustainability is informed through the annual report.

In order to maintain a fluent communication with shareholders or potential investors, the Bank has considered in its structure the "Relation to investors function" (investors@bancopatagonia.com.ar). For the purpose of submitting the quarterly or annual financial statements of the Bank, a conference call is held to inform all investors about the contents of each period.

BOARD OF DIRECTORS' SECRETARY

The Executive Management of the Board of Directors is the area that assists the Board of Directors, the Shareholders and the members of the Supervisory Committee with the formal aspects of the bodies in which they operate, by discharging administrative and organizational duties relating to the corporate aspects of the Bank and its subsidiaries.

9.4. Supervisory Committee**It is responsible for the administrative supervision of the Entity**

The Bank's bylaws provided for the creation of a Supervisory Committee that will have three regular supervisory auditors and three alternate supervisory auditors. They are appointed by the Annual Shareholders' Meeting to hold office for one year with the possibility of reelection.

Those individuals included in the incapacities and conflicts of interests provided for by sections 264 and 286 of the Companies' Law No.19550; section 10 of Financial Institutions Law No. 21526; the BCRA regulations about Financial Institutions Authorities or those provisions of the CNV regulations will not be able to act as supervisory auditors. Additionally, the Companies' Law requires that those acting as supervisory auditors should be lawyers or accountants. The new members of the Supervisory Committee shall be subject to evaluation by the BCRA and until such entity notifies the approval thereof, they shall not take the positions for which they were designated.

As required by the Capital Markets Law No. 26831, all the members of the supervisory Committee shall be independent. This independent nature is assessed by considering the provisions of the Technical Resolutions issued by the Argentine Federation of Professional Councils of Economic Science.

The main powers and duties of the Audit Commission are established by the General Law of Companies. The main function is the control of the administration of the society.

On the other hand, it has voice but not vote at the Shareholders' meetings and at the Board of Directors' meetings. It may convene Extraordinary Shareholders' Meetings when it is considered necessary and Annual and Special Shareholders' Meetings when they were not convened by the Board of Directors.

Upon an Annual Shareholders' Meeting, it will submit a written and grounded report about the financial position of the Entity, and it will issue an opinion on the Letter to Shareholders, Inventory, Statement of financial position and Statement of income.

Another of the Supervisory Committee's function is to enforce compliance with the law and other regulations applicable to the Entity, as well as the issuance of the reports they may require and the analysis of the complaints submitted in writing by the shareholders that account for less than 2% of the capital stock.

Below we include a detail of the members of the Supervisory Committee appointed by the Shareholders' meetings held on April 23, 2020, who will hold office up to the Shareholders' meeting to be held to deal with the annual fiscal year ended December 31, 2020.

MEMBERS OF THE SUPERVISORY COMMITTEE**Regular supervisory auditors**

Monica María Cukar
Hector Osvaldo Rossi Camilión
Alberto Mario Tenaillon

Trustees Alternates

María Cristina Tapia Sasot
Jorge Hector Lorenzo
Julio Alberto Pueyrredón

9.5. Bank's committees

In order to maintain an adequate organization, control and monitoring of the activities inherent in the management, the Board of Banco Patagonia created different Committees, which were under their supervision, and involving at least one Director as a Vice President or President and the maximum responsible for the area corresponding.

Each Committee is in charge of specific issues and has a Regulation establishing its Powers composition and operation.

To continuation, herself detail the main powers of the different committees of directory of the bank and his composition.

BCRA AUDIT COMMITTEE

Expected in the standards of the BCRA, it is mainly in charge of the steps to ensure the proper functioning of the Entity's internal control systems and procedures, in accordance with the guidelines defined by the Board of Directors.

It is made up of four regular Directors, two as Vice-Chairman and two independent, and the Entity's Internal Audit Manager.

CNV AUDIT COMMITTEE

The CNV Audit Committee, expected in the Capital Markets Law No. 26.831 and in the bylaws, is in line with CNV regulations regarding its selected members and powers. The members of this Committee are appointed by the Board of Directors, in compliance with CNV independence requirements. This Committee is mainly responsible for supervising how the internal control and administrative and accounting systems operate.

It consists of one Director as Vice-President and two independent Directors. In the role of the policy followed by the Board, the Chair and Vice-Chair of the Committee are in charge of Independent directors.

COMMITTEE FOR THE PROTECTION OF FINANCIAL SERVICE USERS

The purpose of the BCRA regulations is to monitor the proper functioning of the processes related to the protection of users of financial services, as well as to contribute to their improvement, as well as their controls.

It is made up of two Directors with the character of Vice President, one of whom will be the person in charge designated before the BCRA, the Superintendent of Branch Network and Business with People, the Superintendent of Credits, Risk Management and Internal Controls, the Superintendent of Operations and the Executive Manager of Legal Affairs. In the absence of a Vice President, he may be replaced by the President.

COMMITTEE ON CONTROL AND PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING

Provided in the regulations of the Financial Information Unit (UIF), it is in charge of planning, coordinating and ensuring compliance with the policies established by the Board of Directors on the matter. Likewise, the Committee assists the Bank and the Compliance Officer with the timely and proper detection of operations that may be suspected as originating from illicit activities, within the framework of the BCRA, UIF and CNV regulations.

It is made up of two directors, one of whom must be the Compliance Officer appointed by the Board of Directors and at least one director must be Vice President, the Superintendent

Credit, Risk Management and Internal Controls, the Superintendent of Branch Network and business with people the manager executive of affairs Legal and how member without right to vote The Asset Laundering Prevention Manager. In the absence of the director Vice-President, who does not serve as a Compliance Officer, may be replaced by the president.

COMMITTEE OF TECHNOLOGY COMPUTER SCIENCE

Provided for in the BCRA rules, it is primarily responsible for analyzing and proposing to the Board, Technology and Systems Plan that supports the Bank's strategic objectives and reviews periodically the degree of compliance with this. In addition, you will need to ensure the existence of a Contingency Plan, monitor the outcome of regular contingency tests and verify your permanent update.

It is composed of a Director as Vice President, the Executive Manager of Technology, Communications and Systems, the Superintendent of Operations, the Superintendent of Network branches and business with people the superintendent of credits management of risks and Controls Internal the superintendent of business Digital and how limbs without right to vote the manager of management of demand and government of thee the Manager of development of Systems the Manager of Technology and Production, the Electronic and Alternative Sales Channel Manager and the safety computer science and protection of assets of information. In case of absence of one Vice President will be able to be replaced by the president.

FINANCE COMMITTEE

It is responsible for making decisions in issues concerning the management of financial assets and liabilities of the Bank. Additionally, it proposes policies and procedures regarding management of the main financial risks.

It is composed of the President, a director as Vice-President, the Superintendent of Finance, Administration and Public Sector and the Superintendent of Credit, Risk Management and Internal Controls, and as a non-voting member the Financial Management Manager. In case of absence President's must be replaced by one director with character of vice-president.

ETHICS COMMITTEE

It is responsible for deciding on issues related to the construction and scope of the Code of Ethics, which establishes the different principles related to all Bank members' ethical behavior. Moreover, it must review the reports arising from the "Ethics Line" reporting channel, or from the different sources of detection of behaviors affecting the institutional integrity principles.

It is composed of the Chairman of the Board, three Directors as Vice-Chairmen, and how member without right to vote the manager executive of development human and climate organizational.

GLOBAL RISK COMMITTEE

Its main objective is to propose to the Board the strategy for market risk management, rate, liquidity and credit, as well as overall limits on exposure to these risks and their contingency. On the other hand, it takes knowledge of the positions of each risk and the compliance related boundary policies. It proposes to the Board the policies and procedures Used for the management of the risk of model Approves the plan annual of validation of models and taking knowledge and Approves the Respective Reports Made with the Conclusions Reached during the process of validation of every model.

It is composed of the Chairman of the Board, two Directors as Vice-Presidents, the Superintendent of Finance, Administration and Public Sector and the Superintendent of Credits, management of risks and Controls Internal and as members without right to vote the manager Management

of risk of model and the manager of risks Financial. In case of absence of the president you can be replaced by one vice-president.

OPERATIONAL RISK COMMITTEE

Its main purpose is to propose to the Board for approval, policies, procedures, necessary manuals and structures for operational and reputational risk management, and to carry out the monitoring activities aimed at ensuring adequate management such risks. In addition performed the tracking of the Activities Linked to the scheme of prevention and combat of the corruption.

It is composed of a director as Vice President, the Superintendent of Operations, the Superintendent of Credits, Risk Management and Internal Controls and the Executive Manager of Technology, Communications and Systems, and as non-voting members the Risk Manager Operational, Internal Controls and Compliance. In the absence of a Vice-President, it may be replaced by the president.

COMMITTEE OF COMPUTER SECURITY AND PROTECTION OF ASSETS OF INFORMATION

It is responsible for proposing to the Board the policy on computer security and protection information assets and monitor their compliance. It is also responsible for the development of proposals to the directory respect of measurement preventive tendencies to minimize the risks linked with the safety of the information or in his case of corrective actions.

In the same way, it proposes to the Board the strategic planning of the organization in the field of cybersecurity and cyber resilience, with the aim of incorporating initiatives and activities awareness-raising, incorporating practices aimed at reducing the inherent risks Associated to cyber-threats.

It is composed of a Director as Vice President, the Superintendent of Credits, Risk Management and Internal Controls and the Executive Manager of Technology, Communications and Systems. In addition, as non-voting members it is made up of the Risk Manager Internal Controls and Compliance and the Computer Security and Protection Manager Information Assets. In the absence of the Director as Vice-President, he may be replaced by the president.

QUALITY COMMITTEE

It is responsible for evaluating and proposing to the Board of Directors the policies and strategies oriented to the Bank's Quality Management. It also reviews programs, actions and training inherent to Quality Management, including attitude, process, product, service and image components relating to customer care.

is compound by two Directors with character of Vice presidents the superintendent of operations the superintendent of net of branches and business with people the superintendent Digital Business And the Executive Manager for Human Development and Organizational Climate. In case the absence of a Director as Vice-President may be replaced by the President. Likewise how limbs without right to vote Participate the manager executive of planning brand and communication and the manager of planning and Strategic Projects.

MANAGEMENT COMMITTEE

It has the function of analyzing and approving the provision of credit facilities, which exceed the powers of the rest of the Bank's Committees, as well as to analyze and propose amendments to the policy of credits.

It is integrated by the following limbs with right to vote and participation permanent: one director with character of vice-president to charge of the supervision of the areas of analysis of credits and management risks, and Superintendent of Credit, Risk Management and Internal Controls. Likewise, as a member entitled to vote alternating participation: a director character Vice President superintendent corresponding to the line of credit for the relevant segment (Business Finance, Administration and Public Sector). In addition, it is composed of three members non-voting rights, Corporate Credit Analysis Manager, Credit Analysis Manager Companies and the Area Manager corresponding to the credit line of the corresponding segment. In case of absence of one vice-president must be replaced by The President.

HUMAN DEVELOPMENT COMMITTEE

Evaluates all issues related to remuneration schemes, perks, scales and increments wage promotions of the personnel movements internal of charges management and emerging of climate organizational.

It is integrated by the president two Directors with character of Vice presidents one director independent and how member without right to vote the manager executive of development human and climate organizational and the manager executive of Secretariat of directory.

BUSINESS COMMITTEE

It analyzes and approves commercial proposals, defines commercial strategies to be adopted by the various segments and analyzes the strengths and weaknesses of potential new products.

Is integrated by three Directors with character of vice-president the superintendent of business with companies, the Superintendent of Branch network and Business with Individuals, the Superintendent of business Digital and the Superintendent of Finance Administration and Sector Public. in case of absence of a director with character of vice-president you can be replaced by the president.

COMMITTEE FOR THE ARCHITECTURE, SECURITY AND MANAGEMENT OF ASSETS

It analyses issues related to the Bank's infrastructure, and deals with issues related to the Bank's infrastructure Referred to his safety physics.

Is integrated by two Directors with character of vice-president the superintendent of operations Superintendent of Finance, Administration and Public Sector and the Superintendent of Branches and Business with Persons, all with the right to vote. As non-voting members Superintendent of Digital Business, Process Manager and Digital Business Administration Real Estate, the Brand and Communication Manager and the Electronic Channels Manager and Alternatives for Sale. In the absence of a director as Vice-President, may be replaced by the president.

9.6. Board of Directors' compensation and Management compensation policy

As provided for by the bylaws, the Board of Directors' fees are annually determined by the Shareholders' meeting in accordance with section 261 of the Companies Law.

The remuneration level should be sufficient to attract, retain, and motivate directors and superintendents meeting the conditions required to hold office.

The Bylaws do not contemplate the possibility of granting other benefits, such as equity interests.

In connection with the compensation of Management, it should be noted that based on the compensation for similar positions in the market, performance noted and professional development as well as the income/loss for the year, the Bank grants variable and fixed remunerations, which are approved by the Human Development Committee and are informed to the Entity's Board of Directors. During fiscal year 2020, the provisions for the payment of such variable remunerations have been set up.

9.7. Organizational structure

The organizational structure of Banco Patagonia is in line with the business progress and enables the adequate performance of administrative, operating and commercial activities.

The current structure has been designed for the purposes of improving decision-making, creating value for the customer, addressing the recommendations around corporate governance and fostering the organizational commitment of Banco Patagonia with its stakeholders. At present, Senior management, responsible for implementing the strategies and policies approved by the Board of Directors is made up of seven Superintendencies and five executive managements and three managements reporting directly to the Board, as follows:

- Superintendence of business with companies
- Superintendence of network of branches and Business with Individuals
- Superintendence of finance, administration and government sector
- Superintendence of transactions
- Superintendence of internal controls and risk management
- Superintendence of digital business

Managements reporting directly to the Board of Directors are as follows:

- Executive management of legal affairs
- Executive management of the Board of Directors' Secretariat
- Executive management of planning, branding and communication
- Executive management of human development and corporate climate
- Executive management of technology, communications and systems
- Internal audit management
- Anti-money laundering management
- IT security and IT asset protection management

10. INTERNAL CONTROL AND RISK MANAGEMENT

Banco Patagonia understands risk management as a strategic and differential function, which is why it has policies and processes to efficiently manage exposure to the different risks inherent to banking activity. In the framework produced by the COVID-19 pandemic, the Entity demonstrated a solid solvency and liquidity position, exhibiting prudent ratios in both cases.

10.1. Risk management

Banco Patagonia identifies different types of risks relating to banking activity. Such as credit risk, liquidity risk, market risk, interest rate risk, operational risk, reputational risk, corruption practices risk, strategic risk, technology risk, model risk and environmental risk, among others. Additionally, there are other specific devices for risks relating to information security and money laundering and terrorist financing.

The comprehensive risk management process is implemented in accordance with the guidelines established by Communication "A" 5398 and complementary ones, and in accordance with the best practices recommended by the Basel Committee. Through these principles, Banco Patagonia defines a series of procedures

and processes that make it possible to identify, measure and assess the risks to which the Entity is exposed, seeking consistency with its business strategy.

The integral risk management is led by the Superintendence of internal controls and risk management by means of the different specialized areas included therein, which acts independently from other business areas.

Risk management processes are communicated to the Entity, are in accordance with the definitions of the Board of Directors and Senior Management which, through the committees, define the global objectives expressed as goals and limits business units, within the framework of a risk appetite and control process.

During 2020, liquidity conditions remained loose. The disposition of spacious liquidity margins (made up of high-quality assets), and prudential management of high-quality assets in a strong balance sheet structure, allowed internal appetite and tolerance ratios to be maintained risk and also Regulatory amply by above of the lows Required.

With regard to the management of financial risks, within the framework of a management device adapted to the guidelines established by the BCRA, and the best internship in the matter herself account with a broad set of indicators and limits for each type of financial risk, which are continuously monitored and the definition of which is revised on a minimum annual basis in function to the limits of tolerance to the risk established by the directory of the bank. with the objective of identify measure monitor and mitigate the risks financial faced by the Entity the Management of Risks Financial has various reports the which are referred to the limbs of the Committee of Risk Global with one periodicity everyday weekly and monthly.

Management of risks in front of the Challenges generated by the COVID-19

The estimate of the provisions for expected credit losses incorporated not only the updating of forward looking forward looking information in the IFRS 9 models, but also post-model adjustments were made to respond to the exceptional circumstances generated by the COVID-19 pandemic. In the macroeconomic and financial environment, characterized by a high level of uncertainty regarding its intensity and duration.

With regard to interest rate risk management, despite the high volatility arising from the uncertainty Financial the entity Exhibited one position favorable and Observed Low Levels risk of softening (*duration* assets and liabilities), both in the sensitivity measurements of the interest margin, such as changes in economic value. This showed adequate management of the risk structural of the balance.

Likewise, the Bank took measurement prudential for administer efficiently their portfolios monitor the changes in the Ratings Credit and avoid the deterioration in the quality of their assets financial to the end of guarantee the recoverability of the portfolio in risk and the support of the rates of blackberry.

On the other hand, the Bank's Financial Risk Management carried out a permanent monitoring of the situation Described earlier to effects of identify and determine the eventual impact envelope his heritage situation and financial What Could correspond reflect in the States Financial.

In addition, made sundry exercises of tests of stress with focus in scenarios very severe derivatives COVID-19 pandemic. These scenarios, theoretical, statistically and financially plausible, very low probability, but of extraordinary severity, they tested the resistance of the balance sheet of the entity observing robust levels of solvency liquidity and profitability.

Typification of risks and threats What Manages Banco Patagonia

- Risk financial
- Risk of credit
- Risk of liquidity
- Risk of market
- Risk of rate of interest

- Risk operational
- Risk reputational
- Risk of corruption
- Risk strategic
- Risk of model
- Risk associate to the safety computer science and Protection of assets of the information (SIPAI)
- Risk of Money Laundering and Terrorism Financing
- Risks Environmental and Social

Credit risk

Credit risk is defined as the possibility to sustain losses as a result of a debtor's or counterparty's noncompliance with the contractual obligations assumed. The Board of Directors approves the credit policies in order to provide a framework for the creation of businesses to attain an adequate relationship between the risk assumed and profitability of transactions, by establishing the specific limits to reduce the exposure within the precise tolerance margins.

As of January 2020, point 5.5 of IFRS 9 entered into force. This is a rule international whose objective is establish principles for the surrender of accounts envelope assets includes three chapters relating to recognition and measurement, deterioration in the value of financial assets and hedging financial instruments. In this context, Risk Management Financial Statement on the estimation, implementation and availability of the "Deterioration in the Value of assets Financial".

As of the COVID-19 pandemic, the BCRA established several regulations for obligatory credit and operational facilities for SMEs and individuals, for which it is not possible to demonstrate the ability to pay, the increased risk from origination or their backwardness. Due to this situation, specific adjustments were made afterwards to the analysis model on a collective basis, in order to be able to capture the uncertainty indicated in the previous point.

In relation to forward-looking, given that it is nourished by future macroeconomic information, the focus was on incorporating the unexpected component - not contemplated in the previous history - in order to provide the scenarios with the temporary significance of the impact of COVID -19 and the subsequent recovery of the macro.

Liquidity Risk

Liquidity risk is defined as the risk of mismatches occurring between assets and liabilities that could affect the Bank's ability to meet all of its current and future financial obligations, within various timeframes, taking into consideration the different currencies and settlement terms of receivables and payables, without incurring significant losses.

The Bank has policies on liquidity in place, which are aimed at managing liquidity efficiently, optimizing costs and diversifying funding sources, maximizing profits from placements through a prudent management that secures the funds necessary to continue operating as well as compliance with applicable regulations.

Market Risk

Market Risk is defined as the possibility of suffering losses in balance and off-balance sheet positions as a result of the adverse fluctuations in market prices or similar risk factors.

The Bank has policies in place for the management of market risk, which set the processes for monitoring and controlling the risks of changes in the quotation of financial instruments in order to optimize the risk-profit ratio.

Interest Rate Risk

The Interest Rate Risk is defined as the potential occurrence of changes in the Bank's financial condition as a result of interest rate fluctuations with potential adverse consequences in net financial income and its economic value.

For management and control, internal measurement tools are used that enable an integrated risk management of interest rate risk together with the liquidity risk, within the strategy for managing assets and liabilities.

Operational risk

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, staff performance, and/or internal systems, or else from external events. This definition includes legal risk but excludes strategic risk and reputational risk.

The Entity has implemented a management system adjusted to the guidelines established by the BCRA, which includes an adequate organizational structure, policies and procedures approved by the Board of Directors and an integral system that enables the management of all tasks related to risk management. Additionally, the BCRA provided for a minimum capital requirement in this regard. Accordingly, the Entity has a Special investigations sector engaged in fraud prevention that reports directly to the Internal audit management, which is responsible for receiving reports of alleged fraud and assessing the validity thereof. Such sector coordinates the necessary actions to detect, analyze and resolve cases in order to avoid economic losses and mitigate potential reputational impacts.

In turn, in 2020 herself fulfilled with the work plan established at the beginning, which consists of the update of the Maps of the 69 Processes Identified for the realization of the self-assessmentsrisky risk. This included the identification and assessment of risks and controls, with their consequent definition of action plans and risk indicators (KRI), and their subsequent monitoring and monitoring. In addition, compliance was made with the preparation of the operational risk event base that recorded more than 19,000 events, with your periodic report Board, through the Risk Committee and the BCRA, through the relevant information regime. In addition, they were implemented improvements in internal procedures and tools used, with the aim of continuing to strengthening the management of this risk.

Reputational Risk

The reputational Risk is associated with a potential negative perception of the Bank by customers, counterparties, shareholders, investors, bondholders, market analysts and other stakeholders. This risk might affect the regular capacity to maintain existing or establish new commercial relations as well as the continuous and regular access to funding sources.

The Entity has implemented a management system adjusted to the guidelines established by BCRA Communication "A" 5398 and supplementary regulations, which includes an adequate organizational structure, policies and procedures approved by the Board of Directors and an integral system that enables the management of all tasks related to risk management.

Corruption practices risk

The corruption practices risk is understood as the possibility of occurrence, directly or indirectly, of any of the conducts described in section 1 of Law of Criminal Responsibility of Legal Entities No. 27401 in the name, interest or for the benefit of the Bank, thus incurring in criminal or administrative liability.

Based on the provisions of such law, Banco Patagonia renewed its strategy for preventing corruption, by adjusting its policies to the international standards in force in terms of

integrity and fight against corruption. In this regard, during year 2019, an Integrity Program was prepared applicable across the whole organization and with the synergy of all areas involved. Supported by the Board of Directors, the Bank has developed some action plans to consolidate the “zero tolerance” policy against corruption events.

During 2020, the “Principles for the Management of Suppliers and Related Third Parties” were prepared, a document from which Banco Patagonia crystallizes its position of zero tolerance in the face of acts of corruption, supported by its Board of Directors. These principles establish the standards in matters of ethics, integrity and anti-corruption that will govern the relationship with this important stakeholder. Said Principles are publicly accessible² and are expressly adhered to by suppliers and related third parties, who are the subject of a special analysis aimed at evaluating integrity aspects.

Banco Patagonia established the "Principles for the management of Suppliers and third party" envelope tolerance zero envelope facts of corruption.

Likewise the bank Continued Consolidating his scheme of prevention of the corruption to split of the creation of various documents and protocols:

- Development of a specific document establishing good practices and guidelines for action have in account in the relationship with civil servants.
- Formalization of the process of *due Diligence* What herself Performed in matter of Donations and Sponsorship show Like this also in the link with Suppliers.
- Development of criteria of integrity in a row in the Processes Bidding.

Based on these instruments, the Bank strengthened its Integrity Program and strengthened its purpose of conducting business in a transparent environment free of corruption.

Given that training is a key component of the Integrity Program, Banco Patagonia designed a training plan based on the segmentation of its employees, considering their level of exposure to the risk of corruption. This determines that anti-corruption training is carried out in an assertive manner, the interactions that each employee has are considered and training instances are optimized.

Regarding corruption risk management, this evaluation was carried out periodically under a methodology developed on the basis of process maps and risk referents defined in operational risk management. The management cycle included the stages of identification, validation, evaluation and mitigation of risks with subsequent mitigation, monitoring and reporting actions. In this way, it is possible to maintain that the risk of corruption linked to the execution of the Bank's processes is reasonably analyzed and managed.

Strategic Risk

Strategic risk is that resulting from an inadequate business strategy or an adverse change in provisions, parameters, objectives and other functions supporting that strategy. It is associated with the likelihood of incurring in losses with a current or future impact on income as a result of a departure from the projected business plan. To manage this risk, a continuous follow-up to the strategic and business plans and to goals attained as therein set is conducted. Additionally, different stress testing is applied to assess the impact of the potential scenarios that may result in impacts from strategic risk and to design contingent mitigation plans.

Model risk - Independent validations

Model risk is understood as the set of possible adverse consequences derived from decisions based on incorrect results and reports of models, or their inappropriate use.

The Bank develops and uses models as one of the supports for decision-making in various areas, including risk. For model risk management, the Bank has an adequate organizational structure and policies, methodologies and procedures that provide the

² The Principles can be accessed at the following link: <https://www.bancopatagonia.com.ar/institucional/banco-patagonia/etica-e-integridad.php>

mechanisms to correctly identify, measure, control and mitigate said risk in the development of new products, activities, processes and systems. Likewise, and in order to mitigate model risk and ensure their correct performance, the Bank has an independent model validation process led by the Model Risk Management Department. Said Management reports to the Superintendency of Credits, Risk Management and Internal Controls, and its management is governed by policies approved by the Board of Directors aimed at implementing the guidelines of the best practices in the matter.

In 2020, the Bank continued to strengthen its methodologies, control mechanisms and tools based on best practices and considering those guidelines established at the international level that define the framework for the management of model risk, known by its acronym in English as Model Risk Management (MRM). The Model Risk Management Department kept the Bank's model map updated and complied with its annual model validation plan. It also ensured compliance with the guidelines established for the identification, measurement, control and mitigation of model risk.

Risk associate to the safety computer science and Protection of assets of the information (SIPAI)

The Bank, through a specific area, protects the Entity from security threats and risks, which can endanger the continuity of the levels of competitiveness, profitability and legal compliance necessary to achieve the objectives set by the business. The entity secures the data and information with the help of an Information Security Management System (ISMS).

The implementation of the ISMS, its maintenance and subsequent certification / recertification under ISO 27001: 2013, became a management tool that ensures the protection of the Entity's information assets.

The Bank has a process for the development and implementation of strategies and plans used to achieve the objectives set. The Information Security Strategy is an indispensable component to achieve high-level leadership in the protection of information assets. This practice helps the Entity to:

- Develop visibility Executive of the measurement of protection Implemented
- Spread and encourage one culture of safety of the information Based in the reasonable management of the risks associated with the assets and
- Work in one defense against the cyberattacks.

This model is capable of supporting the present and future needs of the Entity, analyzing the objectives approved by the Management and determining the processes that will be necessary to implement.

In 2020, the Bank incorporated the Cybersecurity Strategy, aligning itself with the business objectives. As part of this, cloud security and cybersecurity approaches were established.

Cybersecurity climbed positions in Banco Patagonia's ranking of priorities and as attacks on the network increased in the world. Accompanying the cybersecurity perspective, the training and awareness plan was complied with, which included digital awareness and the implementation of the Security Week with specific training. In synergy with the actions of the business, through the Bank's institutional website, social networks and email, a focus was placed on raising awareness among external clients. On the other hand, the renewal of the ISO 27001 certification was achieved, which made it possible to maintain adequate security levels for the management of the Bank's information security.

Money Laundering and Terrorist Financing risk

The Entity has policies, procedures and tools necessary to secure compliance with the regulations in force about control and prevention of money laundering and terrorist financing. It has implemented all changes required by UIF Resolution 30/2017. They are permanently updated based on the regulatory or context changes as well as on the development or modification of products and services provided by the Entity.

The Committee on Control and Prevention of Money Laundering and Terrorist Financing and the Board of Directors participate in the definitions of prevention and are part of the Prevention structure and internal control in this regard, as well as the commercial areas, the business support areas and other control areas.

The Anti-money laundering management reports, for functional purposes, to the Board of Directors of the Bank, in particular to the Compliance Officer and has a matrix-based relationship with the Superintendence of internal controls and risk management. This Management implements the guidelines proposed by the Board of Directors, particularly, by the Compliance Officer in connection with prevention, by coordinating the mechanisms and controls necessary to prevent the Bank from being used for criminal purposes.

The prevention of money laundering and terrorist financing policies as well as the anticorruption principles and Code of Ethics are mandatory for every member of the Entity, who are continuously trained in this regard.

Finally, this Management is responsible for the implementation, control, monitoring and reporting of FATCA and OCDE-CRS standards, by virtue of which, the Entity shall identify its American customers and non-resident customers, respectively.

Environmental and social risks

The environmental and social risk System of Banco Patagonia seeks to boost and consolidate the introduction of these criteria in the process for the analysis of credit transactions.

10.2. Internal controls

As part of the development of the Bank's Strategic Plan, the Board of Directors defined as one of its strategic objectives the creation of a second layer of internal control and the strengthening of risk management. To achieve this objective, the creation of a Policy and a specific area of Internal Controls was promoted, depending on the Operational Risk, Internal Controls and Compliance Management.

This management developed a methodology for evaluating the internal control environment aligned with international standards (COSO). Its objective is to evaluate the Bank's Internal Controls environment, reasonably guarantee compliance with the efficiency and effectiveness of controls, the reliability of financial information, and compliance with applicable laws and regulations, and thus contribute to strengthening controls and risk mitigation.

This methodology uses various sources of information as input, including the Bank's process maps, Risk and Control self-assessments, incident databases, among others. It comprises 3 control structures to be evaluated:

- General Controls: It consists of carrying out a review of those controls carried out in the corporate sphere with the aim of preventing and detecting weaknesses that may compromise the control environment of the entire organization. Examples include: existence and knowledge of the Code of Ethics, adequate risk management, staff training, segregation of duties and authorization levels, compliance with the Integrity Program, among others.
- Controls at the Process level: consists of carrying out a review of the operation of the process, and then evaluating and testing the design and execution of the identified controls.
- General IT Controls: consists of evaluating the controls and ensuring the reliability and integrity of the data processing environment and the application systems that operate in this environment and serve the different processes of the Bank.

During 2020, the Internal Controls area, in compliance with the established Annual Plan, carried out various evaluations of the controls both at the entity level, as well as in the processes and information technology of the Bank.

On the other hand, it launched a campaign to disseminate the model of three lines of defense and raise awareness regarding the importance of internal control at all levels of the Bank.

These evaluations are part of the elements that support the opinion reports on the Internal Control environment that the Bank carries out and presents both to the National Securities Commission as well as to the Central Bank of the Argentine Republic.

10.3. Control activities

Based on the social, preventive and mandatory isolation measures decreed by the National Government, the Internal Audit Management carried out the following actions:

- the work teams were accompanied in the analysis of the changes in standards and parameters, adjustments of procedures and new activities, the implementation of which was necessary for the Entity;
- the process of exchange of correspondence with the BCRA and other Controlling Agencies was monitored by reviewing the responses; Y
- An analysis was carried out of the operating modality of the different Committees existing in the Entity, through means of simultaneous transmission of sound, images and words.

Additionally, it was considered necessary to make adjustments to the 2020 Annual Internal Audit Plan approved in a timely manner.

In this sense, additional audit work and modifications to the review dates of audit work for Central Areas, Risks and Subsidiaries and Systems were incorporated. Regarding the planning of the Branch Audit, it was considered necessary to modify the review modality of those that were planned to be carried out under the face-to-face modality and as of the date of establishment of the social, preventive and mandatory isolation they had not yet been carried out. For these, a review methodology and a Remote Audit work program were applied.

These additional audit work corresponded to the following topics:

- Operational and Business Continuity Management.
- Review of Compliance with Regulatory Modifications.
- Emergency Family Income Payments (IFE).
- Minimum security measures and remote monitoring.

Additionally, in 2020, specific reviews related to Cybersecurity, the Digital Transformation Project and the Internal Controls area were included, for the first time, in the Annual Audit Plan.

On the other hand, due to the increase in the use by clients of the Bank's electronic channels, the Special Investigations Sector promoted and participated in different actions related to the improvement of the controls applied in said channels. These included: redefinition of limits and updating of different parameters, modification of operating procedures, analysis of new prevention tools linked to transactionality in channels and recovery actions on said activities, among others.

In addition, the Audit Committee - BCRA issued for the first time the new report on the situation of the internal control system of the Bank and its subsidiaries included in the Consolidated Supervision regime, corresponding to the fiscal year ended 12/31/2019. This report is required by the new Minimum Standards on Internal Controls for Financial Entities of the BCRA (Com. "A" 6552). The Audit Committee - BCRA fulfilled the functions established by said BCRA regulations and by its Internal Regulations, such as:

- Review and approve the Annual Planning of the Internal Audit and review its degree of compliance; as well as its modifications.
- Be aware of the External Audit Planning.

- Review and approve the Reports Issued by the audit internal.
- evaluate the remarks envelope the Weaknesses of control internal Found during the carrying out its tasks by internal and external auditors, BCRA and other agencies of comptroller Like this how monitor the corrective actions Implemented by Entity.
- Monitor the process of elaboration and publication of the entity financial statements.
- Taking knowledge of the Reports of the Auditing Commission and of the Topics treaties by the Different committees established in Bank.
- Revise periodically the compliance of the standards of independence of the Auditors External.
- Recommend to the directory the Candidates to perform how external auditor of the entity.
- Periodically verify that external auditors carry out their work in accordance with the conditions Contracted analyze his performance and check the compliance of the Requirements of the directory and of the BCRA.
- Analyze and opine previously to his contracting respect of the Different services Provided in Entity by the Auditors External and his relation with the independence from these.
- Analyze the honorarium Billed by the Auditors External and expose separately the Corresponding to the audit external.
- Conduct, annually, control over the inability provided for in Article 10 of the Law on Financial Institutions, for each designated official, and record the result of saying procedure in the registration corresponding.
- Take knowledge in form periodic the Main Complaints Received by the bank.
- Regularly monitor reports for major court proceedings and administrative the What herself find yourself involved Bank.

Moreover, during 2020 the CNV Audit Committee fulfilled the functions established by his regulation Internal in compliance with the regulations the CNV such how:

- Opine respect to operations with parts related conformable to the established in the Article. 72 of the law 26.831 (Law of market of Capitals).
- opine respect of the proposal of the directory for the designation of the Auditors External to hire by the bank and watch by his independence
- elaborate annually and execute one plan of performance for the exercise of the What Give account to the Directory and the commission Audit and
- Issue with annual periodicity one report in conformity with the regulations of the CNV.

In addition, in 2020 both Audit Committees became aware of the evolution of the Digital Transformation Project of the Entity, through participation in some of its meetings of the superintendent of business Digital who reported to the committee the Main Guidelines and shares at develop and Developed.

Update of the manual of Audit internal

In 2020, the committee of audit – BCRA Approved the update of the Manuals of audit internal Special Investigations and audit continuous.

The main modifications introduced in such manuals reached topics such how:

- Incorporation of the methodology of revision of branches "to distance" and extension of the scope of the unit's work Audit Branch offices, to the "Centres Companies."
- Incorporation of the channel of line ethics how channel of reception complaints, a lot for employees how for Suppliers and clients.
- Roles and Responsibilities in the adequacy of the methodology for the clutch in production of indicators and alerts audit Continuous.

10.4. Monitoring

The Management of Audit Internal performed the monitoring of the topics treaties in the meetings of directory and in the Different committees existing in the bank. Likewise, during 2020, continued

doing monitoring the progress of the Digital Transformation Project that is under development at Banco Patagonia.

Additionally, the Audit Management monitored the evolution of the different types of fraud, which, based on the isolation measures, and with the increase in the use of electronic channels, registered significant changes.

On the other hand, the monitoring carried out through the application of the Continuous Audit methodology allowed, through the execution of a series of indicators / alerts, to obtain information for the monitoring of the entire Network of Branches and different centralized processes of the Entity .

Likewise, it facilitated an optimization in the execution times of the work by the internal auditors, and complemented the audits of branches carried out in person, the detection of undesirable events or situations in a timely and efficient manner, and the analysis of trends, identification of weaknesses in the processes, improvement in existing processes and verification of regulatory compliance.

Additionally, Remote Monitoring continued to verify the controls carried out by the branch's personnel related to the application of the Minimum Security Measures, which allowed a more effective and timely control of compliance with them.

On the other hand, the Purchasing and Payment Cycle to Suppliers was reviewed, verifying, among other issues, compliance with the provisions of the Entity, through current regulations regarding the modalities of contracting suppliers, the existence and integrity of the documentation that supports purchases, payments and authorization schemes in order to guarantee the transparency of said processes and the controls carried out when incorporating new suppliers.

In terms of the Protection of Users of Financial Services, the controls and procedure applied by the Entity were also verified regarding the attention of customer complaints and compliance with different regulations issued by Controlling Organizations.

Regarding the Prevention of Money Laundering, Terrorism Financing and other Illicit Activities, control activities were carried out from all the headquarters that make up the Internal Audit Management, among which the audits of the control procedures implemented by the Entity and the computer systems involved in this operation.

Processes of audit internal and external

The Minimum Internal Control Standards establish certain functions of the Audit Committee related to the work of the external auditors. These functions include: recommending to the Board the candidates to serve as external auditors as well as the contracting conditions, providing the mechanisms so that the reports of the external and internal auditors do not contain limitations in the scope of their tasks and are presented in a timely manner. , hold periodic meetings to analyze risk exposure, verify the adequate work and performance of the External Auditor, and monitor the process of preparing and publishing the Financial Statements.

In 2020, the External Auditor and the Manager of Accounting and Information Regime of the Entity participated in the meetings of the Audit Committee, prior to the issuance of the Financial Statements, in order to present the most relevant data, the main equity variations and of results for each period, the different accounting criteria applied and the main financial indicators recorded.

Likewise, during this year, the Internal Audit Management continued to participate in the circuit of treatment of the External Audit reports, by analyzing the reasonableness of their content and the responses given by the areas involved, prior to their issuance.

The Bank's Audit Committee took cognizance of the External Audit Planning Memorandum, issued on 08/28/20, in which the tasks that the External Audit planned to carry out during fiscal year 2020 are detailed, highlighting the analysis of significant business risks.

With regard to the activity of the Internal Audit Management, during 2020 it was reiterated, for the planning of work, the use of a multiannual approach, both for branches and critical processes of the Organization. This approach was based on the results from the development of a risk matrix, which is a management tool that identifies the Entity's most important processes, activities and products and the level of risks to which are find exposed.

A three-year visit scheme to the branches was also continued, the scope of the work program applied to branches classified as Low Risk and audited during the validity of the social, preventive and mandatory isolation was modified, and the results obtained from the execution of the indicators related to the operations carried out in the branches.

Main projects carried out to corporal in the year envelope audit internal

- Operational Business Continuity: Evaluation of topics such as continuity plans Bank's operation of the business, the establishment and formalization of the Bank's decisions Committee crisis the impact of the isolation Social, Preventive and Mandatory (ASPO) in the Operation and activity of the Different Areas Operating and of business of the bank and the protocols of adopted for branch care and staff protection. It is also Evaluated the Activities of training and Awareness Linked with the adoption of the work to distance the safety of the tools Computer Employed for the work to distance and the definitions Committee of risk global relative to indicators of risk credit.
- Digital Transformation Project: formalization and approval of the Transformation Strategy Development of the working methodology used in agile rooms, and the status of projects OnBoarding Digital, Digital Care Channel and Digital Insurance Platform. In addition, herself Advanced in the contracts with Suppliers Involved in Such projects the existence treatment of satisfaction measurement survey results, and the identification and answer comments on sites discharge of "Patagonia Mobile."
- Cybersecurity: verification of the existence of a strategy, policy and procedures referred to to the theme the existence of Roles and functions Linked to the management of the cybersecurity and cyber resilience. Likewise, herself Validated the development of tools of monitoring control of Access prevention of Leaks information, protocols response to Incidents of cybersecurity, and realization of cyberejercics or Drills of cyberattacks.

On the other hand, reviews corresponding to the processes related to comprehensive risk management, corporate governance, Trust Activities, Custody of securities, Treasury, Money desk and compliance with the issuance of the different regimes were carried out, among others. information required for the Entity and its subsidiaries, highlighting the implementation of the main changes as a result of the entry into force of the Social, Preventive and Mandatory Isolation (ASPO).

Likewise, the application of the regulatory adjustments issued by the BCRA on Foreign Trade and Exchange matters was verified, as well as the implementation of controls by the Entity. Regarding the financing lines granted, the implementation of the provisions required by the BCRA aimed at mitigating the impact of the economic crisis generated by the ASPO, such as Zero Rate Loans, Credit Card Refinancing and Special Line to MIPyMEs was verified. . Regarding said financings, the actions carried out by the Entity were monitored through information plates, adjustments of forms and adaptations of the system, as well as the verification of the client's conditions. Reviews were also carried out to evaluate the regulatory adaptations related to the Protection of Users of Financial services in terms of commissions, closing and opening of accounts, enabling channels, customer notifications and investments.

On the other hand, members of the Special Investigations Sector participated in the working groups created for the implementation of the new developments related to the Digital Transformation Project (MOD0, Transfer 3.0, Digital Onboarding, among others).

Politics for the management of Fraud, Illicit and irregularities

During 2020, in the face of internal and/or external allegations of possible fraud, relevant investigations, interacting with the relevant Bank Management/Sectors, on a case-by-case basis. All investigations were carried out by the Research Sector Special with due confidential treatment that warrants information and due respect for rights of people or Entities involved.

In addition, the Audit Committee – BCRA approved an update to the Handbook on Management of the channel of Complaints (Line Ethics), whose main modification is the incorporation of the chief of climate Organizational and RSE in the allocation circuit by the Climate Administrator of complaints received categorized under the typology climate.

In addition, this Committee also approved the Fraud and Illicit Management Policy, which has as its Objectives:

- ✓ Offer an overview of the management scheme for the risk of fraud corruption, establishing the framework for action aimed at preventing, detecting, investigating and responding to fraud and corruption.
- ✓ Provide appropriate guidelines and assign responsibilities for the development of controls and for the realization of Research linked to this thematic.

10.5. Internal codes

A set of internal documents, regulations and policies approved by the Board of Directors guides the actions of Banco Patagonia. The following documents can be mentioned, among others:

- Bylaws: It governs the operation of the Entity, including the Board of Directors' and Supervisory Committee's roles and responsibilities.
- Rules of the Board of Directors: They govern the operation and activities of the Board of Directors, their roles and responsibilities.
- Supervisory Committee's rules: They govern the operation and activities of the Supervisory Committee, their roles and responsibilities.
- Code of Corporate Governance It describes the corporate governance policy approved by the Board of Directors and Senior Management, who are responsible for compliance therewith.
- Annual report of the Code of Corporate Governance In compliance with the CNV regulations, this Report is attached as Exhibit III to this Integrated Annual Shareholders' Letter.
- Code of Ethics: It provides for the ethical and behavior principles to be abided by all the Bank's members in line with the behavior standards, working with efficiency, quality and transparency as the basis for the ethical behavior with customers, suppliers, controlling entities, and the community as a whole.
- Code of Conduct: It supplements the Code of Ethics and states the policies and procedures related to legal and ethical standards applicable to the Bank's role as Settlement and Clearing Agent and Comprehensive Trading Agent.
- Integrity Program: The Integrity program is a system of actions, mechanisms and procedures aimed at promoting integrity and preventing, detecting and correcting and, eventually, imposing penalties to misconduct or wrongful acts, particularly those under Law 27401 of Criminal Responsibility of Legal Entities.
- Compliance Program: Establishes a set of guidelines aimed at achieving a state comprehensive compliance, not only with respect to laws and regulations in particular, but also with relation to our ethical standards and commitments voluntarily assumed.
- Code of internship Bank: Banco Patagonia Adheres to this code, elaborate by the Associations of Banks and Financial Institutions of Argentina, whose purpose is the protection and Strengthening of the rights of the user of services and financial products.
- Personal Data protection: It provides for the regulatory framework for the integral protection of personal data entered to the databases of the Bank and subsidiaries, to secure that the personal information provided by customers is adequately processed.

- Manual of attention to the Users of services Financial: Defines the policies and the procedures for the adequate operation and control of the Operation of attention to the customer.
- Policy for the quality of individuals and customers data: It states the guidelines and procedures for the identification, registry, storage and updating of individuals and customers' data in order to secure availability, completeness and reliability.
- Policy for the prevention and control of money laundering and terrorist financing: As the Board of Directors is responsible for instructing and approving the implementation of the Anti-money laundering and terrorist financing system, Banco Patagonia adopts the policies, procedures and controls to mitigate the risk of being used by third parties for criminal purposes involving assets laundering and terrorist financing and it encourages all the Bank's members to prevent and fight this sort of actions.
- Advertising and communication of information policy: It provides for the guidelines to provide all relevant information in due time and manner in accordance with the legal requirements applicable to the markets where shares and other securities of the Bank are authorized for public offering.
- Policy about minimum information disclosure requirements: it provides for the guidelines for the publication of necessary information securing an appropriate transparency of the Bank and its subsidiaries' management as well as the measurement of risks and the capital sufficiency, as requested by the BCRA Market Discipline Rules.
- Code of investor protection applicable to its role as financial trustee: Code adopted by Banco Patagonia in its role as financial trustee in the Public Offering Trusts.
- Code of investor protection applicable to its role as custodian agent of mutual funds: Code adopted by Banco Patagonia applicable to its role as custodian agent of mutual funds.

Policy for managing the ethics line

Banco Patagonia ethics line is aimed at allowing all employees and suppliers to report any irregularities that may affect the institutional integrity principles, whether occurring in the past or at present. Any irregularity can be reported anonymously or by disclosing the whistle blower's identity and will be managed under secure and confidential conditions.

The Audit Committee assumes responsibilities for the definition of processes and procedures for the setting in practice and operation of the frame of management of the line.

Upon receiving the reports, the following principles will be considered:

- Total confidentiality for processing thereof
- Presumption of innocence and respect of human rights of the individuals allegedly involved.
- Strict investigations by means of a detailed analysis of the facts reported to ensure the truth of the alleged irregularities.
- The events to be reported may be related to: anything against the Code of Ethics and the Organizational Climate; potential events of fraud and/or corruption; conflict of interests; misleading acts or misuse of the Entity's assets; and mobbing.

Means of communication:

All individual may contact the Ethics line by phone (toll free number 0800-999-4636), website form (www.resguarda.com/bancopatagonia) or e-mail (LineaEtica@resguarda.com).

Reporting claims by external stakeholders

By means of the corporate website of the Bank or the telephone customer services, the external stakeholders may submit any claim that shall be recorded and forwarded to the related sector.

10.6. Prevention of money laundering and terrorist financing

Banco Patagonia deepened its management in the control and prevention of money laundering and terrorist financing, adapted to the challenges brought by the COVID-19 pandemic.

In the first place, an e-learning on "Effective Management of MAOS Alerts" was launched in order for the participants to be able to carry out an adequate analysis of the money laundering alerts, describe the types of money laundering, and identify suspicious transactions; with the participation of all collaborators dedicated to the task. Likewise, certain aspects were modified that allowed the Entity to streamline the generation of alerts in relation to customer operations, with a Risk-based approach that allowed guiding the analysis on those significant customers according to their risk, type, among others, reducing the impact generated by the analysis of alerts in the different areas involved.

Prevention tasks were carried out in relation to the proliferation of "coleros virtuales" in the financial system. Likewise, new types of money laundering were detected, related to the limited availability of cash during the pandemic and the need to transfer funds through bank accounts that were previously operations carried out in cash.

As of March, all GPLA and FT Committee meetings were held through a digital platform. Both the Minutes and their conformities, as well as the responses to the requirements of the BCRA, UIF and / or CNV, were made in digital form.

In 2020, provided 2,188 hours of training internal to collaborators in the following theme:

- "Tools for the analysis of Alerts": 482 participants
- "Management effective MAOS": 1,646 participants
- Training new freshmen: 60 participants.

As for external awareness actions on the Prevention of Money Laundering and financing of the terrorism to the long of this year the collaborators of Banco Patagonia participated in the following meetings:

- Update day on the prevention of money laundering and the fight against corruption. Made by FIDESNET with the participation of loud Management, Central Management, Prevention Manager of washing Assets and financing of the terrorism.
- Forum "Implementation of one protocol of prevention Risk PLA."
- Forum 10° congress South American of prevention of washing of assets and financing of the terrorism.
- day of update envelope the prevention of the washing of assets and struggle against the corruption.
- Forum conference technique Compliance & Cybersecurity economies Digital.

The policies and procedures anticorruption are Communicated to all the limbs and Collaborators of the entity.

11. BANK MANAGEMENT

Banco Patagonia enhances its development through the growth of volumes in all its businesses, and always ensures compliance with policies to minimize risks, optimization of its resources, boost its human potential, digital transformation, among others.

11.1. Projected commercial policy and relevant aspects of business, financial and investment planning

Banco Patagonia confirms its objective of positioning itself among the main private banks of the Argentine Financial System. For this, it works on the fulfillment of strategic projects that function as the pillars for the development of all its businesses, as well as in serving all customer segments through its Branch Network, with a presence in all provinces and the Business Centers, and the service in their online service channels, Mobile and through the Telephone Service Center.

11.2. Digital business

*+50 ideas on digital solutions generated in the first Ideathon Banco Patagonia.
100 % online the process of adhesion for operate in canals.*

The Superintendency of Digital Business began its activities in 2019, with the mission of offering the Bank the tools and methodologies appropriate to the digital transformation process, generate efficiency, improve the customer and employee experience. In 2020, it continued Strengthening the advance of the projects Defined in the strategy of transformation digital of the bank.

The development of the Digital Transformation Strategy was based on the definition of essential baselines with specific objectives, goals and indicators based on the execution of a comprehensive action plan that will allow the Bank to carry out the Digital Transformation process with the ambition of being recognized for:

- Having an agile, innovative and competitive organizational culture within the Argentine financial market.
- Consolidating digital channels as the main transactional channel with current customers, as well as
- the main source of new customer generation.
- Being one of the leading banks in customer experience and innovation in traditional banking.
- Being a company that promotes the automation of its processes and the implementation of new technologies naturally and habitually.

The main challenges and projects continued oriented to:

- Mindset / Organizational Culture: Promote changes in the organizational culture of the Bank linked to new agile work methodologies, with the creation of new collaborative spaces, with the formation of multidisciplinary teams and new forms of collaborative work in order to be at the forefront to be able to execute the Banco Patagonia Digital Transformation Plan.
- User experience: Continue to incorporate more and better features on platforms Digital Current of the bank (HomeBanking and Mobile), giving to all the users the possibility of what they can self-manage the elder amount of transactions interactions Daily.
- Innovation: developing new digital solutions/tools that serve as drivers of New businesses for the bank.

During 2020, significant progress was made in initiatives related to the Digital Transformation Plan; some of the main ones were the following:

- Deepening of the work with New Methodologies Agile in one context complex how consequence of the need to carry forward the tasks to be through of telecommuting.
- Development of Meetups with the novelty of doing them through a platform that collaborates with the Theme how AI marketing digital and CX.
- Development of an Ideathon involving more than 200 Bank employees contributing more than 50 ideas on UX, Digital Offerings and Digitization with 2 winning projects going to form part of the initiatives 2021.
- New platform of relationship digital (Bot and Advisors Digital) and the attention to through of one menu interactive for solution frequent doubts.
- New Digital Touch Account with 100% digital experience with the use of technology Biometric for Give safety for sale of products (account and card credit).
- New platform of insurance sale with eight insurance Incorporated in the first year.
- Incorporation of new credit card and personal lending features canals Digital of Patagonia eBank and Patagonia mobile for improve the experience of the clients.
- Implementation of the Token Patagonia for improve safety of the Transactions.
- New process of adhesion to the canals 100 % online for facilitate the obtaining of the credentials that herself Require for operate in the same.
- Implementation of more 10 Processes for automate Processes Manuals.
- New strategy of attention to users in networks Social.
- More 10 new Transactions by eCheq for the Segments of people and enterprises.
- Launch of new app for the enterprises.

- Incorporation of the Bank as a shareholder in MODO, a mobile payments platform launched by a group of the main banks in the market, in addition to the Bank's integration with the PPP way and development of Functionality of MODE in the App Patagonia Mobile
- New center of excellence for formation To give continuity to the Methodologies of agile work.

Some of the main challenges for the 2021 are the following:

- Advance with New actions What incentiven the use of our canals Digital by clients NoDigital intensification of the use by customers who already Operate of way digital.
- Follow Expanding the use of Methodologies Agile and Equipment multidisciplinary the development of Offers Digital and digitalization of Processes.
- Continue adding new features in the digital channels both of People like enterprises.
- Throw the new platform Benefits.
- Develop New Processes of automation for efficient processes in Sectors of the bank.
- Incorporate Technologies of intelligence artificial for the attention of clients.
- continue addend New services to the attention via the Chatbot
- Throw New Campaigns of marketing digital for continue with the conversion of clients to the canals Digital.
- enlarge the potential of use of the platform of onboarding for Enhance the catchment of clients
- Develop New Solutions of Collections for enterprises.
- Enhance the use of models Analytical for boosting business Digital.

12. CUSTOMERS

Banco Patagonia is characterized by being a federal bank, and having product proposals and services tailored to all business segments. In the face of the new normality brought by the COVID-19 pandemic, Banco Patagonia worked to accelerate the digital transformation of its processes with one strong impact in the use of canals digital and of their canals of attention.

Actions Outstanding for the continuity of the business

Safety in branches in front coVID-19

The shift system was implemented in branches, 1,020 screens and 36,800 gloves were handed out and beards in the net and herself Organized Bubbles of Equipment of work for the safety of the clients and collaborators.

Canals attention digital

Betting by the transformation digital of their canals Banco Patagonia Developed one new channel of digital relationship for customer service, implemented a new digital care model to strengthen the relationship with customers and adapted the entire Customer Contact Center to work remote.

Launch of the platform digital *onboarding*

It launched its platform *onboarding* with a 100% online proposal that allows their new customers get an account "on tap," simplifying processes and offering customers Experiences comfortable digital and Safe.

Events in format virtual

Offer of Events in format virtual for power follow Generating Spaces of loyalty and relationship with customers.

Cybersecurity forehead to the increment fraud

Conducting campaigns with customers to raise awareness of what is happening cybersecurity. Launch of Token Patagonia as a second factor authentication solution in Transactions online monetary services. In addition bank herself United to the campaign interbanks.

Modification of Processes

During 2020, Banco Patagonia worked hard to modify all the processes for the management remote. Managed arm one structure of work to distance what guaranteed the safety of the collaborators and maintained the continuity levels of service with the clients of the bank.

12.1. Customer Profile

The Bank segments its customers into the following categories:

- People: young individuals, students, professionals, who work under a labor relationship, are engaged in a business, senior adults and retirees.
- Customers: Corporate, Large Companies, SMEs and Agribusinesses.
- Public sector, financial institutions: teaching entities, banking and non banking institutions and national, provincial or municipal governmental entities.

Number of customers by business unit	2020	2019
Business with the government sector, financial institutions and institutional entities	816	843
Business with companies	41,472	48,035
Business with individuals	1,161,290	1,155,072
Total	1,203,578	1,203,950

12.1.1. The network

*10 express branch office deployments
3,620 m² operated by works in branches*

Throughout 2020, the High Income segment was promoted, with the appointment of 19 officers, which doubled the number of collaborators dedicated to exclusive and specialized care in said segment. In addition, 90 employees who were working as commercial assistants and who performed business support tasks were reassigned, going on to perform in commercial positions. The express branch process was also successfully started, achieving efficiency and remote control, reaching 10 implementations in 2020.

During 2020, digital computers were incorporated in 18 branches, 10 ATMs were changed and 3,620 m² were intervened for works in branches.

During the pandemic period, the shift system was implemented. It was adapted to the distancing or isolation situation of each city, taking care of the quality of care and providing safer care for our clients and work teams.

The Network in numbers:

- 186 branches
- 23 service centers
- 598 ATM
- 403 self-service terminals
- 180,306 sales of package, 174,203 insurance and 145,346 card products
- 1,923 employees in the Branch Network

For the 2021 the challenges are:

- Work in the net of branches in one proposal of one model of attention in branches segmented, which is geared towards the development of all digital channels and improve the experience of our customers.
- Seek operational improvements by reviewing processes, in order to generate efficiency and creation of value for BP.

12.1.2. Digital channels

*+56 % of the clients of the bank operated habitually of way digital
 4.2 assessment of the App Patagonia mobile. Inside of the 5 Best Apps Financial (Banks + Fintechs leaders)
 7,846,752 of calls total by self-management
 112% more of Followers in Youtube and 109 % in Instagram*

In 2020, we worked on a campaign with actions aimed at converting customers in the segments of people into digital users, reaching 56% of our customers as regular users of our digital channels, compared to 47% in 2019.

During the year, new credit card and personal loan functionalities were incorporated into the digital channels of Patagonia eBank and Patagonia Móvil to improve the customer experience, the Patagonia Token was implemented to improve the security of transactions, and a new process of adhering to 100% online channels to facilitate obtaining the credentials required to operate in them, which should contribute to accelerate the process of adoption of digital channels by customers.

In addition to the Patagonia Móvil App and the online banking platforms, the Entity launched a new app for its Business clients. This new platform makes it possible to streamline inquiries and authorization of operations and the project has an evolving roadmap on which it is working.

The new digital relationship channel and from the incorporation of the ChatBot, allowed the Bank to offer a 7x24 service to 100% of the digital users that operate through the eBank channel, reaching levels of trust and understanding of our Bot , above market standards and as well as high levels of user satisfaction with Digital Advisors (2nd level of care).

In turn, the new OnBoarding Digital tool allowed us to generate a significant number of new customers in a 100% digital way, in addition to having a robust and scalable solution for the year 2021. The solution has biometric identification incorporated into its flow of new clients, identity validation against Renaper's records, the offer of credit cards for qualified and the generation of the key to operate from the Patagonia Móvil APP and Home Banking.

Towards the end of the year and together with the market launch of the MODO Mobile Payment Solution, we managed to be one of the first banks to integrate the first functionalities to our Patagonia Mobile App, which allowed us to grow rapidly in Users and Transactions within the ecosystem.

During 2020, the Digital Insurance Platform was also created, which has 8 different products available for online acquisition through our digital channels.

Likewise, the Bank has a network of Patagonia 24 ATMs, made up of 598 ATMs, and 403 self-service terminals (TAS), an exclusive service for clients in branch lobbies.

Advances of the transformation digital in Patagonia Bank
• + 97 % of the Transactions monetary authorities in canals electronic/digital
• + 70 % of the operations of term fixed of the segment of people Made to through of the canals Digital
• + 60 % of the High of Cards Additional herself Perform by canals Digital
• + 50 % of the operations of loans Personal are self-managed and 100 % digital

Customer Contact Center

Throughout 2020, Banco Patagonia made progress in managing customer contact and achieved:

- Incorporate one new channel of relationship digital to through of one chatbot (PADI) for the attention of customers.

- Develop a new model of digital care, with the aim of strengthening the link with responding to their needs and identifying business opportunities aligned to the cycle of life of the customer.
- With reason of the COVID-19 pandemic, adapt all the center of contact with clients to the work remote the What Allowed offer attention to customers of way non-in-person.
- Apply Improvements Technological how the incorporation of the option of "call back" to the IVR (Self-management) for improve the times of attention to customers.

The Contact Center in numbers:

- 8,710,846 of total calls for Self-Management (IVR)
- 1,041,952 calls answered by call center operators
- 279,612 emails

The challenge for 2021 will be:

Accompany digital transformation, making our Customer Contact Center a Digital Experience Center that allows us to provide a service of excellence generating value added to our customers.

Presence in social media

Banco Patagonia used social media in 2020 to communicate at all times the official news of the Entity's, develop explanatory videos based on frequent consultations that customers conducted, and educate customers about possible scams from the increase in use of media digital cause of the ASPO.

The Platforms that more growth Had during 2020 were Youtube and Instagram, with 112% and 109 %, respectively.

Presence in networks Social

Presence in social media	Followers
Facebook	183,884
Twitter	18,139
LinkedIn	98,012
YouTube	5,525
Instagram	19,307

Claims management

Banco Patagonia develops a comprehensive approach and resolution to customer inquiries and complaints. For this, it involves all areas of the Entity, and uses tools to monitor claims and process planning.

During this period, improvements were made to the Bank's claims handling and management process. Responses were sent to clients at the end of a claim –for or against– via email, daily information reports were implemented to the claims status areas and network, and claims were managed from the reason for which they follow one another, attacking the root cause of the main recurrences.

During the COVID-19 pandemic, special attention and priority was given to those claims related to emergency family income.

The main causes of the claims received were related to: not applied promotions and ignorance of credit and debit cards, and ignorance of insurance contracting. The improvement actions implemented to respond to these complaints included: improvements in the process of defining, loading and applying promotions on credit and debit cards, migration of credit and debit cards to a higher technology, Dual Contact less, and development of a face-to-face training plan –pre pandemic– for the Branch Network to improve the sale of insurance.

Number of inquiries per channel	2020	2019
Telephone assistance	59,365	69,836
Attention to inquiries and complaints	7,336	6,457
Branch network	52,859	60,189
Managers	6,180	11,360
Total	125,740	147,842

12.2. Business with Individuals

Products

Business with Insurance

*238,500 insurance sold.
more \$1,000MM of revenue by sales Insurance services.*

Strengthening its mission of having a comprehensive insurance offer aimed at different customer segments, Banco Patagonia offers, through products, solutions that are adapted to the social and economic context of the country. In 2020, the Insurance Model for Companies continued to be consolidated, as well as new products for Agro and those that provide solutions to the SME Segment.

Throughout the year, and with the aim of providing clients with concrete solutions and accompanying them at this particular moment, the Entity launched Tecno and Tecno Plus insurance, and Mobility insurance, providing coverage to the assets most valued by customers .

The development and implementation of the Digital Insurance Platform during 2020 allowed clients to contract 100% online the insurance that best suits their needs.

Finally, and with the aim of framing the Insurance Business within the current regulatory framework, Banco Patagonia fully complied with the Ongoing and mandatory Training of the Superintendency of Insurance of the Nation carried out by the Responsible for customer service insured in each one. of the points of sale.

The challenges for 2021 are oriented to:

- Continue to improve the supply of existing products, based on a market understanding and in the spirit of adapting the offer and products to the needs of customers, their Heritages and their lives.
- training to the Official envelope Opportunities of sale product Quality, including other.
- Encourage new channels for the sale and dissemination of insurance offerings, with a focus on a newplatform digital of insurance and To find the experience 100 Digital % for the customers of the bank.

The development and implementation of the Digital Insurance Platform during 2020 enabled customers contracting 100 % online of these products.

Loans

In order to continue to incorporate improvements and benefits for customers, the functionality of Acceptance Remote in the Platform Commercial. To split of this new modality ofloud the clients can accept the product accessing since his Home Banking, without have you go to the branch.

Likewise, implemented one improvement in the offer of loans by canals electronic with amount and free term at the customer's choice, which allowed to improve the offer of the product in the different alternatives of contracting.

During 2020, all the necessary implementations were carried out to fully comply with current regulations. The deferral of unpaid balances was implemented in accordance with the communication A 6949 BCRA, as well as the UVA freezing in the Mortgage Loans and the

corresponding refinancing of the difference generated by saying freezing (UND 767 – DNU 319). the bank Accompanied also with the development of the loans ATP and refinancing automatic.

Plans for the 2021:

- Launch of the New Patagonia Advance with the aim of accompanying the needs of the clients and foment use of the electronic channels.
- Implementation of Cancellation Loan Discharge. This functionality will allow you to renew loans held by the customer. In addition, this will improve the current navigation of the platform commercial Can carry out load of loans with alone 3 clicks.
- Continue to work on updating products to seek the satisfaction of clients.

Term fixed

Term fixed in pesos increased during 2020 a 79 % of the Deposits respect to 2019, performing the 70 % of the volume total across of canals electronic (increase in of 21 points percentages).

During the year we carried out the Precancelable UVA Fixed Term Launch, as well as, with the aim of accompanying our clients, we have developed the possibility of remotely operating their Fixed Term originally registered in Branches.

On the other hand, the regulations published during the period were fully complied with, such as those related to Fixed Term with a guaranteed minimum rate for operations in pesos.

Safety boxes

During the year, the \$368,8MM Margin for Services was reached, surpassing budget raised for the period.

The Challenges for 2021 are:

To accompany the needs of our customers and with the vision of Integral Customer, we will be working on the dissemination and communication of the advantages of protecting your assets in a simple and orderly and with the security they deserve. Banco Patagonia has safety deposit boxes in many of its branches, with dedicated staff and trained to provide the best care Moment of the aperture and use of this product.

Payments methods

Credit cards

During 2020, Pago Fácil was implemented as a collector for credit card collections in arrears +10 days with the aim of giving customers more alternatives.

In order to promote new channels and alternatives focused on the needs of customers, they were given the possibility of requesting an Additional Credit Card through the Home Banking and Mobile channels. In turn, they were given the option of stop debit and change in the form of payment in these channels.

Debts cards

In order to bring the product into line with current regulations, modifications related to the use of the peso account and the implementation of taxes were made.

In addition, progress was made in the Delivery Project, with the aim of improving the customer experience in relation to the distribution of cards.

Plans for the 2021:

- Enhance the use of MODE by our clients.

- Work in digitization of cards with focus in experience of the customer.
- Implement payments with technology NFC to through devices digital.
- Carry out Improvements Necessary for maximize the experience of the customer in the reception of the products.

Launch of the platform digital onboarding

Banco Patagonia launched its digital onboarding platform, a 100% online proposal that allows your new customers to get a "on tap" account, in 4 simple steps just with a cell phone. The goal of its launch is to simplify processes and provide customers with digital experiences Comfortable and Safe What In addition Have proceeds differentials of the entity financial.

12.3. Business with companies

*400 % of increment deposits clients Corporate
15.000 New insurance to more 6,500 clients SME*

Faced with the challenges created in 2020, the Superintendency of Business with Business led initiatives that allowed the Bank's operations to be adapted to the new circumstances, to maintain closeness with the clients Enhance and add Partners Strategic E increase the volume of business.

Accompanying the development digital of the bank herself Completed the unification of the banking electronics in one unique channel that contains all the functionality. For this, incorporated new mobile version was launched, which, in a first stage, streamlines consultation and authorization of the operations.

Faced with these new changes, Banco Patagonia implemented two free cycles of Webinar to clients and no customers; directed to the sector Agricultural and other aimed at the plural of SMEs.

In addition, the Bank enhanced its link with CREA, based on sponsoring digital events and planning and implementing sales force training, which addressed the Main topics relating to agroindustry and animal husbandry.

Corporate

In a liquidity-flagged context, Banco Patagonia managed to increase deposits by more than 400 %, and the FCI (Funds Common of Investment) in one 234 %. Managed like this incorporate new clients to this operation.

By other part continued growing in the market of capital with placements and emissions. The bank was the organizer and positioner of the Free Market trusts, with 7 issues during 2020 by one amount approximate of \$ 5,061 Million. Also by first time participated in the Panamerican Energy, Genneia, CNH Industrial Capital, IRSA y Petroquímica Comodoro Rivadavia. All this allowed to double the profitability of this segment, both in financial terms and in terms of commissions.

Large Companies, Agribusiness and SMEs

Banco Patagonia participated in Expoagro, the largest agroindustrial exhibition in the country, with a stand that was a meeting point for business officials and clients. The participation resulted in more than \$ 100 MM in settled operations and various customer relationships. In 2020, it continued with this presence in the digital sample of the event. Likewise, the Bank signed an agreement with Agrofy, incorporating it as a strategic partner in relation to positioning. Its marked presence as a benchmark in the sector allows the Bank to spread its offer of financing agreements for machinery and supplies throughout the country.

At the beginning of 2020, the SME portfolio was re-segmented, which was divided between SMEs and Entrepreneurs. This segmentation made it possible to focus the efforts of the sales force on the

SMEs, resulting in a deepening of customer relationship and a greater understanding deep his business.

On the other hand, from the publication of various initiatives led by the BCRA, the Entity worked hard to increase the stock of credit granted. Taking into account the health context and thus seeking to take care of credit assets, Banco Patagonia endorsed the operations with various Guarantee Funds and Reciprocal Guarantee Companies and consolidated itself as the third private bank in operations guaranteed with SGR.

At the same time, the ECHEQ operations were developed, a product that allows companies to manage their collections and payments with checks digitally, more agile and efficiently. The Entity also expanded its Insurance offer, incorporating coverage for Critical Personnel and Technology, which allowed it to increase its stock of policies in the segment and grant more than 15,000 new insurances to more than 6,500 SME Clients. In addition to this, the offer of Agricultural Insurance was expanded, now including coverage for Silobolsa and Integral Agropecuaria, together with the strategic partner SURA.

12.4. Finance and government sector

*ARS 5,000 million placed in a peso bill and bond program for the Province of Río Negro.
33,000 open savings banks of beneficiaries of the Emergency Family Income in the Province of Río Negro.*

Capital market

Within the context of the health emergency derived from the COVID-19 pandemic, it should be noted that it was possible to operate 100% with customers remotely and significantly improve the numbers of the products linked to the Capital Market. Among the numbers that demonstrate this extraordinary performance, the greater transactionality in the purchase and sale of securities and FCI stands out.

During the course of the year and in step with the events, incremental controls were incorporated in the readjustment of procedures, in order to keep the business operating for clients in compliance with what is mainly regulated by the control entities, CNV and BCRA.

As a result of the work that has been carried out in the enabling of new contact channels for clients, the operation was integrated to the new market habits and the client's needs in a process of continuous improvement. This work was reflected both in the increase in operations and in the satisfaction surveys that are carried out annually with clients to certify the Certificate Custody Service with ISO 9001. It is worth mentioning that this year the certification for the product.

As in all these years, the Bank continued with continuous training for the Capital Markets Suitable, providing them with technical and regulatory tools to accompany the demand of the specialized client. The year closed with an annual training event, in which those interested in investments joined in to incorporate knowledge.

Business with Government Sector and Universities

In 2020, Banco Patagonia maintained its leadership in the Universities segment, added to the University National of Guillermo Brown and empowered different agreements with their clients for reach to the students university with his first account bank. Digital Onboarding agreements were signed with Universities, which allow more than 140 thousand students to choose the Bank.

The Bank organized and placed one program of lyrics and bond in Ppsos for the province of Rio Negro byone amount of ARS 5,000 million.

Based on the efforts made through the ABA camera, Prisma Medios de Pago and other private banks in developing mechanisms for paying family income of emergency (IFE) to arranged the government national in the frame of the COVID-19 and What Reached to 8,9

million beneficiaries. In that consortium of banks, a mechanism was developed that enabled more than 838k people, who did not have bank accounts, to collect the benefit without having a debit card or access a bank branch, operating directly at all ATMs of the country's Banelco Network.

In 2020, Banco Patagonia took on a new challenge: to bank the largest portion of the beneficiaries of the Emergency Family Income in the Province of Río Negro, where 33,000 savings banks were opened.

As ANSES determined a period of no more than 5 business days between the opening and the beginning of the payment dates, a payment operation was carried out together with the Regions that allowed the development of an organized process without major inconveniences, despite the adverse context experienced by the Province during the pandemic.

On the other hand, an effective process was implemented for the treatment of judicial offices, including account opening, embargoes, transfers, movement requests, among others. Likewise, marathons, sports activities and webinars were held with the Universities.

Clients Institutional and products structured

The Bank participated in the placement of 8 of the 13 NO issues that automotive finance companies have carried out this year. This, added to the placement of debt securities of other Entities and / or credit card issuers, has achieved a growth of 44.4% in quantity compared to the previous year.

Contributing to the objective of maintaining the principality, we continued working with the insurance companies to offer them services tailored to their needs. Likewise, a greater investment proposal was achieved, which allowed a growth in the volume of sale of provincial bonds, negotiable obligations and financial trusts to this customer segment.

Also noteworthy is the continuity in the Bank's penetration of the Guarantees received from the SGR. In 2020, the Entity remained among the top six banks with the highest volume of Guarantees in force as of 11/2020. Added to this is the commercial relationship with five of the seven Guarantee Funds authorized by the BCRA.

12.5. Credits and Commerce outside

Better performance in the ratio of irregular portfolio over financing in the Commercial Portfolio, within the entities in the competitive environment, and third parties in the Total Portfolio ratio, according to the latest information available from the BCRA.

100% of Comex clients, Patagonia e-bank users, Companies migrated to the new platform.

70 control standards implemented with an impact on foreign exchange and trade.

The economic situation, affected for most of the year by the ASPO, required reinforcing actions that could improve delinquency levels and credit analysis processes. In this sense, the Bank reformulated differentiated origination strategies and reinforced the monitoring and follow-up practices of clients with an active credit rating. He also made monthly presentations to the Steering Committee of the main credit rating process, with proposals for improvements aimed at optimizing the rated consumer portfolio and minimizing the impact of the crisis on the default rate; optimized the massive customer qualification processes, at the same time that it facilitated the renewal of lines qualified by traditional methods.

To optimize the credit analysis processes, the Bank carried out various measures. On the one hand, it built dashboards with management indicators that made it possible to monitor, measure and take corrective actions on customer profiles with a higher probability of default and that enhanced the rating of those who contribute to the reduction of delinquency rates in the event of a change in the interest rate conditions in the market. And, on the other hand, it led to the adaptation of various internal regulations, under the premise of describing in an orderly and methodological manner the various daily actions related to the rating and administration of universes of clients that are members of the Bank's portfolio.

The Bank developed a new payment channel for overdue products –Credit Cards–, which was able to enhance digital means of payment in order to give late customers the possibility to meet their obligations.

All these measures made it possible that, even in this complex macroeconomic context, the Entity once again fulfills its strategic objective of remaining within the ranking of the five best banks in the competitive environment with regard to the ratio of irregular portfolio over financing. Thus, Banco Patagonia reached the third position in Total Portfolio and the best performance in Commercial Portfolio (according to the latest BCRA publication).

On the other hand, during 2020, the development of the tool that will allow the full systematization of the commercial portfolio credit process was continued, which includes the transfer of the credit information of the clients in the same platform, the referral to the respective Credit Committee, the electronic approval by its members, the assignment of a credit rating, the authorization of its guarantees, and the automatic calculation of the available margin by type of risk and product. This project, which involves all areas of the bank, constitutes a milestone that will streamline processes and eliminate all risks associated with the settlement of operations. At the same time, during the year 2021, this tool will be adapted to the scope of the Consumer and Assimilable portfolios.

On the other hand, the first recertification audit was carried out on the quality management system of the Foreign Trade and Exchange processes, in accordance with the ISO 9001: 2015 standards. It focuses on risk management and customer satisfaction. In 2020, a good / very good rating on the service was obtained above 80%. The Bank continues to be the first and only bank in the Argentine market to have this certification.

Finally, and in line with previous years, the Bank continued the training cycles for employees in order to consolidate the professional level achieved. The internal training was based on registry and BCRA regulations, all under the e-learning modality. At the Guarantees level, training was carried out on the effectiveness and validity of the digital signature in contracts, following the current context. In relation to the area of Foreign Trade, in a year characterized by constant developments in exchange matters, periodic training was carried out for Foreign Trade employees through the new tools adopted during the context of the COVID-19 pandemic, such as Teams, Workplace and Zoom.

Banco Patagonia achieved the migration of Comex clients, users of Patagonia e-bank Empresas to the new platform and their prior implementation of functionality improvements. In addition, the fine-tuning and implementation of 70 control standards with an impact on foreign exchange and foreign trade stands out.

The operation of the Foreign Exchange Market, during 2020, continued to function in a context regulated by the type of exchange transactions of purchase and sale to be carried out with an opening for: Goods, Services, Capital, Financial and primary and secondary income. Among the main ones, the obligatory nature of the liquidation of the foreign currencies resulting from the exports of goods and services governed, according to the maximum terms for the liquidation of the same, as well as for the new financial indebtedness with the exterior.

As regards access to the foreign exchange market for the payment of commercial obligations abroad for imports of goods, as of May the requirements were increased, and companies must require the prior agreement of the BCRA in certain cases. During the month of October, in certain payments, it was incorporated to verify that the importer has the declaration made through the Integral Import Monitoring System (SIMI) in status "OUTPUT" in relation to the goods involved, in all cases in that said declaration is a requirement for the registration of the application for import destination for consumption.

On the other hand, the BCRA determined that those who carry out operations that correspond to expenditures by the exchange market, including exchange or arbitration, will not be able to arrange sale of securities with settlement in foreign currency or transfers of the same to foreign depository entities for a certain period of time. Also the duty to comply with the Informative Regime

advance Payment of BCRA Operations from a certain amount, which during the year was reduced from two million dollars to fifty thousand dollars, with a minimum anticipation of 48 hours to the date of access to the market. In addition, during 2020 the BCRA Board of Directors incorporated the prior approval for:

- Certain access to the change market for those who do not have all of their foreign currency holdings deposited in accounts at financial institutions in the country, and have liquid external assets available.
- The cancellation of capital services from financial indebtedness abroad when the counterpart herself Find Linked to the debtor.

Finally, it established for companies and financial entities the presentation of a refinancing plan for financial indebtedness with the exterior and Issues of debt securities with public registry in the country denominated in foreign currency, that register capital maturities scheduled between 10.15 .2020 and 03.31.2021.

Regarding the purchase of foreign currency for the formation of foreign assets and personal transfers by human persons, although the quota of two hundred dollars a month was maintained in all financial entities, access to joint owners was limited and the different additional requirements to be able to access, such as: having income and / or assets consistent with the savings in foreign currency to be made; Not being a beneficiary of any plan or program characterized as social assistance within the framework of the health emergency or financing arranged at subsidized rates until the total cancellation or while the benefit lasts with respect to updating the value of the loan installment at UVA rate . As of 01.09.20, payments made for consumption in foreign currency with credit or debit cards began to be taken into account of the monthly quota.

On the other hand, the Federal Administration of Public Revenues (AFIP) established a mechanism for collecting on account of the payment of taxes on Income and on Personal Assets of 35% for the operations of formation of external assets of human persons and purchases with cards (debit and credit) in foreign currency; being additional to the Tax for an Inclusive and Solidarity Argentina (PAIS) - 30% rate -, established in December 2019.

Faced with the described context and the particular situation due to the COVID-19 pandemic, Banco Patagonia focused on achieving compliance in time and form with current regulations, risk control and business continuity, maintaining the level of service to the clients. Thus, permanent actions were carried out that implied a reengineering of the processes - their risk mappings and systems -, the creation and permanent updating of the forms, manifestations in electronic channels and the Comex Grid made up of 144 codes of concepts necessary in the instrumentation of the Foreign Trade and Exchange operations.

Credit recovery

Within a context of Preventive and Mandatory Social Isolation (ASPO), the Credit Recovery Management continued working remotely with the mission of regularizing and / or canceling, by extrajudicial or judicial means, all credit granted by the Bank through its various segments. We continued to work remotely with appraisers and notaries, and contingency procedures were agreed for exchanges of documentation for cancellation of mortgages, in such a way as to be able to comply with the usual times that these operations demand.

The Guarantees area worked on the digitization of the guarantee registration, cancellation and modification processes, which replaced the usual channels and made it possible to streamline the times involved in the different processes.

Management's challenges for next year focus on the incorporation of technology improvements and management systems aimed at achieving more agile times, having as its axis the legal and security aspects involved. Work will continue on training for the network in relation to certain instruments that guarantee certain credits, as well as collection management.

12.6. Relationship with clients

*500 clients enjoyed different cycles in format virtual.
2,500 merchants affiliated to the benefits program.
180 million of shipments digital generated.*

Banco Patagonia sought to readjust the offer of benefits, driven by the new normal within the context of the COVID-19 pandemic and by the challenges provided by the digital transformation that the Bank is experiencing. Thus, it worked to bring a new offer that allows it to be closer to its customers, mainly through online benefits.

More than 2,500 businesses were attached to the Bank's benefits program, from supermarkets, clothing, home, well-being, entertainment, education, online shopping and services.

As for Club Patagonia, new awards were added that were adapted to the new normal, from products for the comfort of the new modality both for the home and for remote work, safety and prevention items.

Banco Patagonia generated more 180 million shipments digital during the year.

The main challenge for 2020 was to communicate the news of the official provisions arising from the COVID-19 pandemic to customers on a daily basis. Banco Patagonia experienced an exponential increase in inquiries through digital media this year, which caused Community Manager guards to be established during the week and even on weekends. The Bank used its own means to keep the client portfolio informed about changes in care, health measures, retirement payment schedule, pensions and social security allowances. With this same objective, it also developed a mass communication campaign, "Banco Patagonia al toque", at the federal level.

He designed and developed material to maintain the social estating protocol in branches, centres of attention and headquarters.

Communication digital to clients:

- 230 parts shipped by whatsapp to the Official for What Communicate to clients.
- 785 emails Sent to the segment People, Businesses and plural of pyme
- Instagram: 65 Postings
- Instagram Stories: 526
- Facebook: 50 Postings
- Youtube: 14 Videos Uploaded

During 2020, Banco Patagonia developed tutorial videos to teach its clients the use of digital channels and added pieces in gif format so that commercial areas can send by chat. A large number of pieces that were printed were digitized to be able to offer products and services online.

Banco Patagonia transformed face-to-face events into virtual format in order to continue generating spaces of loyalty and relationship with their clients.

Exclusive events designed for the different segments and businesses were developed, of which more than 500 clients could enjoy in virtual format: "Cycle of Financial Economic Approaches", "Agribusiness Webinars", "Virtual Expoagro", "CREA Conference", "Cycle de Encuentros PyME", " Exclusive meeting for University Rectors "and various relationship events for clients of Companies, Finance, High Income and Lombard Funds.

The Bank continued to develop its position in the world of music and entertainment, despite the pandemic. At the beginning of the quarantine, the Entity accompanied the artist Tini in a live acoustic show through Instagram for the benefit of the Red Cross, which was enjoyed by approximately one million people. In addition, the Bank accompanied Luciano Pereyra and Ciro in their streaming shows from the Opera Theater, starting a series of shows that took place in December, which combined the face-to-face format with the virtual one. Thus, approximately 2,000 clients were able to enjoy the recitals of Vicentico, Emmanuel Horvilleur, Chinese Bandalos, Soledad, Knowing Russia and Airbag.

These shows were a milestone given that they marked the restart of recitals with standing people. In this way, Banco Patagonia once again positioned itself as a leading player in the world of music and entertainment.

12.7. Customer experience

As of the COVID-19 pandemic, all the necessary measures related to customer service were put in place within the established protocols. In addition, the provisions established by the BCRA regulator were incorporated, such as the establishment of digital systems for reserving service appointments in the Branch Network, as well as the launch and provision of a new digital channel for Customer Relations.

Banco Patagonia implemented internal surveys to monitor the launch of new service and sales channels such as: Digital Relationship Channel, Onboarding and Digital Insurance Platform.

In 2020, a measurement of the Net Promoter Score –NPS– was carried out over the telephone again, thus maintaining the method used in previous years. A survey was carried out on a universe of personal clients, in order to find out what the main reasons for satisfaction were, as well as the “pain points” to work on to improve their experience in the relationship with the Entity. Measurement through this system allows Banco Patagonia to know the level of loyalty and the type of bond that customers develop with the Bank; which has been one of the great challenges of the year, mainly due to the impact of COVID-19 and the measures that were affecting financial activity as a whole.

The promoter clients of Banco Patagonia highlighted as main attributes the lack of operating problems and the good quality of service received.

In particular, a qualitative survey carried out prior to the quantitative study was incorporated in order to obtain feedback from the client in a deeper contact and identify specific aspects related to their relationship with the Bank and with the banks with which they usually operate.

The use of electronic channels was increased as a result of the search for new ways of operating due to the context of the pandemic. In the telephone measurement carried out on service channels, Patagonia e-bank was the channel with the highest rating in terms of recommendation, followed by the Bank's mobile application.

Within the Customer Contact Center in 2020, the Digital Relationship Channel began to operate, which allows customers to contact the PADI Virtual Assistant or one of the Bank's Advisors through Patagonia e-bank. The implementation of this new channel had a very good reception from customers, being one of the best valued forms of contact within the Contact Center. Likewise, the attention of social networks was integrated in this center.

Lastly, external channel tracking continued, as well as the provision of comparative market studies with the main competing banks.

Quality management

Banco Patagonia carried out the annual renewal of the certifications of the processes included in the Quality Management System (QMS) aligned to the ISO 9001 standard: Foreign Trade (transfers abroad, payment orders, letters of credit, collections and financing), Cash Management - Payments, Salary Plan and Custody of Titles. Likewise, it carried out the annual renewal of the certification of the Information Security Management System (ISMS) aligned to the ISO 27001 standard.

The Entity also has the rating issued by Standard & Poor's regarding its activity as Financial Trustee, for which it received, since its implementation, the rating “Excellent” with a “Stable” outlook.

In order to offer customers more agile processes and a better experience with the Bank, the following improvements were made:

- **LEAN methodology:** all the implementations carried out during the year followed the premises of the LEAN methodology, which allowed eliminating activities that did not add value, in order to obtain a product or service of higher quality, efficiency and that improves the customer experience.
- **BPM and Operational Efficiency:** Banco Patagonia implements the Business Process Management (BPM) methodology in order to improve efficiency and optimize its processes. The actions carried out in 2020 were: incorporation of PIN Laundering procedures, request with impact of the online result; incorporation, in the Commercial Platform, of the consultation with Renaper and the visualization and sending of account summaries and credit cards by mail; and offer of packages according to the client's segment, informed in the client's credit rating. In addition, remote acceptance of package sales and loans was implemented on the commercial platform. This allowed the Business Officer to initiate a sale by telephone and the client to accept the product request forms from Patagonia e-bank Personas, without having to go to the branch.
- **Process robotization:** after the start of the process robotization analysis the previous year, Banco Patagonia acquired a license in 2020 and implemented the CoE (Center of Excellence) with the training of collaborators that allowed the deployment of this technology throughout the organization. As of March, the first two processes were implemented and in December there were 13 processes in production, in which an efficiency of 82% was gained in task execution times (processes executed 4.4 times faster) and the data error was reduced to 0%.
- **Desktop virtualization:** this strategic project was approved in order to review the contingency site implementation model adopted in a timely manner by Banco Patagonia, with the purpose of proposing a more efficient option aligned with the new technology, which will ensure its full availability and functionality. The virtualization of applications and desktops was chosen since, due to its characteristics, it provides important advantages over the current model in terms of access, maintenance, equipment, among others. In 2020, the purchase of the equipment and licenses necessary to implement the solution was completed and progress was made in the tasks of application virtualization and user testing.

To facilitate customer operations during the ASPO, Banco Patagonia enabled TAS check deposits for Savings Banks less than 6 months old, increased the ATM withdrawal limit to \$ 30,000 for all customers and raised the deadline for the renewal of the survival certificate.

12.8. Accessibility

314 ATMs adapted for the use of people no seers.

The adaptations made to facilitate the accessibility of branches in the context of the COVID-19 pandemic were: demarcation of sidewalks and signage on floors and waiting chairs for social distancing, placement of acrylic screens to protect staff and customers, installation of alcohol dispensers in gel, incorporation of digital computers in 18 branches and implementation of shift system via web.

Banco Patagonia has tools developed so that blind people can operate in the enabled channels. The Electronic Channels procedure manual indicates that branch officials must carry out controls to ensure the proper functioning of the adapted equipment and that it is available so that customers who need it can use it correctly, as well as having them available if necessary. headphones for these functionalities.

In 2020, Banco Patagonia installed 50 new equipment for signaling for blind people, a new access ramp, a bathroom and a mechanical lift for people with reduced mobility in the Gral. Roca, Trelew and Flores branches, respectively.

Accessibility	2020	2019
ATMs tailored to be used by people with visual impairment	314	264
Special restrooms	109	108

12.9. Physical security

*100% of employees trained on COVID-19 care measures.
100% of branches evaluated in ergonomics.*

Banco Patagonia made progress in the establishment of new protocols and carried out training actions for collaborators and private security assistance in branches for activities related to COVID-19.

During this year, the remote monitoring operators of the Branch Network formed two groups without contact with each other. A replacement contingency was carried out for all the operators in one of the rooms with success. The 24-hour Monitoring Room was also divided into 2 groups, occupying the Contingency Monitoring Room permanently.

Protocols referred to COVID-19

RI 4725 was created, which includes all protocols related to COVID-19:

- Protocol Security E hygiene
- Identification of Dangers and evaluation of risks to presence of COVID-19
- Evaluation of risks and needs of use of elements of personal protection (PPE) by pandemic
- Reception of flow rates and other elements
- Protocol of performance for the handling of case positive
- Diagram of protocol branches
- Protocol of cleaning and disinfection before case likely positive
- Listing of Phones Useful
- Protocol for the manipulation of alcohol in gel and bleach in branches

Results of the actions implemented to increase physical security in branches:

- 45 branches Inspected by the ART
- 22 branches inspected by the Ministry of Labor in safety and health matters
- 14 branches where lighting was measured
- 100 % of branches with a general evacuation plan drawn
- 65 branches with updated evacuation plans
- 188 branches surveyed in terms of safety and health matters
- 18 anti-loss analyses prepared for branch qualification/ re-qualification
- 62 branches inspected by the BCRA through the jurisdictional police, which had no observations
- 81 internship evacuation

In addition the entity implemented closures remote of lobbies by means of locks smart.

The 100% of employees were trained on care measures for COVID-19, and conducted health and safety assessments in branches on: ergonomics (100%), lighting (7.5%) and pat – grounding – (100%). in addition, 100% of the guards who provideservice of safety private made the course envelope safety and vigilance topics legal rights human and first aid.

12.10. Secure management of data

Based on the context that the Bank went through in 2020, and responding to the growth of bank fraud, awareness was raised aimed at collaborators and external public that reinforced the new concepts acquired. Among the planned actions, the development of campaigns for collaborators via Workplace as an institutional tool and the implementation of the Virtual Safety Week through it stand out. Awareness to the external public was carried out through email plaques, the Bank's public website and social networks.

In 2020, Banco Patagonia's cybersecurity strategy was defined and approved.

In addition, ISO 27001 Certification was renewed. The actions carried out that were highlighted by the context of pandemic Included:

- Acquisition of new licences of VPN so that all collaborators could work remotely.
- Registration of security tools so that users could work safely
- Development of the virtual security week with live streaming, which generated new content for employees and new forms of communication.

Likewise, a new cybersecurity assessment was carried out, which identified the changes implemented and new opportunities for improvement. As part of the Threat Intelligence process, for Banco Patagonia's Brand Control and Antiphishing, the Blueliv tool was used. On the other hand, the service of the solution called Fico from the provider Imptech was acquired, which offers an integrated view of the cybersecurity risk based on the FICO® Cyber Risk Score of the Bank and some of our providers.

12.11. Technology communications and Systems

In the context pandemic by COVID-19, the bank operated 100% remote in all their areas.

Given the increase in transactionality in digital channels, Banco Patagonia adapted the technological infrastructure in order to satisfactorily meet demand. Shift management was made available to customers to attend branches and technical support was strengthened to address failures in ATMs. Likewise, notebooks were acquired and distributed to collaborators and collaborative tools were deployed to facilitate virtual interaction. On the other hand, the central equipment was replaced in both the primary and secondary datacenter.

Banco Patagonia was the first bank in the region to successfully carry out a 100% remote disaster recovery exercise, disabling the production of the primary datacenter to go on to provide service from the secondary datacenter.

In the regulatory aspect, a large number of requirements of the regulatory entity were met, such as new ECHEQ functionalities, restrictions on the exchange market, zero rate loans, financing to MSMEs at subsidized rates, deferral of unpaid loan installments, refinancing of balances Credit card defaults, freezing of UVA mortgage loan installments without VAT, application of regulated rates for a fixed term, Emergency Family Income (IFE) and the Program for Assistance to Work and Production (ATP).

Within the framework of the digital transformation, we continued to deliver value to the client in terms of self-management and experience. The following deliveries stand out:

- Adhesion to digital channels, without the need to generate a password for internet banking at the ATM.
- Soft Token to replace the Coordinate Card as an authentication factor in operations carried out on digital channels.
- Patagonia Móvil Empresas: from an app installed on a mobile device, it enables the authorization of company operations.
- Self-management of the amount and term of personal loans in digital channels.
- Registration of additional credit cards in digital channels.

- Faith of life in digital channels, providing a non-face-to-face channel to those who have to prove survival for the collection of retirees.
- Signature remote of the customer in canals digital what allows manage the needs of products and customer services without requiring their physical presence to comply with the services hired.
- Digital customer relationship channel: a virtual assistant (chatbot) that by using of intelligence artificial responds to questions frequent envelope operative available in canals digital.
- Platform digital of insurance for the self-management of insurance.
- Onboarding digital what allows to new clients do the onboarding in the products and services of the bank using validation biometric facial.
- Possibility to opt for callback to avoid the time of hold on when the customer requires be attended by the center for contact.

The challenge for 2021 is to continue evolving digital channels with more self-management capabilities for customers, improve the user experience and use adaptive web and mobile development frameworks, and multiplatform. In addition, increase flexibility and scalability to meet a focused service demand through the use of containers and a design architecture based on microservices.

13. EMPLOYEES

Banco Patagonia seeks to promote a work environment in which its employees can develop and feel part of the organization. In 2020, the context of the COVID-19 pandemic posed new challenges when it came to promoting internal communication and training actions. There, new technologies and creativity were the main allies to generate new spaces for meeting, dialogue and contention for employees and their families.

ACTIONS OUTSTANDING FOR THE CONTINUITY OF THE BUSINESS

Health and welfare

The bank sought contribute to the bless you and welfare of their collaborators putting to disposal videos and meetings virtual envelope bless you psychic and emotional the Program of Containment Emotional (PEACE) for the collaborators and their families workshops of welfare online between other actions.

Development continuous of collaborators

To the end of adapt to the new context the bank implemented to distance the Program of Formation for Future Branch Managers, and redesigned the branch Management Process in a 100% digital format performance. The Campus Patagonia adapted its training catalogue to a completely virtual and herself designed four new *e-learning* designed for accompany the transformation digital of the bank: storytelling, design thinking, UX design focused on clients cross-selling and up-selling.

Adaptation for the work remote

Remote work implementation for more than 1,000 employees in record time, along with training envelope telecommuting.

Ideathon 2020

Banco Patagonia launched the virtual experience "Ideathon 2020" to invite all employees to integrate a creative space in order to contribute to the cultural transformation of the organization. This edition focused on topics such as Customer Experience, Process Digitization and Offerings Digital.

13.1. Employee Profile

Banco Patagonia promotes a work environment that favors diversity and equal opportunities for its employees. Thus, the Bank enriches its experience based on various profiles of its workforce.

EMPLOYEES IN NUMBERS	2020	2019
Total employees	3,200	3,302
By gender:		
Men	1,625	1,684
Women	1,575	1,618
By category:		
Superintendents	6	7
Senior Management	69	68
Mid-management positions	289	291
Employees	2,836	2,936
By age:		
Up to 30 years	370	596
From 30 to 50 years	2,189	2,140
Over 50 year	641	566
By region:		
Main areas	1,170	1,174
City and Province of Buenos Aires branches Buenos Aires	922	935
Branches in the provinces	1,108	1,193
Average seniority (in years):		
Temporary	0	0
Permanent	3,200	3,302
Average seniority (in years):		
Superintendents	16	13
Senior Management	17	16
Mid-management positions	16	15
Employees	12	12
Average age:		
Superintendents	50	50
Senior Management	48	47
Mid-management positions	46	45
Employees	40	39
Turnover rate:		
Total turnover rate	0.57 %	0.77 %
Undesired turnover rate	0.73 %	0.94 %
Other indexes:		
Personnel under union agreements	97.66 %	98.10 %

EMPLOYEES IN NUMBERS BY GENDER	2020		2019	
	Men	Women	Men	Women
By type of contract:				
Permanent employment contract (i)	1,625	1,575	1,684	1,618
Temporary employment contract	0	0	0	0
By region:				
Main areas	612	558	618	553
City and Province of Buenos Aires branches Buenos Aires	390	532	385	549
Branches in the provinces	618	490	699	498
By type of employment contract:				
Full time	1,625	1,575	1,684	1,618
Part time	0	0	0	0

- | | |
|-----|--|
| (i) | Their breakdown by region is as follows: 2,105 employees in CABA and Bs. As. and 1,197 employees in the interior of the country. |
|-----|--|

13.2. Jobs and job opportunities

80 Collaborators Promoted.

During 2020, Banco Patagonia completed the delivery of the Competency Selection Workshops for Branch Managers and Coordinators of the Central, Viedma and North regions and began the 3.0 Team Transformation Workshops. Through digital dynamics, we sought to strengthen participation in topics such as onboarding, 3.0 competencies, agile leadership and conducting diverse teams.

On the other hand, he held the talks in virtual format with the National University of Río Negro, the National University of Salta, the National University of Cuyo, the National University of the South, the University of La Plata, UCEMA and UTN of Buenos Aires. These were part of the Talentos del País program, which pursues the objective of promoting the Employer Brand and recruiting talents. The meeting "The New Era of Employment 3.0" was especially highlighted.

The talk "Boost your future", for its part, was aimed at the children of secondary-level employees and was aimed at accompanying their job search during the pandemic. The meeting provided tools on career choice, CV preparation, job interviews and personal branding.

In 2020, three activities were highlighted to be close to employees, their children and students from all over the country: the talks "Boost your future" and "The New Era of Employment 3.0" and the Team Transformation Workshop 3.0.

2020 and the pandemic by COVID- 19: Challenges and Proposals for face them

One of the main challenges that Banco Patagonia faced this year was migrating part of its systems and projects to the digital format, in order to adapt to the face-to-face restrictions imposed by the pandemic.

In this sense, the job interviews were conducted virtually using the Teams and Workplace platforms, which led to strengthening the relationship with the areas and generating closeness. The sector complemented the written feedback to applicants with a virtual space for suggestions intended for all non-selected candidates who participated in internal searches.

In the case of the selection of participants from the Business School, video interviews and games were used to measure skills, among other tools. For the collaborators who applied to the School, tools were made available to continue strengthening their professional development, such as "Stories with an impact", which included talks, videos and material on topics such as personal brand and purpose.

In search of greater proximity and dialogue with employees throughout the country, a cross-sectional project called Frequent Conversations was designed, which offers dynamics and advice to branch teams in the interior of the country.

The area, along with other Human Development teams, also accompanied the Digital Business Superintendency in building agile teams through interviews to detect profiles related to each role. In addition, he participated in a project aimed at evaluating positions through the MERCER IPE methodology.

Likewise, to continue strengthening the commercial link with the University and the public sector, in 2020 Banco Patagonia participated in the Virtual Business Fair of the National Technological University (UTN).

Close to branches, nationwide

Banco Patagonia incorporated 41 people during 2020. In addition, it offered 80 employees and, in addition, particular for Official of Business loud income accompanied the selection and coverage of 19 Positions. 52 candidates from all over Argentina were submitted to the process. He also conducted egress interviews for all voluntary disengagements, in order to relieve emerging and share them with the areas Involved.

During 2020, herself promoted 80 collaborators.

Additions and turnover	2020				2019			
	High	Low	Rotated (1)	Rate of New Hire tions (2)	High	Low	Rotated (1)	Rate of New Hire tions (2)
Total	41	143	-3.18 %	1.28 %	103	208	-3.18 %	3.12 %
By age:								
Up to 30 years	25	21	0.12 %	0.78 %	65	68	-0.09 %	1.97 %
From 30 to 50 years	16	85	-2,15 %	0.5 %	36	107	-2.15 %	1.09 %
Over 50 year	0	37	-1,15 %	0	2	33	-0.94 %	0.06 %
By region								
Main areas	38	64	-0.81 %	1.18 %	58	96	-1.15 %	1.76 %
City and Province of Buenos Aires branches	0	38	-1.18 %	0	7	53	-1.39 %	0.21 %
Branches in the provinces	3	41	-1.18 %	0.09 %	38	59	-0.64 %	1.15 %
By gender								
Women	18	61	-1.34 %	0.56 %	36	93	-1.73 %	1.09 %
Men	23	82	-1.84 %	0.71 %	67	115	-1.45 %	2.03 %
(1) Formula = Additions/Total employees (2) Formula = Additions/Total employees								

13.3. Ongoing training

100 % digital the process of management of the performance and the catalogue annual of formation. 39,023 hours of training.

Continuous training was not alien to the context. One of the main challenges this year was to train all employees in the use of virtual communication and collaboration tools that will adapt to the new context of pandemic and remote work. This action allowed, not only to lay the foundations so that all collaborators could access the entire training catalog, but also increased said offer by focusing on the plurality of learning areas and on improving the quality of courses provided, from soft skills, such as management and development of people, to those more technical required for the position.

This year was very productive, fundamentally because those who are carrying out their functions in the interior of the country actively participated in the webinars, thus increasing the number of people reached by these actions. Likewise, having been able to adapt the training to a virtual scheme also made it possible for everyone to have access to it asynchronously at any time and place.

From the sector, webinars were promoted to support employees who had to continue working in person and for those who began to work remotely. In addition, a program was designed to accompany the management of branch leaders and another for the management of leaders of central areas, attending to the needs of the different realities that each one faced during 2020.

In addition, the Bank provided training focused on the management, communication and organization of remote work and designed e-learning with recommendations for the prevention of COVID-19, aimed at all employees. It also implemented the Training Program for Future Branch Managers remotely and redesigned the Performance Management Process and the Annual Training Catalog in a fully digital format.

The Training Program for Future Remote Branch Managers was implemented and the Performance Management Process and the Annual Training Catalog were redesigned in a 100% digital format.

Strategy of training

The main objective of the area continued to be to enrich the training offer and make the possibility of development available to all Banco Patagonia employees.

Regarding Campus Patagonia, the area adapted its training catalog to a completely virtual format. To do this, it designed four new e-learning designed to accompany Banco Patagonia's digital transformation: Storytelling, Design Thinking, UX design focused on customers, Cross-selling and Up-selling. Like any change, it implied new advantages: among them, that employees from all over the country will now be able to access this type of training.

In addition, a segmentation of training was carried out on Campus, based on normative courses, tools and product development, agility, development tools and leadership. For their part, the Induction, Internal Training, Online Training, External Training, Knowledge of Standards and Regulatory Processes, Scholarship Program and Training Workshop for New Leaders were converted to a virtual format.

Other activities training

In 2020, the area focused on providing training with the aim of spreading the mindset and adopting agile tools that accompany the Digital Transformation strategy.

The Management 3.0 Program, aimed at leaders, had five modules aimed at fostering agile leadership. In conjunction with the consulting firm Ignouville & Nelson, the FoCo training program was designed, aimed at employees in the commercial area and with the aim of sharing experiences related to new sales and commercial management modalities. It reached 950 participants across the country.

Together with the Technology Area and the PM Value consulting firm, an IT Project and Risk Management program was designed in order to install these capabilities in the sector. In the framework of the program, 10 meetings took place.

The program for the agricultural sector, carried out together with the CREA Foundation, had 64 graduates. The activity had five modules: Global Vision of the Agricultural Company, Calculation of Results, Understanding the Agricultural Activity, Livestock of Meat and Milk and the Agricultural Business.

For the first time in virtual format, the area held the V edition of the Business School for Future Branch Managers. It had five theoretical modules and one practical (or "school branch"), with a total of 42 hours taught. This time the axes were Agility, Digital Talent, Managing Difficult Conversations and Macroeconomic Outlook. 29 people participated.

On the other hand, the area worked in an interdisciplinary manner in the design of three webinars related to the Bank's services and products, in order to facilitate daily management. They focused on topics such as Digital Channels for Companies, Tecno Insurance: people and companies and Effective Treatment of MAOS Alerts.

The sector also carried out update programs aimed at collaborators of different functions with contents such as Suitable for Capital Markets, Structured Products, High Income, Investments, Protocol applied to businesses. For the Board of Directors and Alta collaborators

Management, the Update Day on Prevention of Money Laundering and Terrorism Financing was held.

In addition, throughout 2020, the employees had the e-learning course at their disposal to quote and register personal loans virtually and workshops were held in conjunction with the areas involved in digital channels for companies and management of delays in time remote work.

Number of training hours	2020	2019
Internal training	36,914	40,499
- languages	710	1,474
- face to face and virtual offerings	14,060	21,196
- Online	22,144	17,829
External training	2,109	3,514
Total	39,023	44,013

Number of training hours/employee	2020	2019
Hours/employees by gender		
Training hours/women trained	12.08	14.70
Training hours/men trained	12.64	11.90
Hours/employees by category		
Senior Management	1,571	10,186
Mid-management positions	6,677	6,896
Other employees	30,775	26,931

Number of employees trained	2020	2019
Total	3,155	3,302
By gender		
Women	1,564	1,617
Men	1,591	1,685
By age		
Up to 30 years	473	593
From 31 to 50 years	2,111	2,140
Over 51 years	571	569
By region		
Main areas	1,214	1,172
City and Province of Buenos Aires branches Buenos Aires	869	961
Branches in the provinces	1,072	1,169

13.4. Performance management

During 2020, the Performance Management process was reconverted to a management by objectives model, with three phases. In the first, Setting Objectives, each boss loads the objectives for each employee into the system so that they can be validated. The second phase takes place in the middle of the year and belongs to the Review. There an adjustment of the proposed objectives is made depending on the business context. Finally, in the Evaluation, the objectives are scored, which in turn yield a final grade for each collaborator.

On the other hand, with the information obtained from the analysis of the potential of Senior Management, throughout the year, Superintendents and Executive Managers worked through a coaching process with the consulting firm Ignouville & Nelson in the development of skills for their management.

Quantity of Collaborators Evaluated	2020
Percentage of Collaborators Evaluated	95 %

13.5. Management of the climate: containment and care of the people

*+1,000 employees worked remotely.
300 virtual tours of branches.
200 Reached by the program of attendance to the employee.*

One of Banco Patagonia's priorities this year was to guarantee preventive distancing between people and create a safe environment for employees to perform their duties safely.

Thus, it implemented, for the positions that allowed it –more than a thousand collaborators–, the dynamics of remote work. To make this methodology more efficient, training on teleworking was carried out and the teams were connected in a virtual way in record time.

In the case of collaborators who had to carry out their work in person, a prevention protocol was developed, which included the biweekly rotation of the equipment in bubbles and preventive isolation from close contacts. Employees who formed risk groups and those responsible for the care of their school-age children did not attend their workplaces.

The Bank also provided personal protection kits, which included protective face masks, chinstraps, gloves, and alcohol gel. In addition, he adapted the physical space for greater protection by placing acrylic screens and demarcating spaces of distance. On the other hand, he designed a protocol for entering and measuring body temperature at the access to branches and central buildings.

In a difficult context, Banco Patagonia bet during 2020 on the care of its employees COVID-19 and sought to strengthen ties with them through virtual visits to branches.

A commitment to strengthen ties: We are Close

In a year marked by the need for social distancing, Banco Patagonia continued to bet on strengthening ties and communication within the organization.

The Branch Visits Program was transformed and adapted to virtuality through the use of the Teams and Workplace platforms. The virtual modality allowed each branch to be visited twice in the year, which resulted in a total of more than 300 visits. These meetings made it possible to improve ties and communication with all the teams in the country.

Along the same lines, and as every year, the Bank provided support to more than 200 people through the Employee Assistance Program on medical coverage, life insurance, accompaniment in medical cases and financial assistance for special situations. In 2020, the focus was on monitoring those who suffered from COVID-19, so that they received medical assistance in a timely manner.

The Welcome Process continued this year virtually. Its objective was to guide employees in their knowledge of the different areas of the Bank, provide regulatory training and guide them on their benefits.

In line with the #EstamosCerca program, the Bank invited employees to participate in the virtual experience "Encounters with the Network", which was attended by the Board of Directors, Superintendents and Executive Managers, to discuss the new work dynamics in the pandemic context.

Always within the #EstamosCerca initiative, the area promoted communication pieces with guidance messages and advice regarding COVID-19. Additionally, virtual spaces for emotional support were provided for employees throughout the Bank, talks with health professionals, as well as other educational content focused on addressing the health emergency.

Welcome new ideas

Following the same guidelines, within the framework of the Internal Innovation and Cultural Transformation Program that the Bank has been developing, all employees were invited to participate in the "Ideathon 2020" virtual experience.

More than 200 collaborators registered and participated in 7 online ideation rooms, from which more than 50 ideas emerged focused on Customer Experience, Process Digitization and Digital Offers.

There were 5 finalist teams that prepared for the Pitch Competition in front of members of the Board of Directors and two of them were winners.

Through this experience, the collaborators had the opportunity to present their ideas, work as a team with people from different areas and incorporate new knowledge and tools in a practical way.

On the other hand, Banco Patagonia began to deepen its work on Diversity and Inclusion issues, with the aim of contributing to cultural transformation and improving the organizational climate through an environment of respect, integration and belonging.

Other activities to promote closeness

In order to continue encouraging teamwork, the Bank promoted different integration activities, adapting them to the context imposed by the pandemic.

The ¡Show your art! Contest was promoted, inviting collaborators to share their plastic works, photographs or videos in Workplace, generating an environment for valuing artistic talent and camaraderie.

The After Banco Patagonia was held virtually and included games and prizes in a relaxed space that brought together collaborators from all regions of the country.

Also redirected to the virtual space, the Meeting of Managers focused on motivation, leadership and climate management as pillars for the organization's objectives.

Designed for the children of employees, this year the Un Día Distinto initiative consisted of a multiplatform virtual event aimed at boys and girls of different ages. More than 1800 kids had the opportunity to share creative activities and live shows.

13.6. Communication internal

*15,127 post and 265,715 reactions in Workplace
92 % of Collaborators Workplace users.*

In 2020, the biggest challenge for the area was to establish a balance between communications corresponding to the pandemic and those related to the business. Thus, it was sought to adequately transmit the messages of the Board and, at the same time, carry out successful awareness campaigns for the care of all collaborators.

A new communication channel for everyone

During 2020, Workplace, a collaborative work platform created by Facebook, was implemented. With 90% adoption in the first month, a 95% reach of active accounts and 92% of users retained as of December, Workplace became the official communication channel of Banco Patagonia and consolidated itself as a proximity tool and interaction between all its collaborators. In six months, 1,540,509 messages were sent through Workplace Chat.

With this launch, the traditional communications system was replaced by a platform with similar dynamics to those used by current social networks. E-mail communication campaigns were progressively replaced, paper posters were eliminated in

branches, the Yammer application was discontinued, and the use of Workplace chat as an instant messaging platform was encouraged.

The biggest challenge faced by the area was to implement Workplace remotely, in addition to ensuring that all collaborators knew the tool, used it and adapted it to their daily routine. The implementation included more than 20 presentation talks with leaders and 30 exclusive workshops for employees. It was a very important step in the Digital Transformation strategy that Banco Patagonia continues to undertake, in addition to contributing to improving the internal organizational climate and strengthening the presence of leaders.

Also in line with Digital Transformation, Internal Communications supported this process with communication campaigns aimed at employees, among others, on topics such as Digital Onboarding, Insurance Platform, Digital Relationship Channel, Patagonia Mobile Companies, MODO and ECHEQ in Patagonia Ebank Companies and Patagonia Móvil.

The area also accompanied the care of the staff with the campaign "Taking care of one, is taking care of all of us." Taking as a source the World Health Organization and the Ministry of Health of the Nation, communications on recommendations were issued by e-mail and a video was published on LinkedIn that disseminated the building adjustments carried out by the Bank in order to continue providing its services to the public with a focus on caring for people. At Workplace, posts about recommendations were made.

In 2020, the Bank managed to implement the digital tool Workplace, carried out the awareness campaign “Taking care of yourself is taking care of all of us”, referring to COVID-19, and accompanied the Bank’s Digital Transformation with different actions.

Canals of communication internal and parts of communication: data quantitative

- 279 parts made of the which a 50 % were videos
- Workplace: 15,127 postings and 265,715 reactions

13.7. Proceeds with focus in welfare and Bless you

In a context as special as that fostered by the COVID-19 pandemic, all Health and Welfare initiatives carried out in 2020 sought to reconcile the welfare personnel family and labour of the collaborators of Banco Patagonia.

Being close, containing, providing accurate and reliable information regarding the COVID-19 Pandemic and contributing to the health care of all: these were some of the objectives that Banco Patagonia outlined to accompany its collaborators throughout 2020.

Along these lines, it implemented the Emotional Containment Program (PEACE), an anonymous, free and confidential support line, especially aimed at employees and their primary family group, available 24 hours a day. In addition, it made the online Wellness Actions available to all, which included yoga workshops, short videos with Mindfulness meditations and information on Nutrition, Health and Well-being. There was also time for Active Pauses and stretching and breathing exercises.

The Bank also shared a benefit of 70% discount on the gym fee, to which were added the implementation of virtual classes and a platform with content for physical well-being. From the EAP Latina, the entity offered the workshops Living in Quarantine: 10 express routines, Prevention and Self-care in Times of Coronavirus and Remote Work with Children and Adolescents.

Details of benefits to Collaborators in 2020

EJE	BENEFIT	ACTIONS
For You	Conventions of discount	More of 30 conventions in different products to the long of allthe country.
	Products for Collaborators	Packages bonus bonus premium and loud income. Accessproducts Credit with preferential conditions.

Your Development	gift by graduation	In order to recognize professional growth, Bank gives a special gift to recent graduates of college careers.
	Discount agreements with universities and centres of formation	Banco Patagonia has more than 20 agreements Further the I am a student of racing of degree and Graduate Courses of Languages between other with institutions how ITBA, UADE, UCEMA, University of San Andrés, coderhouse, digital House and Nulinga.
Family	Gifts	Banco Patagonia Accompanies with one present to the collaborators in important events in their lives: Births Lap to the school and Parties of The end of year.
	subsidies Special.	The Bank provides a subsidy to all employees with children of until 11 years for the colony of vacation. It also provides a subsidy to those who have children with Capabilities Special and in case of death of Family Direct.
Bless You And Welfare	Prepaid Medicine andsure Life	The bank Provides coverage of medicine Prepaid and one sureadditional life for the collaborator and his family group through one covenant corporate.
	conventions of discount	More of 200 Collaborators Access to one gymnasium with quotapreferential, in addition to having discounts on other recreational activities and aesthetic and health centers long Everything the country.
	Breeding Program healthy	In 2020, the bank Deepened the actions of accompaniment in virtual format, both in licences for motherhood how in advice in disability.

14. SOCIETY

In 2020, Banco Patagonia continued to develop social impact programs with the aim of increasing the well-being and growth of the communities in which it is present, as well as supporting enterprises in pursuit of the sustainable development of regional economies. In the context of Mandatory Preventive Social Isolation, the Bank used technology and alliances with Social Organizations and the Public Sector to adapt programs and accompany people in the search for solutions to face the challenges generated by COVID-19

ACTIONS OUTSTANDING FOR BENEFIT OF THE SOCIETY

Donations Special during the pandemic

The Bank made contributions to campaign #Seamosuno for food distribution and articles hygiene for vulnerable households, and the National Health System through cross Red Argentina destined to the attention partner Health the training of the personnel of health and health thesupply of basic inputs.

Challenge Patagonia Bank with scope national

Banco Patagonia Challenge was promoted nationwide in a 100% virtual format. The program invited to the young people of schools Public and Private of all the country to identify Problems Generated intheir communities from of the context of COVID-19 and to propose Solutions Innovative.

Education financial digital for adults Greater

In a year when it was especially important to conduct banking digitally, the Bank redesigned the "One Click of Trust" senior program, migrating to a 100 % *online* Generating contents envelope how carry out operations to through of the Patagonia e-bank and Patagonia Mobile, and adapting them to an environment friendly to this specific audience. More than 800 people participated in the initiative. In addition, data protection content was added Personal and prevention of the fraud.

Strengthening of the entrepreneurship

The Rio Negro Entrepreneurs Program, which trains and rewards entrepreneurs in order to promoting local development and strengthening the province's entrepreneurial ecosystem, migrated to a format 100 % online with one record of more of 1,300 Enrolled one increase superior to the 200 % respect 2019, and the Declaration of Productive, Economic and Social Interest by the Legislature of the Province Rio Negro. On the other hand, the Banco Patagonia Innova program, aimed at students from the National Client Universities of the Bank, gained new visual identity and migrated to a format that Allowed carry out 23 virtual workshops for more than 650 Students of Different Provinces.

Volunteering corporate online

Banco Patagonia Prompted by first time the volunteering corporate online supported in the flexibility and the technology Impacting in more of 17,000 Beneficiaries Direct to through of the Different actions.

14.1. Strategy for private social investment

*22,474 Beneficiaries of programmes Social.
\$ 21,297,476 investment social private.*

The pillars of the social investment strategy

- **Education**

In this area, Banco Patagonia contributes mainly through financial education, equipping educational institutions, granting scholarships for access to formal education, training and education of young people for the future, and support for higher education by middle of the Universities Program.

- **Entrepreneurship**

The Entity encourages entrepreneurs by strengthening and training local producers who want to promote their businesses. The projects generated contribute to the development of regional economies through job creation.

- **Volunteering**

The Patagonia Volunteers Program aims to accompany the spirit of solidarity of employees and contribute to better citizenship and a more caring environment. The solidarity actions are based on a shared commitment between the collaborators - who contribute their time and their desire to help - and the Bank, which contributes with the coordination, logistics, supplies and financing for the projects.

- **Culture**

Within the framework of the Cultural Promotion Regime of the Autonomous City of Buenos Aires, and based on the Patronage Law, Banco Patagonia sponsors different cultural projects aimed at restoring cultural buildings, equipping for the promotion of culture and access to artistic activities by young people, children and the community in general..

The investment social in 2020

In this very particular year, Banco Patagonia maintained its social commitment. It strengthened ties with its allies in private social investment programs, supported by technology and networking. Flexibility and adaptation to new scenarios were key to continuing to be close to those who needed it most.

Following this line of action, emergencies were identified and an investment strategy was defined to meet specific needs of society. To do this, it channeled an extraordinary contribution of \$ 12,500,000 for the #Seamosuno Campaign, coordinated by the Jesuit priest Rodrigo Zaragoza. The investment was destined to the distribution of food and hygiene items for households in vulnerable situations in the City of Buenos Aires and the Buenos Aires suburbs.

In addition, the Bank contributed \$ 10,000,000 to the National Health System through the Argentine Red Cross, in collaboration with the Comprehensive Action Plan for medical-health care.

investment social private	2020	2019
Participants and Beneficiaries	22,474	17,607
amount of investment social private (in millions of pesos)	21.2	17.5

Organizations Allied Beneficiaries and scope of the actions of investment social private by axis		
Pillars	Organizations Allied	Beneficiaries
Education	Junior Achievement, Socialab, Foundation Foundations, Route 40 Foundation, Foundation crusade Patagonian ministry of education Province of Rio Negro	2,555 students and teachers from elementary and middle schools, Students of universities and adults older than 60 years old
Entrepreneurship	foundation nobility Forces universities National Clients of the bank	1,307 Enterprises 77 Enterprises of innovation financial
Volunteering	Civil Association A Tree for my Vereda, foundation bank of forests Christmas Eve for all foundation nobility Forces foundation junior Achievement, Huerta Foundation child	17,235 children Girls adolescents and adults in situation of vulnerability

In 2020, No herself carried out actions in the axis culture.

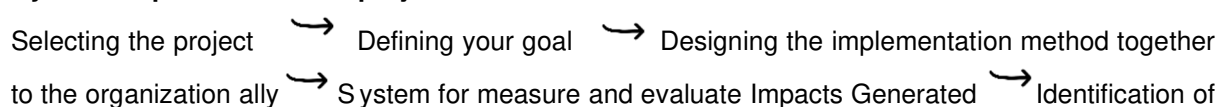
14.2. Diagnosis and evaluation of the impact social

Banco Patagonia seeks to be close to society, promoting local development, accompanying the social commitment of its volunteers, investing and developing initiatives that, through the Branch Network, are able to impact the communities in which the Bank is present.

When evaluating the programs, the Bank measures the impact in terms of the number and type of beneficiary, as well as the territorial scope (local, provincial, regional or national). For its part, for an orderly and transparent management, the entity receives projects through three main channels:

1. Initiatives or programmes designed together to specialists in different theme social.
2. Identification of projects to through of the net of branches for detect needs and support organizations that provide solutions to problems local.
3. Support to organizations of the society civil and different institutions public to through of the generation of alliances strategic.

Cycle of implementation of projects



apprenticeships and points of improvement → communication of results → Redesign and strengthening of the program

14.3. Education

1200 young people of 33 locations of Rio Negro participated of the program Economy personnel. + 800 adults Greater Participated of the proposal "A Click trustworthy." To through of challenge Banco Patagonia herself invited to all the schools of the country to form part of the initiative.

During 2020, the focus of Banco Patagonia initiatives was on financial education, the access to the education formal the training and training formation for the future and the education superior.

Support to the education formal

Scholarships and sponsorship for the continuity pupil

Despite the difficult context imposed by the COVID-19 pandemic, the Bank went ahead with the program of support to the education formal to through of Scholarships. Accompanied to 19 students to through of Patagonian Crusade Foundation and to 11 students through Foundation Foundation.

Pandemic conditions imposed new challenges. In addition to the problems connectivity-related technicians, additional effort was required for boys and girls to learn to manage the same with autonomy, organizing their time and tasks, as well as maintaining motivation. These challenges were met by the personalized accompaniment of the Tutors and teachers.

Testimonies of the Students

Francis says: *"A nice memory I took from the CIS was to do the TED Talk in Junín of the You're with Professor Diego. In these coming months I want to continue studying: I have already started race Advocacy".*

April also shared his impressions: *"I never imagined finishing my high school studies like this. A nice memory that leaves me school are the talks and math with my classmates and the Training. my plan is continue to study."*

Challenge Banco Patagonia

This program seeks to display the social commitment, creative talent and teamwork of young people. In 2020, Desafío Banco Patagonia was promoted nationwide in a 100% virtual format, which invited young people from public and private schools to identify problems generated in their communities as a result of COVID-19 and to propose innovative solutions.

Through the ideation webinars, the young people detected possible problems in six thematic axes: education, health, the elderly, the environment, employability and new businesses, support and emotional support.

During the mentoring stage, the 11 finalist teams participated in an online Bootcamp in which they were trained in Pitch Practice and Prototyping of their ideas. Each team filmed a video in which they exposed the identified problem, the solution, the feasibility and the impact of their projects.

The final event was held online and live: there the finalists presented the pitch videos and a jury chose the three most outstanding projects.

The first prize went to the Technical Education Center No. 28 of Bariloche for its project "O3 For Health (ozone for health)", an automatic system to disinfect classrooms through the use of ozone during closing hours in the schools.

The second distinction went to the E.E.S. No. 5 of La Trinidad, Province of Buenos Aires, which developed an accompaniment model called "Connecting with the elderly", which uses local radios and channels, and the generation of specific content to promote the well-being of the elderly. The third mention was for the E.P.E.T. No. 5 of Neuquén, with the "Education for all" initiative, which proposed an education model in which the internet is not required to continue with the contents of the school curriculum.

The awards were given to the schools, in order to strengthen their educational project. The first prize consisted of a 3D printer, the second - a digital whiteboard and the third - 3D pencils. In addition, the finalist students received equipment for their online classes.

Reading Promotion Program and Poetry Contest

In alliance with the Ruta 40 Foundation, Banco Patagonia continued to support rural school teachers, managers and students from Campo Grande, Fernández Oro and Pilcaniyeu, in the Province of Río Negro. The School Libraries and Reading Promotion program was adapted to the digital level to guarantee the continuity of the educational path.

The workshops on the Promotion of Reading and Writing for teachers seek to awaken the concern of teachers and students in relation to the benefits of reading. Their activities were developed remotely, and included different schools in the area.

As a novelty of the year, Banco Patagonia organized the Poetry Contest. For this, he invited educational institutions to present between 10 and 20 poetic productions (written and / or illustrated) by students of the 2nd and 3rd cycle of primary level.

180 productions were received and 20 poems were selected considering their clarity, creativity, resource management and language style. These chosen poems were part of a book in print and also digital format that was delivered to the winning students and to all participating schools.

Support to the education financial

Program of economy personnel

This program, which has the support of the Ministry of Education of the Province of Río Negro, aims to generate greater motivation in students and provide them with tools to design their life project. They are helped to understand the relationship between interests and personal skills, to choose a career, define their studies and manage their own finances.

Throughout the course, the boys and girls carried out introspection activities, learned about labor relations and acquired practical knowledge to find a job, diagram their personal and family budget, learn about the role of a bank and the importance of saving, among other topics.

Faced with the context imposed by COVID-19, the program was adapted so that teachers could carry it out together with their students remotely and self-managed through the Online Campus. During the course, they had pedagogical resources and remote support from the Junior Achievement Foundation team.

More than 1,200 young people from 33 towns in Río Negro participated in the closing program and webinars, where the Patagonia Volunteers shared their professional experiences and encouraged them to continue strengthening their education.

Program "A Click of trust"

With this initiative, Banco Patagonia is committed to promoting the benefits of electronic banking, focusing especially on the elderly, so that they can carry out their banking operations online, with autonomy and security. In this edition, the program migrated to a format

100 % *online* through personalized trainings given by Bank volunteers through of Waplearning (a through of WhatsApp) and herself Generated New contents Adapted What Taughtto carry out operations to through of the Patagonia e-bank and Patagonia mobile.

The volunteers Established one dialogue pleasant and of confidence for achieve what the adults Greater herselfamiliarize themselves with the environment of banking digital and digital perform the operations because of its Own media.

In addition of the training Custom herself Invited to the adults Greater of 60 years Residents of theRio Negro province to enter www.unclickdeconfianza.com.ar to consult the contents and respond one trivia envelope banking digital and participate of the contest by Tablets. More of 800 the people who participated of this proposal.

Banco Patagonia also developed the "Learn to Save" Workshop, an initiative that promoteslearning about savings and efficient finances, in young people age 12 to 18. Patagonia Bank teaches workshops in public, private schools or social organizations from a professional and didactics by their volunteers. In 2020, they were carried out in *online* for 110 students from Viedma and villa Mary.

14.4. Support to the entrepreneurship

*+70 digital financial innovation proposals received through BP Innova.
200 % of increment in enrolled in the Program of Entrepreneurs of Rio Negro.*

Banco Patagonia is committed to developing social impact projects that empower communities and promote their sustainable economic growth. Through multisectoral alliances, during 2020 it advanced with the following initiatives:

Rio Negro Entrepreneurs Program

This initiative, promoted together with the Nobleza Obliga Foundation and in alliance with local actors, trains and rewards the most outstanding entrepreneurs in Río Negro in order to promote local development and strengthen the entrepreneurial ecosystem of the province. It is intended for all entrepreneurs in the region without distinction of category, and helps them formalize and financially plan their long-term businesses in order to generate a positive economic, social and environmental impact in their communities.

In 2020, the program migrated to a 100% online format: the new scheme achieved greater reach and geographic coverage, resulting in a record of more than 1,300 registrants (an increase of more than 200% compared to 2019).

The trainings were given in a flexible format so that each entrepreneur managed their own time. The finalists had the possibility of exhibiting their products in an online catalog that had more than 18,000 visits and in which the public could support their favorite ventures with their vote.

In the final online event, the jury selected the three winners, who received \$ 90,000 each to invest as seed capital in their ventures. The winners were:

- **Bridge Old Herbs (infusions gourmet)**

This Pichileufu Park family creates products *gourmet* natural as aromatics, infusions of herbs *blends* and *topics* for math and Teas with one stamp local and ancestral. Made their products to base of Fruits and flowers area, respecting the middle environment and the oral tradition of the place.

Facebook: @Puenteviejohierbas Instagram: @hierbaspuenteviejo

- **Benihana (clothing technical)**

Coming from San Carlos de Bariloche, this venture specializes in the making of clothing technique Designed to measure of the needs of their clients. Benihana works together to seamstresses of the zone to the end of foment the economy and the employment local.

Facebook: @Benihana-bariloche Instagram: @benihana.patagonia

- **ADHKPA (spirits)**

A group of friends passionate about spirits gave rise to this initiative in 2019. In their processes use the natural resources of the Barilochense ecosystem and add value to the materials Premiums Regional across of their Distillates Craft with Aromas and Flavors of Patagonia.

Page web: <https://www.adhkpa.com.ar>

BP Innova

This digital financial innovation program encourages students at national universities Bank's clients to propose ideas and solutions that generate a positive social impact, with focus in the world financial.

The Bank selects the most innovative projects and energizes them through *workshops* and mentoring Custom in one environment inspiring. The projects what advance in the contest must defend oneself in a final competition before a jury of experts under the Pitch Competition modality. The Winners Receive seed capital for impel his initiative.

In 2020, the program gained a new identity and migrated to an *online* which allowed 23 workshops Virtual for more of 650 Students. herself Received 77 Proposals envelope New Platforms of payment, e-wallets, innovation in *e-commerce*, *crowdfunding*, loans, insurance, marketing *online*, bitcoins, blockchain, financial inclusion and Big date.

The Equipment Finalists Participated of one *bootcamp online* What Included Conversations with entrepreneurs, workshops *Pitching*, *deck* and *storytelling*, in order to acquire tools for the exposition final. All three more ideas innovative ones were:

- **First stand: CoAgro, of Facundo Zamora Micaela Belladonna and Liza Jaitman, of the university national of the south**

It is a mobile and web application that connects agricultural producers with small investors. The entrepreneur enters all the details of his business: location, number of hectares, type of soil and production, financing Necessary and its fate, profitability, deadline and rate that's willing to pay. The investors navigate the interface and selected the projects that Interest finance.

- **Second stand: Scorefit, of ezekiel Berdini, Octavian Gzain and Florence Mosconi, of the university national of the south**

It consists of a service *online* that integrates artificial intelligence, big data and *machine learning* for suggest to the insurer the values of premiums adjusted according to the characteristics of their customers and the Variables of their surroundings. Of this way, Advises prices Competitive and Customized.

- **Third stand: Atym, of Nicholas Martin Pudenti Pasini, Eric Zdravlje and Francesco pagan of the National University of san Martin**

Atym is one application mobile and one service digital of logistics decentralized What search reduce costs and optimize delivery times for purchases made in a way that *online*. This is a system logistical What Allows What the Distributors Withdraw and Delivered the package in the Times including on-circuit hosts who have space for saving transient packages until their withdrawal, so that they arrive at the exact time defined by the buyer.

The first prize received \$170,000 pesos; the second, \$90,000 and the third, \$60,000 as capital seed for impel their initiatives.

14.5. Volunteering

17,235 direct benefit from the program volunteering corporate.

6,337 Beneficiaries of the contest of projects Solidarity with desire to help!

The Patagonia Volunteers Program accompanies the spirit of solidarity of the collaborators and promotes citizen commitment to generate a positive impact in the communities in which the Bank is present.

Volunteering actions are developed through a scheme of shared responsibility and in pursuit of a common good. The Bank provides the coordination, logistics, supplies and financing for each of the projects, and the volunteers, their time and their willingness to help.

In 2020, the context of mandatory preventive social isolation invited us to rethink initiatives and promote Online Corporate Volunteering for the first time, supported by flexibility and technology.

Solidarity project contest 2020 Eager to help!

The context caused by the COVID-19 pandemic invited Banco Patagonia to be present more than ever in the community. For this reason, in 2020 the Contest supported projects presented by the Bank's own collaborators focused on helping to solve needs derived from this emergency in different social organizations.

Through an online platform, the mission of the organizations and the objectives of the projects were made known. Thus, all collaborators were able to support the initiatives of their interest with their vote. In 2020, all projects received a financial donation based on the position achieved in the ranking.

Although all the projects received an economic contribution, the most voted initiatives were:

Organization	Objective of the project	Locality
Sacred Home heart of Jesus	Buying wheelchairs, covers, mattress covers and footwear for improve the quality of attention What herself Provides to 22 adults Greater Residents What herself Find in situation of street.	Zárate, Buenos Aires
people Voluntary United	Adapting the kitchen space and equipment to give better answer to the demand everyday of feeding support pupil and Psychological to 100 children and Girls of 3 to 15 years.	Villa Los Robles, Córdoba
Society of firemen volunteers of Esteban Echeverría	Purchase of equipment for the fire station: boots for fires, Tactical and helmets.	Esteban Echeverría, Buenos Aires
foundation PRASAM	Collaboration in the refaction of the kitchen and the purchase of equipment gastronomic Dice What the organization Began to delivering viaandas three times a week, as a complement to the support virtual education.	Alte. Brown, Buenos Aires
The Callejeritos de flowers	In the context of the pandemic, collaborations to sustain this association declined and animals need food and Care Special. the project Allowed buy food balanced and cover the expense of the veterinary.	CABA
by the boys	distribution of Pockets of foods and products Basic for the boys and girls who attend the canteen network. It was achieved help 120 families.	CABA
Southern Foundation development Technological - FUNDASUR	Manufacture of 400 Simplified Monitoring Equipment (MSI) to donate to the Bahia hospital system white. The equipment allows to measure oxygen saturation, temperature pressure and rhythm cardiac to every patient and transmit it to a control center via Wi-Fi or Bluetooth. Development technological is national and the license Be Shared in form free.	Bahía Blanca, Buenos Aires
the Campito refuge	Equipment of the new isolation room that is located under construction. Faced with the highest amount of dog income Abandoned herself Needed build one new space for What the animals Could be treated and Studied.	Monte Grande, Buenos Aires
Caritas archdiocesan Salta	I finish the work of "The Meeting House", where meriendan near of 100 children daily. In addition herself Provides training to parents and children envelope COVID-19.	Villa Floresta, Salta
institution Salesian Ours Madam of the rosary	Purchase of coats, hygiene items and food. The project seeks to narrow the gap of social and economic inequality, Covering the needs Basic of Populations in context of vulnerability.	Resistencia, Chaco

Foundation Aiken	Psychological accompaniment to children and adolescents in situation of duel to through group devices, games and theart as resources Therapeutic.	Esteban Echeverría, Buenos Aires
Founding of the Street to the life	Buying food and hygiene products for preventionCOVID-19. The Foundation delivers food bags and Performed Activities of education and containment of children and adolescents.	CABA
Foundatio n Mediapila	Purchase of material to reframe the workshop floor, which is Find without flagstone and full of humidity. Mediapila Promotes the inclusion of women from vulnerable contexts throughthe training in Trades and the accompaniment psychosocial.	CABA
Sowing Opportunities	Purchase of inputs for food and spare parts, medicines, Useful School and benefit of attendance Psychological for the two households where comprehensive care is provided to young people up to theirmajority old.	Florencio Varela and Berazategui, Buenos Aires
Association civil grow	Expanding the kitchen so that mothers have a space where carry out workshops of office and Talks envelope education for theBless you. In addition purchase of staple foods for contribute with the nutrition of the children What Attend.	Curuzú Cuatiá, Corrientes
Foundation hands What Help	purchase of foods No perishable for deliver to the families participating in the different prevention and prevention programmes education for the Bless you the sport, recreation and the training Labour.	Cipolletti, Rio Negro
Hands on action	Buying food and blankets for families in neighborhoods Vulnerable.	Barrio Río Luján and Barrio Luchetti, Manzanares, Buenos Aires
Idel	Measures to ensure project continuity and pedagogical accompaniment for people with disabilitiesWhat Attend to the workshop protected. between other the facilitation of connectivity to continue the formation of tradesdistance.	CABA
Sonrisas for the Boys Association civil	actions for facilitate What all The children Girls and adolescents Count with resources materials and the access to Internet for assure his continuity of school.	Esteban Echeverria, Buenos Aires.
The Tigers	Purchase of clothing, equipment and food for women Activities with the The end to promote and spread the sport in the Rosario's suburbs and thus convey values such asrespect the solidarity and the discipline.	Rosario, Santa Fe
Puente Foundationlink	purchase of elements Disposable hygiene and cleaning for the assistance from people in a street situation, and painting for therefuge.	Mendoza, Capital
Association civil walk	Help to resume gastronomic endeavors Inclusive and guarantee the Resources Necessary for the participation of persons with disabilities and staffsupport organization.	La Reja, Buenos Aires
United by a Best Life	Acquisition of technological resources (cellular, Tablets, netbook) to enable a virtual therapeutic approach in order to sustain bonds, develop skills, mobilize the body and promote the autonomy and the welfare physical and emotional. In addition in the future, these resources will be used to deliver a workshopTics.	Carmen de Patagones, Buenos Aires
Nest	Refurbishment of the game room that has the home toWhat The children and Girls go back to play. Faced with the context of isolation and the obligation to spend more time there, this space Charged vital importance for the exercise full of their rights.	San Lorenzo, Santa Fe
Movement Christian and Missionary	Granting of foods No Perishable for What the familiesCan cook in their households and avoid the malnutrition childish to through the initiative "I Cook in home."	Los Menucos, Rio Negro
Foundation multipolar	manufacturing of Jackets of coat What herself Transform in bagsto prevent people in street situations from sick in the winter. While the organization works to help to people by means of a program of intermediation work, in the context of emergency herself Sought To give answer toneeds more Urgent.	CABA

Main actions of volunteers Patagonia 2020

Organization ally	Initiative	Quantity of benefits rivers	Beneficiaries direct	Locality and province
Foundation nobility Forces	contest "With Desire to help" In this edition, the projects focused on solving problems generated to split of the pandemic by the COVID-19.	6,337	children adolescents older adults and animals of Shelters	Scope National
Program own	Wapp Learning "A Click of trust" Training Custom envelope banking electronics for adults Greater 60-year-old.	52	adults Greater	Rio Negro
Program own	workshop "Let's learn to save" Training for young people to promote savings, personal finances efficient and efficient the spirit enterprising.	110	Pupils of schools stocking	Bahía Blanca (Buenos Aires) and Villa María (Córdoba)
Organizations several	campaign by the day of the childhood The collaborators proposed institutions to receive toys. In addition to its contribution, the Bank donated Sets games formore 60 institutions.	8,306	8322 children What attend Organizations Social of different points of the country	Scope National
Foundation junior Achievement	Partners by one day Through webinars, young people were able to get closer to the world clear doubts about the careers of interest. the volunteers Shared their know-how for boost them to follow his development professional.	319	young people students from the last year of schools Half	Ciudad Autonoma de Buenos Aires, Mendoza y Córdoba
Foundation junior Achievement	ping Pong of Questions Volunteers shared a panel with professionals and students with the The end to zoom in Different Looks envelope one same profession. the objective: contribute with the decisions the Students envelope his future academician.	150	young people students from the last year of schools Half.	Buenos Aires
Foundation foundation s	Videos Testimonies the volunteers Filmed Brief Videos for Bring information to students from level middle envelope college careers or Tertiary.	1400	young people students from the last year of schools Half	Scope National
Christmas Eve for all	campaign Christmas Eve for share The Campaign invited contributors to donate a box with non-perishable foods and gifts for institutions and families defined by each team. The Bank made a donation of 400 boxes What herself earmarked to the organization Christmas Eve for all and Messengers of the peace Argentina.	561	families	Scope National
	total Beneficiaries Direct to through of the program of volunteering	17,235		

In addition, volunteer actions associated with caring for the environment were carried out:

Save the Forest Challenge

Every year the Patagonia Volunteers carry out a tree plantation in the Costanera Sur Reserve. This year it fostered innovation: together with Bentejuego, Banco de Bosques and “Un Árbol para mi Vereda”, Banco Patagonia developed an online recreational proposal through which volunteers, their families and friends could learn while playing.

Through an online escape game, they overcame different slogans, learned about the native fauna and protected 500 m2 of the Gran Chaco Forest. In addition, each volunteer received a "kit to save the world", with which they could germinate seeds from native trees and then plant them at home.

Campaign "Llena tu botella de amor"

The volunteers learned how to make bottles by separating single-use plastics and becoming aware of the importance of preventing them from ending up in the trash. The bottles are then used as inputs for the construction of playground games and furniture for educational institutions. They were able to recover more than 50 kg. of plastic.

15. SUPPLIERS

Banco Patagonia establishes standardized contracting tools, and adopts measures that guarantee quality and sustainable practices throughout the entire supply chain.

ACTIONS OUTSTANDING FOR THE CONTINUITY OF THE BUSINESS

Launch of the Code of Ethics for Suppliers

The development of the Specific Code of Ethics for supplier companies was completed, which will be sent in stages to get all members of the Bank's supply chain take knowledge of the same.

Protocols by COVID-19

Hygiene protocols were implemented under COVID-19 to suppliers who entered to the bank to develop their homework.

Digitalization of Processes of Approval

Regulations were in place to replace the supplier proposal approval circuit. Previously, the circuit was on paper and is now done 100% online via mail, which decreased the consumption of paper in one 33.4%.

15.1. Profile of Banco Patagonia suppliers

*1,878 active suppliers.
97 % of payments made to suppliers local.*

The Bank's suppliers are, for the most part, SMEs, and belong to the following areas: construction companies, marketing and merchandising, graphics, consulting, technology, cleaning and security. Likewise, only 1% of payments made to suppliers corresponds to abroad.

In 2020, the Bank intensified compliance with the internal regulations of the Purchasing area and its updates regarding suppliers, through the following actions:

- Obligation of be customer of the bank by means of the aperture of one account free of suppliers.
- Obligation of the use of the form RFI (order of information of first time) for the analysis and the evaluation of the suppliers in form prior to the realization of any operations. This year, the company Fidelitas specialized in the analysis and evaluation of suppliers was hired to carry out a pilot test where they will prepare a detailed analysis of a sample of 100 suppliers defined as critical.
- Incorporation into the RFI mentioned above, sustainability issues and social responsibility, and anti-corruption processes to consider it as another element of the Moment of initiate one relation with one supplier.
- Modifications in the Executive Management of Legal Affairs, in models of contracts to be used in the various operations of purchasing goods and contracting services, among which incorporated the clause of integrity.
- Adaptation of the regulations to replace the approval circuit for technical proposals that go to Directors. Previously it was on paper and now it is done 100% online, via mail.

Profile of Suppliers	2020	2019
Current suppliers	1,878	1,958

% of local suppliers	99 %	98 %
Payment to suppliers	\$ 7,942,567,819	\$ 6,074,625,916
Percentage of payments made abroad	1 %	2 %

15.2. Process for the selection and hiring of suppliers

Banco Patagonia has a standardized selection process that allows it to guarantee the transparency of its implementation, and the hiring of organizations that comply with corporate standards and values. This begins from a technical proposal that enters a circuit for its evaluation, approval, execution, and subsequent control of the quality of the service carried out between the purchasing team and the requesting area.

In 2020, the entity continued to implement the initial requirement form for the analysis and evaluation of suppliers prior to carrying out any operation. Required information includes: the supplier's accounting, financial, legal, and tax status; their capabilities; the top five customers; labor aspects; quality certifications; measures implemented to prevent money laundering from illegal activities; environmental aspects related to waste management and aspects related to anti-corruption plans and whether or not they are linked to the State.

On the other hand, the Bank continued to include an environmental responsibility clause in the contracts with its suppliers related to the handling, transfer, storage, use or disposal of hazardous materials or wastes. Within this framework, the Bank incorporated requests for information on sustainability criteria as an additional aspect to consider when evaluating these.

Launch of the Code of Ethics for Suppliers
 During this year, Banco Patagonia concluded the development of the Specific Code of Ethics for Suppliers. The document will be sent in stages until all members of the chain of Bank supplies take knowledge of the same.

15.3. Evaluation process

60 suppliers evaluated by a expert external in the thematic.

The evaluation of suppliers is guided by the Manual of Purchases and Contracts that describes the evaluation process in accordance with the Quality Management System of the Bank and ISO 9001.. In 2020, modified the circuit for the approval of proposals - which were previously sent in paper format - for their signature. Currently, this system was modified to sending by email for approval, which that decreased consumption of paper in one 33.4 %.

During the process, the accounting, financial, legal and tax position of the supplier is examined. There is also a control of the labor related documentation under section 30 of the Labor Law and the aspects related to sustainability criteria are as well assessed.

Banco Patagonia incorporates sustainability criteria in the initial information requests for supplier evaluation (RFI), for which it consults them about its RSE and sustainability strategy.

In addition, checks were carried out through crossovers with the bases provided by the AFIP, in order to identify and discontinue suppliers that are included in the apocryphal invoice base of agency. In addition, hygiene protocols were implemented under COVID-19 Suppliers What Entered to the bank develop their homework.

Banco Patagonia rehired an external company specializing in supplier evaluation. this action Reached to 60 suppliers in 2020.

15.4. Responsible attitude towards the value chain

100 % suppliers of services of safety trained in rights Human.

Security service provider companies must comply with all the requirements listed in Decree 1002/99. Among them, the obligation for the guards to complete a basic training course, in which they learn about security and surveillance issues, legal aspects, human rights and first aid.

The Bank also requires security personnel to comply with its own mandatory and operational standards. The objective is to establish and define the functions, responsibilities and prohibitions of the guards in the branches. The instructions include general rules, the procedure for recharging and balancing the ATMs, the procedure for entering branches, the start and end times of the service, and the communication channels that must be kept in mind.

As trustee, the Bank continued to support SME suppliers by granting them a financing vehicle. In 2020, the Entity administered trusts for Ribeiro, Falabella and Mercado Libre.

15.5. Means of communication

To ensure fluid communication, the Bank made dialogue channels and tools available to its suppliers, including via telephone, e-mail and digital platforms. In addition, the Entity fostered frequent contact with the General Services and Administration Manager, with the Purchasing Manager and with the team in general.

In 2020, the Bank continued to use the Ethical Supplier Line as a communication channel with current and potential suppliers. During this year, no complaints were received.

15.6. Proceeds to Suppliers

- The Bank offered the following benefits to its suppliers:
- Review of prices and rates on a regular basis, especially in inflationary contexts, and incorporation of review clauses via IPC.
- Opening of free accounts and product packages at the Bank.
- References to other financial entities to expand the sale of their services or products.
- Advice regarding the preparation of service proposals or contracts to operate with the Bank.

16. ENVIRONMENT

Aware of the fact that its operation has both a direct and indirect environmental impact, Banco Patagonia works specially to achieve a responsible management of resources and waste. Additionally, as a financial institution, by means of its policies, credit analysis, training and multisector alliances, it seeks to add clients and other stakeholders to this environmental care commitment.

ACTIONS OUTSTANDING FOR THE DEVELOPMENT SUSTAINABLE OF THE BUSINESS

Goal energetics

Banco Patagonia Fulfilled the goal Defined for 2020 of diminish the level of consumption in 0.5 Kw/m² by year. the new goal for 2021 Be of 0.6 Kw/m².

Efficiency energetics

Electricity consumption was reduced through operating actions, technical management and administrative. how result herself Obtained one saving energetic of 4 % in branches and 10 % in Areas Central.

Digitalization of Processes

Banco Patagonia digitized processes and eliminated the impression of documents Annexes. With the inclusion of the signature digital aimed to reach one saving of the 100 % in the consumption of paper.

16.1. Commitment to the environment

Banco Patagonia is committed to a conscious and efficient use of resources and responsible waste management. It does so by following three lines of action: administrative, operational and technical, through its Triple E Program (Efficiency, Efficiency and Effectiveness).

16.2. Management of indirect impacts**Analysis risks social and social environmental**

2,365 Proposals Categorized in 2020.

100 % of compliance in the requirements requested by the proposals.

Banco Patagonia analyzes the social and environmental risks on the universe of clients that comply with operations funded through multilateral organizations and financing of long-term investment projects for an amount equal to or greater than 10 million dollars.

Prior granting the rating, the Bank assesses a set of aspects related to the analysis of social and environmental risks, such as compliance with environmental, labor and social security laws and regulations; the existence of lawsuits or litigation in socio-environmental matters; sanctions, fines or penalties that have been applied for non-compliance with socio-environmental regulations and that the activity to be financed is not excluded according to the policies detailed in MP 007.

Generation of value for the environment to through of the credit

The disbursements received by the trade and financial lines with the aim of improving energy efficiency will continue in 2021, as the agencies maintained their support and resources, without requesting pre-cancellation.

16.3. Management of direct impacts

4 % savings energetic in branches and 10 % in Areas Central.

20% of the energy purchased for the Av. de Mayo 701 building was a sustainable generator.

33.4% of decrease consumption paper.

Banco Patagonia continued to implement good practices for the rational consumption of resources in its offices and branches, to which it also had to add specific initiatives in response to the COVID-19 pandemic situation.

Program triple E (Efficiency, efficiency Effectiveness): the Achievements featured of 2020

- **Buying cards.** Banco Patagonia managed to have enough suppliers to diversify the purchase generate elder competitiveness and implement one new model of negotiation of rates and shopping biannual.
- **Buying cheque.** Through the negotiation of rates, significant savings were achieved.
- **Energy saving.** The Bank reduced electricity consumption through energy operation of management technique and Administrative.

- **Sustainable generation.** The entity managed to use sustainable energy in 20% of the consumption of its main building through the purchase of renewable energy and, on the other hand, a reduction in consumption of the order of 10% was achieved in central areas and 4% in the network of branch offices.
- **Crystal Bag.** This initiative replaces the three-flap folders with the crystal bag in the shipment of customer files. It is a more economical element that also eliminates printing sheets from the covers.

Energy consumption

Throughout 2020, Banco Patagonia carried out different tasks to meet the objective of making energy use more efficient:

- It continued with the monthly purchase of 20% of the electrical energy that feeds the building on Av. De Mayo 701 from the sustainable energy generator La Genoveva.
- As a direct result of conservation and efficiency initiatives, in 2020 the Bank obtained energy savings of 4% in branches, and 10% in central areas.
- The entity met the goal defined for 2020 of reducing the level of consumption by 0.5 Kw / m2 per year. The new goal for 2021 will be 0.6 kW / m2.

In addition, the Bank:

- It put into manual service "on demand" the lighting and air conditioning services in the different sectors of the building on Av. De Mayo and Luzuriaga. In the building on Av. De Mayo 701, for its part, the automatic start-up of the AA equipment was deactivated.
- He continued to use the air conditioners at 24 degrees.
- Promoted the rational use of energy in luminous advertisements and branches by lighting marquees from 20 to 24 hours.
- It carried out a control of the shutdown at unnecessary times and illuminated its new signage with LED technology.
- The lighting of branch canopies continued with the migration to LED technology.
- Installed air conditioning systems by sectors (VRF) and new more efficient thermo-mechanical equipment with lower energy consumption in selected branches.
- Controlled flow transport trips to streamline processes and reduce trips.

Banco Patagonia continued to de-select natural gas services in branches, a plan that will remain in force in 2021.

Account of consumption energy electric and intensity energetics

Consumption energetic internal	2020	2019
Energy electric	18,829 MWh	19,638 MWh

Intensity energetics in KWh/m2	2020	2019
Branches	15.27	15.91
Areas Central	17.03	18.97

Among its sustainable achievements of the year, in 2020 Banco Patagonia migrated part of AA's systems to lower-consumption equipment, began the work of replacing the elevators of the building of Avenida de Mayo the what allow save one 50 % of energy and bought a 20 % of the energy for the building of Av. de Mayo 701 to one generating sustainable.

Specifically for adapt to the context of pandemic to the long 2020, Banco Patagonia:

- placed *dispensers* of alcohol in gel in lobbies of branches and floors of buildings central.
- pointed out the distance recommended social in the paths of the branches.
- developed the protocol of cleaning for cases suspects or positive of covid-19.

- o management Remote of Balances Immobilized of clients by Deposits to term fixed

Defeated to the long of the year the entity also:

- Delivered *Kits* plan Salaries in domicile of the customer.
- Managed Operative and procedures for the update of Files by means of the assemblies Virtual of companies.
- Established one process of control envelope Files Digital for the loud of loans Clothing of GPAT.
- Enabled the module advisory of Patagonia e-bank enterprises to all the net of branches centres of enterprises and Segments Corporate finance and sector public.
- Established the process of management of Guarantees road mail electronic.
- Simplified the process of high and released garments of Tickets.
- he taught processes of payment to Beneficiaries ANSES.
- Put in operation one circuit of contingency for deposit of Checks (segments wholesalers) in ATM.
- Managed Trades Judicial by road electronics without generation of documentation physics.

Digitalization of the file of people Legal

During 2020, Banco Patagonia implemented the Document Management functionality in the Commercial Platform, which makes it possible to make available in Sharepoint the legal and instrumental documentation presented by customers in wholesale segments. The procedures and products / services implemented were Patagonia e-bank Empresas, Cash Management, Salary Plan, Commercial Cards, Interbanking and Guarantees.

Quantity of Procedures Completed of Packages

Modality	2020	2019
With Forms printed matter	63,001	121,881
File digital-signature digital	75,762	106,020
File digital-signature in paper	25,134	40,253
total	163,897	268,154

Use of paper

The bank managed one reduction of the use paper of 33.4 % in relation to with the year before.

Consumption of paper (1) in tons	2020	2019
Reams of paper letter	86.9	128
Reams of paper A4	0.67	3.1
R	0.2	0.75
Total	87.77	131.85

(1) It is taken as a reference that each ream weighs 2.5 K.

Other data of the management:

- o Quantity of clients Digitized: 1,586,482
- o Quantity of people Digitized: 1,459,802
- o Quantity of documents Digitized: 16,471,336
- o Percentage of Procedures Completed of Packages What herself Made with file digital: 61 %

In 2020, Banco Patagonia digitized processes and eliminated the printing of annexed documents. With the inclusion of the Signature Digital aimed at reach one saving of the 100 % in the role involved.

Management of Resources

In the context of the COVID-19 pandemic, resource management challenges in Banco Patagonia set out, among other objectives, to continue normal activity from the home addresses of those collaborators who had to carry out their tasks in a way that Remote.

During 2020, the bank replaced the circuit of the Approvals of shopping What Require directors (those over \$4,100,000). The previous format was replaced – which Included the file in paper - to one circuit 100% *online* by mail electronic.

Additionally Placed Screens in all the branches of the net Installed *dispensers* of alcohol ingel in accesses to *Lobbies* ATMs to protect customers and purchased digital thermometersfor measure temperature in the access to central buildings and branches.

Banco Patagonia replaced the circuit of approvals of shopping by one process 100 % *online*.

Management of waste

Throughout 2020, Banco Patagonia continued to take action to encourage collaborators reuse and recycle paper, cardboard and plastic, in this case and because of the context of pandemic mainly since their homes.

16.4. Wareness and training

In this area, Banco Patagonia promoted the "Fill Your Bottle of Love" campaign, so that collaborators and their families will incorporate the habit of separate waste in their homes and on time, plastics one alone use.

Through this proposal, volunteers learned how to assemble bottles by separating plastics from a single use and took conscience of the importance of do for avoid what arrive to the filled healthor the ocean. In addition, the value of waste separation was demonstrated as plastics recovered are used how inputs for the construction games of square floors and furniture.

In addition, in 2020, in the not being able to carry out the annual planting of trees, an initiative was developed playful online for raise awareness among envelope the importance of plant trees and also favor his conservation. Through this new experience, the Bank, together with the volunteers, managed to protect 500 M² of native forest.

Conclusion

The Board of Directors expresses its gratitude to clients, suppliers, financial institutions, control bodies and shareholders for the support received, and especially to the Entity's staff for their effort, professionalism and commitment demonstrated during this fiscal year.

February 25, 2021.

EXHIBIT I Materiality Analysis and GRI Content Index

The Materiality Analysis allows Banco Patagonia to identify the most relevant sustainability issues that have a significant impact on stakeholders. Based on such analysis, the Bank identified 10 material topics to be managed, which serve as a guide for its programs and initiatives to generate economic, social and environmental value.

The issues identified are monitored by Banco Patagonia annually, based on specific actions taken with stakeholders. During 2020, an in-depth analysis continued to be performed based on the International Integrated Reporting Framework, issued by the International Integrated Reporting Council (IIRC), and the principles established in "GRI 101: Foundation 2016": materiality, stakeholders inclusiveness, sustainability context and completeness.



En la Matriz, el número 10 corresponde al valor de más impacto y 1 al de menor.

Material issues	Banco Patagonia's actions	Related GRI standards	Stakeholders involved
Ethics and transparency			
Code of Ethics and reporting mechanisms upon the occurrence of ethical issues or conflicts of interest.	Internal rules, policies and codes the provide guidance. Design of the Code of Ethics for suppliers (Section 10.5).	Anti-corruption	Shareholders Clients Employees Society Suppliers
Training in the prevention of money laundering and terrorist financing.	In-house and external courses for employees on the prevention of money laundering, fraud, International Financial Reporting Standards (IFRS), Business Continuity Plan (BCP), among others. (Section 10.6)		
Comprehensive risk management			
financial, credit, operational and non-financial risks management.	Comprehensive risk management process in accordance with the guidelines established by BCRA and pursuant to the best practices recommended by the Basel Committee. (Sections 10.1 to 10.4)	Anti-corruption Topic: Assessment of the implementation of environmental and social policies and product risk assessment procedures.	Shareholders Clients Employees Society Suppliers
Management of social and environmental risks involved in the granting of loans.	Credit Policy and Social and Environmental Risk Analysis System for the analysis of credit transactions. (Section 16.2)		
Control mechanisms to fight corruption and prevent financial crimes.	Products and transactions subject to the Anti-Money Laundering and Terrorist Financing Parameterization. (Section 10.6)		
Management control and audits.	The Audit Committee becomes aware of the Internal Audit activities. (Sections 10.1 to 10.4)		
Customer service experience			

Customer satisfaction measurement	Customer satisfaction measurement in each of the service channels, NPS (Net Promoted Score) system, satisfaction measurement by telephone, research by type of business and internal customer surveys. (Section 12.7)	Marketing and labeling. Topic: Customer service experience.	Clients Employees
Benefits to customers.	Offer of differentiated services: Commercial actions on special dates, business alliances with strategic partners, "Club Patagonia", customer loyalty, relationship and attraction events. (Section 12.6)		
Development of digital customer service and communication channels.	Patagonia e-bank, Patagonia Móvil, "No paper" Sales Program, File Digitization Project. (Sections 11.2, 12.1.2 and 16.3)		
Customer security and privacy			
Customer personal security.	Branches Remote Monitoring Center Security policies, manuals and practices; new COVID-19 protocols, and internal controls and external audits of branches. (Section 12.9)	Customer health and security Customer privacy Security practices Training and education	Clients Shareholders Employees
Secure management of data and data privacy	Development of evaluations associated with cybersecurity, certification of the Information Security Management System (SGSI) in line with ISO 27001. (Sections 10.1, 12.7 and 12.11)		
Training in information and personal security for employees, as appropriate.	Training and Awareness Plan including courses for new employees, digital awareness, and information security elearning. (Section 12.10)		
inclusion financial			
accessibility to branches.	Adapted ATMs with a special app for non-seers, and branches that have ramps and Advisors for people with Problems of motricity. Adaptation of protocols by COVID-19. (Section 12.8)	communities Local. theme own: inclusion financial.	Society - clients
Products and services for people of groups Vulnerable unbanked persons and/or with restricted access.	products services and proceeds for the segment of young peoplecollege students, and agreements and agreements for funding productive to the sector Agricultural. (Sections 12.2, 12.3, 12.4 and 14.4)		
education financial.	Inclusion and financial education workshops for children, young people and people of the third age together to Organizations of the society civil Allied. (Section 14.3)		
development and training of the Collaborators			
development of race.	program Talents of the country and workshop of selection by Competencies for Managers and Medium Commands. launch Team Transformation Workshops 3.0. Publication of internal searches. (Sections 13.2 and 13.3)	employment . Training andteaching	Collaborators
evaluation collaborators.	revision of the process of management of the performance for accompany the development of the work teams. (Section 13.4)		
management of the climate Labour	implementation of the program of containment emotional (PEACE) and visits to virtual branches. Program attendance to the employee (PAE) to accompany to Collaborators and Family Direct What Crossedcritical situations. (Section 13.5)		
use rational of the Resources			
use responsible of the energy andwater.	lines of trade and lines Financial with banks Multilateral and development, with the aim of improving efficiency energetics. Definition of annual energy targets and energy efficiency projects in central buildings and branches. Edificio design and Posters Respect the more possible the environment in ranches located in areas with value of biodiversity. (Sections 16.2 and 16.3)	materials. energy.	society
management sustainable of the paper.	development of options Digital for minimize the impact by consumption of paper digitalization of Processes. digitalization of the		

	file of people Legal. technology of signature graphometrics (Section 16.3)		
separation of waste.	Waste separation program in Central Buildings and branches such as paper, cardboard and plastic, and reuse or donation of furniture. (Section 16.3)		
programmes of development of the community local			
programmes of culture.	Support for organizations in project development oriented to cultural promotion. This year there were no related actions to this pillar.	performance economic. communities Local. Own theme: inclusion financial.	society
volunteering.	program of volunteering corporate "Volunteers Patagonia" aims to accompany the spirit of solidarity collaborators, consolidate community awareness and promote the sense belonging. (Section 14.5)		
entrepreneurship.	Patagonia Innova Bank and Strengthening Program Entrepreneurs of the province of Rio Negro. (Section 14.4)		
programmes of education			
support to the education formal.	Banco Patagonia Challenge and Reading and Reading Promotion Writing and Poetry Competition in schools alongside foundation route 40. (Section 14.3)	communities Local. Own theme: education financial.	society
education financial.	program of economy personnel together to foundation junior Achievement and the ministry of education of the province of Rio Negro, "One click of trust" program for seniors, workshop Learn to save for Students in schools Half and universities. (Section 14.3)		
Strategic alliances with Organizations E institutions.	generation of alliances Strategic with the objective of generate together social impact initiatives, hand in hand with those they work in the field of action and are experts in Different themes in the ones that the bank ago focus in his investment. (Section 14.1 to 14.3)		
criteria of contracting of Suppliers			
Selection process and evaluation.	Purchasing process detailed in the purchasing manual and Contracts. incorporation of criteria of sustainability in initial requests for information for evaluation of Suppliers (RFI). (Sections 15.2 and 15.3)	Practices acquisition. Social assessment suppliers. evaluation environment alSuppliers.	Suppliers

GRI Content Index

This Shareholders' letter was prepared "in accordance" with the GRI Standards, essential option. In this section presents the GRI Content Index with their respective pages and notes for those topics materials defined in the analysis of materiality described in this document.

GRI Content Index			
GRI Standard	content	section	omission
GRI 101: Foundation 2016			
General Contents			
GRI 102: General Disclosures 2016	102-1 name of the organization	2	
	102-2 Activities Brands products and services	4.1, 12.1, 12.1.1, 12.2-12.4	
	102-3 location of the headquarters	Buenos Aires Argentina	
	102-4 location of the operations	Argentina	
	102-5 property and form Legal	2	
	102-6 Markets served	4.1, 12.1, 12.1.1, 12.2-12.4	
	102-7 size of the organization	4.2, 4.4, 6, 13.1	
	102-8 Employee and other workers	13.1 employees with contract permanent work in Caba and Bs. ace.: 2092 employees with contract Labour permanent in interior country: 1108	
	102-9 chain of supply	15.1	
	102-10 Changes Significant in the organization and his chain of supply	12.1.1	
	102-11 Principle or approach precaution	8, 10.1, 16.1	
	102-12 initiatives External	2, 14.3, 14.5	
	102-13 affiliation to associations	4.6	
	102-14 declaration of High Executives Responsible of the taking of Decisions	1	
	102-15 Describe the Main effects risks and Opportunities	1, 8, 10.1, 10.5, 11.2	
	102-16 Values, principles, standards and standards of conduct	4.5, 10.5	
	102-17 Advisory mechanisms and Concerns Ethical	10.5	
	102-18 structure of governance	9.2, 9.3, 9.5	
	102-19 delegation of authority	9.2, 9.3	
	102-20 Responsibility at the level executive of economic issues, Environmental and Social	Banco Patagonia account with one area of Csr What Depends on of the management of climate organizational dependent of the management Executive of Human Development and Organizational Climate, which is responsible for the coordination of social investment programmes and actions Related with the management of sustainability Developed in group with other Areas of the bank.	
	102-21 Consultation with stakeholders economic, environmental and economic issues Social	9.3 Interest groups are represented through the members of the the Superintendencies and Managements Executive What Depend on directly of the directory and Respond to their Expectations and needs.	
	102-22 composition of the maximum organ of government and their committees	no member holder of the directory Meets one function Executive inside Entity. The seniority of each member in the Board, their ages, as well as their resumes, which detail the competencies related to economic, environmental and social issues, Find Published in the place institutional of the bank www.bancopatagonia.com/institucional/organizacion/autoridades.php	
	102-23 president of the maximum organ of government	the president of Banco Patagonia No Occupies one charge executive.	
	102-24 nomination and selection of the maximum organ of government	9.3	
	102-25 Conflicts of Interests	9.3	
	102-26 Function of the highest organ government in the selection of Purposes values and strategy	9.3	

102-27 knowledge Collective of the maximum organ government	9.3	
102-28 evaluation of the performance of the maximum organ of government	9.3	
102-29 Identification and management of Impacts Economic Environmental and Social	9.5, 10.1, 10.2, 10.3	
102-30 efficiency of the Processes of management of the risk	10.4, 10.5	
102-31 Topic assessment Economic Environmental and Social	9.5, 10.1, 10.2, 10.3 The frequency of economic risk analyses and studies, environment varies depending on the tool used. They are done Evaluations annual and also Periodic in the frame of meetings of directory and of Superintendents.	
102-32 Function of the highest organ government in the elaboration of Reports of sustainability	It is the Bank's Board of Trustees that reviews and approves the Annual ReportIntegrated.	
102-33 Communication fromConcerns Reviews	Exhibit I The Board is aware of the significant views and expectations of interest groups through presentations from the studies of satisfaction surveys, occupational climate analysis, evaluation of social programmes, among others. Among the Concerns Important herself Include the Topics Selected in the analysis of materiality.	
102-34 nature and number total of Concerns Reviews	Exhibit I	
102-35 Policies remuneration	Exhibit li	
102-36 process for determine the remuneration	Exhibit li	
102-37 Involvement of the groupsof interest in the remuneration	Exhibit li	
102-38 Total compensation ratio annual	No Report this information by issues of confidentiality because of the context of our country, in order to take care of security personnel of our Collaborators and the High Controls of the company.	
102-39 Percentage increase ratioof the compensation total annual	No Report this information by issues of confidentiality because of the context of our country, in order to take care of security personnel of our Collaborators and the High Controls of the company.	
102-40 list of groups of interest	8.1	
102-41 agreements of negotiation collective	13.1	
102-42 identification and selection ofgroups of interest	8.1	
102-43 approach for the participation of the groups of interest	8.1, 9.3, 12.1.2, 12.6, 12.7, 13.2, 13.5, 13.6, 14.2, 15.5, Exhibit I	
102-44 Key issues and concerns Mentioned	12.1.2, 12.7, Exhibit I	
102-45 Entities included in the States Financial Consolidated	2	
102-46 Definition of the contents ofthe reports and Coverages of the theme	Exhibit I	
102-47 list topics materials	Exhibit I	
102-48 Re-expression of the information	the information Presented in the report No Affects the comparability with Reports Previous.	
102-49 Changes in the elaboration of Reports	No Was Changes in the elaboration of Reports.	
102-50 period object of the report	2	
102-51 date of the last report	year 2020	
102-52 Presentation cycle memory	annual	
102-53 Contact point for questions about of the account	coordination general: Executive Management of Human Development and Organizational Climate Climate@bancopatagonia.com.ar (011) 4323 - 5517 Av. of May 701, city autonomous of Buenos Aires. www.bancopatagonia.com.ar	
102-54 Declaration to report according tothe Standards of the Gri	This report has been prepared in accordance with GRI standards: option essential.	
102-55 index of contents of the Gri	Exhibit I	
102-56 verification external	report of assurance limited of Counters Independentenvelope Memory annual Integrated.	

MATERIAL TOPICS			
Economic Performance			
GRI 103: Approach management 2016	103-1 Explanation of the material subject and its coverage	Exhibit I	
	103-2 approach of management and their Components	3.1, 3.2, 4.1, 8	
	103-3 Evaluation of the management	9.4, 9.5, 10.1, 14.2	
GRI 201: performance economic 2016	201-1 value economic direct generated and distributed	4.4, 14.1	
	201-2 Financial implications and other risks and Opportunities derivatives of the change climatic	16.2	
	201-3 obligations of the plan of defined benefits and other retirement	In addition of the plan of Benefits established according to the law Labour Nothere is an independent fund for this purpose for our Collaborators.	
Acquisition Practices			
GRI 103: Approach management 2016	103-1 Explanation of the material subject and its coverage	Exhibit I	
	103-2 approach of management and their Components	8, 15.1, 15.2	
	103-3 Evaluation of the management	15.1, 15.3	
GRI 204: internship of acquisition 2016	204-1 proportion of expenditure in Suppliers Local	15.1	
Anticorruption			
GRI 103: Approach management 2016	103-1 explanation of the theme material and his coverage	Exhibit I	
	103-2 Management approach and its Components	8, 10.1, 10.5, 10.6	
	103-3 evaluation of the approach of management	10.4, 10.5, 10.6	
GRI 205: anticorruption 2016	205-1 Operations evaluated for risks Related with the corruption	10.5	
	205-2 communication and formation envelope policies and procedures anticorruption	10.5, 10.6	
	205-3 Cases of corruption Confirmed and measurement Taken	No herself Recorded cases of corruption.	
Materials			
GRI 103: Approach management 2016	103-1 explanation of the theme material and his coverage	Exhibit I	
	103-2 Management approach and its Components	8, 16.1, 16.3, 16.4	
	103-3 evaluation of the approach of management	16.3, 16.4	
GRI 301: materials 2016	301-1 Materials by weight or volume	16.3	
	301-2 Inputs Recycled Used	The Bank does not use recycled items to make products and services Primary. without embargo Used paper sustainable Manufactured to split of fibre of cane of sugar.	
	301-3 Reused products and materials packaging		It does not apply the type of business Banco Patagonia.
Energy			
GRI 103: Approach management 2016	103-1 Explanation of the material subject and its coverage	Exhibit I	
	103-2 approach of management and their Components	8, 16.1, 16.3	
	103-3 Evaluation of the management	16.3	
GRI 302: energy 2016	302-1 consumption energetic inside of the organization	16.3	
	302-3 intensity energetics	16.3	
	302-4 reduction of the consumption energetic	16.3	

	302-5 Reductions of the Requirements Energy of products and services	16.3	
Supplier environmental assessment			
GRI 103: Approach management 2016	103-1 explanation of the theme material and his coverage	Exhibit I	
	103-2 approach of management and their Components	8, 15.2, 15.3	
	103-3 Evaluation of the management	15.3, 15.4	
GRI 308: Evaluation environmental Suppliers 2016	308-1 New suppliers who have past evaluation and selection filters of agreement with the criteria Environmental	15.3	
	308-2 Negative environmental impacts supply chain and measures Taken	Currently, Banco Patagonia is not aware of the existence of significant negative impacts on the supply chain by this concept. Notwithstanding the above, checks are carried out on the compliance of obligations Pension of Certain Suppliers Defined how "Nice stay" by have personnel laboring in their Buildings.	
Employment			
GRI 103: Approach management 2016	103-1 explanation of the theme material and his coverage	Exhibit I	
	103-2 Management approach and its Components	8, 13.1, 13.2	
	103-3 evaluation of the approach of management	13.2	
GRI 401: employment 2016	401-1 New hires employees and rotation of personnel	13.2	
	401-2 Benefits for employee time complete What No are given to the part-time employees or Temporary	13.7	
	401-3 permission parental	Note 1	
Training and education			
GRI 103: Approach management 2016	103-1 Explanation of the material subject and its coverage	Exhibit I	
	103-2 approach of management and their Components	13, 13.3, 13.4	
	103-3 Evaluation of the management	13.3, 13.4	
GRI 404: Training and teaching 2016	404-1 stocking of hours of formation to the year by employee	13.3	
	404-2 Programs to improve Skills of employees and programmes of help to the transition	13.3	
	404-3 percentage of employees who Receive Evaluations Periodic of the performance and development professional	13.4	
Security practices			
GRI 103: Approach management 2016	103-1 Explanation of the material subject and its coverage	Exhibit I	
	103-2 approach of management and their Components	8, 12.10, 15.3, 15.4	
	103-3 evaluation of the approach of management	12.9, 15.3, 15.4	
GRI 410: internship in security stuff 2016	410-1 personnel of safety Trained policies or procedures rights Human	12.9	
Local communities			
GRI 103: Approach management 2016	103-1 Explanation of the material subject and its coverage	Exhibit I	
	103-2 approach of management and their Components	8, 14.1, 14.3, 14.4, 14.5	
	103-3 Evaluation of the management	14.2	
GRI 413: Local communities 2016	413-1 operations with participation of the community local Evaluations of the impact and programmes of development	14.1, 14.3, 14.4, 14.5	

	413-2 Impact operations significant negatives - real or potential- in the communities Local	No herself Recorded Impacts Negative in the communities Local by the development of the operations of the bank.	
Suppliers social assessment			
GRI 103: Approach management 2016	103-1 explanation of the theme material and his coverage	Exhibit I	
	103-2 Management approach and itsComponents	8, 15.2, 15.3	
	103-3 evaluation of the approach of management	15.3, 15.4	
GRI 414: Evaluation social suppliers 2016	414-1 New suppliers who have past filters of selection of agreement with the criteria Social	15.3	
	414-2 Negative social impacts on supply chain and measures Taken	Currently, Banco Patagonia is not aware of the existence of significant negative impacts on the supply chain by this concept. Notwithstanding the above, checks are carried out on the compliance of obligations Pension of Certain Suppliers Defined how "Nice stay" by have personnel laboring in their Buildings.	
Customer health and security			
GRI 103: Approach management 2016	103-1 Explanation of the material subject and itscoverage	Exhibit I	
	103-2 approach of management and their Components	8, 10.5, 12, 12.7, 12.10, 12.11	
	103-3 Evaluation of the management	12.7, 12.10, 12.11	
GRI 416: Health and safety of clients 2016	416-1 evaluation of the Impacts in the health and safety in the categories of products or services	12.7, 12.10, 12.11	
	416-2 Relative non-compliance case to the Impacts in the Bless you and safety product categories and services	There have been no cases arising from non-compliance Described.	
Marketing and labeling			
GRI 103: Approach management 2016	103-1 explanation of the theme material and his coverage	Exhibit I	
	103-2 approach of management and their Components	8, 10.1, 10.5	
	103-3 evaluation of the approach of management	10.1, 10.5	
GRI 417: Marketing and labeling 2016	417-1 Requirements for the information and the labeling of products and services	all the products services and operations of Banco Patagonia S.A.. herself are subject to the regulations of the Central Bank of the Republic Argentina commission national of values code of internship Bank Financial Information Unit and Superintendency of Insurance nation. the canals with the What the clients Have for get information or Be contacted with the bank are: - page web www.bancopatagonia.com ; - "Patagonia online", communicating by phone at number 0810 888 8500, Monday to Friday from 9 to 19hs, free of charge at 0800 777 8500 and since the outside of the country to the 54-11-4316-8500. - by mail electronic to vdelapena@bancopatagonia.com.ar and mtalavera@bancopatagonia.com.ar - by mail postal to the box of mail No. 1100 CPA C1000WAK mailcentral. - in form Custom in any of the branches of the bank.	
Customer privacy			
GRI 103: Approach management 2016	103-1 explanation of the theme material and his coverage	Exhibit I	
	103-2 Management approach and itsComponents	8, 10.5, 12.11	
	103-3 evaluation of the approach of management	10.5, 12.11	
GRI 418: privacy of the customer 2016	418-1 Substantiated Claims Relating to Violations of privacy of the customer and loss of data of the customer	No herself Have registered Claims in this sense.	
Financial Training			
GRI 103: Approach management 2016	103-1 Explanation of the material subject and itscoverage	Exhibit I	
	103-2 approach of management and management their Components	8, 14, 14.1, 14.3	

	103-3 evaluation of the approach of management	14.2	
	initiatives Made envelope education financial for groups of interest	14.3	
Financial inclusion			
GRI 103: Approach management 2016	103-1 Explanation of the material subject and itscoverage	Exhibit I	
	103-2 approach of management and their Components	8, 12.8, 14, 14.1, 14.4	
	103-3 Evaluation of the management	12.8, 14.2	
	initiatives carried out to improve the access for disadvantaged people to the financial services	12.8, 14.4	
Customer service experieencie			
GRI 103: Approach management 2016	103-1 Explanation of the material subject and itscoverage	Exhibit I	
	103-2 approach of management and their Components	8, 12.1.2, 12.7	
	103-3 Evaluation of the management	12.1.2, 12.7	
	measurement of satisfaction of clients	8.2	
Assessment of the implementation of environmental and social policies and product risk assessment procedures			
GRI 103: Approach management 2016	103-1 Explanation of the material subject and itscoverage	Exhibit I	
	103-2 approach of management and their Components	8, 16.1, 16.2	
	103-3 evaluation of the approach of management	16.2	
	quantity of Proposals of credit assessed on social and social risksEnvironmental	16.2	

Notes

Note 1

indicators envelope licenses and reinstatements	2020	
	Women	Men
Number of employees who herself took one license by maternity/paternity in 2020	95	64
Number of employees who rejoined work after their completion of their casualty by maternity or paternity in 2020	93	64
Number of employees who herself took one license by maternity/paternity in 2019	98	78
Number of employees who herself took one license by maternity/paternity in 2019, and retained his employment last twelve months since his reincorporation	88	70
Rate of return (1)	97,89	100%
Rate of retention (2)	89,79%	89,74%

(1) Formula- Employees who rejoined work after his or her withdrawal ended in 2020 / Employees took a license in 2020 *100

Independent Accountant's Limited Assurance Report on the Integrated Annual Shareholders' Letter.

To the President and Directors of
 Banco Patagonia S.A.
 Av. de Mayo 701, 24th floor
 City of Buenos Aires Taxpayer identification number (CUIT) 30-50000661-3

Information object of analysis

We have been hired by the Management of Banco Patagonia S.A. (hereinafter, "the Bank") to carry out a limited assurance assignment on the sustainability indicators reported in the "Purpose of the assignment" section of this report, which are included in the Bank's Integrated Annual Report for the year ended on December 31, 2020 (hereinafter, "the Annual Report").

Selected information

The sustainability indicators that are the subject of the limited assurance engagement are detailed below:

- Clients
- Collaborators
- Society
- Suppliers
- Environment

Management's responsibility

The Bank's Management is responsible for the preparation and presentation of the Report according to with sustainability reporting guidelines standard version of the "*Global Reporting Initiative*" (hereinafter, "GRI Standards").

In addition, the address of the bank is responsible by:

- a. the information and the Claims Contained in the memory
- b. the determination of the Objectives of the bank in relation with the development sustainable of results and of account Including the identification of the parts Interested and the affairs Significant
- c. the design the implementation and the maintenance of one control internal appropriate of way What thememory No Contains Distortions significant due to to mistakes or irregularities, and
- d. maintain Records Suitable What Support the process of information.

Auditors Responsibility's

Our responsibility is to carry out the limited assurance engagement and express a conclusion based on the work performed, in accordance with the instructions received from the Bank. We do not accept or assume responsibility to third parties other than the Bank for our work, or for the conclusions we reached in the limited assurance report. We have carried out our work in accordance with Technical Resolution No. 35 "Adoption of the International Standards for Assurance Engagements and Related Services" issued by the Argentine Federation of Professional Councils of Economic Sciences (hereinafter, "FACPCE"), in with regard to the International Standard for Assurance Engagements 3000 "Assurance Commitments Different from Auditing or Review of Historical Financial Information". These standards require that we comply with ethical requirements, including independence requirements, and that we plan and carry out our procedures to obtain limited assurance as to whether the Report does not contain significant errors.

Procedures performed

A limited assurance engagement on a sustainability report consists of making inquiries, primarily of the officials responsible for preparing the information presented in the report, performing analytical procedures, and obtaining evidence through other procedures, as deemed appropriate. These procedures included:

- Inquiries to the Management to obtain knowledge of the Bank's processes, in order to determine the relevant matters for the Bank's stakeholders.
- Interviews with the Management in relation to the sustainability strategy, the policies on significant matters and their implementation.
- Interviews with the personnel responsible for preparing the information included in the Report.
- Regarding the financial information included in "Chapter 4 - Introduction to the Bank" under the title "Banco Patagonia in numbers" indicated with (#) of the report, verification that they arise from the audited financial statements of the Bank as of December 31 2020 and for the year ended on that date.
- Inspection, on a selective basis, of documentation to corroborate certain statements of the Directorate.

A limited assurance engagement is substantially smaller in scope than a reasonable assurance or audit engagement performed in accordance with Technical Resolutions No. 35 and 32 of the FACPCE respectively, and therefore does not allow us to obtain the assurance that we will become aware of all significant matters that could be identified in an audit or reasonable assurance engagement. Accordingly, we do not express a reasonable audit opinion or assurance conclusion.

We consider that the evidence we have obtained provides a sufficient and adequate basis for our conclusion.

This limited assurance report has been prepared for the Bank's use for the purpose of assisting Management in determining whether the Bank has met the criteria of GRI Standards for an essential level of application in the preparation of the Report, and for no other purpose.

Independence

In carrying out our commission, we have met the requirements of independence of the resolution technique No. 35 of the FACPCE.

Conclusion

From the professional work described in the "Procedures Performed" section of this report, there is no evidence emerged that led us to believe that the sustainability indicators reported in the section "Object of the commissioned," Including in the memory of the bank corresponding to the exercise finalized December 31, 2020, have not been prepared, in all its significant respects, according to with the criteria of GRI Standards and with the records and files that served as the basis for their preparation.

City of Buenos Aires February 25, 2021

KPMG

Reg. Asoc. Professor. CPCECABA T°2 F°6

Mabel F. Casillas

Partner

Public Accountant (UBA)

CPCECABA T° 195 F° 103

Exhibit II – REPORT ON THE CORPORATE GOVERNANCE CODE 2020

A) ROLE OF THE BOARD DIRECTORS

Principles

- I. The Company shall be headed by a professional Board of Directors that will be in charge of stating the necessary basis to ensure the sustainable success of the Company. The Board of Directors is the Company's guardian and protects the rights of all its Shareholders as well.
- II. The Board of Directors shall be in charge of determining and promoting the corporate culture and values. When performing its role, the Board of Directors shall secure compliance with the highest ethical and integrity standards in the best interest of the Company.
- III. The Board Directors shall be in charge of ensuring a strategy inspired by the vision and mission of the Company, which is in line with its values and culture. The Board of Directors shall be constructively involved in management to help ensure the correct development, performance, monitoring and modification of the Company's strategy.
- IV. The Board Board of Directors shall control and supervise the Company's management on an ongoing basis to secure that management adopts actions towards the implementation of the business strategy and plan approved by the Board of Directors.
- V. The Board of Directors shall have the necessary mechanisms and policies in place to effectively and efficiently perform its role and that of its members.

1. The Board of Directors drives an ethical working culture and states the Company's vision, mission and values.

The best practice is applied.

The Board of Directors of Banco Patagonia (hereinafter "Banco Patagonia", the "Bank" or the "Entity") has approved a Code of Ethics, which translates the values that said Board intends to be observed and proclaimed at all levels of the organization, in the interaction with customers, with co-workers, suppliers or the community in which it operates.

The Code of Ethics has been established in order to facilitate the knowledge and understanding of the ethical and conduct principles that each of the members of Banco Patagonia must comply with in their performance, with efficiency, quality and transparency, respecting the law and the higher standards of conduct.

Through this Code, the Board of Directors declares the mission, future vision and values of the Bank, defining that "ethics is the inspiration and condition of our personal and institutional behavior."

Additionally, Banco Patagonia has a Code of Conduct, applicable to all employees in the exercise of their activities related to the role of Settlement and Clearing Agent and Comprehensive Negotiation Agent, which defines the loyalty duties with which all transactions must be performed people reached and establishes the policy and procedures corresponding to legal and ethical standards.

The Bank's Ethics Committee, dependent on the Board of Directors, is the Body that has the power to resolve interpretive questions regarding the scope of the Code of Ethics, take cognizance of the reports

arising from complaints from the "Ethics Line" complaint channel, or from the different sources of detection of behaviors that affect the principles of institutional integrity. Likewise, it is the Body in charge of annually reviewing the Code of Ethics and submitting it to the Board of Directors for approval.

Likewise, Banco Patagonia's Board of Directors approved an Integrity Policy and Program, which arises as a result of its unwavering commitment to preventing and fighting corruption; a commitment that is expressly and publicly assumed by stating its "zero tolerance" position against any act of corruption committed by any member of the Bank. Aligned with the Code of Ethics and the specific policies in force regarding the Prevention of Money Laundering and Terrorism Financing, as well as the integrity policies of our controlling Company, the Program enshrines the Bank's guiding ethical values and provides the necessary guidelines so that all members guide their daily behaviors towards ethics and integrity.

During 2020, the Principles for the management of suppliers and related third parties were issued, inspired by the values sustained in the Code of Ethics. Said Code, as well as the Policy and the Integrity Program are published on our website (www.bancopatagonia.com.ar/institucional/banco-patagonia/etica-e-integridad.php)

Likewise, and considering the context generated by the COVID-19 pandemic, the Board of Directors promoted the changes necessary to implement remote work in the Bank as well as the other changes required by current regulations, as mentioned in the Integrated Annual Report, in which this Report is included as Exhibit II.

2. The Board of Directors establishes the general strategy of the Company and approves the strategic plan developed by management. Accordingly, the Board of Directors considers environmental, social and corporate governance factors. The Board of Directors supervises its implementation by using KPI and considering the best interest of the company and all its shareholders.

The best practice is applied.

As stated in the Corporate Governance Code, the Board of Directors is responsible for establishing the global business strategy and within this framework approves the Strategic Plan. It is prepared with the participation of all the Superintendencies, the Executive Management of Planning, Brand and Communication, the Executive Management of Human Development and Organizational Climate and the Executive Management of Technology, Communications and Systems, considering the variables of the macroeconomic context, partner -political and regulatory, as well as the Bank's capabilities in relation to its competitive environment, determining as a result a new strategic guideline made up of a purpose, a vision of the future, values and a strategic map made up of corporate results based on growth and digital transformation, business and human development goals.

The Board of Directors monitors the execution of the Strategic Plan, verifies the implementation of strategies and policies, the fulfillment of the budget and controls the performance of the managements in relation to the objectives set and the expected profits. On a monthly basis, a "dashboard" is distributed and analyzed among the Directors and first-line managers that summarizes the evolution of the main variables, business lines and indices, comparing them with the budgeted parameters.

Banco Patagonia is a signatory of the Sustainable Finance Protocol, signed together with other Argentine Financial Entities, which identifies sustainability as a guide for the financial sector. It seeks to facilitate and promote the implementation of best international practices and policies that promote an integration between economic, social and environmental factors, to guide the sustainable development of the financial industry.

3. The Board of Directors supervises management and ensures that an internal control system is adequately developed, implemented and maintained including clear reporting lines.

The best practice is applied.

The Superintendency of Credits, Risk Management and Internal Controls, which depends on the Board of Directors, is in charge of the Operational Risk, Internal Controls and Compliance Management. The Head of Internal Controls depends on said management, whose mission is to establish and execute the procedures aimed at monitoring internal controls in order to ensure the efficiency, effectiveness and quality of the different processes of the Bank and its Subsidiaries.

The Board of Directors is responsible for ensuring that Senior Management carries out appropriate and consistent monitoring of the implementation of its policies, strategies, compliance with the budget and performance of the same with the set objectives and the expected profits. To this end, controls and indicators have been established to detect deviations, variations and control management, which are monitored by the Operational Risk Committee.

For their part, the members of Senior Management are the highest operational managers for the implementation, administration and monitoring of the minimum internal control standards. Following the best practices of the COSO Framework (Committee of Sponsoring Organizations of the Treadway Commission), the Board of Directors established a scheme of three Lines of Defense whereby the first line (Process Owners) owns the risks, their management and of the implementation of corrective actions to deal with process and control deficiencies, to maintain an effective internal control executing the control procedures on the risks constantly on a day-to-day basis. A second line in which various risk management and compliance functions are established to help create and / or monitor the controls of the first line of defense (ex: Internal Controls); and finally a third line that is made up of Internal Audit, which provides senior management with a comprehensive assurance based on a high level of independence and objectivity within the Organization.

4. The Board of Directors designs the structures and corporate governance practices, appoints staff responsible for the implementation thereof, monitors the effectiveness thereof and recommends changes, if necessary.

The recommended practice is applied.

As defined by General Resolution No. 797 of the CNV, Corporate Governance is the set of practices, processes and structures by which the Companies are directed and controlled, clarifying that the Organization for Economic Cooperation and Development (OECD) adds that corporate governance "involves a series of relationships between the Company's management, its Board of Directors, shareholders and other interested parties."

The Board of Directors of Banco Patagonia is in charge of the administration of the Bank and as it emerges from the minutes of the Board of Directors resulting from its meetings, it makes all the decisions related to that purpose, being able to affirm that as part of this process, it designs the structures and practices corporate governance and those responsible for its implementation.

The Board of Directors approved a Corporate Governance Code, which is reviewed annually to evaluate whether it is appropriate to the profile, complexity and economic importance of the Bank. From the same arise the functions of the Board of Directors, Senior Management, Committees, Audits, Internal Control and the main policies of the Entity.

As detailed in Practice 9, the Executive Management of the Secretary of the Board of Directors, is the area dependent on the Board of Directors that exercises an administrative and organizational function of the corporate aspects of both the Bank and its controlled companies, assisting the members of the Board of Directors, to the Shareholders and the members of the Supervisory Committee in the formal aspects of the operation of the Bodies they comprise. The Head of "Corporate Governance and Advice to the Board of Directors" depends on said Management, whose mission is to advise and assist the Board in its function of ensuring compliance with the Corporate Governance policy.

The Internal Controls area carries out an annual review procedure for this Report.

5. **The members of the Board of Directors have sufficient time to discharge their duties professionally and efficiently. The Board of Directors and its committees have clear and formalized rules for operation and organization, which are disclosed on the Company's website.**

The recommended practice is applied.

The members of the issuer's Board of Directors have enough time to perform their duties in a professional and efficient manner.

Each of them has been evaluated and authorized by the Central Bank of the Argentine Republic, which has considered the conditions of legal ability, suitability, competence, probity, experience in financial activity and the possibility of functional dedication. Additionally, the Bank's Board of Directors approved a control procedure applicable to itself and its controlled companies, so that these conditions can be verified annually. Notwithstanding what is stipulated in the Laws and regulations of applicable control bodies, the rules that govern the actions of the Board of Directors are established in the Bylaws and in the Internal Regulations for operation, integration, duration of mandates, inabilities and incompatibilities, appointment of the President and Vice Presidents, call to meetings, periodicity of the same, quorum and votes, remote meetings, functions and powers, legal representation, role of the Executive Management of the Secretary of the Board of Directors, etc.

During the 2020 financial year, the Board meetings were held complying with the regulated periodicity, which had a high participation of its members. As of April, by virtue of the measures decreed by the National Executive Power for the prevention of COVID-19, the meetings were held remotely in accordance with the provisions of the twelfth article of the Social Statute and the applicable regulations.

With respect to the Committees created by the Bank's Board of Directors with the objective of maintaining an adequate organization, control and monitoring of the activities inherent to the management, each of them, whose details are published on the Bank's website (Committee of : CNV Audit; BCRA Audit; Control and Prevention of Money Laundering and Terrorism Financing; Protection of Users of Financial Services; Information Technology; Security and Protection of Assets; Operational Risk; Global Risk; Human Development; Business; Ethics; Quality ; Directorate; Security, Architecture and Administration of Assets), has a Regulation that establishes its attributions, composition and operating rules. These rules establish, among other issues, the periodicity of the meetings, the anticipation to make the calls and thus have enough time to have the information to be discussed, the necessary quorum -which requires the participation of at least one Director for each Committee as Vice-President or President-, the possibility of remote meetings. Said Regulations are published in the Bank's internal rules system.

B) THE BOARD OF DIRECTORS' CHAIRMAN AND THE CORPORATE SECRETARIAT.

Principles

- VI. The Board of Directors' chairman is in charge of securing effective compliance with the functions of the Board of Directors and leading its members. The Chairman shall generate positive dynamics of the workload and promote a constructive participation of its members as well as ensure that the members have the necessary information for decision-making. This is also applicable to the presidents of each of the Board's committees as to their concerns.

- VII. The Board's Chairman shall head the processes and establish structures in search of commitment, objectivity and competence of the Board members, and of the best operation of the body as a whole, by introducing the necessary changes, when required for the interests of the Company.
- VIII. The Board of Directors' Chairman shall warrant that the whole Board is involved in every concern and be responsible for the succession of the general manager.

6. The Board of Directors' chairman is responsible for the organization of the Board's meetings, prepares the agenda by involving other members and is concerned with the availability of information to the other members well in advance of the meeting to be able to participate on an efficient and informed basis. The presidents of the committees share the same responsibilities as to their meetings.

The recommended practice is applied.

As stated in the Bank's Corporate Governance Code, the Chairman of the Board is responsible for ensuring the proper functioning of the Board. For this he must:

- Ensure that the Board of Directors meets its objectives by assigning specific responsibilities among its members.
- Ensure an adequate flow of information among its members.
- Ensure compliance with the corporate governance policy, as well as its continuous supervision and surveillance.
- Organize Board meetings.

In order to achieve productive Board meetings, the President is assisted by the Executive Management of the Secretary of the Board of Directors, as explained in Practice 9 of this Report. With his assistance, the agenda for the meetings held in each annual cycle is established, including the pertinent matters whose consideration has been requested by any of the Vice-Presidents or by the heads of each of the Committees. It is the mission of the President to stimulate debate and determine the information that is necessary at all times to ensure that Directors can form an opinion and stay informed on matters within their competence.

The call to Board meetings must be made in writing at least two (2) business days in advance, as stipulated in the Bylaws. With respect to the Shareholders' Meetings, the notification and announcement procedures are carried out, complying with the procedures regulated by the General Law of Companies No. 19,550, and by the Capital Market Law No. 26,831, regulated by Resolution No. 622/13 of the CNV. During 2020, by virtue of the measures decreed by the National Executive Power for the prevention of COVID-19, the Shareholders' Assembly was convened and held in compliance with Resolution No. 830 of the CNV.

With respect to the Committees created by the Bank's Board of Directors, each of them has internal operating regulations, through which a "Coordinator" is appointed who is in charge, among other tasks, of convening and preside over the meetings, authorize the inclusion of topics that require a decision outside the deadline set for the development of the meeting guideline, evaluate and define the topics that will be discussed at the meetings, and authorize the participation of guests. Likewise, each Regulation specifies the deadline to be met for the corresponding calls.

7. The Board of Directors' Chairman ensures the adequate internal operation of the Board by implementing a formal evaluation process on an annual basis.

The recommended practice is applied.

Annually, prior to the Shareholders' Meeting, under the coordination of the Executive Management of the Secretary of the Board of Directors, a self-evaluation of the performance of the Board is carried out, which contains

a questionnaire so that each member of the Board of Directors can carry out a performance evaluation of the Board as a whole, and from the 2020 evaluation an individual self-evaluation. A report of results is prepared from these surveys, which is later formally known at a Board meeting.

On the other hand, the Internal Audit in its corporate governance review cycle performs the evaluation of the tasks related to the application of the Corporate Governance Code, among which the performance of the Committees is evaluated.

8. The Chairman generates a positive and constructive environment for all the Board members and ensures that they receive ongoing training to keep up with updates and be able to adequately fulfill their duties.

The recommended practice is applied.

The President creates a positive and constructive work space for all members of the Board of Directors and ensures that they receive continuous training to keep up to date and be able to correctly fulfill their functions.

With regard to training, there is an annual plan aimed at Directors, Superintendents and Managers. The 70/20/10 Learning Theory has been adopted for all Bank members as an organizational learning approach, which states that 70% of what adults learn is through challenges and experiences, 20% of the others that surround them (leaders, peers) and only 10% in courses and readings. The Training and Development area proposes activities designed to promote this type of learning under the premise of promoting self-development and growth of all employees.

In particular, for Directors, Superintendents and Managers, these activities are aimed at updating and training in new market trends. During 2020, considering the particular circumstances of isolation / social distancing derived from COVID 19, the following activities could be carried out:

- Monthly economic update conferences by external consultants.
- Training on Money Laundering Prevention issues.
- Language training program: English, Portuguese and Spanish.
- Meetings of Commissions specialists in the Association of Banks of Argentina (ABA).

9. The corporate secretariat supports the Board of Directors' chairman in the effective management of the Board and cooperates with the communication among shareholders, the Board and management.

The recommended practice is applied.

As explained in Practice 4, the Bank has its structure with an area that depends directly on the Board of Directors called Executive Management of the Secretary of the Board of Directors. It exercises an administrative and organizational function of the corporate aspects of both the Bank and its controlled companies, assisting the members of the Board of Directors, the Shareholders and the members of the Supervisory Committee in the formal aspects of the operation of the Bodies they comprise.

Three Headquarters report to said Executive Management: "Secretary of the Board", with the mission of assisting the members of the Board of Directors and the Entity in matters within their powers, in order to monitor the decision-making process and ensure regulatory compliance of the decisions taken; "Corporate Governance and Advice to the Board of Directors", whose mission is to advise and assist the Board of Directors in its function of ensuring compliance with the Corporate Governance policy; "Attention to Subsidiary Companies", with the mission of assisting the Shareholders, members of the Board of Directors and the Supervisory Committee of the companies controlled by the Bank, in order to complete the formal aspects required for their operation and intervene in all their corporate aspects.

Other functions in charge of the area include: organizing Shareholders' Assemblies, Board meetings and Supervisory Committee meetings, analyzing and preparing the agenda for said meetings and preparing the resulting Minutes, meeting the needs of shareholders, related to issues corporate governance and other issues of interest, analyze the regulations issued by the different control bodies, focusing attention on those that impact on governance issues, keeping the Corporate Governance Code updated, participate and accompany the Organization on all issues related to the information that involves the members of the Board of Directors, Make all the presentations of information before the control bodies related to the Bank's corporate matters, ensure compliance with the corporate procedures in general and those related to the members of the Bank's Board of Directors. before the different control bodies, art Identify matters related to investee companies.

10. The Board of Directors' chairman warrants that the whole Board is involved in the development and approval of a plan for the succession of the general manager of the company.

The recommended practice is applied.

The Board of Directors of Banco Patagonia has approved an organizational macrostructure, in which the daily administration and supervision of all managerial and operational levels is decentralized in Senior Management, which is made up of the following areas:

- Superintendency of Business with Companies
- Superintendency of Branch Network and Business with People
- Superintendency of Finance, Administration and Public Sector
- Superintendency of Credits, Risk Management and Internal Controls
- Superintendency of Operations
- Superintendency of Digital Businesses
- Executive Management of Human Development and Organizational Climate
- Executive Management of Technology, Communications and Systems
- Executive Management of Planning, Brand and Communication
- Executive Management of Legal Affairs
- Executive Management of the Secretary of the Board of Directors
- Asset Laundering Prevention Management
- Information Security and Protection of Information Assets Management
- Internal Audit Management

In order to strengthen and develop the skills of its leaders and prepare them to fill eventual vacancies, through the Executive Management of Human Development and Organizational Climate, training actions in strategy and leadership are carried out, aimed at all Superintendents, Executive Managers , Regional Managers and Area Managers. Since 2019, through reports made by an external consultant hired especially for this purpose, there is collected and systematized information on the professional profiles of Superintendents and Executive Managers, thus allowing identifying strengths and areas for improvement of each of them. During 2020, we continued working on this project, with the information obtained and through individual coaching sessions, each member of the Senior Management was able to work on the design of a development plan aligned with the strategic plan of the year, as well as in the areas improvement identified.

C) BOARD MEMBERS, APPOINTMENT AND SUCCESSION

Principles

- ix. The Board of Directors shall have the adequate levels of independence and diversity to make decisions for the best interest of the Company, avoiding groupthink and decisions adopted by dominant individuals or groups within the Board.

- X. The Board of Directors shall ensure that the Company has the formal procedures for the proposal and appointment of candidates to fill in vacancies in the Board of Directors within a succession plan.

11. The Board of Directors has, at least, two members that are independent in accordance with the criteria in force established by the CNV.

The recommended practice is applied.

In accordance with current criteria established by the National Securities Commission, the Bank's Board of Directors has two independent members in office.

It should be clarified that, according to Communication "A" 7143 and 7169 of the BCRA, Banco Patagonia cannot have Directors who fulfill executive functions in the Entity.

12. The Company has an Appointment Committee that has, at least, three (3) members and is headed by an independent director. If the Appointment Committee is headed by the Board's chairman, he /she will abstain from participating in the debate leading to the appointment of his/her own successor.

Banco Patagonia has formal mechanisms for the proposal and nomination of candidates to occupy a position on the Board of Directors, as mentioned in the principle that inspires this practice. The appointments and removals of the Board of Directors are resolved by the Ordinary Shareholders' Meeting, as provided in art. 234 of the General Law of Companies No. 19,550, in compliance with said Law, the Law of Financial Institutions, the BCRA regulations on Authorities of Financial Institutions, the regulations of the CNV and the Bylaws, regarding the prohibitions and incompatibilities for exercise the position of Director.

It should be clarified that the BCRA, as the controlling body of the Financial Institutions, evaluates the conditions of legal ability, suitability, competence, probity, experience in financial activity and the possibility of functional dedication of the proposed members of the Board of Directors. These conditions must be maintained throughout the period of performance in office. The corresponding information is presented to the BCRA for approval, at least 60 days in advance of the date scheduled for the holding of the Assembly that will deal with its designation, or within 30 calendar days after its designation.

When no new evaluation is available by the BCRA, the Financial Institutions must certify annually that their Directors maintain the conditions required by said Body for the performance of the position. For this, the Board of Directors approved a procedure applicable to itself and its Controlled Companies so that these conditions can be verified every year.

13. The Board of Directors, through the Appointment Committee, develops a succession plan for its members that guides the preselection of candidates to fill in vacancies and considers the recommendations, not binding, made by its members, the general manager and the shareholders.

As detailed in Practice 12, the appointments and removals of the Board of Directors are resolved by the Ordinary Shareholders' Meeting.

Likewise, the members of the Board of Directors of Banco Patagonia make up a diverse group, with a combination of professional experience, age and geographical origin, aligned to the needs of the Bank, which allow them to make decisions in the best interest of the company, avoiding groupthink and decision-making by dominant individuals or groups.

As of December 31, 2020, the Board of Directors was made up of eight regular members, of which three are Argentine and five are foreigners; their ages are between 43 and 68 years old, and the most outstanding thing is the diversity of professional experience that each one of them has.

14. The Board of Directors implements a guidance program for its new elected members.

The recommended practice is applied.

The Executive Management of the Secretary of the Board of Directors is the area in charge of assisting the members of the Board of Directors from the moment they become aware of their possible appointment or effective assumption. From that moment on, they are contacted, not only to require the documentation required by the control bodies, but also to support them in their incorporation into the Bank, with administrative issues, presentations, explanations and any need that they manifest, before and during the year of your position.

During 2020, the Orientation Program for new elected members was updated.

D) COMPENSATION

Principles

- xi. The Board of Directors shall generate incentives by means of the compensation so that management –headed by the general manager– and the Board of Directors be aligned with the long-term interests of the Company in order that all directors equally meet their duties in relation to the shareholders.

15. The Company has a Compensation Committee that has, at least, three (3) members. These members are independent or they do not hold executive positions.

The recommended practice is applied.

The Entity has a Human Development Committee, made up of: the Chairman of the Board, two Directors with the character of Vice-Presidents and an independent Director, all with voting rights, and by the Executive Manager of Human Development and Organizational Climate and the Executive Manager Secretary of the Board of Directors, both without voting rights.

As explained in Practice 11, according to Communication "A" 7143 and 7169 of the BCRA, Banco Patagonia cannot have Directors who fulfill executive functions in the Entity, with which of the four members with voting rights, all are non executives and one of them is also independent.

The topics discussed in the Committee meetings are formalized in minutes that are submitted monthly to the Board of Directors for their knowledge.

16. The Board of Directors through the Compensation Committee provides for the compensation policy for the general manager and the Board members.

The recommended practice is applied.

The Bank's Board of Directors has approved a compensation policy that has been established in such a way as to:

- comply with current legislation,

- preserve internal equity,
- adopt a competitive position with respect to the comparable market,
- have trained and motivated staff.

It includes a fixed remuneration, established according to the level of responsibility and professional trajectory of each collaborator, adjusted by conventional joint negotiations, and may additionally include a variable compensation, as a commercial incentive or commission for the Commercial Areas, or as a concept of gratification.

The Human Development Committee has the authority to review and propose to the Board of Directors the approval of all policies related to compensation.

In order to mitigate potential risks, the Bank does not promote general economic incentive schemes of a short-term remunerative nature, linked to future income of uncertain effectiveness.

With regard to remuneration (fees) to the Board of Directors, a policy has been approved, establishing the responsibility of setting said fees to the Shareholders' Meeting, in accordance with the provisions of article 261 of the General Law of Companies No. 19,550. In determining such remuneration, responsibilities, time devoted to duties, experience and professional reputation must be taken into account. This criterion is based on the fact that the level of remuneration should be that which is considered necessary to attract, retain and motivate Directors who meet the conditions required to perform said function.

The possibility of granting other types of benefits such as equity participations is not contemplated.

E) CONTROL ENVIRONMENT

Principles

- XII. the directory Must assure the existence of one environment of control compound by Controls Internal Developed by the management the audit internal the management of risks the compliance regulatory and external audit, which establishes the lines of defense necessary to ensure integrity in the operations of the company and of their Reports Financial.
- XIII. The Board should ensure the existence of a comprehensive risk management system that allows to the management and to the directory direct efficiently to the company towards their Objectives Strategic.
- XIV. The Board shall ensure the existence of a person or department (depending on the size and size complexity of the business, the nature of its operations and the risks it faces) person in charge of the audit internal of the company. this audit for evaluate and audit the Controls corporate governance processes and the company's risk management, must be independent and Objective and have their lines of account clearly Established.
- XV. The Board Audit Committee shall be composed of qualified and experienced members, and Must fulfill with his Functions of transparent form independent.
- XVI. The Board should establish appropriate procedures to ensure independent action and effective of the Auditors External.

17. The Board of Directors determines the appetite for risk of the company while it supervises and ensures the existence of an integral risk management system that identifies, assess, decides the course of action and monitors the risks faced by the company, including, among others, the environmental and social risks as well as those inherent to the business in the short and long term.

The recommended practice is applied.

The Entity has policies and processes to manage exposure to the different risks inherent to its activity, based on the strategic definitions emanating from the Board of Directors, especially in relation to appetite and tolerance for risk.

The Bank has implemented a comprehensive risk management process in accordance with the guidelines established by Communication "A" 5398 and complementary ones. Through these principles, a series of procedures and processes have been defined that make it possible to identify, measure and assess the risks to which the Entity is exposed, seeking consistency with its business strategy.

Credit, liquidity, market, interest rate, strategic, reputational, operational, technology and model risks are the main risks to which the Entity is exposed. In addition, the Entity assesses and monitors the risks related to information security and the prevention of money laundering and terrorist financing. Likewise, environmental and social risks are evaluated in the credit operations analysis process.

The Board of Directors defines the appetite for risk and the associated tolerance limits. With the support of the Committees, the Board of Directors supervises the Comprehensive Risk System, defines the global objectives expressed in goals and limits for the business units within the framework of the risk appetite setting and control process. Among the different Committees related to risk management, we can mention the: Operational Risk Committee, Global Risk Committee, Committee on Information Security and Protection of Information Assets and Committee for the Control and Prevention of Money Laundering and Terrorism Financing.

Finally, the Superintendency of Credits, Risk Management and Internal Controls, together with the Management and Areas that comprise it, is responsible for the comprehensive management and monitoring of the various risks assumed by Banco Patagonia.

18. The Board of Directors monitors and reviews the effectiveness of the independent internal audit and guarantees the resources for the implementation of an annual risk-based audit plan and a direct reporting line to the Audit Committee.

The recommended practice is applied.

Banco Patagonia's Internal Audit Management is independent from the management areas and reports directly to the Audit Committee. It has a permanent and qualified structure and an independent budget.

The Internal Audit plan is presented annually to the Audit Committee for its review and approval. The guidelines for exercising its function are contained in the Audit Manual, which is approved by the Committee and the Board of Directors and is periodically updated.

The Board of Directors, among other functions set forth in the Corporate Governance Code, promotes periodic meetings with the Internal Audit, through the BCRA and CNV Audit Committee, to review the results arising from the monitoring of internal control.

Said Committees are composed as follows:

BCRA Audit Committee:

Composed of five (5) members with voting rights, namely:

- Two Directors with the character of Vice President.

- Two Directors Independent.
- Manager of audit internal.

Committee of Audit – CNV:

Integrated by (3) limbs with right to vote to know:

- Two Directors Independent.
- One director with character of vice-president.

19. The internal auditor or the internal audit department member are independent and highly qualified.

The recommended practice is applied.

As mentioned in practice 18, Banco Patagonia's Internal Audit Management is independent from the management areas and reports directly to the Audit Committee. The members of said Management have extensive experience in the field and an important level of training in accordance with the requirements of the function they perform.

Additionally, the Internal Audit Manual contemplates the permanent training of its members, considering that the study of new techniques and constant professional and general updating is one of the essential requirements to maintain the quality of the Audit work.

In this sense, the Board of Directors encourages permanent training by authorizing courses and seminars for updating and improvement. The Internal Audit Manager will establish the most convenient schedules, quotas, subjects and recipients to carry out the training.

20. The Board of Directors has an Audit Committee that acts upon the applicable rules. The Committee is mainly made up of, and presided over by independent directors, and does not include the general manager. Most of its members have professional experience in financial and accounting areas.

The recommended practice is applied.

Banco Patagonia has two Audit Committees, the CNV Audit Committee, under the rules of the National Securities Commission, and the BCRA Audit Committee, under the rules of the Central Bank of the Argentine Republic. Both Committees are governed by the rules of said Controlling Bodies, as appropriate, and by their Internal Operating Regulations.

The CNV Audit Committee is made up of three Directors, of which two are independent and said Directors exercise the Chairmanship and Vice-Chairmanship of the Committee.

The BCRA Audit Committee is made up of five members: two Directors with the character of Vice President, two independent Directors and the Internal Audit Manager.

It should be clarified that most of the members of both Committees have professional experience in financial and accounting areas.

21. The Board of Directors, in consultation with the Audit Committee, approves the policy for the selection and monitoring of external auditors, which includes the aspects to be considered at the time of making a recommendation to the Shareholders' meetings on the reappointment or replacement of the external auditor.

The Board of Directors has established specific procedures to ensure the independent and effective performance of the External Auditors, as established in the Principle that inspires this Practice and in the requirements established in this regard by the current BCRA regulations. The Board of Directors of Banco Patagonia is assigned, among other functions, to exercise due diligence in the hiring process and monitoring of the work of External Auditors.

In accordance with the Internal Operating Regulations of the CNV Audit Committee, this Committee must give its opinion regarding the Board's proposal for the appointment of external auditors to be hired by the Bank and ensure their independence, review their plans and evaluate their performance, issue an opinion in this regard on the occasion of the presentation and publication of the annual financial statements, and analyze the different services provided by them and their relationship with independence in accordance with current regulations.

Additionally, according to its internal operating regulations of the BCRA Audit Committee, this Committee must periodically review compliance with the standards of independence of external auditors, recommend to the Board of Directors the candidates to perform as external auditor of the Entity, as well as the contracting conditions, detailing the opinion of the Audit Committee in relation to the proposed appointment or removal of the external auditors, which must contain at least an evaluation of the antecedents considered and the reasons that support the appointment of the public accountant in the position, periodically verify that they carry out their work in accordance with the contracted conditions, analyzing their performance and verifying compliance with the requirements of the Board of Directors and the BCRA, analyzing and giving their opinion, prior to their hiring, regarding the different services provided in the Entity and its relationship with independence, according to c on the auditing standards established by the FACPCE and in all other regulations that, in this regard, dictate the authorities that control the professional registration.

F) ETHICS, INTEGRITY AND COMPLIANCE

Principles

- XVII. The Board of Directors shall design and establish appropriate structures and practices to promote a culture of ethics, integrity, and compliance to prevent, detect, and address any serious corporate or personal misconduct.
- XVIII. The Board of Directors shall ensure that formal mechanisms be in place to prevent and, otherwise, deal with conflicts of interest that might arise from the company's management. There shall be formal procedures aimed at ensuring that related transactions are performed in the best interest of the company and that all shareholders are treated equally.

22. The Board of Directors approved a Code of Ethics and Conduct that reflects the values and principles of ethics and integrity, as well as the entity's culture. The Code of Ethics and Conduct is communicated and applicable to all directors, managers and employees of the entity.

The recommended practice is applied.

As mentioned in practice 1, the Board of Directors of Banco Patagonia has approved a Code of Ethics, communicated to the entire Organization, in order to facilitate the knowledge and understanding of the ethical and conduct principles that each member of the Bank must observe in its performance, respecting the highest standards of conduct, working with efficiency, quality and transparency, being the basis for ethical behavior with customers, suppliers, control bodies and the community in which it operates.

Likewise, the Board of Directors has approved the creation of an Ethics Committee, the purpose of which is to resolve questions related to the interpretation and scope of the Code of Ethics, and to review it annually with the aim of reflecting the Bank's ethical culture year after year. Additionally, this Committee takes

conocimiento de los reportes que surgen del Canal de denuncias "Línea Ética" o de las diferentes fuentes de detección de comportamientos que afecten los principios de integridad institucional.

De manera complementaria Banco Patagonia cuenta con un Código de Conducta, aplicable a todos los empleados en el ejercicio de sus actividades relacionadas con el rol de Agente de Liquidación y Compensación y Agente de Negociación Integral, que establece la política y los procedimientos correspondientes a las normas legales y éticas aplicables.

23. The Board of Directors regularly establishes and reviews an Ethics and Integrity Program based on the risks, size and economic capacity. The plan is visibly and unequivocally supported by Management, which appoints an internal manager to develop, coordinate, supervise and periodically evaluate the effectiveness of the program. The program provides: (i) regular training for directors, managers and employees on issues related to ethics, integrity and compliance; (ii) internal channels to report misconducts, available to third parties and duly communicated; (iii) a policy to protect whistleblowers from retaliation; and an internal investigation system that respects the rights of those investigated and imposes effective penalties for the violations of the Code of Ethics and Conduct; (iv) integrity policies applicable to bidding processes; (v) mechanisms for regular risk analysis, monitoring and evaluation of the Program; and (vi) procedures to verify the integrity and background of third parties or business partners (including due diligence for the verification of irregularities, illegal acts or the existence of vulnerabilities during the processes of corporate transformation and acquisitions), including suppliers, distributors, service providers, agents and intermediaries.

The recommended practice is applied.

The Board of BP approved in 2019 the Integrity Program (PDI), drawn up based on the ethical principles embodied in the Code of Ethics. The preparation of the PDI was entrusted by the Board of Directors to an interdisciplinary team led by the Compliance area and made up of different Managements tangentially involved in the Integrity issue. In this, the support and unequivocal involvement of the Board with the PDI is manifested. This document collected, to a large extent, already existing policies and practices in the Entity, and promoted the creation of new prevention mechanisms against possible acts of corruption. The figure of Superintendent of Credits, Risk Management and Internal Controls was appointed as Internal Responsible of the PDI who, based on a permanent monitoring and evaluation of the Program, reports directly to the Board on the news and advances of the same.

The PDI comprehensively addresses the different elements provided for in the legal entity's criminal liability regulations. In this regard, it contains provisions on:

- i) Periodic training for all members of the Entity.
- ii) Ethics Line, a reporting channel provided by BP for both collaborators and suppliers.
- iii) Action protocols related to the protection of whistleblowers in good faith, and procedures for the investigation of crimes and fraud. On the other hand, and as defined in the Code of Ethics, the disciplinary / sanctioning regime is openly communicated.
- iv) Procedure Manual for Bidding Processes.
- v) Provision of periodic monitoring of the PDI, in charge of the Operational Risk, Internal Controls and Compliance Management.
- vi) Due diligence procedure for suppliers, which details the prior evaluation of integrity requirements that all suppliers or related third parties must go through.
- vii) Provisions related to the necessary due diligence in mergers and acquisitions processes.

24. The Board of Directors ensures the implementation of formal mechanisms to prevent and address conflicts of interest. In the case of related transactions, the Board of Directors approves a policy on the role of each corporate body and defines how to identify, manage and disclose transactions that are detrimental to the Company or to certain investors.

The recommended practice is applied.

The conflict of interest occurs when a person fails to fulfill a duty that falls to the organization, for the benefit of another interest that prioritizes for personal reasons.

In addition to what is described in Practices 3, 17, 18 and 23, Banco Patagonia's Board of Directors has considered the issue of "conflict of interest" in the following documents:

- Policy for holding acts or contracts between Banco Patagonia and a related party for a relevant amount: defines the concepts "related party" and "relevant amount", and establishes the procedure to be followed for the approval and disclosure of an operation of this type.
- Code of Ethics: possible cases of conflict between personal interests and the interests of the business or its clients that should be avoided are identified. Likewise, this Code allocates a point to the confidentiality of the information with which all members of the Bank must deal.
- Code of Conduct: defines the loyalty duties with which all persons must perform in the exercise of their activities related to the role of Settlement and Clearing Agent and Comprehensive Negotiation Agent, in order to avoid possible conflicts of interest. Likewise, it defines the aspects related to the use of privileged or reserved information and the duty to keep it confidential.
- Corporate Governance Code: contemplates the conflict of interest between the shareholders and the Bank, when a particular issue is discussed at the Shareholders' Meeting. Additionally, this Code contemplates the duties of loyalty and diligence that Directors must have in the field of public offering, and provides that they must refrain from making decisions when there is a conflict of interest, which prevents them from performing their position adequately and objectively.
- Policy on Advertising and Communication of Information: contemplates the duty to keep strict reserve for all persons who, by reason of their position, activity, position or relationship have information about the development or business of the Bank or its Subsidiaries, provided that the It has not been publicly disclosed and that due to its importance may affect the placement of negotiable securities or the course of their negotiation in the Markets.
- Integrity Program: it consists of an articulated system of actions, mechanisms and procedures that Banco Patagonia has, aimed at promoting integrity and preventing, detecting, correcting and eventually punishing improper conduct or illegal acts, in particular those reached by Law 27,401 of Criminal Liability of Legal Persons, which could be carried out by an official or a third party in the interest or benefit of the Bank.

G) SHAREHOLDERS AND STAKEHOLDERS ENGAGEMENT

Principles

- XIX. The Entity shall provide an equal treatment to all shareholders. It shall ensure equal access to non-confidential information that is relevant for decision making at the Shareholders' Meeting.
- XX. The Entity shall provide adequate information and promote the active engagement of all shareholders, especially in relation to the appointment of directors.
- XXI. The Entity shall have a transparent dividend distribution policy in line with its strategy.
- XXII. The Entity shall consider the interest of stakeholders.

25. The Entity's website discloses financial and non-financial information, providing timely and equal access to all investors. The website includes a section to provide support to investors.

The recommended practice is applied.

Banco Patagonia has a public access website (www.bancopatagonia.com.ar), in which it publishes and updates its financial, institutional and market discipline information.

In this site, you can find information about the history of the Bank, Bylaws, shareholding composition, quarterly and annual financial information, authorities, institutional presentations, social responsibility, money laundering prevention policies, Code of Ethics, Policy and Program of Integrity, Integrated annual report and report of the Corporate Governance Code, etc.

The Bank has established the Investor Relations function, whose mission is to guarantee the investing public access to the Bank's strategic vision and information. Their functions are:

- Maintain fluid contact with current or potential investors, local and foreign, to communicate the current situation of the Bank and its future strategy.
- Have meetings with current or potential investors to increase the relationship with them and improve management.
- Maintain the relationship with the risk rating agencies, informing them of the Bank's action plans.
- Comply with the other functions assigned to it in order to achieve the Bank's objectives in matters of its competence.

Contact with the Investor Relations Manager can be made by telephone or by email at investors@bancopatagonia.com.ar.

26. The Board must ensure that there is a procedure for identifying and classifying its parts Interested and a channel of communication for it.

The recommended practice is applied.

According to the Glossary of Annex III of CNV Resolution No. 797/2019, an "interested party" is defined as a party that has an interest in the operations and results of the Company, such as consumers, employees, NGOs, the community, the State, suppliers, among others. Additionally, we must consider shareholders and controlled companies.

Banco Patagonia carries out an identification of its stakeholders, which allows it to dialogue and maintain fluid contact, understand their needs and expectations regarding the business, and its products and services. This identification process is carried out with the following criteria: legal, financial and operational responsibilities, influence in the achievement of its goals, closeness, dependence and representation of other people such as local community leaders, as detailed in the point 8.1 of the integrated annual report.

27. Before the Shareholders' Meeting, the Board of Directors provides the shareholders with a "draft information package", which enables shareholders –through a formal communication channel– to make non-binding comments and giving opinions contrary to the recommendations of the Board of Directors. Accordingly, at the time of providing the "final information package", the Board of Directors expressly responds to the comments received, if it considers it necessary.

The recommended practice is applied.

Annually, the Board of Directors presents the results of its management with the issuance of the audited Financial Statements and the Integrated Annual Report (Report plus Corporate Social Responsibility Report) which are available to shareholders prior to the Assembly that must consider them. This last document includes financial and non-financial information of the Bank, data related to the governance structure, authorities, those responsible for the different business areas, information on corporate governance, and corporate social responsibility, the most important aspects of the management that occurred in the

year, reasons about the current state of business, future projections and reasons for significant variations in assets, liabilities and results, among others.

It is worth mentioning that the Bank issues and publishes its separate and consolidated quarterly financial statements, with a limited review report from the External Auditor, and after the issuance of each Financial Statement, quarterly or annually, holds a free access telephone conference to the interested parties, through which the presentation regarding the results is made.

As stated in Practice 28, there is a high percentage of shareholder participation in the Bank's Assemblies. Not only can we affirm that there is no restriction whatsoever for them to participate as well as for them to have a voice and vote. The supporting documentation for the topics included in the Call, as the case may be, is published on the Bank's website and on the CNV's Financial Information Highway, as well as the Board's proposals for each point. The channel enabled for any type of clarification or additional request can be channeled through the Head of Investor Relations, as explained in Practice 25, or to the email address informed in the Call to Meeting.

28. According to the Bank's bylaws, shareholders can receive information packages for the Shareholders' Meeting through virtual means and participate in such meeting by using electronic means of communication that enable the simultaneous transmission of sound, images and words, thus ensuring equal treatment to participants.

During 2020, work was carried out on a project to modify the Bank's Bylaws to include the possibility of holding Shareholders' Assemblies remotely. It is estimated that this project will be proposed to the next Shareholders' Meeting.

Until 2019, the Shareholders' Meetings were held in person, with a high percentage of participation. In 2020, by virtue of the health emergency derived from COVID 19 and the isolation measures and then social, preventive and mandatory distancing decreed by the National Executive Power (Decree of Necessity and Urgency No. 297/2020 and its successive extensions) , the Shareholders' Meeting was held virtually under the "remote" mode, taking into account the provisions established by General Resolution No. 830/2020 of the National Securities Commission.

Regarding the supporting documentation for the topics included in the Call, all the information related to the approval of the Financial Statements is published on the Bank's website and on the CNV's Financial Information Highway, as well as the Board proposals for each point. The channel enabled for any type of clarification or additional request can be channeled through the Investor Relations Manager, as explained in Practice 25.

29. The policy on the distribution of dividends is in line with the strategy and clearly establishes the criteria, frequency and conditions of the distribution of dividends.

The recommended practice is applied.

The twentieth article of the Bylaws of Banco Patagonia establishes the destination that should be given to the realized and liquidated profits.

In order to establish the guidelines to be followed for the distribution of Dividends, the Bank's Board of Directors has approved a Policy, the objective of which is to establish the regulatory framework for said distribution, maintaining an adequate balance between the amounts to be distributed and the investment policies and Bank expansion.

The BCRA regulations establish a special procedure to determine the distributable result and demonstrate that the distribution of dividends does not affect the solvency and liquidity of the Entities, as well as establishes that the prior authorization of said Agency will be necessary to proceed to the effective payment of dividends. . This procedure establishes that Financial Entities may distribute results, to the extent that certain situations are not expressly verified in the Entity.

detailed in its regulations, establishing the methodology for calculating the amount to be distributed, and the limits that must not be exceeded.

Considering the BCRA regulations and the Bank's internal policy, the Board of Directors will propose to the Ordinary Shareholders' Meeting the distribution of up to 50% of the net and realized earnings for the year as dividends, to be paid in cash.

Once the Shareholders' Meeting is held and there are no prohibitions on the distribution of dividends by the BCRA, and having obtained, if prior authorization is necessary, it will be made available to the shareholders in the shortest possible time, considering the maximum terms established by the regulations of the National Securities Commission (Ordered Text 2013) and the Regulations for the Listing of Bolsas y Mercados Argentinos SA (BYMA).

City of Buenos Aires, February 25, 2021

The Boards of Directors

This Integrated Annual Report was developed in collaboration with benchmarks from each of the Areas of the Bank, especially with the Executive Management of the Secretariat of Directory and Management Executive administration.

The document is available in format digital in www.bancopatagonia.com.ar

External facilitators

Sustenia Argentina
www.sustenia.com.ar

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KPMG Argentina
www.kpmg.com.ar

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Translation from the original prepared in Spanish for publication in Argentina

BANCOPATAGONIA

Financial Statements

As of December 31, 2020

**Jointly with the Independent Auditors' and Supervisory Audit
Committee's Reports**

BANCO PATAGONIA S.A.

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020

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BANCO PATAGONIA S.A.

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020

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BANCO PATAGONIA S.A.

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the President and Directors of

Banco Patagonia S.A.

ITC No. 30-50000661-3

Legal Address: May 701, Floor 24th

City of Buenos Aires

Report on consolidated financial statements

1. Identification of the consolidated financial statements subject to review

We have reviewed the accompanying consolidated financial statements of Banco Patagonia S.A. (hereafter, referred to as "Banco Patagonia S.A." or the "Entity"), which comprises the consolidated statement of financial position as of December 31, 2020, the consolidated statements of income, other comprehensive income, changes in shareholders' equity and cash flow for fiscal year then ended, and other explanatory information included in notes 1 to 63 and exhibits B, C, D, F, G, H, I, J, P, Q and R.

The amounts and other information corresponding to the year ended December 31, 2019 and to the statement of financial position of the year ended December 31, 2018, restated as December 2020 currency, are included as an integral part of the consolidated financial statements referred to above and are intended to be read only in relation to the amounts and other information of the current year.

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

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

3. Auditors' responsibility

Our responsibility is to express a conclusion on the accompanying consolidated financial statements based on our review. We conducted our review in accordance with the standards on review established in the Technical Resolution No. 37 issued by the FACPCE and with the "Minimum Standards on External Audits" for Financial Entities issued by the BCRA. These standards require us to comply with ethics requirements, as well as to plan and execute the audit in order to obtain reasonable security that the financial statements are free of significant misstatements.

An audit involves the application of procedures, substantially on a selective basis, to obtain elements of judgment on the figures and other information presented in the consolidated financial statements. The procedures selected, as well as the assessment of the risks of significant inaccuracies in the consolidated financial statements, depend on the auditor's professional judgment. In making such risk assessments, the auditor takes into account the internal control relevant to the preparation and reasonable presentation by the Entity of the consolidated financial statements, in order to design audit procedures that are appropriate according to the circumstances and not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes the evaluation of the adequacy of the accounting policies applied and the reasonableness of the accounting estimates made by the Board and the Management of the Entity, as well as the evaluation of the presentation of the consolidated financial statements as a whole.

We consider that the elements of judgment we have obtained provide a sufficient and adequate basis for our audit opinion.

4. Opinion

Based on our opinion, the attached consolidated financial statements referred to in the first paragraph of Chapter 1 of this report reasonably present, in all its significant respects, the financial position of Banco Patagonia S.A. as of December 31, 2020, as well as its results and other comprehensive results, changes in its assets and cash flows for the financial year ended December 2020, as well as its results and other comprehensive results, changes in its assets and cash flows for the financial year ended December 2020, in accordance with the accounting reporting framework established by the BCRA, as described in footnote 2.1 to those financial statements.

5. Emphasis paragraph

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

- a) As explained at note 2.1 a) to the attached consolidated financial statements, respectively, they have been prepared in accordance with the accounting reporting framework established by the BCRA, that differs from IFRS at the application of item 5.5 "Impairment" of IFRS 9 "Financial instruments" on debt instruments of the non-financial sector public, in accordance with Communication "A" 6847 of the BCRA. Moreover, in the aforementioned note, the controlled entity GPAT Financial Company SAU, in accordance with the provisions of BCRA Communication "A" 6938 issued on March 19, 2020, did not apply the impairment model set forth in section 5.5 "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 institutions based on said Communication.
- b) As explained in note 2.1.b), the remaining shareholding in Prisma Medios de Pago S.A. Classified under the heading "Investments in Equity Instruments", is remembered according to the accounting treatment established by the BCRA. The accounting criteria applied constitutes a departure from the provisions of IFRS 9 with respect to the measurement of equity instruments at their fair value.
- c) The amounts of the fiscal year ended December 31, 2019 and the statement of financial position of the year ended December 31, 2018 presented in the financial statements attached for comparative purposes, have been amended to reflect the application of IAS 29 "Financial Information in Hyperinflationary Economy" and item 5.5 "Impairment" of IFRS 9 "Financial Instruments".

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

6. Other issues

- a) With regard to the amounts of the fiscal year ended December 31, 2019 and the Statement of Financial Position of the year ended December 31, 2018, which are presented for comparative purposes as indicated in Chapter 1 of this report, they arise from the consolidated financial statements for the fiscal years ended December 31, 2019 and 2018,

(considering the mentioned in Chapter 5.c), prepared in accordance with the accounting information framework established by the BCRA in force as of the date, and were audited by other professionals, who have issued their reports with an unqualified opinion dated 19 February 2020 and 27 February 2019 respectively. These financial statements have been restated as December 2020 currency.

- b) We have issued a separately an audit report on the separate financial statements of Banco Patagonia S.A. at the same date and for the same financial year as indicated in the first paragraph of Chapter 1 of this report.

7. English translation of statutory consolidated financial statements

This report and the 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 consolidated financial statements are to be used have not been quantified.

Accordingly, the accompanying 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 financial statements, other than Argentina.

Information on other legal and regulatory requirements

- a) The consolidated financial statements of Banco Patagonia S.A. as of December 31, 2020 are transcribed in the book "Balances" and comply, as far as our competence is, in accordance with the established at the General Law of Companies and at resolutions of the BCRA and the National Securities Commission.
- b) The consolidated financial statements of Banco Patagonia S.A. arise from accounting records kept in their formal aspects in accordance with legal rules. The information systems used to generate the information included in the financial statements maintain the security and integrity conditions on which they were timely authorized.
- 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 56 to the 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 December 31, 2020 in favor of the National Social Security Regime in respect of contributions and planned contributions amounted to \$253,363,026.84 with no amounts being due as of that date.
- f) As required by Section 21(e) of Section VI, Chapter III of CnV Title II of NT 2013, we report that:
- i) the ratio between the total professional audit services provided by us for the issuance of reports on financial statements and other special reports or certifications on accounting or financial information invoiced to the Entity, and the total invoiced to the Entity for any circumstances, including such audit services, during the financial year ended December 31, 2020, is 72.80%.
 - ii) the ratio between the total of these professional audit services invoiced to the Entity and the total of the aforementioned audit services invoiced to the Entity and its controlled and linked, is 76.12%.

- iii) the ratio between the total of these professional audit services invoiced to the Entity and the total invoiced to the Entity and its controlled and linked by any circumstances, including audit services, is 63.49%.

City of Buenos Aires, February 25, 2021

DELOITTE & Co. S.A.

(Public Registry of Commerce
C.P.C.E.C.A.B.A. T. T. 1 F. 3)

GUSTAVO CARBALLAL (Partner)

Public Accountant (U.B.)
C.P.C.E.C.A.B.A. T. 218 – F. 224

INDEPENDENT AUDITOR'S REPORT

To the President and Directors of
Banco Patagonia S.A.
ITC No. 30-50000661-3
Legal Address: May 701, Floor 24th
City of Buenos Aires

Report on separate financial statements

1. Identification of the financial statements subject to review

We have reviewed the accompanying separate financial statements of Banco Patagonia S.A. (hereafter, referred to as "Banco Patagonia S.A." or the "Entity"), which comprises the separate statement of financial position as of December 31, 2020, the separate statements of income, other comprehensive income, changes in shareholders' equity and cash flow for the fiscal year then ended, and other explanatory information included in notes 1 to 39 and exhibits A, B, C, D, E, F, H, I, J, K, L, N, O, P, Q and R.

The amounts and other information corresponding to the year ended December 31, 2019 and the statement of financial position of the year ended December 31, 2018, restated as December 2020 currency, are included as an integral part of the separate financial statements referred to above and are intended to be read only in relation to the amounts and other information of the current year.

2. Responsibility of the Entity's Board of Directors for the separate financial statements

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

3. Auditors' responsibility

Our responsibility is to express a conclusion on the accompanying separate financial statements based on our review. We conducted our review in accordance with the standards on review of financial statements established in the Section IV of the Technical Resolution No. 37 issued by the FACPCE and with the "Minimum Standards on External Audits" for Financial Entities issued by the BCRA. These standards require us to comply with ethics requirements, as well as to plan and execute the audit in order to obtain reasonable security that the financial statements are free of significant misstatements.

An audit involves the application of procedures, substantially on a selective basis, to obtain elements of judgment on the figures and other information presented in the separate financial statements. The procedures selected, as well as the assessment of the risks of significant inaccuracies in the separate financial statements, depend on the auditor's professional judgment. In making such risk assessments, the auditor takes into account the internal control relevant to the preparation and reasonable presentation by the Entity of the separate financial statements, in order to design audit procedures that are appropriate according to the circumstances and not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An

audit also includes the assessment of the adequacy of the accounting policies applied and the reasonableness of the accounting estimates made by the Board and the Management of the Entity, as well as the evaluation of the presentation of the separate financial statements as a whole. We consider that the elements of judgment we have obtained provide a sufficient and adequate basis for our audit opinion.

4. Opinion

Based on our opinion, the attached separate financial statements referred to in the first paragraph of Chapter 1 of this report reasonably present, in all its significant respects, the financial position of Banco Patagonia S.A. as of December 31, 2020, as well as its results and other comprehensive results, changes in its equity and cash flows for the financial year ended December 2020, as well as its results and other comprehensive results, changes in its equity and cash flows for the financial year ended December 2020, in accordance with the financial reporting framework established by the BCRA, which is described in footnote 2 to those financial statements.

5. Emphasis paragraph

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

- a) As explained at note 2 a) to the attached separate financial statements, respectively, they have been prepared in accordance with the accounting reporting framework established by the BCRA, that differs from IFRS at the application of item 5.5 "Impairment" of IFRS 9 "Financial Instruments" on debt instruments of the non-financial public sector, in accordance with Communication "A" 6847 of the BCRA. Moreover, in the aforementioned note is described that the controlled entity GPAT Compañía Financiera S.A.U., in accordance with the provisions of BCRA Communication "A" 6938 issued on March 19 of 2020, did not apply the impairment model of section 5.5 "Impairment" of IFRS 9 "Financial Instruments" applicable to "Allowances for Bad Debt", since its application has been postponed until January 1, 2022 for the financial institutions 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 as "Investment in subsidiaries, associates and joint ventures" and its counterpart in results recorded as "Income from associates and joint ventures", has been calculated considering the aioned communication.
- b) As explained in note 2 b), the remaining shareholding in Prisma Medios de Pago S.A. classified under the heading "Investments in Equity Instruments", is recorded according to the accounting treatment established by the BCRA. The accounting criteria applied constitutes a departure from the provisions of IFRS 9 with respect to the measurement of equity instruments at their fair value.
- c) The amounts of the fiscal year ended December 31, 2019 and the fiscal year ended December 31, 2018 presented in the separate financial statements attached for comparative purposes, have been amended to reflect the application of IAS 29 "Financial Information in Hyperinflationary Economy" and item 5.5 "Impairment of Value" of IFRS 9 "Financial Instruments".

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

6. Other issues

- a) With regard to the amounts of the fiscal year ended 31 December 2019 and the statement of financial position of the year ended December 31, 2018 which are presented for comparative purposes as indicated in Chapter 1 of this report, they arise from the separate financial statements for the fiscal years ended 31 December 2019 and 2018, (considering the mentioned in Chapter 5.c), prepared in accordance with the accounting information framework established by the BCRA in force as of that date, and were audited by other professionals, who have issued their report with an unqualified opinion dated 19 February 2020 and 27 February 2019 respectively. These financial statements have been restated as December 2020 currency.

- b) We have issued a consolidated audit report on the consolidated financial statements of Banco Patagonia at the same date and for the same financial year as indicated in the first paragraph of Chapter 1.

Information on other legal and regulatory requirements

- a) The separate financial statements of Banco Patagonia S.A. as of December 31, 2020 are transcribed in the book "Balances" and comply, as far as our competence is, in accordance with the established at the General Law of Companies and at resolutions of the BCRA and the National Securities Commission.
- b) The separate financial statements of Banco Patagonia S.A. arise from accounting records kept in their formal aspects in accordance with legal rules. The information systems used to generate the information included in the financial statements maintain the security and integrity conditions on which they were timely authorized.
- 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 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 December 31, 2020 in favor of the National Social Security Regime in respect of contributions and planned contributions amounted to \$249,611,551.67 with no amounts being due as of that date.
- f) As required by Section VI, Chapter III of CNV Article 21(e), Chapter III of Title II of NT 2013, we report that:
 - i) the ratio between the total professional audit services provided by us for the issuance of reports on financial statements and other special reports or certifications on accounting or financial information invoiced to the Entity, and the total invoiced to the Entity for any circumstances, including such audit services, during the financial year ended December 31, 2020 , is 72.80%.
 - ii) the ratio between the total of these professional audit services invoiced to the Entity and the total of the aforementioned audit services invoiced to the Entity and its controlled and linked, is 76.12%.
 - iii) the ratio between the total of these professional audit services invoiced to the Entity and the total invoiced to the Entity and its controlled and linked by any circumstances, including audit services, is 63.49%.

City of Buenos Aires, February 25, 2021

DELOITTE & Co. S.A.

(Public Registry of Commerce
C.P.C.E.C.A.B.A. T. T. 1 F. 3)

GUSTAVO CARBALLAL (Partner)

Public Accountant (U.B.)
C.P.C.E.C.A.B.A. T. 218 - F. 224

Translation from the original prepared in Spanish for publication in Argentina

BANCO PATAGONIA S.A.		
Legal Address:		
Avenida de Mayo 701- Floor 24 - City of Buenos Aires - Argentina		
Main business activity: Commercial bank	Taxpayer identification No. [C.U.I.T.]: 30 - 50000661 - 3	
Incorporation date: May 4, 1928		
Registration with the Public Registry of Commerce of the Autonomous City of Buenos Aires	Date	Of the articles of incorporation: 09/18/1928
		Of the latest amendment: 07/05/2019
	Book	Stock Corporations Book: 85
		Number: 13,826
Expiry of articles of incorporation: August 29, 2038		
Fiscal year No. 97		
Beginning date: January 1, 2020	Closing date: December 31, 2020	
Capital structure (Note 28)		
Number and characteristics of shares	In Argentine pesos	
	Subscribed	Paid in
719,145,237 registered, common shares, with a nominal value of ARS 1, and entitled to one vote each	719,145,237	719,145,237
Information required by the BCRA (Central Bank of Argentina)		
Name of the undersigned auditor:	Gustavo Carballal	
Professional firm:	Deloitte & Co. S.A.	
Report for the fiscal year ended December, 2020	001 - (Fiscal year-end - Unqualified)	

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

João Carlos de Nobrega Pecego
President

Signed for identification purposes
with our report dated 02/25/2021

By Supervisory Committee

Signed for identification purposes
with our report dated 02/25/2021
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.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF 12/31/20, 12/31/19 AND 12/31/18

(Stated in thousands of pesos)

ITEM	Notes	12/31/20	12/31/19	12/31/18
ASSETS				
Cash and bank deposits	7	60,742,675	60,766,741	73,189,207
Cash on hand		19,193,888	15,892,762	9,954,988
Financial institutions and correspondents		40,791,482	44,710,866	63,234,219
BCRA		38,797,043	43,788,202	61,540,090
Other in Argentina and abroad		1,994,439	922,664	1,694,129
Other		757,305	163,113	-
Debt securities measured at fair value with changes through profit or loss	8	1,543,483	476,771	390,318
Derivative instruments	9	284,759	105,186	312,081
Repo transactions	10	7,963,194	-	1,389,681
Other financial assets	11	2,554,170	2,798,377	6,612,650
Loans and other financing facilities (Exhibits B and C)	12	113,439,972	120,368,466	173,138,799
Non-financial government sector		7,898	30,788	464,651
Other financial institutions		7,594,336	5,845,057	7,638,307
Nonfinancial private sector and foreign residents		105,837,738	114,492,621	165,035,841
Other debt securities	13	88,371,457	57,356,327	49,535,616
Financial assets granted as collateral	14	8,691,080	4,876,490	5,860,216
Current income tax assets	15 a)	18,459	19,780	36,483
Investments in equity instruments	16	839,434	1,138,982	6,150
Investments in subsidiaries, associates and joint ventures	17	449,560	314,818	307,610
Property and equipment (Exhibit F)	18	11,743,276	11,803,819	12,214,306
Intangible assets (Exhibit G)	19	488,062	466,008	247,696
Deferred income tax assets	15 b)	3,040,594	1,622,078	150,938
Other non-financial assets	20	896,780	1,440,350	1,166,451
Non-current assets held for sale	21	148,383	-	530,793
TOTAL ASSETS		301,215,338	263,554,193	325,088,995

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent

João Carlos de Nobrega Pecego
President

Finance, Administration and Public Sector

Signed for identification purposes
with our report dated 02/25/2021

By Supervisory Committee

Signed for identification purposes
with our report dated 02/25/2021

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

Translation from the original prepared in Spanish for publication in Argentina

BANCO PATAGONIA S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 12/31/20, 12/31/19 AND 12/31/18
(Stated in thousands of Pesos)

ITEM	Notes	12/31/20	12/31/19	12/31/18
LIABILITIES				
Deposits (Exhibits H)		218,155,883	166,387,132	228,564,697
Non-financial government sector		21,337,837	16,333,580	25,126,535
Financial sector		12,039	989,751	80,290
Non-financial private sector and foreign residents	22	196,806,007	149,063,801	203,357,872
Derivative instruments	9	-	338,603	155,699
Repo transactions	10	4,648	-	1,918,743
Other financial liabilities	23	10,006,431	11,782,963	19,525,918
Financing facilities received from BCRA and other financial institutions	24	4,114,374	22,176,205	19,602,065
Corporate bonds issued	25	971,047	1,409,519	3,514,980
Current income tax liabilities	15 a)	1,384,891	6,410,920	3,682,183
Allowances and provisions (Exhibit J)	26	1,881,032	2,228,790	1,063,075
Deferred income tax liabilities	15 b)	-	-	620,348
Other nonfinancial liabilities	27	14,507,552	6,115,535	7,104,510
TOTAL LIABILITIES		251,025,858	216,849,667	285,752,218
SHAREHOLDERS' EQUITY				
Share capital	28	719,145	719,145	719,145
Non-capitalized contributions		217,191	217,191	217,191
Share capital adjustments		18,810,708	18,810,708	18,810,708
Retained earnings		34,250,173	22,189,257	17,683,295
Unappropriated retained earnings	49	(16,380,748)	(10,062,286)	30,846
Other comprehensive income		2,093,122	(401,747)	1,875,592
Income for the fiscal year (*)		10,479,889	15,232,258	-
Equity attributable to the owners of the parent company		50,189,480	46,704,526	39,336,777
Equity attributable to non-controlling interests (*)		-	-	-
TOTAL SHAREHOLDERS' EQUITY		50,189,480	46,704,526	39,336,777
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		301,215,338	263,554,193	325,088,995

(*) December 2018 profit is included as Unappropriated retained earnings

(**) As of December 31 of 2020, 2019 and 2018 the Net Equity attributable to uncontrolled participations amounts \$262.08, \$225.75 and \$190.48, respectively.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent

João Carlos de Nobrega Pecego
President

Finance, Administration and Public Sector

Signed for identification purposes
with our report dated 02/25/2021

By Supervisory Committee

Signed for identification purposes
with our report dated 02/25/2021
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.)
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BANCO PATAGONIA S.A.

CONSOLIDATED STATEMENTS OF INCOME
AS OF 12/31/20 AND 12/31/19
 (Stated in thousands of Pesos)

ITEM	Notes	FISCAL YEAR ENDED	
		12/31/20	12/31/19
Interest income	29	68,797,747	89,928,669
Interest expense	30	(26,923,654)	(38,564,192)
Net interest income		41,874,093	51,364,477
Fee income	31	9,131,244	10,652,400
Fee expenses	32	(2,799,842)	(2,903,119)
Net fee income		6,331,402	7,749,281
Net result from measurement of financial instruments at fair value with changes in results	33	1,520,687	1,529,135
Result from derecognition of assets measured at amortized cost and at fair value with changes in OCI		(2,963,857)	(232,887)
Gold and foreign currency bid/offer spread		1,342,322	4,160,800
Other operating income	34	3,589,250	5,866,450
Charge for Loan Losses		(1,300,978)	(5,878,597)
Net operating income		50,392,919	64,558,659
Benefits to personnel	35	(11,591,389)	(11,639,665)
Administrative expenses	36	(7,243,536)	(8,038,075)
Depreciation and impairment of assets		(1,277,232)	(1,210,938)
Other operating expenses	37	(5,258,812)	(7,881,449)
Operating income		25,021,950	35,788,532
Gain/loss on associates and joint ventures		170,932	812,459
Inflation effect (net position of assets and liabilities)		(9,482,192)	(11,177,855)
Income before tax relating to continuing operations		15,710,690	25,423,136
Income tax relating to continuing operations	15 b)	(5,230,801)	(10,190,878)
Net income from continuing operations		10,479,889	15,232,258
NET INCOME		10,479,889	15,232,258

Marcelo A. Iadarola
 Executive Manager of Administration

Juan M. Trejo
 Superintendent

João Carlos de Nobrega Pecego
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BANCO PATAGONIA S.A.

CONSOLIDATED STATEMENTS OF INCOME
AS OF 12/31/20 AND 12/31/19
 (Stated in thousands of Pesos)

NET INCOME FOR THE YEAR	FISCAL YEAR ENDED	
	12/31/20	12/31/19
Net income attributable to the owners of the parent company	10,479,889	15,232,258
Net income attributable to non-controlling interests (*)	-	-

(*) As of December 31, 2020 and 2019 the Net Income of the year attributable to non-controlling interests amounts to \$ 56.32 y \$ 32.27, respectively.

EARNINGS PER SHARE	FISCAL YEAR ENDED	
	12/31/20	12/31/19
NUMERATOR		
Net income attributable to the shareholders of the parent company	10,479,889	15,232,258
Net income attributable to the shareholders of the parent company adjusted to reflect dilution	10,479,889	15,232,258
DENOMINATOR		
Weighted average outstanding common shares for the year	719,145	719,145
Weighted average outstanding common shares for the year adjusted to reflect dilution	719,145	719,145
Earnings per share – Basic	14.573	21.181
Earnings per share – Diluted	14.573	21.181

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BANCO PATAGONIA S.A.

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

AS OF 12/31/20 AND 12/31/19

(Stated in thousands of Pesos)

ITEM	FISCAL YEAR ENDED	
	12/31/20	12/31/19
INCOME FOR THE YEAR	10,479,889	15,232,258
Components of other comprehensive income that will be reclassified to income for the year		
Revaluation of property and equipment and intangible assets	-	(563,986)
Revaluation of property and equipment and intangible assets (Exhibit F)	-	(742,323)
Income tax	-	178,337
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO THE FISCAL YEAR INCOME	-	(563,986)
Components of other comprehensive income that will be reclassified to income for the year		
Exchange differences on translation of financial statements	10,189	36,784
Exchange differences for the year	13,588	49,046
Income tax	(3,399)	(12,262)
Gains or losses on financial instruments carried at fair value through OCI (paragraph 4.1.2 of IFRS 9)	2,484,680	(1,750,137)
Gains on financial instruments carried at fair value through OCI	3,305,780	(2,337,546)
Income tax	(821,090)	587,409
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED TO INCOME FOR THE YEAR	2,494,869	(1,713,353)
TOTAL OTHER COMPREHENSIVE INCOME	2,494,869	(2,277,339)
TOTAL COMPREHENSIVE INCOME	12,974,758	12,954,919
Attributable to the owners of the parent company (*)	12,974,758	12,954,919

(*) As of December 31 of 2020 and 2019 the Net Income for the year attributable to non-controlling interests amounts to \$56.32 and \$32.27, respectively.

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BANCO PATAGONIA S.A.

**CONSOLIDATED STATEMENTS STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF 12/31/20**
(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 12/31/2020
	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	338,635	440,283	7,159,055	(1,723,971)	5,886,408	8,417,073	24,008,314	45,462,133	45,462,133
Adjustments and restatement of balances by initial application IAS 29	-	-	18,472,073	(263,459)	(5,757,198)	(256,457)	3,168,795	4,716,981	(18,838,342)	1,242,393	1,242,393
Adjusted and restated balances at the beginning of the year	719,145	217,191	18,810,708	176,824	1,401,857	(1,980,428)	9,055,203	13,134,054	5,169,972	46,704,526	46,704,526
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholders's Meeting held on 04/23/20											
- Legal reserve	-	-	-	-	-	-	4,310,144	-	(4,310,144)	-	-
- Optional Reserve - Future distribution of profits	-	-	-	-	-	-	-	17,240,576	(17,240,576)	-	-
Partial reversal of the optional reserve for cash dividends payment (2)	-	-	-	-	-	-	-	(9,489,804)	-	(9,489,804)	(9,489,804)
Income for the fiscal year (3)	-	-	-	-	-	-	-	-	10,479,889	10,479,889	10,479,889
Other comprehensive income for the fiscal year	-	-	-	10,189	-	2,484,680	-	-	-	2,494,869	2,494,869
Balance sheets at fiscal year end	719,145	217,191	18,810,708	187,013	1,401,857	504,252	13,365,347	20,884,826	(5,900,859)	50,189,480	50,189,480

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

(1) See note 28.

(2) Corresponds \$13.1959 per share.

(3) See note 49.

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BANCO PATAGONIA S.A.

CONSOLIDATED STATEMENTS STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF 12/31/19
 (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 12/31/2019
	Outstanding	Additional paid-in capital		Foreign exchange differences arising from the translation of financial statements	Revaluation of property and equipment	Accumulated gains/losses from financial instruments at fair value with changes through OCI	legal	Other			
Restated balances at the beginning of the year (*)	719,145	217,191	1,024,983	377,182	7,676,264	(230,291)	6,813,621	10,869,674	10,850,573	38,318,342	38,318,342
Adjustments and restatement of balances by initial application IAS 29	-	-	17,785,725	(237,142)	(5,710,421)	-	-	-	(10,819,727)	1,018,435	1,018,435
Balances at the beginning of the year adjusted and restated	719,145	217,191	18,810,708	140,040	1,965,843	(230,291)	6,813,621	10,869,674	30,846	39,336,777	39,336,777
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholders's Meeting held on 04/25/19											
- Legal reserve	-	-	-	-	-	-	2,241,582	-	(2,241,582)	-	-
- Optional Reserve - Future distribution of earnings	-	-	-	-	-	-	-	3,362,375	(3,362,375)	-	-
- Absorption of adjustment from IFRS-first-time adoption	-	-	-	-	-	-	-	(357,339)	357,339	-	-
- Cash dividends	-	-	-	-	-	-	-	-	(4,846,514)	(4,846,514)	(4,846,514)
Optional reserve partial derecognition approved by the ordinary general meeting of shareholders of 07/15/19											
- Cash dividends	-	-	-	-	-	-	-	(740,656)	-	(740,656)	(740,656)
Income for the fiscal year	-	-	-	-	-	-	-	-	15,232,258	15,232,258	15,232,258
Other comprehensive income for the fiscal year	-	-	-	36,784	(563,986)	(1,750,137)	-	-	-	(2,277,339)	(2,277,339)
Balance sheets at fiscal year end	719,145	217,191	18,810,708	176,824	1,401,857	(1,980,428)	9,055,203	13,134,054	5,169,972	46,704,526	46,704,526

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

(1) See note 28.

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BANCO PATAGONIA S.A

**CONSOLIDATED FINANCIAL STATEMENTS OF CASH FLOWS
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)**

ITEM	12/31/20	12/31/19
Cash flows from operating activities		
Income before Income Tax	15,710,690	25,423,136
Inflation effect (net position of assets and liabilities)	9,482,192	11,177,855
Adjustments to obtain cash flows from operating activities:	(3,726,237)	600,197
Assets depreciation and impairment of value	1,277,232	1,210,938
Charge for Loan Losses	1,300,978	5,878,597
Other adjustments	(6,304,447)	(6,489,338)
Net increases from operating assets:	(35,936,447)	50,552,888
Debt securities measured at fair value with changes through profit or loss	(969,040)	(54,084)
Derivative instruments	(179,573)	206,895
Repo transactions	(7,963,194)	1,389,681
Loans and other financing facilities	7,314,298	58,914,277
Non-financial government sector	507	14,209
Other financial institutions	514,879	2,793,261
Nonfinancial private sector and foreign residents	6,798,912	56,106,807
Other debt securities	(30,741,791)	(7,076,408)
Financial assets granted as collateral	(3,814,590)	983,726
Investment in equity instruments	(180,616)	(1,763,210)
Other assets	598,059	(2,047,989)
Net increases from operating liabilities:	27,499,965	(94,835,712)
Deposits	51,652,150	(71,504,857)
Nonfinancial government sector	5,114,996	(6,355,368)
Financial sector	3,017	(374,809)
Nonfinancial private sector and foreign residents	46,534,137	(64,774,680)
Derivative instruments	(338,603)	182,904
Repo transactions	4,648	(1,918,743)
Financing facilities received from BCRA and other financial institutions	(16,677,018)	(2,939,221)
Other liabilities	(7,141,212)	(18,655,795)
Income tax payments	(2,457,150)	(3,566,763)
TOTAL OPERATING ACTIVITIES (A)	10,573,013	(10,648,399)

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BANCO PATAGONIA S.A.

**CONSOLIDATED FINANCIAL STATEMENTS OF CASH FLOWS
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)**

ITEM	12/31/20	12/31/19
Cash flows from investing activities		
Payments:		
Purchase of property and equipment, intangible assets and other assets	(1,269,038)	(878,875)
Proceeds:		
Sale of property and equipment, intangible assets and other assets	216,678	5,963,156
TOTAL INVESTING ACTIVITIES (B)	(1,052,360)	5,084,281
Cash flows from financing activities		
Payments:		
Dividends	-	(5,587,170)
Unsubordinated corporate bonds	(1,614,935)	(3,866,451)
Financing facilities from local financial institutions	(1,170,096)	(595,822)
Payment for leases	(382,920)	(366,140)
Proceeds:		
Unsubordinated corporate bonds	875,673	932,383
TOTAL FINANCING ACTIVITIES (C)	(2,292,278)	(9,483,200)
EFFECTS OF EXCHANGE RATE CHANGES (D)	11,481,423	9,475,306
EFFECT OF MONETARY GAIN/LOSS ON CASH AND CASH EQUIVALENTS (E)	(18,733,864)	(6,850,454)
TOTAL CHANGES IN CASH FLOWS	12/31/20	12/31/19
NET DECREASE IN CASH AND CASH EQUIVALENTS (A + B + C + D + E)	(24,066)	(12,422,466)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	60,766,741	73,189,207
CASH AND CASH EQUIVALENTS AT YEAR-END	60,742,675	60,766,741

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BANCO PATAGONIA S.A.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2020
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(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. Society Manager of Common Investment Funds: 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 Central Bank of 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).

As for the public offering regime, the Bank is regulated by Capital Markets Act No. 26.831, enacted on December 27, 2012 and amended by Pen Law No. 27.440 on Productive Financing enacted on May 10, 2018 and regulated by PEN Decree No. 471/2018 dated May 17, 2018.

With regard to the listing on B3, the Bank's Ordinary and Extraordinary General Meeting of Shareholders held on April 25, 2019 approved the cancellation of the listing in B3, the cancellation of Banco Patagonia S.A. from registration as a foreign issuer of securities with the Brazilian Securities and Exchange Securities Commission (CVM) of Brazil and the cancellation of the corresponding BDRs Program.

This decision took into account the low liquidity of the Bank's BDRs and aims to unify in the "Argentine Stock Exchanges and Markets – ByMA" the trading of the marketable securities issued by the Bank.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2020
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

Finally dated October 18, 2019, the CVM approved the final cancellation of the BDRs Program as well as the cancellation of the registration of Banco Patagonia S.A. as a foreign issuer registered as an open company, the latter being the last requirement for the Bank's withdrawal from the Brazilian capital market.

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

Banco Patagonia S.A.

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

Patagonia Inversora S.A. Society Manager of Common Investment Funds

- 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 consolidated financial statements for the fiscal year ended December 31, 2020 have been prepared in accordance with the regulations of the Argentine Central Bank (BCRA) (hereafter, "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), to the following exceptions:

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2020
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

- 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 Loan Losses", 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 Means of Payment SA, these Consolidated Financial Statements corresponding to the fiscal year ended December 31, 2020 consider the guidelines established by the BCRA whereby the accounting treatment to be afforded to the investment remainder held by the Entity in said company, registered under "Investments in Equity Instruments" as of December 31, 2020 (See Notes 16 and 21).

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 Changes in monetary outcome exposure

By Communication "A" 7211 dated January 28, 2021, the BCRA established changes in the presentation of the monetary result generated by the application of the financial statements review procedure diffused through Communication "A" 6849 and supplementary, effective from January 1, 2021.

In this regard, it provided that the monetary result accrued in respect of items of a monetary nature which are measured at fair value with changes in OCI, shall be recorded in the expected accounts for the results of the financial year (formerly registered with OCI).

The result of the monetary position shall be calculated by means of the output of the initial balance of each monetary item (including those that are measured at fair value with changes in OCI) and the inflation rate.

Subsequently, Communication "A" 7222 dated February 9, 2021, granted the advance application as of December 31, 2020, of the abovementioned rule, an option to which the entity has acceded.

Consequently, the result of the year ended December 31, 2020, was adjusted in order to incorporate the monetary results that were accounted for in the OCI of those items at that date.

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Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

João Carlos de Nobrega Pecego
President

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By Supervisory Committee

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Comparative information from these financial statements has also been appropriated to provide for the new established exposure criterion.

Note 38 sets out the effect of its application on the components of the total comprehensive result of the financial year, so that it can be compared with those that would have resulted from not applying these provisions.

2.3 Seasonality of transactions

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

2.4 Comparative information

For the purposes of the comparative presentation, certain reclassifications were made in the information submitted for the previous financial year, in order to set them out on a uniform basis. The modification of comparative information does not imply changes in decisions made on the basis of it.

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 year, notwithstanding whether they are based on the historic method cost 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%.

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.

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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 year; 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 December 31, 2020, including comparative information from prior periods or years, as applicable, including a third Statement of Financial Position at the beginning of the comparative year (12.31.18).

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

Initial application of the integral adjustment for inflation

1. Application at the beginning of the comparative year (December 31, 2019)

The balance sheets of assets, liabilities, capital, reserves, retained earnings and other components of equity corresponding to December 31, 2019, and stated in constant currency as of that date, have been determined as follows:

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

Non-monetary assets and liabilities not stated at December 31, 2019 currency have been restated since the date of incorporation.

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

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

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

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

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

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

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

Profit reserves: Stated as of December 31, 2019.

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

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

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

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

Application at the end of the comparative fiscal year (December 31, 2019)

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

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

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

For the comparative year as of December 31, 2019, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statements of cash flow for the fiscal year ended December 2019, including the calculation of the gain or loss on the net monetary position, have all been restated

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

NOTE 4 - ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the 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.

Estimates and underlying assumptions are continuously reviewed. The effect of reviews of accounting estimates is prospectively recognized.

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4.1. Trials

Information on judgments made in the implementation of accounting policies that have the most important effect on the amounts recognized in the consolidated financial statements is described in Note 5 "Significant Accounting Policies" in the following sections:

- 5.1 "Consolidation Bases" with respect to the determination of the existence of control over other entities.
- 5.4.b) "Classification of financial assets".
- 5.4.g) "Deterioration of financial assets".
- 5.11 "Provisions".
- 5.16(a) "Leases - The Group as a Tenant".

4.2 Assumptions and estimates of uncertainties

Information on premises and estimates of uncertainties that have a significant risk of resulting in a material adjustment to these consolidated financial statements is included in the following notes:

- Note 41.b.3) "Valuation Techniques for Levels 2 and 3".
- Note 12 "Loans and other financing" in the case of impairment of financial assets.
- Note 15 "Income Tax" and Note 5.17 "Current and Deferred Earnings Tax" in connection with the availability of future taxable gains against which deferred tax assets may be used.
- Note 26 "Provisions" in relation to the probability and magnitude of resource output.

4.3 Fair value measurements

Fair value is the price that would be received for the sale of an asset or that would be paid for transferring a debt in an orderly transaction between market participants at the date of measurement.

When available, the Group measures the fair value of a financial instrument using the quote that arises from an active market. A market is considered active if transactions exist frequently and volume enough to provide price information on an ongoing basis.

If a quote price is not available on an active market, then the Group uses valuation techniques that maximize the use of relevant market data and minimize the use of non-observable data. The choice of valuation technique incorporates all the factors that market participants would take into account for the purpose of setting the transaction price.

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Reasonable values are categorized at different levels of fair value hierarchy based on the input data used in measurement techniques, as detailed below:

- Level 1: quotes in active (undes fit) markets for identical instruments.
- Level 2: Valuation models that use observable market data as significant input data.
- Level 3: Valuation models that use non-observable market data as significant input data.

NOTE 5 - CHANGES IN ACCOUNTING POLICIES

The Group has consistently applied the accounting policies, defined in accordance with IFRS and the Accounting Information Framework established by the BCRA, in all the years set out in these financial statements.

On January 1, 2020, IAS 29 "Financial information in hyperinflationary economies" and point 5.5 of IFRS 9 "Deterioration of the value of Financial Instruments", applied in accordance with the guidelines and exemptions established by the BCRA (see Note 2 "Criteria for the Preparation of Financial Statements").

Except for the rules referred to in the preceding paragraph, there were no new IFRS and/or NICs with mandatory entry into force as of January 1, 2020 that had significant effects on these consolidated financial statements.

5.1 Consolidation bases

a) Subsidiaries

Subsidiaries are all entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable yields for its participation in the participating entity, and has the power to affect the variability of such yields. The Group re-evaluates whether it maintains control when changes occur in some of the above conditions.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control is obtained and until the date on which control ceases.

b) Non-controlling participation

Non-controlling holdings represent the portion of the result and equity that does not belong to the Group and are exposed as a separate line in the Consolidated Statements of Income, Other Comprehensive Results, Financial Position and Changes in Equity.

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c) Common investment funds

The Group acts as an administrator of mutual funds (see Note 54). In determining whether the Group controls such funds, the aggregate of the Group's economic participation in the fund (which includes participation in the fund's performance and administration fees) is assessed and considers that sharepartisans are not entitled to remove the administrator without cause. In cases where the economic share is less than 37% the Group concludes that it acts as an agent of the sharepartists and therefore does not consolidate such common investment funds.

d) Loss of control

When the Group loses control over a subsidiary, it desues the subsidiary's assets and liabilities, any non-controlling stakes and other related equity components. The difference with the consideration received is recognized in results. If the Group retains any interest in the aforementioned subsidiary, it is measured at fair value at the date on which control is lost.

e) Transactions eliminated in consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated upon preparing the consolidated financial statements.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the group's interest in these entities. Unrealized losses are also eliminated but only to the extent that there is no evidence of impairment.

5.2 Foreign currency

a) Foreign currency transactions

Foreign currency transactions are converted to the respective functional currency of the Group entities at the reference exchange rate published by the BCRA at the date of the transactions.

Monetary assets and liabilities denominated in foreign currency are converted to the functional currency at the reference exchange rate in force at the end of the financial year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are converted to the functional currency at the current reference exchange rate of the date on which fair value was determined. Non-monetary items that are measured on historical cost basis in foreign currency are converted using the reference exchange rate in effect at the transaction date.

Exchange differences are presented in the Consolidated Statement of Income under the line "Gold and foreign currency quote difference".

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b) Foreign Operations

Foreign currency transactions are converted to the respective functional currency of the Group entities at the reference exchange rate published by the BCRA at the date of the transactions.

Monetary assets and liabilities denominated in foreign currency at the closing date were converted to the functional currency at the exchange rate in force at that date. The exchange difference for monetary assets and liabilities is the difference between the amortized cost in the functional currency at the beginning of the financial year, adjusted for the effective interest and payments for the year, and the amortized cost in foreign currency converted to the exchange rate at year-end.

Non-monetary assets and liabilities that are measured at fair value in the foreign currency are measured at the functional currency at the current exchange rate of the date on which fair value was determined. Non-monetary items that are measured on historical cost basis in foreign currency are converted using the exchange rate in effect at the date of the transaction.

Exchange differences are recognized in the Consolidated Statement of Other Comprehensive Results, under the heading "Change difference by conversion of financial statements".

5.3 Cash and deposits in banks

Cash and cash equivalents include cash, and unrestricted balances held with Central Banks and on-the-go accounts held in local and foreign financial institutions.

5.4 Financial assets and liabilities

a) Recognition

The Panel initially recognizes loans, deposits, debt securities issued and liabilities on the date they originated. All other financial instruments (including ordinary purchases and sales of financial assets) are recognized on the trading date, which is the date on which the Group becomes part of the contractual provisions of the instrument.

The Group recognizes purchases of financial instruments with the commitment of their non-optional rollback at a certain price (passes) as financing granted under the "Pass Transactions" line in the Consolidated Statement of Financial Position. The difference between the purchase and sale prices of such instruments is recorded as an interest which accrues during the lifetime of trades using the effective interest method.

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Financial assets and financial liabilities are initially recognized at fair value. For instruments that are not measured at fair value with changes in results, transaction costs that are directly attributable to the acquisition of the asset or the issuance of the liability are recognized at fair value more (in the case of assets) or less (in the case of liabilities).

The transaction price is usually the best evidence of its fair value in the initial recognition. However, if the Panel determines that the fair value in the initial recognition differs from the consideration received or paid, where fair value is of hierarchies 1 or 2, the financial instrument is initially measured at fair value and the difference is recognized in results. If the fair value in the initial recognition is hierarchy 3, the difference between fair value and consideration differs within the timeframe of the instrument.

b) Classification of financial assets

At the date of initial recognition, financial assets are classified and measured at amortized cost, fair value with changes in Other Comprehensive Outcome (OCI), or fair value with changes in results.

A financial asset is measured at amortized cost if it meets the following conditions:

- the asset is maintained under a business model whose objective is to maintain the asset to collect flows of contractual funds; and
- the contractual conditions of the financial asset result in flows of funds that meet the criterion of "capital and interest payments only".

A debt instrument is measured at Fair Value with changes in OCI if it meets the following conditions;

- the asset is maintained in a business model whose objective is to collect the flows of contractual funds and sell the financial asset; and
- the contractual conditions of the financial asset result in flows of funds that meet the criterion of "capital and interest payments only".

In the initial recognition of an equity instrument that is not maintained for trading, the Group may choose for each instrument individually to present changes in fair value in the OCI.

All other financial assets are classified as measured at fair value with changes in results.

This category includes derivative financial instruments.

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The Group evaluates the objective of the business model under which it maintains an asset at the portfolio level. The information considered includes:

- the policies and objectives set for the portfolio and how such policies are implemented. In particular, if management focuses on the gain that arises from contractual interests;
- how management is measured and informed of the outcome of the portfolio;
- risks affecting the outcome of the business model and how those risks are managed;
- how portfolio managers are compensated (based on the fair value of assets managed or based on the funds flows collected); and
- the frequency, volume and opportunity of the sale in previous periods, the reasons for those sales and expectations about future sales activity. However, information on sales activity is not considered separately, but as part of the overall assessment of how the Group sets targets for the management of financial assets.

Financial assets held for trading or managed in a portfolio whose performance is measured by their fair value are measured at fair value with changes in results.

In assessing whether contractual fund flows meet the "capital and interest payment only" criterion, the Group defines as "capital" the fair value of the financial asset at the time of its initial recognition and as an "interest" to consideration for the time value of the money and the credit risks associated with the outstanding capital and other basic risks of a loan. The evaluation considers whether the financial asset contains contractual conditions that may change the opportunity or amount of contract fund flows so that it does not meet the above criteria.

Financial assets are not reclassified after their initial recognition, with the exception of a change in the Group's business models.

c) Classification of financial liabilities

The Group classifies its financial liabilities, other than derivative financial instruments, guarantees issued and loan commitments, as measured at amortized cost.

Derivative financial instruments are measured at fair value with changes in results.

Financial guarantees are contracts that require the Panel to make specified payments to reimburse the holder for a loss incurred because a particular debtor does not meet its payment obligations under the contractual terms of a debt instrument.

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Debt arising from the financial guarantees issued is initially recognized at fair value. It is then measured to the highest between the amortized amount and the present value of any expected debt repayment when such payment is deemed likely.

d) Derecognition of financial assets and liabilities

A financial asset is derecognized by the Group when the rights to receive cash flows from the asset have expired; or if the rights to the cash flows from the asset were transferred within a transaction in which substantially all of the risks and rewards of the asset have been transferred or, otherwise, the control of the asset has been relinquished.

When the Group derecognizes a financial asset, the difference between the accounting balance of the asset and the consideration received and any balance recognized in OCI is recognized in results.

The Group performs transactions in which financial assets are transferred but substantially retain the risks and benefits of the transferred asset. In such cases, the transferred financial assets are not desansed.

The Group recognizes sales of financial instruments with the commitment of their non-optional rollback at a certain price (passes) as financing received in the "Pass Transactions" line in the Consolidated Statement of Financial Position. The difference between the purchase and sale prices of such instruments is recorded as an interest which is accrued during the lifetime of the trades using the effective interest method.

A financial liability is derecognized when the payment obligation is terminated, cancelled, or expires. Where an existing financial liability is replaced by another of the same borrower under significantly different conditions, or the conditions are substantially modified, such replacement or modification is treated as a decrease in the original liability and recognition of a new liability, and the difference is attributed under the line "Other operating income - By the loss or substantial modification of financial liabilities" of the Consolidated Statement of Income.

e) Compensation of financial assets and liabilities

Financial assets and financial liabilities are cleared and the net amount is presented in the Consolidated Statement of Financial Position when, and only when, the Group has a legally enforceable right to offset the amounts and intends to settle them net or to perform the asset and settle the liability simultaneously.

Income and expenses are presented in net terms only when permitted under IFRS, or for gains and losses arising from a group of similar transactions.

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By Supervisory Committee

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f) Measurement at amortized cost

The amortized cost of a financial asset or financial liability is the amount of its initial recognition, minus capital repayments, plus or minus depreciation, using the effective interest method, of any difference between the initial amount and the amount at maturity. In the case of financial assets, it also includes any impairment corrections (incobrability).

g) Impairment of financial assets

As mentioned in Note 5, the Entity has adopted the impairment model of section 5.5 "Deterioration of value" of IFRS 9 "Financial Instruments", with the scope established by BCRA Communication "A" 6847 which excluded non-financial public sector debt instruments from their application.

Impairment requirements apply to financial assets measured at their amortized cost, measured at fair value with changes in OCI, lease receivables, and certain loan commitments and financial guarantee agreements.

For these financial assets, loan commitments and financial guarantees that are considered found in Stage 1, i.e. those instruments that do not show a significant increase in credit risk, the Group recognizes a forecast for expected credit losses (ECLs) resulting from credit risk events "default" considered possible within the next 12 months (ECL 12 months), including in that estimate consideration of the effect of forward-looking economic variables.

In addition, in this stage, certain debt securities are included according to the rating given by the main risk qualifiers.

When a significant increase in credit risk occurs since the initial recognition, the Group considers that the instrument is in Stage 2, and estimates one ECL considering the probability of "default" for the full contractual period until the expiration of the instrument, contemplating the effect of forward-looking economic variables.

The Group has defined a significant increase in credit risk since initial recognition as a weighting of different variables depending on the category of each financial asset.

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

Financial assets found in "default" are included within Stage 3.

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The Group defines the "default" of its financial assets in line with the definition used for the purposes of internal credit risk management. This evaluation covers the segment of each client and considers the arrears greater than 90 days in the fulfillment of the debtor's obligations, the situation of the customer informed to the BCRA and the internal credit rating. For debt securities, the "Default" rating assigned by the risk qualifiers to the relevant instruments is considered.

For defaulted financial assets, the Group measures its estimated recovery value, considering the time value of the money.

The Group's internal impairment estimates are based on the PCE model, according to the following formula:

$$ECL = (DP * FLC * LGD * EAD)/(1 + TIR)^T$$

EAD: Exposure at the time of the *Default*

DP: Probability of *Default*

LGD: Loss given the *Default*

FLC: Forward Looking Coefficient

TIR: ECL discount rate.

The following are the main methodological guidelines for each of these parameters:

Probability of *default*

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

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

Customers in normal situation (Stage 1): in the case of assets whose credit risk has not increased significantly since initial recognition, the DP is estimated for the next 12 months, including in that estimate consideration of the effect of forward-looking economic variables.

Customers with significant deterioration from origination (Stage 2): for assets whose credit risk has increased significantly since initial recognition, an DP is estimated for the entire life cycle of the asset, including in that estimate consideration of the effect of forward-looking economic variables. For revolving products, such as credit cards and checking accounts, a 12-month DP applies.

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Customers in default (Stage 3): Considers those assets in which a default occurred and assigns a DP of 100%.

For segments of people, the DP is estimated based on internal behavior score models, which are developed according to widely accepted practices and subject to independent validation.

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

For business segments PDs are determined from transition matrices, following the method known as "*Hazard Rate Approach*". For collective determination of DPs, grouping is performed by subgroups within that segment.

In addition, a Credit Rating Adjustment Coefficient (CRAC) is applied to the DPs resulting from the previous model that considers the relative payment behavior, which arises from the quotient between the DP in each category of the *Credit Rating* internal.

For debt instruments, the allocation of the DP is carried out according to the rating assigned by risk qualifiers.

Loss given Default - LGD

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

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

An average LGD of the last 12 months available is used, avoiding the monthly volatility present in the parameter. In turn, a segmentation is performed to calculate an LGD by preferred warranty "A" or "B" and without preferred warranty.

The developed LGD model incorporates the following opening per segment:

- Business with People
- Business with Business
- Refinancing

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In addition, a specific LGD is used for the Corporate, Finance and Public Sector segments, over which statistical inference is difficult.

As regards the LGD for debt securities, it is considered a fee that responds to a general acceptance convention, according to the historical history of defaults, where a certain percentage of capital recovery is assumed given the default.

Exposure to Default - EAD

The Panel estimates the exposure given the default separately for each product, determining that value by adding the customer's debt at amortized cost and a credit conversion factor (CCF) multiplied by the unused limit of credit cards (CCs) and current account agreements.

CcF is a percentage coefficient applied to each customer that measures the level of utilization of the limits available at the time of default. For calculation, the debt and pre-default limit (normal use by the customer) is used as input, and is compared with the balance provided for that time. Finally, the average of 12 coefficients per product is computed and an adjustment is made to the credit card CCF for customers without card usage in the last 3, 6 and 12 months, using the probability of use of that product.

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

Forward Looking Coefficient (FLC):

The modeling approach for projecting conditional internal PDs to scenarios *forward looking* makes use of macroeconomic variables so three scenarios are established each with a probability of occurrence. The resulting coefficient will be the average of the coefficients.

In the first instance, a model is estimated that relates the evolution of a series of systemic delinquencies published by the BCRA, which has a historical window of more than ten years, with the evolution of the relevant macroeconomic variables. From this model, it is possible to project this systemic dwellings twenty-four months forward, conditional to each of the macro scenarios that are considered.

The underlying assumption for the use of this series is that it, in representing the general delinquency of the system, is an adequate indicator of the prospects for variation of the probabilities of default, in general, associated with systemic causes.

In a second stage, based on the projected evolution of systemic delinquency, an adjustment coefficient of internal PDs is calculated, thus conditioning them upwards or down, according to the expected prospective scenario.

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Two FLCs are calculated for each scenario, consisting of the relationship between the planned systemic dwellings for the average of the next twelve and twenty-four months, relative to the value of the same at the beginning of the projection.

Finally, the estimated PPs for the initial moment are corrected by the FLC coefficients (either at 12 or 24 months, according to the "bucket" of each operation), thus obtaining a conditional DP to the trajectories of the macroeconomic variables for each time t+k (with k=1...24), according to the following expression:

$$DP_{t+k} = DP_t * FLC_{t+k}$$

Where:

DP_t • Probability of default at the start time of the projection (t)

FLC_{t+k} • Forward-looking adjustment coefficient so far t+k, defined as

$$FLC_{t+k} = \frac{\sum_{k=1}^T \text{Mora sistémica}_{t+k}}{\text{Mora sistémica}_t}, \text{ where, for this particular indicator, } k \in \{12, 24\}$$

5.5 Investments in associates and joint businesses

An associate is an entity over which the Group has significant influence but not joint control or control over its financial and operational policies. A joint business is an agreement where by which the Group has joint control and rights over the net assets of the agreement, rather than rights over the assets and obligations over the agreement's liabilities.

Shares in associates are posted using the participation method. They are initially recognized at cost, which includes transaction costs. After initial recognition, the consolidated financial statements include the Group's participation in the results and OCI of investments accounted for under the equity method until the date when significant influence or joint control ceases.

5.6 Property and equipment

The Group applies the revaluation model as an accounting policy for Properties classified as Property and Equipment (PPE). For all other asset classes included, the cost model is applied.

Based on variations in the prices of real estate in recent years, the Panel considers that the revaluation model more reliably reflects the value of these assets.

Under this model, after initial recognition, the assets are measured at fair value at the revaluation date minus the accumulated depreciation and cumulative amount of impairment losses, if any.

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The frequency of revaluations will depend on changes in the fair values of the elements classified under this model. Where the fair value of the asset differs significantly from its amount in books, a revaluation will be made.

Fair value measurements are made by external evaluators, whose selection is made considering attributes such as market knowledge, reputation, independence and whether it meets the right professional standards.

The increase in the amount in books of an asset as a result of the revaluation is recognized in OCI, in the PPE Revaluation account.

Depreciations are determined by applying the straight line method, based on fair value and estimated remaining useful life at the time of revaluation and are recognized in full results. Depreciation methods and useful lives are reviewed at each year-end close and adjusted, if necessary.

5.7 Intangible assets

Intangible assets include the costs of acquiring and implementing information systems, which are measured at their cost less accumulated depreciation and any impairment, if any.

Subsequent information system disbursements are capitalized only if the economic benefits of the related asset increase. All other erogations are recognized as loss when incurred.

Information systems are amortized by applying the straight line method according to its useful life, which is estimated to be 5 years.

Depreciation methods as well as useful lives are reviewed at each closing date, and adjusted prospectively if applicable.

5.8 Other non-financial assets

a) Artworks and collectibles

Artworks and collectibles are measured at their cost.

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b) Investment properties

The Group applies the fair value model as the accounting policy for the Investment Properties. Fair value is determined on the basis of the appraisal performed by an independent professional, applying Level 3 valuation techniques. A market approach is used for this task.

5.9 Non-current assets held for sale

Non-financial assets are classified as held for sale if their amount in books will be recovered primarily through a sales transaction and are available for immediate disposal under usual terms and for which Management is engaged through an active plan to negotiate them at a reasonable price. Therefore, sales are considered highly likely and are expected to be completed within the year following the qualifying date.

These assets are measured at the lowest value between the book value and the fair value minus selling costs at the time of reclassification.

When an investment in an associate or a joint venture measured by applying the participation method is classified as "non-current asset maintained for sale" the application of the participation method is halting.

5.10 Impairment of non-financial assets

At least at each year-end closing date, the Group assesses whether there are indications that a non-financial asset (except deferred tax assets) may be impaired. If such an indication exists, the recoverable value of the asset is estimated.

For proof of impairment, assets are grouped into the smallest group of assets that generate income from funds from their continued use which is independent of the fund income of other assets or other cash-generating units (UGE).

The "recoverable value" of an asset or UGE is the largest between its value in use and its fair value minus the costs of sale. The "value of use" is based on estimated funds flows, discounted to their present value using the before-tax interest rate reflecting the market's current assessment of the time value of money and asset-specific risks or UGE.

If the book balance of an asset (or UGE) is greater than its recoverable value, the asset (or UGE) is considered impaired, its book balance is reduced to its recoverable value and the difference is recognized in results.

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A impairment loss is reversed only to the extent that the book value of the assets does not exceed that which they would have had if the impairment had not been recognized.

The Group has made these estimates and, considering that the recoverable value of the assets exceeds their book value, has determined that no impairment adjustment is required.

5.11 Provisions

The Panel recognizes a provision only when the following circumstances arise: (a) the Panel has an obligation present, as a result of a past event; (b) it is likely (i.e. there is a greater possibility that it will be presented than otherwise) that an out-of-action is required to cancel the obligation; c) the amount to be paid can be reliably estimated.

In determining the balance of provisions, existing risks and uncertainties were considered taking into account the views of the Group's external and internal legal advisers. Based on the analysis carried out, the amount corresponding to the best estimate of the likely disbursement necessary to cancel the obligation present at the closing date of each financial year was recorded as a forecast.

The provisions registered by the Group are reviewed at the closing date of each financial year and adjusted to reflect at all times the best available estimate. In addition, the provisions are recorded with specific assignment in order for them to be used to cover only disbursements for which they were originally recognized.

Where: (a) the obligation is possible; or (b) exit of resources is not likely to be required to cancel the obligation; or (c) the amount of the obligation cannot be reliably measured, such contingent liabilities are not recognized and disclosed in notes. However, where the possibility of a disbursement needs to be made is remote, no disclosure is included.

5.12 Benefits to staff

Benefits to short-term staff

Short-term staff benefits are recognized in results when the employee provides the related service. A provision is recognized if the Group has a legal or implied obligation, as a result of past services provided by the employee, to pay an amount that can be reliably estimated.

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5.13 Share capital

Increased transaction costs directly attributable to the issuance of common shares are recognized as a reduction in contributions received, net of related income tax.

5.14 Interest income and expenses

Interest income and expenses is recognized in results using the effective interest rate method. The effective interest rate is the rate that accurately discounts the flows of funds from payments and contractual collections over the expected life of the financial instrument to the accounting balance of the financial asset or financial liability.

The calculation of the effective interest rate includes transaction costs, commissions, and other concepts paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to acquiring a financial asset or issuing a financial liability.

Interest income and expenses presented in the Consolidated Statement of Income includes interest on:

- financial assets and liabilities measured at amortized cost; and
- measured at fair value with changes in OCI.

5.15 Revenue and fee expenses

This item presents the revenue and fees for commissions resulting from contracts with clients and included in the scope of IFRS 15.

Commissions, fees and the like that are part of the effective interest rate of a financial asset or liability are included in the measurement of the effective interest rate (see Note 5.14).

All other commission income, including service fees, by common investment fund management, service fees, is recognized when the related service is provided.

The Bank has a customer loyalty program consisting of the accumulation of points through consumptions made with credit and/or debit cards. They may be redeemed for products or services to be provided by the Bank.

At the close of each financial year, the Bank measures the prizes to be awarded as an identifiable component of the main transaction, the fair value of which, i.e. the amount in which the prize could be sold separately, is recorded under the heading "Other Liabilities – Customer Loyalty Program".

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All other commission expenses are recognized in results when the related service is received.

5.16 Leases

IFRS 16 introduces a single accounting model for the tenant and requires the tenant to recognize the asset related to the right to use the leased asset and the lease liability that represents the obligation to make the lease payments.

a) The Group as a Tenant

The Group assumes the figure of tenant in the leases of a certain number of branches.

On the date on which the Group has the underlying asset available, it recognizes an asset for the right of use and a liability for the lease.

The above-mentioned asset is measured at its cost, which includes the initial value of the lease liability, the lease payments already made, the initial direct costs, and an estimate of the erogations to be incurred to return the underlying asset to the condition required under the terms of the contract, if applicable.

The lease liability is recognized as the present value of lease payments pending erogation at the time of contract discharge, discounted at the current incremental loan rate.

After its initial recognition, the Group measures its assets by right of use using the cost model, decaying from the initial value, the amount of accumulated depreciation and accumulated losses on impairment.

The depreciation model adopted is the straight-line method for the entire term of the lease.

The lease liability accrues interest at the rate used for the results-impact discount and is reduced by the effective payments of the contract.

b) Short-term leases or low-value underlying assets

Under IFRS 16, for short-term leases or where the underlying asset is of low value, the Group chooses to recognize the payments associated with these contracts linearly as results expenditures.

The aforementioned choice is leased by lease.

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c) The Group as Landlord

IFRS 16 provides that a landlord must classify leases into financial and operational. The rule defines the former as leases that substantially transfer the risks and benefits inherent in ownership of the underlying asset. In the event that such a transfer does not happen, it shall correspond to an operating lease.

- Financial Leases

Financial leases are recognized as an account receivable for an amount equal to the net investment of the lease, which includes commissions, fees and transaction costs that are those incrementals directly attributable to the negotiation and contracting of the lease.

Financial leases are recognized at the current value of payments to be received from the tenant including the price of the exercise of the purchase option at the end of the contract, when there is reasonable certainty that the option will be exercised. To determine the current value, funds flows are discounted by applying the implied lease rate. Interest on financial leases is recognized in the Interest Income line.

Net lease investment is subject to impairment analysis of financial assets.

- Operating Leases

Operating lease payments are recognized as income linearly in the year result.

5.17 Current and deferred income tax

The income tax charge for each financial year includes current and deferred income tax and is recognized in results, except to the extent that it relates to a concept recognized in OCI or directly in equity.

a) Current tax

Current income tax includes the tax payable, or advances made on the taxable tax for the year and any adjustments to be paid or collected related to previous years. The amount of the current tax payable (or recovered) is the best estimate of the amount expected to be paid (or recovered) measured by applying tax aliquots arising from laws sanctioned or substantially sanctioned at the closing date.

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Superintendent
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João Carlos de Nobrega Pecego
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b) Deferred tax

The deferred tax charge is recognized in relation to the temporary differences between the accounting balance of assets and liabilities for accounting reporting purposes and the amounts used for tax purposes.

Deferred tax is not recognized for:

- temporary differences in the initial recognition of assets or liabilities in a transaction that is not a combination of business and does not affect either accounting or tax results;
- temporary differences related to investments in subsidiaries, to the extent likely not to reverse in the foreseeable future; and
- taxable temporary differences arising from initial business key recognition.

Deferred tax assets are recognized for tax breaks, unused tax credits, and deductible temporary differences to the extent future taxed gains against which they are likely to be used will be available. Deferred tax assets are reviewed at each closing date and reduced to the extent that the related tax benefit is not more likely to be realized.

Unrecognized deferred tax assets are reviewed at each closing date and recognized to the extent that future tax gains against which they may be used will likely be available.

Deferred tax assets and deferred tax liabilities are shown net in the Consolidated Statements of Financial Position where deferred tax assets and deferred tax liabilities are related to taxes levied by the same tax authority and are from the same taxpayer.

Deferred tax is measured to tax aliquots that are expected to be applied to temporary differences when reversed, using tax aliquots arising from laws sanctioned or substantially sanctioned at the closing date.

The deferred tax measurement reflects the tax consequences related to how the Group expects, at the closing date, to recover or cancel the accounting balance of its assets and liabilities.

In determining the amount of the current and deferred income tax charge, the Panel considers the impact of different interpretations of tax regulations, including additional taxes and interest that may exist. This assessment is based on estimates and assumptions that can involve a number of value judgments about future events. New information may emerge that causes the Group to change its position on the appropriateness of existing tax debts; such changes in tax debts may impact the income tax charge in the period in which such determination is made.

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c) Tax reform

On December 29, 2017, by Decree No. 1112/2017 of the National Executive Branch, Law No. 27,430 on Tax Reform was enacted which, among other aspects, reduces the corporate aliquot of the income tax that it taxes on un distributed business profits and has an effect on the measurement of deferred tax assets and liabilities. This legislation was amended by Law No. 27.541 promulgated by Decree No. 58/2019 of the National Executive Branch dated 23 December 2019, which suspended the reduction of aliquots until fiscal years commencing from 1 January 2021 inclusive.

This reduction in corporate aliquot is gradually implemented from 35% for the 2017 fiscal period, to 30% for the 2018 to 2021 financial years and 25% for the years starting on or after January 1, 2022. Its effects are considered from deferred taxes determined as of December 31, 2017, As follows: if the reversal occurred from 1 January 2018 and until the years commencing from and including 1 January 2021, the aliquot to be applied is 30% and if the reversal occurs from the date indicated below the aliquot to be applied is 25%. (See Note 15).

In addition, the reform provides for changes related to equalization tax, adjustment for tax inflation, treatment of acquisitions and investments made as of January 1, 2018, tax refund and employer contributions.

d) Uncertain tax positions

In determining current and deferred income tax amounts, the Group considers the impact of uncertain tax positions related to income tax, including whether they may generate additional taxes or interest. The assessment is based on estimates and assumptions that may involve a series of trials on future events. New information available may cause the Panel to modify its judgments regarding the appropriateness of recognized tax debts; such changes in tax debts would impact the income tax charge for the period in which such determination is made.

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5.18 Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit attributable to the Group's shareholders by the weighted average of the ordinary shares outstanding during each financial year. In the financial years ended December 31, 2020 and 2019, the Group does not maintain financial instruments with dilute effect, so the basic and diluted earnings per share are the same.

NOTE 6 – IFRS ISSUED BUT NOT YET IN FORCE

In accordance with Communication "A" 6114, the BCRA generally provided that the early application of any IFRS will not be allowed, unless, on the occasion of adoption, it is specifically admitted.

There are no regulations issued or modifications to current rules whose entry into force from January 2021 is expected to have significant effects for the entity.

NOTE 7 – CASH AND BANK DEPOSITS

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

	12/31/20	12/31/19
Cash	19,193,888	15,892,762
BCRA - Current account	38,797,043	43,788,202
Balances with financial institutions in Argentina and abroad	1,994,439	922,664
Other	757,305	163,113
Total	60,742,675	60,766,741

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

Breakdown is as follows (*):

	<u>12/31/20</u>	<u>12/31/19</u>
Public Securities of the National Treasury	1,190,074	195,039
Public Securities of the National Government	238,947	127,692
Private Securities of the country	107,455	137,963
Foreign Private Securities	7,007	9,044
Provincial Government Securities	-	7,033
Total	<u>1,543,483</u>	<u>476,771</u>

(*) See Note 62.

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 consolidated statements of income in the line "Gain/ loss on financial instruments measured at fair value through profit or loss".

Breakdown is as follows:

	<u>12/31/20</u>	<u>12/31/19</u>
Effective values		
Assets		
FX forward transactions	2,948	-
Foreign currency forwards	281,811	105,186
Total	<u>284,759</u>	<u>105,186</u>
Liabilities		
Foreign currency forwards	-	332,988
FX forward transactions	-	5,615
Total	<u>-</u>	<u>338,603</u>

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Notional values	<u>12/31/20</u>	<u>12/31/19</u>
Assets		
FX forward transactions	118,785	2,883
Foreign currency forwards	3,645	20,327
Total	<u><u>122,430</u></u>	<u><u>23,210</u></u>
Liabilities		
Foreign currency forwards	48,390	883
FX forward transactions	90,864	21,210
Total	<u><u>139,254</u></u>	<u><u>22,093</u></u>

NOTE 10 - REPO TRANSACTIONS

Breakdown is as follows:

	<u>12/31/20</u>	<u>12/31/19</u>
Assets		
Government securities	297,631	-
Instruments issued by the BCRA	7,665,563	-
Total	<u><u>7,963,194</u></u>	<u><u>-</u></u>
Liabilities		
Government securities	4,648	-
Total	<u><u>4,648</u></u>	<u><u>-</u></u>

NOTE 11 – OTHER FINANCIAL ASSETS

Breakdown is as follows:

	<u>12/31/20</u>	<u>12/31/19</u>
Measured at amortized cost		
Sundry recessive from the sale of Prisma Media de Pago S.A. (Note 21)	1,293,251	1,320,258
Receivables from spot sales of foreign currency to be settled	84,823	490,923
Receivables from spot sales of government securities to be settled	506,474	32,951
Recessive sundry	1,263,992	1,673,348
Sub - Total	<u><u>3,148,540</u></u>	<u><u>3,517,480</u></u>
Measured at fair value with changes through profit or loss		
Mutual fund shares	756,318	624,414
Sub - Total	<u><u>756,318</u></u>	<u><u>624,414</u></u>
Less: Allowance for loan losses (Exhibit R)	(1,350,688)	(1,343,517)
Total	<u><u>2,554,170</u></u>	<u><u>2,798,377</u></u>

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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>12/31/20</u>	<u>12/31/19</u>
Measured at amortized cost	117,939,943	126,879,469
Less: Allowance for loan losses (Exhibit R)	(4,499,971)	(6,511,003)
Total	<u>113,439,972</u>	<u>120,368,466</u>

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

	<u>12/31/20</u>	<u>12/31/19</u>
Government sector	7,898	30,788
Financial sector	7,597,534	5,847,962
Non-financial private sector and residents abroad	110,334,511	121,000,719
Overdrafts	30,306,179	25,996,580
Notes	28,991,206	35,746,112
Credit cards	22,097,914	21,501,453
Personal consumer loans	7,497,364	11,422,742
Pledge loans	3,623,581	4,421,875
Mortgage loans	1,045,135	1,562,112
Finance leases	274,625	719,862
Other loans	11,370,726	14,179,051
Interest and other adjustments	5,127,781	5,450,932
Sub - Total	<u>117,939,943</u>	<u>126,879,469</u>
Less: Allowance for loan losses (Exhibit R)	(4,499,971)	(6,511,003)
Total	<u>113,439,972</u>	<u>120,368,466</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.

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Quality of loans and other financing

The Bank manages the quality of loans through ratings established by BCRA regulations. The following table shows loans as they are delayed, impaired, or without delay or deterioration, according to their implementation:

Item	Neither delinquent nor impaired	Delinquent nor impaired	Impaired	Total as of 12/31/20
Government sector	7,898	-	-	7,898
Financial sector	7,597,534	-	-	7,597,534
Nonfinancial private sector and foreign residents	106,389,800	3,213,163	731,548	110,334,511
Overdrafts	29,850,057	422,114	34,008	30,306,179
Notes	28,000,936	917,455	72,815	28,991,206
Mortgage loans	898,295	146,769	71	1,045,135
Pledge loans	3,012,442	597,063	14,076	3,623,581
Personal loans	7,056,757	98,941	341,666	7,497,364
Credit cards	21,457,091	623,571	17,252	22,097,914
Finance leases	261,877	5,993	6,755	274,625
Interest and other adjustments	4,991,334	69,329	67,118	5,127,781
Other	10,861,011	331,928	177,787	11,370,726
Total	113,995,232	3,213,163	731,548	117,939,943

Item	Neither delinquent nor impaired	Delinquent nor impaired	Impaired	Total as of 12/31/19
Government sector	30,788	-	-	30,788
Financial sector	5,847,962	-	-	5,847,962
Nonfinancial private sector and foreign residents	110,439,038	8,171,960	2,389,721	121,000,719
Overdrafts	25,464,485	418,884	113,211	25,996,580
Notes	34,260,706	768,717	716,689	35,746,112
Mortgage loans	1,559,453	1,060	1,599	1,562,112
Pledge loans	3,111,074	1,258,054	52,747	4,421,875
Personal loans	9,483,823	1,148,802	790,117	11,422,742
Credit cards	20,698,368	744,832	58,253	21,501,453
Finance leases	654,233	43,052	22,577	719,862
Interest and other adjustments	5,153,850	158,431	138,651	5,450,932
Other	10,053,046	3,630,128	495,877	14,179,051
Total	116,317,788	8,171,960	2,389,721	126,879,469

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The remaining financial assets are not delinquent or impaired.

Allowances for loans losses and other financing

The evolution of forecasts by type of funding is presented in the Exhibit "R", Loss Impairments Adjustments – Allowances for loan losses.

NOTE 13 – OTHER DEBT SECURITIES

Breakdown is shown below:

Measured at fair value with changes through OCI (*)

	<u>12/31/20</u>	<u>12/31/19</u>
BCRA instruments	65,112,346	47,069,355
Argentine Treasury securities	18,088,363	7,636,949
Argentine Corporate securities	1,264,430	-
Provincial Government securities	1,084,722	394,432
Argentine government securities	431,215	589,456
US Treasury bonds	336,526	283,771
Sub - Total	<u>86,317,602</u>	<u>55,973,963</u>

Measured at amortized cost (*)

	<u>12/31/20</u>	<u>12/31/19</u>
Argentine Treasury securities	1,924,059	956,501
Argentine corporate securities	129,796	262,709
BCRA instruments	-	163,154
Sub - Total	<u>2,053,855</u>	<u>1,382,364</u>
Total	<u>88,371,457</u>	<u>57,356,327</u>

(*) See Note 62.

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NOTE 14 – FINANCIAL ASSETS GRANTED AS COLLATERAL

Financial assets granted as collateral are broken down as follows:

	<u>12/31/20</u>	<u>12/31/19</u>
Special guarantee accounts (*)	2,479,794	2,272,425
BCRA - Financial trusts under guarantee of forward transactions	5,329,245	1,525,702
- Treasury bonds in ARS Adjusted by CER 1.5%, maturity 03/25/2024	1,612,499	-
- Argentine Treasury Bills in ARS, maturity 01/29/2021	1,420,275	-
- Argentine Treasury Bills in ARS Adjusted by CER to Discount, maturity 02/26/2021	1,012,050	-
- Argentine Treasury Bonds in ARS Adjusted by CER 1.20%, maturity 03/18/2022	500,000	-
- Argentine Treasury Bonds Linked to u\$s, maturity 04/29/2022	271,592	-
- Argentine Treasury Bonds Linked to u\$s, maturity 11/30/2021	262,874	-
- Argentine Treasury Bonds in ARS Adjusted by CER 1%, maturity 08/05/2021	226,355	-
- Treasury bonds in ARS Adjusted by CER 1.40%, maturity 03/25/2023	23,600	-
- Other	-	1,525,702
Security deposits - Credit and debit card managing companies	558,809	580,555
Security deposits – IADB loan – Global Credit Program for micro-, small- and medium-sized enterprises	304,789	476,900
- Treasury bonds in ARS Adjusted by CER 1.5%, maturity 03/25/2024	292,400	-
- Pesos as guarantees	10,000	-
- Dollars as guarantees	2,389	-
- Other	-	476,900
Other security deposits	18,443	20,908
Total	<u>8,691,080</u>	<u>4,876,490</u>

(*) Granted as collateral and held with the BCRA and Banco Central de Uruguay (see Note 50).

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NOTE 15 - INCOME TAX

a) Current income tax assets and liabilities:

Broken down as follows:

	<u>12/31/20</u>	<u>12/31/19</u>
Current income tax assets	18,459	19,780
Current income tax liabilities		
Tax provision	6,348,818	9,471,658
Advance payments	(4,957,034)	(3,042,366)
Withholdings and collections at source	(6,893)	(18,372)
Total	<u>1,384,891</u>	<u>6,410,920</u>

b) Income tax expense:

The composition and evolution of deferred earnings tax assets and liabilities are as follows:

Item	Book balances as of 12/31/19	Recognized changes in		Book balances as of 12/31/20
		results	Oic	
Assets				
AXI Tax Balance	1,587,508	2,144,651	-	3,732,159
Allowances for loan losses	2,456,788	(1,465,537)	-	991,251
Loans - Valuation at amortized cost	113,708	(9,238)	-	104,470
Provisions included in liabilities	466,588	(68,201)	-	398,387
Other liabilities	143,245	79,712	-	222,957
Other	42,576	(4,059)	-	38,517
Deferred tax asset	4,810,413	677,328	-	5,487,741
Liabilities				
Debt securities	-	821,090	(821,090)	-
Intangible assets	(47,288)	2,007	-	(45,281)
Properties and equipments	(2,718,918)	703,967	-	(2,014,951)
Investment properties	(12,469)	1,309	-	(11,160)
Corporate bonds	(283)	(444)	-	(727)
Conversion difference	(46,673)	(3,256)	(3,399)	(53,328)
Investments in associates	(362,704)	41,003	-	(321,701)
Deferred tax liability	(3,188,335)	1,565,676	(824,489)	(2,447,148)
Total	<u>1,622,078</u>	<u>2,243,005</u>	<u>(824,489)</u>	<u>3,040,594</u>

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Executive Manager of Administration

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Superintendent
Finance, Administration and Public Sector

João Carlos de Nobrega Pecego
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BANCO PATAGONIA S.A.

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Item	Book balances as of 12/31/18 (*)	Recognized changes in		Book balances as of 12/31/19
		results	Oic	
Assets				
AXI Tax Balance	-	1,587,508	-	1,587,508
Allowances for loan losses	1,805,576	651,212	-	2,456,788
Loans - Valuation at amortized cost	432,601	(318,893)	-	113,708
Provisions included in liabilities	208,246	258,342	-	466,588
Other liabilities	158,131	(14,886)	-	143,245
Other	61,140	(18,564)	-	42,576
Deferred tax asset	2,665,694	2,144,719	-	4,810,413
Liabilities				
Debt securities	(15,852)	15,852	587,409	-
Intangible assets	(34,763)	(12,525)	-	(47,288)
Properties and equipments	(2,835,218)	116,300	178,337	(2,718,918)
Investment properties	(12,539)	70	-	(12,469)
Corporate bonds	(10,804)	10,521	-	(283)
Conversion difference	(27,807)	(6,604)	(12,262)	(46,673)
Investments in associates	(198,121)	(164,583)	-	(362,704)
Deferred tax liability	(3,135,104)	(40,969)	753,484	(3,188,335)
Total	(469,410)	2,103,750	753,484	1,622,078

(*) The amount consists of a deferred income tax asset of 158,938 and a deferred income tax liability of 620,348.

The income tax charge consists of the following concepts:

	12/31/20	12/31/19
Current tax	6,348,818	9,471,658
Current tax reexpression	1,124,988	2,822,970
Deferred tax	(2,243,005)	(2,103,750)
Income tax charge	5,230,801	10,190,878

Reconciliation of the effective tax rate is shown below:

	12/31/20	12/31/19
Profit before income tax	15,710,690	25,423,136
Income tax rate	30%	30%
Tax on taxed income	4,713,207	7,626,941
Differences in the application of the adjustment for accounting and tax inflation	671,052	2,232,877
Net permanent differences and other tax effects	(153,458)	331,060
Income tax charge	5,230,801	10,190,878

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Law No. 27.468 amended the transitional regime established by Law No. 27.430 for the implementation of the tax inflation adjustment of the Income Tax Act, indicating that it will be valid for the years commencing from January 1, 2018 when, for the first, second and third financial years, the variation in the Consumer Price Index (CPI), calculated from the start to the close of each of these financial years, exceeds fifty-five per cent (55%), by thirty per cent (30%) fifteen per cent (15 per cent), respectively.

The adjustment for positive or negative inflation obtained shall be allocated, in accordance with the amendment provided for in Law No. 27,541 enacted on 23 December 2019, a sixth in that fiscal period and the remaining five sixths, equally, in the following immediate fiscal periods.

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

Moreover, considering that, at 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 considered the effects of inflation and included that estimate in the provision of the income tax payable.

The effect of the deferral of five-sixths of the inflation exposure result for 2020 has been recognised as a deferred tax asset of 31 December 2020.

As of December 31, 2020 and 2019, the effective rate of income tax is 33.3% and 40.1%, respectively.

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NOTE 16 – INVESTMENTS IN EQUITY INSTRUMENTS

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

<i>Information as of December 31, 2020</i>		
Description	Fair value level	Book balances as of 12/31/20
- Prisma Media de Pago S.A. (*)	3	835,625
- Matba Rofex S.A. (**)	2	3,041
- Insurance of deposits S.A.	2	493
- Look far S.A.C.F. And Agricultural	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. Works To Be. Three Arroyos	2	12
- Coop. Electrica Ltda. by Claromeco	2	1
Total		839,434

<i>Information as of December 31, 2019</i>		
Description	Fair value level	Book balances as of 12/31/19
- Prisma Media de Pago S.A. (*)	3	1,137,838
- Insurance of deposits S.A.	2	672
- Look far S.A.C.F. And Agricultural	2	144
- Market at the end of Buenos Aires S.A.	2	99
- Bolsa de Comercio de Mar del Plata S.A.	2	76
- Argencontrol S.A.	2	72
- Sanatorio Las Lomas S.A.	2	64
- Celta Coop. Works To Be. Three Arroyos	2	16
- Coop. Electrica Ltda. by Claromeco	2	1
Total		1,138,982

(*) 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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As of the date of issuance of these financial statements, the Entity retains ownership of 5,318,293 shares of Prisma Medios de Pago S.A. representing 2.6822% of its share capital and recorded in "Investments in Equity Instruments".

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

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

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

NOTE 17 – INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

	<u>12/31/20</u>	<u>12/31/19</u>
Interbanking S.A.	314,143	254,089
Mercado Abierto Electrónico S.A.	64,099	51,938
Play Digital S.A. (*)	59,611	-
Compensadora Electrónica S.A.	7,958	5,335
Provincanje S.A.	3,749	3,456
Total	<u>449,560</u>	<u>314,818</u>

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

At the date of issuance of these financial statements, the Entity owns 52,562,043 ordinary shares, representative of the 4.3903% of the share capital.

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NOTE 18 - PROPERTY AND EQUIPMENT

As mentioned in Note 3 "Functional Currency" and as of Communication "A" 6651, the BCRA established the application of IAS 29 guidelines retroactively to 1 January 2019, for the financial years com initiated as of 1 January 2020.

As regards the items of Ownership and Equipment, these are revalued assets, so their re-expression from the date of transition to IFRS (December 31, 2016) is computed.

As for the property and equipment revaluation surplus, it is calculated in real terms at the retroactive application date of IAS 29.

The impact of the application of this regulation as of January 1, 2019, is reflected in Unsigned Results.

As of December 31, 2019, in compliance with its accounting policies, and considering the significant changes experienced by the fair values of real estate for its own use, the Group hired an independent expert specializing in valuation for the review of fair values and the reestimation of the useful life of the properties at that date.

The increase in the amount on the books of the properties as a result of that revaluation is recognized in OCI, in the PPE Revaluation account, by 2,138,154 (in historical values) which, considering the tax effect of 545,218 (in historical values), results in a net balance of 1,592,936 (in historical values).

By applying IAS 29 to 31 December 2019, that revaluation results in a lower value of the revaluation surplus by (742,323), considering its tax effect of 178,337, results in a net value of (563,986). The balance at the close of the reservation for revaluation of Property and Equipment amounts to 1,401,857, net of its tax effect.

The market approach was used for the fair value determination, which assumes that a well-informed buyer will not pay for one asset other than the purchase price of another similar asset, i.e. it provides an indication of the value by comparing the asset with similar ones.

The assets subject to revaluation are subject to frequent trading and, at the date of analysis, there were units with a known price level in the market or it was possible for the independent valuationr to obtain opinions from brokers or real estate in the areas of each property. Therefore, there were stable markets for similar goods on the condition of used goods offered for purchase - sale for fair value determination through the market approach.

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The attributes used for determining the fair value of each property are detailed below:

- ✓ Location in area
- ✓ Location in apple
- ✓ Location in building
- ✓ Infrastructure services
- ✓ Forehead
- ✓ Surface
- ✓ Constructive quality
- ✓ Antiquity
- ✓ Maintenance
- ✓ Marketing

The evolution of the item as of December 31, 2020 and 2019, as well as the residual value of the self-used properties revalued are shown in the Exhibit "F" – Movement of Property and Equipment, which accompanies these financial statements.

Since the Real Estate Revaluation (considered a non-recurring valuation) is based on non-observable market data, it corresponds to a hierarchy of Level 3 fair value.

NOTE 19 – INTANGIBLE ASSETS

The evolution of the item as of December 31, 2020 and 2019 is shown in the Exhibit "G" - Movement of Intangible Assets, which accompanies these financial statements.

NOTE 20 – OTHER NON FINANCIAL ASSETS

Breakdown is as follows:

	<u>12/31/20</u>	<u>12/31/19</u>
Advance payments	445,458	860,808
Other assets	253,341	263,739
Piece of art	60,326	60,326
Investment property (Exhibit "F")	46,280	52,197
Assets acquired as collateral for loans	-	148,382
Other	91,375	54,986
Total	<u>896,780</u>	<u>1,440,350</u>

Developments in the investment properties included within the Other Non-Financial Assets as of December 31, 2020 and 2019 are shown in the Exhibit "F" - Movement of Investment Properties, which accompanies these financial statements.

In addition, the criteria reported in Note 5.8.b) have been applied for its assessment.

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NOTE 21 – NON CURRENT ASSETS HELD FOR SALE

As of December 31, 2020 the Group holds for sale the following non-current assets: two fields located at Anta department, province of Salta in the amount of 148,383.

As of December 31, 2019 the group does not own non-current assets held for sale.

NOTE 22 - DEPOSITS

Information about Deposits is disclosed in Exhibit "H"– Deposits Concentration, which follows to these consolidated financial statements and the breakdown of deposits of the non-financial private sector and foreign residents is as follows:

Item	12/31/2020	12/31/2019
Checking accounts	25,145,289	20,579,308
Savings accounts	76,188,957	67,363,183
Time deposit and investments	82,759,356	50,750,503
Interest and adjustment	1,611,010	9,234,546
Other	11,101,395	1,136,261
Total	196,806,007	149,063,801

NOTE 23 – OTHER FINANCIAL LIABILITIES

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

Item	12/31/2020	12/31/2019
Credit card charges payable	5,709,033	6,765,553
Collections on account and on behalf of third parties	1,171,873	759,854
Sundry payables	1,612,177	3,343,130
Payables related to FX purchases on the spot market to be settled	848,010	163,535
Payables related to foreign trade transactions	605,727	750,271
Payables related to purchase of government securities to be settled	59,611	620
Total	10,006,431	11,782,963

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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>12/31/20</u>	<u>12/31/19</u>
Financing facilities received from foreign financial institutions	2,479,398	20,143,241
Financing facilities received from local financial institutions	1,624,767	2,018,710
BCRA	10,209	14,254
Total	<u>4,114,374</u>	<u>22,176,205</u>

NOTE 25 – CORPORATE BONDS ISSUED

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

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

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

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

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

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

- a) Effective for 5 years from CNV authorization or the maximum term to be established by the future applicable regulations;
- b) Different classes and/or series of corporate bonds may be issued, denominated in US Dollars or other currencies and the successive classes or series amortized may be re-issued;

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c) The amount of USD 500,000,000 or its equivalent in other currencies will be the maximum outstanding amount during the effective term of the program; and

d) The proceeds from the placement of the corporate notes to be issued under the program will be used for one or more of the purposes provided for in article 36 of Law No. 23,576 as amended, and in the Regulations on Borrowing Operations, Placement of Securities and Debt Instruments Section the BCRA, or those established in the applicable regulations, and as indicated in the Pricing Supplement.

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

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

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

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

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

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

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The current issues are detailed below:

Issue	Issued value	Annual nominal rate	Date of issuance	Maturity date	Balances as of 12/31/20	Balances as of 12/31/19
GPAT Compañía Financiera S.A.U.						
Series XXVII Class B	177,500	Badlar + 3.50%	05/10/2017	05/10/2020	-	219.299
Series XXVIII Class B	123,333	Badlar + 3.97%	06/27/2017	06/27/2020	-	168.702
Series XXX Class B	191,111	27,50% (04/05/18) - Badlar + 4.17%	10/05/2017	10/05/2020	-	265.472
Series XXXIII Class C ⁽¹⁾	397,000	45,00%	02/05/2019	02/05/2020	-	756.046
Series XXXIV Class B	508,333	Badlar + 5%	06/24/2020	06/24/2021	511,282	-
Series XXXV Class A	500,000	38,50%	10/21/2020	10/21/2021	459,765	-
Total					971,047	1,409,519

(1) On November 5 and December 5, 2019 GPAT Compañía Financiera S.A.U. repurchased the corporate note Series XXXIII class C, in the amount of nominal value 3,000 and nominal value 100,000 at a price of 1.24 and 1,3348, respectively, out of a total nominal value 500,000 corporate notes issued.

On January 13, 2021, GPAT proceeded to issue the Series XXXVI corporate bonds for a nominal value of 750,000 at a variable rate (Badlar + 5%) with a maturity of 12 months from its issuance.

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 fiscal year December 31, 2020 is disclosed in Exhibit J "Changes in Provisions" which forms part of these consolidated financial statements.

The following are the falls in provisions as of December 31, 2020:

Fall in supplies	Provisions					
	Labor Lawsuits	General Lawsuits	Tax claims	Administrative, disciplinary and criminal sanctions	Eventual Responsibilities	Total as of 12/31/20
Less than 12 months	16,713	441,407	22,274	-	178,889	659,283
More than 12 months	78,936	880,966	136,566	-	125,281	1,221,749
Total	95,649	1,322,373	158,840	-	304,170	1,881,032

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The following are the falls in provisions as of December 31, 2019:

Fall in supplies	Provisions					Total as of 12/31/19
	Labor Lawsuits	General Lawsuits	Tax claims	Administrative, disciplinary and criminal sanctions	Eventual Responsibilities	
Less than 12 months	28,758	286,020	6,687	-	351,145	672,610
More than 12 months	64,950	1,331,916	155,780	45	3,489	1,556,180
Total	93,708	1,617,936	162,467	45	354,634	2,228,790

Due to the nature of its business, the Group has a number of pending lawsuits where provisions are recorded when, in the opinion of Management and its legal advisers, it is likely that these may result in additional liabilities and the sum may be reasonably estimated. With respect to other lawsuits against the Group that have not been provided, in the opinion of Management and its legal advisers, they will not result in liabilities in addition to those already registered or have a material effect on the Group's financial statements.

Note 55 includes, at the request of the BCRA, all administrative, disciplinary and criminal sanctions with a court judgment of first instance or not, which were applied or initiated by the BCRA, Financial Information Unit, CNV and the Superintendency of Insurance of the Nation, regardless of whether they are likely, possible or remote.

The Group Management and its legal advisers consider that the cases in which cash disbursements may be material, and that there are no significant effects other than those set out in these consolidated financial statements, are not material.

NOTE 27 – OTHER NON FINANCIAL LIABILITIES

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

	12/31/20	12/31/19
Cash dividends payable	7,764,051	-
Other short term employee benefits payable	2,061,612	1,626,705
Withholdings and collections	1,266,751	1,092,929
Advanced payments received	962,543	865,568
Sundry accounts payable	924,270	669,057
Other taxes payable	478,270	739,020
Payroll and social security contributions payable	287,812	393,013
Liabilities from contracts with costumers	227,977	229,922
Payroll withholdings payable	188,722	187,035
Social security payment orders to be seattled	164,585	223,127
Advanced payments received for the sale of goods	34,749	5,381
Other	146,210	83,778
Total	14,507,552	6,115,535

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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 registered them, common shares with a nominal value of ARS 1, and one vote per share.

Class "A" shares represents the ownership interest held by the Province of Rio Negro, whereas Class "B" shares account for the interest ownership 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	12/31/20	12/31/19
Government securities measured at fair value with changes through OCI	32,257,363	43,948,514
Overdrafts	9,255,021	10,374,066
Notes	7,883,160	10,549,159
Consumer loans	4,536,621	7,250,039
Credit cards	3,908,781	6,804,661
Other loans	3,737,416	4,684,496
Premiums on repos with the financial sector	2,821,760	1,887,595
Loans to the financial sector	2,205,451	1,437,244
Pledge Loans	1,424,813	1,929,338
Finance leases	153,803	423,655
Other	613,558	639,902
Total	68,797,747	89,928,669

NOTE 30 –INTEREST EXPENSE

Breakdown is as follows:

Interest expense	12/31/20	12/31/19
Time deposits	21,711,327	33,001,608
Deposits in savings accounts	2,875,564	1,159,583
Premium on reverse repo transactions with the financial sector	197,949	1,221,716
Financing facilities received from financial institutions (Call)	373,707	1,328,072
Corporate bonds	300,790	828,607
Other	1,464,317	1,024,606
Total	26,923,654	38,564,192

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NOTE 31 – FEE INCOME

Breakdown is as follows:

Fee income	12/31/20	12/31/19
Credit and debit cards	2,412,649	2,838,932
Deposits	1,722,629	2,541,717
Product packages	2,003,437	1,731,023
Insurance	1,377,769	1,661,580
Collections	732,242	932,555
Foreign trade	400,918	523,652
Securities	127,023	134,305
Loans	172,259	137,524
Other	182,318	151,112
Total	9,131,244	10,652,400

NOTE 32 – FEE EXPENSES

Breakdown is as follows:

Fee expenses	12/31/20	12/31/19
Related to credit and debit cards	1,817,222	1,787,302
Government sector	535,169	534,971
Collections	125,090	184,789
Transfers	67,099	72,712
Related to securities	62,839	73,502
Other	192,423	249,843
Total	2,799,842	2,903,119

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	12/31/20	12/31/19
Forward foreign currency transactions	709,623	259,225
Gain on the sale or derecognition of financial assets	564,204	1,025,230
Government securities and instruments issued by the BCRA	246,860	244,680
Total	1,520,687	1,529,135

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NOTE 34 – OTHER OPERATING INCOME

Breakdown is as follows:

	12/31/20	12/31/19
Other operating income		
Safe deposit box rental	533,939	454,364
Management fees (FCI manager company)	385,247	320,550
Recovered taxes	320,000	278,493
Recovered receivables	296,192	473,179
Other adjustments and interests from miscellaneous credits	295,388	381,387
Derecognized provisions	225,602	26,540
Related to capital and securities markets	216,459	166,308
Gain on the sale of property and equipment	186,383	121,355
Related to transfers	39,337	39,491
Punitive interest	38,101	191,797
Related to deposits	36,419	54,746
Gain on the sale of non-current assets held for sale	-	2,700,323
Other	1,016,183	657,917
Total	3,589,250	5,866,450

NOTE 35 – EMPLOYEE BENEFITS

Breakdown is as follows:

	12/31/20	12/31/19
Employee benefits		
Salaries	8,732,970	8,928,800
Social security contributions	1,703,539	1,772,248
Services to personnel	370,132	386,940
Severance payments	276,342	250,891
Other benefits	508,406	300,786
Total	11,591,389	11,639,665

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NOTE 36 – ADMINISTRATIVE EXPENSES

Breakdown is as follows:

Administrative expenses	12/31/20	12/31/19
Maintenance, conservation and repair expenses	1,659,596	1,672,214
Taxes	1,187,424	1,309,371
Fee	846,662	783,494
Armored vehicle services	631,550	701,002
Electric power and communications	565,869	611,557
Security services	500,667	518,083
Stationery and supplies	205,331	236,736
Advertising and marketing	136,023	443,063
Leases	92,321	117,435
Representation, per diem and mobility	39,096	98,806
Other	1,378,997	1,546,314
Total	7,243,536	8,038,075

NOTE 37 – OTHER OPERATING EXPENSES

Breakdown is as follows:

Other operating expenses	12/31/20	12/31/19
Gross income tax	3,278,265	4,472,132
ATM expenses	361,218	515,671
Contribution to the deposit guarantee fund	321,454	351,773
Other allowance charges	275,160	1,595,454
Other	1,022,715	946,419
Total	5,258,812	7,881,449

NOTE 38 – MONETARY RESULT OF MONETARY ITEMS MEASURED AT FAIR VALUE WITH CHANGES IN OCI

By Communication "A" 7211 dated 28 January 2021, the BCRA established changes in the presentation of the monetary outcome generated by the application of the financial statements re-expression procedure, as referred to in Note 2.2. to these financial statements.

In this regard, it provided that the monetary result accrued in respect of items of a monetary nature which are measured at fair value with changes in OCI, shall be recorded in the expected accounts for the results of the financial year (previously recorded in OCI).

Subsequently, Communication "A" 7222 dated 9 February 2021 granted the advance application as of 31 December 2020 of the abovementioned rule, an option to which the entity has acceded.

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Comparative information from these financial statements has also been appropriated to provide for the new established exposure criterion.

The application of the new regulations has no impact on the total comprehensive result of the financial year, but on its components, as detailed below:

<u>Effect as a result of the exercise</u>	<u>12/31/20</u>	<u>12/31/19</u>
Net income for the year without Com application. "A" 7,222	11,857,924	14,463,151
Impact Com. "A" 7,222 (A)	(1,378,035)	769,107
Return on impairment of assets measured at amortized cost and fair value with changes in OCI	(611,855)	(232,887)
Result from net monetary position	(1,186,773)	1,331,611
Income tax	420,593	(329,617)
Net income for the year	10,479,889	15,232,258
<u>Effect on another comprehensive result</u>	<u>12/31/20</u>	<u>12/31/19</u>
Another comprehensive result without Com application. "A" 7,222	1,116,834	(1,508,232)
Impact Com. "A" 7,222 (B)	1,378,035	(769,107)
Profit from fair value financial instruments with changes in the OCI	1,798,628	(1,098,724)
Income tax	(420,593)	329,617
Net income for the year	2,494,869	(2,277,339)
<u>Effect on total integral result (A)-(B)</u>	-	-

NOTE 39 – CAPITAL MANAGEMENT AND CORPORATE GOVERNANCE TRANSPARENCY POLICY

Banco Patagonia, as a Financial Entity with a percentage of shares subject to the public offering regime, is subject to the comptroller of the BCRA and the CNV, being applicable the requirements and recommendations linked to the corporate government of both Agencies.

The following are the main guidelines adopted by the Entity, related to transparency in the field of Corporate Government, as requested by Communication "A" 6324, its amendments and complementary:

1) Board, Senior Management and Committees.

a) Directory

Directory integration

The management and administration of the Entity is in charge of the Board, whose number of members is fixed by the Shareholders' Meeting between a minimum number of seven and a

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maximum of nine members being elected for periods of three annual years with the possibility of being re-elected indefinitely.

In accordance with the provisions of the Statute of the Entity, a Holder Director shall be appointed by the holder of the class "A" ordinary shares, which correspond to the Province of Rio Negro, who may in turn appoint an Alternate Director, while the remaining Directors shall be appointed by the holders of the class "B" ordinary shares, who may also appoint Alternate Directors.

Banco Patagonia has two independent members in its Board of Trustees.

The conditions under which a member of the Board does not meet the quality of independent, are expressly covered by the Financial Institutions in the rules of the BCRA, and for companies under the Public Offering Regime, in the rules of the CNV, issued under Law No. 26.831 on capital markets.

None of its members perform executive functions, in compliance with Communications "A" 7143 and 7169.

Criteria for the selection of Directors

Those who fall within the inability and incompatibilities provided for in the General Law on Companies No. 19,550, or in Law No. 21,526 financial institutions, neither in the BCRA regulations on Financial Institution Authorities, nor those covered by the CNV regulations.

On the other hand, the Social Statute of the Entity provides that it may not be Directors who hold any position or employment, rented or not, in the National, Provincial or Municipal Public Administration, with the exception of teachers, nor directors or administrators of legal persons who are delinquent debtors of Financial Institutions.

The BCRA will evaluate the conditions of legal skill, suitability, competence, probity, experience in financial activity and the possibility of functional dedication of the proposed Board members. These conditions must be maintained throughout the period of performance in office. The background is submitted to the Agency for approval.

Until the BCRA notifies the Entity of the approval of the proposed Director, the Entity may not assume the position for which it was appointed. Without prejudice to this, the Director appointed by the Class A Shares Province of Rio Negro, provided that the corresponding Provincial Decree designating it is available, may assume the position as long as his authorization is processed in the BCRA, considering his appointment in commission "ad referendum" of the authorization resolution, and without prejudice to the validity of the acts in which he participates during that period, considering his appointment in commission "ad referendum" of the authorization resolution, and without prejudice to the validity of the acts in which he participates during that period, by application of BCRA rules.

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Board Obligations in accordance with current regulations

Pursuant to the Provisions of the General Law on Companies No. 19,550, Directors are obliged to perform their duties with loyalty and with the diligence of a good businessman.

Directors are jointly and severally liable to the Company in which they hold such positions, their shareholders and third parties for the poor performance of their office, as well as for the violation of the Law, the Statute and for any damage caused by tame, abuse of powers or guilt.

The General Law on Companies No. 19.550 establishes as a criterion of conduct of directors that they:

- Contracts which are of the activity in which the Company operates and provided that they are constaged under market conditions may be con entered into with the Company.
- They have an obligation to inform the Board and the Company's Audit Committee of any interest contrary to that of the Company that it may have in a proposed operation and to refrain from intervening in the deliberation and vote of the same.
- They may not participate on their own or third parties in activities in competition with the Company, unless expressly authorized by the Assembly.

For its part, the BCRA requires that board members have the knowledge and competence to clearly understand their responsibilities and functions within the corporate government.

In turn, the rules of transparency in public offering also impose on Directors duties of loyalty and diligence in the exercise of their duties, in particular:

- To prevail, without exception, the social interest of the Broadcaster in which they exercise their function and the common interest of all its partners over any other interest, including the interest of the controlr(s).
- Refrain from seeking any personal benefit by the Broadcaster other than the remuneration itself for its functions.
- Organize and implement preventive systems and mechanisms to protect the social interest, in order to reduce the risk of conflict of permanent or occasional conflict of interest in your personal relationship with the broadcaster.

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- To ensure adequate means of implementing the activities of the broadcaster and to have established the internal controls necessary to ensure prudent management and to prevent breaches of the duties imposed on them by the cnV and self-regulated entities.
- Act with the diligence of a good businessman in the preparation and dissemination of the information provided to the market and ensure the independence of external auditors.

Board Fees

In accordance with the provisions of the Social Statute, the board's fees are fixed annually by the Shareholders' Meeting, taking into account the caps established in the General Law on Companies No. 19,550. The determination of such remunerations take into account responsibilities, time spent on functions, experience and professional reputation.

This criterion is based on the that the level of remuneration should be what is deemed necessary to attract, retain and motivate Directors who meet the conditions required to perform that function.

The possibility of granting other types of profits such as equity holdings is not contemplated.

b) Senior Management

Members of Senior Management are responsible for implementing Board-approved strategies and policies, developing processes that identify, evaluate, monitor, control and mitigate the risks incurred by the Entity and implement appropriate internal control systems, monitoring its effectiveness and periodically reporting to the Board on the fulfillment of the objectives.

Its members must have the necessary suitability and experience to manage the business under their supervision, as well as the appropriate control of their staff in charge.

Depending on the size, magnitude and complexity of the Entity, the following positions are understood as "High Management":

- Superintendents and Managers with direct report to the Board

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(Stated in thousands of Pesos)

c) Committees

In order to maintain an adequate organization, control and monitoring of the activities inherent in management, the Board of Directors of the Entity has established different Committees, which are under its supervision, and in which at least one Director participates as Vice-President or President and the maximum responsible for the corresponding area.

Each Committee has a Regulation establishing its powers, composition and functioning.

The Following are the Bank's Board of Directory Committees:

BCRA Audit Committee

Provided for in the rules of the BCRA, it is mainly responsible for the procedures that allow to ensure the proper functioning of the internal control systems and procedures of the Entity, in accordance with the guidelines defined by the Board.

CNV Audit Committee

Provided for in Law No. 26.831 on the Capital Market and the Social Statute, it complies with the regulations established by the National Securities Commission (CNV) regarding its composition and powers. The members of that Committee are appointed by the Board, in application of the independence requirements established by that Agency. Mainly, this Committee is responsible for overseeing the functioning of internal and administrative-accounting control systems.

Financial Services User Protection Committee

Provided for in the BCRA rules, it aims to monitor the proper functioning of processes related to the protection of users of financial services, contributing to the improvement of financial services and their controls.

Committee on Asset Laundering Control and Prevention and Terrorism Financing

Provided for in the rules of the Financial Reporting Unit (FIU), it is responsible for planning, coordinating and ensuring compliance with the policies established by the Board. The Committee also assists the Bank and the Compliance Officer with regard to the timely and form detection of operations likely to be suspected as coming from illegal activities, within the framework of the BCRA, FIU and CNV rules.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

João Carlos de Nobrega Pecego
President

Signed for identification purposes
with our report dated 02/25/2021

By Supervisory Committee

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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Computer Technology Committee

Provided for in the BCRA rules, it is primarily responsible for analyzing and proposing to the Board, the policy and the Technology and Systems Plan that supports the Bank's strategic objectives and periodically review the degree of compliance of the Bank. In addition, you must ensure the existence of a Contingency Plan, monitor the outcome of periodic contingency tests, and verify its ongoing update.

Finance Committee

It is responsible for the decisions to be made in matters concerning the management of the Bank's financial assets and liabilities. It also proposes policies and procedures regarding the management of major financial risks.

Ethics Committee

It aims to resolve issues relating to the interpretation and scope of the Code of Ethics. In addition, you should be aware of reports arising from complaints from the "Ethical Line" Complaint Channel, or from the different sources of behavioral detection that affect the principles of institutional integrity.

Global Risk Committee

Its main objective is to propose to the Board the strategy for the management of market risks, rate, liquidity, credit, concentration, strategic and securitisation. It takes knowledge of the positions of each risk and the compliance with the policies of related limits. It proposes to the Board the policies and procedures to be used for model validation and approves its annual plan.

Operational Risk Committee

Its main purpose is to propose to the Board for approval, the policies, procedures, manuals and structures necessary for the management of operational and reputational risk, and to monitor the activities aimed at ensuring adequate management of such risks. In addition, it tracks activities related to the corruption prevention and combat scheme.

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Computer Security Committee

It is responsible for proposing to the Board the policy on computer security and protection of information assets and monitoring their compliance. It is also responsible for developing proposals to the Board for preventive measures aimed at minimizing risks associated with computer security or, where appropriate, corrective actions.

Quality Committee

It is responsible for proposing to the Board the policies and strategies oriented to quality management, evaluating the structure and resources intended to develop such management, carrying out the corresponding reviews of the programs, actions and trainings inherent in quality management, being its scope the atninal, process, service product and image components, related to quality of care.

Steering Committee

It has the function of analyze and approve the granting of credit facilities, which exceed the powers of the rest of the Bank Committees, as well as analyze and propose changes in credit policy.

Human Development Committee

Assess all issues related to remuneration schemes, gratifications, pay scales and increases, staff promotions, internal management position movements, and emerging organizational climate

Business Committee

It analyses different commercial proposals, defines the trading strategies that will be adopted by the different segments, analyzes the strengths and weaknesses of possible new products.

Committee on Architecture, Security and Property Administration

It discusses issues related to the Bank's infrastructure, and addresses issues related to its physical security.

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2) Basic shareholding structure

As of December 31, 2020 and at the date of issuance of these Financial Statements, the share capital of the Entity is composed of 719,145,237 shares, of which 22,768,818 are Class "A" and 696,376,419 are Class "B", both of which are ordinary deed classes, of V\$N 1 and entitled to one vote each.

The shareholding composition is as follows: Banco do Brasil S.A. 80.39%, Rio Negro Province 3.17% and Mercado 16.44%.

No shareholder is a member of the Board or Senior Management.

3) Organizational structure

The Entity is managed and managed by a Composite Directory at 31/12/20 eight members: a President, five Vice Presidents and two Headline Directors to review the condition of independents in accordance with public offering rules. In turn, the Board depends on six Superintendency, and eight Managements that make up the staffing areas:

Superintendencies:

- Superintendency of Business with Companies
- Superintendency of Branch and Business Network with Persons
- Superintendency of Finance, Administration and Public Sector
- Superintendency of CreditsRisk Management and Internal Controls
- Superintendency of Operations
- Superintendency of Digital Business

Managements that depend directly on the Board:

- Executive Management of Legal Affairs
- Board Secretariat Executive Management
- Executive Management of Planning, Branding and Communication
- Executive Management of Human Development and Organizational Climate
- Executive Management of Technology, Communications and Systems
- Internal Audit Management
- Asset Laundering Prevention Management.
- IT Security and Information Asset Protection Management

Through a structured model of action in business units - People, Companies and Public Sector -, the Bank concentrates relationships with different customer segments.

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Controlled Companies:

Banco Patagonia is the controlling company of the following companies:

Society	% participation
GPAT Compañía Financiera S.A.U	100.00%
Patagonia Inversora S.A. S.G.F.C.I.	99.99%
Patagonia Valores S.A	99.99%
Banco Patagonia (Uruguay) S.A.I.F.E	100.00%

For a greater understanding on these companies see Note 1.

Branch network

As of December 31, 2020, the Entity's branch network consists of 209 service points throughout the country, consisting of 186 Branches and 23 Service Centers.

- 4) Business Conduct Policy, Code of Ethics, Politics and Integrity Program, Code of Conduct and Complaint Channel.

Business conduct policy.

According to The General Law on Companies No. 19,550, the Directors of the Entity are obliged to carry out their duties with loyalty and with the diligence of a good businessman.

Directors are jointly and severally liable to the Company in which they hold such positions, their shareholders and third parties for the poor performance of their office, as well as for the violation of the Company's Law, Statute or Regulations, if any, and for any damage caused by tame, abuse of powers or guilt. This Law also lays down the criteria of conduct to be observed by members of the Board of a Company.

For its part, the BCRA requires that board members have the knowledge and competence to clearly understand their responsibilities and functions within the corporate government.

In turn, the rules of transparency in public offering also impose on Directors, Administrators and members of the Supervisory Bodies, duties of loyalty and diligence in the exercise of their duties.

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Code of Ethics

The Entity has a Board-approved Code of Ethics, which translates the values that the Board intends to be observed and pregone at all levels of the organization, in interaction with customers, with co-workers, suppliers or the community in which it is operated.

The Code of Ethics has been established in order to facilitate knowledge and understanding of the ethical and behavioral principles that each member of Banco Patagonia must comply with in its performance, with efficiency, quality and transparency, respecting the law and the highest standards of conduct.

Politics and Integrity Program

The Board of Directors of Banco Patagonia, approved a(a) Politics and a Integrity Program, which arises as a result of its indeclinable commitment to the prevention and fight against corruption; a commitment that is expressly and publicly assumed by expressing its "zero tolerance" stance against any act of corruption committed by any bank member.

The Integrity Program consists of an articulated system of actions, mechanisms and procedures that the Bank possesses, intended to promote integrity and to prevent, detect, correct and eventually sanction misconduct or wrongdoing, in particular those achieved by Law 27.401 on Criminal Liability of Legal Persons, which could be carried out by an official or a third party in the interest or benefit of the Bank. It provides a sufficient regulatory framework to carry out the investigation of all forms of fraudulent, illegal or dishonest activity, establishing a clear scheme of sanctions for the violation or breach of an ethical duty.

Aligned with the Code of Ethics and the specific policies in force regarding The Prevention of Money Laundering and Terrorist Financing, as well as the integrity policies of our controlling Society, the Program enshrines the Bank's guiding ethical values, providing the necessary guidelines for every member to orient their daily behaviors towards ethics and integrity.

The Integrity Policy systematizes the various principles of integrity and anti-corruption that consolidate the Bank's corruption prevention scheme, as well as the mechanisms and procedures that support it.

Compliance with the Program is a shared responsibility of all Bank members at all levels and directs all members to jointly build a complete, ethical and transparent business environment.

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Code of Conduct

The Entity has a Code of Conduct, applicable to all employees in the exercise of their activities related to the role of Settlement and Compensation Agent and Integral Negotiation Agent, which establishes the policy and procedures corresponding to the legal and ethical standards.

Complaint Channel (Ethical Line)

An Ethical Line has been implemented, such as the formal channel through which complaints about actions or behaviors are addressed collaborators or suppliers that may be contrary to those established in the Code of Ethics, organizational values and/or legal or internal regulations.

5) Role as Non-Financial Public Sector Financial Agent

The Entity has been acting as financial agent of the Province of Rio Negro since 1996 (see Note 56), providing comprehensive services with regard to financial products for the provincial treasury, as well as the attention of the payment service of provincial employees' assets

In addition, the Entity has brought its as Financial Agent to various national universities.

6) Policies regarding conflicts of interest and the nature and extent of transactions with subsidiaries and affiliates.

The Entity applies the definition, limits and other provisions for financing to related human and legal persons established by the BCRA in its rules on large exposures to credit risk.

In accordance with General Law on Companies No. 19.550 and within the limits established by the BCRA regulations, financing to related human and legal persons is allowed, provided that such transactions comply with market practices.

Monthly, the Superintendency of Finance, Administration and Public Sector submits a report to the Board, indicating the amounts of financing agreed in the period, to each of the related human and legal persons and the conditions of contract, informing if they correspond with the rest of the clients in similar circumstances. This report should have a written opinion from the Audit Committee on the reasonableness of the financing included, as well as that they are all those agreed upon to human and legal persons linked to the Entity.

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Moreover, on an annual basis, and in accordance with the regulations issued by the BCRA, the Entity submits to that Agency a special report detailing the companies or related entities of the country or abroad of shareholders and those who exercise the management and control bodies. Such persons must submit to the Entity, annually and whenever there is a change, an affidavit informing the details of their affiliated companies and their kinship relationships.

In addition, the Entity complies with the collections for the authorization of transactions with related parties in amounts greater than 1% of the Assets of the Entity, as defined by Law No. 26.831 on capital markets and Resolution 622/13 of the CNV. They must be agreed under normal and usual market conditions.

7) Remuneration practices and financial incentives for staff

General principles

The policy of remuneration and incentives for staff has been established in such a way as to:

- comply with current legislation,
- preserve internal equity,
- to take a competitive position with respect to the comparable market,
- trained and motivated staff.

It includes a fixed remuneration, established according to the level of responsibility and professional trajectory of each collaborator, adjusted by conventional parity negotiations, and may additionally include variable compensation, as a commercial incentive or commission for commercial reasons, or as a gratification.

In order to monitor and guide compensation practices, the Entity provides surveys and reports conducted by external consultants specialized in the subject.

Human Development Committee

The Board has approved the establishment of a Human Development Committee, which serves as the supervisory body for compensation policy.

It consists of the Chairman of the Board, two Vice-Presidents, an independent Director, the Executive Manager for Human Development and Organizational Climate and the Executive Manager of the Board Secretariat.

The Executive Management of Human Development and Organizational Climate provides the Human Development Committee with the information necessary to establish the pay bands and that as a result the amounts of the remuneration of the High Management are determined, taking into account the values corresponding to comparable companies and the situation against the market that it intends to achieve.

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The Entity does not have a policy of deferral of compensation.

Economic gratification scheme

The Entity envisages a scheme of economic rewards, in cash, often annual payment, with the aim of guiding people to achieve achievable results that contribute to the overall performance of the organization, taking into account prudent risk-taking, and also considering meeting objectives within the framework of the management process of L performance.

Description of how current and future risks are taken into account in clearing processes

The Human Development Committee takes into account the information emanating from the annual report of the Global Risk Committee and the Operational Risk Committee, in order to weigh organizational economic performance in relation to compliance with the risk limits defined by the Board.

In this way it fosters a close relationship between the performance of employees defined as risk takers and the economic perks that their members can access, considering the risks assumed during the financial year and their administration.

Once this analysis is carried out, it will determine the maximum amount to be distributed in terms of annual bonuses.

The main risks considered in management related to the payment of annual perks are:

- market risk
- credit risk
- liquidity risk
- interest rate risk
- operational risk
- strategic risk

In order to mitigate potential risks, the Bank does not promote general short-term remuneration incentive schemes linked to future income from uncertain effectization.

The compensation of officials in the credit, financial control and risk processes has no dependence on the business areas they oversee. All decisions in these matters are collegial, thus avoiding the development of control and approval schemes whose resolution is of an individual nature.

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It should be clarified that there is no dependence between the remuneration of the Risk and Compliance sectors, with the type of business they oversee, nor is there a relationship between remuneration and any current or future risks.

8) Public Information

On its website www.bancopatagonia.com.ar, on the Financial Information Highway (AIF) of the CNV (www.cnv.gob.ar) and in Buenos Aires Stock Exchange through BYMA Listed (www.bolsar.com), up-to-date information on financial and/or institutional information is maintained.

As an Annex to the Board's Report, the Annual Report of the Corporate Government Code is presented.

NOTE 40 – FINANCIAL INSTRUMENTS RISKS

Risks are inherent in the Bank's activities and are managed through a constant identification, measurement and control process, subject to limits and other risk controls. This risk management process is critical to the Bank's profitability.

The Board is responsible for managing the Bank and makes all decisions related to that purpose. He is responsible for executing assembly decisions, developing the tasks specially delegated by shareholders and establishing the business strategy and having to approve general and particular policies in order to achieve good business administration. Its objectives are, among others, to coordinate and monitor that the operational functioning responds to institutional objectives, facilitate the development of businesses with efficiency, control and productivity, tending to generate a culture of permanent improvement in administrative and commercial processes.

In line with Note 39, risk coverage is monitored by the Executive Board on each committee where a dedicated director participates, mainly the following:

- Steering Committee.
- Global Risk Committee.
- Finance Committee.
- Operational Risk Committee.

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a) Credit risk

Credit risk is defined as the possibility of losses from a debtor or counterparty's breach of its contractual obligations.

The Board approves credit policies in order to provide a framework for business generation aimed at achieving an adequate relationship between the risk assumed and the expected profitability of operations.

These policies set limits, procedures, mitigators and controls to maintain exposure to this risk at acceptable levels. These aspects are set out in internal manuals and regulations (Credits, Guarantees, Recovery and Risk Management), which are subject to regular reviews and updates.

In particular, the definition of risk limits, for its part, is one of the main strategic instruments of credit risk management, the objective of which is to avoid unwanted concentrations and exposure levels.

In addition, the management of this type of risk is based on the study of operations and the extensive knowledge of the client portfolio, which allows a detailed monitoring of risk, minimizing exposure as much as possible.

The procedural manuals containing the relevant guidelines, compliance with current regulations and the limits established pursue, interless others, the following objectives:

- a) Achieve adequate segmentation of the portfolio, by type of client and by economic sector;
- b) To enhance the use of risk analysis and assessment tools that best suits the customer's profile;
- c) Establish homogeneous guidelines for the provision of loans according to conservative parameters based first on the customer's knowledge, on their solvency and repayment capacity for companies, while for individuals such guidelines are based on credit behavior, and income level;
- d) Establish limits on individual powers for the granting of appropriations according to their amount, prohibiting the existence of specific committees that, depending on their scope of influence, will be responsible for defining the levels of assistance;

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- e) Optimize the quality of the risk assumed, having adequate guarantees according to the term of the loan and the level of risk involved;
- f) Permanently monitor the credit portfolio and the level of customer compliance.

As mentioned in Note 39 and in order to assess credit risk, the Global Irrigation Committee analyses exposure to credit risk and contingency plans while the Steering Committee analyses and approves the provision of credit facilities that exceed the allocation of the rest of the Credit Committees. In addition, it monitors the management of the different business segments.

In addition, the Superintendency of Credits, Risk Management and Internal Controls, based on the analysis of the financial, economic and financial situation of the company, sector of activity to which it belongs, repayment capacity, projections and characteristics thereof, among other aspects, issues a detailing the main risks to which the company is exposed and which may eventually compromise the ability to meet its commitments in a timely way. Based on this report, a development a qualification proposal, which is dealt with within the scope of the various Credit Committees.

According to the amounts and guarantees, the qualification proposals are dealt with in different instances, depending on the credit attribution delegated by the Board to each Credit Committee. It should be noted that any decision is collegial, participating minimally as a level of decision within the different committees, one official in the commercial area and another in the area of credits. There are no individual credit attributions.

In particular, Standardized Segment customers are qualified using screening methods, resulting from both internal and external behavior models. The Bank's policy states that special cases can be analyzed individually, also requiring the intervention of different levels of approval depending on the amount of credit assistance to be agreed.

The Bank continuously monitors client behavior under the concept of portfolio management, which encourages the permanent keeping the credit file up-to-date. In addition, different factors are taken into account, such as the information provided by the rest of the financial system, the economic sector to which it belongs, compliance with its obligations, etc. With regard to customer commitments, there are specialized areas that manage the delay through different management tools.

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Guarantees granted, letters of credit and responsibilities for foreign trade operations are assessed and forecasted in the same way as the loan portfolio. Credit risk in these transactions is defined as the possibility of a loss due to one of the parties to a contingent transaction defaulting on the terms set out in the contract. Risk for credit losses is represented by the amounts stipulated in the contracts of the corresponding instruments.

Finally, it should be noted that the Bank uses to mitigate credit risk, the coverage of different guarantees for its financings.

Loan monitoring and review

In accordance with the above point, the procedural manuals containing the credit risk guidelines and compliance with current regulations set as the objective, among others, the permanent monitoring of the credit portfolio and the level of customer compliance, through periodic analysis of the credit situation of each of them.

The verification of the formal aspects of the application, the implementation of the corresponding guarantees and the monitoring of compliance in the payment of fees is part of the loan monitoring process.

In this sense, once a certain number of days have elapsed since the delay in a customer's payment was set up, the collection management will be in charge of the At arrears Management area, in conjunction with the branch network, who, taking into account the particularities of each case, must send the notifications and other arrangements provided for in the procedure manuals.

If this objective is not achieved, the credit goes to the default stage in which the Bank's Credit Recovery management intensifies recovery efforts in order to obtain payment from debtors. Depending on the amount and guarantees of the loan, they will decide to use legal proceedings.

Credit risk management in financial asset investments

Credit risk for such investments is monitored weekly in the Finance Committee and the Global Risk Committee. This assessment includes the identification of each of the financial assets invested, analyzing the risk rating granted by a risk rating agency. These financial instruments are mainly concentrated in deposited balances and inter-financial lending operations with world-class financial institutions, government securities issued by the Argentine National State and BCRA-issued letters which are quoted on active markets.

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The percentage of exposure per issuer calculated on total investments in financial assets is detailed below:

Breakdown	12/31/20	12/31/19
Public Titles issued by the National and Provincial Government (a)	25.0%	16.0%
Instruments issued by BCRA (b)	71.0%	81.0%
other	4.0%	3.0%

- a) Sovereign Bonds and Treasury Bills in pesos constitute the Bank's main holding in public securities issued by the Argentine National State.
- b) It corresponds to debt instruments issued by the BCRA whose maturities are short-term.

For all financial assets, their amount in books is the best way to represent the maximum gross exposure to credit risk.

Management relies on the ability to continue to control and maintain a minimum exposure of credit risk to the Bank as a result of its portfolio of credit and financial assets based on the following:

- 98% of the loan portfolio is ranked at the top two levels of the internal classification system as of December 31, 2020, while as of December 31, 2019 it was 97%;
- 91% of the loan portfolio is considered to be neither overdue nor impaired as of December 31, 2020 and 2019;

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The maximum amount of credit risk of the Group's financial assets is as follows:

Detail	12/31/20	12/31/19
Cash and deposits in banks	60,742,675	60,766,741
Debt securities at fair value with changes in results	1,543,483	476,771
Derivative instruments	284,759	105,186
Pass operations	7,963,194	-
Other financial assets	2,554,170	2,798,377
Loans and other financing	113,439,972	120,368,466
Other debt securities	88,371,457	57,356,327
Financial assets delivered in collateral	8,691,080	4,876,490
Total	283,590,790	246,748,358
Off-balance sheet		
Unused credit card balances	27,963,488	34,282,920
Guarantees granted	576,859	316,707
Responsibilities for foreign trade operations	230,913	287,806
Letters of credit	200,961	249,455
Total	28,972,221	35,136,888

Guarantees held by the Bank

Guarantees received for loans are reported in the Exhibit B.

Concentration of credit risk

In the Exhibit C the concentration of the financing granted by the Entity is reported.

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Quality of loans and other financing

The following is the credit risk exposure as of December 31, 2020 considering the Stages of the expected credit loss model:

Exhibition by Stage	Stage 1	Stage 2	Stage 3	total 12/31/20
Other financial assets	3,132,076	16,052	412	3,148,540
Loans and other financing	109,709,065	6,464,719	1,758,261	117,932,045
Other Financial Institutions	7,597,534	-	-	7,597,534
Private non-financial sector and residents abroad	102,111,531	6,464,719	1,758,261	110,334,511
Overdrafts	29,682,761	211,686	411,732	30,306,179
Notes	27,075,207	1,491,006	424,993	28,991,206
Mortgage loans	944,008	101,005	122	1,045,135
Pledge loans	3,623,581	-	-	3,623,581
Personal loans	5,592,956	1,459,364	445,044	7,497,364
Credit cards	19,297,113	2,644,748	156,053	22,097,914
Financial leases	225,600	41,665	7,360	274,625
Other	15,670,305	515,245	312,957	16,498,507
Other debt securities	129,917	-	-	129,917
Eventual commitments	14,415,951	1,035,284	38,070	15,489,305
TOTAL EXPOSURE	127,387,009	7,516,055	1,796,743	136,699,807

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The composition of the forecast for expected credit losses as of December 31, 2020 by Stage is as follows:

Forecast by Stage	Stage 1	Stage 2	Stage 3	Total 12/31/20
Other financial assets	1,341,758	8,550	380	1,350,688
Loans and other financing	1,827,034	1,584,772	1,088,165	4,499,971
Other Financial Institutions	3,198	-	-	3,198
Private non-financial sector and residents abroad	1,823,836	1,584,772	1,088,165	4,496,773
Overdrafts	43,091	52,372	192,151	287,614
Notes	84,843	120,751	146,536	352,130
Mortgage loans	25,553	24,283	38	49,874
Pledge loans	57,509	-	-	57,509
Personal loans	419,947	879,199	456,912	1,756,058
Credit card	322,342	494,559	111,237	928,138
Finance leases	1,163	6,704	2,002	9,869
Other	869,388	6,904	179,289	1,055,581
Other debt securities	121	-	-	121
Eventual commitments	172,904	103,332	27,934	304,170
TOTAL FORECAST	3,341,817	1,696,654	1,116,479	6,154,950

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The following is the credit risk exposure as of December 31, 2019 considering the Stages of the expected credit loss model:

Exhibition by Stage	Stage 1	Stage 2	Stage 3	Total 12/31/19
Other financial assets	3,515,434	1,586	460	3,517,480
Loans and other financing	121,357,257	2,634,164	2,857,260	126,848,681
Other Financial Institutions	5,847,962	-	-	5,847,962
Private non-financial sector and residents abroad	115,509,295	2,634,164	2,857,260	121,000,719
Overdrafts	25,758,887	102,270	135,423	25,996,580
Notes	34,629,531	337,818	778,763	35,746,112
Mortgage loans	1,551,254	9,167	1,691	1,562,112
Pledge loans	4,421,875	-	-	4,421,875
Personal loans	9,589,196	838,566	994,980	11,422,742
Credit cards	20,906,243	506,698	88,512	21,501,453
Finance leases	665,495	28,418	25,949	719,862
Other	17,986,814	811,227	831,942	19,629,983
Other debt securities	312,361	-	-	312,361
Eventual commitments	17,752,848	248,557	53,946	18,055,351
TOTAL EXPOSURE	142,937,900	2,884,307	2,911,666	148,733,873

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The composition of the forecast for expected credit losses as of December 31, 2019 by Stage is as follows:

Forecast by Stage	Stage 1	Stage 2	Stage 3	Total 12/31/19
Other financial assets	1,343,084	109	324	1,343,517
Loans and other financing	3,810,578	582,439	2,117,986	6,511,003
Other Financial Institutions	2,904	-	-	2,904
Private non-financial sector and residents abroad	3,807,674	582,439	2,117,986	6,508,099
Overdrafts	236,861	8,250	106,146	351,257
Notes	290,781	114,870	459,036	864,687
Mortgage loans	36,333	1,265	2,691	40,289
Pledge loans	114,909	-	-	114,909
Personal loans	923,826	336,766	949,339	2,209,931
Credit cards	681,036	94,249	58,020	833,305
Finance leases	14,883	13,751	15,684	44,318
Other	1,509,045	13,288	527,070	2,049,403
Other debt securities	12,806	-	-	12,806
Eventual commitments	277,852	39,446	37,395	354,693
TOTAL FORECAST	5,444,320	621,994	2,155,705	8,222,019

b) Liquidity risk

Liquidity risk is defined as the risk of the occurrence of imbalances between assets and liabilities ("softens" between payments and collections) that may affect the ability to meet all financial, present and future commitments - within various time horizons - taking into account the different currencies and settlement periods of rights and obligations, without incurring significant losses.

The Bank has liquidity policies, which aim to manage it efficiently, optimizing the cost and diversification of funding sources, and maximizing the usefulness of placements through prudent management that ensures the necessary funds for continuity of operations and compliance with current regulations.

In order to mitigate liquidity risk, the Bank maintains a portfolio of high-liquidity assets and aims to diversify its liability structure from sources and instruments. In this sense, the objective is to raise funds with a high level of atomization in relation to clients and volume, offering the greatest diversity of financial instruments.

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The Bank has also implemented a number of risk measurement and control tools, including regular monitoring of liquidity gaps, differentiated by currency, as well as various liquidity ratios, including the "Liquidity Coverage Ratio" (LCR) and the "Net Stable Anchoring Ratio" (NSFR).

Financial Risk Management regularly monitors compliance with the various limits set by the Board to manage liquidity risk, including, but not least, eligible levels for liquidity stocks and maximum concentration levels by product, customer and segment. As for all other risks, the Bank has contingency planning processes.

The following table shows the liquidity ratios for the years ended December 31, 2020 and 2019, which arise from dividing net liquid assets consisting of cash, balances in the BCRA, balances in other financial institutions, letters of the BCRA and other financial assets valued at fair value, over total deposits.

Item	12/31/20	12/31/19
Balance at year-end	72.0%	72.0%
Average exercise	71.9%	67.1%
elder	84.2%	74.0%
minor	64.3%	54.2%

The following table sets out the opening by maturity of financial assets and liabilities considering the contractual amounts at maturity:

Item	Exhibit D - Opening for loan terms and other financing	Exhibit I - Opening of financial liabilities for remaining installments	Total at 12/31/20
Up to 1 month	65,650,102	211,612,745	(145,962,643)
Between 2 and 3 months	12,482,784	14,416,314	(1,933,530)
Between 3 and 6 months	14,568,666	5,001,650	9,567,016
Between 6 and 12 months	15,629,561	4,194,208	11,435,353
Between 12 and 24 months	13,103,377	22,577	13,080,800
More than 24 months	11,272,830	2,487,009	8,785,821
Total	132,707,320	237,734,503	(105,027,183)

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Item	Exhibit D - Opening for loan terms and other financing	Exhibit I - Opening of financial liabilities for remaining installments	Total at 12/31/19
Up to 1 month	65,495,223	177,587,034	(112,091,811)
Between 2 and 3 months	13,536,399	15,201,629	(1,665,230)
Between 3 and 6 months	19,774,855	7,774,101	12,000,754
Between 6 and 12 months	8,820,045	2,457,543	6,362,502
Between 12 and 24 months	14,013,477	1,483,627	12,529,850
More than 24 months	15,202,828	2,793,776	12,409,052
Total	136,842,827	207,297,710	(70,454,883)

The amounts of the Group's financial assets and liabilities, which are expected to be collected or paid twelve months after the closing date are reported below:

Item	12/31/20	12/31/19
Financial assets		
Debt securities	12,768,549	451,269
Loans and other financing	24,376,207	29,216,305
Total	37,144,756	29,667,574
Financial liabilities		
Deposits	2,273,671	-
Funding received from BCRA and other financial institutions	2,505,038	4,277,402
Total	4,778,709	4,277,402

c) Interest Rate Risk

Interest rate risk is the possibility of changes in the Bank's financial condition as a result of fluctuations in interest rates, and may have adverse effects on net financial income and its economic value.

Internal measurement tools are used for its management and control, such as rate curves, sensitivity analysis on balance sheet composition, interest rate GAP, among others, which allow integrated management of interest rate risk along with liquidity risk, in what constitutes an asset and liability management strategy, which is carried out by the Financial Management Management within the limits established by the Board.

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Within the framework of interest rate risk management, the Bank has a number of internal policies, procedures and controls included in the Manual of Standards and Procedures, which are regularly reviewed and updated.

In the area of the Economic Value (FSC) approach, and following the guidelines of the B.C.R.A. for the management of Interest Rate Risk in the Investment Portfolio (RTICI), measurements of this risk are established based on the standardized framework, which includes 6 scenarios of variations in interest rate curves.

In addition, the risk of interest rate softening in internal measurements is quantified by conducting a sensitivity analysis of the change in net asset value in the face of an interest rate increase, considering various time horizons and statistical confidence levels, for each of the relevant currencies. This approach is further complemented by another based on net financial income sensitivity, which allows to quantify interest rate risk over a 12-month horizon.

d) Market risk

Market risk is defined as the possibility of losses from positions on and off balance sheets, as a result of adverse fluctuations in market prices, interest rates or exchange rates, among others.

e) Price risk

The Bank has market risk management policies that establish the processes of monitoring and controlling risks of variations in the contributions of financial instruments with the aim of optimizing the risk-return ratio, using the appropriate boundary structure, models and management tools. The Global Risk Committee and the Finance Committee continuously monitor this risk, comprehensively alongside the other risks.

The quantitative methodologies and models that are applied are generally accepted in best practices, such as Value-to-Risk (VaR) approaches with various parameters to reflect normal market situations as well as more stressed potential situations.

The Value-to-Risk (VaR) metric represents the largest loss that, with a certain level of statistical confidence and under a given time horizon, could be expected for the market portfolio under normal market conditions.

VaR varies according to the portfolio structure of assets exposed to market risks and depending on the volatility of risk factors.

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The permanent monitoring of this risk allows to maintain the exposure to the limits established by the Board at all times.

In addition, a number of stress tests are carried out to consider adverse, unlikely but plausible market situations in order to identify potential market risk impacts and facilitate planning for contingencies of this nature.

f) Currency risk

Currency or foreign exchange risk arises from the net foreign currency position held at all times of time, which consists of active and passive items on and off the balance sheet. Within foreign currencies, the most significant position is that of US dollars.

The following table shows the VaR (in millions \$ARS) of the trading portfolio at 1 day of *holding period*, with a confidence level of 99% of the portfolio exposed to risk as of December 31, 2020 and 2019.

Item	12/31/20	12/31/19
Maximum year	70.7	31.2
Minimum year	4.5	1.8
Average year	36.1	9.5
At the end of the financial year	70.7	31.2

Foreign currency transactions are carried out at supply and demand exchange rate rates. As of December 31, 2020 and 2019, the Bank's open position expressed in pesos per currency is as follows from the following table:

Item	euro	dollar	Other	12/31/20
Total assets	1,830,008	53,822,592	172,574	55,825,174
Total liabilities	(1,381,602)	(48,761,500)	(1,004)	(50,144,106)
Position	448,406	5,061,092	171,570	5,681,068
Derivatives				
Forward - purchases	-	11,020,961	-	11,020,961
Forward - sales	-	(12,560,828)	-	(12,560,828)
Total	-	(1,539,867)	-	-1,539,867

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BANCO PATAGONIA S.A.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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Item	euro	dollar	Other	12/31/19
Total Assets	1,728,570	74,475,329	85,156	76,289,055
Total Liabilities	(1,500,153)	(72,869,312)	(1,974)	(74,371,439)
Position	228,417	1,606,017	83,182	1,917,616
Derivatives				
Forward - purchases	-	2,772,408	-	2,772,408
Forward - sales	-	(1,627,165)	-	(1,627,165)
Total	-	1,145,243	-	1,145,243

NOTE 41 – 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 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	1,543,483	-	-	1,543,483	1,524,819	18,664	-
Derivative financial instruments	284,759	-	-	284,759	-	284,759	-
Other debt securities	88,371,457	2,744,378	85,627,079	-	54,139,933	31,487,146	-
Financial assets granted as collateral	8,691,080	534,466	5,087,180	3,069,434	3,069,434	5,087,180	-
Investments in equity instruments	839,434	-	-	839,434	-	3,809	835,625
Total	99,730,213	3,278,844	90,714,259	5,737,110	58,734,186	36,881,558	835,625

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

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

Item	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Level 1	Level 2	Level 3
Financial assets							
Debt securities measured at fair value with changes through profit or loss	476,771	-	-	476,771	305,709	171,062	-
Derivative financial instruments	105,186	-	-	105,186	-	105,186	-
Other debt securities	57,356,327	1,382,364	55,973,963	-	41,493,835	14,480,128	-
Financial assets granted as collateral	4,876,490	191,862	4,684,628	-	-	4,684,628	-
Investments in equity instruments	1,138,982	-	-	1,138,982	-	1,145	1,137,837
Total	63,953,756	1,574,226	60,658,591	1,720,939	41,799,544	19,442,149	1,137,837

Item	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Level 1	Level 2	Level 3
Financial liabilities							
Derivative financial instruments	338,603	-	-	338,603	-	338,603	-
Total	338,603	-	-	338,603	-	338,603	-

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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:

Breakdown	12/31/20	12/31/19
Argentine Treasury Bond in ARS at Fixed Rate, due in 2020	-	5,278,223
Debt security, Class 1, Province of Rio Negro, due in 2021	-	258,035
Debt security, Class 1, Province of Rio Negro, due in 2020	-	91,429
Total	-	5,627,687

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

b.3) Valuation techniques of Levels 2 and 3

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

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

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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.

- 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 December 31, 2019 is as follows:

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Item	Accounting balance as of 12/31/20	Fv total	Fv Level 1	Fv Level 2	Fv Level 3
Financial assets					
Cash and bank deposits	60,742,675	(1)	-	-	-
Repo transactions	7,963,194	(1)	-	-	-
Other financial assets	2,554,170	2,251,685	-	-	2,251,685
Loans and other financing facilities	113,439,972	109,932,341	-	-	109,932,341
Financial liabilities					
Deposits	218,155,883	215,542,843	-	215,542,843	-
Repo transactions	4,648	(1)	-	-	-
Other financial liabilities	10,006,431	(1)	-	-	-
Financing facilities received from BCRA and other financial institutions	4,114,374	4,401,189	-	-	4,401,189
Corporate notes issued	971,047	1,059,249	-	-	1,059,249

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

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

Item	Accounting balance as of 12/31/19	Fv total	Fv Level 1	Fv Level 2	Fv Level 3
Financial assets					
Cash and bank deposits	60,766,741	(1)	-	-	-
Other financial assets	2,798,377	2,386,846	-	-	2,386,846
Loans and other financing facilities	120,368,466	111,384,718	-	-	111,384,718
Financial liabilities					
Deposits	166,387,132	159,452,541	-	159,452,541	-
Other financial liabilities	11,782,963	(1)	-	-	-
Financing facilities received from BCRA and other financial institutions	22,176,205	(1)	-	-	-
Corporate notes issued	1,409,519	1,567,536	-	-	1,567,536

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

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NOTE 42 – 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), 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 December 31, 2020 and December 31, 2019 are below reported:

Item	12/31/20	12/31/19
Securities receivable from repo transactions involving government securities		
Government securities measured at fair value with changes through OCI	5,190	-
Total	5,190	-
Other payables from repo transactions involving government securities		
Government securities	4,648	-
Total	4,648	-

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NOTE 43 – OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

As of December 31, 2020 and 2019, the Group has no financial assets and liabilities to be offset in accordance with offsetting master agreements or of a similar nature.

NOTE 44 - 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 fiscal years ended December 31, 2020 and 2019, there are no transactions with individual customers accounting for 10% or more of the Bank's total revenues, nor operations in geographical areas significantly different from the country of main residence of the Bank (Argentina).

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

- As of December 31, 2020 and December 31, 2019 for the information related to the Bank's financial position;
- For the fiscal years ended December 31, 2020 and 2019 for the information related to the Bank's income.

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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>
Interest income/loss	5,299,056	7,565,708	30,036,649	42,901,413
Fee income/loss	2,125,085	2,764,179	976,654	5,865,918
Net gain on financial instruments measured at fair value through profit or loss	-	399,576	1,094,305	1,493,881
Gold and foreign currency bid/offer spread	392,233	260,699	534,033	1,186,965
Other operating income - net	100,616	328,610	1,952,745	2,381,971
Charge for Loan Losses	(88,311)	115,691	(1,328,358)	(1,300,978)
TOTAL OPERATING INCOME	<u>7,828,679</u>	<u>11,434,463</u>	<u>33,266,028</u>	<u>52,529,170</u>
Operating and administrative expenses				(25,370,969)
Gain/loss on associates and joint ventures				170,932
Net monetary position gain/loss				(9,482,192)
Income tax				(5,230,801)
NET INCOME				<u>12,616,140</u>
Reconciliation with the statement of income				
Net income as of 12/31/20 as per statement of income				10,479,889
Reconciliation between management information and regulatory information				2,136,251
Total profit or loss reported in segments				12,616,140

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Information as of December 31, 2020

	Personal banking	Business banking	Treasury and other	Total As of 12/31/20
Loans	29,183,876	65,048,366	17,342,600	111,574,842
Other assets	5,671,710	2,143,024	142,895,386	150,710,120
TOTAL ASSETS	34,855,586	67,191,390	160,237,986	262,284,962
Deposits	90,268,136	82,035,581	32,657,039	204,960,756
Other liabilities	-	-	17,940,550	17,940,550
TOTAL LIABILITIES	90,268,136	82,035,581	50,597,589	222,901,306

Reconciliation with the statement of financial position

Assets as of 12/31/20 as per the statement of financial position	301,215,338
Reconciliation between management information and regulatory information:	
- Loans	(1,864,446)
- Other assets	(37,065,930)
Total assets reported in segments	262,284,962
Liabilities as of 12/31/20 as per the statement of financial position	251,025,858
Reconciliation between management information and regulatory information:	
- Deposits	(13,195,127)
- Other liabilities	(14,929,425)
Total liabilities reported in segments	222,901,306

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Information as of December 31, 2019

	<u>Personal banking</u>	<u>Business banking</u>	<u>Treasury and other</u>	<u>Total As of 12/31/19</u>
Interest income/loss	18,064,853	10,153,992	20,673,588	48,892,433
Fee income/loss	2,475,563	3,001,584	248,114	5,725,261
Net gain on financial instruments measured at fair value through profit or loss	-	108,365	1,422,286	1,530,651
Gold and foreign currency bid/offer spread	1,487,768	1,036,955	897,692	3,422,415
Other operating income - net	215,439	374,247	3,108,602	3,698,288
Charge for Loan Losses	(1,607,609)	(1,329,845)	(1,633,666)	(4,571,120)
TOTAL OPERATING INCOME	<u>13,636,016</u>	<u>13,344,944</u>	<u>24,716,614</u>	<u>51,697,574</u>
Operating and administrative expenses				(21,510,433)
Gain/loss on associates and joint ventures				739,730
Income tax				(7,135,250)
NET INCOME				<u>23,791,621</u>
Reconciliation with the statement of income				
Net income for the year ended 12/31/19 as per statement of income				15,232,258
Reconciliation between management information and regulatory information				(216,695)
Application of financial statements restatement - IAS 29				8,776,058
Total profit or loss reported in segments				23,791,621

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Information as of December 31, 2019

	<u>Personal banking</u>	<u>Business banking</u>	<u>Treasury and other</u>	<u>Total As of 12/31/19</u>
Loans	31,159,131	71,331,714	13,365,799	115,856,644
Other assets	4,824,774	2,254,465	116,598,042	123,677,281
TOTAL ASSETS	<u>35,983,905</u>	<u>73,586,179</u>	<u>129,963,841</u>	<u>239,533,925</u>
Deposits	80,882,977	58,761,378	18,237,045	157,881,400
Other liabilities	-	-	37,613,213	37,613,213
TOTAL LIABILITIES	<u>80,882,977</u>	<u>58,761,378</u>	<u>55,850,258</u>	<u>195,494,613</u>

Reconciliation with the statement of financial position

Assets as of 12/31/2019 as per the statement of financial position **263,555,527**

Reconciliation between management information and regulatory information:

- Loans	(4,153,283)
- Other assets	(18,280,020)
- Application of financial statements restatement - IAS 29	(1,588,299)

Total assets reported in segments **239,533,925**

Liabilities as of 12/31/2019 as per the statement of financial position **216,851,001**

Reconciliation between management information and regulatory information:

- Deposits	(8,505,732)
- Other liabilities	(12,504,747)
- Application of financial statements restatement - IAS 29	(345,909)

Total liabilities reported in segments **195,494,613**

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BANCO PATAGONIA S.A.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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NOTE 45 - SUBSIDIARIES

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

Company	Shares		Percentage of	
	Class	Amount	Total share capital	Class
GPAT Compañía Financiera S.A.U.	Common	86,837,083	100.00%	100.00%
Patagonia Inversora S.A. Society Manager Common Investment Funds	Common	13,317,237	99.99%	99.99%
Patagonia Valores S.A.	Common	13,862,667	99.99%	99.99%
Banco Patagonia (Uruguay) S.A.I.F.E.	Common	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 remembered in the financial statements, since they are not the Bank's assets and, therefore, they are not consolidated.

NOTE 46 – INVOLVEMENT WITH NON-CONSOLIDATED ENTITIES

The Bank has signed a number of contracts with other companies, through which it has been appointed trustee of certain financial trusts. In them, credits were mainly received as a reliable asset. These credits are not accounted for in the Financial Statements, as they are not bank assets and are therefore not consolidated.

As of December 31, 2020, the Bank acted as trustee of 16 trustees and managed, through Patagonia Inversora S.A. Sociedad Gerente de Fondos Common Investment, a total of 9 mutual funds (see Note 53 and 54). Under no circumstances does the Entity respond to its own assets for its obligations in the execution of the trusts; these will only be satisfied with and until the concurrence of the trust goods and the produced goods thereof.

The commissions earned by the Bank in its performance as a trustee are calculated under the terms of the respective contracts.

The Group's revenue from these activities is recorded under "Other operating income" for 385,247 and 320,550 as of December 31, 2020 and 2019, respectively.

In accordance with the terms and conditions of these agreements, the Bank may not be required to provide any financial support to these trusts. In addition, the Bank has not incurred any loss arising from its relationship with these trusts.

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Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

João Carlos de Nobrega Pecego
President

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NOTE 47 – RELATED PARTIES

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

Key management personnel

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

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

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)	
	12/31/20	12/31/19	12/31/20	12/31/19
Loans - Personal Loans	3	-	9	-
Loans - Credit cards	4,124	5,889	7,982	8,576
Deposits received	67,101	98,203	322,031	180,427

- (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 year.

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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 fiscal years ended December 31, 2020 and 2019 amounted to 190,596 and 256,858, 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.

The assets and liabilities balances with Banco do Brasil S.A. at December 31, 2020 and December 31, 2019 are as follow:

Item	Balances as of		Largest balance for the year (1)	
	12/31/20	12/31/19	12/31/20	12/31/19
Cash and cash equivalents - balance sheets in Other financial institutions	24,737	16,190	134,632	215,219
Other recessive	-	812,904	1,299,558	862,300
Deposits	42	26,524	39,237	45,313
Financing facilities received from financial institutions	-	6,897,502	4,461,979	7,314,148
Guarantees granted (2)	109,389	122,336	109,389	122,336
Guarantees received (3)	673,160	652,453	1,069,360	652,453

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

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Profit or loss for the financial years ended December 31, 2020 and 2019 were as follows:

Item	Fiscal year ended	
	12/31/20	12/31/19
Interest income	30,320	22,342
Interest expense	108,376	178,156
Fee income	3	4
Other operating income	483	955

Province of Rio Negro

As provided for in the Bank's bylaws, the province of Rio 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 a financial agent of the Province of Rio Negro, by virtue of an agreement signed in 1996.

On December 22, 2016, the Executive Branch of the Province of Rio Negro issued Executive Order 2140 calling for a bidding process for the selection and subsequent appointment of the Financial Agent of the Province of Rio Negro for a term of ten years, to be extended for a five-year period, unless otherwise decided by any of the parties.

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

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

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Item	Balances as of		Largest balance for the year (1)	
	12/31/20	12/31/19	12/31/20	12/31/19
Financial assets measured at fair value - Securities issued by the Province of Rio Negro	1,014,412	349,602	1,195,773	394,447
Loans - Overdrafts	-	-	2,066,860	2,042,490
Loans - Syndicated loan	-	-	-	92,073
Deposits	1,734,673	143,229	2,105,529	1,493,002

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

Transactions with the Province of Rio 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 fiscal years ended December 31, 2020 and 2019 we were as follows:

Item	Fiscal year ended	
	12/31/2020	12/31/2019
Interest income	123,916	272,920
Fee income	134,920	86,113

Associates

Balances with the Group's associates are as follows:

Item	Balances as of		Largest balance for the year (1)	
	12/31/20	12/31/19	12/31/20	12/31/19
Deposits	609,715	2,575,149	2,025,895	3,362,650

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

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NOTE 48 - LEASES

a) The Group as a lessor provides financing in the form of leasing.

The following table shows the total gross investment of the financial leases and the current value of the minimum payments to be received for them:

Financial Leases term	12/31/20		12/31/19	
	Total Investment	Current value of minimum payments	Total Investment	Current value of minimum payments
Up to a year	222,449	152,782	653,868	487,344
1 to 5 years	171,027	128,164	311,077	245,783
Total	393,476	280,946	964,945	733,127
Capital (See Note 12)		274,625		719,862
Interest accrued		6,321		13,265
Total		280,946		733,127

b) The Group is a tenant in operating leases.

The Group leases a number of branches and administrative offices.

The following table shows the minimum non-cancelled payments payable for operating leases on each of the reported dates:

Operating Leases term	12/31/20	12/31/19
Up to a year	313,523	399,235
1 to 5 years old	446,348	538,902
More than 5 years	2,400	9,804
Total	762,271	947,941

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NOTE 49 – 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 prior to the payment or distribution date, will be subject to a final income tax withholding at the standard statutory rate then applicable.

Income to be considered for each fiscal year amounts to the tax income less the tax paid for the tax 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.

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 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.

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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.

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

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

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

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

Subsequently, on December 17, 2020, el BCRA issued the Communication "A" 7181 extending until June 30, 2021 the suspension of results distribution for Financial Entities.

Finally, taking into account what is detailed in this chapter, the result of the 2020 financial year amounts to 10,479,889, the same being subject to the provision of the Shareholders' Meeting, as arising from the Profit Distribution Project.

GPAT Compañía Financiera S.A.U.

Finally, taking into account the BCRA and CNV regulations described above, distributable earnings amount to 281,605 and proposes the following allocation:

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- Item	Amount
- To Legal reserve (20% s/281,605)	56,231
- Available to the Shareholders' Meeting	225,284
Total	281,605

Patagonia Valores S.A.

In accordance with article 70 of Law No. 19.550, 5% of the profit must be earmarked for the establishment of a legal reserve, until it reaches 20% of the capital enrolled plus the capital adjustment. In this regard, it is proposed for consideration by the Ordinary General Meeting of Shareholders to approve these accounting statements the following distribution of results for the financial year ended December 31, 2020:

- Item	Amount
- To Legal reserve	137
- To Optional Reserve for future distribution of earnings	2,594
Total	2,731

Patagonia Inversora S.A. Society Manager of Common Investment Funds

In accordance with the provisions of article 70 of Law No. 19.550, 5% of the profit must be earmarked for the establishment of a legal reserve, until it reaches 20% of the capital inscribed plus the capital adjustment.

It is proposed for consideration by the Ordinary General Meeting of Shareholders to approve these accounting statements the following distribution of results for the financial year ended December 31, 2020. It includes the total distribution of the result for the year ended on that date and the partial disaffection of the Optional Reserve constituted in the year ended December 31, 2019 by 44,004 in the currency of that date. An additional cash dividend payment of 24,451 is proposed from the above amount.

- Item	Amount
- To Legal reserve	9,239
- A Payment of dividends in cash (*)	175,549
Total Result for the 2020 financial year	184,788
- A Payment of dividends in cash (*)	24,451
Total partial disaffection of Optional Reserve constituted in the 2019 financial year	24,451
Distribution to be submitted for approval by the OGM	209,239

Considering the above, 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 50 – RESTRICTED ASSETS

The Group has the following restricted assets:

	<u>12/31/20</u>	<u>12/31/19</u>
Special guarantee accounts (*)	2,479,794	2,272,425
BCRA - Financial trusts under guarantee of forward transactions	5,329,245	1,525,702
- Treasury bonds in Pesos Adjusted by CER 1.5%, maturity 03/25/24	1,612,499	-
- National Treasury bills in ARS, maturity 01/29/2021	1,420,275	-
- National Treasury bills in ARS Adjusted by CER, maturity 02/26/21	1,012,050	-
- National Treasury bonds in ARS Adjusted by CER 1.20%, maturity 03/18/22	500,000	-
- National Treasury bonds Linked to u\$, maturity 04/29/22	271,592	-
- National Treasury bonds Linked to u\$, maturity 11/30/21	262,874	-
- National Treasury bonds in ARS Adjusted by CER. 1%, maturity 08/05/21	226,355	-
- National Treasury bonds in ARS Adjusted by CER 1.40%, maturity 03/25/23	23,600	-
- Other	-	1,525,702
Credit and Debit Card Management Guarantee Deposits	558,809	580,555
Public Titles - IDB Line - Global Credit Program for micro-, small- and medium-sized enterprises	304,789	476,900
- Treasury bonds in ARS Adjusted by CER 1.5%, maturity 03/25/24	292,400	-
- Dirty weights	10,000	-
- Dollars as guarantees	2,389	-
Other security deposits	18,443	20,908
Sub - Total	8,691,080	4,876,490
Security deposits for repo transactions	519	-
Sub - Total	519	-
Total	8,691,599	4,876,490

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

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NOTE 51 – 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 at 3.8950% share according to what was reported by the BCRA through Communication "B" 11959 issued on February 27, 2020.

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

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

As of December 31, 2020 and 2019, the contributions made have been recorded in the item "Other Operating Expenses - Contributions to the deposit guarantee fund" in the amount of 321,454 and 351,773, respectively (see Note 37).

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/25/2021

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

João Carlos de Nobrega Pecego
President

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BANCO PATAGONIA S.A.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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NOTE 52 – MINIMUM CASH AND CAPITAL REQUIREMENTS

Minimum cash

The BCRA establishes different prudential regulations to be observed by financial institutions with respect mainly to levels of solvency, liquidity and levels of credit assistance, 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:

Minimum cash requirements	12/31/20	12/31/19
Cash and bank deposits		
BCRA - Current account	38,797,043	43,788,202
Other debt securities		
BCRA Liquidity Bills	19,248,339	7,979,488
Argentine Treasury Bond in ARS - Fixed Rate 22% - Maturity 05/21/2022	7,500,000	-
Argentine Treasury Bond in ARS - Fixed Rate, maturity 2020	-	5,278,223
Financial assets granted as collaterals		
BCRA - Special guarantee accounts	2,437,721	2,231,645
Total	67,983,103	59,277,558

Minimum capital requirements

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

Minimum capital requirements	12/31/20	12/31/19
Minimum capital requirements (A)	17,886,658	16,912,490
Credit risk	12,067,122	11,970,370
Market risk - Securities	245,530	85,639
Market risk - Currencies	537,718	290,336
Operational risk	5,036,288	4,566,145
Payment (B)	43,292,965	36,947,202
Surplus (B - A)	25,406,307	20,034,712

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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NOTE 53 – 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 December 31, 2020, the Bank manages the following financial trusts listed in the stock exchange:

Financial trust	Trustor	Date of agreement	Assets as of 12/31/20	Assets held in trust	Equity as of 12/31/20
CMR Falabella LXXVII	CMR Falabella	05/07/2020	(*) 1,746	Loans resulting from the use of credit cards	-
Ribeiro Minicredits 5	Ribeiro S.A.C.I.F.A. e I.	10/31/2018	(**) 566	Consumer loans	-
Credit Market VII	Mercado Libre S.R.L.	07/24/2020	553,443	Loans granted electronically	157,423
MELI Creditor Rights Cards I	Mercado Libre S.R.L.	10/03/2019	(*) 21,845	Loans granted electronically	-
MELI Creditor Rights Cards II	Mercado Libre S.R.L.	11/21/2019	170,046	Loans granted electronically	-
MELI Creditor Rights Cards III	Mercado Libre S.R.L.	02/20/2020	430,519	Loans granted electronically	-
MELI Creditor Rights Cards IV	Mercado Libre S.R.L.	05/14/2020	399,845	Loans granted electronically	-
Consumer Credit Market I	Mercado Libre S.R.L.	12/04/2019	(**) 2,513	Loans granted electronically	-
Consumer Credit Market II	Mercado Libre S.R.L.	09/11/2020	676,999	Loans granted electronically	158,464
Ribeiro C	Ribeiro S.A.C.I.F.A. e I.	04/12/2018	9,852	Consumer loans	8,407
Ribeiro CI	Ribeiro S.A.C.I.F.A. e I.	07/16/2018	6,497	Consumer loans	6,236
Ribeiro IIC	Ribeiro S.A.C.I.F.A. e I.	04/12/2018	8,874	Consumer loans	8,561
Ribeiro CIII	Ribeiro S.A.C.I.F.A. e I.	12/12/2018	4,475	Consumer loans	4,205
Ribeiro CIV	Ribeiro S.A.C.I.F.A. e I.	12/12/2018	16,299	Consumer loans	15,941
Ribeiro CV	Ribeiro S.A.C.I.F.A. e I.	05/28/2019	23,670	Consumer loans	23,241
Ribeiro CVI Series	Ribeiro S.A.C.I.F.A. e I.	07/31/2019	35,991	Consumer loans	33,476
Total			2,363,180		415,954

(*) Corresponds to Financial Statements as of 11/30/20.

(**) Corresponds to Financial Statements as of 10/31/20.

(***) Corresponds to Financial Statements as of 08/31/20.

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Public financial trusts authorized by the CNV, the financial statements of which are to be filed after 12/31/2020

Financial trust	Trustor	Date of agreement	Assets held in trust
Credit VIII Market	Mercado Libre S.R.L.	10/16/2020	Credits granted merely through electronic means
MELI Creditor Rights Cards V	Mercado Libre S.R.L.	09/28/2020	Credits granted merely through electronic means
Consumer Credit Market III	Mercado Libre S.R.L.	11/18/2020	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	Rio Negro Province	06/11/09	Percentage of the daily provincial tax revenues
Bogar Class II Series III	Rio Negro Province	07/30/13	Percentage of the daily provincial tax revenues
Rionegrino Development Trust Fund Plan Governor Castello	Rio Negro Province	11/24/17	Funds received by public credit operations authorized in article 1 of Law No. 5,201
San Juan Energy Guarantee Trust - SEPSA/Box	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.

Private trusts

Financial trust	Trustor	Date of agreement	Assets held in trust
Ribeiro CVII	Ribeiro S.A.C.I.F.A. e I.	10/22/2019	Consumer loans

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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NOTE 54 – 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 December 31, 2020

Name	Deposits	Other	Total assets	Net asset value
Lombard Peso Income Common Investment Fund	33,720,736	7,496,254	41,216,990	41,215,834
Lombard Capital F.C.I.	177,417	4,731,296	4,908,713	4,569,198
Lombard Fixed Income Common Investment Fund	906	1,986,405	1,987,311	1,665,960
Lombard Pesos Plus Common Investment Fund (*)	-	-	-	-
Lombard Savings Common Investment Fund	12,103	-	12,103	12,103
Lombard Open Plus Joint Investment Fund	125,475	1,383,926	1,509,401	1,508,753
Lombard Common Investment Fund Leading Shares	155	137,354	137,509	135,004
Lombard Fixed Income in F.C.I. Dollars	308,541	3,132,989	3,441,530	3,411,988
Lombard Ahorro Plus F.C.I.	101,536	900,090	1,001,626	1,001,615
TOTAL	34,446,869	19,768,314	54,215,183	53,520,455

Information as of December 31, 2019

Name	Deposits	Other	Total assets	Net asset value
Lombard Peso Income Common Investment Fund	15,913,195	8,906,474	24,819,669	24,817,270
Lombard Capital F.C.I.	399,657	3,728,363	4,128,020	4,110,731
Lombard Fixed Income Common Investment Fund	5,699	85,894	91,592	91,312
Lombard Pesos Plus Common Investment Fund (*)	-	-	-	-
Lombard Savings Common Investment Fund	13,877	-	13,877	13,874
Lombard Open Plus Joint Investment Fund	89,694	546,624	636,317	636,255
Lombard Common Investment Fund Leading Shares	415	142,337	142,752	126,069
Lombard Fixed Income in F.C.I. Dollars	1,463,679	3,157,064	4,620,742	4,599,417
Lombard Ahorro Plus F.C.I.	501	996,153	996,654	996,621
TOTAL	17,886,716	17,562,908	35,449,624	35,391,549

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

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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NOTE 55 - SANCTIONS IMPOSED AND PROCEEDINGS INITIATED BY THE BCRA

Banco Patagonia S.A.

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

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

As of June 30, 2020, the Bank holded an exchange proceedings No. 4969 notified on April 17, 2012; ruling issued on July 4, 2015 by the Court in Economic Criminal Matters No. 6, Court Clerk's Office No. 12: of the charges are lack of authorization by the BCRA for the sale of foreign currency to a client in excess of the monthly limit of USD 2,000,000. The persons subject to these proceedings are Banco Patagonia S.A., Ariel Aranda, David Rodríguez, and Santiago Miñana. An appeal was filed with the Supreme Court of Justice and, within that context, on May 12, 2016, a filing was made with new events to request that the defendants be acquitted by the application of the less severe criminal law in relation to Communication "A" 5963, which extended the maximum limit for the acquisition of foreign currency without prior approval of the BCRA to USD 5,000,000. On December 17, 2019, the Supreme Court of Justice resolved to suspend the resolution of the case until the court of original jurisdiction decides upon the issue raised related to the most favorable criminal law.

On September 4, 2020 the National Chamber of Appeals in Economic Criminal Matters resolved to acquit Banco Patagonia S.A. and Ariel Aranda of guilt and charge. In this way, the proceedings are finished.

As of December 31, 2020, the Entity does not maintain any provision, given that the provision established as of June 30 for thousands of pesos 33 to face the penalty of exchange summary No. 4969, has been recovered.

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.

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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 December 31, 2020, GPAT Compañía Financiera S.A.U. has not received any notice of administrative, disciplinary or criminal sanctions, or any proceedings.

NOTE 56 – FINANCIAL AGENT OF THE PROVINCE OF RIO NEGRO

Under Law No. 2929 of the Province of Rio 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 Rio 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 Rio 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 Rio Negro launched a National Public Bid for the selection and subsequent appointment of a Financial Agent of the Province of Rio 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 a financial agent for the Province of Rio Negro, and the Rio Negro Province Banking and Financial Services Agreement was signed for a 10-year term, with the possibility of an extension for other five years.

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

NOTE 57 – 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 December 31, 2020 amounts to 1,420,350 Units of Purchasing Power (UVA) adjusted by "CER" – Law No. 25,827, which is equivalent to a 91,357.

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 45,679.

As of December 31, 2020, the Entity's capital exceeds CNV's requirements and the minimum cash contra-account required is made up of funds deposited with the BCRA in its current account No. 034.

Patagonia Inversora S.A. Society Manager of Common Investment Funds

As provided for by General Resolution No. 792 issued by the CNV on April 26, 2019, the minimum shareholders' equity required to act as a Manager company is equivalent to 150,000 Units of Purchasing Power (UVA), needing to increase it on an amount equivalent to 20,000 UVA's for each Mutual Fund that it manages, by a total amount of 310,000 UVAs, equivalent to a required minimum shareholders' Equity of 19,939 as of December 31, 2020

Cash contra-account requirements account for 50% of the amount required as minimum shareholders' Equity, which amounts to 155,000 Units of Purchasing Power (UVA), which is equivalent to 9,970.

As of December 31, 2020, the Entity's capital exceeds CNV's requirements and the minimum cash contra-account required is broken down as follows:

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Breakdown	Amount
Demand deposit accounts in local and foreign banks	66,795
Mutual funds	755,791
Corporate bonds	106,444
Listed common shares	2,066
Argentine Government Securities	4,202
Total	935,298

Patagonia Valores S.A.

In compliance with the provisions of the CNV in force under GR No. 821/2019, and pursuant to the requirements established, the minimum shareholders' equity required to act as a Full Settlement and Clearing Agent amounts to 470,350 Units of Purchasing Power (UVA), which is equivalent to 30,253.

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 15,126.

As of December 31, 2020, the Entity's capital exceeds CNV's requirements and the minimum cash contra-account required is broken down as follows:

Breakdown	Amount
Argentine Government Securities	39,606
Total	39,606

NOTE 58 – TRANSACTIONS WITH DIRECTORS

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

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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NOTE 59 – 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 that informed 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 below listed:

Banco Patagonia S.A.

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

Patagonia Inversora S.A. Society Manager of Common Investment Funds

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

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Patagonia Valores S.A.

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

GPAT Compañía Financiera S.A.U.

Company	Address
AdeA Administradora de Archivos S.A.	Road 36 Km. 31.5 - Florencio Varela - Province of Buenos Aires
Bank S.A.	Unamuno 2095 - Quilmes - Province of Buenos Aires
	Diogenes Taborda 73 - City of Buenos Aires
	Carlos Pellegrini 1401 - Dock Sud - Province of Buenos Aires
	Av. Fleming 2190 - Munro - Province of Buenos Aires
	Road Panamericana Km 37.5 - Garín - Province of Buenos Aires
Road 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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

João Carlos de Nobrega Pecego
President

Signed for identification purposes
with our report dated 02/25/2021

By Supervisory Committee

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C.P.C.E.C.A.B.A. T° 1 F° 3

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2020
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

NOTE 60 – 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.

NOTE 61 – PUBLICATION OF FINANCIAL STATEMENTS

In accordance with the provisions of Communication "A" 2813 and supplementary to the BCRA, the prior intervention of the BCRA is not required for the purposes of the publication of these financial statements.

NOTE 62 – MACROECONOMIC CONTEXT

a) Argentina public debt situation

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

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

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

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

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

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

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

The Argentine government, after a long negotiation, informed on August 4, 2020 that an agreement with main private creditors was made, which allows them to accomplish a debt restructuring in bonds for approximate sixty-six million thousand dollars. Likewise, on August 31, 2020, the National Government announced that it had obtained the required consent to exchange and/ or modify 99.01% of the total outstanding capital amount of all series of eligible bonds

On September 15, 2020, the restructuring process of debt issued in dollars under local legislation concluded, reaching an acceptance rate of 99.41%.

Additionally, on the same date, the BCRA issued Communication "A" 7106, through which it deepens the exchange controls in force in order to access the Single Free Exchange Market for the formation of external assets and / or to cancel debts for capital services for financial indebtedness abroad.

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THE FISCAL YEAR ENDED DECEMBER 31, 2020
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In this sense, effective as of September 16, 2020, the capital restructuring for financial debts of the private sector in foreign currency is established: those who register capital maturities scheduled between October 15, 2020 and March 31, 2021 by:

- a. Financial indebtedness with the outside of the non-financial private sector with a creditor that is not a related counterpart of the debtor,
- b. Financial indebtedness with the outside by own operations of the entities, or
- c. Issuance of publicly registered debt securities in the country denominated in foreign currency from clients of the private sector or of the entities themselves, must renegotiate the debt with their creditors and submit a refinancing plan to the BCRA, considering that: a) the net amount For which the exchange market will be accessed in the original terms, it will not exceed 40% of the amount of capital that expired , and b) the rest of the capital must be, at least, refinanced with a new external debt with an average life of 2 years.

For maturities to be registered until December 31, 2020, the refinancing plan had to be presented to the BCRA before September 30, 2020. For maturities to be registered between January 1, 2021 and March 31, 2021, it must be presented at least 30 calendar days before the maturity of the capital to be refinanced.

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

b) COVID Pandemic 19

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

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

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.

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THE FISCAL YEAR ENDED DECEMBER 31, 2020
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

On November 7, 2020 through Decree 875/2020, the measure of "social, preventive and mandatory distancing" is established for all people who reside or transit in urban agglomerates, parties and departments of the Argentine provinces in which compliance with all the epidemiological and sanitary parameters that are defined for this purpose in the aforementioned decree is verified in a positive way.

The established, tends to make some measures related to economic, industrial, commercial or service activities more flexible, as long as an operating protocol approved by the provincial health authority or the Autonomous City of Buenos Aires is complied with.

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

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

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

- Restrictions on the maximum liquidity position of the BCRA (LELIQ), in order to make liquidity available and encourage the provision of credit lines to SMEs, through secured loans from the Argentine Guarantee Fund (FoGAR),
- Temporary flexibilization of bank loan classification rules,
- Deferral of financial institutions' dividend payments until December 31th, 2020,
- Capital requirement of 1.250% on exposure to credit card loans corresponding to tourism-related purchases made outside Argentina,
- Temporary elimination of charge fees related to ATM services
- Freezing UVA indexing on home loans until September 30th, 2020,
- Deferring credit card payments for three months,
- Lowering maximum credit card interest rates, and
- Extension of all overdue loan payments during the second quarter without punitive interest.

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THE FISCAL YEAR ENDED DECEMBER 31, 2020
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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

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

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

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

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

With regard to the financial situation, the COVID-19 crisis finds the Entity with a strong position of solvency and capital adequacy, exhibiting as of December 31st, 2020, a capitalization ratio according to Basel Committee Rules above 17.6%.

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

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

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

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

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2020
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(Stated in thousands of Pesos)

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

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

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

NOTE 63 – SUBSEQUENT EVENTS

No other events or transactions have occurred from year-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 December 31, 2020.

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BANCO PATAGONIA S.A.

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

COMMERCIAL LOAN PORTFOLIO	12/31/20	12/31/19
Performing	79,211,065	81,238,712
- With "A" preferred guarantees and counter-guarantees	3,604,473	2,432,025
- With "B" preferred guarantees and counter-guarantees	4,454,100	5,451,238
- Without preferred guarantees or counter-guarantees	71,152,492	73,355,449
Subject to special monitoring	320,435	156,270
In observation	7,372	112,780
- With "A" preferred guarantees and counter-guarantees	-	4,754
- With "B" preferred guarantees or counter-guarantees	-	103,357
- Without preferred guarantees or counter-guarantees	7,372	4,669
In negotiation or under refinancing agreements	313,063	43,490
- With "A" preferred guarantees and counter-guarantees	-	117
- With "B" preferred guarantees or counter-guarantees	261,550	37,894
- Without preferred guarantees or counter-guarantees	51,513	5,479
Troubled	495,621	109,128
- With "A" preferred guarantees and counter-guarantees	-	932
- With "B" preferred guarantees or counter-guarantees	378,713	3,092
- Without preferred guarantees or counter-guarantees	116,908	105,104
With high risk of insolvency	49,428	67,021
- With "B" preferred guarantees or counter-guarantees	41,135	63,246
- Without preferred guarantees or counter-guarantees	8,293	3,775
Non-recoverable	32,431	665,402
- With "B" preferred guarantees or counter-guarantees	15,796	510,470
- Without preferred guarantees or counter-guarantees	16,635	154,932
TOTAL COMMERCIAL LOAN PORTFOLIO	80,108,980	82,236,533

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

CONSUMER AND/OR HOME LOAN PORTFOLIO	12/31/20	12/31/19
Performing	41,502,142	42,788,526
- With "A" preferred guarantees and counter-guarantees	1,726,491	732,474
- With "B" preferred guarantees and counter-guarantees	6,458,030	7,707,844
- Without preferred guarantees or counter-guarantees	33,317,621	34,348,208
Low risk	143,382	972,848
- With "A" preferred guarantees and counter-guarantees	1,024	19,319
- With "B" preferred guarantees and counter-guarantees	631	258,567
- Without preferred guarantees or counter-guarantees	141,727	694,962
Medium risk	120,999	716,251
- With "A" preferred guarantees and counter-guarantees	477	14,993
- With "B" preferred guarantees and counter-guarantees	5,094	31,172
- Without preferred guarantees or counter-guarantees	115,428	670,086
High risk	213,386	1,161,260
- With "A" preferred guarantees and counter-guarantees	3,061	11,695
- With "B" preferred guarantees and counter-guarantees	9,942	13,016
- Without preferred guarantees or counter-guarantees	200,383	1,136,549
Irrecoverable	437,661	526,565
- With "A" preferred guarantees and counter-guarantees	3,959	10,056
- With "B" preferred guarantees and counter-guarantees	1,143	4,444
- Without preferred guarantees or counter-guarantees	432,559	512,065
Non-recoverable according to BCRA regulations	-	705
- With "B" preferred guarantees and counter-guarantees	-	689
- Without preferred guarantees or counter-guarantees	-	16
TOTAL CONSUMER AND/OR HOME LOAN PORTFOLIO	42,417,570	46,166,155
GRAND TOTAL	122,526,550	128,402,688

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

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

BREAKDOWN	12/31/20	12/31/19
BALANCE AS PER EXHIBIT "B"	122,526,550	128,402,688
Items included in Exhibit "B" and not included in Loans and other financing facilities	(3,971,241)	(1,129,480)
Off-balance sheet items— agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards	(2,501,565)	(853,967)
Other items	(1,469,676)	(275,513)
Items not included in Exhibit "B" and included in Loans and other financing facilities	(5,115,337)	(6,904,742)
Loans and other financing facilities- loans to personnel	309,829	372,706
Loans and other financing facilities - IFRS adjustment at effective interest rate	(925,195)	(766,445)
Loans and other financing facilities— Allowances for loan losses (Exhibit R)	(4,499,971)	(6,511,003)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	113,439,972	120,368,466

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

Number of customers	FINANCING FACILITIES			
	12/31/20		12/31/19	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	23,789,303	19.4%	24,329,430	18.9%
50 next largest customers	22,441,781	18.3%	32,639,109	25.4%
100 next largest customers	9,565,233	7.8%	11,621,994	9.1%
Rest of customers	66,730,233	54.5%	59,812,155	46.6%
Total	122,526,550	100.0%	128,402,688	100.0%

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

BREAKDOWN	12/31/20	12/31/19
BALANCE AS PER EXHIBIT "C"	122,526,550	128,402,688
Items included in Exhibit "C" and not included in Loans and other financing facilities	(3,971,241)	(1,129,480)
Off-balance sheet items– agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards	(2,501,565)	(853,967)
Other items	(1,469,676)	(275,513)
Items not included in Exhibit "C" and included in Loans and other financing facilities	(5,115,337)	(6,904,742)
Loans and other financing facilities- loans to personnel	309,829	372,706
Loans and other financing facilities–IFRS adjustment at effective interest rate	(925,195)	(766,445)
Loans and other financing facilities– Allowances for loan losses (Exhibit R)	(4,499,971)	(6,511,003)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	113,439,972	120,368,466

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BANCO PATAGONIA S.A.

**EXHIBIT D
LOANS AND OTHER FINANCING FACILITIES BROKEN DOWN BY TERM
AS OF 12/31/20**

(Stated in thousands of Pesos)

Item	Matured	Terms remaining to maturity						Total as of 12/31/20
		1 month	3 months	6 months	12 months	24 months	Over 24 months	
Non-financial government sector	-	7,948	-	-	-	-	-	7,948
Financial sector	-	2,215,829	2,236,972	987,786	1,998,291	2,401,519	31,295	9,871,692
Nonfinancial private sector and foreign residents	2,231,069	61,195,256	10,245,812	13,580,880	13,631,270	10,701,858	11,241,535	122,827,680
Total	2,231,069	63,419,033	12,482,784	14,568,666	15,629,561	13,103,377	11,272,830	132,707,320

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/25/2021

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public

João Carlos de Nobrega Pecego
President

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EXHIBIT F
PROPERTY AND EQUIPMENT MOVEMENT
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)

PROPERTY AND EQUIPMENT MOVEMENT AS OF 12/31/20

Item	Original value at beginning of year	Estimated useful life in years	Additions	Retirements	Original value as of 12/31/20	Depreciation				Residual value as of 12/31/20
						Accumulated as of 12/31/19	Retirements	For the year	Accumulated as of 12/31/20	
Measured at cost	7,172,482		1,065,905	456,427	7,781,960	5,104,316	423,677	957,431	5,638,070	2,143,890
- Land and buildings	1,133,457	50	10,777	-	1,144,234	914,128	-	107,676	1,021,804	122,430
- Furniture and fixture	1,697,708	10	21,353	2,258	1,716,803	1,297,759	1,690	83,204	1,379,273	337,530
- Machinery and equipment	3,482,293	5	486,824	55,693	3,913,424	2,692,316	54,351	373,857	3,011,822	901,602
- Vehicles	99,309	5	4,342	11,590	92,061	51,682	10,044	15,646	57,284	34,777
- Right-of-use on leased premises	675,044	-	448,814	383,535	740,323	138,061	357,561	376,966	157,466	582,857
- Other	10,492	5	-	32	10,460	10,370	31	82	10,421	39
- Works in progress	74,179	-	93,795	3,319	164,655	-	-	-	-	164,655
Revaluation model	9,735,653		7,042	-	9,742,695	-	-	143,309	143,309	9,599,386
- Land and buildings	9,735,653	50	7,042	-	9,742,695	-	-	143,309	143,309	9,599,386
Total	16,908,135		1,072,947	456,427	17,524,655	5,104,316	423,677	1,100,740	5,781,379	11,743,276

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EXHIBIT F
PROPERTY AND EQUIPMENT MOVEMENT
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)

PROPERTY AND EQUIPMENT MOVEMENT AS OF 12/31/19

Item	Original value at beginning of year	Estimated useful life in years	Additions	Retirements	Revaluation	Original value as of 12/31/19	Depreciation					Residual value as of 12/31/19
							Accumulated as of 12/31/18	Retirements	For the year	Revaluation	Accumulated as of 12/31/19	
Measured at cost	5,866,393		1,612,843	306,754	-	7,172,482	4,363,910	248,299	988,704	-	5,104,316	2,068,166
- Land and buildings	984,943	50	148,514	-	-	1,133,457	753,002	-	161,126	-	914,128	219,329
- Furniture and fixture	1,634,897	10	68,118	5,308	-	1,697,707	1,217,391	4,028	84,963	-	1,297,759	399,948
- Machinery and equipment	3,145,952	5	336,558	216	-	3,482,294	2,338,213	216	353,752	-	2,692,316	789,978
- Vehicles	85,857	5	25,717	12,265	-	99,309	45,032	11,017	17,667	-	51,682	47,627
- Right-of-use on leased premises	-		932,928	257,884	-	675,044	-	233,038	371,099	-	138,061	536,983
- Other	10,492	5	-	-	-	10,492	10,272	-	98	-	10,370	122
- Works in progress	4,252	-	101,008	31,081	-	74,179	-	-	-	-	-	74,179
Revaluation model	10,717,977	-	16,584	96,705	902,203	9,735,653	6,154	-	153,726	159,880	-	9,735,653
- Land and buildings	10,717,977	50	16,584	96,705	902,203	9,735,653	6,154	-	153,726	159,880	-	9,735,653
Total	16,584,370		1,629,427	403,459	902,203	16,908,135	4,370,064	248,299	1,142,430	159,880	5,104,316	11,803,819

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EXHIBIT F
REVALUATION TABLE AS OF PROPERTY AND EQUIPMENT
AS OF 12/31/20 AND 12/31/19
 (Stated in thousands of Pesos)

REVALUATION TABLE AS OF 12/31/19

Description	Appraiser	Revaluation date	Revaluation adjustment - OCI Accumulated			Amount as per cost model as of 12/31/19
			Balance at beginning of year	Changes for the year	Balance as of 12/31/19	
- Land and buildings	Levin Organization of Argentina S.A.	12/31/2019	10,477,976	742,323	9,735,653	3,294,439
Total			10,477,976	742,323	9,735,653	3,294,439

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**EXHIBIT F
INVESTMENT PROPERTY MOVEMENT
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)**

INVESTMENT PROPERTY MOVEMENT AS OF 12/31/20

Item	Original value at beginning of year	Estimated useful life in years	Gain or loss measured at fair value	Residual value as of 12/31/20
Measured at fair value				
- Leased Land and buildings	52,197	40	(5,917)	46,280
Total	52,197		(5,917)	46,280

INVESTMENT PROPERTY MOVEMENT AS OF 12/31/19

Item	Original value at beginning of year	Estimated useful life in years	Gain or loss measured at fair value	Residual value as of 12/31/19
Measured at fair value				
- Leased Land and buildings	53,854	40	(1,657)	52,197
Total	53,854		(1,657)	52,197

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EXHIBIT G
INTANGIBLE ASSETS MOVEMENT AS OF
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)

INTANGIBLE ASSETS MOVEMENT AS OF 12/31/20

Item	Original value at beginning of year	Estimated useful life in years	Additions	Depreciation			Residual value as of 12/31/20
				Accumulated as of 12/31/19	Depreciation for the year	Accumulated as of 12/31/20	
Measured at cost							
In-house systems development expenses	728,264	5	196,091	262,256	174,037	436,293	488,062
Total	728,264	5	196,091	262,256	174,037	436,293	488,062

INTANGIBLE ASSETS MOVEMENT AS OF 12/31/19

Item	Original value at beginning of year	Estimated useful life in years	Additions	Depreciation			Residual value as of 12/31/19
				Accumulated as of 12/31/18	Depreciation for the year	Accumulated as of 12/31/19	
Measured at cost							
In-house systems development expenses	580,777	5	147,487	249,814	12,442	262,256	466,008
Total	580,777	5	147,487	249,814	12,442	262,256	466,008

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**EXHIBIT H
DEPOSIT CONCENTRATION
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)**

Number of customers	12/31/20		12/31/19	
	Outstanding amount	% of total portfolio	Outstanding amount	Outstanding amount
10 largest customers	29,674,800	13.6%	18,190,991	10.9%
50 next largest customers	36,932,701	16.9%	18,135,806	10.9%
100 next largest customers	14,704,805	6.8%	9,836,598	5.9%
Rest of customers	136,843,577	62.7%	120,223,737	72.3%
Total	218,155,883	100.0%	166,387,132	100.0%

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BANCO PATAGONIA S.A.

EXHIBIT I
FINANCIAL LIABILITIES BROKEN DOWN BY TERMS REMAINING TO MATURITY
AS OF 12/31/2020
 (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 12/31/20
Deposits	199,198,297	13,810,190	4,822,295	2,961,080	2,274	2,274	220,796,410
Non-financial government sector	18,914,304	2,571,383	39,706	-	-	-	21,525,393
Financial sector	51,984	-	-	-	-	-	51,984
Nonfinancial private sector and foreign residents	180,232,009	11,238,807	4,782,589	2,961,080	2,274	2,274	199,219,033
Repo transactions	4,648	-	-	-	-	-	4,648
Other financial institutions	4,648	-	-	-	-	-	4,648
Other financial liabilities	10,036,220	-	-	-	-	-	10,036,220
Financing facilities received from BCRA and other financial institutions	2,166,365	300,952	136,034	680,511	20,303	2,484,735	5,788,900
Corporate bonds issued	207,215	305,172	43,321	552,617	-	-	1,108,325
Total	211,612,745	14,416,314	5,001,650	4,194,208	22,577	2,487,009	237,734,503

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**EXHIBIT J
CHANGES IN PROVISIONS
AS OF 12/31/20**
(Stated in thousands of Pesos)

Item	Balances at beginning of year	Increases	Decreases		Monetary result for allowances and provisions	Balance as of 12/31/20
			Reversals	Reversals		
INCLUDED IN LIABILITIES						
For contingent commitments	354,634	263,994	-	231,034	(83,424)	304,170
For administrative, disciplinary and criminal sanctions	45	-	33	-	(12)	-
Other	1,874,111	274,920	2,907	39,991	(529,271)	1,576,862
Labor lawsuits	93,708	65,348	-	29,484	(31,477)	98,095
Complaints, proceedings, appeals	1,617,936	164,376	2,907	10,317	(449,161)	1,319,927
Tax lawsuits	162,467	45,196	-	190	(48,633)	158,840
TOTAL ALLOWANCES AND PROVISIONS	2,228,790	538,914	2,940	271,025	(612,707)	1,881,032

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EXHIBIT P
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)

INFORMATION AS OF 12/31/20

Item	Book balances as of 12/31/20	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Fair value level		
					Level 1	Level 2	Level 3
FINANCIAL ASSETS							
Cash and bank deposits	60,742,675	60,742,675	-	-	-	-	-
Cash	19,193,888	19,193,888	-	-	-	-	-
Financial institutions and correspondents	40,791,482	40,791,482	-	-	-	-	-
Other	757,305	757,305	-	-	-	-	-
Debt securities measured at fair value with changes through profit or loss	1,543,483	-	-	1,543,483	1,524,819	18,664	-
Derivative instruments	284,759	-	-	284,759	-	284,759	-
Repo transactions	7,963,194	7,963,194	-	-	-	-	-
Other financial assets	2,554,854	2,554,854	-	-	-	-	-
Loans and other liabilities	113,439,288	113,439,288	-	-	-	-	-
Non-financial government sector	7,898	7,898	-	-	-	-	-
Other financial entities	7,594,336	7,594,336	-	-	-	-	-
Non-financial private sector and foreign residents	105,837,054	105,837,054	-	-	-	-	-
Other debt securities	88,371,457	2,744,378	85,627,079	-	54,139,933	31,487,146	-
Financial assets granted as collateral	8,691,080	534,466	5,087,180	3,069,434	3,069,434	5,087,180	-
Investments in equity instruments	839,434	-	-	839,434	-	3,809	835,625
TOTAL FINANCIAL ASSETS	284,430,224	187,978,855	90,714,259	5,737,110	58,734,186	36,881,558	835,625

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EXHIBIT P
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)

Item	Book balances as of 12/31/20	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Fair value level		
					Level 1	Level 2	Level 3
FINANCIAL LIABILITIES							
Deposits	218,155,883	218,155,883	-	-	-	-	-
Non-financial government sector	21,337,837	21,337,837	-	-	-	-	-
Financial sector	12,039	12,039	-	-	-	-	-
Nonfinancial private sector and foreign residents	196,806,007	196,806,007	-	-	-	-	-
Repo transactions	4,648	4,648	-	-	-	-	-
Other financial liabilities	10,006,431	10,006,431	-	-	-	-	-
Financing facilities received from BCRA and other financial institutions	4,114,374	4,114,374	-	-	-	-	-
Corporate bonds issued	971,047	971,047	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	233,252,383	233,252,383	-	-	-	-	-

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EXHIBIT P
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)

INFORMATION AS OF 12/31/19

Item	Book balances as of 12/31/19	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Fair value level		
					Level 1	Level 1	Level 1
FINANCIAL ASSETS							
Cash and bank deposits	60,766,741	60,766,741	-	-	-	-	-
Cash	15,892,762	15,892,762	-	-	-	-	-
Financial institutions and correspondents	44,873,979	44,873,979	-	-	-	-	-
Debt securities measured at fair value with changes through profit or loss	467,727	-	-	467,727	305,709	162,018	-
Derivative instruments	105,186	-	-	105,186	-	105,186	-
Other financial assets	2,798,377	2,798,377	-	-	-	-	-
Loans and other liabilities	120,368,466	120,368,466	-	-	-	-	-
Non-financial government sector	30,788	30,788	-	-	-	-	-
Other financial entities	5,845,057	5,845,057	-	-	-	-	-
Nonfinancial private sector and foreign residents	114,492,621	114,492,621	-	-	-	-	-
Other debt securities	57,356,327	1,382,365	55,973,962	-	41,493,835	14,480,127	-
Financial assets granted as collateral	4,876,490	191,862	4,684,628	-	-	4,684,628	-
Investments in equity instruments	1,148,026	-	-	1,148,026	-	10,189	1,137,837
TOTAL FINANCIAL ASSETS	247,887,340	185,507,811	60,658,590	1,720,939	41,799,544	19,442,148	1,137,837

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BANCO PATAGONIA S.A.

EXHIBIT P
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)

Item	Book balances as of 12/31/19	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Fair value level		
					Level 1	Level 1	Level 1
FINANCIAL LIABILITIES							
Deposits	166,387,132	166,387,132	-	-	-	-	-
Non-financial government sector	16,333,580	16,333,580	-	-	-	-	-
Financial sector	989,751	989,751	-	-	-	-	-
Nonfinancial private sector and foreign residents	149,063,801	149,063,801	-	-	-	-	-
Derivative instruments	338,603	-	-	338,603	-	338,603	-
Other financial liabilities	11,416,301	11,416,301	-	-	-	-	-
Financing facilities received from BCRA and other financial institutions	22,542,867	22,542,867	-	-	-	-	-
Corporate bonds issued	1,409,519	1,409,519	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	202,094,422	201,755,819	-	338,603	-	338,603	-

Marcelo A. Iadarola
Executive Manager of Administration

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with our report dated 02/25/2021

By Supervisory Committee

Mónica M. Cukar
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Public Accountant (U.B.A.)
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Juan M. Trejo
Superintendent
Finance, Administration and Public

João Carlos de Nobrega Pecego
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BANCO PATAGONIA S.A.

EXHIBIT "Q"
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/20 AND 12/31/19
 (Stated in thousands of Pesos)

By financial assets measured at fair value through profit or loss

Item	Mandatory measurement	
	12/31/20	12/31/19
Gain/loss on government securities	246,860	195,937
Gain/loss on corporate securities	-	-
Gain/loss on derivative financial instruments	709,623	234,741
Forward transactions	709,623	234,741
By investments in equity instruments	-	890,150
Gain/loss on the sale or derecognition of financial assets at fair value	564,204	208,307
Total	1,520,687	1,529,135

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BANCO PATAGONIA S.A.

**EXHIBIT Q
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)**

Interest and adjustment from applying the effective interest rate of financial assets measured at amortized cost

Item	12/31/2020	12/31/2019
Interest income		
By corporate securities	5,153	39,055
By other financial assets	288,539	628,361
By loans and other financing facilities	33,106,040	43,874,354
To the Financial sector	2,205,451	1,619,782
Overdrafts	9,255,021	10,685,353
Notes	7,883,160	10,296,020
Mortgage loans	162,532	181,260
Pledge loans	1,424,813	1,869,598
Personal loans	4,536,621	7,058,808
Credit cards	3,908,781	6,617,799
Finance leases	153,803	404,360
Other	3,575,858	5,141,374
By repo transactions	2,821,760	1,970,032
Other financial entities	2,821,760	1,970,032
Total	36,221,492	46,511,802

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BANCO PATAGONIA S.A.

**EXHIBIT Q
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)**

Item	12/31/2020	12/31/2019
Interest expense		
By deposits	25,106,077	33,726,979
Saving accounts	2,875,564	1,067,016
Time deposits and term investments	21,711,327	32,201,901
Other	519,186	458,062
By financing received from the BCRA and other financial institutions	373,707	1,495,574
By repo transactions	197,949	1,134,912
Other financial entities	197,949	1,134,912
By other financial liabilities	945,131	1,330,244
By corporate bonds issued	300,790	876,483
Total	26,923,654	38,564,192

Interest and adjustment from applying the effective interest rate of financial assets carried at fair value with changes through OCI

Item	12/31/20		12/31/19	
	Income for Income the year	OCI	Income for Income the year	OCI
By corporate debt securities	318,892	(43,953)	234,428	(1,621)
By government debt securities	32,257,363	946,556	43,182,439	(2,545,082)
Total	32,576,255	902,603	43,416,867	(2,546,703)

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BANCO PATAGONIA S.A.

**EXHIBIT Q
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)**

Fee income

Item	12/31/2020	12/31/2019
Obligations related commissions	1,722,629	2,529,640
Commissions linked to credits	166,050	121,149
Loans and financial guarantee related commissions	6,209	6,687
Commissions linked to securities	127,023	133,849
Cards related commissions	2,412,649	2,847,045
Insurance related commissions	1,377,769	1,671,507
Commissions on collection efforts	732,242	949,424
Commissions on foreign and exchange transactions	400,918	522,208
Other	2,185,755	1,870,891
Total	9,131,244	10,652,400

Fee expenses

Item	12/31/2020	12/31/2019
Securities transaction related commissions	62,839	72,650
Commissions on foreign and exchange transactions	67,099	71,842
Other	2,669,904	2,758,627
Total	2,799,842	2,903,119

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BANCO PATAGONIA S.A.

EXHIBIT R
LOSS IMPAIRMENT ADJUSTMENT - ALLOWANCE FOR LOAN LOSSES
AS OF 12/31/2020
 (Stated in thousands of Pesos)

Item	Balances at beginning of year	ECL for the next 12 months	ECL of the remaining life of the financial asset		Monetary gain/loss from allowances	Balances as of 12/31/20
			FI with significant increase in CR	FI with credit impairment		
Other financial assets	1,343,517	355,398	8,470	141	(356,838)	1,350,688
Loans and other financing facilities	6,511,003	(1,051,490)	1,221,838	(456,982)	(1,724,398)	4,499,971
Other financial institutions	2,904	1,065	-	-	(771)	3,198
Nonfinancial private sector and foreign residents	6,508,099	(1,052,555)	1,221,838	(456,982)	(1,723,627)	4,496,773
Overdrafts	351,257	(132,127)	47,556	114,223	(93,295)	287,614
Notes	864,687	(128,705)	36,390	(190,579)	(229,663)	352,130
Mortgage loans	40,289	(1,129)	23,353	(1,938)	(10,701)	49,874
Car loans	114,909	(26,880)	-	-	(30,520)	57,509
Consumer	2,209,931	(258,510)	631,880	(240,280)	(586,963)	1,756,058
Credit cards	833,305	(246,238)	488,551	73,848	(221,328)	928,138
Finance lease	44,318	(9,766)	(3,395)	(9,517)	(11,771)	9,869
Other	2,049,403	(249,200)	(2,497)	(202,739)	(539,368)	1,055,581
Other debt securities	12,806	(9,284)	-	-	(3,401)	121
Eventual commitments	354,693	60,065	9,912	(4,777)	(115,723)	304,170
TOTAL ALLOWANCES	8,222,019	(645,311)	1,240,220	(461,618)	(2,200,360)	6,154,950

(*) Includes the effect of the exchange rate variation as of 12/31/2020.

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BANCO PATAGONIA S.A.

SEPARATE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020

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BANCO PATAGONIA S.A.

SEPARATE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020

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BANCO PATAGONIA S.A.

SEPARATE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020

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BANCO PATAGONIA S.A.

SEPARATE STATEMENTS OF FINANCIAL POSITION
AS OF 12/31/20, 12/31/19 AND 12/31/18
 (Stated in thousands of Pesos)

ITEMS	Notes	12/31/20	12/31/19	12/31/18
ASSETS				
Cash and bank deposits	4	60,215,671	60,249,161	72,009,233
Cash on hand		19,188,829	15,889,247	9,948,853
Financial institutions and correspondents		40,269,537	44,196,801	62,060,380
BCRA		38,645,151	43,727,280	61,006,811
Other in Argentina and abroad		1,624,386	469,521	1,053,569
Other		757,305	163,113	-
Debt securities measured at fair value with change through profit or loss (Exhibit A)		1,377,754	315,537	398,096
Derivative instruments	5	284,759	105,186	323,373
Repo transactions	6	7,963,194	-	1,389,681
Other financial assets	7	1,702,457	2,116,672	5,938,602
Loans and other financing facilities (Exhibits B and C)	8	104,149,766	114,883,925	166,944,616
Non-financial government sector		7,898	30,788	464,651
Other financial institutions		8,468,237	8,137,661	11,197,947
Nonfinancial private sector and foreign residents		95,673,631	106,715,476	155,282,018
Other debt securities (Exhibit A)		87,680,934	56,385,627	48,322,344
Financial assets granted as collateral	9	8,649,007	4,835,711	5,820,618
Investments in equity instruments (Exhibit A)		839,434	1,138,982	2,308
Investments in subsidiaries, associates and joint ventures	11	3,112,784	2,766,629	3,297,653
Property and equipment (Exhibit F)	12	11,694,246	11,755,161	12,166,859
Intangible assets (Exhibit G)	13	488,062	466,008	247,696
Deferred income tax assets	10 b)	2,858,781	1,392,536	-
Other non-financial assets	14	852,035	1,407,867	1,117,943
Non-current assets held for sale	15	148,383	-	530,793
TOTAL ASSETS		292.017.267	257,819,002	318,509,815

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BANCO PATAGONIA S.A.

**SEPARATE STATEMENTS OF FINANCIAL POSITION
AS OF 12/31/20, 12/31/19 AND 12/31/18
(Stated in thousands of Pesos)**

ITEMS	Notes	12/31/20	12/31/19	12/31/18
LIABILITIES				
Deposits (Exhibits H)		211,522,156	162,766,583	226,609,922
Nonfinancial government sector		21,337,837	16,333,580	25,126,535
Financial sector		51,981	1,019,526	114,159
Nonfinancial private sector and foreign residents	16	190,132,338	145,413,477	201,369,228
Derivative instruments	5	-	338,603	164,038
Repo transactions	6	4,648	-	1,918,743
Other financial liabilities	17	9,500,527	11,270,931	18,738,162
Financing facilities received from BCRA and other financial institutions	18	3,528,553	22,301,797	19,602,065
Current income tax liabilities	10 a)	1,122,474	6,314,555	3,592,097
Accruals and provisions (Exhibit J)	21	1,871,144	2,221,093	1,056,774
Deferred income tax liabilities	10 b)	-	-	620,348
Other nonfinancial liabilities	20	14,278,285	5,900,914	6,870,889
TOTAL LIABILITIES		241,827,787	211,114,476	279,173,038
SHAREHOLDERS' EQUITY				
Share capital		719,145	719,145	719,145
Non-capitalized contributions		217,191	217,191	217,191
Share capital adjustments		18,810,708	18,810,708	18,810,708
Retained earnings		34,250,173	22,189,257	17,683,295
Unappropriated retained earnings		(16,380,748)	(10,062,286)	30,846
Other comprehensive income		2,093,122	(401,747)	1,875,592
Income for the year (*)		10,479,889	15,232,258	-
TOTAL SHAREHOLDERS' EQUITY		50,189,480	46,704,526	39,336,777
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		292,017,267	257,819,002	318,509,815

(*) December 2018 profit is included as Unappropriated retained earnings

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BANCO PATAGONIA S.A.

**SEPARATE
STATEMENTS OF INCOME
AS OF 12/31/20 Y 12/31/19
(Stated in thousands of Pesos)**

ITEMS	Notes	FISCAL YEAR ENDED	
		12/31/20	12/31/19
Interest income	22	66,784,311	89,094,702
Interest expense	23	(26,295,523)	(38,487,402)
Interest income/loss		40,488,788	50,607,300
Fee income	24	9,139,809	10,694,011
Fee expenses	25	(2,821,789)	(2,977,075)
Fee income/loss		6,318,020	7,716,936
Net gain on financial instruments measured at fair value through profit or loss	26	1,478,767	1,504,558
Result from derecognition of assets measured at amortized cost and at fair value with changes in OCI		(2,363,646)	(232,887)
Gold and foreign currency bid/offer spread		1,316,958	4,138,945
Other operating income	27	2,913,606	5,270,765
Charge for Loan Losses		(1,232,989)	(5,832,343)
Net operating income		48,919,504	63,173,274
Benefits to personnel	28	(11,369,149)	(11,406,366)
Administrative expenses	29	(7,032,195)	(7,815,679)
Depreciation and impairment of assets		(1,272,916)	(1,205,959)
Other operating expenses	30	(5,031,834)	(7,579,337)
Operating income		24,213,410	35,165,933
Gain/loss on associates and joint ventures		49,816	600,622
Inflation effect (net position of assets and liabilities)		(8,899,776)	(10,348,001)
Income before tax relating to continuing operations		15,363,450	25,418,554
Income tax relating to continuing operations	10 b)	(4,883,561)	(10,186,296)
Net income from continuing operations		10,479,889	15,232,258
INCOME FOR THE YEAR		10,479,889	15,232,258

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BANCO PATAGONIA S.A.

**SEPARATE
STATEMENTS OF INCOME
AS OF 12/31/20 Y 12/31/19**
(Stated in thousands of Pesos)

EARNINGS PER SHARE	FISCAL YEAR ENDED	
	12/31/20	12/31/19
NUMERATOR		
Net income attributable to the shareholders of the parent company	10,479,889	15,232,258
Net income attributable to the shareholders of the parent company adjusted to reflect dilution	10,479,889	15,232,258
DENOMINATOR		
Weighted average outstanding common shares for the year	719,145	719,145
Weighted average outstanding common shares for the year adjusted to reflect dilution	719,145	719,145
Earnings per share - Basic	14,573	21,181
Earnings per shares - Diluted	14,573	21,181

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BANCO PATAGONIA S.A.

SEPARATE STATEMENTS OF OTHER COMPREHENSIVE INCOME
AS OF 12/31/20 Y 12/31/19
 (Stated in thousands of Pesos)

ITEM	FISCAL YEAR ENDED	
	12/31/20	12/31/19
INCOME FOR THE YEAR	10,479,889	15,232,258
Components of other comprehensive income that will be reclassified to income for the year		
Revaluation of property and equipment and intangibles.	-	(564,570)
Revaluations of the fiscal year of property and equipment and intangibles (Exhibit F)	-	(742,907)
Income tax	-	178,337
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED TO INCOME FOR THE YEAR	-	(564,570)
Exchange differences on translation of financial statements	10,189	36,784
Exchange differences for the year	13,588	49,046
Income tax	(3,399)	(12,262)
Gains or losses on financial instruments carried at fair value through OCI (paragraph 4.1.2 of IFRS 9)	2,030,036	(1,370,610)
Gains on financial instruments carried at fair value through OCI	2,851,126	(1,958,019)
Income tax	(821,090)	587,409
Equity in other comprehensive income of associates and joint ventures recognized by using the equity method	454,644	(378,943)
Income for the year arising from the equity in other comprehensive income of associates and joint ventures recognized by using the equity method	454,644	(378,943)
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED TO INCOME FOR THE YEAR	2,494,869	(1,712,769)
TOTAL OTHER COMPREHENSIVE INCOME	2,494,869	(2,277,339)
TOTAL COMPREHENSIVE INCOME	12,974,758	12,954,919

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Executive Manager of Administration

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By Supervisory Committee

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BANCO PATAGONIA S.A.

**SEPARATE STATEMENT
OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF 31/12/20**

(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 12/31/2020
	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	338,635	440,283	7,119,481	(1,337,026)	(347,371)	5,886,408	8,417,073	24,008,314	45,462,133	45,462,133
Adjustments and restatements of balances by initial application IAS 29	-	-	18,472,073	(263,459)	(5,722,184)	(140,450)	(151,021)	3,168,795	4,716,981	(18,838,342)	1,242,393	1,242,393
Adjusted and restated balances at the beginning of the year	719,145	217,191	18,810,708	176,824	1,397,297	(1,477,476)	(498,392)	9,055,203	13,134,054	5,169,972	46,704,526	46,704,526
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholders's Meeting held on 04/23/20 (3)												
- Legal reserve	-	-	-	-	-	-	-	4,310,144	-	(4,310,144)	-	-
- Optional reserve - Future distribution of earnings	-	-	-	-	-	-	-	-	17,240,576	(17,240,576)	-	-
- Partial reversal of the optional reserve for cash dividends payment (2)	-	-	-	-	-	-	-	-	(9,489,804)	-	(9,489,804)	(9,489,804)
Income for the year	-	-	-	-	-	-	-	-	-	10,479,889	10,479,889	10,479,889
Other comprehensive income for the year	-	-	-	10,189	-	2,030,036	454,644	-	-	-	2,494,869	2,494,869
Balance sheets at year-end	719,145	217,191	18,810,708	187,013	1,397,297	552,560	(43,748)	13,365,347	20,884,826	(5,900,859)	50,189,480	50,189,480

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

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

(2) Corresponds to \$13.1959 per share.

(3) See note 49 to these consolidated financial statements.

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SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF 12/31/2019
(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 12/31/2019
	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	1,024,983	377,182	377,182	7,616,285	(106,866)	(63,446)	6,813,621	10,869,674	10,850,573	38,318,342
Adjustments and restatements of balances by initial application IAS 29	-	-	17,785,725	(237,143)	(237,142)	(5,654,418)	-	(56,003)	-	-	(10,819,727)	1,018,435
Adjusted and restated balances at the beginning of the year	719,145	217,191	18,810,708	140,039	140,040	1,961,867	(106,866)	(119,449)	6,813,621	10,869,674	30,846	39,336,777
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholders's Meeting held on 04/25/19												
- Legal reserve	-	-	-	-	-	-	-	2,241,582	-	(2,241,582)	-	-
- Optional reserve - Future distribution of earnings	-	-	-	-	-	-	-	-	3,362,375	(3,362,375)	-	-
- Absorption of adjustment from IFRS-first-time adoption	-	-	-	-	-	-	-	-	(357,339)	357,339	-	-
- Cash dividends	-	-	-	-	-	-	-	-	-	(4,846,514)	(4,846,514)	(4,846,514)
Partial reversal of the optional reserve approved by the General Ordinary Shareholder's meeting held on 07/15/19												
- Cash dividends	-	-	-	-	-	-	-	-	(740,656)	-	(740,656)	(740,656)
Income for the year	-	-	-	-	-	-	-	-	-	15,232,258	15,232,258	15,232,258
Other comprehensive income for the year	-	-	-	36,784	(564,570)	(1,370,610)	(378,943)	-	-	-	(2,277,339)	(2,277,339)
Balance sheets at year-end	719,145	217,191	18,810,708	176,824	1,397,297	(1,477,476)	(498,392)	9,055,203	13,134,054	5,169,972	46,704,526	46,704,526

(*) Balances as of December 31, 2018 restated as of December 31, 2020.(1) See note 28 to the consolidated financial statements.

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BANCO PATAGONIA S.A.

SEPARATE STATEMENT OF CASH FLOWS
AS OF 12/31/20 AND 12/31/19
 (Stated in thousands of Pesos)

ITEM	12/31/20	12/31/19
Cash flows from operating activities		
Income for the year before income tax	15,363,450	25,418,554
Inflation effect (net position of assets and liabilities)	8,899,776	10,186,296
Adjustments to obtain cash flows from operating activities:	(3,561,283)	(2,110,140)
Depreciation and impairment of assets	1,272,916	1,205,959
Charge for Loan Losses	1,232,989	5,832,343
Other adjustments	(6,067,188)	(9,148,442)
Net increases from operating assets:	(23,141,779)	46,596,060
Debt securities measured at fair value with changes through profit or loss	(977,142)	86,336
Derivative instruments	(179,573)	218,187
Repo transactions	(7,963,194)	1,389,681
Loans and other financing facilities	20,726,007	55,561,707
Non-financial government sector	1,610	14,983
Other financial institutions	1,753,333	3,982,740
Nonfinancial private sector and foreign residents	18,971,064	51,563,984
Other debt securities	(31,102,581)	(7,609,329)
Financial assets granted as collateral	(3,813,296)	984,907
Investments in equity instruments	(180,616)	(1,455,788)
Other assets	348,616	(2,579,641)
Net increases from operating liabilities:	14,769,323	(89,764,432)
Deposits	38,835,822	(70,784,949)
Non-financial government sector	3,926,524	(7,301,335)
Financial sector	10,406	(389,049)
Nonfinancial private sector and foreign residents	34,898,892	(63,094,565)
Derivative instruments	(338,603)	174,565
Repo transactions	4,648	(1,918,743)
Financing facilities received from BCRA and other financial institutions	(17,377,079)	(682,695)
Other liabilities	(6,355,465)	(16,552,610)
Income tax payments	(2,390,537)	(3,478,426)
TOTAL OPERATING ACTIVITIES (A)	9,938,950	(13,152,088)

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BANCO PATAGONIA S.A.

**SEPARATE STATEMENT
OF CASH FLOWS
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)**

ITEM	12/31/20	12/31/19
Cash flows from investing activities		
Payments:		
Purchase of property and equipment, intangible assets and other assets	(1,262,771)	(871,703)
Proceeds:		
Sale of property and equipment, intangible assets and other assets	213,870	5,953,699
TOTAL INVESTING ACTIVITIES (B)	(1,048,901)	5,081,996
Cash flows from financing activities		
Payments:		
Dividends	-	(5,587,170)
Financing facilities from local financial institutions	(1,170,096)	(780,660)
Operating leases	(382,920)	(366,140)
TOTAL FINANCING ACTIVITIES (C)	(1,553,016)	(6,733,970)
EFFECTS OF EXCHANGE RATE CHANGES (D)	11,363,341	9,894,444
EFFECT OF MONETARY GAIN/LOSS ON CASH AND CASH EQUIVALENTS (E)	(18,733,864)	(6,850,454)
TOTAL CHANGES IN CASH FLOWS	12/31/20	12/31/19
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C + D + E)	(33,490)	(11,760,072)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	60,249,161	72,009,233
CASH AND CASH EQUIVALENTS AT YEAR-END	60,215,671	60,249,161

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BANCO PATAGONIA S.A.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/20
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

NOTE 1 – REASON FOR THE PREPARATION OF SEPARATE FINANCIAL STATEMENTS

As mentioned in Note 2 to the consolidated financial statements, Banco Patagonia S.A. (hereafter, "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 THE FINANCIAL STATEMENTS

These separate financial statements for the fiscal year ended December 31, 2020 have been prepared in accordance with the regulations of the Central Bank of the Argentine Republic, (hereafter "Accounting information framework established by the "CBAR") which establishes that the entities under its supervision should present financial statements prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) , except for the following exceptions:

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

Additionally, the controlled entity GPAT Financial Company SAU, in accordance with the provisions of the BCRA in its Communication "A" 6938 issued on March 19, 2020, did not apply the impairment model of section 5.5 "Impairment" of the IFRS No. 9 "Financial Instruments" applicable to "Allowances for Loan Losses", since it has been postponed until January 1, 2021 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 Means of Payment SA, these Separate Financial Statements to corresponding the fiscal year ended December 31, 2020, consider the guidelines established by the BCRA whereby the accounting treatment to be afforded to the remaining investment held by the Entity in said company, accounted for under "Investments in Equity Instruments" as of December 31, 2020.

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BANCO PATAGONIA S.A.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/20
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.

Changes in monetary outcome exposure

By Communication "A" 7211 dated January 28, 2021, the BCRA established changes in the presentation of the monetary result generated by the application of the financial statements review procedure disseminated through Communication "A" 6849 and supplementary, effective from 1 January 2021.

In this regard, it provided that the monetary result accrued in respect of items of a monetary nature which are measured at fair value with changes in OCI, shall be recorded in the expected accounts for the results of the financial year (formerly registered with OCI).

The result of the monetary position shall be calculated by means of the output of the initial balance of each monetary item (including those that are measured at fair value with changes in OCI) and the inflation rate.

Moreover, Communication "A" 7222 dated February 9, 2021, granted the advance application to December 31, 2020, of the abovementioned rule, an option to which the entity has acceded.

Consequently, the result of the year ended December 31, 2020, was adjusted in order to incorporate the monetary results that were accounted for in the OCI of those items at that date.

Comparative information from these financial statements has also been appropriated to provide for the new established exposure criterion.

Note 31 sets out the effect of its application on the components of the total comprehensive result of the financial year, so that it can be compared with those that would have resulted from not applying these provisions.

In order to avoid duplication of the information already provided, we refer to the 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)
- Changes in accounting policies (Note 5 to the consolidated financial statements), except for the measurement of interests in subsidiaries
- IFRS issued not yet in force (Note 6 to the consolidated financial statements)
- Share capital (Note 28 to the consolidated financial statements)

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BANCO PATAGONIA S.A.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/20
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

- Transfer of Financial Assets (Note 42 to the consolidated financial statements)
- Segment reporting (Note 44 to the consolidated financial statements)
- Subsidiaries (Note 45 to the consolidated financial statements)
- Related Parties (Note 47 to the consolidated financial statements)
- Distribution of Profits and Restrictions (Note 49 to the consolidated financial statements)
- Deposit guarantee insurance (Note 51 to the consolidated financial statements)
- Trust activity (Note 53 to the consolidated financial statements)
- Depository for Collective Investment Products of Mutual Investment Funds (Note 54 to the consolidated financial statements)
- Sanctions and proceedings initiated by the BCRA (Note 55 to the consolidated financial statements)
- Transactions with directors (Note 58 to the consolidated financial statements)
- CNV Requirement - Custody of documentation (Note 59 to the consolidated financial statements)
- Macroeconomic context (Note 62 to the consolidated financial statements)

NOTE 3 - CHANGES IN ACCOUNTING POLICIES

The Bank has consistently implemented the following accounting policies in all financial years presented in these financial statements, except with respect to the application of IAS 29 "Financial Information in Hyperinflationary Economies" for Banco Patagonia S.A. and GPAT Compañía Financiero S.A.U., and the impairment of the value of financial instruments for Banco Patagonia S.A. , as from 1 January 2020 with the partial adoption by the BCRA of point 5.5 of IFRS 9.

The accounting policies applied are the same as those considered for the preparation of the consolidated financial statements (see Note 5 to the consolidated financial statements), with the exception of that referred to in the following paragraph.

3.1 Investments in subsidiaries

Subsidiaries are all entities controlled by the Bank. The Bank controls an entity when it is exposed to, or has rights to, variable yields for its participation in the participating entity, and has the power to affect the variability of such yields. The Bank re-evaluates whether it maintains control when changes occur in some of the above conditions.

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BANCO PATAGONIA S.A.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/20
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

Shares in subsidiaries are measured using the participation method. They are initially recognized at cost, which includes transaction costs. After initial recognition, the financial statements include the Bank's participation in the results and OCI of investments accounted for under the equity method, until the date when significant influence or joint control ceases.

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>12/31/20</u>	<u>12/31/19</u>
Cash on hand	19,188,829	15,889,247
BCRA - Current account	38,645,151	43,727,280
Balances with financial institutions in Argentina and abroad	1,624,386	469,521
Other	757,305	163,113
Total	<u>60,215,671</u>	<u>60,249,161</u>

NOTE 5 - DERIVATIVE INSTRUMENTS

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

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

	<u>12/31/2020</u>	<u>12/31/2019</u>
Effective values		
Assets		
FX forward transactions	2,948	-
Foreign currency forwards	281,811	105,186
Total	<u>284,759</u>	<u>105,186</u>
Effective values		
Liabilities		
FX forward transactions	-	5,615
Foreign currency forwards	-	332,988
Total	<u>-</u>	<u>338,603</u>

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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/20
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

Notional values	12/31/2020	12/31/2019
Assets - purchase contract		
FX forward transactions	118,785	2,883
Foreign currency forwards	3,645	20,327
Total	122,430	23,210
Liabilities - sales contract		
FX forward transactions	48,390	883
Foreign currency forwards	90,864	21,210
Total	139,254	22,093

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:

	12/31/20	12/31/19
Measured at amortized cost		
Sundry receivables from the sale of Prisma Medios de Pago S.A.	1,293,251	1,320,258
Receivables from spot sales of foreign currency to be settled	84,823	490,923
Receivables from spot sales of government securities to be settled	506,474	32,951
Recessive sundry	1,168,597	1,616,061
	3,053,145	3,460,193
Less: Allowance for loan losses (Exhibit R)	(1,350,688)	(1,343,521)
Total	1,702,457	2,116,672

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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/20
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

NOTE 8 – LOANS AND OTHER FINANCING FACILITIES

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

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

	<u>12/31/20</u>	<u>12/31/19</u>
Measured at amortized cost	108,559,549	121,240,415
Less: Allowance for loan losses (Exhibit R)	(4,409,783)	(6,356,490)
Total	<u>104,149,766</u>	<u>114,883,925</u>

Breakdown is shown below:

	<u>12/31/20</u>	<u>12/31/19</u>
Government sector	7,898	30,788
Financial sector	8,471,435	8,140,566
Non-financial private sector and residents abroad	100,080,216	113,069,061
Overdrafts	29,884,048	25,889,005
Notes	28,991,206	35,746,112
Credit cards	22,097,914	21,501,453
Personal consumer loans	7,496,612	11,422,742
Mortgage loans	1,045,135	1,562,112
Finance leases	274,625	719,862
Other loans	5,900,247	11,520,269
Interest and other adjustments	4,390,429	4,707,506
Sub - Total	<u>108,559,549</u>	<u>121,240,415</u>
Less: Allowance for loan losses (Exhibit R)	(4,409,783)	(6,356,490)
Total	<u>104,149,766</u>	<u>114,883,925</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.

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Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

João Carlos de Nobrega Pecego
President

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BANCO PATAGONIA S.A.

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

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.

NOTE 9 – FINANCIAL ASSETS GRANTED AS COLLATERAL

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

	<u>12/31/20</u>	<u>12/31/19</u>
Special guarantee accounts (*)	2,437,721	2,231,645
BCRA - Financial trusts under guarantee of OCT	5,329,245	1,525,702
- Treasury bonds in ARS Adjusted by CER 1.5%, maturity 03/25/2024	1,612,499	-
- National Treasury bills in ARS, maturity 01/29/2021	1,420,275	-
- National Treasury bills in ARS Adjusted by CER, maturity 02/26/2021	1,012,050	-
- National Treasury bonds in ARS Adjusted by CER 1.20%, maturity 03/18/2022	500,000	-
- National Treasury bonds Linked to u\$s, maturity 04/29/2022	271,592	-
- National Treasury bonds Linked to u\$s, maturity 11/30/2021	262,874	-
- National Treasury bonds in ARS Adjusted by CER 1%, maturity 08/05/2021	226,355	-
- Treasury bonds in ARS Adjusted by CER 1.40%, maturity 03/25/2023	23,600	-
- Other	-	1,525,702
Guarantee Deposits Credit and debit card managers	558,809	580,555
Public Titles - BID Line - Global Credit Program for micro-, small- and medium-sized enterprises	304,789	476,901
- Treasury bonds in ARS Adjusted by CER 1.5%, maturity 03/25/2024	292,400	-
- Pesos as guarantee	10,000	-
- Dollars as guarantee	2,389	-
- Other	-	476,901
Other security deposits	18,443	20,908
Total	<u>8,649,007</u>	<u>4,835,711</u>

(*) See Note 33.

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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
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NOTE 10 – INCOME TAX

a) Current income tax liabilities:

Breakdown is as follows:

	<u>12/31/20</u>	<u>12/31/19</u>
Current income tax liabilities		
Tax provision	6,033,141	9,360,134
Advance payments	(4,903,774)	(3,042,367)
Withholdings and collections at source	(6,893)	(3,212)
	<u>1,122,474</u>	<u>6,314,555</u>

b) Income tax expense is broken down as follows:

The composition and evolution of deferred income tax assets and liabilities are reported below:

Item	Balance sheets as of 12/31/19	Changes recognized in		Balances as of 12/31/20
		Net income	OCI	
Assets				
Inflation adjusted tax balance	1,432,584	2,150,216		3,582,799
Allowances for loan losses	2,383,955	(1,413,425)	-	970,530
Loans	113,838	(14,158)	-	99,680
Passive provisions	466,588	(74,844)	-	391,743
Other liabilities	143,245	79,712	-	222,957
Other	39,043	(2,318)	-	36,725
Deferred tax asset	4,579,253	725,182	-	5,304,434
Liabilities				
Debt securities	-	821,090	(821,090)	-
Intangible assets	(47,288)	2,007	-	(45,281)
Property and equipment	(2,717,583)	703,401	-	(2,014,182)
Investment properties	(12,469)	1,309	-	(11,160)
Conversion difference	(46,673)	(3,256)	(3,399)	(53,328)
Investment in associates	(362,704)	41,003	-	(321,701)
Deferred tax liabilities	(3,186,717)	1,565,554	(824,489)	(2,445,652)
Total	1,392,536	2,290,736	(824,489)	2,858,783

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Item	Balances as of 12/31/18	Changes recognized in		Balances as of 12/31/19
		Net income	OCI	
Assets				
Inflation adjusted tax balance	1,807,845	(375,261)	-	1,432,584
Allowances for loan losses	-	2,383,955	-	2,383,955
Loans	187,731	(73,893)	-	113,838
Derivative instruments	(1,646)	1,646	-	-
Passive provisions	208,246	258,342	-	466,588
Other liabilities	154,135	(10,890)	-	143,245
Other	23,075	15,968	-	39,043
Deferred tax asset	2,379,386	2,199,867	-	4,579,253
Liabilities				
Debt securities	63,739	(63,739)	587,409	-
Intangible assets	(34,763)	(12,525)	-	(47,288)
Property and equipment	(2,790,243)	72,660	178,337	(2,717,583)
Investment properties	(12,539)	70	-	(12,469)
Conversion difference	(27,807)	(6,604)	(12,262)	(46,673)
Investment in associates	(198,121)	(164,583)	-	(362,704)
Deferred tax liability	(2,999,734)	(174,721)	753,484	(3,186,717)
Total	(620,348)	2,025,146	753,484	1,392,536

Income tax charge breakdown is as follows:

	12/31/20	12/31/19
Current tax	6,033,141	9,360,134
Current tax restatement	1,141,156	2,851,308
Deferred tax	(2,290,736)	(2,025,146)
Income tax charge	4,883,561	10,186,296

The reconciliation of the effective tax rate is shown below:

	12/31/20	12/31/19
Profit before income tax	15,363,450	25,418,554
Income tax rate	30%	30%
Tax on taxable income	4,609,035	7,625,566
Differences in the application of the adjustment for accounting and tax inflation	553,410	2,370,257
Net permanent differences and other tax effects	(278,844)	190,473
Income tax charge	4,883,561	10,186,296

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As of December 31, 2020 and 2019, the effective income tax rate is 31.8% and 40.1%, respectively.

NOTE 11 – INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

	<u>12/31/20</u>	<u>12/31/19</u>
GPAT	1,492,115	1,210,507
Patagonia Investor Society Manager of F.C.I.	806,664	688,452
Interbanking S.A	314,143	254,089
Banco Patagonia (Uruguay) S.A.I.F.E.	298,510	489,649
Patagonia Valores S.A. (*)	65,935	63,203
Mercado Abierto Electrónico S.A.	64,099	51,938
Play Digital S.A.	59,611	-
Compensadora Electrónica S.A.	7,958	5,335
Provincanje S.A.	3,749	3,456
Total	<u>3,112,784</u>	<u>2,766,629</u>

(*) On December 18, 2020, Banco Patagonia S.A. has made the initial contribution to the company for 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 the issuance date of these financial statements, the entity owns 52,562,043 ordinary shares, representing 4,3903% of the stock capital.

NOTE 12 – PROPERTY AND EQUIPMENT

Breakdown of the Entity's Property and Equipment assets is disclosed in Exhibit "F" of the separate financial statements

NOTE 13 – INTANGIBLE ASSETS

Breakdown of the Entity's Intangible assets is disclosed at Note 19 and Exhibit G of the consolidated financial statements, due it's that only entity of the group that owns such assets

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

NOTE 14 – OTHER NON FINANCIAL ASSETS

	<u>12/31/20</u>	<u>12/31/19</u>
Advance payments	445,458	860,808
Other assets	253,341	263,739
Piece of art	60,326	60,326
Investment property	46,280	52,197
Assets acquired as collateral for loans	-	148,382
Other	46,630	22,415
Total	<u>852,035</u>	<u>1,407,867</u>

Additionally, for the valuation thereof, the criteria informed in Note 18 to the consolidated financial statements have been applied.

NOTE 15 – NON CURRENT ASSETS HELD FOR SALE

As of December 31, 2020 the Group holds for sale the following non-current assets: two fields located at Anta department, province of Salta in the amount of 148,383.

As of December 31, 2019 the entity does not own assets held for sale.

NOTE 16 – DEPOSITS

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

	<u>12/31/20</u>	<u>12/31/19</u>
Checking accounts	25,147,051	20,579,513
Savings accounts	76,199,050	67,376,776
Time deposit and investments	76,408,377	50,750,503
Investment accounts	6,350,979	136
Other	6,026,881	6,706,549
Total	<u>190,132,338</u>	<u>145,413,477</u>

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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
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COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

NOTE 17 – OTHER FINANCIAL LIABILITIES

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

	<u>12/31/20</u>	<u>12/31/19</u>
Credit card charges payable	5,709,033	6,765,553
Collections on account and on behalf of third parties	1,167,072	758,217
Recessive sundry	1,111,074	2,832,735
Payables related to FX purchases on the spot market to be settled	848,010	163,535
Payables related to foreign trade transactions	605,727	750,271
Qayables related to purchase of government securities to be settled.	59,611	620
Total	<u>9,500,527</u>	<u>11,270,931</u>

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

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

	<u>12/31/20</u>	<u>12/31/19</u>
Financing facilities received from foreign financial institutions	2,479,398	20,143,241
Financing facilities received from local financial institutions	1,038,946	2,144,302
BCRA	10,209	14,254
Total	<u>3,528,553</u>	<u>22,301,797</u>

NOTE 19 – CORPORATE BONDS ISSUED

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

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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/20
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(Stated in thousands of Pesos)

NOTE 20 – OTHER NON FINANCIAL LIABILITIES

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

	<u>12/31/20</u>	<u>12/31/19</u>
Cash dividends payable	7,764,051	-
Other short term employees' benefits payable	2,059,850	1,625,188
Withholdings and collections	1,265,382	1,091,840
Advance payments received	962,543	865,568
Sundry accounts payable	810,502	582,972
Other taxes payable	442,498	700,920
Payroll and social security contributions payable	262,452	371,724
Liabilities with contracts with customers	225,277	229,922
Payroll withholdings payable	186,548	185,020
Social security payment orders to be settled	164,585	223,127
Advanced payments received for the sale of goods	34,749	5,381
Other	99,843	19,252
Total	<u>14,278,280</u>	<u>5,900,914</u>

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 fiscal year ended December 31, 2020 is disclosed in Exhibit J "Activity of Provisions" which forms part of these consolidated financial statements.

The drops of provisions as of December 31, 2020 are detailed below:

Provisions						
Provisions drop	Labor Lawsuits	General Lawsuits	Tax Lawsuits	Administrative, disciplinary and criminal sanctions	Eventual Responsibilities	Total as of 12/31/20
Less than 12 months	16,713	441,407	21,050	-	304,170	783,340
More than 12 months	78,936	872,302	136,566	-	-	1,087,804
Total	<u>95,649</u>	<u>1,313,709</u>	<u>157,616</u>	-	<u>304,170</u>	<u>1,871,144</u>

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

The drops of provisions as of December 31, 2019 are detailed below:

Provisions drop	Provisions					Total as of 12/31/19
	Labor Lawsuits	General Lawsuits	Tax Lawsuits	Administrative, disciplinary and criminal sanctions	Eventual Responsibilities	
Less than 12 months	28,758	286,021	6,687	-	351,144	672,610
More than 12 months	62,590	1,326,578	155,780	45	3,490	1,548,483
Total	91,348	1,612,599	162,467	45	354,634	2,221,093

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 likely that these may result in an additional liability and the amount can be reasonably estimated with respect to other lawsuits against the Entity have that not been provisioned, Management and its legal advisors consider they will not result in additional liabilities to already those 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	12/31/20	12/31/19
Government securities measured at fair value with changes through OCI	32,186,626	43,852,234
Overdrafts	9,095,156	10,335,891
Notes	7,883,160	10,549,159
Consumer loans	4,536,567	7,250,039
Other loans	3,384,050	5,120,214
Credit cards	3,908,781	6,804,661
Premium on repo transactions with the financial sector	2,821,760	1,887,595
Loans to the financial sector	2,295,073	1,846,006
Finance leases	153,803	423,655
Other	519,335	1,025,248
Total	66,784,311	89,094,702

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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
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NOTE 23 – INTEREST EXPENSE

Breakdown is as follows:

Interest expense	12/31/20	12/31/19
Time deposits	21,708,938	32,999,752
Deposits in savings accounts	2,875,564	1,159,583
Financing facilities received from financial institutions (Call)	355,449	1,312,689
Premium on reverse repo transactions with the financial sector	197,949	1,221,716
Other financing facilities received from financial institutions	55,831	190,600
Other	1,101,792	1,603,062
Total	26,295,523	38,487,402

NOTE 24 – FEE INCOME

Breakdown is as follows:

Fee income	12/31/20	12/31/19
Credit and debit cards	2,412,649	2,838,932
Deposits	1,722,630	2,541,717
Product packages	2,003,436	1,731,023
Insurance	1,377,768	1,661,580
Collections	743,740	977,513
Foreign trade	400,917	523,652
Loans	169,321	134,177
Securities	127,022	134,305
Other	182,326	151,112
Total	9,139,809	10,694,011

NOTE 25 – FEE EXPENSES

Breakdown is as follows:

Fee expenses	12/31/20	12/31/19
Related to credit and debit cards	1,817,222	1,787,302
Government sector	535,168	534,971
Collections	125,090	184,789
Related to securities	67,099	72,712
Transfers	62,839	73,502
Other	214,371	323,799
Total	2,821,789	2,977,075

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BANCO PATAGONIA S.A.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
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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	12/31/20	12/31/19
Forward foreign currency transactions	709,623	259,225
Gain on the sale or derecognition of financial assets	522,284	991,370
Government securities and instruments issued by the BCRA	246,860	243,510
Gain/loss on interest rate swap	-	10,453
Total	1,478,767	1,504,558

NOTE 27 – OTHER OPERATING INCOME

Breakdown is as follows:

Other operating income	12/31/20	12/31/19
Safe deposit box rental	533,939	454,364
Recovered taxes	320,000	278,493
Other adjustments and interests from miscellaneous credits	295,388	381,387
Recovered receivables	279,610	367,793
Related to capital and securities markets	216,459	166,308
Derecognized provisions	206,618	19,808
Gain on the sale of property and equipment	185,154	119,872
Related to transfers	39,337	39,491
Related to deposits	36,419	54,746
Punitive interest	29,409	160,153
Gain on the sale of non-current assets held for sale	-	2,700,323
Other	771,273	528,027
Total	2,913,606	5,270,765

NOTE 28 – EMPLOYEE BENEFITS

Breakdown is as follows:

Employee benefits	12/31/20	12/31/19
Salaries	8,574,912	8,758,972
Social security contributions	1,660,259	1,727,295
Services to personnel	361,675	379,470
Severance payments	263,897	239,843
Other benefits	508,406	300,786
Total	11,369,149	11,406,366

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NOTE 29 – ADMINISTRATIVE EXPENSES

Breakdown is as follows:

Administrative expenses	12/31/20	12/31/19
Maintenance, conservation and repair expenses	1,587,473	1,591,839
Taxes	1,152,672	1,274,209
Fees	797,609	722,227
Armored vehicle services	631,550	701,002
Electric power and communications	558,804	600,549
Security services	498,152	515,469
Stationery and supplies	198,741	227,034
Advertising and marketing	134,201	438,128
Leases	89,990	120,285
Representation per diem and mobility	30,956	88,933
Other	1,352,047	1,536,004
Total	7,032,195	7,815,679

NOTE 30 – OTHER OPERATING EXPENSES

Breakdown is as follows:

Other operating expenses	12/31/20	12/31/19
Turnover tax	3,115,382	4,283,981
ATM expenses	361,218	515,671
Contribution to the deposit guarantee fund	321,422	351,773
Other allowance charges	270,203	1,589,343
Other	963,609	838,569
Total	5,031,834	7,579,337

**NOTE 31 – MONETARY RESULT OF MONETARY ITEMS MEASURED AT FAIR VALUE WITH
CHANGES IN OCI**

By Communication "A" 7211 dated 28 January 2021, the BCRA established changes in the presentation of the monetary outcome generated by the application of the financial statements re-expression procedure, as referred to in Note 2.2. to these financial statements.

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In this regard, it provided that the monetary result accrued in respect of items of a monetary nature which are measured at fair value with changes in OCI, must be recorded in the expected accounts for the results of the financial year (formerly registered with OCI).

Subsequently, Communication "A" 7222 dated 9 February 2021 granted the advance application as of 31 December 2020 of the abovementioned rule, an option to which the entity has acceded.

Comparative information from these financial statements has also been appropriated to provide for the new established exposure criterion.

The application of the new regulations has no impact on the total comprehensive result of the financial year, but on its components, as detailed below:

Effect as a result of the exercise	12/31/20	12/31/19
Net income for the year without Com application. "A" 7,222	11,857,924	14,463,151
Impact Com. "A" 7,222 (A)	(1,378,035)	769,107
Return on impairment of assets measured at amortized cost and fair value with changes in OCI	(611,855)	(232,887)
Result from net monetary position	(1,186,773)	1,331,611
Income tax	420,593	(329,617)
Net income for the year	10,479,889	15,232,258
Effect on another comprehensive result	12/31/20	12/31/19
Another comprehensive result without Com application. "A" 7,222	1,116,834	(1,508,232)
Impact Com. "A" 7,222 (B)	1,378,035	(769,107)
Profit from fair value financial instruments with changes in the OCI	1,798,628	(1,098,724)
Income tax	(420,593)	329,617
Net income for the year	2,494,869	(2,277,339)
Effect on total integral result (A)-(B)	-	-

NOTE 32 – 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 December 31, 2020 is as follows:

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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	1,377,754	-	-	1,377,754	1,359,090	18,664	-
Derivative financial instruments	284,759	-	-	284,759	-	284,759	-
Other debt securities	87,680,934	2,053,855	85,627,079	-	54,139,933	31,487,146	-
Financial assets granted as collateral	8,649,007	534,466	5,087,180	3,027,361	3,027,361	5,087,180	-
Investments in equity instruments	839,434	-	-	839,434	-	3,809	835,625
Total	98,831,888	2,588,321	90,714,259	5,529,308	58,526,384	36,881,558	835,625

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

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

Item	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Level 1	Level 2	Level 3
Financial assets							
Debt securities measured at fair value with changes through profit or loss	315,537	-	-	315,537	305,711	9,826	-
Derivative financial instruments	105,186	-	-	105,186	-	105,186	-
Other debt securities	56,385,627	1,256,059	55,129,568	-	41,493,835	13,635,733	-
Financial assets granted as collateral	4,835,711	191,862	4,643,849	-	-	4,643,849	-
Investments in equity instruments	1,138,982	-	-	1,138,982	-	1,145	1,137,837
Total	62,781,043	1,447,921	59,773,417	1,559,705	41,799,546	18,395,739	1,137,837

Item	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Level 1	Level 2	Level 3
Financial liabilities							
Derivative financial instruments	338,603	-	-	338,603	-	338,603	-
Total	338,603	-	-	338,603	-	338,603	-

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b) Transfers between hierarchy levels

b.1) Transfers from level 2 to level 1

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

Breakdown	12/31/20	12/31/19
Fixed Rate National Treasury Bond in \$ - Maturity 2020	-	5,278,223
Debt Title Province of Rio Negro Class 1 - Maturity 2021	-	258,035
Debt Title Province of Rio Negro Class 1 - Maturity 2020	-	91,429
total	-	5,627,687

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

b.3) Valuation techniques of Levels 2 and 3

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

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

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

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

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

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

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

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

- Fixed-rate financial instruments

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

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

- Variable-rate financial instruments

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

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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	60,215,671	(1)	-	-	-
Repo transactions	7,963,194	(1)	-	-	-
Other financial assets	1,702,457	1,703,005	-	-	1,703,005
Loans and other financing facilities	104,149,766	101,867,123	-	-	101,867,123
Financial liabilities					
Deposits	211,522,156	208,909,116	-	208,909,116	-
Repo transactions	4,648	(1)	-	-	-
Other financial liabilities	9,500,527	(1)	-	-	-
Financing facilities received from BCRA and other financial institutions	3,528,553	(1)	-	-	-

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

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

Item	Accounting balance as of 12/31/19	Total fair value	Level 1 fair value	Level 2 fair value	Level 3 fair value
Financial assets					
Cash and bank deposits	60,249,161	(1)	-	-	-
Other financial assets	2,116,672	2,117,774	-	-	2,117,774
Loans and other financing facilities	114,883,925	106,323,597	-	-	106,323,597
Financial liabilities					
Deposits	162,766,583	155,831,992	-	155,831,992	-
Other financial liabilities	11,270,931	(1)	-	-	-
Financing facilities received from BCRA and other financial institutions	22,301,797	(1)	-	-	-

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

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NOTE 33 – RESTRICTED ASSETS

	<u>12/31/20</u>	<u>12/31/19</u>
Special guarantee accounts (*)	2,437,721	2,231,645
BCRA - Financial trusts under guarantee of OCT	5,329,245	1,525,702
- Treasury bonds in ARS Adjusted by CER 1.5%, maturity 03/25/2024	1,612,499	-
- National Treasury bills in ARS, maturity 01/29/2021	1,420,275	-
- National Treasury bills in ARS Adjusted by CER to discount, maturity 02/26/2021	1,012,050	-
- National Treasury bonds in ARS Adjusted by CER 1.20%, maturity 03/18/2022	500,000	-
- National Treasury bonds Linked to u\$s, maturity 04/29/2022	271,592	-
- National Treasury bonds Linked to u\$s, maturity 11/30/2021	262,874	-
- National Treasury bonds in ARS Adjusted by CER 1%, maturity 08/05/2021	226,355	-
- Treasury bonds in ARS Adjusted by CER 1.40%, maturity 03/25/2023	23,600	-
- Other	-	1,525,702
Security deposits - Credit and debit card managers	558,809	580,555
Government securities – IADB loan – Global Credit Program for micro-, small- and medium-sized enterprises	304,789	476,901
- Treasury bonds in ARS Adjusted by CER 1.5%, maturity 03/25/2024	292,400	-
- Pesos as guarantee	10,000	-
- Dollars as guarantee	2,389	-
- Other	-	476,901
Other security deposits	18,443	20,908
Sub - Total	8,649,007	4,835,711
Guarantee deposits for repo transactions	519	-
Sub - Total	519	-
Total	8,691,599	4,876,490

(*) See Note 9.

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NOTE 34 – 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 year. The following table shows the items computed as minimum cash requirements:

Minimum cash requirements	12/31/20	12/31/19
Cash and bank deposits		
BCRA - Current account	38,645,151	43,727,280
Other debt securities		
BCRA Liquidity Bills	19,248,339	7,979,488
National Treasury bonds in ARS Fixed Rate 22%, maturity 05/21/2022	7,500,000	-
National Treasury bonds in ARS Fixed Rate, maturity 2020	-	5,278,223
Financial assets granted as collaterals		
BCRA - Special guarantee accounts	2,437,721	2,231,645
Total	67,831,211	59,216,636

Minimum capital requirements breakdown is as follows

Minimum cash requirements	12/31/20	12/31/19
Minimum capital requirements (A)	16,639,491	16,037,659
Credit risk	11,181,484	11,400,780
Market risk - Securities	111,238	8,670
Market risk - Currencies	394,100	143,185
Operational risk	4,952,669	4,485,024
Payment (B)	41,688,163	35,390,901
Surplus (B - A)	25,048,672	19,353,242

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NOTE 35 – 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 December 31, 2020 and December 31, 2019:

	<u>12/31/20</u>	<u>12/31/19</u>
Patagonia Valores S.A.		
Other financial assets – other debtors	-	238
Deposits - Checking accounts	1,087	136
Deposits - Special checking account	4,814	4,597
Checks and securities in custody	527	43,200
Patagonia Inversora S.A. Management Society of F.C.I.		
Deposits - Checking accounts	669	64
Deposits - Special checking account	-	1,317
Checks and securities in custody	755,792	796,280
Banco Patagonia (Uruguay) S.A.I.F.E.		
Deposits - Checking account	6	8
Deposits - Special checking account	5,279	7,677
Checks and securities in custody	1,837,175	3,051,757
Guarantees received	613,585	15,332
GPAT Compañía Financiera S.A.U.		
Loans and other financings - Other loans	-	2,291,298
Loans and other financing facilities– interbank loans (call options granted)	873,758	125,591
Loans and other financing facilities - Other financing facilities granted to local financial institutions	-	1,306
Debt securities – corporate bonds	76,013	64,822
Deposits - Checking accounts	39,942	29,775
Other financial liabilities	3,390	2,399
Banco do Brasil S.A.		
Cash and bank deposits - Financial institutions and correspondents	-	8,034
Deposits - Checking accounts	42	26,524
Financing facilities received from financial institutions	-	6,897,502
Guarantees received	673,160	652,453
Other Guarantees Granted	109,389	122,336
Checks and securities in custody	48,189	24,284

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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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/20
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

The Bank's income (losses) for the fiscal year ended December 31, 2020 and 2019 resulting from transactions with its subsidiaries, related companies and its parent company is as follows:

	<u>12/31/20</u>	<u>12/31/19</u>
Patagonia Valores S.A.		
Commissions and other operating income	1	2
Other Operating Income - Diverse Profits	433	2,623
Patagonia Inversora S.A. Management Society of F.C.I.		
Other Operating Income - Diverse Profits	1,900	1,643
GPAT Compañía Financiera S.A.U.		
Interest income - Financial sector	369,171	1,170,910
Interest income – Corporate bonds	32,078	118,807
Interest income - Overdrafts	5,859	1,608
Interest expense - Gain/loss on interest rate swap	-	7,659
Interest expense– Interest from financing facilities to local financial institutions	5,709	25,792
Fees and other operating income	15,160	27,021
Fee expenses	30,607	30,864
Other operating income	9,426	13,590
Banco do Brasil S.A.		
Interest income	-	10,288
Financial expenses - Interest on other loans from financial institutions	108,376	220,300
Fee income	3	5
Other operating income	483	1,180

NOTE 36 – 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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

João Carlos de Nobrega Pecego
President

Signed for identification purposes
with our report dated 02/25/2021

By Supervisory Committee

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BANCO PATAGONIA S.A.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/20
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 37 – CNV REQUIREMENT TO ACT AS AN OVER-THE-COUNTER BROKER

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

The minimum equity required by the mentioned standard for the each registered broker category on December 31, 2020 amounts to 1,420,350 Units of Purchasing Power (UVA) adjusted by "CER" – Law No. 25,827, which is equivalent to 91,357.

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 45,679.

As of December 31, 2020, the Bank's capital exceeds CNV's requirements and the minimum cash contra-account required is made up of funds deposited with the BCRA in current account No. 034 of Banco Patagonia S.A.

NOTE 38 – FINANCIAL STATEMENT PUBLICATION

In accordance with BCRA Communication "A" 2813 and complementary ones, BCRA's prior intervention is not required for the publication of these financial statements.

NOTE 39 – SUBSEQUENT EVENTS

No other events or transactions have occurred from year-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 December 31st, 2020.

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BANCO PATAGONIA S.A.

EXHIBIT "A"
BREAKDOWN OF GOVERNMENT AND CORPORATE SECURITIES
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)

Item	Identification	holding company			Position		
		Fair value	Level Fair value	Balance as of 12/31/20	Balance as of 12/31/19	without options (2)	final
DEBT SECURITIES MEASURED AT FAIR VALUE WITH CHANGES THROUGH PROFIT OR LOSS (1)		1,370,335		1,377,754	315,537	1,640,628	1,640,628
In Argentina		1,370,335		1,377,754	315,537	1,640,628	1,640,628
Government securities		1,370,335		1,370,335	305,733	1,633,209	1,633,209
- National Treasury bonds Linked to u\$, maturity 11/30/21	5498	377,281	1	377,281	-	640,155	640,155
- National Treasury bonds Linked to u\$, maturity 04/29/22	5499	364,286	1	364,286	-	364,286	364,286
- National Treasury bonds in ARS Adjusted by CER 2%, maturity 11/09/26	5925	157,916	1	157,916	-	157,916	157,916
- National Treasury bonds in ARS Fixed Rate, maturity 10/03/21	5318	119,884	1	119,884	55,680	119,884	119,884
- Discount bonds in ARS, maturity 12/31/33	45696	119,418	1	119,418	14,262	119,418	119,418
- Argentine Republic bonds in u\$, maturity 07/09/30	81086	112,406	1	112,406	-	112,406	112,406
- Treasury bonds in ARS Adjusted by CER 1.50%, maturity 03/25/24	5493	45,085	1	45,085	-	45,085	45,085
- National treasury bills in ARS Adjusted by CER to Discount, maturity 02/26/21	5384	28,118	1	28,118	-	28,118	28,118
- Treasury bonds in ARS Adjusted by CER 1.40%, maturity 03/25/23	5492	20,492	1	20,492	-	20,492	20,492
- Treasury bonds in ARS Adjusted by CER 1.20%, maturity 03/28/22	5491	9,216	1	9,216	-	9,216	9,216
- Other		16,233		16,233	235,791	16,233	16,233
National private securities		-		412	760	412	412
- Other		-		412	760	412	412
Foreign private securities		-		7,007	9,044	7,007	7,007
- Other		-		7,007	9,044	7,007	7,007

(1) See note 62 to these consolidated financial statements.

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

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BANCO PATAGONIA S.A.

EXHIBIT "A"
BREAKDOWN OF GOVERNMENT AND CORPORATE SECURITIES
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)

Item	Identification	holding company				Position	
		Fair value	Level Fair value	Balance as of 12/31/20	Balance as of 12/31/19	without options (2)	final
Other debt securities		85,627,079		87,680,934	56,385,627	92,768,114	92,768,114
MEASURED AT FAIR VALUE WITH CHANGES THROUGH OCI (1)		85,627,079		85,627,079	55,129,569	90,714,259	90,714,259
In Argentina		85,627,079		85,627,079	55,129,569	90,714,259	90,714,259
Government securities		19,174,290		19,174,290	8,032,240	24,261,470	24,261,470
- National treasury bonds in ARS Fixed Rate 22%, maturity 05/21/22	5496	7,500,000	2	7,500,000	-	7,500,000	7,500,000
- National treasury bills in ARS Variable Rate plus margin, maturity 03/31/21	5388	2,651,251	1	2,651,251	-	2,651,251	2,651,251
- National treasury bills in ARS Adjusted by CER to Discount, maturity 05/21/21	5389	2,612,500	1	2,612,500	-	2,612,500	2,612,500
- National treasury bonds in ARS Adjusted by CER 1.30%, maturity 09/20/22	5495	2,372,309	1	2,372,309	-	2,372,309	2,372,309
- National treasury bills in ARS Variable Rate +3.50%, maturity 05/21/21	5390	934,521	2	934,521	-	934,521	934,521
- Province of Rio Negro bills in ARS C.1.S.2, maturity 05/20/21	42317	616,483	2	616,483	-	616,483	616,483
- National treasury bonds in ARS Adjusted by CER 1%, maturity 08/05/21	5359	551,555	1	551,555	-	777,910	777,910
- National treasury bills in ARS Adjusted by CER 1.20%, maturity 03/18/22	5491	302,976	1	302,976	-	802,976	802,976
- National treasury bonds in ARS Fixed Rate, maturity 10/03/21	5318	274,853	1	274,853	-	274,853	274,853
- National treasury bonds in ARS to Discount, maturity 01/29/21	5381	245,855	1	245,855	-	1,666,130	1,666,130
- Other		1,111,987		1,111,987	8032,240	4,052,537	4,052,537
BCRA Bills		65,112,346		65,112,346	47,069,355	65,112,346	65,112,346
- BCRA Liquidity Bill, maturity 01/05/21	3199	9,940,360	1	9,940,360	-	9,940,360	9,940,360
- BCRA Liquidity Bill, maturity 01/12/21	3211	9,373,146	1	9,373,146	-	9,373,146	9,373,146
- BCRA Liquidity Bill, maturity 01/19/21	3218	9,311,226	1	9,311,226	-	9,311,226	9,311,226
- BCRA Liquidity Bill, maturity 01/08/21	3202	8,934,885	2	8,934,885	-	8,934,885	8,934,885
- BCRA Liquidity Bill, maturity 01/21/21	3219	7,828,838	2	7,828,838	-	7,828,838	7,828,838
- BCRA Liquidity Bill, maturity 01/14/21	3213	7,820,872	1	7,820,872	-	7,820,872	7,820,872
- BCRA Liquidity Bill, maturity 01/26/21	3226	7,773,400	1	7,773,400	-	7,773,400	7,773,400
- BCRA Liquidity Bill, maturity 01/28/21	3229	4,129,619	2	4,129,619	-	4,129,619	4,129,619
- Other		-		-	47,069,355	-	-
Corporate securities		1,340,443		1,340,443	27,974	1,340,443	1,340,443
- ON Orange Card in ARS Class 45	55094	406,726	2	406,726	-	406,726	406,726
- ON IRSA SA in ARS - Class 6	54829	177,939	2	177,939	-	177,939	177,939
- ON Pan American Energy in ARS Class 8	55081	153,037	2	153,037	-	153,037	153,037
- ON FCA Compañía Financiera in UVA - Class 18 Series 1	55008	117,458	2	117,458	-	117,458	117,458
- VD FF Credit Market Consumption in ARS Class 3	55045	102,547	2	102,547	-	102,547	102,547
- ON FCA Compañía Financiera in ARS - Class 23	55063	92,693	2	92,693	-	92,693	92,693
- ON GPAT Financial Company Series 35 Class A	54965	76,014	2	76,014	-	76,014	76,014
- ON CNH Industrial Capital Argentina in ARS - Class 2	54907	56,394	2	56,394	-	56,394	56,394
- ON Volkswagen Fin. Serv. Comp. Financial at UVA Class 8	54950	54,648	2	54,648	-	54,648	54,648
- ON Pan American Energy in ARS - Class 6	54915	51,647	2	51,647	-	51,647	51,647
- Other		51,340		51,340	27,974	51,340	51,340

(1) See note 62 to these consolidated financial statements.

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

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Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

João Carlos de Nobrega Pecego
President

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BANCO PATAGONIA S.A.

EXHIBIT "A"
BREAKDOWN OF GOVERNMENT AND CORPORATE SECURITIES
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)

Item	Identification	holding company				Position	
		Fair value	Level Fair value	Balance as of 12/31/20	Balance as of 12/31/19	without options (2)	final
Measured at amortized cost (1)		-	-	2,053,855	1,256,058	2,053,855	2,053,855
In Argentina		-	-	2,053,855	1,256,058	2,053,855	2,053,855
Government securities		-	-	1,924,059	956,503	1,924,059	1,924,059
- National treasury bonds Linked to u\$, maturity 11/30/21	5498	-	-	1,374,767	-	1,374,767	1,374,767
- National treasury bonds Linked to u\$, maturity 04/29/22	5499	-	-	549,292	-	549,292	549,292
- Other				-	956,503	-	-
Corporate securities		-	-	129,796	299,555	129,796	129,796
- VD FF Credit Market - Class 8 in ARS	54976	-	-	89,731	-	89,731	89,731
- VD FF Meli Credit Rights Cards 5 in ARS	54959	-	-	40,065	-	40,065	40,065
-Other				-	299,555	-	-
Equity Instruments		839,434		839,434	1,138,982	839,434	839,434
MEASURED AT FAIR VALUE WITH CHANGES THROUGH PROFIT OR LOSS		839,434		839,434	1,138,982	839,434	839,434
In Argentina		839,434		839,434	1,138,982	839,434	839,434
- Prisma Media de Pago S.A.	-	835,625	3	835,625	1,137,838	835,625	835,625
- Matba Rofex S.A.	-	3,041		3,041	-	3,041	3,041
- Deposit Insurance S.A.	-	493	2	493	672	493	493
- Miralejos S.A.C.F. and Agropecuaria	-	106	2	106	144	106	106
- Mercado a Término de Buenos Aires S.A.	-	-	2	-	99	-	-
- Bolsa de Comercio de Mar del Plata S.A.	-	56	2	56	76	56	56
- Argencontrol S.A.	-	53	2	53	72	53	53
- Sanatorio Las Lomas S.A.	-	47	2	47	64	47	47
- Celta Coop. Works To Be. Three Arroyos	-	12	2	12	16	12	12
- Claromecó Limited Electric Cooperative	-	1	2	1	1	1	1
- Other		-	2	-	-	-	-

(1) See note 62 to these consolidated financial statements.

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

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BANCO PATAGONIA S.A.

EXHIBIT "B"
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED BY STATUS AND GUARANTEES
RECEIVED AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)

COMMERCIAL LOAN PORTFOLIO	12/31/20	12/31/19
Performing	74,129,759	80,671,190
- With "A" preferred guarantees and counter-guarantees	3,604,473	2,432,025
- With "B" preferred guarantees and counter-guarantees	4,454,100	5,451,238
- Without preferred guarantees or counter-guarantees	66,071,186	72,787,927
Subject to special monitoring	320,435	156,270
In observation	7,372	112,780
- With "A" preferred guarantees and counter-guarantees	-	4,754
- With "B" preferred guarantees or counter-guarantees	-	103,357
- Without preferred guarantees or counter-guarantees	7,372	4,669
In negotiation or under refinancing agreements	313,063	43,490
- With "A" preferred guarantees and counter-guarantees	-	117
- With "B" preferred guarantees or counter-guarantees	261,550	37,894
- Without preferred guarantees or counter-guarantees	51,513	5,479
Troubled	495,621	109,127
- With "A" preferred guarantees and counter-guarantees	-	931
- With "B" preferred guarantees or counter-guarantees	378,713	3,092
- Without preferred guarantees or counter-guarantees	116,908	105,104
With high risk of insolvency	49,428	67,021
- With "B" preferred guarantees and counter-guarantees	41,135	63,246
- Without preferred guarantees or counter-guarantees	8,293	3,775
Non-recoverable	32,431	665,402
- With "B" preferred guarantees or counter-guarantees	15,796	510,470
- Without preferred guarantees or counter-guarantees	16,635	154,932
TOTAL COMMERCIAL LOAN PORTFOLIO	75,027,674	81,669,010

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LOANS AND OTHER FINANCING FACILITIES CLASSIFIED BY STATUS AND GUARANTEES RECEIVED
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)

CONSUMER AND/OR HOME LOAN PORTFOLIO	12/31/20	12/31/19
Performing	36,691,474	37,739,138
- With "A" preferred guarantees and counter-guarantees	1,726,491	732,473
- With "B" preferred guarantees and counter-guarantees	2,116,511	2,868,972
- Without preferred guarantees or counter-guarantees	32,848,472	34,137,693
Low risk	143,268	728,497
- With "A" preferred guarantees and counter-guarantees	1,024	19,319
- With "B" preferred guarantees and counter-guarantees	552	30,384
- Without preferred guarantees or counter-guarantees	141,692	678,794
Medium risk	120,999	678,810
- With "A" preferred guarantees and counter-guarantees	477	14,993
- With "B" preferred guarantees and counter-guarantees	5,094	6,953
- Without preferred guarantees or counter-guarantees	115,428	656,864
High risk	202,298	1,120,819
- With "A" preferred guarantees and counter-guarantees	3,061	11,695
- With "B" preferred guarantees and counter-guarantees	1,917	3,369
- Without preferred guarantees or counter-guarantees	197,320	1,105,755
Non-recoverable	433,969	510,516
- With "A" preferred guarantees and counter-guarantees	3,959	10,056
- With "B" preferred guarantees and counter-guarantees	413	4,055
- Without preferred guarantees or counter-guarantees	429,597	496,405
Non-recoverable according to BCRA regulations	-	15
- Without preferred guarantees or counter-guarantees	-	15
TOTAL CONSUMER AND/OR HOME LOAN PORTFOLIO	37,592,008	40,777,795
GRAND TOTAL	112,619,682	122,446,805

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EXHIBIT "B"
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED BY STATUS AND GUARANTEES RECEIVED
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)

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

BREAKDOWN	12/31/20	12/31/19
BALANCE AS PER EXHIBIT "B"	112,619,682	122,446,805
Items included in Exhibit "B" and not included in Loans and other financing facilities	(3,971,241)	(1,193,894)
Off-balance sheet items – agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards.	(2,501,565)	(853,559)
Other items	(1,469,676)	(340,335)
Items not included in Exhibit "B" and included in Loans and other financing facilities	(4,498,675)	(6,368,986)
Loans and other financing facilities - loans to personnel	309,829	372,706
Loans and other financing facilities - IFRS adjustment at effective interest rate	(398,721)	(385,202)
Loans and other financing facilities – Allowances for loan losses (Exhibit R)	(4,409,783)	(6,356,490)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	104,149,766	114,883,925

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

Number of customers	FINANCING FACILITIES			
	12/31/20		12/31/19	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	27,827,119	24.7%	24,854,560	20.3%
50 next largest customers	27,609,199	24.5%	34,234,562	28.0%
100 next largest customers	10,302,801	9.2%	11,790,231	9.6%
Rest of customers	46,880,563	41.6%	51,567,452	42.1%
Total	112,619,682	100.0%	122,446,805	100.0%

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

BREAKDOWN	12/31/20	12/31/19
BALANCE AS PER EXHIBIT "C"	112,619,682	122,446,805
Items included in Exhibit "C" and not included in Loans and other financing facilities	(3,971,241)	-1,193,894
Off-balance sheet items – agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards.	(2,501,565)	(853,559)
Other items	(1,469,676)	(340,335)
Items not included in Exhibit "C" and included in Loans and other financing facilities	(4,498,675)	(6,368,986)
Loans and other financing facilities - loans to personnel	309,829	372,706
Loans and other financing facilities -IFRS adjustment at effective interest rate	(398,721)	(385,202)
Loans and other financing facilities – Allowances for loan losses (Exhibit R)	(4,409,783)	(6,356,490)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	104,149,766	114,883,925

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Finance, Administration and Public

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Mónica M. Cukar
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EXHIBIT D
LOANS AND OTHER FINANCING FACILITIES BROKEN DOWN BY TERM
AS OF 12/31/20
(Stated in thousands of Pesos)

Item	Matured	Terms remaining to maturity						Total as of 12/31/2020
		1 month	3 months	6 months	12 months	24 months	Over 24 months	
Non-financial government sector	-	7,948	-	-	-	-	-	7,948
Financial sector	-	3,089,730	2,236,972	987,786	2,074,304	2,401,519	31,295	10,821,606
Nonfinancial private sector and foreign residents	2,188,681	60,879,598	9,623,889	12,688,837	12,203,203	8,863,160	10,642,345	117,089,713
Total	2,188,681	63,977,276	11,860,861	13,676,623	14,277,507	11,264,679	10,673,640	127,919,267

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BANCO PATAGONIA S.A.

**EXHIBIT E
BREAKDOWN OF INVERSMEN IN OTHER COMPANIES
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)**

Id	Denomination	Shares and/or Quotas Parties				Amount	
		Class	Unit nominal value	Votes per share	Quantity	12/31/20	12/31/19
INVESTMENT AT FINANCIAL INSTITUTIONS AND COMPLEMENTARY ACTIVITIES							
	<u>Subsidiaries</u>						
	In Argentina						
30678564822	GPAT Compañía Financiera S.A.U.	Common	\$1	1	86,837	1,492,115	1,210,507
30608298815	Patagonia Inversora S.A. Soc. Gte. F.C.I.	Common	\$1	1	13,317	806,664	688,452
30654325126	Patagonia Valores S.A.	Common	\$1	1	13,863	65,935	63,203
	Abroad						
00034UY0117	Banco Patagonia (Uruguay) S.A.I.F.E.	Common	\$100	1	50	298,510	489,649
	<u>Associates and Joint Ventures</u>						
30690783521	Interbanking S.A.	Common	\$1	1	150	314,143	254,089
33628189159	Mercado Abierto Electrónico S.A.	Common	\$0.1	1	48	64,099	51,938
30716829436	Play Digital S.A.	Common	\$1	1	52,562	59,611	-
30692264785	Compensadora Electrónica S.A.	Common	\$1	1	35	7,958	5,335
33663293309	Provincanje S.A.	Common	\$1	1	600	3,749	3,456
Total Investments in Other Companies						3,112,784	2,766,629

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BANCO PATAGONIA S.A.

**EXHIBIT E
BREAKDOWN OF INVERSMET IN OTHER COMPANIES
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)**

Denomination	Information on the issuer - Latest financial statement information				
	Main business activity	Year-end	capital	Shareholders' Equity	Income for the year
INVESTMENT AT FINANCIAL INSTITUTIONS AND COMPLEMENTARY ACTIVITIES					
<u>Subsidiaries</u>					
In Argentina					
GPAT Compañía Financiera S.A.U.	Financial company	12/31/2020	86,837	1,492,115	281,605
Patagonia Inversora S.A. Soc. Gte. F.C.I.	Mutual funds management	12/31/2020	13,317	806,665	184,788
Patagonia Valores S.A.	Settlement and Clearing Agent and Comprehensive Trading Agent	12/31/2020	13,863	65,935	2,731
Abroad					
Banco Patagonia (Uruguay) S.A.I.F.E.	Foreign bank	12/31/2020	420,725	489,649	662,465
<u>Associates and joint ventures</u>					
Interbanking S.A.	Interbank transfer services	09/30/2020	1,346	2,827,293	1,221,376
Mercado Abierto Electrónico S.A.	Coordination of securities trading	09/30/2020	2,424	3,237,010	364,128
Play Digital S.A.	Provision of electronic payment services	-	1,197,221	-	-
Compensadora Electrónica S.A.	Electronic clearing account network management	12/31/2019	1,000	226,246	54,908
Provincanje S.A.	Clearing house of provincial banks	09/30/2020	7,200	44,981	5,614

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EXHIBIT F
PROPERTY AND EQUIPMENT MOVEMENT
AS OF 12/31/20
(Stated in thousands of Pesos)

Item	Original value at beginning of year	Estimated useful life in years	Additions	Retirements	Original value as of 12/31/20	Depreciation				Residual value as of 12/31/20
						Accumulated as of 12/31/19	Retirements	Of the year	Accumulated as of 12/31/20	
Measured at cost	7,082,678		1,060,043	454,250	7,688,471	5,030,547	423,707	953,598	5,560,438	2,128,033
- Land and buildings	1,133,457	50	10,777	-	1,144,234	914,128	-	107,676	1,021,804	122,430
- Furniture and fixture	1,651,774	10	20,941	2,140	1,670,575	1,259,169	1,904	81,892	1,339,157	331,418
- Machinery and equipment	3,451,361	5	481,374	55,588	3,877,147	2,662,638	55,073	373,065	2,980,630	896,517
- Vehicles	86,371	5	4,342	9,635	81,078	46,181	9,138	13,917	50,960	30,118
- Right-of-use on leased premises	675,044	-	448,814	383,535	740,323	138,061	357,561	376,966	157,466	582,857
- Others	10,492	5	-	32	10,460	10,370	31	82	10,421	39
- Works in progress	74,179	-	93,795	3,319	164,655	-	-	-	-	164,655
Revaluation model	9,703,030		6,007	-	9,709,037	-	-	142,825	142,825	9,566,212
- Land and buildings	9,703,030	50	6,007	-	9,709,037	-	-	142,825	142,825	9,566,212
Total	16,785,708		1,066,050	454,249	17,397,509	5,030,547	423,707	1,096,423	5,703,263	11,694,246

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BANCO PATAGONIA S.A.

**EXHIBIT F
INVESTMENT PROPERTY MOVEMENT
AS OF 12/31/20**

(Stated in thousands of Pesos)

Item	Original value at beginning of year	Estimated useful life in years	Net Gain or loss measured at fair value	Residual value as of 12/31/20
Measured at Fair value				
- Leased land and buildings	52,197	40	(5,917)	46,280
Total	52,197		(5,917)	46,280

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BANCO PATAGONIA S.A.

**EXHIBIT H
DEPOSITS CONCENTRATION
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)**

Number of customers	12/31/20		12/31/19	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	29,674,800	14.0%	18,190,991	11.2%
50 next largest customers	36,932,701	17.5%	18,135,806	11.1%
100 next largest customers	14,704,805	7.0%	9,836,598	6.0%
Rest of customers	130,209,850	61.5%	116,603,188	71.7%
Total	211,522,156	100.0%	162,766,583	100.0%

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BANCO PATAGONIA S.A.

EXHIBIT I
FINANCIAL LIABILITIES BROKEN DOWN BY TERMS REMAINING TO MATURITY
AS OF 12/31/20
 (Stated in thousands of Pesos)

Item	Terms remaining to maturity						Total at 12/31/20
	1 month	3 months	6 months	12 months	24 months	over 24 months	
Deposits	192,446,644	13,810,190	4,822,295	2,961,080	2,274	2,274	214,044,757
Non-financial government sector	18,914,305	2,571,383	39,706	-	-	-	21,525,394
Financial sector	51,980	-	-	-	-	-	51,980
Nonfinancial private sector and foreign residents	173,480,359	11,238,807	4,782,589	2,961,080	2,274	2,274	192,467,383
Repo transactions	4,648	-	-	-	-	-	4,648
Other financial institutions	4,648	-	-	-	-	-	4,648
Other financial liabilities	9,469,495	-	-	-	-	-	9,469,495
Financing facilities received from BCRA and other financial institutions	985,541	81,855	47,319	680,511	20,303	2,484,735	4,300,264
Total	202,906,328	13,892,045	4,869,614	3,641,591	22,577	2,487,009	227,819,164

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BANCO PATAGONIA S.A.

**EXHIBIT J
CHANGES IN PROVISIONS
AS OF 12/31/20**
(Stated in thousands of Pesos)

Item	Balances at beginning of year	Increases	Decreases		Monetary result for allowances and provisions	Balance as of 12/31/20
			Reversals	Use		
INCLUDED IN LIABILITIES						
For contingent commitments	354,634	263,994	-	231,034	(83,424)	304,170
For administrative, disciplinary and criminal sanctions	45	-	33	-	(12)	-
Other	1,866,414	270,591	2,874	39,991	(527,166)	1,566,974
Labor lawsuits	91,348	64,760	-	29,484	(30,975)	95,649
Complaints, proceedings, appeals	1,612,599	161,859	2,874	10,317	(447,558)	1,313,709
Tax lawsuits	162,467	43,972	-	190	(48,633)	157,616
TOTAL PROVISIONS	2,221,093	534,585	2,907	271,025	(610,602)	1,871,144

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Translation from the original prepared in Spanish for publication in Argentina

BANCO PATAGONIA S.A.

**EXHIBIT K
SHARE CAPITAL COMPOSITION
AS OF 12/31/20**
(Stated in thousands of Pesos)

Shares (1)				Capital Stock	
Class	Quantity	Nominal value per share	Votes per share	Issued	Paid in (1)
				Outstanding	
Common Class "A"	22,768,818	1	1	22,769	22,769
Common Class "B"	696,376,419	1	1	696,376	696,376
Total	719,145,237			719,145	719,145

(1) See Note 28 to the consolidated financial statements

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BANCO PATAGONIA S.A.

EXHIBIT L
BALANCES IN FOREIGN CURRENCY
AS OF 12/31/20
(Stated in thousands of Pesos)

Items	Head office and branches in Argentina	Total as of 12/31/20	US dollar	euro	Real Brazilian	Other	Total as of 12/31/19
ASSETS							
Cash and bank deposits	37,750,277	37,750,277	35,748,051	1,829,652	16,083	156,491	37,158,374
Debt securities measured at fair value with changes through profit or loss	863,901	863,901	863,597	304	-	-	29,777
Other financial assets	141,171	141,171	141,119	52	-	-	215,868
Loans and other financing facilities	7,333,362	7,333,362	7,333,362	-	-	-	30,117,122
Other financial institutions	272,794	272,794	272,794	-	-	-	124,337
Nonfinancial private sector and foreign residents	7,060,568	7,060,568	7,060,568	-	-	-	29,992,785
Other debt securities	1,941,171	1,941,171	1,941,171	-	-	-	2,491,535
Financial assets granted as collateral	614,799	614,799	614,799	-	-	-	1,883,168
Investments in equity instruments	-	-	-	-	-	-	-
Investments in subsidiaries, associates and joint ventures	298,510	298,510	298,510	-	-	-	489,648
Other nonfinancial assets	8	8	8	-	-	-	-
TOTAL ASSETS	48,943,199	48,943,199	46,940,617	1,830,008	16,083	156,491	72,385,492
LIABILITIES							
Deposits	38,831,179	38,831,179	37,537,571	1,293,608	-	-	47,658,775
Non-financial government sector	3,827,943	3,827,943	3,811,277	16,666	-	-	5,869,746
Financial sector	857	857	857	-	-	-	332
Nonfinancial private sector and foreign residents	35,002,379	35,002,379	33,725,437	1,276,942	-	-	41,788,697
Other financial liabilities	1,950,899	1,950,899	1,861,902	87,993	-	1,004	2,743,766
Financing facilities received from BCRA and other financial institutions	2,511,643	2,511,643	2,511,643	-	-	-	20,239,006
Other nonfinancial liabilities	128,592	128,592	128,592	-	-	-	13,519
TOTAL LIABILITIES	43,422,313	43,422,313	42,039,708	1,381,601	-	1,004	70,655,066

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BANCO PATAGONIA S.A.

EXHIBIT N
ASISTANCE TO RELATED PARTIES
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)

Item	Normal situation	total	
		12/31/20	12/31/19
1. Loans	985,579	985,579	2,488,389
Overdrafts	144	144	6,332
Without preferred guarantees or counter-guarantees	144	144	6,332
Notes	5,382	5,382	31,119
Without preferred guarantees or counter-guarantees	5,382	5,382	31,119
Consumer	16,898	16,898	1,673
Without preferred guarantees or counter-guarantees	16,898	16,898	1,673
Credit cards	13,384	13,384	9,616
Without preferred guarantees or counter-guarantees	13,384	13,384	9,616
Others	949,771	949,771	2,439,649
Without preferred guarantees or counter-guarantees	949,771	949,771	2,439,649
2. Contingent commitments	1,056,628	1,056,628	254,147
3. Investments in subsidiaries, associates and joint ventures	2,663,224	2,663,224	1,940,717
Total	4,705,431	4,705,431	4,683,253
Allowances	9,856	9,856	24,884

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**EXHIBIT O
DERIVATIVE FINANCIAL INSTRUMENTS
AS OF 12/31/20**

(Stated in thousands of Pesos)

Type of contract	Purpose of transactions	Underlying asset	Type of settlement	Negotiation environment or counter-party	Weighted average term Originally agreed	Residual weighted average term	Weighted average term for the settlement of differences	Amount as of 12/31/20
Futures	Intermediation on own account	Foreign currency	Daily settlement of differences	ROFEX	3	1	1	3,971,771
Futures	Intermediation on own account	Foreign currency	Daily settlement of differences	MAE	3	1	1	11,020,384
Futures	Intermediation on own account	Foreign currency	Daily settlement of differences	OTC - Residents in Argentina Nonfinancial sector	3	2	49	8,589,634
Repo transactions	Intermediation on own account	Government securities and instruments issued by the BCRA	Delivery of underlying asset	MAE	-	-	-	8,962,481

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Translation from the original prepared in Spanish for publication in Argentina

BANCO PATAGONIA S.A.

EXHIBIT 'P'
CATEGORIAS DE ACTIVOS Y PASIVOS FINANCIEROS
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)

INFORMATION AS OF 12/31/20 (Note 32)

Item	Book balance as of 12/31/20	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Fair value level		
					Level 1	Level 2	Level 3
FINANCIAL ASSETS							
Cash and bank deposits	60,215,671	60,215,671	-	-	-	-	-
Cash on hand	19,188,829	19,188,829	-	-	-	-	-
Financial institutions and correspondents	40,269,537	40,269,537	-	-	-	-	-
Others	757,305	757,305	-	-	-	-	-
Debt securities measured at fair value with changes through profit or loss	1,377,754	-	-	1,377,754	1,359,090	18,664	-
Derivative financial instruments	284,759	-	-	284,759	-	284,759	-
Other financial assets	7,963,194	7,963,194	-	-	-	-	-
Repo transactions	1,703,141	1,703,141	-	-	-	-	-
Loans and other financing facilities	104,149,082	104,149,082	-	-	-	-	-
Non-financial government sector	7,898	7,898	-	-	-	-	-
Other financial institutions	8,468,237	8,468,237	-	-	-	-	-
Nonfinancial private sector and foreign residents	95,672,947	95,672,947	-	-	-	-	-
Other debt securities	87,680,934	2,053,855	85,627,079	-	54,139,933	31,487,146	-
Financial assets granted as collaterals	8,649,007	534,466	5,087,180	3,027,361	3,027,361	5,087,180	-
Investments in equity instruments	839,434	-	-	839,434	-	3,809	835,625
TOTAL FINANCIAL ASSETS	272,862,976	176,619,409	90,714,259	5,529,308	58,526,384	36,881,558	835,625

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/25/2021

By Supervisory Committee

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Superintendent
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**EXHIBIT P
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)**

Item	Book balance as of 12/31/20	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Fair value level		
					Level 1	Level 2	Level 3
FINANCIAL LIABILITIES							
Deposits	211,522,156	211,522,156	-	-	-	-	-
Non-Financial Public Sector	21,337,837	21,337,837	-	-	-	-	-
Financial Sector	51,981	51,981	-	-	-	-	-
Private Non-Financial Sector and Foreign Residents	190,132,338	190,132,338	-	-	-	-	-
Repo transactions	4,648	4,648	-	-	-	-	-
Other financial liabilities	9,469,495	9,469,495	-	-	-	-	-
Funding received from BCRA and other financial institutions	3,559,585	3,559,585	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	224,555,884	224,555,884	-	-	-	-	-

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EXHIBIT P
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)

INFORMATION AS OF 12/31/19 (Note 32)

Item	Book balance as of 12/31/19	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Fair value level		
					Level 1	Level 2	Level 3
FINANCIAL ASSETS							
Cash and bank deposits	60,249,161	60,249,161	-	-	-	-	-
Cash on hand	15,889,247	15,889,247	-	-	-	-	-
Financial institutions and correspondents	44,359,914	44,359,914	-	-	-	-	-
Debt securities measured at fair value with changes through profit or loss	306,493	-	-	306,493	305,711	782	-
Derivative financial instruments	105,186	-	-	105,186	-	105,186	-
Other financial assets	2,116,672	2,116,672	-	-	-	-	-
Loans and other financing facilities	114,883,925	114,883,925	-	-	-	-	-
Non-financial government sector	30,788	30,788	-	-	-	-	-
Other financial institutions	8,137,661	8,137,661	-	-	-	-	-
Nonfinancial private sector and foreign residents	106,715,476	106,715,476	-	-	-	-	-
Other debt securities	56,385,627	1,256,059	55,129,568	-	41,493,835	13,635,733	-
Financial assets granted as collaterals	4,835,711	191,862	4,643,849	-	-	4,643,849	-
Investments in equity instruments	1,148,026	-	-	1,148,026	-	10,189	1,137,837
TOTAL FINANCIAL ASSETS	240,030,801	178,697,679	59,773,417	1,559,705	41,799,546	18,395,739	1,137,837

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EXHIBIT P
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/20 AND 12/31/19
(Stated in thousands of Pesos)

Item	Book balance as of 12/31/19	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss	Fair value level		
					Level 1	Level 1	Level 1
FINANCIAL LIABILITIES							
Deposits	162,766,583	162,766,583	-	-	-	-	-
Nonfinancial government sector	16,333,580	16,333,580	-	-	-	-	-
Financial sector	1,019,526	1,019,526	-	-	-	-	-
Nonfinancial private sector and foreign residents	145,413,477	145,413,477	-	-	-	-	-
Derivative financial instruments	338,603	-	-	338,603	-	338,603	-
Other financial liabilities	10,904,269	10,904,269	-	-	-	-	-
Financing facilities received from BCRA and other financial institutions	22,668,459	22,668,459	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	196,677,914	196,339,311	-	338,603	-	338,603	-

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BANCO PATAGONIA S.A.

EXHIBIT "Q"
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/20 AND 12/31/19
 (Stated in thousands of Pesos)

By financial assets measured at fair value through profit or loss

Item	Mandatory measurement	
	12/31/20	12/31/19
Gain/loss on government securities	246,860	196,207
Gain/loss on corporate securities	-	-
Gain/loss on derivative financial instruments	709,623	241,262
Forward transactions	709,623	235,065
Interest rate swap	-	6,197
By investments in equity instruments	-	858,494
Gain/loss on the sale or derecognition of financial assets at fair value	522,284	208,595
Total	1,478,767	1,504,558

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BANCO PATAGONIA S.A.

EXHIBIT "Q"
APERTURA DE RESULTADOS
AS OF 12/31/20 AND 12/31/19
 (Stated in thousands of Pesos)

Interest and adjustment from applying the effective interest rate of financial assets measured at amortized cost

Item	12/31/2020	12/31/2019
Interest income		
By corporate securities	-	34,318
By other financial assets	360,248	843,903
By loans and other financing facilities	31,256,590	42,520,974
To the Financial sector	2,295,073	1,864,667
Overdrafts	9,095,156	10,771,980
Notes	7,883,160	10,417,133
Mortgage loans	162,532	183,393
Consumer loans	4,536,567	7,141,841
Credit cards	3,908,781	6,695,645
Finance lease	153,803	409,116
Others	3,221,518	5,037,199
By repo transactions	2,821,760	1,993,205
Other financial institutions	2,821,760	1,993,205
Total	34,438,598	45,392,400

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BANCO PATAGONIA S.A.

EXHIBIT "Q"
APERTURA DE RESULTADOS
AS OF 12/31/20 AND 12/31/19
 (Stated in thousands of Pesos)

Item	12/31/20	12/31/19
Interest expense		
By deposits	25,103,688	34,621,328
Savings accounts	2,875,564	1,095,380
Time deposit and term investments	21,708,938	33,055,712
Others	519,186	470,236
By financing received from the BCRA and other financial institutions	938,055	1,335,389
By repo transactions	197,949	1,165,080
Other financial institutions	197,949	1,165,080
By other financial liabilities	55,831	1,365,605
Total	26,295,523	38,487,402

Interest and adjustment from applying the effective interest rate of financial assets carried at fair value with changes through OCI

Item	12/31/20		12/31/19	
	Income for the year	OCI	Income for the year	OCI
By corporate debt securities	159,087	(43,953)	118,682	(1,621)
By government debt securities	32,186,626	946,556	43,583,620	(2,545,082)
Total	32,345,713	902,603	43,702,302	(2,546,703)

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BANCO PATAGONIA S.A.

EXHIBIT "Q"
APERTURA DE RESULTADOS
AS OF 12/31/20 AND 12/31/19
 (Stated in thousands of Pesos)

Commission Revenue

Item	12/31/20	12/31/19
Commissions linked to obligations	3,522,743	4,115,055
Commissions linked to credits	203,323	145,691
Commissions vinc. with commitments to prést. and geese. Financial	169,321	124,627
Commissions linked to securities	127,022	134,108
Card fees	2,412,649	2,852,561
Insurance fees	1,377,768	1,674,745
Collection management fees	743,740	974,793
Commissions for foreign operations and changes	400,917	523,220
Other	182,326	149,211
Total	9,139,809	10,694,011

Commission losses

Item	12/31/20	12/31/19
Commissions linked to securities transactions	62,839	73,789
Commissions for foreign operations and changes	67,099	72,968
Other	2,691,851	2,830,318
Total	2,821,789	2,977,075

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 Superintendent
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BANCO PATAGONIA S.A.

**EXHIBIT R
LOSS IMPAIRMENT ADJUSTMENT– ALLOWANCE FOR LOAN LOSSES
AS OF 12/31/20
(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 12/31/20
			FI with significant increase in CR	FI with credit impairment		
Other financial assets	1,343,521	355,394	8,470	141	(356,838)	1,350,688
Loans and other financing facilities	6,356,490	(1,023,270)	1,221,838	(456,982)	(1,688,293)	4,409,783
Other financial institutions	2,904	1,065	-	-	(771)	3,198
Nonfinancial private sector and foreign residents	6,353,586	(1,024,335)	1,221,838	(456,982)	(1,687,522)	4,406,585
Overdrafts	349,488	(135,086)	47,556	114,223	(92,825)	283,356
Notes	864,687	(128,705)	36,390	(190,579)	(229,663)	352,130
Mortgage loans	40,289	(1,129)	23,353	(1,938)	(10,701)	49,874
Consumer	2,209,931	(258,518)	631,880	(240,280)	(586,963)	1,756,050
Credit cards	833,305	(246,238)	488,551	73,848	(221,328)	928,138
Finance lease	44,318	(9,766)	(3,395)	(9,517)	(11,771)	9,869
Other	2,011,568	(244,893)	(2,497)	(202,739)	(534,271)	1,027,168
Other debt securities	12,806	(9,284)	-	-	(3,401)	121
Eventual Commitments	354,693	60,065	9,912	(4,777)	(115,723)	304,170
TOTAL ALLOWANCES	8,067,510	(617,095)	1,240,220	(461,618)	(2,164,255)	6,064,762

(*) It includes the effect of the exchange rate variation as of 12/31/2020.

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BANCO PATAGONIA S.A.

**DISTRIBUTION OF EARNINGS PROJECT
AS OF 31/12/20**
(Stated in thousands of Pesos)

Item	Amount
Unappropriated retained earnings (1)	14,983,967
Retained earnings - Legal Reserve (20% of 10,479,889)	2,095,978
Distributable earnings balance (2)	8,383,911
To be allocated by the Annual Shareholders' Meeting	8,383,911

- (1) It includes the "Optional reserve" for future distribution of earnings in the amount of 20,884,826 plus negative Unappropriated retained earnings of 5,900,859.
- (2) Income for the year of 10,479,889 net of Legal reserve of 2,095,978

Marcelo A. Iadarola
Gerente Ejecutivo de Administración

Juan M. Trejo
Superintendente de Finanzas,
Administración y Sector Público

João Carlos de Nobrega Pecego
Presidente

BANCOPATAGONIA

**Reporting summary
For the fiscal year ended
December 31, 2020**

BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2020**

RELEVANT ASPECTS:

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

The BCRA established the adoption of IAS 29 "Financial Information in Hyperinflationary Economies" as of January 1, 2020; therefore, this review has been prepared in constant currency as of December 31, 2020.

Banco Patagonia ended the 2020 financial year with a total comprehensive result of \$12,974.8 million, remaining at income-like levels of \$12,954.9 million (in real terms) earned in the previous year and achieving a return on average equity (ROE) of 30.8% and a return on average asset (ROA) of 5.2%, up from 30.1% and 4.4%, respectively, from the preceding financial year.

Banco Patagonia ended the fiscal year 2020 with assets in the amount of ARS 301,215.3 million, Loans and other financing facilities (net of allowances) in the amount of ARS 113,439.9 million, Deposits in the amount of ARS 218,155.9 million and a shareholder's equity of ARS 50,189.5 million.

Loans granted to the non-financial private sector amounted to ARS 105,837.7 million, at 7.6% decrease (ARS 8,654.9 million) compared to December 31, 2019 (ARS 114,492.6 million).

Total deposits amounted ARS 218,155.9 million, which means an increase of 31.1% (\$51,768.8 million) year-over-year (\$166,387.1 million).

Regarding portfolio quality indicators, the irregular portfolio ratio was 1.1% and the irregular portfolio coverage with provisions was 356.1%.

The liquidity ratio was 73.1% (liquid assets over total deposits). In addition, the minimum capital exceeds that required by BCRA regulations by ARS 25,406.3 million and the capitalization ratio was 19.8%.

As of December 31, 2020, Banco Patagonia S.A. employs 3,200 people, and has a wide network made up of 208 premises all over the country, distributed in the capital and major cities of each province.

Marcelo A. Iadarola
Executive manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public area

João Carlos de Nobrega Pecego
President

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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2020**

Presentation of information

For the preparation of this reporting summary, Banco Patagonia S.A. consolidated its statement of financial position and statement of income on a line-by-line basis with the financial statements of its subsidiaries: Patagonia Valores S.A., Patagonia Inversora S.A. Sociedad Gerente de Fondos Common investment, Banco Patagonia (Uruguay) S.A.I.F.E. and GPAT Compañía Financiera S.A.U.

The consolidated financial statements have been prepared in accordance with the Argentine Central Bank (BCRA) regulations that require the entities under its supervision to present financial statements prepared in accordance with IFRS issued by the International Accounting Standards Board (IASB), except for the following exceptions (see note 2.1 to these 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 Financial Company SAU, in accordance with the provisions of BCRA Communication "A" 6938 issued on March 19, 2020, did not apply the impairment model set forth in section 5.5 "Value impairment" of the IFRS No. 9 "Financial instruments" applicable for "Allowances for Loan Losses", since it has been postponed until January 1, 2021 for Group "B" financial entities based on said Communication.

- With respect to the valuation of Prisma Media de Pago S.A, have been considered the guidelines established by the BCRA, whereby the accounting treatment to be afforded to the investment remainder held by the Entity on this company was established, registered under "Investments in Equity Instruments" as of December 31, 2020

Likewise, as of January 1, 2020, the BCRA established the adoption of Section 5.5 "Impairment" of IFRS 9 "Financial Instruments" with the exception mentioned above and of IAS 29 "Financial Information in Hyperinflationary Economies Therefore, this report has been prepared to consider both regulations as of December 31, 2020, as well as in the comparative information.

Furthermore, by Communication "A" 7211 dated 28 January 2021, the BCRA established changes in the presentation of the monetary result generated by the application of the financial statements review procedure disseminated through Communication "A" 6849 and supplementary, effective from 1 January 2021.

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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2020**

In this regard, it provided that the monetary result accrued in respect of items of a monetary nature which are measured at fair value with changes in OCI, shall be recorded in the expected accounts for the results of the financial year (formerly registered with OCI).

Subsequently, Communication "A" 7222 dated February 9, 2021, granted the advance application as of December 31, 2020, of the abovementioned rule, an option to which the entity has acceded.

Consequently, the result of the year ended December 31, 2020, was adjusted in order to incorporate the monetary results that were accounted for in the OCI of those items at that date. The comparative information in this review has also been appropriated for the purpose of considering the new established exposure criterion.

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President

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with our report dated 02/25/2021
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 FISCAL YEAR
ENDED DECEMBER 31, 2020**

a) Summary comparative consolidated financial position

Information for fiscal years ended December 31, 2020, 2019 and 2018:

Consolidated Financial Statements			
(In Millions of Weights)	12/31/20	12/31/19	12/31/18
Cash and bank deposits	60,742.6	60,766.8	73,189.2
Debt securities	89,915.0	57,833.1	49,925.9
Other financial assets	19,493.3	7,780.0	14,172.8
Loans and other financing facilities	113,439.9	120,368.5	173,140.7
Non-financial government sector	7.9	30.8	464.7
Other financial institutions	7,594.3	5,845.1	7,638.3
Non-financial private sector net of allowances	105,837.7	114,492.6	165,037.7
Property and equipment	11,743.3	11,803.8	12,214.3
Other assets	5,881.2	5,002.0	2,446.1
TOTAL ASSETS	301,215.3	263,554.2	325,089.0
Deposits	218,155.9	166,387.1	228,564.7
Non-financial government sector	21,337.9	16,333.6	25,126.5
Financial sector	12.0	989.7	80.3
Non-financial private sector	196,806.0	149,063.8	203,357.9
Other financial liabilities	10,011.0	12,121.6	21,600.3
Financing facilities received from BCRA and other financial institutions	4,114.4	22,176.2	19,602.1
Corporate notes issued	971.0	1,409.5	3,515.0
Other liabilities	17,773.5	14,755.2	12,470.2
TOTAL LIABILITIES	251,025.8	216,849.6	285,752.3
SHAREHOLDERS' EQUITY	50,189.5	46,704.6	39,336.7
TOTAL LIABILITIES + SHAREHOLDERS' EQUITY	301,215.3	263,554.2	325,089.0

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Juan M. Trejo
Superintendent
Finance, Administration and Public area

João Carlos de Nobrega Pecego
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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2020**

b) Summary comparative consolidated income/loss

Information for the fiscal years ended December 31, 2020 and 2019:

Consolidated Financial Statements		
(In Millions of Pesos)	12/31/20	12/31/19
Interest income/loss	41,874.0	51,364.5
Fee income/loss	6,331.4	7,749.2
Net gain on financial instruments measured at fair value through profit or loss	1,520.7	1,529.1
Result from derecognition of assets measured at amortized cost and fair value with changes through OCI	-2,963.8	-232.9
Gold and foreign currency bid/offer spread	1,342.3	4,160.8
Other operating income	3,589.3	5,866.5
Charge for loan losses	-1,301.0	-5,878.6
Net operating income	50,392.9	64,558.6
Administrative expenses	-25,370.9	-28,770.1
Operating income	25,022.0	35,788.5
Gain/loss on associates and joint ventures	170.9	812.5
Inflation effect (net position of assets and liabilities)	-9,482.2	-11,177.8
Income before tax relating to continuing operations	15,710.7	25,423.2
Income tax relating to continuing operations	-5,230.8	-10,190.9
Income for the year	10,479.9	15,232.3

Statement of comprehensive income		
(In Millions of Pesos)	12/31/20	12/31/19
Revaluation of property and equipment and intangible assets	-	-564.0
Exchange differences on conversion of financial statements	10.2	36.8
Gain/loss on financial instruments carried at fair value with changes through OCI	2,484.7	-1,750.2
Total other comprehensive income	2,494.9	-2,277.4

Total comprehensive income	12,974.8	12,954.9
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**REPORTING SUMMARY
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2020**

c) Comparative consolidated statement of cash flows

Information for the fiscal years ended December 31, 2020 and 2019:

Consolidated Statement of Cash Flows		
(In Millions of Pesos)	12/31/20	12/31/19
Cash flows provided by operating activities	10,573.0	-10,371.7
Cash flows provided by / (used in) investment activities	-1,052.4	4,807.6
Cash flows used in financing activities	-2,292.3	-9,483.2
Financial and holding gains/losses on cash and cash equivalents	11,481.4	9,475.3
Monetary gain/loss on cash and cash equivalents	-18,733.8	-6,850.5
Total cash flows provided / (used in) by the year	-24.1	-12,422.5

d) Summary of statistical data

Summary of statistical data					
Item	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
Number of term deposit transactions - Personal banking	90,183	72,247	84,024	86,697	82,659
Number of time deposit transactions - Business banking	3,007	2,774	3,380	2,711	2,912
Number of loan transactions - Personal banking	963,940	1,011,343	1,120,196	1,091,711	973,383
Number of loan transactions - Business banking	31,403	35,266	61,681	118,773	86,656
Number of customer desks	208	209	209	205	200
Number of automatic teller machines (ATMs)	598	606	607	597	568
Number of self-service terminals (SSTs)	403	397	393	386	357
Payroll	3,200	3,302	3,407	3,365	3,434

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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2020**

Breakdown	As of December 31:	
	2020	2019
Profitability Ratios		
Return on average assets (1)	5.2%	4.4%
Return on average shareholders' equity (2)	30.8%	30.1%
Interest and Commission Margin Ratios		
Total financial margin (interest income-loss/average assets)	13.8%	17.4%
Margin on net services (net fee income / Average Assets) (3)	2.1%	2.5%
Total margin (total revenues / average assets) (4)	15.9%	19.9%
Net fee income on net total revenues (3) (4)	13.3%	12.6%
Shareholders' Equity Ratios		
Shareholders' equity on total assets	16.7%	17.7%
Financial standing (shareholders' equity / total liabilities)	20.0%	21.5%
Total liabilities as a multiple of shareholders' equity	5.0	4.6
RPC on risk-weighted assets (5)	19.8%	17.3%
Portfolio Quality Ratio		
Non-performing portfolio / financing (before allowances) (6)	1.1%	2.5%
Allowances on non-performing financing portfolio (6)	356.1%	211.5%
Cost of Risk (7)	1.1%	4.9%
Efficiency Ratio		
Administrative expenses / total net income (4)	41.7%	35.6%
Net fee income / administrative expenses	31.8%	35.4%
Liquidity Ratios		
Liquid Assets on deposits (8)	73.1%	72.0%
Loans (net of allowances) on assets	37.7%	45.7%
Deposits on liabilities	86.9%	76.7%
Loans on deposits	52.0%	72.3%
Fixed assets from equity (9)	24.4%	26.3%

References:

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

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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2020**

e) Outlook

The global economy is beginning to recover its growth levels, despite uncertainty, and falls in activity levels due to the COVID-19 pandemic.

The contraction in global growth in 2020 is estimated to be 3.5%, 0.9 percentage points above what was previously projected.

The global economy is projected to grow 5.5% in 2021 and 4.2% in 2022. The 2021 growth expectation is mainly based on strengthening activity over the course of the year following the first steps to contain pandemic progress, and policy support in some large economies.

In addition, the robustness of the recovery varies between countries, subject to access to medical resources, the effectiveness of policies implemented, and cross-border economic impacts. It is also worth noting in this regard the structural characteristics of each country at the beginning of the crisis.

Close cooperation at the international level is needed to achieve control of the pandemic, and aim for the growth of global economic activity.

By 2021, for the advanced economies group, projections show an indicator of around 4.3%. All euro countries show 4.2% growth; while for the United States it is in the order of 5.1%. By 2022 the indicator is 3.6% and 2.5% respectively; and for the group total 3.1%.

For emerging market and developing economies, the estimated indicator in 2021 is 6.3% and 5.0% in 2022. This group highlights India with growth rates of 11.5% and 6.8% respectively. China is the second country in growth rates, with a rate of 8.1 for 2021 and 5.6% for the following year. The group for countries in Latin America and the Caribbean, while showing negative projections during 2020, have positive growth indicators in 2021 and 2022: 4.1% and 2.9% respectively.

In Argentina, the last quarter of the year continued with health protection measures; basically DISPO (Preventive and Compulsory Social Distance) measures. The virus negatively impacted economic activity throughout 2020, where major efforts focused on health measures to lesser the consequences.

By 2021, the focus is expected to be on achieving the economic recovery that could not be achieved by 2020 as a result of the impact of the virus. 2021 is also a year of legislative elections.

Banco Patagonia continues its vision of meeting within the main Private Banks of the Argentine Financial System. Under this premise he has outlined a new five-year Strategic Plan, reflecting the work that will be carried out jointly by all areas and all channels of attention for the concretion of the same.

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**REPORTING SUMMARY
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2020**

Additional information required by Article III:12, Title IV, of the CNV Rules (General Resolution No. 622/13) – Information in thousands of pesos

1. General issues about the Entity's activity
 - a) Specific and significant legal regimes involving contingent decay or rebirth of benefits provided for by those provisions.

They don't exist.
 - b) Significant changes in the company's activities or other similar circumstances during the financial years included in the financial statements affecting its comparability with those presented in previous years, or which could affect it with those to be submitted in future years.

They don't exist.
2. Classification of credit balances (financings) and debts (deposits and obligations) according to their maturities.

See Annex "D" - Opening for loan terms and other financings and Annex "I" - Opening of financial liabilities for remaining installments of the Entity's Consolidated Financial Statements.

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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2020**

3. Classification of credits and debts, so that it allows to know the financial effects that its maintenance produces.

concept (In thousands of Pesos)	national currency			foreign currency	
	With Interest Clause	CER/UVA Adjustme nt Clause	without Interest Clause	with clause of Interest	without clause of Interest
Loans and other Financings	100,135,594	215,649	-	13,088,729	-
Deposits and Obligations	143,076,701	1,013,394	39,193,134	44,671,522	5,297,632
Deposits	140,011,246	1,013,394	31,624,631	42,086,904	3,419,708
Pass operations	4,648	-	-	-	-
Other financial liabilities	497,238	-	7,558,294	72,975	1,877,924
Funding received from BCRA and other financial institutions	1,592,522	-	10,209	2,511,643	-
Negotiable obligations issued	971,047	-	-	-	-
Total	243,212,295	1,229,043	39,193,134	57,760,251	5,297,632

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**REPORTING SUMMARY
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2020**

4. Detail of the percentage of participation in companies of article 33 of Law No. 19.550 in the capital and in the total number of votes and balances receivable and / or creditors per company.

Society	Actions		Percentage over	
	Class	Quantity	Total capital	Possible Votes
GPAT Compañía Financiera S.A.U.	Ordinary	86,837,083	100.00%	100.00%
Patagonia Valores S.A.	Ordinary	13,862,507	99.99%	99.99%
Patagonia Inversora S.A. Society Manager Common Investment Funds	Ordinary	13,317,233	99.99%	99.99%
Banco Patagonia (Uruguay) S.A.I.F.E.	Ordinary	50,000	100.00%	100.00%

For customer and vendor balances by company code see Note 35 to the separate financial statements of the Entity.

5. Credits for sales or loans to directors, synds, members of the surveillance board and their relatives until the second grade inclusive.

In thousands of Pesos	Financing 31/12/20	Maximum Funding
Directors and family members	3,025	3,104
Syndic and family	617	617
Total	3,642	3,721

Such assistance corresponds to financing in pesos agreed under conditions similar to the rest of the Entity's clients and without monetary update clause.

6. Physical inventory of exchange items. Periodicity and scope of physical inventories of exchange goods.

Not applicable.

7. Shares in other companies in excess of what is admitted by Article 31 of Law No. 19.550 and plans to regularize the situation.

They don't exist.

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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2020**

8. Recoverable Securities: Criteria followed to determine significant "recoverable values" of exchange assets, use goods and other assets, used as limits for their respective accounting valuations.
9. Insurance covering tangible goods.

Insured Goods In Thousands of Pesos	Risk	Insured Amount	Accountant Value
Money, checks and securities	Fraud, theft, safe deposit boxes and securities transit	3,365,800	19,193,888
Buildings, machines, equipment, furniture, installations and works of art	Fire, vandalism and earthquake	16,515,722	10,960,948
Automotive	All risks and third parties	97,990	34,777

10. Positive and negative contingencies
- a) Elements considered to calculate forecasts whose balances, considered individually or together, exceed two per cent (2%) heritage.
- b) Contingent situations at the date of financial statements whose probability of occurrence is not remote and whose economic effects have not been accounted for, indicating whether the lack of posting is based on their likelihood of concretion or difficulties in quantifying their effects.
- They don't exist.
11. Irrevocable advances on account of future subscriptions. Status of the processing aimed at its capitalization.
- They don't exist.
12. Cumulative dividends unpaid from preferred shares.
- They don't exist.
13. Conditions, circumstances or deadlines for the cessation of restrictions on the distribution of unsigned results.
- See Note 49 – Distribution of Profits and Restrictions of the Consolidated Financial Statements of the Entity.

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SUPERVISORY AUDIT COMMITTEE'S REVIEW ON FINANCIAL STATEMENTS

Banco Patagonia S.A.

Legal address: Av. de Mayo 701, Floor 24

Taxpayer Identification No. [C.U.I.T.] No. 30-50000661-3

City of Buenos Aires

I. Report on the financial statements

We have examined the Inventory, the Integrated Annual Report that includes the Corporate Government Code Report 2020, and the attached separate financial statements, of Banco Patagonia S.A. ("the Entity"), which include the separate statement of financial position as of December 31, 2020, the separate statements of income, other comprehensive results, changes in equity and cash flow for the year ended December 2020, separate statements of income, other comprehensive results, changes in equity and cash flow for the year ended December 2020 , Annexes A, B, C, D, E, F, H, I, J, K, L, N, O, P, Q and R; Explanatory Notes 1 to 39. Likewise, we have reviewed the consolidated financial statements of Banco Patagonia S.A. and its subsidiaries, which are attached, those with the consolidated statement of financial position as of December 31, 2020; the consolidated statements of income, other comprehensive income, changes in equity and cash flow for the year ended on that date, exhibits and selected notes.

The balance sheets and other information corresponding to the fiscal year ended December 31, 2019 and the consolidated statements of financial position as of December 31, 2018, restated in constant currency of December 2020, form an integral part of the financial statements previously mentioned and should, therefore, be considered exclusively in relation to figures and other data of the current year.

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

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

III. Supervisory Audit Committee's responsibility.

Our responsibility is to render a conclusion on the accompanying 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 S.A., in its capacity as external auditors, who issued their reports on February 25, 2021, in accordance with the audit standards established in Technical Resolution No. 37 of the Argentine Federation of Professional Councils of Economic Sciences and with the "Minimum Standards on External Audits" issued by B.C.R.A. These standards require compliance with ethics requirements, planning and executing the audit for reasonable security that financial statements do not contain significant errors. An audit involves conducting procedures on a selective basis to obtain elements of judgment on the accounting information included in the financial statements. The procedures selected depend on the professional judgment of external auditors, including the risk assessment that the financial statements contain significant errors. In conducting the risk assessment, the auditors consider the internal control existing in the Entity regarding the preparation and presentation of the financial statements in order to select the

appropriate audit procedures in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. As part of the audit, the accounting policies used, the significant estimates made by the Board and the Management of the Entity and the presentation of the financial statements as a whole are also evaluated. We believe that we have obtained the valid and sufficient elements of judgment to support our professional opinion.

Since it is not the physician's responsibility to carry out a management check, our review did not extend to the criteria and business decisions of administration, financing and marketing, since these issues are the sole responsibility of the Board.

IV. Opinion

As a result of our work and based on the reports dated February 25, 2021 issued by Dr. Gustavo Carballal (partner of Deloitte & Co S.A.), in our opinion, the separate and consolidated financial statements - mentioned in the first paragraph of the item *precedent*- reasonably present, in all its significant aspects, the financial situation of Banco Patagonia S.A. as of December 31, 2020, as well as its results and other comprehensive results, changes in its assets and cash flows for the year ended on that date, in accordance with the financial reporting framework established by the B.C.R.A., which is described in footnote 2 to those financial statements.

V. Other accounting issues disclosed in the financial statements

Without modifying our conclusion, we draw the attention of users of this report to the following issues disclosed in the accompanying separate and consolidated financial statements, which should be taken into account for their interpretation:

- a) Footnote 2(a) and 2.1a) to the separate and consolidated statements, respectively, indicate that they have been prepared in accordance with the financial reporting framework established by the BCRA that differs from IFRS in the application of point 5.5, "Deterioration of Value", of IFRS 9, "Financial Instruments" on non-financial public sector debt instruments, in accordance with BCRA Communication "A" 6847. In addition, the same note indicates that the controlled entity GPAT Compañía Financiera S.A.U., in accordance with the provisions of the BCRA in its Communication "A" 6938 issued on March 19, 2020, did not apply the impairment model of section 5.5 "Impairment" of IFRS No. 9 "Financial Instruments" applicable for the "Allowances for loan losses", since its application has been deferred until 1 January 2022 for the financial institutions of Group "B" and "C" in the application of that Communication. Therefore, the proportional equity value corresponding to the participation of Banco Patagonia S.A. in that Entity that is registered under the heading "Investment in subsidiaries, associates and joint ventures" and its counterparty in results recorded in the item "Results by associate and joint ventures", has been calculated considering the aforementioned Communication.
- b) Note 2.b) and 2.1b) to the separate and consolidated financial statements, respectively, indicate that the remaining shareholding in Prisma Medios de Pago S.A. classified under the heading "Investments in Equity Instruments", is registered according to the accounting treatment established by the BCRA. The accounting criterion applied constitutes a set-aside from IFRS 9 with respect to the measurement of equity instruments measured at fair value.
- c) The figures for the financial year ended December 31, 2019 and the Statement of Financial Position for the 2018 financial year presented in the attached separate financial statements for comparative purposes have been amended to reflect the implementation of IAS 29 "Financial Information in Hyperinflationary Economics" and item 5.5 "Impairment of VALUE 9 "Financial Instruments".

These issues must be considered for the interpretation of the attached Financial Statements.

VI. Information on other legal and regulatory requirements

In compliance with current provisions, we inform that:

Translation from the original prepared in Spanish for publication in Argentina

1. In the exercise of the legality check that is our responsibility, we have implemented during the financial year ended December 31, 2020 the remaining procedures described in the article 294 of Law No. 19.550, which we consider necessary in accordance with the circumstances, including but not limited to monitoring the constitution and subsistence of the directors' guarantee, having no comments to make;
2. The separate and consolidated financial statements of Banco Patagonia S.A. mentioned in the paragraph I are settled in the Balance Sheet Book, and arise from the Accounting Records of the Entity carried out, in their formal aspects, in accordance with the legal provisions in force. The information systems used to generate the information included in the financial statements maintain the security and integrity conditions on the basis of which they were timely authorized;
3. As of December 31, 2020, the Entity records the minimum net worth and liquid counterparty required by the regulations of the National Securities Commission as mentioned in Notes 37 and 57 separate and consolidated financial statements, respectively;
4. We have reviewed the Board's Integrated Annual Report on which we have nothing to observe in terms of our competence, with the claims of future facts being the sole responsibility of that body. With respect to the Report of the Corporate Government Code issued by the Board of the Entity in compliance with Article 1(a)(1) of Chapter I Section I of Title IV of the C.N.V. Standards (t.o. 2013) and which will be submitted to that body as an Annex II separate from the Report, we inform that there has been no evidence from the analysis carried out indicating a lack of veracity in the information provided by the Board to this Committee to audit and turn to that report;
5. As required by Article 105 of Law No. 26.831 and Articles 21 – Section VI of Chapter III of Title II and 4th subparagraph (d) – Section III of Chapter I of Title XII of the C.N.V. Standards. (t.o. 2013), on the independence of the external auditor and on the quality of the audit policies implemented by the external auditor and the accounting policies of the Entity, the report of the external auditor referred to in the paragraph IV precedent includes the manifestation of having applied the audit rules in force in the Argentine Republic, which comprise the requirements of independence, and does not contain any exceptions in relation to the application of those rules and the professional accounting standards in force in the Autonomous City of Buenos Aires, Argentina, considering the provisions of the Paragraph of Emphasis in that report;

City of Buenos Aires, February 25, 2021

By Supervisory Committee
Monica M. Cukar
Regular Supervisory Auditor
Public Accountant (UBA)
C.P.C.E.C.A.B.A. T. 147 F. 66