

BANCOPATAGONIA

Integrated annual shareholders' letter as of December 31, 2021

Contents

INTEGRATED ANNUAL REPORT 2021 5

1. LETTER FROM THE CHAIRMAN 5

2. ABOUT THIS REPORT 6

3. INTRODUCTION TO THE BANK 7

3.1 Introduction to the Bank 7

3.2. Strategic Plan 2021-2025 8

3.3. Shareholding structure 8

3.4. Controlled companies¹ 8

3.5. Strategic Alliances 9

3.6 History. 10

4. ECONOMIC AND FINANCIAL SYSTEM CONTEXT 11

4.1. Economic outlook in the world 11

4.2. Economic outlook in the Argentine Republic 12

5. SUSTAINABILITY STRATEGY 14

5.1. Sustainable focus 14

5.2. Stakeholder identification and engagement 14

5.3 Materiality analysis 15

5.4. Value creation over time 17

6. CORPORATE GOVERNANCE 18

6.1. Good Corporate Governance Practices⁴ 18

6.2. The Bank's Board of Directors 18

6.3 Characteristics of the Board of Directors 19

6.4. Supervisory Committee 20

6.5. Committees of the Bank 20

6.6. Organizational Structure 24

7. COMPREHENSIVE RISK MANAGEMENT 24

7.1. Risk Management 24

7.2 Internal Controls 30

7.3. <i>Internal Audit Activities</i>	30
7.4. <i>Monitoring</i>	32
7.5. <i>Internal codes</i>	33
8. <i>FINANCIAL CAPITAL</i>	35
8.1. <i>Banco Patagonia in numbers</i>	35
8.2. <i>Controlled companies in numbers</i>	35
8.3. <i>Financial and income statement analysis of the entity</i>	38
8.4. <i>Procedure for the payment of dividends according to the applicable standards</i>	44
8.5. <i>Proposed distribution of profits</i>	44
9. <i>INTELLECTUAL AND INDUSTRIAL CAPITAL</i>	45
9.1. <i>Client Profile</i>	46
9.2. <i>Projected commercial policy and relevant aspects of business, financial and investment planning</i>	46
9.3. <i>Business with People</i>	46
9.4. <i>Business with Companies</i>	48
9.5. <i>Foreign Trade</i>	49
9.6. <i>Loans</i>	50
9.7. <i>Finance and Public Sector</i>	52
9.8. <i>Digital business</i>	53
9.9. <i>Customer Experience</i>	56
9.10. <i>Benefits: the new Club Patagonia</i>	57
9.11. <i>Claims Management</i>	57
9.12. <i>The Network</i>	58
9.13. <i>Accessibility</i>	59
9.14. <i>Physical Security</i>	59
9.15. <i>Security in the handling of data</i>	59
10. <i>HUMAN CAPITAL</i>	60
10.1. <i>Employee profile</i>	60
10.2. <i>Jobs and job opportunities</i>	61
10.3. <i>Continuous training</i>	62

10.4. Performance Management	64
10.5. Climate management: support and care for people.....	65
10.6. Diversity and Inclusion.....	66
10.7. Internal communication.....	66
10.8. Benefits with a focus on wellbeing and health.....	67
11. SOCIAL CAPITAL	69
11.1. Private social investment strategy.....	69
11.2. Social investment in 2021	70
11.3. Education	71
11.4. Support for Entrepreneurship.....	73
11.5. Volunteering.....	75
11.6. Culture.....	78
11.7. Suppliers of Banco Patagonia	78
11.7.1. Communication Channels.....	79
11.7.2. Selection and contracting process	79
11.7.3. Evaluation Process	79
11.7.4. Responsible management of the value chain.....	80
12. NATURAL CAPITAL.....	80
12.1. Generating environmental value in the business.....	80
12.2. Management of direct impacts	81
12.2.1. Energy Consumption	81
12.2.2. Biodiversity Value	82
12.2.3. Paper management and digitization	82
12.2.4. Waste Management.....	83
12.3. Awareness and Training.....	83
13. Closing.....	84
APPENDIX I: GRI Content Index	85
Exhibit II.....	87
EXHIBIT II: External Audit Report.....	92
EXHIBIT III – REPORT ON THE CORPORATE GOVERNANCE CODE 2021.....	96

INTEGRATED ANNUAL REPORT 2021

1. LETTER FROM THE CHAIRMAN

I am very proud to be able to present to you for the first time as President of Banco Patagonia our Integrated Annual Report, a document of relevance for investors, shareholders, and other stakeholders where you will find data on the performance of our business and the economic, social and environmental impacts we generated during the 2021 fiscal year.

Once again, we are going through another challenging year in the midst of the COVID-19 pandemic. In this context, with individual and collective effort, we were able to continue advancing in our business strategy, adapting to new ways of working, always focused on improving our customers' experience and strengthening our purpose of "accompanying people's development".

Within this framework, we defined a Strategic Plan for the next five years and set out to focus on transformation, prioritizing the digitalization of processes to make them more agile, and developing innovative financial products that facilitate our customers' daily lives. Thus, in 2021 we achieved that more than 58% of Banco Patagonia's customers would operate digitally.

In terms of financial performance, we were able to maintain sustainable levels of activity throughout the year, achieving an ROE of 10.3% and an ROA of 1.6%. In addition, all our indicators evolved positively thanks to the responsible and efficient work of our teams.

In order to achieve the goals reached during 2021, we prioritized our employees by training and developing them within Banco Patagonia, with technical learning spaces and mentoring for our talents and leaders. In total, training hours increased by almost 20% year-on-year. One of the highlights within people management was the creation of the Diversity and Inclusion Program, reaching all the Bank's employees and Board of Directors. This launching included a first stage of actions aimed at raising awareness, reflecting, detecting challenges and beliefs, with impact at all levels.

Regarding the creation of social value, our contribution was given by investing in the productive development of small companies and enterprises, and in improving people's wellbeing with the collaboration of our volunteers and the strategic articulation with public and civil society organizations. Within this framework, we developed different financial education programs, among which I highlight "Un Click de Confianza" (A Click of Trust), through which we provide information, support, and training in electronic banking to our senior citizens.

We also support formal education with scholarships and our "Desafío Banco Patagonia" Program, which invites students to think and prototype possible solutions to local problems. For this Program, we obtained the 1st place within the Banking category of the Conciencia Award, a recognition that distinguishes companies that carry out actions to promote a more sustainable and safe society with a better quality of life for people. In total, we invested close to \$28 million and reached more than 12,000 beneficiaries.

We also contributed to the sustainable economic growth of enterprises in the communities where we are present, mainly through the Entrepreneurs Program of Río Negro, reaching more than 1,600 registered people who received tools for the development of their businesses from the triple impact perspective, promoting the development of the Province of which we are the financial agent.

As regards the care of the planet and with the commitment to generate an increasingly sustainable business, at Banco Patagonia we are aware of the responsibility of the financial sector in channeling resources towards environmentally responsible economies. In this sense, we analyze the social and environmental risks of more than 2,500 credit proposals -over \$560 billion- according to the guidelines of the Standard Industrial Classification Code (UICC) provided by the United Nations in environmental and social terms. We also participated in the issuance of green bonds and Negotiable Obligations for renewable energy projects. We also continue to make progress in measuring our performance in terms of consumption and emissions in order to continue improving our performance.

I would like to take this opportunity to thank each and every one of our customers, shareholders and employees for their trust. I would also like to give special recognition to the work team that has compiled the information, systematized the data and constructed the indicators based on the international guidelines used (the Global Reporting Initiative -GRI- Standards and the Integrated Reporting Framework of the IIRC) to render accounts in a responsible and transparent manner.

I invite you to read in detail this Report in which we present these, and other actions implemented during the year, carried out with the aim of contributing to the construction of a more responsible and sustainable society.

I say goodbye with the commitment to continue making every effort to make Banco Patagonia a sustainable bank recognized by our clients, employees and society as a whole, promoting everything possible to make our challenges a reality.

Oswaldo Parré dos Santos
President

Mr. Oswaldo Parré dos Santos, a 52-year-old Brazilian, currently serves as President of Banco Patagonia, effective April 2021. He holds a degree in Economics and a Postgraduate and MBA in Business Management from Fundação Dom Cabral - Brazil. He also holds specializations from the University of Texas, Austin and Kellogg Northwestern, School of Management, in Chicago.

He previously held the position of Vice President of Banco Patagonia since February 2017, having been appointed Alternate Director in April 2016. He is also President of GPAT Compañía Financiera S.A., Director at Banco Patagonia (Uruguay) S.A.I.F.E. and Patagonia Valores S.A. He began his career at Banco do Brasil in 1984, holding various executive positions since 2000. He was appointed Deputy Director of the Frankfurt Agency (Germany) and General Manager of the New York Agency, USA. He also held the positions of Executive responsible for corporate credit and capital markets.

2. ABOUT THIS REPORT

Pursuant to the legal and statutory provisions in force, the Board of Directors of Banco Patagonia S.A. ("Banco Patagonia" or "the Bank" or "the Bank"), prepares for the consideration of the Shareholders this Annual Report for fiscal year No. 98 ended December 31, 2021.

This Integrated Annual Report 2021 communicates Banco Patagonia's economic, social and environmental performance from January 1 to December 31, 2021. Thus, the Bank presents its actions, programs, processes and results for the year with financial and non-financial information, in response to the information and transparency requirements of the market.

For the third consecutive year, the Integrated Reporting Framework provided by the International Integrated Reporting Council ("IIRC") was used. This year, taking a further step in the application of the Framework, the Bank arranged the contents according to the capitals of said guidelines. Therefore, it migrated from a structure by stakeholders to an organization by capitals: financial, industrial, intellectual, human, social and natural. In addition, since the Bank focuses on digital banking and technological advances for the evolution of its processes, industrial capital and intellectual capital are presented in a single chapter, integrating both concepts.

On the other hand, the Report was made "in accordance" with the GRI Standards of the Global Reporting Initiative (GRI), reaching the Essential option.

This Report has a Limited Assurance Report issued by the firm Deloitte as independent auditors and in compliance with legal provisions has been reviewed by the Supervisory Committee, as it appears in its Report on the Financial Statements as of December 31, 2021.

Use of Language

Banco Patagonia publishes this Annual Report in compliance with the principles of inclusive language, using mainly neutral language, with the exception of some terms in which the generic masculine form was adopted to facilitate reading.

3. INTRODUCTION TO THE BANK

Banco Patagonia is one of the leading private equity banks in Argentina. Its management is focused on the client and, to this end, it leverages on the talent of its work teams and on the knowledge of the business to develop a competitive strategy and high-performance results, without neglecting people and the planet.

3.1 Introduction to the Bank

Banco Patagonia is one of the leading private mixed-capital banks in the Argentine market. Its purpose is to "Accompany the development of people" and based on this purpose, it manages its businesses in pursuit of the welfare of communities and the growth of organizations and companies, particularly entrepreneurs and SMEs.

Within this framework, with an organizational culture and talented teams that support it, it aligns its actions to be at the forefront of the business, position itself in the market, and implement actions and programs of social and environmental impact.

Purpose

To accompany the development of people

Vision

To be a Bank recognized for its customer service experience, positioning itself among the first private banks in Argentina.

Values

- Ethic
- Belongingness
- Sustainability
- Innovation
- Human Potential
- Competence
- Efficiency
- Agility

3.2. Strategic Plan 2021-2025



Banco Patagonia defined a new Strategic Plan that began to be implemented this year and is effective until 2025. It defines the Strategic Guidelines within the framework of the Bank's purpose and vision. Thus, the Plan sets the roadmap and the Bank's aspiration for the future and how it wants to position itself within the local and global market.

The Strategic Map is made up of seven corporate results, which are the objectives to be pursued by the key areas, and the performance indicators and goals. Thus, the main strategic challenges are based on the customer experience, the Bank's growth, the work environment, and the performance of the Bank's activity, which provide a framework of sustainability to carry out the main projects in the short, medium and long term.

This Plan, as well as the redefinition of the purpose, vision, strategic map and values, were defined by the Superintendencies and some of the Bank's Executive Managements, approved by the Board of Directors, and communicated to all employees.

The Bank implemented a new Strategic Plan, which for the first time has a five-year term.

3.3. Shareholding structure

As of December 31, 2021:

- Banco do Brasil S.A.: 80.39%.
- Anses FGS: 15.29%.
- Province of Rio Negro: 3.17%.
- Market: 1.15

3.4. Controlled companies¹

Banco Patagonia is the controlling Company of the following Companies, which provide complementary services to those developed by the Bank: GPAT Compañía Financiera S.A.U., Patagonia Inversora S.A. S.G.F.C.I., Patagonia Valores S.A., and Banco Patagonia (Uruguay) S.A.I.F.E.

The Bank includes in its strategic planning, the main guidelines for the business management of such Companies.

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

It is a corporation registered with the National Securities Commission (CNV) as an Agent for the Administration of Collective Investment Products of Mutual Funds, whose purpose is the promotion, administration and management of Mutual Funds. The marketing of the Funds is carried out exclusively through the Bank, which in turn operates as the depositary of the Funds.

¹Note 34 to the consolidated financial statements details the balances of equity and results of operations with subsidiaries, which were carried out under market conditions.

PATAGONIA VALORES S.A.

It is a corporation registered with the CNV as a Settlement and Clearing Agent and Comprehensive Trading Agent, whose sole purpose is to intervene in the settlement and clearing of transactions - primary placement and secondary trading of securities - for its own account or for the account of third parties.

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

It is a Uruguayan corporation that carries out financial intermediation activities in that country, exclusively with non-residents of Uruguay, conducting its commercial and administrative operations under the supervision of the Central Bank of Uruguay.

GPAT Compañía Financiera S.A.U.

It is a sole shareholder corporation that carries out its wholesale and retail financing activities within the automotive industry sector, through the granting of pledge loans for the acquisition of new and used vehicles, marketed mainly by General Motors de Argentina S.R.L. through its network of official dealers. In addition, it is in charge of providing loan portfolio management services granted by Banco Patagonia to General Motors de Argentina's dealerships, carrying out its operations under the supervision of the BCRA. It is also under the supervision of the CNV since it is authorized to issue Negotiable Obligations with public offering.

3.5. Strategic Alliances

Banco Patagonia understands that working together generates a greater impact. In this context, it actively participates in different entrepreneurial spaces in order to share experiences, train its teams and work together on value proposals for the financial sector and sustainable development.

- Argentine Banks Association (ABA). Banco Patagonia holds the 4th Vice-Presidency.
- Argentine Civil Association of Brazilian Companies (Grupo Brasil). Banco Patagonia holds the Presidency.
- Argentine Leasing Association.
- Argentine-Chilean Chamber of Commerce (CCACH).
- Chamber of Commerce, Industry and Services of San Lorenzo and its area.
- Chamber of Asia.
- Center for Research and Social Action (CIAS).
- Institute for Business Development of Argentina (IDEA).
- Latin American Economic Research Foundation (FIEL).
- Group of Foundations and Companies (GDFE).

Sustainable Finance Protocol

Banco Patagonia was a founding signatory of the Sustainable Finance Protocol, with the purpose of contributing to the promotion of sustainable practices in the financial sector and providing a framework of action for public and private banks in Argentina.

During 2021 the focus was on the climate and gender agenda, where the Bank led the Environmental and Social Commission together with other entities, to outline the work plan based on the implementation of comprehensive risk management tools internally and with clients.

3.6 History.

More than 90 years in the Argentine financial market.

Predecessor banks, such as Banco Mercantil Argentino (pioneer in the Plan Sueldo business).

1999

Completes the merger by absorption of Banco Caja de Ahorro (precursor in the incorporation of the insurance business to the banking sector).

2000

Merger by absorption of Banco Sudameris Argentina, adopting the latter's corporate name.

2003

Banco Sudameris Argentina absorbs Banco Patagonia S.A.² and changes its name to Banco Patagonia Sudameris.

2004

Banco Patagonia Sudameris acquires the business of Lloyds TSB Bank plc Sucursal Argentina, which had been in the country for more than 140 years. It again adopts the name Banco Patagonia.

2007

Opens its capital in the Buenos Aires and São Paulo Stock Exchanges, being the first company that, without having operations in Brazil, lists its shares in the São Paulo Stock Exchange (BOVESPA) until 2019.

2010

Acquires the capital stock of GPAT Compañía Financiera S.A. (formerly GMAC Compañía Financiera S.A.) in order to broaden its business horizon.

2011

58.96% of Banco Patagonia's capital stock was transferred to the controlling shareholder, **Banco do Brasil S.A.**

2018

Banco do Brasil S.A. became the holder of 80.39% of the capital stock and outstanding votes.

²This Banco Patagonia had arisen from the merger in 1997 of Banco Mildesa and Banco Río Negro, keeping the name of the latter until 2000, when it changed its name to Banco Patagonia (whose dissolution without liquidation was registered in September 2004).

Banco do Brasil S.A.³ is one of the most important financial institutions in Latin America in terms of total assets. It has more than 200 years of history in the Brazilian financial market, has a presence in 13 countries, and serves the demand of more than 70 million customers.

The legacies of these institutions and the others that are part of Banco Patagonia today, represent an asset of great value for the Bank and a differentiating competitive element.

4. ECONOMIC AND FINANCIAL SYSTEM CONTEXT

The year 2021 was a year of recovery both globally and locally. In Argentina, after three consecutive years of falling activity, GDP growth of around 10% was recorded. The greater availability of vaccines made it possible to move forward with an immunization campaign that quickly translated into higher levels of mobility, employment and economic activity. At the same time, the external sector brought in more foreign currency, which increased the margin for imports and investment, boosting the economy.

4.1. Economic outlook in the world

The year 2021 was presented as the year of recovery after the COVID-19 pandemic in 2020, leaving behind what was the deepest recession since World War II with a contraction of the world economy of 3.5%. The outlook according to the International Monetary Fund's World Economic Outlook is for the global economy to be on track for the strongest recovery in the five global recessions of the last 80 years, expanding by 5.9% in 2021, 4.9% in 2022 and stabilizing in 2023 at 3.4%, as a result of strong fiscal and monetary policies to support activity.

This recovery, which was expected to be rapid at the beginning of the year due to the appearance of vaccines and the stimulus provided by governments and central banks, gradually lost momentum as the months went by. Although most countries are already at pre-pandemic levels, the pressure generated by various factors indicates that the challenges posed by the pandemic are not yet over. These factors include energy prices, supply shortages, labor shortages, inflation, which was supposed to be transitory but seems to be here to stay, the emergence of new strains and asymmetry in vaccination.

Although this dynamic among countries was uneven, growth in the advanced economies this year is expected to be around 5.2%. In turn, growth in emerging market and developing economies is expected to strengthen, closing the year with 6.4% growth on the back of improved external demand and high commodity prices.

Within the latter segment, developing Asian countries would drive global growth not only this year but also next year (2% in 2021 and 5.9% in 2022). It is worth mentioning, however, that Chinese growth has slowed considerably over the year, given the reduction in fiscal support and the continued implementation of containment measures in the face of the emergence of new COVID cases, which not only keeps spending on services depressed, but also adds pressure on global supply chains. This situation, coupled with the transition to renewable energies, the crisis in the real estate sector and the Chinese government's intention to reorient its growth policy by shifting the focus to the domestic market, creates uncertainty regarding the country's future expansion trajectory.

³www.bb.com.br

The reactivation of world trade led commodity prices to see significant growth in the year, with many commodities above pre-pandemic levels. Tensions in the energy sector led to oil prices above USD80, averaging USD74 in 2021. Regarding agricultural commodities, they have experienced a significant rally and prices are expected to increase by 22% in 2021, before stabilizing in 2022.

The increase in commodity, energy and food prices, together with an ultra-loose monetary policy -low interest rates and intervention in the markets via quantitative easing- and the tensions between a demand for goods that responds faster than their supply, led to higher inflation. Currently, concern over rising prices is widespread and more and more Central Banks are tightening their monetary policy, making financial conditions more complex at a global level. Two relevant cases are the United States, due to the importance of its currency, and Brazil, as one of our largest trading partners.

Regarding the former, the Federal Reserve's latest announcement, which included the possibility of raising the interest rate at least three times in 2022 and accelerating tapering -the end of asset purchases in March-, had positive effects on the markets, giving rise to what is shaping up to be an orderly transition. Brazil closed the year with an inflation rate of 10.6%, doubling the target of a Central Bank that raised its monetary policy rate seven times during the year, taking it from 2% to 9.25%, which contracted economic activity to the point of having technically fallen into recession in the third quarter of the year.

4.2. Economic outlook in the Argentine Republic

The year 2021 was also the year of recovery at the national level. After three consecutive years of declining activity, growth of around 10% was recorded. The greater availability of vaccines made it possible to move forward with an immunization campaign that quickly translated into higher levels of mobility, employment and economic activity. At the same time, the external sector brought in more foreign currency, which increased the margin for imports and investment, boosting the economy.

The mid-term elections also marked the year, and many of the decisions made by the Government were motivated by them. The postponement of the agreement with the International Monetary Fund (IMF), the distortion of relative prices (dollar, tariffs, among others), the fiscal imbalance and the sustainability of the external sector are some of the challenges still to be solved.

After the recession caused by the debt crisis and deepened by the pandemic between 2018 and 2020, the economy finally recovered in 2021. Particularly from June when vaccination accelerated significantly and then, a second boost after the PASO (Simultaneous and Compulsory Open Primary Elections) when the Government further incentivized the reopening of the economy. In this way, the economy reached pre-pandemic levels and would close the year with an accumulated growth of close to 10%.

The improvement in activity was also reflected in the labor market, where the overall indicators of labor force participation, employment and unemployment improved. Employment levels have already returned to pre-pandemic levels after the economic reopening and the return to school, although with a change in the composition. The employment that drove this trend was of lower quality; unregistered employment and mono employment exceeded the pre-pandemic level, while formal private jobs are recovering at a slow pace.

The external impulse, with exports growing 41% in the year, generated two important events: trade balance surplus -the largest in the last 11 years- and greater availability of foreign currency for imports. Another component of the demand that had a strong jump was investment, benefited by the cepo and the high international prices of exports. At the same time, consumption was somewhat irregular during the first half of the year, but in the second half of the year it started to gain ground in parallel with the recovery of purchasing power.

Regarding the exchange rate policy, the movement of the dollar respected the guideline set in the 2021 Budget. It was decided to abandon the crawling peg and as of March/April the official dollar's path was followed. While annual inflation ended up being 20 percentage points higher than that of the official document, the delay in the real exchange rate added another distortion of relative prices. The "currency board", the delay in the negotiations with the IMF and the continuous new exchange restrictions

overheated the demand for parallel dollars, which led to the exchange rate gap ending in the order of 100%, after having started 2021 in the 60-70% zone.

Despite the exchange rate anchor, to which the tariff anchor was added, inflation closed the year in the order of 50%. Food and beverages had a strong impact on the final number, as did clothing. Other sectors that had a significant contribution were Health, Transportation and Restaurant and hotels, which recorded a price increase after being frozen or not registering activity in 2020.

Regarding the Central Bank's monetary policy, on the one hand, it kept the interest rate constant and negative in real terms throughout the year. In addition, the monetary base grew by more than 40%, contracting in real terms. The factors that most contributed to the increase were monetary financing to the Treasury and interest rates, offset by the growth in the stock of interest-bearing liabilities (Leliqs and deposits) to absorb the economy's pesos.

In spite of the international context that played as a tailwind for the supply of dollars - record liquidation by the oilseed and grain sector - and the Special Drawing Rights (SDRs) provided by the IMF, the Central Bank was unable to accumulate reserves and they ended at the same level at which they started the year, being a challenging point considering the commitments to be faced in the near future.

Public accounts showed a sharp reduction from 6.5% of GDP in 2020 and would end the year above 3% of GDP. On the revenue side, the Solidarity Contribution and Export Duties played a fundamental role; while, on the expenditure side, the pension formula adjusted for the past low nominality, and the COVID19 expenditure was substantially reduced. However, the significant expenditure on energy subsidies -tariff anchor- had a significant increase. Going forward, there are important challenges, given the expected lower extraordinary revenues. The deficit could be financed with assistance from the BCRA and, to a lesser extent, by the refinancing of Treasury tenders of approximately 120%.

In order to continue on a growth path after this year of recovery -which leaves a drag of approximately 2%-, it will be important to reach a new agreement with the IMF, since it will clear the important capital maturities faced by the national economy and would facilitate the renewal of the restructured debt as of 2023. The agreement will probably lead to a fiscal consolidation and a gradual accumulation of reserves over time, in order to achieve better sustainability ratios and a reduction of the country risk, as envisaged by the Government in the public debt restructuring process.

5. SUSTAINABILITY STRATEGY

Banco Patagonia is committed to sustainable development from a strategic view of its management, working with innovation and responsibility to optimize the impact of its actions on people and the planet, focusing on local economies, support to companies and the welfare of communities.

5.1. Sustainable focus

This year the Bank migrated from the concept of "Corporate Social Responsibility" to "Sustainability" as regards its management and accountability to internal and external audiences. This name change implies a more evolved commitment to sustainable development and a focus on people and the environment from the center of management, business operations and sustainable finance.

In this way, it works to:

- Offer simple and clear answers to stakeholders' needs.
- Ensure transparency in corporate governance.
- Promote the value of sustainability in the organization.
- Foster a sense of belonging among employees.
- Support regional economies.

Awards 2021

- Award for the best Integrated Report in Argentina, by the Ecumenical Social Forum.
- 1st place in the Banking category of the Conscience Award for the Desafío Banco Patagonia Program.

5.2. Stakeholder identification and engagement

Knowing the stakeholders, their profiles and expectations is key to creating value in society. That is why Banco Patagonia maps its key stakeholders with the following criteria: legal, financial and operational responsibilities, influence in the achievement of its goals, proximity, dependence and representation of other people such as local community leaders; and implements dialogue channels to survey their particular demands.

Banco Patagonia's stakeholders

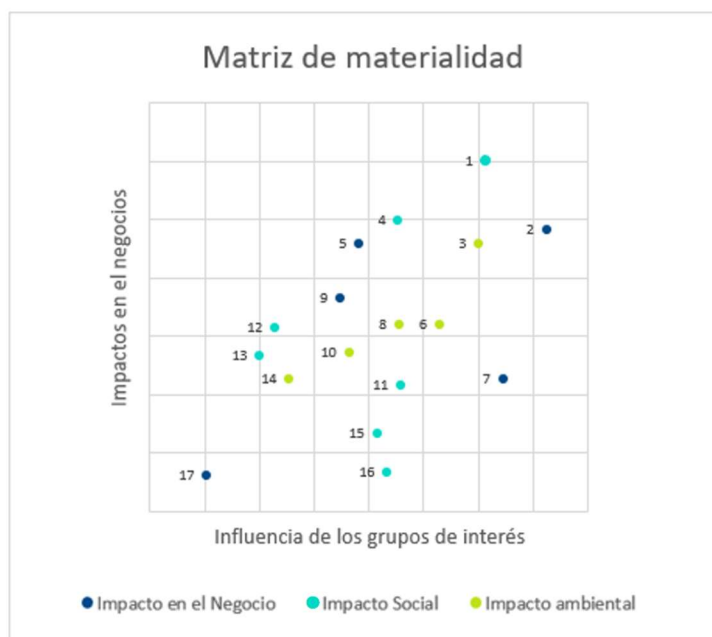
SHAREHOLDERS	PARTNERS	SOCIETY	SUPPLIERS	CUSTOMERS
Engagement				
To protect the interests of shareholders through ethical and transparent management and in compliance with current regulations.	Promote their integral development with opportunities for internal growth and training, benefits and adequate communication.	To provide simple and clear answers to society's needs, guarantee transparency in corporate governance, promote corporate volunteering and support the growth of regional economies.	Comply with contractual relationships, seeking ethical and long-term relationships.	To provide quality products and services, personalized attention and effective responses to their needs, considering the experience provided to the customer in each interaction.
Communication channels				
<ul style="list-style-type: none"> - Shareholder Meetings - Investor Relations Function - Conference calls 	<ul style="list-style-type: none"> - Workplace - Digital billboards - Visits, telephone and e-mail contact from the Human Development and Organizational Climate Executive Management. - Survey of suggestions by the Quality area. - Ethics Line 	<ul style="list-style-type: none"> - Direct contact with communities - Partnerships with civil society organizations - Electronic mail - Telephone service - Institutional Web site 	<ul style="list-style-type: none"> - E-mail address - Telephone service 	<ul style="list-style-type: none"> - Attention in Branches - Masica Media - Institutional Web Site - PADI Virtual Assistant - Telephone Assistance "Patagonia online" - Social Networks - Social Networks - Surveys and market studies - Email Marketing - Push messages and SMS

5.3 Materiality analysis

Taking into consideration the changes in society due to COVID-19, the new climate and human rights agendas, and the role of the financial sector in sustainable development, Banco Patagonia reviewed the relevant topics for its management in relation to its economic, environmental and social impacts.

This exercise began in the identification stage following the "GRI 101: Foundation 2016" Standard and was adapted to the new GRI 2021 Universal Standards "GRI 3: Material Topics 2021" in the stakeholder consultation stage, in which the entity conducted an online survey to prioritize the topics defined according to the Bank's impacts on society. A total of 1,678 responses were obtained from external public referents - among them customers, employees, government and control agencies, sustainability referents, business chambers and associations, investors, suppliers, media - and the survey was also carried out by the Bank's Superintendents. The number of responses received for this type of exercise is noteworthy.

Thus, the Bank prepared a materiality matrix validated by senior management according to the best practices in accountability. This matrix is and will be the roadmap for the Bank's sustainability management, focusing on the key aspects defined and their results in order to effectively respond to the business and its stakeholders.



- 1 Experiencia del cliente
- 2 Ética y transparencia
- 3 Gestión responsable de recursos
- 4 Gestión y desarrollo del talento
- 5 Innovación y tecnología
- 6 Gestión de residuos
- 7 Ciberseguridad y privacidad de la información
- 8 Lucha contra el cambio climático
- 9 Gestión integral del riesgo
- 10 Concientización ambiental
- 11 Inclusión y educación financiera
- 12 Gestión de clima organizacional
- 13 Diversidad e inclusión
- 14 Productos financieros de impacto
- 15 Desarrollo de PyMEs y emprendimientos
- 16 Desarrollo de la comunidad local
- 17 Gestión responsable de proveedores

Material issues	GRI Standards	Scope	Reference within the Report
ENVIRONMENT			
Responsible resource management	GRI 301: Materials 2016	Internal and External	12.2.3
Waste management	GRI 306: Waste 2020	Internal and External	12.2.4
Fight against climate change	GRI 302: Energy 2016 GRI 305: Emissions 2016	Internal and External	12.2.1
Environmental awareness	Own topic: Environmental Awareness	Internal and External	12.3
Impact financial products	Own topic: Impact Financial Products	External	12.1
SOCIETY			
Customer Experience	Own topic: Customer experience	External	9.9
SME and venture development	Own Topic: GRI 204: Procurement Practices 2016	External	11.7
Talent management and development	GRI 401: Employment 2016 GRI 404: Training and Education 2016	Internal	10.3, 10.4
Organizational climate management	Own topic: Organizational climate management	Internal	10.5
Local community development	GRI 413: Local Communities 2016	External	11.1
Inclusion and financial education	Own topic: Inclusion and financial education	External	11.2, 11.3
Diversity and inclusion	GRI 405: Diversity and Equal Opportunity 2016	Internal and External	10.6
BUSINESS AND GOVERNANCE			
Ethics and transparency	GRI 205: Anti-Corruption 2016	Internal and External	7.5
Comprehensive risk management	GRI 205: Anti-Corruption 2016	Internal	7.1

Cybersecurity and privacy of information	GRI 416: Customer Health and Safety 2016 GRI 418: Customer Privacy 2016	Internal and External	9.14-9.15
Innovation and technology	Topic: Innovation and technology	Internal and External	9.8, 12.2.3
Responsible supplier management	GRI 308: Supplier Environmental Assessment 2016 GRI 414: Supplier Social Assessment 2016	External	11.7.3

5.4. Value creation over time

Capitals	Resources	Business model for value creation	Performance	Material issues	
Financial capital	<ul style="list-style-type: none"> Shareholders' equity Investments Capital stock 	Purpose Vision Values Organizational Structure: Board of Directors, Supervisory Commission, Committees, Superintendencies and Management. Stakeholders: shareholders, employees, customers, suppliers and society. Internal codes, guidelines and regulations	<ul style="list-style-type: none"> Profitability Financial strength Liquidity 	<ul style="list-style-type: none"> 10.3 % ROE (Return on Equity) 76.9 % liquidity ratio 	<ul style="list-style-type: none"> Ethics and transparency Integral risk management
Industrial and intellectual capital	<ul style="list-style-type: none"> Processes and systems focused on the transformation towards digital banking by integrating customer service channels and services. Products and services for each profile Information security and privacy systems 	Board of Directors, Supervisory Commission, Committees, Superintendencies and Management. Stakeholders: shareholders, employees, customers, suppliers and society. Internal codes, guidelines and regulations	<ul style="list-style-type: none"> Digital banking with a focus on customer experience Tailored products and services Security in data management Accessibility and federal reach 	<ul style="list-style-type: none"> 58.5 % of customers operated digitally 185 branches nationwide 64% increase in the number of ATMs adapted for the use of blind people. Cybersecurity strategy 	<ul style="list-style-type: none"> Customer experience Innovation and technology Cybersecurity and privacy of information Impact financial products
Human capital	<ul style="list-style-type: none"> Employees Continuous training and development of work teams 	Strategic Plan 2021-2025 Risk management and control systems	<ul style="list-style-type: none"> Job Opportunities Development Work environment Health and safety 	<ul style="list-style-type: none"> 75 employees promoted 46,278 hours of employee training 95% of employees evaluated Climate survey 	<ul style="list-style-type: none"> Talent management and development Diversity and inclusion Organizational climate management
Social capital	<ul style="list-style-type: none"> Community programs Multi-sector partnerships Government relations Value chain 		<ul style="list-style-type: none"> Education Support to communities for the COVID-19 context Entrepreneurship Volunteerism Local development 	<ul style="list-style-type: none"> 1,729 elementary and middle school students and teachers and adults over 60 years of age 1,690 entrepreneurs empowered 9,046 people benefited by volunteering activities. 	<ul style="list-style-type: none"> Financial inclusion and education Local community development SME and entrepreneurship development Responsible supplier management

<p>Natural capital</p>	<ul style="list-style-type: none"> • Materials and resources • Energy • Environmental investment • Products and services with environmental impact 		<ul style="list-style-type: none"> • Credit with environmental value • Recycling • Paperless sales • Digital file • Awareness raising • Energy efficiency • Renewable energies 	<ul style="list-style-type: none"> • 2,513 credit proposals analyzed under social and environmental criteria. • + \$560 billion analyzed • 2% energy savings in branches and central areas. • 20% of the energy purchased for the building at Av. de Mayo 701 was from a sustainable energy generator. • 21% less purchases of reams of paper • 61% of the procedures carried out with parcels were done with digital files. 	<ul style="list-style-type: none"> • Responsible resource management • Waste management • Fight against climate change • Environmental awareness
-------------------------------	--	--	---	--	--

6. CORPORATE GOVERNANCE

With responsibility, ethics and integrity, Banco Patagonia's corporate governance manages and makes decisions to ensure compliance with regulations, corporate strategy and a focus on the sustainability of the Bank and the communities.

6.1. Good Corporate Governance Practices⁴

Banco Patagonia promotes ethical and transparent practices in its management, protecting the interests of the Company, shareholders and interested third parties, within an adequate risk management framework.

6.2. The Bank's Board of Directors

Responsible for the Company's Strategy

The Board of Directors is responsible for the management of the Bank and makes all decisions related to that purpose, as well as those decisions expressly set forth in the General Corporations Law No. 19,550, in the Bank's Bylaws and in other applicable regulations. Thus, the Board of Directors is responsible for executing the decisions of the Shareholders' Meeting and for the development of the tasks specially delegated by the shareholders.

MEMBERS OF THE BOARD OF DIRECTORS

Members of the Board of Directors as of December 31, 2021

President

Oswaldo Parré dos Santos

Vice Presidents

Rubén Miguel Iparraguirre
 Delano Valentim de Andrade
 Renato Luiz Bellinetti Naegele
 Marvio Melo Freitas
 Camilo Buzzi

⁴For more information on the Bank's corporate governance, see Appendix II to this Integrated Annual Report, the 2021 Annual Report of the Corporate Governance Code.

Principal Officers

Francisco Augusto Lassalvia
Ernesto Juan Cassani (Independent Director)
Miguel Ángel Buiatti (Class "A" Shares - Independent Director)

Alternate Directors

Thompson Soares Pereira Cesar
Juan Manuel Trejo
Alejandro Damián Mella
Luis Carlos Cerolini (Independent Director)

6.3 Characteristics of the Board of Directors**Responsibilities**

Establish the overall business strategy, approve general policies, ensure the Bank's liquidity and solvency, and instruct senior management to implement risk management procedures and controls.

Functions

In accordance with the Bylaws, the Board of Directors must meet at least once a month. In 2021, due to the COVID-19 pandemic, the meetings were held with its members connected remotely, in accordance with the provisions of the twelfth article of the Bylaws and the applicable regulations.

Composition

The number of members of the Board of Directors is determined by the Shareholders' Meeting, between a minimum of seven and a maximum of nine members, who are elected for three annual periods with the possibility of being reelected indefinitely. Two of its members are independent, representing the majority in the composition of the Audit Committee - CNV. None of its members perform executive functions.

Appointment

The BCRA defines the conditions for the appointment of directors. They must have legal ability, suitability, competence, probity, experience in the financial activity and the possibility of functional dedication. These conditions must be maintained throughout their term of office.

Training

Participate in meetings, forums and congresses to share experiences and keep informed about the business, banking activity and relevant topics such as innovation, sustainable finance, among others.

Evaluation

Exposes the results of its management through the issuance of the Integrated Annual Report, the Annual Corporate Governance Report and the quarterly and annual Financial Statements.

Remuneration

Pursuant to the provisions of the Company's Bylaws, the fees of the Board of Directors are determined annually by the Stockholders' Meeting, in accordance with the provisions of Article 261 of the General Corporations Law. The possibility of granting other types of benefits such as equity participations is not contemplated.

Conflict of interest management

It sets the guidelines for the prevention of conflict of interest through internal rules that promote ethics, transparency and integrity. Among them: Code of Ethics, Code of Conduct, Policy for the execution of Acts or Contracts between Banco Patagonia and a related party for a relevant amount, Policy of Publicity and Communication of Information, Code of Corporate Governance and Integrity Policy and Program.

SECRETARY'S OFFICE OF THE BOARD OF DIRECTORS

The Executive Office of the Secretary of the Board of Directors is the area that assists 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 of which they are members, performing an administrative and organizational function of the corporate aspects of both the Bank and its controlled Companies.

6.4. Supervisory Committee

- It supervises the administration of the Company.
- It attends with voice, but without vote, the Shareholders' Meetings and the meetings of the Board of Directors.
- Oversees that the corporate bodies duly comply with the Law, the Bylaws, the Regulations and the decisions of the Shareholders' Meetings,
- Oversees compliance with the laws and other regulations applicable to the Company.

MEMBERS OF THE SUPERVISORY COMMITTEE⁵

Regular Statutory Auditors

Mónica María Cukar
Héctor Osvaldo Rossi Camilión
Alberto Mario Tenaillon

Alternate Statutory Auditors

María Cristina Tapia Sasot
Jorge Héctor Lorenzo
Julio Alberto Pueyrredon

6.5. Committees of the Bank

In order to maintain an adequate organization, control and follow-up of the activities inherent to management, the Board of Directors of Banco Patagonia has created different Committees, which are under its supervision, and in which at least one Director as Vice President or Chairman and the person in charge of the corresponding area participate. Each Committee has a regulation that establishes its attributions, composition and operation.

⁵Appointed by the Shareholders' Meeting of April 22, 2021, with a mandate until the Shareholders' Meeting that deals with the annual Financial Statements as of December 31, 2021.

Committees	Description	Members
AUDIT COMMITTEE - BCRA	As provided for in BCRA regulations, it is mainly responsible for ensuring the correct operation of the Bank's internal control systems and procedures, in accordance with the guidelines defined by the Board of Directors.	Four Directors, two as Vice President and two independents, and the Internal Audit Manager.
AUDIT COMMITTEE - CNV	Responsible for supervising the operation of the internal control and administrative-accounting systems, in accordance with the guidelines defined by the Board of Directors and the CNV regulations on the matter. Provided for in Law No. 26,831 of the Capital Markets Law and in the Company's Bylaws, it complies with the regulations established by the National Securities Commission (CNV) as regards its composition and attributions. The members of such Committee are appointed by the Board of Directors, in accordance with the independence requirements established by such agency. This Committee is mainly responsible for supervising the operation of the internal control and administrative-accounting systems.	Director as Vice-Chairman and two independent Directors. The Chairmanship and Vice-Chairmanship of the Committee are held by independent Directors.
COMMITTEE FOR THE PROTECTION OF USERS OF FINANCIAL SERVICES	It monitors the proper functioning of the processes related to the protection of users of financial services and contributes to the improvement of these and their controls. As provided for in BCRA regulations, its purpose is to oversee the proper functioning of the processes related to the protection of users of financial services, as well as to contribute to the improvement of these processes and their controls.	Two Directors as Vice-Chairmen, one of whom shall be the Head appointed before the BCRA, the Superintendent of Branch Network and Business with Individuals, the Superintendent of Credit, Risk Management and Internal Controls, the Superintendent of Operations, the Superintendent of Digital Products and Businesses and the Executive Manager of Legal Affairs, and as non-voting members, the Head of Financial Services Customer Service, the Manager of Internal Audit, the Manager of Operational Risk, Internal Controls and Compliance and the Manager of Support and Operations.
COMMITTEE FOR THE CONTROL AND PREVENTION OF MONEY LAUNDERING AND FINANCING OF TERRORISM.	As provided for in the regulations of the Financial Information Unit (UIF), it is in charge of planning, coordinating and overseeing compliance with the policies established by the Board of Directors on this matter. Likewise, the Committee assists the Bank and the Compliance Officer with respect to the timely and proper detection of transactions that may be suspected of being derived from illicit activities, within the framework of the rules of the BCRA, the UIF and the CNV.	Two Directors, one of whom is the Compliance Officer and at least one of whom is Vice President, the Superintendent of Credit, Risk Management and Internal Controls, the Superintendent of Branch Network and Business with Individuals, the Executive Manager of Legal Affairs and as a non-voting member, the Manager of Anti-Money Laundering.
INFORMATION TECHNOLOGY COMMITTEE	As provided for in the BCRA regulations, he is mainly responsible for analyzing and proposing to the Board of Directors the Technology and Systems Policy and Plan that supports the Bank's strategic objectives and periodically reviewing the degree of compliance therewith. In addition, he/she shall ensure the existence of a Contingency Plan, supervise the results of the periodic tests thereof and verify its permanent updating.	Director as Vice President, the Executive Manager of Technology, Communications and Systems, the Superintendent of Operations, the Superintendent of Credit, Risk Management and Internal Controls, the Superintendent of Digital Products and Businesses and as non-voting members the Manager of Demand Management and IT Governance, the Manager of Systems Development, the Manager of Technology and Production, the Manager of Electronic and Alternative Sales Channels and the Manager of Information Security and Protection of Information Assets.

<p>FINANCE COMMITTEE</p>	<p>He is responsible for the decisions to be taken in matters concerning the management of the Bank's financial assets and liabilities. It also proposes policies and procedures regarding the management of the main financial risks.</p>	<p>President, a Director as Vice President, in charge of supervising the areas of Finance, Administration and Public Sector, 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 Manager of Financial Management.</p>
<p>ETHICS COMMITTEE</p>	<p>Its purpose is to resolve issues related to the interpretation and scope of the Code of Ethics. Additionally, it must take cognizance of the reports arising from the complaints coming from the "Ethics Line" complaints channel, or from the different sources of detection of behaviors that affect the principles of institutional integrity.</p>	<p>Chairman of the Board of Directors, two Directors as Vice Chairmen, and the Executive Manager of Human Development and Organizational Climate as a non-voting member.</p>
<p>GLOBAL RISK COMMITTEE</p>	<p>Its main objective is to propose to the Board of Directors the strategy for the management of market, interest rate, liquidity and credit risks, as well as the global limits of exposure to such risks and their contingency plans. On the other hand, it takes cognizance of the positions of each risk and compliance with the related limit policies. It proposes to the Board of Directors the policies and procedures to be used for model risk management, approves the annual model validation plan, and takes cognizance of and approves the respective reports prepared with the conclusions reached during the validation process of each model.</p>	<p>Chairman of the Board of Directors, two Directors as Vice-Chairmen, the Superintendent of Finance, Administration and Public Sector and the Superintendent of Credit, Risk Management and Internal Controls, and as non-voting members the Manager of Model Risk Management and the Manager of Financial Risks.</p>
<p>OPERATIONAL RISK COMMITTEE</p>	<p>Its main purpose is to propose to the Board of Directors, for its approval, the policies, procedures, manuals and structures necessary for the management of operational and reputational risk, and to monitor the activities aimed at ensuring an adequate management of such risks. It also monitors the activities related to the scheme for preventing and combating corruption.</p>	<p>Director as Vice President, the Superintendent of Operations, the Superintendent of Credit, Risk Management and Internal Controls and the Executive Manager of Technology, Communications and Systems, and as non-voting members the Manager of Operational Risk, Internal Controls and Compliance.</p>
<p>INFORMATION SECURITY AND PROTECTION OF INFORMATION ASSETS COMMITTEE</p>	<p>It is responsible for proposing to the Board of Directors the policy on information security and protection of information assets and monitoring its compliance. It is also in charge of preparing proposals to the Board of Directors regarding preventive measures aimed at minimizing risks related to information security or, if necessary, corrective actions. Likewise, it proposes to the Board of Directors the organization's strategic planning in the area of cybersecurity and cyber-resilience, in order to incorporate initiatives and awareness-raising activities in this area, incorporating practices aimed at reducing the inherent risks associated with cyber-threats.</p>	<p>Director as Vice President, the Superintendent of Credit, Risk Management and Internal Controls and the Executive Manager of Technology, Communications and Systems. Additionally, as non-voting members, the Operational Risk, Internal Controls and Compliance Manager and the Information Security and Protection of Information Assets Manager are also members of the Board.</p>
<p>CUSTOMER EXPERIENCE COMMITTEE</p>	<p>It is responsible for proposing to the Board of Directors the policies and strategies oriented to the management and improvement of the Customer experience, evaluating the structure and resources destined to develop such management, carrying out the corresponding reviews of the programs, actions and inherent training.</p>	<p>Two Directors as Vice Presidents, the Superintendent of Operations, the Superintendent of Branch Network and Business with People, the Superintendent of Products and Digital Businesses and the Executive Manager of Human Development and Organizational Climate. Likewise, the Executive Manager of Planning, Brand and Communication and the Manager of Strategic Planning and Projects participate as non-voting members.</p>

<p>STEERING COMMITTEE</p>	<p>Its function is to analyze and approve the granting of credit facilities that exceed the attributions of the rest of the Bank's Committees, as well as to analyze and propose modifications to the credit policy.</p>	<p>Members with voting rights and permanent participation: a Director as Vice President, in charge of supervising the areas of credit analysis and risk management, and the Superintendent of Credit, Risk Management and Internal Controls. Also, as members with voting rights and alternating participation: a Director as Vice President and the Superintendent corresponding to the line of credit of the corresponding segment (Business with Companies or Finance, Administration and Public Sector). In addition, it is composed of three non-voting members, the Corporate Credit Analysis Manager, the Corporate Credit Analysis Manager and the Area Manager corresponding to the line of credit of the corresponding segment.</p>
<p>HUMAN DEVELOPMENT COMMITTEE</p>	<p>Evaluates all issues related to remuneration schemes, bonuses, salary scales and increases, staff promotions, internal movements of management positions, and emerging organizational climate.</p>	<p>President, 2 Directors as Vice President, an independent Director and as a non-voting member the Executive Manager of Human Development and Organizational Climate.</p>
<p>BUSINESS COMMITTEE</p>	<p>Analyzes different commercial proposals, defines the commercial strategies to be adopted by the different segments, analyzes the strengths and weaknesses of possible new products.</p>	<p>Two Directors as Vice President, the Superintendent of Business with Companies, the Superintendent of Branch Network and Business with Individuals, the Superintendent of Digital Products and Businesses and the Superintendent of Finance, Administration and Public Sector.</p>
<p>ARCHITECTURE, SECURITY AND ASSET MANAGEMENT COMMITTEE</p>	<p>It analyzes issues related to the Bank's building and furniture infrastructure, and addresses issues related to its physical security.</p>	<p>Two Directors as Vice President, the Superintendent of Operations, the Superintendent of Finance, Administration and Public Sector and the Superintendent of Branch Network and Business with Individuals, all with voting rights. The Manager of Real Estate Processes and Administration, the Manager of Brand and Communication and the Manager of Electronic and Alternative Sales Channels participate as non-voting members.</p>

6.6. Organizational Structure

Banco Patagonia's Board of Directors has approved an organizational macrostructure, in which the day-to-day administration and supervision of all management and operating levels is decentralized to Senior Management, which is made up of the following areas:

It is composed of six Superintendencies, five Executive Managements and three Managements that report directly to said Body, namely:

- Superintendence of Business with Companies
- Superintendence of Branch Network and Business with Individuals
- Superintendency of Finance, Administration and Public Sector
- Superintendency of Operations
- Superintendency of Credit, Risk Management and Internal Controls
- Superintendence of Digital Products and Businesses

The Management Departments reporting directly to the Board of Directors are as follows:

- Executive Management of Legal Affairs
- Executive Office of the Secretary of the Board of Directors
- Executive Management of Planning, Branding and Communications
- Executive Vice President - Human Development and Organizational Climate
- Technology, Communications and Systems Executive Management
- Internal Audit Management
- Asset Laundering Prevention Management.
- Information Security and Protection of Information Assets Management

7. COMPREHENSIVE RISK MANAGEMENT

Banco Patagonia maps the risks inherent to the Bank and its stakeholders and defines exposure limits. On this basis, it efficiently manages the business operations in order to make it sound, safe and sustainable.

7.1. Risk Management

Banco Patagonia implements an integral risk management process according to the guidelines established by Communication "A" 5398 and complementary, and in accordance with the best practices recommended by the Basel Committee. Through these principles, a series of procedures and processes have been defined to identify, measure and assess the risks to which the Entity is exposed, seeking consistency with its business strategy. It has policies and processes to efficiently manage the exposure to the different risks inherent to the banking activity.

The main risks managed by the Entity are credit, liquidity, concentration, market, interest rate, strategic, reputational, operational and model risks. In addition, it also takes into account risks related to information security, prevention of money laundering and financing of terrorism, and social and environmental risks.

The Superintendency of Credit, Internal Controls and Risk Management, through its various specialized areas, is responsible for risk monitoring and acts independently from the business areas. In addition, the processes are reported to all the Bank's work teams and, in an articulated manner, it works with other committees to define objectives and goals related to risk appetite and tolerance.

During 2021, several stress testing exercises were conducted, focusing on very severe scenarios derived from the COVID-19 pandemic and other additional stress situations. These scenarios, theoretical, statistically and financially plausible, of very low probability but extraordinary severity, tested the resilience of the Entity's balance sheet, observing robust levels of solvency, liquidity and profitability.

In addition, individual stress tests have been performed for the main risks (credit, market, interest rate, liquidity, strategic) considering the effects of the pandemic on the Entity's various activities and the volatility of the macroeconomic environment.

Financial risk

In 2021, the Entity had a solid solvency and liquidity position, exhibiting prudent ratios in both cases, which allowed it to go through the pandemic produced by COVID-19 without surprises. The availability of ample liquidity margins (formed by high quality assets), and the prudent management of these in a solid balance sheet structure, allowed the maintenance of internal risk appetite and tolerance ratios and also regulatory ratios well above the required minimums.

The entity ended the year with levels of non-performing loans below those of the financial system, especially in the Commercial Banking area. In line with the risk appetite defined by the Board of Directors, the Bank has a coverage value well above the system average.

Credit risk

Credit risk is defined as the possibility of suffering losses due to a debtor's or counterparty's noncompliance with its contractual obligations.

The Board of Directors approves credit policies in order to provide a framework for the generation of business aimed at achieving an adequate relationship between the credit risk assumed and the expected profitability of operations, establishing specific limits to limit exposures within precise tolerance margins. The Bank constantly monitors the concentrations in the portfolio, in line with the appetite and the policies approved by the Board of Directors in this respect.

Within this framework, the Entity efficiently managed its portfolios, monitoring changes in credit ratings and avoiding deterioration in the quality of its financial assets, in order to guarantee the recoverability of the portfolio at risk and the maintenance of default rates.

Liquidity risk

Liquidity risk is defined as the risk of occurrence of mismatches between the terms of assets and liabilities that may affect the ability to meet present and future financial commitments -within various time horizons- taking into consideration the different currencies and terms of settlement of rights and obligations, without incurring significant losses.

The Bank has specific liquidity policies, which aim at an efficient liquidity management, optimizing the cost and diversification of funding sources, and maximizing the profitability of placements through a prudent management that ensures the necessary funds for the continuity of operations and compliance with current regulations.

The Bank maintained comfortable liquidity ratios throughout the year, without presenting significant funding concentrations. The allocation of resources in high quality and highly liquid assets allowed the Bank to maintain a comfortable LCR throughout the year, in line with the Bank's risk appetite.

Market risk

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

The Entity has policies for market risk management that establish the processes for monitoring and controlling the risks of variations in the prices of financial instruments in order to optimize the risk-return relationship.

During 2021 new Market Risk indicators were included, and additional Value at Risk (VaR) measures were incorporated for the portfolio subject to Market Risk, in order to have a measurement focused on the derivatives in the Entity's portfolio.

Interest rate risk

Interest rate risk arises from the possibility of changes in the Entity's financial condition as a result of fluctuations in interest rates, which may affect net financial income and its economic value.

This year, in spite of the high volatility derived from the economic-financial uncertainty, the Entity exhibited a favorable position, observing low levels of mismatch risk (duration between assets and liabilities), both in the sensitivity measurements of the interest margin and variations of the economic value, evidencing an adequate management of the structural risk of the balance sheet.

Operational risk

Operational risk is defined as the risk of loss resulting from the inadequacy or failure of internal processes, personnel performance and/or internal systems, or from external events. This definition includes legal risk but excludes strategic and reputational risk.

During 2021 the Bank complied with the updating of the maps of the 70 processes identified for the performance of risk self-assessments, which consists of the identification, follow-up and monitoring. At the same time, it informed the Board of Directors about the implementation of improvements in internal procedures and in the tools used, with the objective of continuing to strengthen management.

Reputational risk

Reputational risk is the risk associated with a possible negative perception of the Bank by customers, counterparties, shareholders, investors, debt holders, market analysts and/or other stakeholders. This risk could affect the normal ability to maintain existing or establish new business relationships and continue accessing funding sources on a normal basis.

The Entity managed this risk from the integral system that allows the administration of all related tasks.

Risk of corruption

Corruption risk is understood as the possibility that any of the conducts described in article 1° of Law 27,401 on Criminal Liability of Legal Entities may be directly or indirectly carried out in the name, interest or benefit of the Bank, causing it to incur in criminal or administrative liability.

The Bank has an "Integrity Program" transversal to the organization, with the synergy of all the areas involved and the support of the Board of Directors, in order to consolidate the "zero tolerance" policy against acts of corruption. It also has a document called "Principles for the Management of Suppliers and Related Third Parties", from which it disseminates its standards on Ethics, Integrity and Anti-Corruption to this relevant stakeholder group. Both documents are publicly available at <https://www.bancopatagonia.com.ar/institucional/banco-patagonia/etica-e-integridad.php>.

After the entry into force of Law 27,401, Banco Patagonia continued consolidating its Corruption Prevention scheme by creating several documents and protocols: it drafted a specific document establishing good practices and guidelines to be taken into account when dealing with public officials; it formalized the due diligence process carried out in connection with donations and sponsorships as well as in connection with Suppliers, and it formalized the integrity criteria followed in the bidding processes. Based on such instruments, Banco Patagonia strengthens its Integrity Program, reinforcing its purpose of doing business in a transparent and corruption-free environment.

Since training is a fundamental component of the Integrity Program, Banco Patagonia has 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, considering the interactions that each employee has, optimizing the training instances. Synchronous and asynchronous trainings on Integrity & Anticorruption were organized, which allowed reaching all key profiles, deepening a strategy of permanent dissemination of the subject.

In terms of corruption risk management, this assessment is carried out periodically under a methodology developed on the basis of process maps and risk references defined in operational risk management. The management cycle includes the stages of identification, validation, evaluation and mitigation of risks with subsequent mitigation, monitoring and reporting actions. Thus, it is possible to state that the corruption risk related to the execution of the Bank's processes is reasonably analyzed and managed, extending the analysis to all the companies controlled by the entity.

During 2021, the efforts aimed at the dissemination of Integrity standards were deepened: several meetings were held with external consultants and experts in Compliance in which members of Senior Management and Board of Directors participated; an Open Talk was held on the occasion of the International Anti-Corruption Day and the Compliance Officer's Day (celebrated in Argentina on December 1st in commemoration of the enactment of Law 27,401), to raise awareness about the importance of sustaining ethical and transparent businesses and bonds.

Banco Patagonia's Integrity Program reflects an evolutionary process evidenced in the capacity to institutionalize several procedures and good practices, which are progressively incorporated among all its stakeholders, driving and spreading Integrity and Transparency standards, contributing to the integral and sustainable development of our society.

All members of the Administration and General Services Management have been trained in Integrity and Anti-Corruption Procedures.

Strategic risk

Strategic risk is understood as the risk that could derive from an inadequate business strategy or an adverse change in the forecasts, parameters, objectives and other functions that support that strategy. It is associated with the probability of incurring losses with current or future impact on income due to deviations from the projected business plan.

In order to manage this risk, strategic and business plans and compliance with the goals established therein are continuously monitored, as well as various stress testing exercises, to assess the impact of possible scenarios that could result in strategic risk impacts and to design contingent mitigation plans.

Model risk

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

Within the framework for model risk management, known as Model Risk Management (MRM), the Bank implemented a new Model Performance Monitoring Dashboard that includes specific model risk appetite and tolerance levels, which allows monitoring the Bank's most relevant models and whose definition is reviewed at least annually based on the tolerance limits established by the Bank's Board of Directors.

Likewise, the Model Risk Management Department has kept the Bank's model map updated and has complied with its annual model validation plan, presenting the conclusions reached to the Global Risk Committee. It has also ensured compliance with the guidelines established for the identification, measurement, control and mitigation of model risk.

Risk associated with Information Security and Protection of Information Assets (SIPAI)

Our entity has defined a strategy to protect us from information security threats and risks. In this sense, new capabilities are available to control and prevent logical security risks and cybersecurity risks associated with threats arising from external entities, even outside Banco Patagonia's own environment.

The maintenance of the ISMS and subsequent recertification (ISO 27001:2013) has become a management tool that ensures the protection of the Bank's information assets.

The development of Information Security and Cybersecurity management results in a high level of protection of information assets. This practice helps the Entity to:

- Develop executive visibility of the protection measures implemented,
- Disseminate and foster a culture of information security based on the sound management of risks associated with assets, and
- Work on a defense against cyber-attacks, cyber-risks and enable rapid recovery from materializing threats - better known as cyber-resilience.

This model is capable of supporting the present and future needs of the bank, analyzing the objectives approved by the Management and determining the processes that will be necessary to implement, in order to continuously improve the ISMS; to effectively adapt to the strategic lines defined within the long-term planning, providing support in terms of information security and protection of information assets, associated to the planning of the systems that directly support the critical processes of our entity.

Risk of money laundering and terrorist financing

The Bank has policies, procedures and tools necessary to ensure compliance with the regulations in force regarding the control and prevention of money laundering and financing of terrorism, carrying out all the changes required by Resolution 30/2017 UIF. These are permanently updated based on regulatory or contextual changes, and on the development or modification of the products and services provided by Banco Patagonia.

For its management, the Bank has an organizational structure of Prevention and Internal Control composed of a PLA (Prevention of Money Laundering) Committee, the Compliance Officer, the Management of Prevention of Money Laundering and the Superintendence of Credit, Internal Controls and Risk Management, always with the endorsement and follow-up of the Board of Directors. Furthermore, these matters are mandatory knowledge for all Banco Patagonia's personnel.

Finally, this Management is responsible for the implementation, control, monitoring and reporting of FATCA and OECD-CRS standards.

Money Laundering and Terrorist Financing Prevention Awareness Training and Meetings

711 participants in 8 workshops on Asset Profiling
 774 participants in 8 workshops on Money Laundering Typologies
 14 new recruits trained

Awareness-raising meetings:

- "Training Activity on Prevention of Money Laundering and Terrorist Financing. Integrity and Anticorruption".
- Update day on the prevention of money laundering and the fight against corruption.
- Conference on Prevention of Money Laundering and Financing of Terrorism in the Capital Market".
- CNV: PLAYFT "Effectiveness of Internal Controls".
- Latin American Specialization in Prevention of Money Laundering Risks".
- 11th South American Congress on Prevention of Money Laundering and Terrorism Financing 2021.
- The 40 FATF recommendations and introduction to the Evaluation Methodology.
- Rosario Business School: "Course on Prevention of Money Laundering and Terrorism Financing (CCV)".

The Bank continued with the process of streamlining the Anti-Money Laundering System, reducing the number of alerts to be analyzed by the commercial areas.

Environmental and Social Risks⁶

Banco Patagonia's Social and Environmental Risks (ESR) analysis is performed on the universe of customers that meet the following conditions:

- With operations funded through Multilateral Agencies.
- Financing of long-term investment projects for an amount equal to or greater than u\$d 10 million, in line with the Equator Principles.

However, before any rating is granted, aspects related to ESR are evaluated, such as:

- Compliance with environmental, labor and social security laws and regulations.
- Existence of lawsuits or litigation in socio-environmental matters.
- Sanctions/fines/penalties that have been applied for non-compliance with socio-environmental regulations.
- That the activity to be financed is not excluded according to the policies detailed in the internal policies and procedures manuals.

7.2 Internal Controls

Banco Patagonia has a specific Internal Controls Policy and area under the Operational Risk, Internal Controls and Compliance Management.

This management developed an internal control environment evaluation methodology aligned with international standards (COSO) to reasonably guarantee the efficiency and effectiveness of controls, the reliability of financial information and compliance with applicable laws and regulations, thus contributing to the strengthening of controls and risk mitigation.

This methodology uses various sources of information as input, including the Bank's process maps, Risk and Controls self-assessments, incident databases, among others.

It comprises 3 control structures to be evaluated:

- **General Controls:** executed at the corporate level (both business and technology) with the objective of preventing and detecting weaknesses that may compromise the control environment of the entire organization: existence and knowledge of the Code of Ethics, adequate risk management, efficient management of technology, staff training, segregation of duties and authorization levels, compliance with the Integrity Program, among others. This evaluation also includes its subsidiaries.

⁶For more information, see the "Analysis of social and environmental risks" section in the Natural Capital chapter of this Report.

- **Compliance Assessments:** controls that mitigate the risk of non-compliance, whether in the regulatory field related to the Bank's activities, as well as any other regulation or standard to which the Bank adheres, either voluntarily or by legal obligation. Thus, the scope of Compliance evaluations includes any regulation that may have an impact on the Bank's operations.
- **Controls at Process level:** review of the operation and flow of the process, to then evaluate and test the design and execution of the identified controls, whether manual or embedded in the computer systems that support the processes.

During 2021 the Internal Controls area carried out evaluations of the controls both at entity and Compliance level, and the Bank's processes and information technology, and provided training on 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 prepares and submits both to the National Securities Commission and to the Central Bank of the Argentine Republic (BCRA).

⁶For more information, see the "Analysis of social and environmental risks" section in the Natural Capital chapter of this Report.

7.3. Internal Audit Activities

Regarding the activities of the Internal Audit Management, during the year 2021, the planning of the work was carried out again considering a multi-year approach, both for the branches and for the critical processes of the Organization, with periodic follow-ups and reviews, based on the results obtained from the preparation of a risk matrix, which is a management tool that allows identifying the most important processes, activities and products of the Entity and the level of risks to which they are exposed.

The Annual Audit Plan foresaw the use of approximately 55 thousand working hours for the execution of more than 150 Internal Audit works (general cycles, audit of branches and business centers and continuous audit works) in Banco Patagonia and more than 30 works in its Subsidiaries, including specific reviews related to issues such as Cybersecurity, Digital Transformation Project and compliance with the Bank's policies and regulations related to the generation of information related to the Bank's budget and business management and the measurement of the profitability of products, services and campaigns.

Other relevant works included in the Plan were:

- ✓ Electronic Channels.
- ✓ Business Continuity Management.
- ✓ Review of Logical Security and Protection of IT Assets.
- ✓ Protection of Financial Services Users.
- ✓ Integral Risk Management.
- ✓ Prevention of Money Laundering and Terrorist Financing.
- ✓ Foreign Trade and Exchange.
- ✓ Loan and Deposit Cycles.
- ✓ Evaluation of subsidiaries.

During 2021, the Internal Audit team carried out its activities under remote mode, gradually incorporating a mixed scheme of face-to-face and remote work for the entire team. This scheme allows for an optimization of work time, as well as savings in travel and accommodation expenses for the auditors.

Within the framework of COVID-19, the Bank implemented remote audits in branches, performing on-site cash, treasury and ATM/TAS procedures for certain branches.

With respect to the review of the Procurement and Payment Cycle to Suppliers, among other matters, the Bank verified compliance with the provisions of the regulations in force regarding the modalities for contracting suppliers, the existence and integrity of the documentation supporting purchases, payments and authorization schemes, in order to guarantee the transparency of such processes and the controls carried out at the time of incorporating new suppliers. In addition, the results obtained from the indicators and alerts implemented by the Audit Office continue to be monitored in connection with the process of Purchases and Payments to Suppliers during the current year.

In the area of Protection of Financial Services Users, the controls and procedures applied by the Bank with respect to customer complaints and compliance with different regulations issued by Controlling Bodies were reviewed, with emphasis on the analysis of the processes related to the customer experience, such as: analysis of the root cause of complaints and the existence of channels for receiving such complaints.

In addition, control activities were carried out by all the departments comprising the Internal Audit Management with respect to the Prevention of Money Laundering, Financing of Terrorism and other Illicit Activities, among which the audits of the control procedures implemented by the Bank for the generation and monitoring of alerts and of the computer systems involved in this operation stand out.

Additionally, the existence of measures, policies and procedures related to a highly relevant issue such as Cybersecurity was verified, evaluating the risk identification mechanisms and control procedures implemented, the existence of monitoring tools, cybersecurity incident response protocols, access control and prevention of information leaks, the performance of cyber exercises or cyber-attack drills and training and awareness activities on cybersecurity risks.

In 2021 the Audit Committee approved the update of the Internal Audit Manual and the Continuous Audit Manual.

Regarding the Internal Audit Manual the main modifications introduced consisted of:

- ✓ Modification of the name of the Internal Audit report ratings.
- ✓ Incorporation of Mawida as an integral tool for the management and follow-up of Internal Audit activities, replacing the BB Intranet and the applications for follow-up of observations (Infotech and SSOS).

Regarding the update of the Continuous Audit Manual, the main novelties incorporated were:

- ✓ Adequacy of the methodology for follow-up of failures arising from the execution of indicators.
- ✓ Incorporation of the automation of auditing procedures as the source of the indicators developed.

7.4. Monitoring

The Internal Audit Management Department monitors different topics discussed in the Board of Directors' meetings and in the different Committees existing in the Bank.

Likewise, during fiscal year 2021, the activities related to the monitoring of the progress of the Digital Transformation Project under development at Banco Patagonia continued.

During the year 2021, the Bank acquired an application for the integral management of the Internal Audit activities in order to have a tool that allows integrating all the management and activities, including the annual planning of activities, their execution, the safekeeping of the working papers, the administration of the assignment of hours of the work team, the issuance and qualification of the reports, the follow-up of observations and the generation of reports, among others.

In addition, it developed the project for the automation of Internal Audit procedures through the Continuous Audit methodology and the use of data analytics, in order to optimize the tasks required by the different audit teams, the early detection of failures and/or weaknesses, redirecting resources to non-routine and repetitive tasks and increasing the frequency and scope in the execution of controls.

Through the Remote Monitoring Center, the verification of the controls carried out by the branch's personnel related to the application of the Minimum-Security Measures was more effective and timely in terms of compliance with them.

On the other hand, the activities aimed at ensuring the Entity's Business Operating Continuity were monitored through the review of the following tasks:

- ✓ Review of the bimonthly contingency follow-up summaries issued to the Board of Directors.
- ✓ Holding meetings with various sectors on the current status of the Operational Continuity Plan.
- ✓ Conducting training activities on remote work.
- ✓ Verification of compliance with the schedule of remote meetings of the Board of Directors and the Bank's Committees.
- ✓ Follow-up of security protocols both in Branches and in face-to-face tasks in Central Areas.
- ✓ Identification of the IT tools used by the collaborators, verifying the security mechanisms used.

Additionally, during 2021 both Audit Committees (BCRA's and CNV's) followed the evolution of the Bank's Digital Transformation Project, taking knowledge of the main guidelines and actions developed and to be developed, and counting on the participation of the Superintendent of Digital Products and Businesses in some of their meetings.

Fraud, illicit and irregularities management policy

During 2021, internal and external reports of possible frauds were received and the pertinent investigations were carried out in a professional, objective and exhaustive manner, interacting with the corresponding management and sectors of the Bank according to each case. All investigations were conducted by the Special Investigations Sector under the guidelines of the Fraud and Wrongdoing Management Policy and the Policy for the Management of the Whistleblower Channel (Ethics Line).

In addition, in 2021 the Special Investigations Sector continued to promote and participate in different actions related to the improvement of controls applied in electronic channels, such as redefinition of limits and updating of different parameters, modification of operating procedures, analysis of new prevention tools related to transactionality in channels and recovery actions on such activities, among others.

On the other hand, members of the Special Investigations Sector participated in the working groups created in connection with the implementation of new developments related to the Digital Transformation Project (Digital OnBoarding, MODO, Transfer 3.0, Agrupador Project, Andes and APP Fe de Vida, among others).

Anti-corruption policies and procedures are communicated to all members and collaborators of the Bank.

In 2021, the Bank began to apply a customer knowledge approach jointly between PLA Management and COMEX Management in order to be able to detect customers who maintain a fictitious activity and/or customers with non-compliance of foreign currency income due to the non-settlement of payment orders through the Single and Free Foreign Exchange Market.

7.5. Internal codes

Banco Patagonia has a set of internal documents, rules and policies approved by the Board of Directors, if applicable, which guide its strategy and actions, as described below.

- Bylaws: These regulate the operation of the Bank, including the attributions and operation of the Board of Directors and the Supervisory Committee.
- Regulations of the Board of Directors: Governs the operation and/or activities of the Board of Directors, the exercise of its powers, rights and obligations.
- Regulations of the Supervisory Committee: Governs the operation and/or activities of the Supervisory Committee, the exercise of its powers, rights and obligations.
- Corporate Governance Code: Details the corporate governance policy approved by the Board of Directors, and the Board of Directors and Senior Management are responsible for ensuring its compliance.
- Annual Corporate Governance Code Report: In compliance with CNV regulations, this Report is presented as an Exhibit to this Integrated Annual Report.
- Code of Ethics: This Code establishes the ethical and conduct principles that all members of the Bank must comply with in their performance, respecting the highest standards of conduct, working with efficiency, quality and transparency, being the basis for an ethical behavior with customers, suppliers, control agencies and the community in which the Bank operates.
- Code of Conduct: Complementary to the Code of Ethics, it establishes the policy and procedures corresponding to the legal and ethical standards applicable to its activity as a Settlement and Clearing and Integral Negotiation Agent.
- Integrity Program: It contains an articulated system of actions, mechanisms and procedures that the Bank has, aimed at promoting integrity and preventing, detecting, correcting and eventually punishing improper conducts or illegal acts, particularly those covered by Law 27,401 on Criminal Liability of Legal Entities.
- Compliance Program: It establishes a set of guidelines aimed at achieving a comprehensive compliance status, not only with respect to laws and regulations in particular, but also with respect to our ethical standards and commitments voluntarily assumed.
- Code of Banking Practices: Banco Patagonia adheres to this code, prepared by the Associations of

Banks and Financial Institutions of Argentina, whose purpose is to protect and strengthen the rights of users of financial services and products.

- Personal Data Protection Manual: It establishes the regulatory framework regarding the integral protection of personal data recorded in the databases of the Bank and its controlled companies, guaranteeing all customers an adequate treatment of the personal information timely provided.
- Financial Services User Service Manual: Defines the policies and procedures for the adequate operation and control of customer service operations.
- Personal and customer data quality policy: Establishes the guidelines and procedures for the identification, recording, storage and updating of personal and customer data, in order to ensure their availability, integrity and reliability.
- Policy on Prevention and Control of Money Laundering and Financing of Terrorism: Being the Board of Directors responsible for instructing and approving the implementation of the Money Laundering and Financing of Terrorism Prevention System, Banco Patagonia adopts policies, procedures and controls in order to mitigate the risk of being used by third parties for criminal purposes of money laundering and financing of terrorism, guiding the actions of all its members in relation to its prevention and fight against it.
- Policy on Publicity and Communication of Information: Establishes the guidelines to provide in a timely and correct manner all pertinent information, in accordance with the applicable legal and regulatory requirements in the markets where the Bank's shares and other securities are authorized for public offering.
- Policy on minimum disclosure requirements: It establishes the guidelines for the publication of the necessary information, which ensures an appropriate transparency of the management of the Bank and its Controlled Companies, as well as risk measurement and capital adequacy, as requested by the BCRA in the Market Discipline rules.
- Investor protection code applicable to its activity as financial trustee: Code adopted by Banco Patagonia in its role as financial trustee in Trusts with Public Offering.
- Investor protection code applicable to its activity as custodian agent of collective investment products of mutual funds: Code adopted by Banco Patagonia for its activity as Custodian Agent of Collective Investment Products of mutual funds.

Whistleblower Channel Management Policy

Banco Patagonia has an Ethics Hotline that allows its employees and suppliers to report any irregularities affecting the principles of institutional integrity. Through this channel, reports are made anonymously or by disclosing the identity of the whistleblower and are handled in a secure and confidential manner.

The Audit Committee is responsible for defining the processes and procedures for the implementation and operation of the Line's management framework.

When receiving complaints, the following principles are taken into account:

- Total confidentiality in the treatment.
- Presumption of innocence and respect for the rights of the persons allegedly involved.
- Prohibition of any type of retaliation against good faith whistleblowers, exercising effective protection for them.
- Rigor in the investigations carried out, through the exhaustive analysis of the facts reported, to ensure the veracity of possible irregularities.
- The following may be reported: anything that violates the Code of Ethics and the Organizational Climate; possible situations of fraud and/or corruption; conflicts of interest; neglect or inappropriate use of the Entity's assets; and mobbing.

Ethics Line

Telephone: toll free line 0800-999-4636
 Web form: www.resguarda.com/bancopatagonia
 E-mail: LineaEtica@resguarda.com

Complaint system for external stakeholders

Through the Bank's institutional website or the Customer Call Center, external stakeholders may submit any complaint or claim, which is registered and forwarded to the corresponding sector.

8. FINANCIAL CAPITAL**8.1. Banco Patagonia in numbers**

Concept	Description	2021M\$	2020 M\$
ECONOMIC VALUE GENERATED DIRECTLY: INCOME (1)	Sum of financial income plus income from services. Includes income from financial instruments, gold and onex price difference, other operating income and charge for uncollectibility, income from associates and joint ventures.	117,079,002	102,194,320
DISTRIBUTED ECONOMIC VALUE (1)		(104,558,892)	(76,665,891)
Operating costs	Total administrative expenses, less salaries and employee benefits, taxes and amortization and depreciation. Includes deposit guarantee fund contribution, ATM and credit card expenses, and others.	(12,928,936)	(12,077,013)
Salaries and employee benefits (personnel expenses, within administrative expenses)	Personnel expenses, within administrative expenses.	(17,360,730)	(17,418,848)
Payments to capital suppliers	Financial expenses.	(64,079,051)	(40,459,254)
Payments to the government	Payment of taxes. Does not include payment of income tax. (2)	(10,190,175)	(6,710,776)
Withholdings	Economic value generated directly minus economic value distributed.	12,520,110	25,528,429
(1) Data is derived from financial statements audited by an independent accountant as of December 31, 2021 and 2020.			
(2) Does not include income tax payments. The total income tax paid by the Bank in 2020 was ThCh\$ 899,369 thousand.			

*This information is expressed in December 2021 currency.

8.2. Controlled companies in numbers

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

The Open Mutual Funds industry maintained its growth in Argentina during the year 2021. The year started with a total net assets managed by the companies of \$ 1,898,969 MM and by December 2021 reached \$ 3,550,663 MM, representing an increase of 87% during the year.⁷

Regarding the composition of investments by type of Fund, by the end of 2021, the assets managed by Money Market Funds represented 47.7% of the total managed assets, while by the end of 2020 they managed 47.2% of the total assets of the industry.

⁷Source: CAFCI - Argentine Chamber of Mutual Funds (historical figures)

Fixed income funds increased their market share, representing 36.1% of the Mutual Fund Industry at the end of 2021, while at the end of 2020 they represented 33.9%.

The rest of the grid by fund type is as follows:

Mixed Income Funds	7.52%.
SME funds	3.48%.
Infrastructure Funds	2.18%
Total Return Funds	1.55
Total Return Funds	1.55
Variable Income Funds	1.42%
ASG Funds	0.00%

As of December 31, 2021, the Company had total assets under management of \$ 92,489.7 MM. Said assets recorded an increase of 15% with respect to the assets under management as of December 31, 2020 adjusted for inflation (\$ 80,427.4 MM). As of December 31, 2021, the company ranked 16th in the ranking of assets under management by management companies with a market share of 2.7%.

Patagonia Inversora S.A. Sociedad Gerente de Fondos Comunes de Inversión recorded a positive result adjusted for inflation as of December 31, 2021 of Ps. 260,309,044.

As of December 31, 2021, total assets decreased by 4.18% with respect to the previous year, mainly due to a decrease in the holding of local investments.

Liabilities decreased by 9.33% with respect to the previous year, mainly due to the decrease in current tax debts.

PATAGONIA VALORES S.A.

With respect to the general situation of the market in which the Company operates, the S&P Merval index and the S&P ByMA General index, measured in dollars, recorded a first increase after three consecutive years of decreases. In the case of the S&P Merval, it rose 16.4% annually, while the S&P ByMA General gained 15.5%.

Among the sectoral indices, Non-Essential Consumption (+58.4% in dollars) and Intermediate Goods (+53% in dollars) stood out, while Energy (-12.6%) and Telecommunications (-1.9%) were the only two sectors with annual declines in dollars.

Among the year's 5 biggest risers in pesos, 3 corresponded to the S&P Merval (COME, TXAR and MIRG), while the remaining ones are not part of any index.

The 10 most traded stocks accounted for 77.8% of total volume, slightly lower than in 2020 (79.1%). As in the last 4 years, GGAL was the most traded, accounting for 29% of the total effective volume slightly lower than the 32.06% in 2020.

ByMA shares were the eleventh most traded with 2.24% of the total traded.

Considering the 25 most traded bonds, 4 of the 5 largest increases correspond to domestic CER-adjustable peso bonds. The most traded peso bond was the AL30, which accounted for 40.8% of the total, followed by the GD30 with 22.6%.

The total effective volume traded in ByMA in pesos grew by 76% (measured in dollars, 22%). In pesos, traded volume totaled \$ 57 trillion, equivalent to USD 350,269 million.

The instrument that most increased its volume was Cedear, with an increase of 62% in dollars. The volume of government bonds and negotiable obligations (ON) recorded increases of 33% and 58% respectively, while the volume traded in shares showed a positive variation of 12%, but if adjusted for the exchange rate, the volume in shares contracted by 24%.

Of the total amount placed in ONs (USD 5,967 M), the three main sectors were Power Generation (USD 1,399 M), Oil and Gas industry (USD 1,359 M), and Financial Activities and Insurance (USD 1,117 M).

With respect to the Company's particular situation, it should be noted that, up to June 2021, its operations were limited, gradually increasing in the course of the following months, achieving the registration of 90 active legal clients, whose operations, added to the Company's investments, allowed obtaining a positive result at the end of the current fiscal year.

The Company presented a positive result of Ps. 0.7 MM in fiscal year 2021. This was mainly generated by the fees obtained from its stock exchange operations and the positive results generated by its investments. This, together with the efficiency of its expenses, was able to offset the effect of the currency devaluation and obtain a positive final result.

As of December 31, 2021, the Company's total assets amounted to Ps. 121 MM, which represents an increase of 65% with respect to the previous year (Ps. 73.3 MM in the currency of that year) and a 10% increase with respect to the assets of the previous year adjusted at the end of the current fiscal year, a variation mainly originated by the increase in the Company's operations mentioned above and the consequent growth of its investments.

Liabilities increased with respect to the previous year from Ps. 7.3 MM (in the currency of the previous year, Ps. 11 MM adjusted at the end of the current year) to Ps. 21.5 MM, mainly due to the increase in trade payables resulting from the increase in the Company's operations mentioned in the preceding paragraphs.

As of December 31, 2021, the Company has a net Equity of Ps. 99.8 MM.

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

The fiscal year 2021 ended with a loss of USD (US dollars) 311 M. As of December 31, 2021, the Entity had assets of USD 63,277 M and net equity of USD 4,640 M, with a surplus of USD 140 M of equity with respect to the minimum required by the regulations of the Central Bank of Uruguay of USD 4,500 M.

Regarding this surplus, it should be clarified that, as of September 2020, the equity situation was insufficient with respect to the minimum required by the BCU. In order to regularize such circumstance, the Board of Directors of Banco Patagonia S.A. approved the proposed capitalization of Banco Patagonia (Uruguay) SAIFE for an amount of up to USD 1,000 thousand. The Extraordinary Shareholders' Meeting held in May 2021 approved the capitalization of such funds. The Board of Directors and Management are analyzing and monitoring the evolution of the Company.

As of 12/31/21, the non-resident deposits portfolio amounted to USD 58,258 M, having decreased by 27 % with respect to the previous year. Funds under management (FBM) - which are made up of demand deposits plus securities in custody valued at market value, both from customers and the Company's own equity, amounted to USD 119,047 M, a 15% decrease with respect to the balance at the end of fiscal year 2020.

The loss for the year is basically due to the low international rates for financial placements, the Institution's main business in recent years, and to a low activity in Private Banking.

GPAT COMPAÑIA FINANCIERA S.A.U.

GPAT ended Fiscal Year 2021 with a profit of \$ 312.4 MM, representing an increase of 10.9 % with respect to 2020 (\$ 30.8 MM profit).

ROE was 15.61 % compared to 24.62 % in the previous year. The company's financial income totaled Ps. 2,789.6 MM with a variation of 30.4 % (Ps. 650.2 MM) compared to the previous year (Ps. 2,139.4 MM).

Financial expenses amounted to Ps. 1,196.0 MM with a variation of 0.8 % (Ps. 10.0 MM) with respect to 2020 (Ps. 1,186.0 MM).

The year 2021 ended with a slight increase in registrations with respect to 2020. Total private and commercial vehicles ended the year with an increase of 10.78% (370,363 registrations versus 334,313 in 2020).

The volume of financing also maintained the same trend, registering 140,311 transactions, representing an increase of 14.35% over the previous year. As for the share of total pledges issued by type of creditor, Banks and Branded Finance Companies reached 42.79 %, while that of Savings Plans was 54.43 %. On the other hand, the share of the pledge market over patents was 37.88%, including Savings Plan financing.

GPAT continued to maintain its leadership in the financing of the Chevrolet brand, reaching 87 % of the volume of loans granted to 87% of the volume of loans granted with collateral. During 2021, the total volume of vehicles through the Wholesale Program reached 15,880 units for an amount exceeding \$ 41 billion.

8.3. Financial and income statement analysis of the entity

For the purposes of this analysis, Banco Patagonia S.A. consolidated its statement of financial position and income statement line by line 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 Central Bank of the Argentine Republic (BCRA), which establishes that the entities under its supervision must 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 of section 5.5 "Impairment" of IFRS 9 "Financial Instruments" on non-financial public sector debt instruments in accordance with BCRA Communication "A" 6847.

Also, the controlled entity GPAT Compañía Financiera S.A.U., according to the provisions of the BCRA in its Communication "A" 7181 issued on December 17, 2020, did not apply the impairment model of section 5.5 "Impairment" of IFRS No. 9 "Financial Instruments" applicable to "Allowances for Uncollectibility Risk", since it has been postponed until January 1, 2022 for Group "B" and "C" financial entities according to such Communication.

On the other hand, Communication "A" 7427 issued by the BCRA on December 23, 2021, provided that Group "B" and "C" financial entities that are not branches or subsidiaries of foreign banks classified as systematically important, may choose (irrevocably) to postpone until January 1, 2023 the application of item 5.5 of IFRS 9 and, consequently, the proration methodology generated by the application of the aforementioned item.

In addition, those entities that choose to postpone such application must inform the Superintendency of Financial and Exchange Institutions before December 31, 2021.

GPAT has chosen to apply point 5.5 of IFRS 9 as from January 1, 2022 with no significant effects on retained earnings.

b) With respect to the valuation of Prisma Medios de Pago S.A., the guidelines established by the BCRA, which established the accounting treatment to be applied to the remaining investment held by the Bank in that company, recorded in "Investments in Equity Instruments", are considered.

In addition, as from January 1, 2020, the BCRA established the adoption of Section 5.5 "Impairment" of IFRS 9 "Financial Instruments" with the exception mentioned above and IAS 29 "Financial Reporting in Hyperinflationary Economies". Consequently, this analysis has been prepared considering both standards as of December 31, 2021 as well as in the comparative information; therefore, all amounts and variations described in this analysis are expressed in constant currency as of December 31, 2021.

Result for Fiscal Year 2021

Fiscal 2021 ended with a total positive comprehensive income of Ps. 6,325.2 M, which represents a decrease of 67.6% (Ps. 13,172.5M) with respect to the previous fiscal year (Ps. 19,497.7 MM). The main variations in the composition of the result, expressed in constant currency, are detailed below:

Net interest income amounted to Ps. 54,237.0 MM with a decrease of 13.8% (Ps. 8,688.8MM) with respect to the previous year (Ps. 62,925.8 MM). Its composition is detailed below:

- Interest income totaled Ps. 118,316.1 MM with an increase of 14.4% (Ps. 14,931.0 MM) with respect to the previous year (Ps. 103,385.1MM).
- The main variation corresponds to the interest on premiums on active swaps with an increase of Ps. 19,830.3 MM as a consequence of a higher volume of active swaps with the BCRA. The result of financial instruments at fair value with changes in ORI totaled Ps. 48,462.9 million, remaining at the same levels of the previous year (Ps. 48,474.4 million).

Interest on loans granted to the non-financial private sector amounted to Ps. 38,988.8 million, a decrease of 9.5% (Ps. 4,099.0 million) with respect to the previous year (Ps. 43,087.8 million). As regards their composition, the main decreases were in advance lines (Ps. 3,684.7 million) and credit cards (Ps. 1,107.2 million).

- Interest expenses totaled Ps. 64,079.1 MM, an increase of 58.4% (Ps. 23,619.8 MM) with respect to the previous year (Ps. 40,459.3 MM), as a result of a higher accrual of interest on time deposits for Ps. 15,668.9, originated by the increase in the average annual interest rate for this type of deposits from 27.3% to 32.1% and, to a lesser extent, by the growth of the portfolio.

Likewise, a higher interest accrual of Ps. 8,025.3 M (Ps. 12,346.5 MM as of December 31, 2021 vs. Ps. 4,321.2 MM as of December 31, 2020) is observed, mainly due to the growth of the interest-bearing accounts portfolio during fiscal year 2021.

Net income from fees and commissions amounted to Ps. 9,337.6 MM, a decrease of 1.9% (Ps. 176.9 MM) with respect to the previous year (Ps. 9,514.5 MM). Its composition is detailed below:

- Fee and commission income totaled Ps. 13,347.4 MM, decreasing 2.7% (Ps. 374.5 MM) compared to the previous year (Ps. 13,721.9 MM) mainly due to lower commissions related to deposits by Ps. 226.5 MM and insurance by Ps. 196.5 MM, offset by the increase in commissions related to product packages by Ps. 87.4 MM.
- Fee and commission expense totaled Ps. 4,009.8 MM, a decrease of 4.7% (Ps. 197.6 MM) compared to the previous year (Ps. 4,207.4 MM), mainly due to lower fees paid for debit and credit cards.

The net result from the measurement of financial instruments at fair value through profit or loss was Ps. 2,178.8 million, similar to the previous year (Ps. 2,285.2 million).

The result from the derecognition of assets measured at amortized cost and at fair value with changes in ORI was a gain of Ps. 782.2 MM compared to a loss of Ps. 4,453.9 of the previous year, due to the recording of the exchange of Treasury Bills in foreign currency for peso securities adjustable by CER in the various exchanges arranged by the Ministry of Economy of the Nation in 2020. This loss is largely offset in ORI: "Financial instruments at fair value with changes in ORI".

The difference in gold and foreign currency exchange rates was Ps. 1,666.7 MM compared to Ps. 2,017.2 of the previous year, as a consequence of the greater restrictions on foreign currency exchange matters imposed by the National Government during 2021.

The result from other operating income was Ps. 5,243.8 million, similar to that of the previous year (Ps. 5,393.7 million).

The charge for uncollectible accounts was \$ 999.9 MM compared to \$ 1,955.0 MM of the previous year, a decrease of 48.9%. As regards portfolio quality indicators (calculated in accordance with the BCRA's debtor classification standard), there was a year-on-year improvement in the delinquency rate, which went from 1.1% to 0.7%, as a result of an adequate credit risk and delinquency management.

With respect to the coverage ratio of provisions over irregular portfolio, it went from 356.1% to 295.2% at the end of 2021, as a consequence of the completion during the first half of this year of the measures implemented by the BCRA in credit matters to mitigate the effects of the pandemic: modification of debtor classification criteria and rescheduling of loan installments.

Personnel benefits amounted to Ps. 17,360.7 MM, remaining at levels similar to those of the previous year (Ps. 17,418.8 MM).

Administrative expenses amounted to Ps. 10,633.1 million, a slight decrease of 2.3% (Ps. 252.1 million) with respect to the previous year (Ps. 10,885.2 million). The main savings were made in stationery and supplies of Ps. 241.9 million, electricity and communications of Ps. 106.3 million, and transportation of miscellaneous valuables of Ps. 71.9 million, offset by the increase in advertising and publicity of Ps. 197.2 million, mainly as a result of the launching of the mass advertising campaign "You and what you want" during 2021.

Other operating expenses amounted to Ps. 12,486.0 MM, an increase of 58.0% (Ps. 4,583.4 MM) with respect to the previous year (Ps. 7,902.6 MM), due to higher taxes paid on gross income (Ps. 3,410.2 MM) as a consequence of the elimination of the tax exemption on the interest on the bills issued by the BCRA in the City of Buenos Aires and the increase in the tax rates in several jurisdictions.

Other comprehensive income (ORI)

The ORI for fiscal year 2021 was a loss of Ps. 687.0 MM compared to a gain of Ps. 3,749.1 MM in the previous year. The main variation corresponds to financial instruments at fair value with changes in ORI, due to the recording of the exchange of Treasury Bills in foreign currency for peso securities adjustable by CER in the various exchanges arranged by the Ministry of Economy of the Nation in 2020. This gain has a counterpart, to a large extent, in income: "Gain on derecognition of assets measured at amortized cost and at fair value".

ROE (Return on Equity)

As of December 31, 2021, the return (total comprehensive income) on average equity for the year was 10.3%, compared to 30.8% in the previous year, maintaining us among the banks with the best ROE in the system.

ROA (return on assets)

As of December 31, 2021, the return (total comprehensive income) on average assets for the year was 1.6% compared to 5.2% of the previous year.

Statement of Assets and Liabilities

The total assets of the entity amounted to Ps. 460,399.5 MM with an increase of 1.7% (Ps. 7,751.2 MM) with respect to the previous year (Ps. 452,648.3 MM), while total liabilities amounted to Ps. 386,526.8 MM with an increase of 2.5% (Ps. 9,300.2 MM) with respect to the previous year (Ps. 377,226.6 MM).

Evolution of loans and other financing

The portfolio of loans and other financing granted to the non-financial private sector net of provisions amounted to Ps. 165,428.8 billion, representing a decrease in real terms of 3.0% (Ps. 5,042.0 billion) with respect to the previous year (Ps. 170,470.8 billion).

With respect to the commercial portfolio, the main variations correspond to the decrease in the loan portfolio for Ps. 11,088.1 million and the increase in the advance line for Ps. 14,488.7 million.

With respect to the consumer portfolio, the main variations correspond to the decrease in the credit card line for Ps. 4,249.1 million and in the pledge loan line for Ps. 1,450.8 million, while the personal loan line increased by Ps. 2,796.4 million.

Deposit evolution

Total deposits reached \$ 336,797.7 billion, an increase of 2.7% (\$ 8,966.1 billion) with respect to the previous year (\$ 327,831.6 billion).

Non-financial private sector deposits totaled Ps. 310,892.3 MM, an increase of 5.1% (Ps. 15,144.0 MM) with respect to the previous year (Ps. 295,748.3 MM), highlighting the growth of the savings banks portfolio for Ps. 17,910.4 MM.

Liquidity Ratio

Liquid assets over total deposits amounted to 76.9% compared to 73.1% in the previous year. Liquid assets (Cash and Due from Banks, Debt Securities and Investments in Equity Instruments, net of deposits) totaled Ps. 259,090.7 billion, an increase of 8.1% (Ps. 19,470.6 billion) with respect to the previous year.

Net Equity Ratios

The solvency ratio measured in terms of equity over total liabilities was 19.1%, compared to 18.4% in the previous year.

The leverage, which is the ratio of net equity to total assets, was 16.0%, compared to 15.4% in the previous year.

Capital Immobilization

The capital immobilization indicator, understood as fixed assets (property, plant and equipment and intangible assets) over total assets, was 24.9%, compared to 26.5% the previous year.

Regulatory requirements

The Entity complies with all regulations established by the BCRA, as of December 31, 2021. With respect to minimum capital, it shows an excess of integration of \$ 40,848.64 MM with respect to what is required by BCRA regulations.

In the same sense, the capitalization ratio that relates the Computable Capitalization Responsibility (CPR) to the risk-weighted assets was 22.0% compared to 19.8% of the previous year.

Consolidated structure of financial position and results of operations.

The consolidated statement of financial position of the group as of December 31, 2021, compared to the years ended December 31, 2021, 2020 and 2019, is presented below.

Consolidated financial structure (\$ thousands)	2021	2020	2019
Cash and due from banks	67,997.4	91,280.5	91,316.6
Debt securities at fair value through profit or loss	2,108.8	2,308.9	702.9
Derivative instruments	649.9	427.9	158.1
Pass-through transactions	63,425.8	11,966.6	-
Other financial assets	4,906.9	3,838.3	4,205.2
Loans and other financing	165,428.7	170,470.8	180,882.5
Other debt securities	124,573.5	132,799.3	86,191.7
Financial assets pledged as collateral	8,343.4	13,060.4	7,328.1
Current income tax assets	906.8	27.7	29.7
Investments in equity instruments	1,081.7	1,272.0	1,725.2
Investment in subsidiaries, associates and joint Ventures	599.9	675.6	473.1
Property, plant and equipment	17,773.4	17,647.1	17,738.1
Intangible assets	648.0	733.4	700.3
Deferred income tax assets	511.7	4,569.2	2,437.6
Other non-financial assets	1,443.6	1,347.6	2,164.4
Non-current assets held for sale	-	223.0	-
TOTAL ASSETS	460,399.5	452,648.3	396,053.5

Consolidated financial structure (\$ thousands)	2021	2020	2019
Deposits	336,797.7	327,831.6	250,036.6
Liabilities at fair value through profit or loss	148.8	0.0	0.0
Derivative instruments	58.2	0.0	508.8
Swap transactions	96.4	7.0	0.0
Other financial liabilities	16,401.3	15,037.1	17,706.7
Financing received from BCRA and other financial institutions	7,388.8	6,182.8	33,325.1
Negotiable obligations issued	623.4	1,459.2	2,118.1
Current income tax liabilities	203.3	2,081.1	9,633.9
Provisions	989.8	2,826.7	3,349.3
Deferred income tax liabilities	-	-	-
Other non-financial liabilities	23,819.1	21,801.1	9,190.2
TOTAL LIABILITIES	386,526.8	377,226.6	325,868.7
TOTAL LIABILITIES PLUS SHAREHOLDERS' EQUITY	73,872.7	75,421.7	70,184.8
TOTAL LIABILITIES PLUS SHAREHOLDERS' EQUITY	460,399.5	452,648.3	396,053.5

The following is the consolidated statement of income of the group for the year ended December 31, 2021, compared to the previous year.

Consolidated income statement structure (in thousands of \$)	2021	2020
Interest income	118,316.1	103,385.1
Interest expense	-64,079.1	-40,459.3
Net interest income	54,237.0	62,925.8
Fee and commission income	13,347.4	13,721.9
Fee and commission expense	-4,009.8	-4,207.4
Net fee and commission income	9,337.6	9,514.5
Net income from financial instruments measured at fair value with changes in fair value through profit or loss	2,178.8	2,285.2
Gain/(loss) on derecognition of assets measured at amortized cost and at FV with changes in ORI	782.2	-4,453.9
Difference in gold and foreign currency exchange rates	1,666.7	2,017.2
Other operating income	5,243.8	5,393.7
Charge for uncollectibility	-999.9	-1,955.0
Net operating income	72,446.2	75,727.5
Employee benefits	-17,360.7	-17,418.8
Administrative expenses	-10,633.1	-10,885.2
Depreciation and write-down of assets	-1,938.8	-1,919.3
Other operating expenses	-12,486.0	-7,902.6
Operating income	30,027.6	37,601.6
Income from associates and joint ventures	50.3	256.9
Result from net monetary position	-19,496.6	-14,249.3
Income before taxes	10,581.3	23,609.2
Income taxes	-3,569.1	-7,860.6
Net income for the year	7,012.2	15,748.6
Other comprehensive income (ORI)	-687.0	3,749.1
ORI that will not be reclassified to income for the period	-	-
Revaluation of property and equipment and intangible assets	-213.8	-
ORI that will be reclassified to income for the year	-	-
Exchange difference on translation of financial statements	-84.9	15.3
Result from financial instruments at fair value with changes in ORI	-388.3	3,733.8
Total comprehensive income	6,325.2	19,497.7

Consolidated cash flow structure.

CHANGE IN CASH FLOWS FOR THE YEAR (in thousands of \$)	2021	2020
Funds generated by operating activities	78,302	15,888,491
Funds provided by (used in) investing activities	(1,529,093)	(1,581,424)
Funds used in financing activities	(2,933,742)	(3,444,698)
Effect of exchange rate changes	10,358,697	17,253,595
Effect of monetary result of cash and cash equivalents	(29,257,209)	(28,152,128)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(23,283,045)	(36,164)

8.4. Procedure for the payment of dividends according to the applicable standards

The BCRA establishes in its regulations the applicable criteria for Financial Institutions to distribute profits without affecting their liquidity and solvency. In this order, it establishes a special procedure to determine the distributable profit and demonstrate 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 must decide on a specific use of the Entity's accumulated positive results, either through the effective distribution of dividends, their capitalization with the delivery of bonus shares, the creation of voluntary reserves in addition to the legal reserve, or a combination of any of these uses.

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

On March 19, 2020, the BCRA, by means of Communication "A" 6939, provided for the suspension of the distribution of profits of financial entities until June 30, 2020.

Finally, and after successive extensions, on June 24, 2021, the BCRA issued Communication "A" 7312 extending the above mentioned suspension until December 31, 2021.

On December 16, 2021, the BCRA issued Communication "A" 7421 whereby it provided that, effective as from January 1, 2022 and until December 31, 2022, financial entities may distribute profits up to 20% of the amount that would have corresponded if the rules on "Distribution of Profits" had been applied.

It also established, effective as from January 1, 2022, that financial institutions authorized by the BCRA to distribute their results must make such distribution in 12 equal, monthly and consecutive installments.

8.5. Proposed distribution of profits

The declaration, amount and payment of dividends are determined by the vote of the majority of the stockholders meeting at a Stockholders' Meeting, generally on the basis of a proposal of the Bank's Board of Directors.

It is the policy of the Bank's Board of Directors to propose to the Stockholders' Meeting the distribution of up to 50% of the net and realized income for the year as dividends, which will be paid in cash, depending on the results of the fiscal year, the Bank's financial situation at that time, its eventual liquidity requirements and additional capital margins, and other factors considered relevant by the Bank's Board of Directors and the Stockholders, safeguarding at all times the solvency of the Bank.

The following table details the dividends paid in cash to the Bank's shareholders in relation to the fiscal years ended December 2015, 2016, 2017 and 2018:

Exercise	Dividends per outstanding share (in pesos)	Total dividend payments (in thousands of pesos)	Percentage s/ profits
2015 ⁽¹⁾	2.3851	1,715,261	70.81%
2016	2.2728	1,634,497	50.00%
2017	2.4718	1,777,606	50.00%
2018 ⁽²⁾	4.3352	3,117,658	58.27%

⁽¹⁾ During the Ordinary General Shareholders' Meeting held on April 27, 2016, it was decided to approve the distribution of a cash dividend in the amount of Ps. 52,728 thousand. Likewise, the Ordinary General Shareholders' Meeting held on July 25, 2016 approved to increase the amount of the cash dividend by Ps. 1,662,533 thousand, reaching the total requested amount of Ps. 1,715,261 thousand applied from the Optional Reserve for Future Profit Distribution. Finally, on September 13, 2016, the SEFYC of the BCRA authorized the payment of the dividends in cash, which were made available to the Bank's shareholders on September 30, 2016. It is

clarified that the dividends paid corresponded to the sum of the undistributed dividends corresponding to fiscal years 2011, 2012, 2013, 2014 and partially to fiscal year 2015.

⁽²⁾ During the Ordinary General Shareholders' Meeting held on April 25, 2019, it was decided to approve the distribution of a cash dividend in the amount of Ps. 2,675,335 thousand, corresponding to the 2018 fiscal year (50% of the profits) which were made available to the shareholders on May 10, 2019. Likewise, the Ordinary General Shareholders' Meeting held on July 15, 2019 approved to increase the amount of the cash dividend by Ps. 442,323 thousand, corresponding to the remainder of the 2015 fiscal year, which were made available to the shareholders on July 29, 2019, reaching the total requested in thousands of Ps. 3,117,656 applied from the Optional Reserve for Future Profit Distribution.

The Ordinary and Extraordinary General Stockholders' Meeting held on April 23, 2020 approved the distribution of profits for the year ended December 31, 2019, constituting an Optional Reserve for thousands of pesos 14,105,319.

Additionally, it approved the partial release of the Optional Reserve for Future Profit Distribution in the amount of Ps. 7,764,051 thousand to be applied to the payment of Cash Dividends. However, the distribution of profits is suspended by the BCRA.

Finally, the Ordinary and Extraordinary General Shareholders' Meeting held on April 22, 2021, approved the distribution of a cash dividend in the amount of Ps. 5,239,945 thousand, equivalent to 50% of the profit for the year ended December 31, 2020 and a dividend per share of Ps. 7.2864. Such distribution is subject to the prior authorization of the BCRA and to the regulations described in the previous section.

It also approved the absorption of negative unallocated results as of December 31, 2020, with a balancing entry in the Optional Reserve for Future Profit Distribution, amounting to Ps. 16,380,748 thousand generated by the initial adjustment as a consequence of the first-time application of IAS 29 "Financial Reporting in Hyperinflationary Economies" as from January 1, 2020, in accordance with the regulations issued by the BCRA through Communication "A" 6651.

The distributable balance for the year ended December 31, 2021 is shown below:

Concept	Amount in thousands of pesos
Unallocated Results (1)	18,505,228
To Profit Reserve	1,402,441
- Legal Reserve (20% s/ 7,012,206)	
Distributable balance for the year (2)	5,609,765
At the disposal of the General Ordinary Shareholders' Meeting	5,609,765

⁽¹⁾ Includes "Optional Reserves for Future Distribution of Results" for Ps. 11,493,022 plus Unallocated Results for Ps. 7,012,206 thousand.

⁽²⁾ Profit for the year in thousands of pesos 7,012,206 net of Legal Reserve in thousands of pesos 1,402,441.

The Board of Directors will make the profit distribution proposals, in pesos and in accordance with BCRA regulations, at the meeting at which the next Ordinary General Shareholders' Meeting is called.

9. INTELLECTUAL AND INDUSTRIAL CAPITAL

Banco Patagonia puts its efforts in accelerating the digital transformation of its processes, driven by its strategic definition of intensifying the digitalization of its businesses, regulatory changes promoted by the BCRA, the competitive environment and the conditions imposed by the COVID-19 pandemic. In order to comply with policies to minimize risks, optimize its resources and boost human potential, it develops digital growth processes through virtual channels with product and service proposals, and customer service.

9.1. Client Profile

Banco Patagonia establishes a customer segmentation according to these categories.

- Individuals: young people, students, professionals, senior citizens and retirees, people who work as employees or have a commercial activity.
- Companies: SMEs, agribusinesses, large companies and Corporate.
- Public sector, financial and institutional entities: national, provincial or municipal public bodies, banking and non-banking financial entities, educational institutions.

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

In order to position itself as one of the main private banks of the Argentine Financial System, Banco Patagonia works on the fulfillment of the strategic projects that serve as pillars for the development of all its businesses. In addition, it ensures an efficient service to all customer segments through its Branch Network, with presence in all provinces and Business Centers, and through its online channels, such as Mobile and the Call Center.

9.3. Business with People

New client segment identities

Banco Patagonia launched in 2021 the new identities of the Singular, Plus and Classic client segments, for which it carried out communications focused on digitalization and more modern, fresh and unstructured pieces. In addition, it restructured and reorganized the information, and updated the contents and design of the website.

Digital OnBoarding Platform

A year ago, Banco Patagonia launched the OnBoarding Digital platform with the aim of simplifying the online opening of accounts for new customers in four simple steps, providing comfortable and secure digital experiences, in addition to differential benefits. In addition, we have a specialized team for online support.

Products

Insurance

More than 220,000 voluntary insurances sold in 2021

More than \$1.6 billion in revenues from the Integrated Insurance Business in 2021

During 2021, Banco Patagonia continued the development of the Digital Insurance Platform with 9 different products available for online purchase through our digital channels. The platform has a comprehensive Insurance offer oriented to different customer segments and provides solutions that adapt to the social and economic context of the country.

This year we also promoted the Corporate Insurance Model, products for the Agro segment and those that provide solutions to the SME segment. Premium plans were also launched for each of the insurance products in order to meet the needs of high-income customers.

On the other hand, Banco Patagonia complied with the continuous and mandatory training provided by the Superintendencia de Seguros de la Nación (National Insurance Superintendence) in order to frame the Insurance Business within the regulatory framework in force. The training is carried out at each of the points of sale by those responsible for customer service to the insured customers.

Loans

During 2021, 97,271 personal loan operations were carried out for a total amount of \$12,863 MM.

In order to provide more and more benefits for customers, the Bank improved the Loan discharge function with simultaneous cancellation so that customers can renew the current loan(s) in a single procedure and optimize the use of the credit rating.

In addition, it improved the renewal process of Patagonia Anticipo for customers who credit their salaries at the Bank, so that it is automatic with an advance of 50% of their salaries for ATM withdrawals and/or to be used for purchases with Debit Cards.

Fixed-term

60% growth with respect to 2020, reaching \$47,639 MM.

On the other hand, Banco Patagonia continued to encourage the use of electronic means such as Patagonia e-bank, Patagonia Mobile and Telephone Banking. And it maintained remote management for the three lines available to customers: Traditional Fixed Term, Income and Precancelable UVA, respecting the minimum rates guaranteed by the Central Bank of the Argentine Republic. Within this framework, the volume of deposits made through electronic channels was 73%, exceeding 75,000 certificates for more than \$34,000 MM.

Safe Deposit Boxes

The Bank included in the Commercial Platform (system used by the sales force) the product of safety deposit boxes. Thus, account officers can carry out a more agile management when registering visits to customers. It also added bonus benefits in the contracting of safety deposit boxes for customers in the Singular and Plus segments.

In order to promote new channels and alternatives focused on customers' needs, the Bank developed the functionality to request a limit upgrade in credit cards through the e-bank and Mobile channels, which was enabled for customers in February 2022.

Credit Cards

Banco Patagonia focused on continuing working to provide its customers with greater digital self-management alternatives through digital channels. In this way, we take care of the customer's experience when they need to operate with us.

- Additional credit card application from e-bank and Mobile.
- Management of stop debit and change of payment method from e-bank and Mobile.
- Change of debit card limit through our digital channels.
- Implementation of Pago Fácil as a collector of credit card collections in arrears of more than 10 days.

Debit Cards

During 2021, the Bank worked with the objective of improving the customer experience:

- Promoted the use of the MODO application by customers.
- We worked on improving the card reception experience.
- We promoted the digitalization of cards, focusing on the customer experience.
- We are working on the implementation of payments with NFC technology through digital devices, a functionality that we will launch in 2022.
- We made modifications related to the use of peso accounts and the implementation of taxes.

9.4. Business with Companies

Wholesale Products

+ 9,000 million in ECHEQs discounted during 2021.

+ 20.4 billion in ECHEQs issued through the Pagos Cash Management Service.

Continuing with its digital transformation process, Banco Patagonia launched the Echeq discount, a tool that allows its customers to obtain financing in an agile and secure manner and incorporated it as a new means of payment to its Cash Management Payment Service.

In line with the needs of its customers, Banco Patagonia implemented, through the Interbanking Platform, the possibility of depositing Echeqs, streamlining the operations of the Companies that use such platform. Different functionalities and improvements were added to the services in order to enhance the operational advantages of issuing, depositing and discounting Echeqs by digital means. Likewise, the possibility for our customers to instruct and receive transfers 7 x 24 through Patagonia eBank Empresas was enabled.

In all current accounts of Individuals and Legal Entities, the possibility of receiving payments with transfers (PCT) from all digital wallets through a QR code was implemented.

In line with the provisions of the Secretariat of Small and Medium Industry, Banco Patagonia incorporated the display of the Mipyme Electronic Credit Invoice so that its customers may manage them.

In order to support the development of its customers, Banco Patagonia launched different financing lines at national level, among which is the Investment Project line - Fondep Inversión Productiva.

At regional level, as Financial Agent of the Province of Río Negro, Banco Patagonia launched a new line of financing in conjunction with CREAR and the Working Capital line - Fondep Río Negro.

11,000 million monthly in ECHEQ issuances

91,000 million loan portfolio.

15,000 new insurances to more than 6,500 SME customers.

In view of the challenges posed by the pandemic, and in a bid for digital transformation, Banco Patagonia managed initiatives to adapt its operations, increase its business volume, enhance and add strategic partners, and strengthen its relationship with customers. To this end, it developed new digital tools:

- Digital customer service channels: Copilot, CP Manager, Official App for SMEs and Companies.
- Offering training and events, in virtual format, exclusive and free for customers and non-customers; aimed at all segments of our Superintendency, reaching more than 500 customers.
- Electronic Banking, in web and mobile versions, as the only channel containing all functionalities.
- ECHEQ's operations digitized 100% with a product that allows companies to manage their collections and payments with checks digitally, in a more agile and efficient way.

Launch of Copilot

+40,000 transactions

The launch of the Copiloto web platform unifies all SME commercial management tools on a single site. It also facilitates the management of officers and boosts the growth of the segment's customers. In line with this, an ambitious training program was completed for the 300 SME Officers and Business Executives in the country, which included more than 40 hours of training on our tools, the products and services we offer, the best rating practices, current line offers, among other things.

Corporate, Large Corporates, Agribusinesses and SMEs

The Corporate Segment managed to overcome the difficulties encountered in 2021 and achieved an evolution in transactional volume of over 100% compared to the previous year. This was achieved thanks to the signing of new agreements with large clients.

In the Agro segment, in a year where virtuality once again dominated the scene, Banco Patagonia participated in EXPOAGRO DIGITAL, the most important agro-industrial digital exhibition in Argentina. Its presence was essential to maintain the brand positioning within the most relevant sector of the Argentine economy.

The link with CREA was also strengthened, and training courses for sales teams were provided by Universidad Austral. The main topics related to the agricultural and livestock business were discussed.

On the other hand, Banco Patagonia coordinated different commercial actions with customers and partners to increase the links with the SME segment and strengthen the relationship with customers. It continued working on the improvement of the SGR guarantee processes in order to maintain the bank's position among the first private banks in terms of the number of transactions guaranteed by such companies. In this sense, together with Acindar Pyme, it launched a 100% online Agile Guarantee with immediate approval. These initiatives were reflected in a significant growth in the portfolio of active customers.

In addition, it launched the ECHEQ discount in the SME and Corporate Segment, which quickly became an outstanding product in the growth of financing, given its virtues of immediate and 100% online accreditation.

With respect to financing, the Superintendency successfully placed lines of credit for the development of investments, such as Fondefin, BID San Juan, CREAM and the Productive Investment Line, and accompanied new and current MSME clients in the development and growth of their businesses for a total amount of more than 35 billion.

9.5. Foreign Trade

In view of the market context and BCRA regulations, Banco Patagonia focused on business continuity, on improving customer experience, and on complying in due time and form with current regulations and risk control. To this end, throughout the year it carried out permanent actions that involved modifications to the Foreign Trade systems and circuits, adaptations of internal regulations associated with Comex operating processes, and risk mapping.

In addition, it made an adaptation of the forms and of the Comex Grid (DC0101), made up of 180 codes of exchange concepts with details in each one of when it is used, what controls are performed and what documentation is requested for the implementation of the Foreign Trade and Exchange operations. Likewise, it updated the affidavits of the "Electronic Request" functionality of the Patagonia e-Bank Empresas, e-Bank Personas and Mobile channels.

In accordance with the changes in the local foreign exchange market, the Bank trained all the staff of the Comex Operations and Comex Business Support Management Departments, in order to execute the controls and processes in an adequate manner, and to provide the correct advice to customers. In addition, it continued working jointly with the Anti-Money Laundering Management to minimize the risks inherent to this business.

In order to communicate the regulatory changes and the impact of their implementation on operations, Trade News was sent to customers and the information available in the institutional site (www.bancopatagonia.com.ar) was kept updated.

On the other hand, the Bank actively assisted the Foreign Operations Committee of the Argentine Banking Association (ABA) and provided continuous advice to the rest of the areas of the organization and to the staff of Banco do Brasil (in Brazil). Together with the commercial areas, Banco Patagonia held meetings with clients and participated in different events organized by the Embassy of Brazil in Argentina, Grupo Brasil and Banco do Brasil through virtual chats on the current Argentine exchange rate context and its prospects for the year 2022.

In line with the 2021-2025 Strategic Plan, the Bank continued with the sales and implementation of the electronic application product. As a result, in 2021, the electronic transactions of Transfers abroad and Payment Orders received from abroad reached 71 % of the transactions carried out with the Bank by customers of the Corporate, Companies, Agro and SME segments.

In December, the second recertification audit was carried out on the quality management system of the Foreign Trade and Exchange processes, in accordance with ISO 9001:2015 standards. The certification is focused on risk management and customer satisfaction. In this opportunity, the Bank obtained a positive assessment on the service above 90% and a highlight in the warmth of attention and advice provided during 2021.

9.6. Loans

Within the framework of the economic and political context of the year 2021, the Bank consolidated its differentiated origination strategies and reinforced the monitoring and follow-up practices of customers with active credit rating. As from April, after the completion of the different BCRA measures launched in 2020 regarding the COVID-19 pandemic, the Irregular Credit Committees of the SME Segment, where clients in arrears are treated, were resumed. The monthly presentations of the main credit rating process (Global Rating) to the Management Committee also continued, with proposals for improvements aimed at optimizing the rated consumer portfolio and minimizing the delinquency rate; the processes of mass rating of customers were optimized, while the renewals of lines rated by traditional methods were encouraged.

In addition, Banco Patagonia implemented several measures to optimize credit analysis processes. On the one hand, it built dashboards with management indicators that allowed monitoring, measuring and taking corrective actions on the profiles of clients with a higher probability of default and that boosted the rating of those who contribute to the reduction of delinquency rates in the event of a change in the market interest rate conditions. And, on the other hand, it favored the adaptations of several internal regulations, under the premise of describing in an orderly and methodological manner the daily actions related to the rating and management of universes of member customers.

Likewise, for the purpose of anticipating measures in relation to the customers comprising the Credit and Commercial portfolios, the Bank made monthly presentations on the evolution and prospects of the various economic sectors in which the Bank is exposed.

All these measures made it possible that, even in this complex macroeconomic context, and after the end of the different BCRA regulations in connection with the deferral of installments and/or loans, the levels of irregular portfolio remained limited, well below the market average. In the Commercial Portfolio, Banco Patagonia achieved the first position in the ratio of irregular portfolio over financings (according to the latest information published by BCRA), in relation to the entities comprising the competitive environment, maintaining the first position in the Commercial Portfolio. And in the Consumer Portfolio, it improved five positions, reaching the second position.

In terms of tools, the first stage of the new credit rating system for customers in the commercial portfolio was implemented, which will make it possible, among other things, to streamline processes, reduce operating risks, and maintain all customer credit information on a single platform. By 2022 we plan to move forward with the second stage of the project and expand it to the SME and Agro-SME segments.

Our credit challenge for 2022 will be to promote, through a prudential approach, a policy for the management of financial risks linked to environmental impact mitigation and adaptation.

Credit Recovery

In the context of the COVID-19 pandemic, the different work teams, both in-house and in the associated collection agencies and firms, maintained the usual dynamics with 100% remote work for most of the year and adapted smoothly, and with positive results, to the challenges of the new operations.

During 2021, the Credit Recovery Management focused on the tools and management models available with the aim of continuing to improve the management of arrears of customers with difficulties, in order to reduce and mitigate their possible impact on delinquency.

To this end, the People area sought to optimize resources between the Head Office and the Branch Network in order to improve the treatment of people in arrears. On the other hand, the Corporate segment continued working together with the commercial and credit sectors in the preventive advice on delinquency, and was integrated in the monthly follow-up meetings with the Branch Network for the SME segment.

Regarding Guarantees, during 2021 the Bank continued to provide support and advice to the SME, Corporate, International Business and Public Sector business areas in the different lines of credit worked. The focus was on reducing the response and implementation times of operations in order to meet commercial needs. As in the previous year, the business model related to reciprocal guarantee companies was of special relevance.

In line with previous years, internal training was provided to collaborators in order to consolidate the professional level reached, mainly addressed to the Branch Network. The trainings had different formats and addressed topics such as the different types of guarantees, their effectiveness, adaptability to the products offered by the Bank, instrumentation requirements, and execution, promoting spaces for consultation and interaction with business officers. Among the training sessions held, the following stand out.

- ✓ Tips for the instrumentation and execution of Guarantees
- ✓ Let's get to know the appropriate guarantees for each SME product.
- ✓ Digital notarial certifications
- ✓ Tips for credit management with SGR guarantee
- ✓ Loans with FoGAR Guarantees - Branch Management

In 2022, the efforts of the Management will continue to focus on the incorporation of improvements in technology and management systems, particularly related to the efficiency of incoming calls from clients in arrears and their redirection to the corresponding management stages, a development that is already underway and whose completion is expected for next year.

The Guarantees area plans to continue working on the consolidation of the modernization of internal processes, with special emphasis on the start-up and implementation of the second and third stages of the customer credit rating tool, by means of which all the processes of registration, cancellation and modification of guarantees, exchange of documentation and information among the different areas involved will be digitalized, as well as on operational and system developments that will enable to broaden the range of guarantees that the Bank makes available to its customers.

9.7. Finance and Public Sector

Capital Markets and Finance

In the first months of 2021, Banco Patagonia formalized an agreement with UBS BB Investment Bank (headquartered in São Paulo, Brazil) to provide clients in Argentina with greater access to leading investment banking and international capital markets services under existing regulatory frameworks.

This understanding follows the launch of UBS BB Investment Bank in October 2020, to offer investment banking services in Brazil, Argentina, Chile, Peru, Paraguay and Uruguay, and trading services in the Brazilian capital markets.

The agreement expands Banco Patagonia clients' access to mergers and acquisitions, advisory services, international debt and equity capital markets, as well as to a global network of companies and investors, furthering the Bank's strategy of expanding local market presence and providing greater access to international markets.

The entity re-launched Sociedad de Bolsa - PATAGONIA VALORES SA - AlyC and AN Integral N° 50. In addition to being BYMA (Bolsa y Mercados Argentinos) agents, it proceeded to become a member agent in MAV (Mercado Argentino de Valores) with the prospect of growth in the stock exchange check market.

The Bank participated in issues of the four automotive finance companies that issued Negotiable Obligations in 2021. In turn, Mercado Libre, a leading e-commerce company, chose the Bank again as trustee, arranger and underwriter of its three types of financial trusts, through the securitization of: a) future credit rights, b) credits to sellers within its platform; and c) credits to consumers within its platform). During 2021, 9 financial trusts were carried out with this company for an amount of \$ 11,366 million.

It added new issuers in the placement of negotiable obligations such as: Toyota Compañía Financiera, INVAP, Luz de Tres Picos, Inversora Juramento, Telecom and Central Térmica Barragán for an issue amount of Ps. 1,200 million, USD 10.1 million, USD 30 million, USD 1,500 million, USD 91.8 million and USD 96 million respectively, and in the placement of three financial trusts with Cencosud S.A. for a total issue amount of Ps. 3,712 million.

Banco Patagonia also participated as placement agent in the first issues of negotiable obligations (ON) of Genneia SA and Luz de Tres Picos S.A. in line with the Green Bond Principles.⁸

On the other hand, Banco Patagonia continued with the development of business with financial companies, financial entities and card issuers in order to assist them both creditwise and through the advisory and placement of their Negotiable Obligations. This allowed the Bank to reach its market share target at the end of the year and to add new issuance clients.

As part of its strategy to remain among the leading entities in the country, Banco Patagonia continued working with insurance companies to offer them tailor-made services to meet their needs. Improvements were made to the Global Custody website and to the processes for receiving instructions. In addition, it maintained continuity in the entry of Guarantees received from SGRs and in the commercial relationship with Guarantee Funds authorized by the BCRA. Since 2020, the Bank has been among the first seven banks with the highest volume of Guarantees, effective as of 10/2021.

The Bank participated for the first time in the placement of an ON Pyme, Xeitosiño S.A., for USD 2.6 million.

⁸ For more information, see the section "Generation of environmental value in the business" in the "Natural Capital" chapter of this Report.

Business with Public Sector and Universities

The Bank was awarded bids for the position of Paying Agent at the National Universities of San Martín and Río Negro. It also generated new OnBoarding Digital agreements with more than 10 universities, which means that more than 226,000 students may apply for their account at Banco Patagonia. We supported the development of marathons, university sports activities, webinars with universities and senior citizen centers. In this way, it maintained its leadership in the financial system in the segment, as the private bank that pays the largest amount of credits to universities in the country. In addition, through alliances with Universidad Abierta Interamericana, Universidad del Salvador, Universidad del Siglo XXI, the Bank positioned itself in the Private Universities segment.

In its role as Financial Agent of the Province of Río Negro, the Bank complied with the infrastructure investment plan contract and expanded its capacity in Río Negro with the opening of attention centers in Chimpay, Huergo and Cervantes. In addition, it completed the challenge assumed the previous year of banking the largest portion of beneficiaries of the Emergency Family Income in the Province of Río Negro, at the request of the BCRA and ANSES so that the people reached by the program could have their savings account.

During 2021, Banco Patagonia organized and placed a program of bills and bonds in pesos to improve the maturity profile of the provinces of Neuquén and Río Negro.

In addition, it incorporated a new channel through e-Bank so that retirees could give their proof of life before the ANSeS. It also continued linking customers with the new e-Bank Empresas platform and the different courts of the Province of Río Negro, with a platform specially developed to carry out their transactions with the Bank.

9.8. Digital business

More than 50 new solutions, functionalities and products available in our digital channels.

New App for companies

New solutions for payments and collections with QR in digital channels.

Within a framework of digital transformation and being at the forefront of new technologies to increase accessibility and generate positive impacts on people and the planet, Banco Patagonia focused on developing digital solutions and tools to facilitate user self-management, generate new digital offers, strengthen the use of these channels and adopt agile methodologies to accelerate its digitalization process and optimize the experience of both customers and employees.

In this sense, they delivered system developments linked to strategic initiatives that contribute mainly to digital transformation, customer experience, self-management, improved experience in digital channels and market share.

In addition, in 2021 the Bank worked on actions aimed at converting customers of all segments into digital users, **reaching 58.5% of our customers as regular users of our digital channels.**

Based on these guidelines, during 2021 the following launches and updates in digital banking stand out:

- Organizational Culture. Creation of the Agile COE (Agile Center of Excellence) with the priority objective of promoting agility throughout the organization, facilitating the use of the methodological framework in the agile rooms and creating a space for collaborative work among the different areas of the bank.
- User experience. Development of a new App for Corporate clients, with the aim of completing the offer and continuing to consolidate digital channels as the main transactional channel for this client segment.

- Innovation. Integration of the payment solution via MODO in the Patagonia Mobile App, from where users can scan and make payments through QR codes available in stores, paving the way for the conversion of our App into a virtual wallet.
- Incorporation of new 100% online functionalities in the digital channels of people related to self-management in means of payment (product registration, limit management, PIN whitening, theft or loss reports, delivery tracking, among others), Personal Loans, Investments and In-App Service Payments.
- Implementation of the digital customer service channel (ChatBot) in the Patagonia Mobile App, which added new knowledge domains and increased service levels for customers.
- Enabling a new Marketplace in the digital channels for all clients, resulting in a totally renewed Club Patagonia.
- Transformation of the Digital OnBoarding solution to simplify the flow and improve the Customer Experience, maintaining security standards through the use of biometric technology for new customer acquisition.
- Implementation of 100% online processes for secure accession and access to channels (online token, OTP for transfers and PP, Regret button).
- Creation of new analytical models to enhance the relationship with users.
- Robotic Process Automation (RPA). During 2021, the Bank added 36 additional processes to the 15 implemented since 2020. These new processes imply an efficiency in task execution times of 80% and a return to the Business 1227 hours of resources.
- Desktop virtualization. Banco Patagonia developed this project with the purpose of reviewing the contingency site implementation model adopted at the time and proposing a more efficient option aligned with the new technology, in order to ensure its full availability and functionality. Along these lines, the necessary equipment and licenses were purchased to advance in the virtualization of applications and desktops, since they provide important advantages in relation to access, maintenance and equipment, among others. In addition, the virtualization of the applications themselves and user testing are in progress.
- Improvements in technology and systems to accompany the digital transformation initiatives: improvements in the processing capacity of the Datacenters, renewal of the technological infrastructure and the addition of state-of-the-art equipment, increased processing capacity of the mainframe and mission-critical servers, storage, backup and networking systems. Strengthening its resilience capacity, the Bank successfully carried out several disaster recovery exercises in a 100% remote manner and in reduced times, disabling the production of the primary datacenter to provide service from the secondary datacenter.

Digital transformation progress at Banco Patagonia

- + 96% of monetary transactions in electronic/digital channels
- + 80 % of time deposit transactions in the retail segment conducted through digital channel
- + 20 million transfers and payments of services through internet and mobile banking

Customer Contact Center

Leveraging new technologies and the digitalization of services, Banco Patagonia worked on customer contact management and developed initiatives that had an impact on the customer experience, which was reflected in the Net Promoter Score (NPS) results of the customer service channels.

Among the initiatives, the following stand out.

- Application of technological improvements (ChatBot PADI, digital customer service model, call back to IVR) that accelerated service times in the telephone and chat channels.
- Implementation of ChatBot PADI 7x24 in the Patagonia Mobile App with more functionalities, influencing the possibility of referring the service to digital advisors.
- Constant training of employees in leadership, sales and customer experience courses.
- Launch of commercial platform and training workshops for all employees.
- Dissemination of the OnBoarding campaign with five commercial managers for campaign calls and customer activation and more than 810 registrations managed.
- Implementation of the multichannel advisor strategy to generate greater efficiency in customer service and reduce waiting times.
- Training of employees in the handling of the four service channels: (telephone, chat, mail and social networks).
- Development of the unidentified call routing project to route all calls from customers who enter "without a password" to a single telephone line (IVR 8500) and allow the customer the option of self-management. This improves the channel's service levels and generates greater efficiency in the telephone channel by distributing call queues according to the segment.

The Customer Contact Center in numbers

- 6,404,209 total calls by Self-management (IVR)
- 933,406 calls handled by operators in the People segment
- 198,241 e-mails

Communication with clients

In 2021, Banco Patagonia strengthened its relationship with our customers through digital communication by means of its own channels (organically) and non-own channels (advertising) in order to keep them constantly informed.

As from the incorporation of new functionalities in digital channels and in order to encourage their use, the Bank developed several communication pieces. In addition, the Bank carried out a campaign aimed at retired and pensioned customers so that they could carry out transactions from their homes in a safer way, without having to go to the branch office.

Among the new features incorporated within Instagram were Featured Stories and Linktree to give greater visibility and facilitate access to important information. To strengthen communication with followers, we developed interactive content based on their interests and continued to raise awareness about preventive care in the face of the increase in scams.

Presence in social networks	Number of followers in 2021	Number of followers in 2020
Facebook	185,365	181,223
Twitter	19,220	18,300
LinkedIn	137,180	98,012
YouTube	6,750	5,710
Instagram	24,786	19,400

And to continue the digital transformation process, the Bank implemented digital branding and performance campaigns:

Banco Patagonia at a touch. With the objective of attracting new clients 100% online through the OnBoarding Digital platform, we spent the whole year with an active performance campaign in social networks, search and display.

MODE. To encourage the use of the virtual wallet, we worked on different communication campaigns to publicize the functionalities - payment with QR, sending and ordering money - and the advantages of using the digital platform. In addition to communicating through our own channels in an organic way (email marketing, push messages, social networks and website) we implemented a branding campaign and a download performance campaign for the Patagonia Mobile App to increase the number of MODO subscribers and increase the number of digital users in our client portfolio.

Patagonia Club. After the relaunch of the new Club Patagonia with the incorporation of a Marketplace and new benefits, we developed a renewed visual identity aligned with the new brand manual. To make it known we worked on an organic communication campaign and through advertising in our social networks.

You and what you want. From the incorporation of the new brand purpose "Accompanying people's development", Banco Patagonia worked on the definition of the concept: "You and what you want". For the launching, we developed a massive mainstream communication campaign at federal level with presence in broadcast TV -for the first time-, cable TV, the main FM radio stations and digital media (Facebook, Instagram, YouTube, Programmatic Purchase and in the main national and local online newspapers). In addition, we accompany all this communication in our own channels: public roads in our more than 200 branches, Web and organic RRSS.

Meetings with customers

In 2021, the Bank adapted face-to-face events to virtual format in order to continue generating spaces for customer loyalty and relationship with customers. In this way, it held different meetings through the Microsoft Teams and Zoom platforms; and incorporated this year an exclusive platform for financial economic cycles.

In addition, it held virtual talks specifically designed for the different customer and business segments, in which more than 800 customers participated.

- Cycle of Economic-Financial Approaches.
- Exclusive meetings for **Agro clients**.
- Cycle of meetings for **SME clients**.

In addition, the Singular launching event was conducted by Andrea Frigerio and broadcasted through a digital platform for all our clients of the segment. The event was attended exclusively by Pedro Aznar and the artist Milo Lockett, who created exclusive works of art for the attendees.

9.9. Customer Experience

Banco Patagonia has people and their development as the core of its purpose. That is why it implements actions and processes in pursuit of customer experience. This experience is measured through recognized consulting firms in the market and with different tools such as the bank's own studies or studies among companies in the sector. These internal and external studies have made it possible to monitor the customer experience in channels such as: the Branch Network, digital channels such as ebank, Patagonia Móvil and the Digital Relationship Channel (Padi) and the Customer Contact Center, thus providing the business areas and customer service channels with the results of the measurements and the information provided by the customer in such studies, both at the level of indicators and their opinions regarding their experience, so that the different internal teams jointly develop the permanent improvements that ensure a customer experience that positions the Bank as one of the best banks in such dimension.

In addition, a new technological tool was hired, acquired and put into operation for the generation of the Bank's own surveys, in order to enhance the measurement of our customers' experience in the different customer service channels and in the main interactions, thus providing the feedback with the customer's voice to the different areas in order to continuously develop improvements and new services, so as to position the Bank as one of the best in its competitive environment in the Customer Experience dimension.

Quality certifications

During 2021, the Bank carried out the annual renewals of the certification of the Information Security Management System (ISMS), aligned to ISO 27001; and the certifications of the processes included in the Quality Management System (QMS), aligned to ISO 9001 in the areas of:

- Foreign Trade (foreign transfers, payment orders, letters of credit, collections and financing).
- Cash Management – Payments
- Salary Plan
- Securities Custody

On the other hand, Banco Patagonia has a rating issued by Standard & Poor's with respect to the Bank's activity as Financial Fiduciary for which it has received, since its implementation, an "Excellent" rating with a "Stable" outlook.

9.10. Benefits: the new Club Patagonia

70,000 customers subscribed to the Club Patagonia program

40,000 prizes redeemed

+3,000 merchants subscribed to the benefits program.

The Bank continued working on the development of digital benefits, in order to continue providing more and better offers to customers even in the context of the COVID-19 pandemic. In this sense, it encouraged the use of virtual channels to interact with customers, whether for communication, customer service or product acquisition.

In September 2021, the Bank launched the new Club Patagonia program, an omnichannel platform where customers can redeem their points and use their credit and debit cards to access a wide range of products, miles and savings. On the platform they can also find products and prizes linked to sustainability. Since its launch, more than 70,000 customers have subscribed to the program and more than 40,000 transactions have been carried out.

In addition, new items have been added to the e-commerce platform, such as food and clothing, among others. The platform currently has more than 3,000 member stores throughout the country, with a wide variety of brands in the retail, gastronomy, entertainment, clothing and healthy food sectors.

On the other hand, it implemented exclusive benefits with the payment through the QR code of the application to encourage the use of digital channels Patagonia Móvil and the MODO wallet.

The new Club Patagonia program offers customers a wide variety of rewards and products. Among the featured items, "Sustainable" was incorporated, which brings together products with low environmental impact, organic food, handmade and recyclable products, among others.

9.11. Claims Management

The Bank has its own system for recording, resolving and following up on complaints. This system centralizes claims to integrate quantitative data and provide reports for taking actions and improving processes.

Following the health emergency, the management system increased contact with customers through digital media. In addition, a consensus and commitment was established to achieve operational results with the challenge of remote work.

In 2021, the Bank carried out the following improvement actions.

- Reduction of the claims resolution time from 10 to 7 days, working together with the Operations team. Evidencing an improvement with respect to the legal term established by the BCRA, which is 10 days.
- Notification by SMS to inform customers that their claim has been closed and that they will receive a response by e-mail.
- Implementation of a control and follow-up of sales that presented problems.
- Training for new entrants to the Customer Contact Center on the process of entering and registering complaints.
- Incorporation of robotic process automation (RPA) in the stop debit and insurance deregistration.

On the other hand, as a consequence of the use of digital channels, a new type of claim has emerged: electronic fraud. To face this challenge, Banco Patagonia worked hard on the definition of a process of analysis and resolution of claims, and also on the implementation of improvement actions to reduce this type of events, such as double control in e-Bank at the time of operation. These actions, developed in conjunction with the BCRA, which actively participated, had a high impact on customer satisfaction and the Bank's reputation.

The complaint resolution period was reduced from 10 days to 7 days.

The Bank implemented a new means of contacting customers through SMS to notify the resolution of a claim.

9.12. The Network

In view of the changes in the context of the health emergency, Banco Patagonia adapted the face-to-face protocols for its employees and adapted the equipment to guarantee the correct and efficient customer service. For the face-to-face modality, an appointment system was implemented, face masks and disposable gloves were provided to employees, and partitions were installed in all branches.

In addition, the Bank designed and developed signage material to maintain the distance protocol in the branches, the service center and the Head Office. Short videos promoting products and services aligned with the campaign "Vos y lo que querés" (You and what you want) were incorporated in the screens of the branches' on-call systems.

The Network in 2021

- 185 branches
- 24 customer service centers, including 3 openings in Río Negro
- 589 ATMs
- 401 self-service terminals
- 194 electronic channel equipment changes at 92 points of service
- 14 branches with digital computers
- 2,374 m2 intervened for construction work

Projects for business growth from the Network

Launch of PIC: in 2021 the commercial incentive program was implemented in the Branch Network, which proposes an award according to the performance of each branch and considers the position of the branch in the ranking, compliance with the strategic variables defined by the business units and a proportional quarterly amount according to the amount of annual salaries established for each position.

9.13. Accessibility

380 ATMs adapted for the use of blind people

Banco Patagonia continues working on adaptations to facilitate access to people with disabilities, thus, during 2021 the following improvements were made:

- Installation of 66 ATMs adapted for the use of blind people.
- Change of the chair racks at the Flores Branch in the City of Buenos Aires.
- Access ramp at the customer service center in Cervantes, Río Negro.
- Sidewalk with a path for the blind in the new attention center in Cervantes, Río Negro.

In addition, as a result of the COVID-19 pandemic, the adaptations carried out in the branches were marked by hygiene and safety protocols. In 2021, the modifications implemented the previous year were maintained:

- placement of gel alcohol dispenser in lobbies;
- social distance signage on the sidewalks of the branches;
- demarcation of floors and chairs to ensure the distance;
- placement of acrylic partitions to protect personnel and customers;
- signage of work stations for social distancing;
- installation of sanitizing mats in branches and central areas;
- incorporation of digital computers in 18 branches;

9.14. Physical Security

In view of the regulations related to the COVID-19 pandemic, since 2020 the Bank established the corresponding protocols to guarantee the health and safety of all persons attending the branch network. On the other hand, adaptations were made in the branches to increase physical security.

- 13 branches inspected by ART.
- 34 branches inspected by the Ministry of Labor for safety and hygiene.
- 4 branches with lighting measurements carried out.
- 100% of branches with a general evacuation plan drawn up.
- 137 branch evacuation plans updated.
- 92 branch offices surveyed for health and safety issues.
- 13 anti-sinister studies prepared for branch qualification/rehabilitation.
- 149 branches inspected by the BCRA through the jurisdictional police, with no observations.
- 64 evacuation practices.
- 12,732 lobby openings and closings in CABA and GBA.
- 1,634 Video works in Branches, Customer Service Centers, Neutral ATMs and Central Buildings.
- 33,360hs for 1416 guard extensions due to maintenance, refurbishment, among others.
- 194 security installations in new equipment (ATMs/TASs).

Banco Patagonia provided training on COVID-19 prevention measures for 100% of its collaborators and e-learning courses on first aid and fire prevention and extinction. In addition, it carried out health and safety evaluations in branches on the Evacuation Plan (100 %), lighting (9.65 %), ergonomics (100 %) and PAT grounding (100 %). On the other hand, it trained 100 % of the guards of security companies working for the Bank on security and surveillance, legal issues, human rights and first aid, as it is a legal requirement to provide the service.

9.15. Security in the handling of data

Banco Patagonia defined a strategy to protect the entity from threats and information security risks. In this sense, it provided new capabilities that control and prevent logical security risks and cybersecurity risks associated with threats arising from external entities, even outside the Bank's own environment.

The maintenance of the information security management system (ISMS) and the renewal of the ISO 27001 certification became tools that ensure the protection of the Bank's information assets. The development of these information security and cybersecurity management tools help the Bank to:

- give executive visibility to the protection measures implemented;
- disseminate and promote a culture of information security based on the reasonable management of risks associated with assets;
- work on a defense against cyber-attacks and cyber-risks;
- manage a rapid recovery against the materialization of threats, better known as cyber resilience.

This model is capable of supporting the present and future needs of the Bank, analyzing the objectives approved by the Management and determining which processes will be necessary to put in place in order to continuously improve the ISMS. These actions are necessary to effectively adapt the Bank's strategic objectives, and thus be able to provide support in terms of IT security and protection of information assets.

In relation to Information Security and Protection of Information Assets (SIPAI), since 2020 Banco Patagonia has been working on a Cybersecurity Strategy, aligned with the business objectives, from which it established the cybersecurity and cloud security approaches.

The use of technology is essential for Banco Patagonia, in that sense, cybersecurity became one of the entity's priorities, as attacks through the network increase in the world. Therefore, from the SIPAI area, it is essential to accompany the growth of the digital business with the necessary security. For example, through the development of a Training and Awareness plan for internal customers, which included digital awareness and the organization of the Security Week with specific training. In addition, the Bank's institutional website, social networks and e-mail focused on raising awareness among external customers.

10. HUMAN CAPITAL

Banco Patagonia promotes a work environment where dialogue, meeting and support of the teams is a priority. In order for employees to feel part of the organization and to be able to develop and interact with each other, the Bank encourages actions to improve internal communication and carries out training and education projects adapted to the needs of the new context.

10.1. Employee profile

EMPLOYEES IN FIGURES	2021	2020
Number of Employees	3112	3200
By gender		
Women	1532	1575
Men	1580	1625
By category		
Superintendents	6	6
Senior Management	64	69
Middle Management	287	289
Employees	2755	2836
By age		
Up to 30 years	305	370
From 30 to 50 years old	2157	2189
More than 50 years old	650	641
By región		
Central áreas	1169	1170
CABA and Buenos Aires Branches	881	922
Interior Branches	1062	1108
By type of contract		
Fixed-term	7	0
Effective	3105	3200
Average length of service (in years):		

Superintendents	17	16
Senior Management	18	17
Middle Management	17	16
Employees	13	12
Average age		
Superintendents	51	50
Senior Management	49	48
Middle Management	47	46
Employees	41	40
Turnover rate		
Total turnover rate	0,85 %	0,57 %
Undesired turnover rate	0,53 %	0,73 %
Other indicators		
Staffing reached by joint agreements	97,4 %	97,66 %

	2021		2020	
	Mujeres	Hombres	Mujeres	Hombres
By type of contract				
Permanent labor contract (1)	1534	1578	1575	1625
Temporary employment contract			0	0
By category				
Superintendents	1	5	1	5
Senior Management	15	54	15	54
Middle Management	97	190	100	189
Employees	1421	1329	1460	1376
By región				
Central áreas	554	614	558	612
CABA and Buenos Aires Branches	516	361	532	390
Interior Branches	464	603	490	618
By type of employment contract:				
Full-time	1534	1578	1575	1625
Part-time	0	0	0	0
(1) The breakdown by region is as follows: 2105 employees in CABA and Buenos Aires, and 1197 employees in the interior of the country.				

10.2. Jobs and job opportunities

117 new hires 75 promotions

During 2021, Banco Patagonia strengthened the work of adapting the systems for the selection of people, continuing with the process started the previous year as a result of the health emergency caused by COVID-19. The labor meetings and interviews, both individual and group, were conducted virtually through the Teams and Workplace platforms. This modality strengthened the relationship between the areas and expedited the process of incorporating collaborators. On the other hand, for unsuccessful applicants who participated in internal searches, a virtual space for feedback and suggestions was developed. Optionally, they were also offered to participate in the Personal Branding Workshop to work on strengthening their skills and building their organizational career path.

On the other hand, the Online Interview space was launched, aimed at family members of employees who were looking for their first job. Through virtual meetings, tools were provided for career choice, CV preparation, job interview preparation and simulation, and personal brand development.

BP Welcome

In order to improve the experience of new employees, the Bank implemented a 100% virtual process called BP Welcome, which goes from the confirmation of hiring to the completion of the probationary period. This process includes a day with the entire Human Development and Organizational Climate team, as well as other key areas of the business, in order to share best practices and for new hires to learn about Banco Patagonia's culture.

BP Talents

The Bank launched the BP Talents program, to train young people for internships in areas related to digital transformation, especially in the areas of Systems and Digital Business. It is made up of ten participants who rotate through different sectors, receive specific training and are accompanied by mentors from the bank. In addition, they took e-learnings in related technologies. They attended a guided tour of our DataCenter in Martínez (Kyndryl). At the end of the program, the participants are expected to fill vacancies within the organization.

Banco Patagonia implemented Bienvenida BP, a 100% virtual support system for new employees to better adapt to the company's culture.

The BP Talents space trains young people for internships in the Systems and Digital Business areas.

	Entries	Cancellations	Rotation (1)	Rate of new hires (2)	Entries	Cancellations	Rotation (1)	Rate of new hires (2)
TOTAL	117	205	-0.02 %	0.037	41	143	-3.18 %	1.28 %
By age								
Up to 30 years	73	47	0.008 %	0.023	25	21	0.12 %	0.78 %
From 30 to 50 years old	42	116	-0.02 %	0.013	16	85	-2.15 %	0.5 %
More than 50 years old	2	42	-0.012 %	0.0006	0	37	-1.15 %	0 %
By región								
Central áreas	112	119	-0.002 %	0.035	38	64	-0.81 %	1.18 %
CABA and Buenos Aires Branches		40	-0.012 %	0	0	38	-1.18 %	0 %
Interior Branches	5	46	-0.013 %	0.0016	3	41	-1.18 %	0.09 %
By gender								
Women	43	88	-0.014 %	0.013	18	61	-1.34 %	0.56 %
Men	74	117	-0.013 %	0.023	23	82	-1.84 %	0.71 %
(1) Formula = (Additions - Retirements) / Total number of employees.								
(2) Formula = Additions / Total employees.								

10.3. Continuous training

46,278 hours of training (+19% vs. 2020).

Objective: to enrich the training offer in a constant manner and to be able to bring it closer to all the Bank's collaborators so that they have the possibility of developing within the organization.

During 2021, Banco Patagonia continued to offer training proposals in virtual mode, both in synchronous and asynchronous format. The adaptation to this format since 2020 allowed all employees to have access to the Annual Training Catalog and to actively participate. New courses related to communication and teamwork were also made available on the Patagonia Campus.

Training and development strategy

In 2021, the training strategy had as fundamental objectives to accompany the business needs embodied in the 2021-2025 Strategic Plan, to advance in the digital and cultural transformation process, and to strengthen leaders by fostering the development of competencies and the improvement of the work environment.

To accompany the Strategic Plan, six new e-learnings were designed: Diversity and Inclusion, Voice Care, Agile-High Performance Teams, Active Listening, Health and Wellness, Corporate Writing. In addition, content was generated and made available on collaborative and remote work tools.

In conjunction with the Torcuato Di Tella University, the "BP Leadership Experience" program was carried out for middle management. The objective was for participants to acquire tools to carry out team management. The work axes were Customer Experience, Management 3.0, the Leader Coach and Climate Management. The program was developed in 16 hours and had a total of 320 participants.

320 employees participated in the "BP Leadership Experience" program carried out together with the Universidad Torcuato Di Tella.

The entire branch network was trained to implement the customer service guidelines.

Mentoring for BP Talent Program

Meetings were held to strengthen the role of the mentors participating in the program, where topics related to Feedback, Emotion Management, Culture and Motivation were addressed. Simultaneously, mentees participated in spaces in which various topics were facilitated, including: Agile Methodologies, Time Management and Influence.

Training for every specialization

Digital transformation

Banco Patagonia continued the digital transformation process and focused on training its employees in order to disseminate the new mindset and adopt agile tools. In this sense, it launched the e-learning Agile-High Performance Teams, designed in conjunction with the Agile Center of Excellence (COE), and carried out the Management 3.0 program for leaders, which included five modules aimed at fostering agile leadership.

In addition, the Bank promoted the training, certification and specialization of the team working in the areas of Technology and Innovation. On the other hand, it worked on the implementation of OKRs in the definition of objectives in the Performance Management process through workshops and consultancies with Superintendents, Executive Managers and Area Managers, and training workshops for all the area managers of the head offices.

Customer Service

The Superintendency of the Branch Network and Business with People, in collaboration with other sectors, designed a customer service guidelines guide and trained the entire branch network in its implementation.

Agribusiness

Together with Universidad Austral, Banco Patagonia carried out a program for the Agribusiness sector, aimed at providing training and coaching on new management models with an international vision of the businesses and value chains that make up the agribusiness complex. The program consisted of four modules: Business in Argentine Agriculture, Actors in the Agroindustrial Chain, Futures and Options, and Development of People, Teams and Organizations.

Financial Business

Courses on the Bank's services and products were organized to promote and facilitate daily management: Introduction to the Prevention of Money Laundering and Financing of Terrorism, Emerix Tandem as a tool for default management, Security in the Branch Network, Capital Markets, Integrity and Anticorruption, update for SME Officers, among others.

Scholarship Program

Our scholarship program supports our employees in their efforts to graduate from undergraduate, postgraduate, specialization and technical programs that support business results. During 2021 we provided financial support to 59 employees within this program.

Number of training hours	2021	2020
In-house training	41,917	36,914
Languages	759	710
Classroom and virtual classroom	28,286	14,060
Online	17,233	22,144
External training	3,602	2,109
Total hours	46,278	39,023

Number of hours of training/collaborator	2021	2020
Hours/collaborator by gender		
Training hours/women trained	14,73	12,08
Training hours/men trained	15,80	12,64
Employee hours by category		
Senior Management	2,354	1,571
Middle Management	9,201	6,677
Other employees	34,723	30,775

Number of employees trained	2021	2020
Total	3,031	3,155
By gender		
Female	1,504	1,564
Male	1,527	1,591
By age		
Up to 30 years old	386	473
From 31 to 50 years old	2,075	2,111
Over 51 years old	570	571
By región		
Central áreas	1,136	1,214
CABA and Buenos Aires Branches	861	869
Interior Branches	1,034	1,072

10.4. Performance Management

In 2021, the OKR methodology was incorporated for the design and establishment of objectives. This approach allows us to align the 2021-2025 Strategic Plan with the expected results in each area. In this regard, workshops were held for all superintendents, executive managers, area managers and area heads.

The Individual Development Plan continued to be effective so that all the leaders of the organization can translate into a tool the development plan discussed with their collaborator, and can make the evaluation process more efficient.

Number of employees evaluated	2021
Percentage of employees evaluated	95%
By gender	
Female	47%
Male	48%
By category	
Senior Management	2%
Middle Management	11%
Other employees	82%

10.5. Climate management: support and care for people

During 2021 Banco Patagonia accompanied its collaborators in the challenges presented by the COVID-19 context. While continuing with a hybrid modality in terms of attendance, all personnel were provided with the necessary work, hygiene and safety elements to carry out their tasks. Kits with elements (backpack, notebook, pen, bottle and headphones) were delivered to facilitate the daily work of all collaborators, and also for all the Bank's new employees as of September 2021, accompanying the new OnBoarding process #WelcomeBP.

The Bank worked together with the security and technology areas to accompany the gradual and staggered return of collaborators to the Headquarters, favoring the transition to the hybrid system between face-to-face and remote work.

In addition, virtual meetings were organized with the branch network teams and leaders to strengthen their roles in order to achieve an increasingly better place to work.

Climate Survey

This year the Bank conducted the work climate survey under the GPTW methodology. The participation was 85% of the total number of employees and allowed us to know their perception of their workplace.

In this sense, the results reflected that the main strengths of the Bank are:

- "Pride in what we achieve"
- "Fairness in treatment"
- "The possibility of being authentic"

And the opportunities for improvement found were:

- "Continue strengthening our value proposition"
- "Generate more instances of celebration"
- "Strengthen the innovative culture and customer experience".

Estamos Cerca: an initiative to strengthen ties

One of the challenges of the COVID context, was to continue to be close to the teams, especially the Branch Network.

Through the #EstamosCerca program, the Bank organized virtual meetings with the participation of the Board of Directors, Superintendents and Executive Managers to discuss the new work dynamics in the context of the pandemic.

Annual Managers' Meeting

This year the meeting with managers was virtual, connecting more than 250 Bank leaders from all over the country simultaneously. Among the objectives were to raise awareness of the key issues and main challenges for the year, and to facilitate a disruptive environment that promotes motivation and the importance of leadership and climate management for the achievement of objectives. Among the participants were members of the Board of Directors, the President of Banco do Brasil, Mr. Fausto de Andrade Ribeiro, and Olympic athlete Luciana Aymar.

Other activities to foster closeness

Banco Patagonia developed different integration activities adapted to the context imposed by the pandemic to promote teamwork.

On the occasion of World Arts Day, the "Show your art! contest was held so that collaborators from all over the country could show their artistic talent. Forty-four works were presented through Workplace, where their authors posted a video or image, commenting on the techniques they used and what inspired them. The artistic presentations were in the areas of singing, dancing, acting, photography and plastic arts.

The online workshop "Illustrate your inner world" was also held, with the participation of 16 collaborators from different localities. Through different practical exercises, they were able to connect with their creative side and learn drawing techniques.

10.6. Diversity and Inclusion

During 2021, the Diversity and Inclusion Program was launched for all employees.

In order to contribute to the organizational transformation, promoting a diverse and inclusive culture, the integral Diversity and Inclusion Program was launched, which included a series of actions that sought to raise awareness, reflect, detect challenges and beliefs, with an impact on all levels of Banco Patagonia:

- In the framework of International Women's Day, the talk "Gender Biases in Organizations" was held.
- As part of the integral Diversity and Inclusion program, a meeting was held for the Board of Directors, Trustees, Superintendents and Executive Managers.
- The Inclusive Leadership Program for Managers and middle managers was implemented: to promote respect, integration and wellbeing in teams and generate positive impact on people.
- Mandatory E-learning for all employees, which addressed general concepts and the importance of diversity and inclusion in the workplace, the diversity map, unconscious biases, ILO Convention 190, code of ethics and Banco Patagonia's ethics line.
- Synchronous online workshops, which addressed the following topics:
 - Let's imagine a different world | Unconscious Biases.
 - What do we talk about when we talk about gender?
 - Bodies and social mandates
 - To be or not to be old enough... is that the dilemma?
 - International Day for the Elimination of Violence Against Women
- Podcast for all collaborators, in which specialists addressed the topics of Bias, Gender, Bodies and Generational Diversity.
- And a toolkit of contents such as reading materials, videos and links to reflect and deepen on interculturality, a tour of the normative milestones on gender, beauty and intersectionality.

On the other hand, the Bank has a Protocol Against Gender and Domestic Violence, through which it seeks to provide comprehensive assistance. The Organizational Climate Management is in charge of coordinating the assistance and protection measures for employees and their families to contain, accompany and facilitate the situation they are going through.

10.7. Internal communication

+ 18,000 posts on Workplace
3,800,000 messages through Workplace Chat

After the successful launch of Workplace in 2020, the platform continued to consolidate its position as Banco Patagonia's official channel and continues to be an ally for all work teams to be 100% communicated and connected. It accompanied all areas of the bank in their respective campaigns. It encouraged the use of video calls and chat, which shows that this internal communication channel continues to grow stronger; during 2021, 3,800,000 messages were sent through Workplace Chat and more than 18,000 publications were made.

In order to improve its performance, several monthly reports on the adoption and use of Workplace were made and the analysis of the most relevant communication campaigns was incorporated to know their impact.

During 2021, Banco Patagonia carried out and disseminated different communication campaigns related to the Bank's culture, the professional and personal development of its teams, information on dialogue channels and new management tools, and financial education topics.

In addition to Workplace, other internal communication media were used to keep all employees informed about new regulations, official provisions, business campaigns, the new positioning campaign and the strategic plan.

In 2021, the return to face-to-face work at Headquarters implied greater collaboration with Human Development to achieve an efficient implementation of the return. To this end, Dialogue Spaces were created with the aim of accompanying the leaders and, later, the rest of the collaborators in the implementation of communication routines and updating of information to the teams.

Since the launching of the New Strategic Plan "10PE", we have implemented communication routines between Managers and their work teams, so that everyone is aware of the objectives that have the greatest impact on their daily work; in this way we reinforce the meaning of the concept of the campaign "You are a fundamental piece".

The new Human Development projects were developed in line with the new positioning campaign "You and what you want" to generate synergy in the voice of the brand: "Welcome BP, you and being part of it", "BP Talents, you and your development" and "BP Opportunities, you and new challenges".

10.8. Benefits with a focus on wellbeing and health

Banco Patagonia establishes a direct channel with its teams in order to know their expectations and thus plan a benefits strategy focused on their wellbeing and that of their families, for each stage of life, especially in this pandemic context.

This year the Bank worked on the management of discount agreements for employees throughout the country, through the incorporation of companies offering products and services channeled through e-commerce platforms. Today, more than 60% of the agreements published have a national scope.

We organized virtual wellness activities: 17 Active Breaks, 17 Mindfulness meditations and 4 nutrition workshops, which remained in the Workplace Resource Library for all employees to access at any time.

Sports activities were encouraged with the participation of 200 collaborators, and 17 Sport Club locations in the interior of the country were added, giving access to more than 300 collaborators with a preferential fee with a 55% discount.

Likewise, a personalized follow-up of the employees affected by Covid-19 was carried out, trying to accompany them from the Organizational Climate area in the transition of the disease.

Details of employee benefits in 2021.

AXIS	BENEFIT	ACTIONS
For you	Discount agreements	More than 30 agreements in different areas throughout the country.
	Products for collaborators	Plus, Plus Premium and Singular packages. Access to credit products with preferential conditions.
Your development	Graduation gift	In order to recognize professional growth, the Bank granted a special gift to recent university graduates. More than 40 employees received a gift in recognition of their efforts.
	Discount agreements with universities and training centers	Banco Patagonia has more than 20 agreements with institutions such as ITBA, UADE, UCEMA, Universidad de San Andrés, CoderHouse, Digital House and Nulinga, among others, that promote the study of undergraduate and graduate degrees and language courses.
Family	Gifts	Banco Patagonia accompanies its employees with a gift on important events in their lives: Kit for joining the organization, birth of children, Back to School for school-age children and retirement.
	Special subsidies	The Bank grants a subsidy to all employees with children up to 11 years of age for the vacation camp. It also provides a subsidy to those who have children with special abilities and in case of death of direct relatives.
Health and well-being	Prepaid Medicine and Life Insurance	The Bank provides prepaid medical coverage and additional life insurance for employees and their families through a corporate agreement.
	Discount agreements	More than 200 employees have access to a gym with a preferential membership fee, in addition to discounts in other recreational activities and beauty and health centers throughout the country.
	Retirement benefits	We accompanied more than 30 collaborators with pension advice within the framework of the retirement process, so that they may go through this very important moment.
	Healthy Parenting Program	In 2021, the Bank deepened its support actions in virtual format, both in maternity leaves and disability counseling.
	Influenza vaccination campaign	A flu vaccination campaign was carried out in person for the Branch Network and through reimbursements for the rest of the collaborators.

Indicators on leave and reinstatement	2021		2020	
	Women	Men	Women	Men
Number of employees who took maternity/paternity leave in 2021.	65	56	95	64
Number of employees returning to work after the end of parental leave in 2021	64	54	93	64
Number of employees who took maternity/paternity leave in 2020	95	64	95	64
Number of employees who took maternity/paternity leave in 2020, and retained their employment twelve months after their return to work	83	59	86	61
Return rate (1)	98.46%	96.42%	97.89 %	100 %
Retention rate (2)	87.36%	92.18%	89.79 %	89.74 %
(1) Formula= Employees who returned to work after their leave ended in 2021 / Employees who took a leave of absence in 2020 *100 (2) Formula = Employees who took a leave of absence in 2020, and kept their job twelve months after their return to work / Employees who took a leave of absence in 2020 * 100				

11. SOCIAL CAPITAL

Banco Patagonia implements a social investment strategy aimed at fostering the welfare and growth of individuals, enterprises and organizations, as well as the sustainable development of regional economies.

11.1. Private social investment strategy

Banco Patagonia promotes the welfare of the communities in which it is present through projects focused on education, entrepreneurship, volunteering and culture. The articulation and joint work with civil society organizations and the public sector are key aspects of the Bank's social investment approach.

Pillars of the social investment strategy

- **Education**

The Bank makes a contribution in this area by equipping educational institutions, providing financial education, granting scholarships for access to formal education, training and educating young people for the future, and supporting higher education through the Universities Program.

- **Entrepreneurship**

By providing training and seed capital, the Bank supports local entrepreneurs who wish to strengthen their businesses and thus contribute to the development of regional economies by generating employment.

- **Volunteering**

In a commitment shared with its collaborators, who contribute their time and willingness to help, Banco Patagonia promotes solidarity actions and contributes with coordination, logistics, supplies and financing for various projects.

- **Culture**

As a result of the Patronage Law and within the framework of the Cultural Promotion Regime of the Autonomous City of Buenos Aires, Banco Patagonia sponsors different cultural projects aimed at the restoration of cultural buildings or equipment for the promotion of culture and access to artistic activities by young people.

to artistic activities by young people, children and the community in general.

Diagnosis and evaluation of social impact

When defining the projects in which it will participate, the Bank measures the impact in terms of number and type of beneficiaries, and territorial scope (local, provincial, regional or national).

For an orderly and transparent management, the Bank works with projects that fall into one of these three areas:

1. Programs and initiatives designed together with specialists in different social issues.
2. Projects identified through the Branch Network in which needs are detected and support is given to organizations that provide solutions to local problems.
3. Support to projects of civil society organizations and public institutions.

Project implementation cycle:

Evaluate and select the project → define the objective → design the implementation method together with the partner organization → develop a system to measure and evaluate generated impacts → identify learning and improvement points → communicate results →

redesign and strengthen the program.

11.2. Social investment in 2021

12,451 beneficiaries of social programs

During 2021, flexibility and adaptation to new scenarios were key to continue being close to those in greatest need. Banco Patagonia maintained its social commitment and links with its allies in private social investment programs, based on technology and networking.

The main challenge was to give continuity to programs with an educational focus in order to respond to the dynamics of school classes in hybrid format. The lack of connectivity - added to the exhaustion generated by the use of screens - was one of the difficulties that had to be faced in the development of the programs. In order for participants to have better access to the contents, they were reconfigured in shorter and more dynamic formats. Another challenge was to generate volunteer proposals adapted to the context of the health emergency.

In addition, Banco Patagonia reinforced its support to the health system carried out during the previous year and, in 2021, made a donation of two respiratory assistance kits and 1,000 COVID19 testing kits, destined to the public health system of the Province of Río Negro.

Private social investment	2021	2020
Participants and beneficiaries	12,451	22,474
Amount of private social investment (in millions of pesos)	27.97	21.29

Partner organizations, beneficiaries and scope of private social investment actions, by area			
Pillars	Partner Organizations	Beneficiaries	Provinces impacted
Education	Junior Achievement, Tekuoia, Fundación Cimientos, Fundación Cruzada Patagónica, Ministry of Education and Human Rights of the Province of Río Negro, Fundación Nobleza Obliga and Tekuoia.	1,715 students and teachers from elementary and middle schools, university students and adults over 60 years of age.	National scope
Entrepreneurship	Fundación Nobleza Obliga and Tekuoia	1,690 beneficiaries: 1,605 enterprises in Río Negro and 85 university students.	National Reach
Volunteering	Mensajeros de la Paz Argentina, Asociación Civil Un Árbol, Fundación Banco de Bosques, Fundación Sí, Fundación Nobleza Obliga, Fundación Junior Achievement Argentina.	9,046 children, adolescents and adults in vulnerable situations.	National Reach

11.3. Education

Banco Patagonia's initiatives continued to focus on financial education, access to formal education, higher education, and training and education for the future.

Financial Education

Personal Finance Program

+6 years of trajectory
1,067 students

The Personal Economy Program is aimed at high school students, and its objective is to work on economic tools that are useful and practical for everyday life. It has been developed for six years, in alliance with Fundación Junior Achievement Argentina (JAA) and the Ministry of Education and Human Rights of the Province of Río Negro.

For the second consecutive year, the proposal was implemented 100% online. Based on the proposed contents and the dialogue with special guests, the program aims at encouraging participants to carry out introspection activities, incorporate practical knowledge on economy, formulate a personal and family budget, and reflect on the importance of saving. It also provides knowledge about the different types of advertising and the criteria for a smart purchase.

In 2021 the Program was carried out during six weeks of work through the virtual campus, five training sessions for teachers, three launching meetings and five closing meetings for the 1,067 students from 41 schools in the province. The last closing meeting was attended by volunteers from the Bank, the Minister of Education and Human Rights and the General Director of the Ministry of Education and Human Rights. HH. and the General Director of Education of the Province of Río Negro, who shared experiences about their professions and contributed their views on the administration of their own economy.

"A Click of Trust" Program

Through this initiative, Banco Patagonia assumes the challenge of multiplying the scope and spreading the benefits of the use of electronic banking, as it offers tools for adults over 60 years of age that allow them to approach digital media to manage their transactions in an autonomous, safe and efficient way.

The program, which has been in place for six years, consists of:

- the generation of alliances with reference institutions, in different parts of the country, to bring content closer to adults over 60 years of age in a coordinated and transparent manner.
- The development of short and simple educational contents (videos and ATM simulators), adapted to the needs of older adults.
- Conducting virtual and face-to-face group trainings, adjusted to health protocols, with Patagonia Volunteer teams focused on banking security (phishing, online shopping, tokens).

During 2021, the focus was on the transmission of concepts associated with cybersecurity. A total of 170 senior citizens participated in 13 workshops, with the support of 19 Patagonia Volunteers.

In addition, an online contest was held for residents of the province of Río Negro, where 299 people answered a trivia about digital banking and participated in a drawing for cell phones.

Workshop "You and learning to save".

8 meetings 445 young people

With "Let's learn to save", Banco Patagonia promotes learning about savings and efficient finances in young people between 12 and 18 years old. Through introductory workshops on the financial system, Patagonia Volunteers were able to share their knowledge and advice to promote savings among high school youth.

During 2021, eight meetings were held online and in person, respecting sanitary measures, reaching 445 students from Bahía Blanca, Carmen de Patagones, Plottier, Allen, Neuquén and San Martín de los Andes.

Support for formal education

In 2021, the Bank continued to support young high school students through programs focused on strengthening formal education.

Scholarships and sponsorship for school continuity

With a focus on solving problems related to connectivity and, together with tutors and teachers, the program generated strategies for students to organize their time and tasks autonomously and, in addition, maintain their motivation for their studies. Through Fundación Cimientos and Fundación Cruzada Patagónica, Banco Patagonia awarded scholarships to 16 students.

Banco Patagonia Challenge

Desafío Banco Patagonia is a national contest aimed at young people and teachers in the last three years of secondary schools throughout Argentina.

Through ideation and pitch workshops, the program invites students to think and prototype possible solutions to local problems. In 2021, the call for proposals focused on six areas: education, post-pandemic life, employability, new technologies, financial education and inclusion, and environmental care.

In this edition -the second one carried out in a 100% virtual format and for the whole country-, more than 330 students participated and presented 120 projects. Of these, 10 finalist teams were selected and presented their projects before a jury. The winning project of the contest was "Aloe Vera Flocculant" from I.P.E.T. N° 267 "Antonio Graziano" school, from Bell Ville, Córdoba. Their project consisted of a water purification system through biotechnology. Each member of the winning team received a tablet and a digital education kit for the school they attend. In addition, all finalist students received a reusable digital notebook.

Desafío Banco Patagonia won 1st place in the category "Banks" of the Premio Conciencia, an award that recognizes companies that carry out actions to promote a more sustainable, safer society and a better quality of life for people.

Support for technical schools

The Bank sponsored 5 projects for a total amount of \$12,898,049, through the Tax Credit Regime of the National Institute of Technological Education (INET), Law No. 22317, AFIP General Resolution 547/99. As a result of this support, the schools were provided with new equipment and teacher training to strengthen their educational programs.

11.4. Support for Entrepreneurship

Banco Patagonia continues its commitment with the development of social impact projects that promote the sustainable economic growth of the communities in which it is present. During 2021, it made progress in the development of different initiatives through multi-sectoral alliances.

Río Negro Entrepreneurship Program

+1,600 entrepreneurs registered

For the last six years and in coordination with Fundación Nobleza Obliga, Banco Patagonia has been developing the Entrepreneurs of Río Negro Program. One of the objectives of the initiative is to help entrepreneurs in the province to formalize and financially plan their businesses in the long term in order to generate a positive impact on their regional economies and the communities they are part of.

The program -whose registration is free of charge- is aimed at enterprises that provide both products and services, in any associative modality. Through training, it provides updated tools for the development of their businesses, with a special focus on the creation of positive economic, social and environmental value.

In 2021 there were more than 1,600 registered enterprises from 32 localities of the Province. As in previous editions, it was supported by the provincial government and municipalities, the Ministry of Economy and the Provincial Development Agency CREAR and its offices, local chambers of commerce and civil society organizations.

Among all the enterprises that completed the training and self-evaluation stage, the 30 most outstanding ones were selected to form part of a virtual and interactive catalog in which they had to put into practice what they had learned and publicize their products or services in order to receive votes from the public. In a third stage, the organizers and local partners of the program voted for the nine finalists. At the closing event, the finalists presented their ventures to a panel of judges who chose the three winners, who received a total of US\$ 450,000 in seed capital.

The winning ventures were the following:

Máster Producciones, Lamarque (music recording and production studio).

Pioneers in digital audio recording in Valle Medio. Their motto is that music is the best way to spread a message. They specialize in training professional artists.

@master_producciones1

Ostras Block, Viedma (load-bearing blocks for construction)

It was born as a sustainable project that takes as a starting point the recycling of oyster shells. Through this innovation, a new construction material is obtained that allows the realization of more economical and high quality housing design.

@Preostras_2riveras

Pancora, San Carlos de Bariloche (underwater robotics)

Specializes in the design, manufacture and commercialization of technological devices that can be applied to various tasks in underwater environments, such as shipping, fishing and aquaculture, oil and renewable energy industries.

@pancora.patagonia

BP Innova

5 ideation workshops

25 digital financial innovation proposals

3 winners

BP Innova is a program that seeks to promote the entrepreneurial spirit of students and recent graduates from 21 universities that have an agreement with the Bank. The focus is on digital financial innovation projects.

Thus, students participate in ideation sessions, bootcamp for the consolidation of their projects and Pitch Competition where they present their initiatives in front of a jury of specialists, in charge of selecting the three winners of the contest.

In 2021, five ideation workshops and four self-learning videos were held, focusing on the identification of problems and the generation of solutions, the value proposition and the Canvas business model. Among the 25 projects received, an evaluation was carried out and 10 finalist projects were selected, which presented their ideas, and the jury selected the three winners.

The winning teams in the sixth edition of BP Innova received seed capital to promote their initiatives. The first prize received \$ 200,000 pesos; the second, \$ 120,000 pesos and the third, \$ 80,000 pesos. In addition, all the finalist students received an ecological digital notebook as a tool for their studies.

- 1st place. "Noclip" from Universidad del Salvador. They designed an app that seeks to build a financial education community through gamification. It promotes smart decision making to protect and capitalize personal finances.
- 2nd place. "Walled" from the National University of San Martin. They are a startup that seeks to solve the problem of people's inability to save, offering cash back for their transactions. In addition, it includes a free educational module to improve financial knowledge and gives rewards to increase the benefits of cash back.
- 3rd place. "SUNEF" of the National Technological University (Regional Faculty of Buenos Aires). They developed a web platform that concentrates professionals, products, courses and news on renewable energies and electric mobility. It concentrates in the same environment everything related to energy transformation.

11.5. Volunteering

9,046 direct beneficiaries of the corporate volunteer program.

Through the Patagonia Volunteers program, the Bank promotes citizen commitment to generate a positive impact on the communities and encourages employees' spirit of solidarity. The volunteer actions are developed on the basis of a shared responsibility scheme and in pursuit of a common good. Banco Patagonia provides the coordination, logistics, supplies and financing for each of the projects. The volunteers, their time and their desire to help.

In 2021, given the context of the COVID-19 health emergency, most of the volunteer actions were carried out through an online and remote system, with some actions carried out in person, respecting the health protocols in force.

Volunteerism in numbers	2021	2020
Number of volunteers	794	371
Volunteer hours (1)	526	348
Number of direct beneficiaries	9,046	17,235

- (1) Se contabilizan horas de voluntariado por acción y por voluntario. Algunas iniciativas se realizan en simultáneo, en un único horario compartido y en otras, donde la participación es individual se multiplican por la cantidad de horas por participantes.

Main actions of Voluntarios Patagonia

Partner Organization	Initiative	Detail of direct beneficiaries
Messengers of Peace Argentina	"Your most useful kilometers" initiative More than 170 employees from different parts of the country participated in an innovative proposal for distance volunteering. The invitation was to run for education. All participants ran 1,100 kilometers to support the education of 300 children from the organization's educational projects. For each kilometer run, the Bank made an economic contribution to provide the young people with school supplies and educational support during the year.	300 children and adolescents from Buenos Aires
Bentejuego and Banco de Bosques	"Let's protect the environment!" In virtual form, volunteers solved a virtual escape game, in which they were able to learn in a fun way about the 3Rs of conscious consumption and how to make responsible use of resources at home. For each challenge completed, the Bank made a donation to protect 10 m2 of native forest, saving the last 1,000 m2 of the Curvas del Uruguay Forest, and the first 400 m2 of Las Araucarias, a small strategic forest next to the National Parks Natural Reserve in San Antonio, Misiones.	Action with positive environmental impact for the community of Misiones and protection of biodiversity.
Own program	Workshops "A click of trust". <i>More information in the "Education" section in this chapter.</i>	170 senior citizens from Río Negro, Córdoba and Buenos Aires.
Own program	Workshop "You and learning to save". <i>More information in the "Education" section of this chapter.</i>	445 middle school students from Buenos Aires, Río Negro and Neuquén.
Various organizations	Solidarity campaign for Children's Day In order to promote children's right to play, the Bank invited employees to paint wooden toys and to contribute with their creativity. The toys were delivered to social organizations and each volunteer had the opportunity to choose where to take them.	3,595 children attending social organizations in different parts of the country.
Junior Achievement Foundation Argentina	Partners for a Day Patagonia volunteers conducted mock group interviews in an online format. In this way, they encouraged young people to continue studying and further their professional development.	1,816 young students in their last year of high school in Buenos Aires.
One Tree Civil Association	Tree planting With distance and sanitary protocol, a tree planting was carried out in the Costanera Sur Reserve. The volunteers and their families planted 60 trees of native species to contribute to the biodiversity of the environment.	Action with positive environmental impact for the community.
Messengers of Peace Argentina	Christmas Eve for Sharing The campaign invited collaborators to put together a box with non-perishable food and gifts, decorate it and deliver it to the institutions and families defined by each team. In addition, the Bank made a donation of 400 boxes.	652 families from different parts of the country.

**Solidarity projects contest 2021, Let's help!
2,068 beneficiaries of the contest**

For the seventh consecutive year, employees from any part of the country were able to propose a social or environmental impact project and participate in the "Wanting to help! Through this initiative, the Bank promotes the strengthening of volunteers as agents of impact in their communities and accompanies local projects, seeking to make known the mission of each organization and leave installed capacity. Through an online platform, 32 projects were presented and more than 1,500 employees voted to select the 20 winners. The projects that received the most votes and received an economic contribution for their implementation were the following:

Name of the Organization	Project	Number of beneficiaries	Benefits
Pichichos to the Rescue	Cost of veterinary expenses and supplies necessary for the recovery of rescued dogs.	148	Animals rescued from CABA.
CEBAL Foundation	Purchase of powdered milk and formula to contribute to the feeding of children who attend the foundation for treatment of infant malnutrition.	108	Children and their families, from Luján de Cuyo, Mendoza.
Los Callejeritos de Flores	Purchase of supplies and veterinary services for animals in transit.	50	Animals rescued from CABA.
Rural School N° 107 Supremo Entrerriano	Purchase of paint and tools to finish the roof repairs.	20	Children from Gualeguaychú, Entre Ríos.
Asociación Civil Hogar Granja Esperanza Civil Association	Improvement of the facilities to train residents in tasks related to the care of farm animals, and to contribute to the development of their potential, strengths, and improvement of their self-esteem and autonomy.	16	Young people with disabilities, from La Plata, Buenos Aires.
Sonrisas Expedition	Development of a literacy program in which children and adolescents can learn to read and write -and have a snack- during a 10-month period.	500	Children in vulnerable conditions, from Martínez, Buenos Aires.
Santa Rosa Home for the Elderly	Repairs to the structure of the dining room, gallery and patio, where the residents spend most of their day.	23	Older adults from Santa Rosa, La Pampa.
Manos que Ayudan Foundation	Manufacture of 3 monowheel carts to transport people with different motor skills for recreational outings.	150	Children and young people from Cipolletti, Río Negro.
Asociación Civil Damas de Caridad de San Vicente de Paul (Ladies of Charity of St. Vincent de Paul Civil Association)	Acquisition of equipment to reactivate the production and sale of pizzas made in the productive workshop.	25	Children and adolescents from San Miguel, Buenos Aires.
Fundación Argentina de Afasia Charlotte Schwarz	Development of a digital literacy workshop for people with speech disorders (aphasia) to familiarize them with technological tools to communicate virtually and avoid exclusion and isolation.	100	Children, young people and/or adults with aphasia, from CABA.
Personas Voluntarias Unidas - Comedor La Canchita (La Canchita Dining Room)	Purchase of an industrial oven and refrigerator to increase the production of the pastry workshop, in which mothers from the dining room participate.	14	Women from Córdoba.
PRASAM Foundation	Purchase of equipment for the agro-ecological vegetable garden workshop, a project that arose in the context of the pandemic to provide healthy food to the families.	100	Young people and their families from Greater Buenos Aires.
Fundación Conociendo Nuestra Casa (Knowing Our Home Foundation)	Purchase of life jackets and paddles to provide greater safety in the kayaking and sailing workshops. Through these sports, young people receive environmental education to become future defenders of nature.	250	Children and adolescents from Puerto Deseado, Santa Cruz.
IDeL - Labor Inclusion and Development	Purchase of a sewing machine for the sewing workshop, through which we seek to develop manual skills and abilities to promote personal development, independence and empowerment of young people.	20	Youth and adults with disabilities, from CABA.
Learning by Doing	Purchase of supplies for the construction of a sustainable cabin in the nature reserve.	100	Children, youth and adults from Córdoba City.
Los Coihues Orchestra - School N.º 324	Purchase of musical instruments for the orchestra, in order to support the musical	74	Children and adolescents from San Carlos de

	education and training of children and adolescents.		Bariloche, Río Negro.
San Genaro Foundation - Sus Manitos	Purchase of supplies for a cooking workshop, in which young people can obtain basic knowledge of hygiene, food handling and preservation. The workshop seeks to develop their social skills and promote their personal growth.	35	Adolescents from Monte Grande, Buenos Aires.
Ale Andrada Soup Kitchen	Extension of the electrical installation, installation of the water and drainage system, and installation of openings for the school support rooms located in Barrio Padre Mujica.	50	Children and adolescents from CABA.
San Francisco Club -San Carlos Civil Association	Completion of the construction of a SUM that will allow them to have an indoor space for different educational, social and sports activities.	240	Boys and girls from Allen, Río Negro.
Wilde" Sheltered Workshop	Repairs to the classrooms to improve the conditions of the occupational space for the youngsters and guarantee their safety.	45	Young people and their families from Wilde, Buenos Aires.

11.6. Culture

During 2021, the Bank made contributions for cultural projects in the Autonomous City of Buenos Aires for a total amount of Ps. 10,793,704 through the Patronage program, among the beneficiaries is the Fundación Amigos del Teatro San Martín.

11.7. Suppliers of Banco Patagonia

1,936 active suppliers

97.83% of payments made to local suppliers.

Banco Patagonia establishes processes, regulations and principles to ensure a sustainable level of quality and management in its value chain. In addition, it accompanies its suppliers so that they can develop and grow their business. It works with local suppliers, most of which are SMEs.

Main areas in which suppliers work

- Technology
- Construction companies
- Marketing and merchandising
- Graphics
- Consultancy firms
- Cleaning
- Security.

In 2021, the Bank made new modifications and intensified the implementation of the internal regulations of the Purchasing area (MNP069).

- It offered the opening of a free supplier account.
- It also recalled the mandatory use of the RFI form (request for information for the first time) for the analysis and evaluation of suppliers prior to the execution of any type of transaction. For this purpose, the company Fidelitas (specialized in the analysis and evaluation of suppliers) was hired again to carry out a pilot test in which they will prepare a detailed analysis with a sample of 100 suppliers defined as critical.
- Incorporated to the RFI points related to sustainability, social responsibility and anti-corruption processes, which are considered an element of relevance at the moment of initiating a relationship with a supplier.

- Adapted the regulations so that the approval circuit of technical proposals that go to Directors is 100% online, via e-mail. Purchases for lower amounts, which do not require intervention, are also channeled digitally through the web.

Supplier Profile	2021	2020
Active suppliers	1,936	1,878
% of local suppliers	97.83%	97.57%
Payment to suppliers	\$ 12,134,559,380.52	\$ 7,483,264,050.22
Percentage of payments made outside the country	2.17%	2.43%

11.7.1. Communication Channels

Banco Patagonia maintained regular communications during 2021 with its suppliers, through the Administration and Assets Management team, by means of telephone calls, e-mail and digital video call platforms.

Additionally, as part of the Bank's Integrity Program, suppliers have the confidential Ethics Line channel to report possible irregularities. This number is published in the institutional website as well as in each purchase order generated.

11.7.2. Selection and contracting process

For the selection and contracting of suppliers, Banco Patagonia has a standardized process that allows it to guarantee the transparency of its implementation and that contracting complies with corporate standards and values. This process -formulated in the MNP069- starts 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.

As in previous years, the Entity continued to implement the initial requirement form for the analysis and evaluation of suppliers prior to the execution of any operation, which includes social, environmental and integrity aspects.

Information requested from suppliers in the initial requirement form

- Accounting, financial, legal and tax situation.
- Capacity of the organization
- Five main clients
- Labor aspects
- Quality certifications
- Measures implemented for the prevention of money laundering from illicit activities.
- Environmental aspects related to waste management
- Anti-corruption plans and whether or not they are linked to the State.

11.7.3. Evaluation Process

The Bank's supplier evaluation circuit is described in the Procurement and Contracting Manual in accordance with the Quality Management System and the ISO 9001 Standard. During the evaluation, the supplier's accounting, financial, legal and tax situation is examined, and the labor documentation corresponding to article 30 of the Labor Contract Law is checked. Under this scheme, 60 suppliers were evaluated in 2021.

On the other hand, evaluations were carried out with the bases provided by the AFIP, to identify and discontinue suppliers that are included in the AFIP's base of apocryphal invoices.

In addition, for suppliers who joined the Bank to perform their tasks, a hygiene protocol was requested within the framework of COVID-19.

In 2021 the Bank continued working with suppliers categorized as sustainable, among them Ledesma Autor, Prosegur, Green Tec, Cruz del Sur and Kimberly Clark.

Within this framework, no suppliers with significant potential and actual significant negative social impacts were identified.

11.7.4. Responsible management of the value chain

Banco Patagonia has a code of ethics for suppliers, which is permanently communicated to the members of its supply chain.

The Bank implemented the Ethical Principles for Supplier Management in contracts and purchase orders.

Ethical Principles for Supplier Management

Banco Patagonia implemented and included the Ethical Principles for Supplier Management in its purchasing regulations. In order for all suppliers to be aware of the Ethical Principles, the Bank defined that the document be sent in stages until all members of its supply chain are aware of them. They will be communicated at the time of each renewal or new contracting. To this end, the model contracts for the various goods and services procurement operations have been modified.

As regards security personnel, the Bank requires them to comply with its own operational and mandatory rules. The objective is to establish and delimit the functions, responsibilities and prohibitions of the guards in the branches. The instructions include general rules, the procedure for recharging and balancing ATMs, and for entering branches, the starting and ending hours of the service, and the communication channels in force. In addition, security service providers 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, legal aspects, human rights and first aid.

12. NATURAL CAPITAL

Banco Patagonia promotes a responsible management with the planet from its role as a financial institution and within its own management. With respect to customers, it analyzes social and environmental risks in the loans granted and promotes products aligned with the Green Bond Principles. Internally, it develops actions to make a more efficient use of natural resources and minimize the waste generated.

12.1. Generating environmental value in the business

Social and environmental risk analysis⁹

**2,513 credit proposals analyzed under social and environmental criteria.
+ \$560 billion analyzed**

The Bank performs an analysis of social and environmental risks among clients with operations funded through multilateral organizations and with long-term financing equal to or greater than \$10 million.

During 2021, 2,513 credit proposals -\$564,225.36 million- were categorized according to the guidelines of the Standard Industrial Classification Code (UICC) provided by the United Nations in environmental and social terms. All proposals complied with the requested requirements. The economic sectors most analyzed under this system were: agricultural and automotive.

⁹For more information, see the "Environmental and social risks" section in the "Integrated risk management" chapter of this Report.

In addition, in order for the teams in the credit areas to be trained, the Bank organized participation in different courses and seminars on climate change, the TCFD Initiative of UNEP FI of the United Nations, and a virtual training organized by UK Pact.

The Bank participated in the Social and Environmental Commission of the Sustainable Finance Protocol, leading a project to improve the Social and Environmental Risk Analysis System (SARAS).

Green Bonds

Banco Patagonia participated as placement agent in the first issues of negotiable obligations (ON) of Gennea SA and Luz de Tres Picos S.A. aligned with the Green Bond Principles.

The Notes issued by Gennea were for a total of USD 64.5 million and those issued by Luz de Tres Picos for USD 30 million. This will boost the Bank's business in this type of operations and strengthen its position as a key player in the Argentine capital market.

Generating value for the environment through lending

During 2021, disbursements received by trade and financial lines with the objective of improving energy efficiency were maintained. The agencies continued to offer their support and resources, without requesting pre-cancellations.

12.2. Management of direct impacts

- 2% of energy savings in branches and central areas.**
- 20% of the energy purchased for the building at Av. de Mayo 701 was from a sustainable energy generator.**
- 21% less purchases of reams of paper.**

12.2.1. Energy Consumption

Banco Patagonia gave continuity to the following actions in energy matters:

- Use of air conditioners at 24° C.
- Placement of lighting and air conditioning services in "on demand" mode in some of its buildings.
- Rational use of energy in illuminated advertising and branch offices.
- LED lighting in new signage and control of the switch-off at non-necessary times.
- Migration to LED technology of branch canopies.
- Installation of air conditioning systems by sectors (VRF).
- Renewal of obsolete thermo-mechanical equipment in the branches.
- Monthly purchase of 20 % of the electric energy that supplies the building at Av. de Mayo 701 from a sustainable energy generator.
- Continued to terminate natural gas services in branch offices.

In addition, it carried out awareness campaigns through publications in Workplace with the aim of achieving efficient energy consumption.

As a result of these initiatives, the Bank achieved energy savings of 2% between branches and central areas.

Internal energy consumption in MWh	2021	2020	2019
Electric Energy	18,522	18,829	19,638

Energy intensity in KWh/m2	2021	2020	2019
Branches	15.54	15.27	15.91
Central áreas	15.59	17.03	18.97

50% savings in energy consumption.

16 branches saved 25% in energy consumption by migrating to LED lighting technology.

Greenhouse gas emissions (in tn of CO2 equivalent emitted)	2021	2020
Total indirect GHG emissions from energy generation (Scope 2) (1)	7,930.69	8,062.14
<small>(1) CO2 emission factor of the Argentine electricity grid, National Energy Secretariat. In 2020 and 2021 the emission factor 0.4282 TnCO2/Mwh was taken. The conversion factor corresponds to the 2019 operating margin. http://datos.minem.gob.ar/dataset/calculo-del-factor-de-emision-de-co2-de-la-red-argentina-de-energia-electrica</small>		

12.2.2. Biodiversity Value

Some of Banco Patagonia's branches are located on land with high biodiversity value:

- o Chilecito Branch, La Rioja
- o Calafate Branch, Santa Cruz
- o Ushuaia Branch, Tierra del Fuego
- o San Martín de los Andes Branch, Neuquén, Neuquén
- o Villa La Angostura Branch, Neuquén, Neuquén
- o El Bolsón Branch, Río Negro, Argentina
- o Ingeniero Jacobacci Branch Office, Río Negro
- o Beltrán Branch Office, Río Negro
- o Campo Grande Branch, Río Negro
- o Los Menucos Branch, Río Negro
- o Fernández Oro Branch, Río Negro
- o Enrique Godoy Branch Office, Río Negro
- o Dina Huapi Customer Service Center, Río Negro
- o Playas Doradas ATM, Río Negro
- o Centro de Atención Comercial Las Grutas, Río Negro o ATM Las Grutas, Río Negro
- o Ñorquincó ATM, Ñorquincó Municipality, Río Negro

12.2.3. Paper management and digitization

20,136,337 documents digitalized

61% of procedures carried out with digital records

Banco Patagonia continued with the challenge of reducing paper consumption, which implied the digitalization of processes and transactions and their replacement by management through digital channels. To this end, the following actions were carried out:

- It eliminated the printing of attached documents and included digital signature.
- For documents that require a physical receipt, an improvement in the system was implemented so that the printing is double-sided, generating a 50% reduction in the use of paper.
- Implemented the possibility of receiving documents digitally signed by clients and digital notarial certifications in the CABA jurisdiction.
- Incorporated the sale of Personal Loans from the customer contact center, so that this channel had the possibility of selling the same product offering as in branch offices.
- Digitalized documentation involved in the process of deceased persons.
- Implemented the registration of visits to safe deposit boxes from the Consolidated Customer Position so that they could be done remotely.
- Added remote sales management of products and services for wholesale segments.
- For existing customers, it established a modality that makes it possible to send digital documentation for the analysis, control and settlement/registration in the Bank of packages, personal loans, registration of products and additional credit card products, as well as registration of wholesale services.
- Current account registration for legal entities is being implemented.

Reduction of paper consumption by 21% with respect to the previous year.

Paper consumption (in tons) (1)	2021	2020	2019
Reams of letter paper	68.75	86.90	128
Reams of A4 paper	0.405	0.67	3.1
Reams of legal paper	0.1375	0.20	0.75
Total	69.29	87.77	131.85
(1) Each ream weighs 2.5 kilograms.			

Number of processed packages Modality	2021	2020	2019
With printed forms	49,390	63,001	121,881
Digital file-digital signature	106,821	75,762	106,020
Digital file-paper signature	41,084	25,134	40,253
Digital file-remote signature	33,807	-	-
Total	231,102	163,897	268,154

DIGITAL SUMMARY		2021
Monthly savings accounts (*)		4,980,000
Four-monthly savings accounts (*)		2,070,000

(*) Period January/November 2021. Includes savings and checking accounts.

12.2.4. Waste Management

The Bank implemented a wet and recyclable waste collection service in all branches of CABA.

All CABA branches and central area offices have differentiated containers to separate waste. During 2021, all CABA branches were incorporated to the differentiated waste collection process by a supplier validated for this task. Previously, this service was only provided at branches in the Microcentro area and central buildings.

As part of the process, the cleaning staff collects the bags with the differentiated waste for later removal. The supplier company measures the volume and delivers a delivery note indicating the amount of wet and recyclable waste. Previously, everything was discarded in the dumpster closest to each branch.

The incorporation of this process in 41 buildings allowed, during November and December, the traceability of 457m³ of wet waste and 81m³ of recyclable materials that were transferred separately to SEAMSE for treatment by the waste management cooperatives.

On the other hand, 100 pieces of unused equipment, mainly monitors, CPUs and keyboards, were donated to the Asociación Civil Basura Cero (Zero Garbage Civil Association), which carried out a responsible treatment of WEEE for the recovery and reuse of its materials and components.

These actions contribute to compliance with the Zero Waste Law 1854.

12.3. Awareness and Training

In 2021, Banco Patagonia continued to carry out actions to encourage employees to reduce, reuse and recycle plastics, paper and cardboard. Those elements that can be recycled are removed from the branches and delivered to a recycling cooperative located at the CEAMSE.

In addition, in the context of hybrid work, various actions were promoted to raise awareness and train employees and their families in waste management both at work and at home.

During Environment Month, which was marked by Recycling Day (May 17) and World Environment Day (June 5), the following actions were carried out:

- Internal communication campaign with different audiovisual pieces on recycling, efficient use of resources and good consumption habits.
- Online escape game with the objective of saving 1,000 m2 of native forest. 141 employees participated, who by accessing a specific website were able to answer questions and live a learning experience through gamification.
- Open talk "Towards a sustainable lifestyle", in which 25 employees were able to access updated information on environmental issues and the latest trends in conscious consumption. The impact that each person has as a consumer was highlighted and tools and tips were provided to incorporate more sustainable habits at home.

13. Closing

The Board of Directors expresses its gratitude to customers, suppliers, financial institutions, control entities and shareholders for the support received, and especially to the Bank's personnel for their effort, professionalism and commitment during this fiscal year.

February 24, 2022.

APPENDIX I: GRI Content Index

This Report was prepared "in accordance" with the GRI Standards, Essential option. This section presents the GRI Content Index with its respective pages and notes for those material topics defined in the Materiality Analysis described in this document.

GRI Table of Contents			
GRI Standard	Content	Section	Omission
GRI 101: Fundamentals 2016			
General Contents			
GRI 102: General Disclosures 2016	102-1 Name of organization	2.	
	102-2 Activities, brands, products and services	3.1, 9.1, 9.3-9.8	
	102-3 Location of headquarters	Buenos Aires, Argentina	
	102-4 Location of operations	Argentina	
	102-5 Ownership and legal form	3.3, 3.4	
	102-6 Markets served	3.1, 9.1-9.8	
	102-7 Size of the organization	3.3, 3.4, 8.2, 10.1	
	102-8 Information on employees and other workers	10.1 Employees with permanent labor contract in CABA and Buenos Aires: 2,092 Employees with permanent labor contract in the interior of the country: 1,108	
	102-9 Supply chain	11.7	
	102-10 Significant changes in the organization and its supply chain	9.12, 11.7	
	102-11 Precautionary approach or principle	5.1, 5.2, 7.1, 12.1	
	102-12 External initiatives	2, 3.5, 11.2	
	102-13 Membership in associations	3.5	
	102-14 Statement from senior decision makers.	1.	
	102-15 Describe key impacts, risks, and opportunities.	1, 5, 7.1, 7.4, 7.5	
	102-16 Values, principles, standards, and norms of behavior	3.1, 7.5	
	102-17 Advisory and compliance mechanisms	7.5	
	102-18 Governance structure	6.2, 6.4-6.6	
	102-19 Delegation of authority	6.2	
	102-20 Executive-level responsibility for economic, environmental, and social topics	Banco Patagonia has a CSR area that reports to the Organizational Climate Management, under the Human Development and Organizational Climate Executive Management, which is responsible for the coordination of social investment programs and actions related to sustainability management developed jointly with other areas of the Bank.	
	102-21 Stakeholder consultation on economic, environmental, and social issues	5.2, 6.3 Stakeholders are represented through the members of the Superintendencies and Executive Managements that report directly to the Board of Directors, and respond to their expectations and needs.	
	102-22 Composition of the highest governance body and its committees.	No member of the Board of Directors performs an executive function within the Bank. The seniority of each member of the Board of Directors, their ages, as well as their curricula vitae, detailing their competencies related to economic, environmental and social issues, are published on the Bank's institutional website www.bancopatagonia.com .	

102-23 Chairman of the highest governance body	The President of Banco Patagonia does not hold an executive position.	
102-24 Nomination and selection of the highest governance body	6.3	
102-25 Conflicts of interest	6.3	
102-26 The highest governance body's role in the selection of purpose, values, and strategy.	6.3	
102-27 Collective wisdom of the highest governance body	6.3	
102-28 Evaluation of the highest governance body's performance	6.3	
102-29 Identification and management of economic, environmental, and social impacts.	7.1-7.5, 12.1	
102-30 Effectiveness of risk management processes.	7.2-7.4	
102-31 Evaluation of economic, environmental, and social topics	The frequency of analyses and studies on economic, social and environmental risks varies according to the tool used. Annual and periodic evaluations are carried out in the framework of the Board of Directors and Superintendents' meetings.	
102-32 Highest governance body's role in sustainability reporting	The Bank's Board of Directors reviews and approves the Integrated Annual Report.	
102-33 Communication of critical concerns	The Board is aware of significant stakeholder opinions and expectations through market research presentations, satisfaction surveys, work climate analysis, evaluation of social programs, among others. Significant concerns include the topics selected in the Materiality Analysis.	
102-34 Nature and total number of critical concerns.	5.3	
102-35 Remuneration policies	6.3, Exhibit III	
102-36 Process for determining compensation	6.3, Exhibit III	
102-37 Stakeholder engagement in remuneration	Stakeholders are not taken into account in determining the remuneration of corporate governance.	
102-38 Annual total compensation ratio		Confidentiality issues. This standard is not reported in its entirety. Given the local context in which Banco Patagonia operates, this information is confidential in order to safeguard the personal safety of our employees and the entity's senior management.
102-39 Ratio of percentage increase in annual total compensation		Confidentiality issues. This standard is not reported in its entirety. Given the local context in which Banco Patagonia operates, this information is confidential in order to safeguard the personal safety of our employees and senior management.
102-40 List of stakeholders	5.2	
102-41 Collective bargaining agreements	10.1	
102-42 Stakeholder identification and selection	5.2	
102-43 Approach to stakeholder engagement	5.2, 5.3, 7.5, 9.9, 10.5, 10.7, 11.7.1, 12.3	
102-44 Key topics and concerns raised	5.2, 5.3, 9.9, 10.5	
102-45 Entities included in the consolidated financial statements	2	

	102-46 Definition of the contents of the reports and Subject Matter Coverage	2, 5.3	
	102-47 List of material topics	5.3	
	102-48 Restatement of information	The information presented in the report does not affect comparability with previous reports.	
	102-49 Changes in Reporting	There were no changes in reporting.	
	102-50 Reporting period	Year 2021	
	102-51 Date of last report	Year 2020	
	102-52 Reporting cycle	Annual	
	102-53 Contact point for questions regarding the report 102-54 Statement to report in accordance with the reporting cycle	General Coordination: Executive Management of Human Development and Organizational Climate. rse@bancopatagonia.com.ar (011) 4323 - 5517 Av. de Mayo 701, Autonomous City of Buenos Aires. www.bancopatagonia.com.ar	
	102-54 Statement of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.	
	102-55 GRI Content Index	Exhibit I	
	102-56 External Verification	Exhibit II	
MATERIAL ISSUES			
Procurement practices			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.1, 11.7	
	103-3 Evaluation of management approach	11.7, 11.7.2, 11.7.3	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	1.7	
Anti-corruption			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.2, 7.1, 7.7-7.5	
	103-3 Evaluation of management approach	7.2-7.5	
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption 205-2 Communication and training on anti-corruption policies and procedures	7.1-7.5	
	205-2 Communication and training on anti-corruption policies and procedures	7.1-7.5	
	205-3 Confirmed cases of corruption and actions taken 205-3 Confirmed cases of corruption and actions taken	No cases of corruption were reported.	
Materials			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.2, 12, 12.2.3	
	103-3 Evaluation of management approach	12.2.3	
GRI 301: Materials 2016	301-1 Materials by weight or volume	12.2.3	
	301-2 Recycled inputs used	The Bank does not use recycled elements to produce primary products and services. However, it does use sustainable paper made from sugarcane fiber.	
	301-3 Reused products and packaging materials 301-3 Reused products and		Not applicable. Not applicable due to Banco

	packaging materials		Patagonia's type of business.
Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.2, 12, 12.2.1	
	103-3 Evaluation of management approach	12.2.1	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	12.2.1	
	302-3 Energy intensity	12.2.1	
	302-4 Reduction of energy consumption	12.2.1	
	302-5 Reductions in the energy requirements of products and services 302-5 Reductions in the energy requirements of products and services	12.1, 12.2.1	
Own indicator	Energy savings in branch offices and central areas	1.2	
Own indicator	Energy purchased for the Avenida de Mayo 701 building from a sustainable energy generator.	1.2	
Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.2, 12, 12.2.1	
	103-3 Evaluation of management approach	12.2.1	
GRI 305: Emissions 2016	305-2: Direct GHG emissions (Scope 2)	12.2.1	
	305-7: Nitrogen oxides (NOx), sulfur oxides (SOX) and other significant air emissions		Not applicable. This indicator does not apply to Banco Patagonia, since it is a financial institution and does not emit NOx, SOx or other significant emissions.
Waste			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.2, 12, 12.2.4	
	103-3 Evaluation of management approach	12.2.4	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	12.2.4	
	306-2 Management of significant waste-related impacts 306-2 Management of significant waste-related impacts 306-3 Evaluation of the management approach	12.2.4	
	306-4 Waste not destined for disposal	12.2.4	
Environmental assessment of suppliers			
GRI 103: 2016 Management Approach	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.2, 11.7.3	
	103-3 Evaluation of management approach	11.7.3	

GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	At present, Banco Patagonia is not aware of the existence of significant negative impacts in the supply chain for this concept. Notwithstanding the aforementioned, controls are carried out with respect to the compliance with social security obligations of certain suppliers defined as "critical" because they have personnel working in their buildings.	
Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.2, 10, 10.1	
	103-3 Evaluation of management approach	10.1	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover 401-2 Benefits for full-time employees that are not provided to part-time or temporary employees	10.1, 10.2	
	401-2 Benefits provided to full-time employees that are not provided to part-time or temporary employees	10.8	
	401-3 Parental leave	10.8	
Training and education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.2, 10, 10.3, 10.4	
	103-3 Evaluation of management approach	10.3, 10.4	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee 404-2 Programs to improve employee skills and programs to assist in transition.	10.3	
	404-2 Programs to improve employee skills and transition assistance programs 404-3 Percentage of employees receiving training per year per employee.	10.3	
	404-3 Percentage of employees receiving regular performance evaluations and professional development.	10.4	
Own indicator	404-3 Percentage of employees receiving regular performance and career development reviews	10.4	
Diversity and inclusion			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.2, 10, 10.6	
	103-3 Evaluation of management approach	10.1, 10.6	
GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity in governing bodies and employee diversity	6.2, 10.1	
Local communities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.2, 11, 11.1	
	103-3 Evaluation of the management	11.1	

	approach		
GRI 413: Local Communities 2016	413-1 Operations with local community involvement, impact assessments, and development programs.	11.1	
	413-2 Operations with significant actual or potential negative impacts on local communities.	There were no negative impacts on local communities as a result of the Bank's operations.	
Own indicator	Number of participants in the Entrepreneurs of Rio Negro program	11.4	
Own indicator	Number of beneficiaries of the Social Investment in Education programs	11.3	
Own indicator	Direct beneficiaries of the corporate volunteering program	11.5	
Social assessment of suppliers			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.2, 11, 11.7.3	
	103-3 Evaluation of management approach	11.7.3	
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	At present, Banco Patagonia is not aware of the existence of significant negative impacts in the supply chain for this concept. Notwithstanding the aforementioned, controls are carried out with respect to the compliance with social security obligations of certain suppliers defined as "critical" because they have personnel working in their buildings.	
Customer health and safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.2, 9.14, 9.15	
	103-3 Evaluation of the management approach	9.14, 9.15	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of health and safety impacts of product or service categories	9.14, 9.15	
	416-2 Instances of non-compliance related to health and safety impacts of product or service categories	There have been no cases of non-compliance with the regulations described above.	
Customer privacy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.2, 9.15	
	103-3 Evaluation of the management approach	9.15	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data	There have been no complaints in this regard.	
Inclusion and financial education			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.2	
	103-3 Evaluation of the management approach	11.1	
Own indicator	Initiatives carried out on financial education for stakeholders	11.3	
Own indicator	Initiatives undertaken to improve access to financial services for disadvantaged people.	11.2, 11.3	

Own indicator	Increase in the number of ATMs adapted for use by the blind and visually impaired.	9.13	
Customer experience			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	3.1, 5.2, 9.9	
	103-3 Evaluation of the management approach	9.9	
Own indicator	Measuring customer satisfaction	9.9	
Impact financial products			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.2, 12.1	
	103-3 Evaluation of the management approach	12.1	
Own indicator	Credit proposals analyzed under social and environmental criteria	12.1	
Environment al awareness			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.2, 12.3	
	103-3 Evaluation of the management approach	12.3	
Own indicator	Environmental awareness actions and campaigns	12.3	
Organization al climate management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.2	
	103-3 Evaluation of the management approach	10.5	
Own indicator	Results of the climate survey	5.4, 10.5	
Innovation and technology			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its scope	5.3	
	103-2 Management approach and its components	5.2	
	103-3 Evaluation of the management approach	9.8, 12.2.3	
Own indicator	Number of clients that operated digitally	5.4, 9.8, 12.2.3	

EXHIBIT II: External Audit Report.**Limited assurance report of independent public accountants (on Integrated Annual Report 2021).**

Deloitte & Co. S.A.
Florida 234, 5° piso
C1005AAF
Ciudad Autónoma de Buenos Aires
Argentina

Tel.: (+54-11) 4320-2700
Fax: (+54-11) 4325-8081/4326-7340
www.deloitte.com/ar

Messrs.
Banco Patagonia S.A.
Av. de Mayo 701, 24th Floor
Autonomous City of Buenos Aires
TAX IDENTIFICATION NUMBER: 30-50000661-3

1. Identification of the information that is the subject of the engagement.

We have been engaged by Banco Patagonia S.A. to issue a limited assurance report on the information contained in the accompanying Integrated Annual Report for the period from January 1, 2021 to December 31, 2021.

2. Responsibility of Banco Patagonia S.A. in relation to the information subject of the assignment.

The Bank is responsible for:

- The content of the attached Integrated Annual Report, which implies determining which is the coverage and performance indicators to be included, and of relevance for the stakeholders to which it is addressed;
- The definition of the criteria applicable in the preparation of said Report. The framework used is the Integrated Reporting Framework provided by the International Integrated Reporting Council ("IIRC") as well as the criteria defined in the GRI Standards (Global Reporting Initiative) in its essential "compliance" mode.
- The maintenance of appropriate records to support the process of managing the relevant information for the purposes set forth herein and the execution of the performance measurement based on the established criteria;
- The design, implementation and execution of adequate internal controls for the preparation of the information under analysis;
- The preparation and presentation of the accompanying Report.

3. Responsibility of public accountants.

Our responsibility is to carry out our engagement to issue a limited independent assurance report in accordance with the standards set forth in Technical Resolution No. 35 of the Argentine Federation of Professional Councils in Economic Sciences. Said standards require that we comply with the ethical requirements, as well as that we plan and execute the engagement in order to issue a limited and independent assurance report on the Sustainability Report with the scope detailed herein. The external assurance is proposed as a Limited Review, based on the International Standard on Assurance Engagement 3000 (ISAE-3000) of the International Auditing and Assurance Standard Board (IAASB), which establishes a series of procedures for auditors to issue their opinion on aspects other than financial information, together with the Accountability 1000 Assurance Standard (AA1000AS).

In a limited assurance engagement, evidence is obtained, based on tests on a selective basis, of the evidence related to the sustainability information covered by our report. It also includes an assessment of the estimates, and inquiries of the persons responsible for the preparation of the information presented, and other similar procedures, which are smaller in scope compared to an audit and therefore do not allow us to obtain assurance that we have become aware of all significant issues that could be identified in an audit or reasonable assurance work. To obtain limited assurance on the sustainability indicators identified in Exhibit 1 of this Report our task consisted of:

- interview the Entity's management and staff responsible for collecting the information and developing the selected performance indicators in order to obtain an understanding of the Entity's policies on sustainability, the control activities implemented, the information collection systems used;
- perform tests, on a selective basis, to verify the accuracy of the information presented with respect to the selected indicators;
- analyze, if applicable, the information systems and methodology used to compile the quantitative data corresponding to the Entity's performance indicators;
- inspect, on a selective basis, the existing documentation to corroborate the statements made by management in our interviews.

We believe that the evidence and judgments we have obtained provide a sufficient and appropriate basis for our limited assurance conclusion. Non-financial information is subject to its own limitations, given its nature and the methods used to calculate, sample or estimate values, which are subject to assumptions and judgment individual. We have not performed any work outside the agreed scope and, therefore, our conclusion is limited only to the sustainability information selected and reviewed.

4. Conclusion

Based on the work described in this Report, nothing has come to our attention that would lead us to believe that the sustainability indicators described in Exhibit I and contained in the Integrated Annual Report for the period from January 1, 2021 to December 31, 2021 of Banco Patagonia S.A., do not contain significant inaccuracies with the records and files that served as a basis for their preparation.

Autonomous City of Buenos Aires,
February 22, 2022.

DELOITTE & Co. S.A.
(Commercial Companies Registry
C.P.C.C.E.C.A.B.A. - T° 1 - F° 3)



Esteban Enderle (Socio)
Contador Público U.B.A.
C.P.C.E.C.A.B.A. - T°364 - F°233

Deloitte & Co. S.A. CPCECABA Commercial Registry T°1 Folio 3

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a United Kingdom private company limited by guarantee ("DTTL"), its network of member firms, and its related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also known as "Deloitte Global") does not provide services to clients. A detailed description of the legal structure of DTTL and its member firms can be found at www.deloitte.com/about.

Deloitte Touche Tohmatsu Limited is a private company limited by guarantee incorporated in England and Wales under company number 07271800, with its registered office at Hill House, 1 Little New Street, London, EC4a, 3TR, United Kingdom.

Indicator

Number of clients that operated digitally

Increase in the number of ATMs adapted for the use of blind people

Credit proposals analyzed under social and environmental criteria (quantity)

Credit proposals analyzed under social and environmental criteria (amount)

Hours of employee training

Number of people enrolled in the program Entrepreneurs of Río Negro

Number of beneficiaries of the social investment in education programs (number)

Direct beneficiaries of the corporate volunteer program

Energy savings in branches and central areas

Energy purchased for the Avenida de Mayo 701 building from a sustainable energy generator.

This Exhibit is an integral part of our Report dated 02/22/2022.

DELOITTE & Co. S.A.

(Commercial Companies Registry
C.P.C.E.C.A.B.A. - T° 1 - F° 3)

**Esteban Enderle (Socio)**

Contador Público U.B.A.

C.P.C.E.C.A.B.A. - T°364 - F°233

Deloitte & Co. S.A. CPCECABA Commercial Registry T°1 Folio 3

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a United Kingdom private company limited by guarantee ("DTTL"), its network of member firms, and its related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also known as "Deloitte Global") does not provide services to clients. A detailed description of the legal structure of DTTL and its member firms can be found at www.deloitte.com/about.

Deloitte Touche Tohmatsu Limited is a private company limited by guarantee incorporated in England and Wales under company number 07271800, with its registered office at Hill House, 1 Little New Street, London, EC4a, 3TR, United Kingdom.

EXHIBIT III – REPORT ON THE CORPORATE GOVERNANCE CODE 2021

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.

Inspired by the values upheld in the Code of Ethics, the Principles for the management of suppliers and related third parties integrate ethical, social and environmental factors into our procurement practices.

The Code of Ethics, the Principles for the management of suppliers and related third parties, as well as the Integrity Policy and Program, are published on our website (www.bancopatagonia.com.ar/institucional/banco-patagonia/etica-e-integridad.php).

- 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 strategy of the business and, within this framework, approves the Strategic Plan. The Strategic Plan 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, socio-political and regulatory context, as well as the Bank's capabilities in relation to its competitive environment, 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 composed of corporate results based on growth and digital transformation, business and human development objectives. The current Strategic Plan was approved by the Board of Directors on 12/16/20 for the period 2021-2025.

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 the financial activity and possibility of functional dedication. Additionally, the Bank's Board of Directors approved a control procedure applicable to itself and its controlled companies, so that such conditions may be verified on an annual basis.

Notwithstanding the provisions of applicable laws and regulations of controlling agencies, the rules governing the actions of the Board of Directors are set forth in the Bank's Bylaws and in the Internal Operating Regulations. These documents clearly detail: composition, term of office, disqualifications and incompatibilities, appointment of the Chairman and Vice-Chairmen, call for meetings, frequency of meetings, quorum and voting, remote meetings, functions and powers, legal representation, role of the Executive Management of the Board of Directors' Secretariat, etc.

During fiscal year 2021, the Board of Directors meetings were held in compliance with the regulated periodicity, with a high participation of its members. 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 Article Twelve of the Company's Bylaws 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 Chairman of the Board of Directors is responsible for the proper organization of the Board meetings, prepares the agenda ensuring the collaboration of the other members and ensures that they receive the necessary materials in sufficient time to participate in an efficient and informed manner in the meetings. Committee chairpersons have the same responsibilities for their meetings.

Recommended practice is applied.

As it arises from the Bank's Corporate Governance Code, the Chairman of the Board of Directors is responsible for ensuring the proper functioning of the Board of Directors. To this end, he/she should:

- Generate a positive and constructive working space for all Board members, and ensure that they receive continuous training to keep them updated and to be able to properly perform their duties.
- Ensure that the Board 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 supervision and continuous monitoring.
- Organize Board meetings.

In order to achieve productive Board meetings, the Chairman is assisted by the Executive Management of the Board Secretariat, as explained in Practice 9 of this Report. With his assistance, the agenda for the meetings held during each annual cycle is established, including the pertinent matters whose consideration has been requested by one of the Vice Presidents or by the heads of each of the Committees. The Chairman's mission is to stimulate debate and determine the information necessary at any given time to ensure that the Directors can form an opinion and keep themselves informed on matters within their competence.

Notice of Board meetings must be given in writing at least two (2) business days in advance, as stipulated in the Company's Bylaws. With respect to the Shareholders' Meetings, the notification and announcement procedures are carried out in compliance with the procedures regulated by the General Corporations Law No. 19,550, and by Law No. 26,831 of the Capital Market, regulated by Resolution No. 622/13 of the CNV. During 2021, by virtue of the measures decreed by the National Executive Power for the prevention of COVID-19, the Shareholders' Meeting was called 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 one of them has its own internal rules of procedure, by means of which a "Coordinator" is appointed, who is in charge, among other tasks, of calling and chairing the meetings, authorizing the inclusion of issues that require a decision outside the term established for the preparation of the meeting agenda, evaluating and defining the issues to be discussed at the meetings, and authorizing the participation of guests. Likewise, each Regulation specifies the deadline to be met for the corresponding calls.

7. The Chairman of the Board ensures the proper internal functioning of the Board through the implementation of formal annual evaluation processes.

The recommended practice is applied.

Annually, prior to the Shareholders' Meeting, under the coordination of the Executive Management of the Board Secretariat, a self-evaluation of the Board's performance is carried out, which contains a questionnaire for each Board member to make a performance evaluation of the Board as a whole and an individual self-evaluation. A report of the results of these surveys is prepared, which is later formally reported at a Board meeting.

On the other hand, Internal Audit, in its corporate governance review cycle, evaluates the tasks related to the application of the Corporate Governance Code, among which the functioning of the Committees is evaluated.

8. The Chairman generates a positive and constructive working space for all Board members and ensures that they receive continuous training to keep them updated and to be able to properly perform their duties.

Best practice is applied.

In line with Practice 6, the Chairman generates a positive and constructive work environment for all Board members and ensures that they receive continuous training to keep them updated and to be able to properly perform their duties.

With respect to training, there is an annual plan for Directors, Superintendents and Managers. The 70/20/10 Learning Theory has been adopted for all the members of the Bank as an organizational learning approach, which states that 70% of what adults learn is through challenges and experiences, 20% from others around them (leaders, peers) and only 10% in courses and readings. The Training and Development area proposes activities designed to promote this learning modality under the premise of encouraging 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 2021, the following activities were carried out:

- Economic update conferences on a monthly basis by external consultants.
- Training on Money Laundering Prevention.
- Diversity and Inclusion Program - Top Management Meeting (Bridge the Gap).
- Language training program: English, Portuguese and Spanish.
- Meetings of Specialist Committees at the Association of Banks of Argentina (ABA).

9. The Corporate Secretary supports the Chairman of the Board in the effective management of the Board and assists in the communication between shareholders, Board and management.

The recommended practice is applied.

As explained in Practice 4, the Bank's structure includes an area that reports directly to the Board of Directors called Executive Management of the Board Secretariat. It performs an administrative and organizational function regarding 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 of which they are members.

The Executive Management reports to three Head Offices: "Secretary of the Board of Directors", whose mission is to assist the members of the Board of Directors and the Bank in matters within its competence, in order to accompany the decision-making process and ensure regulatory compliance with the decisions adopted; "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", whose mission is to assist the Shareholders, members of the Board of Directors and of the Supervisory Committee of the Bank's controlled companies, in order to comply with the formal aspects required for their operation and to intervene in all their corporate aspects.

Among other functions in charge of this area are the following: organizing Shareholders' Meetings, Board of Directors' meetings and Supervisory Committee meetings, analyzing and preparing the agenda of such meetings and preparing the resulting Minutes, attending to the needs of the shareholders in connection with corporate matters and other issues of their interest, analyzing the regulations issued by the different control agencies, focusing on those that have an impact on Governance issues, keeping the Corporate Governance Code updated, to participate and accompany the Organization in all matters related to the information involving the members of the Board of Directors, to make all the presentations of information before the control agencies regarding the Bank's corporate matters, to 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 agencies, to articulate the matters related to the Companies in which the Bank has a minority shareholding.

10. The Chairman of the Board of Directors ensures the participation of all its members in the development and approval of a succession plan for the CEO of the company.

Recommended practice is applied.

Banco Patagonia's Board of Directors has approved an organizational macrostructure, in which the day-to-day administration and supervision of all management and operational levels is decentralized to Senior Management, which is comprised of the following areas:

- Business with Companies Superintendence
- Superintendence of Branch Network and Business with Individuals
- Superintendence of Finance, Administration and Public Sector
- Credit, Risk Management and Internal Controls Superintendency
- Superintendency of Operations
- Superintendence of Products and Digital Businesses
- Executive Management of Human Development and Organizational Environment
- Technology, Communications and Systems Executive Management
- Executive Management of Planning, Branding and Communication
- Legal Affairs Executive Management
- Executive Management of the Board of Directors Secretariat
- Anti-Money Laundering Department
- 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 cover 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 carried out by an external consulting firm hired

especially for this purpose, there is surveyed and systematized information on the professional profiles of Superintendents and Executive Managers, thus allowing us to identify strengths and areas for improvement of each of them. During 2021, work continued on this project, with the information obtained and through individual coaching sessions, each member of Senior Management was able to work on the design of a development plan aligned with the strategic plan for the year, as well as on the identified areas for improvement.

C) COMPOSITION, NOMINATION AND SUCCESSION OF THE BOARD OF DIRECTORS

Principles

- IX. The Board of Directors shall have adequate levels of independence and diversity to enable it to make decisions in the best interest of the company, avoiding groupthink and decision-making by dominant individuals or groups within the Board.
- X. The Board should ensure that the company has formal procedures for the nomination and nomination of candidates for Board positions within the framework of a succession plan.

11. The Board of Directors has at least two members who are independent according to the criteria established by the National Securities Commission.

The recommended practice is applied.

The Bank's Board of Directors has two independent members, according to the criteria in force established by the National Securities Commission, out of a total of nine full members.

It should be clarified that, in accordance with BCRA Communication "A" 7143 and 7403, Banco Patagonia may not have Directors who perform executive functions in the Bank.

12. The Company has a Nominating Committee composed of at least three (3) members and chaired by an independent director. If the Chairman of the Board of Directors chairs the Nominating Committee, he/she shall abstain from participating in 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. Appointments and removals from the Board of Directors are resolved by the Ordinary Shareholders' Meeting, pursuant to the provisions of Section 234 of the General Corporations Law No. 19,550, in compliance with such Law, the Financial Institutions Law, the BCRA regulations on Authorities of Financial Institutions, the CNV regulations and the Bylaws, as regards the prohibitions and incompatibilities to hold the position of Director.

It should be clarified that the BCRA, as the controlling body of Financial Institutions, evaluates the conditions of legal ability, suitability, competence, probity, experience in the financial activity and possibility of functional dedication of the proposed members of the Board of Directors. These conditions must be maintained during the entire term of office. The corresponding background information is submitted to the BCRA for approval, at least 60 days prior to the date scheduled for the Meeting to be held to discuss the appointment, or within 30 calendar days after the appointment.

When a new evaluation by the BCRA is not available, the Financial Institutions must certify annually that their Directors maintain the conditions required by such Agency for the performance of the position. For such purpose, the Board of Directors approved a procedure applicable to itself and to its Controlled Companies so that such conditions may be verified every year.

13. The Board of Directors, through the Nominating Committee, develops a succession plan for its members that guides the pre-selection process of candidates to fill vacancies and takes into consideration the non-binding recommendations made by its members, the CEO and the Shareholders.

As detailed in Practice 12, appointments and removals from the Board of Directors are resolved by the Ordinary Shareholders' Meeting.

The members of Banco Patagonia's Board of Directors are a diverse group, with a combination of professional experience, age and geographic origin, aligned with the Bank's needs, which allow them to make decisions in the best interest of the company, avoiding group thinking and decision making by individuals or dominant groups.

As of December 31, 2021, the Board of Directors was composed of nine members, of which three are Argentine and six are foreigners; their ages are between 42 and 69 years old, and the most outstanding feature is the diversity of professional experience of each of them. Also, as of that date, the Board of Directors had four alternate members, who are the successors in the event of resignation, death or incapacity of the incumbent members.

14. The Board of Directors implements an orientation program for its newly elected members.

The recommended practice is applied.

The Executive Management of the Board Secretariat is the area in charge of assisting the members of the Board of Directors and the Supervisory Committee, from the moment they become aware of their possible appointment or effective assumption of office. From that moment on, they are contacted, not only to request the documentation required by the Controlling Entities, but also to support them in their incorporation, presenting the relevant aspects of the Bank and its governing bodies, administrative matters, presentations, explanations, organization of meetings, visits to the facilities, and any other need they may have, before and during the performance of their duties.

D) REMUNERATION

Principles

- | | |
|-----|---|
| XI. | The Board should generate incentives through remuneration to align management - led by the CEO - and the Board itself with the long-term interests of the company so that all directors fulfill their obligations to all shareholders in an equitable manner. |
|-----|---|

15. The company has a Compensation Committee that is composed of at least three (3) members. The members are entirely independent or non-executive.

The recommended practice is applied.

The Entity has a Human Development Committee, composed of: the Chairman of the Board of Directors, two Directors as Vice Chairmen and one independent Director, all with voting rights, and the Executive Manager of Human Development and Organizational Climate as a non-voting member.

As explained in Practice 11, in accordance with BCRA Communication "A" 7143 and 7403, Banco Patagonia may not have Directors who perform executive functions in the Bank, so that of the four members with voting rights, all of them are non-executive and one of them is also independent.

The matters discussed at the Committee's meetings are formalized in minutes that are submitted to the Board of Directors on a monthly basis for its information.

16. The Board of Directors, through the Compensation Committee, establishes a compensation policy for the CEO and members of the Board of Directors.

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,
- and to have trained and motivated personnel.

It includes a fixed remuneration, established according to the level of responsibility and professional trajectory of each employee, adjusted by conventional negotiations, and may also include a variable compensation, as a commercial incentive or commission for the commercial areas, or as a bonus.

The Human Development Committee is responsible for reviewing and proposing to the Board of Directors the approval of any policy 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 respect to remunerations (fees) to the Board of Directors, a policy has been approved, establishing the responsibility of setting such fees to the Shareholders' Meeting, in accordance with the provisions of Section 261 of the General Corporations Law No. 19,550. The determination of such remunerations must take into account the responsibilities, the time dedicated to the functions, the experience and the professional reputation. This criterion is based on the fact that the level of remuneration should be the one considered necessary to attract, retain and motivate Directors who meet the conditions required to perform such duties.

The possibility of granting other types of benefits such as equity interests is not contemplated.

E) CONTROL ENVIRONMENT

Principles

- XII. The Board of Directors should ensure the existence of a control environment, comprised of internal controls developed by management, internal audit, risk management, regulatory compliance and external audit, that establishes the necessary lines of defense to ensure the integrity of the company's operations and financial reporting.
- XIII. The Board of Directors shall ensure the existence of a comprehensive risk management system that allows management and the Board of Directors to efficiently direct the company towards its strategic objectives.
- XIV. The Board of Directors shall ensure the existence of a person or department (depending on the size and complexity of the business, the nature of its operations and the risks it faces) in charge of the internal audit of the company. This audit, to evaluate and audit the company's internal controls, corporate governance processes and risk management, should be independent and objective and have clearly established reporting lines.
- XV. The Audit Committee of the Board of Directors shall be composed of qualified and experienced members, and shall perform its duties in a transparent and independent manner.
- XVI. The Board of Directors shall establish adequate procedures to ensure the independent and effective performance of the External Auditors.

17. The Board of Directors determines the company's risk appetite and also supervises and ensures the existence of a comprehensive risk management system that identifies, evaluates, decides the course of action and monitors the risks faced by the company, including, among others, environmental, social and business risks in the short and long term.

The recommended practice is applied.

The Bank has policies and processes to manage the exposure to the different risks inherent to its activity, based on the strategic definitions emanating from the Board of Directors, especially regarding risk appetite and tolerance.

The Bank has implemented an integral risk management process in accordance with the guidelines established by Communication "A" 5398 and complementary. Through these principles, a series of procedures and processes have been defined to identify, measure and assess the risks to which the Bank 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 evaluates and monitors the risks related to information security and the prevention of money laundering and financing of terrorism. Likewise, environmental and social risks are evaluated in the credit operations analysis processes.

The Board of Directors defines the risk appetite and the associated tolerance limits. With the support of the Committees, the Board of Directors supervises the Integral Risk System, defines the global objectives expressed in goals and limits for the business units within the framework of the process of setting and controlling the risk appetite. Among the different Committees related to risk management, we can mention the: Operational Risk Committee, Global Risk Committee, Information Security and Protection of Information Assets Committee and Committee for the Control and Prevention of Money Laundering and Financing of Terrorism.

Finally, the Superintendence of Credit, Risk Management and Internal Controls, together with the Management Departments and Areas that comprise it, is responsible for the integral management and monitoring of the different risks assumed by Banco Patagonia.

18. The Board of Directors monitors and reviews the effectiveness of the independent internal audit and ensures resources for the implementation of an annual risk-based audit plan and a direct reporting line to the Audit Committee.

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 submitted annually to the Audit Committee for review and approval. The guidelines for performing its function are contained in the Audit Manual, which is approved by the Committee and the Board of Directors and is updated periodically.

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.

These Committees are composed as follows:

BCRA Audit Committee:

Composed of five (5) members with voting rights, namely:

- Two Directors as Vice-Chairman.
- Two independent Directors.
- The Internal Audit Manager.

Audit Committee - CNV:

Composed of (3) members with voting rights, namely:

- Two independent Directors.
- One Director as Vice-Chairman.

19. The internal auditor or members of the internal audit department 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 a wide experience in the matter 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 the constant professional and general updating is one of the indispensable requirements to maintain the quality of the Audit work.

In this sense, the Board of Directors encourages permanent training by authorizing refresher and improvement courses and seminars. The Internal Audit Manager shall establish the most convenient schedules, quotas, subjects and recipients for the training courses.

20. The Board of Directors has an Audit Committee that acts on the basis of a regulation. The committee is composed mostly of and chaired by independent directors and does not include the CEO. Most of its members have professional experience in financial and accounting areas.

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 Argentina. Both Committees are governed by the rules of said Controlling Bodies, as applicable, and by their Internal Operating Regulations.

The CNV Audit Committee is composed of three Directors, two of whom are independent, and such Directors are the Chairman and Vice-Chairman of the Committee.

The BCRA Audit Committee is made up of five members: two Directors as Vice-Chairman, 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, with the opinion of the Audit Committee, approves a policy for the selection and monitoring of external auditors, which determines the indicators to be considered when making the recommendation to the Shareholders' Meeting on the retention 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 set forth in the Principle that inspires this Practice and in the requirements established in this respect by the BCRA regulations in force. The Board of Directors of Banco Patagonia has been assigned, among other duties, to exercise due diligence in the process of hiring and monitoring the work of the external auditors.

According to the Internal Regulations of the Audit Committee of the CNV, this Committee must give its opinion regarding the proposal of the Board of Directors for the appointment of the external auditors to be

hired by the Bank and ensure their independence, review their plans and evaluate their performance, issue an opinion on the occasion of the presentation and publication of the annual financial statements, and analyze the different services rendered by them and their relationship with independence in accordance with the regulations in force.

In addition, according to the BCRA Audit Committee's internal regulations, this Committee must periodically review the compliance with the independence standards of the external auditors, recommend to the Board of Directors the candidates to serve as external auditor of the Bank, as well as the hiring conditions, detailing the opinion of the Audit Committee regarding the proposal for the appointment or removal of the external auditors, which must contain at least an evaluation of the background considered and the reasons for 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, analyze and give an opinion, prior to their hiring, regarding the different services rendered in the Bank and their relationship with independence, in accordance with the auditing standards established by the FACPCE and in any other regulation issued by the authorities in charge of the control of the professional license.

F) ETHICS, INTEGRITY AND COMPLIANCE

Principles

XVI. The Board of Directors should design and establish appropriate structures and practices to promote a culture of ethics, integrity and compliance that prevents, detects and addresses serious corporate or personal misconduct.

XVII. The Board of Directors shall ensure the establishment of formal mechanisms to prevent and otherwise deal with conflicts of interest that may arise in the administration and management of the company. It shall have formal procedures that seek to ensure that related party transactions are conducted in the best interests of the company and the equitable treatment of all its shareholders.

22. The Board of Directors approves a Code of Ethics and Conduct that reflects the values and principles of ethics and integrity, as well as the company's culture. The Code of Ethics and Conduct is communicated and applicable to all directors, managers and employees of the company.

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 their performance, respecting the highest standards of conduct, working with efficiency, quality and transparency, being the basis for an ethical behavior with customers, suppliers, control bodies and the community in which the Bank operates.

Likewise, the Board of Directors has approved the creation of an Ethics Committee, whose purpose is to resolve issues related to the interpretation and scope of the Code of Ethics, and to review it annually so that it reflects the Bank's ethical culture year after year. Additionally, this Committee takes cognizance of the reports that arise from the "Ethics Line" whistleblower channel or from the different sources of detection of behaviors that affect the principles of institutional integrity.

In addition, Banco Patagonia has a Code of Conduct, applicable to all employees in the performance of their activities related to the role of Settlement and Clearing Agent and Comprehensive Trading Agent, which establishes the policy and procedures corresponding to the applicable legal and ethical standards.

23. The Board of Directors establishes and periodically reviews, based on risks, size and economic capacity, an Ethics and Integrity Program. The plan is visibly and unequivocally supported by management who designates an internal manager to develop, coordinate, monitor and periodically evaluate the program for effectiveness. The program provides for: (i) periodic training for directors, managers and employees on ethics, integrity and compliance issues; (ii)

internal whistleblowing channels, open to third parties and adequately disseminated; (iii) a whistleblower protection policy against retaliation; and an internal investigation system that respects the rights of those investigated and imposes effective sanctions for violations of the Code of Ethics and Conduct; (iv) integrity policies in bidding procedures; (v) mechanisms for periodic risk analysis, monitoring and evaluation of the Program; and (vi) procedures that verify the integrity and track record of third parties or business partners (including due diligence for the verification of irregularities, illegal acts or the existence of vulnerabilities during corporate transformation and procurement processes), including suppliers, distributors, service providers, agents and intermediaries.

The recommended practice is applied.

In 2019, BP's Board of Directors approved the Integrity Program (IMP), based on the ethical principles set out in the Code of Ethics. The preparation of the IMP was entrusted by the Board of Directors to an interdisciplinary team led by the Compliance area and composed of different Managements tangentially involved in Integrity issues. This shows the unequivocal support and involvement of the Board of Directors with the IMP. This document included, to a great extent, policies and practices already existing in the Bank, and promoted the creation of new mechanisms to prevent possible acts of corruption. The Internal Manager of Credit, Risk Management and Internal Controls was appointed as the person in charge of the PDI, who, based on permanent monitoring and evaluation of the Program, reports directly to the Board of Directors on new developments and progress.

The PDI comprehensively addresses the different elements provided for in the regulations on the criminal liability of legal entities. In this regard, it contains provisions on:

- (i) Periodic training for all members of the Entity.
- ii) Ethics Line, a whistleblower channel provided by BP for both employees and suppliers.
- iii) Action protocols related to the protection of bona fide whistleblowers, and procedures for the investigation of illicit and fraudulent activities. On the other hand, and as defined in the Code of Ethics, the disciplinary/punishment regime is openly communicated.
- iv) Procedural Manual for Bidding Processes.
- v) Provision for periodic monitoring of the PDI, under the responsibility of the Operational Risk, Internal Controls and Compliance Management.
- vi) Due diligence procedure for suppliers, detailing the prior evaluation of integrity requirements that all suppliers or related third parties must go through.
- vii) Provisions related to the due diligence required in mergers and acquisitions processes.

During the last three years, the IMP has been consolidating a robust Integrity culture. This Program reflects an evolutionary process evidenced in the capacity to institutionalize several procedures and good practices, which are progressively incorporated in all the Bank's stakeholders.

The efforts to disseminate Integrity standards have been deepened (both internally and externally) by holding several meetings with external consultants who are experts in Compliance; the corruption prevention schemes of our controlled entities have been comprehensively evaluated, asynchronous training on Integrity matters have been given to 97 % of the employees, and synchronous training has been given to the most critical profiles (due to their exposure to corruption risk), reaching more than 335 employees, including members of Senior Management and the Board of Directors.

24. The Board of Directors ensures the existence of formal mechanisms to prevent and deal with conflicts of interest. In the case of related party transactions, the Board approves a policy that establishes the role of each corporate body and defines how transactions detrimental to the company or only to certain investors are identified, managed and disclosed.

The recommended practice is applied.

A conflict of interest occurs when a person breaches a duty to the organization for the benefit of another interest prioritized by personal motivations.

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 entering into 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 a transaction of this type.
- Code of Ethics: identifies possible cases of conflict between personal interests and the interests of the business or its clients that must be avoided. Likewise, this Code includes a section on the confidentiality of the information with which all members of the Bank must deal. A specific point on conflict of interest is also included in the Principles for the management of suppliers and related third parties, mentioned in Practice 1.
- Code of Conduct: defines the duties of loyalty with which all persons must perform in the exercise of their activities related to the role of Settlement and Clearing Agent and Comprehensive Trading Agent, in order to avoid possible conflicts of interest. It also defines the aspects related to the use of privileged or reserved information and the duty to maintain confidentiality.
- 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 the Directors must have in the scope of the public offering, and provides that they must abstain from making decisions when there is a conflict of interest that prevents them from performing their duties properly and objectively.
- Policy of Publicity and Communication of Information: it contemplates the duty to keep strict confidentiality for all persons who, by reason of their position, activity, position or relationship, have information on the development or business of the Bank or its Subsidiaries, provided that such information has not been publicly disclosed and that its importance may affect the placement of marketable securities or the course of their trading 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 sanctioning improper conducts or illegal acts, particularly those covered by Law 27,401 on Criminal Liability of Legal Entities, which may be carried out by an officer or a third party in the interest or for the benefit of the Bank.

G) PARTICIPATION OF SHAREHOLDERS AND STAKEHOLDERS

Principles

- XIX. The company shall treat all Shareholders equally. It shall guarantee equal access to non-confidential information relevant to the company's decision making at the General Shareholders' Meeting.
- XX. The company shall promote the active and informed participation of all Shareholders, especially in the composition of the Board of Directors.
- XXI. The company shall have a transparent Dividend Distribution Policy that is aligned with the strategy.
- XXII. The company shall take into account the interests of its stakeholders.

25. The company's website discloses financial and non-financial information, providing timely and equal access to all Investors. The website has a specialized area for Investor inquiries.

The recommended practice is applied.

Banco Patagonia has a public access website (www.bancopatagonia.com.ar), where it publishes and updates its financial, institutional and market discipline information.

The website contains information about the Bank's history, Bylaws, shareholder composition, quarterly and annual financial information, authorities, committees, institutional presentations, social responsibility, anti-money laundering policies, Code of Ethics, Integrity Policy and Program, Principles for supplier management, integrated annual report and Corporate Governance Code report, etc.

The Bank has foreseen the Investor Relations function, whose mission is to guarantee the investing public access to the Bank's strategic vision and information. Its 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.
- To have meetings with current or potential investors in order to increase the relationship with them and improve management.
- To manage the relationship with risk rating agencies, informing them of the Bank's action plans.
- Fulfilling other functions assigned to him/her in his/her area of competence in order to achieve the Bank's objectives.

The Investor Relations Officer may be contacted by telephone or by e-mail at investors@bancopatagonia.com.ar.

26. The Board of Directors should ensure that there is a procedure for identifying and classifying its stakeholders and a communication channel for them.

The recommended practice is applied.

According to the Glossary of Exhibit III of CNV Resolution No. 797/2019, a "Stakeholder" is defined as a party that has an interest in the Company's operations and results, such as, for example, consumers, employees, NGOs, the community, the State, suppliers, among others. Additionally, we must consider shareholders and controlled companies.

Knowing the Stakeholders or Interest Groups or Key Publics and their profiles and expectations is key to create value in society. That is why Banco Patagonia carries out a mapping of them with the following criteria: legal, financial and operational responsibilities, influence in the achievement of its goals, proximity, dependence and representation of other people, as is the case of local community leaders, implementing dialogue channels to relieve their particular demands, as detailed in point 5.2 of the Integrated Annual Report.

27. The Board of Directors sends to the Shareholders, prior to the Meeting, an "interim information package" which allows the Shareholders - through a formal communication channel - to make non-binding comments and share opinions differing from the recommendations made by the Board of Directors, the latter being required, when sending the final information package, to expressly rule on the comments received that it deems necessary.

The recommended practice is applied.

Annually, the Board of Directors presents the results of its management by issuing the audited Financial Statements and the integrated Annual Report (Annual Report plus Corporate Social Responsibility Report), which are available to the shareholders prior to the Shareholders' Meeting that is to consider them. The latter document includes financial and non-financial information of the Bank, data related to the governance structure, authorities, persons in charge of the different business areas, information on corporate governance and corporate social responsibility, most important management aspects occurred during the year, reasons on the current state of the 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 quarterly separate and consolidated financial statements, with a limited review report by the External Auditor, and after the issuance of each quarterly or annual financial statement, it holds a conference call with free access for interested parties, in which a presentation of the results is made.

As stated in Practice 28, there is a high percentage of shareholder participation in the Bank's Meetings. Not only can we affirm that there is no restriction whatsoever for them to participate, but also for them to have voice and vote. The supporting documentation for the items included in the Notice of Meeting, as the case may be, is published on the Bank's website and on the Financial Information Highway of the CNV, as well as the proposals of the Board of Directors for each item. The channel enabled for any type of clarification or additional request may be channeled through the Investor Relations Officer, as explained in Practice 25, or to the e-mail address informed in the Notice of Meeting.

28. The Company's bylaws consider that the Shareholders may receive the information packets for the Shareholders' Meeting through virtual means and participate in the Meetings through the use of electronic means of communication that allow the simultaneous transmission of sound, images and words, ensuring the principle of equal treatment of the participants.

The recommended practice is applied.

The Shareholders' Meeting held on April 22, 2021, approved an amendment to the Company's Bylaws, which has already been registered with the General Inspection of Justice. Said amendment mainly includes the possibility of holding Shareholders' Meetings with its participants present or at a distance, as long as the requirements set forth in the applicable regulations are guaranteed, among others: a) a communication channel must be established that allows the simultaneous transmission of sound, images and words, ensuring the principle of equal treatment of the participants; b) the subjects and the capacity in which they participated in the remote act, the place where they were, and the technical mechanisms used must be recorded in the minutes.

With respect to the supporting documentation for the items 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 Financial Information Highway of the CNV, as well as the proposals of the Board of Directors for each item. The channel enabled for any type of clarification or additional request may be channeled through the Investor Relations Officer, as explained in Practice 25.

29. The Dividend Distribution Policy is aligned with the strategy and clearly establishes the criteria, frequency and conditions under which dividends will be distributed.

The recommended practice is applied.

Article 20 of Banco Patagonia's Bylaws establishes the destination to be given to 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 purpose of which is to establish the regulatory framework for such distribution, maintaining an adequate balance between the amounts to be distributed and the Bank's investment and expansion policies.

BCRA regulations establish a special procedure to determine the distributable income and to demonstrate that the distribution of dividends does not affect the solvency and liquidity of the Entities, as well as to establish that the prior authorization of such Agency will be necessary to proceed with the effective payment of dividends. This procedure establishes that the Financial Institutions may distribute results, to the extent that certain situations expressly detailed in its regulations are not verified in the Institution, providing the methodology for calculating the amount to be distributed, and the limits that must not be exceeded.

Considering BCRA regulations and the Bank's internal policy, the Board of Directors will propose to the Ordinary Stockholders' Meeting the distribution of up to 50% of the net and realized income for the year as dividends, to be paid in cash.

Once the Shareholders' Meeting has been held and if there are no prohibitions to the distribution of dividends by the BCRA, and having obtained the prior authorization, the dividends will be made available to the shareholders as soon as possible, considering the maximum terms established by the rules of the National Securities Commission (Text Ordered 2013) and the Listing Regulations of Bolsas y Mercados Argentinos S.A. (BYMA).

Ciudad Autónoma de Buenos Aires, February 24, 2022.

This Integrated Annual Report was developed in collaboration with representatives from each of the Bank's areas.

It is available in digital format at www.bancopatagonia.com.ar

External facilitators
Sustenia Argentina
www.sustenia.com.ar

External verification
Deloitte Argentina

Design and Production
TRESSEN
www.tresen.com.ar

General Coordination:
Executive Management of Human Development and Organizational Climate
rse@bancopatagonia.com.ar
(011) 4323 - 5517
Av. de Mayo 701, Autonomous City of Buenos Aires.
www.bancopatagonia.com.ar

BANCOPATAGONIA

Financial Statements

As of December 31, 2021

**Jointly with the Independent Auditors' and Supervisory Audit
Committee's Reports**

BANCO PATAGONIA S.A.

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021

CONTENTS

	Pages
Independent Auditors report on Consolidated Financial Statements	
Independent Auditors report on Separated Financial Statements.	
Cover page.....	1
Consolidated Statements of Financial Position.....	2
Consolidated Statements of Income	4
Consolidated Statements of Income - Earnings per Share.....	5
Consolidated Statements of Other Comprehensive Income.....	6
Consolidated Statements of Changes in Shareholders' Equity	7
Consolidated Statements of Cash Flows	9
Notes to the Consolidated Financial Statements	11
Note 1 - General Information	
Note 2 - Basis for the preparation of the financial statements	
Note 3 - Functional and reporting currency	
Note 4 - Accounting estimates and Judgments	
Note 5 - Significant Accounting Policies	
Note 6 - IFRS issued but not yet in force	
Note 7 - Cash and bank deposits	
Note 8 – Debt securities measured at fair value with changes through profit or loss	
Note 9 – Derivative instruments	
Note 10 – Repo transactions	
Note 11 – Other financial assets	
Note 12 – Loans and other financing facilities	
Note 13 – Other debt securities	
Note 14 – Financial assets granted as collateral	
Note 15 – Income tax	
Note 16 – Investments in equity instruments	
Note 17 – Investment in subsidiaries, associates and joint ventures	
Note 18 – Property and equipment	
Note 19 – Intangible assets	
Note 20 – Other non-financial assets	
Note 21 - Non-current assets held for sale	
Note 22 – Deposits	
Note 23 – Other financial liabilities	
Note 24 – Financing facilities received from BCRA and other financial institutions	

BANCO PATAGONIA S.A.

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021

CONTENTS

- Note 25 - Corporate bonds issued
- Note 26 - Provisions
- Note 27 – Other non-financial liabilities
- Note 28 – Share capital
- Note 29 – Interest income
- Note 30 – Interest expense
- Note 31 – Fee income
- Note 32 – Fee expenses
- Note 33 - Net gain on financial instruments measured at fair value with changes through profit or loss
- Note 34 – Other operating income
- Note 35 – Employee benefits
- Note 36 – Administrative expenses
- Note 37 – Other operating expenses
- Note 38 – Capital management and transparency policy in matters of corporate governance
- Note 39 – Financial instruments risks
- Note 40 - Fair value of financial instruments
- Note 41 – Transfer of financial assets
- Note 42 - Offsetting financial assets and financial liabilities
- Note 43 – Segment reporting
- Note 44 – Subsidiaries
- Note 45 - Involvement with non-consolidated entities
- Note 46 - Related parties
- Note 47 - Leases
- Note 48 – Distribution of earnings and restrictions
- Note 49 – Restricted assets
- Note 50 – Deposit Guarantee Insurance
- Note 51 – Minimum cash and capital requirements
- Note 52 – Trust activities
- Note 53 – Custody agent for collective investment products of mutual funds
- Note 54 – Sanctions imposed and proceedings initiated by the BCRA
- Note 55 – Financial agent of the Province of Rio Negro
- Note 56 – CNV requirements to act as an Over-the-counter Broker
- Note 57 – Transactions with directors

Translation from the original prepared in Spanish for publication in Argentina

BANCO PATAGONIA S.A.

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021

CONTENTS

Note 58 – CNV requirement – Custody of Group's Documentation	
Note 59 – Compliance with provisions set forth by Law No. 25738	
Note 60 – Publication of financial statements	
Note 61 – Macroeconomic context	
Note 62 – Subsequent events	
Exhibit B - Loans and other financing facilities classified by status and other guarantees received	124
Exhibit C - Loans and other financing facilities concentration.....	127
Exhibit D - Loans and other financing facilities broken down by term.....	128
Exhibit F - Property and equipment movement.	129
Exhibit F - Investment property movement.....	131
Exhibit G - Intangible assets movement.....	132
Exhibit H - Deposits concentration	133
Exhibit I - Financial liabilities broken down by terms remaining to maturity	134
Exhibit J - Changes in provisions	135
Exhibit P - Financial assets and liabilities categories	136
Exhibit Q - Breakdown of statement of income	140
Exhibit R - Loss impairment adjustment - Allowances for loan losses.....	144
Separate Financial Statements.....	145
Distribution of Earnings Project.....	209
Reporting Summary	
Supervisory Audit Committee's Review on Financial Statements	

INDEPENDENT AUDITOR'S REPORT

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

1. Identification of the consolidated financial statements subject to review

We have audited the accompanying consolidated financial statements of Banco Patagonia S.A. (the Entity), which comprise the consolidated statement of financial position as of December 31, 2021, the statements of income, other comprehensive income, changes in equity and consolidated cash flows, corresponding to the fiscal year ended on said date, as well as a summary of the significant accounting policies and other explanatory information included in notes 1 to 62 and annexes B, C, D, F, G, H, I, J, P, Q and R.

The amounts and other information corresponding to the fiscal year ended December 31, 2020, restated in currency of December 2021 in accordance with what is indicated in note 3, are an integral part of the consolidated financial statements and are presented with the intended to be read only in relation to the amounts and other information for the current financial 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 presentation of the accompanying consolidated financial statements in accordance with the financial information framework established by the Central Bank of the Argentine Republic (BCRA). As indicated in note 2.1 to the accompanying consolidated financial statements, said financial information framework is based on the application of the 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 were adopted by the BCRA with the exceptions described in the aforementioned note. Likewise, the Entity's Board of Directors is responsible for the internal control it deems necessary to allow the preparation of financial statements free of material misstatements.

3. Auditors' responsibility

Our responsibility is to express an opinion on the accompanying consolidated financial statements based on our audit. We conducted our review in accordance with the auditing standards set out in section III. A of Technical Resolution No. 37 of the FACPCE and with the "Minimum standards on external audits for financial entities" issued by the BCRA. Those standards require that we comply with ethical requirements and that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves the application of procedures, substantially on a selective basis, to obtain 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 material misstatement of the financial statements, depend on the professional judgment of the auditor. In making such risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the financial statements, to design audit procedures that are appropriate in 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 Entity's Board of Directors and Management, as well as the evaluation of the presentation of the consolidated financial statements as a whole.

We believe that the elements of judgment that we have obtained provide a sufficient and adequate basis for our audit opinion.

4. Opinion

Based on our review, the accompanying consolidated financial statements mentioned in the first paragraph of section 1 of this report present fairly, in all material respects, the financial situation of Banco Patagonia S.A. as of December 31, 2021, as well as its results and other comprehensive income, the changes in its equity and its cash flows corresponding to the fiscal year ended on that date, in accordance with the financial information framework established by the BCRA.

5. Emphasis paragraph

Without modifying our opinion, we would like to emphasize what is mentioned in note 2.1 to the attached consolidated financial statements, which indicates that they have been prepared in accordance with the financial information framework established by the BCRA, which presents certain differences with respect to the IFRS described in said note. This issue must be considered for a proper interpretation of the attached financial statements.

6. Other issues

We have separately issued an audit report on the separate financial statements of Banco Patagonia S.A. on the same date and for the same fiscal year indicated in the first paragraph of section 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 accompanying consolidated financial statements have been prepared, in all their significant aspects, in accordance with the applicable regulations of the General Law of Companies No. 19,550 and with the pertinent resolutions of the BCRA and the National Securities Commission (CNV).
- b) The attached consolidated financial statements are transcribed in the book "Balances" of the Entity.
- c) As required by General Resolution No. 622/13 of the CNV, we report that we have no observations to make about the information included in note 56 to the attached consolidated financial statements related to the Minimum Net Worth and liquid counterparty requirements. required by that legislation.

Translation from the original prepared in Spanish for publication in Argentina

- d) As part of our work, the scope of which is described in section 3 of this report, we have reviewed the Informative Review corresponding to the fiscal year ended December 31, 2021, required by the CNV, prepared by the Board of Directors, and on which, in what is a matter of our competence, we have no observations 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, 2021 in favor of the National Social Security Regime in respect of contributions and planned contributions amounted to \$380.986.660,65 with no amounts being due as of that date.
- f) In accordance with the requirements of article 21, paragraph e, of Section VI, Chapter III of Title II of the CNV Rules, we inform that:
 - i) the quotient between the total professional auditing services provided by us for the issuance of reports on financial statements and other special reports or certifications on accounting or financial information billed to the Entity, and the total billed to the Entity for all items, including such audit services, during the fiscal year ended December 31, 2021 is 82.81%;
 - ii) the quotient between the total of said professional auditing services invoiced to the Entity and the total of the aforementioned auditing services invoiced to the Entity and its subsidiaries and affiliates is 77.07%; and
 - iii) the quotient between the total of said professional auditing services billed to the Entity and the total billed to the Entity and its subsidiaries and related parties for all items, including auditing services, is 71.87%.

City of Buenos Aires, February 24, 2022

DELOITTE & Co. S.A.

(Public Registry of Commerce
C.P.C.E.C.A.B.A. Tº 1 Fº 3)

GUSTAVO CARBALLAL (Partner)

Public Accountant (U.B.)
C.P.C.E.C.A.B.A. Tº 218 – Fº 224

Translation from the original prepared in Spanish for publication in Argentina

Deloitte & Co. S.A.
Florida 234, 5th Floor
C1005AAF
City of Buenos Aires,
Argentina

Tel: (+54-11) 4320-2700
www.deloitte.com/ar

INDEPENDENT AUDITOR'S REPORT

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

Report on 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. (hereinafter, referred to as "Banco Patagonia S.A." or the "Entity"), which comprise the separate statement of financial position as of December 31, 2021, 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 38 and exhibits A, B, C, D, E, F, G, H, I, J, K, L, N, O, P, Q and R.

The amounts and other information corresponding to the fiscal year ended December 31, 2020, restated in currency of December 2021 in accordance with what is indicated in note 3, are an integral part of the separate financial statements mentioned above and are presented with the intended to be interpreted solely in relation to figures and other information for the current financial 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 presentation of the attached separate financial statements in accordance with the financial information framework established by the Central Bank of the Argentine Republic (BCRA). As indicated in note 2 to the consolidated financial statements, that financial information framework is based on the application of the International Financial Reporting Standards (IFRS) adopted by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE) as standards professional accountants, as approved by the International Accounting Standards Board (IASB). IFRS were adopted by the BCRA with the exceptions described in the aforementioned note. Likewise, the Entity's Board of Directors is responsible for the internal control it deems necessary to allow the preparation of financial statements free of material misstatements.

3. Auditors' responsibility

Our responsibility is to express an opinion on the accompanying separate financial statements based on our audit. We have conducted our review in accordance with the auditing standards set out in section III. A of Technical Resolution No. 37 of the FACPCE and with the "Minimum standards on external audits for financial entities" issued by the BCRA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Translation from the original prepared in Spanish for publication in Argentina

An audit involves the application of procedures, substantially on a selective basis, to obtain judgment on the figures and other information presented in the financial statements. The procedures selected, as well as the assessment of the risks of material misstatement in the separate financial statements, depend on judgment auditor professional. In making such risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the separate financial statements, in order to design audit procedures that are appropriate in 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 Entity's Board of Directors and Management, as well as the evaluation of the presentation of the financial statements as a whole.

We believe that the evidence we have obtained provides a sufficient and appropriate basis for our audit opinion.

4. Opinion

In our opinion, the separate financial statements mentioned in the first paragraph of section 1 of this report present fairly, in all material respects, the financial situation of Banco Patagonia S.A. as of December 31, 2021, as well as its results and other comprehensive income, the changes in its equity and its cash flows corresponding to the fiscal year ended on that date, in accordance with the financial information framework established by the BCRA.

5. Emphasis paragraph

Without modifying our opinion, we want to emphasize what is mentioned in note 2 to the attached separate financial statements, which indicates that they have been prepared in accordance with the financial information framework established by the BCRA, which presents certain differences with respect to the IFRS described in that note. This issue must be considered for a proper interpretation of the attached financial statements.

6. Other issues

We have separately issued an audit report on the consolidated financial statements of Banco Patagonia S.A. on the same date and for the same fiscal year indicated in the first paragraph of chapter 1 of this report.

7. English translation of statutory separate financial statements

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

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

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

Information on other legal and regulatory requirements

- a) The attached separate financial statements have been prepared, in all their significant aspects, in accordance with the applicable regulations of the General Law of Companies No. 19,550 and with the pertinent resolutions of the BCRA and the National Securities Commission (CNV).
- b) The attached separate financial statements are transcribed in the book "Balances" of the Entity. 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 duly 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) As part of our work, the scope of which is described in section 3 of this report, we have reviewed the Informative Review corresponding to the fiscal year ended December 31, 2021, required by the CNV,

Translation from the original prepared in Spanish for publication in Argentina

prepared by the Board of Directors, and on which, in what is a matter of our competence, we have no observations to make.

- e) According to the accounting records of the Entity, the liability accrued as of December 31, 2021 in favor of the Argentine Integrated Social Security System for contributions and social security contributions amounted to \$375,135,833.66 and was not payable as of that date.
- f) In accordance with the requirements of article 21, paragraph e, of Section VI, Chapter III of Title II of the CNV Rules, we inform that:
 - i) the quotient between the total professional auditing services provided by us for the issuance of reports on financial statements and other special reports or certifications on accounting or financial information billed to the Entity, and the total billed to the Entity for all items, including such audit services, during the fiscal year ended December 31, 2021, is 82.81%;
 - ii) the quotient between the total of said professional auditing services invoiced to the Entity and the total of the afore mentioned auditing services invoiced to the Entity and its subsidiaries and affiliates is 77.07%; and
 - iii) the quotient between the total of said professional auditing services billed to the Entity and the total billed to the Entity and its subsidiaries and related parties for all items, including auditing services, is 71.87%.

City of Buenos Aires, February 24, 2022

DELOITTE & Co. S.A.

(Public Registry of Commerce
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

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. 98		
Beginning date: January 1, 2021	Closing date: December 31, 2021	
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, 2021	001 - (Fiscal year-end - Unqualified)	

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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 12/31/21 AND 12/31/20

(Stated in thousands of pesos)

ITEM	Notes	12/31/21	12/31/20
ASSETS			
Cash and bank deposits	7	67,997,408	91,280,453
Cash on hand		17,154,940	28,843,421
Financial institutions and correspondents		50,431,468	61,298,999
BCRA		47,856,202	58,301,872
Other in Argentina and abroad		2,575,266	2,997,127
Other		411,000	1,138,033
Debt securities measured at fair value with changes through profit or loss	8	2,108,781	2,308,924
Derivative instruments	9	649,853	427,919
Repo transactions	10	63,425,785	11,966,611
Other financial assets	11	4,906,909	3,838,254
Loans and other financing facilities (Exhibits B and C)	12	165,428,723	170,470,791
Non-financial government sector		35,646	11,869
Other financial institutions		11,124,823	11,412,314
Nonfinancial private sector and foreign residents		154,268,254	159,046,608
Other debt securities	13	124,573,507	132,799,330
Financial assets granted as collateral	14	8,343,403	13,060,434
Current income tax assets	15 a)	906,807	27,739
Investments in equity instruments	16	1,081,694	1,271,981
Investments in subsidiaries, associates and joint ventures	17	599,881	675,573
Property and equipment (Exhibit F)	18	17,773,374	17,647,093
Intangible assets (Exhibit G)	19	647,978	733,430
Deferred income tax assets	15 b)	511,668	4,569,223
Other non-financial assets	20	1,443,728	1,347,629
Non-current assets held for sale	21	-	222,981
TOTAL ASSETS		460,399,499	452,648,365

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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 12/31/21 AND 12/31/2020
 (Stated in thousands of Pesos)

ITEM	Notes	12/31/21	12/31/20
LIABILITIES			
Deposits (Exhibits H)		336,797,716	327,831,598
Non-financial government sector		23,490,636	32,065,225
Financial sector		2,414,827	18,092
Non-financial private sector and foreign residents			
	22	310,892,253	295,748,281
Liabilities at fair value through profit or loss			
Derivative instruments	9	148,838	-
Repo transactions	10	58,163	-
Other financial liabilities	23	96,442	6,985
Financing facilities received from BCRA and other financial institutions	24	16,401,344	15,037,065
Corporate bonds issued	25	7,388,792	6,182,835
Current income tax liabilities	15 a)	623,437	1,459,231
Allowances and provisions (Exhibit J)	26	203,313	2,081,131
Deferred income tax liabilities	15 b)	989,812	2,826,703
Other nonfinancial liabilities	27	23,818,990	21,801,074
TOTAL LIABILITIES		386,526,847	377,226,622
SHAREHOLDERS' EQUITY			
Share capital	28	719,145	719,145
Non-capitalized contributions		217,191	217,191
Share capital adjustments		28,738,340	28,738,340
Retained earnings		34,727,374	51,469,108
Unappropriated retained earnings	49	-	(24,616,007)
Other comprehensive income		2,458,396	3,145,418
Income for the fiscal year (*)		7,012,206	15,748,548
Equity attributable to the owners of the parent company		73,872,652	75,421,743
Equity attributable to non-controlling interests (*)		-	-
TOTAL SHAREHOLDERS' EQUITY		73,872,652	75,421,743
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		460,399,499	452,648,365

(*) As of December 31, 2021 and 2020, Net Equity attributable to non-controlling interests amounts to \$382.01 and \$393.84, respectively.

Marcelo A. Iadarola
 Executive Manager of Administration

Juan M. Trejo
 Superintendent
 Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
 President

Signed for identification purposes
 with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
 with our report dated 02/24/2022
 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 INCOME
AS OF 12/31/21 AND 12/31/20
 (Stated in thousands of Pesos)

ITEM	Notes	FISCAL YEAR ENDED	
		12/31/21	12/31/20
Interest income	29	118,316,147	103,385,140
Interest expense	30	(64,079,051)	(40,459,254)
Net interest income		54,237,096	62,925,886
Fee income	31	13,347,373	13,721,888
Fee expenses	32	(4,009,849)	(4,207,434)
Net fee income		9,337,524	9,514,454
Net result from measurement of financial instruments at fair value with changes in results	33	2,178,786	2,285,197
Result from derecognition of assets measured at amortized cost and at fair value with changes in OCI		782,233	(4,453,907)
Gold and foreign currency bid/offer spread		1,666,743	2,017,162
Other operating income	34	5,243,787	5,393,710
Charge for Loan Losses		(999,869)	(1,955,032)
Net operating income		72,446,300	75,727,470
Benefits to personnel	35	(17,360,730)	(17,418,848)
Administrative expenses	36	(10,633,144)	(10,885,156)
Depreciation and impairment of assets		(1,938,813)	(1,919,347)
Other operating expenses	37	(12,485,967)	(7,902,633)
Operating income		30,027,646	37,601,486
Gain/loss on associates and joint ventures		50,253	256,867
Inflation effect (net position of assets and liabilities)		(19,496,602)	(14,249,271)
Income before tax relating to continuing operations		10,581,297	23,609,082
Income tax relating to continuing operations	15 b)	(3,569,091)	(7,860,534)
Net income from continuing operations		7,012,206	15,748,548
NET INCOME		7,012,206	15,748,548

Marcelo A. Iadarola
 Executive Manager of Administration

Juan M. Trejo
 Superintendent
 Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
 President

Signed for identification purposes
 with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
 with our report dated 02/24/2022
 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 INCOME
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)**

NET INCOME FOR THE YEAR	FISCAL YEAR ENDED	
	12/31/21	12/31/20
Net income attributable to the owners of the parent company	7.,012,206	15,748,548
Net income attributable to non-controlling interests (*)	-	-

(*) As of December 31, 2021 and 2020, the Net Income for the year attributable to non-controlling interests amounts to \$78.40 and \$84.64, respectively.

EARNINGS PER SHARE	FISCAL YEAR ENDED	
	12/31/21	12/31/20
NUMERATOR		
Net income attributable to the shareholders of the parent company	7,012,206	15,748,548
Net income attributable to the shareholders of the parent company adjusted to reflect dilution	7,012,206	15,748,548
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	9.751	21.899
Earnings per share – Diluted	9.751	21.899

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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 OTHER COMPREHENSIVE INCOME
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)**

ITEM	FISCAL YEAR ENDED	
	12/31/21	12/31/20
INCOME FOR THE YEAR	7,012,206	15,748,548
Components of other comprehensive income that will be reclassified to income for the year		
Revaluation of property and equipment and intangible assets	(213,802)	-
Income tax	(213,802)	-
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO THE FISCAL YEAR INCOME	(213,802)	-
Components of other comprehensive income that will be reclassified to income for the year		
Exchange differences on translation of financial statements	(84,859)	15,310
Exchange differences for the year	(78,451)	20,418
Income tax	(6,408)	(5,108)
Gains or losses on financial instruments carried at fair value through OCI (paragraph 4.1.2 of IFRS 9)	(388,361)	3,733,829
Gains on financial instruments carried at fair value through OCI	(345,804)	4,967,714
Income tax	(42,557)	(1,233,885)
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED TO INCOME FOR THE YEAR	(473,220)	3,749,139
TOTAL OTHER COMPREHENSIVE INCOME	(687,022)	3,749,139
TOTAL COMPREHENSIVE INCOME	6,325,184	19,497,687
Attributable to the owners of the parent company (*)	6,325,184	19,497,687

(*) As of December 31, 2021 and 2020, the Net Income for the year attributable to non-controlling interests amounts to \$78.40 and \$84.64, respectively.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF 12/31/21**
(Stated in thousands of Pesos)

Changes	Share capital (1)	Non-capitalized contributions	Share Capital adjustments	Other comprehensive income			Retained earnings		Unappropriated retained earnings	Total equity attributable to controlling interests	Total shareholders' equity as of 12/31/2021
	Outstanding	Additional paid-in capital		Foreign exchange differences arising from the translation of financial statements	Revaluation of property and equipment	Accumulated gains/losses from financial instruments at fair value with changes through OCI	legal	Other			
Restated balances at the beginning of the year (*)	719,145	217,191	28,738,340	281,033	2,102,102	762,283	20,084,643	31,384,465	(8,867,459)	75,421,743	75,421,743
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholders's Meeting held on 04/22/21											
- Legal reserve	-	-	-	-	-	-	3,149,709	-	(3,149,709)	-	-
- Optional Reserve - Future distribution of profits	-	-	-	-	-	-	-	4,724,565	(4,724,565)	-	-
Partial reversal of the optional reserve for cash dividends payment (2)	-	-	-	-	-	-	-	-	(7,874,275)	(7,874,275)	(7,874,275)
- Absorption of Negative Unallocated Results due to the application of IAS 29 for the first time	-	-	-	-	-	-	-	(24,616,008)	24,616,008	-	-
Income for the fiscal year (3)	-	-	-	-	-	-	-	-	7,012,206	7,012,206	7,012,206
Other comprehensive income for the fiscal year	-	-	-	(84,859)	(213,802)	(388,361)	-	-	(687,022)	(687,022)	(687,022)
Balance sheets at fiscal year end	719,145	217,191	28,738,340	196,174	1,888,300	373,922	23,234,352	11,493,022	7,012,206	73,872,652	73,872,652

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

(1) See note 28.

(2) Corresponds \$10.9495 per share.

(3) See note 48.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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 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	28,738,340	265,723	2,102,102	(2,971,546)	13,607,616	19,737,069	7,769,124	70,184,764	70,184,764
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholders's Meeting held on 04/23/20											
- Legal reserve	-	-	-	-	-	-	6,477,027	-	(6,477,027)	-	-
- Optional Reserve - Future distribution of earnings	-	-	-	-	-	-	-	25,908,104	(25,908,104)	-	-
- Partial reversal of optional reserve to apply to the payment of cash dividends	-	-	-	-	-	-	-	(14,260,708)	-	(14,260,708)	(14,260,708)
Income for the fiscal year	-	-	-	-	-	-	-	-	15,748,548	15,748,548	15,748,548
Other comprehensive income for the fiscal year				15,310	-	3,733,829	-	-	-	3,749,139	3,749,139
Balance sheets at fiscal year end	719,145	217,191	28,738,340	281,033	2,102,102	762,283	20,084,643	31,384,465	(8,867,459)	75,421,743	75,421,743

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

(1) See note 28.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

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

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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

Translation from the original prepared in Spanish for publication in Argentina

BANCO PATAGONIA S.A

**CONSOLIDATED FINANCIAL STATEMENTS OF CASH FLOWS
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)**

ITEM	12/31/21	12/31/20
Cash flows from operating activities		
Income before Income Tax	10,581,297	23,609,082
Inflation effect (net position of assets and liabilities)	19,496,602	14,249,271
Adjustments to obtain cash flows from operating activities:	(1,630,217)	(6,922,799)
Assets depreciation and impairment of value	1,938,813	1,919,347
Charge for Loan Losses	999,869	1,955,032
Other adjustments	(4,568,899)	(10,797,178)
Net decreases from operating assets:	(26,668,231)	(45,258,482)
Debt securities measured at fair value with changes through profit or loss	313,044	(1,419,517)
Derivative instruments	(221,934)	(269,852)
Repo transactions	(51,459,174)	(11,966,611)
Loans and other financing facilities	13,859,407	19,618,631
Non-financial government sector	2,747	1,324
Other financial institutions	864,993	1,326,092
Nonfinancial private sector and foreign residents	12,991,667	18,291,215
Other debt securities	8,495,241	(46,085,650)
Financial assets granted as collateral	4,717,031	(5,732,336)
Investment in equity instruments	190,287	(266,692)
Other assets	(2,562,133)	863,545
Net (decreases) / increases from operating liabilities:	(931,069)	28,014,860
Deposits	(320,723)	69,258,248
Nonfinancial government sector	217,750	6,894,275
Financial sector	48,796	4,141
Nonfinancial private sector and foreign residents	(587,269)	62,359,832
Derivative instruments	148,838	-
Repo transactions	58,163	(508,832)
Financing facilities received from BCRA and other financial institutions	89,457	6,985
Other liabilities	1,277,786	(25,086,733)
	(2,184,590)	(15,654,808)
Income tax payments	(899,369)	(3,692,458)
TOTAL OPERATING ACTIVITIES (A)	(50,987)	9,999,474

ITEM	12/31/21	12/31/20
Cash flows from investing activities		
Payments:		
Purchase of property and equipment, intangible assets and other assets	(1,444,655)	(1,897,616)
Proceeds:		
Sale of property and equipment, intangible assets and other assets	44,851	316,189

BANCO PATAGONIA S.A.

**CONSOLIDATED FINANCIAL STATEMENTS OF CASH FLOWS
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)**

TOTAL INVESTING ACTIVITIES (B)	(1,399,804)	(1,581,427)
Cash flows from financing activities		
Payments:		
Unsubordinated corporate bonds	(2,343,505)	(2,465,637)
Financing facilities from local financial institutions	(1,104,250)	(1,837,334)
Payment for leases	(394,137)	(575,429)
Proceeds:		
Unsubordinated corporate bonds	908,150	1,354,718
TOTAL FINANCING ACTIVITIES (C)	(2,933,742)	(3,523,682)
EFFECTS OF EXCHANGE RATE CHANGES (D)	10,358,697	14,242,366
EFFECT OF MONETARY GAIN/LOSS ON CASH AND CASH EQUIVALENTS (E)	(29,257,209)	(19,172,903)
TOTAL CHANGES IN CASH FLOWS	12/31/21	12/31/20
NET DECREASE IN CASH AND CASH EQUIVALENTS (A + B + C + D + E)	(23,283,045)	(36,172)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	91,280,453	91,316,625
CASH AND CASH EQUIVALENTS AT YEAR-END	67,997,408	91,280,453

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
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).

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. 17,418, 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

BANCO PATAGONIA S.A.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

These consolidated financial statements for the fiscal year ended December 31, 2021 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:

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

Moreover, the controlled entity GPAT Compañía Financiera SAU, in accordance with the provisions of BCRA Communication "A" 7181 issued on December 17, 2020, did not apply the impairment model set forth in section 5.5 "Value impairment" of the IFRS No. 9 "Financial instruments" applicable for "Allowances for Bad Debt", since it has been postponed until January 1, 2022 for Group "B" and "C" financial entities based on said Communication.

On the other hand, Communication "A" 7427 issued by the BCRA on December 23, 2021, provided that financial entities of groups "B" and "C" that are not branches or subsidiaries of foreign banks classified as systematically important, may choose (irrevocably) to postpone until January 1, 2023 the application of item 5.5 of IFRS 9 and, consequently, the pro rata methodology generated by the application of the aforementioned item.

In addition, those entities that choose to defer such application must inform the Superintendency of Financial and Exchange Entities before December 31, 2021.

GPAT has chosen to apply point 5.5 of IFRS 9 as of January 1, 2022 with no significant effects on retained earnings.

- b) With respect to the valuation of Prisma Means of Payment SA, these Consolidated Financial Statements corresponding to the fiscal year ended December 31, 2021 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, 2021 and 2020 (See Notes 16).

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 28 January 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 1 January 2021.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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, admitted the early application as of December 31, 2020 of the aforementioned standard, an option to which the entity adhered so that its impact is reflected in the financial statements for the fiscal year ended December 31, 2020.

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.

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

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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, 2021, including comparative information from previous years.

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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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 40.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.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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 forth in these 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.

c) Common investment funds

The Group acts as an administrator of mutual funds (see Note 53). 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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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".

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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 Group 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.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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.

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 (ORI), 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".

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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.

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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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.

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.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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.

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).

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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 consideredN found in State 1, i.e. those instruments that do not show a significant increase in credit risk, the Group recognizes a forecast for expected credit losses (PCEs) resulting from credit risk events "default" considered possible within the next 12 months (PCE 12 months), including in that estimate consideration of the effect of forward-looking economic variables.

In addition, in this state, 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 State 2, and esteem one PCE 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 the money and a reasonable estimate of the economic conditions at each closing date.

Financial assets found in "default" are included within State 3.

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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

For default 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:

$$\text{Expected Loss: } \sum_{n=1}^n \frac{PD_t^{Lifetime} \times LGD \times EAD_t}{(1+i)^{Plazo Desc_t^{MDE-M}}}$$

Where:

- **t**: It represents each prospective evaluation point in time. In other words, it indicates each probable future probable future loss scenario.
- **n**: Representa el plazo de vida de la operación sobre el cual se estima la pérdida esperada. Este valor es condicional al stage en donde se aloque el activo financiero en función de su calidad crediticia.
- **LGD**: Represents the LGD of the operation.
- **BAD_t**: Represents the MD&A of the operation for future cash flow "t".
- **PD_t^{Lifetime}**: Represents the PD of the conditional operation at time "t" including the Foward Looking Coefficient. Foward Looking Coefficient.
- **i**: Represents the discount rate of the financial asset.
- **Plazo Desc_t^{MDE-MA}**: Represents the discount term for each future point in time "t".

The following are the main methodological guidelines for each of these parameters:

Probability of default

For the calculation of PCEs, the values of the PPs to be used are PiT (*Point in Time*). They are specific to a certain point in time with the last available value being the one used for the calculation.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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 (Status 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 (Stay 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.

Customers in default (Stay 3): Considers those assets in which a default occurred and assigns a PD 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 PPs, grouping is performed by subgroups within that segment.

In addition, a Credit Rating Adjustment Coefficient (CACR) is applied to the PDs 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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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

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 (TCs) 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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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 (CFL):

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.

Two CFLs 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 CFL 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:

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

Where:

PD_t • Probability of default at the start time of the projection (t)

CFL_{t+k} • Forward-looking adjustment coefficient so far t+k, defined as

$$CFL_{t+k} = \frac{\sum_{k=1}^T \text{Mora sistémica}_{t+k}}{\text{Mora sistémica}_t}, \text{ where, for this particular indicator, } k \in \{12, 24\}$$

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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.

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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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.

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.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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.

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 Group 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.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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.

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 expense

Interest income and income 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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

Interest income and income 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 commission egress

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".

All other commission egresses 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.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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.

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.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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.

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.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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. (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.

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, 2021 and 2020, the Group does not maintain financial instruments with dilute effect, so the basic and diluted earnings per share are the same.

5.19 Retained earnings

In accordance with BCRA provisions, 20% of the profit for the year must be appropriated to the legal reserve.

For the distribution of retained earnings, financial institutions must comply with BCRA provisions on "Distribution of income", as described in Note 48 "Distribution of Income and Restrictions". Profit Distribution and Restrictions".

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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 2022 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:

	<u>12/31/21</u>	<u>12/31/20</u>
Cash on hand	17,154,940	28,843,421
BCRA - Current account	47,856,202	58,301,872
Balances with financial institutions in Argentina and abroad	2,575,266	2,997,127
Other	411,000	1,138,033
Total	<u>67,997,408</u>	<u>91,280,453</u>

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

Breakdown is as follows:

	<u>12/31/21</u>	<u>12/31/20</u>
Public Securities of the National Treasury	1,092,235	1,788,372
Public Securities of the National Government	1,003,718	359,075
Private Securities of the country	12,828	161,477
Total	<u>2,108,781</u>	<u>2,308,924</u>

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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>12/31/21</u>	<u>12/31/20</u>
Effective values		
Assets		
FX forward transactions	649,853	423,489
Foreign currency forwards	-	4,430
Total	649,853	427,919
Liabilities		
Foreign currency forwards	52,241	-
FX forward transactions	5,922	-
Total	58,163	-
 Notional values		
Assets		
FX forward transactions	169,720	118,785
Foreign currency forwards	6,246	3,645
Total	175,966	122,430
Liabilities		
Foreign currency forwards	101,460	90,864
FX forward transactions	77,039	48,390
Total	178,499	139,254

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

NOTE 10 - REPO TRANSACTIONS

Breakdown is as follows:

	<u>12/31/21</u>	<u>12/31/20</u>
Assets		
Instruments issued by the BCRA	63,175,124	11,519,349
Government securities	250,661	447,262
Total	<u>63,425,785</u>	<u>11,966,611</u>
Liabilities		
Government securities	96,442	6,985
Total	<u>96,442</u>	<u>6,985</u>

NOTE 11 – OTHER FINANCIAL ASSETS

Breakdown is as follows:

	<u>12/31/21</u>	<u>12/31/20</u>
Measured at amortized cost		
Sundry recessive from the sale of Prisma Media de Pago S.A.	1,702,992	1,943,420
Receivables from spot sales of foreign currency to be settled	619,983	127,467
Receivables from spot sales of government securities to be settled	1,675,465	761,099
Recessive sundry	1,400,539	1,899,451
Sub – Total	<u>5,398,979</u>	<u>4,731,437</u>
Measured at fair value with changes through profit or loss		
Mutual fund shares	1,242,082	1,136,550
Sub – Total	<u>1,242,082</u>	<u>1,136,550</u>
Less: Allowance for loan losses (Exhibit R)	(1,734,152)	(2,029,733)
Total	<u>4,906,909</u>	<u>3,838,254</u>

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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>12/31/21</u>	<u>12/31/20</u>
Measured at amortized cost	168,648,860	177,233,078
Less: Allowance for loan losses (Exhibit R)	(3,220,137)	(6,762,287)
Total	<u>165,428,723</u>	<u>170,470,791</u>

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

	<u>12/31/21</u>	<u>12/31/20</u>
Government sector	35,646	11,869
Financial sector	11,125,763	11,417,119
Non-financial private sector and residents abroad	157,487,451	165,804,090
Notes	58,014,905	43,566,248
Overdrafts	34,454,187	45,542,310
Credit cards	28,958,335	33,207,421
Personal consumer loans	14,331,428	11,534,962
Pledge loans	3,994,451	5,445,300
Mortgage loans	3,623,126	3,889,375
Finance leases	1,350,083	412,690
Other loans	9,191,940	17,087,244
Interest and other adjustments	3,568,996	5,118,540
Sub – Total	<u>168,648,860</u>	<u>177,233,078</u>
Less: Allowance for loan losses (Exhibit R)	(3,220,137)	(6,762,287)
Total	<u>165,428,723</u>	<u>170,470,791</u>

The classification of loans and other financing by credit situation (determined according to the criteria established by the BCRA) and of the guarantees received is reported in Annex "B" as well as the reconciliation of the information with the accounting balances.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

The information on the concentration of loans and other financing is presented in Annex "C", as well as the reconciliation of the information with the accounting balances.

The remaining financial assets are not overdue or impaired.

Allowances for risk of uncollectibility of loans and other financing

The evolution of provisions by type of financing is presented in Exhibit "R", Value adjustment for losses – Provisions for uncollectibility risk.

NOTE 13 – OTHER DEBT SECURITIES

Breakdown is shown below:

Measured at fair value with changes through OCI

	<u>12/31/21</u>	<u>12/31/20</u>
BCRA instruments	89,010,250	97,846,933
Argentine Treasury securities	29,944,930	27,182,108
Argentine Corporate securities	3,012,192	1,900,110
Provincial Government securities	1,688,893	1,630,055
Argentine government securities	506,252	648,004
US Treasury bonds	410,990	505,711
Sub – Total	<u>124,573,507</u>	<u>129,712,921</u>

Measured at amortized cost

	<u>12/31/21</u>	<u>12/31/20</u>
Argentine Treasury securities	-	2,891,361
Argentine corporate securities	-	195,048
Sub - Total	<u>-</u>	<u>3,086,409</u>
Total	<u>124,573,507</u>	<u>132,799,330</u>

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

NOTE 14 – FINANCIAL ASSETS GRANTED AS COLLATERAL

Financial assets granted as collateral are broken down as follows:

	<u>12/31/21</u>	<u>12/31/20</u>
Special guarantee accounts (*)	3,502,840	3,726,486
BCRA - Financial trusts under guarantee of forward transactions	3,397,699	8,008,470
- National Treasury Bonds in \$ CER Adjustment	1,515,629	3,550,155
- National Treasury Bonds Linked to US\$	-	803,164
- National Treasury Bills in \$ CER Adjustment	1,882,070	3,655,151
Security deposits - Credit and debit card managing companies	888,744	839,745
Security deposits – IADB loan – Global Credit Program for micro-, small- and medium-sized enterprises	516,117	458,018
- Treasury bonds in ARS Adjusted by CER	503,200	439,401
- Pesos as guarantees	10,000	15,027
- Dollars as guarantees	2,917	3,590
Other security deposits	38,003	27,715
Total	<u>8,343,403</u>	<u>13,060,434</u>

(*) Granted as collateral and held with the BCRA and Banco Central de Uruguay (see Note 49).

NOTE 15 - INCOME TAX

a) Current income tax assets and liabilities:

Broken down as follows:

	<u>12/31/21</u>	<u>12/31/20</u>
Current income tax assets		
Tax provision	(183,979)	-
Advance payments	1,081,781	-
Withholdings and collections at source	9,005	27,739
Total	<u>906,807</u>	<u>27,739</u>
Current income tax liabilities		
Tax provision	558,991	9,540,623
Advance payments	(355,678)	(7,449,134)
Withholdings and collections at source	-	(10,358)
Total	<u>203,313</u>	<u>2,081,131</u>

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

b) Income tax expense:

The composition and evolution of deferred earnings tax assets and liabilities are as follows:

Item	Book balances as of 12/31/20	Inflation adjustment	Recognized changes in		Book balances as of 12/31/21
			results	OCI	
Assets					
AXI Tax Balance	5,608,468	(973,132)	(590,231)	-	4,045,105
Forecasts for risk of uncobrability	1,489,593	(258,461)	282,691	-	1,513,823
Loans - Valuation at amortized cost	156,991	(27,240)	79,470	-	209,221
Provisions included in liabilities	598,672	(103,876)	(21,665)	-	473,131
Other liabilities	335,046	(58,134)	61,670	-	338,582
Other	57,881	(10,043)	(15,096)	-	32,742
Deferred tax asset	8,246,651	(1,430,886)	(203,161)	-	6,612,604
Liabilities					
Debt securities	-	-	42,557	(42,557)	-
Intangible assets	(68,046)	11,807	(23,885)	-	(80,124)
Properties and equipments	(3,027,948)	525,383	(2,610,155)	(213,802)	(5,326,522)
Investment properties	(16,771)	2,910	(4,646)	-	(18,507)
Corporate bonds	(1,092)	190	857	-	(45)
Conversion difference	(80,138)	13,905	(18,437)	(6,408)	(91,078)
Investments in associates	(483,433)	83,879	(185,106)	-	(584,660)
Deferred tax liability	(3,677,428)	638,074	(2,798,815)	(262,767)	(6,100,936)
Total	4,569,223	(792,812)	(3,001,976)	(262,767)	511,668

The income tax charge consists of the following concepts:

	12/31/21	12/31/20
Current tax	567,115	11,615,420
Deferred tax	3,001,976	(3,754,886)
Income tax charge	3,569,091	7,860,534

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

Reconciliation of the effective tax rate is shown below:

	<u>12/31/21</u>	<u>12/31/20</u>
Profit tax result	10,581,297	23,609,082
Income tax aliquot	35%	30%
Tax on tax on taxed income	<u>3,703,454</u>	<u>7,082,725</u>
Differences in the application of the adjustment for accounting and tax inflation	(134,363)	777,809
Income tax charge	<u>3,569,091</u>	<u>7,860,534</u>

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%), respectively.

For the years 2019 and 2020, the variation in the CPI has exceeded these percentages, for which the Entity included the effect of exposure to inflation in the provision for the tax payable for the aforementioned periods.

As of the year 2021, when inflation exceeded 100% from January 1, 2018 to December 31, 2020, the consideration of the adjustment for tax inflation in the calculation of the determination of the income tax was reestablished by law.

The adjustment for positive or negative inflation obtained by application of the regime of Law No. 27,468 must be allocated, in accordance with the modification established in Law No. 27,541 enacted on December 23, 2019, one sixth in that fiscal period and the remaining five sixths, in equal parts, in the immediately following fiscal periods. Subsequently, for fiscal years beginning on or after January 1, 2021, the allocation of the adjustment for inflation is made in its entirety in the corresponding fiscal period, without applying any deferral.

The effect of the deferrals corresponding to the years 2019 and 2020 are considered in the deferred tax asset as of December 31, 2021 and 2020.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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

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

The aforementioned modifications have been applied by the Group to calculate the provision for income tax and deferred tax as of the fiscal year beginning on January 1, 2021.

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, 2021</i>		
Description	Fair value level	Book balances as of 12/31/21
- Prisma Medios de Pago S.A. (*)	3	1,068,959
- Banco Latinoamericano de Comercio Exterior S.A.	2	8,631
- Matba Rofex S.A. (**)	2	3,042
- Seguros de depósitos S.A.	2	493
- Society for Worldwide Interbank Financial Telecommunication	2	294
- Miralejos S.A.C.F. Y Agropecuaria	2	106
- Bolsa de Comercio de Mar del Plata S.A.	2	56
- Argencontrol S.A.	2	53
- Sanatorio Las Lomas S.A.	2	47
- Celta Coop. Obras Ser. Tres Arroyos	2	12
- Coop. Eléctrica Ltda. de Claromecó	2	1
Total		1.081.694

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

Information as of December 31, 2020

Description	Fair value level	Book balances as of 12/31/20
- Prisma Medios de Pago S.A. (*)	3	1,255,726
- Banco Latinoamericano de Comercio Exterior S.A.	2	10,073
- Matba Rofex S.A.	2	4,570
- Seguros de depósitos S.A.	2	741
- Society for Worldwide Interbank Financial Telecommunication	2	457
- Miralejos S.A.C.F. Y Agropecuaria	2	159
- Bolsa de Comercio de Mar del Plata S.A.	2	84
- Argencontrol S.A.	2	80
- Sanatorio Las Lomas S.A.	2	71
- Celta Coop. Obras Ser. Tres Arroyos	2	18
- Coop. Eléctrica Ltda. de Claromecó	2	2
Total		1,271,981

(*) 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.

On October 1, 2021, the shareholder banks of Prisma Medios de Pago S.A. notified the exercise of a put option on 49% of the company. put option on 49% of the company. Currently, the determination of the calculation of the final price of the contract is in process. the calculation of the final price of the contract.

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

Banco Patagonia SA owns 70,000 subscribed shares that represent 0.0570% over all the shares.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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>12/31/21</u>	<u>12/31/20</u>
Interbanking S.A.	411,756	472,075
Mercado Abierto Electrónico S.A.	91,491	96,324
Play Digital S.A. (*)	74,916	89,580
Compensadora Electrónica S.A.	15,335	11,959
Provincanaje S.A.	6,383	5,635
Total	<u>599,881</u>	<u>675,573</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 95,135,385 ordinary shares, representative of the 4.4189% of the share capital.

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.

To determine the fair value, the market approach is used, which is based on the assumption that a well-informed buyer will not pay more than the purchase price of another similar good for an asset, that is, it provides an indication of the value by comparing the asset with other similar.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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, 2021 and 2020, 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, 2021 and 2020 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>12/31/21</u>	<u>12/31/20</u>
Advance payments	916,412	669,408
Other assets	202,481	380,706
Piece of art	90,654	90,654
Investment property (Exhibit "F")	54,457	69,547
Other	179,724	137,314
Total	<u>1,443,728</u>	<u>1,347,629</u>

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

Developments in the investment properties included within the Other Non-Financial Assets as of December 31, 2021 and 2020 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.

NOTE 21 – NON CURRENT ASSETS HELD FOR SALE

As of December 31, 2021, the Group does not have non-current assets held for sale.

As of December 31, 2020, the Group maintains as non-current assets held for sale two pieces of land located in the department of Anta, province of Salta, for 222,981 whose sales were perfected in the months of January and July 2021.

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	12/31/2021	12/31/2020
Savings banks	132,402,649	114,492,200
Fixed term and term investments	117,450,815	114,821,931
Current accounts	33,308,475	37,786,834
Investment Accounts	10,755,825	9,543,871
Others	12,814,483	16,682,516
Interest and adjustment	4,160,006	2,420,929
Total	310,892,253	295,748,281

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

NOTE 23 – OTHER FINANCIAL LIABILITIES

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

Item	12/31/2021	12/31/2020
Credit card charges payable	9,639,011	8,579,193
Sundry payables	2,717,919	2,422,682
Collections on account and on behalf of third parties	1,918,786	1,761,021
Payables related to purchase of government securities to be settled	987,110	89,580
Payables related to foreign trade transactions	621,868	910,250
Payables related to FX purchases on the spot market to be settled	516,650	1,274,339
Total	16,401,344	15,037,065

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:

	12/31/21	12/31/20
Financing facilities received from foreign financial institutions	6,337,549	3,725,891
Financing facilities received from local financial institutions	1,033,617	2,441,603
BCRA	17,626	15,341
Total	7,388,792	6,182,835

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 General Ordinary Shareholders' Meeting of Banco Patagonia S.A. held on April 26, 2012, approved the creation of a Global Program for the issuance of simple Negotiable Obligations for a maximum amount outstanding at any time of up to USD 250,000,000 or its equivalent in other currencies. and a term of 5 years from the date of authorization by the CNV.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

Pursuant to the expiration of the Program, the Ordinary General Shareholders' Meeting held on April 26 April 2017 approved the extension of such program, among several issues:

- (a) Validity of 5 years from the authorization of the CNV or the maximum term that may be set by future regulations that may be applicable;
- b) The amount of U\$S 500,000,000,000 or its equivalent in other currencies will be the maximum amount outstanding during the term of the program; and

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

The funds to be obtained from the placement of the corporate bonds 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 BCRA's Deposit Transactions Regulations, Securities and Debt Securities Placement Section, or those established in the applicable regulations, and as specified in the respective price supplement. price supplement.

As of December 31, 2021, the Bank does not have any class and/or series of outstanding marketable obligations under such 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.

By means of Resolution No. 15,868 of April 30, 2008, the CNV authorized the admission to the public offering of GMAC Compañía Financiera S.A. (predecessor of GPAT), through the creation of a global program for the issuance of simple negotiable debentures, not convertible into shares, for up to 400,000 or its equivalent in other currencies.

After successive extensions and extensions of the outstanding amounts, on January 3, 2017, GPAT's Board of Directors proposed the extension of the Global Program of outstanding simple Negotiable Debentures from 1,500,000 to 3,000,000 and its renewal for a term of 5 years. The extension and extension was approved by the General Ordinary Shareholders' Meeting convened on January 18, 2017, being approved by the National Securities Commission on April 12, 2017.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

The funds obtained from this placement were applied to the granting of retail loans.

Below is a detail of the current issuances:

Issue	Issued value	Annual nominal rate	Date of issuance	Maturity date	Balances as of 12/31/21	Balances as of 12/31/20
GPAT						
Serie XXXIV Clase B	508,333	Badlar + 5%	06/24/20	06/24/21	-	768,324
Serie XXXV Clase A	500,000	38,5%	10/21/20	10/21/21	-	690,907
Serie XXXVI Clase A	750,000	Badlar + 5%	01/13/21	01/13/22	623,437	-
Total					623,437	1,459,231

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, 2021 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, 2021:

Fall in supplies	Provisions					
	Labor Lawsuits	General Lawsuits	Tax claims	Administrative, disciplinary and criminal sanctions	Eventual Responsibilities	Total as of 12/31/21
Less than 12 months	23,806	119,357	28,067	-	232,003	403,233
More than 12 months	131,450	157,551	153,885	-	143,693	586,579
Total	155,256	276,908	181,952	-	375,696	989,812

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

The following are the falls in provisions as of December 31, 2020:

Fall in supplies	Provisions					Total as of 12/31/20
	Labor Lawsuits	General Lawsuits	Tax claims	Administrative, disciplinary and criminal sanctions	Eventual Responsibilities	
Less than 12 months	25,115	663,320	33,473	-	268,824	990,732
More than 12 months	122,296	1,320,187	205,224	-	188,264	1,835,971
Total	147,411	1,983,507	238,697	-	457,088	2,826,703

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 54 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's Management and its legal advisers consider that the cases in which they may involve cash disbursements are not material, and that there are no other significant effects than those disclosed in these consolidated financial statements.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

NOTE 27 – OTHER NON FINANCIAL LIABILITIES

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

	<u>12/31/21</u>	<u>12/31/20</u>
Cash dividends payable	13,003,996	11,667,351
Other short term employee benefits payable	3,161,434	3,098,067
Withholdings and collections	1,790,745	1,903,598
Advanced payments received	1,703,737	1,388,938
Sundry accounts payable	1,578,519	1,446,452
Other taxes payable	1,154,669	718,716
Payroll and social security contributions payable	505,789	432,507
Liabilities from contracts with costumers	316,284	342,590
Payroll withholdings payable	287,482	283,600
Social security payment orders to be seattled	139,811	247,328
Advanced payments received for the sale of goods	6,940	52,219
Other	169,584	219,708
Total	<u>23,818,990</u>	<u>21,801,074</u>

NOTE 28 - SHARE CAPITAL

The Bank's share capital is made up of 719,145,237 shares, comprising 22,768,818 Class "A" shares and 696,376,419 Class "B" shares, all of 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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

NOTE 29 – INTEREST INCOME

Breakdown is as follows:

Interest income	12/31/21	12/31/20
Government securities measured at fair value with change through OCI	48,462,947	48,474,432
Notes	24,070,701	4,240,372
Overdrafts	14,076,884	11,846,341
Consumer loans	10,223,246	13,907,891
Credit cards	6,211,769	6,817,367
Other loans	4,766,718	5,873,883
Premiums on repos with the financial sector	2,477,018	3,314,220
Loans to the financial sector	2,401,752	3,346,229
Pledge Loans	2,067,307	2,141,124
Other Loans	1,368,771	2,270,136
Finance leases	274,077	231,126
Other	1,914,957	922,019
Total	118,316,147	103,385,140

NOTE 30 – INTEREST EXPENSE

Breakdown is as follows:

Interest expense	12/31/21	12/31/20
Time deposits	48,295,393	32,626,481
Deposits in savings accounts	12,346,474	4,321,225
Corporate bonds	599,561	452,010
Financing facilities received from financial institutions (Call)	242,537	561,584
Other financing received from financial institutions	161,538	544,780
Premiums on liabilities with the financial sector	58,401	297,466
Other	2,375,147	1,655,708
Total	64,079,051	40,459,254

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

NOTE 31 – FEE INCOME

Breakdown is as follows:

Fee income	12/31/21	12/31/20
Credit and debit cards	3,650,248	3,625,586
Product packages	3,098,049	3,010,643
Deposits	2,362,215	2,588,668
Insurance	1,873,940	2,070,427
Collections	1,144,916	1,100,371
Foreign trade	560,812	602,479
Loans	215,580	258,864
Securities	182,010	190,881
Other	259,603	273,969
Total	13,347,373	13,721,888

NOTE 32 – FEE EXPENSES

Breakdown is as follows:

Fee expenses	12/31/21	12/31/20
Related to credit and debit cards	2,585,166	2,730,816
Government sector	816,393	804,219
Collections	172,759	187,977
Transfers	104,386	100,832
Related to securities	93,325	94,430
Other	237,820	289,160
Total	4,009,849	4,207,434

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	12/31/21	12/31/20
Forward foreign currency transactions	1,475,053	1,066,379
Gain on the sale or derecognition of financial assets	289,042	891,810
Government securities and instruments issued by the BCRA	287,130	370,966
Private securities	127,561	(43,958)
Total	2,178,786	2,285,197

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

NOTE 34 – OTHER OPERATING INCOME

Breakdown is as follows:

Other operating income	12/31/21	12/31/20
Recovered credits	857,690	445,099
Commissions for rentals of safe deposit boxes	771,368	802,372
Unaffected forecasts	729,589	339,021
Management fees (FCI manager company)	691,923	578,926
Other adjustments and interests from miscellaneous credits	610,082	603,139
Related to capital and securities markets	338,121	276,734
Punitive interest	74,464	57,256
Related to transfers	55,946	50,264
Gain on the sale of property and equipment	48,343	280,085
Related to deposits	36,611	46,797
Tax recovery	-	480,877
Others	1,029,650	1,433,140
Total	5,243,787	5,393,710

NOTE 35 – Employee benefits

Breakdown is as follows:

Employee benefits	12/31/21	12/31/20
Salaries	13,247,534	13,123,385
Social security contributions	2,611,436	2,559,977
Services to personnel	564,990	556,213
Other benefits	541,975	764,002
Severance payments	394,795	415,271
Total	17,360,730	17,418,848

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

NOTE 36 – ADMINISTRATIVE EXPENSES

Breakdown is as follows:

Administrative expenses	12/31/21	12/31/20
Maintenance, conservation and repair expenses	2,583,594	2,493,942
Taxes	1,853,564	1,784,390
Fee	1,221,797	1,272,313
Armored vehicle services	877,228	949,056
Electric power and communications	744,137	850,355
Security services	699,605	752,372
Advertising and marketing	401,562	204,407
Courier service	169,641	206,292
Leases	115,808	138,737
Stationery and supplies	66,663	308,559
Representation, per diem and mobility	60,630	58,752
Other	1,838,915	1,865,981
Total	10,633,144	10,885,156

NOTE 37 – OTHER OPERATING EXPENSES

Breakdown is as follows:

Other operating expenses	12/31/21	12/31/20
Gross income tax	8,336,611	4,926,386
ATM expenses	1,129,275	542,817
Other allowance charges	929,555	413,494
Contribution to the deposit guarantee fund	532,780	483,062
Leases - Interest on liabilities	289,500	301,405
Other	1,268,246	1,235,469
Total	12,485,967	7,902,633

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

NOTE 38 – CAPITAL MANAGEMENT AND TRANSPARENCY POLICY IN MATTERS OF CORPORATE GOVERNANCE

Banco Patagonia, as a Financial Institution with a percentage of shares subject to the public offering regime, is subject to the control of the BCRA and the CNV, and the requirements and recommendations related to corporate governance of both agencies are applicable to it.

The following are the main guidelines adopted by the Bank in connection with transparency in the area of Corporate Governance, as required by Communication "A" 6324, as amended and supplemented:

- 1) Board of Directors, Senior Management and Committees.
 - a) Board of Directors.

Integration of the Board of Directors

The management and administration of the Entity is in charge of the Board of Directors, whose number of members is fixed by the Shareholders' Meeting between a minimum of seven and a maximum of nine members, who are elected for three annual periods with the possibility of being re-elected indefinitely.

In accordance with the provisions of the Bank's By-laws, a Regular Director will be appointed by the holder of the class "A" common shares, which correspond to the Province of Río Negro, who may in turn appoint an Alternate Director, while the remaining Directors will be appointed by the holders of the class "B" common shares, who may also appoint Alternate Directors.

Banco Patagonia has two independent members on its Board of Directors.

The conditions under which a member of the Board of Directors does not qualify as independent are expressly contemplated for Financial Institutions in the BCRA regulations, and for Companies under the Public Offering Regime, in the CNV regulations, issued within the framework of Law No. 26,831 of the Capital Markets Law.

None of its members performs executive functions, in compliance with Communications "A" 7,143 and 7,403.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

Criteria for the selection of Directors

The Board of Directors may not be comprised by those who are included in the disqualifications and incompatibilities set forth in the General Corporations Law No. 19,550, or in the Financial Institutions Law No. 21,526, or in the BCRA regulations on Authorities of Financial Institutions, or those contemplated in the CNV regulations.

On the other hand, the By-laws of the Bank provide that those who hold any position or employment, paid or unpaid, in the National, Provincial or Municipal Public Administration, with the exception of teachers, and Directors or Administrators of legal entities that are defaulting debtors of Financial Institutions, may not be Directors.

The BCRA shall evaluate the conditions of legal ability, suitability, competence, probity, experience in the financial activity and possibility of functional dedication of the proposed members of the Board of Directors. These conditions must be maintained during the entire term of office. The background information is submitted to the BCRA for its respective approval.

Until the BCRA notifies the Bank of the approval of the proposed Director, he/she may not assume the position for which he/she was appointed. Notwithstanding the foregoing, the Director appointed for the class A shares of the Province of Río Negro, provided that the corresponding provincial Decree appointing him/her has been issued, may assume the position while his/her authorization is being processed at the BCRA, considering his/her appointment as a commission "ad referendum" of the authorization resolution, and without prejudice to the validity of the acts in which he/she participates during such period, pursuant to the BCRA regulations.

Obligations of the Board of Directors pursuant to the regulations in force

Pursuant to the provisions of the General Corporations Law No. 19,550, the Directors are obliged to perform their duties with loyalty and with the diligence of a good businessman.

The Directors are jointly and severally liable before the Company in which they hold such positions, its shareholders and third parties for the improper performance of their duties, as well as for the violation of the Law, the Bylaws and for any damage caused by fraud, abuse of powers or fault.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

The General Corporations Law No. 19,550 establishes as a criterion for the conduct of the Directors that they:

- They may enter into contracts with the Company that are of the activity in which the Company operates and provided that they are entered into under market conditions.
- They have the obligation to inform the Board of Directors and the Supervisory Committee of the Company of any interest contrary to that of the Company that they may have in a proposed transaction and to abstain from intervening in the deliberation and voting thereof.
- They may not participate on their own behalf or on behalf of third parties in activities in competition with the Company, unless expressly authorized by the Meeting.

The BCRA requires that the members of the Board of Directors have the necessary knowledge and skills to clearly understand their responsibilities and functions within the corporate governance.

In turn, the rules of transparency in public offerings also impose on the Directors duties of loyalty and diligence in the exercise of their functions, in particular:

- To prevail, without exception, the corporate interest of the Issuer in which they exercise their function and the common interest of all its partners over any other interest, including the interest of the controlling shareholder(s).
- Refrain from seeking any personal benefit at the Issuer's expense other than their own remuneration for their functions.
- Organize and implement preventive systems and mechanisms to protect the corporate interest, so as to reduce the risk of permanent or occasional conflicts of interest in their personal relationship with the issuer.
- Provide adequate means to carry out the issuer's activities and have the necessary internal controls in place to ensure prudent management and prevent breaches of the duties imposed by the CNV and self-regulated entities' regulations.
- Act with the diligence of a good businessman in the preparation and disclosure of the information provided to the market and ensure the independence of the external auditors.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

Fees to the Board of Directors:

Pursuant to the provisions of the Company's Bylaws, the fees of the Board of Directors are fixed annually by the Stockholders' Meeting, taking into account the ceilings established in the General Corporations Law No. 19,550. In determining such remunerations, the responsibilities, the time dedicated to the functions, the experience and professional reputation are taken into account.

This criterion is based on the fact that the level of remuneration should be the one considered necessary to attract, retain and motivate Directors who meet the conditions required to perform such duties.

The possibility of granting other types of benefits such as equity interests is not contemplated.

b) Senior Management

The members of Senior Management are responsible for implementing the strategies and policies approved by the Board of Directors, developing processes that identify, evaluate, monitor, control and mitigate the risks incurred by the Entity and implementing appropriate internal control systems, monitoring their effectiveness and reporting periodically to the Board of Directors on compliance with the objectives.

Its members must have the necessary qualifications and experience to manage the business under their supervision, as well as the appropriate control of their personnel.

Depending on the size, magnitude and complexity of the Entity, "Senior Management" is understood to include the following positions:

- Superintendents and Managers reporting directly to the Board of Directors.

c) Committees

In order to maintain an adequate organization, control and follow-up of the activities inherent to management, the Bank's Board of Directors has created different Committees, which are under its supervision, with the participation of at least one Director as Vice President or President and the person in charge of the corresponding area.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

Each Committee has a Regulation that establishes its attributions, composition and operation.

The following is a detail of the Bank's Board Committees:

BCRA Audit Committee

As provided for in BCRA regulations, it is mainly in charge of the steps to ensure the correct operation of the Bank's internal control systems and procedures, in accordance with the guidelines defined by the Board of Directors.

CNV Audit Committee

Provided for in Law No. 26,831 of the Capital Markets Law and in the Company's Bylaws, it complies with the regulations established by the CNV as regards its composition and attributions. The members of this Committee are appointed by the Board of Directors, in accordance with the independence requirements established by the CNV. This Committee is mainly responsible for supervising the operation of the internal control and administrative-accounting systems.

Committee for the Protection of Users of Financial Services

As provided for in BCRA regulations, its purpose is to oversee the proper functioning of the processes related to the protection of users of financial services, as well as to contribute to the improvement of such processes and their controls.

Committee for the Control and Prevention of Money Laundering and Terrorism Financing

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

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

Information Technology Committee

As provided for in BCRA regulations, it is mainly responsible for analyzing and proposing to the Board of Directors, the Technology and Systems Policy and Plan supporting the Bank's strategic objectives and periodically reviewing the degree of compliance therewith. In addition, it shall ensure the existence of a Contingency Plan, supervise the results of the periodic tests thereof and verify its permanent updating.

Finance Committee

It is responsible for the decisions to be taken in matters concerning the management of the Bank's financial assets and liabilities. It also proposes policies and procedures regarding the management of the main financial risks.

Ethics Committee

Its purpose is to resolve issues related to the interpretation and scope of the Code of Ethics. Additionally, it must take cognizance of the reports arising from the reports coming from the "Ethics Line" complaints channel, or from the different sources of detection of behaviors that affect the principles of institutional integrity.

Global Risk Committee

Its main purpose is to propose to the Board of Directors the strategy for the management of market, interest rate, liquidity and credit risks, as well as the global limits of exposure to such risks and their contingency plans. On the other hand, it takes cognizance of the positions of each risk and compliance with the related limit policies. It proposes to the Board of Directors the policies and procedures to be used for model risk management, approves the annual model validation plan, and takes cognizance of and approves the respective reports prepared with the conclusions reached during the validation process of each model.

Operational Risk Committee

Its main purpose is to propose to the Board of Directors for its approval, the policies, procedures, manuals and structures necessary for the management of operational and reputational risk, and to monitor the activities aimed at ensuring an adequate management of such risks. It also monitors the activities related to the scheme for preventing and combating corruption.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

Information Security and Protection of Information Assets Committee

It is responsible for proposing to the Board of Directors the policy on information security and protection of information assets and monitoring its compliance. It is also in charge of preparing proposals to the Board of Directors regarding preventive measures aimed at minimizing risks related to information security or, if necessary, corrective actions. Likewise, it proposes to the Board of Directors the organization's strategic planning in the area of cybersecurity and cyber-resilience, in order to incorporate initiatives and awareness-raising activities in this area, incorporating practices aimed at reducing the inherent risks associated with cyber-threats.

Customer Experience Committee

It is responsible for proposing to the Board of Directors the policies and strategies aimed at managing and improving the customer experience, evaluating the structure and resources allocated to develop such management, carrying out the corresponding reviews of the programs, actions and inherent training.

Steering Committee

Its function is to analyze and approve the granting of credit facilities, which exceed the attributions of the rest of the Bank's Committees, as well as to analyze and propose modifications to the credit policy.

Human Development Committee

Evaluates all issues related to remuneration schemes, bonuses, salary scales and increases, staff promotions, internal movements of management positions, and emerging organizational climate.

Business Committee

Analyzes different commercial proposals, defines the commercial strategies to be adopted by the different segments, analyzes the strengths and weaknesses of possible new products.

Architecture, Security and Asset Management Committee

Analyzes issues related to the Bank's building and furniture infrastructure, and deals with issues related to its physical security.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

2) Basic shareholding structure

As of December 31, 2021 and as of the date of issuance of these Financial Statements, the capital stock of the Bank is comprised of 719,145,237 shares, of which 22,768,818 are Class "A" shares and 696,376,419 are Class "B" shares, both classes being ordinary scrip shares, of V\$N 1 and with the right to one vote each.

The shareholder structure is as follows: Banco do Brasil S.A. 80.39%, ANSES FGS LEY 26,425 15.29%, Province of Rio Negro 3.17% and Market 1.15%.

No shareholder is a member of the Board of Directors or Senior Management.

3) Organizational structure

The Bank is managed and administered by a Board of Directors composed as of 12/31/21 of nine members: a President, five Vice Presidents and three Regular Directors, two of whom are independent in accordance with public offering standards. In turn, six Superintendencies, and eight Management Departments report to the Board of Directors:

Superintendencies:

- Superintendence of Business with Companies
- Superintendence of Branch Network and Business with Individuals
- Superintendency of Finance, Administration and Public Sector
- Credit, Risk Management and Internal Controls Superintendency
- Superintendency of Operations
- Superintendency of Digital Products and Businesses

Management reporting directly to the Board of Directors:

- Legal Affairs Executive Management
- Executive Office of the Secretary of the Board of Directors
- Executive Vice President - Planning, Branding and Communications
- Executive Vice President - Human Development and Organizational Climate
- Technology, Communications and Systems Executive Management
- Internal Audit Management
- Asset Laundering Prevention Management.
- Information Security and Protection of Information Assets Management

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

Through an action model structured in business units - Individuals, Companies and Public Sector - the Bank concentrates its relations with the different customer segments.

Controlled Companies:

Banco Patagonia is the controlling company of the following companies:

Society	% of 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 better understanding of the aforementioned companies, see Note 1.

Branch network

As of December 31, 2021, the Entity's branch network consists of 208 points of service throughout the country, comprising 185 Branches and 23 Service Centers.

- 4) Business Conduct Policy, Code of Ethics, Compliance Policy and Program, Integrity Policy and Program, Code of Conduct and Whistleblower Channel.

Code of Ethics

The Entity has a Code of Ethics approved by the Board of Directors, which translates the values that the Board of Directors intends to be observed and proclaimed at all levels of the organization, in the interaction with customers, co-workers, suppliers or the community in which it operates.

The Code of Ethics has been established with the purpose of facilitating the knowledge and understanding of the ethical principles and conduct that each member of Banco Patagonia must comply with in their performance, with efficiency, quality and transparency, respecting the law and the highest standards of conduct.

Additionally, inspired by the values upheld in the Code of Ethics, within the framework of the efforts made by the Board of Directors to consolidate a corporate culture of integrity, which builds ethical, transparent and sustainable bonds with all its related parties, the Principles for the management of suppliers and related third parties were issued.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

Compliance Policy and Program

The Compliance Policy and Program have been approved with the purpose of providing guidelines on the Compliance risk management model, understanding such risk as the possibility of receiving legal or regulatory sanctions, material financial loss or loss of reputation as a result of non-compliance with the applicable rules.

This Program establishes a set of guidelines aimed at achieving a state of integral compliance, not only with respect to laws and regulations in particular, but also in relation to our ethical standards and voluntarily assumed commitments.

Integrity Policy and Program

Banco Patagonia's Board of Directors approved an Integrity Policy and Program, which arose as a result of its unwavering commitment to the prevention and fight against corruption; a commitment that is expressly and publicly assumed by expressing its "zero tolerance" stance towards any act of corruption committed by any member of the Bank.

The Integrity Program consists of an articulated system of actions, mechanisms and procedures that the Bank has, aimed at promoting integrity and preventing, detecting, correcting and eventually punishing improper conducts or illegal acts, particularly those covered by Law 27,401 on Criminal Liability of Legal Entities, which may be committed by an officer or a third party in the interest or for the benefit of the Bank. It provides a sufficient regulatory framework to carry out the investigation of any form of fraudulent, illicit or dishonest activity, establishing a clear scheme of sanctions in case of 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 Financing of Terrorism, as well as with its Integrity Policy and those of our controlling Company, the Program enshrines the Bank's guiding ethical values and provides the necessary guidelines for all members to orient their daily conduct towards ethics and integrity.

The Policy establishes the guidelines and directives followed by Banco Patagonia in connection with its model for preventing and combating corruption. It must be interpreted in harmony with the Integrity Program, the Compliance Program and the Code of Ethics.

Compliance with the Program and the Policy is a shared responsibility of all members of the Bank at all levels and guides all members to jointly build an upright, ethical and transparent business environment.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

Code of Conduct

The Bank has a Code of Conduct, which defines the duties of loyalty with which all persons must perform in the exercise of their activities related to the role of Settlement and Clearing Agent and Comprehensive Trading Agent, in order to avoid possible conflicts of interest. It also defines the aspects related to the use of privileged or reserved information and the duty to maintain confidentiality.

Whistleblower Channel (Ethics Line)

An Ethics Line has been implemented as the formal channel through which complaints made by employees and suppliers regarding actions or behaviors that may be contrary to those established in the Code of Ethics, organizational values and/or legal or internal regulations are handled.

5) Role as financial agent of the non-financial public sector

The Bank has been acting as financial agent of the Province of Río Negro since 1996 (see Note 55), providing comprehensive services as regards financial products for the provincial treasury, as well as the service of payment of salaries of provincial employees.

Also, the Bank has taken its capacity as Financial Agent to several national universities.

6) Policies regarding conflicts of interest and the nature and extent of operations with subsidiaries and related parties.

A conflict of interest occurs when a person fails to comply with a duty that is incumbent upon him/her with the organization, for the benefit of another interest that he/she prioritizes for personal motivations.

The Entity has considered the issue of "conflict of interest" in various documents, namely: Policy on entering into acts or contracts between Banco Patagonia and a related party for a relevant amount, Code of Ethics, Code of Conduct, Policy on Publicity and Communication of Information, Integrity Policy and Program.

With respect to financing to related parties, the Bank applies the definition, limits and other provisions established by the BCRA in its regulations on large exposures to credit risk.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

In accordance with the General Companies Law No. 19,550 and within the limits established by BCRA regulations, financing to related individuals and legal entities is allowed, provided that such transactions comply with market practices.

On a monthly basis, the Superintendence of Finance, Administration and Public Sector submits a report to the Board of Directors, indicating the amounts of financing agreed in the period, to each of the related individuals and legal entities and the contracting conditions, informing whether they correspond to the rest of the customers in similar circumstances. Such report must include a written opinion of the Supervisory Committee on the reasonableness of the financing included, as well as on whether they are the totality of those granted to individuals and legal entities related to the Bank.

On the other hand, on an annual basis, and according to the regulations issued by the BCRA, the Bank submits to such Agency a special report with a detail of the related companies or entities in the country or abroad of shareholders and of those who exercise the management and control bodies. Such persons must submit to the Bank, on an annual basis and each time there is any change, a sworn statement detailing their related companies and their kinship relationships.

Additionally, the Bank complies with the requirements for the authorization of transactions with related parties for amounts higher than 1% of the Bank's equity, according to the provisions of Law No. 26,831 of the Capital Markets Law and Resolution 622/13 of the CNV. They must be agreed under normal and customary market conditions.

7) Remuneration practices and economic incentives of personnel

General principles

The personnel remuneration and incentive policy 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,
- and to have trained and motivated personnel.

It includes a fixed remuneration, established according to the level of responsibility and professional trajectory of each employee, adjusted by conventional negotiations, and may also include a variable compensation, as a commercial incentive or commission for the commercial areas, or as a bonus.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

In order to monitor and guide compensation practices, the Bank uses surveys and reports carried out by external consultants specialized in the subject.

Human Development Committee

The Board of Directors has approved the creation of a Human Development Committee, which functions as a supervisory body of the compensation policy.

It is composed of the Chairman of the Board, two Vice Chairmen, an independent Director and the Executive Manager of Human Development and Organizational Climate.

The Human Development and Organizational Climate Executive Management provides the Human Development Committee with the necessary information to establish the salary bands and, as a result, determine the amounts of remuneration for Senior Management, taking into account the values corresponding to comparable companies and the market situation to be achieved.

The Entity does not have a compensation deferral policy.

Economic bonus scheme

The Entity contemplates an economic bonus scheme, in cash, with annual payment frequency, with the objective of guiding people to obtain achievable results that contribute to the overall performance of the organization, taking into account prudent risk-taking, and also considering the achievement of objectives within the framework of the performance management process.

Description of how current and future risks are taken into account in the compensation process.

The Human Development Committee takes into account the information from the annual report of the Global Risk Committee and the Operational Risk Committee, in order to weigh organizational economic results in relation to compliance with the risk limits defined by the Board of Directors.

In this way, it promotes a close relationship between the performance of the employees defined as risk takers and the economic bonuses to which its members may have access, considering the risks assumed during the fiscal year and their management.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

Once this analysis has been carried out, it will determine the maximum amount to be distributed in terms of annual bonuses.

The main risks considered in the management related to the payment of annual bonuses are as follows:

- 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 economic incentive schemes of a short-term remuneration nature linked to future income of uncertain effectiveness.

The compensation of officers involved in the credit, financial and risk control processes does not depend on the business areas they supervise. All decisions in these matters are made on a collegiate basis, thus avoiding the development of control and approval schemes whose resolution is of an individual nature.

It should be clarified that there is no dependence between the remuneration of the Risk and Compliance sectors and the type of business they supervise, nor is there any relationship between remuneration and possible current or future risks.

8) Public Information

Updated information on financial and/or institutional information is maintained on its web page www.bancopatagonia.com.ar, on the Financial Information Highway (AIF) of the CNV (www.cnv.gob.ar) and on Bolsas y Mercados Argentinos S.A. (www.byma.com.ar).

The Annual Corporate Governance Code Report is presented as an Appendix to the Board of Directors' Report.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

NOTE 39 – 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 38, 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.

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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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;
- 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 develop a qualification proposal, which is dealt with within the scope of the various Credit Committees.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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.

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.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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.

The percentage of exposure per issuer calculated on total investments in financial assets is detailed below:

Breakdown	12/31/21	12/31/20
Public Titles issued by the National and Provincial Government (a)	27.0%	25.0%
Instruments issued by BCRA (b)	70.0%	71.0%
other	3.0%	4.0%

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

- 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:

- 99% of the loan portfolio is classified in the top two levels of the BCRA classification system as of December 31, 2021, while as of December 31, 2020 it was classified in 98%;
- 96% of the loan portfolio is considered neither past due nor impaired as of December 31, compared to 91% as of December 31, 2020;

The maximum amount of credit risk of the Group's financial assets is as follows:

Detail	12/31/21	12/31/20
Cash and deposits in banks	67,997,408	91,280,453
Debt securities at fair value with changes in results	2,108,781	2,308,924
Derivative instruments	649,853	427,919
Pass operations	63,425,785	11,966,611
Other financial assets	4,906,909	3,838,254
Loans and other financing	165,442,425	170,470,791
Other debt securities	124,573,507	132,799,330
Financial assets delivered in collateral	8,343,403	13,060,434
Total	437,448,071	426,152,716
Off-balance sheet		
Unused credit card balances	41,102,084	42,021,855
Guarantees granted	770,628	866,869
Responsibilities for foreign trade operations	74,777	347,002
Letters of credit	344,120	301,992
Total	42,291,609	43,537,718

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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.

Quality of loans and other financing

The following is the credit risk exposure as of December 31, 2021 considering the Stadiums of the expected credit loss model:

Exhibition by Estadio	Stay 1	Stay 2	Stay 3	total 12/31/21
Other financial assets	5,394,014	4,965	-	5,398,979
Loans and other financing	161,728,478	5,745,117	1,139,619	168,613,214
Other Financial Institutions	11,125,763	-	-	11,125,763
Private non-financial sector and residents abroad	150,602,715	5,745,117	1,139,619	157,487,451
Overdrafts	34,193,868	191,593	68,726	34,454,187
Notes	57,119,757	711,410	183,738	58,014,905
Mortgage loans	3,443,672	172,384	7,070	3,623,126
Pledge loans	3,994,451	-	-	3,994,451
Personal loans	11,936,914	1,962,421	432,093	14,331,428
Credit cards	26,729,976	2,074,704	153,655	28,958,335
Financial leases	1,295,410	50,279	4,394	1,350,083
Other	11,888,667	582,326	289,943	12,760,936
Other debt securities	-	-	-	-
Eventual commitments	31,401,155	1,024,564	39,840	32,465,559
TOTAL EXPOSURE	198,523,647	6,774,646	1,179,459	206,477,752

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

The composition of the forecast for credit losses expected as of December 31, 2021 by Estadio is as follows:

Forecast by stage	Stay 1	Stay 2	Stay 3	Total 12/31/20
Other financial assets	1,732,261	1,891	-	1,734,152
Loans and other financing	962,396	1,463,935	793,807	3,220,138
Other Financial Institutions	940	-	-	940
Private non-financial sector and residents abroad	961,456	1,463,935	793,807	3,219,198
Overdrafts	12,306	5,269	58,685	76,260
Notes	126,720	18,938	58,075	203,732
Mortgage loans	38,279	68,312	3,184	109,774
Pledge loans	82,375	-	-	82,375
Personal loans	213,218	557,013	336,328	1,106,560
Credit card	254,536	800,445	121,073	1,176,054
Finance leases	15,088	4,219	2,892	22,199
Other	218,934	9,739	213,570	442,243
Eventual commitments	136,267	212,037	27,392	375,696
TOTAL FORECAST	2,514,510	1,677,862	821,199	5,013,571

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

The following is the credit risk exposure as of December 31, 2020 considering the Stadiums of the expected credit loss model:

Exhibition by Estadio	Stay 1	Stay 2	Stay 3	Total 12/31/20
Other financial assets	4,706,696	24,122	619	4,731,437
Loans and other financing	164,864,210	9,714,792	2,642,208	177,221,210
Other Financial Institutions	11,417,119	-	-	11,417,119
Private non-financial sector and residents abroad	153,447,091	9,714,792	2,642,208	165,804,091
Overdrafts	44,605,475	318,109	618,726	45,542,310
Notes	40,686,999	2,240,594	638,654	43,566,247
Mortgage loans	1,418,599	151,784	183	1,570,566
Pledge loans	5,445,300	-	-	5,445,300
Personal loans	8,404,759	2,193,045	668,785	11,266,589
Credit cards	28,998,545	3,974,369	234,507	33,207,421
Finance leases	339,018	62,612	11,060	412,690
Other	23,548,396	774,279	470,293	24,792,968
Other debt securities	195,231	-	-	195,231
Eventual commitments	21,663,428	1,555,763	57,209	23,276,400
TOTAL EXPOSURE	191,429,565	11,294,677	2,700,036	205,424,278

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

The composition of the forecast for credit losses expected as of December 31, 2020 by stay is as follows:

Forecast by stage	Stay 1	Stay 2	Stay 3	Total 12/31/20
Other financial assets	2,016,314	12,848	571	2,029,733
Loans and other financing	2,745,557	2,381,501	1,635,229	6,762,287
Other Financial Institutions	4,806	-	-	4,806
Private non-financial sector and residents abroad	2,740,751	2,381,501	1,635,229	6,757,481
Overdrafts	64,754	78,702	288,753	432,209
Notes	127,497	181,457	220,206	529,160
Mortgage loans	38,400	36,491	57	74,948
Pledge loans	86,421	-	-	86,421
Personal loans	631,071	1,321,208	686,620	2,638,899
Credit cards	484,396	743,194	167,160	1,394,750
Finance leases	1,749	10,074	3,008	14,831
Other	1,306,463	10,375	269,425	1,586,263
Other debt securities	182	-	-	182
Eventual commitments	259,829	155,281	41,978	457,088
TOTAL FORECAST	5,021,882	2,549,630	1,677,778	9,249,290

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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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.

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, 2021 and 2020, 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	12/31/21	12/31/20
Balance at year-end	58.1%	72.0%
Average exercise	62.2%	71.9%
Elder	72.5%	84.2%
Minor	53.8%	64.3%

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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 12/31/21
Up to 1 month	82,663,232	420,632,550	(337,969,318)
Between 2 and 3 months	20,861,760	25,703,164	(4,841,404)
Between 3 and 6 months	31,498,287	8,041,515	23,456,772
Between 6 and 12 months	21,401,534	1,204,723	20,196,811
Between 12 and 24 months	18,957,837	1,139,011	17,818,826
More than 24 months	27,327,531	1,061,926	26,265,605
Total	202,710,181	457,782,889	(255,072,708)

Item	Exhibit D - Opening for loan terms and other financing	Exhibit I - Opening of financial liabilities for remaining installments	Total as of 12/31/20
Up to 1 month	98,655,040	317,998,956	(219,343,916)
Between 2 and 3 months	18,758,380	21,663,973	(2,905,593)
Between 3 and 6 months	21,892,918	7,516,180	14,376,738
Between 6 and 12 months	23,487,168	6,302,805	17,184,363
Between 12 and 24 months	19,690,970	33,927	19,657,043
More than 24 months	16,940,134	3,737,328	13,202,806
Total	199,424,610	357,253,169	(157,828,559)

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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	12/31/21	12/31/20
Financial assets		
Debt securities	7,087,942	19,187,810
Loans and other financing	46,285,368	69,554,878
Total	53,373,310	88,742,688
Financial liabilities		
Deposits	4,656,622	3,416,737
Funding received from BCRA and other financial institutions	2,191,623	3,764,421
Total	6,848,245	7,181,158

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.

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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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 incurring losses on on- and off-balance sheet positions as a result of adverse fluctuations in the market prices of various assets.

The risks that compose it are:

- Risks inherent to shares, financial instruments whose value depends on interest rates and other financial instruments, recorded in the trading portfolio;
- Currency risk through on- and off-balance sheet positions.

The Bank has policies for market risk management which establish the processes for monitoring and controlling the risks of variations in the prices of financial instruments in order to optimize the risk-return relationship, using the structure of limits, models and appropriate management tools. The Global Risk Committee and the Finance Committee continuously monitor this risk, together with the other risks.

The methodologies and quantitative models applied are generally accepted best practice, such as Value at Risk (VaR) approaches with various parameterizations to reflect normal market situations as well as potentially more stressed situations.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

The Value at 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 structure of the portfolio of assets exposed to market risks and depending on the volatility of the risk factors.

Daily monitoring of this risk makes it possible to keep exposure within the limits established by the Board of Directors at all times.

In addition, various stress tests are performed, which consist of considering adverse market situations, unlikely but plausible, in order to identify possible impacts on the portfolio subject to market risk and facilitate planning for contingencies of this nature.

The following table shows the VaR (in millions of \$ARS) of the government securities trading portfolio at 1 day holding period, with a confidence level of 99% of the portfolio exposed to risk as of December 31, 2021 and 2020.

Concept	12/31/21	12/31/20
Maximum of the fiscal year	180.0	70.7
Exercise minimum	61.5	4.5
Average of the exercise	116.8	36.1
At year-end	62.0	70.7

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

Transactions in foreign currencies are carried out at bid and ask exchange rates. As of December 31, 2021 and 2020, the Bank's open position expressed in pesos by currency is as shown in the following table:

Concept	Euro	Dólar	Other	12/31/21
Total Assets	1,869,425	61,024,138	312,357	63,205,920
Total Liabilities	(1,636,867)	(59,432,592)	(36,898)	(61,106,357)
Position	232,558	1,591,546	275,459	2,099,563
Derivatives				
Forward – shopping	-	11,833,064	-	11,833,064
Forward – sales	-	(26,608,224)	-	(26,608,224)
Total	-	(14,775,160)	-	(14,775,160)

Concept	Euro	Dólar	Other	12/31/20
Total Assets	2,750,026	80,881,367	259,334	83,890,727
Total Liabilities	(2,076,189)	(73,275,861)	(1,509)	(75,353,559)
Position	673,837	7,605,506	257,825	8,537,168
Derivatives				
Forward – shopping	-	16,561,640	-	16,561,640
Forward – sales	-	(18,875,660)	-	(18,875,660)
Total	-	(2,314,020)	-	(2,314,020)

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

NOTE 40 – 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, 2021 is as follows:

Item	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss
Financial assets				
Debt securities measured at fair value with changes through profit or loss	2,108,781	-	-	2,108,781
Derivative financial instruments	649,853	-	-	649,853
Other debt securities	124,573,507	5,095,579	119,477,928	-
Financial assets granted as collateral	8,343,403	4,388,454	3,954,949	-
Investments in equity instruments	1,081,694	-	-	1,081,694
Total	136,757,238	9,484,033	123,432,877	3,840,328

Financial Liabilities

	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss
Liabilities measured at fair value with changes through profit or loss	148,838	-	-	148,838
Derivative financial instruments	58,163	-	-	58,163
Total	207,001	-	-	207,001

Concept	Level 1	Level 2	Level 3	Total Fair Value
Financial Assets				
Debt securities measured at fair value with changes through profit or loss	2,108,369	412	-	2,108,781
Derivative financial instruments	-	649,853	-	649,853
Other debt securities	37,259,742	82,218,186	-	119,477,928
Financial assets granted as collateral	3,954,949	-	-	3,954,949
Investments in equity instruments	-	12,735	1,068,959	1,081,694
Total	43,323,060	82,881,186	1,068,959	127,273,205

Financial liabilities

Liabilities measured at fair value with changes through profit or loss	148,838	-	-	148,838
Derivative financial instruments	-	58,163	-	58,163
Total	148,838	58,163	-	207,001

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

The fair value hierarchy of assets and liabilities measured at fair value as of December 31, 2020 is as follows:

Item	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss
Financial assets				
Debt securities measured at fair value with changes through profit or loss	2,308,924	-	-	2,308,924
Derivative financial instruments	427,919	-	-	427,919
Other debt securities	132,799,330	4,124,086	128,675,244	-
Financial assets granted as collateral	13,060,434	803,163	7,644,709	4,612,562
Investments in equity instruments	1,271,981	-	-	1,271,981
Total	149,868,588	4,927,249	136,319,953	8,621,386

Item	Level 1	Level 2	Level 3	Total Fair Value
Financial assets				
Debt securities measured at fair value with changes through profit or loss	2,280,877	28,047	-	2,308,924
Derivative financial instruments	-	427,919	-	427,919
Other debt securities	81,358,248	47,316,996	-	128,675,244
Financial assets granted as collateral	4,612,562	7,644,709	-	12,257,271
Investments in equity instruments	-	14,501	1,248,480	1,262,981
Total	88,251,687	55,432,172	1,248,480	144,932,339

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	12/31/21	12/31/20
Argentine Treasury Bond in ARS at Fixed Rate, due in 2020	11,246,951	-
Total	11,246,951	-

These holdings were included in hierarchy level 2 as of December 31, 2020, and as of December 31, 2021, they were carried out at fair value by using their listed prices in active markets.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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.

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.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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, 2021 is as follows:

Item	Accounting balance as of 12/31/21	Fv total	Fv Level 1	Fv Level 2	Fv Level 3
Financial assets					
Cash and bank deposits	67,997,408	(1)	-	-	-
Repo transactions	63,425,785	(1)	-	-	-
Other financial assets	4,906,909	4,601,886	-	-	4,601,886
Loans and other financing facilities	165,428,723	163,149,855	-	-	163,149,855
Financial liabilities					
Deposits	336,797,716	335,100,794	-	335,100,794	-
Repo transactions	96,442	(1)	-	-	-
Other financial liabilities	16,401,344	(1)	-	-	-
Financing facilities received from BCRA and other financial institutions	7,388,792	6,738,014	-	-	6,738,014
Corporate notes issued	623,437	614,132	-	-	614,132

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

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

The fair value hierarchy of assets and liabilities not measured at fair value as of December 31, 2020 is as follows:

Item	Accounting balance as of 12/31/20	Fv total	Fv Level 1	Fv Level 2	Fv Level 3
Financial assets					
Cash and bank deposits	91,280,453	(1)	-	-	-
Repo transactions	11,966,611	(1)	-	-	-
Other financial assets	3,838,254	3,383,753	-	-	3,383,753
Loans and other financing facilities	170,470,791	165,199,736	-	-	165,199,736
Financial liabilities					
Deposits	327,831,598	323,904,872	-	323,904,872	-
Repo transactions	6,985	(1)	-	-	-
Other financial liabilities	15,037,065	(1)	-	-	-
Financing facilities received from BCRA and other financial institutions	6,182,835	6,613,843	-	-	6,613,843
Corporate notes issued	1,459,231	1,591,776	-	-	1,591,776

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

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

NOTE 41 – 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, 2021 and December 31, 2020 are below reported:

Concept	31/12/21	12/31/20
Securities receivable from repo transactions involving government securities		
Government securities measured at fair value with changes through OCI	107,011	7,799
Total	107,011	7,799
Other payables from repo transactions involving government securities		
Government securities	96,442	6,985
Total	96,442	6,985

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

NOTE 42 – OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

As of December 31, 2021 and 2020, the Group has no financial assets and liabilities to be offset in accordance with offsetting master agreements or of a similar nature.

NOTE 43 - 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, 2021 and 2020, there are no transactions with individual customers accounting for 10% or more of the Bank's total revenues, nor operations in geographical areas significantly different from the country of main residence of the Bank (Argentina).

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

- As of December 31, 2021 and December 31, 2020 for the information related to the Bank's financial position;
- For the fiscal years ended December 31, 2021 and 2020 for the information related to the Bank's income.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

Information as of December 31, 2021

	<u>Personal banking</u>	<u>Business banking</u>	<u>Treasury and other</u>	<u>Total As of 12/31/21</u>
Interest income/loss	6,631,260	9,564,408	38,940,533	55,136,201
Fee income/loss	2,812,872	3,586,729	2,900,620	9,300,221
Net gain on financial instruments measured at fair value through profit or loss	-	351,939	1,797,624	2,149,563
Gold and foreign currency bid/offer spread	288,295	212,110	1,067,972	1,568,377
Other operating income - net	266,567	579,950	4,416,531	5,263,048
Charge for Loan Losses	(976,557)	(683,041)	659,729	(999,869)
TOTAL OPERATING INCOME	<u>9,022,437</u>	<u>13,612,095</u>	<u>49,783,009</u>	<u>72,417,541</u>
Operating and administrative expenses				(42,418,654)
Gain/loss on associates and joint ventures				50,253
Net monetary position gain/loss				(19,496,602)
Income tax				(3,569,091)
NET INCOME				<u>6,983,447</u>
Reconciliation with the statement of income				
Net income as of 12/31/21 as per statement of income				7,012,206
Reconciliation between management information and regulatory information				(28,759)
Total profit or loss reported in segments				6,983,447

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

Information as of December 31, 2021

	Personal banking	Business banking	Treasury and other	Total As of 12/31/21
Loans	36,351,402	73,231,966	2,848,396	112,431,764
Other assets	5,118,445	2,160,059	255,787,287	263,065,791
TOTAL ASSETS	41,469,847	75,392,025	258,635,683	375,497,555
Deposits	122,463,387	100,614,428	72,730,076	295,807,891
Other liabilities	-	-	27,560,441	27,560,441
TOTAL LIABILITIES	122,463,387	100,614,428	100,290,517	323,368,332

Reconciliation with the statement of financial position

Assets as of 12/31/21 as per the statement of financial position	460,399,499
Reconciliation between management information and regulatory information:	
- Loans	(52,996,959)
- Other assets	(31,904,985)
Total assets reported in segments	375,497,555
Liabilities as of 12/31/21 as per the statement of financial position	386,526,847
Reconciliation between management information and regulatory information:	
- Deposits	(40,989,825)
- Other liabilities	(22,168,690)
Total liabilities reported in segments	323,368,332

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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	8,963,104	17,369,292	45,137,258	69,469,673
Fee income/loss	3,193,451	4,153,843	1,467,657	8,814,951
Net gain on financial instruments measured at fair value through profit or loss	-	600,460	1,644,456	2,244,916
Gold and foreign currency bid/offer spread	589,425	391,763	802,512	1,783,700
Other operating income - net	151,200	493,815	2,934,468	3,579,483
Charge for Loan Losses	(132,708)	173,854	(1,996,178)	(1,955,032)
TOTAL OPERATING INCOME	<u>11,764,472</u>	<u>17,183,027</u>	<u>49,990,192</u>	<u>78,937,691</u>
Operating and administrative expenses				(38,125,984)
Gain/loss on associates and joint ventures				256,867
Net monetary position result				(14,249,271)
Income tax				(7,860,534)
NET INCOME				<u>18,958,769</u>
Reconciliation with the statement of income				
Net income for the year ended 12/31/20 as per statement of income				15,748,548
Reconciliation between management information and regulatory information				3,210,221
Total profit or loss reported in segments				18,958,769

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

Information as of December 31, 2020

	<u>Personal banking</u>	<u>Business banking</u>	<u>Treasury and other</u>	<u>Total As of 12/31/20</u>
Loans	43,855,781	97,750,787	26,061,420	167,667,988
Other assets	8,523,107	3,220,408	214,734,625	226,478,140
TOTAL ASSETS	<u>52,378,888</u>	<u>100,971,195</u>	<u>240,796,045</u>	<u>394,146,128</u>
Deposits	135,649,547	123,278,156	49,075,042	308,002,745
Other liabilities	-	-	26,959,983	26,959,983
TOTAL LIABILITIES	<u>135,649,547</u>	<u>123,278,156</u>	<u>76,035,025</u>	<u>334,962,728</u>

Reconciliation with the statement of financial position

Assets as of 12/31/2020 as per the statement of financial position	452,648,365
Reconciliation between management information and regulatory information:	
- Loans	(2,802,803)
- Other assets	(55,699,434)
Total assets reported in segments	394,146,128
Liabilities as of 12/31/2020 as per the statement of financial position	377,226,622
Reconciliation between management information and regulatory information:	
- Deposits	(19,828,853)
- Other liabilities	(22,435,041)
Total liabilities reported in segments	334,962,728

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

NOTE 44 - SUBSIDIARIES

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

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 45 – 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, 2021, the Bank acted as trustee of 14 trustees and managed, through Patagonia Inversora S.A. Sociedad Gerente de Fondos Common Investment, a total of 10 mutual funds (see Note 52 and 53). 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 691,923 and 578,926 as of December 31, 2021 and 2020, 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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

NOTE 46 – 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)	
	12/31/21	12/31/20	12/31/21	12/31/20
Loans - Personal Loans	-	4	3	13
Loans - Credit cards	7,787	6,197	13,316	11,995
Loans – Other notes	210	-	521	-
Deposits received	40,676	100,835	67,101	483,929

- (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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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, 2021 and 2020 amounted to 303,262 and 286,416, 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, 2021 and December 31, 2020 are as follow:

Item	Balances as of		Largest balance for the year (1)	
	12/31/21	12/31/20	12/31/21	12/31/20
Cash and cash equivalents - balance sheets in Other financial institutions	36,001	37,174	855,566	202,317
Others credits	26	-	562,437	1,952,898
Deposits (2)	3,334	63	3,334	58,963
Financing facilities received from financial institutions	5,355,524	-	9,810,492	6,705,195
Guarantees granted (3)	-	164,383	116,773	164,383
Guarantees received (4)	1,027,500	1,011,585	2,991,651	1,606,970
Securities in custody (5)	64,311	72,416	67,605	72,416

- (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) Corresponds to deposits of Banco Do Brasil S.A. Agencia Buenos Aires in liquidation.
- (3) Corresponds to guarantees provided to Banco Do Brasil S.A.
- (4) Corresponds to securities in custody of Banco Do Brasil S.A. Buenos Aires Agency in liquidation.
- (5) Corresponds to letters of credit granted by Banco Do Brasil S.A. to the Bank's customers.

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

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

Profit or loss for the fiscal years ended December 31, 2021 and 2020 we were as follows:

Item	Fiscal year ended	
	12/31/21	12/31/20
Interest income	7,275	45,563
Interest expense	92,749	162,861
Commission income	-	5
Fee and commission expense	13	-
Other operating income (1)	720	726

(1) Corresponds to operating income with Banco Do Brasil S.A. Agencia Buenos Aires in liquidation.

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 2,140 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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

Concept	Balances as of		Largest balance for the year (1)	
	12/31/21	12/31/20	12/31/21	12/31/20
Financial assets measured at fair value - Securities issued by the Province of Rio Negro	1,032,928	1,524,398	1,156,579	1,796,936
Loans - Overdrafts	-	-	3,897,013	3,105,953
Loans - syndicated loan	-	-	-	-
Deposits	126,967	2,606,763	2,652,646	3,164,063

(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, 2021 and 2020 we were as follows:

Concept	Fiscal year ended	
	12/31/2021	12/31/2020
Interest income	215,981	186,214
Fee income	191,379	202,750

Associates

Balances with the Group's associates are as follows:

Item	Balances as of		Largest balance for the year (1)	
	12/31/21	12/31/20	12/31/21	12/31/20
Deposits	506,602	916,243	1,126,418	3,044,394

(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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

NOTE 47 - 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	12/31/21		12/31/20	
	Total investment	Current value of minimum payments	Investment total	Current value of minimum payments
Up to a year	685,930	277,832	334,283	229,592
1 to 5 years	1,543,187	1,096,398	257,009	192,597
Total	2,229,117	1,374,230	591,292	422,189
Capital (See Note 12)		1,350,083		412,690
Interest accrued		24,147		9,499
Total		1,374,230		422,189

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	12/31/21	12/31/20
Up to a year	442,817	471,144
1 to 5 years old	508,806	670,745
More than 5 years	-	3,607
Total	951,623	1,145,496

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

NOTE 48 – 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.

The profit to be considered, in each fiscal year, will be the result of subtracting from the taxable profit, the tax paid for the fiscal year or years of origin of the profit to be distributed or the corresponding proportional part and adding the dividends or profits from other capital companies not computed in the determination of such profit in the same fiscal period or periods. The payment of dividends distributed from income for the year is subject to a 7% income tax withholding.

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.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

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.

On March 19, 2020, the BCRA, through communication "A" 6939, provided for the suspension of the distribution of results of Financial Institutions until June 30, 2020. Subsequently, on December 17, 2020 and June 23, 2021, the BCRA issued Communications "A" 7181 and 7312 extending the suspension until June 30, 2021 and December 31, 2021, respectively.

Below is a detail of the cash dividends recorded in "Other non-financial liabilities" (see Note 27) approved by their respective Shareholders' Meetings, which as of this date are pending payment, as a consequence of the suspensions provided by the BCRA regulations mentioned in the preceding paragraphs:

Exercise	Amount (in historical currency)
2019	7,764,051
2020	5,239,945
Total	13,003,996

Also, on April 22, 2021, the Ordinary and Extraordinary General Shareholders' Meeting for the fiscal year ended December 31, 2020 approved the absorption of unallocated negative results with a balancing entry in the Optional Reserve for Future Profit Distribution, for 16,380,748 generated by the initial adjustment as a result of the first-time application of IAS 29 "Financial Reporting in Hyperinflationary Economies" as from January 1, 2020, as regulated by the BCRA through Communication "A" 6651.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

On December 16, 2021, the BCRA issued Communication "A" 7421 whereby it provided that, effective as from January 1, 2022 and until December 31, 2022, financial entities may distribute income up to 20% of the amount that would have been applicable if the rules on "Distribution of income" had been applied.

It also established, effective as from January 1, 2022, that financial entities authorized by the BCRA to distribute their results must make such distribution in 12 equal, monthly and consecutive installments.

The profit for fiscal year 2021 amounting to 7,012,206, is at the disposal of the entity's Shareholders' Meeting, according to the Profit Distribution Project.

GPAT Compañía Financiera S.A.U.

In accordance with the provisions of Article 70 of the Commercial Companies Law No. 19,550, GPAT will not be able to distribute dividends until its legal reserve is reintegrated, since it was allocated to the absorption of the unallocated negative results as of December 31, 2020, as resolved by the Ordinary and Extraordinary General Shareholders' Meeting held on April 14, 2021.

Therefore, the net income for the year ended December 31, 2021 is restricted for distribution and must be allocated to the aforementioned absorption.

In accordance with the provisions of current BCRA and CNV regulations, distributable income amounts to 312,372 and it is proposed to allocate it as follows:

	- Concept	Amount
- To Legal reserve		<u>312,372</u>
	Total	<u>312,372</u>

Patagonia Valores S.A.

In accordance with the provisions of Article 70 of Law No. 19,550, 5% of the profit must be allocated to the legal reserve until it reaches 20% of the registered capital plus the capital adjustment.

In this sense, it is proposed for the consideration of the General Ordinary Stockholders' Meeting, which approves these financial statements, the application of 716,020 corresponding to the unallocated positive results accumulated at the end of the fiscal year ended December 31, 2021, entirely to the recomposition of the Legal Reserve duly used to absorb negative results.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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 allocated to the creation of a legal reserve, until such reserve reaches 20% of the registered capital plus the capital adjustment.

The following distribution of income for the year ended December 31, 2021 is proposed for consideration of the General Ordinary Stockholders' Meeting that approves these financial statements:

- Concept	Amount
- To Legal reserve	13,016
- To Payment of dividends in cash	234,000
- To Optional reserve for eventual distributions	13,293
Total	260,309

NOTE 49 – RESTRICTED ASSETS

The Group has the following restricted assets:

	12/31/21	12/31/20
Special guarantee accounts (*)	3,502,840	3,726,486
BCRA - Financial trusts under guarantee of forward transactions	3,397,699	8,008,470
National Treasury Bonds in \$ CER Adjustment	1,515,629	3,550,155
National Treasury Bonds pegged to u\$s	-	803,164
National Treasury Bills in \$ CER Adjustment	1,882,070	3,655,151
Credit and Debit Card Management Guarantee Deposits	888,744	839,745
Public Titles - IDB Line - Global Credit Program for micro-, small- and medium-sized enterprises	516,117	458,018
Treasury Bonds in Pesos CER Adjustment 1.5% - Exp. 25/03/24	503,200	439,401
Guaranteed Pesos	10,000	15,027
Dollars as Collateral	2,917	3,590
Other Security deposits	38,003	27,715
Sub – Total	8,343,403	13,610,434
Security deposits for repo transactions	10,701	780
Sub - Total	10,701	780
Total	8,354,104	13,061,214

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

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

NOTE 50 – 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.

The same provided for the incorporation of the company Seguro de Depósitos S.A. (SEDESA) for the exclusive purpose of administering the Deposit Guarantee Fund, whose shareholders, in accordance with the amendments introduced by Decree No. 1292/96, are the BCRA, with at least one share, and the trustees of the trust agreement constituted by the financial institutions in the proportion determined by the BCRA for each one according to their contributions to the Deposit Guarantee Fund. In August 1995 the Company was incorporated in which the Bank has a 3.8850% interest in the capital stock, as informed by the BCRA through Communication "B" 12,152 issued on April 14, 2021.

As of December 31, 2021 and 2020, deposits in pesos and foreign currency constituted in the participating entities in the form of current accounts, savings accounts, time deposits, term investments, salary, social security, basic, universal free and special accounts, the immobilized balances of the preceding concepts or other modalities determined by the BCRA up to the amount of 1,500, with certain exclusions established by such agency (Communication "A" 6973), are covered.

As of December 31, 2021 and 2020, the contributions made have been recorded in the item "Other Operating Expenses - Contributions to the deposit guarantee fund" in the amount of 532,780 and 483,062, respectively (see Note 37).

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

NOTE 51 – 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	12/31/21	12/31/20
Cash and bank deposits		
BCRA - Current account	47,856,202	58,301,872
Other debt securities		
BCRA Liquidity Bills	29,849,236	28,925,251
Argentine Treasury Bond in ARS - Fixed Rate 22% - Maturity 05/21/2022	11,246,951	11,270,551
Financial assets granted as collaterals		
BCRA - Special guarantee accounts	3,451,465	3,663,261
Total	92,403,854	102,160,935

Minimum capital requirements

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

Minimum capital requirements	12/31/21	12/31/20
Minimum capital requirements (A)	24,179,758	26,878,998
Credit risk	16,503,837	18,133,748
Market risk - Securities	287,304	368,968
Market risk - Currencies	384,911	808,050
Operational risk	7,003,706	7,568,232
Payment (B)	65,028,392	65,058,074
Surplus (B - A)	40,848,634	38,179,076

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

NOTE 52 – 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, 2021, the Bank manages the following financial trusts listed in the stock exchange:

Financial trust	Trustor	Date of agreement	Assets as of 12/31/21	Assets held in trust	Equity as of 12/31/21
Mercado Crédito VIII	Mercado Libre S.R.L.	10/16/2020	122,509	Loans granted through electronic means	117,241
Mercado Crédito IX	Mercado Libre S.R.L.	03/19/2021	457,302	Loans granted through electronic means	228,973
Mercado Crédito X	Mercado Libre S.R.L.	06/17/2021	1,530,001	Loans granted through electronic means	374,290
Mercado Crédito XI	Mercado Libre S.R.L.	08/10/2021	1,396,322	Loans granted through electronic means	335,433
MELI Derechos Creditórios Tarjetas V	Mercado Libre S.R.L.	11/30/2021	216,858	Loans granted through electronic means	-
MELI Derechos Creditórios Tarjetas VI	Mercado Libre S.R.L.	01/14/2021	269,840	Loans granted through electronic means	-
Mercado Crédito Consumo II	Mercado Libre S.R.L.	09/11/2020	211,092	Loans granted through electronic means	173,490
Mercado Crédito Consumo III	Mercado Libre S.R.L.	11/18/2020	265,680	Loans granted through electronic means	222,666
Mercado Crédito Consumo IV	Mercado Libre S.R.L.	04/26/2021	932,869	Loans granted through electronic means	212,975
Mercado Crédito Consumo V	Mercado Libre S.R.L.	07/12/2021	1,826,804	Loans granted through electronic means	390,913
Mercado Crédito Consumo VI	Mercado Libre S.R.L.	09/14/2021	1,848,710	Loans granted through electronic means	400,323
Serie Ribeiro CIV	Ribeiro S.A.C.I.F.A. e I.	02/19/2019	(*) 1,656	Consumer loans	-
Serie Ribeiro CV	Ribeiro S.A.C.I.F.A. e I.	05/28/2019	(*) 1,233	Consumer loans	-
Serie Ribeiro CVI	Ribeiro S.A.C.I.F.A. e I.	07/30/2019	1,488	Consumer loans	1,051
Total			9,082,364		2,457,355

(*) According to the liquidation financial statements as of 07/31/21.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

Public financial trusts authorized by the CNV, the financial statements of which are to be filed after 12/31/2021

Financial trust	Trustor	Date of agreement	Assets held in trust
Mercado Crédito XII	Mercado Libre S.R.L.	10/29/2021	Credits granted merely through electronic means
Mercado Crédito Consumo VII	Mercado Libre S.R.L.	11/30/2021	Credits granted merely through electronic means

Financial trusts in escrow

Financial trust	Trustor	Date of agreement	Assets held in trust
Bogar Class II Series II	Rio Negro Province	06/11/09	Percentage of the daily provincial tax revenues
Bogar Class II Series III	Rio Negro Province	07/20/13	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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

NOTE 53 – 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, 2021

Name	Deposits	Other	Total assets	Net asset value
Lombard Renta en Pesos Fondo Común de Inversión	57,096,760	11,963,709	69,060,469	69,058,272
Lombard Capital F.C.I.	595,250	6,837,729	7,432,979	7,495,007
Fondo Común de Inversión Lombard Renta Fija	813	4,544,499	4,545,312	3,655,622
Lombard Fondo Común de Inversión Abierto PYMES(*)	354	530,954	531,308	531,279
Fondo Común de Inversión Lombard Ahorro	15,318	-	15,318	15,318
Fondo Común de Inversión Lombard Abierto Plus	1,392	7,488,761	7,490,153	7,468,409
Fondo Común de Inversión Lombard Acciones Líderes	225	266,143	266,368	249,487
Lombard Renta Fija en Dólares F.C.I.	1,037,781	3,224,778	4,262,559	4,238,934
Lombard Ahorro Plus F.C.I.	1368	5,086,892	5,088,260	4,833,379
TOTAL	58,749,261	39,943,465	98,692,726	97,545,707

Information as of December 31, 2020

Name	Deposits	Other	Total assets	Net asset value
Lombard Renta en Pesos Fondo Común de Inversión	50,673,502	11,264,921	61,938,423	61,936,686
Lombard Capital F.C.I.	266,612	7,109,908	7,376,520	6,866,317
Fondo Común de Inversión Lombard Renta Fija	1,361	2,985,050	2,986,412	2,503,505
Fondo Común de Inversión Lombard Ahorro	18,188	-	18,188	18,188
Fondo Común de Inversión Lombard Abierto Plus	188,556	2,079,681	2,268,237	2,267,264
Fondo Común de Inversión Lombard Acciones Líderes	233	206,407	206,640	202,876
Lombard Renta Fija en Dólares F.C.I.	463,657	4,708,068	5,171,725	5,127,331
Lombard Ahorro Plus F.C.I.	152,582	1,352,603	1,505,184	1,505,166
TOTAL	51,764,691	29,706,638	81,471,329	80,427,333

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

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

NOTE 54 - SANCTIONS IMPOSED AND PROCEEDINGS INITIATED BY THE BCRA

Banco Patagonia S.A.

By means of Communication "A" 5689 dated January 8, 2015, the BCRA established that financial entities must record for accounting purposes and report the administrative and/or disciplinary sanctions, and criminal sanctions with first instance judicial sentence, which were applied or initiated by the BCRA, the Financial Information Unit (UIF), the CNV and the Superintendence of Insurance of the Nation (SSN).

All penalties must be contemplated, establishing a provision for 100% of each one of them and maintaining the same until payment is made or there is a final judicial sentence.

As of December 31, 2021, Banco Patagonia S.A. has no accounting records or administrative and/or disciplinary or criminal sanctions with first instance judicial sentence applied by the BCRA, the Financial Information Unit (UIF), the CNV and the Superintendence of Insurance of the Nation (SSN).

The BCRA by means of Communication "A" 5940 dated April 1, 2016 provided that financial entities that as of such date have accounting provisions recorded for the aforementioned sanctions must analyze, in accordance with the legal reports in force, whether the conditions for their total or partial accounting recording are met. In the case of penalties that do not meet the conditions to make the accounting provision, the Entity must disallow these balances with a balancing entry in "Adjustment of Results of Prior Years" or in the miscellaneous loss account "Charges for Administrative, Disciplinary and Criminal Penalties", as appropriate.

For penalties pending payment that do not meet the conditions for making the accounting provision, the next Stockholders' Meeting must provide for the constitution of a special regulatory reserve for the amount not provided for corresponding to the penalties applied to the extent that there are unallocated results. If such balance is not sufficient, the Special Regulatory Reserve must be constituted to the extent that there are positive unallocated results.

On the other hand, Communication "A" 6324 establishes that financial institutions must report the proceedings initiated by the BCRA from the moment the SEFyC notifies its opening. The following is a detail of such proceedings:

- Exchange Summary No. 7631 notified in November 2021: the charge is to have given course to exchange transactions in excess of the monthly limit provided in accordance with Communication "A" 6770 and to have allowed access to the Exchange Market to a legal person under certain concept codes without having sufficient supporting information to verify the genuine nature of such transactions and their correct framing in the concepts declared, in accordance with the regulations in force regarding exchange transactions. The persons being prosecuted are Banco Patagonia S.A., Alejandro Damián Mella, Sebastián Luis Ferraro, Jorge Rubio and Jimena Lancetti.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

GPAT Compañía Financiera S.A.U.

As of December 31, 2021, GPAT Compañía Financiera S.A.U. has not received any notice of administrative, disciplinary or criminal sanctions, or any proceedings.

NOTE 55 – 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.

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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

NOTE 56 – 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.

As of December 31, 2021, the minimum net worth required by such regulation for the different categories of agent in which it is registered amounts to 1,420,350 Units of Purchasing Power (UVA), updated by CER, Law 25,857, which is equivalent to 138,499 UVAs.

On the other hand, the minimum consideration must be 50% of the amount required as minimum net worth, which amounts to 710,175 UVAs, equivalent to 69,250.

As of December 31, 2021, the Bank's net worth exceeds the amount required by the CNV and the required Minimum Total Counterpart is integrated with 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 30,228 as of December 31, 2021.

The minimum consideration must be 50% of the amount required as minimum net worth, which amounts to 155,000 UVAs, equivalent to 15,114.

As of December 31, 2021, the Company's net worth exceeds the amount required by the CNV and the Total Minimum Consideration required is comprised of the following items:

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

Breakdown	Amount
Demand deposit accounts in local and foreign banks	80,810
Mutual funds	1,239,513
Corporate bonds	11,537
Listed common shares	2,624
Argentine Government Securities	9,814
Total	1,344,298

Patagonia Valores S.A.

In compliance with the provisions established by the CNV effective as from RG No. 821/2019 of such agency, and in accordance with the requirements set forth, the minimum net equity required to act as a Comprehensive Clearing and Settlement Agent amounts to 470,350 UVAs, which is equivalent to 45,864.

On the other hand, the minimum counterparty must be 50% of the amount required as minimum net worth, which amounts to 235,175 UVAs, equivalent to 22,932.

As of December 31, 2021, the Company's net worth exceeds the amount required by the CNV and the Total Minimum Consideration required is comprised of the following items:

Breakdown	Amount
Argentine Government Securities	35,730
Total	35,730

NOTE 57 – TRANSACTIONS WITH DIRECTORS

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

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

NOTE 58 – 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

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

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

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

NOTE 59 – 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. 19,550. Therefore, in compliance with Law No. 25,738, 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 60 – 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 61 – MACROECONOMIC CONTEXT

i) Economic context

The economic context in which the Bank operates continues to be complex, where it is possible to observe high inflation levels during the last years, reaching an increase of 50.9% in 2021. Likewise, there is a high volatility of the financial variables, such as the increase of the country risk, the increase of the exchange rates increasing the gap between the official dollar and the rest of the quotations and the drop in the quotation of the Argentine government securities. However, after the deep crisis generated in 2020 as a consequence of the Covid 19 pandemic, an improvement in the economic activity can be seen, which has been recovering since the end of 2020 and mainly during 2021.

The monetary imbalance has been especially driven by the issuance of currency to finance the expansion of public spending on subsidies to mitigate the effects of the COVID-19 pandemic. These subsidies were granted through various instruments such as (i) the Labor and Production Assistance Program ("ATP") and the Productive Recovery Program ("REPRO"), aimed at helping companies to pay salaries; (ii) the Emergency Family Income ("IFE") to compensate the loss or reduction of income of people affected by the emergency declared by the pandemic; (iii) a line of credit to SMEs with a subsidized annual rate of 24%; and (iv) a line of credit at a 0% rate for single taxpayers and the self-employed.

The drop in the Argentine Central Bank's international reserves, together with an increase in its monetary liabilities, has led to a tightening of foreign exchange regulations that imposed restrictions on the hoarding and consumption of foreign currency and payments abroad, which in turn generated a significant gap between the official exchange rate and that of freer trading markets.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR**
(Stated in thousands of Pesos)

Likewise, the National Government is in the process of renegotiating its foreign debt with its creditors, mainly with the International Monetary Fund (IMF) and the Paris Club. In this regard, at the end of January 2022, the National Government reached an agreement in principle with the IMF for the restructuring of the loan it has with such organization.

Pandemic COVID 19

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

In the Argentine Republic, on March 12, 2020, through PEN Decree No. 260/2020, as amended, a sanitary emergency was decreed to manage the crisis situation caused by COVID-19, and finally, on March 19, the PEN issued Decree 297/2020 declaring the social, preventive and mandatory isolation (ASPO), which came into force on March 20, 2020 and was successively extended after that date.

The various restrictive measures adopted to contain the spread have affected the global, regional and national economy due to the interruption or slowdown of supply chains and the increase in economic uncertainty, evidenced by an increase in asset price volatility, exchange rates and a decrease in long-term interest rates.

BCRA regulations issued following the COVID-19 crisis included measures related to ensuring the availability of banking services, suspension of fees, postponement of maturities of overdue loans and the provision of below-market rate lines of credit for individuals and businesses that have been most affected by the pandemic.

With respect to the capital position, the COVID-19 crisis found the Entity with a solid solvency and capital adequacy position, exhibiting at December 31, 2021, a capitalization ratio according to the standards issued by the Basel Committee of 22% at the consolidated level.

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

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

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

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2021
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

With respect to credit risk and provisioning levels, the estimation of provisions for expected credit losses incorporates the updating of forward looking information in the IFRS 9 models to respond to the exceptional circumstances generated by the pandemic in the macroeconomic and financial environment, characterized by a high level of uncertainty as to its intensity and duration.

Notwithstanding the above, the Entity has taken prudential measures in the way it manages its portfolios, monitoring changes in credit ratings and avoiding deterioration in the quality of its financial assets, in order to ensure the recoverability of the portfolio at risk and the sustainability of default rates.

The Bank's Management permanently monitors the situation described above in order to identify and determine the eventual impact on its equity and financial position, which could be reflected in the financial statements.

NOTE 62 – 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 31st, 2021.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

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

COMMERCIAL LOAN PORTFOLIO	12/31/21	12/31/20
Performing	113,398,988	119,033,643
- With "A" preferred guarantees and counter-guarantees	5,901,214	5,416,586
- With "B" preferred guarantees and counter-guarantees	5,278,540	6,693,355
- Without preferred guarantees or counter-guarantees	102,219,234	106,923,702
Subject to special monitoring	208,948	481,531
In observation	1,928	11,078
- Without preferred guarantees or counter-guarantees	1,928	11,078
In negotiation or under refinancing agreements	207,020	470,453
- With "B" preferred guarantees or counter-guarantees	207,020	393,042
- Without preferred guarantees or counter-guarantees	-	77,411
Troubled	157,905	744,789
- With "B" preferred guarantees or counter-guarantees	154,939	569,107
- Without preferred guarantees or counter-guarantees	2,966	175,682
With high risk of insolvency	17,082	74,277
- With "A" preferred guarantees or counter-guarantees	2,984	-
- With "B" preferred guarantees or counter-guarantees	1,142	61,815
- Without preferred guarantees or counter-guarantees	12,956	12,462
Non-recoverable	612	48,735
- With "B" preferred guarantees or counter-guarantees	8	23,737
- Without preferred guarantees or counter-guarantees	604	24,998
TOTAL COMMERCIAL LOAN PORTFOLIO	113,783,535	120,382,975

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 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

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

CONSUMER AND/OR HOME LOAN PORTFOLIO	12/31/21	12/31/20
Performing	58,886,867	62,367,959
- With "A" preferred guarantees and counter-guarantees	2,421,581	2,594,467
- With "B" preferred guarantees and counter-guarantees	7,233,975	9,704,741
- Without preferred guarantees or counter-guarantees	49,231,311	50,068,751
Low risk	580,113	215,466
- With "A" preferred guarantees and counter-guarantees	7,292	1,539
- With "B" preferred guarantees and counter-guarantees	85,632	948
- Without preferred guarantees or counter-guarantees	487,189	212,979
Medium risk	330,703	181,830
- With "A" preferred guarantees and counter-guarantees	1,281	717
- With "B" preferred guarantees and counter-guarantees	10,805	7,655
- Without preferred guarantees or counter-guarantees	318,617	173,458
High risk	619,234	320,664
- With "A" preferred guarantees and counter-guarantees	4,919	4,600
- With "B" preferred guarantees and counter-guarantees	6,648	14,940
- Without preferred guarantees or counter-guarantees	607,667	301,124
Non-recoverable	92,015	657,691
- With "A" preferred guarantees and counter-guarantees	59	5,949
- With "B" preferred guarantees and counter-guarantees	175	1,718
- Without preferred guarantees or counter-guarantees	91,781	650,024
TOTAL CONSUMER AND/OR HOME LOAN PORTFOLIO	60,508,932	63,743,610
GRAND TOTAL	174,292,467	184,126,585

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 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

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

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

BREAKDOWN	12/31/21	12/31/20
BALANCE AS PER EXHIBIT "B"	174,292,467	184,126,585
Items included in Exhibit "B" and not included in Loans and other financing facilities	(4,994,551)	(5,968,770)
Off-balance sheet items— agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards	(1,791,924)	(3,759,202)
Other items	(3,202,627)	(2,209,568)
Items not included in Exhibit "B" and included in Loans and other financing facilities	(3,869,193)	(7,687,024)
Loans and other financing facilities- loans to personnel	462,417	465,592
Loans and other financing facilities - IFRS adjustment at effective interest rate	(1,111,473)	(1,390,329)
Loans and other financing facilities— Allowances for loan losses (Exhibit R)	(3,220,137)	(6,762,287)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	165,428,723	170,470,791

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

Signed for identification purposes
with our report date 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.

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

Number of customers	FINANCING FACILITIES			
	12/31/21		12/31/20	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	38,280,114	22.0%	35,749,139	19.4%
50 next largest customers	42,241,316	24.2%	33,724,164	18.3%
100 next largest customers	15,570,644	8.9%	14,295,380	7.8%
Rest of customers	78,200,393	44.9%	100,357,902	54.5%
Total	174,292,467	100.0%	184,126,585	100.0%

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

BREAKDOWN	12/31/21	12/31/20
BALANCE AS PER EXHIBIT "C"	174,292,467	184,126,585
Items included in Exhibit "C" and not included in Loans and other financing facilities	(4,994,551)	(5,968,770)
Off-balance sheet items – agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards	(1,791,924)	(3,759,202)
Other items	(3,202,627)	(2,209,568)
Items not included in Exhibit "C" and included in Loans and other financing facilities	(3,869,193)	(7,687,024)
Loans and other financing facilities- loans to personnel	462,417	465,592
Loans and other financing facilities – IFRS adjustment at effective interest rate	(1,111,473)	(1,390,329)
Loans and other financing facilities– Allowances for loan losses (Exhibit R)	(3,220,137)	(6,762,287)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	165,428,723	170,470,791

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**EXHIBIT D
LOANS AND OTHER FINANCING FACILITIES BROKEN DOWN BY TERM
AS OF 12/31/21**

(Stated in thousands of Pesos)

Item	Matured	Terms remaining to maturity						Total as of 12/31/21
		1 month	3 months	6 months	12 months	24 months	Over 24 months	
Non-financial government sector	-	36,078	-	-	-	-	-	36,078
Financial sector	42,795	5,119,174	1,443,138	2,500,139	2,548,583	3,189,511	929,017	15,772,357
Nonfinancial private sector and foreign residents	591,712	76,873,473	19,418,622	28,998,148	18,852,951	15,768,326	26,398,514	186,901,746
Total	634,507	82,028,725	20,861,760	31,498,287	21,401,534	18,957,837	27,327,531	202,710,181

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

EXHIBIT F
PROPERTY AND EQUIPMENT MOVEMENT
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)

PROPERTY AND EQUIPMENT MOVEMENT AS OF 12/31/21

Item	Original value at beginning of year	Estimated useful life in years	Additions	Retirements	Original value as of 12/31/21	Depreciation				Residual value as of 12/31/21
						Accumulated as of 12/31/20	Retirements	For the year	Accumulated as of 12/31/21	
Measured at cost	11,694,262		1,799,668	615,236	12,878,694	8,472,553	592,681	1,426,915	9,306,787	3,571,907
- Land and buildings	1,719,486	50	7,112	-	1,726,598	1,535,506	-	80,058	1,615,564	111,034
- Furniture and fixture	2,584,610	10	77,224	6,750	2,655,084	2,077,390	5,291	111,356	2,183,455	471,629
- Machinery and equipment	5,881,082	5	1,113,110	15,933	6,978,259	4,526,211	13,953	610,953	5,123,211	1,855,048
- Vehicles	133,418	5	-	19,456	113,962	81,157	19,150	17,897	79,904	34,058
- Right-of-use on leased premises	1,112,513	-	563,530	573,097	1,102,946	236,629	554,287	606,592	288,934	814,012
- Other	15,719	5	-	-	15,719	15,660	-	59	15,719	-
- Works in progress	247,434	-	38,692	-	286,126	-	-	-	-	286,126
Revaluation model	14,640,740		1,346	9,480	14,632,606	215,356	-	215,783	431,139	14,201,467
- Land and buildings	14,640,740	50	1,346	9,480	14,632,606	215,356	-	215,783	431,139	14,201,467
Total	26,335,002		1,801,014	624,716	27,511,300	8,687,909	592,681	1,642,698	9,737,926	17,773,374

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**EXHIBIT F
PROPERTY AND EQUIPMENT MOVEMENT
AS OF 12/31/21 AND 12/31/20
(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				
						Accumulated as of 12/31/19	Retirements	For the year	Accumulated as of 12/31/20	Residual value as of 12/31/20
Measured at cost	10,778,374		1,601,779	685,891	11,694,262	7,670,460	3,221,709	3,221,709	8,472,553	3,221,709
- Land and buildings	1,703,291	50	16,195	-	1,719,486	1,373,697	183,980	183,980	1,535,506	183,980
- Furniture and fixture	2,555,915	10	32,088	3,393	2,584,610	1,954,896	507,220	507,220	2,077,390	507,220
- Machinery and equipment	5,233,204	5	731,570	83,692	5,881,082	4,046,076	1,354,871	1,354,871	4,526,211	1,354,871
- Vehicles	144,310	5	6,525	17,417	133,418	72,739	52,261	52,261	81,157	52,261
- Right-of-use on leased premises	1,014,415	-	674,451	576,353	1,112,513	207,468	875,884	875,884	236,629	875,884
- Other	15,767	5	-	48	15,719	15,584	59	59	15,660	59
- Works in progress	111,472	-	140,950	4,988	247,434	-	247,434	247,434	-	247,434
Revaluation model	14,630,158		10,582	-	14,640,740	-	14,425,384	14,425,384	215,356	14,425,384
- Land and buildings	14,630,158	50	10,582	-	14,640,740	-	14,425,384	14,425,384	215,356	14,425,384
Total	25,408,532		1,612,361	685,891	26,335,002	7,670,460	636,677	1,654,126	8,687,909	17,647,093

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**EXHIBIT F
INVESTMENT PROPERTY MOVEMENT
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)**

INVESTMENT PROPERTY MOVEMENT AS OF 12/31/21

Item	Original value at beginning of year	Estimated useful life in years	Gain or loss measured at fair value	Residual value as of 12/31/21
Measured at fair value				
- Leased Land and buildings	69,547	40	(15,890)	54,457
Total	69,547		(15,890)	54,457

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	78,438	40	(8,891)	69,547
Total	78,438		(8,891)	69,547

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

EXHIBIT G
INTANGIBLE ASSETS MOVEMENT AS OF
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)

INTANGIBLE ASSETS MOVEMENT AS OF 12/31/21

Item	Original value at beginning of year	Estimated useful life in years	Additions	Depreciation			Residual value as of 12/31/21
				Accumulated as of 12/31/20	Depreciation for the year	Accumulated as of 12/31/21	
Measured at cost							
In-house systems development expenses	1,389,065	5	207,170	655,635	292,622	948,257	647,978
Total	1,389,065	5	207,170	655,635	292,622	948,257	647,978

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	1,094,390	5	294,675	394,103	261,532	655,635	733,430
Total	1,094,390	5	294,675	394,103	261,532	655,635	733,430

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

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

Number of customers	12/31/21		12/31/20	
	Outstanding amount	% of total portfolio	Outstanding amount	Outstanding amount
10 largest customers	66,362,296	19.7%	44,593,512	13.6%
50 next largest customers	56,947,264	16.9%	55,500,250	16.9%
100 next largest customers	20,571,508	6.1%	22,097,500	6.7%
Rest of customers	192,916,648	57.3%	205,640,336	62.8%
Total	336,797,716	100.0%	327,831,598	100.0%

Translation from the original prepared in Spanish for publication in Argentina

BANCO PATAGONIA S.A.

EXHIBIT I
FINANCIAL LIABILITIES BROKEN DOWN BY TERMS REMAINING TO MATURITY
AS OF 12/31/2021
(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 12/31/21
Deposits	401,531,404	24,286,177	5,219,757	326,909	4,657	4,657	431,373,561
Non-financial government sector	30,876,246	5,066,010	69,619	-	-	-	36,011,875
Financial sector	2,459,936	-	-	-	-	-	2,459,936
Nonfinancial private sector and foreign residents	368,195,222	19,220,167	5,150,138	326,909	4,657	4,657	392,901,750
Liabilities at fair value through profit or loss	148,838	-	-	-	-	-	148,838
Derivative instruments	58,163	-	-	-	-	-	58,163
Repo transactions	96,442	-	-	-	-	-	96,442
Other financial liabilities	16,401,344	-	-	-	-	-	16,401,344
Financing facilities received from BCRA and other financial institutions	1,572,473	1,416,987	2,821,758	877,814	1,134,354	1,057,269	8,880,655
Corporate bonds issued	823,886	-	-	-	-	-	823,886
Total	420,632,550	25,703,164	8,041,515	1,204,723	1,139,011	1,061,926	457,782,889

Translation from the original prepared in Spanish for publication in Argentina

BANCO PATAGONIA S.A.

**EXHIBIT J
CHANGES IN PROVISIONS
AS OF 12/31/21**
(Stated in thousands of Pesos)

Item	Balances at beginning of year	Increases	Decreases		Monetary result for allowances and provisions	Balance as of 12/31/21
			Reversals	Reversals		
INCLUDED IN LIABILITIES						
For contingent commitments	457,088	266,269	-	194,743	(152,918)	375,696
Other	2,369,615	674,945	159,750	1,478,030	(792,664)	614,116
Labor lawsuits	147,411	80,799	-	23,727	(49,227)	155,256
Complaints, proceedings, appeals	1,983,507	571,036	159,750	1,454,303	(663,582)	276,908
Tax lawsuits	238,697	23,110	-	-	(79,855)	181,952
TOTAL ALLOWANCES AND PROVISIONS	2,826,703	941,214	159,750	1,672,773	(945,582)	989,812

Translation from the original prepared in Spanish for publication in Argentina

BANCO PATAGONIA S.A.

EXHIBIT P
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)

INFORMATION AS OF 12/31/21

Item	Book balances as of 12/31/21	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	67,997,408	67,997,408	-	-	-	-	-
Cash	17,154,940	17,154,940	-	-	-	-	-
Financial institutions and correspondents	50,431,468	50,431,468	-	-	-	-	-
Other	411,000	411,000	-	-	-	-	-
Debt securities measured at fair value with changes through profit or loss	2,108,781	-	-	2,108,781	2,108,369	412	-
Derivative instruments	649,853	-	-	649,853	-	649,853	-
Repo transactions	63,425,785	63,425,785	-	-	-	-	-
Other financial assets	4,906,909	4,906,909	-	-	-	-	-
Loans and other liabilities	165,428,723	165,428,723	-	-	-	-	-
Non-financial government sector	35,646	35,646	-	-	-	-	-
BCRA	-	-	-	-	-	-	-
Other financial entities	11,124,823	11,124,823	-	-	-	-	-
Non-financial private sector and foreign residents	154,268,254	154,268,254	-	-	-	-	-
Other debt securities	124,573,507	5,095,579	119,477,928	-	37,259,742	82,218,186	-
Financial assets granted as collateral	8,343,403	4,388,454	3,954,949	-	3,954,949	-	-
Investments in equity instruments	1,081,694	-	-	1,081,694	-	12,735	1,068,959
TOTAL FINANCIAL ASSETS	438,516,063	311,242,858	123,432,877	3,840,328	43,323,060	82,881,186	1,068,959

Item	Book balances as of 12/31/21	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	336,797,716	336,797,716	-	-	-	-	-
Non-financial government sector	23,490,636	23,490,636	-	-	-	-	-
Financial sector	2,414,827	2,414,827	-	-	-	-	-
Nonfinancial private sector and foreign residents	310,892,253	310,892,253	-	-	-	-	-
Debt securities measured at fair value with changes through profit or loss	148,838	-	-	148,838	148,838	-	-
Derivative instruments	58,163	-	-	58,163	-	58,163	-
Repo transactions	96,442	96,442	-	-	-	-	-

Translation from the original prepared in Spanish for publication in Argentina

BANCO PATAGONIA S.A.

EXHIBIT P
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)

Other financial liabilities	16,401,344	16,401,344	-	-	-	-	-
Financing facilities received from BCRA and other financial institutions	7,388,792	7,388,792	-	-	-	-	-
Corporate bonds issued	623,437	623,437	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	361,514,732	361,307,731	-	207,001	148,838	58,163	-

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

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.

EXHIBIT P
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/21 AND 12/31/20
(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 1	Level 1
FINANCIAL ASSETS							
Cash and bank deposits	91,280,453	91,280,453	-	-	-	-	-
Cash	28,843,421	28,843,421	-	-	-	-	-
Financial institutions and correspondents	61,298,999	61,298,999	-	-	-	-	-
Others	1,138,033	1,138,033	-	-	-	-	-
Debt securities measured at fair value with changes through profit or loss	2,308,924	-	-	2,308,924	2,280,877	28,047	-
Derivative instruments	427,919	-	-	427,919	-	427,919	-
Repo transactions	11,966,611	11,966,611	-	-	-	-	-
Other financial assets	3,838,254	3,838,254	-	-	-	-	-
Loans and other liabilities	170,470,791	170,470,791	-	-	-	-	-
Non-financial government sector	11,869	11,869	-	-	-	-	-
Other financial entities	11,412,314	11,412,314	-	-	-	-	-
Nonfinancial private sector and foreign residents	159,046,608	159,046,608	-	-	-	-	-
Other debt securities	132,799,330	4,124,088	128,675,242	-	81,358,248	47,316,994	-
Financial assets granted as collateral	13,060,434	803,164	7,644,708	4,612,562	4,612,562	7,644,708	-
Investments in equity instruments	1,271,981	-	-	1,271,981	-	5,724	1,266,257
TOTAL FINANCIAL ASSETS	427,424,697	282,483,361	136,319,950	8,621,386	88,251,687	55,423,392	1,266,257

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

EXHIBIT P
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/21 AND 12/31/20
(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 1	Level 1
FINANCIAL LIABILITIES							
Deposits	327,831,598	327,831,598	-	-	-	-	-
Non-financial government sector	32,065,225	32,065,225	-	-	-	-	-
Financial sector	18,092	18,092	-	-	-	-	-
Nonfinancial private sector and foreign residents	295,748,281	295,748,281	-	-	-	-	-
Derivative instruments	6,985	6,985	-	-	-	-	-
Other financial liabilities	15,037,065	15,037,065	-	-	-	-	-
Financing facilities received from BCRA and other financial institutions	6,182,835	6,182,835	-	-	-	-	-
Corporate bonds issued	1,459,231	1,459,231	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	350,517,714	350,517,714	-	-	-	-	-

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

EXHIBIT "Q"
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)

By financial assets measured at fair value through profit or loss

Item	Mandatory measurement	
	12/31/21	12/31/20
Gain/loss on government securities	287,130	370,966
Gain/loss on corporate securities	-	-
Gain/loss on derivative financial instruments	1,475,053	1,066,379
Forward transactions	1,475,053	1,066,379
By investments in equity instruments	127,561	-
Gain/loss on the sale or derecognition of financial assets at fair value	289,042	847,852
Total	2,178,786	2,285,197

BANCO PATAGONIA S.A.

**EXHIBIT Q
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)**

Interest and adjustment from applying the effective interest rate of financial assets measured at amortized cost

Item	12/31/2021	12/31/2020
Interest income		
By corporate securities	4,005	7,744
By other financial assets	552,495	433,599
By loans and other financing facilities	43,867,542	49,749,777
To the Financial sector	2,477,018	3,314,220
Overdrafts	10,223,246	13,907,892
Notes	14,076,884	11,846,341
Mortgage loans	217,514	244,243
Pledge loans	2,067,307	2,141,124
Personal loans	6,211,769	6,817,363
Credit cards	4,766,718	5,873,882
Finance leases	274,077	231,126
Other	3,553,009	5,373,586
By repo transactions	24,070,701	4,240,372
Other financial entities	24,070,701	4,240,372
Total	68,494,743	54,431,492

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**EXHIBIT Q
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)**

Item	12/31/2021	12/31/2020
Interest expense		
By deposits	62,723,081	37,727,908
Saving accounts	13,398,322	4,321,225
Time deposits and term investments	48,295,393	32,626,481
Other	1,029,366	780,202
By financing received from the BCRA and other financial institutions	242,537	561,584
By repo transactions	58,401	297,466
Other financial entities	58,401	297,466
By other financial liabilities	455,471	1,420,286
By corporate bonds issued	599,561	452,010
Total	64,079,051	40,459,254

Interest and adjustment from applying the effective interest rate of financial assets carried at fair value with changes through OCI

Item	12/31/21		12/31/20	
	Income for Income the year	OCI	Income for Income the year	OCI
By corporate debt securities	1,358,347	4,288	479,212	(66,050)
By government debt securities	48,463,057	(114,720)	48,474,436	1,422,428
Total	49,821,404	(110,432)	48,953,648	1,356,378

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**EXHIBIT Q
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)**

Fee income

Item	12/31/2021	12/31/2020
Obligations related commissions	2,362,215	2,588,664
Commissions linked to credits	202,565	249,530
Loans and financial guarantee related commissions	13,015	9,331
Commissions linked to securities	182,010	190,883
Cards related commissions	3,650,248	3,625,585
Insurance related commissions	1,873,940	2,070,429
Commissions on collection efforts	1,144,916	1,100,370
Commissions on foreign and exchange transactions	560,812	602,476
Other	3,357,652	3,284,620
Total	13,347,373	13,721,888

Fee expenses

Item	12/31/2021	12/31/2020
Securities transaction related commissions	93,325	94,431
Commissions on foreign and exchange transactions	104,386	100,832
Other	3,812,138	4,012,171
Total	4,009,849	4,207,434

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

EXHIBIT R
LOSS IMPAIRMENT ADJUSTMENT - ALLOWANCE FOR LOAN LOSSES
AS OF 12/31/2021
(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 12/31/21
			IF with significant increase in CR	IF with credit impairment		
Other financial assets	2,029,733	390,511	(6,659)	(380)	(679,053)	1,734,152
Loans and other financing facilities	6,762,287	(906,131)	(49,692)	(301,709)	(2,284,618)	3,220,137
Other financial institutions	4,806	(2,258)	-	-	(1,608)	940
Nonfinancial private sector and foreign residents	6,757,481	(903,873)	(49,692)	(301,709)	(2,283,010)	3,219,197
Overdrafts	432,209	(27,525)	(47,218)	(133,516)	(147,690)	76,260
Notes	529,160	41,636	(101,793)	(88,241)	(177,030)	203,732
Mortgage loans	74,948	12,623	44,131	3,146	(25,074)	109,774
Car loans	86,421	53,175	-	-	(57,221)	82,375
Consumer	2,638,899	(223,395)	(314,575)	(111,530)	(882,839)	1,106,560
Credit cards	1,394,750	(131,765)	377,147	2,534	(466,612)	1,176,054
Finance lease	14,831	13,918	(2,478)	890	(4,962)	22,199
Other	1,586,263	(642,540)	(4,906)	25,008	(521,582)	442,243
Other debt securities	182	(121)	-	-	(61)	-
Eventual commitments	457,088	27,156	37,559	6,811	(152,918)	375,696
TOTAL ALLOWANCES	9,249,290	(488,585)	(18,792)	(295,278)	(3,116,650)	5,329,985

(*). Includes the effect of the exchange rate variation as of 12/31/2021.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
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.

SEPARATE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021

CONTENTS

	Página
Separate Statements of Financial Position	145
Separate Statements of Income.....	147
Separate Statements of Income - Earnings per Share	148
Separate Statements of Other Comprehensive Income	149
Separate Statements of Changes in shareholders' Equity	150
Separate Statements of Cash Flows.....	152
Notes to the Separate Financial Statements	154
Note 1 – Reason for the preparation of separate financial statements	
Note 2 – Basis for the preparation of the financial statements	
Note 3 - Changes in accounting policies	
Note 4 – Cash and bank deposits	
Note 5 – Derivative instruments	
Note 6 – Repo transactions	
Note 7 – Other financial assets	
Note 8 – Loans and other financing facilities	
Note 9 – Financial assets granted as collateral	
Note 10 – Income tax	
Note 11 – Investment in subsidiaries, associates and joint ventures	
Note 12 – Property and equipment	
Note 13 – Intangible assets	
Note 14 – Other non-financial assets	
Note 15 - Non-current assets held for sale	

BANCO PATAGONIA S.A.

SEPARATE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021

CONTENTS

Página

Note 16 – Deposits	
Note 17 – Other financial liabilities	
Note 18 – Financing facilities received from BCRA and other financial institutions	
Note 19 – Corporate bonds issued	
Note 20 – Other non-financial liabilities	
Note 21 - Provisions	
Note 22 – Interest income	
Note 23 – Interest expense	
Note 24 – Fee income	
Note 25 - Fee expenses	
Note 26 - Net gain on financial instruments measured at fair value with changes through profit or loss	
Note 27 – Other operating income	
Note 28 - Employee benefits	
Note 29 – Administrative expenses	
Note 30 – Other operating expenses	
Note 31 – Fair value of financial instruments	
Note 32 – Restricted assets	
Note 33 – Minimum cash and capital requirements	
Note 34 – Transactions with Companies included in section 33, Companies Law No. 19,550	
Note 35 – Compliance with provisions set forth by Law No. 25,738	
Note 36 – CNV requirements to act as an Over-the-counter Broker	
Note 37 - Financial statements publication	
Note 38 – Subsequent events	

BANCO PATAGONIA S.A.

SEPARATE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021

CONTENTS

	Página
Exhibit A - Breakdown of government and corporate securities	180
Exhibit B - Loans and other financing facilities classified by status and other guarantees received	183
Exhibit C - Loans and other financing facilities concentration.....	186
Exhibit D - Loans and other financing facilities broken down by term.....	187
Exhibit E - Breakdown of investment in other companies.....	188
Exhibit F - Property and Equipment movement.	190
Exhibit F - Investment Property movement.....	191
Exhibit G - Movement of Intangible Assets	192
Exhibit H - Deposit concentration	193
Exhibit I - Financial liabilities broken down by terms remaining to maturity	194
Exhibit J - Changes in provisions	195
Exhibit K - Share capital composition.....	196
Exhibit L - Balance sheets in foreign currency	197
Exhibit N - Assistance to related parties	198
Exhibit O - Derivative Financial instruments.....	199
Exhibit P - Financial Assets and Liabilities Categories	200
Exhibit Q - Breakdown of statement of income	204
Exhibit R - Loss impairment adjustment - Allowances for loan losses.....	208
Profit Distribution Project.....	209

BANCO PATAGONIA S.A.

SEPARATE STATEMENTS OF FINANCIAL POSITION
AS OF 12/31/2021 and 12/31/2020
 (Stated in thousands of Pesos)

ITEMS	Notes	12/31/21	12/31/20
ASSETS			
Cash and bank deposits	4	66,709,416	90,488,503
Cash on hand		17,144,699	28,835,822
Financial institutions and correspondents		49,153,717	60,514,648
BCRA		47,662,477	58,073,618
Other in Argentina and abroad		1,491,240	2,441,030
Other		411,000	1,138,033
Debt securities measured at fair value with change through profit or loss (Exhibit A)		2,029,634	2,059,876
Derivative instruments	5	649,853	427,919
Repo transactions	6	63,425,785	11,966,611
Other financial assets	7	3,550,625	2,558,350
Loans and other financing facilities (Exhibits B and C)	8	157,279,359	156,510,028
Non-financial government sector		35,646	11,869
Other financial institutions		11,885,759	12,725,560
Nonfinancial private sector and foreign residents		145,357,954	143,772,599
Other debt securities (Exhibit A)		123,847,211	131,761,654
Financial assets pledged as collateral	9	8,280,234	12,997,209
Current income tax assets	10. a)	897,802	-
Investments in equity instruments (Exhibit A)		1,081,694	1,271,981
Investments in subsidiaries, associates and joint ventures	11	4,796,727	4,677,706
Property and equipment (Exhibit F)	12	17,716,209	17,573,412
Intangible assets (Exhibit G)	13	647,978	733,430
Deferred income tax assets	10 b)	343,380	4,296,005
Other non-financial assets	14	1,412,895	1,280,388
Non-current assets held for sale	15	-	222,981
TOTAL ASSETS		452,668,802	438,826,053

Marcelo A. Iadarola
 Executive Manager of Administration

Juan M. Trejo
 Superintendent
 Finance, Administration and Public

Oswaldo Parré Dos Santos
 President

Signed for identification purposes
 with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
 with our report dated 02/24/2022
 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.

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

ITEMS	Notes	12/31/21	12/31/20
LIABILITIES			
Deposits (Exhibits H)		330,967,301	317,862,829
Nonfinancial government sector		23,490,636	32,065,225
Financial sector		2,460,666	78,114
Nonfinancial private sector and foreign residents	16	305,015,999	285,719,490
Liabilities at fair value through profit or loss		148,838	-
Derivative instruments	5	58,163	-
Repo transactions	6	96,442	6,985
Other financial liabilities	17	15,772,423	14,276,823
Financing facilities received from BCRA and other financial institutions	18	7,268,840	5,302,498
Current income tax liabilities	10 a)	-	1,686,787
Accruals and provisions (Exhibit J)	21	979,385	2,811,844
Deferred income tax liabilities	10 b)	-	-
Other nonfinancial liabilities	20	23,504,758	21,456,544
TOTAL LIABILITIES		378,796,150	363,404,310
SHAREHOLDERS' EQUITY			
Share capital		719,145	719,145
Non-capitalized contributions		217,191	217,191
Share capital adjustments		28,738,340	28,738,340
Retained earnings		34,727,374	51,469,108
Unappropriated retained earnings		-	(24,616,007)
Other comprehensive income		2,458,396	3,145,418
Income for the year (*)		7,012,206	15,748,548
TOTAL SHAREHOLDERS' EQUITY		73,872,652	75,421,743
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		452,668,802	438,826,053

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**SEPARATE
STATEMENTS OF INCOME
AS OF 12/31/21 Y 12/31/20
(Stated in thousands of Pesos)**

ITEMS	Notes	FISCAL YEAR ENDED	
		12/31/21	12/31/20
Interest income	22	115,317,000	100,359,463
Interest expense	23	(63,329,079)	(39,515,336)
Interest income/loss		51,987,921	60,844,127
Fee income	24	13,348,425	13,734,759
Fee expenses	25	(4,036,207)	(4,240,415)
Fee income/loss		9,312,218	9,494,344
Net gain on financial instruments measured at fair value through profit or loss	26	2,149,056	2,222,202
Result from derecognition of assets measured at amortized cost and at fair value with changes in OCI		782,233	(3,551,946)
Gold and foreign currency bid/offer spread		1,645,839	1,979,046
Other operating income	27	4,113,801	4,378,392
Charge for Loan Losses		(894,274)	(1,852,862)
Net operating income		69,096,794	73,513,303
Benefits to personnel	28	(17,023,066)	(17,084,877)
Administrative expenses	29	(10,290,730)	(10,567,561)
Depreciation and impairment of assets		(1,932,543)	(1,912,861)
Other operating expenses	30	(12,154,942)	(7,561,543)
Operating income		27,695,513	36,386,461
Gain/loss on associates and joint ventures		623,002	74,861
Result from net monetary position		(18,106,911)	(13,374,051)
Income before tax relating to continuing operations		10,211,604	23,087,271
Income tax relating to continuing operations	10 b)	(3,199,398)	(7,338,723)
Net income from continuing operations		7,012,206	15,748,548
INCOME FOR THE YEAR		7,012,206	15,748,548

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**SEPARATE
STATEMENTS OF INCOME
AS OF 12/31/21 Y 12/31/20
(Stated in thousands of Pesos)**

EARNINGS PER SHARE	FISCAL YEAR ENDED	
	12/31/21	12/31/20
NUMERATOR		
Net income attributable to the shareholders of the parent company	7,012,206	15,748,548
Net income attributable to the shareholders of the parent company adjusted to reflect dilution	7,012,206	15,748,548
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	9,751	21,899
Earnings per shares – Diluted	9,751	21,899

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

SEPARATE STATEMENTS OF OTHER COMPREHENSIVE INCOME
AS OF 12/31/21 Y 12/31/20
 (Stated in thousands of Pesos)

ITEM	FISCAL YEAR ENDED	
	12/31/21	12/31/20
INCOME FOR THE YEAR	7,012,206	15,748,548
Components of other comprehensive income that will be reclassified to income for the year		
Revaluation of property and equipment and intangibles.	(213,802)	-
Income tax	(213,802)	-
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED TO INCOME FOR THE YEAR	(213,802)	-
Exchange differences on translation of financial statements	(84,859)	15,310
Exchange differences for the year	(78,451)	20,418
Income tax	(6,408)	(5,108)
Gains or losses on financial instruments carried at fair value through OCI (paragraph 4.1.2 of IFRS 9)	(277,982)	3,050,617
Gains on financial instruments carried at fair value through OCI	(235,425)	4,284,502
Income tax	(42,557)	(1,233,885)
Equity in other comprehensive income of associates and joint ventures recognized by using the equity method	(110,379)	683,212
Income for the year arising from the equity in other comprehensive income of associates and joint ventures recognized by using the equity method	(110,379)	683,212
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED TO INCOME FOR THE YEAR	(473,220)	3,749,139
TOTAL OTHER COMPREHENSIVE INCOME	(687,022)	3,749,139
TOTAL COMPREHENSIVE INCOME	6,325,184	19,497,687

Marcelo A. Iadarola
 Executive Manager of Administration

Juan M. Trejo
 Superintendent
 Finance, Administration and Public

Oswaldo Parré Dos Santos
 President

Signed for identification purposes
 with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
 with our report dated 02/24/2022
 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 Carballed (Partner)
 Public Accountant (U.B.)
 C.P.C.E.C.A.B.A. T° 218 F° 224

BANCO PATAGONIA S.A.

**SEPARATE STATEMENT
OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF 12/31/21**

(Stated in thousands of Pesos)

Changes	capital stock (1)	Non-capitalized contributions	Share Capital adjustments	Other comprehensive income				Share Capital adjustments		Unappropriated retained earnings	Total equity Attributable to controlling interests	Total shareholders' equity as of 12/31/2021
	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	28,738,340	281,033	2,099,774	830,353	(65,742)	20,084,643	31,384,465	(8,867,459)	75,421,743	75,421,743
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholders's Meeting held on 04/22/21												
- Legal reserve	-	-	-	-	-	-	-	3,149,709	-	(3,149,709)	-	-
- Optional reserve - Future distribution of earnings	-	-	-	-	-	-	-	-	4,724,565	(4,724,565)	-	-
- Partial reversal of the optional reserve for cash dividends payment (2)	-	-	-	-	-	-	-	-	-	(7,874,275)	(7,874,275)	(7,874,275)
- Absorption of Unallocated Negative Unappropriated Retained Earnings due to first-time application of IAS 29	-	-	-	-	-	-	-	-	(24,616,008)	24,616,008	-	-
Income for the year (3)	-	-	-	-	-	-	-	-	-	7,012,206	7,012,206	7,012,206
Other comprehensive income for the year	-	-	-	(84,859)	(213,802)	(277,982)	(110,379)	-	-	-	(687,022)	(687,022)
Balance sheets at year-end	719,145	217,191	28,738,340	196,174	1,885,972	552,371	(176,121)	23,234,352	11,493,022	7,012,206	73,872,652	73,872,652

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

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

(2) Corresponds to \$10,9495 per share.

(3) See note 48 to these consolidated financial statements.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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

**SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF 12/31/2020**
(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	28,738,340	265,723	2,099,774	(2,220,264)	(748,954)	13,607,616	19,737,069	7,769,124	70,184,764	70,184,764
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholders's Meeting held on 04/23/20												
- Legal reserve	-	-	-	-	-	-	-	6,477,027	-	(6,477,027)	-	-
- Optional reserve - Future distribution of earnings	-	-	-	-	-	-	-	-	25,908,104	(25,908,104)	-	-
- Partial reversal of optional reserve to be applied to cash dividend payments	-	-	-	-	-	-	-	-	(14,260,708)	-	(14,260,708)	(14,260,708)
Income for the year	-	-	-	-	-	-	-	-	-	15,748,548	15,748,548	15,748,548
Other comprehensive income for the year	-	-	-	15,310	-	3,050,617	683,212	-	-	-	3,749,139	3,749,139
Balance sheets at year-end	719,145	217,191	28,738,340	281,033	2,099,774	830,353	(65,742)	20,084,643	31,384,465	(8,867,459)	75,421,743	75,421,743

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

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

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

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

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**SEPARATE STATEMENT OF CASH FLOWS
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)**

ITEM	12/31/21	12/31/20
Cash flows from operating activities		
Income for the year before income tax	10,211,604	23,087,271
Inflation effect (net position of assets and liabilities)	18,106,911	13,374,051
Adjustments to obtain cash flows from operating activities:	(1,507,175)	(6,309,500)
Depreciation and impairment of assets	1,932,543	1,912,861
Charge for Loan Losses	894,274	1,852,862
Other adjustments	(4,333,992)	(10,075,223)
Net increases from operating assets:	(34,843,775)	(28,977,388)
Debt securities measured at fair value with changes through profit or loss	96,855	(1,435,217)
Derivative instruments	(221,934)	(269,852)
Repo transactions	(51,459,174)	(11,966,611)
Loans and other financing facilities	6,053,368	36,839,209
Non-financial government sector	1,364	2,828
Other financial institutions	459,342	3,084,047
Nonfinancial private sector and foreign residents	5,592,662	33,752,334
Other debt securities	8,001,913	(46,657,011)
Financial assets granted as collateral	4,716,975	(5,730,391)
Investments in equity instruments	190,287	(266,692)
Other assets	(2,222,065)	509,177
Net increases from operating liabilities:	6,806,606	11,431,389
Deposits	7,058,396	52,581,840
Non-financial government sector	618,683	5,321,418
Financial sector	81,428	14,585
Nonfinancial private sector and foreign residents	6,358,285	47,245,837
Liabilities at fair value through profit or loss	148,838	-
Derivative instruments	58,163	(508,832)
Repo transactions	89,457	6,985
Financing facilities received from BCRA and other financial institutions	2,101,222	(26,138,742)
Other liabilities	(2,649,470)	(14,509,862)
Income tax payments	(718,118)	(3,592,356)
TOTAL OPERATING ACTIVITIES (A)	(1,943,947)	9,013,467

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**SEPARATE STATEMENT
OF CASH FLOWS
AS OF 12/31/20 AND 12/31/20**
(Stated in thousands of Pesos)

ITEM	12/31/21	12/31/20
Cash flows from investing activities		
Payments:		
Purchase of property and equipment, intangible assets and other assets	(1,444,499)	(1,897,616)
Proceeds:		
Sale of property and equipment, intangible assets and other assets	44,259	321,390
TOTAL INVESTING ACTIVITIES (B)	(1,400,240)	(1,576,226)
Cash flows from financing activities		
Payments:		
Financing facilities from local financial institutions	(1,104,250)	(1,837,334)
Operating leases	(394,137)	(575,429)
TOTAL FINANCING ACTIVITIES (C)	(1,498,387)	(2,412,763)
EFFECTS OF EXCHANGE RATE CHANGES (D)	10,320,696	14,098,088
EFFECT OF MONETARY GAIN/LOSS ON CASH AND CASH EQUIVALENTS (E)	(29,257,209)	(19,172,903)
TOTAL CHANGES IN CASH FLOWS	12/31/21	12/31/20
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C + D + E)	(23,779,087)	(50,337)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	90,488,503	90,538,840
CASH AND CASH EQUIVALENTS AT YEAR-END	66,709,416	90,488,503

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

NOTE 1 – REASON FOR THE PREPARATION OF SEPARATE FINANCIAL STATEMENTS

As mentioned in Note 2 to the 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, 2021 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 Compañía Financiera S.A.U., according to the provisions of the BCRA in its Communication "A" 7181 issued on December 17, 2020, did not apply the impairment model of section 5.5 "Impairment" of IFRS No. 9 "Financial Instruments" applicable to "Allowances for Uncollectibility Risk", since it has been postponed until January 1, 2022 for Group "B" and "C" financial entities according to such Communication.

Therefore, the proportional equity value corresponding to the interest of Banco Patagonia S.A. in such Entity, which is recorded under the caption "Investment in subsidiaries, associates and joint ventures" and its balancing entry in income recorded under the caption "Income from associates and joint ventures", has been calculated considering the aforementioned Communication.

On the other hand, Communication "A" 7427 issued by the BCRA on December 23, 2021, provided that financial entities of groups "B" and "C" that are not branches or subsidiaries of foreign banks classified as systematically important, may choose (irrevocably) to postpone until January 1, 2023 the application of item 5.5 of IFRS 9 and, consequently, the pro rata methodology generated by the application of said item.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

In addition, those entities that choose to postpone such application must inform the Superintendency of Financial and Exchange Institutions before December 31, 2021.

GPAT has chosen to apply point 5.5 of IFRS 9 as from January 1, 2022 without significant effects on retained earnings.

- b) With respect to the valuation of Prisma Means of Payment SA, these Separate Financial Statements to corresponding the fiscal year ended December 31, 2021, consider the guidelines established by the BCRA whereby the accounting treatment to be afforded to the remaining investment held by the Entity in said company, accounted for under "Investments in Equity Instruments" as of December 31, 2021.

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 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.

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, allowed the early application of the aforementioned standard as of December 31, 2020, an option to which the entity adhered so that its impact would be reflected in the financial statements for the fiscal year ended December 31, 2020.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

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)
- Transfer of Financial Assets (Note 41 to the consolidated financial statements)
- Segment reporting (Note 43 to the consolidated financial statements)
- Subsidiaries (Note 44 to the consolidated financial statements)
- Related Parties (Note 46 to the consolidated financial statements)
- Leases (Note 47 to the consolidated financial statements)
- Distribution of Profits and Restrictions (Note 48 to the consolidated financial statements)
- Deposit guarantee insurance (Note 50 to the consolidated financial statements)
- Trust activity (Note 52 to the consolidated financial statements)
- Depository for Collective Investment Products of Mutual Investment Funds (Note 53 to the consolidated financial statements)
- Sanctions and proceedings initiated by the BCRA (Note 54 to the consolidated financial statements)
- Transactions with directors (Note 57 to the consolidated financial statements)
- CNV Requirement - Custody of documentation (Note 58 to the consolidated financial statements)
- Macroeconomic situation (Note 61 to the consolidated financial statements)

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

NOTE 3 - CHANGES IN ACCOUNTING POLICIES

The Bank has consistently applied the accounting policies in all the years presented in these financial statements.

The accounting policies applied are the same as those considered for the preparation of the consolidated financial statements (see Notes 3 and 5 to the consolidated financial statements), except for the one mentioned 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.

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>12/31/21</u>	<u>12/31/20</u>
Cash on hand	17,144,699	28,835,822
BCRA - Current account	47,662,477	58,073,618
Balances with financial institutions in Argentina and abroad	1,491,240	2,441,030
Others	411,000	1,138,033
Total	<u>66,709,416</u>	<u>90,488,503</u>

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

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>12/31/2021</u>	<u>12/31/2020</u>
Effective values		
Assets		
FX forward transactions	649,853	423,489
Foreign currency forwards	-	4,430
Total	<u>649,853</u>	<u>427,919</u>
Effective values		
Liabilities		
FX forward transactions	52,242	-
Foreign currency forwards	5,921	-
Total	<u>58,163</u>	<u>-</u>
National values		
Assets - purchase contract		
Foreign currency forwards	169,720	118,785
FX forward transactions	6,246	3,645
Total	<u>175,966</u>	<u>122,430</u>
Liabilities - sales contract		
FX forward transactions	101,460	90,864
Foreign currency forwards	77,039	48,390
Total	<u>178,499</u>	<u>139,254</u>

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 6 - REPO TRANSACTIONS

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

NOTE 7 - OTHER FINANCIAL ASSETS

Breakdown is as follows:

	<u>12/31/21</u>	<u>12/31/20</u>
Measured at amortized cost		
Sundry receivables from the sale of Prisma Medios de Pago S.A.	1,702,992	1,943,420
Receivables from spot sales of foreign currency to be settled	619,983	127,467
Receivables from spot sales of government securities to be settled	1,675,465	761,099
Recessive sundry	1,286,337	1,756,097
	<u>5,284,777</u>	<u>4,588,083</u>
Less: Allowance for loan losses (Exhibit R)	(1,734,152)	(2,029,733)
Total	<u>3,550,625</u>	<u>2,558,350</u>

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>12/31/21</u>	<u>12/31/20</u>
Measured at amortized cost	160,374,948	163,136,785
Less: Allowance for loan losses (Exhibit R)	(3,095,589)	(6,626,757)
Total	<u>157,279,359</u>	<u>156,510,028</u>

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

Breakdown is shown below:

	<u>12/31/21</u>	<u>12/31/20</u>
Government sector	35,646	11,869
Financial sector	11,886,699	12,730,365
Non-financial private sector and residents abroad	148,452,603	150,394,551
Notes	58,014,905	43,566,248
Overdrafts	34,150,404	44,907,957
Credit cards	28,958,335	33,207,421
Personal consumer loans	14,329,491	11,533,832
Mortgage loans	3,623,126	3,889,375
Finance leases	1,350,083	412,690
Other loans	5,296,166	8,866,536
Interest and other adjustments	2,730,093	4,010,492
Sub - Total	160,374,948	163,136,785
Less: Allowance for loan losses (Exhibit R)	(3,095,589)	(6,626,757)
Total	157,279,359	156,510,028

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

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

Allowances for loan losses and other financing

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

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 9 – FINANCIAL ASSETS GRANTED AS COLLATERAL

The composition of financial assets pledged as collateral as of December 31, 2021 and 2020 is as follows:

	<u>12/31/21</u>	<u>12/31/20</u>
Special guarantee accounts (*)	3,451,465	3,663,261
BCRA - Financial trusts under guarantee of OCT	3,397,699	8,008,470
- National Treasury Bonds in \$ CER Adjustment	1,515,629	3,550,155
- National Treasury Bonds pegged to u\$s	-	803,164
- National Treasury Bills in \$ CER Adjustment	1,882,070	3,655,151
Guarantee Deposits Credit and debit card managers	888,744	839,745
Public Titles - BID Line - Global Credit Program for micro-, small- and medium-sized enterprises	516,117	458,018
- Treasury bonds in ARS Adjusted by CER	503,200	439,401
- Pesos as guarantee	10,000	15,027
- Dollars as guarantee	2,917	3,590
Other security deposits	26,209	27,715
Total	<u>8,280,234</u>	<u>12,997,209</u>

(*) See Note 32.

NOTE 10 – INCOME TAX

a) Current income tax liabilities:

Breakdown is as follows:

	<u>12/31/21</u>	<u>12/31/20</u>
Current income tax assets		
Tax provision	(183,979)	-
Advance tax	1,081,781	-
Total	<u>897,802</u>	<u>-</u>
Current income tax liabilities		
Tax provision	-	9,066,243
Advance tax	-	(7,369,098)
Withholdings and collections at source	-	(10,358)
Total	<u>-</u>	<u>1,686,787</u>

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

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 12/31/20	Inflation adjustment	Changes recognized in		Balances as of 12/31/21
			Net income	OCI	
Assets					
Inflation adjusted tax balance	5,384,016	(887,588)	(588,091)	-	3,908,337
Allowances for bad debt risk	1,458,454	(240,435)	280,204	-	1,498,223
Loans	149,793	(24,694)	72,490	-	197,589
Passive provisions	588,688	(97,049)	(18,508)	-	473,131
Other liabilities	335,046	(55,234)	54,121	-	333,933
Others	55,188	(9,098)	(15,857)	-	30,233
Deferred tax asset	7,971,185	(1,314,098)	(215,641)	-	6,441,446
Liabilities					
Debt securities	-	-	42,557	(42,557)	-
Intangible assets	(68,046)	11,218	(23,296)	-	(80,124)
Property and equipment	(3,026,792)	498,985	(2,582,088)	(213,802)	(5,323,697)
Investment properties	(16,771)	2,765	(4,501)	-	(18,507)
Conversion difference	(80,138)	13,211	(17,743)	(6,408)	(91,078)
Investment in associates	(483,433)	79,696	(180,923)	-	(584,660)
Deferred tax liabilities	(3,675,180)	605,875	(2,765,994)	(262,767)	(6,098,066)
Total	4,296,005	(708,223)	(2,981,635)	(262,767)	343,380

The income tax charge is comprised of the following items:

	12/31/21	12/31/20
Current tax	217,763	11,110,962
Deferred income tax	2,981,635	(3,772,239)
Income tax charge	3,199,398	7,338,723

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

The reconciliation of the effective tax rate is shown below:

	<u>12/31/21</u>	<u>12/31/20</u>
Income before income tax	10,211,604	23,087,271
Income tax rate	35%	30%
Tax on taxable income	<u>3,574,061</u>	<u>6,926,181</u>
Net permanent differences and other tax effects	(374,665)	412,542
Income tax charge	<u>3,199,396</u>	<u>7,338,723</u>

NOTE 11 – INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

	<u>12/31/21</u>	<u>12/31/20</u>
GPAT	2,554,634	2,242,263
Patagonia Investor Society Manager of F.C.I.	1,172,138	1,212,207
Interbanking S.A	411,756	472,075
Banco Patagonia (Uruguay) S.A.I.F.E.	370,275	448,581
Patagonia Valores S.A. (*)	99,799	99,083
Mercado Abierto Electrónico S.A.	91,491	96,324
Play Digital S.A.	74,916	89,580
Compensadora Electrónica S.A.	15,335	11,959
Provincanje S.A.	6,383	5,634
Total	<u>4,796,727</u>	<u>4,677,706</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 95,135,385 ordinary shares, representing 4.4189% % of the stock capital.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

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.

NOTE 14 – OTHER NON FINANCIAL ASSETS

	<u>12/31/21</u>	<u>12/31/20</u>
Advance payments	916,412	669,408
Other assets	202,481	380,706
Piece of art	90,654	90,654
Investment property	54,457	69,547
Other	148,891	70,073
Total	<u>1,412,895</u>	<u>1,280,388</u>

NOTE 15 – NON CURRENT ASSETS HELD FOR SALE

As of December 31, 2021, the Entity has no non-current assets held for sale.

As of December 31, 2020 the Group maintains as non-current assets held for sale two pieces of land located in the department of Anta, province of Salta, for 222,981, whose sales were perfected in the months of January and July 2021.

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>12/31/21</u>	<u>12/31/20</u>
Time deposits and term investments	117,450,815	114,821,931
Savings accounts	132,431,312	114,507,367
Current accounts	33,308,875	37,789,482
Investment accounts	10,755,825	9,543,871
Other	6,909,166	6,635,906
Intersts and adjustments	4,160,006	2,420,933
Total	<u>305,015,999</u>	<u>285,719,490</u>

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
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>12/31/21</u>	<u>12/31/20</u>
Credit card receivables	9,639,011	8,579,193
Sundry creditors	2,109,545	1,669,655
Collections and other receivables on behalf of third parties	1,898,239	1,753,806
Payables for purchases of cash government securities to be settled	987,110	89,580
Payables for transactions related to foreign trade	621,868	910,250
Payables for purchases of foreign currency cash to settle	516,650	1,274,339
Total	<u>15,772,423</u>	<u>14,276,823</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>12/31/21</u>	<u>12/31/20</u>
Financing facilities received from foreign financial institutions	6,337,549	3,725,892
Financing facilities received from local financial institutions	913,665	1,561,266
BCRA	17,626	15,340
Total	<u>7,268,840</u>	<u>5,302,498</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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED**
(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>12/31/21</u>	<u>12/31/20</u>
Cash dividends payable	13,003,996	11,667,351
Other short term employees' benefits payable	3,159,388	3,095,419
Withholdings and collections	1,789,176	1,901,541
Advance payments received	1,578,519	1,446,452
Sundry accounts payable	1,533,218	1,217,974
Other taxes payable	1,104,174	664,959
Payroll and social security contributions payable	460,442	394,397
Liabilities with contracts with customers	312,284	338,533
Payroll withholdings payable	284,059	280,333
Social security payment orders to be settled	139,811	247,328
Advanced payments received for the sale of goods	6,940	52,219
Other	132,751	150,038
Total	<u>23,504,758</u>	<u>21,456,544</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, 2021 is disclosed in Exhibit J "Activity of Provisions" which forms part of these consolidated financial statements.

The drops of provisions as of December 31, 2021 are detailed below:

Provisions						
Provisions drop	Labor Lawsuits	General Lawsuits	Tax Lawsuits	Administrative, disciplinary and criminal sanctions	Eventual Responsibilities	Total as of 12/31/21
Less than 12 months	123,772	24,047	180,026	-	232,003	559,848
More than 12 months	27,126	248,718	-	-	143,693	419,537
Total	<u>150,898</u>	<u>272,765</u>	<u>180,026</u>	-	<u>375,696</u>	<u>979,385</u>

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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 Carballeda (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 12/31/21
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

The drops of provisions as of December 31, 2020 are detailed below:

Provisions drop	Provisions					Total as of 12/31/20
	Labor Lawsuits	General Lawsuits	Tax Lawsuits	Administrative, disciplinary and criminal sanctions	Eventual Responsibilities	
Less than 12 months	25,115	663,320	31,634	-	268,824	988,893
More than 12 months	118,621	1,310,843	205,223	-	188,264	1,822,951
Total	143,736	1,974,163	236,857	-	457,088	2,811,844

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	12/31/21	12/31/20
Government securities measured at fair value with changes through OCI	48,363,920	48,368,133
Overdrafts	24,070,701	4,240,372
Notes	14,076,884	11,846,341
Consumer loans	10,119,963	13,667,656
Other loans	6,210,756	6,817,281
Credit cards	4,766,718	5,873,883
Loans to the Financial Sector	2,562,728	3,448,899
U.V.A. Adjustment	1,791,068	2,815,211
Other loans	1,368,771	2,270,136
Financial Leases (Leasing)	274,077	231,126
Other	1,711,414	780,425
Total	115,317,000	100,359,463

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

NOTE 23 – INTEREST EXPENSE

Breakdown is as follows:

Interest expense	12/31/21	12/31/20
Time deposits	48,295,393	32,622,891
Deposits in savings accounts	12,346,474	4,321,225
Financing facilities received from financial institutions (Call)	230,549	534,147
Premium on reverse repo transactions with the financial sector	58,401	297,466
Other financing facilities received from financial institutions	23,115	83,899
Other	2,375,147	1,655,708
Total	63,329,079	39,515,336

NOTE 24 – FEE INCOME

Breakdown is as follows:

Fee income	12/31/21	12/31/20
Credit and debit cards	3,650,249	3,625,586
Product packages	3,098,049	3,010,643
Deposits	2,362,212	2,588,668
Insurance	1,873,940	2,070,427
Collections	1,146,956	1,117,649
Foreign trade	560,814	602,479
Loans	214,472	254,452
Securities	182,010	190,881
Other	259,723	273,974
Total	13,348,425	13,734,759

NOTE 25 – FEE EXPENSES

Breakdown is as follows:

Fee expenses	12/31/21	12/31/20
Related to credit and debit cards	2,585,164	2,730,816
Government sector	816,392	804,219
Collections	172,760	187,977
Transfers	104,386	100,832
Related to securities	93,324	94,430
Other	264,181	322,141
Total	4,036,207	4,240,415

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

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	12/31/21	12/31/20
Forward foreign currency transactions	1,475,053	1,066,379
Gain on the sale or derecognition of financial assets	289,042	891,810
Government securities and instruments issued by the BCRA	287,130	370,966
Private securities	97,831	(106,953)
Total	2,149,056	2,222,202

NOTE 27 – OTHER OPERATING INCOME

Breakdown is as follows:

Other operating income	12/31/21	12/31/20
Recovered receivables	826,107	420,181
Commissions on safe deposit box rentals	771,368	802,372
Provisions reversed	712,696	310,493
Other adjustments and interest on sundry credits	610,082	603,139
Capital markets and securities related	338,121	276,734
Penalty interest	60,225	44,194
Related to transfers	55,946	50,264
Gains on sale of property and equipment	47,751	278,238
Deposit related	36,611	46,797
Tax recoveries	-	480,877
Other	654,894	1,065,103
Total	4,113,801	4,378,392

NOTE 28 – EMPLOYEE BENEFITS

Breakdown is as follows:

Employee benefits	12/31/21	12/31/20
Salaries	13,010,262	12,885,864
Social security contributions	2,547,477	2,494,938
Services to personnel	552,535	543,504
Other benefits	541,975	764,002
Severance payments	370,817	396,569
Total	17,023,066	17,084,877

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 29 – ADMINISTRATIVE EXPENSES

Breakdown is as follows:

Administrative expenses	12/31/21	12/31/20
Maintenance, conservation and repair expenses	2,453,943	2,385,559
Taxes	1,788,967	1,732,166
Fees	1,154,021	1,198,599
Armored vehicle services	877,228	949,056
Electric power and communications	736,561	839,737
Security services	696,160	748,593
Advertising and marketing	393,767	201,669
Courier service	169,641	206,292
Leases	115,229	135,232
Stationery and supplies	61,775	298,656
Representation per diem and mobility	54,623	46,519
Other	1,788,815	1,825,483
Total	10,290,730	10,567,561

NOTE 30 – OTHER OPERATING EXPENSES

Breakdown is as follows:

Other operating expenses	12/31/21	12/31/20
Turnover tax	8,087,458	4,681,615
ATM expenses	1,129,275	542,817
Charge for other provisions	924,309	406,045
Contribution to the Deposit Guarantee Fund	532,780	483,014
Leases - Interest on liabilities	289,500	301,405
Other	1,191,620	1,146,647
Total	12,154,942	7,561,543

NOTE 31 – FAIR VALUE OF FINANCIAL INSTRUMENTS

a) Assets and liabilities measured at fair value

The fair value hierarchy of assets and liabilities measured at fair value as of December 31, 2021 is as follows:

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

Item	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss
Financial assets				
Debt securities measured at fair value with changes through profit or loss	2,029,634	-	-	2,029,634
Derivative financial instruments	649,853	-	-	649,853
Other debt securities	123,847,211	-	123,847,211	-
Financial assets granted as collateral	8,280,234	4,325,285	3,954,949	-
Investments in equity instruments	1,081,694	-	-	1,081,694
Total	135,888,626	4,325,285	127,802,160	3,761,181

Item	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss
Financial liabilities				
Debt securities measured at fair value with changes through profit or loss	148,838	-	-	148,838
Derivative financial instruments	58,163	-	-	58,163
Total	207,001	-	-	207,001

Item	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss
Financial assets				
Debt securities measured at fair value with changes through profit or loss	2,029,222	412	-	2,029,634
Derivative financial instruments	-	649,853	-	649,853
Other debt securities	41,629,025	82,218,186	-	123,847,211
Financial assets granted as collateral	3,954,949	-	-	3,954,949
Investments in equity instruments	-	12,735	1,068,959	1,081,694
Total	47,613,196	82,881,186	1,068,959	131,563,341

Item	Level 1	Level 2	Level 3	Total Fair Value
Financial liabilities				
Debt securities measured at fair value with changes through profit or loss	148,838	-	-	148,838
Derivative financial instruments	-	58,163	-	58,163
Total	148,838	58,163	-	207,001

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

The fair value hierarchy of assets and liabilities measured at fair value as of December 31, 2020 is as follows:

Item	Book balance	Amortized cost	Fair value with changes through OCI	Fair value with changes through profit or loss
Financial assets				
Debt securities measured at fair value with changes through profit or loss	2,059,876	-	-	2,059,876
Derivative financial instruments	427,919	-	-	427,919
Other debt securities	131,761,654	3,086,409	128,675,245	-
Financial assets granted as collateral	12,997,209	803,163	7,644,709	4,549,337
Investments in equity instruments	1,271,981	-	-	1,271,981
Total	148,518,639	3,889,572	136,319,954	8,309,113

Item	Level 1	Level 2	Level 3	Total Fair Value
Financial assets				
Debt securities measured at fair value with changes through profit or loss	2,031,829	28,047	-	2,059,876
Derivative financial instruments	-	427,919	-	427,919
Other debt securities	81,358,248	47,316,997	-	128,675,245
Financial assets granted as collateral	4,549,337	7,644,709	-	12,194,046
Investments in equity instruments	-	5,724	1,266,257	1,271,981
Total	87,939,414	55,423,396	1,266,257	144,629,067

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	12/31/21	12/31/20
Transfers from Level 2 to Level 1	11,246,951	-
Total	11,246,951	-

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

These holdings were included in level 2 as of December 31, 2020 and as of December 31, 2021 were recorded at fair value using quoted 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.

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.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

- 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 hierarchy of fair value of assets and liabilities not measured at fair value as of December 31, 2021 is detailed below.

Item	Accounting balance as of 12/31/21	Total fair value	Level 1 fair value	Level 2 fair value	Level 3 fair value
Financial assets					
Cash and bank deposits	66,709,416	(1)	-	-	-
Repo transactions	63,425,785	(1)	-	-	-
Other financial assets	3,550,625	3,548,635	-	-	3,548,635
Loans and other financing facilities	157,279,359	155,949,604	-	-	155,949,604
Financial liabilities					
Deposits	330,967,301	329,270,379	-	329,270,379	-
Repo transactions	96,442	(1)	-	-	-
Other financial liabilities	15,772,423	(1)	-	-	-
Financing facilities received from BCRA and other financial institutions	7,268,840	(1)	-	-	-

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

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

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	90,488,503	(1)	-	-	-
Repo transactions	11,966,611	(1)	-	-	-
Other financial assets	2,558,350	2,559,174	-	-	2,559,174
Loans and other financing facilities	156,510,028	153,079,810	-	-	153,079,810
Financial liabilities					
Deposits	317,862,829	313,936,104	-	313,936,104	-
Repo transactions	6,985	(1)	-	-	-
Other financial liabilities	14,276,823	(1)	-	-	-
Financing facilities received from BCRA and other financial institutions	5,302,498	(1)	-	-	-

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

NOTE 32 – RESTRICTED ASSETS

	12/31/21	12/31/20
Special guarantee accounts (*)	3,451,465	3,663,261
BCRA - Financial trusts under guarantee of OCT	3,397,699	8,008,470
- National Treasury Bonds in \$ CER Adjustment	1,515,629	3,550,155
- National Treasury Bonds linked to u\$s	-	803,164
- National Treasury Bills in \$ CER Adjustment	1,882,070	3,655,151
Security deposits - Credit and debit card managers	888,744	839,745
Government securities – IADB loan – Global Credit Program for micro-, small- and medium-sized enterprises	516,117	458,018
- Treasury bonds in ARS Adjusted by CER	503,200	439,401
- Pesos as guarantee	10,000	15,027
- Dollars as guarantee	2,917	3,590
Other security deposits	26,209	27,715
Sub - Total	8,280,234	12,997,209
Guarantee deposits for repo transactions	10,701	780
Sub - Total	10,701	780
Total	8,290,935	12,997,989

(*) See Note 9.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

NOTE 33 – MINIMUM CASH AND CAPITAL REQUIREMENTS

Minimum cash

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:

<u>Minimum cash requirements</u>	<u>12/31/21</u>	<u>12/31/20</u>
Cash and bank deposits		
BCRA - Current account	47,662,477	58,073,618
Other debt securities		
BCRA Liquidity Bills	29,774,239	28,925,251
National Treasury bonds in ARS Fixed Rate 22%, maturity 05/21/2022	11,246,951	11,270,551
Financial assets granted as collaterals		
BCRA - Special guarantee accounts	3,451,465	3,663,261
Total	<u>92,135,132</u>	<u>101,932,681</u>

Minimum capital

Minimum capital requirements breakdown is as follows

<u>Minimum cash requirements</u>	<u>12/31/21</u>	<u>12/31/20</u>
Minimum capital requirements (A)	22,809,839	25,004,830
Credit risk	15,639,890	16,802,864
Market risk - Securities	123,724	167,162
Market risk - Currencies	203,657	592,230
Operational risk	6,842,568	7,442,574
Payment (B)	62,270,305	62,646,474
Surplus (B - A)	<u>39,460,466</u>	<u>37,641,644</u>

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

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

The following table shows the Bank's balances with its subsidiaries and affiliates, and its parent company as of December 31, 2021 and December 31, 2020:

	<u>12/31/21</u>	<u>12/31/20</u>
Patagonia Valores S.A.		
Deposits - Checking accounts	15,334	1,633
Deposits - Special checking account	9,883	7,234
Checks and securities in custody	2,569	792
Patagonia Inversora S.A. Management Society of F.C.I.		
Deposits - Checking accounts	66	1,005
Checks and securities in custody	1,251,050	1,135,759
Banco Patagonia (Uruguay) S.A.I.F.E.		
Deposits - Checking account	6	9
Deposits - Special checking account	3,774	7,933
Checks and securities in custody	2,661,999	2,760,797
Guarantees received	1,010,793	922,059
GPAT Compañía Financiera S.A.U.		
Loans and other financings - Other loans	30,048	-
Loans and other financing facilities– interbank loans (call options granted)	760,857	1,313,031
Debt securities – corporate bonds	190,435	114,228
Deposits - Checking accounts	45,839	60,022
Other financial liabilities	4,289	5,094
Banco do Brasil S.A.		
Cash and bank deposits - Financial institutions and correspondents	23,985	-
Deposits - Checking accounts	3,334	63
Guarantees received	1,027,500	1,011,585
Other Guarantees Granted	-	164,383
Checks and securities in custody	64,311	72,416

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

The Bank's income for the fiscal year ended December 31, 2021 and 2020 resulting from transactions with its subsidiaries, related companies and its parent company is as follows:

	<u>12/31/21</u>	<u>12/31/20</u>
Patagonia Valores S.A.		
Commissions and other operating income	1	2
Other Operating Income - Diverse Profits	422	651
Patagonia Inversora S.A. Management Society of F.C.I.		
Other Operating Income - Diverse Profits	2,041	2,855
GPAT Compañía Financiera S.A.U.		
Interest income - Financial sector	157,179	554,768
Interest income – Corporate bonds	62,970	48,205
Interest income - Overdrafts	2,387	8,805
Interest expense– Interest from financing facilities to local financial institutions	4,267	8,579
Commissions and other operating income	4,263	22,782
Commissions Expenses	35,414	45,994
Other Operating Income - Diverse Profits	11,139	14,165
Banco do Brasil S.A.		
Financial expenses - Interest on other loans from financial institutions	92,749	162,861
Commission income	13	5
Other Operating Income - Diverse Profits	720	726

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

Banco Patagonia S.A. is a joint stock company organized under the laws of Argentina, the shareholders of which limit their liability to the paid-in shares subscribed in accordance with Law No. 19,550. Therefore, in compliance with Law No. 25,738, 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

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/21
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

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

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

The minimum equity required by the mentioned standard for each registered broker category on December 31, 2021 amounts to 1,420,350 Units of Purchasing Power (UVA) adjusted by "CER" – Law No. 25,827, which is equivalent to 138,499.

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 69,250.

As of December 31, 2021, the Bank's capital exceeds CNV's requirements and the minimum cash contra-account required is made up of funds deposited with the BCRA in current account No. 034 of Banco Patagonia S.A.

NOTE 37 – 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 38 – 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 31, 2021.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

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

Item	Identification	holding company				Position	
		Fair value	Level Fair value	Balance as of 12/31/2021	Balance as of 12/31/2020	without options (2)	Final
DEBT SECURITIES MEASURED AT FAIR VALUE WITH CHANGES THROUGH PROFIT OR LOSS (1)		2,029,222		2,029,634	2,059,876	1,880,795	1,880,795
In Argentina		2,029,222		2,029,634	2,059,876	1,880,795	1,880,795
Government securities		2,029,222		2,029,222	2,059,257	1,880,383	1,880,383
- Bonds of the Republic of Argentina in u\$s - Exp. 07/09/30	81086	417,036	1	417,036	168,917	417,036	417,036
- Bonds with Discount in \$ - Expiration Date 12/31/33	45696	349,712	1	349,712	179,455	349,712	349,712
- National Treasury Bonds in \$ Adjusted CER 2% - Expiration 11/09/26	5925	316,252	1	316,252	237,306	316,252	316,252
- National Treasury Bonds pegged to u\$s - Exp. 04/28/23	5928	290,966	1	290,966	-	290,966	290,966
- Treasury Bonds in \$ Adjusted CER 1.5% - Exp. 03/25/21	5493	288,092	1	288,092	67,751	288,092	288,092
- Bonos de la Nación Argentina in \$ Badlar Priv. +200 pts. - Maturity 04/04/22	5480	161,167	1	161,167	-	161,167	161,167
- Bonos de la República Argentina u\$s Step Up - Maturity 07/09/35	81088	65,988	1	65,988	-	65,988	65,988
- National Treasury Bills in \$ Adjusted CER at Desc. - Maturity 04/18/22	5934	64,267	1	64,267	-	64,267	64,267
- National Treasury Bills in \$ Adjusted CER at Desc. - Exp. 07/29/22	5815	46,180	1	46,180	-	46,180	46,180
- Treasury Bonds in \$ Adjusted CER 1.40% - Exp. 03/25/13	5492	17,517	1	17,517	30,795	17,517	17,517
- Others		12,045		12,045	1,375,033	(136,794)	(136,794)
Foreign private securities		-		412	619	412	412
- Other		-		412	619	412	412

(1) See note 62 to these consolidated financial statements.

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

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

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

Item	Identification	holding company				Position	
		Fair value	Level Fair value	Balance as of 12/31/2021	Balance as of 12/31/2020	without options (2)	final
Other debt securities		123,847,211		123,847,211	131,761,654	127,802,160	127,802,160
MEASURED AT FAIR VALUE WITH CHANGES THROUGH OCI (1)		123,847,211		123,847,211	128,675,244	127,802,160	127,802,160
In Argentina		123,847,211		123,847,211	128,675,244	127,802,160	127,802,160
Government securities		31,634,334		31,634,334	28,813,974	35,589,283	35,589,283
- Bonds T. N. in \$ Fixed Rate - Exp. 05/21/22	5496	11,246,951	1	11,246,951	11,270,551	11,246,951	11,246,951
- Bills T. N. CER Adjustment to Dto. 03/31/22	5931	3,636,540	1	3,636,540	-	4,603,560	4,603,560
- Bonds T. N. in \$ Badlar Privada +100 pbs. - Maturity 11/09/26	5495	3,548,118	1	3,548,118	3,564,964	3,675,518	3,675,518
- Bills T. N. in \$ CER Adjustment to Dto. 02/28/22	5500	2,830,376	1	2,830,376	-	3,383,176	3,383,176
- Bills T. N. Bills in \$ CER Adjustment to Dto. 08/16/22	5949	1,768,129	1	1,768,129	-	1,768,129	1,768,129
- T. Bonds in \$ CER Adjustment 1.50% - Maturity 03/25/24	5493	1,455,638	1	1,455,638	130,667	2,565,878	2,565,878
- Bills T. N. in \$ CER Adjustment to Dto. 07/29/22	5815	1,233,006	1	1,233,006	-	1,233,006	1,233,006
- T. Bonds in \$ CER Adjustment 1.40% - Maturity 03/25/23	5492	1,179,010	1	1,179,010	336,525	1,195,399	1,195,399
- Bills T. N. in \$ CER Adjustment at Dto. 06/30/22	5940	1,062,600	1	1,062,600	-	1,424,850	1,424,850
- Bonds T. N. Bonds linked to u\$s - Exp. 11/30/22	5937	697,515	1	697,515	-	751,565	751,565
- Others		2,976,451		2,976,451	13,511,267	3,741,251	3,741,251
BCRA Bills		89,010,250		89,010,250	97,846,933	89,010,250	89,010,250
- BCRA Liquidity Bill - Expiration Date 01/18/22	3648	22,576,915	1	22,576,915	-	22,576,915	22,576,915
- BCRA Liquidity Bill - Mto. 01/20/22	3649	15,379,764	1	15,379,764	-	15,379,764	15,379,764
- BCRA Liquidity Bill - Mto. 01/11/22	3639	11,736,592	1	11,736,592	-	11,736,592	11,736,592
- BCRA Liquidity Bill - Maturity 01/25/22	3657	11,683,584	2	11,683,584	-	11,683,584	11,683,584
- BCRA Liquidity Bill - Maturity 01/27/22	3659	9,726,590	1	9,726,590	-	9,726,590	9,726,590
- BCRA Liquidity Bill - Maturity 01/04/22	3630	8,962,675	1	8,962,675	-	8,962,675	8,962,675
- BCRA Liquidity Bill - Maturity 01/06/22	3632	8,944,130	1	8,944,130	-	8,944,130	8,944,130
- Others		-		-	97,846,933	-	-
Corporate securities		3,202,627		3,202,627	2,014,337	3,202,627	3,202,627
- ON Tarjeta Naranja in \$ - Class 48	55317	537,191	2	537,191	-	537,191	537,191
- ON Tarjeta Naranja Orange Card in \$ - Class 46	55187	420,451	2	420,451	-	420,451	420,451
- ON Tarjeta Naranja in \$ - Class 50	55747	393,832	2	393,832	-	393,832	393,832
- ON Inversora Juramento in \$ - Class 9	55349	316,941	2	316,941	-	316,941	316,941
- ON FCA Compañía Financiera in UVA - Class 19	55424	197,269	2	197,269	-	197,269	197,269
- ON GPAT COMP.FIN. S36	55128	190,435	2	190,435	-	190,435	190,435
- ON FCA Compañía Financiera in UVA - Class 18 Series 1	55008	161,832	2	161,832	176,509	161,832	161,832
- ON Tarjeta Naranja in \$ - Class 49	55550	158,596	2	158,596	-	158,596	158,596
- ON Toyota - Class 30	55770	158,026	2	158,026	-	158,026	158,026
- ON Petroquímica Comodoro Rivadavia in \$ - Class F	55256	153,129	2	153,129	-	153,129	153,129
- Others		514,925		514,925	1,837,828	514,925	514,925

(1) See note 62 to these consolidated financial statements.

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

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022

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

BANCO PATAGONIA S.A.

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

Item	Identification	holding company				Position	
		Fair value	Level Fair value	Balance as of 12/31/2021	Balance as of 12/31/2020	without options (1)	final
Measured at amortized cost		-	-	-	3,086,410	-	-
In Argentina		-	-	-	3,086,410	-	-
Government securities		-	-	-	2,891,361	-	-
- Other		-	-	-	2,891,361	-	-
Corporate securities		-	-	-	195,049	-	-
- VD FF Credit Market - Class 8 in ARS	54976	-	-	-	134,844	-	-
- VD FF Meli Credit Rights Cards 5 in ARS	54959	-	-	-	60,205	-	-
Equity Instruments		1,081,694		1,081,694	1,271,981	1,081,694	1,081,694
MEASURED AT FAIR VALUE WITH CHANGES THROUGH PROFIT OR LOSS		1,081,694		1,081,694	1,271,981	1,081,694	1,081,694
In Argentina		1,072,769		1,072,769	1,261,451	1,072,769	1,072,769
- Prisma Media de Pago S.A.	-	1,068,959	3	1,068,959	1,255,726	1,068,959	1,068,959
- Matba Rofex S.A.	-	3,042	2	3,042	4,570	3,042	3,042
- Deposit Insurance S.A.	-	493	2	493	741	493	493
- Miralejos S.A.C.F. and Agropecuaria	-	106	2	106	159	106	106
- Bolsa de Comercio de Mar del Plata S.A.	-	56	2	56	84	56	56
- Argencontrol S.A.	-	53	2	53	80	53	53
- Sanatorio Las Lomas S.A.	-	47	2	47	71	47	47
- Celta Coop. Works To Be. Three Arroyos	-	12	2	12	18	12	12
- Claromecó Limited Electric Cooperative	-	1	2	1	2	1	1
Foreign		8,925		8,925	10,530	8,925	8,925
- Banco Latinoamericano de Comercio Exterior S.A.	-	8,631	2	8,631	10,073	8,631	8,631
- Society for Worldwide Interbank Financial Telecommunication	-	294	2	294	457	294	294

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

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

EXHIBIT "B"
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED BY STATUS AND GUARANTEES
RECEIVED AS OF 12/31/2021 AND 12/31/2020
(Stated in thousands of Pesos)

COMMERCIAL LOAN PORTFOLIO	12/31/21	12/31/20
Performing	109,768,704	111,397,753
- With "A" preferred guarantees and counter-guarantees	5,901,214	5,416,586
- With "B" preferred guarantees and counter-guarantees	5,278,540	6,693,355
- Without preferred guarantees or counter-guarantees	98,588,950	99,287,812
Subject to special monitoring	208,948	481,531
In observation	1,928	11,078
- Without preferred guarantees or counter-guarantees	1,928	11,078
In negotiation or under refinancing agreements	207,020	470,453
- With "B" preferred guarantees or counter-guarantees	207,020	393,042
- Without preferred guarantees or counter-guarantees	-	77,411
Troubled	157,905	744,789
- With "B" preferred guarantees or counter-guarantees	154,939	569,107
- Without preferred guarantees or counter-guarantees	2,966	175,682
With high risk of insolvency	17,082	74,277
- With "A" preferred guarantees and counter-guarantees	2,984	-
- With "B" preferred guarantees and counter-guarantees	1,142	61,815
- Without preferred guarantees or counter-guarantees	12,956	12,462
Non-recoverable	612	48,735
- With "B" preferred guarantees or counter-guarantees	8	23,737
- Without preferred guarantees or counter-guarantees	604	24,998
TOTAL COMMERCIAL LOAN PORTFOLIO	110,153,251	112,747,085

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

EXHIBIT "B"
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED BY STATUS AND GUARANTEES RECEIVED
AS OF 12/31/2021 AND 12/31/2020
(Stated in thousands of Pesos)

CONSUMER AND/OR HOME LOAN PORTFOLIO	12/31/21	12/31/20
Performing	53,824,616	55,138,783
- With "A" preferred guarantees and counter-guarantees	2,421,581	2,594,467
- With "B" preferred guarantees and counter-guarantees	2,526,399	3,180,566
- Without preferred guarantees or counter-guarantees	48,876,636	49,363,750
Low risk	497,749	215,295
- With "A" preferred guarantees and counter-guarantees	7,292	1,539
- With "B" preferred guarantees and counter-guarantees	5,933	830
- Without preferred guarantees or counter-guarantees	484,524	212,926
Medium risk	319,618	181,830
- With "A" preferred guarantees and counter-guarantees	1,281	717
- With "B" preferred guarantees and counter-guarantees	110	7,655
- Without preferred guarantees or counter-guarantees	318,227	173,458
High risk	584,373	304,002
- With "A" preferred guarantees and counter-guarantees	4,919	4,600
- With "B" preferred guarantees and counter-guarantees	2,925	2,881
- Without preferred guarantees or counter-guarantees	576,529	296,521
Non-recoverable	92,015	652,143
- With "A" preferred guarantees and counter-guarantees	59	5,949
- With "B" preferred guarantees and counter-guarantees	175	621
- Without preferred guarantees or counter-guarantees	91,781	645,573
TOTAL CONSUMER AND/OR HOME LOAN PORTFOLIO	55,318,371	56,492,053
GRAND TOTAL	165,471,622	169,239,138

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

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

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

BREAKDOWN	12/31/21	12/31/20
BALANCE AS PER EXHIBIT "B"	165,471,622	169,239,138
Items included in Exhibit "B" and not included in Loans and other financing facilities	(4,994,551)	(5,968,770)
Off-balance sheet items – agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards.	(1,791,924)	(3,759,202)
Other items	(3,202,627)	(2,209,568)
Items not included in Exhibit "B" and included in Loans and other financing facilities	(3,197,712)	(6,760,340)
Loans and other financing facilities - Loans to personnel	462,417	465,592
Loans and other financing facilities - IFRS adjustment at effective interest rate	(564,540)	(599,175)
Loans and other financing facilities – Allowances for loan losses (Exhibit R)	(3,095,589)	(6,626,757)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	157,279,359	156,510,028

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

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

Number of customers	FINANCING FACILITIES			
	12/31/21		12/31/20	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	38,280,114	23.1%	41,816,927	24.7%
50 next largest customers	42,741,051	25.8%	41,489,450	24.5%
100 next largest customers	15,823,156	9.6%	15,482,432	9.1%
Rest of customers	68,627,301	41.5%	70,450,329	41.7%
Total	165,471,622	100.0%	169,239,138	100.0%

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

BREAKDOWN	12/31/21	12/31/20
BALANCE AS PER EXHIBIT "C"	165,471,622	169,239,138
Items included in Exhibit "C" and not included in Loans and other financing facilities	(4,994,551)	(5,968,770)
Off-balance sheet items – agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards.	(1,791,924)	(3,759,202)
Other items	(3,202,627)	(2,209,568)
Items not included in Exhibit "C" and included in Loans and other financing facilities	(3,197,712)	(6,760,340)
Loans and other financing facilities - Loans to personnel	462,417	465,592
Loans and other financing facilities - IFRS adjustment at effective interest rate	(564,540)	(599,175)
Loans and other financing facilities – Allowances for loan losses (Exhibit R)	(3,095,589)	(6,626,757)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	157,279,359	156,510,028

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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

**EXHIBIT D
LOANS AND OTHER FINANCING FACILITIES BROKEN DOWN BY TERM
AS OF 12/31/21
(Stated in thousands of Pesos)**

Item	Matured	Terms remaining to maturity						Total as of 12/31/2021
		1 month	3 months	6 months	12 months	24 months	Over 24 months	
Non-financial government sector	-	36,078	-	-	-	-	-	36,078
Financial sector	42,795	5,119,174	1,443,138	2,500,139	2,548,583	3,189,511	929,017	15,772,357
Nonfinancial private sector and foreign residents	536,902	77,392,661	18,657,190	27,942,004	17,200,733	13,975,264	26,045,339	181,750,093
Total	579,697	82,547,913	20,100,328	30,442,143	19,749,316	17,164,775	26,974,356	197,558,528

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**EXHIBIT E
BREAKDOWN OF INVERSMET IN OTHER COMPANIES
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)**

Id	Denomination	Shares and/or Quotas Parties				Amount	
		Class	Unit nominal value	Votes per share	Quantity	12/31/21	12/31/20
INVERSMET AT FINANCIAL INSTITUTIONS AND COMPLEMENTARY ACTIVITIES							
	<u>Subsidiaries</u>						
	In Argentina						
30678564822	GPAT Compañía Financiera S.A.U.	Common	\$ 1	1	86,837	2,554,634	2,242,263
30608298815	Patagonia Inversora S.A. Soc. Gte. F.C.I.	Common	\$ 1	1	13,317	1,172,138	1,212,207
30654325126	Patagonia Valores S.A.	Common	\$ 1	1	13,863	99,799	99,083
	Abroad						
00034UY0117	Banco Patagonia (Uruguay) S.A.I.F.E.	Common	U\$S 100	1	50	370,275	448,581
	<u>Associates and Joint Ventures</u>						
30690783521	Interbanking S.A.	Common	\$ 1	1	150	411,756	472,075
33628189159	Mercado Abierto Electrónico S.A.	Common	\$ 0,1	1	48	91,491	96,324
30716829436	Play Digital S.A.	Common	\$ 1	1	95,135	74,916	89,580
30692264785	Compensadora Electrónica S.A.	Common	\$ 1	1	35	15,335	11,959
33663293309	Provincanje S.A.	Common	\$ 1	1	600	6,383	5,634
Total Investments in Other Companies						4,796,727	4,677,706

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**EXHIBIT E
BREAKDOWN OF INVERSMET IN OTHER COMPANIES
AS OF 12/31/21 AND 12/31/20
(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
INVERSMET AT FINANCIAL INSTITUTIONS AND COMPLEMENTARY ACTIVITIES					
<u>Subsidiaries</u>					
In Argentina					
GPAT Compañía Financiera S.A.U.	Financial company	12/31/2021	86,837	2,554,634	312,373
Patagonia Inversora S.A. Soc. Gte. F.C.I.	Mutual funds management	12/31/2021	13,317	1,172,138	260,309
Patagonia Valores S.A.	Settlement and Clearing Agent and Comprehensive Trading Agent	12/31/2021	13,863	99,799	716
Abroad					
Banco Patagonia (Uruguay) S.A.I.F.E.	Foreign bank	12/31/2021	513,750	370,275	2,458
<u>Associates and joint Ventures</u>					
Interbanking S.A.	Interbank transfer services	08/31/2021	1,346	3,705,807	1,304,780
Mercado Abierto Electrónico S.A.	Coordination of securities trading	09/30/2021	2,424	4,620,312	(355,732)
Play Digital S.A.	Provision of electronic payment services	09/30/2021	2,152,921	1,706,403	(828,681)
Compensadora Electrónica S.A.	Electronic clearing account network management	12/31/2020	1,000	435,954	127,942
Provincanje S.A.	Clearing house of provincial banks	09/30/2021	7,200	76,594	3,811

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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

EXHIBIT F
PROPERTY AND EQUIPMENT MOVEMENT
AS OF 12/31/21
(Stated in thousands of Pesos)

Item	Original value at beginning of year	Estimated useful life in years	Additions	Retirements	Original value as of 12/31/21	Depreciation				Residual value as of 12/31/21
						Accumulated as of 12/31/20	Retirements	Of the year	Accumulated as of 12/31/21	
Measured at cost	11,553,774		1,799,512	605,075	12,748,211	8,355,893	583,442	1,421,097	9,193,548	3,554,663
- Land and buildings	1,719,486	50	7,112	-	1,726,598	1,535,506	-	80,058	1,615,564	111,034
- Furniture and fixture	2,510,440	10	77,224	2,821	2,584,843	2,012,406	1,978	109,774	2,120,202	464,641
- Machinery and equipment	5,826,343	5	1,112,954	11,170	6,928,127	4,479,112	9,190	608,850	5,078,772	1,849,355
- Vehicles	121,839	5	-	17,987	103,852	76,580	17,987	15,764	74,357	29,495
- Right-of-use on leased premises	1,112,513	-	563,530	573,097	1,102,946	236,629	554,287	606,592	288,934	814,012
- Others	15,719	5	-	-	15,719	15,660	-	59	15,719	-
- Works in progress	247,434	-	38,692	-	286,126	-	-	-	-	286,126
Revaluation model	14,590,160		1,346	-	14,591,506	214,629	-	215,331	429,960	14,161,546
- Land and buildings	14,590,160	50	1,346	-	14,591,506	214,629	-	215,331	429,960	14,161,546
Total	26,143,934		1,800,858	605,075	27,339,717	8,570,522	583,442	1,636,428	9,623,508	17,716,209

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

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

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**EXHIBIT F
INVESTMENT PROPERTY MOVEMENT
AS OF 12/31/21**

(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 12/31/21
Measured at Fair value				
- Leased land and buildings	69,547	40	(15,090)	54,457
Total	69,547		(15,090)	54,457

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**EXHIBIT F
INVESTMENT PROPERTY MOVEMENT
AS OF 12/31/21**

(Stated in thousands of Pesos)

Movement of Intangible Assets as of 12/31/2021

Concept	Original value at beginning of year	Useful Life total estimated in years	Additions	Depreciación			Residual value as of 12/31/21
				Accumulated as of 12/31/20	Depreciation of the year	Accumulated as of 12/31/21	
Measurement at cost							
Development costs of proprietary systems	1,389,065	5	207,170	655,635	292,622	948,257	647,978
TOTAL	1,389,065	5	207,170	655,635	292,622	948,257	647,978

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

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

Number of customers	12/31/21		12/31/20	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	66,362,296	20.1%	44,593,512	14.0%
50 next largest customers	56,947,264	17.2%	55,500,250	17.5%
100 next largest customers	20,571,508	6.2%	22,097,991	7.0%
Rest of customers	187,086,233	56.5%	195,671,076	61.5%
Total	330,967,301	100.0%	317,862,829	100.0%

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

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

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

EXHIBIT I
FINANCIAL LIABILITIES BROKEN DOWN BY TERMS REMAINING TO MATURITY
AS OF 12/31/21
 (Stated in thousands of Pesos)

Item	Terms remaining to maturity						Total at 12/31/2021
	1 month	3 months	6 months	12 months	24 months	over 24 months	
Deposits	395,545,341	24,286,177	5,219,757	326,909	4,657	1,099	425,383,940
Non-financial government sector	30,876,248	5,066,010	69,619	-	-	-	36,011,877
Financial sector	2,459,933	-	-	-	-	-	2,459,933
Nonfinancial private sector and foreign residents	362,209,160	19,220,167	5,150,138	326,909	4,657	1,099	386,912,130
Liabilities at fair value through profit or loss	148,838	-	-	-	-	-	148,838
Derivative instruments	58,163	-	-	-	-	-	58,163
Repo transactions	96,442	-	-	-	-	-	96,442
Other financial liabilities	15,772,423	-	-	-	-	-	15,772,423
Financing received from BCRA and other financial institutions	1,199,294	1,000,895	2,643,648	877,814	1,134,354	1,057,269	7,913,274
Total	412,820,501	25,287,072	7,863,405	1,204,723	1,139,011	1,058,368	449,373,080

Marcelo A. Iadarola
 Executive Manager of Administration

Signed for identification purposes
 with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
 Superintendent
 Finance, Administration and Public

Oswaldo Parré Dos Santos
 President

Signed for identification purposes
 with our report dated 02/24/2022
 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.

**EXHIBIT J
CHANGES IN PROVISIONS
AS OF 12/31/21**
(Stated in thousands of Pesos)

Item	Balances at beginning of year	Increases	Decreases		Monetary result for allowances and provisions	Balance as of 12/31/2021
			Reversals	Use		
INCLUDED IN LIABILITIES						
For contingent commitments	457,088	266,269	-	194,743	(152,918)	375,696
Other	2,354,756	670,744	156,000	1,478,030	(787,781)	603,689
Labor lawsuits	143,736	78,977	-	23,727	(48,087)	150,899
Complaints, proceedings, appeals	1,974,163	569,358	156,000	1,454,303	(660,454)	272,764
Tax lawsuits	236,857	22,409	-	-	(79,240)	180,026
TOTAL PROVISIONS	2,811,844	937,013	156,000	1,672,773	(940,699)	979,385

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**EXHIBIT K
SHARE CAPITAL COMPOSITION
AS OF 12/31/21
(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

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**EXHIBIT L
BALANCES IN FOREIGN CURRENCY
AS OF 12/31/2021
(Stated in thousands of Pesos)**

Items	Head office and branches in Argentina	Total as of 12/31/21	US dollar	Euro	Real Brazilian	Other	Total as of 12/31/20
ASSETS							
Cash and bank deposits	44,060,873	44,060,873	41,879,149	1,869,367	17,897	294,460	56,728,855
Debt securities measured at fair value with changes through profit or loss	773,990	773,990	773,990	-	-	-	1,298,219
Other financial assets	1,158,164	1,158,164	1,158,106	58	-	-	212,143
Loans and other financing facilities	10,816,609	10,816,609	10,816,609	-	-	-	11,020,137
Other financial institutions	54,050	54,050	54,050	-	-	-	409,938
Nonfinancial private sector and foreign residents	10,762,559	10,762,559	10,762,559	-	-	-	10,610,199
Other debt securities	1,016,334	1,016,334	1,016,334	-	-	-	2,917,075
Financial assets granted as collateral	121,608	121,608	121,608	-	-	-	923,883
Investments in subsidiaries, associates and joint ventures	379,356	379,356	379,021	335	-	-	448,583
Other nonfinancial assets	1	1	1	-	-	-	12
TOTAL ASSETS	58,326,935	58,326,935	56,144,818	1,869,760	17,897	294,460	73,548,907
LIABILITIES							
Deposits	45,388,282	45,388,282	43,847,792	1,540,490	-	-	58,353,169
Non-financial government sector	1,853,771	1,853,771	1,821,587	32,184	-	-	5,752,403
Financial sector	1,069	1,069	1,069	-	-	-	1,288
Nonfinancial private sector and foreign residents	43,533,442	43,533,442	42,025,136	1,508,306	-	-	52,599,478
Liabilities at fair value through profit or loss	82,587	82,587	82,587	-	-	-	-
Other financial liabilities	3,322,313	3,322,313	3,189,038	96,377	-	36,898	2,931,694
Financing facilities received from BCRA and other financial institutions	6,337,549	6,337,549	6,337,549	-	-	-	3,774,347
Other nonfinancial liabilities	39,023	39,023	39,023	-	-	-	193,240
TOTAL LIABILITIES	55,169,754	55,169,754	53,495,989	1,636,867	-	36,898	65,252,450

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

EXHIBIT N
ASISTANCE TO RELATED PARTIES
AS OF 12/31/21 AND 12/31/20
 (Stated in thousands of Pesos)

Item	Normal situation	total	
		12/31/21	12/31/20
1. Loans	995,067	995,067	1,481,069
Overdrafts	81	81	216
Without preferred guarantees or counter-guarantees	81	81	216
Notes	688,650	688,650	8,088
Without preferred guarantees or counter-guarantees	688,650	688,650	8,088
Consumer	14,909	14,909	25,393
Without preferred guarantees or counter-guarantees	14,909	14,909	25,393
Credit cards	25,845	25,845	20,113
Without preferred guarantees or counter-guarantees	25,845	25,845	20,113
Others	265,582	265,582	1,427,259
Without preferred guarantees or counter-guarantees	265,582	265,582	1,427,259
2. Contingent commitments	-	-	1,587,837
3. Investments in subsidiaries, associates and joint ventures	4,196,846	4,196,846	4,002,133
Total	5,191,913	5,191,913	7,071,039
Allowances	9,951	9,951	14,811

Marcelo A. Iadarola
 Executive Manager of Administration

Signed for identification purposes
 with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
 Superintendent
 Finance, Administration and Public

Oswaldo Parré Dos Santos
 President

Signed for identification purposes
 with our report dated 02/24/2022
 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.

**EXHIBIT O
DERIVATIVE FINANCIAL INSTRUMENTS
AS OF 12/31/21**

(Stated in thousands of Pesos)

Type of contract	Purpose of transactions	Underlying asset	Type of settlement	Negotiation environment or counter-party	Weighted average term Originally agreed	Residual weighted average term	Weighted average term for the settlement of differences	Amount as of 12/31/21
Futures	Intermediation on own account	Foreign currency	Daily settlement of differences	ROFEX	2	2	1	2,587,594
Futures	Intermediation on own account	Foreign currency	Daily settlement of differences	MAE	2	1	1	24,020,630
Futures	Intermediation on own account	Foreign currency	Daily settlement of differences	OTC - Residents in Argentina Nonfinancial sector	3	2	101	11,833,064
Repo transactions	Intermediation on own account	Government securities and instruments issued by the BCRA	Delivery of underlying asset	MAE	-	-	7	70,928,311

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

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

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

EXHIBIT 'P'
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)

INFORMATION AS OF 12/31/21 (Note 31)

Item	Book balance as of 12/31/21	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	66,709,416	66,709,416	-	-	-	-	-
Cash on hand	17,144,699	17,144,699	-	-	-	-	-
Financial institutions and correspondents	49,153,717	49,153,717	-	-	-	-	-
Others	411,000	411,000	-	-	-	-	-
Debt securities measured at fair value with changes through profit or loss	2,029,634	-	-	2,029,634	2,029,222	412	-
Derivative financial instruments	649,853	-	-	649,853	-	649,853	-
Repo transactions	63,425,785	63,425,785	-	-	-	-	-
Other financial assets	3,550,625	3,550,625	-	-	-	-	-
Loans and other financing facilities	157,279,359	157,279,359	-	-	-	-	-
Non-financial government sector	35,646	35,646	-	-	-	-	-
Other financial institutions	11,885,759	11,885,759	-	-	-	-	-
Nonfinancial private sector and foreign residents	145,357,954	145,357,954	-	-	-	-	-
Other debt securities	123,847,211	-	123,847,211	-	41,629,025	82,218,186	-
Financial assets granted as collaterals	8,280,234	4,325,285	3,954,949	-	3,954,949	-	-
Investments in equity instruments	1,081,694	-	-	1,081,694	-	12,735	1,068,959
TOTAL FINANCIAL ASSETS	426,853,811	295,290,470	127,802,160	3,761,181	47,613,196	82,881,186	1,068,959

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

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

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

EXHIBIT P
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)

Item	Book balance as of 12/31/21	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	330,967,301	330,967,301	-	-	-	-	-
Non-Financial Public Sector	23,490,636	23,490,636	-	-	-	-	-
Financial Sector	2,460,666	2,460,666	-	-	-	-	-
Private Non-Financial Sector and Foreign Residents	305,015,999	305,015,999	-	-	-	-	-
Liabilities at fair value through profit or loss	148,838	-	-	148,838	148,838	-	-
Derivative instruments	58,163	-	-	58,163	-	58,163	-
Repo transactions	96,442	96,442	-	-	-	-	-
Other financial liabilities	15,772,423	15,772,423	-	-	-	-	-
Funding received from BCRA and other financial institutions	7,268,840	7,268,840	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	354,312,007	354,105,006	-	207,001	148,838	58,163	-

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

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

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**EXHIBIT P
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)**

INFORMATION AS OF 12/31/20 (Note 31)

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	90,488,503	90,488,503	-	-	-	-	-
Cash on hand	28,835,822	28,835,822	-	-	-	-	-
Financial institutions and correspondents	60,514,648	60,514,648	-	-	-	-	-
Others	1,138,033	1,138,033	-	-	-	-	-
Debt securities measured at fair value with changes through profit or loss	2,059,876	-	-	2,059,876	2,031,829	28,047	-
Derivative financial instruments	427,919	-	-	427,919	-	427,919	-
Other financial assets	11,966,611	11,966,611	-	-	-	-	-
Repo transactions	2,558,350	2,558,350	-	-	-	-	-
Loans and other financing facilities	156,510,028	156,510,028	-	-	-	-	-
Non-financial government sector	11,869	11,869	-	-	-	-	-
Other financial institutions	12,725,560	12,725,560	-	-	-	-	-
Nonfinancial private sector and foreign residents	143,772,599	143,772,599	-	-	-	-	-
Other debt securities	131,761,654	3,086,410	128,675,244	-	81,358,248	47,316,996	-
Financial assets granted as collaterals	12,997,209	803,164	7,644,708	4,549,337	4,549,337	7,644,708	-
Investments in equity instruments	1,271,981	-	-	1,271,981	-	5,724	1,266,257
TOTAL FINANCIAL ASSETS	410,042,131	265,413,066	136,319,952	8,309,113	87,939,414	55,423,394	1,266,257

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

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

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

**EXHIBIT P
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/21 AND 12/31/20
(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	317,862,829	317,862,829	-	-	-	-	-
Nonfinancial government sector	32,065,225	32,065,225	-	-	-	-	-
Financial sector	78,114	78,114	-	-	-	-	-
Nonfinancial private sector and foreign residents	285,719,490	285,719,490	-	-	-	-	-
Derivative financial instruments	6,985	6,985	-	-	-	-	-
Other financial liabilities	14,276,823	14,276,823	-	-	-	-	-
Financing facilities received from BCRA and other financial institutions	5,302,498	5,302,498	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	337,449,135	337,449,135	-	-	-	-	-

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

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

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

EXHIBIT "Q"
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/21 AND 12/31/20
(Stated in thousands of Pesos)

By financial assets measured at fair value through profit or loss

Item	Mandatory measurement	
	12/31/21	12/31/20
Gain/loss on government securities	287,130	370,966
Gain/loss on derivative financial instruments	1,475,053	1,066,379
Forward transactions	1,475,053	1,066,379
By investments in equity instruments	97,831	-
Gain/loss on the sale or derecognition of financial assets at fair value	289,042	784,857
Total	2,149,056	2,222,202

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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.

EXHIBIT "Q"
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/21 AND 12/31/20
 (Stated in thousands of Pesos)

Interest and adjustment from applying the effective interest rate of financial assets measured at amortized cost

Item	12/31/2021	12/31/2020
Interest income		
By other financial assets	612,159	541,359
By loans and other financing facilities	41,170,965	46,970,532
To the Financial sector	2,562,728	3,448,898
Overdrafts	10,119,963	13,667,656
Notes	14,076,884	11,846,341
Mortgage loans	217,514	244,243
Consumer loans	6,210,756	6,817,281
Credit cards	4,766,718	5,873,882
Finance lease	274,077	231,126
Others	2,942,325	4,841,105
By repo transactions	24,070,701	4,240,372
Other financial institutions	24,070,701	4,240,372
Total	65,853,825	51,752,263

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

EXHIBIT "Q"
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/21 AND 12/31/20
 (Stated in thousands of Pesos)

Item	12/31/21	12/31/20
Interest expense		
By deposits	63,017,014	37,724,318
Savings accounts	12,346,474	4,321,225
Time deposit and term investments	48,295,393	32,622,891
Others	2,375,147	780,202
By financing received from the BCRA and other financial institutions	230,549	1,409,653
By repo transactions	58,401	297,466
Other financial institutions	58,401	297,466
By other financial liabilities	23,115	83,899
Total	63,329,079	39,515,336

Interest and adjustment from applying the effective interest rate of financial assets carried at fair value with changes through OCI

Item	12/31/21		12/31/20	
	Income for the year	OCI	Income for the year	OCI
By corporate debt securities	1,099,255	4,288	239,066	(66,050)
By government debt securities	48,363,920	(114,720)	48,368,134	1,422,428
Total	49,463,175	(110,432)	48,607,200	1,356,378

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

EXHIBIT "Q"
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/21 AND 12/31/20
 (Stated in thousands of Pesos)

Commission Revenue

Item	12/31/21	12/31/20
Commissions linked to obligations	5,218,216	5,293,768
Commissions linked to credits	242,045	305,542
Commissions vinc. with commitments to prést. and geese. financial	214,472	254,445
Commissions linked to securities	182,010	190,881
Card fees	3,650,249	3,625,585
Insurance fees	1,873,940	2,070,427
Collection management fees	1,146,956	1,117,648
Commissions for foreign operations and changes	560,814	602,474
Other	259,723	273,989
Total	13,348,425	13,734,759

Commission losses

Item	12/31/21	12/31/20
Commissions linked to securities transactions	93,324	94,431
Commissions for foreign operations and changes	104,386	100,832
Other	3,838,497	4,045,152
Total	4,036,207	4,240,415

Marcelo A. Iadarola
 Executive Manager of Administration

Juan M. Trejo
 Superintendent
 Finance, Administration and Public

Oswaldo Parré Dos Santos
 President

Signed for identification purposes
 with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
 with our report dated 02/24/2022
 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.

**EXHIBIT R
LOSS IMPAIRMENT ADJUSTMENT– ALLOWANCE FOR LOAN LOSSES
AS OF 12/31/21
(Stated in thousands of Pesos)**

Item	Balances at beginning of year	ECL for the next 12 months	ECL of the remaining life of the financial asset		Monetary result for allowances	Balance as of 12/31/21
			IF with significant increase in CR	IF with credit impairment		
Other financial assets	2,029,733	390,511	(6,659)	(380)	(679,053)	1,734,152
Loans and other financing facilities	6,626,757	(962,799)	(49,692)	(301,709)	(2,216,968)	3,095,589
Other financial institutions	4,806	(2,258)	-	-	(1,608)	940
Nonfinancial private sector and foreign residents	6,621,951	(960,541)	(49,692)	(301,709)	(2,215,360)	3,094,649
Overdrafts	425,810	(29,427)	(47,218)	(133,516)	(142,454)	73,195
Notes	529,160	41,636	(101,793)	(88,241)	(177,030)	203,732
Mortgage loans	74,948	12,623	44,131	3,146	(25,074)	109,774
Consumer	2,638,887	(223,411)	(314,575)	(111,530)	(882,837)	1,106,534
Credit cards	1,394,750	(131,765)	377,147	2,534	(466,612)	1,176,054
Finance lease	14,831	13,918	(2,478)	890	(4,962)	22,199
Other	1,543,565	(644,115)	(4,906)	25,008	(516,391)	403,161
Other debt securities	182	(121)	-	-	(61)	-
Eventual Commitments	457,088	27,156	37,559	6,811	(152,918)	375,696
TOTAL ALLOWANCES	9,113,760	(545,253)	(18,792)	(295,278)	(3,049,000)	5,205,437

(*) It includes the effect of the exchange rate variation as of 12/31/2021.

Marcelo A. Iadarola
Executive Manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022

By Supervisory Committee

Signed for identification purposes
with our report dated 02/24/2022
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.

**DISTRIBUTION OF EARNINGS PROJECT
AS OF 12/31/21
(Stated in thousands of Pesos)**

Item	Amount
Unappropriated retained earnings (1)	18,505,228
Retained earnings - Legal Reserve (20% of 7,012,206)	1,402,441
Distributable earnings balance (2)	5,609,765
To be allocated by the Annual Shareholders' Meeting	5,609,765

- (1) It includes the "Optional reserve" for future distribution of earnings in the amount of 11,493,022 plus negative Unappropriated retained earnings of 7,012,206.
- (2) Income for the year of 7,012,206 net of Legal reserve of 1,402,441.

Marcelo A. Iadarola
Gerente Ejecutivo de Administración

Juan M. Trejo
Superintendente de Finanzas,
Administración y Sector Público

Oswaldo Parré Dos Santos
Presidente

BANCOPATAGONIA

**Reporting summary
For the fiscal year ended
December 31, 2021**

BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2021**

RELEVANT ASPECTS:

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

The BCRA established the adoption of IAS 29 "Financial Reporting in Hyperinflationary Economies" as from January 1, 2020; therefore, this review has been prepared in constant currency as of December 31, 2021.

Banco Patagonia ended fiscal year 2021 with a total comprehensive income of Ps. 6,325.2 million, decreasing in real terms by 67.6% (Ps. 13,172.5 M) with respect to the previous year (Ps. 19,497.7 M) and achieving a return on average equity (ROE) of 10.3% and a return on average assets (ROA) of 1.6%, as compared to 30.8% and 5.2%, respectively, of the previous year.

As of December 31, 2021, assets amounted to \$ 460,399.5 million, loans and other financing (net of provisions) to \$ 165,428.7 million, deposits to \$ 336,797.7 million and shareholders' equity to \$ 73,872.6 million.

Loans granted to the non-financial private sector amounted to Ps. 154,268.3 million, a decrease of 3.0% (Ps. 4,778.3 million) compared to December 31, 2020 (Ps. 159,046.6 million).

Total deposits reached \$ 336,797.7 million, increasing 2.7% (\$ 8,966.1 million) in the year-on-year comparison (\$ 327,831.6 million).

With respect to portfolio quality indicators, the irregular portfolio ratio was 0.7% and the coverage of irregular portfolio with provisions was 295.2%.

The liquidity ratio was 76.9% (liquid assets over total deposits). Likewise, the minimum capital integration exceeds the requirement established by BCRA regulations by 40,848.6 million and the capitalization ratio was 22.0%.

As of December 31, 2021, Banco Patagonia S.A. has 3,112 employees and a network of 208 points of attention nationwide, distributed in the capitals and main cities of each province.

Marcelo A. Iadarola
Executive manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public area

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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, 2021**

Presentation of information

For the preparation of this reporting summary, Banco Patagonia S.A. consolidated its statement of financial position and statement of income on a line-by-line basis with the financial statements of its subsidiaries: Patagonia Valores S.A., Patagonia Inversora S.A. Sociedad Gerente de Fondos 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.

Also, the controlled entity GPAT Compañía Financiera S.A.U., according to the provisions of the BCRA in its Communication "A" 7181 issued on December 17, 2020, did not apply the impairment model of section 5.5 "Impairment" of IFRS No. 9 "Financial Instruments" applicable to "Allowances for Uncollectibility Risk", since it has been postponed until January 1, 2022 for Group "B" and "C" financial entities according to such Communication.

On the other hand, Communication "A" 7427 issued by the BCRA on December 23, 2021, provided that Group "B" and "C" financial entities that are not branches or subsidiaries of foreign banks classified as systematically important, may choose (irrevocably) to postpone until January 1, 2023 the application of item 5.5 of IFRS 9 and, consequently, the proration methodology generated by the application of the aforementioned item.

In addition, those entities that choose to postpone such application must inform the Superintendency of Financial and Exchange Institutions before December 31, 2021. GPAT has chosen to apply point 5.5 of IFRS 9 as from January 1, 2022 without significant effects on its retained earnings.

- With respect to the valuation of Prisma Medios de Pago S.A., they considered the guidelines established by the BCRA, which established the accounting treatment to be applied to the remaining investment held by the Bank in that company, recorded in "Investments in Equity Instruments" as of December 31, 2021 and 2020.

Marcelo A. Iadarola
Executive manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public area

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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, 2021**

a) Summary comparative consolidated financial position

Information for fiscal years ended December 31, 2021, 2020 and 2019:

Consolidated Financial Statements			
(In Millions of Weights)	12/31/21	12/31/20	12/31/19
Cash and bank deposits	67,997,4	91,280,4	91,316,6
Debt securities	126,682,3	135,108,2	86,894,6
Other financial assets	77,326,0	29,293,2	11,691,4
Loans and other financing facilities	165,428,7	170,470,8	180,882,6
Non-financial government sector	35,6	11,9	46,3
Other financial institutions	11,124,8	11,412,3	8,783,6
Non-financial private sector net of allowances	154,268,3	159,046,6	172,052,7
Property and equipment	17,773,4	17,647,1	17,738,1
Other assets	5,191,7	8,848,7	7,530,2
TOTAL ASSETS	460,399,5	452,648,4	396,053,5
Deposits	336,797,7	327,831,6	250,036,6
Non-financial government sector	23,490,6	32,065,2	24,545,2
Financial sector	2,414,8	18,1	1,487,3
Non-financial private sector	310,892,3	295,748,3	224,004,1
Other financial liabilities	16,704,7	15,044,1	18,215,5
Financing facilities received from BCRA and other financial institutions	7,388,8	6,182,8	33,325,1
Corporate notes issued	623,4	1,459,2	2,118,1
Other liabilities	25,012,3	26,709,0	22,173,4
TOTAL LIABILITIES	386,526,9	377,226,7	325,868,7
SHAREHOLDERS' EQUITY	73,872,6	75,421,7	70,184,8
TOTAL LIABILITIES + SHAREHOLDERS' EQUITY	460,399,5	452,648,4	396,053,5

Marcelo A. Iadarola
Executive manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public area

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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, 2021**

b) Summary comparative consolidated income/loss

Information for the fiscal years ended December 31, 2021, 2020 and 2019:

Consolidated Financial Statements			
(In Millions of Weights)	12/31/20	12/31/20	12/31/19
Interest income/loss	54,237.0	62,925.8	77,187.4
Fee income/loss	9,337.6	9,514.5	11,645.2
Net gain on financial instruments measured at fair value through profit or loss	2,178.8	2,285.2	2,297.9
Result from derecognition of assets measured at amortized cost and fair value with changes through OCI	782.2	(4,453.9)	(350.0)
Gold and foreign currency bid/offer spread	1,666.7	2,017.2	6,252.6
Other operating income	5,243.8	5,393.7	8,815.8
Charge for loan losses	(999.9)	(1,955.0)	(8,834.0)
Net operating income	72,446.2	75,727.5	97,014.9
Administrative expenses	(42,418.6)	(38,126.0)	(43,234.0)
Operating income	30,027.6	37,601.5	53,780.9
Gain/loss on associates and joint ventures	50.3	256.8	1,220.9
Net monetary position result	(19,496.6)	(14,249.3)	(16,797.5)
Income before tax relating to continuing operations	10,581.3	23,609.0	38,204.3
Income tax relating to continuing operations	(3,569.1)	(7,860.5)	(15,314.2)
Income for the year	7,012.2	15,748.5	22,890.1

Statement of comprehensive income			
(In Millions of Pesos)	12/31/21	12/31/20	12/31/19
Revaluation of property and equipment and intangible assets	(213.8)	-	(847.5)
Exchange differences on conversion of financial statements	(84.8)	15.4	55.3
Gain/loss on financial instruments carried at fair value with changes through OCI	(388.4)	3,733.8	(2,630.0)
Total other comprehensive income	(687.0)	3,749.2	(3,422.2)

Total comprehensive income	6,325.2	19,497.7	19,467.9
-----------------------------------	----------------	-----------------	-----------------

Marcelo A. Iadarola
Executive manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public area

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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, 2021**

c) Comparative consolidated statement of cash flows

Information for the fiscal years ended December 31, 2021, 2020 and 2019:

Consolidated Statement of Cash Flows			
(In Millions of Weights)	12/31/21	12/31/20	12/31/19
Cash flows provided by operating activities	(51.0)	9,999.5	(15,586.0)
Cash flows provided by / (used in) investment activities	(1,399.8)	(1,581.4)	7,224.6
Cash flows used in financing activities	(2,933.7)	(3,523.7)	(14,250.8)
Financial and holding gains/losses on cash and cash equivalents	10,358.7	14,242.4	14,238.9
Monetary gain/loss on cash and cash equivalents	(29,257.2)	(19,172.9)	(10,294.5)
Total cash flows provided / (used in) by the year	(23,283.0)	(36.1)	(18,667.8)

d) Summary of statistical data

Summary of statistical data					
Item	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17
Number of term deposit transactions - Personal banking	99,849	90,183	72,247	84,024	86,697
Number of time deposit transactions - Business banking	3,481	3,007	2,774	3,380	2,711
Number of loan transactions - Personal banking	904,083	963,940	1,011,343	1,120,196	1,091,711
Number of loan transactions - Business banking	28,494	31,403	35,266	61,681	118,773
Number of customer desks	208	208	209	209	205
Number of automatic teller machines (ATMs)	589	598	606	607	597
Number of self-service terminals (SSTs)	401	403	397	393	386
Payroll	3,112	3,200	3,302	3,407	3,365

Marcelo A. Iadarola
Executive manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public area

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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, 2021**

Detail	As of December 31:		
	2021	2020	2019
Profitability Ratios			
Return on average assets (1)	1.6%	5.2%	10.3%
Return on average shareholders' equity (2)	10.3%	30.8%	75.4%
Interest and Commission Margin Ratios			
Total financial margin (interest income-loss/average assets)	11.6%	13.8%	17.7%
Margin on net services (net fee income / Average Assets) (3)	1.9%	2.1%	2.5%
Total margin (total revenues / average assets) (4)	13.5%	15.9%	20.2%
Net fee income on net total revenues (3) (4)	14.4%	13.3%	12.4%
Shareholders' Equity Ratios			
Shareholders' equity on total assets	16.0%	15.4%	17.4%
Financial standing (shareholders' equity / total liabilities)	19.1%	18.4%	21.0%
Total liabilities as a multiple of shareholders' equity	5.2	5.4	4.76
RPC on risk-weighted assets (5)	22.0%	19.8%	17.8%
Portfolio Quality Ratio			
Non-performing portfolio / financing (before allowances) (6)	0.7%	1.1%	2.5%
Allowances on non-performing financing portfolio (6)	295.2%	356.1%	211.5%
Cost of Risk (7)	0.6%	1.1%	3.7%
Efficiency Ratio			
Administrative expenses / total net income (4)	47.2%	41.7%	34.7%
Net fee income / administrative expenses	30.5%	31.8%	35.7%
Liquidity Ratios			
Liquid Assets on deposits (8)	76.9%	73.1%	72.0%
Loans (net of allowances) on assets	35.9%	37.7%	45.8%
Deposits on liabilities	87.1%	86.9%	76.9%
Loans on deposits	49.1%	52.0%	72.1%
Fixed assets from equity (9)	24.9%	26.5%	24.4%

References:

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

Marcelo A. Iadarola
Executive manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public area

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
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, 2021**

e) Perspectives

The global economic recovery continues, despite the resurgence of the pandemic, which poses exceptional challenges for the policies of the various countries. The rapid spread of the omicron variant and the danger of the emergence of new variants raise doubts about the speed with which the pandemic can be overcome.

The world economy is expected to recover by 2022 with a projected growth rate of 4.4%.

Recovery rates vary among countries as the selection of appropriate policies to address challenges with limited room for maneuver, such as slowing employment growth, rising inflation, food insecurity, setbacks in human capital accumulation, and climate change, has become more complicated.

Bringing the pandemic under control, and targeting growth in global economic activity, requires close cooperation at the international level.

In the case of the group of advanced economies, the projections show an indicator of around 3.9%. Within this group, the euro countries as a whole show growth of 3.9%, while for the United States it is in the order of 4.0%. Global growth is expected to slow to 3.8% in 2023.

Regarding emerging market and developing economies, the estimated indicator in 2022 is 4.8%. Within this group, India stands out with growth rates of 9.0%. China is the second country in terms of growth rates, with a rate of 4.8%. The group corresponding to Latin America and the Caribbean countries have positive growth indicators in 2022 of 2.4% respectively.

In Argentina, the fourth quarter of 2021 continued with sanitary protection measures, but stood out for its change regarding the opening of all economic activity. The virus had a negative impact on economic activity throughout 2020, a year in which the main efforts were focused on sanitary measures to mitigate the consequences, beginning the stage of economic recovery. The estimated growth indicator for 2022 is 3.0%.

In the different scenarios, the signing of an agreement with the IMF in the short term is contemplated. Likewise, the challenge of achieving policies to improve the fiscal, monetary and exchange rate environment, as well as the focus on economic reforms to mitigate the inflationary impact and reflect a sustainable increase in economic activity, continues to be in force.

Banco Patagonia continues with its vision of being among the main Private Banks of the Argentine Financial System, and to this end, it continues to manage the different strategic projects that are jointly developed by all business and support areas and all the Bank's service channels.

Marcelo A. Iadarola
Executive manager of Administration

Juan M. Trejo
Superintendent
Finance, Administration and Public area

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/24/2022
Deloitte & Co. S.A.
C.P.C.E.C.A.B.A. T° 1 F° 3

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

SUPERVISORY AUDIT COMMITTEE'S REVIEW ON 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 2021, 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, 2021, the separate statements of income, other comprehensive results, changes in equity and cash flow for the year ended December 2021, 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, G, H, I, J, K, L, N, O, P, Q and R; Explanatory Notes 1 to 38. 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, 2021; 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 figures and other information for the fiscal year ended December 31, 2020, restated in December 2021 currency, as described in note 3, are an integral part of the financial statements referred to above and are presented solely for the purpose of being interpreted in relation to the figures and other information for the current fiscal 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 accompanying separate and consolidated financial statements in accordance with the financial reporting framework established by the Central Bank of Argentina ("BCRA"). As described in note 2, the accompanying separate financial statements mentioned in paragraph I, are based on the application of International Financial Reporting Standards ("IFRS") adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards, as approved by the International Accounting Standards Board (IASB). IFRS were adopted by the BCRA with the exceptions described in the aforementioned note. This responsibility includes the design, implementation and maintenance of the internal control considered necessary by Management to enable the preparation of financial statements free of material misstatements.

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 24, 2022, 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 24, 2022 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 item I above- present fairly, in all material respects, the financial position of Banco Patagonia S. A. as of December 31, 2021, as well as its results and other comprehensive income, the changes in its shareholders' equity and its cash flows for the fiscal year then ended, in conformity with the accounting reporting framework established by the Argentine Securities Market Law. A. as of December 31, 2021, as well as its results and other comprehensive income, changes in its shareholders' equity and cash flows for the fiscal year then ended, in conformity with the accounting information framework established by the BCRA.

V. Other accounting issues disclosed in the financial statements

Without modifying our opinion, we wish to emphasize what is mentioned in note 2 to the accompanying financial statements mentioned in I, which indicates that they have been prepared in accordance with the financial reporting framework established by the BCRA, which presents certain differences with respect to the IFRS described in the aforementioned note.

This issue should be taken into account for a proper interpretation of the accompanying financial statements.

VI. Information on other legal and regulatory requirements

In compliance with current provisions, we inform that:

1. In the exercise of the legality check that is our responsibility, we have implemented during the financial year ended December 31, 2021 the remaining procedures described in the articleless No. 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 paragraph I above are recorded in the balance sheet book, arise from the accounting records and have been prepared by the Bank in all material respects in accordance with the applicable standards of the General Corporations Law No. 19,550 and with the relevant resolutions of the BCRA and the Argentine Securities and Exchange Commission (CNV). 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 duly authorized;
3. As of December 31, 2021, 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;

Translation from the original prepared in Spanish for publication in Argentina

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 *lv* 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 24, 2022

By Supervisory Committee
Monica M. Cukar
Regular Supervisory Auditor
Public Accountant (UBA)
C.P.C.E.C.A.B.A. T. 147 F. 66