

BANCOPATAGONIA

Integrated annual shareholders' letter as of December 31, 2022

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INTEGRATED ANNUAL REPORT 2022

1. LETTER FROM THE CHAIRMAN

I am proud to present to you our 2022 Integrated Annual Report, which details the management milestones for the period. This strategic publication — in our links with investors, shareholders and other stakeholders — includes data on our business and the impact of our activity on the country's economy, society, people and the planet.

We had a 2022 marked by an international war context that slowed global growth and created challenging scenarios for all economies. In this environment, we continue to make progress from Banco Patagonia. We ended 2022 with a total positive result of \$ 14,731.2 MM, which represents an increase of 18.3% over the 2021 financial year. We reached an ROE of 13.1%, keeping us within the banks with the best ROE in the system. We also participate in the placement of financial trusts for more than \$64,000 million and negotiable obligations for more than \$111,000 million, positioning ourselves in the first place as a collocator of financial trusts in the local market, and in one of the leading entities in the Argentine capital market.

We continued our Strategic Plan, published in 2021, which has seven corporate outcomes with performance indicators and targets that guide the Organization's direction. Our focus is on providing the best service experience to our clients, on continuing to be one of the recognized banks of the Financial System, on maintaining a working climate that allows us to attract and retain the best talent; with the focus on sustainability as a guide for all the projects we carry forward in the short, medium and long term.

Aware of the importance of our social role as a financial agent, in 2022 we updated our Corporate Social Responsibility (CSR) policy, migrating to a Sustainability policy that integrates ESG (Environmental, Social and Government) criteria. With this step, we expand the scope of the Bank's management in terms of sustainability and strengthen the commitment of the various areas of the organization to sustainable development.

We are convinced to promote diverse and inclusive environments, ensuring the integrity of each person and respect to for differences and individualities. Thus, in 2022, we implemented improvements that facilitate accessibility for people with disabilities: We expanded our network of ATMs adapted for the use of blind people; And we incorporate in our branches, technology that allows translation into the Argentine Sign Language (ASL) for better communication with anyone who approaches our Bank.

During 2022, we continued close to those who had the most needs. We maintained our social commitment and links with our partners in private social investment programs, promoting financial education and strengthening entrepreneurship. We also continue to encourage the spirit of solidarity and sense of belonging of our team, through the program Volunteers Patagonia, which aims to promote initiatives that contribute to the well-being of the communities where it has a presence, growing more than 20% in the number of volunteers compared to 2021.

We were part of the Sustainable Finance Protocol, where we were actively involved in the development of the Guide to the Implementation of a SARAS -the Environmental and Social Risk Analysis System- , and a climate change adaptation guide for banks to help define good practices and implement climate change strategies. Regarding the climate agenda, we are also continuing to work on our direct impact by reducing energy consumption by 5.27% and reaching 20% of the energy purchased from renewable sources.

At Banco Patagonia, we distinguish ourselves by our vocation of service toward the client. We prioritize attention: Individuals, SMEs, companies, universities, and public sector entities that entrust us with the management of their finances. In this sense, we have a professional, talented, and motivated team that carries forward our purpose of: "Accompanying the development of people".

For Banco Patagonia, it is very important that we trust our clients, shareholders, and collaborators. We will continue to work to bring products and services appropriate to every need, creating value for our shareholders, partners, and society.

I would like to highlight especially all the teams that with great responsibility worked to Presentation put together this Integrated Annual Report and achieve our accountability in a responsible and transparent manner, having as reference for its elaboration the leading international guidelines: The GRI (Global Reporting Initiative) Standards and the IIRC Integrated Reporting Framework. This commitment and work that characterizes Banco Patagonia earned us the Award for Best Integrated Report of Argentina, by the Social Ecumenical Forum for the previous edition.

I invite you to go through the next pages where you will see our achievements and the commitments made for the construction of a sustainable society that addresses the needs of people and the environment.

Finally, I want to thank clients and shareholders for the support they received, and especially the collaborators and the Board of Directors of Banco Patagonia for their effort, professionalism and commitment demonstrated during this year.

Oswaldo Parre dos Santos
President

Mr. Oswaldo Parre dos Santos, a Brazilian, born on December 14, 1969, was appointed President of Banco Patagonia in April 2021. Previously, he served as Vice President since February 2017 and served as Alternate Director since April 2016. He is the Principal Delegate of the Association of Banks of Argentina (ABA) and President of Brazil Group. He began his career at Banco Do Brasil in 1984, serving in several executive positions starting in 2000. He was appointed as General Manager of the New York Agency (United States) in 2011 and was formerly Deputy Manager at the Frankfurt Agency (Germany) in 2008. In 2013 he was promoted to Executive Manager of the Credit Directorate and in 2016 he was appointed Executive Manager of Infrastructure and Capital Market. He also served as Chairman of GPAT Compañía Financiera SAU and Vice President of Patagonia Valores S.A. and Banco Patagonia (Uruguay) IFE. He holds a degree in Economics from the University of Sao Judas Tadeu (Brazil) and a postgraduate degree in Administration from the Dom Cabral Foundation (Brazil). He also held Bank Management University Extension courses at the University of Texas, Austin (USA) and Paul University of Chicago (USA).

2. ABOUT THIS MEMORY

In compliance with the legal and statutory provisions in force, the Board of Directors of Banco Patagonia S.A. ("Banco Patagonia" or "the Bank" or "the Entity"), draws up for consideration by the Shareholders the present Report corresponding to financial year No. 99 ended December 31, 2022.

This 2022 Annual Report reports on Banco Patagonia's economic, social, and environmental performance from January 1 to December 31, 2022. Thus, the entity presents its actions, programs, processes, and results of the year with financial and non-financial information, responding to the requirements of information and transparency of the market.

Banco Patagonia again used the Integrated Report Reference Framework provided by the International Integrated Reporting Council ("IIRC") for the preparation of this report. The contents of the document are ordered according to the capitals of this line: Financial, industrial, intellectual, human, social and natural. Moreover, since the entity has the focus on digital banking, and on 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), following the new GRI 2021 Universal Standards

This Report has a Limited Assurance Report issued by the firm KPMG 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, 2022.

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

As a leader within financial institutions, Banco Patagonia focuses on the client and, for this, focuses on the talent of the work teams and the knowledge of the business to develop a competitive strategy and obtain high results in its performance. prioritizing the care of people and the environment.

3.1. Introduction to the Bank

Banco Patagonia is one of the leading banks in the Argentine market. Its purpose is to **"accompany the development of people"** and from it manages its business in pursuit of the well-being of communities, the growth of organizations and enterprises, and particularly of enterprises and SMEs.

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

Purpose

To accompany the development of people

Strategic Map

It is made up of the 7 Corporate Results.

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 has a Strategic Plan, effective until 2025, in which the Strategic Guidelines aligned with its purpose and vision are defined.

A Strategic Map was defined consisting of seven corporate outcomes, which are the objectives to be pursued by key areas, and performance indicators and targets.

During 2022, the Bank continued to work within the Plan, whose main challenges are based on the working climate and performance of the Bank's activity, with a design and offer of products, services and models of care that ensure a permanent improvement in the level of experience provided to clients, the digital transformation of the bank and the organizational culture.

The High Management worked on the definition of objectives for the year 2023, together with strategies, projects and initiatives to achieve them. This will contribute to the achievement of the Bank's final market positioning objectives, set out in its strategic plan with Vision 2025.

This process began previously with a thorough study of market and consumer trends and behavior, with the aim of considering the customer as the focus of the actions to be implemented.

Banco Patagonia continued to work on the Strategic Plan 2021-2025 meeting the challenges proposed for the year. This plan marks the roadmap and its aspiration toward the future and how it wants to position itself within the local and global market.

3.3. Shareholding structure

As of December 31, 2022:

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

3.4. Controlled Companies ¹

Banco Patagonia is the controlling company of the following companies that provide complementary services to those developed by the Bank:

- GPAT Financial Company S.A.U. 100%
- 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. (in liquidation) 100%

The main guidelines for the business management of named companies are included in the strategic planning of Banco Patagonia.

- **GPAT Compañía Financiera S.A.U.:** Is a Unipersonal Anonymous Company that develops its wholesale and retail financing activities within the automotive industry sector, through the granting of loans for the acquisition of new and used vehicles, mainly marketed by General Motors of Argentina S.R.L. through its network of official concessionaires. It is also responsible for the provision of management services of the loan portfolio granted by Banco Patagonia to the concessionaires of General Motors of Argentina, carrying out its operation under the supervision of the BCRA. It is under the supervision of the CNV because it is enabled to issue negotiable obligations with public offer.
- **PATAGONIA INVERSORA S.A. Managing Company of Common Investment Funds:** It is an Anonymous Company registered with the National Securities Commission (CNV) as Agent of Administration of Products of Collective Investment of Common Investment Funds, whose object is the promotion, administration, and management of Common Investment Funds. The commercialization of the Funds is carried out exclusively through the Bank, which in turn operates as the Company depositing the Funds.
- **PATAGONIA VALORES S.A.:** is a company registered with the CNV as Settlement and Compensation Agent and Integral Trading Agent and as a Placement and Integral Distribution Agent of Common Investment Funds. the sole purpose of this article is to intervene in the settlement and clearing of transactions - primary placement and secondary trading of securities - on behalf of own or third parties.
- **BANCO PATAGONIA (Uruguay) S.A.I.F.E. (In liquidation),** is a Uruguayan Anonymous Company that developed the financial intermediation activity in that country, exclusively with clients not resident of Uruguay, carrying out its commercial and administrative operation under the supervision of the Central Bank of Uruguay. On June 30, 2022, the dissolution of the Company and the appointment of the liquidators were formally approved by Special Assembly. On September 15, 2022, the Superintendency of Financial Services of the Central Bank of Uruguay issued Resolution RR-SSF-2022-584, which provided for its disqualification to function as a financial intermediation institution. To date, the resolution of the Ministry of Economy and Finance of the Eastern Republic of Uruguay is pending, to revoke the authorization to function as an institution of external financial intermediation, duly granted by the Executive.

3.5. Strategic alliances

Banco Patagonia relies on the articulated work to generate a greater positive and responsible impact. For this reason, it actively participates in different business spaces in order to share experiences, develop professional and personal to its teams, and work collaboratively on value propositions for the financial sector and sustainable development.

¹ Note 33 of the separate financial statements details Account Balances the assets and results with the controlled and related companies.

- Argentine Association of Ethics and Compliance.
- Argentine Banks Association (ABA). Banco Patagonia holds the 4th Vice-Presidency.
- Argentine Civil Association of Brazilian Companies (Grupo Brazil). Banco Patagonia holds the Presidency.
- Argentine Leasing Association
- Argentine Stock Exchanges and Markets (BYMA)
- Chamber of Commerce, Industry and Services of San Lorenzo and its area
- Argentine Brazilian Chamber of Commerce, Industry and Services of the Argentine Republic - CAMBRAS
- 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)
- Political Action Network (RAP).

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.

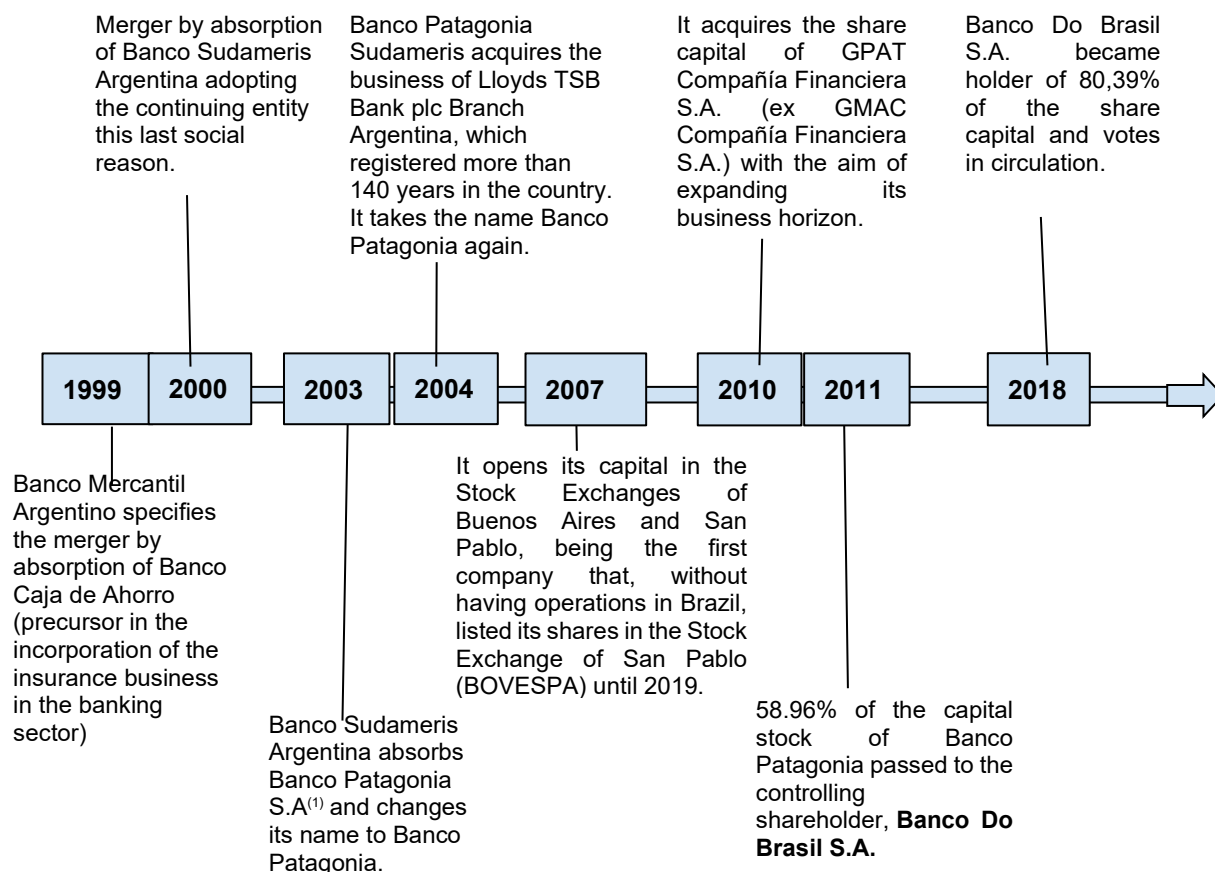
During 2022, the focus was on collaboration for the creation of a Guide to the Implementation of a SARAS (Environmental and Social Risk Analysis System) for Protocol participating banks that did not yet have it. As a complement to SARS, the implementation of a satellite monitoring tool is in the final stage that will allow the visualization of deforestation in an area or geographical area, with the aim of avoiding financing these activities.

Another focus was on the development of a Climate Change Adaptation Guide for Argentine banks, it will aim to begin addressing the issue and help banks define good practices for implementing strategies aligned with their processes and operations in relation to climate change.

3.6. HISTORY

More than 90 years in the Argentine financial market. The value of a long trajectory.

Banco Patagonia is a continuation of several banks of historical presence in Argentina. Among the previous banks we can mention the Argentine Mercantile Bank (pioneer in the business of Salary Plan), the Sudameris Bank and the Lloyds TSB Bank.



That Banco Patagonia had emerged from the merger in 1997 of Banco Mildesa and Banco Rio Negro, maintaining the name of the latter until in 2000 it changed its name to Banco Patagonia (whose dissolution without liquidation was registered in September 2004).

Banco Do Brasil S.A. 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 with a presence in 10 countries and meets the demand of more than 80 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 entity and a competitive differentiating element.

4. ECONOMIC AND FINANCIAL SYSTEM CONTEXT

2022 was a year of slowing growth both globally and locally. Although Argentina had a year marked by a first semester where economic recovery continued after the pandemic product of COVID-19 and activity level recovered to pre-pandemic values, the international context was challenging to promote continued growth. This was mainly because of the War on Ukraine, together with global inflationary pressures and tightening monetary policies.

4.1. Economic outlook in the world

The global economy showed a slowdown in its growth in 2022, because of inflationary pressures and tightening economic policies following the exit of the pandemic. It had also absorbed the effects of the war on Ukraine, with an impact on international food, energy, and Depreciation food prices in the world supply chain, thus complicating international trade.

Rising food prices, food inputs and transport costs in the context of the war in Russia and Ukraine (a conflict between two agricultural superpowers that accounted for 30% of world wheat trade and 78% of sunflower oil exports), together with the impact on energy prices, generated greater inflationary pressures globally.

Thus, developed economies have had to face inflation levels that have not been recorded for more than 40 years. In the United States the price index in November was 7.1% higher than a year ago, while in the United Kingdom it was 10.7% higher and, in the Eurozone, it was 10.1%. after reaching the highest register since the birth of the common currency throughout the year.

In this context, the central banks of the large economies have chosen to withdraw the monetary support driven during the pandemic more quickly than expected along with rising interest rates. This leads to increased borrowing costs, tightening global financial conditions, with an impact on both developed and emerging economies.

The main consequence of tightening monetary policy is a lower growth expectation in 2023. According to the International Monetary Fund (IMF), these factors have increased the pressure on growth in the two major economies, the US and China in addition to the Euro Zone. In January 2022, the IMF had an estimate of global economic growth of 4.4%, but five months later it fell to 3.2%, a forecast it maintained in its last October publication. However, it did change its growth forecast for the world economy in 2023 to 2.7% in October, compared to 2.9% in July and 3.6% in April.

After the good performance of 2021, Latin America and the Caribbean would continue to perform well, despite being affected by the appreciation of the dollar and the fall in international Raw materials prices for food and other food. The IMF estimates that regional output expanded by 3.5% in 2022 (when it forecast 2.5% at the beginning of the year), reflecting the strong recovery that was evident in the first half of the year because of favorable prices of the region's export basket. conditions of external financing still advantageous, and the standardization of activities in the labor-intensive sectors that enabled employment levels similar to those prior to the pandemic to be achieved. Looking ahead, the risks of new export restrictions, droughts in part of China, the United States, and our country, and the impact of rising fertilizer prices impose a limit on growth in Latin America and the Caribbean. a rise of only 1.7% is expected in 2023.

4.2. Economic outlook in the Argentine Republic

Argentina continued a path of recovery during the first half of the year, following the fall caused by the pandemic. At the beginning of the year, the signing of a new agreement with the IMF was highlighted, allowing the maturity of the "stand by" agreement to be renewed and reducing the financial uncertainty that led to the increased financing needs. However, the economic context was challenged by a less loose external context due to increased energy needs, greater local uncertainty, and the need to manage the dollar shortage.

Cumulative growth in the third quarter is 6.4% and the year is expected to close up at around 5.5% a year. Thus, the level of economic activity would exceed pre-pandemic values and slowly move closer to previous levels. However, growth is beginning to be constrained by increased uncertainty and the need to rebalance fiscal and external balances, in a context where inflation accelerates. Thus, it is estimated that the activity would have ended in 2022 with a fall in supply.

From demand, the biggest increase was on the investment side (gross fixed capital formation), where exchange controls and an attractive exchange rate drove companies to capitalize on their profits with the incorporation of capital goods and construction. Thus, the investment rate reached 21.2% of GDP, and most of it moved toward the purchase of machinery and equipment, particularly as it rose 25.0% in the year, where imports driven by the exchange-rate gap are highlighted. On the other hand, the purchase of transport equipment and construction showed smoother hikes, with increases of 6.5% and 5.5% in the year-to-date quarter of the year.

Another driving factor was the improvement of household income, mainly due to the increase in employment levels and the support of government transfers. Private consumption growth was 10.7% per year, while public sector consumption rose 3.2% per year. This has allowed a recomposition of the

demand component, which has already succeeded in overcoming pre-pandemic levels but remains to return to 2018 levels.

The increased purchasing power reflects mainly the dynamics of the labor market. While the number of people who had or were looking for a job was at record levels, the market managed to absorb the greatest supply with a strong creation of new jobs. However, the improvement has occurred mainly in more vulnerable occupations (accountholders and informal employees) while formal employment stagnated after the recovery in 2021. This increase is mainly due to the incorporation into the labor market of people who needed to supplement household income, due to the loss of purchasing power of wages.

This labor market performance has allowed the unemployment rate (UR; non-employed persons, available for work and actively seeking employment as a proportion of the EAP) to be at 6.9% in the second quarter of this year, the lowest value since 2016 to date.

After an average monthly advance of 3.5% in 2021, prices accelerated in the current year ending with an CPI showing a 94.8% advance. The economy had to face two inflationary fists in March and July last because of the impact of external variables and the increase in local financial uncertainty pushing the exchange-rate gap. It also impacted the acceleration of crawling peg (exchange-rate regime that allows depreciation or appreciation to occur gradually) agreed with the IMF to prevent the official exchange rate from being held back and the price rise of regulated products, such as health, education (they bid to recover the margins lost during the pandemic), fuels and more timidly public gas and electricity services. At the level of items, the largest accumulated rises were in clothing, restaurants, hotels, food, and beverages, which rose above average.

Within the framework of the IMF agreement, public accounts showed a slight reduction in the primary deficit and ending the year at around 2.4% of GDP (in line with the IMF), below 3.1% of GDP in 2021. This brings together a fall in spending levels that exceed the reduction in revenues, which in 2021 had benefited from the extraordinary contribution (1.4% of GDP). The increase in activity, employment and foreign trade has allowed for an improvement in tax revenues in the year, together with a rise in property incomes that have enabled revenue to be improved by 0.6% of GDP. Primary expenditure, on the other hand, would fall in real terms, owing to lower pandemic-related disbursements, lower welfare expenditures, and transfers to the provinces.

Regarding the external front, a less comfortable situation has been registered, as a result of the reduction in Account Balance the commercial market and the increased demand for imported services. Thus, 2022 culminates with a balance -of-trade surplus of USD 11,136 million, less than the USD 14,379 million recorded in the same period of 2021. The decline is due to a very strong demand for imports, in a context where external sales are also growing due to the increase in international prices.

Exports of goods accumulated shipments of USD 88,446 million in December, up 13.5% from a year ago. The increase is more associated with improvements in exchange prices than by quantity. The rise in commodity prices has a clear positive impact on Argentine exporters, where the price of soybean rises by 24%, maize by 17% and wheat by 9%. Cumulative imports of goods 2022 reach USD 81,523 million and register a rise of 29.0 % year-on-year. The most significant imports are associated with the demand for seasonal gas, the need for non-destined fuels in our country, and mainly this is an increase in prices (due to the international situation described above) rather than in quantities, together with the increase in international freight.

The lower Account Balance commercial market and the higher demand have had an impact on the position of international reserves, which fell back to USD3.600 million from the beginning of the year. This led to the implementation of a soy export increase program, which has allowed gross international reserves to return to values close to \$44.600 million.

The year 2022 was marked internationally by a slowdown in global demand as a result of the war between Russia and Ukraine and the actions of the world's major central banks that were tightening, each at their own pace. its monetary policy by raising reference interest rates in order to moderate the upsurge in inflation. At the local level after a first half of growth, economic activity slowed in a context of inflation and import restrictions.

By 2023, developed economies will evolve as the tradeoff between inflation and recession does, while Argentina in this context of moderate global growth will be immersed in the dynamics of the electoral process given next October's presidential election.

5. SUSTAINABILITY STRATEGY

“Banco Patagonia enhances the well-being of the communities in which it is present, through projects with a focus on education, entrepreneurship, diversity and inclusion, environment, and volunteerism. Articulation and joint work with civil society organizations and the public sector are key aspects of the Bank’s approach to social investment, governed by transparency and accountability.”

Extract of the Sustainability Policy of Banco Patagonia

5.1. Sustainable focus

During 2022, considering the environmental and social agenda at the global level and in Argentina, the case of the Banco de Brazil – its majority shareholder – and good practices of the sector, the entity updated its Corporate Social Responsibility Policy, expanding its scope to environmental and accountability issues and changing its name to “Sustainability Policy”. The objective of this evolution was to be able to further improve and strengthen the management and commitment of the Bank in sustainable development, considering the internal and market scenario at the integral level within the organization.

This new policy entails an extension of the Bank’s management, becoming organic and integral to all key management areas and their interest groups, and a new look not only at the social, but also at the care of the planet, transparency and good corporate governance.

The policy highlights are:

- It gives a framework of reference from which Banco Patagonia assumes commitments that allow the development of its business model considering the social, environmental and governance dimensions.
- Identifies impact objectives with interest groups
- It defines the strategic axes on which our strategy is consolidated
- Establishes specific definitions, rules, and criteria for programs and processes.
- Refers to the Social and Environmental Risk Policy and the Social and Environmental Risk Analysis System for credit operations.

Pillars of the Sustainability Policy

- **Education**

Under this pillar, the Bank seeks to add value through training, promotion of financial inclusion, grant grants for access to formal education, support to higher education through the Universities Program **and** equipment of educational institutions, And teacher training through the Tax Credit Scheme Program.

- **Entrepreneurship**

By providing training and seed capital, we support, reward, and recognize local enterprises to strengthen their businesses, **thus contributing to the development of regional economies.** We also generate permeable ecosystems to promote digital financial innovation.

- **Volunteering**

Banco Patagonia provides spaces for collaborators to implement social and environmental impact projects as agents of change in local communities. For the implementation of the various actions, it contributes with the coordination, logistics, inputs and the necessary financing.

- **Diversity and Inclusion**

The Bank promotes the Integral Diversity and Inclusion Program, through which it seeks to contribute to the organizational transformation within the Bank by promoting a diverse and inclusive culture and in the external interest groups of the entity.

- **Ambient**

Banco Patagonia promotes responsible management with the planet from its role as a financial entity and within its own business. Looking at clients, it analyzes social and environmental risks in lending and financing of investment projects granted and promotes products aligned with the Green Bond Principles. Internally, it develops training and actions to make more efficient use of natural resources and minimize environmental impacts. It also provides for the Social and Environmental Risk Policy, and the Social and Environmental Risk Analysis System for application in credit operations, established in the Manual Internal Credit Policies.

- **Transparency and accountability**

Banco Patagonia has a strong commitment to the ethics and transparency that stem from the management of its corporate governance and is distributed throughout all areas of the company, making this axis an integral approach for all the actions of the Bank.

Awards 2022

- Best Integrated Report of Argentina, by the Ecumenical Social Forum
- 2nd place in the category Banks of the Conscience Award for the “One Click of Trust” Program
- Honorary Diploma for the outstanding commitment to the cultural development of the City of Buenos Aires, through the Cultural Participation - Macerazgo program during 2022.

Challenges for 2023

Consolidate the value proposition under the concept of sustainability according to a strategic vision that focuses on environmental, social and governance.

Value creation model

Building on the pillars of the Sustainability Policy, Banco Patagonia develops actions for the creation of economic, social and environmental value of individuals and communities, aligning it and focusing on its strategic plan for business management. In this way, it works to generate a positive impact and to be key actors in the development of the country.

Under the logic of the Integrated Reporting Framework, it establishes a model in which the results demonstrate its contribution to the sustainability agenda as a result of the implementation of actions, programs, products and services with value in the economy, people and the planet.

Pillars of the Sustainability Policy	Resources	Business model for value creation	Performance	Results	Material Topics
FINANCIAL CAPITAL					
Transparency and accountability	<ul style="list-style-type: none"> Shareholders founds Investments Share capital 	Purpose Vision Values Sustainability Policy Strategic Plan 2021-2025 Organizational Structure: Board of Directors, Supervisory Commission, Committees, Superintendencies and Management Stakeholders: shareholders, employees, customers, suppliers and society. Internal codes, guidelines and regulations Risk management and control systems	<ul style="list-style-type: none"> Profitability Financial strength Liquidity 	<ul style="list-style-type: none"> 13.1% ROE (Return on Equity) 87.4 % liquidity ratio 	<ul style="list-style-type: none"> Ethics and transparency Integral risk management
CAPITAL INTELECTUAL E INDUSTRIAL					
Entrepreneurship	<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 		<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"> 61 % of customers operated digitally 184 branches nationwide 2.63 % 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
CAPITAL HUMANO					
Diversity and Inclusion	<ul style="list-style-type: none"> Employees Continuous training and development of work teams Diversity and Inclusion Practices 		<ul style="list-style-type: none"> Job Opportunities Development Work environment Health and safety 	<ul style="list-style-type: none"> 101 employees promoted 44,974 hours of employee training 84% participation in the Climate Survey 	<ul style="list-style-type: none"> Talent management and development Diversity and inclusion Organizational climate management

CAPITAL SOCIAL					
Education Entrepreneurship Volunteering	<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"> 1.000 elementary and middle school students and teachers and adults over 60 years of age More than 800 empowered entrepreneurs More than 800 Patagonia volunteers 	<ul style="list-style-type: none"> Financial inclusion and education Local community development SME and entrepreneurship development Responsible supplier management
CAPITAL NATURAL					
Ambient	<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"> 3,244 credit proposals analyzed under social and environmental criteria. + \$ 1,050,176 million analyzed 5.27% energy savings in branch and central areas 20% of the energy purchased for the building at Av. de Mayo 701 was from a sustainable energy generator. 64% of the packages were processed with digital files 	<ul style="list-style-type: none"> Responsible resource management Waste management Fight against climate change Environmental awareness

5.2. Stakeholder identification and engagement

To act and generate an impact on interest groups, you need to know them in depth to know about their interests and expectations. That is why Banco Patagonia maps its key audiences to the following criteria: Legal, financial and operational responsibilities, influence on the achievement of its goals, closeness, dependence and representation of others, such as local community leaders; and implements channels of dialog to relieve 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 and companies in the banking and financial market.
Communication channels				
<ul style="list-style-type: none"> - Shareholder Meetings - Investor Relations Function 	<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 - Participation and articulation with the public sector. 	<ul style="list-style-type: none"> - E-mail address - Telephone service - Ethics Line 	<ul style="list-style-type: none"> - Attention in Branches - Massive 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

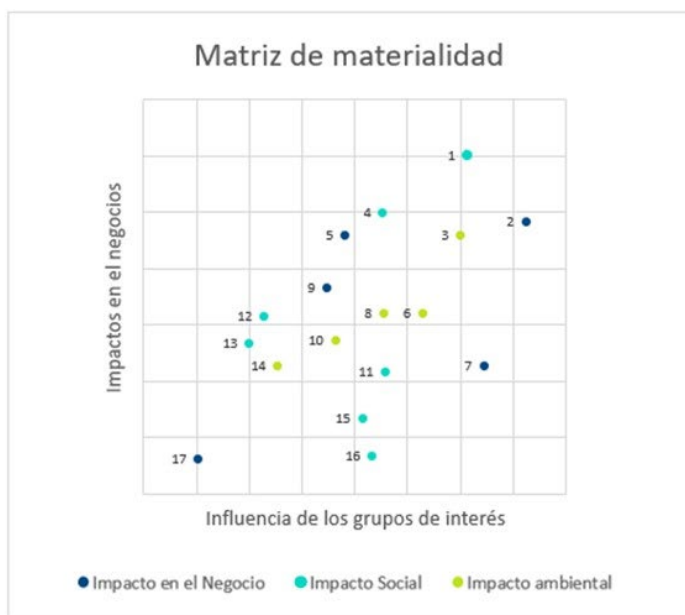
5.3. Materiality analysis

This year the selection of material topics remained in force for the exercise carried out at the end of 2021, already having as reference the launch of the new GRI 2021 Universal Standards, in particular the "GRI 3: Material Topics 2021".

In this analysis, Materiality the Bank identified and selected a list of relevant topics updated to its previous pre-pandemic version and in accordance with the progress of the global and local sustainability agenda, mainly climate and human rights. Thus the entity evaluated the business impacts in relation to value creation, conservation and value erosion, and the positive and negative consequences that its actions have on society and the planet, and also the risks of the context in the continuity of operations.

This exercise involved a consultation of interest group referents through an online survey to prioritize the issues defined according to the Bank's impacts on society. A total of 1.678 responses were obtained from external audiences – including clients, collaborators, state and control agencies, sustainability benchmarks, business chambers and associations, investors, suppliers, media – and the Bank's Superintendents also conducted the survey.

Based on the results, the Bank developed a Materiality storage array that was endorsed by senior management.



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

In 2022 a new GRI Contents Index was built at the end of this document, following the “GRI 1 Standard: Foundations 2021”. The contents presented in the GRI Contents Index were selected in relation to their relevance and alignment with the material subject, taking as initial reference the GRI Standards presented in the table below.

Material Topics	GRI Standards ²	Impact
AMBIENT		
Responsible management of resources	GRI 301: Materials 2016	Internal and external
Waste management	GRI 306: Waste 2020	Internal and external
Combating climate change	GRI 302: Energy 2016 GRI 305: Emissions 2016	Internal and external
Environmental awareness	Own theme: Environmental awareness	Internal and external
Impact Financial Products	Own theme: Impact financial products	External
SOCIETY		
Customer Experience	Own theme: Customer experience	External
Development of SMEs and enterprises	Own Theme: GRI 204: Procurement Practices 2016	External
Talent management and development	GRI 401 Employment 2016 GRI 404: Training and Education 2016	Internal
Organizational climate management	Own theme: Organizational climate management	Internal
Local community development	GRI 413: Local Communities 2016	External
Inclusion and financial education	Own theme: Inclusion and financial education	External

² GRI standards of reference for the selection of the most representative GRI contents of the Bank's management, its impact on sustainability and accountability.

Diversity and inclusion	GRI 405: Diversity and Equal Opportunity 2016	Internal and External
BUSINESS AND GOVERNANCE		
Ethics and transparency	GRI 205: Anti-Corruption 2016	Internal and External
Comprehensive risk management	GRI 205: Anti-Corruption 2016	Internal
Cybersecurity and privacy of information	GRI 416: Customer Health and Safety 2016 GRI 418: Customer Privacy 2016	Internal and External
Innovation and technology	Topic: Innovation and technology	Internal and External
Responsible supplier management	GRI 308: Supplier Environmental Assessment 2016 GRI 414: Supplier Social Assessment 2016	External

6. CORPORATE GOVERNANCE

The Board of Directors and the High Management of Banco Patagonia direct its activities and business, guaranteeing compliance with the norms, corporate strategy and the focus on the sustainability of the entity and communities, in an ethical, responsible and integrated way.

6.1. Good corporate governance practices³

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

6.2. The Bank's Board of Directors

Responsible for the Company's Strategy

The Board of Directors is responsible for the administration of the Bank and makes all decisions related to this purpose, as well as those decisions expressly established in the General Corporations Law No. 19,550, the Social Statute of the Bank, and other applicable regulations. In this way, the Board is responsible for executing the assembly decisions and the development of the tasks specially delegated by the shareholders.

MEMBERS OF THE BOARD OF DIRECTORS ⁴

Members of the Board of Directors as of December 31, 2022

President

Oswaldo Parré dos Santos

Vice Presidents

Delano Valentim de Andrade
Marvio Melo Freitas
Juan Manuel Trejo
Renato Luiz Bellinetti Naegele
Jayme Pinto Junior

³ For more information on the Bank's corporate governance, see Annex III to this Integrated Annual Report, the 2022 Annual Report of the Corporate Governance Code.

⁴ For more information visit <https://www.bancopatagonia.com.ar/institucional/organizacion/autoridades.php>

Principal Officers

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

Alternate Directors

Thompson Soares Pereira Cesar
Felipe Guimaraes Geissler Prince
Alejandro Damián Mella
Luis Carlos Cerolini (Independent Director)

6.3. Characteristics of the Board of Directors

Characteristics of the Board of Directors

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.

Responsibilities

The Board of Directors is responsible for the administration of the Bank and makes all decisions related to this purpose, as well as those decisions expressly established in the General Corporations Law No. 19,550, the Social Statute of the Bank and other applicable regulations.

Functions

It determines the overall strategy of the business, approves the general policies, ensures the liquidity and solvency of the Bank, and instructs the High Management to implement the procedures and controls of risk management.

Meetings

In accordance with the provisions of the Social Statute, the Board of Directors must meet at least once a month. In 2022, the meetings were held both in person and with its remote-connected members, in accordance with the provisions of Article Twelfth of the Social Statute and the applicable regulations.

Training

Board members participate in activities aimed at updating and training on new market trends, as well as economic update conferences, training on issues of money laundering prevention, integrity and anti-corruption, as well as diversity and inclusion. They also participate in meetings, forums and congresses to share experiences and stay informed about business, banking activity and relevant topics such as innovation, sustainable finance, among others.

Evaluation

The Board presents 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. In addition, it conducts the Board's performance self-assessment annually as a whole and individually.

Remuneration

The Board's fees are determined annually by the Shareholders' Meeting, in accordance with the provisions of the Social Statute, as prescribed by article 261 of the General Law of Companies. The possibility of granting other benefits such as equity holdings is not contemplated.

Conflict of interest management

The Board sets guidelines for the prevention of conflicts of interest through internal norms that promote ethics, transparency, and integrity. A conflict of interest occurs when a person fails to fulfill a duty that is incumbent on the organization, for the benefit of another interest that prioritizes on personal grounds. The Board of Directors of Banco Patagonia has considered the issue of "conflict of interest" in the following documents:

Policy of holding acts or contracts between Banco Patagonia and a related party for a relevant amount	Defines the concepts "related party" and "relevant amount" and establishes the procedure to be followed by each area involved for Board approval and disclosure of such an operation, including the formal pronouncement of Audit committee the transaction and its suitability to normal and customary market conditions.
Code of Ethics	Identifies possible cases of conflict between personal interests and the interests of the business or its customers that should be avoided. This Code also provides a point for the confidentiality of the information with which all members of the Bank must be involved. A specific point is also devoted to the conflict of interest in the principles for the management of suppliers and related third parties.
Code of Conduct	It establishes the loyalty duties with which all persons shall perform in the exercise of their activities related to the role of Liquidation and Compensation Agent and Integral Trading Agent, in order to avoid possible conflicts of interest. It also defines aspects related to the use of privileged or reserved information and the duty to keep a reservation.
Corporate Government Code	It contemplates the conflict of interest between the shareholders and the Bank, in the opportunity of dealing with a particular issue at the Shareholders' Meeting. If any shareholder has a personal interest or a conflict of interest with the Bank is verified, at the time of the treatment of a particular issue at that Shareholders' Meeting, the investor must refrain from being part of the treatment and voting of the issue in question, whether acting on behalf of itself or on behalf of a third party. This abstention and its reason must be recorded in the relevant Act of Assembly. In addition, this Code provides for the duties of loyalty and diligence that Directors must have in the field of public offering and provides that they must refrain from making decisions when there is conflict of interest, which prevent him from performing his duties properly and objectively.
Advertising and Information Communication Policy	Considers the duty to keep strict reservations for all persons who, by reason of their position, activity, position or relationship have information on the performance or business of the Bank or its controls, provided that it has not been publicly disclosed and that due to its importance it 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 possesses, designed to promote integrity and to prevent, detect, correct and eventually punish misconduct or unlawful acts, in particular those reached by Law 27,401 on Criminal Liability of Legal

	Persons, that could be done by an official or a third party in the interest or benefit of the Bank.
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SECRETARY'S OFFICE OF THE BOARD OF DIRECTORS

The Executive Management of the Board of Directors is the area that exercises an administrative and organizational function of the societarian aspects of both the Bank and its Controlled Companies, to assist the members of the Board, To the Shareholders and members of the Audit Committee in the formal aspects of the functioning of the bodies they make up.

6.4. Supervisory Committee

The Supervisory Committee is responsible for supervising the administration of the Company. To do so, you must attend with voice, but without vote, the Shareholders' Assemblies and the Board meetings; ensure compliance with laws and other regulations applicable to the Company; And to supervise that the social organs give due fulfillment to the Law, Statute, Regulations and Assembly Decisions.

MEMBERS OF THE SUPERVISORY COMMITTEE⁵

Regular Statutory Auditors

Mónica María Cukar
Alberto Mario Tenaillon
Sebastián María Rossi

Alternate Statutory Auditors

María Cristina Tapia Sasot
Héctor Osvaldo Rossi Camilión
Julio Alberto Pueyrredon

6.5. Committees of the Bank

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

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.

⁵ Appointed by the Shareholders' Meeting on April 28, 2022, with a mandate until the Shareholders' Meeting that deals with the annual Financial Statements as of December 31, 2022.

AUDIT COMMITTEE - CNV	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	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. In the absence of the Director as Vice-President, he may be replaced by the President.
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. In the absence of the Director as Vice-President, he may be replaced by the President.
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. In the absence of the Director as Vice-President, he may be replaced by the President.
FINANCE COMMITTEE	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.	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. In the absence of the Director as Vice-President, he may be replaced by the President.
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 complaints coming from the "Ethics Line" complaints channel, or from the different sources of detection of behaviors that affect the principles of institutional integrity.	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.

GLOBAL RISK COMMITTEE	<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. In the absence of the Director as Vice-President, he may be replaced by the President.</p>
OPERATIONAL RISK COMMITTEE	<p>Its main purpose is to propose to the Board for approval the policies, procedures, manuals and structures necessary for the management of operational and reputational risk, and to follow up on activities aimed at ensuring adequate management of such risks. In addition, it tracks activities linked 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 Superintendent of Technology and Digital Business, and as non-voting members the Operational Risk, Internal Controls and Compliance Manager and the Technology Executive Manager, Communications and Systems. In the absence of a Vice-President, he may be replaced by the President. In the absence of the Director as Vice-President, he may be replaced by the President.</p>
COMMITTEE ON COMPUTER SECURITY AND PROTECTION OF INFORMATION ASSETS	<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, the Superintendent of Digital Technology and Business, and the Manager of Computer Security and Information Asset Protection. Additionally, as non-voting members, the Operational Risk, Internal Controls and Compliance Manager and the Executive Manager of Technology, Communications and Systems are members. In the absence of the Director as Vice-President, he may be replaced by the President.</p>
CUSTOMER EXPERIENCE COMMITTEE	<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 Persons, the Superintendent of Technology and Digital Business, and the Executive Manager of Human Development and Organizational Climate. In addition, the Executive Manager of Planning, Brand and Communication and the Manager of Planning and Strategic Projects participate as non-voting members. In the absence of a Director acting as Vice-President, he may be replaced by the President.</p>

STEERING COMMITTEE	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.	Members with voting rights and permanent participation: a Director as Vice President, in charge of supervision of the areas of credit analysis and risk management, and by the Superintendent of Credit, Risk Management and Internal Controls. Also, as a voting and alternate participation member: A Vice -President Director and the Superintendent corresponding to the line of credit of the relevant segment (Business with Business or Finance, Administration and Public Sector). In addition, it is composed of three non-voting members: The Corporate Credit Analysis Manager , the Business Credit Analysis Manager, and the Area Manager corresponding to the credit line of the relevant segment. In the absence of a Vice-President , he shall be replaced by the President.
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.	President, 2 Directors as Vice President, an independent Director and as a non-voting member the Executive Manager of Human Development and 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.	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. In the absence of a Vice-President, he shall be replaced by the President.
ARCHITECTURE, SECURITY AND ASSET MANAGEMENT COMMITTEE	It analyzes issues related to the Bank's building and furniture infrastructure, and addresses issues related to its physical security.	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. In the absence of a Vice-President, he shall be replaced by the President.

6.6. Organizational Structure

The organizational structure approved by the Board of Directors of Banco Patagonia establishes that the daily administration and supervision of all managerial and operational levels is decentralized to the High Management and is made up of six Superintendencies, four Executive Management and three Management that depend directly on that Body, these include:

- 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
 - Internal Audit Management
 - Asset Laundering Prevention Management.
 - Information Security and Protection of Information Assets Management
-

7. COMPREHENSIVE RISK MANAGEMENT

Banco Patagonia identifies both the risks inherent in the entity and those of its interest groups to determine exposure limits. From these, it efficiently manages the operation of the business so that it is solid, 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 entity is responsible for managing the main risks of credit, liquidity, concentration, market, interest rate, strategic, reputational, operational, model and contagion. It also takes into account the risks related to information security, prevention of money laundering and financing of terrorism, and social and environmental risks.

The Superintendency of Credits, Internal Controls and Risk Management, through the various specialized areas that make up it, is responsible for risk monitoring, and acts independently with respect to the business areas. In addition, the processes are informed to all the Bank's work teams and, in an articulated manner, work with other committees to define goals and targets related to appetite and risk tolerance.

During 2022, several comprehensive stress testing exercises were conducted, focusing on severe scenarios derived from potential climate effects (droughts) and other additional stress situations. These scenarios, theoretical, statistical, and financially plausible, of Derecognition the stability, but extraordinary severity, tested the strength of the balance sheet of the entity, observing robust levels of solvency, liquidity and profitability.

In the scenario caused by a climate effect, the credit portfolio of the entity was mainly impacted, showing adequate solvency and liquidity levels. In addition, individual stress tests were conducted for the main risks (credit, market, interest rate, liquidity) considering the volatility of the macroeconomic environment.

All risk-related issues that are submitted to the Board for consideration are previously addressed in the Global Risk (GRC) and Operational Risk (ORC) Committees, so that they reach the Board accompanied by the necessary technical and methodological justifications, as well as possible economic and/or financial impacts if applicable.

During 2022, the Board adjusted the appetite to the risk of the entity in terms of Credit Risk and Market Risk of the entity, favoring the solvency and profitability of the entity, reducing the risks assumed. In line with the functions defined by the BCRA for the Board, the Board was responsible for approving the Internal Capital Adequacy Assessment Report (ICAAR) and stress tests, as well as for approving the new income inference model for human persons.

In 2022, the bank held a strong solvency and liquidity position, with prudent ratios in both cases, allowing micro financial volatility to pass through without any overshooting. The provision of large liquidity

margins (made up of high-quality assets), and the prudential management of these in a solid balance-sheet structure, allowed the maintenance of internal appetite and risk-tolerance ratios and regulations very broadly above the required minimums.

Banco Patagonia ended the year with delinquency levels below the financial system, especially regarding Commercial Banking. In line with the risk appetite defined by the board, the Bank has a coverage value well above the system average.

Banco Patagonia evolved toward the concept of Sustainable Integrity, expanding the concept of integrity and prevention of corruption to standards related to human rights, the environment, gender, diversity, and inclusion.

The Bank joined the Argentine Association of Ethics and Compliance (AAEC) as its sponsor.

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.

To provide a framework for the generation of businesses aimed at achieving an appropriate relationship between assumed credit risk and expected profitability of operations, the Board approves credit policies, setting specific limits to narrow exposures within precise tolerance margins.

Banco Patagonia carries out a constant monitoring of concentrations in the portfolio, in line with the appetite and policies approved by the board in this regard.

Within this framework, during 2022, the entity efficiently managed its portfolios, monitoring changes in credit ratings and avoiding Depreciation the pooling of the quality of its financial assets, in order to guarantee the recoverability of the portfolio at risk and the maintenance of delinquency rates.

Expected Credit Loss models are models that are within a framework of continuous improvement. The following advances were made in this framework:

- Development of new models to measure the prospective impact of the macroeconomic environment, based on projections of internal arrears rather than systemic arrears.
- Implementation of the new origination model developed by the Bank, whose default probabilities are an input of the expected credit loss model.
- Development of a new methodology to estimate the probability of default to segments where sufficient information is not available.
- Development of a new methodology for the estimation of average lifetime for revolving products with a significant increase in risk.

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.

In 2022, the Bank remained well-equipped with liquidity indices, without significant anchor concentrations. The allocation of resources into high-quality, high-liquidity assets allowed a loose LCR

to be maintained throughout the year, aligned with the entity's risk appetite.

Market risk

Market risk is defined as the possibility of suffering losses on - and off-balance sheet positions, because of adverse fluctuations in market prices or risk factors like 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 to optimize the risk-return relationship.

Due the macroeconomic volatility of 2022, potential losses of the portfolio subject to market risk were reduced and work was mainly done on the coordination of market risk teams and the management of financial markets and capital markets.

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, despite the high volatility derived from economic-financial uncertainty, the entity was favorably positioned, noting low levels of risk of mismatch (duration between assets and liabilities), both in interest margin sensitivity measures and in economic value changes. demonstrating an adequate management of the structural risk of the balance sheet.

Risk of contagion

Risk of contagion to the risk assumed by the Bank is understood by unfortunate situations in the companies where it has stakes.

During 2022, the risk of contagion from Banco Patagonia has begun to be measured from an annual monitoring of the Bank's minority interests. This monitoring considers a set of indicators to measure the solvency and liquidity of these positions.

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 2022, the Bank complied with the updating of the maps of the 70 processes identified for the realization of the risk self-evaluations, which consists of identification, monitoring and monitoring. In turn, he informed the Board about the implementation of improvements in the internal procedures and tools used, with the aim 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.

In 2022, the Bank managed this risk by monitoring risk indicators linked to each interest group.

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.

The Bank has a training plan based on the segmentation of its collaborators, considering its 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 collaborator possesses and thus optimizing the training instances. Synchronous and asynchronous trainings on integrity and anti-corruption were organized, which enabled all key profiles to be reached and a strategy for the permanent dissemination of the topic to be promoted.

An assessment of corruption risk management is carried out periodically, under a methodology developed based on process maps and risk benchmarks defined in operational risk management. The management cycle includes the stages of risk identification, validation, assessment and mitigation with its subsequent mitigation, monitoring and reporting actions. Thus, it is possible to argue that the risk of corruption linked to the execution of the Bank's processes is reasonably analyzed and managed, and the analysis is also extended to all the companies controlled by the entity.

During 2022, work was deepened in the culture of integrity and prevention of corruption, progressively permeating it in all Bank processes. Thus, it evolved into the concept of Sustainable Integrity, where, from an expanded perspective, the entity is addressing standards not only linked to the fight against corruption, but also to human rights, the environment, gender, diversity and inclusion. Accompanying this evolution, and in accordance with the commitment made by the Board to sustain a position of zero tolerance in the face of corruption, the Bank joined the Argentine Association of Ethics and Compliance, participating as a sponsoring entity.

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.

This risk is managed by continuously monitoring the strategic and business plans and meeting the goals set there, 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. To this last point, the impact on the entity's performance and solvency of non-compliance with budgets was analyzed.

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)

The strategy of Banco Patagonia to prevent, respond and mitigate the growing variety and number of threats inherent in the financial ecosystem. In this sense, during 2022, the maturity of perimeter and extra-perimeter controls was improved.

The information security management system was the subject of a comprehensive review by the international company TUV Rheinland, once again providing ISO /IEC 27001 recertification. The development of these information security and cybersecurity management tools helps the Bank:

- give executive visibility to the protection measures implemented.
- disseminate and promote an information security culture based on the reasonable management of asset risks;
- working in a defense of cyber-attacks and cyber-risks.
- and manage rapid recovery from threat materialization, better known as cyber-resilience.

This model can support the present and future needs of the Bank, analyzing the objectives approved by the Management and determining what processes will be necessary to implement for the continuous improvement of the Information Security Management System (ISMS). These actions are necessary to adapt effectively the Bank's strategic objectives in order to provide support in the areas of computer security and information asset protection.

Risk of money laundering and terrorist financing

In order to ensure compliance with the current regulations regarding control and prevention of money laundering and financing of terrorism, Banco Patagonia has the necessary policies, procedures and tools, carrying out all the changes required by Resolution 30/2017 FIUs. These are permanently updated on the basis of regulatory or context modifications, and of the development or modification of the products and services provided by the entity.

Banco Patagonia manages this compliance through an organizational structure of Prevention and Internal control Management composed of a Committee of Prevention of Money Laundering (PLA), the Compliance Officer, the Management of Prevention of Money Laundering and the Superintendency of Credits, Internal Controls and Risk Management, always with the endorsement and follow-up of the Board. In addition, these topics are of obligatory knowledge for all the personnel of Banco Patagonia. For this reason, in September 2022, a group specialized in PLA management was created within the Workplace platform, which allows information, manuals and training to be brought more friendly and simple to all members, understanding prevention as a cross-cutting axis to the entire entity.

PLA Management is responsible for the implementation, control, monitoring, and reporting of FATCA and OECD-CRS standards, under which the entity must identify its U.S. and non-resident clients, respectively. This year, improvements were made to the Client Risk Matrix in accordance with the request of the Comptroller.

In this context, during 2022 the Bank continued with the process of efficiency of the Asset Laundering Prevention System. On the one hand, it was able to reduce the number of alerts to be analyzed by commercial areas by adding new controls for generating alerts to ensure the accuracy and completeness of the input information for the suspicious operations analysis and monitoring system. On the other hand, understanding the importance of analyzing the alerts, PLA Management assigned a reference point for each region of the Branch Network, the Corporate and Business Centers, to assist in a closer and personalized way those analyzing the alert packages. Currently, the Policies on PLA, Terrorism Financing, and Corruption are under review in accordance with those established by the Control Society Banco Do Brasil.

- **100% of Bank employees were trained on Money Laundering Prevention, Integrity and Anti-Corruption, and Terrorism Financing.**

Asset Laundering Prevention Challenges for 2023

- To adapt the Asset Laundering Prevention System to the next regulatory changes that will take place during the year 2023, once the modifications to UIF Resolution 30 and Law 25,246 on the Prevention of Money Laundering take effect.
- During 2023, new tools will be implemented that will allow the entity to overcome the good results obtained so far in the system of generating and treating alerts.

Money Laundering and Terrorist Financing Prevention Awareness Training and Meetings

- Annual Update Day on the Prevention of Money Laundering, Integrity and Anti-Corruption, directed to the Board and High Management.
- Webinars aimed at strengthening theoretical and practical concepts, and updating knowledge in the matter to Administrative Officers, officers of all segments and Branch Managers, proposed by the Management of Money Laundering Prevention and Terrorism Financing.
- PLA Policy e-learning to all partners in the entity.
- 21st Annual Conference on Compliance and Prevention of Money Laundering 2022 – FORUM, was attended by four participants from the Asset Laundering Prevention Management.
- Diploma in Money Laundering Prevention, Compliance and Risk Control – School of Economics and Business at the National University of San Martin, he was attended by a participant from the Money Laundering Prevention Management.
- Latin American Specialization in Asset Laundering Risk Prevention – Forum, had four participants from the Asset Laundering Prevention Management.

1,252 hours total training in the field

2,855 participants

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 USD 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.
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 2022, the area of internal controls carried out evaluations of controls at both the entity and compliance *levels*, as well as on the Bank 's computer processes and technology. In addition, he trained on the importance of Internal control the unit at all levels of the entity. These evaluations are part of the elements that support the opinion reports on Internal control the food security environment that the Bank carries out and presents to both the National Securities Commission (CNV) and the Central Bank of the Republic of Argentina (BCRA).

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

7.3. Internal Audit Activities

During 2022, work planning was carried out considering a multi-year approach, both for branch offices and for the critical processes of the entity. This included regular follow-up and review, based on the results obtained from the development of a risk matrix. This matrix is a management tool that allows to identify the Bank's most important processes, activities and products and the magnitude of risks to which they are exposed.

The Annual Internal Audit Plan for Exercise 2022, approved by the Audit Committee - BCRA and the Board of the Entity, was prepared in accordance with what is required by the BCRA regulations and considering the strategic planning of the entity, its purpose, Vision and institutional objectives. It included the realization of 170 internal audit works (general cycles, branch audit and companies and continuous audit work) in Patagonia Banco and more than 30 works in their subsidiaries.

Some relevant works included in the Plan were:

- Electronic Channels.
- Cybersecurity.
- Business Continuity Management.
- Review Logical Security and Protect Computer Assets.
- Securing Financial Services Users.
- Comprehensive risk management.
- Prevention of Money Laundering and Financing of Terrorism.
- Foreign trade and change.
- Loan and Deposit Cycles.
- Purchases and payments to suppliers.
- Staff cost.
- Evaluation of subsidiary companies.
- Review of the Strategic Plan.
- Front Office Investment System.
- Branch Administration Cycle.

Exemplifying detail of procedures carried out by internal audit	
Process	Internal Audit Reviews
Branch offices	A triannual review scheme was maintained, with face -to -face and distance reviews, complemented through the monitoring of a series of indicators and alerts implemented within the framework of the activities corresponding to continuous audit. The review was based on substantive and compliance tests related to cash administration, ATMs, cash operations, checks, money laundering prevention controls and administrative and safety aspects, among others.
Staff cost	We analyzed the actions linked to the Corporate Social Responsibility of the entity, through the verification of the actions defined for 2022 and the analysis of the control process on the clients whose credit operations require the presentation documentation linked to social and environmental risk, among others.
Purchases and payment to suppliers	Compliance with the provisions of the Bank was controlled in current regulations regarding the modalities of contracting suppliers, the existence and integrity of the documentation that supports purchases, payments and authorization schemes, in order to guarantee the transparency of These processes and controls carried out at the time of incorporating new suppliers. Likewise, the results obtained from the indicators and alerts implemented by audit continue to be linked to the purchase and payments to suppliers carried out during the current year.

Securing Financial Services Users	The controls and the customer service care procedure and the fulfillment of different regulations issued by comptroller agencies were examined, emphasizing the analysis of the processes related to the client's experience, such as: analysis of the root cause of the claims of the claims and existence of channels for reception of these.
Prevention of Money Laundering, Terrorism Financing and Other Illicit Activities,	Control activities were carried out from all the headquarters that make up the Internal Audit Management, among which are the audits of the control procedures implemented by the entity for the generation and monitoring of alerts and the computer systems involved in this operation.
Cybersecurity	The existence of measures, policies and procedures linked to this issue was verified by evaluating the risk identification mechanisms and the control procedures implemented, the existence of monitoring tools, response protocols for cybersecurity incidents, access control and prevention of information leaks, the realization of CIBER exercises or drills of cyber-attacks and training and awareness activities on the risks of cybersecurity.
Strategic Plan of the entity	An evaluation of the process of preparing the strategic plan was carried out, which contains the different corporate results, the objectives and actions for compliance, also analyzing the communication of the entity and the monitoring process implemented for the accompaniment of its execution to throughout the exercise.

During 2022, accompanied by the Bank's general definition, the Internal Service auditor Tad team developed its activities under a hybrid working modality (mixed scheme of presentiality and remote work) for the entire team.

Challenges for 2023

- Develop new indicators/process automation through Service auditor continuous use.
- Design and run the Management Dashboard.

7.4. Monitoring

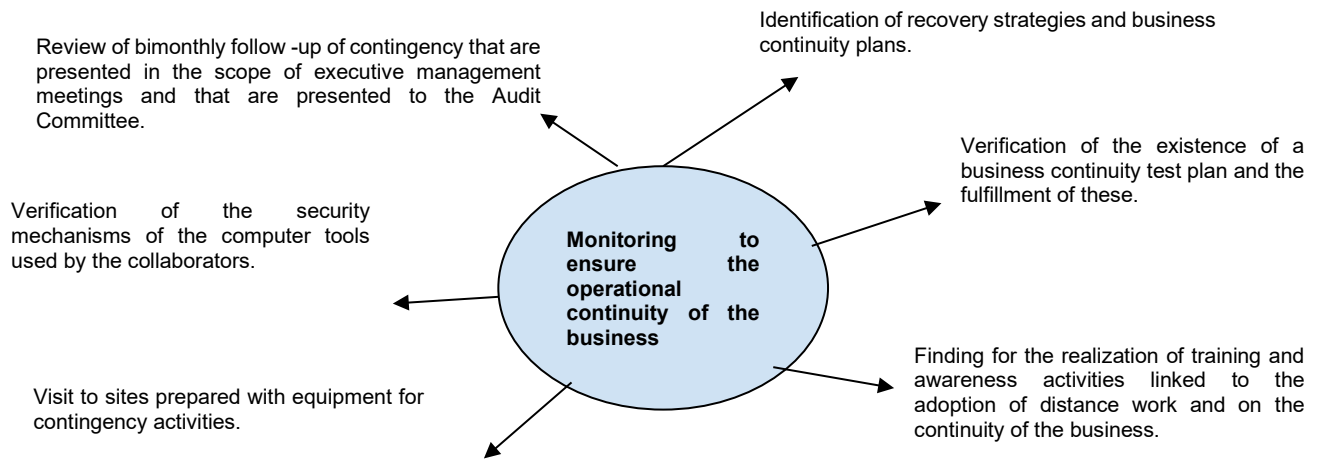
During 2022, Service auditor the Internal Management:

- He carried out the monitoring of different topics covered in the Board meetings and in the different Committees existing in the Bank.
- It continued with the activities linked to the follow-up of the Digital Transformation Strategy, based on which different projects are developed in Banco Patagonia in view of the changes in the business environment.
- Implemented new alerts and indicators under Service auditor the Continuous-Service methodology that cover different topics and complement branch reviews, centralized processes, systems and fraud.

- Verified compliance with controls related to the application of Minimum-Security Measures in branch offices through the Remote Monitoring Center.

100% of Branches monitored under the Continuous Audit modality.

About the activities aimed at ensuring the operational continuity of the business of the entity, they were monitored through the realization of the following tasks:



Novelties and main projects carried out in the year on internal audit.

During 2022, members of the Internal Audit Management participated in work groups linked to relevant projects and other actions carried out in the entity.

From the Audit Committee, the evolution of the entity's digital transformation strategy was accompanied, taking knowledge of the main guidelines and actions developed and to develop and with the participation of the Superintendent of Technology and Digital Business in some of its meetings.

On the other hand, from the Internal Audit Management he participated in the program of visits to the Branch Net customer.

Some outstanding projects carried out by the Internal Audit Management in order to align its activity with strategic issues of the Bank:

Management Activity Management application	Internal Audit Procedures Automation	Entity project
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The implementation of the Integral Management application of internal audit activities that includes the annual planning of activities, its execution, the protection of the work papers, the administration of working hours, the issuance and qualification of the reports, the monitoring, the monitoring of observations and the generation of reports, among others.

To optimize the tasks demanded by different audit equipment, internal audit procedures were automated through the continuous audit methodology and the use of data analytics. This allowed to redirect resources to non -routine tasks and increase the frequency and scope in the execution of the controls.

He participated in work groups linked to relevant projects and solutions carried out by the bank such as: MODO and Apple Pay Virtual Wallet, new commercial cashier profile, applications and desktop virtualization, businesses, on Boarding Digital, information processing, information processing Referred to gender identity, E-CHEQ, Club Patagonia, Income Estimation Model-People, New Scoring model by personality analysis.

Fraud, illicit and irregularities management policy

Throughout 2022, the bank was a receiver of complaints, internal and external, of possible fraud. From this, the corresponding analyzes were carried out according to the processes of the entity in a professional and objective manner, where there was interaction with the corresponding management and sectors according to each case. All investigations were executed by the Special Investigation Sector under the guidelines of the fraud and illegal management policy and the policy for the management of the complaints (ethical line).

During the year, it continued to be promoted and participating in different actions related to the improvement of the controls applied in electronic channels, such as redefinitions of limits and updating of different parameters, modification of operational procedures, analysis of new prevention tools linked to the Transactionality in channels and recovery actions on fraudulent activities identified, among others, from the special research sector.

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

All people who are part of the bank have been informed about current anti -corruption policies and procedures. In addition to the communication of anti-corruption policies and procedures, the WORK-PLA group of workplace (the internal communication platform) was added this year for the purpose of maintaining a daily meeting with both the branch network and with the centralized areas for the centralized areas for the Disclosure of everything related to policies and procedures for prevention of money laundering and terrorism financing.

Challenges for 2023

- Deepen the efforts on consolidating the concept of sustainable integrity, leveraging on the axes of dissemination and awareness.
- Strengthen the due diligence processes on the value chain.
- Extend the integrity policies in the active operations that the bank finances (segment large companies).

7.5. Complaints 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 considered:

- 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. Financial and income statement analysis of the entity

This analysis was prepared based on the consolidated financial statements of Banco Patagonia as of December 31, 2022 in accordance with the accounting framework based on the International Financial Information Standards (IFRS), established by the Central Bank of the Argentine Republic (BCRA), and therefore is expressed in constant currency of December 31, 2022 (IAS 29 "Financial information in hyperinflationary economies").

Likewise, the Bank consolidated line by line its statement of financial and results, with the financial statements of its controlled companies: Patagonia Valores S.A., Patagonia Inversora S.A. Company Manager of Common Investment Funds, Banco Patagonia (Uruguay) S.A.I.F.E. "In liquidation" and GPAT Compañía Financiera S.A.U.

As of December 31, 2022, Banco Patagonia (Uruguay) S.A.I.F.E. "In liquidation" is in the process of removing operations in Uruguay and its activity is restricted to the operations related to the final cancellation of its assets, liabilities and return of the remaining custody values, being unable to capture new operations.

This process began on March 31, 2022, through the presentation of the corresponding request before the Central Bank of Uruguay. On June 30, 2022, having met the previous requirements established in the rules of the Uruguayan Financial System, the Company's Shareholders Assembly approved its early dissolution within the framework of the Commercial Companies Law in force in that country, the designation of the liquidators and the modification of the social denomination to Banco Patagonia (Uruguay) S.A.I.F.E. "In Liquidation".

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.
- b) With respect to the valuation of Prisma Media Pago S.A., the guidelines established by the BCRA were considered, which arranged the accounting treatment to dispense the investment. As of December 31, 2022, tenure has been transferred in its entirety, therefore, the bank does not have share participation in society. If the criteria planned under IFRS 9, as of December 31, 2021, a larger active with results had been registered and, therefore, a lower result in the year ended as of December 31, 2022.

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.

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.

GPAT has chosen to apply point 5.5 of IFRS 9 as from January 1, 2022, with no significant effects on retained earnings as of December 31, 2022, and 2021.

Result for Fiscal Year 2022

(Figures expressed in homogeneous currency of December 31, 2022)

Fiscal 2021 ended with a total positive comprehensive income of Ps. \$ 14,731.7 MM which represents an increase of 18.3% (Ps. 2,278.7 M) with respect to the previous fiscal year (Ps. 12,453.0 MM). The main variations in the composition of the result, expressed in constant currency, are detailed below:

Net interest income amounted to Ps. 148,722.0 M with an increase of 39.3% (Ps. 41,940.6 MM) with respect to the previous year (\$ 106,78.4 MM). Its composition is detailed below:

- Interest income totaled Ps. 339,296.9 M with an increase of 45.7% (Ps. 106,357.4 MM) with respect to the previous year (Ps. 232,939.5 1MM).

The main income corresponds to the result of the financial instruments at fair value with changes in ORI that totaled \$ 190,241.1 mm duplicating with respect to the previous year (\$ 95,413.3 mm). This increase originates in the double rate - volume, because of the progressive rise of the rates arranged by the BCRA throughout the year (nominal APR 75% versus 38% at the end of each exercise), which resulted in greater possession BCRA instruments.

About interest on loans granted to the non -financial private sector, they totaled Ps.91,808.0, increasing 19.6% (Ps. 15,047.3 mm) with respect to the previous year (Ps.76,760.7 m). As for their composition, the main increases in the advances of advances for Ps.9,677.5 mm and on credit cards for \$ 2,472.1 mm.

- Interest expenses totaled \$ 190,574.9 mm with an increase of 51.1% (Ps. 64,416.8 mm) compared to the previous year (Ps. 126,158.1 mm), because of the growth of the deposit portfolio. And for a greater accrual of interest for fixed -term deposits for \$ 36,614.1 mm and for the savings boxes paid for \$ 22,082.3 mm, accompanying the progressive rise of the minimum guaranteed rate arranged by the BCRA.

- The net result by commissions reached \$ 16,119.4 mm with a decrease of 12.3% (Ps. 2,264.1 mm) compared to the previous year (Ps. 18,383.5 mm). Its composition is detailed below:

- Committee income total Ps. 24,477.0 mm, decreasing 6.9% (Ps. 1,801.1 mm) compared to the previous year (Ps. 26,278.1 mm) mainly due to lower commissions linked to deposits at Ps. 555.8 mm, with insurance for \$ 361.9 mm and with product packages for Ps. 361.1mm.

- Commissions expense totaled \$ 8,357.6 mm, increasing 5.9% (Ps. 463 mm) with respect to the previous year (Ps. 7,894.6 mm).

The net result by measurement of financial instruments at fair value with changes in results was Ps. 5,350.7mm increasing 24.7% (Ps. 1,061.1 mm) compared to the previous year (Ps. 4,289.6 mm) product of greater results linked to the Title portfolio for Ps. 2,724.3 mm, partially compensated by the decrease in results due to foreign currency operations for Ps. 1,663.2 mm.

The difference in gold and foreign currency was Ps. 6,030.0 mm compared to Ps. 3,281.5 mm of the previous year, because of an acceleration in the devaluation rhythm of the exchange rate during exercise 2022.

The result for other operational income was \$ 17,236.7 mm increasing 67.0% (\$ 6,912.8 mm) compared to the previous year (\$ 10,323.9 mm). The most significant variation corresponds to the disaffection of forecasts for expected losses of the financing, and in particular, the forecast disaffected by the financing granted to Al Zenith Netherlands B.V. In the opportunity of 51% of the shareholding in Prisma Medios de Pago S.A.

The charge for uncollectible accounts was Ps. 5,494.2 mm compared to Ps. 1,968.5 mm in the previous year, increasing 179.1%. As for the portfolio quality indicators, the indicator comparing the irregular portfolio with the total financing (calculated in accordance with the BCRA debtors' classification standard) was 0.6%, compared to 0.7% of the previous exercise.

With respect to the coverage ratio of provisions over irregular portfolio, it went from 295.2% to 237.6% at the end of 2022.

Personnel benefits amounted to Ps. 33,874.7 MM, remaining at levels similar to those of the previous year (Ps. 34,179.6 MM).

Administrative expenses amounted to Ps. 19,085.3 MM a slight decrease of 8.8% (Ps. 1,849.1 MM) with respect to the previous year (Ps. 20,934.4). The main savings were made in maintenance, conservation, and repairs expenses of Ps. 824.8 MM, securities transport of Ps. 363.0 MM and electricity and communications of Ps. 337.3 MM.

On the other hand, the other operating expenses amounted to Ps. 26,186.3 mm increasing 6.5% (Ps. 1,604.1 mm) with respect to the previous year (\$ 24,582.2 mm), due to higher taxes paid on gross income by \$ 3,559.1 mm, compensated by minor charges for other forecasts for Ps. 1,582.0 mm.

Other comprehensive income (ORI)

The ORI for fiscal year 2022 was a loss of Ps. 3,766.7 MM compared to a loss of Ps. 1,352.6 MM in the previous year. The main variation corresponds to the loss for \$ 2,945.2 mm corresponding to the financial instruments at fair value with changes in the ORI because of the decline in market contributions of public titles, mainly in the first half of the year,

ROE (Return on Equity) and ROA (return on assets)

The ROE and the ROA calculated on the result of the year were 16.4% and 2.9%, respectively, surpassing those obtained in the previous year: 11.9% and 2.1%.

On the other hand, the ROE and the ROA calculated on the other comprehensive result of the year were 13.1% and 2.3% respectively, compared to 10.3% and 1.6% of exercise 2021.

Statement of Assets and Liabilities

The total assets of the entity reached \$ 914,025.3 mm with a growth of 0.8% (\$ 7,596.0 mm) compared to the previous year (\$ 906,429.3 mm), while the total liabilities reached \$ 753,854.0 mm with a 0.9% decrease (\$ 7,135.6 mm) compared to the previous year (\$ 760,989.6 mm).

Evolution of loans and other financing

The loan and other financing portfolio reached \$ 261,371.5 mm representing a decrease in real 19.7% terms (\$ 64,322.7mm) compared to the previous year (\$ 325,694.2 mm), traction mainly due to the decrease in loans documented for \$ 66,277.4 mm.

Deposit evolution

Total deposits reached Ps. 659,910.1 mm by practically being held at the same levels of the previous year (Ps. 663,083.5 mm).

Non-financial private sector deposits totaled Ps. 617,491.6 mm, increasing 0.9% (Ps. 5,410.5mm) compared to the previous year (Ps. 612,081.1 mm), highlighting the increase in fixed -term investments for \$ 44,650.9 mm, compensated by the decrease in deposits in savings boxes and in current accounts for \$ 18,142.7 mm and \$ 13,496.9 mm, respectively.

Liquidity Ratio

Liquid assets on the total deposits amounted to 87.4% compared to 76.9% of the previous year. Liquid assets (effective and deposits in banks, debt titles and investments in heritage instruments, net of passes) totaled Ps. 577,061.2 mm increasing 13.1 % with respect to the previous year (Ps. 510,094.9 mm). This greater liquidity corresponds mainly to the growth of the title portfolio for Ps. 90,294.8 mm.

Net Equity Ratios

The solvency ratio measured in terms of net equity on the total liabilities was 21.2%, compared to 19.1% of the previous year.

The leverage, which is obtained from the quotient between the net assets on the total assets was 17.5%, compared to 16.0% of the previous year.

Capital Immobilization

The capital immobilization indicator, understood as fixed assets (property, plant and equipment and intangible assets) over total assets, was 22.5%, compared to 24.9% the previous year.

Capitalization

The entity has a solid solvency position, measured in terms of minimum capital, showing as of December 31, 2022, an excess of integration of \$ 106,070.3 mm with respect to what is required by the BCRA regulations (Ps. 39,162.1 mm).

Consolidated structure of financial position and results of operations

Next, the consolidated financial status of the group as of December 31, 2022, compared to the exercises ended on December 31, 2021, and 2020.

Consolidated financial structure (\$ thousands)	2022	2021	2020
Cash and due from banks	100,733.3	133,872.5	179,711.9
Debt securities at fair value through profit or loss	4,303.5	4,151.7	4,545.8
Derivative instruments	860.5	1,279.4	842.5
Repo transactions	136,604.5	124,872.0	23,559.7
Other financial assets	18,349.6	9,660.7	7,556.7
Loans and other financing	261,371.5	325,694.2	335,620.9
Other debt securities	335,401.9	245,258.9	261,453.8
Financial assets pledged as collateral	18,241.2	16,426.4	25,713.2
Current income tax assets	132.9	1,785.3	54.6
Investments in equity instruments	18.6	2,129.6	2,504.3
Investment in subsidiaries, associates and joint Ventures	1,124.0	1,181.0	1,330.1
Property, plant and equipment	33,686.3	34,992.0	34,743.4
Intangible assets	806.6	1,275.7	1,444.0
Deferred income tax assets	146.7	1,007.4	8,995.8
Other non-financial assets	2,244.2	2,842.4	2,653.1
Non-current assets held for sale	-	-	439.0
TOTAL ASSETS	914,025.3	906,429.3	891,168.9

Consolidated financial structure (\$ thousands)	2022	2021	2020
Deposits	659,910.1	663,083.5	645,431.1
Liabilities at fair value through profit or loss	-	293.00	-
Derivative instruments	40.00	114.50	-
Repo transactions	-	189.90	13.80
Other financial liabilities	35,434.5	32,290.8	29,604.8
Financing received from BCRA and other financial institutions	19,652.6	14,547.0	12,172.7
Negotiable obligations issued	1,077.5	1,227.4	2,872.9
Current income tax liabilities	2,554.0	400.3	4,097.3
Provisions	1,296.7	1,948.7	5,565.2
Deferred income tax liabilities	5,849.4	0.0	0.0
Other non-financial liabilities	28,039.1	46,894.6	42,921.8
TOTAL LIABILITIES	753,853.9	760,989.7	742,679.6
TOTAL SHAREHOLDERS' EQUITY	160,171.3	145,439.7	148,489.5
TOTAL LIABILITIES PLUS SHAREHOLDERS' EQUITY	914,025.3	906,429.3	891,168.9

The following is the consolidated statement of income of the group for the year ended December 31, 2022, compared to the previous year.

Consolidated income statement structure (in thousands of \$)	2022	2021
Interest income	339,296.9	232,939.5
Interest expense	-190,574.9	-126,158.1
Net interest income	148,722.0	106,781.4
Fee and commission income	24,477.0	26,278.1
Fee and commission expense	-8,357.6	-7,894.6
Net fee and commission income	16,119.4	18,383.5
Net income from financial instruments measured at fair value with changes in fair value through profit or loss	5,350.7	4,289.6
Gain/(loss) on derecognition of assets measured at amortized cost and at FV with changes in ORI	-234.0	1,540.1
Difference in gold and foreign currency exchange rates	6,030.0	3,281.4
Other operating income	17,236.7	10,323.9
Charge for uncollectibility	-5,494.2	-1,968.5
Net operating income	187,730.6	142,631.4
Employee benefits	-33,874.7	-34,179.6
Administrative expenses	-19,085.3	-20,934.4
Depreciation and write-down of assets	-3,707.7	-3,817.1
Other operating expenses	-26,186.3	-24,582.2
Operating income	104,876.6	59,118.1
Income from associates and joint ventures	-244.0	98.9
Result from net monetary position	-73,122.5	-38,384.7
Income before taxes	31,510.1	20,832.4
Income taxes	-13,011.7	-7,026.8
Net income for the year	18,498.4	13,805.6

Other comprehensive income (ORI)	-3,766.7	-1,352.6
ORI that will not be reclassified to income for the period	-	-
Revaluation of property and equipment and intangible assets	-	-420.9
ORI that will be reclassified to income for the year	-	-
Exchange difference on translation of financial statements	-56.9	-167.1
Result from financial instruments at fair value with changes in ORI	-3,709.8	-764.6
Total comprehensive income	14,731.7	12,453.0

Consolidated cash flow structure.

CHANGE IN CASH FLOWS FOR THE YEAR (in thousands of \$)	2022	2021
Funds generated by operating activities	-1,410.2	-341.0
Funds provided by (used in) investing activities	-688.4	-2,755.9
Funds used in financing activities	-3,683.0	-5,535.3
Effect of exchange rate changes	44,716.7	20,394.1
Effect of monetary result of cash and cash equivalents	-72,074.3	-57,601.3
NET INCREASE IN CASH AND CASH EQUIVALENTS	-33,139.2	-45,839.4

8.2 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.

The declaration, amount and payment of dividends are determined by the vote of most 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.

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 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.

Finally, on December 15, 2022, in Communication "A" 7659, it provided for the suspension of distribution of results effective from January 1, 2023, and until December 31, 2023.

8.3 Profit distribution project (information in historical currency)

The Ordinary and Extraordinary General Assembly of Shareholders held on April 23, 2020, approved the distribution of profits corresponding to the year ended December 31, 2019, constituting an optional reserve for thousands of pesos 14,105,319. Additionally, it approved partially disaffected this reserve in thousands of pesos 7,764,051 to apply it to the payment of cash dividends.

The Ordinary and Extraordinary General Assembly of Shareholders held on April 22, 2021, approved the distribution of cash dividends corresponding to the end of December 31, 2020, for thousands of pesos 5,239,945.

Subsequently, the Ordinary and Extraordinary General Assembly of Shareholders held on April 28, 2022 resolved the following utilities distribution corresponding to the year ended December 31, 2021:

Concept	Amount (In currency historical)
- Legal Reserve (20% s/7,012,206)	1,402,441
- Optional Reserves for Future Distribution of Results	5,609,765
Total	<u>7,012,206</u>

On June 2, 2022, the BCRA authorized the payment of cash dividends by 5,870,349 to be paid in twelve monthly, equal, and consecutive installments of 489,196 in accordance with the methodology established by the communication "A" 7421 of the BCRA. These dividends had been previously approved by the shareholders assemblies held in April 2020 and 2021. As of December 31, 2022, all the quotas had been disbursed.

The result of the year ended December 31, 2022 amounted to 18,498,414, of which 20%, that is, 3,699,683, must be assigned to the constitution of the legal reserve. The remnant is made available to the Entity's Shareholders Assembly.

The distributable balance for the year ended December 31, 2022 is shown below:

Concept	Amount in thousands of pesos
Unallocated Results (1)	52,170,185
To Profit Reserve	
- Legal Reserve (20% s/ 18,498,414)	3,699,683
Distributable balance for the year (2)	14,798,731
At the disposal of the General Ordinary Shareholders' Meeting	14,798,731

(1) Includes "Optional Reserves for Future Distribution of Results" for Ps. 33,671,771 plus Unallocated Results for Ps. 18,498,414.

(2) Profit for the year in thousands of pesos 18,498,414 net of Legal Reserve in thousands of pesos 3,699,683.

9. INTELLECTUAL AND INDUSTRIAL CAPITAL

The bank's strategy is focused on providing a personalized experience based on developing new business models to give agile and efficient responses to the needs of customers. The bank focuses on the acceleration of the digital transformation of its processes to achieve this objective.

9.1. Client Profile

Banco Patagonia offers a wide range of products and services that reach people, companies, public sector institutions and financial entities throughout the country.

- People: young people, students, professionals, older and retired adults, people who work in dependency relationship or who have a commercial activity.
- Companies: SMEs, agro-business, large companies and corporate.
- Public sector, financial and institutional entities: public organizations of national, provincial or municipal order, state companies, national universities, and bank and non -banking financial entities.

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

Focused on positioning the brand as the main bank chosen by its clients, Banco Patagonia carries out a strategic plan with clear annual compliance objectives that allow it to maintain a competitive position in the financial market. This is how he works to meet the demands of each of the segments he attends through the different digital and face -to -face channels.

9.3. Business with People

Value proposition for customer segments

Banco Patagonia continued in 2022 to work on the value proposal for the Singular, Plus and Classic segments, focusing the customer experience on the use of the products and benefits appropriate to each need. Since the communication we continue to strengthen the visual identity, consolidating the differentiation in each of the pieces developed, with the resources, colors, and tone according to the aspirational of each segment.

Insurance

More than 185,000 voluntary insurances sold in 2022

More than 2,300 MM in revenues from the Integrated Insurance Business in 2022

To facilitate customer management, contracting options continued to be incorporated into the digital platform: this year the online acquisition option of the car insurance was arranged. In this way, the bank expanded the insurance offer on the platform so that customers of the different segments access the products according to their needs.

In addition, innovative solutions were continued for the companies, SMEs, and the agricultural segment. For better user experience, a premium assistance service included in current products was offered.

As a novelty, this year the singular insurance products were launched with coverage and customary assists covering each one of the needs of the bank's clients.

Team training is key for customers to be well advised. For this, the courses with the continuous and mandatory training of the Nation's Insurance Superintendence, complying with the current regulatory framework.

Banco Patagonia launched the singular insurance products with coverage and assists tailored to the needs of its customers.

For better user experience, a premium assistance service included in current products was offered.

Loans

76,280 personal loan operations

13,558 MM in personal loans

During 2022, working on the digitalization and efficiency of the processes continued. In this sense, to provide a better experience to the customer in the sales processes, "sale to the touch" was created. With a more limited to the traditional process, customers who meet certain conditions can request a more agile loan.

Continuing with the improvements in the sales processes, it was incorporated - for the modality of "remote sale" - acceptance by mobile Patagonia. In addition, the sale of personal loans through the commercial platform for the contact center was enabled.

Credit Cards

Throughout the year, we worked to improve self-management alternatives through digital channels. In this way, more options were incorporated without requiring the assistance of an account executive.

- Complaint for theft or loss of credit card (Visa and Amex) from E-Bank and Mobile.
- Credit cards (Visa and Amex) from E-Bank and Mobile.
- Apple Pay implementation, contributing to digital transformation with the latest technology available: contactless payments through devices.

Debit Cards

The bank continually seeks to improve the customer experience, and during 2022 it was carried out with the following actions:

- Improvement of domicile data modification processes to improve cards.
- Impulse of self-management in the channels.
- The limits were increased and the use of electronic channels to make purchases, payments and transfers were encouraged.

- The use of the MODO application, the virtual wallet and the payment with QR that we develop in alliance with other banks in the country were continued.
- Card digitalization continued.

Fixed- Term

**Growth of 135% compared to 2021 in pesos and UVA, reaching \$ 119,045 mm
70% of the highs were made by digital channels.**

Regarding the fixed-Term, following the line of expediting transactions, the bank continued to encourage the use of electronic media such as Patagonia E-Bank, Patagonia Mobile and Telephone Bank for the discharge of its three fixed deadlines: Traditional Fixed-term , Rent and Precancelable UVA, respecting the minimum rates guaranteed by the Central Bank of the Argentine Republic.

Challenges for 2023

- Expand the insurance offer.
- Expand the offer of safety boxes.
- Develop the online option of credit and debit cards.
- Improve the authorization and authentication process of e-commerce purchases.
- Continue working in payments with NFC technology.
- Boost the credit offer for digital channels.
- Innovate in the offer and communication to the young public

9.4. Business with Companies

Maintaining closeness with customers and increasing business volume is a fundamental part of our strategy for the wholesale segment. In a context full of national and global short -term challenges, we continue working with the focus of accompanying the development of our clients to meet their needs for savings, investment, credit, and financial services.

Corporate, large companies, agro-business, and SMEs

Innovation category prize for the “2022 Integration Awards of the Brazil Group for the Development of Copicloto Companies and SME, the web platform launched in 2021. +100,000 efforts made.

During 2022, the business volume was consolidated and the objectives of loans and deposits corresponding to businesses with companies were met.

In this regard, corporate clients stand out, which exceeded \$ 100,000 MM in the loan portfolio, being a fundamental contribution to the growth of Patagonia Bank participation in the financial system. They also doubled their participation in volume operated in foreign trade, which represents its main milestone in the year.

With the objective of consolidating the accompaniment to the companies, the commercial incentive program (PIC Companies) was launched. This scheme allows to know and monitor the compensation scheme of the collaborators and encourage compliance with commercial goals.

In line with the objective of deepening the proximity with customers, Copicloto Companies was also launched, our web platform that unifies all commercial management and intelligence tools, allowing better commercial management.

The Company update program was also successfully developed, where more than 50 members of the centers were trained through 8 modules and 20 exhibitors, which allowed generating a shared knowledge space between the speakers, the official ones and business managers

Regarding Agribusiness Segment, Banco Patagonia again participated in Expoagro 2022, the most important agro-industrial sample in Argentina. This instance is essential to maintain and improve brand positioning within the most relevant sector of the Argentine economy. Similarly, during the year he participated in national and regional events as well as rural exhibitions with the signing of agreements and agreements to enhance and accompany the development of the segment.

Among the agreements that were achieved this year, the focus on the value chains of the segment with specific proposals and designs was placed. Thus, agricultural card financing conditions were improved and agreements favored financing to the agriculture.

To strengthen the relationship with this segment, the bank has a strategy that covers until 2025 and that contemplates various pillars that allow having an integral vision of the business.

All this allows us to provide more and better tools to a specialized team of attention to this client segment, thus reaching its commercial objectives.

On the other hand, Banco Patagonia positioned itself within the first private banks in number of operations endorsed by reciprocal guaranteed societies.

In line with this, a new commercial action was carried out that reached more than 45 thousand prospects, with a pre -approval of Acindar SME SGR and a new digital guaranteed circuit with BIND SGR guarantees was developed, which allowed to obtain an automatic response on approval of a request for guarantees. This allows us to accompany the development and growth of SMEs and their industrial value chains, main engine of the country's production.

It is vital for the business to maintain lasting ties with customers. Therefore, this year different commercial actions were carried out with clients and partners to increase the links of the SME segment, managing to enhance and loyalty the relationship with customers.

Challenges for 2023

- Consolidate a differential value proposal for the segment of small and medium enterprises.
- Expand our penetration in the agricultural segment improving our credit proposal and benefits for producers.
- Expand and incorporate functionalities to COPICLOTO to facilitate and digitize wholesale commercial management.
- Loan line launch with sustainable purpose.
- Improve the experience of the SME client, achieving an identity of the segment and market positioning.
- Expand our offer of insurance companies and agriculture.

Wholesale Products

+ \$20,000 million in ECHEQs discounted during 2022

+ \$98,500 million in ECHEQs issued through the Pagos Cash Management Service

Banco Patagonia accompanies the needs of its customers facilitating the operation. Since the implementation of the ECHEQS, the operation continues to consolidate year after year, being the preferred discount functionality by customers to access agile and safe financing.

Regarding cash management payments, Echeqs mass emission represented a 400% growth compared to 2021 and corresponds to 35% of the total amount issued by Banco Patagonia.

This year it joined the possibility of depositing Echeqs through the Interbanking platform, the functions of custody and rescue, providing a better experience of use to companies that operate through the platform.

Finally, in the Cash Management - Collection Account service, attributes such as the deposit, custody and rescue of Echeqs were incorporated; Reception of payments with transfers (PCT) of any digital wallet through a QR code associated with the collection account; and the authorization of self-service terminals as a new channel for the reception of cash and checks.

Among all the units that make up the wholesale segments together, the Business Management closed the year with a growth greater than 190% in volume of Echeqs emission.

Among the initiatives that were implemented during 2022, the MSMEs Electronic Credit Invoices stands out through the Invoitrade platform, specifying operations for \$ 10,000 mm.

On the other hand, the bank continued to promote different lines of financing nationwide, among which the productive investment line remains. In these lines, an environmental and social impact component is incorporated, so the client must sign an affidavit where he undertakes not to incur the detriment of these aspects.

Financing line	Purpose	\$ placed
<i>FONDEP LEASING</i>	Encourage the acquisition of national goods	1000 million pesos
<i>BICE + Banco Mundial</i>	Credits for long-term investment	16 million pesos
<i>FONDEP RIO NEGRO</i>	Exclusive to MSMEs of the Province of Rio Negro	200 million pesos
<i>FONDEFIN</i>	Exclusive to MSMEs of the Province of San Juan	50 million pesos

9.5. Foreign Trade

The armed conflict between Russia and Ukraine caused great uncertainty at the global level. Disruptions in input supply chains had a strong impact on international prices, mainly for energy and food products. As a result, there was an increase in world inflation and, consequently, an increase in the reference interest rates in the main economies of the world. In this context, throughout the year, the BCRA continued to perfect the exchange regulations to promote a more efficient allocation of foreign currency.

Considering the current context, the Bank supported the clients' business through credit assistance using correspondent lines and commercial actions to capture flows of funds from imports and exports.

By virtue of complying in a timely manner with current regulations and risk control, actions to make services more efficient and adapt to services were carried out throughout the year, adapting internal regulations associated with Comex operating processes and their risk mapping.

Additionally, the Bank continued with the permanent updating of forms, complementary documents and sworn statements, to be aligned with the regulatory and instrumental requirements for each one of the Foreign Trade and Exchange operations.

To achieve a better customer experience, several electronic services were implemented, including the option of multiple authorization of electronic requests asynchronously, with a single associated token; expiration notices for importers and exporters of goods; improvements in the existing services of the e-bank Empresas platform; and the implementation of the SEPAIMPO project, which makes it possible to optimize interaction circuits with the BCRA and reduce exchange-operational risk.

Based on the more than 60 new provisions that modified the rules in the local exchange market during 2022, the Bank trained all the personnel of the Comex Operations Management and Support Management for the Comex business. The training was oriented to the controls and processes that must be executed to ensure compliance with regulatory requirements. In addition, internal and external audits were maintained to detect opportunities for improvement to provide correct advice to customers. In the same way, work continued jointly with the Asset Laundering Prevention Management to minimize the risks inherent to this business.

Keeping customers updated and establishing a dialogue channel improves the experience. Therefore, through Trade News and the Bank's institutional website, regulatory changes and their impact on the implementation of operations are communicated.

As a member of the Argentine Banking Association (ABA), the Bank actively participated in the Foreign Operations Committee, providing ongoing advice to the rest of the organization's areas and to the Banco Do Brasil staff. Likewise, he carried out an active agenda of meetings with clients of the Bank and Banco Do Brasil and participated in different events organized by the latter through virtual talks on the current Argentine exchange context and its perspectives for the year 2023.

This year, promoting the self-management of our clients, through our channel e-bank Companies, it was possible that 70% of the operations of transfers abroad and payment orders received from abroad are carried out electronically, in line with what was planned in the Strategic Plan 2021-2025.

Banco Patagonia continued to operate with a quality management system in the Foreign Trade and Exchange processes, in accordance with ISO 9001:2015 standards.

Challenges for 2023

- Continue evolving to achieve growth in volume, market share, and expansion of the customer base, based on the offer of products, services, and service models that ensure a permanent improvement in the level of experience provided to customers.
- Deepen the use of digital channels for customer transactions, with more self-management capacity for customers and improve their experience.
- Make the necessary system and operational adaptations, to adapt the products to the needs of the business and regulatory requirements. This will allow expanding the capacity of processes to increase income from services and ensure risk care.

9.6. Credits

The Bank consolidated its credit granting strategy in both the retail and wholesale segments, maintaining the practices of monitoring and follow-up of customers with active credit ratings.

Regarding the retail segments, the focus was based on optimizing ratings by minimizing delinquency rates; streamlining mass customer qualification processes, while promoting the renewal of lines qualified by traditional methods.

Likewise, in the wholesale segments, the credit attributions of the different credit committees were increased to expedite response times to customer needs, as well as to decentralize decisions.

- **The year closed with the lowest total delinquency rate in relation to the entities considered to be in the competitive environment, and well below the rest of the private entities.**
- **Regarding the commercial portfolio, Banco Patagonia remained in first place, while in the consumer portfolio it occupies the third position.**
- **In 2022, the qualified customer base increased by 82,224, evidencing a growth of 11% compared to December 2021.**

To optimize the credit analysis processes, boards were built with management indicators that allowed monitoring, measuring, and taking corrective actions on the customer profiles with the highest probability of default. In addition, the adaptations of various internal regulations were promoted, under the premise of describing in an orderly and methodological manner the daily actions related to the qualification and administration of universes of member clients.

On the other hand, progress was made in the preparation and use of new predictive models that allowed the optimization of the credit rating of clients and the calibration of default indicators in accordance with the defined risk appetite.

During the year, progress was made with the second stage of the new credit rating system for customers in the commercial portfolio, which made it possible to maintain the entire customer credit file on the same platform and determine the rating margin available online, with opening by product and type of risk.

In 2022, 3,244 credit proposals for Ps.1,050,176.8 million from the agricultural, automotive, financial, and oil and gas sectors were categorized in environmental and social terms. All proposals met the requested requirements.

Credit Recovery

In order to develop practices that contribute to reducing and mitigating the eventual impact of the Bank's customers in arrears, work was done to enhance the efficiency of the arrears cycle of the Personal segment. For this, the sending of emails and/or text messages (SMS) reminders was implemented for each client that has agreed to a payment promise, improving the task of the officer in charge of management and streamlining communication with the client.

In the Business segment, we worked together with the commercial and credit sectors on preventive advice, thus forming part of the monthly follow-up meetings with the Branch Network for the SME segment.

Regarding Guarantees, the implementation of the new customer credit rating system for the commercial portfolio began to be registered through a new process. In this way, systematized, public, more precise and detailed information will be available on the different guarantees with which each client operates. This information will be accessible to the commercial and credit areas of the Bank for consultation purposes, issuance of reports, generation of follow-up alerts, among other incorporated functionalities. This facilitates the internal management of guarantees, adding security and agility to the processes.

Likewise, the process manuals were updated, which currently include the digitization of all instances of ABM de Guarantee and establish new security measures for the transfer and final storage of legal documentation, in accordance with the standards agreed with the internal control areas of the Bank.

In line with previous years, internal training continued to be provided to collaborators to consolidate the professional level reached, directed mainly at the Branch Network. Among the topics addressed are the following: Instrumentation and execution of FOGABA guarantees, Use of the SCACS tool for ABM Guarantees, Induction to Commercial ATMs, Use of Emerix for delinquency management, among others.

Challenges for 2023

- Generate a roadmap in social, environmental and governance matters, focusing on policies and strategies related to climate change.
- Carry out the necessary adjustments to the systems and operations, to be able to expand the functionalities of the self-liquidating guarantees. This will allow them to be used to simultaneously guarantee several credit operations of the same client, receiving the treatment of generic guarantees.
- Implement the third stage of the commercial portfolio ratings tool, as well as include the SME and agri-SME segments.

9.7. Finance and public Sector

Capital Markets

Banco Patagonia was the main placer of trusts and the entity that issued the most Negotiable Obligations (ON), positioning itself in loans to regulated Financial Entities with a participation of 45% of the placements in the stock market issued by Entities and Card Holders. This achievement was because of work and business development with financial companies, financial entities and card holders to assist them both credit-wise and through advice and placement of their ONs. This allowed the Bank to be within the first three places during most of the year,

In this sense, Banco Patagonia participated in 63 issuances with more than 25 issuers. Additionally, the Bank continued adding new issuers in the placement of Negotiable Obligations such as: Pampa Energy, YPF Energía Eléctrica, Credicuotas, Banco de Servicios Financieros; for an issue amount of \$30,216 million, USD 100 million, \$5,390 million and \$1,800 million respectively. In turn, he was a placement agent in the issues of Genneia S.A. and Luz de Tres Picos S.A. aligned with the Green Bond Principles.

In relation to trust business, the agreement with Mercado Libre was renewed, once again choosing the Bank as trustee, organizer and placement agent of its financial trusts, through the securitization of: a) credits to sellers within its platform; and b) credits to consumers within its platform. Said agreement was reflected in the issuance of 14 financial trusts for an amount of \$44,813 million. As well as participated in the placement of seven financial trusts in which Cencosud S.A. was the trustor for a total issue amount of \$14,062 million.

During the year 2022, Banco Patagonia continued to organize and place in the capital market the financing program for the province of Río Negro; and placing bills and bonds from the province of Neuquén, making it possible to improve the maturity profile of its debt securities. Additionally, it organized and placed a new debt issue of INVAP denominated in pesos and placed bills from the province of Tierra del Fuego.

Likewise, the Bank participated as a placement agent in the issuance of sub-sovereign titles in the Province of Tierra del Fuego, incorporating it as a new client in this type of operation.

At the international level, the agreement with UBS BB Investment Bank (headquartered in São Paulo, Brazil) is maintained to provide clients in Argentina with greater access to leading services in investment banking and international capital markets in accordance with regulatory frameworks existing.

As of December 2022, the Bank maintained first place as a placement agent for financial trusts in the local market, and fourth by adding negotiable obligations, according to the Electronic Open Market methodology.

Institutional Clients and Structured Products

As part of the strategy to remain among the main entities in the country, Banco Patagonia works with insurance companies to offer them tailored services that meet their needs, including improvements to the Custody Global website. In addition, it continues to have commercial and credit relations with the main Mutual Guarantee Societies and Provincial Guarantee Funds authorized by the BCRA. Banco Patagonia is among the top 7 banks with the highest volume by guaranteed amounts of current guarantees. Likewise, this year the Bank has approved its incorporation as a Protector Partner in Garantizar SGR, which will allow it to continue increasing participation in said market from different roles.

On the other hand, the group continued working on the growth of PATAGONIA VALORES SA - AlyC and AN Integral No. 50, who works as a BYMA agent (Bolsa y Mercados Argentinos) and a member of ASM (Argentine Stock Market). This year, the role of Mutual Investment Funds (ACDI) underwriter was incorporated, allowing Patagonia Valores clients to invest in the Lombard Fund family and, in the future, the possibility of increasing the range of Fund options from other Management Companies.

Business with Public Sector and Universities

Banco Patagonia seeks to maintain leadership as a financial agent for national universities. This year, the Bank was awarded the tenders for the National Universities of Chilecito and Austral Patagonia. To strengthen the link with the universities, it carried out various activities on university campuses to bring its offer closer to university students.

Considering that the Bank proposes as a challenge to increase the portfolio of private universities, it continued to strengthen its relations with the Universidad Abierta Interamericana, Universidad del Salvador, Universidad del Siglo XXI, adding this year to the University of San Andrés and the University of Morón.

Taking into account the plan to expand the scope and accessibility of Bank services to populations throughout the country, this year the opening of the service center in Chichinales, in Río Negro, was completed. Likewise, together with ANSES, it started a banking program in rural areas, allowing all older adults to access banking services, thus promoting financial inclusion.

17 entities trust Banco Patagonia

One more year leading the ranking as a financial agent of the private banks with the largest number of universities in the country.

During most of 2022, the Bank remained among the top 3 banks in loans to other Regulated Financial Entities

The bank continues to be among the first 3 custodian banks of Insurance companies.

Challenges for 2023

- Continue with Banco Patagonia's leadership in national universities.
- Increase the Bank's participation in private universities.
- Continue strengthening its role as Financial Agent of the Province of Río Negro and its satellites, municipalities, and companies.
- Increase the participation of clients of financial trusts and commercial obligations.
- Stay within the first 3 custodian banks of Insurance Companies.

9.8. Digital Business

+200 business initiatives developed to improve the customer experience.

42 automated processes implemented through RPA (robotization).

+60 new solutions, functionalities and products implemented aligned with the Bank's Strategic Plan for users in digital channels

New Digital Wallet section in Patagonia Mobile

New Auto Insurance 100% online on our Digital Insurance Platform

+ 61% of Bank customers transacting through digital channels

+ 95% of monetary transactions in electronic/digital channels

+ 30 million transfers and payments for services through the internet and mobile banking

Guided by the 2022-2025 strategic plan, the Bank continued to advance with its Digital Transformation Plan, with the aim of strongly growing the participation of digital businesses in its business. The new solutions, tools and digital functionalities were aimed at increasing accessibility, self-management, and digital engagement of customers, through innovation and improvement of the experience in digital channels. More than 200 initiatives were developed aligned to these objectives. The main actions were linked to: the increase in the number of transactions per customer, the expansion of the digital offer for product sales and self-management, Echeq discount and greater agility in the sale of products from the branch platform.

The Bank worked on actions aimed at converting customers from all segments into digital users.

Main advances in Banco Patagonia's Digital Transformation Plan

More value in Digital Channels

Banco Patagonia developed the first Bot of the Argentine Financial System to incorporate reactions and the possibility of consulting online claims.

The Bank maintained a continuous process of improvement in the capacity of its digital relationship channel (ChatBot and Human Chat) based on the interaction and feedback it received from users. In terms of improvements to the customer experience, the main initiatives implemented were:

- Development of the digital service channel (ChatBot) to consult claims.
- Development of the digital customer service channel (ChatBot) on social networks (Facebook Messenger) and on the Entity's institutional website.
- Apple Pay from Patagonia Móvil for payments with Visa cards.
- Web and Mobile Options for reports of theft or loss of credit and debit cards. In addition, authorization of personal credit cards, increase in credit limit and update of address.
- Modo: improvements in the UX/UI, highlighting the redesign that managed to reduce the number of steps for payments with QR by 2 clicks, inclusion of the digital wallet section in the Patagonia Mobile App, creating a new space to expand offers present in digital wallets, such as display of promotions and activity feed, as well as a new online cash back solution called "touch refund".
- eBank Companies: implementation of the signature scheme for investment and a new functionality for payments of services and taxes.

On the other hand, the requirements of the regulatory body were met, among which the implementation of the MEP transfer operation through web services stands out.

Digital On Boarding

New offers were developed, a new solution for salary plan clients and improvements were implemented in the UX/UI that managed to significantly improve the loss of prospects in the biometrics process and the channel conversion rate.

Agility in processes

Guided by the LEAN methodology, the Entity worked on simplifying processes and automating them to speed up response times and streamline management. Some examples of this are:

- Sales to the Touch: new process that reduces the steps of the branch for the sale of Packages and Personal Loans, aimed at customers who have a current Global Rating and do not require updating of personal data.
- Remote Sale: option that allows the acceptance of products via Mobile. For loans, this option was extended to customers with more than one account holder.
- Efficiency of the file loading process: replacement of manual data loading by barcode reading.
- Cancellation of checks due to expired terms: modification of the process so that the client receives the communication from Ebank of the destruction of the expired check in less time. If the client needs proof of a destroyed check, a certification is issued. In this way, savings were achieved in: branch operating times, BO Cash Management, and the entire use of paper; giving greater security in the processes by avoiding the sending of documentation between the branch and the central area.

Process robotization

With the focus placed on the digitalization of processes and operational efficiency, the Bank continued to bet on the automation of key processes. This year, 42 new processes were developed, adding a total of 95 production processes. Thus, the impact is reflected in the 27,916 hours generated that were returned to the business to dedicate to other projects.

Desktop virtualization

In compliance with the scheduled schedule, and after the user testing and training stage was completed, the accesses were enabled, and the virtualized applications were made available.

Challenges for 2023:

Continue to evolve in digital channels with more self-management capabilities for customers and improve their experience with the renewal of apps and sites, together with technological modernization. Some of the improvements will include:

- Strengthen the Digital Wallet by incorporating new payment features, integrating with current and new products, and improving the payment experience from the App.
- Open Finance: lay the technological foundations and make the first financial and non-financial solutions available to users.
- Expand the scope of the On Boarding Digital tool to new segments and types of customers.
- Develop analytical models and integrate them into the Bank's digital customer service channel to increase user engagement.
- Develop a new digital service channel for companies.
- Expand the service via Chatbot to new channels, based on the intensive use of AI (Artificial Intelligence) technology.
- Improve the customer experience in digital channels, focusing on the mobile channel.
- Deepen the use of digital channels for customer transactions.
- Strengthen digital channels in their role of selling Bank products.

Customer Contact Center

- **+1200 registrations managed through the OnBoarding campaign.**
- **+8500 active customers from the implementation of the Activation and Loyalty Team with the management of outgoing calls offering different anchoring benefits.**

The Bank focuses its efforts on adequate customer service, which is why it constantly works to improve contact channels with cutting-edge technology and train its employees to provide correct advice. Under this framework, it developed initiatives that impacted the level of customer satisfaction according to the results of the NPS (Net Promoter Score).

One of Banco Patagonia's main objectives in this matter is to convert the Customer Contact Center into a Digital Experience Center. Thus, in 2022, improvements were continued in the PADI ChatBot, in the digital service model, and in the call back to the IVR, thus speeding up response times. Likewise, the functionalities of the Patagonia Móvil App and the commercial platform were expanded, which this year added the option of selling packages.

By 2023, the challenge is to continue working on the digitization of customer service channels by incorporating new functionalities that allow us to provide better service to customers.

The Customer Contact Center in numbers

- **4,940,235 total calls by Self-management (IVR)**
- **487,178 calls answered by operator of the People segment**
- **127,215 emails**
- **11,301 insurances sold**

Digital communication with clients

In order to maintain close and fluid communication with its customers, throughout the year, the Entity continued to report on current benefits and promotions, important information for operating, educational content, sweepstakes, news, among other topics.

As a novelty, this year the Bank incorporated new media from the digital ecosystem: Online Radio, Online TV, streaming platform (Spotify) and Gaming mobile Apps. To do this, it used native formats, specific to each system, which allowed the brand to reach new prospective segments of the Bank.

In addition, based on new Instagram features, such as interactive stories and the reel format, the development of interactive content based on the interests of customers was reinforced and awareness of preventive care continued in the face of the increase in scams. Lastly, a campaign to attract followers was implemented on Instagram, which doubled the number of followers on the platform in one year.

Presence in social media	Description	Number of followers in 2022	Number of followers in 2021
Facebook	Platform most consumed by the Bank's audience. It works as a two-way route and communicates campaigns, shows, benefits and tutorials.	190,514	185,365
Twitter	Dynamic channel that has an ephemeral content that presents constant opportunities to participate in conjunctural topics. This platform is primarily used to resolve queries made directly to the Bank's profile.	20,173	19,220
LinkedIn	Social network oriented to commercial and professional relations. Its objective is to promote the Bank's image as a workplace that meets the needs of its current and future employees. Institutional and commercial contents are currently published.	168,632	137,180
YouTube	As the main platform for audiovisual content, it is used as a repository for materials generated in such a format in a one-way	7,160	6,750

	manner. The main topics that are communicated are tutorials and commercial of the Bank.		
Instagram	The main platform where the content of shows and entertainment and benefits are communicated. It functions as a two-way channel that redirects conversations to private messages for complaint resolution.	50,407	24,786

Main digital branding and performance campaigns:

"I Will Live" Campaign.

Aligned with its new purpose "Accompanying people's development", the Bank continued the path followed the previous year with the "You and what you want" campaign, deepening and strengthening this concept with a new 360° campaign. The campaign was massively disseminated at the federal level through open TV, cable TV, PNTs (non-traditional advertising) and new touchpoints were incorporated: digital TV, cinemas, and Spotify. In addition, online radio stations and digital media such as Facebook, Instagram, YouTube, Programmatic Purchase, and the main national and Interior online newspapers were reached. Additionally, digital branding and performance campaigns were implemented that leverage the digital transformation process.

Patagonia Bank at the touch

The Bank continued to promote the campaign to attract new customers on social networks and other digital channels, registering 100% online through the Onboarding Digital platform.

MODO

Considering the new preferences of customers who seek agility in transactions, different campaigns were developed with promotions and benefits for the use of the virtual wallet and payment with QR. In 2022, a new digital strategy was incorporated with the aim of recovering customers who had already used MODO, but for some reason did not continue operating in a certain period of time.

Patagonia Club

To encourage customer subscription, the Club Patagonia advertising campaign was reinforced, focusing mainly on the communication of the store (Marketplace) to encourage exchanges/purchases. To fulfill this objective, the Club's current promotions and benefits were disseminated, also accompanying special dates (Cyber Monday, Black Friday, Hot Sale, Christmas, Mother's Day, etc.).

Mobile Patagonia

This year, a mobile Patagonia download campaign was launched, segmented by database to customers who had not yet downloaded the APP. Through Google, the benefits of operating through Patagonia Móvil were communicated, with a specific call to action that leads directly to the store to install the APP. To these campaigns were added digital campaigns aimed at various customer segments, each one responding to an objective present in the Bank's Strategic Plan: customer digitization, increase in transactions and adherence to Token Patagonia.

New Savings and Benefits Platform

Banco Patagonia began to develop a new platform to communicate savings and benefits, with filter options to improve the user experience.

Client meetings

In 2022 we returned to music as the exclusive sponsor of the 46 Abel Pintos shows in Argentina! We accompanied him in his recitals in City of Buenos Aires, Mar del Plata, Rosario, Córdoba, Mendoza, and La Plata, with more than 130,000 spectators and more than 2,500 clients who lived their #BPExperience with us.

In 2022, the Bank resumed holding face-to-face events that were added to the virtual meetings initiated in the context of the pandemic that allow loyalty actions with our customers.

In turn, to accompany the positioning of the brand, sponsorships in sports and cultural events and activities were resumed. In each case, brand activations were carried out for the general public and exclusive spaces were set aside for Bank customers. During the summer season we were present in Las Grutas and Mar del Plata, while in winter we did the same at Cerro Cathedral in Bariloche in winter. In the latter, the "Patagonia Refuge" was installed, an exclusive space for the attention of our clients at the base of the hill.

In addition, the following actions were carried out:

- Participation of Expoagro 2022.
- Organization of breakfasts and lunches with economic/political leaders with clients.
- Development of the "Cycle of economic-financial talks" virtually through an exclusive platform.
- Accompaniment to the province of Río Negro in regional festivals and anniversaries.

Challenges for 2023

- Continue positioning the brand through a 360° advertising guideline in mass and digital media, and through the Bank's channels organically.
- Strengthen the Bank's awareness through a consolidated digital strategy of social networks, focused on attracting new followers and communication of products and services.
- Launch new credit and debit cards with renewed design and disruptive materials.

9.9. Customer Experience

In order to honor its Vision of being a Bank recognized for its customer service experience, Banco Patagonia performs customer experience measurements through renowned market consultants as well as internal measurements. These studies allow it to have the perception of customers in relation to their comprehensive experience with Banco Patagonia and in the interaction with the following channels: branches, E-bank, Patagonia Móvil, Customer Contact Center and the Digital Relationship Channel (Padi). The information obtained is shared with the business areas and channels so that the different teams can work on continuous improvement, in order to ensure an improvement every day that leads the Bank to be an entity recognized for its service experience.

During 2022, work continued to bring the voice of the customer closer to the different channels and areas involved in the experience with each point of contact. Likewise, during this year all the measurements carried out by Banco Patagonia linked to Customer Experience were migrated to the new tool and Club Patagonia was incorporated into the measurement.

In pursuit of continuing to work for excellence, during 2023 the Bank will continue to generate the studies and research that allow it to be kept up to date in terms of customer expectations.

Quality certifications

● ISO 9001 – QUALITY MANAGEMENT SYSTEM (QMS)

Once again, Banco Patagonia carried out the annual renewal of the Information Security Management System (ISMS) certification, aligned with the ISO 27001 standard. The audit was carried out on the activities of logical access control to information assets, monitoring, and maintenance of the necessary controls for the adequate provision of confidentiality and integrity services to internal and external clients.

Likewise, the audit program of the Quality Management System (QMS) aligned with the ISO 9001 standard on the monitoring and recertification of the Salary Plan, Cash Management Payments, Custody of Titles, and Foreign Trade was carried out.

9.10. Benefits: Club Patagonia

+155,000 customers subscribed to the Club Patagonia program
3,500 businesses adhered to the benefits program

During 2022, Banco Patagonia focused on consolidating its strategy aimed at digitizing benefits and promotions. In this sense, it continued to encourage the use of virtual channels to interact with customers, whether for communication, service or product acquisition with the aim of improving the experience of all users.

The Club Patagonia program, a marketplace where customers can redeem their points and use their credit and debit cards to access a wide range of products, miles, and savings, managed to position itself in the financial market as one of the most valued programs in 2022 by customers. On the platform, customers can find products and awards linked to sustainability. In 2022, more than 155,000 customers were subscribed to the program and more than 92,000 transactions were made.

In addition, the Entity continued to promote within this program the "Sustainable" category that brings together products with low environmental impact, organic food, artisanal and recyclable products, among others.

On the other hand, exclusive benefits continued to be developed with payment through the application's QR code to encourage the use of the Patagonia Móvil digital channels and the MODO wallet.

The platform currently has more than 3,500 affiliated businesses from all over the country, with a wide variety of brands in the retail, gastronomy, entertainment, clothing and healthy eating areas.

Challenges 2023

One of the most important challenges will be the development and implementation of a new value proposition designed for the youth segment.

The Bank also plans to develop long-term alliances, which allow it to satisfy all customer needs and generate differentiating attributes for all products, which are innovative and disruptive.

In turn, it will continue to expand and strengthen the Club Patagonia benefits program, with the aim of improving and maximizing the experience of all customers.

Credit and debit card benefits

The bank offers discounts with all its credit and debit cards in the main items, such as supermarkets, fuel, and restaurants. In addition, it carries out weekly benefit shots, aimed at satisfying the needs of all the Bank's segments, trying to reach each one, with a unique and differential proposal.

Every month, it also generates benefit campaigns related to different themes, such as back to school, Valentine's Day, Father's Day, or Mother's Day, among others.

In turn, it has a strategy focused on offering discounts on digital platforms and on the main gastronomic platforms, which provide a very important differential compared to the competition and allow for attributes that are highly valued by all of the Bank's customers.

9.11. Claims Management

With the aim of improving the customer experience, Banco Patagonia has its own system for registering, solving and monitoring claims. Through this, the Bank centralizes claims to integrate quantitative data and offer reports for taking actions and improving processes.

In 2022, it continued working on improving processes to speed up response times and solutions to customer demands.

Challenges for 2023:

- Implementation of the Middle Back Office, a new management system focused on improving the customer experience when making a claim, improving deadlines and resolution, and allowing self-management.

9.12. The Network

With the aim of increasing efficiency in branch management, the network was restructured and 10 regions that encompass its 184 branches were determined. This restructuring is part of the adaptation of the business to the new consumption habits of customers, who increased the use of digital channels.

In the permanent search for improvements in customer service, during this year the focus was placed on efficiency plans, among which the following stand out:

- **Service protocol:** the service protocol was developed and implemented, unifying the message and the way to contact customers throughout the country.
- **Job efficiency:** all the jobs in the Branch Network were analyzed and made more efficient, which led to the rotation of collaborators according to the commercial or operational needs of the different jobs.
- **New commercial post:** a new mixed post called commercial cashier was created. This position allows commercially profiled cashier positions to rotate into a sales role at times of the month when the market or sales targets require it. This new position has sales budgets and tools to execute them.

The Network in numbers

- **184 branches.**
- **21 service centers.**
- **581 automatic teller machines (ATMs). In branches and service centers 535 and in Neutrals 46.**
- **402 Self-service Terminals (TAS) installed in Branches.**
- **151,693 insurances, 216,226 Cards and 209,490 packages registered.**
- **1,718 employees including Branch managers, employees from the commercial area and the operating sector.**
- **1,393.34 m² intervened by works.**

As part of the strategic plan, the Bank made a large investment in technology, equipment, and infrastructure. In this sense, 76 pieces of equipment were replaced between ATMs and self-service terminals in 35 branches due to reforms in the lobbies. In addition, a Digital Computer was installed in the Martínez Branch and the project and tender for the reform of the Barracas Branch began for its entrance modification. In addition, the adaptation work began at the Godoy Cruz Branch and the remodeling of the Cerro Catedral Promotion Center, Bariloche. Likewise, commercial stands were added in some branches and external signage was conditioned.

9.13. Accessibility

390 ATMs adapted for the use of people with visual disabilities.

Being an inclusive Bank is one of Banco Patagonia's aspirations; Therefore, every year it works on improvements that facilitate accessibility for people with disabilities.

This year, the following initiatives were carried out:

- Installation of 10 ATMs adapted for the use of people with visual disabilities.
- Implementation in branches of software that allows translation into Argentine Sign Language (LSA) to improve the experience of customers with hearing or speech disabilities.
- Adaptation of the Patagonia ebank and Patagonia Móvil channels to facilitate navigation for people with visual disabilities.
- Development of different training activities for the entire Bank on accessibility.

9.14. Physical Security

The Bank seeks to guarantee the health and safety of all the people who attend its facilities by monitoring compliance with protocols and regulations and making the necessary adaptations to increase physical security.

Within this framework, the implementation of a coverage system with a Remote Monitoring Center for 100% of the Branch Network stands out. As of this year, all Branches have remote monitoring, which allowed reducing the number of security guards and police officers required for their coverage.

100% of branches with remote monitoring.

The Bank also carried out health and safety evaluations in branches on the Evacuation Plan (100%), lighting (5.5%), ergonomics (100%), evacuation drills (87.1%) and ES - earthing system - (100%).

Leveraging these initiatives, the Bank provided training, e-learning courses, and communications in WorkPlace (internal communication platform) on topics related to physical security and safety and hygiene. Additionally, material was available that contributes to facing the inspections of the different control entities of the country.

On the other hand, the Bank trained 100% of the guards from security companies that work for the Bank in security and surveillance, legal issues, human rights and first aid.

9.15. Security in the handling of data

Banco Patagonia's strategy focuses on preventing, responding to, and mitigating the growing variety and number of threats inherent to the financial ecosystem. In this sense, during 2022 the maturity of perimeter and extra-perimeter controls was improved.

The information security management system was subject to a comprehensive review by the international company TÜV Rheinland, granting once again the ISO/IEC 27001 re-certification.

Managing information security and Cybersecurity under these tools contributes to the visibility of the protection measures adopted, as well as promoting a culture of information security based on the reasonable management of risks associated with assets. In the same way, it makes it possible to reinforce work in defense of cyber-attacks and cyber-risks and to manage a rapid recovery against the materialization of threats, better known as cyber-resilience.

In a culture of digital transformation, the use of technology becomes essential for business management. Therefore, having cybersecurity systems that prevent and mitigate attacks becomes essential for the Bank.

The main objective of the Computer Security and Protection of Information Assets (SIPAI) area is to accompany the growth of digital business with the necessary security. And the development of training and awareness campaigns for internal and external clients is essential to reduce risks.

In this sense, the Information Security awareness campaigns had the hashtag **#Safety Starts With All of Us** as a demonstration of the commitment of both the area and the rest of the bank's areas to safeguard our customers' information. These internal dissemination campaigns were focused on fraudulent sites and online purchases.

To keep up to date, the Information Security and Asset Protection Management frequently reviews its policies, manuals, and procedures in order to incorporate new domains, processes and controls.

Challenges for 2023

The strategic plan that includes:

- Continue working online with the authorization of the Bank's businesses in the safest way, guaranteeing clients the confidentiality, integrity and availability of systems and transactions. Likewise, reinforce the cyber-resilience and cybersecurity process with a preventive vision hand in hand with the corporate strategy.
- Incorporate new technologies to the security event monitoring system, which has an impact on the safeguarding of internal and external information, since it means having preventive and reactive information available in the event of a potential incident that arises in the entity.

10. HUMAN CAPITAL

Banco Patagonia fosters a human work environment where dialogue, meeting and team support prevail. The Bank promotes actions to improve internal communication and carries out training and training projects adapted to the needs of the new context so that employees can strengthen their sense of belonging.

10.1. Employee profile

EMPLOYEES IN FIGURES	2022	2021
Number of Employees	2,958	3,112
By gender		
Women	1,468	1,534
Men	1,490	1,578
By category		

Superintendents	6	6
Senior Management	65	69
Middle Management	274	287
Employees	2,613	2,750
By age		
Up to 30 years	296	305
From 30 to 50 years old	2,029	2,157
More than 50 years old	633	650
By region		
Central areas	1,139	1,168
CABA and Buenos Aires Branches	810	877
Interior Branches	1,009	1,067
By type of contract		
Fixed term	8	7
Effective	2,950	3,105
Average length of service (in years):		
Superintendents	16	17
Senior Management	19	18
Middle Management	18	17
Employees	14	13
Average age		
Superintendents	51	51
Senior Management	50	49
Middle Management	48	47
Employees	42	41
Turnover rate		
Total turnover rate	0.96 %	0.85 %
Undesired turnover rate	0.67 %	0.53 %
Other indicators		
Staffing reached by joint agreements	97.37 %	97.4 %

EMPLOYEES IN FIGURES BY GENDER	2022		2021	
	Women	Men	Women	Men
By type of contract				
Permanent labor contract (1)	1,464	1,486	1,534	1,578
Temporary employment contract	4	4	0	0
By category				
Superintendents	1	5	1	5
Senior Management	15	50	15	54
Middle Management	94	180	97	190
Employees	1,358	1,255	1,421	1,329
By region				
Central areas	547	592	554	614
CABA and Buenos Aires Branches	484	326	516	361
Interior Branches	437	572	464	603
By type of employment contract:				
Full-time	1,468	1,490	1,534	1,578
Part-time	0	0	0	0
(1) The breakdown by region is as follows: 1,949 employees in CABA and Buenos Aires, and 1,009 in the interior of the country				

EMPLOYEES IN FIGURES BY GENDER AND REGION	2022	
	Women	Men
Permanent collaborators by gender and region		

Central areas	543	588
CABA and Buenos Aires Branches	484	326
Interior Branches	437	572
Temporary collaborators by gender and region		
Central areas	4	4
CABA and Buenos Aires Branches	0	0
Interior Branches	0	0
Collaborators for non-guaranteed hours by gender and region		
Central areas	0	0
CABA and Buenos Aires Branches	0	0
Interior Branches	0	0
Full-time employees by gender and region		
Central areas	547	592
CABA and Buenos Aires Branches	484	326
Interior Branches	437	572
Part-time employees by gender and region		
Central areas	0	0
CABA and Buenos Aires Branches	0	0
Interior Branches	0	0

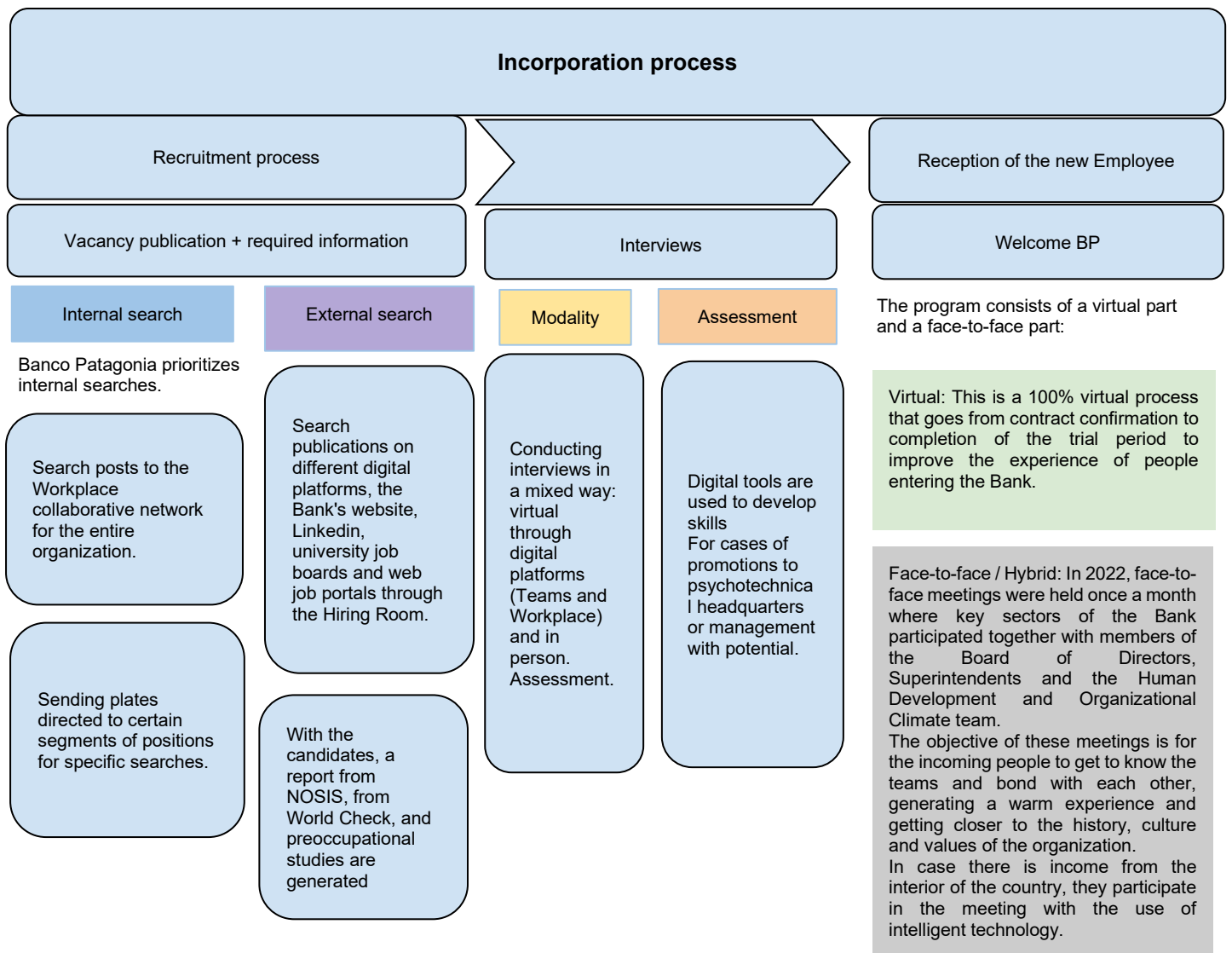
EMPLOYEES IN FIGURES BY JOB CATEGORY AND AGE				2022
	Under 30 years	From 31 to 50 years	Over 51 years	Totals by category
Superintendents	0	3	3	6
Senior Management	0	40	25	65
Middle Management	3	183	88	274
Employees	293	1,803	517	2,613
Totals by age	296	2,029	633	2,958

10.2. Jobs and job opportunities

During 2022, the Bank continued to develop the selection process in a mixed way, with both virtual and face-to-face instances. The incorporation of digital tools into the selection process to detect the development of skills in the different candidates stands out. On the other hand, the Personal Brand workshops continued, thus providing new tools for future internal searches called #OportunidadesBP. Optionally, they were also offered to participate in feedback spaces to work on strengthening their skills and building their organizational career path. This year, new projects were also added, such as the "Summer Experience" aimed at providing a first opportunity to children, nephews, nephews, and grandchildren of Banco Patagonia employees.

101 additions
101 promotions

Incorporation process



New programs

Reskilling Program **Hacking your Profile:**

The purpose of the Reskilling project is to work on the professional redesign of Bank employees, to recycle skills and knowledge in order to acquire new skills that allow them to perform in areas linked to technology and digital transformation that Banco Patagonia is undergoing.

Program for Children and Nephews of Collaborators **Summer Experience**

This project is aimed at providing a first work experience to children, nephews and grandchildren of Banco Patagonia employees.

BP Mentoring Program

OpportunitiesBP

It is an initiative that the Bank encourages to promote the development of employees, prioritizing the internal coverage of vacancies that are generated within the organization.

We complement this initiative with Personal Brand workshops that provide the internal collaborator with tools and tips to improve their skills in both individual and group interview instances.

BP Talents

From the Organizational Climate Management of Banco Patagonia, the BP Talents program was created to promote the development of the potential of young people from internships in areas related to digital transformation, especially in Systems and Digital Business. Ten members are part of the program and rotate through different sectors, while they are trained with specific technical knowledge with the support of a mentor. Likewise, they also take training from e-learning courses.

At the end of the program, it is expected that those who participated will fill real vacancies within the organization. In addition, with the aim of continuing to support the development of these young talents, the Entity provided training on various topics through the online platform for each one of them.

Mentoring for BP Talent Program

In 2022, the Bank decided to add mentoring to the BP Talent Program in order to strengthen support for new participants. The people selected for mentoring were references from previous editions of the BP Talents program, who received training to strengthen their role. In this way, the mentors accompanied each young person in their learning process, both from the technical point of view and the importance of developing soft skills.

Simultaneously, the BP Talent program also included the participation of mentees in training spaces facilitated by a consultant on various topics, including: Agile Methodologies, Time Management and Influence.

15 young people hired from the market and 5 internal candidates within the framework of the BP Talents 2021/2022 program.

30 participants in the program for children and nephews of collaborators, Summer Experience

Hires and rotation	2022				2021			
	Entries	Cancellations	Rotation (1)	Rate of new hires (2)	Entries	Cancellations	Rotation (1)	Rate of new hires (2)
TOTAL	101	250	-5.04%	3.41%	117	205	-2.82 %	3.75%
By age								
Up to 30 years	59	60	-0.03%	1.99%	73	47	0.8 %	2.3%
From 30 to 50 years old	38	161	-4.16%	1.28%	42	116	-2.73 %	1.3%
More than 50 years old	4	29	-0.85%	0.14%	2	42	-0.12 %	0.6%
By región								
Central áreas	99	64	1.18%	3.35%	112	119	-0.2 %	3.5%
CABA and Buenos Aires Branches	0	128	-4.33%	0%	0	40	-1.2 %	1.2%
Interior Branches	2	58	-1.89%	0.07%	5	46	-1.3 %	0.16%
By gender								
Women	42	107	-2.20%	1.42%	43	88	-1.4 %	1.3%
	59	143	-2.84%	1.99%	74	117	-1.3 %	2.3%
(1) Formula = (Additions - Retirements) / Total number of employees.								
(2) Formula = Additions / Total employees.								

10.3. Continuous training

Banco Patagonia constantly updates the training offer so that its collaborators have the opportunity to develop professionally in the organization.

44,974 hours of training

The Bank has Campus Patagonia, its own learning platform, where training and programs are available that are open to all employees, as well as specific programs for certain roles.

Training and development strategy

During 2022, the training and development strategy was designed following the objectives of the 2021-2025 strategic plan. The pillars of it are, on the one hand, the process of digital and cultural transformation and, on the other, the work with leaders to strengthen the development of skills and the work environment. Based on these pillars, different training programs were carried out, such as the "BP Leadership Academy", aimed at managers and middle managers to develop their leadership skills and business vision.

3,288 hours of training 304 participants

On the other hand, work continued to create a diverse training offer that is accessible to all Bank employees to strengthen internal professional development. During 2022, Banco Patagonia continued to bet on the virtual training modality, both synchronous and asynchronous, which made it possible to reach all Bank employees.

Likewise, in line with the cultural transformation, different courses associated with the theme of Diversity and Inclusion were developed, focused both on customer service and on promoting a culture of respect for diversity within Banco Patagonia.

Regarding the Internal Development of collaborators, a Talent Management Program began to be implemented, to detect collaborators with sustained high performance and high agility to learn, associated with soft skills.

During 2022, the mentors of the BP Talent program also accompanied the participants of the Reskilling program, through various meetings in which topics associated with the mentoring process, mentor skills, emotional management, among other topics, were addressed.

Training for each specialization

Digital transformation

Within the digital transformation strategy, the Bank is committed to training that continues to promote the agile mindset. During 2022, courses such as Programming for non-programmers, fundamentals of data analysis, Data Analytics program, among others, were developed so that people can acquire new tools and skills.

7 courses and programs were carried out:

- Data Analytics Program with Excel BI
- Fundamentals of Data Analysis
- Programming for non-programmers
- Digital Marketing Program, developing the main characteristics of this discipline to be implemented as part of communication strategies.
- UX_UI Academy
- Negotiation Skills 3.0, aimed at acquiring the necessary knowledge and skills to negotiate in virtual environments.
- Data Science Program

The Reskilling program is part of the Digital Transformation strategy, since it pursues the objective that employees with diverse profiles can reconvert through various training and work in areas of technology, innovation, risk models or datamining. With the aim of promoting internal development and supporting a culture of continuous learning, the program includes training according to the profile for 6 months, and later a period of practice in the aforementioned areas. In this instance, 29 internal profiles were selected to advance.

Customer Support

Improving customer service is one of the fundamental pillars of Banco Patagonia's strategic plan. During 2022, 2 internal training meetings were provided with the aim of standardizing the customer service. On the other hand, a "Service Guidelines Guide" was also co-created together with the Superintendence of Operations to redesign and also improve the response to internal customers. In this line, "Inclusive Service" training was carried out for employees who perform customer service tasks, focused on adapting to the needs of Bank customers. These practices were also added to the "Attention Guidelines Guide" of the branch network.

For different teams, the UX/UI Academy was carried out to promote the learning of key tools and methodologies to create customer-focused solutions that will allow the corporate axes of the 2021-2025 Strategic Plan to be achieved.

Agro business

Officials from the Agro sector participated in the 2022 Business Update Program, which was facilitated by internal collaborators from each of the areas involved.

Financial Business

The Bank developed the company update programs, aimed at Company officers, Agro, and Business Managers, as well as the 2022 SME Training Program whose objective was to provide a comprehensive approach to all the concepts and tools required for daily management. In addition, various courses on Bank products and services were provided, facilitated by internal specialists, such as the Integrity and Anti-Corruption Program.

Knowing the Network

This program continued, where content related to new customers, Cross Selling, credits, customer experience, process improvements, structure, building and technological aspects are covered.

Scholarship program

During 2022, the Bank continued to support its collaborators with undergraduate and graduate scholarships, specializations, and technical programs. Economic support was provided to 34 collaborators within this program.

Number of training hours	2022	2021 (1)
In-house training	43,247	42,676
Languages	528	759
Classroom and virtual classroom	23,828	26,559
Online	18,891	15,358
External training	1,727	3,602
Total hours	44,974	46,278
(1) The data reported in the 2021 Annual Report were modified due to an error in the calculations,		

Number of hours of training/collaborator	2022	2021
Hours/collaborator by gender		
Training hours/women trained	14.25	14.44
Training hours/men trained	16.05	15.19
Employee hours by category		
Senior Management	30.28	34.12
Middle Management	38.30	32.06
Other employees	12.44	12.63
(1) The unit of presentation of the data reported to 2021 is modified since the total hours had been exposed. and not hours/collaborator.		

Number of employees trained	2022	2021
Total	2880	3031
By gender		
Female	1468	1504
Male	1490	1527
By age		
Up to 30 years old	290	386

From 31 to 50 years old	1989	2075
Over 51 years old	601	570
By region		
Central areas	1131	1136
CABA and Buenos Aires Branches	744	861
Interior Branches	1005	1034

10.4. Performance Management⁷

Regarding Performance Management aligned with the objectives of the Organizational Strategic Plan, the OKR methodology continued to be implemented. To achieve the effectiveness of the Individual Development Plan, all the leaders of the organization must translate into a tool the development plan discussed with the people in charge. Likewise, two instances of formal review were proposed, one in the middle of the year and the other at the end of the year, and frequent conversations about the performance of collaborators were encouraged.

10.5. Climate management: support and care for people

60 face-to-face visits to branches

37 meetings with the branch network teams and with leaders

Climate Survey

The Bank carried out the work environment survey under the Great Place to Work (GPTW) methodology. Participation was 84% of all collaborators and allowed us to know their perception of their workplace.

84% participation

Identified strengths:

"Equity in treatment"

"The honest and ethical conduct of the business"

"Pride for what we achieved"

Opportunities for improvement found

"Continue strengthening our value proposition"

"Strengthen the innovative culture and customer experience"

"Generate more instances of celebration"

The Bank carried out specific actions with the objective of taking advantage of the opportunities for improvements detected:

- Visits were made to those branches with the best average in the GPTW survey, with the aim of celebrating the construction of a good climate in the teams. Lunches were held at the branches where good practices were also shared.
- Breakfasts were held with the Board of Directors in order to recognize the outstanding areas in the internal NPS survey.
- An event was held to recognize employees who stood out commercially. Among the participants were members of the Board of Directors of Banco Patagonia and Banco Do Brasil. Various speakers also participated who shared their experiences.
- The internal Crack BP Campaign was developed, as an instance of recognition to strengthen the bond between collaborators. It was carried out virtually through the Workplace platform, in which more than 300 collaborators participated, recognizing the work of more than 700 peers. Within this framework, a breakfast was held with the Board of Directors to recognize the collaborators with the greatest number of mentions.

⁷ The results of the 2022 performance evaluations will be available during March 2023, for which they will be reported in the following year's report.

Likewise, visits were made to the Branch Network with the aim of accompanying the leaders in reading and analyzing the results of the climate survey. This dynamic was replicated in different teams at Headquarters, and two workshops were given with the aim of exploring the platform, discovering its full potential and, in this way, achieving a comprehensive reading of the survey results.

Activities to promote closeness

The Bank once again celebrated "A Different Day" throughout the country, within the framework of the integration meetings that were promoted in 2022, with the aim of building loyalty and integrating employees and their families into the Bank's Culture Patagonia. At Headquarters, more than 140 boys and girls were able to accompany their parents to their places of work while they enjoyed an afternoon of games and surprises. The event followed a World Cup theme that included rotating game stations, a soft arena, a closing show, among other activities.

The initiative "A different day" was also celebrated in the interior of the country. The children of employees of the Branch Network were able to attend their parents' workplaces and share a different afternoon with them. In addition, in the interior of the country, employees were able to enjoy events outside the branch in which more than 1,900 people participated, including employees and children. Finally, more than 800 families were able to enjoy the benefit of visiting the Temaiken Bio Park to spend a day in contact with nature. In 2022, this proposal was extended to those collaborators who do not have children so that they could enjoy the benefit with a companion.

In the context of the 2022 World Cup, our buildings dressed as the World Cup. The enthusiasm of this sporting event was accompanied by launching a corporate Prode (sports forecast) for all employees, in which different prizes were awarded to the winners. In addition, Argentina National Team shirts and official World Cup balls were raffled for the first results of each phase.

To close 2022, year-end festivities were held throughout the country. Thus, the collaborators had the opportunity to meet to share a relaxed moment and celebrate the year of teamwork.

10.6. Diversity and Inclusion

Banco Patagonia understands that an inclusive and respectful culture is the task of all the people who are part of the Entity. For this reason, it decided to deepen its commitment and responsibility in the area of Human Rights, promoting an action plan that impacts the entire Bank's ecosystem: employees, clients, partners and the community to which it belongs.

In March 2022, the Human Development and Organizational Climate Committee approved the creation of an Interdisciplinary Cell for Diversity and Inclusion, with the purpose of strengthening the cultural transformation begun in 2021. It is made up of members of the Organizational Climate Management, Management People Management and Development, Innovation Management, Operational Risk Management, Internal Controls and Compliance, and Brand and Communication Management. In addition, the initiatives generated by the Cell are validated by the Executive Management of Human Development and Organizational Climate.

The Interdisciplinary Cell for Diversity and Inclusion was created, with the purpose of strengthening inclusive cultural transformation.

Within this framework presented and approved by the Board of Directors, it was proposed to mainstream the Diversity, Equity, and Inclusion agenda, promoting a progressive integration into the organizational culture of Banco Patagonia. In this line, the following objectives were set:

- Incorporate the perspective of Gender and Disability in the generation of internal and external communications.
- Promote the generation of work environments free of violence.
- Incorporate the perspective of Gender and Disability in the areas of digital products and businesses, in order to create inclusive products, services and solutions from their origin/design.
- Promote the development of emerging women leaders, laying the foundations that allow achieving gender equality in decision-making positions.
- Encourage and promote the perspective of Diversity and Inclusion (D&I) in the organization.

To achieve these objectives, the Bank promoted segmented actions that promote the incorporation of the perspective of diversity, accessibility and inclusion in strategic areas of the organization. In this line, the work of permanent training and awareness throughout the organization continued to be deepened. The results of the actions carried out can be seen in the following tables.

Programs for leaders

Program	Program Description	Results
Leadership Program	Included in the “Leadership Academy,” was a module on “ Managing in Diversity ,” which addressed topics such as diverse, inclusive, violence-free work.	Duration of the module: 6hs - 4 editions - 63 participating leaders.
Women who lead	The organization’s leaders were called upon to reflect, share experiences and project women’s leadership in the labor market.	Duration of the meeting: 2hs – 96 participating women leaders.
Podcast Labor Violence New conceptions and approaches	This podcast was mandatory for team leaders. It sought to deepen the reflection on symbolic violence and how to foster respectful work spaces.	243 views.

Diversity and Inclusion Awareness

Aiming at cultural transformation, the following training instances were carried out for all collaborators:

Training	Description
Training in inclusive and accessible care	Training was promoted from synchronous modules aimed at all the people who serve customers to provide more inclusive and accessible care.
ELearning An inclusive and accessible customer-centric approach	A course was developed that deepens the principles of accessible and inclusive care. This is required for all people in the organization.
ELearning respectful work environments	An organization-wide mandatory course was created with the aim of promoting healthy working spaces and training on

	the implications of Convention 190 and the different forms of violence.
Open workshops	<p>Workshops were held on commemorative dates such as International Women's Day, LGBTIQ+ Pride Day, Women's Political Rights Day.</p> <p>In addition, the week of reflection was held in commemoration of the International Day for the Elimination of Violence against Women.</p>

Programs and training by teams and areas

Equipment	Program	Description	Duration of the program
Internal and external communication and strategic partners	Accessible and inclusive communication training program	Workshops were held with exercises in order to update the perspective of accessible and inclusive communication in all communications carried out by the Bank. From these, a timetable of dates for the diversity and inclusion agenda was designed that gave the opportunity to generate reflection and dialog on different DEI approaches.	3 days of 1:30hs + asynchronous activities.
Jobs and Job Opportunities Diversity Cell DHO Management	Inclusive Selection Training Program	A workshop was held on the perspective of diversity, gender and disability in working environments with the aim of incorporating this approach into selection and promotion processes, taking into account the aspects mentioned in Convention 190.	Duration of the program: 3 days of 1:30hs + asynchronous activities.
Business: Executive Product Management, Electronic and Alternative Sales Channels Management and Innovation Management.	Product training and accessible digital experiences	A workshop was created to promote the inclusion of a diversity and gender perspective in the design of digital products and experiences, deepening the differential that this criterion presents.	Duration: 1 meeting of 1:30h.

10.7. Internal communication

The Internal Communication area provides support to the different teams in all areas of the Bank, developing the Visual Identity and contributing to the publications of the teams that lead this type of initiative.

During 2022, from the Bank's internal communication area, different communication campaigns were carried out and disseminated related to the culture of Banco Patagonia, the professional and personal development of its teams, information on dialogue channels and new management tools, and topics of financial education.

Given the importance of permanent dialogue between leaders and collaborators, the communication routines between Managers and their work teams were resumed, so that everyone knows the objectives that have the most impact on their day to day; In this way, the sense of the concept of the campaign "You are a fundamental piece" was reinforced.

Likewise, a new group "Community of Leaders" was developed in Workplace to promote a space for dialogue 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.

+ 18,000 posts on Workplace
+ 3,300,000 messages via Workplace Chat
543 pieces of communication created

Banco Patagonia continued to use the Workplace tool, which allows it to disseminate important information to all employees in real time. This permanent and instantaneous connection continued to be necessary, especially in the framework of a hybrid work scheme, as it allowed building the sense of belonging that the Bank fosters. Workplace accompanied all areas of the Bank in their respective campaigns.

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

To improve the performance of Workplace, various monthly reports on its adoption and use were prepared, and the analysis of the most relevant communication campaigns was incorporated to determine their impact.

Main campaigns:

- "Patagonia Bank Selection". In a year marked by the World Cup spirit, an umbrella campaign was planned to encourage collaborative work, with a focus on corporate results and the effort of the entire team.
- Virtual coffee. Cycle of talks between the president of the Bank and people who stand out for their work in the organization with the aim of creating closer and more human conversations. Topics such as leadership, hobbies, current affairs, etc. were addressed.
- Development of visual identity for the Diversity and Inclusion Cell. Communication channels were reviewed with the aim of adapting and improving accessibility to all people, work was done to develop material to communicate internally, and pieces were added for referents to share in the branches.

The Communication Routines survey was carried out with the aim of raising awareness of the Strategic Plan among the Banco Patagonia teams.

10.8. Benefits with a focus on wellbeing and health

Banco Patagonia develops its benefits strategy focused on the well-being of its employees and their families to accompany them at each stage of life.

During 2022, a review was carried out on the current proposals to strengthen the Employee Value Proposal. The analysis was focused on promoting the most valued benefits for the Bank's employees.

Based on this review, the actions of Children's Month and Different Day were relaunched, the initiative that during the family day event allows all employees to have the possibility of incorporating a guest into the celebration. In turn, new initiatives were incorporated that will be implemented as of January 2023, such as Leave in the month of birthday, Extended Paternity Leave and Summer Experience. The latter will provide a first work experience to relatives of collaborators for a period of 30 days.

On the other hand, about the continuity of the actions to strengthen the Health Week, two weeks a year were offered throughout the country that contained the following activities:

- Talks on disability, fertility and Swiss Medical Group services and benefits.
- Dermatological, cardiological, gynecological and nutrition offices.
- In-company ophthalmological check-up.
- Laughter Workshop.
- Hemodonation day.
- Mindfulness workshop.

465 employees throughout the country participated in the Health Week.

In terms of Health and well-being, the Bank offers its employees prepaid medical coverage through a contribution pool system, provided that they voluntarily choose to have it. Prepaid medicine is corporate and extends to spouse and children up to 21 or 25 years of age who are studying and do not work.

Main occupational health and safety indicators:

- Sick leave hours: 29262 hours.
- Average annual hours of sick leave/employee: 3.85%
- Disease rate: 0.65%
- Number of accident complaints to the ART: 100 complaints from collaborators.

Details of benefits to collaborators in 2022

AXIS	BENEFIT	ACTIONS
For you	Discount agreements	More than 30 agreements in different areas throughout the country.
	Products for collaborators	Singular package for all collaborators. Access to credit products with preferential conditions.
Your development	Graduation gift	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.

	Different day	During the family day event, all associates are given the possibility to incorporate a guest into the celebration.
	Summer Experience	Beginning in January 2023, a first work experience will be provided to family members of associates for a period of 30 days.
Flexibility	Leave in the month of the birthday	From January 2023, the Bank will grant a day of leave to enjoy during the month of the birthday.
	Extended paternity leave	From January 2023, the Bank will grant employees a 15-day leave from paternity (5 days above the law from January 2023).
Health and well-being	Prepaid Medicine and Life Insurance	The Bank provides prepaid medical coverage and additional life insurance for the collaborator and his family group through a corporate agreement.
	Agreements with Fitness Center	More than 294 employees have access to a gym with a preferential fee, as well as discounts on other recreational activities and health and beauty centers throughout the country.
	Healthy Breeding Program	Follow-up actions continue in virtual format, both in maternity leave and disability counselling.
Health and Welfare	Retirements	31 staff members were accompanied by pre-visional counselling in the context of the retirement process.

Indicators on leave and reinstatement	2022		2021	
	Women	Men	Women	Men
Number of employees who took maternity/paternity	60	50	65	56
Number of employees returning to work after the end of parental	60	50	64	54
Number of employees who took maternity/paternity leave in 2021	65	56	95	64
Number of employees who took maternity/paternity leave in 2021. and retained their employment twelve months after their return to work	62	45	83	59
Return rate (1)	100%	100%	98.46%	96.42%
Retention rate (2)	95.38%	80.36%	87.36%	92.18%
<p>(1) Formula= Employees who returned to work after their leave ended in 2022 / Employees who took a leave of absence in 2022 *100</p> <p>(2) Formula = Employees who took a leave of absence in 2021. and kept their job twelve months after their return to work / Employees who took a leave of absence in 2021 * 100</p>				

Challenges for 2023

- Continue consolidating and expanding the value proposition to the collaborator with initiatives that favor their experience within the Bank.

11. SOCIAL CAPITAL

Banco Patagonia assumes the commitment to contribute to social development by creating shared value with its stakeholders in pursuit of a more just and equitable society. It focuses on local economies, support for companies and the well-being of people and communities.

11.1. Private social investment strategy

During 2022, the annual review and update of the Sustainability Policy was carried out, in which the concept of "Corporate Social Responsibility" was migrated to "Sustainability". This Policy integrates the Bank's private social investment guidelines.

Thus, within the framework of Banco Patagonia's global strategic plan, private social investment is contemplated as a fundamental pillar of creating social value for the community where it is present. In this sense, it is a participant in different alliances with the public sector, academic institutions, and social organizations to carry out initiatives focused on education, entrepreneurship, volunteering, diversity and inclusion, the environment, and transparency and accountability.

Banco Patagonia approved its new Sustainability Policy, which redefines its axes of private social investment: Education, Entrepreneurship, Volunteering, Diversity and Inclusion, Environment, and Transparency and accountability.

Diagnosis and evaluation of social impact

The Bank promotes projects aligned with the pillars defined in the Sustainability Policy under three implementation modalities. In each case, it has a process in which each stage is essential for responsible, transparent and orderly management. Measuring the social impact is essential to provide feedback to the process, which is why the Bank measures the impact in terms of the number and type of beneficiary, territorial scope (local, provincial, regional or national) and potential alliances with the Public Sector.

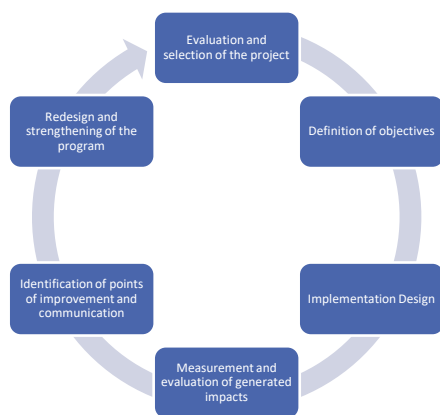
The management modalities are:

- Initiatives or programs designed by the Bank in conjunction with specialists to address issues that it considers of interest to society.
- Identification of projects from the branches, since from there you can detect the needs and local organizations that provide answers to social problems within the areas of social investment of the entity.
- Contact from civil society organizations and different institutions to request alliances or generate joint actions.

Once the objective of a project is defined, the Bank designs together with the allied organization a methodology for its evaluation that allows identifying its results and the specific transformations in society. These results are disseminated internally and externally in order to generate commitment and a sense of belonging in the internal public, as well as to promote the projects and make the work carried out known to the relevant public.

Project implementation cycle

The projects are selected based on a comprehensive evaluation that prioritizes the needs of the community, defines which pillar of the strategy it responds to, and the Bank's response capacity. This stage is the kickoff to define objectives and celebrate alliances with social organizations specializing in the subject for joint design and implementation. Then, the variables that allow the results of the impacts to be measured are defined. Last but not least, to provide feedback on this cycle and the projects, it is necessary to identify learning and opportunities for improvement.



11.2. Social investment in 2022

During 2022, we strengthened our flexibility and adaptation to new scenarios, and we continue to be close to those who needed the most. Banco Patagonia maintained its social commitment and its links with its allies in private social investment programs, based on technology and networking.

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.

Under this axis, the Bank promotes initiatives in alliance with social organizations that contribute to financial inclusion, with support for formal education, access to higher education and training for the future.

Financial Education

Personal Economy Program

The Personal Economy Program is intended for high school students, and its objective is to work with economic tools that are useful and practical for everyday life. It has been developed for six years, in partnership with the Junior Achievement Argentina Foundation (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 for attendees to carry out introspection activities, incorporate practical knowledge about economics, formulate a personal budget and family, and reflect on the importance of saving. In addition, it provides knowledge about the different types of advertising and the criteria for a smart purchase.

In 2022, the Program was carried out during six weeks of work through the virtual campus, five teacher training sessions were carried out, three launch meetings and five closing meetings for more than 400 students from schools in the province. Volunteers from the Bank, the Minister of Education and DD

participated in the last closing meeting. H H. and the General Director of Education of the province of Río Negro, who shared experiences about their professions and contributed their perspective on the administration of the economy itself.

"A Click of Trust" Program

With this program, Banco Patagonia seeks to accompany adults over the age of 60 by offering them tools that allow them to become familiar with digital media and manage their operations with autonomy, security, and efficiency, thus assuming the challenge of multiplying the reach of electronic banking and disseminating its benefits.

The program, which has been running for seven years, consists of:

- Generate alliances with institutions of reference and in different parts of the country to bring content closer to adults in a coordinated and transparent way.
- Develop educational content that is short, simple and adapted to the needs of adults, such as videos and ATM simulators.
- Carry out virtual and face-to-face group training focused on bank security, with the participation of Patagonia Volunteers pairs (phishing, online purchases, tokens, among other topics).

During 2022, Banco Patagonia coordinated both face-to-face and virtual workshops in CABA retirement centers dependent on the Government of the City of Buenos Aires, as well as in other spaces where it built a link with different allied organizations, such as AMIA, the National Judiciary, Maimónides University, UTN Buenos Aires Headquarters, Cultural Centers and Nursing Homes from different parts of the country. 19 face-to-face workshops were held in which 366 older adults participated, accompanied by our Patagonia Volunteers, in which content on banking security, how to prevent scams and electronic channels were disseminated. In addition, an online contest was held for residents of the province of Río Negro, where 337 people answered a trivia about digital banking and participated in a raffle by cell phone.

Through this program, Banco Patagonia manages to share with the elderly a safe learning environment for them and provide them with a space in which they know they are not alone.

Workshop "You and learning to save"

26 encounters
1,040 young people

The Bank seeks to make young people between the ages of 12 and 18 aware of the importance of good financial management and savings for a healthy personal economy. He is aware that if this habit is installed in the youngest, they will be prepared to manage their personal finances at the time of their labor insertion. To do this, Patagonia Volunteers develop introductory workshops on the financial system, thus sharing their knowledge and tips to promote savings among high school youth.

During 2022, 26 meetings were held online and in person, respecting sanitary measures, which reached more than 1,000 students from different parts of the country.

Support for formal education

In 2022, the Bank continued to support young middle-level students, through programs focused on strengthening formal education.

Scholarships and sponsorship for school continuity

Banco Patagonia accompanies school completion through the granting of scholarships that respond to the Programs of the Cimientos and Cruzada Patagonica Foundations. Both programs are aimed at solving problems related to connectivity and, together with tutors and teachers, strategies are generated

that make it easier for students to organize their time and carry out their tasks more autonomously. The results achieved by the students motivate them to continue their studies.

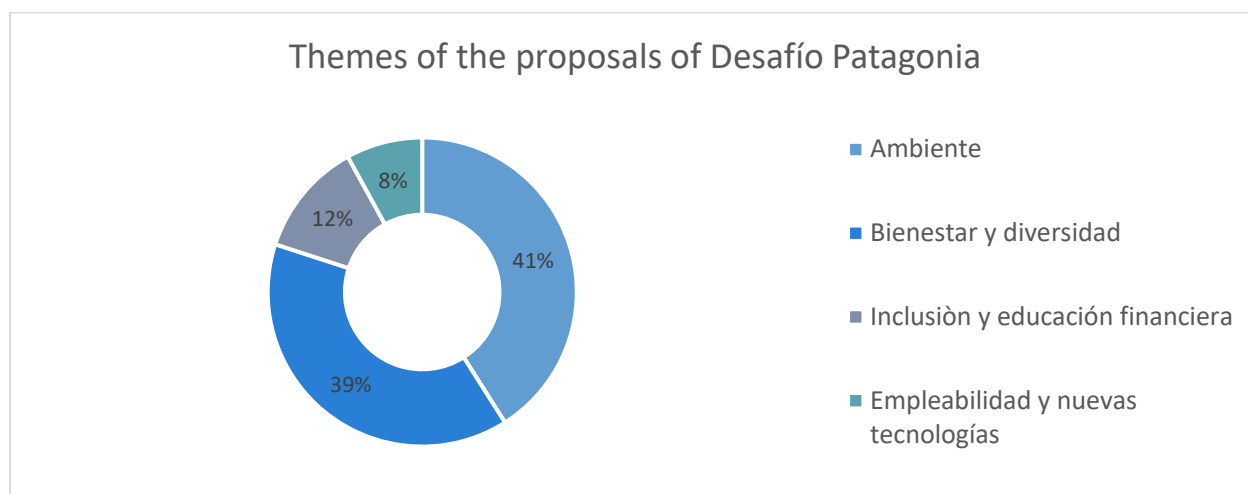
Banco Patagonia Challenge

620 participating students
147 projects presented

Every year, the Bank promotes a national contest, which involves young people and teachers of the last three years of secondary education. This nationwide program aims to promote spaces for creativity, innovation, and ideation through pitch workshops, to find possible solutions to local problems that impact them.

In 2022, the call revolved around four axes: financial inclusion and education, well-being and diversity, employability and new technologies, and care for the environment. More than 620 students participated in this hybrid format edition, presenting 147 projects.

The concern of young people for caring for the environment and for generating actions before the climate crisis is notable, since more than 40% of the proposals responded to this theme.



Based on the scores obtained from the evaluation carried out on the projects, 10 finalists were selected who participated in a Pitch and Oratory Workshop to enhance the communication of their projects and prepare for the final event of the Challenge.

During the final event, the Video Pitch was broadcast, and an exchange was generated with the jury that allowed them to obtain more information to vote for the winning project. The jury is made up of Bank Staff and members of universities and leading social organizations.

Finally, the decision of the winning team was communicated, and special mentions were added for 2 teams that had also presented and developed their projects in an advanced way.

This year's winning team was made up of students from a school in Rio Negro who presented a project on a Savonius-type wind turbine. As a prize, the school to which the students belong received a Digital Creative Kit consisting of a Digital Whiteboard, a 3D Pen, VR Glasses, Augmented Reality Insert Bricks and a PleiQ Digital Cube. In addition, the students who are members of the winning team received a tablet each. While the 10 finalist teams were awarded with a reusable digital notebook.

Support for technical schools

Through the Tax Credit Regime of the National Institute of Technological Education (INET), Law No. 22317, AFIP General Resolution 547/99, the Bank accompanies equipment projects for technical schools and teacher training. During this year, 7 projects were supported.

11.4. Support for Entrepreneurship

In order to generate value for local development, the Bank supports projects with a social impact that contribute to the sustainable economic growth of the country. During 2022, progress was made in the development of different initiatives through multi-sector alliances.

Río Negro Entrepreneurs Program

760 registered ventures

With a seven-year history, the Bank continued to develop the Rio Negro Entrepreneurs Program. For this, it has entered into different alliances that make the success of the program possible. With the support of the Nobleza Obliga Foundation, this initiative was implemented that seeks to strengthen entrepreneurs throughout the province and disseminate their work in the region. In addition, it articulated with government entities, chambers and social organizations, including CREAR - Provincial Economic Development Agency.

This free program is intended for entrepreneurs, both of products and services, with the aim of providing knowledge and tools that help boost their businesses with a sustainable perspective.

In this year's edition, more than 760 entrepreneurs from 35 towns in the Province registered. Among all the ventures that completed the training and self-assessment stage, the 35 most outstanding were selected to include them in a virtual and interactive catalog in which they put into practice what they learned to make their products or services visible and thus add more than 5,400 votes. of the public.

In a final stage, the 9 enterprises that went to the final were selected, where a jury made up of government officials, regional managers of the Bank, managers of local Crear agencies and the special participation of the Minister of Production of the Province, listened to the presentations and They exchanged questions with the participants. The 3 projects with the most votes were winners of the cash prizes awarded by Banco Patagonia.

The winning businesses were:

- **HYDROPLUS – Fernández Oro Town – Río Negro**

"We are a company in search of solutions to the problems and needs related to water scarcity, which afflict us as a society. With this innovative technology we intend to make a great contribution and combat scarcity with affordable prices for everyone, everywhere. Our mission is to be part of a transformative revolution in the use of water, and spread the utility of Hydroplus for Gardens, Horticulture, Floriculture, Hydroponics, Forest Areas, Pastures and Pastures, giving importance to its use in the recovery and conservation of ecosystems."

- **FUNGA FUSION – Fernández Oro Town – Río Negro**

"We are Lucia and Ariel, we are dedicated to agroecological production, marketing and dissemination of edible and medicinal mushrooms. "Fusión Funga" began in 2019 as a family business, with the intention of incorporating a food alternative, which later grew by vocation and in turn mobilized by a growing and continuous demand from consumers who were trying our products. Currently, it is a project in progress, with objectives of expansion in production scale, incorporation of technology and added value."

- RARAKÜN WHISKEY – Villa Regina – Río Negro

"In the valley of Patagonia and as a family micro-enterprise, we make this single malt whiskey that is unique in the area, with a totally handmade process, starting from its three ingredients: malted barley, water and yeast, we obtain the most precious alcohols and congeners that after aging they will become this ancestral drink, totally natural without additives or dyes, which we call Rarakün."

BP Innovates

78 digital financial innovation proposals 3 winners

#BPInnova is an educational program that, through an ideas contest, seeks to promote the entrepreneurial spirit of students and recent graduates from universities that have an agreement with Banco Patagonia.

Through the contest, Banco Patagonia seeks to accompany the development of people, and contribute to the training of university students, providing them with new experiences and knowledge that allow them to develop their digital financial innovation projects.

This year, 78 students from 13 universities across the country applied. A team of professionals evaluated the projects, selecting the 10 best to participate in training on value proposition, Pitch, and effective presentations. In addition to having mentors from the entrepreneurial and financial ecosystem.

Finally, the Final Event was held in person in the City of Buenos Aires, where the teams presented their projects before a jury of experts in the Pitch Competition. Based on the presentations and the exchange of questions, the jury determined the three winners of the Program.

Winning Teams

Cooperative Activate, National University of Lomas de Zamora.

They are a network of sales agents that collaboratively distribute bulk food, agroecological fruits and vegetables, natural cosmetics, and artisanal products. Through coordinated work between all the actors in the value chain, and two integrated Apps, they facilitate the distribution and consumption of sustainable products.

Colegar, National University of the South.

It is an application that, through a matching algorithm, joins two or more profiles that have the same interests and goals for the development of educational, professional, research and volunteer projects.

Ciwi, National University of Cuyo.

It is an App to obtain free public parking in real time. Through satellite images and artificial intelligence, the system detects unoccupied spaces not reached by parking meters, allowing the user to reduce search times, renewable energy and electric mobility. To promote the niche of renewables and electric mobility in the region and contribute to the generation of new jobs and more interested parties.

In addition to the three winners, there were special mentions for:

Data Solutions, National University of Tierra del Fuego

The main feature of the project is the use of innovative Big Data technology to anticipate the decision of students to leave the Universities. Therefore, they will reduce student retention costs, since it takes less effort to retain someone who doesn't know they are leaving yet.

Connecting Machines, National Technological University (Buenos Aires Regional College).

A page was developed so that people who work in sewing can connect with the trading factories. Its objective is to provide solutions to the employability of these workers and leave the connection through notices on the walls in the past. So you can move to a more digital connection.

11.5. Volunteering

The Bank promotes the solidarity spirit of its employees through the Patagonia Volunteers program, whose purpose is to promote initiatives that contribute to the well-being of the communities where it has a presence.

The program works under a shared responsibility scheme where the Bank provides coordination, logistics, inputs and financing for each of the projects while volunteers contribute their time and desire to help.

Volunteerism in numbers	2022	2021
Number of volunteers	849	794
Volunteer hours (1)	653	526

(1) Volunteer hours are recorded per action and per volunteer. Some initiatives are carried out simultaneously, in a single shared schedule and in others, where participation is individual, they are multiplied by the number of hours per participant.

Main actions of Patagonia Volunteers during 2022

Partner Organization	Initiative	Detail of direct beneficiaries	Town and province of the beneficiaries
Messengers of Peace Argentina	<p>"Your most useful kilometers"</p> <p>More than 190 collaborators from different parts of the country ran to support the education of 350 boys and girls who participated in the educational projects of Messengers of Peace Argentina. Each volunteer was able to select the amount of KM that he wanted to travel and do it from his own location. In total, 1,000 km were added and for each KM traveled, the Bank made an economic contribution that guaranteed that young people have their school supplies and educational support throughout the year.</p>	350 boys and girls	CABA, San Martín, Barrio 31, Longchamps (Buenos Aires)
Foundation Nobleza Obliga	<p>Contest "Eager to Help"</p> <p>All collaborators were invited to propose projects with a social impact, in alliance with a civil society organization, to help the community in which they are located. The 11 applicants received an economic prize that allowed them to implement their projects.</p>	2020 children, adolescents, older adults, and animals in shelters.	Godoy Cruz (Mendoza), Ingeniero Jacobacci, Río Negro, Villa la Florida (Buenos Aires), González Catán (Buenos Aires), Pigüé (Buenos Aires), Necochea (Buenos Aires), José León Suarez (Buenos Aires), Moreno (Buenos Aires), Salta (Salta), Córdoba (Córdoba), CABA.

Bentejuego and Banco de Bosques	<p>Protect the environment! Through a webapp and together with their family and friends, more than 90 volunteers resolved slogans of the Playful Challenge Let's protect the environment! With this online game, everyone was 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 overcome, Banco Patagonia made a donation to protect 10 m2 of native fauna and flora together with Fundación Banco de Bosques. The initial goal of 1,000 m2 was exceeded, reaching 1,119 m2 of saved Las Araucarias native forest, adjacent to the Strict Natural Reserve of National Parks in San Antonio, Misiones.</p>	Action with positive environmental impact for the community.	Misiones
Banco Patagonia - Own program	<p>Workshops "A click of trust" Workshops on electronic banking for older adults. The volunteers received prior training on how to best approach the concepts and achieve effective communication with the public. To facilitate the exchange and consultation space, the workshops were given in pairs of volunteers with small groups of participants.</p>	366 older adults	Río Negro, Córdoba y Buenos Aires.
Banco Patagonia - Own program	<p>Workshop "You and learning to save". Banco Patagonia promotes learning about savings and efficient finances in young people between 12 and 18 years of age. Through the Patagonia Volunteers they were able to share their knowledge and tips to promote savings among high school youth.</p>	1000 middle school boys and girls	National
Various organizations	<p>Solidarity campaign for Children's Day To promote the right of boys and girls to play, the Bank invited collaborators to paint wooden toys that were later delivered to institutions attended by young people. Each volunteer had the opportunity to select where to take the toys and contribute their creativity and color to them.</p>	482 children who attend social organizations from different parts of the country.	National
Junior Achievement Foundation Argentina	<p>Partners for a Day The Patagonia volunteers carried out mock group interviews online, talked about the different professionals and challenged young people to learn more about the world of work. In virtual spaces they were able to clarify doubts about the careers of their interest and shared their knowledge, experiences and recommendations to encourage young people to continue studying and promote their professional development.</p>	1816 young students in the last year of middle schools.	CABA y GBA
One Tree Civil Association	<p>Tree planting The volunteers together with their families planted 60 trees of native species in the Costanera Sur Reserve, in order to contribute to the biodiversity of the environment.</p>	Action with positive environmental impact for the community.	City of Buenos Aires
Messengers of Peace Argentina	<p>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. The Bank matched the boxes donated by employees to deliver them to "Messengers of Peace."</p>	246 families	National
Decent housing	<p>Sidewalk construction Collaborators were invited to a day for the construction of a sidewalk for residents of a neighborhood in President Derqui.</p>	90 families	Pte. Derqui, Buenos Aires

Solidarity projects contest 2022, Let's help!

2020 beneficiaries of the contest

With the participation of 11 collaborators from 11 locations in the country, a new edition of this contest was implemented, which has been running for 8 consecutive years, to encourage the presentation of volunteer projects with a social or environmental impact.

In this way, the volunteers became protagonists of the projects, giving visibility to the beneficiary organizations and leaving an installed capacity through the improvement implemented.

The projects were applied for on an online platform so that the rest of the collaborators could vote for the one with the greatest impact in the community.

This year, 10 projects were presented that were monitored according to the following detail:

Organization	Objective of the project	Type of beneficiaries	Number of beneficiaries	Town	Province
Athletic Club Civil Association los Primos	Buy equipment for classes.	Boys and girls	40	Godoy Cruz	Mendoza
Sports Civil Association Jacobacci	Acquire elements for soccer training.	Boys and girls	50	Ingeniero Jacobacci	Río Negro
Civil association Sueños y Sonrisas	Build a refuge in the Impenetrable Chaqueño.	Children and their families	500	Villa la Florida	Buenos Aires
Don Arte Argentina	Buy didactic and artistic material to supply the workshops and the early childhood room.	Boys and girls	70	González Catán	Buenos Aires
equine therapy Pigüé	Paint, repair and condition the multipurpose room.	children and youth	60	Pigüé	Buenos Aires
Primary school N° 10 Dolores L. Rom	Renew eight blackboards.	students and teachers	220	Necochea	Buenos Aires
Technical Secondary School of the National University of San Martín	Buy computers, tools and audiovisual equipment, and fix up the building.	students and teachers	500	José León Suarez	Buenos Aires
Foundation Franciscana	Grant group loans to make home improvements or new ventures.	Youth and their families	370	Moreno	Buenos Aires
Foundation H.O.Pe. de Ayuda al Niño con Cáncer	Expand and renovate the facilities.	Children and their families	40	Salta ciudad	Salta
Los Callejitos de Flores	Provide assistance to animals in transit.	rescued animals	50	CABA	Buenos Aires

United Volunteers	Provide food and accompaniment to young people and adults in a context of vulnerability	Youth and their families	120	Córdoba	Córdoba
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11.6. Diversity and inclusion⁸

Human rights

During 2022, Banco Patagonia adhered to the Program for Companies Committed to Human Rights of the Government of the Autonomous City of Buenos Aires and established a series of action commitments and good practices in this matter. Through this adhesion, it seeks to promote equality and diversity within the work environment, obtain greater knowledge on the subject, know the situation of the company in this matter and identify possible areas of opportunity to improve performance, promote the adoption of good practices and generate a space for exchange and linkage with other companies.

Within the framework of this program, members of the Diversity and Inclusion Cell participated in training provided by the Undersecretariat for Human Rights and Cultural Pluralism, in collaboration with the International Labor Organization (ILO), the Organization for Economic Cooperation and Development Economic (OECD), United Nations, the European Union, the Argentine Network of Global Compact and Responsible Business Conduct in Latin America and the Caribbean (CERALC). This 10-hour training established the basic guidelines on the subject, regulatory framework, standards and main international instruments on human rights, responsible business conduct and due diligence.

11.7. Ambient⁹

Banco Patagonia works to reduce the negative impacts of its internal management, seeking to reduce the consumption of resources and manage waste in a responsible manner, as well as the activity carried out with its value chain. In this sense, the Bank analyzes the environmental risks associated with the loans and financing granted and promotes products aligned with the Green Bond Principles.

11.8. Transparency and accountability¹⁰

Banco Patagonia's commitment to ethics and transparency is promoted across the organization, starting from the management of its corporate governance to relations with each interest group with which it is linked.

11.9. Communication channels of actions with community

To make the Bank's actions visible and maintain an open dialogue with the community, the actions carried out were communicated through institutional channels, prioritizing some over others according to the initiative and the public of interest to which the message was intended.

This year, the following initiatives used Instagram, LinkedIn and Facebook.

⁸ For more information on this axis, see Chapter 10 –Human Capital.

⁹ For more information on this axis, see Chapter 11 – Natural Capital.

¹⁰ For more information on this axis, see Chapter 7 – Comprehensive risk management

- BP Innova: the call was made through Instagram, the action was amplified through LinkedIn and the winners were announced once the program had finished.
- A trusted click: a new visual key was designed for the 2022 program and accompanied by communication via email and Facebook.
- Río Negro Entrepreneurs: the program was expanded through communication on LinkedIn with the winners and collaborators of the Program.

11.10. Suppliers of Banco Patagonia

1,801 active suppliers

97.61% of payments made to local suppliers

Establishing lasting relationships based on ethics and transparency is a priority for the Bank in managing the value chain. To do this, it has processes, regulations and principles that guarantee the level of quality.

To accompany local development, Banco Patagonia works with local suppliers ↪-mostly SMEs- thus contributing to the growth of this segment and the local economy.

Due to the essence of the business, the Bank contracts suppliers mainly in the following areas:

Technology

- Construction companies
- Marketing and merchandising
- graphics
- Consultants
- Cleaning
- Security.

During 2022, the management focus was on intensifying the implementation of the internal regulations of the Purchasing area (MNP069). In this sense, management focused on:

- Continue offering the opening of a free supplier account.
- Use the RFI form (first time request for information) for the analysis and evaluation of suppliers prior to carrying out any type of operation.
- Maintain in the RFI form points related to sustainability, social responsibility and anti-corruption processes, considered one more relevant element when starting a relationship with a supplier.
- Consolidate the approval circuit of technical proposals that go to directors in 100% online mode, via mail. Purchases for lower amounts, which do not require intervention, are also channeled through the web digitally.

In addition, initiatives that strengthen sustainable management processes were implemented, highlighting the following:

The paperless circuit was consolidated in Purchasing approvals that require the intervention of Directors. The current circuit is 100% online via mail or for purchases of smaller amounts, they are channeled via the web with a 100% digital process.

The communication of the Ethical Principles for the contracting of suppliers was implemented, including them in the contracts and purchase orders so that the suppliers are aware of and sign their acceptance.

The process of rendering expenses of the branch network was automated and the implementation of the automation of the Invoice capture process began.

The use of paper was eliminated in all Purchasing and Payment processes.

They continued to actively participate as trustees of the Plan Castello Trust with the Province of Río Negro (USD 580,000,000) as an alliance with the Province and in support of the country's infrastructure plans.

Sustainable criteria were incorporated in the selection of new suppliers.

It began to acquire inputs made from recycled raw materials.

The environmental responsibility clause was maintained for contracts with suppliers.

Supplier Profile	2022	2021
Active suppliers	1,801	1,936
% of local suppliers	97.61%	97.83%
Payment to suppliers	\$ 18,852,349,621.59	\$ 12,134,559,380.52
Percentage of payments made outside the country	2.39%	2.17%

Benefits to suppliers

The Bank offers benefits that impact the development and growth of its supplier portfolio.

- ✓ Periodic review of prices and rates, especially in inflationary contexts, and incorporation of review clauses via the CPI.
- ✓ Opening of free accounts and product packages at the Bank.
- ✓ References to other financial entities to expand the sale of their services or products.
- ✓ Advice regarding the preparation of proposals for services or contracts to operate with the Bank.

To keep the members of the Purchasing Management updated and ensure compliance with regulations and processes, the Bank continuously develops training on issues related to Integrity and Anti-Corruption Procedures.

11.10.1. Communication Channels

The Bank maintains permanent contact with its suppliers through different communication channels: telephone calls, email, digital video call platforms and face-to-face meetings.

Within the framework of the Bank's Integrity Program, all stakeholders that interact with the Bank, including suppliers, have a confidential Ethics Line channel to report possible irregularities. This number is published on the institutional website as well as in each purchase order generated.

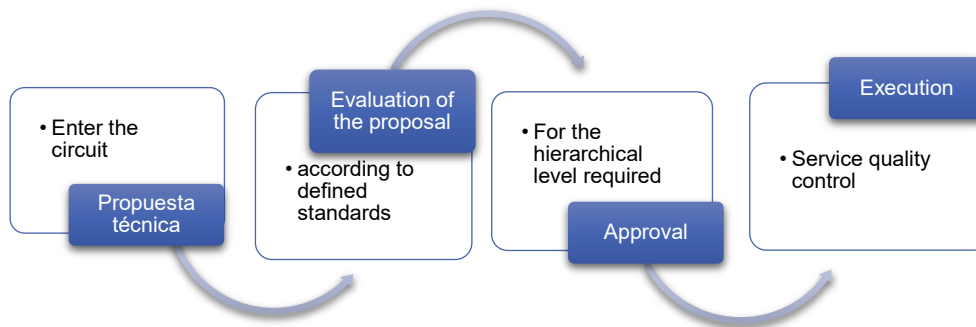
11.10.2. Selection and contracting process

The Bank's supplier selection and contracting policy ensures management with clear and transparent rules for all equally. From the Purchasing area, it is controlled that suppliers comply with corporate standards and values.

The process regulated in MNP069 begins with the technical proposal that enters the circuit through the initial request form that includes social, environmental, and integrity aspects.

The environmental responsibility clause continued to be included in the contracts with suppliers, related to the handling, transfer, collection, use or disposal of hazardous materials or waste.

Supplier selection and contracting process



Information requested from suppliers in the initial request form

- Accounting, financial, legal and tax situation
- organization capacity
- top five customers
- labor aspects
- Quality certifications
- Measures implemented to prevent money laundering from illegal activities
- Environmental aspects related to waste management
- Anti-corruption plans and connection or not of the same with the State

The purchasing area is responsible for verifying that there is independence between the requesting area and the supplier to avoid any situation related to a conflict of interest.

11.10.3. 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.

Additionally, to ensure that suppliers comply with billing regulations, it was verified through the databases provided by the AFIP, that they were not included among the suppliers with apocryphal invoices. Likewise, this year the controls carried out by the consultancy specialized in analyzing compliance with social security obligations by suppliers were intensified.

In 2022, 50 suppliers were evaluated, meeting all the requested requirements. No suppliers with significant potential and actual negative social impacts were identified

11.10.4. Responsible management of the value chain

In the permanent search to achieve high standards of integrity, the Bank has a Code of Ethics that guides the conduct of suppliers when entering into business contracts.

Ethical Principles for Supplier Management

Banco Patagonia implemented and included the Ethical Principles for Supplier Management in the purchasing regulations. For all suppliers to be aware of the Ethical Principles, the Bank defined that the mention of said principles in all the documents that formalize contracts (whether Purchase Orders or Contracts) in order to ensure that all the members of its chain of supplies become aware. They are communicated at the time of each renewal or new hire. To this end, the contract models for the different operations for the purchase of goods and contracting of services and the purchase order models were modified.

About security personnel, the Bank requires that they comply with their own operational and mandatory regulations. In this way, the functions, responsibilities and prohibitions of the guards in the branches are delimited.

The instructions include general rules, the procedure for recharging and balancing ATMs, and entering branches, the start and end times of the service, and the current communication channels. In addition, the companies providing the security service must comply with all the requirements listed in Decree 1002/99. Among them, the obligation that the guards complete a basic training course, in which they become familiar with security and surveillance issues, legal aspects, human rights and first aid.

12. NATURAL CAPITAL

Banco Patagonia reaffirms its commitment to caring for the environment and works both to improve the environmental impact of its own management, as well as assumes an environmentally responsible vision in the products and services it offers its customers. In this line, the Entity analyzes the risks of the credits it grants and aligns its offer with the Green Bond Principles.

In turn, although as a financial entity it does not detect high risks of direct environmental impact, the Bank has a series of planned actions with the aim of making the use of the natural resources it uses more efficient and minimizing the waste it generates.

12.1. Generating environmental value in the business

Social and environmental risk analysis¹¹

**3,244 credit proposals analyzed under social and environmental criteria.
\$1,050,176 million analyzed**

¹¹ For more information, see the section on "Environmental and social risks" in the chapter on "Comprehensive risk management" in this Report..

As part of its environmental strategy, Banco Patagonia carries out an analysis of social and environmental risks among clients that have operations that were financed through multilateral organizations and that have long-term financing equal to or greater than 10 million dollars. For this, the Bank has a Social and Environmental Risk Policy and a Social and Environmental Risk Analysis System that frame this task.

In the course of 2022, 3,244 credit proposals equivalent to \$1,050,176 million were categorized. This occurred following the guidelines of the Uniform Industrial Classification Code (CCIU) provided by the United Nations in environmental and social terms. All proposals met the requested requirements. The economic sectors most analyzed under this system were: agriculture and automotive.

Banco Patagonia continued to collaborate with the SARAS Implementation Guide and collaborated in the development of the Climate Change Adaptation Guide for Argentine banks, within the framework of its participation in the Social and Environmental Commission of the Sustainable Finance Protocol.

Regarding the work plan for 2023, a roadmap will be generated in social, environmental and governance matters, focusing on policies and strategies related to climate change, being a transversal axis for the entire organization.

Green Bonds

For another year, we participated as a placement agent in the issues of negotiable obligations (ON) of Genneia SA and Luz de Tres Picos S.A. aligned with the Green Bond Principles. The total amount issued between both companies is USD 130,801,537.

12.2. Management of direct impacts

5.27% energy savings in branches and central areas.

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

12.2.1. Energy Consumption

As a financial services entity, one of the most used resources is energy. Likewise, one of the area's priorities is to continue the migration process to LED lighting technology in branches and central areas. Therefore, to minimize the impact of its use, Banco Patagonia continued to promote these actions in energy matters:

- Use of air conditioners at 24° C.
- Placement of lighting and air conditioning services in "demand" mode in some of its buildings.
- Rational use of energy in illuminated advertising and branches.
- LED lighting in new signage and shutdown control at non-necessary times.
- Migration to LED technology of branch canopies.
- Comprehensive migration to LED lighting technology in branches.
- Renovation of obsolete thermomechanical equipment in branches.
- Monthly purchase of 20% of the electricity that feeds the building at Av. de Mayo 701 from a sustainable energy generator.
- Reduce natural gas services in branches.

In addition, given the closure of the Perón 466 building and the 6-story building at Av. de Mayo 701, energy consumption was reduced in central buildings as of September 2022. Thus, the last quarter of 2022 reported a 12.8% decrease in the energy consumption of central buildings compared to the same period in 2019.

But the reduction of energy was not only linked to the continuity of multiple actions or the closure of some spaces, but also the consumption of electrical energy was reduced through actions of operation, technical and administrative management. As a result, an energy saving of 5.27% of the Bank's total internal consumption was obtained compared to 2021.

By 2023, the Bank intends to achieve a reduction of at least 5% in energy consumption between central buildings and branches

Internal energy consumption in MWh	2022	2021	2020
Electric Energy	17,545	18,522	18,829

Energy intensity in KWh/m2	2022	2021	2020
Branches	12.76	15.54	15.27
Central areas	17.09	15.59	17.03

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

12.2.2. Biodiversity Value

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

- Chilecito Branch, La Rioja
- Calafate Branch, Santa Cruz
- Ushuaia Branch, Tierra del Fuego
- Branch San Martin de los Andes, Neuquén
- Villa La Angostura Branch, Neuquén
- El Bolson Branch, Río Negro
- Jacobacci Engineer Branch, Río Negro
- Beltrán Branch, Río Negro
- Campo Grande Branch, Río Negro
- Los Menucos branch, Río Negro
- Fernández Oro Branch, Río Negro
- Enrique Godoy Branch, Río Negro
- Dina Huapi Care Center, Río Negro
- ATM Playas Doradas, Río Negro
- Las Grutas Commercial Service Center, Río Negro
- ATM Municipality of Ñorquincó, Río Negro

12.2.3. Paper management and digitization

23,823,522 digitized documents.












64% of procedures carried out for packages that were carried out with a digital file.

As a financial institution, paper is a resource that still presents opportunities to reduce its use. In this way, Banco Patagonia continued with the digitization of processes and operations and their replacement by management through digital channels.

Specifically, to reduce paper consumption, the following actions were developed:



Attached documents are no longer printed and a digital signature was included.

-  Double-sided printing of documents that require physical proof, managing to reduce 50% of the use of paper.
-  Digital signature of customer documentation and digital notarial certifications in the CABA jurisdiction.
-  Offer of Personal Loans from the customer contact center without going to branches.
-  Digitization of documentation involved in the process of deceased.
-  Record of visits to safe deposit boxes from the Consolidated Customer Position so that it can be done online.
-  New management of remote sales of products and services for wholesale segments.
-  Sending of digital documentation for the analysis, control and settlement/registration in the Bank of packages, personal loans, registration of products and additional credit cards and registration of wholesale services (for current customers).
-  Registration of current account for legal persons in process.
-  Digitization of documentation of the operations "Registration of Accounts / Packages / Commercial Loans" at origin.
-  Modification of title page (form 03.0003) replacing the loading of manual data by reading through barcodes in files.
-  End of printing lists and sending destroyed checks from the branch to BO Cash Management. Now the news of destruction of checks by SAT system is reported so that the client receives it through ebank. If the client needs proof of a destroyed check, a certification is issued. This saves 100% on the use of paper.

Paper consumption (in tons) (1)	2022	2021	2020
Reams of letter paper	84.16	80.00	86.90
Reams of A4 paper	0.60	0.40	0.67
Reams of legal paper	0.08	0.14	0.20
Total	84.84	80.54	87.77
(1) Each ream weighs 2.5 kilograms.			

Number of processed packages	2022	2021	2020
Modality	47,054	49,390	63,001
With printed forms	126,096	106,821	75,762
Digital file-digital signature	39,828	41,084	25,134
Digital file-paper signature	29,444	33,807	-
Total	242,422	231,102	163,897

DIGITAL SUMMARY	2022
Monthly savings accounts (*)	4,980,000
Four-monthly savings accounts (*)	2,070,000

Totals	7,050,000
(1) It is modified from "savings account" to "sight accounts" since both savings accounts and checking accounts are included,	

12.2.4. Waste Management

In line with its commitment to manage its direct environmental impacts, Banco Patagonia implemented a wet and recyclable waste removal service at all CABA branches.

As of 2021, all CABA branches proceed to remove differentiated waste, by a provider validated for this task. As part of the process, the cleaning staff collects the bags with the differentiated waste for later removal. The supplier company measures its volume and delivers a delivery note indicating the amount of wet and recyclable waste.

To achieve differentiated removal, all CABA branches and offices in central areas have differentiated containers to separate waste.

The incorporation of this differentiated separation and removal process in 41 buildings allowed, during 2022, to carry out the final disposal of 33,977 kg of wet waste, and 2,010 kg of recyclable materials that were transferred separately to the CEAMSE for treatment by the cooperatives. waste management.

In addition, within the framework of compliance with Law 1854 on Zero Waste of the City of Buenos Aires, during 2022 a total of 107 obsolete electronic equipment, such as PCs and monitors, were delivered to the Zero Waste Civil Association. This association oversees carrying out a responsible treatment of WEEE (waste electrical and electronic equipment) through the recovery and reuse of the complete equipment, its materials and/or components.

12.3. Awareness and Training

In 2022, we seek to continue training on the environment in a pleasant and entertaining way for employees, encouraging them to reduce, reuse and recycle materials that can later be delivered to a cooperative for recycling. These were given with information to use within the workspaces as well as in their homes.

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

- Through a web app and together with their family and friends, more than 90 volunteers resolved slogans of the "Playful Challenge Let's protect the environment!". With this online game, everyone was 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 overcome, Banco Patagonia donated to protect 10 m2 of native fauna and flora together with Fundación Banco de Bosques. The initial goal of 1,000 m2 was exceeded and we saved 1,119 m2 of the Las Araucarias native forest, adjacent to the Strict Natural Reserve of National Parks in San Antonio, Misiones.
- The volunteers together with their families planted 60 trees of native species in the Costanera Sur Reserve, to contribute to the biodiversity of the environment.

13. CLOSING

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

February 23, 2023.

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.

Declaration of use	Banco Patagonia has prepared the report in accordance with the GRI Standards for the period between January 1, 2022, and December 31, 2022.
GRI 1 used	GRI 1: Fundamentals 2021

GRI Standard	Content	Section	Omission	Check
General Contents				
GRI 2: General Contents	2-1 organizational details	2, 3.3-3.4 Buenos Aires, Argentina		
	2-2 Entities included in sustainability reporting	2		
	2-3 Reporting period, frequency and point of contact	General Coordination: Executive Management of Human Development and Organizational Climate. rse@bancopatagonia.com.ar (011) 4323 - 5517 Av. de Mayo 701, City of Buenos Aires. www.bancopatagonia.com.ar Year 2022, annual frequency		
	2-4 Information update	The information presented in the report does not affect comparability with previous reports.		
	2-5 External verification	APPENDIX II		
	2-6 Activities, value chain and other business relationships	3.1, 3.3-3.4, 9.1-9.8, 9.12, 10.1, 11.10		
	2-7 employees	10.1, Note 1		#
	2-8 workers who are not employed	10.1, Note 1		
	2-9 Governance structure and composition	6.2, 6.4-6.6 No member of the Board of Directors performs an executive function within the entity. The age of each member on the Board, their ages, as well as their curricula, where competencies related to economic, environmental and social issues are detailed, are published on the Bank's institutional site www.bancopatagonia.com		#
	2-10 Designation and selection of the highest governing body	6.3		
	2-11 President of the highest governing body	The President of Banco Patagonia does not hold an executive position.		
	2-12 Role of the highest governing body in monitoring impact management	5.2, 6.3, 7.1-7.5, 12.1 Interest groups are represented through the members of the Superintendencies and Executive Managers who report directly to the		

		Board and respond to their expectations and needs. The frequency of economic, social and environmental risk analyzes, and studies varies depending on the tool used. Annual and periodic evaluations are carried out in the framework of the Board and Superintendents meetings.		
2-13 Delegation of responsibility for impact management		6.2 Banco Patagonia has an area of CSR that depends on the Management of Organizational Climate, dependent on the Executive Management of Human Development and Organizational Climate, It is responsible for the coordination of social investment programs and actions related to the management of sustainability developed in conjunction with other areas of the Bank.		
2-14 Role of the highest governance body in Presentation the sustainability reporting system		The Board of Directors of the Bank reviews and approves the Integrated Annual Report.		
2-15 Conflicts of Interest		6.3		
2-16 Communication of critical concerns		5.3 The Board knows the significant opinions and expectations of interest groups through presentations of market studies, satisfaction surveys, work climate analysis, evaluation of social programs, among others. Important concerns include the topics selected in Materiality the PAMs Analysis.		
2-17 Collective knowledge of the highest governing body		6.3		
2-18 Evaluation of the performance of the highest governing body		6.3		
2-19 Remuneration policies		6.3, Appendix III.		
2-20 Process for determining remuneration		6.3, Appendix III. Interest groups are not considered for the determination of corporate governance remuneration.		
2-21 Total annual compensation rate			Confidentiality issues. All of this standard is not reported. Given the local context in which the activities of Banco Patagonia are carried out, this information is confidential to safeguard the personal security of our	

			collaborators and the senior management of the entity	
	2-22 Declaration on Sustainable Development Strategy	1		
	2-23 Commitments and policies	3.1-3.2, 5.1-5.2, 7.1, 7.4, 9.15, 12.1		
	2-24 Incorporation of commitments and policies	3.1-3.2, 5.1-5.3, 6.3		
	2-25 Processes to remedy negative impacts	5.2		
	2-26 Mechanisms to seek advice and raise concerns	7.5		
	2-27 Compliance with Laws and Regulations	There were no cases of non-compliance with legislation and regulations.		
	2-28 Membership of associations	3.5		
	2-29 Focus on stakeholder participation	5.2-5.3, 7.5, 9.9, 10.5, 10.7, 11.9, 11.10.1, 12.3		
	2-30 Collective Bargaining Agreements	10.1		
MATERIAL TOPICS				
GRI 3: Material Issues 2021	3-1 Processes for determining material issues	5.3		
	3-2 List of material topics	5.3		
Responsible management of resources				
GRI 3: Material Issues 2021	3-3 Management of material topics	5.1-5.3, 12.2		
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 perform primary products and services. However, it uses sustainable paper made from sugar cane fiber.		
Waste management				
GRI 3: Material Issues 2021	3-3 Management of material topics	5.1-5.3, 12.2		
GRI 306: Waste 2020	306-1 Waste generation and significant impacts related to waste	12.2.4		
	306-2 Management of significant impacts related to waste	12.2.4		
	306-4 Waste not intended for disposal	12.2.4		
Combating climate change				
GRI 3: Material Issues 2021	3-3 Management of material topics	5.1-5.3, 12.2.1		
GRI 302: Energy 2016	302-1 Power 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 energy requirements for products and services	12.1, 12.2.1		
GRI 305: Emissions 2016	305-2: Direct GHG emissions (scope 2)	12.2.1		
Own indicator	Energy savings in branch offices and central areas	1.2		
Own indicator	Energy purchased for the Av. de Mayo 701 building from a sustainable energy generator	1.2		
Environmental awareness				
GRI 3: Material Issues 2021	3-3 Management of material topics	5.1-5.3, 12.3		
Own indicator	Environmental awareness campaigns and actions	12.3		
Impact Financial Products				
GRI 3: Material Issues 2021	3-3 Management of material topics	5.1-5.3, 12.1		
Own indicator	Credit proposals analyzed under social and environmental criteria	12.1		
Customer Experience				
GRI 3: Material Issues 2021	3-3 Management of material topics	5.1-5.3, 9.9		
Own indicator	Customer satisfaction measurement	9.9		
Development of SMEs and enterprises				
GRI 3: Material Issues 2021	3-3 Management of material topics	5.1-5.3, 11.10		
GRI 204: Procurement Practices 2016	204-1 Share of expenditure on local suppliers	11.10 All those suppliers located within the territory of the Argentine Republic are considered as local.		#
Talent management and development				
GRI 3: Material Issues 2021	3-3 Management of material topics	5.1-5.3, 10.1-10.4		
GRI 401: Employment 2016	401-1 New employee hires and turnover	10.1-10.2		#
	401-2 Benefits for full-time employees that are not given to part-time or temporary employees	10.8		
GRI 404: Training and Education 2016	404-1 Average training hours per year per employee	10.3		#
	404-2 Employee Skills Improvement Programs and Transition Assistance Programs	10.3		
	404-3 Percentage of employees receiving periodic performance and career development assessments	10.4		
Own indicator	Hours of training for collaborators	10.4		

Organizational climate management				
GRI 3: Material Issues 2021	3-3 Management of material topics	5.1-5.3, 10.5		
Own indicator	Results of the climate survey	10.5		
Local community development				
GRI 3: Material Issues 2021	3-3 Management of material topics	5.1-5.3, 11.1, 11.3-11.5		
GRI 413: Local Communities 2016	413-1 Operations with local community participation, impact assessments and development programs	11.1		
	413-2 Operations with significant negative impacts – real or potential – on local communities	There were no negative impacts on local communities from the development of Bank operations.		
Own indicator	Number of Rio Negro Entrepreneurs Program registrants	11.4		
Own indicator	Number of beneficiaries of Social Investment in Education programs	11.3		
Own indicator	Direct beneficiaries of the Corporate Volunteer program	11.5		
Inclusion and financial education				
GRI 3: Material Issues 2021	3-3 Management of material topics	5.1-5.3, 9.13, 11.2-11.3		
Own indicator	Initiatives on financial education for interest groups	11.3		
Own indicator	Initiatives to improve access to financial services for disadvantaged people	11.2-11.3		
Own indicator	Increase of ATMs adapted for the use of blind people	9.13		
Diversity and Inclusion				
GRI 3: Material Issues 2021	3-3 Management of material topics	5.1-5.3, 6.2, 10.1, 10.6, 10.8		
GRI 401 Employment 2016	401-3 Parental Leave	10.8		#
GRI 405: Diversity and Equal Opportunities 2016	405-1: Diversity in governing bodies and employees	6.2, 10.1, 10.6, Note 1		#
Ethics and transparency				
GRI 3: Material Issues 2021	3-3 Management of material topics	5.1-5.3, 7.1-7.5		
GRI 205: Anti-Corruption 2016	205-2 Communication and training on anti-corruption policies and procedures	7.1-7.5		
	205-3 confirmed cases of corruption and measures taken	No cases of corruption were recorded.		#

Comprehensive risk management				
GRI 3: Material Issues 2021	3-3 Management of material topics	5.1-5.3, 7.1-7.5		
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for corruption-related risks	7.1-7.5		
Cybersecurity and information privacy				
GRI 3: Material Issues 2021	3-3 Management of material topics	5.1-5.3, 9.14-9.15		
GRI 416: Health and safety of the customers 2016	416-1 Assessment of the health and health impacts of product and service categories Security	9.14-9.15		
	416-2 Cases of non-compliance related to impacts of product and service categories in health and safety	No cases have been reported as a result of a breach of the rules described.		#
GRI 418: Customer Privacy 2016	418-1 substantiated claims regarding violations of customer privacy and loss of customer data	No claims have been registered in this respect.		#
Innovation and technology				
GRI 3: Material Issues 2021	3-3 Management of material topics	5.1-5.3, 9.8, 12.2.3		
Own indicator	Number of customers that operated digitally	9.8, 12.2.3		
Responsible Supplier Management				
GRI 3: Material Issues 2021	3-3 Management of material topics	5.1-5.3, 11.10.2-11.10.3		
GRI 308: Environmental Assessment of Suppliers 2016	308-2 Negative environmental impacts on the supply chain and measures taken	At present, Banco Patagonia has no knowledge of the existence of significant negative impacts on the supply chain by this concept. Notwithstanding the above, controls are made regarding compliance with the provisional		

		obligations of certain suppliers defined as "critical" for having personnel working in their buildings.		
GRI 414: Social Assessment of Suppliers 2016	414-2 Negative social impacts on the supply chain and measures taken	At present, Banco Patagonia has no knowledge of the existence of significant negative impacts on the supply chain by this concept. Notwithstanding the above, controls are made regarding compliance with the previsional obligations of certain suppliers defined as "critical" for having personnel working in their buildings.		

Notes to the GRI table

Note 1

EMPLOYEES IN FIGURES BY GENDER	2022		2021	
	Women	Men	Women	Men
By type of contract				
Permanent labor contract (1)	1,464	1,486	1,534	1,578
Temporary employment contract	4	4	0	0
By category				
Superintendents	1	5	1	5
Senior Management	15	50	15	54
Middle Management	94	180	97	190
Employees	1,358	1,255	1,421	1,329
By region				
Central areas	547	592	554	614
CABA and Buenos Aires Branches	484	326	516	361
Interior Branches	437	572	464	603
By type of employment contract:				
Full-time	1,468	1,490	1,534	1,578
Part-time	0	0	0	0
(1) The breakdown by region is as follows: 1,949 employees in CABA and Buenos Aires, and 1,009 in the interior of the country				

EMPLOYEES IN FIGURES BY GENDER AND REGION	2022	
	Women	Men
Permanent collaborators by gender and region		
Central areas	543	588
CABA and Buenos Aires Branches	484	326
Interior Branches	437	572
Temporary collaborators by gender and region		
Central areas	4	4
CABA and Buenos Aires Branches	0	0
Interior Branches	0	0
Collaborators for non-guaranteed hours by gender and region		
Central areas	0	0
CABA and Buenos Aires Branches	0	0
Interior Branches	0	0
Full-time employees by gender and region		
Central areas	547	592
CABA and Buenos Aires Branches	484	326

Interior Branches	437	572
Part-time employees by gender and region		
Central areas	0	0
CABA and Buenos Aires Branches	0	0
Interior Branches	0	0

EMPLOYEES IN FIGURES BY JOB CATEGORY AND AGE				2022
	Under 30 years	From 31 to 50 years	Over 51 years	Totals by category
Superintendents	0	3	3	6
Senior Management	0	40	25	65
Middle Management	3	183	88	274
Employees	293	1,803	517	2,613
Totals by age	296	2,029	633	2,958

ANNEX II: External Audit Report



Independent Accountant's Limited Assurance Report on the Integrated Annual Shareholders' Letter.

To the President and Directors of
Banco Patagonia S.A.
Av. de Mayo 701, 24th floor
City of Buenos Aires Taxpayer identification number (CUIT) 30-50000661-3

Information object of analysis

We have been hired by the Management of Banco Patagonia S.A. (hereinafter, "the Bank") to carry out a limited assurance assignment on the sustainability indicators reported in the "Purpose of the assignment" section of this report, which are included in the Bank's Integrated Annual Report for the year ended on December 31, 2022 (hereinafter, "the Annual Report").

Purpose of the assignment

The sustainability indicators that are the subject of the limited assurance assignment are detailed below:

- Clients
- Collaborators
- Society
- Suppliers
- Environment

Management's responsibility

The Bank's Management is responsible for the preparation and presentation of the Annual Report according to the sustainability reporting guidelines standard version of the "*Global Reporting Initiative*" (hereinafter, "GRI Standards").

In addition, the Bank's Management is responsible for:

- a. the information and the Claims Contained in the Annual Report.
- b. the determination of the Objectives of the bank in relation with the development of sustainable results and reports, including the identification of the related parties and the significant matters.
- c. the design, implementation and maintenance of an appropriate internal control applied so as the Annual Report doesn't contain significant distortions due to mistakes or irregularities, and
- d. Maintaining suitable records that support the process of information.



Auditors Responsibility's

Our responsibility is to carry out the limited assurance assignment and express a conclusion based on the work performed, in accordance with the instructions received from the Bank. We do not accept or assume responsibility to third parties other than the Bank for our work, or for the conclusions we reached in the limited assurance report. We have carried out our work in accordance with Technical Resolution No. 35 "Adoption of the International Standards for Assurance Assignments and Related Services" issued by the Argentine Federation of Professional Councils of Economic Sciences (hereinafter, "FACPCE"), in with regard to the International Standard for Assurance Assignments 3000 "Assurance Commitments Different from Auditing or Review of Historical Financial Information". These standards require that we comply with ethical requirements, including independence requirements, and that we plan and carry out our procedures to obtain limited assurance as to whether the Annual Report does not contain significant errors.

Procedures performed

A limited assurance assignment on a sustainability report consists of making inquiries, primarily to the officials responsible for preparing the information presented in the report, performing analytical procedures, and obtaining evidence through other procedures, as deemed appropriate. These procedures included:

- inquiries to the Management to obtain knowledge of the Bank's processes, in order to determine the relevant matters for the Bank's stakeholders.
- interviews with the Management in relation to the sustainability strategy, the policies on significant matters and their implementation.
- interviews with the personnel responsible for preparing the information included in the Annual Report.
- In relation to the financial information included in the GRI Content Index of the Report, indicated with (#), verification that they arise from the audited financial statements of the Bank as of December 31, 2022 and for the year ended on that date, and
- inspection, on a selective basis, of documentation to corroborate certain Management's statements.

A limited assurance assignment is substantially smaller in scope than a reasonable assurance or audit engagement performed in accordance with Technical Resolutions No. 35 and 32 of the FACPCE respectively, and therefore does not allow us to obtain the assurance that we will become aware of all significant matters that could be identified in an audit or reasonable assurance assignment. Accordingly, we do not express a reasonable audit opinion or assurance conclusion.

We consider that the evidence we have obtained provides a sufficient and adequate basis for our conclusion.

This limited assurance report has been prepared for the Bank's use for the purpose of assisting Management in determining whether the Bank has met the criteria of GRI Standards for an essential level of application in the preparation of the Report, and for no other purpose.



Independence

In carrying out our assignment, we have met the requirements of independence of the Technical Resolution No. 35 of the FACPCE.

Conclusion

From the professional work described in the "Procedures Performed" section of this report, there is no evidence emerged that led us to believe that the sustainability indicators reported in the section "Purpose of the assignment" included in the Bank's Annual Report corresponding to the fiscal year ended on December 31, 2022, have not been prepared, in all its significant matters, according to the criteria of GRI Standards and with the records and files that served as the basis for their preparation.

City of Buenos Aires, February 23, 2023

KPMG

Public Registry of Commerce CPCECABA T°2 F°6

A handwritten signature in blue ink, appearing to read 'Mabel F. Casillas', with a horizontal line underneath.

Mabel F. Casillas

Partner

Public Accountant (UBA)

CPCECABA T° 195 F° 103

ANNEX III – REPORT ON THE CORPORATE GOVERNANCE CODE 2022

REPORT ON THE CORPORATE GOVERNANCE CODE 2022

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 oversee 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 oversee 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 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 perform its role effectively and efficiently 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 to facilitate knowledge and understanding of the ethical principles and conduct that each of the members of Banco Patagonia must comply with in their performance, with efficiency, quality and transparency, respecting the law, the good practices and the highest standards of conduct, promoting and protecting human rights throughout our business ecosystem.

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."

Bank members who occupy leadership roles must ensure compliance with these principles, promoting a culture of respect and strongly condemning any manifestation of violence.

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 because 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 sets the company's general strategy and approves the strategic plan developed by management. In doing so, the Board of Directors takes into consideration environmental, social, and corporate governance factors. The Board of Directors oversees its implementation using key performance indicators and taking into account 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, as a founding Bank, of the Sustainable Finance Protocol signed in 2019, initially together with 17 other Argentine Financial Entities (currently it has a membership of 28 Entities that concentrate 90% of the share of loans from the Argentine Financial System).

Said Protocol's main objective is to promote sustainable investment practices and institutionalize the criteria of sustainability as a guiding principle of financial activity. The Protocol seeks to promote the implementation of the

best practices and international policies that promote an effective integration between economic, social and environmental factors, urging that this triple vision integrate the business strategy of each Financial Institution.

Under this framework, Banco Patagonia is deepening its sustainability strategy based on different approaches: integrating the analysis of ESG criteria (environmental, social, and corporate governance) in the granting of credits, developing tools linked to climate risk management, analyzing the feasibility of developing "green" financial products, strengthening its diversity and inclusion strategy internally, based on the creation of an Interdisciplinary Cell.

Likewise, it has a long tradition in supporting social investments and micro-entrepreneurship, as well as in the internal dissemination of good environmental protection practices. Finally, Banco Patagonia actively promotes transparency and integrity standards among all its stakeholders, paying special attention to its collaborators and related third parties, among whom it periodically disseminates the principles of ethics, integrity and anti-corruption that govern daily actions.

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 best 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."

Banco Patagonia's Board of Directors is in charge of the Bank's administration and, as appears from the Board of Directors minutes 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 of corporate governance and those

responsible for its implementation (approves the organizational macrostructure, the composition and attributions of the Committees, general policies, appoints the members of Senior Management, etc.).

The Board of Directors approved a Corporate Governance Code, which is reviewed annually, evaluating whether it is appropriate to the profile, complexity and economic importance of the Bank. From it 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. Said procedure is applied prior to the Shareholders' Meeting in the case of the new authorities to be appointed.

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 the 2022 financial year, the Board of Directors meetings were held in compliance with the regulated periodicity, which had a high participation of its members. The meetings began to be held remotely and then moved to a mixed modality, in which the participants could participate in person or communicated through means of simultaneous transmission of sound, images and words in accordance with the provisions of the twelfth article of the Statute. Social and 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 one of them, the detail of which is published on the Bank's website (Committee of : CNV Audit, BCRA Audit, Control and Prevention of Money Laundering and Financing of Terrorism, Protection of Users of Financial Services, Information Technology, Information Security and Protection of Information Assets, Finance, Operational Risk, Global Risk, Human Development; Business; Ethics; Customer Experience; Management; Security, Architecture and Asset Management)(<https://www.bancopatagonia.com.ar/institucional/organizacion/comites.php>), It 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 sufficient time to have the information to be discussed, the necessary quorum -which requires for each Committee the participation of at least one Director as Vice-President or President-, the possibility of remote meetings. These Regulations are published in the Bank's internal standards 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.

Best practice applies.

As stated in 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. As part of said responsibility, he must guarantee the good organization of the Board meetings and for this

he is assisted by the Executive Management of the Board Secretary, as explained in Practice 9 of this Report.

The Internal Regulations for the operation of the Board of Directors establish that said area will be in charge of managing and filing the information to be included in the Board of Directors meetings, organizing them and transmitting the decisions dealt with in them to the rest of the Organization. In other words, with their assistance, the agenda for the meetings held in 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, and guarantees that the members of the Board of Directors receive complete and sufficient information for decision-making, which implies ensuring a channel of consultation between the Board of Directors and Senior Management, if necessary. It is the Chairman's mission to stimulate debate and determine the information that is always necessary to ensure that the Directors will be able to form an opinion and stay informed on matters within their competence.

The call for Board meetings is made in writing at least two (2) business days in advance, as stipulated in the Bylaws.

With respect to the Committees created by the Bank's Board of Directors, each of them has internal operating regulations, by means of which a "Coordinator" is designated who is in charge, among other tasks, of calling and preside over the meetings, authorize the inclusion of issues that require a decision outside of the deadline for the development of the meeting schedule, evaluate and define the issues that will be discussed in the meetings, and

authorize the participation of guests. Likewise, each Regulation specifies the term 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 Secretary, a self-evaluation of the performance of the Board of Directors is carried out, which contains a questionnaire so that each member of the Board can carry out a performance evaluation of the Board of Directors as a whole - of the formal aspects of the Board of Directors meetings, of its responsibilities and the performance of its management, of the relationship with the Organization - and an individual self-evaluation. A results report is drawn up from these surveys, which is later formally acknowledged 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.

The Internal Controls area periodically carries out a review procedure for this Report.

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.

The recommended practice is applied.

It is the function of the President to create a positive and constructive work space for all the members of the Board of Directors and to ensure that they receive continuous training to keep up-to-date and to be able to correctly fulfill their duties.

Regarding training, there is an annual plan for Directors, Superintendents and Managers. The 70/20/10 Learning Theory has been adopted for all Bank members as an organizational learning approach, which states that 70% of what adults learn is through challenges and experiences, 20% of the others that surround them (leaders, peers) and only 10% in courses and readings. From the Training and Development area, activities designed to favor this learning modality are proposed under the premise of promoting self-development and growth of all collaborators.

For Directors, Superintendents and Managers, said activities are aimed at updating and training in new market trends. During 2022 the following activities were carried out:

- Economic update conferences on a monthly basis by external consultants.
- Training on topics of Prevention of Money Laundering and Integrity and Anti-corruption.
- Program on Diversity and Inclusion in organizations: e-Learning on the application of ILO Convention 190.
- Language training program: English, Portuguese and Spanish.
- Meetings of specialist Commissions in the Argentine Banking Association (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

With the objective of strengthening and developing the skills of its leaders and preparing them to cover eventual vacancies, through the Executive Management of Human Development and Organizational Climate, specific actions are carried out to identify potential candidates.

The members of Senior Management must have the necessary suitability and experience to manage the business under their supervision, as well as the appropriate control of their personnel in charge.

During the year 2022, the Leadership Academy for Management and Headquarters levels was organized, and for years there have been complete reports of potential made by an external consultant to Executive Managers and Superintendents, from which specific information arises to consider in a plan of succession.

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 noted that the Directors of the Bank do not fulfill executive functions in the Entity, in accordance with the provisions of Communication "A" 7143 and 7651 of the BCRA.

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, 2022, the Board of Directors was composed of nine members, of which three are Argentine and six are foreigners; their ages are between 43 and 70 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 7651, 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.

According to the compensation policy, it is Banco Patagonia's practice to manage the comprehensive compensation of its employees based on the principles of internal equity and external competitiveness, within the framework of current legal regulations. In this sense, the remuneration system includes the compensation that the collaborator receives for all concepts as consideration for her contribution to the organization in terms of function and results.

The Bank wants the remuneration of its personnel to be competitive through adequate compensation, thus promoting the motivation, attraction and retention of talent.

The Executive Management of Human Development and Organizational Climate provides the Human Development Committee, at least once a year, with the necessary information to establish the salary bands and that, as a result, the amounts of remuneration for Senior Management are determined, taking into account the values corresponding to comparable companies and the situation in relation to the market that it intends to achieve.

The issues discussed at the Committee meetings are formalized in minutes that are submitted monthly to the Board of Directors for their knowledge.

16. The Board of Directors, through the Compensation Committee, 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.

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 consider 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 and the consolidated.

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

XVII. 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.

XVIII. 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.

Bank members who occupy leadership roles must ensure compliance with these principles, promoting a culture of respect and strongly condemning any manifestation of violence.

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 with the aim of reflecting the Bank's ethical culture year after year. Additionally, this Committee is aware of the reports that arise from the "Ethics Line" Complaints Channel or from the different sources of detection of behaviors that affect the principles of institutional integrity.

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 Compensation Agent and Comprehensive Negotiation Agent, which establishes the policy and procedures corresponding to the standards applicable legal and ethical

Banco Patagonia's Board of Directors also approved an Integrity Policy and Program, which arises because of its unwavering commitment to preventing and fighting corruption; a commitment that is assumed expressly and publicly, stating its position of "zero tolerance" 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 Asset Laundering and Terrorism Financing, as well as the integrity policies of our parent Company, the Program enshrines the guiding ethical values of the Bank and provides the necessary guidelines so that all members guide their daily conduct 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 contracting 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)

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. This document is reviewed annually by the Board of Directors, reflecting its commitment to the continuous improvement and review of the corruption prevention scheme.

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.
- viii) Protocols for interaction with the public administration.
- ix) Due diligence procedure linked to donations, sponsorships, and patronage.

Each person who is part of the Bank's different interest groups has been made aware of the Integrity and Transparency standards that govern the Entity, using a segmentation and criticality criteria based on the degree of exposure to corruption risk. The dissemination of content linked to Integrity has been institutionalized, being part of the periodic communications that are disseminated in the official communication tool. The Bank's Board of Directors and Senior Management receive annual training on Integrity and Anti-Corruption issues, given by external consultants who keep each member of top management's knowledge on the subject up-to-date. Likewise,

the Bank has institutionalized an annual meeting linked to the promotion of good practices on Compliance, with the presence of notable references and experts in the field.

The culture of Integrity and prevention of corruption has been progressively permeating all the Bank's processes, gradually evolving towards the concept of sustainable Integrity, where from a broader perspective the Entity is addressing standards not only linked to the fight against corruption, but also human rights, the environment, gender, diversity, and inclusion.

Accompanying this evolution, and in accordance with the commitment assumed by the Board of Directors to maintain a position of zero tolerance against acts of corruption, the Bank has joined the Argentine Association of Ethics and Compliance, participating as a sponsoring entity.

Likewise, the leaders of the Entity's Compliance area actively participate in different academic spaces, promoting and disseminating knowledge and good practices of Integrity and Transparency in different spaces.

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 Annex 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.

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.

Law No. 26,831 on Capital Markets provides in its art. 70 that up to five (5) calendar days before the date for the celebration of the ordinary meeting that must consider the documentation of the exercise, the shareholders that represent at least two percent (2%) of the capital stock may deliver in the headquarters, comments or proposals regarding the progress of the company's business for the year. In addition to the controlling shareholder Banco Do Brasil, Banco Patagonia has two shareholders that exceed this percentage, ANSES FGS and Province of Río Negro, with whom there is a regular communication channel.

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 Bylaws provide for the possibility of holding Shareholders' Meetings with their participants present or remotely, as long as the precautions provided by 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 participants; b) The record of the subjects and the nature in which they participated in the remote act, the place where they were, and the technical mechanisms used will be recorded.

With respect to the supporting documentation of the topics included in the Call, all the information related to the approval of the Financial Statements is published on the Bank's website and on the CNV's Financial Information Highway, as well as the Board proposals for each point. The channel enabled for any type of clarification or additional request can be channeled through the Investor Relations Manager, as explained in Practice 25 or to the email address informed in the Call for Meeting as explained in Practice 27.

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.

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).

City of Buenos Aires, February 23, 2023

The Directory

Translation from the original prepared in Spanish for publication in Argentina

BANCOPATAGONIA

Financial Statements

As of December 31, 2022

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

BANCO PATAGONIA S.A.

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022

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BANCO PATAGONIA S.A.

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022

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BANCO PATAGONIA S.A.

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022

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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 audit

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, 2022, 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 61 and exhibits 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, 2021, restated in currency of December 2022 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 2.1.1 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 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.

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 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

In our opinion, 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, 2022, 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 2.1.1 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 55 to the attached consolidated financial statements related to the Minimum Net Worth and liquid counterparty requirements. 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, 2022, 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.

Translation from the original prepared in Spanish for publication in Argentina

- e) As arising from the accounting records of the Entity, the liability accrued as of December 31, 2022, in favor of the National Social Security Regime in respect of contributions and planned contributions amounted to \$723,738,229.33 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, 2022 is 82.35%;
 - ii) the quotient between the total of said professional auditing services invoiced to the Entity and the total of the auditing services invoiced to the Entity and its subsidiaries and affiliates is 77.80%; 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 72.80%.

City of Buenos Aires, February 23, 2023

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

INDEPENDENT AUDITOR'S REPORT

To the President and Directors of
Banco Patagonia S.A.
CUIT N° 30-5000661-3
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 audit

We have audited the accompanying separate financial statements of Banco Patagonia S.A. (the Entity), which comprise the separate statement of financial position as of December 31, 2022, the statements of income, other comprehensive income, changes in equity and separate 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 37 and exhibits A, B, C, D, E, F, G, H, I, J, K, L, N, O, P, Q y R.

The amounts and other information corresponding to the fiscal year ended December 31, 2021, restated in currency of December 2022 in accordance with what is indicated in note 3, are an integral part of the separate 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 separate financial statements

The Entity's Board of Directors is responsible for the preparation and presentation of the accompanying separate financial statements in accordance with the financial information framework established by the Central Bank of the Argentine Republic (BCRA). As indicated in note 2.1 to the accompanying separate 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 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 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 separate 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 separate 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 separate 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

In our opinion, the accompanying 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, 2022, 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 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 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 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 accompanying 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 CNV, we report that we have no observations to make about the information included in note 35 to the attached separate financial statements related to the Minimum Net Worth and liquid counterparty requirements. 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, 2022, 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.

Translation from the original prepared in Spanish for publication in Argentina

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, 2022, in favor of the National Social Security Regime in respect of contributions and planned contributions amounted to \$713.833.851,92 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, 2022 is 82.35%;

ii) the quotient between the total of said professional auditing services invoiced to the Entity and the total of the auditing services invoiced to the Entity and its subsidiaries and affiliates is 77.80%; 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 72.80%.

City of Buenos Aires, February 23, 2023

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: 09/01/2021
	Book	Stock Corporations Book: 104
		Number: 13,818
Expiry of articles of incorporation: August 29, 2038		
Fiscal year No. 99		
Beginning date: January 1, 2022	Closing date: December 31, 2022	
Capital structure (Note 27)		
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, 2022	001 - (Fiscal year-end - Unqualified)	

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/23/2023

By Supervisory Committee

Diego A. Ferreyra
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/23/2023
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 12/31/22 AND 12/31/21
(Stated in thousands of pesos)**

ITEM	NOTES	12/31/22	12/31/21
ASSETS			
Cash and bank deposits	7	100,733,326	133,872,524
Cash on hand		26,815,000	33,774,457
Financial institutions and correspondents		72,855,556	99,288,895
BCRA		70,581,228	94,218,745
Other in Argentina and abroad		2,274,328	5,070,150
Other		1,062,770	809,172
Debt securities measured at fair value with changes through profit or loss	8	4,303,493	4,151,745
Derivative instruments	9	860,500	1,279,423
Repo transactions	10	136,604,506	124,871,961
Other financial assets	11	18,349,608	9,660,664
Loans and other financing facilities (Exhibits B and C)	12	261,371,517	325,694,182
Non-financial government sector		424,112	70,179
Other financial institutions		17,949,713	21,902,424
Nonfinancial private sector and foreign residents		242,997,692	303,721,579
Other debt securities	13	335,401,866	245,258,898
Financial assets granted as collateral	14	18,241,163	16,426,396
Current income tax assets	15 a)	132,880	1,785,311
Investments in equity instruments	16	18,607	2,129,627
Investments in subsidiaries, associates, and joint ventures	17	1,123,984	1,181,039
Property and equipment (Exhibit F)	18	33,686,276	34,992,017
Intangible assets (Exhibit G)	19	806,593	1,275,731
Deferred income tax assets	15 b)	146,659	1,007,366
Other non-financial assets	20	2,244,292	2,842,395
TOTAL ASSETS		914,025,270	906,429,279

Marcelo A. Iadarola
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Diego A. Ferreyra
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

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Mónica M. Cukar
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BANCO PATAGONIA S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 12/31/22 AND 12/31/21
 (Stated in thousands of pesos)

ITEM	NOTES	12/31/22	12/31/21
LIABILITIES			
Deposits (Exhibits H)		659,910,092	663,083,499
Non-financial government sector		39,903,490	46,248,096
Financial sector		2,515,011	4,754,285
Non-financial private sector and foreign residents	21	617,491,591	612,081,118
Liabilities at fair value through profit or loss		-	293,030
Derivative instruments	9	40,040	114,511
Repo transactions	10	-	189,874
Other financial liabilities	22	35,434,528	32,290,780
Financing facilities received from BCRA and other financial institutions	23	19,652,593	14,546,969
Corporate bonds issued	24	1,077,534	1,227,415
Current income tax liabilities	15 a)	2,554,043	400,280
Provisions (Exhibit J)	25	1,296,744	1,948,731
Deferred income tax liabilities	15 b)	5,849,375	-
Other nonfinancial liabilities	26	28,039,009	46,894,559
TOTAL LIABILITIES		753,853,958	760,989,648
SHAREHOLDERS' EQUITY			
Share capital	27	719,145	719,145
Non-capitalized contributions		217,191	217,191
Share capital adjustments		57,486,826	57,486,826
Retained earnings		82,176,408	68,370,856
Other comprehensive income		1,073,328	4,840,061
Income for the fiscal year		18,498,414	13,805,552
Equity attributable to the owners of the parent company		160,171,312	145,439,631
Equity attributable to non-controlling interests (*)		-	-
TOTAL SHAREHOLDERS' EQUITY		160,171,312	145,439,631
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		914,025,270	906,429,279

(*) As of December 31, 2022, and 2021, Net Equity attributable to non-controlling interests amounts to \$815.96 y \$752.10, respectively.

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BANCO PATAGONIA S.A.

**CONSOLIDATED STATEMENTS OF INCOME
AS OF 12/31/22 AND 12/31/21**
(Stated in thousands of pesos)

ITEM	NOTES	FISCAL YEAR ENDED	
		12/31/22	12/31/21
Interest income	29	339,296,872	232,939,477
Interest expense	30	(190,574,931)	(126,158,103)
Net interest income		148,721,941	106,781,374
Interest income	31	24,477,039	26,278,154
Interest expense	32	(8,357,611)	(7,894,547)
Net interest income		16,119,428	18,383,607
Net result from measurement of financial instruments at fair value with changes in results	33	5,350,664	4,289,568
Result from derecognition of assets measured at amortized cost and at fair value with changes in OCI		(234,008)	1,540,051
Gold and foreign currency bid/offer spread		6,029,956	3,281,465
Other operating income	34	17,236,734	10,323,909
Charge for Loan Losses		(5,494,160)	(1,968,532)
Net operating income		187,730,555	142,631,442
Benefits to personnel	35	(33,874,733)	(34,179,606)
Administrative expenses	36	(19,085,278)	(20,934,403)
Depreciation and impairment of assets		(3,707,657)	(3,817,112)
Other operating expenses	37	(26,186,335)	(24,582,231)
Operating income		104,876,552	59,118,090
Gain/loss on associates and joint ventures		(243,960)	98,937
Inflation effect (net position of assets and liabilities)		(73,122,496)	(38,384,689)
Income before tax relating to continuing operations		31,510,096	20,832,338
Income tax relating to continuing operations	15 b)	(13,011,682)	(7,026,786)
Net income from continuing operations		18,498,414	13,805,552
NET INCOME		18,498,414	13,805,552

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BANCO PATAGONIA S.A.

**CONSOLIDATED STATEMENTS OF INCOME
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)**

NET INCOME FOR THE YEAR	FISCAL YEAR ENDED	
	12/31/22	12/31/21
Net income attributable to the owners of the parent company	18,498,414	13,805,552
Net income attributable to non-controlling interests (*)	-	-

(*) As of December 31, 2022, and 2021, the Net Income for the year attributable to non-controlling interests amounts to \$202.24 and \$154.35, respectively.

EARNINGS PER SHARE	FISCAL YEAR ENDED	
	12/31/22	12/31/21
NUMERATOR		
Net income attributable to the shareholders of the parent company	18,498,414	13,805,552
Net income attributable to the shareholders of the parent company adjusted to reflect dilution	18,498,414	13,805,552
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	25.723	19.197
Earnings per-share – Diluted	25.723	19.197

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BANCO PATAGONIA S.A.

**CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of pesos)**

ITEM	FISCAL YEAR ENDED	
	12/31/22	12/31/21
INCOME FOR THE YEAR	18,498,414	13,805,552
Components of other comprehensive income that will be reclassified to income for the year		
Revaluation of property and equipment	-	(420,931)
Income tax	-	(420,931)
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO THE FISCAL YEAR INCOME	-	(420,931)
Components of other comprehensive income that will be reclassified to income for the year		
Exchange differences on translation of financial statements	(56,914)	(167,069)
Exchange differences for the year	(81,987)	(154,453)
Income tax	25,073	(12,616)
Gains or losses on financial instruments carried at fair value through OCI (paragraph 4.1.2^a of IFRS 9)	(3,709,819)	(764,600)
Gains on financial instruments carried at fair value through OCI	(5,928,850)	(680,814)
Income tax	2,219,031	(83,786)
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED TO INCOME FOR THE YEAR	(3,766,733)	(931,669)
TOTAL OTHER COMPREHENSIVE INCOME	(3,766,733)	(1,352,600)
TOTAL COMPREHENSIVE INCOME	14,731,681	12,452,952
Attributable to the owners of the parent company (*)	14,731,681	12,452,952

(*) As of December 31, 2022, and 2021 the Net Income for the year attributable to non-controlling interests amounts to \$202.24 and \$154.35, respectively.

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BANCO PATAGONIA S.A.

**CONSOLIDATED STATEMENTS STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF 12/31/22**
(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 12/31/2022
	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	57,486,826	386,223	3,715,408	738,430	45,743,527	22,627,329	13,805,552	145,439,631	145,439,631
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholder's Meeting held on 04/28/22											
- Legal reserve	-	-	-	-	-	-	2,761,110	-	(2,761,110)	-	-
- Optional Reserve - Future distribution of profits	-	-	-	-	-	-	-	11,044,442	(11,044,442)	-	-
Income for the fiscal year (2)	-	-	-	-	-	-	-	-	18,498,414	18,498,414	18,498,414
Other comprehensive income for the fiscal year	-	-	-	(56,914)	-	(3,709,819)	-	-	-	(3,766,733)	(3,766,733)
Balance sheets at fiscal year end	719,145	217,191	57,486,826	329,309	3,715,408	(2,971,389)	48,504,637	33,671,771	18,498,414	160,171,312	160,171,312

(*) Balances as of December 31, 2021, restated as of December 31, 2022., except for "Share capital" and "non-capitalized contributions".

(1) See note 27.

(2) See note 47.

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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	57,486,826	553,292	4,136,339	1,503,030	39,542,415	61,789,377	(17,458,143)	148,489,472	148,489,472
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholder's Meeting held on 04/22/21											
- Legal reserve	-	-	-	-	-	-	6,201,112	-	(6,201,112)	-	-
- Optional Reserve - Future distribution of earnings	-	-	-	-	-	-	-	9,301,666	(9,301,666)	-	-
- Cash dividends	-	-	-	-	-	-	-	-	(15,502,793)	(15,502,793)	(15,502,793)
- Absorption of negative Retained Earnings due to first-time application of IAS 29	-	-	-	-	-	-	-	(48,463,714)	48,463,714	-	-
Income for the fiscal year	-	-	-	-	-	-	-	-	13,805,552	13,805,552	13,805,552
Other comprehensive income for the fiscal year	-	-	-	(167,069)	(420,931)	(764,600)	-	-	-	(1,352,600)	(1,352,600)
Balance sheets at fiscal year end	719,145	217,191	57,486,826	386,223	3,715,408	738,430	45,743,527	22,627,329	13,805,552	145,439,631	145,439,631

(*) Balances as of December 31, 2020, restated as of December 31, 2022., except for "Share capital" and "non-capitalized contributions".

(1) See note 27.

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BANCO PATAGONIA S.A

**CONSOLIDATED FINANCIAL STATEMENTS OF CASH FLOWS
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)**

ITEM	12/31/22	12/31/21
Cash flows from operating activities		
Income before Income Tax	31,510,096	20,832,338
Adjustment for the total monetary result of the year	73,122,496	38,384,689
Adjustments to obtain cash flows from operating activities:	4,744,693	(2,728,308)
Assets depreciation and impairment of value	3,707,657	3,817,112
Charge for Loan Losses	5,494,160	1,968,532
Other adjustments	(4,457,124)	(8,513,952)
Net decreases from operating assets:	(2,276,509)	(52,504,110)
Debt securities measured at fair value with changes through profit or loss	895,209	616,317
Derivative instruments	418,923	(436,941)
Repo transactions	(11,732,545)	(101,312,234)
Loans and other financing facilities	108,174,500	27,286,242
Non-financial government sector	133,808	5,409
Other financial institutions	5,663,144	1,702,988
Nonfinancial private sector and foreign residents	102,377,548	25,577,845
Other debt securities	(88,500,882)	16,725,336
Financial assets granted as collateral	(1,814,767)	9,286,837
Investment in equity instruments	2,111,020	374,634
Other assets	(11,827,967)	(5,044,301)
Net decreases from operating liabilities:	(108,199,432)	(2,522,878)
Deposits	(89,264,549)	(631,424)
Nonfinancial government sector	(2,473,934)	428,704
Financial sector	(60,478)	96,069
Nonfinancial private sector and foreign residents	(86,730,137)	(1,156,197)
Liabilities measured at fair value with changes through profit or loss	(293,030)	293,030
Derivative instruments	(74,471)	114,511
Repo transactions	(189,874)	176,122
Financing facilities received from BCRA and other financial institutions	(10,669,792)	2,275,079
Other liabilities	(7,707,716)	(4,750,196)
Income tax payments	(311,534)	(1,802,722)
TOTAL OPERATING ACTIVITIES (A)	(1,410,190)	(340,991)

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**CONSOLIDATED FINANCIAL STATEMENTS OF CASH FLOWS
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of pesos)**

ITEM	12/31/22	12/31/21
Cash flows from investing activities		
Payments:		
Purchase of property and equipment, intangible assets, and other assets	(965,950)	(2,844,220)
Proceeds:		
Sale of property and equipment, intangible assets, and other assets	277,547	88,303
TOTAL INVESTING ACTIVITIES (B)	(688,403)	(2,755,917)
Cash flows from financing activities		
Payments:		
Unsubordinated corporate bonds	(1,435,522)	(4,800,406)
Financing facilities from local financial institutions	(2,441,849)	(1,933,424)
Payment for leases	(802,074)	(775,971)
Proceeds:		
Unsubordinated corporate bonds	996,460	1,974,495
TOTAL FINANCING ACTIVITIES (C)	(3,682,985)	(5,535,306)
EFFECTS OF EXCHANGE RATE CHANGES (D)	44,716,680	20,394,084
EFFECT OF MONETARY GAIN/LOSS ON CASH AND CASH EQUIVALENTS (E)	(72,074,300)	(57,601,259)
TOTAL CHANGES IN CASH FLOWS	12/31/22	12/31/21
NET DECREASE IN CASH AND CASH EQUIVALENTS (A + B + C + D + E)	(33,139,198)	(45,839,389)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	133,872,524	179,711,913
CASH AND CASH EQUIVALENTS AT YEAR-END	100,733,326	133,872,524

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BANCO PATAGONIA S.A.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2022
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.

The shares of Banco Patagonia S.A. They have a public offer and are listed on the Argentine Stock Exchanges and Markets (ByMA), since June 20, 2007, under the name BPAT.

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.: "In Liquidation". 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).

On March 31, 2022, Banco Patagonia (Uruguay) S.A.I.F.E. "In Liquidation" began the process of withdrawing from operations in Uruguay by submitting the relevant application to the Central Bank of Uruguay.

On June 30, 2022, having complied with the prerequisites established in the regulations of the Uruguayan financial system, the Shareholders' Meeting of the Company approved its early dissolution within the framework of the Commercial Companies Law in force in such country, the appointment of the liquidators and the modification of the corporate name to Banco Patagonia (Uruguay) S.A.I.F.E. "En Liquidación" (In Liquidation).

On September 15, 2022, the BCU revoked the authorization to act as a financial entity for Banco Patagonia (Uruguay) S.A.I.F.E. "En Liquidación".

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Gustavo Carballal (Partner)
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BANCO PATAGONIA S.A.

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(Stated in thousands of Pesos)**

The company's activity is restricted to operations related to the final settlement of its assets and liabilities and the return to customers of deposits and securities in remaining custody operations, making it impossible to attract new ones.

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.
- Integral Placement and Distribution Agent: registered under agent number 172 on June 23, 2022.

-These financial statements have been approved by the Entity's Board of Directors at its meeting on February 23, 2023.

NOTE 2 - BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis for presentation

- 2.1.1 These consolidated financial statements for the fiscal year ended December 31, 2022, 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:

Marcelo A. Iadarola
Executive Manager of Administration

Diego A. Ferreyra
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/23/2023

By Supervisory Committee

Signed for identification purposes
with our report dated 02/23/2023
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- 2.1.1.1 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.
- 2.1.1.2 Regarding the valuation of Prisma Medios de Pago S.A. the guidelines established by the BCRA that provided for the accounting treatment to be exempted from the remaining investment maintained by the Entity in said company, recorded under "Investments in Equity Instruments" as of December 31, 2021, are considered. As of December 31, 2022, the investment has been transferred as detailed in Note 16, therefore, the Entity has no shareholding as of this date. If the criteria provided under IFRS 9 had been applied, as of December 31, 2021, a higher asset would have been recorded with a counterpart in results and, therefore, a lower result in the year ended December 31, 2022.
- 2.1.2 As of December 31, 2021, 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 those 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 item.

GPAT has chosen to apply point 5.5 of IFRS 9 as of January 1, 2022, with no significant effects on retained earnings as of December 31, 2022, and 2021.

- 2.1.3 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 Communication's "A" 6323 and "A" 6324, as amended and supplemented.

2.2 Seasonality of transactions

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

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2.3 Comparative information

For the purposes of the comparative presentation, certain reclassifications were made in the information submitted for the previous financial year, to set them out on a uniform basis. Additionally, the figures as of December 31, 2021, have been restated in the closing currency of the current year. The modification of comparative information does not imply changes in decisions made based on 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. To determine whether an economy is hyperinflationary, the IAS describes several 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 consensus agrees that Argentina meets the requirements established to be considered an inflationary economy under IAS 29. Based on the aforementioned, it is necessary to apply IAS 29 to present the financial information under IFRS for the annual or interim periods as from July 1, 2018.

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

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

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

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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, 2022, 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.

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".

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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 25 "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 consider for the purpose of setting the transaction price.

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 (under 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.

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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.

c) Common investment funds

The Group acts as an administrator of mutual funds (see Note 52). 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 share partisans are not entitled to remove the administrator without cause. In cases where the economic share is less than 37% the Group concludes that it acts as an agent of the sharepartists and therefore does not consolidate such common investment funds.

d) Loss of control

When the Group loses control over a subsidiary, its disuses 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 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.

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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".

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".

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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.

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 Income (OCI), or fair value with changes in results.

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A financial asset is measured at amortized cost if it meets the following conditions:

- the asset is maintained under a business model whose objective is to maintain the asset to collect flows of contractual funds; and
- the contractual conditions of the financial asset result in flows of funds that meet the criterion of "capital and interest payments only".

A debt instrument is measured at Fair Value with changes in OCI if it meets the following conditions:

- the asset is maintained in a business model whose objective is to collect the flows of contractual funds and sell the financial asset; and
- the contractual conditions of the financial asset result in flows of funds that meet the criterion of "capital and interest payments only".

In the initial recognition of an equity instrument that is not maintained for trading, the Group may choose for each instrument individually to present changes in fair value in the OCI.

All other financial assets are classified as measured at fair value with changes in results.

This category includes derivative financial instruments.

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. 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.

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In assessing whether contractual fund flows meet the "capital and interest payment only" criterion, the Group defines as "capital" the fair value of the financial asset at the time of its initial recognition and as an "interest" to consideration for the time value of the money and the credit risks associated with the outstanding capital and other basic risks of a loan. The evaluation considers whether the financial asset contains contractual conditions that may change the opportunity or amount of contract fund flows so that it does not meet the above criteria.

Financial assets are not reclassified after their initial recognition, except for a change in the Group's business models.

c) Classification of financial liabilities

The Group classifies its financial liabilities as measured at amortized cost, except those financial liabilities that are valued at fair value through profit or loss, guarantees issued and loan commitments.

Financial liabilities measured at fair value through profit or loss include derivative financial instruments and are measured at fair value through profit or loss.

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 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 these cases, the transferred financial assets are not written off.

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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 " Repo 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).

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Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

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BANCO PATAGONIA S.A.

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g) Impairment of financial assets

As mentioned in Note 5, the Entity has adopted the impairment model of section 5.5 "Deterioration of value" of IFRS 9 "Financial Instruments", with the scope established by BCRA Communication "A" 6847 which excluded non-financial public sector debt instruments from their application.

Impairment requirements apply to financial assets measured at their amortized cost, measured at fair value with changes in OCI, lease receivables, and certain loan commitments and financial guarantee agreements.

For these financial assets, loan commitments and financial guarantees that are considered found in 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 this 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.

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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:

$$\text{Expected Loss: } \sum_{n=1}^n \frac{PD_t^{Lifetime} \times LGD \times EAD_t}{(1+i)^{Plazo Desc_t^{MDE-MA}}}$$

Where:

- **t**: It represents each prospective evaluation point in time. In other words, it indicates each probable future probable future loss scenario.
- **n**: It represents the life term of the operation over which the expected loss is estimated. This value is conditional on the stage in which the financial asset is allocated based on its credit quality.
- **LGD**: Represents the LGD of the operation.
- **EAD_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.

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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.

Clients that present significant deterioration since origination (Stage 2): for those assets whose credit risk has increased significantly since initial recognition, a PD is estimated for the entire life cycle of the asset, including in this estimate the consideration of the effect of prospective economic variables. For revolving products, such as credit cards and checking accounts, an estimate of the asset's lifetime will be made.

Customers in default (Stage 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 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.

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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 Group 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.

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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.

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 PD estimated for the initial moment are adjusted by the corresponding CFL coefficient (depending on the duration of the operation and the type of customer), thus obtaining a PD conditional to the trajectories of the macroeconomic variables for each moment 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

$$CFL_{t+k} = \frac{\sum_{k=1}^T \text{Mora sistémica}_{t+k}}{\text{Mora sistémica}_t}, \text{ where, for this particular indicator, } k \in \{1,2 \dots 23,24\}$$

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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 whereby 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 because 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.

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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 based on 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.

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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.

An 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, because 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.

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In determining the balance of provisions, existing risks and uncertainties were considered considering 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 always reflect the best available estimate. In addition, the provisions are recorded with specific assignment 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, because 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.

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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 Income and fee expenses

This item presents the fee income and expenses 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 expenses are recognized in results when the related service is received.

5.16 Leases

IFRS 16 introduces a single accounting model for the tenant and requires the tenant to recognize the asset related to the right to use the leased asset and the lease liability that represents the obligation to make the lease payments.

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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 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. If such a transfer does not happen, it shall correspond to an operating lease.

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- 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 incremental directly attributable to the negotiation and contracting of the lease.

Financial leases are recognized at the current value of payments to be received from the tenant including the price of the exercise of the purchase option at the end of the contract, when there is reasonable certainty that the option will be exercised. To determine the current value, funds flows are discounted by applying the implied lease rate. Interest on financial leases is recognized in the Interest Income line.

Net lease investment is subject to impairment analysis of financial assets.

- Operating Leases

Operating lease payments are recognized as income linearly in the year result.

5.17 Current and deferred income tax

The income tax charge for each financial year includes current and deferred income tax and is recognized in results, except to the extent that it relates to a concept recognized in OCI or directly in equity.

a) Current tax

Current income tax includes the tax payable, or advances made on the taxable tax for the year and any adjustments to be paid or collected related to previous years. The amount of the current tax payable (or recovered) is the best estimate of the amount expected to be paid (or recovered) measured by applying tax aliquots arising from laws sanctioned or substantially sanctioned at the closing date.

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.

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By Supervisory Committee

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Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

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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 several value judgments about future events. New information may emerge that causes the Group to change its position on the appropriateness of existing tax debts; such changes in tax debts may impact the income tax charge in the period in which such determination is made.

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c) Tax reform

On December 29, 2017, by Decree No. 1112/2017 of the National Executive Branch, Law No. 27,430 on Tax Reform was enacted which, among other aspects, reduces the corporate aliquot of the income tax that it taxes on undistributed business profits and influences 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 comprising from 1 January 2021 inclusive.

On June 10, 2021, Law No. 27,630 was published, which again modifies the income tax rate, determining different scales for the payment of the tax. (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, 2022, and 2021, 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 47 "Distribution of Income and Restrictions". Profit Distribution and Restrictions".

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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 adoption, it is specifically admitted.

There are no regulations issued or modifications to current rules whose entry into force from January 2023 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>12/31/22</u>	<u>12/31/21</u>
Cash on hand	26,815,000	33,774,457
BCRA - Current account	70,581,228	94,218,745
Balances with financial institutions in Argentina and abroad	2,274,328	5,070,150
Other	1,062,770	809,172
Total	<u>100,733,326</u>	<u>133,872,524</u>

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

Breakdown is as follows:

	<u>12/31/22</u>	<u>12/31/21</u>
Public Securities of the National Treasury	3,468,804	2,150,380
Public Securities of the National Government	832,994	1,976,109
Private Securities of the country	1,695	25,256
Total	<u>4,303,493</u>	<u>4,151,745</u>

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NOTE 9 – DERIVATIVE INSTRUMENTS

In the ordinary course of business, the Group entered non-deliverable FX forwards with cash settlement daily 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>12/31/22</u>	<u>12/31/21</u>
Effective values		
Assets		
Foreign currency forwards	860,500	1,279,423
Total	860,500	1,279,423
Liabilities		
Foreign currency forwards	26,629	102,854
FX forward transactions	13,411	11,657
Total	40,040	114,511
Notional values		
Assets		
FX forward transactions	57,416	169,720
Foreign currency forwards	7,719	6,246
Total	65,135	175,966
Liabilities		
Foreign currency forwards	88,721	101,460
FX forward transactions	30,127	77,039
Total	118,848	178,499

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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NOTE 10 - REPO TRANSACTIONS

Breakdown is as follows:

	<u>12/31/22</u>	<u>12/31/21</u>
Assets		
Instruments issued by the BCRA	136,554,144	124,378,462
Government securities	50,362	493,499
Total	<u>136,604,506</u>	<u>124,871,961</u>
Liabilities		
Government securities	-	189,874
Total	<u>-</u>	<u>189,874</u>

NOTE 11 – OTHER FINANCIAL ASSETS

Breakdown is as follows:

	<u>12/31/22</u>	<u>12/31/21</u>
Measured at amortized cost		
Sundry debtors Prisma Medios de Pago S.A. (See Note 16)	5,316,636	3,352,831
Receivables from spot sales of foreign currency to be settled	3,735,539	1,220,615
Receivables from spot sales of government securities to be settled	2,870,413	3,298,636
Recessive sundry	3,646,598	2,757,365
Sub - Total	<u>15,569,186</u>	<u>10,629,447</u>
Measured at fair value with changes through profit or loss		
Shares of mutual funds	2,947,029	2,445,396
Sub - Total	<u>2,947,029</u>	<u>2,445,396</u>
Less: Allowance for loan losses (Exhibit R)	(166,607)	(3,414,179)
Total	<u>18,349,608</u>	<u>9,660,664</u>

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NOTE 12 – LOANS AND OTHER FINANCING FACILITIES

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

Loans and other financing facilities classified based on their measurement are shown below:

	<u>12/31/22</u>	<u>12/31/21</u>
Measured at amortized cost	265,031,930	332,033,952
Less: Allowance for loan losses (Exhibit R)	(3,660,413)	(6,339,770)
Total	<u>261,371,517</u>	<u>325,694,182</u>

Loans and other financing facilities classified based on their measurement are shown below:

	<u>12/31/22</u>	<u>12/31/21</u>
Government sector	424,112	70,179
Financial sector	17,951,435	21,904,275
Non-financial private sector and residents abroad	246,656,383	310,059,498
Overdrafts	67,383,593	67,833,011
Credit cards	58,971,781	57,012,839
Documents	47,941,695	114,219,082
Personal consumer loans	20,654,739	28,215,553
Pledge loans	7,103,704	7,864,230
Mortgage loans	6,233,267	7,133,169
Finance leases	2,650,136	2,658,028
Other loans	31,730,225	18,096,987
Interest and other adjustments	3,987,243	7,026,599
Sub - Total	<u>265,031,930</u>	<u>332,033,952</u>
Less: Allowance for loan losses (Exhibit R)	(3,660,413)	(6,339,770)
Total	<u>261,371,517</u>	<u>325,694,182</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 Exhibit "B" as well as the reconciliation of the information with the accounting balances.

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The information on the concentration of loans and other financing is presented in Exhibit "C", as well as the reconciliation of the information with the accounting balances.

The remaining financial assets are not overdue or impaired.

Allowances for loans losses and other financing

The evolution of provisions by type of financing is presented in Exhibit "R", Value adjustment for losses – Allowances for loan losses.

NOTE 13 – OTHER DEBT SECURITIES

Breakdown is shown below:

Measured at fair value with changes through OCI

	<u>12/31/22</u>	<u>12/31/21</u>
BCRA instruments	220,579,743	175,242,364
Argentine Treasury securities	41,179,052	58,955,237
Argentine Corporate securities	8,200,574	5,930,369
Provincial Government securities	2,105,777	3,325,073
Argentine government securities	1,428,033	996,703
US Treasury bonds	-	809,152
Sub - Total	<u>273,493,179</u>	<u>245,258,898</u>

Measured at amortized cost

	<u>12/31/22</u>	<u>12/31/21</u>
Argentine Treasury securities	61,898,727	-
BCRA instruments	9,960	-
Sub - Total	<u>61,908,687</u>	<u>-</u>
Total	<u>335,401,866</u>	<u>245,258,898</u>

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NOTE 14 – FINANCIAL ASSETS GRANTED AS COLLATERAL

Financial assets granted as collateral are broken down as follows:

	<u>12/31/22</u>	<u>12/31/21</u>
Special guarantee accounts (*)	7,436,117	6,896,351
BCRA - Financial trusts under guarantee of forward transactions	9,288,651	6,689,351
- National Treasury Bonds in \$ CER Adjustment	2,944,392	2,983,953
- National Treasury Bills in \$ CER Adjustment	6,344,259	3,705,398
Security deposits - Credit and debit card managing companies	1,243,537	1,749,749
Security deposits – IADB loan – Global Credit Program for micro-, small- and medium-sized enterprises	222,319	1,016,125
- Treasury bonds in ARS Adjusted by CER	207,290	990,694
- Pesos as guarantees	10,000	19,688
- Dollars as guarantees	5,029	5,743
Other security deposits	50,539	74,820
Total	<u>18,241,163</u>	<u>16,426,396</u>

(*) Granted as collateral and held with the BCRA and Banco Central de Uruguay (see Note 48).

NOTE 15 - INCOME TAX

a) Current income tax assets and liabilities:

Broken down as follows:

	<u>12/31/22</u>	<u>12/31/21</u>
Current income tax assets		
Tax provision	-	(362,216)
Advance payments	127,735	2,129,798
Withholding Tax	5,145	17,729
Total	<u>132,880</u>	<u>1,785,311</u>
Current income tax liabilities		
Tax provision	2,844,971	1,100,535
Advance payments	(290,928)	(700,255)
Total	<u>2,554,043</u>	<u>400,280</u>

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b) Income tax expense:

The composition and evolution of deferred earnings tax assets and liabilities are as follows:

ITEM	Book balances as of 12/31/21	Inflation adjustment	Recognized changes in		Book balances as of 12/31/22
			Results	OCI	
Assets					
Tax loss	-	-	217,891	-	217,891
AXI Tax Balance	7,963,957	9,399,050	(14,446,148)	-	2,916,859
Forecasts for risk of uncobrability	3,738,485	4,412,155	(6,609,093)	-	1,541,547
Loans - Valuation at amortized cost	411,912	486,138	(445,689)	-	452,361
Provisions included in liabilities	931,495	1,099,349	(1,794,550)	-	236,294
Other liabilities	666,596	786,716	(935,789)	-	517,523
Other	64,462	76,079	(62,099)	-	78,442
Deferred tax asset	13,776,907	16,259,487	(24,075,477)	-	5,960,917
Liabilities					
Debt securities	-	-	(2,219,031)	2,219,031	-
Intangible assets	(157,747)	(186,173)	285,148	-	(58,772)
Accrued callable	(758,088)	(894,694)	73,208	-	(1,579,574)
Properties and equipment	(10,486,796)	(12,376,501)	13,032,873	-	(9,830,424)
Investment properties	(36,436)	(43,002)	48,228	-	(31,210)
Corporate bonds	(89)	(105)	(621)	-	(815)
Conversion difference	(179,313)	(211,625)	203,026	25,074	(162,838)
Investments in associates	(1,151,072)	(1,358,494)	2,509,566	-	-
Deferred tax liability	(12,769,541)	(15,070,594)	13,932,397	2,244,105	(11,663,633)
Total	1,007,366	1,188,893	(10,143,080)	2,244,105	(5,702,716)

The income tax charge consists of the following concepts:

	12/31/22	12/31/21
Current tax	2,868,602	1,116,526
Deferred tax	10,143,080	5,910,260
Income tax charge	13,011,682	7,026,786

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Reconciliation of the effective tax rate is shown below:

	<u>12/31/22</u>	<u>12/31/21</u>
Profit tax result	31,510,096	20,832,338
Income tax aliquot	35%	35%
Tax on tax on taxed income	<u>11,028,534</u>	<u>7,291,318</u>
Differences in the application of the adjustment for accounting and tax inflation and other permanent differences	1,983,148	(264,532)
Income tax charge	<u>13,011,682</u>	<u>7,026,786</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 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, 2022, and 2021.

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Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

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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 accumulated net taxable income, which establishes rates of 25%, 30% and 35% and a fixed sum to be taxed depending on the amount of total net profit. The established amounts of net profit are adjusted 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 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, 2022,</i>		
Description	Fair value level	Book balances as of 12/31/22
- Banco Latinoamericano de Comercio Exterior S.A.	2	14,450
- Matba Rofex S.A.	2	3,042
- Society for Worldwide Interbank Financial Telecommunication	2	557
- Seguros de depósitos S.A.	2	492
- Argencontrol S.A.	2	53
- Celta Coop. Obras Ser. Tres Arroyos	2	12
- Coop. Eléctrica Ltda. de Claromecó	2	1
Total		18,607

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Information as of December 31, 2021

Description	Fair value level	Book balances as of 12/31/21
- Prisma Medios de Pago S.A. (*)	3	2,104,554
- Banco Latinoamericano de Comercio Exterior S.A.	2	16,993
- Matba Rofex S.A.	2	5,989
- Seguros de depósitos S.A.	2	971
- Society for Worldwide Interbank Financial Telecommunication	2	579
- Miralejos S.A.C.F. y Agropecuaria (**)	2	209
- Bolsa de Comercio de Mar del Plata S.A. (**)	2	110
- Argencontrol S.A.	2	104
- Sanatorio Las Lomas S.A. (**)	2	92
- Celta Coop. Obras Ser. Tres Arroyos	2	24
- Coop. Eléctrica Ltda. de Claromecó	2	2
Total		2,129,627

(*) Prisma Medios de Pago S.A. ("Prisma")

On February 1, 2019, the transfer to Al Zenith (Netherlands) B.V. was completed. (Company related to Advent International Global Private Equity) of 51% of the interest in Prisma, equivalent to 1,153,706 common book-entry shares with par value \$1 each and one vote per share.

The agreed price for said shares amounted to US\$ 38,520,752 payable: (i) 60% at the time of the transfer of the shares and (ii) 40% within a period of 5 years counted from the transfer. After the same, the remaining interest of the Entity in Prisma was 2.6822% of shares of Prisma's capital stock.

On the other hand, within the framework of the "Divestment Commitment" assumed by Prisma and its class "B" shareholders before the National Commission for the Defense of Competition, dated October 1, 2021, the Entity, together with the other Class "B" shareholders of Prisma notified the exercise of the put option, initiating the sale procedure of the remaining 49% of Prisma's capital stock and votes.

On March 18, 2022, the entities finalized the divestment commitment by transferring the remaining 49% of the share capital to Al Zenith (Netherlands) B.V. The price for said remaining interest amounted to USD 19,706,039 and will be paid as follows: (i) 30% in pesos adjusted by CER (UVA) (ii) 70% in US Dollars. Both payable 50% in 2027 and 50% in 2028.

Likewise, it was agreed that part of the balance of the price for the sale of the then 51% of the share capital and votes of Prisma, be paid in two installments, extending the term for its payment to the years 2026 and 2027.

(**) As of December 31, 2022, these investments have been sold; therefore, the Entity does not have equity interests as of that date.

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NOTE 17 – INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

	<u>12/31/22</u>	<u>12/31/21</u>
Interbanking S.A.	717,403	810,661
Mercado Abierto Electrónico S.A.	185,015	180,126
Play Digital S.A. (*)	165,531	147,494
Compensadora Electrónica S.A.	44,238	30,191
Provincanaje S.A.	11,797	12,567
Total	<u>1,123,984</u>	<u>1,181,039</u>

(*) On October 18, 2022, the Entity sold 7,497,900 shares to Banco de Galicia y Buenos Aires S.A.U and 2,433,410 to Banco Credicoop Cooperativo Ltda.

As of December 31, 2022, the Entity owns 164,107,410 ordinary shares, representing 4.2725% of the capital stock.

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.

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The attributes used for determining the fair value of each property are detailed below:

- ✓ Area location
- ✓ Block location
- ✓ Building location
- ✓ Infrastructure services
- ✓ Forehead
- ✓ Surface
- ✓ Constructive quality
- ✓ Antiquity
- ✓ Maintenance
- ✓ Marketing

The evolution of the item as of December 31, 2022 and 2021, as well as the residual value of the self-used properties revalued are shown at 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, 2022 and 2021 is shown at Exhibit "G" - Movement of Intangible Assets, which accompanies these financial statements.

NOTE 20 – OTHER NON-FINANCIAL ASSETS

Breakdown is as follows:

	<u>12/31/22</u>	<u>12/31/21</u>
Advance payments	1,523,078	1,804,221
Piece of art	178,478	178,479
Other Miscellaneous Goods	155,549	398,642
Investment property (Exhibit "F")	90,690	107,214
Other	296,497	353,839
Total	<u>2,244,292</u>	<u>2,842,395</u>

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Developments in the investment properties included within the Other Non-Financial Assets as of December 31, 2022 and 2021 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 - DEPOSITS

Information about Deposits is disclosed at 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	<u>12/31/22</u>	<u>12/31/21</u>
Fixed term and term investments	275,886,668	231,235,823
Savings banks	242,530,064	260,672,823
Current accounts	52,080,398	65,577,345
Investment Accounts	18,371,389	21,175,945
Others	13,015,618	25,229,010
Interest and adjustment	15,607,454	8,190,172
Total	<u>617,491,591</u>	<u>612,081,118</u>

NOTE 22 – OTHER FINANCIAL LIABILITIES

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

ITEM	<u>12/31/22</u>	<u>12/31/21</u>
Credit card charges payable	19,924,221	18,977,175
Sundry payables	9,078,342	5,351,008
Collections on account and on behalf of third parties	3,147,413	3,777,684
Payables related to purchase of government securities to be settled	1,724,384	1,943,411
Creditors for purchases of foreign currency cash to settle	1,076,400	1,017,175
Payables related to foreign trade transactions	483,768	1,224,327
Total	<u>35,434,528</u>	<u>32,290,780</u>

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NOTE 23 – FINANCING FACILITIES RECEIVED FROM BCRA AND OTHER FINANCIAL INSTITUTIONS

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

	<u>12/31/22</u>	<u>12/31/21</u>
Financing facilities received from foreign financial institutions	19,035,227	12,477,294
Financing facilities received from local financial institutions	583,435	2,034,973
BCRA	33,931	34,702
Total	<u>19,652,593</u>	<u>14,546,969</u>

NOTE 24 – 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.

By ordinary Shareholders' Meeting of the Bank on April 26, 2017, the increase was approved for a maximum amount in circulation at any time of up to USD 500,000,000 or its equivalent in other currencies, and the respective extension of the term.

By virtue of the expiration of the Program, the Ordinary General Shareholders' Meeting held on April 28, 2022 approved the second extension of said program, the decrease in the outstanding amount, and the following conditions:

(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 reduction of the amount of the Program going from the current amount of up to USD 500,000,000 to the sum of up to USD 50,000,000 in circulation at any time (or its equivalent in pesos or in other currencies) and by virtue of what is established by DNU No. 146/2017 and Communication "A" 6204 of the BCRA, the modification of the general terms and conditions of the Program to also allow the issuance under it of negotiable obligations that are denominated in Housing Units updateable by "ICC" – Law 27,271 ("UVI") or in Purchasing Value Units updateable by "CER" Law 25,827 ("UVA").

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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.

As of December 31, 2022, 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.

After successive extensions and increases in outstanding amounts, on January 3, 2017, the GPAT Board of Directors proposed the expansion of the current Simple Negotiable Obligations Global Program from 1,500,000 to 3,000,000 and its renewal for a term of 5 years. The expansion and extension was approved by the Ordinary General Shareholders' Meeting held on January 18, 2017, being approved by the CNV on April 12, 2017. Finally, the total amount of the Program was increased up to the sum of 10,000,000 (or its equivalent in other currencies) and the validity was extended for an additional term of 5 years as provided by the Extraordinary General Shareholders' Meeting held on March 18, 2022.

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 12/31/22	Balances as of 12/31/21
GPAT						
Serie XXXVI Class A	750,000	Badlar + 5%	01/13/21	01/13/22	-	1,227,415
Serie XXXVII Class A	1,000,000	Badlar	08/18/22	08/18/23	1,077,534	-
		Total			1,077,534	1,227,415

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NOTE 25 - 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, 2022 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, 2022:

Provisions						
Fall in supplies	Labor Lawsuits	General Lawsuits	Tax claims	Administrative, disciplinary and criminal sanctions	Eventual Responsibilities	Total as of 12/31/22
Less than 12 months	54,000	166,745	20,144	-	468,105	708,994
More than 12 months	146,188	117,057	193,490	-	131,015	587,750
Total	200,188	283,802	213,634	-	599,120	1,296,744

The following are the falls in provisions as of December 31, 2021:

Provisions						
Fall in supplies	Labor Lawsuits	General Lawsuits	Tax claims	Administrative, disciplinary and criminal sanctions	Eventual Responsibilities	Total as of 12/31/21
Less than 12 months	53,405	489,673	-	-	456,765	999,843
More than 12 months	252,261	55,500	358,226	-	282,901	948,888
Total	305,666	545,173	358,226	-	739,666	1,948,731

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 53 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 advisors 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.

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NOTE 26 – OTHER NON-FINANCIAL LIABILITIES

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

	<u>12/31/22</u>	<u>12/31/21</u>
Cash dividends payable	7,133,647	25,602,119
Other short-term benefits to be paid	5,230,802	6,224,195
Sundry accounts payable	4,448,728	3,107,770
Withholdings and collections	3,800,815	3,525,598
Other taxes payable	3,276,622	2,273,299
Payroll and social security contributions payable	1,741,867	995,792
Various creditors	813,304	3,354,298
Payroll withholdings payable	577,610	565,991
Liabilities from contracts with costumers	395,971	622,696
Social security payment orders to be seattled	317,028	275,258
Other	302,615	347,543
Total	<u>28,039,009</u>	<u>46,894,559</u>

NOTE 27 - 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.

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NOTE 28 – INTEREST INCOME

Breakdown is as follows:

Interest income	12/31/22	12/31/21
Government securities measured at fair value with change through OCI	190,241,141	95,413,296
Premiums on repos with the financial sector	38,586,762	47,390,121
Overdrafts	29,804,874	20,127,411
Documents	27,892,472	27,714,408
Personal loans	13,400,223	12,229,659
Credit cards	11,856,797	9,384,660
Loans to the financial sector	5,118,738	4,876,724
Adjustment U.V.A	5,083,904	4,728,542
Other loans	4,416,109	2,694,821
Pledge Loans	3,706,178	4,070,090
Other	9,189,674	4,309,745
Total	339,296,872	232,939,477

NOTE 29 –INTEREST EXPENSE

Breakdown is as follows:

Interest expense	12/31/22	12/31/21
Time deposits	131,697,463	95,083,418
Deposits in savings accounts	46,389,896	24,307,597
Financing facilities received from financial institutions (Call)	602,287	477,504
Other financing received from financial institutions	489,436	318,034
Corporate bonds	289,181	1,180,409
Premiums on liabilities with the financial sector	103,457	114,979
Other	11,003,211	4,676,162
Total	190,574,931	126,158,103

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BANCO PATAGONIA S.A.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2022
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(Stated in thousands of Pesos)**

NOTE 30 – FEE INCOME

Breakdown is as follows:

Fee income	12/31/22	12/31/21
Credit and debit cards	7,154,327	7,186,577
Product packages	5,738,289	6,099,405
Deposits	4,094,914	4,650,702
Insurance	3,327,500	3,689,395
Collections	2,319,528	2,253,865
Foreign trade	1,008,149	1,104,115
Securities	225,798	358,337
Loans	192,969	424,424
Other	415,565	511,334
Total	24,477,039	26,278,154

NOTE 31 – FEE EXPENSES

Breakdown is as follows:

Fee expenses	12/31/22	12/31/21
Related to credit and debit cards	5,091,554	5,089,651
Government sector	1,667,264	1,607,305
Collections	394,453	340,127
Related to securities	219,723	183,736
Transfers	203,494	205,513
Other	781,123	468,215
Total	8,357,611	7,894,547

NOTE 32 – 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	12/31/22	12/31/21
Gain on the sale or derecognition of financial assets	3,889,188	569,063
Forward foreign currency transactions	1,240,850	2,904,067
Government securities and instruments issued by the BCRA	497,844	565,298
Private securities	(277,218)	251,140
Total	5,350,664	4,289,568

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Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

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NOTE 33 – OTHER OPERATING INCOME

Breakdown is as follows:

Other operating income	12/31/22	12/31/21
Unaffected forecasts	7,299,435	1,436,407
Other adjustments and interests from miscellaneous credits	1,897,238	1,201,123
Management fees (FCI manager company)	1,788,296	1,362,250
Commissions for rentals of safe deposit boxes	1,530,998	1,518,661
Related to capital and securities markets	996,069	570,133
Recovered credits	769,301	1,688,610
Gain on the sale of property and equipment	277,547	95,178
Punitive interest	174,253	146,603
Others	2,503,597	2,304,944
Total	17,236,734	10,323,909

NOTE 34 – Employee benefits

Breakdown is as follows:

Employee benefits	12/31/22	12/31/21
Salaries	25,907,929	26,081,594
Social security contributions	5,103,227	5,141,365
Services to personnel	1,042,353	1,112,346
indemnities	562,610	777,267
Other benefits	1,258,614	1,067,034
Total	33,874,733	34,179,606

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NOTE 35 – ADMINISTRATIVE EXPENSES

Breakdown is as follows:

Administrative expenses	12/31/22	12/31/21
Maintenance, conservation and repair expenses	4,261,778	5,086,550
Taxes	3,687,586	3,649,275
Fee	2,939,942	2,405,460
Armored vehicle services	1,364,051	1,727,077
Security services	1,235,310	1,377,374
Electric power and communications	1,127,729	1,465,048
Advertising and marketing	651,651	790,591
Stationery and supplies	391,999	131,246
Courier service	278,166	333,988
Rentals	179,059	228,000
Representation, per diem and mobility	113,758	119,367
Other	2,854,249	3,620,427
Total	19,085,278	20,934,403

NOTE 36 – OTHER OPERATING EXPENSES

Breakdown is as follows:

Other operating expenses	12/31/22	12/31/21
Gross income tax	19,972,144	16,413,026
ATM expenses	1,684,598	2,223,304
Contribution to the Deposit Guarantee Fund (see Note 49)	981,921	1,048,931
Leases - Interest on liabilities	415,780	569,964
Other allowance charges	248,138	1,830,097
Other	2,883,754	2,496,909
Total	26,186,335	24,582,231

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NOTE 37 – 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 7,651.

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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.

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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, 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.

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 considered.

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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.

Each Committee has a Regulation that establishes its attributions, composition and operation.

The following is a detail of the Bank's Board Committees, published at: <https://www.bancopatagonia.com.ar/institucional/organizacion/comites.php>

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.

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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.

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.

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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.

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.

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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.

2) Basic shareholding structure

As of December 31, 2022 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 LAW 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 Entity is managed and administered by a Board of Directors composed as of 12/31/22 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 seven Management Departments report to the Board of Directors

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Superintendencies:

- Superintendence of Business with Companies
- Superintendence of Branch Network and Business with Individuals
- Superintendence of Finance, Administration and Public Sector
- Credit, Risk Management and Internal Controls Superintendence
- Superintendence of Operations
- Superintendence 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
- Internal Audit Management
- Asset Laundering Prevention Management.
- Information Security and Protection of Information Assets Management

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. (en liquidación)	100.00%

For better understanding of the aforementioned companies, see Note 1.

Branch network

As of December 31, 2022, the Entity's branch network consists of 206 points of service throughout the country, comprising 184 Branches and 22 Service Centers.

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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.

The 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.

Marcelo A. Iadarola
Executive Manager of Administration

Diego A. Ferreyra
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/23/2023

By Supervisory Committee

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Mónica M. Cukar
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BANCO PATAGONIA S.A.

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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.

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 54), providing comprehensive services as regards financial products for the provincial treasury, as well as the service of payment of salaries of provincial employees.

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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.

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.

The Information Regimes manual establishes the control procedure for exposures of related persons, as well as the monthly disclosure of the total amount of financial assistance for all items, granted to the group of persons linked by personal relationship who hold positions on the Board of Directors and the Supervisory Commission, including the individuals and legal entities indirectly linked through them, as well as the percentage that it represents with respect to Tier One capital.

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.

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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) Policies and practices implemented in terms of gender, reporting the percentage of representation of each gender in the Board of Directors, the supervisory body, Senior Management and in the rest of the organization

As of December 31, 2022, the Board of Directors was made up of nine regular members and four alternates, and as of that date there were no women among its members.

Senior Management was made up of six Superintendencies, four Executive Managers and three Managers. Of the thirteen areas, two were run by women (15%) and eleven by men (85%).

The Oversight Body was made up of three regular trustees, two men (67%) and one woman (33%) in charge of the Presidency of the Collegiate Body, and three substitute Trustees, also two men and one woman.

As of the same date, the Organization's payroll was made up of 51% women and 49% men.

Regarding the policies and practices implemented in terms of gender, with the aim of contributing to organizational transformation, promoting a diverse and inclusive culture, the Comprehensive Diversity and Inclusion Program has been implemented, which seeks to raise awareness, reflect, detect challenges and beliefs, with an impact on all levels of the Entity.

There is also an Employee Assistance Program, through which it seeks to provide comprehensive support through measures designed to contain and help employees and their family group in the face of the particular situation they are going through. This includes, for example, cases of disability, serious illness, gender change, etc. Likewise, there is a Protocol Against Gender and Domestic Violence where particular procedures are established to accompany employees who go through this type of situation and thus have assistance from the Bank.

The Organizational Climate Management leads issues related to Gender and Diversity. An interdisciplinary work cell has been created made up of collaborators from the Organizational Climate, Training and Development, Internal Communications, Regulatory Compliance and Innovation teams. The initiatives generated by said cell are validated by the Executive Management of Human Development and Organizational Climate.

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Banco Patagonia has a Code of Ethics that applies to all members of the Organization and its subsidiaries whose guidelines seek to:

- Promote a culture of respect, fostering diversity in all its manifestations.
- Avoid engaging in attitudes or comments that reproduce gender stereotypes, or that may be harmful or offensive to sexual diversities.
- Expressly repudiate and vigorously condemn any conduct of violence, harassment, discrimination, assuming a role of guarantor of a respectful environment.

The members of Banco Patagonia have a complaints channel available, "Ethics Line", through which anyone can make a complaint in a safe, anonymous and confidential manner. One of its objectives is to provide clear signals regarding the Entity's ethical values and corporate responsibility, both with its employees and with society in general.

8) 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.

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.

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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.

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
- Concentration risk
- Strategic risk
- Securitization 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.

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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.

9) 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).

As Exhibit III to the Integrated Annual Report of the Board of Directors, the Annual Report of the Corporate Governance Code is presented.

NOTE 38 – 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 37, risk coverage is monitored by the Executive Board on each committee where a dedicated director participates, mainly the following:

- Steering Committee.
- Global Risk Committee.
- Finance Committee.
- Operational Risk Committee.

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a) Credit risk

Credit risk is defined as the possibility of losses from a debtor or counterparty's breach of its contractual obligations.

The Board approves credit policies in order to provide a framework for business generation aimed at achieving an adequate relationship between the risk assumed and the expected profitability of operations.

These policies set limits, procedures, mitigators and controls to maintain exposure to this risk at acceptable levels. These aspects are set out in internal manuals and regulations (Credits, Guarantees, Recovery and Risk Management), which are subject to regular reviews and updates.

In particular, the definition of risk limits, for its part, is one of the main strategic instruments of credit risk management, the objective of which is to avoid unwanted concentrations and exposure levels.

In addition, the management of this type of risk is based on the study of operations and the extensive knowledge of the client portfolio, which allows a detailed monitoring of risk, minimizing exposure as much as possible.

The procedural manuals containing the relevant guidelines, compliance with current regulations and the limits established pursue, interless others, the following objectives:

- a) Achieve adequate segmentation of the portfolio, by type of client and by economic sector.
- b) To enhance the use of risk analysis and assessment tools that best suits the customer's profile
- c) Establish homogeneous guidelines for the provision of loans according to conservative parameters based first on the customer's knowledge, on their solvency and repayment capacity for companies, while for individuals such guidelines are based on credit behavior, and income level.
- d) Establish limits on individual powers for the granting of appropriations according to their amount, prohibiting the existence of specific committees that, depending on their scope of influence, will be responsible for defining the levels of assistance

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- e) Optimize the quality of the risk assumed, having adequate guarantees according to the term of the loan and the level of risk involved.
- f) Permanently monitor the credit portfolio and the level of customer compliance

As mentioned in Note 37 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.

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. Regarding 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.

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Finally, it should be noted that the Bank uses to mitigate credit risk, the coverage of different guarantees for its financings.

Loan monitoring and review

In accordance with the above point, the procedural manuals containing the credit risk guidelines and compliance with current regulations set as the objective, among others, the permanent monitoring of the credit portfolio and the level of customer compliance, through periodic analysis of the credit situation of each of them.

The verification of the formal aspects of the application, the implementation of the corresponding guarantees and the monitoring of compliance in the payment of fees is part of the loan monitoring process.

In this sense, once a certain number of days have elapsed since the delay in a customer's payment was set up, the collection management will be in charge of the At arrears Management area, in conjunction with the branch network, who, taking into account the particularities of each case, must send the notifications and other arrangements provided for in the procedure manuals.

If this objective is not achieved, the credit goes to the default stage in which the Bank's Credit Recovery management intensifies recovery efforts in order to obtain payment from debtors. Depending on the amount and guarantees of the loan, they will decide to use legal proceedings.

Credit risk management in financial asset investments

Credit risk for such investments is monitored weekly in the Finance Committee and the Global Risk Committee. This assessment includes the identification of each of the financial assets invested, analyzing the risk rating granted by a risk rating agency. These financial instruments are mainly concentrated in deposited balances and inter-financial lending operations with world-class financial institutions, government securities issued by the Argentine National State and BCRA-issued letters which are quoted on active markets.

The percentage of exposure per issuer calculated on total investments in financial assets is detailed below:

Breakdown	12/31/22	12/31/21
Public Titles issued by the National and Provincial Government (a)	32.6%	27.0%
Instruments issued by BCRA (b)	65.0%	70.0%
Other	2.4%	3.0%

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- 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 two upper levels of the BCRA classification system as of December 31, 2022, the same as it was as of December 31, 2021.
- 96% of the loan portfolio is considered neither past due nor impaired as of December 31, 2022, as it was as of December 31, 2021.

The maximum amount of credit risk of the Group's financial assets is as follows:

Financial assets	12/31/22	12/31/21
Cash and deposits in banks	100,733,326	133,872,524
Debt securities at fair value with changes in results	4,303,493	4,151,745
Derivative instruments	860,500	1,279,423
Repo transactions	136,604,506	124,871,961
Other financial assets	18,349,608	9,660,664
Loans and other financing	261,371,517	325,694,182
Other debt securities	335,401,866	245,258,898
Financial assets delivered in collateral	18,241,163	16,426,396
Total	875,865,979	861,215,793
Off-balance sheet		
Unused credit card balances	153,148,824	80,921,314
Guarantees granted	1,376,991	1,517,204
Responsibilities for foreign trade operations	299,877	147,220
Letters of credit	882,461	677,500
Total	155,708,153	83,263,238

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BANCO PATAGONIA S.A.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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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, 2022 considering the Stages of the expected credit loss model:

Exhibition by stage	Stage 1	Stage 2	Stage 3	Total 12/31/22
Other financial assets	15,569,186	-	-	15,569,186
Loans and other financing	257,073,376	9,515,242	1,644,993	268,233,612
Other Financial Institutions	17,951,435	-	-	17,951,435
Private non-financial sector and residents abroad	235,496,146	9,515,244	1,644,993	246,656,383
Overdrafts	66,460,790	824,746	98,057	67,383,593
Notes	47,524,970	205,425	211,300	47,941,695
Mortgage loans	5,916,302	310,587	6,378	6,233,267
Pledge loans	7,014,623	62,094	26,987	7,103,704
Personal loans	16,881,325	3,250,718	522,696	20,654,739
Credit cards	54,551,871	4,188,264	231,646	58,971,781
Financial leases	2,638,765	11,371	-	2,650,136
Other	34,507,500	662,039	547,929	35,717,468
Eventual commitments	186,787,086	2,290,364	178,574	189,256,024
TOTAL EXPOSURE	459,429,648	11,805,606	1,823,567	473,058,822

Marcelo A. Iadarola
Executive Manager of Administration

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Superintendent
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Oswaldo Parré Dos Santos
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The composition of the forecast for credit losses expected as of December 31, 2022 by stage is as follows:

Forecast by stage	Stage 1	Stage 2	Stage 3	Total 12/31/22
Other financial assets	166,607	-	-	166,607
Loans and other financing	1,527,139	1,072,843	1,060,431	3,660,413
Other Financial Institutions	1,722	-	-	1,722
Private non-financial sector and residents abroad	1,525,417	1,072,843	1,060,431	3,658,691
Overdrafts	22,980	33,090	79,724	135,794
Notes	196,434	12,874	42,769	252,077
Mortgage loans	74,305	85,656	4,796	164,757
Pledge loans	36,552	9,480	15,309	61,341
Personal loans	248,503	405,005	431,911	1,085,419
Credit card	453,762	521,864	128,725	1,104,351
Finance leases	42,952	1,303	-	44,255
Other	449,929	3,571	357,197	810,697
Eventual commitments	468,251	117,227	13,633	599,111
TOTAL FORECAST	1,995,390	1,190,070	1,074,064	4,426,131

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The following is the credit risk exposure as of December 31, 2021 considering the stage of the expected credit loss model:

Exhibition by stage	Stage 1	Stage 2	Stage 3	Total 12/31/21
Other financial assets	10,619,672	9,775	-	10,629,447
Loans and other financing	318,409,183	11,310,922	2,243,668	331,963,773
Other Financial Institutions	21,904,275	-	-	21,904,275
Private non-financial sector and residents abroad	296,504,908	11,310,922	2,243,668	310,059,498
Overdrafts	67,320,498	377,206	135,307	67,833,011
Notes	112,456,725	1,400,616	361,741	114,219,082
Mortgage loans	6,779,862	339,388	13,919	7,133,169
Pledge loans	7,864,230	-	-	7,864,230
Personal loans	23,501,261	3,863,592	850,700	28,215,553
Credit cards	52,625,671	4,084,654	302,514	57,012,839
Finance leases	2,550,388	98,989	8,651	2,658,028
Other	23,406,273	1,146,477	570,836	25,123,586
Eventual commitments	61,822,235	2,017,150	78,437	63,917,822
TOTAL EXPOSURE	390,851,090	13,337,847	2,322,105	406,511,042

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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The composition of the forecast for credit losses expected as of December 31, 2021 by stay is as follows:

Forecast by stage	Stage 1	Stage 2	Stage 3	Total 12/31/21
Other financial assets	3,410,456	3,723	-	3,414,179
Loans and other financing	1,894,753	2,882,179	1,562,838	6,339,770
Other Financial Institutions	1,851	-	-	1,851
Private non-financial sector and residents abroad	1,892,902	2,882,179	1,562,838	6,337,919
Overdrafts	24,227	10,374	115,538	150,139
Notes	249,483	37,285	114,337	401,105
Mortgage loans	75,361	134,492	6,269	216,122
Pledge loans	162,191	-	-	162,191
Personal loans	419,771	1,096,641	662,159	2,178,571
Credit cards	501,128	1,575,907	238,367	2,315,402
Finance leases	29,705	8,306	5,694	43,705
Other	431,036	19,174	420,474	870,684
Eventual commitments	268,281	417,456	53,929	739,666
TOTAL FORECAST	5,573,490	3,303,358	1,616,767	10,493,615

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.

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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 the rest of the risks, the Bank has contingency plans which will be activated in the event that one of the previously mentioned limits is exceeded.

The following table shows the liquidity ratios for the years ended December 31, 2022 and 2021, 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	12/31/22	12/31/21
Balance at year-end	87.4%	77.0%
Average exercise	84.4%	80.6%
Major	88.4%	84.0%
Minor	81.2%	76.9%

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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 12/31/22
Up to 1 month	174,851,163	666,350,755	(491,499,592)
Between 2 and 3 months	26,444,816	44,405,599	(17,960,783)
Between 3 and 6 months	28,175,887	15,351,534	12,824,353
Between 6 and 12 months	32,916,569	2,567,448	30,349,121
Between 12 and 24 months	32,184,764	258,979	31,925,785
More than 24 months	43,392,936	1,400,405	41,992,531
Total	337,966,135	730,334,720	(392,368,585)

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	162,746,427	828,136,560	(665,390,133)
Between 2 and 3 months	41,072,395	50,604,096	(9,531,701)
Between 3 and 6 months	62,013,468	15,832,043	46,181,425
Between 6 and 12 months	42,135,096	2,371,845	39,763,251
Between 12 and 24 months	37,323,973	2,242,472	35,081,501
More than 24 months	53,802,131	2,090,708	51,711,423
Total	399,093,490	901,277,724	(502,184,234)

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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	12/31/22	12/31/21
Financial assets		
Debt securities	63,052,114	13,954,659
Loans and other financing	75,577,700	91,126,104
Total	138,629,814	105,080,763
Financial liabilities		
Deposits	1,335,794	9,167,904
Funding received from BCRA and other financial institutions	1,410,236	4,314,842
Corporate bonds	1,077,534	-
Total	3,823,564	13,482,746

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.

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In the area of the Economic Value (EVE) 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.

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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 always established by the Board of Directors.

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, 2022 and 2021.

Item	12/31/22	12/31/21
Maximum of the fiscal year	101.6	180.0
Exercise minimum	22.7	61.5
Average of the exercise	51.0	16.8
At year-end	48.6	62.0

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Transactions in foreign currencies are carried out at bid and ask exchange rates. As of December 31, 2022 and 2021, the Bank's open position expressed in pesos by currency is as shown in the following table:

Item	Euro	Dollar	Others	12/31/22
Total Assets	4,431,536	105,992,042	403,845	110,827,423
Total Liabilities	(3,424,075)	(101,162,427)	(47,447)	(104,633,949)
Position	1,007,461	4,829,615	356,398	6,193,474
Derivatives				
Forward – shopping	-	3,665,749	-	3,665,749
Forward – sales	-	(5,212,236)	-	(5,212,236)
Total	-	(1,546,487)	-	(1,546,487)

Item	Euro	Dollar	Others	12/31/21
Total Assets	3,680,503	120,143,626	614,965	124,439,094
Total Liabilities	(3,222,645)	(117,010,208)	(72,644)	(120,305,497)
Position	457,858	3,133,418	542,321	4,133,597
Derivatives				
Forward – shopping	-	23,296,801	-	23,296,801
Forward – sales	-	(52,385,968)	-	(52,385,968)
Total	-	(29,089,167)	-	(29,089,167)

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NOTE 39 – FAIR VALUE OF FINANCIAL INSTRUMENTS

a) The classification of financial assets and liabilities as of December 31, 2022 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	4,303,493	-	-	4,303,493
Derivative financial instruments	860,500	-	-	860,500
Other debt securities	335,401,866	61,908,687	273,493,179	-
Financial assets granted as collateral	18,241,163	10,614,845	7,626,318	-
Investments in equity instruments	18,607	-	-	18,607
Total	358,825,629	72,523,532	281,119,497	5,182,600
Financial Liabilities				
Derivative instruments	40,040	-	-	40,040
Total	40,040	-	-	40,040

The fair value hierarchy of assets and liabilities measured at fair value as of December 31, 2022 is detailed below:

ITEM	Level 1	Level 2	Level 3	Total Fair Value 12/31/22
Financial Assets				
Debt securities measured at fair value with changes through profit or loss	4,284,735	18,758	-	4,303,493
Derivative financial instruments	-	860,500	-	860,500
Other debt securities	262,488,973	11,004,206	-	273,493,179
Financial assets granted as collateral	7,626,318	-	-	7,626,318
Investments in equity instruments	-	18,607	-	18,607
Total	274,400,026	11,902,071	-	286,302,097
Financial Liabilities				
Derivative instruments	-	40,040	-	40,040
Total	-	40,040	-	40,040

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The classification of financial assets and liabilities 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	4,151,745	-	-	4,151,745
Derivative financial instruments	1,279,423	-	-	1,279,423
Other debt securities	245,258,898	10,032,118	235,226,780	-
Financial assets granted as collateral	16,426,396	8,639,938	7,786,458	-
Investments in equity instruments	2,129,627	-	-	2,129,627
Total	269,246,089	18,672,056	243,013,238	7,560,795
Financial Liabilities				
Liabilities measured at fair value with changes through profit or loss	293,030	-	-	293,030
Derivative instruments	114,511	-	-	114,511
Total	407,541	-	-	407,541

The fair value hierarchy of assets and liabilities measured at fair value as of December 31, 2021 is detailed below.

ITEM	Level 1	Level 2	Level 3	Total Fair Value 12/31/21
Financial assets				
Debt securities measured at fair value with changes through profit or loss	4,150,934	811	-	4,151,745
Derivative financial instruments	-	1,279,423	-	1,279,423
Other debt securities	73,356,555	161,870,225	-	235,226,780
Financial assets granted as collateral	7,786,458	-	-	7,786,458
Investments in equity instruments	-	25,073	2,104,554	2,129,627
Total	85,293,947	163,175,532	2,104,554	250,574,033
Financial Liabilities				
Liabilities measured at fair value with changes through profit or loss	-	293,030	-	293,030
Derivative instruments	-	114,511	-	114,511
Total	-	407,541	-	407,541

a) Transfers between hierarchy levels

b.1) Transfers from level 2 to level 1

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

Breakdown	<u>12/31/22</u>	<u>12/31/21</u>
Argentine Treasury Bond in ARS at Fixed Rate, due in 05/21/2022	-	22,142,869
Total	<u>-</u>	<u>22,142,869</u>

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.

b.2) Valuation techniques of Levels 2 and 3

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

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

Derivative instruments: it includes the fair value of forward transactions with settlement at maturity, estimated as the difference between the agreed-upon values and market prices, discounted to the measurement date.

Investments in equity instruments: as of December 31, 2021 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.

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- Fixed-rate financial instruments

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

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

- Variable-rate financial instruments

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

The fair value hierarchy of assets and liabilities not measured at fair value as of December 31, 2022 is as follows:

Item	Accounting balance as of 12/31/22	FV total	FV Level 1	FV Level 2	FV Level 3
Financial assets					
Cash and bank deposits	100,733,326	(1)	-	-	-
Repo transactions	136,604,506	(1)	-	-	-
Other financial assets	18,349,608	18,046,133	-	-	18,046,133
Loans and other financing facilities	261,371,517	258,284,091	-	-	258,284,091
Financial liabilities					
Deposits	659,910,092	657,378,672	-	657,378,672	-
Other financial liabilities	35,434,528	(1)	-	-	-
Financing facilities received from BCRA and other financial institutions	19,652,593	19,364,662	-	-	19,364,662
Corporate notes issued	1,077,534	874,639	-	-	874,639

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

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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	133,872,524	(1)	-	-	-
Repo transactions	124,871,961	(1)	-	-	-
Other financial assets	9,660,664	9,060,141	-	-	9,060,141
Loans and other financing facilities	325,694,182	321,207,571	-	-	321,207,571
Financial liabilities					
Deposits	663,083,499	659,742,616	-	659,742,616	-
Repo transactions	189,874	(1)	-	-	-
Other financial liabilities	32,290,780	(1)	-	-	-
Financing facilities received from BCRA and other financial institutions	14,546,969	13,265,725	-	-	13,265,725
Corporate notes issued	1,227,415	1,209,096	-	-	1,209,096

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

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NOTE 40 – 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, 2022 and December 31, 2021 are below reported:

Concept	12/31/22	12/31/21
Securities receivable from repo transactions involving government securities		
Government securities measured at fair value with changes through OCI	-	210,682
Total	-	210,682
Other payables from repo transactions involving government securities		
Government securities	-	189,874
Total	-	189,874

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NOTE 41 – OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

As of December 31, 2022 and 2021, the Group has no financial assets and liabilities to be offset in accordance with offsetting master agreements or of a similar nature.

NOTE 42 - 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 include 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, 2022 and 2021, 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, 2022, and December 31, 2021 for the information related to the Bank's financial position;
- For the fiscal years ended December 31, 2022, and 2021 for the information related to the Bank's income.

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Information as of December 31, 2022

	Personal banking	Business banking	Treasury and other	Total As of 12/31/22
Interest income/loss	7,228,017	19,916,150	121,344,114	148,488,281
Fee income/loss	4,605,273	5,681,542	5,925,893	16,212,708
Net gain on financial instruments measured at fair value through profit or loss	-	268,234	5,080,891	5,349,125
Gold and foreign currency bid/offer spread	590,124	283,272	5,206,077	6,079,473
Other operating income - net	566,731	428,319	16,232,924	17,227,974
Charge for Loan Losses	(1,327,531)	(629,564)	(3,537,065)	(5,494,160)
TOTAL OPERATING INCOME	<u>11,662,614</u>	<u>25,947,953</u>	<u>150,252,834</u>	<u>187,863,401</u>
Operating and administrative expenses				(82,854,003)
Gain/loss on associates and joint ventures				(243,960)
Net monetary position gain/loss				(73,122,496)
Income tax				(13,011,682)
NET INCOME				<u>18,631,260</u>
Reconciliation with the statement of income				
Net income as of 12/31/22 as per statement of income				18,498,414
Reconciliation between management information and regulatory information				132,846
Total profit or loss reported in segments				<u>18,631,260</u>

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Information as of December 31, 2022

	<u>Personal banking</u>	<u>Business banking</u>	<u>Treasury and other</u>	<u>Total As of 12/31/22</u>
Loans	77,926,031	152,771,188	30,690,406	261,387,625
Other assets	9,336,815	3,484,894	453,870,818	466,692,527
TOTAL ASSETS	<u>87,262,846</u>	<u>156,256,082</u>	<u>484,561,224</u>	<u>728,080,152</u>
Deposits	247,753,723	229,720,389	35,232,623	512,706,735
Other liabilities	-	-	44,451,986	44,451,986
TOTAL LIABILITIES	<u>247,753,723</u>	<u>229,720,389</u>	<u>79,684,609</u>	<u>557,158,721</u>

Reconciliation with the statement of financial position

Assets as of 12/31/22 as per the statement of financial position **914,025,270**

Reconciliation between management information and regulatory information:

- Loans 16,108
- Other assets (185,961,226)

Total assets reported in segments **728,080,152**

Liabilities as of 12/31/22 as per the statement of financial position **753,853,958**

Reconciliation between management information and regulatory information:

- Deposits (147,203,357)
- Other liabilities (49,491,880)

Total liabilities reported in segments **557,158,721**

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Information as of December 31, 2021

	Personal banking	Business banking	Treasury and other	Total As of 12/31/21
Interest income/loss	13,053,543	18,800,292	76,663,608	108,517,443
Fee income/loss	5,537,949	7,061,510	5,710,706	18,310,165
Net gain on financial instruments measured at fair value through profit or loss	-	692,894	3,539,142	4,232,036
Gold and foreign currency bid/offer spread	567,592	417,600	2,102,611	3,087,803
Other operating income - net	524,814	1,141,799	8,695,217	10,361,830
Charge for Loan Losses	(1,922,635)	(1,344,763)	1,298,866	(1,968,532)
TOTAL OPERATING INCOME	<u>17,763,269</u>	<u>26,799,337</u>	<u>98,012,217</u>	<u>142,574,823</u>
Operating and administrative expenses				(83,513,352)
Gain/loss on associates and joint ventures				98,937
Net monetary position result				(38,384,689)
Income tax				(7,026,786)
NET INCOME				<u>13,748,933</u>
Reconciliation with the statement of income				
Net income for the year ended 12/31/21 as per statement of income				13,805,552
Reconciliation between management information and regulatory information				(56,619)
Total profit or loss reported in segments				<u>13,748,933</u>

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Information as of December 31, 2021

	Personal banking	Business banking	Treasury and other	Total As of 12/31/21
Loans	71,568,224	144,178,258	5,607,890	221,354,372
Other assets	10,077,136	4,252,700	503,591,089	517,920,925
TOTAL ASSETS	81,645,360	148,430,958	509,198,979	739,275,297
Deposits	241,104,517	198,088,537	143,190,144	582,383,198
Other liabilities	-	-	54,260,681	54,260,681
TOTAL LIABILITIES	241,104,517	198,088,537	197,450,825	636,643,879

Reconciliation with the statement of financial position

Assets as of 12/31/2021 as per the statement of financial position	906,429,279
Reconciliation between management information and regulatory information:	
- Loans	(104,339,810)
- Other assets	(62,814,172)
Total assets reported in segments	739,275,297
Liabilities as of 12/31/2021 as per the statement of financial position	760,989,648
Reconciliation between management information and regulatory information:	
- Deposits	(80,700,301)
- Other liabilities	(43,645,468)
Total liabilities reported in segments	636,643,879

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NOTE 43 - SUBSIDIARIES

Below there is information about the Bank's subsidiaries as of December 31, 2022 and December 31, 2021:

Company	Shares		Percentage of	
	Class	Amount	Total share capital	Possible votes
GPAT Compañía Financiera S.A.U.	Common	86,837,083	100.00%	100.00%
Patagonia Inversora S.A. Sociedad Gerente Fondos Comunes de Inversión	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. "En Liquidación"	Common	50,000	100.00%	100.00%

NOTE 44 – 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, 2022, the Bank acted as trustee of 15 trusts and managed, through Patagonia Inversora S.A. Mutual Investment Fund Manager, a total of 10 mutual funds (See Notes 51 and 52). The Entity is not responsible in any case with its own assets for the obligations contracted in the execution of the trusts; These will only be satisfied with and up to the concurrence of the trust assets and their proceeds.

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 1,788,296 and 1,362,250 as of December 31, 2022 and 2021, respectively.

In accordance with the terms and conditions of these agreements, the Bank may not be required to provide any financial support to these trusts. In addition, the Bank has not incurred any loss arising from its relationship with these trusts.

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NOTE 45 – RELATED PARTIES

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

Key management personnel

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

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

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)	
	12/31/22	12/31/21	12/31/22	12/31/21
Loans - Overdrafts	11	-	30,360	-
Loans - Personal Loans	115	-	138	6
Loans - Credit cards	18,024	15,331	33,808	26,216
Loans – Other Overdrafts	-	413	40	1,026
Loans – Other Loans	-	-	139	-
Deposits received	236,459	80,082	281,380	132,108

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

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Diego A. Ferreyra
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

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The loans and deposits were agreed in accordance with the market conditions applicable to other clients of the Bank. Loans are classified as regularly performing in accordance with the Debtor Classification Standards of BCRA. Total fees received by the Board of Directors for the fiscal years ended December 31, 2022, and 2021 amounted to 528,631 and 597,059, 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. on December 31, 2022 and December 31, 2021 are as follow:

Item	Balances as of		Largest balance for the year (1)	
	12/31/22	12/31/21	12/31/22	12/31/21
Cash and cash equivalents - balance sheets in Other financial institutions	70,854	70,878	225,412	1,684,429
Other credits	-	51	2,538	1,107,320
Loans and other financing (2)	715,001	-	715,001	-
Deposits - Fixed Term	4,947,290	-	4,947,290	-
Deposits - Others (3)	77,353	6,564	93,297	6,564
Financing facilities received from financial institutions	11,128,651	10,543,894	15,274,718	19,314,785
Guarantees granted (4)	-	-	-	229,901
Guarantees received (5)	-	2,022,930	3,462,445	5,889,928
Securities in custody (6)	14,162	126,615	14,162	133,100

- (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 a one-day interbank loan with Banco do Brasil S.A.
- (3) Corresponds to deposits of Banco Do Brasil S.A. Agency Buenos Aires in liquidation.
- (4) Corresponds to guarantees provided to Banco Do Brasil S.A.
- (5) Corresponds to letters of credit granted by Banco Do Brasil S.A. to the Bank's customers.
- (6) Corresponds to securities in custody of Banco Do Brasil S.A. Buenos Aires Agency in liquidation.

Transactions made with Banco do Brasil S.A. are made under market conditions.

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Profit or loss for the fiscal years ended December 31, 2022 and 2021 we were as follows:

Item	Fiscal year ended	
	12/31/22	12/31/21
Interest income	12,337	14,323
Interest expense (1)	320,040	182,603
Commission income	48	-
Expenses for commissions	20	26
Other operating income (2)	1,080	1,418

(1) Includes interest expenses with Banco Do Brasil S.A. Buenos Aires Agency in liquidation for 44,892.

(2) Corresponds to operating income with Banco Do Brasil S.A. Buenos Aires agency in liquidation.

Province of Rio Negro

The province of Río Negro, the sole shareholder holding class A shares, possesses, in accordance with the provisions of the Bank's bylaws, the power to appoint a director for class A as long as it owns at least one share of said class. Since 1996, the Bank has acted as financial agent of the Province of Río Negro, by virtue of the agreement entered into 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.

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ITEM	Balances as of		Largest balance for the year (1)	
	12/31/22	12/31/21	12/31/22	12/31/21
Financial assets measured at fair value - Securities issued by the Province of Rio Negro	1,640,000	2,033,617	1,658,518	2,277,060
Loans - Overdrafts	-	-	5,525,312	7,672,395
Deposits	441,067	249,971	3,242,840	5,222,499

- 1) Due to the large number of operations, particularly in current and deposit accounts, the Bank considers that presenting the maximum balance for the year is the best indicator of the transactions carried out 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, 2022 and 2021 we were as follows:

Concept	Fiscal year ended	
	12/31/22	12/31/21
Interest income	511,877	425,221
Fee income	309,973	376,785

Associates

Balances with the Group's associates are as follows:

Item	Balances as of		Largest balance for the year (1)	
	12/31/22	12/31/21	12/31/22	12/31/21
Deposits	5,762	997,392	551,144	2,217,679

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

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NOTE 46 - LEASES

a) The Group, in its capacity as lessor, grants financing in the form of financial leases (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	12/31/22		12/31/21	
	Total investment	Current value of minimum payments	investment total	Current value of minimum payments
Up to a year	1,474,632	598,677	1,350,451	546,991
1 to 5 years	2,994,268	2,091,624	3,038,209	2,158,576
Totals	4,468,900	2,690,301	4,388,660	2,705,567
Capital (See Note 12)		2,650,136		2,658,028
Interest accrued		40,165		47,539
Total		2,690,301		2,705,567

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	12/31/22	12/31/21
Up to a year	689,176	871,813
1 to 5 years old	798,201	1,001,731
Total	1,487,377	1,873,544

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NOTE 47 – 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, the dividends that are distributed, in cash or in kind, in excess of the accumulated tax profits at the end of the fiscal year immediately prior to the date of payment or distribution, will be subject to a withholding for income tax. profits as a single and final payment, in accordance with the general rate in force in said year.

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, the entities may distribute results up to the positive amount that arises from the off-accounting calculation between the sum of the registered balances, at the end of the annual exercise to which they correspond, in the unallocated results account and in the optional reserve for future distributions of results, to which must be deducted the amounts –recorded on the same date– of the legal and statutory reserves – whose constitution is enforceable– and of certain concepts that are detailed in the regulations.

In turn, the Entity must verify that, after the proposed distribution of results is made, a capital conservation margin is maintained on its risk-weighted assets, which is additional to the minimum capital requirement required by law and must be made up of common equity tier 1, net of deductibles.

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

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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 December 16, 2021, the BCRA issued Communication "A" 7421 by means of which it provided that, effective from January 1, 2022 and until December 31, 2022, financial entities may distribute results for up to 20% of the amount that would have corresponded to apply the rules on "Distribution of results".

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 cash dividends approved by their respective Assemblies registered and that were timely accounted for in "Other non-financial liabilities" are detailed below:

Exercise	Amount (In historical currency)
2019	<u>7,764,051</u>
2020	<u>5,239,945</u>
Total	<u>13,003,996</u>

The Ordinary and Extraordinary General Shareholders' Meeting held on April 28, 2022 approved the following profit distribution for the year ended December 31, 2021 (in historical currency):

Item	Amount (In historical currency)
- To Legal Reserve (20% of 7,012,206)	<u>1,402,441</u>
- A Facultative Reserve for Future Distribution of Profits	<u>5,609,765</u>
Total	<u>7,012,206</u>

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Additionally, with respect to the dividends corresponding to the years ended December 31, 2019 and 2020 and by application of the calculation methodology established by the BCRA through Communication "A" 7421, the Entity requested the corresponding request for authorization from the BCRA for the payment of dividends for 5,870,349 to be paid in twelve equal and consecutive monthly installments of 489,196.

On June 2, 2022, the Entity received approval from the BCRA for the aforementioned dividend distribution, of which, as of December 31, 2022, all installments have been disbursed.

On December 1, 2022, through Communication "A" 7659, the BCRA ordered the suspension of the distribution of profits effective as of January 1, 2023 and until December 31, 2023.

GPAT Compañía Financiera S.A.U.

The results corresponding to the fiscal year ended on December 31, 2022 amount to 237,141 (loss), which are proposed to be absorbed as follows.

	Item	Amount
- Year-end result		(237,141)
	Total	(237,141)
	Item	Amount
- To Legal reserve		(237,141)
	Total	(237,141)

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 creation of a legal reserve, until such reserve reaches 20% of the registered capital plus the capital adjustment.

The following distribution of profits for the year ended December 31, 2022 is proposed for consideration by the Ordinary General Shareholders' Meeting to approve these financial statements:

Item	Amount (In historical currency)
- To Recomposition of the Legal Reserve used to absorb negative results	14,529
- To Legal reserve	2,486
- To Optional Reserve for eventual distributions	32,704
Total	49,719

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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.

It is proposed for consideration by the Ordinary General Shareholders' Meeting to approve these financial statements the following distribution of profits for the year ended December 31, 2022, as indicated below:

Item	Amount (In historical currency)
- To Legal reserve	31,182
- To Payment of dividends in cash	592,450
Total	623,632

NOTE 48 – RESTRICTED ASSETS

The Group has the following restricted assets:

	<u>12/31/22</u>	<u>12/31/21</u>
Special guarantee accounts (*)	7,436,117	6,896,351
BCRA - Financial trusts under guarantee of forward transactions	9,288,651	6,689,351
-National Treasury Bonds in \$ CER Adjustment	2,944,392	2,983,953
-National Treasury Bills in \$ CER Adjustment	6,344,259	3,705,398
Credit and Debit Card Management Guarantee Deposits	1,243,537	1,749,749
Public Titles - IDB Line - Global Credit Program for micro-, small- and medium-sized enterprises	222,319	1,016,125
-Treasury Bonds in Pesos CER Adjustment	207,290	990,694
- Pesos as guarantee	10,000	19,688
- Dollars as guarantee	5,029	5,743
Other Security Deposits	50,539	74,820
Sub - Total	18,241,163	16,426,396
Security deposits for repo transactions	-	21,068
Sub - Total	-	21,068
Total	18,241,163	16,447,464

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

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NOTE 49 – 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 4.1380% interest in the capital stock, as informed by the BCRA through Communication "B" 12,305 issued on March 17, 2022.

As of December 31, 2022 and 2021, 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, 2022 and 2021, the contributions made have been recorded under the heading "Other Operating Expenses - Contributions to the deposit guarantee fund" for 981,921 and 1,048,931, respectively (see Note 36).

NOTE 50 – 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:

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Minimum cash requirements	12/31/22	12/31/21
Cash and bank deposits		
BCRA - Current account	70,581,228	94,218,745
Other debt securities		
Bills Issued by the BCRA	220,579,743	175,242,366
Public Securities in \$	62,276,893	22,142,869
Public Securities in USD	1,194,167	-
Financial assets granted as collaterals		
BCRA - Special guarantee accounts	7,347,553	6,795,205
Total	361,979,584	298,399,185

Minimum capital requirements

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

Minimum capital requirements	12/31/22	12/31/21
Minimum capital requirements (A)	39,162,119	47,604,831
Credit risk	26,842,302	32,492,566
Market risk - Securities	94,843	565,641
Market risk - Currencies	297,926	757,808
Operational risk	11,927,048	13,788,816
Payment (B)	145,232,425	128,027,155
Surplus (B - A)	106,070,306	80,422,324

NOTE 51 – TRUST ACTIVITIES

The Entity has signed a series of contracts with other companies, through which it has been appointed trustee of certain financial trusts. In them, credits were mainly received as a trust asset. As of December 31, 2022, the Entity manages the following publicly offered financial trusts:

Financial trust	Trustor	Date of agreement	Assets as of 12/31/22	Assets held in trust	Equity as of 12/31/22
Mercado Crédito X (*)	Mercado Libre S.R.L.	06/17/2021	53,900	Credits granted through electronic means	-
Mercado Crédito XI	Mercado Libre S.R.L.	08/10/2021	383,975	Credits granted through electronic means	342,968
Mercado Crédito XII	Mercado Libre S.R.L.	10/29/2021	543,664	Credits granted through electronic means	318,051
Mercado Crédito XIII	Mercado Libre S.R.L.	02/14/2022	1,413,927	Credits granted through electronic means	446,047
Mercado Crédito XIV	Mercado Libre S.R.L.	04/08/2022	2,942,068	Credits granted through electronic means	603,660
Mercado Crédito XV	Mercado Libre S.R.L.	06/22/2022	3,005,561	Credits granted through electronic means	631,281

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Executive Manager of Administration

Diego A. Ferreyra
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

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By Supervisory Committee

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Mónica M. Cukar
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BANCO PATAGONIA S.A.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
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Financial trust	Trustor	Date of agreement	Assets as of 12/31/22	Assets held in trust	Equity as of 12/31/22
Mercado Crédito Consumo V (*)	Mercado Libre S.R.L.	07/12/2021	9,265	Credits granted through electronic means	-
Mercado Crédito Consumo VI	Mercado Libre S.R.L.	09/14/2021	486,336	Credits granted through electronic means	415,465
Mercado Crédito Consumo VII	Mercado Libre S.R.L.	11/30/2021	615,352	Credits granted through electronic means	367,067
Mercado Crédito Consumo VIII	Mercado Libre S.R.L.	04/28/2022	2,374,169	Credits granted through electronic means	494,090
Mercado Crédito Consumo IX	Mercado Libre S.R.L.	05/31/2022	3,168,904	Credits granted through electronic means	586,929
Mercado Crédito Consumo X	Mercado Libre S.R.L.	07/14/2022	3,279,003	Credits granted through electronic means	755,078
Mercado Crédito Consumo XI	Mercado Libre S.R.L.	07/29/2022	3,608,261	Credits granted through electronic means	718,863
Mercado Crédito Consumo XII	Mercado Libre S.R.L.	08/19/2022	3,721,742	Credits granted through electronic means	760,083
Mercado Crédito Consumo XIII	Mercado Libre S.R.L.	09/19/2022	3,715,346	Credits granted through electronic means	766,792
Total			29,321,473		7,206,374

(*) According to the liquidation financial statements as of 09/30/22.

Public financial trusts authorized by the CNV, the financial statements of which are to be filed after 12/31/2022

Financial trust	Trustor	Date of agreement	Assets held in trust
Mercado Crédito Consumo XIV	Mercado Libre S.R.L.	10/28/2022	Credits granted through electronic means
Mercado Crédito Consumo XV	Mercado Libre S.R.L.	11/24/2022	Credits granted through electronic means
Mercado Crédito XVI	Mercado Libre S.R.L.	10/21/2022	Credits granted through electronic means
Mercado Crédito XVII	Mercado Libre S.R.L.	11/11/2022	Credits granted through electronic means

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Guarantee and Administration Trusts

Financial trust	Trustor	Date of agreement	Assets held in trust
Bogar Class II Series II	Rio Negro Province	06/11/09	Percentage of the daily provincial tax revenues
Bogar Class II Series III	Rio Negro Province	07/30/13	Percentage of the daily provincial tax revenues
Rio negro 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

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.

NOTE 52 – 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, 2022

Name	Deposits	Other	Total assets	Shareholder's Equity
Lombard Renta en Pesos Fondo Común de Inversión	124,449,399	5,027,720	129,477,119	128,714,451
Lombard Capital F.C.I.	1,586,146	14,393,833	15,979,979	13,332,545
Fondo Común de Inversión Lombard Renta Fija	121,431	6,607,156	6,728,587	5,294,301
Lombard Fondo Común de Inversión Abierto PYMES	801	917,616	918,417	870,105
Fondo Común de Inversión Lombard Ahorro	19,943	1,308	21,251	21,190
Fondo Común de Inversión Lombard Abierto Plus	25,527	16,744,641	16,770,168	11,824,574
Fondo Común de Inversión Lombard Acciones Líderes	3,391	492,933	496,324	281,654
Lombard Renta Fija en Dólares F.C.I.	2,227,206	3,924,914	6,152,120	5,232,500
Lombard Ahorro Plus F.C.I.	492	9,938,762	9,939,254	5,645,714
TOTAL	128,434,336	58,048,883	186,483,219	171,217,034

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Information as of December 31, 2021

Name	Deposits	Other	Total assets	Shareholder's Equity
Lombard Renta en Pesos Fondo Común de Inversión	112,411,457	23,554,015	135,965,473	135,961,147
Lombard Capital F.C.I.	1,171,921	13,462,044	14,633,966	14,756,085
Fondo Común de Inversión Lombard Renta Fija	1,601	8,947,159	8,948,760	7,197,147
Fondo Común de Inversión Lombard Abierto PYMES	697	1,045,336	1,046,033	1,045,976
Fondo Común de Inversión Lombard Ahorro	30,158	-	30,158	30,158
Fondo Común de Inversión Lombard Abierto Plus	2,740	14,743,788	14,746,528	14,703,719
Fondo Común de Inversión Lombard Acciones Líderes	445	523,978	524,422	491,188
Lombard Renta Fija en Dólares F.C.I.	2,043,171	6,348,907	8,392,078	8,345,565
Lombard Ahorro Plus F.C.I.	2,693	10,015,016	10,017,709	9,515,903
TOTAL	115,664,883	78,640,243	194,305,127	192,046,888

NOTE 53 - 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 those 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, 2022, 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.

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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.

GPAT Compañía Financiera S.A.U.

As of December 31, 2022, GPAT Compañía Financiera S.A.U. has not received any notice of administrative, disciplinary or criminal sanctions, or any proceedings.

NOTE 54 – 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.

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Finally, because 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.

NOTE 55 – CNV REQUIREMENTS TO ACT AS AN OVER-THE-COUNTER BROKER

Banco Patagonia S.A.

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

The minimum net worth required by said standard for the different categories of agent in which it is registered amounts to 1,420,350 Purchasing Value Units (UVA) as of December 31, 2022, updateable by the Reference Stabilization Coefficient (CER), Law 25,857, which is equivalent to 263,219.

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 131,610.

As of December 31, 2022, 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 57,449 as of December 31, 2022.

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The minimum consideration must be 50% of the amount required as minimum net worth, which amounts to 155,000 UVAs, equivalent to 28,725.

As of December 31, 2022, 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
Demand deposit accounts in local and foreign banks	139,463
Mutual funds	2,947,029
Listed Common Stock	3,889
Argentine Government Securities	5,996
Total	3,096,377

Patagonia Valores S.A.

In compliance with the provisions established by the CNV in force as of RG No. 821/2019 of said body, and in accordance with the established requirements, the minimum net worth required to act as Comprehensive Settlement and Clearing Agent and as Agent of Placement and Integral Distribution, amounts to 633,850 UVAs (102,315), with the minimum net worth (58,733), updateable by CER, Law 25,857, which is less than the Company's net worth.

As of December 31, 2022, 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	68,383
Total	68,383

NOTE 56 – TRANSACTIONS WITH DIRECTORS

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

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BANCO PATAGONIA S.A.

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NOTE 57 – 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 Archivos S.A.	Route 36 - Km. 31.5 - Florencio Varela - Province of Buenos Aires

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Patagonia Valores S.A.

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

GPAT Compañía Financiera S.A.U.

Company	Address
AdeA Administradora de Archivos S.A.	Route 36 Km. 31.5 - Florencio Varela - Province of Buenos Aires
Bank S.A.	Unamuno 2095 - Quilmes - Province of Buenos Aires Diogenes Taborda 73 - City of Buenos Aires Carlos Pellegrini 1401 - Dock Sud - Province of Buenos Aires Av. Fleming 2190 - Munro - Province of Buenos Aires Route Panamericana Km 37.5 - Garín - Province of Buenos Aires Route 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.

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NOTE 58 – 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, more than such paid-in shares, for the obligations arising from the transactions performed by the entity.

NOTE 59 – 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 60 – MACROECONOMIC CONTEXT

Economic context

The economic context in which the entity operates continues to be complex: in recent years the acceleration of inflation levels has been observed, reaching an increase of 50.9% in 2021 and an increase of 94,8% in 2022, the highest inflation in the last 32 years. Likewise, there is a high volatility of financial variables, such as country risk, the different existing exchange rates and the price of Argentine public securities. However, after the deep crisis generated as a consequence of the Covid 19 pandemic in 2020, economic activity has begun to recover from the end of 2020 and mainly during 2021 and 2022, despite the adverse economic effects at the national level. arising from the war between Russia and Ukraine.

In recent years, the monetary imbalance has been especially boosted by the issuance of currency to finance the expansion of public spending. The fall in the BCRA's international reserves, accompanied by an increase in its monetary liabilities, has motivated a tightening of the exchange regulations that imposed restrictions on the hoarding and consumption of foreign currency and payments abroad, which in turn generated the emergence of various types of changes, in addition to the official one.

Likewise, on March 25, 2022, the Board of Directors of the International Monetary Fund (IMF) approved the technical agreement for the renegotiation of the Argentine external debt reached with the National Government and which already had the approval of the National Congress, thus formalizing the refinancing of US\$ 45,000 million, after almost two years of renegotiation. Said agreement implies the fulfillment of a series of fiscal, monetary and inflation macroeconomic goals, such as the reduction of the monetary issue, a primary deficit ceiling and a reserve accumulation floor, among others.

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(Stated in thousands of Pesos)**

In particular, in relation to financial assets, during 2020, Argentina began a process of restructuring its debt in foreign currency, culminating in an external and local exchange that was intended to restore its sustainability. In this way, debt services for the 2020-2030 period were significantly reduced, reducing the interest burden and increasing the average life of the debt.

On the other hand, and in order to decompress the next debt maturities, in August 2022, the National Government launched a voluntary debt exchange in pesos for dual currency bonds maturing between June and September 2023, whose main recipients were the public sector and financial institutions. Likewise, in December 2022, a new voluntary debt exchange in pesos of bonds and bills maturing in the first quarter of 2023 was launched with the aim of extending the terms of Treasury financing until 2024.

Currently, the National Government continues with its policy of issuing instruments that follow the evolution of inflation, while the BCRA continues with its strategy of gradually increasing the reference interest rate in order to reduce the gap with the index. inflationary. The 28-day Liquidity Bills (LELIQ) rate in December 2021 was 38%, while in December 2022 it was 75%.

As of December 31, 2022, the Entity presents a portfolio of financial assets mainly composed of government securities and BCRA monetary regulation instruments, mainly instruments measured at fair value with changes in OCI and to a lesser extent instruments measured at fair value with changes in other comprehensive income.

With respect to the equity situation, the Entity presents a solid position of solvency and capital adequacy, exhibiting as of December 31, 2022, a capitalization ratio based on the standards issued by the Basel Committee of 30.3% at a global level. consolidated.

The essential indicators of Basel III, 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 maintains an adequate liquidity reserve made up of high-quality assets, and a solid balance sheet structure (in local and foreign currency), with prudential levels of appetite indicators for short-term and long-term liquidity risk.

Regarding interest rate risk management, the Entity has low levels of mismatch risk (duration between assets and liabilities), both in interest margin sensitivity measurements and in changes in economic value.

Marcelo A. Iadarola
Executive Manager of Administration

Signed for identification purposes
with our report dated 02/23/2023

By Supervisory Committee

Mónica M. Cukar
Regular Supervisory Auditor
Public Accountant (U.B.A.)
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Diego A. Ferreyra
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

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BANCO PATAGONIA S.A.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE FISCAL YEAR ENDED DECEMBER 31, 2022
COMPARATIVELY PRESENTED WITH THE PRIOR YEAR
(Stated in thousands of Pesos)**

With regard to credit risk and provision levels, the estimate of provisions for expected credit losses incorporates the updating of the forward-looking prospective information in the IFRS 9 models to respond to the circumstances of the described macroeconomic and financial environment.

Notwithstanding the aforementioned, the Entity places special emphasis on taking care of its portfolios, permanently monitoring changes in credit ratings, in order to guarantee the maintenance of default rates at a limited level and take the measures that correspond to a prudent management of credit risks.

The Entity's Management permanently monitors the situations indicated above, in order to minimize their impact on the Entity's operations, on its financial margin and finally on its profitability.

NOTE 61 – SUBSEQUENT EVENTS

No other events or transactions have occurred from year-end to the date of issuance of these financial statements that would have a material effect on the financial position of the entity or the results of its operations as of December 31, 2022.

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Executive Manager of Administration

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BANCO PATAGONIA S.A.

**EXHIBIT B
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED
BY STATUS AND OTHER GUARANTEES RECEIVED
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of pesos)**

COMMERCIAL LOAN PORTFOLIO	12/31/22	12/31/21
Performing	175,247,853	223,258,632
- With "A" preferred guarantees and counter-guarantees	6,552,124	11,618,243
- With "B" preferred guarantees and counter-guarantees	7,553,237	10,392,329
- Without preferred guarantees or counter-guarantees	161,142,492	201,248,060
Subject to special monitoring	6,322	411,375
In observation	98	3,796
- Without preferred guarantees or counter-guarantees	98	3,796
In negotiation or under refinancing agreements	6,224	407,579
- With "B" preferred guarantees or counter-guarantees	1,142	407,579
- Without preferred guarantees or counter-guarantees	5,082	-
Troubled	20,549	310,881
- With "B" preferred guarantees or counter-guarantees	19,112	305,042
- Without preferred guarantees or counter-guarantees	1,437	5,839
With high risk of insolvency	192,814	33,631
- With "A" preferred guarantees or counter-guarantees	-	5,875
- With "B" preferred guarantees or counter-guarantees	175,708	2,248
- Without preferred guarantees or counter-guarantees	17,106	25,508
Non-recoverable	2,319	1,205
- With "B" preferred guarantees or counter-guarantees	23	16
- Without preferred guarantees or counter-guarantees	2,296	1,189
TOTAL COMMERCIAL LOAN PORTFOLIO	175,469,857	224,015,724

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**EXHIBIT B
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED
BY STATUS AND OTHER GUARANTEES RECEIVED
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of pesos)**

CONSUMER AND/OR HOME LOAN PORTFOLIO	12/31/22	12/31/21
Performing	103,483,957	115,935,793
- With "A" preferred guarantees and counter-guarantees	3,756,672	4,767,581
- With "B" preferred guarantees and counter-guarantees	10,564,365	14,242,167
- Without preferred guarantees or counter-guarantees	89,162,920	96,926,045
Low risk	1,507,922	1,142,119
- With "A" preferred guarantees and counter-guarantees	36,314	14,356
- With "B" preferred guarantees and counter-guarantees	80,970	168,591
- Without preferred guarantees or counter-guarantees	1,390,638	959,172
Low risk - Under special treatment	9,250	-
- Without preferred guarantees or counter-guarantees	9,250	-
Medium risk	808,894	651,085
- With "A" preferred guarantees and counter-guarantees	2,725	2,522
- With "B" preferred guarantees and counter-guarantees	14,997	21,273
- Without preferred guarantees or counter-guarantees	791,172	627,290
High risk	648,876	1,219,141
- With "A" preferred guarantees and counter-guarantees	1,788	9,684
- With "B" preferred guarantees and counter-guarantees	7,186	13,089
- Without preferred guarantees or counter-guarantees	639,902	1,196,368
Non-recoverable	118,725	181,158
- With "A" preferred guarantees and counter-guarantees	1,404	116
- With "B" preferred guarantees and counter-guarantees	1,008	345
- Without preferred guarantees or counter-guarantees	116,313	180,697
TOTAL CONSUMER AND/OR HOME LOAN PORTFOLIO	106,577,624	119,129,296
GRAND TOTAL	282,047,481	343,145,020

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**EXHIBIT B
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED
BY STATUS AND OTHER GUARANTEES RECEIVED
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of pesos)**

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

BREAKDOWN	12/31/22	12/31/21
BALANCE AS PER EXHIBIT "B"	282,047,481	343,145,020
Items included in Exhibit "B" and not included in Loans and other financing facilities	(15,311,154)	(9,833,214)
Off-balance sheet items– agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards	(7,110,580)	(3,527,919)
Other items	(8,200,574)	(6,305,295)
Items not included in Exhibit "B" and included in Loans and other financing facilities	(5,364,810)	(7,617,624)
Loans and other financing facilities- loans to personnel	600,499	910,401
Loans and other financing facilities - IFRS adjustment at effective interest rate	(2,304,896)	(2,188,255)
Loans and other financing facilities– Allowances for loan losses (Exhibit R)	(3,660,413)	(6,339,770)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	261,371,517	325,694,182

Marcelo A. Iadarola
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**EXHIBIT C
LOANS AND OTHER FINANCING FACILITIES CONCENTRATION
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)**

Number of customers	FINANCING FACILITIES			
	12/31/22		12/31/21	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	61,905,564	21.9%	75,365,451	22,0%
50 next largest customers	69,630,059	24.7%	83,164,220	24,2%
100 next largest customers	23,308,554	8.3%	30,655,306	8,9%
Rest of customers	127,203,304	45.1%	153,960,043	44,9%
TOTAL	282,047,481	100.0%	343,145,020	100,0%

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

BREAKDOWN	12/31/22	12/31/21
BALANCE AS PER EXHIBIT "C"	282,047,481	343,145,020
Items included in Exhibit "C" and not included in Loans and other financing facilities	(15,311,154)	(9,833,214)
Off-balance sheet items – agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards	(7,110,580)	(3,527,919)
Other items	(8,200,574)	(6,305,295)
Items not included in Exhibit "C" and included in Loans and other financing facilities	(5,364,810)	(7,617,624)
Loans and other financing facilities- loans to personnel	600,499	910,401
Loans and other financing facilities – IFRS adjustment at effective interest rate	(2,304,896)	(2,188,255)
Loans and other financing facilities– Allowances for loan losses (Exhibit R)	(3,660,413)	(6,339,770)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	261,371,517	325,694,182

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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 12/31/22**

(Stated in thousands of Pesos)

Item	Matured	Terms remaining to maturity						Total as of 12/31/22
		1 month	3 months	6 months	12 months	24 months	Over 24 months	
Non-financial government sector	-	423,888	-	-	-	-	-	423,888
Financial sector	-	11,558,874	202,179	2,713,444	5,118,886	5,058,139	641,459	25,292,981
Nonfinancial private sector and foreign residents	1,470,634	161,397,767	26,242,637	25,462,443	27,797,683	27,126,625	42,751,477	312,249,266
TOTAL	1,470,634	173,380,529	26,444,816	28,175,887	32,916,569	32,184,764	43,392,936	337,966,135

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BANCO PATAGONIA S.A.

EXHIBIT F
PROPERTY AND EQUIPMENT MOVEMENT
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)

PROPERTY AND EQUIPMENT MOVEMENT AS OF 12/31/22

Item	Original value at beginning of year	Estimated useful life in years	Additions	Retirements	Original value as of 12/31/22	Depreciation				Residual value as of 12/31/22
						Accumulated as of 12/31/21	Retirements	For the year	Accumulated as of 12/31/22	
Measured at cost	25,355,425		1,887,966	1,432,916	25,810,475	18,323,091	1,385,667	2,744,355	19,681,779	6,128,696
- Land and buildings	3,399,306	50	66,977	-	3,466,283	3,180,703	-	140,640	3,321,343	144,940
- Furniture and fixture	5,227,300	10	40,778	51,829	5,216,249	4,298,761	41,875	206,587	4,463,473	752,776
- Machinery and equipment	13,738,716	5	562,072	94,686	14,206,102	10,086,519	93,498	1,148,849	11,141,870	3,064,232
- Vehicles	224,367	5	101,875	26,014	300,228	157,314	22,060	41,422	176,676	123,552
- Right-of-use on leased premises	2,171,467	-	1,087,934	1,260,387	1,999,014	568,847	1,228,234	1,206,566	547,179	1,451,835
- Other	30,947	5	2,491	-	33,438	30,947	-	291	31,238	2,200
- Works in progress	563,322	-	25,839	-	589,161	-	-	-	-	589,161
Revaluation model	28,808,507		100,945	80,917	28,828,535	848,824	2,383	424,514	1,270,955	27,557,580
- Land and buildings	28,808,507	50	100,945	80,917	28,828,535	848,824	2,383	424,514	1,270,955	27,557,580
TOTAL	54,163,932		1,988,911	1,513,833	54,639,010	19,171,915	1,388,050	3,168,869	20,952,734	33,686,276

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EXHIBIT F
PROPERTY AND EQUIPMENT MOVEMENT
AS OF 12/31/22 AND 12/31/21
 (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	23,023,529		3,543,166	1,211,270	25,355,425	16,680,666	1,166,866	2,809,291	18,323,091	7,032,334
- Land and buildings	3,385,304	50	14,002	-	3,399,306	3,023,087	-	157,616	3,180,703	218,603
- Furniture and fixture	5,088,551	10	152,038	13,289	5,227,300	4,089,942	10,417	219,236	4,298,761	928,539
- Machinery and equipment	11,578,607	5	2,191,478	31,369	13,738,716	8,911,153	27,471	1,202,837	10,086,519	3,652,197
- Vehicles	262,672	5	-	38,305	224,367	159,781	37,702	35,235	157,314	67,053
- Right-of-use on leased premises	2,190,303	-	1,109,471	1,128,307	2,171,467	465,872	1,091,276	1,194,251	568,847	1,602,620
- Other	30,947	5	-	-	30,947	30,831	-	116	30,947	-
- Works in progress	487,145	-	76,177	-	563,322	-	-	-	-	563,322
Revaluation model	28,824,522		2,649	18,664	28,808,507	423,990	-	424,834	848,824	27,959,683
- Land and buildings	28,824,522	50	2,649	18,664	28,808,507	423,990	-	424,834	848,824	27,959,683
TOTAL	51,848,051		3,545,815	1,229,934	54,163,932	17,104,656	1,166,866	3,234,125	19,171,915	34,992,017

Marcelo A. Iadarola
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**EXHIBIT F
PROPERTY AND EQUIPMENT MOVEMENT
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)**

INVESTMENT PROPERTY MOVEMENT AS OF 12/31/22

Item	Original value at beginning of year	Estimated useful life in years	Gain or loss measured at fair value	Residual value as of 12/31/22
Measured at fair value				
- Leased Land and buildings	107,214	40	(16,524)	90,690
TOTAL	107,214		(16,524)	90,690

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	136,921	40	(29,707)	107,214
TOTAL	136,921		(29,707)	107,214

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EXHIBIT G
INTANGIBLE ASSETS MOVEMENT AS OF
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)

INTANGIBLE ASSETS MOVEMENT AS OF 12/31/22

Item	Original value at beginning of year	Estimated useful life in years	Additions	Depreciation			Residual value as of 12/31/22
				Accumulated as of 12/31/21	Depreciation for the year	Accumulated as of 12/31/22	
Measured at cost							
Expenses of own development Systems	3,142,650	5	64,973	1,866,918	534,112	2,401,030	806,593
TOTAL	3,142,650		64,973	1,866,918	534,112	2,401,030	806,593

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							
Expenses of own development Systems	2,734,775	5	407,874	1,290,806	576,112	1,866,918	1,275,731
TOTAL	2,734,775		407,874	1,290,806	576,112	1,866,918	1,275,731

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**EXHIBIT H
DEPOSIT CONCENTRATION
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)**

Number of customers	12/31/22		12/31/21	
	Outstanding amount	% of total portfolio	Outstanding amount	Outstanding amount
10 largest customers	140,497,503	21.3%	130,653,330	19.7%
50 next largest customers	124,769,459	18.9%	112,117,123	16.9%
100 next largest customers	43,845,539	6.6%	40,500,950	6.1%
Rest of customers	350,797,591	53.2%	379,812,096	57.3%
TOTAL	659,910,092	100.0%	663,083,499	100.0%

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Diego A. Ferreyra
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

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BANCO PATAGONIA S.A.

EXHIBIT I
FINANCIAL LIABILITIES BROKEN DOWN BY TERMS REMAINING TO MATURITY
AS OF 12/31/2022
(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 12/31/22
Deposits	622,067,360	37,528,557	12,307,125	411,412	1,336	-	672,315,790
Non-financial government sector	24,767,274	6,332,155	89,403	7,953	-	-	31,196,785
Financial sector	3,594,462	-	-	-	-	-	3,594,462
Nonfinancial private sector and foreign residents	593,705,624	31,196,402	12,217,722	403,459	1,336	-	637,524,543
Derivative instruments	40,040	-	-	-	-	-	40,040
Other financial liabilities	35,434,528	-	-	-	-	-	35,434,528
Financing facilities received from BCRA and other financial institutions	8,930,057	6,808,207	2,829,947	1,200,562	-	1,410,236	21,179,009
Corporate bonds issued	-	162,260	156,970	1,162,260	-	-	1,481,490
TOTAL	666,471,985	44,499,024	15,294,042	2,774,234	1,336	1,410,236	730,450,857

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BANCO PATAGONIA S.A.

**EXHIBIT J
CHANGES IN PROVISIONS
AS OF 12/31/22**
(Stated in thousands of Pesos)

Item	Balances at beginning of year	Increases	Decreases		Monetary result for allowances and provisions	Balance as of 12/31/22
			Reversals	Applications		
INCLUDED IN LIABILITIES						
For contingent commitments	739,666	270,692	47,279	-	(363,959)	599,200
Other	1,209,065	184,685	7,074	94,096	(594,956)	697,624
Labor lawsuits	305,666	62,823	1,522	16,360	(150,419)	200,188
Complaints, proceedings, appeals	545,173	90,182	5,552	77,736	(268,265)	283,802
Tax lawsuits	358,226	31,680	-	-	(176,272)	213,634
TOTAL PROVISIONS	1,948,731	455,377	54,353	94,096	(958,915)	1,296,744

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EXHIBIT P
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)

INFORMATION AS OF 12/31/22

Item	Book balances as of 12/31/22	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	100,733,326	100,733,326	-	-	-	-	-
Cash	26,815,000	26,815,000	-	-	-	-	-
Financial institutions and correspondents	72,855,556	72,855,556	-	-	-	-	-
Other	1,062,770	1,062,770	-	-	-	-	-
Debt securities measured at fair value with changes through profit or loss	4,303,493	-	-	4,303,493	4,284,735	18,758	-
Derivative instruments	860,500	-	-	860,500	-	860,500	-
Repo transactions	136,604,506	136,604,506	-	-	-	-	-
Other financial assets	18,349,608	18,349,608	-	-	-	-	-
Loans and other liabilities	261,371,517	261,371,517	-	-	-	-	-
Non-financial government sector	424,112	424,112	-	-	-	-	-
Other financial entities	17,949,713	17,949,713	-	-	-	-	-
Non-financial private sector and foreign residents	242,997,692	242,997,692	-	-	-	-	-
Other debt securities	335,401,866	61,908,687	273,493,179	-	262,488,973	11,004,206	-
Financial assets granted as collateral	18,241,163	10,614,845	7,626,318	-	7,626,318	-	-
Investments in equity instruments	18,607	-	-	18,607	-	18,607	-
TOTAL FINANCIAL ASSETS	875,884,586	589,582,489	281,119,497	5,182,600	274,400,026	11,902,071	-

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EXHIBIT P
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)

Item	Book balances as of 12/31/22	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	659,910,092	659,910,092	-	-	-	-	-
Non-financial government sector	39,903,490	39,903,490	-	-	-	-	-
Financial sector	2,515,011	2,515,011	-	-	-	-	-
Nonfinancial private sector and foreign residents	617,491,591	617,491,591	-	-	-	-	-
Derivative instruments	40,040	-	-	40,040	-	40,040	-
Other financial liabilities	35,434,528	35,434,528	-	-	-	-	-
Financing facilities received from BCRA and other financial institutions	19,652,593	19,652,593	-	-	-	-	-
Corporate bonds issued	1,077,534	1,077,534	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	716,114,787	716,074,747	-	40,040	-	40,040	-

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EXHIBIT P
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/22 AND 12/31/21
 (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	133,872,524	133,872,524	-	-	-	-	-
Cash	33,774,457	33,774,457	-	-	-	-	-
Financial institutions and correspondents	99,288,895	99,288,895	-	-	-	-	-
Other	809,172	809,172	-	-	-	-	-
Debt securities measured at fair value with changes through profit or loss	4,151,745	-	-	4,151,745	4,150,934	811	-
Derivative instruments	1,279,423	-	-	1,279,423	-	1,279,423	-
Repo transactions	124,871,961	124,871,961	-	-	-	-	-
Other financial assets	9,660,664	9,660,664	-	-	-	-	-
Loans and other liabilities	325,694,182	325,694,182	-	-	-	-	-
Non-financial government sector	70,179	70,179	-	-	-	-	-
Other financial entities	21,902,424	21,902,424	-	-	-	-	-
Non-financial private sector and foreign residents	303,721,579	303,721,579	-	-	-	-	-
Other debt securities	245,258,898	10,032,118	235,226,780	-	73,356,555	161,870,225	-
Financial assets granted as collateral	16,426,396	8,639,938	7,786,458	-	7,786,458	-	-
Investments in equity instruments	2,129,627	-	-	2,129,627	-	25,073	2,104,554
TOTAL FINANCIAL ASSETS	863,345,420	612,771,387	243,013,238	7,560,795	85,293,947	163,175,532	2,104,554

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EXHIBIT P
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)

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	663,083,499	663,083,499	-	-	-	-	-
Non-financial government sector	46,248,096	46,248,096	-	-	-	-	-
Financial sector	4,754,285	4,754,285	-	-	-	-	-
Nonfinancial private sector and foreign residents	612,081,118	612,081,118	-	-	-	-	-
Debt securities measured at fair value with changes through profit or loss	293,030	-	-	293,030	293,030	-	-
Derivative instruments	114,511	-	-	114,511	-	114,511	-
Repo transactions	189,874	189,874	-	-	-	-	-
Other financial liabilities	32,290,780	32,290,780	-	-	-	-	-
Financing facilities received from BCRA and other financial institutions	14,546,969	14,546,969	-	-	-	-	-
Corporate bonds issued	1,227,415	1,227,415	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	711,746,078	711,338,537	-	407,541	293,030	114,511	-

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BANCO PATAGONIA S.A.

EXHIBIT "Q"
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)

By financial assets measured at fair value through profit or loss

Item	Mandatory measurement	
	12/31/22	12/31/21
Result of government securities	497,844	565,298
Result of derivative financial instruments – Forward transactions	1,240,850	2,904,067
For investments in Equity Instruments	(277,218)	251,141
Result from sale or derecognition of financial assets at fair value	3,889,188	569,062
TOTAL	5,350,664	4,289,568

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BANCO PATAGONIA S.A.

EXHIBIT "Q"
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/22 AND 12/31/21
 (Stated in thousands of Pesos)

Interest and adjustment from applying the effective interest rate of financial assets measured at amortized cost

Item	12/31/22	12/31/21
Interest income		
For cash and bank deposits	8,407	-
By private titles	9,854	7,885
For other financial assets	2,189,576	1,087,746
By loans and other financing facilities	102,013,015	86,365,915
To the Financial sector	5,118,738	4,876,725
Overdrafts	29,804,874	20,127,410
Notes	27,892,472	27,714,408
Mortgage loans	379,764	428,239
Pledge loans	3,706,178	4,070,090
Personal loans	13,400,223	12,229,660
Credit cards	11,856,797	9,384,660
Finance leases	731,293	539,600
Other	9,122,676	6,995,123
By repo transactions	38,586,762	47,390,121
Other financial entities	38,586,762	47,390,121
TOTAL	142,807,614	134,851,667

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EXHIBIT "Q"
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/22 AND 12/31/21
 (Stated in thousands of Pesos)

ITEM	12/31/22	12/31/21
Interest expense		
By deposits	188,262,910	123,488,485
Saving accounts	53,578,133	26,378,463
Time deposits and term investments	131,697,463	95,083,418
Other	2,987,314	2,026,604
By financing received from the BCRA and other financial institutions	602,287	477,504
By repo transactions	103,457	114,979
Other financial entities	103,457	114,979
By other financial liabilities	1,317,096	896,726
By corporate bonds issued	289,181	1,180,409
TOTAL	190,574,931	126,158,103

Interest and adjustment from applying the effective interest rate of financial assets carried at fair value with changes through OCI

Item	12/31/22		12/31/21	
	Income for the year	OCI	Income for the year	OCI
By private debt securities	6,248,117	110,242	2,674,298	8,442
By government debt securities	190,241,141	4,116,349	95,413,512	(225,859)
TOTAL	196,489,258	4,226,591	98,087,810	(217,417)

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EXHIBIT "Q"
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/22 AND 12/31/21
 (Stated in thousands of Pesos)

Fee income

Item	12/31/22	12/31/21
Obligations related commissions	9,833,203	10,750,107
Commissions linked to credits	182,742	398,800
Loans and financial guarantee related commissions	10,227	25,624
Commissions linked to securities	225,798	358,337
Cards related commissions	7,154,327	7,186,577
Insurance related commissions	3,327,500	3,689,395
Commissions on collection efforts	2,319,528	2,253,865
Commissions on foreign and exchange transactions	1,008,149	1,104,115
Other	415,565	511,334
TOTAL	24,477,039	26,278,154

Fee expenses

Item	12/31/22	12/31/21
Securities transaction related commissions	219,723	183,736
Commissions on foreign and exchange transactions	203,494	205,513
Other	7,934,394	7,505,298
TOTAL	8,357,611	7,894,547

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EXHIBIT R
LOSS IMPAIRMENT ADJUSTMENT - ALLOWANCE FOR LOAN LOSSES
AS OF 12/31/2022
(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 12/31/22
			IF with significant increase in CR	IF with credit impairment		
Other financial assets	3,414,179	(1,564,700)	(1,368)	-	(1,681,504)	166,607
Loans and other financing facilities	6,339,770	641,393	(445,991)	241,322	(3,116,081)	3,660,413
Other financial institutions	1,851	617	-	-	(746)	1,722
Nonfinancial private sector and foreign residents	6,337,919	640,776	(445,991)	241,322	(3,115,335)	3,658,691
Overdrafts	150,139	13,531	26,270	21,040	(75,186)	135,794
Notes	401,105	69,794	(6,059)	(15,390)	(197,373)	252,077
Mortgage loans	216,122	36,071	17,299	1,613	(106,348)	164,757
Car loans	162,191	14,922	5,697	5,070	(126,539)	61,341
Consumer	2,178,571	51,931	(159,623)	86,529	(1,071,989)	1,085,419
Credit cards	2,315,402	244,443	(321,148)	5,002	(1,139,348)	1,104,351
Finance lease	43,705	27,773	(2,825)	(2,892)	(21,506)	44,255
Other	870,684	182,311	(5,602)	140,350	-377,046	810,697
Eventual commitments	739,666	301,761	(55,402)	(11,147)	(375,758)	599,120
TOTAL ALLOWANCES	10,493,615	-621,546	(502,761)	230,175	(5,173,343)	4,426,140

(*) Includes the effect of the exchange rate variation as of 12/31/2022.

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BANCO PATAGONIA S.A.

SEPARATE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022

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SEPARATE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022

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BANCO PATAGONIA S.A.

SEPARATE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022

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BANCO PATAGONIA S.A.

SEPARATE STATEMENTS OF FINANCIAL POSITION
AS OF 12/31/2022 and 12/31/2021
 (Stated in thousands of Pesos)

ITEMS	NOTES	12/31/22	12/31/21
ASSETS			
Cash and bank deposits	4	100,236,484	131,336,748
Cash on hand		26,814,989	33,754,300
Financial institutions and correspondents		72,358,725	96,773,276
BCRA		70,414,228	93,837,341
Other in Argentina and abroad		1,944,497	2,935,935
Other		1,062,770	809,172
Debt securities measured at fair value with change through profit or loss (Exhibit A)		4,204,331	3,995,920
Derivative instruments	5	860,500	1,279,423
Repo transactions	6	136,546,850	124,871,961
Other financial assets	7	15,190,476	6,990,429
Loans and other financing facilities (Exhibits B and C)	8	254,164,234	309,649,804
Non-financial government sector		424,112	70,179
Other financial institutions		18,286,745	23,400,546
Nonfinancial private sector and foreign residents		235,453,377	286,179,079
Other debt securities (Exhibit A)		335,391,906	243,828,975
Financial assets pledged as collateral	9	18,133,155	16,302,029
Current income tax assets	10 a)	-	1,767,582
Investments in equity instruments (Exhibit A)		18,607	2,129,627
Investments in subsidiaries, associates and joint ventures	11	8,818,345	9,443,741
Property and equipment (Exhibit F)	12	33,645,294	34,879,470
Intangible assets (Exhibit G)	13	806,593	1,275,731
Deferred income tax assets	10 b)	-	676,043
Other non-financial assets	14	2,042,866	2,781,691
TOTAL ASSETS		910,059,641	891,209,174

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 Superintendent
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Oswaldo Parré Dos Santos
 President

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BANCO PATAGONIA S.A.

SEPARATE STATEMENTS OF FINANCIAL POSITION
AS OF 12/31/2022 and 12/31/2021
 (Stated in thousands of Pesos)

ITEM	NOTES	12/31/22	12/31/21
LIABILITIES			
Deposits (Exhibits H)		659,852,543	651,604,646
Nonfinancial government sector		39,903,490	46,248,096
Financial sector		2,570,516	4,844,532
Nonfinancial private sector and foreign residents	15	617,378,537	600,512,018
Liabilities at fair value through profit or loss		-	293,030
Derivative instruments	5	40,040	114,511
Repo transactions	6	-	189,874
Other financial liabilities	16	34,275,709	31,052,566
Financing facilities received from BCRA and other financial institutions	17	19,122,593	14,310,810
Current income tax liabilities	10 a)	1,898,676	-
Provisions (Exhibit J)	20	1,274,245	1,928,202
Deferred income tax liabilities	10 b)	5,849,375	-
Other nonfinancial liabilities	19	27,575,148	46,275,904
TOTAL LIABILITIES		749,888,329	745,769,543
SHAREHOLDERS' EQUITY			
Share capital		719,145	719,145
Non-capitalized contributions		217,191	217,191
Share capital adjustments		57,486,826	57,486,826
Retained earnings		82,176,408	68,370,856
Unappropriated retained earnings		-	-
Other comprehensive income		1,073,328	4,840,061
Income for the year		18,498,414	13,805,552
TOTAL SHAREHOLDERS' EQUITY		160,171,312	145,439,631
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		910,059,641	891,209,174

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BANCO PATAGONIA S.A.

SEPARATE STATEMENTS OF INCOME
AS OF 12/31/22 Y 12/31/21
 (Stated in thousands of Pesos)

ITEMS	NOTES	FISCAL YEAR ENDED	
		12/31/22	12/31/21
Interest income	21	333,657,594	227,034,791
Interest expense	22	(189,697,971)	(124,681,567)
Interest income/loss		143,959,623	102,353,224
Fee income	23	24,475,169	26,280,226
Fee expenses	24	(8,399,822)	(7,946,439)
Fee income/loss		16,075,347	18,333,787
Net gain on financial instruments measured at fair value through profit or loss	25	5,350,664	4,231,036
Result from derecognition of assets measured at amortized cost and at fair value with changes in OCI		400,834	1,540,051
Gold and foreign currency bid/offer spread		5,952,583	3,240,309
Other operating income	26	14,504,016	8,099,205
Charge for Loan Losses		(5,417,480)	(1,760,637)
Net operating income		180,825,587	136,036,975
Benefits to personnel	27	(33,278,961)	(33,514,818)
Administrative expenses	28	(18,554,970)	(20,260,266)
Depreciation and impairment of assets		(3,694,080)	(3,804,768)
Other operating expenses	29	(25,627,294)	(23,930,512)
Operating income		99,670,282	54,526,611
Gain/loss on associates and joint ventures		(468,146)	1,226,559
Result from net monetary position		(68,287,214)	(35,648,680)
Income before tax relating to continuing operations		30,914,922	20,104,490
Income tax relating to continuing operations	10 b)	(12,416,508)	(6,298,938)
Net income from continuing operations		18,498,414	13,805,552
INCOME FOR THE YEAR		18,498,414	13,805,552

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BANCO PATAGONIA S.A.

SEPARATE STATEMENTS OF INCOME
AS OF 12/31/22 Y 12/31/21
 (Stated in thousands of Pesos)

EARNINGS PER SHARE	FISCAL YEAR ENDED	
	12/31/22	12/31/21
NUMERATOR		
Net income attributable to the shareholders of the parent company	18,498,414	13,805,552
Net income attributable to the shareholders of the parent company adjusted to reflect dilution	18,498,414	13,805,552
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	25,723	19,197
Earnings per shares – Diluted	25,723	19,197

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BANCO PATAGONIA S.A.

SEPARATE STATEMENTS OF OTHER COMPREHENSIVE INCOME
AS OF 12/31/22 Y 12/31/21
 (Stated in thousands of Pesos)

ITEM	FISCAL YEAR ENDED	
	12/31/22	12/31/21
INCOME FOR THE YEAR	18,498,414	13,805,552
Components of other comprehensive income that will be reclassified to income for the year		
Revaluation of property and equipment and intangibles.	-	(420,931)
Income tax	-	(420,931)
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL BE NOT RECLASSIFIED TO INCOME FOR THE YEAR	-	(420,931)
Exchange differences on translation of financial statements	(56,914)	(167,069)
Exchange differences for the year	(81,987)	(154,453)
Income tax	25,073	(12,616)
Gains or losses on financial instruments carried at fair value through OCI (paragraph 4.1.2 of IFRS 9)	(4,070,059)	(547,288)
Gains on financial instruments carried at fair value through OCI	(6,289,090)	(463,502)
Income tax	2,219,031	(83,786)
Equity in other comprehensive income of associates and joint ventures recognized by using the equity method	360,240	(217,312)
Income for the year arising from the equity in other comprehensive income of associates and joint ventures recognized by using the equity method	360,240	(217,312)
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED TO INCOME FOR THE YEAR	(3,766,733)	(931,669)
TOTAL OTHER COMPREHENSIVE INCOME	(3,766,733)	(1,352,600)
TOTAL COMPREHENSIVE INCOME	14,731,681	12,452,952

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BANCO PATAGONIA S.A.

**SEPARATE STATEMENT
OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF 12/31/22
(Stated in thousands of Pesos)**

Changes	Capital stock (1)	Non-capitalized contributions	Share Capital adjustments	Other comprehensive income				Profit reserve		Unappropriated retained earnings	Total equity Attributable to controlling interests	Total shareholders' equity as of 12/31/2022
	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	57,486,826	386,223	3,713,080	1,087,503	(346,745)	45,743,527	22,627,329	13,805,552	145,439,631	145,439,631
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholders' Meeting held on 04/28/22												
- Legal reserve	-	-	-	-	-	-	-	2,761,110	-	(2,761,110)	-	-
- Optional reserve - Future distribution of earnings	-	-	-	-	-	-	-	-	11,044,442	(11,044,442)	-	-
Income for the year (2)	-	-	-	-	-	-	-	-	-	18,498,414	18,498,414	18,498,414
Other comprehensive income for the year	-	-	-	(56,914)	-	(4,070,059)	360,240	-	-	-	(3,766,733)	(3,766,733)
Balance sheets at year-end	719,145	217,191	57,486,826	329,309	3,713,080	(2,982,556)	13,495	48,504,637	33,671,771	18,498,414	160,171,312	160,171,312

(*) Balances as of December 31, 2021, restated as of December 31, 2022, except for "Capital Stock" and "Non-Capitalized Contributions".

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

(2) See note 47 to these consolidated financial statements

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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				Profit reserve		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	57,486,826	553,292	4,134,011	1,634,791	(129,433)	39,542,415	61,789,377	(17,458,143)	148,489,472	148,489,472
Distribution of unappropriated retained earnings as approved by the General Ordinary Shareholders's Meeting held on 04/22/21												
- Legal reserve	-	-	-	-	-	-	-	6,201,112	-	(6,201,112)	-	-
- Optional reserve - Future distribution of earnings	-	-	-	-	-	-	-	-	9,301,666	(9,301,666)	-	-
- Cash dividends	-	-	-	-	-	-	-	-	-	(15,502,793)	(15,502,793)	(15,502,793)
- Absorption of Negative Retained Earnings by first-time application of IAS 29	-	-	-	-	-	-	-	-	(48,463,714)	48,463,714	-	-
Income for the year	-	-	-	-	-	-	-	-	-	13,805,552	13,805,552	13,805,552
Other comprehensive income for the year	-	-	-	(167,069)	(420,931)	(547,288)	(217,312)	-	-	-	(1,352,600)	(1,352,600)
Balance sheets at year-end	719,145	217,191	57,486,826	386,223	3,713,080	1,087,503	(346,745)	45,743,527	22,627,329	13,805,552	145,439,631	145,439,631

(*) Balances as of December 31, 2020, restated as of December 31, 2022, except for "Capital Stock" and "Non-Capitalized Contributions".

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

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BANCO PATAGONIA S.A.

**SEPARATE STATEMENT OF CASH FLOWS
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)**

ITEM	12/31/22	12/31/21
Cash flows from operating activities		
Income for the year before income tax	30,914,922	20,104,490
Inflation effect (net position of assets and liabilities)	68,287,214	35,648,680
Adjustments to obtain cash flows from operating activities:	4,473,319	(2,486,066)
Depreciation and impairment of assets	3,694,080	3,804,768
Charge for Loan Losses	5,417,480	1,760,637
Other adjustments	(4,638,241)	(8,051,471)
Net increases from operating assets:	(13,010,667)	(68,600,032)
Debt securities measured at fair value with changes through profit or loss	804,360	190,687
Derivative instruments	418,923	(436,941)
Repo transactions	(11,674,889)	(101,312,234)
Loans and other financing facilities	97,102,364	11,917,796
Non-financial government sector	119,734	2,685
Other financial institutions	5,162,660	904,346
Nonfinancial private sector and foreign residents	91,819,970	11,010,765
Other debt securities	(89,943,965)	15,754,075
Financial assets granted as collateral	(1,831,126)	9,286,728
Investments in equity instruments	2,111,020	374,634
Other assets	(9,997,354)	(4,374,777)
Net increases from operating liabilities:	(91,229,211)	12,701,158
Deposits	(76,791,375)	13,896,510
Non-financial government sector	(1,762,175)	1,218,059
Financial sector	(17,318)	160,315
Nonfinancial private sector and foreign residents	(75,011,882)	12,518,136
Liabilities at fair value through profit or loss	(293,030)	293,030
Derivative instruments	(74,471)	114,511
Repo transactions	(189,874)	176,122
Financing facilities received from BCRA and other financial institutions	(10,725,832)	3,896,252
Other liabilities	(3,154,629)	(5,675,267)
Income tax payments	-	(1,436,060)
TOTAL OPERATING ACTIVITIES (A)	(564,423)	(4,067,830)

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BANCO PATAGONIA S.A.

**SEPARATE STATEMENT OF CASH FLOWS
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)**

ITEM	12/31/22	12/31/21
Cash flows from investing activities		
Payments:		
Purchase of property and equipment, intangible assets and other assets	(940,996)	(2,843,913)
Proceeds:		
Sale of property and equipment, intangible assets and other assets	271,110	87,141
TOTAL INVESTING ACTIVITIES (B)	(669,886)	(2,756,772)
Cash flows from financing activities		
Payments:		
Financing facilities from local financial institutions	(2,441,849)	(1,933,424)
Operating leases	(802,074)	(775,971)
TOTAL FINANCING ACTIVITIES (C)	(3,243,923)	(2,709,395)
EFFECTS OF EXCHANGE RATE CHANGES (D)	45,452,268	20,319,269
EFFECT OF MONETARY GAIN/LOSS ON CASH AND CASH EQUIVALENTS (E)	(72,074,300)	(57,601,259)
TOTAL CHANGES IN CASH FLOWS	12/31/22	12/31/21
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D + E)	(31,100,264)	(46,815,987)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	131,336,748	178,152,735
CASH AND CASH EQUIVALENTS AT YEAR-END	100,236,484	131,336,748

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BANCO PATAGONIA S.A.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/22
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

- 2.1. These separate financial statements for the fiscal year ended December 31, 2022 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:
- 2.1.1. 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.
- 2.1.2. Regarding the valuation of Prisma Medios de Pago S.A. the guidelines established by the BCRA that provided for the accounting treatment to be exempted from the remaining investment maintained by the Entity in said company, recorded under "Investments in Equity Instruments" as of December 31, 2021, are considered. As of December 31, 2022, the investment has been transferred as detailed in Note 16, therefore, the Entity has no shareholding as of this date. If the criteria provided under IFRS 9 had been applied, as of December 31, 2021, a higher asset would have been recorded with a counterpart in results and, therefore, a lower result in the year ended December 31, 2022.
- 2.2. As of December 31, 2021, 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

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Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

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On the other hand, Communication "A" 7427 issued by the BCRA on December 23, 2021, provided those 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.

GPAT has chosen to apply point 5.5 of IFRS 9 as of January 1, 2022, with no significant effects on retained earnings as of December 31, 2022 and 2021.

- 2.3. 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.
- 2.4. 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 27 to the consolidated financial statements)
 - Transfer of Financial Assets (Note 40 to the consolidated financial statements)
 - Segment reporting (Note 42 to the consolidated financial statements)
 - Subsidiaries (Note 43 to the consolidated financial statements)
 - Related Parties (Note 45 to the consolidated financial statements)
 - Leases (Note 46 to the consolidated financial statements)
 - Distribution of Profits and Restrictions (Note 47 to the consolidated financial statements)
 - Deposit guarantee insurance (Note 49 to the consolidated financial statements)
 - Trust activity (Note 51 to the consolidated financial statements)
 - Depository for Collective Investment Products of Mutual Investment Funds (Note 52 to the consolidated financial statements)

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- Sanctions and proceedings initiated by the BCRA (Note 53 to the consolidated financial statements)
- Transactions with directors (Note 56 to the consolidated financial statements)
- CNV Requirement - Custody of documentation (Note 57 to the consolidated financial statements)
- Macroeconomic situation (Note 60 to the consolidated financial statements)

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>12/31/22</u>	<u>12/31/21</u>
Cash on hand	26,814,989	33,754,300
BCRA - Current account	70,414,228	93,837,341
Balances with financial institutions in Argentina and abroad	1,944,497	2,935,935
Others	1,062,770	809,172
Total	<u>100,236,484</u>	<u>131,336,748</u>

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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>12/31/22</u>	<u>12/31/21</u>
Effective values		
Assets		
Foreign currency forwards	860,500	1,279,423
Total	860,500	1,279,423
Liabilities		
Foreign currency forwards	26,629	102,853
FX forward transactions	13,411	11,658
Total	40,040	114,511
National values		
Assets		
FX forward transactions	57,416	169,720
Foreign currency forwards	7,719	6,246
Total	65,135	175,966
Liabilities		
Foreign currency forwards	88,721	101,460
FX forward transactions	30,127	77,039
Total	118,848	178,499

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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
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NOTE 6 - REPO TRANSACTIONS

Breakdown is as follows:

	<u>12/31/22</u>	<u>12/31/21</u>
Assets		
Instruments issued by BCRA	136,496,488	124,378,462
Government securities	50,362	493,499
Total	<u>136,546,850</u>	<u>124,871,961</u>
Liabilities		
Government securities	-	189,874
Total	<u>-</u>	<u>189,874</u>

NOTE 7 - OTHER FINANCIAL ASSETS

Breakdown is as follows:

	<u>12/31/22</u>	<u>12/31/21</u>
Measured at amortized cost		
Sundry receivables from the sale of Prisma Medios de Pago S,A,	5,316,636	3,352,831
Receivables from spot sales of foreign currency to be settled	3,735,539	1,220,615
Receivables from spot sales of government securities to be settled	2,870,413	3,298,636
Recessive sundry	3,434,495	2,532,526
Sub – Total	<u>15,357,083</u>	<u>10,404,608</u>
Less: Allowance for loan losses (Exhibit R)	(166,607)	(3,414,179)
Total	<u>15,190,476</u>	<u>6,990,429</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>12/31/22</u>	<u>12/31/21</u>
Measured at amortized cost	257,728,771	315,744,365
Less: Allowance for loan losses (Exhibit R)	(3,564,537)	(6,094,561)
Total	<u>254,164,234</u>	<u>309,649,804</u>

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Breakdown is shown below:

	<u>12/31/22</u>	<u>12/31/21</u>
Government sector	424,112	70,179
Financial sector	18,288,467	23,402,397
Non-financial private sector and residents abroad	239,016,192	292,271,789
Overdrafts	66,854,606	67,234,926
Credit cards	58,971,781	57,012,839
Documents	47,941,695	114,219,082
Personal consumer loans	20,652,828	28,211,739
Mortgage loans	6,233,267	7,133,169
Finance leases	2,650,136	2,658,028
Other loans	32,441,230	10,427,030
Interest and other adjustments	3,270,649	5,374,976
Sub – Total	257,728,771	315,744,365
Less: Allowance for loan losses (Exhibit R)	(3,564,537)	(6,094,561)
Total	254,164,234	309,649,804

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.

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NOTE 9 – FINANCIAL ASSETS GRANTED AS COLLATERAL

The composition of financial assets pledged as collateral as of December 31, 2022 and 2021 is as follows:

	<u>12/31/22</u>	<u>12/31/21</u>
Special guarantee accounts (*)	7,347,553	6,795,205
BCRA - Financial trusts under guarantee of forward cleared trades	9,288,651	6,689,351
- National Treasury Bonds in \$ CER Adjustment	2,944,392	2,983,953
- National Treasury Bills in \$ CER Adjustment	6,344,259	3,705,398
Guarantee Deposits Credit and debit card managers	1,243,537	1,749,749
Public Titles - BID Line - Global Credit Program for micro-, small- and medium-sized enterprises	222,319	1,016,125
- Treasury bonds in ARS Adjusted by CER	207,290	990,694
- Pesos as guarantee	10,000	19,688
- Dollars as guarantee	5,029	5,743
Other security deposits	31,095	51,599
Total	<u>18,133,155</u>	<u>16,302,029</u>

(*) See Note 31.

NOTE 10 – INCOME TAX

a) Assets and Liabilities for current income tax:

Breakdown is as follows:

	<u>12/31/22</u>	<u>12/31/21</u>
Current income tax assets		
Tax provision	-	(362,216)
Advance tax	-	2,129,798
Total	<u>-</u>	<u>1,767,582</u>
	<u>12/31/22</u>	<u>12/31/21</u>
Current income tax liabilities		
Tax provision	1,913,122	-
Withholding Tax	(14,446)	-
Total	<u>1,898,676</u>	<u>-</u>

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b) Income tax charge:

The composition and evolution of deferred income tax assets and liabilities are reported below:

ITEM	Balances as of 12/31/21	Inflation adjustment	Changes recognized in		Balances as of 12/31/22
			Net income	OCI	
Assets					
Tax loss	-	-	217,891	-	217,891
AXI Tax Balance	7,694,689	17,646,156	(22,520,021)	-	2,820,824
Allowances for bad debt risk	3,707,772	8,502,998	(10,697,842)	-	1,512,928
Loans - Valuation at amortized cost	389,011	892,115	(841,868)	-	439,258
Passive provisions	931,495	2,136,188	(2,831,389)	-	236,294
Other liabilities	657,443	1,507,709	(1,661,045)	-	504,107
Others	59,523	136,502	(120,079)	-	75,946
Deferred tax asset	13,439,933	30,821,668	(38,454,353)	-	5,807,248
Liabilities					
Debt securities	-	-	(2,219,031)	2,219,031	-
Intangible assets	(157,747)	(361,760)	460,735	-	(58,772)
Accrued callable	(758,088)	(1,738,516)	917,030	-	(1,579,574)
Property and equipment	(10,481,234)	(24,036,512)	24,693,517	-	(9,824,229)
Investment properties	(36,436)	(83,559)	88,785	-	(31,210)
Conversion difference	(179,313)	(411,218)	402,619	25,074	(162,838)
Investment in associates	(1,151,072)	(2,639,743)	3,790,815	-	-
Deferred tax liabilities	(12,763,890)	(29,271,308)	28,134,470	2,244,105	(11,656,623)
Total	676,043	1,550,360	(10,319,883)	2,244,105	(5,849,375)

The income tax charge consists of the following concepts:

	12/31/22	12/31/21
Current tax	2,096,625	428,725
Deferred tax	10,319,883	5,870,213
Income tax charge	12,416,508	6,298,938

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Reconciliation of the effective tax rate is shown below:

	<u>12/31/22</u>	<u>12/31/21</u>
Income before income tax	30,914,922	20,104,490
Income tax rate	35%	35%
Tax on taxable income	<u>10,820,223</u>	<u>7,036,572</u>
Net permanent differences and other tax effects	1,596,285	(737,634)
Income tax charge	<u>12,416,508</u>	<u>6,298,938</u>

NOTE 11 – INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Investments in subsidiaries, associates and joint ventures as of December 31, 2022, and December 31, 2021 is broken down as follows:

	<u>12/31/22</u>	<u>12/31/21</u>
GPAT Compañía Financiera S.A.U.	4,792,394	5,029,535
Patagonia Inversora Sociedad Gerente de F.C.I.	2,470,627	2,307,691
Interbanking S.A.	717,403	810,661
Patagonia Valores S.A.	246,203	196,482
Banco Patagonia (Uruguay) S.A.I.F.E. "En Liquidación"	185,137	728,995
Mercado Abierto Electrónico S.A.	185,015	180,126
Play Digital S.A. (*)	165,531	147,494
Compensadora Electrónica S.A.	44,238	30,191
Provincanje S.A.	11,797	12,566
Total	<u>8,818,345</u>	<u>9,443,741</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 164,107,410 ordinary shares, representing 4.2725% of the stock capital.

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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

The detail of the Entity's Intangible Assets is set out in Exhibit "G" of the separate financial statements.

NOTE 14 – OTHER NON FINANCIAL ASSETS

	<u>12/31/22</u>	<u>12/31/21</u>
Advance payments	1,523,078	1,804,221
Piece of art	178,478	178,479
Other assets	155,549	398,642
Investment property	90,690	107,214
Other	95,071	293,135
Total	<u>2,042,866</u>	<u>2,781,691</u>

NOTE 15 – 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>12/31/22</u>	<u>12/31/21</u>
Time deposits and term investments	275,773,323	231,235,823
Savings accounts	242,581,704	260,729,255
Current accounts	52,081,181	65,578,133
Investment accounts	18,371,389	21,175,945
Other	12,957,643	13,602,686
Interests and adjustments	15,613,297	8,190,176
Total	<u>617,378,537</u>	<u>600,512,018</u>

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NOTE 16 – OTHER FINANCIAL LIABILITIES

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

	<u>12/31/22</u>	<u>12/31/21</u>
Credit card receivables	19,924,221	18,977,175
Sundry creditors	8,134,137	4,153,247
Collections and other receivables on behalf of third parties	2,932,799	3,737,231
Payables for purchases of cash government securities to be settled	1,724,384	1,943,411
Payables for purchases of foreign currency cash to settle	1,076,400	1,017,175
Payables for transactions related to foreign trade	483,768	1,224,327
Total	<u>34,275,709</u>	<u>31,052,566</u>

NOTE 17 – 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>12/31/22</u>	<u>12/31/21</u>
Financing facilities received from foreign financial institutions	19,035,227	12,477,295
Financing facilities received from local financial institutions	53,435	1,798,813
BCRA	33,931	34,702
Total	<u>19,122,593</u>	<u>14,310,810</u>

NOTE 18 – CORPORATE BONDS ISSUED

The Bank's corporate bonds program in force is described in Note 24 to the consolidated financial statements and to date, no corporate bonds series have been issued under the referred Program.

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NOTE 19 – OTHER NON-FINANCIAL LIABILITIES

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

	<u>12/31/22</u>	<u>12/31/21</u>
Cash dividends payable	7,133,647	25,602,119
Other short term employees' benefits payable	5,209,242	6,220,167
Advance payments received	4,448,728	3,107,770
Withholdings and collections	3,791,647	3,522,510
Other taxes payable	3,170,552	2,173,885
Payroll and social security contributions payable	1,678,854	906,513
Sundry accounts payable	581,376	3,018,582
Withholdings payable on remunerations	574,076	559,252
Liabilities with contracts with customers	388,471	614,821
Previsional payment orders	317,028	275,258
Other	281,527	275,027
Total	<u>27,575,148</u>	<u>46,275,904</u>

NOTE 20 – PROVISIONS

It includes the amounts estimated to face probable risks that, if they occur, will give rise to a loss for the Entity. The movement of said provisions for the year ended December 31, 2022, is set forth in Exhibit J "Movement of Provisions" part of these separate financial statements.

The drops of provisions as of December 31, 2022 are detailed below:

Provisions						
Provisions drop	Labor Lawsuits	General Lawsuits	Tax Lawsuits	Administrative, disciplinary and criminal sanctions	Eventual Responsibilities	Total as of 12/31/22
Less than 12 months	54,000	166,745	20,144	-	468,105	708,994
More than 12 months	139,666	104,892	189,678	-	131,015	565,251
Total	193,666	271,637	209,822	-	599,120	1,274,245

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The drops of provisions as of December 31, 2021 are detailed below:

Provisions drop	Provisions					Total as of 12/31/21
	Labor Lawsuits	General Lawsuits	Tax Lawsuits	Administrative, disciplinary and criminal sanctions	Eventual Responsibilities	
Less than 12 months	53,405	489,673	-	-	456,765	999,843
More than 12 months	243,683	47,342	354,433	-	282,901	928,359
Total	297,088	537,015	354,433	-	739,666	1,928,202

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 21 – INTEREST INCOME

Breakdown is as follows:

Interest income	12/31/22	12/31/21
Government securities measured at fair value with changes through OCI	190,087,760	95,218,333
Premiums for Active Passes with the financial sector	38,586,762	47,390,121
Overdrafts	29,587,120	19,924,068
Notes	27,892,472	27,714,408
Consumer loans	13,398,574	12,227,665
Credit cards	11,856,797	9,384,660
Loans to the Financial Sector	5,224,879	5,045,469
Other loans	4,416,109	2,694,821
U.V.A. Adjustment	4,328,249	3,526,234
Financial Leases (Leasing)	731,293	539,600
Other	7,547,579	3,369,412
Total	333,657,594	227,034,791

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NOTE 22 – INTEREST EXPENSE

Breakdown is as follows:

Interest expense	12/31/22	12/31/21
Time deposits	131,679,600	95,083,418
Deposits in savings accounts	46,389,896	24,307,597
Financing facilities received from financial institutions (Call)	467,528	453,902
Premiums for repo transactions with the financial sector	103,457	114,979
Other financing facilities received from financial institutions	13,943	45,509
Other	11,043,547	4,676,162
Total	189,697,971	124,681,567

NOTE 23 – FEE INCOME

Breakdown is as follows:

Fee income	12/31/22	12/31/21
Credit and debit cards	7,154,328	7,186,577
Product packages	5,738,288	6,099,405
Deposits	4,094,912	4,650,702
Insurance	3,327,501	3,689,395
Collections	2,320,386	2,258,116
Foreign trade	1,008,149	1,104,115
Securities	225,798	358,337
Loans	189,799	422,245
Other	416,008	511,334
Total	24,475,169	26,280,226

NOTE 24 – FEE EXPENSES

Breakdown is as follows:

Fee expenses	12/31/22	12/31/21
Related to credit and debit cards	5,091,554	5,089,651
Government sector	1,667,265	1,607,305
Collections	394,453	340,127
Related to securities	219,723	183,736
Transfers	203,494	205,513
Other	823,333	520,107
Total	8,399,822	7,946,439

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NOTE 25 – 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	12/31/22	12/31/21
Gain on the sale or derecognition of financial assets	3,889,188	569,063
Forward foreign currency transactions	1,240,850	2,904,067
Government securities and instruments issued by the BCRA	497,844	565,298
Private securities	(277,218)	192,608
Total	5,350,664	4,231,036

NOTE 26 – OTHER OPERATING INCOME

Breakdown is as follows:

Other operating income	12/31/22	12/31/21
Provisions reversed	7,291,026	1,403,148
Other adjustments and interest on sundry credits	1,897,238	1,201,123
Commissions on safe deposit box rentals	1,530,998	1,518,661
Linked to capital markets and titles recovered credits	996,069	570,133
Gains on sale of property and equipment	718,573	1,626,430
Punitive interest	271,110	94,012
Related to transfers	148,523	118,570
Deposit related	92,386	94,468
Other	50,470	60,578
Total	14,504,016	8,099,205

NOTE 27 – EMPLOYEE BENEFITS

Breakdown is as follows:

Employee benefits	12/31/22	12/31/21
Salaries	25,487,676	25,614,455
Social security contributions	4,997,378	5,015,444
Services to personnel	1,021,168	1,087,825
Severance payments	513,890	730,060
Other benefits	1,258,849	1,067,034
Total	33,278,961	33,514,818

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NOTE 28 – ADMINISTRATIVE EXPENSES

Breakdown is as follows:

Administrative expenses	12/31/22	12/31/21
Maintenance, conservation, and repair expenses	4,159,459	4,831,295
Taxes	3,494,604	3,522,098
Fees	2,825,266	2,272,024
Armored vehicle services	1,364,051	1,727,077
Security services	1,231,676	1,370,592
Electric power and communications	1,115,273	1,450,133
Advertising and marketing	648,192	775,244
Stationery and supplies	380,980	121,622
Courier service	278,166	333,988
Rentals	178,533	226,862
Representation per diem and mobility	106,709	107,541
Other	2,772,061	3,521,790
Total	18,554,970	20,260,266

NOTE 29 – OTHER OPERATING EXPENSES

Breakdown is as follows:

Other operating expenses	12/31/22	12/31/21
Turnover tax	19,551,960	15,922,496
ATM expenses	1,684,598	2,223,304
Contribution to the Deposit Guarantee Fund	981,921	1,048,931
Leases - Interest on liabilities	415,780	569,964
Charge for other provisions	230,342	1,819,769
Other	2,762,693	2,346,048
Total	25,627,294	23,930,512

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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
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NOTE 30 – 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, 2022 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	4,204,331	-	-	4,204,331
Derivative instruments	860,500	-	-	860,500
Other debt securities	335,391,906	61,898,727	273,493,179	-
Financial assets granted as collateral	18,133,155	10,506,837	7,626,318	-
Investments in equity instruments	18,607	-	-	18,607
Total	358,608,499	72,405,564	281,119,497	5,083,438
Financial liabilities				
Derivative instruments	40,040	-	-	40,040
Total	40,040	-	-	40,040

ITEM	Level 1	Level 2	Level 3	Total Fair Value
Financial liabilities				
Debt securities measured at fair value with changes through profit or loss	4,185,572	18,759	-	4,204,331
Derivative instruments	-	860,500	-	860,500
Other debt securities	262,488,973	11,004,206	-	273,493,179
Financial assets granted as collateral	7,626,318	-	-	7,626,318
Investments in equity instruments	-	18,607	-	18,607
Total	274,300,863	11,902,072	-	286,202,935
Financial liabilities				
Derivative instruments	-	40,040	-	40,040
Total	-	40,040	-	40,040

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(Stated in thousands of Pesos)

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	3,995,920	-	-	3,995,920
Derivative instruments	1,279,423	-	-	1,279,423
Other debt securities	243,828,975	-	243,828,975	-
Financial assets granted as collateral	16,302,029	8,515,571	7,786,458	-
Investments in equity instruments	2,129,627	-	-	2,129,627
Total	267,535,974	8,515,571	251,615,433	7,404,970

Financial liabilities				
Debt securities measured at fair value with changes through profit or loss	293,030	-	-	293,030
Derivative financial instruments	114,511	-	-	114,511
Total	407,541	-	-	407,541

ITEM	Level 1	Level 2	Level 3	Total Fair Value
Financial assets				
Debt securities measured at fair value with changes through profit or loss	3,995,109	811	-	3,995,920
Derivative instruments	-	1,279,423	-	1,279,423
Other debt securities	81,958,749	161,870,226	-	243,828,975
Financial assets granted as collateral	7,786,458	-	-	7,786,458
Investments in equity instruments	-	25,073	2,104,554	2,129,627
Total	93,740,316	163,175,533	2,104,554	259,020,403

Financial liabilities				
Debt securities measured at fair value with changes through profit or loss	-	293,030	-	293,030
Derivative financial instruments	-	114,511	-	114,511
Total	-	407,541	-	407,541

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b) Transfers between hierarchy levels

b.1) Transfers from level 2 to level 1

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

Breakdown	12/31/22	12/31/21
Argentine Treasury Bond in ARS at Fixed Rate, due in 05/21/2022	-	22,142,869
Total	-	22,142,869

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.

b.2) Valuation techniques of Levels 2 and 3

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

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

Derivative instruments: it includes the fair value of forward transactions with settlement at maturity, estimated as the difference between the agreed-upon values and market prices, discounted to the measurement date.

Investments in equity instruments: as of December 31, 2021 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.

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

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

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

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

- Fixed-rate financial instruments

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

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

- Variable-rate financial instruments

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

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The hierarchy of fair value of assets and liabilities not measured at fair value as of December 31, 2022 is detailed below.

ITEM	Accounting balance as of 12/31/22	Total fair value	Level 1 fair value	Level 2 fair value	Level 3 fair value
Financial assets					
Cash and bank deposits	100,236,484	(1)	-	-	-
Repo transactions	136,546,850	(1)	-	-	-
Other financial assets	15,190,476	15,190,034	-	-	15,190,034
Loans and other financing facilities	254,164,234	252,867,617	-	-	252,867,617
Financial liabilities					
Deposits	659,852,543	658,061,734	-	658,061,734	-
Other financial liabilities	34,275,709	(1)	-	-	-
Financing facilities received from BCRA and other financial institutions	19,122,593	(1)	-	-	-

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

The hierarchy of fair value of assets and liabilities not measured at fair value as of December 31, 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	131,336,748	(1)	-	-	-
Repo transactions	124,871,961	(1)	-	-	-
Other financial assets	6,990,429	6,986,512	-	-	6,986,512
Loans and other financing facilities	309,649,804	307,031,799	-	-	307,031,799
Financial liabilities					
Deposits	651,604,646	648,263,761	-	648,263,761	-
Repo transactions	189,874	(1)	-	-	-
Other financial liabilities	31,052,566	(1)	-	-	-
Financing facilities received from BCRA and other financial institutions	14,310,810	(1)	-	-	-

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

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NOTE 31 – RESTRICTED ASSETS

	<u>12/31/22</u>	<u>12/31/21</u>
Special guarantee accounts (*)	7,347,553	6,795,205
BCRA - Financial trusts under guarantee of forward cleared trades	9,288,651	6,689,351
- National Treasury Bonds in \$ CER Adjustment	2,944,392	2,983,953
- National Treasury Bills in \$ CER Adjustment	6,344,259	3,705,398
Guarantee Deposits Credit and debit card managers	1,243,537	1,749,749
Public Titles - BID Line - Global Credit Program for micro-, small- and medium-sized enterprises	222,319	1,016,125
- Treasury bonds in ARS Adjusted by CER	207,290	990,694
- Pesos as guarantee	10,000	19,688
- Dollars as guarantee	5,029	5,743
Other security deposits	31,095	51,599
Sub - Total	<u>18,133,155</u>	<u>16,302,029</u>
Guarantee deposits for repo transactions	-	21,068
Sub – Total	<u>-</u>	<u>21,068</u>
Total	<u><u>18,133,155</u></u>	<u><u>16,323,098</u></u>

(*) See Note 9,

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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 12/31/22
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 32 – 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>12/31/22</u>	<u>12/31/21</u>
Cash and bank deposits		
BCRA - Current account	70,414,228	93,837,341
Other debt securities		
BCRA Liquidity Bills	220,579,743	175,242,366
Public Securities in \$	62,276,893	22,142,869
Public Securities in USD	1,194,167	-
Financial assets granted as collaterals		
BCRA - Special guarantee accounts	7,347,553	6,795,205
Total	<u>361,812,584</u>	<u>298,017,781</u>

Minimum capital

Minimum capital requirements breakdown is as follows:

<u>Minimum cash requirements</u>	<u>12/31/22</u>	<u>12/31/21</u>
Minimum capital requirements (A)	38,252,065	44,907,751
Credit risk	26,239,409	30,791,637
Market risk – Securities	94,843	243,586
Market risk – Currencies	297,926	400,958
Operational risk	11,619,887	13,471,570
Payment (B)	140,379,753	122,597,066
Surplus (B - A)	<u>102,127,688</u>	<u>77,689,315</u>

Marcelo A. Iadarola
Executive Manager of Administration

Diego A. Ferreyra
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/22
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

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

The balances that the Entity had with its controlled and related companies and with its parent company as of December 31, 2022, and 2021 are included below:

	<u>12/31/22</u>	<u>12/31/21</u>
Patagonia Valores S.A.		
Deposits - Checking accounts	17,340	30,189
Deposits - Special checking account	35,041	19,458
Deposits - Fixed Term	114,938	-
Securities in custody	3,624	5,058
Patagonia Inversora S.A. Management Society of F.C.I.		
Deposits - Checking accounts	89	130
Securities in custody	2,997,619	2,463,053
Banco Patagonia (Uruguay) S.A.I.F.E.: "In Liquidation"		
Deposits - Checking account	37	12
Deposits - Special checking account	-	7,430
Securities in custody	46,607	5,240,913
Guarantees received	-	1,990,038
GPAT Compañía Financiera S.A.U.		
Loans and other financings - Other loans	-	59,158
Loans and other financing - Interfinancial (Calls received)	336,300	1,497,967
Debt securities – corporate bonds	-	374,926
Deposits - Checking accounts	55,505	90,247
Other financial liabilities	15,798	8,444
Banco do Brasil S.A.		
Cash and bank deposits - Financial institutions and correspondents	70,854	47,221
Loans and other financings - Other loans	715,001	-
Deposits - Checking accounts	85	6,564
Deposits - Fixed Term	5,024,558	-
Financing received from financial entities	11,128,651	-
Guarantees Received	-	2,022,930
Securities in custody	14,162	126,615

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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/22
COMPARATIVELY PRESENTED**
(Stated in thousands of Pesos)

The Bank's income for the fiscal year ended December 31, 2022 and 2021 resulting from transactions with its subsidiaries, related companies and its parent company is as follows:

	<u>12/31/22</u>	<u>12/31/21</u>
Patagonia Valores S.A.		
Expenses for interests - Interest for Financing to local financial entities	40,409	-
Commissions and other operating income	430	2
Other Operating Income - Diverse Profits	767	831
Patagonia Inversora S.A. Management Society of F.C.I.		
Other Operating Income - Diverse Profits	4,531	4,018
Commissions Expenses	11,948	-
Banco Patagonia (Uruguay) S.A.I.F.E.: "In Liquidation"		
Other Operating Income - Diverse Profits	901	-
GPAT Compañía Financiera S.A.U.		
Interest income - Financial sector	493,240	309,452
Interest income – Corporate bonds	3,421	123,975
Interest income - Overdrafts	3,302	4,699
Interest expense– Interest from financing facilities to local financial institutions	30,010	8,401
Commissions and other operating income	3,974	8,393
Commissions Expenses	63,523	69,723
Other Operating Income - Diverse Profits	12,883	21,930
Banco do Brasil S.A.		
Financial Income - Interest on other loans	5,943	-
Interest expense– Interest from financing facilities to local financial institutions	320,040	182,603
Commission income	48	26
Commissions Expenses	20	-
Other Operating Income - Diverse Profits	1,080	1,418

NOTE 34 – 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.

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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED 12/31/22
COMPARATIVELY PRESENTED
(Stated in thousands of Pesos)**

NOTE 35 – 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, 2022 amounts to 1,420,350 Units of Purchasing Power (UVA) adjusted by "CER" – Law No. 25,827, which is equivalent to 263,219.

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 131,610.

As of December 31, 2022, 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 36 – 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 37 – 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, 2022.

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BANCO PATAGONIA S.A.

EXHIBIT "A"
BREAKDOWN OF GOVERNMENT AND CORPORATE SECURITIES
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)

ITEM	Identification	Holding				Position	
		Fair value	Level Fair value	Balance as of 12/31/2022	Balance as of 12/31/2021	without options (2)	Final
DEBT SECURITIES MEASURED AT FAIR VALUE WITH CHANGES THROUGH PROFIT OR LOSS (1)		4,203,919		4,204,331	3,995,920	4,204,331	4,204,331
In Argentina		4,203,919		4,204,331	3,995,920	4,204,331	4,204,331
Government securities		4,203,919		4,203,919	3,995,109	4,203,919	4,203,919
- National Treasury bills in \$ CER to Discount. - Exp. 01/20/23	9105	1,195,200	1	1,195,200	-	1,195,200	1,195,200
- National Treasury Bills in \$ CER to Discount. - Exp. 02/17/23	9111	723,020	1	723,020	-	723,020	723,020
- Bonos de la República Argentina u\$s - Exp. 07/09/30	81086	438,481	1	438,481	821,055	438,481	438,481
- Treasury Bonds in \$ Adjusted CER 1.5% - Exp. 03/25/23	5493	437,096	1	437,096	567,191	437,096	437,096
- Treasury Bonds in \$ Adjusted CER 1.40% - Exp. 03/25/23	5492	414,446	1	414,446	34,487	414,446	414,446
- National Treasury Bonds pegged to u\$s - Exp. 04/28/23	5928	365,698	1	365,698	572,851	365,698	365,698
- Discount Bonds in \$ - Exp. 12/31/33	45696	176,113	1	176,113	688,510	176,113	176,113
- Argentine Nation Bond in Dual Currency - Exp. 09/29/23	9147	114,465	1	114,465	-	114,465	114,465
- Argentine Nation Bond in Dual Currency - Exp. 07/31/23	9146	97,939	1	97,939	-	97,939	97,939
- Treasury Bills in \$ a Discount -Exp. 02/28/23	9141	69,315	1	69,315	-	69,315	69,315
- Others		172,146		172,146	1,311,015	172,146	172,146
Private securities		-		412	811	412	412
- Others		-		412	811	412	412

(1) See note 60 to these consolidated financial statements.

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

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BANCO PATAGONIA S.A.

EXHIBIT "A"
BREAKDOWN OF GOVERNMENT AND CORPORATE SECURITIES
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)

ITEM	Identification	Holding				Position	
		Fair value	Level Fair value	Balance as of 12/31/2022	Balance as of 12/31/2021	Without options (2)	Final
OTHER DEBT SECURITIES		273,493,179		335,391,906	243,828,975	344,887,847	344,887,847
MEASURED AT FAIR VALUE WITH CHANGES THROUGH OCI		273,493,179		273,493,179	243,828,975	281,119,496	281,119,496
In Argentina		273,493,179		273,493,179	243,828,975	281,119,496	281,119,496
Government securities		44,712,862		44,712,862	62,281,316	52,339,179	52,339,179
- National Treasury Bonds in \$ CER 1.50% - Exp. 07/26/24	5405	9,923,736	1	9,923,736	-	10,109,087	10,109,087
- National Treasury Bills in \$ CER to Discount. - Exp. 05/19/23	9127	7,576,402	1	7,576,402	-	9,914,527	9,914,527
- National Treasury Bills in \$ CER to Discount. - Exp. 02/17/23	9111	7,387,331	1	7,387,331	-	9,523,841	9,523,841
- National Treasury Bills in \$ CER to Discount. - Exp. 04/21/23	9118	7,015,505	1	7,015,505	-	7,015,505	7,015,505
- National Treasury Bonds in \$ CER 1.45% - Exp. 08/13/23	5497	6,534,096	1	6,534,096	993,837	8,283,195	8,283,195
- Argentine Republic Dual Currency Bonds - Exp 09/29/23	9147	1,388,610	1	1,388,610	-	1,388,610	1,388,610
- National Treasury Bonds in \$ CER 1.40% - Exp. 03/25/23	5492	999,610	1	999,610	2,321,221	2,216,842	2,216,842
- National Treasury Bills in \$ to Discount. - Exp. 03/31/23	9164	833,000	1	833,000	-	833,000	833,000
- National Treasury Bonds in \$ - Exp. 02/06/23	5397	755,325	2	755,325	-	755,325	755,325
- Bond of the Province of Río Negro – Exp. 04/12/23	42534	581,877	2	581,877	-	581,877	581,877
- Others		1,717,370		1,717,370	58,966,258	1,717,370	1,717,370
BCRA Bills		220,579,743		220,579,743	175,242,364	220,579,743	220,579,743
- BCRA Liquidity Bills - Exp. 01/10/23	4200	44,911,088	1	44,911,088	-	44,911,088	44,911,088
- BCRA Liquidity Bills - Exp. 01/03/23	4193	32,737,353	1	32,737,353	-	32,737,353	32,737,353
- BCRA Liquidity Bills - Exp. 01/05/23	4196	30,630,604	1	30,630,604	-	30,630,604	30,630,604
- BCRA Liquidity Bills - Exp. 01/12/23	4204	23,384,688	1	23,384,688	-	23,384,688	23,384,688
- BCRA Liquidity Bills - Exp. 01/17/23	4214	23,152,248	1	23,152,248	-	23,152,248	23,152,248
- BCRA Liquidity Bills - Exp. 01/19/23	4223	22,092,121	1	22,092,121	-	22,092,121	22,092,121
- BCRA Liquidity Bills - Exp. 01/24/23	4230	21,879,440	1	21,879,440	-	21,879,440	21,879,440
- BCRA Liquidity Bills - Exp. 01/26/23	4233	21,792,201	1	21,792,201	-	21,792,201	21,792,201
- Others					175,242,364	-	-
Corporate securities		8,200,574		8,200,574	6,305,295	8,200,574	8,200,574
- ON Orange Card in \$ - Class 56	56544	1,889,098	2	1,889,098	-	1,889,098	1,889,098
- VD FF Consumer Credit Market in \$ - Class 18	56687	1,033,755	2	1,033,755	-	1,033,755	1,033,755
- ON Orange Card in \$ - Class 53 Series 2	56057	819,194	2	819,194	-	819,194	819,194
- ON Orange Card in \$ - Class 55 Series 2	56348	775,726	2	775,726	-	775,726	775,726
- ON Orange Card in \$ - Class 51 Series 2	55904	492,255	2	492,255	-	492,255	492,255
- VD FF Consumer Credit Market in \$ - Class 14	56550	415,560	2	415,560	-	415,560	415,560
- ON FCA Financial Company in UVA - Class 19	55424	374,275	2	374,275	388,380	374,275	374,275
- ON Investor Oath in \$ - Class 1	56215	304,162	2	304,162	-	304,162	304,162
- VD FF Consumer Credit Market in \$ - Class 13	56459	229,715	2	229,715	-	229,715	229,715
- ON Investor Oath in \$ - Class 2	56425	210,497	2	210,497	-	210,497	210,497
- Others		1,656,337		1,656,337	5,916,915	1,656,337	1,656,337

(1) See note 60 to these consolidated financial statements.

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

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BANCO PATAGONIA S.A.

EXHIBIT "A"
BREAKDOWN OF GOVERNMENT AND CORPORATE SECURITIES
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)

ITEM	Identification	Holding				Position	
		Fair value	Level Fair value	Balance as of 12/31/2022	Balance as of 12/31/2021	without options (1)	Final
Measured at amortized cost		-	-	61,898,727	-	63,768,351	63,768,351
In Argentina		-	-	61,898,727	-	63,768,351	63,768,351
Government securities		-	-	61,898,727	-	63,768,351	63,768,351
- National Treasury Bonds in \$ Fixed Rate - Exp. 05/23/27	9132	-	-	20,487,263	-	20,487,263	20,487,263
- National Treasury Bills in \$ CER to Discount. - Exp. 01/20/23	9105	-	-	11,052,939	-	12,922,563	12,922,563
- National Treasury Bills in \$ CER to Discount. - Exp. 06/16/23	9152	-	-	9,883,294	-	9,883,294	9,883,294
- National Treasury Bills in \$ CER to Discount. - Exp. 02/17/23	9111	-	-	9,096,873	-	9,096,873	9,096,873
- National Treasury Bonds in \$ CER 1.40% - Exp. 03/25/23	5492	-	-	4,332,680	-	4,332,680	4,332,680
- National Treasury Bonds in \$ - Exp. 11/23/27	9166	-	-	3,949,168	-	3,949,168	3,949,168
- National Treasury Bills in \$ to Discount. - Exp. 03/31/23	9164	-	-	3,096,510	-	3,096,510	3,096,510
Equity Instruments		18,607		18,607	2,129,627	18,607	18,607
MEASURED AT FAIR VALUE WITH CHANGES THROUGH PROFIT OR LOSS		18,607		18,607	2,129,627	18,607	18,607
In Argentina		3,600		3,600	2,112,055	3,600	3,600
- Matba Rofex S.A.	-	3,042	2	3,042	5,989	3,042	3,042
- Deposit Insurance S.A.	-	492	2	492	971	492	492
- Argencontrol S.A.	-	53	2	53	104	53	53
- Celta Coop. Works To Be. Three Arroyos	-	12	2	12	24	12	12
- Claromecó Limited Electric Cooperative	-	1	2	1	2	1	1
- Prisma Media de Pago S.A.	-	-	3	-	2,104,554	-	-
- Miralejos S.A.C.F. and Agropecuaria	-	-	2	-	209	-	-
- Bolsa de Comercio de Mar del Plata S.A.	-	-	2	-	110	-	-
- Sanatorio Las Lomas S.A.	-	-	2	-	92	-	-
Foreign		15,007		15,007	17,572	15,007	15,007
- Banco Latinoamericano de Comercio Exterior S.A.	-	14,450	2	14,450	16,993	14,450	14,450
- Society for Worldwide Interbank Financial Telecommunication	-	557	2	557	579	557	557

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

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EXHIBIT "B"
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED BY STATUS AND GUARANTEES
RECEIVED AS OF 12/31/2022 AND 12/31/2021
(Stated in thousands of Pesos)

COMMERCIAL LOAN PORTFOLIO	12/31/22	12/31/21
Performing	175,324,088	216,111,371
- With "A" preferred guarantees and counter-guarantees	6,552,124	11,618,243
- With "B" preferred guarantees and counter-guarantees	7,553,237	10,392,329
- Without preferred guarantees or counter-guarantees	161,218,727	194,100,799
Subject to special monitoring	6,322	411,375
In observation	98	3,796
- Without preferred guarantees or counter-guarantees	98	3,796
In negotiation or under refinancing agreements	6,224	407,579
- With "B" preferred guarantees or counter-guarantees	1,142	407,579
- Without preferred guarantees or counter-guarantees	5,082	-
Troubled	20,549	310,881
- With "B" preferred guarantees or counter-guarantees	19,112	305,042
- Without preferred guarantees or counter-guarantees	1,437	5,839
With high risk of insolvency	192,814	33,631
- With "A" preferred guarantees and counter-guarantees	-	5,875
- With "B" preferred guarantees and counter-guarantees	175,708	2,248
- Without preferred guarantees or counter-guarantees	17,106	25,508
Non-recoverable	2,319	1,205
- With "B" preferred guarantees or counter-guarantees	23	16
- Without preferred guarantees or counter-guarantees	2,296	1,189
TOTAL COMMERCIAL LOAN PORTFOLIO	175,546,092	216,868,463

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BANCO PATAGONIA S.A.

EXHIBIT "B"
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED BY STATUS AND GUARANTEES
RECEIVED AS OF 12/31/2022 AND 12/31/2021
(Stated in thousands of Pesos)

CONSUMER AND/OR HOME LOAN PORTFOLIO	12/31/22	12/31/21
Performing	95,143,973	105,969,287
- With "A" preferred guarantees and counter-guarantees	3,756,672	4,767,581
- With "B" preferred guarantees and counter-guarantees	2,837,258	4,973,945
- Without preferred guarantees or counter-guarantees	88,550,043	96,227,761
Low risk	1,445,821	979,962
- With "A" preferred guarantees and counter-guarantees	36,314	14,356
- With "B" preferred guarantees and counter-guarantees	21,173	11,681
- Without preferred guarantees or counter-guarantees	1,388,334	953,925
Low risk – At special treatment	9,250	-
- Without preferred guarantees or counter-guarantees	9,250	-
Medium risk	794,846	629,261
- With "A" preferred guarantees and counter-guarantees	2,725	2,522
- With "B" preferred guarantees and counter-guarantees	1,726	217
- Without preferred guarantees or counter-guarantees	790,395	626,522
High risk	635,937	1,150,507
- With "A" preferred guarantees and counter-guarantees	1,788	9,684
- With "B" preferred guarantees and counter-guarantees	1,293	5,759
- Without preferred guarantees or counter-guarantees	632,856	1,135,064
Non-recoverable	118,725	181,158
- With "A" preferred guarantees and counter-guarantees	1,404	116
- With "B" preferred guarantees and counter-guarantees	1,008	345
- Without preferred guarantees or counter-guarantees	116,313	180,697
TOTAL CONSUMER AND/OR HOME LOAN PORTFOLIO	98,148,552	108,910,175
GRAND TOTAL	273,694,644	325,778,638

Marcelo A. Iadarola
Executive Manager of Administration

Diego A. Ferreyra
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
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EXHIBIT "B"
LOANS AND OTHER FINANCING FACILITIES CLASSIFIED BY STATUS AND GUARANTEES
RECEIVED AS OF 12/31/2022 AND 12/31/2021
(Stated in thousands of Pesos)

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

BREAKDOWN	12/31/22	12/31/21
BALANCE AS PER EXHIBIT "B"	273,694,644	325,778,638
Items included in Exhibit "B" and not included in Loans and other financing facilities	(15,311,154)	(9,833,214)
Off-balance sheet items – agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards,	(7,110,580)	(3,527,919)
Other items	(8,200,574)	(6,305,295)
Items not included in Exhibit "B" and included in Loans and other financing facilities	(4,219,256)	(6,295,620)
Loans and other financing facilities - Loans to personnel	600,499	910,401
Loans and other financing facilities - IFRS adjustment at effective interest rate	(1,255,218)	(1,111,460)
Loans and other financing facilities – Allowances for loan losses (Exhibit R)	(3,564,537)	(6,094,561)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	254,164,234	309,649,804

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**EXHIBIT C
LOANS AND OTHER FINANCING FACILITIES CONCENTRATION
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)**

Number of customers	FINANCING FACILITIES			
	12/31/22		12/31/21	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	61,905,564	22.6%	75,365,451	23.1%
50 next largest customers	69,630,057	25.4%	84,148,093	25.8%
100 next largest customers	23,509,558	8.6%	31,152,449	9.6%
Rest of customers	118,649,465	43.4%	135,112,645	41.5%
TOTAL	273,694,644	100.0%	325,778,638	100.0%

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

BREAKDOWN	12/31/22	12/31/21
BALANCE AS PER EXHIBIT "C"	273,694,644	325,778,638
Items included in Exhibit "C" and not included in Loans and other financing facilities	(15,311,154)	(9,833,214)
Off-balance sheet items – agreed-upon loans (unused balances), other guarantees granted and other covered by Debtor Classification Standards,	(7,110,580)	(3,527,919)
Other items	(8,200,574)	(6,305,295)
Items not included in Exhibit "C" and included in Loans and other financing facilities	(4,219,256)	(6,295,620)
Loans and other financing facilities - Loans to personnel	600,499	910,401
Loans and other financing facilities - IFRS adjustment at effective interest rate	(1,255,218)	(1,111,460)
Loans and other financing facilities – Allowances for loan losses (Exhibit R)	(3,564,537)	(6,094,561)
BALANCE AS PER STATEMENT OF FINANCIAL POSITION	254,164,234	309,649,804

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**EXHIBIT D
LOANS AND OTHER FINANCING FACILITIES BROKEN DOWN BY TERM
AS OF 12/31/22
(Stated in thousands of Pesos)**

Item	Matured	Terms remaining to maturity						Total as of 12/31/2022
		1 month	3 months	6 months	12 months	24 months	Over 24 months	
Non-financial government sector	-	423,888	-	-	-	-	-	423,888
Financial sector	-	11,558,874	202,179	2,713,444	5,118,886	5,058,139	641,459	25,292,981
Nonfinancial private sector and foreign residents	1,394,032	161,084,220	24,822,293	23,587,122	24,849,341	24,022,144	42,285,606	302,044,758
TOTAL	1,394,032	173,066,982	25,024,472	26,300,566	29,968,227	29,080,283	42,927,065	327,761,627

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BANCO PATAGONIA S.A.

**EXHIBIT E
BREAKDOWN OF INVERSMET IN OTHER COMPANIES
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)**

Id	Denomination	Shares and/or Quotas Parties				Amount	
		Class	Unit nominal value	Votes per share	Quantity	12/31/22	12/31/21
INVERSMET AT FINANCIAL INSTITUTIONS AND COMPLEMENTARY ACTIVITIES							
	<u>Subsidiaries</u>						
30678564822	In Argentina GPAT Compañía Financiera S.A.U.	Common	\$ 1	1	86,837	4,792,394	5,029,535
30608298815	Patagonia Inversora S.A. Soc. Gte. F.C.I.	Common	\$ 1	1	13,317	2,470,627	2,307,691
30654325126	Patagonia Valores S.A. Abroad	Common	\$ 1	1	13,863	246,203	196,482
00034UY0117	Banco Patagonia (Uruguay) S.A.I.F.E. "In Liquidation"	Common	U\$S 100	1	50	185,137	728,995
	<u>Associates and Joint Ventures</u>						
30690783521	Interbanking S.A.	Common	\$ 1	1	150	717,403	810,661
33628189159	Mercado Abierto Electrónico S.A.	Common	\$ 0,1	1	48	185,015	180,126
30716829436	Play Digital S.A.	Common	\$ 1	1	95,135	165,531	147,494
30692264785	Compensadora Electrónica S.A.	Common	\$ 1	1	35	44,238	30,191
33663293309	Provincanje S.A.	Common	\$ 1	1	600	11,797	12,566
Total Investments in Other Companies						8,818,345	9,443,741

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**EXHIBIT E
BREAKDOWN OF INVERSMET IN OTHER COMPANIES
AS OF 12/31/22 AND 12/31/21
(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	12/31/2022	86,837	4,792,394	(237,141)
Patagonia Inversora S.A. Soc. Gte. F.C.I.	Mutual funds management	12/31/2022	13,317	2,470,627	623,632
Patagonia Valores S.A.	Settlement and Clearing Agent and Comprehensive Trading Agent	12/31/2022	13,863	246,203	49,719
Abroad					
Banco Patagonia (Uruguay) S.A.I.F.E.	Foreign bank	12/31/2022	885,642	185,137	(836,765)
<u>Associates and joint Ventures</u>					
Interbanking S.A.	Interbank transfer services	09/30/2022	1,346	6,456,632	1,077,442
Mercado Abierto Electrónico S.A.	Coordination of securities trading	09/30/2022	2,424	9,343,249	94,907
Play Digital S.A.	Provision of electronic payment services	09/30/2022	3,841,024	3,874,339	(2,875,476)
Compensadora Electrónica S.A.	Electronic clearing account network management	12/31/2021	1,000	1,257,666	599,582
Provincanje S.A.	Clearing house of provincial banks	09/30/2022	7,200	141,555	(2,993)

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EXHIBIT F
PROPERTY AND EQUIPMENT MOVEMENT
AS OF 12/31/22
(Stated in thousands of Pesos)

Item	Original value at beginning of year	Estimated useful life in years	Additions	Retirements	Original value as of 12/31/22	Depreciation				Residual value as of 12/31/22
						Accumulated as of 12/31/21	Retirements	Of the year	Accumulated as of 12/31/22	
Measured at cost	25,098,530		1,863,012	1,345,793	25,615,749	18,100,148	1,302,952	2,730,840	19,528,036	6,087,713
- Land and buildings	3,399,306	50	66,977	-	3,466,283	3,180,703	-	140,640	3,321,343	144,940
- Furniture and fixture	5,089,009	10	40,734	19,203	5,110,540	4,174,229	10,269	202,602	4,366,562	743,978
- Machinery and equipment	13,640,016	5	559,621	49,513	14,150,124	9,999,028	49,415	1,143,758	11,093,371	3,056,753
- Vehicles	204,463	5	79,416	16,690	267,189	146,393	15,033	36,983	168,343	98,846
Right-of-use on leased premises	2,171,467	-	1,087,934	1,260,387	1,999,014	568,848	1,228,235	1,206,566	547,179	1,451,835
- Others	30,947	5	2,491	-	33,438	30,947	-	291	31,238	2,200
- Works in progress	563,322	-	25,839	-	589,161	-	-	-	-	589,161
Revaluation model	28,727,590		100,945	-	28,828,535	846,502	-	424,452	1,270,954	27,557,581
- Land and buildings	28,727,590	50	100,945	-	28,828,535	846,502	-	424,452	1,270,954	27,557,581
TOTAL	53,826,120		1,963,957	1,345,793	54,444,284	18,946,650	1,302,952	3,155,292	20,798,990	33,645,294

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EXHIBIT F
PROPERTY AND EQUIPMENT MOVEMENT
AS OF 12/31/22

(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 12/31/22
Measured at Fair value				
- Leased land and buildings	107,214	40	(16,524)	90,690
TOTAL	107,214		(16,524)	90,690

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Translation from the original prepared in Spanish for publication in Argentina

BANCO PATAGONIA S.A.

EXHIBIT G
INTANGIBLE ASSETS MOVEMENT
AS OF 12/31/22

(Stated in thousands of Pesos)

Movement of Intangible Assets as of 12/31/2022

Concept	Original value at beginning of year	Useful Life total estimated in years	Additions	Depreciation			Residual value as of 12/31/22
				Accumulated as of 12/31/21	Depreciation of the year	Accumulated as of 12/31/22	
Measurement at cost							
Development costs of proprietary systems	3,142,650	5	64,973	1,866,918	534,112	2,401,030	806,593
TOTAL	3,142,650	5	64,973	1,866,918	534,112	2,401,030	806,593

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BANCO PATAGONIA S.A.

**EXHIBIT H
DEPOSITS CONCENTRATION
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)**

Number of customers	12/31/22		12/31/21	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	140,497,503	21.3%	130,653,330	20.1%
50 next largest customers	124,769,459	18.9%	112,117,123	17.2%
100 next largest customers	43,845,539	6.6%	40,500,950	6.2%
Rest of customers	350,740,042	53.2%	368,333,243	56.5%
TOTAL	659,852,543	100.0%	651,604,646	100.0%

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BANCO PATAGONIA S.A.

EXHIBIT I
FINANCIAL LIABILITIES BROKEN DOWN BY TERMS REMAINING TO MATURITY
AS OF 12/31/22
 (Stated in thousands of Pesos)

Item	Terms remaining to maturity						Total at 12/31/2022
	1 month	3 months	6 months	12 months	24 months	over 24 months	
Deposits	622,009,385	37,528,557	12,307,125	411,412	1,336	-	672,257,815
Non-financial government sector	24,767,274	6,332,155	89,403	7,953	-	-	31,196,785
Financial sector	3,594,462	-	-	-	-	-	3,594,462
Nonfinancial private sector and foreign residents	593,647,649	31,196,402	12,217,722	403,459	1,336	-	637,466,568
Derivative instruments	40,040	-	-	-	-	-	40,040
Other financial liabilities	34,275,709	-	-	-	-	-	34,275,709
Financing received from BCRA and other financial institutions	8,233,782	6,485,766	2,829,947	1,200,562	-	1,410,236	20,160,293
TOTAL	664,558,916	44,014,323	15,137,072	1,611,974	1,336	1,410,236	726,733,857

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**EXHIBIT J
CHANGES IN PROVISIONS
AS OF 12/31/22**
(Stated in thousands of Pesos)

Item	Balances at beginning of year	Increases	Decreases		Monetary result for allowances and provisions	Balance as of 12/31/2022
			Reversals	Use		
INCLUDED IN LIABILITIES						
For contingent commitments	739,666	270,692	47,279	-	(363,959)	599,120
Other	1,188,536	171,083	5,541	94,096	(584,857)	675,125
Labor lawsuits	297,088	59,136	-	16,360	(146,198)	193,666
Complaints, proceedings, appeals	537,015	82,150	5,541	77,736	(264,251)	271,637
Tax lawsuits	354,433	29,797	-	-	(174,408)	209,822
TOTAL PROVISIONS	1,928,202	441,775	52,820	94,096	(948,816)	1,274,245

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EXHIBIT K
SHARE CAPITAL COMPOSITION
AS OF 12/31/22
(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 27 to the consolidated financial statements

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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 L
BALANCES IN FOREIGN CURRENCY
AS OF 12/31/2022
(Stated in thousands of Pesos)**

Items	Head office and branches in Argentina	Total as of 12/31/22	US dollar	Euro	Real Brazilian	Other	Total as of 12/31/21
ASSETS							
Cash and bank deposits	70,672,425	70,672,425	66,508,768	3,779,530	22,968	361,159	86,746,544
Debt securities measured at fair value with changes through profit or loss	1,093,810	1,093,810	1,093,810	-	-	-	1,523,823
Other financial assets	3,595,692	3,595,692	3,595,597	95	-	-	2,280,180
Loans and other financing facilities	33,226,666	33,226,666	32,555,037	651,911	-	19,718	21,295,616
Nonfinancial private sector and foreign residents	33,226,666	33,226,666	32,555,037	651,911	-	19,718	21,295,616
Other debt securities	1,748,510	1,748,510	1,748,510	-	-	-	2,000,947
Financial assets granted as collateral	198,113	198,113	198,113	-	-	-	239,420
Investments in subsidiaries, associates and joint ventures	185,472	185,472	185,137	335	-	-	746,872
Other nonfinancial assets	2	2	2	-	-	-	2
TOTAL ASSETS	110,720,690	110,720,690	105,884,974	4,431,871	22,968	380,877	114,833,404
LIABILITIES							
Deposits	78,362,469	78,362,469	75,789,508	2,572,961	-	-	89,359,931
Non-financial government sector	1,626,604	1,626,604	1,595,875	30,729	-	-	3,649,683
Financial sector	887	887	887	-	-	-	2,105
Nonfinancial private sector and foreign residents	76,734,978	76,734,978	74,192,746	2,542,232	-	-	85,708,143
Liabilities at fair value through profit or loss	-	-	-	-	-	-	162,596
Other financial liabilities	7,103,310	7,103,310	6,866,549	208,518	-	28,243	6,540,932
Financing facilities received from BCRA and other financial institutions	19,035,227	19,035,227	18,373,429	642,594	-	19,204	12,477,294
Other nonfinancial liabilities	21,326	21,326	21,322	4	-	-	76,828
TOTAL LIABILITIES	104,522,332	104,522,332	101,050,808	3,424,077	-	47,447	108,617,581

Marcelo A. Iadarola
Executive Manager of Administration

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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

Diego A. Ferreyra
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
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BANCO PATAGONIA S.A.

EXHIBIT N
ASISTANCE TO RELATED PARTIES
AS OF 12/31/22 AND 12/31/21
 (Stated in thousands of Pesos)

Item	Normal situation	Total	
		12/31/22	12/31/21
1, Loans	1,581,062	1,581,062	1,959,076
Overdrafts	1,524	1,524	159
Without preferred guarantees or counter-guarantees	1,524	1,524	159
Notes	1,187,183	1,187,183	1,355,806
Without preferred guarantees or counter-guarantees	1,187,183	1,187,183	1,355,806
Consumer	5,540	5,540	29,353
Without preferred guarantees or counter-guarantees	5,540	5,540	29,353
Credit cards	50,515	50,515	50,883
Without preferred guarantees or counter-guarantees	50,515	50,515	50,883
Others	336,300	336,300	522,875
Without preferred guarantees or counter-guarantees	336,300	336,300	522,875
2, Investments in subsidiaries, associates and joint ventures	7,694,361	7,694,361	8,262,702
Total	9,275,423	9,275,423	10,221,778
Provisions	15,811	15,811	19,591

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BANCO PATAGONIA S.A.

**EXHIBIT O
DERIVATIVE FINANCIAL INSTRUMENTS
AS OF 12/31/22**

(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 12/31/22
Futures	Intermediation on own account	Foreign currency	Daily settlement of differences	ROFEX	3	3	1	8,877,985
Futures	Intermediation on own account	Foreign currency	Daily settlement of differences	MAE	2	2	1	9,041,743
Futures	Intermediation on own account	Foreign currency	At maturity of differences	OTC - Residents in Argentina Nonfinancial sector	3	1	90	18,584,896
Repo transactions	Intermediation on own account	Government securities and instruments issued by the BCRA	Delivery of underlying asset	MAE	-	-	3	151,139,704

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Translation from the original prepared in Spanish for publication in Argentina

BANCO PATAGONIA S.A.

EXHIBIT 'P'
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)

INFORMATION AS OF 12/31/22 (Note 30)

Item	Book balance as of 12/31/22	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	100,236,484	100,236,484	-	-	-	-	-
Cash on hand	26,814,989	26,814,989	-	-	-	-	-
Financial institutions and correspondents	72,358,725	72,358,725	-	-	-	-	-
Others	1,062,770	1,062,770	-	-	-	-	-
Debt securities measured at fair value with changes through profit or loss	4,204,331	-	-	4,204,331	4,185,572	18,759	-
Derivative financial instruments	860,500	-	-	860,500	-	860,500	-
Repo transactions	136,546,850	136,546,850	-	-	-	-	-
Other financial assets	15,190,476	15,190,476	-	-	-	-	-
Loans and other financing facilities	254,164,234	254,164,234	-	-	-	-	-
Non-financial government sector	424,112	424,112	-	-	-	-	-
Other financial institutions	18,286,745	18,286,745	-	-	-	-	-
Nonfinancial private sector and foreign residents	235,453,377	235,453,377	-	-	-	-	-
Other debt securities	335,391,906	61,898,727	273,493,179	-	262,488,973	11,004,206	-
Financial assets granted as collaterals	18,133,155	10,506,837	7,626,318	-	7,626,318	-	-
Investments in equity instruments	18,607	-	-	18,607	-	18,607	-
TOTAL FINANCIAL ASSETS	864,746,543	578,543,608	281,119,497	5,083,438	274,300,863	11,902,072	-

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EXHIBIT 'P'
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)

Item	Book balance as of 12/31/22	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	659,852,543	659,852,543	-	-	-	-	-
Non-Financial Public Sector	39,903,490	39,903,490	-	-	-	-	-
Financial Sector	2,570,516	2,570,516	-	-	-	-	-
Private Non-Financial Sector and Foreign Residents	617,378,537	617,378,537	-	-	-	-	-
Derivative instruments	40,040	-	-	40,040	-	40,040	-
Other financial liabilities	34,275,709	34,275,709	-	-	-	-	-
Funding received from BCRA and other financial institutions	19,122,593	19,122,593	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	713,290,885	713,250,845	-	40,040	-	40,040	-

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EXHIBIT 'P'
FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)

INFORMATION AS OF 12/31/21 (Note 30)

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	131,336,748	131,336,748	-	-	-	-	-
Cash on hand	33,754,300	33,754,300	-	-	-	-	-
Financial institutions and correspondents	96,773,276	96,773,276	-	-	-	-	-
Others	809,172	809,172	-	-	-	-	-
Debt securities measured at fair value with changes through profit or loss	3,995,920	-	-	3,995,920	3,995,109	811	-
Derivative financial instruments	1,279,423	-	-	1,279,423	-	1,279,423	-
Other financial assets	124,871,961	124,871,961	-	-	-	-	-
Repo transactions	6,990,429	6,990,429	-	-	-	-	-
Loans and other financing facilities	309,649,804	309,649,804	-	-	-	-	-
Non-financial government sector	70,179	70,179	-	-	-	-	-
Other financial institutions	23,400,546	23,400,546	-	-	-	-	-
Nonfinancial private sector and foreign residents	286,179,079	286,179,079	-	-	-	-	-
Other debt securities	243,828,975	-	243,828,975	-	81,958,749	161,870,226	-
Financial assets granted as collaterals	16,302,029	8,515,573	7,786,457	-	7,786,457	-	-
Investments in equity instruments	2,129,627	-	-	2,129,627	-	25,073	2,104,554
TOTAL FINANCIAL ASSETS	840,384,916	581,364,515	251,615,432	7,404,970	93,740,315	163,175,533	2,104,554

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FINANCIAL ASSETS AND LIABILITIES CATEGORIES
AS OF 12/31/22 AND 12/31/21
 (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	651,604,646	651,604,646	-	-	-	-	-
Non-Financial Public Sector	46,248,096	46,248,096	-	-	-	-	-
Financial Sector	4,844,532	4,844,532	-	-	-	-	-
Private Non-Financial Sector and Foreign Residents	600,512,018	600,512,018	-	-	-	-	-
Liabilities at fair value through profit or loss	293,030	-	-	293,030	293,030	-	-
Derivative instruments	114,511	-	-	114,511	-	114,511	-
Repo transactions	189,874	189,874	-	-	-	-	-
Other financial liabilities	31,052,566	31,052,566	-	-	-	-	-
Funding received from BCRA and other financial institutions	14,310,810	14,310,810	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	697,565,437	697,157,896	-	407,541	293,030	114,511	-

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BANCO PATAGONIA S.A.

EXHIBIT "Q"
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)

By financial assets measured at fair value through profit or loss

Item	Mandatory measurement	
	12/31/22	12/31/21
Gain/loss on government securities	497,844	565,298
Gain/loss on derivative financial instruments – Forward transactions	1,240,850	2,904,067
By investments in equity instruments	(277,218)	192,609
Gain/loss on the sale or derecognition of financial assets at fair value	3,889,188	569,062
TOTAL	5,350,664	4,231,036

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BANCO PATAGONIA S.A.

EXHIBIT "Q"
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/22 AND 12/31/21
(Stated in thousands of Pesos)

Interest and adjustment from applying the effective interest rate of financial assets measured at amortized cost

ITEM	12/31/22	12/31/21
Interest income		
By other financial assets	2,556,662	1,205,212
By loans and other financing facilities	97,435,493	81,056,925
To the Financial sector	5,224,879	5,045,470
Overdrafts	29,587,120	19,924,067
Notes	27,892,472	27,714,408
Mortgage loans	379,764	428,239
Consumer loans	13,398,574	12,227,665
Credit cards	11,856,797	9,384,660
Finance leases	731,293	539,600
Others	8,364,594	5,792,815
By repo transactions	38,588,244	47,390,120
Other financial institutions	38,588,244	47,390,120
TOTAL	138,580,399	129,652,257

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EXHIBIT "Q"
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/22 AND 12/31/21
 (Stated in thousands of Pesos)

ITEM	12/31/22	12/31/21
Interest expense		
By deposits	189,113,043	124,067,177
Savings accounts	46,389,896	24,307,597
Time deposit and term investments	131,679,600	95,083,418
Others	11,043,547	4,676,162
By financing received from the BCRA and other financial institutions	467,528	453,902
By repo transactions	103,457	114,979
Other financial institutions	103,457	114,979
By other financial liabilities	13,943	45,509
TOTAL	189,697,971	124,681,567

Interest and adjustment from applying the effective interest rate of financial assets carried at fair value with changes through OCI

ITEM	12/31/22		12/31/21	
	Income for the year	OCI	Income for the year	OCI
By corporate debt securities	4,989,435	110,242	2,164,201	8,442
By government debt securities	190,087,760	4,116,349	95,218,333	(225,859)
TOTAL	195,077,195	4,226,591	97,382,534	(217,417)

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EXHIBIT "Q"
BREAKDOWN OF STATEMENT OF INCOME
AS OF 12/31/22 AND 12/31/21
 (Stated in thousands of Pesos)

Commission Revenue

ITEM	12/31/22	12/31/21
Commissions linked to obligations	9,833,200	10,750,107
Commissions linked to credits	179,572	396,621
Commissions linked to loan commitments and financial guarantees	10,227	25,624
Commissions linked to securities	225,798	358,337
Card fees	7,154,328	7,186,577
Insurance fees	3,327,501	3,689,395
Collection management fees	2,320,386	2,258,116
Commissions for foreign operations and changes	1,008,149	1,104,115
Other	416,008	511,334
TOTAL	24,475,169	26,280,226

Commission losses

ITEM	12/31/22	12/31/21
Commissions linked to securities transactions	219,723	183,736
Commissions for foreign operations and changes	203,494	205,513
Other	7,976,605	7,557,190
TOTAL	8,399,822	7,946,439

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BANCO PATAGONIA S.A.

**EXHIBIT R
LOSS IMPAIRMENT ADJUSTMENT– ALLOWANCE FOR LOAN LOSSES
AS OF 12/31/22**

(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 12/31/22
			IF with significant increase in CR	IF with credit impairment		
Other financial assets	3,414,179	(1,564,700)	(1,368)	-	(1,681,504)	166,607
Loans and other financing facilities	6,094,561	652,217	(445,211)	248,668	(2,985,698)	3,564,537
Other financial institutions	1,851	766	-	-	(895)	1,722
Nonfinancial private sector and foreign residents	6,092,710	651,451	(445,211)	248,668	(2,984,803)	3,562,815
Overdrafts	144,105	12,569	26,270	21,040	(70,910)	133,074
Notes	401,105	69,794	(6,059)	(15,390)	(197,373)	252,077
Mortgage loans	216,122	36,071	17,299	1,613	(106,348)	164,757
Consumer	2,178,532	51,946	(159,620)	86,529	(1,071,998)	1,085,389
Credit cards	2,315,402	244,443	(321,148)	5,002	(1,139,348)	1,104,351
Finance lease	43,705	27,773	(2,825)	(2,892)	(21,506)	44,255
Other	793,739	208,855	872	152,766	(377,320)	778,912
Eventual Commitments	739,666	301,761	(55,402)	(11,147)	(375,758)	599,120
TOTAL ALLOWANCES	10,248,406	(610,722)	(501,981)	237,521	(5,042,960)	4,330,264

(*) It includes the effect of the exchange rate variation as of 12/31/2022.

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Diego A. Ferreyra
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

Signed for identification purposes
with our report dated 02/23/2023
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.

**DISTRIBUTION OF EARNINGS PROJECT
AS OF 12/31/22**
(Stated in thousands of Pesos)

The profit distribution project for the year ended December 31, 2022 is set out below:

Item	Amount
Unappropriated retained earnings (1)	52,170,185
Retained earnings - Legal Reserve (20% of 18,498,414)	3,699,683
Distributable earnings balance (2)	14,798,731
To be allocated by the Annual Shareholders' Meeting	14,798,731

(1) It includes the "Optional reserve" for future distribution of earnings in the amount of 33,671,771 plus negative Unappropriated retained earnings of 18,498,414.

(2) Income for the year of 18,498,414 net of Legal reserve of 3,699,683.

Marcelo A. Iadarola
Executive Manager of Administration

Diego A. Ferreyra
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

BANCOPATAGONIA

**Reporting summary
For the fiscal year ended
December 31, 2022**

BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2022**

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, 2022.

Banco Patagonia ended the 2022 fiscal year with a net profit of \$18,498.4 million, compared to \$13,805.6 million the previous year, increasing 34.0% in real terms and determining an ROE and ROA of 16.4% and 2.9%, respectively, compared to 11.4% and 1.8% the previous year.

Total accumulated comprehensive income was \$14,731.7 million, growing 18.3% in real terms compared to \$12,453.0 million the previous year and determining an ROE and ROA of 13.1% and 2.3% respectively, compared to 10.3% and 1.6% in 2021.

As of December 31, 2022, assets amounted to \$914,025.3 million, loans and other financing (net of provisions) to \$261,371.5 million, deposits to \$659,910.1 million and Net Equity to \$160,171.3 millions.

Loans granted to the non-financial private sector amounted to \$242,997.7 million, decreasing 20.0% (\$60,723.9 million) compared to December 31, 2021 (\$303,721.6 million). Total deposits reached \$659,910.1 million, remaining at the same levels compared to the year-on-year (\$663,083.5 million).

Regarding the portfolio quality indicators, the irregular portfolio ratio was 0.6% and the coverage of the irregular portfolio with provisions was 237.7%.

The liquidity ratio was 87.4% (liquid assets over total deposits). Likewise, the minimum regulatory capital payment exceeds the requirement established by BCRA regulations by 106,070.6 million (\$39,162.1 million) and the capitalization ratio was 30.3%.

As of December 31, 2022, Banco Patagonia S.A. It has a staff of 2,958 employees and a network made up of 206 service points nationwide, distributed in the capitals and main cities of each province.

Marcelo A. Iadarola
Executive Manager of Administration

Diego A. Ferreyra
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President

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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, 2022**

Presentation of information

For the purposes of preparing this informative review, Banco Patagonia S.A. consolidated its statement of financial position and results line by line, with the financial statements of its controlled companies: Patagonia Valores S.A., Patagonia Inversora S.A. Mutual Investment Fund Manager, Banco Patagonia (Uruguay) S.A.I.F.E. "In Liquidation" and GPAT Compañía Financiera S.A.U.

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

1. Application of the impairment model of 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.
2. Regarding to the valuation of Prisma Medios de Pago S.A. the guidelines established by the BCRA that provided for the accounting treatment to be exempted from the remaining investment maintained by the Entity in said company, recorded under "Investments in Equity Instruments" as of December 31, 2021, are considered. As of December 31, 2022, the investment has been transferred as detailed in Note 16 to the consolidated financial statements, therefore, the Entity has no shareholding as of that date. If the criteria provided under IFRS 9 had been applied, as of December 31, 2021, a higher asset would have been recorded with a counterpart in results and, therefore, a lower result in the year ended December 31, 2022.

As of December 31, 2021, the Controlled Entity GPAT, based on the provisions of the BCRA in its Communication "A" 7181 issued on December 17, 2020, did not apply the impairment model in section 5.5 "Impairment" of IFRS No. 9 "Financial Instruments" applicable to the "Provisions for Uncollectibility Risk", since its implementation was postponed until January 1, 2022 for the financial entities of Group "B" and "C" in function to said Communication.

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

GPAT chose to apply point 5.5 of IFRS 9 as of January 1, 2022, without significant effects on retained earnings as of December 31, 2022 and 2021.

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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2022**

a) Summary comparative consolidated financial position

Information for fiscal years ended December 31, 2022, 2021, 2020 and 2019:

Consolidated Financial Statements				
(In Millions of Pesos)	12/31/22	12/31/21	12/31/20	12/31/19
Cash and bank deposits	100,733.3	133,872.6	179,711.9	179,783.2
Debt securities	339,705.4	249,410.6	265,999.6	171,076.9
Other financial assets	174,055.8	152,238.5	57,672.1	23,017.9
Loans and other financing facilities	261,371.5	325,694.2	335,621.0	356,119.5
Non-financial government sector	424.1	70.2	23.4	91.1
Other financial institutions	17,949.7	21,902.4	22,468.4	17,293.1
Non-financial private sector net of allowances	242,997.7	303,721.6	313,129.2	338,735.3
Property and equipment	33,686.3	34,992.0	34,743.4	34,922.5
Other assets	4,473.0	10,221.4	17,420.9	14,825.5
TOTAL ASSETS	914,025.3	906,429.3	891,168.9	779,745.5
Deposits	659,910.1	663,083.5	645,431.0	492,269.3
Non-financial government sector	39,903.5	46,248.1	63,129.6	48,324.2
Financial sector	2,515.0	4,754.3	35.6	2,928.3
Non-financial private sector	617,491.6	612,081.1	582,265.8	441,016.8
Other financial liabilities	35,474.5	32,888.2	29,618.6	35,862.6
Financing facilities received from BCRA and other financial institutions	19,652.6	14,547.0	12,172.7	65,610.0
Corporate notes issued	1,077.5	1,227.4	2,872.9	4,170.2
Other liabilities	37,739.3	49,243.5	52,584.2	43,654.6
TOTAL LIABILITIES	753,854.0	760,989.6	742,679.4	641,566.7
SHAREHOLDERS' EQUITY	160,171.3	145,439.7	148,489.5	138,178.8
TOTAL LIABILITIES + SHAREHOLDERS' EQUITY	914,025.3	906,429.3	891,168.9	779,745.5

Marcelo A. Iadarola
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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2022**

b) Summary comparative consolidated income/loss

Information for the fiscal years ended December 31, 2022, 2021, 2020 and 2019:

Consolidated Financial Statements				
(In Millions of Pesos)	12/31/22	12/31/21	12/31/20	12/31/19
Interest income/loss	148,722.0	106,781.4	123,887.8	151,965.7
Fee income/loss	16,119.4	18,383.5	18,732.0	22,926.9
Net gain on financial instruments measured at fair value through profit or loss	5,350.7	4,289.6	4,499.0	4,524.1
Result from derecognition of assets measured at amortized cost and fair value with changes through OCI	(234.0)	1,540.1	88,768.8	8689.0
Gold and foreign currency bid/offer spread	6,030.0	3,281.4	3,971.4	12,310.1
Other operating income	17,236.7	10,323.9	10,619.0	17,356.4
Charge for loan losses	(5,494.2)	(1,968.5)	(3,849.0)	(17,392.2)
Net operating income	187,730.6	142,631.4	149,091.4	191,002.0
Administrative expenses	(82,854.0)	(83,513.3)	(75,062.0)	(85,118.8)
Operating income	104,876.6	59,118.1	74,029.4	105,883.2
Gain/loss on associates and joint ventures	(244.0)	98.9	505.7	2,403.7
Net monetary position result	(73,122.5)	(38,384.6)	(28,053.8)	(33,070.6)
Income before tax relating to continuing operations	31,510.1	20,832.4	46,481.3	75,216.3
Income tax relating to continuing operations	(13,011.7)	(7,026.8)	(15,475.7)	(30,150.5)
Income for the year	18,498.4	13,805.6	31,005.6	45,065.8

Statement of comprehensive income				
(In Millions of Pesos)	12/31/22	12/31/21	12/31/20	12/31/19
Revaluation of property and equipment and intangible assets	-	(420.9)	-	-
Exchange differences on conversion of financial statements	(56.9)	(167.1)	30.1	108.8
Gain/loss on financial instruments carried at fair value with changes through OCI	(3,709.8)	(764.6)	7,351.1	(5,177.9)
Total other comprehensive income	(3,766.7)	(1,352.6)	7,381.2	(5,069.1)

Total comprehensive income	14,731.7	12,453.0	38,386.8	39,996.7
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Marcelo A. Iadarola
Executive Manager of Administration

Diego A. Ferreyra
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Gustavo Carballal (Partner)
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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2022**

c) Comparative consolidated statement of cash flows

Information for the fiscal years ended December 31, 2022, 2021, 2020 and 2019:

Consolidated Statement of Cash Flows				
(In Millions of Pesos)	12/31/22	12/31/21	12/31/20	12/31/219
Cash flows provided by / (used in) operating activities	(1,410.2)	(341.0)	31,281.1	(31,504.1)
Cash flows provided by / (used in) investment activities	(688.4)	(2,755.9)	(3,113.5)	15,042.2
Cash flows used in financing activities	(3,683.0)	(5,535.3)	(6,781.9)	(28,056.8)
Financial and holding gains/losses on cash and cash equivalents	44,716.7	20,394.1	33,968.7	28,033.4
Monetary gain/loss on cash and cash equivalents	(72,074.3)	(57,601.3)	(55,425.6)	(20,267.6)
Total cash flows used in by the year	(33,139.2)	(45,839.4)	(71.2)	(36,752.8)

d) Summary of statistical data

Summary of statistical data					
ITEM	12/31/22	12/31/21	12/31/20	12/31/19	12/31/18
Number of fixed-term operations - Personal banking	152,620	99,849	90,183	72,247	84,024
Number of fixed-term operations - Business banking	4,353	3,481	3,007	2,774	3,380
Number of loan transactions - Personal banking	902,606	904,083	963,940	1,011,343	1,120,196
Number of loan transactions - Business banking	22,743	28,494	31,403	35,266	61,681
Number of customer desks	206	208	208	209	209
Number of automatic teller machines	581	589	598	606	607
Number of self-service terminals	402	401	403	397	393
Payroll	2,958	3,112	3,200	3,302	3,407

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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2022**

Detail	As of December 31:			
	2022	2021	2020	2019
Profitability Ratios				
Return on average shareholders' equity (1)	16.4%	11.4%	28.1%	73.0%
Return on average shareholders' equity with OCI (2)	13.1%	10.3%	30.8%	75.4%
Return on average assets (3)	2.9%	1.8%	4.8%	10.2%
Return on average assets with OCI (4)	2.3%	1.6%	5.2%	10.5%
Margin Index for Interest and Commissions				
Total financial margin (Net interest income / Average Assets)	16.8%	11.6%	13.8%	17.4%
Margin for net services (Net result from commissions / Average Assets) (5)	1.9%	1.9%	2.1%	2.5%
Total margin (Total Net Income / Average Assets) (6)	18.6%	13.5%	15.9%	19.9%
Net result from commissions over total net income (5) (6)	10.0%	14.4%	13.3%	12.6%
Net Worth Indices				
Net worth over total assets	17.7%	16.0%	15.4%	17.7%
Solvency (net worth over total liabilities)	20.3%	19.1%	18.4%	21.5%
Total liabilities as a multiple of Net Worth	4.9	5.2	5.4	4.6
CPR on Weighted Risk Assets (7)	30.3%	22.0%	19.8%	17.3%
Portfolio Quality Index				
Irregular portfolio on financing (before provisions) (8)	0.6%	0.7%	1.1%	2.5%
Forecasts on irregular financing portfolio (8)	237.7%	295.2%	356.1%	211.5%
Cost of Risk (9)	2.2%	0.6%	1.1%	4.9%
Efficiency Index				
Administrative expenses over total net income (6)	34.3%	47.2%	41.7%	35.6%
Net result for commissions on administration expenses	29.1%	30.5%	31.8%	35.4%
Liquidity Indices				
Liquid assets over deposits (10)	87.4%	76.9%	73.1%	72.0%
Loans (net of provisions) on assets	30.2%	35.9%	37.7%	45.7%
Deposits over liabilities	87.5%	87.1%	86.9%	76.7%
deposit loans	39.6%	49.1%	52.0%	72.3%
Immobilization (11)	22.5%	24.9%	26.5%	26.3%

References:

- (1) Defined as the quotient between the net result of the annualized period and the average net worth.
(2) Defined as the quotient between the comprehensive income for the annualized period and the average net worth.
(3) Defined as the quotient between the net result of the annualized period and the average assets.
(4) Defined as the quotient between the comprehensive income for the annualized period and the average asset.
(5) Net result from commissions defined as the net result from commissions plus the results from commissions included in other operating income and other operating expenses.
(6) Total net income defined as the sum of the net result from interest and the net result from commissions.
(7) CPR means Computable Patrimonial Responsibility.
(8) Irregular portfolio defined as financing in situation 3-4-5 and 6, according to BCRA regulations
(9) Defined as the quotient between the Loss Charge for the annualized period and the average loans without provisions.
(10) Defined as the sum of cash and bank deposits, debt securities net of repos divided by total deposits.
(11) Defined as the quotient between the sum of property, plant and equipment and intangible assets over net worth.

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BANCO PATAGONIA S.A.

**REPORTING SUMMARY
FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2022**

e) Perspectives

During 2022, the world economy has experienced the highest inflation recorded in several decades, which, added to the economic effects of Russia's invasion of Ukraine, slowed down world economic activity and will continue to do so during 2023.

The estimated world growth for 2022 has been 3.4%. For 2023, a growth level of 2.9% is projected, with a rebound of 3.1% for 2024. The drop forecast for next year is mainly due to the tightening of the monetary policy of the Central Banks that is starting to cool demand and inflation, but probably the full impact will not materialize until before 2024.

Recovery rates for 2023 vary between countries due to the selection of appropriate policies to face the challenges. In the case of the group corresponding to the advanced economies, the projections show an indicator of around 1.2% for 2023 and 1.4% for 2024. Within it, the group of countries belonging to the euro shows a growth of 0.7% for 2023 and 1.6% in 2024; while for the United States it is of the order of 1.4% and 1.0% respectively.

Regarding emerging market and developing economies, the indicator estimated in 2023 is 4.0% and 4.2% for 2024. The group corresponding to Latin American and Caribbean countries projects growth in 2023 of 1.8% and 2.1% in 2024.

For most economies, the priority remains a sustained reduction in inflation toward target levels. Global inflation is forecast to decline to 6.6% in 2023 and 4.3% in 2024; levels still above those observed before the pandemic.

At the local level, Argentina continues to face the challenge of controlling inflation levels and sustaining the rate of economic growth for the year 2023, in an election year context.

Banco Patagonia has a comfortable regulatory capital position, an adequate liquidity reserve made up of high-quality assets and a solid balance sheet structure, which allow it to face the current situation from a solid position.

Regarding its loan portfolio, it has a low level of non-performing portfolio and the provisions for expected credit losses incorporate prospective information (forward looking) to respond to the circumstances of the macroeconomic environment. The Entity places special emphasis on the care of its portfolios, permanently monitoring credit ratings in order to take the measures that correspond to a prudent management of credit risks.

Likewise, it permanently monitors the macroeconomic situations mentioned above, in order to minimize their impact on the Entity's operations, on its financial margin and finally on its profitability.

Banco Patagonia continues with its mission of remaining among the main Private Banks of the Argentine Financial System and for this it continues to manage the different strategic projects that are developed jointly with all the business areas, support areas and all the Bank's service channels.

Marcelo A. Iadarola
Executive Manager of Administration

Diego A. Ferreyra
Superintendent
Finance, Administration and Public Sector

Oswaldo Parré Dos Santos
President

AUDIT COMMITTEE REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS

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

I. Report on the financial statements

We have examined the Inventory, the Integrated Annual Report that includes the Corporate Government Code Report 2022, 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, 2022, the separate statements of income, other comprehensive results, changes in equity and cash flow for the year ended December 2022, separate statements of income, other comprehensive results, changes in equity and cash flow for the year ended December 2022, Exhibits A, B, C, D, E, F, G, H, I, J, K, L, N, O, P, Q and R; Explanatory Notes 1 to 37. 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, 2022; 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, 2021, restated in December 2022 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 2.1, 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. Responsibility of the Supervisory Commission

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 23, 2023, 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 syndic'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 23, 2023 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, 2022, 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, 2022, 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 note.

This issue should be considered 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, 2022 the remaining procedures described in the article 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, 2022, the Entity records the minimum net worth and liquid counterparty required by the regulations of the National Securities Commission as mentioned in Notes 35 and 55 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 Exhibit III 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 23, 2023

By Supervisory Committee

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