

BANCOPATAGONIA

**Financial statements
as of June 30, 2010**

**Jointly with the Limited Review Report on Interim Financial Statements
and the Statutory Audit Committee's Report.**

BANCO PATAGONIA S.A.

FINANCIAL STATEMENTS AS OF JUNE 30, 2010 (NOTE 1.1)

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**LIMITED REVIEW REPORT
ON INTERIM-PERIOD FINANCIAL STATEMENTS**

To the Shareholders and Directors of
BANCO PATAGONIA S.A.
Registered office: Tte. Gral. J. D. Perón 500
Buenos Aires

1. We have performed a limited review of the accompanying balance sheet of BANCO PATAGONIA S.A. (The Bank) as of June 30, 2010, and the related statements of income, changes in shareholders' equity and cash flows for the six-month period then ended. In addition, we have performed a limited review of the accompanying consolidated balance sheet of BANCO PATAGONIA S.A. and its subsidiaries as of June 30, 2010, and the related consolidated statements of income and cash flows for the six-month period then ended, which are disclosed as supplementary information in Schedule I. These financial statements are the responsibility of the Bank's Management.

2. We performed our limited review in accordance with the provisions of FACPCE (Argentine Federation of Professional Councils in Economic Sciences) Technical Resolution No. 7 applicable to a limited review of interim financial statements and with the "Minimum external auditing standards" issued by BCRA (Central Bank of Argentina) applicable to the review of quarterly financial statements. Under such standards, a limited review consists primarily in applying analytical procedures to the accounting information and making inquiries of the persons in charge of accounting and financial matters. A limited review is substantially less in scope than an audit of financial statements, the objective of which is to express an opinion on the financial statements taken as a whole. Therefore, we do not express such an opinion.

3. As mentioned in note 2 to the accompanying financial statements, the financial statements mentioned in paragraph 1. were prepared by the Bank in conformity with the accounting standards established by the BCRA, which differ from the professional accounting standards approved by the CPCECABA (Professional Council in Economic Sciences of the City of Buenos Aires), Argentina, in certain valuation and disclosure aspects described and quantified in such note.

4. Based on our review, we have not become aware of any material change that should be made to the financial statements mentioned in paragraph 1. for them to be presented in conformity with the standards established by the B.C.R.A. and, except for the effect of the matters mentioned in paragraph 3., with the professional accounting standards effective in Buenos Aires City, Argentina.

5. In connection with the stand-alone and consolidated balance sheets of BANCO PATAGONIA S.A. as of December 31, 2009, and the stand-alone and consolidated statements of income and changes in cash flows, and statement of changes in shareholders' equity for the six-month period ended June 30, 2009, presented for comparative purposes, we report that:

- a) On February 18, 2010, we issued our auditors' report on the financial statements of BANCO PATAGONIA S.A. as of December 31, 2009, for the year then ended, to which we refer, which included exceptions regarding differences between BCRA standards applied and professional accounting standards effective in the City of Buenos Aires, Argentina, which are detailed in note 2 to the abovementioned financial statements, We have not audited any financial statements as of any date or for any period subsequent to December 31, 2009.
- b) On August 10, 2009, we issued our limited review report on the financial statements of BANCO PATAGONIA S.A. for the six-month period ended June 30, 2009, to which we refer, which included exceptions regarding differences between BCRA standards applied and professional accounting standards effective in the City of Buenos Aires, Argentina, which are detailed in note 2 to the abovementioned financial statements,

6. In compliance with current legal requirements, we further report that:

- a) The accompanying financial statements were transcribed into the Financial Statements Book.
- b) The financial statements of BANCO PATAGONIA S.A. are taken from accounting records kept, in all formal respects, in conformity with current legal requirements and BCRA standards.
- c) As of June 30, 2010, liabilities accrued in employer and employee contributions to the Federal Social Security Administration resulting from the Bank's accounting books amount to ARS 7.728.149 none of which was due and payable as of that date.

Buenos Aires,
August 6, 2010.

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. Vol. 1 - Fo. 13

Andrea N, Rey
Partner
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 241 - Fo. 14

BANCO PATAGONIA S.A.

Registered office:

Teniente Gral, Juan D, Perón 500 – Buenos Aires – Argentina

Main business activity: Commercial bank

C.U.I.T. (Argentine tax identification number):
30 - 50000661 – 3

Incorporation date: May 4, 1928

**Registration with the Public
Registry of Commerce
Buenos Aires**

Date

(1) Of the articles of incorporation: 09/18/1928

(2) Of the last amendment: 08/14/2007

Book

Stock Corporations Book: 36

Number: 13,424

Expiry of the articles of incorporation: August 29, 2038

Fiscal year No. 87

Beginning date: January 1, 2010

Closing date: December 31, 2010

Capital structure (Notes 3 and 21 and Exhibit K)

**Number and characteristics of
Shares**

In Argentine pesos

Subscribed

Paid-in

748,155,678 book-entry shares of common stock of
ARS 1 face value and entitled to one vote each

748,155,678

748,155,678

Information required by the BCRA (Central Bank of Argentina)

Name of the undersigned auditor:

Andrea N, Rey

Professional firm:

Pistrelli, Henry Martin Asociados S,R,L,

Report for the six-month period ended June 30, 2010

8 (quarterly closing – unqualified,
as per BCRA regulations)

Marcelo A. Iadarola
Accounting Manager

Rubén M. Iparraguirre
General Assistant Manager
Administration and Finance Area

Jorge G. Stuart Milne
Chairman

Signed for identification purposes with
our report dated 08/06/10
On behalf of Statutory Audit Committee

Signed for identification purposes with
our report dated 08/06/10
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C.P.C.E.C.A.B.A. Vol. 1 Fo. 13

María Soledad Sampayo Cau
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 58 – Fo. 135
Statutory Auditor

Andrea N. Rey (Partner)
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 241 Fo. 14

BANCO PATAGONIA S.A.

BALANCE SHEETS
AS OF 06/30/10 AND 12/31/09
(Figures stated in thousands of Argentine pesos)

ASSETS	06/30/10	12/31/09
A. Cash		
Cash on hand	387,060	509,229
Financial institutions and correspondents	1,453,396	1,000,847
BCRA (Central Bank of Argentina)	1,229,891	841,006
Others in Argentina	26,389	20,842
Others abroad	<u>197,116</u>	<u>138,999</u>
	1,840,456	1,510,076
B. Government and private securities (Exhibit A)		
Holdings in investment accounts	-	173,870
Holdings for trading or intermediation transactions	757,477	559,493
Unlisted government securities	43,606	49,497
Instruments issued by the BCRA	<u>1,105,844</u>	<u>1,834,488</u>
	1,906,927	2,617,348
C. Loans		
To the nonfinancial government sector (Exhibits B, C and D)	72,725	9,183
To the financial sector (Exhibits B, C and D)	174,587	294,832
Interbank (call options sold)	75,635	167,345
Other financing facilities granted to local financial institutions	97,790	126,432
Accrued interest, adjustments and listed-price differences receivable	1,162	1,055
To the nonfinancial private sector and foreign residents (Exhibits B, C and D)	5,064,309	4,261,056
Overdrafts	889,175	701,008
Notes	1,862,999	1,491,339
Mortgage loans	89,602	114,404
Collateral loans	32,780	43,085
Personal loans	963,618	880,794
Credit cards	627,198	534,073
Other	555,538	455,124
Accrued interest, adjustments and listed-price differences receivable	51,753	47,874
(Unearned discount)	(8,354)	(6,645)
(Allowances) (Exhibit J)	<u>(147,657)</u>	<u>(148,036)</u>
	5,163,964	4,417,035

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BANCO PATAGONIA S.A.

**BALANCE SHEETS
AS OF 06/30/10 AND 12/31/09**
(Figures stated in thousands of Argentine pesos)

ASSETS – Continued	06/30/10	12/31/09
D. Other receivables from financial intermediation		
BCRA	178,689	222,335
Amounts receivable from spot and forward sales pending settlement	52,477	285,764
Securities and foreign currency receivable from spot and forward purchases pending settlement	255,626	227
Unlisted corporate bonds (Exhibits B, C and D)	1,643	4,169
Other not covered by Debtor Classification Standards	49,067	62,364
Other covered by Debtor Classification Standards (Exhibits B, C and D)	13,500	13,206
Accrued interest and adjustments receivable covered by Debtor Classification Standards (Exhibits B, C and D)	433	205
(Allowances) (Exhibit J)	<u>(2,108)</u>	<u>(1,914)</u>
	549,327	586,356
E. Assets under financial lease		
Assets under financial lease (Exhibits B, C and D)	154,414	139,424
(Allowances) (Exhibit J)	<u>(2,552)</u>	<u>(2,254)</u>
	151,862	137,170
F. Investments in other companies (Exhibit E)		
In financial institutions	42,275	39,692
Other	<u>41,183</u>	<u>40,052</u>
	83,458	79,744
G. Miscellaneous receivables		
Trade receivables (Exhibits B, C and D)	9,137	6,036
Other (Note 16)	257,101	197,045
Accrued interest and adjustments receivable related to trade receivables (Exhibits B, C and D)	10	13
Other accrued interest and adjustments receivable	80	-
(Allowances) (Exhibit J)	<u>(2,335)</u>	<u>(3,847)</u>
	263,993	199,247
H. Bank premises and equipment (Exhibit F)	106,786	103,010
I. Miscellaneous assets (Exhibit F)	117,756	108,725
J. Intangible assets (Exhibit G)	-	-
K. Items pending allocation	528	511
TOTAL ASSETS	10,185,057	9,759,222

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BANCO PATAGONIA S.A.

**BALANCE SHEETS
AS OF 06/30/10, AND 12/31/09**
(Figures stated in thousands of Argentine pesos)

LIABILITIES	06/30/10	12/31/09
L. Deposits (Exhibits H and I)		
Nonfinancial government sector	1,089,480	759,864
Financial sector	14,607	14,098
Nonfinancial private sector and foreign residents	6,165,963	5,748,401
Checking accounts	1,330,175	1,144,872
Savings accounts	2,054,106	1,988,159
Certificate of deposit	2,444,689	2,262,257
Investment accounts	1,193	1,804
Other	317,815	332,655
Accrued interest, adjustments and listed-price differences payable	<u>17,985</u>	<u>18,654</u>
	7,270,050	6,522,363
M. Other liabilities from financial intermediation		
BCRA (Exhibit I)	791	814
Banks and international organizations (Exhibit I)	48,267	47,688
Amounts payable for spot and forward purchases pending settlement	233,000	430
Securities and foreign currency to be delivered under spot and forward sales pending settlement	52,894	313,030
Financing facilities received from local financial institutions (Exhibit I)	6,010	-
Other financing facilities from local financial institutions	6,000	-
Accrued interest payable	10	-
Other (Exhibit I) (Note 16)	393,672	425,867
Accrued interest, adjustments and listed-price differences payable (Exhibit I)	<u>207</u>	<u>197</u>
	734,841	788,026
N. Miscellaneous liabilities		
Other (Note 16)	<u>242,440</u>	<u>469,068</u>
	242,440	469,068
O. Provisions (Exhibit J) (Note 5)	60,245	64,091
P. Subordinated corporate bonds (Exhibit I)	63,338	61,200
Q. Items pending allocation	856	473
TOTAL LIABILITIES	8,371,770	7,905,221
SHAREHOLDERS' EQUITY (as per related statement)	1,813,287	1,854,001
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	10,185,057	9,759,222

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BANCO PATAGONIA S.A.**BALANCE SHEETS
AS OF 06/30/10, AND 12/31/09**
(Figures stated in thousands of Argentine pesos)

MEMORANDUM ACCOUNTS	06/30/10	12/31/09
DEBIT BALANCE		
Contingent		
Loans obtained (unused amounts)	117,954	20
Guarantees received	2,463,598	5,430,262
Contingent debit-balance contra accounts	<u>203,974</u>	<u>288,778</u>
	2,785,526	5,719,060
Control		
Receivables classified as irrecoverable	316,968	312,887
Other (Note 16)	2,902,801	2,791,411
Control debit-balance contra accounts	<u>983,858</u>	<u>892,493</u>
	4,203,627	3,996,791
Derivatives (Exhibit O and note 12)		
Notional value of forward transactions without delivery of underlying asset	456,576	1,375,485
Interest rate swap	29,000	41,000
Derivatives debit-balance contra account	<u>206,837</u>	<u>545,976</u>
	692,413	1,962,461
Trust activity (Note 10)		
Trust funds	<u>640,107</u>	<u>741,212</u>
	640,107	741,212
TOTAL DEBIT-BALANCE MEMORANDUM ACCOUNTS	8,321,673	12,419,524

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BANCO PATAGONIA S.A.

**BALANCE SHEETS
AS OF 06/30/10, AND 12/31/09**
(Figures stated in thousands of Argentine pesos)

MEMORANDUM ACCOUNTS – Continued	06/30/10	12/31/09
CREDIT BALANCE		
Contingent		
Loans granted (unused amounts) covered by Debtor Classification Standards (Exhibits B, C and D)	50,000	131,910
Other guarantees provided covered by Debtors Classification Standards (Exhibits B, C and D)	32,443	34,635
Other guarantees provided not covered by Debtors Classification Standards	49,310	40,540
Other covered by Debtors Classification Standards (Exhibits B, C and D)	72,221	81,693
Contingent credit-balance contra accounts	<u>2,581,552</u>	<u>5,430,282</u>
	2,785,526	5,719,060
Control		
Checks and securities to be credited	227,202	221,868
Other	756,656	670,625
Control credit-balance contra accounts	<u>3,219,769</u>	<u>3,104,298</u>
	4,203,627	3,996,791
Derivatives (Exhibit O and note 12)		
Notional value of put options sold	39,907	38,060
Notional value of forward transactions without delivery of underlying asset	166,930	507,916
Derivatives credit-balance contra accounts	<u>485,576</u>	<u>1,416,485</u>
	692,413	1,962,461
Trust activity (Note 10)		
Trust activity credit-balance contra accounts	<u>640,107</u>	<u>741,212</u>
	640,107	741,212
TOTAL CREDIT-BALANCE MEMORANDUM ACCOUNTS	8,321,673	12,419,524

The accompanying notes 1 through 24, exhibits A through L, N and O, and Schedule I are an integral part of these financial statements,

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BANCO PATAGONIA S.A.

STATEMENTS OF INCOME
For the six-month periods ended 06/30/10, and 06/30/09
(Figures stated in thousands of Argentine pesos)

BREAKDOWN	06/30/10	06/30/09
A. FINANCIAL INCOME		
Interest on cash	68	238
Interest on loans to the financial sector	13,433	21,352
Interest on overdrafts	78,434	85,541
Interest on notes	102,972	95,198
Interest on mortgage loans	5,389	6,994
Interest on collateral loans	2,838	4,389
Interest on credit card loans	49,034	40,820
Interest on other loans	160,664	111,145
Interest on other receivables from financial intermediation	661	70
Net income from government and private securities	165,569	204,480
Income from PGN (loans granted by the Argentine Government and secured by bonds) – Presidential Decree No, 1,387/01	134	946
Adjustments under CER clause	164	347
Adjustments under CVS (salaries variation coefficient) clause	59	53
Gold and foreign currency quoted price difference	48,503	97,795
Other	<u>27,022</u>	<u>114,468</u>
	654,944	783,836
B. FINANCIAL EXPENSE		
Interest on savings-account deposits	2,538	3,294
Interest on certificates of deposit	121,291	150,172
Interest on interbank loans received (call options received)	2,476	1,334
Interest on other financing facilities from financial institutions	164	1,430
Interest on other liabilities from financial intermediation	759	825
Interest from subordinated corporate bonds	856	2,956
Other interest	148	266
Adjustments under CER clause	64	33
Contribution to the deposit guarantee fund	5,944	4,996
Other (Note 16)	<u>40,802</u>	<u>40,272</u>
	175,042	205,578
GROSS INTERMEDIATION MARGIN	479,902	578,258
C. PROVISION FOR LOAN LOSSES	21,087	53,030
D. SERVICE-CHARGE INCOME		
Related to lending transactions	87,226	67,952
Related to borrowing transactions	135,322	107,136
Other Commissions	15,265	12,695
Other	<u>47,912</u>	<u>36,230</u>
	285,725	224,013

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BANCO PATAGONIA S.A.

STATEMENTS OF INCOME
For the six-month periods ended 06/30/10, and 06/30/09
(Figures stated in thousands of Argentine pesos)

BREAKDOWN - Continued	06/30/10	06/30/09
E. SERVICE-CHARGE EXPENSE		
Commissions	38,028	23,895
Other (Note 16)	<u>49,594</u>	<u>40,097</u>
	87,622	63,992
F. ADMINISTRATIVE EXPENSES		
Personnel expenses	247,766	186,708
Directors' and statutory auditors' fees	5,241	4,011
Other professional fees	11,325	10,500
Advertising	13,844	11,090
Taxes	21,366	16,350
Depreciation of bank premises and equipment	6,749	7,024
Other operating expenses	73,300	79,027
Other	<u>15,862</u>	<u>12,114</u>
	395,453	326,824
NET INCOME (LOSS) FROM FINANCIAL INTERMEDIATION	261,465	358,425
G. MISCELLANEOUS INCOME		
Income from long-term investments	5,458	2,845
Punitive interest	961	1,189
Receivables recovered and allowances reversed	6,102	10,479
Other (Note 16)	<u>18,255</u>	<u>7,958</u>
	30,776	22,471
H. MISCELLANEOUS EXPENSE		
Punitive interest and charges payable to the BCRA (Central Bank of Argentina)	43	13
Charge for uncollectibility of miscellaneous receivables, and other allowances	4,096	20,818
Losses and depreciation of miscellaneous assets	1,032	766
Other (Note 16)	<u>11,521</u>	<u>6,661</u>
	16,692	28,258
NET INCOME BEFORE INCOME TAX	275,549	352,638
I. INCOME TAX (Note 1.4.s)	91,850	170,728
NET INCOME FOR THE PERIOD	183,699	181,910

The accompanying notes 1 through 24, exhibits A through L, N and O, and Schedule I are an integral part of these financial statements.

Marcelo A. Iadarola
Accounting Manager

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BANCO PATAGONIA S.A.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the six-month periods ended
06/30/10 and 06/30/09

(Figures stated in thousands of Argentine pesos)

Changes	Capital stock (1)	Non-capitalized contributions Additional paid-in capital (1)	Appropriated retained earnings Legal reserve	Unappropriated retained earnings (3)	Total as of 06/30/10	Total as of 06/30/09
Balance at beginning of year, restated	748,156	217,191	240,327	648,327	1,854,001	1,556,110
Distribution of unappropriated retained earnings, as approved by the Regular Shareholders' Meeting held on 26/04/10						
- Legal reserve	-	-	89,765	(89,765)	-	-
- Cash dividends	-	-	-	(224,413)	(224,413)	(133,373)
Repurchase of treasury stock (2)	-	-	-	-	-	(14,885)
Net income for the period	-	-	-	183,699	183,699	181,910
Balance at end of period	748,156	217,191	330,092	517,848	1,813,287	1,589,762

(1) See note 3.1. and 3.3.

(2) See note 3.2 and Exhibit K.

(3) See note 19.

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Accounting Manager

Rubén M. Iparraguirre
General Assistant Manager
Administration and Finance Area

Jorge G. Stuart Milne
Chairman

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BANCO PATAGONIA S.A.**STATEMENTS OF CASH FLOWS
For the six-month periods ended
06/30/10 and 06/30/09**

(Figures stated in thousands of Argentine pesos)

<u>Changes in cash and cash equivalents</u>	06/30/10	06/30/09
Cash at beginning of year	1,510,076	1,431,029
Cash at end of period	1,840,456	1,218,104
Net increase / (Net decrease) in cash	330,380	(212,925)
<u>Causes of changes in cash</u>		
<u>Operating activities</u>		
Net collections / (payments) for:		
Government and private securities	938,754	(106,208)
Loans	(335,237)	398,719
To the financial sector	133,678	106,115
To the nonfinancial government sector	(63,244)	19,840
To the nonfinancial private sector and foreign residents	(405,671)	272,764
Other receivables from financial intermediation	(264,606)	(79,033)
Assets under financial lease	(972)	50,413
Deposits	561,528	(16,782)
To the financial sector	509	(10,139)
To the nonfinancial government sector	329,616	3,385
To the nonfinancial private sector and foreign residents	231,403	(10,028)
Other liabilities from financial intermediation	174,669	(4,394)
Financial sector or interbank loans (call options received)	3,534	(1,413)
Other (except for the obligations included under financing activities)	171,135	(2,981)
Collections related to service-charge income	285,682	225,498
Payments related to service-charge expense	(85,247)	(65,833)
Administrative expenses paid	(388,199)	(388,076)
Net collections for punitive interest	918	1,176
Collection of dividends from other companies	3,167	707
Other payments related to miscellaneous income (expense)	(15,940)	(10,692)
Net payments for other operating activities	(104,986)	(8,743)
Income tax paid	(267,184)	(48,349)
<u>Net cash flow provided by / (used in) operating activities</u>	502,347	(51,597)

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BANCO PATAGONIA S.A.**STATEMENTS OF CASH FLOWS
For the six-month periods ended
06/30/10 and 06/30/09**

(Figures stated in thousands of Argentine pesos)

	06/30/10	06/30/09
<u>Investing activities</u>		
Net Collections / (Payments) for bank premises and equipment	766	(7,335)
Net payments for miscellaneous assets	(13,127)	(78,686)
Collections for sales / (Payments for the acquisition) of investments in other companies	3	(4)
<u>Net cash flow used in investing activities</u>	(12,358)	(86,025)
<u>Financing activities</u>		
Banks and international organizations collections / (payments)	579	(140,418)
Subordinated corporate bonds payments	(895)	(3,662)
Dividends payments (1)	(224,413)	-
Other payments for financing activities – Repurchase of treasury stock (2)	-	(14,885)
<u>Net cash flow used in financing activities</u>	(224,729)	(158,965)
Financial income (expense) and holding gains (losses) from cash and cash equivalents (including interest and monetary gain (loss))	65,120	83,662
Net increase / (Net decrease) in cash	330,380	(212,925)

(1) See note 19.

(2) See note 3.2 and Exhibit K.

The accompanying notes 1 through 24, exhibits A through L, N and O, and Schedule I are an integral part of these financial statements.

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BANCO PATAGONIA S.A.

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**

(Figures stated in thousands of Argentine pesos)

NOTE 1: Significant accounting policies

These financial statements were prepared in conformity with the accounting standards established by the BCRA (Central Bank of Argentina) and arise from the Bank's books of account kept in accordance with effective legal requirements and regulations.

1.1 Comparative information

Under BCRA (Central Bank of Argentina) standards, the balance sheet as of June 30, 2010, and certain exhibits that specify so are presented comparatively with the amounts as of the prior year, while the statement of income, statement of changes in shareholders' equity and statement of cash flows for the six-month period ended June 30, 2010, are presented comparatively with those for the same period of the prior fiscal year.

1.2 Figures stated in thousands of Argentine pesos

The amounts disclosed in these financial statements are stated in thousands of Argentine pesos as required by BCRA standard "CONAU 1 -111" (Communiqué "A" 3,359).

1.3 Restatement in constant pesos

BCRA and professional accounting standards establish that the financial statements should be stated in constant pesos, In a monetary stability context, the face and constant value of Argentine pesos is the same, but, in an inflationary or deflationary context, the financial statements should be stated in pesos reflecting the purchasing power as of their closing date by recognizing the changes in the domestic WPI published by the INDEC (Argentine Institute of Statistics and Censuses), in accordance with the restatement method set by FACPCE (Argentine Federation of Professional Council in Economic Sciences) Technical Resolution No. 6.

The Bank's financial statements recognize the changes in the currency purchasing power through February 28, 2003, as required by Presidential Decree No, 664/2003, CNV (Argentine Securities Commission) General Resolution No, 441 and BCRA Communiqué "A" 3.921.

Professional accounting standards provide for discontinuing the application of the restatement method set forth in FACPCE Technical Resolution No, 6 as from October 1, 2003. The effects of failing to recognize the changes in the currency purchasing power through such date were not material as to these financial statements taken as whole.

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BANCO PATAGONIA S.A.

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**

(Figures stated in thousands of Argentine pesos)

1.4 Main valuation and disclosure methods

The main valuation and disclosure methods followed in the preparation of the financial statements as of June 30, 2010, and comparative figures (see note 1.1) are:

a) Assets and liabilities in foreign currency

Assets and liabilities denominated in US dollars have been valued at the benchmark foreign exchange rate set by the BCRA for the US dollar at the closing of operations of the last business day of each period or fiscal year, as applicable, In addition, assets and liabilities denominated in other foreign currencies were converted at the exchange rates published by the BCRA, Foreign exchange differences were charged to the statement of income for each period.

b) Government and private securities

1. Holdings in investment accounts

As of December 31, 2009, and as stated in BCRA Communiqué "A" 4,861, the Bank had given holdings in "Special investment accounts", valued at their cost of addition increased by the accrual of the internal rate of return (IIR) as from the date of addition of this classification.

As of December 31, 2009, such method was used to value Argentine Government Bonds in US dollars, Libor 2012 (Boden) for a face value of USD 190,398,900, the market value of which totaled 250,074, which exceeded its book value by 35,664.

BCRA Communiqué "A" 5,024 dated December 22, 2009, set forth that as of December 31, 2009, the position of Argentine government securities and BCRA monetary regularization instruments allocated to the abovementioned "Special investment accounts" system should be reversed booking at least 25% of it at market value as of each calendar quarter in 2010 and, therefore, by December 31, 2010, this system should have been fully phased out.

During the three-months period ended as of March 31, 2010, and considering the Bank's financial position, the new conditions in place in the market as well as the instructions of the abovementioned communiqué, the Bank began reversing all of the holdings booked under "Special investment accounts", booking it at market value under "Holdings for trading or intermediation transactions", therefore, as of June 30, 2010, the Bank does not record amount in this account.

2. Holdings for trading or intermediation transactions

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BANCO PATAGONIA S.A.

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**

(Figures stated in thousands of Argentine pesos)

These government securities are valued at the listed price prevailing as of each period-end or year-end on the MVBA (Buenos Aires securities market) or MAE (electronic over-the-counter market), as the case may be, Listed-price differences were charged to the statement of income for each period.

3. Unlisted government securities

As of June 30, 2010, and December 31, 2009, unlisted government shares were valued as set forth in BCRA Communiqué "A" 4.898, which states that they should be booked at the present value published by the BCRA or at the book value as of January 31, 2009, net of financial services collected after that date and of the related offset account, as described below (book value), whichever higher.

When the present value of these holdings is lower than their book value, the accrual of interest, and as the case may be, the adjustment from application of the CER (benchmark stabilization coefficient) shall be allocated to an offset account until the book value is equal to the present value, and such offset account will be reversed against a statement-of-income account as long as its amount exceeds the positive difference between the present value and the book value of those holdings, The present values published by the BCRA arise from the return curves of the securities related to the same type of instrument, with normal and regular quoted prices and of a similar duration, in conformity with the methodology disclosed by such Institution.

4. Instruments issued by the BCRA

LEBAC (BCRA bills) and NOBAC (BCRA notes) listed government shares: These government securities are valued at the listed price prevailing as of each period-end or year-end on the MVBA (Buenos Aires securities market) or MAE (electronic over-the-counter market), as the case may be, Listed-price differences were charged to the statement of income for each period.

Unlisted LEBAC and NOBAC: They were valued at cost increased exponentially applying the internal rate of return as of period or year end, as the case may be, The related accrual was allocated to income for each period.

c) Credit assistance to the government sector

PGN (loans granted to the Argentine Government and secured by bonds) - Presidential Decree No, 1,387/01:

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BANCO PATAGONIA S.A.

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**

(Figures stated in thousands of Argentine pesos)

As of June 30, 2010, and December 31, 2009, the PGN issued by the Argentine Government under Presidential Decree No, 1,387/2001 were valued as set forth in BCRA Communiqué "A" 4,898, which states that they should be booked at the present value published by the BCRA or at the book value as of January 31, 2009, net of financial services collected after that date and of the related offset account, as described below (book value), whichever higher.

When the present value of these holdings is lower than their book value, the accrual of interest and, as the case may be, the adjustment from application of the CER shall be allocated to an offset account until the book value is equal to the present value, This offset account will be reversed against a statement-of-income account as long as its amount exceeds the positive difference between the present value and the book value of those holdings, The present values published by the BCRA arise from the return curves of the securities related to the same type of instrument, with normal and regular quoted prices and of a similar duration, in conformity with the methodology disclosed by such Institution.

As of June 30, 2010, and December 31, 2009, such assistance was booked under the "Loans - To the nonfinancial government sector" account in the amount of 519 and 1,023, respectively, and as of december 31,2009 under the "Miscellaneous receivables" account in the amount of 961 (See note 4).

d) Interest accrual

Interest has been accrued for on the basis of compounding, except in the cases of foreign-trade transactions, savings-account balances and authorized overdraft balance, which have been accrued for by the simple interest method.

The Bank decided directly to interrupt the accrual of interest whenever the collection of principal granted or the payments of loans were in default (generally, with delays over 90 days) and the recoverability of the principal loaned and of accrued interest was uncertain, Interest accrued until the interruption is deemed part of the payable upon determining the amount of loan provisions, Subsequently, interest is only recognized based on collection, once the receivable for previously accrued interest has been settled.

e) Accrual of the adjustment by CER

As of June 30, 2010, and December 31, 2009, certain receivables and payables were adjusted by CER as follows:

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**NOTES TO THE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**
(Figures stated in thousands of Argentine pesos)

1. Secured loans certificates

They have been adjusted pursuant to Resolution 50/2002 of the Ministry of Economy, which provided that the payment of principal and interest of these loans should be adjusted by CER of 10 (ten) business days prior to the related service maturity date, and that the residual principal should be adjusted through the last day of the period, (See note 1.4.c.)

2. Other loans and other assets:

They have been adjusted pursuant to BCRA Comunicado "A" 3,507, as supplemented, which provided that, until December 31, 2002, payments should be made under the original terms and conditions of each transaction, and that they should be allocated as payments on account, whereas principal was adjusted as from February 3, 2002, by the CER of December 31, 2002, deducting the abovementioned payments on account since payment date, except for those subject to Law No, 25,713, which excludes from CER application certain lines of mortgage, collateral, and personal loans.

3. Deposits

They were adjusted by CER as from the date of each deposit through period-or year-end, as the case may be.

f) Accrual of the adjustment by CVS

Under BCRA Comunicado "A" 4,103, the loans specified therein were adjusted through March 31, 2004, applying the CVS (salaries variation coefficient) instead of being adjusted by CER.

g) Loans and deposits of government securities

They were valued according to the effective listed prices for each security as of the period or year-end, as the case may be, plus the related accrued interest, Listed-price differences were charged to the statement of income for each period.

h) Allowance for loan losses, provision for contingent commitments and provision for other contingencies

1. Allowance for loan losses and provision for contingent commitments

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BANCO PATAGONIA S.A.

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**

(Figures stated in thousands of Argentine pesos)

The allowance for loan loss reserve was booked based on the estimated uncollectibility risk of the Bank's credit assistance, which results from assessing the compliance from borrowers and the guarantees supporting the related transactions in conformity with BCRA Comunicqué "A" 2,950, as supplemented.

2. Provision for other contingencies:

Covers the amounts estimated by the Bank necessary to bear likely contingencies that, if verified, will result in a loss for the Bank.

i) Other receivables from financial intermediation

1. Receivables and payables for repo transactions, forward and spot transactions pending settlement

They were valued at the prices agreed upon for each transaction taking into account the premiums accrued as of each period- or year-end, as the case may be, These premiums were charged to income for each period.

2. Securities and foreign currency receivable or payable from spot or forward purchases or sales pending settlement

a. Listed: They were valued at the effective price listed for each security and foreign currency on MVBA (Buenos Aires securities market) or MAE (electronic over-the-counter market) as of period- or year-end, as the case may be, Listed-price differences were charged to the statement of income for each period.

b. Unlisted: They were valued at cost increased exponentially applying the internal rate of return as of period or year end, as the case may be, The related accrual was allocated to income for each period.

3. Unlisted corporate bonds

They were valued at cost increased exponentially applying the internal rate of return.

4. Other not covered by Debtor Classification Standards – Financial Trusts

They were valued at cost adjusted by CER, where applicable, and increased exponentially applying the internal rate of return.

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BANCO PATAGONIA S.A.

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**

(Figures stated in thousands of Argentine pesos)

j) Assets under financial lease

These assets were valued at the present value of unaccrued amounts, calculated based on the terms and conditions agreed upon in the related contracts, net of the allowance for uncollectibility risk.

k) Investments in other companies

As of June 30, 2010, and December 31, 2009, the equity interests in other companies were valued as follows:

1. Subsidiaries: Banco Patagonia (Uruguay) S.A. I.F.E., at equity value as of each period- or year-end, as the case may be, translated into pesos using the method described in note 1.4.a. Patagonia Valores S.A. Sociedad de Bolsa and Patagonia Inversora S.A. Sociedad Gerente de Fondos Comunes de Inversión: et equity value as of each period- or year-end, as the case may be.
2. Other companies: At cost restated applying the process described in note 1.3. or by the equity method, whichever lower, considering each company's latest available financial statements.

l) Bank premises and equipment, and miscellaneous assets

These assets were booked at cost, restated following the procedure described in note 1.3. In addition, the Bank has booked an allowance for impairment in value of real property to adjust the value of such assets to their market value.

Depreciation was calculated based on the months of useful life, The assets were fully depreciated in the month of addition, but were not depreciated in the month of retirement.

The residual value of bank premises and equipment, and other, taken as a whole, does not exceed the recoverable value of such assets.

m) Other miscellaneous assets

These assets were booked at cost, restated following the procedure described in note 1.3.

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**NOTES TO THE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**

(Figures stated in thousands of Argentine pesos)

Depreciation, when appropriate, was calculated based on the months of useful life. The assets were fully depreciated in the month of addition, but were not depreciated in the month of retirement.

The residual value of these assets, taken as a whole, does not exceed their recoverable value.

n) Intangible assets

1. The account "Differences from court resolutions - Not deductible from computable equity - Original value" reflects the difference between the amount in original foreign currency converted at the exchange rate applied for the return of deposits under *recursos de amparo* (constitutional rights protection actions) and the amount booked according to the regulations effective as of the payment date (switching into pesos at the ARS 1,40-to-USD 1 exchange rate or the equivalent in other foreign currencies, plus the CER application).

As of June 30, 2010, and December 31, 2009, the amount booked is 234,226 and according to the criterion adopted by the Bank, it was amortized in full and charged to income through the year ended December 31, 2007.

Additionally, the Bank estimated an additional amount between its update according to the rulings mentioned in note 1.4.u and its book value, allocating it directly to income for the cases which are not resolved.

2. In the account "Differences from court deposits dollarization - deductible from computable equity - Original value", as required by BCRA Communiqué "A" 4,686, dated July 4, 2007, the difference between the equivalent value in pesos, considering the court deposits in the currency in which they were made and the book value of such deposits made in foreign currency which, as of January 5, 2002, fell under the scope of Law 25,561 and Presidential Decree No. 214/02.

As of June 30, 2010, and December 31, 2009, the amount booked is 1,725 and according to the criterion adopted by the Bank, it was amortized in full and charged to income. (See note 1.4.u.)

o) Items pending allocation

This account comprises the items that, due to administrative organization reasons or the special nature of the relationship with third parties, were not directly allocated to the related accounts.

p) Shareholders' equity

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BANCO PATAGONIA S.A.

**NOTES TO THE FINANCIAL STATEMENTS FOR
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(Figures stated in thousands of Argentine pesos)

Capital stock remained at its original value.

q) Memorandum accounts - Derivatives

1. Forward transactions without delivery of underlying asset: They were valued according to the effective price listed for the underlying asset on the MAE as of each period- or year-end, as the case may be, Listed-price differences were charged to the statement of income for each period.

2. Interest rate swap transactions: They were valued at the notional value on which the Bank agrees to pay or charge a fixed interest rate and charge or pay a floating interest rate, The difference between such rates was charged to the statement of income for each period.

3. Put options sold on BODEN 2012 and 2012 coupons: they were booked at the swap value of the bonds plus interest and CER accrued as of each period or year-end as the case may be.

r) Statement of income

The accounts comprising monetary transactions occurred in each period (financial income (expense), service-charge income (expense), loan loss provision, administrative expenses, etc,) were computed at their historical amounts on a monthly accrual basis.

The accounts reflecting the impact on income (loss) from the sale, retirement or consumption of nonmonetary assets were computed based on the values of those assets.

Income (loss) from interests in subsidiaries was computed based on the income (loss) of those companies.

s) Income tax and minimum presumed income tax

The Bank calculates income tax by applying the effective 35% rate to taxable income for each period or year, as the case may be, without considering the effect of temporary differences between book and taxable income.

Additionally, it assesses minimum presumed income tax, which was established by Law No, 25,063 for a ten-year term for fiscal years ended as from December 31, 1998, At present, after successive extensions, such tax is effective through December 31, 2019, This tax is supplementary to income tax because, while the latter is levied on taxable income for the year,

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minimum presumed income tax is a minimum levy determined by applying the current 1% rate on the potential income of certain productive assets, Therefore, the Bank's tax obligation will be equal to the higher of the two taxes, In the case of institutions governed by Financial Institutions Law, the abovementioned law sets forth that they shall consider as taxable income 20% of their taxable assets, previously deducting those assets defined as non-computable, However, should minimum presumed income tax exceed income tax in a given year, such excess may be computed as a payment on account of any income tax in excess of minimum presumed income tax that may occur in any of the following ten years, once the accumulated NOLs have been used up.

As of June 30, 2010 and 2009, the Bank assessed income tax based on taxable income of 91,850 and 170,728, respectively, which is recorded under "Miscellaneous liabilities" and was charged to income for each period or year, under "Income tax", Such amounts were higher than the amounts related to minimum presumed income tax for each period.

t) Severance pay

The Bank allocates severance pay directly to expenses.

u) Legal actions

As a result of the measures taken by the Argentine Government in connection with the de-dollarization of deposits originally denominated in US dollars, and the rescheduling of bank deposits from early 2002, a significant number of legal actions were brought by individuals and companies against financial institutions, including this bank, on grounds that these measures breached constitutional rights, among others.

These constitutional rights protection actions resulted in a significant withdrawal of deposits from those entities because they should be reimbursed rescheduled deposits (mostly, deposits in US dollars before the de-dollarization) at the freely-floating exchange rate instead of the amount booked according to the regulations effective as of the payment date (switch into Argentine pesos at the ARS 1,40-to-USD 1 exchange rate or the equivalent in other foreign currencies, plus the CER application), at which deposits were de-dollarized and recorded.

As mentioned in note 2.4.n.1., the Bank records in the "Differences from court resolutions - Not deductible from computable equity - Original value" account, the difference between the amount in original foreign currency converted at the exchange rate applied for the return of deposits under constitutional rights protection actions and the amount booked according to the regulations effective as of the payment date.

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Applying the criterion defined by the Bank in this connection, the abovementioned amounts have been fully written off and charged to income.

Also, during 2006, and 2007, the Argentine Supreme Court entered different judgments ordering and/or clarifying both the calculation method and the computation of advance payments with respect to the deposits involved.

Finally, in Communiqué "A" 4,686 dated July 4, 2007, consistent with what was mentioned above, the BCRA established that the court deposits should be considered at the value at which they were made in the original currency converted into Argentine pesos as of each period or year end, For this calculation, the partial payments made shall be considered as having been paid in foreign currency, Furthermore, the BCRA set forth that the financial institutions shall be able to capitalize the difference resulting from such calculation and book value of the deposit, (See note 1.4.n.2.).

1.5 Use of accounting estimates

In preparing the financial statements, in certain cases the Bank is required to make estimates to determine the book values of assets and liabilities as well as their disclosure, as of each date on which the accounting information is presented.

Bank bookings are based on the best estimate regarding the probability of occurrence of different future events and, therefore, the final amount may differ from such estimates, which may have a positive or negative impact on future periods.

NOTE 2: Main differences between BCRA standards and professional accounting standards effective in Argentina

Through Resolution C.D, No, 93/2005, the CPCECABA (Professional Council in Economic Sciences of Buenos Aires City) adopted the technical resolutions and interpretations issued by FACPE's governing board through April 1, 2005, Subsequently, the CPCECABA approved Technical Resolutions No, 23 through 27 with Resolutions 42/2006, 34 and 85/2008 and 25 and 52/2009, respectively, Accordingly, technical resolutions No, 26 and 27 will be effective for annual or interim financial statements for the years started as from January 1, 2011.

These professional standards differ in certain valuation and disclosure aspects from BCRA accounting standards, The differences between such standards identified by the Bank and considered material to these financial statements are further described below:

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Valuation standards

a) Deferred income tax

The Bank assesses income tax by applying the effective rate to estimated taxable income for each period or year, as the case may be, without considering the effect of temporary differences between book and taxable income. In accordance with professional accounting standards, income tax should be booked by the deferred tax method, which consists in recognizing (as receivable or payable) the tax effect of temporary differences between the book and tax valuation of assets and liabilities, and in subsequently charging them to income for the period or year, as the case may be, in which such differences are reversed, having duly considered the likelihood of using such NOLs in the future, if applicable. If the deferred tax method had been applied, as of June 30, 2010, and December 31, 2009, an additional asset of 54,326 and 60,369, respectively, should have been booked.

In addition, the income tax charge for the six-month period ended June 30, 2010, would have increased by 5,743.

b) Unlisted instruments issued by the BCRA

As of June 30, 2010, and December 31, 2009, the Bank has a total of 809,238 and 1,327,154, respectively, booked under "Government securities – Instruments issued by the BCRA", and a total of 9,526 and 64,462, respectively, booked under "Other receivables from financial intermediation - BCRA" related to unlisted BCRA bills and notes. According to professional accounting standards, these assets should be valued at current value. Under this valuation method, assets as of June 30, 2010, and December 31, 2009, would have increased by 2,587 and 1,429, respectively, and income for the six-month period ended June 30, 2010, would have increased by 1,158.

c) Derivative financial instruments

As explained in note 1(4)q(2), as of June 30, 2010, and December 31, 2009, the Bank booked the effects of the interest rate swap transactions (interest rate swap) in accordance with the standards set forth by the BCRA.

According to professional accounting standards, these types of unlisted derivative financial instruments should be valued using their net realizable value, which in this case may be estimated by applying mathematical models reflecting the way in which the interested parties of

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these agreements set their prices and including reliable data in those models, This results in a fair value estimate applicable to the rights granted or obligations imposed by a swap.

As of June 30, 2010, and December 31, 2009, the Bank estimated the fair value of these agreements to be around (222) and (1,126), respectively, These amounts represent the present value of the differences between future cash flows of interest calculated by applying fixed interest rates and by the (estimated) variables on the agreements' notational values, The valuation model used considers cases of future behavior by the (variable) BADLAR interest rates applicable to the respective agreements, The limitations of the valuation models and possible inaccuracies in the assumptions used may give rise to the estimated fair value of a financial instrument failing to exactly match the price at which it could be purchased or sold on the valuation date. In according with this valuation, the income for the six-month period ended June 30, 2010 would have increase by 904.

If professional accounting standards had been applied, the Bank's shareholders' equity as of June 30, 2010, and as of December 31, 2009, would have increased by 56,991 and 60,672, respectively, Additionally, income for the six-month period ended June 30, 2010 would have decrease by around 3,681.

NOTE 3: Capital stock

1. Capital structure

On July 20, 2007, under a capital increase approved by the Regular and Special General Shareholders' Meeting of Banco Patagonia S.A., held on April 24, 2007, the shares of the Bank began to be traded on the BCBA (Buenos Aires stock exchange) and on the BOVESPA (Sao Paulo stock exchange) as Certificates of Deposit in Brazil (BDRs), The CNV authorized Caja de Valores S.A. to handle the Bank's Registry of Shares through Regulation No, 1,373.

Furthermore, on July 23, 2007, the Board of Directors of Banco Patagonia S.A. decided to approve the amount subscribed for the Class "B" shares issuance of face value ARS 75,000,000 shares in order to register the capital stock increase with the Buenos Aires City Public Registry of Commerce.

The Bank's capital stock is made up of 748,155,678 shares, comprising 22,768,818 Class "A" shares and 725,386,860 Class "B" shares, all of them book-entry shares with a face value of ARS 1 each and entitled to one vote per share.

Finally, on August 14, 2007, such capital increase was registered with the Public Registry of Commerce of the City of Buenos Aires, under No, 13,424, Stock Corporations Book 36.

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

2. Treasury stock acquisition plan

As a result of the current international macroeconomic conditions and of the volatility which the capital market has been experiencing, the prices of local shares as well of the Bank's shares have been negatively affected. In this regard, considering the Bank's strong financial position and in line with its commitment towards its shareholders, on July 31, 2008, the Bank's Board of Directors decided to implement a plan for the repurchase of treasury stock on the Argentine market, under section 68, Law 17,811 (added by Presidential Decree 677/01) and CNV regulations, up to 95,500, with a limit of 50,000,000 Class "B" book-entry shares of common stock, entitling the holder to one vote per share and each of face value ARS 1. The price payable for the shares should range from ARS 1,72 to ARS 1,91 per share and the term to carry out these acquisitions was 90 days running as from August 1, 2008.

After successive extensions, changes to the maximum price and elimination of the minimum price, on December 9, 2009, the Bank's Board of Directors established the cancellation of the treasury stock acquisition program because as from September 4, 2009, the share started to be listed above ARS 2,20, the maximum price authorized to make repurchases. Therefore, the reasons that gave rise to the program implementation no longer existed.

Under the abovementioned acquisition program, total shares repurchased by the Bank involved a face value of ARS 28,890,941 shares of common stock amounting to 39,726.

According to the provisions of Chapter XXIII,11,13 of CNV regulations, the accounting treatment given to treasury stock acquisitions was as follows:

- a) The acquisition cost for those shares was debited to "Unappropriated retained earnings – Prior-year retained earnings".
- b) The "Capital stock – Shares issued and outstanding" account is debited for the face value of the shares acquired and the "Capital stock - Treasury stock issued" account is credited.

The deadline for the divestiture of the acquired shares, as set forth in Chapter XXIII,11,14 of CNV regulations, is three years as from their acquisition date, except for any extension to be decided by the Shareholders' Meeting.

3. Reduction of capital stock

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On March 9, 2010, the Bank's Board of Directors approved the proposal for a capital stock reduction by 28,891 through the settlement of 28,890,941 book-entry class "B" shares of common stock with a face value of ARS 1 and entitled to one vote each, in portfolio for the acquisitions made under the Treasury stock acquisition program mentioned in the point above.

On April 23, 2010, the BCBA authorized the abovementioned capital stock reduction and as of July 19, was approved by the Bank's Special Shareholders' Meeting.

Accordingly, as of July 19, 2010 the Bank's capital stock was made up of 719,264,737 shares, comprising 22,768,818 Class "A" shares and 696,495,919 Class "B" shares, all of them book-entry shares with a face value of ARS 1.00 each and entitling the holders to one vote per share.

NOTE 4: Restricted assets

1. Other receivables from financial intermediation:

a) Special guarantee accounts opened with the BCRA for the transactions related to electronic clearing houses and other similar ones, booked as of June 30, 2010, and December 31, 2009, in the amount of 169,163, and 157,873, respectively.

b) Government securities under guarantee of offset forward transactions (OCT MAE):

As of June 30, 2010, BCRA internal bills – Maturity: 10/06/10 for a face value of 9,850,000 valued at 9,526 and as of December 31, 2009, BCRA internal bills – Maturity: 06/02/10 in the amount of face value 68,210,000 valued at 64,462.

c) Guarantees for repurchase agreement transactions related to government securities performed on MAE and booked as of June 30, 2010, for 24,176.

2. Miscellaneous receivables: as of June 30, 2010, and December 31, 2009, the Bank held:

a) Government securities securing the IABD loan of the Global Credit Program for micro, small- and medium-sized enterprises:

Boden 2012 for a face value of USD 36,000,000 booked for 48,975 and 40,540, respectively, As of December 31, 2009, PGN at PRO1 fixed rate in pesos for a face value of 20,000,000 booked in the amount of 961.

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- b) Security deposits in favor of credit card managing companies booked in de amount of 26,748 and 22,590, respectively.
- c) Deposits made to guarantee certain lawsuits booked in de amount of 955 and 2,247, respectively.
- d) Other security deposits for 1,028 and 997, respectively.

NOTE 5: Allowances

Below are the amounts estimated by the Bank to meet contingencies of likely occurrence:

Item	06/30/10	12/31/09
Labor and legal contingencies	57,395	60,935
Difference from court deposits dollarization Communiqué "A" 4,686	1,467	1,485
Contingencies under constitutional rights protection actions (see note 1.4.u)	1,114	1,429
Contingent commitments	269	242
TOTAL	60,245	64,091

NOTE 6: Contribution to the ISSB (Banking Health Services Institute)

The contribution provided in section 17 (f), Law No, 19,322 - originally 2% on income and commissions charged by banks - was reduced to 1% from July 1, 1996, through July 1, 1997; as from which date, the abovementioned contribution was abrogated (Presidential Decrees Nos, 263, dated March 20, 1996, and 915, dated August 7, 1996).

The Argentine Bank Employees' Association (ABA) filed a constitutional rights protection action seeking that the abovementioned decrees be declared unconstitutional, The Federal Administrative-Contentious Court of Appeals ruled in favor of the constitutional protection action, reversing the original decision, and declared both decrees illegal.

Subsequently, on November 4, 1997, the Federal Supreme Court of Justice declared the extraordinary appeal brought against the Federal Administrative Contentious Court of Appeals ruling by the Executive Branch to be inadmissible on formal grounds (the Supreme Court did not rule on the substance of the matter), After the abovementioned resolutions, different judicial and out-of-court proceedings were brought by the OSBA (Argentine Bank Employees' Health Care Organization) to

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return the contributions, This situation affected the financial system as a whole, which led to the related answers from financial institutions.

Notwithstanding the situation described above, the Bank entered into out-of-court agreements with OSBA on behalf of Banco Patagonia Sudameris S.A. (currently Banco Patagonia S.A.) on November 24, 2003, and on behalf of former Lloyds TSB Bank plc, on January 3, 2005, with the dual objective of minimizing any contingency that might arise from the abovementioned claims and obtaining significant improvements in the quality of the services received by the Bank's employees enrolled in such health care organization.

NOTE 7: Restriction on distribution of earnings

BCRA Comunicqué "A" 4,152 dated June 2, 2004, lifted the suspension of distribution of earnings established by Comunicqué "A" 5,072, requiring the previous authorization from the Foreign Exchange and Financial Institutions Regulatory Agency for such distribution subject to the requirements established in the abovementioned comunicqué. Additionally, through Comunicqué "A" 4,589, the BCRA set new requirements to distribute earnings.

As described in note 23, the Regular General Shareholders' Meeting held on April 26, 2010, related to the year ended December 31, 2009, approved the distribution of earnings which includes the payment of cash dividends in the amount of 224,413, which are authorized from the BCRA, as of May 28, 2010. In accordance with the above, the dividends were placed at the shareholders' disposal and payed on June 11, 2010 (see note 19).

NOTE 8: Transactions with companies under section No. 33, Law No. 19,550 (subsidiaries and affiliates)

The following table shows the Bank's receivables from / payables to subsidiaries and affiliates as of June 30, 2010, and December 31, 2009:

	<u>06/30/10</u>	<u>12/31/09</u>
Patagonia Valores S.A. Sociedad de Bolsa		
Miscellaneous receivables – Sundry receivables	41	35
Deposits - Checking accounts	361	312
Deposits – Special checking account	308	1,518
Memorandum accounts – Items in custody	137,075	119,645

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	<u>06/30/10</u>	<u>12/31/09</u>
Patagonia Inversora S.A. Sociedad Gerente de F.C.I.		
Miscellaneous receivables – Sundry receivables	265	71
Deposits - Checking accounts	116	20
Deposits – Special checking account	1	660
Memorandum accounts – Items in custody	2,790	3,122
Banco Patagonia (Uruguay) S.A. I.F.E.		
Other receivables from financial intermediation – Receivables from spot sales of government securities pending settlement	1,011	109
Deposits - Checking accounts	1	-
Other liabilities from financial intermediation – Spot sales of government securities pending settlement	1,011	109
Memorandum accounts – Items in custody	111,989	188,445
Memorandum accounts – Guarantees received	36,184	30,271

The table below shows the income (loss) as of June 30, 2010, and 2009, from transactions with subsidiaries with which the Bank consolidates its financial statements as required by BCRA Communiqué “A” 2,227:

	<u>06/30/10</u>	<u>06/30/09</u>
Patagonia Valores S.A. Sociedad de Bolsa		
Interest on deposits	6	10
Fees and commissions earned	221	173
Fees and commissions paid	30	17
Patagonia Inversora S.A. Sociedad Gerente de F.C.I.		
Interest on deposits	3	14
Fees and commissions earned	492	349
Banco Patagonia (Uruguay) S.A. I.F.E.		
Fees and commissions earned	2	2

The Bank’s interest in subsidiaries is disclosed in note 1 to the consolidated financial statements with subsidiaries (see note 20).

NOTE 9: Deposit Guarantee Insurance System

Law No. 24,485 and Presidential Decree No, 540/95 created a limited and mandatory Deposit Guarantee Insurance System for valuable consideration designed to provide coverage for risks inherent in bank deposits, as a subsidiary and supplementary protection to the one offered by the system of bank deposit privileges and protection created by the Financial Institutions Law.

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Administration and Finance Area

Jorge G. Stuart Milne
Chairman

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BANCO PATAGONIA S.A.**NOTES TO THE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**

(Figures stated in thousands of Argentine pesos)

Such law created Seguros de Depósitos S.A. (SEDESA) for the exclusive purpose of managing the deposit guarantee fund, the shareholders of which, as amended by Presidential Decree No, 1,292/96, shall be the BCRA with at least one share, and the trustees of the trust agreement created by financial institutions in the proportion established by the BCRA based on their contributions to the deposit guarantee fund, Such company was created in August 1995, The Bank's equity interest therein is 3,941% according to the percentages determined by BCRA Comunicu  "B" 9756 dated February 09, 2010.

This system shall cover the deposits in Argentine pesos and foreign currency with the participating institutions as checking accounts, savings accounts, certificates of deposit or any other types determined by the BCRA, as long as fulfilling the requirements under Presidential Decree No, 540/95 and any others established by the enforcement authority.

The system will not include: (a) financial institutions' deposits with other intermediaries, including the certificates of deposit acquired through secondary negotiation; (b) deposits made by persons related, either directly or indirectly, to the bank, according to BCRA current or future regulations; (c) time deposits of securities, acceptances or guarantees; d) deposits made after July 1, 1995, for which the interest rate agreed upon exceeded by two annual percentage points the BCRA deposit rate for equivalent certificates of deposit, effective on the date before the day the deposit was made; the BCRA is empowered to modify the reference rate established in this point; and (e) other deposits that the enforcement authority may exclude in the future.

NOTE 10: Trust activities

The Bank executed a series of agreements with other companies whereby it was appointed trustee of certain financial trusts, The corpus assets of these trusts were mainly loans.

As of June 30, 2010, the Bank managed the following financial trusts subject to public offering:

Financial trust	Trustor	Date of agreement	Assets as of 03/31/2010	Corpus assets	Shareholders' equity
Banco Cetelem I	Banco Cetelem Argentina S.A.	08/14/09	19.206	Personal loans	13.846
Basf I	Basf Argentina S.A.	10/13/09	(**) 136	Credit invoices	-
Banco Piano VI	Banco Piano S.A.	04/10/07	(***) 37	Personal loans	-
Banco Piano VII	Banco Piano S.A.	08/15/07	(***) 243	Personal loans	-
Banco Piano VIII	Banco Piano S.A.	11/01/07	(***) 41	Personal loans	-

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(Figures stated in thousands of Argentine pesos)

Financial trust	Trustor	Date of agreement	Assets as of 03/31/2010	Corpus assets	Shareholders' equity
Banco Piano IX	Banco Piano S.A.	01/24/08	1.053	Personal loans	527
Banco Piano X	Banco Piano S.A.	05/05/08	2.600	Personal loans	5.569
Banco Piano XI	Banco Piano S.A.	11/13/08	8.952	Personal loans	5.569
Banco Piano XII	Banco Piano S.A.	02/19/09	(***) 1.099	Loans arising from the use of credit cards	-
Banco Piano XIII	Banco Piano S.A.	05/28/09	11.140	Loans arising from the use of credit cards	7.209
Banco Piano XIV	Banco Piano S.A.	09/09/09	16.672	Loans arising from the use of credit cards	6.120
Banco Piano XV	Banco Piano S.A.	12/04/09	34.139	Personal loans	6.896
Columbia VII	Banco Columbia S,A	05/12/06	(*) 82	Personal loans	-
Columbia VIII	Banco Columbia S.A.	09/03/07	(**) 700	Personal loans	-
Cetrogar VIII	Cetrogar S.A.	08/21/09	5.331	Loans arising from the use of credit cards	3.452
CMR Falabella XVIII	CMR Falabella	09/11/09	(*) 1.070	Loans arising from the use of credit cards	-
CMR Falabella XIX	CMR Falabella	11/27/09	35.467	Loans arising from the use of credit cards	10.540
CMR Falabella XX	CMR Falabella	01/11/10	67.230	Loans arising from the use of credit cards	15.794
CMR Falabella XXI	CMR Falabella	03/18/10	86.124	Loans arising from the use of credit cards	15.934
Credicuotas IV	Banco Velox S.A.	05/31/01	136	Loans arising from the use of credit cards	7
Cuencred IX	Cooperativa de Crédito Cuenca C,L,	12/01/08	6.244	Loans on vehicles	2.644
Fava XIX	Favacard S.A.	07/17/08	(**) 162	Loans on vehicles	-
Fava XXI	Favacard S.A.	12/02/08	(*) 619	Loans on vehicles	-
Fava XXIV	Favacard S.A.	11/10/09	12.452	Personal loans and mortgage loans on real property	3.549
GMAC I	GMAC Compañía Financiera S.A.	09/05/08	28.782	Personal loans through promissory notes	24.552
GMAC II	GMAC Compañía Financiera S.A.	12/12/08	43.247	Personal loans	27.941
GMAC III	GMAC Compañía Financiera S.A.	02/20/09	39.911	Personal loans	31.234

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THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**
(Figures stated in thousands of Argentine pesos)

Financial trust	Trustor	Date of agreement	Assets as of 03/31/2010	Corpus assets	Shareholders' equity
IRSA I	Inversora Bolívar S.A. and Baldovinos S.A., IRSA Inversiones and Representaciones S.A.	12/17/01	1.132	Consumer loans	756
Lucaioli II	Casa Humberto Lucaioli S.A.	10/15/09	(***) 1.872	Consumer loans	-
Palmares VII	Coop, De Vivienda, Cred, Y Consumo Palmares Ltda, and Asoc. Mutual de Centros Educativos	06/18/09	(**) 413	Consumer loans	-
Ribeiro XXVII	Ribeiro S.A.C.I.F.A. e I.	09/23/08	5.604	Consumer loans	2.139
Ribeiro XXVIII	Ribeiro S.A.C.I.F.A. e I.	11/17/08	6.897	Consumer loans	2.734
Ribeiro XXIX	Ribeiro S.A.C.I.F.A. e I.	01/23/09	6.210	Consumer loans	4.186
Serie Ribeiro XXXI	Ribeiro S.A.C.I.F.A. e I.	06/02/09	5.867	Consumer loans	5.094
Serie Ribeiro XXXII	Ribeiro S.A.C.I.F.A. e I.	09/02/09	11.190	Consumer loans	9.991
Serie Ribeiro XXXIII	Ribeiro S.A.C.I.F.A. e I.	10/05/09	18.767	Consumer loans	12.199
Serie Ribeiro XXXIV	Ribeiro S.A.C.I.F.A. e I.	11/04/09	21.103	Consumer loans	12.158
Serie Ribeiro XXXV	Ribeiro S.A.C.I.F.A. e I.	12/11/09	28.718	Consumer loans	13.551
Serie Ribeiro XXXVI	Ribeiro S.A.C.I.F.A. e I.	01/25/10	42.862	Loans arising from the use of credit cards	14.944
Serie Ribeiro XXXVII	Ribeiro S.A.C.I.F.A. e I.	02/23/10	46.115	Loans arising from the use of credit cards	14.366
Tarjeta Sáenz II	Banco Sáenz S.A	02/25/08	(**) 417	Loans arising from the use of credit cards	-
Tarjeta Sáenz III	Banco Sáenz S.A.	11/26/08	20.065	Loans arising from the use of credit cards	8.515
TOTAL			640.107		

(*) As per liquidation financial statements issued on 02,28,10,
 (**) As per liquidation financial statements issued on 03,31,10,
 (***) As per liquidation financial statements issued on 04,30,10,

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THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**
(Figures stated in thousands of Argentine pesos)

Public financial trusts authorized by the CNV, the financial statements of which are required after June 30, 2010

Financial trust	Trustor	Date of agreement	Corpus assets
Banco Piano XVI	Banco Piano S.A.	03/29/10	Consumer loans
Cetrogar IX	Cetrogar S.A.	03/23/10	Consumer loans
CMR Falabella XXII	CMR Falabella S.A.	06/17/10	Loans arising from the use of credit cards
Lucaioli III	Casa Humberto Lucaioli S.A.	04/09/10	Loans arising from the use of credit cards
Serie Ribeiro XXXVIII	Ribeiro S.A.C.I.F.A. e I.	04/16/10	Consumer loans

Private financial trusts

Financial trust	Trustor	Date of agreement	Corpus assets
Metro	Pedro López e Hijos S.A.	09/10/02	Real property located in Buenos Aires City and the Province of Mendoza
Inmobiliario Balbín 4100	Novecento Emprendimientos S.R.L.	07/02/07	Real property located in the City of Buenos Aires

Financial trusts – in guarantee

Financial trust	Trustor	Date of agreement	Corpus assets
Bogar Class I Series II	Province of Río Negro	06/11/09	Percentage of the daily provincial tax revenues
Bogar Class II Series I	Province of Río Negro	12/26/03	Percentage of the daily provincial tax revenues
Bogar Class II Series II	Province of Río Negro	06/11/09	Percentage of the daily provincial tax revenues

The Bank acts as trustee of the abovementioned trusts, and in no case will it answer for the obligations undertaken in executing these trusts with its own assets; these obligations will only be covered with and up to the combination of corpus assets and the proceeds therefrom. In addition, the trustee shall not encumber corpus assets or dispose of them beyond the limits established in the related trust agreements.

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(Figures stated in thousands of Argentine pesos)

The commissions earned by the Bank for acting as trustee are calculated under the terms of the related agreements.

NOTE 11: Global Corporate Bond Issuance Program

The Bank has in effect a global corporate bond issuance program for a maximum amount outstanding at any time of up to USD 150 million approved by the shareholders' meeting of February 27, 1996, and by the CNV through certificate No. 115 dated June 4, 1996.

Under the referred program, the Bank issued a series of subordinated corporate bonds amounting to USD 80 million, which was approved by the Shareholders' Meeting of June 27, 2000, and by the CNV through certificate No. 271 dated August 15, 2000, and issued on December 27, 2000, maturing in ten years from such date, The effective rate for the nineteenth six-month period for the payment of interest that expired on March 29, 2010, was a nominal rate of 2,8870% p.a., and the nominal rate agreed for the new and last six-month period ending next September 27, 2010, is 2,6375% p.a.

In addition, on September 27, 2009, the Bank settled USD 16 million for the fourth principal repayment installment, the next and last maturity date is September 27, 2010. As of June 30, 2010, the residual principal amounts to USD 16,000.

The Bank's Board of Directors decided that the funds obtained from this placement be added to the Bank's working capital in Argentina, i.e, be included in the Bank's funding structure.

NOTE 12: Derivative financial instruments

As of June 30, 2010, and December 31, 2009, the Bank held the following derivative financial instruments:

- a) Forward - futures transactions: includes forward purchases and sales of foreign currency and the BADLAR rate without delivery of the underlying asset, They are valued at their listed price as of period- or year-end, as the case may be, on Mercado Abierto Electrónico and these transactions are performed by the Bank for the purpose of intermediation for its own account, As of June 30, 2010, and 2009, the Bank booked income (loss) in the amount of (14,183) and 29,656, respectively, resulting from foreign currency transactions, and for BADLAR rate transactions, in the amount of (14) and (52), respectively.

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**NOTES TO THE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**

(Figures stated in thousands of Argentine pesos)

- b) Boden put options: Includes the amount representing contingent obligations assumed by the Bank derived from put options sold on principal and interest coupons of Argentine Government Bonds in US dollars - Boden 2012 and Boden 2013 -, established in Presidential Decree No, 905/02 and 1,836/02, related to customers who requested such option, They are valued at technical value as of period- or year-end, as the case may be.
- c) Reverse repurchase and repurchase agreements – forward contracts: includes the reverse repurchase and repurchase agreements on Argentine government securities pending settlement, These transactions are valued as mentioned in note 1.4.I.1. and 2 and are performed by the Bank for the purpose of intermediation for its own account. As of June 30, 2010, and 2009, the Bank booked income in the amount of 7,503 and 58,477, respectively.
- d) Interest rate swap transactions in Argentine pesos effective as of June 30, 2010:

With the BCRA: Includes an agreement with the right to collect the positive difference between the Badlar interest rate established by the BCRA and a fixed nominal rate of 15% p.a., applied to total notional values of 10,000,000. Should the difference between rates be negative, the Bank will be required to pay such difference. These transactions are governed by BCRA Communiqué A 4776 as supplemented and, as of June 30, 2010, the Bank granted financing facilities in Argentine pesos at fixed rate for an amount equal to the agreement's notional value.

With financial institutions: Includes five agreements with the right to collect on a monthly basis the positive difference between the BADLAR interest rate established by the BCRA and the fixed nominal rate p.a, agreed for each transaction, applied to total notional values of 19,000,000. Should the difference between rates be negative, the Bank will be required to pay such difference.

They are recorded under "Debit balance memorandum accounts – Derivatives – Interest rate swaps" and "Credit balance memorandum accounts - Derivatives - credit-balance contra accounts" and such transactions generated a loss of 1,131 as of June 30, 2010.

NOTE 13: CNV requirement for acting as OTC agent

Under CNV General Resolution No, 368/01, as supplemented, the financial institutions authorized by the BCRA are exempt from the minimum shareholders' equity and counter-guarantee requirement established in such regulations. As the Bank meets the equity requirements provided by the BCRA, it is entitled to such exemption.

NOTE 14: Mutual fund custodian

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THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**

(Figures stated in thousands of Argentine pesos)

Under section 32, Chapter XI (11), of the revised text of CNV regulations, below is the information on the total amount in custody as of June 30, 2010, of the portfolio of the following mutual funds for which the Bank acts as depository institution:

Name	Deposits	Other	Total assets
Lombard income in ARS mutual fund	259,984	23,795	283,779
Fondo Nuevo income in USD mutual fund – (a)	140	-	140
Lombard Acciones mutual fund	203	4,129	4,332
Lombard fixed income premium mutual fund – (a)	39	629	668
Lombard fixed income mutual fund	155	5,397	5,552
Lombard Ahorro mutual fund	13,329	-	13,329
Lombard Capital F.C.I.	4,055	20,506	24,561
TOTAL	277,905	54,456	332,361

a) Mutual funds settlement

On October 7, 2005, Patagonia Inversora S.A. Sociedad Gerente Fondos Comunes de Inversión and Banco Patagonia S.A. (manager and depository, respectively) approved to begin the "Fondo Nuevo Renta en Dólares Fondo Común de Inversión" and "Fondo Común de Inversión Lombard Renta Fija Premium" liquidation process pursuant to the provisions of CNV General Resolution No, 439/03, On April 25, 2006, the CNV notified the resolution of not authorizing the beginning of the liquidation process, due to the existence of legal actions brought by holders of shares in such mutual funds pending court resolution, Therefore, as from that date, the funds mentioned above are only authorized to receive redemptions.

Subsequently, on July 5 and 19, 2010, the depository and manager company, respectively, approved to begin the "Fondo Común de Inversión Lombard Renta Fija Premium" liquidation process, and to request the Argentine Securities Commission (CNV) approval of said liquidation, since the legal proceedings pending resolution were concluded and no new claims were filed. Therefore, as from July 21, 2010, any subscription and redemption transactions with said mutual fund have been discontinued.

As of the date of these financial statements, said approval is pending resolution by the competent administrative authority

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**NOTES TO THE FINANCIAL STATEMENTS FOR
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(Figures stated in thousands of Argentine pesos)

NOTE 15: Financial agent of the Province of Río Negro

Under Law No, 2,929 of the Province of Río Negro, and the agreement signed on May 27, 1996, the Bank acted as financial agent of the Provincial Government, being in charge of the banking duties established in section 1.2. of the abovementioned agreement, On February 28, 2006, such agreement expired. Through successive extensions it remained effective through December 31, 2006, under the same terms and conditions as those of the abovementioned agreement. Furthermore, through Argentine public bidding No, 1/2006, the Ministry of Finance, Public Works and Services of the Province of Río Negro called for the engagement of a bank to render services as agent. The bids opening date was August 4, 2006, and Banco Patagonia has submitted the related bid.

Finally, as a result of such bidding process, on December 14, 2006, the Río Negro Province Banking and Financial Services Agreement was signed for a 10-year term as from January 1, 2007, Such duties do not include the obligation to provide financial aid to the Province of Río Negro under conditions other than those consistent with the private bank nature of this bank.

NOTE 16: Breakdown of items in "Other" accounts with amounts exceeding 20% of the respective account's total balance

Balance sheet items	06/30/10	12/31/09
A. Miscellaneous receivables		
Prepaid taxes	100,838	84,541
Security deposits	77,396	67,025
Advance payments	10,337	10,314
Other	68,530	35,165
	<u>257,101</u>	<u>197,045</u>
B. Other liabilities from financial intermediation		
Credit and debit card consumption charges payable	150,786	196,475
Foreign trade payment orders	126,501	138,970
Tax withholdings payable	47,817	41,822
Collections and other transactions on account and behalf of others	35,222	23,605
IADB loan No, 1192/OC-AR	9,051	11,534
Other	24,295	13,461
	<u>393,672</u>	<u>425,867</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR
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(Figures stated in thousands of Argentine pesos)

C. Miscellaneous liabilities	06/30/10	12/31/09
Taxes payable	143,576	371,841
Salaries and payroll taxes payable	50,061	44,493
Sundry payables	44,659	50,113
Other	4,144	2,621
	<u>242,440</u>	<u>469,068</u>
D. Memorandum accounts – Debit-balance control accounts		
Other items in custody	2,411,517	2,398,317
Checks and securities to be collected	260,710	244,873
Checks and securities to be debited	230,574	148,221
	<u>2,902,801</u>	<u>2,791,411</u>
Income-statement items	06/30/10	06/30/09
E. Financial expense		
Turnover tax	23,692	38,564
Gains (losses) on forward transactions	15,328	52
Premiums for other repurchase agreements	1,782	1,656
	<u>40,802</u>	<u>40,272</u>
F. Service-charge expenses		
Credit card expenses	22,543	15,534
ATM expenses	13,949	11,516
Turnover tax	12,380	11,201
Other	722	1,846
	<u>49,594</u>	<u>40,097</u>
G. Other income		
Gain (loss) from the sale of bank premises and equipment	9,602	3,677
Adjustments and interest on miscellaneous receivables	3,097	837
Other	5,556	3,444
	<u>18,255</u>	<u>7,958</u>

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BANCO PATAGONIA S.A.**NOTES TO THE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**

(Figures stated in thousands of Argentine pesos)

H. Other losses	06/30/10	06/30/09
Turnover tax	3,945	223
Personal assets tax, shareholders	3,825	3,698
Donations	767	114
Irrecoverable losses	63	1
Loss from impairment in value of bank premises and equipment	18	21
Other	2,903	2,604
	<u>11,521</u>	<u>6,661</u>

NOTE 17: Minimum cash requirement

The following table shows the items booked by the Bank as minimum cash requirement, as provided by the related BCRA standards, as of June 30, 2010, and December 31, 2009:

Item	06/30/10	12/31/09
Cash and cash equivalents		
Cash on hand	231,196	328,738
Cash held by armored car companies	155,185	179,804
BCRA – Checking account	1,229,891	841,006
Other receivables from financial intermediation		
BCRA – Special guarantee accounts	169,163	157,873
Total	<u>1,785,435</u>	<u>1,507,421</u>

NOTE 18: Statement of cash flows

The statement of cash flows as of June 30, 2010, and 2009 explains the changes in cash and cash equivalents and for such purpose, only the total amount included under “Cash and due from banks” was considered cash.

Additionally, there are no transactions related to investment or financing activities which have an impact on cash and which should be disclosed as a result of their significance.

NOTE 19: Distribution of earnings

The Regular Shareholders’ Meeting, held on April 26, 2010, related to the fiscal year ended December 31, 2009, approved the following distribution of earnings:

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Accounting Manager

Rubén M. Iparraguirre
General Assistant Manager
Administration and Finance Area

Jorge G. Stuart Milne
Chairman

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BANCO PATAGONIA S.A.

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**

(Figures stated in thousands of Argentine pesos)

To legal reserve	89,765
To cash dividend payment (subject to approval by the BCRA) (see note 7)	224,413
To unappropriated retained earnings	<u>334,149</u>
Total	648,327

The abovementioned distribution of earnings contemplates the off-balance sheet adjustments under point 2.1.2, BCRA Communiqué "A" 4,664, as amended for a total of 1,496, which is then included in the 334,149 that will remain in "Unappropriated retained earnings".

Additionally, the income for the year ended December 31, 2009, considered at the abovementioned Shareholders' Meeting, did not include 7,325 booked under "Other losses" of the year then ended, which are related to Tax on personal assets, shareholders – Law No. 25,585.

As mentioned in note 7 above, on May 28, 2010, the BCRA decided not to raise any objections to such request and, therefore, the abovementioned dividends, which equals 0.3120 per outstanding share, were made available to the shareholders and paid on June 11, 2010.

Under Law No. 25,063, the dividends to be distributed, either in cash or in kind, in excess of accumulated taxable income as of the year-end immediately preceding the payment or distribution date, will be subject to the effective income tax withholding as single and definitive payment. In this regard, and as the abovementioned dividend distribution did not exceed the abovementioned taxable income, no income tax withholdings were made.

NOTE 20: Purchase agreement involving GMAC Compañía Financiera S.A.

On August 27, 2009, a Stock Purchase Agreement of GMAC Compañía Financiera S.A. ("GMAC CFSA") shares was executed by GMAC INC and Pardo Rabello Inversiones SRL, as sellers, and Banco Patagonia S.A. and Jorge Guillermo Stuart Milne as purchasers of 100% of stock.

Under that agreement the sellers agreed to transfer to purchasers as of closing date, 85,968,713 GMAC CFSA shares, represented by shares of common stock representing 99% of GMAC CFSA's capital stock and voting rights to Banco Patagonia S.A., and 868,370 GMAC CFSA shares, represented by shares of common stock representing 1% of GMAC CFSA's capital stock and voting rights to Jorge Guillermo Stuart Milne.

A purchase price agreed between [GMAC CFSA y Banco Patagonia](#) was USD 22,770,990 (US dollars twenty two million seven hundred and seventy thousand nine hundred ninety).

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**NOTES TO THE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**

(Figures stated in thousands of Argentine pesos)

GMAC CFSA is company organized in Argentina and authorized to act as financial institution, specialized in wholesale and retail financing for purchases of new cars, for dealers, especially those in General Motors de Argentina network, and individual customers.

On September 4, 2009, the parties notified the CNDC (Federal Anti-Trust Board) of the economic concentration which the transaction entails, in compliance with Anti-Trust Law No, 25,156, section 8.

On July 15, 2010, the transaction was authorized by Resolution No. 143, issued by the BCRA's Board of Directors, which, among other issues, resolved as follows:

- a) Not to make any objections to the acquisition of all the capital stock in accordance with the Financial Entities Act, section 15.
- b) Not to make any objections to the change of name from GMAC CFSA to GPAT Compañía Financiera S.A.
- c) Not to make any objections to the election of the company's new directors.

By virtue of the above, on July 26, 2010 the transaction was closed, the price being paid in full and GMAC CFSA's capital stock being transferred in favour of Banco Patagonia S.A.

Below are the assets, liabilities and shareholders's equity as they arise on the financial statements al June 30, 2010 (unaudited figures) of GMAC CFSA:

Assets

Cash	40,094
Loans	133,997
Other receivables from financial intermediation	80,292
Miscellaneous receivables	14,501
Bank premises and equipment	3,693
Total Assets	272,577

Liabilities

Other liabilities from financial intermediation	68,259
Miscellaneous liabilities	38,385
Provisions	150
Total Liabilities	106,794

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BANCO PATAGONIA S.A.

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**

(Figures stated in thousands of Argentine pesos)

Shareholder's equity

Capital Stock	86,837
Reserves	56,904
Net income for the period	22,042
Total shareholder's equity	165,783

Total liabilities and shareholder's equity **272,577**

In accordance with de BCRA rules and as a result of a difference between GMAC CFSA's proportional equity value, that not differ significantly with that as of July 26, 2010 and the acquisition cost thereof, Banco Patagonia S.A. recorded an approximated negative goodwill of 75,000. Said negative goodwill will be cancelled by an offsetting entry under "Sundry Profits – Result of permanent equity interests" and the amount reversed by each fiscal year may not exceed the amount that would have resulted from application of a 60-month straight-line depreciation.

Below are the Bank's transactions with GMAC CFSA as of June 30, 2010:

Deposits – Checking accounts	1,141
Other liabilities from financial intermediation – Financing facilities from local financial institutions	6,010
Other liabilities from financial intermediation – Other	3,569
Memorandum Accounts - Securities in custody	79,386

NOTE 21: Acquisition of 51% of the outstanding shares and votes in Banco Patagonia S.A. by Banco do Brasil S.A.

On April 21, 2010, the controlling group of shareholders of Banco Patagonia S.A., holding 61.5827% of the outstanding shares and votes, agreed in a Stock Purchase Agreement to sell a face value of 366,825,016 book-entry, class "B" shares of common stock, representing 51% of the outstanding shares and votes in Banco Patagonia S.A. to Banco do Brasil S.A., a stock corporation organized in conformity with the laws of Brazil, the main shareholder of which is the National Treasury of Brazil, with Buyer thus acquiring a controlling interest in Banco Patagonia S.A.

The purchase price for the total shares sold is USD 479,660,391, which equals USD 1.3076 per share.

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BANCO PATAGONIA S.A.

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**
(Figures stated in thousands of Argentine pesos)

The close of the transaction is subject to given conditions precedent that include the approval by the BCRA, Argentine competition defense authorities, the Central Bank of Brazil and the Shareholders' Meeting of Banco do Brasil.

On April 30, 2010, the parties notified the Argentine Competition Defense Commission of the financial concentration the transaction entails, in compliance with the provisions in section 8, Law No. 25,156, on competition defense, and on May 6, 2010, the request for approval of the abovementioned transaction was submitted to the BCRA, as set forth in section 15, Law No. 21,526 on financial institutions, and chapter V of the BCRA CREFI-2 Circular.

As of the date of issuance of these financial statements, both filings are pending resolution.

On June 16, 2010 the Shareholders' Special Meeting of Banco do Brasil S.A. approved the acquisition of the equity interest in Banco Patagonia S.A. and ratified the Agreement signed on April 21, 2010. Furthermore, on July 21, 2010, request for approval of the transaction was submitted to the Brazilian Central Bank.

NOTE 22: Transactions with directors

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

NOTE 23: Financial statements publication

Under Communiqué "A" 2,813, as supplemented, the BCRA's prior intervention is not required for the publication of these financial statements.

NOTE 24: Situation of the financial and capital markets

During the fiscal 2008, the financial markets of the main countries in the world were affected by volatility, illiquidity and lack of credit conditions, Consequently, a significant drop in stock exchange indexes was noted on international markets and a global economic deceleration started to be evidenced, During fiscal 2009, although there were certain signs of a return to normalcy or indications that the world economy was on the path to recovery, this has not yet been consolidated, and there are still volatile conditions in the international financial markets.

In Argentina, in the second half of 2009, the situation began a reversion process since there has been a decrease in country risk premium, government securities have started to show significant listed price increases and interest rates volatility has decreased, Subsequently, during the second

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**NOTES TO THE FINANCIAL STATEMENTS FOR
THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (Note 1.1)**

(Figures stated in thousands of Argentine pesos)

quarter of 2010, the Argentine Government set out to restructure the most of the sovereign debt that, as of the date of the restructuring had not been restructured in the 2005 swap.

The Bank's Management continuously monitors the evolution the situations described of the international and local markets to determine the possible actions to be taken and identify potential effects on its financial position that should be reflected in the financial statements for future periods.

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BANCO PATAGONIA S.A.

EXHIBIT "A"
BREAKDOWN OF GOVERNMENT AND PRIVATE SECURITIES
AS OF 06/30/10 AND 12/31/09

(Figures stated in thousands of Argentine pesos)

Name	Identification	Holdings			Position without options (1)	Final position
		Market value	Book balances as of 06/30/10	Book balances as of 12/31/09		
Holdings in investment accounts						
- Argentine Government Bonds in USD Libor 2012 (Boden)	5426	-	-	173,870	-	-
Total held in investment accounts		-	-	173,870	-	-
Holdings for trading or intermediation transactions in Argentina						
- Argentine Government Bonds in USD Libor 2012 (Boden)	5426	137,808	137,808	54,503	183,381	183,381
- Argentine Government Bond in ARS 10,50% 2012 (Bonar Arg ARS V)	5437	124,080	124,080	56,160	124,080	124,080
- Argentine Government Bonds in ARS private BADLAR + 275 basis points 2014	5439	122,848	122,848	155,361	136,496	136,496
- Argentine Government Bond USD 7% 2013	5435	71,200	71,200	89,139	71,200	71,200
- Social security debt consolidation bond in ARS 4 th Series 2%	2429	66,330	66,330	-	66,330	66,330
- Argentine Government Bonds in ARS private BADLAR + 300 basis points 2015	5441	63,439	63,439	68,502	63,439	63,439
Argentine Government Bond 10,50% 2012 (Bonar V)	5434	52,592	52,592	57,465	60,683	60,683
- Argentine Government Bonds in ARS 2% 2014	5431	42,214	42,214	-	40,935	40,935
- Discount bonds in ARS + GDP Variation Securities in ARS	45696	36,281	36,281	30,037	35,859	35,859
- Secured bonds, Presidential Decree No. 1,579/02 (Bogar)	2405	15,308	15,308	34,890	15,897	15,897
- Debt consolidation bond in ARS 4 th Series 2%	2449	13,283	13,283	350	5,128	5,128
- Argentine Government Bonds in USD 7% p.a. 2015	5433	8,171	8,171	1,117	-	-
- Par bond in ARS Step-Up 2038 + GDP Variation Securities in ARS	45695	3,492	3,492	4,062	1,350	1,350
- Debt consolidation bond in ARS 2 nd Series 2%	2448	282	282	575	282	282
- Par bond in USD (Argentine law)	45699	149	149	149	-	-
- Social security debt consolidation bond in ARS 3 rd Series 2%, Maturity: 01/03/10	2427	-	-	570	-	-
- Argentine Government Bond in USD 2013 1 st Series	5427	-	-	6,613	-	-
Total holdings for trading or intermediation transactions		757,477	757,477	559,493	805,060	805,060
Unlisted Argentine government securities						
- Argentine Government Bonds in ARS private BADLAR + 350 basis points 2013	5438	-	43,470	49,490	43,470	43,470
- Other		-	136	7	9	9
Total unlisted government securities			43,606	49,497	43,479	43,479
Instruments issued by the BCRA						
- Listed BCRA bills – Own portfolio		296,606	296,606	264,220	296,606	296,606
- BCRA bills – Maturity: 07/21/2010	46072	198,894	198,894	-	198,894	198,894
- BCRA bills – Maturity: 09/15/2010	46080	97,712	97,712	-	97,712	97,712
- BCRA bills – Maturity: 03/31/2010	46050	-	-	96,885	-	-
- BCRA bills – Maturity: 04/28/2010	46044	-	-	167,335	-	-

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BANCO PATAGONIA S.A.

EXHIBIT "A"
BREAKDOWN OF GOVERNMENT AND PRIVATE SECURITIES
AS OF 06/30/10 AND 12/31/09

(Figures stated in thousands of Argentine pesos)

Name	Identification	Holdings			Position without options (1)	Final position
		Market value	Book balances as of 06/30/10	Book balances as of 12/31/09		
- BCRA bills – Under repo transactions		-	-	192,844	-	-
- BCRA bills – Maturity: 09/29/2010	46004	-	-	177,926	-	-
- BCRA bills – Maturity: 04/27/2011	46018	-	-	14,158	-	-
- BCRA bills – Maturity: 11/02/2011	46054	-	-	760	-	-
- Listed BCRA bills – Unlisted, own portfolio		-	809,238	612,824	1,029,055	1,029,055
- BCRA bills – Maturity: 09/01/2010	46067	-	313,953	-	391,218	391,218
- BCRA bills – Maturity: 07/14/2010	46063	-	238,814	-	298,517	298,517
- BCRA bills – Maturity: 10/06/2010	46085	-	121,030	-	145,062	145,062
- BCRA bills – Maturity: 10/20/2010	46093	-	96,230	-	96,230	96,230
- BCRA bills – Maturity: 08/25/2010	46075	-	39,211	-	98,028	98,028
- BCRA bills – Maturity: 01/27/2010	46039	-	-	2,975	-	-
- BCRA bills – Maturity: 04/07/2010	46048	-	-	96,616	-	-
- BCRA bills – Maturity: 03/03/2010	46047	-	-	97,776	-	-
- BCRA bills – Maturity: 02/24/2010	46041	-	-	98,018	-	-
- BCRA bills – Maturity: 11/02/2011	46051	-	-	124,548	-	-
- BCRA bills – Maturity: 04/14/2010	46058	-	-	192,891	-	-
- Listed BCRA notes – Listed - Own portfolio		-	-	1,039	-	-
- BCRA notes in ARS variable coupon (BADLAR) maturing 05/18/2011	45879	-	-	1,039	-	-
- BCRA notes – Under repo transactions		-	-	49,231	-	-
- BCRA notes in ARS variable coupon (BADLAR) maturing 03/31/2010	46042	-	-	24,937	-	-
- BCRA notes in ARS variable coupon (BADLAR) maturing 03/25/2010	45862	-	-	15,075	-	-
- BCRA notes in ARS variable coupon (BADLAR) maturing 01/20/2010	45851	-	-	9,219	-	-
- Unlisted BCRA notes – Own portfolio		-	-	714,330	-	-
- BCRA notes in ARS maturing 05/05/2010	46055	-	-	307,562	-	-
- BCRA notes in ARS variable coupon (BADLAR) maturing 04/21/2010	45951	-	-	75,424	-	-
- BCRA notes in ARS variable coupon (BADLAR) maturing 04/21/2010	45873	-	-	29,064	-	-
- BCRA notes in ARS variable coupon (BADLAR) maturing 03/31/2010	46042	-	-	302,280	-	-
Total instruments issued by the BCRA			1,105,844	1,834,488	1,325,661	1,325,661
Total government and private securities			1,906,927	2,617,348	2,174,200	2,174,200

(1) Includes "Holdings" plus "Deposits offered as security" "Loans" and "Spot and forward purchases pending settlement" less "Deposits" and "Spot and forward sales pending settlement."

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BANCO PATAGONIA S.A.

EXHIBIT "B"
FINANCING FACILITIES CLASSIFIED BY STATUS AND GUARANTEES RECEIVE
AS OF 06/30/10 AND 12/31/09

(Figures stated in thousands of Argentine pesos)

Commercial loan portfolio	06/30/10	12/31/09
Performing	3,263,784	3,001,585
- With "A" preferred guarantees and counter-guarantees	229,507	181,657
- With "B" preferred guarantees and counter-guarantees	212,636	237,536
- Without preferred guarantees or counter-guarantees	2,821,641	2,582,392
Subject to special monitoring	9,221	8,331
In observation	8,361	7,381
- With "B" preferred guarantees and counter-guarantees	3,039	5,355
- Without preferred guarantees or counter-guarantees	5,322	2,026
In negotiation or under refinancing agreements	860	950
- With "B" preferred guarantees and counter-guarantees	524	506
- Without preferred guarantees or counter-guarantees	336	444
Troubled	3,178	7,560
- With "B" preferred guarantees and counter-guarantees	659	4,389
- Without preferred guarantees or counter-guarantees	2,519	3,171
With high risk of insolvency	20,025	21,845
- With "B" preferred guarantees and counter-guarantees	2,909	869
- Without preferred guarantees or counter-guarantees	17,116	20,976
Irrecoverable	5,112	5,187
- With "B" preferred guarantees and counter-guarantees	-	235
- Without preferred guarantees or counter-guarantees	5,112	4,952
Irrecoverable according to BCRA regulations	-	1,246
- Without preferred guarantees or counter-guarantees	-	1,246
Total commercial loan portfolio	3,301,320	3,045,754

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EXHIBIT "B"
FINANCING FACILITIES CLASSIFIED BY STATUS AND GUARANTEES RECEIVE
AS OF 06/30/10 AND 12/31/09

(Figures stated in thousands of Argentine pesos)

Consumer and/or home loan portfolio	06/30/10	12/31/09
Performing	2,229,669	1,814,937
- With "A" preferred guarantees and counter-guarantees	17,494	14,676
- With "B" preferred guarantees and counter-guarantees	231,247	154,598
- Without preferred guarantees or counter-guarantees	1,980,928	1,645,663
Low risk	33,380	34,078
- With "A" preferred guarantees and counter-guarantees	11	95
- With "B" preferred guarantees and counter-guarantees	3,832	3,186
- Without preferred guarantees or counter-guarantees	29,537	30,797
Medium risk	15,897	17,093
- With "B" preferred guarantees and counter-guarantees	2,641	393
- Without preferred guarantees or counter-guarantees	13,256	16,700
High risk	39,469	40,933
- With "A" preferred guarantees and counter-guarantees	9	-
- With "B" preferred guarantees and counter-guarantees	1,428	1,495
- Without preferred guarantees or counter-guarantees	38,032	39,438
Irrecoverable	25,421	23,304
- With "B" preferred guarantees and counter-guarantees	256	272
- Without preferred guarantees or counter-guarantees	25,165	23,032
Irrecoverable according to BCRA regulations	266	263
- With "B" preferred guarantees and counter-guarantees	25	-
- Without preferred guarantees or counter-guarantees	241	263
Total consumer and/or home loan portfolio	2,344,102	1,930,608
Grand total	5,645,422	4,976,362

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BANCO PATAGONIA S.A.

EXHIBIT "C"
FINANCING FACILITIES CONCENTRATION
AS OF 06/30/10 AND 12/31/09

(Figures stated in thousands of Argentine pesos)

Number of customers	Financing facilities			
	06/30/10		12/31/09	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	307,388	5.44%	334,311	6.72%
50 next largest customers	756,213	13.40%	757,086	15.21%
100 next largest customers	740,265	13.11%	695,340	13.97%
Rest of customers	3,841,556	68.05%	3,189,625	64.10%
Total	5,645,422	100.00%	4,976,362	100.00%

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EXHIBIT "D"
FINANCING FACILITIES BROKEN DOWN BY TERM
AS OF 06/30/10

(Figures stated in thousands of Argentine pesos)

Item	Matured	Terms remaining to maturity						Total
		1 month	3 months	6 months	12 months	24 months	Over 24 months	
Non-financial government sector	-	2,055	27	2,854	3,662	49,331	25,228	83,157
Financial sector	-	84,463	55,297	1,915	20,892	11,895	-	174,462
Non-financial private sector and foreign residents	142,997	2,159,346	598,499	608,808	434,283	587,774	856,096	5,387,803
Total	142,997	2,245,864	653,823	613,577	458,837	649,000	881,324	5,645,422

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BANCO PATAGONIA S.A.

EXHIBIT "E"
BREAKDOWN OF INVESTMENTS IN OTHER COMPANIES
AS OF 06/30/2010, AND 12/31/2009
(Figures stated in thousands of Argentine pesos)

Identification	Name	Stock and/or membership interests				Amount	
		Class	Face value per unit	Votes per share	Number	06/30/10	12/31/09
<u>In financial institutions, supplementary and authorized activities – Subsidiaries – In Argentina</u>							
30654325126	Patagonia Valores S.A. Sociedad de Bolsa	Common	\$ 1	1	13,862,507	16,171	15,849
30608298815	Patagonia Inversora S.A. Soc. Gte. F.C.I.	Common	\$ 1	1	13,317,233	18,716	17,907
<u>Subsidiaries – Abroad</u>							
00034UY0117	Banco Patagonia (Uruguay) S.A. I.F.E.	Common	USD 100	1	50,000	42,203	39,622
<u>Nonsubsidiaries – In Argentina</u>							
30604796357	Banelco S.A.	Common	\$ 1	1	1,287,561	2,883	2,883
30598910045	Visa Argentina S.A.	Common	\$ 0,0001	1	939,978	1,446	1,445
33663293309	Provincanaje S.A.	Common	\$ 1	1	600,000	679	679
30682415513	Seguros de Depósitos S.A.	Common	\$ 1	1	39,411	493	493
30690783521	Interbanking S.A.	Common	\$ 1	1	134,600	284	284
30525698412	Mercado a Término de Buenos Aires S.A.	Common	\$ 39,252	1	1	73	73
33628189159	Mercado Abierto Electrónico S.A.	Common	\$ 1,200	1	4	65	65
30542421289	Bolsa de Comercio de Mar del Plata S.A.	Common	\$ 1	5	106	56	56
30688964306	Argencontrol S.A.	Common	\$ 1	1	48,906	53	53
30692264785	Compensadora Electrónica S.A.	Common	\$ 1	1	31,242	46	46
	Other					16	16
<u>Nonsubsidiaries - Abroad</u>							
00034US0001	Banco Latinoamericano de Exportaciones S.A.	Class B	USD 16,92	1	5,033	68	66
00034US0001	Banco Latinoamericano de Exportaciones S.A.	Preferred	USD 10	1	125	4	4
30590221275	S,W,I,F,T,	Common	€1	1	1	12	13
<u>In other companies – Nonsubsidiaries – In Argentina</u>							
30605114969	Sanatorio Las Lomas S.A.	Common	\$ 1	1	52,979	84	84
	Other					106	106
Total investments in other companies						83,458	79,744

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EXHIBIT "E"
BREAKDOWN OF INVESTMENTS IN OTHER COMPANIES
AS OF 06/30/2010, AND 12/31/2009

(Figures stated in thousands of Argentine pesos)

Name	Information regarding the issuer – Latest annual financial statement information				
	Main business activity	Year-end date	Capital	Shareholders' equity	Income (loss) for the year
<u>In financial institutions, supplementary and authorized activities – Subsidiaries – In Argentina</u>					
Patagonia Valores S.A. Sociedad de Bolsa	Brokerage house	12-31-09	13,863	15,849	1,263
Patagonia Inversora S.A. Soc. Gte, F.C.I.	Mutual funds management	12-31-09	13,317	17,907	3,128
<u>Subsidiaries – Abroad</u>					
Banco Patagonia (Uruguay) S.A. I.F.E.,	Foreign bank	12-31-09	14,477	39,622	1,295
<u>Nonsubsidiaries – In Argentina</u>					
Banelco S.A.	ATM network management	12-31-09	23,599	61,176	15,838
Visa Argentina S.A.	Credit card issuing company	05-31-09	15,000	152,041	99,275
Provincanaje S.A.	Clearing house of provincial banks	12-31-09	7,200	8,985	838
Seguros de Depósitos S.A.	Deposit insurance fund resource administration	12-31-09	1,000	15,028	1,538
Interbanking S.A.	Interbank transfer services	12-31-09	1,346	44,507	26,899
Mercado a Término de Buenos Aires S.A.	Performance bond and settlement of agreements of miscellaneous assets	06-30-09	18,212	43,011	6,092
Mercado Abierto Electrónico S.A.	Coordination of securities trading	12-31-09	242	12,574	533
Bolsa de Comercio de Mar del Plata S.A.	Coordination of securities trading	12-31-09	13	10,463	2,535
Argencontrol S.A.	Agent in charge of settling capital market transactions	12-31-09	700	959	32
Compensadora Electrónica S.A.	Electronic clearing account network management	12-31-09	1,000	2,033	200
<u>Nonsubsidiaries - Abroad</u>					
Banco Latinoamericano de Exportaciones S.A.	Foreign bank	12-31-09	1,063,000	2,565,191	208,295
S,W,I,F,T,	Interbank telecommunication service	12-31-09	537,140	1,375,707	74,188
<u>In other companies – Nonsubsidiaries – In Argentina</u>					
Sanatorio Las Lomas S.A.	Medical services center	06-30-09	8,889	17,951	1,346

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EXHIBIT "F"
CHANGES IN BANK PREMISES AND EQUIPMENT, AND MISCELLANEOUS ASSETS
AS OF 06/30/2010 AND 12/31/2009

(Figures stated in thousands of Argentine pesos)

Item	Restated residual values at beginning of fiscal year	Additions	Retirements	Depreciation for the period		Residual value as of 06/30/2010
				Years of useful life	Amount	
Bank premises and equipment (1)						
Real property	76,016	6,444	3,121	50	1,081	78,258
Furniture and fixtures	3,748	1,662	32	10	1,938	3,440
Machinery and equipment	21,405	4,643	-	5	3,068	22,980
Vehicles	1,728	893	-	5	646	1,975
Other	113	36	-	5	16	133
Total	103,010	13,678	3,153		6,749	106,786
Miscellaneous assets (1)						
Prepayments for the purchase of assets	1,930	11,908	4,904	-	-	8,934
Works of art	786	-	-	-	-	786
Stationery and office supplies	1,198	1,313	1,137	-	-	1,374
Other miscellaneous assets	104,811	5,494	2,611	50	1,032	106,662
Total	108,725	18,715	8,652		1,032	117,756

(1) See notes 1.4.l) and 1.4.m)

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EXHIBIT "G"
BREAKDOWN OF INTANGIBLE ASSETS
AS OF 06/30/2010 AND 12/31/2009
(Figures stated in thousands of Argentine pesos)

Item	Residual value at beginning of year	Additions (1)	Amortization for the period		Residual value as of 06/30/2010
			Years of useful life assigned	Amount	
Organization and development expenses	-	-	-	-	-
Total	-	-	-	-	-

(1) See notes 1.4.n.1. and .2.

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EXHIBIT "H"
DEPOSITS CONCENTRATION
AS OF 06/30/2010 AND 12/31/2009
(Figures stated in thousands of Argentine pesos)

Number of customers	06/30/10		12/31/09	
	Outstanding amount	% of total portfolio	Outstanding amount	% of total portfolio
10 largest customers	868,951	11.95 %	678,958	10.41%
50 next largest customers	824,986	11.35 %	731,731	11.22%
100 next largest customers	514,943	7.08 %	454,992	6.98%
Rest of customers	5,061,170	69.62 %	4,656,682	71.39%
Total	7,270,050	100.00 %	6,522,363	100.00%

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EXHIBIT "I"
DEPOSITS, OTHER LIABILITIES FROM FINANCIAL INTERMEDIATION AND SUBORDINATED CORPORATE BONDS BROKEN DOWN BY TERMS AS OF 06/30/2010
 (Figures stated in thousands of Argentine pesos)

Item	Terms remaining to maturity						
	1 month	3 months	6 months	12 months	24 months	Over 24 months	Total
Deposits	6,161,365	741,143	155,784	163,691	37,825	10,242	7,270,050
Other liabilities from financial intermediation							
BCRA	791	-	-	-	-	-	791
Banks and international organizations	-	21,817	10,723	-	-	15,727	48,267
Financing facilities received from local financial institutions	6,010	-	-	-	-	-	6,010
Other	380,850	1,442	957	2,813	5,283	2,534	393,879
Total other liabilities from financial intermediation	387,651	23,259	11,680	2,813	5,283	18,261	448,947
Subordinated corporate bonds	-	63,338	-	-	-	-	63,338
GRAND TOTAL	6,549,016	827,740	167,464	166,504	43,108	28,503	7,782,335

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EXHIBIT "J"
CHANGES IN ALLOWANCES AND PROVISIONS
AS OF 06/30/10, AND 12/31/09
(Figures stated in thousands of Argentine pesos)

Breakdown	Balance at beginning of year, restated	Increases in constant pesos	Decreases in constant pesos		Balances as of 06/30/10
			Reversals	Uses	
Allowances					
Loans – for uncollectibility risk and impairment in value	148,036	20,583	-	20,962	147,657
Other receivables from financial intermediation – for uncollectibility risk and impairment in value	1,914	194	-	-	2,108
Assets under financial lease – for uncollectibility risk and impairment in value	2,254	310	-	12	2,552
Miscellaneous receivables – for uncollectibility risk	3,847	20	-	1,532	2,335
Total	156,051	21,107	-	22,506	154,652
Provisions					
Contingent commitments	242	27	-	-	269
Other contingencies	63,849	4,049	135	7,787	59,976
Total	64,091	4,076	135	7,787	60,245

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EXHIBIT "K"
CAPITAL STRUCTURE
AS OF 06/30/10

(Figures stated in thousands of Argentine pesos)

Shares (1)			Capital stock		
Class	Number	Votes per share	Issued (1)		Paid-in (1)
			Outstanding	Treasury stock (2)	
Class "A" shares of common stock	22,768,818	1	22,769	-	22,769
Class "B" shares of common stock	725,386,860	1	696,496	28,891	725,387
Total	748,155,678		719,265	28,891	748,156

(1) See notes 3.

(2) They are deposited under Patagonia Valores S.A. Sociedad de Bolsa's custody.

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EXHIBIT "L"
AMOUNTS IN FOREIGN CURRENCY
AS OF 06/30/10, AND 12/31/09
(Figures stated in thousands of Argentine pesos)

ITEMS	Head office and branches in Argentina	Total as of 06/30/10	Euro	US dollar	Pound sterling	Swiss franc	Yen	Other	Total as of 12/31/09
ASSETS									
Cash	1,011,557	1,011,557	31,004	976,512	992	448	131	2,470	788,236
Government and private	269,920	269,920	-	269,920	-	-	-	-	382,856
Loans	765,483	765,483	3,271	762,204	8	-	-	-	761,863
Other receivables from	24,499	24,499	-	24,499	-	-	-	-	28,326
Assets under financial lease	35,620	35,620	-	35,620	-	-	-	-	47,062
Investments in other	42,287	42,287	12	42,275	-	-	-	-	39,704
Miscellaneous receivables	57,795	57,795	-	57,795	-	-	-	-	46,214
Items pending allocation	12	12	-	12	-	-	-	-	392
Totals	2,207,173	2,207,173	34,287	2,168,837	1,000	448	131	2,470	2,094,653
LIABILITIES									
Deposits	1,298,325	1,298,325	23,381	1,274,944	-	-	-	-	1,130,919
Other liabilities from financial intermediation	220,308	220,308	7,524	212,737	26	21	-	-	249,540
Miscellaneous liabilities	1,831	1,831	-	1,831	-	-	-	-	503
Subordinated corporate bonds	63,338	63,338	-	63,338	-	-	-	-	61,200
Items pending allocation	-	-	-	-	-	-	-	-	2
Totals	1,583,802	1,583,802	30,905	1,552,850	26	21	-	-	1,442,164
MEMORANDUM ACCOUNTS									
Debit-balance									
Contingent	1,004,874	1,004,874	24,846	980,028	-	-	-	-	1,683,565
Control	882,075	882,075	12,890	868,596	-	65	524	-	846,000
Totals	1,886,949	1,886,949	37,736	1,848,624	-	65	524	-	2,529,565
Credit-balance									
Contingent	145,410	145,410	5,580	139,773	57	-	-	-	148,534
Totals	145,410	145,410	5,580	139,773	57	-	-	-	148,534

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EXHIBIT "N"
CREDIT ASSISTANCE TO RELATED PARTIES
AS OF 06/30/10, AND 12/31/09

(Figures stated in thousands of Argentine pesos)

Item	Performing	Total	
		06/30/10	12/31/09
1. Loans	928	928	1,062
Overdrafts	52	52	472
- With "A" preferred guarantees and counter-guarantees	-	-	22
- Without preferred guarantees or counter-guarantees	52	52	450
Notes	526	526	271
- With "A" preferred guarantees and counter-guarantees	526	526	271
Personal loans	1	1	7
- Without preferred guarantees or counter-guarantees	1	1	7
Credit cards	349	349	312
- With "A" preferred guarantees and counter-guarantees	6	6	5
- Without preferred guarantees or counter-guarantees	343	343	307
2. Other receivables from financial intermediation	14	14	7
3. Assets under financial lease	377	377	340
4. Investments in other companies	77,090	77,090	73,378
Total	78,409	78,409	74,787
Allowances	13	13	14

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Accounting Manager

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Administration and Finance Area

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EXHIBIT "O"
DERIVATE FINANCIAL INSTRUMENTS
AS OF 06/30/10

(Figures stated in thousands of Argentine pesos)

Type of contract	Purpose of transactions	Underlying asset	Type of settlement	Negotiation environment or counterparty	Weighted average term			Amount
					Originally agreed - in months -	Residual - in months -	Calculation of differences - in days -	
Futures	Intermediation, for own account	Foreign currency	Daily settlement of differences	MAE (over-the-counter electronic market)	6	3	1	591,406
Futures	Intermediation, for own account	Other	Daily settlement of differences	MAE (over-the-counter electronic market)	1	-	1	32,100
Options	Other hedging	Argentine pesos	Other	Other Argentine markets	128	30	365	39,907
Swaps	Intermediation, for own account	Other	Upon maturity of differences	MAE (over-the-counter electronic market)	15	5	30	19,000
Swaps	Interest rate hedge	Other	Upon maturity of differences	MAE (over-the-counter electronic market)	36	22	30	10,000
Repo transactions	Intermediation, for own account	Argentine government securities and instruments issued by the BCRA	With delivery of underlying asset	MAE (over-the-counter electronic market)	-	-	1	262,244

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**CONSOLIDATED BALANCE SHEETS (Section 33, Law No 19,550)
AS OF 06/30/10 AND 12/31/09**

(Figures stated in thousands of Argentine pesos)

ASSETS	06/30/10	12/31/09
A. Cash and due from banks		
Cash on hand	387,061	509,231
Financial institutions and correspondents	1,541,820	1,126,361
BCRA (Central Bank of Argentina)	1,229,891	841,006
Others in Argentina	26,765	20,932
Others abroad	<u>285,164</u>	<u>264,423</u>
	1,928,881	1,635,592
B. Government and private securities		
Holdings in investment accounts	-	173,870
Holdings for trading or intermediation transactions	779,084	573,082
Unlisted government securities	43,606	49,497
Instruments issued by the BCRA	1,107,832	1,835,107
Investments in listed private securities	<u>16</u>	<u>3</u>
	1,930,538	2,631,559
C. Loans		
To the nonfinancial government sector (Exhibit 1)	72,725	9,183
To the financial sector (Exhibit 1)	174,587	294,832
Interbank (call options sold)	75,635	167,345
Other financing facilities granted to local financial institutions	97,790	126,432
Accrued interest, adjustments and listed-price differences receivable	1,162	1,055
To the nonfinancial private sector and foreign residents (Exhibit 1)	5,064,309	4,261,056
Overdrafts	889,175	701,008
Notes	1,862,999	1,491,339
Mortgage loans	89,602	114,404
Collateral loans	32,780	43,085
Personal loans	963,618	880,794
Credit cards	627,198	534,073
Other	555,538	455,124
Accrued interest, adjustments and listed-price differences receivable	51,753	47,874
(Unearned discount)	(8,354)	(6,645)
(Allowances)	<u>(147,657)</u>	<u>(148,036)</u>
	5,163,964	4,417,035

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**CONSOLIDATED BALANCE SHEETS (Section 33, Law No 19,550)
AS OF 06/30/10 AND 12/31/09**

(Figures stated in thousands of Argentine pesos)

ASSETS – Continued	06/30/10	12/31/09
D. Other receivables from financial intermediation		
BCRA	178,689	222,335
Amounts receivable from spot and forward sales pending settlement	51,466	285,655
Securities and foreign currency receivable from spot and forward purchases pending settlement	255,626	227
Unlisted corporate bonds (Exhibit 1)	1,643	4,169
Other not covered by Debtor Classification Standards	57,766	71,834
Other covered by Debtor Classification Standards (Exhibit 1)	210,750	227,377
Accrued interest and adjustments covered by Debtors Classification Standards (Exhibit 1)	444	208
(Allowances)	<u>(2,108)</u>	<u>(1,914)</u>
	754,276	809,891
E. Assets under financial lease		
Assets under financial lease (Exhibit 1)	154,414	139,424
(Allowances)	<u>(2,552)</u>	<u>(2,254)</u>
	151,862	137,170
F. Investments in other companies		
In financial institutions	72	70
Other	<u>8,360</u>	<u>8,360</u>
	8,432	8,430
G. Miscellaneous receivables		
Trade receivables (Exhibit 1)	9,137	6,036
Other	259,355	199,215
Accrued interest and adjustments receivable related to trade receivables (Exhibit 1)	10	13
Other accrued interest and adjustments receivable (Allowances)	<u>80</u>	<u>-</u>
	<u>(3,612)</u>	<u>(5,124)</u>
	264,970	200,140
H. Bank premises and equipment	108,385	104,579
I. Miscellaneous assets	117,756	108,725
J. Intangible assets	-	-
K. Items pending allocation	528	511
TOTAL ASSETS	10,429,592	10,053,632

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**CONSOLIDATED BALANCE SHEETS (Section 33, Law No 19,550)
AS OF 06/30/10 AND 12/31/09**

(Figures stated in thousands of Argentine pesos)

LIABILITIES	06/30/10	12/31/09
L. Deposits		
Nonfinancial government sector	1,089,480	759,864
Financial sector	14,607	14,098
Nonfinancial private sector and foreign residents	6,410,219	6,040,267
Checking accounts	1,329,697	1,144,540
Savings accounts	2,053,797	1,985,981
Certificate of deposit	2,444,689	2,262,257
Investment accounts	1,193	1,804
Other	562,858	627,031
Accrued interest, adjustments and listed-price differences payable	<u>17,985</u>	<u>18,654</u>
	7,514,306	6,814,229
M. Other liabilities from financial intermediation		
BCRA	791	814
Banks and international organizations	48,267	47,688
Amounts payable for spot and forward purchases pending settlement	233,000	430
Securities and foreign currency to be delivered under spot and forward sales pending settlement	51,883	312,921
Financing facilities received from local financial institutions (Exhibit I)	6,010	-
Other financing facilities from local financial institutions	6,000	-
Accrued interest payable	10	-
Other	393,699	426,163
Accrued interest, adjustments and listed-price differences payable	<u>207</u>	<u>197</u>
	733,857	788,213
N. Miscellaneous liabilities		
Other	<u>243,703</u>	<u>471,425</u>
	243,703	471,425
O. Provisions	60,245	64,091
P. Subordinated corporate bonds	63,338	61,200
Q. Items pending allocation	856	473
R. Minority interests in consolidated institutions or companies	-	-
TOTAL LIABILITIES	8,616,305	8,199,631
SHAREHOLDERS' EQUITY	1,813,287	1,854,001
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	10,429,592	10,053,632

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**CONSOLIDATED BALANCE SHEETS (Section 33, Law No 19,550)
AS OF 06/30/10, AND 12/31/09**

(Figures stated in thousands of Argentine pesos)

MEMORANDUM ACCOUNTS	06/30/10	12/31/09
DEBIT BALANCE		
Contingent		
Loans obtained (unused amounts)	117,954	20
Guarantees received	2,464,908	5,431,537
Contingent debit-balance contra accounts	<u>205,224</u>	<u>289,993</u>
	2,788,086	5,721,550
Control		
Receivables classified as irrecoverable	316,968	312,887
Other	3,864,595	3,473,137
Control debit-balance contra accounts	<u>983,858</u>	<u>892,493</u>
	5,165,421	4,678,517
Derivatives		
Notional value of forward transactions without delivery of underlying asset	456,576	1,375,485
Interest rate swap	29,000	41,000
Derivatives debit-balance contra account	<u>206,837</u>	<u>545,976</u>
	692,413	1,962,461
Trust activity		
Trust funds	<u>640,107</u>	<u>741,212</u>
	640,107	741,212
TOTAL DEBIT-BALANCE MEMORANDUM ACCOUNTS	9,286,027	13,103,740

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**CONSOLIDATED BALANCE SHEETS (Section 33, Law No 19,550)
AS OF 06/30/10, AND 12/31/09**

(Figures stated in thousands of Argentine pesos)

MEMORANDUM ACCOUNTS - Continued	06/30/10	12/31/09
CREDIT BALANCE		
Contingent		
Loans granted (unused amounts) covered by Debtor Classification Standards (Exhibit 1)	50,000	131,910
Other guarantees provided covered by Debtor Classification Standards (Exhibit 1)	33,693	35,850
Other guarantees provided not covered by Debtor Classification Standards	49,310	40,540
Other covered by Debtor Classification Standards (Exhibit 1)	72,221	81,693
Contingent credit-balance contra accounts	<u>2,582,862</u>	<u>5,431,557</u>
	2,788,086	5,721,550
Control		
Checks and securities to be credited	227,202	221,868
Other	756,656	670,625
Control credit-balance contra accounts	<u>4,181,563</u>	<u>3,786,024</u>
	5,165,421	4,678,517
Derivatives		
Notional value of put options sold	39,907	38,060
Notional value of forward transactions without delivery of underlying asset	166,930	507,916
Derivatives credit-balance contra accounts	<u>485,576</u>	<u>1,416,485</u>
	692,413	1,962,461
Trust activity		
Trust activity credit-balance contra accounts	<u>640,107</u>	<u>741,212</u>
	640,107	741,212
TOTAL CREDIT-BALANCE MEMORANDUM ACCOUNTS	9,286,027	13,103,740

The accompanying notes 1 through 7 and Exhibit 1 are an integral part of these financial statements.

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CONSOLIDATED STATEMENTS OF INCOME (SECTION 33, LAW NO. 19,550)
For the six-month periods ended 06/30/2010, and 06/30/2009
(Figures stated in thousands of Argentine pesos)

BREAKDOWN	06/30/10	06/30/09
A. FINANCIAL INCOME		
Interest on cash	68	238
Interest on loans to the financial sector	13,433	21,352
Interest on overdrafts	78,434	85,541
Interest on notes	102,972	95,198
Interest on mortgage loans	5,389	6,994
Interest on collateral loans	2,838	4,389
Interest on credit card loans	49,034	40,820
Interest on other loans	160,664	111,145
Interest on other receivables from financial intermediation	944	476
Net income from government and private securities	166,935	206,804
Income from PGN (loans granted by the Argentine Government and secured by bonds) – Presidential Decree No. 1,387/01	134	946
Adjustments under CER clause	164	347
Adjustments under CVS (salaries variation coefficient) clause	59	53
Gold and foreign currency quoted price difference	48,983	98,832
Other	<u>27,039</u>	<u>114,468</u>
	657,090	787,603
B. FINANCIAL EXPENSE		
Interest on savings-account deposits	2,529	3,270
Interest on certificates of deposit	121,291	150,172
Interest on interbank loans received (call options received)	2,476	1,334
Interest on other financing facilities from financial institutions	164	1,430
Interest on other liabilities from financial intermediation	759	825
Interest on subordinated corporate bonds	856	2,956
Other interest	148	266
Net income from government and private securities	-	33
Adjustments under CER clause	64	4,996
Contribution to the deposit guarantee fund	5,944	-
Other	<u>40,802</u>	<u>40,275</u>
	175,033	205,557
GROSS INTERMEDIATION MARGIN	482,057	582,046
C. PROVISION FOR LOAN LOSSES	21,087	53,030
D. SERVICE-CHARGE INCOME		
Related to lending transactions	87,226	67,952
Related to borrowing transactions	135,322	107,136
Other fees	15,263	12,693
Other	<u>51,886</u>	<u>38,280</u>
	289,697	226,061

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CONSOLIDATED STATEMENTS OF INCOME (SECTION 33, LAW NO. 19,550)
For the six-month periods ended 06/30/2010, and 06/30/2009
(Figures stated in thousands of Argentine pesos)

BREAKDOWN	06/30/10	06/30/09
E. SERVICE-CHARGE EXPENSE		
Fees	38,037	23,895
Other	<u>49,625</u>	<u>40,226</u>
	87,662	64,121
F. ADMINISTRATIVE EXPENSES		
Personnel expenses	248,926	187,681
Directors' and statutory auditors' fees	5,275	4,029
Other professional fees	12,059	11,295
Advertising	13,844	11,108
Taxes	21,636	20,307
Depreciation of bank premises and equipment	6,780	7,053
Other operating expenses	73,590	79,253
Other	<u>15,900</u>	<u>12,140</u>
	398,010	332,866
NET INCOME (LOSS) FROM FINANCIAL INTERMEDIATION	264,995	358,090
G. OTHER INCOME		
Income from long-term investments	3,156	710
Punitive interest	961	1,189
Receivables recovered and allowances reversed	6,104	10,479
Other	<u>17,670</u>	<u>7,969</u>
	27,891	20,347
H. OTHER EXPENSE		
Punitive interest and charges payable to the BCRA (Central Bank of Argentina)	43	13
Charge for uncollectibility of miscellaneous receivables, and other allowances	4,124	20,840
Losses and depreciation of miscellaneous assets	1,032	768
Other	<u>11,529</u>	<u>3,049</u>
	16,728	24,670
NET INCOME BEFORE INCOME TAX	276,158	353,767
I. INCOME TAX	92,459	171,857
NET INCOME FOR THE PERIOD	183,699	181,910

The accompanying notes 1 through 7 and Exhibit 1 are an integral part of these financial statements.

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CONSOLIDATED STATEMENTS OF CASH FLOWS
(SECTION 33, LAW NO. 19,550)
For the six-month periods ended 06/30/2010, and 06/30/2009
(Figures stated in thousands of Argentine pesos)

<u>Changes in cash and cash equivalents</u>	06/30/10	06/30/09
Cash at beginning of year	1,635,592	1,445,111
Cash at end of period	1,928,881	1,301,606
Net increase / (Net decrease) in cash	293,289	(143,505)
<u>Causes of changes in cash</u>		
<u>Operating activities</u>		
Net collections / (payments) for:		
Government and private securities	930,707	(106,249)
Loans	(335,237)	398,697
To the financial sector	133,678	106,115
To the nonfinancial government sector	(63,244)	19,840
To the nonfinancial private sector and foreign residents	(405,671)	272,742
Other receivables from financial intermediation	(246,609)	(20,811)
Assets under financial lease	(972)	50,413
Deposits	513,927	(9,694)
To the financial sector	509	(10,139)
To the nonfinancial government sector	329,616	3,385
To the nonfinancial private sector and foreign residents	183,802	(2,940)
Other liabilities from financial intermediation	174,400	(4,238)
Financial sector or interbank loans (call options received)	3,534	(1,413)
Other (except for the obligations included under financing activities)	170,866	(2,825)
Collections related to service-charge income	289,654	227,550
Payments related to service-charge expense	(85,287)	(65,964)
Administrative expenses paid	(390,615)	(390,528)
Net collections for punitive interest	918	1,176
Collection of dividends from other companies	3,167	707
Other payments related to other income (expense)	(16,346)	(10,435)
Net payments for other operating activities	(105,273)	(8,743)
Income tax paid	(269,007)	(48,390)
<u>Net cash flow provided by operating activities</u>	463,427	13,491

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CONSOLIDATED STATEMENTS OF CASH FLOWS
(SECTION 33, LAW NO. 19,550)
For the six-month periods ended 06/30/2010, and 06/30/2009
(Figures stated in thousands of Argentine pesos)

	06/30/10	06/30/09
<u>Investing activities</u>		
Collections / (Payments) for bank premises and equipment	705	(7,487)
(Payments) / collections for miscellaneous assets	(13,127)	(78,686)
Collections for sales / (Payments for purchases) of investments in other companies	3	(4)
<u>Net cash flow used in investing activities</u>	(12,419)	(86,177)
<u>Financing activities</u>		
Banks and international organizations collections / (payments)	579	(140,418)
Subordinated corporate bonds payments	(895)	(3,662)
Dividends payments (1)	(224,413)	-
Other payments for financing activities – Repurchase of treasury stock (2)	-	(14,885)
<u>Net cash flow used in financing activities</u>	(224,729)	(158,965)
Financial income (expense) and holding gains (losses) from cash and cash equivalents (including interest and monetary gain (loss))	67,010	88,146
Net increase / (Net decrease) in cash	293,289	(143,505)

- (1) See note 19 to Banco Patagonia S.A.'s stand-alone financial statements.
(2) See note 3.2 to Banco Patagonia S.A.'s stand-alone financial statements.

The accompanying notes 1 through 7 and Exhibit 1 are an integral part of these financial statements.

Marcelo A. Iadarola
Accounting Manager

Rubén M. Iparraguirre
General Assistant Manager
Administration and Finance Area

Jorge G. Stuart Milne
Chairman

Signed for identification purposes with our
report dated 08/06/10
On behalf of Statutory Audit Committee

Signed for identification purposes with
our report dated 08/06/10
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C.P.C.E.C.A.B.A. Vol. 1 Fo. 13

María Soledad Sampayo Cau
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Statutory Auditor

Andrea N. Rey (Partner)
Certified Public Accountant (U.B.A.)
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS WITH SUBSIDIARIES FOR THE SIX-MONTH PERIOD

ENDED JUNE 30, 2010 (SECTION 33, LAW NO. 19,550)

(See note 1(1) to the stand-alone financial statements)

(Figures stated in thousands of Argentine pesos)

NOTE 1: Significant accounting policies related to the information

Banco Patagonia S.A. has prepared the consolidated financial statements in accordance with the methods established by BCRA Communiqué "A" 2,227, as supplemented, To such end, as of June 30, 2010, and December 31, 2009, it consolidated its balance sheet and Exhibit 1 "Financing facilities classified by status and guarantees received" and, as of June 30, 2010, and 2009, the statements of income and cash flows with the financial statements of the following companies:

Company	Shares		Percentage of	
	Class	Number	Total capital stock	Possible votes
Patagonia Valores S.A. Sociedad de Bolsa	Common stock	13,862,507	99,99%	99,99%
Patagonia Inversora SA, Sociedad Gerente Fondos Comunes de Inversión	Common stock	13,317,233	99,99%	99,99%
Banco Patagonia (Uruguay) S.A. I.F.E.	Common stock	50,000	100,00%	100,00%

Banco Patagonia S.A.'s Board of Directors considers that no other companies are required to be included in the consolidated financial statements as of June 30, 2010 (see note 5),

NOTE 2: Accounting methods used

The consolidated financial statements have been prepared based on the information included in the stand-alone financial statements of each one of the companies being consolidated, which were prepared based on similar methods to those used by the Bank to prepare its financial statements, For information on the accounting methods used, please refer to the notes to the following financial statements:

Company	Financial statements as of	Issuance date	Note
Banco Patagonia S.A.	06/30/2010	06/08/2010	1
Patagonia Valores S.A. Sociedad de Bolsa	06/30/2010	06/08/2010	1
Patagonia Inversora SA, Sociedad Gerente Fondos Comunes de Inversión	06/30/2010	06/08/2010	1
Banco Patagonia (Uruguay) S.A. I.F.E.,	06/30/2010	19/07/2010	3

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS WITH SUBSIDIARIES FOR THE SIX-MONTH PERIOD
ENDED JUNE 30, 2010 (SECTION 33, LAW NO. 19,550)
(See note 1(1) to the stand-alone financial statements)
(Figures stated in thousands of Argentine pesos)**

NOTE 3: Restricted assets

The companies included in these consolidated financial statements held the following restricted assets:

Banco Patagonia S.A.

See note 4 to Banco Patagonia S.A.'s stand-alone financial statements.

Patagonia Valores S.A. Sociedad de Bolsa

As of June 30, 2010, and December 31, 2009, the Company held one share in Mercado de Valores S.A. as security for the transactions performed thereby, valued at restatement cost for an amount of 2,064.

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

As of June 30, 2010, and December 31, 2009, the Company does not own tied-down assets.

Banco Patagonia (Uruguay) S.A. I.F.E.

As of June 30, 2010, and December 31, 2009, it held a deposit with the Central Bank of Uruguay amounting to 1,966, and 1,898, respectively, in compliance with section 393, Compilation of Central Bank of Uruguay's Financial System Regulation and Control Rules.

NOTE 4: Derivative financial instruments

See note 12 to Banco Patagonia S.A.'s stand-alone financial statements.

NOTE 5: Purchase agreement involving GMAC Compañía Financiera S.A. by Banco Patagonia S.A.

See note 20 to Banco Patagonia S.A.'s stand-alone financial statements.

NOTE 6: Distribution of earnings**Banco Patagonia S.A.**

See note 19 to Banco Patagonia S.A.'s stand-alone financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS WITH SUBSIDIARIES FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2010 (SECTION 33, LAW NO. 19,550)
(See note 1(1) to the stand-alone financial statements)
(Figures stated in thousands of Argentine pesos)

Patagonia Valores S.A. Sociedad de Bolsa

The Regular Shareholders' Meeting held on April 26, 2010, approved the distribution of 1,263 related to retained earnings as of the year ended December 31, 2009, as follows:

To legal reserve 5% over 1,263	63
To voluntary reserve	<u>1,200</u>
Total	1,263

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

The Regular Shareholders' Meeting held on April 26, 2010, approved the distribution of 3,128 related to retained earnings as of the year ended December 31, 2009, as follows:

To legal reserve 5% over 3,128	156
To voluntary reserve	<u>2,972</u>
Total	3,128

Banco Patagonia (Uruguay) S.A.I.F.E.

The Regular General Shareholders' Meeting held February 26, 2010, approved the distribution of USD 17,000 related to retained earnings as of the year ended December 31, 2009, to increase the voluntary reserve.

NOTE 7: Situation of the financial and capital markets

See note 24 to Banco Patagonia S.A.'s stand-alone financial statements.

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BANCO PATAGONIA S.A.
SCHEDULE I

EXHIBIT "1"
(Section 33, Law No. 19,550)
FINANCING FACILITIES CLASSIFIED BY STATUS
AND GUARANTEES RECEIVED AS OF 06/30/2010, AND 12/31/2009
(Figures stated in thousands of Argentine pesos)

Commercial loan portfolio	06/30/10	12/31/09
Performing	3,462,295	3,216,974
- With "A" preferred guarantees and counter-guarantees	229,507	181,657
- With "B" preferred guarantees and counter-guarantees	212,636	237,536
- Without preferred guarantees or counter-guarantees	3,020,152	2,797,781
Subject to special monitoring	9,221	8,331
In observation	8,361	7,381
- With "B" preferred guarantees and counter-guarantees	3,039	5,355
- Without preferred guarantees or counter-guarantees	5,322	2,026
In negotiation or under refinancing agreements	860	950
- With "B" preferred guarantees and counter-guarantees	524	506
- Without preferred guarantees or counter-guarantees	336	444
Troubled	3,178	7,560
- With "B" preferred guarantees and counter-guarantees	659	4,389
- Without preferred guarantees or counter-guarantees	2,519	3,171
With high risk of insolvency	20,025	21,845
- With "B" preferred guarantees and counter-guarantees	2,909	869
- Without preferred guarantees or counter-guarantees	17,116	20,976
Irrecoverable	5,112	5,187
- With "B" preferred guarantees and counter-guarantees	-	235
- Without preferred guarantees or counter-guarantees	5,112	4,952
Irrecoverable according to BCRA regulations	-	1,246
- Without preferred guarantees or counter-guarantees	-	1,246
Total commercial loan portfolio	3,499,831	3,261,143

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BANCO PATAGONIA S.A.
SCHEDULE I

EXHIBIT "1"
(Section 33, Law No. 19,550)
FINANCING FACILITIES CLASSIFIED BY STATUS
AND GUARANTEES RECEIVED AS OF 06/30/2010, AND 12/31/2009
(Figures stated in thousands of Argentine pesos)

Consumer and/or home loan portfolio	06/30/10	12/31/09
Performing	2,229,669	1,814,937
- With "A" preferred guarantees and counter-guarantees	17,494	14,676
- With "B" preferred guarantees and counter-guarantees	231,247	154,598
- Without preferred guarantees or counter-guarantees	1,980,928	1,645,663
Low risk	33,380	34,078
- With "A" preferred guarantees and counter-guarantees	11	95
- With "B" preferred guarantees and counter-guarantees	3,832	3,186
- Without preferred guarantees or counter-guarantees	29,537	30,797
Medium risk	15,897	17,093
- With "B" preferred guarantees and counter-guarantees	2,641	393
- Without preferred guarantees or counter-guarantees	13,256	16,700
High risk	39,469	40,933
- With "A" preferred guarantees and counter-guarantees	9	-
- With "B" preferred guarantees and counter-guarantees	1,428	1,495
- Without preferred guarantees or counter-guarantees	38,032	39,438
Irrecoverable	25,421	23,304
- With "B" preferred guarantees and counter-guarantees	256	272
- Without preferred guarantees or counter-guarantees	25,165	23,032
Irrecoverable according to BCRA regulations	266	263
- With "B" preferred guarantees and counter-guarantees	25	-
- Without preferred guarantees or counter-guarantees	241	263
Total consumer and/or home loan portfolio	2,344,102	1,930,608
Grand total	5,843,933	5,191,751

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STATUTORY AUDIT COMMITTEE'S REPORT

To the Shareholders and Directors of
BANCO PATAGONIA S.A.
Registered office: Tte. Gral. J. D. Perón 500
Buenos Aires

Dear Sirs,

1. We have performed a limited review of the accompanying balance sheet of BANCO PATAGONIA S.A. (The Bank) as of June 30, 2010, and the related statements of income, changes in shareholders' equity and cash flows for the six-month period then ended, notes 1 through 24, and exhibits A through L, N and O, and Schedule I that supplement them. The preparation and issuance of the documents reviewed is the responsibility of the Bank's Management in performing their exclusive functions.
2. We performed this examination in accordance with effective statutory audit rules. Such rules require that the documents mentioned above be reviewed in accordance with the effective audit standards for the limited review of interim financial statements and that such review include verifying the agreement of the documents reviewed with the information on corporate decisions entered in minutes, as well as the compliance of such decisions with legal requirements and company bylaws in all formal and documentary respects. We have not performed any control over management decisions or performance and, therefore, we have not assessed the business decisions or criteria regarding administrative, financial, and marketing matters, as these are the exclusive responsibility of the Board of Directors. To perform our professional work on the documents mentioned in the first paragraph, we have reviewed the work performed by the firm Pistrelli, Henry Martin y Asociados S.R.L, in their capacity as external auditors, who issued their report dated August 06, 2010, in accordance with the effective auditing standards for the limited review of interim financial statements and the "Minimum external auditing standards" issued by the BCRA (Central Bank of Argentina) for the review of quarterly financial statements, and we concur with its conclusions. The review included the verification of work planning, of the nature, scope and timing of the procedures applied and of the results obtained, and was limited to the significant information in the documents reviewed.

3. As described in note 2 to the accompanying financial statements, the financial statements mentioned in the first paragraph have been prepared by the Bank in conformity with the accounting standards established by the BCRA, which differ from the professional accounting standards approved by the CPCECABA (Professional Council in Economic Sciences of the City of Buenos Aires), Argentina, in certain valuation and disclosure aspects described and quantified in such note.
4. Based on our work and on the report issued by Andrea N. Rey (Partner of the firm Pistrelli, Henry Martin y Asociados S.R.L.) dated August 06, 2010, we have not become aware of any facts or circumstances that would require making significant changes to the financial statements mentioned in the first paragraph above for them to be presented in conformity with the standards established by the BCRA and, except for the effect of the issues mentioned in the third paragraph, with professional accounting standards effective in the City of Buenos Aires, Argentina.
5. In compliance with current legal requirements, we further report that:
 - a) In the exercise of the legality control within our competence, during the six-month period ended June 30, 2010, we have applied the remaining procedures described in section 294, Law No. 19,550, which we deem necessary according to the circumstances and have no observations to make in this regard.
 - b) The financial statements of BANCO PATAGONIA S.A. mentioned in the first paragraph are taken from books kept, in their formal respects, in conformity with current legal requirements and BCRA standards.

- c) In conformity with CNV (Argentine Securities Commission) General Resolution No. 340, and supplementary regulations, on the independence of the external auditor and on the quality of the audit procedures applied by such auditor and the Bank's accounting policies, the external auditor's report mentioned in the fourth paragraph includes a representation that professional auditing standards effective in Argentina, including independence requirements, have been applied and does not include any qualifications in connection with the application of such standards and professional accounting standards effective in the City of Buenos Aires, Argentina, considering the issues disclosed in the third paragraph.

Buenos Aires,
August 06, 2010

On behalf of Statutory Audit Committee

María Soledad Sampayo Cau
Certified Public Accountant (U.B.A.)
C.P.C.E.C.A.B.A. Vol. 58 - Fo. 135
Statutory Auditor