

BBVA BANCO FRANCES SA
Form 6-K
August 17, 2012
Table of Contents

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of the

Securities Exchange Act of 1934

For the month of August, 2012

Commission File Number: 001-12568

BBVA FRENCH BANK S.A.

(Translation of registrant's name into English)

Reconquista 199, 1006

Buenos Aires, Argentina

(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Indicate by check mark whether by furnishing the information contained in this Form, the Registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

Table of Contents

BBVA French Bank S.A.

TABLE OF CONTENTS

Item

1. Financial Statements as of June 30, 2012 together with Independent Auditors Limited Review Report

Table of Contents

**FINANCIAL STATEMENTS AS OF
JUNE 30, 2012 TOGETHER WITH
INDEPENDENT AUDITORS LIMITED
REVIEW REPORT.**

Table of Contents

- 1 -

BALANCE SHEETS AS OF JUNE 30, 2012 AND DECEMBER 31, 2011

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| | 06-30-2012 | 12-31-2011 |
|--|------------|------------|
| ASSETS: | | |
| A. CASH AND DUE FROM BANKS: | | |
| Cash | 1,845,308 | 2,515,857 |
| Due from banks and correspondents | 4,509,044 | 3,828,204 |
| Argentine Central Bank (BCRA) | 4,221,590 | 3,647,455 |
| Other local | 1,638 | 2,341 |
| Foreign | 285,816 | 178,408 |
| | 6,354,352 | 6,344,061 |
| B. GOVERNMENT AND PRIVATE SECURITIES: | | |
| Holdings booked at fair value (Exhibit A) | 1,744,902 | 2,081,049 |
| Holdings booked at amortized cost (Exhibit A) | 164 | 164 |
| Instruments issued by the BCRA (Exhibit A) | 3,994,977 | 3,447,972 |
| Investments in listed private securities (Exhibit A) | 179 | 154 |
| Less: Allowances (Exhibit J) | 186 | 184 |
| | 5,740,036 | 5,529,155 |
| C. LOANS: | | |
| To government sector (Exhibits B, C and D) | 32,021 | 46,027 |
| To financial sector (Exhibits B, C and D) | 2,117,574 | 1,933,850 |
| Interfinancial (Calls granted) | 30,000 | 49,000 |
| Other financing to local financial institutions | 1,789,093 | 1,685,678 |
| Interest and listed-price differences accrued and pending collection | 298,481 | 199,172 |
| To non financial private sector and residents abroad (Exhibits B, C and D) | 21,397,741 | 20,646,892 |
| Overdraft | 3,933,575 | 2,881,498 |
| Discounted instruments | 3,540,496 | 3,412,091 |
| Real estate mortgage | 705,128 | 736,900 |
| Collateral Loans | 594,789 | 456,656 |
| Consumer | 4,177,736 | 3,761,599 |
| Credit cards | 3,773,470 | 3,448,437 |
| Other (Note 5 a.) | 4,405,413 | 5,736,983 |
| Interest and listed-price differences accrued and pending collection | 322,756 | 302,060 |
| Less: Interest documented together with main obligation | 55,622 | 89,332 |
| Less: Allowances (Exhibit J) | 440,991 | 426,817 |
| | 23,106,345 | 22,199,952 |

D. OTHER RECEIVABLES FROM FINANCIAL TRANSACTIONS:

| | | |
|--|-----------|-----------|
| Argentine Central Bank (BCRA) | 473,359 | 417,836 |
| Amounts receivable for spot and forward sales to be settled | 505,593 | 1,181,974 |
| Instruments to be received for spot and forward purchases to be settled | 42,232 | 187,057 |
| Premiums for options bought | 1 | 2,431 |
| Unlisted corporate bonds (Exhibits B, C and D) | 3,663 | 13,424 |
| Non-deliverable forward transactions balances to be settled | 19,918 | 34,249 |
| Other receivables not covered by debtor classification regulations | | 6,198 |
| Other receivables covered by debtor classification regulations (Exhibits B, C and D) | 108,810 | 98,173 |
| Less: Allowances (Exhibit J) | 1,113 | 1,203 |
| | 1,152,463 | 1,940,139 |

E. RECEIVABLES FROM FINANCIAL LEASES:

| | | |
|---|---------|---------|
| Receivables from financial leases (Exhibits B, C and D) | 875,722 | 879,635 |
| Interest accrued pending collection (Exhibits B, C and D) | 13,420 | 12,070 |
| Less: Allowances (Exhibit J) | 11,468 | 11,944 |
| | 877,674 | 879,761 |

F. INVESTMENTS IN OTHER COMPANIES:

| | | |
|---------------------------------------|---------|---------|
| In financial institutions (Exhibit E) | 160,287 | 127,761 |
| Other (Note 5.b.) (Exhibit E) | 111,232 | 130,692 |
| | 271,519 | 258,453 |

G. OTHER RECEIVABLES:

| | | |
|---|---------|---------|
| Receivables for assets sold (Exhibits B, C and D) | 3,620 | |
| Other (Note 5.c.) | 947,051 | 819,507 |
| Other interest accrued and pending collection | 3,477 | 1,820 |
| Less: Allowances (Exhibit J) | 262,773 | 136,984 |
| | 691,375 | 684,343 |

H. PREMISES AND EQUIPMENT (Exhibit F):

562,639 579,861

I. OTHER ASSETS (Exhibit F):

25,710 25,304

J. INTANGIBLE ASSETS (Exhibit G):

| | | |
|---------------------------------------|--------|--------|
| Organization and development expenses | 95,535 | 80,911 |
| | 95,535 | 80,911 |

K. SUSPENSE ITEMS:

4,241 6,354

TOTAL ASSETS:**38,881,889 38,528,294**

Table of Contents

- 2 -

(Contd.)

BALANCE SHEETS AS OF JUNE 30, 2012 AND DECEMBER 31, 2011

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| | 06-30-2012 | 12-31-2011 |
|--|------------|------------|
| LIABILITIES: | | |
| L. DEPOSITS (Exhibits H and I): | | |
| Government sector | 1,388,809 | 1,141,024 |
| Financial sector | 54,210 | 43,882 |
| Non financial private sector and residents abroad | 28,639,506 | 28,100,010 |
| Checking accounts | 7,697,838 | 6,385,198 |
| Savings deposits | 9,152,360 | 9,507,743 |
| Time deposits | 10,864,069 | 11,308,785 |
| Investments accounts | 143,842 | 219,366 |
| Other | 662,667 | 553,286 |
| Interest and listed-price differences accrued payable | 118,730 | 125,632 |
| | 30,082,525 | 29,284,916 |
| M. OTHER LIABILITIES FROM FINANCIAL TRANSACTIONS: | | |
| Argentine Central Bank (Exhibit I) | 18,702 | 18,450 |
| Other | 18,702 | 18,450 |
| Banks and International Institutions (Exhibit I) | 671,483 | 563,338 |
| Unsubordinated corporate bonds (Exhibit I) | 334,093 | 185,193 |
| Amounts payable for spot and forward purchases to be settled | 4,086 | 187,166 |
| Instruments to be delivered for spot and forward sales to be settled (Exhibit O) | 546,736 | 1,181,355 |
| Premiums for options written | , | 779 |
| Financing received from Argentine financial institutions (Exhibit I) | 6,116 | 112,044 |
| Interfinancial (Calls granted) | 5,000 | 110,200 |
| Other financing from local financial institutions | 1,114 | 1,507 |
| Interest accrued payable | 2 | 337 |
| Non-deliverable forward transactions balances to be settled | 10,725 | 6,565 |
| Other (note 5.d.) (Exhibit I) | 1,367,914 | 1,630,498 |
| Interest and listed-price differences accrued payable (Exhibit I) | 10,297 | 4,239 |
| | 2,970,152 | 3,889,627 |
| N. OTHER LIABILITIES: | | |
| Other (note 5.e.) | 886,264 | 1,044,690 |
| | 886,264 | 1,044,690 |
| O. ALLOWANCES (Exhibit J): | | |
| | 489,360 | 394,665 |

| | | |
|---|-------------------|-------------------|
| P. SUSPENSE ITEMS: | 13,960 | 46,139 |
| TOTAL LIABILITIES: | 34,442,261 | 34,660,037 |
| STOCKHOLDERS EQUITY: (as per the related statements of changes in stockholders equity) | 4,439,628 | 3,868,257 |
| TOTAL LIABILITIES AND STOCKHOLDERS EQUITY: | 38,881,889 | 38,528,294 |

Table of Contents

- 3 -

MEMORANDUM ACCOUNTS

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| | 06-30-2012 | 12-31-2011 |
|---|-------------------|-------------------|
| DEBIT ACCOUNTS | | |
| Contingent | | |
| Borrowings (unused balances) | 22,200 | |
| Guaranties received | 4,591,333 | 4,030,311 |
| Contra contingent debit accounts | 568,224 | 500,747 |
| | 5,181,757 | 4,531,058 |
| Control | | |
| Receivables classified as irrecoverable | 296,062 | 313,667 |
| Other (note 5.f.) | 62,053,436 | 55,122,590 |
| Contra control debit accounts | 913,607 | 1,000,226 |
| | 63,263,105 | 56,436,483 |
| Derivatives (Exhibit O) | | |
| Notional amount of call options bought | 1,397 | 30,032 |
| Notional amount of non-deliverable forward transactions | 4,894,966 | 3,588,570 |
| Interest rate SWAP | 853,571 | 661,836 |
| Contra derivatives debit accounts | 4,717,098 | 3,453,746 |
| | 10,467,032 | 7,734,184 |
| For trustee activities | | |
| Funds in trust | 6,584 | 7,117 |
| | 6,584 | 7,117 |
| TOTAL | 78,918,478 | 68,708,842 |

CREDIT ACCOUNTS

| | | |
|--|-----------|-----------|
| Contingent | | |
| Credit lines granted (unused portion) covered by debtor classification regulations (Exhibits B, C and D) | 14,891 | 21,996 |
| Guaranties provided to the BCRA | 129,138 | 134,235 |
| Other guaranties given covered by debtor classification regulations (Exhibits B, C and D) | 242,746 | 175,081 |
| Other guaranties given non covered by debtor classification regulations | 84,477 | 70,649 |
| Other covered by debtor classification regulations (Exhibits B, C and D) | 96,972 | 98,786 |
| Contra contingent credit accounts | 4,613,533 | 4,030,311 |
| | 5,181,757 | 4,531,058 |
| Control | | |

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| | | |
|---|-------------------|-------------------|
| Items to be credited | 820,647 | 720,011 |
| Other | 92,960 | 280,215 |
| Contra control credit accounts | 62,349,498 | 55,436,257 |
| | 63,263,105 | 56,436,483 |
| Derivatives (Exhibit O) | | |
| Notional amount of call options written | 1,536 | 34,505 |
| Notional amount of non-deliverable forward transactions | 4,715,562 | 3,419,241 |
| Contra derivatives credit accounts | 5,749,934 | 4,280,438 |
| | 10,467,032 | 7,734,184 |
| For trustee activities | | |
| Contra credit accounts for trustee activities | 6,584 | 7,117 |
| | 6,584 | 7,117 |
| TOTAL | 78,918,478 | 68,708,842 |

The accompanying notes 1 through 18 and exhibits A through L, N and O and the consolidated financial statements with its notes and exhibits are an integral part of these statements.

Table of Contents

- 4 -

STATEMENTS OF INCOME FOR THE SIX MONTH PERIODS**ENDED JUNE 30, 2012 AND 2011**

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| | 06-30-2012 | 06-30-2011 |
|---|------------|------------|
| A. FINANCIAL INCOME | | |
| Interest on cash and due from banks | , | 1 |
| Interest on loans to the financial sector | 192,011 | 87,347 |
| Interest on overdraft | 302,653 | 172,602 |
| Interest on discounted instruments | 249,268 | 118,140 |
| Interest on real estate mortgage | 58,741 | 59,936 |
| Interest on collateral loans | 64,702 | 19,727 |
| Interest on credit card loans | 297,492 | 160,393 |
| Interest on other loans | 744,161 | 453,036 |
| Interest on other receivables from financial transactions | 18,074 | 12,940 |
| Interest on financial leases | 73,494 | 49,260 |
| Income from secured loans Decree 1387/01 | 2,612 | 25,130 |
| Net income from government and private securities | 305,723 | 186,349 |
| Net income from options | 255 | 87 |
| Indexation by benchmark stabilization coefficient (CER) | 65,296 | 39,894 |
| Gold and foreign currency exchange difference | 92,523 | 99,774 |
| Other | 133,652 | 52,301 |
| | 2,600,657 | 1,536,917 |
| B. FINANCIAL EXPENSE | | |
| Interest on checking accounts | , | 4 |
| Interest on savings deposits | 5,527 | 4,016 |
| Interest on time deposits | 719,633 | 415,626 |
| Interest on interfinancial financing (calls received) | 1,443 | 392 |
| Interest on other financing of financial institutions | , | 2 |
| Interest on other liabilities from financial transactions | 38,892 | 2,750 |
| Other interest | 3,763 | 1,924 |
| Indexation by CER | 90 | 89 |
| Contribution to the deposit guarantee fund | 25,687 | 20,469 |
| Other | 119,170 | 68,507 |
| | 914,205 | 513,779 |
| GROSS INTERMEDIATION MARGIN GAIN | 1,686,452 | 1,023,138 |
| C. ALLOWANCES FOR LOAN LOSSES | 71,161 | 27,568 |
| D. SERVICE CHARGE INCOME | | |
| Related to lending transactions | 339,735 | 243,027 |

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| | | |
|-----------------------------------|-----------|---------|
| Related to liability transactions | 430,227 | 341,575 |
| Other commissions | 42,469 | 42,112 |
| Other (note 5.g.) | 248,529 | 195,714 |
| | 1,060,960 | 822,428 |

E. SERVICE CHARGE EXPENSE

| | | |
|-------------------|---------|---------|
| Commissions | 193,230 | 163,192 |
| Other (note 5.h.) | 92,344 | 65,169 |
| | 285,574 | 228,361 |

Table of Contents

- 5 -

(Contd.)

STATEMENTS OF INCOME FOR THE SIX MONTH PERIODS**ENDED JUNE 30, 2012 AND 2011**

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| | 06-30-2012 | 06-30-2011 |
|---|------------------|----------------|
| F. ADMINISTRATIVE EXPENSES | | |
| Payroll expenses | 826,093 | 609,780 |
| Fees to Bank Directors and Supervisory Committee | 1,074 | 804 |
| Other professional fees | 15,243 | 14,118 |
| Advertising and publicity | 52,994 | 53,528 |
| Taxes | 105,535 | 85,843 |
| Fixed assets depreciation | 37,870 | 30,840 |
| Organizational expenses amortization | 18,350 | 13,522 |
| Other operating expenses | 191,275 | 150,311 |
| Other | 143,707 | 98,068 |
| | 1,392,141 | 1,056,814 |
| NET GAIN FROM FINANCIAL TRANSACTIONS | 998,536 | 532,823 |
| G. OTHER INCOME | | |
| Income from long-term investments | 50,403 | 90,825 |
| Punitive interests | 3,689 | 1,833 |
| Loans recovered and reversals of allowances | 33,163 | 53,170 |
| Other (note 5.i.) | 203,298 | 119,825 |
| | 290,553 | 265,653 |
| H. OTHER EXPENSE | | |
| Punitive interests and charges paid to BCRA | 22 | 313 |
| Charge for uncollectibility of other receivables and other allowances | 233,728 | 116,322 |
| Amortization of difference arising from judicial resolutions | 8,150 | 9,215 |
| Depreciation and losses from miscellaneous assets | 206 | 186 |
| Other | 32,912 | 14,054 |
| | 275,018 | 140,090 |
| NET GAIN BEFORE INCOME TAX | 1,014,071 | 658,386 |
| I. INCOME TAX (note 4.1) | 442,700 | 265,900 |

| | | |
|----------------------------------|----------------|----------------|
| NET INCOME FOR THE PERIOD | 571,371 | 392,486 |
|----------------------------------|----------------|----------------|

The accompanying notes 1 through 18 and exhibits A through L, N and O and the consolidated financial statements with its notes and exhibits are an integral part of these statements.

Table of Contents

- 6 -

STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY
FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| Movements | 2012 | | | | | | 2011 | |
|---|---------------|--|--|----------------------------------|-----------|-------------------------|-----------|-----------|
| | Capital Stock | Non capitalized contributions Issuance premiums | Adjustments to stockholders equity (1) | Retained earnings Legal Other | | Unappropriated earnings | Total | Total |
| 1. Balance at beginning of fiscal year | 536,878 | 182,511 | 312,979 | 1,042,021 | , | 1,793,868 | 3,868,257 | 3,746,915 |
| 2. Stockholders Meeting held on March 26, 2012 and March 30, 2011 | | | | | | | | |
| Dividends paid in cash | , | , | , | , | , | , | , | (804,000) |
| Legal reserve | , | , | , | 201,115 | , | (201,115) | , | , |
| Voluntary reserve for future distributions of income | , | , | , | , | 1,592,753 | (1,592,753) | , | , |
| 3. Unrealized valuation difference | , | , | , | , | , | , | , | (88,131) |
| 4. Net income for the period | , | , | , | , | , | 571,371 | 571,371 | 392,486 |
| 5. Balance at the end of the period | 536,878 | 182,511 | 312,979 | 1,243,136 | 1,592,753 | 571,371 | 4,439,628 | 3,247,270 |

(1) Adjustments to stockholders equity refers to Adjustment to Capital Stock.

The accompanying notes 1 through 18 and exhibits A through L, N and O and the consolidated financial statements with its notes and exhibits are an integral part of these statements.

Table of Contents

- 7 -

**STATEMENTS OF CASH AND CASH EQUIVALENTS FLOW FOR THE
SIX MONTH PERIODS ENDED JUNE 30, 2012 AND 2011**

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| | 06-30-2012 | 06-30-2011 |
|--|----------------|------------------|
| CHANGES IN CASH AND CASH EQUIVALENTS | | |
| Cash and cash equivalents at the beginning of the fiscal year | 6,667,627(1) | 5,835,595(1) |
| Cash and cash equivalents at the end of the period | 6,662,697(1) | 7,347,857(1) |
| Net (decrease) / increase in cash and cash equivalents | (4,930) | 1,512,262 |
| REASONS FOR CHANGES IN CASH AND CASH EQUIVALENTS | | |
| Operating activities | | |
| Net collections/ (payments) from: | | |
| Government and private securities | 56,502 | 1,113,889 |
| Loans | 1,322,650 | (1,670,637) |
| to financial sector | (61,070) | (314,556) |
| to non-financial public sector | 16,474 | 25,808 |
| to non-financial private sector and residents abroad | 1,367,246 | (1,381,889) |
| Other receivables from financial transactions | (13,213) | 97,516 |
| Receivables from financial leases | 2,087 | (131,393) |
| Deposits | (72,203) | 3,116,483 |
| to financial sector | 10,328 | 38,454 |
| to non-financial public sector | 254,700 | 259,810 |
| to non-financial private sector and residents abroad | (337,231) | 2,818,219 |
| Other liabilities from financial transactions | (361,136) | 319,648 |
| Financing from financial or interfinancial sector (calls received) | (105,200) | 19,900 |
| Others (except liabilities included in Financing Activities) | (255,936) | 299,748 |
| Collections related to service charge income | 1,058,717 | 818,676 |
| Payments related to service charge expense | (285,334) | (226,700) |
| Administrative expenses paid | (1,393,487) | (1,047,681) |
| Organizational and development expenses paid | (14,492) | (14,024) |
| Net collections from punitive interest | 3,667 | 1,520 |
| Differences from judicial resolutions paid | (8,150) | (9,215) |
| Collections of dividends from other companies | 7,090 | 6,263 |
| Other collections related to other income and expenses | 193,982 | 146,152 |
| Net cash flows provided by operating activities | 496,680 | 2,520,497 |
| Investment activities | | |

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| | | |
|--|------------------|--------------------|
| Net payments from premises and equipment | (20,648) | (54,719) |
| Net (payments) / collections from other assets | (612) | 100 |
| Collections from sales of ownership interests in other companies | 15,174 | , |
| Other (payments) / collections from investment activities | (132,599) | 78,733 |
| Net cash flows (used in) / provided by investment activities | (138,685) | 24,114 |
| Financing activities | | |
| Net collections / (payments) from: | | |
| Unsubordinated corporate bonds | 148,900 | , |
| Argentine Central Bank | 474 | (113) |
| Other | 474 | (113) |
| Banks and international agencies | 108,145 | 157,416 |
| Financing received from local financial institutions | (393) | (332) |
| Cash dividends paid | , | (804,000) |
| Other payments related to financing activities | (620,051) | (385,321) |
| Net cash flows used in financing activities | (362,925) | (1,032,350) |
| Financial results and results from holdings of cash and cash equivalents (including interest) | , | 1 |
| Net (decrease) / increase in cash and cash equivalents | (4,930) | 1,512,262 |

(1) See note 16 Statements of cash and cash equivalents flow

The accompanying notes 1 through 18 and exhibits A through L, N and O and the consolidated financial statements with its notes and exhibits are an integral part of these statements.

Table of Contents

- 8 -

NOTES TO THE FINANCIAL STATEMENTS AS OF JUNE 30, 2012, PRESENTED IN COMPARATIVE FORM WITH THE BALANCE SHEET AS OF DECEMBER 31, 2011, AND THE STATEMENTS OF INCOME, CHANGES IN STOCKHOLDERS EQUITY AND CASH AND CASH EQUIVALENTS FLOW AS OF JUNE 30, 2011

(Translation of financial statements originally issued in Spanish - See note 18)

(Stated in thousands of pesos)

1. CORPORATE SITUATION AND BANK S ACTIVITIES**1.1 Corporate situation**

BBVA Banco Francés S.A. (hereinafter indistinctly referred to as either BBVA Francés or the Bank) has its main place of business in Buenos Aires, Argentina, and operates a 243-branch network.

As from December, 1996, BBVA Francés is part of Banco Bilbao Vizcaya Argentaria S.A. (BBVA) global strategy, which controls the Bank, direct and indirectly, with 75.96% of the corporate stock as of June 30, 2012.

Part of the Bank s corporate stock is publicly traded and has been registered with the Buenos Aires Stock Exchange, New York Stock Exchange and Madrid Stock Exchange.

1.2 Capital stock

Changes in the Bank s capital stock during the last five fiscal years are as follows:

| Stockholders | Date of | | | | |
|--------------|--|-----------------------|-----------|----------|------------|
| Meeting | deciding on | Registration with the | Form of | Amount | Total |
| | the issuance | Public Registry of | placement | | |
| | | Commerce | | | |
| | Capital Stock as of December 31, 2007: | | | | 471,361 |
| 03-27-2009 | | 10-05-2009 | (1) | 65,000 | 536,361 |
| 03-30-2011 | | 09-14-2011 | (2) | 517 | 536,878(3) |
| 03-26-2012 | | | (4) | 50,410 | |
| 03-26-2012 | | | (4) | (50,410) | 536,878 |

(1) For payment of share dividend.

(2) Due to the merger of Consolidar Comercializadora S.A. into BBVA Francés.

(3) The amount of Capital Stock is fully paid in and authorized for public offering by National Securities Commission (CNV).

(4) Due to the merger of Inversora Otar S.A. into BBVA Francés. The issuance of 50,410,182 shares will take place as soon as the merger has been registered with the Public Registry of Commerce and immediately afterwards, BBVA Francés will cancel the 50,410,182 shares that

it owns (see note 1.4).

1.3 Sale of Consolidar Aseguradora de Riesgos del Trabajo S.A.

On October 6, 2011, a purchase and sale agreement was executed for the aggregate shares held by Consolidar Aseguradora de Riesgos del Trabajo S.A. (Consolidar ART) between BBVA Francés, holder of 12.50% of the capital stock, and Banco Bilbao Vizcaya Argentaria S.A., holder of 87.50% of the capital stock, in their capacities as selling shareholders, and Galeno Argentina S.A. in its capacity as buyer.

Table of Contents

- 9 -

Pursuant to said agreement, a price was established for the shares, at US\$ 59,443,137, adjustable on the basis of the net proceeds resulting from the sale of the interest held by Consolidar ART in the real estate for own use where it had its offices. On October 6, 2011 BBVA Francés received from the buyer a down payment in the amount of 18,750 equal to 60% of the pro rata price of the transaction. On February 6, 2012, the transaction was approved by the National Superintendence of Insurance (S.S.N.) and on March 6, 2012, the transfer of the stock ownership from Consolidar ART to Galeno Argentina S.A. was perfected, together with the collection of the transaction price balance.

1.4 Inversora Otar S.A. merged by absorption into BBVA Francés

As of the end of the previous fiscal year, Inversora Otar S.A. (Otar) held in its name 50,410,182 book-entry, ordinary shares, with a par value of \$1 each and right to 1 vote each in the capital stock of BBVA Francés.

On February 9, 2012, the Boards of Directors of BBVA Francés and Otar entered into a Preliminary Merger Agreement whereby BBVA Francés incorporates Otar on the basis of these companies financial statements as of December 31, 2011 and Otar goes through a dissolution without liquidation process.

On March 26, 2012, the Ordinary and Extraordinary General Shareholders Meetings of BBVA Francés and Otar approved the above mentioned preliminary merger agreement, the consolidated financial statements for merging purposes as of December 31, 2011 and the shares exchange ratio.

The Shareholders Meeting of BBVA Francés above mentioned, approved the increase in capital stock of BBVA Francés by issuing 50,410,182 book-entry, ordinary shares with a par value of \$ 1 each and 1 vote per share, to be listed for public offering at the Buenos Aires Stock Exchange in order to be delivered to the shareholders of Otar. These shares will be issued as soon as the merger is registered with the Public Registry of Commerce.

In addition, immediately after the above-mentioned capital increase, BBVA Francés will cancel the 50,410,182 book-entry, ordinary shares, with a par value of \$1 each and right to 1 vote each that it owns subject to the previous capital stock reduction stemming from the merger.

The parties have agreed to fix April 1, 2012 as the effective date for the merger as that was the date when all the assets and liabilities of the merged company were transferred, for 390.971 y 5.668, respectively.

As of the date of issuance of these financial statements, the decisions adopted shall be subject to the approval of the competent authorities.

1.5 Responsibility of stockholders

BBVA Francés is a corporation established under the laws of the Argentine Republic, and the responsibility of its stockholders is limited to the value of the paid - in shares, in accordance with Law Nr. 19,550. As a result, in compliance with Law Nr. 25,738, it is hereby informed that neither the foreign capital majority stockholders nor the local or foreign stockholders will respond, in excess of the mentioned paid-in stockholding, for the liabilities arising out of the transactions performed by the financial institution.

Table of Contents

- 10 -

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Restatement of the financial statements in equivalent purchasing power

The financial statements have been taken from the Bank's books of account in conformity with the standards of the Argentine Central Bank (BCRA).

These financial statements recognize the effects of the changes in the purchasing power of the currency through February 28, 2003, following the restatement method established by Argentine Federation of Professional Council in Economic Sciences (FACPCE) Technical Pronouncement Nr. 6 (modified by Technical Pronouncement Nr. 19), using adjustment rates derived from the Internal Wholesale Price Index published by the National Institute of Statistics and Census (I.N.D.E.C.).

According to the above mentioned method, the accounting figures were restated due to the purchasing power changes through August 31, 1995. As from that date, based in the prevailing economic stability conditions and according to CNV General Resolution Nr. 272 and BCRA Communication A 2365, the accounting figures were not restated through December 31, 2001. In view of CNV General Resolution Nr. 415 and BCRA Communication A 3702, the method was reinstated effective as from January 1, 2002, considering the previous accounting figures as restated as of December 31, 2001.

By Communication A 3921 of the BCRA and General Resolution Nr. 441/03 of the CNV, in compliance with Decree 664/03 of the Federal Executive, application of the restatement method on financial statements in equivalent purchasing power has been suspended as from March 1, 2003. Accordingly, BBVA Francés applied the mentioned restatement until February 28, 2003.

2.2 Comparative information

In accordance with BCRA Communication A 4265, the Balance Sheet and the Exhibits that so specify include the comparative information as of December 31, 2011, while the Statements of Income, Changes in Stockholders' Equity and Cash and cash equivalents flow show comparative information as of June 30, 2011.

On January 1, 2012, the Bank reclassified its loans to personnel within the scope of Communication A 1250 from the Loans caption to the Other receivables caption.

As a result, for comparative purposes, the Bank adapted the balances of such assets in the Balance Sheet as of December 31, 2011 and in the Statement of Cash and cash equivalents flow as of June 30, 2011.

It must be clarified that these changes do not have a significant impact on the presentation of the financial statements as of such date considered as a whole.

2.3 Valuation methods

The main valuation methods used in the preparation of the financial statements have been as follows:

a) Foreign currency assets and liabilities:

As of June 30, 2012 and the end of the previous fiscal year, such amounts were translated into Pesos at the benchmark exchange rate of the BCRA as of the closing date of transactions on the last business day of the period or fiscal year. The exchange differences were charged to income (loss) for the period or fiscal year.

b) Government and private securities:

Holdings booked at fair value and instruments issued by the BCRA at fair value: they were valued based on current listed prices or the prevailing present value for each security as of June 30, 2012 and the end of the previous fiscal year. Differences in listed prices were credited/charged to income for the period or fiscal year.

Table of Contents

- 11 -

Holdings booked at amortized cost and instruments issued by the BCRA at amortized cost: as of June 30, 2012 and the end of the previous fiscal year, these were valued using the amount of initial recognition, rose on the basis of the interest accrued as per the internal rate of return.

Investments in listed private securities, equity and debt instruments: they were valued based on current listed prices as of June 30, 2012 and the end of the previous fiscal year. Differences in listed prices were charged to income for the period or fiscal year.

c) Loans to Government Sector:

Federal Government secured loans - Decree Nr. 1387/2001:

As of June 30, 2012 and the end of the previous fiscal year, the secured loans were valued at the highest amount resulting from a comparison between the present value as estimated by BCRA and the book value in accordance with the provisions under BCRA's Communication A 5180. In addition, the amount required to take their book values to their fair realization values is recorded in a balancing account.

d) Interest accrual:

Interest has been accrued according to a compound interest formula in the periods in which it was generated, except interest on transactions in foreign currency, those whose maturity does not exceed 92 days, and adjustable assets and liabilities and loans to financial sector which were apportioned on a linear basis.

e) Benchmark stabilization coefficient (CER):

As of June 30, 2012 and the end of the previous fiscal year, receivables and payables have been adjusted to the CER as follows:

Federal government secured loans have been adjusted under Resolution Nr. 50/2002 of the Ministry of Economy, which resolved that the CER business 10 (ten) days prior to the maturity date of the related service will be considered for yield and repayments of the loans.

Federal Government Secured Bonds due in 2020: have been adjusted under Resolution Nr. 539/2002 of the Ministry of Economy, which resolved that the CER business 5 (five) days prior to the maturity date of the related service will be considered for yield and repayment of the bonds.

Deposits and other assets and liabilities: have been adjusted considering the CER prevailing as of June 30, 2012 and the end of the previous fiscal year.

f) Allowance for loan losses and contingent commitments:

For loans, other receivables from financial transactions, receivables from financial leases, receivables from sale of property assets and contingent commitments: the allowances have been calculated based on the Bank's estimated loan loss risk in light of debtor compliance and the collaterals supporting the respective transactions, as provided by Communication A 2950 and supplemented of the BCRA.

g) Instruments to be received and to be delivered for spot and forward transactions pending settlement:

In foreign currency: they were valued according to the benchmark exchange rate of the BCRA for each currency determined on the last business day of the end of the period or fiscal year.

Securities: with Holdings booked at fair value and Instruments issued by B.C.R.A at fair value: according to the method described in 2.3.b).

h) Amounts receivable and payable for spot and forward transactions pending settlement:

They were valued based on the prices agreed upon for each transaction, plus related premiums accrued as of June 30, 2012 and the end of the previous fiscal year.

Table of Contents

- 12 -

i) Unlisted Corporate Bonds:

They were valued at acquisition cost plus income accrued but not collected as of June 30, 2012 and the end of the previous fiscal year.

j) Receivables from financial leases:

As of June 30, 2012 and the end of the previous fiscal year, they were valued at the present value of the sum of the periodical instalments and the agreed-upon residual value, calculated as per the conditions agreed upon in the respective leases, applying the imputed interest rate thereto.

k) Investments in other companies:

Investments in controlled financial institutions, supplementary activities and authorized were valued based on the following methods:

BBVA Francés Valores Sociedad de Bolsa S.A., Consolidar Administradora de Fondos de Jubilaciones y Pensiones S.A. (undergoing liquidation proceedings), PSA Finance Argentina Compañía Financiera S.A. and BBVA Francés Asset Management S.A. Sociedad Gerente de Fondos Comunes de Inversión: were valued by applying the equity method at the end of the period or fiscal year.

Investments in non controlled financial institutions, supplementary activities and authorized were valued according to the following methods:

Rombo Cía. Financiera S.A., Banelco S.A., Visa Argentina S.A. and Interbanking S.A.: were valued by applying the equity method at the end of the period or fiscal year.

Bladex S.A.: was valued at acquisition cost in foreign currency plus the nominal value of stock dividends received, converted into pesos based on the method described in 2.3.a).

Other: valued at acquisition cost, without exceeding their recoverable value.

Investments in other controlled affiliates were valued based on the following method:

Aplica Soluciones Argentina S.A. (undergoing liquidation proceedings): was valued by applying the equity method at the end of the period.

Other non controlled affiliates were valued based on the following methods:

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BBVA Consolidar Seguros S.A.: was valued by applying the equity method at the end of the period or fiscal year.

Other: were valued at acquisition cost, without exceeding their recoverable value.

Consolidar ART (see note 1.3): was valued by applying the equity method at December 31, 2011.

l) Premises and equipment and Other assets:

They have been valued at acquisition cost plus increases from prior-year appraisal revaluations, restated as explained in note 2.1, less related accumulated depreciation calculated in proportion to the months of estimated useful life of items concerned (see Exhibit F).

m) Intangible assets:

They have been valued at acquisition cost less related accumulated amortization calculated in proportion to the months of estimated useful life of the items concerned (see useful life assigned in Exhibit G).

This caption included the differences arising from compliance with court-ordered measures arising from cases challenging the current rules and regulations applicable to deposits with the financial system in the

Table of Contents

- 13 -

framework of the provisions of Law Nr. 25,561, Decree Nr. 214/02 and supplementary provisions. The assets mentioned (calculated on the basis of the nominal difference between the exchange rate freely determined in the market and applied to the value of the deposit recorded in the books at that date) was amortized within the 60 monthly instalments starting in April 2003 in accordance with Communication A 3916 of the BCRA.

As of June 30, 2012 and the end of the previous fiscal year these assets have been fully amortized, with the total accumulated amortization as of those dates amounting to 1,367,410 and 1,359,260, respectively.

The Bank, however, notifies that such amortization was solely calculated to comply with the regulations of the BCRA and that by no means does it imply a waiver to possible compensation or recovery of the exchange difference resulting from compliance with court orders corresponding to petitions for protection of civil rights or other court action derived from the mandatory conversion of bank deposits into pesos.

Pursuant to the decisions handed down by Argentina's Supreme Court of Justice of Argentina (Massa, Juan Agustín v. Argentine Executive Branch - Executive Order 1570/ et al over action for the protection of constitutional rights (*amparo*) Law Nr. 16,986 and Kujarchuk v. Argentine Executive Branch), a calculation method was established for the payment of bank deposits that was different from the one that had been instituted by the Argentine Executive Branch.

As of June 30, 2012 and the end of the previous fiscal year, the Bank has estimated this contingency and it has raised allowances for the total amount.

The Bank's Board of Directors expects that the Argentine State remedies the significant damage resulting from compliance with court-ordered measures on petitions for protection of civil rights and actions for relief, particularly due to the impact of differences in compensation or recovery as per the rulings in the abovementioned actions and according to the law in relation to the pesification of the underlying deposits. In this regard, the Bank has informed of such financial damages to the relevant authorities, with reservation of rights.

n) Derivative transactions (see note 12):

Interest rate swaps and Forward transactions:

1. Interest rate swaps are recorded at the value resulting from the application of rates differences to residual notional amounts at the end of the period or fiscal year.
2. Forward transactions receivable/payable in Pesos without delivery of the underlying asset are recorded for the amount receivable or payable, as appropriate, arising from the difference between the agreed exchange rate and the exchange rate at the end of the period or fiscal year as applied to stated notional amounts.

Call options bought and written:

As of June 30, 2012 and the end of the previous fiscal year, these were valued based on their intrinsic value, which represents the difference between the market value of the underlying asset and the strike price. The exchange differences were charged to income (loss) for the period or fiscal year.

Repo and Reverse Repo transactions

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As of June 30, 2012 and as of the end of the previous fiscal year, the repos whose underlying assets are not subject to the volatilities published by BCRA were valued as per the cost of each transaction and the repos whose underlying assets are subject to volatility were recorded at their quoted value. Accrued premiums were charged to income (loss) for the period or fiscal year.

o) Term investments yielding variable income - Communication A 2482 and supplemented:

As of June 30, 2012 and the end of the previous fiscal year, the variable income yielded by these investments, agreed for terms equal to or in excess of 180 days, was accrued on the basis of the change in the price of the assets or the indicators contained in the provision and the terms and conditions of the respective transactions were also considered. Any said change was restricted to a given range of contractually agreed values.

Table of Contents

- 14 -

p) **Employee termination pay:**

The Bank expenses employee termination pay as disbursed.

q) **Other liabilities:**

They include the debit balances non arising out of transactions relating to the supply and demand of financial resources, plus the adjustments and interest payable accrued as of June 30, 2012 and the end of the previous fiscal year.

r) **Allowance for other contingencies:**

It includes the estimated amounts to meet contingencies of probable occurrence that, if occurred, would give rise to a loss for the Bank.

s) **Stockholders' equity accounts:**

They are restated as explained in note 2.1, except for the Capital Stock and Non capitalized contributions accounts which have been kept at original value. The adjustment resulting from the restatement is included in the Adjustment to Stockholders' Equity - Adjustment to Capital Stock account.

t) **Statement of Income Accounts:**

As of June 30, 2012 and 2011, accounts accruing monetary transactions [(financial income (expense), service charge income (expense), provision for loan losses, administrative expenses, etc.)] were computed on the basis of their monthly accrual at historical rates.

Accounts reflecting the effect on income resulting from the sale, write-off, or use of non-monetary assets were computed based on the value of such assets, as mentioned in note 2.1.

Income from investments in subsidiaries was computed based on such companies' income adjusted as explained in note 2.1.

u) **Earning per share:**

As of June 30, 2012, the Bank calculated the earning per share on the basis of 536,877,850 ordinary shares of \$1 par value each and as of June 30, 2011 on the basis of 536,361,306 ordinary shares of \$ 1 par value each. The net income for each period on those dates is as follows:

| | 06-30-2012 | 06-30-2011 |
|--|------------|------------|
| Net income for the period | 571,371 | 392,486 |
| Earning per share for the six-month period (stated in pesos) | 1.06 | 0.73 |

v) Use of accounting estimates:

The preparation of the financial statements in accordance with the standards set forth by the BCRA require the Bank's Board of Directors to use assumptions and estimates that affect certain assets such as allowances for doubtful loan and certain liabilities such as provisions for other contingencies as well as the income/loss generated during the fiscal years being reported. Final income/loss may differ from such estimates.

Table of Contents

- 15 -

3. DIFFERENCES BETWEEN BCRA ACCOUNTING STANDARDS AND GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN ARGENTINA

The Bank has prepared these financial statements by applying the regulations of the BCRA, which do not contemplate some of the valuation criteria established by the generally accepted accounting principles in Argentina.

The main differences between the regulations of the BCRA and the generally accepted accounting principles in Argentina are detailed below:

a) Tax effects

As already indicated hereinbelow, in note 4.1., the Bank has received various communications from the BCRA pursuant to which that BCRA indicates that the capitalization of items arising from the application of the deferred tax method is not allowed. In accordance with professional accounting standards currently in force in Argentina, a deferred tax asset should be recognized to the extent the reversal of temporary differences generates a future decrease in the tax effectively determined. As a result, the allowances set up by the Bank in this respect, for 234,700 and 109,600 as of June 30, 2012 and the end of the previous fiscal year, respectively, should be recovered.

b) Derivative financial instruments

As explained in notes 2.3.n) and 12, as of June 30, 2012 and the end of the previous fiscal year, the Bank recorded the effects of interest rate swap agreements as established by the BCRA. Should the Bank had applied the professional accounting standards currently in force, the stockholders' equity would have decreased in 3,356 and in 16,018, respectively. By contrast, the effect of the application of the professional accounting standards on the income statement for the periods ended June 30, 2012 and 2011 would have been 12,662 (income) and 1,873 (loss), respectively.

c) Consolidar A.F.J.P. S.A. and Consolidar Retiro S.A. building acquisition

On September 25, 2009, the Bank acquired from Consolidar A.F.J.P. S.A. the latter's undivided interest in the piece of real estate located in Avenida Independencia 169. The Bank booked a 20,109 write-down for the real estate in its stand-alone and consolidated balance sheet as of December 31, 2011 to reflect the result from the transaction attributable to the Bank's ownership interest in the company. The professional accounting standards currently in force in Argentina do not require the mentioned adjustment.

On June 7, 2011, the Bank acquired from Consolidar Retiro the latter's undivided interest in the piece of real estate located in Avenida Independencia 169. The Bank booked a 7,062 write-down for the real estate in its stand-alone and consolidated balance sheet as of December 31, 2011 to reflect the result from the transaction attributable to the Bank's ownership interest in the company as of that date. The professional accounting standards currently in force in Argentina do not require the mentioned adjustment.

The entire undivided interest that the Bank owned in the property situated at Avenida Independencia 169 was sold on March 1, 2012.

4. TAX MATTERS

4.1. Income tax

The Bank determined the charge for income tax by applying the effective 35% rate to taxable income estimated for fiscal year considering the effect of temporary differences between valuation of assets and liabilities for accounting purposes and their taxable bases. The Bank considered as temporary differences those that have a definitive reversal date in subsequent years.

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As of June 30, 2012 and 2011, the Bank recorded 442,700 and 265,900, respectively, in the Income tax caption as the estimate of the income tax charge payable to the tax authorities for the relevant fiscal years.

Table of Contents

- 16 -

As of June 30, 2012 and the end of the previous fiscal year, the Bank has booked 307,668 and 326,818, respectively, in the caption Other liabilities - Other - Accrued Taxes as a result of having netted the income tax withholdings applied to the Bank until such dates.

Besides, on June 19, 2003, the Bank received a note from the BCRA indicating that the capitalization of items arising from the application of the deferred tax method is not allowed.

On June 26, 2003, the Bank's Board of Directors, based on the opinion of its legal counsel, responded the above mentioned note, indicating that in their opinion the rules of the BCRA do not prohibit the application of the deferred tax method generated by the recognition of temporary differences between the accounting and tax result. Subsequently, Resolution 118/03 of the Superintendent of Financial and Exchange Institutions received on October 7, 2003 confirmed the terms of the note dated June 19, 2003. Consequently, as from that date the Bank has set up an allowance for the net balance between the deferred tax assets and liabilities.

As of June 30, 2012 and the end of the previous fiscal year, the Bank recorded under Other Receivables (in the line Tax Prepayments) a taxable deferred asset amounting 234,700 and 109,600, respectively. Such amounts are made up as follows:

| | 06-30-2012 | 12-31-2011 |
|--------------------------|------------|------------|
| Deferred tax assets | 403,400 | 333,200 |
| Deferred tax liabilities | (168,700) | (223,600) |
| Net deferred assets | 234,700 | 109,600 |
| Allowance | (234,700) | (109,600) |

4.2. Tax on minimum presumed income

Tax on minimum presumed income (TOMPI) was established by Law Nr. 25,063 in the year ended December 31, 1998, for a ten-year term. On December 19, 2008 Law Nr. 26,426 established a one-year extension in TOMPI until December 30, 2009. In turn, Law Nr. 26,545, published in the Official Gazette on December 2, 2009 extended TOMPI for an additional ten-year period. This tax is supplementary to income tax: while the latter is levied on the taxable income for the year, TOMPI 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 for each year will coincide with the highest of these taxes. The above Law provides that institutions governed by Financial Institutions Law must consider as a tax base 20% of their taxable assets, after deducting non-computable ones. However, if TOMPI exceeds income tax in a given year, the excess thereof may be computed as a payment on account of any income tax in excess of TOMPI that may occur in any of the following ten years.

In every year that net operating losses are offset, the tax benefit (the benefit of the effective rate on the net operating loss used) will be realized to the extent that income tax (net of the offsetting) equals or exceeds tax on minimum presumed income, but will be reduced by any excess of the latter over former.

On February 11, 2005, the Argentine Central Bank issued Communication A 4295 whereby it enabled, under certain rules, the accounting record of credits on Tax on Minimum Presumed Income.

As of June 30, 2012 and 2011, the Income tax assessed was higher than the TOMPI. Therefore, a provision was raised for Income tax.

4.3. Other tax issues

a)

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On December 3, 1998, the Bank was notified of a tax assessment performed at the initiative of the Federal Administration of Public Revenue (AFIP), concerning income tax for the fiscal year 1992.

An appeal against said assessment was lodged with the Argentine Tax Court the Bank's objections against said period were partially dismissed. Against this dismissal resolution, the Bank lodged yet another appeal with the Court of Appeals with jurisdiction over federal contentious and administrative matters. On September 4, 2009 the Bank was notified of the judgment rendered by the Appellate Court. The judgment annuls the judgment entered in due time by one of the Argentine Tax Court panels and remands the case file to the Tax Court for it to have another panel render a decision. Panel B of the Tax

Table of Contents

- 17 -

Court handed down a new judgment declaring the assessment to be null and void. The Tax Authorities lodged an appeal against this judgment and on August 16, 2011. Panel III of the Appellate Court ruled that the appeal had been abandoned. Against this rejection, the Tax Authorities lodged an extraordinary appeal that the Appellate Court dismissed and then a further appeal was lodged with the Supreme Court of Justice of Argentina, which refused to admit it on April 17, 2012, with the judgment favorable to the Entity becoming final.

- b) On October 24, 2007, the Bank was notified by the Tax Bureau of the City of Buenos Aires of the commencement of a sua sponte tax assessment on a certain basis and partial in nature of the taxable income as regards turnover tax for the fiscal years 2002 and 2003.

On November 14, 2007, the Bank filed its defenses to the notice mentioned.

Then, on October 6, 2008, the Bank was given notice of Resolution Nr. 3631-DGR 2008 containing the sua sponte tax assessment for the fiscal years 2002 and 2003. On October 28, 2008, the Bank filed an appeal for review against this resolution, which was rejected on November 7, 2008.

In response to said rejection, on November 28, 2008 an appeal was lodged with a higher administrative authority by the Ministry of Economy of the Government of the City of Buenos Aires, which was also dismissed on April 24, 2009.

On April 28, 2009, the Court of Appeals with Federal Jurisdiction over Contentious Administrative Matters, Panel 3 handed down a judgment favourable to a petition filed by the Bank for the judge to suspend the effect of the decision made by administrative authorities until the appeal is decided. The judgment thus ordered that .subject to a sworn promise to comply a) the Tax Bureau of the City of Buenos Aires must suspend the sua sponte assessment that has objected to the treatment afforded by BBVA Francés to the bonds received from the National Government in the terms of Decree Nr. 905-02 and the related foreign exchange gains/losses in all matters related to taxation for turnover tax purposes for the fiscal period 2002; b) therefore, the Tax Bureau of the City of Buenos Aires must abstain from demanding that the Bank should pay any amount due that may have arisen from the items above detailed .

Also in this respect, on May 13, 2009, an action for a declaratory judgment was commenced by the Bank against the Tax Bureau of the City of Buenos Aires, currently being heard by the court with original Federal Jurisdiction over Contentious Administrative Matters Nr. 1, to procure a judgment ascertaining that a) the bonds received by the Bank from the National Government as compensation for the asymmetric re-denomination into Pesos of assets and liabilities imposed by the Executive Order Nr. 905/2002 may not be levied with Turnover Tax in the Autonomous City of Buenos Aires; b) the foreign exchange gains/losses are a direct effect of the modification of the monetary system and therefore should not be levied with Turnover Tax in the Autonomous City of Buenos Aires. On December 29, 2010, the Judge presiding over the court with original Federal Jurisdiction over Contentious Administrative Matters Nr. 1 handed down a new precautionary measure ordering the Tax Bureau of the City of Buenos Aires to refrain from demanding that BBVA Francés should pay any debt originating in the tax treatment that should be afforded to the bonds received from the National Government as compensation for the asymmetric re-denomination into Pesos under Executive Order Nr. 905/02 and the foreign exchange gains/losses for purposes of Turnover Tax for the fiscal period 2002 in issue until a final judgment has been rendered on the proceedings whereby the action for a declaratory judgment is still pending.

The Bank's Management and tax and legal counsel estimate that the Bank made a reasonable interpretation of effective regulations regarding the observed periods and does not expect an adverse financial impact in these respects.

As regards the balance of the amount claimed, the Entity adhered to a scheme of payment in instalments that was cancelled on October 4, 2010.

Table of Contents

- 18 -

5. BREAKDOWN OF MAIN ITEMS AND ACCOUNTS

The breakdown of the items included under Other accounts which exceed 20% of the total amount of each item is as follows:

| | 06-30-2012 | 12-31-2011 |
|--|------------------|------------------|
| a) LOANS | | |
| Fixed-rate financial loans | 2,653,451 | 2,640,216 |
| Loans granted to pre-finance and finance exports | 1,699,115 | 3,003,322 |
| Financial loans to foreign entities | 20,522 | 70,704 |
| Other | 32,325 | 22,741 |
| Total | 4,405,413 | 5,736,983 |
| b) INVESTMENTS IN OTHER COMPANIES | | |
| In controlled companies supplementary activities | 74,683 | 69,941 |
| In other non-controlled companies unlisted | 17,172 | 45,876 |
| In non-controlled companies supplementary activities | 16,612 | 14,875 |
| In other controlled companies | 2,765 | , |
| Total | 111,232 | 130,692 |
| c) OTHER RECEIVABLES | | |
| Guarantee deposits | 255,139 | 201,904 |
| Tax prepayments (1) | 244,418 | 121,481 |
| Loans to personnel | 186,227 | 178,256 |
| Miscellaneous receivables | 161,573 | 198,781 |
| Prepayments | 96,446 | 110,884 |
| Other | 3,248 | 8,201 |
| Total | 947,051 | 819,507 |

(1) As of June 30, 2012 and December 31, 2011, it includes the deferred tax asset for 234,700 and 109,600, respectively (see note 4.1.).

Table of Contents

- 19 -

| | 06-30-2012 | 12-31-2011 |
|---|-------------------|-------------------|
| d) OTHER LIABILITIES FROM FINANCIAL TRANSACTIONS | | |
| Accounts payable for consumption | 508,962 | 547,354 |
| Other withholdings and collections at source | 255,892 | 261,942 |
| Collections and other operations for the account of third parties | 249,759 | 473,628 |
| Money orders payable | 155,395 | 174,928 |
| Loans received from Fondo Tecnológico Argentina (FONTAR) and Banco de Inversión y Comercio Exterior (B.I.C.E) | 55,024 | 49,324 |
| Social security payment orders pending settlement | 52,962 | 4,987 |
| Pending Banelco debit transactions | 24,959 | 36,505 |
| Loans received from Interamerican Development Bank (IDB) | 11,631 | 15,945 |
| Other | 53,330 | 65,885 |
| Total | 1,367,914 | 1,630,498 |
| e) OTHER LIABILITIES | | |
| Accrued taxes | 406,333 | 409,038 |
| Miscellaneous payables | 215,553 | 316,160 |
| Accrued salaries and payroll taxes | 181,173 | 238,739 |
| Amounts collected in advance | 81,080 | 79,470 |
| Other | 2,125 | 1,283 |
| Total | 886,264 | 1,044,690 |
| f) MEMORANDUM ACCOUNTS DEBIT CONTROL | | |
| Securities representative of investments in escrow on behalf of the Guarantee Fund for the Sustainability of the Pay-as-you-go System managed by the Argentine Republic | 38,672,428 | 35,717,602 |
| Items in safekeeping | 20,288,283 | 16,087,264 |
| Checks not yet credited | 2,185,204 | 2,567,258 |
| Collections items | 462,132 | 400,241 |
| Checks drawn on the Bank pending clearing | 357,801 | 254,125 |
| Other | 87,588 | 96,100 |
| Total | 62,053,436 | 55,122,590 |

Table of Contents

- 20 -

| | 06-30-2012 | 06-30-2011 |
|---|----------------|----------------|
| g) SERVICE CHARGE INCOME | | |
| Commissions for hiring of insurances | 119,054 | 83,211 |
| Rental of safe-deposit boxes | 46,250 | 36,313 |
| Commissions for loans and guaranties | 35,974 | 26,329 |
| Commissions for transportations of values | 8,412 | 7,288 |
| Commissions for escrow | 5,298 | 5,817 |
| Commissions for salary payment | 4,757 | 4,261 |
| Commissions for capital market transactions | 2,446 | 6,794 |
| Commissions for trust management | 470 | 481 |
| Other | 25,868 | 25,220 |
| Total | 248,529 | 195,714 |
| h) SERVICE CHARGE EXPENSE | | |
| Turn-over tax | 65,055 | 48,620 |
| Insurance paid on lease transactions | 16,742 | 9,550 |
| Other | 10,547 | 6,999 |
| Total | 92,344 | 65,169 |
| i) OTHER INCOME | | |
| Deferred income tax (1) | 125,100 | 67,800 |
| Gain from the sale of premises and equipment and other assets | 41,558 | 1,333 |
| Related parties expenses recovery | 8,403 | 6,338 |
| Tax recovery | , | 18,166 |
| Other | 28,237 | 26,188 |
| Total | 203,298 | 119,825 |

- (1) Offset with a charge for the same amount in Charge for uncollectibility of other receivables and other allowances account, under Other expense item.

6. FINANCIAL INFORMATION UNIT: SUMMARY PROCEEDINGS

In March 2010, the Bank was notified of the commencement of two summary proceedings instituted by the Financial Information Unit (UIF) against BBVA Francés and its Regulatory Compliance Officer arising from two wire transfers received by two customers in their respective sight accounts on November 22, 2007 and respectively amounting to 39,393 and 9,174.

It has been the UIF's understanding that the profile of the customers, as defined, and the supporting documentation submitted by the Bank do not coincide with the possibility of receiving such wire transfers.

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In due time, the Bank filed its defences, offered evidence and petitioned for an acquittal. In addition, the Bank called for the enforcement in this case of the same guarantees available in court proceedings, argued that the statute of limitations applicable to punishable offenses had run out and further claimed that Law Nr. 25,246 is unconstitutional when it comes to the scale of penalties imposed.

As regards the Regulatory Compliance Officer, the Bank focused on the nature of the penalties that could be imposed on him and petitioned for the enforcement of the general principles of the law in his respect as these prescribe that this officer should not be deemed liable on grounds of occupying the position of regulatory compliance officer at the Bank.

Table of Contents

- 21 -

In September and October 2010, the Bank was served with the resolutions adopted by the UIF whereby BBVA Francés and the Regulatory Compliance Officer were each ordered to pay a fine for an amount equivalent to one time the transactions objected.

On the basis of its legal advisors' opinion, on October 28 and November 25, 2010, the Bank lodged with the Court of Appeals with Federal Jurisdiction over Contentious Administrative Matters a direct appeal against the UIF's Resolutions in connection with the wire transfers for 9,174 and 39,393, respectively, in accordance with the provisions under Section 25 of Law Nr. 25,246.

Both the Bank's Management and its legal advisors understand that these cases have been assessed on the basis of a duly timed analysis, following the internal procedures in place for these situations. Further, they understand that the Bank has duly applied in these two cases all current rules and regulations and that no adverse impact on the Bank's financial position is expected in this respect.

7. RESTRICTIONS ON ASSETS

As of June 30, 2012 and the end of the previous fiscal year, there are Bank's assets, which are restricted as follows:

- a) The Government and Private Securities account includes 129,125 and 132,500, respectively, in bonds issued by the Argentine Government maturing in 2014, allocated to the guarantee required to act as custodian of investment securities related to Guarantee Fund for the Sustainability of the Pay-as-you-go System managed by the Argentine Republic.
- b) The Bank appropriated 36,568 and 37,524, respectively, in bonds issued by the Argentine Government maturing in 2014, to secure loans arranged under the Credit Global Program given by the Interamerican Development Bank (IDB).
- c) The Bank appropriated 47,847 and 33,063, respectively, in Guaranteed Bonds maturing in 2020, to secure loans granted by the so-called Bicentennial Fund.
- d) The Bank has also appropriated accounts, deposits and trusts for 555,180 and 441,836, respectively, as security for activities related to credit card operations, automated clearing houses, non-deliverable forwards and lawsuits.
- e) As of December 31, 2011, the Bank appropriated loan funds of its active portfolio in an amount of 1,722 to secure debts with the BCRA.

Table of Contents

- 22 -

8. TRANSACTIONS WITH SUBSIDIARIES AND PARENT COMPANIES (ART. 33 OF LAW Nr. 19,550)

The balances as of June 30, 2012 and the end of the previous fiscal year, for transactions performed with subsidiaries and parents companies are as follows:

| Company | Balance Sheet | | | | Memorandum Accounts (1) | |
|---|---------------|---------|-------------|---------|-------------------------|---------|
| | Assets | | Liabilities | | 2012 | 2011 |
| | 2012 | 2011 | 2012 | 2011 | | |
| BBVA | 27,445 | 12,537 | 7,202 | 16,327 | 25,216 | 252,634 |
| BBVA Francés Valores Sociedad de Bolsa S.A | , | 2,497 | 1,808 | 4,664 | 3,151 | 2,340 |
| Consolidar Aseguradora de Riesgos del Trabajo S.A. (see note 1.3) | , | 140 | , | 257,765 | , | 23,424 |
| Consolidar Administradora de Fondos de Jubilaciones y Pensiones S.A. (undergoing liquidation proceedings) | 2 | 9,979 | 1,029 | 90,379 | 42,356 | 74,620 |
| BBVA Francés Asset Management S.A. Sociedad Gerente de Fondos Comunes de Inversión | 233 | 199 | 25,643 | 24,010 | 20,644 | 18,381 |
| BBVA Consolidar Seguros S.A. | 13,326 | 12,238 | 11,976 | 3,364 | , | , |
| PSA Finance Argentina Cía. Financiera S.A. | 850,582 | 800,097 | 1,302 | 4,596 | 210,000 | 110,000 |
| Rombo Cía. Financiera S.A. | 669,232 | 564,341 | 8,834 | 30,803 | 242,500 | 224,000 |
| Inversora Otar S.A. (see note 1.4) | , | 5,235 | , | 910 | , | 400,761 |
| Aplica Soluciones Argentina S.A. (undergoing liquidation proceedings) | , | , | 4,574 | , | , | , |

(1) Includes Items in safekeeping, Credit lines granted (unused portion) covered by debtor classification regulations, Guaranties given covered by debtor classification regulations and Derivatives.

9. BANK DEPOSITS GUARANTEE INSURANCE SYSTEM

The Bank is included in the Deposit Guarantee System established by Law 24,485, Regulatory Decrees Nr. 540/95, Nr. 1,292/96 and 1,127/98 and Communication A 2337 and BCRA s complementary regulations.

Such law provided for the creation of the Company Seguros de Depósitos Sociedad Anónima (SEDESA) for purposes of managing the Deposit Guarantee Fund (DGF), whose shareholders, in accordance with the changes introduced by Decree Nr. 1,292/96, shall be the BCRA with one share as a minimum and the trustees of the trust created by the financial institutions in the proportion to be determined for each by the BCRA according to their contributions to the DGF.

That Company was incorporated in August 1995 and the Bank has a 10.5337% interest in its capital stock.

The Deposit Guarantee System, which is limited, compulsory and onerous, has been created for purposes of covering the bank deposit risks subsidiarily and complementarily to the deposit protection and privilege system established by the Financial Institutions Law.

The guarantee shall cover the repayment of principal disbursed plus interest accrued through the date of revoking of the authorization to operate or through the date of suspension of the institution through application of section 49 of the BCRA s Charter provided that the latter had been adopted earlier than the former without exceeding the amount of pesos a hundred and twenty thousand. Regarding operations in the name of two or more people, the guarantee shall be prorated between the holders. In no event shall the total guarantee per person exceed the abovementioned amount, whatever the number of accounts and/or deposits.

10. TRUST ACTIVITIES

10.1. Financial Trusts

On January 5, 2001, the BCRA's Board of Directors issued Resolution Nr. 19/01, providing for the exclusion of Mercobank S.A.'s senior liabilities under the terms of Section 35 bis of the Financial Institutions Law, the authorization to transfer the excluded assets to the Bank as trustee of the Diagonal Trust, and the authorization to transfer the excluded liabilities to beneficiary banks. Also, on the mentioned date, the agreement to set up the Diagonal Trust was subscribed by Mercobank S.A. as settle and the Bank as trustee in relation to the exclusion of assets as provided in the resolution abovementioned. As of June 30, 2012 and the end of the previous fiscal year, the assets of Diagonal Trust amount to 2,409 and 2,411, respectively, considering its recoverable value.

Table of Contents

- 23 -

Besides, as of December 31, 2011 the Bank recorded the assets of Maginot Trust, whose book value amounts to 533. In addition, the Bank recorded the selected assets on account of the redemptions in kind of the Fideicomiso Corp Banca participation certificates for 4,175 and 4,173 as of June 30, 2012 and the end of the previous fiscal year, respectively.

Such amounts are recorded in memorandum debit accounts For trustee activities - Funds in trust .

10.2. Non Financial Trusts

The Bank acts as trustee in 22 non-financial trusts, and in no case being personally liable for the liabilities assumed in the performance of the contract obligations; such liabilities will be satisfied with and up to the full amount of the corpus assets and the proceeds therefrom. The non financial trusts concerned were set up to secure the receivables of several creditors (beneficiaries) and the trustee was entrusted the management, care, preservation and custody of the corpus assets until (i) the requirements to show the noncompliance with the obligations by the debtor (settler) vis-à-vis the creditors (beneficiaries) are met, moment at which such assets will be sold and the proceeds therefrom will be distributed (net of expenses) among all beneficiaries, the remainder (if any) being delivered to the settler, or (ii) all contract terms and conditions are complied with, in which case all the corpus assets will be returned to the settler or to whom it may indicate. The trust assets represent about 194,592 and 180,673 as of June 30, 2012 and the end of the previous fiscal year, respectively, consist of cash, creditors rights, real estate and shares.

11. CORPORATE BONDS

On July 15, 2003, an Extraordinary Stockholders Meeting approved the setting up of a Program for the issuance and re-issuance of ordinary non-convertible Negotiable Obligations with ordinary guarantee, or such guarantees as may be decided by the Board of Directors, and unsecured Subordinated Negotiable Obligations, convertible or not into shares. During the life of the Program, which was 5 (five) years, it was possible to issue and re-issue any number of series and/or classes of Negotiable Obligations as long as at all times the maximum amount in circulation after adding together all series and/or classes outstanding under the Program pending redemption does not exceed at any time US\$ 300,000,000.

On April 26, 2007, the Ordinary and Extraordinary Stockholders Meeting delegated to the Board of Directors the authority to make certain amendments to the existing Negotiable Obligations Global Program such as: i) updating the Program so that it is governed by international terms and conditions, ii) existence of an international trustee in respect of one or more series representing the interests of investors, iii) drafting and execution of documentation in the English language and under foreign laws, including global and final securities, and payment agency, registrar, trust and underwriting agreements, as may be necessary, as well as the preparation of information documents for purposes of placement in international markets, including offering circulars and financial statements prepared in a foreign language.

In turn, the Ordinary and Extraordinary Stockholders Meeting held on March 28, 2008 decided to extend (i) for the term of 5 years the life of the Negotiable Obligations Global Program approved by the Extraordinary Stockholders Meeting held on July 15, 2003 and by Resolution Nr. 14967 of the CNV issued on November 29, 2004 in accordance with the changes introduced by the Ordinary and Extraordinary Stockholders Meeting held on April 26, 2007 and (ii) for the term of 2 years the delegation to the Board of Directors and the authority to sub-delegate the delegated powers in accordance with the applicable regulations approved by Ordinary and Extraordinary Stockholders Meeting held on April 26, 2007.

The Ordinary and Extraordinary Shareholders Meeting of BBVA Francés dated March 30, 2011 resolved that, considering the country's favourable context in terms of national macroeconomics, as well as the conditions prevailing in international markets, and in particular, given the good growth prospects foreseen for the banking and financial industry, it was advisable to raise the maximum amount of the global note program from US\$ 300,000,000 (or its equivalent in other currencies) to US\$ 500,000,000 (or its equivalent in other currencies) outstanding at any time and to renew the delegation to the Board of all of the powers related to the Program and to the Corporate Bonds allowed to be issued under the Program.

On July 21, 2011, the CNV approved the increase in the maximum amount of the Negotiable Obligations Global Program pursuant to its Resolution Nr. 16,611.

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As provided in the Negotiable Obligations Law and B.C.R.A.'s regulations, the proceeds could be applied to: (i) investments in physical assets located in Argentina; (ii) working capital in Argentina; (iii) refinancing of liabilities; (iv) capital contributions into BBVA Francés subsidiaries or related companies in so far as the

Table of Contents

- 24 -

proceeds of such contributions is, in turn, applied to the above-mentioned uses; and/or (v) lending, in so far as the borrowers apply the proceeds of such loans to the uses referred to in the preceding numerals of this paragraph in accordance with the rules laid down to that end by the B.C.R.A.

On June 23, 2011, the Board of BBVA Francés approved the issuance of Class 1 of its Corporate Bonds under the Program for a principal amount of up to \$250,000,000. On September 13, 2011, the Bank issued its Corporate Bonds, which were fully subscribed and paid in for 185,193 for a term of 18 months, to be fully amortized at maturity and subject to a variable interest rate equivalent to the private Badlar rate plus a spread of a nominal 2.8% per annum, with quarterly interest payments. As to the use of the proceeds obtained from the issuance of the above-mentioned Class, they were applied to the grant of personal loans.

On November 9, 2011, the Board of BBVA Francés approved the issuance of Class 2 of its Corporate Bonds under the Program for a principal amount of up to \$200,000,000. On January 16, 2012, the Bank issued its Corporate Bonds, which were fully subscribed and paid in for 148,900 for a term of 18 months, to be fully amortized at maturity and subject to a variable interest rate equivalent to the private Badlar rate plus a spread of a nominal 2.44% per annum, with quarterly interest payments. As to the use of the proceeds obtained from the issuance of the above-mentioned Class, they were applied to the reimbursement of time deposits.

In view of the liquidity prevailing in financial markets and the growth experienced by the Bank's assets in recent years, on March 26, 2012, BBVA Francés's Ordinary and Extraordinary General Shareholders' Meeting resolved to increase the maximum amount of the Corporate Bonds Program from US\$ 500,000,000 (or its equivalent in other currencies) to US\$ 750,000,000 (or its equivalent in other currencies) outstanding at any time.

On April 18, 2012, the Board of Directors of BBVA Francés approved the issuance of Class 3 of its Corporate bonds under the Program for a principal amount not in excess of \$300,000,000.

As of June 30, 2012 and the end of the previous fiscal year, the outstanding principal and accrued interest amounts to 339,930 (in connection with Class 1 and 2 of the Negotiable Obligations) and 187,273 (in connection with Class 1 of the Negotiable Obligations), respectively.

12. DERIVATIVE FINANCIAL INSTRUMENTS

I. Transactions as of June 30, 2012:

- a) Interest rate swaps for 796,450 (Fixed Rate versus Badlar), maturing within a period not exceeding 2 years for which the Bank pays a variable amount in accordance with changes in the Badlar, Encuesta rate, and receives a fixed amount based on stated notional amounts; and interest rate swaps for 5,000 (Badlar versus Fixed Rate), maturing within a period not exceeding 1 year for which the Bank pays a fixed amount, and receives a variable amount in accordance with changes in the Badlar.

These transactions have been valued in accordance with the mechanism described in note 2.3.n.1.) generating the amount of 7,728 as income for the period.

The estimated market value of said instruments amounts to 1,153 (Asset). For market value estimation purposes, the variable and fixed as yet not matured future flows are discounted, with the swap value being the difference between the current value of the future flows receivable and the current value of the future flows payable.

As of the end of the period, the above transactions were recorded under Memorandum Accounts - Debit Accounts - Derivatives - Interest rate swap for 801,450.

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- b) Interest rate swap for 52,121 (Fixed Rate versus Badlar), with final maturity in September 2019, for which the Bank pays a variable amount in accordance with changes in the Badlar, Encuesta rate, and receives a fixed amount based on stated notional amounts.

Said transaction was consummated as hedge for potential volatility in the cash flows arising from certain financing deals attributable to changes in the designated benchmark interest rates and it has proven to be effective hedge for the risk mentioned.

Table of Contents

- 25 -

The aim pursued by risk management consists in reducing exposure to changes in cash flows arising from financing deals. Thanks to the hedge established, changes in the cash flows arising from the underlying instrument caused by changes in the benchmark interest rate would decrease as a result of having been offset with the changes in the cash flows arising from the hedge instrument.

As of the end of the period the above transaction was recorded under Memorandum Accounts - Debit Accounts - Derivatives - Interest rate SWAP for 52,121.

- c) Non-deliverable forward purchase and sale transactions in foreign currency and ratios payable in Pesos, maturing within a period not exceeding 1 year, for 4,894,966 and 4,715,562, which are recorded under Memorandum Accounts - Debit Accounts - Derivatives - Notional amount of non-deliverable forward transactions , and Memorandum Accounts - Credit Accounts - Derivatives - Notional amount of non-deliverable forward transactions , respectively.

These transactions have been valued in accordance with the mechanism described in note 2.3.n.2.), generating income as of the end of the period for 31,078.

- d) Call options bought for 1,397 and call options written for 1,536 agreed as hedging for the Bank's borrowing position in connection with term investments yielding variable income conducted by customers. Said transactions were recorded under Memorandum Accounts - Debit Accounts - Derivatives - Notional amount of call options bought for 1,397 and under Memorandum Accounts - Credit Accounts - Derivatives - Notional amount of call options written for 1,536.

These transactions have been valued in accordance with the description in note 2.3.n) generating the amount of 255 as income for the period.

- e) Forward sales due to BCRA Bills repurchase agreements for 400,473, which are recorded under Other liabilities from financial transactions - Instruments to be delivered for spot and forward sales to be settled .

These transactions have been valued in accordance with the description in note 2.3.g) generating the amount of 39,030 as income for the period.

The Bank does not carry any balances associated to reverse repo transactions in force at June 30, 2012. However, the transactions conducted at June 30, 2012 have yielded a 1,265 loss at the end of the period.

II. Transactions as of December 31, 2011:

- a) Interest rate swaps for 577,600 (Fixed Rate versus Badlar), maturing within a period not exceeding 3 years for which the Bank pays a variable amount in accordance with changes in the Badlar, Encuesta rate, and receives a fixed amount based on stated notional amounts; and interest rate swaps for 29,000 (Badlar versus Fixed Rate), maturing within a period not exceeding 1 year for which the Bank pays a fixed amount, and receives a variable amount in accordance with changes in the Badlar.

These transactions have been valued in accordance with the mechanism described in note 2.3.n.1.) generating the amount of 1,307 as income for the fiscal year.

The estimated market value of said instruments amounts to 19,138 (Liability). For market value estimation purposes, the variable and fixed as yet not matured future flows are discounted, with the swap value being the difference between the current value of the future flows receivable and the current value of the future flows payable.

As of the end of the fiscal year, the above transactions were recorded under Memorandum Accounts - Debit Accounts - Derivatives - Interest rate swap for 606,600.

- b) Interest rate swap for 55,236 (Fixed Rate versus Badlar), with final maturity in September 2019, for which the Bank pays a variable amount in accordance with changes in the Badlar, Encuesta rate, and receives a fixed amount based on stated notional amounts.

Table of Contents

- 26 -

Said transaction was consummated as hedge for potential volatility in the cash flows arising from certain financing deals attributable to changes in the designated benchmark interest rates and it has proven to be effective hedge for the risk mentioned.

The aim pursued by risk management consists in reducing exposure to changes in cash flows arising from financing deals. Thanks to the hedge established, changes in the cash flows arising from the underlying instrument caused by changes in the benchmark interest rate would decrease as a result of having been offset with the changes in the cash flows arising from the hedge instrument.

As of the end of the fiscal year the above transaction was recorded under Memorandum Accounts - Debit Accounts - Derivatives - Interest rate SWAP for 55,236.

- c) Non-deliverable forward purchase and sale transactions in foreign currency and ratios payable in Pesos, maturing within a period not exceeding 1 year, for 3,588,570 and 3,419,241, which are recorded under Memorandum Accounts - Debit Accounts - Derivatives - Notional amount of non-deliverable forward transactions , and Memorandum Accounts - Credit Accounts - Derivatives - Notional amount of non-deliverable forward transactions , respectively.

These transactions have been valued in accordance with the mechanism described in note 2.3.n.2.), generating the amount of 51,506 as income for the fiscal year.

- d) Call options bought for 30,032 and call options written for 34,505 agreed as hedging for the Bank's borrowing position in connection with term investments yielding variable income conducted by customers. Said transactions were recorded under Memorandum Accounts - Debit Accounts - Derivatives - Notional amount of call options bought for 30,032 and under Memorandum Accounts - Credit Accounts - Derivatives - Notional amount of call options written for 34,505.

These transactions have been valued in accordance with the description in note 2.3.n) generating the amount of 458 as income for the fiscal year.

The Bank does not carry balances from put options in force as of the end of the fiscal year. This notwithstanding, the transactions conducted during the fiscal year have yielded 54 in loss.

- e) Forward sales due to BCRA Bills repurchase agreements for 1,076,058, which are recorded under Other liabilities from financial transactions - Instruments to be delivered for spot and forward sales to be settled .

These transactions have been valued in accordance with the description in note 2.3.g) generating 53,561 as income for the fiscal year.

- f) Forward purchases due to BCRA Bills reverse repurchase agreements for 99,490, which are recorded under Other receivables from financial transactions - Instruments to be received for spot and forward purchases to be settled .

These transactions have been valued in accordance with the description in note 2.3.g) generating 4,579 as loss for the fiscal year.

13. COMPLIANCE WITH CNV REQUIREMENTS

13.1 Compliance with the requirements to act as agent in the Over-the-counter Market

As of June 30, 2012 and the end of the previous fiscal year, the Bank's Stockholders' Equity exceeds the minimum requested to act as agent in the over-the-counter market, according to Resolutions No. 368/01 and 489/06 of the CNV.

13.2 Investment Funds custodian

As of June 30, 2012 and the end of the previous fiscal year, in its capacity of Investment Funds custodian of FBA Acciones Globales , FBA Total , FBA Renta , FBA Renta Pesos , FBA Renta Dólares , FBA Bonos Latinoamericanos , FBA Calificado , FBA Internacional , FBA A Dólares , FBA Renta Fija , FBA Ahorro Pesos , FBA Renta Premium , FBA Europa , FBA Horizonte , FBA EEUU , FBA Renta

Table of Contents

- 27 -

Corto Plazo , FBA Acciones Latinoamericanas , FBA Bonos Argentina , FBA Brasil , FBA México , FBA Commodities , FBA Acciones Arg and FBA Bonos Globales administrated by BBVA Francés Asset Management S.A. Sociedad Gerente de Fondos Comunes de Inversión, the Bank holds certificates of deposits, deferred payment checks, shares, corporate bonds, government securities, indexes, securities issued by the Argentine Central Bank, Cedears, ADRS and shares in mutual funds in safekeeping in the amount of 1,580,733 and 1,374,204, respectively, all of which making up the Fund s portfolio and booked in Memorandum Accounts - Debit Accounts - Control - Other .

The Investment Funds equities are as follows:

| INVESTMENT FUND | EQUITIES AS OF | |
|-------------------------------|------------------|------------------|
| | 06-30-2012 | 12-31-2011 |
| FBA Acciones Globales | 73,641 | 56,616 |
| FBA Total | 18,065 | 16,017 |
| FBA Renta | 20,490 | 17,435 |
| FBA Renta Pesos | 1,423,961 | 1,228,914 |
| FBA Renta Dólares | 5,781 | 4,613 |
| FBA Bonos Latinoamericanos | 16,427 | 12,977 |
| FBA Calificado | 72,621 | 72,591 |
| FBA Internacional | 926 | 645 |
| FBA Ahorro Dólares | 14,718 | 11,671 |
| FBA Renta Fija | 19,546 | 18,566 |
| FBA Ahorro Pesos | 394,861 | 422,678 |
| FBA Renta Premium | 11,361 | 10,056 |
| FBA Europa | 5,174 | 2,926 |
| FBA Horizonte | 35,505 | 35,230 |
| FBA EEUU | 20,506 | 7,501 |
| FBA Renta Corto Plazo | 460 | 443 |
| FBA Acciones Latinoamericanas | 27,275 | 19,948 |
| FBA Bonos Argentina | 7,461 | 4,922 |
| FBA Brasil | 28,039 | 25,998 |
| FBA México | 87 | 62 |
| FBA Commodities | 61 | 58 |
| FBA Acciones Argentinas | 256 | 260 |
| FBA Bonos Globales | 75 | 79 |
| Total | 2,197,297 | 1,970,206 |

14. EARNINGS DISTRIBUTIONS

The Bank has in place an earnings distribution policy in line with the Bank s vocation for sustained stockholder value, that at the same time allows the Bank s financial condition to perform favourably so as to strive for business growth and the maintenance of consistently high liquidity and solvency standards in compliance with currently applicable rules and regulations.

In accordance with Communications A 5072 and 5273, issued on May 6, 2010 and January 27, 2012, respectively, as amended and supplemented, of Distribution of Income of the BCRA, for purposes of calculating the earnings subject to distribution, off-balance sheet deductions must be performed from the sum of the balances recorded in the account Unappropriated retained earnings and in the Voluntary reserve for future distributions of income as set forth in point 2.1 of such Communication. In addition, the authorization of the Superintendent of Financial and Exchange Institutions shall be required in order to verify that the procedure established in said resolution for earnings distribution has been properly applied.

Table of Contents

- 28 -

15. ACCOUNTS REFLECTING COMPLIANCE WITH MINIMUM CASH

The following are the items computed for Compliance with Minimum Cash Requirements according to the regulations of the BCRA, with their corresponding balances as of June 30, 2012:

| COMPUTABLE COMPLIANCE IN PESOS | |
|---|------------------|
| Special Guarantee Accounts | 168,019 |
| BCRA Checking Account | 2,740,538 |
| Special social security accounts | 48,013 |
| Franchises | 129,431 |
| TOTAL | 3,086,001 |
| COMPUTABLE COMPLIANCE IN US DOLLARS (Stated in thousands of Pesos) | |
| Special Guarantee Accounts | 18,327 |
| BCRA Checking Account | 1,403,874 |
| TOTAL | 1,422,201 |
| COMPUTABLE COMPLIANCE IN EUROS (Stated in thousands of Pesos) | |
| BCRA Checking Account | 28,939 |
| TOTAL | 28,939 |

16. STATEMENTS OF CASH AND CASH EQUIVALENTS FLOW

The Statements of Cash and cash equivalents flow explains the changes in cash and cash equivalents. For such purpose, a detail is supplied of the items that the Bank considers to be cash and cash equivalents:

| | 06-30-12 | 12-31-11 | 06-30-11 | 12-31-10 |
|---|------------------|------------------|------------------|------------------|
| a) Cash and due from banks | 6,354,126 | 6,344,061 | 6,965,556 | 5,682,802 |
| b) Government securities | 39,533 | 77,873 | 208,346 | 4,813 |
| c) Loans to financial sectors, calls granted maturity date less than three months as from the end of each period or fiscal year | 269,038 | 245,693 | 173,955 | 147,980 |
| CASH AND CASH EQUIVALENTS | 6,662,697 | 6,667,627 | 7,347,857 | 5,835,595 |

Items b) and c) are considered to be cash equivalents because they are held in order to meet short-term commitments, they are easily convertible in known cash amounts, they are subject to negligible changes in value and their maturity is less than three months as from each period or fiscal year date.

17. PUBLICATION OF THE FINANCIAL STATEMENTS

As provided by Communication A 760, the previous intervention of the BCRA is not required for the publication of these financial statements.

Table of Contents

- 29 -

18. ACCOUNTING PRINCIPLES - EXPLANATION ADDED FOR TRANSLATION INTO ENGLISH

These financial statements are presented on the basis of the accounting standards of the BCRA and, except for the effect of the matters mentioned in note 3 to the stand - alone financial statements and note 2 to the consolidated financial statements, in accordance with generally accepted accounting principles in Argentina. Certain accounting practices applied by the Bank that conform with the standards of the BCRA and with generally accepted accounting principles in Argentina may not conform with the generally accepted accounting principles in other countries.

The effects of the differences, if any, between generally accepted accounting principles in Argentina and the generally accepted accounting principles in the countries in which the financial statements are to be used have not been quantified. Accordingly, they are not intended to present financial position, results of operations and cash flows in accordance with generally accepted accounting principles in the countries of the users of the financial statements, other than Argentina.

Table of Contents

- 30 -

EXHIBIT A**DETAIL OF GOVERNMENT AND PRIVATE SECURITIES****AS OF JUNE 30, 2012 AND DECEMBER 31, 2011**

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| Description | ID Caja de Valores | Market value or present value | Holding | | Position without options | Final position |
|--|-----------------------------|--|--|--|--------------------------------|-------------------|
| | | | Book balance as of 06-30-2012 | Book balance as of 12-31-2011 | | |
| GOVERNMENT SECURITIES | | | | | | |
| Government securities at fair value | | | | | | |
| Local | | | | | | |
| In pesos | | | | | | |
| Secured Bonds due 2020 | 2423 | | 864,750 | | 864,750 | 864,750 |
| Federal Government Bonds in Pesos Badlar + 275 pb due 2014 (1) | 5439 | | 709,029 | | 709,029 | 709,029 |
| Secured Bonds due 2018 | 2405 | | 144,120 | | 144,120 | 144,120 |
| Discount Bonds | 45696 | | 23,438 | | 23,438 | 23,438 |
| Other | | | 3,565 | | 3,264 | 3,264 |
| Subtotal in pesos | | | 1,744,902 | 2,078,533 | 1,744,601 | 1,744,601 |
| In foreign currency | | | | | | |
| Subtotal in foreign currency | | | | 2,516 | | |
| Subtotal Government securities at fair value | | | 1,744,902 | 2,081,049 | 1,744,601 | 1,744,601 |
| Government securities at amortized cost | | | | | | |
| Local | | | | | | |
| In pesos | | | | | | |
| Other | | 164 | 164 | | 164 | 164 |
| Subtotal in pesos | | | 164 | 164 | 164 | 164 |
| Subtotal Government securities at amortized cost | | | 164 | 164 | 164 | 164 |

(1) Holdings received in exchange for secured loans.

Table of Contents

- 31 -

EXHIBIT A

(Contd.)

DETAIL OF GOVERNMENT AND PRIVATE SECURITIES**AS OF JUNE 30, 2012 AND DECEMBER 31, 2011**

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| Description | ID Caja de Valores | Market value o present value | Holding Book balance as of 06-30-2012 | Book balance as of 12-31-2011 | Position without options | Final position |
|---|--------------------------|------------------------------------|---|--|--------------------------------|-------------------|
| Instruments issued by the BCRA | | | | | | |
| BCRA Bills | | | | | | |
| At fair value | | | | | | |
| Argentine Central Bank Internal Bills due 08-01-12 | 46222 | | 595,036 | | 595,036 | 595,036 |
| Argentine Central Bank Internal Bills due 09-26-12 | 46181 | | 587,391 | | 587,391 | 587,391 |
| Argentine Central Bank Internal Bills due 01-09-13 | 46241 | | 375,442 | | 375,442 | 375,442 |
| Argentine Central Bank Internal Bills due 07-25-12 | 46198 | | 198,640 | | 198,640 | 198,640 |
| Argentine Central Bank Internal Bills due 02-06-13 | 46244 | | 92,890 | | 92,890 | 92,890 |
| Argentine Central Bank Internal Bills due 09-05-12 | 46227 | | 87,783 | | 87,783 | 87,783 |
| Argentine Central Bank Internal Bills due 11-14-12 | 46240 | | 81,213 | | 81,213 | 81,213 |
| Other | | | 116,382 | | 116,382 | 116,382 |
| Subtotal at fair value | | | 2,134,777 | 750 | 2,134,777 | 2,134,777 |
| Repurchase transactions | | | | | | |
| Argentine Central Bank Internal Bills due 10-30-13 | 46216 | 400,473 | 400,473 | | , | , |
| Subtotal repurchase transactions | | | 400,473 | 1,076,058 | , | , |
| At amortized cost | | | | | | |
| Argentine Central Bank Internal Bills due 10-10-12 | 46187 | | 484,279 | | 484,279 | 484,279 |
| Argentine Central Bank Internal Bills due 12-12-12 | 46199 | | 284,624 | | 284,624 | 284,624 |
| Argentine Central Bank Internal Bills due 12-19-12 | 46250 | | 236,588 | | 236,588 | 236,588 |
| Argentine Central Bank Internal Bills due 11-21-12 | 46252 | | 95,505 | | 95,505 | 95,505 |
| Argentine Central Bank Internal Bills due 11-28-12 | 46219 | | 95,338 | | 95,338 | 95,338 |
| Argentine Central Bank Internal Bills due 10-03-12 | 46251 | | 48,559 | | 48,559 | 48,559 |
| Other | | | 4,140 | | 4,140 | 4,140 |
| Subtotal at amortized cost | | | 1,249,033 | 1,275,218 | 1,249,033 | 1,249,033 |
| BCRA Notes | | | | | | |
| At fair value | | | | | | |
| Argentine Central Bank Internal Bills (Badlar) due 05-15-13 | 46020 | | 387 | | 387 | 387 |

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| | | | | | |
|---|-------|-----------|-----------|-----------|-----------|
| Subtotal at fair value | | 387 | 418,249 | 387 | 387 |
| At amortized cost | | | | | |
| Argentine Central Bank Internal Bills (Badlar) due 07-18-12 | 46153 | 206,146 | | 206,146 | 206,146 |
| Argentine Central Bank Internal Bills (Badlar) due 08-28-13 | 46207 | 4,161 | | 4,161 | 4,161 |
| Other | | | | | |
| Subtotal at amortized cost | | 210,307 | 677,697 | 210,307 | 210,307 |
| Subtotal instruments issued by the BCRA | | 3,944,977 | 3,447,972 | 3,594,504 | 3,594,504 |
| TOTAL GOVERNMENT SECURITIES | | 5,740,043 | 5,529,185 | 5,339,269 | 5,339,269 |

Table of Contents

- 32 -

EXHIBIT A

(Contd.)

DETAIL OF GOVERNMENT AND PRIVATE SECURITIES**AS OF JUNE 30, 2012 AND DECEMBER 31, 2011**

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| Description | ID Caja de Valores | Market value | Holding Book balance as of 06-30-2012 | Book balance as of 12-31-2011 | Position without options | Final position |
|---|--------------------|--------------|---------------------------------------|-------------------------------|--------------------------|----------------|
| INVESTMENTS IN LISTED PRIVATE SECURITIES | | | | | | |
| Other debt instruments | | | | | | |
| Local | | | | | | |
| In foreign currency | | | | | | |
| Petrobrás Energía Corporate Bonds | 40668 | | 117 | | 117 | 117 |
| Subtotal in foreign currency | | | 117 | 81 | 117 | 117 |
| Subtotal Other debt instruments | | | 117 | 81 | 117 | 117 |
| Other Equity instruments | | | | | | |
| Local | | | | | | |
| In pesos | | | | | | |
| Subtotal in pesos | | | | 3 | | |
| From abroad | | | | | | |
| In foreign currency | | | | | | |
| Silicon Graphics Inc. | 6003 | | 40 | | 40 | 40 |
| Other | | | 22 | | 22 | 22 |
| Subtotal in foreign currency | | | 62 | 70 | 62 | 62 |
| Subtotal Equity instruments | | | 62 | 73 | 62 | 62 |
| TOTAL INVESTMENTS IN LISTED PRIVATE SECURITIES | | | 179 | 154 | 179 | 179 |

| | | | | |
|--|-----------|-----------|-----------|-----------|
| TOTAL GOVERNMENT AND PRIVATE SECURITIES | 5,740,222 | 5,529,339 | 5,339,448 | 5,339,448 |
|--|-----------|-----------|-----------|-----------|

Table of Contents

- 33 -

EXHIBIT B

**CLASSIFICATION OF FINANCING FACILITIES BY CATEGORIES
AND GUARANTIES RECEIVED AS OF JUNE 30, 2012 AND DECEMBER 31, 2011**

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| | 06-30-2012 | 12-31-2011 |
|--|------------|------------|
| COMMERCIAL PORTFOLIO | | |
| Normal performance | 14,082,522 | 14,611,493 |
| Preferred collaterals and counter guaranty A | 368,810 | 367,394 |
| Preferred collaterals and counter guaranty B | 283,324 | 305,436 |
| Without senior security or counter guaranty | 13,430,388 | 13,938,663 |
| With special follow-up | 13,809 | 15,934 |
| Under observation | | |
| Without senior security or counter guaranty | 13,809 | 15,934 |
| With problems | 2,984 | , |
| Without senior security or counter guaranty | 2,984 | |
| With high risk of uncollectibility | 4,339 | 3,896 |
| Without senior security or counter guaranty | 4,339 | 3,896 |
| Uncollectible | , | 1,552 |
| Without senior security or counter guaranty | , | 1,552 |
| Total | 14,103,654 | 14,632,875 |

Table of Contents

- 34 -

EXHIBIT B**(Contd.)**

**CLASSIFICATION OF FINANCING FACILITIES BY CATEGORIES
AND GUARANTIES RECEIVED AS OF JUNE 30, 2012 AND DECEMBER 31, 2011**

((Translation of financial statements originally issued in Spanish - See note 18))

-Stated in thousands of pesos-

| | 06-30-2012 | 12-31-2011 |
|---|-------------------|-------------------|
| CONSUMER AND HOUSING PORTFOLIO | | |
| Normal performance | 10,563,246 | 9,140,335 |
| Preferred collaterals and counter guaranty A | 18,050 | 10,046 |
| Preferred collaterals and counter guaranty B | 869,013 | 636,627 |
| Without senior security or counter guaranty | 9,676,183 | 8,493,662 |
| Low risk | 95,085 | 63,662 |
| Preferred collaterals and counter guaranty A | , | 108 |
| Preferred collaterals and counter guaranty B | 9,639 | 4,820 |
| Without senior security or counter guaranty | 85,446 | 58,734 |
| Medium risk | 81,980 | 50,478 |
| Preferred collaterals and counter guaranty A | 89 | , |
| Preferred collaterals and counter guaranty B | 3,833 | 2,571 |
| Without senior security or counter guaranty | 78,058 | 47,907 |
| High risk | 56,625 | 33,717 |
| Preferred collaterals and counter guaranty B | 4,682 | 1,981 |
| Without senior security or counter guaranty | 51,943 | 31,736 |
| Uncollectible | 6,463 | 4,782 |
| Preferred collaterals and counter guaranty B | 1,993 | 1,519 |
| Without senior security or counter guaranty | 4,470 | 3,263 |
| Uncollectible, classified as such under regulatory requirements | 127 | 85 |
| Without senior security or counter guaranty | 127 | 85 |
| Total | 10,803,526 | 9,293,059 |
| General Total (1) | 24,907,180 | 23,925,934 |

(1)

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Items included: Loans (before allowances); Other receivables from financial transactions: Unlisted corporate bonds, Other receivables covered by debtor classification regulations; Receivables from financial leases (before allowances); Other receivables: Receivables for assets sold; Memorandum accounts - Credit - Contingent: Credit lines granted (unused portion) covered by debtor classification regulations, Other guaranties given covered by debtor classification regulations and Other covered by debtor classification regulations.

Table of Contents

- 35 -

EXHIBIT C**FINANCING FACILITIES CONCENTRATION****AS OF JUNE 30, 2012 AND DECEMBER 31, 2011**

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| Number of clients | 06-30-2012 | | 12-31-2011 | |
|-------------------------|---------------------|----------------------|---------------------|----------------------|
| | Outstanding balance | % of total portfolio | Outstanding balance | % of total portfolio |
| 10 largest clients | 3,861,195 | 15.50% | 4,116,789 | 17.21% |
| 50 next largest clients | 4,230,481 | 16.98% | 4,279,891 | 17.89% |
| 100 following clients | 2,428,823 | 9.75% | 2,186,175 | 9.14% |
| Remaining clients | 14,386,681 | 57.77% | 13,343,079 | 55.76% |
| Total (1) | 24,907,180 | 100.00% | 23,925,934 | 100.00% |

(1) See (1) in Exhibit B.

Table of Contents

- 36 -

EXHIBIT D**BREAKDOWN BY FINANCING TERMS AS OF JUNE 30, 2012**

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| Description | Past-due portfolio | Term remaining to maturity | | | | | More than 24 months | Total |
|---|--------------------|----------------------------|------------------|------------------|------------------|------------------|---------------------|-----------------------|
| | | 1 month | 3 months | 6 months | 12 months | 24 months | | |
| Government sector | , | 190 | , | , | , | , | 31,831 | 32,021 |
| Financial sector | , | 387,501 | 192,561 | 264,566 | 453,947 | 632,443 | 186,556 | 2,117,574 |
| Non financial private sector and residents abroad | 48,622 | 8,631,235 | 2,547,511 | 2,494,591 | 2,860,565 | 2,662,777 | 3,512,284 | 22,757,585 |
| TOTAL | 48,622 | 9,018,926 | 2,740,072 | 2,759,157 | 3,314,512 | 3,295,220 | 3,730,671 | 24,907,180 (1) |

(1) See (1) in Exhibit B.

Table of Contents

- 37 -

EXHIBIT E**DETAIL OF INVESTMENTS IN OTHER COMPANIES****AS OF JUNE 30, 2012 AND DECEMBER 31, 2011**

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| Identification | Concept Description | Class | Shares | | Number | Amount | | Main business | Information about the issuer Data from last published financial statements | | | |
|---|--|--------|-----------------------|-----------------------|------------|------------|------------|----------------------------|---|------------------|------------------------|---|
| | | | Unit face value | Votes per share | | 06-30-2012 | 12-31-2011 | | Period / Fiscal year end | Capital stock | Stockholders equity | Income/ (Loss) for the period / fiscal year |
| FINANCIAL INSTITUTIONS, SUPPLEMENTARY AND AUTHORIZED | | | | | | | | | | | | |
| Controlled | | | | | | | | | | | | |
| Local | | | | | | | | | | | thousand of pesos | |
| 33642192049 | BBVA Francés Valores Sociedad de Bolsa S.A. | Common | 500 | \$ 1 | 12,396 | 14,333 | 12,940 | Stockholder | 06-30-2012 | 6,390 | 14,777 | 1,151 |
| 30663323926 | Consolidar Administradora de Fondos de Jubilaciones y Pensiones S.A. (undergoing liquidation proceedings) | Common | 1 | \$ 1 | 35,425,947 | 10,375 | 10,934 | Pensions fund manager | 06-30-2012 | 65,739 | 19,252 | (7,553) |
| 30707847367 | PSA Finance Arg. Cía Financiera S.A. | Common | 1,000 | \$ 1 | 26,089 | 88,728 | 71,946 | Financial institution | 06-30-2012 | 52,178 | 177,455 | 33,563 |
| 30548590163 | BBVA Francés Administradora de Inversiones S.A.Sociedad Gerente de Fondos Comunes de Inversión | Common | 1 | \$ 1 | 230,398 | 49,975 | 46,067 | Investment Fund Manager | 06-30-2012 | 243 | 52,605 | 4,114 |
| Subtotal controlled | | | | | | 163,411 | 141,887 | | | | | |
| Non controlled | | | | | | | | | | | | |
| Local | | | | | | | | | | | | |
| 33707124909 | | Common | 1,000 | \$ 1 | 24,000 | 70,420 | 54,732 | | 06-30-2012 | 60,000 | 176,049 | 39,218 |

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| | | | | | | | | | | | | |
|---------------------------|--|----------|-------|------|-----------|---------|---------|--|------------|-----------|-----------|---------|
| 30598910045 | Rombo Cía. Financiera S.A. Visa Argentina S.A. | Common | 1 | \$ 1 | 1,502,996 | 6,145 | 6,145 | Financial Institution Services to companies | 05-31-2011 | 15,000 | 186,220 | 124,888 |
| 30604796357 | Banelco S.A. | Common | 1 | \$ 1 | 2,574,907 | 7,254 | 6,513 | Information services | 12-31-2011 | 23,599 | 60,663 | 23,809 |
| 30690783521 | Interbanking S.A. | Common | 1 | \$ 1 | 149,556 | 2,931 | 1,930 | Services | 12-31-2011 | 1,346 | 84,881 | 67,511 |
| | Other | | | | | 282 | 287 | | | | | |
| | Banco Lat. de Comercio Exterior S.A. | Common B | 29 | \$ 1 | 20,221 | 1,139 | 1,083 | Banking institution | 12-31-2011 | 1,204,810 | 3,267,342 | 357,940 |
| | Subtotal noncontrolled | | | | | 88,171 | 70,690 | | | | | |
| | Total in financial institutions, supplementary and authorized | | | | | 251,582 | 212,577 | | | | | |
| IN OTHER COMPANIES | | | | | | | | | | | | |
| Controlled | | | | | | | | | | | | |
| Local | | | | | | | | | | | | |
| 30709892726 | Aplica Soluciones Argentina S.A. (undergoing liquidation proceedings) | Common | 1,000 | \$ 1 | 3,000 | 2,765 | | Information , technology | 06-30-2012 | 5,000 | 4,608 | (279) |
| | Subtotal controlled | | | | | 2,765 | | | | | | |
| Non controlled | | | | | | | | | | | | |
| Local | | | | | | | | | | | | |
| 30685228501 | Consolidar Aseguradora de Riesgos del Trabajo S.A. (1) | | | | | | 30,720 | Workers compensation | | | | |
| 30500064230 | BBVA Consolidar Seguros S.A. | Common | 1 | \$ 1 | 1,301,847 | 17,115 | 15,102 | Insurance | 06-30-2012 | 10,651 | 140,061 | 27,638 |
| Foreign | | | | | | | | | | | | |
| | Other | | | | | 57 | 54 | | | | | |
| | Subtotal non controlled | | | | | 17,172 | 45,876 | | | | | |
| | Total in other companies | | | | | 19,937 | 45,876 | | | | | |
| | Total investments in other companies | | | | | 271,519 | 258,453 | | | | | |

(1) See note 1.3

Table of Contents

- 38 -

EXHIBIT F**MOVEMENT OF PREMISES AND EQUIPMENT AND OTHER ASSETS****FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2012 AND****THE FISCAL YEAR ENDED DECEMBER 31, 2011**

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| Description | Net book value at beginning of fiscal year | Additions | Decreases | Depreciation for the period | | Net book value at 06-30-2012 | Net book value at 12-31-2011 |
|--------------------------------------|--|---------------|---------------|-----------------------------|---------------|------------------------------|------------------------------|
| | | | | Years of useful life | Amount | | |
| PREMISES AND EQUIPMENT | | | | | | | |
| Real Estate | 379,763 | 20,735 | 41,868 | 50 | 9,581 | 349,049 | 379,763 |
| Furniture and Facilities | 124,752 | 16,835 | 36 | 10 | 8,614 | 132,937 | 124,752 |
| Machinery and Equipment | 73,272 | 25,855 | 1,684 | 5 | 19,300 | 78,143 | 73,272 |
| Automobiles | 2,074 | 971 | 160 | 5 | 375 | 2,510 | 2,074 |
| Total | 579,861 | 64,396 | 43,748 | | 37,870 | 562,639 | 579,861 |
| OTHER ASSETS | | | | | | | |
| Advances to suppliers of goods | 3,744 | 2,197 | 3,412 | , | , | 2,529 | 3,744 |
| Works of Art | 983 | 9 | , | , | , | 992 | 983 |
| Leased assets | 3,898 | , | 1,492 | 50 | 40 | 2,366 | 3,898 |
| Property taken as security for loans | 2,128 | 1,077 | 139 | 50 | 53 | 3,013 | 2,128 |
| Stationery and office supplies | 5,916 | 8,076 | 5,723 | , | , | 8,269 | 5,916 |
| Other | 8,635 | , | , | 50 | 94 | 8,541 | 8,635 |
| Total | 25,304 | 11,359 | 10,766 | | 187 | 25,710 | 25,304 |

Table of Contents

- 39 -

EXHIBIT G

**MOVEMENT OF INTANGIBLE ASSETS FOR THE SIX MONTH PERIOD
ENDED JUNE 30, 2012 AND THE FISCAL YEAR ENDED DECEMBER 31, 2011**

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| Description | Net book value at beginning of fiscal year | Additions | Decreases | Amortization for the period | | Net book value at 06-30-2012 | Net book value at 12-31-2011 |
|--|--|---------------|-----------|-----------------------------|---------------|------------------------------|------------------------------|
| | | | | Years of useful life | Amount | | |
| Organization and Development expenses (1) | 80,911 | 33,009 | 35 | 1 & 5 | 18,350 | 95,535 | 80,911 |
| Organization and development non-deductible expenses | | , 8,150 | | | , 8,150 | | |
| Total | 80,911 | 41,159 | 35 | | 26,500 | 95,535 | 80,911 |

(1) This caption mainly includes costs from information technology projects and leasehold improvements.

Table of Contents

- 40 -

EXHIBIT H**CONCENTRATION OF DEPOSITS****AS OF JUNE 30, 2012 AND DECEMBER 31, 2011**

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| Number of clients | 06-30-2012 | | 12-31-2011 | |
|-------------------------|---------------------|----------------------|---------------------|----------------------|
| | Outstanding balance | % of total portfolio | Outstanding balance | % of total portfolio |
| 10 largest clients | 2,704,850 | 8.99% | 2,523,264 | 8.62% |
| 50 next largest clients | 2,851,065 | 9.48% | 2,852,034 | 9.74% |
| 100 following clients | 1,984,736 | 6.60% | 1,956,583 | 6.68% |
| Remaining clients | 22,541,874 | 74.93% | 21,953,035 | 74.96% |
| TOTAL | 30,082,525 | 100.00% | 29,284,916 | 100.00% |

Table of Contents

- 41 -

EXHIBIT I

**BREAKDOWN OF MATURITY TERMS OF DEPOSITS,
OTHER LIABILITIES FROM FINANCIAL TRANSACTIONS AND
SUBORDINATED CORPORATE BONDS**

AS OF JUNE 30, 2012

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| Description | Terms remaining to maturity | | | | | More than 24 months | Total |
|--|-----------------------------|-----------|-----------|-----------|-----------|---------------------------|------------|
| | 1 month | 3 months | 6 months | 12 months | 24 months | | |
| Deposits | 27,008,834 | 2,290,226 | 688,122 | 93,544 | 1,799 | , | 30,082,525 |
| Other liabilities from financial transactions | | | | | | | |
| Argentine Central Bank | 18,702 | , | , | , | , | , | 18,702 |
| Banks and International Institutions | 96,952 | 230,978 | 345,309 | 818 | 446 | , | 674,503 |
| Unsubordinated corporate bonds | 5,837 | , | , | 185,193 | 148,900 | , | 339,930 |
| Financing received from Argentine financial institutions | 6,442 | 430 | , | 684 | , | , | 7,556 |
| Other | 1,352,822 | 1,229 | 2,458 | 3,740 | 4,905 | 2,760 | 1,367,914 |
| Total | 1,480,755 | 232,637 | 347,767 | 190,435 | 154,251 | 2,760 | 2,408,605 |
| TOTAL | 28,489,589 | 2,522,863 | 1,035,889 | 283,979 | 156,050 | 2,760 | 32,491,130 |

Table of Contents

- 42 -

EXHIBIT J**MOVEMENT OF ALLOWANCES FOR THE SIX MONTH PERIOD ENDED****JUNE 30, 2012 AND THE FISCAL YEAR ENDED DECEMBER 31, 2011**

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| Description | Book value at beginning of fiscal year | Increases (5) | Decreases | | Book value | |
|---|--|------------------|-----------|--------------|------------|------------|
| | | | Reversals | Applications | 06-30-2012 | 12-31-2011 |
| DEDUCTED FROM ASSETS | | | | | | |
| Government securities | | | | | | |
| For impairment value | 184 | 2(4) | , | , | 186 | 184 |
| Loans | | | | | | |
| Allowance for doubtful loans | 426,817 | 73,316(1) | , | 59,142 | 440,991 | 426,817 |
| Other receivables from financial transactions | | | | | | |
| Allowance for doubtful receivables | 1,203 | 156(1) | , | 246 | 1,113 | 1,203 |
| Receivables from financial leases | | | | | | |
| Allowance for doubtful receivables | 11,944 | 3(1) | 479 | , | 11,468 | 11,944 |
| Other receivables | | | | | | |
| Allowance for doubtful receivables (2) | 136,984 | 126,691 | 489 | 413 | 262,773 | 136,984 |
| Total | 577,132 | 200,168 | 968 | 59,801 | 716,531 | 577,132 |
| LIABILITIES-ALLOWANCES | | | | | | |
| Contingents commitments (1) | | | | | | |
| | 467 | , | , | , | 467 | 467 |
| Other contingencies | 394,198 | 107,427(3) | 2,387 | 10,345 | 488,893 | 394,198 |
| Total | 394,665 | 107,427 | 2,387 | 10,345 | 489,360 | 394,665 |

- (1) Recorded in compliance with the provisions of Communication A 3918, as supplemented, of the BCRA, taking into account note 2.3.f).
- (2) Includes mainly the potential loan loss risk arising from the amounts booked as Miscellaneous receivables relating to the petitions for the protection of constitutional rights (Amparos) paid and the deferred tax asset (See note 4.1).
- (3) Recorded to cover possible contingencies that were not considered in other accounts (court orders corresponding to petitions for protection of civil rights, labor, commercial and other lawsuits). (See note 2.3.r).
- (4) Recorded in compliance with the provisions of Communication A 4084 of the BCRA.
- (5) Includes exchange differences generated as allowances in foreign currency, booked in the Financial income - Gold and foreign currency exchange difference account, as follow:

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| | |
|-----------------------------------|-------|
| Government Securities | 2 |
| Loans | 2,311 |
| Receivables from financial leases | 3 |
| Other receivables | 390 |

Table of Contents

- 43 -

EXHIBIT K**CAPITAL STRUCTURE AS OF JUNE 30, 2012**

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| Class | SHARES | | CAPITAL STOCK | | | |
|--------|-------------|-----------------|---------------|------------------------|---|-------------|
| | Quantity | Votes per share | Outstanding | Issued In portfolio | Pending issuance or distribution | Paid in |
| Common | 536,877,850 | 1 | 536,833 | , | 45 (1) | 536,878 (2) |

- (1) Shares issued and available to stockholders but not as yet withdrawn.
(2) Fully registered with the Public Registry of Commerce (See note 1.2.).

Table of Contents

- 44 -

EXHIBIT L**FOREIGN CURRENCY BALANCES AS OF****JUNE 30, 2012 AND DECEMBER 31, 2011**

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos

| Accounts | 06-30-2012 Total of the period (per type of currency) | | | | | | 12-31-2011 |
|--|--|----------------|-------------------|-----------------|--------------|---------------|--------------------------|
| | Total of the period | Euro | US Dollars | Pounds Sterling | Yen | Other | Total of the fiscal year |
| ASSETS | | | | | | | |
| Cash and due from banks | 2,363,359 | 101,192 | 2,249,640 | 2,202 | 609 | 9,716 | 2,680,041 |
| Government and private securities | 179 | , | 179 | , | , | , | 2,667 |
| Loans | 2,734,680 | , | 2,734,680 | , | , | , | 3,859,618 |
| Other receivables from financial transactions | 62,447 | 17,338 | 44,542 | , | 567 | , | 190,427 |
| Receivables from financial leases | 884 | , | 884 | , | , | , | 1,338 |
| Investments in other companies | 1,196 | , | 1,196 | , | , | , | 1,137 |
| Other receivables | 162,228 | 296 | 161,932 | , | , | , | 127,944 |
| Suspense items | 215 | , | 215 | , | , | , | 616 |
| TOTAL | 5,325,188 | 118,826 | 5,193,268 | 2,202 | 1,176 | 9,716 | 6,863,788 |
| LIABILITIES | | | | | | | |
| Deposits | 3,625,312 | 58,504 | 3,593,808 | , | , | , | 5,294,936 |
| Other liabilities from financial transactions | 1,198,283 | 47,820 | 1,144,848 | 1,581 | 590 | 3,444 | 1,355,209 |
| Other liabilities | 32,213 | 10,385 | 21,828 | , | , | , | 52,417 |
| Suspense items | 158 | , | 158 | , | , | , | 332 |
| TOTAL | 4,882,966 | 116,709 | 4,760,642 | 1,581 | 590 | 3,444 | 6,702,894 |
| MEMORANDUM ACCOUNTS | | | | | | | |
| Debit accounts (except contra debit accounts) | | | | | | | |
| Contingent | 593,732 | 51,383 | 542,349 | , | , | , | 599,202 |
| Control | 18,589,216 | 110,656 | 18,410,616 | 1,676 | , | 66,268 | 12,799,657 |
| Derivatives | 1,397 | , | 1,397 | , | , | , | 30,032 |
| TOTAL | 19,184,345 | 162,039 | 18,954,362 | 1,676 | , | 66,268 | 13,428,891 |
| Credit accounts (except contra credit accounts) | | | | | | | |
| Contingent | 255,004 | 12,943 | 242,020 | , | , | 41 | 211,405 |
| Control | 59,211 | 22,131 | 37,080 | , | , | , | 242,016 |
| Derivatives | 1,536 | , | 1,536 | , | , | , | 34,505 |
| TOTAL | 315,751 | 35,074 | 280,636 | , | , | 41 | 487,926 |

Table of Contents

- 45 -

EXHIBIT N

ASSISTANCE TO RELATED CLIENTS AND AFFILIATES**AS OF JUNE 30, 2012 AND DECEMBER 31, 2011**

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| Concept | Normal | Status | | | | Classified uncollectible as such under regulatory requirements | Total (1) |
|---|-----------|-----------------------------------|---------------------------------------|-------------------------------|-------------------------------|--|------------|
| | | With special follow-up / Low risk | With problems / Medium collectibility | With high risk of / High risk | With high risk of / High risk | | |
| | | Not yet matured | Not yet matured | Not yet matured | Not yet matured | 06-30-2012 | 12-31-2011 |
| 1. Loans | 1,588,732 | , | , | , | , | 1,588,732 | 1,370,019 |
| Overdraft | 311 | , | , | , | , | 311 | 17,275 |
| Without senior security or counter guaranty | 311 | , | , | , | , | 311 | 17,275 |
| Discounted Instruments | 872 | , | , | , | , | 872 | 5,235 |
| Without senior security or counter guaranty | 872 | , | , | , | , | 872 | 5,235 |
| Real Estate Mortgage and Collateral Loans | 988 | , | , | , | , | 988 | 2,376 |
| Other collaterals and counter guaranty B | 988 | , | , | , | , | 988 | 2,376 |
| Consumer | 372 | , | , | , | , | 372 | 400 |
| Without senior security or counter guaranty | 372 | , | , | , | , | 372 | 400 |
| Credit Cards | 1,450 | , | , | , | , | 1,450 | 1,491 |
| Without senior security or counter guaranty | 1,450 | , | , | , | , | 1,450 | 1,491 |
| Other | 1,584,739 | , | , | , | , | 1,584,739 | 1,343,242 |
| Without senior security or counter guaranty | 1,584,739 | , | , | , | , | 1,584,739 | 1,343,242 |
| 2. Other receivables from financial transactions | 21,055 | , | , | , | , | 21,055 | 28,019 |
| 3. Receivables from financial leases and other | 114 | , | , | , | , | 114 | 222 |
| 4. Contingent commitments | 46,552 | , | , | , | , | 46,552 | 54,287 |
| 5. Investments in other companies and private securities | 251,692 | , | , | , | , | 251,692 | 216,346 |
| Total | 1,908,145 | , | , | , | , | 1,908,145 | 1,668,893 |
| Total Allowances | 15,328 | , | , | , | , | 15,328 | 13,963 |

- (1) Maximum amount granted to related clients during June 2012 and December 2011, respectively, according to BCRA rules.

Table of Contents

- 46 -

EXHIBIT O

FINANCIAL DERIVATIVES INSTRUMENTS**AS OF JUNE 31, 2012**

(Translation of financial statements originally issued in Spanish - See note 18)

-Stated in thousands of pesos-

| Type of contract | Purpose of transactions | Underlying asset | Type of Settlement | Traded at /Counterparty | Weighted average term originally agreed (months) | Weighted average residual term (months) | Weighted average term for settlements (days) | Amount |
|-------------------|------------------------------------|------------------|--------------------------------|--|--|---|--|-------------------|
| Swaps | Financial transactions own account | | Upon expiration of differences | Residents in Argentina Financial sector | 19 | 12 | 46 | 801,450 |
| Swaps | Interest rate hedge | | Upon expiration of differences | Residents in Argentina Non - financial sector | 122 | 88 | 13 | 52,121 |
| Futures | Financial transactions own account | Foreign currency | Upon expiration of differences | ROFEX | 5 | 3 | 1 | 3,153,714 |
| Futures | Financial transactions own account | Foreign currency | Upon expiration of differences | MAE | 4 | 2 | 1 | 6,456,814 |
| Options | Foreign currency hedge | Foreign currency | Upon expiration of differences | Residents abroad | 6 | 2 | 1 | 2,933 |
| Repo transactions | Financial transactions own account | Other | Upon expiration of differences | Residents in Argentina Financial sector | 1 | 1 | 1 | 400,473 |
| TOTAL | | | | | | | | 10,867,505 |

Table of Contents

- 47 -

CONSOLIDATED BALANCE SHEETS AS OF**JUNE 30, 2012 AND DECEMBER 31, 2011****(Art. 33 of Law Nr. 19,550)**

(Translation of financial statements originally issued in Spanish - See note 18 to the stand-alone Financial Statements)

-Stated in thousands of pesos-

| | 06-30-2012 | 12-31-2011 |
|--|------------|------------|
| ASSETS: | | |
| A. CASH AND DUE FROM BANKS: | | |
| Cash | 1,845,314 | 2,515,861 |
| Due from banks and correspondents | 4,518,150 | 3,837,567 |
| Argentine Central Bank (BCRA) | 4,226,708 | 3,651,375 |
| Other local | 1,659 | 2,412 |
| Foreign | 289,783 | 183,780 |
| | 6,363,464 | 6,353,428 |
| B. GOVERNMENT AND PRIVATE SECURITIES (note 7.a): | | |
| Holdings booked at fair value | 1,746,851 | 2,088,522 |
| Holdings booked at amortized cost | 164 | 164 |
| Instruments issued by the BCRA | 3,994,977 | 3,447,972 |
| Investments in listed private securities | 58,769 | 28,555 |
| Less: Allowances | 186 | 184 |
| | 5,800,575 | 5,565,029 |
| C. LOANS: | | |
| To government sector (Exhibit 1) | 32,021 | 46,027 |
| To financial sector (Exhibit 1) | 1,325,665 | 1,146,532 |
| Interfinancial (Calls granted) | 30,000 | 49,000 |
| Other financing to local financial institutions | 1,132,126 | 996,641 |
| Interest and listed-price differences accrued and pending collection | 163,539 | 100,891 |
| To non financial private sector and residents abroad (Exhibit 1) | 22,917,844 | 21,949,445 |
| Overdraft | 3,933,574 | 2,881,496 |
| Discounted instruments | 3,540,496 | 3,412,091 |
| Real estate mortgage | 705,128 | 736,900 |
| Collateral Loans | 1,964,630 | 1,651,776 |
| Consumer | 4,177,846 | 3,761,698 |
| Credit cards | 3,773,470 | 3,448,437 |
| Other (Note 7.b) | 4,536,017 | 5,829,606 |
| Interest and listed-price differences accrued and pending collection | 342,305 | 316,773 |
| Less: Interest documented together with main obligation | 55,622 | 89,332 |

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| | | |
|--|-------------------|-------------------|
| Less: Allowances | 462,989 | 444,973 |
| | 23,812,541 | 22,697,031 |
| D. OTHER RECEIVABLES FROM FINANCIAL TRANSACTIONS: | | |
| Argentine Central Bank (BCRA) | 473,359 | 417,836 |
| Amounts receivable for spot and forward sales to be settled | 505,593 | 1,181,974 |
| Instruments to be received for spot and forward purchases to be settled | 42,232 | 187,057 |
| Premiums for options bought | 1 | 2,431 |
| Unlisted corporate bonds (Exhibit 1) | 3,663 | 13,424 |
| Non-deliverable forward transactions balances to be settled | 18,822 | 34,249 |
| Other receivables not covered by debtor classification regulations | | 6,198 |
| Other receivables covered by debtor classification regulations (Exhibit 1) | 120,993 | 108,885 |
| Less: Allowances | 3,534 | 3,769 |
| | 1,161,129 | 1,948,285 |
| E. RECEIVABLES FROM FINANCIAL LEASES: | | |
| Receivables from financial leases (Exhibit 1) | 910,974 | 906,896 |
| Interest accrued pending collection (Exhibit 1) | 14,017 | 12,470 |
| Less: Allowances | 11,920 | 12,279 |
| | 913,071 | 907,087 |
| F. INVESTMENTS IN OTHER COMPANIES: | | |
| In financial institutions | 71,559 | 55,815 |
| Other (note 7.c) | 44,163 | 70,473 |
| | 115,722 | 126,288 |
| G. OTHER RECEIVABLES: | | |
| Receivables for assets sold (Exhibit 1) | 3,620 | |
| Tax on minimum presumed income Tax Credit | 65 | |
| Other (note 7.d) | 1,005,184 | 861,662 |
| Other interest accrued and pending collection | 3,477 | 1,820 |
| Less: Allowances | 279,465 | 151,598 |
| | 732,881 | 711,884 |
| H. PREMISES AND EQUIPMENT: | | |
| | 562,962 | 580,121 |
| I. OTHER ASSETS: | | |
| | 29,929 | 28,697 |
| J. INTANGIBLE ASSETS: | | |
| Organization and development expenses | 95,619 | 80,978 |
| | 95,619 | 80,978 |
| K. SUSPENSE ITEMS: | | |
| | 4,256 | 6,367 |
| L. OTHER SUBSIDIARIES ASSETS (note 7.e): | | |
| | 450 | 450 |
| TOTAL ASSETS: | 39,592,599 | 39,005,645 |

Table of Contents

- 48 -

(Contd.)

CONSOLIDATED BALANCE SHEETS AS OF**JUNE 30, 2012 AND DECEMBER 31, 2011****(Art. 33 of Law Nr. 19,550)**

(Translation of financial statements originally issued in Spanish - See note 18 to the stand-alone Financial Statements)

-Stated in thousands of pesos-

| | 06-30-2012 | 12-31-2011 |
|--|------------|------------|
| LIABILITIES: | | |
| M. DEPOSITS: | | |
| Government sector | 1,388,809 | 1,141,024 |
| Financial sector | 54,210 | 43,882 |
| Non financial private sector and residents abroad | 28,606,430 | 27,980,798 |
| Checking accounts | 7,690,174 | 6,369,212 |
| Savings deposits | 9,136,168 | 9,489,576 |
| Time deposits | 10,854,915 | 11,224,571 |
| Investments accounts | 143,842 | 219,366 |
| Other | 662,667 | 553,286 |
| Interest and listed-price differences accrued payable | 118,664 | 124,787 |
| | 30,049,449 | 29,165,704 |
| N. OTHER LIABILITIES FROM FINANCIAL TRANSACTIONS: | | |
| Argentine Central Bank | 18,702 | 18,450 |
| Other | 18,702 | 18,450 |
| Banks and International Institutions | 671,483 | 563,338 |
| Unsubordinated corporate bonds | 624,093 | 294,393 |
| Amounts payable for spot and forward purchases to be settled | 4,086 | 187,166 |
| Instruments to be delivered for spot and forward sales to be settled | 546,736 | 1,181,355 |
| Premiums for options written | 779 | 779 |
| Financing received from Argentine financial institutions | 179,065 | 339,883 |
| Interfinancial (calls received) | 5,000 | 114,200 |
| Other financings from local financial institutions | 174,063 | 225,343 |
| Interest accrued payable | 2 | 340 |
| Non-deliverable forward transactions balances to be settled | 10,962 | 5,885 |
| Other (note 7.f) | 1,399,114 | 1,654,957 |
| Interest and listed-price differences accrued payable | 30,484 | 22,313 |
| | 3,484,725 | 4,268,519 |
| O. OTHER LIABILITIES: | | |
| Fees payable | 565 | 98 |
| Other (note 7.g) | 923,717 | 1,078,231 |

| | | |
|---|-------------------|-------------------|
| | 924,282 | 1,078,329 |
| P. ALLOWANCES: | 580,184 | 496,233 |
| Q. SUSPENSE ITEMS: | 14,024 | 46,158 |
| R. OTHER SUBSIDIARIES LIABILITIES (note 7.h): | 337 | 336 |
| TOTAL LIABILITIES: | 35,053,001 | 35,055,279 |
| S. MINORITY INTEREST IN SUBSIDIARIES (note 4): | 99,970 | 82,109 |
| STOCKHOLDERS EQUITY: | 4,439,628 | 3,868,257 |
| TOTAL LIABILITIES AND STOCKHOLDERS EQUITY: | 39,592,599 | 39,005,645 |

Table of Contents

- 49 -

MEMORANDUM ACCOUNTS

(Translation of financial statements originally issued in Spanish - See note 18 to the stand-alone Financial Statements)

-Stated in thousands of pesos-

| | 06-30-2012 | 12-31-2011 |
|---|-------------------|-------------------|
| DEBIT ACCOUNTS | | |
| Contingent | | |
| Borrowings (unused balances) | 22,200 | |
| Guaranties received | 6,005,131 | 5,259,465 |
| Contra contingent debit accounts | 568,224 | 500,747 |
| | 6,595,555 | 5,760,212 |
| Control | | |
| Receivables classified as irrecoverable | 303,384 | 319,098 |
| Other (note 7.i) | 62,061,760 | 55,130,192 |
| Contra control debit accounts | 916,552 | 1,004,475 |
| | 63,281,696 | 56,453,765 |
| Derivatives | | |
| Notional amount of call options bought | 1,397 | 30,032 |
| Notional amount of non-deliverable forward transactions | 4,894,966 | 3,588,570 |
| Interest rate SWAP | 663,571 | 551,836 |
| Contra debit derivatives accounts | 4,717,098 | 3,453,746 |
| | 10,277,032 | 7,624,184 |
| For trustee activities | | |
| Funds in trust | 6,584 | 7,117 |
| | 6,584 | 7,117 |
| TOTAL | 80,160,867 | 69,845,278 |

CREDIT ACCOUNTS

| | | |
|--|-----------|-----------|
| Contingent | | |
| Credit lines granted (unused portion) covered by debtor classification regulations (Exhibit 1) | 14,891 | 21,996 |
| Guaranties provided to the BCRA | 129,138 | 134,235 |
| Other guaranties given covered by debtor classification regulations (Exhibit 1) | 242,746 | 175,081 |
| Other guaranties given non covered by debtor classification regulations | 84,477 | 70,649 |
| Other covered by debtor classification regulations (Exhibit 1) | 96,972 | 98,786 |
| Contra contingent credit accounts | 6,027,331 | 5,259,465 |
| | 6,595,555 | 5,760,212 |
| Control | | |

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| | | |
|---|-------------------|-------------------|
| Items to be credited | 820,647 | 720,011 |
| Other | 95,905 | 284,464 |
| Contra control credit accounts | 62,365,144 | 55,449,290 |
| | 63,281,696 | 56,453,765 |
| Derivatives | | |
| Notional amount of call options written | 1,536 | 34,505 |
| Notional amount of non-deliverable forward transactions | 4,715,562 | 3,419,241 |
| Contra credit derivatives accounts | 5,559,934 | 4,170,438 |
| | 10,277,032 | 7,624,184 |
| For trustee activities | | |
| Contra credit accounts for trustee activities | 6,584 | 7,117 |
| | 6,584 | 7,117 |
| TOTAL | 80,160,867 | 69,845,278 |

The accompanying notes 1 through to 7 to the consolidated financial statements with subsidiaries and the Exhibit 1 are an integral part of these statements, which in turn are part of the stand-alone Financial Statements of BBVA Banco Francés S.A. and are to be read in conjunction therewith.

Table of Contents

- 50 -

CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

(Art. 33 of Law Nr. 19,550)

(Translation of financial statements originally issued in Spanish - See note 18 to the stand-alone Financial Statements)

-Stated in thousands of pesos-

| | 06-30-2012 | 06-30-2011 |
|---|------------|------------|
| A. FINANCIAL INCOME | | |
| Interest on cash and due from banks | , | 1 |
| Interest on loans to the financial sector | 119,591 | 48,007 |
| Interest on overdraft | 302,564 | 172,602 |
| Interest on discounted instruments | 249,268 | 118,140 |
| Interest on real estate mortgage | 58,741 | 59,936 |
| Interest on collateral loans | 177,841 | 75,840 |
| Interest on credit card loans | 297,492 | 160,393 |
| Interest on other loans | 753,128 | 457,531 |
| Interest from other receivables from financial transactions | 18,074 | 12,940 |
| Interest on financial leases | 76,931 | 50,626 |
| Income from secured loans - Decree 1387/01 | 2,612 | 25,130 |
| Net income from government and private securities | 309,320 | 187,482 |
| Net income from options | 255 | 87 |
| Indexation by CER | 65,296 | 39,894 |
| Gold and foreign currency exchange difference | 93,989 | 100,931 |
| Other | 131,850 | 51,784 |
| | 2,656,952 | 1,561,324 |
| B. FINANCIAL EXPENSE | | |
| Interest on checking accounts | , | 3 |
| Interest on savings deposits | 5,527 | 4,016 |
| Interest on time deposits | 716,888 | 411,526 |
| Interest on interfinancial financing (calls received) | 1,443 | 392 |
| Interest on other financing from financial institutions | 19,147 | 11,640 |
| Interest on other liabilities from financial transactions | 56,010 | 7,634 |
| Other interest | 3,763 | 1,924 |
| Indexation by CER | 90 | 89 |
| Contribution to the deposit guarantee fund | 25,687 | 20,472 |
| Other | 126,497 | 71,835 |
| | 955,052 | 529,531 |
| GROSS INTERMEDIATION MARGIN GAIN | 1,701,900 | 1,031,793 |
| C. ALLOWANCES FOR LOAN LOSSES | 77,315 | 32,955 |

D. SERVICE CHARGE INCOME

| | | |
|-----------------------------------|-----------|---------|
| Related to lending transactions | 424,036 | 299,953 |
| Related to liability transactions | 430,227 | 341,575 |
| Other commissions | 52,797 | 51,741 |
| Other (note 7.j) | 248,512 | 195,714 |
| | 1,155,572 | 888,983 |

E. SERVICE CHARGE EXPENSE

| | | |
|------------------|---------|---------|
| Commissions | 202,551 | 173,001 |
| Other (note 7.k) | 97,861 | 68,995 |
| | 300,412 | 241,996 |

Table of Contents

- 51 -

(Contd.)

CONSOLIDATED STATEMENTS OF INCOME**FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2012 AND 2011****(Art. 33 of Law Nr. 19,550)**

(Translation of financial statements originally issued in Spanish - See note 18 to the stand-alone Financial Statements)

-Stated in thousands of pesos-

| | 06-30-2012 | 06-30-2011 |
|---|------------|------------|
| F. ADMINISTRATIVE EXPENSES | | |
| Payroll expenses | 840,822 | 640,663 |
| Fees to Bank Directors and Supervisory Committee | 1,151 | 863 |
| Other professional fees | 21,512 | 18,011 |
| Advertising and publicity | 53,808 | 54,125 |
| Taxes | 107,337 | 86,954 |
| Fixed assets depreciation | 37,911 | 30,868 |
| Organizational expenses amortization | 18,360 | 13,523 |
| Other operating expenses | 192,894 | 151,743 |
| Other | 145,205 | 98,928 |
| | 1,419,060 | 1,095,678 |
| NET GAIN FROM FINANCIAL TRANSACTIONS | 1,060,685 | 550,147 |
| RESULTS OF MINORITY INTEREST IN SUBSIDIARIES | (16,230) | (1,606) |
| G. OTHER INCOME | | |
| Income from long-term investments | 29,329 | 84,908 |
| Punitive interests | 4,171 | 2,039 |
| Loans recovered and reversals of allowances | 34,426 | 53,382 |
| Other (note 7.l) | 200,610 | 126,943 |
| | 268,536 | 267,272 |
| H. OTHER EXPENSE | | |
| Punitive interests and charges paid to BCRA | 22 | 313 |
| Charge for uncollectibility of other receivables and other allowances | 234,865 | 116,502 |
| Amortization of difference arising from judicial resolutions | 8,150 | 9,215 |
| Depreciation and losses from miscellaneous assets | 206 | 186 |
| Other (note 7.m) | 33,170 | 16,064 |
| | 276,413 | 142,280 |
| NET GAIN BEFORE INCOME TAX AND TAX ON MINIMUM PRESUMED INCOME | 1,036,578 | 673,533 |

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| | | |
|---|----------------|----------------|
| I. INCOME TAX AND TAX ON MINIMUM PRESUMED INCOME | 465,207 | 281,047 |
| NET INCOME FOR THE PERIOD | 571,371 | 392,486 |

The accompanying notes 1 through 7 to the consolidated financial statements with subsidiaries and the Exhibit 1 are an integral part of these statements, which in turn are part of the stand-alone Financial Statements of BBVA Banco Francés S.A. and are to be read in conjunction therewith.

Table of Contents

- 52 -

CONSOLIDATED STATEMENTS OF CASH AND CASH EQUIVALENTS FLOW**FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2012 AND 2011****(ART. 33 OF LAW Nr. 19,550)**

(Translation of financial statements originally issued in Spanish - See note 18 to the stand-alone Financial Statements)

-Stated in thousands of pesos-

| | 06-30-2012 | 06-30-2011 |
|--|-------------------|-------------------|
| CHANGES IN CASH AND CASH EQUIVALENTS | | |
| Cash and cash equivalents at the beginning of the fiscal year | 6,618,270 (1) | 6,251,784 (1) |
| Cash and cash equivalents at the end of the period | 6,615,720 (1) | 7,332,082 (1) |
| Net (decrease) / increase in cash and cash equivalents | (2,550) | 1,080,298 |
| REASONS FOR CHANGES IN CASH AND CASH EQUIVALENTS | | |
| Operating activities | | |
| Net collections/ (payments) from: | | |
| Government and private securities | 29,914 | 2,633,240 |
| Loans | 1,347,087 | (449,375) |
| to financial sector | (84,985) | (127,646) |
| to non-financial public sector | 16,474 | 603,873 |
| to non-financial private sector and residents abroad | 1,415,598 | (925,602) |
| Other receivables from financial transactions | (13,575) | 116,950 |
| Receivables from financial leases | (5,984) | (136,637) |
| Deposits | (7,686) | 3,089,130 |
| to financial sector | 10,328 | 38,454 |
| to non-financial public sector | 254,700 | 259,810 |
| to non-financial private sector and residents abroad | (272,714) | 2,790,866 |
| Other liabilities from financial transactions | (357,478) | 347,583 |
| Financing from financial or interfinancial sector (calls received) | (109,200) | 19,900 |
| Others (except liabilities included in Financing Activities) | (248,278) | 327,683 |
| Collections related to service charge income | 1,153,171 | 884,892 |
| Payments related to service charge expense | (300,172) | (240,335) |
| Administrative expenses paid | (1,421,065) | (1,087,945) |
| Organizational and development expenses paid | (14,492) | (14,024) |
| Net collections from punitive interest | 3,667 | 1,520 |
| Differences from judicial resolutions paid | (8,150) | (9,215) |
| Collections of dividends from other companies | 7,090 | 6,263 |
| Other collections related to other income and expenses | 220,847 | 236,374 |
| Net cash flows provided by operating activities | 633,174 | 5,378,421 |

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| Investment activities | | |
|--|------------------|--------------------|
| Net payments from premises and equipment | (20,752) | (51,418) |
| Net payments from other assets | (1,438) | (1,562) |
| Collections from sales of ownership interests in other companies | 15,174 | , |
| Other payments from investment activities | (352,219) | (138,861) |
| Net cash flows used in investment activities | (359,235) | (191,841) |
| Financing activities | | |
| Net collections / (payments) from: | | |
| Unsubordinated corporate bonds | 329,700 | (10,000) |
| Argentine Central Bank | 474 | (113) |
| Other | 474 | (113) |
| Banks and international agencies | 108,145 | 157,416 |
| Financing received from local financial institutions | (51,280) | 92,194 |
| Cash dividends paid | , | (804,000) |
| Other payments from financing activities | (663,528) | (3,541,780) |
| Net cash flows used in financing activities | (276,489) | (4,106,283) |
| Financial results and results from holdings of cash and cash equivalents (including interest) | , | 1 |
| Net (decrease) / increase in cash and cash equivalents | (2,550) | 1,080,298 |

(1) See note 6 Statement of cash and cash equivalents flow .

The accompanying notes 1 through to 7 to the consolidated financial statements with subsidiaries and the Exhibit 1 are an integral part of these statements, which in turn are part of the stand-alone Financial Statements of BBVA Banco Francés S.A. and are to be read in conjunction therewith.

Table of Contents

- 53 -

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
WITH SUBSIDIARIES AS OF JUNE 30, 2012, PRESENTED IN COMPARATIVE FORM WITH
THE BALANCE SHEET AS OF DECEMBER 31, 2011, AND THE STATEMENTS OF INCOME
AND CASH AND CASH EQUIVALENTS FLOW**

AS OF JUNE 30, 2011

(Art. 33 of Law Nr. 19,550)

(Translation of financial statements originally issued in Spanish - See note 18 to the stand-alone Financial Statements)

-Stated in thousands of pesos-

1. SIGNIFICANT ACCOUNTING POLICIES AND SUBSIDIARIES

General rule

In accordance with the procedures set forth in BCRA's regulations and Technical Pronouncement Nr. 21 of the Argentine Federation of Professional Councils in Economic Sciences, BBVA Banco Francés S.A. (hereinafter indistinctly referred to as either "BBVA Francés" or the "Bank") has consolidated - line by line - its balance sheets as of June 30, 2012 and the end of the previous fiscal year, and the statements of income and cash and cash equivalents flow for the six month periods ended June 30, 2012 and 2011, as per the following detail:

As of June 30, 2012:

- a) With the financial statements of BBVA Francés Valores Sociedad de Bolsa S.A., PSA Finance Argentina Cía. Financiera S.A. and BBVA Francés Asset Management S.A. Sociedad Gerente de Fondos Comunes de Inversión for the six month periods ended June 30, 2012 and 2011 and with the financial statements of Aplica Soluciones Argentina S.A. (undergoing liquidation proceedings) for the six month period ended June 30, 2012.
- b) With the financial statements of Consolidar Administradora de Fondos de Jubilaciones y Pensiones S.A. (undergoing liquidation proceedings) for the fiscal years ended June 30, 2012 and 2011.

As of December 31, 2011:

- c) With the financial statements of BBVA Francés Valores Sociedad de Bolsa S.A., PSA Finance Argentina Cía. Financiera S.A. and BBVA Francés Asset Management S.A. Sociedad Gerente de Fondos Comunes de Inversión for the fiscal years ended December 31, 2011.
- d)

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With the financial statements of Consolidar Administradora de Fondos de Jubilaciones y Pensiones S.A. (undergoing liquidation proceedings) for the six month period ended December 31, 2011.

The results and cash and cash equivalents flow of Consolidar Administradora de Fondos de Jubilaciones y Pensiones S.A. (undergoing liquidation proceedings) have been adjusted for purposes of comparison of the fiscal years of companies consolidating on the basis of a six month period ended on June 30, 2012 and 2011.

Table of Contents

- 54 -

Interests in subsidiaries as of June 30, 2012 and as of the end of the previous fiscal year are listed below:

| Companies | Type | Shares Quantity | | Interest percentage in Total Capital Possible Votes | | | |
|--|--------|--------------------|------------|---|------------|------------|------------|
| | | 06-30-2012 | 12-31-2011 | 06-30-2012 | 12-31-2011 | 06-30-2012 | 12-31-2011 |
| BBVA Francés Valores Soc. de Bolsa S.A. | Common | 12,396 | 12,137 | 96.9953 | 94.9687 | 96.9953 | 94.9687 |
| Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings) | Common | 35,425,947 | 35,425,947 | 53.8892 | 53.8892 | 53.8892 | 53.8892 |
| PSA Finance Argentina Cía Financiera S.A. | Common | 26,089 | 26,089 | 50.0000 | 50.0000 | 50.0000 | 50.0000 |
| BBVA Francés Asset Management S.A. Sociedad Gerente de Fondos Comunes de Inversión | Common | 230,398 | 230,398 | 95.0000 | 95.0000 | 95.0000 | 95.0000 |
| Aplica Soluciones Argentina S.A. (undergoing liquidation proceedings) (1) | Common | 3,000 | | 60.0000 | | 60.0000 | |

(1) Company taken over as a result of the merger with Inversora Otari S.A. (see note 1.4 to the stand-alone financial statements). The company is undergoing liquidation proceedings.

Total assets, liabilities and stockholders' equity in accordance with the criteria defined in note 2 below, as of June 30, 2012 and the end of the previous fiscal year and net income balances for the six month periods ended June 30, 2012 and 2011, are listed below:

| Companies | Assets | | Liabilities | | Stockholders' Equity | | Net income/ gain-(loss) | |
|--|------------|------------|-------------|------------|----------------------|------------|----------------------------|------------|
| | 06-30-2012 | 12-31-2011 | 06-30-2012 | 12-31-2011 | 06-30-2012 | 12-31-2011 | 06-30-2012 | 06-30-2011 |
| BBVA Francés Valores Soc. de Bolsa S.A. | 18,809 | 20,553 | 4,032 | 6,927 | 14,777 | 13,626 | 1,151 | 578 |
| Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings) | 114,165 | 135,606 | 94,913 | 115,316 | 19,252 | 20,290 | (1,038) | (14,157) |
| PSA Finance Argentina Cía Financiera S.A. | 1,556,214 | 1,332,974 | 1,378,759 | 1,189,082 | 177,455 | 143,892 | 33,563 | 16,184 |
| BBVA Francés Asset Management S.A. Sociedad Gerente de Fondos Comunes de Inversión | 55,934 | 52,713 | 3,329 | 4,222 | 52,605 | 48,491 | 4,114 | 5,177 |
| Aplica Soluciones Argentina S.A. (undergoing liquidation proceedings) | 4,659 | | 51 | | 4,608 | | (279) | |

2. VALUATION METHODS

The financial statements of the subsidiaries have been prepared based on similar methods to those applied by the Bank for preparing its own financial statements, in connection with assets and liabilities valuation, income measurement and restatement procedure as explained in note 2 to the stand-alone financial statements of the Bank. The following are the main differences with the professional accounting standards:

- a) Arising from the application of the accounting standards laid down by the National Superintendence of Insurance (S.S.N.) and the main differences with the professional accounting standards in force in Argentina:

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The items included under the captions Other subsidiaries assets and Other subsidiaries liabilities were valued in accordance with the regulations of the S.S.N.

Table of Contents

- 55 -

- b) Arising from the application of the accounting standards laid down by B.C.R.A. and the professional accounting standards in force in Argentina:

The commissions paid by PSA Finance Argentina Cía. Financiera S.A. to dealers for granting financing to companies and to the public in general in connection with purchases and sales of automobiles, which in accordance with the rules established by the BCRA are charged to the Income Statement, should be accrued throughout the duration of the loans generated by said dealers in accordance with currently applicable professional accounting standards. Had this criterion been applied, shareholders' equity would have been increased by 10,715 and 10,380 as of June 30, 2012 and the end of the previous fiscal year, respectively.

The Bank has not made disclosures required by professional accounting standards in force in Argentina on discontinued operations or discontinuation in relation to the process of liquidating its subsidiary Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings)

3. REFORM OF THE INTEGRATED RETIREMENT AND PENSION SYSTEM

Law Nr. 26,425- Dissolution and liquidation of Consolidar A.F.J.P. S.A.:

Law Nr. 26,425, which came into force on December 4, 2008, mandated that the capitalization system that used to be an integral part of the Integrated Retirement and Pension System was to be suppressed and replaced by a single pay-as-you-go system that is now known as the Argentine Integrated Social Security System (SIPA in Spanish). As a consequence, Consolidar A.F.J.P. S.A. ceased to manage the funds held in the individual capitalization accounts opened by the members and beneficiaries of the Integrated Retirement and Pension System. Said funds were transferred to the Fund to Guarantee the Sustainability of the State-run Social Security System exactly as they had been invested and it is now the Argentine Social Security Authority (ANSES) the only and sole holder of said assets and funds.

Besides, on October 29, 2009, ANSES issued its Resolution Nr. 290/2009 whereby it granted a term of 30 working days to the pension fund managers that could be interested in re-converting their corporate purpose in order to manage the funds held as voluntary term deposits and as agreed-upon deposits in capitalization accounts for them to express their decision to do so.

Given the above situation and the inability of Consolidar A.F.J.P. S.A. to attain the corporate purpose and conduct the business for which it had been formed, on December 28, 2009, its Extraordinary General Unanimous Shareholders' Meeting adopted the resolution to dissolve and subsequently liquidate Consolidar A.F.J.P. S.A. effective as of December 31, 2009 on the understanding that such will be the best alternative to safeguard the interests of both the creditors and the shareholders of the Company. In addition, as set forth in the Argentine Companies Law, the Shareholders' Meeting decided to appoint Accountant Mr. Gabriel Orden and Mr. Rubén Lamandia to act as liquidators for of Consolidar A.F.J.P. S.A. As of December 31, 2009 these gentlemen have been designated as the Company's legal representatives. As of the date of issuance of these financial statements, they are moving forward with all the actions necessary to proceed with the liquidation of Consolidar A.F.J.P. S.A.

On January 28, 2010, the dissolution of Consolidar A.F.J.P. S.A. as well as the list of designated liquidators were registered with the Supervisory Board of Companies (I.G.J.)

In addition, the Extraordinary General Shareholders' Meeting of Consolidar A.F.J.P. S.A. approved a voluntary reduction in capital stock for 75,000 on October 19, 2009. In turn, the I.G.J. conferred its approval to the capital reduction mentioned on January 11, 2010. In this respect, on January 19, 2010 the shareholders were transferred their capital contributions in conformity with the above-mentioned reduction.

BBVA Francés, in its capacity as shareholder requested that Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings) should file a note with the Argentine Ministry of Economy and Public Finance and with the Argentine Social Security Authority to commence discussions within the framework of Law Nr. 26,425 in order to identify one or more resolution alternatives in connection with the consequences resulting from the events caused by the enactment of that Law. This note was filed by Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings) on June 11, 2010.

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In turn, on December 7, 2010, Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings) filed an action for damages against the National State and the Ministry of Labor, Employment and Social Security with the court of original Federal Jurisdiction over Contentious Administrative Matters No. 4, Clerk of Court's Office Nr. 7, case file Nr. 40,437/2010. The complaint was ratified by BBVA Francés in its capacity as

Table of Contents

- 56 -

majority shareholder in that Company. On July 15, 2011, Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings) and BBVA Francés filed with the same court an enhanced complaint for determining the amounts claimed as damages. On March 9, 2012, the Court ordered the service of process on the National State.

In addition, on April 12, 2011, the Supreme Court of Justice of Argentina affirmed the judgment passed by the court of original Federal Jurisdiction over Contentious Administrative Matters in favour of Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings) in connection with the claim for recovery asserted against the tax authorities (AFIP) for the 12,475 in excess of the income tax charge for fiscal 2002 paid by the plaintiff by reason of not having applied the inflation adjustment for tax purposes. As Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings) is undergoing liquidation proceedings, in order to advance the collection of the receivable arising from the judgment, on June 29, 2011 Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings) executed an assignment for valuable consideration of all of the rights to which Consolidar A.F.J.P. S.A. (undergoing liquidation proceedings) was entitled in the framework of this legal action to BBVA Francés.

4. MINORITY INTEREST IN SUBSIDIARIES

The breakdown of balances in the Minority interest in subsidiaries account is as follows:

| | 06-30-2012 | 12-31-2011 |
|--|------------|------------|
| Consolidar Administradora de Fondos de Jubilaciones y Pensiones S.A. (undergoing liquidation proceedings) | 8,877 | 9,356 |
| BBVA Francés Valores Sociedad de Bolsa S.A. | 444 | 686 |
| PSA Finance Argentina Cía Financiera S.A. | 88,727 | 71,946 |
| BBVA Francés Asset Management S.A. Sociedad Gerente de Fondos Comunes de Inversión | 79 | 121 |
| Aplica Soluciones Argentina S.A. (undergoing liquidation proceedings) | 1,843 | , |
| Total | 99,970 | 82,109 |

5. RESTRICTIONS ON ASSETS

- a) BBVA Francés Valores Sociedad de Bolsa S.A. holds two shares of Mercado de Valores de Buenos Aires S.A, booked in the amount of 10,300 and 9,600 as of June 30, 2012 and the end of the previous fiscal year, respectively. These shares have been pledged in favor of CHUBB Argentina de Seguros S.A. in security of the contract this insurance company executed with Mercado de Valores de Buenos Aires S.A. to cover the latter's guaranteeing any noncompliance of stock broking companies with their obligations.
- b) See note 7 to the stand-alone financial statements of the Bank.

Table of Contents

- 57 -

6. STATEMENT OF CASH AND CASH EQUIVALENTS FLOW

The Statements of Cash and cash equivalents flow explains the changes in cash and cash equivalents. For such purpose, a detail is supplied of the items that the Bank considers to be cash and cash equivalents:

| | 06-30-2012 | 12-31-2011 | 06-30-2011 | 12-31-2010 |
|---|------------------|------------------|------------------|------------------|
| a) Cash and due from banks | 6,363,238 | 6,353,428 | 6,974,023 | 5,691,806 |
| b) Government securities | 41,482 | 85,342 | 214,614 | 442,478 |
| c) Loans to financial sectors, calls granted maturity date less than three months as from the end of each period or fiscal year | 211,000 | 179,500 | 143,445 | 117,500 |
| CASH AND CASH EQUIVALENTS | 6,615,720 | 6,618,270 | 7,332,082 | 6,251,784 |

Items b) and c) are considered to be cash equivalents because they are held in order to meet short-term commitments, they are easily convertible in known cash amounts, they are subject to negligible changes in value and their maturity is less than three months as from the end of each period or fiscal year.

7. BREAKDOWN OF MAIN ITEMS

The detail of the main items included in financial statements is as follows:

| | 06-30-2012 | 12-31-2011 |
|---|------------------|------------------|
| a) GOVERNMENT AND PRIVATE SECURITIES | | |
| * Holdings booked at fair value | | |
| Secured Bonds due in 2020 | 864,750 | 828,433 |
| Federal Government Bonds in Pesos Badlar + 275 bp due in 2014 | 709,029 | 1,017,471 |
| Secured Bonds due in 2018 | 144,120 | 178,727 |
| Discount Bonds in pesos | 23,438 | 23,377 |
| Federal Government Bocon PRO 12 | , | 14,814 |
| Federal Government Bonds in Pesos Badlar + 350 bp due in 2013 | , | 12,795 |
| Other | 5,514 | 12,905 |
| Total | 1,746,851 | 2,088,522 |
| * Holdings booked at amortized cost | | |
| Other | 164 | 164 |
| Total | 164 | 164 |
| * Instruments issued by the BCRA | | |
| BCRA Bills (LEBAC) | 3,784,283 | 2,352,026 |
| BCRA Notes (NOBAC) | 210,694 | 1,095,946 |

| | | |
|--------------|------------------|------------------|
| Total | 3,994,977 | 3,447,972 |
|--------------|------------------|------------------|

Table of Contents

- 58 -

| | 06-30-2012 | 12-31-2011 |
|---|------------------|------------------|
| * Investments in listed private securities | | |
| FBA Ahorro Pesos Investment Fund | 15,699 | 24,619 |
| SUPERGESTION Mix VI Clase B Investment Fund | 17,284 | , |
| GOAL Capital Plus Clase B Investment Fund | 4,904 | , |
| FBA Renta Pesos Investment Fund | 3,159 | 3,039 |
| FIMA Ahorro Plus Investment Fund | 13,382 | , |
| Other | 4,341 | 897 |
| Total | 58,769 | 28,555 |
| Allowances | | |
| | (186) | (184) |
| Total | 5,800,575 | 5,565,029 |
| b) LOANS Other | | |
| Fixed-rate financial loans | 2,653,451 | 2,640,216 |
| Loans granted to pre-finance and finance exports | 1,699,115 | 3,003,322 |
| Financial loans to foreign institutions | 20,522 | 70,704 |
| Other | 162,929 | 115,364 |
| Total | 4,536,017 | 5,829,606 |
| c) INVESTMENTS IN OTHER COMPANIES Other | | |
| In companies-supplementary activities | 26,991 | 24,597 |
| In other companies- unlisted | 17,172 | 45,876 |
| Total | 44,163 | 70,473 |
| d) OTHER RECEIVABLES Other | | |
| Guarantee deposits | 255,139 | 201,904 |
| Tax prepayments | 245,541 | 121,481 |
| Miscellaneous receivables | 211,637 | 234,533 |
| Loans to personnel | 186,227 | 178,256 |
| Prepayments | 96,507 | 110,886 |
| Other | 10,133 | 14,602 |
| Total | 1,005,184 | 861,662 |
| e) OTHER SUBSIDIARIES ASSETS | | |
| Other related to pension fund management business | 450 | 450 |
| Total | 450 | 450 |

Table of Contents

- 59 -

| | 06-30-2012 | 12-31-2011 |
|--|-------------------|-------------------|
| f) OTHER LIABILITIES FROM FINANCIAL TRANSACTIONS - Other | | |
| Accounts payable for consumption | 508,962 | 547,354 |
| Other withholdings and collections at source | 255,923 | 261,986 |
| Collections and other operations for the account of third parties | 249,759 | 473,628 |
| Money orders payable | 155,395 | 174,928 |
| Loans received from Fondo Tecnológico Argentina (FONTAR) and Banco de Inversión y Comercio Exterior (B.I.C.E) | 55,024 | 49,324 |
| Social security payment orders pending settlement | 52,962 | 4,987 |
| Pending Banelco debit transactions | 24,959 | 36,505 |
| Loans received from Interamerican Development Bank (IDB) | 11,631 | 15,945 |
| Other | 84,499 | 90,300 |
| Total | 1,399,114 | 1,654,957 |
| g) OTHER LIABILITIES - Other | | |
| Accrued taxes | 432,804 | 431,534 |
| Miscellaneous payables | 224,399 | 324,307 |
| Accrued salaries and payroll taxes | 182,507 | 240,783 |
| Amounts collected in advance | 81,080 | 79,470 |
| Other | 2,927 | 2,137 |
| Total | 923,717 | 1,078,231 |
| h) OTHER SUBSIDIARIES - LIABILITIES | | |
| Other related pension fund management business | 337 | 336 |
| Total | 337 | 336 |
| i) MEMORANDUM ACCOUNTS - DEBIT CONTROL - Other | | |
| Securities representative of investment in escrow on behalf of the Guarantee Fund for the Sustainability of the Pay-as-you-go System managed by the Argentine Republic | 38,672,428 | 35,717,602 |
| Items in safekeeping | 20,296,607 | 16,094,866 |
| Checks not yet credited | 2,185,204 | 2,567,258 |
| Collections items | 462,132 | 400,241 |
| Checks drawn on the Bank pending clearing | 357,801 | 254,125 |
| Other | 87,588 | 96,100 |
| Total | 62,061,760 | 55,130,192 |

Table of Contents

- 60 -

| | 06-30-2012 | 06-30-2011 |
|---|----------------|----------------|
| j) SERVICE CHARGE INCOME Other | | |
| Commissions for hiring of insurances | 119,054 | 83,211 |
| Rental of safe-deposit boxes | 46,247 | 36,313 |
| Commissions for loans and guaranties | 35,974 | 26,329 |
| Commissions for transportations of values | 8,412 | 7,288 |
| Commissions for escrow | 5,298 | 5,817 |
| Commissions for salary payment | 4,757 | 4,261 |
| Commissions for capital market transactions | 2,446 | 6,794 |
| Commissions for trust management | 470 | 481 |
| Other | 25,854 | 25,220 |
| Total | 248,512 | 195,714 |
| k) SERVICE CHARGE EXPENSE Other | | |
| Turn-over tax | 70,524 | 52,396 |
| Insurance paid on lease transactions | 16,742 | 9,550 |
| Other | 10,595 | 7,049 |
| Total | 97,861 | 68,995 |
| l) OTHER INCOME Other | | |
| Deferred income tax (1) | 125,100 | 67,800 |
| Gain from the sale of premises and equipment and other assets | 41,558 | 1,333 |
| Related parties expenses recovery | 8,403 | 6,338 |
| Tax recovery | , | 18,166 |
| Others | 25,549 | 33,306 |
| Total | 200,610 | 126,943 |

- (1) Offset by a charge for the same amount in the line Charge for uncollectibility of other receivables and other allowances under the caption Other expense item.

Table of Contents

- 61 -

EXHIBIT 1**CONSOLIDATED CLASSIFICATION OF FINANCING FACILITIES BY****CATEGORIES AND GUARANTIES RECEIVED****AS OF JUNE 30, 2012 AND DECEMBER 31, 2011**

(Translation of financial statements originally issued in Spanish - See note 18 to the stand-alone Financial Statements)

-Stated in thousands of pesos-

| | 06-30-2012 | 12-31-2011 |
|--|-------------------|-------------------|
| COMMERCIAL PORTFOLIO | | |
| Normal performance | 13,313,234 | 13,840,259 |
| Preferred collaterals and counter guaranty A | 368,810 | 367,394 |
| Other collaterals and counter guaranty B | 295,242 | 314,204 |
| Without senior security or counter guaranty | 12,649,182 | 13,158,661 |
| With special follow-up | 13,809 | 15,934 |
| Under to an observation | | |
| Without senior security or counter guaranty | 13,809 | 15,934 |
| With problems | 2,984 | , |
| Without senior security or counter guaranty | 2,984 | , |
| With high risk of uncollectibility | 4,339 | 3,896 |
| Without senior security or counter guaranty | 4,339 | 3,896 |
| Uncollectible | , | 1,552 |
| Without senior security or counter guaranty | , | 1,552 |
| Total | 13,334,366 | 13,861,641 |

Table of Contents

- 62 -

EXHIBIT 1**(Contd.)**

**CONSOLIDATED CLASSIFICATION OF FINANCING FACILITIES BY
CATEGORIES AND GUARANTIES RECEIVED
AS OF JUNE 30, 2012 AND DECEMBER 31, 2011**

(Translation of financial statements originally issued in Spanish - See note 18 to the stand-alone Financial Statements)

-Stated in thousands of pesos-

| | 06-30-2012 | 12-31-2011 |
|---|-------------------|-------------------|
| CONSUMER AND HOUSING PORTFOLIO | | |
| Normal performance | 12,048,565 | 10,426,160 |
| Preferred collaterals and counter guaranty A | 18,050 | 10,046 |
| Other collaterals and counter guaranty B | 2,217,861 | 1,822,317 |
| Without senior security or counter guaranty | 9,812,654 | 8,593,797 |
| Low risk | 127,753 | 86,230 |
| Preferred collaterals and counter guaranty A | , | 108 |
| Other collaterals and counter guaranty B | 39,778 | 26,253 |
| Without senior security or counter guaranty | 87,975 | 59,869 |
| Medium risk | 95,835 | 55,396 |
| Preferred collaterals and counter guaranty A | 89 | , |
| Other collaterals and counter guaranty B | 16,491 | 7,099 |
| Without senior security or counter guaranty | 79,255 | 48,297 |
| High risk | 63,537 | 38,180 |
| Other collaterals and counter guaranty B | 10,889 | 5,794 |
| Without senior security or counter guaranty | 52,648 | 32,386 |
| Uncollectible | 13,163 | 11,767 |
| Other collaterals and counter guaranty B | 7,018 | 6,457 |
| Without senior security or counter guaranty | 6,145 | 5,310 |
| Uncollectible, classified as such under regulatory requirements | 187 | 168 |
| Other collaterals and counter guaranty B | 60 | 82 |
| Without senior security or counter guaranty | 127 | 86 |
| Total | 12,349,040 | 10,617,901 |

| | | |
|--------------------------|------------|------------|
| General Total (1) | 25,683,406 | 24,479,542 |
|--------------------------|------------|------------|

- (1) Items included: Loans (before allowances); Other receivables from financial transactions: Unlisted corporate bonds, Other receivables covered by debtor classification regulations; Receivables from financial leases (before allowances); Other receivables: Receivables for assets sold; Memorandum accounts - Credit - Contingent: Credit lines granted (unused portion) covered by debtor classification regulations, Other guaranties given covered by debtor classification regulations and Other covered by debtor classification regulations.

Table of Contents

INDEPENDENT AUDITORS LIMITED REVIEW REPORT

To the President and the Board of Directors of

BBVA BANCO FRANCÉS S.A.

Reconquista 199

City of Buenos Aires

1. Identification of the financial statements subject to our review

We have reviewed:

- a) the accompanying financial statements of BBVA BANCO FRANCÉS S.A. (BBVA Francés or the Bank), which comprise the balance sheet as of June 30, 2012 and the statement of income, statement of changes in stockholders' equity and cash and cash equivalents flow for the six-month period then ended, with their notes 1 to 18 (notes 2 and 4 describe a summary of significant accounting policies), and supplemental Exhibits A through L , N and O ; and
- b) the consolidated financial statements of BBVA Francés and its subsidiaries (listed in note 1 to the consolidated financial statements), which comprise the consolidated balance sheet as of June 30, 2012 and the consolidated statement of income and the consolidated cash and cash equivalents flow for the six-month period then ended, with their notes 1 to 7 and the supplemental Exhibit 1.

The balance sheet (both the stand-alone and the consolidated balance sheets) and certain related supplemental information referred to above are presented for comparative purposes with the balance sheets and supplemental information for the year ended December 31, 2011.

The statements of income, of changes in stockholders' equity and cash and cash equivalents flow referred to above (the stand-alone and the consolidated financial statements) and certain related supplemental information are presented for comparative purposes with the statements and supplemental information for the six-month period ended June 30, 2011.

The Bank's Board of Directors and Management are responsible for the preparation and fair presentation of such financial statements in conformity with applicable accounting standards. They are also responsible for the existence of internal control considered necessary to enable the presentation of financial statements free from material misstatement, whether due to errors or omissions or to irregularities. Our responsibility is to issue a limited review report on such financial statements, based on our limited review performed in accordance with the scope described in caption 2 of this report.

2. Scope of our review

Our review was limited to the application of the procedures established by the auditing standards generally accepted in Argentina and the Minimum Standards applicable for External Audits established by the Argentine Central Bank (B.C.R.A.) for the limited reviews of financial statements corresponding to interim periods. These standards determine a scope which is substantially less than the application of all auditing procedures necessary to be able to issue an audit opinion on financial statements taken as a whole. Accordingly, we do not express an opinion on the balance sheet position of the Bank as of June 30, 2012, on the results of its operations, the changes in its stockholders' equity and its cash and cash equivalents flow for the six-month period then ended.

Table of Contents

3. Explanatory paragraph

The stand-alone and the consolidated financial statements referred to in paragraphs a) and b) of caption 1 of this report have been prepared by the Bank in accordance with the accounting standards established by the B.C.R.A., which differ from the professional accounting standards currently in force in Argentina concerning the matters indicated in note 3 to the stand-alone financial statements and in note 2 to the consolidated financial statements.

4. Limited review report

Based on our limited review procedures performed with the scope indicated in caption 2 of this report, which did not include all the auditing procedures necessary to enable us to express an opinion on the financial statements taken as a whole, we are in position to report that:

a) the financial statements of BBVA Francés both individually and consolidated with its subsidiaries companies mentioned in paragraphs a) and b) of caption 1 of this report, give consideration to all the significant facts and circumstances of which we are aware of, and

b) we have no observations to present on the referred financial statements, other than those indicated under caption 3.

In relation to the figures for the year ended December 31, 2011 and those for the six-month period ended June 30, 2011, which are presented for comparative purposes as indicated in caption 1 of this report which we have checked with those of the corresponding financial statements,

a) our Independent Auditors' Report on the financial statements for the year ended December 31, 2011 was issued on February 9, 2012 and was qualified due to certain departures from professional accounting standards currently in force in Argentina, described in note 3 to the stand-alone financial statements and in note 2 to the consolidated financial statements.

b) our Independent Auditors' Limited Review Report on the financial statements for the six-month period ended June 30, 2011 was issued on August 9, 2011, including an observation originated in certain departures from professional accounting standards in force in Argentina, described in note 3 to the stand-alone financial statements and in note 2 to the consolidated financial statements.

5. English translation of statutory financial statements

This report and the financial statements referred to in caption 1 have been translated into English for the convenience of English-speaking readers. As further explained in note 18 to the accompanying stand-alone financial statements, the financial statements (both the stand-alone and the consolidated financial statements) are the English translation of those originally prepared by the Bank in Spanish and presented in accordance with the accounting standards of B.C.R.A. and except for the matters described in caption 3, with the professional accounting standards in force in Argentina. The effects of the differences between the accounting standards of B.C.R.A. and the professional accounting standards in force in Argentina, and the accounting principles generally accepted in the countries in which the financial statements are to be used have not been quantified. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations, stockholders' equity or cash and cash equivalents flow in accordance with accounting principles generally accepted in the countries of users of the financial statements, other than Argentina.

Table of Contents

City of Buenos Aires, August 9, 2012.

ROXANA M. FIASCHE

Partner

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Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BBVA French Bank S.A.

Date: August 17, 2012

By: /s/ Ignacio Sanz y Arcelus
Name: Ignacio Sanz y Arcelus
Title: Chief Financial Officer