

## **Auditors' Report**

To the President and Directors of

***Banco de la Provincia de Buenos Aires***

Taxpayer Registration Code: No. 33-99924210-9

Legal Domicile: Av. 7 (Ingeniero Luis Monteverde) No. 726

La Plata – Province of Buenos Aires

1. We have performed an audit examination of the balance sheets of Banco de la Provincia de Buenos Aires at December 31, 2011 and 2010 and the related statements of income, changes in net worth and cash flows and cash equivalents for the fiscal years then ended, together with complementary Notes 1 to 19 and exhibits A to N and O. Furthermore, we have examined the consolidated financial statements of Banco de la Provincia de Buenos Aires with those of its controlled companies for the fiscal years ended December 31, 2011 and 2010, as well as the consolidated statements of debtors' status and complementary Notes 1 to 22. The Bank is responsible for the preparation and issuance of these financial statements. Our responsibility is to express an opinion on the financial statements based on our audit.
2. Our examination was conducted in accordance with auditing standards prevailing in Argentina, and the requirements of the "Minimum Standards for External Audits" issued by the Argentine Central Bank (BCRA). These standards require the auditor to plan and perform the audit so as to obtain reasonable assurance that the financial statements are free of material misstatements and form an opinion on the fairness of the significant information contained in the financial statements. An audit includes the examination, on a selective test basis, of evidence supporting the amounts and information disclosed in the financial statements. An audit also includes the assessment of the accounting standards used and the significant estimates made by the Bank, as well as an evaluation of the overall financial statement presentation. We consider that our audit provides a reasonable basis for our opinion.
3. As mentioned in Note 16, through Resolution 92/11, the BCRA granted to the Bank certain facilities and exemptions mainly linked to regulations on valuation of public sector assets and other prudential and solvency aspects. This Resolution also provides that the Bank shall adjust its minimum capital requirements as from December 2013, and submit, within a 180-day term, a plan for adjusting its equity interests in companies whose corporate purpose is not supplementary to financial activities. These facilities and exemptions will be in force as long as the Bank complies with their significant aspects and the Argentine public sector pays the amounts owed to the Bank. These financial statements have been prepared taking into account the exemptions and facilities granted by the BCRA; accordingly the favorable evolution of the above mentioned situations over the time is of significant importance to the financial condition of the Bank.
4. Banco de la Provincia de Buenos Aires holds a 99.97% participation in Grupo Banco Provincia S.A., which has been valued according to the equity method of accounting and included in the consolidated financial statements. In connection with aspects which may affect the valuation of this subsidiary, as well as related assets and liabilities, and as mentioned in Note 18.b.3. to the consolidated financial statements, from September 2004, several amendments with respect to workers' compensation insurance were made. On November 6, 2009, the National Executive Branch issued Order No. 1694/09 introducing significant reforms into workers' compensation regime governed by Law No. 24557, as amended, applicable to all workers' compensation insurers. At this date, the effects of these amendments on the economic and financial position of Provincia ART S.A. and its transactions can not be assessed.

5. These financial statements have been prepared by the Bank applying the valuation and disclosure criteria established by the BCRA and, in the case of Grupo Banco Provincia S.A., by the pertinent control authorities. As mentioned in Note 2.2. to the financial statements and Note 3 to the consolidated financial statements, those criteria for valuing certain assets and liabilities and the financial statement presentation standards established by the control authorities differ, in certain aspects, from current professional accounting standards. The effect on the financial statements derived from different valuation, restatement and disclosure criteria has not been quantified by the Bank. The global impact of the mentioned deviation from the professional accounting standards in force cannot be estimated through audit procedures.
6. In our opinion, subject to the effects on the financial statements that could arise from possible adjustments and/or reclassifications, if any, which could derive from the final resolution of the situations described in paragraphs 3 and 4, and except for the deviation from the professional accounting standards as indicated in paragraph 5:
  - a) The financial statements of Banco de la Provincia de Buenos Aires present fairly, in all material respects, its financial condition at December 31, 2011 and 2010, the results of its operations, cash flows and cash equivalents and changes in its net worth for the years then ended, in conformity with BCRA rules and, except for the deviations mentioned in paragraph 5, in accordance with accounting standards in effect in the Province of Buenos Aires.
  - b) The consolidated financial statements of Banco de la Provincia de Buenos Aires and its controlled companies present fairly, in all material respects, their consolidated financial condition at December 31, 2011 and 2010, the consolidated results of their operations and consolidated cash flows and cash equivalents for the years then ended, in conformity with BCRA rules and, except for the deviations mentioned in paragraph 5 above, in accordance with accounting standards in effect in the Province of Buenos Aires.
7. In compliance with prevailing regulations, we report that:
  - a) We have implemented procedures related to anti-money laundering and anti-terrorist financing in accordance with professional standards issued by the Argentine Federation of Professional Councils of Economic Sciences (*Federación Argentina de Consejos Profesionales de Ciencias Económicas*);
  - b) As mentioned in Note 18.2 to the financial statements at December 31, 2011, the accounting records of the Bank show no accrued debts for employee withholdings and employer contributions towards the Argentine Integrated Pension System.

La Plata, February 16, 2012

PRICE WATERHOUSE & CO. SRL

(Partner)

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C.P.C.E.P.B.A. Vº 1 Fº 33 Folder 33

Teresita M. Amor

Public Accountant (UBA)

C.P.C.E.B.A. Vº 139 Fº 61 - Folder 35957-2

Taxpayer Registration Code: 27-13802361-9