

Notes to the Consolidated Financial Statements with Controlled Companies (Law No.19550 – Section 33)

AT DECEMBER 31, 2011 AND COMPARATIVE PERIODS

(in thousands of pesos)

Note 1 – Basis for the Presentation of the Consolidated Financial Statements

These Consolidated Financial Statements are provided as supplementary information and have been prepared in accordance with the provisions of Technical Resolution No. 4, issued by the Argentine Federation of Professional Councils in Economic Sciences (*Federación Argentina de Consejos Profesionales de Ciencias Económicas* - FACPCE) and the standards laid down by the Argentine Central Bank (BCRA).

Banco de la Provincia de Buenos Aires (BPBA or the Bank) has consolidated on a line-by-line basis its Balance Sheet, its Statements of Income and its Statements of Cash Flows at December 31, 2011 and 2010, with the Financial Statements of those companies in which it has directly or indirectly the necessary voting power to control corporate decisions.

On July 17, 2007 the Bank replied to Memorandum No. 17 from BCRA, dated June 25, 2007 and decided to change the consolidation criteria as of September 30, 2009. Therefore, the Financial Statements of the Bank were consolidated with those of Grupo Banco Provincia S.A. at the same date, in order to regularize the situation mentioned by BCRA.

There follows a detail of the companies directly consolidated at the end of the period:

Issuing Company:	Grupo Banco Provincia S.A.		Provincia Microempresas S.A.		Agencia Invierta Buenos Aires S.A.	
Principal Line of Business	Financial and Investment Transactions		Service-related Transactions		Financial and Technical Assistance to Investors	
Period / Comparative Period	12/31/2011	12/31/2010	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Number of Common Shares:	379,875	379,875	70,585,000	21,850,000	10,000	-
Equity Interests and Votes (%):	99.967	99.967	95.00	95.00	50.00	-
Book Value Net of Allowances:	563,431	556,621	25,637	5,758	9,701	-

There follows a summary of the balance sheet and the statements of income of the above-mentioned Companies at December 31, 2011 and comparative period:

Issuing Company:	Grupo Banco Provincia S.A.		Provincia Microempresas S.A.		Agencia Invierta Buenos Aires S.A.	
Period / Comparative Period	12/31/2011	12/31/2010	12/31/2011	12/31/2010	12/31/2011	12/31/2010
ASSETS	3,410,831	2,788,501	29,224	7,322	19,769	-
LIABILITIES	2,847,215	2,231,697	2,238	1,265	366	-
NET WORTH	563,616	556,804	26,986	6,056	19,403	-
Period / Comparative Period	12/31/2011	12/31/2010	12/31/2011	12/31/2010	12/31/2011	12/31/2010
INCOME/(LOSS)	57,999	95,841	(30,370)	(13,769)	(597)	-

The procedure to include the accounts of the controlled Companies has been as follows:

a) The Consolidated Financial Statements of the Companies were adjusted to the Accounting Disclosure Standards required by the Argentine Central Bank, which were applied by Banco de la Provincia de Buenos Aires to prepare its own Financial Statements.

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b) For consolidation purposes, Financial Statements at December 31, 2011 were used in the case of Grupo Banco Provincia S.A., Provincia Microempresas S.A. and Agencia Invierta Buenos Aires S.A.. Except as stated in Notes 2 and 3 below, the financial statements of these Companies were prepared under similar criteria to those used by the Bank for the appraisal of assets and liabilities, measurement of profits and losses and restatement procedures, according to the rules of the BCRA and the professional accounting standards in force. The Financial Statements for the period from January 1 to December 31, 2011 were used in the case of Provincia Leasing S.A., Bapro Mandatos y Negocios S.A., Provincia Bursátil S.A., Bapro Medios de Pago S.A. and Provincia Servicios de Salud S.A. The Financial Statements for the period beginning July 1, 2011 were used in the case of the other Companies.

With respect to Provincia Seguros S.A., Provincia Seguros de Vida S.A. and Provincia ART S.A., their Statements of Income and Cash Flows include the transactions recorded during January 1 to December 31 of each year.

Information at December 31, 2010 derives from the Financial Statements at that date, issued on March 17, 2011.

c) Items arising from inter-company transactions not involving third parties were removed from the Balance Sheet, the Statement of Income and the Statement of Cash Flows.

d) The portion of the Stockholders' Equity of the controlled company owned by third parties is disclosed in the Balance Sheet under the "Minority Interest" caption.

e) The net income/ (loss) of the minority interest is disclosed in the Statement of Income under the "Minority Interest" caption.

The Consolidated Financial Statements of Grupo Banco Provincia S.A. include the items of its Balance Sheet, Statement of Income and Statement of Cash Flows consolidated on a line-by-line basis with the Financial Statements of those Companies in which Grupo Banco Provincia S.A. has, whether directly or indirectly, the voting power necessary to control corporate decisions. They are described below:

Issuing Company	Equity Interest and Votes (%)			
	Direct		Indirect	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Bapro Mandatos y Negocios S.A.	97.000	97.000	2.850	2.850
Bapro Medios de Pago S.A.	97.000	97.000	2.996	2.996
Provincia Aseguradora de Riesgos del Trabajo S.A.	97.090	97.090	1.746	1.746
Provincia Bursátil S.A.	95.000	95.000	-	-
Provincia Leasing SA	97.000	97.000	2.981	2.981
Provincia Seguros de Vida S.A.	45.000	45.000	9.000	9.000
Provincia Seguros S.A.	60.000	60.000	-	-
Provincia Servicios de Salud SA	96.375	96.375	3.620	3.620

Indirect interests derive mainly from the shareholdings owned by Grupo Banco Provincia S.A.'s subsidiaries, as follows:

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Issuing Company	Equity Interest and Votes (%)	
	12/31/2011	12/31/2010

Provincia Seguros S.A. has equity interests in:

- Provincia Aseguradora de Riesgos del Trabajo S.A.	2.910	2.910
- Provincia Seguros de Vida S.A.	15.000	15.000

Provincia Bursátil S.A. has equity interests in (*):

- Bapro Mandatos y Negocios S.A.	3.000	3.000
- Provincia Leasing S.A.	0.294	0.294

Bapro Mandatos y Negocios S.A. has equity interests in:

- Bapro Medios de Pago S.A.	3.000	3.000
- Provincia Leasing S.A.	2.706	2.706
- Provincia Servicios de Salud S.A.	3.625	3.625

(*) They include balances consolidated with the Financial Statements of Provinfondos S.A., a mutual fund managing company, because it has a controlling interest in this Company (3,600,000 shares) which represents 90% of the stockholders' equity and votes.

f) Under the provisions of Technical Resolution No. 21 of the Argentine Federation of Professional Councils of Economic Sciences, the subsidiary Mercado Regional de Capitales S.A. was excluded from consolidation in the Financial Statements at December 31, 2011 and 2010 since, as stated in Note 18.i.1, this investment of Grupo Banco Provincia S.A. has zero value and the Company will no longer finance the activities of such subsidiary.

g) At the Regular Meeting of Provincia Microempresas S.A., held on March 25, 2010, the Shareholders decided to increase the capital stock by \$16,000 in proportion to their equity interest.

At the date of these Financial Statements, the increase above mentioned was subscribed and paid in by Banco de la Provincia de Buenos Aires and Grupo Banco Provincia S.A.

On October 20, 2010, this capital stock increase was registered with the Superintendency of Corporations (Inspección General de Justicia - IGJ).

On January 28, 2011, the Regular Meeting of Shareholders of Provincia Microempresas S.A. approved a \$26,300 increase in its capital stock to be paid in 4 installments: two equal installments of \$8,000 and others of \$5,000 and \$5,300 each. The increase amount must be paid in by Banco de la Provincia de Buenos Aires (\$24,985) and Grupo Banco Provincia S.A. (\$1,315).

At the date of these Financial Statements, the increase above mentioned was subscribed and paid in by Banco de la Provincia de Buenos Aires and Grupo Banco Provincia S.A.

On December 23, 2011, the Regular Meeting of Shareholders of Provincia Microempresas S.A. approved a \$25,000 increase in its capital stock. The increase amount must be paid during 2012 by Banco de la Provincia de Buenos Aires (\$23,750) and Grupo Banco Provincia S.A. (\$1,250). On January 26 and 27, 2012, Grupo Banco Provincia S.A. and Banco de la Provincia de Buenos Aires paid \$175 and \$3,325, respectively.

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At the date of these Financial Statements, the capital stock increase of \$26,300 and \$25,000 was pending registration before the Superintendency of Corporations.

h) Agencia Invierta Buenos Aires S.A. was created on March 29, 2011 with the aim of promoting and developing financial and technical assistance destined to foster the various productive, commercial and service-related sectors of the Province of Buenos Aires, as well as to coordinate, finance and render services connected with advice, design and implementation of projects and/or investment undertakings that encourage development of the value chain, the provincial economy (different areas and municipalities) and create new jobs. Grupo Banco Provincia S.A. and Banco de la Provincia de Buenos Aires are its shareholders with a 50% share each. The capital stock totals \$20,000 corresponding to 20,000 book-entry shares for a nominal value of \$1 each, and one vote per share.

On March 30 and June 16, 2011, Banco de la Provincia de Buenos Aires paid \$2,500 and \$7,500, respectively, totaling its capital contribution.

On the other hand, Grupo Banco Provincia S.A paid \$2,500 on March 30, two installments of \$3,000 each on May 12 and June 14, respectively, and \$1,500 on July 13, 2011.

On April 5, 2011, Invierta Buenos Aires S.A. was registered with the Directorate-General of Artificial Persons.

Note 2 – Accounting Policies

The Financial Statements of Provincia Microempresas S.A., Agencia Invierta Buenos Aires S.A., Grupo Banco Provincia S.A. and its related and controlled companies have been prepared on the basis of valuation criteria consistent with those used by Banco de la Provincia de Buenos Aires to prepare its Financial Statements.

Note 3 below includes a description of the main differences between the current professional accounting standards and of BCRA rules, and the regulations issued by the regulatory authorities of the Related and Controlled Companies (National Insurance Superintendency - *Superintendencia de Seguros de la Nación – SSN*).

The principal valuation and disclosure criteria followed by Banco de la Provincia de Buenos Aires are described in Note 2 to its Financial Statements, of which this supplementary information is an integral part.

The main accounting policies used by controlled companies and not mentioned in that Note are described below, according to the Financial Statements of consolidated subsidiaries.

2.a. Valuation of Government and Corporate Securities

In addition to the information provided in Note 3.3 to the Bank's Financial Statements, and as shown in Note 5 to the consolidated financial statements, they include:

2.a.1. Government Securities for Trading and Investments in Listed Corporate Securities

Investments in Fixed-Income Government Securities and National Government Bonds; Provincia Seguros de Vida S.A. assessed government securities held in its portfolio until their maturity at their technical value

Mutual Funds have been valued at their quota share price prevailing at the end of the fiscal year.

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2.b. Interests in Other Companies

As stated in Note 7, the valuation of this caption for each non-consolidated company is as follows:

Name	Valuation Method
<i>In non-controlled companies – Unlisted</i>	

Grupo Banco Provincia S.A. in:

- Internacional Compañía de Seguros de Vida S.A. Valued at their proportional equity value.

Provincia Seguros S.A. in:

- FOGABA S.A.
- Internacional Compañía de Seguros de Vida S.A. Valued at their proportional equity value.

Provincia Bursátil S.A. in:

- Mercado de Valores de Buenos Aires S.A. Valued at their acquisition cost, restated for inflation, without exceeding their proportional equity value.

2.c. Receivables from Financial Brokerage

In Provincia Leasing S.A.: As stated in Note 8, these are receivables from financial leases.

They are valued at the discounted value of payments required to be made by the lessee under the leasing transaction, excluding additional services and taxes, and the payment required from the lessee to exercise the option to purchase.

Since February 3, 2002, the value of financial leasing receivables originally agreed upon in U.S. dollars, is adjusted by the Inflation Adjustment Index (CER Index) published by the BCRA, as provided in National Executive Order No. 214/02.

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

2.d. Intangible Assets

In addition to Note 3.11 to the Bank's Financial Statements, at December 31, 2011 and 2010, they include launching expenses, organization and development expenses incurred in the pre-operating stage of business for the amount of \$19,694 and \$5,556, at December 31, 2011 and 2010, respectively, valued at their acquisition cost restated in constant currency at February 28, 2003, net of accumulated depreciation.

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

2.e. Allowances and Provisions

In addition to the information provided in Note 3.15 to the Bank's Financial Statements at December 31, 2011 and 2010, this caption includes the allowances and provisions of the companies directly or indirectly controlled by the Bank as detailed below:

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2.e.1 - ALLOWANCES	12/31/2011	12/31/2010
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Loans

At December 31, 2010 it included the allowance calculated by Bapro Medios de Pago S.A. on the basis of the average losses recorded in the last three years against the amount collected.

- 8,892

Receivables from Financial Lease - For Uncollectibility Risk

This allowance includes the amount by which the residual value and the charges to be collected on the financial leasing receivables of Provincia Leasing S.A. has to be adjusted, considering the loss risk assessed on the degree of compliance by lessees, their financial and economic position and the assets recoverable value.

12,681 11,883

Interests in Other Companies - For Loss of Value

It was set up on the basis of the recoverable value of the investment in Grupo Banco Provincia S.A.

1,834 847

Miscellaneous Receivables – For Uncollectibility Risk

This allowance was set up based on the analysis of possible loan losses, according to the assessments and procedures established by each subsidiary.

85,665 99,690

Miscellaneous Assets – For Depreciation of Assets

This allowance was set up by Provincia Leasing S.A. taking into account any possible depreciation of assets.

187 278

2.e.2 - PROVISIONS	12/31/2011	12/31/2010
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This caption mainly includes provisions set up by insurance companies. In the case of Provincia ART S.A., it includes provisions for administrative summary proceedings and claims not accepted. With respect to Provincia Seguros S.A., it includes provisions for fund diversions resulting from potential differences in the estimation of reserves.

Provincia Seguros de Vida S.A. set up provisions for litigations and mediations against the company claiming fulfilment of its obligations in the original currency of the corresponding contracts converted into pesos.

At December 31 2011, this caption includes provisions of Grupo Banco Provincia S.A. for \$22,987 set up on the basis of estimates by the Board of Directors and previous experience in similar conditions.

36,340 58,286

2.f. Miscellaneous Liabilities

Provincia Seguros S.A.

- Provision for pending claims

Debts with insureds on account of pending claims under lawsuits and mediations have been determined based on the following criteria, except for the automobile sector:

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a) In cases where a judgment has been entered, whether by a trial or appellate court, or where there has been a settlement prior to trial, assessment was made on the basis of the amounts mentioned in the relevant instrument, plus litigation costs.

b) With respect to lawsuits or mediations where the claimed amounts are partially or totally undetermined, the assessment derives from the total average of liabilities comprised by the remaining lawsuits and mediations of each policy, without any reinsurance deduction.

c) The lawsuits where no judgment has yet been rendered corresponding to other types of policies have been assessed at those dates on the basis of 60% of the amounts claimed, and updated following the procedures then in force or in accordance with the Company's liability, whichever is lower, except for Civil Liability policies, which are valued according to Resolution No. 34144.

At December 31, 2011 and 2011, the Company's liabilities consist of losses incurred but not reported (IBNR) in relation to these policies according to the guidelines established by Resolution No. 32201 issued by the SSN amounting to \$61,212 and \$63,175, respectively.

Automobile pending claims in administrative proceedings are valued pursuant to loss claims with possible responsibility of the insured persons, according to the average cost paid, determined by each situation and the respective policy, considering the claims effectively paid against those reported, until the pertinent technical report including the final valuation is obtained. With regard to third parties administrative claims, their assessment takes into account the amount claimed and the respective technical reports.

The Company has calculated provisions for automobile pending claims of lawsuits and mediations according to the new minimum requirements to set up such provision as stated in Resolution No. 31144 issued by the SSN.

At December 31, 2011 and 2010, the Company's liabilities consist of losses incurred but not reported (IBNR) in relation to automobile policies, according to the guidelines of Resolution No. 32201 of the SSN, amounting to \$120,473 and \$97,669, respectively.

In all cases, provisions were set up netting, if applicable, the reinsurers' share.

Provincia ART S.A.

Reserves for settled losses to be paid, losses in liquidation process, losses incurred but not reported (IBNR) and losses incurred but not enough reported (IBNER), set up according to Resolution No. 29972 issued by the SSN, as amended by Resolutions Nos. 30733, 34642 and 35652, are included.

Claims under litigation and mediation are also included. Progress in mediations is assessed according to the Company's experience in terms of their development, progress percentage and average cost by percentage points. Lawsuits are assessed according to the information provided by their legal advisors and to the provisions of Resolution No. 30733 issued by the SSN.

Reserves for temporary labor disability and benefits in kind payable are included, determined in accordance with Resolutions Nos. 31731 and 35652, and Communication No. 2,893 of the SSN. The Company has adopted the general criterion defined therein to establish the provisions for benefits in kind.

This caption also includes an additional reserve in case of disaster.

Provincia Seguros de Vida S.A.

Pending claims at year end are included, valued at the sum insured plus returns earned, if applicable, according to paragraph No. 39.6 of the Rules for Insurance Activity.

Likewise, claims under litigation and mediation are included. They are assessed according to the information given by its legal advisors and the guidelines provided for in the paragraph mentioned above.

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This caption also includes surrenders payable, the amounts of which have been settled but not paid at the closing date of its financial statements. Payments in BODEN 2012 are also included, valued according to the price of these Bonds at end of period or year end, as applicable.

Commitments for policies under plans envisaging settlement at the expiration of the contract are included, whenever the insured is alive at such date, valued according to the insured sum in the case of survivorship plus returns earned. The corresponding settlement in BODEN 2012 is included for policies taken in US dollars.

2.g. Other Liabilities

This caption includes technical commitments by Insurance Companies, as stated in Note 12, valued according to the following detail:

Provincia Seguros S.A.:

Mathematical Reserve:

It is calculated according to the technical rules approved by the SSN under the regulations of Law No. 20091.

Unearned Premium Reserve and Technical Reserve for Premiums Shortage:

It is computed according to the guidelines of Resolutions Nos. 29053 and 34717 of the SSN, respectively.

Provincia Aseguradora de Riesgos del Trabajo S.A.

Reserve for losses:

It was set up according to Resolution No. 29972 issued by the SSN.

Reserve for Contingencies and Loss Ratio Variances:

This provision is set up according to Resolution No. 29972 issued by the SSN with the amendments introduced by Resolution No. 31731

Provincia Seguros de Vida S.A.:

Mathematical reserve:

It is calculated according to the regulations of Law No. 20091 of the SSN.

Mathematical reserves originally made in US dollars were converted at the rate of \$1 = US\$1 and are valued according to the price of BODEN 2012 plus amortization coupons in US dollars already cashed in, thus increasing the value of these reserves upon application of the CER Index at end of period or year end, as applicable.

2.h. Statement of Cash Flows

The criterion for the preparation of this Statement identifies as cash and its equivalents the “Cash and Due from Banks” caption.

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Note 3 – Differences between the current Professional Accounting Standards and the Rules of the BCRA and the regulations issued by the Regulatory Authorities of Related and Controlled Companies (SSN)

The accounting practices adopted by the SSN are aimed at strengthening the capacity of insurance companies to meet their commitments and obligations to the insured. These practices differ in certain aspects from the regulations of the BCRA and the Professional Accounting Standards. The outstanding features are described below:

3.1. Valuation of Secured Loans and Promissory Notes of the Argentine Republic in Pesos (2014 and 2015)

Secured Loans received in exchange for public debt securities according to National Executive Order 1387/01 have been valued at the lower of the notional value (nominal value plus interest accrued at the end of the financial statements, converted at the rate of exchange determined by National Executive Order 471/02, net of the contra-asset accounts) and the present value fixed in accordance with Resolution No.29248 of the SSN. Whenever the technical value exceeds the present value, a provision called “Unearned profits for purchase of Secured Loans” for the difference.

Promissory Notes 2014 received in exchange for Secured Loans according to Joint Resolution of the Treasury Secretariat No. 8/09 and the Finance Secretariat No. 5/09, and Promissory Notes 2015 received in exchange for Secured Loans and public debt securities in compliance with Joint Resolutions Nos.197/09, 52/09, 216/09 and 57/09 of the Treasury Secretariat and the Finance Secretariat, have been valued at their nominal value plus accrued and non-collected interest at the closing of the financial statements, net of the contra-asset account balance “Valuation Difference of Government Securities to be Settled”, set up as a consequence of the difference between the face value of the promissory note received and the book value of Secured Loans and BODEN 2014 delivered, which shall accrue on a straight-line basis over the promissory note lifetime.

Under the Professional Accounting Standards, these assets should have been valued according to their current values.

3.2. Disclosure Rules

Disclosure rules established by the SSN do not require the distinction between current and non current assets and liabilities. Pursuant to the Professional Accounting Standards, they should be classified as current and non current, based on a one year term computed from the closing date of the period or fiscal year, as applicable, reported in the Financial Statements.

3.3. Provisioning Criteria

Reserves for uncollectibility of premiums are calculated mathematically by insurance companies, notwithstanding the actual probabilities of collecting on the accounts.

3.4. Release of Reserves for Contingencies

According to the Professional Accounting Standards, in the case of Provincia ART. S.A. the release of Reserves for Contingencies and Loss Ratio Variances should have been recorded under “Technical Commitments”.

3.5. Loans and Debts Valuation

The SSN does not allow the use of discounted values to compute Loans and Debts, as stipulated by the Professional Accounting Standards.

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Teresita M. Amor
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(in thousands of pesos)

3.6. Reserve for Uncollectibility Risk Related to National and Provincial Entities and Semi-public and State-owned Companies.

According to the Insurance Activity Rules issued by the SSN, premiums receivable corresponding to national and provincial entities and semi-public and state-owned companies shall not be computed for calculating the Uncollectibility Risk allowance whenever such amounts have not been rejected. At December 31, 2011 and 2010, a portion of the public sector defaulted debt in favor of Provincia ART S.A. was partially uncollectible and provisions may be made to that effect under the terms of the Professional Accounting Standard.

3.7. Reserve for Losses:

At December 31, 2010, Provincia ART SA set up the reserve for losses as provided by the provisions of the SSN.

3.8. Holdings of government securities until maturity

As stated in Resolution No. 33769 of the SSN, in case of differences between the book value and the market quotation of holdings of government securities held until maturity, decreases in capital stock, cash distribution of profits and repayment of contributions are not allowed up to the amount resulting from such difference.

3.9. Registration as an asset and amortization of Secured Loans and Promissory Notes.

Provincia Seguros S.A. registered as an asset and amortized the positive financial effect of the application of the accrual method required for Secured Loans and Promissory Notes.

Note 4 – Minority Interest

The breakdown of the supplementary interests included in "Minority Interest" is the following:

Issuing Company	Minority Interest - %
Bapro Mandatos y Negocios S.A.	0.150
Bapro Medios de Pago S.A.	0.004
Grupo Banco Provincia S.A.	0.033
Provincia Aseguradora de Riesgos del Trabajo S.A.	1.164
Provincia Bursátil S.A. – Brokerage House	1.000
Provincia Leasing S.A.	0.019
Provincia Servicios de Salud SA	0.005
Provincia Seguros de Vida S.A.	46.000
Provincia Seguros S.A.	40.000

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(Partner)

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General Accountant

Mirta G. Barcus
Deputy General Manager
Finance Area

Gustavo M. Marangoni
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(in thousands of pesos)

Note 5 - Government and Corporate Securities

At December 31, 2011 and 2010, the breakdown of this caption, classified according to the line of business of the consolidated companies, is as follows:

Activity	Description	Book Value		Net Realizable Value	
		12/31/2011	12/31/2010	12/31/2011	12/31/2010

Insurance

- Holdings recorded at market value	316,679	313,195	316,679	313,195
- Holdings recorded at purchase price plus yield	107,213	84,868	107,213	84,868
- Securities issued by the BCRA	-	14,520	-	14,520
- Investments in Listed Corporate Securities	128,130	183,215	128,130	183,215
Subtotal	552,022	595,798	552,022	595,798

Banking and Other Financial Services

- Holdings recorded at market value	439,484	476,946	439,484	476,946
- Holdings recorded at purchase price plus yield	9,522,703	10,472,392	9,522,703	10,472,392
- Government securities for transactions with the BCRA	-	88,560	-	88,560
- Securities issued by the BCRA	-	3,345,208	-	3,345,208
- Investment in listed Corporate Securities	35,121	36,225	35,121	36,225
Subtotal	9,997,308	14,419,331	9,997,308	14,419,331

Brokerage

- Holdings recorded at market value	624	594	624	594
- Holdings recorded at purchase price plus yield	5,000	4,159	5,000	4,159
- Investment in listed Corporate Securities	21,651	7,139	21,651	7,139
Subtotal	27,275	11,892	27,275	11,892

Services

- Holdings recorded at market value	-	2,175	-	2,175
- Holdings recorded at purchase price plus yield	5,293	21,440	5,293	21,440
- Investment in listed Corporate Securities	1,811	3,133	1,811	3,133
Subtotal	7,104	26,748	7,104	26,748

TOTAL	10,583,709 15,053,769 10,583,709 15,053,769
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AT DECEMBER 31, 2011 AND COMPARATIVE PERIODS

(in thousands of pesos)

Activity	Description	Book Value		Net Realizable Value	
		12/31/2011	12/31/2010	12/31/2011	12/31/2010
Total	- Holdings recorded at market value	756,787	792,910	756,787	792,910
	- Holdings recorded at purchase price plus yield	9,640,209	10,582,859	9,640,209	10,582,859
	- Government securities for transactions with the BCRA	-	88,560	-	88,560
	- Securities issued by the BCRA	-	3,359,728	-	3,359,728
	- Investment in listed Corporate Securities	186,713	229,712	186,713	229,712
	TOTAL	10,583,709	15,053,769	10,583,709	15,053,769

Note 6 - Other Receivables from Financial Brokerage

At December 31, 2011 and 2010, the breakdown of this caption, classified according to the line of business of the consolidated companies, is the following:

Line of Business	Description	Amounts	
		12/31/11	12/31/10

Insurance

- Other receivables not included in the Debtors' Classification Rules	320,975		226,285	
- Accrued interest and adjustments receivable not included in the Debtors' Classification Rules	3,414	324,389	929	227,214
Subtotal		324,389		227,214

Banking and Other Financial Services

- Argentine Central Bank	634,813		470,201	
- Amounts receivable for spot and forward sales to be settled	120,871		1,752,108	
- Securities receivable under spot and forward purchases to be settled	1,449,787		604,101	
- Other not included in the Debtors' Classification Rules	377,628		407,170	
- Unlisted negotiable bonds	50,730		48,733	
- Other included in the Debtors' Classification Rules	125,069		136,439	
- Accrued interest and adjustments receivable included in the Debtors' Classification Rules	71		69	
- Accrued interest and adjustments receivable not included in the Debtors' Classification Rules	20	2,758,989	12	3,418,833
- (Allowances)		(7,120)		(7,075)
Subtotal		2,751,869		3,411,758

Brokerage

- Other not included in the Debtors' Classification Rules	4,262	4,262	21,773	21,773
Subtotal		4,262		21,773

Services

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(in thousands of pesos)

Line of Business	Description	Amounts	
		12/31/11	12/31/10
	- Other not included in the Debtors' Classification		
	Rules	5,191	5,191
		12,179	12,179
	Subtotal	5,191	12,179
	TOTAL	3,085,711	3,672,924

Note 7- Interests in Other Companies

At December 31, 2011 and 2010, the breakdown of this caption for each non-consolidated company is the following:

Issuing Company	Number of Shares		Equity Interest and Votes (%)		Book Value Net of Allowances	
	2011	2010	2011	2010	2011	2010

IN OTHER NON-CONTROLLED COMPANIES

- Argentina

Banco de la Provincia de Buenos Aires in:

					7,577	7,695
Provincanaje S.A.	600,000	600,000	8,33	8,33	164	164
Visa Argentina S.A.	1,489,494	1,490,994	9,93	9,94	3,534	3,535
Mercado Abierto Electrónico S.A.	1	1	0,45	0,45	4	4
ACH S.A.	188,500	188,500	29,00	29,00	64	189
CADIPSA S.A.	9,176	9,176	1,72	1,72	-	-
Argencontrol S.A.	70,000	70,000	10,00	10,00	70	70
Red Link S.A.	956,250	956,250	12,75	12,75	2,123	2,123
Massuh S.A.	163,791	163,791	0,16	0,16	138	138
Garbin S.A.	1,441,605	1,441,605	4,31	4,31	1,442	1,434
Emde S.A.	7,140	-	0,92	-	-	-
In public utility companies (Cooperatives)	-	-	-	-	38	38

Grupo Banco Provincia S.A. in:

					34,648	41,320
Internacional Compañía de Seguros de Vida S.A.	21,709,977	21,709,977	37,76	37,77	34,648	41,320

Provincia Bursátil Sociedad de Bolsa S.A. in:

					3,414	5,121
Mercado de Valores de Buenos Aires S.A.	2	3	-	-	3,414	5,121

Provincia Seguros S.A. in:

					2,759	3,166
Fogaba S.A.	10,000	10,000	0,24	0,33	310	160
Internacional Compañía de Seguros de Vida S.A.	1,730,335	1,730,335	3,01	3,01	2,449	3,006

TOTAL IN ARGENTINA

48,398 **57,302**

- Abroad

Banco de la Provincia de Buenos Aires in:

					34,641	32,006
Bladex S.A.	884,461	884,461	2,43	2,43	34,559	31,930
Swift S.A.	8	8	0,01	0,01	6	5
Bolsa Electrónica de Val. del Uruguay S.A.	1	1	3,84	3,84	58	53
Telebrás	217,928	217,928	0,01	0,01	18	18

TOTAL ABROAD

34,641 **32,006**

TOTAL

83,039 **89,308**

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AT DECEMBER 31, 2011 AND COMPARATIVE PERIODS

(in thousands of pesos)

Note 8 – Loans under Financial Leases

At December 31, 2011 and 2010, the breakdown of this caption according to the line of business of the consolidated companies is the following:

Line of Business	Description	Amounts	
		12/31/11	12/31/10

Banking and Other Financial Services

- Machinery and equipment leased	278,407	275,716
- Matured charges receivable	18,789	19,152
- Premises leased	2,589	2,240
- Machinery and equipment to be recovered	1,847	2,434
- Other	121,877	12,120
- Accrued interest and adjustments receivable	9,230	228
- (Allowances)	(13,033)	(11,998)
TOTAL	419,706	299,892

Note 9 - Miscellaneous Receivables

At December 31, 2011 and 2010, the breakdown of this caption according to the line of business of the consolidated companies is the following:

Line of Business	Description	Amounts	
		12/31/11	12/31/10

Insurance

- Estimated minimum income tax	12,905	8,897
- Premiums receivable	466,146	326,641
- Expense advances	125	312
- Deferred tax	13,212	19,151
- Other	436,849	226,357
- (Allowances)	(74,230)	(86,622)
Subtotal	855,007	494,736

Banking and Other Financial Services

- Debtors for sale of assets	1,422	1,465
- Estimated minimum income tax	7,779	7,250
- Debtors for services	24,290	9,532
- Deferred tax	5,733	161
- Other accrued interest receivable	16,438	15,230
- Interest accrued on the sale of assets	21	15
- Other	1,291,247	978,074
- (Allowances)	(170,082)	(157,135)
Subtotal	1,176,848	854,592

Brokerage

- Estimated minimum income tax	447	57
- Debtors for brokerage transactions	7,492	6,129

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AT DECEMBER 31, 2011 AND COMPARATIVE PERIODS

(in thousands of pesos)

Line of Business	Description	Amounts	
		12/31/11	12/31/10
	- Other	3,971	11,910
	- (Allowances)		(116)
	Subtotal	11,794	8,991
Services			
	- Estimated minimum income tax	4,801	4,990
	- Deferred tax	-	16,589
	- Other	18,876	23,677
	- (Allowances)		(10,235)
	Subtotal	13,442	12,485
	TOTAL	2,057,091	1,370,804
Total			
	- Debtors for sale of assets	1,422	1,465
	- Estimated minimum income tax	25,932	21,194
	- Other	2,267,941	1,588,817
	- Expense advances	125	312
	- Deferred tax	18,945	35,901
	- Debtors for services	24,290	9,532
	- Debtors for brokerage transactions	7,492	6,129
	- Premiums receivable	466,146	326,641
	- Other	1,750,943	1,210,302
	- Interest accrued on the sale of assets	21	15
	- Other accrued interest receivable	16,438	15,230
	Subtotal	2,311,754	1,626,721
	- (Allowances)	(254,663)	(255,917)
	TOTAL	2,057,091	1,370,804

Note 10 – Miscellaneous Liabilities

At December 31, 2011 and 2010, the breakdown of this caption according to the line of business of the consolidated companies is the following:

Line of Business	Description	Amounts	
		12/31/11	12/31/10
Insurance			
	- Fees	2,156	2,501
	- Debts with the insured, re-insurers and co-insurers	1,660,210	1,289,755
	- Debts with brokers	58,892	44,479
	- Other	232,555	174,151
	Subtotal	1,953,813	1,510,886
Banking and Other Financial Services			
	- Fees	4,288	2,870
	- Suppliers	17,011	17,297
	- Customers' advances	5,897	6,672
	- Other	199,296	207,191
	Subtotal	226,492	234,030
Brokerage			
	- Fees	2,430	1,745
	- Principals	33,615	19,814
	- Suppliers	274	-
	- Other	4,130	2,001
	Subtotal	40,449	23,560

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(in thousands of pesos)

Line of Business	Description	Amounts	
		12/31/11	12/31/10
Services			
	- Fees	1,042	258
	- Suppliers	231	9
	- Other	6,680	4,490
	Subtotal	7,953	4,757
	TOTAL	2,228,707	1,773,233

Note 11 - Provisions

At December 31, 2011 and 2010, the breakdown of this caption according to the line of business of the consolidated companies is the following:

Line of Business	Description	Amounts	
		12/31/11	12/31/10
Insurance			
	- For other contingencies	11,531	27,301
	Subtotal	11,531	27,301
Banking and Other Financial Services			
	- For contingent liabilities with the BCRA	-	3,067
	- For contingent liabilities	1,963	1,963
	- For other contingencies	307,922	247,324
	Subtotal	309,885	252,354
Services			
	- For other contingencies	23,065	29,464
	Subtotal	23,065	29,464
	TOTAL	344,481	309,119

Note 12 – Other Liabilities

At December 31, 2011 and 2010, the breakdown of this caption according to the line of business of the consolidated companies is the following:

Line of Business	Description	Amounts	
		12/31/11	12/31/10
Insurance			
	- Contingencies and loss ratio variance	29,695	20,507
	- Mathematical reserves	2,523	2,029
	- Mathematical reserves for individual lifetime annuities	71,758	54,340
	- Current risk and unearned premiums and charges	167,217	113,397
	- Other	8,410	10,103
	Subtotal	279,603	200,376
Banking and Other Financial Services			
	- Other	(11,588)	(2,260)

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(in thousands of pesos)

	Subtotal	(11,588)	(2,260)
TOTAL		268,015	198,116

Note 13 – Income from Services and Expenditure for Services - Other

At December 31, 2011 and 2010, the breakdown of these captions according to the line of business of the consolidated companies is the following:

Income from Services – Other

Line of Business	Description	Amounts	
		12/31/11	12/31/10

Insurance

- Premiums and surcharges for insurance policies	2,031,000	1,556,860
Subtotal	2,031,000	1,556,860

Banking and Other Financial Services

- Income from services	1,482,845	990,721
- Trust administration	15,672	11,712
Subtotal	1,498,517	1,002,433

Brokerage

- Income from services	6,004	-
- Income from brokerage transactions	4,403	7,837
Subtotal	10,407	7,837

TOTAL	3,539,924	2,567,130
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Expenditure for Services – Other

Line of Business	Description	Amounts	
		12/31/11	12/31/10

Insurance

- Accrued claims	1,378,862	975,312
- Insurance policy surrenders and accrued temporary annuities	1,491	1,472
- Expenditures on technical structure	51,804	107,538
Subtotal	1,432,157	1,084,322

Banking and Other Financial Services

- Other	463,110	236,634
Subtotal	463,110	236,634

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AT DECEMBER 31, 2011 AND COMPARATIVE PERIODS

(in thousands of pesos)

Line of Business	Description	Amounts	
		12/31/11	12/31/10
Brokerage			
	- Other	-	625
	Subtotal	-	625
	TOTAL	1,895,267	1,321,581

Note 14 – Administrative Expenses

At December 31, 2011 and 2010, the breakdown of this caption according to the line of business of the consolidated companies is the following:

Line of Business	Description	Amounts	
		12/31/11	12/31/10
Insurance			
	- Personnel expenses	176,332	136,368
	- Directors' and syndics' fees	5,347	3,694
	- Other fees	29,622	24,620
	- Advertising and publicity	49,898	34,925
	- Taxes	71,585	50,332
	- Depreciation of bank premises and equipment	12,204	7,482
	- Amortization of organization and development expenses	5,047	6,614
	- Other operating expenses	70,718	17,901
	- Other	181,358	52,632
	Subtotal	602,111	334,568
Banking and Other Financial Services			
	- Personnel expenses	2,674,083	2,167,725
	- Directors' and syndics' fees	13,342	9,730
	- Other Fees	38,606	30,350
	- Advertising and publicity	91,689	84,514
	- Taxes	15,134	15,833
	- Depreciation of bank premises and equipment	63,348	54,838
	- Amortization of organization and development expenses	21,734	11,128
	- Other operating expenses	306,656	229,094
	- Other	67,137	49,999
	Subtotal	3,291,729	2,653,211
Brokerage			
	- Personnel expenses	6,038	4,256
	- Directors' and syndics' fees	2,430	1,744
	- Other fees	899	726
	- Advertising and publicity	-	120
	- Taxes	24	178
	- Depreciation of bank premises and equipment	63	32
	- Amortization of organization and development expenses	89	42
	- Other operating expenses	3,991	610
	- Other	44	482

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AT DECEMBER 31, 2011 AND COMPARATIVE PERIODS

(in thousands of pesos)

Line of Business	Description	Amounts	
		12/31/11	12/31/10
	Subtotal	13,578	8,190
Services			
	- Personnel expenses	47,044	9,564
	- Directors' and syndics' fees	5,413	3,367
	- Other fees	10,303	5,040
	- Advertising and publicity	2,052	-
	- Taxes	4,569	1,996
	- Depreciation of bank premises and equipment	669	378
	- Amortization of organization and development expenses	235	135
	- Other operating expenses	12,769	4,879
	- Other	9,060	2,277
	Subtotal	92,114	27,636
TOTAL		3,999,532	3,023,605

Note 15 - Miscellaneous Income

At December 31, 2011 and 2010, the breakdown of this caption according to the line of business of the consolidated companies is the following:

Line of Business	Description	Amounts	
		12/31/11	12/31/10
Insurance			
	- Net income on long-term investments	797	831
	- Other	8,753	58,742
	Subtotal	9,550	59,573
Banking and Other Financial Services			
	- Net income on long-term investments	17,364	9,687
	- Penalty interest	8,863	6,690
	- Receivables recovered and allowances reversed	117,959	258,222
	- Adjustment from application of the CER index	6	-
	- Other	92,243	61,958
	Subtotal	236,435	336,557
Brokerage			
	- Net income on long-term investments	150	135
	- Other	943	106
	Subtotal	1,093	241
Services			
	- Net income on long-term investments	7,449	11,172
	- Other	18,660	4,732
	Subtotal	26,109	15,904
TOTAL		273,187	412,275

Note 16 - Miscellaneous Losses

At December 31, 2011 and 2010, the breakdown of this caption according to the line of business of the consolidated companies is the following:

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(in thousands of pesos)

Line of Business	Description	Amounts	
		12/31/11	12/31/10
Insurance			
	- Charges for miscellaneous receivables and other items written-off	5,439	15,911
	- Other	31,302	71,480
	Subtotal	36,741	87,391
Banking and Other Financial Services			
	- Charges for miscellaneous receivables and other items written-off	112,686	39,434
	- Amortization of differences from court orders	80,840	82,069
	- Penalty interest and charges in favor of the BCRA	433	3,273
	- Depreciation and losses for miscellaneous assets	4,732	4,753
	- Other	59,893	45,911
	Subtotal	258,584	175,440
Brokerage			
	- Other	67	-
	Subtotal	67	-
Services			
	- Charges for miscellaneous receivables and other items written-off	-	3,458
	- Other	16,605	9,282
	Subtotal	16,605	12,740
TOTAL		311,997	275,571

Note 17 – Restricted Assets

In addition to the contents of Note 6 to the Bank's Financial Statements, the Consolidated Balance Sheet includes the following restricted assets:

Issuing Company	12/31/2011	12/31/2010
<u>Provincia Bursátil S.A.</u>		
Shares of Mercado de Valores de Buenos Aires S.A. delivered to such company as security, in line with the provisions applicable in general to stockbrokers and brokerage houses.	3,414	5,121
At December 31, 2010, it included shares of Grupo Financiero Galicia S.A. related to put options written and pledged as collateral to Caja de Valores S.A. Likewise, at September 30, 2011, it holds shares of Tenaris S.A., long term Par Bonds denominated in US Dollars and GDP related Securities.	-	1,112
Fixed term deposit to guarantee the payment of amounts owed to Banco de la Provincia de Buenos Aires.	20	18
<u>Provincia Leasing SA</u>		
Contracts pledged as security for the obligations in favor of Banco de Inversión y Comercio Exterior S.A. (BICE).	31,873	43,385
Fixed term deposit to guarantee the payment of amounts owed to Banco de la Provincia de Buenos Aires.	-	23

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(in thousands of pesos)

Issuing Company	12/31/2011	12/31/2010
<u>Grupo Banco Provincia S.A.</u>		
Fixed term deposit to guarantee the payment of amounts owed to Banco de la Provincia de Buenos Aires and to guarantee the opening of import letters of credit and amortization loans granted to Provincia Leasing S.A. to be applied to new transactions.	31,468	31,186
<u>Provincia Seguros S.A.</u>		
Court deposits levied under legal proceedings, included in the Provision for Pending Claims or claims not related to insurance activities.	12,498	26,887
Restraining order related to the attachment of quota-shares of Fondo Común de Inversión Firma Ahorro Pesos Clase C and Goal Acciones Brasileñas.	937	1,069
Fixed term deposits in Banco de la Provincia de Buenos Aires to guarantee the payment of the amounts owed to Banco de la Provincia de Buenos Aires.	228	153
<u>Bapro Mandatos y Negocios S.A.</u>		
Fixed term deposit to guarantee the payment of amounts owed to Banco de la Provincia de Buenos Aires.	44	39
<u>Bapro Medios de Pago S.A.</u>		
Fixed term deposit to guarantee the payment of amounts owed under the agreement with Standard Bank Argentina S.A. and Bapro Medios de Pago S.A. dated December 18, 2008.	520	511
Fixed term deposit to guarantee the payment of amounts owed to Banco de la Provincia de Buenos Aires.	172	106
<u>Provincia Servicios de Salud S.A.</u>		
At December 31, 2011, it included funds levied under the action brought against the Company in the case "Magenta Gabriela Luján Fernanda contra Asociación Francesa Filantrópica y de Beneficencia y otra s/despido." At December 31, 2010, it also recorded \$191 under that caption, derived from "Adaniya Eduardo contra Asociación Francesa Filantrópica y de Beneficencia y otra s/despido".	187	378

Note 18 – Significant Developments regarding the Subsidiaries and Other Non-Controlled Companies

Significant developments in relation to the subsidiaries and other non-controlled companies, including events subsequent to the Financial Statements of Grupo Banco Provincia S.A. at December 31, 2011, which were used for the consolidation of these Consolidated Financial Statements, are detailed below:

a. **Provincia Servicios de Salud S.A.**

a.1. *Transfer Agreement with CEFRAN*

On March 20, 2002, Provincia Servicios de Salud S.A. and the Charitable Philanthropic Association of the Hospital Francés (*Asociación Filantrópica de Beneficencia Hospital Francés – CEFRAN*) entered into an agreement for the transfer of assets and certain liabilities and the use of trademark. On February 11, 2004, Provincia Servicios de Salud S.A. and CEFRAN subscribed an *addendum* to such agreement whereby Provincia Servicios de Salud S.A. is granted indemnity against claims filed by dependent health providers, third parties and/or patients for services provided to members and/or their beneficiaries who have opted to maintain their original relationship with Provincia Servicios de Salud S.A.

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During September 2005, the French Charitable and Philanthropic Association (*Asociación Francesa Filantrópica y de Beneficencia – AFFB*) faced institutional and financial problems which negatively affected the normal performance of the agreement. In January 2006, Provincia Servicios de Salud S.A.'s Board of Directors called on AFFB to cease the trademark use as well as health plan services promotion and denomination.

On March 6, 2007 Banco de la Provincia de Buenos Aires sent Grupo Banco Provincia S.A. a note informing the execution of the Provincia Salud Financial Trust guarantee, since such Company guaranteed the effective payment of obligations derived from such Financial Trust Agreement.

Consequently, on June 28 2007 Grupo Banco Provincia S.A. paid \$6,868 to Banco de la Provincia de Buenos Aires as full and final payment, and the Bank transferred and assigned to Grupo Banco Provincia S.A. all its Participation Certificates in the Provincia Salud Financial Trust and issued a debt clearance certificate in favor of Provincia Servicios de Salud S.A.

a.2. Capital Stock

At December 31, 2009, Provincia Servicios de Salud S.A. complied with the terms described in Section 94, subsection 5 of the Companies' Law, which states that the loss of capital stock gives ground for dissolution of the Company. Consequently, on August 18, 2010, Grupo Banco Provincia S.A.'s Board of Directors together with Provincia Servicios de Salud S.A.'s President analyzed the dissolution and liquidation project and resolved to initiate the pertinent administrative proceedings. On November 25, 2010, Grupo Banco Provincia S.A.'s Board of Directors approved an irrevocable contribution for \$11,425 to offset losses under the terms of General Resolution No. 12/06 issued by the General Inspectorate of Companies. Such contribution consisted of the advances made by the Company, which at such date amounted to \$9,250, and the remaining balance of \$2,175 was paid by Grupo Banco Provincia S.A. on December 1, 2010.

On December 29, 2010, Bapro Mandatos y Negocios S.A. reimbursed Grupo Banco Provincia S.A. \$414 corresponding to its equity holding in Provincia Servicios de Salud S.A.

On December 31, 2010, the Company recorded losses for \$276 and working capital and positive stockholders' equity for \$2,613 and \$1,316, respectively.

On November 30, 2011, Grupo Banco Provincia S.A.'s Board of Directors approved an irrevocable contribution for \$3,650 to offset losses. Such contribution was made on November 10 and 25, 2011 and amounted, according to equity holding, to \$1,500 and \$1,400, respectively. . Therefore, at December 31, 2011, out of the remaining contribution to be paid-in of \$750, \$723 corresponded to Grupo Banco Provincia S.A. and \$27 to Bapro Mandatos y Negocios S.A.

The Extraordinary Meeting of Shareholders of Provincia Servicios de Salud S.A. held on December 30, 2011, unanimously approved the early dissolution and liquidation of the company, considering December 31, 2011 as the date on which the Company has declared its liquidation.

b. Provincia ART S.A.

b.1. Fund for Specific Purposes - Executive Order No. 590/97

With respect to the claim filed by Provincia ART S.A. against the National Government regarding the need to set up the Fund for Specific Purposes established by Executive Order No. 590/97, corresponding to the participation agreement between the Company and the Province of Buenos Aires, on June 30, 2009, the Government of the Province of Buenos Aires notified its legal and affirmative defenses: a) lack of court

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jurisdiction, since as the provincial government acts in the process, the original jurisdiction lies in the Supreme Court of Argentina, and b) no grounds for a case, by virtue of the inclusion in the pertinent file of an opinion issued by the SSN's Legal and Control Departments ratifying the decision of the Company not to record as a liability the contribution to be made by the Province of Buenos Aires since the latter had expressly waived all rights arising from such contribution. On August 4, 2009, the Company answered the defenses filed by the Government of the Province of Buenos Aires, acknowledging the allegation of lack of jurisdiction. On September 15, 2009, such defense was sustained and the proceedings were referred to the Argentine Supreme Court.

On May 22, 2008, through joint Resolution No. 33034, the SSN and the Workers' Compensation Insurance Superintendence (*Superintendencia de Riesgos del Trabajo- SRT*) authorized the Government of the Province of Buenos Aires to carry its own workers' compensation insurance coverage and provided its registration in the record of self-insured employers.

Pursuant to the terms of the agreement made between both parties, contracts executed between January 1, 1998 and December 31, 2006 were subject to financial analysis. Such analysis has produced a \$28,424 balance in favor of the Government of the Province of Buenos Aires at December 31, 2006, which mainly accounted for the difference between the premiums charged by Provincia ART S.A. and the claims settled in such period, as well as taxes, commissions and related operating expenses. At the termination date of the agreement, the fund balance amounted to \$21,585 approximately.

Since January 1, 2007, the above balance in favor of the Government of the Province of Buenos Aires was allocated to the payment of these claims. Once such balance was exhausted, the obligations were cancelled through a fund specifically created for such purposes according to the terms of article 59 of the Accounting Law of the Province of Buenos Aires. The responsibility of Provincia ART S.A. is to calculate, settle and pay, in due time, such obligations. At December 31, 2011, \$260,469 was recorded by the Company under the "Other Receivables" caption. On December 29, 2011, the Government of the Province of Buenos Aires approved Executive Order No. 160, providing for the issuance of Regularization Bonds for non financial obligations up to \$500,000 in order to regularize the obligations not yet paid by the province. They will be amortized in 24 monthly and consecutive installments, at private banks' BADLAR rate for deposits over \$1,000 on a monthly basis. Such order also approves the types of agreements to be entered into by the Government of the Province of Buenos Aires and each creditor who opts for the cancellation of such claims upon receipt of the bonds. The Company's Board of Directors accepted the established terms of payment to cancel the payable balances. On January 23, 2012, the Company received a letter from the General Secretariat of the Government of the Province of Buenos Aires, which informed that the cancellation of debts derived from the self insurance management was being arranged.

At December 31, 2011, the Company shall receive \$27,811 on account of self insurance management.

At December 31, 2011, the balance not yet due and payable to be collected by the Company on account of advances in checking accounts as payments of claims and fees for self-insurance management totaled \$24,300 and \$5,809, respectively under the caption "Other Credits" of the Consolidated Financial Statements of Grupo Banco Provincia S.A.

b.2 Trust Fund for Occupational Diseases

Resolution No. 29323 of June 27, 2003 from the SSN set out the rules for the accounting of the income, expenditures and investments of the Trust Fund for Occupational Diseases, created by Executive Order No. 1278/00. At the closing date of these Financial Statements, Provincia ART S.A. has recorded the balance corresponding to this fund in compliance with the provisions of the above mentioned resolution. Likewise, the investment portfolio complies with such provisions.

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At December 31, 2011 and 2010, the Company has deducted expenditures under the fund for an amount computed according to section 19, subsections a) and b) of the above resolution. At these dates, the Company has used all funds corresponding to section 19, subsection a).

During the fiscal year ended June 30, 2010, the Company decided to make thorough reviews of the allocations made to the trust fund on a case by case basis. As a consequence, it reimbursed \$23,938 to the Fund on account of allocated claims, expenses derived from such claims and the respective financial yield. The charge corresponding to the aforementioned adjustment was allocated to the retained earnings at June 30, 2009 for \$21,231 and to the results of the fiscal year ended June 30, 2010 for \$1,119. In this regard, on February 5, 2010, the Federal Criminal Court No. 1, Clerk's Office No. 2, notified a request of investigation filed by an officer of the SRT related to the Company and other workers' compensation insurer under case No. 14.082/2009 (B-12.315). On August 6, 2010, the mentioned Court notified the Company the dismissal of the case involving the officers under criminal proceedings. On August 11, 2010, the prosecutor in charge of the Federal Criminal Prosecutor's Office No. 7 appealed the above decision. On May 10, 2011, the Appellate Court confirmed the dismissal at trial court. Therefore, the General Prosecutor's Office of the Federal Criminal Court of Appeals filed an extraordinary appeal, which was approved on June 2, 2011. On August 16, 2011, the Company's attorneys filed a request to reject such appeal. On December 14, 2011, the National Appellate Court of Criminal Cases rejected such appeal.

Provincia ART S.A. administers the remaining amount of the trust fund. The trust funds and the deriving income and expenditures are subject to a specific accounting record, separate from the other transactions. At December 31, 2011 and 2010, cash and due from banks and investments of the Fund amounted to \$66,082 and \$56,754, respectively.

b.3. Amendment to the Workers' Compensation Insurance System

On November 6, 2009, the Executive Branch issued Order No. 1,694 introducing modifications to law No. 24,557 and its amendments, applicable to contingencies in which the first manifestation of disability occurs from such date.

At the date of issuance of these Financial Statements, the Company's Board of Directors was analyzing the potential effect that the described regulatory modifications may have on its loss ratio and on the final costs of claims, as well as on its economic and financial situation and operations. It is not possible to forecast the result of such analysis. The Company has informed its customers of increases in its rates with the purpose of readjusting them to the new context. These financial statements should be read taking into account the aforementioned issues.

b.4 Workers compensation insurance of the Government of the Province of Mendoza

On December 18 and 26, 2007, Provincia ART S.A. initiated executory processes before the Court in Civil, Commercial and Mining Matters No. 12 of the City of Mendoza to collect principal and interest owed on account of the workers' compensation insurance contract unfulfilled by the Government of the Province of Mendoza and considered terminated as of August 31, 2005. From 2008 the Company decided to no longer set up provisions for the amounts owed by the Government of Mendoza according to Note 3.6 and to the authorization granted by the SSN. The credit balance at December 31, 2011 amounted to \$ 15,919.

On April 28, 2009, Mendoza's Courts rendered lower court decision, which ordered to continue with the executory process until the defendant pays the total amount of \$24,583 plus legal interest calculated from November 26, 2007 to the effective payment date. Such decision was appealed by the Province of Mendoza on May 12, 2009.

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In February 2010, the Court of Appeals in Civil Matters No. 4 rendered judgment admitting the appeal submitted by the defendant and rejecting the claim in full. Provincia ART S.A. filed an extraordinary appeal before Room I of the Provincial Supreme Court, which was admitted on April 7, 2010. Later, the Criminal House rejected the extraordinary appeal filed by the Company, which submitted a federal extraordinary appeal to resort to the Argentine Supreme Court. At the date of issuance of the Financial Statements of Provincia A.R.T S.A., the Provincial Court has not rendered its decision.

In relation to the case entitled “Provincia Aseguradora de Riesgos del Trabajo S.A. contra c/Poder Judicial de la Provincia de Mendoza s/ejecución cambiaria”, on November 26, 2010, the Court in Civil Matters No. 1 of the Province of Mendoza rendered a lower court decision, partially approving the payment exception and therefore ordering to continue the executory process for an amount of \$51 plus interest accrued from November 26, 2007 and rejecting the claim for \$576. Both parties have appealed this ruling.

b.5. Minimum Capital Requirements

At December 31, 2008, Provincia A.R.T. S.A. was within the scope of Sections 94 and 206 of Law No. 19550. Consequently, in an Special Meeting of April 28, 2009, the shareholders approved an increase in capital for \$50,000, registered with the Public Registry of Commerce on August 12, 2011. On May 7 and 8, 2009, Grupo Banco Provincia S.A. partially paid in its pertinent capital contribution in government securities for \$6,950. On April 27, 2011, Grupo Banco Provincia S.A. endorsed to the Company the fixed term deposit certificate No. 594310-8 of Banco de la Provincia de Buenos Aires for a principal amount of \$43,050 as settlement of the contribution to be paid-in.

On September 7, 2011, the Regular Meeting of Shareholders of Provincia ART S.A. provided the allocation of profits corresponding to the period ended June 30, 2011 to Legal Reserve for \$1,863 and \$35,393 in order to offset accumulated losses in previous years.

c. Provincia Leasing S.A.

On March 10, 2010, the Regular Meeting of Shareholders of Provincia Leasing S.A., resolved to allocate 10% of the profits for the 2009 fiscal year that amounted to \$16,300 as follows: \$1,630 to the Legal Reserve account and \$14,670 to cash dividends in proportion to the pertinent equity holding. On April 20, May 20 and June 22, 2010, Grupo Banco Provincia S.A. received \$14,230 on such account.

On March 28, 2011, the Regular Meeting of Shareholders of Provincia Leasing S.A., resolved to allocate 10% of the profits for the 2010 fiscal year that amounted to \$10.163 as follows: \$1,016 to the Legal Reserve account and \$9,146 to cash dividends in proportion to the pertinent equity holding. Accordingly, Grupo Banco Provincia's share amounted to \$8,872. On May 11, June 13 and July 11, 2011, Grupo Banco Provincia S.A. collected in full the above mentioned balance.

c.1. Agreement between Banco de la Provincia de Buenos Aires and Provincia Leasing S.A.

On July 23, 2008, the Board of Directors of Provincia Leasing S.A. approved the Loan Origination and Assignment Framework Agreement signed between Banco de la Provincia de Buenos Aires and Provincia Leasing S.A. Under such agreement, the Company will act as custodian, collection and administration agent while the Bank will be in charge of selecting borrowers according to its credit standards and will decide on the financing terms.

At December 31, 2011 and 2010, contracts managed by the Company amounted to \$118,621 and \$11,541 respectively.

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c.2. Legal actions against the Company

Provincia Leasing S.A. was sued by Caffarini Carlos Alberto and The Standard Saving Corp. S.A. for differences in the conversion into pesos of dollar denominated negotiable obligations included under the Public Tender Offer regulations.

With relation to the action brought by Mr. Caffarini, on May 15, 2005, the Company was notified of the lower court judgement instructing payment of the owed amounts at a rate of \$1/US\$1 plus the CER index. Such judgement was appealed before the National Court of Appeals in Commercial Matters, Division E. On November 21, 2006, the Court of Appeals reversed the decision and exempted Provincia Leasing S.A. and Grupo Bapro Provincia S.A. (co-defendant) from liability. An appeal was then filed by plaintiff with the National Supreme Court. At present, such case is still pending decision of the Court.

With regard to the suit filed by The Standard Saving Corp. S.A., on April 22, 2008, the judge rendered judgement sustaining the plaintiff's claim and the Company was held liable to pay up to \$312 plus interest and legal costs in accordance with the debt equitable readjustment criterion. Both parties resorted to the National Court of Appeals in Commercial Matters, Division B, which ratified the first instance resolution and served pertinent notice on August 10, 2009. Within the stipulated period, Provincia Leasing S.A. filed an extraordinary appeal against the appellate court decision. On March 9, 2011, the Supreme Court ruled inadmissible the remedy filed by Provincia Leasing S.A. and confirmed the judgement rendered by the lower court. Consequently, the payment will be made upon confirming the settlement amount required by plaintiff.

d. Provincia Seguros de Vida S.A.

d.1. Mechanism to be applied to the policies taken in dollars before January 6, 2002

On December 10, 2002, the Company submitted to the SSN the mechanism to be applied to the policies taken in US dollars before January 6, 2002, stating the procedure for payment of the surrender value of savings plans and the alternatives to be offered to the insured in the case of claims or termination of contracts. In the case of surrenders, the Company offers to pay in Boden 2012 up to the value of the mathematical reserve at January 31, 2012, in dollars the amount corresponding to the amortization of such security and in pesos the balance amount accumulated from such date until the surrender date.

In the case of claims or expiration of contracts, the Company offers the following two options to the insured:

- To pay in Pesos the sum insured plus the mathematical reserve at January 31, 2002 adjusted by the CER index until the date on which the claim is reported or the contract expires,
- To pay in BODEN 2012 the mathematical reserve at January 31, 2002, in dollars the amount corresponding to the amortization of such security and in pesos the remaining amount up to the sum insured.

Therefore, the total value of the above reserves was determined according to the listed price of the mentioned government securities plus the amortization coupons in US dollars already cashed-in whenever such value were higher than the value of the reserves adjusted by the CER index. At December 31, 2011 and 2010, the value of the mathematical reserves so determined was higher than their value adjusted by the CER index.

According to the foregoing, the Company is complying with its payment obligations pursuant to the provisions of Executive Orders Nos. 214/02 and 905/02 and Resolution No. 28905 issued by the SSN.

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d.2. *Distribution of Profits*

On October 29, 2010, the Regular Meeting of Shareholders of Provincia Seguros de Vida S.A. resolved to allocate the profits for the period ended June 30, 2010 as follows: \$247 to the Legal Reserve account, \$389 to the Reserve for Investment in Information Technology account and the remaining \$4,302 to distribute cash dividends among shareholders in proportion to their equity holding. Consequently, on November 10, 2010, Grupo Banco Provincia S.A. received \$1,936 on such account.

On October 13, 2011, the Regular Meeting of Shareholders of Provincia Seguros de Vida S.A. resolved to allocate the profits for the period ended June 30, 2011 as follows: a) \$354 to increase the Legal Reserve account; b) \$3,500 to distribute cash dividends; and c) the remaining amount of \$3,221 to increase the capital stock within fivefold without amending the by-laws, from 25,821,000 to 29,042,072 shares. Thus, 3,221,072 book-entry common shares will be issued for a nominal value of \$0,001 each and one vote per share. Out of this amount, 1,932,643 will be Class A shares to be subscribed by Grupo Banco Provincia S.A. (1,449,482 shares) and Provincia Seguros S.A. (483,161 shares) and 1,288,429 will be Class B shares to be fully subscribed by CNP Assurance Brasil Holding Ltda.

On December 28, 2011, a presentation was filed with the General Inspectorate of Companies requesting authorization for the mentioned capital increase.

At the date of issuance of the Financial Statements of Provincia Seguros de Vida S.A., such increase is pending approval by the pertinent control authority.

On October 18, 2011, Grupo Banco Provincia S.A. received \$1,575 for the above-mentioned distribution of dividends.

e. **Bapro Mandatos y Negocios S.A.**

e.1. *Distribution of Profits*

On March 10, 2010, the Regular Meeting of Shareholders resolved to allocate the profits for the year 2009 as follows: (i) 5% to set up a Legal Reserve for \$144, (ii) \$1,835 to set up a Special Reserve to fund the Company's future transactions and (iii) \$900 to distribute cash dividends in proportion to the shareholders' equity holding. On April 28, 2010, Grupo Banco Provincia S.A. received \$873 on such account.

On March 30, 2011, the Regular Meeting of Shareholders resolved to allocate the profits for the year 2010 as follows: (i) 5% to set up a Legal Reserve for \$142 and (ii) \$2,690 to distribute cash dividends among shareholders in proportion to their equity holding. On May 30, 2011, Grupo Banco Provincia S.A. received \$2,609 on such account.

e.2. *Judicial orders*

In its capacity as trustee of the Solidaridad Trust, Bapro Mandatos y Negocios S.A. received judicial orders which have been duly fulfilled by submitting original documents and/or copies of the trust operations.

On April 8, 2010, in its capacity as trustee of the Solidaridad Trust, Bapro Mandatos y Negocios S.A., in charge of the trust property, was served notice of the legal action brought against it by the social welfare entity for bank employees (*Obra Social Bancaria Argentina*) in the case entitled "Obra Social Bancaria Argentina s/Concurso Preventivo" before the National Court of First Instance in Commercial Matters No.11, Clerks Office No. 21, requesting the annulment of the Solidaridad Trust agreement entered into on August 13, 2008, as amended, on the grounds stated in the complaint. On April 30, 2010, the Company answered the complaint within the legal time limits.

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With regard to the case entitled “Obra Social Bancaria Argentina s/ Incidente de Apelación por Art. 250 CPCCC”, on October 28, 2010, the National Court of Appeals in Commercial Matters of the City of Buenos Aires, Division D, declared invalid all payments made after November 9, 2009 by Bapro Mandatos y Negocios as trustee of the Solidaridad Trust with relation to the OPIGs (guaranteed irrevocable payment orders) issued under obligations prior to that date. The Company filed an appeal in the above case which, at the date of these Financial Statements, has been dismissed by the Court. Bapro Mandatos y Negocios S.A. was then instructed to pay the ensuing costs in its capacity as losing appellant. Such dismissal is not likely to result in a liability enforceable against the Company's shareholders' equity since it involved an act derived from its compliance with the terms of the Solidaridad Trust Agreement. Therefore, such costs shall be borne with funds from the Fiduciary Account since they are deductible charges.

The Management and Board of Directors of Bapro Mandatos y Negocios S.A., in line with the opinion of their legal advisors, deem that the above should not result in a liability enforceable against the Company.

f. Bapro Medios de Pago S.A.

f.1. *Distribution of Profits*

On March 12, 2010, the Regular Meeting of Shareholders resolved to allocate the \$573 retained earnings for the year ended December 31, 2009 as follows: \$29 to the Legal Reserve account and \$544 to the Optional Reserve account in order to fund the Company's future transactions.

f.2. *Penalty imposed by AFIP*

Bapro Medios de Pago S.A. filed a claim on the penalty of \$1,336 imposed by the Internal Revenue Agency (*Administración Federal de Ingresos Públicos – AFIP*) for interruption of services during an employees' meeting held in October, 2009. On August 31, 2010, the Company requested the AFIP to review the measure on the grounds of the legal rights of the Company. On March 31, 2011, Bapro Medios de Pago S.A. filed a claim before the National Ministry of Economy. After such instance, the case may be brought to court. Judicial precedents led the Company to expect the rendering of a favorable judgement on this matter and a provision was set up for 10% of the amount so claimed.

f.3. *Claims against the Company*

At December 31, 2011, there are two claims pending for \$16 brought by debtors requiring for the cancellation and/or reduction of their pertinent debts.

g. Provincia Bursátil S.A.

g.1. *Distribution of Profits*

On March 12, 2010, the Regular Meeting of Shareholders of Provincia Bursátil S.A. resolved to allocate the profits for the year ended December 31, 2009 as follows: \$121 to the Legal Reserve account, \$793 to the Optional Reserve account and the remaining \$1,500 to distribute cash dividends among shareholders in proportion to their pertinent equity holding. On March 25, 2010, Grupo Banco Provincia S.A. received \$1,425 on such account.

On March 31, 2011, the Regular Meeting of Shareholders of Provincia Bursátil S.A. resolved to allocate the profits for the year ended December 31, 2010 as follows: \$97 to the Legal Reserve account, \$945 to the Optional Reserve account and the remaining \$900 to distribute cash dividends among shareholders in proportion to their equity holding. On May 2, 2011, Grupo Banco Provincia S.A. received \$855 on such account.

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g.2. *Change in the Valuation of Shares criteria*

The Company has three book-entry shares in Mercado de Valores de Buenos Aires S.A. Considering the current operative underuse of the quota associated with those shares in terms of the Company's turnover, the Board of Directors, by Resolution No. 499 dated August 26, 2011, decided to classify one of those shares as a financial investment, thus changing its pertinent valuation criteria.

h. Provincia Seguros S.A.

On October 6, 2010, the Regular Meeting of Shareholders of Provincia Seguros S.A. resolved to allocate the profits for the period ended June 30, 2010 as follows: a) \$1,324 to increase the Legal Reserve account and b) \$25,147 to the Technical Reserve account destined to working capital.

As stated in Note 18.j.1.a to these Consolidated Financial Statements, on March 12, 2010, the SSN authorized the distribution of the dividends approved by the Regular Meeting of Shareholders of Internacional Compañía de Seguros de Vida S.A. held on October 14, 2009. Provincia Seguros S.A. received \$1,464 on such account in accordance with its equity holding.

On September 28, 2011, Provincia Seguros S.A. received \$1,204 on account of the distribution of cash dividends for the period ended June 30, 2011.

On September 8, 2011, the Regular Meeting of Shareholders of Provincia Seguros S.A. resolved to allocate the profits recorded at June 30, 2011 as follows: a) \$3,303 to increase the Legal Reserve account, b) \$22,784 to the Technical Reserve account destined to working capital and c) to distribute cash dividends for \$40,000. Consequently, on October 14, 2011, Grupo Banco Provincia S.A. received \$24,000 on such account.

i. Grupo Banco Provincia S.A.

i.1. *Mercado Regional de Capitales S.A.*

Mercado Regional de Capitales S.A. (in liquidation) has losses that exceed the net book value of the investment recorded by Grupo Banco Provincia S.A. Mercado Regional de Capitales S.A. (in liquidation) has zero value because the holding company will no longer finance its activities. The net and accumulated losses of Mercado Regional de Capitales S.A. (in liquidation) in proportion to Grupo Banco Provincia S.A.'s equity holding, and not recognized by the Company at December 31, 2011 and 2010, amount to \$70 respectively.

i.2. *Distribution of cash dividends by Grupo Banco Provincia S.A.*

The Regular Meeting of Shareholders held on March 19, 2010 decided to absorb the prior year adjustment for \$19,121 as described in Note 18.i.6 to these Consolidated Financial Statements and to allocate \$2,362 to the Legal Reserve account and \$44,875 to the Optional Reserve account.

The Regular Meeting of Shareholders held on April 29, 2011 resolved to allocate the profits corresponding to the year ended December 31, 2010 that amounted to \$95,841 as follows: \$4,792 to the Legal Reserve account, \$46,049 to the Optional Reserve account and \$45,000 to distribute cash dividends among shareholders in proportion to their equity holding. On June 9, July 29 and August 17/18, 2011, Grupo Banco Provincia S.A. paid \$20,000, \$6, \$11,700, \$3, \$13,287 and \$4 to Banco de la Provincia de Buenos Aires and Fundación Banco de la Provincia de Buenos Aires, respectively.

The Regular Meeting of Shareholders dated October 7, 2011 decided to partially release the Optional Reserve amounting to \$103,856 as follows: a) \$6,185 in kind in favor of Banco de la Provincia de Buenos Aires through the transfer of the certificates of participation in the Villa Elisa Trust and b) \$2 in cash in favor of

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the Fundación de la Provincia de Buenos Aires.

i.3. *Certificate of Participation in the Villa Elisa Trust*

On May 23, 2011, Grupo Banco Provincia S.A., Provincia Servicios de Salud S.A. and Bapro Medios de Pago S.A. signed an agreement for the assignment of certificates of participation in the Villa Elisa Trust for an amount of \$6,185 as assessed by the real estate agent Toribio Achaval on December 22, 2010.

On May 30, 2011, Grupo Banco Provincia S.A. paid \$1,152 to Bapro Medios de Pago S.A. thus canceling the total amount due on such account.

On April 12, August 8 and September 29, 2011, Grupo Banco Provincia S.A. paid \$1,900, \$1,900 and \$1,233 corresponding to the amount due to Provincia Servicios de Salud S.A.

i.4. *Legal Contingencies of Grupo Banco Provincia S.A.*

Grupo Banco Provincia S.A. set up provisions for contingencies that may arise from disputes and claims under the ordinary course of business as well as for any eventual liabilities and contingencies that its subsidiary, Mercado Regional de Capitales S.A. (in liquidation), may have to face in its liquidation process, which were assumed by Grupo Banco Provincia S.A. pursuant to a Board of Directors' Resolution dated February 14, 2003.

The Board of Directors of Grupo Banco Provincia S.A. has knowledge of legal and other actions taken against the Company and its subsidiary, Provincia Servicios de Salud S.A., regarding controversies over the rendering of health services transferred to CEFRAN. On February 8, 2012, Grupo Banco Provincia S.A., as controlling shareholder of Provincia Servicios de Salud S.A. (in liquidation), undertook to pay any losses that may arise from such contingencies in case of an unfavorable court decision.

Management understands that the resolution of those contingencies will not significantly affect the Company's operations or financial condition.

i.5. *Release of Reserves from the Subsidiaries' Liabilities*

At December 31, 2011 and 2010, the Other Reserves caption disclosed under the Stockholders' Equity heading in the Financial Statements of Grupo Banco Provincia S.A. amounts to \$2,629 and accounts for the proportional amount of Grupo Banco Provincia S.A. in the reserves for contingencies and loss ratio variances released by Provincia A.R.T. S.A. from its Stockholders' Equity.

The amounts released by Provincia A.R.T. were credited to the Reserved Profits account according to Resolution No. 26793 issued by the SSN.

i.6. *Prior Year Adjustment*

At December 31, 2009, the prior year adjustment for \$21,131 recorded by Provincia A.R.T. S.A. accounted for the effect derived from the correction of claims against the Trust Fund for Occupational Diseases resulting from the revision made by the Company of claims made against such fund. As a consequence, the Company reimbursed \$23,938 to the Fund on account of allocated claims, expenses derived from such claims and the respective financial yield.

j. *Other Subsidiaries*

j.1. *Internacional Compañía de Seguros de Vida S.A.*

j.1.a. *Distribution of Profits*

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On October 22, 2009, the SSN instructed Internacional Compañía Seguros de Vida S.A. to temporarily suspend the distribution of cash dividends until the methodology to be observed for the formal liquidation of the Company is clearly stated.

On March 12, 2010, the SSN authorized the distribution of dividends for \$48,628 corresponding to the year ended June 30, 2009 as approved by the Meeting of Shareholders held on October 14, 2009. As a result, Grupo Banco Provincia S.A. received \$18,366 on March 16, 2010.

On September 26, 2011, the Regular Meeting of Shareholders of Internacional Compañía Seguros de Vida S.A. approved the distribution of cash dividends for \$29,873 corresponding to the year ended June 30, 2011. Likewise, the partial release of an optional reserve was agreed; \$10,127 was destined to increase the above mentioned cash dividends payable to shareholders according to their equity holding. Consequently, Grupo Banco Provincia S.A. collected \$15,108 on September 28, 2011

j.2. Exchange of National Public Debt - Subsidiaries

There follows a breakdown of the holding of Secured Loans acquired under Executive Order No. 1387/01 and thereafter and of the Promissory Notes of the Argentine Republic in pesos, at Badlar rate (private banks), 275 basis points, maturing in 2014 and 2015 resulting from the exercise of the option provided for in Resolution No.5/09 of the Finance Secretariat, National Ministry of Economy and Public Finance:

Subsidiary	12/31/11			
	Secured Loans		Promissory Note of the Argentine Republic	
	\$	Proportional share according to Grupo Banco Provincia S.A.'s interest in the Company	\$	Proportional share according to Grupo Banco Provincia S.A.'s interest in the Company
Provincia Seguros S.A.	102,567	61,540	239,500	143,700
Provincia ART. S.A.	74,337	73,472	93,860	92,767
Provincia Seguros de Vida S.A.	-	-	4,725	2,551
Internacional Cía. Seguros de Vida S.A.	107,876	42,693	18,075	7,153
Total	284,780	177,705	356,160	246,171

Note 19 – Supplementary Information on the Various Activities Carried out by the Controlled Companies

The table below shows an activity-based classification of the consolidated income/(loss) of Banco de la Provincia de Buenos Aires and its subsidiaries:

Activity	Companies
- Insurance	Provincia Seguros S.A. Provincia Seguros de Vida S.A. Provincia ART S.A.
Banking and other Financial Services	Banco de la Provincia de Buenos Aires Provincia Leasing SA

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Activity	Companies
	Bapro Medios de Pago S.A. Bapro Mandatos y Negocios S.A. Agencia Invierta Buenos Aires S.A.
- Brokerage	Provincia Bursátil S.A.
- Services	Grupo Banco Provincia S.A. Provincia Servicios de Salud SA Provincia Microempresas S.A.

<i>A c t i v i t y - b a s e d c l a s s i f i c a t i o n o f i n c o m e / (l o s s)</i>							
Headings	Insurance	Banking and Other Financial Services	Services	Brokerage	<i>Subtotal</i>	Eliminations	<i>Consolidated</i>
▪ Financial Income							
	228,105	4,558,083	11,399	6,995	4,804,582	(43,242)	4,761,340
▪ Financial Expenditure							
	(152)	(1,869,795)	(11)	-	(1,869,958)	42,033	(1,827,925)
▪ Charge on Bad Loans							
	-	(201,323)	-	-	(201,323)	-	(201,323)
▪ Income from Services							
	2,049,332	2,053,163	49,690	11,131	4,163,316	(155,916)	4,008,400
▪ Expenditure for Services							
	(1,536,804)	(616,040)	-	(40)	(2,152,884)	90,212	(2,062,672)
▪ Administrative Expenses							
	(634,642)	(3,324,619)	(93,078)	(13,606)	(4,065,945)	66,413	(3,999,532)
▪ Minority Interest							
	-	-	-	(211)	(211)	(10,668)	(10,879)
▪ Miscellaneous Income							
	12,171	289,669	76,470	1,215	379,525	(106,338)	273,187
▪ Miscellaneous Losses							
	(47,896)	(272,514)	(16,605)	(67)	(337,082)	25,085	(311,997)
▪ Income Tax							
	(16,963)	(7,015)	(2,540)	(2,389)	(28,907)	-	(28,907)
Net Income/ (Loss)	53,151	609,609	25,325	3,028	691,113	(91,421)	599,692

Note 20 – Income Tax and Notional Minimum Income Tax

As mentioned in Note 3.17 to the Bank's Financial Statements, the Bank, its assets, acts and doings, agreements, contracts and transactions, as well as any rights arising therefrom in its favor, are exempt from all liens, taxes, charges or contributions of any nature whatsoever, and no provision is required to be made for income tax on the businesses transacted by the Bank's Home Office or its domestic branches.

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As of December 31, 2011 and 2010, no taxes are due by Grupo Banco Provincia S.A. under the applicable law.

The minimum notional income tax, created by Law No. 25063, is levied at a 1% rate on the potential income from certain profitable assets. This tax is complementary to the Income tax, so that the tax liability will coincide with the higher of the two taxes. However, if in a given year, the minimum notional income tax exceeds the income tax, such excess may be computed as prepayment of the income tax that may be generated in the next ten years.

As of December 31, 2011 and 2010, the “Miscellaneous Receivables” caption included \$24,361 and \$17,321 respectively, which stand for the payments made on account of the Minimum Notional Income Tax due for such years. The Company set up allowances for \$2,603 since some uncertainties exist as to its future use.

Note 21 – Restrictions on the Distribution of Profits

According to the Companies’ Law of Argentina (Law No. 19550), each of the Bank’s subsidiaries shall allocate at least 5% of each fiscal year profits, up to 20 % of the share capital, to the setting up of a Legal Reserve Fund.

Note 22 – Trust Agreements

At December 31, 2011, Bapro Mandatos y Negocios SA entered into the following Trust Agreements:

Guarantee Trusts: Trust agreements whereby beneficiaries are guaranteed a credit transaction or the fulfillment of an obligation and/or agreement with the assets held in trust. At December 31, 2011, Bapro Mandatos y Negocios S.A. acted as Trustee for 50 Guarantee Trusts.

Management Trust: Trust agreements whereby trustees manage assets held in trust in favor of beneficiaries. At December 31, 2011, Bapro Mandatos y Negocios S.A. acted as Trustee for 17 Management Trusts; total equity held in trust amounted to \$875,002.

Financial Trust: Trust agreements whereby the trustee is entrusted with the administration of the trust property for the benefit of holders of participation certificates in the assets transferred or holders of debt certificates. At December 31, 2011, Bapro Mandatos y Negocios S.A. acted as Trustee for 5 Financial Trusts; total asset held in trust amounted to \$314,420.

Financial Trusts publicly offered: Trust agreements whereby the trustee is entrusted with the administration of the trust property for the benefit of holders of participation certificates in the assets transferred or holders of debt certificates publicly offered, the beneficiaries of which are the holders of Debt Instruments and/or Participation Certificates. At December 31, 2011, Bapro Mandatos y Negocios S.A. acted as Trustee for 69 Financial Trusts; total asset held in trust amounted to \$1,124,068.

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