

BBVA BANCO FRANCES SA

Form 6-K

September 02, 2005

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FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer

**Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934**

For the month of August, 2005

Commission File Number: 001-12568

BBVA FRENCH BANK S.A.

(Translation of registrant's name into English)

Reconquista 199, 1006

Buenos Aires, Argentina

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(Address of principal executive offices)

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

Form 20-F Form 40-F

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

Yes No

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

Yes No

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

Yes No

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

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BBVA French Bank S.A.

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Item

1. Financial Statements as of June 30, 2005 together with Independent Accountant's Limited Review Report

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FINANCIAL STATEMENTS AS OF JUNE 30, 2005

**TOGETHER WITH INDEPENDENT
ACCOUNTANT'S LIMITED REVIEW REPORT**

Table of Contents**BALANCE SHEETS AS OF JUNE 30, 2005 AND DECEMBER 31, 2004**

(Translation of financial statements originally issued in Spanish - See Note 17)

-Stated in thousands of pesos-

	06-30-2005	12-31-2004
ASSETS		
CASH AND DUE FROM BANKS		
Cash	473,898	414,492
Due from banks and correspondents	824,852	1,208,591
	<u>1,298,750</u>	<u>1,623,083</u>
GOVERNMENT AND PRIVATE SECURITIES		
Holdings in investment accounts (Exhibit A)	643,712	729,084
Holdings for trading or financial transactions (Exhibit A)	26,135	10,297
Unlisted Government Securities (Exhibit A)	234,132	492,272
Instruments issued by the Argentine Central Bank (BCRA) (Exhibit A)	1,933,654	740,747
Investments in listed private securities (Exhibit A)	1,363	291
Less: Allowances (Exhibit J)		55,325
	<u>2,838,996</u>	<u>1,917,366</u>
LOANS		
To government sector (Exhibits B, C and D)	5,615,774	6,084,704
To financial sector (Exhibits B, C and D)	178,788	60,732
To non financial private sector and residents abroad (Exhibits B, C and D)	3,056,715	2,290,968
Overdraft	547,860	271,841
Discounted instruments	298,165	251,332
Real estate mortgage	384,180	400,585
Collateral Loans	8,297	6,967
Consumer	190,871	137,396
Credit cards	379,382	354,451
Other	1,331,431	957,127
Interest and listed-price differences accrued and pending collection	26,042	23,787
Less: unused collections	108,204	111,594
Less: Interest documented together with main obligation	1,309	924
Less: Difference arising from purchase of portfolio	85	88
Less: Allowances (Exhibit J)	107,000	118,796
	<u>8,744,192</u>	<u>8,317,520</u>
OTHER RECEIVABLES FROM FINANCIAL TRANSACTIONS		
BCRA	290,880	325,593

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Amounts receivable for spot and forward sales pending settlement	1,059,816	380,778
Instruments to be received for spot and forward purchases pending settlement	81,536	18,486
Unlisted corporate bonds (Exhibits B, C and D)	87,465	99,691
Non-deliverable forward transactions balances pending settlement	437	
Other receivables not covered by debtor classification regulations	137,312	18,043
Other receivables covered by debtor classification regulations (Exhibits B, C and D)	15,537	12,841
Interest accrued and pending collection not covered by debtor classification regulations	106,001	90,764
Interest accrued and pending collection covered by debtor classification regulations (Exhibits B, C and D)	3,111	2,121
Less: Allowances (Exhibit J)	11,001	12,757
	<u>1,771,094</u>	<u>935,560</u>
ASSETS SUBJECT TO FINANCIAL LEASING		
Assets subject to financial leasing (Exhibits B, C and D)	88,189	57,413
Less: Allowances (Exhibit J)	1,425	1,162
	<u>86,764</u>	<u>56,251</u>
INVESTMENTS IN OTHER COMPANIES		
In financial institutions (Exhibit E)	49,040	46,750
Other (Note 5) (Exhibit E)	281,049	270,710
Less: Allowances (Exhibit J)	11,385	11,711
	<u>318,704</u>	<u>305,749</u>
OTHER RECEIVABLES		
Receivables from sale of property assets (Exhibits B, C and D)	2,476	2,999
Other (Note 5)	298,716	214,702
Tax on minimum presumed income Tax Credit	104,131	92,631
Interest accrued and pending collection on receivables from sale of property assets (Exhibits B, C, and D)	46	56
Other accrued interest receivable	2	2
Less: Allowances (Exhibit J)	241,480	153,423
	<u>163,891</u>	<u>156,967</u>
PREMISES AND EQUIPMENT (Exhibit F)	<u>345,457</u>	<u>351,041</u>
OTHER ASSETS (Exhibit F)	<u>69,739</u>	<u>95,277</u>
INTANGIBLE ASSETS (Exhibit G)		
Goodwill	28,773	32,088
Organization and development expenses	683,039	769,119
	<u>711,812</u>	<u>801,207</u>
SUSPENSE ITEMS	<u>1,359</u>	<u>1,210</u>
TOTAL ASSETS	<u>16,350,758</u>	<u>14,561,231</u>

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(Contd.)

BALANCE SHEETS AS OF JUNE 30, 2005 AND DECEMBER 31, 2004

(Translation of financial statements originally issued in Spanish - See Note 17)

-Stated in thousands of pesos-

	<u>06-30-2005</u>	<u>12-31-2004</u>
LIABILITIES		
DEPOSITS (Exhibits H and I)		
Government sector	147,238	198,593
Financial sector	26,954	22,879
Non financial private sector and residents abroad	10,043,524	8,973,015
Checking accounts	1,814,815	1,655,905
Savings deposits	2,622,374	2,369,164
Time deposits	4,720,081	4,167,741
Investments accounts	289,518	159,193
Other	320,984	383,432
Interest and listed-price differences accrued payable	275,752	237,580
	<u>10,217,716</u>	<u>9,194,487</u>
OTHER LIABILITIES FROM FINANCIAL TRANSACTIONS		
BCRA (Exhibit I)	1,684,300	1,764,058
Other	1,684,300	1,764,058
Banks and International Institutions (Exhibit I)	154,406	251,005
Non-subordinated corporate bonds (Exhibit I)	292,703	321,181
Amounts payable for spot and forward purchases pending settlement	77,177	16,159
Instruments to be delivered for spot and forward sales pending settlement	1,170,181	423,051
Financing received from Argentine financial institutions (Exhibit I)	84,962	2,900
Non-deliverable forward transactions balances pending settlement	308	
Other (Exhibit I)	332,168	338,785
Interest and listed-price differences accrued payable (Exhibit I)	210,353	122,049
	<u>4,006,558</u>	<u>3,239,188</u>
OTHER LIABILITIES		
Other (Note 5)	94,481	89,729
	<u>94,481</u>	<u>89,729</u>

ALLOWANCES (Exhibit J)	257,433	232,808
SUBORDINATED CORPORATE BONDS		60,307
SUSPENSE ITEMS	3,307	33,786
TOTAL LIABILITIES	14,579,495	12,850,305
STOCKHOLDERS EQUITY (as for the related statements of changes in stockholders' equity)	1,771,263	1,710,926
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	16,350,758	14,561,231

Table of Contents**MEMORANDUM ACCOUNTS**

	<u>06-30-2005</u>	<u>12-31-2004</u>
DEBIT ACCOUNTS		
Contingent		
Credit lines obtained (unused portion)	29,189	
Guarantees received	4,361,210	5,218,789
Contra contingent debit accounts	2,558,696	2,990,328
	<u>6,949,095</u>	<u>8,209,117</u>
Control		
Receivables classified as irrecoverable	419,543	436,965
Other (Note 5)	25,340,472	29,050,239
Contra control debit accounts	205,063	207,304
	<u>25,965,078</u>	<u>29,694,508</u>
Derivatives		
Contra debit derivatives accounts	122,068	19,361
Notional amount of non-deliverable forward transactions	144,987	28,173
	<u>267,055</u>	<u>47,534</u>
For trustee activities		
Funds in trust	10,299	10,758
	<u>10,299</u>	<u>10,758</u>
TOTAL	<u>33,191,527</u>	<u>37,961,917</u>
CREDIT ACCOUNTS		
Contingent		
Credit lines granted (unused portion) covered by debtor classification regulations (Exhibits B, C and D)	3,412	272,854
Guarantees provided to the BCRA	2,272,953	2,387,972
Other guarantees given covered by debtor classification regulations (Exhibits B, C and D)	219,420	219,798
Other covered by debtor classification regulations (Exhibits B, C and D)	62,911	109,704
Contra contingent credit accounts	4,390,399	5,218,789
	<u>6,949,095</u>	<u>8,209,117</u>
Control		
Items to be credited	149,545	173,837
Other	55,518	33,467
Contra control credit accounts	25,760,015	29,487,204

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	25,965,078	29,694,508
Derivatives		
Notional amount of non-deliverable forward transactions	122,068	19,361
Contra debit derivatives accounts	144,987	28,173
	267,055	47,534
For trustee activities		
Contra credit accounts for trustee activities	10,299	10,758
	10,299	10,758
TOTAL	33,191,527	37,961,917

The accompanying notes 1 through 17 and exhibits A through L and N are an integral part of these statements.

Table of Contents**STATEMENTS OF INCOME FOR THE SIX MONTH PERIODS****ENDED JUNE 30, 2005 AND 2004**

(Translation of financial statements originally issued in Spanish See Note 17)

- Stated in thousands of pesos -

	<u>06-30-2005</u>	<u>06-30-2004</u>
FINANCIAL INCOME		
Interest on cash and due from banks	11,015	5,166
Interest on loans to the financial sector	3,300	229
Interest on overdraft	15,420	11,179
Interest on discounted instruments	8,236	3,643
Interest on real estate mortgage	20,818	22,876
Interest on collateral loans	459	119
Interest on credit card loans	9,778	8,133
Interest on other loans	56,229	38,960
Interest on other receivables from financial transactions	3,338	3,100
Income from secured loans - Decree 1387/01	115,866	92,633
Net income from government and private securities	1,279	28,052
Indexation by benchmark stabilization coefficient (CER)	385,799	180,685
Indexation by salary variation coefficient (CVS)		37,708
Other	48,987	36,981
	<u>680,524</u>	<u>469,464</u>
FINANCIAL EXPENSE		
Interest on checking accounts	7,551	8,449
Interest on savings deposits	1,664	2,218
Interest on time deposits	69,798	52,950
Interest on financing to the financial sector	143	492
Interest on other liabilities from financial transactions	11,910	10,805
Other interest	40,978	49,130
Indexation by CER	187,547	81,302
Other	14,551	26,579
	<u>334,142</u>	<u>231,925</u>
GROSS INTERMEDIATION MARGIN GAIN	<u>346,382</u>	<u>237,539</u>
ALLOWANCES FOR LOAN LOSSES	<u>46,603</u>	<u>19,677</u>

SERVICE CHARGE INCOME

Related to lending transactions	34,611	32,454
Related to liability transactions	92,762	74,952
Other commissions	16,843	15,024
Other (Note 5)	52,983	30,425
	<u>197,199</u>	<u>152,855</u>

SERVICE CHARGE EXPENSE

Commissions	21,309	15,904
Other (Note 5)	9,215	7,295
	<u>30,524</u>	<u>23,199</u>

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STATEMENTS OF INCOME FOR THE SIX MONTH PERIODS**ENDED JUNE 30, 2005 AND 2004**

(Translation of financial statements originally issued in Spanish - See Note 17)

- Stated in thousands of pesos -

	<u>06-30-2005</u>	<u>06-30-2004</u>
ADMINISTRATIVE EXPENSES		
Payroll expenses	140,085	111,079
Fees to Bank Directors and Statutory Auditors	114	114
Other professional fees	9,761	8,672
Advertising and publicity	13,842	11,992
Taxes	7,345	7,702
Other operating expenses (Note 5)	71,611	74,616
Other	17,678	15,623
	<u>260,436</u>	<u>229,798</u>
NET GAIN FROM FINANCIAL TRANSACTIONS	<u>206,018</u>	<u>117,720</u>
OTHER INCOME		
Income from long-term investments	13,837	26,134
Punitive interests	131	149
Loans recovered and reversals of allowances	36,809	357,989
Other (Note 5)	97,727	4,316
	<u>148,504</u>	<u>388,588</u>
OTHER EXPENSE		
Punitive interests and charges paid to BCRA	41	65
Charge for uncollectibility of other receivables and other allowances	149,953	230,985
Amortization of difference arising from judicial resolutions	108,840	98,380
Other	35,351	24,092
	<u>294,185</u>	<u>353,522</u>

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NET GAIN BEFORE INCOME TAX AND TAX ON MINIMUM PRESUMED INCOME	60,337	152,786
	<hr/>	<hr/>
INCOME TAX AND TAX ON MINIMUM PRESUMED INCOME		185,497
	<hr/>	<hr/>
NET INCOME/(LOSS) FOR THE PERIOD	60,337	(32,711)
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The accompanying notes 1 through 17 and exhibits A through L and N are an integral part of these statements.

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STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2005 AND 2004

(Translation of financial statements originally issued in Spanish See Note 17)

- Stated in thousands of pesos

Movements	2005						2004		
	Capital Stock	Non capitalized contributions	Adjustments to stockholders' equity	Retained earnings		Unrealized valuation difference (2)	Retained earnings/(losses)	Total	Total
		Issuance premiums	(1)	Legal	Other				
1. Balance at beginning of fiscal year	471,361	1,195,390	769,904	428,698	1,802	230,282	(1,478,985)	1,618,452	1,750,397
2. Adjustment to earnings of prior years (Notes 2.3.k), 4.2 and 15.1.4)							92,474	92,474	(146,079)
3. Subtotal	471,361	1,195,390	769,904	428,698	1,802	230,282	(1,386,511)	1,710,926	1,604,318
4. Cumulative losses absorption approved by Stockholders Meeting of April 28, 2005 (Communication A 4294 as supplemented of the BCRA)		(1,020,258)	(456,925)		(1,802)		1,478,985		
5. Absorption approved by BCRA Resolution N° 52/04 (Note 1.3)									(200,000)

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6. Net income/(loss) for the period							60,337	60,337	(32,711)
7. Balance at the end of the period	471,361	175,132	312,979	428,698		230,282	152,811	1,771,263	1,371,607

BALANCE AT THE END OF THE PERIOD

- (1) Adjustments to stockholders' equity refer to Adjustment to Capital Stock
- (2) Including 6,059 related to the participation on the Unrealized valuation difference booked by Rombo Cía.Financiera S.A.

The accompanying notes 1 through 17 and exhibits A through L and N are an integral part of these statements.

Table of Contents**STATEMENTS OF CASH FLOWS FOR THE SIX MONTH PERIODS****ENDED JUNE 30, 2005 AND 2004**

(Translation of financial statements originally issued in Spanish - See Note 17)

-Stated in thousands of pesos-

	<u>06-30-2005</u>	<u>06-30-2004</u>
CHANGES IN CASH		
Cash and due from banks at beginning of fiscal year	1,623,083	1,389,828
(Decrease)/Increase in cash and due from banks	(324,333)	434
	<u>1,298,750</u>	<u>1,390,262</u>
REASONS FOR CHANGES IN CASH		
Financial income collected	567,273	274,939
Service charge income collected	197,165	152,773
Less:		
Financial expenses paid	163,889	266,803
Services charge expenses paid	30,524	23,199
Operating expenses paid	244,611	188,455
	<u>325,414</u>	<u>(50,745)</u>
FUNDS PROVIDED BY / (USED IN) ORDINARY OPERATIONS		
OTHER SOURCES OF FUNDS		
Net increase in deposits (*)	985,212	673,423
Net decrease in government and private securities (**)		157,287
Net decrease in other receivables from financial transactions (**)		19,586
Other sources of funds (**)	33,265	38,962
	<u>1,018,477</u>	<u>889,258</u>
USE OF FUNDS		
Net increase in government and private securities (**)	920,351	
Net increase in loans (**)	408,571	307,053
Net increase in other receivables from financial transactions (**)	46,144	
Net increase in other assets (**)	68,406	97,492
Net decrease in other liabilities from financial transactions (*)	93,336	64,166

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Net decrease in other liabilities (*)	116,490	352,827
Other uses of funds (*)	14,926	16,541
	<u> </u>	<u> </u>
TOTAL USES OF FUNDS	1,668,224	838,079
	<u> </u>	<u> </u>
(DECREASE)/ INCREASE IN FUNDS	(324,333)	434
	<u> </u>	<u> </u>
(*) Variations originated in financing activities.	760,460	239,889
(**) Variations originated in investment activities.	(1,410,207)	(188,710)

The accompanying notes 1 through 17 and exhibits A through L and N are an integral part of these statements.

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**NOTES TO THE FINANCIAL STATEMENTS AS OF JUNE 30, 2005, PRESENTED IN
COMPARATIVE FORM WITH THE BALANCE SHEET AS OF DECEMBER 31, 2004, AND
THE STATEMENTS OF INCOME, CHANGES IN STOCKHOLDERS' EQUITY AND CASH
FLOWS AS OF JUNE 30, 2004**

(Translation of financial statements originally issued in Spanish - See Note 17)

(Stated in thousands of pesos)

1 CORPORATE SITUATION AND BANK'S ACTIVITIES

1.1 Corporate situation

BBVA Banco Francés S.A. (BF) has its main place of business in Buenos Aires and operates a 229-branch network and 35 offices of its affiliate Credilogros Compañía Financiera S.A.

As from December, 1996, BF is part of Banco Bilbao Vizcaya Argentaria S.A. (BBVA) global strategy, which controls the bank, direct and indirectly, with 75.97% corporate stock as of June 30, 2005. BBVA provides technology and support in new products and has upheld BF in the Argentine financial system crisis.

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

1.2 Capital increase of fiscal year 2004

At the Regular and Special Meetings held on April 22, 2004, the stockholders approved the Bank's capital increase in the amount of up to 385,000 face value for the subscription of common, book-entry shares, entitled to one vote per share.

The public offering of 103,232,874 ordinary shares of \$1,00 par value each, entitled to one vote per share and with equal rights than the remaining shares of the Bank, was authorized by Resolution N. 14.917 of the National Securities Commission on October 4, 2004. The stock-market listing of the referred shares has been authorized by the Buenos Aires Stock Exchange on October 7, 2004.

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On November 19, 2004, an aggregate of 103,232,874 new shares were issued for a paid-in amount of pesos 364,412,045.22, which resulted in an additional paid-in capital of pesos 261,179,171.12.

Changes in the Bank's capital stock during the last 5 fiscal years are as follows:

				Total
				(in thousands)

Capital Stock as of December 31, 1999:				209,631

Date of				
Stockholders	Registration with the			Total
Meeting deciding on	Public Registry of			(in thousands)
the issuance	Commerce	Form of	Amount	(in thousands)
_____	_____	placement	(in thousands)	_____
08-07-2002	02-06-2003	(1)	158,497	368,128(2)
04-22-2004	01-25-2005	(1)	103,233	471,361(2)

(1) Through public subscription of shares.

(2) The amount of Capital Stock is fully paid in and authorized for public offering by CNV.

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1.3 Banco Francés (Cayman) Limited

Within the framework of the regularization and reorganization plan filed by the Bank with the BCRA, and Resolution No. 52/04 of the Superintendencia of Financial and Exchange Institutions, dated March 17, 2004, on March 18, 2004, the Bank sold to BBVA S.A. its 100% interest in Banco Francés (Cayman) Limited.

The sale price amounted to US\$ 238,462,142, and it was collected through Federal Government secured loans previously purchased by BBVA S.A. from Banco Francés (Cayman) Limited. BF has recorded such secured loans in conformity with Communication A 3911 and supplementary regulations. The negative result of the transaction was recorded as follows:

- 200,000 of the negative result from the transaction was absorbed and charged to the account Unrealized valuation difference under stockholders' equity, as authorized by Resolution No. 52/04 of the Superintendencia of Financial and Exchange Institutions.
- The remaining result, 10,978, was charged to income (loss) for the fiscal year ended December 31, 2004.

1.4 Sale of Credilogros Cía. Financiera S.A.

On March 9, 2005, BF, Inversora Otar S.A. and BBVA sold their aggregate shareholdings in Credilogros Cía Financiera S.A. to Banco de Servicios y Transacciones S.A. and Grupo de Servicios y Transacciones S.A. The amount of the transaction was USD 16,900,000, based on the financial statements as of December 31, 2004. Upon entering into the sale agreement, an advance payment was made for 20% of the price.

The sale agreement as entered into shall be considered duly executed after the conclusion of the due diligence process (as of the date hereof this process has ended without any adjustments having been made) and the approvals required from regulatory authorities, still pending as of the date of issuance of these financial statements.

Until the transfer is consummated, Credilogros Cía. Financiera will continue to be managed by BBVA Banco Francés S.A. and the conduct of its business with customers shall remain unchanged.

1.5 Atuel Fideicomisos S.A. and Francés Administradora de Inversiones S.A.:

On February 3, 2004, the Bank made an irrevocable contribution of capital in its subsidiary Atuel Fideicomisos S.A. for 13,000. This amount was capitalized on that date.

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Also, on February 4, 2004, the Bank acquired 5% of the capital stock of Francés Administradora de Inversiones S.A. from Banco Francés (Cayman) Limited amounting to 580, while the remaining 95% was acquired by Atuel Fideicomisos S.A.

1.6 Responsibility of shareholders

BBVA Banco Francés S.A. is a corporation established under the laws of the Argentine Republic, and the responsibility of its shareholders is limited to the value of the paid in shares, in accordance with Law No.19,550. As a result, in compliance with Law No.25,738, it is hereby informed that neither the foreign capital majority shareholders nor the local or foreign shareholders will respond, in excess of the mentioned paid-in shareholding, for the liabilities arising out of the transactions performed by the financial institution.

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2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Restatement of the financial statements in equivalent purchasing power

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

These financial statements recognize the effects of the changes in the purchasing power of the currency through February 28, 2003, following the restatement method established by FACPCE Technical Pronouncement No. 6 (modified by Technical Pronouncement No.19), using adjustment rate derived from the internal Wholesale Price Index published by the National Institute of Statistics and Census (I.N.D.E.C.).

Accordingly to the above mentioned method, the accounting figures were restated by the purchasing power changes through August 31, 1995. As from that date, based in the prevailing economic stability conditions and accordingly with CNV General Resolution No. 272 and BCRA Communication A 2365, the accounting figures were not restated through December 31, 2001. In view of CNV General Resolution No. 415 and BCRA Communication A 3702, the method was reinstated effective as from January 1°, 2002, considering the previous accounting figures restated as of December 31, 2001.

By Communication A 3921 of the BCRA and General Resolution No. 441/03 of the National Securities Commission (C.N.V.), in compliance with Decree 664/03 of the Federal Executive, application of the restatement method on financial statements in equivalent purchasing power has been suspended as from March 1, 2003. Accordingly, BBVA Banco Francés S.A. applied the mentioned restatement until February 28, 2003.

2.2 Comparative information

As required by Communication A 4265 of the BCRA, the balance sheet and exhibits related to include comparative information with balances as of December 31, 2004, while the statements of income, changes in stockholders equity, and cash flows are compared with balances as of June 30, 2004 .

Additionally, the financial statements, notes and exhibits for fiscal year ended December 31, 2004 and for the six month period ended June 30, 2004 have been modified due to adjustments to prior year's income/(loss) (see notes 2.3.k) and 4.2.).

2.3 Valuation methods

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

- a) Foreign currency assets and liabilities:

As of June 30, 2005 and the end of the previous fiscal year, such amounts were converted at the benchmark exchange rate of the BCRA as of the closing date of transactions on the last business day of the period or fiscal year. The exchange differences were charged to income (loss) for the periods ended June 30, 2005 and 2004.

b) Government and private securities:

Government securities:

Holdings in investment accounts: Federal Government Compensation based on the asymmetrical switch into pesos:

BCRA Communication A 3785, dated October 29, 2002, determined that the Federal Government Bonds (BODEN 2012) received for the compensation mentioned above could be booked at technical value (i.e. face value plus interest and adjustment accrued), limiting dividend distribution in cash to income exceeding the difference between book value and the listing value of such bonds booked in the month in which the year is closed. Additionally, such Communication set forth that the cap derived from rising market price by 20% will not apply for the valuation of the bonds mentioned above for treating valuation differences.

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As of June 30, 2005 and the end of the previous fiscal year, the Bank booked the compensation received, pursuant to the provisions of BCRA Communication A 3785 at face value as of such date, plus interest accrued pursuant to the conditions of their issuance, converted into Argentine pesos under the method described in note 2.3.a). The outstanding compensation (resulting from the redenomination into US dollars of the liabilities with the Financial and Insurance Institutions Assistance Trust Fund detailed in note 12) was valued pursuant to the same criterion and was recorded under Other receivables from financial transactions, in the line Other receivables not covered by debtor classification regulations.

Bonds received under the Argentine sovereign debt restructuring process:

Communication A 4270 dated December 29, 2004 provided that the Discount Bonds and GDP-linked Securities may be recorded at the book value of the instruments delivered for exchange less payments received during 2004 and the first half of 2005, without exceeding the nominal cash flow amount until maturity applicable under the terms and conditions of the bonds received.

As of December 31, 2004, Argentine Republic External Bills in U.S. dollars Survey + 4.95% 2001-2004, and Treasury Bills Series 90 were valued at the lower of book value as of December 31, 2003, or the value obtained after applying to face values at that date the percentage calculated under the present value method in respect of Secured Bonds 2018, in accordance with Communication A 4084 of the BCRA. The difference with technical values was recognized against the balancing account under Loans as established by Communication A 3911.

Holdings for trading or financial transactions: they were valued based on current listed prices for each security as of June 30, 2005 and the end of the previous fiscal year. Differences in listed prices were credited/charged to income for period/fiscal year ended June 30, 2005 and December 31, 2004.

Unlisted government securities: as of June 30, 2005 and the end of the previous fiscal year these bonds were valued at the lower of present or technical value (including adjustment and accrued interest), as established by Communication A 3911 as amended of the BCRA.

The present value as of June 30, 2005 was calculated by discounting the cash flows as per the relevant contracts at an annual rate of 3,75%, in accordance with the provisions of the abovementioned Communication for June, 2005.

As the present value determined was lower than the technical value (which agrees with the theoretical value), this difference was recognized against the balancing account under Loans established by Communication A 3911.

In accordance with the abovementioned communication, the theoretical value was calculated based on the book value at February 28, 2003 restated by the CER through the end of the period.

Investments in listed private securities:

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Equity and debt instruments: they were valued based on current listed prices as of June 30, 2005 and the end of the previous fiscal year. Differences in listed prices were charged to income for period/fiscal year ended June 30, 2005 and December 31, 2004.

c) Government loans

Federal Government secured loans Decree No. 1387/2001:

As of June 30, 2005 and the end of the previous fiscal year, these loans were valued at the lower of present or technical value, as established by Communication A 3911 of the BCRA.

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The present value as of June 30, 2005 was calculated by discounting the cash flows as per the relevant contracts at an annual rate of 3,75%, in accordance with the provisions of the abovementioned Communication for June, 2005.

The technical value was calculated in accordance with the swap values established by the Ministry of Economy at November 6, 2001 plus interest accrued through the end of the period, converted into pesos at rate of \$ 1.40 per dollar plus CER.

The net effect of differences between the value determined for each loan (the lower of present or technical value) and their theoretical value was charged to the balancing account under Loans established by Communication A 3911.

In accordance with the abovementioned communication, the theoretical value was calculated based on the book value at February 28, 2003, net of the balancing account derived from the swap set forth by Decree 1387/01 and restated by the CER through the end of the period/fiscal year.

Provincial Governments loans and other Government loans

As of June 30, 2005 and the end of the previous fiscal year, these loans were valued at the lower of present or technical value (including adjustment and accrued interest), as established by Communication A 3911 of the BCRA.

The present value as of June 30, 2005 was calculated by discounting the estimated cash flows at an annual rate of 3,75%, in accordance with the provisions of the abovementioned Communication for June, 2005.

As the present value determined was lower than the technical value (which agrees with the theoretical value), this difference was recognized against the balancing account under Loans established by Communication A 3911.

In accordance with the abovementioned Communication, the theoretical value was calculated based on the book value at February 28, 2003 restated by the CER through the end of the period/fiscal year.

d) **Interest accrual:**

Interest has been accrued according to a compound interest formula in the fiscal years in which it was generated, except interest on transactions in foreign currency, those whose maturity does not exceed 92 days, rescheduled certificates of deposit subject to CER (CEDROS), secured bonds (due 2018) and loans to the financial sector, on which interest has been accrued by the straight line method.

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e) Benchmark stabilization coefficient (CER) and the Salary Variation Coefficient (CVS) accrual:

As of June 30, 2005 and the end of the previous fiscal year, receivables and payables have been adjusted to the CER as follows:

- Guaranteed Loans had been adjusted under Resolution 50/2002 of the Ministry of Economy, which resolved that the CER effective 10 (ten) days prior to the maturity date of the related service will be considered for yield and repayments of the loans.
- Loans to private sector and receivables from sale of assets (subject to conversion into pesos): they have been adjusted under Communication A 3507 of the BCRA and supplementary regulations, which resolved that the payments through September 30, 2002, were made under the original terms of each transaction and were booked as prepayments, where as from February 3, 2002, the principal was adjusted to the CER prevailing on June 30, 2005 and the end of the previous fiscal year, deducting the prepayments mentioned above as from the payment date, except those subject to the provisions of Decrees 762/02 and 1242/02, which excluded the application of that coefficient from some mortgage, pledge, personal and other lines of credit.
- As of June 30, 2005 and the end of the previous fiscal year, Secured Bonds had been adjusted under Resolution 539/2002 of the Ministry of Economy, which resolved that the CER effective 5 (five) days prior to the maturity date of the related service will be considered for yield and repayments of the bonds.

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- Deposits and other assets and liabilities (subject to conversion into pesos): The CER prevailing on June 30, 2005 and the end of the previous fiscal year was applied.

In November 2003, the Bank accrued the C.V.S. (Salary Variation Coefficient) accumulated through that date for accounting purposes and has applied this coefficient on balances until its repeal in May 2004.

- f) Allowance for loan losses and contingent commitments:

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

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

- In foreign currency: as of June 30, 2005 and the end of the previous fiscal year, they were valued according to the bench-mark exchange rate of the BCRA for each currency determined on the last business day of each period or fiscal year.
- Holdings in investment accounts and for trading transactions: according to the method described in note 2.3.b.).

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

They were valued based on the prices agreed upon for each transaction, plus related premiums accrued as of June 30, 2005 and the end of the previous fiscal year.

- i) Unlisted Corporate Bonds:

They were valued at acquisition cost plus income accrued but not received as of June 30, 2005 and the end of the previous fiscal year.

- j) Assets subject to financing leasing:

As of June 30, 2005 and the end of the previous fiscal year, they have been valued at the present value of unaccrued installments calculated as per the conditions agreed upon in the respective contracts, applying the imputed interest rate thereto.

- k) Investments in other companies:

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

Credilogros Compañía Financiera S.A., Francés Valores Sociedad de Bolsa S.A., Consolidar Administradora de Fondos de Jubilaciones y Pensiones S.A., Consolidar Cía. de Seguros de Vida S.A., Consolidar Cía. de Seguros de Retiro S.A., PSA Finance Compañía Financiera S.A. and Atuel Fideicomisos S.A.: were valued by the equity method at the end of each period or fiscal year.

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

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

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

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

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

Consolidar A.R.T. S.A. and BBVA Consolidar Seguros S.A.: were valued by the equity method at the end of each period or fiscal year.

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

As from the effectiveness date of Law No. 25,063, dividends in cash or in kind received by the Bank from investments in other companies in excess of accumulated taxable income of such companies at the time of distribution thereof shall be subject to a 35% income tax withholding, which shall be a single and final payment.

The Bank recorded an adjustment to earnings of prior years of 157 (loss) due to adjustments of certain investments in other companies (25 (loss) as of December 31, 2003) made under such heading in the financial statements. This adjustment affected the items Investments in other companies of the balance sheet as of December 31, 2004 by 157 (decrease) and Other income of the income statement as of June 30, 2004 by 8 (increase).

- l) Premises and equipment and Other assets:

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

- m) Intangible assets:

They have been valued at acquisition cost restated as explained in note 2.1, less related accumulated depreciation calculated in proportion to the months of estimated useful life of the items concerned (see useful life assigned in Exhibit G).

- n) Employee termination pay:

The Bank expenses employee termination pay disbursed.

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o) Allowance for other contingencies:

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

p) Stockholders' equity accounts:

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

q) Use of estimates:

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

Table of Contentsr) Statement of Income Accounts:

- As of June 30, 2005 and 2004, accounts accruing monetary transactions (financial income (expense), service charge income (expense), provision for loan losses, administrative expenses, etc.) were computed on the basis of their monthly accrual at historical rates.
- Accounts reflecting the effect on income resulting from the sale, write-off, or usage of non-monetary assets were computed based on the value of such assets, as mentioned in note 2.1.
- Income from investments in subsidiaries was computed based on such companies' income adjusted as explained in note 2.1.

s) Earning per share:

As of June 30, 2005 and 2004 the Bank calculates the earning per share on the basis of 471,361,306 and 368,128,432 ordinary shares, respectively, of \$ 1 par value each. The net income for six month periods ended on those dates is as follows:

	<u>2005</u>	<u>2004</u>
Net income (loss) for the period	60,337	(32,711)
Earning (loss) per share for the period	\$ 0.13	\$ (0.08)

3 DIFFERENCES BETWEEN BCRA ACCOUNTING STANDARDS AND ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN BUENOS AIRES CITY - ARGENTINA

By Resolution CD No. 87/03 the Professional Council in Economic Sciences of Buenos Aires City (C.P.C.E.C.A.B.A.) approved, with certain amendments, Technical Pronouncements Nos. 16, 17, 18, 19, 20 and 21 of the F.A.C.P.C.E. incorporating certain changes to the professional accounting valuation and disclosure standards, which are mandatory applicable as from years commenced on July 1, 2002 and interim periods corresponding to those years except for Technical Pronouncement No. 21, effective on April 1, 2003. Furthermore, by General Resolution No. 459/04, the National Securities Commission (C.N.V.) adopted, with certain amendments, those Technical Pronouncements based on the resolutions of the C.P.C.E.C.A.B.A., which will be mandatory applicable as from the years commenced on January 1, 2003, except for Technical Pronouncement No. 21, effective on April 1, 2004, with early application permitted.

The Bank has prepared these financial statements applying the regulations of the BCRA, which do not contemplate the some new valuation criteria incorporated to the accounting principles generally accepted in Buenos Aires City.

The main differences between the regulations of the BCRA and the accounting principles generally accepted in Buenos Aires City are detailed below.

I. Restatement of the financial statements to recognize the changes in the purchasing power of the currency

These financial statements recognize the effects of changes in the purchasing power of the currency through February 28, 2003 following the restatement method established by Technical Pronouncement No. 6 of the F.A.C.P.C.E. (amended by TP No. 19). In accordance with Decree No. 664/2003 of the National Executive Branch, Communication A 3921 of the BCRA and Resolution No. 441 of the C.N.V., application of that method was discontinued by the Bank and, therefore, it did not recognize the effects of changes in the purchasing power of the currency arising after March 1, 2003.

In addition, CD 190/2003 issued by the C.P.C.E.C.A.B.A. established the discontinuance of the restatement into homogenous currency as from October 1, 2003 on the understanding that the country shows a stable monetary context. The change in the Wholesale Prices Index between March 1, 2003 and September 30, 2003 was 2.14% (negative). Had the accounting information been restated in accordance with professional accounting standards, the effect on the net income for each period and total stockholders equity would not have been significant considering the financial statements as a whole.

Table of Contents**II. Valuation criteria****a) National Government Secured loans**

During the year ended on December 31, 2001, as a consequence of the provisions of Decree No.1387/01, on November 6, 2001, the Bank and its subsidiaries exchanged national government securities, bonds, treasury bills and/or unsecured loans with the National Government for a face value of US\$ 3,291,795 thousands for Secured loans. At June 30, 2005 and the end of the previous fiscal year, those loans are recorded under Loans to the Public Sector amounting to 5,351,697 and 6,181,489 (consolidated amounts), respectively, in accordance with the criterion described in Note 2.3.c).

The recoverable values of these assets are not substantially different from their book values, and it should be additionally taken into account that a significant portion of such secured loans is allocated to the repayment of advances granted by the BCRA as described in note 15.1.5.

b) Government Securities and Other Credit Assistance to the Public Sector

As of June 30, 2005 and the end of the previous fiscal year, the Bank and its subsidiaries keeps other assets with the Public Sector, valued in accordance with the criterion described in notes 2.3.b), 2.3.c) and 2.3.g). In accordance with accounting principles generally accepted in Buenos Aires City, these assets are to be valued at current value.

The following is a detail of the book values of these assets as of June 30, 2005 and the end of the previous fiscal year as well as their estimated fair values for the holdings stated in the column as of June 30, 2005:

<u>Item</u>	<u>06.30.2005</u>	<u>12.31.2004</u>	<u>06.30.2005</u>	
			<u>Market value</u>	<u>Estimated fair value</u>
Secured Bond 2018	213,803	451,121	79%	
Provincial Development Trust Fund Corporate Bonds	773,047	742,930		71%
Federal Government Bonds in US dollar Libor 2012	77,228	78,384	89%	
Compensation pending receipt from the Federal Government	119,813		89%	
Argentine Republic External Bills (1)		541,145		
Treasury Bills Series 90 (1)		54,230		
Discount Bonds in US dollar	205,968		85%	
Discount Bonds in pesos	787,036		88%	

(1) Net of allowances. Restructured bonds as mentioned in Note 15.

The net balance sheet effect resulting from considering the above mentioned fair values would imply a decrease in shareholders' equity in approximately 564,000 and 518,000 as of June 30, 2005 and December 31, 2004, respectively.

As of the date of these financial statements, such effect would imply a reduction of approximately 383,000 in the stockholders' equity.

c) Effects caused by court measures related to deposits (constitutional protection actions)

As mentioned in Note 15.1.3., as of June 30, 2005 and the end of the previous fiscal year, the Bank recorded assets amounting to 658,012 and 739,289, respectively, under Intangible Assets Organization and Development Non Deductible Expenses account corresponding to differences resulting from compliance with the court measures generated by the repayment of deposits in the financial system within the framework of Law No. 25.561, Decree No. 214/02 and complementary

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regulations, as established by Communication A 3916 of the BCRA. In accordance with current professional accounting standards, those amounts should be recognized based on the best possible estimate of amounts receivable, considering the circumstances mentioned in that note.

d) Tax effects

As already indicated in note 4.1., the Bank has received various communications from the BCRA pursuant to which that BCRA indicates that the capitalization of items arising from the application of the deferred tax method is not allowed. In accordance with current professional accounting standards, a deferred tax asset should be recognized to the extent the reversal of temporary differences generates a future decrease in the tax effectively determined. As a result, the allowances set up by the Bank in this respect, for 212,000 and 118,000 as of June 30, 2005 and the end of the previous fiscal year, respectively, should be recovered.

III. Disclosure aspects

Unrealized valuation difference

As it is mentioned on note 1.3., during last fiscal year, the Bank has absorbed 200.000 of the negative results appeared from the sale operation of the subsidiary of Banco Francés (Cayman) Limited and charged to the account unrealized valuation difference of the stockholders' equity, according to what was authorized in the Resolution N° 52/04 of the Superintendent of Financial and Exchange Institutions.

According to accounting principles generally accepted in Buenos Aires City, such amount should have been charged to income (loss) for the fiscal year finished on December 31, 2004, while the remaining balance of the mentioned account should be recorded into unappropriated earnings account of the stockholders' equity.

4 TAX MATTERS

4.1. Income tax

The Bank determined the charge for income tax applying the effective 35% rate to taxable income estimated for each period or fiscal year considering the effect of temporary differences between book and taxable income. The Bank considered as temporary differences those that have a definitive reversal date in subsequent years. As of June 30, 2005 and the end of the previous fiscal year, the Bank has estimated the existence of a net operating loss in the income tax.

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

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

As of June 30, 2005 and the end of the previous fiscal year, the Bank records under Other Receivables (in the Tax Advance account) a taxable deferred asset amounting 212,000 and 118,000, respectively. Such amounts are made up as follows:

	<u>2005</u>	<u>2004</u>
Deferred tax assets	616,871	530,852
Deferred tax liabilities	(404,871)	(412,852)
Net deferred assets	212,000	118,000
Allowance	(212,000)	(118,000)

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4.2. Tax on minimum presumed income

Tax on minimum presumed income (TOMPI) was established by Law No. 25,063 in the year ended December 31, 1998, for a ten-year term. This tax is supplementary to income tax: while the latter is levied on the taxable income for the year, TOMPI is a minimum levy determined by applying the current 1% rate on the potential income of certain productive assets. Therefore, the Bank's tax obligation for each year will coincide with the highest of these taxes. The above Law provides that institutions governed by Financial Institutions Law must consider as a tax base 20% of their taxable assets, after deducting non-computable ones. However, if TOMPI exceeds income tax in a given year, the excess thereof may be computed as a payment on account of any income tax in excess of TOMPI that may occur in any of the following ten years.

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

Up to December 31, 2003, the Bank recorded under Other Receivables - Tax Advance account, a credit for the TOMPI, as long as this tax exceeded income tax.

On March 8, 2004, the BCRA requested the reversal of the amounts recorded as assets for TOMPI for the years 2001/2002 with charge to income or prior years adjustments, as appropriate, based on a regulatory interpretation of the BCRA.

In addition, on February 11, 2005, the BCRA issued Communication A 4295 whereby it allowed, under certain guidelines, to record TOMPI credit balances.

Therefore, on June 30, 2005, the Entity recorded this asset for 104,131 and included an adjustment to earnings of prior years for a total amount of 92,631 (gain) and 4,990 (loss) as of December 31, 2003. In the balance sheet as of December 31, 2004, presented for comparative purposes, such adjustment affected the item Other receivables by 92,631 (increase); in the income statement as of June 30, 2004, presented for comparative purposes, such adjustment affected the items Income Tax and Tax on Minimum Presumed Income and Other Income by 13,500 (decrease) and 1,690 (increase), respectively.

4.3. Other tax issues

The AFIP (Argentine Public Revenue Administration) inspected open tax periods and the Bank received ex officio assessments, which were appealed before the Argentine Administrative Tax Court. Such agency, to the issuance date of these financial statements, issued an opinion on the ex officio assessment made in 1992 and 1993, partially admitting the claim of tax authorities. On June 18, 2002 the Bank decided to appeal the ruling of 1992 with the Court of Appeals, where it is being treated at present.

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Furthermore, on July 18, 2003 a remedy for the review and appeal against the 1993 judgment was filed, and is currently pending. For the remainder, it was established that there will be no accumulation of the file with the file corresponding to the former Banco de Crédito Argentino.

The Board of Directors and tax and legal counsel estimate that the Bank made a reasonable interpretation of effective regulations regarding the observed periods.

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The Argentine Administrative Tax Court has also issued an opinion in respect of the appeals filed against the ex officio assessments concerning the tax on minimum presumed income for year 1999 and the income tax for years 1994 through 1999, fully upholding the claims filed and reversing the appealed resolutions.

5 BREAKDOWN OF MAIN ITEMS AND ACCOUNTS

As of June 30, 2005 and the end of the previous fiscal year, the breakdown of the items included under Other accounts which exceed 20% of the total amount of each item is as follows:

	<u>06-30-2005</u>	<u>12-31-2004</u>
- INVESTMENTS IN OTHER COMPANIES		
In other non-controlled companies- unlisted	23,826	22,236
In controlled-supplementary activities	238,103	229,266
In non-controlled-supplementary activities	7,691	7,451
Other- unlisted	11,429	11,757
	<u>281,049</u>	<u>270,710</u>
- OTHER RECEIVABLES		
Prepayments	19,998	8,859
Guarantee deposits	19,295	18,841
Miscellaneous receivables	43,241	64,573
Tax prepayments (1)	213,646	121,370
Other	2,536	1,059
	<u>298,716</u>	<u>214,702</u>

- (1) As of June 30, 2005 and the end of the previous fiscal year, it includes the deferred tax asset for 212,000 and 118,000, respectively (see note 4.1).

- OTHER LIABILITIES		
Accrued salaries and payroll taxes	39,048	44,180
Accrued taxes	22,379	21,107
Miscellaneous payables	31,853	21,976
Other	1,201	2,466
	<u>94,481</u>	<u>89,729</u>
- MEMORANDUM ACCOUNTS DEBIT CONTROL		
Items in safekeeping	24,686,238	28,470,212
Collections items	478,514	461,424
Checks drawn on the Bank pending clearing	160,047	105,565
Other	15,673	13,038

Total	25,340,472	29,050,239
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	<u>06-30-2005</u>	<u>06-30-2004</u>
- SERVICE CHARGE INCOME		
Rental of safe-deposit boxes	5,363	4,402
Commissions for capital market transactions	10,520	1,467
Commissions for salary payment	1,868	1,340
Commissions for trust management	1,648	2,146
Commissions for hiring of insurances	10,630	6,294
Commissions for loans and guarantees	4,617	2,489
Other	18,337	12,287
Total	52,983	30,425
- SERVICE CHARGE EXPENSE		
Turn-over tax	7,360	7,101
Other	1,855	194
Total	9,215	7,295
- ADMINISTRATIVE EXPENSES - OTHER OPERATING EXPENSES		
Rent	21,292	15,847
Depreciations of bank premises and equipment	12,329	16,733
Amortizations of organization and development expenses	8,628	12,948
Electric power and communications	7,694	7,618
Maintenance, conservation and repair expenses	10,688	10,095
Security services	6,865	6,518
Other	4,115	4,857
Total	71,611	74,616
- OTHER INCOME		
Deferred income tax (1)	94,000	
Other	3,727	4,316
Total	97,727	4,316

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

6 RESTRICTIONS ON ASSETS

As of June 30, 2005, there are Bank assets, which are restricted as follows:

- a) The Government and Private Securities account includes 77,228 in Federal Government bonds in US dollars LIBOR 2012 which have been frozen until final confirmation by the BCRA of the compensation amount.

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- b) The Government and Private Securities account includes 70,866 in secured bonds due 2018 allocated to the guarantee required to act as custodian of investment securities related to pension funds.

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- c) Out of the Bank's active loan portfolio, 1,157 are allocated to the guarantee securing payables to the BCRA.
- d) The Loans to government sector account includes 2,209,733 in secured loans decree 1387/01 allocated to the guarantee for the advances received from the BCRA (note 15.1.5).

7 CONTINGENTS

EXPORT TAX REBATES

In January 1993, former Banco de Crédito Argentino (ex BCA) found out that a group of companies presumably related among them had used fake documentation to collect export tax rebates, under current legislation through certain of its branches.

Immediately upon becoming aware of such events, the ex-BCA reported this situation to the Federal Police Banking Division pressing criminal charges before the Federal Criminal Court No. 2, Clerk's Office No. 5 of the City of Buenos Aires.

The BCRA has made certain observations to the procedure followed by the ex-BCA in paying tax rebates. The ex-BCA has based its reply to the BCRA on the fact that the aforesaid payments had been made complying strictly with current regulations for the aforesaid transactions.

On October 14, 1994, the General Director for Legal Affairs of the Ministry of Economy and Public Works and Utilities (MEOSP) ordered the ex-BCA to reimburse the amount which may be applicable to tax rebate payments which, in his opinion, were considered inapplicable.

On October 26, 1994, the ex-BCA filed a notice with the MEOSP by which it fully and emphatically rejected the aforesaid order for containing untrue, erroneous and legally unfounded representations since the ex-BCA acted in strict compliance with current regulations when carrying out each and every transaction related to the payment of export tax rebates.

On December 17, 1996, the ex-BCA was notified of the lawsuit filed by the Federal State in the action styled MEOSP, Federal State vs. BCA in regard of "Request for Opinion", at the Federal Administrative Court of Original Jurisdiction, Clerk's Office No. 1 of the City of Buenos Aires.

The lawsuit has been filed in November 1995 even when it was first notified by the Federal State on the aforesaid date.

In February, 1997, the ex-BCA put forth a defense to stop the progress of the lawsuit filed by the Federal Government suspending the term until the complaint is answered. In that filing the Bank's Legal Counsel alleged that the ex-BCA acted in compliance with the standards in force, and after a background analysis, it became abundantly clear that it was the responsibility of the government agencies that had not met the express

control standards under their exclusive charge.

The abovementioned exception was dismissed on December 1997 by the judge hearing the case, therefore, in February 1998, the Bank decided to file an appeal with the Court of Appeals.

The Court of Appeals ruled in favor of the bank's appeal, that is to say, it upheld the bank's defense based on a legal defect and its request that the Banco de la Nación Argentina, the Customs Service and the BCRA be summoned as parties to the suit. Both such requests were rejected by the court of original jurisdiction and have now deserved a favorable ruling from the appellate court.

At present, the proceedings are awaiting that the Federal State will amend the vices of its action, hence once this has been complied with, notifications will be resumed. Irrespective of the above, it has been agreed to suspend the legal proceedings with a view to a possible out-of-court transactions formulated by sellers, since this out-of-court settlement was dropped by sellers, the abovementioned legal proceedings were resumed. Despite the suspension of terms, the parties agreed to a pre-trial stage for the production of evidence. The court has ordered the Federal Government to resolve the defects in the claim. The National Government has just reduced its claim significantly.

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In any event, the eventual contingency resulting from such situation will be assumed by the sellers of the ex-BCA under the terms of the shares sales contracts.

8 TRANSACTIONS WITH SUBSIDIARIES AND PARENT COMPANIES (ART. 33 OF LAW No. 19,550)

The balances as of June 30, 2005 and the end of the previous fiscal year, for transactions performed with subsidiaries and parents companies are as follows:

Company	Balance Sheet					
	Assets		Liabilities		Memorandum Accounts (1)	
	2005	2004	2005	2004	2005	2004
BBVA S.A.	25,279		41,450	85,350	28,647	
Francés Valores Sociedad de Bolsa S.A.	33,701		38,866	643	2,371	1,123
Consolidar A.R.T. S.A.	132	30	30,141	20,217	215,935	197,703
Consolidar Administradora de Fondos de Jubilaciones y Pensiones S.A.	39	65	30,088	15,572	209,504	183,604
Consolidar Cía. De Seguros de Retiro S.A.	521	33	168,505	186,984	133,237	1,083,791
Consolidar Cía. De Seguros de Vida S.A.	377	5	13,522	16,485	443,218	316,656
Credilogros Compañía Financiera S.A.	19,266	10,395	579	7,273	21,978	318
Atuel Fideicomisos S.A.			4,964	3,087	17	46
BBVA Seguros S.A.	2	4	1,743	3,879	37,266	34,506
Consolidar Comercializadora S.A.			2,918	1,583	1,686	2,403
PSA Finance Argentina Cía Financiera S.A.	21,242	6,468	289	1,087		
Rombo Cía. Financiera S.A.	41,891	22,934	118	293		
Francés Administradora de Inversiones S.A.	101	77	1,299	9,223	2,130	4,838
Inversora Otar S.A.			911	95	270,624	326,004

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

9 BANK DEPOSITS GUARANTEE INSURANCE SYSTEM

The Bank is included in the Deposit Guarantee System established by Law 24485, Regulatory Decrees No. 540/95, No. 1292/96 and 1127/98 and Communication A 2337 and BCRA's complementary regulations.

Such law provided for the creation of the Company Seguros de Depósitos Sociedad Anónima (SEDESA) for purposes of managing the Deposit Guarantee Fund (DGF), whose shareholders, in accordance with the changes introduced by Decree No. 1292/96, shall be the BCRA with one share as a minimum and the trustees of the trust created by the financial institutions in the proportion to be determined for each by the BCRA according to their contributions to the DGF.

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That Company was incorporated in August 1995 and the Bank has a 13.7597% interest in its capital stock.

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

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

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Table of Contents**10 TRUST ACTIVITIES****10.1. Financial Trusts**

On January 5, 2001, the BCRA's Board of Directors issued Resolution No. 19/01, providing for the exclusion of Mercobank S.A.'s (a bank organized under Argentine legislation) senior liabilities under the terms of Section 35 bis of the Financial Institutions Law, the authorization to transfer the excluded assets to BF as trustee of the Diagonal Trust, and the authorization to transfer the excluded liabilities to beneficiary banks. Also, on the mentioned date, the agreement to set up the Diagonal Trust was subscribed by Mercobank S.A. as settler and BF as trustee in relation to the exclusion of assets as provided in the resolution abovementioned. BF entrusted Atuel Fideicomisos S.A. the management of collections and the realization of the corpus assets. As of June 30, 2005, total estimated corpus assets of Diagonal Trust and Inmobal Nutrer Trust amount to 5,818 and 4,481, respectively, and they are recorded in memorandum debit accounts For trustee activities Funds received in trust .

10.2. Non Financial Trust

BF acts as trustee in 65 non financial trusts, and in no case being personally liable for the liabilities assumed in the performance of the contract obligations; such liabilities will be satisfied with and up to the full amount of the corpus assets and the proceeds therefrom. The non financial trusts concerned were set up to secure the receivables of several creditors (beneficiaries) and the trustee was entrusted the management, care, preservation and custody of the corpus assets until (i) the requirements to show the noncompliance with the obligations by the debtor (settler) vis-à-vis the beneficiaries are met, moment at which such assets will be sold and the proceeds therefrom will be distributed (net of expenses) among all beneficiaries, the remainder (if any) being delivered to the settler, or (ii) all contract terms and conditions are complied with, in which case all the corpus assets will be returned to the settler or to whom it may indicate. The trust assets represent about \$ 5,038 million and consist of cash, creditors' rights, real estate and shares.

11 CORPORATE BONDS

The Regular Stockholders' Meeting of former-Banco Francés del Río de la Plata (former-BFRP) held on September 30, 1994, authorized the creation of a five-year program for issuance and reissuance of corporate bonds, nonconvertible into shares, for an amount of up to US\$ 500,000,000.

On October 6, 1997, the Regular and Special Stockholders' Meeting ratified for the whole program effective period the delegation to the Board of Directors, approved by the Regular Stockholders' Meeting held on September 30, 1994, of the necessary powers to determine all the issuance conditions of the corporate bonds (including collection subordination) to be issued under the company's corporate bonds issuance program for an outstanding amount of up to US\$ 500,000,000, authorized by CNV's Certificate No. 87 of December 16, 1994.

On April 27, 1999, the Regular and Special Stockholders' Meeting decided to extend the term of the abovementioned program for five years, authorizing the Board of Directors to take the necessary steps for issuance thereof. In addition, it authorized the issuance of corporate bonds convertible into share of commons stock in the amount of up to US\$ 200,000,000 either under the Bank's program or otherwise, granting the Board of Directors the necessary authority to carry out the issuance, establish the conversion value, determine the terms of the securities and modify the current program.

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On April 27, 2000, the Regular and Special Stockholders Meeting approved to increase the outstanding amount under the abovementioned program for up to US\$ 1,000,000,000 and delegated on to the Board of Directors the performance of proceedings to obtain approval before CNV and Buenos Aires Stock Exchange (BCBA) and such other stock exchanges as may be chosen to be listed. The increase was authorized by CNV's Certificate No. 268 of July 18, 2000.

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In addition, the abovementioned Stockholders Meeting approved the creation of a program for the issuance of non-subordinated short-term corporate notes to be issued under several classes and series up to a total amount outstanding at any given time of US\$ 300,000,000; the term of the program is five years, during which corporate notes nonconvertible into shares and unsecured or guaranteed by third parties may be issued for a term of up to one year in accordance with the conditions stipulated by the Board of Directors.

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

The following chart reflects corporate bonds in force as of June 30, 2005:

Global program amount	Date of issuance	Features	Face value	Currency	Price of issue	Nominal annual rate	Payment of interest	Book balance (in thousands)	Capital expiration Date
USD 1,000,000,000	11/26/2003	Non-subordinated	101,253,375	USD	100%	(1)	Semiannual	295,138	10/31/2008(2)

(1) Libor plus 150 basis points.

(2) Principal shall be amortized in 10 semiannually installments with maturity between April 30 and October 31 each year.

According to the provisions of the Corporate Bond Law and to the rules of the BCRA, the proceeds from the issuance of corporate bonds are allocated to (i) granting mortgage loans to purchase and repair housing and personal loans in Argentina; (ii) granting corporate loans in Argentina earmarked for contributions to working capital; investment in physical assets located in Argentina or refinancing liabilities, or (iii) contributing to working capital, investing in physical assets located in Argentina or refinancing liabilities.

12 FUNDING OF THE FINANCIAL AND INSURANCE INSTITUTIONS ASSISTANCE TRUST FUND (FFAEFS)

12.1 On November 22, 1996, the ex-BCA requested the Board of the FFAEFS for a US\$ 60,000,000 loan to finance the purchase of certain assets and liabilities to be excluded from ex - Banco Caseros S.A. Such request was granted and the respective agreement was signed on December 18, 1996.

By means of such agreement, the Bank undertook to repay the loan seven years after disbursement by the FFAEFS on December 20, 1996. On December 22, 2003, the Bank cancelled such financing, after its conversion into Argentine pesos at the exchange rate of 1 Argentine peso to each US and its adjustment by CER.

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12.2 On December 22, 1997, Corp Banca (CB) executed with the FFAEFS a loan for consumption agreement in the amount of US\$ 30,000,000, to be reimbursed in five annual, equal and consecutive installments starting as from the disbursement date. The first one would be paid three years after such date.

As per this agreement, CB issued subordinate corporate bonds with the authorization for public offering by the CNV and the authorization to trade on the BCBA in the terms and conditions established in the loan for consumption agreement and under Communication A 2264 of the BCRA for the amount equivalent to that effectively loaned under the loan for consumption agreement referred to above. By Resolution No. 12,384 of August 28, 1998, the CNV authorized the issuance of common, subordinate corporate bonds nonconvertible into shares for a face value of US\$ 30,000,000 at an annual nominal rate equal to LIBOR plus an annual nominal rate of 4% for the first period and, thereafter, LIBOR plus an annual nominal rate of 3% with a minimum of 8,07% per annum, due December 29, 2004. Such issuance took place on December 18, 1998.

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On December 29, 2004, the Bank cancelled the last installment of this corporate bonds, after its conversion into Argentine pesos at the exchange rate of 1 Argentine peso to each US dollar and its adjustment by CER.

Due to these agreements, the BF may not distribute cash dividends in amounts exceeding 50% of liquid and realized income related to each balance sheet normally prepared.

On January 10, 2003, the Federal Executive published Decree N° 53/2003 which amended section 1 subsection j) of Decree N° 410/02, excluding from the conversion into pesos provided for by section 1 of Decree N° 214/02 the obligation of Public and Private Sector Companies to pay any amount of money in foreign currency owed to the NATIONAL GOVERNMENT as a result of subsidiary or other loans and guarantees originally financed by Multilateral Credit Institutions or arising from liabilities owed by the National Treasury and refinanced with external creditors .

The decision taken by the Managing Committee of the Trust Fund for Reconstruction of Companies at the meeting held on May 28, 2003 stating that only 50% of the aforementioned financing was to be converted into pesos while the difference was to be maintained in its original currency was notified by note dated June 9, 2003.

The Bank has filed a subsidiary appeal for reversal before a higher administrative authority applying for a change in the aforementioned criterion and has reiterated its position on occasion of each interest and principal payment. Upon the appeal for reversal being dismissed, the claims were filed with the hierarchical superior officer on March 16, 2004. On May 17, 2004 the grounds for the appeal before the higher administrative authority were enlarged.

On February 7, 2005, the Bank was notified of Resolution N° 25 dated January 17, 2005 executed by the Argentine Minister of Economy and Production, which dismisses the Hierarchical Remedy filed.

On May 16, 2005, an administrative action under section 100 (D.R:1759/72, 1991 revision) was filed against Resolution No. 25 issued by the Ministry of Economy and Production, which dismissed the Hierarchical Appeal filed by the Bank. At present, the case is pending determination by the Federal Executive. This notwithstanding, in May 2005 a liability of 23,176 thousand dollars was recorded under Other Liabilities from Financial Transactions, this being the dollar amount owed estimated by the Bank in the filing mentioned above. This effect should be compensated under the terms of the compensation mechanism for financial institutions mentioned in note 15.1.1, and was recorded as such. At any event, the final determination of this issue would not imply additional losses for the Bank.

13 COMPLIANCE WITH CNV REQUIREMENTS

13.1 Compliance with the requirements to act as agent in the over-the-counter market

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As of June 30, 2005, the Bank's Stockholders' Equity exceeds the minimum requested to act as agent in the over-the-counter market, according to Resolution No. 368/01 of the CNV.

13.2 Mutual Fund custodian

As of June 30, 2005, in its capacity of custodian of FBA Acciones Globales , FBA Total , FBA Renta , FBA Renta Pesos , FBA Renta Dólares , FBA Bonos , FBA Calificado , FBA Ahorro Dólares , FBA Ahorro Pesos , FBA Renta Fija , FBA Renta Premium , FBA Renta Corto Plazo Europa , FBA Horizonte , FBA Internacional , FBA EEUU and FBA Futuro , the Bank holds certificates of deposits, shares, corporate bonds, government securities, tax credit certificates and warranties in safekeeping in the amount of 525,310, all of which making up the Fund's portfolio and booked in memorandum accounts Debit-Control - Other .

As of December 31, 2004 in its capacity of custodian of FBA Acciones Globales , FBA Total , FBA Renta , FBA Renta Pesos , FBA Renta Dólares , FBA Bonos , FBA Calificado , FBA Ahorro Dólares , FBA Ahorro Pesos , FBA Renta Fija , FBA Renta Premium , FBA Renta Corto Plazo Europa , FBA Horizonte , FBA Internacional , FBA EEUU and FBA Futuro , the Bank held certificates of deposits, shares, corporate bonds, tax credit certificates, government securities and warranties in safekeeping in the amount of 423,568, all of which making up the Funds' portfolio and booked in memorandum accounts Debit-Control-Other .

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14 RESTRICTION ON EARNINGS DISTRIBUTIONS

- a) As stated in Note 12, the Bank may not distribute as dividends in cash an amount exceeding 50% of liquid and realized income related to each one of the financial statements regularly prepared.
- b) Under BCRA Communication A 4152, the distribution of earnings must be previously approved by the BCRA. To this effect, it will be verified that:

The financial institution is not subject to sections 34 Regularization and rationalization and 35 bis Restructuring of the institution to safeguard credit and bank deposits of the Financial Institutions Law.

It has no financial assistance due to the BCRA.

Its liquidity and solvency are not affected as a result of the distribution of earnings.

- c) As mentioned in note 2.3.b), BCRA Communication A 3785 allowed booking the Federal Government bonds received in compensation as holdings in investment accounts at technical value, limiting the distribution of dividends in cash to income exceeding the difference between book value and the listing value in effect in the month in which the fiscal year ends.

15 ARGENTINE ECONOMIC CONTEXT

On January 14, 2005, the restructuring process started for a substantial part of Argentina's sovereign debt, in default ever since late 2001 (for an approximate amount of US\$ 80 billion). The process included a significant reduction in the principal owed as well as reduction in interest rates and extension of payment terms. For this purpose, the National Government offered three types of bonds in exchange for the defaulted securities, whose characteristics were established pursuant to Decree No. 1753/04. Additionally, the Government has announced that it is not planning to make payments on debt not submitted to the restructuring process. The proposal presented contemplates the issuance of bonds with significant waiting periods both for the amortization of principal and interest. This will allow the Government to schedule maturities stepwise and to have financial relief, as it will thus be able to adequately honor payments of the debt recently restructured and to continue to honor the payments already committed in the framework of the debt restructured during 2002 (primarily the Secured Loans issued by the National Government) as it has been doing so far. The swap period came to an end on February 25, 2005. The level of acceptance received by the exchange offer was significant. On March 18, 2005, the National Government announced the outcome of the exchange, the degree of acceptance of which amounted to 76,15%. And this implies that the Argentine Republic has left the default behind.

In June 2005, the National Government consummated the delivery of the exchanged government securities. U.S. dollar denominated Discount Bonds and peso denominated Discount Bonds were received, and interest amounts were also paid as scheduled.

15.1 Situations arising year 2001 crisis

15.1.1 Asymmetrical conversion into pesos (pesification)

The Bank received several notes from the BCRA in which it observed certain items and recording criteria that gave rise to the compensation being requested. BF answered those letters expressing that it had made a reasonable interpretation of current regulations and requesting the BCRA to review the criteria observed.

Subsequently, Resolutions 24/04 and 179/04 issued by the Superintendent of Financial and Exchange Institutions, partially accepted the defense presented by the Bank. BF filed two Hierarchical Remedy with the Superintendence of Financial and Exchange Institutions, requesting the revocation of the abovementioned resolutions in respect of rejected items.

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Through several letters sent to the BCRA, the last one dated October 18, 2004, the Bank has requested the release of BODEN 2012 corresponding to the compensation which is not objected by the above authorities. Additionally, it has filed the informative requirement required by BCRA Communication A 4165, informing of the acceptance of certain adjustments determined by the BCRA to the compensation amount, and rejecting other adjustments, as described below:

	<u>Compensation (*)</u>	<u>Argentine Government Bonds 2012</u>
Original amount reported	797,300	USD 606,539 thousand
Amount with accepted adjustments by the Bank	784,425	USD 581,612 thousand
Amount with rejected adjustments	659,179	USD 489,182 thousand

(*) Face value USD 386,000,000 were unblocked during March 2003, and face value USD 77,993,900 during June, 2004.

The total effect of the above differences on the compensation amounts to 280,000, approximately. It should be noted that as of December 31, 2004 the Bank has charged off assets subject to objections that were not recognized in connection with the BCRA's request. This does not imply a waiver of the actions mentioned above.

In addition, as mentioned in note 12, in May 2005 the compensation to be received in Boden 2012 for USD 39,078,010 face value was recorded under Other receivables from financial transactions.

15.1.2 Public Sector assistance

As of June 30, 2005 and the end of the previous year the Bank carried the following receivables from the Non Financial Public Sector:

a) Restructured Government securities and Credit assistance to the public sector:

	<u>06.30.05</u>		<u>12.31.04</u>
	<u>BBVA Banco</u>	<u>Consolidated</u>	<u>Consolidated</u>
	<u>Francés</u>	<u>Position</u>	<u>Position</u>
Secured Bond 2018 (*)	213,803	213,803	451,121
CCF (Tax credit certificate) (*)	20,329	20,329	41,151
Federal Government secured loans Decree No. 1387/01 (net of discounts) (*)	4,839,908	5,351,697	5,798,218
Other loans to the Non Financial Public Sector	2,819	2,819	3,300
Discount Bonds in US dollar	205,968	205,968	
Discount Bonds in pesos	360,516	787,036	

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Others		6,991	
Total	5,643,343	6,588,643	6,293,790
Allowances		(86,688)	(7,068)

(*) Net of the balancing account established by Communication A 3911 as supplemented of the BCRA.

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b) Government securities in portfolio, in process of restructuring:

	03.31.05		12.31.04
	BBVA Banco Francés	Consolidated position	Consolidated position
Argentine Republic External Bills (**)			594,593
Provincial Development Trust Fund Corporate Bonds (*)	773,047	773,047	742,930
Federal Government secured loans Decree No. 1387/01 (net of discounts) (**)			383,271
Treasury Bills (**)			58,169
Other		613	630
Total	773,047	773,660	1,779,593
Allowances			(128,986)

(*) These financing facilities are in the final phase of the restructuring process conducted by the National Government. No substantially adverse effects on the Bank's equity forecast in this respect.

(**) As mentioned in note 15, the Entity effected the debt exchange and received peso and dollar denominated Discount Bonds.

15.1.3 Legal actions Constitutional protection actions

The measures adopted by the Federal Executive with respect to the political, economic, financial and foreign exchange emergency triggered a number of legal actions to be filed by individuals and companies, in the form of constitutional protection actions (judicial injunctions resulting in the immediate release of frozen deposits), against the Federal Government, the BCRA and Financial Institutions as the petitioners consider that the Law on Public Emergency and its supplementary provisions are unconstitutional. Based, mainly in the Kiper against Federal Government and Others case, dictated by the Supreme Court, the courts massively started to dictate through constitutional protection actions, the partial reimbursement of bank deposits in US dollars or Argentine pesos at the floating exchange rate.

On March 11, 2002, the Argentine Association of Government-owned and Private Banks and the Argentine Bank Association filed a *per saltum* appeal with the Argentine Supreme Court under section 195 bis of the Argentine Code of Civil and Commercial Procedure (according to the modification introduced by Law No. 25,561). The appeal was filed for the benefit of government-owned and private banks that are members of such associations and was based on the Argentine institutional and systematic crisis and on the need to comply with effective regulations to achieve an ordered and gradual solution for the restrictions affecting the financial system and guaranteeing a plurality of interest. Such appeal seek communication to all federal courts of cases in which precautionary measures have been enforced or are about to be enforced since the effective date of Decree No. 1570/01 until March 11, 2002, against banks that are members of such associations.

On April 26, 2002, Law No. 25,587 was published in the Official Gazette of the Argentine Republic. This law establishes limitations to those precautionary measures that judges may adopt regarding the deposits affected by the provisions of Law No. 25,561 as supplemented. With some exceptions, the law establishes that: a) the precautionary measures cannot consist in giving the petitioner the deposited funds, and b) those appeals which interfere against them have a suspension effect, that is to say, that they must not be executed until they have been given the final

court decision.

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On July 24, 2002, the Federal Executive issued Decree No. 1316/02 establishing the temporary suspension for 120 business days of compliance with and enforcement of precautionary measures and final judgments issued in the legal actions referred to in section 1 of Law No. 25,587. Court orders must be recorded in financial institutions in chronological order and informing that measure to the court and the BCRA. Suspended resolutions will be complied with after expiration of the term in their chronological order and within 30 business days. In the case of exceptions to the above rules, the measure will be presented to the BCRA that will comply with the court orders on behalf and account of the Bank.

On March 5 2003, the Supreme Court ruled on the action for the protection of constitutional rights brought against the Federal Government by the Province of San Luis, declaring Decree 1570/2001 and sections 2 and 12 of Decree 214/2002 to be unconstitutional, ordering the return of the amounts deposited in either US dollars or the equivalent in pesos at the free market rate of exchange. In its decision, the Supreme Court indicated that in enforcing the ruling account should be taken of the modalities, restrictions and temporary limitations which, without affecting the substance of the right being recognized, would enable the enforcement of the ruling to be made compatible with the general interest, in the context of the severe crisis in which it would be taking place, combining the power to set a reasonable term for compliance and the need to settle the credit while avoiding unnecessary loss and considering the number of creditors in a similar position vis-à-vis financial institutions.

On February 3, 2004, the Argentine Banks Association (ABA) that gathered foreign-capital national banks, as the remaining financial Institutions, has sent to Mr. Economy Minister a compensation application form for the exchange difference that originates the fulfillment of the legal orders related to the action for the protection of constitutional rights filed by the regular depositors of the US dollars deposits, previously to the modification of the convertibility regime. The Institution has granted its conformity to such presentation. At this date Mr. Minister has not issued on the subject.

On July 13, 2004, the Supreme Court rendered its judgment in the case *Cabrera, Gerónimo Rafael v. Argentine Executive Branch* on action for the protection of constitutional rights (amparo), in which it rejected the claim of a depositor on the grounds that the latter had exercised his rights within the framework of the emergency laws, and collected a portion of his deposit in pesos, without reserving the right to claim the difference in U.S. dollars at the exchange rate prevailing in the open market. Based on the above and on the individual's own acts theory, the Supreme Court rejected the petitioner's claim for the exchange difference. This is the second judgment rendered by the Supreme Court in relation to pesification where it considers the substance of the issue, the first one being the judgment rendered in the case between state entities, a Province (San Luis) and a state-owned Bank (Banco Nación). Additionally, in this judgment, one of the votes refers to the fact that the amparo is not the appropriate proceeding to be brought. Costs were assessed against the petitioner. As of the date of these financial statements, the first and second instance courts have applied this judgment in diverse ways.

On September 14, 2004, the CSJN also pronounced in the case entitled *CAMPBELL, María Enriqueta Vda. De Tufiño y otro c/ P.E.N. - Banco de Salta S.A. Grupo Macro s/ AMPARO- Medida cautelar*, rejecting the claim of a depositor which was filed before the Court of original Jurisdiction and the Court of appeal, declaring the unconstitutionality of the emergency rule questioned regarding the pesification of the deposit funds in foreign currency. Subsequently to this appeal, the bank communicated to the Judge attending the cause with the corresponding documentation, that on April 2002 the plaintiffs have disposed all their deposits to a fixed term, being destined to the acquisition of two real estates and a vehicle, in the terms of the communication A 3481 of the BCRA, which preview this kind of operations. As a consequence, was deducted that the actors agreed and they were submitted to the emergency rule that allow in this way to return, the rescheduled deposits (within the framework of the emergency rule stated by the Federal Government) reason why said the bank-, without prejudice of the appeal, the judgment, in its concept, resulted in an impossible fulfillment and abstract in their effects. Before such arguments and the silence maintain by the other parties regarding this matter, the Court considered that when the depositors dispose all of their funds in the Bank using one of the options granted to such purpose for the BCRA, that the action for the protection of constitutional rights will become abstract and for such reason, declared in officious the pronouncement of the Court over the extraordinary resources stated regarding the precedents mentioned and revoked the judgment appealed that sustain the action of the protection of constitutional rights (amparo), imposing the costs by his order of all the Courts due to the particular circumstances of the lawsuit.

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The Supreme Court of Justice, on October 26, 2004, was pronounced in the case entitled *BUSTOS, ALBERTO ROQUE Y OTROS c/ P.E.N. Y OTROS s/ AMPARO*, revoking the sentence in which mentioned the action on the protection of constitutional rights (amparo), declaring that such action is not adequate for such claim and declares the constitutionality of the rule by which the Argentine economy was pesificated due to the economic, financial and exchange emergency situation through which the country is going through, confirmed by Congress Law. The revocation of the sentence of the Original Jurisdiction do not state how the Judge of this jurisdiction will resolve the fulfillment of the Court and for such reason proceed to the refund of the amount already paid due to the legal demands ordered by a Grade Judge.

As of the date hereof, BBVA Banco Francés S.A. continued to be subject to precautionary measures or execution of judgments rendered by first or second instance courts as well as to decisions that adhered to the Supreme Court rulings as concerns the constitutionality of pesification, the own acts theory, etc. In the defense of its shareholders and clients interests, BBVA Banco Francés S.A. has articulated such judicial defenses as deemed by it to be conducive to the preservation of its equity.

Owing to the equity loss that the fulfillment of the precautionary measures ordered by different courts in constitutional protection actions imply for the financial system and, in particular, for BF, the Bank has let this loss be known to the Ministry Economy and the BCRA expressing a reservation of legal rights.

To date the authorities have not ruled on possible compensation for the financial system in relation to these matters.

Furthermore, by means of Communication A 3916 dated April 3, 2003 the BCRA resolved to allow the capitalization of the differences arising from compliance with court orders in cases challenging regulations in force in accordance with Law 25,561, Decree 214/02 and complementary regulations in relation to deposits within the financial system. This asset (calculated according to the difference in nominal terms between the deposit at the free market exchange rate at the moment of each payment compared to the book value of 1.40 pesos per dollar plus CER to that date) is being amortized in 60 monthly installments as from April 2003.

As of June 30, 2005 and the end of the previous fiscal year, BF records 658,012 and 739,289, respectively, (after deducting the accumulated amortization for 444,667 and 335.827 as of June 30, 2005 and the end of the previous fiscal year, respectively) in the Intangible Assets item, Organization and Development expenses account.

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

In the opinion of the Bank's Board of Directors and its legal advisors there exists compensation or recovery probabilities for such equity loss. To the issuance date of the present financial statements, it is not possible to anticipate the final resolution of these matters.

15.1.4 Portfolio variation coefficient

In accordance with that established by the current regulations, the Bank applied the CVS (Salary Variation Coefficient) for certain pesified loans.

The Argentine Congress has enacted a Law which contemplates compensation to financial institutions for the loss resulting from the application to certain bank loans of the CVS instead of the CER index. On January 23, 2004, the Argentine Executive, through Decree 117/2004, regulated the abovementioned law, defining the guidelines to be complied with by financial institutions to adhere to the compensation regime. Subsequently, the BCRA, through Communication A 4114 dated March 12, 2004, established the procedure for institutions to adhere to the compensation regime, and the Ministry of Economy and Production, through Resolution 302/04 dated May 3, 2004, clarified the calculation method applicable to the amount to be compensated.

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Additionally, on May 6, 2004, the ABA, which groups all foreign-capital national banks, filed with the Ministry of Economy, with copy to the BCRA, a request for compensation of the difference between CER and CVS indexes applicable to credits under Law 25,713, Decree 762/02, since as of this date the provisions of Law 25,796, Decree 117/04 and Resolution No. 302/04 are still casting doubts in respect of their implementation and effective compensation. Such request was rejected by the Ministry of Economy on July 21, 2004.

On May 18, 2004 the Bank made a filing with the BCRA, also copied to the Ministry of Economy, signifying its adhesion to the compensation system relating to the above mentioned index differences, subject to the calculation deemed by the bank to be consistent with the spirit of the rules in force, which it also included in the referred filing. Such presentation was confirmed through a letter dated October 4, 2004.

Up to December 31, 2003, the Bank had capitalized the nominal difference generated by the application of the CVS index instead of the CER index. On June 30, 2004, and in accordance with the provisions of BCRA Communication A 4114, and Resolution 302/04 of the Ministry of Economy and Production, the Bank wrote off the relevant asset and recorded an adjustment to earnings of prior years for 141,064 (loss). Such registration does not mean in any way to resign to the compensation.

15.1.5 BCRA advances and rediscounts

For the purpose of covering the decrease in deposits, the Bank obtained, during the period March through July 2002, advances from the BCRA, which as June 30, 2005 and the end of the previous fiscal year, amount to (principal, CER and interests) 1,825,091 (of which 29,189 has been anticipated) and 1,855,115, respectively, and are included under Other liabilities from financial transactions BCRA Other . In guarantee of such assistance, the Bank executed a first-degree collateral agreement whereby it encumbered in favor of the BCRA a portion of the Bank's credit rights under the Guaranteed Loan Agreement executed on December 7, 2001, pursuant to Federal Executive Decree No. 1387/01 as supplemented and amended.

The Bank has adhered with the cancellation procedure of such advances through several presentations to the BCRA and Financial System Restructuring Unit (Unidad de Reestructuración del Sistema Financiero - URSF). Additionally, on June 24, 2004, the U.R.S.F. communicated the Bank the authorization to extend the amortization terms of the mentioned advances. According to that, the Bank will cancel the advances received from the BCRA in 89 monthly installments as from March 2004 and affected in guarantee of such advances national secured loans according to what disposed by the BCRA in the letter dated December 5, 2003.

15.1.6 The impact of the crisis - Regularization and Reorganization Plan

Due to the systemic crisis occurred at the end of 2001, the Bank's Board of Directors decided to implement a plan to strengthen the Bank's stockholders' equity and liquidity. Similarly, the BCRA in exercise of its powers requested that the Bank formally submit the above-mentioned plan before that body. The plan was presented on May 31, 2002 with the aim of regularizing and restoring financial health in relation to complying with the technical regulation on minimum cash, which had been affected by the above-mentioned liquidity crisis triggered by the fall of deposits, court rulings on the actions brought by depositors, and by regulatory changes on prudential regulations.

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As from July 2002, BF has regularized its liquidity position, fulfilling in this way with the technical regulations required, under this concept, by the BCRA.

By Resolution 354/2003 dated September 4, 2003, the BCRA requested the Bank's reformulation of the regularization and reorganization plan to consider issues such as the adoption of measures to increase the Bank's adjusted stockholders' equity and conforming of technical ratios to those required by Communication A 3959 and complementary regulations related to Minimum Capital Requirements in force as from January 1, 2004. On October 21, 2003, the Bank filed a letter with the BCRA informing some of the alternatives it was analyzing to comply with the Minimum Capital Requirements established by that authority as well as other operating ratios related to the Bank's adjusted stockholders' equity measured individually. In line with the guidelines of the abovementioned letter, after its joint analysis with the technical divisions of the Bank and the BCRA, on January 21, 2004, the Bank filed a formal reformulation of the regularization and reorganization plan with the control authority, thus complying with the requirements established by the mentioned Resolution.

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On March 18, 2004, the BCRA notified the issuance of Resolution No. 52/04 by the Superintendent of Financial and Exchange Institutions dated March 17, 2004, whereby the reformulation of the regularization and reorganization plan presented by the Bank was deemed to have been fulfilled.

During March 2004, the Bank has carried out the actions covered in the plan, included the sale of the subsidiary Banco Francés (Cayman) Limited to BBVA. Therefore, as from April 2004 the Bank has met the Minimum Capital requirements and other technical ratios established by the BCRA, even without giving effect to the capital increase made in November 2004. As of April 30, 2004, the Bank's Minimum Capital position, measured on an individual basis, was as follows:

Capital Requirement	408,715
Computable Capital	1,288,065
	<hr/>
Excess over Capital Requirement	879,350

In addition, the Shareholders Meeting dated April 22, 2004 ordered a capital increase (see note 1.2) that was fully subscribed and paid in during the month of November 2004.

During June, 2004, as committed in the plan, the repurchase of loans and the sale of Boden 2012 was carried out.

As of June 30, 2005, the Bank's Minimum Capital position, measured on an individual basis, was as follows:

Capital Requirement	620,946
Computable Capital	1,826,224
	<hr/>
Excess over Capital Requirement	1,205,278

As from March 2004, the actions taken under the regularization and reorganization plan described in the preceding paragraphs allowed the Bank to meet the Minimum Capital requirements and other technical ratios established by the BCRA. As the Bank has carried out all actions committed under the regularization and reorganization plan, on November 23, 2004 it filed an application with the BCRA for it to regard the plan as having been fulfilled.

On February 25, 2005, the Superintendent of Financial and Exchange Institutions gave notice of Resolution No. 46/05 dated February 23, 2005, which regarded the regularization and reorganization plan presented by the Bank as duly fulfilled.

15.1.7 Future evolution of the economical situation and its effect on the Bank

In view of the favorable evolution of the economic variables, as a result of the actions taken, the Bank's performance has substantially improved, resulting in the upgrading of its fundamental variables.

Since fiscal year 2004, the actions carried out have led to a significant increase in the Bank's portfolio of loans to the private sector, while acceptance of deposits has also recorded an important growth.

These increases in volume, combined with an efficient price management policy, have enabled to significantly improve the Bank's gross intermediation margin.

The improvement in service charge income related to the new strategy developed and new products launched, as well as the reduction in administrative expenses that resulted from the continued efforts placed on structures, processes and costs, have allowed improving again all efficiency and profitability ratios.

The credit policies applied over recent years have resulted in both the growth of the Bank's loan portfolio and the improvement in its asset quality. In addition to the significant growth experienced during this year, as of June 30, 2005 the delinquency rate over total loans reached 1.11%, which compares much favorably to prior periods and the market as well. During 2005, allowances for loan losses were maintained to protect the Bank against such delinquency, reaching a 113.41% ratio as of June 30, 2005.

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Given the favorable performance experienced during the last year and the first semester of 2005, the Bank's Board of Directors is optimistic about the development of future operations, in particular if the National Government compensates for the significant mismatch resulting from enforcement of the Constitutional protection actions, and completes the process of compensation to financial institutions.

16 PUBLICATION OF THE FINANCIAL STATEMENTS

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

17 ACCOUNTING PRINCIPLES EXPLANATION ADDED FOR TRANSLATION INTO ENGLISH

These financial statements are presented on the basis of the accounting standards of the BCRA and, except for the effect of the matter mentioned in Note 3, in accordance with accounting principles generally accepted in Buenos Aires City - Argentina. Certain accounting practices applied by the Bank that conform with the standards of the BCRA and with accounting principles generally accepted in Buenos Aires City may not conform with the generally accepted accounting principles in other countries.

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

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EXHIBIT A

DETAIL OF GOVERNMENT AND PRIVATE SECURITIES

AS OF JUNE 30, 2005 AND DECEMBER 31, 2004

(Translation of financial statements originally issued in Spanish See Note 17)

- Stated in thousands of pesos -

Description	Serie	Identification	Market Value	Holding		Position Without Options	Final Position
				Book balance as of 06-30-2005	Book balance as of 12-31-2004		
GOVERNMENT SECURITIES							
Holdings in investment accounts							
In pesos							
Discount Bonds in pesos		ARDIVP=RR	148,397	360,516		360,516	360,516
Subtotal in pesos				360,516	56,107	360,516	360,516
In foreign currency							
Discount Bonds in US dollar		ARDIVP=RR	68,422	205,968		205,968	205,968
Federal Government Bonds in US dollar Libor 2012			68,733	77,228		77,228	77,228
Subtotal in foreign currency				283,196	672,977	283,196	283,196
Subtotal in Holdings in investment accounts				643,712	729,084	643,712	643,712
Holdings for trading or financial transactions							
Local							
In pesos							
Federal Government Bonds in pesos 2% 2008			3,078	3,078		(6)	(6)
Others			2,004	2,004		407	407
Subtotal in pesos				5,082	4,248	401	401

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In foreign currency				
Federal Government Bonds in US dollar Libor 2012	19,211	19,211	8,887	8,887
Other	1,842	1,842	2,084	2,084
Subtotal in foreign currency	21,053	6,049	10,971	10,971
Subtotal in Holdings for trading or financial Transactions	26,135	10,297	11,372	11,372
Unlisted government securities				
Local				
In pesos				
Tax credit certificates due in 2003/2006	20,329		20,329	20,329
Secured Bonds due 2018 (1)	213,803		213,803	213,803
Subtotal in pesos	234,132	492,272	234,132	234,132
Subtotal Unlisted government securities	234,132	492,272	234,132	234,132

(1) As of June 30, 2005, the market value was 191,026

Table of Contents**EXHIBIT A****(Contd.)****DETAIL OF GOVERNMENT AND PRIVATE SECURITIES****AS OF JUNE 30, 2005 AND DECEMBER 31, 2004**

(Translation of financial statements originally issued in Spanish - See Note 17)

- Stated in thousands of pesos -

Description	Serie	Identification	Holding		Position without options	Final Position
			Market value	Book Balance as of 06-30-2005		
Instruments issued by the BCRA						
BCRA Bills						
Listed						
Own portfolio						
C08F6BCRA			86,792	86,792	86,792	86,792
P03G5BCRA			73,595	73,595	73,595	73,595
P0505BCRA			98,207	98,207	98,207	98,207
P0615BCRA			20,983	20,983	21,782	21,782
P145S05BCRA			24,601	24,601	24,601	24,601
P16N5BCRA			238,528	238,528	238,528	238,528
P24G5BCRA			195,195	195,195	188,259	188,259
C1216BCRA			12,816	12,816	412	412
P2605BCRA			13,642	13,642	13,642	13,642
P1315BCRA			6,637	6,637	6,637	6,637
P2715BCRA			4,198	4,198	4,198	4,198
P28S5BCRA			3,824	3,824	3,824	3,824
P10G5BCRA			3,572	3,572	3,572	3,572
Other			8,157	8,157	34,034	34,034
Subtotal own portfolio				790,747	334,166	798,083

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On reverse repurchase agreements				
P10G5BCRA	184,555	184,555		
P2715BCRA	650,632	650,632		
P30N5BCRA	245,949	245,949		
Subtotal on reverse repurchase agreements		1,081,136	398,980	
BCRA Notes				
Listed				
Own portfolio				
BBPNOBAC07	61,458	61,458	61,458	61,458
Other	313	313	313	313
Subtotal BCRA Notes in pesos		61,771	7,601	61,771
Subtotal instruments issued by the BCRA		1,933,654	740,747	859,854
TOTAL GOVERNMENT SECURITIES		2,837,633	1,972,400	1,749,070

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EXHIBIT A

(Contd.)

DETAIL OF GOVERNMENT AND PRIVATE SECURITIES

AS OF JUNE 30, 2005 AND DECEMBER 31, 2004

(Translation of financial statements originally issued in Spanish - See Note 17)

- Stated in thousands of pesos -

Description	Serie	Identification	Market value	Holding		Position without options	Final Position
				Book Balance as of 06-30-2005	Book Balance as of 12-31-2004		
INVESTMENTS IN LISTED PRIVATE SECURITIES							
Other debt instruments							
Local							
In pesos							
Telefónica de Argentina Corporate Bonds			1,313	1,313		1,313	1,313
Subtotal in pesos				1,313	218	1,313	1,313
In foreign currency							
Pecom 2009 Corporate Bonds			12	12		12	12
Metrogas 2003 Corporate Bonds			24	24		24	24
Others			5	5		5	5
Subtotal in foreign currency				41	63	41	41
Foreign							
Other			9	9		9	9
Subtotal foreign				9	10	9	9

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Subtotal Other debt instruments	1,363	291	1,363	1,363
Other Equity instruments				
Local				
In pesos				
Others			(15)	(15)
Subtotal in pesos			(15)	(15)
Subtotal Equity instruments			(15)	(15)
TOTAL INVESTMENTS IN LISTED PRIVATE SECURITIES	1,363	291	1,348	1,348
TOTAL GOVERNMENT AND PRIVATE SECURITIES	2,838,996	1,972,691	1,750,418	1,750,418

Table of Contents**EXHIBIT B**

**CLASSIFICATION OF FINANCING FACILITIES BY CATEGORIES
AND GUARANTIES RECEIVED AS OF JUNE 30, 2005 AND DECEMBER 31, 2004**

(Translation of financial statements originally issued in Spanish-See Note 17)

-Stated in thousands of pesos-

	<u>06-30-2005</u>	<u>12-31-2004</u>
COMMERCIAL PORTFOLIO		
Normal performance		
Preferred collaterals and counter guaranty A	5,741,320	6,241,101
Other collaterals and counter guaranty B	25,536	22,834
Without senior security or counter guaranty	2,255,304	1,606,479
In potential risk		
Other collaterals and counter guaranty B	7,140	8,465
Without senior security or counter guaranty	143,230	200,830
Nonperforming		
Without senior security or counter guaranty	39,206	41,167
With high risk of uncollectibility		
Other collaterals and counter guaranty B		411
Without senior security or counter guaranty	46,790	23,796
Uncollectible		
Other collaterals and counter guaranty B		2,577
Without senior security or counter guaranty		21,577
Total	<u>8,258,526</u>	<u>8,169,237</u>

Table of Contents**EXHIBIT B****(Contd.)**

**CLASSIFICATION OF FINANCING FACILITIES BY CATEGORIES
AND GUARANTIES RECEIVED AS OF JUNE 30, 2005 AND DECEMBER 31, 2004**

(Translation of financial statements originally issued in Spanish-See Note 17)

-Stated in thousands of pesos-

	<u>06-30-2005</u>	<u>12-31-2004</u>
CONSUMER AND HOUSING PORTFOLIO		
Normal performance		
Preferred collaterals and counter guaranty A	8,318	5,254
Other collaterals and counter guaranty B	366,273	375,243
Without senior security or counter guaranty	676,843	635,188
Inadequate performance		
Preferred collaterals and counter guaranty B	4,535	3,333
Without senior security or counter guaranty	1,964	1,975
Deficient performance		
Other collaterals and counter guaranty B	1,047	3,845
Without senior security or counter guaranty	2,691	5,896
Unlikely to be collected		
Other collaterals and counter guaranty B	1,426	1,377
Without senior security or counter guaranty	3,746	1,970
Uncollectible		
Other collaterals and counter guaranty B	5,223	7,839
Without senior security or counter guaranty	3,162	2,612
Uncollectible, classified as such under regulatory requirements		
Other collaterals and counter guaranty B	25	51
Without senior security or counter guaranty	65	61
Total	1,075,318	1,044,644
General Total (1)	9,333,844	9,213,881

-
- (1) Items included: Loans (before allowances and difference arising from purchase of portfolio); Other receivables from financial transactions: Unlisted corporate bonds, Other receivables covered by debtor classification regulations, Interest accrued and pending collection covered by debtor classification regulations; Assets subject to financial leasing (before allowances); Other receivables: Receivables from sale of goods and interest accrued on receivables from sale of goods; Contingent credit balance memorandum accounts; Credit lines granted (unused portion) covered by debtor classification regulations, Other guarantees given covered by debtor classification regulations and Other covered by debtor classification regulations.

Table of Contents**EXHIBIT C**

FINANCING FACILITIES CONCENTRATION
AS OF JUNE 30, 2005 AND DECEMBER 31, 2004

(Translation of financial statements originally issued in Spanish - See Note 17)

- Stated in thousands of pesos -

Number of clients	FINANCING			
	06-30-2005		12-31-2004	
	Outstanding balance	% of total portfolio	Outstanding balance	% of total portfolio
10 largest clients	6,439,916	69,00%	6,747,436	73.23%
50 next largest clients	1,095,916	11,74%	816,190	8.86%
100 following clients	416,722	4,46%	313,600	3.40%
Remaining clients	1,381,290	14,80%	1,336,655	14.51%
Total (1)	9,333,844	100.00%	9,213,881	100.00%

(1) See (1) in Exhibit B.

Table of Contents**EXHIBIT D****BREAKDOWN BY FINANCING TERMS AS OF JUNE 30, 2005**

(Translation of financial statements originally issued in Spanish - See Note 17)

- Stated in thousands of pesos -

Description	Term remaining to maturity						Total	
	Past-due portfolio	1 month	3 months	6 months	12 months	24 months		More than 24 months
Government sector		20,837	73,458	470	74,009	159,815	5,287,185	5,615,774
Financial sector		98,351	23,646	19,260	24,557	12,334	640	178,788
Non financial private sector and residents abroad	42,791	1,520,357	321,786	309,571	494,077	263,336	587,364	3,539,282
TOTAL	42,791	1,639,545	418,890	329,301	592,643	435,485	5,875,189	9,333,844(1)

(1) See (1) in Exhibit B.

Table of Contents**EXHIBIT E****DETAIL OF INVESTMENTS IN OTHER COMPANIES****AS OF JUNE 30, 2005 AND DECEMBER 31, 2004**

(Translation of financial statements originally issued in Spanish See Note 17)

- Stated in thousands of pesos

Concept		Shares		Amount		Information about the issuer						
						Data from last published financial statements				Main business	Fiscal year/ period-end	Capital stock
Identification	Description	Class	Unit face value	Votes per share	Number	06-30-2005	12-31-2004					
FINANCIAL INSTITUTIONS, SUPPLEMENTARY AND AUTHORIZED												
Controlled												
Local												
33642192049	Francés Valores Sociedad de Bolsa S.A.	Common	500\$	1	12,137	8,692	7,640	Stockholder	06.30.2005	6,071	8,697	2,054
30663323926	Consolidar Administradora de Fondos de Jubilaciones y Pensiones S.A.	Common	1\$	1	75,846,794	138,589	133,233	Pensions fund manager	06.30.2005	140,739	257,171	10,270
33678564139	Consolidar Cía. de Seguros de Vida S.A.	Common	1\$	1	7,383,719	50,781	48,413	Insurance company	06.30.2005	11,195	79,283	21,433
30678574097	Consolidar Cía. de Seguros de Retiro S.A.	Common	1\$	1	25,033,867	29,034	24,434	Insurance company	06.30.2005	37,551	47,628	10,078
30704936016	Credilogros Compañía Financiera S.A.	Common	1\$	1	39,700,000	24,541	22,774	Financial institution	06.30.2005	57,100	35,296	2,544
30707847367	PSA Finance Arg. Cía Financiera S.A.	Common	1000\$	1	9,000	11,434	11,045	Financial institution	06.30.2005	18,000	22,866	773
	Atuel Fideicomisos S.A.	Common	1\$	1	13,099,869	11,007	15,496	Trust Manager	06.30.2005	13,220	11,007	(4,491)

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EXHIBIT F

MOVEMENT OF PREMISES AND EQUIPMENT

AND OTHER ASSETS FOR THE SIX MONTH PERIOD ENDED

JUNE 30, 2005 AND THE FISCAL YEAR ENDED DECEMBER 31, 2004

(Translation of financial statements originally issued in Spanish - See Note 17)

- Stated in thousands of pesos -

Description	Net book value at beginning of fiscal year	Additions	Transfers	Decreases	Depreciation for the period		Net book value at 06-30-2005	Net book value at 12-31-2004
					Years of useful life	Amount		
PREMISES AND EQUIPMENT								
Real Estate	310,782	1,180			50	5,063	306,899	310,782
Furniture and Facilities	26,814	1,305	59	10	10	3,411	24,757	26,814
Machinery and Equipment	12,474	4,174	(59)	6	5	3,711	12,872	12,474
Automobiles	971	123		21	5	144	929	971
Total	351,041	6,782		37		12,329	345,457	351,041
OTHER ASSETS								
Works of Art	983						983	983
Leased assets	8,106		3,446	2,076	50	84	9,392	8,106
Assets acquired to secure loans	13,767		7,116	1,954	50	94	18,835	13,767
Stationery and office supplies	985	1,806		1,273			1,518	985
Other	71,436	400	(10,562)	21,697	50	566	39,011	71,436
Total	95,277	2,206		27,000		744	69,739	95,277

Table of Contents**EXHIBIT G****MOVEMENT OF INTANGIBLE ASSETS FOR THE SIX MONTH PERIOD****ENDED JUNE 30, 2005 AND THE FISCAL YEAR ENDED DECEMBER 31, 2004**

(Translation of financial statements originally issued in Spanish - See Note 17)

- Stated in thousands of pesos -

Description	Net book value at beginning of fiscal year	Additions	Decreases	Amortization for the Period		Net book value at 06-30-2005	Net book value at 12-31-2004
				Years of useful life	Amount		
Goodwill	32,088			10	3,315	28,773	32,088
Organization and Development expenses (1)	29,830	3,839	14	1 & 5	8,628	25,027	29,830
Organization and development non-deductible expenses (2)	739,289	27,563		5	108,840	658,012	739,289
Total	801,207	31,402	14		120,783	711,812	801,207

- (1) This caption mainly includes costs from information technology projects contracted from independent parties and leasehold improvements.
(2) See Note 15.1.3.

Table of Contents**EXHIBIT H****CONCENTRATION OF DEPOSITS****AS OF JUNE 30, 2005 AND DECEMBER 31, 2004**

(Translation of financial statements originally issued in Spanish - See Note 17)

- Stated in thousands of pesos -

Number of clients	06-30-2005		12-31-2004	
	Outstanding Balance	% of total portfolio	Outstanding balance	% of total portfolio
10 largest clients	1,212,819	11.87%	1,168,263	12.70%
50 next largest clients	1,322,740	12.95%	1,312,765	14.28%
100 following clients	755,740	7.40%	431,916	4.70%
Remaining clients	6,926,417	67.78%	6,281,543	68.32%
TOTAL	10,217,716	100.00%	9,194,487	100.00%

Table of Contents**EXHIBIT I**

**BREAKDOWN OF MATURITY TERMS OF DEPOSITS,
OTHER LIABILITIES FROM FINANCIAL TRANSACTIONS AND
SUBORDINATED CORPORATE BONDS
AS OF JUNE 30, 2005**

(Translation of financial statements originally issued in Spanish - See Note 17)

- Stated in thousands of pesos -

Description	Terms remaining to maturity						Total
	1 month	3 months	6 months	12 months	24 months	More than 24 months	
Deposits	7,007,778	1,389,222	999,735	679,819	141,162		10,217,716
Other liabilities from financial transactions							
BCRA	12,441	13,921	98,076	130,885	270,877	1,364,224	1,890,424
Banks and International Institutions	15,754	16,963	12,620	30,082	40,902	39,867	156,188
Non-subordinated corporate bonds			21,967	19,532	58,562	195,077	295,138
Financing received from Argentine financial institutions	84,974						84,974
Other	332,168						332,168
Total	445,337	30,884	132,663	180,499	370,341	1,599,168	2,758,892
TOTAL	7,453,115	1,420,106	1,132,398	860,318	511,503	1,599,168	12,976,608

Table of Contents**EXHIBIT J**

**MOVEMENT OF ALLOWANCES FOR THE SIX MONTH PERIOD
ENDED JUNE 30, 2005 AND THE FISCAL YEAR ENDED DECEMBER 31, 2004**

(Translation of financial statements originally issued in Spanish - See Note 17)

- Stated in thousands of pesos -

Description	Book value at beginning of fiscal year	Increases	Decreases		Book value	
			Reversals (6)	Applications	06-30-2005	12-31-2004
DEDUCTED FROM ASSETS						
Government securities						
For impairment value	55,325	3(5)	1,550	53,778		55,325
Loans						
Allowance for doubtful loans	118,796	46,512(1)	718	57,590	107,000	118,796
Other receivables from financial transactions						
Allowance for doubtful receivables	12,757	91(1)	1,815	32	11,001	12,757
Assets subject to financial leasing						
Allowance for doubtful receivables	1,162	263(1)			1,425	1,162
Investments in other companies						
For impairment value (3)	11,711		326		11,385	11,711
Other receivables						
Allowance for doubtful receivables (2)	153,423	95,683	5,952	1,674	241,480	153,423
Total	353,174	142,552	10,361	113,074	372,291	353,174
LIABILITIES-ALLOWANCES						
Contingents commitments (1)	3,914		102		3,812	3,914
Other contingencies	228,894	54,007(4)		29,280	253,621	228,894
Total	232,808	54,007	102	29,280	257,433	232,808

(1) Recorded in compliance with the provisions of Communication A 3918, as supplemented, of the BCRA, taking into account note 2.3.f.)

(2) Includes mainly the possible uncollectibility risks arising out of payments under protection actions on Mutual Funds and deferred tax asset (212,000) (see note 4.1.)

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- (3) Recorded, to recognize the estimated impairment in AIG Latin American Fund's equity as of June 30, 2005 and December 31, 2004.
- (4) Recorded to cover possible contingencies that were not considered in other accounts (civil, labor, commercial and other lawsuits). (note 2.3.0).
- (5) Recorded in compliance with the provisions of Communication A 4084 of the BCRA.
- (6) Includes exchange differences generated as allowances in foreign currency, booked in the Financial income - Gold and foreign currency exchange difference account, as follow:

Government securities	(1,550)
Loans	(718)
Other receivables from financial transactions	(139)
Investments in other companies	(326)
Other receivables	(318)

Table of Contents**EXHIBIT K****CAPITAL STRUCTURE AS JUNE 30, 2005**

(Translation of financial statements originally issued in Spanish - See Note 17)

- Stated in thousands of pesos -

Class	SHARES		CAPITAL STOCK			
	Quantity	Votes per share	Issued		Pending issuance or distribution	Paid in
			Outstanding	In portfolio		
Common	471,361,306	1	471,306		55(1)	471,361(2)

(1) Shares issued and available to stockholders but not as yet withdrawn.

(2) Fully registered with the Public Registry of Commerce (See note 1.2.)

Table of Contents**EXHIBIT L**

**FOREIGN CURRENCY BALANCES AS OF
JUNE 30, 2005 AND DECEMBER 31, 2004**

(Translation of financial statements originally issued in Spanish - See Note 17)

-Stated in thousands of pesos-

Accounts	06-30-2005									12-31-2004	
	Total of Period	Total of period (per type of currency)									Total of fiscal year
		Euro	US Dollars	Deutsche Marks	Pounds Sterling	French Franc	Swiss Franc	Yen	Other		
ASSETS											
Cash and due from banks	568,859	30,858	535,543		109			1,051	1,298	573,415	
Government and private securities	304,299		304,299							679,099	
Loans	706,506	1,945	704,561							518,273	
Other receivables from financial transactions	254,964	3,535	250,323		311				795	88,982	
Assets subject to financial leasing	79		79							86	
Investments in other companies	12,157		12,157							12,505	
Other receivables	15,251	328	14,923							28,984	
Suspense items	122	23	99							284	
TOTAL	1,862,237	36,689	1,821,984		420			1,051	2,093	1,901,628	
LIABILITIES											
Deposits	933,054	24,277	908,777							820,780	
Other liabilities from financial transactions	741,851	13,146	726,043		407			1,089	1,166	702,327	
Other liabilities	3,395	682	2,713							6,004	
Subordinated corporate bonds										60,307	
Suspense items	45		45							2,793	
TOTAL	1,678,345	38,105	1,637,578		407			1,089	1,166	1,592,211	
MEMORANDUM ACCOUNTS											

Debit accounts (except contra debit accounts)

Contingent	48,598		48,598						
Control	8,286,351	6,796	8,278,618	120			817	7,760,035	
Trustee activities	4,481		4,481						
TOTAL	8,339,430	6,796	8,331,697	120			817	7,760,035	

Credit accounts (except contra credit accounts)

Contingent	196,488		196,488						260,269
Control									7,301
Trustee activities	4,481		4,481						
TOTAL	200,969		200,969						267,570

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EXHIBIT N

ASSISTANCE TO RELATED CLIENTS AND AFFILIATES**AS OF JUNE 30, 2005 AND DECEMBER 31, 2004**

(Translation of financial statements originally issued in Spanish - See Note 17)

- Stated in thousands of pesos

Concept	Status									
	Normal	In potential risk / Inadequate Compliance	With high risk of uncollectibility / unlikely to be collected				Uncollectible	Classified uncollectible as such under regulatory requirements	Total	
			Nonperforming / deficient compliance		Not yet matured				06-30-2005	12-31-2004
			matured	Past-due	matured	Past-due				
1. Loans	107,203							107,203	63,397	
Overdraft	817							817	2,170	
Preferred collaterals and counter guaranty A										
Other collaterals and counter guaranty B										
Without senior security or counter guaranty	817							817	2,170	
Discounted Instruments	4,015							4,015	3,301	
Preferred collaterals and counter guaranty A										
Other collaterals and counter guaranty B										
Without senior security or counter guaranty	4,015							4,015	3,301	
Real Estate Mortgage and Collateral Loans	300							300	245	

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Preferred collaterals and counter guaranty A			
Other collaterals and counter guaranty B	300	300	245
Without senior security or counter guaranty			
Consumer	34	34	38
Preferred collaterals and counter guaranty A			
Other collaterals and counter guaranty B			
Without senior security or counter guaranty	34	34	38
Credit Cards	279	279	265
Preferred collaterals and counter guaranty A			
Other collaterals and counter guaranty B			
Without senior security or counter guaranty	279	279	265
Other	101,758	101,758	57,378
Preferred collaterals and counter guaranty A			
Other collaterals and counter guaranty B			
Without senior security or counter guaranty	101,758	101,758	57,378
2. Other receivables from financial transactions	29,179	29,179	662
3. Assets subject to financial leasing and other			
4. Contingent commitments	27,578	27,578	21,230
5. Investments in other companies and private securities	132,223	132,223	133,246
Total	296,183	296,183	218,535
Total Allowances	684	684	441

Table of Contents**CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2005 AND DECEMBER 31, 2004**

(Art. 33 of Law No. 19,550)

(Translation of financial statements originally issued in Spanish - See Note 17)

-Stated in thousands of pesos-

	<u>06/30/05</u>	<u>12/31/04</u>
ASSETS		
CASH AND DUE FROM BANKS		
Cash	478,133	421,910
Due from banks and correspondents	851,728	1,244,707
	<u>1,329,861</u>	<u>1,666,617</u>
GOVERNMENT AND PRIVATE SECURITIES (Note 5)		
Holdings in investment accounts	644,175	742,902
Holdings for trading or financial transactions	650,088	128,788
Unlisted Government Securities	234,751	492,902
Instruments issued by the BCRA	2,208,832	999,563
Investments in listed private securities	181,368	179,212
Less: Allowances	22,501	66,419
	<u>3,896,713</u>	<u>2,476,948</u>
LOANS		
To government sector (Exhibit 1)	6,127,563	6,927,719
To financial sector (Exhibit 1)	264,175	169,509
To non financial private sector and residents abroad (Exhibit 1)	3,164,765	2,374,276
	<u>9,556,503</u>	<u>9,471,504</u>
Overdraft	548,578	272,275
Discounted instruments	298,165	251,332
Real estate mortgage	384,647	401,064
Collateral Loans	45,919	25,943
Consumer	243,436	182,627
Credit cards	389,852	364,105
Other	1,335,732	964,177
Interest and listed-price differences accrued and pending collection	28,144	25,517
Less: Unused collections	108,399	111,840
Less: Interest documented together with main obligation	1,309	924
Less: Difference arising from purchase of portfolio	85	88
Less: Allowances	178,383	202,693
	<u>9,378,035</u>	<u>9,268,723</u>
OTHER RECEIVABLES FROM FINANCIAL TRANSACTIONS		
BCRA	290,948	325,844

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Amounts receivable for spot and forward sales pending settlement	1,061,054	380,796
Instruments to be received for spot and forward purchases pending settlement	86,589	34,192
Unlisted corporate bonds (Exhibit 1)	87,465	99,691
Non-deliverable forward transactions balances pending settlement	437	
Other receivables not covered by debtor classification regulations	159,112	40,152
Other receivables covered by debtor classification regulations (Exhibit 1)	17,565	14,445
Interest accrued and pending collection not covered by debtor classification regulations	106,001	90,764
Interest accrued and pending collection covered by debtor classification regulations (Exhibit 1)	3,121	2,153
Less: Allowances	11,065	12,796
	<u>1,801,227</u>	<u>975,241</u>
ASSETS SUBJECT TO FINANCIAL LEASING		
Assets subject to financial leasing (Exhibit 1)	91,780	59,764
Less: Allowances	1,461	1,188
	<u>90,319</u>	<u>58,576</u>
INVESTMENTS IN OTHER COMPANIES		
In financial institutions	13,065	12,931
Other	47,041	46,205
Less: Allowances	11,385	11,711
	<u>48,721</u>	<u>47,425</u>
OTHER RECEIVABLES		
Receivables from sale of property assets (Exhibit 1)	2,476	2,999
Tax on minimum presumed income Tax Credit	104,131	92,631
Other	340,091	245,649
Interest accrued and pending collection on receivables from sale of property assets (Exhibit 1)	46	56
Other accrued interest receivable	2	2
Less: Allowances	241,920	153,825
	<u>204,826</u>	<u>187,512</u>
PREMISES AND EQUIPMENT	374,738	381,389
OTHER ASSETS	69,854	95,549
INTANGIBLE ASSETS		
Goodwill	28,773	32,088
Organization and development expenses	740,562	836,893
	<u>769,335</u>	<u>868,981</u>
SUSPENSE ITEMS	1,365	1,213
OTHER SUBSIDIARIES' ASSETS (Note 5)	21,781	32,342
TOTAL ASSETS	<u>17,986,775</u>	<u>16,060,516</u>

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(Contd.)

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2005 AND DECEMBER 31, 2004

(Art. 33 of Law No. 19,550)

(Translation of financial statements originally issued in Spanish - See Note 17)

-Stated in thousands of pesos-

	<u>06/30/05</u>	<u>12/31/04</u>
LIABILITIES		
DEPOSITS		
Government sector	147,238	198,593
Financial sector	26,375	18,568
Non financial private sector and residents abroad	9,856,166	8,776,619
Checking accounts	1,793,649	1,620,763
Savings deposits	2,641,098	2,395,505
Time deposits	4,539,386	3,983,558
Investments accounts	289,518	159,193
Other	318,784	381,795
Interest and listed-price differences accrued payable	273,731	235,805
	<u>10,029,779</u>	<u>8,993,780</u>
OTHER LIABILITIES FROM FINANCIAL TRANSACTIONS		
BCRA	1,701,606	1,780,275
Other	1,701,606	1,780,275
Banks and International Institutions	154,406	251,005
Non-subordinated corporate bonds	292,703	321,181
Amounts payable for spot and forward purchases pending settlement	82,263	31,892
Instruments to be delivered for spot and forward sales pending settlement	1,172,094	423,051
Non-deliverable forward transactions balances pending settlement	412	
Financing received from Argentine financial institutions	85,217	3,110
Other	334,292	341,824
Interest and listed price differences accrued payable	210,353	122,049

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	4,033,346	3,274,387
OTHER LIABILITIES		
Fees payable	89	95
Other	146,865	135,912
	146,954	136,007
ALLOWANCES	299,684	265,698
SUBORDINATED CORPORATE BONDS		60,307
SUSPENSE ITEMS	3,309	33,788
OTHER SUBSIDIARIES LIABILITIES (Note 5)	1,520,945	1,413,387
TOTAL LIABILITIES	16,034,017	14,177,354
MINORITY INTEREST IN SUBSIDIARIES (Note 3)	181,495	172,236
STOCKHOLDERS EQUITY	1,771,263	1,710,926
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	17,986,775	16,060,516

Table of Contents**MEMORANDUM ACCOUNTS**

	<u>06/30/05</u>	<u>12/31/04</u>
DEBIT ACCOUNTS		
Contingent		
Credit lines obtained (unused portion)	29,189	
Guarantees received	4,402,241	5,240,258
Contra contingent debit accounts	2,558,696	2,990,328
	<u>6,990,126</u>	<u>8,230,586</u>
Control		
Receivables classified as irrecoverable	452,544	469,895
Other	25,361,304	29,063,225
Contra control debit accounts	205,063	207,304
	<u>26,018,911</u>	<u>29,740,424</u>
Derivatives		
Notional amount of non-deliverable forward transactions	123,361	28,173
Contra debit derivatives accounts	122,068	19,361
	<u>245,429</u>	<u>47,534</u>
For trustee activities		
Funds in trust	30,060	29,479
	<u>30,060</u>	<u>29,479</u>
TOTAL	<u>33,284,526</u>	<u>38,048,023</u>
CREDIT ACCOUNTS		
Contingent		
Credit lines granted (unused portion) covered by debtor classification regulations (Exhibit 1)	3,412	272,854
Guarantees provided to the BCRA	2,272,953	2,387,972
Other guarantees given covered by debtor classification regulations (Exhibit 1)	219,420	219,798
Other covered by debtor classification regulations (Exhibit 1)	62,911	109,704
Contra contingent credit accounts	4,431,430	5,240,258
	<u>6,990,126</u>	<u>8,230,586</u>
Control		
Items to be credited	149,545	173,837
Other	55,518	33,467
Contra control credit accounts	25,813,848	29,533,120

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	26,018,911	29,740,424
	<u> </u>	<u> </u>
Derivatives		
Notional amount of non-deliverable forward transactions	122,068	19,361
Contra debit derivatives accounts	123,361	28,173
	<u> </u>	<u> </u>
	245,429	47,534
	<u> </u>	<u> </u>
For trustee activities		
Contra credit accounts for trustee activities	30,060	29,479
	<u> </u>	<u> </u>
	30,060	29,479
	<u> </u>	<u> </u>
TOTAL	33,284,526	38,048,023
	<u> </u>	<u> </u>

The accompanying notes 1 through to 5 to the consolidated financial statements with subsidiaries and the Exhibit 1 are an integral part of these statements, which in turn are part of the stand-alone Financial Statements of BBVA Banco Francés S.A. and are to be read in conjunction therewith.

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CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2005 AND 2004

(Art. 33 of Law No. 19,550)

(Translation of financial statements originally issued in Spanish - See Note 17)

- Stated in thousands of pesos -

	<u>06/30/05</u>	<u>06/30/04</u>
FINANCIAL INCOME		
Interest on cash and due from banks	11,042	5,175
Interest on loans to the financial sector	6,280	1,088
Interest on overdraft	15,372	11,162
Interest on discounted instruments	8,236	3,643
Interest on real estate mortgage	20,837	22,888
Interest on collateral loans	1,520	445
Interest on credit card loans	11,144	9,169
Interest on other loans	67,806	45,057
Interest from other receivables from financial transactions	3,338	3,101
Income from secured loans - Decree 1387/01	147,687	111,267
Net income from government and private securities	66,954	76,322
Indexation by CER	385,807	180,685
Indexation by CVS		37,708
Other	49,648	43,710
	<u>795,671</u>	<u>551,420</u>
FINANCIAL EXPENSE		
Interest on checking accounts	7,504	8,310
Interest on savings deposits	1,635	2,220
Interest on time deposits	64,350	51,446
Interest on financing to the financial sector	142	404
Interest from other liabilities from financial transactions	11,917	10,829
Other interest	41,165	49,130
Net income from government and private securities	188,449	81,302
Indexation by CER	17,467	28,902
Other		
	<u>332,629</u>	<u>232,543</u>

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GROSS INTERMEDIATION MARGIN	GAIN	463,042	318,877
		<u> </u>	<u> </u>
ALLOWANCES FOR LOAN LOSSES		48,961	20,424
		<u> </u>	<u> </u>
SERVICE CHARGE INCOME			
Related to lending transactions		39,172	34,619
Related to liability transactions		92,912	75,225
Other commissions		157,130	140,822
Other		52,959	31,718
		<u> </u>	<u> </u>
		342,173	282,384
		<u> </u>	<u> </u>
SERVICE CHARGE EXPENSE			
Commissions		21,350	15,962
Other		11,827	11,987
		<u> </u>	<u> </u>
		33,177	27,949
		<u> </u>	<u> </u>

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(Contd.)

CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2005 AND 2004

(Art. 33 of Law No. 19,550)

(Translation of financial statements originally issued in Spanish - See Note 17)

- Stated in thousands of pesos -

	<u>06/30/05</u>	<u>06/30/04</u>
ADMINISTRATIVE EXPENSES		
Payroll expenses	193,829	164,303
Fees to Bank Directors and Statutory Auditors	142	150
Other professional fees	12,187	11,715
Advertising and publicity	15,721	13,066
Taxes	18,431	13,366
Other operating expenses	91,679	95,054
Other	34,873	28,189
	<u>366,862</u>	<u>325,843</u>
NET GAIN FROM FINANCIAL TRANSACTIONS	<u>356,215</u>	<u>227,045</u>
RESULTS OF MINORITY INTEREST IN SUBSIDIARIES	<u>(9,266)</u>	<u>(4,260)</u>
OTHER INCOME		
Income from long-term investments	2,069	17,719
Punitive interests	1,292	1,167
Loans recovered and reversals of allowances	40,131	359,236
Other	168,493	117,023
	<u>211,985</u>	<u>495,145</u>
OTHER EXPENSE		
Punitive interests and charges paid to BCRA	41	65
Charge for uncollectibility of other receivables and other allowances	151,337	233,707
Amortization of difference arising from judicial resolutions	108,840	98,380

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Other	228,035	224,232
	<u>488,253</u>	<u>556,384</u>
NET GAIN BEFORE INCOME TAX AND TAX ON MINIMUM PRESUMED INCOME	70,681	161,546
INCOME TAX AND TAX ON MINIMUM PRESUMED INCOME	10,344	194,257
NET INCOME/(LOSS) FOR THE PERIOD	<u>60,337</u>	<u>(32,711)</u>

The accompanying notes 1 through 5 to the consolidated financial statements with subsidiaries and the Exhibit 1 are an integral part of these statements, which in turn are part of the stand-alone Financial Statements of BBVA Banco Francés S.A. and are to be read in conjunction therewith.

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CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2005 AND 2004
(ART. 33 OF LAW No. 19,550)

(Translation of financial statements originally issued in Spanish - See Note 17)

-Stated in thousands of pesos-

	<u>06/30/05</u>	<u>06/30/04</u>
CHANGES IN CASH		
Cash and due from banks at beginning of fiscal year	1,666,617	1,639,154
Decrease in cash and due from banks	(336,756)	(200,856)
	<u>1,329,861</u>	<u>1,438,298</u>
Cash and due from banks at end of the period	1,329,861	1,438,298
REASON OF CHANGES IN CASH		
Financial income collected	628,877	293,320
Service charge income collected	341,784	282,052
Less:		
Financial expense paid	160,868	267,817
Services charge expense paid	33,177	27,942
Operating expenses paid	342,147	277,646
	<u>434,469</u>	<u>1,967</u>
FUNDS PROVIDED BY / (USED IN) ORDINARY OPERATIONS		
OTHER SOURCES OF FUNDS		
Net increase in deposits (*)	998,228	93,320
Net increase in other liabilities (*)	502	
Net decrease in government and private securities (**)		730,190
Net decrease in other receivables from financial transactions (**)		138,009
Other sources of funds (**)	105,192	152,687
	<u>1,103,922</u>	<u>1,114,206</u>
TOTAL OF SOURCES OF FUNDS		
USE OF FUNDS		
Net increase in government and private securities (**)		
Net increase in loans (**)	966,183	
Net increase in other receivables from financial transactions (**)	492,364	235,515
Net increase in other assets (**)	45,639	
Net decrease in deposits (*)	69,953	78,834
Net decrease in other liabilities from financial transactions (*)	93,403	567,331
Net decrease in other liabilities (*)		218,798

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Other uses of funds (*)	207,605	216,551
	<u> </u>	<u> </u>
TOTAL USES OF FUNDS	1,875,147	1,317,029
	<u> </u>	<u> </u>
DECREASE IN FUNDS	(336,756)	(200,856)
	<u> </u>	<u> </u>
<hr/>		
(*) Variations originated in financing activities	697,722	(909,360)
(**) Variations originated in investment activities	(1,468,947)	706,537

The accompanying notes 1 through to 5 to the consolidated financial statements with subsidiaries and the Exhibit 1 are an integral part of these statements, which in turn are part of the stand-alone Financial Statements of BBVA Banco Francés S.A. and are to be read in conjunction therewith.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
WITH SUBSIDIARIES AS OF JUNE 30, 2005 PRESENTED IN COMPARATIVE
FORM WITH THE BALANCE SHEET AS OF DECEMBER 31, 2004, AND THE
STATEMENTS OF INCOME AND CASH FLOWS AS OF JUNE 30, 2004
(ART. 33 OF LAW No. 19,550)**

(Translation of financial statements originally issued in Spanish - See Note 17)

-Stated in thousands of pesos-

1. SIGNIFICANT ACCOUNTING POLICIES AND SUBSIDIARIES

General rule

In accordance with the procedures set forth in BCRA's regulations and Technical Pronouncement No. 4 of the Argentine Federation of Professional Councils in Economic Sciences (modified by Technical Pronouncement No. 19), BBVA Banco Francés S.A. (BF) has consolidated - line by line - its balance sheets as of June 30, 2005 and December 31, 2004, and the statements of income and cash flows for the periods ended June 30, 2005 and 2004, as per the following detail:

- a) With the financial statements of Credilogros Cía. Financiera S.A., Francés Valores Sociedad de Bolsa S.A., Atuel Fideicomisos S.A. and its subsidiary and PSA Finance Argentina Cía Financiera S.A., for the six-month periods ended June 30, 2005 and 2004.
- b) With the financial statements of Consolidar Administradora de Fondos de Jubilaciones y Pensiones S.A., Consolidar Cía. de Seguros de Vida S.A. and its subsidiary, and Consolidar Cía. de Seguros de Retiro S.A. and its subsidiary, for the fiscal years ended June 30, 2005 and 2004.

The results of Consolidar Administradora de Fondos de Jubilaciones y Pensiones S.A., Consolidar Cía. de Seguros de Vida S.A. and its subsidiary and Consolidar Cía. de Seguros de Retiro S.A. and its subsidiary, have been adjusted for purposes of comparison of the periods of companies consolidating on the basis of a six-month period ended on June 30, 2005 and 2004.

As of December 31, 2004:

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- a) With the financial statements of Credilogros Cía. Financiera S.A., Francés Valores Sociedad de Bolsa S.A., PSA Finance Argentina Cía Financiera S.A. and Atuel Fideicomisos S.A., for the fiscal year ended December 31, 2004.

- b) With the financial statements of Consolidar Administradora de Fondos de Jubilaciones y Pensiones S.A., Consolidar Cía. de Seguros de Vida S.A. and its subsidiary, and Consolidar Cía. de Seguros de Retiro S.A. and its subsidiary, for the six-month period ended December 31, 2004.

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Interests in subsidiaries as of June 30, 2005 and the end of the previous year are listed below:

Companies	Type	Shares		Interest percentage in			
		Quantity		Total Capital		Possible Votes	
		06/30/05	12/31/04	06/30/05	12/31/04	06/30/05	12/31/04
Francés Valores Soc. de Bolsa S.A.	Common	12,137	3,199	99.9700	99.9700	99.9700	99.9700
Atuel Fideicomisos S.A.	Common	13,099,869	13,099,869	99.9999	99.9999	99.9999	99.9999
Consolidar A.F.J.P. S.A.	Common	75,846,794	1,899,600	53.8892	53.8892	53.8892	53.8892
Consolidar Cía. de Seguros de Vida S.A.	Common	7,383,719	197,875	65.9582	65.9582	65.9582	65.9582
Consolidar Cía. de Seguros de Retiro S.A.	Common	25,033,867	200,000	66.6667	66.6667	66.6667	66.6667
PSA Finance Argentina Cía Financiera S.A.	Common	9,000	9,000	50.0000	50.0000	50.0000	50.0000
Credilogros Cía. Financiera S.A.	Common	39,700,000	39,700,000	69.5271	69.5271	69.5271	69.5271

Assets, liabilities and subsidiaries' stockholders' equity balances in accordance with the criteria defined in Note 2 below, as of June 30, 2005 and the end of the previous year and net income balances as of June 30, 2005 and 2004, are listed below:

Companies	Assets		Liabilities		Stockholders Equity		Net income/ gain-(loss)	
	06/30/05	12/31/04	06/30/05	12/31/04	06/30/05	12/31/04	06/30/05	06/30/04
	Francés Valores Soc. de Bolsa S.A.	10,027	7,864	1,330	219	8,697	7,645	2,054
Atuel Fideicomisos S.A. and its subsidiary	20,427	18,794	9,420	3,294	11,007	15,500	(4,491)	1,944
Consolidar A.F.J.P. S.A.	319,594	312,003	62,424	64,771	257,170	247,232	9,938	5,764
Consolidar Cía. de Seguros de Vida S.A. and its subsidiary	377,383	307,535	300,395	234,136	76,988	73,399	3,589	9,415
Consolidar Cía. de Seguros de Retiro S.A. and its subsidiary	1,284,342	1,233,896	1,240,793	1,197,246	43,549	36,650	6,899	382
PSA Finance Argentina Cía Financiera S.A.	46,446	30,196	23,580	8,103	22,866	22,093	773	(563)
Credilogros Cía. Financiera S.A.	103,434	105,876	68,138	73,124	35,296	32,752	2,544	(2,018)

2. VALUATION METHODS

- 2.1. The financial statements of the subsidiaries have been prepared based on similar methods to those applied by BF for preparing its own financial statements, in connection with assets and liabilities valuation, income measurement and restatement procedure as explained in note 2 to the stand-alone financial statements of BF, except for:

Consolidar AFJP S.A.: the intangible assets of this subsidiary were amortized in accordance with the standards of the A.F.J.P.'s Superintendencia.

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Consolidar A.F.J.P. S.A., Consolidar Cía. de Seguros de Retiro S.A. and Consolidar Cía. de Seguros de Vida S.A.: loans secured by the National Government - Decree 1387/01 held by these subsidiaries were valued in accordance with the regulations of the Superintendence of Pension Fund Administrators (A.F.J.P) and the National Superintendence of Insurance.

Up to the 2003 year-end, as long as the tax on minimum presumed income exceeded income tax (TOMPI), the Subsidiaries recorded under Other Receivables - Tax Advance account, a credit for the TOMPI.

As of December 31, 2004 as Consolidar Cía. de Seguros de Retiro S.A. and Consolidar Cía. de Seguros de Vida S.A. maintained such item during this year, the 4,897 (loss) was adjusted for purposes of consolidation so as to apply an accounting criterion being uniform with that of BF. Credilogros Cía. Financiera S.A. and PSA Finance Argentina Cía. Financiera S.A., recorded an adjustment to earnings of prior years in this respect for an amount of 1,062 (loss) in their financial statements.

On the financial statements as of June 30, 2004 presented for comparative purposes, the mentioned adjustment had an effect on the items Income tax and tax on minimum presumed income of the Statement of Income for 2,552 (increase) and Results of Minority Interest in Subsidiaries for 862 (increase).

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Moreover, the adjustments described in note 2.3.k) affected, in the consolidated balance sheet as of December 31, 2004 presented for comparative purposes, the items Other receivables by 84 (decrease), Investments in other companies by 115 (decrease) and Minority interest in subsidiaries by 42 (increase), and in the consolidated income statement as of June 30, 2004 presented for comparative purposes, the items Service charge expense by 7 (decrease), Other income by 12 (increase) and Results of minority interest in subsidiaries by 3 (increase).

- 2.2. Consolidar Cía de Seguros de Retiro S.A.: the Company included the balance from the technical commitments incurred with the insured in the Other Liabilities caption. The abovementioned caption includes 56,137 corresponding to the regularizing account called Unaccrued secured loans valuation difference which, as established by the Superintendence of Insurance, will be settled through subsequent accrual of the regularizing accounts of secured loans. In accordance with current professional accounting standards, such amount should have been recorded as a loss for the year ended December 31, 2003.

3. MINORITY INTEREST IN SUBSIDIARIES

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

	<u>06/30/05</u>	<u>12/31/04</u>
Consolidar Administradora de Fondos de Jubilaciones y Pensiones S.A.	118,581	113,999
Consolidar Cía. de Seguros de Vida S.A.	26,207	24,986
Consolidar Cía. de Seguros de Retiro S.A.	14,515	12,216
Credilogros Compañía Financiera S.A.	10,755	9,978
Francés Valores Sociedad de Bolsa S.A.	5	5
Atuel Fideicomisos S.A.		4
PSA Finance Argentina Cía Financiera S.A.	11,432	11,048
	<u>181,495</u>	<u>172,236</u>

4. RESTRICTIONS ON ASSETS

- a) Francés Valores Sociedad de Bolsa S.A. (stock broking company) holds shares of Mercado de Valores de Buenos Aires S.A, booked in the amount of 4,400. These shares have been pledged in favor of HSBC - La Buenos Aires Cía. Argentina de Seguros S.A. in security of the contract this insurance company executed with Mercado de Valores de Buenos Aires S.A. to cover the latter's guaranteeing any noncompliance of stock broking companies with their obligations.
- b) See note 6 to the stand-alone financial statements of BBVA Banco Francés.

5. BREAKDOWN OF MAIN ITEMS

Detailed below are the balances of those accounts that show significant variations in relation to the figures that arise from the financial statements of BF:

	<u>06/30/05</u>	<u>12/31/04</u>
GOVERNMENT SECURITIES		
Holdings in investment accounts		
Argentine Republic External Bills (VEY4D)		594,593
Federal Government Bonds (LIBOR 2012)	77,228	78,384
Treasury bills		58,169
Discount Bonds in pesos	360,516	
Discount Bonds in US dollar	205,968	
Others	463	11,756
Total	644,175	742,902

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	<u>06/30/05</u>	<u>12/31/04</u>
Holdings for trading or financial transactions		
Treasury Bills		9,032
Middle Term Treasury Bonds (BONTE 2002)		5,165
Federal Government Bonds 2008 (BODEN 2008)	89,016	53,792
Federal Government Bonds LIBOR 2012	60,729	29,701
Buenos Aires City Bond	6,788	
Federal Government Bonds LIBOR 2013	10,130	3,088
Discount Bonds in pesos	426,520	
Federal Government Bonds 2007 (BODEN 2007)	43,050	
Cuasipar Bonds in pesos	6,991	
Argentine Republic External Bills		8,057
Others	6,864	19,953
Total	650,088	128,788
Unlisted government securities		
Secured Bonds due in 2018	213,803	451,121
Tax credit certificates due in 2003/2006	20,335	41,151
Others	613	630
Total	234,751	492,902
Instruments issued by the BCRA		
BCRA Bills (LEBAC)	2,017,798	958,979
BCRA Notes (NOBAC)	191,034	40,584
Total	2,208,832	999,563
PRIVATE SECURITIES		
Investments in listed private securities		
Acindar S.A. Corporate Bonds	10,483	8,581
Edesur S.A. Corporate Bonds	28,517	28,462
Telefónica de Argentina S.A. Corporate Bonds	36,552	40,344
Tarjeta Naranja Corporate Bonds	7,276	
Tarjeta Naranja Trust	8,592	8,270
Tenaris	4,656	
Consultatio Brazil Fund	3,017	
Grupo Financiero Galicia S.A.	5,270	7,108
Galtrust 1 Financial Trust	3,014	2,654
FBA Renta Pesos	9,533	23,104
Petrobras Energía S.A.	7,414	9,043
Roble Pesos Class 1	5,128	2,003
Optimun CDB Pesos- Class B	10,242	7,307
1784 Inversion Pesos Class A	5,458	3,224
FBA Calificado Clase B	3,857	3,605
Rembrandt Amro Ahorro Pesos	5,374	
Super ahorro pesos- Clase B	4,692	

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Others	22,293	35,507
Total	181,368	179,212
Allowances	(22,501)	(66,419)
Total	3,896,713	2,476,948

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	<u>06/30/05</u>	<u>12/31/04</u>
OTHER SUBSIDIARIES' ASSETS		
Premium receivables from insurance companies	17,897	16,431
Others related to insurance business	3,884	15,911
Total	21,781	32,342
OTHER SUBSIDIARIES' LIABILITIES		
Insurance companies, claims in adjustment process	260,637	312,638
Fluctuation fund Consolidar Cía de Seguros de Retiro S.A.	87,679	90,470
Insurance companies, mathematical reserve	1,297,554	1,235,383
Insurance companies, reinsurer's reserve	(10,288)	(79,191)
Difference arising from secured loans accrued valuation	(56,317)	(58,458)
Benefit pending of integration Resolution No. 29.796	(130,025)	(114,266)
Others related to insurance business	71,705	26,811
Total	1,520,945	1,413,387

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**CONSOLIDATED CLASSIFICATION OF FINANCING FACILITIES BY
CATEGORIES AND GUARANTIES RECEIVED
AS OF JUNE 30, 2005 AND DECEMBER 31, 2004**

(Translation of financial statements originally issued in Spanish-See Note 17)

-Stated in thousands of pesos-

	<u>06/30/05</u>	<u>12/31/04</u>
COMMERCIAL PORTFOLIO		
Normal performance		
Preferred collaterals and counter guaranty A	6,253,109	7,084,116
Other collaterals and counter guaranty B	26,163	23,919
Without senior security or counter guaranty	2,341,979	1,717,505
In potential risk		
Other collaterals and counter guaranty B	7,140	8,465
Without senior security or counter guaranty	143,230	200,830
Nonperforming		
Other collaterals and counter guaranty B		44
Without senior security or counter guaranty	39,206	41,167
With high risk of uncollectibility		
Other collaterals and counter guaranty B		411
Without senior security or counter guaranty	46,790	23,796
Uncollectible		
Other collaterals and counter guaranty B		2,577
Without senior security or counter guaranty		21,577
Total	<u>8,857,617</u>	<u>9,124,407</u>

Table of Contents**EXHIBIT 1****(Contd.)**

**CONSOLIDATED CLASSIFICATION OF FINANCING FACILITIES BY
CATEGORIES AND GUARANTIES RECEIVED
AS OF JUNE 30, 2005 AND DECEMBER 31, 2004**

(Translation of financial statements originally issued in Spanish-See Note 17)

-Stated in thousands of pesos-

	<u>06/30/05</u>	<u>12/31/04</u>
CONSUMER AND HOUSING PORTFOLIO		
Normal performance		
Preferred collaterals and counter guaranty A	8,318	5,254
Other collaterals and counter guaranty B	406,108	394,996
Without senior security or counter guaranty	739,701	692,920
Inadequate performance		
Other collaterals and counter guaranty B	4,752	3,444
Without senior security or counter guaranty	4,599	4,403
Deficient performance		
Preferred collaterals and counter guaranty A	1,138	
Other collaterals and counter guaranty B	4,513	3,880
Without senior security or counter guaranty		7,423
Unlikely to be collected		
Other collaterals and counter guaranty B	1,454	1,377
Without senior security or counter guaranty	6,590	3,330
Uncollectible		
Other collaterals and counter guaranty B	5,223	7,839
Without senior security or counter guaranty	4,536	3,563
Uncollectible, classified as such under regulatory requirements		
Other collaterals and counter guaranty B	25	51
Without senior security or counter guaranty	125	81

Total	1,187,082	1,128,561
General Total (1)	10,044,699	10,252,968

- (1) Items included: Loans (before allowances and difference arising from purchase of portfolio); Other receivables from financial transactions: Unlisted corporate bonds, Other receivables covered by debtor classification regulations, Interest accrued and pending collection covered by debtor classification regulations; Assets subject to financial leasing (before allowances); Other receivables: Receivables from sale of goods and interest accrued on receivables from sale of goods; Contingent credit balance memorandum accounts: Credit lines granted (unused portion) covered by debtor classification regulations, Other guaranties given covered by debtor classification regulations and Other covered by debtor classification regulations.

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INDEPENDENT ACCOUNTANTS'

LIMITED REVIEW REPORT

To the President and Directors of

BBVA BANCO FRANCÉS S.A.

Reconquista 199

Buenos Aires

1. Identification of the financial statements subject to review

We have reviewed the accompanying balance sheet of BBVA BANCO FRANCÉS S.A. as of June 30, 2005 and the related statements of income, changes in stockholders' equity and cash flows for the six-month period then ended, with their notes 1 to 16 and supplemental exhibits A through L and N thereto (all expressed in thousands of pesos).

We have also reviewed the consolidated balance sheet of BBVA BANCO FRANCÉS S.A. and subsidiaries (listed in note 1 to the consolidated financial statements) as of June 30, 2005 and the related consolidated statements of income and changes in cash flows for the six-month period then ended, with their notes 1 to 5 and exhibit 1, presented as supplementary information.

These financial statements are the responsibility of the Bank's Board of Directors. Our responsibility is to issue a limited review report on such financial statements, based on our work performed with the scope described in caption 2.

2. Scope of the review

We conducted our review in accordance with auditing standards generally accepted in Argentina for limited reviews of interim financial statements, and the Minimum Standards for External Audits for the limited review of quarterly financial statements established by the Argentine Central Bank (BCRA). This review is substantially less in scope than an audit of financial statements conducted in accordance with generally accepted standards, the objective of which is to express an opinion regarding the financial statements taken as a whole. Accordingly, we do not express an opinion on the financial statements mentioned in caption 1.

3. Prior explanations to our limited review report

- a) As more fully explained in Notes 15, 15.1.6 and 15.1.7 to the accompanying financial statements, the Bank's Board of Directors describes its view in the following terms: given the favorable evolution of economic variables and as a result of the actions implemented by the Bank, its main variables are showing an improvement. In this respect, the Bank's Board of Directors emphasizes:

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1. the restructuring of a substantial part of Argentina's sovereign debt in default since late 2001, taking place during February 2005, which will give the National Government financial relief to comply with the repayments of the recently restructured debt and to continue complying with the repayments of the debt restructured during 2002 (primarily the Secured Loans issued by the National Government). As of June 30, 2005, the Entity holds among its assets government securities and credit assistance granted to the public sector which have been either restructured or are in the final phase of the restructuring process, for the amounts stated in note 15.1.2. to the accompanying financial statements; and

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2. the issuance of the resolution by the Superintendent of Financial and Exchange Institutions on February 23, 2005 indicating the compliance with the Regularization and Reorganization Plan that the Bank filed with the B.C.R.A.

- b) As of June 30, 2005, and as more fully discussed in notes 15.1.3. and 3.II.c) to the accompanying financial statements, as allowed by the standards issued in this respect by the B.C.R.A., the Bank presented net assets for 658,012 thousands of pesos, in account Organization and Development Non-Deductible Expenses under the item Intangible Assets, to reflect the balances arising from the compliance with court rulings ordering the refund of deposits in the financial system, in accordance with the provisions of Law No. 25,561, Decree 214/02 and supplementary regulations. Although the Bank estimates that there are possibilities of compensation or recovery of the losses resulting from this situation, it is not possible to predict the final outcome of this matter.

- c) Note 3 to the financial statements shows the differences between the accounting standards established by the BCRA used for the preparation of the financial statements referred to in caption 1 and the accounting principles generally accepted in Buenos Aires City. In addition, other differences with respect to the accounting principles generally accepted in Buenos Aires City are detailed in Note 2 to the consolidated financial statements.

- d) We have audited the Bank's financial statements as of December 31, 2004 (opening balances), whose individual and consolidated balance sheet and their respective supplementary information have been presented comparatively and on which we issued our independent auditor's report dated March 4, 2005, to which we refer, including a qualified opinion due to: (i) the uncertainty indicated in point b) under this caption and (ii) divergences from the accounting principles generally accepted in Buenos Aires City.

Additionally, we have reviewed the financial statements for the six-month period ended June 30, 2004, whose statement of changes in stockholders' equity and individual and consolidated statements of income and of cash flows and their respective supplementary information have been presented comparatively and on which we issued our limited review report dated August 11, 2004, to which we refer, which included a disclaimer due to the limitations to the scope of our professional work and to the very significant and pervasive effects on these financial statements of the uncertainties existing at that date related to:

- i) the recoverable value of government securities and credit assistance granted to the government sector;

- ii) the asset recorded for the expected compensation for payments to depositors made under court orders;

- iii) the determination of the final amount of compensation generated by the devaluation and conversion into pesos established by Decrees 905/2002 and complementary issued by National Government; and

- iv) the compliance of the Regularization and Reorganization Plan submitted by the Bank to the BCRA.

In addition, such report disclosed the existence of certain divergences from the accounting principles generally accepted in Buenos Aires City.

The uncertainties mentioned in points (i), (iii) and (iv) have already been resolved at the date of issuance of this report.

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4. Limited review report

Based on our limited review performed with the scope indicated in caption 2, which did not include all the procedures necessary to enable us to express an opinion on the financial statements referred to in caption 1, we are in a position to report that:

- a) the financial statements of BBVA BANCO FRANCÉS S.A. both individually and consolidated with its subsidiaries companies as of June 30, 2005, give consideration to all the significant facts and circumstances of which we are aware of; and
- b) we do not have any observations to mention on the referred financial statements other than those indicated under caption 3.

As described in note 17 to the stand-alone financial statements, the effects of the differences between the accounting standards of the BCRA (which differ from the accounting principles generally accepted in Buenos Aires City Argentina for the matters mentioned in Note 3 to the financial statements), and the accounting principles generally accepted in the countries in which the accompanying financial statements are to be used have not been quantified. Accordingly, they are not intended to present the financial position in accordance with accounting principles generally accepted in the countries of the users of the financial statements, other than Argentina. This report was prepared in accordance with auditing standards generally accepted in Argentina for limited reviews of interim financial statements and the Minimum Standards for External Audits established by the BCRA. The translation into English of the financial statements described in caption 1 and of this independent accountants' limited review report has been made solely for the convenience of English-speaking readers.

Buenos Aires, August 10, 2005

DELOITTE & Co. S.R.L.

CARLOS B. SRULEVICH
Partner

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SIGNATURES

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

BBVA French Bank S.A.

Date: September 2, 2005

By: /s/ Marcelo G. Canestri

Name: Marcelo G. Canestri
Title: Chief Financial Officer