

fiscal years. Since the repeal of the Convertibility Law in January 2002, the peso has devalued approximately 413.70% vis-à-vis the dollar.

	December 31,				
	2012	2011	2010	2009	2008
Devaluation Rate	14.27%	8.23%	4.72%	9.93%	9.61%
Exchange Rate	4.9173	4.3032	3.9758	3.7967	3.4537
Inflation Rate ⁽¹⁾	13.13%	12.67%	14.56%	10.26%	8.98%

(1) The inflation rate presented is the general WPI published by the INDEC.

B. Capitalization and indebtedness

Not applicable.

C. Reasons for the offer and use of proceeds

Not applicable.

D. Risk Factors

Factors Related to Argentina

Overview

We are an Argentine corporation (sociedad anónima) and substantially all of our operations, properties and customers are located in Argentina. Accordingly, the quality of our assets, our financial condition and our results of operations depend primarily on macroeconomic and political conditions prevailing in Argentina. In 2001, the Argentine economy suffered a severe economic and political crisis ("the Argentine Crisis"), but was able to recover during Nestor Kirchner's term as President, which ended in 2007. Kirchner was succeeded by Cristina Fernández de Kirchner, who was reelected for another four year term on October 23, 2011. The global financial crisis since 2008 (the "Global Financial Crisis") led to lower growth and a moderate rise in unemployment, but did not affect the stability of Argentina's financial system (see *Item 4. Information on the Company—Recent Political and Economic Developments in Argentina - Macroeconomic Environment*).

Although the economic policies implemented by the Kirchner administrations have succeeded in the short- and mid-term, there still remain issues to be resolved, such as:

- § contracts with privatized public utilities, and the elimination of subsidies to the energy and gas companies that could affect consumption levels;
- § increasing inflation affecting competitiveness and economic growth;
- § availability of long-term fixed interest rate loans;
- § high commodity prices have had a favourable impact on economic activities in recent years, but are very volatile and out of the Government's scope of control;
- § recent measures implemented by the Government to control imports led to the imposition of barriers to Argentine exports to trading parties and had a negative impact on economic activities during 2012;
- § the Government has issued several measures that have limited the access to the purchase of foreign currency, which has caused certain uncertainty especially to dollar-denominated deposit holders; and
- § a significant intervention by the Government in the private sector, including through the expropriation of YPF, the country's largest oil and gas company.

High inflation rate expectations could negatively affect the Argentine economy in general, including access to the long-term financing market.

In the event of an acceleration of inflation rates, Argentine exports could lose competitiveness in international markets and private consumption could decline, causing a negative effect on economic activity and employment. Moreover, a high inflation rate could undermine confidence in the Argentine financial system in general, and this would negatively affect the business volume of banks, including BBVA Francés, and could potentially hinder the interest margin of long-term and fixed interest rates loans, although currently these loans are not a significant part of the Bank assets.

There exists a discrepancy between statistical data published by National Institute for Statistics and Census ("INDEC") referring to the CPI (consumer price index) for the Greater Buenos Aires area (the "CPI-GBA"), CPI indexes corresponding to the different Argentine regions/provinces and private estimates. This generates uncertainty about the country's actual inflation rate and does not contribute to anchor inflation expectations. It is to be noted that assets indexed by Coeficiente de Estabilización de Referencia ("CER") are adjusted according to the CPI-GBA.

Impositions of sanctions on Argentina by international organizations such as the declaration of censure recently issued by the International Monetary Fund (IMF) against Argentina due to the inaccuracy of certain official data reported, could negatively affect Argentina's access to international financial markets.

Following several warnings about the quality of the official data reported by Argentina to the IMF regarding the CPI-GBA, the gross domestic product (the "GDP") and the non-implementation of remedial measures to produce accurate inflation and growth related statistics, the IMF issued on February 1, 2013 a declaration of censure against Argentina "in connection with its breach of obligations to the IMF under the Articles of Agreement". This is the first sanction imposed by the IMF to Argentina, but this is not an economic fine. Argentina must adopt remedial measures to address the inaccuracy of the mentioned indices without further delay, and no later than September 29, 2013. After that, the Managing Director is required to report to the Executive Board by November 13, 2013 on the status of Argentina's implementation of the above mentioned remedial measures. If the Managing Director considers that Argentina failed to implement any of the actions called for in the declaration of censure within the specified timeframe, the Managing Director may issue a complaint to the Executive Board and recommend that the Executive Board declare the member ineligible to use the general resources of the IMF. The Executive Board will again review this issue and will decide on this ineligibility, and it may inform that the member's persistence in its failure to fulfill its obligations following the declaration of ineligibility may result in the issuance of a complaint for the suspension of the member's voting and related rights.

The imposition of further sanctions could eventually result, in the long term, in Argentina's exclusion from the IMF. Were Argentina excluded as a member of the IMF, Argentine companies such as BBVA Francés, could suffer adverse consequences, either by jeopardizing their access to international financial markets or by having to pay increasing interest rates in order to obtain financing. Furthermore, it could also negatively affect foreign investments in Argentina. These adverse effects, however, could be mitigated by the fact that Argentina has not requested to the IMF any kind of financings since 2005.

A considerable decrease in the public sector balance could negatively affect the Argentine economy, and access to international financial markets.

Commencing in 2005, public expenditure began to increase more than public revenues. Thus, the primary fiscal surplus of the central public non-financial sector fell from 3.9% of GDP in 2004 to 0.3% of GDP in 2011. During 2012 there was a primary fiscal deficit of Ps.4.37 billion, while the operational fiscal deficit was Ps.55.56 billion representing a 81.2% of increase as compared to the deficit of the prior year. Moreover, the primary fiscal balance could be negatively affected in the future if public expenditure continues to increase at a rate higher than revenues due to subsidies to lower-income sectors, social security benefits, financial assistance to provinces with financial problems, increased spending on public works and subsidies to the energy and transportation sectors.

A further deterioration in fiscal accounts could negatively affect the Government's ability to access the long-term financial markets and could in turn result in more limited access to such markets by Argentine companies. BBVA Francés could therefore be adversely affected by such limitation.

A recent decision by a U.S. District Judge requiring Argentina to pay 100% of the principal and interest in arrears due to certain holders of bonds issued by Argentina and even subjecting the paying agent to injunction, could, if ratified by the NY Court of Appeals, result in Argentina's default on its payment obligations, negatively affecting its access to international financial markets.

The plaintiffs in this case are holders of sovereign bonds issued by the Argentine Republic pursuant to a Fiscal Agency Agreement prior to Argentina's default on its payments obligations ("FAA Bonds"). The plaintiffs bonds are in default, and are the subject of federal court judgements which are unsatisfied.

In 2005 and again in 2012, Argentina made exchange offers to the holders of FAA Bonds, pursuant to which bondholders who tendered their FAA Bonds received new Bonds (“Exchange Bonds”). As the result of the two exchange offers, approximately 91% of the FAA Bonds were tendered, and the Exchange Bonds are currently held by Argentina. The plaintiff’s FAA Bonds were not tendered in the exchange offer.

Argentina has stated that it does not intend to make further payments on the plaintiffs’ unexchanged FAA Bonds. Further, Argentina adopted legislation, referred to as the Lock Law, that prohibited the Argentine state from making any payment on pay the unexchanged FAA Bonds.

The plaintiffs applied to the United States District Court for the Southern District of New York for a determination that Argentina’s conduct in making full payment on the Exchange Bonds while making no payments on the FAA Bonds constituted a breach of the Pari Passu Clause (equal treatment of all bondholders) included in the FAA Bonds. The matter was referred to Judge Thomas Griesa, who has been assigned to hear all matters arising out of Argentina’s 2001 default. In a series of rulings running from December 2011 through October 2012, Judge Griesa held that Argentina breached the Pari Passu Clause by lowering the rank of the FAA Bonds in violation of the said clause, by making payments under the Exchange Bonds, while persisting on its refusal to satisfy its payment obligations currently due under the terms of the plaintiffs’ FAA Bonds.

The Second U.S. Circuit Court of Appeals initially ratified Griesa’s interpretation and asked the Judge to specify a formula for payments to the plaintiff. The formula, which was announced in November 2012, implied paying 100% of the capital and interest in arrears due on the bonds under litigation. Furthermore, it included the agent of payment Bank of New York Mellon (“BoNY”) in the injunction, meaning that funds paid to BoNY for payment to the exchange bondholders are potentially available for payment instead to the plaintiffs. This interpretation constituted the worst possible scenario for Argentina, and the market reacted with an extensive sale-off of Argentine sovereign bonds and a skyrocketing price for Argentine credit default swaps.

After an appeal by Argentina against the decision, the NY Appeals Court placed a stay on Griesa’s decision and is currently reviewing it. It should be noted, however, that “pari passu” provision (or equal treatment of all bondholders) is not subject to review and, thus, holdout bondholders have the right to eventually receive payments from Argentina under their bonds. Only the formula that results in 100% of such payments being required is subject to review.

On February 27, 2013 a hearing was held by the Second U.S. Circuit Court of Appeals where the parties exposed their arguments. After the hearing the Court requested Argentina to state in writing on or before March 29, 2013, the precise terms of any alternate payment formula and schedule to which it is willing to commit.

The legal process will therefore continue during the 2013, but a negative ruling for Argentina cannot be discarded, which could lead to a default in the payment of Argentina’s obligations currently being serviced. The macroeconomic impact of an unfavourable ruling could lead to a further financial isolation of Argentina, and companies, such as BBVA Francés, and a denial from accessing to international markets in order to obtain financing.

A series of restrictions in the foreign exchange markets recently imposed by the Argentine Government could have a material adverse effect on the results and the solvency of the financial system.

The Argentine Government has issued since October 2011 until the present date, a series of measures restricting the access of private sectors to the foreign exchange markets.

Decree Nr. 1722 was issued in October 2011 eliminating a prior exception for oil and mining companies and thus requiring these companies to settle in the foreign exchange market all their export receipts.

Moreover, the National Insurance Bureau, issued in October 2011, Resolution Nr. 36,162 imposing the obligation for insurance companies to have all their investments and liquid assets allocated in Argentina.

In addition, as from January 2012, the National Tax Bureau must be notified in advance and approve all import operations. This restriction contributed to a decrease in imports (with a negative impact on industrial activities using imports and spare parts) which led to a decrease in the volume of trade financing and negatively impacted our business. Limitations on foreign currency purchases resulted in a decrease in the volume of foreign trade commissions in foreign currency sales.

Finally, Communication “A” 5318, dated July 5, 2012, forbid the purchase of foreign currency by local individuals and companies, except for the purchase of foreign currency for tourism purposes.

The new regulations issued during 2012 regarding the access to foreign currencies led to a 46% withdrawal of dollar denominated deposits in of private sector as of December 31, 2012. A more detailed explanation of said measures is included in *“Item 10. Additional Information – Exchange Controls”*.

These restrictions resulting in a withdrawal of dollar denominated deposits, led in turn to a contraction in dollar denominated loans related export finance (the lending capacity in foreign currencies are provided by Bank deposits in foreign currencies), which could have a material adverse effect on the Argentine financial system, including BBVA Francés, our result of operations and financial condition.

Government measures designed to exercise greater control over funds entering the country may disrupt our ability to access the international capital markets.

Argentina’s executive branch enacted Decree Nr. 616/05 to regulate funds coming into and flowing out of Argentina in order to maintain stability and support the economic recovery of the country. These measures require that 30% of the funds remitted to Argentina must be deposited in an account with a local financial institution as a U.S. dollar deposit for one year, without accruing interest. Financial sector and non-financial private sector inflows originated from foreign financial borrowings that are invested in non-financial assets and must be fully repaid (principal and interest) within 24 months from the date of the borrowing are not subject to the foregoing deposit requirement. These measures may adversely affect the Argentine entities’, including BBVA Francés, ability to access the international capital markets and to effectively invest the funds raised in any such financing, which could materially adversely affect Argentine entities’ financial condition and results of operations.

Conditions in the global financial markets and economy have yet to normalize and may materially adversely affect the Bank’s business and profitability.

The outlook for the global economy over the near- to medium-term remains challenging as the global financial system has yet to fully stabilize. Results of operations in the past have been, and in the future may continue to be, materially affected by many factors of a global nature, including political, economic and market conditions; the availability and cost of capital; the liquidity of global markets; the level and volatility of equity prices, commodity prices and interest rates; currency values and other market indexes; technological changes and events; the availability and cost of credit; inflation, the stability and solvency of financial institutions and other companies; investor sentiment and confidence in the financial markets; or a combination of these factors.

While there are additional signs of global recovery, it is not yet certain whether the global recovery will continue or reverse. The economic impact of a worsening global financial scenario in Argentina in general, and in the Bank, in particular, will be limited given the isolation of Argentina in the international capital markets and the low level of foreign investment in the country. If there is, however, a significant drop in commodity prices and a contraction in external demand which affects domestic economic growth and private consumption the Bank’s business could be adversely affected.

As a consequence of Financial Action Task Force’s (“FATF”) evaluation report on Anti-Money Laundering and Combating Financing of Terrorism, Argentina has to implement measures in order to comply with FATF’s recommendations. In the event these measures are not correctly addressed, Argentina could find difficulties in obtaining financing and attracting direct foreign investments.

In October 2010, FATF issued a report on Anti-Money Laundering and Combating the Financing of Terrorism in Argentina, stating that since the last evaluation, finalized in June 2004, Argentina has not made adequate progress in addressing a number of deficiencies identified at the time.

Moreover, in February 2011, Argentina, represented by the Minister of Justice, attended the FATF Plenary in Paris, in order to present a preliminary action plan. Notwithstanding that, FATF has granted an extension until June 2011 to work closely with Argentina and will consider its next steps in the context of the enhanced follow-up process.

During the last semester of 2011, Argentina issued a series of new laws regarding financial and economic crimes together with market manipulation, that were considered an important progress in Argentina’s action plan.

Despite Argentina having remediated five out of the six key material deficiencies identified by the report issued by FATF on Anti-Money Laundering and Combating the Financing of Terrorism, it still has a pending action plan for the total fulfilment of all recommendations set forth in such report. Non-compliance with such report could limit the Bank’s access to foreign financial markets.

Factors Related to BBVA Francés

The short term structure of the deposit base of the Argentine financial system, including the Bank, could lead to a reduction in liquidity levels and limit the long-term expansion of financial intermediation.

After the Argentine Crisis, the volume of financial activity regarding deposits and loans was severely reduced.

Between 2003 and 2007, a gradual and increasing recovery of deposits levels took place. But because of the Global Financial crisis, these levels were reduced during 2008 and further improved during the last semester of 2009, 2010, 2011 and 2012.

Such recovery resulted in an improvement of the liquidity of the financial system.

Notwithstanding that, liquidity problems are not totally overcome. Because most of the deposits in the Argentine financial system are demand deposits and time deposits (which have terms of less than 90 days), the financial system could be exposed to other risks, such as: (i) term mismatch for entities that decided to enter into long term loans; (ii) sudden interest rates increases; (iii) and certain limitations to the expansion of long term loans due to deposit volatility.

This could increase the risk of low liquidity levels and increased funding cost in the event of a withdrawal of significant portions of the deposit base of the financial system, including BBVA Francés.

The instability of the regulatory framework, in particular the regulatory framework affecting financial entities, could have a material adverse effect in financial entities activities, such as the Bank.

Since the beginning of Cristina Kirchner's second term as President, a series of new regulations have been issued, mainly regulating the foreign exchange market and new capital requirements for financial institutions.

In this regard, Communications "A" 5272 and 5273 of the Central Bank, dated February 1, 2012, increased the capital requirements for financial institutions carrying out activities in Argentina. These Communications require certain minimum capital levels in order to support operational risks and the distribution of dividends, and an additional capital buffer equivalent to 75% of the total capital requirements.

The Central Bank has stated that these new requirements are based on the credit risk measure required by Basel II.

It must be stressed that the Bank, taking into consideration the new capital requirements for operational risks, still has an excess of capital as of December 31, 2012 with respect to the minimum capital requirements of the Communications, of Ps. 1,231 million. Notwithstanding that, as a consequence of the additional 75% capital buffer requirement, the Bank will not distribute dividends to its shareholders during the present fiscal year. The amount of the shortfall that prohibits us from distributing dividends to our shareholders, as required by the BCRA, amounts to Ps.1.3 billion. The Bank is legally entitled to pay dividends because there is no regulation that prohibits the payment of dividends. Notwithstanding that, the Central Bank has recently imposed new capital requirements and an additional buffer, making impossible for us the payment of dividends in this fiscal year and the previous one. We cannot state what will happen in the future. For more information about dividends see "Item 10. Additional Information – D. Exchange Controls – Transfer of Corporate Bonds".

Moreover, a new law was approved by the Congress introducing amendments to the Central Bank's charter. The principal issues addressed by this bill are the use of Central Bank's reserves for the cancellation of public debt together with the implementation of policies by the Central Bank in order to interfere in the fixing of interest rates, and terms of loans to financial institutions.

The Central Bank issued two Communications, "A" 5319 and "A" 5380 dated July 5, 2012 and December 21, 2012 respectively, whereby it is mandatory for banks to grant credit lines for productive purposes. The Government's intention is to increase investments, although it should be noted that an increase in the demand for these loans could in turn lower the demand of other types of loans. BBVA Francés used approximately Ps.1,300 million in 2012 for these type of loans; and for the first semester of 2013 there is a requirement to use approximately Ps.1,373 million.

On November 29, 2012, the Argentine Congress passed the new "Securities Law", which modifies the public offer regime set forth by Law Nr.17, 811, as amended. One of the most significant amendments introduced by the Securities Law refers to the powers of the CNV. The incorporation of Section 20 raises concern in the market, especially among listed companies, since it entitles the

CNV to (i) appoint supervisors with powers of veto of the resolutions adopted by the board of directors of the companies and (ii) disqualify the board of directors of the companies for a period of 180 days when, as determined by the CNV, the interests of the minority shareholders and/or security holders are infringed.

The absence of a stable regulatory framework could result in significant limits to the financial institutions' decisions, such as the Bank, regarding asset allocation, that could cause uncertainty with respect to the future financial activities and result of operations.

Argentine corporate disclosure, governance and accounting standards may require the Bank to provide different information than would be required under U.S. standards. This difference could influence foreign investors decisions to invest in Argentine securities and could therefore limit the Bank's access to international markets.

The securities laws of Argentina that govern publicly listed companies such as the Bank impose disclosure requirements that are more limited than those in the United States. The Argentine securities markets are not as highly regulated and supervised as the U.S. securities markets. There are also important differences between accounting and financial reporting standards applicable to financial institutions in Argentina and to those in the U.S. As a result, financial statements and reported earnings of Argentine financial institutions generally differ from those reported based on U.S. accounting and reporting standards. See "Item 5. Operating and Financial Review and Prospects—U.S. and Argentine Banking GAAP Reconciliation" for a description of the principal differences between Argentine banking GAAP and U.S. GAAP and how they affect our financial statements and the reconciliation to U.S. GAAP of net income and total stockholders' equity for the periods ended and as of the dates therein indicated.

Accordingly, the information available about the Bank will not be the same as the information available about a U.S. company. The difference in the disclosure requirements between Argentine corporate, governance and accounting standards and U.S. GAAP, could influence foreign investors decisions to invest in Argentine securities and could therefore limit the Bank's access to international financial markets.

Lawsuits brought against us outside Argentina, the enforcement of foreign judgments and complaints based on foreign legal concepts may be unsuccessful.

We are a commercial bank organized under the laws of Argentina. Most of our shareholders, directors, members of the supervisory committee, and officers and certain experts named herein reside outside the United States (principally in Argentina). Substantially all of our assets are located outside the United States. If any shareholder were to bring a lawsuit against our directors, officers or experts in the United States, it may be difficult for them to effect service of legal process within the United States upon these persons or to enforce a judgment against them in the United States courts based upon the civil liability provisions of the United States federal securities laws, due to specific requirements of Argentine law regarding procedural law issues and principles of public policy.

Because we are a financial institution, any insolvency proceeding against us would be subject to the powers of and intervention by the Central Bank, which may limit remedies otherwise available and extend the duration of the proceedings.

Under Argentine law, the liquidation and commencement of bankruptcy proceedings against financial institutions, until their banking license has been revoked by the Central Bank, may only be commenced by the Central Bank. If BBVA Francés were unable to pay its debts as they come due, the Central Bank would intervene and revoke its banking license, and file a bankruptcy petition before a commercial court. If the Central Bank intervenes, the reorganization proceeding could take longer and it is likely that the shareholders' remedies would be restricted. During any such process, the Central Bank would have to consider its interests as a regulator and could well prioritize the claims of other creditors and third parties against the Bank. As a result of any such intervention, the shareholders may realize substantially less on the claims than they would in a bankruptcy proceeding in Argentina, the United States or any other country.

The special rules that govern the priority of different stakeholders of financial institutions in Argentina, which give priority to depositors with respect to most other creditors, may negatively affect other stakeholders in case of judicial liquidation or bankruptcy of the Bank.

Argentine Law Nr. 24,485, in force since April 18, 1995 and as amended by Law Nr. 25,089, provides that in case of judicial liquidation or bankruptcy of the Bank, all depositors, irrespective of the type, amount or currency of their deposits, will have general and absolute preferential rights with respect to all other creditors, except for certain labor credits and credits secured with pledge or mortgage, to be paid with 100% of the funds deriving from the liquidation of the Bank's assets. In addition, depositors of any kind of deposits have special preferential rights over the remaining creditors of the Bank, except for certain labor credits, to be paid with (i) any of the Bank's funds which may be held by the Central Bank as total reserves, (ii) any remaining funds of the Bank in existence as

of the date on which the Bank's license is revoked, or (iii) any funds derived from the compulsory transfer of certain assets of the Bank according to instructions of the Central Bank, in the following order of priority: (a) deposits made by legal entities up to Ps.5,000 per entity, or its equivalent in foreign currency, (b) deposits for terms exceeding 90 days and (c) all other deposits on a pro rata basis.

Volatility of credit ratings in Argentina could affect the volatility of the Bank's credit ratings, and therefore limit the Bank's access to international financial markets.

The Bank's credit ratings are based on those of Argentina's sovereign rating, which has fluctuated considerably since the Argentine Crisis. As a result, the Bank's ratings have also fluctuated in this period, although they have tended to be higher than the sovereign rating. These fluctuations impact our costs of funding and collateral obligations and our ability to access international markets. Continued volatility of, or a decrease in, Argentina's sovereign rating could affect our business.

Factors Related to BBVA Francés' Subsidiaries

§ Consolidar AFJP S.A.

As a consequence of the social security reform, the loss of its corporate purpose and its liquidation, labor lawsuits were filed against Consolidar AFJP claiming additional payment amounts. Adverse rulings for Consolidar AFJP in such lawsuits could result in severance payment obligations for considerable amounts, which could have a material adverse effect on the financial condition of the company.

Consolidar AFJP S.A. ("Consolidar AFJP" or "AFJP") was a privately owned pension fund managing company whose purpose was the administration of retirement contributions from affiliates and the corresponding grant of old age, disability and death pensions. On December 4, 2008, the Federal Government enacted Law Nr. 26,425 to implement social security reform, by which the National State assumed once again the coverage of contingencies in cases of old age, disability and death. Certain matters deriving from Law Nr. 26,425 that remain pending, such as possible indemnity in favor of AFJP in the amount of its corporate capital arising from the loss of its corporate business purpose. Notwithstanding this, on December 7, 2010, Consolidar AFJP filed a claim against the Federal Government and the Ministry of Labor and Social Security, requesting compensation for the losses suffered by the company and its shareholders, as a result of the aforementioned social security reform.

Moreover, as a consequence of the social security reform and the loss of corporate business purpose, on December 28, 2009, in a Shareholders' Extraordinary Meeting of AFJP, the shareholders decided to terminate the corporate existence of the company and liquidate it. Until the present date, the liquidation process is still pending.

During 2012, 22 legal labor actions were filed against AFJP claiming differences in severance payment amounts. AFJP has estimated this contingency and raised the corresponding allowances. Adverse rulings against Consolidar AFJP could result in severance payments by the company of considerable amounts, which could have a material adverse effect on the financial condition of the company, and therefore in the result of liquidation process for BBVA Francés as its shareholder which owns a 53.89% interest in the company.

ITEM 4. INFORMATION ON THE COMPANY

RECENT POLITICAL AND ECONOMIC DEVELOPMENTS IN ARGENTINA

Macroeconomic Environment

Impaired by factors such as the draught, a lower growth in Brazil and the impact of increasing restrictions in the foreign exchange market, the Argentine economy underwent a strong deceleration in 2012, following the dynamic trends which had prevailed in 2011. After an 8.9% increase in 2011, the GDP grew only 1.9% in 2012. Such a low increase was mainly due to a poor performance in real terms of investment, which fell by 4.2% in 2012 with respect to 2011, as well as to a decrease in exports (-4.5%). Private consumption, instead, provided some support to the GDP with a 3.6% increase in 2012, favored by public consumption that showed a 6% increase in real terms. The braking effect on the GDP was somewhat softened by the decrease of imports, which fell by 2% in 2012.

This poor economic performance reflected itself on the labor market, negatively affecting the generation of employment. Thus, in 2012 the employment rate, and the total number of employees over total population, fell slightly to around 42.9% of the total population against the 43% of 2011, but the decrease in the labor supply (as the labor force participation rate fell to 46.2% of the total