

# Financial Statements



*As of December 31st, 2012*



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

# Financial Statements as of December 31st, 2012

Comparatively presented with the  
prior fiscal year



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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**BANCO CENTRAL DE LA REPUBLICA ARGENTINA**

**BALANCE SHEET AS OF DECEMBER 31,2012  
COMPARATIVELY PRESENTED WITH THE PRIOR FISCAL YEAR  
- In thousands of Argentine Pesos -**

<b>ASSETS</b>		
	<b>12/31/2012</b>	<b>12/31/2011</b>
<b>INTERNATIONAL RESERVES</b>	<b>212.871.247</b>	<b>199.565.260</b>
Gold (Net of allowances) (Note 4.1.1, Exhibits I and II)	16.357.255	13.453.981
Foreign currency (Note 4.1.2 and Exhibit II)	8.395.875	31.695.540
Deposits to be realized in foreign currency (Note 4.1.3 and Exhibit II)	187.906.343	154.322.697
Multilateral Credit Agreements (Net) (Exhibit II)	211.774	93.042
	<b>190.645.997</b>	<b>127.283.035</b>
<b>GOVERNMENT SECURITIES</b>		
<b>CENTRAL BANK HOLDINGS</b>	191.492.272	128.138.125
Securities issued under foreign legislation (Notes 2.2, 4.2.1.1, Exhibits II and III)	846.050	663.736
Securities issued under Argentine legislation (Note 4.2.1.2 and Exhibit III)	190.646.222	127.474.389
1990 National Treasury Consolidated Bond (Note 4.2.1.2.1, Exhibits II and III)	4.708.346	4.717.160
Nontransferable Treasury Bill - Maturity 2016 (Note 4.2.1.2.2 and Exhibit III)	46.893.046	41.009.972
Nontransferable Treasury Bill - Maturity 2020 - Dec 297/10 (Note 4.2.1.2.3 and Exhibit III)	10.756.238	9.411.098
Nontransferable Treasury Bill - Maturity 2020 - Dec 298/10 (Note 4.2.1.2.3 and Exhibit III)	21.551.822	18.856.622
Nontransferable Treasury Bill - Maturity 2021 - Dec 2054/10 (Note 4.2.1.2.4 and Exhibit III)	36.922.667	32.291.213
Nontransferable Treasury Bill - Maturity 2021 - Dec 276/11 (Note 4.2.1.2.4 and Exhibit III)	10.433.268	9.128.750
Nontransferable Treasury Bill - Maturity 2022 - Res. 131/12 (Note 4.2.1.2.5 and Exhibit III)	27.903.300	-
Nontransferable Treasury Bill - Maturity 2022 - Res. 171/12 (Note 4.2.1.2.6 and Exhibit III)	10.245.980	-
Others (Notes 2.2, 4.2.1.2.7 and Exhibit III)	25.084.881	15.912.900
<b>LESS:</b>		
Adjustment for accrual on 1990 Consolidated Bond (Exhibit III)	3.853.326	3.853.326
<b>ALLOWANCE FOR IMPAIRMENT OF GOVERNMENT SECURITIES (Note 4.2.3 and Exhibit III)</b>	<b>(846.275)</b>	<b>(855.090)</b>
	<b>127.730.000</b>	<b>67.130.000</b>
<b>TEMPORARY ADVANCES TO THE ARGENTINE GOVERNMENT (Note 4.3)</b>		
	<b>3.649.029</b>	<b>2.031.320</b>
<b>LOANS TO THE ARGENTINE FINANCIAL SYSTEM</b>		
Financial institutions (net of allowances)	3.649.029	2.031.320
Financial institutions (Note 4.4)	4.373.178	2.698.133
<b>LESS:</b>		
Loan loss allowance (Exhibit I)	(724.149)	(666.813)
	<b>10.997.565</b>	<b>9.224.933</b>
<b>CONTRIBUTIONS TO INTERNATIONAL AGENCIES ON BEHALF OF ARGENTINE GOVERNMENT AND OTHER (Note 4.5 and Exhibit II)</b>		
	<b>412</b>	<b>-</b>
<b>RIGHTS DERIVING FROM OTHER DERIVATIVE FINANCIAL INSTRUMENTS (Note 4.6)</b>		
	<b>23.406.317</b>	<b>25.914.566</b>
<b>RIGHTS DERIVING FROM REPO TRANSACTIONS (Note 4.7 and Exhibit II)</b>		
	<b>1.691.589</b>	<b>2.151.644</b>
<b>OTHER ASSETS (Net of allowances) (Note 4.8)</b>		
<b>TOTAL ASSETS</b>	<b>570.992.156</b>	<b>433.300.758</b>

LIABILITIES		
	12/31/2012	12/31/2011
<b>MONETARY BASE</b>	<b>307,351,516</b>	<b>222,921,853</b>
Money in Circulation	237,009,551	173,056,384
Banknotes and coins in circulation (Note 4.9.1.1)	237,007,051	173,054,540
Settlement checks in pesos in circulation (Note 4.9.1.2)	2,500	1,844
Current accounts in pesos (Note 4.9.2)	70,341,965	49,865,469
<b>SETTLEMENT CHECKS IN OTHER CURRENCIES IN CIRCULATION (Note 4.10 and Exhibit II)</b>	<b>193</b>	<b>15,793</b>
<b>CURRENT ACCOUNTS IN OTHER CURRENCIES (Note 4.11 and Exhibit II)</b>	<b>41,632,303</b>	<b>24,620,536</b>
<b>DEPOSITS FROM ARGENTINE GOVERNMENT AND OTHERS (Note 4.12 and Exhibit II)</b>	<b>6,682,748</b>	<b>2,841,642</b>
<b>OTHER DEPOSITS (Note 4.13)</b>	<b>114,169</b>	<b>162,017</b>
<b>IMF SPECIAL DRAWING RIGHTS (Note 4.14 and Exhibit II)</b>	<b>2,406,080</b>	<b>2,103,335</b>
IMF Special Drawing Rights	15,266,445	13,345,543
<b>LESS:</b>		
SDR contra account	12,860,365	11,242,208
<b>OBLIGATIONS WITH INTERNATIONAL AGENCIES (Note 4.15 and Exhibit II)</b>	<b>1,037,204</b>	<b>5,231,320</b>
Obligations	5,037,321	8,728,122
<b>LESS:</b>		
Contra account to utilization of reserve tranche	4,000,117	3,496,802
<b>SECURITIES ISSUED BY THE BCRA (Note 4.16 and Exhibit IV)</b>	<b>99,854,982</b>	<b>84,212,664</b>
Bills and notes issued in Argentine pesos	99,854,982	84,212,664
<b>CONTRA ACCOUNT TO ARGENTINE GOVERNMENT CONTRIBUTIONS TO INTERNATIONAL AGENCIES (Note 4.17 and Exhibit II)</b>	<b>4,906,757</b>	<b>3,898,513</b>
<b>DUE TO OTHER DERIVATIVE FINANCIAL INSTRUMENTS (Note 4.18)</b>	<b>5,231</b>	<b>23,141</b>
<b>DUE TO REPO TRANSACTIONS (Note 4.19 and Exhibit II)</b>	<b>21,669,645</b>	<b>24,436,534</b>
<b>DUE TO MULTILATERAL CREDIT AGREEMENTS (Note 4.20 and Exhibit II)</b>	<b>909,010</b>	<b>548,862</b>
<b>OTHER LIABILITIES (Note 4.21 and Exhibit II)</b>	<b>21,357,998</b>	<b>23,614,404</b>
<b>PROVISIONS (Note 4.22 and Exhibit I)</b>	<b>1,311,907</b>	<b>1,376,210</b>
<b>TOTAL LIABILITIES</b>	<b>509,239,743</b>	<b>396,006,824</b>
<b>NET EQUITY</b>	<b>61,752,413</b>	<b>37,293,934</b>
<b>TOTAL LIABILITIES plus NET EQUITY</b>	<b>570,992,156</b>	<b>433,300,758</b>

Notes 1 to 7 and Exhibits I to V are an integral part of these financial statements.

Adriana M. Fischberg  
MAIN GENERAL  
ACCOUNTING MANAGER

Silvia B. Traverso  
CENTRAL SERVICES GENERAL  
SUBMANAGER

Matias S. Kulfas  
GENERAL MANAGER

Mercedes Marcó del Pont  
CHAIRWOMAN

Paola A. López  
DEPUTY SUPERVISORY AUDITOR

Hugo C. Alvarez  
REGULAR SUPERVISORY AUDITOR

Signed for identification purposes with the report dated 07/30/2013

**STATEMENT OF INCOME**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**  
**COMPARATIVELY PRESENTED WITH THE PRIOR FISCAL YEAR**  
**- In thousands of Argentine Pesos -**

	12/31/2012	12/31/2011
<b><u>Interest and adjustments, net:</u></b>		
<b>Interest income:</b>	<b>3,440.228</b>	<b>4,003.973</b>
On International Reserves (Note 4.23)	254.998	339.479
On Government securities (Note 4.23)	2.754.471	3.193.426
On deposits in other entities	109.204	158.349
On loans to the financial system (Note 4.23)	266.261	74.240
On other transactions with the financial system (Note 4.23)	2.978	4.319
On other assets (Note 4.23)	52.316	234.160
<b>Interest expense:</b>	<b>(13.179.747)</b>	<b>(12.994.590)</b>
On securities issued by the BCRA (Note 4.23)	(11.358.551)	(11.471.924)
On loans borrowed from international agencies (Note 4.23)	(95.801)	(34.228)
On other transactions with the financial system (Note 4.23)	(1.659.790)	(875.443)
On other liabilities (Note 4.23)	(65.605)	(612.995)
<b><u>Set-up of allowances for government securities and loans to the financial system, net (Note 4.23)</u></b>	<b>(53.643)</b>	<b>(94.796)</b>
<b><u>Listed price differences, net (Note 4.23)</u></b>	<b>44.021.008</b>	<b>16.906.033</b>
<b><u>Foreign currency trading differences (Note 4.23)</u></b>	<b>55.973</b>	<b>1.321.595</b>
<b><u>Other financial instruments trading differences (Note 4.23)</u></b>	<b>11.822</b>	<b>320.008</b>
<b><u>Net financial income</u></b>	<b>34.295.641</b>	<b>9.462.223</b>
<b><u>Miscellaneous charges and fines (Note 4.23)</u></b>	<b>126.154</b>	<b>148.023</b>
<b><u>Net commissions</u></b>	<b>1.347</b>	<b>406</b>
Commissions earned	1.500	605
Commissions paid	(153)	(199)
<b><u>Contributions to the tax authorities pursuant to Law No. 26.728</u></b>	<b>(240.000)</b>	<b>(240.000)</b>
<b><u>Monetary issuance expenses (Note 4.23)</u></b>	<b>(881.149)</b>	<b>(585.063)</b>
<b><u>General expenses (Note 4.23)</u></b>	<b>(1.236.790)</b>	<b>(863.368)</b>
<b><u>(Set-up)/Reversals of other allowances, net (Note 4.23)</u></b>	<b>(303.196)</b>	<b>(233.489)</b>
<b><u>Net income from operating activities</u></b>	<b>31.762.007</b>	<b>7.688.732</b>
<b><u>Other income, net (Note 4.23)</u></b>	<b>418.700</b>	<b>33.496</b>
<b><u>NET INCOME</u></b>	<b>32.180.707</b>	<b>7.722.228</b>

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**STATEMENT OF CHANGES IN EQUITY FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**  
**COMPARATIVELY PRESENTED WITH THE PRIOR FISCAL YEAR**  
**-In thousands of Argentine Pesos-**

ITEMS	CAPITAL	CAPITAL ADJUSTMENT	RESERVES			UNAPPROPRIATED RETAINED EARNINGS	TOTAL 12/31/2012		TOTAL 12/31/2011	
			GENERAL RESERVE	SPECIAL RESERVE	APPRAISAL REVALUATION					
Balances at beginning of year	16.965.408	2.711.815	7.698.945	2.139.667	55.871	7.722.228	37.293.934		38.267.667	
Distribution of earnings as per Board of Governors' Resolution No. 164 dated July 26, 2012	-	-	-	-	-	(7.722.228)	(7.722.228)	(1)	(8.695.961)	(2)
Net income	-	-	-	-	-	32.180.707	32.180.707	(3)	7.722.228	
Balances al year - end	16.965.408	2.711.815	7.698.945	2.139.667	55.871	32.180.707	61.752.413		37.293.934	

Notes 1 to 7 and Exhibits I to V are an integral part of these financial statements.

(1) Transfer of funds to the Argentine Treasury under the provisions of Article 38 of the BCRA's Charter as per Board of Governors' Resolution No.164 dated July 26, 2012.

(2) Transfer of funds to the Argentine Treasury under the provisions of Article 38 of the BCRA's Charter as per Board of Governors' Resolution No. 161 dated September 1, 2011.

(3) Note 7.2

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STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012 COMPARATIVELY PRESENTED WITH THE PRIOR FISCAL YEAR - In thousands of Argentine Pesos -		12/31/2012	12/31/2011
<b><u>I) Cash flows provided by operating activities</u></b>			
1. Sources		<b>51.219.591</b>	<b>24.434.704</b>
- Interest gain on investments abroad		253.404	338.514
- Securities, foreign currency and gold trading differences, net		53.437	1.311.867
- Net purchase of foreign currency for regulation		41.547.543	13.291.771
- IADB/IBRD loans to provinces, financial program for micro, small and medium-sized companies, and revolving funds		9.365.207	9.492.552
2. Applications		(46.845.468)	(59.778.805)
- Net outflows of foreign currency. Current domestic accounts in other currencies.		(23.403.223)	(46.445.837)
- Settlements/ Placements of repurchase / reverse repurchase agreements with domestic financial institutions.		(667.254)	1.172.304
- Trade credit outflows - Multilateral Credit Agreements		(4.454.927)	(2.748.067)
- Net outflow of funds from transactions with Argentine Government Securities		(18.102.856)	(11.618.832)
- Administrative expenses		(12.797)	(16.019)
- Monetary issuance expenses		(202.832)	(118.938)
- Other items		(1.579)	(3.416)
<b>Net cash flows provided by operating activities (1.-2.)</b>		<b>4.374.123</b>	<b>(35.344.101)</b>
<b><u>II) Cash flows provided by investment activities</u></b>			
3. Sources		<b>6.703</b>	<b>6.236</b>
- Collection of dividends BIS		6.703	6.236
<b><u>III) Cash flows provided by financing activities (including transactions on behalf of the Argentine Government)</u></b>			
4. Sources		<b>(20.165.976)</b>	<b>11.177.625</b>
- Net outflows/ inflows to foreign financial institutions		(20.165.976)	11.177.625
<b><u>IV) Other</u></b>			
5. Sources		<b>29.091.137</b>	<b>16.229.399</b>
- Net valuation pricing adjustments		29.091.137	16.229.399
<b>Restated cash flows provided by all activities (I+II+III+IV)</b>		<b>13.305.987</b>	<b>(7.930.841)</b>
<b>Net cash at beginning of year (Note 3.1)</b>		<b>199.565.260</b>	<b>207.496.101</b>
<b>Net cash at end of year (Note 3.1)</b>		<b>212.871.247</b>	<b>199.565.260</b>

Notes 1 to 7 and Exhibits I to V are an integral part of these financial statements.

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Notes to the Financial Statements for the  
fiscal year ended December 31, 2012  
comparatively presented with the prior fiscal  
year  
- In thousands of Argentine pesos -

**NOTE 1 - NATURE AND PURPOSE OF THE CENTRAL BANK OF ARGENTINA**

The Central Bank of Argentina (BCRA) is a self-regulating entity of the Argentine Government that is subject to the provisions of its Charter and further legal regulations (section 1, Law No. 24.144, as amended).

The purpose of the Bank is to promote —within the scope of its powers and under the policies set by the Federal Government— monetary stability, financial stability, employment and economic development along with social equality (section 3 of the Charter). In addition, section 4 of the Charter set forth the following BCRA functions and powers:

- to regulate the operation of the financial system and enforce Financial Institutions Law and such regulations as may be consequently enacted;
- to regulate the amount of money and interest rates, and to regulate and steer lending;
- to serve as the financial agent for the Federal Government, and as depositary and agent for Argentina before international monetary, banking and financial institutions to which Argentina has endorsed, and to play an active role in international integration and cooperation;
- to hold and administer its gold and foreign exchange reserves, and other foreign assets;
- to contribute to the smooth functioning of capital markets and to implement the foreign exchange policy in full accordance with the laws passed by the National Congress;
- to regulate, within its authority, all payment systems, clearing and settlement houses, money remittance entities, and cash-in-transit companies, and to carry out any other action related to the financial and foreign exchange sectors;
- to provide for the protection of financial service users' rights and of fair competition, coordinating its actions with all relevant government agencies.

**NOTE 2 - SIGNIFICANT EVENTS FOR FISCAL YEAR 2012 AND 2011**

For a better reading of the accompanying financial statements, the following paragraphs will describe the most significant events occurred during such fiscal years.

**2.1 Law No. 26.739. Amendment to BCRA Charter and Convertibility Law**

On March 22, 2012, the National Congress enacted BCRA Charter Amendment Law No. 24.144, as amended, and Convertibility Law No. 23.928, as amended. The main aspects of the amendment include:

### **2.1.1 BCRA 's Charter**

As mentioned in note 1 above, the purpose of the Bank is to promote —within the scope of its powers and under the policies set by the Federal Government— monetary stability, financial stability and economic development along with social equality (section 3). As established in section 4, in carrying out its functions and powers, the Bank shall neither be subject to any order, indication, or instruction from the Federal Executive, nor may it undertake any commitment conditioning, restricting or delegating such functions and powers without the express consent of the National Congress.

In this sense, its main powers —apart from those set forth in the Charter— are to protect financial service users and fair competition, coordinating its performance with competent public authorities, determine the level of gold, foreign exchange and other foreign asset reserves required for foreign exchange policy implementation, considering the changes in foreign accounts, regulate lending financial conditions, issue regulations protecting financial system competition, and setting differentiated policies aimed at small and medium-sized enterprises and regional economies (sections 4 and 14).

As an exception and only if circumstances or national or international economic prospects justified so, the BCRA may grant temporary advances to the Federal Government for an amount not exceeding ten per cent (10%) of the cash flows earned by the Federal Government in the last twelve months. This exceptional power may be exercised for up to eighteen months. Upon the lapse of this period, the BCRA may not grant to the Federal Government any additional advances. The advances referred to in the preceding paragraph shall be reimbursed within eighteen (18) months from the time they are granted. Should any of these advances remain unpaid after such term has elapsed, this possibility may not be used again until the amounts due are reimbursed (section 20).

BCRA's financial statements must be prepared in accordance with generally accepted accounting standards, taking into account its capacity as monetary authority, while the application of general principles established by the SEFyC (Financial Institutions and Foreign Exchange Regulatory Agency) for financial institutions was discontinued (section 34). In this regard, the accompanying financial statements have been prepared based on the accounting policies contained in the "Accounting Policy Manual" approved by the Bank's Board of Governors through Resolution No. 86 dated May 16, 2013. The application of these criteria has not given rise to any significant changes in the accompanying or in prior-year financial statements.

### **2.1.2 Convertibility Law**

Section 4, Law No. 23.928, as amended, which established BCRA's international reserves supporting the monetary base, was abrogated. The new wording under section 6, which replaced the previous section, sets forth that international reserves cannot be attached and that they will be used exclusively for foreign exchange policy implementation purposes up to the level determined by the Board of Governors pursuant to the powers granted by section 14(q) of the Charter. In addition, section 6 adds that surplus reserves shall be known as "freely-available reserves" and that they may be used to pay the obligations assumed with international financial institutions or bilateral official foreign debt, provided that this implied a nil monetary effect. In this sense, before those payments are made, the Board of Governors shall assess that level.

In addition, section 5, Convertibility Law, set forth that it is required to disclose reserve amounts, structure and investments in BCRA financial statements, as well as monetary base amounts and structure.

## **2.2 Valuation of non-financial public sector debt instruments and BCRA monetary regulation instruments**

On February 11, 2011, the BCRA issued Communication "A" 5180 to be applied to financial institutions, whereby a new valuation criterion was set for non-financial public sector debt instruments and BCRA monetary regulation instruments effective March 1, 2011, admitting the early application of these new criteria as of December 31, 2010, at banks' discretion, which was not the case of the BCRA.

According to the communication, those instruments were required to be booked at fair market value or at cost plus interest, as the case may be. The public securities appearing in volatility or present value listings published by the BCRA—which may be used for sale or intermediation purposes—must be stated at their listed prices or present values, as applicable. The securities excluded from those listings were required to be registered pursuant to the system applicable to the “cost plus interest” category. Note that BCRA assets include securities with specific characteristics that do not form part of financial institutions’ investments and that, due to its issuance conditions, are not assimilated to the nature of securities that may be traded in the market; therefore, they were not subject to the provision mentioned in the previous paragraph, which is aimed at considering the nature of transactions and inherent risks for system institutions. Therefore, the Bank adopted a cost-plus-accrued-interest assessment plan that considers the nature of securities and the decision to keep them until maturity (see notes 4.2.1.2.1 through 4.2.1.2.6).

Another significant issue in Communication “A” 5180 is that financial institutions may decide to book an allowance in the variation of public securities fair values in order to mitigate the effect of significant changes in securities listed prices on the statement of income. As of December 31, 2011, the BCRA did not book any allowance for impairment in securities fair values.

As section 34 of the Charter—as amended by Law No. 26.739—became effective (see note 2.1.1), the BCRA discontinued the application of Communication “A” 5180, with no significant changes in securities values (see note 4.2 and exhibit III).

## **NOTE 3 - ACCOUNTING STANDARDS APPLIED**

### **3.1 Significant accounting policies**

Financial statements have been prepared pursuant to section 34 of the Charter, subject to generally accepted standards, in its capacity as monetary authority, following the principles and criteria contained in the “Accounting Policy Manual” approved by the Bank’s Board of Governors through Resolution No. 86 dated May 16, 2013.

The accompanying financial statements, exhibits and notes disclose figures stated in thousands of Argentine pesos.

Convertibility Reform Law No. 26.739 (see note 2.1.2), which abrogated sections 4 and 5, caused the statement of cash flows to be restated as international reserves and the monetary base ceased to have a univocal relationship, whereby BCRA gold and foreign currency reserves had to be used to support up to 100% of the monetary base.

In this regard, to provide the information required to know the Bank’s financial position, considering the Bank’s specific characteristics and the mission and functions assigned by the Charter—particularly the power to issue notes and coins, plus the specificity of the transactions that it performs, which cannot be assimilated to the transactions of financial institutions for the purpose of preparing the statement of cash flows—, as from this fiscal year, the International reserves item added was redefined as a Cash and cash equivalents item, showing the main variations in immediate-liquidity external assets that form a part thereof.

Changes in the monetary base are also attached as Exhibit V of the financial statements, which shows mainly monetary regulation operations performed by the BCRA as part of the powers assigned by the Charter regarding the relationship between the Federal Government and the financial system and related uses (operating and financial expenses).

### **3.2 Use of estimates**

Bank records are based on the best estimate regarding the probability of occurrence of different future events and, therefore, the final amount of estimates may differ from such records, which may have a positive or negative impact on future years. The preparation of financial statements requires the Bank to make estimates, in certain cases, to determine the book values of assets and liabilities, income, expenses and contingencies, as well as the disclosure thereof, as of each date of accounting information filing.

### **3.3 Comparative information**

The balance and the statements of income, changes in equity and cash flows as of December 31, 2012, as well as exhibits and notes specifying so, are presented comparatively with balances as of the prior year-end.

As mentioned in note 3.1, the items contained in the statement of cash flows as of December 31, 2011, were reformulated only for comparative purposes.

### **3.4 Unit of measurement**

The Bank's financial statements recognize the changes in the currency purchasing power through February 28, 2003, and as of that date, the inclusion of adjustments to reflect those changes were no longer applied, in conformity with the provisions set forth in Argentine professional accounting standards and the requirements of Presidential Decree No. 664/2003 and Regulation CONAU I - 569.

In addition, the CPCECABA issued Resolution MD No. 41/03, which established that the restatement in constant pesos was required to continue until September 30, 2003. The Bank has not recognized in accounts the effects of the changes in the purchasing power of the Argentine peso occurred from March 1 through September 30, 2003; such recognition is required by Argentine professional accounting standards. The effects of failing to recognize the variations in the currency purchasing power through the latter date are not material to the financial statements taken as a whole.

### **3.5 General valuation and disclosure methods**

#### **3.5.1 Assets and liabilities in foreign currency**

Financial statements reporting date is the Argentine peso. Transactions in foreign currency are converted into Argentine pesos at the foreign exchange rate effective as of the date of transaction. Inventories in US dollars are subject to a benchmark foreign exchange rate as of December 31, 2012, and 2011, respectively, calculated by the BCRA itself pursuant to Communication "A" 3500 methodology. Inventories in other currencies, including gold inventories, are valued at the US dollar exchange rate effective on the relevant day closing at the markets in which BCRA trades, and they are converted into local currency on a daily basis at the benchmark foreign exchange rate published by the BCRA.

The following chart shows the Argentine peso exchange rates to the different currencies used as of each year-end:

	12/31/2012	12/31/2011
US dollar	4,91730000	4,30320000
Gold	8.245,52533200	6.782,27352000
Special drawing rights (SDRs)	7,55749672	6,60657386
Euro	6,49083600	5,57651688
Yen	0,05674899	0,05588571
Pound sterling	7,98962904	6,67469352
Real	2,40161172	2,30499759
Canadian dollar	4,95395900	4,23210071
Norwegian krone	0,88483616	0,71986349
Swiss franc	5,37586500	4,58470062
Bolivar	1,14496938	1,00197860

### 3.5.2 Method to recognize income and expenses

Income and expenses are recognized on an accrual basis and are calculated based on the “Accounting Policy Manual” and the agreements entered into between the parties involved.

## NOTE 4 - BREAKDOWN AND SPECIFIC VALUATION METHODS OF FINANCIAL STATEMENTS ITEMS

### 4.1 International reserves

#### 4.1.1 Gold

	12/31/2012	12/31/2011
Gold in bars	16.367.016	13.462.523
Allowance for gold in bars (Exhibit I)	(9.761)	(8.542)
<b>Total</b>	<b>16.357.255</b>	<b>13.453.981</b>

Gold physical inventories, equal to 1.984.957,3 troy ounce, were valued as of year-end at USD 1.676,8 per troy ounce, according to market prices effective as of the related date, and converted into Argentine pesos according to the method under note 3(5)1 (1.984.957,3 troy ounces valued at USD 1.576,1 as of December 31, 2011).

Currently, gold ingots qualify as “good delivery”; consequently, a provision for sale expenses was booked, which consists in calculating the direct costs that should be incurred upon deciding to realize them. Such allowance was estimated in one US dollar per ounce and it is disclosed in financial statements, offsetting the amount in the “Gold” account.

According to the international reserve standards, only monetary gold qualifies as a reserve asset; therefore, the gold inventories kept for numismatic purposes are not deemed financial assets and are disclosed under Other assets (see note 4.8).

#### 4.1.2 Foreign currencies

	<u>12/31/2012</u>	<u>12/31/2011</u>
Overnight and current accounts in foreign correspondent banks	4.154.164	26.598.749
Treasury holdings	<u>4.241.711</u>	<u>5.096.791</u>
<b>Total</b>	<b><u>8.395.875</u></b>	<b><u>31.695.540</u></b>

Treasury holdings were valued as established in note 3(5)1. The overnight and checking accounts in foreign correspondent banks were valued through the same method plus the related earned interest as of each year-end, as applicable.

#### 4.1.3 Deposits to be realized in foreign currency

Including the following investments made abroad:

	<u>12/31/2012</u>	<u>12/31/2011</u>
Certificates of time deposit in foreign currency	167.058.027	127.705.694
Demand deposits	15.538.824	22.193.160
Foreign government securities	4.582.222	3.777.502
Repurchase agreements	725.793	645.050
IMF reserve tranche position	<u>1.477</u>	<u>1.291</u>
<b>Total</b>	<b><u>187.906.343</u></b>	<b><u>154.322.697</u></b>

Demand deposits and certificates of deposits and repurchase agreements were stated at face value, plus interest or return accrued, as the case may be, until each year-end, converted into Argentine pesos according to the method established in note 3(5)1. Demand deposits consist mainly of allocated SDRs.

Foreign government securities were stated at market values as of each year-end.

The annual average return for all investments was 0,11% and 0,17% for fiscal 2012 and 2011, respectively.

#### 4.1.4 Multilateral credit agreements

The balance represents net asset positions by country arising from reciprocal credit transactions under Latin American Integration Association (ALADI) and the Argentina/Brazil Local Currency Payment System, which have been valued as established in note 3.5.1.

### 4.2 Government securities

#### 4.2.1 Central Bank Holdings

It includes the BCRA's government securities portfolio detailed in Exhibit III, which, as of December 12, 2012, amounted to ARS 191.492.272 (ARS 128.138.125 as of December 31, 2011.)

#### **4.2.1.1 Securities issued under foreign legislation**

They include securities issued by the Argentine Government and subject to the jurisdiction of foreign courts, which are valued at listed values. As of December 31, 2012, they amounted to ARS 846.050 (ARS 663.736 as of December 31, 2011) and they are made up of GDP-related negotiable securities issued in US dollars, maturing on December 15, 2035, for a residual nominal value of USD 206.023 equal to ARS 101.466 (residual nominal value USD 206.023 equal to ARS 128.551 as of December 31, 2011) and GDP-related negotiable securities issued in euros, maturing on December 15, 2035, for a residual nominal value of EUR 50.000 equal to ARS 28.500 (residual nominal value EUR 50.000 equal to ARS 33.069 as of December 31, 2011.)

The item also includes Discount Bonds 2033 in US dollars for a residual nominal value of USD 100.368 equal to ARS 694.546, apart from ARS 19.230 for accrued interest (residual nominal value USD 100.816 equal to ARS 483.915, apart from accrued interest amounting to 16.487 as of December 31, 2011) and Global Bonds 2017 issued in US dollars for a residual nominal value of USD 379 equal to ARS 2.308 (residual nominal value USD 379 equal to ARS 1.714 as of December 31, 2011). These securities are valued at their listed prices as of year-end while, as of December 31, 2011, according to Communication “A” 5180 guidelines, they were stated at present value (see note 2.2 and exhibit III).

#### **4.2.1.2 Securities issued under Argentine legislation**

They include securities held subject to Argentine legislation, which amounted to ARS 190.646.222 as of December 31, 2012 (ARS 127.474.389 as of December 31, 2011).

##### **4.2.1.2.1 1990 National Treasury Consolidated Bond**

This bond was issued on January 2, 1990. It is related to the consolidation of obligations assumed by the Argentine Government due to the funds provided by the BCRA by virtue of Presidential Decree No. 335/1991. Such bond is stated in Argentine currency for a 99-year term, it does not accrue interest and principal is adjusted through the selling Argentine peso-to-US dollar exchange rate published by Banco de la Nación Argentina. The amortization of adjusted principal is paid as from the tenth year. The adjustment was accrued until March 31, 1991, by virtue of section 8, Convertibility Law (the currency board that pegged the Argentine peso at parity with the US dollar), whereby the monetary adjustment mechanisms regarding the amounts stated in non-convertible australes would be applied exclusively until April 1, 1991, without accruing new adjustments for such items after that opportunity.

The original issuance amounts to ARS 881.464 while the amount adjusted as of December 31, 2012, pursuant to issuance conditions is ARS 4.734.790 (the same amount as of December 31, 2011). Considering that section 6, Law No. 25.565, authorized the Ministry of Economy to restructure the public debt, Resolution No. 334/2002 of such ministry established that it will be amortized in 80 annual installments, the first one maturing on January 2, 2010, for an amount of 8.815. In view of the special financial characteristics of this bond, especially its term, grace period and that it does not accrue interest, the amount adjusted in accordance with the issuance terms and conditions, net of its offset account, was fully booked as an allowance. As of December 31, 2012, the allowance booked for the fourth installment—which was collected on January 2, 2013— was recovered (see note 7.1 and exhibit III).

##### **4.2.1.2.2 Non-transferable bill - Maturity 2016**

Through Resolution No. 3 issued by the Board of Governors on January 5, 2006, the inclusion of the Non-transferable bill in BCRA’s equity was accepted, in exchange for the Argentine Government’s obligations with the BCRA as a result of the payable to the International Monetary Fund (IMF).

The bill was included in equity at its nominal value. Such valuation was based on the BCRA’s financial capacity and its decision to maintain it until the due date. The payment made to that institution amounted to USD 9,530,111, which agrees with the bill nominal value.

Issuance characteristics are as follows: issuance in US dollars, ten-year term, full amortization as of due date and interest accrual at an annual rate equivalent to that accrued by BCRA's international reserves for the same period and up to a cap annual LIBOR less a percentage point, payable twice a year. The interest rate applied in fiscal 2012 was 0,10% while no interest was accrued in fiscal 2011 because LIBOR for the period was under one percentage point.

As of December 31, 2012, the amount converted into pesos according to the method of cost valuation plus accrued interest (see note 2.2 and exhibit III) amounted to ARS 46.893.046 (ARS 41.009.972 as of December 31, 2011). As of the date of issuance of these financial statements, all the financial services were collected, as scheduled.

#### **4.2.1.2.3 Non-transferable bills - Maturity 2020. Presidential Decrees No. 297 and 298/2010**

On March 1, 2010, the Federal Executive issued Presidential Decrees Nos. 297/2010 and 298/2010, respectively. The first presidential decree established that all principal and interest amounts due to international financial entities for fiscal 2010 should be repaid with freely-available reserves exceeding the percentage established by section 4, Law No. 23.928 (see note 2.1.2), up to USD 2.187.000. Presidential Decree No. 298, which was enacted as a result of a general ministers' agreement, created the Argentine Debt Reduction Fund for the purpose of settling payables to private holders for fiscal 2010 up to USD 4.382.000.

In consideration for the transfers of funds indicated in the abovementioned presidential decrees, the BCRA received two Argentine Treasury Non-transferable Bills, the issuance of which was ordered by Resolutions Nos. 104/2010 and 105/2010 of the Ministry of Economy and Public Finance, both of which are denominated in US dollars at 10 years and accrue interest at a rate equal to international reserve returns up to a cap annual Libor less one percentage point, payable twice a year, fully amortizable at maturity.

Both bills were included in equity at nominal value following a similar criterion to that used for the Non-transferable Bill maturing in 2016, for amounts equal to USD 2.187.000 and USD 4.382.000.

As of December 31, 2012, the amount converted into Argentine pesos, pursuant to the cost valuation method plus accrued interest (see note 2.2 and exhibit III) was ARS 21.551.822 and ARS 10.756.238 for bills associated with Presidential Decrees Nos. 298/2010 and 297/2010, respectively (ARS 18.856.622 and ARS 9.411.098, respectively, as of December 31, 2011). The interest rate applied in fiscal 2012 was 0,06% while during fiscal 2011 this security did not accrue any interest because it has the same return conditions as the Non-transferable Bill maturing in 2016.

#### **4.2.1.2.4 Non-transferable bills - Maturity in 2021. Presidential Decrees Nos. 2054/2010 and 276/2011**

In order to give continuity to the Argentine Debt Reduction Fund created through Presidential Decree No. 298/2010 to settle the payables to private holders for fiscal 2011, on December 22, 2010, the Federal Executive issued Presidential Decree No. 2.054/2010 whereby the Ministry of Economy and Public Finance was required to create such fund up to the amount of USD 7.504.000 (section 22). Following those instructions, through Resolution No. 1/2011 dated January 7, 2011, the Ministry of Economy and Public Finance issued an Argentine Treasury Bill denominated in US dollars for an amount of USD 7.504.000, at 10 years, with full amortization upon maturity, accruing interest at a rate equal to that accrued by international reserves up to a cap annual Libor less one percentage point to be paid twice a year. The bill was included in BCRA's equity on December 12, 2011, and the amount converted into pesos according to the method of cost valuation plus accrued interest (see note 2.2 and exhibit III) was ARS 36.922.667 as of December 31, 2012 (ARS 32.291.213 as of December 31, 2011).

In addition, on March 4, 2011, the Federal Executive issued Presidential Decree No. 276/2011, which ordered the settlement of all payables to international entities for fiscal 2011 through the reallocation of the remaining unused funds transferred to the Federal Government, as set forth by Presidential Decree No. 297/2010, and through the issuance of a non-transferable Argentine Treasury Bill denominated in US dollars for an amount of USD 2.121.386, at 10 years, accruing interest at a rate equal to that accrued by international reserves up to a cap annual Libor less one percentage point to be paid twice a year, with full amortization upon maturity. Through



Resolution No. 64/2011 dated March 18, 2011, the Ministry of Economy and Public Finance issued the abovementioned Argentine Treasury Bill, which was included in the Bank's equity on March 23, 2011. As of December 31, 2012, the amount converted into pesos according to the method of cost valuation plus accrued interest (see note 2.2 and exhibit III) amounted to ARS 10.433.268 (ARS 9.128.750 as of December 31, 2011).

The interest rate applied in fiscal 2012 was 0,06% while during fiscal 2011 this security did not accrue any interest because it has the same return conditions as the Non-transferable Bill maturing in 2016.

#### **4.2.1.2.5 Non-transferable bill - Maturity 2022. Ministry of Economy and Public Finance Resolution No. 131/2012**

In order to give continuity to the Argentine Debt Reduction Fund created through Presidential Decree No. 298/2010 and as set forth by Argentine Administration General Budget Law No. 26.728 for fiscal 2012, on April 24, 2012, the Ministry of Economy and Public Finance issued Resolution No. 131/2012, whereby a Non-transferable Argentine Treasury Bill denominated in US dollars was issued to be subscribed in various tranches by the Bank provided that there were freely-available reserves, pursuant to section 6, Law No. 23.928, as amended, up to USD 5.674.000, at 10 years, with full amortization upon maturity, accruing interest at a rate equal to that accrued by international reserves up to a cap annual Libor less one percentage point to be paid twice a year. During the fiscal year, the Bill was subscribed in full. As of December 31, 2012, the amount converted into pesos according to the method of cost valuation plus accrued interest (see note 2.2 and exhibit III) was ARS 27.903.300.

The bill has the same return conditions as the Non-transferable Bill maturing in 2016, while interest for fiscal 2012 accrues at 0,05%.

#### **4.2.1.2.6 Non-transferable bill – Maturity 2022. Joint Resolution No. 171/2012 and 53/2012 by Treasury Department and Finance Department**

Presidential Decree No. 928/2012 ordered the settlement of all payables to international financial institutions for fiscal 2012 using freely-available reserves to the extent that the requirement under section 6, Law No. 23.928, as amended, was met (see note 2.1). For that purpose, Joint Resolution No. 171/2012 and 53/2012 issued by the Treasury Department and the Public Finance Department dated July 3, 2012, respectively, ordered the issuance of a Non-transferable Argentine Treasury Bill denominated in US dollars to be subscribed in various tranches by the Bank provided that there were freely-available reserves, in consideration for the transferred established by section 3, Presidential Decree No. 928/2012, for an amount of USD 2.083.648, at 10 years, with full amortization upon maturity, accruing interest at a rate equal to that accrued by international reserves up to a cap annual Libor less one percentage point to be paid twice a year. During the fiscal year, the Bill was subscribed in full. As of December 31, 2012, the amount converted into pesos according to the method of cost valuation plus accrued interest (see note 2.2 and exhibit III) was ARS 10.245.980.

The bill has the same return conditions as the Non-transferable Bill maturing in 2016, while interest for fiscal 2012 accrues at 0,07 %.

#### **4.2.1.2.7 Other securities issued under Argentine legislation**

This item totaled ARS 25.084.881 as of December 31, 2012 (ARS 15.912.900 as of December 31, 2011) and it consisted mainly of securities issued by the Federal Government, subject to local legislation, as follows:

a) During this fiscal year, the last amortization installment of Argentine Government Bonds (BODEN) Series 2012 (residual nominal value of USD 24.133 equal to ARS 113.042 as of December 31, 2011) matured. As of December 31, 2011, they were booked at their listed price (see note 2.2 and exhibit III).

- b) Argentine Government Bonds (BODEN) Series 2013 for a residual nominal value of USD 12.919 equal to ARS 86.426 as of December 31, 2012 (residual nominal value of USD 25.838 equal to ARS 118.177 as of December 31, 2011). These financial instruments are booked at their listed prices (see note 2.2 and exhibit III).
- c) Argentine Government Bonds (BODEN) Series 2015. As of December 31, 2011, a residual nominal value of ARS 11.155 was held, equal to ARS 49.615. There are no holdings to date. As of December 31, 2011, they were booked at their listed price (see note 2.2 and exhibit III).
- d) Argentine Republic Bonds (BONAR) Series 2013 for a residual nominal value of USD 593.737 equal to ARS 4.061.163 as of December 31, 2012 (residual nominal value of USD 174.237 equal to ARS 827.605 as of December 31, 2011). These financial instruments are booked at their listed prices (see note 2.2 and exhibit III).
- e) Argentine Republic Bonds (BONAR) Series 2014 for a residual nominal value of ARS 1.668.599 equal to ARS 1.749.860 as of December 31, 2012 (residual nominal value of ARS 45.599 equal to ARS 48.335 as of December 31, 2011). Those securities were received in exchange for the swap of Secured Loans and they are booked at their listed price (see note 2.2 and exhibit III).
- f) Argentine Republic Bonds (BONAR) Series 2015 for a residual nominal value of ARS 1.225.131 equal to ARS 1.571.230 as of December 31, 2012 (residual nominal value of ARS 485.131 equal to ARS 625.819 as of December 31, 2011). Those securities were received in exchange for the swap of Secured Loans and they are booked at their listed price (see note 2.2 and exhibit III).
- g) Argentine Republic Bonds (BONAR) Series 2017 for a residual nominal value of USD 1.232.201 equal to ARS 7.095.629 as of December 31, 2012 (residual nominal value of USD 913.371 equal to ARS 3.707.956 as of December 31, 2011). These financial instruments are booked at their listed prices (see note 2.2 and exhibit III).
- h) Secured Bonds (BOGAR 2018): they were received in exchange for the swap of provincial government debt securities included in the BCRA's portfolio for a residual nominal value of ARS 474.210 equal to ARS 1.249.543 as of December 31, 2012 (residual nominal value of ARS 535.618 equal to ARS 1.188.322 as of December 31, 2011). These financial instruments are booked at their listed prices (see note 2.2 and exhibit III).
- i) Discount Bonds issued in US dollars and maturing on December 31, 2033, for a residual nominal value of USD 118.786 equal to ARS 792.300 as of December 31, 2012 (residual nominal value USD 118.942 equal to ARS 560.295 as of December 31, 2011). These securities are valued at their listed prices as of year-end while, as of December 31, 2011, according to Communication "A" 5180 guidelines, they were stated at present value (see note 2.2 and exhibit III).
- j) Discount Bonds 2033 issued in Argentine pesos for a residual nominal value of ARS 6.231.791 equal to ARS 8.085.749 as of December 31, 2012 (residual nominal value of ARS 6.231.791 equal to ARS 7.852.056, apart from ARS 303.782 for interest accrued as of December 31, 2011). These financial instruments are booked at their listed prices (see note 2.2 and exhibit III).
- k) Discount Bonds 2033 issued in 2010 in Argentine pesos for a residual nominal value of ARS 5.846 equal to ARS 7.307 as of December 31, 2012 (residual nominal value of ARS 5.846 equal to ARS 6.658 as of December 31, 2011). These securities are valued at their listed prices as of year-end while, as of December 31, 2011, according to Communication "A" 5180 guidelines, they were stated at present value (see note 2.2 and exhibit III).
- l) GDP-related negotiable securities in US dollars for a residual nominal value of USD 445.051 equal to ARS 223.193 as of December 31, 2012 (residual nominal value of USD 445.051 equal to ARS 267.929 as of December 31, 2011), received upon the conclusion of the public debt restructuring process. Such financial instruments were valued at their listed prices. In addition, the GDP-related negotiable securities held in Argentine pesos have a residual nominal value of ARS 1.861.192 equal to ARS 128.794 as of December 31, 2012 (residual nominal value of ARS 1.861.192 equal to ARS 215.340 as of December 31, 2011). These financial instruments are booked at their listed prices (see note 2.2 and exhibit III).

m) Quasi-par bonds Series 2045 for a residual nominal value of ARS 33.000 equal to ARS 23.100 as of December 31, 2012 (the same residual nominal value equal to ARS 17.820 as of December 31, 2011). These securities are valued at their listed prices as of year-end while, as of December 31, 2011, according to Communication "A" 5180 guidelines, they were stated at present value (see note 2.2 and exhibit III).

n) Other portfolio securities amounting to ARS 10.587 as of December 31, 2012 (ARS 10.149 as of December 31, 2011). In fiscal 2011, the BCRA recharged the amount of government securities issued by the province of Chaco under BOPRO denominations in local currency (1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> series) and BOSAFI Chaco in US dollars (1<sup>st</sup> and 2<sup>nd</sup> series) for ARS 59.899 under Other accounts in Assets (see note 4.8). The remaining holdings are valued at the last available listed price (see note 2.2).

#### **4.2.3 Allowance for impairment in value of government securities**

In order to disclose the market values of certain government securities booked as of December 31, 2012, the allowance for impairment in value of securities is ARS 846.275 (as of December 31, 2011, it amounted to ARS 855.090), out of which ARS 846.205 represented 96% of the original issuance amount of the bond mentioned in 4.2.1.2.1 (ARS 855.020 as of December 31, 2011). During the fiscal year, 1% of the allowance was recovered due to the collection of the security fourth amortization installment on January 2, 2013 (see note 7.1). The remaining ARS 70 refer to all bonds for the province of Formosa (in default). This allowance had no variations with respect to the previous fiscal year.

#### **4.3 Temporary Advances to the Argentine Government**

By virtue of the last Charter amendment established by Law No. 26.739 enacted on March 22, 2012 (see note 2.1.1), as established by section 20, the Bank may make temporary advances to the Argentine Government up to an amount equivalent to 12% of the monetary base, which consists of monetary circulation plus financial institutions' demand deposits in the Central Bank of Argentina, whether in checking or special accounts. It may also make prepayments not exceeding 10% of the cash resources obtained by the Argentine Government in the last twelve months. As an exception and only if circumstances or national or international economic prospects justified so, temporary advances may be granted for an additional amount not exceeding 10% of the cash flows earned by the Federal Government in the last twelve to eighteen months. In all cases, once financial assistance terms have elapsed, this possibility may not be used again until the amounts due are reimbursed.

As of December 31, 2012, Temporary Advances to the Argentine Government amounted to ARS 127.730.000, out of which ARS 13.250.000 were requested by the Treasury Department to settle payables to international credit agencies and foreign-currency payments by virtue of section 20 prior to the last Charter amendment, ARS 74.180.000 were requested at twelve months and ARS 40.300.000 were requested, as an exception, with a maximum maturity term of eighteen months, pursuant to current regulations (see note 2.1.1). As of December 31, 2011, prepayments to the Federal Government totaled ARS 67.130.000, out of which ARS 42.930.000 was used to settle payables to international credit agencies and foreign-currency payments and ARS 24.200.000 was used for other purposes pursuant to section 20 prior to the last Charter amendment.

Such temporary advances do not accrue interest rate and are booked at their nominal values.

The advances that remain effective as of the prior year-end were fully settled as of December 31, 2012, pursuant to the provisions of section 20.

#### 4.4 Loans to the Argentine financial system

The table below shows the amounts of the accounts related to the loans to the Argentine financial system:

	<u>12/31/2012</u>	<u>12/31/2011</u>
Prepayments for production sector financing	3.644.930	1.944.330
Refinanced lines	614.679	614.559
Loans to subscribe Argentine Government bonds	449	86.615
Financial institutions' payables due to fines	109.953	50.917
Loans for illiquidity with other guarantees	1.364	1.364
Other	1.803	348
<b>Subtotal</b>	<u>4.373.178</u>	<u>2.698.133</u>
<b>Less:</b>		
Allowances for loans to the financial system (Exhibit I)	<u>724.149</u>	<u>666.813</u>
<b>Total</b>	<u><b>3.649.029</b></u>	<u><b>2.031.320</b></u>

“Loans to the Argentine financial system” basically consists of loans granted to financial institutions by virtue of Communication “A” 5089 for production sector financing, for an amount of ARS 3.644.930 (ARS 1.944.330 as of December 31, 2011). This item is valued at nominal value plus interest accrued and pending collection at the agreed-upon rate, net of the “Allowance for uncollectibility”. This allowance is created based on the estimated recoverable values of receivables, which taken into account the level of compliance and guarantee quality, among others.

The prepayments for production sector financing require 125% guarantees over capital due and they are measured at technical value. The guarantees posted by institutions stated at technical value cover the whole debt, as broken down below:

	<u>12/31/2012</u>	<u>12/31/2011</u>
Argentine Republic Bonds (BONAR)	2.259.130	1.470.012
Argentine Government secured loans	928.108	335.575
Argentine Government secured bonds	434.623	123.280
Discount bond maturing in 2033	11.991	-
Quasi-par bonds maturing in 2045	7.411	15.463
GDP-related negotiable securities maturing in 2035	<u>3.667</u>	<u>-</u>
<b>Total</b>	<u><b>3.644.930</b></u>	<u><b>1.944.330</b></u>

The residual value measurement of these securities received in guarantee at market values covers the capital due under this item.

As established by section 14, Presidential Decree No. 905/2002, “Loans to subscribe Argentine Government bonds” amounted to ARS 449 as of December 31, 2012 (ARS 86.615 as of December 31, 2011). The guarantees provided by the institutions, which are stated at technical values, cover the percentage established by the abovementioned presidential decree (100% of debt), and their description is as follows:

	<u>12/31/2012</u>	<u>12/31/2011</u>
Argentine Government secured bonds maturing in 2018	374	76.883
Argentine Government secured loans	-	2.663
Argentine Government bonds (BODEN)	-	284
Other assets	75	6.785
<b>Total</b>	<b><u>449</u></b>	<b><u>86.615</u></b>

The residual value of these bonds received in guarantee at market values covers the capital due under this item.

“Financial institutions’ payables due to fines” includes fines accrued in favor of the BCRA due to the application of the Criminal Foreign Exchange System and Financial Institutions Law (section 41), amounting to ARS 109.953 as of December 31, 2012 (ARS 50.917 as of December 31, 2011). Out of the total balance, ARS 110.988 is subject to court foreclosure (ARS 51.118 as of December 31, 2011), which was booked as allowance for ARS 108.106 (ARS 49.778 as of December 31, 2011).

Allowances under “Receivables from Argentine financial system institutions”, which amounted to ARS 724.149 as of December 31, 2012 (ARS 666.813 as of December 31, 2011), is mainly made up of the allowance on credit lines prior to the enactment of Law No. 24.144 amounting to ARS 616.043 (ARS 617.035 as of December 31, 2011), and the allowance on fines mentioned in the previous paragraph for an amount of ARS 108.106 (ARS 49.778 as of December 31, 2011). During fiscal 2012, allowances were reversed in the amount of ARS 5.326 and a total amount of ARS 5.122 was used, while new allowances were booked in the amount of ARS 67.784 (ARS 3.865; ARS 201.300 and ARS 107.475 as of December 31, 2011, respectively) (see exhibit I).

#### **4.5 Contributions to international agencies on behalf of the Argentine Government and others**

The table below shows the amounts of the accounts related to the contributions made by the BCRA on account of the Argentine Government and others:

	<u>12/31/2012</u>	<u>12/31/2011</u>
Contributions to the IADB, IBRD and IDA, among others	6.520.295	5.311.016
Contributions to the IMF	4.477.270	3.913.917
<b>Total</b>	<b><u>10.997.565</u></b>	<b><u>9.224.933</u></b>

This item is stated at nominal value in the original currency and converted into Argentine pesos as established in note 3.5.1.

The Federal Government books as an installment —as established by the IMF Board of Governors— the amount of 2.117.100 SDRs as of December 31, 2012, and 2011, as follows:

	Amount in thousands of SDRs (*)	Amount in Argentine pesos as of 12/31/2012	Amount in Argentine pesos as of 12/31/2011
Treasury bills	1.524.672	11.522.706	10.072.860
Contributions to the IMF in foreign currency	529.275	3.999.996	3.496.696
Contributions to the IMF in Argentine pesos	63.153	477.275	417.221
<b>Total</b>	<b>2.117.100</b>	<b>15.999.977</b>	<b>13.986.777</b>

(\*) There are identical amounts for December 31, 2012, and December 31, 2011.

Treasury Bills are issued by the BCRA on account and behalf of the Federal Government in its capacity as Government's financial agent pursuant to Article III, Section 4 and Article V, Section 11 of the IMF Articles of Agreement (see note 5).

#### 4.6 Rights deriving from other derivative financial instruments

	12/31/2012	12/31/2011
ROFEX market daily clearing margin	412	-
<b>Total</b>	<b>412</b>	<b>-</b>

The daily clearing margin represents receivables in Argentine pesos arising from variations in the foreign currency forward market closing listed price regarding the ROFEX market open position as of year-end. As of December 31, 2012, it amounted to ARS 412, while as of December 31, 2011, no amount was booked in this regard.

#### 4.7 Rights deriving from repo transactions

	12/31/2012	12/31/2011
LEBAC (BCRA bills) receivable in Argentine pesos and delivered under repurchase agreements	17.117.072	14.568.050
Securities and foreign currency to be received for repo transactions under Communication "A" 4,508	-	6.116.868
Rights from reverse repos	4.581.424	3.774.794
Repurchase agreements assessment	1.707.821	1.454.854
<b>Total</b>	<b>23.406.317</b>	<b>25.914.566</b>

The BCRA issues LEBAC (BCRA bills) and NOBAC (BCRA notes) as the main monetary regulatory instruments with which it absorbs market liquidity to meet the effective monetary program goals. Board of Governors' Resolution No. 155 of May 20, 2004, authorized the issuance of LEBAC to be applied as eligible

assets, upon agreeing upon repurchase and reverse repurchase agreements. Such resolution established that the assessment of these transactions amounted to 10% of the transaction. As of December 31, 2012, the LEBAC delivered under repurchase agreements, including premiums to be accrued for this item, totaled ARS 17.117.072 (ARS 14.568.050 as of December 31, 2011). Those instruments were valued at market price (see note 4.19).

In addition to the repurchase agreements agreed upon under general regulations, as from March 10, 2006, the Board of Governors approved agreeing upon repo transactions using government securities issued by the Argentine Government as underlying assets. The assets to be received in exchange may be in Argentine pesos, US dollars, euros or securities denominated in those same currencies issued by governments of countries whose long-term sovereign debt has a given credit risk rating. As of December 31, 2012, there were no transactions with these characteristics while current transactions as of December 31, 2011, including premiums to be accrued, amounted to ARS 6.116.868. They were stated at market value.

Rights from reverse repos are related to transactions agreed upon with Banks and other entities based on the monetary policy strategies created by the BCRA. Receivables in this regard amounted to ARS 4.581.424 as of December 31, 2012 (ARS 3.774.794 as of December 31, 2011). They are valued considering the arranged prices for each transaction, plus premiums accrued at the end of each year.

#### 4.8 Other assets

	<u>12/31/2012</u>	<u>12/31/2011</u>
Assets applied to guarantees for participation in the ROFEX market	82.657	1.060.776
Stock of paper and coins for monetary issuance	659.003	388.968
Secured loans – Presidential Decree No. 1387/01	262.992	199.122
Bank premises & equipment (net of accumulated depreciation)	142.116	137.927
Consolidation Bond in Argentine pesos. Law No. 4951 (pending issuance)	54.143	65.297
Coined gold	77.747	63.968
Intangible assets (net of accumulated amortization)	1.025	1.374
Other	986.403	436.716
<b>Less:</b>		
Allowances (Exhibit I)	<u>574.497</u>	<u>202.505</u>
<b>Total</b>	<u><u>1.691.589</u></u>	<u><u>2.151.644</u></u>

The assets applied to guarantees for participation in the ROFEX market represent initial guarantee margins, which are common to all participants, the portfolio risk margin and the daily clearing margins for revaluation of positions opened by the BCRA in such market. As of December 31, 2012, the assets delivered in guarantee amounted to ARS 82.657, while as of December 31, 2011, it amounted to ARS 1.060.776.

Secured loans are financial instruments issued by the Federal Government by virtue of Presidential Decree No. 1387/2001 and supplementary regulations, which were accepted to settle the illiquidity aid to the institutions with abrogated authorization to operate. These unlisted instruments are transferred through deeds, they accrue interest and they may be adjusted by CER (benchmark stabilization coefficient). As of year-end, they were stated at nominal value plus accrued interest not yet collected and CER adjustment. As established by BCRA Communication “A” 5180, as of December 31, 2011, they were valued at cost plus interest, net of the related offset account (see note 2.2).

Bank premises & equipment were valued at acquisition cost, net of the related accumulated depreciation, including the adjustment for inflation through February 28, 2003. Depreciation is calculated by the straight-line method, taking into account the bank premises & equipment estimated useful life.

Taking into account the international definitions related to the gold to be computed as reserve assets (see note 4.1.1), this item was included in the gold coins held for numismatic purposes, which were booked as allowance for finesse, representing 1% of total inventories.

Consolidation Bond in Argentine pesos. Law No. 4951 represents the refinancing established by Law No. 4951 for the province of Chaco as part of the exchange of BOPRO bonds in Argentine pesos (1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> series) and BOSAFI Chaco in US dollars (1<sup>st</sup> and 2<sup>nd</sup> series). As described in note 4.2.1.2.7, the BCRA decided to recharge the amount in this item during the fiscal year ended December 31, 2011.

“Other” includes, among others, transactions performed and settled pursuant to ALADI’s Agreement on Reciprocal Payments and Credits for an amount of ARS 229.136 as of December 31, 2012 (ARS 200.520 as of December 31, 2011), which was claimed to the Central Bank of Uruguay. As of the date of issuance of the accompanying financial statements, such disagreement was not solved; therefore, the amount was fully booked as allowance; they also include numismatic items for ARS 15.801 (ARS 13.072 as of December 31, 2011) and the value of certificates of participation from the redemption of Acex trust; receivables in litigation and not in litigation not yet collected from the same trust and other assets received in that regard (ARS 186.837; ARS 154.483 and ARS 2.344; respectively), which were booked as allowance for ARS 343.575 and the contribution to the Poverty Reduction and Growth Trust – Heavily Indebted Poor Countries (IMF) for ARS 118.109 (there were no variations in the amount thereof as of December 31, 2011).

## 4.9 Monetary base

### 4.9.1 Monetary circulation

#### 4.9.1.1 Banknotes and coins in circulation

	<u>12/31/2012</u>	<u>12/31/2011</u>
Banknotes	234.408.296	170.951.290
Coins	<u>2.598.755</u>	<u>2.103.250</u>
<b>Total</b>	<b><u>237.007.051</u></b>	<b><u>173.054.540</u></b>

Banknotes and coins in circulation as of each year-end represent those in the possession of the general public and financial institutions.

Banknotes in circulation varied as follows:

	<u>12/31/2012</u>	<u>12/31/2011</u>
Balance at beginning of year	170.951.290	122.612.623
New notes and notes in good use in circulations	71.824.337	50.214.757
Notes out of circulation and destroyed or to be destroyed	<u>(8.367.331)</u>	<u>(1.876.090)</u>
<b>Balance at end of year</b>	<b><u>234.408.296</u></b>	<b><u>170.951.290</u></b>



#### **4.9.1.2 Settlement checks in pesos in circulation**

The amount of ARS 2.500 as of December 31, 2012 (ARS 1.844 as of December 31, 2011) accounts for BCRA's liability for the issuance of settlement checks requested by financial institutions and issued in Argentine pesos.

#### **4.9.2 Current accounts in pesos**

As of December 31, 2012, this account amounted to ARS 70.341.965 (ARS 49.865.469 as of December 31, 2011). The compensation for the amounts in current accounts in Argentine pesos opened in the BCRA is calculated pursuant to Communication "A" 4147, as amended, and it consists in the calculation of interest over the monthly average of daily amounts at the rate fixed and published by the trading desk.

#### **4.10 Settlement checks in other currencies in circulation**

The amount of ARS 193 as of December 31, 2012 (ARS 15.793 as of December 31, 2011) represents BCRA's liability for the settlement checks requested by financial institutions and issued in US dollars. They were converted into Argentine pesos as stated in note 3.5.1.

#### **4.11 Current accounts in other currencies**

As of December 31, 2012, this item amounted to ARS 41.632.303 (ARS 24.620.536 as of December 31, 2011), and it is converted into pesos as established in note 3.5.1. Compensation conditions have been defined in such Communication "A" 4147, as amended.

#### **4.12 Deposits from the Argentine Government and others**

This item includes:

	<u>12/31/2012</u>	<u>12/31/2011</u>
Argentine Government deposits	6.129.599	1.899.832
ANSES – Social security payment orders	296.609	717.308
Provincial funds	164.340	143.816
Argentine Government deposits – Law No. 25152 – Tax anticyclical fund	92.200	80.686
<b>Total</b>	<b><u>6.682.748</u></b>	<b><u>2.841.642</u></b>

#### 4.13 Other deposits

	<u>12/31/2012</u>	<u>12/31/2011</u>
Trust current accounts	56.601	44.639
In special accounts	43.559	41.701
MicroPyme program	373	18.250
Other	13.636	57.427
<b>Total</b>	<b><u>114.169</u></b>	<b><u>162.017</u></b>

“Deposits in special accounts” includes ARS 23.181 related to deposits made by the Argentine Government under the terms of section 1, Presidential Decree No. 1836/2002, which cannot be attached or disposed of and they will exclusively guarantee the different series of Argentine Government bonds to be swapped for certificates of deposit of financial system savers. As of December 31, 2011, the amount in this regard was ARS 21.323.

#### 4.14 IMF Special Drawing Rights

IMF Special Drawing Rights refer to the amount allocated by the IMF to Argentina as member country. By virtue of its Articles of Agreement, the IMF may assign Special Drawing Rights to member countries in proportion to their quotas, whether on a general or special basis.

In 2009, the IMF made a general allocation of up to USD 250.000.000 among its member countries and USD 2.460.375 (SDR 1.569.427) was allocated to Argentina. In fiscal 2009, the Fourth Amendment of the IMF Articles of Agreement approved in 1997 became effective, which sets forth a special extraordinary allocation of SDRs amounting to about USD 33.000.000, while Argentina was allocated USD 207.316 (SDR 132.243). Both general and extraordinary allocations were received by the BCRA on account and behalf of the Federal Government for an amount of SDR 1.701.670.

The contra account of SDR allocations transferred to the Federal Government is disclosed offsetting the Allocated SDRs account, for an amount of ARS 12.860.365, equal to SDR 1.701.670 as of December 31, 2012 (ARS 11.242.208 equal to the same amount in SDRs as of December 31, 2011).

The net amount of SDR 318.370, effective as of December 31, 2012, and December 31, 2011, shows the allocated SDRs received by the bank prior to the Charter amendment of September 30, 1992.

The item breaks down as follows:

	<b>12/31/2012</b>		<b>12/31/2011</b>	
	<b>SDR</b>	<b>Argentine pesos</b>	<b>SDR</b>	<b>Argentine pesos</b>
IMF Special Drawing Rights	2.020.040	15.266.445	2.020.040	13.345.543
SDR contra account	(1.701.670)	(12.860.365)	(1.701.670)	(11.242.208)
	<b>318.370</b>	<b>2.406.080</b>	<b>318.370</b>	<b>2.103.335</b>

This item is valued as mentioned in note 3.5.1.

#### 4.15 Obligations with international agencies

“Obligations with international agencies” is mainly made up of the “Use of the reserve portion”, which is the main financial service made available by the IMF to a country and it does not represent the use of the credit from the IMF, there being no claim from the international organization regarding the funds used. The reserve portion of a country represents the payment percentage of the installment established for participating in the IMF, which was included in reserve assets.

As to the amount booked under “Bank for International Settlements”, Board of Governors’ Resolution No. 377 of December 15, 2005, approved the credit installments agreement with that entity. Such resolution was based on the need of mechanisms favoring the immediate and highest availability and liquidity of international reserves. As of December 31, 2012, there was no amount booked in this regard (as of December 31, 2011, it amounted to ARS 4.303.647). In addition, the item under analysis includes ARS 91.002 for capital due for such entity’s share subscription (ARS 79.551 as of December 31, 2011).

Apart from the items previously mentioned, “Obligations” is also made up of deposits with the Inter-American Development Bank, IMF and other international institutions.

The item breaks down as follows:

	<b>12/31/2012</b>	<b>12/31/2011</b>
Use of reserve tranche	4.000.117	3.496.802
IMF Account No. 1	475.677	415.824
IADB	389.279	328.191
Bank for International Settlements	91.002	4.383.198
Other	79.286	74.004
Accrued charges	1.739	4.069
IBRD	114	25.941
IMF Account No. 2	107	93
	<b>5.037.321</b>	<b>8.728.122</b>

The contra account of the “Use of the reserve portion” includes BCRA’s right to collect from the Federal Government the funds received by the BCRA and transferred to the Federal Government before September 30, 1992, for SDR 529.291 equal to ARS 4.000.117 (the same amount in SDRs equal to ARS 3.496.802 as of December 31, 2011).

#### 4.16 Securities issued by the BCRA

One of the transactions allowed to be BCRA under section 18 of its Charter consists in issuing securities or bonds and certificates of participation on the securities that it holds. This monetary instrument called LEBAC was issued in Argentine pesos and US dollars from 2002; however the last issuance in foreign currency was made in January 2006 and no further amounts were booked in this regard in the last few years. These financial instruments are traded on a discount basis and they are stated at face value net of interest to be accrued as of each year-end.

As from May 2004, Board of Governors' Resolution No. 155/04 authorized that a portion of issued LEBAC be used to perform repurchase and reverse repurchase transactions as monetary regulation instruments. As a result, the LEBAC portfolio used for such transactions is stated at market values and disclosed by deducting from "Securities issued by the BCRA" (see note 4.7).

As from April 19, 2005, NOBAC in Argentine pesos began to be issued with a variable coupon (BADLAR + 2,5%). Such NOBAC were stated at face value, plus interest accrued through each year-end.

Furthermore, as from September 26, 2007, the BCRA's Board of Governors authorized the issuance of LEBAC and NOBAC to be exclusively traded on the domestic market and earmarked for legal entities organized in Argentina subject to the ongoing oversight of domestic regulatory and control agencies, and financial institutions authorized by the BCRA for its own portfolio, in addition to the natural persons residing in Argentina and official accounts.

The amounts of LEBAC and NOBAC as of each year-end are as follows:

	<u>12/31/2012</u>	<u>12/31/2011</u>
Bills and notes issued in Argentine pesos		
Primary issuance of bills and notes	127.911.854	99.899.795
Bills in portfolio available for repurchase agreements	(28.056.872)	(15.438.519)
Notes in portfolio available for repurchase agreements	-	(248.612)
<b>Total</b>	<u><b>99.854.982</b></u>	<u><b>84.212.664</b></u>

Exhibit IV discloses the LEBAC and NOBAC held as of each year-end broken down by type of instrument and maturity term.

#### 4.17 Contra account of Argentine Government contributions to international agencies

As of December 31, 2012, the amount of ARS 4.906.757 represents the contra account of contributions made on account of the Argentine Government to international entities of which Argentina is a member. As from September 30, 1992, when the Bank's Charter was amended, the legal form of the BCRA and its relationship with the Federal Government were modified. The amount as of December 31, 2011, was ARS 3.898.513.

#### 4.18 Due to other derivative financial instruments

The balance as of December 31, 2012, totals ARS 5.231 and represents the interest accrued to be paid for interest rate swaps arranged (ARS 23.141 as of December 31, 2011). The notional values are recorded under Memorandum accounts (see Note 5).

#### 4.19 Due to repo transactions

	<u>12/31/2012</u>	<u>12/31/2011</u>
Amounts payable for repurchase agreements	17.092.002	14.562.931
Obligations from repurchase agreements - Communication "A" 4508	-	6.105.764
Securities and foreign currency to be delivered for reverse repurchase agreements	4.577.643	3.767.839
<b>Total</b>	<b><u>21.669.645</u></b>	<b><u>24.436.534</u></b>

The amounts payable for repurchase agreements total ARS 17.092.002 as of December 31, 2012, and represent the funds to be reimbursed to the financial institutions on the maturity date of the transactions mentioned in note 4.7 on account of principal, premiums and assessments totaling ARS 15.370.389, ARS 13.792 and ARS 1.707.821, respectively (as of December 31, 2011, the balances of these items totaled ARS 13.093.684, ARS 14.393 and ARS 1.454.854 respectively). They are valued considering the arranged prices for each transaction, plus the related premiums accrued at the end of each year.

As of December 31, 2012, there were no repurchase agreements regulated by Communication "A" 4508 and described in note 4.7. As of December 31, 2011, this item totaled ARS 6.105.764.

Securities and foreign currency to be delivered for obligations from reverse repurchase agreements as of December 31, 2012, totaled ARS 4.577.643 and represent foreign government securities to be reimbursed due to reverse repo transactions valued at market price (ARS 3.767.839 as of December 31, 2011).

#### 4.20 Due to multilateral credit agreements

This account's balance represents the net liabilities resulting from mutual credit transactions within the framework of the ALADI, which totaled ARS 909.010 as of December 31, 2012, while this item totaled ARS 548.862 as of December 31, 2011.

#### 4.21 Other liabilities

This item breaks down as follows:

	<u>12/31/2012</u>	<u>12/31/2011</u>
Revolving funds and other obligations in foreign currency	19.551.475	21.336.887
Obligations with the Argentine Government	394.900	396.877
Obligations from secured loan services	389.820	298.327
Obligations from BODEN subscribed	3.035	98.654
Other	1.018.768	1.483.659
<b>Total</b>	<b><u>21.357.998</u></b>	<b><u>23.614.404</u></b>

"Revolving funds and other obligations in foreign currency" represent the transactions resulting from international agreements executed with multilateral or foreign official organizations, central banks or entities of which only the BCRA can be a borrower on its own behalf or on account of the Argentine Treasury as Financial Agent of Argentina, pursuant to the provisions of Article 17 of the Charter.

The balance of Revolving funds is made up of the disbursements made by the Inter-American Development Bank (IDB) to be used in loans, technical cooperation efforts and small projects for the acquisition of goods and services, pursuant to the terms and conditions of the agreements executed with the IDB.

Other obligations in foreign currency involve the financing from foreign financial institutions and other organizations, obtained by the BCRA as part of its monetary policy strategies.

Obligations with the Argentine Government include fund deposits in of the Global Credit Program for Micro-, Small- and Medium-sized Enterprises. This program is funded using the loan granted by the IDB to Argentina and grants credit to micro-, small- and medium-sized enterprises that engage in primary production, industrial and commercial activities and in the provision of services (except for those of a financial nature). The balance as of December 31, 2012, totals ARS 394.900 (as of December 31, 2011, it amounted to ARS 396.877).

“Obligations from secured loan services” includes the funds that will be used to pay the abovementioned loan services, which amounted to ARS 389.820 as of December 31, 2012 (the amount as of December 31, 2011, was ARS 298.327).

As of December 31, 2012, the amount booked for “Obligations from BODEN subscribed” was ARS 3.035 (ARS 98.654 as of December 31, 2011) and represented the amounts due to the Argentine Government. Such amounts are released for the amount equal to the financial services due of each bonds series, whenever the Finance Department instructs so.

The main items included in “Other” are described as follows: Obligations with the Argentine Government for settlement of loans using Bocones ARS 163.943 (ARS 231.774 as of December 31, 2011) and items pending final allocation in the amount of ARS 231.128 (ARS 738.056 as of December 31, 2011), among others.

## 4.22 Provisions

The provisions set as of each year-end which are listed in Exhibit I involve the following items:

	<u>12/31/2012</u>	<u>12/31/2011</u>
Provision for lawsuits	667.008	1.071.369
Provision for labor-related liabilities	613.508	262.764
Provision for guarantee fund under Law No. 22.510	30.598	19.717
Other provisions	793	22.360
<b>Total</b>	<b><u>1.311.907</u></b>	<b><u>1.376.210</u></b>

The method used by the BCRA to determine the amounts of the provision for lawsuits was as follows:

Lawsuits were classified based on their procedural status and the type of cases (lawsuits related to the reimbursement of deposits, labor lawsuits, etc.) Based on such classification, the reserve was estimated taking into account a percentage related to identical or similar lawsuits finished.

The lawsuits prior to April 1, 1991, were adjusted through the general wholesale price index plus an annual 6% interest until March 31, 1991, and, as from such date, the common savings account rate published by the BCRA was used. In the case of lawsuits subsequent to March 31, 1991, and prior to January 01, 2002, the borrowing rate under BCRA Notice No. 14.290 was used until December 31, 2001, and, from such date onwards, the common savings account rate based on Law No. 25.344. In the case of lawsuits subsequent to December 31, 2001, and until the closing date of the accompanying financial statements, the borrowing rate under BCRA Notice No. 14.290 was used for judicial purposes.

In addition, lawsuits for damages were brought against the BCRA for unspecified amount, and an unfavorable outcome thereof for the BCRA is remote as of the issuance of the accompanying financial statements; therefore, no reserve was booked.

#### 4.23 Statement of income – Significant items

The most significant items are:

##### Interest and adjustments income

<b>On International Reserves</b>	<b>12/31/2012</b>	<b>12/31/2011</b>
Time deposits	233.468	210.628
Demand deposits and foreign currency	19.899	64.099
Foreign government securities	-	63.786
Multilateral credit agreements	1.631	966
<b>Total:</b>	<b>254.998</b>	<b>339.479</b>

##### **On Government securities**

Interest on government securities	2.479.055	2.435.974
CER on government securities	157.299	757.452
Interest on Non-transferrable bills	118.117	-
<b>Total:</b>	<b>2.754.471</b>	<b>3.193.426</b>

##### **On loans to the financial system**

Interest earned	266.261	74.240
<b>Total:</b>	<b>266.261</b>	<b>74.240</b>

##### **On other transactions with the financial system**

Net interest from swap transactions	2.978	4.319
<b>Total:</b>	<b>2.978</b>	<b>4.319</b>

##### **On other assets**

Interest and adjustments on secured loans	38.568	231.077
FABP (yield and interest)	12.627	2.118
Other interest earned	1.121	965
<b>Total:</b>	<b>52.316</b>	<b>234.160</b>

##### Interest and adjustments expense

##### **On securities issued by the BCRA**

Interest on Nobac	4.383.280	7.592.116
Interest on Lebac	6.975.271	3.879.808
<b>Total:</b>	<b>11.358.551</b>	<b>11.471.924</b>

##### **On loans borrowed from international agencies**

Other obligations	95.801	34.228
<b>Total:</b>	<b>95.801</b>	<b>34.228</b>

**On other transactions with the financial system**

Net premiums accrued on repo transactions	1.659.790	875.443
<b>Total:</b>	<b>1.659.790</b>	<b>875.443</b>

**On other liabilities**

Interest	29.846	604.852
Gain (loss) on CER application	35.759	8.143
<b>Total:</b>	<b>65.605</b>	<b>612.995</b>

**Set up of allowances for government securities and loans to the financial system, net**

Government securities	8.815	8.814
Loans to the financial system	(62.458)	(103.610)
<b>Total:</b>	<b>(53.643)</b>	<b>(94.796)</b>

**Foreign currency trading differences, net**

Foreign currency trading	55.973	1.321.595
<b>Total:</b>	<b>55.973</b>	<b>1.321.595</b>

**Listed price differences, net**

International reserves		
Foreign currency: time and demand deposits	25.664.210	13.791.411
Gold	2.903.273	1.943.763
Foreign government securities	575.927	428.668
Derivative instruments	(63.497)	61.034
Other	12.188	4.138
Argentine government securities	22.406.807	5.116.472
International agencies	838.394	385.274
Entities' deposits in current accounts and Argentine Government deposits	(5.364.652)	(4.322.664)
Other valuation adjustments of assets and liabilities	(2.951.642)	(502.063)
<b>Total:</b>	<b>44.021.008</b>	<b>16.906.033</b>

**Other financial instruments trading differences, net****Gains:**

On transactions with Lebac and Nobac	245.004	295.960
On forward transactions	(229.658)	32.040
On transactions with securities	-	982
On transactions with gold and foreign currency options	-	401
On forward/futures transactions	(3.522)	(9.375)
Other transactions	(2)	-



<b>Total:</b>	<b>11.822</b>	<b>320.008</b>
<b>Monetary issuance expenses</b>		
Coinage and minting	499.438	388.297
Materials	242.091	88.221
Other expenses	139.620	108.545
<b>Total:</b>	<b>881.149</b>	<b>585.063</b>
<b>General expenses</b>		
Amortization	13.104	19.412
Other general expenses	1.223.686	843.956
<b>Total:</b>	<b>1.236.790</b>	<b>863.368</b>
<b>Set up (reversals) of other allowances, net</b>		
Provision for conversion into pesos - Communication "A" 4058	-	(314)
Allowance for coined gold	138	1.045
Provision for lawsuits	(397.973)	6.501
Provision for labor-related liabilities	350.744	210.933
Other allowances, provisions and reserves	350.287	15.324
<b>Total:</b>	<b>303.196</b>	<b>233.489</b>
<b>Miscellaneous charges and fines</b>		
Fines	81.028	119.679
Charges	45.126	28.344
<b>Total:</b>	<b>126.154</b>	<b>148.023</b>
<b>Other income and expenses</b>		
Recovery of certificates of participation in trusts	186.837	-
Income from collection of receivables in litigation	136.030	-
Other	95.833	33.496
<b>Total:</b>	<b>418.700</b>	<b>33.496</b>

## NOTE 5 – DEBIT- AND CREDIT-BALANCE MEMORANDUM ACCOUNTS

As of December 31, 2012, debit- and credit- balance memorandum accounts amounted to ARS 1.015.181.111 (ARS 743.906.635 as of December 31, 2011), which broke down as follows:

	<u>12/31/2012</u>	<u>12/31/2011</u>
Stocks of banknotes and coins		
<i>Total stock of banknotes and coins issued for circulation</i>	254.387.278	189.199.519
<i>Stock of banknotes and coins issued for circulation in the BCRA</i>	17.380.227	16.144.979
Other (banknote paper – coin blanks – banknotes and coins in process)	109.873.446	49.697.110
Settlement checks	24.756	49.087
Checks and securities in custody – Monetary	384.478.644	189.673.491
Checks and securities in custody – Non-monetary	111.410.801	125.901.475
Checks and securities received in guarantee	14.239.911	11.065.413
Non-negotiable securities – International agencies	12.200.738	10.742.133
Commitments agreed with international organizations	68.450.198	53.512.922
Loans classified as irrecoverable	23.673.306	22.991.634
Funds managed on behalf of Treasury Department	1.743.666	1.525.871
Financial fines – section 41, Financial Entities Law and Criminal Foreign Exchange System	604.501	600.300
Contingent rights and obligations		
From currency swap agreements	-	38.000.000
<i>From OCT-MAE interest rate swap agreements</i>	185.000	225.000
<i>From imports under Aladi agreement</i>	293.161	325.522
<i>From OCT – MAE purchases ( Overdraft function - Swap)</i>	-	15.000
<i>From OCT – MAE sales (Overdraft – Swap)</i>	-	15.000
Other contingent rights from forward transactions		
<i>OCT - MAE purchases (foreign currency)</i>	-	1.090.000
<i>Mercado Rofex purchases (foreign currency)</i>	-	-
<i>From OCT – MAE purchases (Overdraft function )</i>	-	520.000
Other contingent obligations from forward transactions		
<i>OCT - MAE sales (foreign currency)</i>	15.333.139	24.486.720
<i>Mercado Rofex sales (foreign currency)</i>	733.931	7.481.653
<i>From OCT – MAE sales (Overdraft function - Rates)</i>	-	520.000
<i>Option repurchase agreements</i>	-	-
Other	168,408	123,805
<b>Total</b>	<u><b>1.015.181.111</b></u>	<u><b>743.906.634</b></u>

The stock of banknotes and coins includes ARS 254,387,278 on account of banknotes and coins in circulation (ARS 189,199,519 as of December 31, 2011), ARS 17,380,227 of banknotes and coins deposited in the Bank fit for circulation (ARS 16,144,979 as of December 31, 2011) and ARS 109,873,446 of other banknotes and coins in custody of the Treasury (ARS 49,697,110 as of December 31, 2011).

“Other” (banknote paper – coin blanks – banknotes and coins in process) includes mainly paper stock to print banknotes and coin blanks to strike coins in the amount of ARS 33,690,729 (ARS 41,523,788 as of December 31, 2011) and paper and banknotes of old lines to be destroyed in the amount of ARS 58,041 (ARS 844,474 as of December 31, 2011).

The balance of ARS 24,756 as of December 31, 2012, for “settlement checks represents the checks of this kind that were drawn in Argentine pesos and in US dollars in the hands of the general public and the checks paid and sent to the BCRA for final verification and destruction (ARS 49,087 as of December 31, 2011) (see note 4(9)1).

“Checks and securities in custody” include mainly securities, local and foreign currency and checks deposited with the Bank’s treasury or in regional treasuries as part of the BCRA’s duties or due to a court order. Assets with a financial value were classified as monetary, while nonmonetary assets are those that due to their aging can no longer be used as payment in the case of currencies, or which lack financial value in the case of government securities. “Checks and securities in custody – monetary” were valued by applying the foreign exchange rates or listed prices in effect as of December 31, 2012, whether for foreign currency or government securities. The same method was applied to the amounts as of December 31, 2011, using exchange rates and listed prices as of that date, so as not to affect the comparability of the amounts.

The “Checks and securities received in guarantee” amount includes, mainly ARS 8,592,950 of securities and checks deposited with the BCRA or with other entities in relation to credit transactions (ARS 6,022,361 as of December 31, 2011) and ARS 5,542,523 of securities deposited in guarantee by local banks in relation to ALADI transactions (ARS 4,941,369 as of December 31, 2011), among others.

The amount of “Non-negotiable securities” represents mainly the amount of Treasury Bills issued by the BCRA on behalf and account of the Argentine Government for a total of ARS 11,522,706 as of December 31, 2012, (ARS 10,072,860 as of December 31, 2011), maintaining the potential commitment to pay the IMF, as mentioned in note 4(5).

“Commitments agreed with international organizations” represent the principal amount due and payable that was undertaken with each organization (IDB, FONPLATA, IBRD). As of December 31, 2012, this account amounted to ARS 68,450,198 (ARS 53,512,922 as of December 31, 2011).

The receivables deemed non-recoverable include loans granted to former financial entities that are currently undergoing liquidation and total ARS 22,470,886 (ARS 21,505,131 as of December 31, 2011) and loans granted to former entities with revoked authorization that were verified in litigation in an amount of ARS 1,192,242 (ARS 1,466,208 as of December 31, 2011).

“Funds managed on behalf of the Treasury Department” include ARS 1,651,466 (ARS 1,445,185 as of December 31, 2011) of collateralized securities belonging to the Treasury Department, which were delivered to the BCRA to be managed by it and ARS 92,200 (ARS 80,686 as of December 31, 2011) related to the Tax anticyclical fund.

Fines imposed in accordance with the provisions of article 41 of the Charter account for ARS 604,501 (ARS 600,300 as of December 31, 2011).

During 2009, a currency swap agreement was signed between the BCRA and the People’s Bank of China, which matured this year. The contingent rights and obligations from this agreement totaled ARS 38,000,000 as of December 31, 2011, while there was no balance as of December 31, 2012.

Additionally, during 2009, the BCRA began trading interest rate swaps in Argentine pesos on the OCT-MAE (forward transactions on the over-the-counter electronic market). These transactions are regulated by

Communication “A” 4776, as amended (see note 4(6)). The notional values of those agreements were recorded in this account.

“Contingent obligations from transactions under ALADI agreements” records the instruments issued by financial entities resulting from imports under such agreement. As of December 31, 2012, this account amounted to ARS 293.161 (ARS 325.522 as of December 31, 2011).

“Contingent rights from forward transactions” includes the notional values of the foreign currency futures purchase contracts arranged through the MAE and ROFEX, as well as the notional values of the interest rate futures contracts in pesos arranged through the “overdraft function” (the BCRA’s role as intermediary between banks). These transactions are regulated by Communication “A” 4925, as amended. These transactions entail the bilateral agreement of the BCRA and two counterparties, and the notional values of the agreements are booked in this account.

“Contingent obligations from forward transactions” includes the notional values of the foreign currency futures sales contracts arranged through the MAE and ROFEX, as well as the notional values of the interest rate futures sales contracts in pesos arranged through the “overdraft function”.

## **NOTE 6 – RISK AND INTERNATIONAL RESERVES MANAGEMENT POLICIES**

As set forth in Section 14(q) of the Charter, as amended by Law No. 26.739, in effect since April 6, 2012, the Board of Governors of the BCRA has the authority to determine the level of gold, foreign currency and other foreign asset reserves required for foreign exchange policy implementation, considering the changes in foreign accounts.

The BCRA uses financial instruments as a way of attaining monetary policy objectives, as well as to manage international reserves. Its main purpose is not to make a profit, although the instruments should be adequate to ensure that its duties as the monetary authority are correctly executed.

The gains (losses) in the exchange rate and the level of international reserves are monitored on a daily basis, and a report is drafted that contains a summarized explanation of the different factors that explain the resulting gain (loss), taking into account the changes in the main listings of the currencies in which the reserves are invested, the gain (loss) on the BCRA’s portfolio securities, the BCRA’s interest in the foreign exchange market and the foreign debt payments. Daily settlements of the regional cooperation agreements such as ALADI and SML (local currency system) are also included.

Every week, the Board of Governors gathers to evaluate the real economy’s progress, the financial and monetary indicators and the situation of the foreign exchange market.

Every month, the BCRA Chairman sends a report to the Board of Governors on the transactions on the spot and forward exchange market (futures transactions). This report provides thorough detail on the monthly changes in the foreign exchange market, it reports on the monthly purchases made by the BCRA, the BCRA’s relative interest in the market, the total purchases made year-to-date, changes in the monthly settlement of grain and oilseeds exports and changes in the benchmark exchange rates.

On a quarterly basis, the Board of Governors is provided with a report describing the international context, the breakdown of transactions carried out as part of the reserve portfolio management and the income (losses) and yields for the quarter.

During 2012, the Board of Governors technically assessed this level in April, July and October, when it issued the first, second and third tranche of the Bill under the provisions of section 43, Law No. 26.728. Also taken

into consideration was the report prepared by the General Economic Research Section, which studied specialized literature regarding the different strategies and international experience to determine the proper level of reserves, which are classed into four groups: 1) adjustment indicators; 2) calculations resulting from theoretical models, 3) calculations resulting from econometric models and 4) idiosyncratic or specific qualitative risk analyses. This report concluded that both literature and international experience confirm that the best approach available to define the necessary reserves results from the application of the adjustment indicators approach, supplemented with a thorough qualitative and quantitative analysis of the specificities relevant to the Argentine economy. It also confirmed that the theoretical and econometric models are ruled out because they pose practical and conceptual issues that do not render them very useful or relevant to the economic policy discussion.

The international reserves act as insurance against potential shocks. Consequently, defining the necessary level will depend on the risks perceived with regard how likely adverse events are to occur. These risks include: 1) commercial risk; 2) financial risk; and 3) risk on monetary aggregates and the financial system.

Commercial risk is analyzed by observing how the following variables behave: the degree of openness to trade, the balance from the trade of goods, the breakdown and destination of exports, and the historical changes in the price of raw materials and its volatility.

The analysis of the financial risk is centered on the requirements to address service obligations of foreign currency debt and the short-term private external debt. This involves an analysis of the changes in the ratio of foreign debt (public and private) to international reserves, of the net flow with international financial institutions, of the external public debt services in relation to the reserves and the external private debt.

With regard to the risk on monetary aggregates and the financial system, a list is made of the characteristics and changes in demand for foreign currency of the private non-financial sector and the role of the financial system in that demand, as well as the regulations in effect on this matter. It also describes the performance of foreign currency supply, in regard to recent changes as well as in regard to projections for the corresponding year.

With regard to managing the risks inherent in the financial instruments forming part of the international reserves, we would like to point out that they are monitored on a daily basis at market value and that their investment process is subject to the provisions of the BCRA's Charter and the guidelines established by the Board of Governors (see the following subsections).

## **6.1 Credit risk**

Credit risk consists in the possibility of losses resulting from the counterparty defaulting on its obligations. In this regard, the abovementioned investment guidelines establish that the eligible countries to make investments should have an Aa2/AA/AA or better rating for their long-term sovereign debt in local and foreign currency awarded by at least two of the main credit rating agencies.

Eligible instruments to make investments should have the same rating as the one stated for eligible countries, except in the case of securities issued by supranational organizations, US corporate bonds, and the agency securities of other eligible countries outside the USA, which should have a minimum Aaa/AAA/AAA credit rating. For short-term certificates of deposit and bank acceptances that are direct bank obligations, the minimum credit rating required is A-1/P-1/F-1.

Investment guidelines establish that investment custodians should have the maximum credit rating, i.e. Aaa/AAA/AAA. Additionally, such guidelines established specific limits for investments that can be held in custody by certain counterparties.

## **6.2 Market risk**

Market risk arises due to market parameter fluctuations. Therefore, "market risk" encompasses sub-risks involving changes in exchange rates, interest rates and in prices. With regard to this type of risk, the investment guidelines establish that the portfolio duration should not exceed two and a half years, and that the investment in currencies other than the US dollar cannot exceed 30% of total international reserves.

### **6.3 Liquidity risk**

Investment guidelines related to the liquidity risk establish that the investment manager will ensure that the portfolio holdings are sufficiently liquid to be sold, within three days after being notified. However, this does not result in a material impact on market prices as a consequence of the liquidation.

## **NOTE 7 – EVENTS SUBSEQUENT TO YEAR-END**

### **7.1 Maturity and repayment of principal on 1990 Argentine Treasury Consolidated Bond**

According to Resolution No. 334/2002 issued by the Ministry of Economy, which restructured the obligations resulting from the repayment terms of the 1990 Argentine Treasury Consolidated Bond, dated January 2, 2013, the fourth installment was settled, equivalent to 1% of the bond's nominal value.

### **7.2 Transfer of profits to the Argentine Government**

Through Board of Governors Resolutions No. 39 dated February 28, 2013, 60 dated March 27, 2013, 113 dated June 13, 2013, and 168 dated July 25, 2013, a total of ARS 2.400.000; ARS 4.000.000; ARS 3.000.000; and ARS 2.500.000; respectively, were transferred to the Argentine Treasury as profits on account of unappropriated retained earnings for fiscal 2012.

### **7.3 Law No. 26.860 – Voluntary disclosure of holdings in foreign currency in Argentina and abroad**

On May 29, 2013, Argentine Congress enacted Law No. 26.860 which sets forth a system for the voluntary disclosure of holdings in foreign currency in Argentina and abroad. The abovementioned law also provides for the creation of the “BAADE” (Argentine bond for economic development) and the “Promissory Note for Economic Development”, to be issued by the Ministry of Economy and Public Finance, and the “CEDIN” (Certificate of deposit for investment) to be issued by the BCRA. All of these instruments are denominated in US dollars.

The CEDIN will be registered and endorsable, constituting sufficient means to settle obligations to give amounts of money in US dollars. Applications for the abovementioned certificate are to be made at one of the entities subject to the system in Law No. 21.526, as amended, which shall receive funds on behalf and account of the BCRA, with the obligation of placing them in the account indicated by the BCRA within the established period. This instrument may be acquired by natural and artificial persons that are eligible under the abovementioned law and shall be settled in the same currency it was issued in by the BCRA or by the bank indicated by the BCRA, upon presentation of the certificate by its holder or endorsee, and settlement is subject to the prior accreditation of the sale of land, warehouses, stores, offices, garages, lots, plots and already-constructed housing and/or the construction of new housing units and/or real property refurbishment, pursuant to the terms set forth by the BCRA in its regulations.

The BCRA established the implementation of CEDIN-related transactions in Communication “A” 5447, of June 12, 2013.

As of the date on which these financial statements were issued, the balance of CEDINs outstanding amounts to ARS 20.996, equivalent to USD 3.866, according to the Summarized Balance Sheet as of July 15, 2013, issued under No. 63.863.

#### **7.4 IMF – Increase in Argentina’s quota**

According to the IMF’s Fourteenth General Review of Quotas dated April 17, 2013, Argentine Congress enacted Law No. 26.849, which approves an increase in Argentina’s quota in the Fund for a total of SDR 1.070.200.

Of the increase provided by this law, once the abovementioned General Review of Quotas comes into effect, 25% shall be settled by the BCRA on behalf and account of Argentina, in SDRs or, either in full or in part, in the currencies of the other member countries of the IMF as determined by the Fund and as consented by these countries. The remaining 75% shall be paid in local currency, for which the BCRA shall issue, on behalf and account of Argentina, non-negotiable non-interest-bearing securities that are payable on demand, which shall be delivered to the IMF. The Law also authorizes the Ministry of Economy and Public Finance to issue one or more Non-transferrable Bills denominated in US dollars to cover 25% of the quota increase the BCRA shall pay using foreign assets (see Note 4.5).

There are no other events or transactions that took place between year-end and the date on which these financial statements were issued, that may substantially affect the BCRA’s financial position or income (loss) as of December 31, 2012.

## EXHIBIT I

**CHANGES IN ALLOWANCES/ PROVISIONS AS OF DECEMBER 31, 2012**  
**- In thousands of Argentine Pesos-**

Items	Balances at beginning of year	Increases	Decreases		Balances at year-end
			Reversals	Uses	
<b>DEDUCTED FROM ASSETS</b>					
. Allowance for gold in bars	8.542	1.219	-	-	9.761
. Allowance for impairment of Government Securities	855.090	-	8.815	-	846.275
. Allowance for loans to the Argentine financial system	666.813	67.784	5.326	5.122	724.149
. Other allowances	202.505	372.911	919	-	574.497
<b>TOTAL ALLOWANCES DEDUCTED FROM ASSETS</b>	<b>1.732.950</b>				<b>2.154.682</b>
<b>INCLUDED IN LIABILITIES</b>					
. Provision for lawsuits	1.071.369	84.938	482.911	6.388	667.008
. Guarantee fund - Law No. 22510	19.716	13.626	2.744	-	30.598
. Provision for labor liabilities	262.764	388.478	37.734	-	613.508
. Other provisions	22.361	-	21.568	-	793
<b>TOTAL PROVISIONS INCLUDED IN LIABILITIES</b>	<b>1.376.210</b>				<b>1.311.907</b>

NOTE: Increases and decreases in allowances/provisions are presented under "Set-up of allowances for Government Securities and loans to the financial system- net" and "Reversals of other allowances- net".

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CHAIRWOMAN

Hugo C. Alvarez  
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**COMPARATIVE TABLE OF MAIN ACCOUNTS IN FOREIGN CURRENCY**  
**AS OF DECEMBER 31, 2012 and 2011 – In thousands of Argentine Pesos -**

	12/31/2012		12/31/2011	
	Balances in US dollars	Balances in Argentine pesos	Balances in US dollars	Balances in Argentine pesos
<b>ASSETS</b>	<b>82.618.779</b>	<b>406.261.318</b>	<b>77.387.266</b>	<b>333.012.885</b>
<b>INTERNATIONAL RESERVES</b>				
Gold (Net of allowance)	3.326.471	16.357.255	3.126.506	13.453.981
Foreign currency	1.707.416	8.395.875	7.365.574	31.695.540
Deposits to be realized in foreign currency	38.213.317	187.906.343	35.862.311	154.322.697
Instrumentos Derivados sobre Reservas Internacionales	-	-	-	-
Multilateral credit agreements	43.067	211.774	21.622	93.042
<b>GOVERNMENT SECURITIES</b>				
Securities issued under foreign legislation	172.056	846.050	154.242	663.736
Securities issued under Argentine legislation	35.988.252	176.965.032	27.036.223	116.342.274
<b>CONTRIBUTIONS TO INTERNATIONAL AGENCIES ON BEHALF OF ARGENTINE GOVERNMENT</b>	<b>2.236.505</b>	<b>10.997.565</b>	<b>2.143.738</b>	<b>9.224.933</b>
<b>RIGHTS DERIVING FROM REPO TRANSACTIONS</b>				
Securities to be received from repurchase agreements under Communication "A" 4508	-	-	799.844	3.441.888
Rights from reverse repurchase agreements	931.695	4.581.424	877.206	3.774.794
<b>LIABILITIES</b>	<b>15.498.321</b>	<b>76.209.896</b>	<b>16.131.947</b>	<b>69.418.994</b>
<b>PAY-OFF CHECKS IN OTHER CURRENCIES IN CIRCULATION</b>	<b>39</b>	<b>193</b>	<b>3.670</b>	<b>15.793</b>
<b>CURRENT ACCOUNTS IN OTHER CURRENCIES</b>	<b>8.466.496</b>	<b>41.632.303</b>	<b>5.721.448</b>	<b>24.620.536</b>
<b>DEPOSITS FROM ARGENTINE GOVERNMENT AND OTHER</b>	<b>281.890</b>	<b>1.386.139</b>	<b>493.664</b>	<b>2.124.333</b>
<b>IMF SPECIAL DRAWING RIGHTS</b>				
IMF Special Drawing Rights	3.104.640	15.266.445	3.101.307	13.345.543
SDRs contra account	(2.615.331)	(12.860.365)	(2.612.523)	(11.242.208)
<b>OBLIGATIONS WITH INTERNATIONAL AGENCIES</b>				
Obligations	1.024.408	5.037.321	2.028.286	8.728.122
Contra account to Utilization of Reserves Tranche	(813.478)	(4.000.117)	(812.605)	(3.496.802)
<b>CONTRA ACCOUNT TO ARGENTINE GOVERNMENT'S CONTRIBUTIONS TO INTERNATIONAL AGENCIES</b>	<b>997.856</b>	<b>4.906.757</b>	<b>905.957</b>	<b>3.898.513</b>
<b>DUE TO REPO TRANSACTIONS</b>				
Obligations from repurchase agreements -Communication "A" 4508	-	-	1.418.889	6.105.764
Securities to be delivered for repo transactions	930.926	4.577.643	875.590	3.767.840
<b>DUE TO MULTILATERAL CREDIT AGREEMENTS</b>	<b>184.860</b>	<b>909.010</b>	<b>127.547</b>	<b>548.862</b>
<b>OTHER LIABILITIES</b>				
Other liabilities in foreign currency				
Foreign financial institutions	3.001.576	14.759.652	4.000.768	17.216.103
Other financial intermediation agents	934.439	4.594.915	879.949	3.786.595

NOTE: The accounts included herein represent the most significant balances in foreign currency.

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## COMPARATIVE TABLE OF GOVERNMENT SECURITIES

AS OF DECEMBER 31, 2012 AND 2011

-In thousands of Argentine Pesos-

GOVERNMENT SECURITIES	Currency	12/31/2012		12/31/2011	
		Residual Nominal Value	Argentine Pesos	Residual Nominal Value	Argentine Pesos
<b>TOTAL GOVERNMENT SECURITIES:</b>			<b>190.645.997</b>		<b>127.283.035</b>
<b>CENTRAL BANK HOLDINGS</b>			<b>191.492.272</b>		<b>128.138.125</b>
<b>ISSUED UNDER FOREIGN LEGISLATION</b>			<b>846.050</b>		<b>663.736</b>
GDP-related negotiable securities	US Dollars	206.023	101.466	206.023	128.551
GDP-related negotiable securities	Euros	50.000	28.500	50.000	33.069
Discount Bonds 2033	US Dollars	100.368	713.776	100.816	500.402
Global Bonds 2017	US Dollars	379	2.308	379	1.714
<b>ISSUED UNDER ARGENTINE LEGISLATION</b>			<b>190.646.222</b>		<b>127.474.389</b>
1990 NATIONAL TREASURY CONSOLIDATED BOND	Pesos	4.708.346	4.708.346	4.717.160	4.717.160
NONTRANSFERABLE BILL - MATURITY 2016	US Dollars	9.530.111	46.893.046	9.530.111	41.009.972
NONTRANSFERABLE BILL - MATURITY 2020 – Dec. 297/10	US Dollars	2.187.000	10.756.238	2.187.000	9.411.098
NONTRANSFERABLE BILL - MATURITY 2020 - Dec.298/10	US Dollars	4.382.000	21.551.822	4.382.000	18.856.622
NONTRANSFERABLE BILL - MATURITY 2021 – Dec. 2054/10	US Dollars	7.504.000	36.922.667	7.504.000	32.291.213
NONTRANSFERABLE BILL - MATURITY 2021 – Dec. 276/11	US Dollars	2.121.386	10.433.268	2.121.386	9.128.750
NONTRANSFERABLE BILL - MATURITY 2022 -Res.131/12	US Dollars	5.674.000	27.903.300	-	-
NONTRANSFERABLE BILL - MATURITY 2022 - Res.171/12	US Dollars	2.083.648	10.245.980	-	-
<b>OTHER SECURITIES</b>			<b>25.084.881</b>		<b>15.912.900</b>
Bond Province of Formosa	Pesos	71	70	71	70
BODEN 2012	US Dollars	-	-	24.133	113.042
BODEN 2013	US Dollars	12.919	86.426	25.838	118.177
BODEN 2015	US Dollars	-	-	11.155	49.615
PRO 7	Pesos	26	23	35	27
BONAR 2013	US Dollars	593.737	4.061.163	174.237	827.605
BONAR 2014	Pesos	1.668.599	1.749.860	45.599	48.335
BONAR 2015	Pesos	1.225.131	1.571.230	485.131	625.819
BONAR 2017	US Dollars	1.232.201	7.095.629	913.371	3.707.956
BOGAR 2018	Pesos	474.210	1.249.543	535.618	1.188.322
Discount Bonds 2033	US Dollars	118.786	792.300	118.942	560.295
Discount Bonds 2033	Pesos	6.231.791	8.085.749	6.231.791	8.155.838
Discount Bonds 2033 - 2010 Issuance	Pesos	5.846	7.307	5.846	6.658
Par Bonds 2038	Pesos	22.093	10.494	22.093	10.052
Quasi Par Bonds 2045	Pesos	33.000	23.100	33.000	17.820
GDP-related negotiable securities	US Dollars	445.051	223.193	445.051	267.929
GDP-related negotiable securities	Pesos	1.861.192	128.794	1.861.192	215.340
<b>LESS:</b>					
ADJUSTMENT ACCRUAL ON 1990 NATIONAL TREASURY CONSOLIDATED BOND	Pesos		3.853.326		3.853.326
<b>ALLOWANCE FOR IMPAIRMENT OF GOVERNMENT SECURITIES</b>			<b>(846.275)</b>		<b>(855.090)</b>
1990 National Treasury Consolidated Bond	Pesos		(846.205)		(855.020)
Bond Province of Formosa	Pesos		(70)		(70)

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**Securities issued by the BCRA (LEBAC/NOBAC)**  
**- In thousands of Argentine Pesos-**

SECURITIES ISSUED BY THE BCRA	Total as of 12/31/2012	Maturities						Total as of 12/31/2011
		Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 9 months	From 9 to 12 months	Over 12 months	
<b>ISSUED IN LOCAL CURRENCY</b>	<b>99,854,982</b>							<b>84,212,664</b>
<b>LEBAC</b>	<b>68,147,738</b>	<b>12,012,202</b>	<b>17,956,710</b>	<b>10,065,991</b>	<b>6,994,025</b>	<b>9,046,524</b>	<b>12,072,286</b>	<b>23,698,465</b>
Principal	73,609,366	12,073,217	18,315,714	10,528,835	7,609,500	10,141,825	14,940,275	25,230,078
Interest to be accrued	(5,461,628)	(61,015)	(359,004)	(462,844)	(615,475)	(1,095,301)	(2,867,989)	(1,531,613)
<b>LEBAC - ISSUANCE FOR REPURCHASE AGREEMENTS</b>	<b>17,195,438</b>	-	-	<b>533,757</b>	-	<b>16,661,681</b>	-	<b>15,652,048</b>
Issued in Argentine pesos for repurchase agreements	45,252,309	-	-	3,665,213	-	41,587,096	-	31,090,566
To be delivered under repurchase agreements	(28,056,871)	-	-	(3,131,456)	-	(24,925,415)	-	(15,438,518)
<b>NOBAC</b>	<b>14,511,806</b>	<b>2,849,066</b>	<b>100,906</b>	<b>5,286,405</b>	<b>1,599,886</b>	<b>525,284</b>	<b>4,150,259</b>	<b>44,862,151</b>
Principal	14,112,400	2,571,500	-	5,269,100	1,592,100	515,000	4,164,700	43,495,189
Interest accrued	376,020	275,114	100,906	-	-	-	-	1,194,396
Trading differences	23,386	2,452	-	17,305	7,786	10,284	(14,441)	172,566
<b>NOBAC - AVAILABLE ISSUANCE FOR REPURCHASE AGREEMENTS</b>	-	-	-	-	-	-	-	-
Issued in Argentine pesos for repurchase agreements	-	-	-	-	-	-	-	248,612
To be delivered under repurchase agreements	-	-	-	-	-	-	-	(248,612)

Adriana M. Fischberg  
MAIN GENERAL  
ACCOUNTING MANAGER

Silvia B. Traverso  
CENTRAL SERVICES GENERAL  
SUBMANAGER

Matias S. Kulfas  
GENERAL MANAGER

Mercedes Marcó del Pont  
CHAIRWOMAN

Paola A. López  
DEPUTY SUPERVISORY AUDITOR

Hugo C. Alvarez  
REGULAR SUPERVISORY AUDITOR

Signed for identification purposes with the report dated 07/30/2013

## EXHIBIT V

<b>MONETARY BASE – ANNUAL VARIATION FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012 COMPARATIVELY PRESENTED WITH THE PRIOR FISCAL YEAR</b> <b>- In thousands of Argentine Pesos -</b>			12/31/2012	12/31/2011
<b><u>I) Cash flows provided by operating activities</u></b>				
1. Increases			<b>97.642.123</b>	<b>51.877.318</b>
- Net purchase of foreign currency for regulation			41.547.543	13.291.771
- IADB/IBRD loans to Provinces, financial program for micro, small and medium-sized companies, and revolving funds			464.379	565.969
- Net granted loans to domestic financial institutions			1.964.010	1.706.411
- Premiums paid for repurchase agreements with domestic financial institutions			1.603.253	836.719
- Contributions to tax authorities pursuant to Budget Law No. 26728 / Decree 1446/11			240.000	240.000
- Transactions deriving on behalf Argentine Government			9.379.176	14.114.107
- Administrative expenses			1.898.855	1.291.731
- Monetary issuance expenses			22.679	30.608
- Distribution of earnings to the Argentine Government related to fiscal years 2011 / 2010			7.722.228	1.850.000
- Temporary Advances to Argentine Government (Article 20, Charter)			32.800.000	17.950.000
2. Decreases			<b>(13.212.460)</b>	<b>10.636.549</b>
- Trade credit outflows - Multilateral credit agreements (SML)			(4.927.486)	(3.922.561)
- Net outflows from transactions with domestic securities			(1.960.881)	(2.022.992)
- Net placement /redemption of securities issued by the BCRA			(3.320.420)	14.976.678
- Net placement /redeption of repurchase agreements with domestic financial institutions			(1.622.947)	2.464.499
- Other financial institutions deposits			(1.099.321)	(971.159)
- Other items			(281.405)	112.084
<b>Restated cash flow provided by all activities (I)</b>			<b>84.429.663</b>	<b>62.513.866</b>
<b>Monetary Base - Beginning of the year (Note 3.1)</b>			<b>222.921.853</b>	<b>160.407.987</b>
<b>Monetary Base – End of year (Note 3.1)</b>			<b>307.351.516</b>	<b>222.921.853</b>

Notes 1 to 7 and Exhibits I to V are an integral part of these financial statements.

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