

The cover features a low-angle photograph of a large tree trunk on the left, with its branches and pine needles extending across the top and right. A dark blue vertical band runs down the center, containing the text. The background is a mix of natural light and the dark blue overlay.

Annual Report

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ARGENTINA

SEDESA
SEGURO DE DEPÓSITOS S.A.

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COMPOSITION OF THE BOARD OF DIRECTORS AND INTERNAL COMPTROLLERS COMMITTEE

BOARD OF DIRECTORS

Chairman
Mr. Alejandro C. Rey

Vice Chairman
Mr. Norberto C. Peruzzotti

Director
Mr. Claudio A. Cesario

Alternate Directors

Mr. Hugo Bruzone
Mr. Santiago M. J. A. Nicholson
Mr. Daniel Tillard

INTERNAL COMPTROLLERS COMMITTEE

Auditors

Mr. Alejandro Almarza
Mr. Walter Miner
Mr. Domingo Alberto Romano

Alternate Auditors

Mr. Enrique Brouchou
Mrs. Ana Griselda Fernández
Mr. Eduardo Daniel Prina

MESSAGE FROM THE CHAIRMAN

It is our pleasure to submit the Annual Report and Financial Statements of Seguro de Depósitos S.A. (SEDESA) and the Deposit Guarantee Fund (DGF) describing a summary of the activities developed, the improvements obtained and the aims reached by the Corporation during the fiscal year ended on December 31, 2013.

On the basis of the results obtained, we can state that the set goals have been achieved. The actions to obtain the recertification of the Quality Management System under ISO 9001:2008 Standard related to the Policy of Real Property Sales and Investments were performed and the Procedure for the Accounting Record of the loans with low or lack of possibility of being collected was approved. Such loans were inventoried to keep an adequate control of them. There has been an improvement on the liquidity ratio, the Shareholders' Equity of the Fund, the productivity in the management of assets and the efficiency in the use of resources.

We have successfully passed through the year with a proper compliance of the standards that allow the investments' profitability and the optimization of the Corporation's internal organization strengthening the changes to the organizational structure. For such purpose, we believe that we have responded to the importance and responsibility governing our role as part of the financial safety; and therefore, in pursuit of our commitment's confirmation by implementing the best practices on deposit insurance.

At an international level, Seguro de Depósitos S.A (SEDESA) organized and hosted the 12th Annual General Meeting (AGM) and the International Conference of the International Association of Deposit Insurers (IADI) held in Buenos Aires on November 4-8, 2013 at the Alvear Palace Hotel. The International Conference entitled “Navigating through the Financial Reform Landscape” was performed on November 4-7, 2013. It included the changes that have been developed in the international scenario and the responses to the crisis that Deposit Insurances submitted as a result of the recent global financial crisis. Furthermore, the amendments to the design of the Financial Safety Net at the financing mechanisms of the deposit insurance systems and those modifications made to the banking resolution policies as well as to the planning of contingencies were exhibited. More than 200 people participated in this event and a simultaneous translation from English into Spanish was offered. SEDESA was recognized for its successful performance for hosting this event, being again considered a guide in Deposit Insurance issues.

Finally, on behalf of the Board of Directors, I would like to thank the Central Bank of Argentina, Caja de Valores S.A. and the Financial Institutions of our system for all the support provided and I am especially grateful to all of our collaborators, engaged in every activity of this Corporation, for their commitments and professionalism that helped us in the reaching of the goals established for the ended fiscal year.

Dr. Alejandro C. Rey
Chairman
SEDESA
February, 2014

SEDESA
Annual Report - 2013

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International Context

SEDESA
SEGURO DE DEPÓSITOS S.A.

1. International Context

After the crisis that began in 2007, the fiscal year 2013 shall be the inflection point at an international level. Regarding developed countries, the United States continues consolidating its recovery; Japan started a new growth stage and the Eurozone started showing that it might be under a bad condition during the recession period at the end of the year.

The emerging countries as a whole continued leading the global growth, but with rates lower than the ones applicable in the former period, mainly due to the low growth speed of the BRIC. This situation may remain in the following years.

Table 1 – Main macroeconomic indicators

	2012	2013e	2014f	2015f	2016f
Actual GDP (var. % i.a.) ¹					
Global Conditions	2.5	2.4	3.2	3.4	3.5
High income	1.5	1.3	2.2	2.4	2.4
OECD	1.4	1.2	2.1	2.2	2.3
Eurozone	-0.6	-0.4	1.1	1.4	1.5
Japan	1.9	1.7	1.4	1.2	1.3
United States	2.7	1.8	2.8	2.9	3.0
No-OECD	3.5	2.5	3.3	3.7	3.8
Developing countries	4.8	4.8	5.3	5.5	5.7
East Asia and the Pacific	7.4	7.2	7.2	7.1	7.1
China	7.7	7.7	7.7	7.5	7.5
Central Asia and Europe	2.0	3.4	3.5	3.7	3.8
Turkey	2.2	4.3	3.5	3.9	4.2
Latin America and the Caribbean	2.6	2.5	2.9	3.2	3.7
Brazil	0.9	2.2	2.4	2.7	3.7
Mexico	3.8	1.4	3.4	3.8	4.2
Argentina	1.9	5.0	2.8	2.5	2.5
Middle East and North Africa	1.5	-0.1	2.8	3.3	3.6
South Asia	4.2	4.6	5.7	6.3	6.7
India	5.0	4.8	6.2	6.6	7.1
Sub-Saharan Africa	3.5	4.7	5.3	5.4	5.5
items of the memorandum					
Developing countries					
Excluding economies in transition	4.8	5.0	5.4	5.6	5.8
Excluding China and India	2.9	3.2	3.6	4.0	4.2

Source: World Bank.

¹ i.a.: year-on-year basis/ interannual

The World Bank's estimations show that, at an international level, the GDP shall increase from 2.4% in 2013 to 3.2% this year, to then be stabilized at 3.4% and 3.5% in 2015 and 2016, as the case may be. An important part of the initial acceleration shall show the growth recovery in developing countries that finally seem to be emerging from the global financial crisis after undergoing many years of extreme weakness and even a deep recession.

According to the World Bank's projections, the economic activity in the developing nations would increase 5.3% this year and 5.5% and 5.7% in 2015 and 2016, as the case may be. Despite the fact that these rates are lower than the ones applicable during the booming period prior to the crisis, the growth rhythm shall be consolidated in historically high levels. In this sense, it is worth mentioning that in most countries, the strong growth during 2003-07 showed a cyclical boom that was unsustainable without the aid of the significant internal demand in the developed economies.

On the other hand, it should be considered that during this year the removal of the QE policy started in the United States. In this case, a possible scenario implies a relatively moderated reduction and a slow increase of the interest rates at a global level.

Table 2 – Financial and activity indicators

	2012	2013e	2014f	2015f	2016f
Global Conditions					
Trade volume (var. % i.a.)	2.4	3.1	4.6	5.1	5.1
Consumer Price (var. % end of term)					
G-7 ^{1,2}	1.8	1.3	1.8	1.9	2.0
United States	2.1	1.5	1.7	2.0	2.2
Prices of Raw material (var. % i.a. in USD)					
Unenergetic materials	-8,6	-7,2	-2,6	-0,2	0,1
Petroleum (USD/barrel) ³	105,0	104,1	103,5	99,8	98,6
Var. %	1,0	-0,9	-0,6	-3,5	-1,2
Value per unit of exportable manufactured products (var. % i.a.) ⁴	-1,2	-1,4	1,6	1,1	1,4
Interest Rate					
\$, 6-months (%)	0,7	0,4	0,4	0,7	1,3
€, 6-months (%)	0,8	0,3	0,3	0,5	0,8
Flow of capitals to Emerging Economies (var. % i.a.)					
Developing Countries					
Net private and official income	5,1	4,7	4,3	4,3	4,2
Private net income (shares + debt)	5,0	4,6	4,2	4,2	4,1
East Asia and the Pacific	4,7	4,4	4,0	3,9	3,7
Central Asia and Europe	7,8	6,6	6,0	6,2	6,3
Latin America and the Caribbean	5,7	5,3	5,0	5,1	4,9
Middle East and North Africa	2,1	1,5	1,1	1,6	1,7

South Asia	4,1	3,7	3,6	3,7	3,9
Sub-Saharan Africa	4,8	5,3	4,3	4,2	4,1

Source: World Bank

Therefore, it is expected that the change in the international financial conditions shall have a modest impact on investments and the growth of developing countries, mainly by the financial via.

Pursuant to the World Bank the capital flow towards developing countries shall be reduced from 4.6% of the GDP in 2013 to 4.1% in 2016 as long as investors take advantage from the increase of the assets' yield of developed economies.

Up to these days, the markets' reactions towards the commencement of the monetary encouragement's reduction in the United States have been moderated. However, as long as the process starts or, in any event, the terms are shortened, the impact in developing countries might be stronger, mainly on economies of medium income and those more exposed as to financial conditions. If the markets have a relevant increase on the long-term interest rates, a portfolio-recovery process may be faster and disorganized. Under these circumstances, the capital flows towards developing countries may drastically weaken as occurred in mid-2013.

In this scenario, the most risky economies are the ones that show higher deficits in the current accounts and those that have experienced relevant increases in the bank financing on the last years of low interest rates, among which Brazil's situation is particularly significant for Argentina.

While the restrictive financial conditions are a negative factor for developing countries, the increase on the demand of countries with high income shall have a negative effect and contribute to the risk

On the last years, the worldwide trade was weakened firstly due to a global low demand, and particularly in countries of high income where the public expense would be replacing the category of additional expense more sensitive to imports because of a change in the composition and secondly due to the investments as the restrictions to the commercial financing eased after a virtual interruption in 2008.

Provided there is a recovery in the consumption demand and investment in countries of high income, the worldwide trade (and the exports of developing countries) will accompany it.

On the other hand, the contribution to the income of the external sector and the demand of developing countries shall continue being moderated by the lowest prices of the basic products. Among the maximum level as of the commencement of 2011 and the recent decreases as of November 2013, the actual prices of the energy and nourishment have decreased by 9% and 13%, as the case may be, while metals and minerals decreased by more than 30%.

It is planned that these pressures on the decrease of the prices of the basic products shall be applied for a certain period of time, partly as an evidence of the investment projects maturation originated in the prices' increasing cycle that contributes with a better offer. In general, the risks of the prices are biased towards the decrease in the basic products' market.

1.1. Developed Economies

Among the three main developed economies (United States, the Eurozone and Japan), the recovery is more solid in the United States where the GDP has increased during the last 10 three-month periods.

In this context, the creation of employment continues being the weakest point in the crisis recovery; and it does not only apply to this economy. Indeed, the monetary policy has changed from being focused on the inflationary situation to a labor situation. It is expected that this change is reaffirmed upon the election of new authorities that governs the Federal Reserve.

Chart X: Unemployment Rate

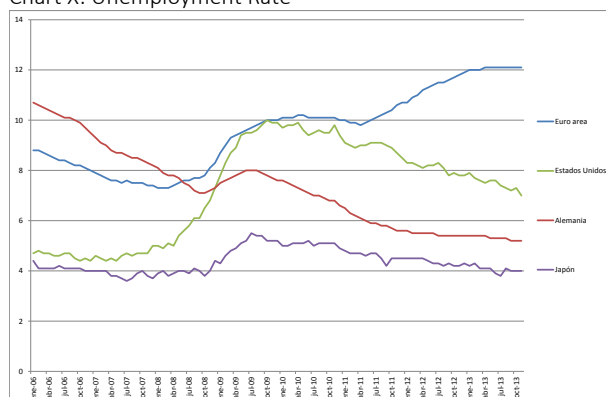
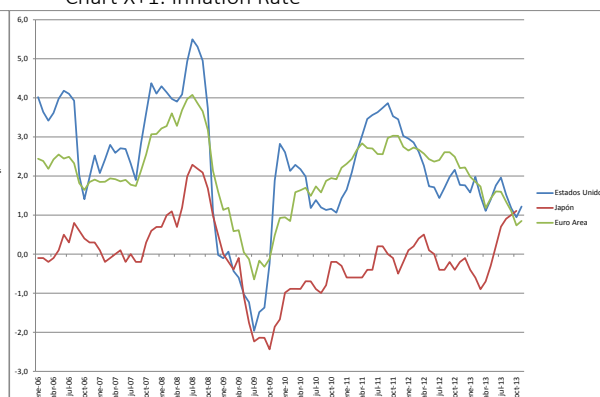


Chart X+1: Inflation Rate



Source: Eurostat, Federal Reserve

In the Eurozone, the situation is being more positive than in the second three-month period in 2013. However, the general growth lost speed during the third quarter and it is possible that there is a similar instability in the next terms before the recovery's consolidation.

Unemployment continues being at outstanding levels in most of the countries and with a relevant disparity among Germany and the other countries. This situation entails tensions when taking measures regarding the monetary policy.

In Japan, the increase in monetary and tax encouragement has caused a strong cyclical reactivation that requires structural modifications to be maintained. A 2.2%-increase in the GDP is expected in 2014 (from 1.3% in 2013) in the economies with high incomes, to be increased to 2.4% in 2015 and 2016.

1.2. Emerging Economies

The developing countries face the financial crisis offering a monetary and tax encouragement. However, since the deficits on the public sector and current accounts reach, or even exceeds, 3% of the GDP in most of the countries, the margin for the application thereof has decreased.

Despite the relatively moderated increase of the developing countries in 2013 (4.8% approximately) there is a stage with better expectations on the last months. This occurs due to the strengthening of the growth in high-income countries and due to the recovery after the previous weakening in the medium-income economies such as India and China.

When examining the regional tendencies, it is observed that the growth shall remain unchanged at around 7.2% in East Asia and the Pacific during this year (7.1% in 2015 and in 2016). Furthermore, it is planned that the product in European and Central Asian developing countries shall slowly increase from 3.4% in 2013 to 3.5% this year; and it shall gradually increase to 3.8% in 2016. In Latin America and the Caribbean, it is expected that the GDP shall show a 2.9%-increase this year and 3.7% in 2016.

In the Middle East and North Africa the product is being hindered due to social and political disturbances. Even though an increase in the growth of the region from 2.8% this year to 3.6% in 2016 is predicted, such improvement shall not be solid enough to reduce the underlying unemployment and the idle ability in a significant manner. The activity in South Asia shall increase from a 4.6%-modest growth in 2013 to 5.7% this year and 6.7% in 2015 and 2016, as the case may be. It is further expected that the growth in Africa at the south of the Sahara is fixed at 5.3% in 2014 and 5.5% in 2016, encouraged by solid and constant investment flows.

In this context, where the restrictions to the offers are an important challenge as to policies in East Asia and the Pacific (excluding China) and Latin America and the Caribbean, the views for developing countries are ambivalent

Europe, under development, should be benefited by the recovery of the Eurozone due to the narrow commercial and financial ties with the zone, despite the fact that the Russian decrease causes an important focus of uncertainty.

Due to the importance of the demand of raw material, the increase in Asia seems to be under recovery and it is expected a slow increase on this trend, mainly as an evidence of the Indian strong growth and a gradual implementation of structural amendments all over the region.

The perspectives for the countries of the Middle East remains being weak as an evidence of the social and political permanent tensions weakening the macroeconomic soundness and intensifying the serious structural challenges derived from the period of time prior to the Arabian spring.

Due to the risks faced by developing countries, the authorities responsible for the policies must now think how they would face the significant restrictions to the global financial conditions. Countries with adequate stabilization policies and trust on investors may resort to market-type mechanisms and contracyclical and prudential macroeconomic policies to face the flows' decrease.

Where there is a limited space to act, the countries may be bound to apply restrictive tax policies to reduce the need of funding and increase the interest rates to encourage the additional income of flow. In places where there are enough external reserves, they may be used to moderate the level of adjustment to the exchange rate while the flexibility of rules to the capital inflow and the encouragement of direct foreign investments may cooperate to normalize adjustment.

Lastly, by improving the perspectives of the long-term growth, the amending credible agendas may be useful for improving the trust on investors and on the market. This may cause a virtuous circle of more investments, including external investments, and the product's medium-term growth.



Domestic Context

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2. Domestic context

2.1. Macroeconomics

As from the first semester, Argentina recovered dynamism and accumulated a 5.8% i.a.-product's growth that was extended to an estimated annual value of 5.7% for all the year. The performance of the primary production, firstly the agro-production, and secondly the industry's production with its related services, were the main grounds for this recovery. Moreover, according to the stated indicators, the construction sector would increase its participation on the product's growth on the second semester. On the other hand, the main support of the activity continues being the private consumption, with an annual expansion of 7.7% on the first months of the year. The labor market's stability, the public income policies and the loan increase support this improvement. Investments became more dynamic showing levels of 23% of the GDP during 2013.

Within this framework, during 2013, the local financial system continues expanding its intermediary activities with the private sector, while consolidating the increase of the payment system. At the end of November, the financing to the private sector increased 35.65% on a year-on-year basis representing a 17% of the GDP, while the total deposits showed an increase of 28.3% on a year-to-year basis

Even though the Raw Material Prices Index, which is drafted by the BCRA and describes the development of primary products' international prices that are most significant for the Argentine exportations, was placed in November 13% under the level of the same period in 2012, when the index reached its highest historical value. The total exportations showed an increase while importations were recovering together with the increase of the local activity's level. To sum up, there was a positive result on the goods balance while the current account was under slightly negative values.

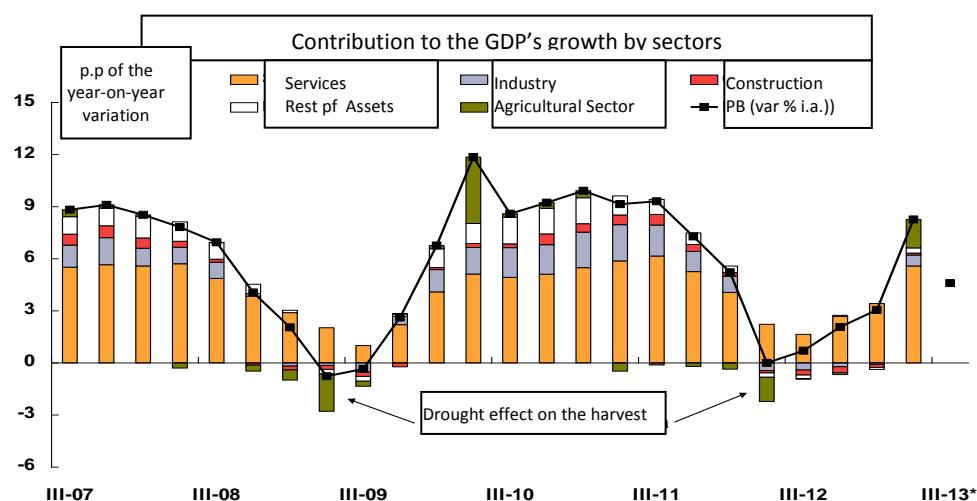
In agreement with the abovementioned statements, the public sector showed moderated negative results for the primary balance as well as for the tax balance that adds the payment of interests.

Argentina. Main macroeconomic indicators

		2012	2013	
Activity	GDP (var. % i.a.)	1.9	acum. al III-13	5.7
	EMAE (var. % i.a.)	1.9	acum. a nov-13	5.1
	EMI (var. % i.a.)	-1.2		-0.2
External Sector	Importations (mill. USD)	68,508		74,003
	Exportations (mill. USD)	80,927		83,026
	Trade Balance (mill. USD)	12,420		9,024
Tax Sector (Non-financial Public National Sector)	Primary Balance (% of the GDP)	-0.2		-0.8
	Interests (% of the GDP; includes the GDP coupon in 2012)	2.4		1.6
	Tax balance (% of the GDP)	-2.6		-2.4

Source: Own compilation pursuant to the Information provided by the Ministry of Economy and Public Finance and the INDEC

2.1.1. Economic Activity



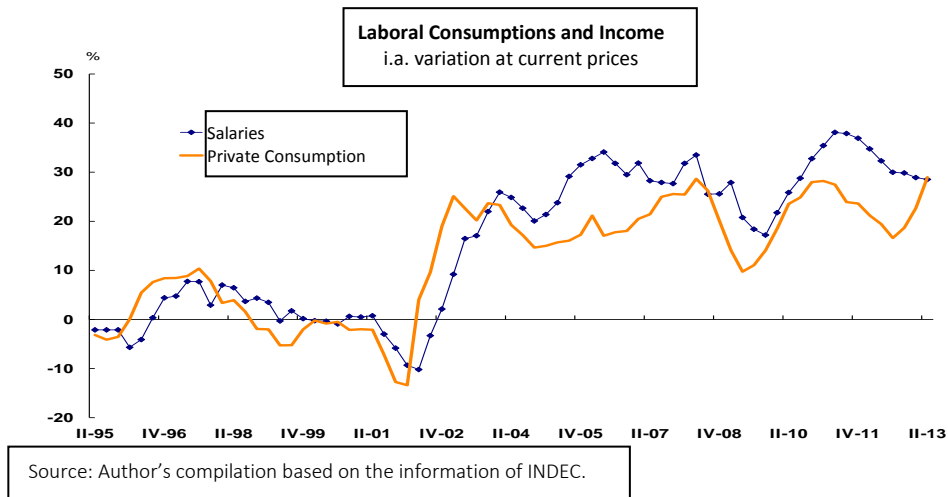
Note: The contribution of the agricultural is applicable to the direct effect. It does not include indirect effects related, for example, to means of transport and commerce. The difference in the contribution by sectors with the GDP's year-on-year variation is for the taxes and financial intermediation indirectly measured. Source: INDEC.

*Data: Monthly Indicator for Economic Activity (EMAE)

On the first part of 2013, the private consumption was distinguished with a 7.7%-increase. This element would maintain a similar rhythm on the last period of the year, it would be strengthened on the last years; and this is the main support of the economic activity. Besides, investments gained motivation as from the second three-month period, mainly because of the development on the construction sector. Therefore, the investment rate shall be at around 23% of the GDP during 2013, remaining at high levels on historical conditions.

Moreover, the services -especially those services related to commerce, means of transport and financial intermediation- showed a higher dynamism and were also derived from the increase of the agro-production and a higher offer of industrial sectors related to the external demand.

During the second semester of 2013, the major household consumption expenditure was supported by the maintained increase of salaries while the unemployment rate was at levels similar to the ones of the former year, 6.8% of the Economically Active Population.



The agricultural activity showed a significant increase due to the tasks related to the financing of the 2012/13 campaign and the initial activities of the 2013/14 cycle. Particularly, the former campaign ended with a record harvest of approximately 160 million tons (+15,1%), as a result of a crop production at maximum levels –of 32,1 million tons- and an increase in the soya harvest to 49.3 million tons. The livestock sector’s activity remained on the rise during the year. The bovine performance increased at around 13% i.a. on the third quarter, after a 12% i.a.-increase on the first part of 2013. The poultry performance gained dynamism during the year and was expanded 4.7% among July and September while there was a decrease in the production of dairies despite an improvement on marginal.

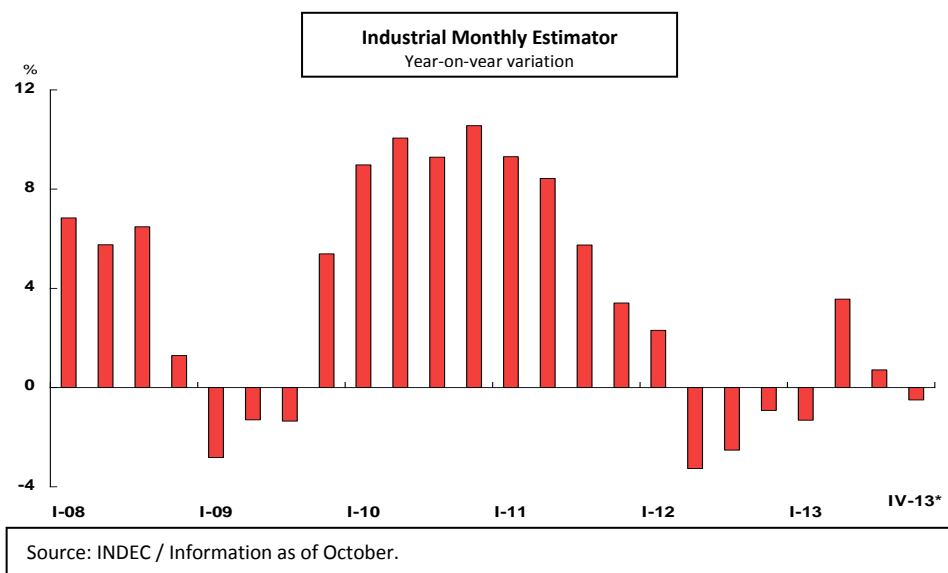
Agricultural Production Main Crops							
	2008-09	2008-10	2010-11	2011-12	2012-13*	Variation % 2011-12 versus 2010-11	Differences between million tons during 2012- 13 and 2011-12
	Million tons	Million tons	Million tons	Million tons	Million tons		
Cereal	26,750	38,277	49,709	46,202	51,196	10.8	4,977
Corn	13,121	22,680	23,800	21,200	32,100	51.4	10,900
Wheat	8,373	9,000	15,900	14,500	8,200	- 43.4	-6,300
Other	5,256	6,597	10,009	10,519	10,896	3.6	377
Oilseeds	34,222	55,724	53,381	44,306	53,621	21.0	9,315
Soya	31,000	52,680	48,900	40,100	49,300	22.9	9,200
Others	3,222	3,044	4,481	4,206	4,321	2.7	115
Rest	702	1,098	1,372	1,070	639	- 40.3	-431
Total	61,674	95,099	104,462	91,595	105,456	15.1	13,861

E: Estimated

*includes the methodological change in the estimation of corns.

Source: Ministry of Agriculture, Animal Husbandry and Fisheries.

In 2013, pursuant to the official estimations, the industry experienced a slight decrease on year-on-year terms. The impulse to the manufacturing sector on the second part of the year mainly derived from the basic metal industry and from non-metallic minerals. As regards the minor dynamism of the industry on marginal was explained mainly by the performance of the vehicles sector due to the decrease of the exportations to Brazil.



During the year, the construction sector reversed the negative performance achieved in 2012, as from an increase on the activities during the second semester of 2013, being above the values recorded on the prior months. Except for the oil construction, the other areas of the sector showed an expansion and the construction sector related to public works, such as infrastructure and road construction, experienced a higher increase.

Furthermore, the consumption of public services continued showing a positive trend during 2013, increasing its growth on the second part of the year. The telephony sector showed again a strong expansion and contributed to a large degree to the increase on the services. The freight transport as well as the passengers transport –increased by a higher number of people using the trade cabotage services- reversed the decrease of the last months. The electricity and water supply remained on the rise during the second semester, impelled by the electric energy and water demand while the natural gas consumption showed a slight decrease. The trade activities increased pursuant to interannual terms during the year due to the sales on buying centers (supermarkets, for example) that showed a stronger increase between the July and October than on the first part of 2013. Within this framework, the sales of electrical household appliances and other electronic devices experienced a higher increase on the last months of the year as well as the trading of vehicles on the local market.

2.1.2. External Sector

On this year, the net exportations of services and goods contributed negatively to the product's growth, increasing the trend showed at the end of 2012. Even though prices are lower than those of the previous year, the total exportations, favored by an increase on the number of assets, recorded a minimal increase (+2.5% i.a.). This may be explained by the economic weak performance showed by our main commercial partners. On the second part of the year, there was a better performance of the farming manufactures –conducted by the soya sector that showed a 23% i.a.-increase after recording a 4.7%-fall on the first part of the year.

The imported volumes of goods and services enhanced from the beginning of 2013 even though they exhibited certain slowing down on its year-on-year expansive rate on marginal towards the end of the year. Thus, the external purchases of goods gathered a 8%i.a.-increase in 2013. As a result, the trade balance according to INDEC shows a positive balance of USD9,025 millions representing a 25%-reduction regarding the value of the previous year.

2.1.3. Public Sector

In 2013, the national tax collection kept a high expansive rhythm (26.3% i.a.), impulsed basically by the taxes related to the internal market: social security resources, income taxes and Value Added Tax, reaching at the amount of ARS858 billions. On the other hand, the primary expenditure of the Non Financial National Public Sector (NFPS) increased 33.4% i.a. reaching the amount of ARS740 billions. The primary result was in balance as to the GDP showing a 0.8%-slow deficit of the GDP, ARS25 billions. Considering the payment of interests, the financial deficit of the NFPS of the last twelve months was equivalent to 2.4% of the GDP.

The use of the funding in public sector, again allowed the reduction of the public debt refinancing risk, as from the decrease of the undertakings with the private sector that only represented 12.3% of the GDP as of June 2013. Particularly, the debt with private holder in foreign currency was about 9% of the GDP as of September 2013. The National Treasury covered part of its financing need with financial investments and loans from other public non-financial entities. This strategy was also applied during 2012. This was added to the financing from Temporary Prepayments of the BCRA, loans from Banco de la Nación Argentina and the use of the unrestricted reserves to face the public debt's expirations with private holders and international institutions.

2.2. Financial Sector

The financial system continues expanding its activity of intermediation with the private sector during 2013. Pursuant to the information as of November, the balance of all the financings granted by all the financial institutions to the private sector showed an increase of 35.6% i.a. The performance was motivated by the loans granted in pesos to the private sector that explained almost the 95% of the total loans awarded to such sector. The total loans to households and companies as of November showed a 31.7% i.a.-growth rate. As a consequence, the bank financing continues increasing its performance in the economy until reaching about 17.5% of the GDP. In particular, the loans in pesos granted to companies and households verified the higher growth related to the total assets as the proportion of credits in foreign currency was reduced.

During 2013 the loans to companies motivated the expansion of the whole financings, showing a 32.5%a.-increase over the amount accumulated on the year, almost 7 p.p. over the variation recorded for the same period in 2012. For this result the implementation of several stages of the Credit Facility to the Productive Investment was important. This allowed a noted increase of the loans assigned to Pymes (Small and medium-sized companies) and MiPyMEs (Micro Small and Medium Enterprises. This allowed a gradual increase of the participation on the total number of loans in pesos granted to legal persons until representing 41.4% on the third quarter of 2013, 11.3 p.p. over the value registered for the same period in 2013 and 14.2 p.p. more than 3 years ago. On the set of the first stages financing to the private sector for the aggregate amount of ARS77,000 millions would have been granted.

On the other hand; as of November, loans to households grew 30.9% i.a. showing certain slowing down on the expansive rhythm regarding the same period in 2012.

The balance of all the deposits during 2013 maintained its 27% i.a.-growth based on the private sector's placements with a 30.1%-increase. Over the year, the fixed-term deposits in pesos were outlined, they show a 35.36%-increase for the private sector. On this segment, deposits lower than ARS1 million increased almost 30% i.a. and deposits of higher amounts increased 40%i.a. (see table 1). The mentioned performance of the deposits caused that the placements in national currency of the private sector reached almost 50% of the total funding of all the financial institutions (liabilities plus net worth). In particular, fixed-term deposits in pesos to companies and households showed a higher growth related to the total funding up to 23.4%, almost 2 p.p. over the value achieved in September 2012. Besides, underwritings in foreign currency and those made by the public sector reduced weighting on the total funding.

Pursuant to the information as of November, the irregularity of the loans to the private sector was placed at 1.8% of all the financings, without any change in

relation to 2012, with a slight reduction on marginal. These levels of default are low even under a historical comparison. Default on the loans showed a similar performance on all the financial institutions in 2013. The EFNB and national private banks maintained a ratio slightly higher than the rest of the institutions. The default of loans to households was at around 2.7% while loans to companies at 1%. The whole system showed high levels of provisioning with portfolio coverage of almost 40%.

As an indicator of its soundness, the paid up of capital governing the financial system was at 13.4% of the total risk- weighted assets (RWA), the Level 1 capital – representing the asset of best quality pursuant to the ability to afford losses- exhibited 12% of the RWA (almost 90% of the total paid-up capital). Moreover, pursuant to the information as of November, the surplus of the paid-up capital (capital's paid-up minus requirement) was placed 72.7% of all the regulations requirements for the financial system.

2.3. Outlook

According to the evolutions of the international and national economies, it is believed that the Argentine economy has positive conditions to maintain the growth experience.

At an external level, there is an improvement that slowly leads to go deep despite the different environments. The United States seems to be continuously presenting positive indicators while the recovery is more diverse and vague in Europe. The main emerging economies maintain their growths though with values lower than those observed on the stage prior to the commencement of the crisis. This allows believing that the price of exportable products of our economy would be at high levels on historical terms. At a regional level, the concern is focused on the slow recovery of Brazil, the main commercial partner.

The solid conditions of the labor market and the local financial system, by the maintenance of the financing conditions, lead to believe that the consumption shall be maintained as the main growth source.

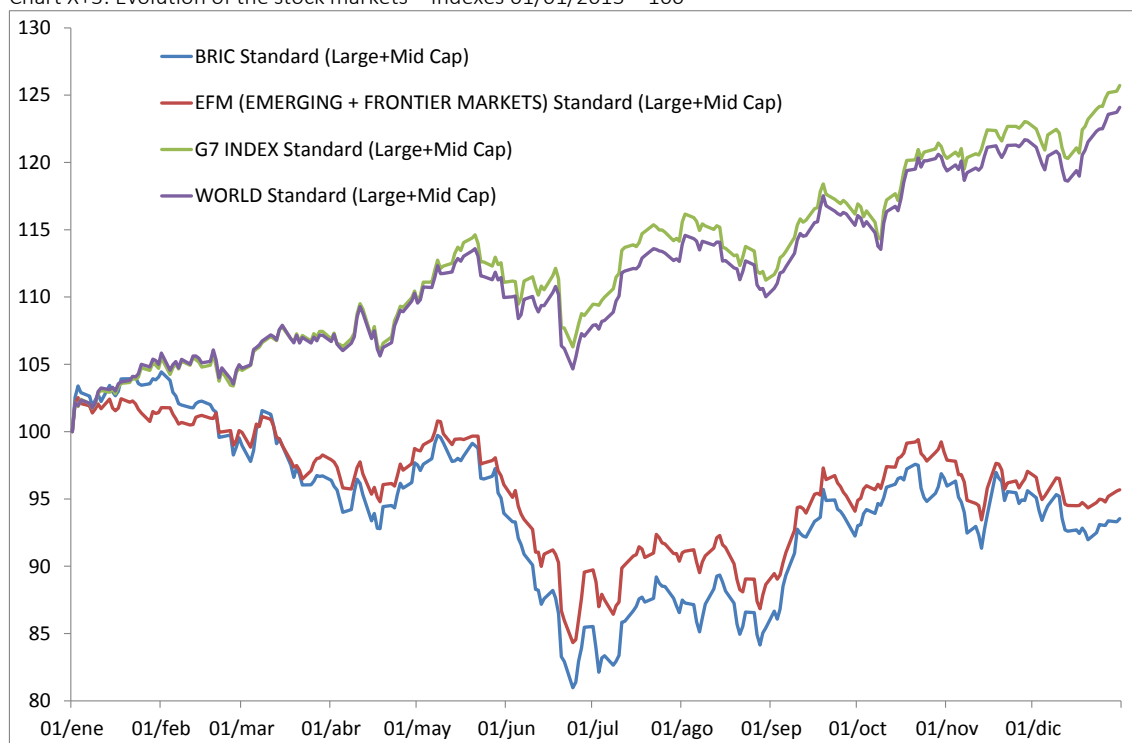
The policy of external debt relief of the public sector regarding private creditors constitutes an “asset” allowing the application of active tax policies.

Recent measures taken by the government, implies presuming that a solution to certain current problems on the external sector is being sought. This kind of policies would facilitate the creation of financing sources, investments and the reduction of uncertainty providing more situations that strengthen the growth conditions.

3. Evolution of International Financial Markets

The international financial markets show two stages and a clear reminder to developing countries; the foreign financing must not be considered as something safe. The year 2013 started with an uncertainty regarding the financial situation of some developing countries. The fact that Brazil was one of the most affected countries was particularly relevant for the Argentine perspective.

Chart X+3: Evolution of the stock markets – Indexes 01/01/2013 = 100



Source: Information based on Eurostat and World Bank

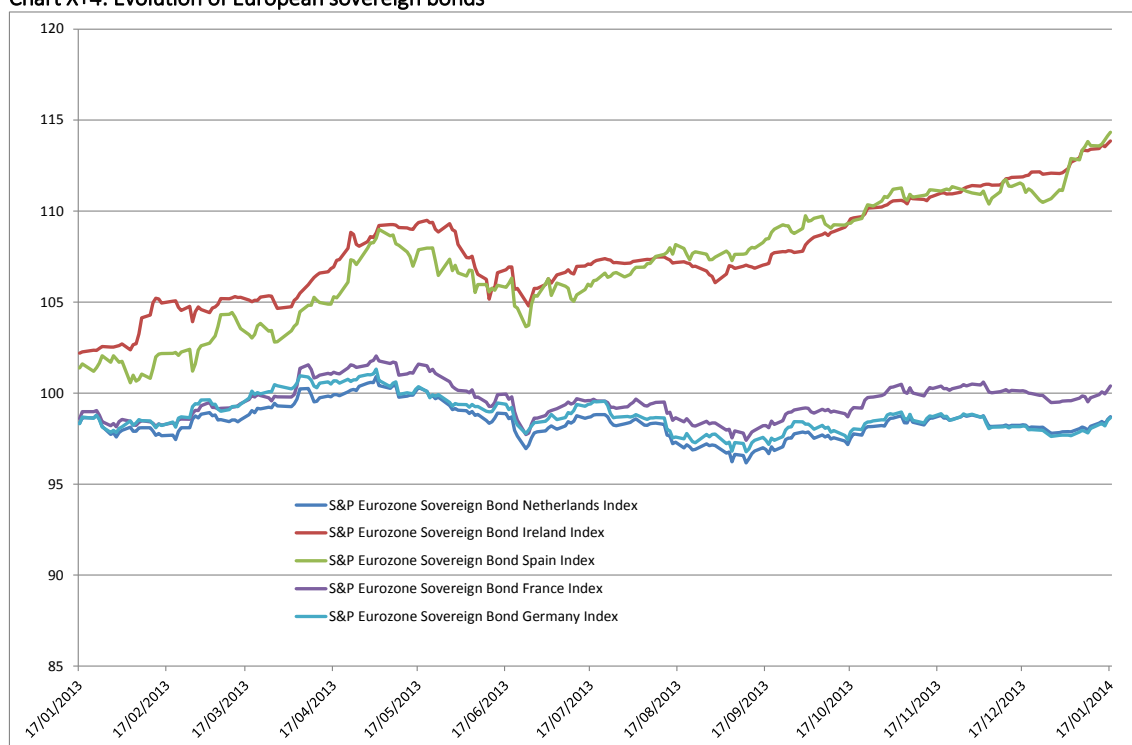
On the midyear, all the pressures were diminishing and the politic controversy reappears on the mid of September in the United States between Democrats and Republicans, almost implying the closure of different offices of the public federal administration during some days of October.

The impact on financial markets may have been one of the reasons by which the budget for the current tax year is finally approved and the public debt limit shall be modified before the expiration of the legal term.

3.1. Fixed Profit

The quotation of public bonds at an international level showed several distinctive features on this year. The European countries, that remain being the most affected by the economic crisis, had the best relative performance such as Ireland and Spain that showed throughout the year increases of about 15% on average for the different terms.

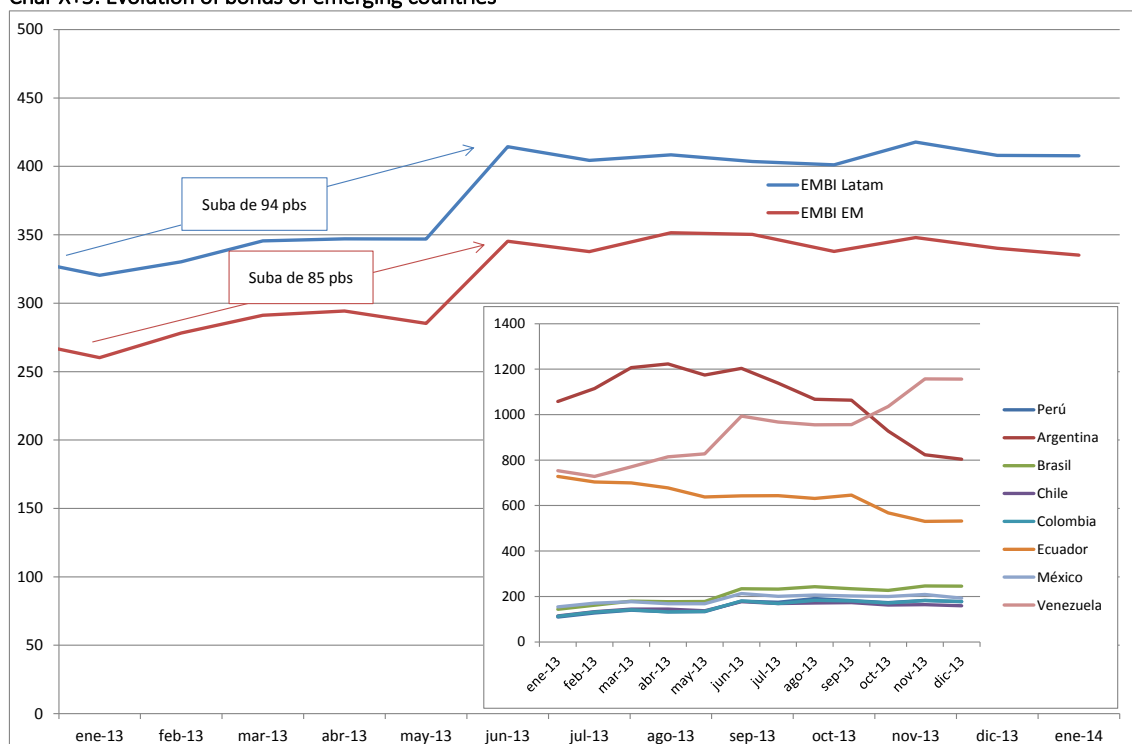
Chart X+4: Evolution of European sovereign bonds



Source: Based on S&P

Among the emerging countries, the situation is similar to the ones described for the variable profit. These countries showed a first negative semester with pronounced decreases mainly on the second quarter and remained stable on the second part of the year.

Char X+5: Evolution of bonds of emerging countries



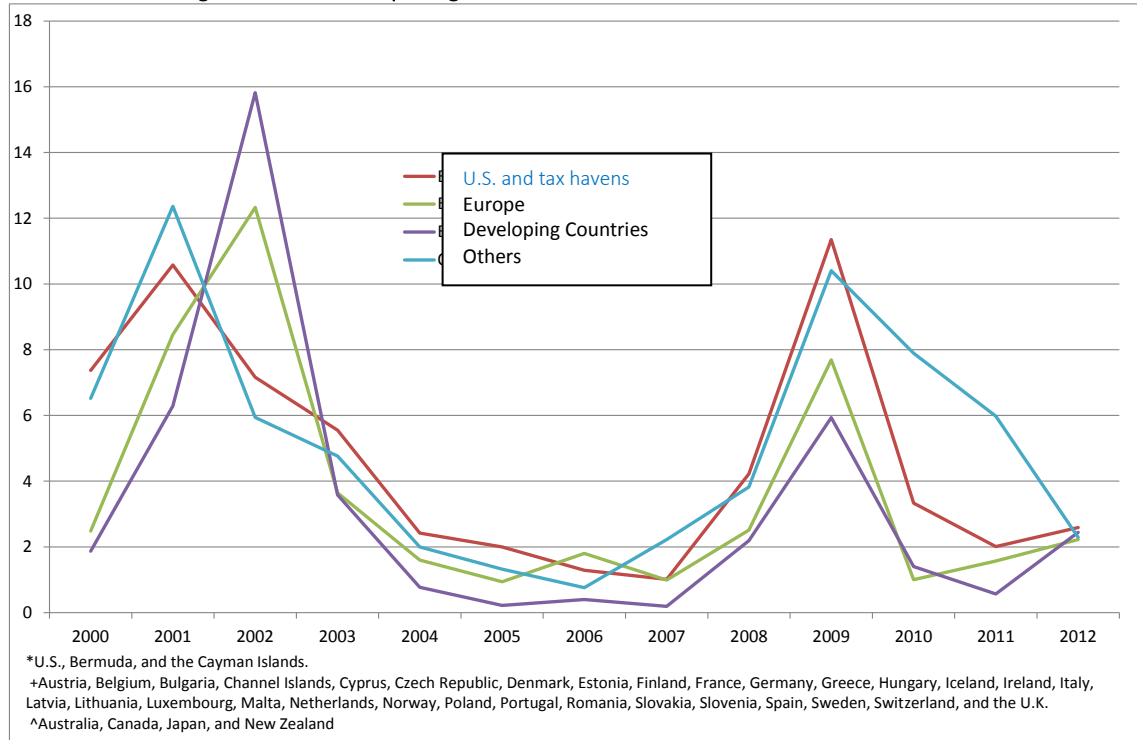
Source: Based on S&P

Within the region, the spreads' differentials among the issuances of the several countries remained being high. The group composed of Argentina, Ecuador and Venezuela triplicated the performance of the other Latin-American countries.

The corporate credit maintained a good performance regarding the issuances during 2013. The total amount of the new underwritings on the international markets was at around USD 3.2 trillions, the second higher figure as from the financial crisis started in 2007.

Moreover, there continues being a decrease in the numbers of defaults that, pursuant to Standard and Poors, was 77 during this year in comparison with 84 of the former year, and at very low level regarding the historical average that was of 101 cases per year. Likewise, the default rate was 2.3% of the issuances as to a 4.3%-historical average.

Chart X+6: Percentage of default events per regions



Source: based on S&P

3.2. Credit Sector

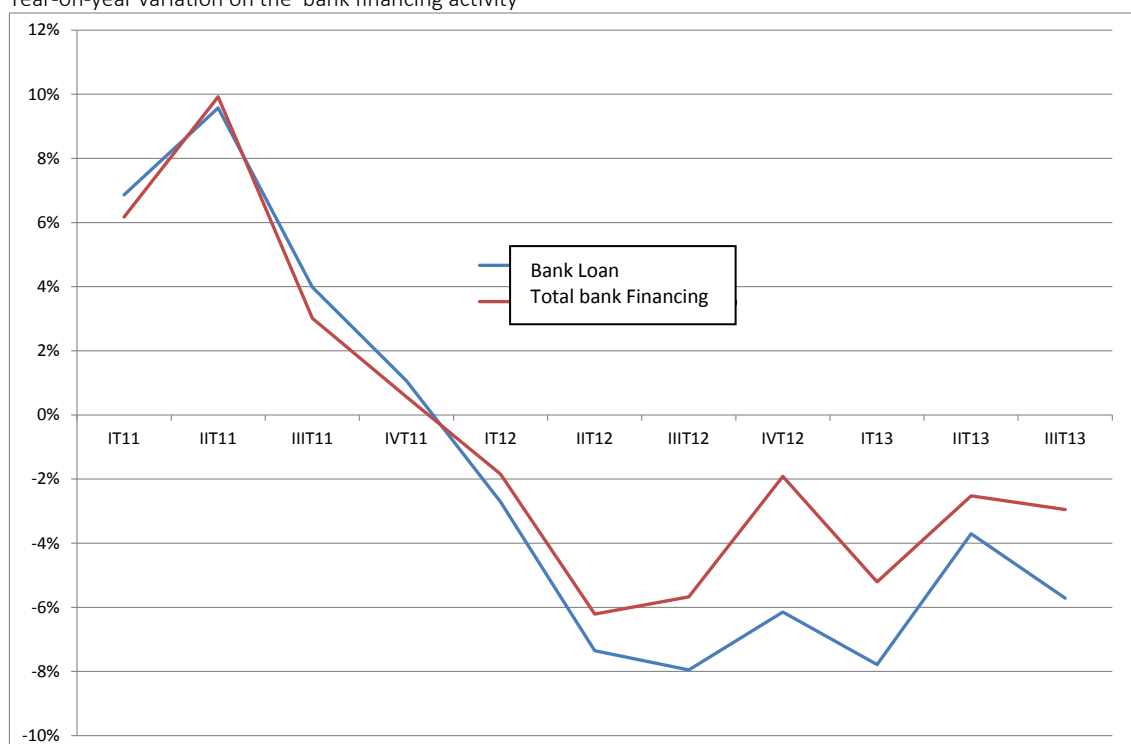
Pursuant to the information of the BIS, the global loan activity continues decreasing during 2013. The figures prior to the third quarter of the last year showed a contraction of about 3.5% on the bank's total assets. It is worth mentioning that this tendency, towards a decrease on the participation of the banks as financing means, started on the last part of 2011.

The source of this fall is based on a lower risk exposure within the same sector, since the assets with other banks showed an annual 7%-decrease while the non-banking assets increase about 2%.

However, when the dynamic of the last quarters is observed, the contraction on the non-financial credit sector is noted for the second consecutive quarter.

Chart X+7: Evolution of the banking activity

Year-on-year variation on the bank financing activity



Source: based on BIS

As regards the allocation by regions, it is important to mention a slow down on the bank loans to developing countries. However, the evolution leaves behind the case of China, that despite being under a stage of low credit expansion it keeps high growth rates while on the rest of the emerging economies the rule is the year-on-year decrease on the bank financing.

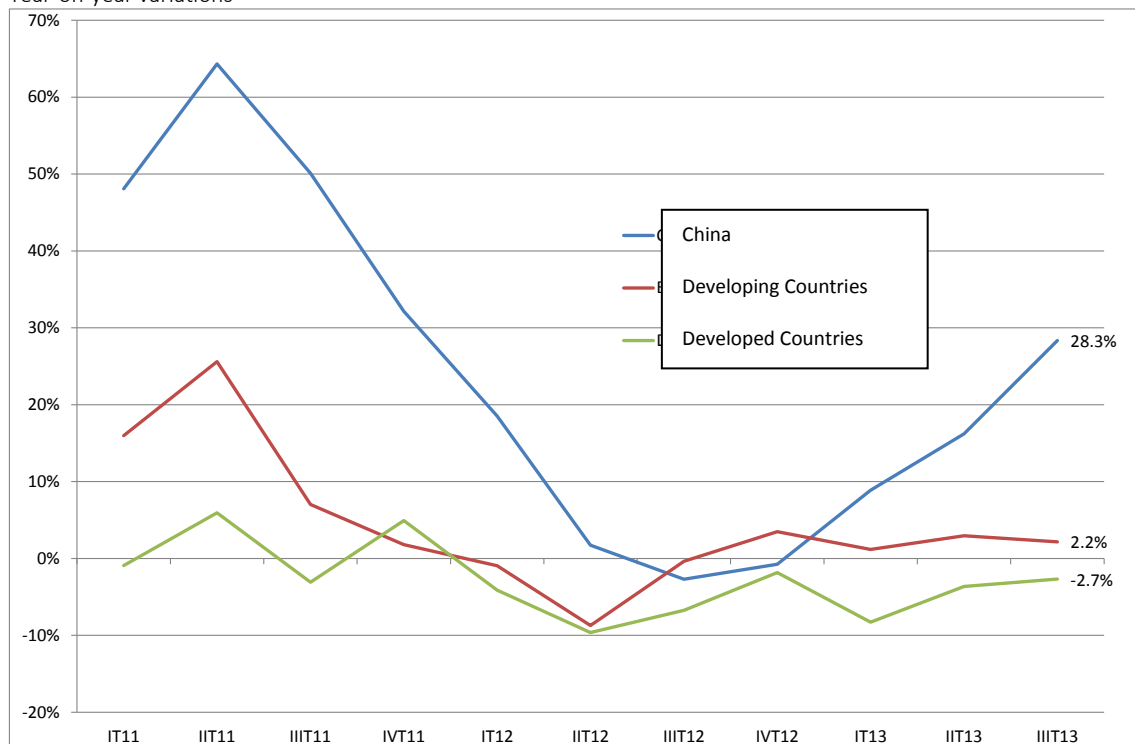
In fact, the evolution of the loan facility market in the People's Republic of China constitutes one of the main factors of the global financial uncertainty; in fact a large

Chinese financial corporation operating abroad was about to fail to comply with its international undertakings on the first days of January 2014.

On the other hand, the international participation of loans as a bank credit facility continued decreasing and it was placed on the fourth quarter of 2013 at a historical minimum of a little more than 60% of the total bank assets. This may be a new indicator of the changes that continue operating at an international level on the financial business and the continuous appearing of new and more complex financing instruments than the traditional bank means.

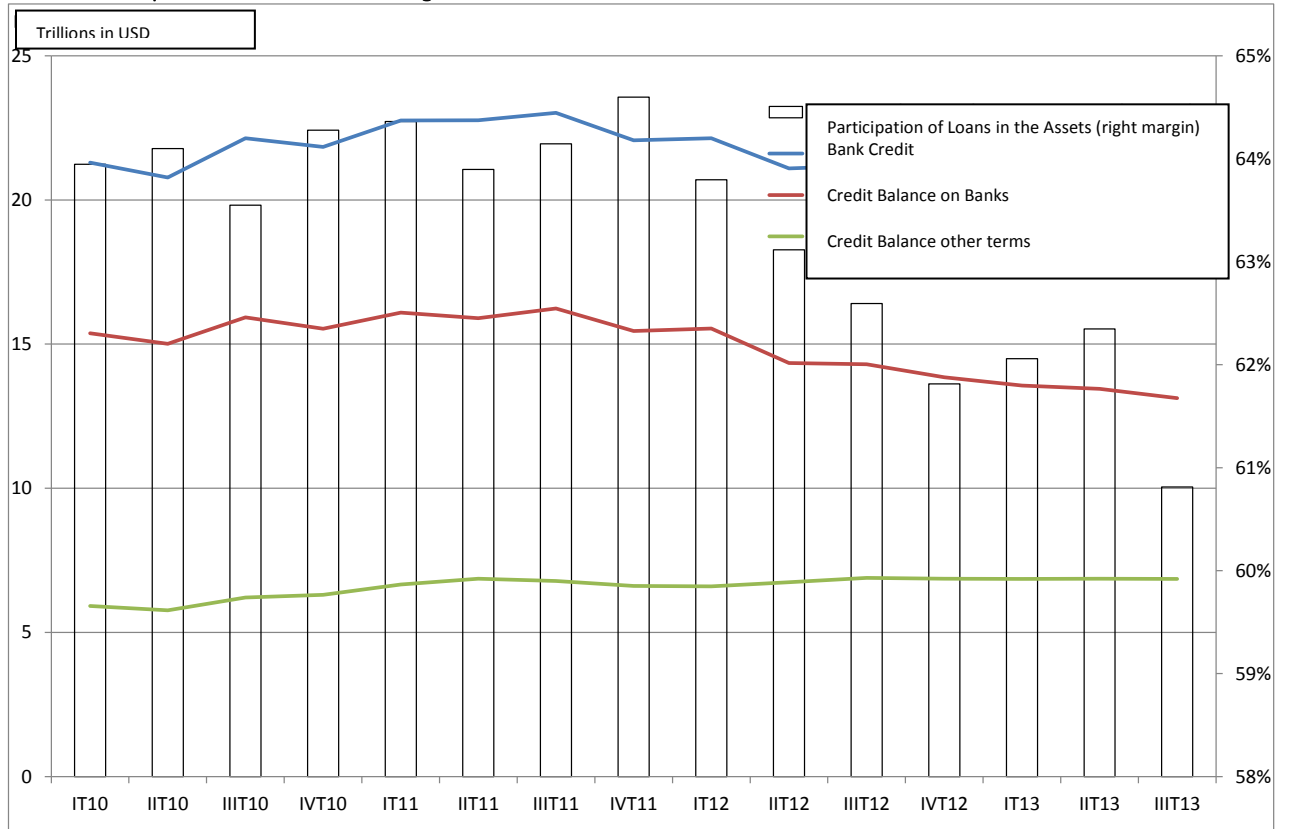
Chart X+8: Evolution of the bank financing per region

Year-on-year variations



Source: based on BIS.

Chart X+9: Composition of the bank financing



Source: based on BIS.



Report

SEDESA
SEGURO DE DEPÓSITOS S.A.

4. SEDESA in 2013

Seguro de Depósitos S.A. (SEDESA) is a corporation (Sociedad Anónima) organized in 1995 with the purpose of acting as trustee of the Deposit Guarantee Fund (DGF). The Executive Order 540/95 created the Deposit Guarantee Fund to guarantee bank deposits with the scope of action set forth in such order and its subsequent amendments.

According to the regulations in force, SEDESA's obligations as trustee of the DGF are:

1. To pay the guaranteed amount to depositors, where applicable.
2. To make capital contributions and non-reimbursable contributions or grant loans to financial institutions that:
 - are under a regularization and reorganization plan to support the compliance thereof;
 - have acquired assets and undertaken to pay the deposits of another institution that is subject to the system set forth in section 35 bis of the Argentine Financial Institutions Law (Ley de Entidades Financieras) where applicable to compensate insufficiency of such assets regarding the transferred deposits;
 - have taken over or acquired financial institutions under a regularization and reorganization plan.
3. To execute a put option agreement with financial institutions that acquire assets and undertake to pay the deposits of an institution subject to the provisions set forth in section 35 bis of the Argentine Financial Institutions Law for the benefit of the acquiring institution over all or part of the transferred assets. This arrangement may consist in the creation of a trust.
4. To acquire deposits from suspended banks up to the amount of the guarantee, subrogating to the rights of the depositors, including the reimbursement of the amounts deposited in wages and salaries crediting accounts to the holders.
5. To undertake obligations chargeable to the DGF within the limitations timely established.
6. To carry out, maintain or finance REPO programs with foreign banks for the stability of the Argentine financial system, with the prior consent of the Central Bank of Argentina and chargeable to the DGF.

4.1. DGF Report for 2013

In 2009, one of the aspects that generated a great challenge was to identify all of the recovered assets and those that may be recovered from the Trusts where SEDESA, as trustee of the DGF, holds share certificates as consideration of the cases that were previously administered. This task involved the detection of more than 46,000 loans that had to be made individually. The lack of inventory in the accounting records of these loans has made it difficult to proceed with the comptroller process of the management of these recoveries. This situation was highlighted on several occasions, and as from that year this proceeding started, has become an ongoing process.

On the financial statements attached to this report, the total credits of the DGF by the initial value at the date of transfer, were incorporated into the assets of the DGF and estimated at a value by which, as a result of activation and estimation, results in a residual value of AR\$ 1 (one peso), then individually copying it into the inventory and balance sheet book. Its description is stated in notes 2.3.3 and 3.3 of the Trust Financial Statements of the Deposit Guarantee Fund.

As regards to the work performed in the area of finance, as it has been previously mentioned, the implementation of the recording system of telephone lines used for financial transactions was completed, thereby improving the environment control and providing more transparency to its management. In the same sense, a recording mechanism was installed on personal computers and a specific procedure was adopted to develop the operations.

In turn, the development of enhancement of the management and efficiency of various sectors of society, conducted hiring a computer consulting firm in the computing area in order to conduct a study and recommendation for the purchase and implementation of a comprehensive software to SEDESA that allows greater efficiency and effectiveness in its performance as trustee.

According to Article 1 of Decree No. 540/95, the aim or purpose of the DGF is to cover bank deposits with the scope envisaged by the decree. Nonetheless, the DGF may provide financial assistance listed in Article 10 bis of Decree No. 540/95 and its amendments.

To accomplish its purpose or aim, the DGF obtained its resources from the monthly cash contributions to be made by financial institutions under the terms, limitations and conditions set forth in Decree No. 540/95 and its amendments and supplementary regulations issued by the BCRA

The current usual monthly contribution, by financial institutions, has been established by Communication "A" 4271 of the BCRA as of December 30, 2004, at 0.015% of the average daily balances of deposits in each financial institution, plus a differential premium that can reach no more than an additional 0.015%.

4.2. Corporate Initiatives

The main guidelines of the rearrangement of organizational policies and management proceedings that have been implemented in the past years, continued to be applied in 2013.

As a member of IADI (International Association of Deposit Insurers), SEDESA continued its active participation in various international forums. In relation to the current debate on the implementation of the Core Principles for Effective Deposit Insurance, SEDESA has considered, while moving towards the homogenization of these standards, the need to take into account the individual features of each financial system and, in particular, the analysis and their applicability at a regional level.

In relation to the IADI, Dr. Alejandro Lopez, SEDESA's General Manager, is a member of the Executive Council of IADI and has been appointed Chairperson of the Latin America Regional Committee (LARC). The corporation has organized and hosted the 12th Annual General Meeting (AGM) and the International Conference of the International Association of Deposit Insurers (IADI), which took place between 4 and 8 November, 2013, at the Alvear Palace Hotel, Buenos Aires.

The International conference titled "*Navigating through the Financial Reform Landscape*" was held from 6 to 7, November. The thematic content of this event, included: the changes that have taken place in the international scenario and the responses provided by deposit insurers as a result of the recent global financial crisis. Also, the speakers presented reforms in the design of the financial safety net in the funding mechanisms of deposit insurance systems and those held in bank resolution regimes, and contingency planning. The conference was attended by an audience of over 200 people and a Spanish - English simultaneous translation was offered.

At the end of the Conference, on Thursday 7, the Annual General Meeting of members was held and, during this meeting the authorities of the Associations recognized the successful efforts of SEDESA as the organizer of this event.

4.3. Estados contables SEDESA

According to section 1, subsection 3 of Resolution 6/2006 of the Argentine Companies' Registration and Control Office (IGJ) and its amendments, please find below a summary of the financial position, income statements and the development and application of SEDESA's funds:

	<u>31/12/2013</u>	<u>31/12/2012</u>
Current Asset	25,909,414	20,645,314
Non-current Asset	784,624	442,839
TOTAL ASSETS	26,694,038	21,088,153
Current Liabilities	4,961,097	2,982,348
SUBTOTAL LIABILITIES	4,961,097	2,982,348
SHAREHOLDERS' EQUITY (SE)	21,732,941	18,105,805
TOTAL LIABILITIES+SE	26,694,038	21,088,153
Ordinary Operating Income	-1,716,168	-703,326
Financing and Holding Income	6,419,630	1,419,580
Other Income and Expenses	0	47
Ordinary Net Income	4,703,462	716,301
Extraordinary Income	877,098	0
Subtotal	5,580,560	716,301
Income Tax	-1,953,424	-250,689
Net Income	3,627,136	465,612

Funds arising from (applicable to) operating activities	-2,674,270	731,231
Funds arising from (applicable to) investment activities	-454,517	-127,853
Funds arising from (applicable to) financing activities	6,410,948	1,415,973
Total funds for the fiscal year	3,282,161	2,019,351

Moreover, pursuant to Article 1, clause 4 of the abovementioned resolution, please find below the following indicators:

	Year 2013	Year 2012
Current Liquidity (Current Assets / Current Liabilities)	5.2	6.9
Solvency (Net Shareholders' Equity / Total Liabilities)	4.4	6.1
Fixed Capital Stock (Total Assets / Non-Current Assets)	2.9%	2.1%
Return (Income for the Fiscal Year / Net Shareholders' Equity Average)	17%	2.6%

In regards to the analysis of the main components of the financial statements of SEDESA, there have been increases in the assets, mainly in the current assets in the income obtained from the organization of the International Conference of IADI (International Association of Deposit Insurers). Regarding the current liabilities, the main increase remains being the DGF advanced payments to the activities as trustee.

The result of SEDESA in the year ended as of December 31, 2013, shows a significant improvement in comparison to the results of 2012, due to the results of the financial and holdings, in a context of a positive year in terms of yields of the sovereign bonds

and a depreciation of the Argentine peso in relation to the US dollar, as describe in section 3 of this report.

Regarding the operating results, the recorded result is explained by the exceptional expenditure on the organization of the twelfth Annual General Meeting and International Conference of IADI, performed on November 4–8, 2013 in Argentina, and hosted by SEDESA.

Thus, the shareholders' equity of SEDESA as of December 31, 2013 amounted to AR\$ 21,732,941, and included the following items:

Capital	AR\$ 1,000,000
Capital Adjustment	AR\$ 1,197,266
Legal Reserve	AR\$ 439,454
Optional Reserve	AR\$ 15,469,085
Income for fiscal year	AR\$ 3,627,136
Total	AR\$ 21,732,941

4.4. FGD's Financial Statements

The following comments about the Financial Statements are made in order to provide a framework for the understanding of such statements in view of the domestic and foreign economic and financial situation.

The administration of the Deposit Guarantee Fund continues to focus on improving the structure of its balance sheet, reducing illiquid assets (mainly the loan portfolio), and conducting financial transactions that reconcile positive performances with low risk profile, so as to meet the original mandate of the DGF.

4.4.1. Assets

During 2013 the total assets of DGF increased AR\$ 3,054 million from the previous fiscal year (up 38.8%), explained by rises of AR\$ 3,053 million in current assets (equivalent to an increase of 40%) and an increase AR\$ 1 million in non-current (0.5% in the year).

The main increases in the areas of current assets were the investments, that showed an increase of AR \$ 2,108 million (this implied an increase of 68% i.a.) and Cash and Bank for AR\$ 944 million (an increase of 20.8% i.a.).

Within Cash and Banks, most of the increase over the end of the previous financial year focused on foreign currency, affecting REPOs (\$ 930 million more), this was linked to the operation that the DGF usually does with the BCRA. It is worth mentioning that, under the terms agreed in the letters of understanding of these operations, the results obtained from such operations and recorded in the Financial Statements of the Fund, are the assets delivered by the DGF as underlying assets. Also, the assets involved in these operations, will return to their original holders, in this case the DGF, upon their expiration.

At the date of the issuance of the financial statements discussed herein, the REPO transactions amounted to USD 995.358.609.-

In Investments, there is an annual increase in the tenure of bills of the BCRA, of AR\$ 1,427.8 million, and an increase of 51.7% i.a. Nevertheless, this implied a reduction in the total participation in current investments as it represents 80.3% at the end of the financial year of 2012. This difference originated from the sum obtained from the REPO transactions and exchange differences that contributed as of the end of the year AR\$ 451.5 million, as to AR\$ 42.8 million the previous year.

Furthermore, the analysis of the generation of cash from operating activities of the DGF shows an increase of AR\$ 341 million in comparison with 2012, where the main sources were the contributions of the financial institutions (AR\$ 211 million), accompanied by an improvement on financial income (AR\$ 200.5 million).

4.4.2. Liabilities

The DGF liabilities increased slightly at the end of 2013 (AR\$ 861,241), being mainly explained by an increase in the item accounts payable.

4.4.3. Financial Position

At the end of 2013, the DGF Net Shareholders' Equity totaled AR\$ 10,922,341,256, which meant an increase of AR\$ 3,053,164,759. The increase in equity consisted of AR\$ 2,083,492,834 arising from the income generated by the DGF during the accounting period, and to a lesser extent, by the pertinent contributions to financial institutions, amounting to AR\$ 969,671,925.

It is worth mentioning that, for the second consecutive year, the capital increase is explained mainly by the income generated by the Fund over the contributions of the financial institutions.

Thus, the shareholder's equity administered by the DGF, increased 38.8%, exceeding again, the increase in the percentage recorded in the previous year (26.9%).

4.4.4. Income Statement

The international and local financial context, allowed an income statement of AR\$ 2,083,000, an increase of AR\$ 1,175 million in relation the previous year. This result was explained by financial investments that generated profits of AR\$ 2.103 million, which represented an improvement as to the previous period (up to 131.2% i.a.).

The continuity in the policy that guides the improvement of the asset management of the DGF, within a conservative framework, was reflected in the income statement in the year 2013. This item contributed a total of AR\$ 9.4 million during the year.

4.1. Organization

During the year 2013, the process of continuous improvement of the management of SEDESA advanced to seek an increase in the efficiency and overall effectiveness of the actions undertaken by the Corporation. The continuity of this guidance has consolidated as it started showing the benefits of the various changes that had been implemented.

The new or modifications of the various Procedures, Rules, Manuals and Instructions approved, during the year 2013 include: Investment Procedure, Internal Audit Procedure, Partners' Management Procedure, Nonconformity, Corrective Actions and Preventive-System procedure for Quality Management, Process for Changing User Properties, Property Sales Regulations, Finance Committee Regulations, Rules and Roles for the Prevention of Money Laundering and Terrorist Financing, Internal Audit Regulations, Regulation of Real Estate Records, Quality Manual Investments Process according to the System Quality Management, Manual for Handling and Management of the Documentation, Operating Instructions for the control of the recording service and Instructions on the Massive Update of Data within JUREX.

The Corporation approved a Policy to create a record and to define the selection mode of counterparts that operate with SEDESA. This document establishes both the conditions and characteristics that the various institutions with which SEDESA manages their investments must have. Also, in order to delve into the management of the control of opposite parties, the portfolio of SEDESA and the DGF were valued through the Treasury, which depends from the Administrative Management.

In December, the agency, IRAM conducted an audit to recertify the QUALITY MANAGEMENT SYSTEM (QMS) under ISO 9001: 2008 standards whose scope is the "Management of Available Balance Deposit Insurance Fund."

The audit was completed satisfactorily, and the audit team resolved to recommend to the General Committee of Certification of IRAM, the granting of the Recertification of the Quality Management System of SEDESA - for the aforementioned scope.

In regard to the Real Estate Sales Policy, the first audit was held for the maintenance of the management quality system (standard: IRAM - ISO 9001: 2008) whose scope is "Realization and sale of real estate, to integrate the available balance of the deposit guarantee fund".

During 2013, the consolidation of the process of evaluation and improvement of the information allowed significant improvement of the quality and quantity of the information available, that facilitates the decision-making process, and this is reflected in the high level of revenue, considering the state and seniority of the portfolio. Moreover, the new information allowed the development of a strategy to prioritize the management of recovery over of those loans with a better possibility of being reimbursed and identify those loans with low or lack of possibility of being collected, whenever applicable. In this sense, the Company's Board decided to register 13,537 Credits to completion under the procedure adopted for this purpose.

In this context, different bidding processes in order to dispose of the property held by the DGF for sale under the new rules adopted by the Company (Policy of Real Estate Sale, Sales Regulation and Procedures) were made during the year. They aimed at promoting the attendance of stakeholders and competition between bidders, equal treatment, publicity and dissemination of events, and transparency of management.

4.2. Operational

In relation to the relevant aspects of the judicial management, in 2013, and, as a result of the changes in the strategy promoted by the General Management since 2009, which is also related to the defense of the corporation in actions of fees execution filed against SEDESA, pursuant to the resolution issued on October 16, 2012, by the Civil and Commercial Court number 1 of the city of Mar del Plata, confirmed the objections made, stated it was possible to reverse the trend applicable up to that moment, where the executions of fees filed by former lawyers against the corporation.

With respect to the management of the real estate, actions are adopted underway in order to promote and proceed with the recovery and transfer of property held under the portfolios called BEO and BALCA in favor of SEDESA.

Despite the seniority of the portfolio, the collection management (Judicial and Extrajudicial) has remained stable.

Also, the policy to renew computing system and update the software licenses continues to be implemented.



*SEGURO DE DEPOSITOS SOCIEDAD ANONIMA
Financial statements*

SEDESA
SEGURO DE DEPÓSITOS S.A.

SEGURO DE DEPOSITOS SOCIEDAD ANONIMA

Financial statements for the fiscal years ended as of December 31
2013 and 2012, and Reports of the Independent Auditors.

SEGURO DE DEPOSITOS SOCIEDAD ANONIMA

BALANCE SHEET

as of December 31, 2013 and 2012

(in Argentine pesos)

	31/12/2013	31/12/2012
ASSETS		
CURRENT ASSETS		
Cash and Banks	23,296,445	18,120,075
Investments	-	1,894,209
Other receivables	2,612,969	631,030
Total current assets	25,909,414	20,645,314
NON-CURRENT ASSETS		
Other receivables	284,699	279,914
Fixed Assets	212,793	162,925
Intangible assets	287,132	-
Total non-current assets	784,624	442,839
Total assets	26,694,038	21,088,153
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	2,607,931	2,051,504
Taxes Payable	1,602,555	309,904
Social Security charges payable	750,611	620,940
Total current liabilities	4,961,097	2,982,348
Total liabilities	4,961,097	2,982,348
SHAREHOLDERS' EQUITY (according to related statements)	21,732,941	18,105,805
Total Liabilities and Shareholders' Equity	26,694,038	21,088,153

SEGURO DE DEPOSITOS SOCIEDAD ANONIMA**INCOME STATEMENT**

for the fiscal years ended as of December 31, 2013 and 2012
(in Argentine pesos)

	<u>31/12/2013</u>	<u>31/12/2012</u>
Income from the 12 th IADI annual conference	877,098	-
Administrative Expenses	(1,833,685)	(850,192)
Plus:		
Expenses Recovery	117,517	146,866
Financial and holding income from assets	<u>6,419,630</u>	<u>1,419,580</u>
Subtotal	<u>5,580,560</u>	<u>716,254</u>
Other net income	-	47
Net Profit (before income tax)	<u>5,580,560</u>	<u>716,301</u>
Income Tax	(1,953,424)	(250,689)
Profits for the year	<u><u>3,627,136</u></u>	<u><u>465,612</u></u>



SEDESA
SEGURO DE DEPÓSITOS S.A.

INDEPENDENT AUDITORS' REPORT

To the Directors of
SEGURO DE DEPÓSITOS S.A.
C.U.I.T. N° 30-68241551-3
Legal domicile: San Martín 344, 12th floor
City of Buenos Aires

1. We have audited the attached balance sheet of SEGURO DE DEPÓSITOS S.A. as of December 31, 2013, and the pertinent income statement, statement of shareholders' equity and cash flow for the fiscal year then ended.

2. The Board of Directors of the Company is responsible for the reasonable drafting and filing of the financial statements pursuant to the professional accounting regulations applicable in the city of Buenos Aires, Republic of Argentina. This undertaking includes the design, implementation and maintenance of an adequate internal control system, so that such financial statements do not include significant misrepresentations based on mistakes or irregularities, the selection and application of pertinent accounting policies and the rendering of suitable opinions in view of the circumstances. Our obligation is to draft a report on the abovementioned financial statements based on the audit conducted.

3. Our examination was performed pursuant to the auditing regulations currently in force in the Republic of Argentina. Such regulations establish that we must comply with the ethical requirements and that we have to plan and develop our obligations with the purpose of obtaining a reasonable degree of certainty regarding the lack of significant misrepresentations in the financial statements.

An audit implies the application of procedures, on a selective basis, to obtain items of evidence that support the information described in the financial statements. The selected procedures depend on the professional opinion of the auditor, who evaluates the possibility of relevant misrepresentations in the financial statements based on mistakes or irregularities. To conduct this risk examination, the auditor considers the internal control of the Company regarding the relevant aspects for a reasonable drafting and submittal of the financial statements, in order to select the auditing procedures that are deemed suitable according to the circumstances but not with the purpose of rendering an opinion on the effectiveness of the Company's current internal control system of the Company. An audit further includes an evaluation of the applied accounting policies and of the reasonability of the accounting estimations made by the Company's Board of Directors, as well as an evaluation of the submittal of the financial statements as a whole.

We consider that the conducted examination is a sufficient and reasonable basis to support

this report.

4. In our opinion, the financial statements mentioned on paragraph 1 reasonably reflect, in all significant aspects, the economic and financial position of SEGURO DE DEPÓSITOS S.A. as of December 31, 2013, as well as the results of its transactions and its cash flow for the fiscal year then ended in accordance with the professional accounting regulations in force in the City of Buenos Aires.

5. As regards the balance sheet of SEGURO DE DEPÓSITOS S.A. as of December 31, 2012 and the statements of income, the variations in the shareholders' equity and the cash flow for the fiscal year then ended submitted for comparative purposes, we state that on March 22, 2013, other auditors have rendered an unqualified auditor's report on such financial statements.

6. In compliance with the current provisions, we hereby state that:

- a) The financial statements mentioned on paragraph 1 are kept on the Inventory and Balance Sheet book and are based on the accounting records kept in all formal aspects pursuant to the applicable legal regulations.
- b) We have applied the procedures to prevent asset laundering and terrorism financing as set forth in the pertinent professional regulations issued by the Professional Council of Economic Sciences of the City of Buenos Aires.
- c) As of December 31, 2013, the accrued debt of social security contributions for the benefit of the Argentine Integrated Retirement System, as evidenced in the Company's accounting records, amounts to AR\$599,088 and is not due and payable as of such date.

City of Buenos Aires,
February 20, 2014

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E.C.A.B.A. Volume 1 – Folio 13

NORBERTO M. NACUZZI
Partner
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C.P.C.E.C.A.B.A. [Professional Board of Economic Sciences
of the City of Buenos Aires] Volume 196 – Folio 142



*DEPOSIT GUARANTEE FUND
Trust financial statements*

SEDESA
SEGURO DE DEPÓSITOS S.A.

DEPOSIT GUARANTEE FUND

Trust arising from the Trust Agreement entered into on March 7, 1997, by and between the Central Bank of Argentina (BCRA), as trustor, and Seguro de Depósitos S.A., as trustee.

Trust financial statements for the fiscal years ended December 31, 2013 and 2012, and Reports from the Independent Auditors.

DEPOSIT GUARANTEE FUND

TRUST BALANCE SHEET as of December 31, 2013 and 2012 (in Argentine pesos)

	<u>31/12/2013</u>	<u>31/12/2012</u>
ASSETS		
CURRENT ASSETS		
Cash and Banks	5,467,737,116	4,523,075,148
Investments	5,209,345,005	3,101,603,741
Receivables	1,467,549	1,169,703
Assets under Financial Leasing	74,316	70,019
Other Receivables	2,762,158	2,163,554
Other Assets	1,154,480	1,699,382
Total Current Assets	<u>10,682,540,624</u>	<u>7,629,781,547</u>
NON-CURRENT ASSETS		
Investments	148,780,092	142,297,852
Receivables	99,135,147	102,756,678
Assets under Financial Leasing	276,689	350,418
Other Receivables	206,280	210,031
Other Assets	2,251,336	3,767,642
Total Non-Current Assets	<u>250,649,544</u>	<u>249,382,621</u>
Total Assets	<u><u>10,933,190,168</u></u>	<u><u>7,879,164,168</u></u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	7,223,558	4,028,696
Other Liabilities	3,625,354	5,958,975
Total Current Liabilities	<u>10,848,912</u>	<u>9,987,671</u>
Total Liabilities	<u>10,848,912</u>	<u>9,987,671</u>
SHAREHOLDERS' EQUITY (according to related statements)	<u>10,922,341,256</u>	<u>7,869,176,497</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>10,933,190,168</u></u>	<u><u>7,879,164,168</u></u>

DEPOSIT GUARANTEE FUND

TRUST STATEMENTS OF INCOME

for the fiscal years ended as of December 31, 2013 and 2012
(in Argentine pesos)

	<u>31/12/2013</u>	<u>31/12/2012</u>
INCOME FROM FINANCIAL INVESTMENTS		
Financial income from investments	504,051,222	303,574,807
Exchange rate difference	1,599,668,133	606,460,564
Subtotal income from financial investments	<u>2,103,719,355</u>	<u>910,035,371</u>
Less:		
Investment management and custody fee	(1,732,013)	(1,648,254)
Total income from financial statements	<u>2,101,987,342</u>	<u>908,387,117</u>
NET INCOME FROM APPLICATION OF DEPOSIT INSURANCE		
Income from paid deposit Insurance guarantees	218,944	1,119
Total income from paid deposit insurance guarantees	<u>218,944</u>	<u>1,119</u>
INCOME FROM ASSISTANCE TO FINANCIAL INSTITUTIONS		
Interest on granted loans	3,419,024	3,723,725
(Increase)/Decrease of provisions on loans with cancellation option with public bonds under guarantee	-	(4,516,250)
Dividends	1,900,000	950,000
Income from sale of preferred stock	3,800,000	3,810,411
Total income from assistance to financial institutions	<u>9,119,024</u>	<u>3,967,886</u>
INCOME FROM ASSET MANAGEMENT		
Income from collection-recovery of assigned receivables, net of related expenses	4,503,973	17,751,560
Increase of provisions on loan portfolio, assets under financial leasing and other receivables	(1,045,221)	(931,348)
Income from recovery financial trusts, net of related expenses	2,360,420	5,164,939
Recovery of credit assets	701,423	1,162,975
Difference in the quotation of receivables and other receivables	1,013,927	854,008
Income from fixed asset management	2,134,524	(564,598)
Income from other asset management	(219,483)	983,483
Total income from asset management	<u>9,449,563</u>	<u>24,421,019</u>
ADMINISTRATIVE EXPENSES	(37,282,924)	(29,307,997)
OTHER NET EXPENSES AND INCOME	885	599,642
Profits for the year	<u>2,083,492,834</u>	<u>908,068,786</u>



SEDESA
SEGURO DE DEPÓSITOS S.A.

INDEPENDENT AUDITORS' REPORT

To the Directors of
SEGURO DE DEPÓSITOS S.A.
TRUSTEE OF THE DEPOSIT GUARANTEE FUND
CUIT: 30-70812286-2
Legal domicile: San Martin 344, 12th floor
City of Buenos Aires

1. We have audited the trust balance sheet of DEPOSIT GUARANTEE FUND (the Fund as of December 31, 2013, and the pertinent trust income statement, statement of shareholders' equity and cash flow for the fiscal year then ended.

2. The Board of Directors of Seguro de Depósitos S.A., in its capacity as Trustee of the Fund, is responsible for the reasonable drafting and filing of the financial statements pursuant to the professional accounting regulations applicable in the city of Buenos Aires, Republic of Argentina. This undertaking includes the design, implementation and maintenance of an adequate internal control system, so that such financial statements do not include significant misrepresentations based on mistakes or irregularities, the selection and application of pertinent accounting policies and the rendering of suitable opinions in view of the circumstances. Our obligation is to draft a report on the abovementioned financial statements based on the audit conducted.

3. Our examination was performed pursuant to the auditing regulations currently in force in the Republic of Argentina. Such regulations establish that we must comply with the ethical requirements and that we have to plan and develop our obligations with the purpose of obtaining a reasonable degree of certainty regarding the lack of significant misrepresentations in the financial statements.

An audit implies the application of procedures, on a selective basis, to obtain items of evidence that support the information described in the financial statements. The selected procedures depend on the professional opinion of the auditor, who evaluates the possibility of relevant misrepresentations in the financial statements based on mistakes or irregularities. To conduct this risk examination, the auditor considers the internal control of the Trust Company regarding the relevant aspects for the reasonable drafting and submittal of the Fund's financial statements, in order to select the auditing procedures that are deemed suitable according to the circumstances but not with the purpose of rendering an opinion on the effectiveness of the current internal control system. An audit further includes an evaluation of the applied accounting policies and of the reasonability of the accounting estimations made by the Trust Company's Board of Directors, as well as an evaluation of the submittal of the financial statements as a whole.

We consider that the conducted examination is a sufficient and reasonable basis to support this report.

4. In our opinion, the trust financial statements mentioned on paragraph 1 reasonably reflect, in all significant aspects, the economic and financial position of the DEPOSIT GUARANTEE FUND as of December 31, 2013, as well as the results of its transactions, and its cash flow for the fiscal year then ended in accordance with the professional accounting regulations in force in the City of Buenos Aires.

5. As regards the trust balance sheet of the DEPOSIT GUARANTEE FUND as of December 31, 2012 and the trust statements of income, the variations in the shareholders' equity and the cash flow for the fiscal year then ended submitted for comparative purposes, we state that on March 22, 2013, other auditors have rendered an unqualified auditor's report on such trust financial statements.

6. In compliance with the current provisions, we hereby state that:

- a) The trust financial statements mentioned on paragraph 1 are kept on the Inventory and Balance Sheet book and are based on the accounting records kept in all formal aspects pursuant to the applicable legal regulations.
- b) We have applied the procedures to prevent asset laundering and terrorism financing as set forth in the pertinent professional regulations issued by the Professional Council of Economic Sciences of the City of Buenos Aires.
- c) As of December 31, 2013, there is no accrued debt as social security contributions for the benefit of the Argentine Integrated Retirement System, as evidenced on the Fund's accounting records.

City of Buenos Aires,
February 20, 2014

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
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