

The following table sets forth information on the Central Bank's balance sheet as of the dates specified.

**Central Bank Balance Sheet**  
(in millions of pesos, unless otherwise specified)

	As of December 31,				
	2011	2012	2013	2014	2015
<b>Assets</b>					
International reserves					
Gold	Ps. 13,454	Ps. 16,357	Ps. 15,575	Ps. 20,138	Ps. 27,401
Foreign currency	31,696	8,396	14,473	84,015	144,744
Placements of foreign currency	154,322	187,906	168,967	164,106	159,791
Other <sup>(1)</sup>	93	212	439	339	518
Total international reserves <sup>(2)</sup>	199,565	212,871	199,454	268,597	332,453
Public bonds <sup>(3)</sup>	127,217	190,647	301,778	481,558	867,621
Credits to:					
Government					
(temporary advances)	67,130	127,730	182,600	251,450	331,850
Financial system	2,074	3,712	4,664	4,596	2,998
International organizations <sup>(4)</sup>	9,225	10,857	15,743	30,137	46,971
Other assets <sup>(5)</sup>	27,832	24,749	18,653	74,626	225,963
Total assets	433,043	570,566	722,891	1,110,963	1,807,856
<b>Liabilities</b>					
Monetary Base					
Currency in circulation <sup>(6)</sup>	173,056	237,010	289,208	358,752	478,777
Current accounts in pesos <sup>(7)</sup>	49,865	70,342	87,988	103,812	145,113
Total monetary base	222,922	307,352	377,197	462,564	623,890
Deposits:					
Government deposits	2,842	6,683	12,166	35,316	5,078
Other deposits	25,281	41,746	69,592	75,229	171,937
Total deposits	28,123	48,429	81,758	110,545	177,016
Obligation to international organizations	7,334	3,443	4,599	5,839	8,223
Central Bank notes:					
Notes issued in foreign currency	—	—	—	5,680	31,273
Notes issued in pesos	84,182	99,855	110,547	276,456	385,619
Total Central Bank notes <sup>(8)</sup>	84,182	99,855	110,547	282,135	416,892
Other liabilities:					
Total liabilities	395,680	509,246	615,624	1,002,648	1,630,510
Net assets	Ps. 37,363	Ps. 61,320	Ps. 107,268	Ps. 108,315	Ps. 177,346
<i>Memorandum items:</i>					
International reserves (in millions of U.S. dollars)	U.S.\$ 46,376	U.S.\$ 43,290	U.S.\$ 30,600	U.S.\$ 31,408	U.S.\$ 25,563
International reserves of the central bank (in months of total imports)	6.3	6.2	4.1	4.8	4.1
Exchange rate Ps./U.S.\$ <sup>(9)</sup>	4.30	4.92	6.52	8.55	13.01

(1) Includes net results of transactions under a Reciprocal Credit Agreement with ALADI.

(2) Includes short-term foreign-currency denominated bonds and foreign currency denominated deposits.

(3) Includes a 1990 consolidated Treasury note, IMF obligations and others.

(4) Includes transfers to international organizations from Government accounts and transfers to the Government from the IMF.

(5) Includes transition accounts and others.

(6) Includes cash in vaults at banks and does not include quasi-currencies.

(7) Includes bank reserves in pesos at Central Bank.

(8) Includes LEBACs and NOBACs.

(9) Exchange rate used by the Central Bank to publish its balance sheet.

Source: Central Bank.

## Liquidity Aggregates

The monetary base consists of domestic currency in circulation (including cash held in vaults by banks) and peso-denominated deposits of financial entities with the Central Bank. Additionally, the Central Bank employs the following bi-monetary aggregates to measure the level of liquidity in the economy and control inflation:

- M1 measures domestic currency in circulation *plus* peso-denominated demand deposits and foreign currency-denominated demand deposits;
- M2 measures M1 *plus* peso-denominated savings deposits and foreign currency-denominated savings deposits; and
- M3 measures M2 *plus* all other peso-denominated deposits and foreign currency-denominated deposits.

The following tables set forth information on Argentina's liquidity aggregates as of the dates specified,

### Liquidity Aggregates (in millions of pesos)

	As of December 31,									
	2011		2012		2013		2014		2015	
Currency in circulation <sup>(1)</sup>	Ps	173,056	Ps	237,010	Ps	289,208	Ps	358,752	Ps	478,777
M1		288,767		397,842		496,728		640,870		804,666
M2		392,388		530,022		662,411		859,921		1,133,787
M3		605,084		796,440		999,888		1,283,153		1,761,355
Monetary base		222,922		307,352		377,197		462,564		623,890

(1) Does not include cash in vaults at banks or quasi-currencies.  
Source: Central Bank

### Liquidity Aggregates (% change from previous period)

	As of December 31,				
	2011	2012	2013	2014	2015
Currency in circulation <sup>(1)</sup>	39.0%	37.0%	22.0%	24.0%	33.5%
M1	29.5%	37.8%	24.9%	29.0%	25.6%
M2	23.5%	35.1%	25.0%	29.8%	31.8%
M3	24.7%	31.6%	25.5%	28.3%	37.3%
Monetary base	39.0%	37.9%	22.7%	22.6%	34.9%

(1) Does not include cash in vaults at banks or quasi-currencies.  
Source: Central Bank

The growth of the monetary base between 2011 and 2015 was driven primarily by the Central Bank's continued financing of the Government, which over time dwarfed the contractive effect of the Central Bank's practice of purchasing of foreign exchange sustained through 2007.

## Foreign Exchange and International Reserves

As of December 31, 2011, international reserves totaled U.S.\$46.4 billion, 11.1% lower than the previous year, of which U.S.\$35.9 billion were foreign currency deposits, U.S.\$7.4 billion were foreign currency and U.S.\$3.1 billion were gold.

As of December 31, 2012, the Central Bank's international reserves stood as U.S.\$43.3 billion, 6.7% lower than the previous year, of which U.S.\$38.2 billion were foreign currency deposits, U.S.\$1.7 were foreign currency and U.S.\$3.3 billion were gold.

As of December 31, 2013, the Central Bank's international reserves totaled U.S.\$30.6 billion, 29.3% lower than the previous year, of which U.S.\$25.9 billion were foreign currency deposits, U.S.\$2.4 were foreign currency and U.S.\$2.2 billion were gold.

As of December 31, 2014, the Central Bank's international reserves totaled U.S.\$31.4 billion, 2.6% higher than the previous year, of which U.S.\$19.2 billion were foreign currency deposits, U.S.\$9.82 billion were foreign currency and U.S.\$2.4 billion were gold.

As of December 31, 2015, the Central Bank's international reserves totaled U.S.\$25.6 billion, 18.6% lower than the previous year, of which U.S.\$12.3 billion were foreign currency deposits, U.S.\$11.1 billion were foreign currency and U.S.\$2.1 billion were gold.

From 2011 to 2015, the Central Bank made loans to the Government for payments to private debt holders through the *Fondo de Desendeudamiento Argentino* (Repayment Fund, which was established in 2010, and to make payments to multilateral agencies. In exchange, the Central Bank received 10-year U.S. dollar-denominated non-transferable Treasury notes. In December 2015, a portion of the non-transferable Treasury notes were exchanged for marketable securities of the Republic (Bonar 22, Bonar 25 and Bonar 27). For a description of the loans to the Government see "Public Sector Debt—Overview."

The following table sets forth the peso's exchange rate against the U.S. dollar for the periods indicated.

	Nominal Exchange Rate <sup>(1)</sup> (pesos per U.S. dollar)	
	Average	At end of period
2011	4.13	4.30
2012	4.55	4.92
2013	5.48	6.52
2014	8.12	8.55
2015	9.27	13.01

(1) The exchange rate used is the "reference exchange rate."  
Source: Central Bank.

The average nominal exchange rate increased from Ps. 4.13 per U.S.\$1.00 in 2011 to Ps. 4.55 per U.S.\$1.00 dollar in 2012. In 2013, the average nominal exchange rate reached Ps. 5.48 per U.S.\$1.00, while in 2014 the average nominal exchange rate increased to Ps.8.12 per U.S.\$1.00. As of December 31, 2014, the exchange rate increased to Ps. 8.55 per U.S.\$1.00, from Ps. 6.52 as of December 31, 2013. As of December 31, 2015, the exchange rate stood at Ps. 13.01 per U.S.\$1.00, compared to Ps. 8.55 as of December 31, 2014.

Since the Maeri administration took office in December 2015, the Central Bank has allowed the peso to freely float against other currencies with Central Bank intervention limited to measures designed to ensure the orderly operation of the foreign exchange market. While the Central Bank retains the ability to intervene in the foreign exchange market in response to external shocks, it has announced the adoption of an inflation targeting regime and its intention to relinquish the use of foreign exchange rates as a tool to combat inflation.

#### *Restrictions and Other Regulations on Foreign Exchange Transactions*

In December 2015 and August 2016, certain restrictions on foreign exchange transactions and capital outflows were lifted. For a description of the principal measures adopted as of the date of this annual report, see "Exchange Rates and Exchange Controls—Exchange Controls."

#### *Voluntary deposits of foreign currency holdings*

In May 2013, with the aim of channeling undeclared foreign currency savings into infrastructure development, the energy sector and the real estate sector, the Argentine Congress authorized the Ministry of the Treasury and Public Finance and the Central Bank to issue a series of financial instruments that are subscribed with foreign currency held both in Argentina and abroad.

The *Bono Argentino de Ahorro para el Desarrollo Económico* (Argentine Savings Bond for Economic Development or "BAADE") and the Savings Promissory Note for Economic Development are U.S. dollar-denominated promissory notes issued by the Ministry of the Treasury. The proceeds from the issuance of these notes were to be directed to finance public investment projects in strategic sectors, such as infrastructure and the hydrocarbons sector. Both instruments mature in 2016 and accrue an annual interest rate of 4% payable bi-annually.

The *Certificados de Depósito de Inversión* (Certificates of Deposit for Investment or “CEDIN”), are convertible, tax-free savings certificates issued by Central Bank in exchange for undeclared U.S. dollar savings. CEDINs may be redeemed for U.S. dollars at a financial institution, subject to verification that the CEDINs have been used in a permitted real estate or property transaction such as the purchase of land, new housing construction or real estate improvements.

These initiatives have not been extended since December 2015.

## **Inflation**

### *National Statistical System's State of Emergency*

On January 8, 2016, based on its determination that the INDEC had failed to produce reliable statistical information, particularly with respect to CPI, GDP, foreign trade data, poverty and unemployment rates; President Macri declared a state of administrative emergency for the national statistical system and the INDEC until December 31, 2016. The INDEC suspended publication of certain statistical data pending reorganization of its technical and administrative structure to recover its ability to produce sufficient and reliable statistical information. During the first six months of this reorganization period, the INDEC published official CPI figures published by the City of Buenos Aires and the Province of San Luis for reference. Certain foreign trade and balance of payments statistics for the years 2011 through 2015 were released by the INDEC after the state of administrative emergency was declared on January 8, 2016, and are included herein. On June 29, 2016, the INDEC published the INDEC Report including revised GDP data for the years 2004 through 2015. The revised GDP information for the years 2011 through 2015 is included in this annual report. For more information, see “Presentation of Statistical and Other Information – Certain Methodologies.”

Prices are affected by numerous factors, including levels of supply and demand, rates of economic growth, monetary policy and commodity prices. From 2011 to 2015, Argentina experienced increases in inflation as measured by CPI and WPI that reflected the continued growth in the levels of private consumption and economic activity (including exports and public and private investment), which applied upward pressure on the demand for goods and services.

During 2011, the INDEC CPI increased by 9.5% and the WPI increased by 12.7%. The increase in the INDEC CPI during 2011 was mainly due to increases in the prices of certain services and goods, principally: clothing (21.2%), education (16.1%), healthcare (13.4%) and leisure (12.1%). The increase in the WPI was mainly driven by a 12.9% increase in the prices of domestic products and an 8.7% increase in the prices of imported products.

During 2012, the INDEC CPI increased by 10.8% and the WPI increased by 13.1%. The increase in the INDEC CPI during 2012 was mainly due to increases in the prices of certain services and goods, principally leisure (14.1%), transport and communication (13.5%), healthcare (13.3%) and home equipment and maintenance (11.9%). The increase in the WPI was mainly driven by a 13.4% increase in the prices of domestic products and a 9.7% increase in the price of imported products.

During 2013, the INDEC CPI increased by 10.9% and the WPI increased by 14.8%. The increase in the INDEC CPI during 2013 was mainly due to increases in the price of education (16.6%), leisure (15.6%), healthcare (14.7%) and home equipment and maintenance (14.4%). The increase in the WPI was mainly driven by a 19.5% increase in the prices of imported products and a 14.5% increase in the prices of domestic products, mainly primary products.

In February 2014, the INDEC released a new inflation index relying on a different methodology (the CPI Nu) intended to measure prices of goods on a country-wide basis.

The annual change in CPI during 2014 cannot be estimated due to the implementation of the new INDEC methodology. However, since December 2013, the Secretary of Economic Policy published monthly CPI figures (using the new methodology). Using this information, the annual change in INDEC CPI as of December 2014 was 24%, mainly due to increases in healthcare (29%), transport and communication (28%) and leisure, home equipment and maintenance (27%). The 28.3% increase in the WPI during 2014 was driven by an increase in the prices of domestic products and a 27.7% increase in the prices of imported products.

The INDEC has not published complete CPI or WPI information for 2015. During 2015, the City of Buenos Aires CPI was 26.9% and the Province of San Luis CPI was 31.6%.

The following table sets forth inflation rates as measured by INDEC and WPI for the periods specified:

**Inflation<sup>(1)</sup>**  
**Evolution of the annual rate of change in the INDEC CPI and WPI**  
 (% change from previous year)

	Consumer Price Index	Wholesale Price Index
2011	9.5%	12.7%
2012	10.8%	13.1%
2013	10.9%	14.8%

(1) Annual figures reflect accumulated annual inflation.  
 Source: INDEC and Ministry of the Treasury

**Inflation<sup>(1)</sup>**  
**Evolution of the annual rate of change in the City of Buenos Aires CPI**  
 (% change from previous year)

	Consumer Price Index
2011	n.a.
2012	n.a.
2013	26.6%
2014	38.0%
2015	26.9%

(1) Annual figures reflect accumulated annual inflation.  
 n.a. = not available  
 Source: INDEC and Ministry of the Treasury

**Inflation<sup>(1)</sup>**  
**Evolution of the annual rate of change in the San Luis CPI**  
 (% change from previous year)

	Consumer Price Index
2011	23.3%
2012	23.0
2013	31.9
2014	39.0
2015	31.6%

(1) Annual figures reflect accumulated annual inflation.  
 Source: INDEC and Ministry of the Treasury

**Inflation<sup>(1)</sup>**  
**Evolution of the annual rate of change in the INDEC CPINu and WPI**  
 (% change from previous period, unless otherwise specified)

	New Consumer Price Index	Wholesale Price Index
2014 .....	24.0%	28.3%
January .....	3.7	5.0
February .....	3.4	5.1
March .....	2.6	2.4
April .....	1.8	1.7
May .....	1.4	3.6
June .....	1.3	1.5
July .....	1.4	1.3
August .....	1.3	1.6
September .....	1.4	3.3
October .....	1.2	1.2
November .....	1.1	0.9
December .....	1.0	1.0
2015 .....	n.a.	n.a.
January .....	1.1	0.2
February .....	0.9	0.2
March .....	1.3	1.0
April .....	1.1	1.7
May .....	1.0	1.5
June .....	1.0	1.3
July .....	1.3	1.4
August .....	1.2	2.9
September .....	1.2	1.4
October .....	1.1	0.9
November <sup>(1)</sup> .....	n.a.	n.a.
December <sup>(1)</sup> .....	n.a.	n.a.

(1) Annual figures reflect accumulated annual inflation. Monthly figures reflect inflation for that month, as compared to the prior month.  
 n.a. = not available

Source: INDEC and Ministry of the Treasury

### Regulation of the Financial Sector

The Central Bank regulates the financial sector. The Central Bank has the authority to set minimum capital, liquidity and solvency requirements, approve bank mergers, approve certain capital increases and transfers of stock, grant and revoke banking licenses and authorize the establishment of branches of foreign financial institutions in Argentina. The Central Bank also regularly monitors the activities and operations of financial institutions, requiring them to submit periodic financial reports, and is authorized to adopt regulations in accordance with the Financial Institutions Law.

The Central Bank regulates the financial sector primarily through the Superintendence of Financial Institutions, which is responsible for enforcing Argentina's banking laws, establishing accounting and financial reporting requirements for the banking sector, monitoring and regulating the lending practices of financial institutions and establishing rules for participation of financial institutions in the foreign exchange market and the issuance of bonds and other securities.

In 2011, the Central Bank published a roadmap for the implementation of Basel III. Since then, the Central Bank has taken steps to adopt these regulations with the aim of identify risks relating to liquidity shortages in systemically important domestic financial institutions, and to begin implementing the comprehensive set of reform measures under Basel III. Having implemented the majority of its short-term commitments under Basel III, the next step in the Central Bank's plan is to conform certain regulations applicable to the financial sector to Basel III standards and introduce certain complementary measures, including tools to monitor the liquidity of the banking sector. During the first half of 2016, the Basel Committee on Capital Adequacy of the Bank of International Settlement will carry out a periodic review of Argentina's adoption of international standards relating to the regulation of capital and bank liquidity. The primary purpose of this review is to ensure consistent application of these standards among all Basel Committee members.

### Composition of the Financial Sector

As of December 31, 2015, there were 78 financial institutions operating in Argentina as compared to 80 in 2011. The following table sets forth the number of financial institutions operating in Argentina as of the dates specified.

### Number of Financial Institutions in Operation in the Financial System, by Type

	As of December 31,				
	2011	2012	2013	2014	2015
State-owned banks <sup>(1)</sup>	12	12	12	12	13
Private banks	52	53	54	53	49
Financial entities other than banks	16	16	15	15	15
Credit Institutions ( <i>Cajas de Crédito</i> )	—	—	1	1	1
Total	80	81	82	81	78

(1) Includes national, provincial and municipal banks

Source: Central Bank

### Number of Financial Institutions in Operation in the Financial System, Domestic and Foreign

	As of December 31,				
	2011	2012	2013	2014	2015
National institutions <sup>(1)</sup>	50	52	53	52	52
Foreign-owned institutions <sup>(2)</sup>	30	29	29	29	26
Total	80	81	82	81	78

(1) Includes state-owned banks, private banks and other financial institutions (such as credit unions)

(2) Includes private foreign banks and other foreign financial entities other than banks

Source: Central Bank

### Assets and Liabilities of the Financial System

Net assets of the financial system have continued to grow in nominal terms since 2011. The quality of these bank assets, as well as bank profitability, has also improved since 2011. Deposits have increased, with 2015 year-end total deposits having increased 193% as compared to 2011 year-end total deposits.

In 2010, the Central Bank created the *Programa de Financiamiento Productivo del Bicentenario* (Bicentenary Productive Financing Program or "BPF") to stimulate the industrial sector. Through the BPF, the Central Bank provides long-term secured funding to financial institutions, which, in turn, reduces borrowing costs for companies. Under the BPF, each financial entity pays a 9% nominal annual rate on funds borrowed, while the total financial cost for the ultimate borrower is set at a 9.9% nominal annual rate. As of December 31, 2015, the BPF remained in place. The BPF finances programs designed to increase productivity, competitiveness and employment, encourage import substitution and promote domestic company exports. As of December 31, 2014, a total of Ps. 8.2 billion of borrowings have been approved under this program, of which approximately Ps. 6.6 billion had been disbursed as of December 31, 2015. BPF financing has primarily been utilized by the manufacturing sector, followed by the services and primary sectors.

During 2012, the Central Bank created the Credit Line for Productive Investments program to increase local production and encourage investments. The regulation governing this program (Communication A 5319 issued by the Central Bank) requires any "major" financial institution accounting for 1% or more of total banking deposits operating as a financial agent of the Republic, a province, the City of Buenos Aires and/or other municipalities to lend at least 5% of its private-sector deposits to companies operating in the domestic productive sector. Loans must carry a term of at least 36 months and a maximum rate of 15.01%, and at least half of these loans must be granted to MSMEs. The initial program has been extended and remains available. As of December 31, 2015, each financial institution subject to Communication A 5802 (issued by the Central Bank in connection with the Credit Line for Productive Investments program) was required to lend, in the form of peso-denominated loans, at least 7.5% of its private-sector deposits as of May 2015. Effective 2016, the Central Bank approved the increase of the lending base to 14% of the participating banks' private sector deposits.

Within the framework of its amended charter, the Central Bank implemented a third initiative to increase lending to the productive sector, and to MSMEs in particular, through a reduction of peso reserve requirements based on the share of a bank's lending to MSMEs relative to its total lending to the private sector.

The following tables set forth the assets and liabilities of the Argentine financial system as of the dates specified.

**Total Assets and Liabilities of the Financial System by Type of Institution**  
(in millions of pesos)

	As of December 31,				
	2011	2012	2013	2014	2015 <sup>(1)</sup>
State-owned banks <sup>(2)</sup>					
Assets	Ps 251,900	Ps 340,791	Ps 430,439	Ps 592,575	Ps 752,960
Liabilities	227,563	309,517	387,754	531,406	667,561
Net	24,337	31,274	42,685	61,168	85,399
Private banks:					
Assets	364,122	432,994	553,831	728,045	1,071,357
Liabilities	321,123	376,774	478,792	625,877	935,641
Net	42,999	56,220	75,039	102,168	135,716
Financial entities other than banks:					
Assets	12,359	16,241	20,506	19,929	22,998
Liabilities	9,528	12,915	16,541	15,052	17,250
Net	2,781	3,326	3,965	4,877	5,748
Total assets and liabilities					
Assets	628,382	790,026	1,004,775	1,340,548	1,847,314
Liabilities	558,264	699,205	883,086	1,172,335	1,620,451
Total net	Ps 70,117	Ps 90,820	Ps 121,689	Ps 168,213	Ps 226,863

(1) Preliminary figures

(2) Includes national, provincial and municipal banks

Source: Central Bank.

**Total Assets and Liabilities in the Financial System by Type of Institution**  
(% change from the previous period)

	As of December 31,				
	2011	2012	2013	2014	2015 <sup>(1)</sup>
State-owned banks <sup>(2)</sup>					
Assets	13.3%	35.3%	26.3%	37.7%	27.1%
Liabilities	11.8	36.0	25.3	37.0	25.6
Net	28.7	28.5	36.5	43.3	39.6
Private banks					
Assets	30.0	18.9	27.9	31.5	47.2
Liabilities	31.7	17.3	27.1	30.7	49.5
Net	18.6	30.7	33.5	36.2	32.8
Financial entities other than banks:					
Assets	57.3	31.4	26.3%	(2.8)%	15.4
Liabilities	75.1	34.8	28.1%	(9.0)%	14.6
Net	16.5	19.6	19.2%	23.0%	17.9
Total assets and liabilities					
Assets	23.1	25.7	27.2	33.4	37.8
Liabilities	23.3	25.2	26.3	32.8	38.2
Total net	21.8%	29.5%	34.0%	38.2%	34.9%

(1) Preliminary figures

(2) Includes national, provincial and municipal banks

Source: Central Bank.

*Assets*

From 2011 to 2015, total assets of the financial system increased in nominal terms by 23.1% to Ps. 628.4 billion in 2011, 25.7% to Ps. 790.0 billion in 2012, 27.2% to Ps. 1,004.8 billion in 2013, 33.4% to Ps. 1,340.5 billion in 2014 and to 37.8% to Ps. 1,847.3 billion in 2015.

*Loan Portfolio and Risk Profile*

The following tables set forth loan data by type of institution in the financial sector as of the dates specified.



**Outstanding Loans by Type of Financial Institution**  
(in millions of pesos)

	As of December 31,				
	2011	2012	2013	2014	2015
State-owned banks <sup>(1)</sup>	Ps 117,432	Ps 160,306	Ps 205,780	Ps 241,043	Ps 320,582
Private banks	197,543	250,515	326,707	392,023	546,389
Financial entities other than banks	10,170	13,508	17,736	16,140	19,074
<b>Total</b>	<b>Ps 325,144</b>	<b>Ps 424,329</b>	<b>Ps 550,223</b>	<b>Ps 649,206</b>	<b>Ps 886,046</b>

(1) Includes national, provincial and municipal banks  
Source: Central Bank

**Outstanding Loans by Type of Financial Institution**  
(as a % of total)

	As of December 31,				
	2011	2012	2013	2014	2015
State-owned banks <sup>(1)</sup>	36.1%	37.8%	37.4%	37.1%	36.2%
Private banks	60.8	59.0	59.4	60.4	61.7
Financial entities other than banks	3.1	3.2	3.2	2.5	2.2
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

(1) Includes national, provincial and municipal banks  
Source: Central Bank

**Allocation of Outstanding Loans by Sector**  
(in millions of pesos)

	As of December 31,				
	2011	2012	2013	2014	2015
Non-financial public sector	Ps 31,347	Ps 39,951	Ps 48,438	Ps 51,470	Ps 75,254
Financial sector (public and private)	9,263	10,299	13,049	10,729	13,199
Non-financial private sector	291,708	383,674	501,853	604,062	819,174
Provisions for doubtful accounts	(7,173)	(9,596)	(13,117)	(17,054)	(21,581)
<b>Total</b>	<b>Ps 325,144</b>	<b>Ps 424,329</b>	<b>Ps 550,223</b>	<b>Ps 649,206</b>	<b>Ps 886,046</b>

Source: Central Bank

**Allocation of Outstanding Loans by Sector**  
(% change from the previous period)

	As of December 31,				
	2011	2012	2013	2014	2015
Non-financial public sector	21.0%	27.4%	21.2%	6.3%	46.2%
Financial sector (public and private)	84.6	11.2	26.7	(17.8)	23.0
Non-financial private sector	46.4	31.5	30.8	20.4	35.6
Provisions for doubtful accounts	15.1	33.8	36.7	30.0	26.5
<b>Total</b>	<b>45.2%</b>	<b>30.5%</b>	<b>29.7%</b>	<b>18.0%</b>	<b>36.5%</b>

Source: Central Bank

During 2011, peso-denominated loans to the private and public sectors increased by 47.7%, from Ps. 181.9 billion in 2010 to Ps. 268.6 billion in 2011 and U.S. dollar-denominated loans to the private and public sectors increased by 29.6%, from U.S.\$7.4 billion in 2010 to U.S.\$9.6 billion in 2011.

During 2012, peso-denominated loans to the private and public sectors increased by 39.2%, from Ps. 268.6 billion in 2011 to Ps. 373.9 billion in 2012 and U.S. dollar-denominated loans to the private and public sectors decreased by 42.2%, from U.S.\$9.6 billion in 2011 to U.S.\$5.5 billion in 2012.

During 2013, peso-denominated loans to the private and public sectors increased by 33.2% to Ps. 498.2 billion, and U.S. dollar-denominated loans to the private and public sectors decreased by 33.4% to U.S.\$3.7 billion, as compared to 2012. Peso-denominated personal loans also increased by 31.2% during this period due to an expansion in all categories as compared to 2012.

During 2014, peso-denominated loans to the private and public sectors increased 18.6% as compared to 2013. U.S. dollar-denominated loans to the private and public sector decreased 9.8%, from U.S.\$3.7 billion in 2013 to U.S.\$3.3 billion in 2014 and peso-denominated loans to the private sector increased 20.3%, from Ps. 457.0 billion in 2013 to Ps. 549.6 billion in 2014.

During 2015, peso-denominated loans to the private and public sectors increased by 38.4% as compared to 2014. U.S. dollar-denominated loans to the private and public sector decreased by 11.9%, from U.S.\$3.3 billion in 2014 to U.S.\$2.9 billion in 2015 and peso-denominated loans to the private sector increased by 37.4%, from Ps. 549.8 billion in 2014 to Ps. 755.4 billion in 2015.

Risk classification remained stable from 2011 through 2015, with practically no loans being classified as irrecoverable throughout the period.

The following table sets forth information regarding loans of the financial system by risk category and type of institution.

**Risk Classification of Aggregate Assets of the Financial System  
by Type of Institution  
(as a % of total loans, as of December 31, 2015)**

Risk category:	Public Banks <sup>(7)</sup>	Private Banks	Financial Companies	Credit Unions	Financial System
Current <sup>(1)</sup>	97.9%	97.8%	92.0%	90.7%	97.7%
Potentially problematic:					
Under observation and inadequate payment <sup>(2)</sup>	0.8	0.8	3.3	3.2	0.9
Under negotiation or restructuring <sup>(3)</sup>	0.4	0.5	1.4	2.0	0.5
Problematic <sup>(4)</sup>	0.6	0.6	2.0	2.7	0.6
Insolvent <sup>(5)</sup>	0.3	0.3	1.3	1.5	0.3
Irrecoverable <sup>(6)</sup>	—	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%	100.0%

(1) Loans where financial condition of debtor demonstrates its ability to meet financial obligations. The Superintendent of Financial Institutions requires loan-loss reserves of 1% for current loans (secured and unsecured).

(2) Loans where financial condition of debtor demonstrates its ability to currently meet financial obligations, although external circumstances exist which, if not corrected, could compromise the debtor's ability to fulfill its obligations in the future. The Superintendent of Financial Institutions requires loan-loss reserves of 3% (with guarantees) and 5% (without guarantees) for these loans.

(3) Loans to debtors that have entered into restructuring negotiations within 60 days of declaring their inability to meet certain financial obligations. The Superintendent of Financial Institutions requires loan-loss reserves of 6% (with guarantees) and 12% (without guarantees) for these loans.

(4) Loans where inability of debtor to meet its financial obligations would result in significant financial losses to the lender. The Superintendent of Financial Institutions requires loan-loss reserves of 12% (with guarantees) and 25% (without guarantees) for these loans.

(5) Loans where there is a high probability that debtor would become insolvent upon meeting its financial obligations. The Superintendent of Financial Institutions requires loan-loss reserves of 25% (with guarantees) and 50% (without guarantees) for these loans.

(6) Loans where financial condition of debtor demonstrates low probability that payments in default may be recovered. The Superintendent of Financial Institutions requires loan-loss reserves of 50% (with guarantees) and 100% (without guarantees) for these loans.

(7) Includes national, provincial and municipal banks.

Source: Central Bank.

### Liabilities

From 2011 to 2015, total liabilities of the financial system increased by 23.3% to Ps. 558.3 billion in 2011, 25.2% to Ps. 699.2 billion in 2012, 26.3% to Ps. 883.1 billion in 2013, 32.8% to Ps. 1,172.3 billion in 2014 and 38.2% to Ps. 1,620.5 billion in 2015.

## *Deposits*

During 2011, total deposits in Argentina's banking system increased by 22.9% to Ps. 462.5 billion as of December 31, 2011. Non-financial public sector deposits increased by 12.4% as of December 31, 2011. Deposits by the non-financial private sector increased by 27.7%, due to a 24.3% increase in demand deposits, a 26.2% increase in deposits in savings accounts and a 30.4% increase in term deposits as of December 31, 2011.

Broken down by currency and sector, deposits were as follows as of December 31, 2011:

- total peso-denominated deposits increased by 28.8% to Ps. 382.9 billion as compared to the same date in 2010;
- peso-denominated deposits by the non-financial public sector increased by 29.5% to Ps. 120.8 billion as compared to the same date in 2010;
- peso-denominated deposits by the non-financial private sector increased by 28.5% to Ps. 262.1 billion as compared to the same date in 2010; and
- total dollar-denominated deposits decreased by 17.4% to U.S.\$13.2 billion as compared to the same date in 2010.

During 2012, total deposits in Argentina's banking system increased by 28.8% to Ps. 595.8 billion as of December 31, 2012. Non-financial public sector deposits increased by 25.2% as of December 31, 2012. Deposits by the non-financial private sector increased by 30.4%, due to 33.5% increase in demand deposits, a 20.7% increase in deposits in savings accounts and a 35.3% increase in term deposits as of December 31, 2012.

Broken down by currency and sector, deposits were as follows as of December 31, 2012:

- total peso-denominated deposits increased by 37.1% to Ps. 525.0 billion compared to the same date in 2011;
- peso-denominated deposits by the non-financial public sector increased by 26.3% to Ps. 152.5 billion compared to the same date in 2011;
- peso-denominated deposits by the non-financial private sector increased by 42.1% to Ps. 372.5 billion compared to the same date in 2011; and
- total dollar-denominated deposits decreased by 28.6% to U.S.\$9.4 billion as compared to the same date in 2011.

During 2013, total deposits in Argentina's banking system increased by 26.3% to Ps. 752.4 billion as of December 31, 2013. Non-financial public sector deposits increased by 23.6% as of December 31, 2013. Deposits by the non-financial private sector increased by 27.4%, due to a 21.4% increase in demand deposits, a 27.0% increase in deposits in savings accounts and a 34.1% increase in term deposits as of December 31, 2013.

Broken down by currency and sector, deposits were as follows as of December 31, 2013:

- total peso-denominated deposits increased by 27.2% to Ps. 667.7 billion compared to the same date in 2012;
- peso-denominated deposits by the non-financial public sector increased by 20.1% to Ps. 183.2 billion compared to the same date in 2012;
- peso-denominated deposits by the non-financial private sector increased by 30.1% to Ps. 484.5 billion compared to the same date in 2012; and
- total dollar-denominated deposits decreased by 12.0% to U.S.\$8.3 billion compared to the same date in 2012.

During 2014, total deposits in Argentina's banking system increased by 30.2% to Ps. 979.4 billion as of December 31, 2014. Non-financial public sector deposits increased by 26.5% as of December 31, 2014.

Deposits by the non-financial private sector increased by 31.5%, due to a 32.7% increase in demand deposits, a 36.2% increase in deposits in savings accounts and a 27.7% increase in term deposits as of December 31, 2014.

Broken down by currency, deposits were as follows as of December 31, 2014:

- total peso-denominated deposits increased by 25.8% to Ps. 840.1 billion compared to the same date in 2013;
- peso-denominated deposits by the non-financial public sector increased by 17.6% to Ps. 215.4 billion compared to the same date in 2013;
- peso-denominated deposits by the non-financial private sector increased by 28.9% to Ps. 624.7 billion compared to the same date in 2013; and
- total dollar-denominated deposits increased by 6.4% to U.S.\$8.8 billion, compared to the same date in 2013.

During 2015, total deposits in Argentina's banking system increased by 38.4% to Ps. 1,355.4 billion as of December 31, 2015. Non-financial public sector deposits increased by 13.3% as of December 31, 2015. Deposits by the non-financial private sector increased by 47.4%, due to a 24.9% increase in demand deposits, a 48.5% increase in deposits in savings accounts and a 60.6% increase in term deposits as of December 31, 2015.

Broken down by currency, deposits were as follows as of December 31, 2015:

- total peso-denominated deposits increased by 37.1% to Ps. 1,151.7 billion compared to the same date in 2014;
- peso-denominated deposits by the non-financial public sector increased by 22.6% to Ps. 264.1 billion compared to the same date in 2014;
- peso-denominated deposits by the non-financial private sector increased by 42.1% to Ps. 887.6 billion compared to the same date in 2014; and
- total dollar-denominated deposits increased by 20.4% to U.S.\$10.6 billion, compared to the same date in 2014.

The following tables set forth information on total deposits in the financial sector as of the dates specified.

#### Deposits by Type of Financial Institution (in millions of pesos)

	As of December 31,				
	2011	2012	2013	2014	2015
State-owned banks <sup>(1)</sup>	Ps 207,304	Ps 275,832	Ps 349,722	Ps 466,142	Ps 607,504
Private banks	253,705	317,443	400,108	509,774	744,606
Financial entities other than banks	1,508	2,489	2,592	3,471	3,242
Total	Ps 462,517	Ps 595,764	Ps 752,422	Ps 979,387	Ps 1,355,353

(1) Includes national, provincial and municipal banks

Source: Central Bank.

#### Deposits by Type of Financial Institution (as a % of total)

	As of December 31,				
	2011	2012	2013	2014	2015
State-owned banks <sup>(1)</sup>	44.8%	46.3%	46.5%	47.6%	44.8%
Private banks	54.9	53.3	53.2	52.1	54.9
Financial entities other than banks	0.3	0.4	0.3	0.4	0.2
Total	100.0%	100.0%	100.0%	100.0%	100.0%

(1) Includes national, provincial and municipal banks.  
 Source: Central Bank.

### Deposits by Sector and by Type of Deposit (in millions of pesos)

	As of December 31,				
	2011	2012	2013	2014	2015
Non-financial public sector	Ps. 131,350	Ps. 164,437	Ps. 203,214	Ps. 256,996	Ps. 291,104
Financial sector (public and private)	1,088	973	1,123	1,747	1,659
Non-financial private sector	330,079	430,354	548,086	720,645	1,062,590
Demand deposits	82,194	109,770	133,246	176,858	220,829
Savings accounts	97,220	117,353	148,992	202,931	301,304
Term deposits	140,245	189,821	248,789	317,742	510,385
Others	10,419	13,411	17,058	23,113	30,072
Total deposits	Ps. 462,517	Ps. 595,764	Ps. 752,422	Ps. 979,388	Ps. 1,355,353

Source: Central Bank

### Deposits by Sector and by Type of Deposit (% change from the previous period)

	As of December 31,				
	2011	2012	2013	2014	2015
Non-financial public sector	12.4%	25.2%	23.6%	26.5%	13.3%
Financial sector (public and private)	18.4	(10.6)	15.4	55.6	(5.1)
Non-financial private sector	27.7	30.4	27.4	31.5	47.4
Demand deposits	24.3	33.5	21.4	32.7	24.9
Savings accounts	26.2	20.7	27.0	36.2	48.5
Term deposits	30.4	35.3	31.1	27.7	60.6
Others	32.0	28.7	27.2	35.5	30.1
Total deposits	22.9%	28.8%	26.3%	30.2%	38.4%

Source: Central Bank

## Interest Rates

### Interest Rates on Bank Loans

As of December 31, 2015, the annual average interbank rate on peso-denominated loans was 21.9% (as compared to 17.9% as of December 31, 2014). The overdraft current account rate increased from 23.9% as of December 31, 2014 to 24.9% as of December 31, 2015. The annual average dollar-denominated interbank rate increased from 1.0% as of December 31, 2014 to 3.1% as of December 31, 2015.

As of December 31, 2015, nominal annual interest rates on peso-denominated personal loans increased to 39% from 37.7% as of December 31, 2014 and the average interest rates on peso-denominated mortgage loans increased from 21.44% as of December 31, 2014 to 22.84% as of December 31, 2015.

The following table sets forth information regarding average interest rates on bank loans for the periods specified.

	Interest Rates on Bank Loans (nominal annual interest rate)				
	2011	2012	2013	2014	2015
Domestic currency					
Interbank <sup>(1)</sup>	10.2%	10.0%	13.2%	17.9%	21.9%
Overdraft Current Account <sup>(2)</sup>	14.0	14.1	17.2	23.9	24.9
Foreign currency					
Interbank <sup>(1)</sup>	1.8%	2.5%	2.3%	1.0%	3.1%

(1) Average interbank rate

(2) Average interest rate on current account peso-denominated overdrafts

Source: Central Bank

### Interest Rates on Deposits

The average nominal annual interest rate on peso-denominated term deposits increased from 10.8% in 2011 to 12.1% in 2012. The average nominal annual interest rate on U.S. dollar-denominated term deposits increased from 0.37% in 2011 to 0.60% in 2012. The peso BADLAR rate for private banks decreased from 18.8% in December 2011 to 15.4% in December 2012. The average nominal annual interest rate on peso-denominated term deposits increased from 12.1% in 2012 to 14.8% in 2013. The average nominal annual interest rate on U.S. dollar-denominated term deposits increased from 0.60% in 2012 to 0.61% in 2013. The peso BADLAR rate for private banks increased from 15.4% in December 2012 to 20.2% in December 2013.

The average nominal annual interest rate on peso-denominated term deposits increased from 14.8% in 2013 to 20.8% in 2014. The average nominal annual interest rate on U.S. dollar-denominated term deposits increased from 0.61% in 2013 to 1.05% in 2014. The peso BADLAR rate for private banks decreased from 20.2% in December 2013 to 20.0% in December 2014.

The average nominal annual interest rate on peso-denominated term deposits increased from 20.8% in 2014 to 21.7% in 2015. The average nominal annual interest rate on U.S. dollar-denominated term deposits increased from 1.05% in 2014 to 1.8% in 2015. The peso BADLAR rate for private banks increased from 20.0% in December 2014 to 27.5% in December 2015.

The following table sets forth information regarding average interest rates on bank deposits for the periods specified.

**Interest Rates on Deposits and LEBACs  
(nominal annual interest rate)**

	2011	2012	2013	2014	2015
Domestic currency					
Savings deposits	0.3%	0.3%	0.2%	0.2%	0.2%
Term deposits <sup>(1)</sup>	10.8	12.1	14.8	20.8	21.7
Average deposit rate <sup>(2)</sup>	7.3	8.2	10.2	14.3	14.6
LEBAC <sup>(3)</sup>	13.0	13.8	15.7	27.7	28.1 <sup>(4)</sup>
Foreign currency					
Savings deposits	0.05	0.06	0.06	0.04	—
Term deposits <sup>(1)</sup>	0.4	0.60	0.61	1.05	1.8
Average deposit rate <sup>(2)</sup>	0.2	0.4	0.4	0.7	1.1
LEBAC <sup>(3)</sup>	n.a	n.a	n.a	3.2%	4.0%

(1) Weighted average interest rate on all term deposits

(2) Weighted average interest rate on term deposits plus savings deposits

(3) Average annual rate for all term LEBAC

n.a = not available

Source: Central Bank

### Securities Markets

In the Argentine securities market, Government bonds dominate trading activities, followed by trading of corporate equity securities and corporate bonds. Trading of other instruments such as futures and options represents only a small portion of market activity, although futures trading has increased somewhat since mid-2002 due to the development of the futures trading market.

#### *Regulation of the Securities Markets*

The Argentine securities markets are regulated by the CNV and the stock markets. The CNV supervises all agents that carry out transactions in Argentina's public securities markets, including brokers, public companies, mutual funds and clearinghouses, and has the authority to regulate and control the public offering of all securities, other than the primary issue of Government securities. The primary markets are the Merval and MAE.

In the first half of the 1990s, changes to the legal framework provided for the issuance and trading of new financial products in the Argentine capital markets, including commercial paper, new types of corporate bonds, as well as futures and options. This period was characterized by relatively low levels of regulation of the Argentine securities market and limited enforcement. In November 2013, Congress approved the Capital

Markets Law No. 26, 831, which empowered the CNV to strengthen disclosure and regulatory standards for the Argentine securities market. The new standards were introduced through changes to the CNV's rules implemented under Resolution 622/2013.

As of December 31, 2011, the market capitalization of Argentina's securities markets for equities was U.S.\$374.5 billion, a 21.6% decrease compared to the market capitalization of Argentina's securities markets for equities as of December 31, 2010, mainly as a result of the effects of the European economic crisis.

As of December 31, 2012, the market capitalization of Argentina's securities markets for equities was U.S.\$470.6 billion, a 25.7% increase compared to the market capitalization of Argentina's securities markets for equities as of December 31, 2011, mainly as a result of the recovery of international financial markets.

As of December 31, 2013, the market capitalization of Argentina's securities markets for equities was U.S.\$514.9 billion, a 9% increase compared to the market capitalization of Argentina's securities markets for equities as of December 31, 2012, mainly as a result of an increase in the total amount of public bonds traded.

As of December 31, 2014, the market capitalization of Argentina's securities markets for equities was U.S.\$455.2 billion, a 12% decrease compared to the market capitalization of Argentina's securities markets for equities as of December 31, 2013, mainly as a result of changes in the nominal exchange rate.

As of December 31, 2015, the market capitalization of Argentina's securities markets for equities was U.S.\$355.2 billion, a 22% decrease compared to the market capitalization of Argentina's securities markets for equities as of December 31, 2014, mainly as a result of changes in the nominal exchange rate.

#### *Mutual Funds and the FGS*

From 2005 to 2008, individuals, pension funds and mutual funds constituted the largest groups of investors in Argentina's capital markets.

On November 20, 2008, Congress passed a bill providing for the absorption of the former private pension system into a public "pay-as-you-go" pension system. As a result, all assets administered by the private pension funds, including significant equity interests in a wide range of listed companies, were transferred to the FGS to be administered by the ANSES. The dissolution of the private pension funds and the transfer of their financial assets to the FGS have had important repercussions on the financing of private sector companies. Debt and equity instruments which previously could be placed with pension fund administrators are now entirely subject to the discretion of the ANSES.

#### **Total Assets of the FGS**

	2011	2012	2013	2014	2015
Assets (in millions of pesos)	Ps. 199.5	Ps. 244.8	Ps. 329.5	Ps. 472.2	Ps. 664.0
Percentage increase from previous year	12.1%	22.7%	34.6%	43.3%	40.6%

Source: Central Bank

As of December 31, 2011, FGS investment in projects for economic development amounted to Ps. 27.8 billion, a 42.8% increase compared to 2010. During 2012, total investments in production and infrastructure increased by 14.7% compared to 2011, to Ps. 31.9 billion. Total investment in the production sector was mainly allocated to energy infrastructure and public works projects. In 2013, FGS investments in projects for economic development increased by 40.0% compared to the previous year, to Ps. 44.7 billion. In 2014, FGS investments in corporate and sovereign bonds increased by 47.8% compared to the previous year, to Ps. 318.7 billion. As of December 31, 2015, FGS investments amounted to Ps. 664.0 billion, a 40.6% increase compared to December 31, 2014.

#### *FGS Special Lending and Other Programs*

In April 2010, the FGS established the *Programa Conectar Igualdad* (Connecting Equality Program). The program aims to improve the public education system and reduce the educational, social and technological gap. Through the program, 3,500,000 netbooks were distributed to secondary school students and teachers, as well as to special education and teacher training centers, between 2010 and 2013. The objective of the Connecting Equality Program is to achieve full literacy in information and communications technologies.

thereby providing access to technological and information resources regardless of social, economic or geographical (rural and urban) conditions.

During 2011, the FGS established the *ARGENTA* program by providing retirees with a credit card through which they can obtain lines of credit for periods of up to 40 months, with a grace period of two months, and certain discounts for the purchase of goods and services.

During 2012, the FGS established the *Programa de Crédito Argentino para la Vivienda Única Familiar* (“Procrear” or Bicentenary Argentine Credit Program for Permanent Family Homes). The program was designed to permit homeowner credit lines for up to 400,000 houses over the course of four years. The program seeks to meet the housing needs of citizens country-wide, taking into account diverse socioeconomic conditions and family situations. In addition, this program aims to promote economic activity in the construction sector, thereby fostering increased production, employment and consumption in the overall economy. In connection with Procrear, the FGS established two additional credit line programs: one for the purchase of land for the purpose of home construction and another for the purchase of newly constructed homes or apartments. As of October 31, 2015, credit lines for a total of Ps. 31.6 billion had been granted under Procrear and related programs.

During 2014, the FGS established the *Programa de Respaldo a Estudiantes de Argentina* (Argentine Student Support Program). The main goal of this program is to improve the conditions of at-risk families through improved access to education. The program aims to support youth between the ages of 18 and 24, with the main objectives of assuring their completion of secondary or higher education and offering training or internships at various workplaces.

#### *Government Bonds*

In terms of trading volume, the Argentine bond market is dominated by Government securities. In 2011, Government bond trading volumes increased to U.S.\$31.4 billion, mainly as a result of the recovery in the public bonds market during the period. In 2012, Government bond trading volumes increased to U.S.\$36.5 billion. As of December 31, 2013, the total traded amount of public bonds increased to U.S.\$49.1 billion. In 2014, the total traded amount increased to U.S.\$58.0 billion. In 2015, the total traded amount decreased to U.S.\$56.4 billion.

For a description of the types of domestic bonds issued by the Government see “Public Sector Debt.”

#### *Corporate Bonds*

Corporate bonds can be issued in registered form and may be denominated in local or foreign currency. Interest rates on corporate bonds may be fixed or floating and can vary substantially with market conditions and the creditworthiness of the issuer.

#### *Equities*

The Argentine equities market is regulated by the CNV. Authorized markets, following CNV standards set the rules that companies must follow in order to list their equity securities on those markets.

In 2011, equity trading volume decreased by 11.7% to U.S.\$3.2 billion as of December 31, 2011, mainly as a result of a low turnover in investment portfolios, and fell by 33.9% to U.S.\$2.1 billion as of December 31, 2012. In 2012 and 2013, the number of listed companies remained stable at 97 listed companies, one less compared to 2011. In 2014, equity total trading volume increased by 41.8% from U.S.\$3.4 billion as of December 31, 2013 to U.S.\$4.8 billion as of December 31, 2014. In 2015, equity total trading volume increased by 4.3% from U.S.\$4.8 billion as of December 31, 2014 to U.S.\$5.0 billion as of December 31, 2015.

The following table sets forth certain data regarding the market capitalization and average daily trading volume on the Buenos Aires Stock Exchange as of the dates specified.



**Market Capitalization and Traded Amount  
on the Buenos Aires Stock Exchange  
(in millions of U.S. dollars, unless otherwise specified)**

	As of December 31,				
	2011	2012	2013	2014	2015
Market capitalization (in billions of U.S. Dollars)	U.S.\$ 374.5	U.S.\$ 470.6	U.S.\$ 514.9	U.S.\$ 455.2	U.S.\$ 355.2
Average daily traded amount	205.0	221.0	285.2	301.9	334.3
Shares	12.9	8.7	14.0	18.8	20.6
Corporate bonds	4.0	3.6	9.3	11.5	7.8
Public bonds	128.1	151.4	203.6	228.8	233.1
Others <sup>(1)</sup>	60.0	57.4	58.4	42.8	72.9
Total traded amount <sup>(2)</sup>	50,320.3	53,246.6	68,713.7	76,533.6	80,887.3
Shares	3,165.4	2,091.2	3,365.0	4,772.6	4,976.6
Corporate bonds	977.4	863.9	2,233.9	2,915.7	1,871.5
Public bonds	31,385.7	36,475.5	49,062.2	58,013.4	56,403.5
Others <sup>(1)</sup>	U.S.\$ 14,791.8	U.S.\$ 13,816.0	U.S.\$ 14,052.7	U.S.\$ 10,831.9	U.S.\$ 17,635.7

(1) Includes mutual funds, index futures, options and others

(2) Total traded amounts for each year

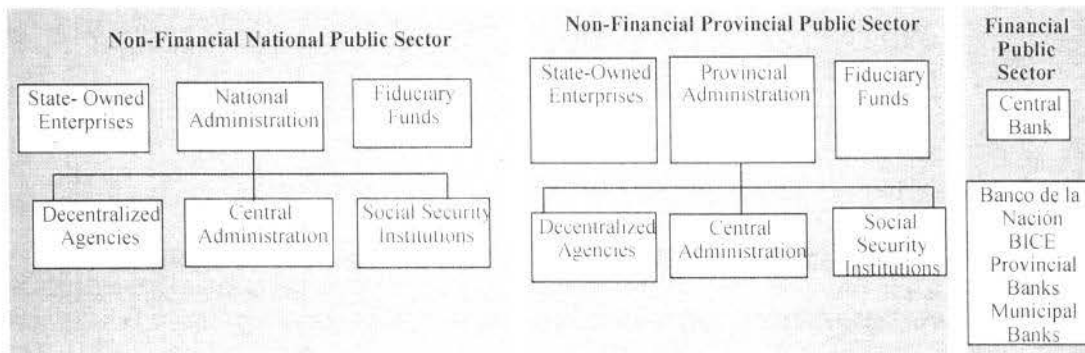
Source: Buenos Aires Stock Exchange

## PUBLIC SECTOR FINANCES

### Introduction

Argentina's public sector comprises national, provincial and municipal entities. These entities are divided into the non-financial public sector and the financial public sector. The non-financial public sector consists of national, provincial and municipal administrations, state-owned enterprises, certain public agencies and special-purpose fiduciary funds. The National Administration, in turn, is composed of the Central Administration, decentralized agencies and social security institutions (including former provincial pension funds). The financial public sector consists of the Central Bank, the Banco de la Nación Argentina, the BICE and ten other public financial entities (including provincial and municipal banks).

The chart below sets forth the organizational structure of Argentina's public sector, excluding the non-financial municipal sector.



The Central Administration comprises the executive, legislative and judicial branches of the Government, including the public ministries. National decentralized agencies include governmental institutions, such as the AFIP—the agency that administers the Government's tax collections and customs—with a budget, revenues and expenditures separate from the Central Administration. The national social security institutions consist of the ANSES, which is a self-governing entity, the Armed Forces Pension Fund and the Federal Police Pension Fund. As of the date of this annual report, ten provinces and the City of Buenos Aires have transferred their social security obligations to ANSES. See “—Social Security.” These former provincial obligations are currently managed by ANSES.

The national public accounts reflect the consolidated results of the non-financial national public sector. Transfers from the Central Bank and the FGS to the Government, however, were included in the Government's current fiscal revenues through December 31, 2015. Starting in 2016 (and on a pro forma basis for 2015) the Macri administration has decided to present transfers to the Government from the Central Bank and the FGS separately below the primary fiscal balance. The Government will also present, as a separate line item under the heading of primary expenditures, the aggregate amount of obligations with suppliers that were not timely honored and deferred to a subsequent fiscal year.

Argentina's provincial and local authorities are independent from the Government and maintain separate fiscal accounts. Accordingly, the fiscal results of the provinces and local governments are not reflected in the national public accounts. The Central Administration, however, is legally required to transfer a portion of its revenues to the provinces and from time to time has also provided other forms of financial assistance to the provinces. See “—Fiscal Relations with the Provinces.”

Except as otherwise specified in the discussion below, the national public accounts are presented using a cash-basis method, which computes revenues and expenditures in the period in which cash flows take place, regardless of the period in which they were accrued. In the discussion of the National Public Accounts below and throughout this annual report, the non-financial national public sector is referred to as the “Government.” Additionally, we refer to the fiscal balance of the non-financial national public sector as the “primary fiscal balance.” This primary fiscal balance does not reflect the issuance of Bocones, a debt instrument issued by the Government to discharge a portion of its payment obligations (e.g., with suppliers) or interest payments. The

overall balance of the non-financial national public sector includes interest payments unless otherwise specified. On November 20, 2008, Congress approved Law No. 26,425, which took effect on December 9, 2008 and nationalized the private pension system. Under this law, the former private pension system was absorbed and replaced by the *Sistema Solidario de Reparto* (Argentine Integrated Pension System), structured as a “pay as you go” system. As a result, all of the resources administered by the private pension funds, including significant equity interests in a wide range of listed companies, were transferred to a separate fund, the FGS, to be administered by the ANSES. The assets held in the FGS may only be used to make advances to the Government to cover unexpected budget deficits that prevent the Government (through ANSES) from honoring its obligation to make social security and pension payments through the Argentine Integrated Pension System. As of December 31, 2015, the total assets of the FGS amounted to Ps. 664.0 billion, representing a 576.0% nominal increase since its creation in 2008 and a 40.6% increase compared to December 31, 2014.

### **National Public Accounts**

From 2011 to 2015, the Government recorded deficits in both the primary fiscal balance and the overall balance, which primarily resulted from an increase in Government expenditures aimed at stimulating private consumption, including through the funding of social programs and increases in social security benefits. Expenditures grew during this period, as the Government significantly increased social security payments, public benefits and transfers to the provinces.

In 2011, Argentina recorded a primary fiscal surplus of 0.2% of nominal GDP, decreasing from a surplus of 1.5% in 2010, and the overall balance of the non-financial public sector recorded a deficit of 1.4% of nominal GDP, compared to a surplus of 0.2% of GDP in 2010. In 2012, the primary fiscal balance recorded a deficit of 0.2% of nominal GDP and the overall balance of the non-financial public sector recorded a deficit of 2.1% of nominal GDP. In 2013, the primary fiscal balance recorded a deficit of 0.7% of nominal GDP and the overall balance of the non-financial public sector recorded a deficit of 1.9% of GDP. In 2014, the primary balance recorded a deficit of 0.8% of nominal GDP and the overall balance of the non-financial public sector recorded a deficit of 2.4% of nominal GDP. In 2015, the primary balance recorded a deficit of 1.8% of nominal GDP and the overall balance of the non-financial public sector recorded a deficit of 3.9% of nominal GDP.

Evolution of Fiscal Results: 2011 to 2015

National Public Accounts  
(in millions of pesos)

	2011	2012	2013	2014	2015
<b>Fiscal revenue</b>					
Current revenue:					
National Administration taxes <sup>(1)</sup>	Ps. 264,005	Ps. 329,553	Ps. 404,461	Ps. 563,416	Ps. 708,801
Social security tax <sup>(1)</sup>	133,680	174,388	229,890	300,889	419,419
Net operating result from state-owned enterprises	(2,814)	(6,583)	(10,025)	(26,012)	(24,627)
Other non-tax revenue <sup>(2)</sup>	37,102	46,249	83,504	158,489	194,516
Capital revenue <sup>(3)</sup>	56	211	59	426	457
Total fiscal revenues <sup>(4)</sup>	Ps. 432,029	Ps. 543,818	Ps. 707,889	Ps. 997,208	Ps. 1,298,566
<b>Primary expenditures<sup>(5)</sup></b>					
Current expenditures:					
National Administration wages	61,196	79,133	101,643	143,182	199,066
Goods and services	20,673	25,051	35,760	51,289	69,469
Social security <sup>(6)</sup>	147,085	204,617	272,066	363,385	535,697
Transfers to provinces	11,961	12,344	14,605	18,333	27,614
Other transfers <sup>(7)</sup>	121,983	143,637	183,748	284,304	374,174
Other expenditures	10,704	21,627	31,799	44,008	36,456
Capital expenditures	53,507	61,784	90,747	131,268	160,887
Total primary expenditures	427,109	548,193	730,368	1,035,769	1,403,363
Primary fiscal balance	Ps. -4,920	Ps. (4,375)	Ps. (22,479)	Ps. (38,562)	Ps. (104,797)
Interest payments <sup>(8)</sup>	(35,584)	(51,190)	(41,998)	(71,158)	(120,840)
Privatization proceeds	1	1	—	—	—
Overall balance of non-financial public sector	Ps. (30,663)	Ps. (55,563)	Ps. (64,477)	Ps. (109,720)	Ps. (225,637)

- (1) Figures presented in this table differ from those presented in the tables titled "Composition of Tax Revenues" because they exclude revenues (and transfers) co-participated with the provinces and because they are published after the figures in the "Composition of Tax Revenues" table and thus reflect updated information.
- (2) Includes sale of goods and services of the public administration, operational revenues, transfers from the Central Bank and the FGS, current transfers and other transfers.
- (3) Excludes revenues from privatization.
- (4) Includes pension contributions mandated by the Argentine Integrated Pension System.
- (5) The Government discharges certain of its payment obligations (e.g., with suppliers) by issuing bonds known as Bocones. Bocones constitute bonds to be paid in the future rather than cash payments, and were not recorded as primary expenditures in the periods presented in this table or reflected as part of the overall balance of the non-financial public sector. See the table below titled "National Public Accounts (New Presentation)" for a description of the treatment of Bocones under the new presentation. The amount of such Bocones issued in 2011, 2012, 2013, 2014 and 2015 was Ps. 0.93 billion, Ps. 1.1 billion, Ps. 1.6 billion, Ps. 1.3 billion and Ps. 1.6 billion, respectively. For a description of these securities, see "Public Sector Debt—Debt Management Following the 2001 Debt Crisis."
- (6) Amounts presented under "Social security" in this table are calculated on a cash basis and therefore differ from those presented in the table entitled "Composition of National Public Expenditures," which are calculated using the accrual method of accounting and correspond to the National Administration.
- (7) Includes transfers to the private sector (including subsidies), to the public sector (e.g., transfers to universities), to the Heads of Households Program and to state-owned companies.
- (8) Includes interest payments on bonds issued pursuant to the 2005 Debt Exchange and the 2010 Debt Exchange.

Source: Ministry of the Treasury.

**National Public Accounts**  
(as a percentage of GDP)

	2011 <sup>(8)</sup>	2012 <sup>(8)</sup>	2013 <sup>(8)</sup>	2014	2015
<b>Fiscal revenue</b>					
Current revenue					
National Administration taxes <sup>(1)</sup>	12.0%	12.4%	12.0%	12.2%	12.1%
Social security tax <sup>(1)</sup>	6.1	6.6	6.8	6.5	7.2
Net operating result from state-owned enterprises	(0.1)	(0.2)	(0.3)	(0.6)	(0.4)
Other non-tax revenue <sup>(2)</sup>	1.7	1.7	2.5	3.4	3.3
Capital revenue <sup>(3)</sup>	—	—	—	—	—
Total fiscal revenues <sup>(4)</sup>	19.7	20.5	21.1	21.6	22.2
<b>Primary expenditures<sup>(5)</sup></b>					
Current expenditures					
National Administration wages	2.8	3.0	3.0	3.1	3.4
Goods and services	0.9	0.9	1.1	1.1	1.2
Social security <sup>(6)</sup>	6.7	7.7	8.1	7.9	9.2
Transfers to provinces	0.5	0.5	0.4	0.4	0.5
Other transfers <sup>(7)</sup>	5.6	5.4	5.5	6.2	6.4
Other expenditures	0.5	0.8	0.9	1.0	0.6
Capital expenditures	2.4	2.3	2.7	2.8	2.8
Total primary expenditures	19.5	20.7	21.7	22.5	24.0
Primary fiscal balance	0.2	(0.2)	(0.7)	(0.8)	(1.8)
Interest payments <sup>(8)</sup>	1.6	1.9	1.2	1.5	2.1
Privatization proceeds	—	—	—	—	—
Overall balance of non-financial public sector	(1.4)%	(2.1)%	(1.9)%	(2.4)%	(3.9)%

- (1) Figures presented in this table differ from those presented in the tables titled "Composition of Tax Revenues" because they exclude revenues (and transfers) co-participated with the provinces and because they are published after the figures in the "Composition of Tax Revenues" table and thus reflect updated information.
- (2) Includes sale of goods and services of the public administration, operational revenues, transfers from the Central Bank and the FGS, current transfers and other transfers.
- (3) Excludes revenues from privatization.
- (4) Includes pension contributions mandated by the Argentine Integrated Pension System.
- (5) The Government discharges certain of its payment obligations (e.g., with suppliers) by issuing bonds known as Bocones. Bocones constitute bonds to be paid in the future rather than cash payments, and were not recorded as primary expenditures in the periods presented in this table or reflected as part of the overall balance of the non-financial public sector. See the table below titled "National Public Accounts (New Presentation)" for a description of the treatment of Bocones under the new presentation. The amount of such Bocones issued in 2011, 2012, 2013, 2014 and 2015 was Ps. 0.93 billion, Ps. 1.1 billion, Ps. 1.6 billion, Ps. 1.3 billion and Ps. 1.6 billion, respectively. For a description of these securities, see "Public Sector Debt—Debt Management Following the 2001 Debt Crisis."
- (6) Amounts presented under "Social security" in this table are calculated on a cash basis and therefore differ from those presented in the table entitled "Composition of National Public Expenditures," which are calculated using the accrual method of accounting and correspond to the National Administration.
- (7) Includes transfers to the private sector (including subsidies), to the public sector (e.g., transfers to universities), to the Heads of Households Program and to state-owned companies.
- (8) Includes interest payments on bonds issued pursuant to the 2005 Debt Exchange and the 2010 Debt Exchange.

Source: Ministry of the Treasury.

In March 2016, the Macri administration adopted a new methodology intended to increase transparency in the reporting of fiscal results. The main modifications introduced in the new presentation of fiscal results consist of excluding transfers from the Central Bank and FGS to the Government from total current fiscal revenues and excluding interest payments on public debt made by the Government from total current fiscal expenditures.

The following table sets forth the national public accounts for 2014 and 2015, on a pro forma basis, based on the new presentation that has been adopted by the Macri administration. In addition, it includes an estimate of the increase in the amount of deferred current obligations. Since the expenditures of the non-financial public sector are recorded at the time of payment in accordance with the cash method of accounting, expenditures relating to the consumption of goods and services incurred in a given period are recorded in a subsequent period if payment is deferred as a result of the Government's discretionary power to do so. Recording the non-financial public sector's accrued expenditures is a way to monitor the discrepancy between expenditures associated with actual consumption during a period which will be actually paid for during subsequent periods.

**National Public Accounts (New Presentation)**  
(in millions of pesos, except percentages)

	Pro forma 2014	Pro forma 2015	% Change
<b>Fiscal revenue</b>			
Total current fiscal revenues .....	Ps. 906,260	Ps. 1,192,870	31.6%
<b>Primary expenditures</b>			
Total current primary expenditures .....	(1,061,780)	(1,427,990)	34.5%
Deferred current obligations <sup>(1)</sup> .....	(12,890)	(56,540)	338.6%
Primary fiscal balance .....	(168,410)	(291,660)	73.2%
Transfers on capital <sup>(2)</sup> .....	45,800	9,480	(79.3)%
Overall balance of non-financial public sector .....	Ps. (122,610)	Ps. (282,180)	130.1%

(1) Includes the aggregate amount of the Government's obligations with suppliers that were not timely honored and deferred to a subsequent fiscal year. These payment obligations previously were not recorded as primary expenditures.

(2) Includes transfers from the Central Bank and FGS to the Government and interest payments on public debt made by the Government.  
Source: Ministry of the Treasury

Amounts in the discussion of fiscal results below are those presented in the immediately preceding tables, with the exception of revenues from social security taxes, value-added taxes ("VAT"), income taxes, taxes on goods and services and taxes on fuel, each of which refers to data presented in the table titled "Composition of Tax Revenues" presented in "—Tax Regime," which include revenues (and transfers) "co-participated" with the provinces (see "Fiscal Relations with the Provinces") and pension contributions mandated by the Argentine Integrated Pension System.

*Fiscal Result of 2011 Compared to Fiscal Result of 2010*

*Primary fiscal balance.* The primary surplus decreased by 80.4%, from Ps. 25.1 billion in 2010 to Ps. 4.9 billion in 2011. While total revenues increased by 23.9% in 2011, primary expenditures increased by 32.0%. Total revenues and primary expenditures increased in excess of the amount initially budgeted for 2011, resulting in a lower but still positive primary balance.

*Fiscal revenues.* In 2011, fiscal revenues increased by 23.9% to Ps. 432.0 billion from Ps. 348.7 billion in 2010.

This increase was mainly driven by an increase in social security taxes, VAT, income tax and taxes on foreign trade, which accounted for approximately 94.1% of the total increase. The increase in fiscal revenues includes:

- an increase in revenues from social security contributions, which accounted for approximately 39.3% of the total increase;
- an increase in revenues from VAT, which accounted for approximately 23.6% of the total increase;
- an increase in revenues from income tax, which accounted for approximately 20.3% of the total increase; and
- an increase in revenues from taxes on foreign trade, which accounted for approximately 11.0% of the total increase, mainly due to increases in foreign trade activity, agricultural commodities prices and nominal peso-U.S. dollar exchange rate depreciation.

This increase in fiscal revenues was partially offset by a decrease in other non-tax revenues, which decreased by 13.9%, from Ps. 43.1 billion in 2010 to Ps. 37.1 billion in 2011. This decrease was primarily driven by transfers of profits from the Central Bank, which decreased from Ps. 20.3 billion in 2010 to Ps. 8.7 billion in 2011.

*Primary expenditures.* In 2011, primary expenditures (excluding interest payments) of the national public sector increased by 32.0%, from Ps. 323.6 billion in 2010 to Ps. 427.1 billion. This increase was mainly due to the following factors:

- social security outlays, which accounted for 38.7% of the overall increase, increased by 37.4%, from Ps. 107.1 billion in 2010 to Ps. 147.1 billion in 2011, mainly as a result of an increase in the number of retirees and successive increases in pension income. During 2011, pensions increased by an average of 37.0%;
- other transfers (including external sector transfers, private sector subsidies and transfers to autonomous public entities such as universities), which accounted for 31.3% of the overall increase, increased by 36.2%, from Ps. 89.6 billion in 2010 to Ps. 122.0 billion in 2011. This increase was mainly due to the increase in subsidies to the transport and electricity sectors. The increase in other transfers was also driven by an increase in social security payments, particularly through the Universal Child Allowance and Universal Pregnancy Allowance programs;
- National Administration wages, which accounted for 12.7% of the overall increase, increased by 27.4%, from Ps. 48.0 billion in 2010 to Ps. 61.2 billion in 2011, primarily as a result of the periodic adjustment to the salaries of public employees, which increased by an average of 21.2% in the aggregate, and a 5.1% increase in the number of national public sector employees from 351,144 as of December 31, 2010 to 368,996 as of December 31, 2011; and
- capital expenditures, which accounted for 7.6% of the overall increase, increased by 17.2%, from Ps. 45.6 billion in 2010 to Ps. 53.5 billion in 2011. This increase was primarily due to an increase in direct Government investment, principally for the purchase of computers to distribute to public school students through the *Programa Conectar Igualdad* (Connecting Equality Program) (see “Monetary System—Securities Markets—Mutual Funds”), and for the construction and maintenance of roads. In November 2011, to improve the equitable distribution of expenditures on subsidies, the Government eliminated subsidies on electricity, natural gas, drinking water and sewage systems for certain portions of the population that were considered capable of paying for such public services without the benefit of subsidies.

*Overall fiscal balance.* Due to a higher increase in primary expenditures than revenues, as well as higher interest payments during 2011, the overall fiscal balance recorded a deficit of Ps. 30.7 billion in 2011 compared to a surplus of Ps. 3.1 billion in 2010. For a discussion of interest payments in 2011, see “Public Sector Debt—Foreign Currency Denominated Debt—Foreign Currency Denominated Debt Services” and “Public Sector Debt—Peso-Denominated Debt—Peso-Denominated Debt Service.”

### *Fiscal Result of 2012 Compared to Fiscal Result of 2011*

*Primary fiscal balance.* The primary fiscal balance in 2012 recorded a deficit of Ps. 4.4 billion in 2012, compared to a surplus of Ps. 4.9 billion in 2011. While total revenues increased by 25.9% in 2012, primary expenditures increased to a greater extent, by 28.3%. Total revenues and primary expenditures increased in excess of the amount initially budgeted for 2012.

*Fiscal revenues.* In 2012, fiscal revenues increased by 25.9% to Ps. 543.8 billion from Ps. 432.0 billion in 2011. This increase was mainly driven by social security taxes, VAT, income tax, taxes on foreign trade and other non-tax revenues, which accounted for approximately 89.4% of the total increase. The increase in fiscal revenues includes:

- an increase in revenues from social security contributions, which accounted for approximately 36.4% of the total increase;
- an increase in revenues from VAT, which accounted for approximately 20.6% of the total increase;
- an increase in revenues from income tax, which accounted for approximately 14.7% of the total increase;
- an increase in revenues from taxes on foreign trade, which accounted for approximately 9.5% of the total change increase, mainly due to increases in foreign trade activity, agricultural commodity prices, nominal peso-U.S. dollar exchange rate depreciation and an increase in the variable tax rate applicable to biodiesel exports; and
- an increase in other non-tax revenues, which accounted for approximately 8.2% of the total increase, primarily driven by an increase in profits generated by the Argentine Integrated Pension System, which was partially offset by an 11.5% decrease in the transfer of profits from the Central Bank.

*Primary expenditures.* In 2012, primary expenditures (excluding interest payments) of the national public sector increased by 28.3% from Ps. 427.1 billion in 2011 to Ps. 548.2 billion in 2012. This increase was mainly due to the following factors:

- social security outlays, which accounted for approximately 47.5% of the overall increase, increased by 39.1%, from Ps. 147.1 billion in 2011 to Ps. 204.6 billion in 2012, mainly as a result of an increase in the number of retirees and successive increases in pension income. During 2012, minimum pension income increased by an average of 31.1%;
- other transfers (including external sector transfers, private sector subsidies and transfers to autonomous public entities such as universities), which accounted for approximately 17.9% of the overall increase, increased by 17.8%, from Ps. 122.0 billion in 2011 to Ps. 143.6 billion in 2012. This increase was mainly due to the increase in subsidies to the transport and electricity sectors. The increase in other transfers was also driven by the increase in outlays to universities and social security payments, particularly through the Universal Child Allowance and Universal Pregnancy Allowance programs;
- National Administration wages, which accounted for approximately 14.8% of the total increase, increased by 29.3% from Ps. 61.2 billion in 2011 to Ps. 79.1 billion in 2012, primarily as a result of the periodic adjustment to the salaries of public employees during 2012, which increased by an average of 25.8% in the aggregate, and a 2.8% increase in the number of national public sector employees from 368,996 as of December 31, 2011 to 379,388 as of December 31, 2012; and



- capital expenditures, which accounted for approximately 6.8% of the overall increase, increased by 15.5% from Ps. 53.5 billion in 2011 to Ps. 61.8 billion in 2012. This increase was primarily due to an increase in direct Government investment, principally for the purchase of computers to distribute to public school students through the Connecting Equality program, the construction and maintenance of roads and capital transfers to provinces and private companies, primarily for infrastructure projects.

*Overall fiscal balance.* Due to a higher increase in primary expenditures than revenues, as well as higher interest payments during 2012, the overall fiscal deficit increased from Ps. 30.7 billion in 2011 to Ps. 55.6 billion in 2012. For a discussion of interest payments in 2012, see “Public Sector Debt—Foreign Currency Denominated Debt—Foreign Currency Denominated Debt Services” and “Public Sector Debt—Peso-Denominated Debt—Peso-Denominated Debt Service.”

#### *Fiscal Result of 2013 Compared to Fiscal Results of 2012*

*Primary fiscal balance.* The primary deficit increased from Ps. 4.4 billion in 2012 to Ps. 22.5 billion in 2013. While total revenues increased by 30.2% in 2013, primary expenditures increased by 33.2%. Total revenues and primary expenditures increased in excess of the amount initially budgeted for 2013.

*Fiscal revenues.* In 2013, fiscal revenues increased by 30.2% to Ps. 707.9 from Ps. 543.8 billion in 2012. This increase was mainly driven by social security taxes, VAT, income tax, taxes on foreign trade and other non-tax revenues, which accounted for approximately 91.4% of the total increase. The increase in fiscal revenues includes:

- an increase in revenues from social security contributions, which accounted for approximately 33.8% of the total increase;
- an increase in other non-tax revenues, which accounted for approximately 22.7% of the total increase, primarily driven by increase in profits generated by the Argentine Integrated Pension System and a 316.7% increase in the transfer of profits from the Central Bank;
- an increase in revenues from VAT, which accounted for approximately 18.7% of the total increase;
- an increase in revenues from income tax, which accounted for approximately 14.8% of the total increase; and
- an increase in revenues from taxes on foreign trade, which accounted for approximately 1.5% of the total increase.

*Primary expenditures.* In 2013, primary expenditures (excluding interest payments) of the national public sector increased by 33.2% from Ps. 548.2 billion in 2012 to Ps. 730.4 billion in 2013. This increase was mainly due to the following factors:

- social security outlays, which accounted for approximately 37.0% of the overall increase, increased by 33.0%, from Ps. 204.6 billion in 2012 to Ps. 272.1 billion in 2013, mainly as a result of successive increases in pension income. In 2013, minimum pension income increased by an average of 31.8%;
- other transfers (including external sector transfers, private sector subsidies and transfers to autonomous public entities such as universities), which accounted for approximately 22.0% of the overall increase, increased by 27.9%, from Ps. 143.6 billion in 2012 to Ps. 183.7 billion in 2013. This increase was mainly due to the raise in subsidies to the electricity and energy sectors. The increase in other transfers was also driven by the increase in outlays to universities and social security payments, particularly through the Universal Child Allowance and Universal Pregnancy Allowance programs;

- capital expenditures, which accounted for approximately 15.9% of the overall increase, increased by 46.9% from Ps. 61.8 billion in 2012 to Ps. 90.7 billion in 2013. This increase was primarily due to an increase in transfers to provinces for infrastructure projects through the *Fondo Federal Solidario* (Joint Federal Fund) (see “Fiscal Relations with the Provinces—Revenue Transfers”) and direct Government investment, principally for housing projects under the *Plan Más Cerca, Más Municipio, Mejor País, Más Patria* program and financial assistance to railway service companies for the improvement and renewal of railway infrastructure; and
- National Administration wages, which accounted for approximately 12.4% of the total increase, increased by 28.4% from Ps. 79.1 billion in 2012 to Ps. 101.6 billion in 2013, primarily as a result of two successive increases in the salaries of public employees during 2013, which increased by an average of 23.5%, and a 4.4% increase in the number of national public sector employees from 379,338 as of December 30, 2012 to 396,138 as of December 30, 2013.

*Overall fiscal balance.* Due to a higher increase in primary expenditures than revenues during 2013, the overall fiscal deficit increased from Ps. 55.6 billion in 2012 to Ps. 64.5 billion in 2013. For a discussion of interest payments in 2013, see “Public Sector Debt—Foreign Currency Denominated Debt—Foreign Currency Denominated Debt Services” and “Public Sector Debt—Peso-Denominated Debt—Peso-Denominated Debt Service.”

#### *Fiscal Result of 2014 Compared to Fiscal Results of 2013*

*Primary fiscal balance.* The primary deficit increased from Ps. 22.5 billion in 2013 to Ps. 38.6 billion in 2014. Total revenues and primary expenditures increased in excess of the amount initially budgeted for 2014. While total revenues increased by 40.9% in 2014, primary expenditures increased by 41.8%, resulting in a larger primary deficit.

*Fiscal revenues.* In 2014, fiscal revenues increased by 40.9% to Ps. 997.2 billion from Ps. 707.9 billion in 2013. This increase was mainly driven by social security taxes, VAT, income tax, taxes on foreign trade and other non-tax revenue, which accounted for approximately 93.5% of the total increase. The increase in fiscal revenues includes:

- an increase in revenues from social security contributions, which accounted for approximately 24.6% of the total increase;
- an increase in other non-tax revenues, which accounted for approximately 26.0% of the total increase, primarily driven by an increase in the transfer of profits from the Central Bank from Ps. 32.2 billion in 2013 to Ps. 78.4 billion in 2014, and an increase in profits generated by the Argentine Integrated Pension System;
- an increase in revenues from income tax, which accounted for approximately 15.6% of the total increase;
- an increase in revenues from VAT, which accounted for approximately 15.3% of the total increase; and
- an increase in revenues from taxes on foreign trade, which accounted for approximately 11.9% of the total change increase, mainly due to nominal peso-U.S. dollar exchange rate depreciation, which was partially offset by a decrease in taxes biodiesel exports, as a result of the impact of decreased oil and fuel commodity prices on the variable tax rate.

*Primary expenditures.* In 2014, primary expenditures (excluding interest payments) of the national public sector increased by 41.8% from Ps. 730.4 billion in 2013 to Ps. 1,035.8 billion in 2014. This increase was mainly due to the following factors:

- other transfers (including external sector transfers, private sector subsidies and transfers to autonomous public entities such as universities), which accounted for approximately 32.9% of the overall increase, increased by 54.7%, from Ps. 183.7 billion in 2013 to Ps. 284.3 billion in 2014. This increase was mainly due to the increase in subsidies to the electricity sector. The increase in other transfers was also driven by the increase in outlays to social security payments, particularly through the Universal Child Allowance and Universal Pregnancy Allowance;
- social security outlays, which accounted for approximately 29.9% of the overall increase, increased by 33.6%, from Ps. 272.1 billion in 2013 to Ps. 363.4 billion in 2014, mainly as a result of an increase in the number of retirees and successive increases in pension income. During 2014, pensions increased by an average of 30.5%, including as a result of the Government's extension of the social security system in September 2014 to cover individuals who had reached, or were within two years of reaching, the eligible age to collect such benefits but have not contributed to the system for the required number of years. This extension applied to the self-employed and those subject to the *monotributo* (self-employment tax) system.
- National Administration wages, which accounted for approximately 13.6% of the total increase, increased by 40.9% from Ps. 101.6 billion in 2013 to Ps. 143.2 billion in 2014, primarily as a result of the periodic adjustment to the salaries of public employees during 2014, which increased by an average of 35.8% in the aggregate, and a 3.8% increase in the number of national public sector employees from 396,138 as of December 31, 2013 to 411,045 as of December 31, 2014; and
- capital expenditures, which accounted for approximately 13.3% of the overall increase, increased by 44.7% from Ps. 90.7 billion in 2013 to Ps. 131.3 billion in 2014. This increase was primarily due to an increase in direct Government investment and transfers to the provinces and the City of Buenos Aires, principally for the construction and maintenance of roads, as well as the purchase of equipment for investments in railway and other infrastructure projects and, to a lesser extent, the *Programa de Estimulo a la Inyección Excedente de Gas Natural* (Natural Gas Stimulus Plan), investments in electricity generation projects, the development of housing infrastructure through the *Techo Digno* program, mortgage lending through the *PRO.CRE.AR Bicentenario* program and the development of economic and social infrastructure in the provinces and municipalities through the Joint Federal Fund (see "Fiscal Relations with the Provinces—Revenue Transfers");

#### *Fiscal Result of 2015 Compared to Fiscal Results of 2014*

*Primary fiscal balance.* The primary deficit increased from Ps. 38.6 billion in 2014 to Ps. 104.8 billion in 2015. Total revenues and primary expenditures increased in excess of the amount initially budgeted for 2015. While total revenues increased by 30.2% in 2015, primary expenditures increased by 35.5%, resulting in a larger primary deficit.

*Fiscal revenues.* In 2015, fiscal revenues increased by 30.2% to Ps. 1,299 billion from Ps. 997.2 billion in 2014. This increase was mainly driven by social security taxes, VAT, income tax, taxes on fuel, financial transactions and other non-tax revenue, which accounted for approximately 96.8% of the total increase. The increase in fiscal revenues includes:

- an increase in revenues from social security contributions, which accounted for approximately 37.7% of the total increase;

- an increase in other non-tax revenues, which accounted for approximately 11.4% of the total increase, primarily driven by an increase in profits generated by the Argentine Integrated Pension System and managed by the FGS;
- an increase in revenues from income tax, which accounted for approximately 19.7% of the total increase;
- an increase in revenues from VAT, which accounted for approximately 19.3% of the total increase; and an increase in revenues from taxes on foreign trade, mainly due to an increase in imports tax contribution, which was partially offset by a decrease in export tax revenues.

*Primary expenditures.* In 2015, primary expenditures (excluding interest payments) of the national public sector increased by 35.5% from Ps. 1,035.8 billion in 2014 to Ps. 1,403 billion in 2015. This increase was mainly due to the following factors:

- other transfers (including external sector transfers, private sector subsidies and transfers to autonomous public entities such as universities), which accounted for approximately 24.4% of the overall increase, increased by 31.6%, from Ps. 284.3 billion in 2014 to Ps. 374.2 billion in 2015. This increase was mainly due to the increase in subsidies to the electricity sector. The increase in other transfers was also driven by the increase in outlays to social security payments, particularly through the Universal Child Allowance and Universal Pregnancy Allowance;
- social security outlays, which accounted for approximately 46.9% of the overall increase, increased by 47.4%, from Ps. 363.4 billion in 2014 to Ps. 535.7 billion in 2015, mainly as a result of an increase in the number of retirees and successive increases in pension income. During 2015, pensions increased by an average of 33.0%;
- National Administration wages, which accounted for approximately 15.2% of the total increase, increased by 39.0% from Ps. 143.2 billion in 2014 to Ps. 199.1 billion in 2015; and
- capital expenditures, which accounted for approximately 8.1% of the overall increase, increased by 22.6% from Ps. 131.3 billion in 2014 to Ps. 160.9 billion in 2015. This increase was primarily due to capital expenditures in energy, transport and housing infrastructure.

## **Tax Regime**

In Argentina, the legal authority to impose taxes is shared by Congress, the provincial legislatures and, within certain limits, the municipalities.

Federal taxes must be authorized by an act of Congress, although the executive branch is empowered to issue regulations and decrees necessary to implement congressional legislation. Argentina does not have a federal revenue code; instead, separate laws, which are amended frequently, govern different categories of taxes. The Ministry of the Treasury is responsible for the collection of federal fiscal revenues. The Ministry of the Treasury carries out this task mainly through the AFIP.

Figures presented in this section differ from those presented in “—National Public Accounts” section because they include revenues (and transfers) “co-participated” (see “Fiscal Relations with the Provinces”) with the provinces.

### *Composition of Tax Revenues*

The Government levies the following taxes:

- VAT on goods and services;

- income taxes;
- social security taxes;
- taxes on foreign trade;
- taxes on capital;
- taxes on fuel; and
- other taxes on goods and services (such as consumption taxes and tax on financial transactions).

Traditionally, the Government derived most of its revenue from VAT, social security contributions and income taxes. See “—Tax Regime—Composition of Tax Revenues.”

Tax revenues for the year ended December 31, 2015 totaled Ps. 1,567 billion, an increase of 31.1% as compared to 2014. The increase was primarily the result of:

- an increase in nominal wages of the public and private sectors;
- an increase in prices of products and services;
- an increase in taxable income declared by companies and individuals; and
- continued improvements in tax collection mechanisms.

During 2015:

- income tax revenues increased by 42.8%, primarily due to larger income tax advance payments made by companies in 2015 and larger payments made by individuals resulting from an increase in salaries without any adjustment to the tax bracket base;
- duties on foreign trade decreased 1.9% as compared to 2014. Export taxes revenues decreased by 9.7% while import tax collection increased by 18.1%;
- social security taxes increased by 35.0%, mainly driven by increased taxable wages and the number of registered workers as compared to 2014, and changes in legislation, including the increase of the maximum taxable base for the calculation of contributions; and
- VAT revenues increased by 30.8% as a result of a 36.8% increase in the national tax bureau VAT and a 16.4% increase in customs VAT, in each case as compared to 2014, primarily as a result of an increase in nominal consumption, which was partially offset by increased returns and exchanges to grain exporters and producers, as well as a decrease in revenues generated under the VAT moratorium approved in 2015.

The following tables set forth the composition of the Government's tax revenues for the periods specified.

**Composition of Tax Revenues**  
(in millions of pesos)

	2011	2012	2013	2014	2015 <sup>(4)</sup>
VAT.....	Ps 154,237	Ps 190,496	Ps 249,006	Ps 331,203	Ps 433,076
Social security taxes <sup>(1)</sup> .....	137,186	179,777	236,072	307,656	415,410
Taxes on income.....	108,598	138,440	183,599	267,075	381,463
Corporate income tax.....	66,767	80,490	97,614	129,881	183,207
Personal income tax.....	36,711	54,274	79,446	125,066	187,663
Others.....	5,121	3,676	6,539	12,128	10,593
Import and export taxes.....	69,338	78,677	79,940	115,283	113,053
Taxes on capital <sup>(2)</sup> .....	6,018	7,409	10,471	14,575	18,538
Taxes on fuel.....	18,131	25,785	31,010	44,490	56,478
Other taxes on goods and services.....	51,494	61,894	78,595	106,672	139,027
Others.....	5,214	6,428	5,200	8,333	10,004
Gross tax revenues <sup>(3)</sup> .....	<b>550,216</b>	<b>688,905</b>	<b>873,893</b>	<b>1,195,287</b>	<b>1,567,050</b>
Tax refunds.....	(4,690)	(1,987)	(5,394)	(11,215)	(8,831)
Net tax revenues.....	<b>Ps. 545,526</b>	<b>Ps. 686,918</b>	<b>Ps. 868,499</b>	<b>Ps. 1,184,072</b>	<b>Ps. 1,558,219</b>

- (1) Revenues for 2011, 2012, 2013, 2014 and 2015 include pension contributions resulting from the Argentine Integrated Pension System.  
(2) Includes tax on financial transactions, which generated revenues of Ps. 36.9 billion in 2011, Ps. 44.6 billion in 2012, Ps. 57.2 billion in 2013, Ps. 77.6 billion in 2014 and Ps. 97.5 billion in 2015.  
(3) Gross tax revenues include certain tax revenues that are collected and later refunded, such as VAT and income tax, which are refundable in certain circumstances. Such refunds are deducted from gross tax revenues to calculate net tax revenues.  
(4) Preliminary data.

Source: Ministry of the Treasury.

**Composition of Tax Revenues**  
(as a percentage of total Government fiscal revenues)

	2011	2012	2013	2014	2015 <sup>(4)</sup>
VAT.....	28.3%	27.7%	28.7%	28.0%	27.8%
Social security taxes <sup>(1)</sup> .....	25.1%	26.2%	27.2%	26.0%	26.7%
Taxes on income.....	19.9%	20.2%	21.1%	22.6%	24.5%
Corporate income tax.....	12.2%	11.7%	11.2%	11.0%	11.8%
Personal income tax.....	6.7%	7.9%	9.1%	10.6%	12.0%
Others.....	0.9%	0.5%	0.8%	1.0%	0.7%
Import and export taxes.....	12.7%	11.5%	9.2%	9.7%	7.3%
Taxes on capital.....	1.1%	1.1%	1.2%	1.2%	1.2%
Taxes on fuel.....	3.3%	3.8%	3.6%	3.8%	3.6%
Other taxes on goods and services <sup>(2)</sup> .....	9.4%	9.0%	9.0%	9.0%	8.9%
Others.....	1.0%	0.9%	0.6%	0.7%	n.a.
Gross tax revenues <sup>(3)</sup> .....	100.9%	100.3%	100.6%	100.9%	100.6%
Tax refunds.....	(0.9)	(0.3)	(0.6)	(0.9)	(0.6)
Net tax revenues.....	100.0%	100.0%	100.0%	100.0%	100.0%

- (1) Revenues for 2011, 2012, 2013, 2014 and 2015 include pension contributions resulting from the Argentine Integrated Pension System.  
(2) Includes tax on financial transactions, which generated revenues of Ps. 36.9 billion in 2011, Ps. 44.6 billion in 2012, Ps. 57.2 billion in 2013, Ps. 77.6 billion in 2014 and Ps. 97.5 billion in 2015.  
(3) Gross tax revenues include certain tax revenues that are collected and later refunded, such as VAT and income tax, which are refundable in certain circumstances. Such refunds are deducted from gross tax revenues to calculate net tax revenues.  
(4) Preliminary Data.

n.a. = not available.

Source: Ministry of the Treasury.

The information below is a brief description of the principal taxes levied by the Government, except for social security taxes. For a description of social security taxes see "Social Security."

#### *Value Added Tax*

VAT is levied on sales of goods and services within Argentina, and the rendering of services abroad when the effective use of those services takes place in Argentina and the provider of the service is registered as a VAT taxable person. VAT is also applied on imports.

As of the date of this annual report, the general VAT rate is 21.0%. An increased rate of 27.0% applies to the provision of gas, electricity, water, sewage and telecommunications services for non-residential purposes. A reduced rate of 10.5% applies in certain cases, including housing projects, the sale of livestock and other agricultural products, the sale of capital goods and certain financial revenues and expenses.

VAT revenues increased by 30.8% in 2015 as compared to 2014, primarily as a result of an increase in nominal consumption, which was partially offset by a decrease in revenues generated under the VAT moratorium approved in 2015.

The Government also levies certain taxes on the consumption of certain goods and services. The following table sets forth a sample of the tax rates applicable to certain products.

#### **Composition of Taxes on Goods and Services**

<b>Product</b>	<b>Rate (%)</b>
<b>Goods</b>	
Tobacco products	20-75
Alcoholic beverages	8-20
Non-alcoholic beverages (including extracts, concentrates and mineral water)	4-8
Luxury items	20
Recreational sporting equipment (including private planes and yachts)	10
Electronic products	17
Cars, engines and motorcycles	10-20
<b>Services</b>	
Insurances	0-23
Satellite and Cell phones (mobile phones)	4

Source: Ministry of the Treasury

Since 2010, the Government has collected a tax on mobile phones. The tax is equal to 1% of customers' payments (*abonos*) to cell phone companies (net of VAT). The proceeds of this tax are allocated to the promotion of Olympic sports through the *Ente Nacional de Alto Rendimiento Deportivo*, or *Enard* (National Board of High Performance Sports).

#### *Taxes on Income*

Argentine legal residents and corporations domiciled in Argentina are subject to income tax on their worldwide income. Nonresidents are subject to tax only on income from Argentine sources.

The income of national, provincial or local authorities, as well as non-profit organizations (including cooperatives, religious institutions and foundations), is exempt from income tax. The Government also exempts or creates special incentives (in the form of tax breaks) for projects carried out in certain locations, such as Tierra del Fuego, and for certain economic activities, such as public transportation and garbage collection.

There are three categories of taxes on income in Argentina:

- *Impuesto a las ganancias* (income tax). For Argentine resident individuals, the rate of this tax varies according to income level, ranging from 9% to 35%. A 15% tax rate applies to net income derived from trade of securities. In case the trade is conducted through certain markets, an exemption may apply for Argentine resident individuals. For all business entities, the rate is 35% applicable on worldwide net income. For non-resident individuals and entities the rate is 35%, however, it is generally applied on a presumed income portion contained in payments to non-residents (which usually causes the effective tax rate to be lower). A 13.5% rate on the gross sale price or 15% on actual net income applies for income obtained by non-Argentine residents from the sale of securities. Alternatively, self-employed individuals whose annual

income is less than a statutorily provided limit (which is adjusted periodically) may opt to pay a *monotributo* (self-employment tax), which is a fixed amount calculated on the basis of gross turnover, which replaces both the income tax and the VAT.

- *Gravamen de emergencia sobre premios de determinados juegos de sorteos y concursos deportivos* (emergency tax on lotteries and gaming proceeds). The rate of this tax is 31% and it is levied on 90% of the net amount of gains from lotteries and games.
- *Impuesto a la ganancia mínima presunta* (notional minimum income tax). Subject to certain exceptions, such as stock and other equity interests in entities subject to income tax, a 1% tax is levied on the value of certain assets held by businesses and individuals at the end of each fiscal year to the extent their aggregate value exceeds a minimum threshold. Amounts paid on account of income tax are deductible from this tax to avoid double taxation. The minimum income tax rate supplements the income tax rate. The fiscal obligation in each year is set at the higher of both taxes. However, if the minimum income tax exceeds income tax, the excess can be credited against future income tax payment obligations for up to ten years. This tax has been abrogated for tax periods initiated after January 1, 2019.

Income tax accounted on average for 21.6% of total tax revenues from 2011 through 2015. In 2015, income tax accounted for 24.5% of total tax revenues.

In 2016, Congress abrogated the application of the 10% income tax withholding on dividends paid by Argentine companies.

#### *Taxes on Foreign Trade*

Taxes on foreign trade consist of export and import taxes. Import taxes are levied on goods and services imported into Argentina for consumption. They are assessed either *ad valorem* (i.e., on the actual value of the good or service) or based on CIF official prices (i.e., the cost of the good or service, plus insurance and freight to the destination), whichever is higher. Rates for import taxes range from 0% to 35%. Imports of capital goods that are not produced in Argentina are taxed at a 2% rate, while those produced in Argentina are subject to, in general, a 14% rate. Certain products, such as textiles, footwear and toys are taxed at a special rate. Export taxes were introduced in 2002. Export taxes became an important source of revenue for the Government beginning in 2003, primarily as a result of the high international prices for commodities and the devaluation of the peso, which during the initial years increased the competitiveness and value of Argentina's U.S. dollar exports in pesos. Domestic inflation and the real appreciation of the peso eroded the competitiveness of Argentine exports.

Set forth below are certain export tax rates that were in effect as of December 10 and as of December 31, 2015, after President Macri issued a decree significantly reducing export taxes.

- Exports of crude oil and fuels:
  - if the international price per barrel of crude oil and fuel is less than U.S.\$71.00, the applicable export tax is 1%; and
  - if international price per barrel of crude oil and fuel is higher than U.S.\$71.00, the export tax is calculated according to the following formula:

$$D = \frac{(PI - VC)}{VC} * 100$$

where D is export tax, PI is international price and VC is "price cut" (maximum net amount after taxes that an exporter can be paid: as of December 31, 2015, the Government set the "price cut" at U.S.\$70.00 per barrel);

- 0% on exports of oilseeds from sunflowers;
- 0% on exports of sunflower oils and other products derived from sunflowers;
- 0% on exports of certain regional products such as fruits, honey, rice and vegetables;



- 0% on exports of dairy products and meat;
- 0% on exports of organic products;
- 5% on exports of raw wool and sheared wool;
- 5% on exports of metal waste;
- 5%-10% on exports of hides and skins;
- 5%-10% on exports of natural cork;
- 5%-10% on exports of mineral products;
- 20% on exports of paper and cardboard for recycling;
- 27% on exports of soy oils and other products derived from soy;
- 30% on exports of oilseeds from soy;
- 100% on exports of natural gas;
- Biofuel. The export tax is calculated according to the following formula:

$$D (\text{as } \%) = (PR - CRCTE) * \frac{100}{CRCTE}$$

where

D is export tax, PR is reference price and CRCTE is equal to the sum of total costs and the return on total capital used.

In 2011, export taxes on agricultural products represented 41.7% of total export taxes, export taxes on food and beverages represented 24.6% of total export taxes and export taxes on fuel products represented 20.9% of total export taxes.

In 2012, export taxes on agricultural products represented 37.5% of total export taxes, export taxes on fuel products represented 25.4% of total export taxes, and export taxes on food and beverages represented 25.0% of total export taxes. The share of total export taxes stemming from fuel products increased in 2012 primarily as a result of an increase in crude oil exports. In addition, in August 2012, the Government replaced the fixed tax rate applicable to biodiesel exports with a variable rate determined by a governmental agency primarily on the basis of international prices and production costs.

In 2013, export taxes on agricultural products represented 36.3% of total export taxes, export taxes on food and beverages represented 35.2% of total export taxes and export taxes on fuel products represented 14.0% of total export taxes.

In 2014, export taxes on food and beverages represented 39.3% of total export taxes, export taxes on agricultural products represented 36.2% of total export taxes and export taxes on fuel products represented 10.7% of total export taxes.

During the first nine months of 2015, export taxes on food and beverages represented 38.1% of total export taxes, export taxes on agricultural products represented 47.5% of total export taxes and export taxes on fuel products represented 2.1% of total export taxes.

Import and export tax revenues decreased by 3.3%, from Ps. 115.3 billion in 2014 to Ps. 113.1 billion in 2015. Export taxes decreased by 9.7% in 2015 as compared to the previous year as a result of a decrease in agricultural products sales and a decrease in commodities prices. Import taxes increased by 18.1% due to an increase in the nominal exchange rate.

### *Taxes on Capital*

Taxes on capital include taxes on the value of personal assets owned by individuals, taxes on the net worth of credit unions, a tax on the sales of real estate and a tax on financial transactions. The tax on financial transactions was introduced in 2001 and has become an important source of revenue for the Government. The tax is levied on the full amount of most financial transactions, with certain limited exemptions. The standard tax rate is 0.6% for credits and debits from checking accounts and 1.2% for transfers of funds and other cash transfers. The tax on financial transactions was originally scheduled to expire in December 2002, but Congress extended the expiration date on several consecutive occasions. As a result, the tax on credits and debits from checking accounts will remain in force until December 31, 2017.

### *Taxes on Fuels*

The Government levies taxes on the sale of various fuels, including liquid fuels, such as gasoline and diesel, and compressed natural gas. Through 2015, the tax on the sale of liquid fuels was generally levied on importers, refineries and distributors and ranged from 17.1% to 63% of the net sales price depending on the type of fuel.

### *Tax Enforcement*

Argentina historically had a low rate of tax collection. The Government has taken steps to improve its level of tax collection since 2003, when the *Plan Antievasión* (Anti-evasion Program) was approved by Congress. Recent initiatives introduced by the Government to improve tax collection include the following:

#### *Tax Cooperation Agreements*

Argentina and Uruguay have entered into a cooperation agreement to facilitate the sharing of tax information. Under this agreement, the tax authorities of both countries are able to share certain tax information to detect tax evasion.

Argentina has signed cooperation agreements with numerous countries to promote international cooperation in tax matters through the exchange of information and increase the transparency of cross-border commercial transactions. These agreements provide for the sharing of tax information in documentary form and, in certain circumstances, allow representatives of a country's competent authority to conduct interviews and examine records in the territory of a counterparty. In other cases, these agreements provide for mutual assistance in customs procedures.

Argentina is also a party to the Convention on Mutual Administrative Assistance in Tax Matters and to the Multilateral Competent Authority Agreement promoted by the Organization for Economic Co-operation and Development (OECD).

#### *Tax Regularization Program*

In May 2013, with the aim of directing undeclared foreign currency savings of Argentine residents for use in the development of infrastructure projects, as well as in the energy and real estate sectors, Congress passed a law authorizing the issuance of certain securities to be subscribed with undeclared foreign currency. This initiative has not been renewed since December 2015. For more information see "Monetary System—Foreign Exchange and International Reserves—Voluntary Declaration of Foreign Currency."

### **Composition of Public Expenditures**

Public sector expenditures include general administrative expenses, debt service payments, investments in public infrastructure and services, expenditures related to defense and security, administrative expenses of the judiciary and social program expenditures.

The following table sets forth the National Administration's public expenditures for the periods specified, calculated using an accrual method, which computes revenues and expenditures in the periods in which they are accrued, regardless of the period in which payments take place. This method differs from the cash-basis used to calculate national public accounts. See "—Introduction."

**Composition of National Public Expenditures<sup>(1)</sup>**  
(as a percentage of GDP)

	2011	2012	2013	2014	2015
General administration	1.0%	0.9%	1.0%	1.0%	1.3%
Defense and security	1.1%	1.1%	1.2%	1.3%	1.7%
Justice	0.3%	0.3%	0.4%	0.4%	0.5%
Social programs	11.6%	12.5%	13.4%	13.3%	18.7%
Social security <sup>(2)</sup>	8.0%	8.9%	9.4%	9.2%	13.3%
Culture, education, science and technology	1.8%	1.8%	1.9%	1.9%	2.6%
Health	0.7%	0.7%	0.9%	0.9%	1.2%
Housing	0.5%	0.5%	0.8%	0.8%	1.0%
Social welfare	0.4%	0.4%	0.4%	0.4%	0.5%
Labor	0.1%	0.1%	0.1%	0.1%	0.1%
Public expenditures on economic infrastructure and services	4.0%	4.5%	5.1%	6.8%	6.5%
Public debt service <sup>(3)</sup>	1.9%	1.8%	1.3%	1.9%	2.4%
<b>Total</b>	<b>20.6%</b>	<b>21.2%</b>	<b>22.3%</b>	<b>24.6%</b>	<b>24.5%</b>

(1) The budget figures contained in this table do not include amounts budgeted for entities that form part of Argentina's national non-financial public sector but are not part of the National Administration. Figures also do not include interest accrued on Untendered Debt, a portion of which was paid with a portion of the net proceeds of the debt securities issued by the Government on April 22, 2016. Untendered Debt has been defined to include only unpaid principal plus accrued and unpaid interest at contractual rates through its originally scheduled maturity. Such amounts do not include penalty or default interest. In settling outstanding disputes with holdout creditors pursuant to the Settlement Proposal, the Republic took into consideration interest accrued after the originally scheduled maturity of each defaulted series of securities, as well as default interest. For information regarding the Republic's Settlement Proposal to settle all claims on the Untendered Debt, see "Public Sector Debt—Legal Proceedings."

(2) Figures presented under "Social security" in this table differ from those presented in the table "National Public Accounts" because they were calculated using different methodologies.

(3) Based on performing debt.

Source: Ministry of the Treasury.

**Composition of National Public Expenditures<sup>(1)</sup>**  
(as a percentage of total Government expenditures)

	2011	2012	2013	2014	2015
General administration	5.0%	4.3%	4.4%	3.9%	4.2%
Defense and security	5.4	5.4	5.5	5.4	5.5
Justice	1.3	1.0	1.6	1.4	1.6
Social programs	56.4	58.8	59.8	54.1	60.2
Social security <sup>(2)</sup>	38.9	42.1	41.9	37.5	42.7
Culture, education, science and technology	8.8	8.5	8.5	7.7	8.4
Health	3.4	3.5	3.8	3.5	3.9
Housing	2.5	2.3	3.5	3.4	3.2
Social welfare	2.1	1.9	1.7	1.7	1.5
Labor	0.7	0.6	0.5	0.4	0.4
Public expenditures on economic infrastructure and services	22.6	21.4	22.7	27.5	20.8
Public debt service <sup>(3)</sup>	9.2	8.5	6.0	7.7	7.7
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

(1) The budget figures contained in this table do not include amounts budgeted for entities that form part of Argentina's national non-financial public sector, but are not part of the National Administration. Figures also do not include interest accrued on Untendered Debt, a portion of which was paid with a portion of the net proceeds of the debt securities issued by the Government on April 22, 2016. Untendered Debt has been defined to include only unpaid principal plus accrued and unpaid interest at contractual rates through its originally scheduled maturity. Such amounts do not include penalty or default interest. In settling outstanding disputes with holdout creditors pursuant to the Settlement Proposal, the Republic took into consideration interest accrued after the originally scheduled maturity of each defaulted series of securities, as well as default interest. For information regarding the Republic's Settlement Proposal to settle all claims on the Untendered Debt, see "Public Sector Debt—Legal Proceedings."

(2) Figures presented under "Social security" in this table differ from those presented in the table titled "National Public Accounts" because they were calculated using different methodologies.

(3) Based on performing debt.

Source: Ministry of the Treasury.

Expenditures for social programs, investments in public infrastructure and services and public debt service represented the largest portion of Government's expenditures, accounting on average for 88.7% of total Government expenditures from 2011 through 2015.

### *Expenditures on Social Programs*

The Government devotes a substantial portion of its revenues to social programs. From 2011 to 2015, social programs expenditures accounted on average for 57.9% of annual Government expenditures, of which social security payments alone accounted on average for 40.6%. These social programs include the social security system, cultural goods and services, education, science and technology programs, the health-care system, low-income housing programs, social welfare programs and labor subsidies. In addition, under current law, 6% of the Government's annual budget must be allocated to education, science and technology. See "The Economy—Poverty and Income Distribution."

### *Public Infrastructure and Services*

The main projects in public infrastructure include the following:

- construction of railroads and roads;
- construction and improvements to power lines to transport electricity;
- extension of gas transportation systems for thermoelectric plants; and
- construction of water pipelines and drainage.

For more information see "—Infrastructure Development."

### *Public Debt Service*

The Government has only recorded interest paid on performing debt. The data discussed below does not include interest accrued on Untendered Debt, a portion of which was paid with a portion of the net proceeds of the debt securities issued by the Government in the April 2016 Transaction. Untendered Debt has been defined to include only unpaid principal plus accrued and unpaid interest at contractual rates through its originally scheduled maturity. Such amounts do not include penalty or default interest. In settling outstanding disputes with holdout creditors, the Government took into consideration interest accrued after the originally scheduled maturity of each defaulted series of securities, as well as default interest. For information regarding the Government's Settlement Proposal to settle all claims on the Untendered Debt, see "Public Sector Debt—Legal Proceedings." Interest paid on the new debt securities going forward will be reflected under Public Debt Service. In 2011, interest payments as a percentage of total expenditures increased to 9.2%, primarily due to payments under GDP-Linked Securities. In 2012, interest payments as a percentage of total expenditures decreased to 8.5%, but increased by 15.8% in nominal terms, mainly due to higher interest payments on Bonares and payments on GDP-Linked Securities, commercial bank debt and Treasury notes. In 2013, interest payments as a percentage of total expenditures decreased to 6.0%, and also decreased by 6.7% in nominal terms, primarily due to the fact that no payments under the GDP-Linked Securities were due. In 2014, interest payments as a percentage of total expenditures increased to 7.7%, and increased by 94.2% in nominal terms, mainly due to higher interest payments for Bonares, Discounts and interest payments on debt owed to multilateral agencies. In 2015, interest payments as a percentage of total expenditures remained stable at 7.7%, and increased by 26.0% in nominal terms, mainly due to payments on Bonares, Discounts and Treasury notes. See "Public Sector Debt—Foreign Currency—Denominated Debt—Foreign Currency—Denominated Debt Service."

### *Defense and Security*

In 2011, government expenditures in defense and security decreased to 5.4% of total expenditures. From 2012 to 2014, government expenditures in defense and security remained relatively stable, representing 5.4% of total expenditures in 2012, 5.5% of total expenditures in 2013 and 5.4% of total expenditures in 2014. In 2015, government expenditures in defense and security increased to 5.5% of total expenditures.

### *General Administration Expenses*

In 2011, general administration expenses as a percentage of total government expenditures decreased from 6.4% in 2010 to 5.0% in 2011. This decrease was mainly driven by a slower pace of growth of general administration expenses in 2011 as compared to other government expenditures. General administration expenses increased in 2011 in nominal terms as compared to 2010, albeit at a slower pace than other government expenditures, principally as a result of expenses associated with the primary and general elections

held during the period and, to a lesser extent, the purchase of equipment and other expenses related to new passport issuance procedures.

In 2012, general administration expenses as a percentage of total government expenditures decreased from 5.0% in 2011 to 4.4% in 2012, but increased by 6.1% in nominal terms as compared to 2011. This decrease was mainly driven by a slower growth of general administration expenses in 2012 as compared to other government expenditures.

In 2013, general administration expenses as a percentage of total government expenditures remained 4.4%, but increased by 38.7% in nominal terms as compared to 2012.

In 2014, general administration expenses as a percentage of total government expenditures decreased from 4.3% in 2013 to 3.9% in 2014, but increased by 33.0% in nominal terms as compared to 2013. This decrease was mainly driven by a slower pace of growth of general administration expenses in 2014 as compared to other government expenditures.

In 2015, general administration expenses as a percentage of total government expenditures increased from 3.9% in 2014 to 4.2% in 2015, and increased by 36.4% in nominal terms as compared to 2014.

### Infrastructure Development

#### Composition of Public Expenditures (as a percentage of total expenditures)

	2011	2012	2013	2014	2015
Public expenditures on economic infrastructure	18.2%	21.4%	22.7%	27.5%	20.8%
Energy, fuels and mining	7.0	11.1	12.7	18.8	12.2
Communications	0.5	0.9	1.1	0.8	0.8
Transport	8.4	7.8	7.4	6.6	6.2
Ecology and environment	0.2	0.3	0.3	0.3	0.2
Agriculture	1.7	0.6	0.6	0.5	0.5
Industry	0.2	0.3	0.3	0.3	0.4
Trade, tourism and other services	0.2	0.3	0.3	0.2	0.3
Insurance and finances	—	0.1%	—	—	—

Source: Ministry of the Treasury.

#### Composition of Public Expenditures (as a percentage of GDP)

	2011	2012	2013	2014	2015
Public expenditures on economic infrastructure	4.6%	4.5%	5.1%	6.8%	6.5%
Energy, fuels and mining	2.3%	2.4%	2.8%	4.6%	3.8
Communications	0.2%	0.2%	0.3%	0.2%	0.3
Transport	1.8%	1.7%	1.6%	1.6%	1.9
Ecology and environment	0.1%	0.1%	0.1%	0.1%	0.1
Agriculture	0.2%	0.1%	0.1%	0.1%	0.2
Industry	—	0.1%	0.1%	0.1%	0.1
Trade, tourism and other services	0.1%	0.1%	0.1%	—	0.1
Insurance and finances	—	—	—	—	—

Source: INDEC and Ministry of the Treasury.

### The Budget

The Chief of the Cabinet of Ministers is responsible for preparing the National Administration's budget, which must project the National Administration's fiscal results for the next three years. Although the budget is tri-annual, Congress only approves the budget for the following year. Once a budget is approved, the Government can supply the allocated amounts to the various agencies and to the provinces and the City of Buenos Aires on a quarterly basis. The *Auditoría General de la Nación* (National General Audit Agency) is responsible for supervising budgetary compliance by the National Administration and its agencies. The Public Sector Financial Administration Law prohibits the Government from borrowing to cover operating expenses.

The 2016 budget was approved on October 28, 2015 and the 2015 budget was approved on October 30, 2014.

The following tables set forth budgetary assumptions and principal fiscal targets for 2015 and 2016.

### Principal Budgetary Assumptions for 2015 and 2016

	2014	2015	Projected 2016 <sup>(1)</sup>
Real GDP growth	0.5%	2.3%	3.0%
Inflation <sup>(2)</sup>	24.0%	13.2%	10.4%
Average exchange rate <sup>(3)</sup>	8.12	9.12	10.60

(1) The annual projections for 2016 were estimated in the proposed 2016 budget.

(2) INDEC CPI growth.

(3) Average peso exchange rate against the U.S. dollar.

Source: INDEC and Ministry of the Treasury.

### Principal Fiscal Targets of the Non-Financial Public Sector for 2015 and 2016<sup>(1)</sup> (in millions of pesos, except percentages)

	2015		Projected 2016	
Total revenues <sup>(1)(2)(3)</sup>	Ps.	1,691,273	Ps.	2,039,570
Total current revenues <sup>(1)</sup>		1,326,560		1,610,135
Tax revenues <sup>(1)(2)</sup>		1,132,653		1,420,341
Other revenues		193,907		189,794
Total capital revenues		395		738
Intra public sector transfer		364,319		428,697
Primary expenditures <sup>(1)(3)</sup>		1,731,062		2,028,437
Primary surplus (deficit) <sup>(2)</sup>		(39,789)		11,133
As a percentage of GDP <sup>(4)</sup>		(0.7)%		0.2%
Interest expenditures		97,985		105,337
As a percentage of GDP <sup>(4)</sup>		1.8%		1.6%
Overall fiscal balance <sup>(2)</sup>	Ps.	(137,774)	Ps.	(94,204)
As a percentage of GDP <sup>(4)</sup>		(2.6)%		(1.4)%

(1) The budget figures contained in this table reflect amounts budgeted for Argentina's National Public Sector. These figures do not include co-participation transfers to the provinces.

(2) Includes projected revenues from the social security system.

(3) Figures include intra-public sector transfers.

(4) GDP figures are expressed in nominal terms.

Source: INDEC and Ministry of the Treasury.

The Government's budget and fiscal target for 2016 assumed an acceleration in the rate of growth of GDP as compared to 2015, annual inflation at 10.4% and an average U.S. dollar-peso exchange rate of Ps. 10.60 to U.S.\$1.00. The 2016 budget submitted to Congress by the Fernández de Kirchner administration was based on assumptions that have proven inconsistent with subsequent developments. In 2016, the Macri administration modified the 2016 budget to reflect changed economic circumstances.

### Fiscal Relations with the Provinces

Each of Argentina's 23 provinces and the City of Buenos Aires is a separate legal and fiscal entity, independent from one another and the Government. Argentina's federal system allocates significant responsibility for public services and other public expenditures to the provinces, but relies primarily on a centralized system of tax collection. The provinces rely on revenue transfers from the Government, primarily through the co-participation regime. See "—Revenue Transfers." Under the co-participation revenue-sharing system, the provinces delegate to the Government their constitutional authority to collect certain taxes, and the Government, in turn, agrees to transfer a portion of the revenues generated from such taxes to the provinces.

From 2011 to 2014, the aggregate annual expenditures of the provinces (including the City of Buenos Aires) averaged 13.8% of nominal GDP, while the provinces (including the City of Buenos Aires), on average, collected annual revenues of approximately 13.5% of nominal GDP (including co-participation amounts). Several provinces declared during the last quarter of 2009 that they were facing substantial fiscal deficits in 2009 and experiencing cash constraints. The growth rate of provincial expenditures exceeded the growth rate of tax revenues. As a result, in May 2010, the Government established a debt restructuring program for the debt owed by the Argentine provinces to the Government, including Bogars. Under this program, the Government would make contributions (*aportes del tesoro nacional*) to the provinces to be applied to cancel a portion of the debt owed to the Government. The balance of the outstanding debt would be repaid over the following 20 years.

in pesos, at an annual interest rate of 6% and secured with co participation revenues. The first interest and principal payments were scheduled for January 2012. As of December 2011, 17 provinces had participated in the debt refinancing program representing approximately Ps. 58,4 billion of debt owed by the provinces to the Government.

The following table sets forth a summary of the changes in the aggregate fiscal results at the provincial level for the years specified.

**Summary of Revenues and Expenditures of the Provinces and the City of Buenos Aires  
(in millions of pesos)<sup>(1)</sup>**

	2011	2012	2013	2014	2015 <sup>(2)</sup>
<b>Revenues</b>					
Current revenues					
Administration taxes					
Provincial taxes	Ps. 92,902	Ps. 121,213	Ps. 175,468	Ps. 241,076	Ps. 229,907
National taxes					
Co-participation	106,396	135,050	175,827	240,385	236,498
Other national taxes	27,736	35,185	45,794	63,566	63,333
Total national taxes	134,132	170,235	221,620	303,951	299,832
Total administration taxes	227,034	291,448	397,089	545,027	529,738
Other non-tax revenue	17,004	21,768	27,283	39,878	32,714
Sale of goods and services of the public administration	2,037	2,512	2,816	4,102	3,549
Property taxes	797	1,053	1,873	3,225	2,722
Current transfers	22,096	20,546	21,983	37,251	35,307
Total current revenues	268,970	337,327	451,043	629,483	604,030
Capital revenue	19,360	20,936	29,456	41,981	42,029
Total revenues	Ps. 288,330	Ps. 358,263	Ps. 480,500	Ps. 671,463	Ps. 646,059
<b>Expenditures</b>					
Current expenditures					
Consumption expenditures:					
Provincial administration wages	153,262	198,435	255,621	351,760	352,783
Consumer goods	7,828	9,241	12,043	16,733	15,550
Services	21,490	25,654	32,958	44,945	45,385
Total consumption expenditures	182,580	233,331	300,622	413,438	413,718
Interest payments	4,049	5,684	7,464	11,590	9,066
Current transfers	72,227	87,536	115,478	158,025	148,914
Total current expenditures	258,857	326,552	423,564	583,054	571,698
Capital expenditures					
Direct investment	35,087	34,606	50,212	67,342	67,901
Capital transfers	8,790	7,881	11,220	18,754	14,680
Financial investment	3,317	3,487	5,303	6,154	5,595
Total capital expenditures	47,193	45,974	66,734	92,251	88,175
Total expenditures	306,050	372,525	490,299	675,305	659,874
Fiscal balance	Ps. (17,720)	Ps. (14,263)	Ps. (9,799)	Ps. (3,841)	Ps. (13,815)

(1) Figures calculated using the accrual method

(2) Data for the first nine months of 2015.

Source: Ministry of the Treasury.

The following table sets forth a summary of the aggregate fiscal results at the provincial level for the years specified, in percentage terms.

**Summary of Revenues and Expenditures of the Provinces and the City of Buenos Aires  
(% change from the previous year)<sup>(1)</sup>**

	As of December 31,				
	2011	2012	2013	2014	2015 <sup>(2)</sup>
<b>Revenues</b>					
Current revenues					
Administration taxes					
Provincial taxes	35.2%	30.5%	44.8%	37.4%	32.1%
National taxes					
Co-participation	33.0	26.9	30.2	36.7	53.7
Other national taxes	29.2	26.9	30.2	38.8	39.5
Total national taxes	32.2	26.9	30.2	37.1	50.5
Total administration taxes	33.4	28.4	36.2	37.3	41.9
Other non-tax revenue	14.1	28.0	25.3	46.2	17.1
Sale of goods and services of the public	33.1	23.3	12.1	45.7	23.4



	As of December 31,				
	2011	2012	2013	2014	2015 <sup>(2)</sup>
administration					
Property taxes	47.7	32.3	77.7	72.2	32.6
Current transfers	(10.0)	(7.0)	7.0	69.4	27.5
Total current revenues	27.1	25.4	33.7	39.6	39.2
Capital revenue	9.0	8.1	40.7	42.5	38.4
Total revenues	25.7%	24.3%	34.1%	39.7%	39.2%
<b>Expenditures</b>					
<b>Current expenditures</b>					
Consumption expenditures					
Provincial administration wages	39.7	29.5	28.8	37.6	41.8
Consumer goods	24.0	18.1	30.3	38.9	48.2
Services	35.2	19.4	28.5	36.4	50.0
Total consumption expenditures	38.4	27.8	28.8	37.5	42.9
Interest payments <sup>(1)</sup>	5.6	40.4	31.3	55.3	27.3
Current transfers	35.7	21.2	31.9	36.8	35.7
Total current expenditures	36.9	26.2	29.7	37.7	40.6
<b>Capital expenditures</b>					
Direct investment	44.7	(1.4)	45.1	34.1	55.5
Capital transfers	14.7	(10.3)	42.4	67.1	20.5
Financial investment	(15.2)	5.1	52.1	16.1	52.3
Total capital expenditures	31.8	(2.6)	45.2	38.2	48.2
Total expenditures	36.1	21.7	31.6	37.7	41.6
Fiscal balance	(48.3)%	(19.5)%	(31.3)%	(60.8)%	702.4%

(1) Figures calculated using the accrual method

(2) Data for the first nine months of 2015 as compared to the corresponding period in 2014

Source: Ministry of the Treasury

**Summary of Revenues and Expenditures of the Provinces and the City of Buenos Aires  
(as percentage of GDP)<sup>(1)</sup>**

	2011	2012	2013	2014	First nine months of 2014 <sup>(2)</sup>	First nine months of 2015 <sup>(2)</sup>
<b>Revenues</b>						
Current revenues						
Administration taxes						
Provincial taxes	4.2%	4.6%	5.2%	5.2%	4.1%	4.2%
National taxes						
Co-participation	4.9	5.1	5.2	5.2	3.6	4.3
Other national taxes	1.3	1.3	1.4	1.4	1.1	1.2
Total national taxes	6.1	6.4	6.6	6.6	4.7	5.5
Total administration taxes	10.4	11.0	11.8	11.8	8.7	9.7
Other non-tax revenue	0.8	0.8	0.8	0.9	0.7	0.6
Sale of goods and services of the public administration	0.1	0.1	0.1	0.1	0.1	0.1
Property taxes	—	—	0.1	0.1	—	—
Current transfers	1.0	0.8	0.7	0.8	0.6	0.6
Total current revenues	12.3	12.7	13.4	13.7	10.2	11.0
Capital revenue	0.9	0.8	0.9	0.9	0.7	0.8
Total revenues	13.2	13.5	14.3	14.6	10.9	11.8
<b>Expenditures</b>						
Current expenditures						
Consumption expenditures						
Provincial administration wages	7.0	7.5	7.6	7.6	5.8	6.4
Consumer goods	0.4	0.3	0.4	0.4	0.2	0.3
Services	1.0	1.0	1.0	1.0	0.7	0.8
Total consumption expenditures	8.3	8.8	8.9	9.0	6.8	7.5
Interest payments	0.2	0.2	0.2	0.3	0.2	0.2
Current transfers	3.3	3.3	3.4	3.4	2.6	2.7
Total current expenditures	11.8	12.3	12.6	12.7	9.5	10.4
Capital expenditures						
Direct investment	1.6	1.3	1.5	1.5	1.0	1.2
Capital transfers	0.4	0.3	0.3	0.4	0.3	0.3
Financial investment	0.2	0.1	0.2	0.1	0.1	0.1
Total capital expenditures	2.2	1.7	2.0	2.0	1.4	1.6
Total expenditures	14.0	14.0	14.6	14.7	10.9	12.0
Fiscal balance	(0.8)%	(0.5)%	(0.3)%	(0.1)%	—	(0.3)%

(1) Figures calculated using the accrual method

(2) Figures correspond to GDP values for the first nine months of the year

Source: INDEC and Ministry of the Treasury

#### *Revenue Transfers*

The Co-Participation Law of 1988, as amended in 2002 (the “1988 Co-Participation Law”) governs the current co-participation regime. Originally intended as a temporary measure, the 1988 Co-Participation Law has been automatically renewed every year since it was due to expire at the end of 1989. Although the 1994 amendments to the Constitution called for the adoption of a new co-participation law by 1996, none has been adopted. Since the mid-1980s, the executive branches of the Government and the provinces and the City of Buenos Aires have maintained consensual agreements concerning revenue transfers, which Congress has routinely ratified. The *Comisión Federal de Impuestos* (Federal Tax Commission), a federal agency created pursuant to the 1988 Co-Participation Law, monitors compliance with the co-participation regime.

Since 2002, under the 1988 Co-Participation Law, unless otherwise specified, the Government has been required to transfer certain tax revenues to a co-participation fund and allocate such revenues as follows:

- 54.7% to the provinces;
- 42.3% to the Government;

- 2.0% to be divided among certain provinces to compensate them for losses suffered as a result of fiscal imbalances caused by prior co-participation arrangements; and
  - 1.0% to the *Aportes del Tesoro Nacional* fund (the "ATN Fund") created in 1998 to correct provincial fiscal imbalances or grant emergency aid to the provinces by making transfers from the Government to an affected province.
- Until recently, 15% of total tax revenues subject to the co-participation regime were withheld by the Government to fund the social security system.
- A 1992 agreement among the Government, the provinces and the City of Buenos Aires that permitted this 15% deduction was extended and later codified in 2006 under Article 76 of Law No. 26,078, *Presupuesto de Gastos y Recursos de la Administración Nacional para el Ejercicio 2006* (the "2006 National Budget Law"). In November 2015, the Supreme Court of Argentina declared Article 76 unconstitutional as applied to the provinces of Córdoba, San Luis and Santa Fe, and ordered the Government to return the funds that had been withheld from these provinces since 2006, plus accrued interest. Later that month, President Fernández de Kirchner issued an emergency decree expanding the Supreme Court's ruling to funds that were withheld from all provinces and the City of Buenos Aires under Article 76. This decree was repealed shortly after President Maeri took office.
- In addition to the co-participation regime, several other revenue-distribution arrangements exist between the Government and the provinces. These special distribution arrangements include the following:
- *Income tax*: Income tax revenues are allocated as follows:
    - 20% to the national social security system;
    - the lesser of 10% and Ps. 650 million to the Province of Buenos Aires (any revenues exceeding Ps. 650 million up to the 10% limit are distributed among the remaining provinces);
    - 4% to the provinces (other than the Province of Buenos Aires);
    - 2% to the ATN Fund; and
    - 64% to be distributed as provided in the 1988 Co-Participation Law, as amended in 2002.
  - *VAT*: VAT revenues are allocated as follows: 11% to the national social security system and the remaining 89% as provided in the 1988 Co-Participation Law.
  - *Taxes on personal goods*: Revenues from taxes on personal goods are allocated as follows: 6.27% to the provinces and the City of Buenos Aires and 93.73% as provided in the 1988 Co-Participation Law.
  - *Taxes on fuels*: Revenue from most taxes on fuels are allocated to the national social security system, except for revenues from taxes on naphtha and natural gas, which are divided among the national social security system, the Government, the provinces and the *Fondo Nacional de la Vivienda* (National Housing Fund).
  - *Tax on financial transactions*: Revenues from taxes on financial transactions are allocated as follows: 70% to the Government; and 30% as provided in the 1988 Co-Participation Law.
  - *Monotributo* (self-employment tax): Revenue from the self-employment tax is divided into a tax component and a social security component. The tax component is allocated as follows: 70% to the national social security system and 30% as provided in the 1988 Co-Participation Law. The social security component is entirely allocated to the national social security system.

- *Fondo Federal Solidario* (Joint Federal Fund). In March 2009, the Government created the Joint Federal Fund for infrastructure expenditures in the provinces and municipalities, which is financed by 30% of the tax revenues from soy exports. These funds are distributed among the provinces according to the 1988 Co-Participation Law.

#### *Other Arrangements with the Provinces*

Since the late 1990s, the Government entered into different arrangements with the provinces to regularize their fiscal situation. Under these arrangements, the government provides financial assistance to the provinces in various forms and subject to various conditions. Some of these programs are highlighted below.

*Bogars.* Between 2002 and 2004, the Government restructured the debts of a number of provinces through a new bond, known as Bogar, which replaced the outstanding debt of provinces participating in this restructuring. These bonds (subject to indexation via CER) were issued by the Provincial Development Fund in an aggregate principal amount of Ps. 21.7 billion, and their payment is secured through a Government guarantee. The Government's guarantee is, in turn, secured through a pledge of the province's share of revenues from the tax on financial transactions and co-participation taxes. In practice, the Government deducted payments due by the Provinces under the Bogar from transfers of co-participation taxes to the provinces. As of December 31, 2012, Ps. 35.6 billion, or 94.6%, of Bogar were refinanced under the program established in 2010 to refinance the debt owed by the Provinces to the Government. The increase in the amount outstanding since the first refinancing, in December, 2012, was due to the CER indexation adjustments. See "Public Sector Finances—Fiscal Relations with the Provinces."

*Fiscal Responsibility Law.* The Fiscal Responsibility Law was enacted in 2004 and is only binding on those provinces and the City of Buenos Aires, that approved it. To date, 21 of the 23 provinces have approved the Fiscal Responsibility Law. In 2009, the City of Buenos Aires voluntarily abandoned the Fiscal Responsibility Law. This law implements important reforms to the fiscal framework for Argentina's national, provincial and municipal public sectors. Some of its key features include the following:

- the Government and the provinces must prepare annual fiscal programs for each upcoming year setting forth certain fiscal policies, targets and projections, and regularly publish their fiscal results on their respective websites;
- the growth rate of the primary expenditures of the national and provincial governments may not exceed the projected nominal GDP growth rate;
- the Government and the provinces must maintain balanced budgets;
- the Government and the provinces must create special anti-cyclical funds to reduce volatility in the fiscal cycle;
- the provinces may not incur debt service obligations in excess of 15% of provincial current revenues net of co-participation transfers to the municipal governments (other than in connection with expenditures for the promotion of economic activity, employment and social assistance). Any province in breach of this limit would be precluded, with certain exceptions, from incurring additional debt;
- the Government must commit to reduce its outstanding debt as a percentage of nominal GDP following its debt restructuring;
- the provinces must seek approval from the Government's Ministry of the Treasury to incur debt or issue guarantees; and
- the Ministry of the Treasury must base its approval of provincial debt issues or guarantees on the parameters set forth in the law.

The Fiscal Responsibility Law, however, does not implement any amendments to the revenue-sharing regime between the Government and the provinces (including the City of Buenos Aires).

Since 2009, Congress has approved amendments to the Fiscal Responsibility Law to grant flexibility to the fiscal regulation. This increased flexibility refers both to public expenditure growth and to the level of

financial results. In addition, the provinces may incur debt service obligations in excess of 15% of current provincial revenues net of co-participation transfers to the municipal governments during the relevant year. In light of the effects of the global financial crisis on provincial finances and the pressure on provincial governments to maintain provincial public spending at budgeted levels, these amendments seek to aid provincial governments in addressing their fiscal deficits.

## Social Security

### *Nationalization of the Pension Funds System*

On November 20, 2008, Congress approved Law No. 26,425, which took effect on December 9, 2008, and nationalized the private pension system. Under this law, the former private pension system was absorbed and replaced by the Argentine Integrated Pension System, structured as a “pay as you go” system. As a result, all of the resources administered by the private pension funds, including significant equity interests in a wide range of listed companies, were transferred to the separate fund, FGS, to be administered by the ANSES. The assets held in the FGS may only be used to make advances to the Government to cover unexpected budget deficits that prevent the Government (through ANSES) from honoring its obligation to make social security and pension payments through the Argentine Integrated Pension System. As of October 30, 2015, the total assets of the FGS amounted to Ps. 664.0 billion, representing a 576.0% nominal increase since its creation in 2008 and a 40.6% increase compared to December 31, 2014.

### *Social Security Framework*

ANSES is a self-governing entity with its own legal status, distinct from that of the National Government, and enjoys financial and economic autonomy.

Three separate institutions manage Argentina’s national public pension system:

- ANSES, which oversees the pension funds of the general public;
- the *Instituto de Ayuda Financiera para Pago de Retiros y Pensiones Militares* (Armed Forces Pension Fund), which manages a special pension fund for the armed forces; and
- the *Caja de Retiros, Jubilaciones y Pensiones de la Policía Federal* (Federal Police Pension Fund), which manages a special pension fund for federal law enforcement personnel.

A significant portion of ANSES’s investments portfolio includes government issued debt.

Between 1994 and 1996, the Government assumed responsibility for operating the provincial pension systems of 10 provinces and the City of Buenos Aires. The Government merged these provincial pension funds into ANSES.

The current public social security system provides the following main benefits for retirees and for eligible individuals:

- *Prestación básica universal* (Basic pension). ANSES provides a basic pension to all individuals who have paid social security contributions for a majority of their working lives and have reached retirement age, regardless of the amount of the contributions made. The amount of this benefit is fixed by law and bears no relation to the amount of the contributions.
- *Prestación compensatoria* (Compensatory pension). ANSES also provides a compensatory pension to recipients of the basic pension in proportion to any social security contributions made by or on behalf of such recipient prior to July 1994. The amount of this supplemental pension is determined based on an individual’s social security contributions and the length of time during which contributions were made.
- *Prestación adicional por permanencia* (Additional pension). Recipients of the basic pension and compensatory pension also receive an additional pension. The amount of this benefit is equivalent to 1.5% of the average yearly salary during the ten years before retirement, multiplied by each service year for which an individual made social security contributions.

- *Retiro por invalidez* (Disability retirement). Allowance granted to disabled individuals under the age of 65.
- *Jubilación por edad avanzada* (Pension for the elderly). Allowance granted to individuals over the age of 70 who do not qualify for a basic retirement pension.
- *Pensión por fallecimiento* (Death pension). Allowance granted to certain dependents of a deceased retiree, if at the time of the retiree's death, such dependents were unable to work due to a disability.
- Universal Child Allowance: ANSES provides a monthly pension of Ps. 837 per child under the age of 18 and Ps. 2,730 per disabled child (with no age limit) of workers in the informal sector of the economy, employees with income below the minimum monthly wage and the unemployed.
- *Asignación Universal por Embarazo* (Universal Pregnancy Allowance). ANSES provides a monthly allowance to pregnant women, who have no medical insurance, from the twelfth week of pregnancy.

In September 2014, the Government extended the social security system to cover individuals who had reached, or were within two years of reaching, the eligible age to collect such benefits but have not contributed to the system for the required number of years. This extension contributed to the 30.5% average increase in pensions during 2014. See “The Argentine Economy—Economic History and Background—Macri Administration: 2015 Present.”

Argentina's social security system also includes the following two unemployment programs:

- unemployment insurance that provides one-time or monthly benefits to terminated employees and their dependents who meet certain requirements; and
- the Heads of Households program, sponsored by the World Bank, under which unemployed heads of households receive benefit payments in exchange for community service. Heads of Households program beneficiaries may opt for a new plan called *Más y Mejor Empleo* (More and Better Jobs), as well as the *Seguro de Capacitación y Empleo* (Training and Employment Insurance) and the *Programa Familias por la Inclusión Social* (Families for Social Inclusion Program).

Currently, the national social security system is funded primarily through the following taxes:

- payroll taxes based on employee wages (usually 11% for employees and between 17% and 21% for employers, depending on the employer's line of business);
- mandatory employee contributions to the *Instituto Nacional de Servicios Sociales para Jubilados y Pensionados* (National Institute of Pensioner and Retiree Social Services) (equal to 3% of the employee's wages);
- the employee health system tax based on employee wages (3% for employees and 6% for employers); and
- the *monotributo* (self-employment tax) system applicable to self-employed individuals (under which amounts are determined on an individual basis according to assumed income ranges for various lines of work).

Other fiscal revenues currently allocated to cover costs of the social security system include the following:

- Ps. 120 million from income tax revenues plus an additional 20% of income tax revenues in excess of Ps. 580 million;
- 11% of VAT revenues;

- 100% of revenues from taxes on diesel fuel, kerosene and compressed natural gas, and 21% of revenues from taxes on naphtha and natural gas;
- 70% of revenues from the *monotributo* (self-employment tax); and
- 30% of gross revenues from privatizations.

Until recently, 15% of total tax revenues subject to the co-participation regime were also withheld by the Government to fund the social security system. See “—Fiscal Relations with the Provinces—Revenue Transfers.”

#### *Evolution of Social Security Revenues and Expenditures*

From 2011 to 2015, the social security system decreased its surplus from Ps. 16.2 billion to a deficit of Ps. 342.2 million. This deficit increase was primarily due to a net increase in social security expenditures. During this period, social security expenditures increased by 255%, primarily due to an increase in the number of beneficiaries and the automatic increase in benefit amounts provided under the *Ley de Movilidad Previsional* (Social Security Mobility Law).

*Social security revenues.* In 2011, social security revenues increased 33.9% as compared to 2010, from Ps. 102.5 billion in 2010 to Ps. 137.2 billion in 2011, primarily as a result of an increase in nominal wages paid to registered workers in the formal sector of the economy. In 2012, social security revenues increased 31.0% as compared to 2011 from Ps. 137.2 billion in 2011 to Ps. 179.8 billion, primarily as a result of an increase in nominal wages and the number of registered workers. In 2013, social security revenues increased 31.3% as compared to 2012 from Ps. 179.8 billion in 2012 to Ps. 236.1 billion, primarily as a result of an increase in nominal wages and the number of registered workers. In 2014, social security revenues increased 30.3% as compared to 2013 from Ps. 236.1 billion in 2013 to Ps. 307.7 billion. In 2015, social security revenues increased 35.6% as compared to 2014 from Ps. 307.7 billion to Ps. 417.1 billion.

*Social security expenditures.* Law No. 26,417 was enacted in October 2008 to address the mobility of public social security regimes. This law guarantees a minimum pension, which is adjusted semi-annually by reference to changes in both the wage index published by INDEC and tax revenues. In 2011, social security expenditures increased 33.0% to Ps. 175.1 billion as a result of further increases in pension payments to retirees. In 2012, social security expenditures increased 35.1% to Ps. 236.5 billion primarily as a result of increases in pension payments to retirees. In 2013, social security expenditures increased 33.1% to Ps. 314.8 billion primarily as a result of increases in pension payments to retirees. In 2014, social security expenditures increased 35.1% to Ps. 425.3 billion primarily as a result of increases in pension payments to retirees. In 2015, social security expenditures increased 29.9% to Ps. 552.6 billion primarily as a result of increases in pension payments to retirees.

## PUBLIC SECTOR DEBT

### Overview

Unless otherwise specified, all amounts of the Republic's outstanding securities included in this section "Public Debt" were calculated as of December 31, 2015.

The Republic's total gross public debt consists of foreign currency-denominated and peso-denominated debt owed directly by the Government and indirect debt consisting of Government guarantees of obligations of other national public institutions, the provinces (including the City of Buenos Aires) and private sector entities. It does not include direct debt of the provinces or other entities that is not guaranteed by the Government. Except where indicated, foreign currency-denominated debt and peso-denominated debt is comprised of performing and non-performing debt (including Untendered Debt). Untendered Debt has been defined to include unpaid principal plus accrued and unpaid interest at contractual rates through December 31, 2015 plus compensatory or default interest. In settling outstanding disputes with holdout creditors pursuant to the Settlement Proposal, the Republic took into consideration interest accrued after the originally scheduled maturity of each defaulted series of securities, as well as default interest. For information regarding the Republic's Settlement Proposal to settle all claims on the Untendered Debt, see "—Legal Proceedings."

As of December 31, 2015, Untendered Debt, as registered in the public accounts of the Ministry of the Treasury, totaled U.S.\$6.1 billion of past due principal amounts and principal that had not become due.

The Republic's total gross public debt, including Untendered Debt, for the years 2011 through 2015, was:

- U.S.\$197.2 billion, as of December 31, 2011;
- U.S.\$216 billion, as of December 31, 2012;
- U.S.\$223.4 billion, as of December 31, 2013;
- U.S.\$239.3 billion, as of December 31, 2014; and
- U.S.\$240.7 billion, as of December 31, 2015.

A significant portion of the Untendered Debt was subject to legal proceedings in courts of various international jurisdictions and monetary judgments against the Republic were entered in many proceedings. These monetary judgments include penalty interest and interest on interest depending on the applicable legislation of each jurisdiction. A significant portion of the Untendered Debt was settled following the Republic's Settlement Proposal.

As of December 31, 2015, the Republic's total gross public debt was U.S.\$ 240.7 billion. Peso-denominated debt totaled Ps. 960.1 billion (U.S.\$73.9billion), representing 30.7% of the Republic's total gross public debt, of which 6.7% corresponded to CER-index linked debt. Foreign currency-denominated debt totaled U.S.\$166.8 billion, representing 69.3 % of the Republic's total gross public debt, of which 45.4% was held by various public sector entities.

As of December 31, 2015, total gross public debt (including non-performing debt and Untendered Debt) by type of creditor was as follows:

- 78% of total gross public debt, or U.S.\$187.7 billion, primarily consisted of public bonds, National Guaranteed Loans, temporary advances from the Central Bank and promissory notes held by various public sector entities including the Central Bank, FGS, ANSES and the Banco de la Nación Argentina, which we refer to as "Public Debt held by National Public Sector Agencies."
- 30.7% of total gross public debt, or U.S.\$74.0 billion, was held by creditors other than public sector entities or other official sector creditors, which we collectively refer to as "Public Debt held by the Private Sector."



- 12.0% of total gross public debt, or U.S.\$29.0 billion, primarily consisted of obligations owed to multilateral credit organizations such as the World Bank, the IADB and CAF, as well as debt with the Paris Club, which we refer to as “Public Debt held by Other Creditors.”

As of December 31, 2015, total gross public debt (including non-performing debt and Untendered Debt) by type of instrument was as follows: 70.8%, or U.S.\$170.4 billion, in bonds; 13.8%, or U.S.\$33.2 billion temporary advances from the Central Bank and Treasury notes; 12.0%, or U.S.\$28.9 billion, in loans from multilateral and bilateral lenders; 2.5% or U.S.\$5.9 billion, in loans from commercial banks and suppliers; and 0.9%, or U.S.\$2.1 billion, in National Guaranteed Loans (after the exchanges of National Guaranteed Loans that occurred prior to October 2009. See “—Debt Management Following the 2001 Debt Crisis—Other Restructurings and Liability Management Transactions”).

As of December 31, 2015, non-performing debt (excluding Untendered Debt) totaled U.S.\$104.4 million, or 0.04% of total gross public debt, of which U.S.\$60.5 million represented non-performing debt not yet due and U.S.\$43.9 million corresponded to non-performing debt subject to restructuring or in arrears.

Between 2011 and 2015, the Government borrowed against freely available international reserves from the Central Bank to fund the repayment of public debt. Through a 2010 emergency decree, the Argentine Debt Repayment Fund) was established to fund the repayment of debt held by private creditors. Additionally, the Central Bank advanced funds to service debt with international financial institutions and bilateral official sector creditors. For each amount borrowed, the Central Bank receives a non-transferrable 10-year Treasury note. See “Monetary System—Foreign Exchange and International Reserves.”

The following table shows the amounts borrowed from the Central Bank specifically to fund the repayment of public debt for the periods indicated.

	2011	2012	2013	2014	2015
Payments to Official Sector	U.S.\$ 2.1	U.S.\$ 2.1	U.S.\$ 2.3	U.S.\$ 3.0	U.S.\$ —
Debt Repayment Fund	7.5	5.7	7.1	7.9	10.6
<b>Total</b>	<b>U.S.\$ 9.6</b>	<b>U.S.\$ 7.8</b>	<b>U.S.\$ 9.4</b>	<b>U.S.\$10.9</b>	<b>U.S.\$10.6</b>

(1) Temporary advances in local currency by the Central Bank to the Government are not included.

Source: Ministry of the Treasury.

## Debt Record

### Introduction

From time to time, the Republic carries out debt restructuring transactions in accordance with Section 65 of Law No. 24,156 and other applicable legislation. During the past 23 years, the Republic has entered into three restructurings of external and domestic debt in default: the Brady Plan, the 2005 Debt Exchange and the 2010 Debt Exchange. In 2001, in an effort to avoid a default, the Republic conducted a major voluntary exchange, referred to as the “Mega Canje,” of existing Government bonds for new bonds with longer maturities. However, the debt exchange provided only temporary relief and failed to contain the surge in the Government’s borrowing costs. In 2014, the Republic reached a settlement agreement with the members of the Paris Club, a group of official sector creditors, in connection with outstanding debt owed to Paris Club members on which the Republic had defaulted during the 2001-2002 economic crisis. See “—Debt Record—Paris Club.”

*The Brady Plan.* In April 1992, the Republic announced a refinancing agreement under the Brady Plan relating to medium- and long-term debt owed to commercial banks. The Brady Plan:

- applied to an estimated U.S.\$28.5 billion in debt, including an estimated U.S.\$9.3 billion in interest arrears. This amount represented over 96% of the commercial bank debt then outstanding; and
- effected a reduction of approximately U.S.\$3 billion in the nominal amount of the Republic’s foreign debt.

For further discussion of the Brady Plan, see “—Prior Debt Restructurings—The Brady Plan.”

### *2001 Debt Crisis, 2005 Debt Exchange and 2010 Debt Exchange*

On December 24, 2001, the Government (under the temporary administration of President Rodríguez Saá) declared a moratorium on a substantial portion of the Republic's public debt. President Duhalde, his successor, endorsed the moratorium when he took office several days later. The Public Emergency Law, enacted on January 6, 2002 (which has been extended until December 31, 2017), authorized the Government to take the measures necessary to create conditions for an economic recovery and to restructure the Republic's public debt.

On February 6, 2002, the Government issued Decree No. 256, which officially suspended payments on the Republic's public debt and authorized the Ministry of the Treasury to undertake a restructuring of these obligations. Subsequently, the Government issued Resolution No. 73 (April 2002), Resolution No. 350 (September 2002), Resolution No. 449 (October 2002) and Resolution No. 158 (March 2003), pursuant to which it refined the scope of the suspension of debt payments. As a result of these measures, the Government continued to meet its debt obligations to the following creditors:

- multilateral official lenders;
- creditors that agreed to the pesification of their National Guaranteed Loans;
- holders of new bonds (such as Boden) issued after the Government announced the suspension of debt payments; and
- certain other categories of public debt.

*2005 Debt Exchange.* In 2005, the Government offered to restructure public external and domestic debt affected by the 2001 moratorium pursuant to an exchange offer. The 2005 Debt Exchange:

- pertained to approximately U.S.\$81.8 billion of defaulted debt (including the nominal value of the eligible securities and accrued past-due interest accumulated as of December 31, 2001);
- did not recognize accrued past due interest accumulated from December 31, 2001 to December 31, 2003, which would have increased the amount of this portion of debt to at least U.S.\$102.6 billion; and
- resulted in the tendering of securities with an aggregate value of approximately U.S.\$62.3 billion, representing 76.2% of the aggregate value of eligible securities.

For further discussion of the 2005 Debt Exchange, see “—Debt Management Following the 2001 Debt Crisis—2005 Debt Exchange.”

*2010 Debt Exchange.* On April 30, 2010, the Republic extended a debt restructuring invitation (the “April Invitation”) to the holders of 149 different series of securities on which it had defaulted in 2001 to exchange such debt for 2033 Discount Bonds (2010), 2038 Par Bonds (2010), 2017 Globals, 2035 GDP-Linked Securities (2010) and, in certain cases, a cash payment. In December 2010, the Republic reopened the April Invitation in the domestic market (the “December Invitation”), and the December Invitation closed on December 31, 2010. In accordance with a contractual commitment contained in the securities issued in the 2005 Debt Exchange, which granted holders of such securities the right to participate in any offer by the Republic to repurchase, exchange or amend any of the Untendered Debt, the securities issued in the 2005 Debt Exchange were eligible to participate in the 2010 Debt Exchange. The aggregate eligible amount of securities in default tendered in the 2010 Debt Exchange, including the April Invitation, the December Invitation, and the offer conducted by the Republic in Japan concurrently with the April Invitation, totaled approximately U.S.\$12.4 billion, representing approximately 66.2% of the aggregate eligible amount of eligible securities. As a result of the 2005 and 2010 Debt Exchanges, the Republic restructured approximately 92% of the defaulted debt eligible for the 2005 and 2010 Debt Exchanges.

For further discussion of the 2010 Debt Exchange, see “—Debt Management Following the 2001 Debt Crisis—2010 Debt Exchange.”

### *Prior Debt Restructurings*

*Paris Club.* The Republic restructured debt due to members of the Paris Club, a group of sovereign creditors, through five separate agreements in 1985, 1987, 1989, 1991 and 1992. During the debt crisis that began in 2001, the Republic defaulted on its outstanding debt owed to Paris Club members. As of April 30, 2014, the total outstanding debt owed to members of the Paris Club amounted to U.S.\$9,690 million, which consisted of U.S.\$4,955 million in principal, U.S.\$1,102 million in interest and U.S.\$3,633 million in penalty interest. On May 29, 2014, the Republic reached a settlement agreement with the Paris Club to cancel the total outstanding debt in five years. Under the terms of the settlement agreement, the Republic made an initial principal payment of U.S.\$650 million in July 2014 and an additional principal payment of U.S.\$500 million in May 2015, in each case together with accrued and unpaid interest. The outstanding balance accrues interest at a rate of 3.00% per annum.

For further discussion of debt owed to Paris Club lenders, see “—Debt Owed to Financial Institutions—Bilateral Debt and Private Creditors’ Debt.”

*Commercial Banks.* In 1985 and 1987, the Republic negotiated the restructuring of U.S.\$34.7 billion in debt owed to international commercial bank creditors. In addition to the banks extending new loans in the aggregate amount of approximately U.S.\$3.0 billion, two bond issuances formed part of this restructuring: “new money bonds” and “alternative participation instruments,” or “APIs.” Interest payments to bank creditors were suspended in April 1988 and resumed on a partial basis until the refinancing of medium- and long-term commercial bank debt under the Brady Plan (as described below).

*The Brady Plan.* In April 1992, the Republic announced a refinancing agreement under the Brady Plan relating to medium- and long-term debt owed to commercial banks. The Brady Plan applied to an estimated U.S.\$28.5 billion in debt, including an estimated U.S.\$9.3 billion in interest arrears, representing over 96.0% of the commercial bank debt then outstanding. The Brady Plan effected a reduction of approximately U.S.\$3 billion in the nominal amount of the Republic’s foreign debt.

Over 96.0% of the commercial bank debt was refinanced pursuant to the Brady Plan. The Brady Plan provided for the issuance of par bonds, discount bonds and floating rate bonds, or “FRBs,” and a cash payout of U.S.\$700 million in exchange for previously outstanding commercial bank debt of U.S.\$28.5 billion, which included U.S.\$9.3 billion of interest in arrears.

The Republic serviced the Brady Bonds until its default in 2001. Approximately 95.7% of the then outstanding U.S. dollar-denominated Brady Bonds and 81.3% of the then-outstanding euro-denominated Brady Bonds were exchanged in the 2005 Debt Exchange.

As of December 31, 2015:

- U.S.\$418.3 million (including interest accrued at contractual rates but excluding penalty interest) of par Brady Bonds that had not been tendered in the 2005 and 2010 Debt Exchanges remained outstanding and consisted of: (i) U.S.\$235.5 million of past due principal amounts and principal that had not become due and (ii) U.S.\$182.8 million of past due interest amounts;
- U.S.\$113.7 million (including interest accrued at contractual rates but excluding penalty interest) of discount Brady Bonds that had not been tendered in the 2005 and 2010 Debt Exchanges remained outstanding and consisted of: (i) U.S.\$86.3 million of past due principal amounts and principal that had not become due and (ii) U.S.\$27.4 million of past due interest amounts; and
- U.S.\$38.6 million (including interest accrued at contractual rates but excluding penalty interest) of FRBs that had not been tendered in the 2005 and 2010 Debt Exchanges remained outstanding and consisted of: (i) U.S.\$36.5 million of past due principal amounts and principal that had not become due and (ii) U.S.\$2.1 million of past due interest amounts.

Principal payments and a portion of interest payments on the par and discount Brady Bonds are secured by collateral. For a description of these security arrangements, see “—Debt Management Following the 2001 Debt Crisis—Secured or Guaranteed Debt.”

## Debt Management Following the 2001 Debt Crisis

### *2005 Debt Exchange*

On January 14, 2005, the Republic invited holders of 152 different series of securities on which it had defaulted in 2001 to exchange their defaulted debt for 2038 Par Bonds, 2045 Quasi-Par Bonds, 2033 Discount Bonds and 2035 GDP-Linked Securities. The aggregate eligible amount of securities that were eligible to participate in the exchange (including principal of the eligible securities plus accrued but unpaid interest accumulated through December 2001) was approximately U.S.\$81.8 billion. The aggregate eligible amount of securities tendered in the 2005 Debt Exchange was (in each case together with past due interest) approximately U.S.\$62.3 billion, representing 76.2% of the aggregate eligible amount of eligible securities.

Depending on the security tendered and the time of tender, holders of eligible securities who participated in the 2005 Debt Exchange were entitled to receive, in exchange for their securities, different combinations of the following:

- the 2038 Par Bonds due December 31, 2038;
- the 2033 Discount Bonds due December 31, 2033;
- the 2045 Quasi-Par Bonds due December 31, 2045; and
- the 2035 GDP-Linked Securities with a notional amount of GDP-linked securities expiring no later than December 15, 2035.

Until December 31, 2014, participants in the 2005 Debt Exchange had the right to participate in any future offer by the Republic to repurchase, exchange or amend any of the Untendered Debt.

Mandatory repurchase clauses require the Republic to allocate defined amounts to the repurchase of bonds issued in the 2005 Debt Exchange and certain other indebtedness. In addition, the Republic is required to repurchase bonds issued in the 2005 Debt Exchange if the Republic's GDP exceeds a pre-established threshold.

The terms of the securities issued in the 2005 Debt Exchange were as follows.

The 2038 Par Bonds:

- were issued in an aggregate principal amount of U.S.\$15.0 billion;
- mature in 2038; and
- bear interest at fixed rates rising from 1.33% to 5.25% (for 2038 Par Bonds denominated in U.S. dollars), from 1.20% to 4.74% (for 2038 Par Bonds denominated in euros), from 0.24% to 0.94% (for 2038 Par Bonds denominated in Japanese yen), and from 0.63% to 2.48% (for 2038 Par Bonds denominated in pesos).

The 2033 Discount Bonds:

- were issued in an aggregate principal amount of U.S.\$11.9 billion;
- mature in 2033; and
- bear interest at a fixed rate of 8.28% (for 2033 Discount Bonds denominated in U.S. dollars), 7.82% (for 2033 Discount Bonds denominated in euros), 4.33% (for 2033 Discount Bonds denominated in Japanese yen), and 5.83% (for 2033 Discount Bonds denominated in pesos).

The 2045 Quasi-Par Bonds:

- were issued in an aggregate principal amount of Ps. 24.3 billion (approximately U.S.\$8.3 billion);
- mature in 2045; and

The terms of the securities issued in the 2010 Debt Exchange were as follows:

- 2035 GDP-Linked Securities (2010) denominated in U.S. dollars and pesos.
- 2017 Globals; and
- 2033 Discount Bonds (2010) denominated in U.S. dollars and pesos;

Holders of eligible securities who participated in the December Invitation were entitled to receive, in exchange for their securities, different combinations of the following:

- In December 2010, the Republic launched the December Invitation as a reopening of the April Invitation in the domestic market. The December Invitation closed on December 31, 2010.
- the 2035 GDP-Linked Securities (2010) expiring no later than December 2035 and denominated in U.S. dollars, euros, Japanese yen and pesos;
- the 2017 Globals due 2017 and denominated in U.S. dollars; and
- the 2038 Par Bonds (2010) due December 2038 and denominated in U.S. dollars, euros, Japanese yen and pesos;
- the 2033 Discount Bonds (2010) due December 2033 and denominated in U.S. dollars, euros, Japanese yen and pesos;

Holders of eligible securities who participated in either the April Invitation or in the offer conducted by the Republic in Japan concurrently with the April Invitation were entitled to receive, in exchange for their securities, different combinations of the following:

On April 30, 2010, the Republic launched the April Invitation, an invitation to holders of the securities issued in the 2005 Debt Exchange and of 149 different series of securities on which it had defaulted in 2001 to exchange such debt for the new securities described below and, in certain cases, a cash payment:

#### *2010 Debt Exchange*

Brady bondholders tendered Brady Bonds for an aggregate principal amount of approximately U.S.\$2.8 billion and €235 million and received their present value in cash from the redemption of the Brady Bonds' principal collateral.

The outstanding principal amount of all 2038 Par Bonds, 2033 Discount Bonds and 2045 Quasi-Par Bonds denominated in pesos is adjusted for inflation based on the CER, a unit of account whose value in pesos is indexed to consumer price inflation in Argentina, as measured by changes in the CPI. See "Presentation of Statistical and Other Information—Certain Methodologies" and Appendix A.

issued in the 2005 Debt Exchange through 2010, measured per unit of currency.

Security, cannot exceed 0.48 minus payments made under 2035 GDP-Linked Securities be paid during the life of the 2035 GDP-Linked Securities, per unit of 2035 GDP-Linked

are met relating to the performance of the Republic's GDP in such year, the total amount to

provide for payments in respect of any given reference year only if a number of conditions

•

• expire no later than December 15, 2035; and

• were issued originally as a single unit with the underlying 2038 Par Bonds, 2033 Discount Bonds and 2045 Quasi-Par Bonds;

• were issued in a notional amount of approximately U.S.\$62.3 billion;

The 2035 GDP-Linked Securities:

- bear interest at a fixed rate of 3.31%.

The 2038 Par Bonds (2010):

- were issued in an aggregate principal amount of approximately U.S.\$2.0 billion;
- mature in 2038; and
- bear interest at fixed rates rising from 2.50% to 5.25% (for 2038 Par Bonds (2010) denominated in U.S. dollars), from 2.26% to 4.74% (for 2038 Par Bonds (2010) denominated in euros), from 0.45% to 0.94% (for 2038 Par Bonds (2010) denominated in Japanese yen) and from 1.18% to 2.48% (for 2038 Par Bonds (2010) denominated in pesos).

The 2033 Discount Bonds (2010):

- were issued in an aggregate principal amount of approximately U.S.\$3.4 billion;
- mature in 2033; and
- bear interest at a fixed rate of 8.28% (for 2033 Discount Bonds (2010) denominated in U.S. dollars), 7.82% (for 2033 Discount Bonds (2010) denominated in euros), 4.33% (for 2033 Discount Bonds (2010) denominated in Japanese yen) and 5.83% (for 2033 Discount Bonds (2010) denominated in pesos).

The 2017 Globals:

- were issued in an aggregate principal amount of approximately U.S.\$950 million;
- mature in 2017; and
- bear interest at a fixed rate of 8.75%.

The 2035 GDP-Linked Securities (2010):

- were issued in a notional amount of approximately U.S.\$12.2 billion;
- expire no later than December 15, 2035; and
- provide for payments in respect of any given reference year only if a number of conditions relating to the performance of the Republic's GDP in such year are met; the total amount to be paid during the life of the 2035 GDP-Linked Securities (2010), per unit of 2035 GDP-Linked Security (2010), cannot exceed 0.48 minus payments made under 2035 GDP-Linked Securities issued in the 2005 Debt Exchange through 2010, measured per unit of currency.

The aggregate eligible amount of securities in default tendered in the 2010 Debt Exchange, totaled approximately U.S.\$12.4 billion, representing approximately 66.2% of the aggregate eligible amount of eligible securities.

#### *Brady Bond Invitation*

During December 2010, the Republic announced an invitation to the holders of the Brady Bonds, or the "Brady Invitation," to tender their Brady Bonds in exchange for a combination of 2033 Discount Bonds (2010), 2017 Globals, 2035 GDP-linked Securities (2010) and cash payment. The Brady Invitation was, however, subject to the requirement that the Court of Appeals affirm the lower court's ruling allowing the release, liquidation and transfer to the tendering holders of the proceeds of the collateral securing the tendered Brady Bonds. On July 20, 2011, the Court of Appeals reversed the lower court. As a result, on August 5, 2011, the Republic cancelled the Brady Invitation without accepting any tenders. All tenders under the Brady Invitation were automatically deemed rejected.

## The *Pari Passu* Litigation

Following the Republic's default on its debt at the end of 2001, certain of its creditors filed numerous lawsuits against the Republic in several jurisdictions, including the United States. For additional information regarding litigation in the United States, including the *pari passu* litigation and the Republic's Settlement Proposal to settle all claims on the Untendered Debt, see "Public Sector Debt—Legal Proceedings."

## Indirect Debt

The Government guarantees—in part or in full—principal and interest payments on certain debt obligations of the provinces and other national and private entities. A portion of these Government guarantees is secured by assets or tax receivables of the Government.

As of December 31, 2015, the Government guaranteed third-party obligations for an aggregate amount of U.S.\$2.5 billion (including past due principal and interest) as compared to U.S.\$2.8 billion as of December 31, 2014, consisting of the following obligations:

- U.S.\$1.6 billion in provincial debt (including the City of Buenos Aires), all of which was secured by assets of the issuer;
- U.S.\$0.9 billion in debt owed by public sector entities other than the Government (such as Banco de la Nación Argentina); and
- U.S.\$14.2 million in debt of private sector entities; none of these debts were secured by assets of the Republic.

On May 10, 2010, the Government created a federal program for the refinancing of provincial debt. See "Public Sector Finances—Fiscal Relations with the Provinces."

## Secured or Guaranteed Debt

Certain of the Government's debt obligations are secured by pledges of specific assets, including tax receivables and other forms of collateral. A description of these security arrangements follows:

*National Guaranteed Loans.* These peso-denominated loans are secured by a pledge of the Government's share of the revenue derived from the tax on financial transactions and co-participation taxes (i.e., taxes the Government is required to share with the provinces under the 1988 Co-Participation Law). As of December 31, 2015, the outstanding principal amount of National Guaranteed Loans was approximately U.S.\$2.1 billion. See "—Debt Management Following the 2001 Debt Crisis—Other Restructurings and Liability Management Transactions."

*Brady Bonds.* The full principal amount of par and discount Brady Bonds is secured, in the case of U.S. dollar-denominated bonds, by zero-coupon U.S. Treasury notes and, in the case of euro-denominated bonds (which were originally denominated in deutsche marks), by zero-coupon bonds issued by *Kreditanstalt für Wiederaufbau* (Germany's development bank). The collateral securing these bonds cannot be drawn upon until the maturity date of these bonds in 2023. As of December 31, 2015, the value of the collateral was U.S.\$191.2 million. A portion of the interest payable on Brady Bonds was also collateralized.

*Spanish Bonds.* In 1993, as part of the Brady restructuring, the Government issued unsecured bonds maturing in 2008 (instead of 30-year Brady Bonds) to Spanish banks. These bonds are guaranteed by the Spanish government, which performed under its guarantee following the Government's suspension of debt payments in 2001. In 2014, the Government settled on all amounts owed to the Spanish government for a total payment of U.S.\$93.7 million. As December 31, 2015, the amounts outstanding under these loans totaled U.S.\$82.5 million.

## Evolution of Public Debt

From 2011 through 2015, the Republic's total gross public debt (including Untendered Debt) increased by 22.1% from U.S.\$ 197.2 billion as of December 31, 2011 to U.S.\$240.7 billion as of December 31, 2015, mainly as a result of higher issuances than amortization payments, inflation adjustments and compounding interest. These factors were partially offset by the nominal depreciation of the euro, which reduced

euro-denominated debt when expressed in U.S. dollars, and the nominal depreciation of the peso, which reduced peso-denominated debt when expressed in U.S. dollars.

As of December 31, 2015, foreign currency-denominated debt represented 69.3% of total gross public debt compared to 67.4% of total gross public debt as of December 31, 2014. The increase in foreign currency-denominated debt as of December 31, 2015 as compared to December 31, 2014 was mainly due to the issue of U.S.\$5.8 billion of bonds in connection with the compensation of Repsol for the nationalization of 51% of the shares of YPF.

From 2011 to 2015, the Republic had limited access to international capital markets and as a result, most of the new debt incurred in this period represented domestic debt issued in pesos and U.S. dollars. Moreover, during this period, a substantial portion of the domestic debt issued by the Government was acquired by the public sector. As of December 31, 2015, 57.2% of the Republic's total public debt was held by public sector. In addition, 45.3% of the Republic's total foreign currency-denominated debt was held by public sector as of December 31, 2015.

The following table sets forth information on the Republic's total gross public debt as of the dates indicated.



**Total Gross Public Debt<sup>(1)</sup>**  
(in millions of U.S. dollars)

	2011	2012	2013	2014	2015
<b>Peso-denominated Debt:<sup>(2)</sup></b>					
Performing	U.S.\$ 71,324	U.S.\$ 80,960	U.S.\$ 77,152	U.S.\$ 77,876	U.S.\$ 73,819
Non-performing debt not yet due <sup>(3)</sup>	105	92	—	—	—
Non-performing principal arrears	7	6	5	4	3
Non-performing interest arrears	1	—	—	—	—
Untendered Debt	154,0	148,1	111,9	106,6	81,2
Total peso-denominated debt	71,591	81,207	77,269	77,987	73,903
As a % of total gross public debt	36.3%	37.4%	34.6%	32.6%	30.7%
<b>Foreign currency-denominated debt:<sup>(4)</sup></b>					
Performing	101,035	110,071	119,330	143,763	148,780
Non-performing debt not yet due <sup>(3)</sup>	257	232	213	60	60
Non-performing principal arrears	5,188	5,065	4,901	36	33
Non-performing interest arrears	1,047	1,037	1,030	9	8
Non-performing compensatory interest	3,024	3,268	3,504	0	0
Untendered Debt	15,013	16,040	17,194	17,471	17,881
Total foreign currency-denominated debt	125,564	135,714	146,171	161,338	166,762
As a % of total gross public debt	63.7%	62.6%	65.4%	67.4%	69.3%
<b>Total gross public debt (including arrears)<sup>(5)</sup></b>	<b>197,154</b>	<b>216,920</b>	<b>223,440</b>	<b>239,325</b>	<b>240,665</b>
Collateral and other credits	(11,229)	(9,372)	(7,136)	(1,734)	(7,723)
<b>Total public debt less collateral and other credits (including arrears)<sup>(5)</sup></b>	<b>185,926</b>	<b>207,548</b>	<b>216,304</b>	<b>237,591</b>	<b>232,942</b>
<i>Memorandum items:</i>					
Total gross public debt (including arrears) as a % of GDP <sup>(7)</sup>	38.7%	40.2%	43.3%	44.4%	53.6%
Total gross public debt (including arrears) as a % of annual Government revenues	196.4%	196.2%	205.8%	205.2%	241.0%
Exchange rate <sup>(8)</sup>	4.30	4.92	6.52	8.55	13.01
CER <sup>(8)</sup>	2.88	3.18	3.52	4.38	5.04

(1) Total debt was calculated using the exchange rate at the end of each period.

(2) Includes public debt denominated in local currency (public bonds, National Guaranteed Loans, Bogars (except for 2014 and 2015), temporary advances from the Central Bank, Treasury notes, commercial-bank debt, promissory notes and others). Includes debt instruments initially issued in U.S. dollars but converted into pesos. For a list of these instruments, see "Debt Management Following the 2001 Debt Crisis." Beginning in 2014, Bogars are not included in the total gross public debt.

(3) For a definition of non-performing debt, see "Certain Defined Terms and Conventions—Certain Defined Terms."

(4) Includes public debt denominated in foreign currencies (multilateral and bilateral debt, public bonds, commercial-bank debt and others).

(5) Untendered Debt has been defined to include unpaid principal plus accrued and unpaid interest at contractual rates through December 31, 2015 plus penalty or default interest. In settling outstanding disputes with holdout creditors pursuant to the Settlement Proposal, the Republic took into consideration interest accrued after the originally scheduled maturity of each defaulted series of securities, as well as default interest. For information regarding the Republic's Settlement Proposal to settle all claims on the Untendered Debt, see "Legal Proceedings."

(6) Includes collateral and other credits representing an obligation from the main obligor to reimburse the Republic for amounts paid.

(7) GDP figures are expressed in nominal terms.

(8) Exchange rate and CER used to calculate public debt totals for end of each period.

n.a. = not available.

Source: INDEC and Ministry of the Treasury.

In 2011, the Republic's total gross public debt increased by 8.6% to U.S.\$197.2 billion (38.7% of nominal GDP). The increase in total gross public debt was primarily a result of:

- the issuance of U.S.\$25.7 billion in peso-denominated debt;
- the issuance of U.S.\$22.4 billion in foreign currency-denominated debt;
- compounding of U.S.\$1.3 billion in interest; and
- CER linked debt adjustments of U.S.\$0.4 billion.

These factors were partially offset by principal payments that totaled U.S.\$27.2 billion and exchange rate fluctuations that reduced debt by U.S.\$2.9 billion.

In 2012, the Republic's total gross public debt increased 10.0% to U.S.\$216.9 billion (40.2% of nominal GDP). The increase in total gross public debt was primarily a result of:

- the issuance of U.S.\$36.8 billion in peso-denominated debt;
- the issuance of U.S.\$16.2 billion in foreign currency-denominated debt; and
- compounding of U.S.\$1.1 billion in interest

These factors were partially offset by principal payments that totaled U.S.\$28.4 billion, exchange rate fluctuations that reduced debt by U.S.\$5.3 billion and CER linked debt adjustments of U.S.\$1.2 billion.

In 2013, the Republic's total gross public debt increased by 3.0% to U.S.\$223.4 billion (43.3% of nominal GDP). The increase in total gross public debt was primarily a result of:

- the issuance of U.S.\$41.6 billion in peso-denominated debt;
- the issuance of U.S.\$15.4 billion in foreign currency-denominated debt; and
- compounding of U.S.\$1.1 billion in interest.

These factors were partially offset by principal payments that totaled U.S.\$33.8 billion, exchange rate fluctuations that reduced debt by U.S.\$13.3 billion and CER linked debt adjustments of U.S.\$5.7 billion.

In 2014, the Republic's total gross public debt increased by 7.1% to U.S.\$239.3 billion (44.4% of nominal GDP). The increase in total gross public debt was primarily a result of:

- the issuance of U.S.\$57.0 billion in peso-denominated debt;
- the issuance of U.S.\$36.9 billion in foreign currency-denominated debt; and
- compounding of U.S.\$0.03 billion in interest.

These factors were partially offset by principal payments that totaled U.S.\$52.8 billion, exchange rate fluctuations that reduced debt by U.S.\$15.3 billion, inflation adjustments of U.S.\$1.2 billion and a methodological adjustment that excluded obligations due between 2018 and 2020 under Bogar by a total of U.S.\$5.6 billion.

In 2015, the Republic's total gross public debt increased by 0.6% to U.S.\$240.7 billion. The increase in total gross public debt was primarily a result of:

- the issuance of U.S.\$61.8 billion in peso-denominated debt; and
- the issuance of U.S.\$33.8 billion in foreign currency-denominated debt.

These factors were partially offset by principal payments that totaled U.S.\$62.6 billion, exchange rate fluctuations that reduced debt by U.S.\$26.9 billion and CER linked debt adjustments of U.S.\$5.1 billion.

The following table sets forth information on intra-public sector issuances between January 1, 2011 and December 31, 2015, which provided new financing to the Treasury.

**Intra-Public Sector Issuances<sup>(1)</sup>**  
(in millions of U.S. dollars)

	For the year ended December 31,				
	2011	2012	2013	2014	2015
<b>Temporary advances<sup>(2)</sup></b>	U.S.\$15,985	U.S.\$27,150	U.S.\$24,567	U.S.\$28,068	U.S.\$32,181
Peso-denominated debt	15,985	27,150	24,567	28,068	32,181
Foreign currency-denominated debt	—	—	—	—	—
<b>Nontransferable notes Central Bank</b>	9,625	7,758	9,425	10,940	10,640
Peso-denominated debt	—	—	—	—	—
Foreign currency-denominated debt <sup>(3)</sup>	9,625	7,758	9,424	10,940	10,640
<b>Treasury notes</b>	1,366	3,262	1,143	5,293	6,437
Peso-denominated debt <sup>(4)</sup>	1,253	2,680	548	4,672	5,796
Foreign currency-denominated debt <sup>(5)</sup>	113	582	595	621	641
<b>Loans from BNA</b>	3,236	3,695	3,668	2,307	3,506
Peso-denominated debt <sup>(6)</sup>	3,244	3,695	3,501	2,307	3,506
Foreign currency-denominated debt	—	—	—	—	—
<b>Bonars</b>	2,815	1,259	7,411	3,437	2,527
Peso-denominated debt <sup>(7)</sup>	217	—	7,411	2,537	1,070
Foreign currency-denominated debt <sup>(8)</sup>	2,599	1,259	—	900	1,456
<b>Bonads</b>	—	—	—	347	2,157
Peso-denominated debt <sup>(9)</sup>	—	—	—	347	2,157
Foreign currency-denominated debt	—	—	—	—	—
<b>Promissory notes</b>	—	152	—	—	1,140
Peso-denominated debt <sup>(10)</sup>	—	152	—	—	1,140
Foreign currency-denominated debt	—	—	—	—	—
<b>Bonacs</b>	—	—	—	—	457
Peso-denominated debt <sup>(11)</sup>	—	—	—	—	457
Foreign currency-denominated debt	—	—	—	—	—
<b>2033 Discount Bonds</b>	5,140	—	—	—	—
Peso-denominated debt	—	—	—	—	—
Foreign currency-denominated debt <sup>(12)</sup>	5,140	—	—	—	—
<b>Total Argentine securities issued</b>	<u>U.S.\$38,167</u>	<u>U.S.\$43,276</u>	<u>U.S.\$46,213</u>	<u>U.S.\$50,391</u>	<u>U.S.\$59,045</u>

(1) The figures in the table show the amount in U.S. dollars of financings entered into with Argentine public agencies, which provided new financing to the Treasury in each of the periods indicated in the table. The total amount for each period set forth in the table does not purport to show the outstanding amount with respect to such financings as of any specified date, but rather purports to show the total amount in U.S. dollars of such financings between January 1 and December 31 for each of the years in the period 2011 to 2015.

(2) Financing from the Central Bank.

(3) Includes nontransferable notes issued to the Central Bank. The applicable rate of these notes is the lesser of LIBOR minus 1% and the yield of international reserves and maturity dates between January 3, 2016 and June 1, 2025.

(4) Treasury notes with an interest rate ranging from 0% to 18.5% and maturity dates between February 2, 2011 and November 30, 2017.

(5) Treasury notes with an interest rate ranging from 0% to 5% and maturity dates between February 2, 2011 and December 5, 2016.

(6) These loans bear interest at an annual floating rate equal to BADLAR plus 100 basis points. Principal will amortize in 24 consecutive monthly installments starting on the fifth business day of January 2011, 2012, 2013, 2014, 2015 and 2016, and March 2016, or the fifth business day of the month following 6 months of disbursement to be met, and thereafter on the fifth business day of each month.

(7) Bonars with an interest rate ranging from BADLAR plus 325 basis points to BADLAR plus 200 basis points and maturity dates between March 18, 2016, and December 23, 2020.

(8) Bonars with a fixed interest rates ranging from 7% to 9% and maturity dates between April 17, 2017 and May 7, 2024.

(9) Bonads with a fixed interest rate ranging from 0.75% to 2.50% and maturity dates February 22, 2017 and June 4, 2018.

(10) Promissory notes with a maturity date on February 28, 2016 and March 8, 2016.

(11) Bonacs with a floating interest rate (LEBACs and others) and maturity dates March 31, 2016 and September 30, 2016.

(12) Amortizing bond with an 8.3% interest rate and maturity in December 31, 2033.

Source: Ministry of the Treasury.

*Debt by Interest Rate*

The following tables set forth information on the Republic's total gross public debt by type of interest rates.

**Total Gross Public Debt by Type of Interest Rate<sup>(1)</sup>**  
(in millions of U.S. dollars)

	As of December 31,				
	2011	2012	2013	2014	2015
Fixed rate <sup>(2)</sup>	116,901.2	124,713.5	117,321.9	116,641.2	127,622.0

	As of December 31,				
	2011	2012	2013	2014	2015
Variable rate	64,224.7	65,133.6	76,032.3	89,626.8	85,427.2
BADLAR	16,883.5	18,513.7	18,478.1	21,378.0	18,573.9
LIBOR	16,455.5	8,070.3	9,225.8	9,667.7	9,910.3
LIBOR minus 1% <sup>(1)</sup>	25,724.5	33,482.1	-42,907.1	53,846.9	48,387.8
IADB	-434.4	295.2	398.3	556.4	298.8
Term deposit interest rate <sup>(4)</sup>	0.0	0.0	0.0	0.0	0.0
Others <sup>(5)</sup>	-4,726.8	-4,772.4	5,023.0	4,177.8	8,256.4
Zero rate <sup>(6)</sup>	16,028.4	27,073.0	30,084.8	33,058.2	27,615.9
<b>Total gross public debt</b>	<b>197,154.3</b>	<b>216,920.1</b>	<b>223,439.0</b>	<b>239,326.1</b>	<b>240,665.0</b>

(1) Includes past due principal and interest

(2) Includes bonds, the principal amount of which is adjusted for inflation in the Republic as measured by CER. The amount of such CER-linked debt (including past due principal and interest payments) was U.S.\$16.0 billion as of December 31, 2015

(3) Nontransferable notes issued to the Central Bank (BCRA 2016, 2020, 2021, 2022, 2023, 2024 and 2025), which were issued as compensation for the cancellation of debt with the IMF, private debt holders, multilateral agencies and bilateral lenders. The applicable rate of these notes is the minimum of LIBOR minus 1% and the yield of international reserves

(4) Daily average for peso and dollar term deposits as reported by the Central Bank

(5) Includes savings accounts interest rate and others

(6) Includes temporary advances from the Central Bank and promissory notes. As of December 31, 2015, the aggregate amount outstanding under temporary advances from the Central Bank was U.S.\$25.5 billion. As of December 31, 2014, the amount of temporary advances from the Central Bank was U.S.\$29.4 billion. As of December 31, 2013, the amount of temporary advances from the Central Bank was U.S.\$28.0 billion and the amount of promissory notes in foreign currency was U.S.\$130 million. As of December 31, 2012, the amount of temporary advances from the Central Bank was U.S.\$26.0 billion and the amount of promissory notes in foreign currency was U.S.\$130 million. As of December 31, 2011, the amount of temporary advances from the Central Bank was U.S.\$15.6 billion and the amount of promissory notes in foreign currency was U.S.\$502 million.

Source: Ministry of the Treasury.

#### Total Gross Public Debt by Type of Interest Rate<sup>(1)</sup> (as a percentage of total gross public debt)

	As of December 31,				
	2011	2012	2013	2014	2015
Fixed rate <sup>(2)</sup>	59.3%	57.5%	52.5%	48.7%	53.0%
Variable rate	32.6%	30.0%	34.0%	37.4%	35.5%
BADLAR	8.6%	8.5%	8.3%	8.9%	7.7%
LIBOR	8.3%	3.7%	4.1%	4.0%	4.1%
LIBOR minus 1% <sup>(3)</sup>	13.0%	15.4%	19.2%	22.5%	20.1%
IADB	0.2%	0.1%	0.2%	0.2%	0.1%
Term deposit interest rate <sup>(4)</sup>	0.0%	0.0%	0.0%	0.0%	0.0%
Others <sup>(5)</sup>	2.4%	2.2%	2.2%	1.7%	3.4%
Zero rate <sup>(6)</sup>	8.1%	12.5%	13.5%	13.8%	11.5%
<b>Total gross public debt</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

(1) Includes past due principal and interest

(2) Includes bonds, the principal amount of which is adjusted for inflation in the Republic as measured by CER. The amount of such CER-linked debt (including past due principal and interest payments) was U.S.\$16.0 billion as of December 31, 2015

(3) Nontransferable notes issued to the Central Bank (BCRA 2016, 2020, 2021, 2022, 2023, 2024 and 2025), which were issued as compensation for the cancellation of debt with the IMF, private debt holders, multilateral agencies and bilateral lenders. The applicable rate of these notes is the minimum of LIBOR minus 1% and the yield of international reserves

(4) Daily average for peso and dollar term deposits as reported by the Central Bank

(5) Includes savings accounts interest rate and others

(6) Includes temporary advances from the Central Bank and promissory notes. As of December 31, 2015, the amount of temporary advances from the Central Bank was U.S.\$25.5 billion. As of December 31, 2014, the amount of temporary advances from the Central Bank was U.S.\$29.4 billion. As of December 31, 2013, the amount of temporary advances from the Central Bank was U.S.\$28.0 billion and the amount of promissory notes in foreign currency was U.S.\$130 million. As of December 31, 2012, the amount of temporary advances from the Central Bank was U.S.\$26.0 billion and the amount of promissory notes in foreign currency was U.S.\$130 million. As of December 31, 2011, the amount of temporary advances from the Central Bank was U.S.\$15.6 billion and the amount of promissory notes in foreign currency was U.S.\$502 million.

Source: INDEC and Ministry of the Treasury.

As of December 31, 2015, the composition of the public debt (excluding Untendered Debt) by interest rate included:

- fixed rate peso-denominated debt, such as 2045 Quasi-Par Bonds, 2033 Discount Bonds, National Guaranteed Loans, Treasury notes, 2038 Par Bonds, Bonad 2016, Bonad 2017, Bonad 2018 and Bocones;

- fixed rate foreign currency-denominated debt, such as 2038 Par Bonds, 2033 Discount Bonds, Bonar X, Bonar XVIII, Bonar XIX, Bonar XXIV, Bonar XX, Bonar XVI, Bonar XXII, Bonar XXV, Bonar XXVII, Baade, bilateral debt, multilateral debt and Treasury notes;
- zero rate peso-denominated debt, such as temporary advances from the Central Bank, Treasury notes and Promissory Notes;
- zero rate foreign currency-denominated debt, such as promissory notes, Treasury notes and multilateral debt;
- floating rate peso-denominated debt, such as Treasury notes, Bonar Pesos 2016, Bonar Pesos 2017, Bonar Pesos 2018, Bonar Pesos 2019, Bonar Pesos 2020, Promissory Notes Pesos 2019, Bonacs 2016, Bocones, loans from Banco de la Nación Argentina, Treasury bonds due 2016 and all debt issued at BADLAR, savings, LIBACs or term deposit interest rates; and
- floating rate foreign currency-denominated debt, such as LIBOR rate instruments including loans from multilateral organizations and bilateral debt, nontransferable issued to the Central Bank (BCRA 2021, 2022, 2023 and 2024, in compensation for advances applied to cancel the debt with private creditors, multilateral organizations and bilateral lenders), a portion of the bilateral debt and IADB rate loans.

#### *Maturity Profile*

For purposes of its debt maturity profile, the Republic divides its debt into three categories: short-term debt, medium- and long-term debt, arrears and Untendered Debt. Principal and interest arrears, having already matured, are not included in the amount of short-term or medium- and long-term debt but are included in the total amount of debt outstanding. Compensatory and default interest and Untendered Debt are also included in the total amount of debt.

The following tables set forth the Republic's total public debt by term as of the dates indicated.

**Total Gross Public Debt by Term  
(in millions of U.S. dollars)**

	As of December 31,									
	2011		2012		2013		2014		2015	
Short-term <sup>(1)</sup>	U.S.\$	17,518	U.S.\$	31,272	U.S.\$	31,737	U.S.\$	38,135	U.S.\$	33,204
Medium-term and long-term <sup>(2)</sup>		155,204		160,083		164,957		183,564		189,455
Arrears:										
Principal		5,194		5,071		4,906		40		36
Interest		1,047		1,038		1,030		9		8
Compensatory Interest (3)		3,024		3,268		3,504		0		0
Total arrears		9,266		9,377		9,440		49		44
Untendered Debt (4)		15,167		16,188		17,305		17,578		17,962
Total gross public debt		197,154		216,920		223,439		239,326		240,665

- (1) Debt with original maturity of one year or less  
(2) Debt with original maturity of more than one year  
(3) Compensatory interest is estimated by reference to contractual rates  
(4) Amounts include Untendered Debt. For information regarding the Republic's Settlement Proposal to settle all claims on the Untendered Debt, see "—Legal Proceedings."

Source: Ministry of the Treasury

**Total Gross Public Debt by Term  
(as a percentage of total gross public debt)**

	As of December 31,									
	2011		2012		2013		2014		2015	
Short-term <sup>(1)</sup>		8.9%		14.4%		14.2%		15.9%		13.8%
Medium-term and long-term <sup>(2)</sup>		78.7		73.8		73.8		76.7		78.7
Arrears:		—		—		—		—		—
Principal		2.6		2.3		2.2		—		—
Interest		0.5		0.5		0.5		—		—
Compensatory Interest(3)		1.5		1.5		1.6		—		—
Total arrears		4.7		4.3		4.2		—		—
Untendered Debt(4)		7.7		7.5		7.7		7.3		7.5
Total gross public debt <sup>(1)</sup>		100.0%		100.0%		100.0%		100.0%		100.0%

- (1) Debt with original maturity of one year or less  
(2) Debt with original maturity of more than one year  
(3) Compensatory interest is estimated by reference to contractual rates  
(4) Amounts include Untendered Debt. For information regarding the Republic's Settlement Proposal to settle all claims on the Untendered Debt, see "—Legal Proceedings."

Source: Ministry of the Treasury

The Republic's short-term debt increased to 13.8% of total gross public debt as of December 31, 2015 from 8.9% as of December 31, 2011, primarily due to the increase in temporary advances from the Central Bank from U.S.\$15.6 billion in 2011 to U.S.\$25.5 billion in 2015.

In 2015, the Republic's short-term debt decreased by 12.9% to U.S.\$33.2 billion from U.S.\$38.1 billion in 2014. This decrease was primarily due to:

- a decrease in temporary advances from the Central Bank from U.S.\$29.4 billion in 2014 to U.S.\$25.5 billion in 2015, as a result of the effect of the devaluation of the peso on peso-denominated loans made in accordance with the Central Bank's amended charter, which permits short-term advances to the Government in an amount at any given point in time of up to 20% of the revenue that the Government recorded in the previous twelve months (10% for ordinary advances and an additional 10% for extraordinary loans) plus 12% of the monetary base;
- the effect of the devaluation of the peso on the peso-denominated Treasury notes, including those issued to the *Fondo Fiduciario del Programa de Crédito Argentino del Bicentenario para la Vivienda Única Familiar* (Trust Fund for the Argentine Credit Program for the Single Family Housing) (PRO.CRE.AR), *Fondo Fiduciario de Reconstrucción de Empresas* (Trust Fund for the Reconstruction of Companies) and *Instituto Nacional de Servicios Sociales para*

*Jubilados y Pensionados* (National Institute of Social Services for Retirees), among others, from U.S.\$8.7 billion in 2014 to U.S.\$7.7 billion in 2015.

The Republic's medium- and long-term debt decreased in relative terms at 85.1% of total gross public debt (excluding non-performing and Untendered Debt) as of December 31, 2015 compared to 89.9% of total gross public debt as of December 31, 2011, but increased in absolute terms by U.S.\$34.3 billion to U.S.\$189.5 billion as of December 31, 2015 from U.S.\$155.2 billion as of December 31, 2011, primarily due to:

- higher issuances than amortization payments;
- debt issuances in connection with the 2010 Debt Exchange;
- inflation adjustments; and
- compounding interest.

These factors were partially offset by the nominal depreciation of the euro, which reduced euro-denominated debt when expressed in U.S. dollars, the nominal depreciation of the peso, which reduced peso-denominated debt when expressed in U.S. dollars.

*Distribution of Total Gross Public Debt by Type of Creditor*

The following tables set forth information relating to the Republic's performing and non-performing public debt (including Untendered Debt) by creditor.

**Total Gross Performing and Non-Performing Public Debt by Creditor**  
(in millions of U.S. dollars)

	As of December 31,									
	2011		2012		2013		2014		2015	
<b>Performing debt</b>										
Medium-term and long-term debt										
Official debt:										
Multilateral debt										
Inter-American Development Bank	U.S.\$	10,650	U.S.\$	10,766	U.S.\$	10,994	U.S.\$	11,341	U.S.\$	11,207
World Bank		5,555		5,626		6,122		6,007		5,852
Corporación Andina de Fomento		1,625		1,851		2,191		2,419		2,590
FONPLATA		77		63		53		53		81,8
European Investment Bank		17		14		9		5		—
International Fund for the Development of Agriculture		10		15		25		32		38
Total multilateral debt		17,935		18,335		19,394		19,857		19,768
Paris Club								8,124		7,272
Bilateral debt		1,213		677		615		1,059		1,994
Total bilateral debt		1,213		677		615		9,183		9,266
Total official debt		19,148		19,011		20,009		29,040		29,034
Suppliers		1,489		1,811		1,565		1,262		1,898
Commercial banks		6,525		7,213		6,005		4,282		3,923
Bonds										
Peso-denominated bonds		35,080		33,398		32,618		34,332		34,512
Foreign currency-denominated bonds		79,571		86,915		95,942		111,711		117,952
Total bonds		114,651		120,313		128,559		146,043		152,463
National Guaranteed Loans		4,121		3,753		3,035		2,877		2,076
Bogars		8,907		7,657		5,571		—		—
Total medium-term and long-term debt		154,841		159,759		164,744		183,504		189,395
Short-term debt:										
Treasury notes		1,833		5,244		3,679		8,732		7,687
Temporary advances from the Central Bank		15,597		25,972		28,002		29,402		25,517
Promissory notes		88		56		56		—		—
Total short-term debt		17,518		31,272		31,737		38,135		33,204
Total performing debt		172,359		191,031		196,481		221,639		222,599
<b>Non-performing debt<sup>(1)</sup></b>										
Non-performing debt not yet due										
Medium-term and long-term debt										
Bilateral debt <sup>(2)</sup>		196		172		152		—		—
Suppliers		105		92		—		—		—
Commercial banks		61		60		60		60		60
Total non-performing debt not yet due		362		324		213		60		60
Non-performing principal and interest arrears										
Paris Club		3,150		3,113		3,074		—		—
Other bilateral debt		2,369		2,266		2,182		—		—
Commercial banks		640		648		667		38		34
Suppliers		82		82		13		11		10
Compensatory interest		3,024		3,268		3,504		—		—
Total non-performing principal and interest arrears		9,266		9,377		9,440		49		44
Total non-performing debt		9,628		9,701		9,653		109		104
Untendered Debt		15,167		16,188		17,305		17,578		17,962
Total gross public debt including arrears <sup>(3)</sup>		197,154		216,920		223,439		239,326		240,665

(1) For a definition of non-performing debt, see "Certain Defined Terms and Conventions—Certain Defined Terms"

(2) Bilateral debt is debt with sovereign governments

(3) Figures include Untendered Debt. For information regarding the Republic's Settlement Proposal to settle all claims on the Untendered Debt, see "—Legal Proceedings"

Source: Ministry of the Treasury



**Total Gross Performing and Non-Performing Public Debt by Creditor**  
(as a % of total gross public debt)

	As of December 31,				
	2011	2012	2013	2014	2015
<b>Performing debt</b>					
Medium-term and long-term debt					
Official debt					
Multilateral debt					
Inter-American Development Bank	5.4%	5.0%	4.9%	4.7%	4.7%
World Bank	2.8%	2.6%	2.7%	2.5%	2.4%
Corporacion Andina de Fomento	0.8%	0.9%	1.0%	1.0%	1.1%
FONPLATA	0.0%	0.0%	0.0%	0.0%	0.0%
European Investment Bank	0.0%	0.0%	0.0%	0.0%	0.0%
International Fund for the Development of Agriculture	0.0%	0.0%	0.0%	0.0%	0.0%
Total multilateral debt	9.1%	8.5%	8.7%	8.3%	8.2%
Paris Club	0.0%	0.0%	0.0%	3.4%	3.0%
Bilateral debt	0.6%	0.3%	0.3%	0.4%	0.8%
Total bilateral debt	0.6%	0.3%	0.3%	3.8%	3.9%
Total official debt	9.7%	8.8%	9.0%	12.1%	12.1%
Suppliers	0.8%	0.8%	0.7%	0.5%	0.8%
Commercial banks	3.3%	3.3%	2.7%	1.8%	1.6%
Bonds					
Peso-denominated bonds	17.8%	15.4%	14.6%	14.3%	14.3%
Foreign currency-denominated bonds	40.4%	40.1%	42.9%	46.7%	49.0%
Total bonds	58.2%	55.5%	57.5%	61.0%	63.4%
National Guaranteed Loans	2.1%	1.7%	1.4%	1.2%	0.9%
Bogars	4.5%	3.5%	2.5%	0.0%	0.0%
Total medium-term and long-term debt	78.5%	73.6%	73.7%	76.7%	78.7%
Short-term debt					
Treasury notes	0.0%	2.4%	1.6%	3.6%	3.2%
Temporary advances from the Central Bank	7.0%	12.0%	12.5%	12.3%	10.6%
Promissory notes	0.0%	0.0%	0.0%	0.0%	0.0%
Total short term debt	8.0%	14.4%	14.2%	15.9%	13.8%
Total performing gross public debt	87.4%	88.1%	87.9%	92.6%	92.5%
Non-performing debt <sup>(1)</sup>					
Non-performing debt not yet due					
Medium-term and long-term debt					
Bilateral debt <sup>(2)</sup>	0.1%	0.1%	0.1%	0.0%	0.0%
Suppliers	0.1%	0.0%	0.0%	0.0%	0.0%
Commercial banks	0.0%	0.0%	0.0%	0.0%	0.0%
Total non-performing debt not yet due	0.2%	0.1%	0.1%	0.0%	0.0%
Non-performing principal and interest arrears					
Paris Club	1.6%	1.4%	1.4%	0.0%	0.0%
Other bilateral debt	1.2%	1.0%	1.0%	0.0%	0.0%
Commercial banks	0.3%	0.3%	0.3%	0.0%	0.0%
Suppliers	0.0%	0.0%	0.0%	0.0%	0.0%
Compensatory interest	1.5%	1.5%	1.6%	0.0%	0.0%
Total non-performing principal and interest arrears	5%	4%	4%	0%	0%
Total non-performing debt	4.9%	4.5%	4.3%	0.05%	0.04%
Untendered Debt					
Total gross public debt <sup>(3)</sup>	100.0%	100.0%	100.0%	100.0%	100.0%

(1) For a definition of non-performing debt, see "Certain Defined Terms and Conventions—Certain Defined Terms."

(2) Bilateral debt is debt with sovereign governments

(3) Includes Untendered Debt. For information regarding the Republic's Settlement Proposal to settle all claims on the Untendered Debt, see "—Legal Proceedings—"

Source: Ministry of the Treasury

*Performing Debt*

Medium-term and long-term debt decreased to 85.1% of total performing debt as of December 31, 2015, from 89.9% as of December 31, 2011, but increased in absolute terms by U.S.\$34.6 billion to U.S.\$189.4 billion as of December 31, 2015 from U.S.\$154.8 billion as of December 31, 2011, as a result of higher issuances than amortization payments, issuances of new bonds, the Paris Club settlement agreement and inflation adjustments. These factors were partially offset by the nominal depreciation of the euro, which reduced euro-denominated debt when expressed in U.S. dollars, the nominal depreciation of the peso, which reduced peso-denominated debt when expressed in U.S. dollars and liability management transactions during 2009.

Multilateral debt decreased to 8.9% of total performing debt as of December 31, 2015, from 10.4% as of December 31, 2011, but increased in absolute terms by U.S.\$1.8 billion to U.S.\$19.8 billion as of December 31, 2015 from U.S.\$17.9 billion as of December 31, 2011, primarily as a result of higher disbursements than amortization payments.

Bilateral debt increased to 4.2% of total performing debt as of December 31, 2015, from 0.7% as of December 31, 2011, and increased in absolute terms by U.S.\$8.1 billion to U.S.\$9.3 billion as of December 31, 2015 from U.S.\$1.2 billion as of December 31, 2011, primarily as a result of higher disbursements than amortization payments.

Bond debt increased to 68.5% of total performing debt as of December 31, 2015, from 66.5% as of December 31, 2011, and increased in absolute terms by U.S.\$37.8 billion to U.S.\$152.5 billion as of December 31, 2015 from U.S.\$114.7 billion as of December 31, 2011. This increase was primarily a result of:

- higher issuances than amortization payments;
- inflation adjustments; and
- compounding interest.

This increase was partially offset by exchange rate fluctuations (the nominal depreciation of the euro, which reduced euro-denominated debt when expressed in U.S. dollars and the nominal depreciation of the peso, which reduced peso-denominated debt when expressed in U.S. dollars).

Short-term debt increased to 14.9% of total performing debt as of December 31, 2015, from 10.2% as of December 31, 2011, primarily as a result of increases in the amount of temporary advances from the Central Bank. This increase was partially offset by amortization payments of the Treasury notes and Promissory notes to public sector entities.

National Guaranteed Loans debt decreased to 0.9% of total performing debt as of December 31, 2015, from 2.4% as of December 31, 2011, primarily as a result of amortization payments and liability management transactions.

#### *Non-Performing Debt (excluding Untendered Debt)*

As of December 31, 2015, commercial banks debt represented 90.0% of total non-performing debt (excluding Untendered Debt), and suppliers debt represented 10.0% of non-performing debt.

#### *Changes in Total Gross Performing Public Debt by Creditor in 2015*

In 2015, bond debt, bilateral debt and suppliers debt increased as a percentage of the Republic's total gross public debt as compared to 2014.

The Republic's bond debt increased to 68.5% of the Republic's total gross public debt from 65.9% in 2014, and increased in absolute terms by U.S.\$6.4 billion to U.S.\$152.5 billion from U.S.\$146.0 billion in 2014. This increase resulted primarily from:

- the issuance of non-transferable notes to the Central Bank, Bonar XVI, Bonar XVII, Bonar XVIII, Bonar XX, Bonar XXII, Bonar XXV, Bonar XXVII, Bonac 2016, Bonad 2017 and Bonad 2018;
- an increase in debt amounts due to CER adjustments; and
- compounding of interest.

These effects were partially offset by amortization payments, depreciation of the peso, which reduced peso-denominated debt when expressed in U.S. dollars, and depreciation of the euro, which reduced euro-denominated debt when expressed in U.S. dollars.

In 2015, the Republic's suppliers debt increased by 0.3 percentage points in relative terms as a percentage of the Republic's total gross public debt from 0.5% in 2014 to 0.8% in 2015, and increased by U.S.\$636.4 million in absolute terms to U.S.\$1.9 billion in 2015 from U.S.\$1.3 billion in 2014.

The Republic's bilateral debt increased in relative terms to 3.9% of the Republic's total gross public debt in 2015 from 3.8% in 2014, and increased in absolute terms by U.S.\$82.8 million to U.S.\$9.3 billion in 2015 from U.S.\$9.2 billion in 2014.

The debt increase in the above-mentioned categories was partially offset by decreases in the following categories:

- The Republic's short-term debt decreased to 13.8% in relative terms as a percentage of the Republic's total gross performing public debt from 15.9% in 2014, and decreased by U.S.\$4.9 billion in absolute terms to U.S.\$33.2 billion in 2015 from U.S.\$38.1 billion in 2014. The decrease in the Republic's short-term debt was mainly due to a U.S.\$1.0 billion decrease in Treasury Notes to U.S.\$7.7 billion in 2015 as compared to U.S.\$8.7 billion in 2014 and a U.S.\$3.9 billion decrease in temporary advances from the Central Bank from U.S.\$29.4 billion in 2014 to U.S.\$25.5 billion in 2015.
- The Republic's National Guaranteed Loans decreased as a percentage of the Republic's total gross performing public debt. National Guaranteed Loans decreased in relative terms to 0.9% of total gross public debt from 1.2% in 2014 and decreased by U.S.\$801.3 million in absolute terms to U.S.\$2.1 billion in 2015 as compared to U.S.\$2.9 billion in 2014. These effects were partially offset by an increase in debt amounts due to CER adjustments.
- The Republic's commercial bank debt decreased in relative terms to 1.6% of the Republic's total gross performing public debt, and decreased by U.S.\$358.3 million in absolute terms. This decrease was mainly due to a decrease in bank loans, which was partially offset by the depreciation of the peso, which reduced peso-denominated debt when expressed in U.S. dollars.
- The Republic's multilateral debt decreased in relative terms to 8.2% of the Republic's total gross performing public debt from 8.3% in 2014 and increased in absolute terms by U.S.\$89.1 million. This decrease in absolute terms resulted primarily from higher disbursements than amortizations.

#### Foreign Currency-Denominated Debt

The following tables set forth information regarding the Republic's total foreign currency-denominated debt, including past due principal and interest and compensatory and default interest, as of the dates indicated.

#### Foreign Currency-Denominated Public Debt<sup>(1)</sup> (in millions of U.S. dollars)

	As of December 31,									
	2011		2012		2013		2014		2015	
	U.S.\$		U.S.\$		U.S.\$		U.S.\$		U.S.\$	
Performing debt	101,035	110,071	119,330	143,763	148,780					
Non-transferable notes to the BCRA 2016, 2020, 2021, 2022, 2023, 2024 and 2025	25,724	33,482	43,907	53,847	48,388					
Bonar	11,363	12,733	11,176	16,526	35,418					
Multilateral debt	17,935	18,335	19,394	19,857	19,768					
2033 Discount Bonds	12,877	13,253	13,739	14,970	14,585					
2038 Par Bonds	13,329	13,409	13,645	12,790	12,167					
Bilateral debt	1,213	677	615	9,183	9,266					
2033 Discount Bonds (2010)	4,748	4,916	5,175	4,733	4,404					
2038 Par Bonds (2010)	2,046	2,076	2,154	1,915	1,737					
2017 Globals	966	966	966	966	966					
Treasury notes	613	2,215	1,695	1,687	699					
Baade			220	249	272					
Commercial banks	138	62	62	62	50					
Bocones	3	3	3	3	3					
Boden	8,501	6,063	5,945	5,700	—					
Promissory notes	502	130	130	—	—					
Other	1,087	1,750	1,504	1,274	1,057					
Non-performing debt	9,515	9,602	9,648	105	101					
Non-performing debt not yet due	257	232	213	60	60					
Non-performing debt arrears	6,234	6,102	5,931	44	41					
Compensatory interest	3,024	3,268	3,504	—	—					
<b>Untendered debt</b>	<b>15,013</b>	<b>16,040</b>	<b>17,193</b>	<b>17,472</b>	<b>17,881</b>					

	As of December 31,				
	2011	2012	2013	2014	2015
Total foreign currency-denominated debt	125,564	135,713	146,170	161,339	166,762

(1) Includes performing and non-performing debt (including Untendered Debt). For information regarding the Republic's Settlement Proposal to settle all claims on the Untendered Debt, see "Public Sector Debt—Legal Proceedings."

Source: Ministry of the Treasury.

### Gross Foreign Currency-Denominated Public Debt<sup>(1)</sup> (in millions of U.S. dollars)

	As of December 31,				
	2011	2012	2013	2014	2015
Foreign currency-denominated debt <sup>(2)</sup>	125,564	135,713	146,170	161,339	166,762
As a % of GDP	23.7% <sub>n</sub>	23.3% <sub>n</sub>	23.8% <sub>n</sub>	28.4% <sub>n</sub>	26.5% <sub>n</sub>
As a % of Government revenues	120.0% <sub>n</sub>	113.6% <sub>n</sub>	113.1% <sub>n</sub>	131.4% <sub>n</sub>	119.0% <sub>n</sub>
As a % of exports	127.6% <sub>n</sub>	142.6% <sub>n</sub>	161.2% <sub>n</sub>	196.1% <sub>n</sub>	235.4% <sub>n</sub>
As a % of international reserves	270.8% <sub>n</sub>	313.5% <sub>n</sub>	477.7% <sub>n</sub>	513.1% <sub>n</sub>	652.4% <sub>n</sub>
As a % of total gross public debt	63.7% <sub>n</sub>	62.6% <sub>n</sub>	65.4% <sub>n</sub>	67.4% <sub>n</sub>	69.3% <sub>n</sub>

(1) Includes performing and non-performing (including Untendered Debt)

(2) Includes Untendered. For information regarding the Republic's Settlement Proposal to settle all claims on the Untendered Debt, see "—Legal Proceedings."

n a = not available

Source: INDEC and Ministry of the Treasury.

### Foreign Currency-Denominated Debt in 2015

In 2015, the Republic's foreign currency-denominated debt, increased by 3.4% to U.S.\$166.8 billion as compared to December 31, 2014, primarily as a result of the issuance of, U.S.\$18.9 billion in Bonar XVI, Bonar XVII, Bonar XXVIII, Bonar XXIX, Bonar XX, Bonar XXII, Bonar XXIV, Bonar XXV and Bonar XXVII, U.S.\$82.8 million in bilateral debt. This increase was partially offset by principal amortizations that amounted to approximately U.S.\$8.5 billion and the nominal depreciation of the Euro against the dollar, which reduced Euro-denominated debt by U.S.\$2.2 billion when expressed in U.S. dollars.

The following table sets forth information regarding the Republic's total foreign currency-denominated debt by type of currency as of the dates indicated.

### Gross Foreign Currency-Denominated Public Debt, by Currency<sup>(1)</sup> (in millions of U.S. dollars)

	As of December 31,				
	2011	2012	2013	2014	2015
U.S. dollars	97,122	106,569	115,818	134,754	142,811
Euro	24,615	25,579	27,205	23,936	21,453
Japanese yen	3,171	2,894	2,443	2,043	1,937
Other <sup>(2)</sup>	655	671	704	606	561
Foreign currency-denominated debt	125,564	135,713	146,170	161,339	166,762

(1) Includes Untendered Debt. For information regarding the Republic's Settlement Proposal to settle all claims on the Untendered Debt, see "—Legal Proceedings."

(2) Figures include Danish crown, Swedish crown, Canadian dollar, Australian dollar and Kuwaiti dinar.

Source: Ministry of the Treasury.

As of December 31, 2015, the Republic's total gross foreign currency public debt was denominated as follows:

- 85.6% in U.S. dollars;
- 12.9% in euro;
- 1.2% in Japanese yen; and
- 0.3% in other foreign currencies.

*Performing Foreign Currency-Denominated Debt Service*

In 2011, the Republic's interest expense on its foreign currency-denominated debt was U.S.\$5.0 billion (0.9% of nominal GDP for 2011). In 2012, the Republic's interest expense on its foreign currency-denominated debt was U.S.\$6.6 billion (1.1% of nominal GDP for 2012). In 2013, the Republic's interest expense on its foreign currency-denominated debt was U.S.\$3.3 billion (0.5% of nominal GDP for 2013). In 2014, the Republic's interest expense on its foreign currency-denominated debt was U.S.\$3.5 billion (0.6% of nominal GDP for 2014). In 2015, the Republic's interest expense on its foreign currency-denominated debt was U.S.\$5.8 billion.

Interest expense on performing foreign currency denominated debt increased by U.S.\$817 million to U.S.\$5.8 billion in 2015 from U.S.\$5.0 billion in 2011. This increase occurred primarily as a result of the issuance of Bonares which increased interest payments by U.S.\$854 million for the period, the increase in payments on 2033 discount Bond by U.S.\$1.7 billion, and interest payments on other debt instruments which increased by U.S.\$443 million. These increases were partially offset by the absence of payment made under GDP-Linked Securities in 2015 as compared to 2011, when the Republic made payments totaling U.S.\$2.0 billion, 2038 Par Bonds (U.S.\$51 million), Boden (U.S.\$43 million) and treasury notes (U.S.\$22 million).

Interest expense on performing foreign currency denominated debt increased in 2015 by U.S.\$2.3 billion, from U.S.\$3.5 billion in 2014 to U.S.\$5.8 billion. This increase resulted primarily from a U.S.\$1.6 billion increase in interest paid under 2033 Discount Bond, the increase in payments on Bonares by U.S.\$418 million and interest paid on Paris Club by U.S.\$247 million.

The following table sets forth information regarding the Republic's projected debt service obligations on its performing foreign currency-denominated debt for the periods indicated, as of December 31, 2015.

**Projected Performing Foreign Currency-Denominated Public Debt Service by Creditor<sup>(1)(2)</sup>**  
(in millions of U.S. dollars)

	2016		2017		2018		2019	
	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest
<i>Multilateral debt</i>								
Inter-American Development Bank	U.S.\$ 865	U.S.\$ 413	U.S.\$ 879	U.S.\$ 376	U.S.\$ 832	U.S.\$ 341	U.S.\$ 803	U.S.\$ 308
World Bank	737	113	616	97	654	81	463	67
Corporación Andina de Fomento	238	63	283	58	293	51	302	43
FONPLATA	12	3	10	2	11	2	12	2
European Investment Bank	—	—	—	—	—	—	—	—
International Fund for Agricultural Development	5	—	5	—	5	—	5	—
Total multilateral debt	1,858	593	1,794	534	1,795	475	1,585	421
Bilateral debt	163	73	89	72	86	69	123	65
Paris Club	1,916	260	1,916	203	1,916	146	1,525	88
Total Bilateral debt	2,078	333	2,005	275	2,001	215	1,648	153
Total official debt	3,936	926	3,799	809	3,797	690	3,233	574
Suppliers	210	43	139	37	146	31	150	25
Commercial banks	12	—	12	—	12	—	12	—
<i>Bonds</i>								
Bonds	1,337	4,768	8,312	4,413	3,374	4,113	3,104	3,753
Treasury notes	699	20	—	—	—	—	—	—
Promissory notes	—	—	—	—	—	—	—	—
Total bonds	2,036	4,788	8,312	4,413	3,374	4,113	3,104	3,753
Total performing foreign currency-denominated debt service	6,195	5,756	12,262	5,258	7,329	4,834	6,500	4,351
	2020		2021		2022		2023	
	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest
<i>Multilateral debt</i>								
Inter-American Development Bank	U.S.\$ 766	U.S.\$ 278	U.S.\$ 726	U.S.\$ 247	U.S.\$ 645	U.S.\$ 221	U.S.\$ 626	U.S.\$ 198
World Bank	397	60	338	54	215	48	160	45
Corporación Andina de Fomento	304	36	273	30	246	24	175	19
FONPLATA	4	1	4	1	4	1	4	1
European Investment Bank	—	—	—	—	—	—	—	—
International Fund for Agricultural Development	5	—	4	—	3	—	2	—
Total multilateral debt	1,477	375	1,345	332	1,113	294	966	262
Bilateral debt	158	61	177	54	154	47	144	41
Paris Club	—	—	—	—	—	—	—	—
Total Bilateral debt	158	61	177	54	154	47	144	41
Total official debt	1,635	435	1,522	386	1,268	341	1,110	303
Suppliers	151	18	143	10	102	2	1	—
Commercial banks	—	—	—	—	—	—	—	—
<i>Bonds</i>								
Bonds	2,023	3,643	10,830	3,472	13,460	3,367	10,629	2,913
Treasury notes	—	—	—	—	—	—	—	—
Promissory notes	—	—	—	—	—	—	—	—
Total bonds	2,023	3,643	10,830	3,472	13,460	3,367	10,629	2,913
Total performing foreign currency-denominated debt service	3,809	4,096	12,494	3,868	14,830	3,710	11,741	3,216

(1) Calculated based on total debt, exchange and interest rates as of December 31, 2015.

(2) Includes payments made by the Government to comply with judgments obtained by private parties through *acciones de amparo*. See “—Legal Proceedings—Litigation in Argentina”.

Source: INDEC and Ministry of the Treasury.

### Peso-Denominated Debt

The following table sets forth information regarding the Republic's total peso-denominated debt as of the dates indicated.

**Peso-Denominated Debt<sup>(1)</sup>**  
(in millions of U.S. dollars)

	As of December 31,									
	2011		2012		2013		2014		2015	
	U.S.\$		U.S.\$		U.S.\$		U.S.\$		U.S.\$	
Performing	71,324		80,960		77,152		77,876		73,819	
Temporary advances from the Central Bank	15,597		25,972		28,002		29,402		25,517	
Bonar	11,284		9,774		12,447		13,512		10,178	
2045 Quasi-Par Bonds	14,001		13,997		12,058		11,432		8,649	
Treasury notes	1,220		3,029		1,984		7,045		6,988	
Bonad	—		—		—		2,000		6,526	
Commercial banks	6,397		7,150		5,943		4,219		3,873	
Bonac	—		—		—		—		3,845	
2033 Discount Bonds	5,899		5,809		4,928		4,672		3,535	
National Guaranteed Loans	4,121		3,753		3,035		2,877		2,076	
Bocones	1,996		1,946		1,671		1,461		880	
2038 Par Bonds	1,314		1,271		1,059		1,004		760	
2033 Discount Bonds (2010)	71		70		59		56		42	
2038 Par Bonds (2010)	5		5		4		4		3	
Bogar	8,907		7,657		5,571		—		—	
Boden	308		198		81		—		—	
Promissory notes	—		—		—		—		—	
Other	202		329		309		191		948	
Non-performing debt	266		247		117		111		84	
Non-performing debt not yet due	105		92		—		—		—	
Non-performing debt arrears	7		6		5		4		3	
Untendered debt	154		148		112		107		81	
Total peso-denominated debt	<u>71,591</u>		<u>81,207</u>		<u>77,269</u>		<u>77,987</u>		<u>73,903</u>	

(1) Includes performing and non-performing (including Untendered Debt). For information regarding the Republic's Settlement Proposal to settle all claims on the Untendered Debt, see "—Legal Proceedings".

Source: Ministry of the Treasury.

Total peso-denominated debt, increased 3.3% to Ps. 961.1 billion (U.S.\$73.9 billion, or 30.7% of gross public total debt) as of December 31, 2015 from Ps.308.1 billion (U.S.\$71.6 billion, or 36.3% of gross public total debt) as of December 31, 2011, primarily as a result of:

- the increase in temporary advances from the Central Bank;
- the issuance of peso-denominated debt in the domestic market;
- the increase in treasury notes;
- adjustments to inflation since a portion of the peso-denominated debt is subject to adjustment for inflation based on CER; and
- compounding interest.

*Performing Peso-Denominated Debt Service*

In 2011, interest on the Republic's peso-denominated debt increased by 45.3% from Ps. 10.3 billion in 2010 to Ps. 14.9 billion (U.S.\$3.6 billion, or 41.9% of total interest). This increase was primarily due to the fact that Ps. 2.3 billion became payable under the GDP-Linked Securities in 2011 based on the level of GDP growth for the 2010 reference year, compared to 2010, when no payments were required under the GDP-Linked Securities. Additionally, interest payments increased with respect to debt with commercial banks (Ps. 1.4 billion in 2011), Bonar (Ps. 1.1 billion in 2011), 2033 Discount Bonds and 2033 Discount Bonds (2010) (Ps. 514 million in 2011). This increase was partially offset by reductions in interest payments for Bogar (Ps. 277 million in 2011), Treasury notes (Ps. 189 million in 2011) and Boden (Ps. 25 million in 2011).

In 2012, interest on the Republic's peso-denominated debt increased by 42.6% from Ps. 14.9 billion in 2011 to Ps. 21.2 billion (U.S.\$4.7 billion, or 41.5% of total interest). This increase was primarily due to higher interest payments on Bonares (Ps. 2.4 billion in 2012), payments made under GDP-Linked Securities (Ps. 1.0 billion in 2012) and higher interest payments on debt with loans from BNA (Ps. 735 million in 2012), Treasury notes (Ps. 615 million in 2012), Bocones (Ps. 91 million in 2012) and National Guaranteed Loans

(Ps. 78 million in 2012). This increase was partially offset by reductions in interest payments on Bogars (Ps. 11 million in 2012).

In 2013, interest on the Republic's peso-denominated debt increased by 11.6% from Ps. 21.2 billion in 2012 to Ps. 23.7 billion (U.S.\$4.3 billion, or 56.5% of total interest). This increase was primarily due to higher interest payments on Bonares (Ps. 3.5 billion in 2013), loans from BNA (Ps. 1.1 billion in 2013), Treasury Notes (Ps. 1.0 billion in 2013), Bocones (Ps. 79 million in 2013) and National Guaranteed Loans (Ps. 65 million in 2013). This increase was partially offset mainly by reductions in interest payments on 2005 and 2010 Exchange Bonds (Ps. 3.8 billion in 2013), Bodenes (Ps. 23 million in 2013), Bogars (Ps. 16 million in 2013) and other peso-denominated debt (Ps. 1.8 billion in 2013).

In 2014, interest on the Republic's peso-denominated debt increased by 78.8% from Ps. 23.7 billion in 2013 to Ps. 42.4 billion (U.S.\$5.2 billion, or 59.6% of total interest). This increase was primarily due to higher interest payments on Bonares (Ps. 12.0 billion in 2014), 2005 and 2010 Exchange Bonds (Ps. 2.5 billion in 2014), loans from BNA (Ps. 2.3 billion in 2014), Bocones (Ps. 618 million in 2014), Treasury notes (Ps. 519 million in 2014) and National Guaranteed Loans (Ps. 155 million in 2014). This increase was partially offset by reductions in interest payments on Bogars (Ps. 750 million in 2014) and Bodenes (Ps. 9 million in 2014).

In 2015, interest on the Republic's peso-denominated debt increased by 57.6% from Ps. 42.4 billion in 2014 to Ps. 66.8 billion (U.S.\$7.2 billion, or 55.3% of total interest). This increase was primarily due to higher interest payments on Treasury notes (Ps. 7.7 billion in 2015), Bonac (Ps. 7.4 billion in 2015), 2005 and 2010 Exchange Bonds (Ps. 5.9 billion in 2015), Bonar (Ps. 3.3 billion in 2015), Bonad (Ps. 337 million in 2015), Bocones (Ps. 322 million in 2015) and National Guaranteed Loans (Ps. 270 million in 2015). This increase was partially offset by reductions in interest payments on other peso denominated debt (Ps. 445 million in 2015), loans from BNA (Ps. 376 million in 2015) and Bodenes (Ps. 9 million in 2015).

The following table sets forth information regarding the Republic's projected debt service on its performing peso-denominated public debt for the periods indicated.



**Projected Performing Peso-Denominated Public Debt Service by Creditor<sup>(1)(2)</sup>**  
(in millions of U.S. dollars)

	2016		2017		2018		2019	
	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest
Bonds	U.S.\$ 6	U.S.\$ 3	U.S.\$ 6	U.S.\$ 2	U.S.\$ 3	U.S.\$ 2	U.S.\$ 3	U.S.\$ 1,252
National guaranteed loans	371	100	701	66	192	46	17	40
Commercial banks	1,824	505	1,249	226	43	96	364	29
Suppliers	854	—	—	—	—	—	—	—
Temporary Advances from the Central Bank	20,177	—	5,340	—	—	—	—	—
Treasury notes	4,535	1,133	2,122	151	330	10	—	—
Promissory notes	—	—	—	—	—	—	—	—
Total performing peso-denominated debt service	34,517	5,254	15,579	2,927	3,838	2,176	3,422	1,321

	2020		2021		2022		2023	
	Capital	Interest	Capital	Interest	Capital	Interest	Capital	Interest
Bonds	U.S.\$ 1	U.S.\$ 992	U.S.\$ 141	U.S.\$ 542	U.S.\$ 158	U.S.\$ 524	U.S.\$ 63	U.S.\$ 509
National guaranteed loans	21	39	—	39	—	39	—	39
Commercial banks	5	8	—	7	—	7	—	7
Suppliers	—	—	—	—	—	—	—	—
Temporary Advances from the Central Bank	—	—	—	—	—	—	—	—
Treasury notes	—	—	—	—	—	—	—	—
Promissory notes	—	—	—	—	—	—	—	—
Total performing peso-denominated debt service	1,874	1,039	141	588	158	570	63	555

(1) Calculated based on the stock of debt, exchange rate and interest rates as of December 31, 2015.

(2) Includes payments made by the Government to comply with judgments obtained by private parties through *acciones de amparo*. See "—Legal Proceedings—Litigation in the Republic

Source: Ministry of the Treasury

### Debt Owed to Financial Institutions

Historically, the IMF, the IADB and the World Bank have provided the Republic with financial support subject to the Government's compliance with stabilization and reform policies. The financial support of the World Bank and the IADB include sector-specific and structural loans intended to finance social programs, public works and structural projects at the national and provincial levels. From 2011 to 2015, outstanding amounts owed by the Government to multilateral creditors increased by U.S.\$1.8 billion (or 10.2%) to U.S.\$19.8 billion, mainly as a result of higher disbursements than amortization payments.

- During 2011, the Government made principal payments to multilateral lenders of U.S.\$1.6 billion, compared to disbursements by multilateral lenders to the Government of U.S.\$2.6 billion.
- During 2012, the Government made principal payments to multilateral lenders of U.S.\$1.7 billion, compared to disbursements by multilateral lenders to the Government of U.S.\$2.1 billion.
- During 2013, the Government made principal payments to multilateral lenders of U.S.\$1.7 billion, compared to disbursements by multilateral lenders to the Government of U.S.\$2.8 billion.
- During 2014, the Government made principal payments to multilateral lenders of U.S.\$1.8 billion, compared to disbursements by multilateral lenders to the Government of U.S.\$2.3 billion.
- During 2015, the Government made principal payments to multilateral lenders of U.S.\$2.0 billion, compared to disbursements by multilateral lenders to the Government of U.S.\$1.9 billion.

From 2011 to 2015, the total amount of interest payments to multilateral lenders (including the IADB, the World Bank and other institutions) was U.S.\$2.7 billion. The Government also guarantees multilateral debt owed by the provinces. These obligations totaled U.S.\$950 million as of December 31, 2015.

The following table sets forth the disbursements from, and payments to, multilateral lenders as of the dates indicated.

**Disbursements/Payments - Multilateral Lenders**  
(in millions of U.S. dollars)

As of December 31,

	2011	2012	2013	2014	2015
<b>World Bank</b>					
Disbursements	U.S.\$ 841	U.S.\$ 753	U.S.\$ 1,1	U.S.\$ 571	U.S.\$ 642
Principal payments	(630)	(685)	(665)	(670)	(790)
Disbursements, net of principal payments	211	69	490	(99)	(148)
Interest payments	(130)	(131)	(139)	(129)	(138)
Payment of commissions	(2)	(1)	—	—	(1)
Net (outflows) inflows	78	(64)	350	(227)	(287)
<b>Inter-American Development Bank</b>					
Disbursements	1,267	1,017	1,121	1,277	770
Principal payments	(895)	(908)	(901)	(936)	(990)
Disbursements, net of principal payments	373	108	220	340	(220)
Interest payments	(322)	(310)	(366)	(366)	(420)
Payments of commissions	(8)	(7)	(9)	(10)	(9)
Net (outflows) inflows	42	(209)	(155)	(35)	(649)
<b>FAD<sup>(1)</sup></b>					
Disbursements	11	14	18	14	14
Principal payments	(8)	(9)	(5)	(4)	(4)
Disbursements, net of principal payments	3	5	12	9	10
Interest payments	—	—	—	—	—
Payments of commissions	—	—	—	—	—
Net (outflows) inflows	3	5	12	9	10
<b>FONPLATA<sup>(2)</sup></b>					
Disbursements	50	1	—	11	41
Principal payments	(7)	(15)	(11)	(11)	(16)
Disbursements, net of principal	(2)	(14)	(11)	—	24
Interest payments	(3)	(3)	(2)	(2)	(2)
Payments of commissions	—	—	—	—	(1)
Net (outflows) inflows	(5)	(17)	(13)	(2)	21
<b>Corporación Andina de Fomento</b>					
Disbursements	454	348	477	408	420
Principal payments	(75)	(122)	(136)	(180)	(217)
Disbursements, net of principal	379	226	340	228	202
Interest payments	(30)	(43)	(47)	(50)	(61)
Payments of commissions	(1)	(2)	(3)	(4)	(5)
Net (outflows) inflows	347	180	290	173	136
<b>The European Investment Bank</b>					
Disbursements	—	—	—	—	—
Principal payments	(4)	(4)	(4)	(5)	(5)
Disbursements, net of principal	(4)	(4)	(4)	(5)	(5)
Interest payments	(2)	(1)	(1)	(1)	(1)
Payments of commissions	—	—	—	—	—
Net (outflows) inflows	(5)	(5)	(5)	(5)	(5)
Total disbursements	2,578	2,132	2,770	2,280	1,886
Total principal payments	(1,618)	(1,742)	(1,723)	(1,805)	(2,022)
Disbursements, net of principal	960	390	1,048	475	(136)
Total interest payments	(487)	(489)	(555)	(548)	(622)
Total commissions	(12)	(11)	(13)	(15)	(15)
Total net (outflows) inflows	U.S.\$ 460	U.S.\$ (110)	U.S.\$ 479	U.S.\$ (88)	U.S.\$ (774)

(1) International Fund for Agricultural Development.

(2) Financial Fund for the development of the Plata Valley

Source: Ministry of the Treasury

*International Monetary Fund*

The IMF organized two separate financial aid packages for the Republic during the years leading up to the collapse of the Convertibility Regime—one in December 2000, and the other in August 2001. As part of these packages, the IMF increased the amount available to the Republic under its credit facilities and secured for

the Republic other sources of funding (including loan commitments from the World Bank, the IADB and the Spanish government).

Between 2001 and 2005, the Republic reduced its outstanding IMF debt from U.S.\$14.0 billion as of December 31, 2001, to U.S.\$9.5 billion as of December 31, 2005. In August 2004, the IMF suspended disbursements under the 2003 Stand-By Arrangement after the Government indefinitely postponed the scheduled review of its performance under the arrangement. Since July 28, 2006, the date of the IMF's most recent consultation report under Article IV of the IMF's Articles of Agreement, the Republic and the IMF have not agreed to any further Article IV review and consultation.

On January 3, 2006, the Government repaid all of its outstanding debt owed to the IMF in a single payment of U.S.\$9.5 billion. The payment to the IMF represented 7.4% of the total Argentine public debt and saved U.S.\$568 million in interest. The Government borrowed funds from the Central Bank to make the payment, which resulted in a 33.3% reduction of the Central Bank's reserves from U.S.\$28.1 billion to U.S.\$18.6 billion. The Government issued a 10-year U.S. dollar-denominated non-transferable Treasury note to repay the Central Bank for this financing. Given that the IMF liability was exchanged for Central Bank liability of the same value, the IMF repayment did not affect the Government's total debt.

The last consultation by the Executive Board of the IMF with Argentina was on July 28, 2006. Since then, documents on economic developments in Argentina were prepared by Fund staff for informal Board briefings in 2013–15. The documents were prepared pursuant to the Fund's policy on excessive delays in the completion of Article IV consultations and mandatory financial stability assessments, which requires that staff informally brief Executive Directors every 12 months on the economic developments and policies of relevant members. At Argentina's request, the documents prepared by the IMF's staff have been published. Argentina has also indicated its intention to resolve the consultation delay.

#### *World Bank*

Between 2011 and 2015, the World Bank disbursed approximately U.S.\$4.0 billion in loans to the Government partly for activities designed to foster economic recovery, both at the national and provincial levels, including for infrastructure and education projects, as well as for various social development programs such as health and the environment. As of December 31, 2015, the aggregate outstanding principal amount of World Bank loans to the Republic was U.S.\$5.9 billion, while approximately U.S.\$1.5 billion of committed loans from the World Bank remained undisbursed.

Between 2011 and 2015, the Republic made principal payments in an aggregate amount of U.S.\$3.4 billion under World Bank loans, and a total of U.S.\$667 million on account of interest.

#### *IADB*

Between 2011 and 2015, the IADB disbursed approximately U.S.\$5.5 billion in loans to the Republic, partly for activities designed to foster economic growth and partly for various social development programs such as health and education. As of December 31, 2015, the aggregate outstanding principal amount of IADB loans to the Republic was U.S.\$11.2 billion, while approximately U.S.\$3.5 billion of IADB committed loans remained undisbursed.

Between 2011 and 2015, the Republic made principal payments in an aggregate amount of U.S.\$4.6 billion under IADB loans and U.S.\$1.8 billion on account of interest.

#### *FONPLATA and CAF*

Between 2011 and 2015, the *Fondo Financiero para el Desarrollo de la Cuenca del Plata* (Financial Fund for the Development of the Plata Valley or "FONPLATA") disbursed an aggregate amount of U.S.\$57.7 million to the Republic for economic development and social programs. During this period, the Republic made principal payments to FONPLATA in an aggregate amount of U.S.\$59.1 million, and the aggregate principal amount outstanding under loans made by FONPLATA was U.S.\$81.8 million as of December 31, 2015, while U.S.\$92.9 million in approved loans from FONPLATA remained undisbursed, including a U.S.\$42.7 million loan to the Republic to improve the province of Buenos Aires's ports approved in 2008.

Between 2011 and 2015, CAF disbursed approximately U.S.\$2.1 billion to the Republic mostly in loans for infrastructure programs. During this period, the Republic made principal payments to CAF in an

aggregate amount of U.S.\$729.9 million, of which U.S.\$217 million were paid in 2015. The aggregate principal amount outstanding under loans made by CAF was U.S.\$2.6 billion as of December 31, 2015, while U.S.\$1.6 billion in approved loans from CAF remain undisbursed.

#### *Bilateral Debt and Private Creditors' Debt*

Bilateral debt is composed of debt that is referred to as Paris Club debt and other bilateral debt. Paris Club debt includes all debt with country members of the Paris Club that has been restructured in negotiation rounds with members of the Paris Club. See “—Debt Record—Paris Club.” Other bilateral debt includes all other debt with sovereign governments. Substantially all of the Republic’s bilateral debt relates to debt owed to country members of the Paris Club and is treated under the Paris Club framework.

Private creditors’ debt is composed of debt with suppliers and debt with commercial banks. A portion of private creditors’ debt is guaranteed by export credit insurance granted by foreign government agencies and is treated under the Paris Club framework. On May 28, 2014, the Republic reached an agreement with the members of the Paris Club for the cancellation of the debt owed by the Republic, amounting to U.S.\$9,690 million (U.S.\$4,955 million in principal U.S.\$1,102 million in interest and U.S.\$3,633 million in penalty interest).

### **Legal Proceedings**

#### *Litigation in the United States*

Following the Republic’s default on its debt at the end of 2001, certain of its creditors filed numerous lawsuits against the Republic in several jurisdictions, including the United States. Plaintiffs in these actions generally have asserted that the Republic failed to make timely payments of interest and/or principal on their bonds, and have sought judgments for the face value of and accrued interest on those bonds.

As discussed in greater detail under “—The Settlement,” to date, the Republic has reached agreements with numerous creditors, and stipulations of dismissal and orders of satisfaction of judgment have been filed and approved by the courts in numerous actions. The Republic continues to seek to resolve its outstanding litigation, and has reached agreements in principle with many additional creditors.

#### *Individual litigation in the United States*

As of the date of this annual report, judgments in a total amount of approximately U.S.\$1.2 billion, including principal and interest, remained outstanding in the United States, as well as claims for approximately U.S.\$192.0 million in principal, plus interest, in individual suits in the District Court in which no judgment has been entered.

Certain claimants represented by Task Force Argentina, TFA, that filed three suits in the District Court for an unspecified amount are also claimants in an arbitration against the Republic before the ICSID concerning the same securities. These three suits had been stayed pending the outcome of the arbitration, and on January 31, 2016, the Republic entered into an agreement in principle with TFA to settle the claims of these claimants, which was superseded by a settlement agreement entered into on April 21, 2016, subject to certain conditions. The Republic and TFA commenced the closing of the settlement agreement on June 28, 2016, which was finalized on July 14, 2016. Among others, the parties agreed to the dismissal with prejudice of all claims in relation thereto upon the consummation of the closing of the settlement agreement. See “—The Settlement.” For a discussion of the arbitration, see “—ICSID Arbitration.”

#### *Class litigation in the United States*

As of the date of this annual report, 15 actions filed against the Republic on behalf of a class of holders of defaulted bonds were pending before the District Court. Class certification had been granted in 13 of these 15 actions.

On May 27, 2016, the District Court issued an order preliminarily approving the settlement agreements reached by the Republic and representatives of nine classes. The settlement agreement provides for the settlement with class members on a claims-made basis, under the same terms as the standard offer (as defined below) made by the Republic. See “—The Settlement.” The District Court scheduled a fairness hearing for November 10, 2016, in which it will consider the final approval of the settlement agreements for those class

members that submitted a claim on or before September 1, 2016.

#### *Pari passu litigation*

In February 2012, plaintiffs in 13 actions in New York, involving claims for bonds issued under the 1994 Fiscal Agency Agreement (the "1994 FAA Bonds") for U.S.\$428 million in principal, plus interest, obtained an order of the District Court enjoining the Republic from making scheduled interest payments on the 2005 and 2010 Exchange Bonds unless the Republic paid the plaintiffs in full. The order was stayed pending appeals and became effective on June 18, 2014, after the U.S. Supreme Court denied the Republic's petition for a writ of certiorari of the Court of Appeals' order affirming the *pari passu* injunctions.

On October 30, 2015, the District Court issued new *pari passu* injunctions ("me too" injunctions), substantially similar to the ones already in effect, in 49 additional proceedings, involving claims for over U.S.\$2.1 billion under the 1994 FAA Bonds, plus billions more in pre- and post-judgment interest. Numerous additional motions seeking to extend the reach of the *pari passu* injunctions were filed and were pending in January 2016, when the Republic approached holders of Untendered Debt to settle outstanding disputes.

On August 10, 2016, the District Court denied plaintiffs' 2015 motions for *pari passu* relief in two separate actions without prejudice, indicating that such requests were moot given the changed circumstances that rendered the *pari passu* injunctions no longer necessary. See "—The Settlement."

#### *The Settlement*

On February 5, 2016, the Republic published the Settlement Proposal to settle all claims on Untendered Debt, including bonds in litigation in the United States, subject to two conditions: first, obtaining approval by the Argentine Congress, and second, lifting the *pari passu* injunctions. The Settlement Proposal contemplated two frameworks for settlement. The "*pari passu* option," which was extended as an option to plaintiffs holding *pari passu* injunctions, provided for payment equal to the full amount of money judgment or an accrued claim value less a specified discount. The "standard option," which remains open to all holders of Untendered Debt, whether or not they had *pari passu* injunctions, provides for payment equal to 100% of the principal amount of the relevant debt securities plus up to 50% of that original principal as interest. Any eligible holder of Untendered Debt may agree to the terms of the standard option, in accordance with the procedures set forth and published by the Ministry of the Treasury and, in accordance with such terms, becomes party to a binding agreement in principle with the Republic once the agreement is countersigned by the Republic.

On February 19, 2016, the District Court entered an indicative ruling in the "me too" actions providing that if the Court of Appeals were to remand those cases (which were then on appeal), the District Court would grant the Republic's motion to vacate the "me too" injunctions. Following remand by the Court of Appeals, the District Court, on March 2, 2016, issued an order indicating it would vacate all *pari passu* injunctions, including the "me too" injunctions, subject to two conditions: first, the repeal of all legislative obstacles to settlement with holders of Untendered Debt, and second, full payment to holders of *pari passu* injunctions with whom the Republic had entered into an agreement in principle on or before February 29, 2016, in accordance with the specific terms of such agreements. On April 13, 2016, the District Court's order was affirmed by the Second Circuit Court of Appeals.

On March 31, 2016, the Argentine Congress passed the Debt Authorization Law, thereby repealing the legislative obstacles to the settlement and approving the Settlement Proposal. On April 22, 2016, Argentina issued U.S.\$16.5 billion of new debt securities in the international capital markets, and applied U.S.\$9.3 billion of the net proceeds to satisfy settlement payments on agreements with holders of approximately U.S.\$4.2 billion principal amount of Untendered Debt. Upon confirmation that the conditions set forth in its March 2, 2016 order had been satisfied, the District Court, on April 22, 2016, ordered the vacatur of all *pari passu* injunctions. As of the date of this annual report, agreements in principle have been executed with holders of approximately 74% of principal amount of Untendered Debt (outstanding as of December 31, 2015).

On May 5, 2016, interest payments on 2005 and 2010 Exchange Bonds payable to the trustee were transferred by the trustee to holders of such bonds.

On July 20, 2016, the Republic announced and published settlement procedures for holders of eligible German law-governed bonds. Per the instructions released by the Ministry of Treasury and Public Finance, the procedures contemplate two different settlement avenues: "Fast Track Settlement" and "Individual Settlement."

Between the time the Republic published the Settlement Proposal and the first payment to settling

bondholders on April 22, 2016, it executed numerous settlement agreements involving Untendered Debt in an aggregate principal amount of approximately U.S.\$4.2 billion. As of the date of this annual report, payments of these settlement agreements had resulted in the dismissal of claims in 84 cases with claims for an aggregate principal amount of approximately U.S.\$3.0 billion, plus interest, and judgments in the amount of approximately U.S.\$4.7 billion. The Republic is currently in the process of paying additional settlement agreements, and processing additional settlement options, which will result in the dismissal of additional cases in an amount yet to be determined. Creditors who settled their claims have agreed, upon payment, to dismiss with prejudice all litigation against the Republic, including all enforcement proceedings.

The Republic has reached agreements in principle with nine class actions to settle their litigation. In accordance with the agreements in principle, the settlement amount will be calculated based on class members that demonstrate that they have owned their beneficial interest in the relevant bond continuously since the outset of each case, and who have otherwise not been a party to an individual legal action against the Republic or have not opted out from the classes.

One pending class action, where no agreement in principle has been reached, sought to enjoin the Republic from communicating and settling with holders of the bond series at issue. On April 21, 2016 the District Court denied that plaintiff's motion and the Court of Appeals denied plaintiff's motion to expedite the appeal of that ruling. Plaintiff's appeal of the District Court order remains pending.

On July 20, 2016, the Republic published settlement procedures for holders of eligible German law governed bonds implementing the Settlement Proposal for those bonds. As of the date of this annual report, the Republic has received tenders by numerous holders.

#### *Post-settlement litigation in the United States*

On March 3, 2016, several plaintiffs filed suit against the Republic in the District Court based on their ownership of bonds governed by Italian law, German law, and English law. The Republic moved to dismiss the claims that were based on Italian law and German law on the grounds of lack of jurisdictional and/or insufficient service of process. The District Court granted the Republic's motion to dismiss on August 2, 2016. Plaintiffs have asked the District Court to reconsider the portion of its opinion dismissing the German law claims, which request remains pending.

On March 25, 2016, a group of Argentine creditors filed suit against the Republic in the District Court, seeking a declaration that the settlement-related documents sent to the Republic—which the Republic had not countersigned—were binding settlement agreements. The District Court granted the Republic's motion to dismiss plaintiffs' complaint on April 12, 2016, finding that by not countersigning the Republic did not enter into binding contracts with the plaintiffs. Plaintiffs' appeal of the District Court order remains pending as of the date of this annual report.

On May 18, 2016, an Argentine creditor filed suit against the Republic in the District Court. The Republic moved to dismiss portions of that complaint on July 19, 2016. Among other things, the Republic argued that the majority of plaintiff's claims were barred by the statute of limitations, that plaintiff's complaint failed to state a claim for breach of the *pari passu* clause and that plaintiff did not have a binding settlement agreement with the Republic where the Republic never countersigned its settlement-related documents. The Republic's motion to dismiss remains pending as of the date of this annual report.

On June 1, 2016, an Argentine creditor filed suit against the Republic in the District Court based on its ownership of Argentine bonds governed by New York, German, English, and Italian law. The Republic and plaintiff requested that the Republic's response to plaintiff's complaint be due 60 days after plaintiff has filed proof that it served the Republic via the Hague Service Convention. The District Court granted that request on July 28, 2016.

Both the May 18 and June 1 complaints also included a claim that plaintiffs had valid and enforceable settlement agreements with Argentina, which the Republic had not countersigned.

On June 22, 2016, plaintiffs in three actions amended their complaints against the Republic, seeking damages for breach of contract, injunctive relief and specific performance based on the Republic's alleged breach of the *pari passu* clause, and damages based on the Republic's alleged breach of the *pari passu* clause. The Republic moved to dismiss these amended complaints on July 20, 2016. Briefing has concluded and the Republic's motion to dismiss remains pending as of the date of this annual report.

### *Efforts to attach or execute Argentine property in U.S. Litigation*

In the United States, creditors' execution remedies against a foreign state are limited by the United States Foreign Sovereign Immunities Act of 1976 (the "FSIA") to assets of such foreign state that are used for a commercial activity in the United States. The FSIA also provides special protection from attachment and execution to reserves of foreign central banks and military and diplomatic property. While most attempts to execute property of the Republic or of alleged alter egos of the Republic have been rejected by the courts in most cases, in a few instances plaintiffs seeking payment under the Republic's Untendered Debt had succeeded in attaching and restraining assets of the Republic.

On May 26, 2016, the District Court denied a motion brought by judgment creditors in two actions seeking to attach and execute the proceeds from the bond issuance that accompanied the settlement that are not being used to pay settlements, which the plaintiffs allege to be property of the Republic. On June 15, 2016, plaintiffs in one of these actions appealed the District Court order denying its motion. The Court of Appeals granted plaintiffs' motion to expedite the appeal, which remains pending as of the date of this annual report.

### *Proceedings for foreign recognition of U.S. judgments*

Certain plaintiffs have sought, and in some instances obtained, recognition of their U.S. judgments in foreign courts, including in the United Kingdom, Luxembourg, France, Belgium, Switzerland, Ghana and Argentina. These plaintiffs have settled their claims against the Republic, and the proceedings in these jurisdictions are in the process of being dismissed.

### *Litigation in Germany*

As of September 20, 2016, in Germany, final judgments were entered in a total amount of approximately €174 million in principal plus interest and costs in suits brought against the Republic relating to defaulted bonds. As of such date, there were also claims seeking approximately €19.4 million in principal on defaulted debt, plus interest, in suits pending in Germany in which no final judgment has yet been entered.

Several bondholders commenced proceedings in Germany seeking to obtain *pari passu* relief similar to the relief granted by New York Courts. German courts at both the trial and appellate level have declined to grant such relief, although such decisions are subject to further appeals.

Plaintiffs who try to execute on their judgments may not attach assets used for diplomatic or consular purposes, such as bank accounts of the Republic's embassy and consulates. To the Republic's knowledge, plaintiffs in Germany have succeeded in attaching monies of the Republic held with paying agents (for the payment of interest on other Government debt). Some creditors have also attached the Republic's claims against other plaintiffs (i.e., those who withdrew their claims against the Republic or lost their actions in whole or in part), who are liable for the Republic's costs (statutory attorneys' fees and, if applicable, court fees) under Germany's "losing party pays" system, to the extent the amount of such claims had not been set off by those plaintiffs.

Certain plaintiffs have sought recognition of their German judgments in foreign courts, including the United States and Luxembourg.

### *Litigation in Italy*

All bondholders proceedings against the Republic in Italy were dismissed, mostly on jurisdictional grounds.

### *Litigation in Japan*

On February 10, 2010, the Republic was served with a complaint filed by the commissioned companies for bondholders in Japan and claiming approximately ¥11 billion in principal, plus interest, in connection with four series of defaulted bonds issued by the Republic under Japanese law. Plaintiffs withdrew most of their claim as a result of their participation in the 2010 Debt Exchange. In January 2013 a Tokyo court dismissed the complaint, finding that the commissioned companies for bondholders lacked standing to bring the complaint. In January 2014, the High Court affirmed the District Court's ruling and the plaintiffs then appealed to the Supreme Court. On June 2, 2016, the Supreme Court reversed the High Court and remanded the case to the Tokyo District Court for further proceedings. As of the date of this annual report, the outstanding claim in



litigation amounted to ¥2.8 billion in principal, plus interest.

#### *Litigation in France*

Following the agreement reached by the Republic with plaintiffs holding U.S. judgments, these plaintiffs voluntarily released all attachments and had taken steps to have dismissed all proceedings in France seeking to enforce their U.S. judgments. These include attempts to seize certain Argentine diplomatic and military accounts and to attach taxes payable by French companies to the Republic.

#### *Litigation in Luxembourg*

Beginning in January 2009, plaintiffs holding German judgments totaling approximately €80 million obtained court orders in Luxembourg to attach assets of the Republic held by local banks. No assets of the Republic were attached as a result of these court orders. As of the date of this annual report, the Republic's challenges to these court orders were pending before the local courts.

#### *Litigation in Spain*

On April 10, 2014, a plaintiff who obtained a judgment in Germany initiated proceedings before a court in Madrid in order to attach the Republic's assets located in Spain. On May 14, 2015, the court permitted that plaintiff to execute its German judgment on the Republic's property in Spain. In December 2015, the court denied the Republic's request to vacate that order. The Republic's appeal of that ruling remains pending as of the date of this annual report.

#### *Litigation in Argentina*

Since the 2001 economic crisis, the Republic has been sued in Argentina on claims relating to steps it took during the crisis, seeking, among other things, payment on defaulted bonds. These lawsuits generally have been unsuccessful. The Supreme Court of Argentina has issued several decisions in which it consistently upheld the constitutionality of the emergency measures adopted as a result of the 2001 economic crisis, including the deferral of payment on bonds. Most of these local lawsuits have been dismissed.

*Recognition and enforcement of foreign judgments in Argentina.* Argentine law permits the enforcement in Argentina of a final judgment issued by a competent foreign court, provided that the defendant's right to an adequate defense is guaranteed, the judgment or award does not contravene principles of Argentine public order, and the judgment or award is not incompatible with another judgment previously or simultaneously issued by an Argentine court. Foreign creditors have generally not brought suits or sought to enforce their foreign judgments or awards in Argentina.

In Argentina, plaintiffs in four actions have sought recognition of U.S. judgments totaling approximately U.S.\$24 million. In three of these cases the proceedings reached the Supreme Court, which confirmed the respective Court of Appeals decisions dismissing the claims for recognition of the foreign judgment. As of the date of this annual report, the fourth case is pending before the lower court. In all cases in which Argentine courts dismissed a claim for recognition and enforcement of the U.S. judgments, the courts held, as the Republic had argued, that although the Republic's issuance of the bonds in which plaintiff had an interest constituted a commercial activity, the Republic's declaration of a default as a consequence of an economic and social emergency constituted an exercise of its sovereign powers and should have been given deference by the foreign court.

*Enforcement of arbitration awards in Argentina.* In order for a creditor to collect on an award against the Republic in Argentina, the creditor must first notify the competent authorities and request payment with funds from the current fiscal year's budget. If there are no such funds available, the creditor may request that the payment of the award be included in the budget for the following fiscal year. In order for the award to be included in the budget for the following fiscal year, which the Executive Power must present to Congress before September 15 of the previous year, the creditor must notify the competent authorities before July 31 of the previous year. If the creditor complies with these requirements but the Republic does not include the award in the following fiscal year's budget or fails to make payment during the following fiscal year, then the creditor is entitled to attempt to execute upon assets of the Republic in order to satisfy the award.

#### *ICSID Arbitration*

Argentina has been a party to arbitration proceedings under the 1965 Convention on the Settlement of

Investment Disputes between States and Nationals of Other States ("ICSID Convention"), including as a result of measures implemented in 2001 and 2002 to address Argentina's economic crisis.

As of the date of this annual report, there are three outstanding final awards issued by ICSID tribunals against Argentina for an aggregate total of U.S.\$427.36 million, and Argentina is seeking the annulment of four additional awards for an aggregate total of U.S.\$845.51 million. As of such date, there were six ongoing cases against Argentina before ICSID with claims totaling U.S.\$1.79 billion (including two cases with claims for amounts that had not yet been determined), and in three of these cases (with aggregate claims for U.S.\$1.72 billion) the ICSID tribunal had already ruled that it has jurisdiction.

As of the date of this annual report, there are eight additional cases with claims totaling U.S.\$4.55 billion in which the parties agreed to suspend the proceedings pending settlement discussions. A successful completion of these negotiations could lead additional ICSID claimants to withdraw their claims, although the Republic can offer no assurance to this effect.

On October 8, 2013, the Republic settled with four ICSID claimants and paid with bonds an aggregate amount of U.S.\$406 million. On May 13, 2016, the Republic settled one additional case and paid with bonds an aggregate amount of U.S.\$51.97 million. See "—Other Arbitration."

On January 31, 2016, the Republic entered into an agreement in principle with the representative of TFA to settle the claims of the Italian bondholders, subject to certain conditions. See "—The Settlement" above.

#### *Other Arbitration*

Claimants have also filed claims before arbitral tribunals under the rules of the United Nations Commission on International Trade Law ("UNCITRAL") and under the rules of the International Chamber of Commerce ("ICC").

As of the date of this annual report there was one final outstanding UNCITRAL award against Argentina for a total of U.S.\$7.39 million and Argentina is seeking the annulment of two additional awards for an aggregate amount of U.S.\$21.05 million. As of such date, there were three ongoing cases against Argentina before UNCITRAL and ICC tribunals with claims totaling U.S.\$625.43 million, including one case with a U.S.\$508.70 million claim in which the tribunal had already ruled that it has jurisdiction. There was one additional case with a claim of U.S.\$168.69 million in which the parties agreed to suspend the proceedings pending settlement discussions.

In October 2013 and May 2016, Argentina settled two final awards issued by an UNCITRAL tribunal that awarded a claim against Argentina for U.S.\$104.00 million and U.S.\$189.46 million, respectively.

#### *Other Non-Creditor Litigation in the U.S.*

On April 8, 2015, Petersen Energia Inversora, S.A.U. and Petersen Energia, S.A.U. (the "Petersen Entities") filed a claim against the Republic in relation to the 2012 expropriation of YPF in the District Court.

The Petersen Entities seek compensatory damages (in an amount to be determined) arising out of an alleged breach of the bylaws of YPF by the Republic that allegedly occurred when it expropriated 51% of Class D shares of YPF. In September 2015, the Republic moved to dismiss the complaint, asserting, among other things, that the District Court lacks jurisdiction under the FSIA. On September 9, 2016, the District Court granted in part and denied in part the Republic's motion to dismiss plaintiffs' complaint. The Republic has the right to appeal this decision.

## TABLES AND SUPPLEMENTAL INFORMATION

Foreign Currency-Denominated Debt  
Direct Debt

LENDER	Interest Rate	Issue Date	Final Maturity	Currencies	Principal Amount	
					Face Value	Outstanding as of December 31, 2015
					Millions of dollars	Millions of dollars
World Bank	(a)	09/05/2001	09/15/2016	USD	330	20
World Bank	3.90	09/05/2001	08/15/2016	USD	400	48
World Bank	(a)	11/13/2001	10/15/2016	USD	5	—
World Bank	(a)	01/29/2003	10/15/2016	USD	600	86
World Bank	4.07	05/23/2003	02/15/2018	USD	500	142
World Bank	4.36	10/31/2003	10/15/2018	USD	750	252
World Bank	Fixed Between 1.47% <sub>o</sub> and 3.86% <sub>o</sub> (a)	09/07/2004	02/15/2019	USD	136	47
World Bank	Fixed Between 1.40% <sub>o</sub> and 4.16% <sub>o</sub> (a)	04/18/2006	04/15/2018	USD	150	64
World Bank	Fixed Between 1.83% <sub>o</sub> and 4.25% <sub>o</sub> (a)	07/14/2006	03/15/2020	USD	25	10
World Bank	Fixed Between 1.62% <sub>o</sub> and 4.17% <sub>o</sub> (a)	10/23/2006	03/15/2020	USD	150	78
World Bank	Fixed Between 1.51% <sub>o</sub> and 4.13% <sub>o</sub> (a)	05/11/2006	03/15/2019	USD	350	159
World Bank	1.31/(a)	12/20/2006	09/15/2020	USD	40	21
World Bank	1.64/(a)	12/20/2006	12/15/2016	USD	150	12
World Bank	Fixed Between 1.65% <sub>o</sub> and 4.25% <sub>o</sub> (a)	05/08/2007	10/15/2020	USD	110	66
World Bank	Fixed Between 1.80% <sub>o</sub> and 4.05% <sub>o</sub> (a)	05/09/2007	07/01/2021	USD	300	185
World Bank	Fixed Between 1.29% <sub>o</sub> and 3.90% <sub>o</sub> (a)	07/12/2007	09/15/2021	USD	220	132
World Bank	Fixed Between 1.37% <sub>o</sub> and 3.91% <sub>o</sub> (a)	08/16/2007	01/01/2022	USD	37	24
World Bank	Fixed Between 1.82% <sub>o</sub> and 4.11% <sub>o</sub> (a)	11/26/2007	01/01/2022	USD	200	132
	Fixed Between 1.82% <sub>o</sub> and 4.11% <sub>o</sub> (a)	12/28/2007	01/01/2022	USD	20	12
World Bank	1.75/(a)	05/08/2007	05/15/2021	USD	70	46
World Bank	Fixed Between 1.79% <sub>o</sub> and 4.08% <sub>o</sub> (a)	11/26/2007	03/15/2022	USD	200	61
World Bank	1.90	11/06/2008	07/01/2022	USD	45	31
World Bank	2.89/(a)	02/27/2009	03/15/2038	USD	60	46
World Bank	2.89/(a)	01/13/2009	03/15/2038	USD	20	18
World Bank	2.90/(a)	03/27/2009	09/15/2038	USD	300	215
World Bank	3.32/(a)	08/06/2009	04/01/2038	USD	150	139
World Bank	3.37/(a)	08/25/2009	03/15/2039	USD	840	186
World Bank	3.00/(a)	01/18/2010	09/15/2038	USD	50	46
World Bank	3.67/(a)	06/10/2009	12/15/2038	USD	450	414
World Bank	2.99/(a)	02/01/2010	03/15/2038	USD	30	23
World Bank	3.23/(a)	03/30/2010	09/15/2039	USD	229	135
World Bank	3.24/(a)	06/11/2010	02/15/2040	USD	30	21
World Bank	3.23/(a)	08/11/2010	09/15/2039	USD	150	65
World Bank	(a)	05/04/2011	03/15/2037	USD	400	309

LENDER	Interest Rate	Issue Date	Final Maturity	Currencies	Principal Amount	
					Face Value	Outstanding as of December 31, 2015
					Millions of dollars	Millions of dollars
World Bank	(a)	05/04/2011	03/15/2037	USD	200	87
World Bank	(a)	04/11/2011	05/15/2038	USD	175	96
World Bank	(a)	04/11/2011	03/15/2037	USD	461	404
World Bank	(a)	08/04/2011	10/15/2037	USD	480	473
World Bank	(a)	11/23/2011	12/15/2036	USD	200	88
World Bank	(a)	08/06/2012	11/15/2037	USD	400	287
World Bank	(a)	04/16/2015	12/15/2046	USD	250	24
World Bank	(a)	04/16/2015	06/15/2047	USD	425	122
World Bank	(a)	09/21/2015	08/15/2047	USD	59	2
World Bank	(a)	10/09/2015	10/15/2047	USD	350	1
<b>Total</b>					<b>10,497</b>	<b>4,829</b>
Inter-American Development Bank	0.75%	02/21/1967	02/21/2017	CAD	—	—
Inter-American Development Bank	4%	04/07/1992	04/07/2017	USD	1	—
Inter-American Development Bank	3%	04/07/1992	04/07/2017	USD	11	1
Inter-American Development Bank	4%	09/22/1993	03/21/2019	USD	25	5
Inter-American Development Bank	3%	12/06/1994	12/06/2019	USD	15	4
Inter-American Development Bank	4%	06/05/1995	06/05/2020	USD	30	8
Inter-American Development Bank	4.88%	06/05/1995	06/05/2020	USD	180	62
Inter-American Development Bank	Fixed Between 2.53% and 5.74%	03/26/1996	12/15/2018	USD	325	71
Inter-American Development Bank	5.18%	09/10/1996	09/10/2016	USD	25	2
Inter-American Development Bank	5.74	02/20/1997	02/20/2022	USD	102	42
Inter-American Development Bank	5.74	03/16/1997	03/16/2017	USD	78	3
Inter-American Development Bank	5.74	08/04/1997	08/04/2017	USD	81	10
Inter-American Development Bank	5.74	08/04/1997	08/04/2017	USD	287	44
Inter-American Development Bank	Fixed Between 2.51% and 5.74%	02/05/1998	02/05/2018	USD	250	59
Inter-American Development Bank	5.74	02/11/1998	02/11/2018	USD	8	—
Inter-American Development Bank	3%	03/16/1998	03/16/2027	USD	17	7
Inter-American Development Bank	5.74	03/16/1998	03/16/2023	USD	17	7
Inter-American Development Bank	5.74	03/16/1998	03/16/2018	USD	176	30
Inter-American Development Bank	5.74	07/22/1998	07/22/2018	USD	64	15
Inter-American Development Bank	5.74	08/08/1998	08/08/2023	USD	300	150

LENDER	Interest Rate	Issue Date	Final Maturity	Currencies	Principal Amount	
					Face Value	Outstanding as of December 31, 2015
					Millions of dollars	Millions of dollars
Inter-American Development Bank	4%	12/09/1998	12/09/2023	USD	16	4
Inter-American Development Bank	3%	12/09/1998	12/09/2023	USD	16	4
Inter-American Development Bank	5.74	12/16/1998	12/15/2018	USD	62	13
Inter-American Development Bank	5.74	11/01/1999	11/01/2019	USD	140	37
Inter-American Development Bank	5.74	01/13/1999	01/13/2024	USD	6	1
Inter-American Development Bank	4	09/15/1999	09/15/2019	USD	2	—
Inter-American Development Bank	Fixed Between 1.81% and 5.74%	09/15/1999	09/15/2019	USD	238	51
Inter-American Development Bank	5.74	10/18/1999	10/18/2024	USD	250	68
Inter-American Development Bank	5.74	03/02/2000	03/02/2020	USD	100	28
Inter-American Development Bank	5.74	03/26/2000	03/26/2020	USD	5	1
Inter-American Development Bank	5.74	02/27/2001	02/27/2021	USD	400	147
Inter-American Development Bank	5.74	09/05/2001	09/05/2021	USD	500	200
Inter-American Development Bank	5.74	06/13/2001	06/15/2021	USD	500	183
Inter-American Development Bank	5.74	06/25/2001	06/15/2021	USD	2	—
Inter-American Development Bank	5.74	10/25/2001	10/25/2021	USD	8	2
Inter-American Development Bank	Fixed Between 3.44% and 5.74%	10/25/2001	10/25/2026	USD	43	26
Inter-American Development Bank	Fixed Between 3.59% and 5.74%	11/20/2003	11/20/2028	USD	600	382
Inter-American Development Bank	2.51	12/28/2004	12/15/2024	USD	500	300
Inter-American Development Bank	2.53	05/04/2005	05/04/2025	USD	5	3
Inter-American Development Bank	Fixed Between 2.53% and 2.88%	05/04/2005	05/04/2025	USD	5	3
Inter-American Development Bank	Fixed Between 2.60% and 3.21%	08/24/2005	08/24/2025	USD	33	22
Inter-American Development Bank	Fixed Between 2.57% and 3.21%	08/24/2005	08/24/2025	USD	18	12
Inter-American Development Bank	3.065	03/01/2006	03/01/2031	USD	700	493
Inter-American Development Bank	2.64	05/18/2006	05/18/2026	USD	500	350
Inter-American Development Bank	Fixed Between 2.73% and 3.31%	11/07/2006	11/07/2026	USD	50	41
Inter-American Development Bank	2.76	08/09/2006	08/09/2026	USD	280	199

LENDER	Interest Rate	Issue Date	Final Maturity	Currencies	Principal Amount	
					Face Value	Outstanding as of December 31, 2015
					Millions of dollars	Millions of dollars
Inter-American Development Bank	Fixed Between 4.05% and 5.74%	11/06/2006	11/06/2031	USD	880	698
Inter-American Development Bank	Fixed Between 4.05% and 5.74%	03/29/2007	03/29/2032	USD	350	289
Inter-American Development Bank	Fixed Between 3.16% and 3.63% <sup>w/ (b)</sup>	03/29/2007	03/29/2032	USD	240	208
Inter-American Development Bank	Fixed Between 3.74% and 4.06% <sup>w/ (b)</sup>	03/29/2007	03/29/2032	USD	1,200	979
Inter-American Development Bank	Fixed Between 3.25% and 3.66% <sup>w/ (b)</sup>	11/06/2007	11/06/2032	USD	50	43
Inter-American Development Bank	Fixed Between 3.25% and 3.66%	11/06/2007	06/15/2032	USD	60	45
Inter-American Development Bank	Fixed Between 3.66% and 3.86% <sup>w/ (b)</sup>	11/06/2007	11/06/2032	USD	40	27
Inter-American Development Bank	Fixed Between 3.16% and 3.65% <sup>w/ (b)</sup>	11/06/2007	11/06/2032	USD	20	17
Inter-American Development Bank	3.66% <sup>w/ (b)</sup>	11/06/2007	11/06/2032	USD	72	58
Inter-American Development Bank	Fixed Between 3.28% and 3.67%	04/17/2008	04/17/2033	USD	200	169
Inter-American Development Bank	Fixed Between 3.28% and 3.67%	04/17/2008	04/17/2033	USD	630	502
Inter-American Development Bank	Fixed Between 3.31% and 3.87% <sup>w/ (b)</sup>	11/04/2008	11/04/2033	USD	230	213
Inter-American Development Bank	3.33% <sup>(b)</sup>	02/27/2009	02/27/2034	USD	16	13
Inter-American Development Bank	Between 3.31% and 3.88% <sup>w/ (b)</sup>	07/31/2009	07/31/2034	USD	850	688
Inter-American Development Bank	Fixed Between 3.39% and 3.71%	03/31/2009	03/31/2034	USD	50	46
Inter-American Development Bank	Between 3.39% and 3.72% <sup>w/ (b)</sup>	07/31/2009	07/31/2034	USD	200	182
Inter-American Development Bank	Fixed Between 3.43% and 3.74%	03/08/2010	03/08/2035	USD	100	98
Inter-American Development Bank	Between 3.41% and 3.74% <sup>w/ (b)</sup>	03/29/2010	03/29/2035	USD	120	114
Inter-American Development Bank	(b)	04/12/2010	04/12/2035	USD	6	1
Inter-American Development Bank	3.81% <sup>w/ (b)</sup>	03/26/2011	03/26/2036	USD	170	83
Inter-American Development Bank	Fixed Between 3.51% and 3.79%	03/26/2011	03/26/2036	USD	492	461
Inter-American Development Bank	Between 3.53% and 3.81% <sup>w/ (b)</sup>	03/26/2011	03/26/2036	USD	200	200
Inter-American Development Bank	3.79% <sup>w/ (b)</sup>	03/26/2011	03/26/2036	USD	120	92
Inter-American Development Bank	(b)	12/29/2011	12/15/2036	USD	40	9
Inter-American Development Bank	3.84% <sup>w/ (b)</sup>	12/29/2011	12/15/2036	USD	230	174
Inter-American Development Bank	3.87%	01/13/2012	01/13/2037	USD	20	13

LENDER	Interest Rate	Issue Date	Final Maturity	Currencies	Principal Amount	
					Face Value	Outstanding as of December 31, 2015
					Millions of dollars	Millions of dollars
Inter-American Development Bank	3.92%/(b)	07/31/2012	07/31/2037	USD	400	238
Inter-American Development Bank	3.92%/(b)	07/31/2012	07/31/2037	USD	300	190
Inter-American Development Bank	3.89%/(b)	07/31/2012	07/31/2037	USD	200	154
Inter-American Development Bank	3.86%/(b)	07/31/2012	07/31/2037	USD	10	10
Inter-American Development Bank	3.89%/(b)	08/21/2012	08/21/2037	USD	200	84
Inter-American Development Bank	3.92%/(b)	09/28/2012	09/15/2037	USD	36	23
Inter-American Development Bank	(b)	10/30/2012	10/30/2037	USD	80	15
Inter-American Development Bank	(b)	11/29/2012	11/15/2037	USD	3	2
Inter-American Development Bank	3.95%/(b)	01/30/2013	01/15/2038	USD	30	10
Inter-American Development Bank	3.92%/(b)	03/19/2013	03/15/2037	USD	500	108
Inter-American Development Bank	3.96%/(b)	03/19/2013	03/15/2038	USD	200	162
Inter-American Development Bank	3.92%/(b)	05/06/2013	04/15/2038	USD	150	127
Inter-American Development Bank	(b)	05/16/2013	05/15/2038	USD	60	9
Inter-American Development Bank	4.00%/(b)	10/28/2013	10/15/2038	USD	280	200
Inter-American Development Bank	4.02%/(b)	12/13/2013	11/15/2038	USD	300	63
Inter-American Development Bank	4.03%/(b)	03/10/2014	02/15/2039	USD	20	3
Inter-American Development Bank	(b)	03/26/2014	03/15/2039	USD	50	5
Inter-American Development Bank	(b)	03/26/2014	03/15/2039	USD	300	46
Inter-American Development Bank	4.04%/(b)	03/29/2014	03/15/2039	USD	250	25
Inter-American Development Bank	4.04%/(b)	03/29/2014	03/15/2039	USD	24	6
Inter-American Development Bank	(b)	12/09/2014	11/15/2039	USD	30	1
Inter-American Development Bank	(b)	09/12/2014	11/15/2038	USD	150	—
Inter-American Development Bank	4.07%/(b)	09/30/2014	09/15/2039	USD	200	20
Inter-American Development Bank	(b)	10/30/15	10/15/40	USD	200	—
Inter-American Development Bank	(b)	09/16/2015	09/15/2040	USD	200	—
Inter-American Development Bank	(b)	10/30/2015	10/15/2040	USD	150	—

LENDER	Interest Rate	Issue Date	Final Maturity	Currencies	Principal Amount	
					Face Value	Outstanding as of December 31, 2015
					Millions of dollars	Millions of dollars
<b>Total</b>					<b>17,880</b>	<b>10,013</b>
Paris Club Round 6	3	04/30/2014	05/30/2019	Various	9,690	7,272
<b>Total</b>					<b>9,690</b>	<b>7,272</b>
FONPLATA	(f)	08/12/2004	09/01/2019	USD	51	18
FONPLATA	(g)	12/06/2004	12/06/2019	USD	22	9
FONPLATA	(k)	08/28/2007	08/28/2019	USD	5	3
FONPLATA	(r)	05/07/2014	05/07/2029	USD	25	15
FONPLATA	(s)	02/20/2015	02/20/2030	USD	10	—
FONPLATA	(s)	06/16/2015	06/24/2030	USD	35	—
FONPLATA	(s)	06/16/2015	06/16/2030	USD	28	7
FONPLATA	(s)	03/20/2015	09/20/2030	USD	18	2
<b>Total</b>					<b>194</b>	<b>54</b>
FIDA	(i)	11/27/2006	12/15/2022	SDR	15	9
FIDA	(i)	10/17/2008	10/01/2024	SDR	20	11
FIDA	(i)	11/25/2011	06/01/2029	SDR/EUR	58	18
<b>Total</b>					<b>93</b>	<b>38</b>
CAF	(h)	08/29/2007	08/29/2022	USD	300	161
CAF	(h)	12/11/2007	12/11/2022	USD	200	112
CAF	(j)	12/02/2008	12/02/2020	USD	275	153
CAF	(h)	12/11/2007	12/11/2022	USD	80	47
CAF	(h)	05/21/2008	05/21/2023	USD	110	73
CAF	(t)	11/03/2009	11/03/2021	USD	301	163
CAF	(e)	06/03/2005	06/03/2017	USD	35	6
CAF	(n)	07/07/2009	07/07/2024	USD	100	—
CAF	(l)	07/29/2010	07/29/2022	USD	100	88
CAF	(t)	07/29/2010	07/29/2022	USD	36	25
CAF	(m)	12/10/2010	12/10/2025	USD	500	417
CAF	(m)	07/29/2010	07/29/2025	USD	84	44
CAF	(m)	07/29/2010	07/29/2025	USD	38	14
CAF	(t)	07/29/2010	07/29/2022	USD	35	28
CAF	(m)	03/18/2011	03/18/2026	USD	326	134
CAF	(t)	03/18/2011	03/18/2023	USD	8	7
CAF	(m)	03/18/2011	03/18/2026	USD	140	138
CAF	(u)	07/20/2012	07/21/2024	USD	50	41
CAF	(t)	03/30/2012	04/23/2024	USD	14	3
CAF	(ñ)	08/30/2012	08/30/2024	USD	65	29
CAF	(o)	11/15/2012	11/15/2027	USD	168	96
CAF	(ñ)	04/23/2012	04/23/2024	USD	100	29
CAF	(ñ)	08/09/2012	08/09/2024	USD	30	27
CAF	(ñ)	12/18/2012	12/18/2024	USD	75	104
CAF	(o)	12/18/2012	12/18/2027	USD	250	189
CAF	(ñ)	12/18/2012	12/18/2024	USD	150	64
CAF	(v)	12/18/2012	12/18/2027	USD	70	48
CAF	(p)	02/06/2013	02/06/2031	USD	240	146
CAF	(ñ)	02/06/2013	02/06/2025	USD	50	35
CAF	(ñ)	02/06/2013	02/06/2025	USD	42	17
CAF	(o)	04/15/2014	04/15/2029	USD	150	67



LENDER	Interest Rate	Issue Date	Final Maturity	Currencies	Principal Amount	
					Face Value	Outstanding as of December 31, 2015
					Millions of dollars	Millions of dollars
CAF	(o)	06/18/2014	06/18/2029	USD	120	—
CAF	(o)	06/18/2014	06/18/2029	USD	60	14
CAF	(ñ)	06/18/2014	06/18/2026	USD	75	2
CAF	(l)	08/19/2014	08/19/2026	USD	90	7
CAF	(o)	09/04/2014	09/04/2029	USD	90	33
CAF	(ñ)	09/30/2014	09/30/2026	USD	50	12
CAF		10/21/2014	10/21/2026	USD	75	0
CAF	(o)	10/21/2014	10/21/2029	USD	70	16
CAF	(t)	05/19/2015	11/19/2027	USD	1	1
CAF		06/15/2015		USD	100	—
CAF		06/21/2015		USD	9	—
<i>Total</i>					<b>4,862</b>	<b>2,590</b>

(a) Floating World Bank Rate + 0.5%

(b) Floating IADB Rate

(c) LIBOR 6M + 1.2%

(d) LIBOR 6M + 3.35%

(e) LIBOR 6M + 2.9%

(f) LIBOR 6M + 3.5%

(g) LIBOR 6M + 2.45%

(h) LIBOR 6M + 1.05%

(i) Floating FIDA Rate

(j) LIBOR 6M + 1.80%

(k) LIBOR 6M + 2.25%

(l) LIBOR 6M + 1.55%

(m) LIBOR 6M + 2.35%

(n) LIBOR 6M + 2.85%

(ñ) LIBOR 6M + 2.55%

(o) LIBOR 6M + 2.60%

(p) LIBOR 6M + 2.65%

(q) LIBOR 6M + 3.50%

(r) LIBOR 6M + 1.98%

(s) LIBOR 6M + 2.64%

(t) LIBOR 6M + 2.30%

(u) LIBOR 6M + 1.35%

(v) LIBOR 6M + 1.60%

**TABLES AND SUPPLEMENTAL INFORMATION**  
**Foreign Currency-Denominated Debt**  
**Indirect Debt**

LENDER	Interest Rate	Issue Date	Final Maturity	Currencies	Principal Amount	
					Face Value	Outstanding as of December 31, 2015
					Millions of dollars	Millions of dollars
World Bank	Fixed Between 1.47% and 4.08%	12/06/2004	12/01/2018	USD	450	66
World Bank	(a)	03/08/2005	04/15/2021	USD	200	121
World Bank	(a)	05/18/2006	03/15/2020	EUR	135	100
World Bank	(a)	11/16/2006	11/15/2019	USD	75	40
World Bank	(a)	06/12/2007	10/15/2021	USD	127	76
World Bank	(a)	05/30/2008	04/15/2023	USD	270	234
World Bank	Fixed Between 1.88% and 4.49%/(a)	06/27/2008	06/15/2022	USD	400	265
World Bank	(a)	08/31/2011	02/15/2040	USD	50	48
World Bank	(a)	05/30/2011	11/15/2039	USD	30	22
World Bank	(a)	02/06/2012	08/15/2037	USD	50	50
<b>Total</b>					<b>1,787</b>	<b>1,022</b>
Inter-American Development Bank	5.18	05/30/1991	05/30/2016	USD	70	2
Inter-American Development Bank	3.00	05/30/1991	02/15/2016	USD	29	1
Inter-American Development Bank	(b)	12/04/2003	12/04/2028	USD	34	23
Inter-American Development Bank	(b)	08/04/1997	08/04/2017	USD	346	48
Inter-American Development Bank	5.73	11/19/1997	11/19/2017	USD	277	11
Inter-American Development Bank	(b)	11/01/1999	11/01/2019	USD	200	57
Inter-American Development Bank	5.73	07/31/2001	07/31/2021	USD	212	81
Inter-American Development Bank	Fixed Between 3.08% and 5.73%	11/05/2002	11/05/2022	USD	200	109
Inter-American Development Bank	(b)	03/09/2004	03/09/2024	USD	11	6
Inter-American Development Bank	(b)	03/09/2004	05/15/2016	USD	40	1
Inter-American Development Bank	(b)	08/24/2005	08/24/2025	USD	70	49
Inter-American Development Bank	5.73/(b)	11/07/2006	11/07/2031	USD	180	137
Inter-American Development Bank	(b)	02/05/2007	02/05/2032	USD	33	27
Inter-American Development Bank	(b)	11/07/2006	11/07/2031	USD	230	197
Inter-American Development Bank	Fixed Between 3.29% and 3.67%/(b)	04/06/2008	04/06/2033	USD	120	70
Inter-American Development Bank	(b)	04/17/2008	04/17/2033	USD	100	81
Inter-American Development Bank	Fixed Between 3.29% and	04/17/2008	04/17/2033	USD	100	90

LENDER	Interest Rate	Issue Date	Final Maturity	Currencies	Principal Amount	
					Face Value	Outstanding as of December 31, 2015
					Millions of dollars	Millions of dollars
	3.67%(b)					
Inter-American Development Bank	(b)	01/15/2009	01/15/2034	USD	58	54
Inter-American Development Bank	(b)	06/30/2010	06/15/2035	USD	25	11
Inter-American Development Bank	(b)	03/26/2011	09/26/2036	USD	200	86
Inter-American Development Bank	(b)	01/19/2012	01/19/2037	USD	30	3
Inter-American Development Bank	(b)	05/06/2013	04/15/2038	USD	34	8
Inter-American Development Bank	(b)	05/17/2013	05/15/2038	USD	60	22
Inter-American Development Bank	(b)	12/10/2014	11/15/2038	USD	230	4
Inter-American Development Bank	(b)	03/06/2015	02/15/2040	USD	50	15
<b>Total</b>					<b>2,939</b>	<b>1,193</b>
FONPLATA	3.97	12/26/1996	03/24/2016	USD	34	2
FONPLATA	(q)	08/26/2008	07/26/2028	USD	50	25
<b>Total</b>					<b>84</b>	<b>27</b>
CAF		09/14/2015		USD	150	—
<b>Total</b>					<b>150</b>	<b>—</b>

(a) Floating World Bank Rate + 0.5%

(b) Floating IADB Rate

(q) LIBOR 6M + 3.50%

**Peso-Denominated Debt**  
**Direct Debt**  
**Peso-Denominated Performing Bonds**

LENDER	Interest Rate	Issue Date	Final Maturity	Currencies	Principal Amount	
					Face Value	Outstanding as of December 31, 2015
					Millions of dollars	Millions of dollars
Bono del Tesoro Consolidado 2089	--	01/02/1990	01/02/2089	ARP	68	64
Bono del Tesoro \$ 2016	Floating- Savings account (a)	06/01/2012	12/01/2016	ARP	122	30
BONAC \$ Julio 2016	Tasa LEBAC	06/12/2015	07/12/2016	ARP	934	934
BONAC \$ Marzo 2016	Tasa LEBAC	03/31/2015	03/31/2016	ARP	792	792
BONAC \$ Mayo 2016	Tasa LEBAC	05/08/2015	05/09/2016	ARP	1,419	1,419
BONAC \$ Septiembre 2016	Tasa LEBAC	03/31/2015	09/30/2016	ARP	699	699
BONAR \$ 2016	Tasa Badlar + 200 bp	09/29/2014	09/29/2016	ARP	769	769
BONAR \$ 2016	Tasa Badlar + 325 bp	03/18/2009	03/18/2016	ARP	964	964
BONAR \$ 2017	Tasa Badlar + 200 bp	03/28/2014	06/28/2017	ARP	1,335	1,335
BONAR \$ 2018	Tasa Badlar + 300 bp	02/18/2013	08/18/2018	ARP	1,456	1,456
BONAR \$ 2019	Tasa Badlar + 250 bp	03/11/2013	03/11/2019	ARP	1,798	1,798
BONAR \$ 2019	Tasa Badlar + 300 bp	06/10/2013	06/10/2019	ARP	1,153	1,153
BONAR \$ 2020	Tasa Badlar + 300 bp	12/23/2013	12/23/2020	ARP	1,707	1,707
BONAR \$ 2017	Tasa Badlar + 300 bp	10/09/2015	10/09/2017	ARP	769	769
BONAR \$ 2018	Tasa Badlar + 300 bp	11/04/2015	02/05/2018	ARP	227	227
BONAD/USS/1.75%/2016	1.75%	10/28/2014	10/28/2016	ARP	1,000	1,000
BONAD/USS/2.40%/18-03-2018	2.40%	11/18/2014	03/19/2018	ARP	1,172	1,172
BONAD 02 / DLK / 0.75% / 2017	0.75%	08/19/2015	02/22/2017	ARP	1,500	1,500
BONAD 09 / DLK / 0.75% / 2017	0.75%	09/21/2015	09/21/2017	ARP	1,500	1,500
BONAD 06/DLK/0.75%/09-06-2017	0.75%	10/09/2015	06/09/2017	ARP	1,000	1,000
BONAD 06/DLK/2.50%/04-06-2018	2.50%	11/04/2015	06/04/2018	ARP	353	353
PRO 7	Floating- Savings account (b)	01/01/2000	01/01/2016	ARP	4	—
PR 14	Tasa Badlar	01/04/2010	01/04/2016	ARP	338	85
PR 15	Tasa Badlar	01/04/2010	10/04/2022	ARP	159	280
Letra del Tesoro - BNA	Tasa Badlar	12/22/2014	12/22/2016	ARP	308	308
Letra del Tesoro - BNA	Tasa Badlar	10/30/2014	10/31/2016	ARP	239	239
Letra del Tesoro - BNA	Tasa Badlar	11/30/2015	11/30/2017	ARP	1,230	1,230
Letra del Tesoro - ENARSA	--	06/10/2014	07/05/2016	ARP	179	179
Letra del Tesoro - ENARSA	--	12/15/2014	09/15/2016	ARP	223	223
Letra del Tesoro - FFRE	15.450%	12/22/2015	06/21/2016	ARP	188	188
Letra del Tesoro - FFRH	16.356%	11/11/2015	05/09/2016	ARP	20	20
Letra del Tesoro - FFSIT	15.000%	08/21/2015	02/19/2016	ARP	35	35
Letra del Tesoro - FFSIT	15.000%	08/31/2015	02/29/2016	ARP	62	62
Letra del Tesoro - FFSIT	15.000%	10/23/2015	04/20/2016	ARP	23	23
Letra del Tesoro - FFSIT	15.000%	11/18/2015	05/18/2016	ARP	62	62
Letra del Tesoro - FFSIT	15.000%	12/09/2015	06/08/2016	ARP	25	25
Letra del Tesoro - FFSIT	15.000%	12/21/2015	06/21/2016	ARP	72	72
Letra del Tesoro - FFSIT	14.500%	12/22/2015	03/22/2016	ARP	39	39
Letra del Tesoro - FFSIT	15.000%	12/22/2015	06/21/2016	ARP	4	4
Letra del Tesoro - FFSIT	15.000%	12/22/2015	06/21/2016	ARP	40	40
Letra del Tesoro - FFSIT	15.000%	12/22/2015	06/21/2016	ARP	49	49
Letra del Tesoro - FFDP	17.000%	12/09/2015	02/09/2018	ARP	330	330

LENDER	Interest Rate	Issue Date	Final Maturity	Currencies	Principal Amount	
					Face Value	Outstanding as of December 31, 2015
					Millions of dollars	Millions of dollars
Letra del Tesoro - FGS	Tasa Badlar + 460 bp	08/18/2015	08/18/2016	ARP	407	407
Letra del Tesoro - FGS	Tasa Badlar	12/19/2014	06/21/2016	ARP	638	638
Letra del Tesoro - FGS	Tasa Badlar + 250 bp	10/29/2015	10/28/2016	ARP	498	498
Letra del Tesoro - FGS	Tasa Badlar + 125 bp	11/09/2015	11/09/2016	ARP	467	467
Letra del Tesoro - FGS	Tasa Badlar	11/25/2015	02/27/2017	ARP	346	346
Letra del Tesoro - FGS	Tasa Badlar	11/30/2015	02/28/2017	ARP	308	308
Letra del Tesoro - FGS	Tasa Badlar	12/03/2015	03/03/2017	ARP	77	77
Letra del Tesoro - IAF	Tasa Badlar	05/15/2015	05/13/2016	ARP	23	23
Letra del Tesoro - INDER	16.356%	11/18/2015	02/17/2016	ARP	12	12
Letra del Tesoro - PROCREAR	17.000%	08/12/2015	08/14/2017	ARP	77	77
Letra del Tesoro - PROCREAR	17.000%	11/26/2015	11/27/2017	ARP	85	85
Letra del Tesoro - PROCREAR	17.000%	12/04/2015	06/01/2016	ARP	154	154
Letra del Tesoro - PROCREAR	17.000%	12/04/2015	06/01/2016	ARP	231	231
Letra del Tesoro - SRT	Tasa Badlar	08/20/2015	08/18/2016	ARP	6	6
Letra del Tesoro - CMEA	--	09/19/2014	09/19/2016	ARP	348	348
Letra del Tesoro - FFP	1.30%	09/18/2015	09/19/2016	ARP	132	132
Letra del Tesoro - FFP	1.30%	11/24/2015	11/24/2016	ARP	52	52
PAR EN PESOS - DTO 563/10	Fixed rate - Step up - 2.48%	12/31/2003	12/31/2038	ARP + CER	1	3
PR 12	2.00%	02/03/2002	01/03/2016	ARP + CER	139	—
PR 13	2.00%	03/15/2004	03/15/2024	ARP + CER	149	514
PAR EN PESOS - DTO 1735/04	Fixed rate - Step up - 2.48%	12/31/2003	12/31/2038	ARP + CER	220	760
DISCOUNT EN PESOS - DTO 1735/04	5.83%	12/31/2003	12/31/2033	ARP + CER	805	3,535
CUASIPAR EN PESOS - DTO 1735/04	3.31%	12/31/2003	12/31/2045	ARP + CER	1,802	8,649
DISCOUNT EN PESOS - DTO 563/10	5.83%	12/31/2003	12/31/2033	ARP + CER	10	42
AMPAROS Y EXCEPCIONES	Various	--	--	ARP + CER		1
<b>Total</b>					<b>31,352</b>	<b>41,499</b>

(a) Floating- Savings account rate as of December 31, 2015 was 0.18436% -

(b) Floating- Savings account rate as of December 31, 2015 was 0.2328%

**Foreign Currency-Denominated Debt**  
**Direct Debt**  
**Foreign Currency-Denominated Performing Bonds**

LENDER	Interest Rate	Issue Date	Final Maturity	Currencies	Principal Amount	
					Face Value	Outstanding as of December 31, 2015
					Millions of dollars	Millions of dollars
BAADE 2016 Regstral	4.00%	07/17/2013	07/17/2016	USD	242	242
BAADE 2016 Al portador	4.00%	07/17/2013	07/17/2016	USD	30	30
BONAR X	7.00%	04/17/2007	04/17/2017	USD	7,340	7,340
BONAR 2018	9.00%	11/29/2011	11/29/2018	USD	3,374	3,374
BONAR 2019	9.00%	03/15/2012	03/15/2019	USD	1,900	1,900
BONAR 2024	8.75%	05/07/2014	05/07/2024	USD	7,230	7,230
BONAR 2020	8.00%	10/08/2015	10/08/2020	USD	819	819
BONAR 2016	6.00%	12/29/2015	12/29/2016	USD	1,057	1,057
BONAR 2022	7.75%	12/30/2015	12/30/2022	USD	4,498	4,498
BONAR 2025	7.875%	12/30/2015	12/30/2025	USD	4,510	4,510
BONAR 2027	7.875%	12/30/2015	12/30/2027	USD	4,690	4,690
PAR EN U\$S - DTO 1735/04 - LEY NY	Fixed rate - Step up - 2.5%	12/31/2003	12/31/2038	USD	5,297	5,297
PAR EN U\$S - DTO 1735/04 - LEY ARG	Fixed rate - Step up - 2.5%	12/31/2003	12/31/2038	USD	1,230	1,230
PAR EN U\$S - DTO 563/10 - LEY NY	Fixed rate - Step up - 2.5%	12/31/2003	12/31/2038	USD	97	97
PAR EN U\$S - DTO 563/10 - LEY ARG	Fixed rate - Step up - 2.5%	12/31/2003	12/31/2038	USD	71	71
PAR EN EUROS - DTO 1735/04	Fixed rate - Step up - 2.26%	12/31/2003	12/31/2038	EUR	5,468	5,468
PAR EN EUROS - DTO 563/10	Fixed rate - Step up - 2.26%	12/31/2003	12/31/2038	EUR	1,562	1,562
PAR EN YENES - DTO 1735/04	Fixed rate - Step up - 0.45%	12/31/2003	12/31/2038	JPY	173	173
PAR EN YENES - DTO 563/10	Fixed rate - Step up - 0.45%	12/31/2003	12/31/2038	JPY	7	7
DISCOUNT EN U\$S - DTO 1735/04 - LEY NY	8.28%	12/31/2003	12/31/2033	USD	3,048	4,274
DISCOUNT EN U\$S - DTO 1735/04 - LEY ARG	8.28%	12/31/2003	12/31/2033	USD	4,901	6,872
DISCOUNT EN U\$S - DTO 563/10 - LEY NY	8.28%	12/31/2003	12/31/2033	USD	930	1,304
DISCOUNT EN U\$S - DTO 563/10 - LEY ARG	8.28%	12/31/2003	12/31/2033	USD	131	184
DISCOUNT EN EUROS - DTO 1735/04	7.82%	12/31/2003	12/31/2033	EUR	2,458	3,383
DISCOUNT EN EUROS - DTO 563/10	7.82%	12/31/2003	12/31/2033	EUR	2,100	2,890
DISCOUNT EN YENES - DTO 1735/04	4.33%	12/31/2003	12/31/2033	JPY	47	56
DISCOUNT EN YENES - DTO 563/10	4.33%	12/31/2003	12/31/2033	JPY	21	25
GLOBAL 2017 USD - DTO 563/10	8.75%	06/02/2010	06/02/2017	USD	966	966
Letra del Tesoro - BNA	--	12/05/2014	12/05/2016	USD	52	52
Letra del Tesoro - BNA	--	02/28/2014	01/22/2016	USD	6	6
Letra del Tesoro - FGS	4.75%	07/20/2015	04/20/2016	USD	381	381
Letra del Tesoro - FGS	4.75%	07/23/2015	04/25/2016	USD	127	127
Letra del Tesoro - FFRE	2%	12/22/2015	06/21/2016	USD	86	86
Letra del Tesoro - LOTERIA	3.1%	08/03/2015	02/01/2016	USD	47	47
LETRA INTRANSFERIBLE 2021 - Dto 2054/2010	Libor - 1.00%	01/07/2011	01/07/2021	USD	7,504	7,504
LETRA INTRANSFERIBLE 2021 - Dto 276/2011	Libor - 1.00%	03/14/2011	03/14/2021	USD	2,121	2,121
LETRA INTRANSFERIBLE 2022 - Ley 26 728	Libor - 1.00%	04/20/2012	04/20/2022	USD	5,674	5,674

LENDER	Interest Rate	Issue Date	Final Maturity	Currencies	Principal Amount	
					Face Value	Outstanding as of December 31, 2015
LETRA INTRANSFERIBLE 2022 - Dto. 928/2012	Libor + 1.00%	06/28/2012	06/28/2022	USD	2,084	2,084
LETRA INTRANSFERIBLE 2023 - Dto. 309/2013	Libor + 1.00%	08/16/2013	08/26/2023	USD	2,292	2,292
LETRA INTRANSFERIBLE 2023 - Ley 26 784	Libor + 1.00%	01/16/2013	08/16/2023	USD	7,133	7,133
LETRA INTRANSFERIBLE 2024- Res. N°30	Libor + 1.00%	01/30/2014	01/30/2024	USD	7,897	7,897
LETRA INTRANSFERIBLE 2024- Res. Con. SH N° 190 y SF N° 52	Libor + 1.00%	08/25/2014	08/25/2024	USD	3,043	3,043
LETRA INTRANSFERIBLE 2025- Res. N° 406/2015	Libor + 1.00%	06/01/2015	06/01/2025	USD	10,640	10,640
Amparos y excepciones	Various	--	--	USD		15
<b>Total</b>					<b>113,285</b>	<b>118,651</b>

**Peso-Denominated Debt  
Direct Debt  
Peso-Denominated Defaulted Bonds**

LENDER	Interest Rate	Issue Date	Final Maturity	Currencies	Principal Amount	
					Face Value	Outstanding as of December 31, 2015
					Millions of dollars	Millions of dollars
BOCON PREV. 2° S. PESOS - PRE3	Floating- Savings account	09/01/1992	09/01/2002	ARP	2	1
BOCON PROV 1° S. PESOS - PRO1	Floating- Savings account	04/01/1991	04/01/2007	ARP	—	—
BOCON PROV 5ta S. PESOS - PRO9	Floating- Savings account	04/15/2001	04/15/2007	ARP	—	1
BOCON PROV. 2° S. PESOS - PRO3	Floating- Savings account	12/28/1994	12/28/2010	ARP	—	—
BOCON PROV. 3° S. PESOS - PRO5	Floating- Savings account	01/15/1999	04/15/2007	ARP	—	—
BONEX 1992 / PESIFICADO	2%	09/15/1992	05/08/2003	ARP + CER	4	4
BONO/2002/9% PESIFICADO	2%	04/16/2001	04/16/2002	ARP + CER	1	3
BONTE 02 / PESIFICADO	2%	05/09/1997	05/09/2002	ARP + CER	2	14
BONTE 03 / PESIFICADO	2%	02/21/2000	05/21/2003	ARP + CER	1	6
BONTE 03 V / PESIFICADO	2%	07/21/1998	07/21/2003	ARP + CER	—	—
BONTE 04 / PESIFICADO	2%	05/24/1999	05/24/2004	ARP + CER	1	2
BONTE 05 / PESIFICADO	2%	02/21/2000	05/21/2005	ARP + CER	1	3
BONTE 06 / PESIFICADO	2%	02/21/2001	05/15/2006	ARP + CER	—	—
B-P 02 / E+3.30% / PESIFICADO	2%	08/22/2000	08/22/2002	ARP + CER	—	1
B-P 02 / E+4.00% / PESIFICADO	2%	04/24/2000	04/24/2002	ARP + CER	—	—
B-P 04 / E+4.35% / PESIFICADO	2%	02/16/2001	02/16/2004	ARP + CER	—	—
DTO.1023/7-7-95	Floating- Savings account	04/24/1995	04/01/2007	ARP	—	—
EUROLETRA/\$/11.75%/2007	11.75%	02/12/1997	02/12/2007	ARP	—	—
EUROLETRA/\$/8.75%/2002	8.75%	02/12/1997	02/12/2007	ARP	—	—
FERROBONOS / PESIFICADO	2%	10/01/1991	10/01/2030	ARP + CER	—	—
LETES/ Vto: 15-02-02	2%	12/14/2001	02/15/2002	ARP + CER	1	2
LETES/ Vto: 15-03-2002	2%	03/16/2001	03/15/2002	ARP + CER	1	6
LETES/ Vto: 22-02-2002	2%	12/28/2001	02/22/2002	ARP + CER	—	—
LETES/ Vto: 8-3-2002	2%	12/14/2001	03/08/2002	ARP + CER	1	2
LETES/Vto: 22-03-2002	2%	12/28/2001	03/22/2002	ARP + CER	—	—



LENDER	Interest Rate	Issue Date	Final Maturity	Currencies	Principal Amount	
					Face Value	Outstanding as of December 31, 2015
			2			
PRE4 / PESIFICADO	2%	09/01/1992	09/01/2002	ARP + CER	2	2
PRE6 / PESIFICADO	2%	01/01/2000	01/01/2010	ARP + CER	—	—
PRO10 / PESIFICADO	2%	04/15/2001	04/15/2007	ARP + CER	1	2
PRO2 / PESIFICADO	2%	04/01/1991	04/01/2007	ARP + CER	2	7
PRO4 / PESIFICADO	2%	12/28/1994	12/28/2010	ARP + CER	1	3
PRO6 / PESIFICADO	2%	01/15/1999	04/15/2007	ARP + CER	1	7
PRO8 / PESIFICADO	2%	01/01/2000	01/01/2016	ARP + CER	—	—
<i>Total</i>					<i>22</i>	<i>66</i>

**Foreign Currency-Denominated Debt**  
**Direct Debt**  
**Foreign-Currency Denominated Defaulted Bonds**

LENDER	Interest Rate	Issue Date	Final Maturity	Currencies	Principal Amount	
					Face Value	Outstanding as of December 31, 2015
					Millions of dollars	Millions of dollars
GLOBAL BOND/u\$s/7%-15.5%/2008	7.00% - 15.50%	06/19/2001	12/19/2008	USD	128	128
GLOBAL BOND/US\$/12.25%/2018	12.25%	06/19/2001	06/19/2018	USD	368	667
GLOBAL BOND/US\$/12.00%/2031	12.00%	06/19/2001	06/19/2031	USD	262	469
GLOBAL BOND/\$/10%-12%/2008	10.00% - 12.00%	06/19/2001	09/19/2008	USD	595	595
DISCOUNT/u\$s/L+0.8125%/2023	LIBOR + 0.8125%	03/31/1993	03/31/2023	USD	78	78
PAR BONDS/u\$s/6%/2023	6.00%	03/31/1993	03/31/2023	USD	185	185
DISCOUNT/DEM/L+0.8125%/2023	LIBOR + 0.8125%	03/31/1993	03/31/2023	EUR	9	8
PAR BONDS/DEM/5.87%/2023	5.87%	03/31/1993	03/31/2023	EUR	53	50
FLOATING RATE BOND/L+0.8125%	LIBOR	03/31/1993	03/31/2005	USD	65	36
GLOBAL BOND/u\$s/8.375%/2003	8.375%	12/20/1993	12/20/2003	USD	136	136
GLOBAL BOND/u\$s/11%/2006	11.00%	10/09/1996	10/09/2006	USD	135	135
GLOBAL BOND/u\$s/11.375%/2017	11.375%	01/30/1997	01/30/2017	USD	419	419
GLOBAL BOND/u\$s/9.75%/2027	9.75%	09/19/1997	09/19/2027	USD	110	110
SPAN/u\$s/SPREAD AJUS+T.F./2002	Floating	12/16/1997	11/30/2002	USD	7	7
EUROLETRA/EUR/8.75%/2003	8.75%	02/04/1998	02/04/2003	EUR	48	46
FRANs/u\$s/TASA FLOTANTE/2005	Floating	04/13/1998	04/10/2005	USD	298	298
GLOBAL BOND/u\$s/8.875%/2029	8.875%	03/01/1999	03/01/2029	USD	—	—
GLOBAL BOND/u\$s/11%/2005	11.000%	12/04/1998	12/04/2005	USD	96	96
GLOBAL BOND/u\$s/12.125%/2019	12.125%	02/25/1999	02/25/2019	USD	11	11
EUROLETRA/u\$s/LIBOR+5.75%/2004	LIBOR + 5.75%	04/06/1999	04/06/2004	USD	—	—
GLOBAL BOND/u\$s/11.75%/2009	11.75%	04/07/1999	04/07/2009	USD	137	137
GLOBAL/u\$s/CERO CUPON/2000-04	ZERO CUPON	10/15/1999	10/15/2004	USD	—	—
GLOBAL BOND/u\$s/10.25%/2030	10.25%	07/21/1999	07/21/2030	USD	122	122
GLOBAL BOND/u\$s/12.375%/2012	12.375%	02/21/2001	02/21/2012	USD	113	113
EUROLETRA/u\$s/BADLAR+2.98/2004	BADLAR + 2.98%	05/11/2001	05/11/2004	USD	—	—
EUROLETRA/u\$s/ENC+4.95%/2004	ENCUESTA + 4.95%	05/11/2001	05/11/2004	USD	—	—
EUROLETRA/JPY/7.40%/2006	7.40%	04/04/1996	04/04/2006	JPY	—	—
EUROLETRA/JPY/7.40%/2006-	7.40%	04/25/1996	04/25/2006	JPY	1	1

LENDER	Interest Rate	Issue Date	Final Maturity	Currencies	Principal Amount	
					Face Value	Outstanding as of December 31, 2015
					Millions of dollars	Millions of dollars
2						
EUROLETRA/JPY/7.40%/2006-3	7.40%	05/15/1996	05/15/2006	JPY	1	1
EUROLETRA/JPY/6%/2005	6.00%	11/12/1996	03/24/2005	JPY	1	1
EUROLETRA/JPY/5%/2002	5.00%	12/20/1996	12/20/2002	JPY	7	9
EUROLETRA/JPY/4.40%/2004	4.40%	05/27/1997	05/27/2004	JPY	—	—
EUROLETRA/DEM/7%/2004	7.00%	03/18/1997	03/18/2004	EUR	54	53
EUROLETRA/DEM/8%/2009	8.00%	10/30/1997	10/30/2009	EUR	39	37
EUROLETRA/EUR/11.00%-8.00%/2008	11.00% - 8.00%	02/26/1998	02/26/2008	EUR	59	57
EUROLETRA/EUR/8.25-9%/2010	8.00% - 8.25% - 9.00%	07/06/1998	07/06/2010	EUR	35	34
EUROLETRA/DEM/7.875%/2005	7.875%	07/29/1998	07/29/2005	EUR	10	9
EUROLETRA/DEM/14%-9%/2008	14.00% - 9.00%	11/19/1998	11/19/2008	EUR	17	17
EUROLETRA/JPY/3.50%/2009	3.50%	08/11/1999	08/11/2009	JPY	2	2
BONO R.A./JPY/5.40%/2003	5.40%	12/17/1999	12/17/2003	JPY	1	1
BONO R.A./EUR/9%/2003	9.00%	06/20/2000	06/20/2003	EUR	104	99
SAMURAI/JPY/5.125%/2004	5.125%	06/14/2000	06/14/2004	JPY	5	6
BONO R.A./EUR/10%/2007	10.00%	09/07/2000	09/07/2007	EUR	43	41
BONO RA/JPY/SAMURAI/4.85%/2005	4.85%	09/26/2000	09/26/2005	JPY	6	8
EUROLETRA/ATS/7%/2004	7.00%	03/18/1997	03/18/2004	EUR	2	3
BONO R.A./EUR/9%/2006	9.00%	04/26/1999	04/26/2006	EUR	42	40
BONO R.A./EUR/10%/2004	10.00%	12/07/1999	12/07/2004	EUR	45	43
BONO R.A./EUR/9.75%/2003	9.75%	11/26/1999	11/26/2003	EUR	24	23
EUROLETRA/EUR/10%/2005	10.00%	01/07/2000	01/07/2005	EUR	64	61
EUROLETRA/EUR/EURIB+510%/2004	EURIBOR + 5.10%	12/22/1999	12/22/2004	EUR	10	10
BONO R.A./EUR/10.25%/2007	10.25%	01/26/2000	01/26/2007	EUR	77	75
EUROLETRA/EUR/8.125%/2004	8.125%	04/04/2000	10/04/2004	EUR	54	52
EUROLETRA/EUR/9%/2005	9.00%	05/24/2000	05/24/2005	EUR	62	59
EUROLETRAS/EUR/9.25%/2004	9.25%	07/20/2000	07/20/2004	EUR	92	88
EUROLETRA/EUR/10.00%/2007	10.00%	02/22/2001	02/22/2007	EUR	40	38
EUROLETRA/ITL/11%/2003	11.00%	11/05/1996	11/05/2003	EUR	30	28
EUROLETRA/ITL/10%/2007	10.00%	01/03/1997	01/03/2007	EUR	29	28
EUROLETRA/ITL/LIBOR+1.6%/2004	LIBOR + 1.60%	05/27/1997	05/27/2004	EUR	21	20
EUR/ITL/10-7.625/SWAP-CAN/2007	10.00% - 7.625%	08/11/1997	08/11/2007	EUR	39	37
EUROLETRA/ITL/9.25%-7%/2004	9.25% - 7.00%	10/21/1997	03/18/2004	EUR	36	35
EUROLETRA/ITL/9%-7%/2004	9.00% - 7.00%	10/24/1997	03/18/2004	EUR	20	19
EUROLETRA/DEM/10.50%/2002	10.50%	11/14/1995	11/14/2002	EUR	44	43
EUROLETRA/DEM/10.25%/2003	10.25%	02/06/1996	02/06/2003	EUR	44	42
EUROLETRA/DEM/11.25%/2006	11.25%	04/10/1996	04/10/2006	EUR	47	45

LENDER	Interest Rate	Issue Date	Final Maturity	Currencies	Principal Amount	
					Face Value	Outstanding as of December 31, 2015
					Millions of dollars	Millions of dollars
6						
EUROLETRA/DEM/11.75%/2011	11.75%	05/20/1996	05/20/2011	EUR	77	73
EUROLETRA/DEM/9%/2003	9.00%	09/19/1996	09/19/2003	EUR	15	15
EUROLETRA/DEM/12%/2016	12.00%	09/19/1996	09/19/2016	EUR	25	24
EUROLETRA/DEM/11.75%/2026	11.75%	11/13/1996	11/13/2026	EUR	30	29
EUROLETRA/DEM/8.50%/2005	8.50%	12/23/1996	02/23/2005	EUR	45	44
BONO R.A./EUR/10%-8%/2008	10.00% - 8.00%	04/03/1998	02/26/2008	EUR	29	27
EURO-BONO/ESP/7.50%/2002	7.50%	05/23/1997	05/23/2002	EUR	8	8
EUROLETRA/CHF/7%/2003	7.00%	12/04/1996	12/04/2003	CHF	15	15
EUROLETRA/GBP/10%/2007	10.00%	06/25/1997	06/25/2007	GBP	5	5
GLOBAL BOND/EUR/8.125%/2008	8.125%	04/21/1998	04/21/2008	EUR	75	72
EUROLETRA/EUR/CUP-FIJO/2028	Fixed Amount Coupon	05/28/1998	05/28/2028	EUR	7	7
EUROLETRA/EUR/8.50%/2010	8.50%	07/30/1998	07/30/2010	EUR	41	40
BONO R.A./EUR/8%/2002	8.00%	02/25/1999	02/25/2002	EUR	18	18
BONO R.A./EUR/15%-8%/2008	15.00% - 8.00%	02/26/1999	02/26/2008	EUR	35	33
EUROLETRA/ITL/10.375%-8%/2009	10.375% - 8.00%	03/12/1998	10/30/2009	EUR	36	35
EUROLETRA/ITL/LIBOR+2.50%/2005	LIBOR + 2.50%	07/08/1998	07/08/2005	EUR	40	39
BONO R.A./EUR/9.50%/2004	9.50%	03/04/1999	03/04/2004	EUR	36	35
BONO R.A./EUR/14%-8%/2008	14.00% - 8.00%	04/06/1999	02/26/2008	EUR	16	15
EUROLETRA/EUR/10.50%-7%/2004	10.50% - 7.00%	05/10/1999	03/18/2004	EUR	39	37
BONO R.A./EUR/9%/2009	9.00%	05/26/1999	05/26/2009	EUR	73	70
EUROLETRA/EUR/7.125%/2002	7.125%	06/10/1999	06/10/2002	EUR	17	17
BONO R.A./EUR/8.50%/2004	8.50%	07/01/1999	07/01/2004	EUR	69	66
BONO R.A./EUR/EURIBOR+4%/2003	EURIBOR + 4%	07/22/1999	07/22/2003	EUR	7	7
BONO R.A./EUR/9.25%/2002	9.25%	10/21/1999	10/21/2002	EUR	64	62
GLOBAL BOND/US\$/12%/2020	12.00%	02/03/2000	02/01/2020	USD	66	66
GLOBAL BOND/US\$/11.375%/2010	11.375%	03/15/2000	03/15/2010	USD	63	63
GLOBAL BOND/US\$/11.75%/2015	11.75%	06/15/2000	06/15/2015	USD	80	80
<b>TOTAL</b>					<b>5.613</b>	<b>6.013</b>