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INDEPENDENT AUDITORS' REPORT

To the Chairman and Governors of
BCRA (Central Bank of Argentina)
Registered office: Reconquista 266
City of Buenos Aires
Taxpayer identification number 30 -50001138 -2

Report on the financial statements

We have audited the accompanying financial statements of the BCRA (Central Bank of Argentina) (hereinafter the "Bank" or BCRA), which comprise the balance sheet as of December 31, 2020, the statements of income, changes in equity and cash flows and cash equivalents for the fiscal year then ended and notes 1 to 8 and exhibits I to V presented as supplementary information.

The balances and other information for the fiscal year ended December 31, 2019 are an integral part of the financial statements referred to above and, therefore, must be considered in relation to the financial statements.

Board's Responsibility for the Bank's Financial Statements

The Bank's Board of Governors is responsible for preparing and fairly presenting the accompanying financial statements, in compliance with the accounting framework established in its "Accounting Policy Manual", which takes into account the special characteristics of its functions and operations as monetary authority, in accordance with section 34 of the Bank's Charter. The "Accounting Policy Manual" was approved by the Board of Governors by Resolution No. 86 dated May 16, 2013 and was updated by Resolution No. 2 dated January 2, 2020, as amended. The Board of Governors is also responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement whether due to error or irregularities.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards set forth by Technical Resolution No. 37 of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) and the "Minimum Standards applicable to External Audits" issued by the BCRA, as deemed appropriate in view of the Bank's specific characteristics. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures on a selective test basis to obtain audit evidence about the amounts and disclosures in the financial statements. We relied on our professional judgment to select the procedures to be performed, including assessing the risk that the financial statements may include material misstatements. When performing this risk assessment, we considered the Bank's existing internal controls on the preparation and presentation of financial statements for the purpose of selecting the adequate auditing procedures, but not of expressing an opinion on the efficiency of the Bank's internal controls. An audit also includes assessing the accounting principles used and the reasonableness of the significant estimates made by the Board, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BCRA as of December 31, 2020, the results of its operations, the changes in equity and cash flows and cash equivalents for the year then ended, in conformity with the accounting framework established in the “Accounting Policy Manual”, described in note 3 to the accompanying financial statements.

Emphasis of matter

Without further modifying our opinion, we draw the attention of the users of this report to the following aspects included in the Notes to the accompanying financial statements:

- a) As specified in Note 3.1 to the accompanying financial statements, the Bank has prepared its financial statements by applying the criteria set forth in its Accounting Policy Manual, which considers the provisions applicable to the BCRA as established in its Charter and in other Laws and Presidential Decrees at a national level (“the BCRA accounting framework”), which implies a treatment other than that provided for by the professional accounting standards in force as to the measurement of Non-transferrable Bills and Treasury Bills Law 27541 held in portfolio, as indicated in Notes 2.4 and 4.2.1.2.2, and the valuation of the nonfinancial public sector items that are not recorded at market value, which do not fall under the scope of allowance guidelines as provided for by the BCRA’s accounting standards applicable to financial institutions;
- b) As explained in note 3.4 to the accompanying financial statements, as from January 1, 2020, the Bank has adopted changes in its accounting policies derived from the effects of the restatement of the financial statements in the reporting currency at the end of the reporting period. These changes imply variations in the balances presented as of December 31, 2019 and January 1, 2019, by applying professional accounting standards in force, and
- c) As indicated in the third paragraph of Note 1 to the accompanying financial statements, Nature and Purpose of the Central Bank of Argentina, based on the special characteristics of its functions and operations as monetary authority, the Bank performs, among others, a significant number of transactions with the Argentine Government, which guarantees its operations, and holds assets and liabilities, including transactions on its behalf.

Other matters

Without further modifying our opinion, we draw your attention to the fact that the Bank has prepared the accompanying financial statements with the aim of achieving a fair presentation in accordance with the BCRA accounting framework. However, given the existence of significant differences with the professional accounting standards referred to in the emphasis paragraph, they differ from such presentation in accordance with professional accounting standards in force.

Report on other legal and regulatory requirements

In compliance with legal provisions in force, we report that:

- a. The financial statements arise from the Bank’s accounting records, which were not transcribed into legalized books as it is not required by its Charter;
- b. In compliance with current professional standards and pursuant to UIF (Financial Information Unit) Resolution No. 285/09, the application of verification procedures to assess the existence and operation of



internal control procedures against money laundering and terrorist financing is the exclusive responsibility of the Public External Control Agency (*Auditoría General de la Nación*).

- c. as of December 31, 2020, the accrued liability for retirement and pension contributions payable to the Argentine Pension Fund System arising from the accounting records was \$ 266,993,588, no amounts being due as of that date.

City of Buenos Aires, April 29, 2021.

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Andrea Pastrana
Partner