

# Financial Statements

As of December 31, 2021



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

Financial Statements  
as of December 31, 2021  
Comparative with the prior year



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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**BANCO CENTRAL DE LA REPUBLICA ARGENTINA**

**BALANCE SHEET AS OF DECEMBER 31, 2021  
COMPARATIVELY PRESENTED WITH THE PRIOR FISCAL YEAR  
- In thousands of Argentine pesos in constant currency (Note 3.4)**

<b>ASSETS</b>		
	<b>12/31/2021</b>	<b>12/31/2020</b>
<b>INTERNATIONAL RESERVES</b>	<b>4,075,338,885</b>	<b>5,002,545,396</b>
Gold (Net of provisions) (Note 4.1.1 and Exhibits II)	330,237,183	477,334,768
Foreign currency (Note 4.1.2 and Exhibit II)	2,921,509,517	3,476,732,281
Deposits to be realized in foreign currency (Note 4.1.3 and Exhibit II)	823,582,842	1,051,200,489
Multilateral Credit Agreements (Net) (Note 4.1.4 and Exhibit II)	13,895	16,708
Derivatives over International Reserves (Note 4.1.5 and Exhibit II)	(4,552)	(2,738,850)
<b>GOVERNMENT SECURITIES</b>	<b>6,729,013,653</b>	<b>7,788,077,833</b>
<b>BCRA HOLDINGS (Note 4.2.1 and Exhibit III)</b>	<b>6,729,780,526</b>	<b>7,789,248,669</b>
Securities issued under Foreign Legislation (Note 4.2.1.1, Exhibits II and III)	5,754,817	5,690,475
Securities issued under Argentine Legislation (Note 4.2.1.2 and Exhibit III)	6,724,025,709	7,783,558,194
1990 National Treasury Consolidated Bond (Note 4.2.1.2.1 and Exhibit III)	4,629,014	7,000,415
Non-transferable Treasury and Other Bills (Note 4.2.1.2.2 and Exhibit III)	5,909,096,217	6,779,469,207
Other (Note 4.2.1.2.3 and Exhibit III)	814,153,804	1,002,904,845
Adjustment for accrual on 1990 Consolidated Bond (Exhibit III)	(3,853,326)	(5,816,273)
<b>ALLOWANCE FOR IMPAIRMENT OF GOVERNMENT SECURITIES (Note 4.2.2 and Exhibits I and III)</b>	<b>(766,873)</b>	<b>(1,170,836)</b>
<b>TEMPORARY ADVANCES TO THE ARGENTINE GOVERNMENT (Note 4.3)</b>	<b>2,173,049,344</b>	<b>1,902,543,820</b>
<b>LOANS TO THE ARGENTINE FINANCIAL SYSTEM</b>	<b>116,303</b>	<b>121,769</b>
Financial institutions (net of provisions)	116,303	121,769
Financial institutions (Note 4.4)	1,657,662	2,192,981
Loan loss allowance (Note 4.4 and Exhibit I)	(1,541,359)	(2,071,212)
<b>CONTRIBUTIONS TO INTERNATIONAL AGENCIES ON BEHALF OF ARGENTINE GOVERNMENT AND OTHER (Note 4.5 and Exhibit II)</b>	<b>528,192,920</b>	<b>637,327,822</b>
<b>RIGHTS DERIVING FROM OTHER DERIVATIVE FINANCIAL INSTRUMENTS (Note 4.6)</b>	<b>545,253</b>	<b>467,702</b>
<b>RIGHTS DERIVING FROM REPO TRANSACTIONS (Note 4.7)</b>	<b>5,436,102,752</b>	<b>4,521,331,612</b>
<b>OTHER ASSETS (Net of allowance) (Note 4.8)</b>	<b>167,798,938</b>	<b>207,736,840</b>
<b>TOTAL ASSETS</b>	<b>19,110,158,048</b>	<b>20,060,152,794</b>

<b>LIABILITIES</b>		
	<b>12/31/2021</b>	<b>12/31/2020</b>
<b>MONETARY BASE</b>	<b>3,654,036,382</b>	<b>3,728,650,479</b>
Currency in circulation	2,691,400,284	2,864,608,527
Bank notes and coins in circulation (Note 4.9.1.1)	2,691,400,032	2,864,608,147
Settlement checks in pesos in circulation (Note 4.9.1.2)	252	380
Current accounts in pesos (Note 4.9.2)	962,636,098	864,041,952
<b>INSTRUMENTS OF PAYMENT IN OTHER CURRENCY</b>	<b>3,083,315</b>	<b>4,240,530</b>
Settlement checks in other currency in circulation (Note 4.10.1 and Exhibit II)	2,055	2,540
Certificates of deposit for investment (Note 4.10.2 and Exhibit II)	3,081,260	4,237,990
<b>CURRENT ACCOUNTS IN OTHER CURRENCIES (Note 4.11 and Exhibit II)</b>	<b>1,241,508,758</b>	<b>1,382,249,433</b>
<b>DEPOSITS FROM ARGENTINE GOVERNMENT AND OTHER (Note 4.12)</b>	<b>119,383,233</b>	<b>103,922,554</b>
Other deposits	119,383,233	103,922,554
<b>OTHER DEPOSITS (Note 4.13)</b>	<b>903,574</b>	<b>1,116,669</b>
<b>IMF SPECIAL DRAWING RIGHTS (Note 4.14 and Exhibit II)</b>	<b>45,784,112</b>	<b>58,238,933</b>
Special Drawing Rights	729,813,976	369,522,797
SDR contra account	(684,029,864)	(311,283,864)
<b>OBLIGATIONS WITH INTERNATIONAL AGENCIES (Note 4.15)</b>	<b>324,131,298</b>	<b>401,126,031</b>
Obligations	400,247,549	497,948,467
Contra account to utilization of reserve tranche (Exhibit II)	(76,116,251)	(96,822,436)
<b>SECURITIES ISSUED BY THE BCRA (Note 4.16 and Exhibit IV)</b>	<b>5,044,614,600</b>	<b>4,440,559,427</b>
Bills and notes issued in Argentine pesos	5,044,614,600	4,440,559,427
<b>CONTRA ACCOUNT TO ARGENTINE GOVERNMENT CONTRIBUTIONS TO INTERNATIONAL AGENCIES (Note 4.17 and Exhibit II)</b>	<b>392,637,400</b>	<b>467,279,567</b>
<b>DUE TO REPO TRANSACTIONS (Note 4.18)</b>	<b>5,197,649,329</b>	<b>4,487,066,829</b>
<b>DUE TO MULTILATERAL CREDIT AGREEMENTS (Note 4.19 and Exhibit II)</b>	<b>2,370,076</b>	<b>3,329,676</b>
<b>OTHER LIABILITIES (Note 4.20)</b>	<b>2,423,594,100</b>	<b>2,889,691,691</b>
<b>PROVISIONS (Note 4.21 and Exhibit I)</b>	<b>16,137,341</b>	<b>15,102,723</b>
<b>TOTAL LIABILITIES</b>	<b>18,465,833,518</b>	<b>17,982,574,542</b>
<b>NET EQUITY (as per related statement)</b>	<b>644,324,530</b>	<b>2,077,578,252</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>19,110,158,048</b>	<b>20,060,152,794</b>

Notes 1 to 8 and Exhibits I to V are an integral part of these financial statements.

Silvana A. Lepera  
ACCOUNTING MANAGER

Gerardo Graziano  
MAIN GENERAL  
ACCOUNTING MANAGER

Marina Ongaro  
ADMINISTRATION AND CENTRAL  
SERVICES DEPUTY GENERAL  
MANAGER

Agustín Torcassi  
GENERAL MANAGER

Miguel Ángel Pesce  
PRESIDENT

Waldo J. M. Farías  
DEPUTY COMPTROLLER

Marcos E. Moiseeff  
REGULAR COMPTROLLER

Signed for identification purposes with the report dated 04/21/2022

**STATEMENT OF INCOME**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**  
**COMPARATIVELY PRESENTED WITH THE PRIOR FISCAL YEAR**  
**- In thousands of Argentine pesos in constant currency (Note 3.4)**

	12/31/2021	12/31/2020
<b>Interest and adjustments:</b>		
<b>Interest income:</b>	<b>63,635,537</b>	<b>158,150,237</b>
On international reserves (Note 4.22.1)	503,923	6,309,140
On Government securities (Note 4.22.1)	61,867,420	150,933,105
On deposits in other entities (Note 4.22.1)	266,812	-
On loans to the financial system (Note 4.22.1)	5,615	8,332
On other assets (Note 4.22.1)	991,767	899,660
<b>Interest expense:</b>	<b>(1,592,787,096)</b>	<b>(1,304,612,617)</b>
On securities issued by the BCRA (Note 4.22.2)	(884,181,545)	(1,046,309,985)
On loans borrowed from international agencies (Note 4.22.2)	(2,150,286)	(3,997,823)
On other transactions with the financial system (Note 4.22.2)	(706,269,158)	(253,243,148)
On other liabilities (Note 4.22.2)	(186,107)	(1,061,661)
<b>Set-up of allowances for government securities and loans to the financial system, net (Note 4.22.3)</b>	<b>(830,628)</b>	<b>(1,400,089)</b>
<b>Listed price differences (Note 4.22.4)</b>	<b>1,636,430,281</b>	<b>2,676,958,935</b>
<b>Foreign currency trading differences (Note 4.22.5)</b>	<b>1,702,054</b>	<b>2,768,547</b>
<b>Other financial instruments trading differences, income (Note 4.22.6)</b>	<b>48,681,710</b>	<b>233,272,726</b>
<b>Net financial income</b>	<b>156,831,858</b>	<b>1,765,137,739</b>
<b>Miscellaneous charges and fines (Note 4.22.7)</b>	<b>1,889,239</b>	<b>2,254,214</b>
<b>Net commissions</b>	<b>(15,294)</b>	<b>3,289</b>
Commissions earned	722	12,598
Commissions paid	(16,016)	(9,309)
<b>Contributions to General Revenue (Rentas Generales) pursuant to Budget Law No. 27561</b>	<b>-</b>	<b>(2,862,930)</b>
<b>Monetary issuance expenses (Note 4.22.8)</b>	<b>(16,105,618)</b>	<b>(15,212,877)</b>
<b>General expenses (Note 4.22.8)</b>	<b>(19,425,410)</b>	<b>(20,377,151)</b>
<b>Set-up of other Allowances / Provisions, net (Note 4.22.10)</b>	<b>(6,288,805)</b>	<b>(4,791,192)</b>
<b>Net income from operating activities</b>	<b>116,885,970</b>	<b>1,724,151,092</b>
<b>Other Expenses, net (Note 4.22.11)</b>	<b>(2,569,848)</b>	<b>(4,734,057)</b>
<b>Adjusted Net Income</b>	<b>114,316,122</b>	<b>1,719,417,035</b>
<b>Purchasing power loss</b>	<b>(568,725,201)</b>	<b>(930,658,745)</b>
<b>NET (LOSS)/ INCOME</b>	<b>(454,409,079)</b>	<b>788,758,290</b>

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**STATEMENT OF CHANGES IN EQUITY FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021  
COMPARATIVELY PRESENTED WITH THE PRIOR FISCAL YEAR  
- In thousands of Argentine pesos in constant currency (Note 3.4)**

ITEMS	CAPITAL	CAPITAL ADJUSTMENT	RESERVES			UNAPPROPRIATED RETAINED EARNINGS	TOTAL 12/31/2021	TOTAL 12/31/2020
			GENERAL RESERVE	SPECIAL RESERVE	APPRAISAL REVALUATION			
Restated balances at beginning of the year (Note 3.4) (*)	253,434,462	338,960,466	292,314,037	-	-	1,192,869,287	2,077,578,252	4,087,554,042
Distribution of earnings recorded in fiscal years 2021/2020 (**)			3,197,070	-	-	(982,041,713)	(978,844,643)	(2,798,734,080)
Net (loss)/income						(454,409,079)	(454,409,079)	788,758,290
Balances at year-end	253,434,462	338,960,466	295,511,107	-	-	(243,581,505)	644,324,530	2,077,578,252

(\*) Balances at beginning of year restated as per Technical Resolution No. 6

(\*\*) The distribution of earnings for fiscal year 2020 was recorded during fiscal year 2021 and approved by the Board of Governors Resolution No. 136 for the year 2021. Distribution of earnings for fiscal year 2019 was recorded during fiscal year 2020 and approved by the Board of Governors Resolutions Nos. 198, 227, 246, 252, 270, 353, 363, 374, 427, 436, 444, 450, 459 and 473 for the year 2020.

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STATEMENT OF CASH FLOWS AND CASH EQUIVALENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021 COMPARATIVELY PRESENTED WITH THE PRIOR FISCAL YEAR - In thousands of Argentine pesos in constant currency (Note 3.4)	12/31/2021	12/31/2020
<b>I) Operating activities</b>		
1. Sources	557,656,232	(61,111,033)
- IADB/IBRD loans to provinces, financial program for micro, small and medium-sized companies, and revolving funds	287,973,175	173,962,734
- Net purchases / (sales) of foreign currency	264,748,602	(241,414,456)
- Net negotiation differences for the purchase and sale of securities, currencies and gold	2,964,749	5,013,982
- (Expenses)/Income, net from transactions for guarantees of derivative financial instruments	1,391,359	(1,989,651)
- Interest charged for placements abroad	375,849	3,283,878
- Other items	202,498	32,480
2. Uses	(595,380,066)	(506,320,537)
- (Expenses) net, from transactions with foreign financial institutions of the Argentine Government	(352,763,210)	(264,409,436)
- Net expenses from funds linked to placements and payments of Argentine Government Securities	(93,212,631)	(77,696,759)
- Net transactions with multilateral credit agreements (SML and other)	(78,714,161)	(35,967,413)
- Transfers of deposits of financial institutions	(65,431,962)	(117,302,854)
- BCRA Expenses, net from transactions with foreign financial institutions	(4,552,663)	(12,191,220)
- Net deposits in international organizations	(524,099)	1,766,930
- Administrative expenses	(181,340)	(102,255)
- Payment of sovereign debt, Law 26984 / 27249	-	(417,530)
3. Net adjustment from restatement of operating activities	72,880,357	(396,077,330)
Net cash flows from / (used in) operating activities (1- 2- 3)	<b>35,156,523</b>	<b>(963,508,900)</b>
<b>II) Investment activities</b>		
4. Sources	228,169	-
- Collection of dividends BIS	228,169	-
5. Net adjustment from restatement of investment activities	31,232	-
<b>Net cash flows from investment activities (4- 5)</b>	<b>259,401</b>	<b>-</b>
<b>III) Financing activities</b>		
6. Sources	-	32,390,318
- Net placements of repo agreements with banks and other entities in Argentina	-	32,390,318
7. Uses	(1,043,323)	(29,872,061)
- (Expenses)/Income, net from foreign financial institutions	(1,043,323)	(29,872,061)
8. Net adjustment from restatement of financing activities	(232,840)	(1,366,517)
<b>Net cash flows (used in)/from financing activities (6-7-8)</b>	<b>(1,276,163)</b>	<b>1,151,740</b>
<b>IV) Other</b>		
9. Listed price differences, net	976,725,007	2,077,367,388
- Exchange differences, net	799,652,846	1,192,923,451
- Net adjustment from restatement of listed price differences, net	177,072,161	884,443,937
10. Effect of monetary gain/loss	(1,938,071,279)	(1,632,443,756)
- Effect of monetary gain/loss on cash and cash equivalents	(1,938,071,279)	(1,632,443,756)
<b>Total Other (9- 10)</b>	<b>(961,346,272)</b>	<b>444,923,632</b>
<b>Net cash flows from all activities (I+II+III+IV)</b>	<b>(927,206,511)</b>	<b>(517,433,528)</b>
<b>Net cash and cash equivalents at beginning of year (Note 3.1)</b>	<b>5,002,545,396</b>	<b>5,519,978,924</b>
<b>Net cash and cash equivalents at year-end (Note 3.1)</b>	<b>4,075,338,885</b>	<b>5,002,545,396</b>

Notes 1 to 8 and Exhibits I to V are an integral part of these financial statements.

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Notes to the Financial Statements  
for the fiscal year ended  
December 31, 2021 comparative  
with the prior year  
-In thousands of Argentine pesos-

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

The Central Bank of Argentina (BCRA) is a self-administered National Government entity subject to the provisions of its Charter and other related rules (Section 1, Law No. 24144, as amended).

The purpose of the BCRA is to promote—within the framework of its powers and the policies set by the National Government—monetary and financial stability, employment, and economic development along with social equality (Section 3, BCRA’s Charter). In addition, Section 4 of the BCRA’s Charter sets forth the following functions and powers of the BCRA:

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

The BCRA’s Charter further establishes that the BCRA, in the exercise of its functions and powers, shall neither be subject to any order, indication, or instruction from the National Executive Branch, nor may it undertake any commitment conditioning, restricting, or delegating the abovementioned functions and powers without the express consent of the National Congress. The National State secures the commitments undertaken by the BCRA in pursuit of its objectives within the applicable legal framework. The National State secures commitments undertaken by the BCRA

which, in pursuit of its objectives within the applicable legal framework, makes a great deal of transactions involving assets and liabilities, with and on behalf the former.

## **NOTE 2 - SIGNIFICANT EVENTS FOR FISCAL YEARS 2021 AND 2020**

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

### **2.1 Allocation of Special Drawing Rights 2021**

On August 2, 2021, within the context of the global crisis triggered by the COVID-19 pandemic, the International Monetary Fund (IMF) made an extraordinary allocation of special drawing rights (SDRs) equivalent to the amount of USD 650,000,000. The general allocation of SDRs became effective on August 23, 2021. The new SDRs were credited to the IMF participant countries in proportion to their quotas set by the IMF. In this context, on August 23, 2021, the Argentine Republic received SDR 3,054,884 (see Notes 2.2 and 4.14).

### **2.2. Emergency Executive Decree No. 622/2021 - Incorporation of Current Resources As Provided for by the Argentine Administration General Budget Law No. 27591 for Fiscal Year 2021 - National Treasury Bill in USD Emergency Executive Decree 622/21 Maturing on September 21, 2031.**

Emergency Executive Decree No. 622/2021—issued on September 17, 2021—provided for that the current resources set forth by the Argentine Administration General Budget Law No. 27591 for fiscal year 2021 should be calculated including the amount of ARS 422,174,000—equivalent to USD 4,334,000 at such date, which corresponds to the Argentine Republic’s allocation in terms of its quota set by the IMF (SDR 3,054,884). Such resources were used to finance the Argentine Administration General Budget (see Note 2.1).

Within this framework and following the amendment to the General Budget, Temporary Advances of ARS 427,400,656 for a term of 12 and 18 months were paid on September 23, 2021.

Additionally, said Emergency Executive Decree provided for the issue of the National Treasury Bills in USD to be subscribed by the BCRA up to the amount of USD 4,334,000 for a term of 10 years, fully repayable upon maturity and eligible for early payment—either in whole or in part. These bills shall be subscribed in SDR and placed at par value, accruing interest as from the issue date. These bills shall be recorded in the BCRA’s financial statements at their technical value in line with the accounting criterion established in the above-mentioned Executive Decree. The resources deriving from the subscription shall only be applied to the payment of commitments with the IMF (see Note 2.3).

On September 20, 2021, Joint Resolution No. 41/2021 of the Secretariat of the Treasury and the Secretariat of Finance provided for the issue of the “National Treasury Bills in USD Emergency Executive Decree No. 622/2021” to be subscribed by the BCRA up to USD 4,334,000.

The bills subscribed were recorded at face value for the following equivalent amounts: USD 1,888,006 as the first payment of the commitments with the IMF arising from the 2018 Stand-By Arrangement on September 21, 2021 (see Note 2.3); USD 387,558, for the payment of quarterly interest on November 4, 2021; and USD 1,855,409, for the second payment of the commitments with the IMF on December 22, 2021.

As of December 31, 2021, the face value in USD subscribed in National Treasury Bills in USD Emergency Executive Decree 622/21 amounted to USD 4,130,973 (see Notes 4.2.1.2.2.4 and 8.2 and Exhibit III).

### **2.3 Stand-By Arrangement with the International Monetary Fund**

In June 2018, the Board of Governors of the IMF approved a Stand-By Arrangement for the benefit of the Argentine Republic for USD 50,000,000 (equivalent to SDR 35,379,000). Afterwards, in September 2018, the National Government negotiated a new arrangement with the IMF, thus, increasing the total amount available within the framework of the program to USD 57,100,000 until 2021.

Within the framework of the original arrangement, the Argentine Republic received USD 15,000,000 (equivalent to SDR 10,613,710) in the first tranche; USD 5,700,000 (equivalent to SDR 4,100,000) in the second tranche (during October 2018); and USD 7,600,000 (equivalent to SDR 5,500,000) in the third tranche (December 2018).

During 2019, after the third and fourth review of the Stand-By Arrangement, the Argentine Republic received USD 10,830,000 (equivalent to SDR 7,800,000) in the fourth tranche (in April); and USD 5,395,800 (equivalent to SDR 3,900,000), in the fifth tranche (in July). Total disbursements amounted to USD 44,525,800.

During 2021, the National Government—under the Stand-By Arrangement aforementioned—made payments of principal in the amount of USD 3,736,703 (equivalent to SDR 2,653,427) and of quarterly interest in the amount of USD 1,347,853 (equivalent to SDR 943,423). During 2020, the National Government made payments of interest in the amount of USD 1,304,260 (equivalent to SDR 938,622) as arranged in the Stand-By Arrangement.

### **2.4. Executive Decree No. 346/2020 - Deferral of Payments of Principal and Interest of Dollar-Denominated Securities Issued under Argentine Legislation. Extension under Law No. 27591. Issue of Non-Transferable National Treasury Bill in USD Maturing on January 7, 2031**

Within the framework of the provisions of Law No. 27541 on Social Solidarity and Productive Reactivation, Section 1 of Executive Decree No. 346 of April 5, 2020 established the deferral of

payments of public debt—principal and interest—held in the form of United States dollar-denominated securities issued under the law of the Argentine Republic until December 31, 2020 or prior date as the Ministry of Economy (MECON) may determine, making allowances for the progress made on bringing sustainability to public debt. Afterwards, Section 86 of Law No. 27591 extended the effectiveness of the referred Decree until December 31, 2021 (see Note 8.3).

The following instruments, among others, are exempted from deferral: Non-Transferable National Treasury Bills in USD held by the BCRA, including those issued under Section 61 of Law No. 27541. The service of interest and principal of these securities will be replaced, at maturity date, by new Government securities whose terms will be defined jointly by the Secretariat of the Treasury and the Secretariat of Finance belonging to the Ministry of Economy (see Note 4.2.1.2.2 and Exhibit III).

Within this framework, the Joint Resolution No. 28—dated April 20, 2020—provided for the issue of "Non-Transferable National Treasury Bills in USD" to service the Bills held by the BCRA. During fiscal year 2021, the BCRA received, as service of interest, the Non-Transferable Bills mentioned above at original face value of USD 5,015 (face value of USD 113,664 during 2020). As of December 31, 2021, total amount was USD 118,679 at original face value (see Note 4.2.1.2.2.3 and Exhibit III).

Additionally, Section 17 of Law No. 27561 provided for that said Non-Transferable National Treasury Bills in USD, issued within the framework of Executive Decree No. 346/2020 and directly placed in the BCRA, should be recorded in the latter's financial statements at their technical value; this treatment shall be in line with the second paragraph of Note 3.1.

The Non-Transferable Bill in USD maturing in 2021 Executive Decree No. 2054/2010 became due on January 7, 2021. By virtue of Executive Decree No. 346/2020 and the extension provided for by Law No. 27591, through Joint Resolution No. 3/2021 of the Secretariat of the Treasury and the Secretariat of Finance a "Non-Transferable National Treasury Bill in USD maturing on January 7, 2031" was issued for an original face value of USD 7,506,209. It was received by the BCRA on January 7, 2021 (see Note 4.2.1.2.2.3 and Exhibit III).

On March 11, 2021, Joint Resolution No. 11/2021 of the Secretariat of the Treasury and the Secretariat of Finance provided for the enlargement of the issue of the "Non-Transferable National Treasury Bill in USD maturing on January 7, 2031" for an original face value of USD 2,121,387. Such amount was received by the BCRA on March 15, 2021 as replacement for the Non-Transferable Bill maturing in 2021 Executive Decree No. 276/2011 (see Note 4.2.1.2.2.3 and Exhibit III).

## **2.5 BCRA Bills in Pesos and Payable at the Benchmark Exchange Rate Com. "A" 3500 to Set up Collaterals in the Markets Authorized by the CNV at Zero Rate (LEGAR)**

As from February 8, 2021, the BCRA has offered, in line with Communication "A" 7220, BCRA Bills in Pesos and Payable at the Benchmark Exchange Rate, which may be delivered by the markets

authorized by the CNV as collaterals of any kind in foreign currency for transactions involving futures, options and other derivatives whose underlying assets are commodities in USD.

As provided for by said Communication, markets authorized by the CNV may subscribe those bills to the extent that the funds of such subscription are exclusively used to set up collaterals and hedge against daily fluctuation of prices (MTM) in foreign currency of futures, options, and other derivative instruments whose underlying assets are commodities in USD.

The maximum term of these instruments is 365 days. Upon maturity, the settlement will be made at the purchase price plus the change of the benchmark exchange rate between the date of subscription and maturity. These BCRA bills are non-transferable. The markets included in this regulation, which hold LEGARs, may opt for exercising the option of total or partial redemption as from the business day following the subscription date. In this case, the settlement will be made at the purchase price of the bill plus the change of the benchmark exchange rate between the date of subscription and repurchase by the BCRA.

As of December 31, 2021, the stock of LEGARs amounted to ARS 21,151,087 (see Note 4.16 and Exhibit IV).

## **2.6 BCRA Bills to the Mining Sector in Pesos and Payable at the Benchmark Exchange Rate Communication "A" 3500 at Zero Rate (LEMINS)**

By means of Communication "A" 7191 dated December 28, 2020, the BCRA informed that it will offer BCRA Bills to the Mining Sector in Pesos and Payable at the Benchmark Exchange Rate at Zero Rate (LEMINS).

Financial institutions may subscribe LEMINS on behalf of their customers registered with the Tax Registry of Mining Activities and governed by Law No. 24196, provided that they have settled incomes from collections, advances or pre-financing of exports of foreign assets in the Argentine Foreign Exchange Market (MULC) on the subscription day for, at least, an amount in foreign currency equivalent to that to be subscribed in pesos at the benchmark exchange rate of that same day.

LEMINS have a term of 180 days and, at maturity, may either be renewed for another 180 days or settled at the face value subscribed by applying the rate arising from dividing the benchmark exchange rate on the maturity date of the bill by the benchmark exchange rate on the subscription date.

LEMINS are non-transferable. The holders of these bills may opt for exercising the option of total or partial redemption as from the 30<sup>th</sup> day following the subscription date. In this case, the amount to be paid will be calculated by applying to the purchase price of the bill the change of the benchmark exchange rate between the date of subscription and repurchase by the BCRA.

As of December 31, 2021, LEMINS issued amounted to ARS 1,027,500 (see Note 4.16 and Exhibit IV).

## 2.7 Reestablishing the Sustainability of Public Debt

Law No. 27544 on Reestablishing the Sustainability of Public Debt issued under Foreign Law was published in the Official Gazette on February 12, 2020. To this end, the Executive Branch was authorized to perform transactions relating to the management of liabilities, exchange and/or restructuring of debt service (principal and interest) of Government Securities of the Argentine Republic issued under foreign law. Likewise, the Executive Branch was commissioned to determine the face value as set out in the abovementioned law, which was actually done by virtue of Executive Decree No. 250/2020 dated March 9, 2020.

By means of Executive Decree No. 391 published on April 22, 2020, and supplementary rules (Executive Decrees No. 404, dated April 4, 2020; No. 582, dated July 6, 2020; and No. 676, dated August 16, 2020), the National Government ordered the restructuring of the Government Securities of the Argentine Republic issued under foreign legislation.

On September 8, 2020, the BCRA took part in the swap of the Discount Bond 2033 in USD issued under foreign legislation and of International Bonds 2021 and 2028 of the Argentine Republic for the following securities issued under foreign legislation: USD 1% Global Bond maturing in 2029, at an original face value of USD 5,465; USD Step Up Global Bond maturing in 2030, at an original face value of USD 20,718; USD Step Up Global Bond maturing in 2035, at an original face value of USD 21,962; USD Step Up Global Bond maturing in 2038, at an original face value of USD 61,555 (see Note 4.2.1.1. and Exhibit III).

On August 18, 2020, within the framework of Law No. 27556, Executive Decree No. 676/20 and Resolution No. 381/2020 of the Ministry of Economy, certain holders of bonds in foreign currency under Argentine legislation were called to swap such securities for new bonds in USD to be issued by the Argentine Republic.

In this context, the Board of the BCRA approved—through Resolution No. 320 dated August 27, 2020—the debt swap under Argentine Legislation. According to the call for tender announced by the Ministry of Economy, total eligible securities (BONAR 8% 2020, BONAR 7.75% 2022, BONAR 7.875% 2025, BONAR 7.875% 2027, and Discount Ley Argentina) in the BCRA's portfolio were exchanged for new bonds in USD subject to the conditions above mentioned.

On September 7, 2020, the BCRA swapped the securities mentioned above for the following instruments issued under Argentine legislation: USD 1% Bond of the Argentine Republic maturing in 2029 at a face value of ARS 801,303; USD Step Up Bond of the Argentine Republic maturing in 2030 at a face value of ARS 4,637,331; USD Step Up Bond of the Argentine Republic maturing in 2035 at a face value of ARS 8,924,933; USD Step Up Bond of the Argentine Republic maturing in 2038 at a face value of ARS 952,292 (see Note 4.2.1.2.3 and Exhibits III).

Gain obtained from the swap of Argentine government securities for fiscal year 2020, detailed herein and stated in constant currency as of December 31, 2021, amounted to ARS 172,567,016 (see Note 4.22.6).

In July 2021, the Ministry of Economy called for tender to swap assets within the framework of Section 8 of Law No. 27561. The call was aimed at holders of National Treasury Bond in Pesos Adjusted by CER (BONCER) 1% maturing on August 5, 2021 for a basket of assets. In this context, the BCRA participated in the swap, receiving in exchange BONCER 1.4% maturing on March 25, 2023; BONCER 1.45% maturing on August 13, 2023; and LECER maturing on June 30, 2022 (see Exhibit III). The gain/loss obtained from the swap of Argentine government securities stated in constant currency amounted to ARS 20,723 as of December 31, 2021 (see Notes 4.2.1.2.3 and 4.2.2.6).

## **2.8 Short-Term Public Debt - LECAP, LELINK and LETE Swap**

By means of Executive Decree No. 596 dated August 28, 2019, the Ministry of Economy sets out that short-term public debt securities—Capitalizable Treasury Bills in Pesos (LECAPs); Treasury Bills Adjusted by CER (LECERs); Treasury Bills in USD (LETES); and Treasury Bills Adjusted by the Benchmark Exchange Rate (LELINKs)—would be reimbursed according to the following schedule: 15% of the face value at the original maturity; 25%, three months later; and the remaining 60%, six months afterwards. Capitalized interest under the original terms and conditions of each LECAP would be monthly capitalized until each new date of payment based on the calculation originally arranged.

Afterwards, Emergency Executive Decree No. 49—published in the Official Gazette on December 19, 2019—laid down the extension of the date of service of all Treasury Bills in USD (LETES) referred to in such decree to August 31, 2020.

On January 20, 2020, the Ministry of Economy called for tender to swap LECAPs for new instruments known as LEBADs (Treasury Bills in Pesos at Badlar Private Banks Rate). In this context, the BCRA swapped LECAPs—eligible securities—for LEBADs maturing on September 18, 2020, at an original face value of ARS 5,809,843 (private Badlar + 400 b.p.) and LEBADs maturing on December 22, 2020 at an original face value of ARS 23,235,565 (private Badlar + 550 b.p.) (see Note 4.2.1.2.3).

In March 2020, the BCRA took part in a new swap of LECAPs, receiving in exchange National Treasury Bonds Adjusted by CER (BONCER) maturing on August 5, 2021, at an original face value of ARS 361,089 (see Note 4.2.1.2.3).

Additionally, in May and July 2020, the Ministry of Economy called for tender to swap assets within the framework of Section 4 of Executive Decree No. 141/2020 and Section 8 of Executive Decree No. 193/2020. The call was aimed at holders of eligible securities, including LETES in USD and LELINKs.

In this context, on May 12 and 20, 2020 and July 22, 2020, the BCRA participated in a new swap of LETES and LELINKs, receiving in exchange National Treasury Bonds Adjusted by CER (BONCER) maturing on March 18, 2022; September 20, 2022; March 25, 2023; and March 25, 2024 (see Note 4.2.1.2.3 and Exhibit III).

On November 24, 2020, the Ministry of Economy called for a new tender to swap eligible securities within the framework of Section 8 of Law No. 27561. Accordingly, on December 1, 2020, it swapped LEBADs, LETEs and LECERs, receiving in exchange National Treasury Bonds Adjusted by CER (BONCER) maturing on September 20, 2022 and Floating Rate National Treasury Bills maturing on May 21, 2021 (see Notes 4.2.1.2.3 and Exhibit III).

Total gain obtained from the swap transactions of Argentine government securities for fiscal year ended December 31, 2020 as detailed herein and stated in constant currency as of December 31, 2021 amounted to ARS 16,426,472 (see Note 4.22.6).

## **2.9. Renewal of the Bilateral Currency Swap Agreement with the People's Bank of China**

During 2020, the BCRA agreed with the People's Bank of China (PBC) the terms and conditions to renew the Currency Swap Master Agreement for a term of 3 years. Thus, the total agreement still amounts to CNY 130,000,000 (CNY 70,000,000 for the original tranche and CNY 60,000,000 for the supplementary tranche). The original tranche falls due in July 2022, and the supplementary tranche, in January, April, and September 2022 (see Note 8.5).

According to the agreement, the bank asking for a swap transaction shall record in its books an equivalent amount in its local currency in the name of the counterparty. In turn, the bank from which the swap transaction is required shall record in its books an equivalent amount in its local currency in the name of the counterparty. None of the accounts will bear any interest, provided that the required funds are not actually used; upon maturity of a swap transaction, each bank will debit the same amount as that originally deposited.

During the term of each swap transaction, either bank may use the amount available in the local currency of the counterparty as arranged under the agreement. In this regard, on November 8, 2021, the BCRA recorded a use of CNY 300,000 for a term of 3 months, and the repayment upon maturity on February 8, 2022 as indicated in Note 8.5. Whereas, on December 15, 2020, the use of CNY 300,000 for a term of 3 months was recorded, maturing on March 15, 2021. In both cases, the amount used stands for 0.2% of the agreement.

It is worth mentioning that the first agreement between both central banks was entered into in 2009 and was subsequently amended in 2014 and 2015. The Master Agreement becomes due on August 6, 2023.

## **2.10 COVID 19 - Current Context and Measures Adopted**

On March 11, 2020, the World Health Organization (WHO) announced that COVID-19 was officially a pandemic.

In this context, the National Government issued Emergency Executive Decree No. 260/2020 on March 12, 2020, providing for measures to address the epidemiological situation arising from the spread of Coronavirus COVID-19. The regulation establishes, among other matters, the extension



of the public health emergency set out by Law No. 27541, recently extended up to December 31, 2022 by Emergency Executive Decree 867/21.

Within this framework, the Board of the BCRA has issued various regulations aimed at financial institutions to help them face the health emergency, including several measures intended to ensure the provision of cash to the general public, the promotion of special lines of credit for micro, small and medium-sized companies and other vulnerable sectors of the economy, the provision of refinancing of unpaid balances for the credit card regime, and the suspension of late-payment interest on unpaid balances of loans. Additionally, the fines, commissions, and accounts disability due to dishonored or non-sufficient fund checks were suspended.

Despite year 2021 continued being affected by the COVID-19 pandemic, the impact of the second wave of contagion—during the second quarter of 2021—on the economy was lower. This together with the rapid recovery that followed gave way to a smooth process of reopening and revitalization of the local economy, reaching pre-pandemic levels in July.

As the pandemic has not ended yet, the BCRA authorities continue monitoring the development of this situation in order to assess its impact and implement any necessary measures.

## **2.11 Monetary and Exchange Policy**

During 2020, the monetary policy played a key role as an instrument of financial and external stabilization. Since the pandemic outbreak, mentioned in Note 2.10, the benchmark interest rate policy served two main purposes: to provide households and businesses with liquidity during the pandemic emergency and to protect savings in pesos.

With staggered increases, the BCRA fixed the cost of overnight repo transactions with financial institutions at 32% APR (37.69% EAR). In addition, the 7-day repo transactions were resumed. Initially, the increase in interest rates of repo transactions was accompanied by two falls in LELIQ rates, which were reversed by mid-November. Thus, the LELIQ interest rate stood at 38% APR (45.44% EAR). At the same time, the limits on holdings of LELIQ were changed seeking to minimize the cost of monetary sterilization. The BCRA enhanced its policy on interest rates harmonization by increasing the minimum guaranteed return on 30-day time deposits.

As of December 31, 2021, the LELIQ interest rate stood at 38% APR (45.44% EAR), while the rate paid by the BCRA for 1-day and 7-day repo transactions stood at 32% (37.7% EAR) and 36.5% (43.9% EAR), respectively. The minimum guaranteed return on time deposits made by natural persons up to one million pesos (30-35 days) was 36.3% (43% EAR).

Furthermore, the exchange policy has the structural objective of keeping the real exchange rate competitive and stable. In addition, the BCRA follows a short-term strategy that seeks to actively address any temporary imbalances that may occur in the foreign exchange market. In early 2020, the BCRA set up a managed floating exchange rate regime with the aim of lowering the foreign exchange rate volatility.

In this context, within the managed floating exchange rate regime set by the BCRA, the depreciation rate was gradually adjusted to the needs of the economic situation, in particular, with the aim of counteracting—at least partially—2021 inflation. In addition, the BCRA made changes to its intervention in the spot and forward foreign exchange markets, and to exchange regulations seeking to ensure exchange rate stability and to promote an efficient allocation of foreign currency.

The BCRA will continue maintaining the liquidity of the economy by sterilizing any potential monetary surplus. With a medium-term vision in mind, the BCRA will continue fostering a monetary policy which aims at safeguarding the monetary and financial stability and to pave the way for economic development with social equity.

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

#### **3.1. Basis for the Presentation of Financial Statements**

These financial statements have been prepared pursuant to Section 34 of the BCRA's Charter, in its capacity as monetary authority, in compliance with the accounting framework established in the "Accounting Policy Manual" approved by the Board of the BCRA through Resolution No. 86 dated May 16, 2013 as amended by Resolution No. 2 dated January 2, 2020 and other updates as provided for in such Manual.

The criteria set forth in the Accounting Policy Manual consider the provisions applicable to the BCRA as established in its Charter and in other Laws and Executive Decrees at a national level. This means that the BCRA's recording differs from the professional accounting standards in force as to the measurement of Non-Transferable Bills and Other Treasury Bills held in portfolio (indicated in Note 4.2.1.2.2), and to the valuation of its exposure to the nonfinancial public sector that are not recorded at market value and fall outside the provisioning guidelines set out by the BCRA's accounting standards applicable to financial institutions.

These financial statements, exhibits and notes thereto are presented in thousands.

In the Statement of cash flows and cash equivalents, aggregate international reserves have been defined as "Cash and cash equivalents", showing the main variations of their immediate-liquidity foreign assets.

#### **3.2 Use of Estimates**

The BCRA's records are based on the best estimate regarding the probability of occurrence of different future events and, therefore, the final estimated amount may differ from such records, which may have a positive or negative impact on future fiscal years. The preparation of financial statements requires the BCRA to make estimates, in certain cases, to determine the book value of assets and liabilities, income, expenses and contingencies as well as their exposure at each financial reporting date.

### **3.3 Comparative Information**

The Balance sheet, Statements of income, Changes in equity, and Cash flows and Cash equivalents as of December 31, 2021, as well as the related notes and exhibits are presented comparatively with balances at prior year-end. It should be noted that balances as of December 31, 2020 and January 1, 2019 were modified and restated—using the inflation accounting method—in constant currency as of December 31, 2021 by applying the ratio arising from the Consumer Price Index (CPI) variation as of December 31, 2020 (385.8826) and December 31, 2021 (582.4575), equivalent to 1.50941634.

For comparative purposes, the information presented in prior-year financial statements has been reclassified in order to disclose the figures on a consistent basis.

The modification of the comparative information, as indicated, does not imply changes in the decisions taken based thereon.

### **3.4 Measurement unit**

As provided for by Resolution No. 52 of the Board of the BCRA dated March 28, 2019, the financial statements of the BCRA will be restated in constant currency as provided for by the SEFyC for the financial statements of the institutions under its supervision. In this regard, the SEFyC had established that the financial institutions and foreign exchange houses under its supervision would have to restate their financial statements in constant currency for fiscal years beginning on or after January 1, 2020 (Communication “A” 6651).

To such end, the following price indexes are used:

- For items subsequent to December 2016: consumer price index prepared by the Argentine Institute of Statistics and Census (INDEC).
- For items prior to December 2016: price index published by the Argentine Federation of Professional Associations of Economic Sciences (FACPCE).

Under TR 6, assets and liabilities that are not stated in terms of measurement unit at the end of the reporting period are adjusted by applying the price index. The adjusted amount of a non-monetary item is reduced when it exceeds its recoverable value.

All items of the Statement of income are restated in terms of the measurement unit current at year-end (December 31, 2021). Loss on net monetary position is included in the “Statement of income under Purchasing power loss”.

In order to apply TR 6 to the Balance sheet, the BCRA adopted the following methodology and criteria:

- a) Non-monetary assets were restated by applying the price index mentioned above.
- b) Monetary assets were not restated.
- c) Assets and liabilities contractually related to changes in prices, such as securities and loans subject to adjustments have been measured according to the related contract.
- d) All equity items were restated by applying the price index from the beginning of the year or from the date of contribution, if later.

In order to apply TR 6 to the Statement of income, the BCRA adopted the following methodology and criteria:

- a) All items of the Statement of income were restated in terms of the measurement unit as of December 31, 2021.
- b) Gain/loss on net monetary position is included in the Statement of income.

In the case of the Statement of cash flows, the changes in items are presented in historical amounts as of December 31, 2021, and 2020; the effect of inflation on operating, investing, financing and other activities has been segregated from the adjustment net of restatement. Such restatement adjustment is based on the aging of changes recorded in each quarter by computing the average index in each period. This treatment was also applied in the case of Exhibit V—Changes in the monetary base.

### **3.5. General Criteria of Valuation and Presentation**

#### **3.5.1 Assets and Liabilities in Foreign Currency**

The measurement unit of these financial statements is the Argentine peso. Transactions in foreign currency are converted into Argentine pesos at the foreign exchange rate prevailing at the date of the transaction. Stocks in US dollars are subject to a benchmark foreign exchange rate as of December 31, 2021, and 2020, respectively, calculated by the BCRA pursuant to the methodology set forth by Communication “A” 3500. Stocks in other currencies—including gold—are valued at the US dollar exchange rate at the closing hour in the markets where the BCRA trades, and they are converted into local currency daily at the benchmark foreign exchange rate published by the BCRA.

Exhibit II discloses the balances in foreign currency at fiscal years ended 2021 and 2020.

The following table shows the Argentine peso exchange rates to the different currencies used at each year-end:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
United States Dollars	102.75000000	84.14500000
Gold	187,634.85750000	159,400.92220000
Special drawing rights (SDRs)	143.80787250	121.19151915
Euros	116.98087500	102.85043350
Yen	0.89324524	0.81472696
Pound Sterling	139.07212500	114.89158300
Brazilian real	18.44207126	16.19979978
Canadian dollar	81.22529644	65.92885685
Swedish krona	11.36992365	10.23786349
Norwegian krone	11.66685591	9.79820210
Swiss franc	112.76338894	95.06835386
Yuan (CNY)	16.16557323	12.89143890
Yuan (CNH)	16.16303031	12.94339332

### 3.5.2 Revenue and Expenses Recognition

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

## NOTE 4 - BREAKDOWN AND SPECIFIC VALUATION METHODS OF THE FINANCIAL STATEMENT ACCOUNTS AS PER THE ACCOUNTING POLICY MANUAL

### 4.1 International Reserves

The BCRA must, in compliance with its Charter, concentrate and manage its reserve assets (gold, foreign currency, and other foreign assets). The BCRA may keep a portion of its foreign assets in the form of deposits or other interest-bearing transactions with foreign financial institutions or as liquid and creditworthy instruments payable in gold or in foreign currency.

#### 4.1.1 Gold

	<u>12/31/2021</u>	<u>12/31/2020</u>
Gold bars	330,418,122	477,586,878
Allowance for gold bars (Exhibit I)	(180,939)	(252,110)
<b>Total</b>	<b><u>330,237,183</u></b>	<b><u>477,334,768</u></b>

Gold physical inventories (1,760.96 troy ounces) were valued at year-end at USD 1,826.13 per ounce according to market prices effective at the related date, and converted into Argentine pesos according to the method described under Note 3.5.1 (1,984.96 troy ounces valued at USD 1,894.36 as of December 31, 2020) (see Exhibit II). The variation noted (224 troy ounces) in the fiscal year ended December 31, 2021 is due to the forward sale/purchase transactions maturing in January 2022 recorded under Derivatives over International Reserves (see Note 4.1.5), that were repaid at maturity.

Gold bars qualify as “good delivery”. Consequently, an allowance for transportation costs was recorded and calculated on the direct costs that should be incurred upon deciding to realize them. This allowance was estimated at one US dollar per ounce and has been disclosed in the financial statements, offsetting the “Gold” account balance.

According to the international reserve standards, only monetary gold qualifies as a reserve asset. As the gold inventories kept for numismatic purposes are not deemed financial assets, they are presented under Other assets – coined gold (see Note 4.8.1).

#### 4.1.2 Foreign Currency

	<u>12/31/2021</u>	<u>12/31/2020</u>
Current accounts in foreign correspondent banks and "overnight" accounts	2,647,797,736	3,186,871,932
Holdings of banknotes	<u>273,711,781</u>	<u>289,860,349</u>
<b>Total</b>	<b><u>2,921,509,517</u></b>	<b><u>3,476,732,281</u></b>

Holdings of banknotes were valued as established in Note 3.5.1. The current accounts in foreign correspondent banks and overnight accounts were valued by the same criterion plus interest earned at year-end, as applicable.

#### 4.1.3 Deposits to be Realized in Foreign Currency

They include the following foreign investments:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Time deposits	505,148,509	598,378,093
Demand deposits	69,959,024	173,118,024
Foreign government securities	180,941,729	223,532,356
Repurchase agreements	10,860,690	7,188,757
IMF reserve tranche position	38,899,689	48,983,259
Certificates of deposit	<u>17,773,201</u>	-
<b>Total</b>	<b><u>823,582,842</u></b>	<b><u>1,051,200,489</u></b>

Time deposits, demand deposits and repurchase agreements were stated at face value, plus/(minus) accrued interest or return, as applicable, at year-end, converted into Argentine pesos according to the method established in Note 3.5.1. Demand deposits consist mainly of SDR 480,924 equivalent to ARS 69,160,608 as of December 31, 2021 (SDR 940,379 equivalent to ARS 172,022,067 as of December 31, 2020) (see Note 6).

The balance of foreign government securities amounts to ARS 180,941,729 as of December 31, 2021, all of which correspond to discount securities (ARS 223,532,356 as of December 31, 2020). These instruments have been stated at market values prevailing at year-end and converted into pesos, following the criterion described in Note 3.5.1.

The IMF reserve tranche position includes the foreign assets that the central banks transfer to the IMF based on their quota with the IMF and their use of financing. This amount may be borrowed without conditions at zero interest rate and is valued at the SDR quoted price. As of December 31, 2021, it amounts to ARS 38,897,578 (SDR 270,483). The IMF reserve tranche position accrues interest calculated by the IMF and credited to the SDR account that the BCRA holds with the IMF, amounting to ARS 2,111 (SDR 15) (ARS 48,978,258 and ARS 5,001 as of December 31, 2020, equivalent to SDR 267,745 and SDR 28, respectively) (see Note 6).

The average annual return on total time deposits and certificates of deposit was 0.24% and 0.52% for the fiscal years 2021 and 2020, respectively.

#### 4.1.4 Multilateral Credit Agreements

The balance of these agreements is determined by the net asset positions by country arising from reciprocal credit transactions under the Latin American Integration Association (LAIA) and the Argentina/Brazil Local Currency Payment System (SML). These positions have been valued as established in Note 3.5.1.

#### 4.1.5. Derivatives over International Reserves

	<u>12/31/2021</u>	<u>12/31/2020</u>
Receivables from sales/purchases of currency forwards	532,226,858	612,014,270
Payables from sales/purchases of currency forwards	(533,404,235)	(615,011,175)
Receivables from purchases of gold forwards	42,034,032	-
Payables from purchases of gold forwards	(40,861,207)	-
Gold put options	-	385,992
Gold call options	-	(127,937)
<b>Total</b>	<u><b>(4,552)</b></u>	<u><b>(2,738,850)</b></u>

Receivables from the sale of currency forwards amounted to ARS 532,159,311 as of December 31, 2021 and represent the right to receive United States dollars from the sale at a specified price on a future date (ARS 610,214,916 as of December 31, 2020). In addition, receivables from the purchase of currency forwards amount to ARS 67,547 and represent the right to receive other foreign currency in accordance with the transactions agreed with foreign counterparties (ARS 1,799,354 as of December 31, 2020).

The balance of payables from the sale of currency forwards as of December 31, 2021 represents the obligation to sell the currency to foreign counterparties at the agreed-upon price of ARS (533,199,238) plus ARS (138,211) as implicit interest (ARS (612,976,186) and ARS (252,795) as of December 31, 2020, respectively). While payables from the purchase of currency forwards amount to ARS (66,786) as of December 31, 2021 and represent the obligation to deliver the United States dollars to the foreign counterparties (ARS 1,782,194 as of December 31, 2020).

The balance of ARS 42,034,032 corresponding to receivables from the purchase of gold forwards represents the right to receive the gold equivalent to the purchase price agreed under the forward contracts (ARS 42,030,208 equivalent to 224 troy ounces and ARS 3,824 as implicit interest as of December 31, 2021 equivalent to USD 37), while payables from the purchase of gold forwards amounting to ARS (40,861,207) (equivalent to USD (397,676)) represent the obligation to deliver the foreign currency at the date of termination of those contracts (see Note 4.1.1).

Gold Put options amount to ARS 385,992 as of December 31, 2020, while gold call options amount to ARS (127,937). These agreements were stated by using the mathematical valuation models established by the “Accounting Policy Manual” mentioned in Note 3.1. No gold put or call options were traded on December 31, 2021.

## **4.2 Government Securities**

### **4.2.1 BCRA's Holdings**

They include the BCRA's government securities portfolio detailed in Exhibit III, which, as of December 31, 2021, amounted to ARS 6,729,780,526 (ARS 7,789,248,669 as of December 31, 2020).

#### **4.2.1.1 Securities Issued under Foreign Legislation**

Securities issued under foreign legislation consist of National Government instruments that are subject to the jurisdiction of foreign courts—being stated at listed values (see Exhibit III). As of December 31, 2021, the balance amounted to ARS 5,754,817 (ARS 5,690,475 as of December 31, 2020).

As detailed in Note 2.7, under Executive Decree No. 391 dated April 22, 2020 and supplementary rules (Executive Decrees No. 404 dated April 4, 2020, No. 582 dated July 6, 2020 and No. 676 dated August 16, 2020), BCRA's holdings issued under foreign legislation were swapped during 2020. As of December 31, 2021 and December 31, 2020, the portfolio of securities issued under foreign legislation includes the securities detailed in Exhibit III, incorporated by virtue of the referred swap. To date, they are stated at market values.



#### **4.2.1.2. Securities Issued under Argentine Legislation**

Securities subject to Argentine Legislation amounted to ARS 6,724,025,709 as of December 31, 2021 (ARS 7,783,558,194 as of December 31, 2020).

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

This bond was issued on January 2, 1990 for the consolidation of obligations assumed by the National Government due to the advances provided by the BCRA by virtue of Executive Decree No. 335/1991. Such bond is stated in Argentine currency for a 99-year term, it does not accrue interest and principal is adjusted by applying the buying Argentine peso-to-US dollar exchange rate published by Banco de la Nación Argentina. Adjusted principal will be refunded as from the tenth year. The adjustment was accrued until March 31, 1991, by virtue of Section 8 of the Convertibility Law (the currency board that pegged the Argentine peso to the US dollar), whereby the monetary adjustment mechanisms regarding the amounts stated in non-convertible Australes would be applied exclusively until April 1, 1991, without accruing any new adjustments for such items subsequent to such date.

The original issue amounts to ARS 881,464 as of December 31, 2021 (the same amount as of December 31, 2020). Section 6 of Law No. 25565 empowered the former Ministry of Economy to restructure the public debt. Accordingly, Resolution No. 334/2002 of the Ministry, set forth that public debt would be refunded in 80 annual installments. The first one, in the amount of ARS 8,815 matured on January 2, 2010. Given the specific financial characteristics of this bond, especially its term, grace period, and zero interest, a full allowance has been set up for the amount adjusted in accordance with the issuing terms and conditions, net of its contra account. As of December 31, 2021, the allowance was reversed in the amount equivalent to the collection of the thirteenth installment on January 6, 2022 (see Notes 4.2.2 and 8.1, and Exhibits I and III).

##### **4.2.1.2.2 Non-Transferable Treasury Bills and Other National Treasury Bills**

Non-Transferable National Treasury Bills and Other National Treasury Bills amount to ARS 5,909,096,217 as of December 31, 2021 (ARS 6,779,469,207 as of December 31, 2020). The account breakdown is detailed below. It is BCRA's intention to maintain such assets up to maturity in line with the provisions of Executive Decree No. 346/2020.

###### **4.2.1.2.2.1 Non-Transferable National Treasury Bills (Subscribed up to 2016)**

The Non-Transferable National Treasury Bills (Subscribed up to 2016) that remained in the portfolio at year-end were received in consideration of the transfer of funds to the National Treasury in order to honor the following commitments: settlement of public debt with private bondholders – Argentine Fund for Debt-Shedding (FONDEA), settlement of principal and interest with International Financial Organizations (FONDOI), and offsetting the payment of Argentina's higher quota with the IMF.

The issuing terms and conditions of these instruments are as follows: principal denominated in United States dollars; ten-year term; fully repayable upon maturity at the interest rate accrued by BCRA's international reserves for the same period, up to the maximum annual LIBO rate minus one percentage point payable on a half-yearly basis.

As provided for in Section 62 of Law 27541, Non-Transferable Bills are recorded in the financial statements at technical value.

The treatment set forth in Section 62 of Law 27541 shall be considered within the framework of the second paragraph of Note 3.1.

During the fiscal years 2021 and 2020, Non-Transferable Bills have accrued interest, in accordance with their issuing terms and conditions.

Non-Transferable Bills are broken down as follows:

Non-Transferable Bills	Item	Amount Subscribed in USD (See Exhibit III - Original Face Value)	In Pesos 12/31/2021	In Pesos 12/31/2020
Ex. Decree No. 2054/10 maturing on 01/07/2021	FONDEA	-	-	953,351,754
Ex. Decree No. 276/11 maturing on 03/14/2021	FONDOI	-	-	269,436,953
Res. No.131/12 maturing on 04/20/2022	FONDEA	5,674,000	583,003,500	720,653,819
Res. No.171/12 maturing on 06/28/2022	FONDOI	2,083,648	214,094,835	264,643,797
Res. No. 8/13 maturing on 01/16/2023	FONDEA	7,132,655	732,880,303	906,176,651
Ex. Decree No. 309/13 maturing on 08/16/2023	FONDOI	2,292,297	235,533,492	291,144,239
Res. No. 30/14 maturing on 01/30/2024	FONDEA	7,896,765	811,392,593	1,003,232,446
Res. No. 190/14 maturing on 08/25/2024	FONDOI	3,043,000	312,668,250	386,490,936
No. 406/15 maturing on 06/01/2025	FONDEA	10,562,540	1,085,300,956	1,341,546,453
Res. No. 262/16 maturing on 04/29/2026	INCREASE IMF QUOTA	376,300	38,664,817	47,793,792
<b>Total</b>		<b>39,061,205</b>	<b>4,013,538,746</b>	<b>6,184,470,840</b>

The Argentine Fund for Debt-Shedding (FONDEA) was created under National Executive Branch Decree No. 298 dated March 1, 2010 to pay off the National Treasury public debt with private bondholders for such fiscal year. Subsequently, as established by Executive Decree No. 2054/2010 and Argentine Administration General Budget Laws Nos. 26728, 26784, 26895 and 27008 for the fiscal years 2012 to 2015, respectively, the Executive Branch was authorized to sequentially fund FONDEA in order to pay the National Treasury public debt with private bondholders corresponding to the fiscal years from 2011 to 2015.

Additionally, principal and interest with International Financial Organizations (FONDOI) for fiscal years 2010, 2011, 2012, 2013 and 2014 were paid on maturity with freely available international reserves, including, as from 2013, the payment for official bilateral external debt services falling due in fiscal year 2013. Those payments were authorized as under Executive Decrees Nos. 297 of March 1, 2010; 276 of March 3, 2011; 928 of June 21, 2012; 309 of March 21, 2013; and 1311 of August 15, 2014.

Finally, the BCRA received a Non-Transferable Bill issued by the National Treasury as provided for by Resolutions Nos. 159/2016 and 262/2016 of the former Ministry of Economy and Public Finance in consideration for the payment of 25% of the total increase in the quota with the IMF, made with foreign assets on behalf of Argentina, as set forth by Section 4 of Law No. 26849

#### **4.2.1.2.2 National Treasury Bills in USD Law No. 27541 Maturing in 2029**

On December 30, 2019, the National Treasury Bill in USD Law No. 27541 was recorded at original face value of USD 1,326,576. It was received by the BCRA within the framework of Section 61 of Law No. 27541, and as provided for by Joint Resolution No. 5/2019 issued by the Secretariat of the Treasury and the Secretariat of Finance.

During fiscal year 2020, new tranches were recorded in the amount of USD 3,244,424, totaling USD 4,571,000 (See Exhibit III). In this regard, it is to note that the tranches mentioned above fall within the extension decided by Joint Resolution No. 1/2020 of the Secretariat of the Treasury and the Secretariat of Finance issued on January 3, 2020.

Based on the issuing terms and conditions, this instrument is issued in USD; with a ten-year term; fully repayable upon maturity on December 31, 2029 at the interest rate accrued by the BCRA's international reserves for the same period, up to the maximum annual LIBO rate minus one percentage point payable on a half-yearly basis.

In accordance with the provisions of Section 62 of Law No. 27541, these Bills shall be recorded at technical value and treated within the framework of the second paragraph of Note 3.1.

As of December 31, 2021, the original face value amounts to USD 4,571,000, and the technical value amounts to ARS 469,670,250 (as of December 31, 2020, the original face value amounts to USD 4,571,000 equivalent to ARS 580,561,967).

#### **4.2.1.2.3 Non-Transferable Bills Executive Decree No. 346/2020 - Joint Resolution No. 28/2020 of the Secretariat of the Treasury and the Secretariat of Finance and Joint Resolution No. 3/2021 and No. 11/2021 of the Secretariat of the Treasury and the Secretariat of Finance**

Within the framework established by Executive Decree No. 346/2020, Joint Resolution No. 28/2020 of the Secretariat of the Treasury and the Secretariat of Finance of the Ministry of Economy dated April 20, 2020 provided for the issue of "Non-Transferable National Treasury Bills in US Dollars" to cover the debt service of BCRA Bill holdings. Section 17 of Law 27561/2020 laid down that the referred Non-Transferable National Treasury Bills in USD issued within the framework of Executive Decree No. 346/2020 and directly placed with the BCRA shall be recorded in its financial statements at their technical value, within the framework of the information stated in the second paragraph of Note 3.1.

During fiscal year 2021, the BCRA received, as replacement for service of interest, the original face value amounting to USD 5,015 from the referred Non-Transferable Bills maturing on April 20, 2030. As of December 31, 2021, the original face value amount is USD 118,679 equivalent to ARS 12,194,224. During fiscal year 2020, the original face value amount received in this regard was USD 113,664 equivalent to ARS 14,436,400 (see Note 2.4 and Exhibit III).

As indicated in Note 2.4, on January 7, 2021, the Non-transferable Bill maturing in 2021 – Executive Decree No. 2054/2010 became due. Based on the provisions of Executive Decree No. 346/2020, Joint Resolution No. 3/2021 of the Secretariat of the Treasury and the Secretariat of Finance, set out the issue of one (1) “Non-Transferable National Treasury Bill maturing on January 7, 2021” up to USD 7,506,209. This bill was received by the BCRA on January 7, 2021.

On March 11, 2021, Joint Resolution No. 11/2021 of the Secretariat of the Treasury and the Secretariat of Finance provided for the increase of the issue of the “Non-Transferable National Treasury Bill in USD maturing on January 7, 2031” up to the original face value amount of USD 2,121,386. Such amount was received by the BCRA on March 15, 2021 as replacement for the Non-Transferable Bill Executive Decree No. 276/2011 (see Note 2.4 and Exhibit III).

The Treasury Bill was issued for a term of 10 years, accruing interest, payable on a half-yearly basis based on the interest rate to be accrued by BCRA’s international reserves for the same period and up to the maximum annual LIBO rate minus one (1) percentage point.

As of December 31, 2021, the Non-transferable Bill maturing on January 7, 2031 amounts to an original face value of 9,627,596 equivalent to ARS 989,235,470.

#### **4.2.1.2.2.4 National Treasury Bill in USD Executive Decree 622/21 maturing on September 21, 2031**

As indicated in Note 2.2, Section 3 of Law 27591 provided for the issue of the National Treasury Bill in US Dollars to be subscribed by the BCRA up to the amount of USD 4,334,000 for a term of TEN (10) years, fully repayable upon maturity and with the possibility of early payment in whole or in part. The subscription of these bills shall be paid in SDRs and placed at par value, accruing interest as from the placement date. In accordance with Section 4, they are recorded in the BCRA’s financial statements at their technical value within the framework of the information stated in the second paragraph of Note 3.1.

On the other hand, Section 5 established that the resources deriving from the bills subscription could only be applied to the payment of obligations with the IMF (see Note 2.2).

These bills accrue an interest rate equal to that accrued by the BCRA’s international reserves for the same period and up to the maximum annual LIBO rate minus one percentage point payable on a half-yearly basis. The issue thereof was set out in Joint Resolution No. 41/2021 of the Secretariat of the Treasury and Secretariat of Finance.

As of December 31, 2021, the face value in USD subscribed in connection with the National Treasury Bill in USD Executive Decree 622/21 amounts to USD 4,130,973 (see Note 2.2 and Exhibit III).

#### **4.2.1.2.3 Other Securities Issued under Argentine Legislation**

As of December 31, 2021, the balance of this account amounts to ARS 814,153,804 (ARS 1,002,904,845 as of December 31, 2020).

As mentioned in Note 2.7, BCRA's Board Resolution No. 320 dated August 27, 2020 provided for the approval of the debt swap under Argentine Legislation. As a result, the BCRA's portfolio received, during fiscal year 2020, USD Step Up Bonds of the Argentine Republic, maturing in 2030, USD Step Up Bonds of the Argentine Republic, maturing in 2035, USD Step Up Bonds of the Argentine Republic, maturing in 2038, and USD Step Up Bonds of the Argentine Republic 1%, maturing in 2029.

Additionally, as indicated in Note 2.8, the BCRA held in portfolio short-term public debt in pesos and USD, subject to Executive Decree No. 596/2019. During fiscal year 2020, such holdings were swapped, receiving in exchange Discount National Treasury Bills (LEBAD) and National Treasury Bonds Adjusted by CER (BONCER).

In July 2021, BCRA participated in the swap of the government securities mentioned in Note 2.7, receiving in exchange BONCER 1.4% maturing on March 25, 2023, BONCER 1.45% maturing on August 13, 2023 and LECER maturing on June 30, 2022 (see Exhibit III).

#### **4.2.2 Allowance for Impairment of Government Securities**

The allowance for impairment of securities amounts to ARS 766,873 (ARS 1,170,836 as of December 31, 2020), accounting for 87% of the original face value of the Bond mentioned in Note 4.2.1.2.1. This record is meant to present certain government securities at market values as of December 31, 2021. During this fiscal year, 1% of the allowance was reversed due to the collection of the thirteenth amortization installment of the security on January 6, 2022 (see Notes 4.2.1.2.1 and 8.1, and Exhibit I).

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

By virtue of the last Charter amendment under Law No. 26739—enacted on March 22, 2012—, the BCRA may make (under Section 20) temporary advances to the National Government for a term of twelve months up to 12% of the monetary base, which consists of the currency in circulation plus financial institutions' demand deposits in the BCRA, whether in current or special accounts. It may also make advances not exceeding 10% of the cash resources obtained by the National Government in the last twelve months. Exceptionally and only if required by the circumstances or by national or international economic prospects, the BCRA may grant temporary advances for an additional amount not exceeding 10% of the cash earned by the National Government in the last

twelve months. This extraordinary power may be exercised for a maximum term of eighteen months. In all cases, once financial assistance terms have elapsed, this possibility may not be used again until the amounts due are reimbursed. These Temporary Advances do not accrue any interest rates.

As of December 31, 2021, the balance of the Temporary Advances to the National Government account amounts to a face value of ARS 2,173,049,344 (ARS 1,902,543,820 as of December 31, 2020), out of which ARS 1,365,049,344 have been granted for a twelve-month period (ARS 1,062,930,983 as of December 31, 2020); exceptionally, ARS 808,000,000, have been granted for a maximum eighteen-month period in accordance with the current regulatory framework (ARS 839,612,837 as of December 31, 2020).

The advances at prior year-end falling due in this fiscal year were fully settled as of December 31, 2021, pursuant to the provisions of Section 20 of the Charter of the BCRA.

#### 4.4. Loans to the Argentine Financial System

The table below shows the balance of the items that make up the “Loans to the Argentine financial system” account:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Debts from fines	1,636,026	2,160,323
Refinanced lines	21,636	32,658
Allowance for loans to the financial system (Exhibit I)	<u>(1,541,359)</u>	<u>(2,071,212)</u>
<b>Total</b>	<b><u>116,303</u></b>	<b><u>121,769</u></b>

The account “Loans to the Argentine financial system” mainly relates to “Debts from fines on financial institutions”, which includes accruals of fines payable to the BCRA arising from the enforcement of the Foreign Exchange Criminal Regime and the Law on Financial Institutions (Section 41). The balance amounts to ARS 1,636,026 as of December 31, 2021 (ARS 2,160,323 as of December 31, 2020). Out of the total balance as of December 31, 2021, the amount of ARS 1,593,321 is subject to court procedures (ARS 2,136,598 as of December 31, 2020) and an allowance has been set up for the total amount of ARS 1,520,120 (ARS 2,039,154 as of December 31, 2020).

The account “Refinanced lines” is related to the Federal Trust Fund for Regional Infrastructure (FFFIR) debt. This fund was created by Law No. 24855, to which the consolidated debt held by the former Banco Hipotecario Nacional with the BCRA had been transferred. By means of Resolution No. 2 of the Board of the BCRA, dated January 4, 2018, the FFFIR and the BCRA reached the Debt Settlement Agreement. As of December 31, 2021, the debt amounts to ARS 21,636 (ARS 32,658 as of December 31, 2020).

The amount of the allowance for loans to the local financial system, which as of December 31, 2021 is ARS 1,541,359 (ARS 2,071,212 as of December 31, 2020), includes the allowance for fines referred to in the preceding paragraph in the amount of ARS 1,520,120 (ARS 2,039,154 as of

December 31, 2020), and the allowance for credit lines existing before enactment of Law No. 24144 equivalent to ARS 21,239 (ARS 32,058 as of December 31, 2020). During fiscal year 2021, the allowance was used in the total amount of ARS 615,898, while new allowance were set up in the amount of ARS 785,063 (equivalent to ARS 639,632 and ARS 839,443 in constant currency as of December 31, 2021 as stated in Exhibit I). Changes in constant currency during the fiscal year ended December 31, 2020 amounted to ARS 324,795 (allowance used) and ARS 1,328,679 (new allowance).

This account is stated at face value plus accrued and uncollected interest at the agreed upon rate, net of the "Allowance for uncollectibility". This allowance is set up on the basis of estimates of recoverable amounts, which comprise compliance and quality of collateral, among other factors.

#### 4.5. Contributions to International Agencies on Behalf of Argentine Government and Other

The table below shows the balance amount of the accounts presenting the contributions made by the BCRA on behalf of the National Government and other:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Contributions to the IADB, IBRD, IDA and other	404,521,355	480,013,425
Contributions to the IMF	123,671,565	157,314,397
<b>Total</b>	<b><u>528,192,920</u></b>	<b><u>637,327,822</u></b>

This account is stated at face value in the currency of origin and converted into Argentine pesos, as established in Note 3.5.1.

As to the contributions to the IMF, the National Government records a quota, as resolved at the Meeting of the IMF's Board of Governors, in the amount of SDR 3,187,300 as of December 31, 2021 (the same amount of SDR as of December 31, 2020), as detailed below:

	<u>12/31/2021</u>		<u>12/31/2020</u>	
	<u>SDR</u>	<u>Argentine Pesos</u>	<u>SDR</u>	<u>Argentine Pesos</u>
Treasury bills	2,327,322	334,687,267	2,327,322	425,733,480
Contributions to the IMF in foreign currency	796,825	114,589,744	796,825	145,762,014
Contributions to the IMF in local currency	63,153	9,081,822	63,153	11,552,383
<b>Total</b>	<b><u>3,187,300</u></b>	<b><u>458,358,833</u></b>	<b><u>3,187,300</u></b>	<b><u>583,047,877</u></b>

Treasury Bills are issued by the BCRA on behalf of the National Government in its capacity as Government's financial agent pursuant to Article III, Section 4, and Article V, Section 11 of the Articles of Agreement of the IMF, and are recorded in memorandum accounts (see Notes 5 and 6).

#### 4.6 Rights Arising from Other Derivative Financial Instruments

As of December 31, 2021, the Daily Clearing Margin's balance amounts to ARS 545,253, accounting for receivables in pesos from changes in the price of open positions at the closing of the forward ROFEX's and MAE's market price at year-end. Such amount was collected in full on January 3, 2022. As of December 31, 2020, the balance amounted to ARS 467,702 and was collected in full on January 4, 2021.

#### 4.7 Rights Arising from Repo Transactions

	<u>12/31/2021</u>	<u>12/31/2020</u>
LELIQ receivable in Argentine pesos and delivered under repurchase transactions	3,229,819,164	1,922,429,064
Rights from reverse repurchase transactions	180,997,388	223,491,797
Rights from currency swap transactions	<u>2,025,286,200</u>	<u>2,375,410,751</u>
<b>Total</b>	<b><u>5,436,102,752</u></b>	<b><u>4,521,331,612</u></b>

On January 10, 2018, the BCRA informed, through Communication "A" 6426, the issue and placement of 7-day Bills in pesos in force as from January 11, 2018. These instruments can be used as collateral in REPO transactions.

As of December 31, 2021, total LELIQ and government securities receivable under repurchase transactions, including premiums to be accrued, amounted to ARS 3,229,819,164. Such instruments have been stated at market values (as of December 31, 2020, ARS 1,922,429,064 of LELIQ receivable under repurchase transactions, including premiums to be accrued) (see Note 4.18).

Rights under reverse repurchase transactions are related to transactions agreed upon with Banks and other institutions. Principal receivable in this regard amounts to ARS 180,997,388 as of December 31, 2021 (ARS 223,491,797 as of December 31, 2020). These reverse repurchase transactions were valued based on prices agreed upon for each transaction, plus the related premiums accrued at each year-end.

Rights from currency swap transactions amounted to ARS 2,025,286,200 as of December 31, 2021 (ARS 2,375,410,751 as of December 31, 2020). This balance represents the right to receive from the PBC the amount in national currency agreed under the currency swap transaction (see Notes 2.9 and 4.18).



## 4.8 Other Assets

### 4.8.1 Breakdown of the Account

	<u>12/31/2021</u>	<u>12/31/2020</u>
Collateral (see Note 4.8.2)	144,024,347	181,581,692
Property, plant & equipment (net of depreciation)	7,560,636	7,674,700
Stock of banknote paper and coins for monetary issue	5,351,910	7,359,226
Coined gold (see Note 4.1.1)	1,703,291	2,184,113
Secured loans – Executive Decree No. 1387/01	1,071,414	1,062,243
Margin call from forward transactions (see Note 4.8.2)	647,328	3,411,362
Numismatic pieces – Museum	519,113	635,882
Intangible assets	16,488	48,034
Miscellaneous	6,929,023	3,810,730
Allowances (Exhibit I)	(24,612)	(31,142)
<b>Total</b>	<b><u>167,798,938</u></b>	<b><u>207,736,840</u></b>

Property, plant & equipment have been valued at acquisition cost net of accumulated depreciation. Depreciation is calculated by applying the straight-line method, taking into account the Property, plant & equipment estimated useful life. By virtue of the inflation adjustment method, balances at years ended 2021 and 2020 are presented adjusted as of December 31, 2021.

According to the international definitions of gold computable as a reserve asset (see Note 4.1.1), gold coins held for numismatic purposes were excluded from the Gold sub-account and were included in Other assets. Additionally, an allowance for transportation costs amounting to 1% of total stock was set up.

Secured loans involve financial instruments issued by the National Government under Executive Decree No. 1387/01, and supplementary regulations, which were accepted to pay for financial aid for temporary liquidity strains granted to financial institutions with revoked licenses. They are unlisted securities transferable by deed, which accrue interest, and are adjusted by CER (benchmark stabilization coefficient). At year-end, they were stated at face value plus accrued interest pending collection, and CER adjustment.

The Margin call from forward transactions includes the margin requested by the counterparties to those transactions and is equivalent to ARS 647,328 as of December 31, 2021 (ARS 3,411,362 as of December 31, 2020). These funds are daily built up in foreign currency by the BCRA, and the counterparty pays an interest on them. If under market conditions, the BCRA is to require that such margin be posted, the funds in foreign currency are received and recorded in a contra liability account, and interest is paid on those funds (see Notes 4.1.5 and 4.20).

The Numismatic pieces - Museum account includes coins donated to the BCRA by Mr. Héctor Carlos Janson—a collection of 2,800 coins, which includes Argentine coins issued between 1813 and 2016, among other pieces. To express our gratitude for the donation, the Museum was

named “Héctor Carlos Janson” Numismatic and Historical Museum in honor of the most outstanding numismatist.

Miscellaneous includes, among other, assets received from court and out-of-court receivables pending collection in the amount of ARS 294,011 (ARS 329,090 as of December 31, 2020), for which an allowance has been set up in the amount of ARS 14 (ARS 21 as of December 31, 2020) and unreported advance payments and prepayments in the amount of ARS 4,759,168 (ARS 1,388,589 as of December 31, 2020).

#### **Note 4.8.2 Restricted Assets**

As of December 31, 2021 and 2020, the BCRA has set up the following collateral:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Collateral posted on forward transactions	144,024,347	181,581,692
Margin call from forward transactions	647,328	3,411,362
<b>Total</b>	<b><u>144,671,675</u></b>	<b><u>184,993,054</u></b>

#### **4.9 Monetary Base**

According to the provisions of the Charter, the monetary base consists of money in circulation plus financial institutions’ demand deposits with the BCRA, whether in current or special accounts. It also includes settlement checks in circulation. Exhibit V presents the changes in the monetary base, which mainly shows monetary regulation operations performed by the BCRA as part of the powers assigned by the Charter regarding its relationship with the National Government and the financial system, and related uses (operating and financial expenses).

##### **4.9.1 Currency in Circulation**

###### **4.9.1.1 Banknotes and Coins in Circulation**

	<u>12/31/2021</u>	<u>12/31/2020</u>
Banknotes	2,682,710,705	2,854,133,290
Coins	8,689,327	10,474,857
<b>Total</b>	<b><u>2,691,400,032</u></b>	<b><u>2,864,608,147</u></b>

Banknotes and coins in circulation at each year-end account for the balance held by the public and financial institutions (see Note 5).

Changes in banknotes were as follows:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Restated balance at beginning of year	2,854,133,290	2,359,157,390
New banknotes and banknotes in good conditions placed in the financial system	815,113,669	1,133,849,778
Banknotes out of circulation and destroyed or to be destroyed	(23,288,350)	(12,599,699)
Adjustment from the monetary restatement of the balance at beginning of the year	<u>(963,247,904)</u>	<u>(626,274,179)</u>
Balance at year-end	<u><b>2,682,710,705</b></u>	<u><b>2,854,133,290</b></u>

#### **4.9.1.2 Settlement Checks in Pesos in Circulation**

The amount of ARS 252 as of December 31, 2021 (ARS 380 as of December 31, 2020) accounts for the BCRA's obligation for settlement checks requested by financial institutions and issued in Argentine pesos.

#### **4.9.2 Current Accounts in Pesos**

As of December 31, 2021, the balance amounted to ARS 962,636,098 (ARS 864,041,952 as of December 31, 2020). During fiscal years 2021 and 2020, the rate determined for current accounts was 0% pursuant to BCRA Communication "A" 6052 and supplementary regulations.

#### **4.10. Instruments of Payment in Other Currencies**

##### **4.10.1. Settlement Checks in Other Currencies in Circulation**

The balance of ARS 2,055 as of December 31, 2021 (ARS 2,540 as of December 31, 2020) accounts for the BCRA's obligation for settlement checks in US dollars requested by financial institutions, which have been converted into Argentine pesos as stated in Note 3.5.1.

##### **4.10.2. Certificates of Deposit for Investment**

The balance of ARS 3,081,260 as of December 31, 2021 (ARS 4,237,990 as of December 31, 2020) accounts for the BCRA's obligation for the Certificates of Deposit for Investment issued pursuant to Law No. 26860, which are in circulation. These instruments are issued in US dollars and have been converted into Argentine pesos according to Note 3.5.1.

#### 4.11 Current Accounts in Other Currencies

The balance of ARS 1,241,508,758 as of December 31, 2021 (ARS 1,382,249,433 as of December 31, 2020) has been converted into pesos as established in Note 3.5.1. Remuneration as defined in BCRA's Communication "A" 6052, as supplemented, was 0%.

#### 4.12 Deposits from Argentine Government and Others

This account includes the following items:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Argentine Government deposits	110,780,403	96,579,186
A.N.S.E.S. - Social security payment orders	3,242,257	717,134
Provincial funds	3,433,993	4,244,778
Argentine Government deposits – Law No. 25152 – Tax anti-cyclical fund	1,926,580	2,381,456
<b>Total</b>	<b><u>119,383,233</u></b>	<b><u>103,922,554</u></b>

#### 4.13 Other Deposits

	<u>12/31/2021</u>	<u>12/31/2020</u>
Deposits from collections	518,546	675,706
In special accounts	113,402	148,091
Miscellaneous	271,626	292,872
<b>Total</b>	<b><u>903,574</u></b>	<b><u>1,116,669</u></b>

Deposits from collections reached ARS 518,546 (ARS 675,706 as of December 31, 2020) and mainly include both fines on financial and exchange institutions, and amounts from liquidated financial institution pending registration that have been collected by the BCRA.

Deposits in special accounts include ARS 93,649 corresponding to deposits made by the National Government under Section 1 of Executive Decree 1836/2002, which cannot be attached or disposed of, and which solely serve as collateral for different series of National Government bonds to be swapped for certificates of deposit held by savers in the financial system. As of December 31, 2020, the balance of such account amounted to ARS 118,275.

#### 4.14 Allocation of SDRs

The allocation of SDRs is granted by the IMF to the Argentine Republic as a member country. By virtue of its Articles of Agreement, the IMF may allocate SDRs to member countries in proportion

to their quotas, whether on a general or special basis, as provided for by Articles XVIII, XXIV and XXVI of the Articles of Agreement.

In 2009, the IMF made a general allocation of SDRs of up to USD 250,000,000 among member countries, USD 2,460,375 (SDR 1,569,427) of which were allocated to the Argentine Republic. On the other hand, the Fourth Amendment to the IMF's Articles of Agreement—approved in 1997 and becoming effective in fiscal year 2009—sets forth a special one-time allocation of SDRs amounting to about USD 33,000,000, out of which USD 207,316 (SDR 132,243) was allocated to the Argentine Republic. Both general and one-time allocations—SDR 1,701,670 in total—were received by the BCRA on behalf of the National Government.

In August 2021, as detailed in Note 2.1, the IMF provided for an extraordinary allocation of SDRs equivalent to the amount of USD 650,000,000. The Argentine Republic received USD 4,334,000 (SDR 3,054,884). The allocation was received by the BCRA on behalf of the National Government.

As of December 31, 2021, total Allocated SDRs amount to ARS 729,813,976 equivalent to SDR 5,074,924 (ARS 369,522,797 equivalent to SDR 2,020,040 as of December 31, 2020).

The Contra account to the allocated SDRs transferred to the National Government is disclosed as an offset to the Allocated SDRs account, which amounts to ARS 684,029,864, equivalent to SDR 4,756,554 as of December 31, 2021 (ARS 311,283,864 equivalent to SDR 1,701,670 as of December 31, 2020).

The net balance of SDR 318,370 as of December 31, 2021 and December 31, 2020 shows the amount of Allocated SDRs received by the BCRA prior to its Charter's amendment dated September 30, 1992.

The account breakdown is as follows:

	12/31/2021		12/31/2020	
	SDR	Argentine pesos	SDR	Argentine pesos
Allocated SDRs	5,074,924	729,813,976	2,020,040	369,522,797
Contra account to the allocated SDRs transferred to the Argentine Government	(4,756,554)	(684,029,864)	(1,701,670)	(311,283,864)
	<b>318,370</b>	<b>45,784,112</b>	<b>318,370</b>	<b>58,238,933</b>

This account is stated at face value in the currency of origin and converted into Argentine pesos, as established in Note 3.5.1.

#### 4.15 Obligations with International Agencies

As approved by Resolution No. 231 of the Board of the BCRA dated July 17, 2021, the BCRA entered into a twelve-month credit facility agreement with the Bank for International Settlements

(BIS). As of December 31, 2021, the balance amounts to ARS 308,250,000 (USD 3,000,000) plus interest accrued in the amount of ARS 207,041 (USD 2,015).

As of December 31, 2020, the balance of the credit facility that had been approved by Board Resolution No. 301 dated July 30, 2020 amounted to ARS 381,029,512 (USD 3,000,000) plus interest accrued for ARS 124,470 (USD 980).

The Use of the reserve tranche is a facility of first resort that the IMF makes available to a country, but it does not involve the use of credit from the IMF. Hence, the IMF charges no interest on the tranche used<sup>1</sup>. The reserve tranche of a country represents the right to draw on the IMF's financing mentioned above that derives from the quota established for the member country and subscribed in reserve assets.

In addition to the item previously mentioned, the "Obligations to international agencies" account includes the balances of deposits of the Inter-American Development Bank (IDB), the IMF and other international agencies with the BCRA.

The account breakdown is as follows:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Credit installments agreement	308,457,041	381,153,982
Use of the reserve tranche	76,116,251	96,822,436
IMF account No. 1	8,657,736	11,513,704
IDB	6,040,960	8,353,596
IMF account No. 2	393,258	909
Accrued charges	66,763	64,040
IBRD	38,493	32,368
Other	477,047	7,432
	<u><b>400,247,549</b></u>	<u><b>497,948,467</b></u>

The IMF account No. 1 shows IMF's deposits with the BCRA and mainly presents transactions such as quota subscriptions and purchases or repurchases of the Reserve tranche. The balance of ARS 8,657,736 is equivalent to SDR 60,204 as of December 31, 2021 (ARS 11,513,504 equivalent to SDR 62,941 as of December 31, 2020) (see Note 6).

Additionally, the IMF account No. 2 is used for administrative expenses or income in the country. The balance of ARS 393,258 is equivalent to SDR 2,735 as of December 31, 2021 (ARS 909 equivalent to SDR 5 as of December 31, 2020) (see Note 6).

The Contra account to the use of the reserve tranche shows the BCRA's claim against the National Government in connection with the funds received by the BCRA and transferred to the National Government in the amount of SDR 529,291 equivalent to ARS 76,116,251 (same amount of SDR equivalent to ARS 96,822,436 as of December 31, 2020).

<sup>1</sup> Positions are exclusively unwound in the cases considered in Articles XXIV and XXVI of the Articles of Agreement.

#### **4.16 Securities Issued by the BCRA**

The BCRA, under Section 18 of its Charter, is empowered to issue securities or bonds, as well as certificates of participation in any of its portfolio securities.

Communication "A" 6426 (dated January 10, 2018) established the issue and placement of 7-day bills in pesos effective as of January 11, 2018. These instruments, named Liquidity Bills (LELIQs), are daily offered through a special segment named "LELI Round" of the SIOPEL system of MAE S.A. They are discount securities and are stated at face value net of interest to be accrued at year-end. The counterparties authorized to operate with the BCRA are financial institutions that conduct transactions in LELIQs on their behalf or exclusively on behalf of another local financial institution. LELIQs can be used as collateral in repo transactions.

For monetary regulation, the BCRA authorized financial institutions to use LELIQs in repo transactions. As a result, the bills so used are presented at market value net of Securities issued by the BCRA (see Note 4.7).

It should be noted that the BCRA released a Communication on January 17, 2020, whereby it would offer 7-day and 14-day LELIQs in the market as from January 21, 2020 in order to improve the monetary policy rate pass-through. Afterwards, on January 30, 2020, a new extension of the term was informed: as of December 31, 2021, LELIQs in force had been issued on a 28-day term.

As indicated in Note 2.5 and in accordance with Communication "A" 7220, the BCRA has issued, since February 2021, Bills in Pesos and Payable at the Benchmark Exchange Rate as per Communication "A" 3500 named LEGARs. These bills are meant to be delivered by the markets authorized by the CNV as collaterals of any kind in foreign currency for transactions involving futures, options and other derivatives whose underlying assets are commodities in USD. The maximum term of these instruments is 365 days. Upon maturity, the settlement will be made at the purchase price plus the change of the benchmark exchange rate between the date of subscription and maturity. On December 31, 2021, the balance amounts to ARS 21,151,087.

Communication "A" 7191 (dated December 28, 2020) authorized the issuance of internal BCRA bills addressed to the mining sector in pesos and payable at the benchmark exchange rate at zero interest rate (LEMINS). As of December 31, 2021, the balance amounts to ARS 1,027,500 whereas as of December 31, 2020, no LEMINS had been issued (see Note 2.6).

The securities issued by the BCRA at each year-end are as follows:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Bills and notes issued in local currency		
LELIQs	5,022,436,013	6,692,228,775
LEGARs	21,151,087	-
LEMINS	1,027,500	-
Bills in portfolio available for repurchase transactions	-	(2,251,669,348)
<b>Total</b>	<b><u>5,044,614,600</u></b>	<b><u>4,440,559,427</u></b>

Exhibit IV discloses the BCRA securities issued in force at each year-end, broken down by type of instrument and maturity term.

#### **4.17 Contra Account of Argentine Government Contributions to International Agencies**

As of December 31, 2021, the amount of ARS 392,637,400 represents the balance of the Contra account of contributions made on behalf of the National Government to International Agencies of which the Argentine Republic is a member. As from September 30, 1992, the legal form of the BCRA and its relationship with the National Government changed upon the amendment of the BCRA's Charter. The amount as of December 31, 2020, was ARS 467,279,567.

#### **4.18 Due to Repo Transactions**

	<u>12/31/2021</u>	<u>12/31/2020</u>
Amounts payable under repurchase transactions	2,915,140,587	1,733,904,545
Securities to be delivered under reverse repo transactions	180,944,569	223,534,444
Obligations under currency swap transactions	2,101,564,173	2,529,627,840
<b>Total</b>	<b><u>5,197,649,329</u></b>	<b><u>4,487,066,829</u></b>

The amounts payable under repo transactions total ARS 2,915,140,587 as of December 31, 2021 and represent the funds to be repaid to financial institutions upon maturity for the transactions mentioned in Note 4.7 for principal and premium—ARS 2,895,614,481 and ARS 19,526,106, respectively (balances as of December 31, 2020: ARS 1,722,899,410 and ARS 11,005,135, respectively). They were valued based on the price for each transaction, plus the related premiums accrued at each year-end.

Securities to be delivered under reverse repo transactions as of December 31, 2021 totaled ARS 180,944,569 and represented holdings of foreign government securities received under reverse repo transactions, and valued at market value (ARS 223,534,444 as of December 31, 2020).

Obligations under currency swap transactions as of December 31, 2021 amounted to ARS 2,101,564,173 (ARS 2,529,627,840 as of December 31, 2020). The balance represents the



BCRA's commitment to repay the PBC the amount in foreign currency arranged under the currency swap (see Note 4.7).

#### 4.19 Due to Multilateral Credit Agreements

This account's balance represents the net liabilities resulting from reciprocal credit transactions within the framework of the Latin American Integration Association (ALADI), which totaled ARS 2,370,076 as of December 31, 2021, and ARS 3,329,676 as of December 31, 2020.

#### 4.20 Other Liabilities

This account includes the following items

	<u>12/31/2021</u>	<u>12/31/2020</u>
Currency swap deposit	2,025,286,200	2,375,410,751
Revolving funds and other obligations in foreign currency	181,291,386	224,099,215
Contra account to reserve tranche position in IMF	38,897,578	48,978,258
Obligations from servicing secured loans	306,014	794,697
Advances collected from margin calls on forward transactions	-	267,991
Miscellaneous	177,812,922	240,140,779
	<u><u>2,423,594,100</u></u>	<u><u>2,889,691,691</u></u>

"Currency swap deposit" amounted to ARS 2,025,286,200 as of December 31, 2021 (ARS 2,375,410,751 as of December 31, 2020) and represents the total amount in ARS deposited for the benefit of the PBC under the Bilateral Currency Swap Agreement entered into by the BCRA and the PBC (see Notes 2.9 and 4.7).

"Revolving funds and other obligations in foreign currency" represent the transactions resulting from international agreements executed with multilateral or foreign official agencies, central banks or entities of which only the BCRA can be a borrower on its own behalf or on behalf of the National Treasury as a financial agent of the Argentine Republic, pursuant to the provisions of Section 17 of the Charter.

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

"Contra account to the reserve tranche position in the IMF" presents—on the liabilities side—the reserve tranche position included in the International reserves account and amounts to ARS 38,897,578 as of December 31, 2021 (ARS 48,978,258 as of December 31, 2020) (see Note 4.1.3).

“Obligations from servicing secured loans” include the funds used for servicing these loans, which amounted to ARS 306,014 as of December 31, 2021 (ARS 794,697 as of December 31, 2020).

The item “Advances collected from margin calls on forward transactions”, with a balance of ARS 267,991 as of December 31, 2020 reflects the collateral provided by the counterparties involved. These funds are daily deposited in foreign currency and the BCRA pays interest on them (see Note 4.1.5).

Some items included in “Miscellaneous” are the following: “Obligations to the National Government for repayment with BOCONES”, ARS 60,363 (ARS 163,524 as of December 31, 2020); “Obligations to provincial governments”, ARS 23,072 (ARS 137,464 as of December 31, 2020); “Withholdings from suppliers and employees and payroll contributions payable”, ARS 1,217,197 (ARS 1,437,239 as of December 31, 2020), “Contra account of contributions made to international agencies prior to the amendment to the Charter by Law No. 24144”, ARS 16,542,102 (ARS 20,449,819 as of December 31, 2020); and “Provisions” in the amount of ARS 3,911,205 (ARS 3,637,989 as of December 31, 2020), among others.

#### 4.21 Provisions

The provisions set at each year-end, as listed in Exhibit I, involve the following items:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Provision for lawsuits	3,482,295	4,579,684
Provision for labor-related liabilities	12,654,927	10,522,707
Other provisions	119	332
<b>Total (Exhibit I)</b>	<b><u>16,137,341</u></b>	<b><u>15,102,723</u></b>

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

Lawsuits were classified based on their procedural status and the type of case (lawsuits seeking the reimbursement of deposits, labor lawsuits, etc.) The estimation of the outcome of the disputes was made based on background information concerning judgments entered in lawsuits with the same or similar characteristics.

The lawsuits prior to April 1, 1991 were adjusted using the general wholesale price index plus an annual 6% interest rate until March 31, 1991. From then onwards, the common savings account rate published by the BCRA was applied. In the case of lawsuits subsequent to March 31, 1991 and prior to January 1, 2002, the deposit rate under BCRA Communication No. 14290 was used until December 31, 2001. From then onwards, the common savings account rate published by the BCRA was applied, under Laws No. 25344 and Section 58 of Law No. 25725. In the case of lawsuits after December 31, 2001 through the date of these financial statements, the deposit rate for judicial purposes under BCRA Communication No. 14290 was applied.

The amounts of local claims in US dollars were determined in pesos at one peso per US dollar, with no interest rate applied, as the BCRA has never had to pay these claims in dollars.

In addition, lawsuits for damages and other administrative claims were brought against the BCRA for unspecified amounts and, as of the date of issuance of these financial statements, it is not likely that an adverse judgment be rendered against the BCRA. Therefore, no provision was set up.

As of the date of issuance of these financial statements, the BCRA was served in one hundred and nine proceedings in relation to transactions under dollar forward contracts maturing through June 2016, which were executed after September 29, 2015 (Communication 657 of Argentina Clearing S.A. and Mercado a Término S.A. (ROFEX)). Such proceedings were brought for the administrative act to be declared null. Provisions were set up in accordance with the applicable regulations, where appropriate. As informed by the legal department, the BCRA is not aware of the existence of any claims requiring the setup of any related provisions. Hence, the BCRA does not have sufficient information to determine any possible impact on the financial statements. From a legal standpoint, the judgments rendered in such proceedings so far have been favorable to the BCRA. While the outlook is positive, the BCRA cannot determine whether its financial statements might be affected as a result of forward transactions as no final judgments have been rendered in the ordinary lawsuits so far.

The provision for labor-related liabilities is mainly made up of an estimate of bonuses paid to the staff for years of service, benefits on termination of employment and other benefits for the retired in the amount of ARS 12,654,927 (ARS 10,522,707 as of December 31, 2020).

#### 4.22 Statement of Income – Main Accounts

Below is a breakdown of the main Income statement accounts:

##### 4.22.1 Interest Income and Other Adjustments

<b>On international reserves</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
Time deposits	976,110	5,005,465
Certificates of time deposits	78,685	265,915
Multilateral credit agreements	54	469
Foreign government securities	(39,170)	53,687
Demand deposits and foreign currency	(511,756)	983,604
<b>Total:</b>	<b>503,923</b>	<b>6,309,140</b>

<b>On government securities</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
CER on government securities	35,750,296	8,989,726
Interest on government securities	25,997,502	126,883,402
Interest on non-transferrable bills	119,622	15,059,977
<b>Total:</b>	<b>61,867,420</b>	<b>150,933,105</b>

<b>On loans to the financial system</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
Interest income	5,615	8,332
<b>Total:</b>	<b>5,615</b>	<b>8,332</b>

<b>On other assets</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
Interest and adjustments on secured loans	491,202	391,807
FABP (return and interest)	486,106	468,970
Other interest income	14,459	38,883
<b>Total:</b>	<b>991,767</b>	<b>899,660</b>

#### 4.22.2 Interest Expense and Other Adjustments

<b>On securities issued by the BCRA</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
Interest on LELIQs	(884,181,545)	(1,046,253,355)
Interest on NOCOMs	-	(56,630)
<b>Total:</b>	<b>(884,181,545)</b>	<b>(1,046,309,985)</b>

<b>On loans borrowed from international agencies</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
Other obligations	(2,150,286)	(3,997,823)
<b>Total:</b>	<b>(2,150,286)</b>	<b>(3,997,823)</b>

<b>On other transactions with the financial system</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
Net premiums accrued on repo transactions	(706,269,158)	(253,243,148)
<b>Total:</b>	<b>(706,269,158)</b>	<b>(253,243,148)</b>

<b>On other liabilities</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
Interest	(159,149)	(1,034,691)
Loss on CER application	(26,958)	(26,970)
<b>Total:</b>	<b>(186,107)</b>	<b>(1,061,661)</b>

#### 4.22.3 (Set-Up) / Reversals of Allowances for Government Securities and Loans to the Financial System, Net

	<u>12/31/2021</u>	<u>12/31/2020</u>
For government securities	8,815	13,306
For receivables from the financial system	(839,443)	(1,413,395)
<b>Total:</b>	<u><b>(830,628)</b></u>	<u><b>(1,400,089)</b></u>

#### 4.22.4 Listed Price Differences, Net

	<u>12/31/2021</u>	<u>12/31/2020</u>
For international reserves		
Foreign currency, time and demand deposits	828,085,417	1,789,566,110
Gold	62,450,811	236,419,075
Foreign government securities	42,842,279	71,286,392
Certificates of time deposits	5,421,983	7,671,898
Derivatives	39,776,902	(46,453,215)
Others	7,716,797	17,751,174
For Argentine Government Securities	1,566,155,589	2,955,407,292
International agencies	23,631,222	51,314,533
For institutions' deposits in current accounts and Argentine Government deposits and others	(266,235,717)	(467,770,278)
Other valuation adjustments of assets and liabilities	(673,415,002)	(1,938,234,046)
<b>Total:</b>	<u><b>1,636,430,281</b></u>	<u><b>2,676,958,935</b></u>

#### 4.22.5 Foreign Currency Trading Differences, Net

	<u>12/31/2021</u>	<u>12/31/2020</u>
For the purchase and sale of foreign currency	1,702,054	2,768,547
<b>Total:</b>	<u><b>1,702,054</b></u>	<u><b>2,768,547</b></u>

#### 4.22.6 Other Financial Instruments Trading Differences, Net

	<u>12/31/2021</u>	<u>12/31/2020</u>
On forward transactions of foreign currency and bonds	48,862,765	37,854,841
On forward transactions	1,765,991	6,352,152
On transactions with securities (1)	(20,781)	189,003,829
On transactions with gold and foreign currency options	(60,095)	-
On transactions with LEGARs and LEMINs	(1,847,669)	-
Other transactions	(18,501)	61,904
<b>Total:</b>	<b><u>48,681,710</u></b>	<b><u>233,272,726</u></b>

(1) As of December 31, 2021, it includes ARS (20,723) from the swap of government securities dated July 21, 2021 (see Note 2.7). As of December 31, 2020, the line includes total gain/loss obtained from the swap transactions amounting to ARS 172,567,016 corresponding to the swap of government securities under foreign law and government securities under Argentine legislation, and ARS 16,426,472 corresponding to the swap of short-term public debt conducted during fiscal year 2020.

#### 4.22.7 Miscellaneous Charges and Fines

	<u>12/31/2021</u>	<u>12/31/2020</u>
Fines	1,312,960	1,582,552
Charges	576,279	671,662
<b>Total:</b>	<b><u>1,889,239</u></b>	<b><u>2,254,214</u></b>

#### 4.22.8 Monetary Issuance Expenses

	<u>12/31/2021</u>	<u>12/31/2020</u>
Materials	(16,105,618)	(15,212,877)
<b>Total:</b>	<b><u>(16,105,618)</u></b>	<b><u>(15,212,877)</u></b>

#### 4.22.9 General Expenses

	<u>12/31/2021</u>	<u>12/31/2020</u>
Amortization	(316,842)	(106,353)
Other general expenses	(19,108,568)	(20,270,798)
<b>Total:</b>	<b><u>(19,425,410)</u></b>	<b><u>(20,377,151)</u></b>

#### 4.22.10 Set-Up of Other Allowances/Provisions, Net

	<u>12/31/2021</u>	<u>12/31/2020</u>
Provision for labor-related liabilities	(5,858,186)	(3,871,934)
Provision for lawsuits	(448,219)	(876,477)
Other provisions	(1,300)	(5,283)
Allowance for gold	18,900	(37,498)
<b>Total:</b>	<b><u>(6,288,805)</u></b>	<b><u>(4,791,192)</u></b>

#### 4.22.11 Other Net Expenses

	<u>12/31/2021</u>	<u>12/31/2020</u>
Others	(2,569,848)	(4,734,057)
<b>Total:</b>	<b><u>(2,569,848)</u></b>	<b><u>(4,734,057)</u></b>

#### NOTE 5 – BALANCE OF MEMORANDUM ACCOUNTS ON THE ASSETS/LIABILITIES SIDE

As of December 31, 2021, the balance of memorandum accounts on the assets and liabilities side amounted to ARS 28,410,072,616 (ARS 31,247,879,507 as of December 31, 2020), which are broken down as follows:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Total stock of banknotes and coins	2,819,380,103	2,984,337,638
Stock of banknotes and coins issued for circulation deposited in the BCRA	127,980,071	119,729,491
Other (banknote paper/coin blanks/banknotes and coins in process)	2,017,378,705	1,322,132,057
Settlement checks	1,975,793	2,453,168
Certificates of deposit for investment (CEDINs)	3,081,792	4,238,794
Monetary assets in custody	15,657,850,638	16,673,678,877
Non-monetary assets in custody	208,610,632	238,918,671
Securities received as collateral	24,982,295	35,296,047
Non-negotiable securities – International agencies	4,563,375,600	6,289,603,472
Commitments agreed with international agencies	2,446,647,677	2,922,019,187
Loans classified as irrecoverable	34,552,644	48,508,649
Funds managed on behalf of the Treasury Department	36,469,040	45,079,505
Financial fines under Section 41, Financial Institutions Law, and Criminal Foreign Exchange System	4,025,193	4,526,149
Contingent rights and obligations		
For imports under ALADI agreement	7,230,961	9,317,603
Other contingent obligations from forward transactions		
OCT - MAE sales (foreign currency)	103,452,856	151,230,966
Rofex market sales (foreign currency)	353,053,613	396,771,493
Others	25,003	37,740
<b>Total</b>	<b><u>28,410,072,616</u></b>	<b><u>31,247,879,507</u></b>

The stock of banknotes and coins amounts to ARS 2,819,380,103 (ARS 2,984,337,638 as of December 31, 2020), out of which ARS 2,691,400,032 stood for money in circulation as of December 31, 2021 (ARS 2,864,608,147 as of December 31, 2020), and ARS 127,980,071 were deposited in the BCRA for circulation (ARS 119,729,491 as of December 31, 2020) (see Note 4.9.1.1).

The item Others (banknote paper/coin blanks/banknotes and coins in process) mainly includes finished banknotes pending verification in the amount of ARS 1,982,438,810 (ARS 1,299,693,818 as of December 31, 2020), stock of banknote paper and coin blanks in the amount of ARS 23,758 (ARS 35,860 as of December 31, 2020) and paper, banknotes and coins of old lines to be destroyed in the amount of ARS 9,933,223 (ARS 3,196 as of December 31, 2020).

The balance of ARS 1,975,793 as of December 31, 2021 in Settlement checks represents settlement checks issued in Argentine pesos and US dollars held by the public, and the checks paid and forwarded to the BCRA for final verification and destruction (ARS 2,453,168 as of December 31, 2020).

Assets in custody include securities, national and foreign currency, and other instruments deposited in the BCRA's Treasury or regional agencies in fulfillment of the BCRA's duties or by court order. Assets with economic value have been classified as monetary, while non-monetary assets involve those that are no longer acceptable for payment—like in the case of currency—and those with no economic value—like in the case of government securities. Monetary assets in custody were valued at the price prevailing at each year-end.

The balance of Securities received as collateral mainly includes the amount of ARS 2,208,506 in securities and other instruments deposited in the BCRA or in other institutions for credit transactions (ARS 3,123,185 as of December 31, 2020) and ARS 22,773,789 in securities deposited as collateral by local banks for ALADI transactions (ARS 32,172,862 as of December 31, 2020), among others.

The balance of non-negotiable securities held by international agencies mainly includes:

- Treasury Bills issued by the BCRA on behalf of the National Government in the amount of ARS 334,687,267 as of December 31, 2021 (ARS 425,733,480 as of December 31, 2020) equivalent to SDR 2,327,322, with the potential commitment to pay the IMF, as mentioned in Note 4.5 (see Note 6).

- Treasury Bills issued by the National Government and deposited in custody in the BCRA, which represent the commitments of the National Government with the IMF arising from the Stand-By Arrangements. As of December 31, 2021, they amount to ARS 4,207,858,975 equivalent to SDR 29,260,283 (as of December 31, 2020, the balance amounted to ARS 5,837,925,782 equivalent to DEG 31,913,710) (see Notes 2.3 and 6).

The commitments undertaken with international agencies mainly include the principal payable to each agency (IDB, FONPLATA, IBRD, among others). The principal is payable on demand where any of the agencies need to meet obligations.



Loans classified as irrecoverable mainly include loans granted to former financial institutions that are currently subject to liquidation proceedings in the amount of ARS 21,880,976 (ARS 32,685,104 as of December 31, 2021) and to former institutions whose licenses had been revoked and whose claims were admitted in legal proceedings in the amount of ARS 12,486,935 (ARS 15,561,175 as of December 31, 2020).

The funds managed on behalf of the Secretariat of the Treasury include the amount of ARS 34,542,459 (ARS 42,698,048 as of December 31, 2020) as collateral of the Secretariat of the Treasury, which were delivered to be managed by the BCRA, and ARS 1,926,580 (ARS 2,381,456 as of December 31, 2020) corresponding to the Fiscal Counter-Cyclical Fund.

The fines imposed under Section 41 of the Law on Financial Institutions that are irrecoverable account for ARS 4,025,193 (ARS 4,526,149 as of December 31, 2020).

Contingent obligations from transactions under ALADI agreements represent the instruments issued by financial institutions for imports under such agreement. As of December 31, 2021, the balance amounts to ARS 7,230,961 (ARS 9,317,603 as of December 31, 2020).

Contingent obligations from forward transactions include the notional amounts of forwards to sell foreign exchange executed through Mercado Abierto Electrónico (MAE) and Rofex.

#### **NOTE 6 - SUMMARY OF THE POSITION WITH THE IMF**

The BCRA acts as a financial agent for the National Government and as a depository before the IMF. Consequently, its balance sheet reflects the financial position of the country with the IMF.

There follows a breakdown of assets and liabilities related to SDR holdings, contributions, allocated SDRs, use of financing and deposits.

Item	Amount in SDRs 12/31/2021	Amount in SDRs 12/31/2020
<b>Assets:</b>		
Contributions to the IMF (see Note 4.5)	859,978	859,978
Demand deposits (see Note 4.1.3)	480,924	940,379
IMF reserve tranche position (see Note 4.1.3)	270,498	267,773
<b>Total assets</b>	<b>1,611,400</b>	<b>2,068,129</b>
<b>Liabilities:</b>		
Allocated SDRs (see Note 4.14)	5,074,924	2,020,040
Use of the reserve tranche (see Note 4.15)	529,291	529,291
Account No. 1 (see Note 4.15)	60,204	62,941
Account No. 2 (see Note 4.15)	2,735	5
Accrued charges for allocated SDRs	464	350
<b>Total liabilities</b>	<b>5,667,618</b>	<b>2,612,627</b>

In addition, memorandum accounts include the year-end balances of Treasury Bills issued by the BCRA on behalf of the National Government for paying Argentina’s contributions to the IMF, and the Treasury Bills issued by the National Government to meet its obligations towards the IMF— under the Stand-By Arrangements. In both cases, bills are deposited in custody at the BCRA:

<b>Memorandum accounts</b>	<b>Amount in SDRs 12/31/2021</b>	<b>Amount in SDRs 12/31/2020</b>
Treasury Bills – 2018 Stand-By - National Government Commitments (see Notes 2.3 and 5)	29,260,283	31,913,710
Treasury Bills issued by the BCRA on behalf of the National Government - Quota - (see Notes 4.5 and 5)	2,327,322	2,327,322
<b>Total</b>	<b>31,587,605</b>	<b>34,241,032</b>

## **NOTE 7 - RISK MANAGEMENT POLICIES**

### **7.1 Comprehensive Risk Management Framework**

Risk management is conducted according to the “Comprehensive Risk Management Framework of the BCRA” approved by the Board of the BCRA through Resolution No. 18 on February 7, 2019.

The BCRA’s risk policy is aimed at keeping a low and predictable level of risks seeking to preserve its reputation and solvency, without neglecting the priority of compliance with the duties established by the Charter, as well as the achievement of its purposes.

Risk management is based on a three-line defense model; these lines are independent enough so as not to undermine the effectiveness of the model, while they operate on a coordinated basis in order to maximize its efficiency and effectiveness.

The first line of defense is represented by the departments, services, and other organizational structures of the BCRA which, as part of their activity, give rise to the risk exposure. The second line of defense is represented by the units of the BCRA in charge of risk control and supervision. The third line of defense is represented by the Internal Audit.

### **7.2 International Reserves Management Risk**

The management of international reserves seeks to make prudent and secure investments. As the need for reserves may arise suddenly, liquidity is also important. Given the size of the administered portfolios, return should not be disregarded. Therefore, security, liquidity and return are the three pillars on which the investment guidelines of all central banks rest.

In order to manage the risks inherent in the administration of its international reserves within acceptable levels and parameters, the Board of the BCRA establishes in its investment guidelines the level of permitted risks, as well as the different risk limits tolerated in each investment.

The risks inherent in the administration of international reserves are daily monitored by the BCRA's risk area in accordance with the guidelines set by the Board of the BCRA.

### **7.2.1 Credit Risk**

Credit risk consists in potential losses resulting from the counterparty defaulting on its obligations.

In this regard, the sovereign risk of the countries listed in the Manual of Policies for Investment of International Reserves is eligible for reserves. For international reserves, exposure is allowed for eligible countries that meet certain minimum requirements regarding international risk rating, structural risk rating and market prices of credit risk (CDS).

The following bodies may be counterparties to the BCRA: international agencies, multilateral financial institutions, central banks, central securities depositories and commercial or investment banks that meet requirements relating to country of residence, equity, systemic importance, supervision system and credit quality, and, in the case of state-owned banks, explicit support by the central or state government in their country of residence.

Credit quality is assessed in terms of credit risk ratings, market prices of credit risk and the structural model selected for countries or banks.

Individual limits to exposure in eligible countries and banks depend on the group or level assigned according to the respective credit quality indicators, the reserves level and, in the case of banks, their market capitalization. In addition, overall limits are determined for countries or banks classified within a group or level, and for the total bank risk, as a percentage of international reserves. In turn, the total bank risk tolerated is reduced if the probability of default, on average, of eligible banks exceeds the threshold defined by the investment policies.

Furthermore, exposures to any country or counterparty may not be increased or shall be liquidated in full if the market prices of the credit risk overcome certain barriers.

Below is a classification of financial instruments by credit level included in the operating portfolio and the investment portfolio of the international reserves at year-end:

<b>Placements by credit level</b>	<b>2021</b>	<b>2020</b>
	%	%
BIS, central banks and banknotes	84.3	88.3
Other Level 1 counterparties	1.5	4.9
Other Level 2 counterparties	12.3	5.7
Other Level 3 counterparties	0.0	0.0
Other Level 4 counterparties	0.0	0.0
Other multilateral entities	1.9	1.1
	100.0	100.0

Additionally, the placements mentioned above are classified by minimum credit rating:

<b>Placements by credit rating</b>	<b>2021</b>	<b>2020</b>
	%	%
AAA	19.1	13.2
AA+/AA/AA-	9.9	1.2
A+/A/A-	43.7	59.8
BBB+/BBB/BBB-	1.0	1.1
Banknotes	26.3	24.7
	100.0	100.0

### 7.2.2 Market Risk

Market risk arises from market price fluctuations of financial instruments: interest rates and exchange rates. Accordingly, investment guidelines establish that the duration of the investment portfolio and of each tranche must always be positive (higher than zero); the conditional value at risk (CVaR) of the investment portfolio must not exceed 200 basis points in a 1-year horizon with 95% confidence level; and exposures in currencies other than the US dollar may only deviate from the BCRA's direct liabilities in the same currency on a reduced basis.

### 7.2.3 Liquidity Risk

The liquidity risk to which an instrument is exposed involves the potential lack of buyers or losses due to the absence of a deep market.

Investment guidelines related to liquidity risk establish that the instruments in which reserves are invested must be sufficiently liquid to be sold within three business days without negatively affecting their market value.

As it relates to time deposits, they are deemed to be sufficiently liquid when analyzed within the maturity term established for each instrument and subject to the assessment of the early payment or repurchase capacity of the issuer. On the other hand, for international bonds, the issue must have a minimum amount outstanding, and a limit is set to the percentage of each issue that may be acquired.

Furthermore, reserves in foreign currency consist of three portfolios: operating portfolio, aimed at satisfying operating needs; investment portfolio, to improve risk-adjusted returns and diversification of international reserves; and hedge portfolio for hedging the BCRA's liabilities in foreign currency, agreements and other financial positions.

Below are financial instruments included in the operating portfolio and the investment portfolio of the international reserves at year-end, sorted out by term to maturity:

Term to maturity	2021	2020
	%	%
From 0 to 3 months	100	100
From 3 to 12 months	-	-
Over 1 year	-	-
	100	100

### 7.3 Operational Risk

Operational risk is the likelihood of incurring losses due to a failure or weakness of internal processes, staff or information systems, or unexpected events falling outside the control of the BCRA that hinder its proper operation. This definition also includes legal risk.

Operational risk management includes policies, practices, procedures and structures held by the BCRA for adequate management.

To manage this risk consistently with international standards, the BCRA analyzes the probability of occurrence of different events that may have a negative impact on the BCRA, and identifies any vulnerabilities that may arise in the different scenarios analyzed as well as the critical nature of each process.

Based on the analyses conducted, the BCRA follows up the different events that may occur and has risk measures and indicators in place, which are monitored by means of scores. These metrics defined by the risk unit are monitored to identify situations that may affect the regular operating performance, entail noncompliance with the strategy or cause undesired outcomes.

There is also a continuous follow-up and monitoring of the mitigation plans and/or actions defined by the business areas involved in the identification of control risks and vulnerabilities associated with each process.

## **7.4 Asset Concentration Risk**

The BCRA could be exposed due to a lack of asset portfolio diversification or could be significantly exposed to risk of noncompliance by a single security issuer or group of related issuers. In this regard, the Law on Convertibility, and specifically the BCRA's Charter, Sections 17 and 20, regulate the management of loans and advances to the Argentine financial system and the National Government, respectively.

## **NOTE 8 – SUBSEQUENT EVENTS**

### **8.1 Maturity and Amortization of 1990 National Treasury Consolidated Bond**

As provided for by Resolution No. 334/2002 of the former Ministry of Economy, whereby the restructuring of the obligations arising from the amortization of the 1990 National Treasury Consolidated Bond was established, the thirteenth installment equivalent to 1% of the face value of the security was settled on January 6, 2022.

### **8.2 National Treasury Bill in USD Executive Decree 622/21 Maturing on September 21, 2031**

The subscription of the last tranche of the National Treasury Bill in USD Executive Decree 622/21 was recorded on January 28, 2022 at the original face value of USD 203,027. Total subscription amounted to the original face value of USD 4,334,000 (see Note 4.2.1.2.2.4 and Exhibit III).

### **8.3 Non-Transferable and Other Treasury Bills - Deferral of Payments of Interest and Amortization of Principal of Dollar-Denominated Securities Issued under Argentine Legislation**

Emergency Executive Decree No. 88/2022, Section 14 (dated February 22, 2022) provides for both the extension of Decree No. 346 (dated April 5, 2020) and the suspension of the enforcement of the third paragraph of Section 74(a) of Law No. 24241 up to December 31, 2022 in connection with the payment of interest and amortization of principal of the dollar-denominated bills issued within the framework of the above-mentioned regulations. Such securities will be replaced, at maturity, by new government securities, the terms and conditions of which shall be jointly defined by the Secretariat of Finance and the Secretariat of the Treasury, both reporting to the Ministry of Economy.

On April 13, 2022, Joint Resolution No. 15/2022 of the Secretariat of Finance and the Secretariat of the Treasury provided for the issuance of "Non-Transferable National Treasury Bills in USD maturing on April 20, 2032" within the framework of Section 14 of Emergency Executive Decree No. 88/22 mentioned above up to the amount of original face value USD 5,674,000. Such bill is received in consideration for the non-transferable bill issued as under Resolution No. 131/12 and maturing on April 20, 2022 (see Notes 4.2.1.2.2.1 and Exhibit III).

#### **8.4 BCRA Bills – Liquidity Bills and Notes (LELIQs and NOTALIQs)**

On January 6, 2022, the BCRA raised the maximum limit of holdings of 28-day LELIQs to an amount proportional to the stock of private sector's time deposits made with each financial institution. In addition, it has made progress on the issuance of a new 180-day LELIQ. Likewise, 28-day LELIQ rates were raised in January, February and March seeking to forge the path of the policy interest rate to enable positive real returns on investments in domestic currency, and to preserve monetary and foreign exchange stability.

In addition, the BCRA provided for, under Communication "A" 7460 dated February 17, 2022, the issuance and placement of liquidity notes—named NOTALIQs—at a floating rate.

These new instruments may be offered on the LIQP Round of the SIOPEL system of MAE S.A to the counterparties authorized to operate with the BCRA, that is, local financial institutions, which may invest in these instruments on their behalf and use them as collateral in repo transactions.

#### **8.5 Bilateral Currency Swap Agreement with the PBC. Renewal of the First Supplementary Tranche and Use of Funds**

On January 14, 2022, two partial tranches were renewed in the amount of CNY 4,000,000 each, corresponding to the Supplementary Agreement to the Bilateral Currency Swap Agreement entered into with the PBC, and the new maturity date is January 9, 2023 and January 16, 2023, respectively.

The settlement of CNY 300,000 used as mentioned in Note 2.9 was recorded on February 8, 2022.

#### **8.6 IMF Reserve Tranche Position**

The Reserve tranche position includes the foreign assets that central banks transfer to the IMF in terms of their quota assigned by the IMF and their use of financing. This amount may be borrowed at zero interest rate and without any condition whatsoever. The BCRA acts as a financial agent for the National Government and as a depository before the IMF.

On January 28, 2022, the National Government resolved that funds from the IMF reserve tranche position be allocated for the payment of the third tranche of the 2018 Stand-by Arrangement in the amount of SDR 270,483.

#### **8.7 Stand-By Arrangement with the IMF**

On January 28, 2022, the National Government made the third repayment of principal of USD 713,644 (SDR 512,500) under the 2018 Stand-By Arrangement.

Afterwards, on February 4, 2022, the National Government paid quarterly interest on the aforementioned Stand-By Arrangement in the amount of USD 366,593 (SDR 262,005).

On March 21, 2022, the Argentine Congress enacted Law No. 27668, whereby it approved the public credit operations contained in the Extended Fund Facility to be entered into between the National Executive Branch and the IMF for the settlement of the 2018 Stand-by Arrangement and its budgetary support.

On March 25, 2022, the IMF's Board approved the Extended Fund Facility for a 30-month period in the amount of SDR 31,914,000, equivalent to USD 44,000,000. In this context, on that date, a disbursement of SDR 7,000,000, equivalent to USD 9,656,000, was received, and the fourth and fifth repayments of principal of the 2018 Stand-By Arrangement were made in the amount of SDR 1,326,710 and SDR 687,500, respectively, equivalent to a total of USD 2,776,694.

## **8.8 Exchange Rate**

The US dollar benchmark exchange rate as of April 13, 2022 amounted to ARS 112.9133.

There were no other events or transactions from year-end to the date of these financial statements that would have a material effect on the financial position or income/loss of the BCRA as of December 31, 2021.



**CHANGES IN PROVISIONS AS OF DECEMBER 31, 2021**  
 - In thousands of Argentine pesos in constant currency (Note 3.4)

Items	Balances at beginning of year restated at year-end	Increases	Decreases		Monetary gain/loss	Balances at year-end
			Reversals	Uses		
<b>DEDUCTED FROM ASSETS</b>						
Allowance for gold in bars	252,110	46,090	23,016	-	(94,245)	180,939
Allowance for impairment of government securities	1,170,836	-	8,815	-	(395,148)	766,873
Allowance for loans to the Argentine financial system	2,071,212	839,443	-	639,632	(729,664)	1,541,359
Other allowances	31,142	62,780	57,248	-	(12,063)	24,612
<b>TOTAL ALLOWANCES DEDUCTED FROM ASSETS</b>	<b>3,525,300</b>	<b>948,313</b>	<b>89,079</b>	<b>639,632</b>	<b>(1,231,119)</b>	<b>2,513,783</b>
<b>INCLUDED IN LIABILITIES</b>						
Provision for lawsuits	4,579,684	549,970	101,751	-	(1,545,608)	3,482,295
Provision for labor -related liabilities	10,522,707	5,858,186	-	205,633	(3,520,333)	12,654,927
Other provisions	332	-	117	-	(96)	119
<b>TOTAL PROVISIONS INCLUDED IN LIABILITIES</b>	<b>15,102,723</b>	<b>6,408,156</b>	<b>101,868</b>	<b>205,633</b>	<b>(5,066,037)</b>	<b>16,137,341</b>

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

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PRESIDENT

Waldo J. M. Fariás  
DEPUTY COMPTROLLER

Marcos E. Moiseeff  
REGULAR COMPTROLLER

Signed for identification purposes with the report dated 04/21/2022

**COMPARATIVE TABLE OF MAIN ACCOUNTS IN FOREIGN CURRENCY  
AS OF DECEMBER 31, 2021 AND 2020**  
- In thousands of Argentine pesos in constant currency (Note 3.4)

	12/31/2021		12/31/2020	
	Balances in US dollars	Balances in Argentine pesos	Balances in US dollars	Balances in Argentine pesos
<b>ASSETS</b>	<b>109,170,541</b>	<b>11,217,272,916</b>	<b>105,375,662</b>	<b>13,383,745,733</b>
<b>INTERNATIONAL RESERVES</b>				
Gold (Net of provisions)	3,213,987	330,237,183	3,758,250	477,334,768
Foreign currency	28,433,183	2,921,509,517	27,373,724	3,476,732,281
Deposits to be realized in foreign currency	8,015,405	823,582,842	8,276,528	1,051,200,489
Multilateral credit agreements	135	13,895	132	16,708
Derivatives over International Reserves	(44)	(4,552)	(21,564)	(2,738,850)
<b>GOVERNMENT SECURITIES</b>				
Securities issued under foreign legislation	56,008	5,754,817	44,803	5,690,475
Securities issued under Argentine legislation	62,477,875	6,419,601,642	59,108,913	7,507,413,410
<b>LOANS TO THE ARGENTINE FINANCIAL SYSTEM</b>	<b>1,999</b>	<b>205,363</b>	<b>1,409</b>	<b>178,898</b>
<b>CONTRIBUTIONS TO INTERNATIONAL AGENCIES ON BEHALF OF ARGENTINE GOVERNMENT</b>	<b>5,140,564</b>	<b>528,192,920</b>	<b>5,017,941</b>	<b>637,327,822</b>
<b>RIGHTS DERIVING FROM REPO TRANSACTIONS</b>				
Rights deriving from repo transactions	1,761,532	180,997,388	1,759,641	223,491,797
<b>OTHER ASSETS</b>				
Margin call	6,300	647,328	26,859	3,411,362
Other	63,597	6,534,573	29,026	3,686,573
<b>LIABILITIES</b>	<b>44,973,141</b>	<b>4,620,990,279</b>	<b>42,976,528</b>	<b>5,458,441,894</b>
<b>INSTRUMENTS OF PAYMENT IN OTHER CURRENCY</b>	<b>30,008</b>	<b>3,083,315</b>	<b>33,387</b>	<b>4,240,530</b>
<b>CURRENT ACCOUNTS IN OTHER CURRENCIES</b>	<b>12,082,810</b>	<b>1,241,508,758</b>	<b>10,883,011</b>	<b>1,382,249,433</b>
<b>DEPOSITS FROM ARGENTINE GOVERNMENT AND OTHER</b>				
Other deposits	813,652	83,602,762	516,082	65,547,502
<b>OTHER DEPOSITS</b>	<b>1,936</b>	<b>198,965</b>	<b>1,950</b>	<b>247,662</b>
<b>SPECIAL DRAWING RIGHTS</b>				
Special Drawing Rights	7,102,812	729,813,976	2,909,403	369,522,797
SDR contra account	(6,657,225)	(684,029,864)	(2,450,864)	(311,283,864)
<b>OBLIGATIONS WITH INTERNATIONAL AGENCIES</b>				
Obligations	3,894,979	400,209,056	3,920,167	497,899,730
Contra account to utilization of reserve tranche	(740,791)	(76,116,251)	(762,322)	(96,822,436)
<b>CONTRA ACCOUNT TO ARGENTINE GOVERNMENT CONTRIBUTIONS TO INTERNATIONAL AGENCIES</b>	<b>3,821,289</b>	<b>392,637,400</b>	<b>3,679,082</b>	<b>467,279,567</b>
<b>DUE FROM REPO TRANSACTIONS</b>				
Securities to be delivered under repo transactions	1,761,018	180,944,569	1,759,977	223,534,443
Obligations from currency swap transactions with China	20,453,179	2,101,564,173	19,916,786	2,529,627,840
<b>DUE TO MULTILATERAL CREDIT AGREEMENTS</b>	<b>23,066</b>	<b>2,370,076</b>	<b>26,216</b>	<b>3,329,676</b>
<b>OTHER LIABILITIES</b>				
Other obligations in foreign currency				
Other financial intermediation agents	1,761,561	181,000,406	1,759,734	223,503,496
Revolving funds	2,408	247,469	4,185	531,509
Other	622,439	63,955,469	779,734	99,034,009

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**COMPARATIVE TABLE OF GOVERNMENT SECURITIES**  
**AS OF DECEMBER 31, 2021 AND 2020**  
- In thousands of Argentine pesos in constant currency (Note 3.4)

GOVERNMENT SECURITIES	Currency (*)	12/31/2021		12/31/2020	
		Original Nominal Value	Argentine Pesos	Original Nominal Value	Argentine Pesos
<b>TOTAL GOVERNMENT SECURITIES:</b>			<b>6,729,013,653</b>		<b>7,788,077,833</b>
<b>BCRA HOLDINGS</b>			<b>6,729,780,526</b>		<b>7,789,248,669</b>
<b>ISSUED UNDER FOREIGN LEGISLATION</b>			<b>5,754,817</b>		<b>5,690,475</b>
Global Bond in USD Step Up maturing in 2030 Foreign Legislation	USD	59,521	2,227,354	20,718	1,094,378
Global Bond in USD Step Up maturing in 2035 Foreign Legislation	USD	21,962	778,537	21,962	1,032,089
Global Bond in USD Step Up maturing in 2038 Foreign Legislation	USD	61,555	2,529,916	61,555	3,252,333
Global Bond in USD 1% maturing in 2029 Foreign Legislation	USD	5,465	219,010	5,465	311,675
<b>ISSUED UNDER ARGENTINE LEGISLATION</b>			<b>6,724,025,709</b>		<b>7,783,558,194</b>
1990 NATIONAL TREASURY CONSOLIDATED BOND	\$	881,464	775,688	881,464	1,184,142
RESTATE 1990 NATIONAL TREASURY CONSOLIDATED BOND	\$	-	3,853,326	-	5,816,273
<b>NON-TRANSFERABLE AND OTHER TREASURY BILLS</b>			<b>5,909,096,217</b>		<b>6,779,469,207</b>
Non-transferable bill- Executive Decree No. 2054/10 maturing on 01/07/2021	USD	-	-	7,504,000	953,351,754
Non-transferable bill- Executive Decree No. 276/11 maturing on 03/14/2021	USD	-	-	2,121,386	269,436,953
Non-transferable bills - Res. No. 131/12 maturing on 04/20/2022	USD	5,674,000	583,003,500	5,674,000	720,653,819
Non-transferable bill - Res. Nro.171/12 maturing on 06/28/2022	USD	2,083,648	214,094,835	2,083,648	264,643,797
Non-transferable bill- Executive Decree No. 309/13 maturing on 08/16/2023	USD	2,292,297	235,533,492	2,292,297	291,144,239
Non-transferable bill - Res. No.8/13 maturing on 01/16/2023	USD	7,132,655	732,880,303	7,132,655	906,176,651
Non-transferable bill - Res. No. 30/14 maturing on 01/30/2024	USD	7,896,765	811,392,593	7,896,765	1,003,232,446
Non-transferable bill - Res. No. 190/14 maturing on 08/25/2024	USD	3,043,000	312,668,250	3,043,000	386,490,936
Non-transferable bill - Res. No. 406/15 Maturing on 06/01/2025	USD	10,562,540	1,085,300,956	10,562,540	1,341,546,453
Non-transferable bill - Res. No. 262/16 maturing on 04/29/2026	USD	376,300	38,664,817	376,300	47,793,792
National Treasury Bill in USD Law No. 27541/19 maturing in 2029	USD	4,571,000	469,670,250	4,571,000	580,561,967
Non-transferable bill - Res. No. 28/20 maturing on 04/20/2030	USD	118,679	12,194,224	113,664	14,436,400
Non-transferable bill - Res. No. 3/21 and No.11/21 maturing on 01/07/2031	USD	9,627,596	989,235,470	-	-
National Treasury Bills in USD - Executive Decree No. 622/21 maturing on 09/21/2031	USD	4,130,973	424,457,527	-	-
<b>OTHER SECURITIES</b>			<b>814,153,804</b>		<b>1,002,904,845</b>
Discount Treasury Bill maturing on 01/29/2021	\$	-	-	5,894,444	8,672,072
Discount Treasury Bill maturing on 02/26/2021	\$	-	-	2,941,470	4,204,588
Discount Treasury Bill maturing on 01/31/2022	\$	11,261,000	10,927,674	-	-
Treasury bill at variable rate +3.50% maturing on 05/21/2021	\$	-	-	9,280,200	14,007,685
National Treasury Bond adjusted by CER 1 % maturing on 08/05/2021	\$	-	-	361,089	725,712
National Treasury Bonds adjusted by CER 1.2 % maturing on 03/18/2022	\$	3,375,356	6,453,681	3,375,356	6,368,522
National Treasury Bond adjusted by CER maturing on 09/20/2022	\$	20,173,391	36,715,571	20,173,391	35,017,552
National Treasury Bond adjusted by CER 1.4 % maturing on 03/25/2023	\$	6,715,132	12,782,254	4,197,599	7,476,390
National Treasury Bond adjusted by CER 1.5 % maturing on 03/25/2024	\$	12,575,057	23,421,045	12,575,057	20,670,307
National Treasury Bond adjusted by CER 1.45% maturing on 08/13/2023	\$	3,239,238	5,571,489	-	-
Discount Treasury Bills adjusted by CER maturing on 05/23/2022	\$	1	1	-	-
Discount Treasury Bill adjusted by CER maturing on 06/30/2022	\$	2,791,203	3,353,630	-	-
Bond of the Republic of Argentina USD Step Up 2030	USD	4,512,926	151,630,927	4,348,906	224,476,615
Bond of the Republic of Argentina USD Step Up 2035	USD	8,924,933	293,360,102	8,924,933	413,747,328
Bond of the Republic of Argentina USD Step Up 2038	USD	952,292	36,693,011	952,292	46,203,085
Bond of the Republic of Argentina USD 1% 2029	USD	801,303	28,652,188	801,303	43,101,014
Discount Bonds 2033	\$	6,228,791	202,990,305	6,228,791	176,754,559
Discount Bonds 2033 - 2010 Issuance	\$	5,846	185,305	5,846	158,116
Par Bonds 2038	\$	22,093	331,399	22,093	238,104
Cuasi Par bonds 2045	\$	40,351	888,927	40,351	615,151
GDP-linked marketable securities	USD	445,051	169,197	445,051	416,161
GDP-linked marketable securities	\$	1,861,192	26,987	1,861,192	51,691
Bonds Province of Formosa series 4	\$	128	111	128	193
ADJUSTMENT ACCRUAL ON 1990 NATIONAL TREASURY	\$	-	(3,853,326)	-	(5,816,273)
<b>ALLOWANCE FOR IMPAIRMENT OF GOVERNMENT SECURITIES</b>			<b>(766,873)</b>		<b>(1,170,836)</b>
1990 National Treasury Consolidated Bond	\$	-	(766,873)	-	(1,170,836)

(\*) USD = United States dollars and \$ = Argentine Pesos

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MANAGER

Agustín Torcassi  
GENERAL MANAGER

Miguel Ángel Pesce  
PRESIDENT

Waldo J. M. Fariás  
DEPUTY COMPTROLLER

Marcos E. Moiseff  
REGULAR COMPTROLLER

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## EXHIBIT IV

**Securities issued by the BCRA as of 12/31/2021**  
**- In thousands of Argentine pesos in constant currency (Note 3.4)**

SECURITIES ISSUED BY THE BCRA	Total as of 12/31/2021	Maturities						Total as of 12/31/20
		Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 9 months	From 9 to 12 months	Over 12 months	
<b>TOTAL:</b>	<b>5,044,614,600</b>	5,022,528,488	22,086,112	-	-	-	-	<b>4,440,559,427</b>
<b>ISSUED IN LOCAL CURRENCY</b>	<b>5,044,614,600</b>	5,022,528,488	22,086,112	-	-	-	-	<b>4,440,559,427</b>
<b>LEGAR PAYABLE AT BENCHMARK EXCHANGE RATE</b>	<b>21,151,087</b>	-	21,151,087	-	-	-	-	-
Capital stock	21,151,087	-	21,151,087	-	-	-	-	-
<b>LEMEN PAYABLE AT BENCHMARK EXCHANGE RATE</b>	<b>1,027,500</b>	92,475	935,025	-	-	-	-	-
Capital	1,027,500	92,475	935,025	-	-	-	-	-
<b>LIQUIDITY BILLS (LELIQ)</b>	<b>1,805,086,589</b>	1,805,086,589	-	-	-	-	-	<b>2,526,226,746</b>
Capital stock	1,834,157,061	1,834,157,061	-	-	-	-	-	2,568,889,351
Interest to be accrued	(29,070,472)	(29,070,472)	-	-	-	-	-	(42,662,605)
<b>LELIQ- ISSUANCE FOR REPURCHASE AGREEMENTS</b>	<b>3,217,349,424</b>	3,217,349,424	-	-	-	-	-	<b>1,914,332,681</b>
Issued in Argentine pesos for repurchase agreements	3,217,349,424	3,217,349,424	-	-	-	-	-	4,166,002,028
To be delivered under repurchase agreements	-	-	-	-	-	-	-	(2,251,669,347)

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<b>MONETARY BASE VARIATION FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021 COMPARATIVELY PRESENTED WITH THE PRIOR FISCAL YEAR - In thousands of Argentine pesos in constant currency (Note 3.4)</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
<b>I) Monetary Base Variation provided by operating activities</b>		
<b>1. Increases</b>	<b>4,209,204,762</b>	<b>1,712,472,803</b>
- Other government deposits	2,504,570,875	2,098,811,579
- Settlements / (Placements) of securities issued by the BCRA to financial institutions	609,267,860	(327,338,317)
- Premiums paid for repo transactions with Argentine financial institutions	601,641,545	145,992,982
- Other net purchases /(sales) of foreign currency (1)	451,753,267	(312,175,294)
Monetary issuance expenses, administrative expenses and personal and real property	35,041,693	22,770,354
- IADB/IBRD loans- Provinces, financial program for micro, small and medium-sized companies, and revolving funds	5,622,797	7,762,984
- Other items	1,306,725	(371,485)
- Temporary Advances to Argentine Government (Art. 20, Charter) (2)	-	75,500,000
- Contributions to General Revenue (Rentas Generales) pursuant to Budget Law No. 27467	-	1,520,000
<b>2. Decreases</b>	<b>(3,025,428,171)</b>	<b>(1,137,593,889)</b>
-Placements of repo transactions with Argentine financial institutions	(1,754,180,292)	(861,479,930)
Transfers from financial institutions to other deposits	(967,103,517)	(169,927,551)
- Net transfers of funds from transactions with Argentine Government Securities	(161,053,273)	(57,281,833)
-Multilateral credit agreements	(70,181,979)	(25,191,439)
-Net trading differences from futures in foreign currency	(44,568,589)	(23,009,949)
- Net sales of foreign currency to the National Treasury	(28,000,000)	-
- Net settlements of loans to Argentine financial institutions	(340,521)	(703,187)
<b>3. Net restatement adjustment</b>	<b>110,727,219</b>	<b>483,262,432</b>
- Net restatement adjustment	110,727,219	483,262,432
<b>4. Effect of monetary gain/loss</b>	<b>(1,369,117,908)</b>	<b>(1,224,362,613)</b>
- Effect of monetary gain/loss on monetary base	(1,369,117,908)	(1,224,362,613)
<b>Monetary base variation provided by all activities</b>	<b>(74,614,097)</b>	<b>(166,221,267)</b>
<b>Monetary base at beginning of year</b>	<b>3,728,650,479</b>	<b>3,894,871,745</b>
<b>Monetary base at year-end</b>	<b>3,654,036,382</b>	<b>3,728,650,479</b>

(1) It includes sales net of foreign currency presented in the statement of cash flows and net sales of the domestic market (USMEP).

(2) The net accumulated variation in temporary advances at historical values for year 2021 amounts to \$ 912,599,344, with contra account in Argentine Government Deposits.

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