

INDEPENDENT AUDITORS' REPORT

To the Chairman and Governors of
BCRA (Central Bank of Argentina)
CUIT (Argentine Taxpayer ID number): 30-50001138-2
Legal domicile: Reconquista 266
Autonomous City of Buenos Aires

Report on the financial statements

We have audited the accompanying financial statements of the Central Bank of Argentina (the "Bank") which comprise the balance sheet as of December 31, 2016, the statements of income, of changes in equity and cash flows and cash equivalents for the fiscal year then ended and a summary of the significant accounting policies and other explanatory information included in the supplementary notes and exhibits.

Balances and other information for the fiscal year 2015 form an integral part of the above-mentioned audited financial statements so they shall be considered in relation to those financial statements.

Board's responsibility

The Bank's Board of Governors is responsible for preparing and fairly presenting the accompanying financial statements, complying with the provisions of the Bank's Charter, which requires that they be prepared according to the generally accepted standards, considering its capacity as monetary authority. In this regard, by means of Resolution No. 86 dated May 16, 2013, the Board of Governors approved the "Accounting Policy Manual" and updated it at the closing of this fiscal year. This Manual takes into account the special characteristics of its functions and operations as monetary authority, which differ significantly from the characteristics of other entities, and was used in the preparation and presentation of these financial statements, as mentioned in Notes 3 and 4. Further, the Board of Governors is responsible for designing, implementing, and maintaining an adequate internal control system to prepare and present financial statements free of material misstatement whether due to errors or irregularities. Our responsibility is to express an opinion on these financial statements based on our audit, performed with the scope described in the following paragraph.

Auditors' responsibility

Our responsibility is to express an opinion on the accompanying financial statements based on our audit. We performed our audit in accordance with auditing standards in force in Argentina, as established by Technical Pronouncement No. 37 of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) and, as deemed appropriate in view of the Bank's specific characteristics, with the "Minimum Standards on External Audits" issued by the BCRA. Those standards require that we comply with the ethical requirements, and that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatements.

An audit includes the application of procedures to obtain judgmental elements regarding the figures and other information disclosed in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the financial statements. To make such risk assessment, the auditor must consider the relevant internal controls for the preparation and reasonable presentation of the financial statements by the Bank so as to design appropriate assurance procedures, based on the present circumstances but not to express an opinion on the efficiency of the Bank's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Bank's Board of Governors, as well as evaluating the overall presentation of the financial statements.

We consider that the elements of judgment we have obtained provide a sufficient and adequate basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Central Bank of Argentina mentioned in paragraph (1) of this report present fairly, in all material respects, the financial position of the BCRA as of December 31, 2016, the results of its operations, its cash flows and cash equivalents and changes in its equity for the fiscal year then ended, in conformity with the accounting standards and policies described in Notes 3 and 4 to the accompanying financial statements.

Emphasis of matter

Without modifying our opinion, we want to emphasize:

- a) The information included in Note 1: Nature and Purpose of the Central Bank of Argentina and the special characteristics of its functions and operations as monetary authority. The Bank performs, among others, a significant number of transactions with the Argentine Government, which guarantees its operations, and holds assets and liabilities, including transactions on its own behalf and account.
- b) The information included in Note 2.7 to the accompanying financial statements regarding futures transactions in foreign currency and certain measures adopted within the framework of the declaration of emergency of ROFEX futures transactions in US Dollars, as a result of which futures contracts in US dollars were adjusted.

Report on compliance with current regulations

- a) The financial statements of BCRA are consistent with the Bank's accounting records, which were not transcribed into officially stamped books as it is not required by its Charter.
- b) As of December 31, 2016, the liabilities accrued in favor of the Argentine Integrated Social Security System according to the accounting records amounted to \$81,931,587.8, none of which was claimable at that date.
- c) In compliance with current professional standards and pursuant to UIF (Financial Information Unit) Resolution No. 285/09, the application of verification procedures to assess the existence and operation of internal control procedures against the laundering of assets obtained through criminal activities and terrorism financing is the exclusive responsibility of the Public External Control Agency (*Auditoría General de la Nación*).

Autonomous City of Buenos Aires, May 11, 2017

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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