

AUDIT REPORT

To the Chairman and Governors of
BCRA (CENTRAL BANK OF ARGENTINA)
Reconquista 266
Buenos Aires

Pursuant to the powers granted by section 118(f), Law No. 24,156, the Argentine General Accounting Office has examined the financial statements of the BCRA (Central Bank of Argentina) for the fiscal year ended December 31, 2005, as detailed in section 1, which were signed only to be identified with this report. Such financial statements represent the information prepared and issued by the BCRA's Management pursuant to its exclusive functions.

Our responsibility is to express an opinion on such financial statements based on our audit test with the scope indicated in section 2.

1. - FINANCIAL STATEMENTS SUBJECT TO THE AUDIT

- 1.1 Balance sheet as of December 31, 2005.
- 1.2 Statement of income for the fiscal year ended December 31, 2005.
- 1.3 Statement of changes in shareholders' equity for the fiscal year ended December 31, 2005.
- 1.4 Notes 1 through 5 and exhibits I through V, which form part of the financial statements.

The amounts of such financial statements for the fiscal year ended December 31, 2004, are disclosed in a second column, as indicated in note 3(1)1 to the financial statements, about which we issued our audit report dated April 28, 2005, and to which we refer. Such report included an opinion containing qualifications on the significance of the uncertainties regarding the final impact that could derive from the economic and financial crisis that Argentina went through since 2001, especially with respect to the recoverability of government securities and financing to the public and private sectors. Notes 2 and 6 to the financial statements disclose fiscal 2005 variations in the circumstances deriving from the economic context with respect to BCRA's transactions.

2. - AUDIT WORK SCOPE

Our test was performed pursuant to the auditing standards approved by the Argentine General Accounting Office through Resolution No. 156/93, issued by virtue of the powers granted by section 119(d), Law No. 24,156, which agree with those issued by the FACPCE (Argentine Federation of Professional Councils in Economic Sciences). Those standards require that the auditor plan and perform its tasks to obtain reasonable assurance that the financial statements are free of material misstatements.

An audit implies examining, on a selective basis, the judgmental evidence supporting the information disclosed in the financial statements, and it is not aimed at detecting crimes or intentional irregularities. An audit also includes assessing the accounting standards used, the significant estimates made by BCRA Management and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. - CONSIDERATIONS PRIOR TO THE OPINION

As explained in note 1 to the financial statements mentioned in section 1, the BCRA is a self-regulating entity of the Argentine Government that it subject to the provisions of its Charter and its main purpose is to preserve the currency value. Its functions include supervising the good financial market performance, applying Financial Institutions Law and further regulations, acting as financial agent of the Argentine Government and depository and agent of Argentina before international monetary and financial institutions and banks, concentrating and managing its gold reserves, foreign currency and external assets, and promoting the capital market development and strengthening.

Based on Charter provisions, the BCRA's financial statements are prepared applying the general valuation and disclosure methods set forth in professional accounting standards and in the regulations governing Argentine financial institutions, considering the special characteristics of the transactions and functions performed by a central bank. The significant accounting policies and the general income (loss) valuation and disclosure methods are detailed in note 3 to the financial statements mentioned in section 1, which could differ significantly from the financial statements prepared under regulations and practices effective in other jurisdictions in which they may be used and issued by other enforcement agencies.

4. - OPINION

In our opinion, based on the test performed, the financial statements mentioned in section 1, taken as a whole, fairly present, in all material respects, the information on BCRA's financial position as of December 31, 2005, the results of its operations and the changes in shareholders' equity for the fiscal year then ended, in conformity with the professional accounting standards described in section 3.

5. - SPECIAL INFORMATION REQUIRED BY CURRENT REGULATIONS

In compliance with current regulations, we further report that:

- 5.1. The financial statements mentioned in section 1 result from accounting books that, in view of BCRA's legal capacity, have not been officially stamped in the Public Registry of Commerce.
- 5.2. As of December 31, 2005, the liabilities accrued for the Federal Social Security System and arising from such books amounted to ARS 3,838,273, none of which was due and payable as of such date.

BUENOS AIRES, April 27, 2006