

Banco Central de la República Argentina

Buenos Aires, June 1, 2000

- To the Board of Directors of  
Banco Central de la República Argentina
- To the National Executive Branch
- To the National Congress

In my capacity as Assistant Syndic of Banco Central de la República Argentina (B.C.R.A.), I have reviewed, with the scope mentioned in the next paragraph, the Balance Sheet at December 31, 1999, the Statement of Income and the Statement of Changes in Net Equity for the year then ended and the corresponding Notes 1 to 4 and Exhibits I to III to those financial statements, which were signed by me solely for identification purposes.

My review did not include the application of all auditing procedures necessary to issue an opinion on the financial statements taken as a whole, in accordance with current auditing standards. The review included the procedures described in the Exhibit to this report.

Based on the review carried out, I inform that I have no objections to make on the financial statements described in the first paragraph and, therefore, I recommend that they be approved by the Board of Directors of the B.C.R.A..

In addition, I inform that I have reviewed compliance by the B.C.R.A. with the provisions of its Charter (Law No. 24144) and other applicable regulations by controlling the decisions adopted in Board of Directors' meetings, reviewing certain specific matters and other issues submitted to the consideration of the Board by the various areas of the B.C.R.A. and by third parties.

On the basis of the above, I consider I have complied with the provisions of section 36 of the Charter currently in force in accordance with Law No. 24.144.

APPENDIX

APPENDIX TO THE REPORT OF THE B.C.R.A. SYNDIC DATED JUNE 1, 2000

DESCRIPTION OF THE MAIN REVIEW PROCEDURES ON THE FINANCIAL STATEMENTS OF B.C.R.A. AT DECEMBER 31, 1999

1. Reading of the draft report issued by Price Waterhouse and the Auditoría General de la Nación (A.G.N.).
2. Access to the working papers of Price Waterhouse and the Auditoría General de la Nación (A.G.N.) corresponding to the external audit of the financial statements.
3. Reading of the financial statements.
4. Verification for consistency of the amounts shown on the financial statements against the supporting documentation for the operations.
5. Access, in performing functions as Assistant syndic, to certain documentation, records and vouchers of operations.
6. Attendance at Board of Directors' meetings since date of appointment as Assistant Syndic.
7. Participation in working meetings with B.C.R.A. officers, Price Waterhouse and A.G.N. to review progress of External Auditors' work.
8. Reading and review of work programs and reports of the General Audit division of the B.C.R.A. corresponding to financial statements accounts.
9. Reading and matching of condensed assets and liabilities statements, daily reports on Evolution of Reserves - Law No. 23928, Monetary Liabilities and Convertibility Ratio and other accounting information.

## REPORT OF INDEPENDENT ACCOUNTANTS

To the President and Directors of  
BANCO CENTRAL DE LA REPUBLICA ARGENTINA  
Reconquista 266  
BUENOS AIRES

In exercising the power granted by section 118 sub-section f) of Law No. 24156, the AUDITORIA GENERAL DE LA NACION has examined the financial statements of BANCO CENTRAL DE LA REPUBLICA ARGENTINA for the year ended December 31, 1999, detailed in section 1 below. Those financial statements constitute information prepared and issued by the Entity in exercising its exclusive functions.

Our responsibility is to express an opinion on those financial statements based on our audit performed with the scope mentioned in section 2.

### **1. AUDITED FINANCIAL STATEMENTS**

- 1.1. Balance Sheet at December 31, 1999
- 1.2. Statement of Income for the year ended December 31, 1999.
- 1.3. Statement of Changes in Stockholders' Equity for the year ended December 31, 1999.
- 1.4. Notes 1 to 4, Exhibits I, II and III which form part of the financial statements.

Disclosed in a second column are the Balance Sheet and the Statements of Income for the year ended December 31, 1998, as indicated in Note 2, on which we issued our unqualified Audit Report on April 22, 1999.

## **2. SCOPE OF THE AUDIT**

Our examination was performed in accordance with auditing standards approved by the AUDITORIA GENERAL DE LA NACION by Resolution No. 156/93 issued by virtue of the power granted by section 119, sub-section d) of Law No. 24156. Those standards are compatible with those issued by the ARGENTINE FEDERATION OF PROFESSIONAL COUNCILS IN ECONOMIC SCIENCES.

An audit implies examining, on a selective basis, evidence supporting the disclosures in the financial statements and it is not aimed at detecting fraud or intentional misconduct. In addition, it includes the analysis of the application of professional accounting standards and significant estimates made by Management for reasonableness.

## **3. OPINION**

In our opinion, based on our examination, the financial statements indicated in paragraph 1 above present fairly, in all material respects, the financial position at December 31, 1999 of Banco Central de la República Argentina, the results of its operations and the changes in its net equity for the year then ended, in conformity with professional accounting standards.

## **4. SPECIAL INFORMATION REQUIRED BY CURRENT REGULATIONS**

In conformity with current regulations we report that:

- 4.1. The financial statements mentioned in point 1 arise from the accounting records which, due to the legal capacity of the Entity, have not been registered with the Public Registry of Commerce.
- 4.2. At December 31, 1999 the debt accrued in favor of the National Social Security Administration according to the accounting records amounted to \$ 2,796,566.17, none of which was claimable by the administration at that date.

BUENOS AIRES, June 1, 2000

## **REPORT OF INDEPENDENT ACCOUNTANTS**

To the President and Directors of  
Banco Central de la República Argentina  
Reconquista 266  
Buenos Aires

Dear Sirs:

1. We have audited the balance sheets of Banco Central de la República Argentina at December 31, 1999 and 1998 and the related statements of income for the years then ended and the statement of changes in net equity for the year ended December 31, 1999, and Notes 1 to 4 and Exhibits I to III to the statements. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.
2. We conducted our audits in accordance with auditing standards in force in the Republic of Argentina and, as considered applicable in view of the particular features of the Bank's operations, with the "Minimum Standards on External Audits" issued by the Banco Central de la República Argentina. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, forming an opinion as to the reasonableness of the relevant information contained in the financial statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

3. In our opinion these financial statements present fairly, in all material respects, the financial position of Banco Central de la República Argentina at December 31, 1999 and 1998, the results of its operations for the years then ended and the changes in its net equity for the year ended December 31, 1999, in conformity with professional accounting standards in force in the Republic of Argentina.
4. In accordance with current regulations we report that:
  - a) The financial statements arise from the accounting records which, due to the legal capacity of the Entity, have not been registered with the Public Registry of Commerce; and
  - b) at December 31, 1999 the debt accrued in favor of the Integrated System for Retirement and Pension Benefits according to the accounting records amounted to \$ 2,796,566.17, none of which was claimable by the administration at that date.

Buenos Aires, June 1, 2000.

PRICE WATERHOUSE & CO.

by \_\_\_\_\_ (Partner)