

Free translation from the original prepared in Spanish. The accounting principles referred to are those generally accepted in Argentina.

## AUDITOR'S REPORT

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

We have audited the balance sheet of the Banco Central de la República Argentina (BCRA) as of December 31, 2001 and the related statements of income, changes in net equity, the notes 1 to 7 and Exhibits I to V for the year then ended, presented with prior year comparatives. The preparation of the financial statements is the responsibility of the Bank's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the auditing standards in force in the Republic of Argentina, and where applicable to the particular nature of the Bank's operations, with the "Minimum Auditing Standards for External Auditors" issued by the BCRA. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, the significant estimates made by the Bank's Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

On June 21, 2001, we issued an unqualified report on the financial statements as of December 31, 2000.

The financial statements have been prepared considering the economic and financial conditions at the year-end, which exhibited growing instability in the financial system that had been exacerbated when restrictions on the return of deposits were imposed as from December 3, 2001. The events subsequent to January 6, 2002 with the devaluation of the Argentine peso, described in Note 6 - Subsequent Events, brought about profound changes in the economic and financial environment, giving rise to the following uncertainties that affect these financial statements:

- As disclosed in Notes 4.4, 4.5.1, 4.5.3, 4.9 and 4.16, the Bank accounts for a net National Government securities and Provincial Government securities position of \$ 2,634,467,991 (under the captions Free reserves for \$ 3,344,604,335, Government securities for \$ 2,080,686,674, Other assets for \$ 1,944,832,818 – Government securities to be received from contingent repo programs, and Other liabilities for \$ 4,735,655,836 – Obligations from repo transactions) it has not been decided yet when and how the payment of the net position will be resumed in a context in which the restructuring of a significant proportion of the public debt is still pending definition.

- Additionally, as described in Notes 4.5.2 and 4.8, the BCRA acts as an intermediary between the National Government and the International Monetary Fund. Based on this operation, there are assets with the National Government in the amount of \$ 14,628,471,060 (sub-caption Bills issued in relation to the International Monetary Fund loans of \$ 467,071,964, and the caption Funds transferred to the National Government for placements with the International Monetary Fund of \$ 14,161,399,096), which generates an additional exposure with the public sector.
- Finally, as of December 31, 2001, the Bank accounts for aid to the financial system and other credit lines granted prior to the enactment of the BCRA's Charter effective 1992, amounting to \$ 10,118,261,998 (captions Loans to the Argentine financial system of \$ 4,967,164,080 and Other assets of \$ 5,151,097,918 – Debtors from repo transactions), affected in general by the economic measures described in Note 6. It should be noted that 82% of the financial aid is guaranteed by national and/or provincial public debt instruments. The recoverability of these assets will depend on the appropriate macroeconomic conditions existing to allow the financial system to repay the obligations. Therefore, to the date of this report, it is not possible to estimate the implications that this situation may have on the financial position of the BCRA at the year-end.

These financial statements should be read in the light of the uncertainties disclosed in the preceding paragraphs.

Because of the significant effect that potential adjustments and reclassifications, if any, may have on the financial statements, as a result of the situation described in the preceding paragraphs and in Notes 4.6 and 6, we are not able to express and, therefore, we do not express an opinion on the financial statements of the BCRA, taken as a whole, as of December 31, 2001.

However, in our opinion, the captions Contributions to international agencies on behalf of the National Government in the amount of \$ 1,608,453,282, Monetary base of \$ 11,892,485,177, Current accounts in other currencies amounting to \$ 5,875,994,784, National Government deposits and other of \$ 4,366,453,975, Other deposits amounting to \$ 29,228,250, Due to international agencies of \$15,132,407,995, and Provisions in the amount of \$ 1,151,233,745 individually considered, included in the financial statements, are fairly valued and disclosed in accordance with Argentine GAAP.

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

- a) audited financial statements have been prepared based on the accounting records kept by the Bank, which given its legal nature, have not been registered with the Public Registry of Commerce; and
- b) as of December 31, 2001, the accrued liability for retirement and pension contributions arising from the accounting records amounts to \$ 1,731,715, none of which was due as of that date.

The accompanying financial statements are prepared in accordance with accounting principles and practices generally accepted in the Republic of Argentina and may differ in some material respects from financial statements prepared in accordance with accounting principles and practices of other jurisdictions. Accordingly, these financial statements should only be relied upon by those who are familiar with generally accepted accounting principles and practices in the Republic of Argentina.

Buenos Aires, August 15, 2002

FINSTERBUSCH PICKENHAYN SIBILLE

José Alberto Schuster  
*Partner*