

AUDITOR'S REPORT

To the Chairman and Directors of
BANCO CENTRAL DE LA REPUBLICA ARGENTINA
Reconquista 266
Buenos Aires

1. We audited the accompanying balance sheets of BANCO CENTRAL DE LA REPUBLICA ARGENTINA (an Argentine Government self-regulated bank, BCRA) as of December 31, 2005, and 2004, and the related statements of income, changes in shareholders' equity and cash flows (included as Exhibit IV) for the fiscal years then ended. These financial statements are the responsibility of the Bank's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audits.

2. Our work was done in conformity with the auditing standards effective in Argentina and, as deemed appropriate in view of the Bank's specific characteristics, with the "Minimum standards on external audits" issued by the BCRA itself in its capacity as supervisor of Argentine financial institutions. An audit requires that the auditor plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatements. An audit includes examining, on a selective test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting standards used and the significant estimates made by the Bank's Board of Directors, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

3. As explained in note 1 to the accompanying financial statements, as part of its duties and operations, the BCRA acts as financial agent of the Argentine Government and depository and agent of Argentina before international monetary, banking and financial institutions and, therefore, in compliance with its purposes, it performs a significant amount of transactions with the Argentine Government and holds assets and liabilities on its behalf. Also, the following are outstanding: issuance of bills and currency, rediscounts to financial institutions and management of its gold, foreign currency and other external assets reserves. As established in its charter, the financial statements mentioned in paragraph (1) were prepared by the BCRA in conformity with the

general principles established by the professional accounting standards effective in Buenos Aires, Argentina and, as the case may be, with the general valuation and disclosure methods set forth for Argentine financial institutions, considering the special characteristics of the transactions and functions performed by a central bank, which differ from those of private institutions significantly. The significant accounting policies applicable to the financial statements mentioned in the first paragraph, as well as the general valuation and income recognition methods are described in notes 3 and 4 to the accompanying financial statements.

4. In our auditor's report dated April 28, 2005, our opinion on the Bank's financial statements as of December 31, 2004, included qualifications for uncertainties related to the recoverability of the book value of loans to the Argentine financial system and certain credit assistance to the government sector. As explained in note 2 to the accompanying financial statements, the situations that resulted in those uncertainties developed favorably during 2005. Therefore, our current opinion on the financial statements as of December 31, 2004, and for the year then ended does not include qualifications for the abovementioned uncertainties.

5. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BANCO CENTRAL DE LA REPUBLICA ARGENTINA as of December 31, 2005, and 2004, and the results of its operations and its cash flows for the years then ended, in conformity with the accounting standards mentioned in the third paragraph.

6. In compliance with current legal requirements, we further report that:

- a) The financial statements mentioned in paragraph (1) 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, 2005, liabilities accrued in employer and employee contributions to the Integrated Pension Fund System resulting from the Bank's books of account amount to ARS 3,838,273.49, none of which was due and payable as of that date.

Buenos Aires,
April 27, 2006

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C.P.C.E.C.A.B.A. Vol. 1 – Fo. 13

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