

## **INDEPENDENT AUDITORS' REPORT**

To the Chairman and Governors of  
**BCRA (CENTRAL BANK OF ARGENTINA)**  
Registered office: Reconquista 266  
Buenos Aires  
C.U.I.T. (Argentine taxpayer identification number): 30-50001138-2

1. We audited the accompanying balance sheets of the Central Bank of Argentina (an Argentine Government self-regulated bank, "BCRA") as of December 31, 2007, and the related statements of income, changes in shareholders' equity and cash flows (included as Exhibit IV) for the fiscal year then ended.
2. The Bank's Board of Governors is responsible for preparing and fairly presenting the financial statements following the principles and methods mentioned in paragraph 4. This responsibility includes: designing, implementing, and maintaining an adequate internal control system so that such financial statements are free from material misstatement whether due to errors or omissions or irregularities; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Our responsibility is to express an opinion on these financial statements based on our audit.
3. Our work was done in conformity with the auditing standards effective in Argentina and, as deemed appropriate in view of BCRA's specific characteristics, with the "Minimum standards on external audits" issued by the BCRA itself in its capacity as supervisor of Argentine financial institutions. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatements.

An audit includes applying procedures, on a selective test basis, to obtain judgmental evidence supporting the information disclosed in the financial statements. The procedures selected depend on the auditor's judgment, who, to this end, assesses the risks of material misstatement of the financial statements, whether due to errors or omissions, or irregularities. In making this risk assessment, the auditor considers the Bank's internal control relevant to the preparation and fair presentation of the financial statements in order to select the appropriate audit procedures in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control system in place. An audit also includes assessing whether the accounting

policies used are appropriate, whether the accounting estimates made by the Bank's Board of Governors are fair and the presentation of the financial statements taken as a whole.

We believe that the judgmental evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. As described in note 1 to the accompanying financial statements, as part of its duties and operations, the BCRA acts as financial agent of the Argentine Federal 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.
5. In our opinion, the financial statements mentioned in paragraph (1) present fairly, in all material respects, the financial position of the BCRA as of December 31, 2007, and the results of its operations and its cash flows for the years then ended, in conformity with the accounting standards mentioned in the previous paragraph. Those standards were applied on a consistent basis with that of the prior year, after giving retroactive effect to certain changes in statement of income disclosure methods, with which we agree, as mentioned in note 3(2) to the accompanying financial statements.
6. In connection with the balance sheet of the BCRA as of December 31, 2006, and the statements of changes in shareholders' equity and cash flows for the fiscal year then ended, presented for comparative purposes, we report that on March 29, 2007, we issued an unqualified audit report on those financial statements. After issuing that report, the statement of income was changed to give retroactive effect to certain changes in disclosure methods, as mentioned in note 3(2) to the accompanying financial statements. We audited these changes and, in our opinion, they were

appropriately included in the financial statements for FY 2006.

7. 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, 2007, liabilities accrued in employer and employee contributions to the Integrated Pension Fund System resulting from the BCRA's accounting books amount to ARS 8,901,900, none of which was due and payable as of that date.

Buenos Aires,  
April 30, 2008

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C.P.C.E.C.A.B.A. Vol. 1 – Fo. 13

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