

*(Free translation from the original issued in Spanish)*

## **REPORT OF INDEPENDENT ACCOUNTANTS**

To the President and Directors of  
BANCO CENTRAL DE LA REPÚBLICA ARGENTINA  
Reconquista 266 - Capital Federal  
BUENOS AIRES

In exercising the power granted by section 118 of Law No 24,156, the AUDITORIA GENERAL DE LA NACION has examined the financial statements of BANCO CENTRAL DE LA REPÚBLICA ARGENTINA for the year ended December 31, 1998, detailed in section 1 below. Those financial statements constitute information prepared and issued by the Entity in exercising their 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, 1998
- 1.2. Statement of Income for the year ended December 31, 1998
- 1.3. Statement of Changes in Stockholders' Equity for the year ended December 31, 1998
- 1.4. Notes 1 to 4, and Exhibits I to III which form part of the financial statements.

Disclosed in a second column are the Balance Sheet and the Statements of Income and of Changes in Stockholders' Equity for the year ended December 31, 1997, as indicated in note 2.

### **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 N 24,156. 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. Therefore, the scope of this audit results insufficient to give an opinion about the Bank's systems or others which may affect its operation, as for example the Y2K compatibility.

### **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, 1998 of BANCO CENTRAL DE LA REPUBLICA ARGENTINA, the results of its operations and the changes in its stockholders' equity for the year then ended, in conformity with professional accounting standards.

Our professional opinion on the financial statements at December 31, 1997 has been issued on April 16, 1998.

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

In conformity with current regulations we report that:

4.1. The financial statements mentioned in 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, 1998 the debt accrued in favor of the National Social Security Administration according to the accounting records amounted to \$ 2,582,623.94, none of which was claimable by the administration at that date.

BUENOS AIRES, April 22, 1999