## Argentine Economy in the end of 2001

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP (Var. i.a.)</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Unemployment Rate (Oct-01)</td>
<td>18.3%</td>
</tr>
<tr>
<td>Inflation (CPI, Var. i.a.)</td>
<td>-1.1%</td>
</tr>
<tr>
<td>National Public Sector Deficit (without Privatizations, as % of the GDP)</td>
<td>-2.8%</td>
</tr>
<tr>
<td>Provintial Consolidate Public Sector Deficit (without Privatizations, as % of the GBP)</td>
<td>-2.3%</td>
</tr>
<tr>
<td>External Debt (as % of the GDP)</td>
<td>52%</td>
</tr>
<tr>
<td>EMBI+ Argentina Spread (in basis points)</td>
<td>4.372</td>
</tr>
<tr>
<td>NDF (3 months, Dec-01)</td>
<td>1.95</td>
</tr>
<tr>
<td>Deposits Fall (Jan-01/Nov-01, as % of the GDP)</td>
<td>7.0</td>
</tr>
</tbody>
</table>
Real Effective Exchange Rate
Bilateral (vs. Brazil) Real Effective Exchange Rate
Trade Balance

(Quarterly – Accumulated over 12 months)
Real Wages

Pesos

U$S Dollars

Economy Activity

Real GDP

Annual variation

Fiscal misalignment turned the burden of the debt unsustainable.

As percentage of GDP
Tax Revenues
(as % of GDP)
Public Spending was highly procyclical
The dynamics of the crisis

Private Sector Deposits
(in billion pesos)

- Dr. Machinea Resignment
- Dr. Lopez Murphy Resignment
- Dr. Pou vs. Dr. Cavallo
- Convergence Factor (end of Convertibility?)
- Untouchable Deposits Law
- "Corralito"
- "Megaswap" Negotiations
- Zero Deficit Law
- Interest Rate Ceiling
- Devaluation
- "Cacerolazo"
- Dr. De la Rua Resignment
- Recovery

CEDROs 2nd Swap to BODEN and "unfreezing" of CEDROs up to $10,000

CEDROs 1st Swap to BODEN

Reprogramming Pesification

30-Sep-00 29-Dec-00 29-Mar-01 27-Jun-01 25-Sep-01 24-Dec-01 24-Mar-02 22-Jun-02 20-Sep-02
Preference for dollar denominated assets

Dollarization

Spread

peso-dollar spread (TimeD +1millón)  % dollarization (TD Private Sector)
Share of Claims on the Public Sector to Total Assets

Aug 2002: 57%
# ESTIMATION OF CONSOLIDATED BALANCE OF THE FINANCIAL SYSTEM

**AUGUST 2002 - In million of pesos**

Includes CER

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (in million of pesos)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>9.800</td>
<td>6%</td>
</tr>
<tr>
<td>Loans Individuals</td>
<td>23.300</td>
<td>15%</td>
</tr>
<tr>
<td>Corporate Loans</td>
<td>27.100</td>
<td>17%</td>
</tr>
<tr>
<td>Public Sector Loans</td>
<td>87.200</td>
<td>57%</td>
</tr>
<tr>
<td>Other net assets</td>
<td>8.400</td>
<td>5%</td>
</tr>
</tbody>
</table>

| **Liabilities + NW**    |                              |            |
| Public Deposits        | 6.900                        | 4%         |
| Private Deposits       | 32.900                       | 21%        |
| CEDROs                 | 24.200                       | 16%        |
| Illiquidity rediscounts| 17.000                       | 11%        |
| Rediscounts for Boden and CB | 12.800 | 8%        |
| Foreign Liabilities    | 44.600                       | 29%        |
| NW                     | 17.400                       | 11%        |
Towards the end of 2001, deposits decrease accompanied an increasing banking exposure to Public Sector
Private Sector Deposits - Year 2002
Monthly change (in millions of pesos)
Free Deposits / Total Deposits

Private Sector

%
Monthly Flow of Central Bank Liquidity Assistance to the Banking System - 2002
Deposits loss financing strategy

Accumulated Evolution of Main Financial Figures

-In billion of pesos-

<table>
<thead>
<tr>
<th>Date</th>
<th>Deposits fall (1)</th>
<th>Loans (2)</th>
<th>Bank Reserves fall (3)</th>
<th>Assistance (4)</th>
<th>Assistance / Deposits (4) / (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated</td>
<td>20,607</td>
<td>15,518</td>
<td>-130</td>
<td>7,723</td>
<td>37%</td>
</tr>
</tbody>
</table>
Real Interest Rate Evolution
(monthly term deposits rate)
Accumulated intervention and exchange rate evolution

Million of USD

-2500 -2000 -1500 -1000 -500 0 4-Mar 13-Abr 23-May 2-Jul 11-Ago 20-Sep 30-Oct

$/USD

-2500 -2000 -1500 -1000 -500 0 4-Mar 13-Abr 23-May 2-Jul 11-Ago 20-Sep 30-Oct

Accumulated intervention since Mar 4  Reference exchange rate

2.0 2.5 3.0 3.5 4.0

2.0 2.5 3.0 3.5 4.0

Reference exchange rate

6
Currency held by Public in Real terms

Index Average Jan = Base 100
Monetary policy was very conservative

Monetary Base explanatory factors - Year 2002

Flows (Feb-11 up to Oct-31) in million of pesos
CPI, Nominal Exchange Rate and RER

Graph showing CPI, Nominal ER, and Real ER from December 2001 to September 2002.