

Balance sheet

(amounts in thousands of pesos)

	<u>30/09/04</u>	<u>30/06/04</u>	<u>30/09/03</u>
Cash and due from banks	544,597	354,268	302,354
Government Securities	598,397	496,641	1,269,393
Pre-91 Loans	995,653	1,028,852	1,122,674
Post-91 Loans	730,016	699,487	804,996
Other Loans	1,073,313	923,720	936,690
Reserve for loan losses	(306,729)	(326,758)	(458,194)
Loans, net	2,492,253	2,325,301	2,406,166
Other receivables from financial operations	4,149,370	4,116,748	3,099,774
Reserve for other receivables from financial operations	(43,435)	(40,732)	(27,999)
Miscellaneous assets	878,994	1,149,114	571,245
Total Assets	8,620,176	8,401,340	7,620,933
Deposits	202,655	186,078	110,652
Other liabilities from financial operations	6,227,582	6,132,606	6,331,440
Miscellaneous liabilities	290,811	245,364	206,712
Total Liabilities	6,721,048	6,564,048	6,648,804
Shareholders' Equity	1,899,128	1,837,292	972,129

Income Statement

(amounts in thousands of pesos)

	<u>30/09/04</u>	<u>30/06/04</u>	<u>30/09/03</u>
Financial income	556,178	395,265	314,639
Financial expenditures	(227,012)	(148,714)	(640,272)
Provision for losses on loans	(13,306)	(10,603)	(31,160)
Income from services	50,595	32,957	54,252
Expenditures on services	(20,120)	(12,743)	(19,963)
Monetary gain (loss) from financial operations	-	-	(9,314)
Administrative expenses	(70,918)	(45,395)	(71,705)
Monetary gain (loss) from operating expenses	-	-	41
Miscellaneous income	100,706	46,504	71,106
Miscellaneous losses	(152,644)	(95,628)	(121,142)
Monetary gain (loss) from financial operations	-	-	24
Income tax	-	-	-
Net income	223,479	161,643	(453,494)



Selected Ratios

(amounts in thousands of pesos, except for percentages)

	<u>30/09/04</u>	<u>30/06/04</u>	<u>30/09/03</u>
<u>Profitability</u>			
ROAA (Return on average assets) ¹	3.68%	4.05%	(7.82)%
ROAE (Return on average shareholder's equity) ¹	17.75%	18.34%	(48.86)%
Net interest margin	5.42%	6.18%	(5.61)%
Efficiency*	19.42%	16.94%	(23.81)%
<u>Capital</u>			
Total shareholder's equity / total assets	22.03%	21.87%	12.76%
Funding / Shareholders Equity	3.0	3.0	6.5
<u>Liquidity</u>			
Current Assets / deposits	564.01%	457.29%	1420.44%
Loans / deposits	1229.80%	1249.64%	2174.53%
<u>Asset Quality</u>			
Non-performing loans / total loans	12.44%	12.90%	15.09%
Reserves for loan losses / total non-performing loans	89.09%	90.65%	99.19%
Reserves for loan losses / total loan portfolio	1.36%	1.21%	0.12%

¹ Based on annualized quarterly results.

*Administrative expenses (excluding severance payments and bonuses) over net financial income and income from services, net.

Conference Call to Discuss Third quarter 2004 Results:

Banco Hipotecario S.A. will host a conference call to discuss results for the third quarter of 2004 at 11:00 a.m. (New York time) on Wednesday, November 17, 2004. To participate in the conference call, please call one of the following telephone numbers:

USA: (888) 469-5794

International: (303) 262-3303

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