

Balance sheet

(amounts in thousands of pesos)

	<u>06/30/04</u>	<u>03/31/04</u>	<u>06/30/03</u>
Cash and due from banks	354,268	347,984	220,734
Government Securities	496,641	394,685	1,022,502
Pre-91 Loans	1,028,852	1,058,982	1,165,917
Post-91 Loans	699,487	773,698	985,010
Other Loans	923,720	915,570	1,226,321
Reserve for loan losses	(326,758)	(350,593)	(518,422)
Loans, net	2,325,301	2,397,657	2,858,826
Other receivables from financial operations	4,116,748	3,928,599	2,959,427
Reserve for other receivables from financial operations	(40,732)	(34,880)	(27,999)
Miscellaneous assets	1,149,114	1,109,367	289,889
Total Assets	8,401,340	8,143,412	7,323,379
Deposits	186,078	127,926	107,906
Other liabilities from financial operations	6,132,606	5,977,221	6,052,546
Miscellaneous liabilities	245,364	256,820	192,202
Total Liabilities	6,564,048	6,361,967	6,352,654
Shareholders' Equity	1,837,292	1,781,445	970,725

Income Statement

(amounts in thousands of pesos)

	<u>06/30/04</u>	<u>03/31/04</u>	<u>06/30/03</u>
Financial income	395,265	229,531	212,596
Financial expenditures	(148,714)	(58,315)	(549,761)
Provision for losses on loans	(10,603)	(4,752)	(45,026)
Income from services	32,957	16,544	35,784
Expenditures on services	(12,743)	(6,097)	(11,821)
Monetary gain (loss) from financial operations	-	-	(9,314)
Administrative expenses	(45,395)	(22,669)	(48,160)
Monetary gain (loss) from operating expenses	-	-	41
Miscellaneous income	46,504	19,819	43,532
Miscellaneous losses	(95,628)	(73,441)	(82,793)
Monetary gain (loss) from financial operations	-	-	24
Income tax	-	-	-
Net income	161,643	100,620	(454,898)



Selected Ratios

(amounts in thousands of pesos, except for percentages)

	<u>06/30/04</u>	<u>03/31/04</u>	<u>06/30/03</u>
<u>Profitability</u>			
ROAA (Return on average assets) ¹	4.05%	5.18%	(11.69)%
ROAE (Return on average shareholder's equity) ¹	18.34%	23.27%	(69.65)%
Net interest margin	6.18%	8.82%	(8.66)%
Efficiency*	16.94%	12.40%	(14.72)%
<u>Capital</u>			
Total shareholder's equity / total assets	21.87%	21.88%	13.26%
Funding / Shareholders Equity	3.0	3.1	6.2
<u>Liquidity</u>			
Current Assets / deposits	457.29%	580.55%	1152.15%
Loans / deposits	1249.64%	1874.25%	2649.37%
<u>Asset Quality</u>			
Non-performing loans / total loans	12.90%	13.46%	15.39%
Reserves for loan losses / total non-performing loans	90.65%	88.68%	94.30%
Reserves for loan losses / total loan portfolio	1.21%	1.52%	0.88%

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 Second Quarter 2004 Results:

Banco Hipotecario S.A. will host a conference call to discuss results for the second quarter of 2004 at 11:00 a.m. (New York time) on Thursday, August 12, 2004. To participate in the conference call, please call one of the following telephone numbers:

**USA: (888) 428-4472
International: (612) 332-0345**

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