

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

GRUPO FINANCIERO GALICIA SA

Form 6-K

May 23, 2007

=====

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934

For the month of May, 2007

Commission File Number: 0-30852

GRUPO FINANCIERO GALICIA S.A.

Galicia Financial Group S.A.
(Translation of registrant's name into English)

Tte. Gral. Juan D. Peron 456
(C1038AAJ) Buenos Aires, Argentina
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports
under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether by furnishing the information contained in this
Form, the registrant is also thereby furnishing the information to the
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in
connection with Rule 12g3-2(b): 82- _____

=====

FORM 6-K

Commission File No. 0-30852

MONTH FILED	EVENT AND SUMMARY	EXHIBIT NO.
May, 2007	Financial statements of the Registrant for the period of three months ended March 31, 2007, presented in comparative format.	99.1

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the
registrant has duly caused this report to be signed on its behalf by the
undersigned, thereunto duly authorized.

GRUPO FINANCIERO GALICIA S.A. (Registrant)

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Date: May 22, 2007

By: /s/Antonio Garces

Name: Antonio Garces
Title: Chief Executive Officer

EXHIBIT 99.1

GRUPO FINANCIERO GALICIA S.A.
"Corporation which has not adhered to the Optional System
for the Mandatory Acquisition of Shares in a Public Offering"

FINANCIAL STATEMENTS
FOR THE PERIOD OF THREE MONTHS ENDED
MARCH 31, 2007, PRESENTED IN COMPARATIVE FORMAT

GRUPO FINANCIERO GALICIA S.A.
"Corporation which has not adhered to the Optional System for the Mandatory
Acquisition of Shares in a Public Offering"

TABLE OF CONTENTS
FINANCIAL STATEMENTS AND LIMITED REVIEW REPORT
For the period of three months ended March 31, 2007
presented in comparative format.
REPORT OF THE SUPERVISORY COMMITTEE
For the three months ended March 31, 2007.
System established by
Technical Regulations (N.T. 2001) of the National Securities Commission

Heading	1
Consolidated Balance Sheet	2
Consolidated Memorandum Accounts	5
Consolidated Income Statement	6
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	9
Balance Sheet	49
Income Statement	50
Statement of Shareholders' Equity	51
Statement of Cash Flows	52
Notes to Financial Statements	53
Schedules	66
Information required in addition to the Notes to Financial Statements by Section 68 of the Buenos Aires Stock Exchange regulations	71
Supplementary and Explanatory Statement by the Board of Directors required by Section 2 of the Accounting Documentation Regulations of the Cordoba Stock Exchange Regulations	73
Informative Review	75
Report of the Supervisory Committee	
Limited Review Report	

Company's Name: GRUPO FINANCIERO GALICIA S.A.
"Corporation which has not adhered to
the Optional System for the Mandatory
Acquisition of Shares in a Public
Offering"

Legal domicile: Tte. Gral. Juan D. Peron No. 456 - 2nd
floor Autonomous City of Buenos Aires

Principal line of business: Financial and Investment Activities

9th Fiscal period
For the three-month period commenced January 1, 2007,

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

and ended March 31, 2007, presented in comparative format.

DATE OF REGISTRATION WITH THE PUBLIC REGISTRY OF COMMERCE

Of bylaws: September 30, 1999

Date of latest amendment to bylaws: June 26, 2006.

Registration number with the Corporation Control Authority (I.G.J): 11,891

Sequential Number - Corporation Control Authority (I.G.J.): 1,671,058

Date of expiry of Company's bylaws: June 30, 2100

Name of the Controlling Company: EBA HOLDING S.A.

Principal line of business: Financial and Investment Activities

Interest held by the Controlling Company in the Shareholders' equity as of 03.31.07: 22.65 %

Percentage of votes to which the Controlling Company is entitled as of 03.31.07: 59.42 %

Capital status as of 03.31.07 (Note 7 to the Financial Statements) (figures stated in thousands of pesos)

Shares				
Number	Class	Voting rights per share	Subscribed	Paid in
281,221,650	Ordinary class "A", face value of 0.001	5	281,222	281,222
960,185,367	Ordinary class "B", face value of 0.001	1	960,185	960,185
1,241,407,017			1,241,407	1,241,407

1

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"

SUPPLEMENTARY ACCOUNTING INFORMATION
CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2007
AND DECEMBER 31, 2006
(figures stated in thousands of pesos)

03.31.07

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

ASSETS

CASH AND DUE FROM BANKS	2,062,567
- Cash	572,492
- Banks and correspondents	1,490,075
GOVERNMENT AND CORPORATE SECURITIES	2,272,385
- Holdings of investment account securities	2,108,699
- Holdings of trading securities	23,221
- Government securities without quotation	4,868
- Securities issued by the Argentine Central Bank	133,879
- Investments in listed corporate securities	2,079
- Allowances	(361)
LOANS	10,701,807
- To the non-financial public sector	2,831,666
- To the financial sector	114,301
- To the non-financial private sector and residents abroad	8,110,368
- Overdrafts	593,302
- Promissory notes	2,183,949
- Mortgage loans	727,793
- Pledge loans	77,809
- Consumer loans	633,198
- Credit card loans	2,675,810
- Others	1,097,813
- Accrued interest and quotation differences receivable	157,183
- Documented interest	(36,105)
- Unallocated collections	(384)
- Allowances	(354,528)
OTHER RECEIVABLES RESULTING FROM FINANCIAL BROKERAGE	3,840,960
- Argentine Central Bank	156,697
- Amounts receivable for spot and forward sales to be settled	189,327
- Securities receivable under spot and forward purchases to be settled	1,438,176
- Others not included in the debtor classification regulations	1,787,720
- Negotiable obligations without quotation	25,841
- Balances from forward transactions without delivery of under asset to be settled	56,776
- Others included in the debtor classification regulations	205,556
- Accrued interest interest receivable not included in the debtor classification regulations	1,707
- Accrued interest interest receivable included in the debtor classification regulations	1,397
- Allowances	(22,237)
	=====

The accompanying Notes 1 to 25 are an integral part of these consolidated financial statements.

2

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the
 Mandatory Acquisition of Shares in a Public Offering"
 SUPPLEMENTARY ACCOUNTING INFORMATION
 CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2007
 AND DECEMBER 31, 2006

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

(figures stated in thousands of pesos)

	03.31.07

ASSETS UNDER FINANCIAL LEASES	237,980
- Assets under financial leases	240,603
- Allowances	(2,623)
EQUITY INVESTMENTS	40,472
- In financial institutions	3,088
- Others	82,978
- Allowances	(45,594)
MISCELLANEOUS RECEIVABLES	756,434
- Receivables for assets sold	15,270
- Tax on minimum presumed income - Tax credit	232,635
- Others	584,504
- Accrued interest on receivables for assets sold	206
- Other accrued interest and adjustments receivable	73
- Allowances	(76,254)
BANK PREMISES AND EQUIPMENT	504,128
MISCELLANEOUS ASSETS	284,405
INTANGIBLE ASSETS	474,786
- Goodwill	60,378
- Organization and development expenses	414,408
UNALLOCATED ITEMS	2,628
OTHER ASSETS	8,953
TOTAL ASSETS	21,187,505
	=====

The accompanying Notes 1 to 25 are an integral part of these consolidated financial statements.

3

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"

SUPPLEMENTARY ACCOUNTING INFORMATION

CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2007

AND DECEMBER 31, 2006

(figures stated in thousands of pesos)

03.31.07

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

LIABILITIES

DEPOSITS	11,858,053
- Non-financial public sector	79,743
- Financial sector	153,920
- Non-financial private sector and residents abroad	11,624,390
- Current accounts	2,080,096
- Savings accounts	2,647,455
- Time deposits	6,536,018
- Investment accounts	5,600
- Others	209,718
- Accrued interest and quotation differences payable	145,503
OTHER LIABILITIES RESULTING FROM FINANCIAL BROKERAGE	6,293,925
- Argentine Central Bank	380,528
- Others	380,528
- Banks and international entities	244,649
- Unsubordinated negotiable obligations	2,712,698
- Amounts payable for spot and forward purchases to be settled	1,037,942
- Securities to be delivered under spot and forward sales to be settled	189,440
- Loans from domestic financial institutions	201,937
- Balances from forward transactions without delivery of under. asset to be settled	57,307
- Other	1,378,532
- Accrued interest, adjustments and quotation difference payable	90,892
MISCELLANEOUS LIABILITIES	225,542
- Dividends payable	5,557
- Directors' and syndics' fees	3,788
- Others	216,197
- Adjustments and accrued interest payable	-
PROVISIONS	177,940
SUBORDINATED NEGOTIABLE OBLIGATIONS	798,479
UNALLOCATED ITEMS	13,460
OTHER LIABILITIES	63,861
MINORITY INTEREST IN CONSOLIDATED ENTITIES OR COMPANIES	165,913
TOTAL LIABILITIES	19,597,173
SHAREHOLDERS' EQUITY	1,590,332
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	21,187,505

The accompanying Notes 1 to 25 are an integral part of these consolidated financial statements.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the
 Mandatory Acquisition of Shares in a Public Offering"
 SUPPLEMENTARY ACCOUNTING INFORMATION
 CONSOLIDATED MEMORANDUM ACCOUNTS
 As of March 31, 2007 and December 31, 2006
 (figures stated in thousands of pesos)

	03.31.07

DEBIT	17,238,222
	=====
CONTINGENT	7,054,825

Loans obtained	109,417
Guarantees received	5,792,443
Others not included in the debtor classification regulations	-
Contingencies re. contra items	1,152,965

CONTROL	8,042,958

Uncollectible loans	559,963
Others	7,234,174
Control re. contra items	248,821

DERIVATIVES	1,302,217

"Notional" value of forward transactions without delivery of underlying asset	861,203
Derivatives re. contra items	441,014

TRUST ACCOUNTS	838,222

Trust funds	838,222

CREDIT	17,238,222
	=====
CONTINGENT	7,054,825

Loans granted (unused balances)	643,602
Guarantees granted to the Argentine Central Bank	-
Other guarantees granted included in the debtor classification regulations	127,985
Other guarantees granted not included in the debtor classification regulations	170,637
Others included in the debtor classification regulations	156,171
Others not included in the debtor classification regulations	54,570
Contingencies re. contra items	5,901,860

CONTROL	8,042,958

Checks and drafts to be credited	248,646
Others	175
Control re. contra items	7,794,137

DERIVATIVES	1,302,217

"Notional" value of put options written	180,419
"Notional" value of forward transactions without delivery of underlying asset	260,595
Derivatives re. contra items	861,203

TRUST ACCOUNTS	838,222

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Trust liabilities re. contra items

838,222

The accompanying Notes 1 to 25 are an integral part of these consolidated financial statements.

5

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the
 Mandatory Acquisition of Shares in a Public Offering"

SUPPLEMENTARY ACCOUNTING INFORMATION
 CONSOLIDATED INCOME STATEMENT

For the period of three months commenced January 1, 2007 and
 ended March 31, 2007, presented in comparative format with the
 same period of the previous fiscal year.
 (figures stated in thousands of pesos)

	03.31.07
FINANCIAL INCOME	476,913
Interest on cash and due from banks	3,701
Interest on loans to the financial sector	2,274
Interest on overdrafts	19,630
Interest on promissory notes	59,771
Interest on mortgage loans	20,622
Interest on pledge loans	2,454
Interest on credit card loans	90,664
Interest on other loans	40,133
Net income from government and corporate securities	10,349
Interest on other receivables resulting from financial brokerage	35,527
Net income from secured loans - Decree No. 1387/01	30,277
CER adjustment	89,946
Others	71,565
FINANCIAL EXPENSES	354,462
Interest on current account deposits	4,079
Interest on savings account deposits	1,368
Interest on time deposits	114,607
Interest on financing from the financial sector	1,276
Interest on subordinated obligations	23,228
Interest on other liabilities resulting from financial brokerage	91,630
Other interest	42,269
CER adjustment	43,225
Others	32,780
GROSS FINANCIAL MARGIN	122,451
PROVISIONS FOR LOAN LOSSES	49,366
INCOME FROM SERVICES	255,541
In relation to lending transactions	72,096
In relation to borrowing transactions	64,838
Other commissions	4,139

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Others	114,468

EXPENSES FOR SERVICES	55,540

Commissions	26,486
Others	29,054
	=====

The accompanying Notes 1 to 25 are an integral part of these consolidated financial statements.

6

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the
 Mandatory Acquisition of Shares in a Public Offering"
 SUPPLEMENTARY ACCOUNTING INFORMATION
 CONSOLIDATED INCOME STATEMENT
 For the period of three months commenced January 1, 2007 and
 ended March 31, 2007, presented in comparative
 format with the same period of the previous fiscal year.
 (figures stated in thousands of pesos)

	03.31.07

ADMINISTRATIVE EXPENSES	276,203

Personnel expenses	144,210
Directors' and syndics' fees	1,675
Other fees	8,075
Advertising and publicity	24,314
Taxes	13,577
Other operating expenses	62,270
Others	22,082

NET INCOME FROM FINANCIAL BROKERAGE	(3,117)
	=====
MINORITY INTERESTS RESULT	4,561

MISCELLANEOUS INCOME	70,269

Net income from equity investments	340
Penalty interests	374
Loans recovered and allowances reversed	30,263
CER adjustment	-
Others	39,292

MISCELLANEOUS LOSSES	63,600

Net loss from equity investments	-
Penalty interests and charges in favor of the Argentine Central Bank	7
Provisions for losses on miscellaneous receivables and other provisions	12,828
CER adjustment	7
Amortization of differences arising from court resolutions	30,498
Others	20,260

FOREIGN BRANCHES LOSS	-

NET INCOME BEFORE INCOME TAX	8,113

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

INCOME TAX	26,249
LOSS FOR THE PERIOD	(18,136)

The accompanying Notes 1 to 25 are an integral part of these consolidated financial statements.

7

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the
 Mandatory Acquisition of Shares in a Public Offering"
 SUPPLEMENTARY ACCOUNTING INFORMATION
 CONSOLIDATED STATEMENT OF CASH FLOWS
 For the period of three months commenced January 1, 2007 and
 ended March 31, 2007, presented in comparative
 format with the same period of the previous fiscal year.
 (figures stated in thousands of pesos)

	03.31.07
CHANGES IN CASH	
Cash and due from banks at beginning of fiscal year	2,294,849
Decrease/Increase in cash	(232,282)
Cash and due from banks at the end of the period	2,062,567
REASONS FOR CHANGES IN CASH	
Financial income collected	309,313
Income from services collected	259,116
LESS	
Financial expenses paid	(250,727)
Expenses for services paid	(55,502)
Administrative expenses paid	(258,464)
CASH PROVIDED BY OPERATING ACTIVITIES	3,736
OTHER SOURCES OF CASH	
Increase in deposits, net	1,051,187
Decrease in government and corporate securities, net	967,253
Decrease in loans, net	-
Decrease in other receivables resulting from financial brokerage, net	1,731,634
Other sources of cash	73,110
TOTAL SOURCES OF CASH	3,823,184
OTHER USES OF CASH	
Increase in loans, net	(128,489)
Increase in other receivables resulting from financial brokerage, net	-
Increase in other assets, net	(158,253)
Decrease in other liabilities resulting from financial brokerage, net	(3,689,823)
Decrease in other liabilities, net	(34,691)
Other uses of cash	(47,946)
TOTAL USES OF CASH	(4,059,202)

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

(DECREASE) / INCREASE IN CASH

(232,282)

=====

The accompanying Notes 1 to 25 are an integral part of these consolidated financial statements.

8

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

SUPPLEMENTARY ACCOUNTING INFORMATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the period of three months commenced January 1, 2007 and ended March 31, 2007, presented in comparative format.
(figures stated in thousands of pesos)

NOTE 1: PRESENTATION OF FINANCIAL STATEMENTS

The consolidated Financial Statements are presented in line with the provisions of Argentine Central Bank's (B.C.R.A.) Communique "A" 3147 and supplementary regulations regarding financial reporting requirements for the publication of quarterly and annual financial statements, with the guidelines of Technical Pronouncement Nos. 8 and 19 of the Argentine Federation of Professional Councils in Economic Sciences (F.A.C.P.C.E.) and with the guidelines of the General Resolution No. 434/03 of the National Securities Commission ("C.N.V."). As required by the abovementioned regulations, the comparative information in the Balance Sheet corresponds to the end of the prior fiscal year, while that of the Income Statement, and Statement of Cash Flows corresponds to the same period of the prior fiscal year. These financial statements include the balances corresponding to the operations carried out by Banco de Galicia y Buenos Aires S.A. and its subsidiaries located in Argentina and abroad and form part of the said Bank's quarterly financial statements as supplementary information, reason for which they should be read in conjunction with them.

These financial statements reflect the effects of the changes in the purchasing power of the currency up to February 28, 2003, by following the restatement method established by Technical Resolution No. 6 of F.A.C.P.C.E. In line with Argentine Central Bank's Communique "A" 3921, Decree No. 664/2003 of the National Executive Branch and General Resolution No. 441/03 of the C.N.V., the Company discontinued the application of that method and therefore did not recognize the effects of the changes in the purchasing power of the currency originated after March 1, 2003.

Resolution M.D. No. 41/03 of the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires (C.P.C.E.C.A.B.A) established the discontinuation of the recognition of the changes in the purchasing power of the currency, effective October 1, 2003.

NOTE 2: ACCOUNTING STANDARDS

The most relevant accounting standards used in preparing the consolidated financial statements are listed below:

a. FINANCIAL STATEMENT CONSOLIDATION

The financial statements of Grupo Financiero Galicia S.A. have

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

been consolidated on a line-by-line basis with those of Banco de Galicia y Buenos Aires S.A., Net Investment S.A., Galicia Warrants S.A., Sudamericana Holding S.A. and Galval Agente de Valores S.A. (See Note 3 to the consolidated financial statements).

Banco de Galicia y Buenos Aires S.A. is the Company's main equity investment, a financial institution subject to the Argentine Central Bank regulations. For this reason, the Company has adopted the valuation and disclosure criteria applied by Banco de Galicia y Buenos Aires S.A.

b. CONSISTENCY OF ACCOUNTING PRINCIPLES

Accounting principles applied to the financial statements of Net Investment S.A., Galicia Warrants S.A., Sudamericana Holding S.A. and Galval Agente de Valores S.A., are similar to those applied by the Company (See Note 1 item c.2. to the financial statements).

The main valuation criteria applied by Banco de Galicia y Buenos Aires S.A. are listed below:

9

GRUPO FINANCIERO GALICIA S.A.
"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(figures stated in thousands of pesos)

NOTE 2: (Continued)

b.1. - FOREIGN CURRENCY ASSETS AND LIABILITIES

These are stated at the U.S. dollars exchange rate set by the Argentine Central Bank, at the close of operations on the last business day of each month.

As of March 31, 2007, December 31, 2006 and March 31, 2006, balances in U.S. dollars were converted applying the reference exchange rate (figures stated in pesos \$ 3.1007, \$ 3.0695 y \$ 3.0808, respectively) set by the Argentine Central Bank.

In the case of foreign currencies other than the U.S. dollars, figures have been converted into the latter currency using the swap rates informed by the Argentine Central Bank.

b.2. - GOLD BULLION

Gold bullion is valued at the most recent U.S. dollar closing selling quotation for the troy ounce on the London Market, net of estimated direct selling costs.

The procedure referred in item b.1. has been applied for conversion into local currency.

b.3. - GOVERNMENT AND CORPORATE SECURITIES

b.3.a. - GOVERNMENT SECURITIES

I) Holdings in investment accounts:

These include Boden 2012 received within the scope of Sections 28 and 29 of Decree No. 905/02 (see Note 16.3 to the consolidated financial statements) recorded at their "technical value".

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

The same criterion was applied in the case of holdings used in repo transactions and to the bonds to be received recorded under Other receivables resulting from financial brokerage and Miscellaneous receivables.

If the position in such bonds and the balances to be received recorded under the abovementioned captions had been marked to market, a decrease in shareholders' equity of approximately \$171,341 and \$202,299 would have been recorded as of March 31, 2007 and December 31, 2006, respectively.

II) Holdings of trading securities:

These are recorded at the closing price for each security at period/ fiscal year end, plus the value of amortization and interest coupons due and receivable, less estimated selling costs, when applicable.

III) Without quotation:

As of March 31, 2007 and December 31, 2006, Banco de Galicia y Buenos Aires S.A. carries the following holdings:

a) Secured bonds in pesos (Bogar)

As of the date of these financial statements, no holdings of these bonds were recorded.

As of December 31, 2006, the holdings allocated as collateral for the advance for the acquisition of the remaining Hedge Bond, have been valued at the value admitted for those purposes. The remaining holdings were valued at the lowest of their "present value" and their "technical value", as defined in item b.4. Had these securities been valued at market price, an increase in shareholders' equity of Banco de Galicia y Buenos Aires S.A. \$ 1,475 would have been recognized.

Securities sold and pending settlement were valued at their net realized value.

10

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 2: (Continued)

b) Discount bonds and GDP-linked negotiable securities

Banco de Galicia y Buenos Aires S.A. decided to participate in the exchange offered by the National Government, within the framework of the Argentine debt restructuring, opting to exchange its holdings of "Medium-Term External Notes," Series 74 and 75, for a face value of US\$ 280,471 thousand, for "Discount Bonds in Pesos" and "GDP-Linked Negotiable Securities" issued under the conditions established by Decree No. 1,735/04.

As established in that Decree, the acceptance of this offer implied receiving new debt instruments for an original principal amount equal to 33.7% of the non-amortized principal as of December 31, 2001, plus past due and unpaid interest up to that date.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

As of March 31, 2007 and December 31, 2006, the securities received have been recorded at the lowest of the total future nominal cash payments up to maturity specified by the terms and conditions of the new securities, and the carrying value of the securities tendered as of March 17, 2005, which was equal to the present value of the Secured Bonds' cash flow at that date. This valuation is reduced in the amount of perceived payments, and accrued interest is not recognized. Had these securities been valued at market price, Banco de Galicia y Buenos Aires S.A. shareholders' equity would have been reduced as of March 31, 2007 and December 31, 2006, by approximately \$ 236,669 and \$ 239,262 respectively.

IV) Securities issued by the Argentine Central Bank:
These are recorded at the closing quoted price for each security at the end of each period/fiscal year.

Holdings without quotation were valued at their acquisition cost increased on an exponential basis according to their internal rate of return.

b.3.b. - INVESTMENTS IN QUOTED CORPORATE SECURITIES

These securities are valued at the period/ fiscal year-end closing price, less estimated selling costs, when applicable.

b.4. - SECURED LOANS

On November 6, 2001, within the framework of Decree No. 1387/01, Banco de Galicia y Buenos Aires S.A. participated in the exchange of Argentine government securities and loans, issued under the Promissory Note/Bond program, for new loans called "National Secured Loans," which are recorded under "Loans - Non-Financial Public Sector".

At the date of these financial statements, their estimated realizable value exceeds their book value by \$39,100 approximately.

Said value was obtained by calculating the present value of their future cash flow of amortization and interest, based on the market rate for instruments of the same issuer. The "present value" is defined as the "net present value" of a cash flow structure determined under contractual conditions and discounted at a rate set by the Argentine Central Bank which, as of March 31, 2007, was 4.84% per annum and, as of December 31, 2006, 5% per annum. The "technical value" is the adjusted amount of each instrument under contractual conditions.

Banco de Galicia y Buenos Aires S.A. had recognized in the income statement the effect resulting from the application of this criterion.

11

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 2: (Continued)

b.5. - ACCRUAL OF ADJUSTMENTS, INTEREST, EXCHANGE RATE

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

DIFFERENCES, PREMIUMS ON FUTURE TRANSACTIONS AND VARIABLE RETURNS
For foreign and local currency transactions with a principal adjustment clause as, well as for those in which rates have been prearranged for terms up to 92 days, accrual has been recognized on a linear basis. For local currency transactions at rates arranged for longer periods, interest has been accrued on an exponential basis.

As indicated in Note 16.1 of the consolidated financial statements for liabilities originally denominated in foreign currency and converted into pesos, the adjustment from the application of the Reference Stabilization Index (C.E.R.) was accrued in accordance with legal regulations or contractual conditions.

b.6. - FINANCIAL TRUST DEBT SECURITIES AND PARTICIPATION CERTIFICATES

The debt securities added at par have been recorded at their technical value; the remaining holdings were valued at their cost increased, according to their internal rate of return. Financial trusts participation certificates are valued taking into account the participation in the assets net of liabilities that stem from the financial statements of the respective trusts.

b.7. - NEGOTIABLE OBLIGATIONS WITHOUT QUOTATION

The holdings of these securities are valued at their acquisition cost increased on an exponential basis according to their internal rate of return.

b.8. - ASSETS UNDER FINANCIAL LEASES

Assets under financial leases are stated at cost less accumulated amortization, adjusted by the CER, where applicable.

b.9. - EQUITY INVESTMENTS

b.9.a. - IN FINANCIAL INSTITUTIONS, COMPLEMENTARY AND AUTHORIZED ACTIVITIES

- CONTROLLED

Argentine:

These investments have been valued according to the equity method.

Banco de Galicia y Buenos Aires S.A. equity investment in Banelco S.A. as of March 31, 2007, is valued under the equity method, based on this company's December 31, 2006 financial statements, because at the date of these financial statements, more recent audited financial statements were not available.

Foreign:

Galicia (Cayman) Limited and Banco Galicia Uruguay S.A. have been valued according to the equity method, on the basis of financial statements originally issued in foreign currency.

The conversion into pesos was made in accordance with the following:

- a. Assets and liabilities were converted into pesos according to item b.1.
- b. Allotted capital has been computed for the amounts actually disbursed restated.
- c. Accumulated earnings were determined as the difference

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

between assets, liabilities and the allotted capital.

- d. Earnings for the period/fiscal year were determined as the difference between the accumulated earnings at the beginning of the fiscal year, net of distributions of cash dividends, and the accumulated earnings at the end of the period.

12

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(figures stated in thousands of pesos)

NOTE 2: (Continued)

The balances of income statement accounts were converted into pesos applying the monthly average exchange rates recorded in each month of the fiscal year.

- e. The significant items arising from intercompany transactions, not involving third parties, have been eliminated from the Balance Sheet and the Income Statement.

- NON-CONTROLLED

Argentine:

These are stated at their acquisition cost restated as mentioned in Note 1 above, plus stock dividends.

A valuation allowance has been established for the amount by which it is estimated that the value of the investment in Compensadora Electronica S.A. exceeds the equity method value.

Foreign:

Minority interests in foreign entities are reflected at cost, plus stock dividends recognized at their nominal value.

The procedure referred in item b.1. has been applied for conversion into local currency.

b.9.b. - IN OTHER COMPANIES

- NON-CONTROLLED

Argentine:

These are stated at their acquisition cost restated as mentioned in Note 1, plus stock dividends.

A valuation allowance has been established for the amount by which it is estimated that the value of the investments in Argencontrol S.A., Alfer S.A. (in liquidation), Galicia Inmobiliaria S.A., Electrigral S.A., and Aguas Cordobesas S.A. exceed their equity method value. The investments in Aguas Provinciales de Santa Fe S.A. (in liquidation) and Aguas Argentinas S.A. are fully provisioned.

Foreign:

These are stated at cost, plus stock dividends recognized at their face value.

The procedure referred in item b.1. has been applied for conversion into local currency.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

b.10. - BANK PREMISES AND EQUIPMENT AND MISCELLANEOUS ASSETS
Bank premises and equipment and miscellaneous assets have been valued at their restated cost (see Note 1 above), plus the increase in value of the real estate properties derived from a technical revaluation made in 1981, less accumulated depreciation.

The depreciation of these assets is determined based on their estimated useful lives, expressed in months. A full month's depreciation is recognized in the month in which an assets is acquired, while no depreciation is recognized in the month in which it is sold or retired, over a maximum of 600 months for real state property, 120 months for furniture and fittings and 60 months for the rest of assets.

The residual value of the assets, taken as a whole, does not exceed their combined market value.

13

GRUPO FINANCIERO GALICIA S.A.
"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(figures stated in thousands of pesos)

NOTE 2: (Continued)

b.11. - OTHER MISCELLANEOUS ASSETS
These assets are valued at their restated acquisition cost (see Note 1 above), less the corresponding accumulated depreciation.

For those miscellaneous assets earmarked for sale and acquired through foreclosures, the effects of the variation in the purchasing power of the currency as from January 1, 2002 have not been given accounting recognition.

The depreciation charge for these assets is calculated following the same criterion as that mentioned in item b.10. above.

b.12. - INTANGIBLE ASSETS
Intangible assets have been valued at their restated acquisition cost (see Note 1 above), less the corresponding accumulated amortization, calculated proportionally over the estimated number of months of useful life.

Amortization has been recognized on a straight-line basis over a maximum of 120 months for "Goodwill" and over a maximum of 60 months for "Organization and development expenses".

Effective March 2003, the Argentine Central Bank established that the difference resulting from compliance with court decisions made in lawsuits filed challenging the current regulations applicable to deposits with the financial system, within the framework of the provisions of Law No. 25,561, Decree No. 214/02 and supplementary regulations, must also be recorded under this caption, the amortization of which must take place in a maximum of 60 equal, monthly and consecutive installments as from April 2003. (See Note 16.1 to the consolidated financial statements)

Effective December 2005, through Communiqué "A" 4439 and complementary ones, the Argentine Central Bank authorized

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

financial institutions having granted, as from that date, new commercial loans with an average life of more than 2 years to defer the charge to income related to the abovementioned amortization. The maximum amount to be deferred cannot exceed 50% of the growth of the new commercial loans nor 10% of the financial institutions' computable regulatory capital ("RPC"). In addition, banks will not be able to reduce the rest of their commercial loan portfolio. This methodology will be applied until December 2008, when the balance recorded as of that date will begin to be amortized in up to 36 monthly, equal and consecutive installments.

As of March 31, 2007 and December 31, 2006, the accumulated amount of deferred amortizations is \$ 152,606 and \$ 148,673 respectively. The monthly amortization for the January - March 2007 period has been partially deferred.

b.13. - ALLOWANCE FOR LOAN LOSSES AND PROVISIONS FOR CONTINGENT COMMITMENTS

These have been established based upon the estimated uncollectibility risk of Banco de Galicia y Buenos Aires S.A. credit portfolio, which results from an evaluation of debtors' compliance with their payment obligations, their economic and financial condition, and the guarantees securing their related transactions, in line with Argentine Central Bank regulations.

b.14. - INCOME TAX

As of March 31, 2007, Banco de Galicia y Buenos Aires S.A. recorded no income tax charge because, as of that date, it estimated it had incurred in a tax loss. The income tax charge reported by Banco de Galicia y Buenos Aires S.A. has been determined in accordance with Argentine Central Bank regulations, which do not contemplate the application of the deferred tax method.

14

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 2: (Continued)

b.15. - TAX ON MINIMUM PRESUMED INCOME

Pursuant to Section 13 of Law No. 25,063, as amended by Law No. 25,360, payments on account of the Minimum Presumed Income Tax, not offset against the Income Tax for each fiscal year, can be computed as a payment on account of the Income Tax determined for any of the following 10 fiscal years.

The recognition of this deferred asset and its realizability stem from the ability to generate sufficient future taxable income for offsetting purposes, in accordance with projections prepared in conformity with Argentine Central Bank regulations.

Below are a detail of Banco de Galicia y Buenos Aires S.A.'s tax credits outstanding and their probable offsetting date:

Tax credit	Date of generation	Probable offsetting date
------------	--------------------	--------------------------

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

11,702	2001	2010
45,158	2002	2010
43,004	2003	2010
42,037	2004	2010
46,126	2005	2010
22,073	2006	2010
19,470	2006	2011

In addition to the statement made in preceding paragraphs, as of March 31, 2007, companies controlled by Banco de Galicia y Buenos Aires S.A. record an asset of \$ 2,128 for the Tax on Minimum Presumed Income, while as of December 31, 2006, this amount was \$ 2,067.

b.16. - SEVERANCE PAYMENTS

Banco de Galicia y Buenos Aires S.A. directly allocates severance payments to expenses.

The amounts that the Bank may possibly have to pay for labor lawsuits are covered by a provision, which is recorded under "Liabilities - Provisions for Severance Payments".

c. DIFFERENCES BETWEEN THE ARGENTINE CENTRAL BANK'S REGULATIONS AND ARGENTINE GAAP IN THE AUTONOMOUS CITY OF BUENOS AIRES

On August 10, 2005, the C.P.C.E.C.A.B.A. passed C.D. Resolution No. 93/2005, which adopts Technical Resolutions 6 to 22 issued by F.A.C.P.C.E. as the Argentine GAAP; said resolutions were amended with the purpose of unifying the Argentine GAAP and the interpretation of the accounting and auditing standards 1 to 4. The abovementioned resolution is effective for fiscal years commenced on and after January 1, 2006. On December 29, 2005, the C.N.V. adopted with certain amendments C.P.C.E.C.A.B.A.'s C.D. 93/2005.

Subsequently, on June 26, 2006 and through C.D. Resolution No. 42/2006, approved T.R. No. 23 of the F.A.C.P.C.E., effective mandatory for fiscal years beginning on and after July 1, 2006, authorizing its application in advance. Also, on December 14, 2006 the National Securities Commission approved said resolution effective April 1, 2007 allowing its application in advance.

At the date these financial statements were prepared, the Argentine Central Bank has not yet adopted these regulations. For this reason, Banco de Galicia y Buenos Aires S.A. has prepared its financial statements without considering the new valuation and disclosure criteria added to Argentine GAAP in force in the Autonomous City of Buenos Aires.

The main differences between Argentine Central Bank regulations and Argentine GAAP in the Autonomous City of Buenos Aires are detailed below:

15

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

NOTE 2: (Continued)

c. 1. - VALUATION CRITERIA

c.1.a. - ACCOUNTING FOR INCOME TAX ACCORDING TO THE DEFERRED TAX METHOD

Banco de Galicia y Buenos Aires S.A. determines the Income Tax charge by applying the enacted tax rate to the estimated taxable income, without considering the effect of any temporary differences between accounting and tax results.

Under Argentine GAAP in force in the Autonomous City of Buenos Aires, the income tax must be recognized using the deferred tax method and, therefore, deferred tax assets or liabilities must be established based on the aforementioned temporary differences. In addition, unused tax loss carry-forwards or fiscal credits that may be offset against future taxable income should be recognized as deferred assets, provided that taxable income is likely to be generated.

The application of this criterion based on projections prepared by Banco de Galicia y Buenos Aires S.A., would determine deferred tax assets as of March 31, 2007, amounting to \$ 453,803.

c.1.b. - VALUATION OF ASSETS WITH THE NON-FINANCIAL PUBLIC AND PRIVATE SECTORS

c.1.b.1. - NATIONAL SECURED LOANS AND PROVINCIAL SECURED BONDS

On November 6, 2001, Banco de Galicia y Buenos Aires S.A. and the Companies controlled by Sudamericana Holding S.A. participated in the exchange offered by the National Government, swapping national government securities for National Secured Loans which, as of March 31, 2007 and December 31, 2006, are recorded under "Loans - Non-Financial Public Sector". Furthermore, Banco de Galicia y Buenos Aires S.A. and the "Fondo Fiduciario para el Desarrollo Provincial" (FFDP) exchanged loans to provincial governments for BOGAR which, as of December 31, 2006, are recorded under "Government Securities without Quotation". As of March 31, 2007 and December 31, 2006, Banco de Galicia y Buenos Aires S.A. valued its holdings in Secured Loans at the lower of present or technical value, as established by the Argentine Central Bank. The same criterion was applied as of December 31, 2006 to its Bogar holdings, except for those then allocated as collateral for the advance for the acquisition of the remaining Hedge Bond, which were valued at the estimated value admitted for those purposes.

Under the provisions of C.D. Resolution No. 290/01 of the C.P.C.E.C.A.B.A., the restructured assets should have been valued as follows:

a) Domestic Secured Loans: based upon the respective market quotations of the securities exchanged as of November 6, 2001, which as from that date are considered to be the acquisition cost, if corresponding, plus interest accrued at the internal rate of return until the end of each fiscal year.

Said assets are allocated as collateral for financial assistance received from the Argentine Central Bank at the date of these financial statements, their estimated realizable value exceeds their book value by \$39,100 approximately.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

b) Provincial secured bonds (Bogar): at market value. The difference between the market value and the book value as of December 31, 2006 is detailed in item b.3.a.III) a).

c.1.b.2. - FINANCIAL REPORTING OF EFFECTS GENERATED BY COURT DECISIONS ON DEPOSITS

As disclosed in Note 16.1 of the consolidated financial statements, as of March 31, 2007, Banco de Galicia y Buenos Aires S.A. records an asset for \$338,773 under "Intangible Assets - Organization and Development Expenses", for the residual value of the differences resulting from compliance with court decisions on reimbursement of deposits within the framework of Law No. 25,561, Decree No. 214/02 and complementary regulations. Argentine GAAP would admit the registration of such asset and of the corresponding allowance, based on the best estimate of the recoverable amounts.

16

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 2: (Continued)

c.1.b.3. - COMPENSATION, PER SECTIONS 28 AND 29 OF DECREE NO. 905/2002 OF THE NATIONAL EXECUTIVE BRANCH

As of March 31, 2007 and December 31, 2006, Banco de Galicia y Buenos Aires S.A. records the government securities received and to be received in connection with the compensation established by Sections 28 and 29 of National Executive Branch's Decree No. 905/02, under the captions "Government Securities - Holdings in Investment Accounts, Other Receivables Resulting from Financial Brokerage - Other Receivables not Included in the Debtor Classification Regulations" and "Forward Purchases of Government Securities under Agreements to Repurchase," and "Miscellaneous Receivables," respectively.

Under Argentine GAAP in force in the Autonomous City of Buenos Aires, the above-mentioned assets must be valued at their current value, as indicated in item b.3.a.I) above.

At the date of preparation of these financial statements, the market value of the "BODEN 2012" is approximately 95% of its technical value.

c.1.b.4. - ALLOWANCES FOR RECEIVABLES FROM THE NON-FINANCIAL PUBLIC SECTOR

Current Argentine Central Bank regulations on the establishment of allowances provide that credits against the public sector are not subject to allowances for uncollectibility risk. Under Argentine GAAP, those allowances must be estimated based on the recoverability risk of assets.

c.1.b.5. - DISCOUNT BONDS AND GDP-LINKED NEGOTIABLE SECURITIES

Pursuant to Argentine GAAP, these assets must be valued separately and at their closing price, less estimated selling costs. The above item b.3.a.III) b) states the effect resulting from the differences in the valuation criteria.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

c.1.c. - CONVERSION OF FINANCIAL STATEMENTS

The conversion into pesos of the financial statements of the foreign subsidiaries for the purpose of their consolidation with Banco de Galicia y Buenos Aires S.A.'s financial statements, made in accordance with Argentine Central Bank regulations, differs from Argentine GAAP (Technical Pronouncement No. 18). Argentine GAAP require that:

- a) the measurements in the financial statements to be converted into pesos that are stated in period-end foreign currency (current values, recoverable values) be converted at the balance sheet date exchange rate; and
- b) the measurements in the financial statements to be converted into pesos that are stated in foreign currency of periods predating the closing date (for example: those which represent historical costs, income, expenses) be converted at the pertinent historical exchange rates, restated at fiscal year-end currency, when corresponding, due to the application of Technical Pronouncement No. 17 Quotation differences arising from conversion of the financial statements will be treated as financial income or losses, as the case may be. Quotation differences arising from conversion of the financial statements will be treated as financial income or losses, as the case may be.

The application of this criterion does not have a significant impact on Banco de Galicia y Buenos Aires S.A. financial statements.

c.1.d. - RESTRUCTURED LOANS AND LIABILITIES

Banco de Galicia y Buenos Aires S.A. recorded restructured loans and financial obligations based on the actually restructured principal amounts plus accrued interest and capital adjustments, when applicable, minus collections or payments made.

17

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 2: (Continued)

Pursuant to Argentine GAAP, those restructured loans and liabilities for which the modification of original conditions imply a substitution of instruments, must be recorded on the basis of the best possible estimate of the amounts receivable or payable discounted at a market rate that reflects market evaluations of the time value of money and the specific risks of such assets and liabilities at the time of restructuring.

c.2. - STATEMENT OF CASH FLOWS

The statement of cash flows has been prepared following the criterion established by the Argentine Central, which differs from that of Technical Pronouncement No. 19 by F.A.C.P.C.E.

NOTE 3: BASIC INFORMATION ON CONSOLIDATED CONTROLLED COMPANIES

The basic information regarding the controlled companies is presented

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

in Note 9 and Schedule C to the financial statements of Grupo Financiero Galicia S.A.

Grupo Financiero Galicia S.A. directly holds 87.50% of the capital stock and voting rights of Net Investment S.A., Galicia Warrants S.A. and Sudamericana Holding S.A.; while its controlled company, Banco de Galicia y Buenos Aires S.A., the remaining 12.50% of the capital stock and voting rights of those companies.

In July 2006, the Board of Directors of Net Investment S.A. together with the Board of Directors of B2Agro S.A. and Tradecom Argentina S.A., decided to merge both companies retroactive to July 1, 2006. On August 14, 2006 the Extraordinary Shareholders' Meetings approved the pre merger commitment required by Section 83 of the Law on Corporations. Subsequently, they approved the merger of Net Investment S.A., B2Agro S.A. and Tradecom Argentina S.A., being Net Investment S.A. the merged company that purchased the whole of B2Agro S.A. and Tradecom Argentina S.A. equity and these two Companies were dissolved without liquidation.

On December 6, 2006, the paperwork related to the abovementioned fusion were submitted before the Corporation Control Authority (I.G.J.), for the liquidation of B2Agro S.A. and Tradecom Argentina S.A., as well as the paperwork necessary to change the corporate purpose of Net Investment S.A., which were recorded on February 1, 2007.

As of December 31, 2006 Net Investment S.A.'s financial statements have been consolidated on a line-by-line basis with the financial statements of B2Agro S.A. and Tradecom Argentina S.A. As of said date, Net Investment S.A. held the following percentages:

Issuing Company	Capital %	Votes %
B2Agro S.A.	100.00	100.00
Tradecom Argentina S.A.	100.00	100.00

Sudamericana Holding S.A.'s results have been adapted to cover a three-month period as of December 31, 2006, for consolidation purposes. This company's financial statements, in turn, have been consolidated on a line-by-line basis with the financial statements of Galicia Retiro Cia. de Seguros S.A., Galicia Seguros S.A. (formerly known as Galicia Vida Cia. de Seguros S.A.) and Sudamericana Asesores de Seguros S.A. On February 8, 2006 the representatives of Galicia Seguros S.A. (formerly known as Galicia Vida Cia. de Seguros S.A.) and Galicia Patrimoniales Compania de Seguros S.A., subscribed the pre merger commitment pursuant to which the former absorbs the assets, liabilities, and Shareholders' equity of Galicia Patrimoniales Compania de Seguros S.A., in force as from July 1, 2006. This merger was approved by the Regulatory Authority on July 7, 2006 and was recorded before the Inspection Corporation Control Authority (I.G.J) on September 25, 2006. As of December 31 and September 30, 2006, Sudamericana Holding S.A. held the following percentages:

18

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

NOTE 3: (Continued)

Issuing Company	Capital %	Votes %
Galicia Retiro Cia. de Seguros S.A.	99.99	99.99
Galicia Seguros S.A. (formerly known as Galicia Vida Cia. de Seguros S.A.)	99.99	99.99
Sudamericana Asesores de Seguros S.A.	99.99	99.99

Banco de Galicia y Buenos Aires S.A.'s consolidated financial statements include the assets, liabilities, and results of the controlled companies detailed below:

As of March 31, 2007

Issuing company	Shares		Percentage held in	
	Class	Number	Total capital	Possible votes
Banco Galicia Uruguay S.A.	Ordinary	2,591,600 (*)	100.00	100.00
Tarjetas Regionales S.A.	Ord. book entry	207,586,358	100.00	100.00
Galicia Factoring y Leasing S.A.	Ord. book entry	1,889,700	99.98	99.99
Galicia Valores S.A. Sociedad de Bolsa	Ord. book entry	999,996	99.99	99.99

(*) Stated at face value of 1,000 Uruguayan pesos.

As of December 31, 2006

Issuing company	Shares		Percentage held in	
	Class	Number	Total capital	Possible votes
Banco Galicia Uruguay S.A.	Ordinary	2,591,600 (*)	100.00	100.00
Tarjetas Regionales S.A.	Ord. book entry	207,586,358	100.00	100.00
Galicia Factoring y Leasing S.A.	Ord. book entry	1,889,700	99.98	99.99
Galicia Valores S.A. Sociedad de Bolsa	Ord. book entry	999,996	99.99	99.99

(*) Stated at face value of 1,000 Uruguayan pesos.

As of March 31, 2007

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Issuing Company	Assets	Liabilities	Shareholders' equity	Ne
Banco Galicia Uruguay S.A.	658,535	529,173	129,362	
Tarjetas Regionales S.A.	1,819,874	1,496,265	323,609	
Galicia Factoring y Leasing S.A.	4,551	444	4,107	
Galicia Valores S.A. Sociedad de Bolsa	19,496	5,723	13,773	

As of December 31, 2006 and results as of March 31, 2006

Issuing Company	Assets	Liabilities	Shareholders' equity	Ne
Banco Galicia Uruguay S.A.	633,039	525,784	107,255	
Tarjetas Regionales S.A.	1,828,016	1,522,138	305,878	
Galicia Factoring y Leasing S.A.	4,648	707	3,941	
Galicia Valores S.A. Sociedad de Bolsa	42,277	28,668	13,609	

The financial statements of the controlled companies were adapted to the valuation and disclosure standards set by the Argentine Central Bank and cover the same period as that of the financial statements of Banco de Galicia y Buenos Aires S.A.

The financial statements of Banco Galicia Uruguay S.A. include the balances of Banco Galicia Uruguay S.A. consolidated on a line-by-line basis with those of Galicia (Cayman) Limited, in which Banco Galicia Uruguay S.A. holds 65.3405% of its capital stock and Banco Galicia y Buenos Aires S.A. holds the remaining 34.6595%.

19

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 3: (Continued)

The latest statements have been consolidated with those of Galicia Pension Fund Limited, in which Galicia (Cayman) Limited holds a 100% interest.

Galicia Pension Fund Limited consolidates its financial statements with those of Galicia Administradora de Fondos S.A. Sociedad Gerente de Fondos Comunes de Inversion, in which it holds a 99.985% interest.

Banco de Galicia y Buenos Aires S.A. holds 68.218548% of Tarjetas Regionales S.A.'s capital stock and votes, while Galicia (Cayman) Limited holds the remaining 31.781452%.

The financial statements of Tarjetas Regionales S.A. as of March 31, 2007, which were used for consolidation purposes, have in turn been consolidated on a line-by-line basis with the financial statements of Tarjeta Naranja S.A., Tarjetas Cuyanas S.A. and Tarjetas del Mar S.A.,

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

in which companies Tarjetas Regionales S.A. holds a controlling interest.

The percentages directly held in those companies' capital stock are as follows:

- Directly:

Company	03.31.07	12.31.06
Tarjetas Cuyanas S.A.	60.000%	60.000%
Tarjetas del Mar S.A.	99.995%	99.995%
Tarjeta Naranja S.A.	80.000%	80.000%

The financial statements of Tarjeta Naranja S.A. have been consolidated with the financial statements of Cobranzas Regionales S.A., in which the former company holds 87.7% of voting stock and with the financial statements of Ancud Comercial S.A. in which it holds 99.4% of voting stock.

Tarjeta Naranja S.A. is carrying out operations in order to close an investment project in the Dominican Republic for the development of a credit card business in said country, because of which the Company acquired on December 19, 2006, 99.4% of said company's capital stock. The total amount of the investment in said company at period end was \$12,230.

In addition, Tarjetas Cuyanas S.A. holds a 12.3% interest in Cobranzas Regionales S.A.'s capital stock and voting rights.

NOTE 4: MINORITY INTEREST IN CONSOLIDATED ENTITIES OR COMPANIES

The portion of the controlled companies' shareholders' equity owned by third parties has been disclosed in the Balance Sheet, under the "Minority Interests in consolidated entities or companies" caption. The result of minority interest is disclosed in the Income Statement under "Minority Interests Results".

The minority interest percentages as of March 31, 2007 and December 31, 2006 are the following:

Company	03.31.07	12.31.06
Banco de Galicia y Buenos Aires S.A.	6.39536%	6.39
Net Investment S.A.	0.79942%	0.79
Sudamericana Holding S.A.	0.79936%	0.79
Galicia Warrants S.A.	0.79942%	0.79
B2Agro S.A.	-	0.79
Tradecom Argentina S.A.	-	0.79
Galicia Retiro Cia. de Seguros S.A. (*)	0.79947%	0.79
Galicia Seguros S.A. (formerly known as Galicia Vida Cia. de Seguros S.A.) (*)	0.79958%	0.79
Sudamericana Asesores de Seguros S.A. (*)	0.80493%	0.80

(*) Minority interest determined based on the financial statements as of December 31 and September 30, 2006.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(figures stated in thousands of pesos)

NOTE 4: (Continued)

The minority interest percentages held by Banco de Galicia y Buenos Aires S.A. are listed below:

Company	03.31.07	12.31.06
Galicia Valores S.A. Sociedad de Bolsa	0.010%	0.010%
Galicia Factoring y Leasing S.A.	0.020%	0.020%
Galicia Administradora de Fondos S.A. Sociedad Gerente de Fondos Comunes de Inversion	0.015%	0.015%
Tarjetas Cuyanas S.A.	40.000%	40.000%
Tarjeta Naranja S.A.	20.000%	20.000%
Tarjetas del Mar S.A.	0.005%	0.005%
Cobranzas Regionales S.A.	22.460%	22.460%
Ancud Comercial S.A.	0.600%	0.600%

NOTE 5: RESTRICTED ASSETS AND OTHER CONTINGENT LIABILITIES

Pursuant to Argentine Central Bank regulations, Banco de Galicia y Buenos Aires S.A. must maintain a monthly average liquidity level. Computable assets for paying the minimum cash requirement are cash and the checking accounts opened at the Argentine Central Bank.

The minimum cash requirement at the end of the period was as follows (as measured in average daily balances):

	03.31.07	12.31.06
Minimum cash requirement in Pesos	1,286,054	1,217,511
Minimum cash requirement in foreign currency	512,550	658,751

As regards cash, based on September 2006 position, only 67% of the average cash may be computed.

I) As of March 31, 2007, the Bank's ability to dispose of the following assets corresponding to Banco de Galicia y Buenos Aires S.A. was restricted as mentioned below.

a. FUNDS, GOVERNMENT SECURITIES AND SECURED LOANS

Banco de Galicia y Buenos Aires S.A. has deposited \$ 53,035 as a guarantee to third parties, \$ 254,241 for margin requirements of repo transactions and \$ 64,617 to guarantee the transactions carried out in the Rosario Futures Exchange. Also, Secured Loans for \$410 are blocked as a result of a court order.

b. SPECIAL ESCROW ACCOUNTS

Special escrow accounts have been opened with the Argentine Central Bank as collateral for transactions involving electronic clearing houses, checks for settling debts and other similar transactions, which, as of March 31, 2007 amounted to \$ 151,064.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

- c. DEPOSITS IN FAVOR OF THE ARGENTINE CENTRAL BANK
- Unavailable deposits related to foreign exchange transactions \$ 533.
 - For securities held in custody to act as register agent and book-entry Mortgage securities held in custody, \$ 1,166.

d. EQUITY INVESTMENTS

The item "Equity Investments" includes shares the transfer of which is subject to the prior approval of the National or Provincial authorities, as applicable, under the terms of the concession contracts signed:

21

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(figures stated in thousands of pesos)

NOTE 5: (Continued)

- Electriganal S.A.: 1,222,406.50 ordinary registered non-endorsable non-transferable shares.
- Aguas Cordobesas S.A.: 900,000 ordinary class E shares.

As a shareholder of the concessionaires, Aguas Argentinas S.A., Aguas Provinciales de Santa Fe S.A (in liquidation). and Aguas Cordobesas S.A., Banco de Galicia y Buenos Aires S.A. had guaranteed their compliance with certain obligations arising from the concession contracts signed by these companies.

In addition, Banco de Galicia y Buenos Aires S.A. and the other shareholders had committed, in certain circumstances, to provide financial support to those companies if they were unable to honor the commitments they have undertaken with international financial institutions. It is worth mentioning that as of March 31, 2007; only the commitment related to Aguas Cordobesas S.A. is outstanding.

Aguas Cordobesas S.A.: Banco de Galicia y Buenos Aires S.A., as a shareholder and proportionally to its 10.833% interest, is jointly responsible, before the Provincial State, for contractual obligations deriving from the concession contract during the entire term thereof.

Should any of the other shareholders fail to comply with the commitments arising from their joint responsibility, Banco de Galicia y Buenos Aires S.A. may be forced by the grantor to assume the unfulfilled commitment, but only in the proportion and to the extent of the interest held by the said Bank.

Aguas Provinciales de Santa Fe S.A. (in liquidation): the meeting of the shareholders of Aguas Provinciales de Santa Fe S.A. (in liquidation), held on January 13, 2006, approved the early dissolution and liquidation of said company.

Banco de Galicia y Buenos Aires S.A. voted against this decision because it deemed it contrary to the corporate interests, and requested the calling of a new meeting to reactivate and capitalize the company thus allowing its continuity.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

On January 31, 2006, Decree No. 243 issued by the government of the Province of Santa Fe terminated the concession contract alleging the concessionaire's fault, derived from the dissolution of the company decided by the majority shareholders during the abovementioned shareholders' meeting.

Since March 2006, Banco de Galicia y Buenos Aires S.A. has fully provisioned its credits against this company.

Aguas Argentinas S.A.: after a long negotiation process, on March 21, 2006, the Executive Branch decided to rescind the concession contract with Aguas Argentinas S.A. alleging the concessionaire's fault.

As a result of this measure, Aguas Argentinas S.A. went into default and requested the opening of a reorganization process under the provisions of Section 5 and subsequent sections of Law No. 24,522.

On March 9, 2006 Banco de Galicia y Buenos Aires S.A. cancelled the commitments undertaken with international financial institutions by purchasing the credits these institutions held against Aguas Argentinas S.A., thus extinguishing the guarantees granted in connection with those loans. The acquisition price was approximately 25% lower than the guaranteed amount.

As from June 2006, a provision for the total interest in said company has been recognized. For the remaining credits, the provisions corresponding to the debtor's status in accordance with the applicable regulations have been established.

22

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 5: (Continued)

e. GUARANTEES GRANTED FOR DIRECT OBLIGATIONS

As of March 31, 2007, Banco de Galicia y Buenos Aires S.A. has recorded \$ 79,277 as collateral for credit lines granted by the IFC, and the related transactions have been allocated to the resources provided by IFC.

As of December 31, 2006, the total amount of restricted assets for the aforementioned items was \$ 3,226,783.

II) As of March 31, 2007, the ability of Banco de Galicia y Buenos Aires S.A. to dispose of the assets of its subsidiaries was restricted as follows:

a. GALICIA VALORES S.A. SOCIEDAD DE BOLSA:

As of March 31, 2007, this company holds three shares of Mercado de Valores de Buenos Aires S.A. which are allocated to securing an insurance covering its transactions for \$6,360. As of prior fiscal year's end, the total amount was \$6,360.

b. TARJETAS CUYANAS S.A.:

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

As of March 31, 2007 and December 31, 2006, the company's ability to dispose of time deposits for \$600 and \$80 was restricted because these amounts were earmarked as guarantee for two collection agreements signed with the Revenue Board of the Province of Mendoza and Telefonica de Argentina, respectively.

In addition, assets for \$40,000 were granted as collateral for loans from several financial institutions, which balance of principal plus accrued interest at period end amounts to \$30,425, while at fiscal year end it amounted to \$40,450.

c. TARJETA NARANJA S.A.

Attachments in connection with lawsuit have been levied on current account deposits for \$ 328.

Also, \$ 55,000 have been recorded under Memorandum Accounts, for collateral of credit lines to financial institutions.

d. BANCO GALICIA URUGUAY S.A.:

Under a fixed pledge agreement signed on July 24, 2003, and registered with the Registry of Property-Movable Property-Pledges Division of Montevideo-Uruguay, on August 5, 2003, Galicia Uruguay S.A.'s credit rights against all of its debtors have been pledged in favor of the holders of the transferable time-deposit certificates and/or negotiable obligations issued in compliance with the debt restructuring plan approved.

III) As of March 31, 2007, the Bank's ability to dispose of the following assets corresponding to Galval Agente de Valores S.A. was restricted as mentioned below.

On December 20, 2005, in compliance with the Regulations issued by the Securities and Exchange Commission of Uruguay, the abovementioned Company made a deposit of 2,000,000 indexed units with the Uruguayan Central Bank; said deposit has been pledged in favor of such Bank, as collateral for compliance with regulations governing the activities carried out by securities agents.

NOTE 6: GOVERNMENT AND CORPORATE SECURITIES

The government and corporate securities listed below have been classified pursuant to the Argentine Central Bank regulations.

As of March 31, 2007 and December 31, 2006, holdings of Government and corporate securities were as follows:

23

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 6: (Continued)

03.31.07

Government Securities With quotation Recorded at market value
For trading purposes:

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Government bonds	22,857
Other	364
Less: Valuation allowance	(361)

Total trading securities	22,860

Recorded at cost after amortization	
In investment accounts	
Government bonds (Boden 2012)	2,108,699

Total securities in investment accounts	2,108,699

Securities issued by the Argentine Central Bank	
Securities with quotation	133,879

Total securities issued by the Argentine Central Bank	133,879

Without quotation	
Government bonds	4,868

Total securities without quotation	4,868

Total government securities	2,270,306

Corporate Securities	
Negotiable obligations (with quotation)	2,079

Total corporate securities	2,079

Total government and corporate securities	2,272,385
	=====

NOTE 7: LOANS

The lending activities carried out by Banco de Galicia y Buenos Aires S.A. are as follows:

a. Loans to the non-financial public sector: they are primarily loans to the National Government and to provincial governments.

b. Loans to the financial sector: they represent loans to Banks and local financial institutions.

c. Loans to the non-financial private sector and residents abroad: they include the following types of loans:

- Overdrafts: short-term obligations issued in favor of customers.
- Promissory notes: endorsed promissory notes, factoring.
- Mortgage loans: loans for the purchase of real estate properties for housing purposes, secured by such purchased real estate property or commercial loans secured by real estate mortgages.
- Pledge loans: loans in which a pledge is granted as collateral, as an integral part of the loan instrument.
- Credit card loans: loans granted to credit card holders.
- Personal loans: loans to natural persons.
- Other: this item primarily involves short-term placements in banks abroad.

Pursuant to Argentine Central Bank regulations, Banco de Galicia

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

y Buenos Aires S.A. must disclose the breakdown of its loan portfolio to: the non-financial public sector, the financial sector and the non-financial private sector and residents abroad.

In addition, Banco de Galicia y Buenos Aires S.A. must disclose the type of collaterals established on the applicable loans to the non-financial private sector and the pledges granted on loans (preferred guarantees relative to a registered senior pledge).

24

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(figures stated in thousands of pesos)

NOTE 7: (Continued)

As of March 31, 2007 and December 31, 2006, the classification of the loan portfolio was as follows:

	03.31.07	12.31.06
	-----	-----
Non-financial public sector	2,831,666	2,739,282
Financial sector	114,301	311,623
Non-financial private sector and residents abroad	8,110,368	7,790,689
With preferred guarantees	1,130,153	1,076,170
With other collateral	1,353,526	1,307,511
Without collateral	5,626,689	5,407,008
	-----	-----
Subtotal	11,056,335	10,841,594
Allowance for loan losses	(354,528)	(327,042)
	-----	-----
Total	10,701,807	10,514,552
	=====	=====

Said loans were granted in the normal course of transactions with normal terms, interest rates, and collateral requirements.

NOTE 8: EQUITY INVESTMENTS

As of March 31, 2007 and December 31, 2006, the breakdown of "Equity Investments" was as follows:

	03.31.07	12.31.06
	-----	-----
In financial institutions, complementary and authorized activities		
Banco Latinoamericano de Exportaciones S.A.	1,538	
Banelco S.A.	8,926	
Mercado de Valores de Buenos Aires S.A.	8,050	
Visa Argentina S.A.	951	
Others	2,394	
	-----	-----

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Total equity investments in financial institutions, complementary and authorized activities	21,859	
In non-financial institutions		
AEC S.A.	10,656	
Aguas Argentinas S.A.	23,370	
Aguas Cordobesas S.A.	8,911	
Aguas Provinciales de Santa Fe S.A. (In liquidation)	10,771	
Electrigral S.A.	5,455	
Others	5,044	
Total equity investments in non-financial institutions	64,207	
Allowance for loan losses	(45,594)	
Total equity investments	40,472	

NOTE 9: INTANGIBLE ASSETS - GOODWILL

The following table shows the goodwill breakdown per activity as of March 31, 2007 and December 31, 2006, respectively:

	03.31.07	12.31.06
In banks	42,813	45,192
Companies issuing regional credit cards	17,565	19,973
Total	60,378	65,165

NOTE 10: TRUST ACTIVITIES

a) Trust contracts for purposes of guaranteeing compliance with obligations:
 Purpose: in order to guarantee compliance with contractual obligations, the parties to these agreements have agreed to deliver to Banco de Galicia y Buenos Aires S.A., as fiduciary property, amounts to be invested according to the following detail:

25

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the
 Mandatory Acquisition of Shares in a Public Offering"
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 (figures stated in thousands of pesos)

NOTE 10: (Continued)

		Trust fund balance		
Date of contract	Trustor	\$	In thousands of US\$	Due
01.06.98	Eduardo Sumic y Ercides Ciani	13	37	07.07.
02.15.05	Blaisten	76	-	02.15.
12.29.05	Tecsan - Benito Roggio	4	-	04.28.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

06.16.06	La Nacion	46	-	12.31.
11.01.06	Penaflores	1	-	11.01.
11.09.06	Benito Roggio e hijos	1	-	01.09.

- (1) This amount shall be released upon maturity or when the Bank receives such instruction in accordance with contract stipulations.
- (2) These amounts shall be released monthly until the earlier of the settlement date of trustor obligations or the due date, whichever occurs first.

b) Financial trust contract:

Purpose: to administer and exercise the fiduciary ownership of the trust assets until the redemption of the Debt Securities and the Participation Certificates:

Date of contract	Finacial	Trust fund balance		Due
		\$	In thousands of US\$	
03.10.05	Grobo I	808	-	12.31.
07.13.05	Rumbo Norte I	3,504	72	07.13.
10.12.05	Hydro I	25,392	-	09.05.
01.24.06	Saturno I	163	-	07.31.
05.02.06	Prosion I	2	905	06.15.
05.22.06	Radio Sapienza III	2,239	-	05.12.
06.26.06	Saturno II	6,062	-	09.30.
08.10.06	Faid 2006/07	8,926	172	11.30.
10.05.06	Saturno III	11,906	-	04.15.
10.17.06	Tarjetas del Mar II	6,238	-	01.10.
11.24.06	Radio Sapienza IV	7,305	-	11.12.
12.05.06	Faid 2011	34,721	-	02.28.
12.06.06	Gas I	637,325	17,239	10.28.
01.11.07	Saturno IV	5,361	6,977	07.15.
03.02.07	Agro Nitralco	757	2,776	08.29.

- (3) These amounts shall be released monthly until the redemption of the debt securities.
- (4) Estimated date, because the due date will occur at the time of the distribution of all of the trust assets.

NOTA 11: NEGOTIABLE OBLIGATIONS

a) AS OF MARCH 31, 2007, BANCO DE GALICIA Y BUENOS AIRES S.A., HAD THE FOLLOWING NEGOTIABLE OBLIGATIONS OUTSTANDING UNDER THIS PROGRAM:

a.1) Ordinary negotiable obligations:

Date of issue	Residual face value (in thousands of US\$)	Term	Rate	Issue au by the
---------------	---	------	------	--------------------

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

11.08.93 4,229(*) 10 years 9.00%

(*) This amount corresponds to past due negotiable obligations, not tendered to the restructuring offer.

26

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the
 Mandatory Acquisition of Shares in a Public Offering"
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 (figures stated in thousands of pesos)

NOTE 11: (Continued)

a.2) The Ordinary Shareholders' Meeting, held on September 30, 1997, authorized the creation of a global program for the issuance of negotiable obligations, not convertible into shares, which could be denominated in pesos, dollars or other currencies, for a maximum aggregate amount equivalent to US\$ 1,000,000 thousand. At the date of these financial statements, this program has expired. However, as of March 31, 2007, Banco de Galicia y Buenos Aires S.A. has outstanding the following short- and medium-term negotiable obligations issued under this program:

Date of issue	Residual face value (in thousands of US\$)	Term	Rate	Issue by t
07.19.02	24,212(*)	1,840 days	7.875%	04
07.19.02	14,387(*)	1,840 days	Libor 6 months plus 4%	04

(*) Negotiable obligations which are current, issued as a result of the restructuring of New York Branch's debt, and which were not included in Banco de Galicia y Buenos Aires S.A.'s debt restructuring.

In accordance with the provisions of the Negotiable Obligations Law and Argentine Central Bank regulations, the net proceeds of the negotiable obligations detailed in items a.1) and a.2) were applied to the extension of credit to domestic companies for them to finance investments in physical assets in Argentina, working capital or the restructuring of liabilities, the extension of consumer loans and mortgage loans to finance housing construction, or investments in the share capital of domestic companies and other uses envisaged by current regulations.

a.3) The Ordinary Shareholders' Meeting held on September 30, 2003, approved the creation of a Global Program for the issuance and re-issuance of ordinary negotiable obligations, not convertible into shares, subordinated or not, secured or unsecured, for a maximum face amount of US\$ 2,000,000 thousand or its equivalent in any other currency, outstanding at any time during the life of the Program, for a maximum term of five years counted as from the authorization of the Program by the C.N.V., which took place on December 29, 2003, pursuant to Resolution No. 14,708, or for any other longer term the C.N.V. may authorize pursuant to regulations.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

On April 23, 2004, through Resolution No. 14,773 the C.N.V. authorized the issuance of ordinary senior and subordinated negotiable obligations, not convertible into shares, for a total face value of up to US\$ 1,400,000 thousand or its equivalent in other currencies.

The net proceeds of the negotiable obligations issued under the Program were used to refinance foreign debt, in accordance with Section. 36 of the Negotiable Obligations Law, Argentine Central Bank regulations, and other applicable regulations.

The Ordinary and Extraordinary Shareholder's Meeting held on April 27, 2006 ratified and renewed the powers invested in the Board of Directors regarding this program.

As of March 31, 2007, Banco de Galicia y Buenos Aires S.A., had the following negotiable obligations outstanding under this Program:

Ordinary negotiable obligations:

Date of issue	Residual face value (in thousands of US\$)	Term	Rate	Issue by
05.18.04	464,802	(1)	(*)	12.29. 04.27.
05.18.04	264,629	(2)	(#)	12.29. 04.27.

(1) The principal of the Negotiable Obligations Due 2014 shall be amortized semi-annually, beginning January 1, 2010, in installments equal to 11.11% of the original principal amount, until their due date, January 1, 2014, when the remaining 11.12% of the original principal is due. As of March 31, 2007 and December 31, 2006, Grupo

27

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 11: (Continued)

Financiero Galicia S.A. had Negotiable Obligations for a face value of US\$ 102,200 and US\$ 107,000 thousand, respectively.

(2) The principal of the Negotiable Obligations Due 2010 shall be amortized semi-annually, beginning July 1, 2006, in installments equal to 12.5% of the original principal amount, until their due date, January 1, 2010, when the remaining 12.5% of the original principal is due.

(*) Interest shall accrue as from January 1, 2004, at a 3% annual fixed rate, which increases by 1% each year until an annual rate of 7% is reached, which shall apply from January 1, 2008 up to but not including January 1, 2014.

(#) The interest rate established for the period from January 1, 2007 to June 30, 2007 is of 8.86688% (6-month Libor: 5.36688% plus 3.5%).

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Subordinated negotiable obligations:

Date of issue	Residual face value (in thousands of US\$)	Term	Rate	Issue by
05.18.04	253,058(*)	(1)	(2)	12. 04.

(*) Includes US\$ 5,455 thousand, US\$ 5,592, thousand, US\$ 5,731 thousand, US\$ 5,875 thousand and US\$ 6,021 and US\$ 6,172 thousand, payment-in-kind (by means of Negotiable Obligations Due 2019) interest due on July 1, 2004, January 1, 2005, July 1, 2005, January 1, 2006, July 1, 2006, and January 1, 2007, respectively. As of March 31, 2007 Grupo Financiero Galicia S.A. holds no Subordinated Obligations 2019. As of December 31, 2006, the Company held Subordinated Negotiable Obligations for a face value of US\$ 4,281.93 thousand, which include capitalized interest on the new Subordinated Negotiable Obligations.

(1) These obligations will be fully amortized upon maturity, on January 1, 2019, unless their principal is previously redeemed at par, plus unpaid accrued interest and additional amounts, if any, fully or partially at the issuer's option at any time, after all the negotiable obligations due in 2014 and 2010 have been fully repaid.

(2) Interest on the Negotiable Obligations Due 2019 shall be payable in cash and in additional Negotiable Obligations Due 2019, semi-annually in arrears, on January 1 and July 1 of each year, commencing on July 1, 2004. The Negotiable Obligations Due 2019 shall accrue interest payable in cash at an annual fixed rate of 6%, from January 1, 2004 up to but not including January 1, 2014. Such interest rate increases to 11% per annum from 1 January 2014 up to but not including January 1, 2019, the maturity date of the Negotiable Obligations Due 2019, unless they are previously redeemed. Interest payable in kind will accrue at an annual fixed rate of 5%, beginning on January 1, 2004, and will be payable on January 1, 2014 and January 1, 2019.

a.4) The Ordinary Shareholders' Meeting, held on April 28, 2005, approved the creation of a Global Program for the issuance and re-issuance of ordinary negotiable obligations, not convertible into shares, subordinated or not, adjustable or not, secured or unsecured, for a maximum face amount of \$ 1,000,000, or its equivalent in any other currency, outstanding at any time during the life of the Program, for a maximum term of five years counted as from the authorization of the Program by the C.N.V., or for any other longer term the C.N.V. may authorize pursuant to regulations.

On September 15, 2005, the Board of Directors of Banco de Galicia y Buenos Aires S.A. resolved that the U.S. dollars was the currency to determine the amount of the Program, at Argentine Central Bank reference exchange rate as of September 14, 2005 (US\$ 1 = \$ 2.9193) which resulted in a rounded off total Program amount of US\$ 342,500 thousand. Likewise, the Board of Directors established the remaining terms and conditions for the issuance and re-issuance of ordinary negotiable obligations, under the Program, which was approved by the C.N.V. through Resolution No. 15,228 dated November 4, 2005.

The Ordinary Shareholder's Meeting held on April 26, 2007 ratified and

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

renewed the powers invested in the Board of Directors regarding this program.

As of March 31, 2007, the total balance of negotiable obligations, including principal and interest, amounts to \$3,222,204, net of expenses.

As of December 31, 2006, the total for the same caption amounted to \$ 3,368,044.

28

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(figures stated in thousands of pesos)

NOTE 11: (Continued)

b) COMPANIES CONTROLLED BY BANCO DE GALICIA Y BUENOS AIRES S.A. -
ISSUANCE OF NEGOTIABLE OBLIGATIONS

In addition to Banco de Galicia y Buenos Aires S.A., its consolidated entities have the following negotiable obligations outstanding:

a) Banco Galicia Uruguay S.A.

As of March 31, 2007 and December 31, 2006:

Date of issue	Residual face value (in thousands of US\$)	Term	Rate
08.31.03	8,924	9 years	7%
08.31.03	559	5 years	2%
10.17.06	44,799(*)	5 years	2%

(*) In addition, Grupo Financiero Galicia S.A. holds Negotiable Obligations issued on 10.17.06 for a FV of US\$ 1,042 thousand.

b) Tarjetas Regionales S.A.

The companies controlled by Tarjetas Regionales S.A. have the following series of negotiable obligations outstanding, issued in order to finance their operations:

Conditions	Tarjeta Naranja S.A.	Tarjeta Naranja S.A.
Series No.	Class I	Class II
Currency of issue	Pesos (\$)	U.S. dollars (US\$) which were converted into Pesos (\$) pursuant to issuance terms and conditions
Placement date	12.14.05	06.14.06
Maturity date	12.14.07	12.14.08

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Term	24 months	30 months
Rate	Maximum 20%	Fixed 17% nominal annual
	Minimum 8%	
Face value	40,781	80,150 (*)
Residual value as of 03.31.07	40,781	80,150
Residual value as of 12.31.06	40,781	80,150

(*) Tarjeta Naranja S.A. issued and placed its Class II Negotiable Obligations for a total amount of US\$ 26,000 thousand, which, as specified by the terms and conditions of the new securities, were converted into \$ 80,150. Investors assume the exchange-rate risk since amortization and interest services are calculated based on principal amounts in pesos converted into U.S. dollars-denominated payments on each payment date.

Conditions	Tarjeta Naranja S.A.	Tarjeta Naranja S.A.
Series No.	Class III	Class IV
Currency of issue	U.S. dollars (US\$)	U.S. dollars (US\$) which were converted into Pesos (\$) pursuant to issuance terms and conditions
Placement date	09.15.06	11.29.06
Maturity date	09.10.07	11.29.11
Term	360 days	60 months
Rate	Fixed 7% nominal annual	Fixed 15.5% nominal annual
Face value	30,519 (**)	307,900
Residual value as of 03.31.07	30,898	307,900
Residual value as of 12.31.06	30,519	307,900

29

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 (figures stated in thousands of pesos)

NOTE 11: (Continued)

(**) Tarjeta Naranja S.A. issued and placed its Class III Negotiable Obligations for a total amount of US\$ 9,967 thousand, which, as specified by the terms and conditions of the new securities, were converted into \$ 30,938 and shall be payable in U.S. dollars.

(***) Tarjeta Naranja S.A. issued and placed its Class IV Negotiable Obligations for a total amount of US\$ 100,000 thousand, which, as specified by the terms and conditions of the new securities, were converted into \$ 307,900. The risk associated to the exchange rate is borne by the investor since capital and interest services are calculated based on the capital amount in pesos converted to dollars on each payment date.

Conditions	Tarjetas Cuyanas S.A.
Series No.	XVII
Currency of issue	Pesos (\$)
Placement date	12.11.06

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Maturity date	07.10.07	
Term	210 days	
Rate	12.46% fixed during the whole period	
Face value		34,613
Residual value as of 03.31.07		34,613
Residual value as of 12.31.06		34,613

NOTE 12: MINIMUM CAPITALS

Grupo Financiero Galicia S.A. is not subject to the Minimum capital requirements established by the Argentine Central Bank.

In addition, Grupo Financiero Galicia S.A. meets the minimum capital requirement established by the Corporations Law, which amount to \$ 12.

Pursuant to Argentine Central Bank regulations, Banco de Galicia y Buenos Aires S.A. is required to maintain a minimum capital, which is calculated by weighting the risks related to assets and to the balances of bank premises and equipment and miscellaneous and intangible assets.

As called for by Argentine Central Bank regulations, as of March 31, 2007 and December 31, 2006, the Minimum capital requirements were as follows:

Maturity	Capital required	Computable capital	Payment of ca of the capital
-----	-----	-----	-----
03.31.07	1,249,713	1,740,370	
12.31.06	1,084,313	1,861,559	

Communique "A" 3911 and supplementary regulations established that, as from January 1, 2006, the total exposure of financial institutions to the non-financial public sector must not exceed 40% of their total assets and as from July 1, 2007, 35%.

According to said Communique, Banco de Galicia y Buenos Aires S.A. has presented the appropriate adjustment plan, which has been accepted by the Argentine Central Bank on February 28, 2006.

As of March 31, 2007, Banco de Galicia y Buenos Aires S.A. is in compliance with the guidelines committed to in said plan.

Also, immaterial non-compliance instances of the regulations on credit limits have been recorded which, in turn, generated an increase in the minimum capital required to cover credit risk.

30

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 13: CONTRIBUTION TO THE DEPOSIT INSURANCE SYSTEM

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Law No. 24485 and Decree No. 540/95 established the creation of the Deposit Insurance System to cover the risk attached to bank deposits, in addition to the system of privileges and safeguards envisaged in the Financial Institutions Law.

The National Executive Branch through Decree No. 1127/98 dated September 24, 1998 extended this insurance system to demand deposits and time deposits of up to \$ 30 denominated either in pesos and/or in foreign currency.

This system does not cover deposits made by other financial institutions (including time deposit certificates acquired through a secondary transaction), deposits made by parties related to Banco de Galicia y Buenos Aires S.A., either directly or indirectly, deposits of securities, acceptances or guarantees and those deposits set up after July 1, 1995 at an interest rate exceeding the one established regularly by the Argentine Central Bank based on a daily survey conducted by it.

Also excluded are those deposits whose ownership has been acquired through endorsement and those placements made as a result of incentives other than the interest rate. This system has been implemented through the creation of the Deposit Insurance Fund ("FGD"), which is managed by a company called Seguros de Depositos S.A. (SEDESA). The shareholders of SEDESA are the Argentine Central Bank and the financial institutions, in the proportion determined for each one by the Argentine Central Bank based on the contributions made to the fund.

As from January 1, 2005, the Argentine Central Bank set this contribution at 0.015% per month.

As of March 31, 2007, the standard contribution to the Deposits Insurance System amounted to \$ 323,213, \$ 4,672 of which corresponded to the period.

NOTE 14: RESTRICTIONS IMPOSED ON THE DISTRIBUTION OF PROFITS

In the case of Banco de Galicia y Buenos Aires S.A., Argentine Central Bank regulations require that 20% of the profits shown in the Income Statement at the fiscal year end, plus (less) prior fiscal year adjustments, be allocated to the legal reserve.

This proportion applies regardless of the ratio of legal reserve to capital stock. Should the legal reserve be used to absorb losses, earnings shall be distributed only if the value of the legal reserve exceeds 20% of the capital stock plus the capital adjustment.

Through communiques "A" 4589 and "A" 4591 the Argentine Central Bank modified the criteria for distribution of profits by financial entities. According to the new scheme, profits can be distributed as long as results are positive after deducting from retained earnings the reserves that may be legally and statutory required, as well as the following items: the difference between the book value and the market value of a financial institution's portfolio of public sector assets, the amount of the asset representing the losses from lawsuits related to deposits and any adjustments required by the external auditors or the Argentine Central Bank not having been recognized.

In addition, to be able to distribute profits, a financial institution must comply with the capital adequacy rule, with the minimum capital requirement and the regulatory capital calculated. Which the only

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

purpose of determining its ability to distribute profits, by deducting from its assets and retained earnings all the items mentioned in the paragraph above, as well as the asset recorded in connection with the minimum presumed income tax and the amounts allocated to the repayment of long-term debt instruments computable as core capital pursuant to Communiqué "A" 4576.

In addition, in such calculation, a financial institution will not be able to compute the temporary reductions in the capital required to cover the exposure to the public sector (alfa 1), as well as any other regulatory forbearance that the Argentine Central Bank may provide, affecting minimum capital requirements, computable regulatory capital or a financial institution's capital adequacy, and the amount of profits that it wishes to distribute.

31

GRUPO FINANCIERO GALICIA S.A.
"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(figures stated in thousands of pesos)

NOTE 14: (Continued)

Profit distribution will require the prior authorization of the Argentine Central Bank, which intervention will have the purpose of verifying that the aforementioned requirements have been fulfilled.

Loan agreements entered into by Banco de Galicia y Buenos Aires S.A. as part of its foreign debt restructuring limit the Bank's ability to directly or indirectly declare or pay dividends, or make distributions in relation to shares of common stock, except for stock dividends or distributions. It was also established that such restriction will not apply to dividends paid to said Entity by a consolidated subsidiary.

Notwithstanding this, those agreements contemplate that Banco de Galicia y Buenos Aires S.A. may directly or indirectly declare or pay dividends, and may permit its subsidiaries to do so, if: (i) no default or event of default has taken place and continues to take place immediately before and after such payment has been made; (ii) the total outstanding Senior Debt were to be equal to or less than fifty percent (50%) of the amount of originally issued total Senior Debt ; and (iii) the Bank were to repay two U.S. dollars (US\$ 2) of Long-Term Debt principal for each U.S. dollars (US\$ 1) paid as dividends."

The shareholders of Tarjeta Naranja S.A., ratifying the decision made by the Board of Directors set forth the following policy for the distribution of dividends: a) to keep accrued results corresponding to fiscal years prior to 2005 under retained earnings and, therefore, not to distribute them as dividends, and b) to set as maximum limit for the distribution of dividends 25% of realized and liquid profits for each fiscal year as from fiscal year 2005. These restrictions shall remain in force until the company's shareholder's equity is below \$ 300,000.

Also, the company agreed, pursuant to the terms and conditions of the Class II and IV Negotiable Obligations, not to distribute profits exceeding 50% of net income accrued during the fiscal year closest to the distribution date, for which financial statements are available.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

In addition, Tarjeta Naranja S.A. has entered into a credit agreement with certain financial institutions thereby committing not to distribute or pay dividends for an amount higher than 25% of retained earnings and not to make any distribution whatsoever if failing to comply with any of its obligations thereof.

NOTE 15: NATIONAL SECURITIES COMMISSION (C.N.V.)

RESOLUTION NO. 368/01

As of March 31, 2007, Banco de Galicia y Buenos Aires S.A.'s equity exceeds that required by Chapter XIX, items 4 and 5 of C.N.V. Resolution No. 368/01 to act as an over-the-counter broker. Furthermore, in compliance with Section 32 of Chapter XI of that resolution, in its capacity as depository of the mutual funds "FIMA ACCIONES", "FIMA P.B. ACCIONES", "FIMA RENTA EN PESOS", "FIMA RENTA EN DOLARES", "FIMA AHORRO PESOS", "FIMA MIX", "FIMA RENTA CORTO PLAZO", "FIMA MONEY MARKET EN PESOS LIQUIDADO", "FIMA NUEVO RENTA EN DOLARES", "FIMA GLOBAL ASSETS", "FIMA RENTA LATINOAMERICANA", "FIMA PREMIUM" and "FIMA OBLIGACIONES NEGOCIABLES", as of March 31, 2007, Banco de Galicia y Buenos Aires S.A. holds a total of 687,843,515 units under custody for a market value of \$ 545,856, which is included in the "Depositors of Securities held in Custody" account.

As of December 31, 2006, the securities held in custody by the Bank totaled 617,876,327 units and their market value amounted to \$ 480,033.

32

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(figures stated in thousands of pesos)

NOTE 16: ISSUES DERIVED FROM THE SYSTEMIC CRISIS OF LATE 2001

16.1 - DEPOSITS WITH THE FINANCIAL SYSTEM - LEGAL ACTIONS REQUESTING PROTECTION OF CONSTITUTIONAL GUARANTEES

As a result of the provisions of Decree No. 1570/01, Law No. 25561, Decree No. 214/02 and concurrent regulations, and as a result of the restrictions on cash withdrawals and of the measures that established the pesification and restructuring of foreign-currency deposits, since December 2001, a significant number of claims have been filed against the National State and/or financial institutions, formally challenging the emergency regulations and requesting prompt payment of deposits in their original currency. The emergency regulations have been declared unconstitutional by most lower and upper courts. As of March 31, 2007, the court orders received by Banco de Galicia y Buenos Aires S.A. requiring the reimbursement of deposits in foreign or Argentine currency, at the free-market exchange rate, amounted to \$ 11,993 and US\$ 646,486 thousand. In compliance with those court orders, as of the same date, the Bank has paid the amounts of \$ 1,170,796 and US\$ 111,224 thousand to reimburse deposits, in pesos and in foreign currency.

The difference between the amounts paid as a result of the abovementioned court orders and the amount resulting from converting deposits at the \$ 1.40 per U.S. dollars exchange rate, adjusted by the CER and interest accrued up to the payment date, which amounted to \$ 690,440 and \$ 688,390, as of March 31, 2007 and December 31, 2006, respectively, has been recorded under "Intangible Assets". Residual

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

values as of said dates total \$338,773 and \$367,221, respectively. Banco de Galicia y Buenos Aires S.A. has repeatedly reserved its right to make claims, at suitable time, in view of the negative effect caused on its financial condition by the reimbursement of deposits originally denominated in dollars, pursuant to orders issued by the Judicial Branch, either in U.S. dollars or in pesos for the equivalent amount at the market exchange rate, since compensation of this effect was not included by the National Government in the calculation of the compensation to financial institutions. The method of accounting for such right as a deferred loss, set forth by Argentine Central Bank regulations, does not affect its existence or legitimacy. To such effect, the Entity has reserved the corresponding rights.

On December 30, 2003, Banco de Galicia y Buenos Aires S.A. formally requested to the National Executive Branch, with a copy to the Ministry of Economy ("MECON") and to the Argentine Central Bank, the payment of the due compensation for the losses incurred that were generated by the "asymmetric pesification" and especially for the negative effect on its financial condition caused by court decisions. Banco de Galicia y Buenos Aires S.A. has reserved its right to further extend such request in order to encompass losses made definitive by new final judgments.

On December 27, 2006, the Argentine Supreme Court of Justice (the "Supreme Court") ruled on the case named "Massa c/ Estado Nacional y Bank Boston" and decided that the sued bank should fulfill its obligation to reinstate a deposit made in U.S. dollars subject to emergency regulations, paying the original amount converted into pesos at the exchange rate of \$ 1.40 per dollar, adjusted by CER until the payment day, with a 4% annual interest and calculating the amounts paid based on preliminary injunctions other reasons such as payments on account.

On March 20, 2007 Supreme Court ruled, in the case of "EMM S.R.L. c/ Tia S.A." that Decree No. 214/2002 does not apply to judicial deposits, and that such deposits must be reimbursed to the depositors in their original currency.

It is expected that said decisions by the Supreme Court of Justice will be strongly followed in similar cases to be heard by the lower courts.

Management continuously monitors and analyses the implications of such ruling to similarly situated cases.

It is worth mentioning that during, as well as in the current one, Banco de Galicia y Buenos Aires S.A. has noticed that the number of legal actions filed by customers requesting the reimbursement of deposits in their original currency has decreased significantly, which has reduced the risk of worsening this problem in the future.

33

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 16: (Continued)

16.2 - CLAIMS DUE TO FOREIGN EXCHANGE DIFFERENCES ARISING FROM THE

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

REPAYMENT OF FINANCIAL ASSISTANCE DURING FOREIGN-EXCHANGE MARKET HOLIDAYS IN JANUARY 2002.

During December 2001, Banco de Galicia y Buenos Aires S.A. received financial assistance in pesos from the Argentine Central Bank to face a temporary liquidity shortage. This financial assistance was repaid by using the funds, in U.S. dollars, provided by the Bank Liquidity Fund, on January 02 and 04, 2002.

On the day those funds were credited, the Argentine Central Bank had declared a foreign-exchange market holiday. On January 06, 2002, before the market was reopened, Law No. 25561 was enacted, which repealed the convertibility system and established a new exchange rate of \$ 1.40 per U.S. dollars.

As a result of the aforementioned regulations, during the foreign-exchange market holiday, no foreign currency could be traded.

As a result, the U.S. dollars funds credited by the Bank Liquidity Fund on January 02 and 04, 2002, remained in U.S. dollars until the reopening of the market.

On that date, and in accordance with the regulations in force, the U.S. dollars was sold at \$1.40.

For this reason, when the Argentine Central Bank applied US\$ 410,000 thousand to the settlement of the financial assistance granted to the Bank, it should have cancelled US\$ 410,000 thousand times 1.40, that is, the amount of \$ 574,000.

This has infringed the guarantee of inviolability of private property and equal treatment before the law.

Banco de Galicia y Buenos Aires S.A. considers that the \$ 164,000 difference will have to be reimbursed to the Bank, dated January 2002, or that an equivalent restoration of its equity should be considered.

The Bank has a claim outstanding before the Argentine Central Bank. to recover the above-mentioned amount. Such right has not been accounted for in these financial statements.

16.3 - COMPENSATION TO FINANCIAL INSTITUTIONS

Section 7 of Decree No. 214/02, the issuance of a bond payable by the National Treasury to compensate the imbalance created in the financial system by the devaluation of the peso and the asymmetric pesification of assets and liabilities.

In June, 2002, Decree No. 905/02, in its Sections 28 and 29, established the methodology for calculating the amount of compensation, granting a Compensatory Bond to compensate the losses that resulted from the asymmetric pesification of assets and liabilities, and a Hedge Bond to compensate for the currency gap that resulted from the mandatory pesification of part of the assets and liabilities.

After a thorough verification process performed by the Argentine Central Bank, it was established that the final compensation to be paid to Banco de Galicia y Buenos Aires S.A. amounts to US\$ 2,178,030 thousand of face value of BODEN 2012.

In December 2006, credited in favor of Banco de Galicia y Buenos Aires S.A. Boden 2012 for a FV of US\$ 1,154,955 thousand, at their residual value in force of 75% and US\$ 406,775 thousand for pass due

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

amortization and interest as a partial compensation for the negative net position in foreign currencies as of December 31, 2001, pursuant to the provisions of Decree No. 905/02 sections 28 and 29 (90.8% of the Hedge Bond).

34

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(figures stated in thousands of pesos)

NOTE 16: (Continued)

The execution of the advance was carried out under the conditions set forth in Resolution No. 237/06 of the Argentine Central Bank, i.e. excluding the settlement of pass due amortization and interest coupons through the application of assets granted as collateral. Therefore, the valuation of such assets and that of the securities mentioned in the following paragraph, pursuant to the "present value" criterion set forth by the Argentine Central Bank, generated a decrease in their book value of \$109,086 as of December 31, 2006.

On December 13, 2006, Banco de Galicia y Buenos Aires S.A. requested to the Argentine Central Bank the advance set forth in section 29 subsection g) of the abovementioned decree in order to fund the acquisition of the remainder of the Hedge Bond for US\$ 116,797 thousand of FV of Boden 2012 and the simultaneous settlement of such liability on the date of its execution by means of \$ 163,.516 of face value of Bogar granted as collateral.

In February 2007, since this request has not been granted, Banco de Galicia y Buenos Aires S.A. requested to the Argentine Central Bank the acquisitions of these securities in cash as well as the simultaneous release of the assets allocated as collateral. Based on said decision, the valuation of said assets pursuant to Communiqué "A" 3911 and supplementary regulations for assets not allocated as collateral, generated a \$ 31,960 reduction in the book value.

Through a note dated March 30, 2007, the Argentine Central Bank informed to Banco de Galicia y Buenos Aires S.A. that the Boden 2012 had to be acquired through a swap for Secured Loans, in accordance with the direct swap alternative set forth in the second to last paragraph of the abovementioned section of Decree No. 905/02. Thus, on April 9, 2007 Banco de Galicia y Buenos Aires S.A. requested the acquisition of such Boden through a swap of \$ 115,925 of face value of Secured Loans. The swap for public sector assets instead of the abovementioned advance, caused a \$32,794 increase in the acquisition cost of the remaining Hedge Bond, effect that has been recognized in these financial statements.

This transaction was completed on April 24, 2007.

The amount of the Hedge Bond pending receipt as of March 31, 2007, is recorded under "Other Receivables Resulting from Financial Brokerage - In Foreign Currency - Compensation to be Received from the National Government" for \$ 409,110.

16.4. - SITUATION OF BANCO GALICIA URUGUAY S.A.

Banco Galicia Uruguay S.A. after having been affected by the economic crisis of late 2001, in December 2002, restructured its deposits with a high degree of participation by its depositors. Subsequently, the

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

bank implemented various voluntary exchanges of restructured deposits, which allowed it to significantly reduce such liabilities.

The Uruguayan authorities resolved to maintain the authorization to operate granted to Banco Galicia Uruguay S.A. by the Executive Branch and withdraw the authorization to act as a commercial bank.

As of March 31, 2007 the principal amount of the restructured liabilities (time deposits and negotiable obligations) was \$ 352,630 and Galicia Uruguay had settled the installments corresponding to the payment schedule. As of such date, the shareholders' equity amounts to \$129,362 and it is estimated that the cash flows of this company's assets (mainly credits) shall exceed, in all of the payment periods of the restructuring agreement, the obligations resulting from such agreement.

On February 22, 2007, through Resolution D/74/2007, the Central Bank of Uruguay decided to lift the intervention of Banco Galicia Uruguay S.A., thus reinstating its authorities.

16.5 - REPURCHASE OF RESTRUCTURED FOREIGN DEBT

During February 2007, Banco de Galicia y Buenos Aires S.A. repurchased part of the debt originated in the debt restructuring completed in May 2004 that was instrumented as loans. Banco de Galicia Y Buenos Aires S.A. repurchased loans maturing in 2010 and in 2014 for an aggregate residual amount

35

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(figures stated in thousands of pesos)

NOTE 16: (Continued)

of US\$ 178,794. These transactions were carried at market value thus generating an US\$ 6,942 thousand profit with respect to the loans book value.

36

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(figures stated in thousands of pesos)

NOTE 16: (Continued)

The repurchase was funded through the sale of Boden 2012 bonds in the market, which generated a loss of approximately US\$8,860 thousand due to the difference between the market price and the book value of such bonds.

NOTE 17: CONTRIBUTIONS TO THE BANK EMPLOYEES' SOCIAL SERVICES INSTITUTE (the "ISSB")

The 2% contribution on interests and fees received by Banks established by Section 17, paragraph f), of Law No. 19,322, was reduced to 1% as from July 1, 1996, and finally eliminated by Decrees

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

No. 263/96 and 915/96 on July 1, 1997. In addition, Decree No. 336/98 dated March 26, 1998, of the National Executive Branch, confirmed the elimination of the Bank Employees' Social Services Institute (ISSB) and the creation of a new institution called Bank Employees' Health Care System (OSBA), which was not the successor of the ISSB.

In April 1998, OSBA filed a final claim against Banco de Galicia y Buenos Aires S.A. claiming to be the successor of the ISSB; in response to this, Banco de Galicia y Buenos Aires S.A. brought legal action calling for a stay before the Federal Court of First Instance on Social Security Matters No. 5, requesting that a resolution be issued stating that this contribution had been repealed, and that OSBA was not the successor of the ISSB. Also, it requested a preliminary injunction, which was granted, which prevents OSBA from bringing legal action or making verifications on the grounds of Section 17, clause f) of Law No. 19,322 until a final judgment is issued. The preliminary injunction was confirmed. The lower and upper courts rendered a judgment stating that OSBA was not the successor of ISSB and that, therefore, it was not entitled to claim or collect said contribution. This is a final judgment and has already been confirmed.

In addition, OSBA has brought a declaratory judgment action before the federal administrative litigation jurisdiction against all institutions in the financial system, claiming annulment of the decrees that eliminated the contribution to said institution. Considering that a risk exists as to the interpretations that courts may make of this dispute, Banco de Galicia y Buenos Aires S.A. has agreed to seek an agreement on those disputed or doubtful rights, without this involving any recognition of rights, against OSBA's abandonment of the abovementioned legal action and of any other judicial and/or administrative action, whether filed or that may be filed in the future, in connection with this issue. This agreement has been approved by the Federal Court of First Instance on Administrative Litigation No. 4 in the case identified above, which represents a limitation of the potential risk an unfavorable resolution would entail.

NOTE 18: SETTING UP OF FINANCIAL TRUSTS:

a) Financial trusts with Banco de Galicia y Buenos Aires S.A. acts as trustee in force at period end:

Conditions	Galtrust I	Galtrust II	Galtr
Constitution date	10.13.00	12.17.01	12.
Maturity date	10.10.15	12.10.10	01.
Trustee	First Trust of New York N.A.	First Trust of New York N.A.	First T New Yor
Rate (*)	C.E.R. + 10% T.N.A.	C.E.R. + 9.75% T.N.A.	C.E.R. + 9
Trust assets	Loans to provincial governments	Mortgage loans	Mortga
Total portfolio transferred	Thousands of US\$ 490,224 (***)	Thousands of US\$ 61,191	Thousa US\$ 5
"A" Debt securities	FV thousands of US\$ 100,000	FV thousands of US\$ 45,000	FV thou US\$ 4
"B" Debt securities	FV thousands of US\$ 200,000	-	
Participation Certificates	FV thousands of US\$ 200,000	FV thousands of US\$ 16,191	FV thou US\$

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Book value as of 03.31.07(**)	\$ 582,820	\$ 7,861
Book value as of 12.31.06(**)	\$ 571,582	\$ 7,683

(*) Only applicable to debt securities.

(**) Includes Participation certificates and/or "A" or "B" Debt Securities, as appropriate.

(***) The remaining US\$ 9,776 thousand was transferred in cash.

37

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 18: (Continued)

Conditions	Galicia	Galicia Hipotecas Comerciales	Creditos Inm Galici
Constitution date	04.16.02	02.22.05	08.17
Maturity date	05.06.32	07.12.13	03.15
Trustee	Bapro Mandatos y Negocios S.A.	Deutsche Bank S.A.	Deutsche B
Rate (*)	C.E.R. + 4%	C.E.R. + 0.05% T.N.A.	Minimum 8% T maximum 18
Trust assets	Secured loans	Commercial mortgage loans	Mortgage
Total portfolio transferred	\$ 108.000	\$ 29.059	
"A" Debt securities	-	FV \$ 24,119	F
"B" Debt securities	-	-	
Participation Certificates	FV \$ 108,000	FV \$ 4,940	F
Book value as of 03.31.07(**)	\$ 60,386	\$ 5,708	
Book value as of 12.31.06(**)	\$ 58,159	\$ 6,892	

(*) Only applicable to debt securities.

(**) Includes Participation certificates and/or "A" or "B" Debt Securities, as appropriate.

Conditions	Galicia Personales II	Galicia Personales III
Constitution date	01.25.06 09.15.07 (Estimated date of Class B Debt Securities)	05.16.06 09.15.07 (Estimated date of Class B Debt Securities)
Maturity date	11.15.09 (Estimated date of Participation Certificates)	03.15.11 (Estimated date of Participation Certificates)
Trustee	Deutsche Bank S.A. The highest rate between:	Deutsche Bank S.A. The highest rate between:

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Rate (*)	Badlar for time deposits of 30 to 35 days and of more than one million pesos variation percentage expressed as T.N.A up to maximum of 21%	Badlar for time deposits of 30 to 35 days and of more than one million pesos variation percentage expressed as T.N.A
Trust assets	Consumer loans	Consumer loans
Total portfolio transferred	\$ 97,367	\$ 100,000
"A" Debt securities	FV \$ 77,893	FV \$ 85,000
"B" Debt securities	FV \$ 9,737	FV \$ 7,500
Participation Certificates	FV \$ 9,737	FV \$ 7,500
Book value as of 03.31.07(**)	\$ 22,131	\$ 14,423
Book value as of 12.31.03(**)	\$ 21,155	\$ 13,355

(*) Only applicable to debt securities.

(**) Includes Participation certificates and/or "A" or "B" Debt Securities, as appropriate.

38

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 18: (Continued)

Conditions	Creditos Inmobiliarios Galicia II	Galicia Prendas Comerciales I	Galicia Prendas Comerciales II
Constitution date	10.12.05	07.03.06 05.15.09 (Estimated date of Class B Debt Securities)	11.15.09 (Estimated date of Class B Debt Securities)
Maturity date	12.15.25	02.15.11 (Estimated date of Participation Certificates)	07.15.11 (Estimated date of Participation Certificates)
Trustee	Deutsche Bank S.A.	Deutsche Bank S.A. Class "A" Debt Securities, Minimum 10.5% T.N.A	Deutsche Bank S.A. Class "A" Debt Securities, Minimum 10.5% T.N.A
Rate (*)	Minimum 8% T.N.A. and maximum 18% T.N.A.	Maximum 20% T.N.A Class "B" Debt Securities, Minimum 11.5% T.N.A Maximum 21% T.N.A	Maximum 20% T.N.A Class "B" Debt Securities, Minimum 11.5% T.N.A Maximum 21% T.N.A
Trust assets	Mortgage loans	Pledge loans	Assets
Total portfolio transferred	\$ 150,000	\$ 86,623	\$ 86,623
"A" Debt securities	FV \$ 109,000	FV \$ 73,629	FV \$ 73,629

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

"B" Debt securities	-	FV \$ 6,930
Participation Certificates	FV \$ 41,000	FV \$ 6,064
Book value as of 03.31.07	\$ 44,166	\$ 12,438
(**)		
Book value as of 12.31.06	\$ 43,347	\$ 12,409
(**)		

(*) Only applicable to debt securities.

(**) Includes Participation certificates and/or "A" or "B" Debt Securities, as appropriate.

b) Financial trusts received as loan repayment:

Conditions	Hydro I
Constitution date	10.12.05
Maturity date	09.05.17
Trustor	Consorcio de Empresas Mendocinas para Potrerillos S.A.
Trustee	Banco de Galicia y Buenos Aires S.A. Loans for power supply, loans for subsidies, royalties and interests
Trust assets	7% T.N.A. until 09.05.06 and
Rate (*)	thereafter, variable T.N.A. equal to T.E.C. + 5% (**) Class "B" debt
Securities received by	securities
B.G.B.A	FV \$ 25,523
Book Value as of 03.31.07	25,063
Book value as of 12.31.06	25,094

(*) Only applicable to debt securities.

(**) T.E.C. stands for adjusted survey rate.

39

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(figures stated in thousands of pesos)

NOTE 18: (Continued)

c) Banco de Galicia y Buenos Aires S.A. records as of March 31, 2007 acquired financial trusts

c1) As investments for \$ 815. As of the prior fiscal year's end, these amounted to \$1,322.

c2) in its capacity as underwriter for \$ 3,925.

d) A trust called "BG Financial Trust" was created in December 2005. Banco de Galicia y Buenos Aires S.A. transferred to the trustee ("Equity Trust Company (Argentina) S.A.") 264,426, of loans classified in category "3" or in a lower category, for an amount, net of

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

allowances, of \$ 91,290. Banco de Galicia y Buenos Aires S.A. received in exchange cash for an equal amount. The debt securities issued by the trust were fully subscribed by third parties.

Banco de Galicia y Buenos Aires S.A. has been appointed Trustee and Collection Manager of the trust, thus assuming the a special management commitment that will be enable Banco de Galicia y Buenos Aires S.A. to receive an compensation incentive upon the occurrence of the following: (i) no later than December 31, 2009, the net cash flow affectively collected equals or exceeds the price paid for the transferred portfolio; and (ii) no latter than December 31, 2012, an IRR equal or higher than 18% is reached. In the event the two objectives of the special management commitment fail to be meet, a penalty equal to the deference shall be paid to the trustee.

e) Tarjeta Naranja S.A.:

Financial trust	Tarjeta Naranja Trust I	Tarjeta Naranja Trust II (*)	Ta
-----	-----	-----	-----
Constitution date	11.07.05	02.16.06	
Maturity date	05.20.08	12.20.07	
	DS.: "A": Caps: Minimum: 9% nominal annual.		
	Maximum: 18% nominal annual	D.S.: "A": C.E.R. Caps: Minimum: 10.5% nominal annual.	
Interest rate		Maximum: 20% nominal annual	
	DS.: "B": Caps: Minimum: 11% nominal annual. Maximum 20% nominal annual	D.S.: "B": Maximum: 21% nominal annual	
Amount placed	94,500	80,000	
Type of fiduciary debt	Debt securities	Debt securities	
Trustee	Equity Trust Company (Argentina) S.A.	Equity Trust Company (Argentina) S.A.	
Class "A"	80,000	68,000	
Class "B"	7,000	6,000	
Participation Certificates	7,500	6,000	

(*) As regards Tarjeta Naranja Trust II Financial Trust, the company as beneficiary of the "C" Class participation certificates requested to Equity Trust Company (Argentine) S.A (Trustee) that the Trust be early and finally terminated on March 31, 2007.

As of March 31, 2007, Tarjeta Naranja S.A.'s holdings of Class "B" Debt Securities and Participation Certificates totaled \$ 15,641 and \$ 24,283, respectively; as of December 31, 2006 its holdings totaled \$ 14,711 and \$ 34,102, respectively.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Mandatory Acquisition of Shares in a Public Offering"
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 (figures stated in thousands of pesos)

NOTE 18: (Continued)

f) Tarjetas Cuyanas S.A.:

Financial trust -----	Tarjeta Nevada II -----	Tarjeta Nevada III -----	Tarjetas Cuy -----
Constitution date	12.01.04	05.24.05	11.23
Maturity date	07.22.07	02.25.08	11.15
Interest rate	D.S.: "A": CER + 3% Min. 8% Max. 15% T.N.A.	CER + Margin Min. 10% Max. 20%	D.S. "A"
Trustee	Banco Patagonia S.A.	Banco Patagonia S.A.	Equity Trust (Argentin
Amount placed	16,000	25,000	
"A" Debt Securities	12,000	19,000	
"B" Debt Securities	2,400(*)	-	
Participation Certificates	1,600	6,000	

(*) As of March 31, 2007, Class "B" Debt Securities have been fully settled.

(**) As of March 31, 2007 Securities corresponding to the Participation Certificate held by Tarjetas Cuyanas S.A. has been fully settled.

Financial trust -----	Tarjetas Cuyanas Trust II -----	Tarjetas Cuyanas Trust III -----	Tarjetas Trust -----
Constitution date	04.04.06	07.14.06	11.0
Maturity date	02.15.08	07.15.08	11.1
Interest rate	D.S. "A": 12% D.S. "B": 13%	D.S. "A": 10.87% D.S. "B": 12.75%	Badlar plus margin
Trustee	Equity Trust Company (Argentina) S.A.	Equity Trust Company (Argentina) S.A.	Equity Tru (Argenti
Amount placed	37,680	22,407	
"A" Debt Securities	30,144	17,925	
"B" Debt Securities	3,768	2,241	
Participation Certificates	3,769	2,241	

As of March 31, 2007 and December 31, 2006 Tarjetas del Cuyana's holdings of participation certificates totaled \$ 24,979 and \$ 28,570, respectively; no holdings of Class "B" Debt Securities were recorded.

g) Trusts with Tarjetas del Mar S.A. as trustor:

Financial trust -----	Tarjetas del Mar - Series II -----
--------------------------	--

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Constitution date 10.17.06

41

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the
 Mandatory Acquisition of Shares in a Public Offering"
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 (figures stated in thousands of pesos)

NOTE 18: (Continued)

Maturity date	01.10.15
	D.S. "A": 13.00%
	D.S. "B": 14.00%
Interest rate	
	D.S. "C" 14.50%
	D.S. "D" 15.00%
Trustee	Banco de Galicia y Buenos Aires S.A.
Amount placed	6,000
"A" Debt securities	1.200
"B" Debt securities	1.200
"C" Debt securities	1.200
"D" Debt securities	1.200
Participation Certificates	1.200

As of March 31, 2007 and December 31, 2006 Tarjetas del Mar S.A's holdings of participation certificates totaled \$ 1,158, no holdings of "B" debt securities were recorded.

42

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the
 Mandatory Acquisition of Shares in a Public Offering"
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 (figures stated in thousands of pesos)

NOTE 19: DERIVATIVE FINANCIAL INSTRUMENTS

PUT OPTIONS WRITTEN

As established by Section 4, subsection a, and Section 6 of Decree No 1,836/02 and regulations of the Argentine Central Bank, Banco de Galicia y Buenos Aires S.A. granted the holders of Rescheduled Deposit Certificates, who had opted to receive Boden 2013 and Boden 2012 in lieu of payment of those certificates, an option to sell coupons. Said options, as of March 31, 2007 and December 31, 2006, are valued at exercise price.

The exercise price will be equal to that resulting from converting the face value of each coupon in U.S. dollars into pesos at a rate of \$ 1.40 per U.S. dollars adjusted by applying the CER variation which arises from comparing the index as of February 3, 2002 to that corresponding to the due date of the coupon. That value shall in no case exceed the principal and interest amounts in pesos resulting from applying to the face value of the coupon in U.S. dollars the buying exchange rate quoted by Banco de la Nacion Argentina on the payment date of that coupon.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

These options have been recorded under "Memorandum Accounts - Credit-Derivatives - Notional Value of Put Options Written" in the amount of \$ 180,419 as of March 31, 2007 and \$175,923 as of December 31, 2006, respectively.

FORWARD SALE-PURCHASE WITHOUT DELIVERY OF THE UNDERLYING ASSET
The Mercado Abierto Electronico (MAE) and the Mercado a Termino de Rosario (ROFEX) have trading environments for the closing, recording, and settlement of financial forward transactions carried out among its agents, being the Banco de Galicia y Buenos Aires S.A. one of them.

The general settlement mode for these transactions is without delivery of the traded underlying asset. Settlement is carried on a daily basis for the difference, if any, between the closing price of the underlying asset and the closing price or value of the underlying asset corresponding to the previous day, the difference in price being charged to income.

As of March 31, 2007, forward purchase and sale transactions totaled \$ 861,203 and \$ 260,595, respectively, while as of December 31, 2006 they totaled \$ 475,338 and \$ 148,866. Said transactions are recorded under Memorandum Accounts for the notional value traded.

Balances pending settlement are recorded under "Other Receivables from Financial Brokerage" and/or "Other Liabilities Resulting from Financial Brokerage", as the case may be. As of March 31, 2007 said balances amounted to \$ 56,776 and to \$ 57,307, while as of December 31, 2006 they amounted to \$ 30,964 and to \$ 31,635, respectively.

Banco de Galicia y Buenos Aires S.A.'s financial risk management is in line with the policies approved by the Board of Directors. In that sense, "derivative financial instruments" allow, depending on market conditions, to adjust risk exposures to the established limits, thus contributing to keep such exposures within the parameters set forth by said policies. Banco de Galicia y Buenos Aires S.A. plans to continue the use thereof in the future, while the application thereof is favorably assessed, in order to limit a certain risk exposure.

NOTE 20: NET EXPOSURE TO THE PUBLIC SECTOR

As of March 31, 2007 and December 31, 2006 the net exposure to the public sector of Banco de Galicia y Buenos Aires S.A. including the Argentine Central Bank and excluding the deposits made at said Entity, in compliance with minimum cash requirements, is the following:

	03.31.07	12.31.06
Government Securities - Global position	3,927,383	4,830,723
Loans - Net	2,780,049	2,797,993
Other receivables resulting from financial brokerage	1,244,720	1,218,653
Total Assets	7,952,152	8,847,369
Liabilities with the Argentine Central Bank	380,528	3,025,977
Net exposure to the Public Sector (*)	7,571,624	5,821,392

(*) excludes the residual value of the amounts paid in compliance with court orders, as mentioned in Note 16.1.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(figures stated in thousands of pesos)

NOTE 20: (Continued)

It is worth mentioning that on March 2, 2007, and mainly through the realization of public sector assets, Banco de Galicia y Buenos Aires S.A. settled its debt with the Argentine Central Bank totally and in advance for the financial assistance received during the economic crisis of late 2001, early 2002 and which was originally due on October 2011.

As of December 31 and September 30, 2006 the consolidated financial statements of Sudamericana Holding S.A. include secured loans for \$ 50,226 and \$ 50,197, respectively.

NOTE 21: CHANGES IN SIGNIFICANT ASSETS AND LIABILITIES

The breakdown of the most significant assets and liabilities shown in these consolidated financial statements, presented in comparative format with the previous fiscal year, in order to disclose the changes in those assets and liabilities during the current period is shown below:

	03.31.07	12.31.06
ASSETS		
LOANS	10,701,807	10,514,55
-To the non-financial public sector	2,831,666	2,739,28
-To the financial sector	114,301	311,62
-To the Non-financial private sector and residents abroad	8,110,368	7,790,68
-Overdrafts	593,302	346,13
-Promissory notes	2,183,949	2,143,70
-Mortgage loans	727,793	687,95
-Pledge loans	77,809	67,14
-Consumer loans	633,198	563,23
-Credit card loans	2,675,810	2,458,57
-Others	1,097,813	1,403,20
-Accrued interest, adjustments and quotation differences receivable	157,183	154,96
- Documented interest	(36,105)	(33,65)
- Unallocated collections	(384)	(57)
- Allowances	(354,528)	(327,04)
OTHER RECEIVABLES RESULTING FROM FINANCIAL BROKERAGE	3,840,960	5,441,98
-Argentine Central Bank	156,697	1,878,28
-Amounts receivable for spot and forward sales to be settled	189,327	91,44
-Securities receivable under spot and forward purchases to be settled	1,438,176	1,464,91
-Others not included in the debtor classification regulations	1,787,720	1,761,38
-Negotiable obligations without quotation	25,841	26,72
-Balances from forward transactions without delivery of underlying asset to be settled	56,776	30,96

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

-Others included in the debtor classification regulations	205,556	207,93
-Accrued interest receivable not included in the debtor classification regulations	1,707	1,46
-Accrued interest receivable included in the debtor classification regulations	1,397	77
-Allowances	(22,237)	(21,89)
LIABILITIES		
DEPOSITS	11,858,053	10,779,36
-Non-financial public sector	79,743	63,92
-Financial sector	153,920	154,30
-Non-financial private sector and residents abroad	11,624,390	10,561,14
-Current Accounts	2,080,096	1,982,76
-Savings Accounts	2,647,455	2,442,94
-Time Deposits	6,536,018	5,789,29
-Investment accounts	5,600	4,03
-Others	209,718	211,17
-Accrued interest and quotation differences payable	145,503	130,92

44

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 (figures stated in thousands of pesos)

NOTE 21: (Continued)

	03.31.07	1
	-----	----
LIABILITIES		
OTHER LIABILITIES RESULTING FROM FINANCIAL BROKERAGE	6,293,925	9
	-----	----
-Argentine Central Bank	380,528	3
-Others	380,528	3
-Banks and international entities	244,649	
-Unsubordinated negotiable obligations	2,721,698	2
-Amounts payable for spot and forward purchases to be settled	1,037,942	1
-Securities to be delivered under spot and forward sales to be settled	189,440	
-Loans from domestic financial institutions	201,937	
-Balances from forward transactions without delivery of underlying asset to be settled	57,307	
-Others	1,378,532	1
-Accrued interest and quotation differences payable	90,892	
	-----	----
SUBORDINATED NEGOTIABLE OBLIGATIONS	798,479	=====
	=====	=====

NOTE 22: TAX ISSUES

At the date of these consolidated financial statements, the Argentine Revenue Service (AFIP) and the Revenue Board of the Province of Cordoba are in the process of conducting an audit. Said agencies have served notices and made claims regarding taxes applicable to Tarjetas Regionales S.A.'s subsidiaries. The amount claimed on a firm basis totals \$23,792 approximately.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Based on the opinions of their tax advisors, the companies believe that the abovementioned claims are both legally and technically groundless and that taxes related to the claims have been correctly calculated in accordance with tax regulations in force and existing case law.

Therefore, both companies are taking the corresponding administrative and legal measures in order to solve such issues. However, since the final results cannot be foreseen, provisions have been set up for such contingencies.

NOTE 23: CAPITAL STOCK INCREASE

- Banco de Galicia y Buenos Aires S.A.

The Ordinary and Extraordinary Shareholder's Meeting held on October 11, 2006, resolved to increase the capital stock in an amount of up to \$ 100,000 nominal value, in order to increase it to \$ 568,662, by the issuance of up to 100,000,000 ordinary book-entry Class "B" shares with one vote per share and a nominal value of \$ 1 each.

The new shares can be subscribed, at the option of the subscriber, in cash or in Negotiable Obligations due on 2010, 2014 and 2019.

The Shareholders' meeting approved the capital values at which negotiable obligations shall be received and granted the Board of Directors, among others, the power to update the above mentioned values the closest date to the beginning of the subscription period, given that these values must be approved by the C.N.V. and that may not exceed the values set forth Resolution No. 466 of said Entity. The aforementioned values updated as of November 10, 2006, expressed in U.S. dollars per 100 dollars of face value of principal at origin and taking into account the aforementioned limits, are the following:

Negotiable Obligations due on 2010 : US\$ 87.500
Negotiable Obligations due on 2014 : US\$ 92.603
Negotiable Obligations due on 2019 : US\$ 115.184

In the case of the Negotiable Obligations due on 2019, principal includes capitalized interest. In the case of Negotiable Obligations 2010, should there be any capital amortization, the corresponding amount should be subtracted from the value set for the capital.

45

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 23: (Continued)

Accrued interest payable in cash from the maturity date of the last coupon until the end of the preemptive rights subscription period, or any other period that may be determined by the regulators, will be added to the values resulting in each case.

For the conversion into pesos of the currency of denomination of the Negotiable Obligations, the Shareholders' Meeting set forth the exchange rate of \$3.0670 for each U.S. dollars to be applied, pursuant

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

to the provisions of Resolution No. 466 of the C.N.V.

The issuance premium was fixed by the Shareholders' Meeting in an amount that, added to the nominal value of the share, will represent a subscription price equal to the weighted average of the quotation value of the Banco de Galicia y Buenos Aires S.A.'s share on the Buenos Aires Stock Exchange for the 20 business days prior to the date of determination of the subscription price, in which there has been a quotation of the Bank's share. The subscription price will be informed on the business day preceding the commencement of the subscription period.

The Shareholders granted the Board of Directors of Banco de Galicia y Buenos Aires S.A. the power to determine a reference price and the exact subscription price.

Regarding the use of proceeds, it was established at the Shareholders' Meeting that the cash received will be used to increase working capital and that the Negotiable Obligations will be used for the partial reduction of the liabilities reflected by such instruments.

The final authorization from the pertinent agencies is in progress.

- Tarjetas del Mar S.A.

The Ordinary and Extraordinary Shareholder's Meeting of Tarjetas del Mar S.A. held on October 18, 2006 resolved to capitalize the irrevocable contributions made by its shareholders, in proportion to their respective holdings, thus increasing the company's capital stock by \$ 72,423.

It was also decided to absorb retained losses in the amount of \$61,046, against a reduction of the capital stock.

After the abovementioned changes, the capital stock totals \$ 11,577.

- Tarjetas Cuyanas S.A.

During the previous fiscal year, the shareholders of Tarjetas Cuyanas S.A. resolved to make a \$20,000 contribution, which was paid in on December 18, 2006, in proportion to their respective stockholdings.

NOTE 24: SEGMENT REPORTING

Below, a detail of the accounting information as of March 31, 2007 and 2006, by related business segment:

Primary segment: Business.

	Financial brokerage	Services	Total
	-----	-----	-----
Income	476,913	255,541	732,454
Expenses	354,462	55,540	410,002
	-----	-----	-----
Result as of 03.31.07	122,451	200,001	322,452
	-----	-----	-----
Result as of 03.31.06	107,347	146,979	254,326
	-----	-----	-----

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the
 Mandatory Acquisition of Shares in a Public Offering"
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 (figures stated in thousands of pesos)

NOTE 24: (Continued)

Secondary segment: Geographic.

	Autonomous City of Buenos Aires	Rest of country	Foreign	T
	-----	-----	-----	-----
Financial brokerage				
Income	326,316	134,974	15,623	
Expenses	242,532	100,319	11,611	
	-----	-----	-----	-----
Result as of 03.31.07	83,784	34,655	4,012	
	-----	-----	-----	-----
Result as of 03.31.06	79,217	23,155	4,975	
	-----	-----	-----	-----
Services				
Income	174,848	72,322	8,371	
Expenses	38,002	15,719	1,819	
	-----	-----	-----	-----
Result as of 03.31.07	136,846	56,603	6,552	
	-----	-----	-----	-----
Result as of 03.31.06	108,463	31,704	6,812	
	-----	-----	-----	-----

The accounting measurement of assets and liabilities allocated to the above-mentioned segments is the following:

	Result as of 03.31.07	Total
	-----	-----
Assets		
Government and corporate securities	2,272,385	
Loans	10,701,807	
Other receivables resulting from financial brokerage	3,840,960	
Assets under financial leases	237,980	
Liabilities		
Deposits	11,858,053	
Other liabilities resulting from financial brokerage	6,293,925	
Subordinated negotiable obligations	798,479	

NOTE 25: SUBSEQUENT EVENTS

- Banco de Galicia y Buenos Aires S.A.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

a) On April 13, 2007, an agreement for the creation of a trust called "Galicia Personales V Financial Trust" was entered into by the Bank acting as Trustor and Administrator and Deutsche Bank S.A. acting as Financial Trustee. The Bank transferred to the Trust a portfolio of personal loans for an amount of \$150,000.

On April 24, 2007 the Bank issued Class "A" debt securities for a face value of \$ 127,500, Class "B" Debt Securities for a face value of \$ 12,000 y and participation certificates for a face value of \$ 10,500.

b) On April 24, 2007 Banco de Galicia y Buenos Aires S.A. was credited Boden 2012 for a FV of US\$ 116,797 and US\$ 43,635 thousand in connection with past due interest corresponding to the final settlement of the Hedge Bond, as stated in Note 16.3.

c) The Shareholder's Meeting held on April 26, 2007 resolved the partial absorption of the negative balance of the "Retained Earnings" account for \$ 126,203 by the allocation of the Discretionary Reserve of \$ 100,457.

- Galicia Warrants S.A.

On April 25, 2007, Galicia Warrants S.A.'s Ordinary Shareholder's Meeting decided to allocate cash dividends using the total of retained earnings as of December 31, 2006 which amounted to \$ 676 and through the partial reversal of the discretionary reserve of \$ 124.

47

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(figures stated in thousands of pesos)

NOTE 25: (Continued)

- Galicia Factoring y Leasing S.A.

In their meeting held on April 25, 2007 the company's shareholder's decided to allocate the total retained earnings amount, of \$ 461 to the establishment of a legal reserve of \$ 100 and discretionary reserve of \$ 361.

- Tarjetas Cuyanas S.A.

On April 18, 2007 the company's Board of Directors approved the issuance of the Series 18th Negotiable Obligations for a face value of up to US\$ 65.000 thousand, maturing in up to 5 years after the issuance date. As of the date of these financial statements, the company has submitted said update before the National Securities Commission (C.N.V.).

48

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"
BALANCE SHEET AS OF MARCH 31, 2007 AND DECEMBER 31, 2006.
(figures stated in thousands of pesos)

(Note 1)

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

	03.31.07	12.31.06
	-----	-----
ASSETS		
CURRENT ASSETS		
Cash and due from banks (Notes 2 and 10 and Schedule G)	187	131
Investments (Notes 8 and 10 and Schedules C, D and G)	316,737	338,413
Other receivables (Notes 3, 8 and 10 and Schedule G)	476	14,558
	-----	-----
Total Current Assets	317,400	353,102
	-----	-----
NON-CURRENT ASSETS		
Other receivables (Notes 3, 8, 10 and 12 and Schedule G)	47,323	1,892
Investments (Notes 8, 9 and 10 and Schedules C, D and G)	1,234,666	1,261,295
Fixed assets (Schedule A)	3,004	3,028
	-----	-----
Total Non-Current Assets	1,284,993	1,266,215
	-----	-----
Total Assets	1,602,393	1,619,317
	=====	=====
LIABILITIES		
CURRENT LIABILITIES		
Salaries and social security liabilities (Notes 4 and 8)	401	657
Tax liabilities (Notes 5, 8 and 12)	4,228	8,680
Other liabilities (Notes 6, 8 and 10 and Schedule G)	1,660	1,506
	-----	-----
Total Current Liabilities	6,289	10,843
	-----	-----
NON-CURRENT LIABILITIES		
Tax liabilities (Notes 5, 8 and 12)	5,766	-
Other liabilities (Notes 6 and 8)	6	6
	-----	-----
Total Non-Current Liabilities	5,772	6
	-----	-----
Total Liabilities	12,061	10,849
	-----	-----
SHAREHOLDERS' EQUITY (Per related statement)	1,590,332	1,608,468
	-----	-----
Total liabilities and shareholders' equity	1,602,393	1,619,317
	=====	=====

The accompanying Notes 1 to 15 and Schedules A, C, D, G, and H are an integral part of these financial statements.

49

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"

INCOME STATEMENT

For the period of three months commenced January 1, 2007 and ended
March 31, 2007, presented in comparative format with
the same period of the previous fiscal year.

(figures stated in thousands of pesos)

(Note 1)

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

	03.31.07	03.31.06
	-----	-----
Administrative expenses (Note 10 and Schedule H)	(2,690)	(3,463)
Income on investments in related institutions - Loss	(24,473)	(17,413)
Financial income and by holding - Income (Note 10)	13,223	11,589
- Generated by assets	13,229	11,600
Interest		
On time deposits (*)	97	129
Mutual funds	122	25
On current account deposits	6	3
On negotiable obligations (*)	-	528
Promissory notes receivable	524	-
On loans (*)	40	-
Other	-	12
Result on negotiable obligations	11,681	6,787
Foreign exchange gain	759	4,116
- Generated by liabilities	(6)	(11)
Foreign exchange gain	(6)	(11)
Other income and expenses - Income	734	1,222
	-----	-----
Result before income tax - Loss	(13,206)	(8,065)
Income tax (Note 12)	(4,930)	(6,226)
	-----	-----
Loss for the period	(18,136)	(14,291)
	=====	=====

(*) Balances net of eliminations corresponding to intercompany transactions, pursuant to Section 33 of Law No. 19550. See Note 10

The accompanying Notes 1 to 15 and Schedules A, C, D, G, and H are an integral part of these financial statements.

50

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

STATEMENT OF SHAREHOLDERS' EQUITY

For the period of three months commenced January 1, 2007, and ended March 31, 2007, presented in comparative format with the same period of the previous fiscal year.

(figures stated in thousands of pesos)

(Note 1)

	Shareholders' contributions (Notes 7 and 14)			

Item	Capital Stock	Principal adjustment	Premium for trading of shares in own portfolio	Total
	-----	-----	-----	-----
Balances at beginning of fiscal year	1,241,407	278,131	606	1,520,144
(Loss) for the period	-	-	-	-
	-----	-----	-----	-----
Totals	1,241,407	278,131	606	1,520,144
	=====	=====	=====	=====

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Retained earnings (Notes 11 and 15)				
Item	Legal reserve	Discretionary reserve	Total	Retained earnings
Balances at beginning of fiscal year	34,855	72,383	107,238	(18,914)
(Loss) for the period	-	-	-	(18,136)
Totals	34,855	72,383	107,238	(37,050)

The accompanying Notes 1 to 15 and Schedules A, C, D, G, and H are an integral part of these financial statements.

51

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the
 Mandatory Acquisition of Shares in a Public Offering"
 STATEMENT OF CASH FLOWS
 For the period of three months commenced January 1, 2007 and ended
 on March 31, 2007, presented in comparative format with
 the same period of the previous fiscal year.
 (figures stated in thousands of pesos)
 (Note 1)

	03.31.07
CHANGES IN CASH	
Cash at beginning of fiscal year	131
Cash at period end	187
Increase /(Decrease) net cash for the period	56
REASONS FOR CHANGES IN CASH	
OPERATING ACTIVITIES	
Collections for sales of goods and services	590
Payments to suppliers of goods and services	(1,393)
Personnel salaries and social security contributions	(630)
Income tax payments and prepayments	(4,417)
Other taxes payments	(280)
Other operating payments	(4,302)
Net cash flow used in operating activities	(10,432)
INVESTMENT ACTIVITIES	
Payments for fixed assets purchases	(4)
Interest collections	123
Collection of interest on negotiable obligations	9,022
Collections for investments liquidation	1,347
Net cash flow generated by investment activities	10,488
Increase /(Decrease) net cash for the period	56

=====

The accompanying Notes 1 to 15 and Schedules A, C, D, G, and H are an integral part of these financial statements.

52

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO THE FINANCIAL STATEMENTS

For the period of three months commenced January 1, 2007 and ended March 31, 2007, presented in comparative format. (figures stated in thousands of pesos)

NOTE 1: FINANCIAL STATEMENTS PREPARATION BASIS

On August 10, 2005, the C.P.C.E.C.A.B.A. passed C.D. Resolution No. 93/2005, which adopts Technical Resolutions 6 to 22 issued by F.A.C.P.C.E. as the Argentine GAAP; said resolutions were amended with the purpose of unifying the Argentine GAAP and the interpretation of the accounting and auditing standards 1 to 4. The abovementioned resolution is effective for fiscal years commenced on and after January 1, 2006. On December 29, 2005, the C.N.V. adopted with certain amendments C.P.C.E.C.A.B.A.'s C.D. 93/2005.

Subsequently, on June 26, 2006 and through C.D. Resolution No. 42/2006, the CPCECABA approved Technical Resolution No. 23 of the FACPCE, in mandatory force and effect for fiscal years started as from July 1, 2006, its application in fiscal years commencing at an earlier date being admitted. On December 14, 2006 the National Securities Commission approved said resolution as from April 1, 2007. Its application in advance is admitted.

These financial statements have been stated in thousands of Argentine pesos and prepared in accordance with disclosure and valuation accounting standards contained in Technical Pronouncements issued by the Argentine Federation of Professional Councils in Economic Sciences (F.A.C.P.C.E.), approved by the C.P.C.E.C.A.B.A. and the C.N.V. with the considerations mentioned in Note 2 to the consolidated financial statements in relation to the criteria for valuing its subsidiaries Banco de Galicia y Buenos Aires S.A. and Sudamericana Holding S.A.

The preparation of financial statements at a given date requires management of the Company to make estimates and assessments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at that date, as well as the income and expenses recorded for the fiscal year. The Company's management makes estimates in order to calculate, at any given moment, for example, the depreciation charges, the recoverable value of assets, the income tax charge and provisions for contingencies. Future actual results may differ from estimates and assessments made at the date these financial statements were prepared.

On March 25, 2003, the National Executive Branch issued Decree No. 664 establishing that financial statements for fiscal years ending as from said date be stated in nominal currency. Consequently, in accordance with C.N.V. Resolution No. 441/03, the Company discontinued the restatement of its financial statements as from March 01, 2003. This criterion is not in line with Argentine GAAP, under which financial statements are to be restated until September 30, 2003. Nevertheless,

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

this departure has not produced a significant effect on the financial statements.

The index used in restating the items in these financial statements during the period mentioned in the previous paragraph was the domestic wholesale price index published by the National Statistics and Census Institute.

Certain financial statement figures for the year ended December 31, 2006, have been reclassified for purposes of their presentation in comparative format with those of this period.

The most relevant accounting standards used accounting policies used in preparing the Financial Statements are listed below:

a. LOCAL CURRENCY ASSETS AND LIABILITIES

Monetary assets and liabilities which include, where applicable, the interest accrued at fiscal year end are stated in fiscal year-end currency and therefore require no adjustment whatsoever.

53

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 1: (Continued)

b. FOREIGN CURRENCY ASSETS AND LIABILITIES (U.S. DOLLARS)

Foreign currency assets and liabilities (in U.S. dollars) have been stated at Banco de la Nacion Argentina buying and selling exchange rates, respectively, in force at the close of operations on the last working day of each period / year. Interests receivable or payable have been accrued, where applicable.

c. INVESTMENTS

c.1. Current

Time and special current account deposits, as well as mutual fund units have been valued at their nominal value plus accrued interest at each period/fiscal year's end.

Argentine mutual fund units have been valued at period/year-end closing price.

Negotiable obligations have been valued at period/year-end closing price, except for those negotiable obligations due in 2011 issued by Banco Galicia Uruguay S.A. which are valued at face value, plus interest accrued at period/fiscal year-end.

c.2. Non-Current

Negotiable obligations due in 2011 issued by Banco Galicia Uruguay S.A. are valued at face value r nominal, plus interest accrued at fiscal period/year-end.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

The equity investments in Banco de Galicia y Buenos Aires S.A., Net Investment S.A., Galicia Warrants S.A. and Galval Agente de Valores S.A. have been recognized at their equity value as of March 31, 2007 and December 31, 2006.

The financial statements of Banco de Galicia y Buenos Aires S.A. have been prepared in accordance with Argentine Banking GAAP, which differ in the aspects mentioned in Note 2.c. to consolidated financial statements from Argentine GAAP.

This investment has been stated at equity value arising from financial statements valued in accordance with the abovementioned standards.

The equity investment in Sudamericana Holding S.A. has been accounted for under the equity method, on the basis of December 31, and September 30, 2006 financial statement and considering the significant movements occurred from that date to the closing date of these financial statements, in accordance with Argentine GAAP.

The financial statements of Sudamericana Holding S.A. have been prepared as established by the National Insurance Superintendence (SSN), without recognizing the effect of inflation for January and February 2003. This criterion is not in accordance with Argentine GAAP. Nevertheless, this departure has not produced a significant effect on the financial statements of Grupo Financiero Galicia S.A.

Galval Agente de Valores S.A.'s financial statements were originally issued in foreign currency and later converted into pesos as detailed below:

- Assets and liabilities were converted at Banco de la Nacion Argentina buying exchange rate in force at the closing of operations on the last working day of the period/fiscal year.
- Capital and capital contributions have been computed for the amounts actually disbursed.

54

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 1: (Continued)

- Accumulated earnings were determined as the difference between assets, liabilities, capital and capital contributions.
- Results for the period were determined as the difference between the opening balance and closing balance of accumulated earnings. Items in the income statement were converted into pesos applying the monthly average exchange rates.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

d. FIXED ASSETS

Fixed assets have been valued at their acquisition cost, restated to constant currency, as mentioned in this Note, net of the corresponding accumulated depreciation.

Depreciation charges are calculated following the straight-line method, at rates determined based on the useful life assigned to the assets, which is 60 months for hardware and software, furniture and fixtures and vehicles and 600 months for real estate property.

The updated residual value of the assets, taken as a whole, does not exceed their combined market value at period/ year-end.

e. TAX ON MINIMUM PRESUMED INCOME

The Company has recognized the income tax charge according to the deferred tax method, thus recognizing the temporary differences between measurements of accounting and tax assets and liabilities, at the rate in force (See Note 12 financial statements).

The Company determines the Tax on minimum presumed income at the statutory rate of 1% of the computable assets at period/ year-end. This tax is supplementary to the income tax. The Company's tax liability for each fiscal year is to coincide with the higher of the two taxes.

However, if the Tax on minimum presumed income were to exceed Income tax in a given fiscal year, such excess may be computed as a payment on account of the income tax to be generated in any of the next 10 fiscal years.

The Company has no receivables stemming from Tax on minimum presumed income payments.

f. SHAREHOLDERS' EQUITY

f.1. Activity in the shareholders' equity accounts has been restated as mentioned in paragraphs 4 and 5 of this Note.

The "Subscribed and paid in capital" account has been stated at its face value and at the value of the contributions, in the currency value of the period in which those contributions were actually made.

The adjustment stemming from the restatement of that account in constant currency has been allocated to the "Principal Adjustment" account.

55

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

f.2. Income and expense accounts

The results for each period are presented in the period in

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

which they accrue.

56

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 1: (Continued)

g. STATEMENT OF CASH FLOWS

The "Cash and due from banks" caption is considered to be cash.

NOTE 2: CASH AND DUE FROM BANKS

The breakdown of this caption was the following:

	03.31.07	12.31.06
	-----	-----
Cash (Schedule G)	49	49
Due from banks - Current Accounts (Note 10)	138	82
	-----	-----
Total	187	131
	=====	=====

NOTE 3: OTHER RECEIVABLES

The breakdown of this caption was the following:

	03.31.07	12.31.06
	-----	-----
Current		
Tax credit	204	182
Promissory notes receivable (Note 10 and Schedule G)	-	14,365
Sundry debtors	26	-
Prepaid expenses	4	6
Other	242	5
	-----	-----
Total	476	14,558
	=====	=====
Non-Current	03.31.07	12.31.06
	-----	-----
Tax credit - Mandatory savings	5	5
Income tax (Note 12)	5	20
Promissory notes receivable (Note 10 and Schedule G)	41,083	-
Sundry debtors (Note 10 and Schedule G)	1,890	1,867
Documented loans	4,340	-
	-----	-----
Total	47,323	1,892
	=====	=====

NOTE 4: SALARIES AND SOCIAL SECURITY LIABILITIES

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

The breakdown of this caption was the following:

Current	03.31.07	12.31.06
	-----	-----
Integrated pension and survivors' benefit system	35	39
Health care payable	5	5
Provision for annual legal bonus (S.A.C) and social security contributions	28	-
Provision for bonuses	50	175
Provision for retirement insurance	52	325
Provision for Directors' and Syndics' fees	231	113
	-----	-----
Total	401	657
	=====	=====

NOTE 5: TAX LIABILITIES

The breakdown of this caption was the following:

Current	03.31.07	12.31.06
	-----	-----
Income tax - Withholdings payable	31	62
Provision for Income tax (net) (Note 12)	534	4,990
Provision for turnover tax (net)	40	5
Provision for tax on personal assets	3,623	3,623
	-----	-----
Total	4,228	8,680
	=====	=====

57

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 5: (Continued)

Non-Current	03.31.07	12.31.06
	-----	-----
Provision for Income tax (net) (Note 12)	4,915	-
Provision for tax on personal assets	851	-
	-----	-----
Total	5,766	-
	=====	=====

NOTE 6: OTHER LIABILITIES

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

The breakdown of this caption was the following:

Current	03.31.07	12.31.06
	-----	-----
Sundry creditors (Note 10 and Schedule G)	23	23
Provision for expenses (Note 10 and Schedule G)	1,634	1,480
Directors' escrow accounts	3	3
	-----	-----
Total	1,660	1,506
	=====	=====
Non-Current	03.31.07	12.31.06
	-----	-----
Directors' escrow accounts	6	6
	-----	-----
Total	6	6
	=====	=====

NOTE 7: CAPITAL STATUS

As of 31 March, 2007, capital status was the following:

Capital stock issued, subscribed, paid in, and recorded	Face value	Restated in constant currency	Approved by ----- Entity	Date	Date registra Public R Com
-----	-----	-----	-----	-----	-----
Balance as of 12.31.03	1,092,407	2,407,080	Shareholders Meeting and Board of Directors' Meeting	05.16.00 07.24.00 and 07.26.00	08.
Capital increase	149,000	149,000	Shareholders Meeting and Board of Directors' Meeting	01.02.04 04.23.04 and 05.13.04	06.
Balance as of 12.31.04	1,241,407	2,556,080	-	-	
Absorption of retained earnings	-	(1,036,542)	Shareholders Meeting	04.28.05	
Balance as of 12.31.05	1,241,407	1,519,538	-	-	
Shares in own portfolio (Note 14)	(1,614)	(1,976)	-	-	
Sale of shares in own portfolio (Note 14)	1,614	2,582	-	-	
Balance as of 12.31.06	1,241,407	1,520,144	-	-	
Balance as of 03.31.07	1,241,407	1,520,144	-	-	

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

NOTE 8: ESTIMATED COLLECTION OR PAYMENT TERMS OF RECEIVABLES, INVESTMENTS, AND DEBTS

As of March 31, 2007 the breakdown of receivables, investments, and debts according to their estimated collection or payment terms was the following:

	Investments	Other receivables	Salaries and social security liabilities	Tax 1
1st Quarter	316,063	207	295	
2nd Quarter	674	1	28	
3rd Quarter	-	268	-	
4th Quarter	-	-	78	
After one year	2,550	45,428	-	
Subtotal falling due	319,287	45,904	401	
No set due date	1,232,116	1,895	-	
Past due	-	-	-	
Total	1,551,403	47,799	401	
Non-interest bearing	1,232,116	2,376	401	
At fixed rate	319,287	45,423	-	
Total	1,551,403	47,799	401	

NOTE 9: EQUITY INVESTMENTS

The breakdown of long-term investments was the following:

As of 03.31.07				
Issuing company	Shares		Percentage held in	
	Class	Number	Total Capital	Possible Votes
Banco de Galicia y Buenos Aires S.A.	Ordinary Class "A"	101		
	Ordinary Class "B"	438,689,121		
	Total	438,689,222	93.604638%	93.604643%
Net Investment S.A.	Ordinary	10,500	87.500000%	87.500000%
Sudamericana Holding S.A.	Ordinary Class "A"	31,302		
	Ordinary Class "B"	41,735		

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

	Total	73,037	87.500899%	87.500899%
Galicia Warrants S.A.	Ordinary	175,000	87.500000%	87.500000%
Galval Agente de valores S.A.	Ordinary	16,874,250	100.000000%	100.000000%

59

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the
 Mandatory Acquisition of Shares in a Public Offering"
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 (figures stated in thousands of pesos)

NOTE 9: (Continued)

As of 12.31.06

Issuing company	Shares		Percentage held in	
	Class	Number	Total Capital	Possible Votes
Banco de Galicia y Buenos Aires S.A.	Ordinary Class "A"	101		
	Ordinary Class "B"	438,689,121		
	Total	438,689,222	93.604638%	93.604643%
Net Investment S.A.	Ordinary	10,500	87.500000%	87.500000%
Sudamericana Holding S.A.	Ordinary Class "A"	31,302		
	Ordinary Class "B"	41,735		
	Total	73,037	87.500899%	87.500899%
Galicia Warrants S.A.	Ordinary	175,000	87.500000%	87.500000%
Galval Agente de valores S.A.	Ordinary	16,874,250	100.000000%	100.000000%

The financial condition and results of controlled companies were the following:

Issuing Compa

 Banco de Galicia y

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Financial condition as of 03.31.07 (*)	Buenos Aires S.A.

Assets	21,005,620
Liabilities	19,778,807
Shareholders' equity	1,226,813
Result for the three-month period ended 03.31.07	(36,203)

(*) See Note 1.c.2.

	Issuing Compa

Financial condition as of 03.31.07 (*)	Galicia Warrants

Assets	7,387
Liabilities	2,323
Shareholders' equity	5,064
Result for the three-month period ended 03.31.07	57

(*) See Note 1.c.2.

	Issuing Company

Balance sheet as of 12.31.06 (*)	Sudamericana Holding S.A.

Assets	130,601
Liabilities	78,292
Shareholders' equity	52,309
Result for the three-month period	4,263

(*) See Note 1.c.2.

	Issuing Compa

Financial condition as of 12.31.06 and results as of 03.31.06 (*)	Banco de Galicia y Buenos Aires S.A.

Assets	23,464,877
Liabilities	22,201,869
Shareholders' equity	1,263,008
Result for the three-month period ended 03.31.06	(29,174)

(*) See Note 1.c.2.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Mandatory Acquisition of Shares in a Public Offering" NOTES TO THE FINANCIAL STATEMENTS (Continued) (figures stated in thousands of pesos)

NOTE 9: (Continued)

	Issuing Compa
Financial condition as of 12.31.06 and results as of 03.31.06(*)	Galicia Warrants S.A
Assets	7,600
Liabilities	2,591
Shareholders' equity	5,009
Result for the three-month period ended 03.31.06	181

(*) See Note 1.c.2.

	Issuing Company
	Sudamericana Holding S.A.
Assets	121,908
Liabilities	73,847
Shareholders' equity	48,061
Result for the three-month period ended 12.31.05	1,100

(*) See Note 1.c.2.

NOTE 10: CORPORATIONS SECTION 19550

The financial statements include the following significant balances of transactions with Banco de Galicia y Buenos Aires S.A. and its subsidiaries:

	03.31.07	12.31.0
BANCO DE GALICIA Y BUENOS AIRES S.A.		
ASSETS		
Cash and due from banks - Current Accounts (Note 2)	118	
Investments - Special current accounts (Schedule D)	3	
Investments - Negotiable obligations (Schedules C and G)	298,034	322,
Other receivables - Promissory notes receivable (Note 3 and Schedule G)	41,083	14,
Total	339,238	336,
LIABILITIES		
Other liabilities - Provision for expenses (Note 6)	267	
Other liabilities - Sundry creditors (Note 6)	-	

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Total	267	
	=====	=====
	03.31.07	03.31.07
	-----	-----
INCOME		
Financial income - Interests on negotiable obligations	1,641	8,
Financial income - documented interest receivable	1,402	
Other income and expenses - Fixed assets under lease	44	
	-----	-----
Total	3,087	8,
	=====	=====
BANCO DE GALICIA Y BUENOS AIRES S.A.	03.31.07	03.31.07
	-----	-----
EXPENSES		
Administrative expenses (Schedule H)		
- Trademark leasing	242	
- Bank expenses	3	
- General expenses	52	
	-----	-----
Total	297	
	=====	=====

61

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the
 Mandatory Acquisition of Shares in a Public Offering"
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 (figures stated in thousands of pesos)

NOTE 10: (Continued)

BANCO GALICIA URUGUAY S.A.	03.31.07	12.31.07
	-----	-----
ASSETS		
Investments - Negotiable obligations (Schedules C and G)	3,224	3,
Other Receivables - Sundry debtors (Note 3 and Schedule G)	1,889	1,
	-----	-----
Total	5,113	5,
	=====	=====
	03.31.07	03.31.07
	-----	-----
INCOME		
Financial income - Interest on time deposits	-	
Financial income - Interests on negotiable obligations	16	
	-----	-----
Total	16	
	=====	=====
GALVAL AGENTE DE VALORES S.A.	03.31.07	12.31.07
	-----	-----
LIABILITIES		
Other liabilities - Provision for expenses (Note 6 and Schedule G)	33	
	-----	-----
Total	33	
	=====	=====

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

	03.31.07	03.31.
	-----	-----
EXPENSES		
Administrative expenses (Schedule H)		
- General expenses	33	
	-----	-----
Total	33	
	=====	=====

NOTE 11: RESTRICTIONS IMPOSED ON THE DISTRIBUTION OF PROFITS

Pursuant to section 70 of the Argentine Corporations Law, the Corporate Bylaws, and C.N.V. Resolution No. 368/2001, 5% of the net income for the year should be transferred to the Legal Reserve until 20% of the capital stock is reached.

On April 27, 2006, the Ordinary and Extraordinary Shareholder's Meeting of Grupo Financiero Galicia S.A. resolved to restore the amount of \$ 29,493 to the Legal Reserve, used to absorb the negative retained earnings of the fiscal year ended December 31, 2004. Also, said Meeting resolved to allocate the amount of \$ 5,362 to the Legal Reserve to comply with applicable regulations as set forth in the previous paragraph.

On April 26, 2007, the Ordinary Shareholder's Meeting of Grupo Financiero Galicia resolved to absorb the negative retained earnings of the fiscal year ended on December 31, 2006 through the partial allocation of the Discretionary reserve (See Note 15 to the financial statements).

NOTE 12: INCOME TAX

The following tables show the changes and breakdown of deferred tax assets and liabilities:

Deferred tax assets

	Investments	Other	Total
	-----	-----	-----
Balance as of 12.31.05	27,166	149	27,315
Charge to income	(27,166)	(124)	(27,290)
	-----	-----	-----
Balance as of 12.31.06	-	25	25
Charge to income	-	(15)	(15)
	-----	-----	-----
Balances as of 03.31.07	-	10	10
	=====	=====	=====

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the
 Mandatory Acquisition of Shares in a Public Offering"

NOTES TO THE FINANCIAL STATEMENTS (Continued)
 (figures stated in thousands of pesos)

NOTE 12: (Continued)

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Deferred tax liabilities:

	Fixed assets	Total
Balance as of 12.31.05	5	5
Charge to income	-	-
<hr style="border-top: 1px dashed black;"/>		
Balance as of 12.31.06	5	5
Charge to income	-	-
<hr style="border-top: 1px dashed black;"/>		
Balances as of 03.31.07	5	5
<hr style="border-top: 1px dashed black;"/>		

As the abovementioned information shows, as of March 31, 2007 the Company's deferred tax assets amounts to \$ 5. As of December 31, 2006 it amounted to \$ 20.

Accumulated tax losses pending of use at the period end, amount approximately to \$ 38,100 and can be compensated with future fiscal-year taxable income, as follows:

	Issuance year	Amount
Argentine source tax loss		
Derived financial instruments specific	2003	43
<hr style="border-top: 1px dashed black;"/>		
Foreign source tax loss		
Rest	2002	38,057

The Company has not recorded said losses in calculating the deferred tax, for its recovery is not likely at the issuance date of these financial statements.

As regards the deferred tax liabilities stemming from the difference between the carrying value adjusted for inflation of the Fixed assets and the taxable value (or income tax base), Grupo Financiero Galicia S.A. decided not to record said liabilities but to present a note to the financial statements presenting the supplementary information required to be included in the Response (identified as 7) to Question 3 of Interpretation No. 3 of F.A.C.P.C.E.

The deferred tax liabilities created due to the effect of the adjustment for inflation of the non-monetary assets amounts to \$ 334 and \$ 338, as of March 31, 2007 and December 31, 2006, respectively. It fundamentally stems from real estate valuation. Said liability is expected to revert in approximately 45 years, the remaining useful life of real state, being the pertaining amount for each fiscal year of \$ 8.

The assets and liabilities classification by net deferred tax recorded in accordance with its expected reversion term is exposed in Note 8.

The following table shows the reconciliation of income tax charged to results to that which would result from applying the tax rate in force to the accounting loss before tax:

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

	03.31.07	03.31.06
	-----	-----
Financial statement before tax	(13,206)	(8,065)
Income tax rate in force	35%	35%
	-----	-----
Result for the period at the tax rate	(4,622)	(2,823)
Permanent differences at the tax rate:		
Increase in income tax		
Expenses not included in affidavit	323	570
Results of long-term investments	9,330	6,095
Other causes	39	2,851
Decrease in income tax		
Expenses included in affidavit	(10)	(10)
Results of long-term investments	-	-
Other causes	(130)	(457)
	-----	-----
Total recorded income tax charge		
Profit	4,930	6,226
	=====	=====

63

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the
 Mandatory Acquisition of Shares in a Public Offering"
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 (figures stated in thousands of pesos)

NOTE 12: (Continued)

The following table shows the reconciliation of tax charged to results to tax determined of the period for tax purposes:

	03.31.07	03.31.06
	-----	-----
Total recorded income tax charge	4,930	6,226
Temporary differences		
Assets increase due to deferred tax		
- Investments	-	5,038
Assets decrease due to deferred tax		
- Others	(15)	-
	-----	-----
Tax total for tax purposes	4,915	11,264
	=====	=====

Breakdown of net income tax provision:

	03.31.07	12.31.06
	-----	-----
Tax total for tax purposes	4,915	18,355
Tax Credit	-	(13,365)
	-----	-----
Income tax provision (net) (Note 5)	4,915	4,990
	=====	=====

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

NOTE 13: INCOME PER SHARE

Below is a breakdown of the Income per share as of March 31, 2007 and 2006:

	03.31.07	03.31.06
Loss for the period	(18,136)	(14,291)
Outstanding ordinary shares weighted average	1,241,407	1,241,407
Adjustment derived from preferred share issue convertible into Class "B" ordinary shares	-	-
Diluted ordinary shares weighted average	1,241,407	1,241,407
Earning per ordinary share:		
- Basic	(0.0146)	(0.0115)
- Diluted	(0.0146)	(0.0115)

NOTE 14: SHARES IN OWN PORTFOLIO

In November 1999, a "Framework Trust Agreement" was entered into by Banco de Galicia y Buenos Aires S.A. as trustor, and First Trust of New York, as trustee, for the implementation of an incentive program in favor of certain executives of the Bank, to be determined from time to time by the Board of Directors.

Given the fact that upon maturity of the Galicia 2005 Trust, which occurred on May 31, 2006 there were no appointed beneficiaries, it was decided to liquidate the trust and to revert all trust assets to the trustee; which were 155,335 ADR for a face value of \$ 10 per ADR and 60,925 Class "B" shares for a face value of \$ 1 per share of Grupo Financiero Galicia S.A. The incorporation value of the shares added to Banco de Galicia y Buenos Aires S.A.'s equity was the quotation value thereof as of the date of liquidation, which amounted to \$ 2,865.

Pursuant the Technical resolution No. 21 of the F.A.C.P.C.E., the Company registered shares owned by Banco de Galicia y Buenos Aires S.A. as shares in own portfolio, thus recording a reduction of the Company's Shareholders' equity. The deadline for the disposal of said shares was one year as from the addition thereof to the Company's equity.

Said shares were sold during October 2006. Their realization value amounted to \$ 3,471.

Pursuant to the C.N.V. regulations. the positive result derived from the sale of said shares for \$ 606, was registered under the account "Premium for negotiation of shares in own portfolio".

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

NOTE 15: SUBSEQUENT EVENTS

On April 26, 2007, the Ordinary Shareholder's Meeting of Grupo Financiero Galicia resolved to absorb the negative retained earnings of the fiscal year ended on December 31, 2006 for US\$ 18,914 through the partial reversal of the Discretionary reserve.

65

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"
 FIXED ASSETS AND INVESTMENTS IN ASSETS OF A SIMILAR NATURE
 For the period of three months ended March 31, 2007,
 presented in comparative format.
 (figures stated in thousands of pesos)

SCHEDULE A

Principal account	A beginning of year	Increases	Withdrawals	Balance at period end
Real State	3,258	-	-	3,258
Furniture and facilities	212	-	-	212
Hardware and software	639	4	-	643
Totals as of 03.31.07	4,109	4	-	4,113
Totals as of 12.31.06	4,067	42	-	4,109

Amortizations

Principal account	Accumulated at beginning of year	Withdrawals	For the period		Accumulated at period end	Net book value
			Rate %	Amount		
Real State	314	-	2	15	329	2,9
Furniture and facilities	207	-	20	-	207	
Hardware and software	560	-	20	13	573	
Totals as of 03.31.07	1,081	-		28	1,109	3,0
Totals as of 12.31.06	982	-		99	1,081	3,0

66

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"
 INVESTMENTS IN SHARES AND OTHER NEGOTIABLE SECURITIES
 EQUITY INVESTMENTS
 For the period of three months ended March 31, 2007,
 presented in comparative format.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

(figures stated in thousands of pesos)

SCHEDULE C

Issuance and characteristics of the securities	Class	Face value	Number	Acquisition cost	Closing price	
Current investments(*) Negotiable Obligations (Notes 8 and 10 and Schedule G)				275,554	298,034	
Total				275,554	298,034	
Non-current investments Corporations Section 33 of Law No.19550: Controlled Companies (Notes 8 and 9): Banco de Galicia y Buenos Aires S.A.	Ordinary Class "A" Ordinary Class "B"	0.001 0.001	101 438,689,121			
Galicia Warrants S.A.	Ordinary	0.001	175,000	2,571,573	2,346,987	1,
Galval Agente de Valores S.A.	Ordinary	0.001	16,874,250	11,829	-	
Net Investment S.A.	Ordinary	0.001	10,500	1,867	-	
Sudamericana Holding S.A.	Ordinary Class "A" Ordinary Class "B"	0.001 0.001	31,302 41,735			
			73,037	42,918	-	
Subtotal				2,650,671	2,346,987	1,
Other (*) Negotiable Obligations (Notes 8 and 10 and Schedule G)				2,553	-	
Subtotal				2,553	-	
Total				2,653,224	2,346,987	1,

INFORMATION ON THE ISSUING COMPANIES

Latest financial statements (Note 9).

Issuance and characteristics of the securities	Principal line of business	Date	Capital Stock	Net income/(loss)	Shareholder equity
Current investments(*)					

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Negotiable Obligations
(Notes 8 and 10 and
Schedule G)

Total

Non-current investments

Corporations Section

33 of Law No.19550:

Controlled Companies

(Notes 8 and 9):

Banco de Galicia y

Buenos Aires S.A.

Financial
Activities

03.31.07

468,662

(36,203) (2)

1,226,

Galicia Warrants S.A.

Galval Agente de

Valores S.A.

Dep. and
Warrants
issuing
company

03.31.07

200

57 (2)

5,

Net Investment S.A.

Custody of
Securities
Financial

03.31.07

1,978 (1)

29 (2)

2,

Sudamericana

Holding S.A.

and
Investment
Activities
Financial

12.31.06

83

5,922 (3)

52,

Subtotal

and
Investment
Activities

Other (*)

Negotiable Obligations

(Notes 8 and 10 and

Schedule G)

Subtotal

Total

(*) Include accrued interests, if suitable.

(1) Equivalent to 16,874 thousand Uruguayan pesos.

(2) For the three-month period ended 03.31.07.

(3) For the six-month period ended 12.31.06.

67

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"

OTHER INVESTMENTS

For the period of three months ended March 31, 2007,
presented in comparative format.

(figures stated in thousands of pesos)

SCHEDULE D

Principal account and characteristics

Recorded value as
of 03.31.07

Recon
of

Current investments (*)

Special current account deposits (Notes 8 and 10 and Schedule G)

31

Mutual Funds (Note 8 and Schedule G)

9,996

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Time deposits (Note 8 and Schedule G)	8,002	-----
Total	18,029	=====

(*) Include accrued interests, if suitable.

68

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the
 Mandatory Acquisition of Shares in a Public Offering"
 FOREIGN CURRENCY ASSETS AND LIABILITIES
 For the period of three months ended March 31, 2007,
 presented in comparative format.
 (figures stated in thousands of pesos)

SCHEDULE G

Captions	Amount and type of foreign currency	Quotation	Amount in Argentine currency as of 03.31.07	Amount and type foreign currency
-----	-----	-----	-----	-----
ASSETS				
CURRENT ASSETS				
Cash and due from banks				
Cash	US\$ 12.82	3.060	39	US\$ 12.
Investments				
Special current account	US\$ 9.13	3.060	28	US\$ 9.
Mutual Funds	US\$ 1,618.98	3.060	4,954	US\$ 1.
Time deposits	US\$ 2,614.96	3.060	8,002	US\$ 4,327.
Negotiable obligations	US\$ 97,617.09	3.060	298,708	US\$ 106,822.
Other receivables				
Promissory notes receivable	US\$ -	3.060	-	US\$ 4,753.
Total Current Assets			----- 311,731 -----	
NON-CURRENT ASSETS				
Other receivables				
Sundry debtors	US\$ 617.31	3.060	1,889	US\$ 617.
Promissory notes receivable	US\$ 13,425.93	3.060	41,083	US\$
Investments				
Negotiable obligations	US\$ 833.30	3.060	2,550	US\$ 833.
Long-term equity investments	US\$ 898.55	3.060	2,750	US\$ 900.
Total Non-Current Assets			----- 48,272 -----	
Total Assets			----- 360,003 =====	
LIABILITIES				
CURRENT LIABILITIES				
Other liabilities				
Sundry creditors	US\$ 0.86	3.100	3	US\$ 0.
Provision for expenses	US\$ 260.12	3.100	806	US\$ 256.
Total Current Liabilities			----- 809 -----	

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Total Liabilities

809

=====

69

GRUPO FINANCIERO GALICIA S.A.,
 "Corporation which has not adhered to the Optional System for the
 Mandatory Acquisition of Shares in a Public Offering"
 INFORMATION REQUIRED BY SECTION 64, SUBSECTION B) OF LAW NO. 19550
 For the period of three months ended March 31, 2007,
 presented in comparative format.
 (figures stated in thousands of pesos)

SCHEDULE H

	Total as of 03.31.07	Administrative Expenses	Total as 03.31.07
	-----	-----	-----
Salaries and social security contributions	415	415	
Bonuses	31	31	
Services to the staff	13	13	
Retirement insurance	52	52	
Training expenses	1	1	
Entertainment, travel, and per diem	9	9	
Directors' and syndics' fees	182	182	
Fees for services	523	523	
Fixed asset depreciation	28	28	
Amortization of intangible assets	-	-	
Leasing of brand (*)	15	15	
Stationery and office supplies	7	7	
Condominium expenses	8	8	
Maintenance expenses	7	7	
Security services	1	1	
Electricity and communications	18	18	
Taxes, rates, and contributions	1,125	1,125	
Insurance	90	90	
Vehicle expenses	21	21	
Bank charges (*)	33	33	
General expenses (*)	111	111	
	-----	-----	-----
Total	2,690	2,690	
	-----	-----	-----

(*) Balances net of eliminations corresponding to intercompany transactions (per Section 33 of Law No. 19550). See Note 10 to the financial statements.

70

GRUPO FINANCIERO GALICIA S.A.
 "Corporation which has not adhered to the Optional System for the
 Mandatory Acquisition of Shares in a Public Offering"
 INFORMATION REQUIRED IN ADDITION TO THE NOTES TO THE FINANCIAL STATEMENTS
 For the period of three months commenced January 1, 2007
 and ended March 31, 2007, presented in comparative format
 (figures stated in thousands of pesos)

NOTE 1: SIGNIFICANT SPECIFIC LEGAL SYSTEMS ENTAILING THE LAPSING OF CONTINGENT

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

BENEFITS ENVISAGED BY THOSE REGULATIONS OR THEIR REBIRTH

None.

NOTE 2: SIGNIFICANT CHANGES IN THE COMPANY ACTIVITIES OR OTHER SIMILAR CIRCUMSTANCES THAT OCCURRED DURING THE PERIODS COVERED BY THE FINANCIAL STATEMENTS WHICH MAY HAVE AN EFFECT ON THEIR COMPARABILITY WITH THOSE PRESENTED IN PRIOR PERIODS, OR THAT SHALL BE PRESENTED IN FUTURE PERIODS.

None.

NOTE 3: CLASSIFICATION OF RECEIVABLES AND DEBT BALANCES

a) Receivables: See Note 8 to the financial statements.

b) Debts: See Note 8 to the financial statements.

NOTE 4: CLASSIFICATION OF RECEIVABLES AND DEBTS ACCORDING TO THEIR FINANCIAL EFFECTS

a) Receivables: See Notes 1.a., 1.b. and 8 and Schedule G to the financial statements.

b) Debts: See Notes 1.a., 1.b. and 8 and Schedule G to the financial statements.

NOTE 5: BREAKDOWN OF PERCENTAGE OF EQUITY INVESTMENTS - SECTION 33 OF LAW No. 19550

See Note 9 and Schedule C to the financial statements.

NOTE 6: RECEIVABLES FROM OR LOANS GRANTED TO DIRECTORS OR SYNDICS OR THEIR RELATIVES UP TO THE SECOND DEGREE INCLUSIVE

As of March 31, 2007 and December 31, 2006 there were no receivables from or loans granted to directors or syndics or their relatives up to the second degree inclusive.

NOTE 7: PHYSICAL INVENTORY OF INVENTORIES

As of March 31, 2007 and December 31, 2006, the Company did not have any inventories.

NOTE 8: CURRENT VALUES

See Notes 1.c. and 1.d. to the financial statements.

NOTE 9: FIXED ASSETS

See Schedule A to the financial statements.

a) Technically Appraised Fixed Assets: As of March 31, 2007 and December 31, 2006, the Company did not have any technically appraised fixed assets.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

TO THE FINANCIAL STATEMENTS (Continued)
(figures stated in thousands of pesos)

- b) **Obsolete Fixed Assets:** As of March 31, 2007 and December 31, 2006, the Company did not have any obsolete fixed assets which have a carrying value.

NOTE 10: EQUITY INVESTMENTS

The Company is engaged in financial and investment activities, so the restrictions of Section 31 of Law No. 19550 do not apply to its equity investments in other companies.

NOTE 11: RECOVERABLE VALUES

As of March 31, 2007 and December 31, 2006, the criterion followed by the Company for determining the recoverable value of its fixed assets consisted of using their value to the business, based on the possibility of absorbing future depreciation charges with the profits reported by it.

NOTE 12: INSURANCE

As of March 31, 2007 and December 31, 2006, the breakdown of insurance policies taken out by the Company for its fixed assets was as follows:

Insured assets	Risks covered	Insured amount	Book Value as of 03.31.07
-----	-----	-----	-----
Office Assets	Fire, thunderbolt, and/or explosion	200	

NOTE 13: POSITIVE AND NEGATIVE CONTINGENCIES

- a) Elements used in calculating provisions, the total or partial balances of which exceed two percent of shareholders' equity:
- b) Contingencies which, at the date of the financial statements, are not of remote occurrence, the effects of which have not been given accounting recognition: As of March 31, 2007 and December 31, 2006 there were no contingencies which are not of remote occurrence and the effects of which have not been given accounting recognition.

NOTE 14: IRREVOCABLE ADVANCES TOWARDS FUTURE SHARE SUBSCRIPTIONS

- a) **Status of capitalization arrangements:** As of March 31, 2007 and December 31, 2006, there were no irrevocable contributions towards future share subscriptions.
- b) **Cumulative unpaid dividends on preferred shares.** As of March 31, 2007 and December 31, 2006, there were no cumulative unpaid dividends on preferred shares.

NOTE 15: RESTRICTIONS ON THE DISTRIBUTION OF RETAINED EARNINGS

See Note 11 to the financial statements.

GRUPO FINANCIERO GALICIA S.A.
"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"
SUPPLEMENTARY AND EXPLANATORY STATEMENT BY THE BOARD OF DIRECTORS
For the period of three months commenced January 1, 2007
and ended March 31, 2007, presented in comparative format
(figures stated in thousands of pesos)

Pursuant to the provisions of the standards regarding accounting documentation of the Cordoba Stock Exchange Regulations, the Board of Directors hereby submits the following supplementary and explanatory information.

A. CURRENT ASSETS:

a) Receivables:

- 1) See Note 8 to the financial statements.
- 2) See Notes 3 and 8 to the financial statements.
- 3) As of March 31, 2007 and December 31, 2006, the Company had not set up any allowances or provisions.

b) Inventories:

As of March 31, 2007 and December 31, 2006, the Company did not have any inventories.

B. NON- CURRENT ASSETS:

a) Receivables:

As of March 31, 2007 and December 31, 2006, the Company had not set up any allowances or provisions.

b) Inventories:

As of March 31, 2007 and December 31, 2006, the Company did not have any inventories.

c) Investments:

See Note 9 and Schedule C to the financial statements.

d) Fixed assets:

As of March 31, 2007 and December 31, 2006, the Company did not have any technically appraised fixed assets.

- 2) As of March 31, 2007 and December 31, 2006, the Company did not have any obsolete fixed assets which have a carrying value.

e) Intangible assets:

- 1) As of March 31, 2007 and December 31, 2006, the Company did not have any intangible assets.
- 2) As of March 31, 2007 and December 31, 2006, there were no deferred charges.

C. CURRENT LIABILITIES:

a) Debts:

- 1) See Note 8 to the financial statements.
- 2) See Notes 4, 5, 6 and 8 to the financial statements.

D. ALLOWANCES AND PROVISIONS

As of March 31, 2007 and December 31, 2006, the Company had not recorded any allowances or provisions.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

E. FOREIGN CURRENCY ASSETS AND LIABILITIES:

See Note 1.b. and Schedule G to the financial statements.

73

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"
SUPPLEMENTARY AND EXPLANATORY STATEMENT BY THE BOARD OF DIRECTORS (Continued)
(figures stated in thousands of pesos)

F. SHAREHOLDERS' EQUITY:

- 1) As of March 31, 2007 and December 31, 2006, the Shareholders' Equity did not include the Irrevocable Advances towards future share issues account.
- 2) As of March 31, 2007 and December 31, 2006, the Company had not set up any technical appraisal reserve; nor has it reversed any reserve of that kind.

G. MISCELLANEOUS

- 1) The Company is engaged in financial and investment activities, so the restrictions of Section 31 of Law No. 19550 do not apply to its equity investments in other companies.
- 2) See Notes 8 and 10 to the financial statements.
- 3) As of March 31, 2007 and December 31, 2006 there were no receivables from or loans granted to directors or syndics or their relatives up to the second degree inclusive.
- 4) See Notes 8 and 10 to the financial statements.
- 5) As of March 31, 2007 and December 31, 2006, the breakdown of insurance policies taken out by the Company for its fixed assets was as follows:

Insured assets	Risks covered	Insured amount	Book Value as of 03.31.07
Office Assets	Fire, thunderbolt, and/or explosion	200	5

- 6) As of March 31, 2007 and December 31, 2006, there were no contingencies highly likely to occur which have not been given accounting recognition.
- 7) As of March 31, 2007 and December 31, 2006, the Company did not have any receivables or debts including implicit interest or index adjustments.

The Company has complied with the requirements of Section 65 of Law No. 19550 in these financial statements.

Autonomous City of Buenos Aires, May 09, 2007

74

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"

INFORMATIVE REVIEW AS OF MARCH 31, 2007 AND 2006

(figures stated in thousands of pesos)

Grupo Financiero Galicia S.A.'s purpose is to become a leading company devoted to providing comprehensive financial services and, at the same time, to continue to strengthen Banco de Galicia y Buenos Aires S.A.'s position as one of the leading companies in Argentina. This strategy shall be carried out by supplementing the operations and business conducted by Banco de Galicia y Buenos Aires S.A. through equity investments in companies and undertakings, either existing or to be created, engaged in financial activities as they are understood in the modern economy.

The income for the period ended March 31, 2007, resulted in a loss of \$18,136. This result has mainly resulted from the sale of Subordinated negotiable obligations issued by Banco de Galicia y Buenos Aires S.A. as shown in its Income Statement and from the results obtained from the holding of Banco de Galicia y Buenos Aires S.A.'s negotiable obligations due on 2014.

On April 27, 2006, the Ordinary and Extraordinary Shareholders' Meeting was held, resolving to restore the Legal Reserve that was used to absorb negative retained earnings of the fiscal year ended December 31, 2004, according to what was settled on April 28, 2005, by the Ordinary and Extraordinary Shareholders' Meeting, to create the Legal Reserve for the fiscal year complying with applicable regulations and, with the remnants, to create a Discretionary Reserve with the purpose of affording future needs and enterprises of the Company and its controlled companies.

The Shareholders' Ordinary Meeting was held on October 11, 2006, which decided that Grupo Financiero Galicia S.A., in the Banco de Galicia y Buenos Aires S.A. called upon for that same day, voted for the approval of the proposals submitted by the Bank's Board of Directors in regard to a capital increase and stock issuance. (See Note 23 to the consolidated financial statements).

On April 26, 2007, the Ordinary Shareholder's Meeting of Grupo Financiero Galicia resolved to absorb the negative retained earnings of the fiscal year ended on December 31, 2006 through the partial allocation of the Discretionary reserve (See Note 15 to the financial statements).

Regarding Banco Galicia Uruguay S.A has created a "Negotiable Obligations Issuance Program" in order to convert privately issued Negotiable Obligations due in 2011 into public Negotiable Obligations and, also, offer holders of "Transferable time-deposit certificates" the possibility to exchange said certificates for the abovementioned Negotiable Obligations. On October 17, 2006 Series I of said program was issued. Grupo Financiero Galicia S.A. subscribed said exchange for the face value of US\$ 1,042 thousand.

KEY BALANCE SHEET FIGURES

	03.31.07	03.31.06	03.31.05	03.31.04
	-----	-----	-----	-----
Assets				
Current assets	317,400	32,378	65,548	32,789
Non-current assets	1,284,993	1,599,739	1,536,377	1,347,723
	-----	-----	-----	-----
Total Assets	1,602,393	1,632,117	1,601,925	1,380,512
	=====	=====	=====	=====

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Liabilities				
Current liabilities	6,289	6,992	43,030	4,938
Non-current liabilities	5,772	12,640	19,163	42,457
	-----	-----	-----	-----
Total Liabilities	12,061	19,632	62,193	47,395
	-----	-----	-----	-----
Shareholders' equity	1,590,332	1,612,485	1,539,732	1,333,117
	-----	-----	-----	-----
Total	1,602,393	1,632,117	1,601,925	1,380,512
	=====	=====	=====	=====

KEY INCOME STATEMENT FIGURES

	03.31.07	03.31.06	03.31.05	03.31.04
	-----	-----	-----	-----
Ordinary operating result	(27,163)	(20,876)	23,156	(84,
Financial results	13,223	11,589	(1,510)	(3,
Other income and expenses	734	1,222	281	2,
	-----	-----	-----	-----
Ordinary net (loss)/ income	(13,206)	(8,065)	21,927	(86,
Income tax	(4,930)	(6,226)	(1,733)	
	-----	-----	-----	-----
Net income/(loss)	(18,136)	(14,291)	20,194	(86,
	=====	=====	=====	=====

75

GRUPO FINANCIERO GALICIA S.A.
"Corporation which has not adhered to the Optional System for the
Mandatory Acquisition of Shares in a Public Offering"
INFORMATIVE REVIEW AS OF MARCH 31, 2007 AND 2006
(figures stated in thousands of pesos)

RATIOS

	03.31.07	03.31.06	03.31.05	03.31.04
	-----	-----	-----	-----
Liquidity	50.4691	4.6307	1.5233	6.6401
Credit standing	131.8574	82.1355	24.7573	28.1277
Capital assets	0.8019	0.9801	0.9590	0.9762

The individual financial statements have been considered to disclose the key Balance Sheet figures and key income statement figures, as the consolidated financial statements are presented in line with the provisions of Argentine Central Bank's Communique "A" 3147 and supplementary regulations regarding financial reporting requirements for the publication of quarterly and annual financial statements and observing the guidelines of Technical Pronouncement No. 8 of the Argentine Federation of Professional Councils in Economic Sciences.

For comparative purposes, the balances as of December 31, 2003 have been restated to constant currency of February 28, 2003.

EQUITY INVESTMENTS IN OTHER COMPANIES

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

- o Banco de Galicia y Buenos Aires S.A.

See the abovementioned Note 16 to the consolidated financial statements.

- o Net Investment S.A.

In July 2006, the Board of Directors of Net Investment S.A. together with the Board of Directors of its controlled companies, B2Agro S.A. and Tradecom Argentina S.A., decided to merge the companies in order to reduce administrative and managing costs.

On August 14, 2006 the Extraordinary Shareholders' Meetings of the abovementioned companies approved the merger, being Net Investment S.A. the merged company that purchases the whole of B2Agro S.A. and Tradecom Argentina S.A. equity, and these two Companies were dissolved without liquidation.

On December 6, 2006, the paperwork related to the abovementioned fusion were submitted before the Board of Legal Entities, for the liquidation of B2Agro S.A. and Tradecom Argentina S.A., as well as the paperwork necessary to change the corporate purpose of Net Investment S.A., which were recorded on February 1, 2007. Net Investment S.A. is now a company which corporate purpose is to develop and operate electronic businesses through the Internet.

In line with the business policy developed during fiscal year 2006, during the first quarter of 2007 Net Investment S.A., continued the improvement of the tools used by its customers as well as the implementation of new solutions such as the "electronic packing slip", among others.

Sales recorded during the first quarter of 2007 are proportionally stable to the amount invoiced during fiscal year 2006.

Future prospects are directly related to the opening of companies towards the automation of their circuits and the constant research carried out by Net Investment about each company's particular needs in order to meet the increasing information demand by administrative and purchasing circuits.

- o Sudamericana Holding S.A.

Sudamericana Holding S.A. is a group of insurance companies providing life, retirement, property and casualty insurance and insurance brokerage services. The equity investment held by Grupo Financiero Galicia S.A. in this company is 87.50%. Banco de Galicia y Buenos Aires S.A. in this company is 12.50%.

The insurance business undertaken by the Company through its interest in Sudamericana Holding S.A. is part of Grupo Financiero Galicia S.A.'s strategy to strengthen its positioning as a leading financial service provider.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Joint production by Insurance Companies controlled by Sudamericana Holding S.A., which offers Life, Retirement, and Equity coverage for the three-month period from January 1, 2007 to March 1, 2007 amounted to \$ 20,616. As of March 31, 2007, these companies had approximately 2.4 million insured in all their lines of business.

From a commercial standpoint, within a more favorable context, the company's business keeps the objective of taking advantage of the greater demand for insurance coverage to significantly increase the companies' sales.

As a result of this effort, the premium volume for the first quarter of 2007 exceeded the same period of the prior year by 70%.

o Galicia Warrants S.A.

Galicia Warrants S.A. was founded in 1993 and its main objective was to issue of Deposit Certificates and Warrants in accordance with Law No. 9643, which governs this business. The equity investment held by Grupo Financiero Galicia S.A. in this company is 87.50 %, while the remaining 12.50% interest is held by Banco de Galicia y Buenos Aires S.A.

In addition to its offices in the city of Buenos Aires, Galicia Warrants S.A. has one office in the city of Tucuman and another in the city of San Salvador, Entre Rios province, which are used to expand its presence in other sectors of the country and to better serve the different markets.

Deposit certificates and warrants issued on third parties' goods as of March 31, 2007 amounts to US\$ 61,012 thousand. These certificates and warrants correspond to a wide variety of products which are centered in the country's productive poles.

The Shareholder's meeting held on April 25, 2007 decided to distribute dividends in cash for \$ 800.

For the rest of the fiscal year, we foresee a sustained activity level, especially in the agricultural sector and several regional economies. Warrants and related services offered by Galicia Warrant S.A. are key tools to accompany the expected growth of this sector in the financial as well as the operational aspect.

o Galval Agente de Valores S.A.

Galval Agente de Valores S.A. is a direct user of the Free-trade Zone of Montevideo and provides securities agent services in Uruguay.

On February 4, 2005, the Uruguayan Central Bank decided to conclusively confirm the registration of the Company with the Stock Market Registry.

As from September, 2005, Galval Agente de Valores S.A. started to operate in a gradual manner and, as of March 31, 2007 holds securities in custody for US\$ 68,996 thousand, of which US\$ 15,619 thousand correspond to the holding of securities belonging to Grupo Financiero Galicia S.A.

As of March 31, 2007, Galval Agente de Valores S.A. had collected income for US\$ 91 thousand, with recorded net profits of US\$ 2 thousand.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

We believe that, during fiscal year 2007, the total number of opened accounts and the balance of the deposits held in custody shall experience a substantial increase and that income from services in connection with commissions from custody maintenance and securities trading operations shall increase to the same extent.

The Company's outlook for the current year is basically linked with the development of the Argentine economy, and particularly of the financial system.

Autonomous City of Buenos Aires, May 09, 2007

77

REPORT OF THE SUPERVISORY COMMITTEE

To the Directors and Shareholders of
Grupo Financiero Galicia S.A.

Tte. Gral. Juan D. Peron 456 2nd floor
Autonomous City of Buenos Aires

1. In our capacity as Syndics of Grupo Financiero Galicia S.A., we have performed a limited review of the Balance Sheet of Grupo Financiero Galicia S.A. (the "Company") as of March 31, 2007, and the related Income Statement, Statement of Changes in Shareholders' Equity and Statement of Cash Flows for the three months then ended, as well as supplementary Notes 1 to 15, Schedules A, C, D, G and H, the Additional Information to the Notes to the Financial Statements required by Section 68 of the Buenos Aires Stock Exchange regulations and the Supplementary and Explanatory Statement by the Board of Directors, required by the regulations concerning Accounting Documentation of the Cordoba Stock Exchange, and the Informative Review to that date, which have been submitted by the Company to our consideration. Furthermore, we have performed a limited review of the consolidated financial statements of Grupo Financiero Galicia S.A. and its subsidiaries for the three months ended March 31, 2007, with Notes 1 to 25, which are presented as supplementary information. The preparation and issuance of those financial statements are the responsibility of the Company.
2. Our work was conducted in accordance with standards applicable in Argentina to syndics. These standards require application of the procedures established by Technical Pronouncement No. 7 of the Argentine Federation of Professional Councils in Economic Sciences for limited reviews of financial statements for interim periods, and include verifying the consistency of the documents reviewed with the information concerning corporate decisions, as disclosed in minutes, and the conformity of those decisions with the law and the bylaws insofar as concerns formal and documental aspects. For purposes of our professional work, we have reviewed the work performed by the external auditors of the Company, Price Waterhouse & Co. SRL, who issued their limited review report on May 09, 2007, in accordance with auditing standards applicable in Argentina for limited reviews of financial statements for interim periods. A limited review mainly involves applying analytical procedures to the accounting information and making inquiries to the staff responsible for accounting and financial issues. The scope of such review is substantially more limited than that of an audit of financial statements, the objective of which is to issue an opinion on the financial statements as a whole. Therefore, we do not express such an opinion. We have not evaluated the corporate criteria regarding the different areas of the Company, as these matters are its exclusive responsibility.

In addition, we have verified that the Additional Information to the Notes

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

to the Financial Statements, the Supplementary and Explanatory Statement by the Board of Directors, and the Informative Review, for the period of three months ended March 31, 2007 contain the information required by Section 68 of the Buenos Aires Stock Exchange regulations, Section 2 of the Standards concerning Accounting Documentation of the Cordoba Stock Exchange Regulations and Regulations of the National Securities Commission, respectively, and insofar as concerns our field of competence, that the numerical data contained therein are in agreement with the Company's accounting records and other relevant documentation. Assumptions and projections on future events contained in that documentation are the exclusive responsibility of the Company's board of Directors.

We also report that in performance of the legality control that is part of our field of competence, during this period we have applied the procedures described in Section 294 of Law No. 19,550, which we deemed necessary according to the circumstances.

3. As detailed in Note 20 to the consolidated financial statements, the companies controlled by Grupo Financiero Galicia S.A. have a significant exposure to the Argentine public sector in different instruments derived from debt restructuring carried out by the National Government. In addition, as mentioned in Note 12 to the consolidated financial statements, the subsidiary Banco de Galicia y Buenos Aires S.A. has agreed with the Argentine Central Bank (B.C.R.A.) a plan to adjust to the regulations submitted in order to reduce such exposure. At the date of these financial statements, Banco de Galicia y Buenos Aires S.A. is within the framework of the guidelines agreed upon in said plan.
4. The subsidiary Banco de Galicia y Buenos Aires S.A. has prepared the attached financial statements following the valuation and disclosure criteria established by Argentine Central Bank regulations, which have been taken as the basis for calculating the equity method value and preparing the Company's consolidated financial statements. As mentioned in Note 2 c to the consolidated financial statements, those criteria for valuing certain assets and liabilities and the regulations on financial reporting issued by the control body differ from the professional accounting standards applicable in the Autonomous City of Buenos Aires.
5. Based on our review, with the scope mentioned in paragraph 2. above, we report that the financial statements of March 31, 2007 and its consolidated financial statements at that date, detailed in item 1 above, prepared in accordance with Argentine Central Bank regulations and, except as mentioned in paragraph 4. above, with accounting standards applicable in the Autonomous City of Buenos Aires, give consideration to all significant facts and circumstances which are known to us and, in relation to said financial statements, we have no observations to make. In performance of the legality control that is part of our field of competence, we have no observations to make.

As regards the Additional Information to the Notes to the Financial Statements, the Supplementary and Explanatory Statement by the Board of Directors, and the Informative Review, for the three months ended March 31, 2007, we have no observations to make insofar as concerns our field of competence, and the assertions on future events are the exclusive responsibility of the Company's Board of Directors.

Furthermore, we report that the accompanying financial statements stem from accounting records kept, in all formal aspects, in compliance with legal regulations prevailing in Argentina.

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Autonomous City of Buenos Aires, May 09, 2007

Supervisory Committee

LIMITED REVIEW REPORT

To the Chairman and Directors of
Grupo Financiero Galicia S.A.
Tte. Gral. Juan D. Peron 456 2nd floor
Autonomous City of Buenos Aires

C.U.I.T. 30-70496280-7

1. We have performed a limited review of the Balance Sheet of Grupo Financiero Galicia S.A. as of March 31, 2007, and the related income statements, statements of changes in shareholders' equity and statements of cash flows for the three-month periods ended March 31, 2007 and 2006, as well as supplementary Notes 1 to 15 and Schedules A, C, D, G and H, the Additional Information to the Notes to the Financial Statements required by Section 68 of the Buenos Aires Stock Exchange regulations, and the Supplementary and Explanatory Statement by the Board of Directors, as required by the rules concerning Accounting Documentation Regulations of the Cordoba Stock Exchange Regulations and the Informative Review to those dates, which supplement them. Furthermore, we have performed a limited review of the consolidated Balance Sheet of Grupo Financiero Galicia S.A. as of March 31, 2007, and the consolidated income statements and consolidated statements of cash flows for the three-month periods ended March 31, 2007 and 2006, together with Notes 1 to 25, which are presented as supplementary information. The preparation and issuance of those financial statements are the responsibility of the Company.
2. Our review was limited to the application of the procedures set forth by Technical Pronouncement No. 7 of the Argentine Federation of Professional Councils in Economic Sciences for limited reviews of financial statements for interim periods, which mainly involve applying analytical procedures to the financial statement figures and making inquiries to the Company staff responsible for preparing the information included in the financial statements and its subsequent analysis. The scope of these reviews is substantially more limited than that of an audit examination, the purpose of which is to express an opinion on the financial statements under examination. Accordingly, we do not express an opinion on the Company's financial condition, the results of its operations, changes in its shareholders' equity and cash flows, or on its consolidated financial condition, the consolidated results of its operations and consolidated cash flows.
3. As detailed in Note 20 to the consolidated financial statements, the companies controlled by Grupo Financiero Galicia S.A. have a significant exposure to the Argentine public sector in different instruments derived from debt restructuring carried out by the National Government. In addition, as mentioned in Note 12 to the consolidated financial statements, the subsidiary Banco de Galicia y Buenos Aires S.A. has agreed with the Argentine Central Bank (BCRA) a plan to adjust to the regulations submitted in order to reduce such exposure. At the date of these financial statements, Banco de Galicia y Buenos Aires S.A. is within the framework of the guidelines agreed upon in said plan.
4. The subsidiary Banco de Galicia y Buenos Aires S.A. has prepared the attached financial statements following the valuation and disclosure criteria established by Argentine Central Bank regulations, which have been

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

taken as the basis for calculating the equity method value and preparing the consolidated financial statements of the Company. As mentioned in Note 2c. to the consolidated financial statements, the abovementioned valuation criteria regarding certain assets and liabilities, and the regulations on the financial reporting issued by the control body, differ from the Argentine professional accounting standards in force in the Autonomous City of Buenos Aires.

5. On February 14, 2007 we issued our audit report on the Company's financial statements and consolidated financial statements for the fiscal years ended December 31, 2006 and 2005 with an unqualified opinion, without qualifications regarding the Argentine Central Bank's regulations and departures from professional accounting standards similar to those indicated in item 4 above. Also, our report on the Financial Statements as of March 31, 2006 included, apart from the abovementioned departure, a qualification related to the uncertainty on the final settlement of the Hedge Bond by the Argentine Central Bank which, as stated in Note 16.3 to the consolidated financial statements, has been solved as of the date of this report.
6. Based on the work done and on our examination of the financial statements of Grupo Financiero Galicia S.A. and its consolidated financial statements for the fiscal years ended December 31, 2006 and 2005 mentioned in item 5.
 - a) The financial statements of Grupo Financiero Galicia S.A. as of March 31, 2007 and 2006 and its consolidated financial statements at those dates, detailed in item 1. above, were prepared in accordance with Argentine Central Bank regulations and, except as mentioned in item 4. above, with accounting standards applicable in the Autonomous City of Buenos Aires, give consideration to all significant facts and circumstances which are known to us and, in relation to said financial statements, we have no observations to make.
 - b) the comparative information included in the parent-only and consolidated balance sheet and in supplementary Notes and Schedules to the attached financial statements stems financial statements of Grupo Financiero Galicia S.A. as of December 31, 2006
7. As called for by the regulations in force, we report that:
 - a) The financial statements of Grupo Financiero Galicia S.A. and its consolidated financial statements have been transcribed to the "Inventory and Balance Sheet" book and, insofar as concerns our field of competence, are in compliance with the provisions of the Corporations Law, and pertinent resolutions of the National Securities Commission.
 - b) The financial statements of Grupo Financiero Galicia S.A. and its consolidated financial statements arise from accounting record systems kept in all formal respects as called for by prevailing legal regulations, which systems maintain the security and integrity conditions base on which they were authorized by the National Securities Commission.
 - c) We have read the Additional Information to the Notes to the Financial Statements required by Section 68 of the Buenos Aires Stock Exchange regulations, the Supplementary and Explanatory Statement by the Board of Directors, required by the regulations concerning Accounting Documentation of the Cordoba Stock Exchange and the Informative Review as of March 31, 2007 and 2006, about which, insofar as concerns our field of competence, we have no significant observations to make other than the abovementioned. Projections about future events contained in that information are the

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

exclusive responsibility of the Company's Board of Directors.

- d) As of March 31, 2007, Grupo Financiero Galicia S.A.'s accrued debt with the Integrated Pension and Survivor's Benefit System, which stems from the accounting records accrued amounted to \$ 34,678.20, which was not yet due at that date.

Autonomous City of Buenos Aires, May 09, 2007.

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

C.P.C.E.C.A.B.A. To. 1 Fo. 17
Santiago J. Mignone
Public Accountant (UBA)
C.P.C.E. Autonomous
City of Buenos Aires
To. 233 Fo. 237