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**BANCO DE GALICIA Y BUENOS AIRES S.A. REPORTS EARNINGS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2007**

(Buenos Aires, Argentina, November 12, 2007) – Banco de Galicia y Buenos Aires S.A. (the “Bank”, Buenos Aires Stock Exchange: GALI) today announced its financial results for the third quarter of FY 2007, ended September 30, 2007.

- **The Bank’s adjusted net income for the third quarter of FY 2007 amounted to Ps.59.4 million. After the adjustment to the valuation of public-sector assets (a Ps.17.2 million loss) and the amortization of *amparo* claims (a Ps.34.7 million loss), net income amounted to Ps.7.5 million. These results include a Ps.27.0 million profit in connection with the capital increase.**
  - **During August 2007, the Bank issued 93.7 million of new shares, which resulted in a Ps.493 million increase in the shareholders’ equity (representing a 40% increase from the shareholders’ equity as of June 30, 2007) and a Ps.578 million increase in the regulatory capital (33.4% higher than as of the end of the previous quarter).**
  - **The capital increase, together with the full repayment of the debt with the Argentine Central Bank and the significant reduction of its exposure to the public sector achieved during the previous quarters, have led to a significant strengthening of the Bank’s financial condition.**
  - **At the same time, the Bank continued increasing its activity level and the volume of its business with the private sector. This is reflected in the 60.3% increase of the third quarter’s adjusted net operating income as compared with the same quarter of the prior year.**
  - **As of September 30, 2007, the Bank’s exposure to the private sector reached Ps.12,441 million, representing a 37.4% increase in the twelve months ended September 30, 2007, and a 43.7% annualized increase during the quarter. As of the same date, the Bank’s deposits in Argentina amounted to Ps.12,464 million, representing a 23.2% increase in the twelve months ended September 30, 2007, and a 9.6% annualized increase during the quarter.**
  - **The Bank’s non-accrual loan portfolio decreased to 3.87% of total loans to the private-sector, from 3.98% as of September 30, 2006, and the coverage of the non-accrual loan portfolio with allowances for loan losses reached 101.04%.**
  - **During the current fiscal year, the Bank has reduced its foreign debt outstanding in US\$ 528 million due to debt amortization, prepayments and cancellation in advance. To date, the outstanding amount of the Bank’s senior debt issued in 2004 has decreased to 49.5% of the original amount.**
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## NET INCOME FOR THE QUARTER ENDED SEPTEMBER 30, 2007

In the third quarter of FY 2007, the Bank recorded a Ps.7.5 million profit, compared with a Ps.8.8 million profit in the same quarter of the previous year.

Excluding the Ps.17.2 million loss from the adjustment to the valuation of public-sector assets and the Ps.34.7 million loss from the amortization of deferred losses from *amparo* claims, the adjusted net income for the third quarter of this fiscal year amounted to Ps.59.4 million, compared with a Ps.40.2 million profit in the same quarter of the prior year.

Beginning in December 2005 and during 2006, no losses were recorded in connection with the amortization of *amparo* claims, as such amortization was deferred in accordance with Argentine Central Bank's Communiqué "A" 4439. In this fiscal year, the Bank started again to record a charge to income in connection with this amortization, which meant a Ps.34.7 million loss in the quarter.

The improvement in the quarter's adjusted net income was mainly the consequence of a Ps.195.9 million increase in the adjusted net operating income<sup>(1)</sup>. This increase was partially offset by higher administrative expenses (which were up Ps.80.3 million), higher loan loss provisions (which were up Ps.52.1 million) and a higher income tax charge (which was up Ps.8.5 million), along with a Ps.32.6 million decrease in net other income.

The quarter's adjusted net operating income totaled Ps.475.9 million, up 70.0% from the Ps.280.0 million recorded in the same quarter of the prior year. This increase was due both to a higher adjusted net financial income (up Ps.119.4 million) and a higher net income from services (up Ps.76.5 million). It should be noted that the net financial income includes a Ps.27.0 million profit resulting from the capital increase, due to the fact that the negotiable obligations received as payment of part of the new shares issued were received at a value lower than their book value. Excluding this profit, the quarter's adjusted net operating income totaled Ps.448.9 million, up 60.3% from the same quarter of the previous fiscal year.

Table I	<i>In pesos</i>			
	FY 2007	FY 2006	Nine Months Ended	
Earnings per Share	3 <sup>rd</sup> Q	3 <sup>rd</sup> Q	09/30/07	09/30/06
Average Shares Outstanding (in thousands) (*)	525,675	468,662	487,875	468,662
Shares Outstanding (in thousands) (*)	562,327	468,662	562,327	468,662
Book Value per Share	3.037	2.927	3.037	2.927
Earnings per Share	0.014	0.019	(0.043)	(0.037)

(\*) During August 2007, 93.7 million new shares were issued.

(1) Adjusted net operating income: net adjusted financial income<sup>(2)</sup> plus net income from services.

(2) Adjusted net financial income: Financial Income excluding the adjustment to the valuation of Secured Loans, securities included in the Argentine exchange offer and Bogar, in accordance with Argentine Central Bank rules, plus net financial income on margin requirements on repo transactions (the latter are recorded under "Miscellaneous Income/Loss").

## INFORMATION DISCLOSURE

The data shown in the tables of this report and the consolidated financial statements correspond to Banco de Galicia y Buenos Aires S.A. consolidated with the subsidiaries under its direct or indirect control. The “Bank” refers to the consolidated Banco de Galicia y Buenos Aires S.A., unless there is a clarification of the contrary.

As of September 30, 2007, the Bank’s consolidated financial statements and the figures included in the different tables of this report correspond to Banco de Galicia y Buenos Aires S.A., Banco Galicia Uruguay S.A. (“Galicia Uruguay”) and its subsidiaries, Tarjetas Regionales S.A. and its subsidiaries, Galicia Factoring y Leasing S.A. and Galicia Valores S.A. Sociedad de Bolsa.

## THIRD QUARTER OF FY 2007 RESULTS

Table II	<i>Percentages</i>			
	FY 2007	FY 2006	Nine Months Ended	
Profitability and Efficiency	3 <sup>rd</sup> Q	3 <sup>rd</sup> Q	09/30/07	09/30/06
Return on Average Assets <sup>(*)</sup>	0.30	0.25	0.006	(0.002)
Return on Average Shareholders’ Equity <sup>(*)</sup>	1.92	2.56	(2.06)	(1.68)
Financial Margin <sup>(*)</sup> (1)	4.86	1.21	3.76	1.53
Net Income from Services as a % of Operating Income <sup>(2)</sup>	52.65	72.02	57.02	65.72
Net Income from Services as a % of Administrative Expenses	76.08	69.82	75.56	70.87
Administrative Expenses as a % of Operating Income <sup>(2)</sup>	69.20	103.14	75.47	92.74

(\*) Annualized.

(1) Financial Margin: Financial Income minus Financial Expenses, divided by Average Interest-earning Assets.

(2) Operating Income: Net Financial Income plus Net Income from Services.

Net financial income for the third quarter of FY 2007 was Ps.223.4 million, up Ps.156.6 million from the third quarter of the previous fiscal year. Excluding the profits from the adjustment to the valuation of public-sector assets and including the financial results on margin requirements of repo transactions, the Bank’s adjusted net financial income for the third quarter of FY 2007 amounted to Ps.227.5 million. Calculated in the same manner, the adjusted net financial income for the third quarter of FY 2006 amounted to Ps.108.1 million.

The quarter’s net financial income includes a Ps.22.9 million profit from quotation differences, net of the results from foreign-currency forward transactions. This profit was composed of a Ps.29.7 million gain from FX brokerage and a Ps.6.8 million loss from the valuation of the Bank’s foreign-currency net position. In the same quarter of the prior year, the result from quotation differences had been a Ps.20.8 million profit (composed a Ps.15.1 million gain from FX brokerage and a Ps.5.7 million gain from the valuation of the foreign-currency net position).

The adjusted net financial income for the quarter, excluding quotation differences, amounted to Ps.204.6 million, with a Ps.117.3 million increase (134.4%) from the same quarter of FY 2006. Net of the profit from the capital increase, this result amounted to Ps.177.6 million, reflecting a Ps.90.3 million increase (103.4%) from the same quarter of FY 2006.

This result was mainly the consequence of the profits associated with the peso-denominated and the CER-adjusted matched portfolios and with the funding of CER-adjusted assets mainly with peso-denominated liabilities. These profits were partially offset by the loss on the foreign-currency denominated matched portfolio.

The significant increase in the adjusted net financial income was a consequence of: (i) a large increase in income from financial intermediation with the private sector (the volume of average loans to the private sector increased Ps.2,765 million or 41.9% year-over-year, and the average lending rate, also increased

161 basis points (“b.p.”), and (ii) a decrease in the cost of funds resulting from the change in the composition of liabilities as a consequence of the repayment of all of the debt with the Argentine Central Bank and of part of the Bank’s foreign debt. (See *Table III*)

The repayment of all of the debt with the Argentine Central Bank and of part of the Bank’s foreign debt using mainly the proceeds from the sale of public-sector assets caused a significant and simultaneous decrease in the Bank’s assets and liabilities. Likewise, as a consequence of these operations, there was a significant decrease in the volume of CER indexed assets and liabilities.

The 121 b.p. increase in the average yield on interest-earning assets was mainly due to an increase in the average yield on loans to the private sector and to their increased relative weight within the total interest-earning assets.

The average cost of interest-bearing liabilities recorded a 172 b.p. decrease, as a consequence of the above-mentioned change in composition, which produced a significant increase in the relative weight of deposits within total liabilities. In addition, the average rate of the item “Debt Securities” is influenced by the profit from the receipt of the negotiable obligations used to subscribe part of the capital increase at a value lower than their accounting value. (See *Recent Developments*). Excluding this profit, the average rate would have been 8.23%.

*Average balances in millions of pesos. Yields and rates in annualized nominal %*

Table III Average Balances, Yield and Rates <sup>(*)</sup>	FY 2007								FY 2006	
	3 <sup>rd</sup> Q		2 <sup>nd</sup> Q		1 <sup>st</sup> Q		4 <sup>th</sup> Q		3 <sup>rd</sup> Q	
	Av. B.	Int.	Av. B.	Int.	Av. B.	Int.	Av. B.	Int.	Av. B.	Int.
<b>Interest-Earning Assets</b>	<b>18,371</b>	<b>9.70</b>	<b>17,487</b>	<b>9.64</b>	<b>18,201</b>	<b>9.63</b>	<b>21,934</b>	<b>9.86</b>	<b>22,027</b>	<b>8.49</b>
Government Securities <sup>(**)</sup>	4,293	3.84	4,393	4.79	4,479	3.09	4,651	8.03	4,513	6.64
Loans	10,563	13.40	9,974	13.18	10,447	13.73	11,426	13.47	10,871	11.68
- Private Sector	9,367	13.84	8,349	13.11	7,728	13.11	7,225	13.54	6,602	12.23
- Public Sector	1,196	9.98	1,625	13.54	2,719	15.47	4,201	13.34	4,269	10.84
Other	3,515	5.74	3,120	5.12	3,275	5.50	5,857	4.29	6,643	4.52
- Financial Trusts	913	10.32	902	8.59	884	10.00	867	8.14	814	8.47
- Government Securities to be Received	-	-	104	3.57	406	3.64	3,040	3.79	4,326	3.87
- Other Interest Earning Assets	2,602	4.14	2,114	3.72	1,985	3.87	1,950	3.36	1,503	4.23
<b>Interest-Bearing Liabilities</b>	<b>14,932</b>	<b>5.96</b>	<b>14,660</b>	<b>6.84</b>	<b>15,510</b>	<b>8.20</b>	<b>19,218</b>	<b>8.37</b>	<b>19,313</b>	<b>7.68</b>
Current Accounts	667	2.17	668	2.41	628	2.60	648	2.62	618	3.28
Savings Accounts	2,371	0.17	2,136	0.31	2,057	0.29	1,952	0.27	1,870	0.26
Time Deposits	6,813	8.14	6,656	7.77	6,330	8.22	5,969	8.43	5,571	7.56
Debt Securities	3,506	5.15	3,824	9.41	3,808	9.34	3,710	8.91	3,672	8.50
Argentine Central Bank	-	-	81	5.87	965	28.04	4,977	11.58	5,964	9.39
Other Interest-Bearing Liabilities	1,575	8.63	1,295	7.51	1,722	6.00	1,962	8.92	1,618	10.18

(\*) Does not include the adjustment to the valuation of public-sector assets pursuant to Communiqué “A” 3911 of the Argentine Central Bank, nor quotation differences. Annual nominal rates were calculated using a 360-day denominator.

(\*\*) Includes Discount Bonds and GDP-Linked Units, valued in accordance with Communiqué “A” 4270.

Provisions for loan losses for the third quarter of FY 2007 amounted to Ps.72.7 million, Ps.52.1 million higher than in the same quarter of the prior year. A large portion of this increase was due to two specific cases and the remaining amount reflected the increase of the normal portfolio and higher charges in connection with the portfolio’s aging.

Net income from services amounted to Ps.248.4 million, up 44.5% from the Ps.171.9 million recorded in the third quarter of the previous fiscal year. All items recorded an increase as compared with the same quarter of the prior year, particularly those related to insurance products, credit and debit cards and credit-related fees, as a consequence, mainly, of a significant increase in the volume of transactions.

In millions of pesos

Table IV Income from Services, Net	FY 2007				FY 2006
	3 <sup>rd</sup> Q	2 <sup>nd</sup> Q	1 <sup>st</sup> Q	4 <sup>th</sup> Q	3 <sup>rd</sup> Q
National Cards	65.9	57.0	53.7	50.5	43.2
Regional Credit Cards	112.7	100.4	91.4	88.4	77.5
Deposit Accounts	41.4	39.3	35.5	35.3	33.0
Insurance	20.9	18.7	18.7	14.0	12.6
Financial Fees	7.8	6.8	6.2	5.8	5.2
Credit-Related Fees	22.7	19.1	15.5	18.2	14.3
Foreign Trade	10.4	9.0	8.9	9.2	8.4
Collections	7.3	6.5	5.7	5.3	4.9
Utility-Bills Collection Services	3.6	3.3	3.1	3.1	2.8
Mutual Funds	0.9	0.9	0.8	0.7	0.6
Other	21.5	19.6	17.9	19.3	15.8
<b>Total Income</b>	<b>315.1</b>	<b>280.6</b>	<b>257.4</b>	<b>249.8</b>	<b>218.3</b>
<b>Total Expenditures</b>	<b>66.7</b>	<b>57.5</b>	<b>55.5</b>	<b>57.1</b>	<b>46.4</b>
<b>Income from Services, Net</b>	<b>248.4</b>	<b>223.1</b>	<b>201.9</b>	<b>192.7</b>	<b>171.9</b>

Administrative expenses for the quarter totaled Ps.326.5 million, with a 32.6% increase from the same quarter of the prior year. Personnel expenses increased 35.5%, mainly due to salary increases resulting from collective labor agreements and to a 15.9% increase in the Bank's staff, related to the growth of the level of activity. The remaining administrative expenses grew 29.6%, mainly as a consequence of the greater level of activity, the geographical expansion of the regional credit-card companies and the inflation recorded during the period.

Net other losses amounted to Ps.35.3 million, compared with a Ps.55.0 million profit in the same quarter of the prior year. The third quarter's loss was mainly made up of a Ps.34.7 million loss from the amortization of deferred losses from *amparo* claims. The profit recorded in the third quarter of fiscal year 2006 was mainly due to a Ps.31.5 million gain from the net reversal of allowances, a Ps.9.9 million gain from the financial income on margin requirements of repo transactions and a Ps.7.2 million gain due to loans recovered.

The income tax charge was Ps.23.3 million, Ps.8.5 million higher than in the third quarter of FY 2006. This charge corresponds mainly to the regional credit-card companies.

## LEVEL OF ACTIVITY

The Bank's total exposure to the private sector reached Ps.12,441 million, with a 37.4% increase during the year and a 43.7% annualized increase during the quarter.

Total loans to the private sector granted by the Bank's Argentine operation increased 49.4% between September 30, 2007 and the same date of the previous year. The Bank's market share of private-sector loans reached 7.58% as of September 30, 2007, up from 7.42% as of September 30, 2006.

The regional credit-card companies' total loan portfolio increased 59.5% between September 30, 2007 and the same date of the previous year.

Total gross loans, as of September 30, 2007, amounted to Ps.11,255 million, of which Ps.1,306 million were loans to the financial and non-financial public sector.

In millions of pesos

Table V Exposure to the Private Sector	FY 2007				FY 2006
	3 <sup>rd</sup> Q	2 <sup>nd</sup> Q	1 <sup>st</sup> Q	4 <sup>th</sup> Q	3 <sup>rd</sup> Q
Loans	9,949	8,912	8,126	8,006	7,018
Leasing	327	284	241	209	159
Corporate Securities	20	33	26	24	24
Other Financing <sup>(*)</sup>	1,311	1,229	1,118	1,104	1,096
<b>Total Credit</b>	<b>11,607</b>	<b>10,458</b>	<b>9,511</b>	<b>9,343</b>	<b>8,297</b>
Securitized Loans <sup>(**)</sup>	834	904	855	832	755
<b>Total</b>	<b>12,441</b>	<b>11,362</b>	<b>10,366</b>	<b>10,175</b>	<b>9,052</b>

(\*) Includes certain accounts under the balance sheet heading *Other Receivables from Financial Brokerage, Guarantees Granted and Unused Balances of Loans Granted.*

(\*\*) As of September 30, 2007, includes the outstanding balances of the loans transferred to the following trusts: "Galtrust II", "Galtrust V", "Galicia Personales II", "Galicia Personales III", "Galicia Personales IV", "Galicia Personales V", "Galicia Hipotecas Comerciales", "Galicia Créditos Inmobiliarios I", "Galicia Créditos Inmobiliarios II", "Galicia Prendas Comerciales I", "Galicia Leasing I." Also includes the outstanding balances of the loans securitized by the regional credit-card companies.

Private-sector loan growth during the year was mainly concentrated in individuals (66.3%) and in middle-market companies (50.3%). By economic sector, the Bank increased its exposure mainly to consumers (65.6%), the retail- & wholesale-trade sector (42.7%), and the agriculture and livestock sector (25.0%).

In millions of pesos

Table VI Loans by Type of Borrower	FY 2007				FY 2006
	3 <sup>rd</sup> Q	2 <sup>nd</sup> Q	1 <sup>st</sup> Q	4 <sup>th</sup> Q	3 <sup>rd</sup> Q
Large Corporations	1,848	2,015	1,759	1,535	1,883
Middle-Market Companies	3,330	2,929	2,762	2,521	2,216
Individuals	4,358	3,755	3,403	3,132	2,620
Financial Sector	520	320	309	925	406
Non-Financial Public Sector	1,199	1,200	2,781	2,691	4,299
<b>Total Loans</b>	<b>11,255</b>	<b>10,219</b>	<b>11,014</b>	<b>10,804</b>	<b>11,424</b>
Allowances	389	365	355	327	316
<b>Total Loans, Net</b>	<b>10,866</b>	<b>9,854</b>	<b>10,659</b>	<b>10,477</b>	<b>11,108</b>

*In millions of pesos*

<b>Table VII</b> <b>Loans by Economic Sector</b>	<b>FY 2007</b>				<b>FY 2006</b>
	<b>3<sup>rd</sup> Q</b>	<b>2<sup>nd</sup> Q</b>	<b>1<sup>st</sup> Q</b>	<b>4<sup>th</sup> Q</b>	<b>3<sup>rd</sup> Q</b>
Financial Sector	520	320	309	925	406
Services	2,433	2,161	3,540	3,478	5,090
- Public Sector	1,199	1,200	2,781	2,691	4,299
- Other	1,234	961	759	787	791
Agriculture & Livestock	994	884	1,091	972	795
Consumer	4,146	3,587	3,250	2,989	2,504
Retail & Wholesale Trade	1,277	1,303	934	858	895
Construction	161	308	295	310	304
Manufacturing	1,641	1,522	1,481	1,229	1,380
Other	83	134	114	43	50
<b>Total Loans</b>	<b>11,255</b>	<b>10,219</b>	<b>11,014</b>	<b>10,804</b>	<b>11,424</b>
Allowances	389	365	355	327	316
<b>Total Loans, Net</b>	<b>10,866</b>	<b>9,854</b>	<b>10,659</b>	<b>10,477</b>	<b>11,108</b>

Since the third quarter of FY 2006 the Bank has reduced significantly its exposure to the public sector (See *Table VIII*). Public-sector assets decreased by Ps.8,008 million in a year. This decrease was, mainly, the consequence of: i) a Ps.2,790 million decrease in the balance of Bogar bonds due to their use to repay part of the advance for the acquisition of the Hedge Bond, and to sales of the remaining balance made during December 2006 and the first quarter of FY 2007, ii) a Ps.3,100 million decrease in the balance of Secured Loans due to sales, the proceeds of which were used to make payments in advance on the financial assistance from the Argentine Central Bank, and to their use to purchase the remaining Hedge Bond, and iii) a Ps.2,516 million decrease in the balance of Boden 2012 bonds (recorded under “Government Securities” and “Other Receivables from Financial Brokerage”) due to the collection of amortization and interest coupons and to the use of the proceeds of the sale of those bonds to fund the repurchase of foreign debt. These decreases were partially offset by the Ps.361 million increase in the net position in government securities held for trading, mainly composed of Bills and Notes issued by the Argentine Central Bank (Lebac and Nobac).

As of April 30, 2007, the Bank did not record any debt with the Argentine Central Bank, which amounted to Ps.6,299 million as of September 30, 2006.

*In millions of pesos*

<b>Table VIII</b> <b>Net Exposure to the Argentine Public Sector</b> (*)	<b>FY 2007</b>				<b>FY 2006</b>
	<b>3<sup>rd</sup> Q</b>	<b>2<sup>nd</sup> Q</b>	<b>1<sup>st</sup> Q</b>	<b>4<sup>th</sup> Q</b>	<b>3<sup>rd</sup> Q</b>
<b>Government Securities' Net Position</b>	<b>3,960</b>	<b>4,694</b>	<b>3,927</b>	<b>4,831</b>	<b>4,543</b>
Trading	529	664	205	162	168
Bogar	-	-	-	367	2,790
Boden 2012	2,723	3,316	3,008	3,583	861
Discount Bonds and GDP-Linked Units	708	714	714	719	724
<b>Loans</b>	<b>1,306</b>	<b>1,307</b>	<b>2,780</b>	<b>2,798</b>	<b>4,406</b>
National Secured Loans, Net	1,199	1,200	2,673	2,691	4,299
Other	107	107	107	107	107
<b>Other Receivables Resulting from Financial Brokerage</b>	<b>856</b>	<b>847</b>	<b>1,245</b>	<b>1,218</b>	<b>5,181</b>
Boden 2012	-	-	409	401	4,378
Trust Certificates of Participation and Securities	856	847	836	817	803
<b>Total Assets</b>	<b>6,122</b>	<b>6,848</b>	<b>7,952</b>	<b>8,847</b>	<b>14,130</b>
<b>Liabilities with the Argentine Central Bank</b>	<b>-</b>	<b>-</b>	<b>380</b>	<b>3,026</b>	<b>6,299</b>
<b>Net Exposure</b>	<b>6,122</b>	<b>6,848</b>	<b>7,572</b>	<b>5,821</b>	<b>7,831</b>

(\*) Excludes deposits with the Argentine Central Bank, which constitute one of the items by which the Bank complies with the Argentine Central Bank's minimum cash requirements.

Equity investments amounted to Ps.51.8 million, 27.1% lower than the Ps.71.1 million recorded at the end of the third quarter of FY 2006. This decrease was mainly the consequence of the sale of our interests in Inversora Nihuiles S.A. and Inversora Diamante S.A.

The item "Bank Premises and Equipment, Miscellaneous and Intangible Assets" includes Ps.270 million of net deferred losses associated to *amparo* claims. This amount includes Ps.144 million of amortization deferred since December 2005, in accordance with applicable regulations.

The Bank's consolidated deposits amounted to Ps.12,760 million, of which Ps.329 million were deposits in Galicia Uruguay.

As of September 30, 2007, the Bank's deposits in Argentina amounted to Ps.12,464 million, representing a 23.2% increase in the twelve months ended September 30, 2007, and a 9.6% annualized increase in the quarter. Alike the financial system as a whole, during the quarter, the Bank's dollar-denominated deposits recorded a significant increase, up 26.6% during such period, while peso-denominated deposits recorded a slight decline.

*In millions of pesos*

<b>Table IX</b> <b>Deposits in Argentina</b>	<b>FY 2007</b>				<b>FY 2006</b>
	<b>3<sup>rd</sup> Q</b>	<b>2<sup>nd</sup> Q</b>	<b>1<sup>st</sup> Q</b>	<b>4<sup>th</sup> Q</b>	<b>3<sup>rd</sup> Q</b>
<b>In Pesos</b>	<b>10,777</b>	<b>10,850</b>	<b>10,334</b>	<b>9,379</b>	<b>8,893</b>
Current Accounts	2,514	2,491	2,116	2,016	1,843
Savings Accounts	2,283	2,313	2,116	1,937	1,866
Time Deposits	5,378	5,336	5,372	4,590	4,191
Adjusted Time Deposits	376	454	503	620	793
Other	226	256	227	216	200
<b>In Foreign Currency</b>	<b>1,687</b>	<b>1,333</b>	<b>1,317</b>	<b>1,213</b>	<b>1,223</b>
<b>Total Deposits</b>	<b>12,464</b>	<b>12,183</b>	<b>11,651</b>	<b>10,592</b>	<b>10,116</b>

As of September 30, 2007, the Bank's estimated market share of deposits in the Argentine financial system, considering its deposits in Argentina only, was 6.24%, compared with 6.22% from the prior fiscal year.

Considering only private-sector deposits, the Bank's estimated deposit market share reached 8.34% as of September 30, 2007, compared with 8.43% as of September 30, 2006.

<b>Table X</b> <b>Market Share (*)</b>	<b>FY 2007</b>				<b>FY 2006</b>
	<b>3<sup>rd</sup> Q</b>	<b>2<sup>nd</sup> Q</b>	<b>1<sup>st</sup> Q</b>	<b>4<sup>th</sup> Q</b>	<b>3<sup>rd</sup> Q</b>
Total Deposits	6.24	6.39	6.43	6.18	6.22
Private Sector Deposits	8.34	8.45	8.60	8.43	8.43
Total Loans	7.44	7.14	7.70	8.13	8.71
Loans to the Private Sector	7.58	7.64	7.45	7.21	7.42

(\*) Banco de Galicia y Buenos Aires S.A., only, within the Argentine financial system, according to the daily information on deposits and loans published by the Argentine Central Bank. End-of-period data.

Deposits and Loans include only principal.

Regional credit card companies' data is not included.

Other financial liabilities decreased by Ps.6,626 million from the amount as of the end of the third quarter of FY 2006. The decrease was mainly the consequence of: i) the full repayment of the debt with the Argentine Central Bank, for Ps.6,299 million, and ii) the reduction of the Bank's foreign debt for US\$ 487 million due to amortization, prepayments and cancellation in advance. These decreases were partially offset by the issuance of negotiable obligations for Ps.200 million by Tarjetas Cuyanas S.A. (during the second quarter of fiscal year 2007) and by an increase in repo transactions.

<b>Table XI</b> <b>Other Financial Liabilities</b>	<b>FY 2007</b>				<b>FY 2006</b>
	<b>3<sup>rd</sup> Q</b>	<b>2<sup>nd</sup> Q</b>	<b>1<sup>st</sup> Q</b>	<b>4<sup>th</sup> Q</b>	<b>3<sup>rd</sup> Q</b>
<b>Argentine Central Bank</b>	<b>1</b>	<b>1</b>	<b>380</b>	<b>3,026</b>	<b>6,300</b>
Financial Assistance	-	-	-	2,689	2,719
Advance for the Purchase the Hedge Bond	-	-	380	337	3,580
Other	1	1	-	-	1
<b>Foreign Banks and International Entities</b>	<b>457</b>	<b>308</b>	<b>282</b>	<b>860</b>	<b>858</b>
<b>Negotiable Obligations (*)</b>	<b>3,235</b>	<b>4,008</b>	<b>3,834</b>	<b>3,935</b>	<b>3,643</b>
<b>Other (**)</b>	<b>2,798</b>	<b>2,602</b>	<b>2,973</b>	<b>3,136</b>	<b>2,316</b>
<b>Total</b>	<b>6,491</b>	<b>6,919</b>	<b>7,469</b>	<b>10,957</b>	<b>13,117</b>

(\*) Includes subordinated negotiable obligations.

(\*\*) Includes, mainly, loans from domestic banks and other domestic institutions, repos and debt with retailers in connection with the financing of credit-card purchases.

As of September 30, 2007, the Bank had 1.3 million deposit accounts, reflecting an increase of approximately 139 thousand accounts from a year before. Likewise, the number of credit cards managed as of that date reached 5.1 million, 1.2 million higher than the 3.9 million credit cards managed a year before (See the "Additional Information" table).

## ASSET QUALITY

The Bank's non-accrual loan portfolio amounted to Ps.385 million as of September 30, 2007, while it amounted to Ps.279 million in the same quarter of the prior year. The non-accrual loan portfolio represented 3.87% of total loans to the private sector as of September 30, 2007, compared to 3.98% as of September 30, 2006.

The allowance for loan losses represented 3.91% of total loans to the private sector as of September 30, 2007, and 4.50% as of September 30, 2006. The coverage of the non-accrual loan portfolio with allowances for loan losses reached 101.04% and the coverage with guarantees was 12.21%. The combined coverage of non-accrual loans with allowances and guarantees was 113.25%.

*In millions of pesos, except percentages*

<b>Table XII</b> <b>Loan Portfolio Quality</b>	<b>FY 2007</b>				<b>FY 2006</b>
	<b>3<sup>rd</sup> Q</b>	<b>2<sup>nd</sup> Q</b>	<b>1<sup>st</sup> Q</b>	<b>4<sup>th</sup> Q</b>	<b>3<sup>rd</sup> Q</b>
<b>Non-Accrual Loans (*)</b>	<b>385</b>	<b>321</b>	<b>295</b>	<b>279</b>	<b>279</b>
- With Preferred Guarantees	42	41	40	40	56
- With Others Guarantees	5	5	5	5	5
- Without Guarantees	338	275	250	234	218
<b>Allowance for Loan Losses</b>	<b>389</b>	<b>365</b>	<b>355</b>	<b>327</b>	<b>316</b>
<b>Non-Accrual Loans to Total Loans (%)</b>	<b>3.42</b>	<b>3.14</b>	<b>2.68</b>	<b>2.58</b>	<b>2.44</b>
<b>Non-Accrual Loans to Private-Sector Loans (%)</b>	<b>3.87</b>	<b>3.60</b>	<b>3.63</b>	<b>3.48</b>	<b>3.98</b>
<b>Allowance for Loan Losses to Total Loans (%)</b>	<b>3.46</b>	<b>3.57</b>	<b>3.22</b>	<b>3.03</b>	<b>2.77</b>
<b>Allowance for Loan Losses to Private-Sector Loans (%)</b>	<b>3.91</b>	<b>4.10</b>	<b>4.37</b>	<b>4.08</b>	<b>4.50</b>
<b>Allowance for Loan Losses to Non-Accrual Loans (%)</b>	<b>101.04</b>	<b>113.71</b>	<b>120.34</b>	<b>117.20</b>	<b>113.26</b>
<b>Non-Accrual Loans with Guarantees to Non-Accrual Loans (%)</b>	<b>12.21</b>	<b>14.33</b>	<b>15.25</b>	<b>16.13</b>	<b>21.86</b>

(\*) The non-accrual portfolio includes loans classified under the following categories of the Argentine Central Bank classification: With Problems and Deficient Performance, High Risk of Insolvency and Difficult Collection, Uncollectible and Uncollectible due to Technical Reasons.

During the quarter, Ps.47 million were charged off against the allowance for loan losses and direct charges to the income statement for Ps.1 million were made.

*In millions of pesos*

<b>Table XIII</b> <b>Consolidated Analysis of Loan Loss Experience</b>	<b>FY 2007</b>				<b>FY 2006</b>
	<b>3<sup>rd</sup> Q</b>	<b>2<sup>nd</sup> Q</b>	<b>1<sup>st</sup> Q</b>	<b>4<sup>th</sup> Q</b>	<b>3<sup>rd</sup> Q</b>
<b>Allowance for Loan Losses at the Beginning of the Quarter</b>	<b>365</b>	<b>355</b>	<b>327</b>	<b>316</b>	<b>321</b>
Changes in the Allowance for Loan Losses					
Provisions Charged to Income (*)	71	35	48	26	18
Provisions Reversed	-	-	(3)	(2)	(7)
Charge Offs	(47)	(25)	(17)	(13)	(16)
<b>Allowance for Loan Losses at Quarter End</b>	<b>389</b>	<b>365</b>	<b>355</b>	<b>327</b>	<b>316</b>
<b>Charge to the Income Statement</b>					
Provisions Charged to Income	71	35	48	26	18
Direct Charge Offs	1	1	1	1	1
Bad Debts Recovered	(18)	(7)	(25)	(30)	(7)
Provisions Reversed (**)	-	-	(3)	(2)	(7)
<b>Net Charge to the Income Statement</b>	<b>54</b>	<b>29</b>	<b>21</b>	<b>(5)</b>	<b>5</b>

(\*) Includes conversion differences corresponding to Galicia Uruguay.

(\*\*) Recorded under "Net Other Income".

In the following table, asset quality information is also shown in terms of "total credit." Total credit is defined as loans, certain accounts included in "Other Receivables Resulting from Financial Brokerage" representing credit transactions, assets under financial leases, guarantees granted and unused balances of loans granted.

*In millions of pesos, except percentages*

<b>Table XIV</b>	<b>FY 2007</b>				<b>FY 2006</b>
	<b>3<sup>rd</sup> Q</b>	<b>2<sup>nd</sup> Q</b>	<b>1<sup>st</sup> Q</b>	<b>4<sup>th</sup> Q</b>	<b>3<sup>rd</sup> Q</b>
<b>Asset Quality - Total Credit</b>					
<b>Non-Accrual Portfolio (*)</b>	<b>408</b>	<b>345</b>	<b>323</b>	<b>309</b>	<b>312</b>
- With Preferred Guarantees	44	44	43	42	59
- With Other Guarantees	5	5	5	8	8
- Without Guarantees	359	296	275	259	245
<b>Allowance for Credit Losses</b>	<b>408</b>	<b>383</b>	<b>375</b>	<b>348</b>	<b>340</b>
<b>Non-Accrual Portfolio to Total Credit (%)</b>	<b>3.16</b>	<b>2.93</b>	<b>2.61</b>	<b>2.55</b>	<b>2.46</b>
<b>Non-Accrual Portfolio to Private-Sector Credit (%)</b>	<b>3.52</b>	<b>3.30</b>	<b>3.40</b>	<b>3.31</b>	<b>3.76</b>
<b>Allowance for Credit Losses to Total Credit (%)</b>	<b>3.16</b>	<b>3.26</b>	<b>3.02</b>	<b>2.87</b>	<b>2.68</b>
<b>Allowance for Credit Losses to Private-Sector Credit (%)</b>	<b>3.52</b>	<b>3.66</b>	<b>3.94</b>	<b>3.73</b>	<b>4.10</b>
<b>Allowance for Credit Losses to Non-Accrual Portfolio (%)</b>	<b>100.00</b>	<b>111.01</b>	<b>116.10</b>	<b>112.62</b>	<b>108.97</b>
<b>Non-Accrual Portfolio with Guarantees to Non-Accrual Portfolio (%)</b>	<b>12.01</b>	<b>14.20</b>	<b>14.86</b>	<b>16.18</b>	<b>21.47</b>

*(\*) Includes credits classified under the categories mentioned in the note to Table XII.*

## **CAPITALIZATION AND LIQUIDITY**

As of September 30, 2007, the Bank's consolidated computable capital exceeded by Ps.992 million the Ps.1,319 million minimum capital requirement. This excess was Ps.898 million as of September 30, 2006 and Ps.432 million as of June 30, 2007.

The increase in the minimum capital requirement between September 30, 2007 and September 30, 2006 was mainly attributable to the Bank's greater exposure to the private sector.

The Ps.357 million and Ps.578 million increases from the regulatory capital amounts recorded as of September 30, 2006 and June 30, 2007, respectively, were mainly attributable to the capital increase completed last August, which implied an aggregate increase in the shareholders' equity items capital stock and issuance premiums, after issuance costs, of Ps.466 million. The Ps.87 million increase in the supplemental capital from the level recorded as of June 30, 2007, was mainly a consequence of having been able to compute more subordinated debt as supplemental capital, given the increase in the core capital.

In millions of pesos, except rates and percentages

Table XV Consolidated Regulatory Capital	FY 2007				FY 2006
	3 <sup>rd</sup> Q	2 <sup>nd</sup> Q	1 <sup>st</sup> Q	4 <sup>th</sup> Q	3 <sup>rd</sup> Q
<b>Minimum Capital Required (A)</b>	<b>1,319</b>	<b>1,301</b>	<b>1,250</b>	<b>1,084</b>	<b>1,056</b>
Allocated to Financial Assets	754	671	598	552	500
Allocated to Fixed Assets	155	149	148	144	144
Allocated to Other Assets	63	54	68	44	43
Allocated to Market Risk	21	22	11	12	13
Allocated to Interest-Rate Risk	67	92	89	62	91
Allocated to Lending to the Public Sector	259	313	336	270	265
<b>Computable Capital (B)</b>	<b>2,311</b>	<b>1,733</b>	<b>1,741</b>	<b>1,861</b>	<b>1,954</b>
Core Capital	1,751	1,244	1,252	1,395	1,393
Supplemental Capital	717	630	632	608	704
Deductions	(161)	(153)	(145)	(144)	(146)
Additional Capital – Market Variation	4	12	2	2	3
<b>Excess over Required Capital (B) - (A)</b>	<b>992</b>	<b>432</b>	<b>491</b>	<b>777</b>	<b>898</b>
<b>Total Capital Ratio (%)</b>	<b>15.31</b>	<b>11.77</b>	<b>12.32</b>	<b>15.03</b>	<b>16.70</b>

As of September 30, 2007, the Bank's unconsolidated liquid assets (held by the Bank's Argentine operation) represented 60.76% of the Bank's transactional deposits and 25.91% of its total deposits in Argentina. Including government securities available, at their market value, the latter ratio was 37.76%.

Table XVI Liquidity (unconsolidated)	FY 2007				FY 2006
	3 <sup>rd</sup> Q	2 <sup>nd</sup> Q	1 <sup>st</sup> Q	4 <sup>th</sup> Q	3 <sup>rd</sup> Q
Liquid Assets <sup>(*)</sup> as a percentage of Transactional Deposits	60.76	54.58	41.46	56.81	46.67
Liquid Assets <sup>(*)</sup> as a percentage of Total Deposits	25.91	23.11	16.40	23.07	18.51

(\*) Liquid assets include cash and due from banks (including deposits with the Argentine Central Bank and the special escrow accounts with the monetary authority), holdings of Lebac and Nobac (Argentine Central Bank's bills and notes, respectively), net call money loans, short-term placements with correspondent banks and reverse repos with the local market.

This report is a summary analysis of the Bank's financial condition and results of operations as of and for the period indicated. For a correct interpretation, this report must be read in conjunction with the Bank's financial statements, as well as with all other material periodically filed with the National Securities Commission ([www.cnv.gov.ar](http://www.cnv.gov.ar)) and the Buenos Aires Stock Exchange ([www.bolsar.com](http://www.bolsar.com)). In addition, the Argentine Central Bank ([www.bcra.gov.ar](http://www.bcra.gov.ar)) may publish information related to the Bank as of a date subsequent to the last date for which the Bank has published information.

Readers of this report must note that this is a translation made from an original version written and expressed in Spanish. Therefore, any matters of interpretation should be referred to the original version in Spanish.

**SELECTED FINANCIAL INFORMATION – CONSOLIDATED DATA <sup>(\*)</sup>**

	<i>In millions of pesos</i>				
			<b>FY 2007</b>		<b>FY 2006</b>
	<b>3<sup>rd</sup> Q</b>	<b>2<sup>nd</sup> Q</b>	<b>1<sup>st</sup> Q</b>	<b>4<sup>th</sup> Q</b>	<b>3<sup>rd</sup> Q</b>
Cash and Due from Banks	2,622.6	2,057.6	2,060.9	2,293.2	1,627.8
Government and Corporate Securities	2,226.9	3,569.3	2,270.6	3,186.9	3,458.1
Net Loans	10,866.4	9,854.1	10,658.5	10,476.6	11,107.8
Other Receivables Resulting from Financial Brokerage	3,140.9	3,319.5	3,776.1	5,352.1	7,122.3
Equity Investments in Other Companies	51.8	49.8	47.5	42.3	71.1
Bank Premises and Equipment, Miscellaneous and Intangible Assets	1,232.0	1,239.7	1,252.6	1,253.6	1,220.8
Other Assets	1,329.8	999.1	950.5	841.4	681.6
<b>Total Assets</b>	<b>21,470.4</b>	<b>21,089.1</b>	<b>21,016.7</b>	<b>23,446.1</b>	<b>25,289.5</b>
Deposits	12,759.6	12,451.4	11,874.0	10,792.8	10,430.7
Other Liabilities Resulting from Financial Brokerage	5,659.2	6,101.4	6,670.4	10,165.2	12,337.9
Subordinated Negotiable Obligations	832.1	817.7	798.5	791.5	779.2
Other	417.6	398.6	369.5	356.0	307.3
Minority Interests	94.0	85.5	77.5	77.6	62.4
<b>Total Liabilities</b>	<b>19,762.5</b>	<b>19,854.6</b>	<b>19,789.9</b>	<b>22,183.1</b>	<b>23,917.5</b>
<b>Shareholders' Equity</b>	<b>1,707.9</b>	<b>1,234.5</b>	<b>1,226.8</b>	<b>1,263.0</b>	<b>1,372.0</b>
<b>Foreign-Currency Assets and Liabilities</b>					
- Assets	6,031.8	6,142.6	5,809.2	6,812.2	7,368.0
- Liabilities	6,463.0	6,489.2	6,469.7	7,066.1	7,006.6
- Net Forward Purchases/(Sales) of Foreign Currency <sup>(1)</sup>	550.0	401.0	600.6	326.5	(277.0)

(\*) Banco de Galicia y Buenos Aires S.A., consolidated with subsidiary companies (Art.33 - Law 19550).

(1) Recorded off-balance sheet.

**SELECTED FINANCIAL INFORMATION – CONSOLIDATED DATA (\*)**

	<i>In millions of pesos</i>				
	FY 2007			FY 2006	
	3 <sup>rd</sup> Q	2 <sup>nd</sup> Q	1 <sup>st</sup> Q	4 <sup>th</sup> Q	3 <sup>rd</sup> Q
<b>FINANCIAL INCOME</b>	<b>513.1</b>	<b>452.9</b>	<b>460.0</b>	<b>417.4</b>	<b>484.8</b>
- Interest on Cash and Due from Banks	3.9	2.0	3.6	0.7	-
- Interest on Loans to the Financial Sector	0.3	0.3	1.8	1.1	0.5
- Interest on Overdrafts	32.1	25.1	19.6	21.0	20.6
- Interest on Promissory Notes	75.7	61.4	59.8	58.1	51.5
- Interest on Mortgage Loans	26.0	22.2	20.6	20.4	18.9
- Interest on Pledge Loans	3.5	2.8	2.5	2.3	1.9
- Interest on Credit-Card Loans	111.9	101.6	90.7	89.6	65.2
- Interest on Other Loans	56.4	42.5	40.1	36.1	27.0
- Net Income from Government and Corporate Securities	80.6	72.2	23.1	(75.1)	41.3
- Interest on Other Receivables Resulting from Financial Brokerage	8.7	7.3	10.2	34.6	50.1
- Net Income from Secured Loans - Decree No.1387/01	12.2	17.3	28.0	44.2	43.6
- CER Adjustment	22.1	44.9	89.8	149.5	124.6
- Quotation Differences on Gold and Foreign Currency	23.6	22.2	11.6	13.8	19.5
- Other	56.1	31.1	58.6	21.1	20.1
<b>FINANCIAL EXPENSES</b>	<b>289.7</b>	<b>271.7</b>	<b>357.1</b>	<b>443.4</b>	<b>418.0</b>
- Interest on Current-Account Deposits	3.6	4.0	4.1	4.2	5.1
- Interest on Savings-Account Deposits	0.8	1.5	1.4	1.3	1.1
- Interest on Time Deposits	131.1	119.1	114.8	106.8	89.0
- Interest on Interbank Loans Received (call Money Loans)	1.5	0.8	0.9	1.0	0.6
- Interest on Financing from the Financial Sector	0.5	0.5	0.6	0.7	0.8
- Interest on Subordinated Obligations	24.1	23.1	23.3	22.5	22.6
- Other Interest	1.1	1.3	42.3	38.4	43.2
- Interest on Other Liabilities Resulting from Financial Brokerage	77.7	77.5	93.8	86.8	77.0
- CER Adjustment	7.9	8.3	43.3	126.7	122.1
- Contributions to the Deposit Insurance Fund	5.3	5.0	4.7	4.4	4.1
- Other	36.1	30.6	27.9	50.6	52.4
<b>GROSS FINANCIAL MARGIN</b>	<b>223.4</b>	<b>181.2</b>	<b>102.9</b>	<b>(26.0)</b>	<b>66.8</b>
<b>PROVISIONS FOR LOAN LOSSES</b>	<b>72.7</b>	<b>36.9</b>	<b>49.4</b>	<b>26.3</b>	<b>20.6</b>
<b>INCOME FROM SERVICES, NET</b>	<b>248.4</b>	<b>223.1</b>	<b>201.9</b>	<b>192.7</b>	<b>171.9</b>
<b>ADMINISTRATIVE EXPENSES</b>	<b>326.5</b>	<b>296.3</b>	<b>268.4</b>	<b>274.2</b>	<b>246.2</b>
- Personnel Expenses	170.7	157.0	140.8	146.3	126.0
- Directors' and Syndics' Fees	1.3	1.1	1.3	1.8	1.5
- Other Fees	10.0	9.1	7.2	9.0	8.3
- Advertising and Publicity	29.4	26.8	24.2	25.8	25.3
- Taxes	17.4	14.0	13.1	14.1	12.7
- Depreciation of Premises and Equipment	13.1	11.8	10.0	9.3	9.1
- Amortization of Organization and Development Expenses	9.2	8.7	9.0	8.6	8.2
- Other Operating Expenses	49.0	45.1	42.5	39.4	37.4
- Other	26.4	22.7	20.3	19.9	17.7
<b>MINORITY INTERESTS RESULTS</b>	<b>(8.5)</b>	<b>(8.0)</b>	<b>(5.4)</b>	<b>(7.2)</b>	<b>(6.3)</b>
<b>INCOME FROM EQUITY INVESTMENTS</b>	<b>2.0</b>	<b>0.7</b>	<b>0.7</b>	<b>(1.1)</b>	<b>3.0</b>
<b>NET OTHER INCOME</b>	<b>(35.3)</b>	<b>(38.6)</b>	<b>(0.5)</b>	<b>45.4</b>	<b>55.0</b>
<b>INCOME TAX</b>	<b>23.3</b>	<b>17.5</b>	<b>18.0</b>	<b>12.2</b>	<b>14.8</b>
<b>NET INCOME / (LOSS)</b>	<b>7.5</b>	<b>7.7</b>	<b>(36.2)</b>	<b>(108.9)</b>	<b>8.8</b>

(\*) Banco de Galicia y Buenos Aires S.A., consolidated with subsidiary companies (Art.33 – Law 19550).

**ADDITIONAL INFORMATION**

			FY 2007		FY 2006
	3 <sup>rd</sup> Q	2 <sup>nd</sup> Q	1 <sup>st</sup> Q	4 <sup>th</sup> Q	3 <sup>rd</sup> Q
<b>Mutual Funds</b> (In millions of pesos) <sup>(*)</sup>	<b>601.9</b>	<b>703.6</b>	<b>545.9</b>	<b>480.0</b>	<b>361.5</b>
<b>Physical Data</b> (Number of)					
<b>Employees</b>	<b>8,675</b>	<b>8,374</b>	<b>8,106</b>	<b>7,878</b>	<b>7,484</b>
Bank in Argentina	5,142	5,021	4,851	4,676	4,441
Other companies	3,533	3,353	3,255	3,202	3,043
<b>Branches</b>	<b>358</b>	<b>354</b>	<b>348</b>	<b>346</b>	<b>343</b>
Bank Branches	233	233	233	233	233
Regional Credit-Card Companies Offices	125	121	115	113	110
<b>Deposit Accounts (in thousands)</b>	<b>1,327</b>	<b>1,244</b>	<b>1,222</b>	<b>1,213</b>	<b>1,188</b>
<b>Credit Cards (in thousands)</b>	<b>5,051</b>	<b>4,729</b>	<b>4,403</b>	<b>4,278</b>	<b>3,897</b>
<b>Inflation and Exchange Rate</b>					
Retail Price Index (%) <sup>(**)</sup>	1.90	1.61	2.23	2.57	2.09
Wholesale Price Index (IPIM) (%) <sup>(**)</sup>	4.02	5.37	1.75	0.68	1.29
CER Coefficient (%) <sup>(**)</sup>	1.50	1.91	2.52	2.46	1.65
Exchange Rate (Pesos per US\$) <sup>(***)</sup>	3.1495	3.0908	3.1007	3.0695	3.1043

(\*) Market value of the FIMA mutual fund units under custody.

(\*\*) Variation within the quarter.

(\*\*\*) As of the last working day of the quarter.

## RECENT DEVELOPMENTS

### BANCO GALICIA

#### Capital Increase

In August 2007, the Bank issued 93.66 million new shares, increasing the Bank's capital stock to 562.3 million shares with a face value of Ps.1 each, from 468.7 million as of June 30, 2007. The corresponding increase in the shareholders' equity items capital stock and issuance premium, after the costs of issuance, amounted to Ps.466 million in aggregate. In addition, for the portion paid for in negotiable obligations, the Bank generated a Ps.27 million profit, as these instruments were received at a value lower than their book value. Consequently, the total increase in the Bank's shareholders' equity resulting from the capital increase amounted to Ps.493 million, which represents a 40.0% increase from the shareholder's equity recorded as of June 30, 2007.

#### Foreign Debt

In accordance with the agreements regulating the Bank's restructured foreign debt and given that part of the capital increase mentioned above was subscribed in cash, on August 15, 2007, the Bank made a partial prepayment on the Loans and Negotiable Obligations Due 2014, at par value and in inverse order to maturity, for an aggregate amount of principal and interest of US\$ 28.0 million (US\$ 25.4 million corresponding to negotiable obligations and US\$ 2.6 million to loans).

In addition, in September, the Bank cancelled in advance US\$ 40.3 million of face value of Negotiable Obligations Due 2014 and, in October and November, US\$ 66.2 million face value of Negotiable Obligations Due 2010. The negotiable obligations were acquired by the Bank in market operations during the fiscal year.

Likewise, on July 2, 2007, the third amortization coupon of the debt maturing in 2010 became due and, therefore, US\$ 44.6 million were paid on such debt.

As a consequence, to date, the outstanding balance of the debt due in 2010 amounts to US\$ 181.9 million (US\$ 179.2 million corresponding to negotiable obligations) and that of the debt due in 2014 amounts to US\$ 336.8 million (US\$ 302.1 million corresponding to negotiable obligations), equivalent in aggregate to 49.5% of the senior debt issued in May 2004.

In addition, on August 3, 2007, the last amortization coupon of the Negotiable Obligations Due in 2007, issued in 2002, was paid and, in September 2007, a US\$ 9.5 million payment was made on the restructured debt of Galicia Uruguay.

## Financial Trusts – Own Portfolio

During the third quarter and after, the Bank publicly offered the securities issued by the following financial trusts:

*In millions of pesos*

	Tarjeta Naranja Trust IV	Galicia Personales VI	Tarjeta Naranja Trust V
Issue date	09.03.07	10.09.07	10.23.07
Estimated Due Date of the Certificates of Participation	07.20.08	06.15.12	11.20.09
Underlying Assets (Portfolio Transferred)	\$76.1	\$108.1	\$115.3
Debt Securities Issued	\$70.4	\$100.5	\$98.0
Certificates of Participation	\$5.7	\$7.6	\$17.3 (*)

(\*) Not publicly offered.

## FINANCIAL SYSTEM AND MAIN REGULATORY CHANGES

### Government Securities and Debt Issued by the Argentine Central Bank

Within the context of high volatility experienced by the capital markets since last July, the Argentine Central Bank issued the following regulations:

By means of Communiqué “A” 4698, dated August 24, 2007, the Argentine Central Bank established that debt instruments issued by such institution that are included in the volatility list published monthly by the same, may be classified in “Investment Accounts” and recorded at their amortized cost plus the corresponding internal rate of return (“IRR”), as long as the financial institution commits to hold them until maturity. The difference with respect to the market value has to be disclosed in the notes to the financial statements. Holdings in investment accounts may be used in repo transactions where the counterpart is another financial institution operating in the country, a foreign bank with a credit rating equal or higher to “A”, or the Argentine Central Bank itself.

By means of Communiqué “A” 4702, dated August 30, 2007, the Argentine Central Bank established that holdings of debt securities issued by such entity and of national government securities may be classified as “Available for Sale”. It also established that these holdings must be recorded at market value, with the use of such methodology as well as the potential effect on the income statement disclosed in the notes to the financial statements. The difference (negative or positive) between the carrying amount of these holdings and their market value has to be recognized in equity accounts specially created to this effect. Interest will be recognized in the income statement in each period by accruing the IRR, with the counterpart recorded in equity accounts. The rule allows the use of these holdings in repo transactions, subject to the conditions mentioned in the previous paragraph, and for withdrawal from this category in the case of sale, payment of amortization and/or principal installment or when the volatility published by the Argentine Central Bank is no longer available, in which case they must be recorded under “Holdings without Quotation”.

This regulation also established that, for purposes of determining the existence of distributable profits (in the same way as items mentioned in Communiqués “A” 4589 and “A” 4591”), the non-realized valuation differences registered in Shareholders’ Equity accounts mentioned above, must be deducted from retained earnings.

The Bank did not make use of these options.

By means of Communiqué “A” 4704, dated September 7, 2007, the Argentine Central Bank resolved to set the discount rate to be used for the valuation at present value of public-sector assets reached by Communiqué “A” 3911 and complementary ones, the determination of which was ruled by the schedule established by such regulations. This criteria will be applicable as long as, when applying the market rate that would correspond according to the procedure established by Communiqué “A” 3911 and complementary ones, the discount rate is such that it implies a loss –for the financial system as a whole– in the economic value of the comprised portfolio, less than or equal to the profit from the accrual of their yield, and, if corresponding, the CER index.

Notwithstanding the above, in order to determine distributable earnings, the rate to be applied will be the market rate in accordance with the general procedure established by item 2. of Communiqué “A” 3911 (according to the attachment to Communiqué “A” 4455).

*This report is a summary analysis of the Bank’s financial condition and results of operations as of and for the period indicated. For a correct interpretation, this report must be read in conjunction with the Bank’s financial statements, as well as with all other material periodically filed with the National Securities Commission ([www.cnv.gov.ar](http://www.cnv.gov.ar)) and the Buenos Aires Stock Exchange ([www.bolsar.com](http://www.bolsar.com)). In addition, the Argentine Central Bank ([www.bcra.gov.ar](http://www.bcra.gov.ar)) may publish information related to the Bank as of a date subsequent to the last date for which the Bank has published information.*

*Readers of this report must note that this is a translation made from an original version written and expressed in Spanish. Therefore, any matters of interpretation should be referred to the original version in Spanish.*