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Banco de Galicia y Buenos Aires S.A.

Phone (54-11) 6329-6430

Fax (54-11) 6329-6494

www.e-galicia.com

BANCO DE GALICIA Y BUENOS AIRES S.A. REPORTS EARNINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006

(Buenos Aires, Argentina, February 15, 2007) – Banco de Galicia y Buenos Aires S.A. (the “Bank”, Buenos Aires Stock Exchange: GALI) today announced its financial results for the fiscal year and the quarter ended December 31, 2006.

- **In December 2006, as a consequence of the delivery of 90,8% of the compensation to the Bank for the negative effects of the asymmetric pesification, the Argentine Central Bank credited to the Bank Boden 2012 bonds for US\$ 1,155 million of face value. Simultaneously, the Bank cancelled the proportional amount of the advance for the purchase of the Hedge Bond by using public sector assets granted as collateral, for Ps.1,112 million, and cash for Ps.1,370 million.**
 - **In addition, during FY 2006 and the first days of the current year, the Bank cancelled in advance Ps.4,306 million of financial assistance from the Argentine Central Bank, the balance of which as of January 31, 2007 decreased to Ps.929 million.**
 - **As a consequence of the above, the Bank’s exposure to the public sector decreased by Ps.7,386 million, representing a 45.2% decline from the year-end balance of FY 2005. In addition the Bank repaid liabilities with the Argentine Central Bank for Ps.7,319 million, an 85.0% reduction from the amount outstanding as of December 31, 2005.**
 - **At the same time, the Bank managed to achieve a steady and significant increase in activity levels and in the volume of business with the private sector, as well as to improve asset quality, all of which resulted in a significant increase of operating income.**
 - **The Bank’s exposure to the private sector reached Ps.10,164 million, with an increase of 42.7% in the year.**
 - **The Bank’s deposits in Argentina reached Ps.10,592 million, with a 30.7% increase during the year. The Bank’s estimated market share of total private-sector deposits at the end of FY 2006 reached 8.43%, up 0.48 percentage points from the end of the prior fiscal year.**
 - **The Bank’s non-accrual loan portfolio decreased to 3.49% of total private-sector loans, from 6.77% at the end of the previous year, and the coverage of the non-accrual loan portfolio with allowances for loan losses reached 117.20%.**
 - **The Bank’s adjusted net income for FY 2006 amounted to Ps.72.2 million which, after the Ps.198.4 million loss from the adjustment to the valuation of public-sector assets, resulted in a Ps.126.2 million net loss. The adjusted net income for the 4th quarter of FY 2006 amounted to Ps.25.1 million which, after the Ps.134.0 million loss from the adjustment to the valuation of public-sector assets, was a Ps.108.9 million net loss.**
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FY 2006 RESULTS

Adjusted net income for FY 2006 amounted to Ps.72.2 million which, after the Ps.198.4 million loss from the adjustment to the valuation of public-sector assets, resulted in a Ps.126.2 million net loss.

Net loss for the fiscal year was significantly determined by the Ps.198.4 million loss from the adjustment to the valuation of public-sector assets. Of this amount, Ps.109.1 million corresponded to the loss generated by the valuation at present value of the Bogar granted as collateral for the advance for the purchase the Hedge Bond that were released in connection with the repayment of 90.8% of such liability. (See “Recent Developments”).

Table I	<i>In pesos</i>			
	FY 2006	FY 2005	Twelve Months Ended	
Earnings per Share	4 th Q	4 th Q	12/31/06	12/31/05
Total Average Shares (in thousands)	468,662	468,662	468,662	468,662
Book Value per Share	2.695	2.964	2.695	2.964
Earnings per Share	(0.232)	0.029	(0.269)	0.407

QUARTER ENDED DECEMBER 31, 2006

In the 4th quarter of FY 2006 the Bank recorded a Ps.108.9 million net loss, compared with a Ps.13.6 million profit in the same quarter of the previous year.

Excluding the Ps.134.0 million loss from the adjustment to the valuation of public-sector assets, the adjusted net income for the 4th quarter of FY 2006 amounted to Ps.25.1 million, compared with a Ps.18.5 million loss in the same quarter of the prior year.

The difference between net income for the 4th quarter of FY 2005 and the adjusted net income for that quarter reflects the adjustment to the valuation of public-sector assets (a Ps.54.9 million profit) and the amortization of *amparo* claims (a Ps.22.8 million loss). Beginning in December 2005, no losses have been recorded in connection with the amortization of *amparo* claims, as such amortization was deferred in accordance with Argentine Central Bank’s Communiqué “A” 4439.

The Ps.43.6 million improvement in the quarter’s adjusted net income was mainly the consequence of greater adjusted net operating income⁽¹⁾, which increased Ps.87.1 million (which amount includes the financial income on margin requirements on repo transactions⁽²⁾), greater net other income (which increased Ps.43.6 million) and a lower income tax charge (which decreased Ps.4.9 million). These increases were partially offset by higher administrative expenses (which increased Ps.59.7 million) and loan loss provisions (which increased Ps.5.1 million).

The quarter’s adjusted net operating income totaled Ps.335.0 million (including the Ps.34.3 million income on margin requirements on repo transactions), with a Ps.87.1 million increase over the Ps.247.9 million recorded in the same quarter of the prior year. This variation was due both to a higher net income from services (up Ps.47.5 million) and a higher adjusted net financial income (which, including the above-mentioned income on margin requirements, was up Ps.39.6 million).

INFORMATION DISCLOSURE

The data shown in the tables and the consolidated financial statements of this report correspond to Banco de Galicia y Buenos Aires S.A. consolidated with the subsidiaries under its direct or indirect control. The

(1) Adjusted net operating income: net financial income excluding the adjustment to the valuation of Secured Loans, government securities included in the exchange offer of Argentina’s foreign debt and Bogar, in accordance with Argentine Central Bank rules, plus net income from services.

(2) The financial income on security margins of repo transactions is recorded under Miscellaneous Income.

“Bank” refers to the consolidated Banco de Galicia y Buenos Aires S.A., unless there is a clarification of the contrary.

As of December 31, 2006, 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.

4th QUARTER FY 2006 RESULTS

Table II	<i>Percentages</i>			
	FY 2006	FY 2005	Twelve Months Ended	
Profitability and Efficiency	4 th Q	4 th Q	12/31/06	12/31/05
Return on Average Assets ^(*)	(1.62)	0.28	(0.42)	0.88
Return on Average Shareholders’ Equity ^(*)	(32.49)	3.93	(9.26)	14.77
Financial Margin ^(*) (1)	(0.47)	2.85	1.02	2.26
Net Income from Services as a % of Operating Income ⁽²⁾	115.60	47.67	75.05	51.55
Net Income from Services as a % of Administrative Expenses	70.28	67.69	70.70	69.83
Administrative Expenses as a % of Operating Income ⁽²⁾	164.49	70.42	106.16	73.82

(*) 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.

In the 4th quarter the Bank recorded a Ps.26.0 million net financial loss, compared to a Ps.159.4 million net financial income in the same quarter of the prior year. Excluding the Ps.134.0 million loss from the adjustment to the valuation of public-sector assets (Ps.54.9 million profit in the 4th quarter of FY 2005) and including the financial income on margin requirements on repo transactions (Ps.34.3 million gain in the 4th quarter of FY 2006, and Ps.1.8 million loss in the 4th quarter of FY 2005), the Bank’s adjusted net financial income for the 4th quarter of FY 2006 amounted to Ps.142.3 million, compared to Ps.102.7 million in the same quarter of the prior year.

The quarter’s loss from the adjustment to the valuation of public-sector assets was a consequence of the execution and the cancellation of 90.8% of the advance for the purchase of the Hedge Bond. Due to payment in cash of the past due amortization and interest installments of such advance, assets granted as collateral for the advance (Bogar bonds) were released, the valuation of which according to Communiqué “A” 3911 and complementary ones generated a Ps.109.1 million loss (see: *Recent Developments*). In the 4th quarter of the prior year, the adjustment to the valuation of public-sector assets had generated a Ps.54.9 million profit, as the Bogar bonds granted as collateral for the financial assistance from the Argentine Central Bank and released as a result of the payments made by the Bank on such liability during the period were allocated as collateral for the advance for the purchase of the Hedge Bond.

The quarter’s net financial income includes a Ps.13.4 million profit from quotation differences, net of the results from foreign-currency forward transactions. This profit was composed of a Ps.17.3 million profit from FX brokerage and a Ps.3.9 million loss from the revaluation of the Bank’s foreign-currency net position. In the same quarter of the prior year, the result from quotation differences was a Ps.14.5 million profit, composed of a Ps.0.8 million loss from the revaluation of the foreign-currency net position and a Ps.15.3 million gain from FX brokerage).

The adjusted net financial income, excluding quotation differences and including the financial income on margin requirements on repo transactions, amounted to Ps.128.9 million, compared with a Ps.88.2 million profit in the same quarter of the prior year. The quarter’s gain 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 with peso-denominated liabilities. These profits were partially offset, mainly, by the loss on the dollar-denominated matched portfolio.

As in previous quarters, the 4th quarter's adjusted net financial income was influenced by the negative effect generated by the delay in the completion of the advance for the purchase of the Hedge Bond, which did not occur until December 2006. This delay meant the carrying of a dollar-denominated asset (past due Boden 2012 coupons corresponding to the Hedge Bond) and a CER-adjusted liability (past due installments of advance for the purchase of the Hedge Bond). Past due amounts ceased accruing the Libo rate and the 2% annual interest rate, respectively.

The average yield on interest-earning assets decreased 57 basis points ("b.p."), from 10.43% in the 4th quarter of FY 2005 to 9.86% in the quarter. The lower average yield on interest-earning assets for the quarter was mainly the consequence of the decrease in the variation of the CER index, mainly associated to the returns on Bogar, Secured Loans and CER-adjusted loans to the private sector. This decrease was partially offset by the increase during the year in the Libo rate, associated to the return on the Boden 2012, and also by the 200 b.p increase in the average rate on loans to the private sector.

The average cost of interest-bearing liabilities recorded a 138 b.p. decrease, which mainly reflects the decrease in the variation of the CER index, associated with the cost of the financial assistance from the Argentine Central Bank and the advance for the purchase of the Hedge Bond. This decrease was partially offset by the increases in: i) the average cost of interest-bearing deposits, from 5.09% in the 4th quarter of FY 2005 to 6.13% in the same quarter of FY 2006; and ii) the cost of the dollar-denominated debt resulting from the increase in the Libo rate and in the rate on fixed-rate instruments.

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

	4 th Q				3 rd Q				2 nd Q				FY 2006		FY 2005	
	Av. B.		Int.		Av. B.		Int.		Av. B.		Int.		Av. B.		Int.	
	Av. B.	Int.	Av. B.	Int.	Av. B.	Int.	Av. B.	Int.	Av. B.	Int.	Av. B.	Int.	Av. B.	Int.		
Interest-Earning Assets	21,934	9.86	22,027	8.49	21,317	9.53	21,732	10.58	22,401	10.43						
Government Securities (**)	4,651	8.03	4,513	6.64	4,507	8.58	5,032	9.83	5,784	10.68						
Loans	11,426	13.47	10,871	11.68	10,482	12.81	10,624	14.33	10,477	13.29						
- Private Sector	7,225	13.54	6,602	12.23	6,277	11.77	5,822	11.59	5,393	11.54						
- Public Sector	4,201	13.34	4,269	10.84	4,205	14.35	4,802	17.65	5,084	15.16						
Other	5,857	4.29	6,643	4.52	6,328	4.79	6,076	4.66	6,140	5.31						
- Financial Trusts	867	8.14	814	8.47	794	10.63	776	10.18	843	15.10						
- Government Securities to be Received	3,040	3.79	4,326	3.87	4,256	3.91	4,211	3.65	4,334	3.32						
- Other	1,950	3.36	1,503	4.23	1,278	4.09	1,089	4.61	963	5.74						
Interest-Bearing Liabilities	19,218	8.37	19,313	7.68	18,585	8.76	19,761	10.14	19,986	9.75						
Current Accounts	648	2.62	618	3.28	710	3.05	659	3.84	546	3.36						
Savings Accounts	1,952	0.27	1,870	0.26	1,689	0.25	1,647	0.19	1,562	0.29						
Time Deposits and Restructured Deposits	5,969	8.43	5,571	7.56	5,018	7.78	4,646	7.45	4,413	7.01						
Debt Securities	3,710	8.91	3,672	8.50	3,791	8.17	3,804	8.15	3,715	7.44						
Argentine Central Bank	4,977	11.58	5,964	9.39	5,938	12.90	7,454	15.77	8,243	14.68						
Other	1,962	8.92	1,618	10.18	1,439	9.42	1,551	9.30	1,507	8.59						

(*) Does not include the adjustments 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 quarter amounted to Ps.26.3 million, Ps.5.1 million higher than in the same quarter of the prior year. Ps.4.3 million of the quarter's loan loss provisions corresponded to the establishment of the reserve on normal portfolios required by applicable regulations.

Net income from services amounted to Ps.192.7 million, up 32.7% from the Ps.145.2 million recorded in the 4th quarter of FY 2005. The growth of credit-related and financial fees as well as that of fees from

insurance products, debit and credit cards and foreign trade services was particularly high. These increases were the consequence of the significant growth in the volume of transactions, as price adjustments mainly applied to those fees related to the administration of deposit accounts.

In millions of pesos

Table IV Income from Services, Net	FY 2006				FY 2005
	4th Q	3rd Q	2nd Q	1st Q	4th Q
National Cards	50.5	43.2	39.5	37.5	36.7
Regional Credit Cards	88.4	77.5	71.1	65.9	67.2
Deposit Accounts	35.3	33.0	29.4	28.0	28.1
Insurance	14.0	12.6	11.7	10.6	9.2
Financial Fees	5.8	5.2	4.4	4.0	3.9
Credit-Related Fees	18.2	14.3	11.2	9.7	8.9
Foreign Trade	9.2	8.4	7.3	7.0	6.9
Collections	5.3	4.9	4.7	3.4	3.4
Utility-Bills Collection Services	3.1	2.8	2.7	2.6	2.6
Mutual Funds	0.7	0.6	0.6	0.6	0.5
Other	19.3	15.8	15.2	14.5	15.6
Total Income	249.8	218.3	197.8	183.8	183.0
Total Expenditures	57.1	46.4	40.6	36.8	37.8
Income from Services, Net	192.7	171.9	157.2	147.0	145.2

Administrative expenses for the quarter totaled Ps.274.2 million, with a 27.8% increase from the same quarter of the prior year. Personnel expenses increased 38.0% due, among other reasons, to wage increases and to the 17.0% increase in the Bank's staff, related to the growth of the level of activity and the number of branches. The number of the Bank's branches increased by 8 and the regional credit-card companies increased by 10 the number of their offices. The remaining administrative expenses grew 17.9%, mainly as a consequence of higher advertising and publicity expenses, together with increases in the remaining administrative expenses related to the greater level of activity and to the inflation recorded during the period.

Net other income amounted to Ps.45.4 million, mainly made up of: i) a Ps.34.3 million profit on margin requirements on repo transactions; and ii) a Ps.30.6 million gain from loans recovered. These were partially offset by the net establishment of reserves for Ps.18.8 million. Net other income for the 4th quarter of FY 2006 does not include any loss from the amortization of *amparo* claims. In the 4th quarter of 2005, net other income amounted to Ps.34.3 million, which included a Ps.22.8 million loss from the amortization of *amparo* claims. Net of this amount, net other income for the 4th quarter of 2005 amounted to Ps.11.5 million, mainly due to net establishment of reserves for Ps.31.8 million, partially offset by a Ps.11.3 million profit from loans recovered.

The income tax charge was Ps.12.2 million, Ps.4.9 million lower than in the 4th quarter of FY 2005. This charge corresponds mainly to the regional credit-card companies.

LEVEL OF ACTIVITY

The Bank's total exposure to the private sector reached Ps.10,164 million, with a 42.7% increase during the year and a 59.5% annualized increase during the quarter.

Total loans to the private sector granted by the Bank's Argentine operation increased 50.1% between December 31, 2005 and December 31, 2006, while the regional credit-card companies' total loan portfolio increased 36.2% during the same period.

The Bank's estimated private-sector loan market share in the Argentine financial system (excluding the regional credit-card companies loans) reached 7.21% as of December 31, 2006.

Total gross loans, as of December 31, 2006, amounted to Ps.10,793 million, of which Ps.2,798 million were loans to the financial and non-financial public sector.

In millions of pesos

Table V				FY 2006	FY 2005
	4th Q	3rd Q	2nd Q	1st Q	4th Q
Exposure to the Private Sector					
Loans	7,995	7,010	6,665	6,177	5,643
Leasing	209	159	259	219	194
Corporate Securities	24	24	25	40	40
Other Financing ^(*)	1,104	1,096	839	726	769
Total Credit	9,332	8,289	7,788	7,162	6,646
Securitized Loans ^(**)	832	755	645	594	475
Total	10,164	9,044	8,433	7,756	7,121

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

^(**) As of December 31, 2006, includes outstanding loans of the trusts "Galtrust II", "Galtrust V", "Galicia Personales II", "Galicia Personales III", "Galicia Hipotecas Comerciales", "Galicia Créditos Inmobiliarios I", "Galicia Créditos Inmobiliarios II", "Galicia Prendas Comerciales I", "Galicia Leasing I" and loans securitized by the regional credit-card companies.

Private-sector loan growth during the year was mainly concentrated in individuals (49.2%) and in middle-market companies (32.7%). By economic sector, the Bank mainly increased its exposure to consumers (52.0%), the retail & wholesale trade sector (37.3%), the manufacturing industry (26.6%), and to the agriculture and livestock sector (26.6%).

In millions of pesos

Table VI				FY 2006	FY 2005
	4th Q	3rd Q	2nd Q	1st Q	4th Q
Loans by Type of Borrower					
Large Corporations	1,535	1,883	1,634	1,603	1,413
Middle-Market Companies	2,521	2,216	2,113	2,095	1,899
Individuals	3,121	2,612	2,461	2,236	2,092
Financial Sector	925	406	564	350	344
Non-Financial Public Sector	2,691	4,299	4,258	4,356	5,188
Total Loans	10,793	11,416	11,030	10,640	10,936
Allowances	327	316	321	404	428
Total Loans, Net	10,466	11,100	10,709	10,236	10,508

In millions of pesos

Table VII				FY 2006	FY 2005
	4th Q	3rd Q	2nd Q	1st Q	4th Q
Loans by Economic Sector					
Financial Sector	925	406	564	350	344
Services	3,478	5,090	5,052	5,082	5,836
- Public Sector	2,691	4,299	4,258	4,356	5,188
- Other	787	791	794	726	648
Agriculture & Livestock	972	795	861	909	768
Consumer	2,978	2,496	2,344	2,131	1,959
Retail & Wholesale Trade	858	895	756	717	625
Construction	310	304	276	394	388
Manufacturing	1,229	1,380	1,155	1,024	971

Other	43	50	22	33	45
Total Loans	10,793	11,416	11,030	10,640	10,936
Allowances	327	316	321	404	428
Total Loans, Net	10,466	11,100	10,709	10,236	10,508

In the 4th quarter of FY 2006, the Bank's total exposure to the public sector decreased by Ps.5,282 million (37.1%) as compared to the end of the prior quarter. This resulted mainly from: i) a Ps.2,423 million decrease in the balance of Bogar bonds, due to their use to cancel 90.8% of the advance for the purchase of the Hedge Bond, and to sales made during December 2006; ii) a Ps.1,608 million decrease in the balance of Secured Loans due to sales, the proceeds of which were used in January 2007 to make payments in advance on the financial assistance from the Argentine Central Bank; and iii) a Ps.1,255 million decrease in the balance of Boden 2012 (recorded under "Government Securities" and "Other Receivables from Financial Brokerage") associated to the collection of the past due amortization and interest coupons of the Boden 2012 bonds which were credited to the Bank by the Argentine Central Bank.

Between December 2005 and December 2006, the Bank's total public sector assets decreased by Ps.7,386 million (45.2%).

The Bank's liabilities with the Argentine Central Bank decreased by Ps.3,274 million (52.0%) from the balance at the end of the prior quarter. This decrease reflects the cancellation by the Bank of 90.8% of the advance for the purchase of the Hedge Bond.

Between December 2005 and December 2006, the Bank's liabilities with the Argentine Central Bank decreased by Ps.5,586 million, due to the above mentioned cancellation and to payments in advance on the financial assistance from the Argentine Central Bank.

<i>In millions of pesos</i>					
Table VIII Net Exposure to the Argentine Public Sector^(*)				FY 2006	FY 2005
	4th Q	3rd Q	2nd Q	1st Q	4th Q
Government Securities' Net Position	4,831	4,543	4,588	4,590	6,033
Trading	162	168	73	123	454
Bogar	367	2,790	2,780	2,743	3,823
Boden 2012	3,583	861	1,009	995	988
Discount Bonds and GDP-Linked Units	719	724	726	729	733
Other	-	-	-	-	35
Loans^(**)	2,798	4,406	4,365	4,288	5,293
Secured Loans	2,691	4,299	4,258	4,182	5,188
Other	107	107	107	106	105
Other Receivables Resulting from Financial Brokerage	1,343	5,305	5,227	5,161	5,032
Boden 2012	401	4,378	4,308	4,261	4,155
Trust Certificates of Participation and Securities	942	927	919	900	877
Total Assets	8,972	14,254	14,180	14,039	16,358
Liabilities with the Argentine Central Bank	3,026	6,300	6,273	6,742	8,612
Net Exposure	5,946	7,954	7,907	7,297	7,746

(*) 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.42.3 million, 53.3% lower than the Ps.90.6 million recorded at the end of the 4th quarter of FY 2005. This decrease was mainly the consequence of the establishment, in prior quarters, of a valuation provision to fully cover the investment in Aguas Argentinas S.A. and of the sale of the Bank's interests in Inversora Nihuiles S.A. and Inversora Diamante S.A.

The item “Bank Premises and Equipment, Miscellaneous and Intangible Assets” includes Ps.367 million of net deferred losses associated to *amparo* claims. This amount includes Ps.149 million of amortization deferred since December 2005.

The Bank’s consolidated deposits amounted to Ps.10,793 million, of which Ps.315 million were deposits in Galicia Uruguay.

As of December 31, 2006, the Bank’s deposits in Argentina reached Ps.10,592 million, representing a 30.7% increase from December 31, 2005.

<i>In millions of pesos</i>					
Table IX Deposits in Argentina				FY 2006	FY 2005
	4th Q	3rd Q	2nd Q	1st Q	4th Q
In Pesos	9,379	8,893	8,309	7,627	7,194
Current Accounts	2,016	1,843	1,815	1,638	1,667
Savings Accounts	1,937	1,866	2,009	1,721	1,713
Time Deposits	4,590	4,191	3,241	2,927	2,592
Adjusted Time Deposits	620	793	1,070	1,166	1,039
Restructured Deposits	1	1	1	1	1
Other	215	199	173	174	182
In Foreign Currency	1,213	1,223	1,102	1,011	910
Total	10,592	10,116	9,411	8,638	8,104

As of December 31, 2006, the Bank’s estimated market share of deposits in the Argentine financial system, considering its deposits in Argentina only, was 6.17%, compared with 5.95% a year before.

Considering only private-sector deposits, the Bank’s estimated deposit market share reached 8.43% as of December 31, 2006, compared with 7.95% a year before.

<i>Percentages</i>					
Table X Market Share (*)				FY 2006	FY 2005
	4th Q	3rd Q	2nd Q	1st Q	4th Q
Total Deposits	6,17	6,22	6,06	6,05	5,95
Private Sector Deposits	8,43	8,43	8,09	8,16	7,95
Total Loans	8,12	8,71	8,85	9,24	9,80
Loans to the Private Sector	7,21	7,42	7,23	7,78	7,33

(*) 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.4,181 million as compared to the amount as of the end of the 4th quarter of 2005. This decrease was mainly due to the significant repayment of liabilities with the Argentine Central Bank (financial assistance and advance for the purchase of the Hedge Bond) and was partially offset by the Ps.1,167 million increase in the Other item, which mainly reflects an increase in repo transactions.

<i>In millions of pesos</i>					
Table XI Other Financial Liabilities				FY 2006	FY 2005
	4th Q	3rd Q	2nd Q	1st Q	4th Q
Argentine Central Bank	3,026	6,300	6,273	6,742	8,612
Financial Assistance	2,689	2,719	2,763	3,331	5,315
Advance for the Purchase the Hedge Bond	337	3,580	3,509	3,410	3,297

Other	-	1	1	1	-
Foreign Banks and International Entities	860	858	775	773	762
Negotiable Obligations (*)	3,935	3,643	3,918	3,814	3,795
Other (**)	3,154	2,308	1,911	2,088	1,987
Total	10,975	13,109	12,877	13,417	15,156

(*) 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 December 31, 2006, the Bank had 1.2 million deposit accounts, reflecting an increase of approximately 103,000 accounts from a year before. Likewise, the number of credit cards managed as of that date reached 4.3 million, 37.1% higher than the 3.1 million credit cards managed a year before (see the “Additional Information” table).

ASSET QUALITY

The Bank’s non-accrual loan portfolio decreased by Ps.103 million, or 27.0%, between December 31, 2005 and December 31, 2006. This decrease was mainly attributable to the restructuring of certain commercial loan portfolio. The non-accrual loan portfolio represented 2.58% of total loans as of December 31, 2006, compared to 3.49% as of December 31, 2005. Considering only the private-sector loan portfolio, the non-accrual portfolio decreased to 3.49% of total loans to the private sector as of December 31, 2006, from 6.77% as of December 31, 2005.

The allowance for loan losses represented 3.03% of total loans and 4.09% of loans to the private sector, compared with 3.91% and 7.58%, respectively, as of December 31, 2005. The coverage of the non-accrual loan portfolio with allowances for loan losses reached 117.20% and the coverage with guarantees was 16.13%. The combined coverage of non-accrual loans with allowances and guarantees was 133.33%.

In millions of pesos, except percentages

Table XII Loan Portfolio Quality	FY 2006				FY 2005
	4 th Q	3 rd Q	2 nd Q	1 st Q	4 th Q
Non-Accrual Loans (*)	279	279	272	439	382
- With Preferred Guarantees	40	56	58	57	58
- With Others Guarantees	5	5	7	6	7
- Without Guarantees	234	218	207	376	317
Allowance for Loan Losses	327	316	321	404	428
Non-Accrual Loans to Total Loans (%)	2.58	2.44	2.47	4.13	3.49
Non-Accrual Loans to Private-Sector Loans (%)	3.49	3.98	4.08	7.11	6.77
Allowance for Loan Losses to Total Loans (%)	3.03	2.77	2.91	3.80	3.91
Allowance for Loan Losses to Private-Sector Loans (%)	4.09	4.51	4.82	6.54	7.58
Allowance for Loan Losses to Non-Accrual Loans (%)	117.20	113.26	118.01	92.03	112.04
Non-Accrual Loans with Guarantees to					
Non-Accrual Loans (%)	16.13	21.86	23.90	14.35	17.02

(*) 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.13 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

Table XIII	FY 2006	FY 2005
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Consolidated Analysis of Loan Loss Experience	4th Q	3rd Q	2nd Q	1st Q	4th Q
Allowance for Loan Losses at the Beginning of the Quarter	316	321	404	428	531
Changes in the Allowance for Loan Losses					
Provisions Charged to Income (*)	26	18	35	53	21
Provisions Reversed	(2)	(7)	(21)	(3)	(2)
Charge Offs	(13)	(16)	(97)	(74)	(122)
Allowance for Loan Losses at Quarter End	327	316	321	404	428
Charge to the Income Statement					
Provisions Charged to Income	26	18	35	26	20
Direct Charge Offs	1	1	1	1	2
Bad Debts Recovered	(30)	(7)	(6)	(6)	(12)
Provisions Reversed (**)	(2)	(7)	(21)	(3)	(2)
Net Charge to the Income Statement	(5)	5	9	18	8

(*) Includes conversion differences corresponding to Galicia Uruguay and the Cayman Branch.

(**) 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

Table XIV	FY 2006				FY 2005
Asset Quality - Total Credit	4th Q	3rd Q	2nd Q	1st Q	4th Q
Non-Accrual Portfolio (*)	309	312	304	499	462
- With Preferred Guarantees	42	59	62	65	66
- With Other Guarantees	8	8	10	9	10
- Without Guarantees	259	245	232	425	386
Allowance for Credit Losses	348	340	344	436	465
Non-Accrual Portfolio to Total Credit (%)	2.55	2.46	2.50	4.29	3.87
Non-Accrual Portfolio to Private-Sector Credit (%)	3.31	3.76	3.90	6.97	6.95
Allowance for Credit Losses to Total Credit (%)	2.87	2.68	2.83	3.75	3.90
Allowance for Credit Losses to Private-Sector Credit (%)	3.73	4.10	4.42	6.09	7.00
Allowance for Credit Losses to Non-Accrual Portfolio	112.62	108.97	113.16	87.37	100.65
Non-Accrual Portfolio with Guarantees to Non-Accrual Portfolio (%)	16.18	21.47	23.68	14.83	16.45

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

CAPITALIZATION AND LIQUIDITY

As of December 31, 2006, the Bank's consolidated computable capital exceeded by Ps.777 million the Ps.1,084 million minimum capital requirement. This excess was Ps.1,004 million as of December 31, 2005.

The variation in the capital requirement between December 31, 2006 and December 31, 2005 was mainly attributable to the Bank's greater exposure to the private sector and to the increase of the regulatory requirement on the exposure to the public sector. It should be noted that, beginning on January 1, 2006, and in accordance with the established schedule, the applicable "Alfa 1" and "Alfa 2" coefficients increased. The former increased to 0.30 (from 0.15) and the latter to 0.70 (from 0.40). "Alfa 1"

temporarily reduces the capital requirement to cover banks' exposure to the public sector, while "Alfa 2" temporarily reduces the capital requirement to cover interest-rate risk.

In millions of pesos, except rates and percentages

Table XV	FY 2006				FY 2005
	4th Q	3rd Q	2nd Q	1st Q	4th Q
Consolidated Regulatory Capital					
Minimum Capital Required (A)	1,084	1,056	1,032	1,125	881
Allocated to Financial Assets	552	500	472	454	437
Allocated to Fixed Assets	144	144	144	141	138
Allocated to Other Assets	44	43	43	41	40
Allocated to Market Risk	12	13	16	17	17
Allocated to Interest-Rate Risk	62	91	92	161	87
Allocated to Lending to the Public Sector	270	265	265	311	162
Computable Capital (B)	1,861	1,954	1,891	1,933	1,885
Core Capital	1,395	1,393	1,398	1,410	1,207
Supplemental Capital	608	704	677	707	807
Deductions	(144)	(146)	(190)	(195)	(152)
Additional Capital – Market Variation	2	3	6	11	23
Excess over Required Capital (B) - (A)	777	898	859	808	1,004
Total Capital Ratio (%)	15.03	16.70	16.61	17.07	20.78

As of December 31, 2006, the Bank's unconsolidated liquid assets (held by the Bank's Argentine operation) represented 56.11% of the Bank's transactional deposits and 22.79% of its total deposits in Argentina. Including government securities available, at their market value, the latter ratio was 47.27%.

Table XVI	FY 2006				FY 2005
	4th Q	3rd Q	2nd Q	1st Q	4th Q
Liquidity in Argentina (unconsolidated)					
Liquid Assets (*) as a percentage of Transactional Deposits	56.11	45.87	42.49	32.75	47.24
Liquid Assets (*) as a percentage of Total Deposits	22.79	18.19	18.03	14.38	21.93

(*) *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), call money and short-term placements with correspondent banks.*

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) and the Buenos Aires Stock Exchange (www.bolsar.com). In addition, the Argentine Central Bank (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.

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SELECTED FINANCIAL INFORMATION – CONSOLIDATED DATA ^(*)

In millions of pesos

	FY 2006				FY 2005
	4 th Q	3 rd Q	2 nd Q	1 st Q	4 th Q
Cash and Due from Banks	2,293.2	1,627.8	1,333.7	1,244.0	1,039.9
Government and Corporate Securities	3,186.9	3,458.1	4,242.9	4,166.4	5,964.2
Net Loans	10,466.2	11,100.2	10,709.1	10,235.6	10,507.7
Other Receivables Resulting from Financial Brokerage	5,381.2	7,122.3	6,114.7	6,602.1	6,123.5
Equity Investments in Other Companies	42.3	71.1	69.4	80.0	90.6
Bank Premises and Equipment, Miscellaneous and Intangible Assets	1,253.6	1,220.8	1,191.0	1,171.8	1,163.9
Other Assets	841.5	681.6	692.9	650.7	566.4
Total Assets	23,464.9	25,281.9	24,353.7	24,150.6	25,456.2
Deposits	10,792.8	10,430.7	9,719.9	8,945.9	8,437.7
Other Liabilities Resulting from Financial Brokerage	10,183.9	12,330.3	12,101.4	12,663.2	14,413.7
Subordinated Negotiable Obligations	791.5	779.2	775.4	753.7	742.6
Other	356.1	307.3	337.7	376.0	422.1
Minority Interests	77.6	62.4	56.2	51.8	50.9
Total Liabilities	22,201.9	23,909.9	22,990.6	22,790.6	24,067.0
Shareholders' Equity	1,263.0	1,372.0	1,363.1	1,360.0	1,389.2
Foreign-Currency Assets and Liabilities					
- Assets	6,812.2	7,368.0	7,289.5	7,095.8	6,795.9
- Liabilities	7,066.1	7,006.6	6,771.7	6,631.1	6,509.7
- Net Forward Purchases/(Sales) of Foreign Currency ⁽¹⁾	326.5	(277.0)	(230.4)	(252.5)	(248.3)

(*) 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 (*)
In millions of pesos

	FY 2006				FY 2005
	4 th Q	3 rd Q	2 nd Q	1 st Q	4 th Q
FINANCIAL INCOME	417.4	484.8	553.6	640.0	663.5
- Interest on Loans to the Financial Sector	0.7	-	-	-	-
- Interest on Overdrafts	1.1	0.5	0.6	0.6	0.6
- Interest on Promissory Notes	21.0	20.6	15.9	12.2	11.6
- Interest on Mortgage Loans	58.1	51.5	48.2	42.8	33.6
- Interest on Pledge Loans	20.4	18.9	16.3	14.4	14.0
- Interest on Credit-Card Loans	2.3	1.9	4.1	3.8	3.3
- Interest on Other Loans	89.6	65.2	65.4	60.9	61.6
- Net Income from Government and Corporate Securities	36.1	27.0	22.7	20.0	14.5
- Interest on Other Receivables Resulting from Financial Brokerage	(75.1)	41.3	79.9	79.4	125.4
- Net Income from Secured Loans - Decree No.1387/01	34.6	50.1	43.5	43.0	43.5
- CER Adjustment	44.2	43.6	42.6	51.9	53.2
- CVS Adjustment	149.5	124.6	179.6	275.9	274.6
- Other	34.9	39.6	34.8	35.1	27.6
FINANCIAL EXPENSES	443.4	418.0	456.8	555.3	504.1
- Interest on Current-Account Deposits	4.2	5.1	5.4	6.3	4.6
- Interest on Savings-Account Deposits	1.3	1.1	1.0	0.7	1.1
- Interest on Time Deposits	106.8	89.0	66.2	51.6	46.0
- Interest on Financing from the Financial Sector	1.4	1.1	1.4	1.6	1.6
- Other Interest	60.9	65.8	63.3	85.5	91.7
- Net Income from Government and Corporate Securities	87.1	77.3	80.0	82.9	71.6
- Interest on Other Liabilities Resulting from Financial Brokerage					
- CER Adjustment	126.7	122.1	182.5	267.0	265.2
- Other	55.0	56.5	57.0	59.7	22.3
GROSS FINANCIAL MARGIN	(26.0)	66.8	96.8	84.7	159.4
PROVISIONS FOR LOAN LOSSES	26.3	20.6	34.5	29.5	21.2
INCOME FROM SERVICES, NET	192.7	171.9	157.2	147.0	145.2
ADMINISTRATIVE EXPENSES	274.2	246.2	217.3	208.3	214.5
- Personnel Expenses	146.3	126.0	117.8	104.3	106.0
- Directors' and Syndics' Fees	1.8	1.5	0.8	0.9	1.5
- Other Fees	9.0	8.3	8.9	6.2	10.0
- Advertising and Publicity	25.8	25.3	12.3	20.8	21.0
- Taxes	14.1	12.7	10.8	10.6	10.9
- Other Operating Expenses	57.3	54.7	51.1	51.2	50.1
- Other	19.9	17.7	15.6	14.3	15.0
MINORITY INTERESTS RESULTS	(7.2)	(6.3)	(5.5)	(5.1)	(3.9)
INCOME FROM EQUITY INVESTMENTS	(1.1)	3.0	(9.3)	(5.7)	-
NET OTHER INCOME	45.4	55.0	30.7	2.0	(34.3)
INCOME TAX	12.2	14.8	15.0	14.3	17.1
NET INCOME	(108.9)	8.8	3.1	(29.2)	13.6

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

SELECTED FINANCIAL INFORMATION – CONSOLIDATED DATA (*)
In millions of pesos

	FY 2006	FY 2005
FINANCIAL INCOME	2,095.8	2,370.5
- Interest on Loans to the Financial Sector	0.7	-
- Interest on Overdrafts	2.8	2.8
- Interest on Promissory Notes	69.7	40.0
- Interest on Mortgage Loans	200.6	119.0
- Interest on Pledge Loans	70.0	74.1
- Interest on Credit-Card Loans	12.1	10.8
- Interest on Other Loans	281.1	222.7
- Net Income from Government and Corporate Securities	105.8	35.8
- Interest on Other Receivables Resulting from Financial Brokerage	125.5	328.9
- Net Income from Secured Loans - Decree No.1387/01	171.2	155.0
- CER Adjustment	182.3	199.9
- CVS Adjustment	729.6	1,085.1
- Other	144.4	96.4
FINANCIAL EXPENSES	1,873.5	1,876.6
- Interest on Current-Account Deposits	21.0	15.3
- Interest on Savings-Account Deposits	4.1	4.6
- Interest on Time Deposits	313.6	142.9
- Interest on Financing from the Financial Sector	5.5	4.6
- Other Interest	275.5	364.1
- Interest on Other Liabilities Resulting from Financial Brokerage	327.3	269.3
- CER Adjustment	698.3	1,007.3
- Other	228.2	68.5
GROSS FINANCIAL MARGIN	222.3	493.9
PROVISIONS FOR LOAN LOSSES	110.9	76.7
INCOME FROM SERVICES, NET	668.8	525.5
ADMINISTRATIVE EXPENSES	946.0	752.5
- Personnel Expenses	494.4	380.9
- Directors' and Syndics' Fees	5.0	4.7
- Other Fees	32.4	28.1
- Advertising and Publicity	84.2	67.9
- Taxes	48.2	35.1
- Other Operating Expenses	214.3	183.0
- Other	67.5	52.8
MINORITY INTERESTS RESULTS	(24.1)	(21.2)
INCOME FROM EQUITY INVESTMENTS	(13.1)	6.3
NET OTHER INCOME	133.1	72.8
INCOME TAX	56.3	57.1
NET INCOME	(126.2)	191.0

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

ADDITIONAL INFORMATION

	FY 2006				FY 2005
	4 th Q	3 rd Q	2 nd Q	1 st Q	4 th Q
Mutual Funds (In millions of pesos) ^(*)	480.0	361.5	344.0	351.1	296.7
Physical Data (Number of)					
Employees	7,878	7,484	7,256	6,939	6,735
Bank In Argentina	4,676	4,441	4,321	4,209	4,118
Other companies	3,202	3,043	2,935	2,730	2,617
Branches	346	343	341	330	328
Bank Branches	233	233	233	225	225
Regional Credit-Card Companies Offices	113	110	108	105	103
Deposit Accounts	1,213,223	1,188,062	1,129,326	1,100,198	1,110,426
Credit Cards ⁽¹⁾	4,293,411	3,909,846	3,628,855	3,381,667	3,131,599
Inflation and Exchange Rate					
Retail Price Index (%) ^(**)	2.57	2.09	1.94	2.90	3.13
Wholesale Price Index (IPIM) (%) ^(**)	0.68	1.29	2.58	2.30	2.37
CER Coefficient (%) ^(**)	2.46	1.65	2.65	2.96	3.04
Exchange Rate (Pesos per US\$) ^(***)	3.0695	3.1043	3.0848	3.0808	3.0315

(1) As of the first quarter of FY 2006, the calculation method was changed for all quarters, including past quarters.

(*) 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

Hedge Bond

On December 1, 2006 the Argentine Central Bank delivered to the Bank Boden 2012 for US\$ 1,155.0 million of face value, at their 75% residual value, and US\$ 406.8 in cash in connection with past due amortization and interest coupons, corresponding to 90.8% of the Hedge Bond, which delivery was pending, as compensation for the negative effects of the asymmetric pesification, in accordance with Decree No.905/02 (sections 28 and 29). The Boden 2012 bonds corresponding to the Hedge Bond were recorded in the balance sheet under “Other Receivables from Financial Brokerage”, representing the right to receive the amount of Boden 2012 recorded as compensation, as mentioned above. The delivery of such bonds implied for the Bank their full availability.

On the same date, the Bank cancelled the advance for the purchase of the Hedge Bond, applying the Bogar and the Secured Loans granted as collateral (for Ps.1,111.6 million and Ps.0.7 million of face value, respectively) and cash (for Ps.1,369.7 million).

As a consequence of the above, the Bank’s assets and liabilities decreased by Ps.3,302.6 million, due to the decrease by said amount of the advance for the purchase of the Hedge Bond and of the assets used for payment.

In addition, due to the payment in cash of past due installments, Bogar that had been granted as collateral were released, for Ps. 392.8 million of face value. The valuation of these bonds in accordance with the regulations of the Argentine Central Bank generated a decrease in their book value of approximately Ps.109.1 million.

The execution of the above-mentioned advance and its repayment, and the subsequent receipt by the Bank of most of the Boden 2012 corresponding to the Hedge Bond is a most encouraging event, as it strengthens the Bank’s balance sheet by reducing risk concentration and making an asset of a very significant amount available for the expansion of the business. In addition, it improves the Bank’s earnings generation capacity, by increasing the financial margin as a result of the change in the currency composition of the balance sheet and the increase in structural liquidity resulting from an improved matching of assets and liabilities in terms of maturity.

Financial Assistance from the Argentine Central Bank

On January 3, 2007, the Bank cancelled Ps.1,733.3 million of financial assistance from the Argentine Central Bank. After this payment, the debt balance as of January 31, 2007, decreased to Ps.929 million.

S&P Changes the Outlook of the Bank’s Rating to “Positive”

The Bank’s progress was recognized by Standard & Poor’s Ratings Services, which reviewed the outlook of the Bank’s national scale ratings to “positive” from “stable” on February 5, 2007. In its report, Standard & Poor’s points out that “the change in the outlook reflects our expectations of a potential upgrade of the Bank’s ratings as a result of the improvement in the Bank’s medium term operating results, following the significant repayment of debt with the Central Bank and the subsequent reduction in the cost of funding” and that it also reflects Standard & Poor’s “expectations of an increase of the Bank’s capitalization as a result of the forthcoming stock offering”.

Capital Increase Approved by the Shareholders’ Meeting Held on October 11, 2006

The final authorization by the pertinent regulators is in progress.

Foreign Debt Repurchase Approval

On February 8, 2007, the Argentine Central Bank notified the Bank that it had approved the repurchase by the Bank of its restructured foreign debt, subject to the Bank having previously repaid in advance financial assistance from the Argentine Central Bank, for an amount equivalent to that to be used to effect the repayment of such foreign debt. For such purpose, prior repayments of financial assistance from the Argentine Central Bank made from and after December 20, 2006 will be taken into account.

Financial Trust “Fideicomiso Gas I”

In December 2006, the Bank participated as sole fiduciary and book runner and as co-arranger of the financial trust “Fideicomiso Gas I”, the first trust launched in the Argentine capital market in connection with the financing of infrastructure works. On December 21, 2006, debt securities for Ps.588 million were issued and placed, 52% of which were placed among foreign investors.

Financial Trusts – Own Portfolio

During the quarter and after the close of FY 2006, the Bank publicly offered the securities issued by the following financial trusts:

In millions of pesos

	Galicia Leasing I	Tarjetas del Mar Serie II	Tarjetas Cuyanas Trust IV	Galicia Personales IV
Issue date	10.03.06	10.26.06	11.15.06	01.30.07
Estimated Due Date of the Certificates of Participation	05.15.11	01.10.15	11.15.08	10.15.11
Underlying assets	Ps.150.0	Ps.6.0	Ps.68.1	Ps.100.0
Debt Securities Issued	Ps.139.5	Ps.4.8	Ps.54.5	Ps.93.0
Cert. of Participation	Ps.10.5	Ps.1.2 ⁽¹⁾	Ps.13.6 ⁽¹⁾	Ps.7.0

(1) Not for public offering.

FINANCIAL SYSTEM AND MAIN REGULATORY CHANGES

Financial System Deposits –Amparo Claims

On December 27, 2006, the Argentine Supreme Court (the “Supreme Court”) pronounced its ruling with respect to the case “Massa v/ Estado Nacional y BankBoston”, resolving that the defendant bank must fulfill its obligation to reimburse a dollar-denominated deposit subject to the emergency regulations by paying the original amount deposited converted into pesos at an exchange rate of Ps.1.40 per US\$ dollar, adjusted by CER until the effective date of payment, together with an annual interest rate of 4% per annum, and computing amounts paid in order to comply with preliminary injunctions or other measures as payments on account. The consequences of this ruling are currently being analyzed. Even though the ruling refers to a particular case and, under Argentine Law, Supreme Court rulings are not precedent setting for lower courts, expectations are that this ruling will be strongly followed in similar cases to be heard by such lower courts.

Net Position in Foreign Currency

Through its Communiqué “A” 4598, dated November 17, 2006, the Argentine Central increased by 15 percentage points the limit to a financial institution’s negative net position in foreign currency, subject to such financial institution recording jointly: i) medium- and long-term peso-denominated credit exposure (excluding contingent obligations) to the non-financial private sector for an amount equivalent to the increase in the aforementioned limit, under certain other conditions; and ii) an increase of the minimum

capital requirement to cover credit risk equivalent to the increase in such limit, in the corresponding month. Until December 2006, the limit was of 30%, decreasing to 15% beginning January 1, 2007.

Listing of Certificates of Deposit on the Buenos Aires Stock Exchange

Through Resolution 7/06, dated January 16, 2007, the Buenos Aires Stock Exchange authorized the listing of fixed-term deposits certificates, in bearer form and assignable, with a 365-day minimum term, issued by authorized financial institutions.

Miscellaneous

Effectiveness of the following was extended until December 31, 2007: i) the rule that establishes VAT refunds on purchases made by using credit or debit cards; ii) Law N° 25,561 and complementary ones, that declared the public emergency status on social, economic, administrative, financial and foreign exchange market matters; y iii) Law N° 25,413 and complementary ones, on the tax on credits and debits on bank accounts and other operations.

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