

**GRUPO FINANCIERO GALICIA S.A.**

**SHAREHOLDERS' MEETING**  
**TO BE HELD ON OCTOBER 11, 2006 AT 11:00 A.M.**

**PROPOSALS OF THE BOARD OF DIRECTORS**

The Board of Directors will submit the following proposals at the Ordinary Shareholders' Meeting:

**1° *Appointment of two shareholders to sign the minutes.***

A proposal will be submitted at the Shareholders' Meeting of Grupo Financiero Galicia S.A. for the appointment of two shareholders out of the following: Arturo Santillán, Adolfo Tamini, Jorge Losicer.

**2° (a) *Consideration of the capital increase of our controlled company Banco de Galicia y Buenos Aires S.A. to be dealt at its next shareholders' meeting***

The Board of Directors will propose, **that Grupo Financiero Galicia S.A.'s representative should be given instructions** to attend Banco de Galicia y Buenos Aires S.A.'s Ordinary and Extraordinary Shareholders' Meeting to be held on October 11, 2006, at 3 p.m. to **vote** in favor of the proposals from Banco de Galicia y Buenos Aires S.A.'s Board of Directors. *(Please see below the proposals from Banco de Galicia y Buenos Aires S.A.'s Board of Directors)*

**2° (b) *Consideration of the position to be adopted by Grupo Financiero Galicia S.A. Approval of the subscription by Grupo Financiero Galicia S.A. with negotiable obligations issued by Banco de Galicia y Buenos Aires S.A.***

The Board of Directors will propose to exercise the preemptive and accretion rights either totally or partially and to subscribe the capital increase with negotiable obligations issued by the Bank.

## **PROPOSALS OF THE BOARD OF DIRECTORS OF BANCO DE GALICIA**

*Item 1º: “Appointment of two shareholders to sign the minutes”.*

A proposal will be submitted at the Shareholders’ Meeting of Banco de Galicia y Buenos Aires S.A. that any two persons among Pedro Richards and/or Rafael Manóvil and/or Adolfo Tamini be appointed to sign the minutes.

*Item 2º: “Capital increase of up to a face value of Ps.100,000,000 so as to increase the capital stock up to the amount of Ps.568,661,845 by means of the issuance of up to 100,000,000 ordinary book-entry (Class “B”) shares, entitled to one vote per share and with a face value of Ps.1 each, entitled as well to the collection of dividends and any other amounts to be paid as from the fiscal year when the issuance is carried out. Consideration of the payment of the shares’ face value plus the issuance premium to be determined pursuant to the decision taken upon dealing with the next item of the agenda, in cash or, at the subscriber’s option, by means of the contribution of Negotiable Obligations issued by Banco de Galicia y Buenos Aires Sociedad Anónima. Determination of the classes and series of Negotiable Obligations that can be received as payment of the shares. Method for the calculation and/or determination of the value at which they shall be received. Report on the destination of the issuance. Public offering and subscription of the issuance corresponding to the capital increase. Delegation to the Board of Directors, with the possibility of sub-delegating into one or more of its members, of the powers related to the determination of the amount, date, form and terms of payment and any other terms and conditions pertaining to the issuance, and the request for authorization to make a public offering to the National Securities Commission (CNV) and to list the shares to be issued to the Buenos Aires Stock Exchange (BCBA)”.*

The Board of Directors of the Bank makes a proposal that a capital increase of up to a face value of one hundred million Argentine Pesos (Ps.100,000,000) be carried out, with the purpose of increasing the capital stock up to five hundred sixty eight million six hundred and sixty one thousand eight hundred and forty five Pesos (Ps. 568,661,845), by means of the issuance of up to 100,000,000 ordinary book-entry (Class “B”) shares, entitled to one vote per share and with a face value of Ps.1 each. Furthermore, a proposal is made so that the Shareholders' Meeting approves the following details and conditions for such capital increase:

**Face amount of the capital increase:** up to one hundred million Argentine Pesos (Ps.100,000,000).

**Number, face value and characteristics of the shares to be issued:** the number of shares to be issued is up to one hundred million (100,000,000). Shares shall be ordinary book-entry Class “B” shares”, entitled to one vote per share and with a face value of Ps.1 each.

**Date of issuance:** the Board of Directors, pursuant to the powers the delegation of which is requested to the Shareholders’ Meeting, shall be able to decide on the issuance for the capital increase in one or more dates within the maximum term of two years as from the Shareholders' Meeting date.

**Payment method and conditions:** payment can be made as follows, at the subscriber's option: (i) in cash; or (ii) by means of the contribution of Negotiable Obligations issued by Banco de Galicia

y Buenos Aires S.A. in 2004 and due in 2010 (“Negotiable Obligations 2010”), in 2014 (“Negotiable Obligations 2014”) or in 2019 (“Negotiable Obligations 2019”) (together referred to as “Negotiable Obligations”).

The Negotiable Obligations shall be received, in each case, at the lesser value of the following: (i) the amount determined at the Shareholders’ Meeting, taking into consideration the values established by two valuations to be carried out pursuant to Section 53 of the Law Governing Commercial Companies and related rules, and (ii) pursuant to Resolution No. 466/04 of the National Securities Commission (CNV), the original face value of the Negotiable Obligations, net of amortizations, in each case, calculated plus interests accrued since their issuance, the latter up to the maximum limit of the rate in force in the natural financial markets for the currency in which such Negotiable Obligations are denominated.

For the purposes of the conversion into Pesos of the foreign currency in which the Negotiable Obligations are issued, Banco de la Nación Argentina’s buying exchange rate at the closing of operations on the exchange business day immediately before the day when the Shareholders’ Meeting that decides on the capital increase is held shall be used, pursuant to Resolution No. 466/04 of the National Securities Commission (CNV).

Caja de Valores S.A. shall act as the Subscription Agent, institution which will receive the subscription requests upon the exercise of the preemptive right and accretion right by shareholders, with respect to the subscriptions whose payment is made in cash.

The Bank shall receive the subscription requests upon the exercise of the preemptive right and accretion right by shareholders, with respect to the subscriptions whose payment is made with Negotiable Obligations.

The form of payment chosen by the subscriber shall be stated by the latter at the time he or she exercises the preemptive right or accretion right, respectively.

The form of payment in the case of Negotiable Obligations shall be made through a notice to be sent by the shareholder to the Bank stating therein the corresponding amounts. Furthermore, Negotiable Obligations shall be transferred to the Bank for their subsequent payment.

The preemptive right may be exercised during the subscription period based on the shares each shareholder owns. At the same time, shareholders may exercise their accretion right over the possible remaining shares which were not subscribed by those shareholders entitled to preemptive rights. The accretion right may be exercised based on the portion equal to the number of shares each shareholder, upon the exercise of his/her preemptive right, would have subscribed over the total amount of said issuance. In order that shareholders may exercise simultaneously their accretion and priority rights, they shall evidence their will to do so and state the number of shares they wish to subscribe additionally, subject to the portion mentioned above.

Payment terms shall be as follows: (i) the first trading business day that follows the day on which the period available to exercise the preemptive right ends for those shareholders exercising said right; and (ii) the third business day that follows the day on which the period to exercise the preemptive right ends for those shareholders who had exercised their accretion right. Payment in arrears of the new shares issued shall occur automatically on the mere expiration of the terms mentioned before. In the event of delinquency, the Board of Directors may choose to apply any of the alternatives set forth in the provisions stated in section 193 of the Law Governing Commercial Companies and request the delinquent shareholder to pay a fine equal to the amount owed, which must be paid in cash.

The new shares subscribed upon the exercise of the preemptive and accretion rights shall be registered with Caja de Valores S.A. in their respective accounts no later than within five (5) trading business days following the end of the period to exercise the preemptive right. Under no circumstances, fractions that may result from the exercise of the preemptive and accretion rights being lower than any new share may be taken into account.

**Right to receive dividends and other amounts from the issued shares:** shares shall be entitled to receive dividends and other amounts as from the beginning of the fiscal year on which issuance of shares is made.

**Destination of the proceeds from the issuance of shares:** Contributions made to the Company in the form of Negotiable Obligations shall be used to partially reduce the corporate liabilities resulting from said securities. Contributions made in cash shall be used to increase the Bank's working capital.

**Non-subscribed shares:** Non-subscribed shares issued under the exercise of shareholders' preemptive and accretion rights shall not be offered to third-parties. The Board of Directors is empowered to determine the final amount of the capital increase after the period to exercise said preemptive and accretion rights by shareholders.

**Amount of capital stock increased by the capital increase:** the capital increase's maximum amount shall represent 21.34% of the capital stock before the issuance and 17.59% of the capital stock after said issuance of shares.

**Authorizations to make the public offering and listing of shares:** The Company shall request the corresponding authorizations from the National Securities Commission (CNV) and the Buenos Aires stock Exchange (BCBA) in order to make the public offering and listing of shares. To such purposes, the members of the Shareholders' Meeting shall grant the authorizations necessary to carry out the corresponding formalities in said bodies.

In addition, it is requested to the Shareholders to delegate the necessary powers to the Board of Directors with the possibility of sub-delegating into one or more of its members, to determine the amount, time, form and payment conditions as well as any other term and condition of the issuance. Among the powers to be delegated shall be the following, including but without limitation to: (i) the determination of the date the period to exercise the preemptive right shall start; (ii) the determination and/or amendment of any term and/or condition that may be necessary or required by the controlling bodies and/or other entities involved; (iii) the approval of the final prospectus; (iv) the updated value at which the Negotiable Obligations shall be valued; (v) the determination of the capital increase's final amount based on the results obtained from the exercise of the preemptive and accretion rights by shareholders, within the maximum amount approved by the Shareholders' Meeting; and (vi) the subscription of any other contract that may be necessary, for example, the contract to be entered into with Caja de Valores S.A. in order that said institution may act as Subscription Agent for such shares whose payment is in cash.

*Item 3º: "Issuance premium. Decision on the limits for the determination of the issuance premium. Delegation, to the Board of Directors, of the power to determine the amount thereof".*

The Board of Directors of the Bank proposes the Shareholders' Meeting that the subscription price per share (face value plus issuance premium) shall be determined by computing the weighted average of the value of Banco de Galicia y Buenos Aires SA's share listed in the BCBA during the twenty (20)

trading business day prior to the day such share's price was fixed , or the one resulting from a higher issuance premium set by the Shareholders' Meeting. To such end, the Board of Directors proposes to listen to and take into account the shareholders' opinions, which they will express in order to protect their interests, through notices sent to the Board of Directors or at the Shareholders' Meeting itself, to which end the Board of Directors invites shareholders to send their suggestions as soon as possible. The exact subscription price per share shall be established by the Board of Directors upon the exercise of the powers that it is expected will be granted by the Shareholders' Meeting, with the limitations and methodology established upon resolution by this corporate body. The difference existing between the subscription price and the share's face value shall be the issuance premium. The subscription price per share shall be published in the BCBA's official gazette the day before the day the period to exercise the preemptive right starts.

*Item 4º: "Reduction of the term to exercise the preemptive right and accretion right regarding the subscription of the new shares up to the minimum 10-day legal term pursuant to the provisions of Section 194, paragraph five, of the Law Governing Commercial Companies, text pursuant to Act 24,435."*

The Board of Directors of the Bank proposes the Shareholder's Meeting that the term to exercise the preemptive right and accretion right by shareholders be of ten (10) running days, starting and ending on a business day.

**This constitutes an unofficial English translation of the original Spanish document, which Spanish document shall govern in all respects, including matters of interpretation.**