

Grupo Financiero Galicia S.A.

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

Financial Statements
for the fiscal years
ended December 31, 2006 and 2005

Grupo Financiero Galicia S.A.

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

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Financial Statements and Auditors' Report

For the fiscal years ended on December 31, 2006 and 2005.

Report of the Supervisory Committee

For the fiscal year ended December 31, 2006.

System established by

Technical Regulations (N.T. 2001) of the National Securities Commission

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Company's Name:

Grupo Financiero Galicia S.A.

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

Legal domicile:

Tte. Gral. Juan D. Perón No. 456 – 2nd floor
Autonomous City of Buenos Aires

Principal line of business:

Financial and Investment Activities

8th Fiscal period

For the fiscal year commenced January 1, 2006, and ended December 31, 2006,
presented in comparative format.

DATE OF REGISTRATION WITH THE COMMERCIAL COURT OF RECORD

Of bylaws:

December 31, 1999

Date of latest amendment to bylaws:

June 26, 2006.

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

11,891

Sequential Number – Corporation Control Authority (I.G.J.):

1,671,058

Date of expiry of Company's bylaws:

June 30, 2100

Name of the Controlling Company:

EBA HOLDING S.A.

Principal line of business:

Financial and Investment Activities

Interest held by the Controlling Company in the Shareholders' equity as of 12.31.06:

22.65 %

Percentage of votes to which the Controlling Company is entitled as of 12.30.06:

59.42 %

Capital status as of 31.12.06 (Note 7 to the Financial Statements) (figures stated in thousands of pesos)				
Shares				
Number	Class	Voting rights per share	Subscribed	Paid in
281,221,650	Ordinary class "A", face value of 0.001	5	281,222	281,222
960,185,367	Ordinary class "B", face value of 0.001	1	960,185	960,185
1,241,407,017			1,241,407	1,241,407

Grupo Financiero Galicia S.A.

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Supplementary Accounting Information

Consolidated Balance Sheet as of December 31, 2006 and 2005.

(figures stated in thousands of pesos)

	12.31.06	12.31.05
ASSETS		
CASH AND DUE FROM BANKS	2,294,849	1,041,158
- Cash	550,851	552,495
- Banks and correspondents	1,743,998	488,663
GOVERNMENT AND CORPORATE SECURITIES	3,188,648	5,971,756
-Holdings of investment account securities	2,608,827	650,924
- Holdings of trading securities	28,566	21,229
- Government securities without quotation	431,753	4,591,071
-Securities issued by the Argentine Central Bank	119,520	704,467
-Investments in quoted corporate securities	339	4,418
-Allowances	(357)	(353)
LOANS	10,514,552	10,555,176
-To the non-financial public sector	2,739,282	5,235,869
- To the financial sector	311,623	128,203
-To the non-financial private sector and residents abroad	7,790,689	5,619,015
-Overdrafts	346,135	222,779
-Promissory notes	2,143,706	1,836,887
-Mortgage loans	687,954	503,397
-Pledge loans	67,145	121,095
-Consumer loans	563,232	258,015
-Credit card loans	2,458,572	1,732,114
-Other	1,403,209	812,587
-Accrued interest, adjustments and quotation differences receivable	154,960	146,839
-Documented interest	(33,651)	(14,684)
-Unallocated collections	(573)	(14)
-Allowances	(327,042)	(427,911)
OTHER RECEIVABLES RESULTING FROM FINANCIAL BROKERAGE	5,441,981	6,162,381
-Argentine Central Bank	1,878,286	108,819
-Amounts receivable for spot and forward sales to be settled	91,441	264,170
-Securities receivable under spot and forward purchases to be settled	1,464,917	270,476
-Negotiable obligations without quotation	26,721	41,403
-Balances from forward transactions without delivery of under. asset to be settled	30,964	709
- Other receivables not included in the debtor classification regulations	1,761,381	5,332,201
- Other receivables included in the debtor classification regulations	207,930	177,439
- Accrued interest receivable not included in the debtor classification regulations	1,463	1,471
- Accrued interest receivable included in the debtor classification regulations	774	935
-Allowances	(21,896)	(35,242)

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

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Supplementary Accounting Information

Consolidated Balance Sheet as of December 31, 2006 and 2005.

(figures stated in thousands of pesos)

	12.31.06	12.31.05
ASSETS UNDER FINANCIAL LEASES	206,175	191,176
- Assets under financial leases	208,603	193,697
-Allowances	(2,428)	(2,521)
EQUITY INVESTMENTS	35,575	85,120
-In financial institutions	3,057	3,088
-Other	77,385	113,336
-Allowances	(44,867)	(31,304)
MISCELLANEOUS RECEIVABLES	675,510	447,879
-Receivables for assets sold	15,118	85
-Tax on minimum presumed income – Tax credit	218,884	170,989
-Other	515,805	354,360
-Accrued interest on receivables for assets sold	93	6
-Other accrued interest and adjustments receivable	82	65
-Allowances	(74,472)	(77,626)
BANK PREMISES AND EQUIPMENT	490,290	484,198
MISCELLANEOUS ASSETS	271,107	199,152
INTANGIBLE ASSETS	502,796	490,360
-Goodwill	65,165	85,003
-Organization and development expenses	437,631	405,357
UNALLOCATED ITEMS	4,381	1,678
OTHER ASSETS	8,311	5,690
TOTAL ASSETS	23,634,175	25,635,724

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Grupo Financiero Galicia S.A.

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Supplementary Accounting Information

Consolidated Balance Sheet as of December 31, 2006 and 2005.

(figures stated in thousands of pesos)

	12.31.06	12.31.05
LIABILITIES		
DEPOSITS	10,779,369	8,421,660
-Non-financial public sector	63,922	90,341
-Financial sector	154,303	6,201
-Non-financial private sector and residents abroad	10,561,144	8,325,118
-Current Accounts	1,982,765	1,639,766
-Savings accounts	2,442,946	2,211,436
-Time deposits	5,789,299	4,186,018
-Investment accounts	4,031	158
-Other	211,176	192,584
-Accrued interest and quotation differences payable	130,927	95,156
OTHER LIABILITIES RESULTING FROM FINANCIAL BROKERAGE	9,824,953	14,413,713
-Argentine Central Bank	3,025,977	8,611,909
-Other	3,025,977	8,611,909
-Banks and international entities	844,263	762,055
-Unsubordinated negotiable obligations	2,809,416	3,052,434
-Amounts payable for spot and forward purchases to be settled	1,046,181	222,729
-Securities to be delivered under spot and forward sales to be settled	91,329	266,071
-Loans from domestic financial institutions	281,055	220,422
-Balances from forward transactions without delivery of under asset to be settled	31,635	418
-Other	1,566,706	1,152,433
-Accrued interest, adjustments and quotation difference payable	128,391	125,242
MISCELLANEOUS LIABILITIES	223,095	268,740
-Directors' and syndics' fees	3,255	3,438
-Other	219,002	265,301
-Adjustments and accrued interest payable	838	1
PROVISIONS	182,927	254,351
SUBORDINATED NEGOTIABLE OBLIGATIONS	777,617	431,024
UNALLOCATED ITEMS	5,734	3,915
OTHER LIABILITIES	64,827	70,046
MINORITY INTEREST IN CONSOLIDATED ENTITIES OR COMPANIES	167,185	145,499
TOTAL LIABILITIES	22,025,707	24,008,948
SHAREHOLDERS' EQUITY	1,608,468	1,626,776
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	23,634,175	25,635,724

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Grupo Financiero Galicia S.A.

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Supplementary Accounting Information

Consolidated Memorandum Accounts

As of December 31, 2006 and 2005

(figures stated in thousands of pesos)

	12.31.06	12.31.05
DEBIT		
	17,961,491	25,626,815
CONTINGENT	8,215,105	17,697,297
Loans obtained	107,986	221,713
Guarantees received	6,006,114	11,194,304
Others not included in the debtor classification regulations	10,500	10,500
Contingencies re. contra items	2,090,505	6,270,780
CONTROL	8,231,305	7,327,531
Uncollectible loans	582,503	569,180
Other	7,461,271	6,564,913
Control re. contra items	187,531	193,438
DERIVATIVES	800,127	457,374
"Notional" value of forward transactions without delivery of underlying asset	475,338	12,125
Derivatives re. contra items	324,789	445,249
TRUST ACCOUNTS	714,954	144,613
Trust funds	714,954	144,613
CREDIT	17,961,491	25,626,815
CONTINGENT	8,215,105	17,697,297
Loans granted (unused balances)	624,847	397,714
Guarantees granted to the Argentine Central Bank	955,414	5,483,982
Other guarantees granted included in the debtor classification regulations	123,790	223,055
Other guarantees granted not included in the debtor classification regulations	180,892	51,740
Others included in the debtor classification regulations	164,374	78,237
Others not included in the debtor classification regulations	41,188	125,202
Contingencies re. contra items	6,124,600	11,337,367
CONTROL	8,231,305	7,327,531
Checks and drafts to be credited	187,358	193,267
Other	471,472	35,537
Control re. contra items	7,572,475	7,098,727
DERIVATIVES	800,127	457,374
"Notional" value of put options written	175,923	184,801
"Notional" value of forward transactions without delivery of underlying asset	148,866	260,448
Derivatives re. contra items	475,338	12,125
TRUST ACCOUNTS	714,954	144,613
Trust liabilities re. contra items	714,954	144,613

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Grupo Financiero Galicia S.A.

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Supplementary Accounting Information

Consolidated Income Statement

For the fiscal year commenced January 1, 2006 and ended December 31, 2006, presented in comparative format with the previous fiscal year.

(figures stated in thousands of pesos)

	12.31.06	12.31.05
FINANCIAL INCOME	2,249,837	2,398,632
Interest on cash and due from banks	874	68
Interest on loans granted to the financial sector	2,869	2,823
Interest on overdrafts	69,670	39,957
Interest on promissory notes	200,564	119,017
Interest on mortgage loans	69,967	74,052
Interest on pledge loans	12,146	10,806
Interest on credit card loans	281,116	222,657
Interest on other loans	105,813	35,705
Net income from government and corporate securities	261,229	333,107
Interest on other receivables resulting from financial brokerage	171,878	165,895
Net income from secured loans - Decree No. 1387/01	194,777	203,487
CER adjustment	730,074	1,091,832
Other	148,860	99,226
FINANCIAL EXPENSES	1,871,613	1,845,929
Interest on current account deposits	21,043	15,301
Interest on savings account deposits	4,105	4,557
Interest on time deposits	313,036	142,051
Interest on financing from the financial sector	5,527	4,581
Interest on other liabilities resulting from financial brokerage	326,462	269,276
Other interest	275,509	334,398
CER adjustment	697,694	1,006,752
Other	228,237	69,013
GROSS FINANCIAL MARGIN	378,224	552,703
LOAN LOSS PROVISIONS	110,869	76,730
INCOME FROM SERVICES	853,093	645,736
In relation to lending transactions	247,501	185,825
In relation to borrowing transactions	220,543	175,907
Other commissions	17,056	14,898
Other	367,993	269,106
EXPENSES FOR SERVICES	181,092	121,971
Commissions	80,801	53,906
Other	100,291	68,065

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Supplementary Accounting Information

Consolidated Income Statement

For the fiscal year commenced January 1, 2006 and ended December 31, 2006, presented in comparative format with the previous fiscal year.

(figures stated in thousands of pesos)

	12.31.06	12.31.05
ADMINISTRATIVE EXPENSES	974,564	780,968
Personnel expenses	506,632	392,308
Directors' and syndics' fees	5,989	5,793
Other fees	36,148	32,314
Advertising and publicity	84,507	68,132
Taxes	50,469	37,349
Other operating expenses	217,016	187,223
Other	73,803	57,849
NET INCOME FROM FINANCIAL BROKERAGE	(35,208)	218,770
MINORITY INTERESTS RESULT	(19,016)	(34,609)
MISCELLANEOUS INCOME	295,228	289,507
Net income from equity investments	-	6,662
Default interests	1,062	835
Loans recovered and allowances reversed	142,885	163,608
CER adjustment	105	7,341
Other	151,176	111,061
MISCELLANEOUS LOSSES	165,680	347,128
Net income from equity investments	14,362	-
Default interests and charges in favor of the Argentine Central Bank	571	16
Loan loss provisions for miscellaneous receivables and other provisions	62,424	99,754
CER adjustment	-	541
Amortization of differences arising from court resolutions	-	122,279
Other	88,323	124,538
NET INCOME / (LOSS) BEFORE INCOME TAX	75,324	126,540
INCOME TAX	94,238	19,302
NET (LOSS) / INCOME FOR THE FISCAL YEAR	(18,914)	107,238

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

Grupo Financiero Galicia S.A.

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Supplementary Accounting Information

Consolidated Statement of Cash Flows

For the fiscal year commenced January 1, 2006 and ended December 31, 2006, presented in comparative format with the previous fiscal year.
(figures stated in thousands of pesos)

	12.31.06	12.31.05
Changes in cash		
Cash and due from banks at beginning of fiscal year	1,041,158	988,669
Increase in funds	1,253,691	52,489
Cash and due from banks at fiscal year end	2,294,849	1,041,158
Reasons for changes in cash		
Financial income collected	1,793,354	1,313,070
Income from services collected	859,335	645,746
Less		
Financial expenses paid	(715,204)	(497,783)
Expenses for services paid	(180,915)	(115,118)
Administrative expenses paid	(907,084)	(692,983)
Funds provided by operating activities	849,486	652,932
Other sources of cash		
Increase in deposits, net	2,300,148	1,935,271
Decrease in government and corporate securities, net	3,220,128	211,273
Decrease in other receivables resulting from financial brokerage, net	-	260,559
Other sources of cash	180,842	114,831
Total sources of cash	5,701,118	2,521,934
Other uses of cash		
Increase in loans, net	(513,491)	(1,663,901)
Increase in other receivables resulting from financial brokerage, net	(545,291)	-
Increase in other assets, net	(180,351)	(217,948)
Decrease in other liabilities resulting from financial brokerage, net	(3,784,064)	(1,053,273)
Decrease in other liabilities, net	(139,885)	(45,856)
Dividends paid in cash	(5,280)	-
Other uses of cash	(128,551)	(141,399)
Total uses of cash	(5,296,913)	(3,122,377)
Increase in funds	1,253,691	52,489

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

Grupo Financiero Galicia S.A.

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Supplementary Accounting Information

Notes to Consolidated Financial Statements

For the fiscal years ended on December 31, 2006 and 2005.

(figures stated in thousands of pesos)

NOTE 1: PRESENTATION OF FINANCIAL STATEMENTS

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

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

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

NOTE 2: ACCOUNTING STANDARDS

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

a. Financial statement consolidation

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

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

b. Consistency of accounting principles

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

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

b.1. - Foreign currency assets and liabilities

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

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 2: (Continued)

As of December 31, 2006 and December 31, 2005, balances in U.S. dollars were converted at the reference exchange rate (amounts expressed in pesos \$3.0695 and \$3.0315, respectively) established by the Argentine Central Bank.

Assets and liabilities valued in foreign currencies other than the U.S. dollar have been converted into the latter currency using the swap rates informed by the Argentine Central Bank.

b.2. - Gold bullion

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

The procedure referred to in item b.1. above.

b.3. - Government and corporate securities

b.3.a. – Government securities

I) Holdings in investment accounts:

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

The same criterion was applied to holdings of such bonds used in repo transactions and to the bonds to be received recorded under "Other Receivables Resulting from Financial Brokerage" and "Miscellaneous Receivables".

Had such bonds and balances to be received recorded under the abovementioned captions been valued at market price, Banco de Galicia y Buenos Aires S.A. shareholders' equity would have been reduced by approximately \$202,299 and \$497,654 as of December 31, 2006 and December 31, 2005, respectively.

II) Holdings of trading securities:

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

III) Without quotation:

As of December 31, 2006 and December 31, 2005, the Bank carries the following holdings:

a) Secured Bonds in Pesos

Banco de Galicia y Buenos Aires S.A. participated in the restructuring of the provincial government's debt, pursuant to the provisions of Decree No.1579/02, receiving Secured Bonds (Bogar) in exchange.

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

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

As of December 31, 2005 holdings not used as collateral for the abovementioned advance were valued at their "present value" as defined in the above paragraph. As of that date, the market value of such holdings was lower than book value by approximately \$67,354.

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 2: (Continued)

b) Discount Bonds and GDP-Linked Negotiable Securities

Banco de Galicia y Buenos Aires S.A. decided to participate in the exchange offered by the National Government, within the framework of the Argentine debt restructuring, opting to exchange its holdings of "Medium-Term External Notes," Series 74 and 75, for a face value of US\$ 280,471 thousand, for "Discount Bonds in Pesos" and "GDP-Linked Negotiable Securities" issued under the conditions established by Decree No. 1735/04.

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

As of December 31, 2006 and December 31, 2005, the securities received have been recorded at the lowest of the total future nominal cash payments up to maturity specified by the terms and conditions of the new securities, and the carrying value of the securities tendered as of March 17, 2005, equivalent to the present value of the Secured Bonds' cash flow at that date. This valuation is reduced in the amount of perceived payments, and accrued interest is not recognized. Had these securities been marked to market, Banco de Galicia y Buenos Aires S.A. shareholders' equity would have been reduced as of December 31, 2006 and December 31, 2005, by approximately \$ 239,262 and \$ 383,968 respectively.

c) At the end of the previous fiscal year, the Fiscal Tax Credit Certificates were recorded at their technical value, given that they may be used for tax payments during this fiscal year.

IV) Securities issued by the Argentine Central Bank:

These are recorded at the closing quoted price for each security at the end of each fiscal year.

Those securities without quotation have been increased on an exponential basis according to their internal rate of return.

b.3.b. - Investments in quoted corporate securities

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

b.4. - Secured loans

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

At the date of these financial statements, their estimated realizable value exceeds their book value by \$19,300 approximately. Said value was obtained by calculating the present value of their future cash flow of amortization and interest, based on the market rate of debt instruments of the same issuer.

In accordance with Argentine Central Bank's regulations, secured loans have been recorded at the lower of their "present value" and their "technical value". The "present value" is defined as the "net present value" of a cash flow structure determined under contractual conditions and discounted at a rate set by the Argentine Central Bank which, as of December 31, 2006, was 5% and, as of December 31, 2005, 4%. The "technical value" is the adjusted amount of each instrument under contractual conditions.

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

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 2: (Continued)

As of December 31, 2006, said loans are mainly allocated as collateral for the financial assistance from the Argentine Central Bank pursuant to Decrees No. 739/03, 1262/03 and supplementary regulations.

b.5. - Accrual of adjustments, interest, exchange rate differences, premiums on future transactions and variable returns

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

As indicated in Note 16.1 of the consolidated financial statements for liabilities originally denominated in foreign currency and converted into pesos, the adjustment from the application of the CER was accrued in accordance with legal regulations or contractual conditions.

b.6. - Financial trust debt securities and participation certificates

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

b.7. -Negotiable obligations without quotation

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

b.8. - Assets under financial leases

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

b.9. - Equity investments

b.9.a. - In financial institutions, complementary and authorized activities

- Controlled

Argentine:

These investments have been valued according to the equity method.

Banco de Galicia y Buenos Aires S.A. equity investment in Banelco S.A. as of December 31, 2006, is valued under the equity method, based on this company's June 30, 2006 financial statements, because at the date of these financial statements, more recent audited financial statements were not available.

Foreign:

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

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

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

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

Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 2: (Continued)

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

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

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

- Non-controlled

Argentine:

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

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

Foreign:

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

The procedure referred to in item b.1. above.

b.9.b. - Equity investments

- Non-controlled

Argentine:

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

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

Foreign:

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

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

b.10. – Bank premises and equipment and miscellaneous assets

Bank premises and equipment and miscellaneous assets have been valued at their restated cost (see Note 1 above), plus the increase in value of the real estate property derived from a technical revaluation made in 1981, less accumulated depreciation.

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

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

Grupo Financiero Galicia S.A.

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

Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 2: (Continued)

b.11. - Other miscellaneous assets

These assets are valued at their restated acquisition cost (see Note 1 above), less the corresponding accumulated depreciation.

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

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

b.12. - Intangible assets

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

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

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

Effective December 2005, through Communiqué "A" 4439 and complementary ones, the Argentine Central Bank authorized financial institutions having granted, as from that date, new commercial loans with an average life of more than 2 years to defer the charge to income related to the abovementioned amortization. The maximum amount to be deferred cannot exceed 50% of the growth of the new commercial loans nor 10% of the financial institutions' computable regulatory capital ("RPC"). In addition, banks will not be able to reduce the rest of their commercial loan portfolio. This methodology will be applied until December 2008, when the balance recorded as of that date will begin to be amortized in up to 36 monthly, equal and consecutive installments.

As of December 31, 2006 and December 31, 2005, the accumulated amount of deferred amortizations is \$148,673 and \$11,256, respectively.

b.13. - Allowance for loan losses and provisions for contingent commitments

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

b.14. - Income tax

As of December 31, 2006, Banco de Galicia y Buenos Aires S.A. recorded no income tax charge because, as of that date, it estimated it had incurred in a tax loss. The income tax charge reported by Banco de Galicia y Buenos Aires S.A. has been determined in accordance with Argentine Central Bank regulations, which do not contemplate the application of the deferred tax method.

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 2: (Continued)

b.15. - Tax on minimum presumed income

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

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

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

Tax credit	Date of generation	Probable offsetting date
11,702	2001	2010
45,158	2002	2010
43,004	2003	2010
42,037	2004	2010
46,126	2005	2010
22,073	2006	2010
7,007	2006	2011

In addition to the statement made in preceding paragraphs, as of December 31, 2006, companies controlled by Banco de Galicia y Buenos Aires S.A. record an asset of \$ 2,067 for the Tax on Minimum Presumed Income, while as of December 31, 2005, this amount was \$ 1,615.

b.16. - For severance payments

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

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

c. Differences between the Argentine Central Bank's regulations and Argentine GAAP in the Autonomous City of Buenos Aires

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

Subsequently, on June 26, 2006 and through C.D. Resolution No. 42/2006, the C.P.C.E.C.A.B.A. approved Technical Resolution No. 23 of the F.A.C.P.C.E., in mandatory force and effect for fiscal years started as from July 1, 2006, its application in fiscal years commencing at an earlier date being admitted.

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

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

Grupo Financiero Galicia S.A.

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

Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 2: (Continued)

c. 1. - Valuation criteria

c.1.a. - Accounting for income tax according to the deferred tax method

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

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

The application of this criterion based on projections prepared by Banco de Galicia y Buenos Aires S.A., would determine a \$ 465,391 deferred tax assets as of December 31, 2006.

c.1.b.5. - Valuation of assets with the non-financial public and private sectors

c.1.b.1. – National secured loans and Provincial secured bonds

On November 6, 2001, Banco de Galicia y Buenos Aires S.A. and the Companies controlled by Sudamericana Holding S.A. participated in the exchange offered by the National Government, swapping national government securities for National Secured Loans which, as of December 31, 2006 and December 31, 2005, are recorded under "Loans – Non-Financial Public Sector". Furthermore, Banco de Galicia y Buenos Aires S.A. and the "Fondo Fiduciario para el Desarrollo Provincial" (FFDP) exchanged loans to provincial governments for Bogar which, as of December 31, 2006 and December 31, 2005, are recorded under "Government Securities without Quotation". As of such dates, Banco de Galicia y Buenos Aires S.A. valued both assets at the lower of present or technical value, as established by the Argentine Central Bank, except for those used as collateral for the advance for the purchase of the Hedge Bond, which were recorded at the value admitted for assets used for such purposes.

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

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

This asset is allocated as collateral for the financial assistance from the Argentine Central Bank and their proceeds are expected to be used to settle those debts.

At the issue date of these financial statements, their estimated realizable value exceeds their book value by approximately \$19,300.

b) Provincial secured bonds (Bogar): at market value. The difference between the latter and book value is detailed in item b.3.a.III) a).

c.1.b.2. - Financial reporting of effects generated by court decisions on deposits

As disclosed in Note 16.1 of the consolidated financial statements, as of December 31, 2006, Banco de Galicia y Buenos Aires S.A. records an asset for \$ 367,221 under "Intangible Assets – Organization and Development Expenses", for the residual value of the differences resulting from compliance with court decisions on reimbursement of deposits within the framework of Law No. 25,561, Decree No. 214/02 and complementary regulations. Argentine GAAP would admit the registration of, such assets and of the corresponding allowance based on the best estimate of the recoverable amounts.

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 2: (Continued)

c.1.b.3. - Compensation, per sections 28 and 29 of Decree No. 905/2002 of the National Executive Branch

As of December 31, 2006 and December 31, 2005, Banco de Galicia y Buenos Aires S.A. records the government securities received and to be received in connection with the compensation established by Sections 28 and 29 of National Executive Branch's Decree No. 905/02, under the captions "Government Securities – Holdings in Investment Accounts," "Other Receivables Resulting from Financial Brokerage – Other Receivables not Included in the Debtor Classification Regulations" and "Forward Purchases of Government Securities under Agreements to Repurchase," and "Miscellaneous Receivables," respectively.

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

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

c.1.b.4. - Allowances for receivables from the non-financial public sector

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

c.1.b.5. - Discount Bonds and GDP-Linked Negotiable Securities

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

c.1.c. - Conversion of financial statements

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

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

The application of this criterion instead of that mentioned in item b. of this Note does not have a significant impact on Banco de Galicia y Buenos Aires S.A. financial statements.

c.1.d. - Restructured loans and liabilities

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

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

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 2: (Continued)

c.2. - Statement of Cash Flows

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

NOTE 3: BASIC INFORMATION ON CONSOLIDATED CONTROLLED COMPANIES

The basic information regarding the controlled companies is presented in Note 9 and Schedule C to the financial statements of Grupo Financiero Galicia S.A.

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

In July 2006, the Board of Directors of Net Investment S.A. together with the Board of Directors of B2Agro S.A. and Tradecom Argentina S.A., decided to merge both companies retroactive to July 1, 2006. On August 14, 2006 the Extraordinary Shareholders' Meetings approved the pre merger commitment required by Section 83 of the Law on Corporations. Subsequently, they approved the merger of Net Investment S.A., B2Agro S.A. and Tradecom Argentina S.A., being Net Investment S.A. the merged company that shall purchase the whole of B2Agro S.A. and Tradecom Argentina S.A. equity and these two Companies shall dissolve without liquidation. (See Note 25).

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

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

Sudamericana Holding S.A.'s results have been adapted to cover a twelve-month period as of September 30, 2006, for consolidation purposes. This company's financial statements, in turn, have been consolidated on a line-by-line basis with the financial statements of Galicia Retiro Cía. de Seguros S.A., Galicia Seguros S.A. (formerly known as Galicia Vida Cía. de Seguros S.A.) and Sudamericana Asesores de Seguros S.A. On February 8 the representatives of Galicia Seguros S.A. (formerly known as Galicia Vida Cía. de Seguros S.A.) and Galicia Patrimoniales Compañía de Seguros S.A., subscribed the pre merger commitment pursuant to which the former absorbs the assets, liabilities, and Shareholders' equity of Galicia Patrimoniales Compañía de Seguros S.A., in force as from July 1, 2006. This merger was approved by the Regulatory Authority on July 7, 2006 through Resolution No. 31217, and was recorded before the Corporation Control Authority ("I.G.J.") on September 25, 2006, under Record Number 15324 of Book 32. As of September 30, 2006, Sudamericana Holding S.A. held the following percentages:

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

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 3: (Continued)

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

As of December 31, 2006				
Issuing Company	Shares		Percentage held in	
	Class	Number	Total capital	Possible votes
Banco Galicia Uruguay S.A.	Ordinary shares	2,591,600 (*)	100.00	100.00
Tarjetas Regionales S.A.	Ord. book entry	207,586,358	100.00	100.00
Galicia Factoring y Leasing S.A.	Ord. book entry	1,889,700	99.98	99.98
Galicia Valores S.A. Sociedad de Bolsa	Ord. book entry	999,996	99.99	99.99

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

As of December 31, 2005				
Issuing Company	Shares		Percentage held in	
	Class	Number	Total capital	Possible votes
Banco Galicia Uruguay S.A.	Ordinary shares	2,591,600 (*)	100.00	100.00
Tarjetas Regionales S.A.	Ord. book entry	103,834,148	100.00	100.00
Galicia Factoring y Leasing S.A.	Ord. book entry	1,889,700	99.98	99.98
Galicia Valores S.A. Sociedad de Bolsa	Ord. book entry	999,996	99.99	99.99

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

As of December 31, 2006				
Issuing Company	Assets	Liabilities	Shareholders' equity	Net income/(loss)
Banco Galicia Uruguay S.A.	633,039	525,784	107,255	59,726
Tarjetas Regionales S.A.	1,828,016	1,522,138	305,878	70,287
Galicia Factoring y Leasing S.A.	4,648	707	3,941	461
Galicia Valores S.A. Sociedad de Bolsa	42,277	28,668	13,609	(526)

As of December 31, 2005				
Issuing Company	Assets	Liabilities	Shareholders' equity	Net income/(loss)
Banco Galicia Uruguay S.A.	674,895	627,957	46,938	294,662
Tarjetas Regionales S.A.	1,258,609	1,093,797	164,812	68,599
Galicia Factoring y Leasing S.A.	3,531	51	3,480	118
Galicia Valores S.A. Sociedad de Bolsa	29,702	15,567	14,135	1,075

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

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 3: (Continued)

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

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

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

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

In addition, the financial statements of Tarjetas Regionales S.A. as of December 31, 2006, which were used for consolidation purposes, have in turn been consolidated on a line-by-line basis with the financial statements of Tarjeta Naranja S.A., Tarjetas Cuyanas S.A. and Tarjetas del Mar S.A., in which Tarjetas Regionales S.A. holds a controlling interest.

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

- Directly:

Company	12.31.06	12.31.05
Tarjetas Cuyanas S.A.	60.000%	60.000%
Tarjetas del Mar S.A.	99.995%	99.999%
Tarjeta Naranja S.A.	80.000%	80.000%

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

Tarjeta Naranja S.A. implementing an investment project in Dominican Republic in order to develop a credit card business in said country, for which, on December 19, 2006, it acquired 99.4% of said company's capital stock. The total amount of the investment in said company at fiscal year end was \$ 12,088.

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

NOTE 4: MINORITY INTEREST IN CONSOLIDATED ENTITIES OR COMPANIES

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

The minority interest percentages as of December 31, 2006 and December 31, 2005 are the following:

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 4: (Continued)

Company	12.31.06	12.31.05
Banco de Galicia y Buenos Aires S.A.	6.39536%	6.39581%
Net Investment S.A.	0.79942%	0.79948%
Sudamericana Holding S.A.	0.79936%	0.79942%
Galicia Warrants S.A.	0.79942%	0.79948%
B2Agro S.A.	0.79942%	0.80774%
Net Investment B.V.	0.79942%	0.79948%
Tradecom Argentina S.A.	0.79942%	-
Galicia Retiro Cía. de Seguros S.A. (*)	0.79947%	0.79955%
Galicia Seguros S.A. (formerly known as Galicia Vida Cía. de Seguros S.A.) (*)	0.79958%	0.80929%
Sudamericana Asesores de Seguros S.A. (*)	0.80493%	0.83249%
Galicia Patrimoniales Cía. De Seguros S.A. (*)	-	0.80769%

(*) Minority interest determined based on the financial statements as of September 30, 2006 and September 30, 2005.

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

Company	12.31.06	12.31.05
Galicia Valores S.A. Sociedad de Bolsa	0.010%	0.010%
Galicia Factoring y Leasing S.A.	0.020%	0.020%
Galicia Administradora de Fondos S.A. Sociedad Gerente de Fondos Comunes de Inversión	0.015%	0.015%
Tarjetas Cuyanas S.A.	40.000%	40.000%
Tarjeta Naranja S.A.	20.000%	20.000%
Tarjetas del Mar S.A.	0.005%	0.001%
Cobranzas Regionales S.A.	22.460%	22.460%
Ancud Comercial S.A.	0.600%	-

NOTE 5: RESTRICTED ASSETS AND OTHER CONTINGENT LIABILITIES

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

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

	12.31.06	12.31.05
Minimum cash requirement in Pesos	1,217,511	758,124
Minimum cash requirement in foreign currency	658,751	418,710

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

I) As of December 31, 2006, the Bank's ability to dispose of the following assets corresponding to Banco de Galicia y Buenos Aires S.A. was restricted as mentioned below.

a. Funds, government securities and secured loans

The Bank has deposited \$ 47,864 as a guarantee to third parties, \$ 237,907 for margins requirements of repo transactions and \$ 34,480 as collateral for transactions carried out in the Rosario Futures Exchange. Also, secured loans for \$ 428 are blocked as a result of a court order.

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 5: (Continued)

b. Special escrow accounts

Special escrow accounts have been opened with the Argentine Central Bank as guarantee for transactions involving electronic clearing houses, checks for settling debts and other similar transactions, which, as of December 31, 2006 amounted to \$138,189.

c. Deposits in favor of the Argentine Central Bank

- Unavailable deposits related to foreign exchange transactions \$ 533
- For securities held in custody to act as register agent and book-entry Mortgage securities held in custody, \$ 1,138.
- As collateral for assistance received \$ 1,733,298

d. Guarantees granted to the Argentine Central Bank

As of December 31, 2006, Banco de Galicia y Buenos Aires S.A. has allocated loans to the public sector for \$ 955,414 as collateral for financial assistance from the Argentine Central Bank.

e. Equity investments

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

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

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

In addition, the Bank and the other shareholders had committed, in certain circumstances, to provide financial support to those companies if they were unable to honor the commitments they have undertaken with international financial institutions. It is worth mentioning that as of December 31, 2006, only the commitment related to Aguas Cordobesas S.A. is outstanding.

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

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

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

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

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

As of December 31, 2006, Banco de Galicia y Buenos Aires S.A. has fully provisioned its credits against this company.

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 5: (Continued)

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

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

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

As of December 31, 2006, the investment in said company has been fully provisioned. For the remaining credits, the provisions corresponding to the debtor's status in accordance with the applicable regulations have been established.

f. Guarantees granted for direct obligations

As of December 31, 2006, Banco de Galicia y Buenos Aires S.A. has recorded \$ 79,532 as collateral for credit lines granted by the IFC, and the related transactions have been allocated to the resources provided by IFC.

As of December 31, 2005, the total amount of restricted assets for the aforementioned items was \$ 5,709,679.

II) As of December 31, 2006, Banco de Galicia y Buenos Aires S.A. ability to dispose of the following assets of consolidated controlled companies was restricted as follows:

a. Galicia Valores S.A. Sociedad de Bolsa:

As of December 31, 2006, this company holds three shares of Mercado de Valores de Buenos Aires S.A. which are allocated as guarantee for an insurance covering its transactions for \$6,360. As of prior fiscal year's end, the total amount was \$ 6,500.

b. Tarjetas Cuyanas S.A.:

As of December 31, 2006, the company's ability to dispose of time deposits for \$ 600 and \$ 80 was restricted because these amounts were earmarked as guarantee for two collection agreements signed with the Revenue Board of the Province of Mendoza and Telefónica de Argentina, respectively. As of December 31, 2005, its restricted assets totaled \$ 639 and \$ 107.

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

c. Tarjeta Naranja S.A.

Attachments in connection with lawsuits amounting to \$328 have been levied on current account deposits.

Also, \$ 55,000 has been recorded under Memorandum Accounts, as collateral for credit lines from financial institutions.

d. Banco Galicia Uruguay S.A.:

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

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 5: (Continued)

III) As of December 31, 2006, the Bank's ability to dispose of the following assets corresponding to Galval Agente de Valores S.A. was restricted as mentioned below.

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

NOTE 6: GOVERNMENT AND CORPORATE SECURITIES

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

As of December 31, 2006 and December 31, 2005, holdings of Government and corporate securities were as follows:

	12.31.06	12.31.05
Government Securities		
With quotation		
Recorded at market value		
For trading purposes:		
Government bonds	28,206	20,873
Other	360	356
Less: Valuation allowance	(357)	(353)
Total trading securities	28,209	20,876
Recorded at value after amortization		
In investment accounts		
Government bonds (Boden 2012)	2,608,827	650,924
Total securities in investment accounts	2,608,827	650,924
Securities issued by the Argentine Central Bank		
Securities with quotation	119,520	699,041
Securities without quotation	-	5,426
Total securities issued by the Argentine Central Bank	119,520	704,467
Without quotation		
Fiscal tax credit certificates (*)	-	34,458
Government bonds	431,753	4,556,613
Total securities without quotation	431,753	4,591,071
Total government securities	3,188,309	5,967,338
Corporate Securities		
Shares	-	376
Negotiable obligations (with quotation)	339	4,042
Total corporate securities	339	4,418
Total government and corporate securities	3,188,648	5,971,756

(*) Government securities secured by future tax payments.

NOTE 7: LOANS

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

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

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

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

- Overdrafts: short-term obligations issued in favor of customers.
- Promissory notes: endorsed promissory notes, factoring.

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 7: (Continued)

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

Pursuant to Argentine Central Bank regulations, Banco de Galicia y Buenos Aires S.A. must disclose the breakdown of its loan portfolio to: the non-financial public sector, the financial sector and the non-financial private sector and residents abroad. In addition, Banco de Galicia y Buenos Aires S.A. must disclose the type of collaterals established on the applicable loans to the non-financial private sector and the pledges granted on loans (preferred guarantees relative to a registered senior pledge).

As of December 31, 2006 and December 31, 2005, the classification of the loan portfolio was as follows:

	12.31.06	12.31.05
Non-financial public sector	2,739,282	5,235,869
Financial sector	311,623	128,203
Non-financial private sector and residents abroad	7,790,689	5,619,015
With preferred guarantees	1,076,170	838,540
With other collateral	1,307,511	1,024,542
Without collateral	5,407,008	3,755,933
Subtotal	10,841,594	10,983,087
Allowance for uncollectibility risks	(327,042)	(427,911)
Total	10,514,552	10,555,176

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

NOTE 8: EQUITY INVESTMENTS

As of December 31, 2006 and December 31, 2005, the breakdown of "Equity Investments" was a follows:

	12.31.06	12.31.05
In financial institutions and supplementary and authorized activities		
Banco Latinoamericano de Exportaciones S.A.	1,522	1,572
Banelco S.A.	7,868	7,219
Mercado de Valores de Buenos Aires S.A.	8,050	8,190
Visa Argentina S.A.	951	951
Other	2,362	2,288
Total equity investments in financial institutions, complementary and authorized activities	20,753	20,220
In non-financial institutions		
AEC S.A.	6,139	6,139
Aguas Argentinas S.A.	23,370	23,370
Aguas Cordobesas S.A.	8,911	8,911
Aguas Provinciales de Santa Fe S.A. (in liquidation)	10,771	10,771
Electrigral S.A.	5,455	5,455
Inversora Diamante S.A.	-	12,944
Inversora Nihuiles S.A.	-	15,750
Tradecom International N.V.	-	6,683
Other	5,043	6,181
Total equity investments in non-financial institutions	59,689	96,204
Allowances and Provisions	(44,867)	(31,304)
Total equity investments	35,575	85,120

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 9: INTANGIBLE ASSETS - GOODWILL

The following table shows the goodwill breakdown per activity as of December 31, 2006 and December 31, 2005, respectively:

	12.31.06	12.31.05
Investment	-	684
In banks	45,192	54,706
Companies issuing regional credit cards	19,973	29,613
Total	65,165	85,003

NOTE 10: TRUST ACTIVITIES

a) Trust contracts for purposes of guaranteeing compliance with obligations

Purpose: in order to guarantee compliance with contractual obligations, the parties to these agreements have agreed to deliver to Banco de Galicia y Buenos Aires S.A., as fiduciary property, amounts to be applied according to the following breakdown:

Date of contract	Trustor	Trust fund balance		Maturity date
		\$	In thousands of US\$	
01.06.98	Eduardo Sumic y Ercides Ciani	12	36	07.07.07 (1)
02.15.05	Blaisten	5	-	02.15.08 (2)
12.29.05	Tecsan – Benito Roggio	10	-	04.28.11 (2)
06.16.06	La Nación	18	-	12.31.07 (2)
11.01.06	Peñaflor	1	-	11.01.11 (2)
11.09.06	Benito Roggio e hijos	738	-	01.09.09 (2)

(1) This amount shall be released upon maturity or when the Bank receives instructions in accordance with contract stipulations.

(2) These amounts shall be released monthly until the earlier of the settlement date of trustor obligations or the maturity date, whichever occurs first.

b) Financial trust contract:

Purpose: to administer and exercise the fiduciary ownership of the trust assets until the redemption of the debt securities and the participation certificates:

Date of contract	Trust	Trust fund balance		Maturity date
		\$	In thousands of US\$	
03.10.05	Grobo I	1,114	-	12.31.06 (4)
07.13.05	Rumbo Norte I	3,515	81	07.13.11 (4)
10.12.05	Hydro I	25,365	-	09.05.17 (3)
11.14.05	Radio Sapienza II	1	-	10.12.08 (4)
12.13.05	Tarjetas del Mar I	2,864	-	12.31.06 (4)
01.24.06	Saturno I	2,713	-	07.31.07 (3)
05.02.06	Procion I	2	888	06.15.09 (3)
05.22.06	Radio Sapienza III	3,366	-	05.12.09 (4)
06.26.06	Saturno II	11,508	-	09.30.07 (3)
08.10.06	Faid 2006/07	8,340	322	11.30.07 (4)
10.05.06	Saturno III	18,191	-	04.15.08 (3)
10.17.06	Tarjetas del Mar II	6,070	-	01.10.15 (4)
11.24.06	Radio Sapienza IV	9,303	-	11.12.09 (4)
12.05.06	Faid 2011	29,560	-	12.28.12 (4)
12.06.06	Gas I	588,181	-	10.28.14 (4)

(3) These amounts shall be released monthly until the redemption of the debt securities.

(4) Estimated date, because the actual maturity will occur at the time of the distribution of all of the trust assets.

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 11: NEGOTIABLE OBLIGATIONS

a) As of December 31, 2006, Banco de Galicia y Buenos Aires S.A., had the following negotiable obligations outstanding under this Program:

a.1) Ordinary negotiable obligations:

Date of issue	Residual face value (in thousands of US\$)	Term	Rate	Issue authorized by the C.N.V.
11.08.93	4,394 (*)	10 years	9.00 %	10.08.93

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

a.2) The Ordinary Shareholders' Meeting, held on September 30, 1997, authorized the creation of a global program for the issuance of negotiable obligations, not convertible into shares, which could be denominated in pesos, dollars or other currencies, for a maximum aggregate amount equivalent to US\$ 1,000,000 thousand. At the date of these financial statements, this program has expired. However, as of December 31, 2006, Banco de Galicia y Buenos Aires S.A. has outstanding the following short-and medium-term negotiable obligations issued under this program:

Date of issue	Residual face value (in thousands of US\$)	Term	Rate	Issue authorized by the C.N.V.
07.19.02	24,212 (*)	1,840 days	7.875%	04.22.98
07.19.02	14,387 (*)	1,840 days	6 months Libor plus 4%	04.22.98

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

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

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

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

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

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

As of December 31, 2006, Banco de Galicia y Buenos Aires S.A., had the following negotiable obligations outstanding under this Program:

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 11: (Continued)

Ordinary negotiable obligations:

Date of issue	Residual face value (in thousands of US\$)	Term	Rate	Issue authorized by the C.N.V.
05.18.04	464,802	(1)	(*)	12.29.03 and 04.27.04
05.18.04	308,734	(2)	(#)	12.29.03 and 04.27.04

(1) The principal of the Negotiable Obligations Due 2014 will be amortized semi-annually, beginning January 1, 2010, in installments equal to 11.11% of principal at origin, until their due date, January 1, 2014, when the remaining 11.12% of principal at origin is due. Grupo Financiero Galicia S.A. holds Negotiable Obligations with maturity in 2014 for a face value of US\$ 107,000 thousand.

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

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

(#) The interest rate established for the period from July 1, 2006 to December 31, 2006 is of 9.14% (6-month Libor: 5.64% plus 3.5%).

Subordinated negotiable obligations:

Date of issue	Residual face value (in thousands of US\$)	Term	Rate	Issue authorized by the C.N.V.
05.18.04	246,885 (*)	(1)	(2)	12.29.03 and 04.27.04

(*) Includes US\$ 5,455 thousand, US\$ 5,592, thousand, US\$ 5,731 thousand, US\$ 5,875 thousand and US\$ 6,021 thousand, payment-in-kind (by means of Negotiable Obligations Due 2019) interest due on July 1, 2004, January 1, 2005, July 1, 2005, January 1, 2006 and July 3, 2006, respectively. Grupo Financiero Galicia S.A. holds Subordinated Negotiable Obligations due 2019 for a face value of US\$ 4,281.93 thousand, which include capitalized interest on the new Subordinated Negotiable Obligations.

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

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

a4) The Ordinary Shareholders Meeting, held on April 28, 2005, approved the creation of a Global Program for the issuance and re-issuance of ordinary negotiable obligations, not convertible into shares, subordinated or not, adjustable or not, secured or unsecured, for a maximum face amount of \$ 1,000,000, or its equivalent in any other currency, outstanding at any time during the life of the Program, for a maximum term of five years counted as from the authorization of the Program by the C.N.V., or for any other longer term the C.N.V. may authorize pursuant to regulations.

On September 15, 2005, the Board of Directors resolved that the U.S. dollar was the currency to determine the amount of the Program, at Argentine Central Bank reference exchange rate as of September 14, 2005 (US\$ 1 = \$ 2.9193) which resulted in a rounded off total Program amount of US\$ 342,500 thousand. Likewise, the Board of Directors established the remaining terms and conditions for the issuance and re-issuance of ordinary negotiable obligations, under the Program, which was approved by the C.N.V. through Resolution No. 15228 dated November 4, 2005.

As of December 31, 2006, the total balance of negotiable obligations, including principal and interest, amounts to \$ 3,368,044, net of expenses.

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NOTE 11: (Continued)

As of December 31, 2005, the total for the same concept amounted to \$ 3,533,115.

b) Companies controlled by Banco de Galicia y Buenos Aires S.A. – Issuance of Negotiable Obligations

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

a) Banco Galicia Uruguay S.A.

As of December 31, 2006 and December 31, 2005:

Date of issue	Residual face value (in thousands of US\$) 12.31.06	Residual face value (in thousands of US\$) 12.31.05	Term	Rate
12.24.02	-	47,319	9 years	2%
08.31.03	8,924	8,929	9 years	7%
08.31.03	559	798	5 years	2%
10.17.06	44,799 (*)	-	5 years	2%

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

b) Tarjetas Regionales S.A.

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

Conditions	Tarjeta Naranja S.A.	Tarjeta Naranja S.A.
Series No.	III	IV
Currency of issue	Pesos (\$)	U.S. dollars (US\$)
Placement date	05.17.05	09.20.05
Maturity date	11.08.06	09.15.06
Term	540 days	360 days
Rate	Variable CER Var. (minimum 8% and maximum 20%) plus 1.75%	Fixed 6.5% nominal annual
Face value	41,020 (*)	27,614 (**)
Residual value as of 12.31.06	-	-
Residual value as of 12.31.05	41,020	27,034

(*) On November 8, 2006 the total amount issued was settled.

(**) Tarjeta Naranja S.A. issued and placed its Series IV negotiable obligations for a total amount of US\$ 8,916 thousand. On September 15, 2006 the total issued amount was settled.

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 11: (Continued)

Conditions	Tarjeta Naranja S.A.	Tarjeta Naranja S.A.
Series No.	Class I	Class II
Currency of issue	Pesos (\$)	U.S. dollars (US\$) which were converted into Pesos (\$) pursuant to issuance terms and conditions
Placement date	12.14.05	06.14.06
Maturity date	12.14.07	12.14.08
Term	24 months	30 months
Rate	Maximum 20% Minimum 8%	Fixed 17% nominal annual
Face value	40,781	80,150 (***)
Residual value as of 12.31.06	40,781	80,150
Residual value as of 12.31.05	40,781	-

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

Conditions	Tarjeta Naranja S.A.	Tarjeta Naranja S.A.
Series No.	Class III	Class IV
Currency of issue	U.S. dollars (US\$)	U.S. dollars (US\$) which were converted into Pesos (\$) pursuant to issuance terms and conditions
Placement date	09.15.06	11.29.06
Maturity date	09.10.07	11.29.11
Term	360 days	60 months
Rate	Fixed 7% nominal annual	Fixed 15.5% nominal annual
Face value	30,519 (****)	307,900 (*****)
Residual value as of 12.31.06	30,519	307,900
Residual value as of 12.31.05	-	-

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

(***** Tarjeta Naranja S.A. issued and placed its Class IV Negotiable Obligations for a total amount of US\$ 100,000 thousand, which, as specified by the terms and conditions of the securities, was converted into \$ 307,900. Investor assume the exchange rate risk since amortization and interest services are calculated based on the principal amounts in pesos converted into dollars on each payment date.

Conditions	Tarjetas Cuyanas S.A.	Tarjetas Cuyanas S.A.
Series No.	XVI	XVII
Currency of issue	Pesos (\$)	Pesos (\$)
Placement date	12.16.05	12.11.06
Maturity date	12.11.06	07.10.07
Term	360 days	2100 days
Rate	Maximum 20% Minimum 8%	12.46% fixed during the whole period
Face value	21,532 (*)	34,613
Residual value as of 12.31.06	-	34,613
Residual value as of 12.31.05	21,532	-

(*) On December 6, 2006 the total issued amount was settled.

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NOTE 12: MINIMUM CAPITALS

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

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

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

As called for by Argentine Central Bank regulations, as of December 31, 2006 and December 31, 2005, the Minimum capital requirements were as follows:

Date	Capital required	Computable capital	Payment of capital as a % of the capital requirement
12.31.06	1,084,313	1,861,559	171.68
12.31.05	881,546	1,885,211	213.85

Communiqué "A" 3911 and supplementary regulations state that, as of January 1, 2006, a financial institution's total exposure to the non-financial public sector must not exceed 40% of its total assets and that, as of July 1, 2007, it must not exceed 35%.

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

As of December 31, 2006, Banco de Galicia y Buenos Aires S.A. is in compliance with the guidelines committed to in said plan.

Also, non-compliance instances of the regulations on credit risk division and credit adjustment have been observed which, in turn, brought about an increase in the demand of minimum capitals due to credit risk exposure.

NOTE 13: CONTRIBUTION TO THE DEPOSIT INSURANCE SYSTEM

Law No. 24,485 and Decree No. 540/95 established the creation of the Deposit Insurance System to cover the risk attached to bank deposits, in addition to the system of privileges and safeguards envisaged in the Financial Institutions Law.

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

This system does not cover deposits made by other financial institutions (including time deposit certificates acquired through a secondary transaction), deposits made by parties related to Banco de Galicia y Buenos Aires S.A., either directly or indirectly, deposits of securities, acceptances or guarantees and those deposits set up after July 1, 1995 at an interest rate exceeding the one established regularly by the Argentine Central Bank based on a daily survey conducted by it. Also excluded are those deposits whose ownership has been acquired through endorsement and those placements made as a result of incentives other than the interest rate. This system has been implemented through the creation of the Deposit Insurance Fund ("FGD"), which is managed by a company called Seguros de Depósitos S.A. (SEDESA). The shareholders of SEDESA are the Argentine Central Bank and the financial institutions, in the proportion determined for each one by the Argentine Central Bank based on the contributions made to the fund.

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

As of December 31, 2006, the standard contribution to the Deposits Insurance System amounted to \$ 318,541, of which \$ 15,771 corresponds to the fiscal year.

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 14: RESTRICTIONS IMPOSED ON THE DISTRIBUTION OF PROFITS

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

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

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

In addition, to be able to distribute profits, a financial institution must comply with the capital adequacy rule, with the minimum capital requirement and the regulatory capital calculated, to the only purpose of determining its ability to distribute profits, by deducting from its assets and retained earnings all the items mentioned in the paragraph above, as well as the asset recorded in connection with the minimum presumed income tax and the amounts allocated to the repayment of long-term debt instruments computable as core capital pursuant to Communiqué "A" 4576.

In addition, in such calculation, a financial institution will not be able to compute the temporary reductions in the capital required to cover the exposure to the public sector and interest rate risk (governed by the alfa 1 and alfa 2 coefficients) that are currently in effect, as well as any other regulatory forbearance that the Argentine Central Bank may provide, affecting minimum capital requirements, computable regulatory capital or a financial institution's capital adequacy, and the amount of profits that it wishes to distribute.

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

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

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

In turn, the shareholders of Tarjeta Naranja S.A during the Ordinary and Extraordinary Shareholders' Meeting held on March 16, 2006 set forth the following policy for the distribution of dividends: a) to keep under retained earnings, those retained earnings corresponding to fiscal years prior to 2005 and, therefore, not to distribute them as dividends, and b) to set the maximum limit for the distribution of dividends at 25% of the realized and liquid profits of each fiscal year from and after fiscal year 2005. These restrictions shall remain in force as long as the company's shareholder's equity is below \$ 300,000.

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

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 14: (Continued)

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

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

Resolution No. 368/01

As of December 31, 2006, Banco de Galicia y Buenos Aires S.A.'s equity exceeds that required by Chapter XIX, items 4 and 5 of C.N.V. Resolution No. 368/01 to act as an over-the-counter broker.

Furthermore, in compliance with Section 32 of Chapter XI of that resolution, in its capacity as depository of the mutual funds "FIMA ACCIONES", "FIMA P.B. ACCIONES," "FIMA RENTA EN PESOS," "FIMA RENTA EN DOLARES," "FIMA AHORRO PESOS," "FIMA MIX," "FIMA RENTA CORTO PLAZO," "FIMA MONEY MARKET EN PESOS LIQUIDADO," "FIMA NUEVO RENTA EN DOLARES," "FIMA GLOBAL ASSETS," "FIMA RENTA LATINOAMERICANA," "FIMA PREMIUM" and "FIMA OBLIGACIONES NEGOCIABLES," as of December 31, 2006, Banco de Galicia y Buenos Aires S.A. holds a total of 617,876,327 units under custody for a market value of \$ 480,033, which is included in the "Depositors of Securities held in Custody" account.

As of December 31, 2005, the securities held in custody by the Bank totaled 479,905,814 units and their market value amounted to \$ 296,698.

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

16.1 - Deposits with the financial system - Legal actions requesting protection of constitutional guarantees

As a result of the provisions of Decree No. 1,570/01, Law No. 25,561, Decree No. 214/02 and concurrent regulations, and as a result of the restrictions on cash withdrawals and of the measures that established the pesification and restructuring of foreign-currency deposits, since December 2001, a significant number of claims have been filed against the National State and/or financial institutions, formally challenging the emergency regulations and requesting prompt payment of deposits in their original currency. Most lower and upper courts have declared the emergency regulations unconstitutional. As of December 31, 2006, the court orders received by Banco de Galicia y Buenos Aires S.A. requiring the reimbursement of deposits in foreign or Argentine currency, at the free-market exchange rate, amounted to \$ 12,819 and US\$ 644,513 thousand. In compliance with those court orders, as of the same date, the Bank has paid the amounts of \$ 1,163,872 and US\$ 111,192 thousand to reimburse deposits, in pesos and in foreign currency.

The difference between the amounts paid as a result of the abovementioned court orders and the amount resulting from converting deposits at the \$ 1.40 per U.S. dollar exchange rate, adjusted by the CER and interest accrued up to the payment date, which amounted to \$ 688,390 and \$ 668,946, as of December 31, 2006 and December 31, 2005, respectively, has been recorded under "Intangible Assets". Residual values as of said dates total \$ 367,221 and \$ 347,777, respectively. Banco de Galicia y Buenos Aires S.A. has repeatedly reserved its right to make claims, at suitable time, in view of the negative effect caused on its financial condition by the reimbursement of deposits originally denominated in dollars, pursuant to orders issued by the Judicial Branch, either in U.S. dollars or in pesos for the equivalent amount at the market exchange rate, since compensation of this effect was not included by the National Government in the calculation of the compensation to financial institutions. The method of accounting for such right as a deferred loss, set forth by Argentine Central Bank regulations, does not affect its existence or legitimacy. To such effect, the Entity has reserved the corresponding rights.

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 16: (Continued)

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

On October 26, 2004, the Argentine Supreme Court of Justice ruled on the lawsuit entitled "Bustos, Alberto et al vs. National State, on legal action requesting protection of constitutional guarantees," admitting the declaration of national emergency established by Law No. 25,561 and the constitutionality of Section 2 of Decree No. 214/02.

On December 27, 2006, the Argentine Supreme Court of Justice ruled on the case named "Massa c/ Estado Nacional and Bank Boston", resolving that the defendant bank must fulfill its obligation to reimburse a dollar-denominated deposit subject to emergency regulations by, paying the original amount deposited converted into pesos at an the exchange rate of \$ 1.40 per U.S. dollar, adjusted by CER until the effective payment day, together with a 4% annual interest and computing amounts paid in order to comply with preliminary injunctions or other measures as payments on account. As of the date of preparation of these financial statements, Banco de Galicia y Buenos Aires S.A. is analyzing the consequences of such decision. Even though the ruling refers to a particular case, it is expected that it will be strongly followed in similar cases to be heard by the lower courts.

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

16.2 - Claims due to foreign exchange differences arising from the repayment of financial assistance during foreign-exchange market holidays in January 2002.

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

On the day those funds were credited, the Argentine Central Bank had declared a foreign-exchange market holiday.

On January 6, 2002, before the market was reopened, Law No. 25,561 was enacted, which repealed the convertibility system and established a new exchange rate of \$1.40 per U.S. dollar.

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

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

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

For this reason, when the Argentine Central Bank applied US\$ 410,000 thousand to the settlement by Banco de Galicia y Buenos Aires S.A. of the financial assistance granted, it should have cancelled US\$ 410,000 thousand times 1.40, that is, the amount of \$ 574,000.

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

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 16: (Continued)

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

Said entity has filed a claim before the Argentine Central bank to recover the above-mentioned amount. Such right has not been accounted for in these financial statements.

16.3 - Compensation to financial institutions

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

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

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

As of December 31, 2005, Banco de Galicia y Buenos Aires S.A. had received the total amount of the Compensatory Bond for US\$ 906,277.46 thousand of face value of Boden 2012.

In December 2006, Argentine Central Bank delivered to Banco de Galicia y Buenos Aires S.A. Boden 2012 for US\$ 1,154,955 thousand of face value, at their 75% residual value and US\$ 406,775 thousand in cash in connection with past due amortization and interest coupons, as partial compensation for the negative net position in foreign currency as of December 31, 2001, pursuant to the provisions of Decree N°905/02 sections 28 and 29 (90.8% of the Hedge Bond).

The advance granted by the Argentine Central Bank pursuant to the provisions of section 29 subsection g) of said decree was settled in cash for \$ 1,369,664 and through the application of the following assets granted as collateral: Bogar and National Secured Loans for \$ 1,111,641 of face value and \$ 69 of face value, respectively.

The execution of the advance, under the conditions set forth in Resolution No. 237/06 of the Argentine Central Bank, release Bogar for \$ 392,818 of face value, which had been granted as collateral for such advance. It is important to highlight that said Resolution did not contemplate the settlement of pass due amortization and interest coupons through the application of assets granted as collateral. Therefore, such assets and that of the securities mentioned in the following paragraph, were valued pursuant to the "present value" criterion set forth by the Argentine Central Bank, thus originating a decrease in their book value of \$ 109,086.

On December 13, 2006, Banco de Galicia y Buenos Aires S.A. requested to the Argentine Central Bank the advance for the purchase of the remainder of the Hedge Bond that is Boden 2012 for US\$ 116,797 thousand of face value and the simultaneous settlement of such liability on the date of execution, through the application of a \$ 163,516 of face value of Bogar granted as collateral.

The amount of the compensation pending receipt has been recorded under "Other Receivables Resulting from Financial Brokerage – In Foreign Currency – Compensation to be Received from the National Government" for \$ 401,335.

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 16: (Continued)

16.4. – Situation of Banco Galicia Uruguay S.A. and Galicia (Cayman) Limited

The financial crisis unleashed in late 2001 also affected the companies controlled by Banco de Galicia y Buenos Aires S.A., Banco Galicia Uruguay S.A. and Galicia (Cayman) Limited.

Banco Galicia Uruguay S.A. after the total suspension of all its activities, as from February 2002; in December 2002 restructured its deposits with a high degree of participation by its depositors. Subsequently, it implemented various voluntary exchanges of restructured deposits, which allowed it to significantly reduce such liabilities.

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

Within this process and during the previous fiscal year, the Argentine Central Bank authorized the transfer of BODEN 2012 to Banco Galicia Uruguay S.A. for a face value of US\$ 195,979 thousand, which was applied to the settlement of the expressions of interest to participate in the exchange received.

Furthermore, in order to strengthen the financial condition of its subsidiaries, Grupo Financiero Galicia SA. forgave US\$ 43,000 thousand subordinated negotiable obligations issued by Banco Galicia Uruguay S.A. This debt forgiveness, along with the exchange of deposits, have meant an important improvement to Banco Galicia Uruguay S.A.'s financial conditions derived from the reduction of its liabilities.

As of December 31, 2006, the principal amount of the restructured liabilities (time deposits and negotiable obligations) was \$ 211,571, with the first four installments due September 2003, 2004, 2005 and 2006 and the Negotiable Obligations due December 2005 having been paid. As of December 31, 2006, the shareholders' equity amounts to \$ 107,255 and it is estimated that the cash proceeds of this company's assets (mainly credits) shall exceed, in all of the payment periods of the arrangement with creditors, the obligations resulting from such agreement.

Also, Banco Galicia Uruguay S.A. has created a "Negotiable Obligations Issuance Program" for the amount of up to US\$ 108,090 thousand, in order to convert privately issued Negotiable Obligations due in 2011 into public Negotiable Obligations and, also, offer holders of "Transferable time-deposit certificates" the possibility to exchange said certificates for the abovementioned Negotiable Obligations. On October 17, 2006, Series I Negotiable Obligations for an amount of US\$ 48,467 thousand were issued under the Program. Grupo Financiero Galicia S.A. subscribed said exchange for the a face value of US\$ 1,042 thousand.

As regards Galicia (Cayman) Limited, even though it was in provisional liquidation, on February 2, 2006, as a consequence of the presentation made by the Administrators of the Restructuring Plan of Galicia Cayman, the Grand Court of the Cayman Islands declared the plan terminated, thus returning the company to its legal authorities as from February 23, 2006.

In order to help face the payment proposal of Galicia (Cayman) Limited, Grupo Financiero Galicia S.A., during July 2003, granted said bank a subordinated loan for US\$ 1,200 thousand, to be repaid once the debt with all creditors has been amortized pursuant to the proposal. On December 15, 2005, Grupo Financiero Galicia S.A. signed an agreement with Galicia (Cayman) Limited, to exchange the abovementioned loan plus the interests accrued up to that date, for transferable time-deposit certificates issued by Banco Galicia Uruguay S.A.

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NOTE 17: CONTRIBUTIONS TO THE BANK EMPLOYEES' SOCIAL SERVICES INSTITUTE (the "I.S.S.B.")

The 2% contribution on interests and fees received by banks established by Section 17, paragraph f), of Law No. 19,322, was reduced to 1% beginning July 1, 1996, and beginning July 1, 1997, it was finally eliminated by Decrees No. 263/96 and 915/96. In addition, Decree No. 336/98 dated March 26, 1998, of the National Executive Branch, confirmed the elimination of the Bank Employees' Social Services Institute (I.S.S.B.) and the creation of a new institution called Bank Employees' Health Care System (O.S.B.A.), which was not the successor of the I.S.S.B.

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

In addition, O.S.B.A. has brought a declaratory action before the federal administrative litigation jurisdiction against all institutions in the financial system, claiming annulment of the decrees that eliminated the contribution to said institution. Considering that a risk exists as to the interpretations that courts may make of this dispute, Banco de Galicia y Buenos Aires S.A. has agreed to seek an agreement on those disputed or doubtful rights, without this involving any recognition of rights, but involving O.S.B.A.'s abandonment of the abovementioned legal action and of any other judicial and/or administrative action, whether filed or to be filed in the future, in connection with this issue.

This agreement has been approved by the Federal Court of First Instance on Administrative Litigation No. 4 in the case identified above, which represents a limitation of the potential risk an unfavorable resolution would entail.

NOTE 18: SETTING UP OF FINANCIAL TRUSTS:

a) Financial trusts with Banco de Galicia y Buenos Aires S.A. acts as trustee outstanding at fiscal year end:

Conditions	Galtrust I	Galtrust II	Galtrust V
Creation Date	10.13.00	12.17.01	12.17.01
Maturity date	10.10.15	12.10.10	01.10.16
Trustee	First Trust of New York N.A.	First Trust of New York N.A.	First Trust of New York N.A.
Rate (*)	C.E.R. + 10% T.N.A.	C.E.R. + 9.75% T.N.A.	C.E.R. + 9.75% T.N.A.
Trust assets	Loans to provincial governments	Mortgage loans	Mortgage loans
Total portfolio transferred	Thousands of US\$ 490,224 (**)	Thousands of US\$ 61,191	Thousands of US\$ 57,573
"A" Debt securities	FV thousands of US\$ 100,000	FV thousands of US\$ 45,000	FV thousands of US\$ 42,000
"B" Debt securities	FV thousands of US\$ 200,000	-	-
Participation Certificates	FV thousands of US\$ 200,000	FV thousands of US\$ 16,191	FV thousands of US\$ 15,573

(*) Only applicable to debt securities and participation securities.

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

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(figures stated in thousands of pesos)

NOTE 18: (Continued)

Conditions	Galicia	Galicia Hipotecas Comerciales	Créditos Inmobiliarios Galicia I
Creation Date	04.16.02	02.22.05	08.17.05
Maturity date	05.06.32	07.12.13	03.15.15
Trustee	Bapro Mandatos y Negocios S.A.	Deutsche Bank S.A	Deutsche Bank S.A
Rate (*)	C.E.R. + 4%	C.E.R. + 0.05% T.N.A.	Minimum 8% T.N.A. and maximum 18% T.N.A.
Trust assets	Secured loans	Commercial mortgage loans	Mortgage loans
Total portfolio transferred	\$ 108,000	\$ 29,059	\$ 91,000
"A" Debt securities	-	FV \$ 24,119	FV \$ 72,800
"B" Debt securities	-	-	-
Participation Certificates	FV \$ 108,000	FV \$ 4,940	FV \$ 18,200

(*) Only applicable to debt securities and participation securities.

Conditions	Créditos Inmobiliarios Galicia II	Galicia Personales II	Galicia Personales III
Creation Date	10.12.05	01.25.06	05.16.06
Maturity date	12.15.25	09.15.07 (Estimated date for Class B Debt Securities) 11/15/2009 (Estimated date for Participation Certificates)	09.15.07 (Estimated date for Class B Debt Securities) 03.15.11 (Estimated date for Participation Certificates)
Trustee	Deutsche Bank S.A	Deutsche Bank S.A.	Deutsche Bank S.A.
Rate (*)	Minimum 8% T.N.A. and maximum 18% T.N.A.	The highest rate between: Badlar for time deposits of 30 to 35 days and of more than one million pesos of private banks, and CER variation percentage expressed as T.N.A. up to a maximum of 21%.	The highest rate between: Badlar for time deposits of 30 to 35 days and of more than one million pesos of private banks, and CER variation percentage expressed as T.N.A.
Trust assets	Mortgage loans	Consumer loans	Consumer loans
Total portfolio transferred	\$ 150,000	\$ 97,367	\$ 100,000
"A" Debt securities	FV \$ 109,000	FV \$ 77,893	FV \$ 85,000
"B" Debt securities	-	FV \$ 9,737	FV \$ 7,500
Participation Certificates	FV \$ 41,000	FV \$ 9,737	FV \$ 7,500

(*) Only applicable to debt securities and participation securities.

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(figures stated in thousands of pesos)

NOTE 18: (Continued)

Conditions	Galicia Prendas Comerciales I	Galicia Leasing I
Creation Date	07.03.06	09.22.06
Maturity date	05.15.09 (Estimated date of Class B Debt Securities) 02.15.11 (Estimated date of Participation Certificates)	11.15.07 (Estimated date for Class A1 Debt Securities) 07.15.07 (Estimated date for Class A2 Debt Securities) 11.15.09 (Estimated date for Class B Debt Securities) 05.15.11 (Estimated date for Participation Certificates)
Trustee	Deutsche Bank S.A.	Deutsche Bank S.A.
Rate (*)	Class "A" Debt Securities, Minimum 10.5% T.N.A. Maximum 20% T.N.A. Class "B" Debt Securities, Minimum 11.5% T.N.A. Maximum 21% T.N.A.	Class "A" Debt Securities, Minimum 10.5% T.N.A. Maximum 20% T.N.A. Class "B" Debt Securities, Minimum 11.5% T.N.A. Maximum 21% T.N.A.
Trust assets	Pledge loans	Assets under financial leases
Total portfolio transferred	\$ 86,623	\$ 150,000
"A" Debt securities	FV \$ 73,629	FV \$ 127,500
"B" Debt securities	FV \$ 6,930	FV \$ 12,000
Participation Certificates	FV \$ 6,064	FV \$ 10,500

(*) Only applicable to debt securities and participation securities.

As of December 31, 2006, Banco de Galicia y Buenos Aires S.A. holdings in Participation certificates and Debt securities amounted to \$ 758,520 and \$ 31,948 respectively; while as of December 31, 2005 they amounted to \$ 678,252 and 6,825, respectively.

b) Financial trusts received as loan repayment:

Conditions	Hydro I
Creation Date	10.12.05
Maturity date	09.05.17
Trustor	Consorcio de Empresas Mendocinas para Potrerillos S.A.
Trustee	Banco de Galicia y Buenos Aires S.A.
Trust assets	Loans for electrical power supply, loans for subsidies, royalties and interests
Rate (*)	7% T.N.A. until 09.05.06 and thereafter, variable T.N.A. equal to T.E.C. + 5% (**)
Subscribed debt securities	Class "B" debt securities FV \$ 25,523
Balance as of 12.31.06	\$ 25,094
Balance as of 12.31.05	\$ 25,655

(*) Only applicable to debt securities and participation securities.

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

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 18: (Continued)

c) Financial trusts acquired as investments:

Conditions	Edificio Bouchard Plaza
Creation date	12.20.05
Maturity date	06.29.08
Trustor	Ludwing Investments S.A.
Trustee	Nación Fideicomisos S.A.
Trust assets	Loans transferred
Rate (*)	T.E.C. from Private banks. + 6.25% T.N.A (**)
Subscribed debt securities	Additional debt securities \$ 10,500
Balance as of 12.31.06	\$ 11,327
Balance as of 12.31.05	\$ 10,546

(*) Only applicable to debt securities and participation securities.

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

Also, as of December 31, 2006, Banco de Galicia y Buenos Aires S.A. records other financial trusts acquired as investments for the amount of \$ 1,322. As of the prior fiscal year's end, these amounted to \$ 450.

d) A trust called "BG Financial Trust" was created in December 2005. Receivables amounting to \$ 264,426, belonging to the portfolio classified as situation 3 or lower, have been transferred to the trustee ("Equity Trust Company (Argentina) S.A."), for a value, net of allowances, of \$ 91,290; Banco de Galicia y Buenos Aires S.A. received such amount in cash. The debt securities issued by the trust were fully subscribed by third parties.

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

f) Trusts with Tarjeta Naranja S.A. as trustor:

Financial Trust	Tarjeta Naranja Trust I	Tarjeta Naranja Trust II	Tarjeta Naranja Trust III
Creation date	11.07.05	02.16.06	08.15.06
Maturity date	05.20.08	12.20.07	09.20.08
Interest rate	D.S. "A": C.E.R. VAR+ 1.18% or T.E. + 2% Maximum 18% Minimum 9% D.S. "B": C.E.R. VAR + 2.4% or T.E. + 3% Maximum 20% Minimum of 11%	D.S. "A": C.E.R. VAR maximum 20% minimum 10.5% D.S. "B": Maximum: 21% nominal annual	D.S.: "A" Caps: Minimum 10.5% nominal annual Maximum 20% nominal annual D.S.: "B" Caps: Minimum 11% nominal annual Maximum 21% nominal annual
Amount placed	94,500	80,000	139,342
Type of fiduciary debt	Debt securities	Debt securities	Debt securities
Trustee	Equity Trust Company (Argentina) S.A.	Equity Trust Company (Argentina) S.A.	Equity Trust Company (Argentina) S.A.
Class "A" securities	80,000	68,000	118,441
Class "B" securities	7,000	6,000	10,451
Participation Certificates	7,500	6,000	10,451

Grupo Financiero Galicia S.A.

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

Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 18: (Continued)

As of December 31, 2006, Tarjeta Naranja S.A.'s holdings of "B" debt securities and participation certificates totaled \$ 14,711 and \$ 34,102, respectively; as of December 31, 2005 its holdings totaled \$ 5,178 and \$ 18,493, respectively.

g) Trusts with Tarjetas Cuyanas S.A. as trustor:

Financial Trust	Tarjeta Nevada II	Tarjeta Nevada III	Tarjetas Cuyanas Trust I
Creation date	12.01.04	05.24.05	11.23.05
Maturity date	07.22.07	02.25.08	11.15.07
Interest rate	D.S. "A": CER + 3% Min. 8% Max. 15% T.N.A. D.S.: "B": CER + 5% Min. 10% Max. 20% T.N.A.	CER + Margin Min. 10% & Max. 20%	D.S. "A" 10.95% D.S. "B": 13.50%
Trustee	Banco Patagonia S.A.	Banco Patagonia S.A.	Equity Trust Company (Argentina) S.A.
Amount placed	16,000	25,000	26,784
"A" debt securities	12,000	19,000	21,427
"B" debt securities	2,400 (*)	-	2,678 (*)
Participation certificates	1,600	6,000	2,679

(*) As of December 31, 2006 Class B Debt Securities have been fully settled.

Financial Trust	Tarjetas Cuyanas Trust II	Tarjetas Cuyanas Trust III	Tarjetas Cuyanas Trust IV
Creation date	04.04.06	07.14.06	11.01.06
Maturity date	02.15.08	07.15.08	11.15.08
Interest rate	D.S. "A": 12% D.S. "B": 13%	D.S. "A" :10.87% D.S. "B": 12.75%	Badlar plus differential margin 2.96%
Trustee	Equity Trust Company (Argentina) S.A.	Equity Trust Company (Argentina) S.A.	Equity Trust Company (Argentina) S.A.
Amount placed	37,680	22,407	68,120
"A" debt securities	30,144	17,925	54,495
"B" debt securities	3,768	2,241	-
Participation certificates	3,768	2,241	13,625

As of December 31, 2006 and December 31, 2005, Tarjetas Cuyanas S.A.'s holdings of participations certificates totaled \$ 28,570 and \$ 9,182, respectively. Also, no holdings in "B" debt certificates were recorded as of the fiscal year's end, while as of December 31, 2005 they totaled \$ 2,084.

h) Trusts with Tarjeta del Mar S.A. as trustor:

Financial Trust	Tarjeta del Mar- Series II
Creation date	10.17.06
Maturity date	01.10.15
Interest rate	D.S. "A" 13.00% D.S. "B": 14.00% D.S. "C" 14.50% D.S. "D" 15.00%
Trustee	Banco de Galicia y Buenos Aires S.A.
Amount placed	6,000
"A" debt securities	1,200
"B" debt securities	1,200
"C" debt securities	1,200
"D" debt securities	1,200
Participation certificates	1,200

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 18: (Continued)

As of December 31, 2006 and December 31, 2005, Tarjetas del Mar S.A.'s holdings of participation certificates totaled \$ 1,158 and \$800, respectively. As of December 31, 2005 its holding of "B" debt securities amounted to \$ 24.

NOTE 19: DERIVATIVE FINANCIAL INSTRUMENTS

PUT OPTIONS WRITTEN

As established by Section 4, subsection a, and Section 6 of Decree No 1836/02 and regulations of the Argentine Central Bank, Banco de Galicia y Buenos Aires S.A. granted the holders of Rescheduled Deposit Certificates, who had opted to receive Boden 2013 and Boden 2012 in lieu of payment of those certificates, an option to sell coupons. Said options, as of December 31, 2006 and December 31, 2005, are valued at exercise price.

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

These options have been recorded under "Memorandum Accounts - Credit-Derivatives - Notional Value of Put Options Written" in the amount of \$ 175,923 as of December 31, 2006 and \$ 184,801 as of December 31, 2005, respectively.

FORWARD SALE-PURCHASE WITHOUT DELIVERY OF THE UNDERLYING ASSET

The Mercado Abierto Electrónico (MAE) and the Mercado a Término de Rosario (ROFEX) have trading environments for the closing, recording, and settlement of financial forward transactions carried out among its agents, being the Banco de Galicia y Buenos Aires S.A. one of them.

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

As of December 31, 2006, forward purchase and sale transactions totaled \$ 475,338 and \$ 148,866, respectively, while as of December 31, 2005 they totaled \$ 12,125 and \$ 260,448, respectively.

Said transactions are recorded under Memorandum accounts for the notional value traded.

Balances pending settlement are recorded under "Other Receivables from Financial Brokerage" and/or "Other Liabilities Resulting from Financial Brokerage", as the case may be. As of December 31, 2006, said balances amount to \$ 30,964 and \$ 31,635, respectively, while as of December 31, 2005, they amounted to \$ 709 and \$ 418, respectively.

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

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 20: NET EXPOSURE TO THE PUBLIC SECTOR

As of December 31, 2006 and December 31, 2005 the net exposure to the public sector of Banco de Galicia y Buenos Aires S.A. including the Argentine Central Bank and excluding the deposits made at said Entity, in compliance with minimum cash requirements, is the following:

	12.31.06	12.31.05
Government securities – net position	4,830,723	6,032,788
Loans	2,797,993	5,293,422
Other receivables resulting from financial brokerage	1,342,982	5,031,768
Total Assets	8,971,698	16,357,978
Liabilities with the Argentine Central Bank	3,025,977	8,611,909
Net exposure to the Public Sector (*)	5,945,721	7,746,069

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

It is worth mentioning that during the fiscal year, mainly through the sale of public sector assets, the financial assistance from the Argentine Central Bank ruled by Decrees No. 739/03 and 1262/03, decreased by \$ 2,626,229 as a result of payments under the schedule duly agreed upon and as a result of advanced settlements.

During January 2007 \$ 1,733,298 of the abovementioned financial assistance was settled in advance. (See Note 25 a.)

In addition, the advance for the purchase of the Hedge Bond decreased by \$ 2,959,811, as a consequence of the settlement of the portion corresponding to the acquisition of the bond delivered, as explained in to note 16.3.

As of September 30, 2006 and September 30, 2005 the consolidated financial statements of Sudamericana Holding S.A. include secured loans for \$ 48,633 and \$ 48,334, respectively.

NOTE 21: CHANGES IN SIGNIFICANT ASSETS AND LIABILITIES

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

	12.31.06	12.31.05
ASSETS		
LOANS	10,514,552	10,555,176
- To the non-financial public sector	2,739,282	5,235,869
- To the financial sector	311,623	128,203
-To the non-financial private sector and residents abroad	7,790,689	5,619,015
-Overdrafts	346,135	222,779
-Promissory notes	2,143,706	1,836,887
-Mortgage loans	687,954	503,397
-Pledge loans	67,145	121,095
-Consumer loans	563,232	258,015
-Credit card loans	2,458,572	1,732,114
-Other	1,403,209	812,587
-Accrued interest, adjustments and quotation differences receivable	154,960	146,839
- Documented interest	(33,651)	(14,684)
- Unallocated collections	(573)	(14)
- Allowances	(327,042)	(427,911)

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 21: (Continued)

	12.31.06	12.31.05
ASSETS (continued)		
OTHER RECEIVABLES RESULTING FROM FINANCIAL BROKERAGE	5,441,981	6,162,381
-Argentine Central Bank	1,878,286	108,819
-Amounts receivable for spot and forward sales to be settled	91,441	264,170
-Securities receivable under spot and forward purchases to be settled	1,464,917	270,476
-Negotiable obligations without quotation	26,721	41,403
-Balances from forward transactions without delivery of underlying asset to be settled	30,964	709
-Other receivables not included in the debtor classification regulations	1,761,381	5,332,201
-Other receivables included in the debtor classification regulations	207,930	177,439
-Accrued interest receivable not included in the debtor classification regulations	1,463	1,471
-Accrued interest receivable included in the debtor classification regulations	774	935
- Allowances	(21,896)	(35,242)
LIABILITIES		
DEPOSITS	10,779,369	8,421,660
-Non-financial public sector	63,922	90,341
-Financial sector	154,303	6,201
- Non-financial private sector and residents abroad	10,561,144	8,325,118
- Current Accounts	1,982,765	1,639,766
-Savings Accounts	2,442,946	2,211,436
-Time Deposits	5,789,299	4,186,018
-Investment accounts	4,031	158
-Other	211,176	192,584
-Accrued interest, adjustments and quotation differences payable	130,927	95,156
OTHER LIABILITIES RESULTING FROM FINANCIAL BROKERAGE	9,824,953	14,413,713
-Argentine Central Bank	3,025,977	8,611,909
-Other	3,025,977	8,611,909
-Banks and international entities	844,263	762,055
-Unsubordinated negotiable obligations	2,809,416	3,052,434
-Amounts payable for spot and forward purchases to be settled	1,046,181	222,729
-Securities to be delivered under spot and forward sales to be settled	91,329	266,071
-Loans from domestic financial institutions	281,055	220,422
-Balances from forward transactions without delivery of underlying asset to be settled	31,635	418
-Other	1,566,706	1,152,433
-Accrued interest, adjustments and quotation differences payable	128,391	125,242
SUBORDINATED NEGOTIABLE OBLIGATIONS	777,617	431,024

NOTE 22: TAX ISSUES

At the date of these consolidated financial statements, the Argentine Revenue Service (AFIP) and the Revenue Board of the Province of Córdoba are in the process of conducting an audit. Said agencies have served notices and made claims regarding taxes applicable to Tarjetas Regionales S.A.'s subsidiaries. The amount claimed on a firm basis totals \$ 22,611 approximately.

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

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

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 23: CAPITAL STOCK INCREASE

- Banco de Galicia y Buenos Aires S.A.

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

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

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

FV US\$ 100 Negotiable Obligations due on 2010: US\$ 87.500
FV US\$ 100 Negotiable Obligations due on 2014: US\$ 92.603
FV US\$ 100 Negotiable Obligations due on 2019: US\$ 115.184

In the case of the Negotiable Obligations due on 2019, the principal includes capitalized interests. In the case of the Negotiable Obligations due on 2010, should any principal amortization have occurred, the corresponding amount shall be subtracted from the value set for the principal.

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

For the conversion into pesos of the currency of denomination of the Negotiable Obligations, the shareholders' set the forth the exchange rate to be applied at of \$ 3.0670 for each U.S. dollar, pursuant to the provisions of Resolution No. 466 of the C.N.V.

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

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

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

The final authorization from the pertinent agencies is in progress.

- Tarjetas del Mar S.A.

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

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

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

Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 23: (Continued)

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

- Tarjetas Cuyanas S.A.

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

NOTE 24: **SEGMENT REPORTING**

Below, a detail of the accounting information as of December 31, 2006 and 2005, by related business segment:

Primary segment: Business.

	Financial brokerage	Services	Total
Income	2,249,837	853,093	3,102,930
Expenses	1,871,613	181,092	2,052,705
Result as of 12.31.06	378,224	672,001	1,050,225
Result as of 12.31.05	552,703	523,765	1,076,468

Secondary segment: Geographic.

	Autonomous City of Buenos Aires	Rest of country	Foreign	Total
Financial brokerage				
Income	1,569,392	608,784	71,661	2,249,837
Expenses	1,305,558	506,440	59,615	1,871,613
Result as of 12.31.06	263,834	102,344	12,046	378,224
Result as of 12.31.05	417,980	25,940	108,783	552,703
Services				
Income	595,082	230,839	27,172	853,093
Expenses	126,322	49,002	5,768	181,092
Result as of 12.31.06	468,760	181,837	21,404	672,001
Result as of 12.31.05	396,096	24,582	103,087	523,765

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

	Total as of 12.31.06	Total as of 12.31.05
Assets		
Government and corporate securities	3,188,648	5,971,756
Loans	10,514,552	10,555,176
Other receivables resulting from financial brokerage	5,441,981	6,162,381
Assets under financial leases	206,175	191,176
Liabilities		
Deposits	10,779,369	8,421,660
Other liabilities resulting from financial brokerage	9,824,953	14,413,713
Subordinated negotiable obligations	777,617	431,024

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Notes to Consolidated Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 25: **SUBSEQUENT EVENTS**

- Banco de Galicia y Buenos Aires S.A.

a) On January 3, 2007, Banco de Galicia y Buenos Aires S.A. settled the financial assistance by the Argentine Central Bank in advance for \$ 1,733,298, using the proceeds from the sale of public sector assets granted as collateral for said liability.

b) On January 17, 2007 an agreement for the creation of a trust called "Fideicomiso Financiero Galicia Personales IV" was entered into, by Banco de Galicia y Buenos Aires S.A. acting as Trustor and Administrator and Deutsche Bank S.A. acting as Financial Trustee. Banco de Galicia y Buenos Aires S.A. transferred to the Trust a portfolio of personal loans for an amount of \$100,000.

On January 30, 2007 the Trust issued Class "A" debt securities for a face value of \$ 85,000, Class "B" debt securities for a face value of \$ 8,000 and participation certificates for a face value of \$ 7,000.

- Net Investment S.A.

On February 1, 2007, the Board of Legal Entities recorded the reorganization Net Investment S.A. (See the Informative Review under Net Investment S.A.).

Grupo Financiero Galicia S.A.

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Balance Sheet as of December 31, 2006 and 2005.

(figures stated in thousands of pesos)

(Note 1)

	12.31.06	12.31.05
ASSETS		
CURRENT ASSETS		
Cash and due from banks (Notes 2 and 10 and Schedule G)	131	650
Investments (Notes 8 and 10 and Schedules C, D and G)	338,413	5,806
Other receivables (Notes 3, 8 and 10 and Schedule G)	14,558	566
Total Current Assets	353,102	7,022
NON-CURRENT ASSETS		
Other receivables (Notes 3, 8, 10 and 12 and Schedule G)	1,929	28,617
Investments (Notes 8, 9 and 10 and Schedules C, D and G)	1,261,295	1,599,037
Fixed assets (Schedule A)	3,028	3,085
Intangible assets (Schedules B and E)	-	684
Total Non-Current Assets	1,266,252	1,631,423
Total Assets	1,619,354	1,638,445
LIABILITIES		
CURRENT LIABILITIES		
Salaries and social security contributions (Notes 4 and 8)	657	688
Tax liabilities (Notes 5, 8 and 12)	8,717	9,628
Other liabilities (Notes 6, 8 and 10 and Schedule G)	1,506	1,347
Total Current Liabilities	10,880	11,663
NON-CURRENT LIABILITIES		
Other liabilities (Notes 6 and 8)	6	6
Total Non-Current Liabilities	6	6
Total Liabilities	10,886	11,669
SHAREHOLDERS' EQUITY (Per related statement)	1,608,468	1,626,776
Total liabilities and shareholders' equity	1,619,354	1,638,445

The accompanying Notes 1 to 14 and Schedules A, B, C, D, E, G and H are an integral part of these financial statements.

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Income Statement

For the fiscal year ended December 31, 2006.
presented in comparative format with the previous fiscal year.
(figures stated in thousands of pesos)
(Note 1)

	12.31.06	12.31.05
Administrative expenses (Note 10 and Schedule H)	(11,860)	(16,805)
Income on investments in related institutions – (Loss) / Income	(81,238)	215,531
Financial income and by holding – Income (Note 10)	118,209	9,961
- Generated by assets	119,717	10,290
Interest		
On time deposits (*)	653	121
On current account deposits	12	8
On negotiable obligations (*)	1,378	2,542
On financial trusts	-	21
On loans (*)	54	-
Other	17	72
CER		
On time deposits (*)	-	6
Result on negotiable obligations	112,995	6,940
Result on government securities	-	99
Result on corporate securities	-	139
Mutual fund yield (FCI)	268	68
Foreign exchange	4,340	274
- Generated by liabilities	(1,508)	(329)
Interest	(268)	(334)
Foreign exchange	(1,240)	5
Other income and expenses - Income / (Loss)	1,620	(133,832)
Income before income tax	26,731	74,855
Income tax (Note 12)	(45,645)	32,383
(Loss) / Income for the fiscal year	(18,914)	107,238

(*) Balances net of eliminations corresponding to intercompany transactions, pursuant to Section 33 of Law No. 19,550. See Note 10

The accompanying Notes 1 to 14 and Schedules A, B, C, D, E, G and H are an integral part of these financial statements.

Grupo Financiero Galicia S.A.

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Statement of Shareholders' Equity

For the fiscal year ended December 31, 2006.

presented in comparative format with the previous fiscal year.

(figures stated in thousands of pesos)

(Note 1)

Item	Shareholders' contributions (Notes 7 and 14)						Retained Earnings (Note 11)				Total shareholder's equity as of 12.31.06	Total shareholder's equity as of 12.31.05
	Capital Stock	Principal adjustment	Shares in own portfolio	General adjustment of shares in own portfolio	Premium for trading of shares in own portfolio	Total	Legal reserve	Discretionary reserve	Total	Retained earnings		
Balances at beginning of fiscal year	1,241,407	278,131	-	-	-	1,519,538	-	-	-	107,238	1,626,776	1,519,538
Distribution of retained earnings (1)	-	-	-	-	-	-	34,855	-	34,855	(34,855)	-	-
- Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-
- Discretionary Reserve	-	-	-	-	-	-	-	72,383	72,383	(72,383)	-	-
Shares in own portfolio	(1,614)	(362)	1,614	362	-	-	-	-	-	-	-	-
Sale of shares in own portfolio	1,614	362	(1,614)	(362)	606	606	-	-	-	-	606	-
(Loss) / Income for the fiscal year	-	-	-	-	-	-	-	-	-	(18,914)	(18,914)	107,238
Totals	1,241,407	278,131	-	-	606	1,520,144	34,855	72,383	107,238	(18,914)	1,608,468	1,626,776

(1) Approved by the Ordinary and Extraordinary Shareholders' Meeting held on 04/27/06.

The accompanying Notes 1 to 14 and Schedules A, B, C, D, E, G and H are an integral part of these financial statements.

Grupo Financiero Galicia S.A.

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Statement of Cash Flow

For the fiscal year ended December 31, 2006.

presented in comparative format with the previous fiscal year.

(figures stated in thousands of pesos)

(Note 1)

	12.31.06	12.31.05
CHANGES IN CASH		
Cash at beginning of fiscal year	650	540
Cash at fiscal year end	131	650
(Decrease) / Increase net cash for the fiscal year	(519)	110
REASONS FOR CHANGES IN CASH		
<u>Operating activities</u>		
Collections for sales of goods and services	546	161
Payments to suppliers of goods and services	(5,366)	(18,628)
Personnel salaries and social security contributions	(1,743)	(1,154)
Income tax payments and prepayments	(19,533)	(43,737)
Other taxes payments	(4,504)	(4,709)
Net cash flow used in operating activities	(30,600)	(68,067)
<u>Investment activities</u>		
Payments for fixed assets purchases	(42)	(17)
Contributions to controlled companies	-	(1,892)
Interest collections	570	1,268
Dividends collections	613	350
Collection of interest on negotiable obligations	17,817	17,291
Collections for investments liquidation	11,130	51,363
Payments for purchases of controlled companies' shares	(7)	(186)
Net cash flow generated by investment activities	30,081	68,177
(Decrease) / Increase net cash for the fiscal year	(519)	110

The accompanying Notes 1 to 14 and Schedules A, B, C, D, E, G and H are an integral part of these financial statements.

Grupo Financiero Galicia S.A.

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

Notes to the Financial Statements

For the fiscal year ended December 31, 2006,
presented in comparative format.
(figures stated in thousands of pesos)

NOTE 1: FINANCIAL STATEMENTS PREPARATION BASIS

On August 10, 2005, the C.P.C.E.C.A.B.A. passed CD Resolution No. 93/05, which adopts Technical Resolutions 6 to 22 issued by Argentine Federation of Professional Councils in Economic Sciences (F.A.C.P.C.E.) as the Argentine GAAP; said resolutions were amended with the purpose of unifying the Argentine GAAP and the interpretation of the accounting and auditing standards 1 to 4. The abovementioned resolution is effective for fiscal years commenced on and after January 1, 2006. On December 29, 2005, the C.N.V. adopted with certain amendments C.P.C.E.C.A.B.A.'s C.D. 93/05.

Subsequently, on June 26, 2006 and through C.D. Resolution No. 42/06, the C.P.C.E.C.A.B.A. approved Technical Resolution No. 23 of the F.A.C.P.C.E., in mandatory force and effect for fiscal years started as from July 1, 2006, its application in fiscal years commencing at an earlier date being admitted.

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

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

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

The index used in restating the items in these financial statements during the period mentioned in the previous paragraph was the domestic wholesale price index published by the National Statistics and Census Institute. Furthermore, certain financial statement figures for the year ended December 31, 2005, have been reclassified for purposes of their presentation in comparative format with those of this fiscal year.

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

a. Assets and liabilities in local currency

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

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

Notes to the Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 1:

(Continued)

b. Foreign currency assets and liabilities (U.S. dollars)

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

c. Investments

c.1. Current

Time and special current account deposits, mutual fund units, well as Class "A" Trust Debt Securities issued by Radio Sapienza Financial Trust, Series I, have been valued at face value, plus interest accrued at fiscal year end.

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

Negotiable obligations have been valued at year-end closing price, except for those negotiable obligations due in 2011 issued by Banco Galicia Uruguay S.A. which are valued at face value, plus interest accrued at fiscal year-end. As of December 31, 2005 negotiable obligations were reflected pursuant to the provisions of c.2.

c.2. Non-Current

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

As of December 31, 2005, time deposits were valued at valued at face value r nominal, plus interest accrued at fiscal year-end.

As of December 31, 2005, the Subordinated Negotiable Obligations of Banco de Galicia y Buenos Aires S.A. falling due in 2019 had been valued in accordance with the guidelines of Technical Pronouncement No. 17 of the F.A.C.P.C.E., on the basis of: (i) the original measurement of the asset, (ii) the portion accrued on any difference between this measurement and the amount receivable upon maturity, calculated exponentially at the internal rate of return determined at the time of and on the basis of the initial measurement, under the conditions previously agreed, and (iii) net of collections made.

The equity investments in Banco de Galicia y Buenos Aires S.A., Net Investment S.A., Galicia Warrants S.A. and Galval Agente de Valores S.A. have been recognized at their equity value as of December 31, 2006 and December 31, 2005.

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

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

Grupo Financiero Galicia S.A.

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Notes to the Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 1: (Continued)

The equity investment in Sudamericana Holding S.A. has been accounted for under the equity method, on the basis of September 30, 2006 and September 30, 2005 financial statement and considering the significant movements occurred from that date to the closing date of these financial statements, in accordance with Argentine GAAP.

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

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

- Assets and liabilities were converted at Banco de la Nación Argentina buying exchange rate in force at the closing of operations on the last working day of the fiscal year.
- Capital and capital contributions have been computed for the amounts actually disbursed.
- Accumulated earnings were determined as the difference between assets, liabilities, capital and capital contributions.
- Results for the fiscal year were determined as the difference between the opening balance and closing balance of accumulated earnings. Items in the income statement were converted into pesos applying the monthly average exchange rates.

d. Fixed assets

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

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

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

e. Intangible Assets

Intangible assets have been valued at their acquisition cost, restated in constant currency, as mentioned in this Note, net of the corresponding accumulated amortization, calculated based on their estimated useful life.

Amortization is assessed on a straight-line basis in equal monthly installments, being the amortization term of 60 months. The updated residual value of the assets as of December 31, 2005, do not exceed their estimated recoverable value at fiscal year-end.

Grupo Financiero Galicia S.A.

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

Notes to the Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 1: (Continued)

f. Tax on minimum presumed income

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

The Company determines the tax on Minimum presumed income at the statutory rate of 1% of the computable assets at year-end. This tax is supplementary to the income tax. The Company's tax liability for each fiscal year is to coincide with the higher of the two taxes. However, if the tax on Minimum presumed income were to exceed income tax in a given fiscal year, such excess may be computed as a payment on account of the income tax to be generated in any of the next 10 fiscal years.

The Company recognized the tax on Minimum presumed income paid in prior years as a credit, which was computed as a payment on account of fiscal year 2004 income tax.

g. Shareholders' equity

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

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

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

g.2. Income and expense accounts

The results for each fiscal year are presented in the period in which they accrue.

h. Notes to Financial Statements

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

NOTE 2: CASH AND DUE FROM BANKS

The breakdown of this caption was the following:

	12.31.06	12.31.05
Cash (Schedule G)	49	581
Due from banks – current accounts (Note 10)	82	69
Total	<u>131</u>	<u>650</u>

Grupo Financiero Galicia S.A.

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

Notes to the Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 3: OTHER RECEIVABLES

The breakdown of this caption was the following:

	12.31.06	12.31.05
Current		
Tax credit	182	107
Promissory notes receivable (Note 10 and Schedule G)	14,365	-
Sundry debtors	-	448
Prepaid expenses	6	6
Other	5	5
Total	<u>14,558</u>	<u>566</u>
Non-Current		
Tax Credit – mandatory savings	5	5
Income tax (Note 12)	57	27,310
Prepaid expenses	-	2
Sundry debtors (Note 10 and Schedule G)	1,867	1,300
Total	<u>1,929</u>	<u>28,617</u>

NOTE 4: SALARIES AND SOCIAL SECURITY CONTRIBUTIONS

The breakdown of this caption was the following:

	12.31.06	12.31.05
Current		
Integrated Pension and Survivors' Benefit System	39	26
Health care payable	5	4
Provision for bonuses	175	500
Provision for retirement insurance	325	-
Provision for Directors' and Syndics' fees	113	158
Total	<u>657</u>	<u>688</u>

NOTE 5: TAX LIABILITIES

The breakdown of this caption was the following:

	12.31.06	12.31.05
Current		
Income tax – withholdings payable	62	38
Added value tax	-	10
Provision for income tax (net) (Note 12)	5,027	5,910
Provision for turnover tax (net)	5	1
Provision for tax on personal assets	3,623	3,669
Total	<u>8,717</u>	<u>9,628</u>

NOTE 6: OTHER LIABILITIES

The breakdown of this caption was the following:

	12.31.06	12.31.05
Current		
Sundry creditors (Note 10 and Schedule G)	23	38
Provision for expenses (Note 10 and Schedule G)	1,480	1,306
Directors' escrow accounts	3	3
Total	<u>1,506</u>	<u>1,347</u>
Non-Current		
Directors' escrow accounts	6	6
Total	<u>6</u>	<u>6</u>

Grupo Financiero Galicia S.A.

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

Notes to the Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 7: CAPITAL STATUS

As of December 31, 2006, capital status was the following:

Capital stock issued, subscribed, paid in, and recorded	Face value	Restated In constant currency	Approved by		Date of registration with the commercial court of record
			Entity	Date	
Balance as of 12.31.03	1,092,407	2,407,080	Shareholders Meeting and Board of Directors' Meeting	05.16.00 07.24.00 and 07.26.00	08.09.00
Capital increase	149,000	149,000	Shareholders Meeting and Board of Directors' Meeting	01.02.04 04.23.04 and 05.13.04	06.08.04
Balance as of 12.31.04	1,241,407	2,556,080	-	-	-
Absorption of retained earnings	-	(1,036,542)	Shareholders Meeting	04.28.05	-
Balance as of 12.31.05	1,241,407	1,519,538	-	-	-
Shares in own portfolio (Note 14)	(1,614)	(1,976)	-	-	-
Sale of shares in own portfolio (Note 14)	1,614	2,582	-	-	-
Balance as of 12.31.06	1,241,407	1,520,144	-	-	-

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

As of December 31, 2006 the breakdown of receivables, investments, and debts according to their estimated collection or payment terms was the following:

	Investments	Other receivables	Salaries and social security contributions.	Tax Liabilities	Other liabilities
1st Quarter	337,762	14,436	544	67	324
2nd Quarter	-	5	113	8,650	3
3rd Quarter	651	117	-	-	1,179
4th Quarter	-	-	-	-	-
After one year	2,518	57	-	-	6
Subtotal falling due	340,931	14,615	657	8,717	1,512
No set due date	1,258,777	1,872	-	-	-
Past due	-	-	-	-	-
Total	1,599,708	16,487	657	8,717	1,512
Non-interest bearing	1,583,427	2,122	657	8,717	1,512
At fixed rate	16,281	14,365	-	-	-
Total	1,599,708	16,487	657	8,717	1,512

Grupo Financiero Galicia S.A.

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

Notes to the Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 9: EQUITY INVESTMENTS

The breakdown of long-term investments was the following:

As of 12.31.06						
Issuing Company	Shares		Percentage held in		Principal line of business	Face value per share
	Class	Number	Total Capital	Possible Votes		
Banco de Galicia y Buenos Aires S.A.	Ordinary Class "A"	101			Financial Activities	0.001
	Ordinary Class "B"	438,689,121				0.001
	Total	438,689,222	93.604638%	93.604643%		
Net Investment S.A.	Ordinary shares	10,500	87.500000%	87.500000%	Financial and Investment Activities	0.001
Sudamericana Holding S.A.	Ordinary Class "A"	31,302			Financial and Investment Activities	0.001
	Ordinary Class "B"	41,735				0.001
	Total	73,037	87.500899%	87.500899%		
Galicia Warrants S.A.	Ordinary shares	175,000	87.500000%	87.500000%	Dep. and Warrants issuing company	0.001
Galval Agente de Valores S.A.	Ordinary shares	16,874,250	100.000000%	100.000000%	Custody of Securities	0.001

As of 12.31.05						
Issuing Company	Shares		Percentage held in		Principal line of business	Face value per share
	Class	Number	Total Capital	Possible Votes		
Banco de Galicia y Buenos Aires S.A.	Ordinary Class "A"	101			Financial Activities	0.001
	Ordinary Class "B"	438,687,004				0.001
	Total	438,687,105	93.604186%	93.604191%		
Net Investment S.A.	Ordinary shares	10,500	87.500000%	87.500000%	Financial and Investment Activities	0.001
Sudamericana Holding S.A.	Ordinary Class "A"	31,302			Financial and Investment Activities	0.001
	Ordinary Class "B"	41,735				0.001
	Total	73,037	87.500899%	87.500899%		
Galicia Warrants S.A.	Ordinary shares	175,000	87.500000%	87.500000%	Dep. and Warrants issuing company	0.001
Galval Agente de Valores S.A.	Ordinary shares	16,874,250	100.000000%	100.000000%	Custody of Securities	0.001

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

Balance sheet as of 12.31.06 (*)	Issuing Company	
	Banco de Galicia y Buenos Aires S.A.	Net Investment S.A.
Assets	23,464,877	1,637
Liabilities	22,201,869	386
Shareholders' equity	1,263,008	1,251
Result for the fiscal year ended 12.31.06	(126,211)	(773)

(*) See Note 1.c.2.

Grupo Financiero Galicia S.A.

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Notes to the Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 9:

(Continued)

Balance sheet as of 12.31.06 (*)	Issuing Company	
	Galicia Warrants S.A.	Galval Agente de Valores S.A.
Assets	7,600	2,763
Liabilities	2,591	43
Shareholders' equity	5,009	2,720
Result for the fiscal year ended 12.31.06	676	1,022

(*) See Note 1.c.2.

Balance sheet as of 09.30.06 (*)	Issuing Company
	Sudamericana Holding S.A.
Assets	121,908
Liabilities	73,847
Shareholders' equity	48,061
Result for the twelve-month period ended 09.30.06	9,025

(*) See Note 1.c.2.

Financial condition as of 12.31.05 (*)	Issuing Company	
	Banco de Galicia y Buenos Aires S.A.	Net Investment S.A.
Assets	25,456,150	2,079
Liabilities	24,066,931	58
Shareholders' equity	1,389,219	2,021
Result for the fiscal year ended 12.31.05	190,970	(1,825)

(*) See Note 1.c.2.

Financial condition as of 12.31.05 (*)	Issuing Company	
	Galicia Warrants S.A.	Galval Agente de Valores S.A.
Assets	6,758	1,722
Liabilities	1,725	24
Shareholders' equity	5,033	1,698
Result for the fiscal year ended 12.31.05	531	(280)

(*) See Note 1.c.2.

Balance sheet as of 09.30.05 (*)	Issuing Company
	Sudamericana Holding S.A.
Assets	110,892
Liabilities	71,843
Shareholders' equity	39,049
Result for the twelve-month period ended 09.30.05	11,251

(*) See Note 1.c.2.

NOTE 10:

CORPORATIONS SECTION 19.550

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

Banco de Galicia y Buenos Aires S.A.	12.31.06	12.31.05
ASSETS		
Cash and due from banks – Current accounts (Note 2)	82	68
Investments – Special current accounts deposits (Schedule D)	3	-
Investments – Negotiable obligations (Schedules C and G)	322,166	237,201
Other receivables – Promissory notes receivable (Note 3 and Schedule G)	14,365	-
Total	<u>336,616</u>	<u>237,269</u>

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Notes to the Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 10:

(Continued)

LIABILITIES		
Other liabilities – Provision for expenses (Note 6)	219	189
Other liabilities - Sundry creditors (Note 6)	1	-
Total	<u>220</u>	<u>189</u>

INCOME		
Financial income – Interest on time deposits	-	525
Financial income – CER on time deposits	-	97
Financial income – Interests on negotiable obligations	21,302	30,898
Financial income – Documented interest receivable	847	-
Other income and expenses – Fixed assets under lease	178	168
Total	<u>22,327</u>	<u>31,688</u>

Banco de Galicia y Buenos Aires S.A.	<u>12.31.06</u>	<u>12.31.05</u>
EXPENSES		
Administrative expenses (Schedule H)		
- Service fees	9	7
- Trademark leasing	915	824
- Bank expenses	7	7
- General expenses	306	227
Total	<u>1,237</u>	<u>1,065</u>

Galicia (Cayman) Limited	<u>12.31.06</u>	<u>12.31.05</u>
INCOME		
Financial income – Other interests	-	64
Total	<u>-</u>	<u>64</u>

Banco Galicia Uruguay S.A.	<u>12.31.06</u>	<u>12.31.05</u>
ASSETS		
Investments – Time deposits (Schedules D and G)	-	3,765
Investments – Negotiable obligations (Schedules C and G)	3,169	-
Other Receivables – Sundry debtors (Note 3 and Schedule G)	1,866	1,299
Total	<u>5,035</u>	<u>5,064</u>

INCOME		
Financial income – Interest on time deposits	56	25
Financial income – Interests on negotiable obligations	16	565
Total	<u>72</u>	<u>590</u>

Galval Agente de Valores S.A.	<u>12.31.06</u>	<u>12.31.05</u>
LIABILITIES		
Other liabilities – Provision for expenses (Note 6 and Schedule G)	128	-
Total	<u>128</u>	<u>-</u>

EXPENSES		
Administrative expenses (Schedule H)		
- Bank expenses	4	-
- General expenses	521	-
Total	<u>525</u>	<u>-</u>

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

Notes to the Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 11: RESTRICTIONS IMPOSED ON THE DISTRIBUTION OF PROFITS

Pursuant to section 70 of the Argentine Corporations Law, the Corporate Bylaws, and C.N.V. Resolution No. 368/01, 5% of the net income for the year should be transferred to the Legal Reserve until 20% of the capital stock is reached.

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

NOTE 12: INCOME TAX

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

Deferred tax assets

	Specific tax losses	Investments	Other	Total
Balance as of 12.31.04	15	17,847	-	17,862
Charge to income	(15)	9,319	149	9,453
Balance as of 12.31.05	-	27,166	149	27,315
Charge to income	-	(27,166)	(87)	(27,253)
Balance as of 12.31.06	-	-	62	62

Deferred tax liabilities:

	Fixed assets	Investments	Other	Total
Balance as of 12.31.04	13	44,232	38	44,283
Charge to income	(8)	(44,232)	(38)	(44,278)
Balance as of 12.31.05	5	-	-	5
Charge to income	-	-	-	-
Balance as of 12.31.06	5	-	-	5

As the abovementioned information shows, as of December 31, 2006 the Company's deferred tax assets amounts to \$ 57. As of December 31, 2005 it amounted to \$ 27,310.

Accumulated tax losses pending of use at the fiscal year end, amount approximately to \$ 38,318 and can be compensated with future fiscal-year taxable income, as follows:

Argentine source tax loss	Issuance year	Amount	Due year
Sale of shares specific	2001	20	2006
Derived financial instruments specific	2003	43	2008

Foreign source tax loss	Issuance year	Amount	Due year
Rest	2002	38,255	2007

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

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Notes to the Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 12: (Continued)

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

The deferred tax liabilities created due to the effect of the adjustment for inflation of the non-monetary assets amounts to \$ 338 and \$ 347, as of December 31, 2006 and December 31, 2005, respectively. It fundamentally stems from real estate valuation. Said liability is expected to revert in approximately 45 years, the remaining useful life of real state, being the pertaining amount for each fiscal year of \$ 8.

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

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

	12.31.06	12.31.05
Financial statement before tax	26,731	74,855
Income tax rate in force	35%	35%
Result for the fiscal year at the tax rate	9,356	26,199
Permanent differences at the tax rate:		
Increase in income tax		
Expenses not included in affidavit	1,515	5,550
Results of long-term investments	35,215	-
Other causes	567	2,433
Decrease in income tax		
Expenses included in affidavit	(41)	(41)
Results of long-term investments	-	(65,352)
Other causes	(967)	(1,172)
Total recorded income tax charge		
(Loss) / Profit	45,645	(32,383)

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

	12.31.06	12.31.05
Total recorded income tax charge	45,645	(32,383)
Temporary differences		
Assets increase due to deferred tax		
- Investments	-	9,319
- Other	-	149
Assets decrease due to deferred tax		
- Investments	(27,166)	-
- Other	(87)	(15)
Liabilities decrease due to deferred tax		
- Investments	-	8
- Fixed assets	-	44,232
-Other	-	38
Tax total for tax purposes	18,392	21,348

Breakdown of net income tax provision:

	12.31.06	12.31.05
Tax total for tax purposes	18,392	21,348
Tax Credit	(13,365)	(15,438)
Income tax provision (net) (Note 5)	5,027	5,910

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Notes to the Financial Statements (Continued)

(figures stated in thousands of pesos)

NOTE 13: **INCOME PER SHARE**

Below is a breakdown of the Income per share as of December 31, 2006 and 2005:

	12.31.06	12.31.05
(Loss) / Income for the fiscal year	(18,914)	107,238
Outstanding ordinary shares weighted average	1,240,932	1,187,522
Adjustment derived from preferred share issue convertible into Class "B" ordinary shares	-	53,885
Diluted ordinary shares weighted average	1,240,932	1,241,407
Earning per ordinary share:		
- Basic	(0.0152)	0.0903
- Diluted	(0.0152)	0.0864

NOTE 14: **SHARES IN OWN PORTFOLIO**

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

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

Pursuant to Technical Resolution 21 of the F.A.C.P.C.E., the Company registered shares owned by Banco de Galicia y Buenos Aires S.A. as shares in own portfolio, thus recording a reduction of the Company's Shareholders' equity. The deadline for the disposal of said shares is one year as from the addition thereof to the Company's equity.

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

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

Grupo Financiero Galicia S.A.

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

Fixed assets and investments in assets of a similar nature

Balance Sheet as of December 31, 2006 and 2005.

(figures stated in thousands of pesos)

Schedule A

Principal account	At beginning of year	Increases	Withdrawals	Balance at fiscal year end	Amortizations				Net book value	Net book value for previous fiscal year	
					Accumulated at beginning of year	Withdrawals	For the fiscal year				Accumulated at fiscal year end
							Rate %	Amount			
Real State	3,258	-	-	3,258	252	-	2	62	314	2,944	3,006
Furniture and facilities	212	-	-	212	204	-	20	3	207	5	8
Hardware and software	597	42	-	639	526	-	20	34	560	79	71
Totals as of 12.31.06	4,067	42	-	4,109	982	-		99	1,081	3,028	3,085
Totals as of 12.31.05	4,050	17	-	4,067	767	-		215	982	3,085	3,283

Grupo Financiero Galicia S.A.

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

Intangible Assets

Balance Sheet as of December 31, 2006 and 2005.

(figures stated in thousands of pesos)

Schedule B

Principal account	At beginning of year	Increases	Withdrawals	Balance at fiscal year end	Amortizations				Valuation allowance (Schedule E)	Net book value	Net book value for previous fiscal year	
					Accumulated at beginning of year	Withdrawals	For the fiscal year					Accumulated at fiscal year end
							Rate %	Amount				
Goodwill	20,064	-	-	20,064	18,740	-	20	1,324	20,064	-	-	684
Totals as of 12.31.06	20,064	-	-	20,064	18,740	-		1,324	20,064	-	-	684
Totals as of 12.31.05	20,064	-	-	20,064	14,881	-		3,859	18,740	640	684	3,745

Grupo Financiero Galicia S.A.

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

Investments in shares and Other negotiable securities

Equity investments

Balance Sheet as of December 31, 2006 and 2005.

(figures stated in thousands of pesos)

Schedule C

Issuance and characteristics of the securities	Class	Face value	Number	Acquisition cost	Closing price	Equity method value	Book value as of 12.31.06	Book value as of 12.31.05	INFORMATION ON THE ISSUING COMPANIES						
									Latest financial statements (Note 9).						
									Principal line of business	Date	Capital stock	Net income	Shareholders' equity	Percentage of equity held in the capital stock	
Current investments															
Negotiable Obligations (Notes 8 and 10 and Schedule G)				296,474	322,166	-	322,817	-							
Total				296,474	322,166	-	322,817	-							
Non-current investments															
Corporations Section 33 of Law No.19,550: Controlled Companies (Notes 8 and 9):															
Banco de Galicia y Buenos Aires S.A.	Ordinary Class "A" Ordinary Class "B"	0.001 0.001	101 438,689,121												
			438,689,222	2,571,573	1,974,101	1,208,450	1,208,450	1,316,602	Financial activities Dep. and warrants issuing company Custody of securities	12.31.06	468,662	(126,211) (2)	1,263,008	93.604638%	
Galicia Warrants S.A.	Ordinary shares	0.001	175,000	11,829	-	4,393	4,393	4,414	Financial and investment activities	12.31.06	200	676 (2)	5,009	87.500000%	
Galval Agente de Valores S.A.	Ordinary shares	0.001	16,874,250	1,867	-	2,720	2,720	1,698	Financial and investment activities	12.31.06	1,978 (1)	1,022 (2)	2,720	100.000000%	
Net Investment S.A.	Ordinary shares	0.001	10,500	22,484	-	1,093	1,093	1,769	Financial and investment activities	12.31.06	12	(773) (2)	1,251	87.500000%	
Sudamericana Holding S.A.	Ordinary Class "A" Ordinary Class "B"	0.001 0.001	31,302 41,735						Financial and investment activities	09.30.06	83	3,488 (3)	48,061	87.500899%	
Subtotal			73,037	42,918	-	42,121	42,121	34,236							
Other (*)				2,650,671	1,974,101	1,258,777	1,258,777	1,358,719							
Negotiable Obligations (Notes 8 and 10 and Schedule G)				2,553	-	-	2,518	237,201							
Subtotal				2,553	-	-	2,518	237,201							
Total				2,653,224	1,974,101	1,258,777	1,261,295	1,595,920							

(*) Include accrued interest.

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

(2) Corresponding to fiscal year ended on 12.31.06.

(3) For the three-month period ended 09.30.06.

Grupo Financiero Galicia S.A.

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

Other Investments

Balance Sheet as of December 31, 2006 and 2005.

(figures stated in thousands of pesos)

Schedule D

Principal account and characteristics	Book value as of 12.31.06	Book value as of 12.31.05
Current investments (*)		
Special current account deposits (Notes 8 and 10 and Schedule G)	33	16
Mutual Funds (Note 8 and Schedule G)	2,484	1,636
Time deposits (Notes 8 and 10 and Schedule G)	13,079	4,090
Financial Trusts	-	64
Total	15,596	5,806
Non-current investments (*)		
Time deposits (Notes 8 and 10 and Schedule G)	-	3,117
Total	-	3,117

(*) Include accrued interests, if suitable.

Grupo Financiero Galicia S.A.

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

Allowances

Balance Sheet as of December 31, 2006 and 2005.

(figures stated in thousands of pesos)

Schedule E

Captions	At beginning of year	Increases	Decreases	Balance at fiscal year end
Allowances:				
Valuation allowance – Intangible assets (Schedule B)	640	-	(640)	-
Total as of 12.31.06	640	-	(640)	-
Total as of 12.31.05	2,023	183	(1,566)	640

Grupo Financiero Galicia S.A.

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

Foreign Currency Assets and Liabilities

Balance Sheet as of December 31, 2006 and 2005.

(figures stated in thousands of pesos and thousands of dollars)

Schedule G

Captions	Amount and type of foreign currency		Quotation	Amount in Argentine currency as of 12.31.06	Amount and type of foreign currency		Amount in Argentine currency as of 12.31.05
ASSETS							
CURRENT ASSETS							
Cash and due from banks							
Cash	US\$	12.85	3.022	39	US\$	191.00	571
Investments							
Special current account deposits	US\$	9.75	3.022	29	US\$	5.31	16
Mutual funds	US\$	1.30	3.022	4	US\$	-	-
Time deposits	US\$	4,327.98	3.022	13,079	US\$	1,367.00	4,090
Negotiable obligations	US\$	106,822.30	3.022	322,817	US\$	-	-
Other receivables							
Promissory notes receivable	US\$	4,753.42	3.022	14,365	US\$	-	-
Total Current Assets				350,333			4,677
NON-CURRENT ASSETS							
Other receivables							
Sundry debtors	US\$	617.31	3.022	1,866	US\$	434.31	1,299
Investments							
Time deposits	US\$	-	3.022	-	US\$	1,041.62	3,117
Negotiable obligations	US\$	833.30	3.022	2,518	US\$	79,278.57	237,201
Long-term equity investments	US\$	900.30	3.022	2,720	US\$	567.39	1,698
Total Non-Current Assets				7,104			243,315
Total Assets				357,437			247,992
LIABILITIES							
CURRENT LIABILITIES							
Other liabilities							
Sundry creditors	US\$	0.52	3.062	2	US\$	7.30	22
Provision for expenses	US\$	256.06	3.062	784	US\$	227.40	689
Total Current Liabilities				786			711
Total Liabilities				786			711

Grupo Financiero Galicia S.A.,

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

Information required by Section 64, subsection b) of Law No. 19,550

For the fiscal year ended December 31, 2006.

presented in comparative format with the previous fiscal year.

(figures stated in thousands of pesos)

Schedule H

Captions	Total as of 12.31.06	Administrative Expenses	Total as of 12.31.05
Salaries and social security contributions	1,506	1,506	1,126
Bonuses	93	93	734
Services to the staff	42	42	35
Retirement insurance	401	401	314
Training expenses	36	36	35
Entertainment, travel, and per diem	95	95	202
Directors' and syndics' fees	702	702	664
Fees for services (*)	2,033	2,033	2,762
Fixed asset depreciation	99	99	215
Amortization of intangible assets	1,324	1,324	3,859
Leasing of brand (*)	59	59	53
Stationery and office supplies	24	24	24
Condominium expenses	25	25	30
Electricity and communications	82	82	73
Taxes, rates, and contributions	4,305	4,305	4,581
Insurance	388	388	432
Vehicle expenses	20	20	-
Bank charges (*)	13	13	16
General expenses (*)	613	613	1,650
Total	11,860	11,860	16,805

(*) Balances net of eliminations corresponding to intercompany transactions (per Section 33 of Law No. 19,550). See Note 10 to the financial statements.

Grupo Financiero Galicia S.A.

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

Information required in addition to the Notes to the Financial Statements

For the fiscal year commenced January 1, 2006 and ended December 31, 2006, presented in comparative format with the previous fiscal year.
(figures stated in thousands of pesos)

NOTE 1: SIGNIFICANT SPECIFIC LEGAL SYSTEMS ENTAILING THE LAPSING OF CONTINGENT BENEFITS ENVISAGED BY THOSE REGULATIONS OR THEIR REBIRTH

None.

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

None.

NOTE 3: CLASSIFICATION OF RECEIVABLES AND DEBT BALANCES

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

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

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

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

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

NOTE 5: BREAKDOWN OF PERCENTAGE OF EQUITY INVESTMENTS – SECTION 33 OF LAW No. 19,550

See Note 9 and Schedule C to the financial statements.

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

As of December 31, 2006 and December 31, 2005 there were no receivables from or loans granted to directors or syndics or their relatives up to the second degree inclusive.

NOTE 7: PHYSICAL INVENTORY OF INVENTORIES

As of December 31, 2006 and December 31, 2005, the Company did not have any inventories.

NOTE 8: CURRENT VALUES

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

NOTE 9: FIXED ASSETS

See Schedule A to the financial statements.

a) Technically Appraised Fixed Assets:

As of December 31, 2006 and December 31, 2005, the Company did not have any technically appraised fixed assets.

b) Obsolete Fixed Assets:

As of December 31, 2006 and December 31, 2005, the Company did not have any obsolete fixed assets which have a carrying value.

Grupo Financiero Galicia S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"
Information required in addition to the Notes to the Financial Statements (Continued)
(figures stated in thousands of pesos)

NOTE 10: EQUITY INVESTMENTS

The Company is engaged in financial and investment activities, so the restrictions of Section 31 of Law No. 19,550 do not apply to its equity investments in other companies.

NOTE 11: RECOVERABLE VALUES

As of December 31, 2006 and December 31, 2005, the criterion followed by the Company for determining the recoverable value of its fixed assets consisted of using their value to the business, based on the possibility of absorbing future depreciation charges with the profits reported by it.

NOTE 12: INSURANCE

As of December 31, 2006 and December 31, 2005, the breakdown of insurance policies taken out by the Company for its fixed assets was as follows:

Insured assets	Risks covered	Insured amount	Book Value as of 12.31.06	Book Value as of 12.31.05
Office Assets	Fire, thunderbolt, and/or explosion	200	5	79

NOTE 13: POSITIVE AND NEGATIVE CONTINGENCIES

- a) Elements used in calculating provisions, the total or partial balances of which exceed two percent of shareholders' equity:
See Schedule E to the financial statements.
- b) Contingencies which, at the date of the financial statements, are not of remote occurrence, the effects of which have not been given accounting recognition:
As of December 31, 2006 and December 31, 2005 there were no contingencies which are not of remote occurrence and the effects of which have not been given accounting recognition.

NOTE 14: IRREVOCABLE ADVANCES TOWARDS FUTURE SHARE SUBSCRIPTIONS

- a) Status of capitalization arrangements:
As of December 31, 2006 and December 31, 2005, there were no irrevocable contributions towards future share subscriptions.
- b) Cumulative unpaid dividends on preferred shares.
As of December 31, 2006 and December 31, 2005, there were no cumulative unpaid dividends on preferred shares.

NOTE 15: RESTRICTIONS ON THE DISTRIBUTION OF RETAINED EARNINGS

See Note 11 to the financial statements.

Grupo Financiero Galicia S.A.

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

Supplementary and Explanatory Statement by the Board of Directors

For the fiscal year commenced January 1, 2006, and ended on December 31, 2006,
presented in comparative format with the previous fiscal year.
(figures stated in thousands of pesos)

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

A. Current assets:

- a) Receivables:
 - 1) See Note 8 to the financial statements.
 - 2) See Notes 3 and 8 to the financial statements.
 - 3) As of December 31, 2006 and December 31, 2005, the Company had not set up any allowances or provisions.
- b) Inventories:
As of December 31, 2006 and December 31, 2005, the Company did not have any inventories.

B. Non-Current assets:

- a) Receivables:
As of December 31, 2006 and December 31, 2005, the Company had not set up any allowances or provisions.
- b) Inventories:
As of December 31, 2006 and December 31, 2005, the Company did not have any inventories.
- c) Investments:
See Note 9 and Schedule C to the financial statements.
- d) Fixed assets:
 - 1) As of December 31, 2006 and December 31, 2005, the Company did not have any technically appraised fixed assets.
 - 2) As of December 31, 2006 and December 31, 2005, the Company did not have any obsolete fixed assets which have a carrying value.
- e) Intangible assets:
 - 1) See Note 1.e. and Schedules B and E to the financial statements.
 - 2) As of December 31, 2006 and December 31, 2005, there were no deferred charges.

C. Current liabilities:

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

D. Allowances and provisions

See Schedule E to the financial statements.

E. Foreign currency assets and liabilities:

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

Grupo Financiero Galicia S.A.

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

Supplementary and Explanatory Statement by the Board of Directors (Continued) (figures stated in thousands of pesos)

F. Shareholders' equity:

- 1) As of December 31, 2006 and December 31, 2005, the Shareholders' Equity did not include the Irrevocable Advances towards future share issues account.
- 2) As of December 31, 2006 and December 31, 2005, the Company had not set up any technical appraisal reserve; nor has it reversed any reserve of that kind.

G. Miscellaneous

- 1) The Company is engaged in financial and investment activities, so the restrictions of Section 31 of Law No. 19,550 do not apply to its equity investments in other companies.
- 2) See Notes 8 and 10 to the financial statements.
- 3) As of December 31, 2006 and December 31, 2005 there were no receivables from or loans granted to directors or syndics or their relatives up to the second degree inclusive.
- 4) See Notes 8 and 10 to the financial statements.
- 5) As of December 31, 2006 and December 31, 2005, the breakdown of insurance policies taken out by the Company for its fixed assets was as follows:

Insured assets	Risks covered	Insured amount	Book Value as of 12.31.06	Book Value as of 12.31.05
Office Assets	Fire, thunderbolt, and/or explosion	200	5	79

- 6) As of December 31, 2006 and December 31, 2005, there were no contingencies highly likely to occur which have not been given accounting recognition.
- 7) As of December 31, 2006 and December 31, 2005, the Company did not have any receivables or debts including implicit interest or index adjustments.

The Company has complied with the requirements of Section 65 of Law No. 19,550 in these financial statements.

Autonomous City of Buenos Aires, February 14, 2007

Grupo Financiero Galicia S.A.

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

Informative Review as of December 31, 2006 and 2005

(figures stated in thousands of pesos)

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

The income for the fiscal year ended December 31, 2006, resulted in a loss of \$18,914. This result has mainly resulted from the sale of Subordinated negotiable obligations issued by Banco de Galicia y Buenos Aires S.A. due in 2019 and the subsequent purchase of negotiable obligations issued by Banco de Galicia y Buenos Aires S.A. due on 2014, due to the increase of the latter, which were valued at market price and from the valuation of its equity investment in Banco de Galicia y Buenos Aires S.A. as shown in its Income Statement.

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

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

Regarding Banco Galicia Uruguay S.A., in June 2005, Grupo Financiero Galicia S.A., in order to strengthen the financial condition of its subsidiaries, waived the right to collect the US\$ 43,000 thousand subordinated negotiable obligations issued by Banco Galicia Uruguay S.A.

Also, Banco Galicia Uruguay S.A. has created a "Negotiable Obligations Issuance Program" in order to convert privately issued Negotiable Obligations due in 2011 into public Negotiable Obligations and, also, offer holders of "Transferable time-deposit certificates" the possibility to exchange said certificates for the abovementioned Negotiable Obligations. On October 17, 2006 Series I of said program was issued. Grupo Financiero Galicia S.A. subscribed said exchange for the a face value of US\$ 1,042 thousand. (See Note 16.4 to the consolidated financial statements).

KEY BALANCE SHEET FIGURES

	12.31.06	12.31.05	12.31.04	12.31.03	12.31.02
Assets					
Current assets	353,102	7,022	38,071	31,408	44,845
Non-current assets	1,266,252	1,631,423	1,541,156	1,433,061	1,613,242
Total Assets	1,619,354	1,638,445	1,579,227	1,464,469	1,658,087
Liabilities					
Current liabilities	10,880	11,663	33,265	1,726	2,828
Non-current liabilities	6	6	26,424	43,360	54,140
Total Liabilities	10,886	11,669	59,689	45,086	56,968
Shareholders' equity	1,608,468	1,626,776	1,519,538	1,419,383	1,601,119
Total	1,619,354	1,638,445	1,579,227	1,464,469	1,658,087

KEY INCOME STATEMENT FIGURES

	12.31.06	12.31.05	12.31.04	12.31.03	12.31.02
Ordinary operating result	(93,098)	198,726	(111,734)	(208,887)	(1,488,752)
Financial results	118,209	9,961	13,229	(19,241)	38,427
Other income and expenses	1,620	(133,832)	1,522	5,908	540
Ordinary net (loss)/ income	26,731	74,855	(96,983)	(222,220)	(1,449,785)
Income tax	(45,645)	32,383	(12,888)	-	(59,244)
Net income/(loss)	(18,914)	107,238	(109,871)	(222,220)	(1,509,029)

Grupo Financiero Galicia S.A.

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

Informative Review as of December 31, 2006 and 2005 (Continued)

(figures stated in thousands of pesos)

RATIOS

	12.31.06	12.31.05	12.31.04	12.31.03	12.31.02
Liquidity	32.454228	0.602075	1.144476	18.196987	15.857496
Credit standing	147.755649	139.410061	25.457589	31.481679	28.105586
Yield	(0.011484)	0.067674	(0.073292)	(0.145734)	(0.715943)
Capital assets	0.781949	0.995714	0.975893	0.978553	0.972854

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

For comparative purposes, the balances as of December 31, 2003 and 2002 have been restated to constant currency of February 28, 2003.

Equity investments

- Banco de Galicia y Buenos Aires S.A.

See the abovementioned Note 16 to the consolidated financial statements.

- Net Investment S.A.

Net Investment S.A. is a holding company, which is engaged in investing and developing technology business and it provides communications, internet, connectivity and contents services, in order to create value for its shareholders. The equity investment held by Grupo Financiero Galicia S.A. in this company is 87.50%, while the remaining 12.50% interest is held by Banco de Galicia y Buenos Aires S.A.

Net Investment S.A. took part in BtoB business activities carried out by Tradecom International N.V., through its subsidiaries Tradecom Brasil S.A. and Tradecom Argentina S.A., directly and indirectly, through its subsidiary Net Investment B.V. The rest of the shareholders of Grupo Tradecom were Banco de Galicia y Buenos Aires S.A., Unibanco from Brazil, and Portugal Telecom.

In addition, and as a result, among other factors, of the fact that the business volume expected at the beginning of the fiscal year 2005 had not been reached, the parties negotiated a new agreement. One of the terms thereof was that Tradecom Brasil S.A.'s operations related to payment and financing services were to be absorbed by Unibanco, and the remaining clients of Tradecom Brasil S.A. and all clients in Argentina were to be serviced by Tradecom Argentina S.A.

On April 19, 2006, the shareholders of Grupo Tradecom signed the share purchase agreements that sealed the abovementioned negotiations and through which all Tradecom Brasil S.A. and Tradecom International N.V. to Unibanco de Brasil. Also, in accordance with what was earlier agreed between Grupo Financiero Galicia S.A., Banco Galicia y Buenos Aires S.A. and Net Investment S.A., pursuant to the Argentine Central Bank's regulations regarding the interest limits financial institutions must abide by, Tradecom Argentina S.A.'s block of shares was recorded as property of Net Investment S.A. The enforcement of said agreements did not cause significant economic effects.

In turn, Tradecom Argentina S.A., during 2006, continued its business policy, focused on the improvement of the tools used by its customers, such as the "Current Account Display and Suppliers' Portal". The Company also developed new products such as "invoice pre input", the "withholding certificates module", and the "delivery activation service".

Additionally, Tradecom Argentina S.A. constantly studies and develops products in order to meet its customers' needs, through the creation of tools that make faster and simpler administrative processes and circuits, thus generating new opportunities and business deals.

Sales recorded by Tradecom Argentina S.A., increased substantially during fiscal year 2005, due to the addition of important clients from Brazil which were previously serviced by Tradecom Brasil S.A.

Grupo Financiero Galicia S.A.

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

Informative Review as of December 31, 2006 and 2005 (Continued)

(figures stated in thousands of pesos)

During fiscal years ended December 31, 2005 and 2006, B2Agro S.A. has not undertaken business activities.

In July 2006, the Board of Directors of Net Investment S.A. together with the Board of Directors of its controlled companies, B2Agro S.A. and Tradecom Argentina S.A., decided to merge the companies in order to reduce administrative and managing costs, which will improve as a result of the legal unification.

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

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

As a consequence of the merger process, Net Investment S.A. absorbed during the 4th quarter, all trade activities of Tradecom Argentina S.A., and hired all its employees.

- Sudamericana Holding S.A.

Sudamericana Holding S.A. is a group of insurance companies providing life, retirement, property, and casualty insurance and insurance brokerage services. The equity investment held by Grupo Financiero Galicia S.A. in this company is 87.50%. Banco de Galicia y Buenos Aires S.A. in this company is 12.50%.

The insurance business undertaken by the Company through its interest in Sudamericana Holding S.A. is part of Grupo Financiero Galicia S.A.'s strategy to strengthen its positioning as a leading financial service provider.

Joint production of companies controlled by Sudamericana Holding S.A. in the life, retirement and property insurance business during 2006 amounted to \$ 54,934. As of December 31, 2006, these companies had approximately 2.24 million insured in all their lines of business.

From a commercial standpoint, within a more favorable context, the company's business keeps the objective of taking advantage of the greater demand for insurance coverage to significantly increase the companies' sales.

As a result of this effort, the premium volume for 2006 exceeded that of the previous year by 45%, being the highlight the distribution through insurance banking.

- Galicia Warrants S.A.

Galicia Warrants S.A. was founded in 1993 and its main objective was to issue of Deposit Certificates and Warrants in accordance with Law No. 9643, which governs this business. The equity investment held by Grupo Financiero Galicia S.A. in this company is 87.50 %, while the remaining 12.50% interest is held by Banco de Galicia y Buenos Aires S.A.

In addition to its offices in the city of Buenos Aires, Galicia Warrants S.A. has one office in the city of Tucumán and another in the city of San Salvador, Entre Ríos province, which are used to expand its presence in other sectors of the country and to better serve the different markets.

Deposit certificates and warrants issued on third parties' goods as of December 31, 2006 amounts to US\$ 62,345 thousand. These certificates and warrants correspond to a wide variety of products which are centered in the country's productive poles.

The Shareholders' Meeting held on April 26, 2006, resolved to allocate cash dividends for the amount of \$ 700, which were made available on May 2, 2006.

The expectations for the next fiscal year are positive, and it is foreseen a sustained growth of business together with the general development of the economy and the increase in demand of working capital by small and medium-sized agricultural companies.

Grupo Financiero Galicia S.A.

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

Informative Review as of December 31, 2006 and 2005 (Continued)

(figures stated in thousands of pesos)

- Galval Agente de Valores S.A.

Galval Agente de Valores S.A. is a direct user of the Free-trade Zone of Montevideo and provides securities agent services in Uruguay.

On February 4, 2005, the Uruguayan Central Bank decided to conclusively confirm the registration of the Company with the Stock Market Registry.

During fiscal year 2005, Grupo Financiero Galicia S.A., owner of 100% of the capital stock of Galval Agente de Valores S.A., has made contributions in the amount of US\$ 650 thousand.

As from September, 2005, Galval Agente de Valores S.A. started to operate in a gradual manner and, as of December 31, 2006 holds securities in custody for US\$ 155,956 thousand, of which US\$ 104,156 thousand correspond to the holding of securities belonging to Grupo Financiero Galicia S.A.

As of the end of the period, Galval Agente de Valores S.A. has collected income for US\$ 651 thousand, with recorded net income of US\$ 333 thousand.

We believe that, at the end of fiscal year 2007, the total number of opened accounts and the balance of the deposits held in custody shall experience a substantial increase and that income from services in connection with commissions from custody maintenance and securities trading operations shall increase to the same extent.

The Company's outlook for the current year is basically linked with the development of the Argentine economy, and particularly of the financial system.

Autonomous City of Buenos Aires, February 14, 2007

REPORT OF THE SUPERVISORY COMMITTEE

To the Directors of
Grupo Financiero Galicia S.A.
Tte. Gral. Juan D. Peron 456 2nd floor
Autonomous City of Buenos Aires

1. In our capacity as Syndics of Grupo Financiero Galicia S.A., in accordance with the provisions of Subsection 5 of Section 294 of the Corporations Law, we have performed a review of the Inventory and the Balance Sheet of Grupo Financiero Galicia S.A. (the "Company") as of December 30, 2006, and the related Income Statement, Statement of Changes in Shareholders' Equity and Statement of Cash Flows for the fiscal year then ended, as well as supplementary Notes 1 to 14, Schedules A, B, C, D, E, G and H, the Additional Information to the Notes to the Financial Statements required by Section 68 of the Buenos Aires Stock Exchange regulations and the Supplementary and Explanatory Statement by the Board of Directors, required by the regulations concerning Accounting Documentation of the Córdoba Stock Exchange, and the Informative Review to that date, which have been submitted by the Company for our consideration. Furthermore, we have examined the consolidated financial statements of Grupo Financiero Galicia S.A. its controlled companies for the fiscal year ended December 31, 2006, which are presented as supplementary information. The preparation and issuance of those financial statements are the responsibility of the Company. Our responsibility is to issue a report on said documents.
2. Our work was conducted in accordance with standards applicable in Argentina to syndics. Said standards require our examination to be performed in accordance with the professional auditing standards applicable in Argentina and include verifying the consistency of the documents reviewed with the information concerning corporate decisions, as disclosed in minutes, and the conformity of those decisions with the law and the bylaws insofar as concerns formal and documental aspects. For purposes of our professional work, we have reviewed the work performed by the external auditors of the Company, Price Waterhouse & Co. S.R.L., who issued their auditors' report on this date. Said review included verifying the work plans and the nature, scope and timing of the procedures applied and the results of the audit performed by said professionals. An audit requires the auditor to plan and carry out the auditing work in order to obtain reasonable assurance that the financial statements are free of untruthful representations or material errors, and form an opinion on the fairness of the relevant information included in the financial statements. An auditing process involves examining, on a selective test basis, the evidence supporting the amounts and the information disclosed in the financial statements, assessing the accounting standards used and the significant estimates made by the Company, as well as evaluating the overall presentation of the financial statements.

3. Given that it is not the responsibility of the Committee to exercise any management control, our examination did not extend to the business criteria and decisions of the different areas of the Company, as these matters are the exclusive responsibility of the Company's Board of Directors. We also report that, in performance of the legality control that is part of our field of competence, during this fiscal year we have applied the procedures described in Section 294 of Law No. 19,550, which we deemed necessary according to the circumstances.

In addition, we have verified that the Additional Information to the Notes to the Financial Statements, the Supplementary and Explanatory Statement by the Board of Directors, and the Informative Review, for the fiscal year ended December 31, 2006, contain the information required by Section 68 of the Buenos Aires Stock Exchange regulations, Section 2 of the Standards concerning Accounting Documentation of the Córdoba Stock Exchange Regulations and Regulations of the National Securities Commission, respectively, and insofar as concerns our field of competence, that the numerical data contained therein are in agreement with the Company's accounting records and other relevant documentation. Assumptions and projections on future events contained in that documentation are the exclusive responsibility of the Company's Board of Directors. We believe that our work provides us with a reasonable basis for our report.

4. Although it does not affect our opinion, as detailed in Note 20 to the consolidated financial statements, the companies controlled Grupo Financiero Galicia S.A. have a significant exposure to the Argentine public sector in different instruments derived from debt restructuring carried out by the National Government. In addition, as mentioned in Note 12 to the consolidated financial statements, Banco de Galicia y Buenos Aires S.A. has agreed with the Argentine Central Bank ("B.C.R.A.") a plan to adjust to the regulations submitted in order to reduce such exposure. At the date of these financial statements, Banco de Galicia y Buenos Aires S.A. is in compliance with the guidelines agreed upon in said plan.
5. Banco de Galicia y Buenos Aires S.A. has prepared its financial statements following the valuation and disclosure criteria established by Argentine Central Bank regulations, which have been taken as the basis for calculating the equity method value and preparing the consolidated financial statements of the Company. As mentioned in Note 2.c to the consolidated financial statements, those criteria for valuing certain assets and liabilities and the regulations on financial reporting issued by the control body differ from the professional accounting standards applicable in the Autonomous City of Buenos Aires.
6. In our opinion, the financial statements attached hereto present fairly, in all material respects, the financial condition of Grupo Financiero Galicia S.A. as of December 31, 2006, the results of its operations, the statements of changes in shareholders' equity and the cash flows for the fiscal year then ended, and the consolidated financial condition as of December 31, 2006, the consolidated results of its operations and the consolidated cash flows for the fiscal year then ended, in accordance with Argentine Central Bank regulations and, except as indicated in paragraph 5 above, with the accounting standards in force in the Autonomous City of Buenos Aires. In performance of the legality control, we have no observations to make.

As regards the Additional Information to the Notes to the Financial Statements, the Supplementary and Explanatory Statement by the Board of Directors, and the Informative

Review, for the fiscal year ended December 31, 2006, we have no observations to make insofar as concerns our field of competence, and the assertions on future events are the exclusive responsibility of the Company's Board of Directors.

7. Furthermore, we report that a) the accompanying financial statements and the corresponding inventory stem from accounting records kept, in all formal aspects, in compliance with legal regulations prevailing in Argentina; b) as called for by Resolution No. 368 of National Securities Commission ("C.N.V.") concerning the independence of external auditors as well as the quality of the auditing policies applied by them and the Company's accounting policies, the abovementioned external auditor's report includes a representation indicating that the auditing standards in force have been observed, which standards include independence requirements and contains no observations relative to the application of said professional accounting standards, except as mentioned in their report as concerns the application of the rules issued by the Argentine Central Bank, which prevail over the professional accounting standards.

Autonomous City of Buenos Aires, February 14, 2007

Norberto D. Corizzo
Syndic
For the Supervisory
Committee

Auditor's report

To the Chairman and Directors of
Grupo Financiero Galicia S.A.
Tte. Gral. Juan D. Peron 456 2nd floor
Autonomous City of Buenos Aires

1. We have performed an audit of the Balance Sheet of Grupo Financiero Galicia S.A. as of December 31, 2006, and the related Income Statement, Statement of Changes in Shareholders' Equity and Statement of Cash Flows for the fiscal year then ended, as well as supplementary Notes 1 to 14, Schedules A, B, C, D, E, G and H, which supplement them. Furthermore, we have performed an audit of the consolidated Balance Sheet of Grupo Financiero Galicia S.A. to December 31, 2006, and the consolidated income statements and consolidated statements of cash flows for the fiscal year then ended, together with Notes 1 to 25, which are presented as supplementary information. The preparation and issuance of those financial statements are the responsibility of the Company. Our responsibility is to issue an opinion on the financial statements based on the audit we performed.
2. Our examination have been carried out in accordance with the auditing standards applicable in Argentina, which have been approved by the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires ("C.P.C.E.C.A.B.A."). Said auditing standards require auditors to plan and carry out the auditing work in order to obtain reasonable assurance that the financial statements are free of material errors, and form an opinion on the fairness of the relevant information disclosed in the financial statements. An audit involves examining, on a selective test basis, the evidence supporting the amounts and the information disclosed in the financial statements. An auditing process also involves an assessment of the applied accounting standards and significant estimates issued by the Company, as well as an evaluation of the general presentation of the financial statements. We believe that the audit performed provides a reasonable basis for our opinion.
3. Although it does not affect our opinion, as detailed in Note 20 to the consolidated financial statements, the companies controlled by Grupo Financiero Galicia S.A. have a significant exposure to the Argentine public sector in different instruments derived from debt restructuring carried out by the National Government. In addition, as mentioned in Note 12 to the consolidated financial statements, the subsidiary Banco de Galicia y Buenos Aires S.A. has agreed with the Argentine Central Bank ("B.C.R.A.") a plan to adjust to the regulations submitted in order to reduce such exposure. At the date of these financial statements, Banco de Galicia y Buenos Aires S.A. is within the framework of the guidelines agreed upon in said plan.
4. The subsidiary Banco de Galicia y Buenos Aires S.A. has prepared the attached financial statements following the valuation and disclosure criteria established by Argentine Central Bank regulations, which have been taken as the basis for calculating the equity method value and preparing the consolidated financial statements of the Company. As mentioned in Note 2.c to the consolidated financial statements, those criteria for valuing certain assets and liabilities and the regulations on financial reporting issued by the control body differ from the professional accounting standards applicable in the Autonomous City of Buenos Aires.
5. Grupo Financiero Galicia's financial statements and consolidated financial statements as of December 31, 2005, presented for comparison purposes, were audited by us and we issued a report on February 14, 2006 which included qualification regarding: (a) the uncertainty on the final settlement of the Hedge Bond to Banco de Galicia y Buenos Aires S.A. by the Argentine Central Bank, (b) the significant exposure to the public sector of the companies controlled by Grupo Financiero Galicia S.A. that in the case of Banco de Galicia y Buenos Aires S.A., exceeded the limit set forth by the Argentine Central Bank (c) the uncertainty related to the process of settlement existing in Banco Galicia Uruguay S.A. (d) departures from professional accounting standards similar

to those indicated in item 4. above. As detailed in Notes 16.3, 12 and 16.4 the uncertainties expressed in items (a), (b) and (c) above have been solved and/or have evolved favorably to the date of this report.

6. In our opinion:

- a) the financial statements of Grupo Financiero Galicia S.A. fairly present in all material respects, its financial condition as of December 31, 2006, and the results of its operations, the statements of changes in shareholders' equity and the cash flows for the fiscal year then ended, in accordance with Argentine Central Bank regulations and, except for the departures from GAAP stated in item 4 above, with accounting standards applicable in the Autonomous City of Buenos Aires,
- b) the consolidated financial statements of Grupo Financiero Galicia S.A. and its controlled companies present fairly, in all material respects, their consolidated financial condition as of December 31, 2006, the consolidated results of their operations and the consolidated cash flows for the fiscal year then ended, in accordance with Argentine Central Bank. and, except for the departures from GAAP stated in item 4 above, with accounting standards applicable in the Autonomous City of Buenos Aires,

7. As called for by the regulations in force, we report that:

- a) The financial statements of Grupo Financiero Galicia S.A. and its consolidated financial statements have been transcribed to the "Inventory and Balance Sheet" book and, insofar as concerns our field of competence, are in compliance with the provisions of the Corporations Law, and pertinent resolutions of the National Securities Commission.
- b) The financial statements of Grupo Financiero Galicia S.A. and its consolidated financial statements arise from accounting record systems kept in all formal respects as called for by prevailing legal regulations, which systems maintain the security and integrity conditions base on which they were authorized by the National Securities Commission.
- c) We have read the Additional Information to the Notes to the Financial Statements required by Section 68 of the Buenos Aires Stock Exchange regulations, the Supplementary and Explanatory Statement by the Board of Directors, required by the regulations concerning Accounting Documentation of the Córdoba Stock Exchange and the Informative Review as of December 31, 2006, about which, insofar as concerns our field of competence, we have no significant observations to make other than the abovementioned. Projections about future events contained in that information are the exclusive responsibility of the Company's Board of Directors.
- d) As of December 31, 2006, Grupo Financiero Galicia S.A.'s accrued debt with the Integrated Pension and Survivor's Benefit System, which stems from the accounting records accrued amounted to \$ 38,877.64, which was not yet due at that date.

Autonomous City of Buenos Aires, February 14, 2007

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