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GRUPO FINANCIERO GALICIA SA

Form 6-K

September 12, 2007

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

REPORT OF FOREIGN PRIVATE ISSUER

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

For the month of September, 2007

Commission File Number: 0-30852

GRUPO FINANCIERO GALICIA S.A.

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

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

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

Form 20-F  Form 40-F

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

Yes  No

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

=====

FORM 6-K  
Commission File No. 0-30852

| MONTH FILED     | EVENT AND SUMMARY   | EXHIBIT NO. |
|-----------------|---|-------------|
| September, 2007 | Financial Results for the Registrant for the six month period ending June 30, 2007. | 99.1        |

SIGNATURES

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

GRUPO FINANCIERO GALICIA S.A. (Registrant)

Date: September 12, 2007

By: /s/Antonio Garces

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-----  
Name: Antonio Garces  
Title: Chief Executive Officer

EXHIBIT 99.1

GRUPO FINANCIERO GALICIA S.A.  
"Corporation which has not adhered to the optional system  
for the mandatory acquisition of shares in a public offering"

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June 30, 2007, presented in comparative format

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For the six months ended June 30, 2007

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|                             |   |
|-----------------------------|---|
| Company's Name:             | GRUPO FINANCIERO GALICIA S.A.<br>"Corporation which has not adhered to<br>the optional system for the mandatory<br>acquisition of shares in a public<br>offering" |
| Legal domicile:             | Tte. Gral. Juan D. Peron No. 456 - 2nd<br>floor Autonomous City of Buenos Aires   |
| Principal line of business: | Financial and Investment Activities   |

Fiscal year N(degree)9  
For the six-month period commenced January 1, 2007, and ended June 30, 2007,  
presented in comparative format.

DATE OF REGISTRATION WITH THE PUBLIC REGISTRY OF COMMERCE

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Of Bylaws: September 30, 1999

Date of latest amendment to Bylaws: June 26, 2006

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

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

Date of expiration of the 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  
06.30.07: 22.65%

Percentage of votes which the Controlling  
Company is entitled to as of 06.30.07: 59.42%

Capital status as of 06.30.07 (Note 7 to the Financial Statements)  
(figures stated in thousands of pesos)

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

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GRUPO FINANCIERO GALICIA S.A.  
"Corporation which has not adhered to the optional system  
for the mandatory acquisition of shares in a public offering"

### SUPPLEMENTARY ACCOUNTING INFORMATION

CONSOLIDATED BALANCE SHEET  
As of June 30, 2007 and December 31, 2006.  
(figures stated in thousands of pesos)

06.30.07

ASSETS

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|   |          |
|---|----------|
| CASH AND DUE FROM BANKS   | 2,057,75 |
| - Cash  | 565,14   |
| - Banks and correspondents  | 1,492,60 |
| GOVERNMENT AND CORPORATE SECURITIES   | 3,571,16 |
| - Holdings of securities in investment accounts   | 2,755,23 |
| - Holdings of trading securities  | 171,65   |
| - Government unlisted securities  | 4,86     |
| - Securities issued by the Argentine Central Bank                                       | 637,29   |
| - Investments in listed corporate securities  | 2,46     |
| - Allowances  | (36)     |
| LOANS   | 9,910,85 |
| - To the non-financial public sector  | 1,251,84 |
| - To the financial sector   | 145,24   |
| - To the non-financial private sector and residents abroad                              | 8,878,48 |
| - Overdrafts  | 725,53   |
| - Promissory notes  | 2,400,28 |
| - Mortgage loans  | 785,45   |
| - Pledge loans  | 86,15    |
| - Consumer loans  | 670,97   |
| - Credit card loans   | 2,966,23 |
| - Others  | 1,115,71 |
| - Accrued interest and quotation differences receivable                                 | 153,21   |
| - Documented interest   | (24,98)  |
| - Unallocated collections   | (8)      |
| - Allowances  | (364,72) |
| OTHER RECEIVABLES RESULTING FROM FINANCIAL BROKERAGE                                    | 3,378,46 |
| - Argentine Central Bank  | 261,79   |
| - Amounts receivable for spot and forward sales to be settled                           | 125,64   |
| - Securities receivable under spot and forward purchases to be settled                  | 1,102,97 |
| - Others not included in the debtor classification regulations                          | 1,544,38 |
| - Unlisted negotiable obligations   | 33,14    |
| - Balances from forward transactions without delivery of underlying asset to be settled | 75,84    |
| - Others included in the debtor classification regulations                              | 249,70   |
| - Accrued interest receivable not included in the debtor classification regulations     | 1,83     |
| - Accrued interest receivable included in the debtor classification regulations         | 2,04     |
| - Allowances  | (18,90)  |
| ASSETS UNDER FINANCIAL LEASES   | 281,05   |
| - Assets under financial leases   | 284,13   |
| - Allowances  | (3,07)   |
|   | =====    |

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

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for the mandatory acquisition of shares in a public offering"

### SUPPLEMENTARY ACCOUNTING INFORMATION

#### CONSOLIDATED BALANCE SHEET

As of June 30, 2007 and December 31, 2006.  
(figures stated in thousands of pesos)

|   | 06.30.07   | 12.31.06   |
|---|------------|------------|
|   | -----      | -----      |
| EQUITY INVESTMENTS                                  | 42,184     | 35,575     |
| - In financial institutions                         | 3,078      | 3,057      |
| - Others  | 80,455     | 77,385     |
| - Allowances  | (41,349)   | (44,867)   |
| MISCELLANEOUS RECEIVABLES                           | 760,072    | 675,510    |
| - Receivables for assets sold                       | 15,222     | 15,118     |
| - Tax on minimum presumed income - Tax credit       | 239,276    | 218,884    |
| - Others  | 585,608    | 515,805    |
| - Accrued interest on receivables for assets sold   | 319        | 93         |
| - Other accrued interest and adjustments receivable | 95         | 82         |
| - Allowances  | (80,448)   | (74,472)   |
| BANK PREMISES AND EQUIPMENT                         | 672,847    | 490,290    |
| MISCELLANEOUS ASSETS                                | 138,026    | 271,107    |
| INTANGIBLE ASSETS                                   | 439,623    | 502,796    |
| - Goodwill  | 55,590     | 65,165     |
| - Organization and development expenses             | 384,033    | 437,631    |
| UNALLOCATED ITEMS                                   | 10,180     | 4,381      |
| OTHER ASSETS  | 14,058     | 8,311      |
| TOTAL ASSETS  | 21,276,276 | 23,644,595 |
|   | =====      | =====      |

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

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#### GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the optional system  
for the mandatory acquisition of shares in a public offering"

### SUPPLEMENTARY ACCOUNTING INFORMATION

#### CONSOLIDATED BALANCE SHEET

As of June 30, 2007 and December 31, 2006.  
(figures stated in thousands of pesos)

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06.30.07

|   |           |
|---|-----------|
| LIABILITIES   |           |
| DEPOSITS  | 12,438,80 |
| - Non-financial public sector   | 202,72    |
| - Financial sector  | 156,12    |
| - Non-financial private sector and residents abroad                                     | 12,079,96 |
| - Current Accounts  | 2,439,20  |
| - Savings Accounts  | 2,816,75  |
| - Time Deposits   | 6,433,79  |
| - Investment accounts   | 5,51      |
| - Others  | 232,67    |
| - Accrued interest and quotation differences payable                                    | 152,02    |
| OTHER LIABILITIES RESULTING FROM FINANCIAL BROKERAGE                                    | 5,731,96  |
| - Argentine Central Bank  | 59        |
| - Others  | 59        |
| - Banks and international entities  | 271,56    |
| - Unsubordinated negotiable obligations   | 2,868,74  |
| - Amounts payable for spot and forward purchases to be settled                          | 712,14    |
| - Securities to be delivered under spot and forward sales to be settled                 | 244,00    |
| - Loans from domestic financial institutions  | 90,01     |
| - Balances from forward transactions without delivery of underlying asset to be settled | 75,12     |
| - Others  | 1,362,90  |
| - Accrued interest, adjustments and quotation difference payable                        | 106,87    |
| MISCELLANEOUS LIABILITIES   | 246,57    |
| - Dividends payable   | 4,20      |
| - Directors' and syndics' fees  | 1,85      |
| - Others  | 240,52    |
| - Adjustments and accrued interest payable  |           |
| PROVISIONS  | 188,97    |
| SUBORDINATED NEGOTIABLE OBLIGATIONS   | 817,65    |
| UNALLOCATED ITEMS   | 7,51      |
| OTHER LIABILITIES   | 66,59     |
| MINORITY INTEREST IN CONSOLIDATED ENTITIES OR COMPANIES                                 | 175,26    |
| TOTAL LIABILITIES   | 19,673,34 |
| SHAREHOLDERS' EQUITY  | 1,602,93  |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY  | 21,276,27 |

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

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"Corporation which has not adhered to the optional system  
for the mandatory acquisition of shares in a public offering"

### SUPPLEMENTARY ACCOUNTING INFORMATION

CONSOLIDATED MEMORANDUM ACCOUNTS  
As of June 30, 2007 and December 31, 2006.  
(figures stated in thousands of pesos)

|  | 06.30.07  |
|--|-----------|
|  | -----     |
| DEBIT  | 18,330,92 |
|  | =====     |
| CONTINGENT   | 5,587,98  |
|  | -----     |
| - Loans obtained   | 57,49     |
| - Guarantees received  | 4,391,43  |
| - Others not included in the debtor classification regulations                   |           |
| - Contingencies re. contra items   | 1,139,05  |
|  | -----     |
| CONTROL  | 10,536,92 |
|  | -----     |
| - Uncollectible loans  | 571,94    |
| - Others   | 9,721,50  |
| - Control re. contra items   | 243,47    |
|  | -----     |
| DERIVATIVES  | 1,414,66  |
|  | -----     |
| - "Notional" value of forward transactions without delivery of underlying asset  | 825,56    |
| - Derivatives re. contra items   | 589,09    |
|  | -----     |
| TRUST ACCOUNTS   | 791,34    |
|  | -----     |
| - Trust funds  | 791,34    |
|  | -----     |
| CREDIT   | 18,330,92 |
|  | =====     |
| CONTINGENT   | 5,587,98  |
|  | -----     |
| - Loans granted (unused balances)  | 697,35    |
| - Guarantees granted to the Argentine Central Bank                               |           |
| - Other guarantees granted included in the debtor classification regulations     | 120,36    |
| - Other guarantees granted not included in the debtor classification regulations | 104,29    |
| - Others included in the debtor classification regulations                       | 170,53    |
| - Others not included in the debtor classification regulations                   | 46,49     |
| - Contingencies re. contra items   | 4,448,93  |
|  | -----     |
| CONTROL  | 10,536,92 |
|  | -----     |
| - Checks and drafts to be credited   | 243,30    |
| - Others   | 529,74    |
| - Control re. contra items   | 9,763,87  |
|  | -----     |
| DERIVATIVES  | 1,414,66  |
|  | -----     |
| - "Notional" value of put options written  | 164,57    |
| - "Notional" value of forward transactions without delivery of underlying asset  | 424,52    |
| - Derivatives re. contra items   | 825,56    |

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TRUST ACCOUNTS

- Trust liabilities re. contra items

791,34

791,34

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

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GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the optional system for the mandatory acquisition of shares in a public offering"

SUPPLEMENTARY ACCOUNTING INFORMATION

CONSOLIDATED INCOME STATEMENT

For the period of six months commenced January 1, 2007 and ended June 30, 2007, presented in comparative format with the same period of the previous fiscal year.  
(figures stated in thousands of pesos)

|  | 06.30.07 | 06.30. |
|--|----------|--------|
|  | -----    | -----  |
| FINANCIAL INCOME   | 928,660  | 1,28   |
|  | -----    | -----  |
| - Interest on cash and due from banks                              | 5,706    |        |
| - Interest on loans to the financial sector                        | 2,473    |        |
| - Interest on overdrafts   | 44,717   | 2      |
| - Interest on promissory notes                                     | 121,169  | 9      |
| - Interest on mortgage loans                                       | 42,751   | 3      |
| - Interest on pledge loans   | 5,261    |        |
| - Interest on credit card loans                                    | 192,338  | 12     |
| - Interest on other loans  | 82,840   | 4      |
| - Net income from government and corporate securities              | 102,396  | 24     |
| - Interest on other receivables resulting from financial brokerage | 17,748   | 8      |
| - Net income from secured loans - Decree No. 1,387/01              | 50,351   | 9      |
| - CER adjustment   | 135,060  | 45     |
| - Others   | 125,850  | 7      |
|  | -----    | -----  |
| FINANCIAL EXPENSES   | 617,480  | 1,00   |
|  | -----    | -----  |
| - Interest on current account deposits                             | 8,106    | 1      |
| - Interest on savings account deposits                             | 2,892    |        |
| - Interest on time deposits  | 233,570  | 11     |
| - Interest on financing from the financial sector                  | 2,343    |        |
| - Interest on other liabilities resulting from financial brokerage | 160,793  | 16     |
| - Interest on subordinated obligations                             | 46,373   | 3      |
| - Other interest   | 43,605   | 10     |
| - CER adjustment   | 51,433   | 44     |
| - Others   | 68,365   | 11     |
|  | -----    | -----  |
| GROSS FINANCIAL MARGIN   | 311,180  | 28     |
|  | =====    | =====  |
| PROVISIONS FOR LOAN LOSSES   | 86,248   | 6      |
|  | -----    | -----  |



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|                                   |         |    |
|-----------------------------------|---------|----|
| INCOME FROM SERVICES              | 533,559 | 38 |
| Related to lending transactions   | 153,842 | 11 |
| Related to borrowing transactions | 135,308 | 10 |
| Other commissions                 | 9,362   |    |
| Others                            | 235,047 | 16 |
| EXPENSES FOR SERVICES             | 113,133 | 8  |
| Commissions                       | 54,259  | 3  |
| Others                            | 58,874  | 4  |
| ADMINISTRATIVE EXPENSES           | 580,463 | 44 |
| Personnel expenses                | 304,869 | 23 |
| Directors' and syndics' fees      | 3,260   |    |
| Other fees                        | 17,685  | 1  |
| Advertising and publicity         | 51,206  | 3  |
| Taxes                             | 28,258  | 2  |
| Other operating expenses          | 128,648 | 10 |
| Others                            | 46,537  | 3  |

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

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GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the optional system for the mandatory acquisition of shares in a public offering"

SUPPLEMENTARY ACCOUNTING INFORMATION

CONSOLIDATED INCOME STATEMENT

For the period of six months commenced January 1, 2007 and ended June 30, 2007, presented in comparative format with the same period of the previous fiscal year.  
(figures stated in thousands of pesos)

|   |          |
|---|----------|
|   | 06.30.07 |
| NET INCOME FROM FINANCIAL BROKERAGE       | 64,895   |
| MINORITY INTERESTS RESULT                 | (4,088)  |
| MISCELLANEOUS INCOME                      | 123,009  |
| - Net income from equity investments      | 364      |
| - Penalty interests                       | 881      |
| - Loans recovered and allowances reversed | 42,764   |
| - CER adjustment                          | 7        |
| - Others                                  | 78,993   |
| MISCELLANEOUS LOSSES                      | 145,696  |
| - Net loss from equity investments        | -        |

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|   |         |
|---|---------|
| - Penalty interests and charges in favor of the Argentine Central Bank    | 9       |
| - Loan loss provisions for miscellaneous receivables and other provisions | 30,940  |
| - CER adjustment  | 15      |
| - Amortization of differences arising from court resolutions              | 73,973  |
| - Others  | 40,759  |
|   | -----   |
| NET INCOME BEFORE INCOME TAX  | 38,120  |
|   | -----   |
| INCOME TAX  | 43,655  |
|   | -----   |
| NET INCOME (LOSS) FOR THE PERIOD  | (5,535) |
|   | =====   |

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

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### GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the optional system  
for the mandatory acquisition of shares in a public offering"

#### SUPPLEMENTARY ACCOUNTING INFORMATION

##### CONSOLIDATED STATEMENT OF CASH FLOWS

For the period of six months commenced January 1, 2007  
and ended June 30, 2007, presented in comparative format with the  
same period of the previous fiscal year.  
(figures stated in thousands of pesos)

|   |           |
|---|-----------|
|   | 06.30.07  |
|   | -----     |
| CHANGES IN CASH   |           |
| - Cash and due from banks at beginning of fiscal year                   | 2,294,849 |
| - (Decrease) / Increase in cash   | (237,098) |
|   | -----     |
| - Cash and due from banks at period-end                                 | 2,057,751 |
|   | =====     |
| REASONS FOR CHANGES IN CASH   |           |
| - Financial income collected  | 1,397,986 |
| - Income from services collected  | 542,837   |
| Less  |           |
| - Financial expenses paid   | (433,586) |
| - Expenses for services paid  | (113,042) |
| - Administrative expenses paid  | (548,733) |
|   | -----     |
| CASH PROVIDED BY OPERATING ACTIVITIES                                   | 845,462   |
|   | =====     |
| OTHER SOURCES OF CASH   |           |
| - Increase in deposits, net   | 1,628,631 |
| - Decrease in government and corporate securities, net                  | -         |
| - Decrease in other receivables resulting from financial brokerage, net | 1,562,684 |
| - Other sources of cash   | 107,643   |
|   | -----     |
| TOTAL SOURCES OF CASH   | 3,298,958 |
|   | =====     |
| OTHER USES OF CASH  |           |

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|   |             |
|---|-------------|
| - Increase in government and corporate securities, net                  | (233,231)   |
| - Increase in loans, net  | (133,654)   |
| - Increase in other assets, net   | (235,139)   |
| - Decrease in other liabilities resulting from financial brokerage, net | (3,645,901) |
| - Decrease in other liabilities, net                                    | (44,979)    |
| - Other uses of cash  | (88,614)    |
|   | -----       |
| TOTAL USES OF CASH  | (4,381,518) |
|   | =====       |
| (DECREASE) / INCREASE IN CASH   | (237,098)   |
|   | =====       |

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

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### GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the optional system  
for the mandatory acquisition of shares in a public offering"

#### SUPPLEMENTARY ACCOUNTING INFORMATION

Notes to the Consolidated Financial Statements  
For the period of six months commenced January 1,  
2007 and ended June 30, 2007, presented in  
comparative format.

(figures stated in thousands of pesos (\$) and U.S. dollars (US\$))

#### 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 ("F.A.C.P.C.E.") and with the guidelines of the General Resolution No. 434/03 of the National Securities Commission ("C.N.V."). As required by the above-mentioned regulations, the comparative information in the Balance Sheet corresponds to the end of the previous fiscal year, while that of the Income Statement, and Statement of Cash Flows corresponds to the same period of 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 said Bank's quarterly financial statements as supplementary information, reason for which they should be read in conjunction with them.

These financial statements reflect the effects of the changes in the purchasing power of the currency up to February 28, 2003, by following the restatement method established by Technical Resolution No. 6 of F.A.C.P.C.E. In line with Argentine Central Bank's 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 M.D. No. 41/03 of the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires ("C.P.C.E.C.A.B.A") established the discontinuation of the recognition of the changes in the purchasing power of the currency, effective October 1, 2003.

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### NOTE 2: ACCOUNTING STANDARDS

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

#### a. CONSOLIDATION OF FINANCIAL STATEMENTS

The financial statements of Grupo Financiero Galicia S.A. ("the Company") 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 Banco de Galicia y Buenos Aires S.A.

Banco de Galicia y Buenos Aires S. A.'s consolidated financial statements include the balances of its subsidiaries abroad: Banco Galicia Uruguay S. A. and Galicia (Cayman) Limited. The conversion into pesos of these subsidiaries' accounting balances was made according to the following:

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

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- d. Earnings for the period were determined by 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.

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#### 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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos and U.S. dollars)

#### NOTE 2: (Continued)

The balances of income statement accounts were converted into pesos applying the monthly average exchange rates recorded in each month of this fiscal year. e. Significant items arising from intercompany transactions, not involving third parties, have been eliminated from the Balance Sheet and the Income Statement.

#### 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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As of June 30, 2007, December 31, 2006 and June 30, 2006, balances in U.S. dollars were converted applying the reference exchange rate (figures stated in pesos \$ 3.0908, \$ 3.0695 y \$ 3.0848, respectively) set 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 in item b.1. has been applied for conversion into local currency.

### b. 3. - GOVERNMENT AND CORPORATE SECURITIES

#### b.3.a. - GOVERNMENT SECURITIES

I) Holdings of securities 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 same criterion was applied to holdings of such bonds used in repo transactions recorded under "Other Receivables Resulting from Financial Brokerage" and "Miscellaneous Receivables".

Had these securities been valued at market price, into which, as of December 2006, the bonds to be received were included therein, Banco de Galicia y Buenos Aires S.A.'s Shareholders' equity would have been reduced as of June 30, 2007 and December 31, 2006, by approximately \$152,788 and \$ 202,299, respectively.

II) Holdings of trading securities:

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

III) Unlisted securities:

As of June 30, 2007 and December 31, 2006, the Banco de Galicia y Buenos Aires S.A. carries the following holdings:

a) Secured bonds in pesos (Bogar)

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos and U.S. dollars)

NOTE 2: (Continued)

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

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

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, and opted to exchange its holdings of "Medium-Term External Notes," Series 74 and 75, with a face value of US\$ 280,471, for "Discount Bonds in Pesos" and "GDP-Linked Negotiable Securities" issued under the conditions established by Decree No. 1,735/04.

As established in that Decree, 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 June 30, 2007 and December 31, 2006, the securities received have been recorded at the lowest of the total future nominal cash payments up to maturity, specified by the terms and conditions of the new securities, and the carrying value of the securities tendered as of March 17, 2005, equivalent to the present value of the Secured Bonds' cash flows at that date.

This valuation is reduced by the amount of perceived payments and accrued interest is not recognized. As of June 30, 2007, holdings of such bonds are mainly used in repo transactions. Had these securities been marked to market, as of June 30, 2007 and December 31, 2006, Banco de Galicia y Buenos Aires S.A.' Shareholders' equity would have been reduced by approximately \$ 249,896 and \$ 239,262 respectively.

IV) Securities issued by the Argentine Central Bank:

These are recorded at the closing listed price for each class of securities at the end of each period/fiscal year.

Holdings of unlisted securities were valued at their acquisition cost increased on an exponential basis according to their internal rate of return.

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

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

b.4.- SECURED LOANS

On November 6, 2001 and within the framework of Decree No. 1,387/01, 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 the Argentine Central Bank's regulations, secured loans have been recorded at the lowest of their "present value" and "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 June 30, 2007, was 4.65% per annum and, as of December 31, 2006, 5% per annum. The "technical value" is the adjusted amount of each instrument under contractual conditions.

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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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos and U.S. dollars)

NOTE 2: (Continued)

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

b.5. - ACCRUAL OF ADJUSTMENTS, INTEREST, EXCHANGE RATE DIFFERENCES, PREMIUMS ON FUTURE TRANSACTIONS AND VARIABLE INCOME

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.

For lending and borrowing transactions, which according to the legal and/or contractual conditions that may be applicable, the adjustment by the Stabilization Coefficient of Reference (Coeficiente de Estabilizacion de Referencia) (C.E.R) has been accrued.

b.6. - DEBT SECURITIES AND PARTICIPATION CERTIFICATES IN FINANCIAL TRUSTS  
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. Participation certificates in financial trusts are valued taking into account the share in the assets, net of liabilities that stem from the financial statements of the respective trusts.

b.7. - UNLISTED NEGOTIABLE OBLIGATIONS

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 C.E.R, where applicable.

b.9. - EQUITY INVESTMENTS

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

Argentina:

Banco de Galicia y Buenos Aires S. A.'s equity investment in Banelco S. A. is valued under the equity method, based on this company's last financial statements available.

The rest of the companies with supplementary activities, in which Banco de Galicia y Buenos Aires S. A. has an equity investment, is valued at their acquisition cost restated as set forth in Note 1 to these financial statements, plus stock dividends.

Banco de Galicia y Buenos Aires S.A. established an allowance for impairment of value for the amount by which it is estimated that the value of the investment in Compensadora Electronica S.A. exceeds the equity method value.

b.9.b. - EQUITY INVESTMENTS

Argentina:

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

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An allowance for impairment of value 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., Electrugal 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.

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"Corporation which has not adhered to the optional system  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos and U.S. dollars)

NOTE 2: (Continued)

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"Corporation which has not adhered to the optional system  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos and U.S. dollars)

NOTE 2: (Continued)

Foreign:

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

For the conversion into local currency, the procedure referred to in item b.1. above. was applied.

### 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 the accumulated depreciations.

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 economic utilization value.

### b.11.- OTHER MISCELLANEOUS ASSETS

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

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

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

### b.12. - INTANGIBLE ASSETS



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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 supplementary ones, the Argentine Central Bank authorized those financial institutions who have 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 above-mentioned amortization. The maximum amount to be deferred cannot exceed 50% of the new commercial loans' growth nor 10% of the financial institutions' computable regulatory capital ("RPC" as per its initials in Spanish). 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 June 30, 2007 and December 31, 2006, the accumulated amount of deferred amortizations is \$ 143,743 and \$ 148,673 respectively.

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### GRUPO FINANCIERO GALICIA S.A.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos and U.S. dollars)

NOTE 2: (Continued)

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

These have been established based upon the estimated default 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 the Argentine Central Bank regulations.

#### b.14. - INCOME TAX

As of June 30, 2007, Banco de Galicia y Buenos Aires S.A. recorded no income tax charge because, as of that date, it estimated it had incurred in a tax loss. The income tax charge reported by Banco de Galicia y Buenos Aires S.A. has been determined in accordance with the Argentine Central Bank regulations, which do not consider the application of the deferred tax method.

#### 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, which are 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

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

Banco de Galicia y Buenos Aires S.A.'s outstanding tax credits and their probable offsetting date are detailed below:

| 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                     |
| 19,647     | 2006               | 2011                     |
| 5,272      | 2007               | 2011                     |

In addition to the statement made in the preceding paragraphs, as of June 30, 2007, companies controlled by Banco de Galicia y Buenos Aires S.A. record an asset of \$ 4,299 for the Tax on Minimum Presumed Income, while as of December 31, 2006, this amount was \$ 2,067.

### b.16. SEVERANCE PAYMENTS

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

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

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

On August 10, 2005, the C.P.C.E.C.A.B.A. passed Resolution CD No. 93/05, which adopts Technical Pronouncements No. 6 to 22 issued by F.A.C.P.C.E. as the Argentine GAAP. Said resolutions were amended with the purpose of unifying 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

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NOTE 2: (Continued)

December 29, 2005, the C.N.V. adopted Resolution C.D. 93/05 issued by C.P.C.E.C.A.B.A with certain amendments.

Subsequently, on June 26, 2006 and through Resolution C.D. No. 42/06, the C.P.C.E.C.A.B.A. approved T.P. No. 23 of the F.A.C.P.C.E., to be mandatory effective for fiscal years beginning on and after July 1, 2006, and thus it also authorized its application in advance. Moreover, on December 14, 2006 the C.N.V. approved said resolution effective April 1, 2007, and it also allowed its application in advance.

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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 included in the Argentine GAAP in force in the Autonomous City of Buenos Aires.

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

### 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.

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

The application of this criterion based on projections prepared by Banco de Galicia y Buenos Aires S.A., would determine deferred tax assets as of June 30, 2007, amounting to \$ 466,221.

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

##### c.1.b.1. - DOMESTIC 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 June 30, 2007 and December 31, 2006, are recorded under "Loans - Non-Financial Public Sector". Furthermore, Banco de Galicia y Buenos Aires S.A. and the "Fondo Fiduciario para el Desarrollo Provincial" (FFDP) exchanged loans to provincial governments for BOGAR which, as of December 31, 2006, are recorded under "Unlisted Government Securities". As of June 30, 2007 and December 31, 2006, Banco de Galicia y Buenos Aires S.A. valued its holdings in Secured Loans at the lower of present or technical value, as established by the Argentine Central Bank. The same criterion was applied as of December 31, 2006 to its Bogar holdings, except for those then allocated as collateral for the advance for the acquisition of the remaining Hedge Bond, which were valued at the estimated value admitted for those purposes.

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos and U.S. dollars)

NOTE 2: (Continued)

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

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

As disclosed in Note 16.1 to the consolidated financial statements, as of June 30, 2007, Banco de Galicia y Buenos Aires S.A. records an asset for \$ 300,542 under "Intangible Assets - Organization and Development Expenses", on account of 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 supplementary regulations. Argentine GAAP would admit the registration of such asset and of the corresponding allowance, based on the best estimate of the recoverable amounts.

c. 1.b.3. - COMPENSATION AS PER SECTIONS 28 AND 29 OF DECREE NO. 905/02 OF THE NATIONAL EXECUTIVE BRANCH

As of June 30, 2007 and December 31, 2006, BODEN 2012 resulting from the compensation set forth by Sections 28 and 29 of Decree No. 905/02 issued by the National Executive Branch have been valued to their technical value, as stated in item b.3.a.I) above.

Pursuant to the Argentine GAAP in force in the Autonomous City of Buenos Aires, the above-mentioned assets must be valued at their current value. As of June 30, 2007, the market value of the "BODEN 2012" is approximately 95% of its technical value.

c.1.b.4. - ALLOWANCES FOR RECEIVABLES FROM THE NON-FINANCIAL PUBLIC SECTOR  
Current regulations issued by the Argentine Central Bank on the establishment of allowances provide that credits against public sector are not subject to allowances for loan losses. Pursuant to 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 the 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 exchange rate of the financial statements' date; 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 relevant historical exchange rates, restated at fiscal year-end currency, when applicable due to the application of Technical Pronouncement No.17.

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Quotation differences arising from conversion of the financial statements shall be treated as financial income or losses, as the case may be.

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

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### GRUPO FINANCIERO GALICIA S.A.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos and U.S. dollars)

#### NOTE 2: (Continued)

##### c.1.d. - RESTRUCTURED LOANS AND LIABILITIES

Pursuant to the regulations issued by the Argentine Central Bank, 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 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 on the time value of money and the specific risks of such assets and liabilities at the time of restructuring.

##### c.2. - STATEMENT OF CASH FLOWS

The Statement of Cash Flows has been prepared following the criterion established by the Argentine Central Bank, which differs from that of Technical Pronouncement No. 19 issued by F.A.C.P.C.E.

#### NOTE 3: BASIC INFORMATION ON CONSOLIDATED CONTROLLED COMPANIES

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

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., holds the remaining 12.50% of the capital stock and voting rights of those companies.

In July 2006, Net Investment S.A.'s Board of Directors together with B2Agro S.A.'s and Tradecom Argentina S.A.'s Board of Directors decided to merge both companies to be effective as of July 1st, 2006. On August 14, 2006 the Extraordinary Shareholders' Meetings approved the commitment previous to the merger required by Section 83 of the Law Governing Commercial Companies. Subsequently, these Meetings approved the merger of Net Investment S.A., B2Agro S.A. and Tradecom Argentina S.A. Therefore, Net Investment S.A. was the absorbing company that purchased B2Agro S.A.'s and Tradecom Argentina S.A.'s equity and these two Companies were dissolved without liquidation. On December 6, 2006, the paperwork related to the above-mentioned merger was submitted before the Corporation Control Authority (Inspeccion General de Justicia), for the liquidation of B2Agro S.A. and Tradecom Argentina S.A., as well as the paperwork necessary to change Net Investment S.A.'s corporate purpose, which were recorded on February 1, 2007.

As of December 31, 2006, Net Investment S.A.'s financial statements have been

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consolidated on a line-by-line basis with B2Agro S.A.'s and Tradecom Argentina S.A.'s financial statements. As of said date, Net Investment S.A.'s interest was as follows:

| 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 six-month period as of March 31, 2007, for consolidation purposes. This Company's financial statements have been consolidated on a line-by-line basis with the financial statements of Galicia Retiro Cia. de Seguros S.A., Galicia Seguros S.A. (formerly known as Galicia Vida Cia. de Seguros S.A.) and Sudamericana Asesores de Seguros S.A.

On February 8, 2006, the representatives of Galicia Seguros S.A. (formerly known as Galicia Vida Cia. de Seguros S.A.) and Galicia Patrimoniales Compania de Seguros S.A., subscribed the commitment previous to the merger pursuant to which Galicia Seguros S. A. merges with the assets, liabilities, and Shareholders' equity of Galicia Patrimoniales Compania de Seguros S.A. to be effective as from July 1, 2006. This merger was approved by the Regulatory Authority on July 7, 2006 and was registered with the Corporation Control Authority ("I.G.J.") on September 25, 2006. As of March 31, 2007 and September 30, 2006, Sudamericana Holding S.A.'s interest was as follows:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos and U.S. dollars)

NOTE 2: (Continued)

| Issuing company  | Capital % | Votes % |
|--|-----------|---------|
| Galicia Retiro Cia. de Seguros S.A.                            | 99.99     | 99.99   |
| Galicia Seguros S.A. (ex Galicia Vida Cia.<br>de Seguros S.A.) | 99.99     | 99.99   |
| Sudamericana Asesores de Seguros S.A.                          | 99.99     | 99.99   |

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### GRUPO FINANCIERO GALICIA S.A.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos and U.S. dollars)

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 June 30, 2007

| Shares | Percentage h |
|--------|--------------|
|--------|--------------|

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| Issuing company                        | Class           | Number      | Total Capital | Po |
|--|-----------------|-------------|---------------|----|
| Banco Galicia Uruguay S.A. (*)         | Ordinary        | 2,591,600   | 100.00        |    |
| Tarjetas Regionales S.A.               | Ord. Book-entry | 207,586,358 | 100.00        |    |
| Galicia Factoring y Leasing S.A.       | Ord. Book-entry | 1,889,700   | 99.98         |    |
| Galicia Valores S.A. Sociedad de Bolsa | Ord. Book-entry | 999,996     | 99.99         |    |

As of December 31, 2006

| Issuing company                        | Class           | Shares      |               | Percentage h |
|--|-----------------|-------------|---------------|--------------|
|  |                 | Number      | Total Capital |              |
| Banco Galicia Uruguay S.A. (*)         | Ordinary        | 2,591,600   | 100.00        |              |
| Tarjetas Regionales S.A.               | Ord. Book-entry | 207,586,358 | 100.00        |              |
| Galicia Factoring y Leasing S.A.       | Ord. Book-entry | 1,889,700   | 99.98         |              |
| Galicia Valores S.A. Sociedad de Bolsa | Ord. Book-entry | 999,996     | 99.99         |              |

(\*) Shares stated at face value of 1,000 Uruguayan pesos.

As of June 30, 2007

| Issuing company                        | Assets    | Liabilities | Shareholder's equity | Net i |
|--|-----------|-------------|----------------------|-------|
| Banco Galicia Uruguay S.A. (*)         | 656,081   | 518,624     | 137,457              |       |
| Tarjetas Regionales S.A.               | 2,057,138 | 1,709,982   | 347,156              |       |
| Galicia Factoring y Leasing S.A.       | 4,468     | 285         | 4,183                |       |
| Galicia Valores S.A. Sociedad de Bolsa | 30,383    | 16,524      | 13,859               |       |

Financial condition as of December 31, 2006 and net income as of June 30, 2006

| Issuing company                        | Assets    | Liabilities | Shareholder's equity | Net i |
|--|-----------|-------------|----------------------|-------|
| Banco Galicia Uruguay S.A. (*)         | 633,039   | 525,784     | 107,255              |       |
| Tarjetas Regionales S.A.               | 1,828,016 | 1,522,138   | 305,878              |       |
| Galicia Factoring y Leasing S.A.       | 4,648     | 707         | 3,941                |       |
| Galicia Valores S.A. Sociedad de Bolsa | 42,277    | 28,668      | 13,609               |       |

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

Banco Galicia Uruguay S.A.'s financial statements 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

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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 Inversion, in which it holds a 99.985% interest.

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

In addition, Tarjetas Regionales S.A. 's financial statements as of June 30, 2007, which were used for consolidation purposes, have in turn been consolidated on a line-by-line basis with the financial statements of

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### 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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos and U.S. dollars)

NOTE 3: (Continued)

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:

| Issuing company       | 06.30.07 | 12.31.06 |
|-----------------------|----------|----------|
| Tarjetas Cuyanas S.A. | 60.000%  | 60.000%  |
| Tarjetas del Mar S.A. | 99.995%  | 99.995%  |
| Tarjeta Naranja S.A.  | 80.000%  | 80.000%  |

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

Tarjeta Naranja S.A. is carrying out operations in order to close an investment project in the Dominican Republic for the development of credit card business in said country, since the Company acquired 99.4% of said company's capital stock on December 19, 2006. The total amount of the investment in said company at period end was \$12,323.

Furthermore, 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 percentage 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 June 30, 2007 and December 31, 2006 are



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the following:

| Issuing company   | 06.30.07 | 12.31.06 |
|---|----------|----------|
| Banco de Galicia y Buenos Aires S.A.                            | 6.39536% | 6.39536% |
| Net Investment S.A.   | 0.79942% | 0.79942% |
| Sudamericana Holding S.A.                                       | 0.79936% | 0.79936% |
| Galicia Warrants S.A.   | 0.79942% | 0.79942% |
| B2Agro S.A.   | -        | 0.79942% |
| Tradecom Argentina S.A.   | -        | 0.79942% |
| Galicia Retiro Cia. de Seguros S.A. (*)                         | 0.79947% | 0.79947% |
| Galicia Seguros S.A. (ex Galicia Vida Cia. de Seguros S.A.) (*) | 0.79958% | 0.79958% |
| Sudamericana Asesores de Seguros S.A. (*)                       | 0.80493% | 0.80493% |

(\*) Minority interest determined based on the financial statements as of March 31, 2007 and September 30, 2006.

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

| Issuing company   | 06.30.07 | 12.31.06 |
|---|----------|----------|
| Galicia Valores S.A. Sociedad de Bolsa  | 0.010%   | 0.010%   |
| Galicia Factoring y Leasing S.A.  | 0.020%   | 0.020%   |
| Galicia Administradora de Fondos S.A. Sociedad Gerente de Fondos Comunes de Inversion | 0.015%   | 0.015%   |
| Tarjetas Cuyanas S.A.   | 40.000%  | 40.000%  |
| Tarjeta Naranja S.A.  | 20.000%  | 20.000%  |
| Tarjetas del Mar S.A.   | 0.005%   | 0.005%   |
| Cobranzas Regionales S.A.   | 22.460%  | 22.460%  |
| Ancud Comercial S.A.  | 0.600%   | 0.600%   |

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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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
 (figures stated in thousands of pesos and U.S. dollars)

NOTE 3: (Continued)

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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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
 (figures stated in thousands of pesos and U.S. dollars)

NOTE 5: RESTRICTED ASSETS AND OTHER CONTINGENT LIABILITIES

Pursuant to the Argentine Central Bank regulations, Banco de Galicia y Buenos

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Aires S.A. shall maintain a monthly average liquidity level. Computable assets to meet minimum cash requirements are cash and the checking accounts opened at the Argentine Central Bank.

Minimum cash requirement at the end the period/ fiscal year was as follows (as measured in average daily balances):

|  | 06.30.07  | 12.31.06  |
|--|-----------|-----------|
|  | -----     | -----     |
| Minimum cash requirement in Pesos            | 1,409,787 | 1,217,511 |
| Minimum cash requirement in foreign currency | 626,284   | 658,751   |

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

I) As of June 30, 2007, Banco de Galicia y Buenos Aires S. A.'s ability to dispose of the following assets was restricted as mentioned below:

a. CASH AND DUE FROM BANKS, GOVERNMENT SECURITIES AND SECURED LOANS

The Bank has deposited \$ 57,145 as a guarantee to third parties, \$ 219,535 for margin requirements of repo transactions and \$ 48,389 as collateral for transactions carried out at the Rosario Futures Exchange (Rofex). Furthermore, secured loans for \$ 387 are prevented from using as a result of a court order.

b. SPECIAL ESCROW ACCOUNTS

Special escrow accounts have been opened at the Argentine Central Bank as collateral for transactions involving electronic clearing houses, checks for settling debts and other similar transactions, which, as of June 30, 2007 amounted to \$ 151,064.

c. DEPOSITS IN FAVOR OF THE ARGENTINE CENTRAL BANK

- Unavailable deposits related to foreign exchange transactions for \$ 533.
- Securities held in custody to act as register agent and book-entry mortgage securities held in custody for \$ 1,215.

d. EQUITY INVESTMENTS

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

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

Banco de Galicia y Buenos Aires S.A., in its capacity of shareholder of the concessionaire companies, had guaranteed the compliance with certain obligations arising from the concession contracts entered into by Aguas Argentinas S.A., Aguas Provinciales de Santa Fe S.A (in liquidation), and Aguas Cordobesas S.A.

In addition, Banco de Galicia y Buenos Aires S.A., as well as the other shareholders, had committed, under 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 June 30, 2007; only the commitments related to Aguas Cordobesas S.A. are still in force.

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 the contractual obligations arising from the concession contract during the entire term thereof.

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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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos and U.S. dollars)

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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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos and U.S. dollars)

NOTE 5: (Continued)

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 to assume the unfulfilled commitment by the grantor, but only in the proportion and to the extent of the interest held by the said Bank.

Aguas Provinciales de Santa Fe S.A. (in liquidation): the Shareholders' Meeting 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 was contrary to the corporate interests, and requested to call for a new Meeting to reactivate and capitalize this 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. This situation resulted from the Company's dissolution decided by the majority shareholders during the abovementioned Shareholders' Meeting. Since March 2006, Banco de Galicia y Buenos Aires S.A. has fully provisioned its credits against this company.

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

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

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

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

### e. GUARANTEES GRANTED FOR DIRECT OBLIGATIONS

As of June 30, 2007, Banco de Galicia y Buenos Aires S.A. has recorded \$ 70,259 as collateral for credit lines granted by the IFC, and the related transactions have been allocated to the resources provided by the IFC.

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As collateral for the requested funds, Banco de Galicia y Buenos Aires S. A. used BODEN 2012 for a face value of US\$ 70,000, through the Argentine Central Bank, to the Subsecretaria de la Micro, Pequena y Mediana Empresa y Desarrollo Provincial destined to the financing of the Global Credit Program for Small and Medium Companies. As of June 30, 2007, the balance of secured loans was \$ 27,680.

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

II) As of June 30, 2007, the ability of Banco de Galicia y Buenos Aires S.A. to dispose of the assets of its subsidiaries was restricted as follows:

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

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### 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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos and U.S. dollars)

NOTE 5: (Continued)

As of June 30, 2007 and December 31, 2006, this Company holds three shares of Mercado de Valores de Buenos Aires S.A., which secure an insurance covering its transactions for \$ 6,360.

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### 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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos and U.S. dollars)

NOTE 5: (Continued)

b. Tarjetas Cuyanas S.A.:

As of June 30, 2007, the company's ability to dispose of time deposits for \$530 and \$80, and as of December 31, 2006 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 (Direccion General de Rentas de la Provincia de Mendoza) and Telefonica de Argentina, respectively.

c. Tarjeta Naranja S.A.

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

d. Banco Galicia Uruguay S.A.:

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

III) As of June 30, 2007, the Bank's ability to dispose of the following assets

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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 above-mentioned 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

Government and corporate securities listed below were classified pursuant to the Argentine Central Bank regulations:

As of June 30, 2007 and December 31, 2006, holdings of government and corporate securities were as follows:

|   | 06.30.07  | 12.31.06  |
|---|-----------|-----------|
|   | -----     | -----     |
| Government Securities                           |           |           |
| Listed  |           |           |
| Recorded at market value                        |           |           |
| Trading securities                              |           |           |
| - Government bonds                              | 171,296   | 28,206    |
| - Others  | 363       | 360       |
| - Less: Allowance for impairment of value       | (360)     | (357)     |
|   | -----     | -----     |
| Total trading securities                        | 171,299   | 28,209    |
|   | -----     | -----     |
| Recorded at cost after amortization             |           |           |
| In investment accounts                          |           |           |
| - Government bonds (Boden 2012)                 | 2,755,236 | 2,608,827 |
|   | -----     | -----     |
| Total securities in investment accounts         | 2,755,236 | 2,608,827 |
|   | -----     | -----     |
| Securities issued by the Argentine Central Bank |           |           |
| - Listed securities                             | 637,297   | 119,520   |
|   | -----     | -----     |

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### 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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos and U.S. dollars)

### NOTE 5: (Continued)

|   | 06.30.07 | 12.31.06 |
|---|----------|----------|
|   | -----    | -----    |
| Total securities issued by the Argentine Central Bank | 637,297  | 119,520  |
|   | -----    | -----    |
| Unlisted  |          |          |
| - Government bonds (Discount)                         | 4,868    | 431,753  |
|   | -----    | -----    |

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|   |           |           |
|---|-----------|-----------|
| Total unlisted securities                 | 4,868     | 431,753   |
|   | -----     | -----     |
| Total government securities               | 3,568,700 | 3,188,309 |
|   | -----     | -----     |
| Corporate Securities                      |           |           |
| - Negotiable obligations (listed)         | 1,465     | 339       |
| - Others                                  | 1,000     | -         |
|   | -----     | -----     |
| Total corporate securities                | 2,465     | 339       |
|   | -----     | -----     |
| Total government and corporate securities | 3,571,165 | 3,188,648 |
|   | =====     | =====     |

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### 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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos and U.S. dollars)

#### NOTE 7: LOANS

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

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

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

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

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

Pursuant to the 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.

Moreover, 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 in relation to a registered senior pledge).

As of June 30, 2007 and December 31, 2006, the classification of the loan portfolio was as follows:

|          |          |
|----------|----------|
| 06.30.07 | 12.31.06 |
| -----    | -----    |

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|   |            |            |
|---|------------|------------|
| Non-financial public sector                       | 1,251,849  | 2,739,282  |
| Financial sector                                  | 145,246    | 311,623    |
| Non-financial private sector and residents abroad | 8,878,486  | 7,801,109  |
| - With preferred guarantees                       | 1,086,784  | 1,076,170  |
| - With other collateral                           | 1,476,282  | 1,307,511  |
| - With no collateral                              | 6,315,420  | 5,417,428  |
| Subtotal  | 10,275,581 | 10,852,014 |
| Allowance for loan losses                         | (364,729)  | (327,042)  |
| Total   | 9,910,852  | 10,524,972 |

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

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### GRUPO FINANCIERO GALICIA S.A.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos and U.S. dollars)

#### NOTE 8: EQUITY INVESTMENTS

As of June 30, 2007 and December 31, 2006, the breakdown of "Equity Investments" was as follows:

|   | 06.30.07 | 12.31.06 |
|---|----------|----------|
|   | -----    | -----    |
| In financial institutions and supplementary and authorized activities                       |          |          |
| - Banco Latinoamericano de Exportaciones S.A.   | 1,532    | 1,522    |
| - Banelco S.A.  | 6,394    | 7,868    |
| - Mercado de Valores de Buenos Aires S.A.   | 8,050    | 8,050    |
| - Visa Argentina S.A.   | 951      | 951      |
| - Other   | 2,399    | 2,362    |
|   | -----    | -----    |
| Total equity investments in financial institutions, supplementary and authorized activities | 19,326   | 20,753   |
|   | -----    | -----    |
| In non-financial institutions   |          |          |
| - AEC S.A.  | 10,656   | 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.   | 10,771   | 10,771   |
| - Electrigal S.A.   | 5,455    | 5,455    |
| - Other   | 5,044    | 5,043    |
|   | -----    | -----    |
| Total equity investments in non-financial institutions                                      | 64,207   | 59,689   |
|   | -----    | -----    |
| Allowances  | (41,349) | (44,867) |
|   | -----    | -----    |
| Total equity investments  | 42,184   | 35,575   |
|   | =====    | =====    |

#### NOTE 9: INTANGIBLE ASSETS - GOODWILL

The following table shows the breakdown of goodwill per activity as of June 30, 2007 and December 31, 2006, respectively:

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|   | 06.30.07 | 12.31.06 |
|---|----------|----------|
| In banks                                | 40,434   | 45,192   |
| Companies issuing regional credit cards | 15,156   | 19,973   |
| Total                                   | 55,590   | 65,165   |

NOTE 10: TRUST ACTIVITIES

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

| Date of Contract | Trustor                       | Balance of Trust Fund |                      | Maturity D |
|------------------|-------------------------------|-----------------------|----------------------|------------|
|                  |                               | \$                    | In thousands of US\$ |            |
| 01.06.98         | Eduardo Sumic y Ercides Ciani | 13                    | 38                   | 07.07.07   |
| 02.15.05         | Blaisten                      | 68                    | -                    | 02.15.08   |
| 12.29.05         | Tecsan - Benito Roggio        | 4                     | -                    | 04.28.11   |
| 06.16.06         | La Nacion                     | 175                   | -                    | 12.31.07   |
| 11.01.06         | Penafior                      | 1                     | -                    | 11.01.11   |
| 11.09.06         | Benito Roggio e hijos         | 47                    | -                    | 01.09.09   |
| 04.10.07         | Sullair                       | 1                     | -                    | 12.31.10   |

(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 settlement date of trustor obligations or 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 debt securities and participation certificates:

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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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos and U.S. dollars)

NOTE 10: (Continued)

| Date of Contract | Trustor | Balance of Trust Fund |                      | Maturity D |
|------------------|---------|-----------------------|----------------------|------------|
|                  |         | \$                    | In thousands of US\$ |            |



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|          |                     |         |       |          |
|----------|---------------------|---------|-------|----------|
| 03.10.05 | Grobo I             | 738     | -     | 12.31.07 |
| 07.13.05 | Rumbo Norte I       | 3,604   | 61    | 07.13.11 |
| 10.12.05 | Hydro I             | 25,115  | -     | 09.05.17 |
| 05.02.06 | Procion I           | 3       | 911   | 06.15.09 |
| 05.22.06 | Radio Sapienza III  | 1       | -     | 05.12.09 |
| 06.26.06 | Saturno II          | 4,975   | -     | 09.30.07 |
| 08.10.06 | Faid 2006/07        | 8,926   | 172   | 11.30.07 |
| 10.05.06 | Saturno III         | 9,899   | -     | 04.15.08 |
| 10.17.06 | Tarjetas del Mar II | 6,333   | -     | 01.10.15 |
| 11.24.06 | Radio Sapienza IV   | 5,331   | -     | 11.12.09 |
| 12.05.06 | Faid 2011           | 37,029  | -     | 02.28.12 |
| 12.06.06 | Gas I               | 610,006 | -     | 10.28.14 |
| 01.11.07 | Saturno IV          | 27,273  | -     | 07.15.08 |
| 03.02.07 | Agro Nitralco       | 848     | 2.776 | 08.29.08 |
| 03.29.07 | Saturno V           | 27,820  | -     | 09.15.08 |
| 05.11.07 | Radio Sapienza V    | 10,896  | -     | 08.12.10 |

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

(4) Estimated date, since maturity date shall occur at the time of the distribution of all of trust assets.

NOTE 11: NEGOTIABLE OBLIGATIONS

a) As of June 30, 2007, Banco de Galicia y Buenos Aires S.A., had the following negotiable obligations outstanding under this Program:

a.1) Ordinary negotiable obligations:

| Date of issuance | Residual face value<br>(in thousands of US\$) | Term     | Rate  | Issuance authorized<br>by the C.N.V. |
|------------------|---|----------|-------|--------------------------------------|
| 11.08.93         | 4,229(*)                                      | 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 constitution of a global program for the issuance of negotiable obligations, not convertible into shares that could be denominated in pesos, dollars or other currencies, for a maximum total amount equivalent to US\$ 1,000,000. At the date of these financial statements, this program has expired. However, as of June 30, 2007, Banco de Galicia y Buenos Aires S.A. has the following short- and medium-term negotiable obligations outstanding issued under this program:

| Date of issuance | Residual face value<br>(in thousands of US\$) | Term       | Rate                | Issuance authorized<br>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 | Libor 6 months + 4% | 04.22.98                             |

(\*\*) Outstanding negotiable obligations issued as a result of the restructuring of New York Branch's debt, not included in Banco de Galicia y Buenos Aires

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S.A.'s debt restructuring.

In accordance with the provisions of the Law on Negotiable Obligations and the Argentine Central Bank regulations, the net proceeds of the negotiable obligations detailed in items a.1) and a.2) were applied to grant loans to domestic companies to finance investments in physical assets in Argentina, working capital or to restructure liabilities, consumer loans and mortgage loans to finance housing construction, or to acquire interest in domestic companies' capital stock and other uses envisaged by current regulations.

a.3) The Ordinary Shareholders' Meeting held on September 30, 2003, approved the constitution of a Global Program for the issuance and re-issuance of ordinary negotiable obligations, not convertible into shares,

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### GRUPO FINANCIERO GALICIA S.A.

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(figures stated in thousands of pesos and U.S. dollars)

subordinated or not, secured or unsecured, for a maximum face amount of US\$ 2,000,000 or its equivalent in any other currency, outstanding at any time during the life of the Program, for a maximum term of five years

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(figures stated in thousands of pesos and U.S. dollars)

NOTE 11: (Continued)

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 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 Law on Negotiable Obligations, the 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 June 30, 2007, Banco de Galicia y Buenos Aires S.A. had the following negotiable obligations outstanding under this Program:

Ordinary negotiable obligations:

| Date of issuance | Residual face value<br>US\$ | Term  | Rate  | Issuance authorized<br>by the C.N.V. |
|------------------|-----------------------------|-------|-------|--------------------------------------|
| -----            | -----                       | ----- | ----- | -----                                |

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|          |         |     |                           |
|----------|---------|-----|---------------------------|
| 05.18.04 | 464,802 | (1) | (*) 12.29.03 and 04.27.04 |
| 05.18.04 | 264,629 | (2) | (#) 12.29.03 and 04.27.04 |

(1) The principal of the Negotiable Obligations Due 2014 shall be amortized semi-annually, beginning January 1, 2010, in installments equal to 11.11% of the original principal amount, until their maturity date on January 1, 2014, when the remaining 11.12% of the original principal amount is due. As of June 30, 2007 and December 31, 2006, Grupo Financiero Galicia S.A. had Negotiable Obligations for a face value of US\$ 102,200 and US\$ 107,000, respectively.

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

(\*) Interest shall accrue as from January 1, 2004, at a 3% annual fixed rate, which rate shall be increased by 1% each year until an annual rate of 7% is reached as from January 1, 2008 up to but not including January 1, 2014. (#) The interest rate established for the period January 1, 2007 - June 30, 2007 is 8.86688% (6-month Libor: 5.36688% plus 3.5%).

Subordinated negotiable obligations:

| Date of issuance | Residual nominal<br>Value U\$S | Term | Rate | Issuance authorized<br>by the C.N.V. |
|------------------|--------------------------------|------|------|--------------------------------------|
| 05.18.04         | 253,058 (*)                    | (1)  | (2)  | 12.29.03 and 04.27.04                |

(\*) This amount includes US\$ 5,455, US\$ 5,592, US\$ 5,731, US\$ 5,875, US\$ 6,021 and US\$ 6,172 of capitalized interest due on July 1, 2004, January 1, 2005, July 1, 2005, January 1, 2006, July 1, 2006, and January 1, 2007, respectively, on account of the payment-in-kind (by means of Negotiable Obligations Due 2019). As of June 30, 2007 Grupo Financiero Galicia S.A. holds no Subordinated Obligations 2019. As of December 31, 2006, the Company held Subordinated Negotiable Obligations for a face value of US\$ 4,281.93, which included capitalized interest on the new Subordinated Negotiable Obligations.

(1) These obligations shall 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 negotiable obligations due in 2014 and 2010 have been fully repaid. (2) Interest on 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. Negotiable Obligations Due 2019 shall accrue interest payable in cash at an annual fixed rate of 6%, as from January 1, 2004 up to, but not including, January 1, 2014. Such interest rate will increase to 11% per annum as 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 (by means of negotiable obligations due 2019) shall accrue at an annual fixed rate of 5%, beginning on January 1, 2004, and shall be payable on January 1, 2014 and January 1, 2019.

As of June 30, 2007, Banco de Galicia y Buenos S. A.'s holdings of Negotiable Obligations due 2014 are for an amount of \$ 78,187.

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NOTE 11: (Continued)

a.4) The Ordinary Shareholders Meeting, held on April 28, 2005, approved the

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

The Ordinary Shareholder's Meeting held on April 26, 2007 confirmed and renewed the powers invested in the Board of Directors regarding this Program.

As of June 30, 2007, total balance of negotiable obligations, including principal and interest, amounts to \$ 3,277,816, net of expenses.

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

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 June 30, 2007:

| Date of issuance | Residual face value<br>(in thousands of US\$) | Term    | Rate |
|------------------|---|---------|------|
| 10.17.06         | 44,781 (*)                                    | 5 years | 2%   |
| 08.31.03         | 8,924   | 9 years | 7%   |
| 08.31.03         | 559   | 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.

As of December 31, 2006:

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

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

b) Tarjetas Regionales S.A.

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

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NOTE 11: (Continued)

| Conditions                    | Tarjeta Naranja S.A.     | Tarjeta Naranja S.A.  |
|-------------------------------|--------------------------|---|
| Series No.                    | Class I                  | Class II  |
| Currency of issuance          | Pesos (\$)               | U.S. dollars (US\$) which<br>were converted into Pesos (\$)<br>pursuant to issuance terms<br>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% | Annual nominal fixed at 17%   |
| Face value                    | 40,781                   | 80,150  |
| Residual value as of 06.30.07 | 27,187                   | 60,113  |
| Residual value as of 12.31.06 | 40,781                   | 80,150  |

(\*) Tarjeta Naranja S.A. issued and placed Class II Negotiable Obligations for a total amount of US\$ 26,000, which, as specified by the terms and conditions of the securities, was converted into \$ 80,150 and shall be payable in pesos. Investor assumes 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 issuance          | US Dollars (US\$)          | U.S. dollars (US\$) which<br>were converted into Pesos (\$)<br>pursuant to issuance terms<br>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 annual nominal at 7% | Fixed annual nominal at 15.5%   |
| Face value                    | US\$ 9,967 (**)            | 307,900   |
| Residual value as of 06.30.07 | 30,828                     | 307,900   |
| Residual value as of 12.31.06 | US\$ 9,967                 | 307,900   |

(\*\*) Tarjeta Naranja S.A. issued and placed Class III Negotiable Obligations for a total amount of US\$ 9,967, which, as specified by the terms and conditions of the securities, was converted into \$ 30,828 and shall be payable in U.S. dollars.

(\*\*\*) Tarjeta Naranja S.A. issued and placed Class II Negotiable Obligations for a total amount of US\$ 100,000, which, as specified by the terms and conditions of the new securities, was converted into \$ 307,900 and shall be payable in

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pesos. Investor assumes 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.                    | Class XVII                           | Class XVIII                          |
| Currency of Issuance          | Pesos (\$)                           | US dollars (U\$S)                    |
| Placement date                | 12.11.06                             | 06.14.07                             |
| Maturity date                 | 07.10.07                             | 06.14.12                             |
| Term                          | 210 days                             | 5 years                              |
| Rate                          | Fixed at 12.46% during all<br>period | Fixed at 12.46% during all<br>period |
| Face value                    | 34,613                               | 200,064                              |
| Residual value as of 06.30.07 | 34,613                               | 200,064                              |
| Residual value as of 12.31.06 | 34,613                               | -                                    |

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NOTE 11: (Continued)

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#### NOTE 12: MINIMUM CAPITAL REQUIREMENTS

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

Furthermore, Grupo Financiero Galicia S.A. meets the minimum capital requirement established by the Law Governing Commercial Companies, which amount to \$ 12.

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

As called for by the Argentine Central Bank regulations, as of June 30, 2007 and December 31, 2006, minimum capital requirements were as follows:

| Date     | Capital required | Computable capital | Computable capital as a %<br>of the capital requirement |
|----------|------------------|--------------------|---|
| 06.30.07 | 1,301,667        | 1,733,192          | 133.15  |

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12.31.06

1,084,313

1,861,559

171.68

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

In due time, Banco de Galicia y Buenos Aires S. A. submitted to the Argentine Central Bank a plan to adjust to these regulations since the Company falls within the general regulatory limitations. The Argentine Central Bank approved said plan as accomplished on June 27, 2007.

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

### NOTE 13: CONTRIBUTION TO THE DEPOSIT INSURANCE SYSTEM

Law No. 24,485 and Decree No. 540/95 established the constitution 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. 1,127/98 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.

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

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

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As of June 30, 2007, the standard contribution to the Deposits Insurance System amounted to \$ 328,193, \$ 9,652 of which corresponded to the period.

### NOTE 14: RESTRICTIONS IMPOSED ON THE DISTRIBUTION OF PROFITS

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

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the legal reserve.

This proportion applies regardless of the ratio of the Legal Reserve fund 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.

The Argentine Central Bank set rules for the conditions under which financial entities can make the distribution of profits. According to the new scheme, profits can be distributed as long as results are positive after deducting not only the Reserves, that may be legally and statutory required, but also the following items from Retained Earnings: the difference between the book value and the market value of public sector assets of a financial institution's portfolio, 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.

Moreover, in order that a financial institution be able to distribute profits, said institution must comply with the capital adequacy rule, i.e with the calculation of minimum capital requirements and the regulatory capital. To these purposes, this shall be done 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 subject to be computed as computable regulatory capital (RPC) pursuant to Communiqué "A" 4576.

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

Distribution of profits shall require the prior authorization of the Argentine Central Bank, which intervention shall have the purpose of verifying 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 capital stock, except for stock dividends or distributions. It was also established that such restriction shall not apply to dividends paid to said Entity by a consolidated subsidiary.

Notwithstanding the above mentioned, 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."

The shareholders of Tarjeta Naranja S.A. ratified the decision made by the Board of Directors and 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 as from fiscal year 2005 onwards. These restrictions shall remain in force as long as the Company's shareholder's equity is below \$ 300,000.



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Additionally, 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.

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

Resolution No. 368/01

As of June 30, 2007, Banco de Galicia y Buenos Aires S.A.'s shareholders' equity exceeds that required by Resolution No. 368/01, Chapter XIX, items 4 and 5 of the C.N.V. 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 June 30, 2007, Banco de Galicia y Buenos Aires S.A. holds a total of 762,806,038 units under custody for a market value of \$ 703,633, which is included in the "Depositors of Securities held in Custody" account.

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

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

16.1 - Deposits with the financial system - Legal actions requesting protection of constitutional guarantees As a result of the provisions of Decree No. 1,570/01, Law No. 25,561, Decree No. 214/02 and concurrent regulations, and as a consequence of the restrictions on cash withdrawals and of the measures that established the pesification and restructuring of foreign-currency deposits, as from 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 June 30, 2007, the court orders received by Banco de Galicia y Buenos Aires S.A. requiring the reimbursement of deposits in foreign or Argentine currency, at the free-market exchange rate, amounted to \$ 11,925 and US\$ 647,159. In compliance with those court orders, as of the same date, the Bank has paid the amounts of \$ 1,181,649 and US\$ 111,090 to reimburse deposits, in pesos and in foreign currency.

The difference between the amounts paid as a result of the abovementioned court orders and the amount resulting from converting deposits at the \$ 1.40 per U.S. dollars exchange rate, adjusted by the CER and interest accrued up to the payment date, which amounted to \$ 695,683 and \$ 688,390, as of June 30, 2007 and December 31, 2006, respectively, has been recorded under "Intangible Assets". Residual values as of said dates total \$ 300,542 and \$ 367,221, respectively.

Banco de Galicia y Buenos Aires S.A. has repeatedly reserved its right to make

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claims, at suitable time, in view of the negative effect caused on its financial condition by the reimbursement of deposits originally denominated in US 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 the Argentine Central Bank regulations, does not affect its existence or legitimacy. To such effect, the Entity has reserved the corresponding rights.

On December 30, 2003, Banco de Galicia y Buenos Aires S.A. formally requested the National Executive Branch, with a copy to the Ministry of Economy ("MECON") and to the Argentine Central Bank, the payment of 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.

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NOTE 16: (Continued)

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

On March 20, 2007 Supreme Court of Justice ruled, in the case of "EMM S.R.L. c/ Tia S.A.", that Decree No. 214/02 did not apply to judicial deposits, and that such deposits must be reimbursed to the depositors in their original currency.

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

Senior executives continuously monitor and analyze the implications of such ruling to similarly situated cases.

It is worth mentioning that during 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. This implies that the risk of worsening this problem in the future has been reduced.

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With respect to judicial deposits that were pesified, the Argentine Central Bank provided that, as from July 2007, institutions should establish an allowance equal to the difference that arises from the balance of deposits recorded at each month-end in their original currency and the balance in pesos that was recorded in the books. Said allowance, at the entities' discretion, may be charged to Income within the period of 24 months. The amount to establish in July would increase approximately to \$ 1,800.

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 2 and 4, 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.

Consequently, the U.S. dollars funds credited by the Bank Liquidity Fund on January 2 and 4, 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.

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

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NOTE 16: (Continued)

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

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

The Bank has a claim outstanding to 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

Decree No 214/02 provided for in Section 7 the issuance of a bond charged to the National Treasury funds in order to compensate financial institutions for the

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imbalance resulting from the devaluation of currency and 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 above-mentioned compensation amount, granting a Compensatory Bond to compensate 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. amounted to US\$ 2,178,030 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 of face value of Boden 2012.

In December 2006, Banco de Galicia y Buenos Aires S.A. received from the Argentine Central Bank Boden 2012 for a face value of US\$ 1,154,955, at their 75% residual value and US\$ 406,775 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(degree)905/02 sections 28 and 29 (90.8% of the Hedge Bond).

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

On December 13, 2006, Banco de Galicia y Buenos Aires S. A. requested the Argentine Central Bank the advance set forth in Section 29 sub-section g) of said Decree to finance the acquisition of the remaining Hedge Bond amount for US\$ 116,797 of Boden 2012 and payment thereof simultaneously to its date of acquisition, through the allocation of BOGAR with a face value of \$ 163,516 as collateral.

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

Through a note dated March 30, 2007, the Argentine Central Bank informed Banco de Galicia y Buenos Aires S.A. that Boden 2012 had to be acquired through a swap for Domestic Secured Loans, in accordance with the direct swap alternative set forth in the second to last paragraph of the abovementioned section of Decree No.

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NOTE 16: (Continued)

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905/02. Thus, on April 9, 2007 Banco de Galicia y Buenos Aires S.A. requested the acquisition of such Boden through a swap of \$ 115,925 of face value of Domestic Secured Loans. The swap of public sector assets for the above-mentioned advance approximately caused a \$ 33,900 increase in the acquisition cost of the remaining Hedge Bond amount.

On April 24, 2007, Banco de Galicia y Buenos Aires S. A. was credited Boden 2012 for a face value of US\$ 116,797 and US\$ 43,635 as amortization and past due interest corresponding to the final settlement of the Hedge Bond.

### 16.4. - Situation of Banco Galicia Uruguay S.A.

Banco Galicia Uruguay S.A., after having been affected by the economic crisis of late 2001, in December 2002, restructured its deposits with a high degree of participation by its depositors. Subsequently, 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. As of June 30, 2007, the principal amount of the restructured liabilities (time deposits and negotiable obligations) was \$ 351,360 and Galicia Uruguay had settled the installments corresponding to the payment schedule. As of such date, Shareholders' equity amounts to \$ 137,457 and it is estimated that the cash flows of this company's assets (mainly credits) shall exceed, in all of the payment periods of the restructuring agreement, the obligations resulting from such agreement.

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

### 16.5 - REPURCHASE OF RESTRUCTURED FOREIGN DEBT

During February 2007, Banco de Galicia y Buenos Aires S.A. repurchased part of the debt originated in the debt restructuring completed in May 2004 that was instrumented as loans. Banco de Galicia Y Buenos Aires S.A. repurchased loans maturing in 2010 and in 2014 for an total residual amount of US\$ 178,794. These transactions were carried at market value thus generating an US\$ 6,942 profit with respect to the loans' book value. The repurchase was funded through the sale of Boden 2012 bonds in the market, which generated a loss of approximately US\$ 8,860 due to the difference between the market price and the book value of such bonds.

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

The 2% contribution on interest 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 ISSB.

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 an amparo claim before the Federal Court of First Instance in 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

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injunction, which was granted, that prevents O.S.B.A. from bringing legal actions 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 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.

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#### NOTE 17: (Continued)

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 there is a risk as to the interpretation that courts may make regarding 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 in Administrative Litigation No. 4 in the case identified above, what represents a limitation on 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. AS TRUSTEE  
OUTSTANDING AT THE PERIOD/FISCAL YEAR END:

| Conditions                                | Galtrust I                         | Galtrust II                     |       |
|---|------------------------------------|---------------------------------|-------|
| -----                                     | -----                              | -----                           | ----- |
| Creation Date                             | 10.13.00                           | 12.17.01                        |       |
| Maturity date                             | 10.10.15                           | 12.10.10                        |       |
| Trustee                                   | First Trust of New York<br>N.A.    | First Trust of New York<br>N.A. | Fi    |
| Rate(*)                                   | C.E.R. +10% T.N.A.                 | C.E.R. + 9.75% T.N.A.           | C     |
| Trust assets                              | Loans to provincial<br>governments | Mortgage loans                  |       |
| Total portfolio transferred               | US\$ 490,224 (**)                  | US\$ 61,191                     |       |
| Amount of Class "A" trust debt securities | FV US\$ 100,000                    | FV US\$ 45,000                  |       |
| Amount of Class "B" trust debt securities | FV US\$ 200,000                    | -                               |       |
| Participation Certificates                | FV US\$ 200,000                    | FV US\$ 16,191                  |       |
| Book value as of 06.30.07 (**)            | \$ 589,292                         | \$ 7,929                        |       |
| Book value as of 12.31.06 (**)            | \$ 571,582                         | \$ 7,683                        |       |

(\*) Only applicable to debt securities.

(\*\*) Includes participation certificates and/or class "A" or "B" debt securities, as appropriate. (\*\*\*) The remaining US\$ 9,776 were transferred in

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cash.

| Conditions                                | Galicia                        | Galicia Hipotecas Comerciales |
|---|--------------------------------|-------------------------------|
| Creation Date                             | 04.16.02                       | 02.22.05                      |
| Maturity date                             | 05.06.32                       | 07.12.13                      |
| Trustee                                   | Bapro Mandatos y Negocios S.A. | Deutsche Bank S.A.            |
| Rate(*)                                   | C.E.R. + 4%                    | C.E.R. + 0.05% T.N.A.         |
| Trust assets                              | Secured loans                  | Commercial mortgage loans     |
| Total portfolio transferred               | \$ 108,000                     | \$ 29,059                     |
| Amount of class "A" trust debt securities | -                              | FV \$ 24,119                  |
| Amount of class "B" trust debt securities | -                              | -                             |
| Participation Certificates                | FV \$ 108,000                  | FV \$ 4,940                   |
| Book value as of 06.30.07(**)             | \$ 62,010                      | \$ 4,657                      |
| Book value as of 12.31.06(**)             | \$ 58,159                      | \$ 6,892                      |

(\*) Only applicable to debt securities.

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 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
 (figures stated in thousands of pesos and U.S. dollars)

(\*\*) Includes Participation certificates and/or class "A" or "B" debt securities, as appropriate.

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NOTE 18: (Continued)

| Conditions    | Galicia Personales II  |
|---------------|--|
| Creation Date | 01.25.06   |
| Maturity date | 09.15.07 (Estimated date for class B debt securities)<br>11.15.09 (Estimated date of participation certificates) |
| Trustee       | Deutsche Bank S.A.   |
| Rate(*)       | The highest rate between: Badlar for time deposits of 30 to 35 days and of more than                             |

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one million pesos of private banks, and  
C.E.R. variation percentage expressed  
as T.N.A. up to a maximum of 21%.

one milli  
C.E.R. va  
as T.N.A.

|   |                |              |
|---|----------------|--------------|
| Trust assets                              | Consumer loans |              |
| Total portfolio transferred               |                | \$ 97,367    |
| Amount of class "A" trust debt securities |                | FV \$ 77,893 |
| Amount of class "B" trust debt securities |                | FV \$ 9,737  |
| Participation Certificates                |                | FV \$ 9,737  |
| Book value as of 06.30.07(**)             |                | \$ 19,993    |
| Book value as of 12.31.06(**)             |                | \$ 21,155    |

(\*) Only applicable to debt securities.

(\*\*) Includes participation certificates and/or class "A" or "B" debt securities, as appropriate.

| Conditions                                | Galicia Personales IV  |                    |
|---|--|--------------------|
| -----                                     | -----  | -----              |
| Creation Date                             | 01.17.07   |                    |
| Maturity date                             | 03.15.09 (Estimated date of Class "A" debt securities)             | 12.15.0            |
|   | 07.15.09 (Estimated date for Class "B" debt securities)            | 03.15.0            |
|   | 10.15.11 (Estimated date of participation certificates)            | 10.15.12           |
| Trustee                                   | Deustche Bank S.A.   |                    |
|   | Class "A" debt securities, Minimum 10.5% T.N.A. Maximum 20% T.N.A. | Class "A" T.N.A. M |
| Rate(*)                                   | Class "B" debt securities, Minimum 11.5% T.N.A. Maximum 21% T.N.A. | Class "B" T.N.A. M |
| Trust assets                              | Consumer loans   |                    |
| Total portfolio transferred               |  | \$ 100,000         |
| Amount of class "A" trust debt securities |  | FV \$ 85,000       |
| Amount of class "B" trust debt securities |  | FV \$ 8,000        |
| Participation Certificates                |  | FV \$ 7,000        |
| Book value as of 06.30.07(**)             |  | \$ 11,429          |
| Book value as of 12.31.06(**)             |  | -                  |

(\*) Only applicable to debt securities.

(\*\*) Includes participation certificates and/or class "A" or "B" debt securities, as appropriate.

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NOTE 18: (Continued)



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| Conditions                                | Galicia Prendas Comerciales I                                      | Galicia L    |
|---|--|--------------|
| Creation Date                             | 07.03.06   |              |
| Maturity date                             |  | 11.15.0      |
|   | 05.15.09 (Estimated date of class B debt securities)               | 07.15.0      |
|   | 02.15.11 (Estimated date of Participation Certificates)            | 11.15.09     |
|   |  | 05.15.11     |
| Trustee                                   | Deustche Bank S.A.   |              |
|   | Class "A" debt securities, Minimum 10.5% T.N.A. Maximum 20% T.N.A. | Class "A" T  |
| Rate(*)                                   | Class "B" debt securities, Minimum 11.5% T.N.A. Maximum 21% T.N.A. | Class "B" T  |
| Trust assets                              | Pledge loans   | Ass          |
| Total portfolio transferred               |  | \$ 86,623    |
| Amount of class "A" trust debt securities |  | FV \$ 73,629 |
| Amount of class "B" trust debt securities |  | FV \$ 6,930  |
| Participation Certificates                |  | FV \$ 6,064  |
| Book value as of 06.30.07(**)             |  | \$ 12,611    |
| Book value as of 12.31.06(**)             |  | \$ 12,409    |

(\*) Only applicable to debt securities.

(\*\*) Includes participation certificates and/or class "A" or "B" debt securities, as appropriate.

| Conditions                                | Creditos Inmobiliarios Galicia II        |
|---|--|
| Creation Date                             | 10.12.05                                 |
| Maturity date                             | 12.15.25                                 |
| Trustee                                   | Deustche Bank S.A.                       |
| Rate(*)                                   | Minimum 8% T.N.A. and maximum 18% T.N.A. |
| Trust assets                              | Mortgage loans                           |
| Total portfolio transferred               |  |
| Amount of class "A" trust debt securities |  |
| Amount of class "B" trust debt securities |  |
| Participation Certificates                |  |
| Book value as of 06.30.07(**)             |  |
| Book value as of 12.31.06(**)             |  |

(\*) Only applicable to debt securities.

(\*\*) Includes participation certificates and/or class "A" or "B" debt securities, as appropriate.

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NOTE 18: (Continued)

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b) Financial trusts received as loan repayment:

| Conditions                     | Hydro I   |           |
|--------------------------------|---|-----------|
| Creation Date                  | 12.10.05  |           |
| Maturity date                  | 09.05.17  |           |
| Trustor                        | Consorcio de Empresas Mendocinas para Potrerillos S.A.                            |           |
| Trustee                        | Banco de Galicia y Buenos Aires S.A. (B.G.B.A.)                                   |           |
| Rate(*)                        | 7% T.N.A. until 09.05.06 and thereafter, variable T.N.A. equal to T.E.C. + 5%(**) |           |
| Trust assets                   | Loans for power supply, loans for subsidies, royalties and interest               |           |
| Securities received by B.G.B.A | Class "B" debt securities   |           |
|                                | FV \$ 25,523  |           |
| Book value as of 06.30.07(**)  |   | \$ 24,850 |
| Book value as of 12.31.06(**)  |   | \$ 25,094 |

(\*) Only applicable to debt securities.

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

c) As of June 30, 2007, Banco de Galicia y Buenos Aires S.A. records acquired financial trusts. c1) As investments for \$ 539. As of the previous fiscal year's end, these amounted to \$1,322. c2) In its capacity as underwriter for \$ 8,495.

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 to 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.

As of the end of July 2007, the collection amounts to approximately \$ 89,500, figure that greatly exceeds what was projected for such date. Apart from that, from the analysis of the possibilities to recover the remaining cases, compliance with the commitments undertaken in advance is foreseen.

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NOTE 18: (Continued)

e) Tarjeta Naranja S.A.:

|                 |                         |                             |     |
|-----------------|-------------------------|-----------------------------|-----|
| Financial Trust | Tarjeta Naranja Trust I | Tarjeta Naranja Trust II(*) | Tar |
|-----------------|-------------------------|-----------------------------|-----|

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|                            |  |   |   |
|----------------------------|--|---|---|
| Creation Date              | 11.07.05   | 02.16.06  |   |
| Maturity date              | 05.20.08   | 12.20.07  |   |
| Interest rate              | VRDF "A": Caps: minimum 9%<br>nominal annual - maximum 18%<br>nominal annual | VRDF "A": C.E.R. Caps:<br>minimum 10.5% nominal<br>annual - maximum 20%<br>nominal annual | VRDF "B": Caps: maximum<br>21% nominal annual |
| Placement                  | \$ 94,500  | \$ 80,000   |   |
| Type of fiduciary debt     | Trust debt securities  | Trust debt securities   |   |
| Trustee                    | Equity Trust Company<br>(Argentina) S.A.                                     | Equity Trust Company<br>(Argentina) S.A.  |   |
| Class "A"                  | \$ 80,000  | \$ 68,000   |   |
| Class "B"                  | \$ 7,000   | \$ 6,000  |   |
| Participation Certificates | \$ 7,500   | \$ 6,000  |   |

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

As of June 30, 2007, Tarjeta Naranja S.A.'s holdings of class "B" debt securities and participation certificates totaled \$ 15,435 and \$ 25,773, respectively. As of December 31, 2006 its holdings totaled \$ 14,711 and \$ 34,102, respectively.

f) Tarjetas Cuyanas S.A.:

| Financial Trust            | Tarjeta Nevada II  | Tarjeta Nevada III                             |
|----------------------------|--|--|
| Creation Date              | 12.01.04   | 05.24.05                                       |
| Maturity date              | 07.22.07 (***)   | 02.25.08                                       |
| Interest rate              | VDF "A": C.E.R +3% Min. 8%<br>Max. 15% T.N.A.<br>VDF "B": C.E.R + 5% Min. 10%<br>Max. 20% T.N.A. | C.E.R + margin (5% Min. 10%<br>Max. 20% T.N.A. |
| Trustee                    | Banco Patagonia S.A.   | Banco Patagonia S.A.                           |
| Placement                  | \$ 16,000  | \$ 25,000                                      |
| "A" debt securities        | \$ 12,000  | \$ 19,000                                      |
| "B" debt securities        | \$ 2,400 (*)   | -  |
| Participation Certificates | \$ 1,600   | \$ 6,000                                       |

(\*) As of June 30, 2007, class "B" debt securities have been fully settled.

(\*\*) As of June 30, 2007, securities corresponding to the participation certificate held by Tarjetas Cuyanas S.A. have been fully settled.

(\*\*\*) As of June 30, 2007, Tarjetas Cuyanas S.A., as sole beneficiary of the whole participation certificate, requested the trustee the termination of the trust.

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NOTE 18: (Continued)

| Financial Trust            | Tarjetas Cuyanas Trust II                | Tarjetas Cuyanas Trust III               | Tarj |
|----------------------------|--|--|------|
| Creation Date              | 04.04.06                                 | 07.14.06                                 |      |
| Maturity date              | 02.15.08                                 | 07.15.08                                 |      |
| Interest rate              | VDF "A": 12%                             | VDF "A": 10.87%                          | Bad  |
|                            | VDF "B": 13%                             | VDF "B": 12.75%                          |      |
| Trustee                    | Equity Trust Company<br>(Argentina) S.A. | Equity Trust Company<br>(Argentina) S.A. |      |
| Placement                  | \$ 37,680                                | \$ 22,407                                |      |
| "A" debt securities        | \$ 30,144                                | \$ 17,925                                |      |
| "B" debt securities        | \$ 3,768                                 | \$ 2,241                                 |      |
| Participation Certificates | \$ 3,769                                 | \$ 2,241                                 |      |

As of June 30, 2007 and December 31, 2006 Tarjetas Cuyanas' holding of participation certificates totaled \$ 20,965 and \$ 28,570, respectively. No holding of class "B" debt securities was recorded.

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

| Financial Trust                              | Tarjetas del Mar - Series II            |
|--|---|
| Creation Date                                | 10.17.06                                |
| Maturity date                                | 01.10.15                                |
| Interest rate                                | VDF "A": 13.00%                         |
|  | VDF "B": 14.00%                         |
|  | VDF "C": 14.50%                         |
|  | VDF "D": 15.00%                         |
| Trustee                                      | Banco de Galicia y Buenos<br>Aires S.A. |
| Placement                                    | \$ 6,000                                |
| Amount of class "A"<br>trust debt securities | \$ 1,200                                |
| Amount of class "B"<br>trust debt securities | \$ 1,200                                |
| Amount of class "C"<br>trust debt securities | \$ 1,200                                |
| Amount of class "D"<br>trust debt securities | \$ 1,200                                |
| Participation Certificates                   | 1,200                                   |

As of June 30, 2007 and December 31, 2006, Tarjetas del Mar's holding of participation certificates totaled \$ 1,148 and \$ 1,158, respectively. No holding of debt securities was recorded.

NOTE 19: DERIVATIVES

PUT OPTIONS WRITTEN

As established by Section 4, subsection a), and Section 6 of Decree No 1,836/02 and regulations of the Argentine Central Bank, Banco de Galicia y Buenos Aires S.A. granted the holders of Rescheduled Deposit Certificates, who had opted to receive Boden 2013 and Boden 2012 in lieu of the payment of those certificates,

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an option to sell coupons. Said options, as of June 30, 2007 and December 31, 2006, are valued at the strike price.

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### 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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos and U.S. dollars)

#### NOTE 19: (Continued)

The strike 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 C.E.R. variation, which arises from comparing the index as of February 3, 2002 to that corresponding to the due date of the coupon. That value shall in no case exceed the principal and interest amounts in pesos resulting from applying to the face value of the coupon in U.S. dollars the buying exchange rate quoted by Banco de la Nacion Argentina on the payment date of that coupon.

These options have been recorded under "Memorandum Accounts - Credit-Derivatives - Notional Value of Put Options Written" in the amount of \$ 164,574 as of June 30, 2007 and \$ 175,923 as of December 31, 2006, respectively.

#### FORWARD PURCHASE-SALE WITHOUT DELIVERY OF THE UNDERLYING ASSET

Mercado Abierto Electronico (MAE) and Mercado a Termino de Rosario (ROFEX) have trading environments for the closing, recording and settlement of financial forward transactions carried out among its agents, being 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, in pesos, 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 June 30, 2007, forward purchase and sale transactions totaled \$ 825,568 and \$ 424,525, respectively, while as of December 31, 2006 they totaled \$ 475,338 and \$ 148,866, 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 June 30, 2007, said balances amount to \$ 75,848 and \$ 75,128, respectively, while as of December 31, 2006, they amounted to \$ 30,964 and \$ 31,635, 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, "derivatives" 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.

#### NOTE 20: NET EXPOSURE TO THE PUBLIC SECTOR

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As of June 30, 2007 and December 31, 2006, Banco de Galicia y Buenos Aires S.A.'s net exposure to the public sector, including the Argentine Central Bank and excluding the deposits made at such entity, in compliance with minimum cash requirements, is the following:

|  | 06.30.07  | 12.31.06  |
|--|-----------|-----------|
| Government securities - global position              | 4,693,872 | 4,830,723 |
| Loans  | 1,307,031 | 2,797,993 |
| Other receivables resulting from financial brokerage | 847,374   | 1,218,653 |
| Total assets   | 6,848,277 | 8,847,369 |
| Liabilities to the BCRA                              | -         | 3,025,977 |
| Net exposure to the public sector(*)                 | 6,848,277 | 5,821,392 |

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos and U.S. dollars)

NOTE 20: (Continued)

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

As of March 31, 2007 and September 30, 2006 the consolidated financial statements of Sudamericana Holding S.A. include secured loans for \$ 52,317 and \$ 48,633, respectively.

NOTE 21: CHANGES IN SIGNIFICANT ASSETS AND LIABILITIES

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

|  | 06.30.07  |
|--|-----------|
| <b>ASSETS</b>  |           |
| <b>LOANS</b>   |           |
| - To the non-financial public sector                       | 9,910,852 |
| - To the financial sector                                  | 1,251,849 |
| - To the non-financial private sector and residents abroad | 145,246   |
| - Overdrafts   | 8,878,486 |
| - Promissory notes   | 725,536   |
| - Mortgage loans   | 2,400,285 |
| - Pledge loans   | 785,451   |
| - Consumer loans   | 86,150    |
| - Credit card loans  | 670,976   |
| - Other  | 2,966,236 |
| - Accrued interest and quotation differences receivable    | 1,115,716 |
|  | 153,212   |

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|   |            |
|---|------------|
| - Documented interest   | (24,989)   |
| - Unallocated collections   | (87)       |
| - Allowances  | (364,729)  |
|   | -----      |
| OTHER RECEIVABLES RESULTING FROM FINANCIAL BROKERAGE                                    | 3,378,462  |
|   | -----      |
| - Argentine Central Bank  | 261,796    |
| - Amounts receivable for spot and forward sales to be settled                           | 125,640    |
| - Securities receivable under spot and forward purchases to be settled                  | 1,102,977  |
| - Others not included in the debtor classification regulations                          | 1,544,385  |
| - Unlisted negotiable obligations   | 33,147     |
| - Balances from forward transactions without delivery of underlying asset to be settled | 75,848     |
| - Others included in the debtor classification regulations                              | 249,702    |
| - Accrued interest receivable not included in the debtor classification regulations     | 1,834      |
| - Accrued interest receivable included in the debtor classification regulations         | 2,040      |
| - Allowances  | (18,907)   |
| LIABILITIES   |            |
|   | -----      |
| DEPOSITS  | 12,438,809 |
|   | -----      |
| - Non-financial public sector   | 202,724    |
| - Financial sector  | 156,123    |
| - Non-financial private sector and residents abroad                                     | 12,079,962 |
| - Current Accounts  | 2,439,205  |
| - Savings Accounts  | 2,816,751  |
| - Time Deposits   | 6,433,792  |
| - Investment accounts   | 5,514      |
| - Other   | 232,677    |
| - Accrued interest and quotation differences payable                                    | 152,023    |

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 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
 (figures stated in thousands of pesos and U.S. dollars)

NOTE 21: (Continued)

|   |           |
|---|-----------|
|   | 06.30.07  |
|   | -----     |
| LIABILITIES   |           |
| OTHER LIABILITIES RESULTING FROM FINANCIAL BROKERAGE                                    | 5,731,965 |
| - Argentine Central Bank  | 593       |
| - Other   | 593       |
| - Banks and international entities  | 271,561   |
| - Unsubordinated negotiable obligations   | 2,868,740 |
| - Amounts payable for spot and forward purchases to be settled                          | 712,142   |
| - Securities to be delivered under spot and forward sales to be settled                 | 244,006   |
| - Loans from domestic financial institutions  | 90,013    |
| - Balances from forward transactions without delivery of underlying asset to be settled | 75,128    |
| - Other   | 1,362,905 |
| - Accrued interest, adjustments and quotation difference payable                        | 106,877   |
|   | -----     |

## NOTE 22: TAX ISSUES

At the date of these consolidated financial statements, the Argentine Revenue Service (AFIP) and the Revenue Board of the Province of Cordoba are in the process of conducting audits. 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 for such reason totals \$ 23,792 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 steps in order to solve such issues. However, since the final outcome of these measures cannot be foreseen, provisions have been set up to cover such contingencies.

## NOTE 23: CAPITAL STOCK INCREASE

- Banco de Galicia y Buenos Aires S.A.

At the Ordinary and Extraordinary Shareholders' 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 \$ 100,000,000 ordinary book-entry class "B" shares with one vote per share and a face value of \$ 1 (one peso) each.

It was also decided that the subscription of the new shares could be made, at the option of the subscriber, in cash or by exchange of Negotiable Obligations due on 2010, 2014, and 2019.

It was as well decided that the subscription price of the new shares should be equal to the weighted average of the market price of Banco de Galicia y Buenos Aires S.A.'s share on the Buenos Aires Stock Exchange (B.C.B.A.) for the twenty (20) business days prior to the date of the determination of the subscription price in which the Bank's share has been listed. The date when the subscription price was determined was July 19, 2007, and such price was \$ 4.991 (in pesos) per share. The difference between the face value of the share and the subscription price was the issuance premium.

The values determined for the reception of negotiable obligations pursuant to the provisions of Resolution No. 466 of the C.N.V., expressed in Pesos, were as follows:

Negotiable Obligations due on 2010 with FV US\$ 100: \$193,200

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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Negotiable Obligations due on 2014 with FV US\$ 100: \$ 285,599

Negotiable Obligations due on 2019 with FV US\$ 100: \$ 368,025



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos and U.S. dollars)

NOTE 23: (Continued)

The aforementioned values show the following: the original principal amount net of amortizations as of the end of the preemptive rights subscription, interest accrued since the last coupon and capitalized interest in case it may correspond, and the maximum valuations and the exchange rate established by such resolution.

Regarding the use of proceeds, it was established at the Shareholders