

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

GRUPO FINANCIERO GALICIA SA

Form 6-K

May 23, 2007

=====

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 May, 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.
May, 2007	Financial statements of the Registrant for the period of three months ended March 31, 2007, presented in comparative format.	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)

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Date: May 22, 2007

By: /s/Antonio Garces

-----  
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"

FINANCIAL STATEMENTS  
FOR THE PERIOD OF THREE MONTHS ENDED  
MARCH 31, 2007, PRESENTED IN COMPARATIVE FORMAT

GRUPO FINANCIERO GALICIA S.A.  
"Corporation which has not adhered to the Optional System for the Mandatory  
Acquisition of Shares in a Public Offering"

TABLE OF CONTENTS  
FINANCIAL STATEMENTS AND LIMITED REVIEW REPORT  
For the period of three months ended March 31, 2007  
presented in comparative format.  
REPORT OF THE SUPERVISORY COMMITTEE  
For the three months ended March 31, 2007.  
System established by  
Technical Regulations (N.T. 2001) of the National Securities Commission

Heading	1
Consolidated Balance Sheet	2
Consolidated Memorandum Accounts	5
Consolidated Income Statement	6
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	9
Balance Sheet	49
Income Statement	50
Statement of Shareholders' Equity	51
Statement of Cash Flows	52
Notes to Financial Statements	53
Schedules	66
Information required in addition to the Notes to Financial Statements by Section 68 of the Buenos Aires Stock Exchange regulations	71
Supplementary and Explanatory Statement by the Board of Directors required by Section 2 of the Accounting Documentation Regulations of the Cordoba Stock Exchange Regulations	73
Informative Review	75
Report of the Supervisory Committee	
Limited Review Report	

Company's Name: GRUPO FINANCIERO GALICIA S.A.  
"Corporation which has not adhered to  
the Optional System for the Mandatory  
Acquisition of Shares in a Public  
Offering"

Legal domicile: Tte. Gral. Juan D. Peron No. 456 - 2nd  
floor Autonomous City of Buenos Aires

Principal line of business: Financial and Investment Activities

9th Fiscal period  
For the three-month period commenced January 1, 2007,

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

and ended March 31, 2007, presented in comparative format.

### DATE OF REGISTRATION WITH THE PUBLIC REGISTRY OF COMMERCE

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 expiry of Company's bylaws: June 30, 2100

Name of the Controlling Company: EBA HOLDING S.A.

Principal line of business: Financial and Investment Activities

Interest held by the Controlling Company in the Shareholders' equity as of 03.31.07: 22.65 %

Percentage of votes to which the Controlling Company is entitled as of 03.31.07: 59.42 %

### Capital status as of 03.31.07 (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", face value of 0.001	5	281,222	281,222
960,185,367	Ordinary class "B", face value of 0.001	1	960,185	960,185
1,241,407,017			1,241,407	1,241,407

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"

SUPPLEMENTARY ACCOUNTING INFORMATION

CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2007

AND DECEMBER 31, 2006

(figures stated in thousands of pesos)

03.31.07  
-----

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

### ASSETS

CASH AND DUE FROM BANKS	2,062,567
- Cash	572,492
- Banks and correspondents	1,490,075
GOVERNMENT AND CORPORATE SECURITIES	2,272,385
- Holdings of investment account securities	2,108,699
- Holdings of trading securities	23,221
- Government securities without quotation	4,868
- Securities issued by the Argentine Central Bank	133,879
- Investments in listed corporate securities	2,079
- Allowances	(361)
LOANS	10,701,807
- To the non-financial public sector	2,831,666
- To the financial sector	114,301
- To the non-financial private sector and residents abroad	8,110,368
- Overdrafts	593,302
- Promissory notes	2,183,949
- Mortgage loans	727,793
- Pledge loans	77,809
- Consumer loans	633,198
- Credit card loans	2,675,810
- Others	1,097,813
- Accrued interest and quotation differences receivable	157,183
- Documented interest	(36,105)
- Unallocated collections	(384)
- Allowances	(354,528)
OTHER RECEIVABLES RESULTING FROM FINANCIAL BROKERAGE	3,840,960
- Argentine Central Bank	156,697
- Amounts receivable for spot and forward sales to be settled	189,327
- Securities receivable under spot and forward purchases to be settled	1,438,176
- Others not included in the debtor classification regulations	1,787,720
- Negotiable obligations without quotation	25,841
- Balances from forward transactions without delivery of under asset to be settled	56,776
- Others included in the debtor classification regulations	205,556
- Accrued interest interest receivable not included in the debtor classification regulations	1,707
- Accrued interest interest receivable included in the debtor classification regulations	1,397
- Allowances	(22,237)
	=====

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

2

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 MARCH 31, 2007  
AND DECEMBER 31, 2006

# Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

(figures stated in thousands of pesos)

	03.31.07
	-----
ASSETS UNDER FINANCIAL LEASES	237,980
- Assets under financial leases	240,603
- Allowances	(2,623)
EQUITY INVESTMENTS	40,472
- In financial institutions	3,088
- Others	82,978
- Allowances	(45,594)
MISCELLANEOUS RECEIVABLES	756,434
- Receivables for assets sold	15,270
- Tax on minimum presumed income - Tax credit	232,635
- Others	584,504
- Accrued interest on receivables for assets sold	206
- Other accrued interest and adjustments receivable	73
- Allowances	(76,254)
BANK PREMISES AND EQUIPMENT	504,128
MISCELLANEOUS ASSETS	284,405
INTANGIBLE ASSETS	474,786
- Goodwill	60,378
- Organization and development expenses	414,408
UNALLOCATED ITEMS	2,628
OTHER ASSETS	8,953
TOTAL ASSETS	21,187,505
	=====

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

3

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 MARCH 31, 2007

AND DECEMBER 31, 2006

(figures stated in thousands of pesos)

03.31.07

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

### LIABILITIES

DEPOSITS	11,858,053
- Non-financial public sector	79,743
- Financial sector	153,920
- Non-financial private sector and residents abroad	11,624,390
- Current accounts	2,080,096
- Savings accounts	2,647,455
- Time deposits	6,536,018
- Investment accounts	5,600
- Others	209,718
- Accrued interest and quotation differences payable	145,503
OTHER LIABILITIES RESULTING FROM FINANCIAL BROKERAGE	6,293,925
- Argentine Central Bank	380,528
- Others	380,528
- Banks and international entities	244,649
- Unsubordinated negotiable obligations	2,712,698
- Amounts payable for spot and forward purchases to be settled	1,037,942
- Securities to be delivered under spot and forward sales to be settled	189,440
- Loans from domestic financial institutions	201,937
- Balances from forward transactions without delivery of under. asset to be settled	57,307
- Other	1,378,532
- Accrued interest, adjustments and quotation difference payable	90,892
MISCELLANEOUS LIABILITIES	225,542
- Dividends payable	5,557
- Directors' and syndics' fees	3,788
- Others	216,197
- Adjustments and accrued interest payable	-
PROVISIONS	177,940
SUBORDINATED NEGOTIABLE OBLIGATIONS	798,479
UNALLOCATED ITEMS	13,460
OTHER LIABILITIES	63,861
MINORITY INTEREST IN CONSOLIDATED ENTITIES OR COMPANIES	165,913
TOTAL LIABILITIES	19,597,173
SHAREHOLDERS' EQUITY	1,590,332
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	21,187,505

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

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

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 MEMORANDUM ACCOUNTS  
 As of March 31, 2007 and December 31, 2006  
 (figures stated in thousands of pesos)

	03.31.07
	-----
DEBIT	17,238,222
	=====
CONTINGENT	7,054,825
	-----
Loans obtained	109,417
Guarantees received	5,792,443
Others not included in the debtor classification regulations	-
Contingencies re. contra items	1,152,965
	-----
CONTROL	8,042,958
	-----
Uncollectible loans	559,963
Others	7,234,174
Control re. contra items	248,821
	-----
DERIVATIVES	1,302,217
	-----
"Notional" value of forward transactions without delivery of underlying asset	861,203
Derivatives re. contra items	441,014
	-----
TRUST ACCOUNTS	838,222
	-----
Trust funds	838,222
	-----
CREDIT	17,238,222
	=====
CONTINGENT	7,054,825
	-----
Loans granted (unused balances)	643,602
Guarantees granted to the Argentine Central Bank	-
Other guarantees granted included in the debtor classification regulations	127,985
Other guarantees granted not included in the debtor classification regulations	170,637
Others included in the debtor classification regulations	156,171
Others not included in the debtor classification regulations	54,570
Contingencies re. contra items	5,901,860
	-----
CONTROL	8,042,958
	-----
Checks and drafts to be credited	248,646
Others	175
Control re. contra items	7,794,137
	-----
DERIVATIVES	1,302,217
	-----
"Notional" value of put options written	180,419
"Notional" value of forward transactions without delivery of underlying asset	260,595
Derivatives re. contra items	861,203
	-----
TRUST ACCOUNTS	838,222

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Trust liabilities re. contra items

838,222

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

5

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 three months commenced January 1, 2007 and  
 ended March 31, 2007, presented in comparative format with the  
 same period of the previous fiscal year.  
 (figures stated in thousands of pesos)

	03.31.07
	-----
FINANCIAL INCOME	476,913
	-----
Interest on cash and due from banks	3,701
Interest on loans to the financial sector	2,274
Interest on overdrafts	19,630
Interest on promissory notes	59,771
Interest on mortgage loans	20,622
Interest on pledge loans	2,454
Interest on credit card loans	90,664
Interest on other loans	40,133
Net income from government and corporate securities	10,349
Interest on other receivables resulting from financial brokerage	35,527
Net income from secured loans - Decree No. 1387/01	30,277
CER adjustment	89,946
Others	71,565
	-----
FINANCIAL EXPENSES	354,462
	-----
Interest on current account deposits	4,079
Interest on savings account deposits	1,368
Interest on time deposits	114,607
Interest on financing from the financial sector	1,276
Interest on subordinated obligations	23,228
Interest on other liabilities resulting from financial brokerage	91,630
Other interest	42,269
CER adjustment	43,225
Others	32,780
	-----
GROSS FINANCIAL MARGIN	122,451
	=====
PROVISIONS FOR LOAN LOSSES	49,366
	-----
INCOME FROM SERVICES	255,541
	-----
In relation to lending transactions	72,096
In relation to borrowing transactions	64,838
Other commissions	4,139



Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Others	114,468
	-----
EXPENSES FOR SERVICES	55,540
	-----
Commissions	26,486
Others	29,054
	=====

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

6

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 three months commenced January 1, 2007 and  
 ended March 31, 2007, presented in comparative  
 format with the same period of the previous fiscal year.  
 (figures stated in thousands of pesos)

	03.31.07
	-----
ADMINISTRATIVE EXPENSES	276,203
	-----
Personnel expenses	144,210
Directors' and syndics' fees	1,675
Other fees	8,075
Advertising and publicity	24,314
Taxes	13,577
Other operating expenses	62,270
Others	22,082
	-----
NET INCOME FROM FINANCIAL BROKERAGE	(3,117)
	=====
MINORITY INTERESTS RESULT	4,561
	-----
MISCELLANEOUS INCOME	70,269
	-----
Net income from equity investments	340
Penalty interests	374
Loans recovered and allowances reversed	30,263
CER adjustment	-
Others	39,292
	-----
MISCELLANEOUS LOSSES	63,600
	-----
Net loss from equity investments	-
Penalty interests and charges in favor of the Argentine Central Bank	7
Provisions for losses on miscellaneous receivables and other provisions	12,828
CER adjustment	7
Amortization of differences arising from court resolutions	30,498
Others	20,260
	-----
FOREIGN BRANCHES LOSS	-
	-----
NET INCOME BEFORE INCOME TAX	8,113

Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

INCOME TAX	26,249
LOSS FOR THE PERIOD	(18,136)

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

7

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 three months commenced January 1, 2007 and  
 ended March 31, 2007, presented in comparative  
 format with the same period of the previous fiscal year.  
 (figures stated in thousands of pesos)

	03.31.07
CHANGES IN CASH	
Cash and due from banks at beginning of fiscal year	2,294,849
Decrease/Increase in cash	(232,282)
Cash and due from banks at the end of the period	2,062,567
REASONS FOR CHANGES IN CASH	
Financial income collected	309,313
Income from services collected	259,116
LESS	
Financial expenses paid	(250,727)
Expenses for services paid	(55,502)
Administrative expenses paid	(258,464)
CASH PROVIDED BY OPERATING ACTIVITIES	3,736
OTHER SOURCES OF CASH	
Increase in deposits, net	1,051,187
Decrease in government and corporate securities, net	967,253
Decrease in loans, net	-
Decrease in other receivables resulting from financial brokerage, net	1,731,634
Other sources of cash	73,110
TOTAL SOURCES OF CASH	3,823,184
OTHER USES OF CASH	
Increase in loans, net	(128,489)
Increase in other receivables resulting from financial brokerage, net	-
Increase in other assets, net	(158,253)
Decrease in other liabilities resulting from financial brokerage, net	(3,689,823)
Decrease in other liabilities, net	(34,691)
Other uses of cash	(47,946)
TOTAL USES OF CASH	(4,059,202)

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

(DECREASE) / INCREASE IN CASH

(232,282)

=====

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

8

### 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 CONSOLIDATED FINANCIAL STATEMENTS

For the period of three months commenced January 1, 2007 and ended March 31, 2007, presented in comparative format.  
(figures stated in thousands of pesos)

#### NOTE 1: PRESENTATION OF FINANCIAL STATEMENTS

The consolidated Financial Statements are presented in line with the provisions of Argentine Central Bank's (B.C.R.A.) Communique "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 abovementioned regulations, the comparative information in the Balance Sheet corresponds to the end of the prior fiscal year, while that of the Income Statement, and Statement of Cash Flows corresponds to the same period of the prior fiscal year. These financial statements include the balances corresponding to the operations carried out by Banco de Galicia y Buenos Aires S.A. and its subsidiaries located in Argentina and abroad and form part of the said Bank's 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 Communique "A" 3921, Decree No. 664/2003 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.

#### NOTE 2: ACCOUNTING STANDARDS

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

##### a. FINANCIAL STATEMENT CONSOLIDATION

The financial statements of Grupo Financiero Galicia S.A. have

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

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.

### 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:

9

GRUPO FINANCIERO GALICIA S.A.  
"Corporation which has not adhered to the Optional System for the  
Mandatory Acquisition of Shares in a Public Offering"  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos)

### NOTE 2: (Continued)

#### b.1. - FOREIGN CURRENCY ASSETS AND LIABILITIES

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

As of March 31, 2007, December 31, 2006 and March 31, 2006, balances in U.S. dollars were converted applying the reference exchange rate (figures stated in pesos \$ 3.1007, \$ 3.0695 y \$ 3.0808, respectively) set by the Argentine Central Bank.

In the case of foreign currencies other than the U.S. dollars, figures 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 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".

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

The same criterion was applied in the case of holdings used in repo transactions and to the bonds to be received recorded under Other receivables resulting from financial brokerage and Miscellaneous receivables.

If the position in such bonds and the balances to be received recorded under the abovementioned captions had been marked to market, a decrease in shareholders' equity of approximately \$171,341 and \$202,299 would have been recorded as of March 31, 2007 and December 31, 2006, respectively.

### II) Holdings of trading securities:

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

### III) Without quotation:

As of March 31, 2007 and December 31, 2006, 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.

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 their "technical value", as defined in item b.4. Had these securities been valued at market price, an increase in shareholders' equity of Banco de Galicia y Buenos Aires S.A. \$ 1,475 would have been recognized.

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

10

### GRUPO FINANCIERO GALICIA S.A.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

#### NOTE 2: (Continued)

#### b) Discount bonds and GDP-linked negotiable securities

Banco de Galicia y Buenos Aires S.A. decided to participate in the exchange offered by the National Government, within the framework of the Argentine debt restructuring, opting to exchange its holdings of "Medium-Term External Notes," Series 74 and 75, for a face value of US\$ 280,471 thousand, for "Discount Bonds in Pesos" and "GDP-Linked Negotiable Securities" issued under the conditions established by Decree No. 1,735/04.

As established in that Decree, the 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.

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

As of March 31, 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, which was equal to the present value of the Secured Bonds' cash flow at that date. This valuation is reduced in the amount of perceived payments, and accrued interest is not recognized. Had these securities been valued at market price, Banco de Galicia y Buenos Aires S.A. shareholders' equity would have been reduced as of March 31, 2007 and December 31, 2006, by approximately \$ 236,669 and \$ 239,262 respectively.

IV) Securities issued by the Argentine Central Bank:  
These are recorded at the closing quoted price for each security at the end of each period/fiscal year.

Holdings without quotation were valued at their acquisition cost increased on an exponential basis according to their internal rate of return.

### b.3.b. - INVESTMENTS IN QUOTED CORPORATE SECURITIES

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

### b.4. - SECURED LOANS

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

At the date of these financial statements, their estimated realizable value exceeds their book value by \$39,100 approximately.

Said value was obtained by calculating the present value of their future cash flow of amortization and interest, based on the market rate for instruments of the same issuer. 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 March 31, 2007, was 4.84% per annum and, as of December 31, 2006, 5% per annum. The "technical value" is the adjusted amount of each instrument under contractual conditions.

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

11

### GRUPO FINANCIERO GALICIA S.A.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 2: (Continued)

b.5. - ACCRUAL OF ADJUSTMENTS, INTEREST, EXCHANGE RATE

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

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

As indicated in Note 16.1 of the consolidated financial statements for liabilities originally denominated in foreign currency and converted into pesos, the adjustment from the application of the Reference Stabilization Index (C.E.R.) was accrued in accordance with legal regulations or contractual conditions.

### b.6. - FINANCIAL TRUST DEBT SECURITIES AND PARTICIPATION CERTIFICATES

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

### b.7. - NEGOTIABLE OBLIGATIONS WITHOUT QUOTATION

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

### b.8. - ASSETS UNDER FINANCIAL LEASES

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

### b.9. - EQUITY INVESTMENTS

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

##### - CONTROLLED

##### Argentine:

These investments have been valued according to the equity method.

Banco de Galicia y Buenos Aires S.A. equity investment in Banelco S.A. as of March 31, 2007, is valued under the equity method, based on this company's December 31, 2006 financial statements, because at the date of these financial statements, more recent audited financial statements were not available.

##### Foreign:

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

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

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

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

between assets, liabilities and the allotted capital.

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

12

### GRUPO FINANCIERO GALICIA S.A.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos)

#### NOTE 2: (Continued)

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

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

#### - NON-CONTROLLED

##### Argentine:

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

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

##### Foreign:

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

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

#### b.9.b. - IN OTHER COMPANIES

##### - NON-CONTROLLED

##### Argentine:

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

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

##### Foreign:

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

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



## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

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 properties derived from a technical revaluation made in 1981, less accumulated depreciation.

The depreciation of these assets is determined based on their estimated useful lives, expressed in months. A full month's depreciation is recognized in the month in which an assets 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 state property, 120 months for furniture and fittings and 60 months for the rest of assets.

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

13

### GRUPO FINANCIERO GALICIA S.A.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos)

NOTE 2: (Continued)

#### b.11. - OTHER MISCELLANEOUS ASSETS

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

For those miscellaneous assets earmarked for sale and acquired through foreclosures, the effects of the variation in the purchasing power of the currency 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

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

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

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

Effective December 2005, through Communiqué "A" 4439 and complementary ones, the Argentine Central Bank authorized

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

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

As of March 31, 2007 and December 31, 2006, the accumulated amount of deferred amortizations is \$ 152,606 and \$ 148,673 respectively. The monthly amortization for the January - March 2007 period has been partially deferred.

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

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

### b.14. - INCOME TAX

As of March 31, 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 Argentine Central Bank regulations, which do not contemplate the application of the deferred tax method.

14

## GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the  
Mandatory Acquisition of Shares in a Public Offering"  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos)

NOTE 2: (Continued)

### b.15. - TAX ON MINIMUM PRESUMED INCOME

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

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

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

Tax credit	Date of generation	Probable offsetting date
------------	-----------------------	-----------------------------

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

11,702	2001	2010
45,158	2002	2010
43,004	2003	2010
42,037	2004	2010
46,126	2005	2010
22,073	2006	2010
19,470	2006	2011

In addition to the statement made in preceding paragraphs, as of March 31, 2007, companies controlled by Banco de Galicia y Buenos Aires S.A. record an asset of \$ 2,128 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 allocates 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 C.D. Resolution No. 93/2005, which adopts Technical Resolutions 6 to 22 issued by F.A.C.P.C.E. as the Argentine GAAP; said resolutions were amended with the purpose of unifying the Argentine GAAP and the interpretation of the accounting and auditing standards 1 to 4. The abovementioned resolution is effective for fiscal years commenced on and after January 1, 2006. On December 29, 2005, the C.N.V. adopted with certain amendments C.P.C.E.C.A.B.A.'s C.D. 93/2005.

Subsequently, on June 26, 2006 and through C.D. Resolution No. 42/2006, approved T.R. No. 23 of the F.A.C.P.C.E., effective mandatory for fiscal years beginning on and after July 1, 2006, authorizing its application in advance. Also, on December 14, 2006 the National Securities Commission approved said resolution effective April 1, 2007 allowing its application in advance.

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

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

15

GRUPO FINANCIERO GALICIA S.A.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

NOTE 2: (Continued)

### c. 1. - VALUATION CRITERIA

#### c.1.a. - ACCOUNTING FOR INCOME TAX ACCORDING TO THE DEFERRED TAX METHOD

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

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

The application of this criterion based on projections prepared by Banco de Galicia y Buenos Aires S.A., would determine deferred tax assets as of March 31, 2007, amounting to \$ 453,803.

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

##### c.1.b.1. - NATIONAL SECURED LOANS AND PROVINCIAL SECURED BONDS

On November 6, 2001, Banco de Galicia y Buenos Aires S.A. and the Companies controlled by Sudamericana Holding S.A. participated in the exchange offered by the National Government, swapping national government securities for National Secured Loans which, as of March 31, 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 "Government Securities without Quotation". As of March 31, 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.

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

a) 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 end of each fiscal year.

Said assets are allocated as collateral for financial assistance received from the Argentine Central Bank at the date of these financial statements, their estimated realizable value exceeds their book value by \$39,100 approximately.

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

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).

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

As disclosed in Note 16.1 of the consolidated financial statements, as of March 31, 2007, Banco de Galicia y Buenos Aires S.A. records an asset for \$338,773 under "Intangible Assets - Organization and Development Expenses", for the residual value of the differences resulting from compliance with court decisions on reimbursement of deposits within the framework of Law No. 25,561, Decree No. 214/02 and complementary regulations. Argentine GAAP would admit the registration of such asset and of the corresponding allowance, based on the best estimate of the recoverable amounts.

16

### GRUPO FINANCIERO GALICIA S.A.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

#### NOTE 2: (Continued)

### c.1.b.3. - COMPENSATION, PER SECTIONS 28 AND 29 OF DECREE NO. 905/2002 OF THE NATIONAL EXECUTIVE BRANCH

As of March 31, 2007 and December 31, 2006, Banco de Galicia y Buenos Aires S.A. records the government securities received and to be received in connection with the compensation established by Sections 28 and 29 of National Executive Branch's Decree No. 905/02, under the captions "Government Securities - Holdings in Investment Accounts, Other Receivables Resulting from Financial Brokerage - Other Receivables not Included in the Debtor Classification Regulations" and "Forward Purchases of Government Securities under Agreements to Repurchase," and "Miscellaneous Receivables," respectively.

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

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

### c.1.b.4. - ALLOWANCES FOR RECEIVABLES FROM THE NON-FINANCIAL PUBLIC SECTOR

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

### c.1.b.5. - DISCOUNT BONDS AND GDP-LINKED NEGOTIABLE SECURITIES

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

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

### c.1.c. - CONVERSION OF FINANCIAL STATEMENTS

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

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

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

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

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

17

## GRUPO FINANCIERO GALICIA S.A.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

### NOTE 2: (Continued)

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

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

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

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

The basic information regarding the controlled companies is presented

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

in Note 9 and Schedule C to the financial statements of Grupo Financiero Galicia S.A.

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

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

On December 6, 2006, the paperwork related to the abovementioned fusion were submitted before the Corporation Control Authority (I.G.J.), for the liquidation of B2Agro S.A and Tradecom Argentina S.A., as well as the paperwork necessary to change the corporate purpose of Net Investment S.A., which were recorded on February 1, 2007.

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

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

Sudamericana Holding S.A.'s results have been adapted to cover a three-month period as of December 31, 2006, for consolidation purposes. This company's financial statements, in turn, have been consolidated on a line-by-line basis with the financial statements of Galicia Retiro 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 pre merger commitment pursuant to which the former absorbs the assets, liabilities, and Shareholders' equity of Galicia Patrimoniales Compania de Seguros S.A., in force as from July 1, 2006. This merger was approved by the Regulatory Authority on July 7, 2006 and was recorded before the Inspection Corporation Control Authority (I.G.J) on September 25, 2006. As of December 31 and September 30, 2006, Sudamericana Holding S.A. held the following percentages:

18

GRUPO FINANCIERO GALICIA S.A.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

NOTE 3: (Continued)

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

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 March 31, 2007

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

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

As of December 31, 2006

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

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

As of March 31, 2007



Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Issuing Company	Assets	Liabilities	Shareholders' equity	Ne
Banco Galicia Uruguay S.A.	658,535	529,173	129,362	
Tarjetas Regionales S.A.	1,819,874	1,496,265	323,609	
Galicia Factoring y Leasing S.A.	4,551	444	4,107	
Galicia Valores S.A. Sociedad de Bolsa	19,496	5,723	13,773	

As of December 31, 2006 and results as of March 31, 2006

Issuing Company	Assets	Liabilities	Shareholders' equity	Ne
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 financial statements of the controlled companies were adapted to the valuation and disclosure standards set by the Argentine Central Bank and cover the same period as that of the financial statements of Banco de Galicia y Buenos Aires S.A.

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

19

GRUPO FINANCIERO GALICIA S.A.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

NOTE 3: (Continued)

The latest 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%.

The financial statements of Tarjetas Regionales S.A. as of March 31, 2007, which were used for consolidation purposes, have in turn been consolidated on a line-by-line basis with the financial statements of Tarjeta Naranja S.A., Tarjetas Cuyanas S.A. and Tarjetas del Mar S.A.,

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

in which companies Tarjetas Regionales S.A. holds a controlling interest.

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

- Directly:

Company	03.31.07	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%

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

Tarjeta Naranja S.A. is carrying out operations in order to close an investment project in the Dominican Republic for the development of a credit card business in said country, because of which the Company acquired on December 19, 2006, 99.4% of said company's capital stock. The total amount of the investment in said company at period end was \$12,230.

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

#### NOTE 4: MINORITY INTEREST IN CONSOLIDATED ENTITIES OR COMPANIES

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

The minority interest percentages as of March 31, 2007 and December 31, 2006 are the following:

Company	03.31.07	12.31.06
Banco de Galicia y Buenos Aires S.A.	6.39536%	6.39
Net Investment S.A.	0.79942%	0.79
Sudamericana Holding S.A.	0.79936%	0.79
Galicia Warrants S.A.	0.79942%	0.79
B2Agro S.A.	-	0.79
Tradecom Argentina S.A.	-	0.79
Galicia Retiro Cia. de Seguros S.A. (*)	0.79947%	0.79
Galicia Seguros S.A. (formerly known as Galicia Vida Cia. de Seguros S.A.) (*)	0.79958%	0.79
Sudamericana Asesores de Seguros S.A. (*)	0.80493%	0.80

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

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

GRUPO FINANCIERO GALICIA S.A.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos)

NOTE 4: (Continued)

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

Company	03.31.07	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%

NOTE 5: RESTRICTED ASSETS AND OTHER CONTINGENT LIABILITIES

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

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

	03.31.07	12.31.06
Minimum cash requirement in Pesos	1,286,054	1,217,511
Minimum cash requirement in foreign currency	512,550	658,751

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

I) As of March 31, 2007, the Bank's ability to dispose of the following assets corresponding to Banco de Galicia y Buenos Aires S.A. was restricted as mentioned below.

a. FUNDS, GOVERNMENT SECURITIES AND SECURED LOANS

Banco de Galicia y Buenos Aires S.A. has deposited \$ 53,035 as a guarantee to third parties, \$ 254,241 for margin requirements of repo transactions and \$ 64,617 to guarantee the transactions carried out in the Rosario Futures Exchange. Also, Secured Loans for \$410 are blocked as a result of a court order.

b. SPECIAL ESCROW ACCOUNTS

Special escrow accounts have been opened with the Argentine Central Bank as collateral for transactions involving electronic clearing houses, checks for settling debts and other similar transactions, which, as of March 31, 2007 amounted to \$ 151,064.

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

- c. DEPOSITS IN FAVOR OF THE ARGENTINE CENTRAL BANK
- Unavailable deposits related to foreign exchange transactions \$ 533.
  - For securities held in custody to act as register agent and book-entry Mortgage securities held in custody, \$ 1,166.

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:

21

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the Mandatory Acquisition of Shares in a Public Offering"  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos)

NOTE 5: (Continued)

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

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

In addition, Banco de Galicia y Buenos Aires S.A. and the other shareholders had committed, in certain circumstances, to provide financial support to those companies if they were unable to honor the commitments they have undertaken with international financial institutions. It is worth mentioning that as of March 31, 2007; only the commitment related to Aguas Cordobesas S.A. is outstanding.

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

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

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

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

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

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

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 Executive Branch decided to rescind the concession contract with Aguas Argentinas S.A. alleging the concessionaire's fault.

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

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

As 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.

22

### GRUPO FINANCIERO GALICIA S.A.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

#### NOTE 5: (Continued)

##### e. GUARANTEES GRANTED FOR DIRECT OBLIGATIONS

As of March 31, 2007, Banco de Galicia y Buenos Aires S.A. has recorded \$ 79,277 as collateral for credit lines granted by the IFC, and the related transactions have been allocated to the resources provided by IFC.

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

II) As of March 31, 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:

As of March 31, 2007, this company holds three shares of Mercado de Valores de Buenos Aires S.A. which are allocated to securing an insurance covering its transactions for \$6,360. As of prior fiscal year's end, the total amount was \$6,360.

##### b. TARJETAS CUYANAS S.A.:

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

As of March 31, 2007 and December 31, 2006, the company's ability to dispose of time deposits for \$600 and \$80 was restricted because these amounts were earmarked as guarantee for two collection agreements signed with the Revenue Board of the Province of Mendoza and Telefonica de Argentina, respectively.

In addition, assets for \$40,000 were granted as collateral for loans from several financial institutions, which balance of principal plus accrued interest at period end amounts to \$30,425, while at fiscal year end it amounted to \$40,450.

### c. TARJETA NARANJA S.A.

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

Also, \$ 55,000 have been recorded under Memorandum Accounts, for collateral of credit lines to financial institutions.

### d. BANCO GALICIA URUGUAY S.A.:

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

III) As of March 31, 2007, the Bank's ability to dispose of the following assets corresponding to Galval Agente de Valores S.A. was restricted as mentioned below.

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

## NOTE 6: GOVERNMENT AND CORPORATE SECURITIES

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

As of March 31, 2007 and December 31, 2006, holdings of Government and corporate securities were as follows:

23

### GRUPO FINANCIERO GALICIA S.A.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(figures stated in thousands of pesos)

## NOTE 6: (Continued)

03.31.07

Government Securities With quotation Recorded at market value  
For trading purposes:

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Government bonds	22,857
Other	364
Less: Valuation allowance	(361)
	-----
Total trading securities	22,860
	-----
Recorded at cost after amortization	
In investment accounts	
Government bonds (Boden 2012)	2,108,699
	-----
Total securities in investment accounts	2,108,699
	-----
Securities issued by the Argentine Central Bank	
Securities with quotation	133,879
	-----
Total securities issued by the Argentine Central Bank	133,879
	-----
Without quotation	
Government bonds	4,868
	-----
Total securities without quotation	4,868
	-----
Total government securities	2,270,306
	-----
Corporate Securities	
Negotiable obligations (with quotation)	2,079
	-----
Total corporate securities	2,079
	-----
Total government and corporate securities	2,272,385
	=====

### 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 Argentine Central Bank regulations, Banco de Galicia

## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

y Buenos Aires S.A. must disclose the breakdown of its loan portfolio to: the non-financial public sector, the financial sector and the non-financial private sector and residents abroad.

In addition, Banco de Galicia y Buenos Aires S.A. must disclose the type of collaterals established on the applicable loans to the non-financial private sector and the pledges granted on loans (preferred guarantees relative to a registered senior pledge).

24

GRUPO FINANCIERO GALICIA S.A.  
 "Corporation which has not adhered to the Optional System for the  
 Mandatory Acquisition of Shares in a Public Offering"  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
 (figures stated in thousands of pesos)

NOTE 7: (Continued)

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

	03.31.07	12.31.06
	-----	-----
Non-financial public sector	2,831,666	2,739,282
Financial sector	114,301	311,623
Non-financial private sector and residents abroad	8,110,368	7,790,689
With preferred guarantees	1,130,153	1,076,170
With other collateral	1,353,526	1,307,511
Without collateral	5,626,689	5,407,008
	-----	-----
Subtotal	11,056,335	10,841,594
Allowance for loan losses	(354,528)	(327,042)
	-----	-----
Total	10,701,807	10,514,552
	=====	=====

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

NOTE 8: EQUITY INVESTMENTS

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

	03.31.07	12.31.06
	-----	-----
In financial institutions, complementary and authorized activities		
Banco Latinoamericano de Exportaciones S.A.	1,538	
Banelco S.A.	8,926	
Mercado de Valores de Buenos Aires S.A.	8,050	
Visa Argentina S.A.	951	
Others	2,394	
	-----	-----



## Edgar Filing: GRUPO FINANCIERO GALICIA SA - Form 6-K

Total equity investments in financial institutions, complementary and authorized activities	21,859	
In non-financial institutions		
AEC S.A.	10,656	
Aguas Argentinas S.A.	23,370	
Aguas Cordobesas S.A.	8,911	
Aguas Provinciales de Santa Fe S.A. (In liquidation)	10,771	
Electrigral S.A.	5,455	
Others	5,044	
Total equity investments in non-financial institutions	64,207	
Allowance for loan losses	(45,594)	
Total equity investments	40,472	

NOTE 9: INTANGIBLE ASSETS - GOODWILL

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

	03.31.07	12.31.06
In banks	42,813	45,192
Companies issuing regional credit cards	17,565	19,973
Total	60,378	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 to Banco de Galicia y Buenos Aires S.A., as fiduciary property, amounts to be invested according to the following detail:

25

GRUPO FINANCIERO GALICIA S.A.

"Corporation which has not adhered to the Optional System for the  
Mandatory Acquisition of Shares in a Public Offering"  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
(figures stated in thousands of pesos)

NOTE 10: (Continued)

			Trust fund balance	
Date of contract	Trustor	\$	In thousands of US\$	Due