

GRUPO FINANCIERO GALICIA SA

Form 20-F

April 29, 2016

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AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON APRIL 29, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20 F

(Mark One)

Registration Statement pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934
or

Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the fiscal year ended December 31, 2015

or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the transition period from _____ to _____

or

Shell Company Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of event requiring this Shell Company Report

Commission File Number 000-30852

GRUPO FINANCIERO GALICIA S.A.

(Exact name of Registrant as specified in its charter)

GALICIA FINANCIAL GROUP

(Translation of Registrant's name into English)

REPUBLIC OF ARGENTINA

(Jurisdiction of incorporation or organization)

Grupo Financiero Galicia S.A.

Tte. Gral. Juan D. Perón 430, 25th floor

C1038 AAJ-Buenos Aires, Argentina

(Address of principal executive offices)

Pedro A. Richards, Chief Executive Officer

Tel: 54 11 4 343 7528 / Fax: 54 11 4 331 9183, prichards@gfgsa.com

Perón 430, 25° Piso C1038AAJ Buenos Aires ARGENTINA

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

American Depositary Shares, each representing ten Class B ordinary Shares

**Name of each exchange on which registered
Nasdaq Capital Market**

Title of each class

**Class B Ordinary Shares, Ps.1.00 par value, (not for trading but only in connection with the listing of the American Depositary Shares on the Nasdaq Capital Market)
Securities registered or to be registered pursuant to Section 12(g) of the Act:**

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

Class A Ordinary Shares, Ps.1.00 par value	281,221,650
Class B Ordinary Shares, Ps.1.00 par value	1,019,042,947

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and larger accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards Other

As issued by the International Accounting Standards Board

Indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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PRESENTATION OF FINANCIAL INFORMATION

Grupo Financiero Galicia S.A. (Grupo Financiero Galicia or Grupo Galicia) is a financial services holding company incorporated in Argentina and is one of Argentina's largest financial services groups. In this annual report, references to we , our , and us are to Grupo Financiero Galicia and its consolidated subsidiaries, except where otherwise noted. Our consolidated financial statements consolidate the accounts of the following companies:

Grupo Financiero Galicia;

Banco de Galicia y Buenos Aires S.A. (Banco Galicia or the Bank), our largest subsidiary, consolidated with (i) Banco Galicia Uruguay S.A. (in liquidation) (Galicia Uruguay), (ii) Galicia Cayman S.A. (Galicia Cayman), only until September 30, 2014 as on October 1, 2014 it was merged into Banco Galicia, (iii) Tarjetas Regionales S.A. (Tarjetas Regionales) and its operating subsidiaries, (iv) Tarjetas del Mar S.A. (Tarjetas del Mar), (v) Galicia Valores S.A., (vi) Galicia Administradora de Fondos S.A. Sociedad Gerente de Fondos Comunes de Inversión (Galicia Administradora de Fondos) but only until March 31, 2014, as on April 1, 2014 it was sold to Grupo Financiero Galicia, (vii) Compañía Financiera Argentina S.A. (Compañía Financiera Argentina or CFA) and (viii) Cobranzas y Servicios S.A. (collectively, Banco Galicia or the Bank except where otherwise noted);

Sudamericana Holding S.A. (Sudamericana) and its subsidiaries;

Galicia Warrants S.A. (Galicia Warrants);

Net Investment S.A. (Net Investment);

Galicia Administradora de Fondos (consolidated with Grupo Financiero Galicia since April 2014); and

Galval Agente de Valores S.A. (Galval), the results of which were consolidated only during the first half of fiscal year 2012, since on September 4, 2012, the Board of Directors of Grupo Financiero Galicia (the Board of Directors) approved the sale of 100% of its interest in Galval. Such transaction was approved by the Central Bank of Uruguay in June 2013 and was consummated on June 12, 2013.

We maintain our financial books and records in Argentine Pesos and prepare our financial statements in conformity with the accounting rules of the Argentine Central Bank, which entity prescribes the generally accepted accounting principles for all financial institutions in Argentina. This annual report refers to those accounting principles as

Argentine Banking GAAP . Argentine Banking GAAP differs in certain relevant respects from generally accepted accounting principles in Argentina, which we refer to as Argentine GAAP . Argentine Banking GAAP also differs in certain significant respects from the generally accepted accounting principles in the United States, which we refer to as U.S. GAAP . See Note 33 to our audited consolidated financial statements included in this annual report for a description of the differences between Argentine GAAP and Argentine Banking GAAP, and Note 36 to our audited consolidated financial statements included in this annual report for a discussion of the principal differences between

Argentine Banking GAAP and U.S. GAAP and a reconciliation to U.S. GAAP of our net income for the three fiscal years ended December 31, 2015 and total shareholders' equity as of December 31, 2015 and 2014, and Item 5.

Operating and Financial Review and Prospects - Item 5.A. Operating Results-U.S. GAAP and Argentine Banking GAAP Reconciliation .

In this annual report, references to US\$ and Dollars are to United States Dollars and references to Ps. or Pesos are to Argentine Pesos. The exchange rate used in translating Pesos into Dollars and used in calculating the convenience translations included in the following tables is the Reference Exchange Rate which is published by the Argentine Central Bank and which was Ps.13.0050, Ps.8.5520 and Ps.6.5180 per US\$1.00 as of December 31, 2015, December 31, 2014 and December 31, 2013, respectively. The exchange rate translations contained in this annual report should not be construed as representations that the stated Peso amounts actually represent or have been or could be converted into Dollars at the rates indicated or at any other rate.

Our fiscal year ends on December 31, and references in this annual report to any specific fiscal year are to the twelve-month period ended December 31 of such year.

Unless otherwise indicated, all information regarding deposit and loan market shares and other financial industry information has been derived from information published by the Argentine Central Bank.

We have expressed all amounts in millions of Pesos, except percentages, ratios, multiples and per-share data.

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Certain figures included in this annual report have been rounded for purposes of presentation. Percentage figures included in this annual report have not been calculated on the basis of such rounded figures but rather on the basis of such amounts prior to rounding. For this reason, percentage amounts in this annual report may vary from those obtained by performing the same calculations using the figures in the financial statements. Certain numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that preceded them due to rounding.

FORWARD LOOKING STATEMENTS

This annual report contains forward-looking statements that involve substantial risks and uncertainties, including, in particular, statements about our plans, strategies and prospects under the captions Item 4. Information on the Company-Capital Investments and Divestitures, Item 5. Operating and Financial Review and Prospects -Item 5.A. Operating Results-Principal Trends and Item 5.B. Liquidity and Capital Resources. All statements other than statements of historical facts contained in this annual report (including statements regarding our future financial position, business strategy, budgets, projected costs and management's plans and objectives for future operations) are forward-looking statements. In addition, forward-looking statements generally can be identified by the use of such words as may, will, expect, intend, estimate, anticipate, believe, continue or other similar terminology. We believe that the expectations reflected in these forward-looking statements are reasonable, no assurance can be provided with respect to these statements. Because these statements are subject to risks and uncertainties, actual results may differ materially and adversely from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially and adversely from those contemplated in such forward-looking statements include but are not limited to:

changes in Argentine government regulations applicable to financial institutions, including tax regulations and changes in or failures to comply with banking or other regulations;

changes in general political, legal, social or other conditions in Argentina, Latin America or abroad;

fluctuations in the Argentine rate of inflation;

changes in capital markets in general that may affect policies or attitudes toward lending to Argentina or Argentine companies, including expected or unexpected turbulence or volatility in domestic or international financial markets;

changes in the macroeconomic situation at the regional, national or international levels, and the influence of these changes on the microeconomic conditions of the financial markets in Argentina;

increased competition in the banking, financial services, credit card services, insurance, asset management, mutual funds and related industries;

changes in interest rates which may, among other things, adversely affect margins;

a loss of market share by any of Grupo Financiero Galicia's main businesses;

a change in the credit cycle, increased borrower defaults and/or a decrease in the fees charged to clients;

Grupo Financiero Galicia's subsidiaries inability to sustain or improve their performance;

Banco Galicia's inability to obtain additional debt or equity financing on attractive conditions or at all, which may limit its ability to fund existing operations and to finance new activities;

technological changes and changes in Banco Galicia's ability to implement new technologies;

changes in the saving and consumption habits of its customers and other structural changes in the general demand for financial products, such as those offered by Banco Galicia;

possible financial difficulties of the Argentine government;

volatility of the Peso and the exchange rates between the Peso and foreign currencies; and

other factors discussed under Item 3. Key Information - Item 3.D. Risk Factors in this annual report.

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You should not place undue reliance on forward-looking statements, which speak only as of the date that they were made. Moreover, you should consider these cautionary statements in connection with any written or oral forward-looking statements that we may issue in the future. We do not undertake any obligation to release publicly any revisions to forward-looking statements after completion of this annual report to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

In light of the risks and uncertainties described above, the forward-looking events and circumstances discussed in this annual report might not occur and are not guarantees of future performance.

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Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information**Item 3.A. Selected Financial Data**

The following table presents summary historical financial and other information about us as of the dates and for the periods indicated.

Our financial statements do not include any effect for inflation accounting other than the adjustments to non-monetary assets through February 28, 2003.

The selected consolidated financial information as of December 31, 2015, and December 31, 2014, and for the three fiscal years ended December 31, 2015, has been derived from our audited consolidated financial statements included in this annual report. The selected consolidated financial information as of December 31, 2013, December 31, 2012, and December 31, 2011, and for the fiscal years ended December 31, 2012, and December 31, 2011, has been derived from our audited consolidated financial statements not included in this annual report.

You should read this data in conjunction with Item 5. Operating and Financial Review and Prospects and our audited consolidated financial statements included in this annual report.

	Fiscal Year Ended December 31,					
	2015	2015	2014	2013	2012	2011
	<i>(in millions of Dollars, except as noted)⁽¹⁾</i>					
	<i>Unaudited</i>	<i>(in millions of Pesos, except as noted)⁽¹⁾</i>				
Consolidated Income Statement in Accordance with Argentine Banking GAAP						
Financial Income	1,987	25,844	19,860	13,076	9,129	6,018

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Financial Expenses	1,031	13,402	10,321	6,170	3,941	2,274
Net Financial Income ⁽²⁾	956	12,442	9,539	6,906	5,188	3,744
Provision for Losses on Loans and Other Receivables	170	2,214	2,411	1,776	1,347	843
Income before Taxes	549	7,139	5,330	3,056	2,125	1,861
Income Tax	(215)	(2,801)	(1,992)	(1,232)	(789)	(754)
Net Income / (Loss)	334	4,338	3,338	1,824	1,336	1,107
Basic Earnings / (Loss) per Share (in Pesos)	0.26	3.34	2.57	1.45	1.08	0.89
Diluted Earnings / (Loss) per Share (in Pesos)	0.26	3.34	2.57	1.45	1.08	0.89
Cash Dividends per Share (in Pesos)	0.01	0.12	0.08	0.03	0.02	0.01
Book Value per Share (in Pesos)	0.86	11.14	7.88	5.34	3.92	2.86
Amounts in Accordance with U.S. GAAP						
Net Income / (Loss)	333	4,336	3,504	1,575	1,310	867
Basic and Diluted Earnings / (Losses) per Share (in Pesos)	0.26	3.33	2.70	1.27	1.06	0.70
Book Value / (Deficit) per Share (in Pesos)	0.85	11.06	7.88	5.34	4.12	3.12
Financial Income	1,997	25,978	20,032	13,109	9,187	5,986
Financial Expenses	1,032	13,416	10,343	6,178	3,923	2,241

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Net Financial Income / (Loss)	965	12,562	9,689	6,931	5,264	3,745
Provision for Losses on Loans and Other Receivables	170	2,213	2,400	1,795	1,338	888
Income Tax	203	2,647	1,890	1,176	780	679

**Consolidated Balance Sheet in Accordance with
Argentine Banking GAAP**