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BANCO DE GALICIA Y BUENOS AIRES S.A. REPORTS EARNINGS
FOR THE QUARTER ENDED MARCH 31, 2005

(Buenos Aires, Argentina, May 12, 2005) – Banco de Galicia y Buenos Aires S.A. (the “Bank”, Buenos Aires Stock Exchange: GALI) today announced its financial results for the first quarter of FY 2005, ended March 31, 2005.

- **The Bank showed a Ps.17.0 million net income in the first quarter of FY 2005, compared with losses of Ps. 73.4 million and Ps.40.3 million in the first and fourth quarters of FY 2004, respectively.**
- **Excluding the Ps.29.2 million loss from adjustments to the valuation of public-sector assets in accordance with Argentine Central Bank rules, and the Ps.32.6 million amortization of *amparo* claims, the quarter showed a Ps.78.8 million adjusted net income⁽¹⁾, compared with Ps.3.0 million for the first quarter of FY 2004 and Ps.118.4 million for the fourth quarter of the prior year.**
- **The Bank has continued growing its operating income, in the context of constant increases in its activity level and business volume and asset quality improvement.**
- **The Bank’s estimated market share of private-sector total deposits and loans reached 7.53% and 7.08%, respectively, up 1.63 and 0.19 percentage points from a year before.**
- **The Bank’s total exposure to the private sector was Ps.5,800 million, 5.7% higher than in the previous quarter.**
- **The coverage of cash operating expenses⁽²⁾ with income from services⁽³⁾ reached 91,38% and the break-even operating spread⁽⁴⁾ before credit risk was only 0.63% per annum.**
- **Beginning in this quarter, information shown in this report is consolidated line by line with the regional credit card companies (see “*Information Disclosure*”).**

(1) Net income excluding: (i) the adjustment to the valuation of Secured Loans, Bogar and securities included in the exchange offer to restructure Argentina’s foreign debt, in accordance with Argentine Central Bank rules; and (ii) the amortization of *amparo* claims.

(2) Administrative expenses minus amortization, depreciation and restructuring charges, plus expenses from services.

(3) Income from services including income from FX brokerage and excluding financial fees.

(4) Administrative expenses minus net income from services as defined in (3), per unit of average interest-earning assets.

NET INCOME FOR THE QUARTER ENDED MARCH 31, 2005

Net income for the first quarter of FY 2005 was Ps.17.0 million, compared with the Ps.73.4 million and Ps.40.3 million losses in the first and the fourth quarters of FY 2004, respectively. Excluding the Ps.29.2 million loss from the adjustment to the valuation of Secured Loans, Bogar and government securities included in the exchange offer to restructure Argentina's foreign debt, in accordance with Argentine Central Bank rules, and the Ps.32.6 million amortization of amparo claims, the quarter showed a Ps.78.8 million adjusted net income, compared with Ps.3.0 million for the first quarter of FY 2004 and Ps.118.4 million for the fourth quarter of the prior year.

When compared with the same quarter of the previous fiscal year, the growth of the adjusted net income mainly resulted from the Ps.55.2 million increase in the adjusted net operating income⁽¹⁾, the Ps.37.4 million decrease in loan loss provisions, and the Ps.9.1 million increase in net other income. These higher results were offset by the Ps.17.1 million increase in administrative expenses and the Ps.13.1 million increase in income tax.

The quarter's adjusted net operating income totaled Ps.211.2 million, with a 35.4% increase from Ps.156.0 million recorded in the same quarter of the previous FY. This increase was due both to a Ps.39.3 million increase in the adjusted net financial income and to higher net income from services, which grew Ps.15.9 million.

Table I	<i>In pesos</i>		
	FY 2005	FY 2004	
Earnings per Share	1st Q	4th Q	1st Q
Total Average Shares (in thousands)	468,662	468,662	468,662
Book Value per Share	2.593	2.557	2.632
Earnings per Share	0.036	(0.086)	(0.157)

INFORMATION DISCLOSURE

With the purpose of allowing a better analysis and unifying the presentation to the market of our financial information, beginning in this quarter, the data shown in the tables and the consolidated financial statements of this report correspond to Banco de Galicia y Buenos Aires S.A. consolidated line by line with the subsidiaries under its direct or indirect control. The "Bank" refers to the consolidated Banco de Galicia y Buenos Aires S.A., unless there is any clarification of the contrary.

Therefore, the Bank's consolidated financial statements and the figures included in the different tables of this report correspond to Banco de Galicia y Buenos Aires S.A., Banco Galicia Uruguay S.A. ("Galicia Uruguay") and its subsidiaries, Tarjetas Regionales S.A. and its subsidiaries, Galicia Capital Markets S.A. and its subsidiaries, Galicia Factoring y Leasing S.A., Agro Galicia S.A. and Galicia Valores S.A. Sociedad de Bolsa.

For comparison purposes, previous-quarters' figures included in the tables and exhibits of this report were also modified, consequently with the aforementioned change.

(1) Adjusted net financial income⁽²⁾ plus net income from services.

(2) Adjusted net financial income: Net financial income excluding the adjustment to the valuation of Secured Loans, Bogar and government securities included in the exchange offer of Argentina's foreign debt, in accordance with Argentine Central Bank rules.

1st QUARTER OF FY 2005 RESULTS

Table II	Percentages		
	FY 2005	FY 2004	
Profitability and Efficiency	1 st Q	4 th Q	1 st Q
Return on Average Assets ^(*)	0.39	(0.61)	(1.22)
Return on Average Shareholders' Equity ^(*)	5.63	(13.17)	(22.31)
Financial Margin ^(*) (1)	1.24	(1.52)	0.14
Net Income from Services as a % of Operating Income ⁽²⁾	64.01	288.15	93.06
Net Income from Services as a % of Administrative Expenses ⁽³⁾	73.50	74.01	71.15
Administrative Expenses ⁽³⁾ as a % of Operating Income ⁽²⁾	87.09	389.34	130.80

(*) Annualized.

(1) Financial Margin: Financial income minus financial expenses plus monetary loss from financial intermediation, divided by average interest-earning assets.

(2) Net Operating Income: Net Financial Income plus net income from services plus monetary loss from financial intermediation.

(3) Administrative expenses minus monetary gain from operating expenses.

The quarter's net financial income was Ps.65.5 million, up Ps.58.0 million from the first quarter of the prior fiscal year. Excluding the Ps.29.2 million loss resulting from the valuation adjustment of public-sector assets, the quarter's net financial income amounted to Ps.94.7 million, while that of the same quarter of the prior fiscal year amounted to Ps.55.4 million.

Net financial income includes a Ps.12.5 million profit from quotation differences, composed of a Ps.12.7 million gain from FX brokerage and a Ps.0.2 million loss from the revaluation of the Bank's foreign-currency net asset position. The result from quotation differences in the same quarter of the prior fiscal year was Ps.7.9 million loss, due to a Ps.20.6 million loss from the revaluation of the foreign-currency net asset position, and a Ps.12.7 million gain from FX brokerage. The decrease in the loss from the revaluation of the foreign-currency net position was not only the consequence of a lower appreciation of the peso vis-a-vis the US dollar, but also of the reduction on the Bank's net asset position between March 31, 2004 and 2005.

The remaining adjusted net financial income for Ps.82.2 million, mainly reflects the gains associated with the peso-denominated and the CER-adjusted matched portfolios and the funding of the net positions in CER-adjustable and dollar-denominated assets with peso-denominated liabilities. These profits were partially offset by the loss from the dollar-denominated matched portfolio.

The Ps.18.9 million increase in the adjusted net financial income for the quarter, excluding quotation difference results, was mainly due to a 379 basis points ("b.p.") increase in the average yield on interest-earning assets, which grew from 6.29% in the first quarter of FY 2004 to 10.08% in the quarter. Both yields exclude the loss from the adjustments to the valuation of public-sector assets.

The increase in the average rate on interest-earning assets during this quarter was mainly due to the growth observed in: (i) the CER index (mainly associated to the return on Bogar, Secured Loans and CER-adjusted loans to the private sector) which grew 0.76% quarterly in the first quarter of 2004 and 3.10% quarterly in the same quarter of 2005; and (ii) the Libo rate, associated to the return on the Boden 2012 received and to be received in connection with the compensation for the asymmetric pesification.

The average cost of funds experienced a 358 b.p. increase. Alike the average rate on interest-earning assets, this increase mainly reflects the increase in the CER index and in the Libo rate accrued by a portion of the dollar-denominated debt.

Average balances in millions of pesos. Yields and rates in annualized nominal %

Table III Average Balances, Yield and Rates ^(*)	FY 2005						FY 2004			
	1 st Q		4 th Q		3 rd Q		2 nd Q		1 st Q	
	Av. B.	Int.	Av. B.	Int.	Av. B.	Int.	Av. B.	Int.	Av. B.	Int.
Interest-Earning Assets	21,182	9.53	20,950	4.07	20,693	6.65	20,422	7.79	20,874	5.37
Government Securities ^(**)	5,666	8.28	5,762	(2.83)	2,162	1.86	2,194	0.91	2,838	2.32
Loans	9,008	14.61	8,584	9.76	12,164	9.56	12,016	11.61	11,786	7.80
- Private Sector	4,479	14.84	4,111	11.04	4,204	10.94	4,156	12.99	4,012	14.96
- Public Sector	4,529	14.38	4,473	8.57	7,960	8.82	7,860	10.88	7,774	4.10
Other	6,508	3.56	6,604	2.71	6,367	2.71	6,212	2.83	6,250	2.17
- Financial Trust	917	9.78	911	6.68	904	6.68	890	9.50	875	6.62
- Government Securities to be Received	4,681	2.46	4,704	1.92	4,727	1.68	4,604	1.19	4,597	1.16
Other	910	3.14	989	2.80	736	3.94	718	3.79	778	2.47
Interest-Bearing Liabilities	19,564	9.09	19,066	6.14	18,775	6.52	18,029	4.94	18,594	5.51
Demand Accounts	654	1.74	514	1.48	461	1.21	437	0.93	325	0.66
Savings Accounts	1,212	0.37	1,157	0.36	1,104	0.36	986	0.40	892	0.53
Time Deposits and Restructured Deposits	3,937	5.61	3,543	3.96	3,317	4.07	3,045	4.59	3,391	3.67
Debt Securities ^(***)	4,117	6.22	4,125	6.35	4,238	5.27	3,183	(11.57)	2,477	5.21
Argentine Central Bank	8,205	14.28	8,237	7.93	8,200	9.49	8,121	10.51	8,105	6.29
Other	1,439	7.78	1,490	6.93	1,455	5.31	2,257	11.41	3,404	7.48

(*) Does not include quotation differences and the monetary result from financial intermediation. Annual rates were calculated using a 360-day denominator.

(**) The 4th Q of FY 2004 interest rate includes the Ps.106.0 million loss from the adjustment to the valuation of the External Notes.

(***) For the 2nd quarter of FY 2004, the interest rate reflects the net profit (both from principal reduction and interest adjustment) generated by the restructuring of the Bank's foreign debt.

Provisions for loan losses for the quarter amounted to Ps.18.2 million, Ps.37.4 million lower than in the same quarter of the previous fiscal year. This lower charge is in line with the improvement in the loan portfolio quality.

Net income from services amounted to Ps.116.5 million, up 15.8% from the Ps.100.6 million recorded during the first quarter of the previous fiscal year. All of the components of income from services grew, mainly as a consequence of a significant increase in the volume of transactions together with increases in the price of certain services during the fourth quarter of FY 2004. The increases in income from credit-related and financial fees and fees from foreign trade, deposits, insurance and credit and debit cards were the most significant.

In millions of pesos

Table IV Income from Services, Net	FY 2005				FY 2004
	1st Q	4th Q	3rd Q	2nd Q	1st Q
National Cards	30.1	29.7	28.4	26.9	26.7
Regional Credit Cards	52.8	55.9	51.1	54.2	47.4
Deposit Accounts	23.2	22.5	20.2	19.2	18.4
Insurance	8.0	7.6	7.1	6.6	6.0
Financial Fees	3.9	3.7	3.4	3.0	2.7
Credit-Related	2.6	3.3	2.1	2.0	1.4
Foreign Trade	5.4	6.6	5.2	4.3	3.8
Collections	2.7	2.7	2.6	2.6	2.2
Utility-Bills Collection Services	2.2	2.2	2.2	2.0	1.9
Mutual Funds	0.4	0.4	0.4	0.4	0.4
Other	10.5	10.2	9.1	8.3	9.6
Total Income	141.8	144.8	131.8	129.5	120.5
Total Expenditures	25.3	23.2	24.3	22.0	19.9
Income from Services, Net	116.5	121.6	107.5	107.5	100.6

Administrative expenses for the quarter totaled Ps.158.5 million, up 12.1% from the same quarter of the previous fiscal year. This variation was due to a 26.7% increase in personnel expenses, while the remaining items remained practically unchanged from the first quarter of FY 2004 level.

Income from equity investments amounted to Ps.2.8 million, Ps.1.9 million higher than in the first quarter of FY 2004. This variation was mainly due to the Ps.1.2 million and Ps.0.8 million profits from the Bank's interests in Mercado de Valores de Buenos Aires S.A. and Sudamericana Holding S.A., respectively.

Net other income amounted to Ps.29.0 million, 45.7% higher than the Ps.19.9 million recorded in the first quarter of FY 2004, mainly as a consequence of the reversal of reserves established during previous fiscal years, both for loan losses and other contingencies.

The income tax charge amounted to Ps.14.3 million, Ps.13.1 million higher than in the first quarter of FY 2004. This charge mainly corresponds to the regional credit card companies.

LEVEL OF ACTIVITY

Total gross loans amounted to Ps.9,529 million, 8.9% higher than the Ps.8,754 million recorded as of March 31, 2004. As of March 31, 2005, Ps.4,730 million corresponded to loans to the financial and non-financial public sectors, and the remaining Ps.4,799 million represented loans to the private sector. As of March 31, 2004, these amounted to Ps.4,488 million and Ps.4,266 million, respectively.

Excluding the regional credit-card companies, the Bank's estimated private-sector loan market share increased to 7.08% from 6.89% as of March 31, 2004. Considering total loans of the Argentine financial system, the Bank's market share decreased from 13.60% to 9.42%. This decrease was due to the reclassification of the Bank's Bogar holdings in the "Government Securities" account, made during the fourth quarter of FY 2004 (see Table X).

Beginning in this quarter, Table V is included showing the Bank's total exposure to the private sector. Such exposure grew 9.1% from the March 31, 2004 level and an annualized 24.8% during the quarter. The Ps.114 million decrease in securitized loans, from the amount as of December 31, 2004, was mainly due to the fact that, in January 2005, the Galicia Mortgage Trust was terminated in advance (see "Recent Developments"). As a result, mortgage loans in the amount of Ps.172 million were added to the Bank's loan portfolio.

In millions of pesos

Table V Exposure to the Private Sector	FY 2005				FY 2004
	1st Q	4th Q	3rd Q	2nd Q	1st Q
Loans	4,799	4,389	4,229	4,440	4,266
Leasing	111	103	81	52	34
Corporate Securities	19	20	80	102	98
Other Financing ⁽¹⁾	637	627	562	667	655
Total Credit	5,566	5,139	4,952	5,261	5,053
Securitized Loans ⁽²⁾	234	348	331	257	265
Total	5,800	5,487	5,283	5,518	5,318

(1) Includes certain accounts under the balance sheet heading *Other Receivables from Financial Brokerage, Guarantees Granted and Unused Balances of Loans Granted*.

(2) As of March 31, 2005, includes loans outstanding recorded by the Galtrust II and V trusts, the Galicia Personal Loans Trust and securitized by the regional credit-card companies.

The growth observed in private-sector loans during the last year was focused on the individuals and small-and-middle-sized companies segments, generating an increase in the Bank's exposure to the consumer, agricultural & livestock, manufacturing and retail & wholesale trade sectors.

In millions of pesos

Table VI Loans by Type of Borrower	FY 2005				FY 2004
	1st Q	4th Q	3rd Q	2nd Q	1st Q
Large Corporations	1,456	1,272	1,388	1,557	1,780
Middle-Market Companies	1,262	1,197	1,107	1,153	889
Individuals	1,740	1,511	1,455	1,469	1,382
Financial Sector	446	532	419	419	393
Non-Financial Public Sector	4,625	4,514	4,458	4,384	4,310
Total Loans	9,529	9,026	8,827	8,982	8,754
Allowances	593	633	901	1,067	1,105
Total Loans, Net	8,936	8,393	7,926	7,915	7,649

In millions of pesos

Table VII Loans by Economic Sector	FY 2005				FY 2004
	1st Q	4th Q	3rd Q	2nd Q	1st Q
Financial Sector	446	532	419	419	393
Services	5,154	5,032	5,101	5,243	5,206
- Non-Financial Public Sector	4,625	4,514	4,458	4,384	4,310
-Other Services	529	518	643	859	896
Agriculture & Livestock	594	588	556	528	474
Consumer	1,725	1,435	1,380	1,401	1,315
Retail & Wholesale Trade	410	385	358	347	347
Construction	357	373	377	381	405
Manufacturing	732	629	591	615	554
Other	111	52	45	48	60
Total Loans	9,529	9,026	8,827	8,982	8,754
Allowances	593	633	901	1,067	1,105
Total Loans, Net	8,936	8,393	7,926	7,915	7,649

The Bank's net exposure to the Argentine financial and non-financial public sectors (shown in Table VIII) decreased 1.5% from March 31, 2004. The main variations were a Ps.616 million decrease in the Boden 2012 balance, due to their use to settle the exchange offer made by Galicia Uruguay and the restructuring of the Bank's foreign debt completed in May 2004, and a Ps.396 million increase in the balance of government securities held for trading, reflecting the increase in the Bank's holdings of Lebac during the first quarter of FY 2005. As of March 31, 2005, such holdings amounted to Ps.627 million.

The Bank's liabilities with the Argentine Central Bank increased to Ps.8,549 million, up 3.5% from the Ps.8,256 million as of March 31, 2004. This variation was due to: (i) a Ps.431 million increase in the advance for the purchase of the hedge bond, given the final conformation of amounts in dispute with the Argentine Central Bank in connection with the compensation for the asymmetric pesification (see "Recent Developments") and the increase in the CER during the year; and (ii) a Ps.139 million decrease in the balance of the financial assistance from the Argentine Central Bank, mainly as a consequence of the Bank's participation in the having participated in the tender process that allow banks to apply funds in advance to the repayment of such financial assistance. As of March 31, 2005, funds advanced by the Bank amounted to Ps. 212 million.

In millions of pesos

Table VIII					
Net Exposure to the Argentine Public Sector	FY 2005				FY 2004
(*)	1st Q	4th Q	3rd Q	2nd Q	1st Q
Government Securities' Net Position	6,035	5,818	5,669	5,750	6,254
Trading	658	474	237	252	262
Bogar	3,610	3,540	3,516	3,595	3,521
Boden 2012	956	976	974	969	1,572
Other	811	828	942	934	899
Loans	4,730	4,637	4,598	4,542	4,488
Secured Loans	4,625	4,514	4,458	4,384	4,310
Other	105	123	140	158	178
Other Receivables Resulting from Financial Brokerage	5,637	5,700	5,683	5,632	5,454
Boden 2012	4,645	4,732	4,723	4,681	4,520
Certificates of Participation and Securities Issued by Trusts	992	968	960	951	934
Miscellaneous Receivables	188	183	181	178	175
Secured Loans Granted as Collateral	188	183	181	178	175
Intangible Assets	422	451	468	473	481
Net Difference for <i>Amparo</i> Claims ⁽¹⁾	422	451	468	473	481
Total Assets	17,012	16,789	16,599	16,575	16,852
Liabilities with the Argentine Central Bank	8,549	8,429	8,398	8,335	8,256
Net Exposure	8,463	8,360	8,201	8,240	8,596

(*) Does not include deposits with the Argentine Central Bank which constitute one of the items by which the Bank complies with the Argentine Central Bank's minimum cash requirements.

(1) Amount amortized since April 2003: Ps. 232 million.

Equity investments amounted to Ps.87.8 million, remaining at the same level recorded as of March 31, 2004.

The "Bank Premises and Equipment, Miscellaneous and Intangible Assets" amount of Ps.1,232 million included Ps.422 million of net deferred losses in connection with *amparo* claims.

The Bank's consolidated deposits amounted to Ps.7,518 million. Total deposits included Ps.783 million of deposits in Galicia Uruguay.

As of March 31, 2005, the Bank's deposits raised in Argentina reached Ps.6,788 million, representing a 45.2% and a 13.0% increase from March 31, 2004, and December 31, 2004, respectively.

In millions of pesos

Table IX					
Deposits in Argentina	03/31/05	12/31/04	09/30/04	06/30/04	03/31/04
In Pesos	6,129	5,402	4,639	4,532	4,205
Current Accounts	1,355	1,250	1,110	1,105	1,025
Savings Accounts	1,605	1,276	1,175	1,155	1,070
Time Deposits	2,188	2,088	1,630	1,509	1,478
Adjusted Time Deposits	748	524	419	227	44
Restructured Deposits	66	99	149	284	337
Other	167	165	156	252	251
In Foreign Currency	659	605	613	589	471
Total	6,788	6,007	5,252	5,121	4,676

As of March 31, 2005, the Bank's estimated market share of deposits in Argentina, was 5.77%, as compared with 5.18% at the close of the previous quarter and 4.70% a year before. Considering only deposits of the private sector, the Bank's estimated deposit market share showed a significant increase to 7.53% as of March 31, 2005, from 7.07% as of December 31, 2004, and 5.90% as of March 31, 2004.

Table X	03/31/05	12/31/04	09/30/04	06/30/04	03/31/04
Market Share (*)	(%)	(%)	(%)	(%)	(%)
Total Deposits ⁽¹⁾	5.77	5.18	4.68	4.63	4.70
Private Sector Deposits ⁽¹⁾	7.53	7.07	6.61	6.39	5.90
Total Loans	9.42	9.15	12.58	13.04	13.60
Loans to the Private Sector	7.08	6.43	6.41	6.76	6.89

(*) Banco de Galicia y Buenos Aires S.A., only, within the Argentine financial system, according to the daily information on deposits and loans published by the Argentine Central Bank. End-of-period data. Does not include information related to the regional credit-card companies. Only principal.

(1) Until the quarter ended June 30, 2004, includes restructured deposits tendered in the "Canje II."

Table XI shows the components of the remaining financial liabilities, The variation observed in the balances of "Foreign Banks and International Entities" and "Negotiable Obligations" were the result of the restructuring of the Bank's foreign debt that was completed in May 2004.

Table XI Other Financial Liabilities	<i>In millions of pesos</i>				
	03/31/05	12/31/04	09/30/04	06/30/04	03/31/04
Argentine Central Bank	8,549	8,429	8,398	8,335	8,256
Financial Assistance	5,548	5,707	5,719	5,705	5,687
Advance to Purchase the Hedge Bond	2,999	2,721	2,678	2,629	2,568
Other	2	1	1	1	1
Foreign Banks and International Entities	752	772	796	810	2,663
Negotiable Obligations ⁽¹⁾	4,140	4,169	4,177	4,263	2,406
Other ⁽²⁾	1,558	1,507	1,490	1,385	1,826
Total	14,999	14,877	14,861	14,793	15,151

(1) Includes Subordinated Negotiable Obligations.

(2) Includes, mainly, loans from domestic banks and other domestic institutions, repos and debt with retailers in connection with the financing of credit-card purchases.

As of March 31, 2005, the Bank had 1,019,692 deposit accounts, reflecting an increase of approximately 65,000 from the number of deposit accounts as of March 31, 2004. Likewise, the number of credit cards reached 2,258,797 at the end of the quarter, 22.6% higher than the 1,843,007 credit cards managed a year before (see “Additional Information”).

ASSET QUALITY

As of March 31, 2005, the Bank’s non-accrual loan portfolio decreased by Ps.530 million, that is 44.3%, as compared with the same date of the previous year. The non-accrual loan portfolio represented 6.99% of total loans as of March 31, 2005, compared to 13.66% as of March 31, 2004. Considering only the private-sector loan portfolio, the non-accrual portfolio represented 13.88% of total loans to the private sector as of March 31, 2005, compared to 28.04% as of March 31, 2004.

The allowance for loan losses represented 6.22% of total loans and 12.36% of loans to the private sector, compared with 12.62% and 25.90% as of March 31, 2004, respectively. The coverage of the non-accrual loan portfolio with allowances for loan losses reached 89.04% and the coverage with guarantees 65.77%. The combined coverage of non-accrual loans with allowances and guarantees was 154.81%. These ratios were 92.39%, 60.62% and 153.01% as of March 31, 2004, respectively.

The coverage with allowances for loan losses of the non-accrual loan portfolio plus the portfolio in category “2.b” was 75.68% as of March 31, 2005. Loans classified under category “2.b” of the Argentine Central Bank’s loan classification (which comprises portfolios that not being non-performing are in the process of being restructured) amounted to Ps.117.6 million as of the same date.

In millions of pesos except percentages

Table XII Loan Portfolio Quality	FY 2005			FY 2004	
	1 st Q	4 th Q	3 rd Q	2 nd Q	1 st Q
Non-Accrual Loans ⁽¹⁾	666	699	983	1,136	1,196
- With Preferred Guarantees	370	384	447	467	484
- With Others Guarantees	68	67	142	205	241
- Without Guarantees	228	248	394	464	471
Allowances for Loan Losses ⁽²⁾	593	633	901	1,067	1,105
Non-Accrual Loans to Total Loans (%)	6.99	7.74	11.14	12.65	13.66
Non-Accrual Loans to Private-Sector Loans (%)	13.88	15.93	23.24	25.59	28.04
Allowance for Loan Losses to Total Loans (%) ⁽²⁾	6.22	7.72	10.21	11.88	12.62
Allowance for Loan Losses to Private-Sector Loans (%) ⁽²⁾	12.36	14.43	21.30	24.03	25.90
Allowance for Loan Losses to Non-Accrual Loans (%) ⁽²⁾	89.04	90.56	91.66	93.93	92.39
Non-Accrual Loans with Guarantees to Non –Accrual Loans (%)	65.77	64.52	59.92	59.15	60.62

(1) The non-accrual portfolio includes loans classified under the following categories of the Argentine Central Bank classification: With Problems and Deficient Performance, High Risk of Insolvency and Difficult Collection, Uncollectible and Uncollectible due to Technical Reasons.

(2) Until the 3rd Q of FY 2004, the allowance for loan losses included Ps.76.2 million of a reserve for interest adjustments on a portfolio classified as performing.

During the quarter, Ps.15 million were charged off against the allowance for loan losses and Ps.2 million direct charges to the income statement were made.

In millions of pesos

Table XIII Consolidated Analysis of Loan Loss Experience	FY 2005			FY 2004	
	1 st Q	4 th Q	3 rd Q	2 nd Q	1 st Q
Allowance for Loan Losses at the Beginning of the Quarter	633	901	1,067	1,105	1,177
Changes in the Allowance for Loan Losses					
Provisions Charged to Income ⁽¹⁾	20	78	16	45	49
Provisions Reversed	(45)	(155)	(15)	(2)	(39)
Charge Offs	(15)	(191)	(167)	(81)	(82)
Allowance for Loan Losses at Quarter End	593	633	901	1,067	1,105
Charge to the Income Statement					
Provisions Charged to Income	15	78	10	36	55
Direct Charge Offs	2	2	2	2	2
Bad Debts Recovered	(8)	(59)	(19)	(19)	(14)
Provisions Reversed ⁽²⁾	(45)	(155)	(15)	(2)	(39)
Net Charge to the Income Statement	(36)	(134)	(22)	17	4

(1) Includes conversion differences corresponding to Galicia Uruguay and the Cayman Branch.

(2) Recorded "Net Other Income."

In the following table, asset quality information is also shown in terms of "total credit". "Total credit" is defined as loans, certain accounts included in "Other Receivables Resulting from Financial Brokerage" representing credit transactions, assets under financial leases, guarantees granted and unused balances of loans granted.

In millions of pesos, except percentages

Table XIV Asset Quality - Total Credit	FY 2005				FY 2004
	1st Q	4th Q	3rd Q	2nd Q	1st Q
Non-Accrual Portfolio ⁽¹⁾	751	789	1,144	1,290	1,379
- With Preferred Guarantees	383	397	480	500	520
- With Other Guarantees	76	76	151	228	264
- Without Guarantees	292	316	513	562	595
Allowance for Credit Losses ⁽²⁾	629	672	1,014	1,187	1,234
Non-Accrual Portfolio to Total Credit (%)	7.29	8.07	11.98	13.16	14.46
Non-Accrual Portfolio to Private-Sector Credit (%)	13.49	15.36	23.10	24.52	27.29
Allowance for Credit Losses to Total Credit (%) ⁽²⁾	6.11	6.87	10.62	12.11	12.94
Allowance for Credit Losses to Private-Sector Credit (%) ⁽²⁾	11.30	13.08	20.47	22.56	24.42
Allowance for Credit Losses to Non-Accrual Portfolio (%) ⁽²⁾	83.75	85.17	88.64	92.02	89.49
Non-Accrual Portfolio with Guarantees to Non-Accrual Portfolio (%) ⁽²⁾	61.12	59.95	55.16	56.43	56.85

(1) Includes credits classified under the categories mentioned in note (1) to Table XII.

(2) Until the 3rd Q of FY 2004, the allowances for loan losses included Ps.76.2 million of a reserve for interest adjustments on a portfolio classified as performing.

CAPITALIZATION AND LIQUIDITY

As of March 31, 2005, the Bank's consolidated computable capital exceeded by Ps.887 million the Ps.761 million minimum capital required by Argentine Central Bank rules. This excess reached Ps.555 million as of March 31, 2004 and Ps.1,133 million as of December 31, 2004. The difference in the computable capital, when compared with the figures as of March 31, 2004, is mainly explained by the inclusion as supplemental capital of the subordinated negotiable obligations issued by the Bank in the restructuring of its foreign debt completed in May 2004. The variations in the required capital, when compared with the figures as of December 31, 2004, and March 31, 2004, were mainly due to the changes in the "Alfa 1" and "Alfa 2" coefficients, that became effective on January 1, 2005. The former increased from 0.05 to 0.15 and the latter from 0.20 to 0.40. "Alfa 1" temporarily reduces the capital requirement to cover banks exposure to the public sector, while "Alfa 2" temporarily reduces the capital requirement to cover interest-rate risk.

In millions of pesos, except rates and percentages

Table XV Consolidated Regulatory Capital	FY 2005				FY 2004
	1st Q	4th Q	3rd Q	2nd Q	1st Q
Minimum Capital Required (A)	761	613	612	625	561
Allocated to Financial Assets	319	295	302	292	279
Allocated to Fixed Assets	142	142	143	142	146
Allocated to Other Assets	34	34	31	29	31
Allocated to Market Risk	28	63	51	68	21
Allocated to Interest-Rate Risk	63	20	26	36	23
Allocated to Lending to the Public Sector	175	59	59	58	61
Computable Capital (B)	1,648	1,746	1,714	1,788	1,116
Core Capital	1,208	1,340	1,334	1,405	1,397
Supplemental Capital	625	581	583	596	(50)
Deductions	(184)	(195)	(206)	(219)	(234)
Additional Capital – Market Variation	(1)	20	3	6	3
Excess over required Capital (B) - (A)	887	1,133	1,102	1,163	555
Total Capital Ratio (%)	19.93	25.11	24.94	25.97	17.89

As of March 31, 2005, the Bank's unconsolidated liquid assets represented 57.63% of the Bank's transactional deposits and 27.20% of its total deposits in Argentina.

Table XVI Liquidity in Argentina (unconsolidated)	FY 2005				FY 2004
	1st Q	4th Q	3rd Q	2nd Q	1st Q
Liquid Assets ^(*) as a percentage of Transactional Deposits	57.63	60.87	50.81	50.22	57.65
Liquid Assets ^(*) as a percentage of Non-Restructured Deposits	29.47	30.46	26.58	27.96	32.73
Liquid Assets ^(*) as a percentage of Total Deposits	27.20	27.97	24.39	24.43	27.97

() Liquid assets include cash and due from banks (including deposits with the Argentine Central Bank and the special escrow accounts with the monetary authority), holdings of Lebac and Nobac (Argentine Central Bank's bills and notes, respectively), call money and short-term placements with correspondent banks.*

This report is a summary analysis of the Bank's financial condition and results of operations as of and for the period indicated. For a correct interpretation, this report must be read in conjunction with the Bank's financial statements, as well as with all other material periodically filed with the National Securities Commission (www.cnv.gov.ar) and the Buenos Aires Stock Exchange (www.bolsar.com). Readers of this report must note that this is a translation made from an original version written and expressed in Spanish. Therefore, any matters of interpretation should be referred to the original version in Spanish.

SELECTED FINANCIAL INFORMATION – CONSOLIDATED DATA (*)

	<i>In millions of pesos</i>				
	03/31/05	12/31/04	09/30/04	06/30/04	03/31/04
CASH AND DUE FROM BANKS	938.6	985.7	1,103.1	975.5	996.7
GOVERNMENT AND CORPORATE SECURITIES	5,830.8	5,498.9	5,226.4	5,671.6	6,253.4
NET LOANS	8,936.1	8,393.2	7,926.3	7,914.8	7,648.7
OTHER RECEIVABLES RESULTING FROM FINANCIAL BROKERAGE	6,465.3	6,640.2	6,561.1	6,209.7	5,995.6
EQUITY IN OTHER COMPANIES	87.8	85.4	85.0	84.1	87.2
BANK PREMISES AND EQUIPMENT, MISCELLANEOUS AND INTANGIBLE ASSETS	1,231.7	1,272.5	1,299.7	1,322.5	1,349.9
OTHER ASSETS	640.4	589.4	552.4	448.4	420.7
TOTAL ASSETS	24,130.7	23,465.3	22,754.0	22,626.6	22,752.2
DEPOSITS	7,517.6	6,777.4	6,115.9	6,024.9	5,868.4
OTHER OBLIGATIONS RESULTING FROM FINANCIAL BROKERAGE	14,194.2	14,056.6	14,056.1	13,993.8	15,028.0
SUBORDINATED NEGOTIABLE OBLIGATIONS	805.2	820.0	804.8	799.6	123.3
OTHER	357.1	577.6	509.3	498.8	483.4
MINORITY INTERESTS	41.4	35.5	29.4	24.1	15.7
TOTAL LIABILITIES	22,915.5	22,267.1	21,515.5	21,341.2	21,518.8
SHAREHOLDERS' EQUITY	1,215.2	1,198.2	1,238.5	1,285.4	1,233.4
FOREIGN CURRENCY ASSETS AND LIABILITIES					
- ASSETS	7,015.8	7,760.8	7,885.4	7,841.8	8,261.1
- LIABILITIES	6,947.7	6,984.5	7,208.9	7,137.9	7,873.7

(*) Banco de Galicia y Buenos Aires S.A., consolidated with subsidiary companies (Art.33 - Law 19550).

SELECTED FINANCIAL INFORMATION – CONSOLIDATED DATA (*)

	<i>In millions of pesos</i>				
Quarter ended:	03/31/05	12/31/04	09/30/04	06/30/04	03/31/04
FINANCIAL INCOME	522.7	229.8	361.3	488.1	288.0
- Interest on Loans to the Financial Sector	0.7	1.1	1.3	0.9	1.9
- Interest on Overdrafts	7.1	12.4	3.7	5.4	6.8
- Interest on Notes	28.3	21.9	28.6	26.6	20.4
- Interest on Mortgage Loans	22.6	16.7	17.0	16.9	17.3
- Interest on Pledge Loans	2.2	2.1	2.0	1.6	1.0
- Interest on Credit-Card Loans	49.6	43.3	40.2	41.6	38.0
- Interest on Other Loans	5.7	7.4	7.3	5.9	5.5
- Net Income from Government and Corporate Securities	25.5	(77.6)	20.6	53.0	4.0
- On Other Receivables Resulting from Financial Brokerage	32.9	27.2	22.8	16.1	15.2
- Net Income from Secured Loans - Decree No.1387/01	47.6	46.7	46.2	45.1	44.1
- Adjustment by the CER	279.4	113.8	149.6	180.7	111.7
- Adjustment by the CVS	-	0.1	(0.1)	9.5	19.4
- Other	21.1	14.7	22.1	84.8	2.7
FINANCIAL EXPENSES	457.2	309.2	318.3	290.8	280.5
- Interest on Current-Accounts Deposits	2.9	1.9	1.4	1.1	0.5
- Interest on Savings-Accounts Deposits	1.1	1.0	1.0	0.9	1.2
- Interest on Time Deposits	28.3	26.0	21.5	17.9	25.3
- Interest on Loans from the Financial Sector	0.9	1.1	1.5	2.2	1.3
- Other Interest	90.9	90.0	86.9	34.4	65.4
- Interest on Government and Corporate Securities	-	6.1	-	-	-
- For Other Liabilities Resulting from Financial Brokerage	64.3	62.8	51.5	10.1	80.2
- Adjustment by the CER	252.6	107.5	141.4	217.6	82.0
- Other	16.2	12.8	13.1	6.6	24.6
GROSS BROKERAGE MARGIN	65.5	(79.4)	43.0	197.3	7.5
PROVISIONS FOR LOAN LOSSES	18.2	73.9	19.7	41.0	55.6
INCOME FROM SERVICES, NET	116.5	121.6	107.5	107.5	100.6
ADMINISTRATIVE EXPENSES	158.5	164.3	144.0	142.1	141.4
- Personnel Expenses	82.5	82.3	71.0	67.5	65.1
- Directors' and Syndics' Fees	1.4	1.4	0.8	0.6	0.7
- Other Fees	4.6	4.8	4.2	4.5	3.8
- Advertising and Publicity	9.6	12.9	6.9	9.7	8.1
- Taxes	7.9	7.7	7.6	7.0	7.9
- Other Operating Expenses	41.5	44.0	43.0	43.2	45.9
- Other	11.0	11.2	10.5	9.6	9.9
MINORITY INTERESTS	(5.8)	(5.2)	(5.3)	(8.3)	(4.1)
INCOME FROM EQUITY INVESTMENTS	2.8	1.0	2.8	(1.1)	0.9
NET OTHER INCOME	29.0	171.6	(15.2)	(59.4)	19.9
INCOME TAX	14.3	11.7	16.0	0.9	1.2
NET INCOME	17.0	(40.3)	(46.9)	52.0	(73.4)

(*) Banco de Galicia y Buenos Aires S.A., consolidated with subsidiary companies (Art.33 – Law 19550).

	<i>In millions of pesos</i>				
ADDITIONAL INFORMATION	03/31/05	12/31/04	09/30/04	06/30/04	03/31/04
MUTUAL FUNDS (*)	305.8	245.6	197.6	218.9	234.5
PHYSICAL DATA (Number of)					
EMPLOYEES	6,254	6,215	6,145	5,990	5,881
BRANCHES	316	316	311	309	306
Bank Branches	225	225	225	225	225
Regional Credit-Card Companies Offices	91	91	86	84	81
DEPOSIT ACCOUNTS	1,019,692	1,000,793	973,299	967,413	954,626
CREDIT CARDS	2,258,797	2,229,150	2,082,181	1,963,883	1,843,007
INFLATION AND EXCHANGE RATE					
Retail Price Index (%) (**)	4.03	1.24	1.45	2.16	1.12
Wholesale Price Index (IPIM) (%) (**)	2.17	0.25	3.75	2.11	1.54
CER Coefficient (%) (**)	3.10	1.10	1.45	2.08	0.76
Exchange Rate (Pesos per US\$) (***)	2.9233	2.9738	2.9825	2.9607	2.8550

(*) Market value of the FIMA mutual fund units under custody.

(**) Variation within the quarter.

(***)As of the last working day of the quarter.

RECENT DEVELOPMENTS

Annual Shareholders' Meeting

The Bank's ordinary shareholders' meeting was held on April 28, 2005.

The shareholders' meeting resolved to set forth at nine the number of directors of the Board of Directors of the Bank. The following table shows the members of the Board of Directors appointed by the shareholders:

		Term Expiration Date: December 31,
President	Antonio R. Garcés	2005
Vice-President	Sergio Grinenco	2005
Secretary Director	Enrique M. Garda Olaciregui	2007
Directors	Daniel Antonio Llambías	2006
	Luis María Ribaya	2007
	Guillermo Juan Pando	2007
	Pablo Gutiérrez (1)	2007
	Eduardo Oscar Del Piano (2)	2006
	Pablo María Garat (2)	2006
	Alternate Directors	Raúl Seoane (1)
Eduardo Antonio Fanciulli		2006
Juan Carlos Fossatti		2005
Osvaldo Héctor Canova(2)		2006
Julio Pedro Naveyra(2)		2006

(1) Authorization from the Argentine Central Bank to assume their positions as envisaged by Communiqué "A"2794 is currently in progress.

(2) Independent directors according CNV and Nasdaq rules

Global Program for the Issuance of Negotiable Obligations

The aforementioned shareholders' meeting approved the creation of a Global Program for the issuance and re-issuance of non-convertible negotiable obligations, subordinated or non-subordinated, adjustable or non-adjustable, secured or unsecured, and for a maximum outstanding face value of up to Ps. 1,000 million or its equivalent in any other currency. The Program has a maximum term of five years beginning on the date the Program is authorized by the National Securities Commission (the "CNV"), or any other longer term authorized by CNV regulations.

Absorption of the Negative Balance of the "Retained Earnings" Account

The Annual Shareholders Meeting established the absorption of the negative balance of the "Retained Earnings" Account as of December 31, 2004, of Ps. 1,105,340 thousand, by using the balances in the following accounts (in thousands of pesos):

- Reserve Provided for by the Bylaws	150
- Regulatory Reserve	2
- Adjustments to Share Issuance Premiums	390,351
- Share Issuance Premiums	310,678
- Legal Reserve	404,159

Compensatory and Hedge Bond

The compensation for the asymmetric pesification, provided for by Decree N°905/02 and its complementary rules, originally calculated by the Bank amounted to US\$ 2,254.0 million of face value of Boden 2012. Within the process of determination of the compensation amount, the Argentine Central Bank made certain observations by which it would modify the final amount of such compensation. The Bank accepted and recognized some of the adjustments and examined and discussed the remaining

observations. The total amount of Boden 2012 received and to be received or acquired as compensation for the asymmetric pesification was recorded in accordance with the accepted adjustments and the calculation made by the Bank. Nevertheless, the Bank established additional provisions for other contingencies in order to fully cover all of the amount that remained under discussion.

In March 2005, after a thorough analysis of the adjustments still required by the Argentine Central Bank and the consequences and convenience of maintaining the amount of the final compensation to be received undetermined, the Bank decided to conform the final amount of such compensation. As a result, the total compensation to the Bank for the asymmetric pesification amounts to US\$ 2,178.0 million of face value of Boden 2012. The difference resulting from the adjustments required by the Argentine Central Bank and accepted by the Bank, was written off against the provisions established for such purpose.

As of the date hereof, delivery to the Bank of the final amount of the compensatory bond requested by the Bank and approved by the Argentine Central Bank is pending, as are both the provision of the advance from the Argentine Central Bank to fund the purchase of the Boden 2012 for hedging purposes and the acceptance of the assets offered by the Bank as collateral of such advance.

Banco Galicia Uruguay

On April 15, 2005, Galicia Uruguay opened a period for the reception of irrevocable expressions of interest from its customers to participate in a voluntary exchange of the remaining restructured deposits (including those restructured as negotiable obligations), and for the reception of intentions to sell restructured certificates issued by Banco de Galicia Cayman Ltd. (in provisional liquidation) both in exchange for cash and BODEN 2012. The period for the reception of expressions of interest expires on May 20, 2005. The exchange settlement is scheduled for June 15, 2005 and the acquisition of the restructured certificates must not exceed June 30, 2005. Consideration offered consists of US\$ 14 in cash and US\$ 86 in BODEN 2012 for every US\$ 100 of restructured deposits of Galicia Uruguay. Consideration offered to holders of restructured certificates of Banco de Galicia Cayman Ltd. is similar. The offer was limited to US\$ 200 million.

Termination in advance of Galicia Mortgage Trust

On January 10, 2005, the Bank decided to terminate in advance the Galicia Mortgage Trust and to cancel the debt securities outstanding, receiving back the loans in the trust's assets. In December 2004, the Bank had acquired the senior certificates of participation held by financial institutions, thereby becoming the holder of all of the certificates issued by the trust. As a consequence, in January 2005, mortgage loans for Ps. 172,2 million and cash for Ps. 1,5 million were incorporated to the Bank's balance sheet.

Galicia Commercial Mortgage Trust

On October 28, 2004, the Bank's Board of Directors approved the creation of the Galicia Commercial Mortgage Trust. The Bank transferred commercial mortgage loans for an aggregate amount of Ps. 29.0 million, and the trust issued class A debt securities for a face value of Ps.24.1 million and certificates of participation for a face value of Ps.4.9 million. Placement of the trust securities ended on April 5, 2005. The Bank received cash for Ps. 24.0 million and certificates of participation Ps.4.9 million. This trust was issued under the program approved by the CNV on April 6, 2000, with Deutsche Bank S.A. acting as financial fiduciary agent.

This report is a summary analysis of the Bank's financial condition and results of operations as of and for the period indicated. For a correct interpretation, this report must be read in conjunction with the Bank's financial statements, as well as with all other material periodically filed with the National Securities Commission (www.cnv.gov.ar) and the Buenos Aires Stock Exchange(www.bolsar.com).

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