

FOR IMMEDIATE RELEASE

Banco de Galicia y Buenos Aires S.A.

Phone (54-11) 6329-6430

Fax (54-11) 6329-6494

www.e-galicia.com

BANCO DE GALICIA Y BUENOS AIRES S.A. REPORTS EARNINGS
FOR THE QUARTER ENDED JUNE 30, 2005

(Buenos Aires, Argentina, August 10, 2005) – Banco de Galicia y Buenos Aires S.A. (the “Bank”, Buenos Aires Stock Exchange: GALI) today announced its financial results for the second quarter of FY 2005, ended June 30, 2005.

- **The Bank showed a Ps.138.8 million net income for the second quarter of FY 2005. Net income for the first half of FY 2005 was Ps.155.8 million.**
- **During the quarter, the Bank recorded a Ps.124.3 million profit as a result of Grupo Financiero Galicia S.A.’s (“Grupo Galicia,” the Bank’s controlling company) decision to forgive the subordinated negotiable obligations issued by Banco Galicia Uruguay S.A. (“Galicia Uruguay”).**
- **Adjusted net income⁽¹⁾ amounted to Ps.101.9 million, excluding the Ps.69.8 million gain from the adjustment to the valuation of public-sector assets and the Ps.32.9 million amortization of the losses from *amparo* claims.**
- **The Bank has continued improving its operating income, in the context of a constant growth in its activity level and business volume, and an improved asset quality.**
- **Loans to the private sector, considering only the Bank’s Argentine operation portfolio, increased 35.2% (principal only) between June 30, 2004 and 2005, while loans of the regional credit-card companies increased 25.9% in the same period.**
- **The Bank’s estimated market share of total private-sector deposits and loans as of June 30, 2005 reached 7.62% and 6.99%, respectively, up 1.23 and 0.23 percentage points, respectively, from the same date of the prior year.**

(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 the losses from *amparo* claims.

NET INCOME FOR THE QUARTER ENDED JUNE 30, 2005

Net income for the second quarter of FY 2005 was Ps.138.8 million, compared with Ps.52.0 million for the second quarter of FY 2004.

During the quarter, the Bank recorded a Ps.124.3 million profit as a result of Grupo Galicia's decision to forgive the subordinated negotiable obligations issued by Galicia Uruguay. During the same quarter of FY 2004, a Ps.119.7 million net profit was recorded, as a consequence of the restructuring of the Bank's foreign debt completed on May 2004.

The quarter's adjusted net income amounted to Ps.101.9 million, compared with Ps.80.1 million for the same quarter of last year.

Excluding the aforementioned non-recurrent gains, the increase in the quarter's adjusted net income over the same quarter of the prior year was mainly the consequence of a higher adjusted net operating income⁽¹⁾, which increased Ps.47.6 million, and lower provisions for loan losses, which decreased Ps.18.2 million. These higher results were partially offset by the Ps.43.2 million increase in administrative expenses and the Ps.12.9 million increase in the income tax charge.

The quarter's adjusted net operating income totaled Ps.230.8 million, 26.0% higher than the Ps.183.2 million recorded in the same quarter of the prior year. This increase was due both to an increase in the adjusted net financial income (up Ps.21.8 million) and to greater net income from services (up Ps.25.8 million).

Table I	<i>In pesos</i>			
	FY 2005	FY 2004	Six Months Ended	
Earnings per Share	2nd Q	2nd Q	06/30/05	06/30/04
Total Average Shares (in thousands)	468,662	468,662	468,662	468,662
Book Value per Share	2.889	2.743	2.889	2.743
Earnings per Share	0.296	0.111	0.332	(0.046)

INFORMATION DISCLOSURE

With the purpose of allowing a better analysis and unifying the presentation to the market of our financial information, beginning in the first quarter of FY 2005, 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 a clarification of the contrary.

As of June 30, 2005, 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., Galicia Uruguay and its subsidiaries, Tarjetas Regionales S.A. and its subsidiaries, Galicia Factoring y Leasing S.A. and Galicia Valores S.A. Sociedad de Bolsa.

(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.

Until the prior quarter, the Bank's consolidated financial statements and the figures included in the different tables of this report included Galicia Capital Markets S.A. and its subsidiaries and Agro Galicia S.A. Given that their activities have been absorbed by the Bank, at the meeting held on May 26, 2005, Galicia Capital Markets S.A.'s (in liquidation) shareholders resolved its anticipated dissolution and subsequent liquidation and, on April 13, 2005, the liquidation of Agro Galicia S.A. was decided, which, at the date hereof, has been concluded. Therefore, during this quarter, the consolidation of both subsidiaries was discontinued.

2nd QUARTER OF FY 2005 RESULTS

Table II	<i>Percentages</i>			
	FY 2005	FY 2004	Six Months Ended	
	2 nd Q	2 nd Q	06/30/05	06/30/04
Profitability and Efficiency				
Return on Average Assets ^(*)	2.41	1.08	1.41	(0.08)
Return on Average Shareholders' Equity ^(*)	45.46	15.85	25.66	(3.26)
Financial Margin ^(*) (1)	3.04	3.86	2.15	1.98
Net Income from Services as a % of Operating Income ⁽²⁾	44.34	35.27	51.76	50.40
Net Income from Services as a % of Administrative Expenses	71.94	75.65	72.66	73.40
Administrative Expenses as a % of Operating Income ⁽²⁾	61.64	46.62	71.24	68.66

(*) Annualized.

(1) Financial Margin: Financial income minus financial expenses, divided by average interest-earning assets.

(2) Net Operating Income: Net Financial Income plus net income from services.

The quarter's net financial income was Ps.167.3 million and, excluding the Ps.69.8 million gain from the valuation of public-sector assets, it amounted to Ps.97.5 million. For the same quarter of the prior year, net financial income amounted to Ps.197.3 million and, excluding the Ps.119.7 million net profit from the restructuring of the Bank's foreign debt and the Ps.1.9 million gain from the valuation of public-sector assets, it amounted to Ps.75.7 million. Therefore, the Bank's adjusted net financial income was 28.8% higher than in the same quarter of the prior year.

During the quarter, part of the Bogar granted as collateral of the financial assistance from the Argentine Central Bank were released, as a result of the monthly amortization of such liability and of their replacement with Secured Loans. The released Bogar are allocated as collateral to the advance for the purchase of the Hedge Bond. It should be noted that the assets used as collateral for such advance are excluded from the valuation at present value, as established by Argentine Central Bank's Communiqués "A" 3911 and complementary ones. The application of these rules generated a Ps.69.8 million net gain from the valuation of public-sector assets.

The quarter's net financial income includes a Ps.12.7 million profit from quotation differences (composed of a Ps.12.8 million gain from FX brokerage and a Ps.0.1 million loss from the revaluation of the Bank's foreign-currency net position). The result from quotation differences in the same quarter of the prior year was Ps.27.3 million (composed of a Ps.13.1 million gain from the revaluation of the foreign-currency net position and a Ps.14.2 million gain from FX brokerage). The lower profit from the revaluation of the foreign-currency net position was the consequence of a differential behavior of the exchange rate in the two quarters and of the reduction of the Bank's foreign-currency net asset position between June 30, 2004 and 2005.

The remaining adjusted net financial income totaled Ps.84.8 million, Ps.36.4 million higher than in the same quarter of the prior year, mainly as a consequence of the gains associated with the peso-denominated and the CER-adjusted matched portfolios and the funding of the net positions in CER-adjusted and dollar-denominated assets with peso-denominated liabilities. These profits were partially offset by the loss from the dollar-denominated matched portfolio.

The increase in the adjusted net financial income, excluding quotation differences and the gain from the restructuring of the Bank's foreign debt in the second quarter of 2004, was due to both a higher spread and a greater intermediation volume.

The average yield on interest-earning assets increased 207 basis points ("b.p."), up from 7.75% in the second quarter of FY 2004 to 9.82% for the quarter. Both yields exclude the results from the adjustment to the valuation of public-sector assets. The higher average yield on interest-earning assets for the quarter was mainly due to the increases in: (i) the CER index (mainly associated to the returns on Bogar, Secured Loans and CER-adjusted loans to the private sector) which showed a quarterly increase of 2.08% in the second quarter of 2004 and a 2.71% quarterly increase in the quarter; and (ii) the Libo rate, associated to the return on the Boden 2012 received and to be received as compensation for the asymmetric pesification. This effect was partially offset by the decrease in the average rate on private-sector loans, which mainly reflects market conditions.

The average cost of funds experienced a 158 b.p. increase (correcting the average cost of funds for the same quarter of last year for the effect of the Bank's foreign debt restructuring). Alike the average yield on interest-earning assets, this increase mainly reflects the increase in the CER index (associated with the liabilities with the Argentine Central Bank and CER-adjusted deposits) and in the Libo rate, the latter associated with the Bank's 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					
	2 nd Q		1 st Q		4 th Q		3 rd Q		2 nd Q	
	Av. B.	Int.	Av. B.	Int.	Av. B.	Int.	Av. B.	Int.	Av. B.	Int.
Interest-Earning Assets	22,049	11.08	21,182	9.53	20,950	4.07	20,696	6.65	20,422	7.79
Government Securities (**)	5,982	14.47	5,666	8.28	5,762	(2.83)	2,162	1.86	2,194	0.91
Loans	9,502	13.83	9,008	14.61	8,584	9.76	12,164	9.56	12,016	11.61
- Private Sector	4,718	12.25	4,479	14.84	4,111	11.04	4,204	10.98	4,156	12.99
- Public Sector	4,784	15.40	4,529	14.38	4,473	8.57	7,960	8.82	7,860	10.88
Other	6,565	4.03	6,508	3.59	6,604	2.71	6,370	2.71	6,212	2.83
- Financial Trust	918	10.43	917	9.78	911	6.68	904	7.81	890	11.22
- Government Securities to be Received	4,606	2.81	4,681	2.46	4,704	1.92	4,727	1.68	4,604	1.19
- Other	1,041	3.75	910	3.14	989	2.80	739	3.11	718	2.94
Interest-Bearing Liabilities	19,822	9.24	19,564	9.09	19,066	6.14	18,827	6.50	18,148	4.91
Demand Accounts	657	2.11	654	1.74	514	1.48	461	1.21	437	0.93
Savings Accounts	1,280	0.37	1,212	0.37	1,157	0.36	1,104	0.36	986	0.40
Time Deposits and Restructured Deposits	4,090	5.43	3,937	5.61	3,543	3.96	3,317	4.07	3,045	4.59
Debt Securities (***)	3,990	6.47	4,117	6.22	4,125	6.35	4,238	5.23	3,183	(11.65)
Argentine Central Bank	8,401	14.54	8,205	14.28	8,237	7.93	8,200	9.49	8,121	10.51
Other	1,404	7.88	1,439	7.89	1,490	6.93	1,507	5.25	2,376	10.95

(*) Includes the adjustments to the valuation of public-sector assets pursuant Communiqué "A" 3911 of the Argentine Central Bank. Does not include quotation differences. Annual rates were calculated using a 360-day denominator.

(**) Includes Discount Bonds and GDP-linked Units, valued in accordance with Communiqué "A" 4270. The 4th quarter of FY 2004 interest rate includes a Ps.106 million loss from the adjustment to the valuation of 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 recorded during the quarter amounted to Ps.22.8 million, Ps.18.2 million lower than in the same quarter of the prior year. The lower charge is in line with the improvement in the quality of the loan portfolio.

Net income from services amounted to Ps.133.3 million, up 24.0% from the Ps.107.5 million recorded in the second quarter of FY 2004. 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. Fees for Ps.5.3 million were recorded under “Other,” in connection with the Bank’s participation in the restructuring of Argentina’s foreign debt.

In millions of pesos

Table IV Income from Services, Net	FY 2005		FY 2004		
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
National Cards	29.4	30.1	29.7	28.4	26.9
Regional Credit Cards	56.8	52.8	55.9	51.1	54.2
Deposit Accounts	25.0	23.2	22.5	20.2	19.2
Insurance	8.3	8.0	7.6	7.1	6.6
Financial Fees	4.4	3.9	3.7	3.4	3.0
Credit-Related Fees	3.0	2.6	3.3	2.1	2.0
Foreign Trade	6.0	5.4	6.6	5.2	4.3
Collections	3.1	2.7	2.7	2.6	2.6
Utility-Bills Collection Services	2.3	2.2	2.2	2.2	2.0
Mutual Funds	0.5	0.4	0.4	0.4	0.4
Other	17.7	10.5	10.2	9.1	8.3
Total Income	156.5	141.8	144.8	131.8	129.5
Total Expenditures	23.2	25.3	23.2	24.3	22.0
Income from Services, Net	133.3	116.5	121.6	107.5	107.5

Administrative expenses for the quarter totaled Ps.185.3 million, up 30.4% from the same quarter of the prior year. Personnel expenses increased 40.7% due to, among others, wage increases resulting from negotiations between banker associations and the bank employees’ union. The remaining administrative expenses increased 21.0%, mainly as a consequence of higher advertising and publicity expenses, given that all other expenses grew 10.5%.

Income from equity investments amounted to Ps.1.0 million, Ps.2.1 million higher than in the second quarter of FY 2004.

Net other income amounted to Ps.65.6 million, compared to a Ps.59.4 million loss for the second quarter of FY 2004. This profit mainly reflects the aforementioned debt forgiveness by Grupo Galicia, partially offset by the establishment of provisions and the amortization of the losses from *amparo* claims.

The income tax charge was Ps.13.8 million, Ps.12.9 million higher than in the second quarter of FY 2004. This charge corresponds to the regional credit card companies.

LEVEL OF ACTIVITY

Total gross loans amounted to Ps.9,982 million, 11.1% higher than the Ps.8,982 million recorded as of June 30, 2004, and up an annualized 20.4% during the quarter. As of June 30, 2005, Ps.5,032 million corresponded to loans to the financial and non-financial public sectors and the remaining Ps.4,950 million represented loans to the private sector. As of June 30, 2004, these figures were Ps.4,542 million and Ps.4,440 million, respectively.

The Bank’s estimated private-sector loan market share (excluding the regional credit-card companies and considering only the Bank’s Argentine operation portfolio) increased to 6.99% from 6.76% between June 30, 2005 and 2004. Considering total loans, the Bank’s market share decreased from 13.05% to 9.50% during the same period. This decrease reflects the significant reduction of the Bank’s loans to the public sector resulting from the reclassification of the Bogar under “Government Securities,” made during the fourth quarter of FY 2004 (see *Table X*). Loans to the private sector of the Bank’s Argentine operation

increased 35.2% (principal only) between June 30, 2004 and 2005, while loans of the regional credit-card companies increased 25.9% during the same period.

The Bank's total exposure to the private sector continued growing and reached Ps.6,021 million, with a 9.1% increase during the year and a 16.1% annualized increase during the quarter.

In millions of pesos

Table V Exposure to the Private Sector	FY 2005		FY 2004		
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
Loans	4,950	4,799	4,389	4,229	4,440
Leasing	122	111	103	81	52
Corporate Securities	19	19	20	80	102
Other Financing ⁽¹⁾	681	637	627	562	667
Total Credit	5,772	5,566	5,139	4,952	5,261
Securitized Loans ⁽²⁾	249	234	348	331	257
Total	6,021	5,800	5,487	5,283	5,518

(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 June 30, 2005, includes outstanding loans recorded by the "Galtrust II", "Galtrust V" and "Galicia Préstamos Personales" (Galicia Personal Loans) trusts and loans securitized by the regional credit-card companies.

Private-sector loan growth during the year ended June 30, 2005 was concentrated in individuals and small- and medium-sized enterprises, which was reflected in the increases in the Bank's exposure to the consumer (20.7%), manufacturing (45.4%), retail & wholesale trade (25.4%) and agricultural & livestock (7.4%) sectors.

In millions of pesos

Table VI Loans by Type of Borrower	FY 2005		FY 2004		
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
Large Corporations	1,519	1,456	1,272	1,388	1,557
Middle-Market Companies	1,348	1,262	1,197	1,107	1,153
Individuals	1,848	1,740	1,511	1,455	1,469
Financial Sector	340	446	532	419	419
Non-Financial Public Sector	4,927	4,625	4,514	4,458	4,384
Total Loans	9,982	9,529	9,026	8,827	8,982
Allowances	586	593	633	901	1,067
Total Loans, Net	9,396	8,936	8,393	7,926	7,915

In millions of pesos

Table VII Loans by Economic Sector	FY 2005		FY 2004		
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
Financial Sector	340	446	532	419	419
Services	5,551	5,154	5,032	5,101	5,243
- Public Sector	4,927	4,625	4,514	4,458	4,384
- Other	624	529	518	643	859
Agriculture & Livestock	567	594	588	556	528
Consumer	1,691	1,725	1,435	1,380	1,401
Retail & Wholesale Trade	435	410	385	358	347
Construction	368	357	373	377	381
Manufacturing	894	732	629	591	615
Other	136	111	52	45	48
Total Loans	9,982	9,529	9,026	8,827	8,982
Allowances	586	593	633	901	1,067
Total Loans, Net	9,396	8,936	8,393	7,926	7,915

The Bank's net exposure to the Argentine financial and non-financial public sectors (shown in Table VIII) decreased 2.8% from June 30, 2004. The main variations were: (i) a Ps.590 million decrease in the Boden 2012 balance, mainly due to the use of US\$196 million (face value) in the exchange offer made by Galicia Uruguay and (ii) a Ps.421 million increase in the balance of government securities held for trading, mainly reflecting the increase in the Bank's holdings of Lebac and Nobac. As of June 30, 2005, such holdings amounted to Ps.667 million. Secured Loans granted as collateral and recorded under Miscellaneous Receivables were reclassified under Loans, due to the repayment of the guaranteed liability.

The Bank's liabilities with the Argentine Central Bank increased to Ps.8,711 million, up 4.5% from Ps.8,335 million as of June 30, 2004. This variation was due to a Ps.466 million increase in the balance of the advance for the purchase of the Hedge Bond, mainly attributable to the increase in the CER during the year and to the reaching of a final agreement on the amount of the compensation for the asymmetric pesification. This increase was partially offset by the Ps.89 million decrease in the balance of the financial assistance from the Argentine Central Bank. This decrease was the consequence of the monthly principal amortization in accordance with the established repayment schedule (adding up to Ps.370 million and including principal and principal adjustment) and of the Bank's participation in the auctions that allow banks to apply funds in advance to the repayment of principal (Ps.212 million), partially offset by the adjustment of principal by the CER.

In millions of pesos

Table VIII Net Exposure to the Argentine Public Sector (*)	FY 2005		FY 2004		
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
Government Securities' Net Position	5,591	6,035	5,818	5,669	5,750
Trading	673	658	474	237	252
Bogar	3,744	3,610	3,540	3,516	3,595
Boden 2012	379	956	976	974	969
Discount Bonds and GDP-Linked Units/ External Notes	733	750	750	862	855
Tax Credit Certificate	62	61	78	80	79
Loans	5,032	4,730	4,637	4,598	4,542
Secured Loans	4,927	4,625	4,514	4,458	4,384
Other	105	105	123	140	158
Other Receivables Resulting from					
Financial Brokerage	5,637	5,637	5,700	5,683	5,632
Boden 2012	4,625	4,645	4,732	4,723	4,681
Certificates of Participation and Securities Issued by Trusts	1,012	992	968	960	951
Miscellaneous Receivables	-	188	183	181	178
Secured Loans Granted as Collateral	-	188	183	181	178
Total	16,260	16,590	16,338	16,131	16,102
Liabilities with the Argentine Central Bank	8,711	8,549	8,429	8,398	8,335
Net Exposure	7,549	8,041	7,909	7,733	7,767

(*) Excludes 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.

Also excludes the net deferred losses from amparo claims, amounting to Ps.396 million as of June 30, 2005. The total amortization, between that date and April 2003, was Ps.264 million.

Equity investments amounted to Ps.88.0 million, a level similar to that recorded as of June 30, 2004.

The "Bank Premises and Equipment, Miscellaneous and Intangible Assets" item amounted to Ps.1,202 million, including Ps.396 million of net deferred losses associated to *amparo* claims.

The Bank's consolidated deposits amounted to Ps.7,548 million, including Ps.454 million of deposits in Galicia Uruguay. These deposits were Ps.329 million lower than at the end of the prior quarter as a consequence of the completion of the exchange of restructured deposits for cash and Boden 2012 during the quarter (see "Recent Developments").

As of June 30, 2005, the Bank's deposits raised in Argentina reached Ps.7,167 million, representing a 40.0% and a 5.6% increase from June 30, 2004, and March 31, 2005, respectively.

In millions of pesos

Table IX					
Deposits in Argentina	06/30/05	3/31/05	12/31/04	09/30/04	06/30/04
In Pesos	6,480	6,129	5,402	4,639	4,532
Current Accounts	1,532	1,355	1,250	1,110	1,105
Savings Accounts	1,515	1,605	1,276	1,175	1,155
Time Deposits	2,430	2,188	2,088	1,630	1,509
Adjusted Time Deposits	809	748	524	419	227
Restructured Deposits	27	66	99	149	284
Other	167	167	165	156	252
In Foreign Currency	687	659	605	613	589
Total	7,167	6,788	6,007	5,252	5,121

As of June 30, 2005, the Bank's estimated market share of deposits in the Argentine financial system, considering its deposits raised in Argentina only, was 5.68%, with no change from the end of the prior quarter, and 4.63% a year before. Considering only private-sector deposits, the Bank's estimated deposit market share increased to 7.62% as of June 30, 2005, up from 6.39% as of June 30, 2004, and 7.45% as of March 31, 2005.

Table X	06/30/05	3/31/05	12/31/04	09/30/04	06/30/04
Market Share (*)	(%)	(%)	(%)	(%)	(%)
Total Deposits ⁽¹⁾	5.68	5.68	5.18	4.68	4.63
Private Sector Deposits ⁽¹⁾	7.62	7.45	7.07	6.61	6.39
Total Loans	9.50	9.45	9.16	12.57	13.05
Loans to the Private Sector	6.99	7.08	6.43	6.41	6.76

(*) 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 the regional credit-card companies amounts. Market shares are calculated based on deposits and loans principal only.

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

The variation observed during the quarter in the negotiable obligations balance was mainly attributable to the aforementioned forgiveness by Grupo Galicia of subordinated negotiable obligations issued by Galicia Uruguay, for US\$ 43 million, and to the exchange of Galicia Uruguay liabilities restructured as negotiable obligations for cash and Boden 2012, that took place during the quarter. The Ps.677 million increase in the balance of "Others" between June 30, 2004 and June 30, 2005, was mainly due to repo transactions.

In millions of pesos

Table XI					
Other Financial Liabilities	06/30/05	3/31/05	12/31/04	09/30/04	06/30/04
Argentine Central Bank	8,711	8,549	8,429	8,398	8,335
Financial Assistance	5,616	5,548	5,707	5,719	5,705
Advance to Purchase the Hedge Bond	3,095	2,999	2,721	2,678	2,629
Other	-	2	1	1	1
Foreign Banks and International Entities	731	752	772	796	810
Negotiable Obligations ⁽¹⁾	3,760	4,140	4,169	4,177	4,263
Other ⁽²⁾	2,062	1,558	1,507	1,490	1,385
Total	15,264	14,999	14,877	14,861	14,793

(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 June 30, 2005, the Bank had 1,051,840 deposit accounts, reflecting an increase of approximately 84,000 accounts from a year before. Likewise, the number of credit cards reached 2,346,766 at the end of the quarter, 19.5% higher than the 1,963,883 credit cards managed a year before (see the “Additional Information” table).

ASSET QUALITY

The Bank’s non-accrual loan portfolio decreased by Ps.476 million, or 41.9%, between June 30, 2004 and 2005. The non-accrual loan portfolio represented 6.61% of total loans as of June 30, 2005, compared to 12.65% as of June 30, 2004. Considering only the private-sector loan portfolio, the non-accrual portfolio decreased to 13.33% of total loans to the private sector as of June 30, 2005, from 25.59% a year before.

The allowance for loan losses represented 5.87% of total loans and 11.84% of loans to the private sector, compared with 11.88% and 24.03%, respectively, as of June 30, 2004. The coverage of the non-accrual loan portfolio with allowances for loan losses reached 88.79% and the coverage with guarantees 65.91%. The combined coverage of non-accrual loans with allowances and guarantees was 154.70%.

The coverage with allowances for loan losses of the non-accrual loan portfolio plus the portfolio in category “2.b” was 80.32% as of June 30, 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.69.6 million as of the same date.

In millions of pesos, except percentages

Table XII Loan Portfolio Quality	FY 2005		FY 2004		
	2 nd Q	1 st Q	4 th Q	3 rd Q	2 nd Q
Non-Accrual Loans (*)	660	666	699	983	1,136
- With Preferred Guarantees	365	370	384	447	467
- With Others Guarantees	70	68	67	142	205
- Without Guarantees	225	228	248	394	464
Allowances for Loan Losses (**)	586	593	633	901	1,067
Non-Accrual Loans to Total Loans (%)	6.61	6.99	7.74	11.14	12.65
Non-Accrual Loans to Private-Sector Loans (%)	13.33	13.88	15.93	23.24	25.59
Allowance for Loan Losses to Total Loans (%)	5.87	6.22	7.01	10.21	11.88
Allowance for Loan Losses to Non-Accrual Loans (%) (**)	11.84	12.36	14.42	21.31	24.03
Allowance for Loan Losses to Private-Sector Loans (%) (**)	88.79	89.04	90.56	91.66	93.93
Non-Accrual Loans with Guarantees to					
Non -Accrual Loans (%)	65.91	65.77	64.52	59.92	59.15

(*) 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.

(**) 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.20 million were charged off against the allowance for loan losses and Ps.1 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		
	2 nd Q	1 st Q	4 th Q	3 rd Q	2 nd Q
Allowance for Loan Losses at the Beginning					
Of the Quarter	593	633	901	1,067	1,105
Changes in the Allowance for Loan Losses					
Provisions Charged to Income ^(*)	19	20	78	16	45
Provisions Reversed	(6)	(45)	(155)	(15)	(2)
Charge Offs	(20)	(15)	(191)	(167)	(81)
Monetary Effect	-	-	-	-	-
Allowance for Loan Losses at Quarter End	586	593	633	901	1,067
Charge to the Income Statement					
Provisions Charged to Income	24	15	78	10	36
Direct Charge Offs	1	2	2	2	2
Bad Debts Recovered	(7)	(8)	(59)	(19)	(19)
Provisions Reversed ^(**)	(6)	(45)	(155)	(15)	(2)
Net Charge to the Income Statement	12	(36)	(134)	(22)	17

(*) Includes conversion differences corresponding to Galicia Uruguay and the Cayman branch.

(**) Recorded under "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		
	2 nd Q	1 st Q	4 th Q	3 rd Q	2 nd Q
Non-Accrual Portfolio ⁽¹⁾	742	751	789	1,144	1,290
- With Preferred Guarantees	373	383	397	480	500
- With Other Guarantees	78	76	76	151	228
- Without Guarantees	291	292	316	513	562
Allowance for Credit Losses ⁽²⁾	620	629	672	1,014	1,187
Non-Accrual Portfolio to Total Credit (%)	6.87	7.29	8.07	11.98	13.16
Non-Accrual Portfolio to Private-Sector Credit (%)	12.86	13.49	15.35	23.10	24.52
Allowance for Credit Losses to Total Credit (%) ⁽²⁾	5.74	6.11	6.87	10.62	12.11
Allowance for Credit Losses to Private-Sector Credit (%) ⁽²⁾	10.74	11.30	13.08	20.48	22.56
Allowance for Credit Losses to Non-Accrual Portfolio ⁽²⁾	83.56	83.75	85.17	88.64	92.02
Non-Accrual Portfolio with Guarantees					
to Non-Accrual Portfolio (%)	60.78	61.12	59.95	55.16	56.43

(1) Includes credits classified under the categories mentioned in the note 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 June 30, 2005, the Bank's consolidated computable capital exceeded by Ps.887 million the Ps.820 million minimum capital required by Argentine Central Bank rules. This excess was Ps.1,163 million as of June 30, 2004. The variation in the capital requirement between June 30, 2005 and June 30, 2004 was mainly attributable to the change in the applicable "Alfa 1" and "Alfa 2" coefficients, that occurred 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
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
Minimum Capital Required (A)	820	761	613	612	625
Allocated to Financial Assets	376	319	295	302	292
Allocated to Fixed Assets	138	142	142	143	142
Allocated to Other Assets	33	34	34	31	29
Allocated to Market Risk	48	28	63	51	68
Allocated to Interest-Rate Risk	50	63	20	26	36
Allocated to Lending to the Public Sector	175	175	59	59	58
Computable Capital (B)	1,707	1,648	1,746	1,714	1,788
Core Capital	1,223	1,208	1,340	1,334	1,405
Supplemental Capital	653	625	581	583	596
Deductions	(177)	(184)	(195)	(206)	(219)
Additional Capital – Market Variation	8	(1)	20	3	6
Excess over Required Capital (B) - (A)	887	887	1,133	1,102	1,163
Total Capital Ratio (%)	19.42	19.93	25.11	24.94	25.97

As of June 30, 2005, the Bank's unconsolidated liquid assets (held by the Bank's Argentine operation) represented 61.12% of the Bank's transactional deposits and 28.41% of its total deposits raised in Argentina.

Table XVI Liquidity in Argentina (unconsolidated)	FY 2005				FY 2004
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
Liquid Assets ^(*) as a percentage of Transactional Deposits	61.12	57.63	60.87	50.81	50.22
Liquid Assets ^(*) as a percentage of Non-Restructured Deposits	29.90	29.47	30.46	26.58	27.96
Liquid Assets ^(*) as a percentage of Total Deposits	28.41	27.20	27.97	24.39	24.43

() 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>				
	06/30/05	03/31/05	12/31/04	09/30/04	06/30/04
Cash and Due from Banks	956.9	938.6	985.7	1,103.1	975.5
Government and Corporate Securities	5,589.3	5,830.8	5,498.9	5,226.4	5,671.6
Net Loans	9,395.8	8,936.1	8,393.2	7,926.3	7,914.8
Other Receivables Resulting from Financial Brokerage	6,861.7	6,465.3	6,640.2	6,561.1	6,209.7
Equity in Other Companies	87.6	87.8	85.4	85.0	84.1
Bank Premises and Equipment, Miscellaneous and Intangible Assets	1,201.8	1,231.7	1,272.5	1,299.7	1,322.5
Other Assets	460.6	640.4	589.4	552.4	448.4
Total Assets	24,553.7	24,130.7	23,465.3	22,754.0	22,626.6
Deposits	7,548.2	7,517.6	6,777.4	6,115.9	6,024.9
Other Obligations Resulting from Financial Brokerage	14,573.2	14,194.2	14,056.6	14,056.1	13,993.8
Subordinated Negotiable Obligations	690.4	805.2	820.0	804.8	799.6
Other	340.9	357.1	577.6	509.3	498.8
Minority Interests	47.0	41.4	35.5	29.4	24.1
Total Liabilities	23,199.7	22,915.5	22,267.1	21,515.5	21,341.2
Shareholders' Equity	1,354.0	1,215.2	1,198.2	1,238.5	1,285.4
Foreign Currency Assets and Liabilities					
- Assets	6,553.2	7,015.8	7,760.8	7,885.4	7,841.8
- Liabilities	6,336.5	6,947.7	6,984.5	7,208.9	7,137.9

(*) 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:	06/30/05	03/31/05	12/31/04	09/30/04	06/30/04
FINANCIAL INCOME	633.5	522.7	229.8	361.3	488.1
- Interest on Loans to the Financial Sector	0.9	0.7	1.1	1.3	0.9
- Interest on Overdrafts	9.0	8.3	12.4	3.7	5.4
- Interest on Notes	23.1	28.3	21.9	28.6	26.6
- Interest on Mortgage Loans	18.5	22.6	16.7	17.0	16.9
- Interest on Pledge Loans	2.5	2.3	2.1	2.0	1.6
- Interest on Credit-Card Loans	56.2	49.6	43.3	40.2	41.6
- Interest on Other Loans	7.1	5.7	7.4	7.3	5.9
- Net Income from Government and Corporate Securities	127.6	24.2	(77.6)	20.6	53.0
- On Other Receivables Resulting from Financial Brokerage	38.1	32.9	27.2	22.8	16.1
- Net Income from Secured Loans - Decree No.1387/01	47.1	47.6	46.7	46.2	45.1
- Adjustment by the CER	280.9	279.4	113.8	149.6	180.7
- Adjustment by the CVS	-	-	0.1	(0.1)	9.5
- Other	22.5	21.1	14.7	22.1	84.8
FINANCIAL EXPENSES	466.2	457.2	309.2	318.3	290.8
- Interest on Current-Accounts Deposits	3.4	2.9	1.9	1.4	1.1
- Interest on Savings-Accounts Deposits	1.2	1.1	1.0	1.0	0.9
- Interest on Time Deposits	30.8	28.3	26.0	21.5	17.9
- Interest on Loans from the Financial Sector	1.0	0.9	1.1	1.5	2.2
- Other Interest	90.6	90.9	90.0	86.9	80.9
- Interest on Government and Corporate Securities	-	-	6.1	-	-
- For Other Liabilities Resulting from Financial Brokerage	65.9	64.3	62.8	51.5	10.1
- Adjustment by the CER	261.1	252.6	107.5	141.4	171.1
- Other	12.2	16.2	12.8	13.1	6.6
GROSS BROKERAGE MARGIN	167.3	65.5	(79.4)	43.0	197.3
PROVISIONS FOR LOAN LOSSES	22.8	18.2	73.9	19.7	41.0
INCOME FROM SERVICES, NET	133.3	116.5	121.6	107.5	107.5
ADMINISTRATIVE EXPENSES	185.3	158.5	164.3	144.0	142.1
- Personnel Expenses	95.0	82.5	82.3	71.0	67.5
- Directors' and Syndics' Fees	1.2	1.4	1.4	0.8	0.6
- Other Fees	6.9	4.6	4.8	4.2	4.5
- Advertising and Publicity	18.6	9.6	12.9	6.9	9.7
- Taxes	7.1	7.9	7.7	7.6	7.0
- Other Operating Expenses	43.9	41.5	44.0	43.0	43.2
- Other	12.6	11.0	11.2	10.5	9.6
MINORITY INTERESTS	(6.5)	(5.8)	(5.2)	(5.3)	(8.3)
INCOME FROM EQUITY INVESTMENTS	1.0	2.8	1.0	2.8	(1.1)
NET OTHER INCOME	65.6	29.0	171.6	(15.2)	(59.4)
INCOME TAX	13.8	14.3	11.7	16.0	0.9
NET INCOME	138.8	17.0	(40.3)	(46.9)	52.0

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

ADDITIONAL INFORMATION

	<i>In millions of pesos</i>				
	06/30/05	03/31/05	12/31/04	09/30/04	06/30/04
Mutual Funds (*)	244.3	305.8	245.6	197.6	218.9
Physical Data (Number of)					
Employees	6,337	6,254	6,215	6,145	5,990
Branches	318	315	316	311	309
Bank Branches	224	224	225	225	225
Regional Credit-Card Companies Offices	94	91	91	86	84
Deposit Accounts	1,051,840	1,019,692	1,000,793	973,299	967,413
Credit Cards	2,346,766	2,258,797	2,229,150	2,082,181	1,963,883
Inflation and Exchange Rate					
Retail Price Index (%) (**)	2.02	4.03	1.24	1.45	2.16
Wholesale Price Index (IPIM) (%) (**)	1.32	2.17	0.25	3.75	2.11
CER Coefficient (%) (**)	2.71	3.10	1.10	1.45	2.08
Exchange Rate (Pesos per US\$) (***)	2.8908	2.9233	2.9738	2.9825	2.9607

(*) 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

BANCO GALICIA

Banco Galicia Uruguay

The Argentine Central Bank authorized the Bank to transfer to its wholly owned subsidiary Galicia Uruguay, US\$ 196 million of face value of Boden 2012, as part of the exchange of liabilities for Boden 2012 bonds and cash carried out by Galicia Uruguay, that closed on May 27, 2005. These bonds were used by Galicia Uruguay to settle the exchange offer, pursuant to the expressions of interest received from its creditors. Galicia Uruguay has accepted expressions of interest from its creditors for US\$ 243 million.

In addition, on the same date, Grupo Galicia, the Bank's controlling company, announced that it had forgiven US\$ 43 million of subordinated negotiable obligations issued by Galicia Uruguay.

Galicia Uruguay's exchange offer together with the debt forgiveness by Grupo Galicia, are of direct benefit to the Bank, not only because of the significant reduction in its consolidated liabilities, but also because of the US\$ 43 million increase in its shareholders' equity resulting from Grupo Galicia's debt forgiveness. In addition, the Bank's regulatory capital will increase by US\$ 64.5 million, given that the increase in its shareholders' equity allows for a greater amount of subordinated debt (issued as part of the restructuring of the Bank's foreign debt) to be computed as supplementary capital.

Local Ratings

On May 18, 2005, Standard&Poor's upgraded the Bank's local ratings. The Bank's short-term rating increased from "raA3" to "raA2," its long-term rating increased from "raBBB -" to "raA" and its subordinated debt rating increased from "raBB +" to "raA -." In addition, Evaluadora Latinoamericana also upgraded the Bank's long-term senior and subordinated debt ratings from "BBB" to "A" and "A -," respectively.

Credit Line from the International Finance Corporation

On May 20, 2005, the International Finance Corporation ("IFC") granted the Bank a US\$ 40 million credit line (US\$ 25 million extendable in US\$ 15 million), with a tenor of 7 years and a 2-year grace period, to on-lend to export-oriented small- and medium-sized enterprises in Argentina. This is the first direct loan granted by the IFC to an Argentine financial institution after the 2001-2002 crisis.

Tarjeta Nevada III Financial Trust

On June 3, 2005, the "Tarjeta Nevada III Financial Trust" publicly offered securities for Ps.25 million of face value, the underlying assets of which are receivables from the use of the credit cards issued by Tarjetas Cuyanas S.A. The Trust issued debt securities for a face value of Ps.19 million, a variable interest rate equivalent to CER plus an annual 1.95% (with a 10% floor and a 20% cap) and a tenor of 2 years, which were fully subscribed, and certificates of participation for Ps.6 million, that will receive the remaining profit generated by the Trust and which were kept by Tarjetas Cuyanas S.A. The debt securities were rated "AAA(arg)" by Fitch Argentina.

MAIN REGULATORY CHANGES

Foreign Exchange Market

On June 9, 2005, the national Executive Branch issued Decree N° 616/05, which established new rules for capital movements into and from Argentina. This Decree, regulated by Resolution N° 325/05 of the Ministry of Economy and Argentine Central Bank Communiqués "A" 4359, "A" 4360 and "A" 4377, mainly established that: (i) FX flows into and from the local FX market and all resident new debt transactions that may imply future FX payments to nonresidents must be registered with the Argentine Central Bank; (ii) all new debt of the private sector with nonresidents must be for a minimum term of 365 days, except for foreign trade financing and primary issuances of debt securities, which public offering has been duly authorized and which are listed in self-regulated markets in Argentina; (iii) all FX inflows

resulting from such indebtedness, with the exceptions mentioned in (ii), and all FX inflows by nonresidents, excluding direct foreign investments and certain portfolio investments (subscriptions of primary issuances of debt and equity securities, which public offering has been duly authorized and which are listed in self-regulated markets in Argentina, and government securities acquired in the secondary market), must be for a term of at least 365 days and 30% of the funds involved will be required to remain as an unremunerated dollar-denominated deposit maturing in at least 365 days, in a local financial institution; (iv) the proceedings of sales of foreign assets brought into the country by residents (capital “repatriation”) will be subject to the 30% deposit requirement, which will apply to amounts exceeding US\$ 2 million per month; and (v) debt with multilateral and bilateral credit agencies is exempted from the 30% deposit requirement.

Minimum Cash Requirement

Pursuant to Argentine Central Bank’s Communiqué “A” 4388, issued on July 15, 2005, the minimum cash requirement applicable to judicial deposits (both demand and time deposits) was reduced from 10% to 8%.

Through Communiqué “A” 4393, issued on July 25, 2005, the Argentine Central Bank established that the amounts corresponding to the 30% deposit requirement mentioned above (under “Foreign Exchange Market”) will be excluded for the purpose of determining the remuneration of the accounts held by banks at the Argentine Central Bank.

Global Foreign Currency Net Position

Through Communiqué “A” 4350, dated on May 12, 2005, the Argentine Central Bank suspended, effective May 1, 2005, the limit on the positive Global Foreign Currency Net Position. This limit was the lower between 30% of a bank’s computable capital and its liquid shareholders’ equity at the close of the previous month. This Communiqué also suspended the additional short-term limit, described under Item 1 of Communiqué “A” 3889 (according to Exhibit II of Communiqué “A” 4140). The limit on the negative Global Foreign Currency Net Position was maintained at 30% of computable capital.

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.