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BANCO DE GALICIA Y BUENOS AIRES S.A. REPORTS EARNINGS **FOR THE SECOND QUARTER ENDED JUNE 30, 2008**

(Buenos Aires, Argentina, August 7, 2008) – Banco de Galicia y Buenos Aires S.A. (the “Bank”, Buenos Aires Stock Exchange: GALI) today announced its financial results for the second quarter ended June 30, 2008.

- **Net income for the second quarter of FY 2008 amounted to Ps.38.1 million, representing a Ps.30.4 million improvement from the Ps.7.7 million profit recorded in the same quarter of the previous year.**
- **The Bank’s adjusted net income ⁽¹⁾ for the second quarter of this fiscal year amounted to Ps.57.5 million, compared to Ps.42.7 million for the same quarter of FY 2007, representing a 34.7% increase.**
- **The Bank increased its adjusted operating income ⁽²⁾ by approximately 48% as compared with the amount reported for the same quarter of FY 2007, mainly as a result of the increase in its level of activity.**
- **During the quarter, there was a change in the uptrend in private-sector deposits in the Argentine financial system that occurred during the last years, with such deposits declining during the period. This environment affected the Bank’s deposits and, consequently but to a much lesser extent, its loans to the private sector. At the end of the quarter, the Bank’s deposits in Argentina amounted to Ps.12,869 million, with a 5.6% increase in the twelve months ended June 30, 2008, and a Ps.776 million decline during the quarter. Such decline began to reverse by the middle of June, both at the level of the financial system and the Bank, and the growth trend consolidated during July. As of July 31, 2008, the Bank’s deposits in Argentina amounted to Ps.13,138 million, with a Ps.269 million increase as compared with the end of the previous month.**
- **At the end of the quarter, the Bank’s credit exposure to the private sector amounted to Ps.13,952 million, representing a 22.8% increase during the twelve months ended June 30, 2008, and a Ps.196 million decrease during the quarter.**
- **During the quarter, the Bank adjusted its business management in order to prevent the aforementioned market’s evolution from affecting the liquidity levels established by its risk management policies.**

(1) Adjusted net income: Net income excluding the adjustment to the valuation of public-sector assets, in accordance with Argentine Central Bank rules and the losses from the amortization of amparo claims.

(2) Adjusted operating income: net adjusted financial income ⁽³⁾ plus net income from services.

(3) Adjusted net financial income: Financial Income excluding the adjustment to the valuation of public-sector assets, in accordance with Argentine Central Bank rules, plus net financial income from security margins of repo transactions (the latter are recorded under “Miscellaneous Income/Loss”).

NET INCOME FOR THE QUARTER ENDED JUNE 30, 2008

In the second quarter of FY 2008, the Bank recorded a Ps.38.1 million profit, compared with a Ps.7.7 million profit for the same quarter of the previous year.

Excluding the Ps.6.8 million loss from the adjustment to the valuation of public-sector assets and the Ps.12.6 million loss from the amortization of *amparo* claims, the adjusted net income for the second quarter of FY 2008 amounted to Ps.57.5 million, compared to a Ps.42.7 million profit in the same quarter of the previous year. The latter figure excludes a Ps.8.5 million profit from the adjustment to the valuation of public-sector assets and a Ps.43.5 million loss from the amortization of differences for *amparo* claims.

The higher adjusted net income was a consequence of a Ps.193.7 million increase in the adjusted operating income and a Ps.17.3 million increase in net other income. This increase was partially offset by higher administrative expenses (which were up Ps.138.8 million), higher loan loss provisions (which were up Ps.57.1 million) and a higher income tax (which was up Ps.4.6 million).

The adjusted operating income for the quarter totaled Ps.599.2 million, up 47.8% from the Ps.405.5 million recorded in the second quarter of the prior year. This increase was due both to a higher adjusted net financial income (up Ps.116.4 million) and a higher net income from services (up Ps.77.3 million).

In pesos

Table I	FY 2008	FY 2007	Six Months Ended	
Earnings per Share	2nd Q	2nd Q	06/30/08	06/30/07
Average Shares Outstanding (in thousands) (*)	562,327	468,662	562,327	468,662
Book Value per Share	3.265	2.634	3.265	2.634
Earnings per Share	0.068	0.016	0.137	(0.061)

(*) During August 2007, 93.7 million new shares were issued.

INFORMATION DISCLOSURE

The data shown in the tables of this report and the consolidated financial statements correspond to Banco de Galicia y Buenos Aires S.A. consolidated 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.

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 Factoring y Leasing S.A., and Galicia Valores S.A. Sociedad de Bolsa. Beginning in the fourth quarter of FY 2007, the financial statements of Galicia Administradora de Fondos S.A. have been consolidated directly with those of the Bank.

SECOND QUARTER OF FY 2008 RESULTS

Table II	<i>Percentages</i>			
	FY 2008	FY 2007	Six Months Ended	
Profitability and Efficiency	2nd Q	2nd Q	06/30/08	06/30/07
Return on Average Assets ^(*)	0.73	0.31	0.74	(0.15)
Return on Average Shareholders’ Equity ^(*)	8.39	2.49	8.53	(4.55)
Financial Margin ^(*) (1)	5.73	4.14	5.44	3.18
Net Income from Services as a % of Operating Income ⁽²⁾	51.24	55.18	51.54	59.94
Net Income from Services as a % of Administrative Expenses	69.04	75.30	71.36	75.26
Administrative Expenses as a % of Operating Income ⁽²⁾	74.21	73.29	72.22	79.64

(*) Annualized.

(1) Financial Margin: Financial Income minus Financial Expenses, divided by Average Interest-earning Assets.

(2) Operating Income: Net Financial Income plus Net Income from Services.

Net financial income for the second quarter of FY 2008 amounted to Ps.285.9 million, up Ps.104.7 million from the second quarter of the previous fiscal year. Excluding the Ps.6.8 million loss from the adjustment to the valuation of public-sector assets and including the financial income from security margins of repo transactions (a Ps.6.1 million profit), the Bank’s adjusted net financial income for the second quarter of FY 2008 amounted to Ps.298.8 million. Calculated in the same manner, the adjusted net financial income for the second quarter of FY 2007 was Ps.182.4 million.

The quarter’s net financial income includes a Ps.30.9 million profit from quotation differences, net of the results from foreign-currency forward transactions. This profit was composed of a Ps.49.2 million gain from FX brokerage and a Ps.18.3 million loss from the valuation of the Bank’s net foreign-currency position. In the same quarter of the prior year, the gain from quotation differences was of Ps.20.4 million (composed by a Ps.18.1 million gain from FX brokerage and a Ps.2.3 million gain from the valuation of the foreign-currency net position).

The quarter’s adjusted net financial income before quotation differences amounted to Ps.267.9 million, compared to a Ps.162.0 million income in the same quarter of 2007, with a 65.4% increase. This result was mainly the consequence of the profits associated with the peso-denominated and the CER-adjusted matched portfolios and with the funding of CER-adjusted assets with, mainly, peso-denominated liabilities. These profits were partially offset by the loss on the foreign-currency denominated matched portfolio.

The significant increase in the adjusted net financial income was a consequence of a significant increase in income from financial intermediation with the private sector (resulting from a Ps.2,589 million increase in the volume of average loans to the private sector during the year, together with a 282 basis points (“b.p.”)

increase in the average lending rate), partially offset by the increase in the cost of liabilities, as a consequence of the higher average cost of deposits and debt securities.

With respect to the average yield on interest-earning assets, the 179 b.p. annual increase was mainly due to the increase in the average yield on loans to the private sector and to such loans' greater relative weight within total interest-earning assets. In addition, the following are the main interest rate increases that contributed to the aforementioned factors: (i) the average rate of loans to the public sector increased 103 p.b. as a result of a higher CER variation during the quarter, and (ii) the yield on financial trust securities increased 238 p.b. These increases were partially offset by a lower average yield on government securities, which was mainly related to the decline in the Libo rate accrued by the Boden 2012.

The average cost of interest-bearing liabilities increased 48 b.p. This is attributable to an increase in the average rate of time deposits from 7.77% to 9.52%, which is consistent with the developments in the overall Argentine financial market, and to an 80 b.p. increase in the cost of "Debt Securities", due to the increase in the cost of the Bank's restructured foreign debt in accordance with contractual conditions. It should be noted that, during the year, the change in the composition of deposits towards transactional deposits partially offset the impact of the increase in borrowing rates on the overall cost of funds.

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

Table III Average Balances, Yield and Rates ^(*)	FY 2008						FY 2007			
	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	19,971	11.43	19,726	11.12	18,845	10.89	18,371	9.70	17,487	9.64
Government Securities ^(**)	3,776	3.34	3,890	4.45	3,950	5.03	4,293	3.84	4,393	4.79
Loans	12,191	15.79	11,953	15.06	11,132	14.86	10,563	13.40	9,974	13.18
- Private Sector	10,938	15.93	10,727	15.07	9,932	15.14	9,367	13.84	8,349	13.11
- Public Sector	1,253	14.57	1,226	14.95	1,200	12.54	1,196	9.98	1,625	13.54
Financial Trusts Securities	1,029	10.97	992	10.82	968	6.99	913	10.32	902	8.59
Other Interest-Earning Assets	2,975	4.03	2,891	3.93	2,795	4.68	2,602	4.14	2,218	3.71
Interest-Bearing Liabilities	15,510	7.32	15,628	7.51	14,880	7.68	14,932	5.96	14,660	6.84
Current Accounts	935	2.02	872	2.11	796	2.34	667	2.17	668	2.41
Savings Accounts	2,534	0.18	2,564	0.17	2,449	0.17	2,371	0.17	2,136	0.31
Time Deposits	6,585	9.52	7,157	9.60	6,625	9.92	6,813	8.14	6,656	7.77
Debt Securities	2,876	10.21	2,919	10.22	3,077	10.06	3,506	5.15	3,824	9.41
Other Interest-Bearing Liabilities	2,580	7.43	2,116	7.84	1,933	7.94	1,575	8.63	1,376	7.41

(*) Does not include the adjustment to the valuation of public-sector assets pursuant to Communiqué "A" 3911 of the Argentine Central Bank, nor quotation differences. Annual nominal rates were calculated using a 360-day denominator.

(**) Includes Discount Bonds and GDP-Linked Units, valued in accordance with Communiqué "A" 4270.

Provisions for loan losses for the second quarter of FY 2008 amounted to Ps.94.0 million, Ps.57.1 million more than in the same quarter of the prior year. This increase was due, mainly, to the seasoning of the individuals' portfolio.

Net income from services amounted to Ps.300.4 million, up 34.6% from the Ps.223.1 million recorded in the second quarter of the previous fiscal year. All items recorded a significant increase as compared with the same quarter of 2007 –particularly fees in connection with credit and debit cards and insurance products, and credit-related fees–. This result reflects the significant increase in the Bank's volume of transactions, together with certain adjustments, in the last twelve months ended June 30, 2008, in the price of some services, in line with the dynamics of the Argentine financial market.

In millions of pesos

Table IV Income from Services, Net	FY 2008			FY 2007	
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
National Cards	88.6	79.4	76.6	65.9	57.0
Regional Credit Cards	145.6	126.4	118.8	112.7	100.4
Deposit Accounts	47.6	45.8	44.3	41.4	39.3
Insurance	28.3	24.9	22.1	20.9	18.7
Financial Fees	10.0	9.2	8.0	7.8	6.8
Credit-Related Fees	26.1	22.7	21.8	22.7	19.1
Foreign Trade	11.5	10.7	11.2	10.4	9.0
Collections	8.5	7.9	7.8	7.3	6.5
Utility-Bills Collection Services	4.8	4.2	4.1	3.6	3.3
Mutual Funds	1.1	1.1	1.0	0.9	0.9
Other	23.2	22.1	21.8	21.5	19.6
Total Income	395.3	354.4	337.5	315.1	280.6
Total Expenditures	94.9	80.4	77.7	66.7	57.5
Income from Services, Net	300.4	274.0	259.8	248.4	223.1

Administrative expenses for the quarter totaled Ps.435.1 million, up 46.8% from the same quarter of the previous year. Personnel expenses rose 49.8%, mainly due to salary increases and to a 15.8% growth in the Bank's staff. The remaining administrative expenses grew 43.5%, mainly as a consequence of the greater level of activity, the geographical expansion of the regional credit-card companies and inflation during the period.

Net other income for the quarter amounted to Ps.6.0 million, compared to a Ps.38.6 million loss for the second quarter of the previous year. The quarter's profit was made up of a Ps.10.2 million profit from loans recovered, a Ps.6.1 million gain from security margins of repo transactions, and Ps.8.2 million related to other miscellaneous income. These effects were partially offset by: (i) a Ps.12.6 million loss from the amortization of differences for *amparo* claims, and (ii) the net establishment of reserves for Ps.5.9 million. The loss recorded in the second quarter of FY 2007 was mainly the consequence of greater losses from the amortization of differences for *amparo* claims and net establishment of reserves.

The income tax charge was of Ps.22.1 million, Ps.4.6 million higher than in the second quarter of FY 2007. This charge corresponds mainly to the regional credit-card companies.

LEVEL OF ACTIVITY

As of June 30, 2008, the Bank's total exposure to the private sector reached Ps.13,952 million, up 22.8% during the year. As a consequence of the decrease in deposits, a Ps.196 million decrease was recorded in such exposure during the quarter.

The regional credit-card companies' total loan portfolio amounted to Ps.2,266.8 million, representing a 30.3% increase between June 30, 2008 and the same date of the previous year, and a Ps.211 million increase during the quarter.

The decrease in total loans was concentrated in short-term commercial loans to the private sector, which entailed a decrease in the Bank's (excluding the regional credit-card companies) market share of private-sector loans from 7.69% as of June 30, 2007 to 7.05% as of June 30, 2008.

In millions of pesos

Table V Exposure to the Private Sector	FY 2008			FY 2007	
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
Loans	11,015	11,202	10,657	9,949	8,912
Leasing	430	403	360	327	284
Corporate Securities	15	16	21	20	33
Other Financing ^(*)	1,653	1,596	1,409	1,311	1,229
Total Credit	13,113	13,217	12,447	11,607	10,458
Securitized Loans ^(**)	839	931	978	834	904
Total	13,952	14,148	13,425	12,441	11,362

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

(**) As of June 30, 2008, includes the outstanding balances of the loans transferred to the following trusts: "Galtrust II", "Galicia Personales III", "Galicia Personales IV", "Galicia Personales V", "Galicia Personales VI", "Galicia Personales VII", "Galicia Créditos Inmobiliarios I", "Galicia Créditos Inmobiliarios II", "Galicia Prendas Comerciales I", "Galicia Leasing I." Also includes the outstanding balances of the loans securitized by the regional credit-card companies.

Private-sector loan growth during the twelve months ended June 30, 2008, was mainly concentrated in loans to individuals (42.6%) and middle-market companies (39.7%). By sector of activity, the Bank increased its exposure mainly to the agriculture and livestock sector (43.2%), consumers (41.9%), and the manufacturing sector (17.6%).

In millions of pesos

Table VI Loans by Type of Borrower	FY 2008			FY 2007	
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
Large Corporations	1,465	1,879	1,870	1,848	2,015
Middle-Market Companies	4,093	4,341	3,994	3,330	2,929
Individuals	5,355	4,816	4,631	4,358	3,755
Financial Sector	210	274	269	520	320
Non-Financial Public Sector	1,272	1,247	1,211	1,199	1,200
Total Loans	12,395	12,557	11,975	11,255	10,219
Allowances	520	461	429	389	365
Total Loans, Net	11,875	12,096	11,546	10,866	9,854

In millions of pesos

Table VII Loans by Sector of Activity	FY 2008				FY 2007
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
Financial Sector	210	274	269	520	320
Services	2,419	2,533	2,357	2,433	2,161
- Public Sector	1,272	1,247	1,211	1,199	1,200
- Other	1,147	1,286	1,146	1,234	961
Agriculture & Livestock	1,266	1,307	1,218	994	884
Consumer	5,089	4,587	4,402	4,146	3,587
Retail & Wholesale Trade	1,360	1,608	1,575	1,277	1,303
Construction	182	210	268	161	308
Manufacturing	1,790	1,954	1,807	1,641	1,522
Other	79	84	79	83	134
Total Loans	12,395	12,557	11,975	11,255	10,219
Allowances	520	461	429	389	365
Total Loans, Net	11,875	12,096	11,546	10,866	9,854

Between June 30, 2007 and June 30, 2008, the Bank reduced its exposure to the public sector by Ps.980 million (See *Table VIII*), mainly as a consequence of the following: (i) a Ps.730 million decrease in the balance of Boden 2012 bonds due to the collection of amortization and interest coupons and to sales of such bonds to fund the repurchase of restructured foreign debt (See *Recent Developments*), and ii) a Ps.362 million decrease in the net position of government securities held for trading, mainly composed of Bills and Notes issued by the Argentine Central Bank (Lebac and Nobac).

In millions of pesos

Table VIII Exposure to the Argentine Public Sector^(*)	FY 2008				FY 2007
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
Government Securities' Net Position	3,580	3,893	3,859	3,960	4,694
Held for Trading	302	491	417	529	664
Boden 2012 Bonds	2,586	2,710	2,744	2,723	3,316
Discount Bonds and GDP-Linked Negotiable Securities	692	692	698	708	714
Loans	1,380	1,355	1,318	1,306	1,307
Secured Loans, Net	1,272	1,247	1,211	1,199	1,200
Other	108	108	107	107	107
Other Receivables Resulting from Financial Brokerage	908	890	870	856	847
Trust Certificates of Participation and Securities	908	890	870	856	847
Total Exposure	5,868	6,138	6,047	6,122	6,848

() 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.*

Equity investments amounted to Ps.52.6 million, up 5.6% from the Ps.49.8 million recorded at the end of the second quarter of FY 2007.

The item "Bank Premises and Equipment, Miscellaneous and Intangible Assets" includes Ps.307 million of net deferred losses associated to *amparo* claims. This amount includes Ps.211 million of deferred amortization.

The Bank's consolidated deposits amounted to Ps.13,108 million, of which Ps.256 million were deposits in Galicia Uruguay.

As of June 30, 2008, the Bank's deposits in Argentina amounted to Ps.12,869 million, representing a 5.6% increase, as compared to June 30, 2007, and a Ps.766 million decrease from the level as of March 31, 2008. This decrease, as for the financial system as a whole, was concentrated in May, and the downtrend reversed at the middle of June.

In millions of pesos

Table IX Deposits in Argentina	FY 2008				FY 2007
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
In Pesos	11,150	11,847	11,243	10,777	10,850
Current Accounts	2,892	3,031	2,698	2,514	2,491
Savings Accounts	2,522	2,445	2,479	2,283	2,313
Time Deposits	5,429	6,030	5,640	5,378	5,336
Adjusted Time Deposits	65	101	202	376	454
Other	242	240	224	226	256
In Foreign Currency	1,719	1,788	1,748	1,687	1,333
Total Deposits	12,869	13,635	12,991	12,464	12,183

As of June 30, 2008, the Bank's estimated market share of deposits in the Argentine financial system, considering its deposits in Argentina only, was 5.70%, compared with 6.39% as of the same date of 2007. Considering only private-sector deposits, the Bank's estimated deposit market share reached 7.72% as of June 30, 2008, compared with 8.45% as of June 30, 2007.

Percentages

Table X Market Share (*)	FY 2008				FY 2007
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
Total Deposits	5.70	6.16	6.32	6.24	6.39
Private Sector Deposits	7.72	8.21	8.23	8.34	8.45
Total Loans	6.73	7.44	7.41	7.44	7.18
Loans to the Private Sector	7.05	7.81	7.75	7.59	7.69

() 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. Deposits and Loans include only principal. The regional credit-card companies' data is not included.*

Other financial liabilities increased by Ps.401 million from the amount as of the end of the second quarter of FY 2007. The increase was mainly the consequence of an increase in the balance of repo transactions, greater financing by financial institutions of the regional credit-card companies, and higher debt with merchants in connection with credit-card activities. These funding increases were partially offset by the reduction in the Bank's restructured foreign debt, which, still considering the capitalization of interest on the subordinated notes and loans due in 2019, amounted to US\$ 328 million, due to amortization, prepayments and cancellations in advance.

In millions of pesos

Table XI Other Financial Liabilities	FY 2008			FY 2007	
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
Domestic Financial Institutions and Credit Entities	442	285	225	216	110
Foreign Financial Institutions and Credit Entities	761	593	504	457	308
Negotiable Obligations ^(*)	2,831	2,951	3,051	3,235	4,008
Obligations in Connection with Spot Transactions Pending Settlement and Repo Transactions	1,367	1,309	1,273	1,007	712
Other ^(**)	1,919	1,982	1,950	1,576	1,781
Total	7,320	7,120	7,003	6,491	6,919

(*) Includes subordinated negotiable obligations.

(**) Includes, mainly, debt with merchants in connection with credit-card activities.

As of June 30, 2008, the Bank had 1.4 million deposit accounts, which represents an increase of approximately 190 thousand accounts as compared with the same date of the previous year. Likewise, the number of credit cards reached 5.9 million, with a 24.2% increase from the 4.7 million credit cards managed a year before (See the “Additional Information” table).

ASSET QUALITY

The Bank’s non-accrual loan portfolio amounted to Ps.465 million as of June 30, 2008, compared to Ps.321 million as of the same date of the prior year. The non-accrual loan portfolio represented 4.22% and 3.60% of total loans to the private sector as of June 30, 2008 and June 30, 2007, respectively.

The allowance for loan losses represented 4.72% of total loans to the private sector as of June 30, 2008 and 4.10% as of June 30, 2007. The coverage of the non-accrual loan portfolio with allowances for loan losses was 111.83%.

In millions of pesos, except percentages

Table XII Loan Portfolio Quality	FY 2008			FY 2007	
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
Non-Accrual Loans ^(*)	465	405	376	385	321
- With Preferred Guarantees	38	35	44	42	41
- With Others Guarantees	6	6	5	5	5
- Without Guarantees	421	364	327	338	275
Allowance for Loan Losses	520	461	429	389	365
Non-Accrual Loans to Total Loans (%)	3.75	3.23	3.14	3.42	3.14
Non-Accrual Loans to Private-Sector Loans (%)	4.22	3.62	3.53	3.87	3.60
Allowance for Loan Losses to Total Loans (%)	4.20	3.67	3.58	3.46	3.57
Allowance for Loan Losses to Private-Sector Loans (%)	4.72	4.12	4.03	3.91	4.10
Allowance for Loan Losses to Non-Accrual Loans (%)	111.83	113.83	114.10	101.04	113.71
Non-Accrual Loans with Guarantees to Non-Accrual Loans (%)	9.46	10.12	13.03	12.21	14.33

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

During the quarter, Ps.37 million were charged off against the allowance for loan losses and direct charges to the income statement for Ps.2 million were made.

In millions of pesos

Table XIII Consolidated Analysis of Loan Loss Experience	FY 2008			FY 2007	
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
Allowance for Loan Losses at the Beginning of the Quarter	461	429	389	365	355
Changes in the Allowance for Loan Losses					
Provisions Charged to Income	96	83	95	71	35
Provisions Reversed	-	-	(18)	-	-
Charge Offs	(37)	(51)	(37)	(47)	(25)
Allowance for Loan Losses at Quarter End	520	461	429	389	365
Charge to the Income Statement					
Provisions Charged to Income	91	83	95	71	35
Direct Charge Offs	2	1	1	1	1
Bad Debts Recovered	(10)	(7)	(12)	(18)	(7)
Provisions Reversed (*)	-	-	(18)	-	-
Net Charge to the Income Statement	83	77	66	54	29

(*) 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 2008			FY 2007	
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
Non-Accrual Portfolio (*)	479	422	399	408	345
- With Preferred Guarantees	40	37	45	44	44
- With Other Guarantees	6	6	5	5	5
- Without Guarantees	433	379	349	359	296
Allowance for Credit Losses	533	474	447	408	383
Non-Accrual Portfolio to Total Credit (%)	3.31	2.90	2.90	3.16	2.93
Non-Accrual Portfolio to Private-Sector Credit (%)	3.65	3.19	3.21	3.52	3.30
Allowance for Credit Losses to Total Credit (%)	3.68	3.25	3.25	3.16	3.26
Allowance for Credit Losses to Private-Sector Credit (%)	4.06	3.59	3.59	3.52	3.66
Allowance for Credit Losses to Non-Accrual Portfolio (%)	111.27	112.32	112.03	100.00	111.01
Non-Accrual Portfolio with Guarantees to Non-Accrual Portfolio (%)	9.60	10.19	12.53	12.01	14.20

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

CAPITALIZATION AND LIQUIDITY

As of June 30, 2008, the Bank's consolidated computable capital exceeded by Ps.854 million the Ps.1,551 million minimum capital requirement. This excess increased significantly as compared to the Ps.432 million excess registered at the end June 2007.

The increase in the minimum capital requirement between June 30, 2008 and June 30, 2007 was mainly attributable to the Bank's greater exposure to the private sector.

Between those dates, the computable regulatory capital increased by Ps.672 million. This was mainly attributable to the share issuance completed in August 2007, which generated an aggregate increase in the shareholders' equity items "capital stock" and "issuance premiums", after issuance costs, of Ps.466 million. The Ps.182 million increase in the supplemental capital was a consequence of having been able to compute more subordinated debt as supplemental capital, given the increase in core capital, and to the profits recorded during the period.

In millions of pesos, except ratios

Table XV Consolidated Regulatory Capital	FY 2008				FY 2007
	2 nd Q	1 st Q	4 th Q	3 rd Q	2 nd Q
Minimum Capital Required (A)	1,551	1,512	1,303	1,319	1,301
Allocated to Financial Assets	904	877	786	754	671
Allocated to Fixed Assets	160	157	153	155	149
Allocated to Other Assets	63	61	61	63	54
Allocated to Market Risk	7	10	20	21	22
Allocated to Interest-Rate Risk	67	56	52	67	92
Allocated to Lending to the Public Sector	350	351	231	259	313
Computable Capital (B)	2,405	2,409	2,357	2,311	1,733
Core Capital	1,783	1,796	1,757	1,751	1,244
Supplemental Capital	812	788	757	717	630
Deductions	(197)	(183)	(160)	(161)	(153)
Additional Capital – Market Variation	7	8	3	4	12
Excess over Required Capital (B) - (A)	854	897	1,054	992	432
Total Capital Ratio (%)	13.27	13.57	15.54	15.31	11.77

As of June 30, 2008, the Bank's unconsolidated liquid assets (held by the Bank's Argentine operation only) represented 47.61% of the Bank's transactional deposits and 22.15% of its total deposits in Argentina. Including government securities available, at their market value, the latter ratio was 28.87%.

Table XVI Liquidity (unconsolidated)	FY 2008				FY 2007
	2 nd Q	1 st Q	4 th Q	3 rd Q	2 nd Q
Liquid Assets ^(*) as a percentage of Transactional Deposits	47.61	52.89	55.87	60.76	54.58
Liquid Assets ^(*) as a percentage of Total Deposits	22.15	23.38	24.57	25.91	23.11

() 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), net call money interbank loans, short-term placements with correspondent banks and reverse repos with the local market.*

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). In addition, the Argentine Central Bank (www.bcra.gov.ar) may publish information related to the Bank as of a date subsequent to the last date for which the Bank has published information.

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>				
	FY 2008			FY 2007	
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
Cash and Due from Banks	3,037.6	2,692.7	2,959.1	2,622.6	2,057.6
Government and Corporate Securities	1,186.5	1,785.8	1,674.8	2,226.9	3,569.3
Net Loans	11,874.9	12,095.5	11,546.1	10,866.4	9,854.1
Other Receivables Resulting from Financial Brokerage	3,787.7	3,951.3	3,538.5	3,140.9	3,319.5
Equity Investments in Other Companies	52.6	53.8	51.2	51.8	49.8
Bank Premises and Equipment, Miscellaneous and Intangible Assets	1,373.5	1,316.2	1,281.1	1,232.0	1,239.7
Other Assets	1,603.7	1,524.4	1,475.3	1,329.8	999.1
Total Assets	22,916.5	23,419.7	22,526.1	21,470.4	21,089.1
Deposits	13,108.0	13,894.7	13,188.5	12,759.6	12,451.4
Other Liabilities Resulting from Financial Brokerage	6,477.9	6,261.7	6,148.2	5,659.2	6,101.4
Subordinated Negotiable Obligations	841.8	857.9	855.3	832.1	817.7
Other	540.0	491.6	462.8	417.6	398.6
Minority Interests	112.6	115.7	111.9	94.0	85.5
Total Liabilities	21,080.3	21,621.6	20,766.7	19,762.5	19,854.6
Shareholders' Equity	1,836.2	1,798.1	1,759.4	1,707.9	1,234.5
Foreign-Currency Assets and Liabilities					
- Assets	6,092.4	6,266.8	6,202.9	6,031.8	6,142.6
- Liabilities	6,758.7	6,809.8	6,739.2	6,463.0	6,489.2
- Net Forward Purchases/(Sales) of Foreign Currency ⁽¹⁾	782.3	750.9	860.5	550.0	401.0

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

(1) Recorded off-balance sheet.

SELECTED FINANCIAL INFORMATION – CONSOLIDATED DATA ^(*)

	<i>In millions of pesos</i>				
	FY 2008			FY 2007	
	2nd Q	1st Q	4th Q	3rd Q	2nd Q
FINANCIAL INCOME	639.9	585.5	547.8	513.1	452.9
- Interest on Cash and Due from Banks	2.1	3.3	5.1	3.9	2.0
- Interest on Loans to the Financial Sector	0.7	0.3	0.3	0.3	0.3
- Interest on Overdrafts	40.8	36.4	34.4	32.1	25.1
- Interest on Promissory Notes	101.3	104.2	97.3	75.7	61.4
- Interest on Mortgage Loans	30.9	30.2	29.6	26.0	22.2
- Interest on Pledge Loans	3.6	3.4	3.7	3.5	2.8
- Interest on Credit-Card Loans	161.1	139.4	127.6	111.9	101.6
- Interest on Other Loans	78.2	70.8	63.1	56.4	42.5
- Net Income from Government and Corporate Securities	62.9	73.8	56.6	80.6	72.2
- Interest on Other Receivables Resulting from Financial Brokerage	8.9	8.7	9.6	8.7	7.3
- Net Income from Secured Loans - Decree No.1387/01	13.1	12.7	12.4	12.2	17.3
- CER Adjustment	39.0	39.5	47.5	22.1	44.9
- Other	29.4	39.4	31.2	56.1	31.1
- Quotation Differences on Gold and Foreign Currency	67.9	23.4	29.4	23.6	22.2
FINANCIAL EXPENSES	354.0	331.3	334.8	289.7	271.7
- Interest on Current-Account Deposits	4.7	4.6	4.7	3.6	4.0
- Interest on Savings-Account Deposits	0.9	0.9	0.8	0.8	1.5
- Interest on Time Deposits	153.9	167.3	156.8	131.1	119.1
- Interest on Subordinated Obligations	24.4	24.9	24.2	24.1	23.1
- Other Interest	0.9	1.1	1.1	1.1	1.3
- Interest on Interbank Loans Received (Call Money Loans)	2.0	0.1	0.7	1.5	0.8
- Interest on Financing from the Financial Sector	0.2	0.3	0.4	0.5	0.5
- Interest on Other Liabilities Resulting from Financial Brokerage	69.7	69.7	70.4	77.7	77.5
- Contributions to the Deposit Insurance Fund	6.0	5.7	5.5	5.3	5.0
- CER Adjustment	3.3	4.5	7.8	7.9	8.3
- Other	88.0	52.2	62.4	36.1	30.6
GROSS FINANCIAL MARGIN	285.9	254.2	213.0	223.4	181.2
PROVISIONS FOR LOAN LOSSES	94.0	85.2	96.5	72.7	36.9
INCOME FROM SERVICES, NET	300.4	274.0	259.8	248.4	223.1
ADMINISTRATIVE EXPENSES	435.1	369.8	355.6	326.5	296.3
- Personnel Expenses	235.2	206.5	186.6	170.7	157.0
- Directors' and Syndics' Fees	1.4	1.3	1.3	1.3	1.1
- Other Fees	12.8	10.7	11.4	10.0	9.1
- Advertising and Publicity	41.9	25.0	32.9	29.4	26.8
- Taxes	23.5	19.6	20.0	17.4	14.0
- Depreciation of Premises and Equipment	14.9	15.1	14.4	13.1	11.8
- Amortization of Organization Expenses	9.0	7.9	8.5	9.2	8.7
- Other Operating Expenses	61.4	55.6	51.6	49.0	45.1
- Other	35.0	28.1	28.9	26.4	22.7
MINORITY INTERESTS RESULTS	(4.0)	(3.9)	(5.6)	(8.5)	(8.0)
INCOME FROM EQUITY INVESTMENTS	1.0	2.0	0.7	2.0	0.7
NET OTHER INCOME	6.0	(12.5)	49.6	(35.3)	(38.6)
INCOME TAX	22.1	20.1	14.0	23.3	17.5
NET INCOME / (LOSS)	38.1	38.7	51.4	7.5	7.7

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

ADDITIONAL INFORMATION

	FY 2008			FY 2007	
	2 nd Q	1 st Q	4 th Q	3 rd Q	2 nd Q
Mutual Funds (In millions of pesos) ^(*)	651.1	814.9	617.0	601.9	703.6
Physical Data (Number of)					
Employees	9,695	9,327	8,962	8,675	8,374
Bank in Argentina	5,591	5,451	5,164	5,142	5,021
Other companies	4,104	3,876	3,798	3,533	3,353
Branches	378	374	363	358	354
Bank Branches	234	233	233	233	233
Regional Credit-Card Companies Offices	144	141	130	125	121
Deposit Accounts (in thousands)	1,434	1,399	1,364	1,327	1,244
Credit Cards (in thousands)	5,878	5,605	5,391	5,057	4,734
Inflation and Exchange Rates					
Retail Price Index (%) ^(**)	2.04	2.55	2.48	1.90	1.61
Wholesale Price Index (IPIM) (%) ^(**)	3.37	2.86	2.62	4.11	5.32
CER Coefficient (%) ^(**)	2.52	2.42	2.30	1.50	1.91
Exchange Rate (Pesos per US\$) ^(***)	3.0242	3.1653	3.1510	3.1495	3.0908

() 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

Foreign Debt Reduction

On July 1, 2008, the fifth amortization coupon of the debt maturing in 2010 became due and, therefore, US\$ 34.7 million was paid on such debt.

In addition, on July 25, 2008, the Bank cancelled in advance US\$ 32.3 million of face value of its notes due in 2014 acquired during market operations, US\$ 29.3 million of which were in the Bank's portfolio as of June 30, 2008 and the remaining amount was acquired after the end of the quarter.

As of the date of this report, the outstanding principal amount of debt due in 2010 was US\$ 104.2 million (US\$ 102.6 million being negotiable obligations) and the outstanding principal amount of debt due in 2014 was US\$ 297.0 million (US\$ 271.9 million being negotiable obligations), equivalent in aggregate to 38.3% of the senior debt issued in May 2004.

Branch Network

On June 23, 2008, the Bank opened a new branch in a location of the south of the Great Buenos Aires area (Canning).

Financial Trusts – Own Portfolio

After the end of the quarter, the Bank publicly offered the securities issued by the Galicia Personales VIII Financial Trust:

<i>In millions of pesos</i>	
Galicia Personales VIII	
Issue date	07.16.2008
Estimated Maturity Date of the Certificates of Participation	04.15.2013
Underlying Assets (Portfolio Transferred)	\$187.5
Debt Securities Issued	\$178.1
Certificates of Participation	\$9.4

FINANCIAL SYSTEM AND MAIN REGULATORY CHANGES

Financial Trusts: Income Tax

By means of Decree N° 1,207/2008, dated August 1, 2008, the Argentine Executive Branch modified the regulation of the Income Tax Law, eliminating the differential income tax treatment that financial trusts and private mutual funds had enjoyed previously. Such preferential treatment continues to be applicable to financial trusts created to finance infrastructure works related to the provision of public services.

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). In addition, the Argentine Central Bank (www.bcra.gov.ar) may publish information related to the Bank as of a date subsequent to the last date for which the Bank has published information.

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