

**FOR IMMEDIATE RELEASE**

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**GRUPO FINANCIERO GALICIA S.A. REPORTS FINANCIAL RESULTS FOR ITS  
SECOND QUARTER ENDED JUNE 30, 2005**

- (Buenos Aires, Argentina, Aug 10, 2005) – Grupo Financiero Galicia S.A. (“Grupo Galicia”, “GFG”) ( Buenos Aires Stock Exchange: GGAL /NASDAQ: GGAL) today announced its consolidated financial results for the second quarter of fiscal year 2005, ended June 30, 2005.

**NET INCOME FOR THE QUARTER ENDED JUNE 30, 2005**

- Net income for the second quarter ended June 30, 2005 was Ps. 33.0 million, or Ps. 0.027 per share, equivalent to Ps. 0.27 per ADS. This result was mainly generated by our interest in Banco de Galicia y Buenos Aires S.A. (“the Bank”).
- During the second quarter, in order to strengthen the financial condition of its subsidiaries, Grupo Galicia, decided to forgive US\$ 43 million of subordinated negotiable obligations issued by Banco Galicia Uruguay S.A (“Galicia Uruguay”) and owed to Grupo Galicia.
- Grupo Galicia’s debt forgiveness improved Galicia Uruguay’s solvency as well as that of its controlling company, the Bank, because it caused a US\$ 43 million increase in Galicia Uruguay’s shareholders’ equity, which is reflected in Banco Galicia by an increase for the same amount of its 100% equity interest in Galicia Uruguay. As a result, the effect of the debt forgiveness on Grupo Galicia’s income statement was partially offset by the increase in Grupo Galicia’s 93.6% equity interest in Banco Galicia.
- The Bank’s net income for the quarter was Ps. 138.8 million, mainly as a result of the aforementioned debt forgiveness and a Ps. 69.8 million gain from the valuation adjustment of its public-sector assets.

- The table below shows per-share result information, based on Grupo Galicia's financial statements.

Earnings per Share	In pesos			
	FY 2005	FY 2004	six months ended at:	
	2 Q 06/30/05	2 Q 06/30/04	06/30/05	06/30/04
Total Average Shares (in thousands)	1,241.407	1,164.451	1,241.407	1,128.429
Total Shares Outstanding (in thousands)	1,241.407	1,241.407	1,241.407	1,241.407
Book Value per Share	1,267	1,280	1,267	1,280
Book Value per ADS (*)	12,670	12,800	12,670	12,800
Earnings per Share	0,027	0,039	0,043	(0,036)
Earnings per ADS (*)	0,270	0,390	0,430	(0,360)

(\*) 1 ADS = 10 ordinary shares

- Grupo Galicia's net income for the second quarter represents an annualized return of 0.80% on average assets and of 8.51% on average shareholders' equity.

Profitability	FY 2005	FY 2004	six months ended at:	
	2 Q	2 Q		
	06/30/05	06/30/04	06/30/05	06/30/04
Return on Average Assets (*)	0,80	1,04	0,63	(0,28)
Return on Average Shareholders Equity (*)	8,51	12,24	6,91	(5,63)

(\*) Annualized.

## **NET INCOME BY BUSINESS**

- The table below shows a net income by business analysis. It includes a breakdown of Grupo Financiero Galicia's results by subsidiary.
- The "Income from stake in Sudamericana Holding" line includes such company's results and its goodwill amortization for the quarter ended March 31, 2005.
- The "Income from stake in Galicia Warrants" line includes such company's results and its goodwill amortization and impairment adjustment, for the second quarter.
- The "Other income GFG" line includes the US\$ 43 million loss due to the aforementioned debt forgiveness, a Ps. 12 million one-time payment to the Bank's directors for their performance from July 2001 to December 2004, and administrative expenses for the second quarter. This line also includes the financial income from GFG holdings of the subordinated bonds issued by the Bank.

- The “Income Tax” line shows the positive effect of the recovery of the deferred tax liability related to the subordinated negotiable obligations issued by Galicia Uruguay.

Net Income by Business	FY 2005		Six month ended at	
	2nd. Q	1st. Q	06/30/05	06/30/04
Income from stake in Banco Galicia (93.6%)	129,8	15,9	145,7	(20,0)
Income from stake in Net Investment (87.5%)	0,5	(1,5)	(1,0)	(1,1)
Income from stake in Sudamericana Holding (87.5%)	1,5	3,5	5,0	(3,1)
Income from stake in Galicia Warrants (87.5%)	(0,4)	0,1	(0,3)	(0,1)
Income from stake in Galval (100%)	(0,1)	(0,2)	(0,3)	-
Adjustment result by deferred tax in subsidiary companies	(6,1)	-	(6,1)	(20,3)
Other Income GFG	(133,9)	4,1	(129,8)	9,1
Income tax	41,60	(1,7)	39,9	(5,4)
Net Income for the period	33,0	20,2	53,2	(40,9)

## CONFERENCE CALL

On **Thursday, Aug 18, 2005, at 11:00 A.M. Eastern Standard Time** (12:00 A.M. Buenos Aires Time), GFG will host a conference call to review this results.

The call-in number is: (719) 457-2651

If you are unable to participate in the call, a replay will be available from Thursday, Aug 18, 2005, at 2:00 P.M. Eastern Standard Time until Monday, Aug, 22, 2005, at 12:00 P.M. Eastern Standard Time dialing (719) 457-0820, pass code: 8741224.

*This report is a summary analysis of the Grupo Galicia'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 Banco Galicia's press release ([www.bancogalicia.com.ar](http://www.bancogalicia.com.ar)) and GFG's financial statements, as well as with all other material periodically filed with the Comisión Nacional de Valores ([www.cnv.gov.ar](http://www.cnv.gov.ar)), Securities and Exchange Commission ([www.sec.gov](http://www.sec.gov)), Bolsa de Comercio de Buenos Aires ([www.bolsar.com.ar](http://www.bolsar.com.ar)) and Bolsa de Comercio de Córdoba and Nasdaq ([www.nasdaq.com](http://www.nasdaq.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.*

**Grupo Financiero Galicia S.A**

**SELECTED FINANCIAL INFORMATION - CONSOLIDATED DATA (\*)**

	In millions of pesos				
	06/30/05	03/31/05	12/31/04	09/30/04	06/30/04
<b>CASH AND DUE FROM BANKS</b>	959,6	941,4	988,7	1.107,7	979,5
<b>GOVERNMENT AND CORPORATE SECURITIES</b>	5.615,6	5.857,2	5.534,1	5.266,3	5.694,9
<b>LOANS</b>	9.442,3	8.981,0	8.438,2	7.975,0	7.962,2
<b>OTHER RECEIVABLES RESULTING FROM FINANCIAL BROKERAGE</b>	6.904,7	6.506,4	6.697,7	6.609,9	6.234,6
<b>EQUITY IN OTHER COMPANIES</b>	82,7	83,3	82,8	81,3	80,8
<b>BANK PREMISES AND EQUIPMENT, MISCELLANEOUS AND INTANGIBLE ASSETS</b>	1.214,3	1.274,8	1.287,2	1.315,9	1.340,6
<b>OTHER ASSETS</b>	508,1	674,5	621,9	592,3	490,3
<b>TOTAL ASSETS</b>	<b>24.727,3</b>	<b>24.318,6</b>	<b>23.650,6</b>	<b>22.948,4</b>	<b>22.782,9</b>
<b>DEPOSITS</b>	<b>7.531,0</b>	<b>7.469,1</b>	<b>6.756,9</b>	<b>6.101,3</b>	<b>6.017,6</b>
- Non-Financial Government Sector	81,0	130,4	131,9	23,2	11,4
- Financial Sector	5,7	21,9	17,2	23,1	19,7
- Non-Financial Private Sector and Residents Abroad	7.444,3	7.316,8	6.607,8	6.055,0	5.986,5
- Current Accounts	1.474,2	1.286,3	1.192,4	1.072,8	1.068,5
- Savings Accounts	1.953,0	1.954,7	1.638,7	1.608,7	1.472,1
- Time Deposits	3.738,3	3.683,7	3.415,8	2.967,4	2.798,6
- Investment Accounts	0,3	0,3	0,4	0,5	0,3
- Other	184,2	300,5	280,2	309,5	477,8
- Accrued interest and quotation differences payable	94,3	91,3	80,3	96,1	169,2
<b>OTHER BANKS AND INTERNATIONAL ENTITIES</b>	<b>953,0</b>	<b>962,3</b>	<b>963,6</b>	<b>971,4</b>	<b>1.036,6</b>
<b>NEGOTIABLE OBLIGATIONS</b>	<b>3.468,8</b>	<b>3.728,4</b>	<b>3.728,7</b>	<b>3.733,3</b>	<b>3.822,9</b>
<b>OTHER LIABILITIES</b>	<b>11.064,0</b>	<b>10.498,7</b>	<b>10.568,4</b>	<b>10.477,0</b>	<b>10.209,4</b>
<b>MINORITY INTERESTS</b>	<b>137,8</b>	<b>120,4</b>	<b>113,5</b>	<b>110,2</b>	<b>107,9</b>
<b>TOTAL LIABILITIES</b>	<b>23.154,6</b>	<b>22.778,9</b>	<b>22.131,1</b>	<b>21.393,2</b>	<b>21.194,4</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>1.572,7</b>	<b>1.539,7</b>	<b>1.519,5</b>	<b>1.555,2</b>	<b>1.588,5</b>
<b>INFLATION AND EXCHANGE RATE</b>					
Retail Price Index (%) (**)	2,02	4,03	1,24	1,45	2,16
Wholesale Price Index (%) (**)	1,32	2,17	0,25	3,75	2,11
C.E.R. (%) (**)	2,71	3,10	1,10	1,45	2,08
Exchange Rate (\$/U\$S) (***)	2.8908	2.9233	2.9738	2.9825	2.9607

(\*) Grupo Financiero Galicia S.A., consolidated with subsidiary companies (Art.33 - Law 19550).

(\*\*) Variation within the quarter.

(\*\*\*) Last working day of the quarter. Source B.C.R.A. - Communiqué "A" 3500 - Reference Exchange Rate

**Grupo Financiero Galicia S.A**

**SELECTED FINANCIAL INFORMATION - CONSOLIDATED DATA (\*)**

In millions of pesos

<b>Quarter ended:</b>	<b>06/30/05</b>	<b>03/31/05</b>	<b>12/31/04</b>	<b>09/30/04</b>	<b>06/30/04</b>
<b>FINANCIAL INCOME</b>	<b>628,9</b>	<b>532,5</b>	<b>238,1</b>	<b>375,6</b>	<b>488,4</b>
- Interest on Cash and Due from Banks	0,0	0,0	0,0	0,0	0,0
- 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 Pladge Loans	2,5	2,2	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	128,9	25,1	(76,3)	18,4	55,0
- On Other Receivables Resulting from Financial Brokerage	39,0	39,8	32,2	26,5	15,6
- Net Income from Guaranteed Loans-Decree 1387/01	48,0	48,5	47,6	47,7	45,7
- Adjustment by application of adjusting index	283,0	280,5	114,9	151,0	181,4
- Adjustment by application of CVS	0,0	0,0	0,1	(0,1)	9,5
- Other	12,7	21,2	14,7	32,0	82,3
<b>FINANCIAL EXPENSES</b>	<b>451,0</b>	<b>456,7</b>	<b>301,7</b>	<b>308,6</b>	<b>273,9</b>
- Interest on Demand Accounts Deposits	3,4	2,9	1,9	1,4	1,1
- Interest on Saving Accounts Deposits	1,2	1,1	1,0	1,0	0,9
- Interest on Time Deposits	30,5	28,0	25,9	21,8	17,6
- Interest on Loans from Financial Sector	1,0	0,9	1,1	1,5	2,2
- For other Liabilities resulting from Financial Brokerage	73,7	56,4	62,7	51,5	10,1
- Other interest	75,7	90,8	113,9	76,7	67,2
-Net Income from Government and Corporate Securities	0,0	0,0	7,0	0,0	0,0
- Adjustment by application of adjusting index	261,1	252,5	107,4	141,4	171,0
- Other	4,4	24,1	(19,2)	13,3	3,8
<b>GROSS BROKERAGE MARGIN</b>	<b>177,9</b>	<b>75,8</b>	<b>(63,6)</b>	<b>67,0</b>	<b>214,5</b>
<b>PROVISIONS FOR LOAN LOSSES</b>	<b>22,8</b>	<b>18,2</b>	<b>73,9</b>	<b>19,7</b>	<b>41,0</b>
<b>INCOME FROM SERVICES, NET</b>	<b>135,1</b>	<b>116,1</b>	<b>121,3</b>	<b>107,5</b>	<b>107,2</b>
<b>ADMINISTRATIVE EXPENSES</b>	<b>196,0</b>	<b>165,9</b>	<b>171,2</b>	<b>147,8</b>	<b>158,0</b>
- Personnel Expenses	97,6	85,5	85,6	74,3	70,0
- Directors' and Syndics' Fees	1,4	1,5	1,6	0,9	0,8
- Other Fees	8,9	5,2	5,6	4,6	5,3
- Advertising and Publicity	18,7	9,7	12,9	6,9	9,8
- Taxes	6,9	9,4	9,0	9,0	14,6
- Other Operating Expenses	44,8	42,6	44,5	43,4	45,5
- Other	17,7	12,0	12,0	8,7	12,0
<b>MINORITY INTEREST</b>	<b>(15,1)</b>	<b>(6,9)</b>	<b>(2,3)</b>	<b>(2,3)</b>	<b>(12,9)</b>
<b>INCOME FROM EQUITY INVESTMENTS</b>	<b>0,4</b>	<b>2,2</b>	<b>0,7</b>	<b>2,3</b>	<b>(1,3)</b>
<b>NET OTHER INCOME</b>	<b>(73,1)</b>	<b>33,4</b>	<b>168,6</b>	<b>(19,3)</b>	<b>(56,8)</b>
<b>INCOME TAX</b>	<b>(26,6)</b>	<b>16,3</b>	<b>15,3</b>	<b>21,0</b>	<b>6,3</b>
<b>NET INCOME</b>	<b>33,0</b>	<b>20,2</b>	<b>(35,7)</b>	<b>(33,3)</b>	<b>45,4</b>

(\*) Grupo Financiero Galicia, consolidated with subsidiary companies ( Art. 33 - Law 19550).