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**BANCO DE GALICIA Y BUENOS AIRES S.A. REPORTS EARNINGS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005**

(Buenos Aires, Argentina, February 15, 2006) – Banco de Galicia y Buenos Aires S.A. (the “Bank”, Buenos Aires Stock Exchange: GALI) today announced its financial results for the fiscal year and the quarter ended December 31, 2005.

- **The Bank showed a Ps.191.0 million net income for FY 2005, and a Ps.13.6 million net income for the fourth quarter of FY 2005.**
- **During the quarter, the Bank continued increasing its operating income, as a result of a constant expansion in its activity level, in the context of an improvement in asset quality.**
- **Net operating income<sup>(1)</sup>, excluding the adjustment to the valuation of public-sector assets, increased 48.0% during the year and an annualized 26.6% during the quarter.**
- **The Bank’s total exposure to the private sector reached Ps.7.121 million, with an annualized increase of 45.4% in the quarter and of 29.8% compared with December 2004.**
- **The Bank’s deposits in Argentina reached Ps.8.104 million, with a 23.6% annualized increase in the quarter and a 34.9% increase during the year. The Bank’s estimated market share of total private-sector deposits at the end of the quarter reached 7.97%, up 0.90 percentage points from the same date of the prior year.**
- **The Bank’s non-accrual loan portfolio decreased to 6.77% of total private-sector loans, from 15.93% at the end of the previous year, mainly as a consequence of the sale of a portfolio of non-accrual loans. This increased the coverage of the non-accrual loan portfolio with allowances for loan losses to 112.04%.**

(1) Net operating income: net financial income plus net income from services.

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## NET INCOME FOR FY 2005

Net income for FY 2005 was Ps.191.0 million, compared with a Ps.108.6 million loss in the previous year. The adjusted net income was Ps. 221.0 million, 7.5% higher than the Ps.205.6 million recorded in FY 2004.

<b>Table I</b>	<i>In pesos</i>			
	<b>FY 2005</b>	<b>FY 2004</b>	<b>Twelve Months Ended</b>	
<b>Earnings per Share</b>	<b>4<sup>th</sup> Q</b>	<b>4<sup>th</sup> Q</b>	<b>12/31/05</b>	<b>12/31/04</b>
Total Average Shares (in thousands)	468,662	468,662	468,662	468,662
Book Value per Share	2.964	2.557	2.964	2.557
Earnings per Share	0.029	(0.086)	0.407	(0.232)

## NET INCOME FOR THE QUARTER ENDED DECEMBER 31, 2005

Net income for the fourth quarter of FY 2005 was Ps.13.6 million, compared with a Ps.40.3 million loss in the same quarter of the previous year.

Excluding the Ps.54.9 million profit from the adjustment to the valuation of public-sector assets and the Ps.22.8 million loss from the amortization of losses from *amparo* claims, the adjusted net income was a Ps.18.5 million loss, compared with a Ps.118.3 million profit in the same quarter of last year. The decrease in the fourth quarter's adjusted net income from the same quarter of the prior year was mainly the consequence of: a lower reversal of loan-loss provisions (which decreased Ps.153.0 million), the recording in the fourth quarter of FY 2004 of a profit from the sale of a portfolio of off-balance sheet loans (Ps.48.5 million) and the increase in administrative expenses. These factors were partially offset by greater net operating income and lower provisions for loan losses.

The quarter's adjusted net operating income<sup>(2)</sup> totaled Ps.249.7 million, 48.0% higher than the Ps.168.7 million recorded in the same quarter of the prior year. This variation was due both to an increase in the adjusted net financial income<sup>(3)</sup> (up Ps.57.4 million) and to greater net income from services (up Ps.23.6 million).

The adjusted net operating income less administrative expenses and loan loss provisions represented a Ps.14.0 million profit, compared with a Ps.69.5 million loss in the same quarter of the prior year.

## 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 December 31, 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., Banco Galicia Uruguay S.A. and its subsidiaries ("Galicia Uruguay"), Tarjetas Regionales S.A. and its subsidiaries, Galicia Factoring y Leasing S.A. and Galicia Valores S.A. Sociedad de Bolsa.

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

(3) Adjusted net financial income: net financial income excluding the adjustment to the valuation of public sector assets.

Until the first quarter of FY 2005, 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, and that these companies were in liquidation and liquidated, respectively, their consolidation was discontinued during the second quarter of FY 2005.

#### 4<sup>th</sup> QUARTER OF FY 2005 RESULTS

<b>Table II</b>	<i>Percentages</i>			
	<b>FY 2005</b>	<b>FY 2004</b>	<b>Twelve Months Ended</b>	
<b>Profitability and Efficiency</b>	<b>4<sup>th</sup> Q</b>	<b>4<sup>th</sup> Q</b>	<b>12/31/05</b>	<b>12/31/04</b>
Return on Average Assets <sup>(*)</sup>	0.28	(0.61)	0.88	(0.38)
Return on Average Shareholders' Equity <sup>(*)</sup>	3.93	(13.17)	14.77	(8.47)
Financial Margin <sup>(*)</sup> (1)	2.85	(1.52)	2.26	0.81
Net Income from Services as a % of Operating Income <sup>(2)</sup>	47.67	288.15	51.55	72.19
Net Income from Services as a % of Administrative Expenses	67.69	74.01	69.83	73.88
Administrative Expenses as a % of Operating Income <sup>(2)</sup>	70.42	389.34	73.83	97.72

(\*) 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.

The quarter's net financial income was Ps.159.4 million, Ps.238.8 million higher than in the fourth quarter of the prior year. Excluding the Ps.54.9 million profit from the valuation of public-sector assets, the Bank's adjusted net financial income for the fourth quarter of FY 2005 amounted to Ps.104.5 million. For the same quarter of the prior year, the adjusted net financial income amounted to Ps.47.1 million. Therefore, the Bank's adjusted net financial income for the quarter was 121.9% higher than in the same quarter of the prior year.

In the fourth quarter, the adjustment to the valuation of public-sector assets established by Communiqué "A" 3911 and complementary ones generated a Ps.54.9 million profit. During the quarter, Bogar bonds granted as collateral for the financial assistance from the Argentine Central Bank and released as a result of the payments made by the Bank on such liability were allocated as collateral for the advance for the purchase of the Hedge Bond.

The quarter's net financial income includes a Ps.16.1 million profit from quotation differences (composed of a Ps.15.3 million profit from FX brokerage and a Ps.0.8 million profit from the revaluation of the Bank's foreign-currency net position). In the same quarter of the prior year, the result from quotation differences was a Ps.7.7 million profit (composed of a Ps.5.9 million loss from the revaluation of the foreign-currency net position and a Ps.13.6 million profit from FX brokerage). The higher profit from the revaluation of the foreign-currency net position was mainly the consequence of the different change of the exchange rate during the fourth quarters of FY 2004 and FY 2005 (in the fourth quarter of FY 2004 the exchange rate decreased 0.3% and in the same period of 2005 it increased 4.1%) and of the reduction of the Bank's foreign-currency net asset position during the year.

The remaining adjusted net financial income, which totaled Ps.88.4 million, 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 and dollar-denominated assets with peso-denominated liabilities. These profits were partially offset by the loss from the dollar-denominated matched portfolio.

The Ps.49.0 million increase in the adjusted net financial income, excluding quotation differences, was due both to a higher spread and a greater volume of intermediation with the private sector.

The average yield on interest-earning assets increased 394 basis points ("b.p."), from 6.49% in the fourth quarter of FY 2004 to 10.43% 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 the consequence of the increases in: (i) the variation of the CER index (mainly associated to the returns on Bogar, Secured Loans and CER-adjusted loans to the private sector) which increased from an annualized 4.47% in the fourth quarter of 2004 to an annualized 12.73% for 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.

The average cost of interest-bearing liabilities experienced a 361 b.p. increase. This increase mainly reflects the increases in the variation of the CER index (associated with the cost of the liabilities from the Argentine Central Bank and CER-adjusted deposits), the Libo rate (associated with the dollar-denominated debt) and the average rate on peso-denominated time deposits.

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

					<b>FY 2005</b>				<b>FY 2004</b>	
	<b>4<sup>th</sup> Q</b>		<b>3<sup>rd</sup> Q</b>		<b>2<sup>nd</sup> Q</b>		<b>1<sup>st</sup> Q</b>		<b>4<sup>th</sup> Q</b>	
	<b>Av. B.</b>	<b>Int.</b>	<b>Av. B.</b>	<b>Int.</b>	<b>Av. B.</b>	<b>Int.</b>	<b>Av. B.</b>	<b>Int.</b>	<b>Av. B.</b>	<b>Int.</b>
<b>Interest-Earning Assets</b>	<b>22,401</b>	<b>11.41</b>	<b>22,009</b>	<b>9.69</b>	<b>21,917</b>	<b>11.15</b>	<b>21,050</b>	<b>9.61</b>	<b>20,950</b>	<b>4.07</b>
Government Securities <sup>(**)</sup>	5,784	14.48	5,559	9.66	5,982	14.47	5,666	8.28	5,762	(2.83)
Loans	10,477	13.29	10,001	13.30	9,502	13.83	9,008	14.61	8,584	9.76
- Private Sector	5,393	11.54	5,039	12.49	4,718	12.25	4,479	14.84	4,111	11.04
- Public Sector	5,084	15.16	4,962	14.13	4,784	15.40	4,529	14.38	4,473	8.57
Other	6,140	5.31	6,449	4.10	6,433	4.11	6,376	3.74	6,604	2.71
- Financial Trust	843	15.10	812	10.19	797	11.35	785	11.42	911	6.68
- Government Securities to be Received	4,334	3.32	4,636	3.13	4,606	2.81	4,681	2.46	4,704	1.92
- Other	963	5.74	1,001	3.64	1,030	4.30	910	3.69	989	2.80
<b>Interest-Bearing Liabilities</b>	<b>19,986</b>	<b>9.75</b>	<b>19,800</b>	<b>8.80</b>	<b>19,822</b>	<b>9.26</b>	<b>19,564</b>	<b>9.09</b>	<b>19,066</b>	<b>6.14</b>
Current Accounts	546	3.36	604	2.92	657	2.11	654	1.74	514	1.48
Savings Accounts	1,562	0.29	1,498	0.33	1,280	0.37	1,212	0.37	1,157	0.36
Time Deposits and Restructured Deposits	4,413	7.01	4,091	5.79	4,090	5.43	3,937	5.61	3,543	3.96
Debt Securities	3,715	7.44	3,658	7.22	3,990	6.47	4,117	6.22	4,125	6.35
Argentine Central Bank	8,243	14.68	8,518	12.97	8,401	14.54	8,205	14.28	8,237	7.93
Other	1,507	8.59	1,431	8.00	1,404	8.15	1,439	7.89	1,490	6.93

*(\*) Includes the adjustments to the valuation of public-sector assets pursuant to Communiqué "A" 3911 of the Argentine Central Bank. Does not include 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.*

*The 4<sup>th</sup> quarter of FY 2004 interest rate includes a Ps.106 million loss from the adjustment to the valuation of the External Notes.*

Provisions for loan losses for the quarter amounted to Ps.21.2 million, Ps.52.7 million lower than in the same quarter of the prior year.

Net income from services amounted to Ps.145.2 million, up 19.4% from the Ps.121.6 million recorded in the fourth quarter of FY 2004. All of the income from services components grew, mainly as a consequence of a significant increase in the volume of operations.

*In millions of pesos*

<b>Table IV</b> <b>Income from Services, Net</b>	<b>FY 2005</b>				<b>FY 2004</b>
	<b>4<sup>th</sup> Q</b>	<b>3<sup>rd</sup> Q</b>	<b>2<sup>nd</sup> Q</b>	<b>1<sup>st</sup> Q</b>	<b>4<sup>th</sup> Q</b>
National Cards	36.7	31.9	29.4	30.1	29.7
Regional Credit Cards	67.2	56.6	56.8	52.8	55.9
Deposit Accounts	28.1	26.4	25.0	23.2	22.5
Insurance	9.2	8.9	8.3	8.0	7.6
Financial Fees	6.1	5.2	4.4	3.9	3.7
Credit-Related Fees	6.7	4.9	3.0	2.6	3.3
Foreign Trade	6.9	6.2	6.0	5.4	6.6
Collections	3.4	3.2	3.1	2.7	2.7
Utility-Bills Collection Services	2.6	2.4	2.3	2.2	2.2
Mutual Funds	0.5	0.5	0.5	0.4	0.4
Other	15.6	14.0	17.7	10.5	10.2
<b>Total Income</b>	<b>183.0</b>	<b>160.2</b>	<b>156.5</b>	<b>141.8</b>	<b>144.8</b>
<b>Total Expenditures</b>	<b>37.8</b>	<b>29.7</b>	<b>23.2</b>	<b>25.3</b>	<b>23.2</b>
<b>Income from Services, Net</b>	<b>145.2</b>	<b>130.5</b>	<b>133.3</b>	<b>116.5</b>	<b>121.6</b>

Administrative expenses for the quarter totaled Ps.214.5 million, up 30.6% from the same quarter of the prior year. Personnel expenses increased 28.8% due, among other reasons, to wage increases in May 2005, resulting from negotiations between banker associations and the bank employees' union and to an increase in the Bank's staff, due to the growth of the level of activity. The remaining administrative expenses increased 32.3%, mainly as a consequence of higher advertising and publicity expenses (62.8%). All other expenses grew 26.6%. It should be noted that the variation in the remaining administrative expenses is related to the greater level of activity and to the increase in inflation during 2005.

Net other losses amounted to Ps.34.3 million, compared to a Ps.171.6 million profit for the same quarter of FY 2004. The decrease was mainly due to the lower net reversal of provisions and to the profit recorded in the fourth quarter of FY 2004 from the sale of a portfolio of off-balance sheet loans (Ps. 48.5 million).

The income tax charge was Ps.17.1 million, Ps.5.4 million higher than in the fourth quarter of FY 2004. This charge corresponds to the regional credit-card companies.

## LEVEL OF ACTIVITY

As of December 31, 2005, total gross loans amounted to Ps.10,936 million, of which Ps.5,643 million corresponded to loans to the private sector.

Between December 31, 2005 and the same date of the prior year, total loans to the private sector of the Bank's Argentine operation increased 48.1%, while the regional credit-card companies' total loans increased 50.3% in the same period.

The Bank's estimated private-sector loan market share in the Argentine financial market (excluding the regional credit-card companies) increased from 6.43% to 7.31% between December 31, 2004 and December 31, 2005.

The Bank's total exposure to the private sector reached Ps.7,121 million, with a 29.8% increase from December 31, 2004 and a 45.4% annualized increase during the quarter.

In millions of pesos

Table V				FY 2005	FY 2004
	4 <sup>th</sup> Q	3 <sup>rd</sup> Q	2 <sup>nd</sup> Q	1 <sup>st</sup> Q	4 <sup>th</sup> Q
<b>Exposure to the Private Sector</b>					
Loans	5,643	5,300	4,950	4,799	4,389
Leasing	194	151	122	111	103
Corporate Securities	40	39	19	19	20
Other Financing <sup>(*)</sup>	769	721	681	637	627
<b>Total Credit</b>	<b>6,646</b>	<b>6,211</b>	<b>5,772</b>	<b>5,566</b>	<b>5,139</b>
Securitized Loans <sup>(**)</sup>	475	274	249	234	348
<b>Total</b>	<b>7,121</b>	<b>6,485</b>	<b>6,021</b>	<b>5,800</b>	<b>5,487</b>

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

(\*\*) As of December 31, 2005, includes outstanding loans recorded by the trusts "Galtrust II," "Galtrust V," "Galicia Personales," "Galicia Hipotecas Comerciales," "Galicia Créditos Inmobiliarios I," "Galicia Créditos Inmobiliarios II" and loans securitized by the regional credit-card companies.

Private-sector loan growth during the year was mainly concentrated in individuals and middle-market companies. By economic sector, the Bank mainly increased its exposure to the retail & wholesale trade sector (62.3%), to the manufacturing industry (54.4%), and to consumers (36.5%).

In millions of pesos

Table VI				FY 2005	FY 2004
	4 <sup>th</sup> Q	3 <sup>rd</sup> Q	2 <sup>nd</sup> Q	1 <sup>st</sup> Q	4 <sup>th</sup> Q
<b>Loans by Type of Borrower</b>					
Large Corporations	1,413	1,529	1,519	1,456	1,272
Middle-Market Companies	1,899	1,562	1,348	1,262	1,197
Individuals	2,092	1,941	1,848	1,740	1,511
Financial Sector	344	374	340	446	532
Non-Financial Public Sector	5,188	5,048	4,927	4,625	4,514
<b>Total Loans</b>	<b>10,936</b>	<b>10,454</b>	<b>9,982</b>	<b>9,529</b>	<b>9,026</b>
Allowances	428	531	586	593	633
<b>Total Loans, Net</b>	<b>10,508</b>	<b>9,923</b>	<b>9,396</b>	<b>8,936</b>	<b>8,393</b>

In millions of pesos

Table VII				FY 2005	FY 2004
	4 <sup>th</sup> Q	3 <sup>rd</sup> Q	2 <sup>nd</sup> Q	1 <sup>st</sup> Q	4 <sup>th</sup> Q
<b>Loans by Economic Sector</b>					
Financial Sector	344	374	340	446	532
Services	5,836	5,662	5,551	5,154	5,032
- Public Sector	5,188	5,048	4,927	4,625	4,514
- Other	648	614	624	529	518
Agriculture & Livestock	768	590	567	594	588
Consumer	1,959	1,841	1,691	1,725	1,435
Retail & Wholesale Trade	625	532	435	410	385
Construction	388	377	368	357	373
Manufacturing	971	1,051	894	732	629
Other	45	27	136	111	52
<b>Total Loans</b>	<b>10,936</b>	<b>10,454</b>	<b>9,982</b>	<b>9,529</b>	<b>9,026</b>
Allowances	428	531	586	593	633
<b>Total Loans, Net</b>	<b>10,508</b>	<b>9,923</b>	<b>9,396</b>	<b>8,936</b>	<b>8,393</b>

Total public sector assets (Table VIII) remained at the same level as of December 31, 2004 in absolute terms, which implies a decrease relative to the Bank's total assets. This was mainly attributable to the use of Boden 2012 to repay liabilities of Galicia Uruguay and to the sale of debt securities of the Galtrust I Financial Trust, during the fourth quarter of FY 2005.

The Bank's liabilities with the Argentine Central Bank increased 2.2%, from Ps.8,429 million as of December 31, 2004, to Ps.8,612 million as of December 31, 2005. This growth was due to a Ps.576 million increase in the balance of the advance to purchase the Hedge Bond, mainly attributable to the CER adjustment during the year, and to the reaching of a final agreement on the amount of the compensation for the asymmetric pesification during the first quarter of FY 2005. This increase was partially offset by the Ps.392 million decrease in the balance of the financial assistance from the Argentine Central Bank, which was the consequence of the payments made by the Bank on such liability. These decreases were partially offset by the adjustment of principal by the CER.

*In millions of pesos*

<b>Table VIII</b> <b>Net Exposure to the Argentine Public Sector <sup>(*)</sup></b>				<b>FY 2005</b>	<b>FY 2004</b>
	<b>4<sup>th</sup> Q</b>	<b>3<sup>rd</sup> Q</b>	<b>2<sup>nd</sup> Q</b>	<b>1<sup>st</sup> Q</b>	<b>4<sup>th</sup> Q</b>
<b>Government Securities' Net Position</b>	<b>6,033</b>	<b>5,560</b>	<b>5,591</b>	<b>6,035</b>	<b>5,818</b>
Trading	454	753	673	658	474
Bogar	3,823	3,702	3,744	3,610	3,540
Boden 2012	988	332	379	956	976
Discount Bonds and GDP-Linked Units/ External Notes	733	733	733	750	750
Other	35	40	62	61	78
<b>Loans <sup>(**)</sup></b>	<b>5,293</b>	<b>5,154</b>	<b>5,032</b>	<b>4,730</b>	<b>4,637</b>
Secured Loans	5,188	5,048	4,927	4,625	4,514
Other	105	106	105	105	123
<b>Other Receivables Resulting from Financial Brokerage</b>	<b>5,032</b>	<b>5,726</b>	<b>5,637</b>	<b>5,637</b>	<b>5,700</b>
Boden 2012	4,155	4,697	4,625	4,645	4,732
Trust Certificates of Participation and Securities	877	1,029	1,012	992	968
<b>Miscellaneous Receivables <sup>(**)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>188</b>	<b>183</b>
Secured Loans Granted as Collateral	-	-	-	188	183
<b>Total Assets</b>	<b>16,358</b>	<b>16,440</b>	<b>16,260</b>	<b>16,590</b>	<b>16,338</b>
<b>Liabilities with the Argentine Central Bank</b>	<b>8,612</b>	<b>8,872</b>	<b>8,711</b>	<b>8,549</b>	<b>8,429</b>
<b>Net Exposure</b>	<b>7,746</b>	<b>7,568</b>	<b>7,549</b>	<b>8,041</b>	<b>7,909</b>

(\*) 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. Does not include the difference from amparo claims, which amounted to Ps.348 million as of December 31, 2005 (equal to the original amount less the accumulated amortization plus the deferred amortization established by Argentine Central Bank's Communiqué "A"4439). The amount amortized between April 2003 and December 2005 was Ps.332 million.

(\*\*) In the second quarter of 2005, the Secured Loans granted as collateral and recorded as Miscellaneous Receivables were recorded under Loans, as the secured liabilities were cancelled.

Equity investments amounted to Ps.91 million, 6.1% higher than the Ps.85 million recorded as of the fourth quarter of FY 2004.

The item "Bank Premises and Equipment, Miscellaneous and Intangible Assets" includes Ps.348 million of net deferred losses associated to amparo claims. Effective December 2005, the Argentine Central Bank allowed financial institutions having granted, since that date, new commercial loans with an average life of more than two years the deferral of the losses associated with the amortization of such asset (see *Recent Developments*). As a consequence, the Bank deferred Ps.11 million in December 2005.

The Bank's consolidated deposits amounted to Ps.8,438 million, of which Ps.408 million were deposits in Galicia Uruguay.

As of December 31, 2005, the Bank's deposits raised in Argentina reached Ps.8,104 million, representing a 34.9% and a 5.4% increase from December 31, 2004, and September 30, 2005, respectively.

<b>Table IX</b>					
<b>Deposits in Argentina</b>	<b>12/31/05</b>	<b>09/30/05</b>	<b>06/30/05</b>	<b>03/31/05</b>	<b>12/31/04</b>
<b>In Pesos</b>	<b>7,194</b>	<b>6,889</b>	<b>6,480</b>	<b>6,129</b>	<b>5,402</b>
Current Accounts	1,667	1,535	1,532	1,355	1,250
Savings Accounts	1,713	1,599	1,515	1,605	1,276
Time Deposits	2,592	2,708	2,430	2,188	2,088
Adjusted Time Deposits	1,039	879	809	748	524
Restructured Deposits	1	1	27	66	99
Other	182	167	167	167	165
<b>In Foreign Currency</b>	<b>910</b>	<b>797</b>	<b>687</b>	<b>659</b>	<b>605</b>
<b>Total</b>	<b>8,104</b>	<b>7,686</b>	<b>7,167</b>	<b>6,788</b>	<b>6,007</b>

As of December 31, 2005, the Bank's estimated market share of deposits in the Argentine financial system, considering deposits raised in Argentina only, was 5.95%, compared with 5.90% at the end of the prior quarter, and 5.18% a year before.

Considering only private-sector deposits, the Bank's estimated deposit market share reached 7.97% as of December 31, 2005, while as of December 31, 2004, it was 7.07% and as of September 30, 2005, 7.94%.

<b>Table X</b>	<b>12/31/05</b>	<b>09/30/05</b>	<b>06/30/05</b>	<b>03/31/05</b>	<b>12/31/04</b>
<b>Market Share (*)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
Total Deposits	5.95	5.90	5.67	5.69	5.18
Private Sector Deposits	7.97	7.94	7.61	7.45	7.07
Total Loans	9.71	9.82	9.56	9.55	9.16
Loans to the Private Sector	7.31	7.23	6.96	7.08	6.43

(\*) *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.*

(1) *Deposits and Loans include only principal. They do not include information related to regional credit-card companies.*

Regarding the other financial liabilities, the decrease in the negotiable obligations balance from the amount as of the fourth quarter of the prior year was due to the payment, in the third quarter of FY 2005, of the first amortization installment of the debt instruments issued in the restructuring of the former New York Branch debt, as well as to Grupo Galicia's forgiveness of the subordinated negotiable obligations issued by Galicia Uruguay, for US\$43 million, and the exchange of restructured liabilities, which included negotiable obligations, for cash and Boden 2012, carried out by Galicia Uruguay, both during the second quarter of 2005.

The Ps.480 million increase in the balance of "Other," between December 31, 2004 and December 31, 2005, includes an increase of Ps.210 million corresponding to reverse repo transactions with the Argentine Central Bank.

*In millions of pesos*

<b>Table XI</b> <b>Other Financial Liabilities</b>	<b>12/31/05</b>	<b>09/30/05</b>	<b>06/30/05</b>	<b>03/31/05</b>	<b>12/31/04</b>
<b>Argentine Central Bank</b>	<b>8,612</b>	<b>8,872</b>	<b>8,711</b>	<b>8,549</b>	<b>8,429</b>
Financial Assistance	5,315	5,686	5,616	5,548	5,707
Advance to Purchase the Hedge Bond	3,297	3,185	3,095	2,999	2,721
Other	-	1	-	2	1
<b>Foreign Banks and International Entities</b>	<b>762</b>	<b>718</b>	<b>731</b>	<b>752</b>	<b>772</b>
<b>Negotiable Obligations <sup>(*)</sup></b>	<b>3,795</b>	<b>3,670</b>	<b>3,760</b>	<b>4,140</b>	<b>4,169</b>
<b>Other <sup>(**)</sup></b>	<b>1,987</b>	<b>2,010</b>	<b>2,062</b>	<b>1,558</b>	<b>1,507</b>
<b>Total</b>	<b>15,156</b>	<b>15,270</b>	<b>15,264</b>	<b>14,999</b>	<b>14,877</b>

*(\*) Includes subordinated negotiable obligations.*

*(\*\*) 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 December 31, 2005, the Bank had 1.1 million deposit accounts, reflecting an increase of approximately 110,000 accounts from a year before. Likewise, the number of credit cards managed as of that date reached 2.8 million, 25.5% higher than the 2.2 million credit cards managed a year before (see the “Additional Information” table).

## ASSET QUALITY

The Bank’s non-accrual loan portfolio decreased by Ps.317 million, or 45.4%, between December 31, 2004 and December 31, 2005. The decrease in the non-accrual loan portfolio was mainly due to the sale of Ps.200 million of loans classified in category 3 or in a lower category (of the Argentine Central Bank loan classification) (see *Recent Developments*). The non-accrual loan portfolio represented 3.49% of total loans as of December 31, 2005, compared to 7.74% as of December 31, 2004. Considering only the private-sector loan portfolio, the non-accrual portfolio decreased to 6.77% of total loans to the private sector as of December 31, 2005, from 15.93% a year before.

The allowances for loan losses represented 3.91% of total loans and 7.58% of loans to the private sector, compared with 7.01% and 14.42%, respectively, as of December 31, 2004. The coverage of the non-accrual loan portfolio with allowances for loan losses reached 112.04% and the coverage with guarantees 17.02%. The combined coverage of non-accrual loans with allowances and guarantees was 129.06%.

The coverage of the non-accrual loan portfolio plus the portfolio in category “2.b” with allowances for loan losses was 106.7% as of December 31, 2005. Loans classified under category “2.b” of the Argentine Central Bank’s loan classification (which comprises portfolios that not being non-performing are in the process of being restructured) amounted to Ps.19.3 million as of the same date.

In millions of pesos, except percentages

Table XII Loan Portfolio Quality	FY 2005				FY 2004
	4 <sup>th</sup> Q	3 <sup>rd</sup> Q	2 <sup>nd</sup> Q	1 <sup>st</sup> Q	4 <sup>th</sup> Q
<b>Non-Accrual Loans <sup>(*)</sup></b>	<b>382</b>	<b>651</b>	<b>660</b>	<b>666</b>	<b>699</b>
- With Preferred Guarantees	58	367	365	370	384
- With Others Guarantees	7	30	70	68	67
- Without Guarantees	317	254	225	228	248
<b>Allowance for Loan Losses</b>	<b>428</b>	<b>531</b>	<b>586</b>	<b>593</b>	<b>633</b>
<b>Non-Accrual Loans to Total Loans (%)</b>	<b>3.49</b>	<b>6.23</b>	<b>6.61</b>	<b>6.99</b>	<b>7.74</b>
<b>Non-Accrual Loans to Private-Sector Loans (%)</b>	<b>6.77</b>	<b>12.28</b>	<b>13.33</b>	<b>13.88</b>	<b>15.93</b>
<b>Allowance for Loan Losses to Total Loans (%)</b>	<b>3.91</b>	<b>5.08</b>	<b>5.87</b>	<b>6.22</b>	<b>7.01</b>
<b>Allowance for Loan Losses to Private-Sector Loans (%)</b>	<b>7.58</b>	<b>10.02</b>	<b>11.84</b>	<b>12.36</b>	<b>14.42</b>
<b>Allowance for Loan Losses to Non-Accrual Loans (%)</b>	<b>112.04</b>	<b>81.57</b>	<b>88.79</b>	<b>89.04</b>	<b>90.56</b>
<b>Non-Accrual Loans with Guarantees to</b>					
<b>Non-Accrual Loans (%)</b>	<b>17.02</b>	<b>60.98</b>	<b>65.91</b>	<b>65.77</b>	<b>64.52</b>

(\*) 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.

During the quarter, Ps.122 million were charged off against the allowance for loan losses, mainly in connection with the abovementioned loan portfolio sale, 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 2005				FY 2004
	4 <sup>th</sup> Q	3 <sup>rd</sup> Q	2 <sup>nd</sup> Q	1 <sup>st</sup> Q	4 <sup>th</sup> Q
<b>Allowance for Loan Losses at the Beginning of the Quarter</b>	<b>531</b>	<b>586</b>	<b>593</b>	<b>633</b>	<b>901</b>
Changes in the Allowance for Loan Losses					
Provisions Charged to Income <sup>(*)</sup>	21	6	19	20	78
Provisions Reversed	(2)	(44)	(6)	(45)	(155)
Charge Offs	(122)	(17)	(20)	(15)	(191)
Monetary Effect	-	-	-	-	-
<b>Allowance for Loan Losses at Quarter End</b>	<b>428</b>	<b>531</b>	<b>586</b>	<b>593</b>	<b>633</b>
<b>Charge to the Income Statement</b>					
Provisions Charged to Income <sup>(*)</sup>	20	6	20	15	78
Direct Charge Offs	2	1	1	2	2
Bad Debts Recovered	(12)	(8)	(7)	(8)	(59)
Provisions Reversed <sup>(**)</sup>	(2)	(44)	(6)	(45)	(155)
<b>Net Charge to the Income Statement</b>	<b>8</b>	<b>(45)</b>	<b>8</b>	<b>(36)</b>	<b>(134)</b>

(\*) 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
	4 <sup>th</sup> Q	3 <sup>rd</sup> Q	2 <sup>nd</sup> Q	1 <sup>st</sup> Q	4 <sup>th</sup> Q	
<b>Non-Accrual Portfolio (*)</b>	<b>462</b>	<b>731</b>	<b>742</b>	<b>751</b>	<b>789</b>	
- With Preferred Guarantees	66	377	373	383	397	
- With Other Guarantees	10	33	78	76	76	
- Without Guarantees	386	321	291	292	316	
<b>Allowance for Credit Losses</b>	<b>465</b>	<b>567</b>	<b>620</b>	<b>629</b>	<b>672</b>	
<b>Non-Accrual Portfolio to Total Credit (%)</b>	<b>3.87</b>	<b>6.43</b>	<b>6.87</b>	<b>7.29</b>	<b>8.07</b>	
<b>Non-Accrual Portfolio to Private-Sector Credit (%)</b>	<b>6.95</b>	<b>11.77</b>	<b>12.86</b>	<b>13.49</b>	<b>15.35</b>	
<b>Allowance for Credit Losses to Total Credit (%)</b>	<b>3.90</b>	<b>4.99</b>	<b>5.74</b>	<b>6.11</b>	<b>6.87</b>	
<b>Allowance for Credit Losses to Private-Sector Credit (%)</b>	<b>7.00</b>	<b>9.13</b>	<b>10.74</b>	<b>11.30</b>	<b>13.08</b>	
<b>Allowance for Credit Losses to Non-Accrual Portfolio</b>	<b>100.65</b>	<b>77.56</b>	<b>83.56</b>	<b>83.75</b>	<b>85.17</b>	
<b>Non-Accrual Portfolio with Guarantees to Non-Accrual Portfolio (%)</b>	<b>16.45</b>	<b>56.09</b>	<b>60.78</b>	<b>61.12</b>	<b>59.95</b>	

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

## CAPITALIZATION AND LIQUIDITY

As of December 31, 2005, the Bank's consolidated computable capital exceeded by Ps.1,004 million the Ps.881 million minimum capital requirement. This excess was Ps.1,133 million as of December 31, 2004.

The variation in the capital requirement between December 31, 2005 and December 31, 2004 was mainly attributable to the Bank's greater exposure to the private sector and to the increase of the regulatory requirement on the exposure to the public sector. It should be noted that, beginning on January 1, 2005, and in accordance with the established schedule, the applicable "Alfa 1" and "Alfa 2" coefficients increased. 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
	4 <sup>th</sup> Q	3 <sup>rd</sup> Q	2 <sup>nd</sup> Q	1 <sup>st</sup> Q	4 <sup>th</sup> Q	
<b>Minimum Capital Required (A)</b>	<b>881</b>	<b>803</b>	<b>820</b>	<b>761</b>	<b>613</b>	
Allocated to Financial Assets	437	390	376	319	295	
Allocated to Fixed Assets	138	138	138	142	142	
Allocated to Other Assets	40	40	33	34	34	
Allocated to Market Risk	17	24	48	28	63	
Allocated to Interest-Rate Risk	87	50	50	63	20	
Allocated to Lending to the Public Sector	162	161	175	175	59	
<b>Computable Capital (B)</b>	<b>1,885</b>	<b>1,840</b>	<b>1,707</b>	<b>1,648</b>	<b>1,746</b>	
Core Capital	1,207	1,213	1,223	1,208	1,340	
Supplemental Capital	807	785	653	625	581	
Deductions	(152)	(169)	(177)	(184)	(195)	
Additional Capital – Market Variation	23	11	8	(1)	20	
<b>Excess over Required Capital (B) - (A)</b>	<b>1,004</b>	<b>1,037</b>	<b>887</b>	<b>887</b>	<b>1,133</b>	
<b>Total Capital Ratio (%)</b>	<b>20.78</b>	<b>21.48</b>	<b>19.42</b>	<b>19.93</b>	<b>25.11</b>	

As of December 31, 2005, the Bank's unconsolidated liquid assets (held by the Bank's Argentine operation) represented 47.87% of the Bank's transactional deposits and 22.22% of its total deposits in Argentina.

Table XVI Liquidity in Argentina (unconsolidated)				FY 2005	FY 2004
	4th Q	3 <sup>rd</sup> Q	2 <sup>nd</sup> Q	1 <sup>st</sup> Q	4 <sup>th</sup> Q
Liquid Assets <sup>(*)</sup> as a percentage of Transactional Deposits	47.87	56.76	61.12	57.63	60.87
Liquid Assets <sup>(*)</sup> as a percentage of Non-Restructured Deposits	23.31	26.85	29.90	29.47	30.46
Liquid Assets <sup>(*)</sup> as a percentage of Total Deposits	22.22	25.63	28.41	27.20	27.97

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

*This report is a summary analysis of the Bank's financial condition and results of operations as of and for the period indicated. For a correct interpretation, this report must be read in conjunction with the Bank's financial statements, as well as with all other material periodically filed with the National Securities Commission ([www.cnv.gov.ar](http://www.cnv.gov.ar)) and the Buenos Aires Stock Exchange ([www.bolsar.com](http://www.bolsar.com)). In addition, the Argentine Central Bank ([www.bcra.gov.ar](http://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 <sup>(\*)</sup>

	<i>In millions of pesos</i>				
	12/31/05	09/30/05	06/30/05	03/31/05	12/31/04
Cash and Due from Banks	1,039.9	993.2	956.9	938.6	985.7
Government and Corporate Securities	5,964.2	5,534.6	5,589.3	5,830.8	5,498.9
Net Loans	10,507.7	9,922.7	9,395.8	8,936.1	8,393.2
Other Receivables Resulting from Financial Brokerage	6,123.5	6,868.3	6,861.7	6,465.3	6,640.2
Equity Investments in Other Companies	90.6	90.3	87.6	87.8	85.4
Bank Premises and Equipment, Miscellaneous and Intangible Assets	1,163.9	1,174.1	1,201.8	1,231.7	1,272.5
Other Assets	566.4	502.2	460.6	640.4	589.4
<b>Total Assets</b>	<b>25,456.2</b>	<b>25,085.4</b>	<b>24,553.7</b>	<b>24,130.7</b>	<b>23,465.3</b>
Deposits	8,437.7	8,041.7	7,548.2	7,517.6	6,777.4
Other Liabilities Resulting from Financial Brokerage	14,413.7	14,575.0	14,573.2	14,194.2	14,056.6
Subordinated Negotiable Obligations	742.6	694.7	690.4	805.2	820.0
Other	422.1	351.4	340.9	357.1	577.6
Minority Interests	50.9	47.0	47.0	41.4	35.5
<b>Total Liabilities</b>	<b>24,067.0</b>	<b>23,709.8</b>	<b>23,199.7</b>	<b>22,915.5</b>	<b>22,267.1</b>
<b>Shareholders' Equity</b>	<b>1,389.2</b>	<b>1,375.6</b>	<b>1,354.0</b>	<b>1,215.2</b>	<b>1,198.2</b>
<b>Foreign-Currency Assets and Liabilities</b>					
- Assets	6,795.9	6,604.0	6,553.2	7,015.8	7,760.8
- Liabilities	6,509.7	6,224.6	6,336.5	6,947.7	6,984.5

(\*) 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:	12/31/05	09/30/05	06/30/05	03/31/05	12/31/04
<b>FINANCIAL INCOME</b>	<b>663.5</b>	<b>550.7</b>	<b>633.5</b>	<b>522.7</b>	<b>229.8</b>
- Interest on Loans to the Financial Sector	0.6	0.6	0.9	0.7	1.1
- Interest on Overdrafts	11.6	11.1	9.0	8.3	12.4
- Interest on Promissory Notes	33.6	34.0	23.1	28.3	21.9
- Interest on Mortgage Loans	14.0	18.9	18.5	22.6	16.7
- Interest on Pledge Loans	3.3	2.8	2.5	2.3	2.1
- Interest on Credit-Card Loans	61.6	55.3	56.2	49.6	43.3
- Interest on Other Loans	14.5	8.5	7.1	5.7	7.4
- Net Income from Government and Corporate Securities	125.4	51.6	127.6	24.2	(77.6)
- Interest on Other Receivables Resulting from Financial Brokerage	43.5	40.4	38.1	32.9	27.2
- Net Income from Secured Loans - Decree No.1387/01	53.2	51.9	47.1	47.6	46.7
- CER Adjustment	274.6	250.2	280.9	279.4	113.8
- CVS Adjustment	-	-	-	-	0.1
- Other	27.6	25.4	22.5	21.1	14.7
<b>FINANCIAL EXPENSES</b>	<b>504.1</b>	<b>449.1</b>	<b>466.2</b>	<b>457.2</b>	<b>309.2</b>
- Interest on Current-Account Deposits	4.6	4.4	3.4	2.9	1.9
- Interest on Savings-Account Deposits	1.1	1.2	1.2	1.1	1.0
- Interest on Time Deposits	46.0	37.8	30.8	28.3	26.0
- Interest on Financing from the Financial Sector	1.6	1.0	1.0	0.9	1.1
- Other Interest	91.7	90.9	90.6	90.9	90.0
- Net Income from Government and Corporate Securities	-	-	-	-	6.1
- Interest on Other Liabilities Resulting from Financial Brokerage	71.6	67.5	65.9	64.3	62.8
- CER Adjustment	265.2	228.4	261.1	252.6	107.5
- Other	22.3	17.9	12.2	16.2	12.8
<b>GROSS FINANCIAL MARGIN</b>	<b>159.4</b>	<b>101.6</b>	<b>167.3</b>	<b>65.5</b>	<b>(79.4)</b>
<b>PROVISIONS FOR LOAN LOSSES</b>	<b>21.2</b>	<b>14.5</b>	<b>22.8</b>	<b>18.2</b>	<b>73.9</b>
<b>INCOME FROM SERVICES, NET</b>	<b>145.2</b>	<b>130.5</b>	<b>133.3</b>	<b>116.5</b>	<b>121.6</b>
<b>ADMINISTRATIVE EXPENSES</b>	<b>214.5</b>	<b>194.2</b>	<b>185.3</b>	<b>158.5</b>	<b>164.3</b>
- Personnel Expenses	106.0	97.4	95.0	82.5	82.3
- Directors' and Syndics' Fees	1.5	0.7	1.2	1.4	1.4
- Other Fees	10.0	6.6	6.9	4.6	4.8
- Advertising and Publicity	21.0	18.7	18.6	9.6	12.9
- Taxes	10.9	9.1	7.1	7.9	7.7
- Other Operating Expenses	50.1	47.4	43.9	41.5	44.0
- Other	15.0	14.3	12.6	11.0	11.2
<b>MINORITY INTERESTS RESULTS</b>	<b>(3.9)</b>	<b>(4.9)</b>	<b>(6.5)</b>	<b>(5.8)</b>	<b>(5.2)</b>
<b>INCOME FROM EQUITY INVESTMENTS</b>	<b>-</b>	<b>2.5</b>	<b>1.0</b>	<b>2.8</b>	<b>1.0</b>
<b>NET OTHER INCOME</b>	<b>(34.3)</b>	<b>12.5</b>	<b>65.6</b>	<b>29.0</b>	<b>171.6</b>
<b>INCOME TAX</b>	<b>17.1</b>	<b>11.9</b>	<b>13.8</b>	<b>14.3</b>	<b>11.7</b>
<b>NET INCOME</b>	<b>13.6</b>	<b>21.6</b>	<b>138.8</b>	<b>17.0</b>	<b>(40.3)</b>

(\*) 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>	
<b>Quarter ended:</b>	<b>12/31/05</b>	<b>12/31/04</b>
<b>FINANCIAL INCOME</b>	<b>2,370.4</b>	<b>1,367.2</b>
- Interest on Loans to the Financial Sector	2.8	5.2
- Interest on Overdrafts	40.0	28.3
- Interest on Promissory Notes	119.0	97.5
- Interest on Mortgage Loans	74.0	67.9
- Interest on Pledge Loans	10.9	6.7
- Interest on Credit-Card Loans	222.7	163.1
- Interest on Other Loans	35.8	26.1
- Net Income from Government and Corporate Securities	328.8	-
- Interest on Other Receivables Resulting from Financial Brokerage	154.9	81.3
- Net Income from Secured Loans - Decree No.1387/01	199.8	182.1
- CER Adjustment	1,085.1	555.8
- CVS Adjustment	-	28.9
- Other	96.6	124.3
<b>FINANCIAL EXPENSES</b>	<b>1,876.6</b>	<b>1,198.8</b>
- Interest on Current-Account Deposits	15.3	4.9
- Interest on Savings-Account Deposits	4.6	4.1
- Interest on Time Deposits	142.9	90.7
- Interest on Financing from the Financial Sector	4.5	6.1
- Other Interest	364.1	323.2
- Net Income from Government and Corporate Securities	-	6.1
- Interest on Other Liabilities Resulting from Financial Brokerage	269.3	204.6
- CER Adjustment	1,007.3	502.0
- Other	68.6	57.1
<b>GROSS FINANCIAL MARGIN</b>	<b>493.8</b>	<b>168.4</b>
<b>PROVISIONS FOR LOAN LOSSES</b>	<b>76.7</b>	<b>190.2</b>
<b>INCOME FROM SERVICES, NET</b>	<b>525.5</b>	<b>437.2</b>
<b>ADMINISTRATIVE EXPENSES</b>	<b>752.5</b>	<b>591.8</b>
- Personnel Expenses	380.9	285.9
- Directors' and Syndics' Fees	4.8	3.5
- Other Fees	28.1	17.3
- Advertising and Publicity	67.9	37.6
- Taxes	35.0	30.2
- Other Operating Expenses	182.9	176.1
- Other	52.9	41.2
<b>MINORITY INTERESTS RESULTS</b>	<b>(21.1)</b>	<b>(22.9)</b>
<b>INCOME FROM EQUITY INVESTMENTS</b>	<b>6.3</b>	<b>3.6</b>
<b>NET OTHER INCOME</b>	<b>72.8</b>	<b>116.9</b>
<b>INCOME TAX</b>	<b>57.1</b>	<b>29.8</b>
<b>NET INCOME</b>	<b>191.0</b>	<b>(108.6)</b>

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

ADDITIONAL INFORMATION

	12/31/05	09/30/05	06/30/05	03/31/05	12/31/04
<b>Mutual Funds</b> (In millions of pesos) (*)	296.7	273.4	244.3	305.8	245.6
<b>Physical Data</b> (Number of)					
<b>Employees</b>	6,735	6,469	6,318	6,235	6,215
<b>Branches</b>					
Bank Branches	225	225	224	224	225
Regional Credit-Card Companies Offices	103	98	94	91	91
<b>Deposit Accounts</b>	1,110,426	1,065,205	1,051,840	1,019,692	1,000,793
<b>Credit Cards</b>	2,798,136	2,536,961	2,346,766	2,258,797	2,229,150
<b>Inflation and Exchange Rate</b>					
Retail Price Index (%) (**)	3.13	2.63	2.02	4.03	1.24
Wholesale Price Index (IPIM) (%) (**)	2.37	4.45	1.32	2.17	0.25
CER Coefficient (%) (**)	3.04	2.41	2.71	3.10	1.10
Exchange Rate (Pesos per US\$) (***)	3.0315	2.9125	2.8908	2.9233	2.9738

(\*) *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

#### Proposal for the distribution of profits

The Board of Directors will propose to the Shareholders Meeting that Ps.90.5 million be allocated to the restoration of the legal reserve and that no dividends are distributed.

#### Short-term rating upgrade

On February 6, 2006, Standard&Poor's upgraded the Bank's short-term deposits local rating from "raA2" to "raA1."

#### Advance of funds for the repayment of financial assistance

During the first quarter of 2006, the Bank advanced Ps.620 million to be applied to the partial repayment of financial assistance granted by the Argentine Central Bank.

#### Advance to purchase the Hedge Bond

On January 27, 2006, the Bank formally requested to the Argentine Central Bank the advance for the partial subscription of the Hedge Bond.

#### Communiqué "A" 3911

According to item 12 of Argentine Central Bank's Communiqué "A" 3911 and complementary rules, as of January 2006, a bank's total exposure to the Argentine non-financial public sector must not exceed 40% of its total assets. In accordance, the Bank has presented a plan in order to comply with the rule.

#### BG Financial Trust

During December 2005, the "BG Financial Trust" was created. The Bank transferred to the fiduciary ("Equity Trust Company (Argentina) S.A.") Ps.264.4 million of loans classified in category "3" or in a lower category and of off-balance sheet loans, for an amount, net of allowances, of Ps.91.3 million. The Bank received in exchange cash for an equal amount. The debt securities issued by the trust were fully subscribed by third parties.

#### Financial trusts

During the quarter and after the close of FY 2005, the Bank publicly offered the securities issued by the following financial trusts:

*In millions of pesos*

	Créditos Inmobiliarios Galicia II	Tarjeta Naranja Trust I	Tarjeta Cuyana Trust I	Tarjetas del Mar Serie I	Galicia Personales II
Issue date	11.01.05	11.17.05	12.02.05	12.22.05	02.07.06
Due date	12.15.25	02.20.08	03.31.08	01.10.07	01.07.10
Underlying assets	150.0	94.5	26.8	3.8	97.3
Debt Securities Issued	109.0	87.0	24.1	3.0	87.6
Cert.of Participation	41.0	7.5	2.7	0.8	9.7

## **FINANCIAL SYSTEM AND MAIN REGULATORY CHANGES**

### **Losses related to amparo claims**

In order to promote long-term financing, through Comunicado “A” 4439, dated November 17, 2005, the Argentine Central Bank established that, beginning in December 2005, financial institutions having granted, as from that date, new commercial loans with an average life of more than two years could defer the losses related to the amortization of amparo claims. The maximum amount to be deferred cannot exceed 10% of financial institutions’ computable regulatory capital (“RPC”) nor 50% of the new commercial loans. Likewise, financial institutions will not be able to reduce the rest of their commercial loan portfolio. This methodology will be applied until December 2008, when the balance recorded as of that date will begin to be amortized in up to 36 monthly equal and consecutive installments. The application of this rule by the Bank resulted in the deferral of losses related to amparo claims for Ps.11.3 million in the quarter.

### **Foreign exchange market**

Complementary to Decree N° 616/05, issued on June 9, 2005, which established restrictions to capital inflows, the Ministry of Economy issued Resolution 637/05, dated November 16, 2005, which established that, beginning on November 17, 2005, the restrictions established in said Decree will be applicable also to all inflows of funds to the local FX market for the subscription of primary issuances of debt securities or certificates of participation by financial trusts, if such restrictions were applicable to capital inflows destined to the acquisition of any of the trusts’ assets.

### **Minimum cash requirement**

Pursuant to Comunicado “A” 4449, dated December 2, 2005, the Argentine Central Bank established that, effective December 2005, the minimum cash requirement in pesos is to be applied over the monthly average of the daily balances of the obligations comprised, except for the period December-February of the following year, for which the quarterly average will be used.

In addition, said Comunicado reduced the minimum cash requirement applicable to demand deposits in one percentage point and between one and two percentage points for time deposits in pesos for the different residual terms. For mutual funds deposits, the requirement was reduced from 25% to 18%. The requirements for deposits in foreign currency were not modified.

Comunicado “A” 4473, dated January 9, 2006, established that beginning on February 1, 2006, deposits and other demand obligations in pesos, with a return greater than 75% of the private banks’ average BADLAR rate of the previous month, will be subject to a minimum cash requirement of 100%.

### **Loans in foreign currency**

Pursuant to Comunicado “A” 4453, dated December 9, 2005, the Argentine Central Bank included as a new admitted use of a bank’s lending capacity in foreign currency, the granting of loans to finance imports of capital goods to be used to increase the production for the local market, i.e., that do not generate cash flows in the same currency. Previously, the admitted uses were limited to the financing of export operations and of imports of goods to be used to export.

### **Trading of national government securities**

Pursuant to Comunicado “A” 4455, dated December 12, 2005, the Argentine Central Bank established that, beginning on December 1, 2005, financial institutions carrying an excess over the regulatory limits to credit risk concentration applicable to public-sector assets, due to operations prior to March 31, 2003, would be allowed to trade national government securities subject to capital requirements to cover market risk (with volatility informed by the Argentine Central Bank), without the obligation of reducing the excess, only if they had generated the margin within which they wished to operate. The margin admitted,

which may not exceed 15% of the computable regulatory capital recorded in the last day of the prior month, is generated by funds received as amortization of comprised assets and for the realization of such assets and by recording comprised assets as held for trading.

#### **Debtor classification and credit concentration**

By means of Communiqué “A” 4467, dated December 30, 2005, the Argentine Central Bank extended until June 30, 2006 (the previous expiration date was 12.30.05) the term for a financial institution to reclassify into the “normal” category commercial loan debtors having entered into restructuring payment agreements with financial institutions and to grant financial assistance which would imply exceeding 300% of clients’ computable regulatory capital, on both cases provided that the approval of the board of directors or equivalent authority of the financial institution has been granted.

Such regulation also extended until December 31, 2008 (the previous expiration date was 12.30.05), the exclusion of compensatory bonds or notes received by the financial institutions pursuant to sections 28 and 29 of Decree 905/02 and complementary rules, from the calculation of the risk concentration ratio.

*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](http://www.cnv.gov.ar)) and the Buenos Aires Stock Exchange ([www.bolsar.com](http://www.bolsar.com)). In addition, the Argentine Central Bank ([www.bcra.gov.ar](http://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.*