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Banco de Galicia y Buenos Aires S.A.

Phone (54-11) 6329-6430

Fax (54-11) 6329-6494

www.e-galicia.com

BANCO DE GALICIA Y BUENOS AIRES S.A. REPORTS EARNINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

(Buenos Aires, Argentina, February 14, 2008) – 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, 2007.

- **The adjusted net income for FY 2007 amounted to Ps.177.3 million, Ps.105.1 million higher than in FY 2006. After the adjustment to the valuation of public-sector assets (a Ps.38.2 million loss) and the amortization of *amparo* claims (a Ps.108.7 million loss), net income amounted to Ps.30.4 million, representing an improvement of Ps.156.6 million as compared with the loss recorded in FY 2006.**
- **Adjusted net income for the fourth quarter of FY 2007 amounted to Ps.62.9 million, Ps.37.8 million higher than in the same quarter of F Y2006. After the adjustment to the valuation of public-sector assets (a Ps.11.5 million loss), net income amounted to Ps.51.4 million, Ps.160.3 million higher than the loss recorded as of the same date of the prior year.**
- **During FY 2007, the Bank continued implementing its strategy to strengthen its financial condition, that comprised a capital increase, the full repayment of its debt with the Argentine Central Bank, a significant decrease of its exposure to the public sector and the reduction of its external debt by means of prepayments and cancellation in advance.**
- **The strengthening of its financial condition allowed the Bank to continue to significantly increase its activity level and the volume of its business with the private sector. As of December 31, 2007, the Bank’s credit exposure to that sector reached Ps.13,425 million, representing a 31.9% increase during the year, mainly concentrated in middle-market companies and individuals, as shown by the increase of loans to these sectors, of 58.4% and 47.9%, respectively.**
- **Deposits in Argentina amounted to Ps.12,991 million, with a 22.6% increase in the twelve months ended December 31, 2007.**
- **As a consequence, the Bank’s adjusted net operating income ⁽¹⁾ increased approximately 50% during FY 2007.**

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

(2) *Adjusted net financial income: Financial Income excluding the adjustment to the valuation of Secured Loans, securities included in the Argentine debt exchange and Bogar, in accordance with Argentine Central Bank rules, plus net financial income on margin requirements on repo transactions (the latter are recorded under “Miscellaneous Income/Loss”).*

FY 2007 RESULTS

Net income for FY 2007 amounted to Ps.30.4 million, with a Ps.156.6 million increase as compared to the Ps.126.2 million loss registered in FY 2006. Excluding the Ps.38.2 million loss from the adjustment to the valuation of public-sector assets and the Ps.108.7 million loss from the amortization of *amparo* claims, adjusted net income for FY 2007 amounted to Ps.177.3 million, Ps.105.1 million higher than in FY 2006.

Beginning in December 2005 and during FY 2006, no losses were recorded in connection with the amortization of *amparo* claims, as such amortization was deferred in accordance with Argentine Central Bank's Communiqué "A" 4439. From January until September 2007, the Bank again recorded a charge to income in connection with this amortization, which generated a Ps.108.7 million loss.

The significant improvement in the adjusted net income for FY 2007 was mainly a consequence of a Ps.565.7 million increase in the adjusted net operating income. This increase was partially offset, mainly, by higher administrative expenses (which were up Ps.300.7 million) and higher loan loss provisions (which were up Ps.144.6 million).

The adjusted net operating income for FY 2007 totaled Ps.1,707.7 million, up 49.5% from the Ps.1,142.0 million recorded in the prior year. This increase was due both to a higher adjusted net financial income (up Ps.301.3 million) and a higher net income from services (up Ps.264.4 million).

Table I	<i>In pesos</i>			
	FY 2007	FY 2006	Twelve Months Ended	
Earnings per Share	4th Q	4th Q	12/31/07	12/31/06
Average Shares Outstanding (in thousands) (*)	562,327	468,662	506,641	468,662
Shares Outstanding (in thousands) (*)	562,327	468,662	562,327	468,662
Book Value per Share	3.129	2.695	3.129	2.695
Earnings per Share	0.091	(0.232)	0.060	(0.269)

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

NET INCOME FOR THE QUARTER ENDED DECEMBER 31, 2007

In the fourth quarter of FY 2007, the Bank recorded a Ps.51.4 million profit, compared with a Ps.108.9 million loss in the same quarter of the previous year.

Excluding the Ps.11.5 million loss from the adjustment to the valuation of public-sector assets, the adjusted net income for the fourth quarter of FY 2007 amounted to Ps.62.9 million, compared with a Ps.25.1 million profit in the same quarter of the prior year.

The improvement in the quarter's adjusted net income was mainly the consequence of a Ps.156.4 million increase in the adjusted net operating income, and a Ps.31.4 million increase in net other income. These increases were partially offset by higher administrative expenses (which were up Ps.81.4 million) and higher loan loss provisions (which were up Ps.70.2 million).

The quarter's adjusted net operating income totaled Ps.491.4 million, up 46.7% from the Ps.335.0 million recorded in the same quarter of the prior year. This increase was due both to a higher adjusted net financial income (up Ps.89.3 million) and a higher net income from services (up Ps.67.1 million).

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. consolidate directly with those of the Bank.

FOURTH QUARTER OF FY 2007 RESULTS

Table II	<i>Percentages</i>			
	FY 2007	FY 2006	Twelve Months Ended	
Profitability and Efficiency	4 th Q	4 th Q	12/31/07	12/31/06
Return on Average Assets ^(*)	1.04	(1.62)	0.27	(0.42)
Return on Average Shareholders’ Equity ^(*)	11.89	(32.49)	2.10	(9.26)
Financial Margin ^(*) (1)	4.52	(0.47)	3.95	1.02
Net Income from Services as a % of Operating Income ⁽²⁾	54.95	115.60	56.43	75.05
Net Income from Services as a % of Administrative Expenses	73.06	70.28	74.85	70.70
Administrative Expenses as a % of Operating Income ⁽²⁾	75.21	164.49	75.39	106.16

(*) 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 fourth quarter of FY 2007 was Ps.213.0 million, up Ps.239.0 million from the fourth quarter of the previous fiscal year. Excluding the Ps.11.5 million loss from the adjustment to the valuation of public-sector assets and including the financial results on margin requirements of repo transactions (Ps.7.1 million profit), the Bank’s adjusted net financial income for the fourth quarter of FY 2007 amounted to Ps.231.6 million. Calculated in the same manner, the adjusted net financial income for the fourth quarter of FY 2006 amounted to Ps.142.3 million.

The quarter’s net financial income includes a Ps.13.9 million profit from quotation differences, net of the results from foreign-currency forward transactions. This profit was composed of a Ps.28.3 million gain from FX brokerage and a Ps.14.4 million loss from the valuation of the Bank’s foreign-currency net position. In the same quarter of the prior year, the result from quotation differences was a Ps.13.4 million profit (composed by a Ps.17.3 million gain from FX brokerage and a Ps.3.9 million loss from the valuation of the foreign-currency net position).

The adjusted net financial income for the quarter, excluding quotation differences, amounted to Ps.217.7 million, compared to a Ps.128.9 million income from the same quarter of FY 2006. 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 mainly with 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: (i) a significant increase in income from financial intermediation with the private sector (resulting from a Ps.2,707 million increase in the volume of average loans to the private sector during the year and also from an increase in the average lending rate), and (ii) a decrease in the cost of funds resulting from the change in the composition of liabilities, as a consequence of the repayment of all of the debt with the Argentine Central Bank.

The use of public- sector assets to repay debt with the Argentine Central Bank and part of the Bank's foreign debt caused a significant and simultaneous decrease in the Bank's assets and liabilities and, consequently, a significant decrease in the volume of CER indexed assets and liabilities.

The 103 basis points ("b.p.") increase during the year in the average yield on interest-earning assets was mainly due to an increase in the average yield on loans to the private sector and to their increased relative weight within the total interest-earning assets.

The average cost of interest-bearing liabilities recorded a 69 b.p. decrease as a consequence of the above-mentioned change in composition which, together with the growth in deposits, produced a significant increase in the relative weight of the latter within total liabilities.

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

Table III Average Balances, Yield and Rates ^(*)					FY 2007		FY 2006			
	4 th Q		3 rd Q		2 nd Q		1 st Q		4 th Q	
	Av. B.	Int.	Av. B.	Int.	Av. B.	Int.	Av. B.	Int.	Av. B.	Int.
Interest-Earning Assets	18,845	10.89	18,371	9.70	17,487	9.64	18,201	9.63	21,934	9.86
Government Securities ^(**)	3,950	5.03	4,293	3.84	4,393	4.79	4,479	3.09	4,651	8.03
Loans	11,132	14.86	10,563	13.40	9,974	13.18	10,447	13.73	11,426	13.47
- Private Sector	9,932	15.14	9,367	13.84	8,349	13.11	7,728	13.11	7,225	13.54
- Public Sector	1,200	12.54	1,196	9.98	1,625	13.54	2,719	15.47	4,201	13.34
Other	3,763	5.27	3,515	5.74	3,120	5.12	3,275	5.50	5,857	4.29
- Financial Trusts	968	6.99	913	10.32	902	8.59	884	10.00	867	8.14
- Government Securities to be Received	-	-	-	-	104	3.57	406	3.64	3,040	3.79
- Other Interest Earning Assets	2,795	4.68	2,602	4.14	2,114	3.72	1,985	3.87	1,950	3.36
Interest-Bearing Liabilities	14,880	7.68	14,932	5.96	14,660	6.84	15,510	8.20	19,218	8.37
Current Accounts	796	2.34	667	2.17	668	2.41	628	2.60	648	2.62
Savings Accounts	2,449	0.17	2,371	0.17	2,136	0.31	2,057	0.29	1,952	0.27
Time Deposits	6,625	9.92	6,813	8.14	6,656	7.77	6,330	8.22	5,969	8.43
Debt Securities	3,077	10.06	3,506	5.15	3,824	9.41	3,808	9.34	3,710	8.91
Argentine Central Bank	-	-	-	-	81	5.87	965	28.04	4,977	11.58
Other Interest-Bearing Liabilities	1,933	7.94	1,575	8.63	1,295	7.51	1,722	6.00	1,962	8.92

() 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 fourth quarter of FY 2007 amounted to Ps.96.5 million, Ps.70.2 million higher than in the same quarter of the prior year. Nearly half of this increase was due to specific cases. The remaining amount reflected the increase of regulatory charges associated to the growth of the credit portfolio and higher charges in connection with the portfolio's aging.

Net income from services amounted to Ps.259.8 million, up 34.8% from the Ps.192.7 million recorded in the fourth quarter of the previous fiscal year. All items recorded a significant increase as compared with the same quarter of 2006 –particularly insurance products, credit and debit cards and credit-related fees–, as a consequence of the significant increase in the volume of transactions.

In millions of pesos

Table IV Income from Services, Net				FY 2007	FY 2006
	4th Q	3rd Q	2nd Q	1st Q	4th Q
National Cards	76.6	65.9	57.0	53.7	50.5
Regional Credit Cards	118.8	112.7	100.4	91.4	88.4
Deposit Accounts	44.3	41.4	39.3	35.5	35.3
Insurance	22.1	20.9	18.7	18.7	14.0
Financial Fees	8.0	7.8	6.8	6.2	5.8
Credit-Related Fees	21.8	22.7	19.1	15.5	18.2
Foreign Trade	11.2	10.4	9.0	8.9	9.2
Collections	7.8	7.3	6.5	5.7	5.3
Utility-Bills Collection Services	4.1	3.6	3.3	3.1	3.1
Mutual Funds	1.0	0.9	0.9	0.8	0.7
Other	21.8	21.5	19.6	17.9	19.3
Total Income	337.5	315.1	280.6	257.4	249.8
Total Expenditures	77.7	66.7	57.5	55.5	57.1
Income from Services, Net	259.8	248.4	223.1	201.9	192.7

Administrative expenses for the quarter totaled Ps.355.6 million, with a 29.7% increase from the same quarter of the prior year. Personnel expenses increased 27.6%, mainly due to salary increases and to a 13.8% increase in the Bank's staff linked to the greater level of activity. The remaining administrative expenses grew 32.1%, mainly as a consequence of the greater level of activity, the geographical expansion of the regional credit-card companies and the rate of inflation recorded during the period, as well as higher taxes and depreciations.

Net other income amounted to Ps.49.6 million, up 9.3% from the Ps.45.4 million profit recorded in the same quarter of the prior year. The quarter's profit was made up of a Ps.14.1 million profit from the net reversal of allowances, a Ps.11.9 million gain due to loans recovered, a Ps.7.1 million gain from the financial income on margin requirements of repo transactions, and other results. Net other income recorded in the fourth quarter of FY 2006 was mainly the consequence of a Ps.34.3 million profit from the financial income on margin requirements of repo transactions and a Ps.30.6 million profit from loans recovered, partially offset by the net establishment of reserves for Ps.20.1 million.

The income tax charge was Ps.14.0 million, Ps.1.8 million higher than in the fourth quarter of FY 2006. This charge corresponds mainly to the regional credit-card companies.

LEVEL OF ACTIVITY

The Bank's total exposure to the private sector reached Ps.13,425 million, with a 31.9% increase during the year and a 35.6% annualized increase during the quarter.

Total loans to the private sector granted by the Bank's Argentine operation increased 41.0% between December 31, 2007 and the same date of the previous year. The Bank's market share of private-sector loans reached 7.76% as of December 31, 2007, up from 7.21% as of December 31, 2006.

The regional credit-card companies' total loan portfolio increased 43.7% between December 31, 2007 and the same date of the previous year.

Total gross loans as of December 31, 2007 amounted to Ps.11,975 million, of which Ps.1,318 million were loans to the financial and non-financial public sector.

In millions of pesos

Table V Exposure to the Private Sector				FY 2007	FY 2006
	4th Q	3rd Q	2nd Q	1st Q	4th Q
Loans	10,657	9,949	8,912	8,126	8,006
Leasing	360	327	284	241	209
Corporate Securities	21	20	33	26	24
Other Financing ^(*)	1,409	1,311	1,229	1,118	1,104
Total Credit	12,447	11,607	10,458	9,511	9,343
Securitized Loans ^(**)	978	834	904	855	832
Total	13,425	12,441	11,362	10,366	10,175

(*) 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, 2007, includes the outstanding balances of the loans transferred to the following trusts: "Galtrust II", "Galtrust V", "Galicia Personales III", "Galicia Personales IV", "Galicia Personales V", "Galicia Personales VI", "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 FY 2007 was mainly concentrated in middle-market companies (58.4%) and individuals (47.9%). By sector of activity, the Bank increased its exposure mainly to the retail & wholesale-trade sector (83.6%), consumers (47.3%), the manufacturing sector (47.0%) and the agriculture and livestock sector (25.3%).

In millions of pesos

Table VI Loans by Type of Borrower				FY 2007	FY 2006
	4th Q	3rd Q	2nd Q	1st Q	4th Q
Large Corporations	1,870	1,848	2,015	1,759	1,535
Middle-Market Companies	3,994	3,330	2,929	2,762	2,521
Individuals	4,631	4,358	3,755	3,403	3,132
Financial Sector	269	520	320	309	925
Non-Financial Public Sector	1,211	1,199	1,200	2,781	2,691
Total Loans	11,975	11,255	10,219	11,014	10,804
Allowances	429	389	365	355	327
Total Loans, Net	11,546	10,866	9,854	10,659	10,477

In millions of pesos

Table VII Loans by Sector of Activity	FY 2007				FY 2006
	4 th Q	3 rd Q	2 nd Q	1 st Q	4 th Q
Financial Sector	269	520	320	309	925
Services	2,357	2,433	2,161	3,540	3,478
- Public Sector	1,211	1,199	1,200	2,781	2,691
- Other	1,146	1,234	961	759	787
Agriculture & Livestock	1,218	994	884	1,091	972
Consumer	4,402	4,146	3,587	3,250	2,989
Retail & Wholesale Trade	1,575	1,277	1,303	934	858
Construction	268	161	308	295	310
Manufacturing	1,807	1,641	1,522	1,481	1,229
Other	79	83	134	114	43
Total Loans	11,975	11,255	10,219	11,014	10,804
Allowances	429	389	365	355	327
Total Loans, Net	11,546	10,866	9,854	10,659	10,477

During FY 2007 the Bank reduced significantly its exposure to the public sector (See *Table VIII*). Such exposure was reduced by Ps.2,800 million, mainly as a consequence of the following decreases: i) Ps.1,480 million in the balance of Secured Loans, due to sales, ii) Ps.1,240 million in the balance of Boden 2012 bonds (recorded under “Government Securities” and “Other Receivables from Financial Brokerage”), due to the collection of amortization and interest coupons and to the use of the proceeds of the sale of those bonds to fund the repurchase of foreign debt, and iii) Ps.367 million in the balance of Bogar bonds, due to sales. These decreases were slightly offset by the Ps.255 million increase 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).

As of April 30, 2007, the Bank did not record any debt with the Argentine Central Bank, which amounted to Ps.3,026 million as of December 31, 2006.

In millions of pesos

Table VIII Net Exposure to the Argentine Public Sector ^(*)	FY 2007				FY 2006
	4 th Q	3 rd Q	2 nd Q	1 st Q	4 th Q
Government Securities' Net Position	3,859	3,960	4,694	3,927	4,831
Trading	417	529	664	205	162
Bogar	-	-	-	-	367
Boden 2012	2,744	2,723	3,316	3,008	3,583
Discount Bonds and GDP-Linked Units	698	708	714	714	719
Loans	1,318	1,306	1,307	2,780	2,798
National Secured Loans, Net	1,211	1,199	1,200	2,673	2,691
Other	107	107	107	107	107
Other Receivables Resulting from Financial Brokerage	870	856	847	1,245	1,218
Boden 2012	-	-	-	409	401
Trust Certificates of Participation and Securities	870	856	847	836	817
Total Assets	6,047	6,122	6,848	7,952	8,847
Liabilities with the Argentine Central Bank	-	-	-	380	3,026
Net Exposure	6,047	6,122	6,848	7,572	5,821

(*) 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.51.2 million, 21.0% higher than the Ps.42.3 million recorded at the end of the fourth quarter of FY 2006.

The item “Bank Premises and Equipment, Miscellaneous and Intangible Assets” includes Ps.277 million of net deferred losses associated to *amparo* claims. This amount includes Ps.179 million of amortization deferred.

The Bank’s consolidated deposits amounted to Ps.13,188 million, of which Ps.301 million were deposits in Galicia Uruguay.

As of December 31, 2007, the Bank’s deposits in Argentina amounted to Ps.12,991 million, representing a 22.6% increase in the twelve months ended December 31, 2007, and an 18.0% annualized increase in the quarter.

In millions of pesos

Table IX					
				FY 2007	FY 2006
Deposits in Argentina	4th Q	3rd Q	2nd Q	1st Q	4th Q
In Pesos	11,243	10,777	10,850	10,334	9,379
Current Accounts	2,698	2,514	2,491	2,116	2,016
Savings Accounts	2,479	2,283	2,313	2,116	1,937
Time Deposits	5,640	5,378	5,336	5,372	4,590
Adjusted Time Deposits	202	376	454	503	620
Other	224	226	256	227	216
In Foreign Currency	1,748	1,687	1,333	1,317	1,213
Total Deposits	12,991	12,464	12,183	11,651	10,592

As of December 31, 2007, the Bank’s estimated market share of deposits in the Argentine financial system, considering its deposits in Argentina only, was 6.32%, compared with 6.18% as of the same date of 2006.

Considering only private-sector deposits, the Bank’s estimated deposit market share reached 8.23% as of December 31, 2007, compared with 8.43% as of December 31, 2006.

Percentages

Table X					
				FY 2007	FY 2006
Market Share (*)	4th Q	3rd Q	2nd Q	1st Q	4th Q
Total Deposits	6.32	6.24	6.39	6.43	6.18
Private Sector Deposits	8.23	8.34	8.45	8.60	8.43
Total Loans	7.43	7.44	7.14	7.70	8.13
Loans to the Private Sector	7.76	7.58	7.64	7.45	7.21

(*) 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 decreased by Ps.3,954 million from the amount as of the end of the fourth quarter of FY 2006. The decrease was mainly the consequence of: i) the repayment of debt with the Argentine Central Bank, for Ps.3,026 million, and ii) the reduction of the Bank’s foreign debt for US\$ 522.8 million due to amortization, prepayments and cancellations in advance. These decreases were partially offset by the issuance of negotiable obligations for Ps.200 million by Tarjetas Cuyanas S.A. (during the second quarter of fiscal year 2007) and by an increase in the balance of repo transactions.

In millions of pesos

Table XI Other Financial Liabilities	FY 2007					FY 2006
	4 th Q	3 rd Q	2 nd Q	1 st Q	4 th Q	
Argentine Central Bank	1	1	1	380	3,026	
Financial Assistance	-	-	-	-	2,689	
Advance for the Purchase the Hedge Bond	-	-	-	380	337	
Other	1	1	1	-	-	
Foreign Banks and International Entities	504	457	308	282	860	
Negotiable Obligations ^(*)	3,051	3,235	4,008	3,834	3,935	
Other ^(**)	3,447	2,798	2,602	2,973	3,136	
Total	7,003	6,491	6,919	7,469	10,957	

(*) 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, 2007, the Bank had 1.4 million deposit accounts, reflecting an increase of approximately 151 thousand accounts from a year before. Likewise, the number of credit cards as of that date reached 5.4 million, with a 25.9% increase from the 4.3 million credit cards managed a year before (See the “Additional Information” table).

ASSET QUALITY

The Bank’s non-accrual loan portfolio amounted to Ps.376 million as of December 31, 2007, while it amounted to Ps.279 million as of the same date of the prior year. The non-accrual loan portfolio represented 3.53% of total loans to the private sector as of December 31, 2007, compared to 3.48% as of December 31, 2006.

The allowance for loan losses represented 4.03% of total loans to the private sector as of December 31, 2007, and 4.08% as of December 31, 2006. The coverage of the non-accrual loan portfolio with allowances for loan losses reached 114.10% and the coverage with guarantees was 13.03%. The combined coverage of non-accrual loans with allowances and guarantees was 127.13%.

In millions of pesos, except percentages

Table XII Loan Portfolio Quality	FY 2007					FY 2006
	4 th Q	3 rd Q	2 nd Q	1 st Q	4 th Q	
Non-Accrual Loans ^(*)	376	385	321	295	279	
- With Preferred Guarantees	44	42	41	40	40	
- With Others Guarantees	5	5	5	5	5	
- Without Guarantees	327	338	275	250	234	
Allowance for Loan Losses	429	389	365	355	327	
Non-Accrual Loans to Total Loans (%)	3.14	3.42	3.14	2.68	2.58	
Non-Accrual Loans to Private-Sector Loans (%)	3.53	3.87	3.60	3.63	3.48	
Allowance for Loan Losses to Total Loans (%)	3.58	3.46	3.57	3.22	3.03	
Allowance for Loan Losses to Private-Sector Loans (%)	4.03	3.91	4.10	4.37	4.08	
Allowance for Loan Losses to Non-Accrual Loans (%)	114.10	101.04	113.71	120.34	117.20	
Non-Accrual Loans with Guarantees to Non-Accrual Loans (%)	13.03	12.21	14.33	15.25	16.13	

(*) 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.37 million were charged off against the allowance for loan losses and direct charges to the income statement for Ps.1 million were made.

In millions of pesos

Table XIII Consolidated Analysis of Loan Loss Experience	FY 2007				FY 2006
	4 th Q	3 rd Q	2 nd Q	1 st Q	4 th Q
Allowance for Loan Losses at the Beginning of the Quarter	389	365	355	327	316
Changes in the Allowance for Loan Losses					
Provisions Charged to Income ^(*)	95	71	35	48	26
Provisions Reversed	(18)	-	-	(3)	(2)
Charge Offs	(37)	(47)	(25)	(17)	(13)
Allowance for Loan Losses at Quarter End	429	389	365	355	327
Charge to the Income Statement					
Provisions Charged to Income	95	71	35	48	26
Direct Charge Offs	1	1	1	1	1
Bad Debts Recovered	(12)	(18)	(7)	(25)	(30)
Provisions Reversed ^(**)	(18)	-	-	(3)	(2)
Net Charge to the Income Statement	66	54	29	21	(5)

(*) Includes conversion differences corresponding to Galicia Uruguay.

(**) 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 2007				FY 2006
	4 th Q	3 rd Q	2 nd Q	1 st Q	4 th Q
Non-Accrual Portfolio ^(*)	399	408	345	323	309
- With Preferred Guarantees	45	44	44	43	42
- With Other Guarantees	5	5	5	5	8
- Without Guarantees	349	359	296	275	259
Allowance for Credit Losses	447	408	383	375	348
Non-Accrual Portfolio to Total Credit (%)	2.90	3.16	2.93	2.61	2.55
Non-Accrual Portfolio to Private-Sector Credit (%)	3.21	3.52	3.30	3.40	3.31
Allowance for Credit Losses to Total Credit (%)	3.25	3.16	3.26	3.02	2.87
Allowance for Credit Losses to Private-Sector Credit (%)	3.59	3.52	3.66	3.94	3.73
Allowance for Credit Losses to Non-Accrual Portfolio (%)	112.03	100.00	111.01	116.10	112.62
Non-Accrual Portfolio with Guarantees to Non-Accrual Portfolio (%)	12.53	12.01	14.20	14.86	16.18

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

CAPITALIZATION AND LIQUIDITY

As of December 31, 2007, the Bank's consolidated computable capital exceeded by Ps.1,054 million the Ps.1,303 million minimum capital requirement. This excess was Ps.777 million as of December 31, 2006.

The increase in the minimum capital requirement between December 31, 2007 and December 31, 2006 was mainly attributable to the Bank's greater exposure to the private sector.

The Ps.496 million increase in the computable regulatory capital as of December 31, 2006 was mainly attributable to the capital increase completed in August last year, which generated an aggregate increase in the shareholders' equity items "capital stock" and "issuance premiums", after issuance costs, of Ps.466 million. The Ps.149 million increase in the supplemental capital was mainly a consequence of having been able to compute more subordinated debt as supplemental capital, given the increase in the core capital.

In millions of pesos, except rates and percentages

Table XV Consolidated Regulatory Capital	FY 2007				FY 2006
	4 th Q	3 rd Q	2 nd Q	1 st Q	4 th Q
Minimum Capital Required (A)	1,303	1,319	1,301	1,250	1,084
Allocated to Financial Assets	786	754	671	598	552
Allocated to Fixed Assets	153	155	149	148	144
Allocated to Other Assets	61	63	54	68	44
Allocated to Market Risk	20	21	22	11	12
Allocated to Interest-Rate Risk	52	67	92	89	62
Allocated to Lending to the Public Sector	231	259	313	336	270
Computable Capital (B)	2,357	2,311	1,733	1,741	1,861
Core Capital	1,757	1,751	1,244	1,252	1,395
Supplemental Capital	757	717	630	632	608
Deductions	(160)	(161)	(153)	(145)	(144)
Additional Capital – Market Variation	3	4	12	2	2
Excess over Required Capital (B) - (A)	1,054	992	432	491	777
Total Capital Ratio (%)	15.54	15.31	11.77	12.32	15.03

As of December 31, 2007, the Bank's unconsolidated liquid assets (held by the Bank's Argentine operation) represented 55.87% of the Bank's transactional deposits and 24.57% of its total deposits in Argentina. Including government securities available, at their market value, the latter ratio was 32.78%.

Table XVI Liquidity (unconsolidated)	FY 2007				FY 2006
	4 th Q	3 rd Q	2 nd Q	1 st Q	4 th Q
Liquid Assets ^(*) as a percentage of Transactional Deposits	55.87	60.76	54.58	41.46	56.81
Liquid Assets ^(*) as a percentage of Total Deposits	24.57	25.91	23.11	16.40	23.07

() 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 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.bcr.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 2007	FY 2006
	4 th Q	3 rd Q	2 nd Q	1 st Q	4 th Q
Cash and Due from Banks	2,959.1	2,622.6	2,057.6	2,060.9	2,293.2
Government and Corporate Securities	1,674.8	2,226.9	3,569.3	2,270.6	3,186.9
Net Loans	11,546.1	10,866.4	9,854.1	10,658.5	10,476.6
Other Receivables Resulting from Financial Brokerage	3,538.5	3,140.9	3,319.5	3,776.1	5,352.1
Equity Investments in Other Companies	51.2	51.8	49.8	47.5	42.3
Bank Premises and Equipment, Miscellaneous and Intangible Assets	1,281.1	1,232.0	1,239.7	1,252.6	1,253.6
Other Assets	1,475.3	1,329.8	999.1	950.5	841.4
Total Assets	22,526.1	21,470.4	21,089.1	21,016.7	23,446.1
Deposits	13,188.5	12,759.6	12,451.4	11,874.0	10,792.8
Other Liabilities Resulting from Financial Brokerage	6,148.2	5,659.2	6,101.4	6,670.4	10,165.2
Subordinated Negotiable Obligations	855.3	832.1	817.7	798.5	791.5
Other	462.8	417.6	398.6	369.5	356.0
Minority Interests	111.9	94.0	85.5	77.5	77.6
Total Liabilities	20,766.7	19,762.5	19,854.6	19,789.9	22,183.1
Shareholders' Equity	1,759.4	1,707.9	1,234.5	1,226.8	1,263.0
Foreign-Currency Assets and Liabilities					
- Assets	6,202.9	6,031.8	6,142.6	5,809.2	6,812.2
- Liabilities	6,739.2	6,463.0	6,489.2	6,469.7	7,066.1
- Net Forward Purchases/(Sales) of Foreign Currency ⁽¹⁾	860.5	550.0	401.0	600.6	326.5

(*) 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 2007		FY 2006
	4 th Q	3 rd Q	2 nd Q	1 st Q	4 th Q
FINANCIAL INCOME	547.8	513.1	452.9	460.0	417.4
- Interest on Cash and Due from Banks	5.1	3.9	2.0	3.6	0.7
- Interest on Loans to the Financial Sector	0.3	0.3	0.3	1.8	1.1
- Interest on Overdrafts	34.4	32.1	25.1	19.6	21.0
- Interest on Promissory Notes	97.3	75.7	61.4	59.8	58.1
- Interest on Mortgage Loans	29.6	26.0	22.2	20.6	20.4
- Interest on Pledge Loans	3.7	3.5	2.8	2.5	2.3
- Interest on Credit-Card Loans	127.6	111.9	101.6	90.7	89.6
- Interest on Other Loans	63.1	56.4	42.5	40.1	36.1
- Net Income from Government and Corporate Securities	56.6	80.6	72.2	23.1	(81.0)
- Interest on Other Receivables Resulting from Financial Brokerage	9.6	8.7	7.3	10.2	34.6
- Net Income from Secured Loans - Decree No.1387/01	12.4	12.2	17.3	28.0	44.2
- CER Adjustment	47.5	22.1	44.9	89.8	155.4
- Other	31.2	56.1	31.1	58.6	21.1
- Quotation Differences on Gold and Foreign Currency	29.4	23.6	22.2	11.6	13.8
FINANCIAL EXPENSES	334.8	289.7	271.7	357.1	443.4
- Interest on Current-Account Deposits	4.7	3.6	4.0	4.1	4.2
- Interest on Savings-Account Deposits	0.8	0.8	1.5	1.4	1.3
- Interest on Time Deposits	156.8	131.1	119.1	114.8	106.8
- Interest on Subordinated Obligations	24.2	24.1	23.1	23.3	22.5
- Other Interest	1.1	1.1	1.3	42.3	38.4
- Interest on Interbank Loans Received (call Money Loans)	0.7	1.5	0.8	0.9	1.0
- Interest on Financing from the Financial Sector	0.4	0.5	0.5	0.6	0.7
- Interest on Other Liabilities Resulting from Financial Brokerage	70.4	77.7	77.5	93.8	86.8
- Contributions to the Deposit Insurance Fund	5.5	5.3	5.0	4.7	4.4
- CER Adjustment	7.8	7.9	8.3	43.3	126.7
- Other	62.4	36.1	30.6	27.9	50.6
GROSS FINANCIAL MARGIN	213.0	223.4	181.2	102.9	(26.0)
PROVISIONS FOR LOAN LOSSES	96.5	72.7	36.9	49.4	26.3
INCOME FROM SERVICES, NET	259.8	248.4	223.1	201.9	192.7
ADMINISTRATIVE EXPENSES	355.6	326.5	296.3	268.4	274.2
- Personnel Expenses	186.6	170.7	157.0	140.8	146.3
- Directors' and Syndics' Fees	1.3	1.3	1.1	1.3	1.8
- Other Fees	11.4	10.0	9.1	7.2	9.0
- Advertising and Publicity	32.9	29.4	26.8	24.2	25.8
- Taxes	20.0	17.4	14.0	13.1	14.1
- Depreciation of Premises and Equipment	14.4	13.1	11.8	10.0	9.3
- Amortization of Organization and Development Expenses	8.5	9.2	8.7	9.0	8.6
- Other Operating Expenses	51.6	49.0	45.1	42.5	39.4
- Other	28.9	26.4	22.7	20.3	19.9
MINORITY INTERESTS RESULTS	(5.6)	(8.5)	(8.0)	(5.4)	(7.2)
INCOME FROM EQUITY INVESTMENTS	0.7	2.0	0.7	0.7	(1.1)
NET OTHER INCOME	49.6	(35.3)	(38.6)	(0.5)	45.4
INCOME TAX	14.0	23.3	17.5	18.0	12.2
NET INCOME / (LOSS)	51.4	7.5	7.7	(36.2)	(108.9)

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

SELECTED FINANCIAL INFORMATION – CONSOLIDATED DATA ^(*)

	<i>In millions of pesos</i>	
	FY 2007	FY 2006
FINANCIAL INCOME	1,973.8	2,095.8
- Interest on Cash and Due from Banks	14.6	0.7
- Interest on Loans to the Financial Sector	2.6	2.8
- Interest on Overdrafts	111.3	69.7
- Interest on Promissory Notes	294.2	200.6
- Interest on Mortgage Loans	98.4	70.0
- Interest on Pledge Loans	12.4	12.1
- Interest on Credit-Card Loans	431.8	281.1
- Interest on Other Loans	202.1	105.8
- Net Income from Government and Corporate Securities	232.5	119.5
- Interest on Other Receivables Resulting from Financial Brokerage	35.8	171.2
- Net Income from Secured Loans - Decree No.1387/01	70.0	182.3
- CER Adjustment	204.3	735.5
- Other	177.0	71.7
- Quotation Differences on Gold and Foreign Currency	86.8	72.8
FINANCIAL EXPENSES	1,253.3	1,873.5
- Interest on Current-Account Deposits	16.4	21.0
- Interest on Savings-Account Deposits	4.6	4.1
- Interest on Time Deposits	521.8	313.6
- Interest on Subordinated Obligations	94.7	88.9
- Other Interest	45.9	186.6
- Interest on Interbank Loans Received (call Money Loans)	3.9	3.5
- Interest on Financing from the Financial Sector	1.9	3.5
- Interest on Other Liabilities Resulting from Financial Brokerage	319.3	325.8
- Contributions to the Deposit Insurance Fund	20.4	15.8
- CER Adjustment	67.3	698.3
- Other	157.1	212.4
GROSS FINANCIAL MARGIN	720.5	222.3
PROVISIONS FOR LOAN LOSSES	255.5	110.9
INCOME FROM SERVICES, NET	933.2	668.8
ADMINISTRATIVE EXPENSES	1,246.7	946.0
- Personnel Expenses	655.1	494.4
- Directors' and Syndics' Fees	5.0	5.0
- Other Fees	37.7	32.4
- Advertising and Publicity	113.3	84.2
- Taxes	64.5	48.2
- Depreciation of Premises and Equipment	49.2	36.5
- Amortization of Organization and Development Expenses	35.4	34.9
- Other Operating Expenses	188.2	142.9
- Other	98.3	67.5
MINORITY INTERESTS RESULTS	(27.5)	(24.1)
INCOME FROM EQUITY INVESTMENTS	4.1	(13.1)
NET OTHER INCOME	(24.9)	133.1
INCOME TAX	72.8	56.3
NET INCOME / (LOSS)	30.4	(126.2)

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

ADDITIONAL INFORMATION

				FY 2007	FY 2006
	4 th Q	3 rd Q	2 nd Q	1 st Q	4 th Q
Mutual Funds (In millions of pesos) ^(*)	617.0	601.9	703.6	545.9	480.0
Physical Data (Number of)					
Employees	8,962	8,675	8,374	8,106	7,878
Bank in Argentina	5,164	5,142	5,021	4,851	4,676
Other companies	3,798	3,533	3,353	3,255	3,202
Branches	363	358	354	348	346
Bank Branches	233	233	233	233	233
Regional Credit-Card Companies Offices	130	125	121	115	113
Deposit Accounts (in thousands)	1,364	1,327	1,244	1,222	1,213
Credit Cards (in thousands)	5,391	5,057	4,734	4,409	4,283
Inflation and Exchange Rates					
Retail Price Index (%) ^(**)	2.49	1.90	1.61	2.23	2.57
Wholesale Price Index (IPIM) (%) ^(**)	2.67	4.02	5.37	1.75	0.68
CER Coefficient (%) ^(**)	2.30	1.50	1.91	2.52	2.46
Exchange Rate (Pesos per US\$) ^(***)	3.1510	3.1495	3.0908	3.1007	3.0695

(*) 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

During the fourth quarter of FY 2007, the Bank cancelled in advance US\$ 79.2 million of face value of its notes due in 2010 acquired during market operations and the Bank repurchased US\$ 10.2 million of face value of its loans due in 2014.

Given that on January 2, 2008, the fourth principal installment of the debt due in 2010 became due for US\$ 34.7 million of face value, as of the date of this press release, the outstanding principal amount of the Bank's debt due in 2010 was US\$ 138.9 million (of which US\$ 136.8 million correspond to the notes due in 2010) and the outstanding principal amount of the Bank's debt due in 2014 was US\$ 327.2 million (of which US\$ 302.1 million correspond to the notes due in 2014). The aggregate principal amount of debt due in 2010 and 2014 is equivalent to 44.5% of the aggregate principal amount of the senior debt issued in May 2004.

Long term funding for small- and medium-sized enterprises (SMEs)

On November 28, 2007, the Bank and the International Finance Corporation (the "IFC") entered into a loan agreement by which the IFC granted the Bank an eight-year term loan for US\$ 50 million. The objective of such loan is to finance to Argentine SMEs, with a particular focus on those located in the provinces of Argentina, and strengthen the Bank's strong commitment with this sector. This is the first peso-linked loan granted by the IFC in Argentina, which allows the Bank to offer funding in both US dollars and pesos.

This transaction complements the loan received by the Bank in May 2005, for US\$ 40 million, the proceeds of which were used to finance the granting of loans to SMEs of the agriculture and livestock sector as well as other export-related sectors.

The Bank received the Mercurio Prize

The *Asociación Argentina de Marketing* (Argentine Marketing Association) granted the 2007 *Mercurio* Prize to the Bank, in the financial services' category, which the Bank won for its sales strategy "*Alcanzá lo que querés*" (Get what you want).

Financial Trusts – Own Portfolio

During the fourth quarter and after, the Bank publicly offered the securities issued by the following financial trusts:

	<i>In millions of pesos</i>			
	Galicia Personales VI	Tarjeta Naranja Trust V	Tarjetas del Mar III	Tarjeta Naranja Trust VI
Issue date	10.09.07	10.23.07	11.20.07	12.27.07
Estimated Due Date of the Certificates of Participation	06.15.12	11.20.09	08.27.08	01.23.10
Underlying Assets (Portfolio Transferred)	\$108.1	\$115.3	\$14.2	\$153.7(**)
Debt Securities Issued	\$100.5	\$98.0	\$11.4	\$127.5
Certificates of Participation	\$7.6	\$17.3 (*)	\$2.8 (*)	\$22.5 (*)

(*) Not publicly offered.

(**) Portfolio transferred at a discount of Ps.3.7 million.

FINANCIAL SYSTEM AND MAIN REGULATORY CHANGES

Miscellaneous

Effectiveness of the following was extended until December 31, 2008: i) the regime of VAT refund on purchases made by using debit cards; ii) Law No.25,561 and complementary ones, that declared the public emergency status on social, economic, administrative, financial and foreign exchange market matters; and iii) Law No. 25,413 and complementary ones, on the tax on credits and debits on bank accounts and other operations.

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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