



Galicia

May 2008

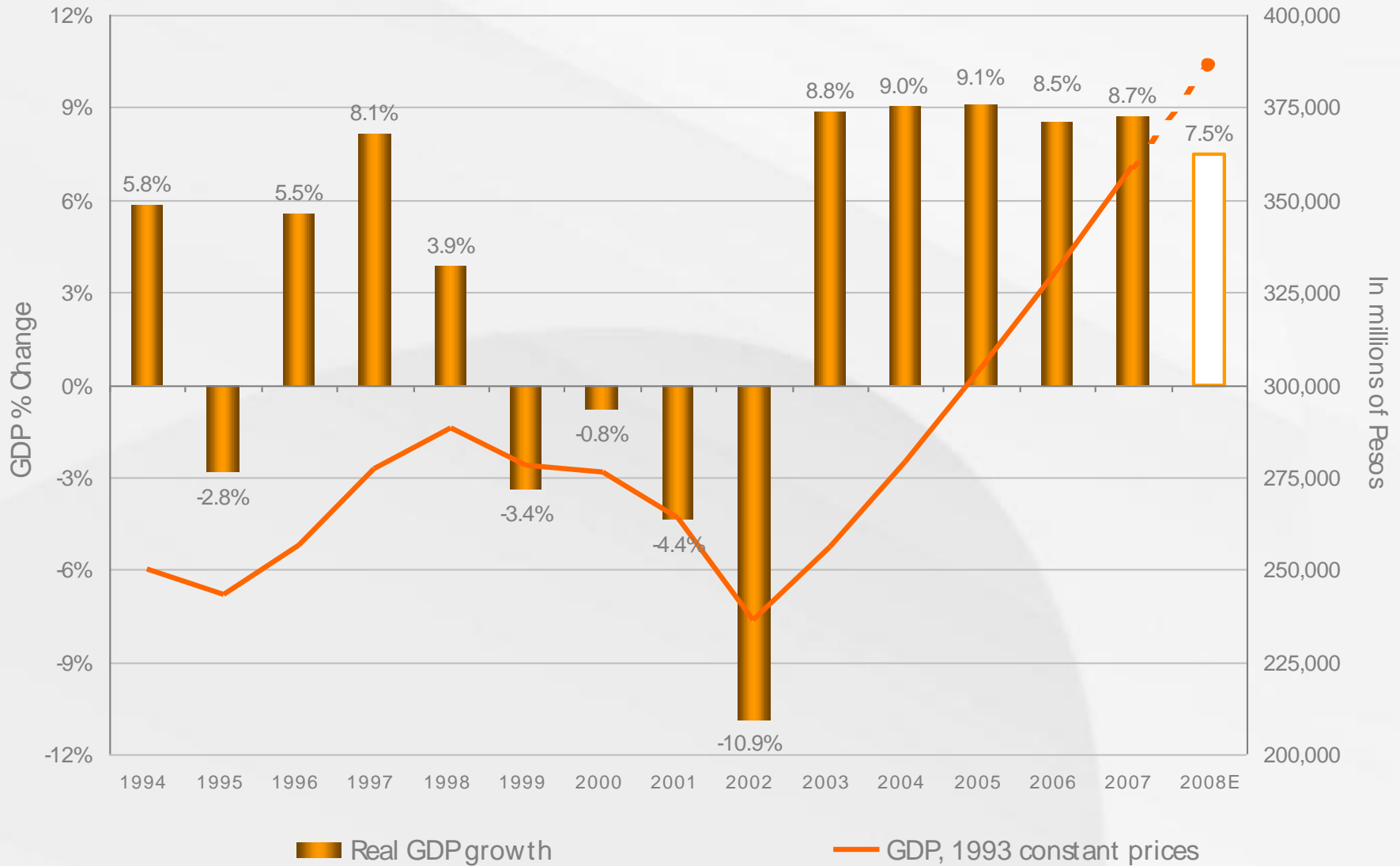
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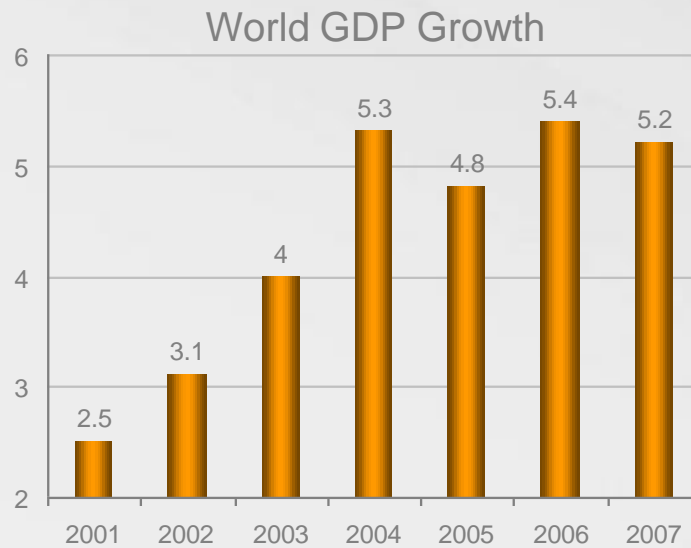
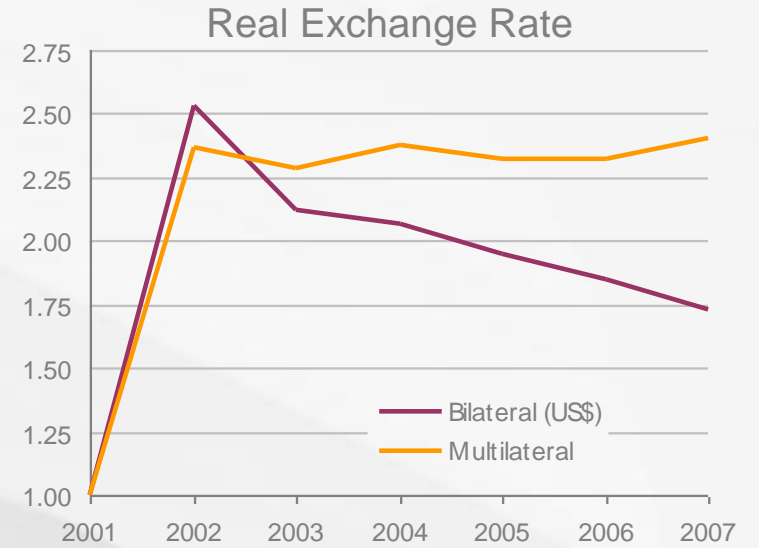
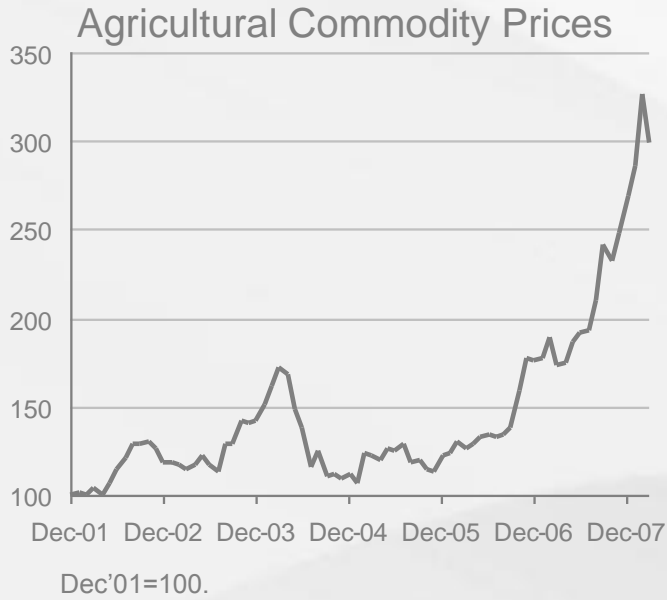
- **The Argentine Economy**
- **The Argentine Financial System**
- **Banco Galicia**

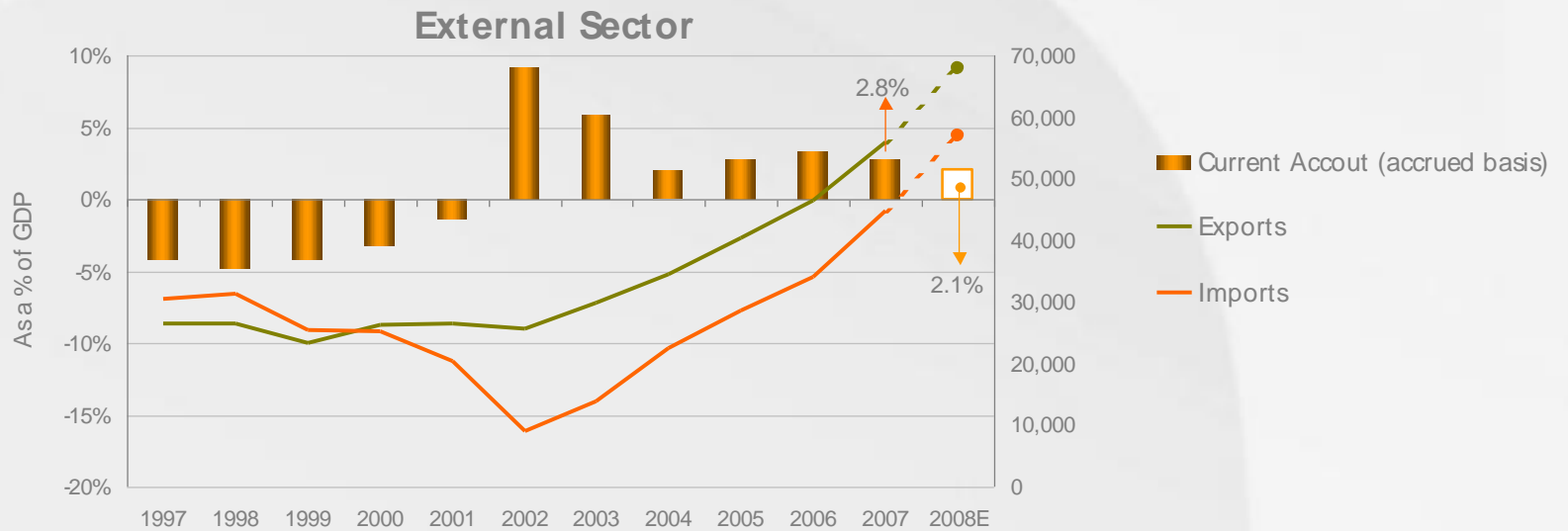
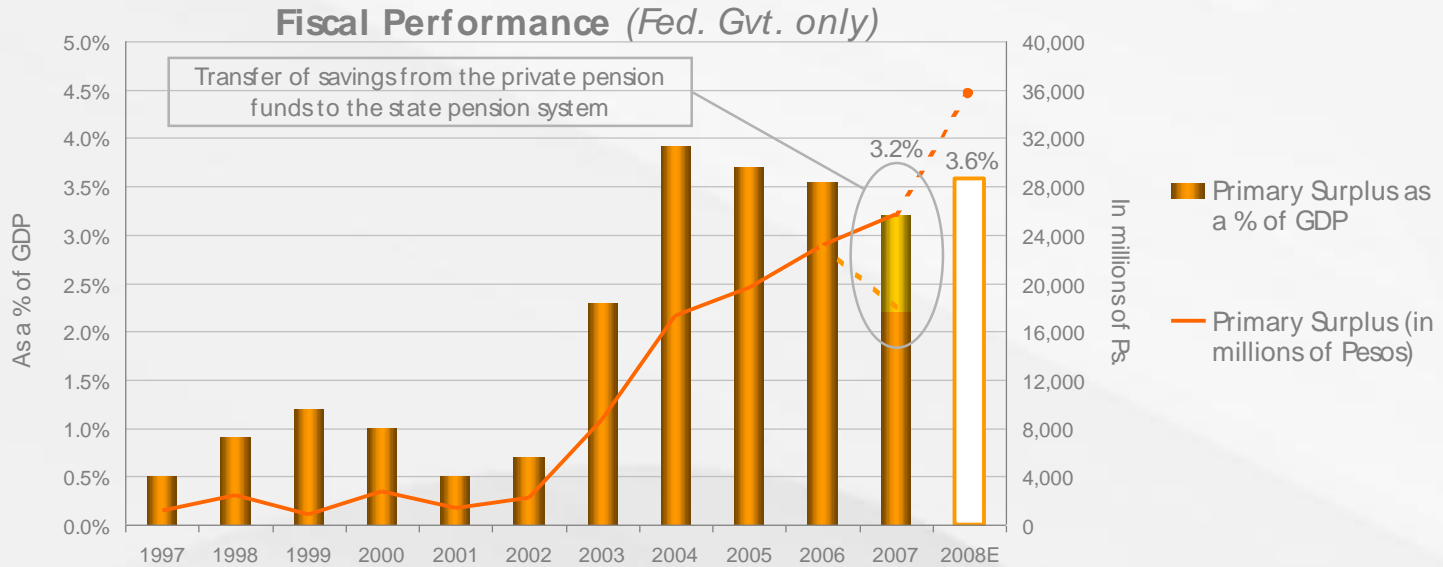


The Argentine Economy



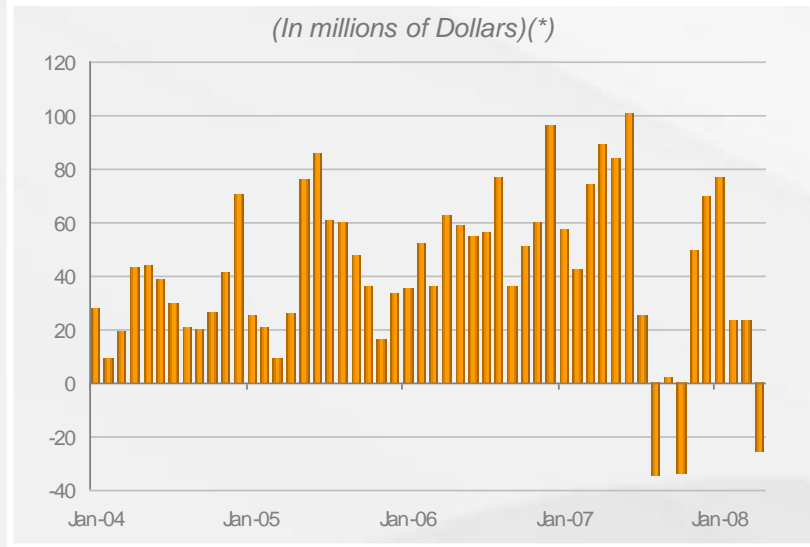
E: Last available median of market forecasts published by the Argentine Central Bank.



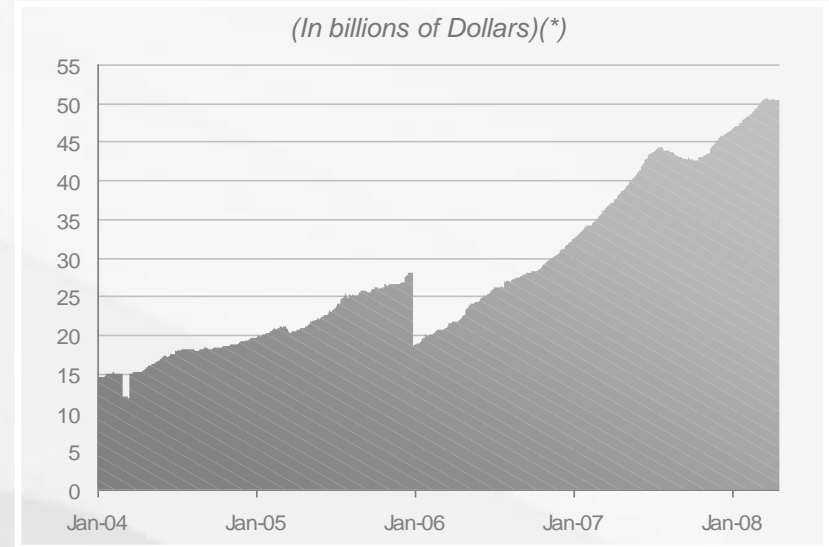


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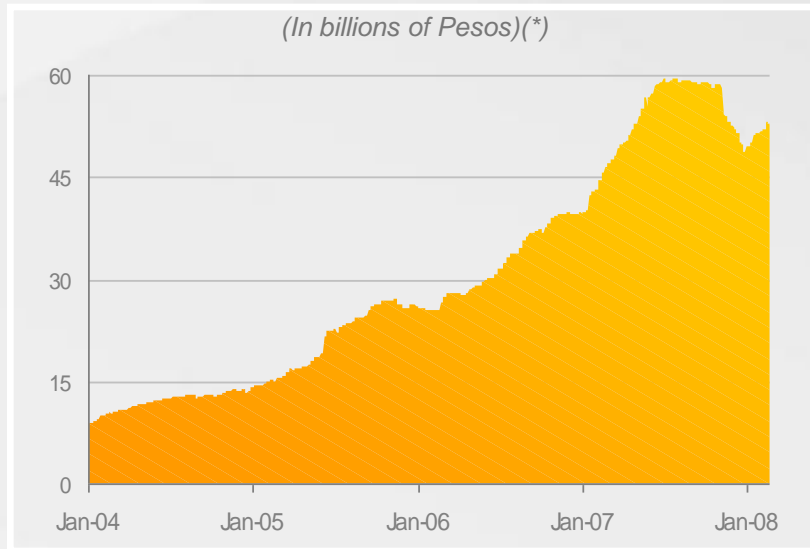
Central Bank's FX Market Average Daily Intervention



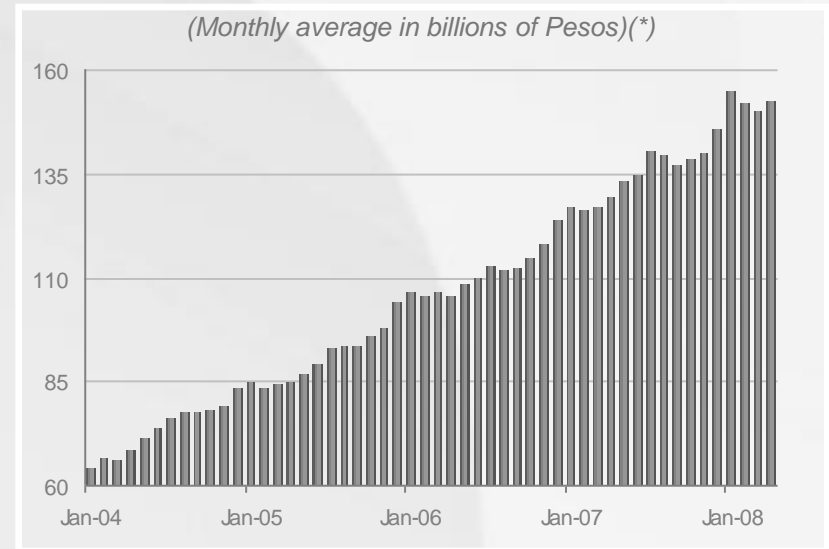
International Reserves



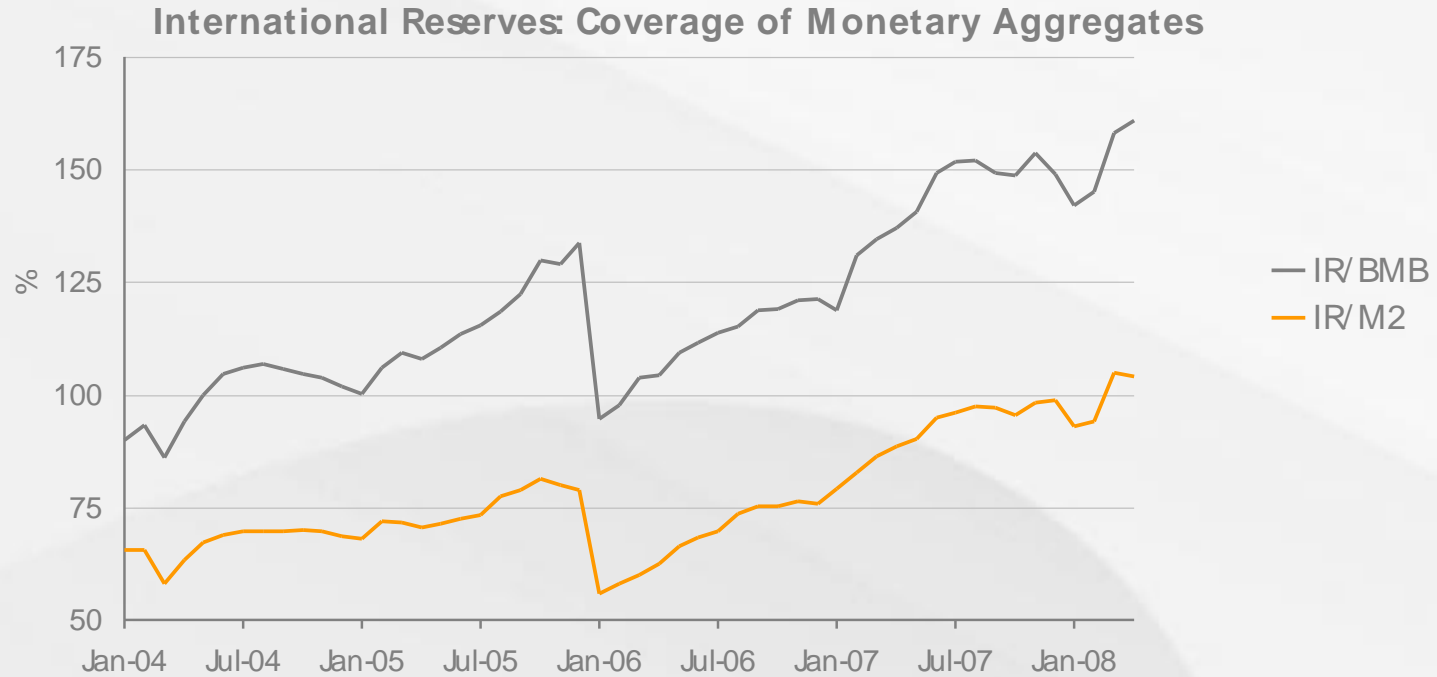
Stock of Lebac (**)



M2



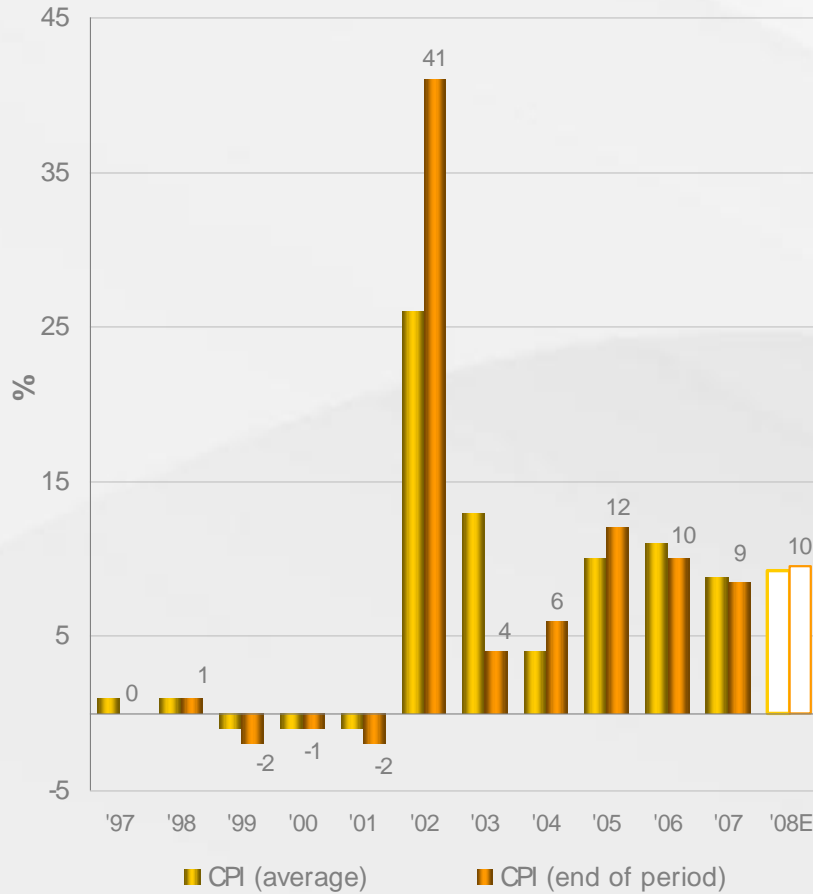
(*) As of April 25, 2008.



IR: international reserves of the Argentine Central Bank.
 BMB: monetary base + "quasi-monies" + net position of the Argentine Central Bank in securities sold/bought under repurchase/resell agreements.
 M2: currency held by the public + transactional deposits in pesos.

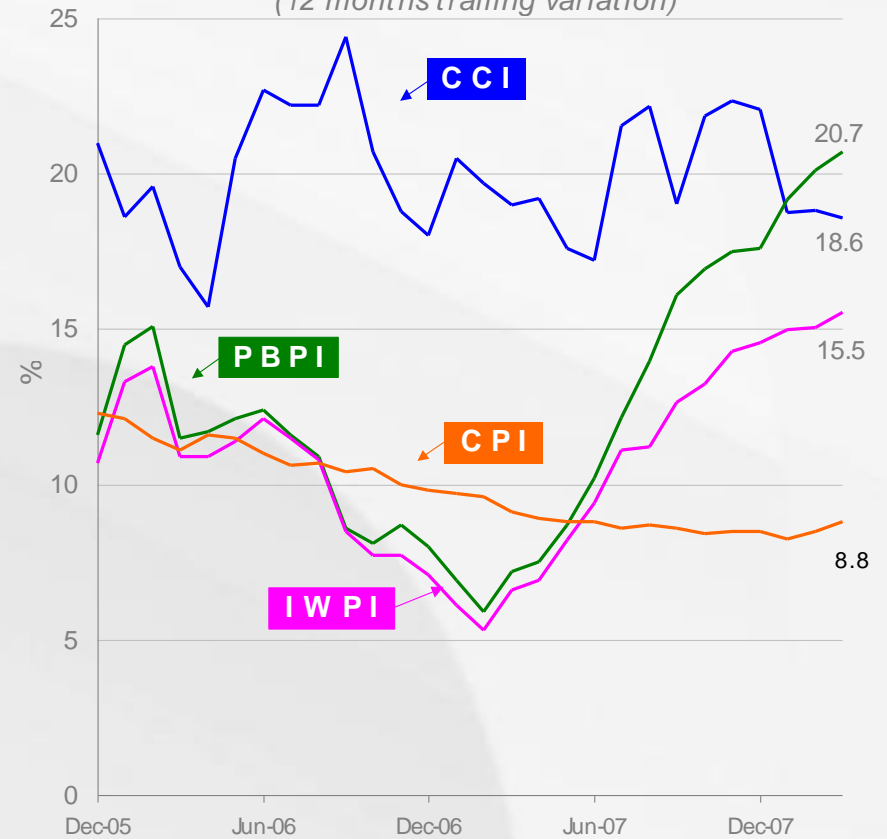
As of April 25, 2008.

CPI (annual variation)



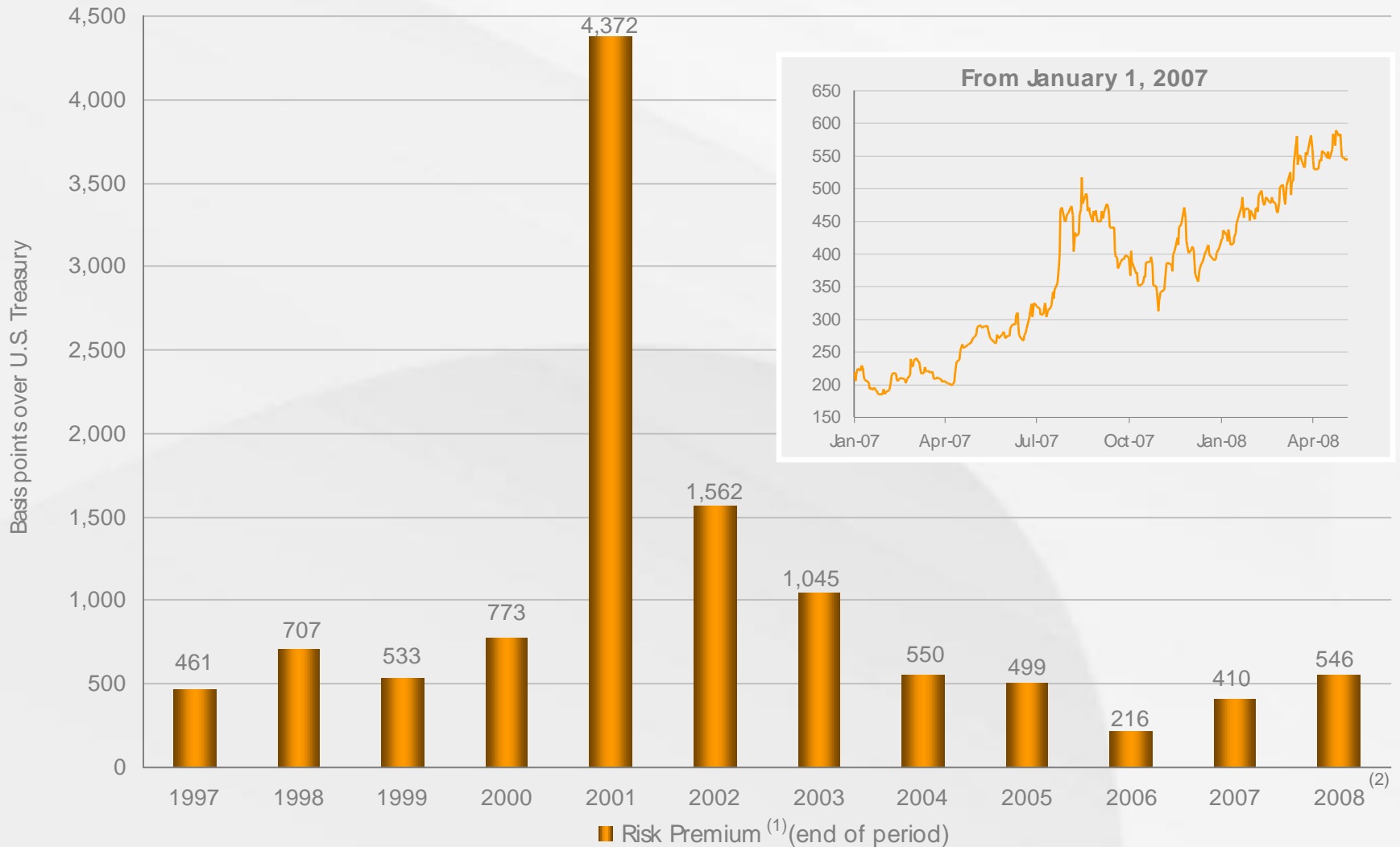
Other Measures

(12 months trailing variation)



CCI: Cost of Construction Index
 PBPI: Producers Basic Prices Index
 CPI: Consumer Prices Index
 IWPI: Internal Wholesale Prices Index

E: Last available median of market forecasts published by the Argentine Central Bank.



(1) As measured by the EMBI+ for Argentina except for the period between 2002 and 2004 when it corresponds to the spread over Treasury of the Boden 2012.

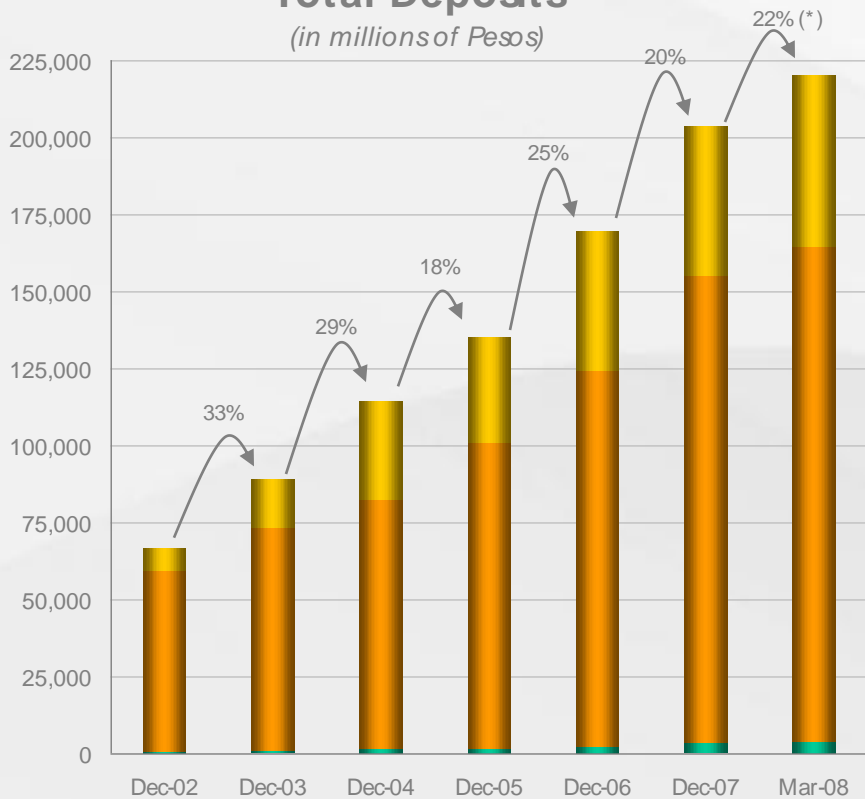
(2) As of May 6, 2008.



The Argentine Financial System

Total Deposits

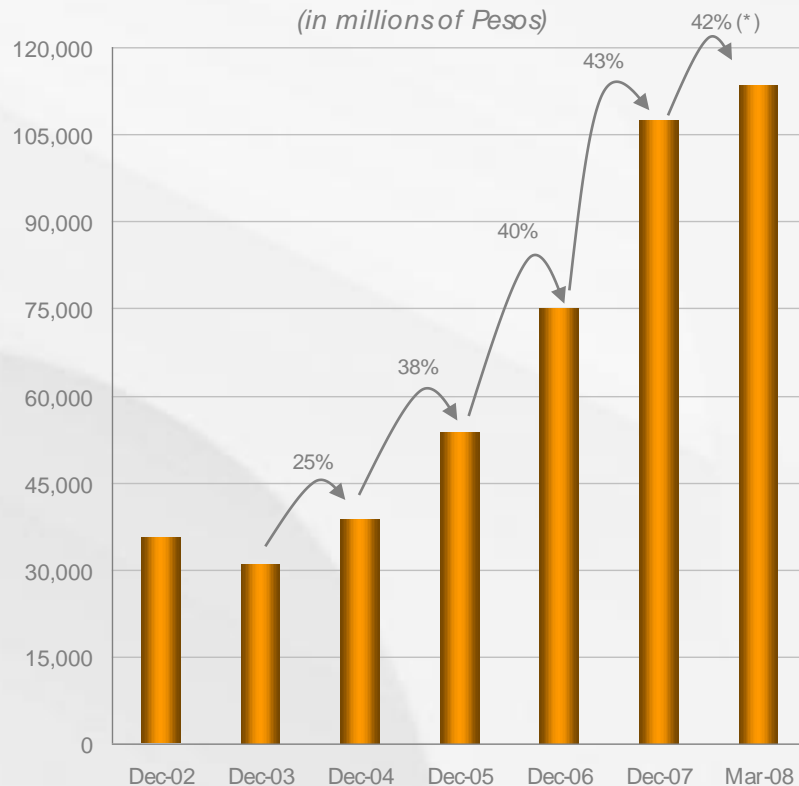
(in millions of Pesos)



- From the Public Sector (CAGR: 45.8%)
- From the Private Sector (CAGR: 21.2%)
- From the Financial Sector and Res. Abroad (CAGR: 41.0%)

Loans to the Private Sector

(in millions of Pesos)



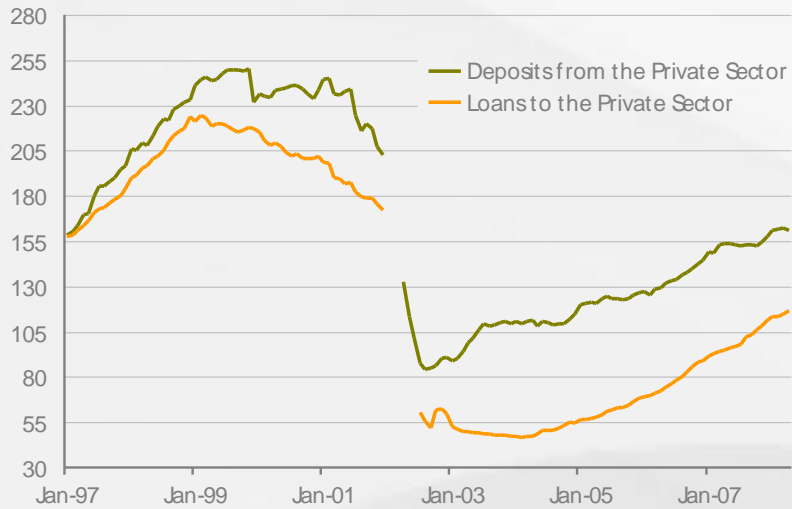
CAGR: 24.8%

(*) Mar-08 vs. Mar-07 variation.

CAGR: Dec-02 / Mar-08.

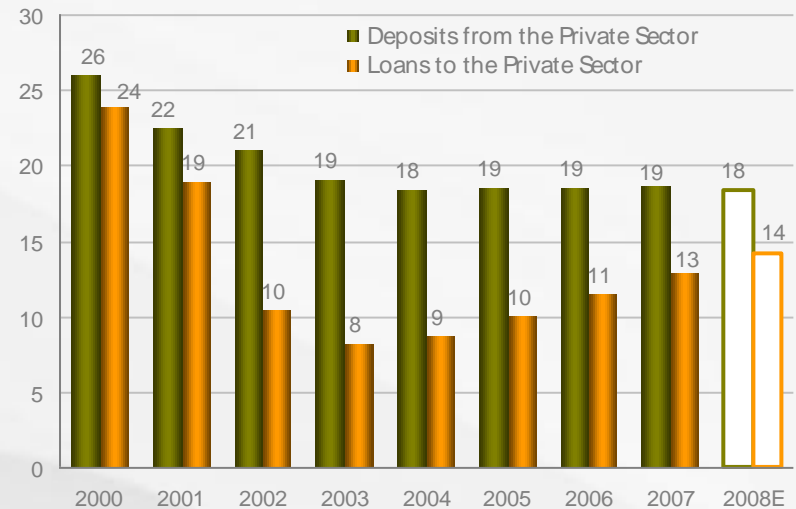
As of March 31, 2008.

In billions of constant Pesos (*)



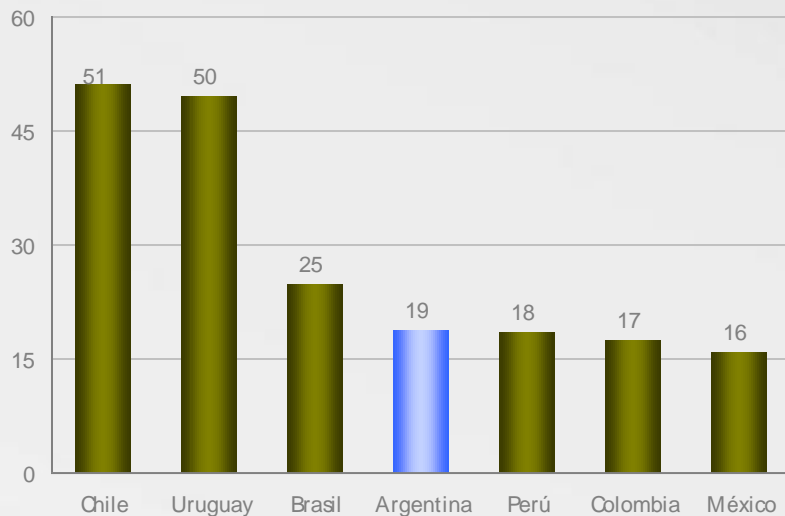
(*) Adjusted by IWPI. In millions of Pesos of Apr-08.
As of April 25, 2008.

As a % of GDP

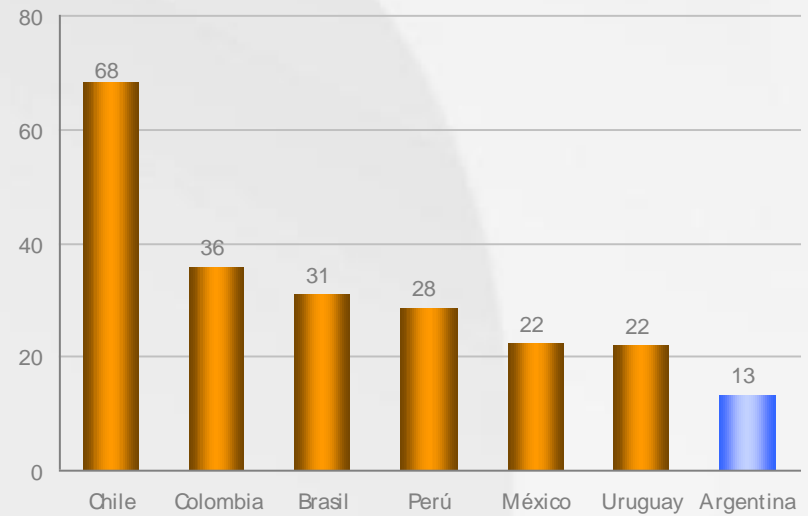


E: Last available median of market forecasts published by the Argentine Central Bank.

Deposits from the Private Sector (as a % of GDP)

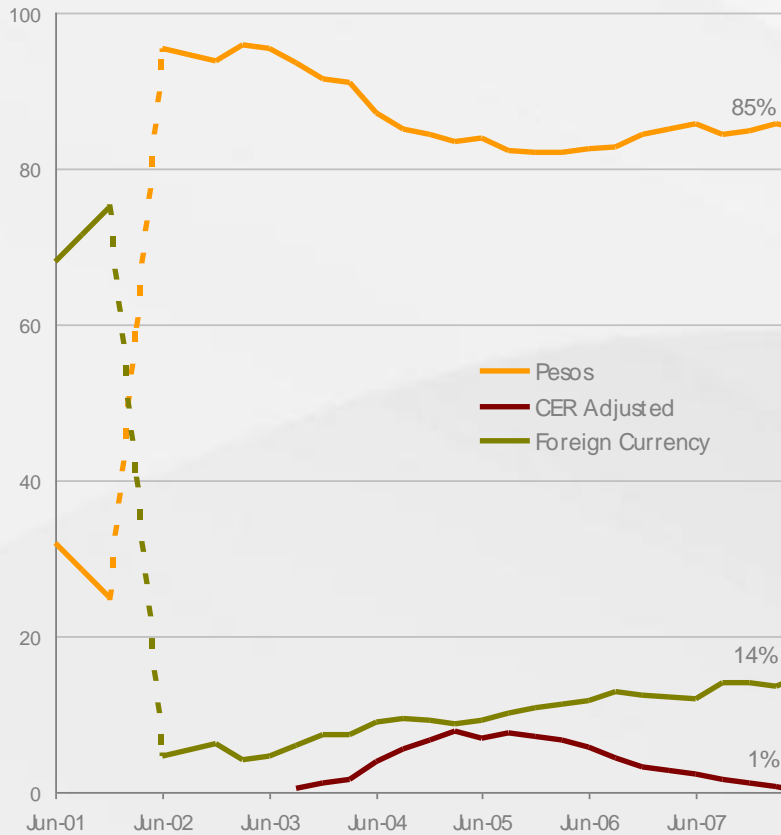


Loans to the Private Sector (as a % of GDP)



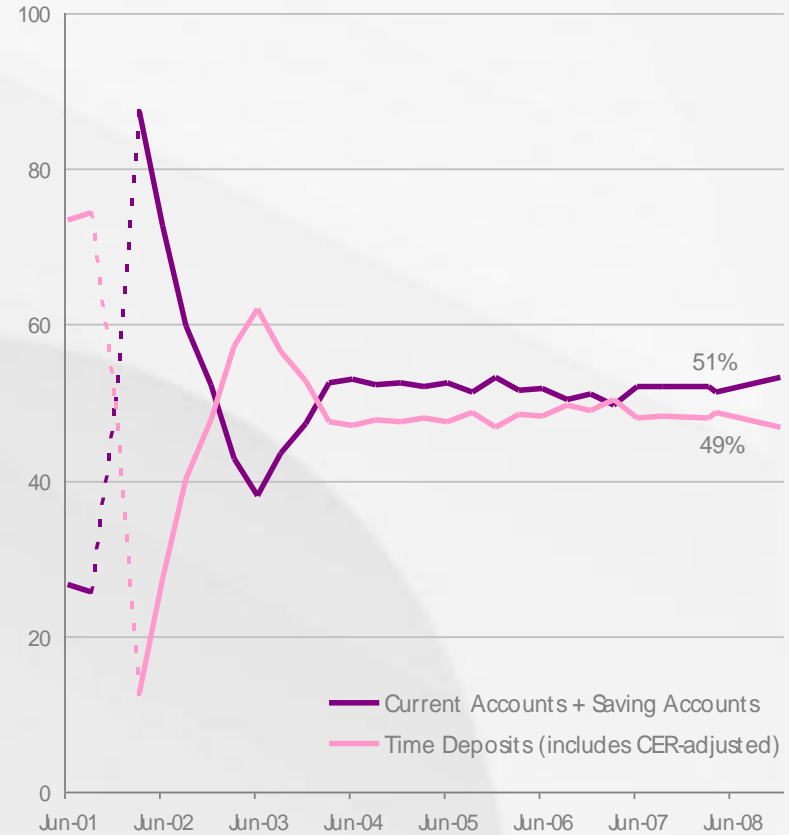
By Currency

(as a % of CA+SA+Time Deposits)



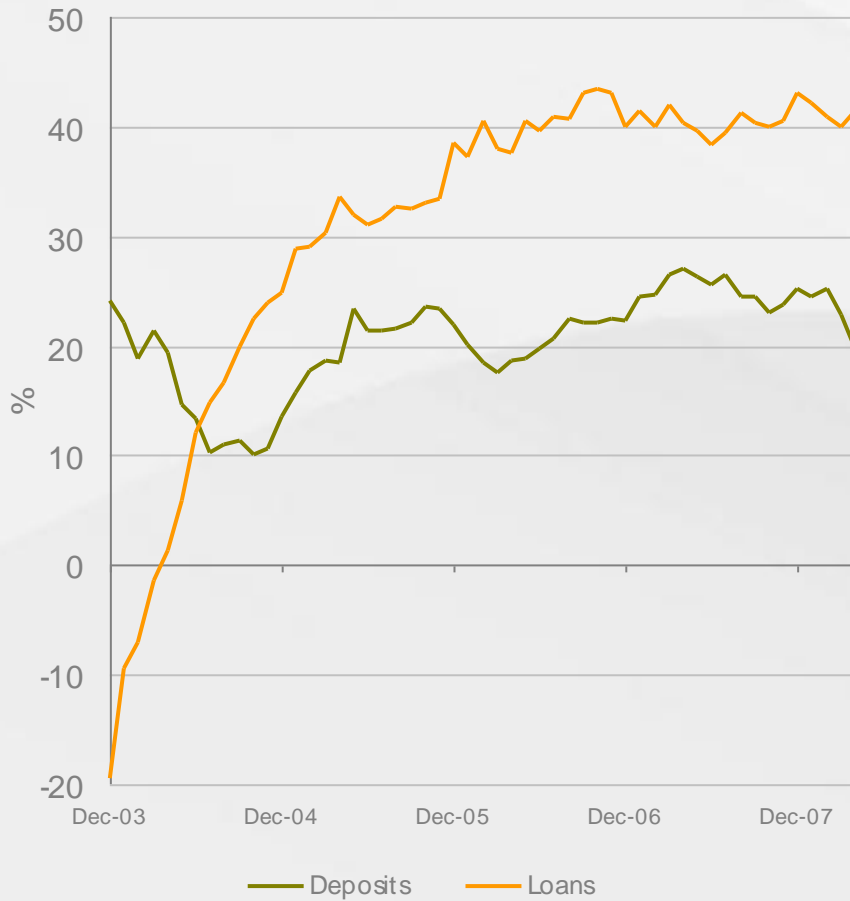
By Type of Deposit

(as a % of CA+SA+Time Deposits)

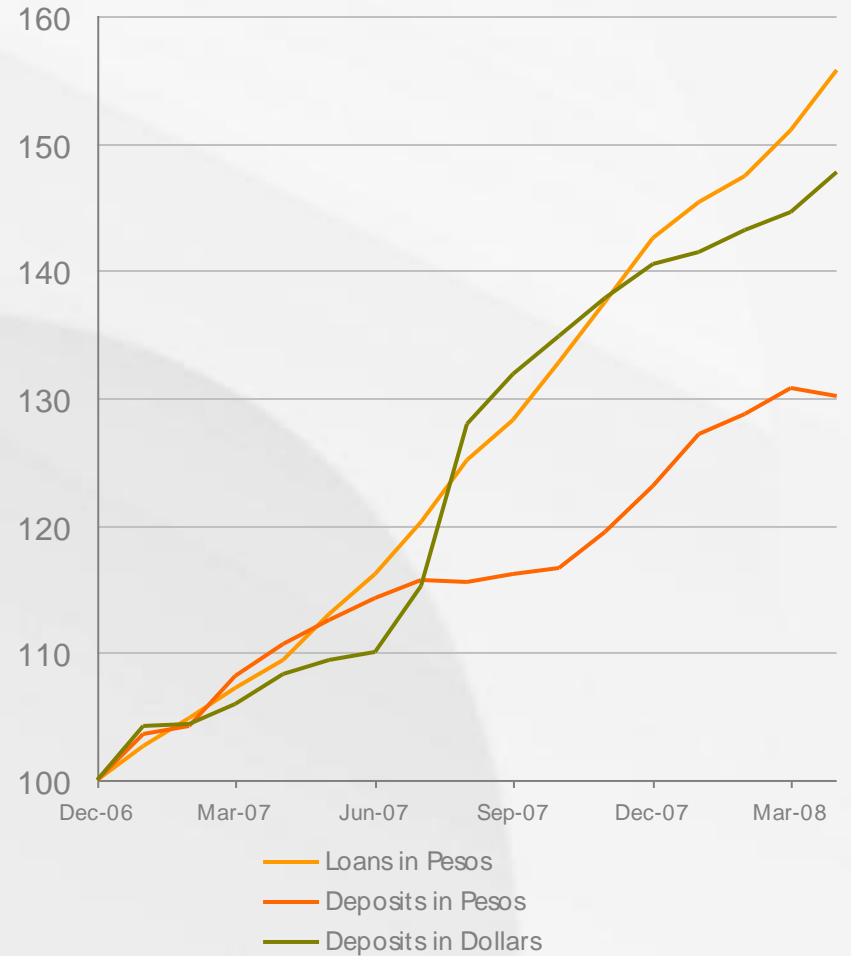


Deposit data is not shown for the period January-March 2002, because as a result of the devaluation and the pesification measures, figures are not homogeneous for that period.

Y-O-Y Monthly % Change

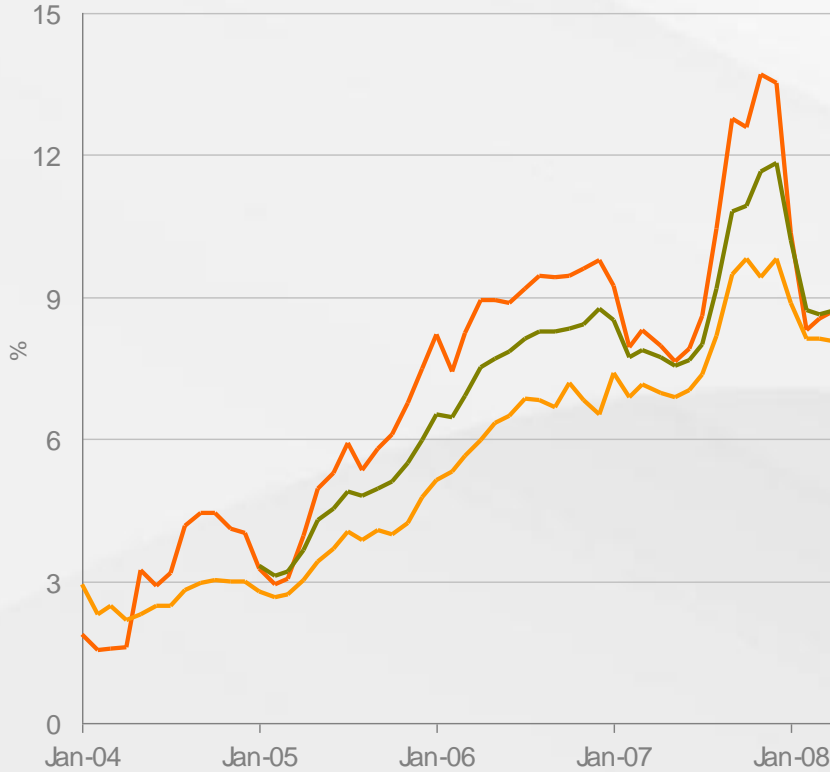


Dec'06=100



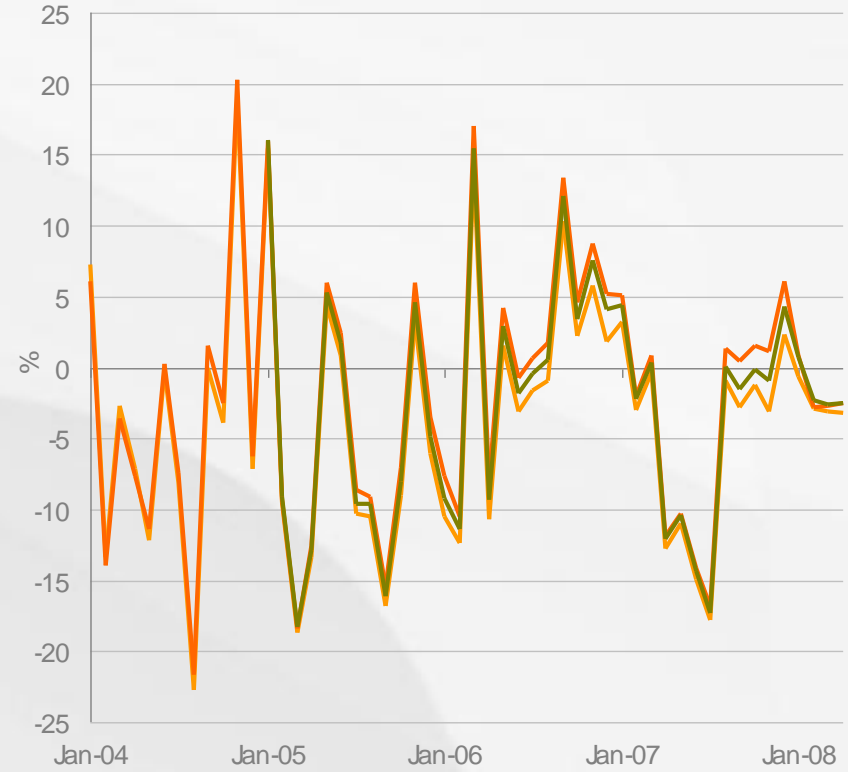
Nominal Interest Rates

(monthly averages)



Real Interest Rates

(monthly averages, adjusted by IWPI)



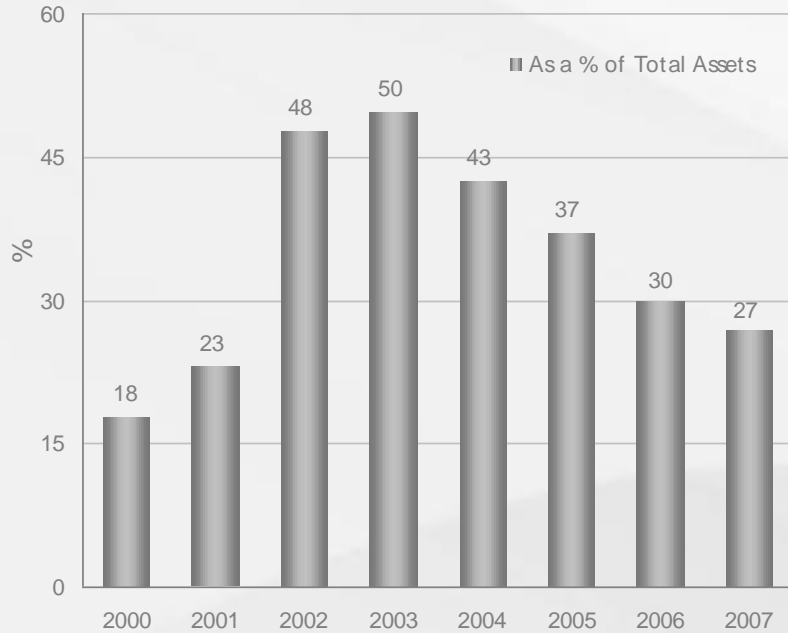
- BADLAR Private Banks ⁽¹⁾
- 30-Day Time Deposits
- Private Bank's 30-Day Time Deposits

(1) Private Banks' 30-day time deposits rate, for deposits over Ps. 1 million.

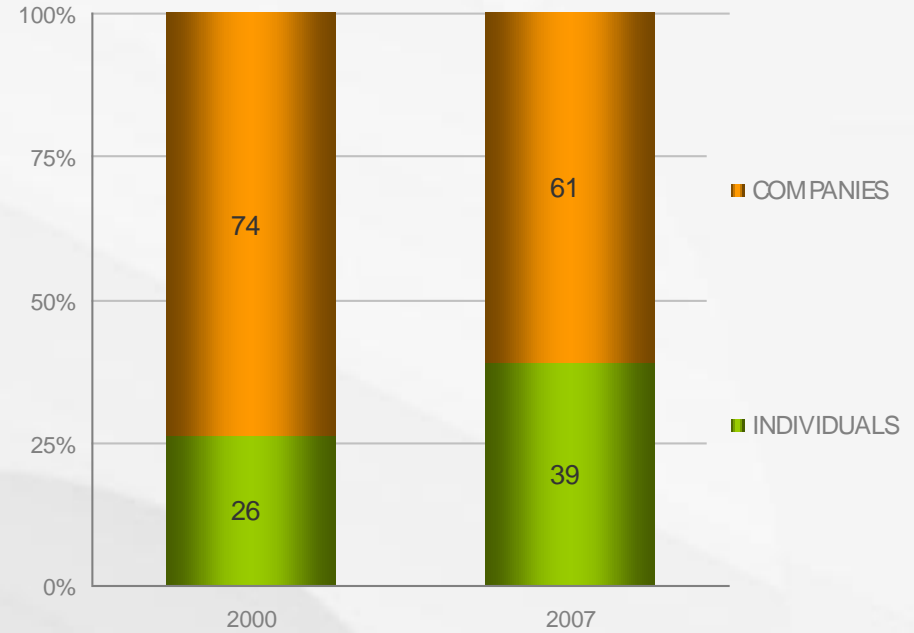


	December 2001		December 2007	
	Number	Market Share Private-Sector Deposits (%)	Number	Market Share Private-Sector Deposits (%)
Banking Institutions	86	100	67	100
Government-Owned Banks	13	30	12	30
Private-Sector Banks	73	70	55	70
- Domestic Banks	34	15	34	32
- Foreign Banks	39	55	21	38

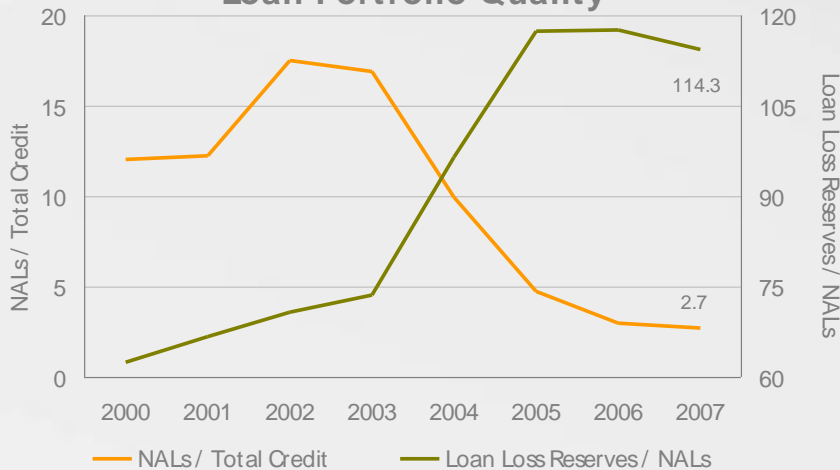
Exposure to the Public Sector



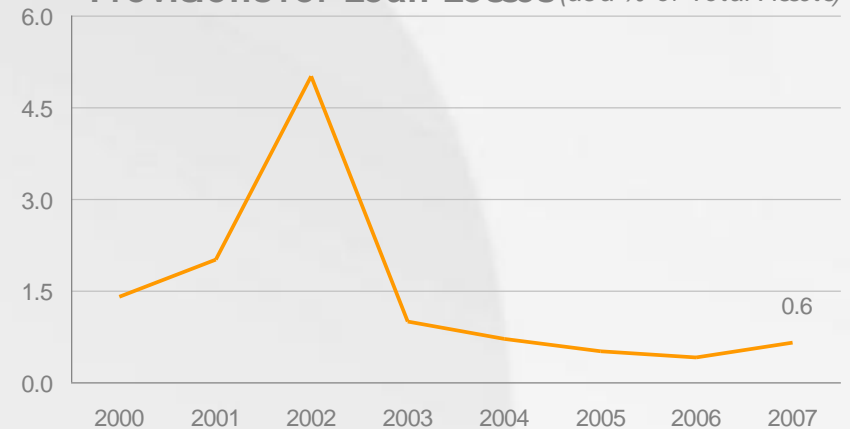
Composition of Loans to the Private Sector



Loan Portfolio Quality

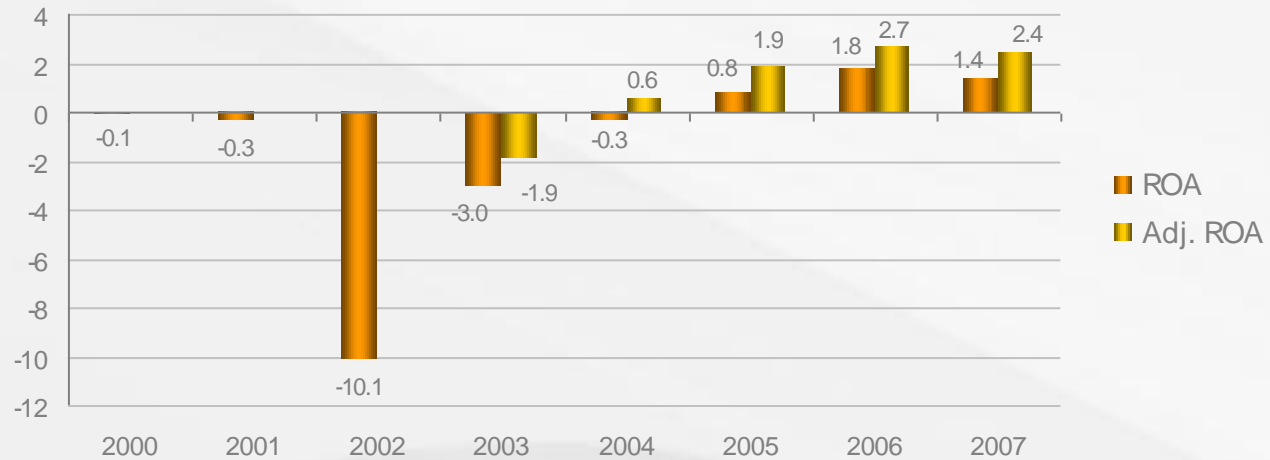


Provisions for Loan Losses (as a % of Total Assets)



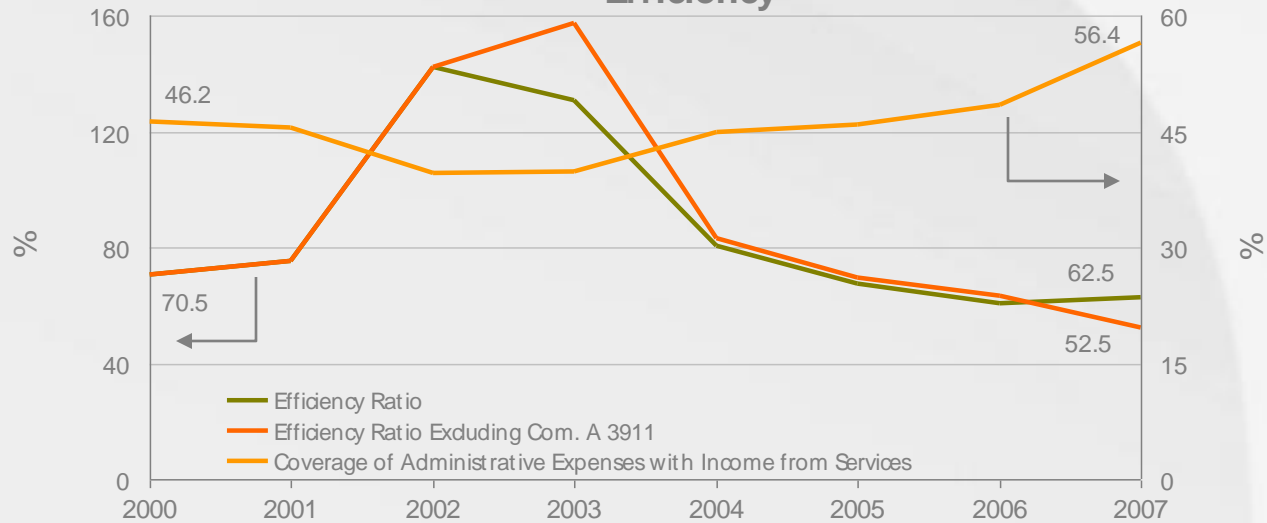


Return on Assets



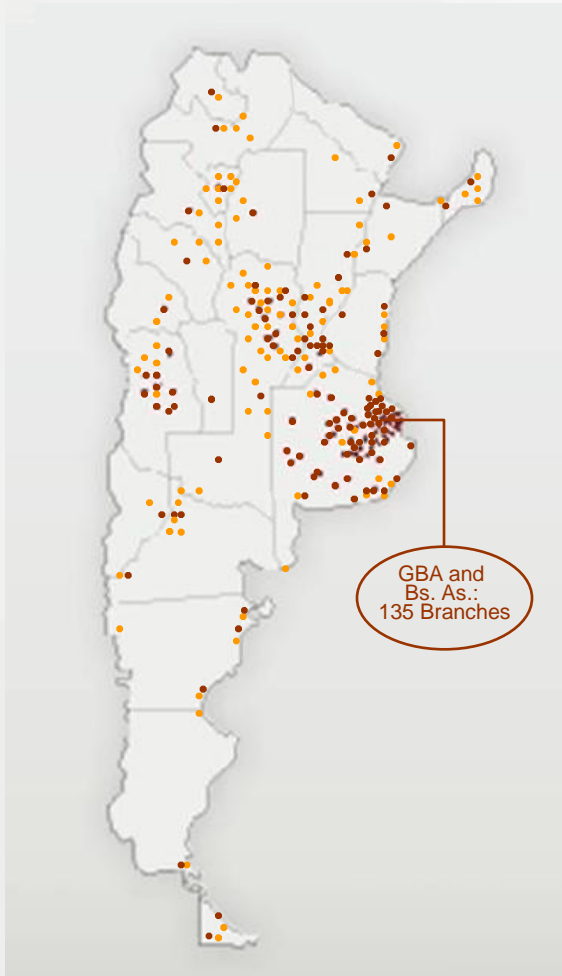
ROA: return on average assets; Adj. ROA: adjusted by losses from amortization of amparo claims and adjustments to the valuation of public-sector assets pursuant to Communiqué "A" 3911.

Efficiency





Banco Galicia



March 2008

● Assets	Ps.23,420 M
● Loans	Ps.12,096 M
● Deposits	Ps.13,895 M
● Equity	Ps. 1,798 M

Number of:

● Bank Branches	232
● Reg. Credit-Card Cos. Offices	141
● Employees	9,327
● Clients	4.29 M

Market share of
private-sector deposits

		%
1	Nación	13.59
2	Santander Río	9.69
3	BBVA Bco Francés	9.51
4	Galicia	8.10
5	Provincia de Buenos Aires	7.85
6	Macro	7.41
7	HSBC	5.66
8	Citibank	5.22
9	Ciudad	4.66
10	Credicoop	4.48

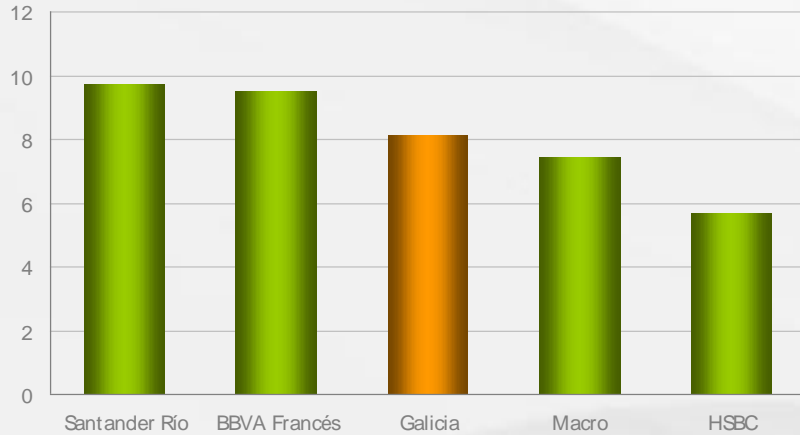
Market share of
loans to the private-sector ⁽¹⁾

		%
1	Nación	10.12
2	Santander Río	10.07
3	Macro	8.31
4	Galicia	8.14
5	BBVA Bco Francés	7.56
6	Provincia de Buenos Aires	6.52
7	HSBC	5.70
8	Citibank	3.97
9	Credicoop	3.64
10	Standard Bank	3.62

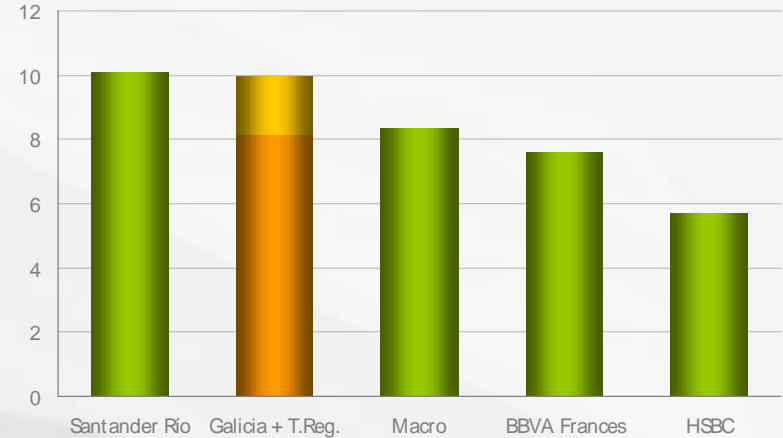
(1) Includes securitized loans.

Source: Argentine Central Bank - Superintendency of Financial and Exchange Institutions - monthly information.

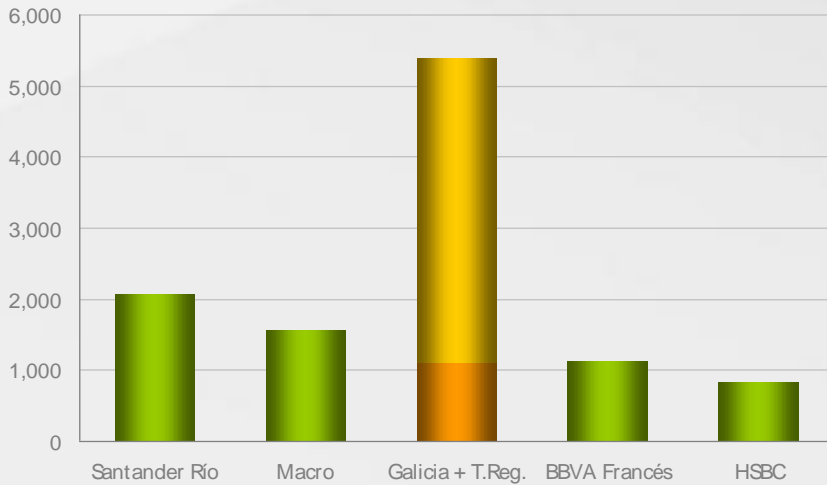
Market Share of Private-Sector Deposits (%)



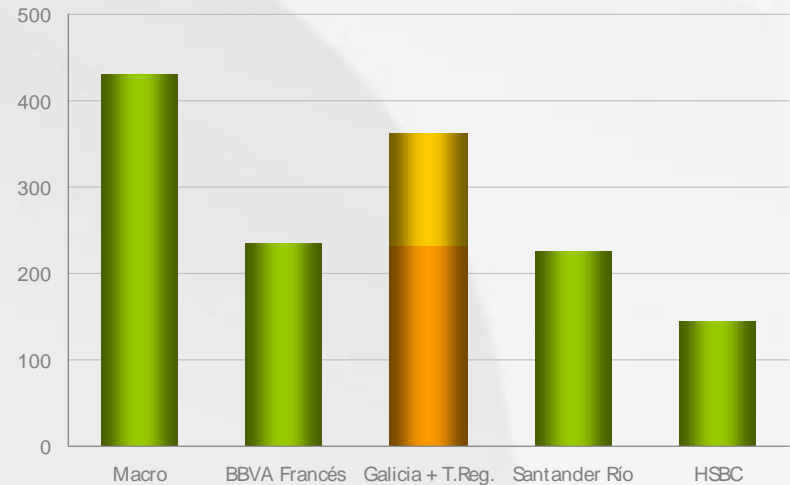
Market Share of Loans to the Private Sector (%) ⁽¹⁾



Credit Card Managed (in thousands)



Branches (number)



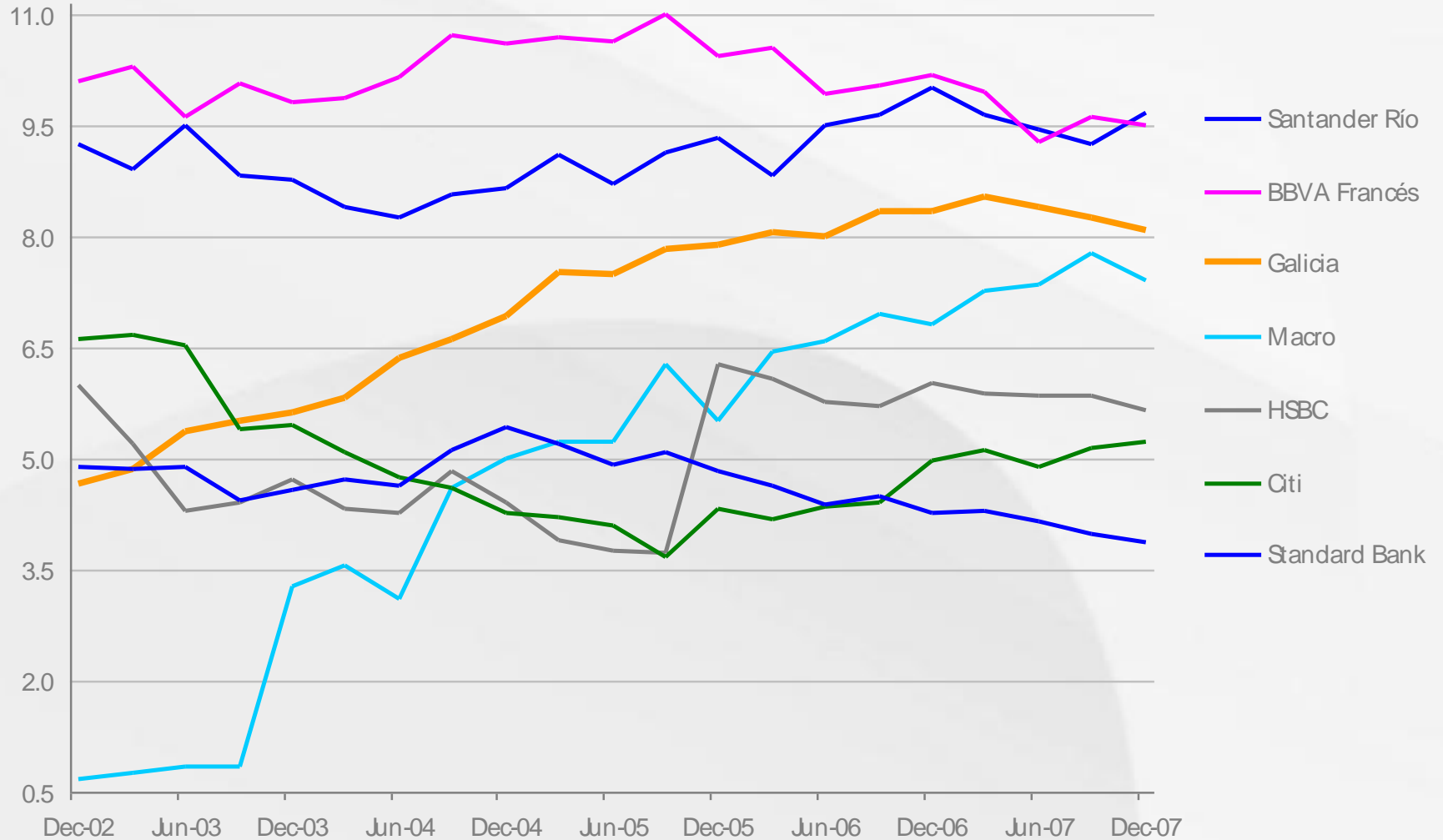
(1) Includes securitized loans.

Source: Argentine Central Bank - Superintendency of Financial and Exchange Institutions - monthly information (except for the regional credit-card companies).

As of December 31, 2007.



Market Share of Private-Sector Deposits

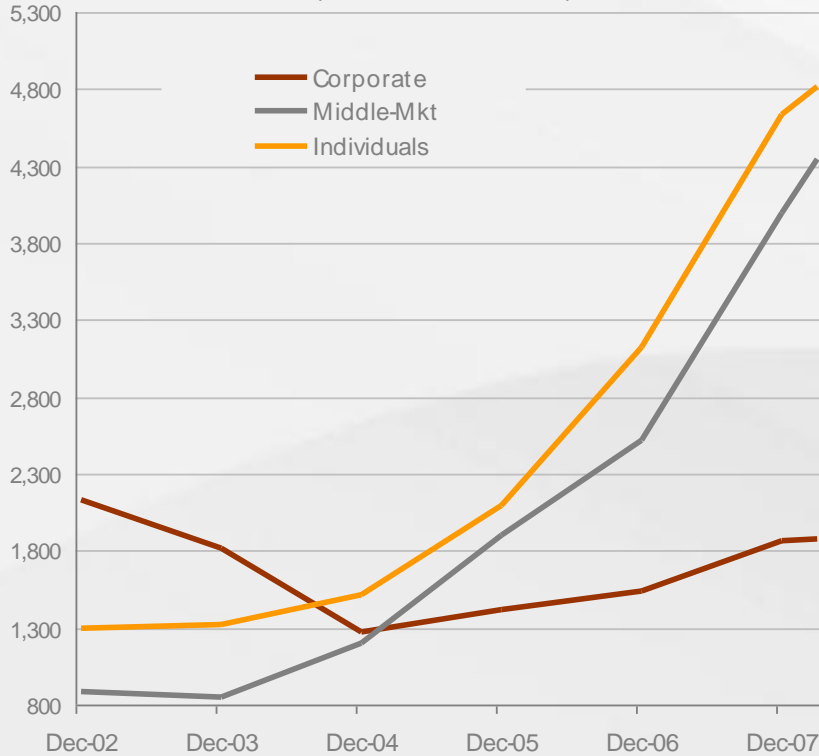


Source: Argentine Central Bank - Superintendency of Financial and Exchange Institutions - monthly information.

As of December 31, 2007

By Type of Borrower (Consolidated)

(In millions of Pesos)

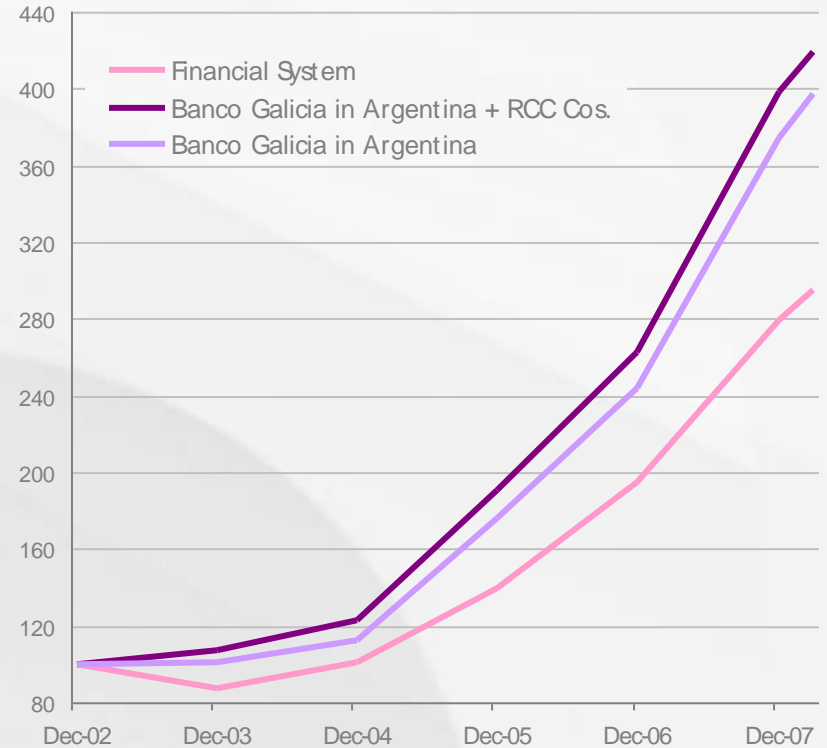


CAGR %:

- Corporate (2.4%)
- Middle-Mkt 35.2%
- Individuals 28.4%

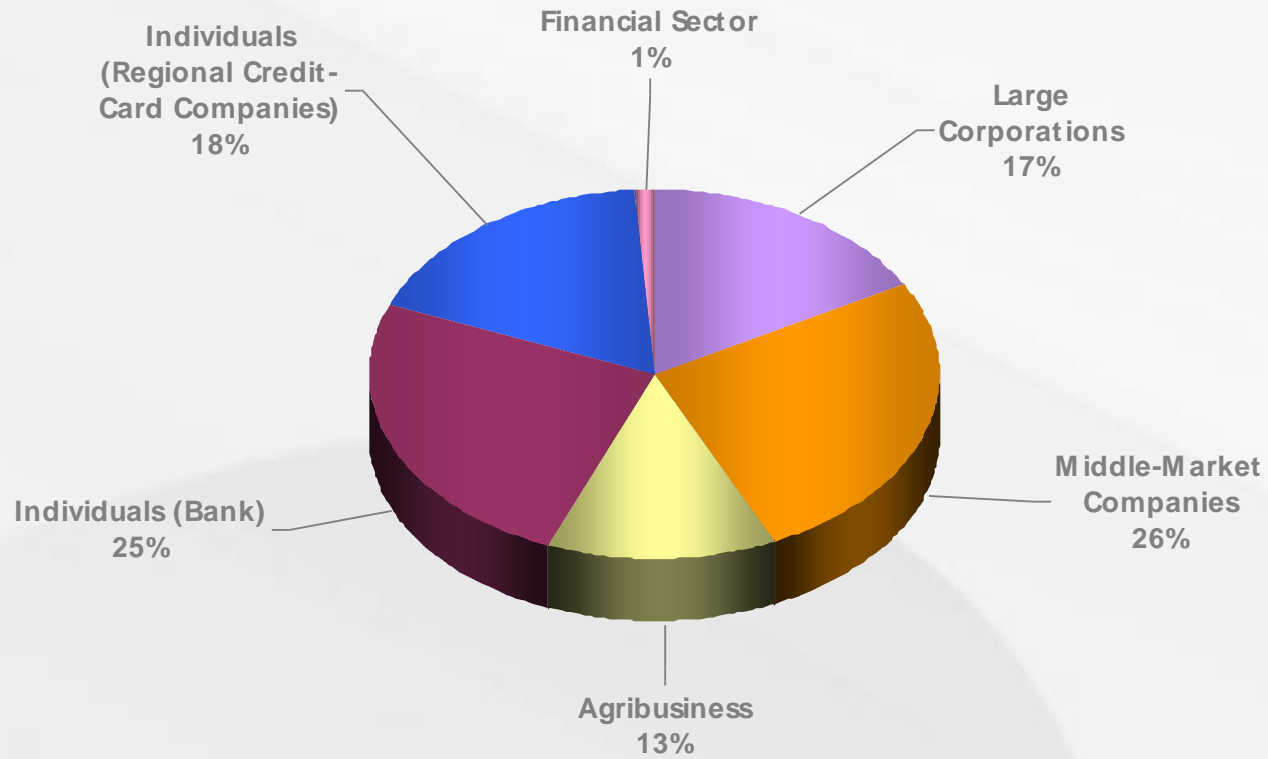
Comparison with the System

(Dec 02=100)

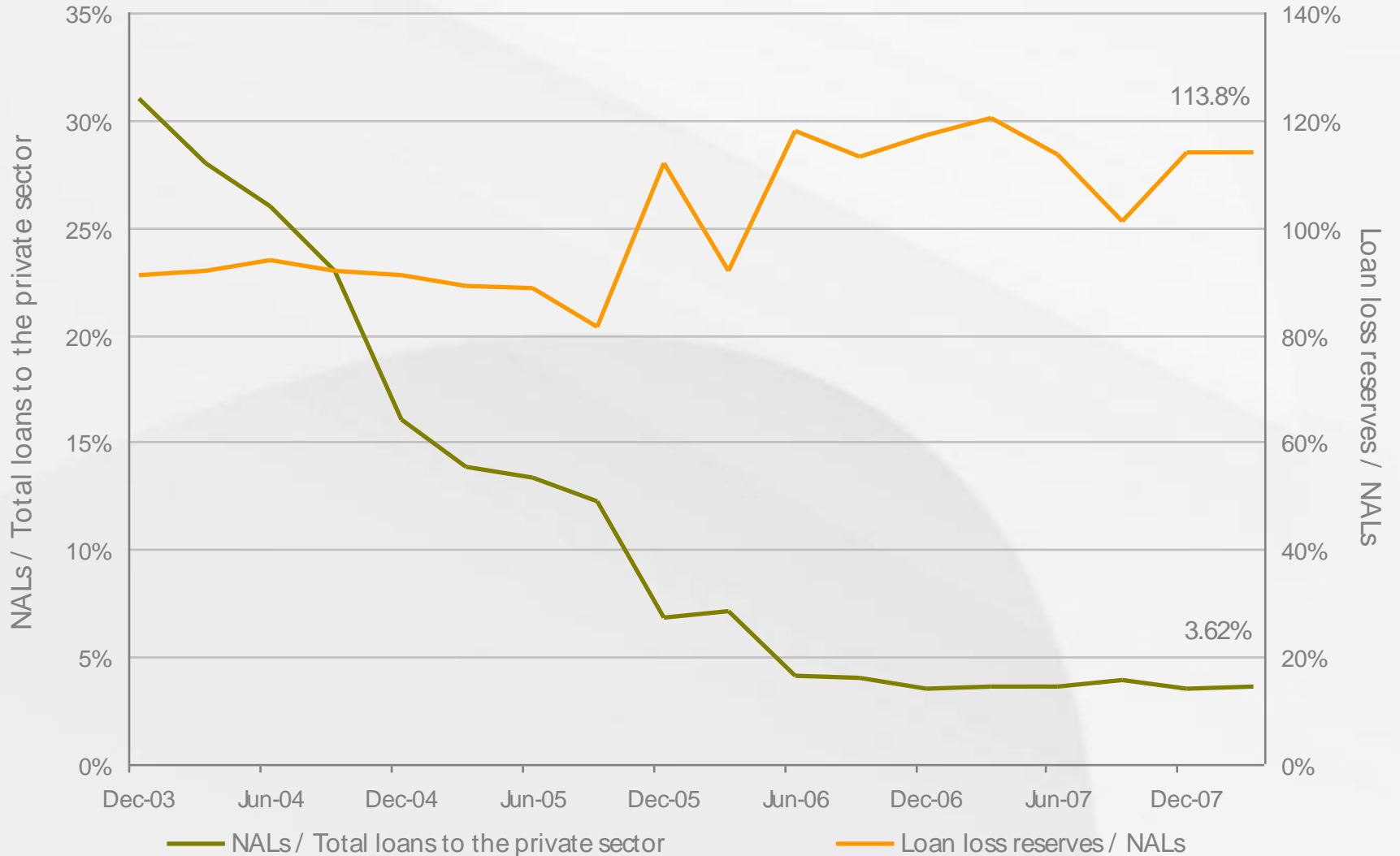


CAGR %:

- Financial System 22.9%
- Banco Galicia in Argentina + RCC Cos. 31.4%
- Banco Galicia in Argentina 30.1%



Consolidated Gross Loans to the Private Sector: Ps.11,203 million



Banco Galicia consolidated.



Number of:	Sep-01	Dec-02	Mar-08	Variation (%)	
				Sep-01 Dec-02	Dec-02 Mar-08
Employees	8,625	6,054	9,327	(30)	54
- Banco Galicia	5,680	4,113	5,451	(28)	33
- Regional Credit-Card Cos. and Other Subsidiaries	2,945	1,941	3,876	(34)	100
Bank Branches in Argentina	389	229	232	(41)	1
Regional Credit-Card Cos. Branches	106	87	141	(18)	62
Deposit Accounts ⁽¹⁾	1,239	1,063	1,399	(14)	32
Credit Cards ⁽¹⁾	1,891	1,596	5,605	(16)	251
- Banco Galicia ⁽¹⁾	678	498	1,127	(27)	126
- Regional Credit-Card Cos. (Visa and Local Brands) ⁽¹⁾	1,213	1,098	4,478	(9)	308
Debit Cards⁽¹⁾	958	801	1,114	(16)	39
Client Base ⁽¹⁾	2,840	2,013	4,290	(29)	113

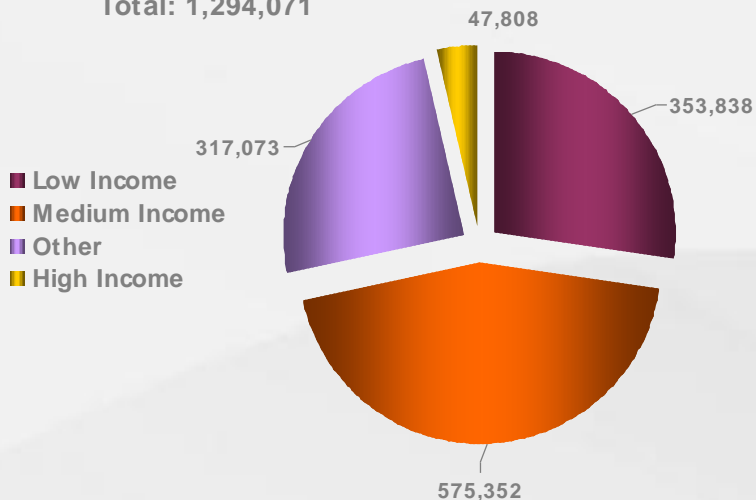
(1) In thousands.

Total: 4.29 million : 23.4%⁽¹⁾ of Argentina's economically active population

15.5% CAGR since December'02

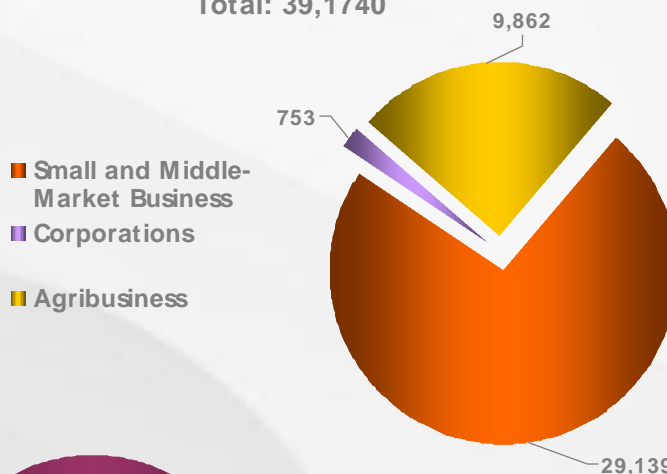
Consumer Banking⁽²⁾

Total: 1,294,071



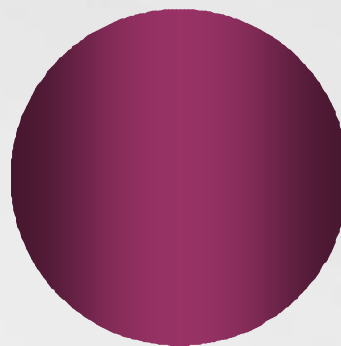
Corporate Banking⁽²⁾

Total: 39,1740



Regional Credit-Card Companies

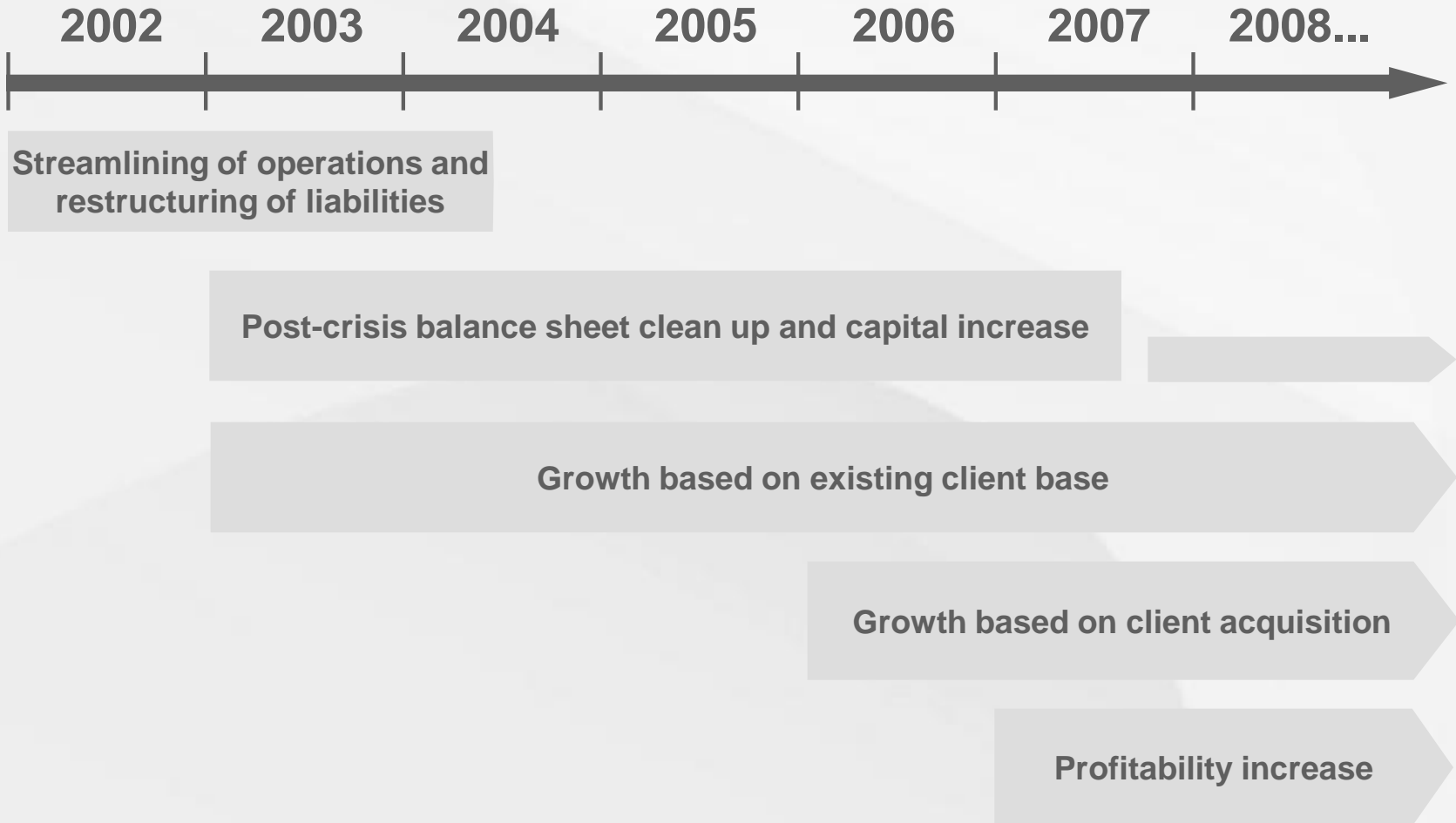
Total: 2,547,539



■ Low Income

(1) Estimated.

(2) Consumer Banking and Corporate Banking do not include 407,429 and 1,969 credit card coholders, respectively.





Restructured Debt

In millions of Dollars

	NY Branch Jul-02	Galicia Uruguay / Galicia Cayman Ltd. Dec-02 / Jul-03	Head Office and Cayman Branch May-04	Total
Original Debt Amount	328	1,136	1,476	2,940
Original Average Life New Debt (years)	4.1	4.4	8.1	6.2
Debt Reduction after Restructuring	328	1,053 ⁽²⁾	730	2,111
Debt Amount ⁽¹⁾	0	83	746	829

Capital Generation Associated to the Debt Restructuring

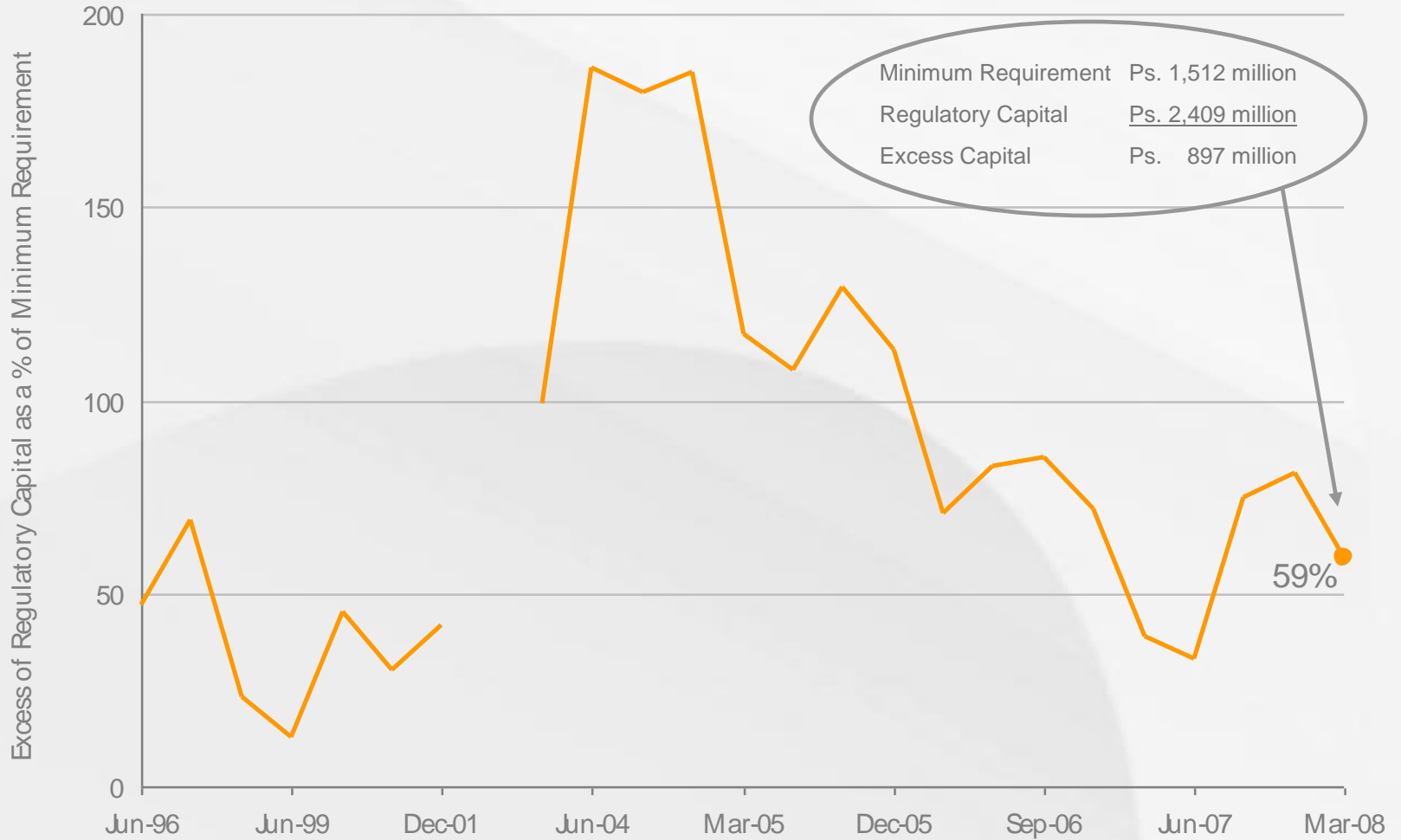
In millions of Dollars

	Total
Tier 1	135 ⁽³⁾
Tier 2	230
Total	365

(1) Only principal, as of March 31, 2008.

(2) US\$ 503 million correspond to the exchange of restructured liabilities for Boden 2012.

(3) Includes US\$ 43 million from Grupo Galicia's debt forgiveness.



Banco Galicia consolidated.
 Capital adequacy requirements were suspended between January 2002 and December 2003.



		Dec-05	Mar-08	Absolute Variation	
O P E R A T I O N A L	Assets	Liquidity	1.758	3.604	1.846
		Exposure to the Private Sector ⁽¹⁾	5.406	11.845	6.439
		Other	2.075	2.040	(35)
		TOTAL	9.239	17.489	8.250
	Liabilities	Deposits	7.960	13.607	5.647
		Other	2.025	5.137	3.112
TOTAL		9.985	18.744	8.759	
R E S B I D N U K A L	Assets	Exposure to the Public Sector (1)	15.869	5.647	(10.222)
		-BODEN	5.143	2.710	(2.433)
		-PGN	5.188	1.247	(3.941)
		-BOGAR	3.823	-	(3.823)
		-Discount	733	692	(41)
		-Other	982	998	16
		Difference from Amparo Claims	348	284	(64)
		TOTAL	16.217	5.931	(10.286)
	Liabilities	Argentine Central Bank	8.612	-	(8.612)
		Restructured Foreign Debt	4.582	2.540	(2.042)
Other		888	338	(550)	
TOTAL		14.082	2.878	(11.204)	
Operational Bank Assets / Total Assets		36,3%	74,7%		

(1) Does not include Securitized Loans. As of December 2005: Bank: Ps.296 million, Regional Credit Card Companies: Ps. 179 million.
As of March 2008: Bank: Ps.572 million; Regional Credit Card Companies: Ps.359 million.



<i>(In millions of Pesos)</i>	FY 2006	FY 2007	Absolute Variation
Net Financial Income ⁽¹⁾	473.2	774.5	301.3
Provisions for Loan Losses	(110.9)	(255.5)	(144.6)
Net Income from Services	668.8	933.2	264.4
Administrative Expenses	(946.0)	(1,246.7)	(300.7)
Net Operating Income	85.1	205.5	120.4
Net Other Income / (Losses)	(38.8)	(38.5)	0.3
Bad Debts Recovered	49.7	61.5	11.8
Provisions Reversed	32.5	21.6	(10.9)
Income Tax	(56.3)	(72.8)	(16.5)
Adjusted Net Income	72.2	177.3	105.1
Loss from Valuation of Public-Sector Assets (Comm. "A" 3911)	(198.4)	(38.2)	160.2
Amortization of Amparo Claims	-	(108.7)	(108.7)
Net Income / (Loss)	(126.2)	30.4	156.6

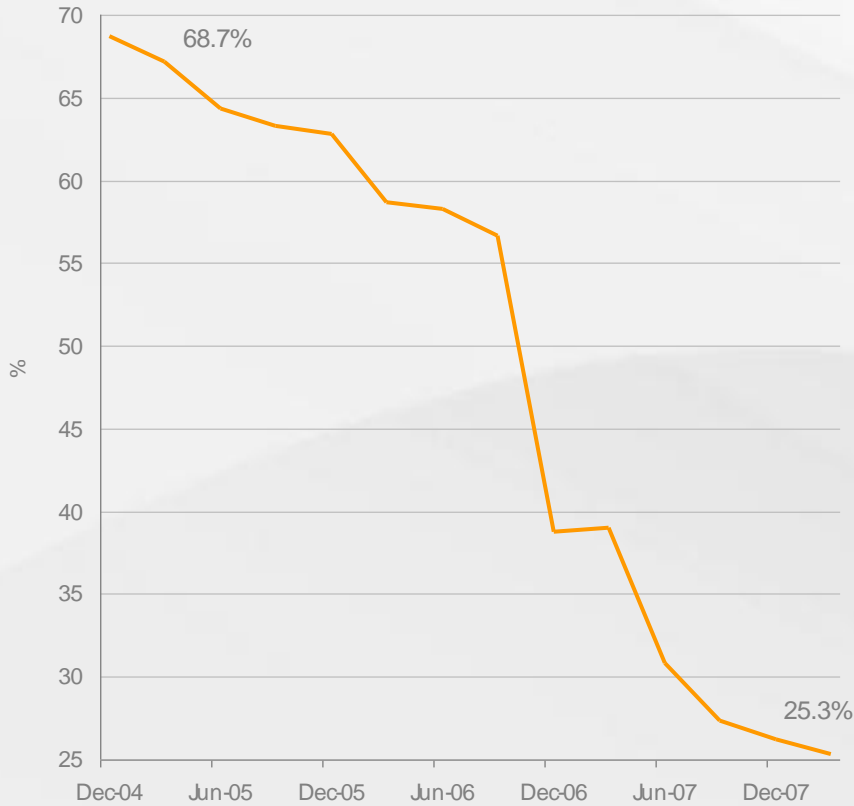
(1) Excludes losses from valuation of public-sector assets in accordance with Comm. "A" 3911 and includes income on margin requirements of repo transactions.



	1Q'07	4Q'07	1Q'08	Absolute Var.	
				1Q'07/ 1Q'08	4Q'07/ 1Q'08
<i>(In millions of Pesos)</i>					
Net Financial Income ⁽¹⁾	166	232	254	88	22
Provisions for Loan Losses	(49)	(97)	(85)	(36)	11
Net Income from Services	202	260	274	72	14
Administrative Expenses	(268)	(356)	(370)	(101)	(14)
Net Operating Income	50	39	73	23	34
Net Other Income / (Losses)	(15)	8	(25)	(10)	(32)
Bad Debts Recovered	25	12	7	(18)	(5)
Provisions Reversed	3	18	0	(3)	(18)
Income Tax	(18)	(14)	(20)	(2)	(6)
Adjusted Net Income	45	63	35	(10)	(28)
Loss from Valuation of Public-Sector Assets (Comm. "A" 3911)	(51)	(12)	6	57	18
Amortization of Amparo Claims	(31)	-	(3)	28	(3)
Net Income / (Loss)	(36)	51	39	75	(13)

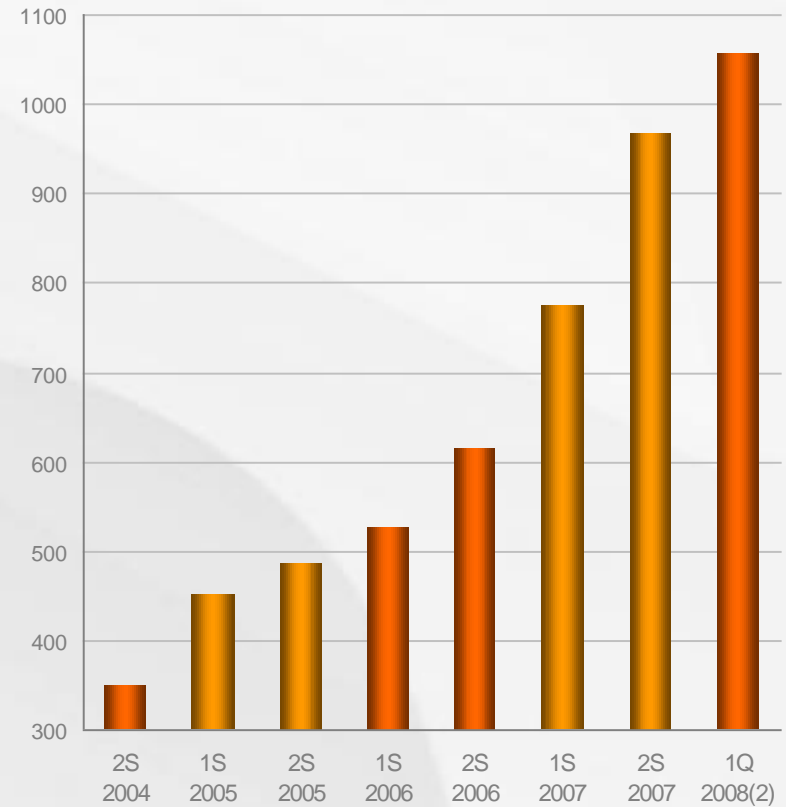
(1) Excludes losses from valuation of public-sector assets in accordance with Comm. "A" 3911 and includes income on margin requirements of repo transactions.

Residual Bank Assets as a % of Total Assets



As of March 31, 2008.

Net Operating Revenues⁽¹⁾



(1) Net Financial Income (adjusted) + Net Income from Services, in millions of Pesos.

(2) Semiannualized.

Banco Galicia consolidated.



Objectives

- Consolidate leadership position in Argentina.
- Achieve profitability in line with industry expectations.

Strategy

- Grow in loan origination to the private sector and reduce exposure to the public sector.
- Funded through deposit growth and securitization.
- Consolidate leadership in agribusiness and medium-sized companies and consumer finance.
- Improve penetration in large corporate segment.
- Continue growing in transactional banking and e-banking.
- Maintain operating efficiency.



- Strong brand name.
- One of the most valuable financial services franchises in Argentina.
- Broad customer base.
- Wide product offering.
- Largest consumer finance operation.
- Leading provider of credit cards and electronic banking services.
- Leader in agribusiness and medium-sized enterprises sectors.
- Large distribution platform and best electronic services platform.
- Strong IT capabilities.