

2010

SUSTAINABILITY REPORT

GROWING AND MAKING
OTHERS' GROW

2010

SUSTAINABILITY REPORT

RESPONSIBILITY
CORPORATE GOVERNANCE
TRANSPARENCY

CUSTOMERS

TRUST

QUALITY ASSURANCE

SERVICE

EMPLOYEES

DEVELOPMENT

FUTURE

COMMITMENT

COMMUNITY

ETHICAL BEHAVIOR

PROGRESS

FAIRNESS

OPPORTUNITIES

SUPPLIERS

ALLIANCES

VALUE

ENVIRONMENT

PROTECTION

PRESERVATION

HEALTH

WORK

EDUCATION

BANCO GALICIA WORKS TOWARDS CREATING SHARED VALUE OPPORTUNITIES THAT FOSTER THE GROWTH OF ITS ENTITY AND OF THE SOCIETY AS WELL.

THE PURPOSE OF THIS REPORT IS TO SHARE WITH OUR CUSTOMERS, EMPLOYEES, SUPPLIERS AND THE ENTIRE COMMUNITY HOW WE TURN EACH AND EVERY OF THESE WORDS INTO REAL SUSTAINABLE ACTIONS.

1905 - 2010
BANCO GALICIA ACCOMPANIES
ARGENTINA'S GROWTH

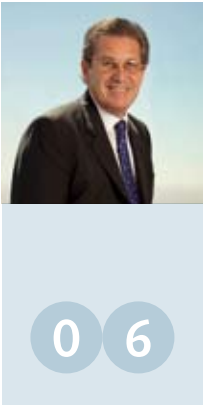


MAIN
PARAMETERS



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LETTER FROM
THE CHAIRMAN



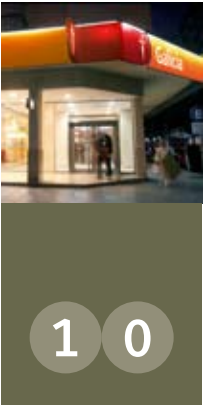
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MESSAGE FROM
THE CHIEF EXECUTIVE
OFFICER



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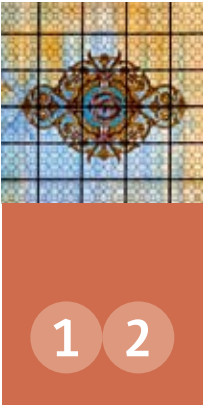
INTRODUCTION



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BANCO GALICIA'S
FIGURES

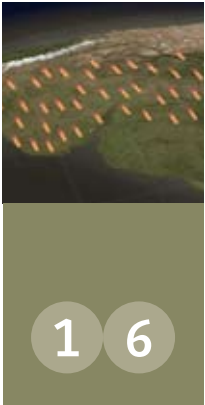
- Net Income:
\$ 469.1 million
- Total Loans:
\$ 16,670 million
- Access points nationwide:
1,711



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CORPORATE
GOVERNANCE

- 7 Directors and
5 Alternate Directors
- Structured under
11 Committees
- 1,242 hours of training
in Prevention of Money
Laundering issues



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BANCO GALICIA
AS A SOCIAL ACTOR

- Intercompany entities where
Banco Galicia participates: 12
- Institutional strengthening
for 242 CSOs.
- Awards and distinctions
received during the
reporting period: 12



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MAIN SUSTAINABILITY
ACHIEVEMENTS

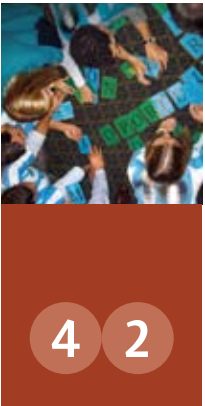
- Key issues within our
work in 2010



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CUSTOMERS

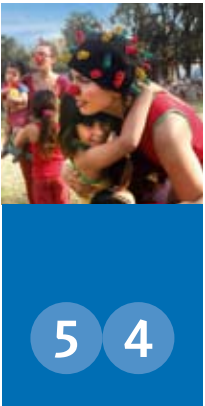
- 2,078,366 individual
customers
- 1,300 promotions nationwide
- 59% financing to
productive sector
- Regional Credit Card
Companies Growth
- Acquisition of Compañía
Financiera Argentina (CFA)



PAGE

EMPLOYEES

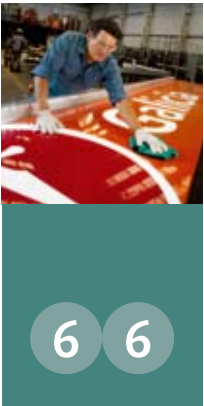
- 5,185 employees
- 408 in-house promotions
- \$ 7.54 million investment
in professional development
- 126 scholarships granted
for Postgraduate courses
and Master's degrees



PAGE

COMMUNITY

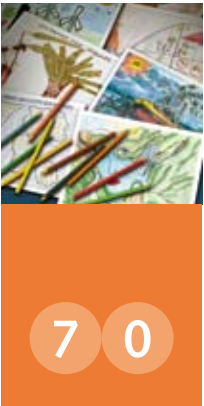
- \$ 4.53 million investments
- 53 programs nationwide
- 78 alliances with CSOs
- 3,251 employee volunteers



PAGE

SUPPLIERS

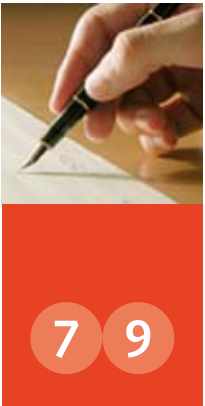
- 2,704 suppliers
- 913 new domestic
suppliers subscribed to
the Code of Conduct



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ENVIRONMENT

- Water savings of 20%
- Recycling of 339 tons of paper
- Financing of 7 biodiversity
research projects
- An U.S. Dollar 20 million credit
line for investment projects



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IBASE TABLE



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GRI CONTENT
INDEX AND GLOBAL
COMPACT



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VERIFICATION
REPORT



I AM PLEASED TO ADDRESS TO YOU IN ORDER TO SUBMIT THE SIXTH SUSTAINABILITY REPORT IN WHICH WE DISCLOSE INFORMATION ABOUT THE BANK'S STRATEGY AND MANAGEMENT IN TERMS OF ECONOMIC, SOCIAL AND ENVIRONMENTAL PERFORMANCE.

THIS IS A SPECIAL YEAR, GIVEN THE CELEBRATION OF THE 200TH ANNIVERSARY OF THE MAY REVOLUTION AND OUR 105TH ANNIVERSARY. IN OTHER WORDS, THE BANK HAS GROWN ALONG WITH OUR BELOVED COUNTRY FOR MORE THAN HALF OF ITS HISTORY. THIS IS QUITE SIGNIFICANT, BECAUSE BANCO GALICIA IS ONE OF THE FEW NATIONAL COMPANIES WITH SUCH BACKGROUND. GALICIA'S CONTINUITY OVER TIME IS NOT ONLY AS A RESULT OF SUCCESSFUL MANAGEMENT, BUT ALSO MAINLY OF CHERISHING CORE VALUES TO WHICH WE COMMIT IN OUR ACTIVITIES AND IN THE COMMUNITY WE SERVE.

IN 2010, GLOBAL ECONOMY STRENGTHENED THE RECOVERY STARTED BY THE END OF 2009, WHICH WAS POSITIVE FOR THE ARGENTINE ECONOMY. TOGETHER WITH INCREASED PRICES OF OUR MAIN EXPORT PRODUCTS AND THE IMPROVED RECOVERY OF THE AGRICULTURAL HARVEST, THE ECONOMY GREW OVER 8 PER CENT.

IN THIS SETTING, BANCO GALICIA HAD AN IMPRESSIVE PERFORMANCE, SINCE WE COULD STRENGTHEN OUR POSITION AS A FINANCIAL MARKET LEADER AND ACHIEVED ALL OUR GOALS. WE HAVE SIGNIFICANTLY INCREASED THE BROKERAGE VOLUME WITHIN THE PRIVATE SECTOR, WHILE WE REDUCED THE EXPOSURE TO THE PUBLIC SECTOR AND US DOLLAR-DENOMINATED DEBT.

DURING THE YEAR, THE BANK STRONGLY INCREASED ITS PRIVATE SECTOR EXPOSURE BY 49.5%, THUS REACHING \$ 25,900 MILLION AS OF DECEMBER 31ST 2010. FOR THE SAME PERIOD, DEPOSITS AMOUNTED TO \$ 22,300 MILLION, WHICH MEANT A 30.5% INCREASE. WE OUTPERFORMED THE FINANCIAL SYSTEM, AND THIS HELPED US INCREASE OUR MARKET SHARE, WHEREAS OUR CONSOLIDATED CUSTOMER BASE REACHED AROUND 6 MILLION INDIVIDUALS.

IT IS WORTH HIGHLIGHTING THAT WE HAVE ACHIEVED ALL THIS UNDER A SUSTAINABLE MANAGEMENT FRAMEWORK, WHICH STAMPS A DISTINCTIVE CHARACTER ON EACH AND EVERY OF OUR ACHIEVEMENTS.

THE ACQUISITION OF COMPAÑÍA FINANCIERA ARGENTINA HELPS US IMPROVE ACCESS OPPORTUNITIES TO CREDIT LINES FOR NON-BANCARIZED INDIVIDUALS. IN ADDITION, THE LAUNCH OF THE ENVIRONMENTAL CONSERVATION FUND, THROUGH WHICH SUBSIDIES ARE GRANTED FOR RESEARCH OR CONSERVATION OF SPECIES IN DANGER OF EXTINCTION IN OUR COUNTRY, IS AN INITIATIVE THAT CONFIRMS OUR ACTIVE ROLE IN ENVIRONMENTAL PROTECTION.

OUR SUCCESS IS ACHIEVED THANKS TO THE EFFORTS, ABILITY AND COMMITMENT OF OUR EMPLOYEES AND OUR AFFILIATED COMPANIES, SO I WOULD ALSO LIKE TO EXPRESS MY SINCERE GRATITUDE TO ALL OF THEM.

FOR 2011, WE PURSUE AMBITIOUS GOALS THAT WILL IMPACT UPON THE ORGANIZATION AS A WHOLE AND ARE OUTLINED IN THIS REPORT BY THE BANK'S DIVISION MANAGERS.

AS A FINANCIAL INSTITUTION, WE CONDUCT TRANSACTIONS UNDER THE PRINCIPLES OF TRANSPARENCY OF INFORMATION, WE ADHERE TO THE CODE OF BANKING PRACTICES AND TO THE EQUATOR PRINCIPLES, AND WE TAKE PART IN THE GROUP THAT SPONSORS THE UNITED NATIONS GLOBAL COMPACT. WE ALSO DRAFTED AND ARE GOVERNED BY THE CODE OF CONDUCT FOR EMPLOYEES AND SUPPLIERS, WHICH ACCURATELY REFLECTS OUR POLICIES AND GUIDES THE WAY IN WHICH WE CONDUCT BUSINESS.

ALTHOUGH THERE ARE STILL CHALLENGES TO FACE, WE ARE OPTIMISTIC WITH REGARD TO ARGENTINA'S ECONOMIC OUTLOOK, AND I AM SURE BANCO GALICIA IS IN AN EXCELLENT POSITION TO CONTINUE COLLABORATING WITH THE DEVELOPMENT OF THE FINANCIAL SYSTEM AND THE GROWTH OF THE COUNTRY.

Antonio R. Garcés
Chairman
Banco de Galicia y Buenos Aires S.A.



“BANCO GALICIA’S GOAL IS TO BECOME THE BEST PRIVATE BANK IN THE COUNTRY AND, IN ORDER TO CONTINUE ALONG THIS PATH, WE HAVE DEVISED AN AMBITIOUS STRATEGIC PLAN FOR THE COMING YEARS, WHICH CONTAINS THE CHALLENGES TO FACE IN TERMS OF BUSINESS RESULTS, IN-HOUSE TALENT MANAGEMENT, TECHNOLOGY AND SOCIAL RESPONSIBILITY. IN ORDER TO FACE THIS CHALLENGE, WE WILL NEED TO BE INCREASINGLY IN LINE WITH GOALS AND PROCESSES, AS WELL AS TO DEVELOP AND PROMOTE MORE DYNAMIC AND EFFECTIVE COMMUNICATION CHANNELS.

WE ARE DETERMINED TO EAGERLY MOVE FORWARD TOWARDS THE GOALS SET, PURSUING THE MODEL WE HAVE CHOSEN TO DO BUSINESS: SUSTAINABILITY.”

DANIEL LLAMBÍAS
CHIEF EXECUTIVE OFFICER



OUR SIXTH SUSTAINABILITY REPORT¹

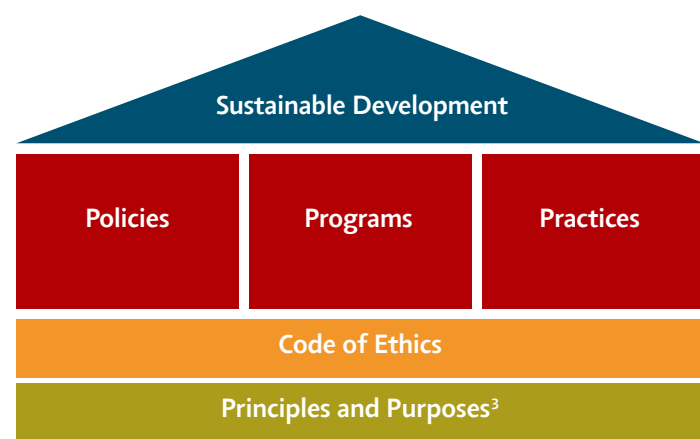
STRENGTHENED RESPONSIBLE MANAGEMENT

At Banco Galicia we understand that Corporate Social Responsibility (CSR) is a comprehensive management model across the entity, and it means conducting business taking into consideration the ethical behavior as the focal point of our business practice.

Our commitment to sustainable management² comes from the conviction that Banco Galicia can only grow under a long-term strategy that takes both the environment and the social situation into consideration.

CSR is supported by principles and purposes –which guide all our employees’ behavior– and is materialized in our policies, practices and programs. In this context, the Sustainability Report is a fundamental tool for developing our action plans, for assessing them and for identifying improvement opportunities.

This new issue has been prepared according to the Global Reporting Initiative (GRI) G3 international guidelines, including the Financial Services Supplement, and meets the application level B+.



1. Based on our commitment to a comprehensive management across the organization, as from this issue the report will be called "Sustainability Report"; we have chosen this title because is the one that best adjusts to the approach, content and scope of the publication.
2. We acknowledge that sustainable management implies fostering financial activity by promoting social fairness and preserving natural resources for future generations.
3. Please visit www.galiciasustentable.com for further information about the Bank's Code of Ethics and Principles and Values.



Process of Preparation of this Report

The annual report was prepared by using the same methodology applied in previous publications and such preparation was managed by the CSR Division. The table below provides details about the key stages of this process throughout 2010:

1. Identification of Key Issues to Communicate	2. Definition of the Reporting Model	3. Identification of Contents by Chapter	4. Gathering of Information	5. Writing and Validation of Drafts	6. Verification, Audit and Publication
<ul style="list-style-type: none">- Survey to stakeholders- Materiality Report- Creation of the Report's Operational Group- Exchange workshop with in-house referents	<ul style="list-style-type: none">- GRI G3 Guidelines application level B+⁴- Social Balance of IBASE⁵	<ul style="list-style-type: none">- Inclusion of suggestions or expectations from the Report's Operational Group	<ul style="list-style-type: none">- Inclusion of summaries of main management achievements	<ul style="list-style-type: none">- Under the CSR Division's responsibility, overseen by the Bank's General Division and the Board of Directors	<ul style="list-style-type: none">- Under the CSR Division's and Price Waterhouse & Co's responsibilities

The following table provides a summary of expectations that arose in the meeting held by the Report's Operational Group, together with the corresponding action taken to meet such expectations:

Actions Carried out by the Operational	
Expectation	Answer
Submit a summary at the beginning of the report about the fiscal year's main highlights	Inclusion of main parameters within the table of contents
Provide more information about Supplier Management	Extend on and strengthen contents included under this chapter
Include the Bank's in-house "Reward" Program and provide more information about union representation in the Employees sector	Inclusion of these issues into the process of gathering and submitting information in this report
Organize the information provided in the Customers chapter for easy reading	New structure of contents in the chapter
Inclusion of material management cases within the Environment chapter	Inclusion of new indicators and information about the awareness campaigns implemented
Create a digital version to easily access the contents of the report	Post it on galiciasustentable.com as a user-friendly version

4. In 2009 we complied with all GRI indicators. The fact that we reached the application level B+ implies that this issue described in greater depth the information in relation to: Main impacts, risks and opportunities, Corporate Governance and stakeholder participation. For more information about GRI, please visit www.globalreporting.org

5. This Balance model provides specific information on the economic value created by the institution. www.balancosocial.org.br

6. Said study was outsourced to an external consulting firm for the purpose of establishing the impact and approval of the 2009 CSR Report. The sample consisted of 400 material cases, distributed among individuals, companies, employees, opinion leaders, press, CSOs and suppliers of the various regions across the country.

7. www.comunicarseweb.com.ar

8. More information about our stakeholders may be found in the 2009 CSR Report.

9. We started using the term "Responsibility" instead of "Commitment" in 2010, since we understand the former better describes the classification methodology adopted.

Impacts of the Report

Again, an independent survey was conducted; the most outstanding results of which⁶ are the following:

- THE AVERAGE SATISFACTION LEVEL FOR EACH REPORT ATTRIBUTE HOVERED AROUND 8.7 AND 9.3 POINTS.
- THE REPORT LAYOUT IS THE ATTRIBUTE WITH THE HIGHEST SCORE, FOLLOWED BY THE CLARITY OF THE INFORMATION PROVIDED.
- MOST SEGMENTS REFLECTED FULL AWARENESS OF THE IMPORTANCE BANCO GALICIA ATTACHES TO CORPORATE SOCIAL RESPONSIBILITY 100% IN PRESS AND SUPPLIERS; 92.5% IN EMPLOYEES; 81.8% IN OPINION LEADERS AND CSOs, AND 85% IN CUSTOMERS, FOLLOWING THE UPWARD TREND OF PREVIOUS STUDIES.
- THE INVESTMENT IN COMMUNITY IS THE MOST RECALLED CONTENT OF THE REPORT; 67% OF PEOPLE POLLED CONSIDER THE SUPPORT OF EDUCATION A PRIORITY

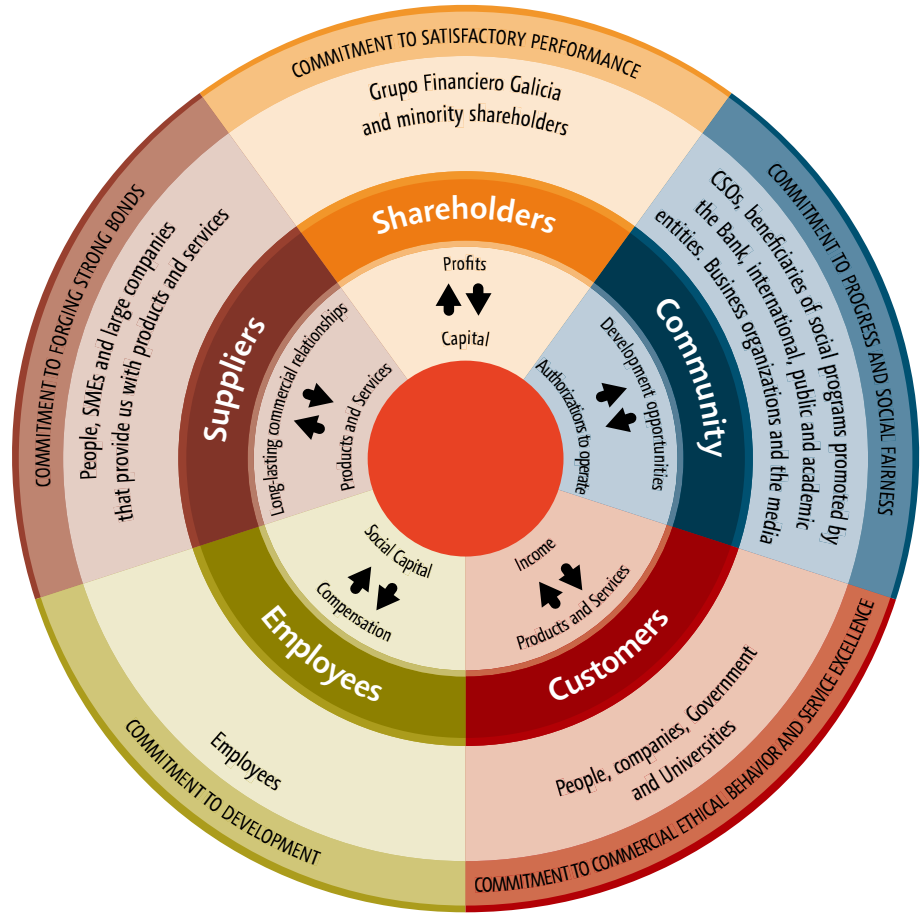
- 84% OF PEOPLE POLLED CONSIDER THAT REPORTING CSR-RELATED INFORMATION IMPROVES BANCO GALICIA'S IMAGE.

RANKING OF MOST VALUED REPORTS:

OUR REPORT RANKED THIRD AMONG CSR REPORTS ASSESSED IN THE RESEARCH "REPORTES DE SUSTENTABILIDAD - LECCIONES Y APRENDIZAJES" (SUSTAINABILITY REPORTS LESSONS LEARNED) PUBLISHED BY THE CONSULTING FIRM⁷ COMUNICARSE.

Our Stakeholders

Our entire work is based on constant interaction with our stakeholders⁸:



The identification of priority stakeholders was made according to the following three criteria:

Responsibility⁹ measured in terms of the rights and obligations established between the Bank and stakeholders.

Influence has to do with stakeholders' ability to take part either positively or negatively in the Bank's policies and transactions, and the other way round, whether informally or at the institutional level.

Closeness based on the daily work interaction, which includes the internal area of the institution, and which in turn entails a more direct impact on the Bank's performance.





BANCO GALICIA'S SOCIAL ACCOUNTABILITY - 2010: LEADING POSITION IN PROFITABILITY

DURING THE YEAR WE GREW STRONGER AS LEADERS WITHIN THE ARGENTINA FINANCIAL SYSTEM, INCREASING OUR MARKET SHARE. SUCH INCREASE STRENGTHENED DUE TO THE ACQUISITION OF COMPAÑÍA FINANCIERA ARGENTINA, WHICH HELPED US PROVIDE OUR SERVICES TO A GROWING NUMBER OF PEOPLE.

CHALLENGE FOR 2011

TO KEEP ON INCREASING OUR MARKET SHARE, OFFERING HIGH-QUALITY FINANCIAL SERVICES TO A GREATER NUMBER OF COMPANIES AND PEOPLE FROM THE VARIOUS COMMUNITIES WE SERVE, MAINTAINING PROFITABILITY IN LINE WITH OUR SHAREHOLDERS' EQUITY AND THE EXPECTED GROWTH OF THE FINANCIAL SYSTEM.

RAÚL SEOANE
PLANNING AND FINANCIAL
CONTROL MANAGER

OUR VISION

TO BE THE BEST PRIVATE BANK IN ARGENTINA

Banco Galicia is the major private domestic bank within the Argentine financial system and has been in the country for 105 years. It is controlled by Grupo Financiero Galicia S.A.

Since its foundation in 1905, it provides comprehensive and high-quality financial services, with the purpose of meeting the saving and financial needs of individuals and companies across the country.

To such end, it operates one of the most extensive and diversified distribution networks.

- 239 branches nationwide
- 1,460 electronic banking facilities
- More than 200 regional credit card companies service centers
- Telephone banking services *Fonobanco*, the first financial Internet portal: *bancogalicia.com*
- The first payment service through cellular telephone offered by a bank: *Galicia Móvil*

10. Grupo Financiero Galicia is a financial holding company. It holds a 94.84% interest in the capital stock and voting rights of Banco Galicia (www.gfsa.com.ar).

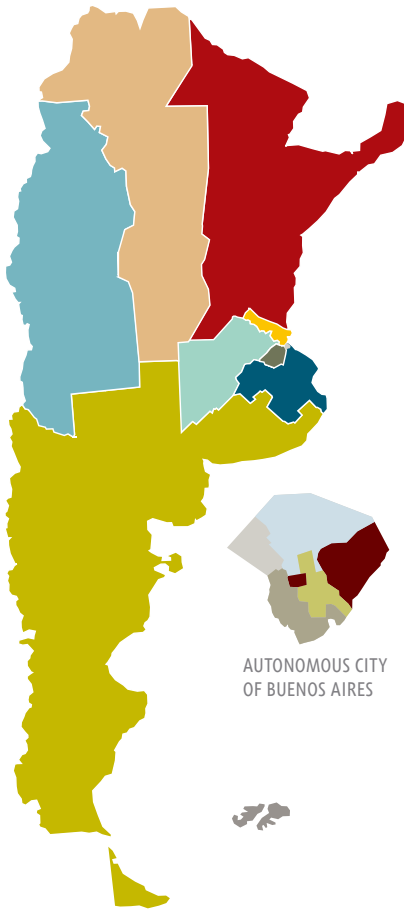


Banco Galicia's Figures - Year 2010

	Unit	2010	2009
Personnel			
Employees	number	5,185	5,028
Investment in Personnel ¹¹	millions of pesos	941.60	702
Customers			
Customers	number	2,132,859	1,982,543
- Individuals	number	2,078,366	1,933,026
- Companies	number	54,493	49,517
Products and Services			
Total Loans	millions of pesos	16,670	11,525
Loans to the Non-financial Private Sector ¹²	millions of pesos	16,452	11,111
- Individuals	millions of pesos	6,806	4,295
- Companies	millions of pesos	9,646	6,816
Credit Cards Managed	number	1,567,731	1,349,084
Market Share¹³			
- Total Deposits	%	5.94	6.31
- Deposits from the Private Sector	%	8.33	7.81
- Total Loans	%	7.95	6.95
- Loans to the Private Sector	%	8.95	7.7
Distribution Platform			
Branches in Argentina	number	239	237
- Autonomous City of Buenos Aires and Greater Buenos Aires	number	136	135
- Provinces	number	103	102
Alternative Channels			
- ATMs	number	696	666
- Self-service Terminals	number	776	765
- E-banking Transactions	number	165,701,633	124,273,097
- Telephone Banking Transactions	number	4,634,486	5,396,470
National, Provincial and Municipal Taxes			
The Bank's Total Contribution	millions of pesos	781	638
Taxes on Account of Third Parties	millions of pesos	41,587	28,915
- Withholdings	millions of pesos	5,286	3,759
- Collections	millions of pesos	36,301	25,155
Financial Information			
Net Operating Income ¹⁴	millions of pesos	2,318	1,893
Net Income for the Fiscal Year	millions of pesos	469.1	171.8
Investment in Fixed Assets and Others	millions of pesos	131	103

11. Compensation, social security contributions, catering services, other benefits (medical assistance, uniforms and equipment, training and others).
12. Includes residents abroad.
13. Only Banco de Galicia y Buenos Aires. Based on daily information published by the Argentine Central Bank.

14. Net financial income, excluding the result from the valuation of the sector assets pursuant to the Argentine Central Bank regulations, plus net income from services. It also includes the result related to margin requirements of repurchase agreement transactions recorded under miscellaneous profits.



- REGION 01: METRO I
- REGION 02: METRO III
- REGION 03: WEST
- REGION 04: NORTH
- REGION 05: MEDITERRANEAN
- REGION 06: PATAGONIA / MAR DEL PLATA
- REGION 07: METRO II
- REGION 08: METRO IV
- REGION 09: SOUTH
- REGION 10: BUENOS AIRES PROVINCE
- REGION 11: SANTA FE / NORTHEAST
- REGION 12: ANDEAN



BANCO GALICIA'S SOCIAL ACCOUNTABILITY - 2010: REVIEW OF RISK MITIGATION POLICIES

DURING 2010 WE FOCUSED ON STRENGTHENING THE GLOBAL RISK MANAGEMENT PROJECT BY DEVELOPING NEW TOOLS FOR MEASURING AND MONITORING THE RISKS TAKEN; THIS HELPED US ASSESS THE EXPECTED LOSS FIGURES MORE ACCURATELY AND GET THE APPROPRIATE COVERAGE.

CHALLENGE FOR 2011

TO INCORPORATE GLOBAL RISK MANAGEMENT TO THE PLANNING OF COMING FISCAL YEARS FOR ALL THE BANK'S DIVISIONS AND TO THE COMMERCIAL INCENTIVE SCHEME, SO THAT PROFITABILITY AND RISKS CAN BE BETTER BALANCED. AS REGARDS PREVENTION OF MONEY LAUNDERING, THE SYSTEM "VIGÍA PERFIL" WILL BE FULLY IMPLEMENTED. THIS SYSTEM WILL HELP US IDENTIFY POTENTIALLY SUSPICIOUS TRANSACTIONS MORE EFFICIENTLY AND RELIABLY TO PROVIDE ENHANCED SECURITY FOR OUR CUSTOMERS.

JUAN CARLOS L' AFFLITTO
MANAGER OF THE RISK
MANAGEMENT DIVISION

OUR RESPONSIBILITY

TO PROMOTE
TRANSPARENCY
AND CREDIBILITY

Banco Galicia's Board of Directors is the highest governance body in the organization¹⁵. It is made of¹⁶ seven Directors and five Alternate Directors¹⁷.

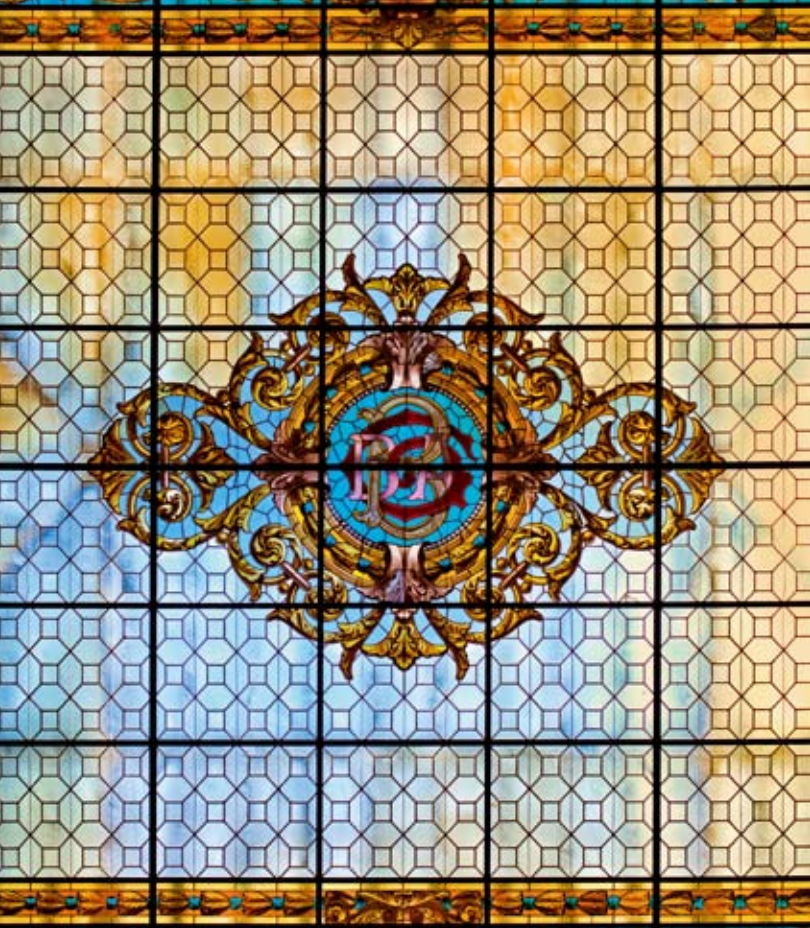
Banco Galicia's Board of Directors ¹⁸	
Chairman ¹⁹	Accountant Antonio Garcés
Vice-Chairman	Lic. Sergio Grinenco
Secretary Director	Mr. Guillermo Juan Pando
Directors	Mr. Pablo Gutiérrez
	Mr. Luis María Ribaya
	Mr. Pablo María Garat ²⁰
	Accountant Ignacio A. Gonzalez ²⁰

The Board is responsible for managing the organization and approving general policies and strategies, such as the strategic plan, management goals and the annual budget, investment and financing policies, the corporate social responsibility policy, and the development of ongoing training programs for directors and management officers, and risk control and management policies.

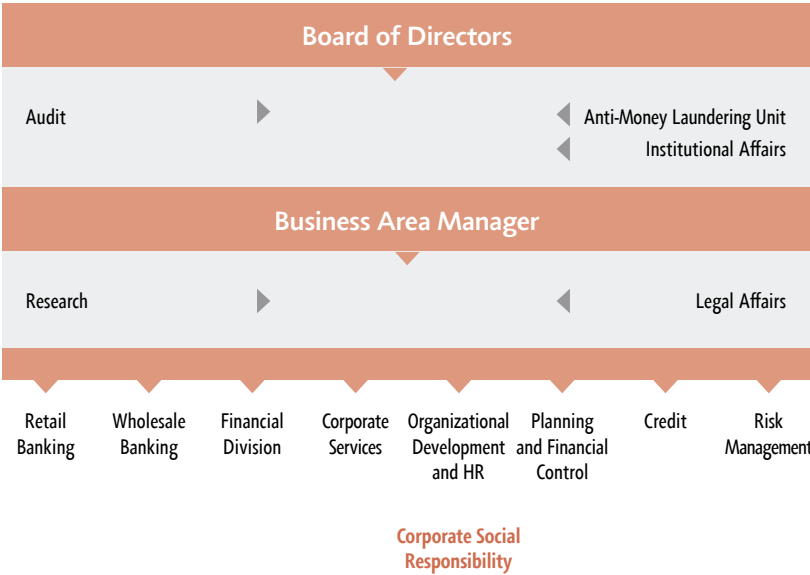
The Chief Executive Officer is responsible for implementing the strategy jointly with the managers of the Bank's Divisions, and reports directly to the Board.

The Board meets at least twice a week, and every time any of its members so requires, under a structure of Committees where Directors, the Chief Executive Officer and Managers of each particular field participate. The main issues dealt with are related to the conduction of business.

- Committees²¹
- Risk Management
 - Credit
 - Information Technology
 - Audit
 - Control and Prevention of Money Laundering and Funding of Terrorist Activities
 - Information Integrity
 - Human Resources
 - Management of Assets and Liabilities (ALCO)
 - Customer Assistance
 - Planning and Management Control
 - Segments and Business Management



The CSR policy is set by the Board of Directors as it is a key factor within the Bank's strategy and the decision-making process. The Board of Directors and the Chief Executive Officer promote an in-house culture that attaches value to it in order to ensure a sustainable management across the organization.



15. Procedures in place to avoid conflicts of interest are set forth in Banco Galicia's Code of Ethics and Principles and Purposes. Investors' confidence is crucial for capital market development. Consequently, we apply the best control and information practices and standards required by international markets. Our corporate governance principles are further ruled by the Code of Good Practices in Corporate Governance of the CNV (Resolution 516/07). We ensure transparency and integrity of the information disclosed to the market by complying with the Sarbanes-Oxley Act (SOX), which regulates from the mandatory certification of financial statements to the implementation of internal controls that assure integrity, security and transparency of the information disclosed.

16. The difference between 2009 (8 Directors and 4 Alternate Directors) and 2010 board composition was established by Shareholders' Meeting resolution.

17. Pursuant to CNV rules, two out of seven Directors are independent and three out of five alternate Directors are Independent as well.

18. To see the complete resúmenes of Directors, please visit www.bancogalicia.com/galiciasustentable

19. The Chairman is the Bank's legal representative and performs executive tasks.

20. Independent directors.

21. For information about the responsibilities of each Committee, please refer to the CSR 2009 report.

Compensation and Assessment
of the Board of Directors'
Performance

Board of Directors' members receive a fixed compensation and a variable compensation that is established according to the responsibilities of their position, the time devoted to their functions, their expertise and professional reputation, the adequacy regarding market values, their management quality and their performance according to the policies and practices within social and environmental areas.

The performance assessment and the compensation of the Board of Directors will be determined by the Shareholders' Meeting after the close of the fiscal year.

Risk Management

A core part of the banking activity's responsibility is to implement a sensible risk management. For this reason, Banco Galicia carries out a three-level assessment:

- **Financial:** In order to keep adequate liquidity and financial standing levels.
- **Operational:** Related to products, activities, processes and systems, technology and information security, as well as risks derived from subcontracted activities and from services rendered by suppliers.
- **Credit:** To ensure full compliance with all financial obligations taken on with the Bank by its customers or counterparties.

Communication with the Board of Directors

The Board of Directors communicates with Shareholders at the Ordinary and Extraordinary Shareholders’ Meetings and through the Investor Relations Department. An Annual Report and Balance Sheet is published with information about the country’s economy and financial system development, the Bank’s evolution and aspects related to decision-making and operational performance, financial conditions and results of operations and annual financial statements.

In addition, the Board of Directors has a website at the disposal of its shareholders. This website can be freely accessed to obtain legal, statutory and regulatory information required. This website has a channel for inquiries ²².

While the Annual Report and Balance Sheet keep Shareholders informed on the Bank’s economic and financial performance, this Sustainability Report supplements the information by providing data about our social and environmental performance.

It further provides a communication channel between employees and the Board of Directors.

IN 2010, THE WORK ENVIRONMENT SURVEY INCLUDED AN OPEN QUESTION FOR EMPLOYEES TO EXPRESS THEIR CONCERNS ANONIMOUSLY TO THE BOARD OF DIRECTORS. 880 QUESTIONS WERE RECEIVED OUT OF A TOTAL OF 4,237 PARTICIPANTS. THE MAIN CONCERNS REFERRED TO ACCESS TO MORE INFORMATION ABOUT EMPLOYEES’ COMPENSATIONS AND DEVELOPMENT, WORK ENVIRONMENT MANAGEMENT AND COMMUNICATION OF BUSINESS RESULTS.

IN RESPONSE TO THAT, SEVERAL ACTIONS WERE IMPLEMENTED TO STRENGTHEN THE COMMUNICATION FROM OUR MANAGEMENT AUTHORITIES.

1) MEETING ABOUT QUARTERLY RESULTS TO SHARE INFORMATION ACROSS THE ORGANIZATION

2) BUSINESS BREAKFASTS WITH MEMBERS OF THE DIVISION MANAGEMENT COMMITTEE OPEN TO ALL THE BANK’S EMPLOYEES

3) IMPLEMENTATION OF A WORK ENVIRONMENT MANAGEMENT PLAN TO IMPROVE THE COMMUNICATION OF MATTERS RELATED TO DEVELOPMENT, WORK ENVIRONMENT, BENEFITS AND COMPENSATIONS

Control and Prevention of Money Laundering and Funding of Terrorist Activities

Economic and financial crimes are among the most rapidly growing ones, fostered by the expansion of new technologies, the Internet and the increasing complexity of the banking sector. This type of activities poses a threat to sustainable development in the long run, as it impairs genuine economic activities.

In Banco Galicia we believe that fighting against this type of crimes is crucial to promote institutions and preserve the integrity of the financial system and the transactions performed through our organization.

Prevention of financial crimes is based on compliance with the regulatory framework in force both in Argentina and internationally. Thus, we are committed to develop actions for early detection of any incident and to stop our products from being used for criminal purposes.

In March 2010, UIF ²³ imposed a penalty on the Bank for a supposedly suspicious transaction that was immediately appealed with the relevant supporting documentation.

²². The information transmitted through electronic means is subject to the highest confidentiality and integrity standards, and the website is as well designed for the efficient conservation and safe recording of such information.

²³. Financial Information Unit (UIF, as per its initials in Spanish).

²⁴. Delivered by the Deloitte’s Consulting Division, in charge of the “Strategy and Operation” line of business for the Latin-American market, expert in “Compliance and Corporate Governance Programs”.

²⁵. Delivered by Florida International Banking Association (FIBA AML Institute), in coordination with the University of Florida, United States of America.

²⁶. Florida International Banking Association.

²⁷. Association of Certified Anti-Money Laundering Specialists.

Training Plan

The implementation of an ongoing training program is a key tool for the Control and Prevention of Money Laundering and Funding of Terrorist Activities. During fiscal year 2010, the following activities were carried out:

- Conferences ²⁴ about “Prevention of Money Laundering from a Business Perspective” addressed to managerial levels.
- Face-to-face training courses given by the Anti-Money Laundering Unit for all branches in Argentina and centralized areas in Head Office.
- E-learning courses of different levels.
- International training session to achieve certification as a “Specialist in standards for Control and Prevention of Money Laundering and Funding of Terrorist Activities” ²⁵.
- Participation as speakers or attendants in the annual conventions of FIBA ²⁶ and ACAMS ²⁷, among others.

Courses on Prevention of Money Laundering				
	Participants		Hours	
	2010	2009	2010	2009
Face-to-face Training Courses	274	247	730	594
E-training Courses	264	181	512	389
Total	538	428	1,242	983

In line with the Bank’s ongoing improvement plan, a new tool, “*Vigia Perfil*”, has been developed to keep on adding value to the existing information under “customer profile”. This tool automates alarm triggering for unusual account activities based on the defined profile. For such purpose, Officers from Private Banking, Corporate Banking and the Branch Network were trained through different workshops, where the importance of complying with the regulatory framework was specially highlighted.

OUR GOAL:

TO CONTRIBUTE
TO SUSTAINABLE
DEVELOPMENT



BANCO GALICIA'S SOCIAL ACCOUNTABILITY - 2010: TO STRENGTHEN INTERNATIONAL RELATIONSHIPS

DURING 2010, WE HAVE STRENGTHENED THE EXISTING RELATIONSHIP WITH DIFFERENT MULTILATERAL ENTITIES AND OFFICIAL CREDIT AGENCIES, SUCH AS THE INTERNATIONAL FINANCE CORPORATION (IFC), THE INTER-AMERICAN DEVELOPMENT BANK (IDB) AND THE INTERNATIONAL MONETARY FUND (IMF), AMONG OTHERS. FURTHERMORE, WE EXCHANGED EXPERIENCES THAT HELPED US CONTINUE ADOPTING THE BEST PRACTICES AS REGARDS PROJECT FINANCING UNDER SOCIAL AND ENVIRONMENTAL INTERNATIONAL STANDARDS.

CHALLENGE FOR 2011

TO KEEP A CONSTANT CONTACT WITH MULTILATERAL ENTITIES AND OFFICIAL CREDIT AGENCIES TO IDENTIFY NEW BUSINESS OPPORTUNITIES AND STRENGTHEN LONG-STANDING RELATIONSHIPS. WE WILL CONTINUE ENCOURAGING SUSTAINABLE PRACTICES BY OFFERING NEW MANAGEMENT FACILITIES BASED ON OUR CUSTOMERS' NEEDS.

PABLO LEÓN
FINANCIAL DIVISION MANAGER

The financial sector plays an essential role in social development, as it is the backbone of activities related to saving, investment and credit, rendering services not only to individuals, but also to companies, governments and different organizations.

Therefore, a financial institution needs to analyze and define its goals within the entire social environment, and as a member of the community in which it operates. Developing banking activities in a responsible way also implies paying close attention to constant changes in order to meet the society's expectations in this field.

Now we are mainly concerned with the inclusion of new segments of the population into the financial system, with the ethical behavior in business dealings and with financing economic activities that contribute to the development and competitiveness in our country.

Banco Galicia constantly strives to be a positive change facilitator. As a financial institution we assume a social role that looks for:

- Providing as many people as possible with access to banking services
- Promoting the best service for all our customers
- Considering the financial and social profitability of business
- Managing risks cautiously
- Conducting business with the utmost transparency, by building up confidence and credibility
- Offering development opportunities for our employees
- Respecting the environment and the communities where we operate
- Ensuring our customers' security at the Bank's premises and encouraging prevention measures outside branches.

Responsible Management

The CSR Division aims at promoting a sustainable management culture embedded in every organizational level through a 3Cs model: Training, communication and coordination (in Spanish “*Capacitación, Comunicación y Coordinación*”).

Training

For the purpose of contributing to the promotion of CSR-related aspects, we participated in various training and exchange forums with Civil Society Organizations (CSOs), which resulted in interesting contributions and guidance for devising, managing and implementing programs and practices related to sustainable development.

In Argentina, we take part in the following institutions:

- *Instituto para el Desarrollo Empresarial de la Argentina (IDEA)* (Institute for Business Development in Argentina)
- *Instituto Argentino de Responsabilidad Social Empresaria (IARSE)* (Argentine Institute of Corporate Social Responsibility)
- *Consejo Publicitario Argentino (CPA)* (Argentine Advertising Council)
- *Grupo de Empresas Comprometidas con la Empleabilidad de las Personas con Discapacidad de Argentina* (Companies Group committed to the Employability of Individuals with Disabilities in Argentina)
- *Fundación Empresaria para la Calidad y la Excelencia (FUNDECE)* (Business Foundation for Quality and Excellence)
- *Grupo de Fundaciones y Empresas (GDPE)* (Foundations and Companies Group)
- *Asociación Cristiana de Dirigentes de Empresas (ACDE)* Christian Association of Business Executives
- *Instituto Argentino de Ejecutivos de Finanzas (IAEF)* (Argentine Institute of Finance Executives)
- *Asociación de Bancos Argentinos (ADEBA)* Argentine Banking Association.

We further align with international initiatives, such as the United Nations Global Compact and Millennium Development Goals and the Carbon Disclosure Project (CDP). Another practice that we encourage for promoting CSR includes the participation of directors, managers and other employees in discussion panels and workshops to share experiences and knowledge, both in Argentina and abroad.

IN ASSOCIATION WITH AEDROS (*ASOCIACIÓN DE EJECUTIVOS DE DESARROLLO DE RECURSOS PARA ORGANIZACIONES SOCIALES*) AND RACI (*RED ARGENTINA PARA LA COOPERACIÓN INTERNACIONAL*), WE LAUNCHED THE SKILLS STRENGTHENING PROGRAM FOR CIVIL SOCIETY ORGANIZATIONS, WHICH CONTRIBUTES TO THE DEVELOPMENT OF A FAIR SOCIETY THROUGH THE COORDINATED WORK OF DIFFERENT ORGANIZATIONS.

SOME 381 MEMBERS OF 242 CSOs AROUND THE COUNTRY PARTICIPATED IN WORKSHOPS ABOUT THE CREATION OF NETWORKS AMONG ORGANIZATIONS WHO SHARE WORK GOALS, FUND RAISING, RESOURCE MOBILIZATION AND PROMOTION AND FOSTERING OF INTERNATIONAL COOPERATION.



Communication

We believe that CSR communication should mainly focus on creating discussion forums among different social players about the most important issues for the society as a whole and our organization in particular.

For such reason, we continue developing internal and external actions to achieve higher acceptance and understanding of CSR. We promote in-house publications online and on the Internet, through our own websites, such as bancogalicia.com, galiciasustentable.com and priar.org.ar. In addition, we participate in opinion articles and comments in specialized publications and press releases.

In 2010, we added social networks to our traditional communication channels. We have presence on: Twitter and Facebook, *The official account in Twitter (@BGalicia) is the most widely accepted among domestic private-sector banks*²⁸.

²⁸. www.twittercounter.com

Coordination

Coordination activities are essential to ensure CSR cross-sector work by providing a long-term vision and an environment perspective that may improve the expected results. Thanks to the coordination of efforts and knowledge with other areas of the Bank or other social players, it is possible to develop more comprehensive and far-reaching responses to the complex challenges posed by sustainable development.

Jointly with the Institutional Affairs area, we implemented the DAIA - Banco Galicia Award. It honors outstanding performers on Shoá (Holocaust) and Inclusion issues.

The winners of 2010 were the following: Ms. Adriana Domínguez, Head of INADI Córdoba Office, and Ms. Laura Mabel Spina, Educational Project Director of Gral. Pueyrredón District.

In liaison with the Middle-market Banking area, we launched the 4th Edition of the *Banco Galicia - Revista Chacra a la Gestión Solidaria del Campo* (Banco Galicia-Chacra Magazine's Rural Solidarity) Award, the purpose of which is to increase the visibility, promotion and spreading of CSOs that silently work to help the most impoverished people. During 2010, 82 projects were presented by CSOs around the country.

Rural Solidarity Award	
Award	Winners
Food	<i>Fundación Huerta Niño</i> (Children-Orchard Foundation), “ <i>Mi Huerta</i> ” (My Orchard) Project Santiago del Estero, Chaco, Corrientes, Córdoba, Salta, La Rioja, Catamarca and Tierra del Fuego provinces
Education	<i>Fundación Fondo de Becas</i> (FONBEC) Scholarship Endowment Fund, “ <i>Fondo de becas para alumnos de zonas rurales</i> ” (Scholarship Endowment Fund for Rural Area Students). Mendoza province.
Health	<i>Fundación para la Atención Rural Oftalmológica</i> (F.A.R.O.) Ophthalmology Care Foundation, “ <i>Salud oftalmológica para todos</i> ” (Eye Health for Everyone) Program. Córdoba province.
Labor Promotion	<i>Fundación para el Cambio</i> (Foundation for Change Support), “ <i>Recuperación de tierras de cultivo</i> ” (Recovery of Farmland) Program. Jujuy province.

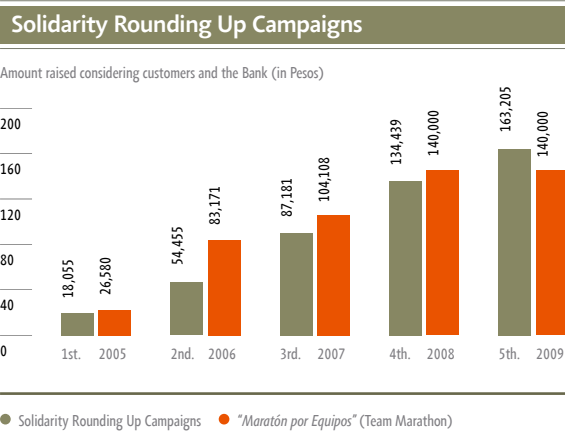




In coordination with the Retail Banking area, we launched the 6th Edition of the Solidarity Rounding Up Program (*Programa Redondeo Solidario*). The purpose of this program is to raise funds for financing projects presented by CSOs. It is based on the donation of the roundup amount our customers pay on their credit cards²⁹. The Bank doubles the amount raised through customers' donations. Furthermore, part of the income from the registrations for the “*Maratón por Equipos*” (Team Marathon) organized by the Bank is added to the amount raised through the campaign³⁰.

Projects supported by the 5th Edition of the Solidarity Rounding Up Campaign (2009-2010):

5 th Solidarity Rounding Up Campaign	
Organization	Purpose
Claudina Thévenet Foundation	Maintenance of the Integral Assistance Center (<i>Centro de Atención Integral</i>) that provides assistance to youth and children with mental retardation and speech impairments
Biblioteca Provincial para Discapacitados Visuales (Provincial Library for Visually Impaired Individuals) (Córdoba)	Purchase of a 4x4 PRO Braille printer to be used by the Printing and Editing Department
Instituto Leloir Foundation	Purchase of a fluorescence microscope for its new Biosafety area which will serve to study pathogenic microorganisms that cause Brucellosis, Chagas disease and Dengue
Work conducted by priest Mario Pantaleo	Development of the Educational Center located in González Catán (La Matanza)



In addition, we promote alliances with other public, private and third sector players. Working together with other individuals or organizations that share our commitment to sustainability help us add capabilities, drive strengths and integrate complementary resources³¹.

In 2010, we continued taking part in the “Tax Credit System”, an initiative of *Instituto Nacional de Educación Tecnológica (INET)*³² (National Institute for Technological Training), that finances educational institutions' projects for acquiring equipment and delivering relevant training. Until 2010, we have sponsored 46 projects in 14 provinces for a total value of \$ 2,467,280.

ISO 26000. THE PUBLICATION OF THE ISO 26000 SOCIAL RESPONSIBILITY STANDARD IS AN INTERNATIONAL MILESTONE IN THE ACCEPTANCE AND STRENGTHENING OF A SUSTAINABLE MANAGEMENT MODEL. REPRESENTATIVES FROM THE GOVERNMENT, BUSINESS, ACADEMIC, TRADE UNION, AND CIVIL SOCIETY SECTORS, AMONG OTHERS, PARTICIPATED IN THE DRAFTING OF THIS STANDARD, WHICH ATTACHES MORE LEGITIMACY AND TRANSPARENCY TO IT. ISO 26000 STANDARD ENCOURAGES A COMMON WORKING FRAMEWORK AND PROVIDES GUIDANCE TO ANY TYPE OF ORGANIZATION IN THE INCORPORATION OF SOCIAL RESPONSIBILITY INTO EVERYDAY PROCEDURES AND PRACTICES. BANCO GALICIA WENT ALONG WITH THE EXTENSIVE PROCESS TO COMPLETE THIS INITIATIVE BY PARTICIPATING IN WORK GROUPS IN BUSINESS ORGANIZATIONS.

Awards and Honors Granted to Banco Galicia

Throughout 2010, our outstanding performance in several areas was recognized by the following awards:

PREMIO AL BANCO MÁS SUSTENTABLE DE LA ARGENTINA (THE MOST SUSTAINABLE BANK IN ARGENTINA): GIVEN BY THE ENGLISH PUBLICATION “NEW ECONOMY”.

JERRY GOLDENBERG AWARD: IN THE “BEST SERVICE ADVERTISER” CATEGORY, DOSSIER PUBLISHER.

INNOVATION IN HUMAN RESOURCES 2010: RANKED 2ND IN TRAINING AREA IN THE “EDUCATION AND KNOWLEDGE MANAGEMENT” CATEGORY.

OBRAR AWARD: GRANTED BY *CONSEJO PUBLICITARIO ARGENTINO* (ARGENTINE ADVERTISING COUNCIL) FOR THE SOLIDARITY ROUNDING UP CAMPAIGN.

SILVER EIKON AWARD IN THE MANAGEMENT ISSUES CATEGORY: *25 DE MAYO 2010. UNA ARGENTINA POSIBLE* (MAY 25TH, 2010. ANOTHER ARGENTINA IS POSSIBLE).

SOLIDARITY AWARD: GIVEN BY COAS.

INSTITUTO ARGENTINO DE RESPONSABILIDAD SOCIAL EMPRESARIA (IARSE) (ARGENTINE INSTITUTE OF CORPORATE SOCIAL RESPONSIBILITY) (IARSE, AS PER ITS INITIALS IN SPANISH) FOR THE SUSTAINED COMMITMENT TO THE PROMOTION AND SPREADING OF CSR.

LEER FOUNDATION: FOR ENCOURAGING LITERACY AND READING IN ARGENTINA.

IMPULSAR FOUNDATION: FOR THE ONGOING SUPPORT TO *PROGRAMA JÓVENES EMPRENDEDORES* (YOUNG ENTREPRENEURS PROGRAM).

FUNDAMATER: FOR SUPPORTING THE MOST IMPOVERISHED SECTORS.

COMISIÓN PARA LA PLENA PARTICIPACIÓN E INCLUSIÓN DE LAS PERSONAS CON DISCAPACIDAD (COPIDIS) (FULL INTEGRATION AND INCLUSION OF THE DISABLED: FOR SUPPORTING SOCIAL INCLUSION PROGRAMS.

YOUNG MEN’S CHRISTIAN ASSOCIATION (YMCA): RECOGNITION FOR BANCO GALICIA’S COMMITMENT AND SOLIDARITY WORK THAT HELPS BUILD CIVIC RESPONSIBILITY.



²⁹. The money raised is recorded under a liabilities account, and the total –between the donation of customers and that of Banco Galicia– is transferred to the organizations in equal parts. Such funds do not accrue interests for the Bank’s benefit and they are not used to deduct taxes. Customers who want to deduct the amount of the donation from their income tax use the account statements as evidence.

³⁰. In 2010, 5,204 runners participated.

³¹. The chapter on Community describes these programs in detail.

³². When the INET issues a Tax Credit Certificate documenting the Bank’s investment for the benefit of a school, this certificate is used for the payment of taxes at the AFIP. The Bank includes this certificate discounting it in the Value Added Tax (VAT) tax return.

THE REPORT
DESCRIBES THE
RELATIONSHIP WITH
OUR STAKEHOLDERS
AND THE ACTIONS
DEVELOPED TO
STRENGTHEN IT. OUR
TEN OUTSTANDING
ACHIEVEMENTS
IN 2010 WERE:

10. Creation of the Environment Preservation Fund

Launching of the Environment Preservation Fund that grants subsidies to support researchers and Civil Society Organizations for the development of scientific or technical projects directly related to natural environment preservation.

9. Development of Suppliers

Launching of the *Valor* Program AMIA, BID, FOMIN, which aims at improving our suppliers' productivity from a sustainable perspective.

8. Equal Educational Opportunities

Improvement of the university scholarship program, by supporting access to higher education for a greater number of young people from low-income sectors through new alliances with CSOs.

7. Equal Access to Health Care

The Hospitals and Health Centers Improvement Program was enlarged, which resulted in more medical care institutions available in the provinces to facilitate the work of doctors and encourage a better assistance to patients.

6. Training for SMEs and Entrepreneurs

Strengthening of training and professionalization programs for Small- and Medium-Sized Companies (SMEs) and micro entrepreneurs a core economic driver in Argentina that foster their business growth and formalization.

1. Corporate Governance Strengthening

The new organizational structure proposed by the Board of Directors and the Chief Executive Officer role strengthened, which had a positive impact on Banco Galicia's culture and added flexibility in management with a strong focus on results.

2. Performance Assessment for all Staff

The performance assessment model was enlarged to cover all employees. It associates performance to a variable compensation system with an evaluation criteria related to CSR.

3. Restructuring of Jóvenes Profesionales (Young Professionals) Program

This program was relaunched with a clear focus on generating new high-potential resources to occupy managerial positions, and incorporating professionals that contribute to the business.

4. Launching of Tarjeta Universitaria (Card for College Students)

New service for college students that provides them with access to financial services and related benefits since their early youth.

5. Financial Inclusion

The acquisition of *Compañía Financiera Argentina* strengthened our growth strategy for the non-bancarized individuals' segment in a constant attempt to develop business operations in Argentina.





OUR FOCUS: CUSTOMERS

A RELATIONSHIP
BASED ON TRUST
AND SERVICE



BANCO GALICIA'S SOCIAL ACCOUNTABILITY -
2010: MARKET SHARE INCREASE FOCUSED ON
BUSINESS AND PROFESSIONALS SEGMENT

IN 2010 THE BANK DEPLOYED A DEDICATED SALES FORCE ACROSS THE COUNTRY TO ATTEND THE BUSINESS AND PROFESSIONALS SEGMENT, AND THIS HELPED DUPLICATE THE RETAILERS PORTFOLIO. IN TERMS OF LOANS, THE NUMBER OF INDIVIDUAL TRANSACTIONS INCREASED BY 30% COMPARED TO 2009. OUR OFFERS AND BENEFITS FOR INDIVIDUALS, AS WELL AS THE VARIOUS TYPES OF LOANS AVAILABLE, BASED ON ARGENTINE PEOPLE'S NEEDS, HAVE BEEN WELCOMED BOTH BY OUR EXISTING CUSTOMERS AND THOSE THAT HAVE CHOSEN US IN 2010.

CHALLENGES FOR 2011

AT BANK LEVEL, WE WILL IMPLEMENT AN IMPROVED PROCESS FOR SERVICING CUSTOMERS THAT REMAIN LARGELY NON-BANCARIZED, IN ORDER TO ENHANCE SERVICE TIMES AT BRANCHES WHEN CUSTOMERS CASH THEIR SALARIES AND CONDUCT OTHER BANKING TRANSACTIONS. WE WILL TAILOR POST-SALE PROCESSES AND INCLUDE NEW TECHNOLOGY TO SOLVE CLAIMS AND COMPLAINTS OVER THE TELEPHONE. WE WILL INSTALL A QUEUING SYSTEM TO OFFER A BETTER CUSTOMER SERVICE. WE WILL DEVELOP MOBILE PHONE FUNCTIONS FOR CUSTOMERS TO PAY THEIR BILLS AND CREDIT CARD FROM THEIR CELL PHONES.

JUAN SARQUIS
RETAIL BANKING MANAGER



BANCO GALICIA'S SOCIAL
ACCOUNTABILITY - 2010: BENEFITS
TO ALL THE VALUE CHAIN

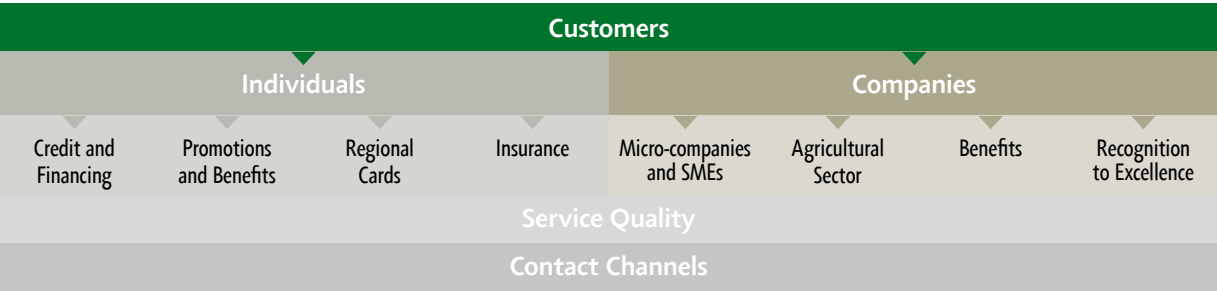
WE HAVE OFFERED A WIDER RANGE OF FINANCING ALTERNATIVES TO PROVIDE MORE BENEFITS TO ALL THOSE WHO TAKE PART IN THE VALUE CHAIN. WE ATTAINED BETTER SOLUTIONS AND MET EACH CUSTOMER'S NEEDS BY INCREASING OUR VISITS TO COMPANIES AND THEIR PRODUCTION UNITS, STRENGTHENING TRAINING PROGRAMS, HOLDING EXCHANGE MEETINGS AND DISCLOSING OUR BEST SUSTAINABILITY PRACTICES.

CHALLENGES FOR 2011

TO BUILD LONG-LASTING AND SUSTAINABLE RELATIONSHIPS TO HELP US ACHIEVE A STRATEGIC POSITION AMONG PRODUCTIVE SECTOR COMPANIES. WE WANT TO GROW STRONGER WITHIN THE MEDIUM-SIZED COMPANIES SEGMENT AND THE AGRICULTURE AND LIVESTOCK SEGMENT, BY INCREASING ELECTRONIC TRANSACTIONS, FOREIGN TRADE TRANSACTIONS AND PENETRATION OF THE GALICIA RURAL CARD. BY PROVIDING TAILORED FINANCIAL ADVISORY SERVICES, WE HELP THEM IMPROVE THEIR RESULTS WITHIN A SUSTAINABLE MANAGEMENT FRAMEWORK.

GASTÓN BOURDIEU
WHOLESALE BANKING MANAGER

Banco Galicia wants to create banking solutions through a wide range of products, services and benefits in line with our customers’ quality and service expectations in each stage of their lives and/or activities. As a universal bank, we work to provide easy access to financial services to as many people as possible, without overlooking the specific needs of each and every segment we work with: Companies, stores, professionals and individuals.



INDIVIDUALS

In 2010, we kept on working with our customers to reinforce the “Cada día más” (More Every Day) concept, not only from the commercial but also from the personal and human point of view. We met savings and financing needs of more than 1,400,000 people, tailoring products and benefits to each one’s profile. Customers who are salaried employees and have a payroll agreement with us account for 65 % of our portfolio.

Credit and Financing Solutions

Galicia’s personal loans helped us keep supporting our customers’ projects:

- We grant Personal Loans (*Préstamos 24*) through ATMs at every branch of the Bank, so that customers living or working far away from their branch of origin may obtain the money they need quickly and easily.
- We launched a special offer to fully finance car purchases³³, which helped customers get access to their first car or even exchange it for a new one. Some 3,869 vehicles were purchased by using this credit line.

Consumer Credit Lines		
	2010	2009
Total Amount (millions of Pesos)	1,972	1,126
Number of Transactions/People	110,292	85,046
Average Amount (in Pesos)	17,881	13,240

The main goal in 2010 for Galicia Cards (Visa, Visa Electrón, American Express and MasterCard) was to provide more benefits to our customers; for such purpose, we conducted more than 1,300 promotions, 1,100 of which were made in the provinces. Thus, each region entered into relevant agreements based on their customers’ needs. We also doubled the credit limit for installment purchases to offer a larger limit for interest-free installment purchases. In 2010, 1,107,325 cards were delivered nationwide.

Galicia Insurance

Through a wide range of insurance covers, our customers may protect their wealth and most cherished belongings, and this provides ease of mind and security in case of a contingency for themselves or their family.

In 2010, we offered an innovative variety of covers, including –based on the type of insurance– improved covers with preferential benefits and prices, special discounts, an additional advisory service and legal assistance.

In 2010, a significant number of customers has started to take out Personal Accidents insurance cover to protect themselves and their wealth in the event of death; the demand of this product increased by 70 per cent.

Main Insurance Data	
Number of Policies in Force	900,000
Amount in Pesos of Sum Insured	30,140,000,000
Number of Home Insurance Policies	144,413 Active Policies
Number of Life Insurance Policies	204,238 Active Policies
Number of Property Insurance Policies	695,762 Active Policies
Number of Claims Filed per Month from Active Insurance Customers	2,355 Claims (0.18 % of Stock)

Promotions and Benefits

We know that Promotions and Benefits are highly valued by customers nationwide, since their purchase capacity is increased. In this respect, in 2010 there were significant discounts in major supermarket chains. In addition, we entered into agreements with 19 shopping malls and offered discounts in more than 100 clothing brands. Our promotions included different consumption items, such as toy shops, restaurants, hairdressing salons and various products, e.g. paints, household appliances, technology and telephony, and travels, among others. Our customers made purchases worth more than \$ 1.7 billion by means of our promotions.

The main purpose of our Benefit Programs is to enhance the relationship with our customers.

- **The Aerolíneas Plus program:** Thanks to this benefit, 45,569 customers redeemed their points for 174,861 air tickets to the destinations offered by Aerolíneas Argentinas inside the country and abroad.
- **Tu Estilo Galicia (Your Galicia Style)**³⁴ kept on growing as a “women community”, offering a virtual forum to share experiences, get informed about topics of interest and get access to up to 30% savings in clothing and hairdressing salons. The topics discussed at the forums include parenting, maternity, work and lifestyle. As far as health is concerned, in October, *Tu Estilo Galicia* adhered to the International Breast Cancer Campaign and displayed on its website the importance of self-examination as the main prevention method. The wide-spread acceptance of this website results in 25,130 visits on average and 227,766 visits per month.

Women Users Registered on *Tu Estilo Galicia*



IN 2010 *TARJETA UNIVERSITARIA GALICIA* (GALICIA COLLEGE CARD) WAS LAUNCHED WITH THE PURPOSE OF OFFERING FUTURE PROFESSIONALS EASY ACCESS TO FINANCIAL SERVICES IN THEIR EARLY YOUTH. THE FIRST AGREEMENT WAS SIGNED WITH *UNIVERSIDAD NACIONAL DE TUCUMÁN*. THIS INITIATIVE, JOINTLY FOSTERED WITH THE ADMINISTRATIVE POLICIES AND MANAGEMENT AND WELL-BEING DEPARTMENTS OF THE UNIVERSITY, ENABLES STUDENTS TO MAKE DEPOSITS WITH OR WITHDRAWALS FROM BANCO GALICIA'S ATMs FREE OF ADMINISTRATIVE COSTS, RECEIVE MONEY WIRES, TOP UP THEIR CELL PHONES, BUY BUS TICKETS AT A DISCOUNT AND ENJOY PURCHASE DISCOUNTS IN THE SUPERMARKETS SUBSCRIBED TO THE PLAN. THE BANK WILL KEEP ON ENCOURAGING THESE INITIATIVES BOTH IN PUBLIC AND PRIVATE UNIVERSITIES.

33. This is an unsecured loan, with no pledge, a 20% fixed rate and 60-month repayment term.
34. <http://www.tuestilogalicia.com.ar/>





BANCO GALICIA'S SOCIAL ACCOUNTABILITY - 2010: INCLUSION OF NON-BANCARIZED PEOPLE INTO THE FORMAL CREDIT CIRCUIT.

THERE ARE TWO BASIC WAYS TO PROVIDE FINANCIAL ASSISTANCE AND TRANSACTION SERVICES TO THE MID- AND LOW- INCOME SECTORS TO MEET THEIR CONSUMPTION NEEDS: CREDIT CARDS AND PERSONAL LOANS. IN THE CASE OF CREDIT CARDS, THESE ARE PROVIDED BY OUR AFFILIATED REGIONAL CARDS AND THEIR CONTROLLED COMPANIES THAT FURTHER DEVELOPED THEIR GEOGRAPHICAL EXPANSION AND THEIR PRODUCT IMPROVEMENT. IN THE CASE OF PERSONAL LOANS, THESE ARE PROVIDED BY COMPAÑÍA FINANCIERA ARGENTINA, OUR MOST RECENT ACQUISITION THAT OCCUPIES A LEADING POSITION IN THIS SEGMENT AND WITH THIS PRODUCT. IN THIS WAY, THE BANK COMPLEMENTS ITS SERVICES AND GROWS STRONGER AS THE MAJOR PRIVATE SUPPLIER OF FINANCIAL SERVICES TO THE MOST IMPOVERISHED ECONOMIC SECTORS.

CHALLENGE FOR 2011

IN 2011 *TARJETA NARANJA* WILL ENDEAVOR TO EXPAND AND STRENGTHEN IN THE CITY OF BUENOS AIRES AND GREATER BUENOS AIRES; WHEREAS AT INTERNATIONAL LEVEL, GIVEN THE LATEST AGREEMENT SIGNED, THE OBJECTIVE IS TO LAUNCH *TARJETA NARANJA* IN PERU AND THUS CARRY THE FINANCIAL SERVICE QUALITY AS WELL AS THE DISTINCTIVE ORGANIZATION CULTURE THAT PROMOTES EMPLOYEES AND THE COMMUNITY DEVELOPMENT TO OTHER COUNTRIES WITHIN THE REGION. IN TURN, THE CHALLENGE OF *TARJETAS DEL MAR* WILL BE TO STRENGTHEN THE CARD “LA ANÓNIMA” JOINTLY WITH THE MAIN SUPERMARKET CHAIN THAT GIVES THE NAME TO THE CARD.

SEBASTIÁN PUJATO
CONSUMER MANAGER

Regional Cards

Our regional card business –which includes *Tarjeta Naranja*, *Tarjeta Mira* and *Tarjeta Cuyana*– continued to stand out in the market for its professionalism and the quality of the services provided to our customers, which reflected an increase in transactions conducted, statements issued and billing. The widespread acceptance of such cards has helped us strengthen our presence in the provinces, their market of origin, thus extending regionally with a service focused on each local aspect. Our credit card growth has encouraged us to face investment plans to support businesses and maintain ourselves in a leading position in this market.

Regional Cards	
Card	Distinctiveness
Naranja	<ul style="list-style-type: none">• Offers interest-free installment payment plans.• Created the “Customer Defender” role to efficiently improve and ensure service quality.• Option to choose the number of payment installment upon payment of credit card account through Plan Zeta.• Has the first mobile system (<i>Naranja MO</i>) that enables authorized customers to make purchase over their cell phones.• Started an international development.
Cuyana	<ul style="list-style-type: none">• Users have a SMS service to control purchases and credit limit available, due dates and payment crediting.• The investment made on the technology applied to the cell phone operation system led to a fivefold increase in transaction amount.• Option to choose the number of installment upon payment of credit card account with <i>Nevaplan</i> system.
Mira	<ul style="list-style-type: none">• A solidarity campaign with multiple contributions was successfully conducted between the Card and the customers, destined to local CSOs³⁵.• <i>Cuotificate</i> (Pay in Installments), the exclusive financing plan for invoiced balances enables customers to choose how to finance purchases up to 12 fixed installments.

Commercial Management ³⁶			
	2010	2009	Growth
Customers	3,560,618	2,944,544	35 %
Purchases in Stores (in millions of Pesos)	13,110	9,061	47 %
Loans Granted (in millions of Pesos)	1,140	706	206 %
Number of Employees	5,104	3,936	59 %
Loan Portfolio (in millions of Pesos) ³⁷	5,618	3,377	106 %



Acquisition of Compañía Financiera Argentina S.A. (CFA)

The highlight event in 2010 was the acquisition of Compañía Financiera Argentina (CFA), which helped us strengthen our presence in the low income and informal sector segment.

CFA offers a wide range of services –*Efectivo Sí*, *Cuota Sí*, *Emprender Sí*, *Seguro Sí* and *Tarjeta Sí*– to increase credit access opportunities for non-bancarized people in Argentina. These credit alternatives promote the growth of micro-companies and contribute to business development within our country.

CFA has a network that includes 95 service centers, 3,500 stores subscribed to *Cuota Sí*, and mutual benefit associations and cooperatives spread across the country. Customers count on a recognized firm with many years of experience to obtain credits promptly and easily, in a responsible and reliable setting and with Galicia’s characteristic respectful and professional service.

Compañía Financiera Argentina	
(in millions of Pesos)	2010
Number of Customers	470,066
Purchases in Stores	161
Loans Granted	1,020
Number of Employees	1,160
Loan Portfolio	1,322

35. The initiative combined Card as well as customers’ contributions. Contributions from the Card were used for sponsoring various CSOs, providing supplies destined to collection and training of CSO members in commercial aspects related to the collection of funds. Contributions from customers were included to the initiative *Eslabón Solidario* 30 institutions (Solidarity Connecting link to 30 institutions). In addition, around eight thousand direct debits in relation to solidarity contributions were made on a monthly basis, worth some \$ 25,000 per month. Contributions from more than 10% of our customer base were gathered and contribution collection campaigns were conducted on a monthly basis.

36. Includes data of *Tarjeta Naranja*, *Tarjeta Naranja Dominicana*, *Tarjetas Cuyanas* (the business name of which is *Tarjeta Nevada*), *Tarjetas del Mar* (the business name of which is *Tarjeta Mira*), *Tarjeta La Anónima* (issued by *Tarjetas del Mar*).

37. It includes loans transferred to financial trusts and loans granted on behalf and to the order of Banco Galicia.



COMPANIES

At Banco Galicia we conduct business with over 54,493 small-, medium-sized and large companies from different economic sectors nationwide, seeking to generate financial solutions and value-added services that may contribute both to their business development and competitive growth. During 2010, out of the Bank's total loan portfolio, 59% was allocated to productive sector financing.

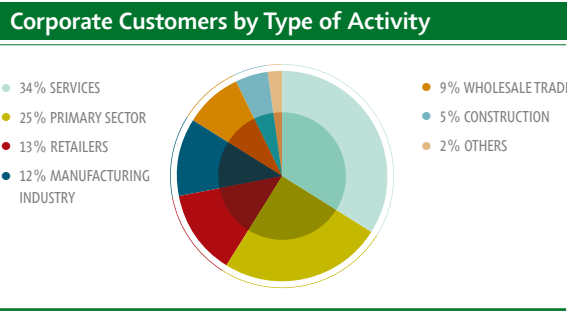
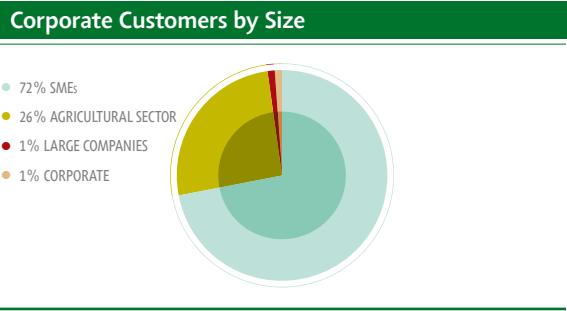
One of our strengths lies in the capacity to develop and maintain close relationships with companies. In this respect, we provide dedicated and focused services through officers at branches, head office and at the 9 corporate banking centers as well as through the commercial sales force specialized in different business lines.

Among the products and services valued by companies, the following are worth noting: Different options regarding collections and payment services, commercial credit cards³⁸, direct payroll deposits, alternatives in the capital market, foreign trade solutions and electronic banking.

38. Galicia Business Card (for small- and medium-sized company segments), Galicia Corporate Card (for large companies) and Galicia Rural Card (for agriculture and livestock companies).



Corporate Customers by Region in Argentina		
	2010	2009
01 Mar del Plata / Patagonia	4,244	3,878
02 Mediterranean	6,549	5,824
03 Metro I	8,668	8,100
04 Metro III	3,186	2,923
05 North	3,063	2,701
06 West	2,872	2,552
07 Andean	3,228	2,837
08 Metro II	4,445	4,122
09 Metro IV	4,176	3,728
10 Buenos Aires Province	4,198	3,929
11 Santa Fe / Northeast of Argentina	6,682	6,162
12 South	3,182	2,761
Total	54,493	49,517



Financing Granted to Companies		
Loans by Economic Sector (in millions of Pesos)	2010	2009
Agriculture and Livestock	2,268	1,803
Trade	2,436	1,649
Construction	318	177
Manufacturing Sector	3,012	2,082
Services	1,714	1,249
Others	101	214
Total Loans	9,849	7,174



Boosting Micro-, Small- and Medium-Sized Companies

Micro- and Small-Sized Companies

We want to support micro- and small-sized companies development with specific products, services and solutions that may serve the important role that these companies play in the development of the economy. To this effect, several meetings are held: Lunches³⁹, focus groups⁴⁰ and individual interviews with customers to analyze concerns, opinions and regional problems in order to ensure that needs are met.

During 2010, we exceeded 36,000 customers who are served by 250 specialized officers distributed all over the country in our branch network. Among these companies, about 11,317 have a payroll deposit agreement in force, which means that almost 212,016 people collect their salary through Banco Galicia. In addition, 28,922 customers from this segment hold current accounts, and about 50% have credits, either for working capital or for capital goods. Throughout the year, credit lines at subsidized interest rates were offered across all country regions.

39. Lunches were held in Córdoba, Rosario and Mar del Plata with 6 customers in each one.
40. Two focus groups were held with customers in the city of Buenos Aires.



Nature Crops - Manufacture of products made from quinoa. Photo: Adriana Almagro.

Medium-Sized Companies

In 2010 we were close to over 2,300 Medium-sized Companies through different credit lines to finance from working capital with products to medium- and long-term investment projects.

Credit Lines for Companies	
Program \$ 1,200 million	Extension of quota to include a higher share of our SME customers Purpose: To finance working capital, capital goods and investment projects Loan Characteristics: Financial loan or financial leasing at a fixed rate, variable or mixed Results up to 2010: 11,358 projects were approved for \$ 2,298,796 million
Line of the International Finance Corporation (IFC)	We have renewed the agreement with the IFC in force since 2005; on this occasion two new Credit lines are made available to its corporate customers for a total amount of US\$ 40 million Purpose: To provide an alternative to financing in Dollars in order to fund incremental Working Capital and Capital Goods to SMEs from all productive sectors Loan Characteristics: 36-month line: Aimed at financing incremental working capital and capital goods in U.S. Dollars, at a fixed rate in U.S. Dollars. 60-month line: We finance the purchase of capital Goods or the development of investment projects that are related to an environmental benefit, at a fixed rate in U.S. Dollars Results up to 2010: 7 projects were approved for US\$ 7 million
FONTAR Fondo Tecnológico Argentino (Argentine Technological Fund)	Purpose: To finance technological innovation projects carried out by companies from the manufacturing/industrial sector Loan Characteristics: Financing in Pesos, fixed interest rate and a term up to 9 years, with a grace period for the payment of principal, depending on the project's cash flows. It requires that the company incorporate the necessary intangible assets to go from the pilot stage to the industrial stage Results up to 2010: 71 projects were approved for \$ 83.80 million
BICE (Banco de Inversión y Comercio Exterior, Bank for Investment and Foreign Trade)	Credit line aimed at financing medium- and long-term investment projects Purpose: To offer a financing alternative in order to leverage companies' productive activities Loan Characteristics: Financial loan or leasing at a variable interest rate in Pesos or U.S. Dollars Results up to 2010: 13 projects were approved for \$ 21 million

Credit Programs between the Inter-American Development Bank and the Provinces –IDB line– San Juan (San Juan Quality Program)	Credit line aimed at financing working capital and/or technical assistance, the purchase of Capital Goods and repair of real estate property related to the use of the company for Micro-, Small- and Medium-Sized companies that conduct their productive activity in San Juan Province. Purpose: To enable SMEs to develop their productive activities and generate value added to the sector with the incorporation of goods and services Loan Characteristics: The term can be extended up to 15 years, including a grace period of up to 5 years for principal repayment. The minimum term for investment projects will be 3 years. Up to the equivalent in Pesos of US\$1,000,000 will be financed to Micro- and Small-Sized companies and up to the equivalent in Pesos of US\$3,000,000 to Medium-Sized companies, but it may not exceed 80 % of the project Results up to 2010: 3 projects were approved for \$ 350,000
Credit Programs between the IDB and the Provinces - Working Capital Line Harvest Season and Preparation 2010 Campaign	The Investment Development Agency of San Juan Province within the framework of Project (UNDP) N° 07/001 has called a series of Bids for Subsidized Interest Rates, in which Banco Galicia has been awarded \$ 1 million Purpose: To finance working capital to Agricultural and Agro-Industrial Companies that conduct their business in San Juan Province Loan Characteristics: Peso-denominated loans at a fixed nominal annual of 10.50 % and a 9-month term Results up to 2010: 3 projects were approved for \$ 850,000
Growth Incentive Program of SePyME (Undersecretaryship of Small- and Medium-Sized Companies)	We were awarded \$ 81.9 million to finance working capital and fixed assets for SMEs nationwide and from all economic sectors Purpose: To contribute to the development of Micro-, Small- and Medium-Sized Companies through the granting of loans at a Rate Subsidized by SePyME Loan Characteristics: The maximum amount to be financed for working capital is \$ 300,000 and for the purchase of capital goods is \$ 800,000, at a Fixed Nominal Annual Interest Rate (10 %, 11 % and 13 %) in Pesos and with terms ranging from 6 to 60 months Results up to 2010: 391 projects were approved for \$ 82 million

Working Close to the Rural Sector

We continue supporting the development of almost 12,000 agricultural and livestock companies, offering credit lines to cover the entire sector's needs, and offering the Galicia Rural card, the agricultural card market leader, with which our customers can finance machinery, supplies and services for the farm in over 7,000 participating stores nationwide.

In 2010 we opened a Bank at Work in the *Mercado de Liniers* facilities (Agriculture and Livestock market) in order to serve only the companies operating in the premises and their employees and provide them with all our range of products and services.

Regarding the Galicia Rural card, during the year we incorporated the following new features:

- A website specialized in Galicia Rural card was set up in Galicia Office, which allows our customers to access their account statements, the latest movements made with the Card, balances, credit limits and payments, among others.
- Over 80 agreements were sealed with the sector's leading companies to provide interest-free financing (maximum total financial cost 2 %) with terms ranging from 90 to 240 days.
- Galicia Rural card joined Nidera's *Programa Líderes* (Leaders' Program), to provide exclusive discounts and benefits for each customer segment within the program.
- In March pre-campaign operations were carried out to enable Card customers to buy at the companies with interest-free financing agreements (maximum total financial cost 2 %) and pay the purchase in 2011.

Commissions obtained from purchases made through the Galicia Rural card are used to make donations to social projects determined together with partner institutions:

Commission Donations		
Entity	Project	Beneficiaries
Aapresid	<i>Federación de Institutos Agrotécnicos Privados de la República Argentina</i> (Argentine Federation of Private Agrotechnical Entities)	School beneficiaries: 140 (T. del Fuego Neuquén, Chubut, Mendoza, San Juan, La Rioja, Salta, Tucumán, Santiago del Estero, Chaco, Entre Ríos, Corrientes, Misiones, Córdoba, Santa Fe, Buenos Aires, La Pampa) Students involved: 20,000 Bank's donation amount: \$ 8,180
Aacrea	<i>Programa Líderes</i> (Leaders' Program)	Total number of participants: 160 (Buenos Aires, Concordia, Tucumán, Bahía Blanca and Trenque Lauquen) Bank's total donation amount: \$ 57,000 (\$ 5 scholarships for the Program) and \$ 18,174 (pursuant to an agreement with TGR card)
	<i>Programa de Padrinazgo a Escuelas</i> (School Sponsorship Program)	Number of sponsored schools: 150 Number of students involved: Over 20,000. Bank's total donation amount: \$ 54,288 (pursuant to agreement with TGR card)

BANCO GALICIA IS A FOUNDING PARTNER OF THE *PRODUCIR CONSERVANDO* FOUNDATION (FPC), AN INSTITUTION SUPPORTING THE AGRICULTURE AND LIVESTOCK SECTOR IN THE CHALLENGE TO ATTAIN INTEGRATION OF ALL PARTICIPANTS IN THE AGRI-FOOD CHAIN. DURING 2010 OUTREACH ACTIVITIES WERE CONDUCTED TO PROMOTE THE WORK "EL MUNDO EMERGENTE Y LA DEMANDA DE ALIMENTOS: DESAFÍOS, OPORTUNIDADES Y ESTRATEGIA DE DESARROLLO DE LA ARGENTINA" ("THE EMERGING WORLD AND FOOD DEMAND: CHALLENGES, OPPORTUNITIES AND DEVELOPMENT STRATEGY OF ARGENTINA"). IN ADDITION, THE NEW 2020 AGRICULTURAL FORECASTS FOR ARGENTINE AGRICULTURE WERE PRESENTED.



Foreign Trade

We support foreign trade activity, providing companies with a wide range of financial tools and value added services for their international business. Within this business line, during 2010, we generated an export and import volume estimated at US\$ 10,410 million, accounting for 8.2% of Argentina's foreign trade that year.

In addition, a Financial Assistance line for Service Exporters was launched to provide financing to those who deliver services to non-residents, both for the development process and the business term of the operation.

Since 2010, we have teams of Foreign Trade Officers specialized by segment: Corporate, SME and Agriculture and Livestock.

Benefits

Galicia Convenios

Through *Galicia Convenios*, we generate strategic alliances and commercial campaigns with companies from the SME, Corporate and Agriculture and Livestock segments that enable supplying companies to reach our broad customer base with their goods and services, through special offers generated by the Bank. On the other hand, those companies can offer their own current customer base new financing possibilities for their products. At present, the Bank has 102 agreements to finance all productive sectors.

In addition, transactions through the Vendor System, a custom-made software enabling companies to finance their customers through the Bank, keep growing. The system has been installed during this year, generating a financed volume of \$ 147.91 million.

Training for Companies⁴¹

Our support to company activities is also expressed in the encouragement and promotion of different training actions for companies, some of which have been under way for several years.

Training for Companies

Universidad siglo XXI	<p>Purpose: To help boost productive activity, provide strategic knowledge, generate greater professional competitiveness and promote practices inspired in environmental and social issues.</p> <p>Description: Foreign Trade Diplomas⁴²</p> <p>Results: 33 participants in Posadas and Bahía Blanca⁴³</p> <p>Description: SMEs Professional Management Diplomas⁴⁴</p> <p>Results: 28 participants in Mendoza and Pilar</p> <p>Description: Foreign Trade Update Sessions</p> <p>Results: 77 participants. Delivered to graduates of the Foreign Trade Diploma obtained between 2005 and 2010.</p>
Instituto Vasco Argentino de Formación Tecnológica	<p>Purpose: To offer possibilities of accessing new technologies for designing and manufacturing mechanic parts and sets, facilitating entry into the labor market and improving competitiveness of the employing SME companies.</p> <p>Description: Technical training for workers, technicians and professionals</p> <p>Results: Number of students 476. Number of delivered courses 18</p>
Universidad Austral	<p>Purpose: Financing of the Research Project on ENPA "Study on the needs of the Argentine Agriculture and Livestock Producer"</p> <p>Description: Agreement with UA and Purdue University (USA). We are members of <i>Consejo de Empresas Asociadas</i> (Associated Companies Council) that funds this project, as the only financial institution.</p> <p>Results: Five presentations in Rosario, Buenos Aires, Santa Cruz de la Sierra (Bolivia), Montevideo (Uruguay) and Pergamino (Buenos Aires Province). Number of attendants 380</p> <p>Purpose: To cooperate with the development of customers and employees interested in the agribusiness. We offer special discounts.</p> <p>Description: Master's Degree in Agribusiness</p> <p>Results: Number of students that took the master's course in 2010: 45 Number of students that completed the master's degree since the beginning up to 2010: 91 Number of master's degree teachers in 2010: 26 teaching faculty and 24 guest teachers.</p> <p>Description: Programs and seminars in Agribusiness 2010</p> <p>Results:</p> <ul style="list-style-type: none"> - PDA - Agribusiness Management Program - International Seminar "The Soya Bean Business Worldwide: lessons learned and medium- and long-term prospects" - Cycle of Seminars: Taxes in the Agriculture and Livestock Sector Business - Program: Hedging with futures and agricultural options. <p>Number of attendants: 170</p>
EGEA	<p>Purpose: To provide Technical Training and Managerial Training courses, as well as training courses for rural teachers.</p> <p>Description: E-training program targeted at all people related to the agroindustrial chain (academic support of <i>Sociedad Rural Argentina</i> and <i>Universidad Católica de La Plata</i>)</p> <p>Results: Total number of courses delivered in 2010: 20 Total number of people following the courses in 2010: 554</p>
CEIDA ⁴⁵	<p>Purpose: To educate and train men and women with a managerial vocation for public issues.</p> <p>Description: Economic and logistic support to the Center</p> <p>Results: Number of graduates 2005-2010: 148 Number of students 2005-2010: 212 Number of students 2010: 93</p>
Materia Biz ⁴⁶	<p>Purpose: To provide small companies with managerial training tools through Master's Degrees in Business, Management Programs and Conferences.</p> <p>Description: Course specially designed for Banco Galicia customers delivered by Materia Biz</p> <p>Results: 40 SMEs from Autonomous City of Buenos Aires and Greater Buenos Aires.</p> <p>Description: Master's Degree in business in 10 modules</p> <p>Results: 28 companies from the provinces participated.</p>

⁴¹. Our traditional initiatives of company training were complemented by the following activities:
I. Update Seminars on Foreign Trade Regulations:
II. Fifth Session on Local Leadership "The Challenge to Transform Reality"
III. 2010 Agro-strategies Sessions
IV. ADMITE 2010



⁴². 18 Foreign Trade Diplomas were delivered between 2005 and 2010.

⁴³. The number of graduates will be made public during 2011.

⁴⁴. Both have been acknowledged by the National Ministry of Education.

⁴⁵. Centro de Estudios e Investigación para la Dirigencia Agroindustrial (Study and Research Center for Agro-industry Management).

⁴⁶. MATERIA BIZ is a community linked to the business world, made up of business men, executives, professors and researchers, consultants, publishers and students. Its contents include the production of researchers and professors from prestigious business schools, the participation of business men and executives in terms of their own experiences, the systematic study on the most distinguished papers of the academic world, and the original and spontaneous contribution of all members of the community.

⁴⁷. Prize winners are displayed at www.bancogalicia.com

Entrepreneurial Excellence Recognition⁴⁷

We believe that the efforts of companies and professionals that pursue a competitive profile for their business, innovation and excellence deserve recognition. This is the reason why we have three awards that recognize: The export capacity of national companies, outstanding people in business and agricultural journalism.

La Nación-Banco Galicia's 2010 Excellence in Exports V Award

The purpose of this Award, supported by the Argentine Chamber of Exporters (*Cámara de Exportadores de la República Argentina, CERA*), the IAE Business School and the Sailing Center (*Centro de Navegación*), is to publicly honor the efforts and achievements of SMEs to improve the competitive profile of their products and services within the global market, endorsing their originality, quality and competitiveness. In 2010 over 200 applications were received to participate in the different categories. Awards were given in 10 categories, including the Gold Award to the Highest Value Added Export. This award was granted to Reciclar S.A.

CAPA-Banco Galicia Award: Award to Agricultural Journalism 2010

The purpose of this award is to identify and encourage the best journalists specialized in the agriculture and livestock sector. After being in force for a decade, the contest honored over a hundred journalists from national, provincial and regional media, including graphic, audiovisual and digital media.

La Nación-Banco Galicia's 2010 Agriculture and Livestock Excellence VIII Award

For the eighth consecutive year, La Nación newspaper and Banco Galicia gave the award in recognition of men and women from rural areas that stand out for their work, effort and innovation. The award comprises 18 categories related to the agro-industry chain.

Mentores Award

The intention of this award is to recognize the potential of micro-sized companies and contribute to their growth, evaluating the business and the business men's capacity to get it under way. In 2010, 571 companies participated, 100 of which were Bank customers.



QUALITY

At Banco Galicia we work hard to make our service really efficient and for it to have a positive impact on people.

To achieve so, we focus on three key aspects:

- Constant process improvement
- Training for innovation
- Customer satisfaction assessment

Constant Process Improvement

Throughout 2010, improvement in processes impacting on customer service was reinforced, aiming not only at the Branch Network but also at Central Areas. The supplier/internal customer relationship improved, by setting up indicators, surveys and certifications, in addition to the training of employees that apply the constant improvement concept.

Processes certified by the ISO 9001 standard:

- Private Banking Service Model
- Branch Network Training
- Regulatory Analysis and Development
- *Cobranza Integrada Galicia* (Galicia Integrated Collection)
- *Préstamo 24*
- *Galicia Administradora de Fondos (FIMA)*

Training for Innovation

Employees' awareness of quality importance is essential to help pursue our vision. For that purpose, we have Quality Workshops where the role of each employee is worked on, reinforcing knowledge and skills impacting on the attitudes at stake in each contact with customers.

In addition, in order to maintain and implement certifications, it was necessary to deliver ISO 9001 Standard training courses, which were taken by everybody who was within the scope of the certified processes.

Facilitator Network

The mission of the quality facilitator network –made up of 37 people– is to be a reference regarding quality-related issues, not only in their workplace but across the organization as well. A “facilitator” joins, connects, liaises one person with another, communicates the idea of quality; all of these are their most important functions. They enhance their knowledge and develop their potential through an innovative network across all the organization.

Zona Ingenia

Since 2009 we have *Zona Ingenia*, a system of suggestions that has generated an open forum for all Bank employees to participate; it has become a forum for exchanging quality-related ideas and initiatives aimed at improving customer service and the internal service chain and well-being of employees. It is a permanent free-expression forum with in-house recognition, contests and awards.

In 2010 two contests were held for all the staff: One about improving internal and external customer service and another focused on suggestions on the Environmental Management System⁴⁸. In addition, a third contest was held and this was exclusively devoted to Private Banking and the staff related to this segment. A total of 400 suggestions and improvement projects that impact on daily customer service were gathered.

Service Level Agreements

New training workshops were developed with the purpose of creating service level agreements with different sectors of the organization, promoting a “partner” relationship rather than a customer/supplier one, with a view to generating self-management of agreements that may improve the service and the daily work relationship among the “associates”.

⁴⁸. Further information in the chapter on the Environment
⁴⁹. This indicator refers to branches and does not consider central areas' complaints.

Customer Satisfaction Assessment

In order to evaluate the quality of our service, we continued assessing the level of service quality in the Branches, which includes three indicators:

- **Customer satisfaction survey:** It measures service perception through a daily telephone survey.
- **The survey on service quality standards:** Branch service parameters are measured through the “mystery shopper” methodology implemented by an external supplier. In 2010, 93.1 % of standards in place were met.
- **Complaint management:** It measures the punctuality in the answers given to complaints and customers' suggestions. 93 % of complaints were answered on time⁴⁹.

Customer Satisfaction Level

0-to-10 Point Rating Scale

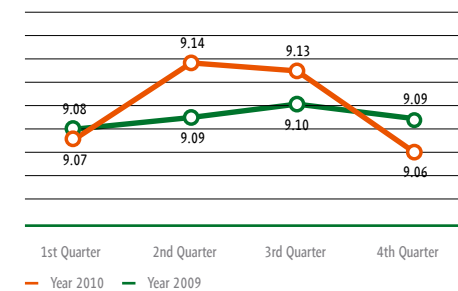
Kindness	9.03
Commitment	9.07
Knowledge	8.95
Advisory Service	9.08
Branch Introduction	9.15
Waiting Times	8.15
Total Average	8.86

Quality Indicators

	2010	2009
Branches Over the 8.80 Point Target	228	225
Branches Assessed	236	237
% Branches Over the 8.80 Point Target	97%	95%

Service Quality Level

0-to-10 Point Rating Scale



CONSUMER DEFENSE AGENCIES

ACCORDING TO A REPORT BY BUENOS AIRES CITY OMBUDSMAN, THE BANK IS MENTIONED AS ONE OF THE INSTITUTIONS THAT RECEIVED MORE COMPLAINTS RELATED TO THE GRANTING OF CREDIT CARDS AND PRODUCT WITHDRAWALS, AMONG OTHERS. WE HAD 19 COMPLAINTS REGISTERED WITH THAT AGENCY IN ALL THE YEAR, WITH A MONTHLY AVERAGE OF 1.6.

THE MONTHLY COMPLAINT AVERAGE IN CONSUMER DEFENSE AGENCIES FROM ALL OVER THE COUNTRY IS 13.4 IN BUENOS AIRES CITY AND 31.1 IN THE PROVINCES.

THE BANK HAS ITS OWN COMPLAINT SERVICE FOR CUSTOMERS TO SUBMIT THEIR CONCERNS AND SUGGESTIONS. 83 % OF THE TOTAL COMPLAINTS RECEIVED HAVE BEEN ANSWERED WITHIN THE SET TIME.





Satisfaction Research

Throughout 2010, we have included new indicators that facilitate the identification of improvement processes, which turns quality into a cross-cutting issue across the organization:

- **Satisfaction research for Individuals and Companies**, represented by segments, with the purpose of evaluating all products and services provided by Banco Galicia. The purpose is to listen more accurately our customers from all the segments that we serve. This research complements and gets deeper into the branch network satisfaction survey mentioned above.

For Retail Banking 2,995 customers were surveyed and the overall average reached was 8.28 points. Assessments were made during the year and the target was to beat the first assessment. The average increased from 8.28 to 8.35, reaching the abovementioned target.

For Wholesale Banking, 820 customers were surveyed and the overall average reached was 8.20 points. In this case, the objective was to beat the first assessment;

the average remained stable, increasing from 8.18 to 8.20. The goal for both studies is to improve averages in 2011.



- **Internal Customer Program:** It is a survey applied to the internal service chain to identify processes to be improved. This program helps us:
 - Determine the valuation and relevance level of the most important processes in relation to daily branch operations and their impact on the external customer.
 - Identify improvement opportunities to focus our actions on.
 - Enhance internal customer-supplier relationships.
- **Managerial Internal Service Survey (Encuesta de Servicio Interno a nivel gerencial, ENSI):** It is a survey applied to different central areas at a managerial level to identify processes to be improved. This survey is intended to measure the satisfaction level with regard to the service delivered among Head Office departments and divisions.
- **911 Service (in-house service for recording incidents):** This new survey is based on the Internal Customer Program results, and is made to all service users in order to identify the processes to be improved.

Waiting Times Management

The waiting time in teller lines is another indicator that we use to measure the quality of our service. In 2010, the annual average was 8.15 points, which meant an improvement against 2009 annual average of 8.10. Our target is to reach an average of 8.50 and not to have branches below 8 points.

In 2010 we implemented the Nemo-Q program, which is a queuing system at branches that allows customers to remain seated until they are called. This methodology has already been implemented in 36 branches.



WE PARTICIPATED IN A BANK BENCHMARKING STUDY, WHERE WE SHARED THE SECOND PLACE IN GENERAL SATISFACTION WITH THE BANK SERVICE. THIS SURVEY WAS MADE BY KNACK FIRM TO CUSTOMERS FROM BUENOS AIRES CITY, GREATER BUENOS AIRES AND MAIN LOCATIONS IN THE PROVINCES. THE FOLLOWING BANKS PARTICIPATED IN THE SURVEY: SANTANDER RÍO, BANCO FRANCÉS BBVA, CITI, STANDARD BANK, HSBC, MACRO AND PUBLIC-SECTOR BANKS.

OUR CUSTOMERS HAVE POINTED OUT SIGNIFICANT DIFFERENCES AS COMPARED WITH OUR COMPETITORS: WE OBTAIN THE HIGHEST SCORE IN THE BRANCH NETWORK SERVICE AND INTERNET BANKING, AND RANK SECOND IN TELLER SERVICE, SELF-SERVICE TERMINALS, PRODUCT RANGE, ACCOUNT AND CREDIT CARD STATEMENTS AND IMAGE.

ANOTHER ASPECT WORTH MENTIONING IS THE SO-CALLED NPS INDEX (NET PROMOTER SCORE), WHICH MEASURES THE DIFFERENCE BETWEEN CUSTOMERS WHO RECOMMEND US AND THOSE WHO DO NOT. WE RANK FIRST IN THIS INDEX TOGETHER WITH ANOTHER BANK, WITH A 41% SCORE (53% OF PROMOTERS MINUS 12% OF DETRACTORS).

IN CONTACT WITH OUR CUSTOMERS

Communication Channels

We have several graphic and electronic media –newsletters, message sent through Galicia Office– by means of which we communicate updates, products and services offered, different agency regulations applicable to foreign trade transactions (Argentine Central Bank [BCRA], Federal Public Revenue Authority [AFIP], Secretariat of Industry, etc.), among other issues.

We periodically pay business visits and hold meetings with corporate customers from all over the country, which allow us to know our customers’ needs thoroughly, generate new projects and improve aspects of our management. In 2010, we held over 620 meetings nationwide.

Our Customer Contact Center handles complaints through specialized officers and specific high-precision systems so as to provide an efficient answer. It also contributes to monitoring the quality of the service we deliver.

We adhere to the Advertising Code of Ethics and Self-Regulation (*Código de ética y autorregulación publicitaria*, CONARP) with the purpose of promoting responsible communication with our customers.

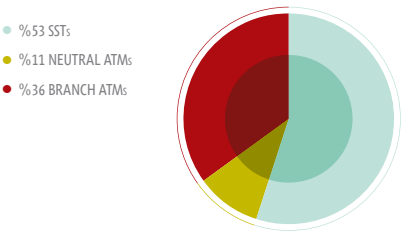
Service Channels

Throughout 2010, we encouraged the use of automatic service channels, providing our customers with simple, fast and safe electronic media to carry out their transactions. Those channels complement the dedicated services delivered by the wide national branch network and the Corporate Banking Centers.

We have over 690 ATMs nationwide and over 770 self-service terminals at branch locations, as well as the Phone Banking service (*Fonobanco*) and Mobile Banking (*Banca Móvil*, transactions from cell phone’s web browser, and SMS services), which make it possible to carry out daily transactions easily and promptly.

Internet Banking services are delivered through bancogalicia.com, the Bank’s portal that enables both individual customers (Galicia Home Banking) and companies (Galicia Office) to perform a wide range of transactions and submit queries. This is a highly appreciated channel, since interactive services include from a product offer to the calculation of the income tax.

Automatic Banking



There are 5 million customer visits to bancogalicia.com website per month in order to keep updated, inquire about products, services, promotions and other things, and to enter Galicia Home Banking or Galicia Office to conduct banking transactions.

Galicia Home Banking processes around 1,000,000 monetary transactions per month. This year a new feature was introduced to offer and credit Personal Loans on line.

Annual Data on Galicia Home Banking	
Monetary Transactions (in U.S. Dollars)	59,363,894
Monetary Transactions (in Pesos)	8,130,930,752
Transactions Processed	165,701,633

During 2010, new features⁵⁰ were implemented in Galicia Office, increasing the number of transactions that can be carried out through this channel. One of the 2010 achievements was the launch of the Export Electronic Invoice, which was introduced to over 600 companies nationwide and which was accepted by 40 organizations.

For the second consecutive year, we ranked first in the financial institutions benchmark report (Benchmarking of home banking sites in Argentina and worldwide, May 2010) made by TBI consulting firm. Banco Galicia was the only bank in the “Outstanding, to be imitated” category.



Accessibility in the Branch Network

In 2010 we continued working so that our customers may speed up their transactions. For that purpose, we expanded and enhanced our ATM network, which resulted in:

- Replacement of 33 ATMs
- Replacement of 73 Self-Service Terminals
- Installation of 37 new ATMs
- Installation of 10 Self-Service Terminals
- 18 ATMs with cash recognition functions
- 8 voice-guided ATMs for blind people⁵¹

In 2010 we made progresses with the installation of facilities for blind people in 8 ATMs, at which visually impaired or blind people can access the most often used ATM transactions by means of a very simple voice guidance system.

Accessibility		
	2010	2009
Branches with Special Bathrooms		
Total Number	93	87
% of Total Number of Branches	39	37
Branches with Ramps		
Total Number	119	114
% of Total Number of Branches	50	48
Branches with Elevators for Disabled People		
Total Number	50	43
% of Total Number of Branches	21	18

OUR CUSTOMERS’ SAFETY

IN 2010 THERE WERE FIVE BRANCH AND ATM ROBBERIES⁵² BESIDES, OWING TO THE GROWING CONCERN FOR MUGGINGS OUTSIDE BANK BRANCHES (“SALIDERAS”), WE ENDEAVORED TO TAKE THE LARGEST NUMBER OF MEASURES POSSIBLE TO COOPERATE IN PREVENTING THIS CRIME, INCLUDING:

- AS PART OF THE IMPLEMENTED “NEMO-Q” PROGRAM, VISUAL BARRIERS WERE INSTALLED THAT PREVENT DIRECTLY VIEWING THE TRANSACTIONS CUSTOMERS ARE CARRYING OUT AT THE TELLERS.
- THE TRAINING DIVISION WORKED ON INSTRUCTING OUR STAFF TO ADVISE CUSTOMERS ON SAFETY MEASURES IN ORDER TO AVOID BANK MUGGINGS.
- ADEBA⁵³ PROMOTED THE NEED TO ADOPT MEASURES THAT FAVORED ELECTRONIC TRANSFERS AND FREED CUSTOMERS FROM CARRYING MONEY. AS A RESULT OF THIS PROPOSAL, TRANSFERS AND ACCOUNTS FREE OF CHARGE WERE IMPLEMENTED AND CASH LOGISTICS SERVICES WERE SPED UP. AWARENESS MEASURES WERE WORKED ON THROUGH THE BCRA⁵⁴.
- SAFETY IN THE MOST AFFECTED AREAS WAS REINFORCED. INSIDE BRANCHES, WITH A THIRD SECURITY GUARD, AND OUTSIDE, WITH MORE POLICE PRESENCE.

50. The new features include: Integrated Collection Web Service, Mini Site for Galicia Rural card linked to Visa TGR, U.S. Dollar transfers, export electronic invoice, access to Red Link vouchers through Services Payment and Queries and settlement of Import Customs Clearance pursuant to new BCRA regulations.
51. Locations that have ATMs for blind people: Quilmes, Coronel Díaz, Mendoza, Luján, San Isidro, Castelar, Villa del Parque, Río Cuarto, Florida Il.
52. Branches: Haedo (Buenos Aires Province), Chacras de Coria (Mendoza Province), Mendoza (Downtown), Villa Devoto (Buenos Aires City) and Jumbo Unicenter (Martínez, Buenos Aires Province).
53. Argentine Bankers Association.
54. Argentine Central Bank



OUR PRIDE: EMPLOYEES

A RELATIONSHIP WITH AN EMPHASIS ON DEVELOPMENT AND THE FUTURE



SOCIAL ACCOUNTABILITY 2010: IMPROVEMENTS IN THE INCENTIVE REGIME

WE EXPANDED THE ASSESSMENT MODEL THAT ASSOCIATES PERFORMANCE TO A VARIABLE COMPENSATION SYSTEM AND INCLUDES ALL STAFF MEMBERS. IT ENCOURAGES EMPLOYEES' MOTIVATION TO ACHIEVE A BETTER PERFORMANCE AND EXTENSIVE PROFESSIONAL DEVELOPMENT. IN ADDITION, FROM THIS YEAR THE WORK ENVIRONMENT SURVEY WILL BE CONDUCTED ON AN ANNUAL BASIS IN ORDER TO KEEP ON BUILDING AN INSPIRING WORKING SETTING.

CHALLENGE FOR 2011

OUR CHALLENGE IS TO KEEP ON WORKING FOR IMPLEMENTING INITIATIVES FOCUSED ON WORK-LIFE BALANCE TO FAVOR OUR EMPLOYEES' QUALITY OF LIFE. WE ENDEAVOR TO CREATE NEW BENEFITS FOR OUR EMPLOYEES AND THEIR FAMILIES TO MAKE THE WORK ENVIRONMENT MORE FLEXIBLE AND COMFORTABLE FOR EVERYONE.

RAFAEL BERGÉS
ORGANIZATIONAL DEVELOPMENT
AND HUMAN RESOURCES MANAGER

The development of in-house talent and a high-performance organizational culture are essential to support our business sustainability.

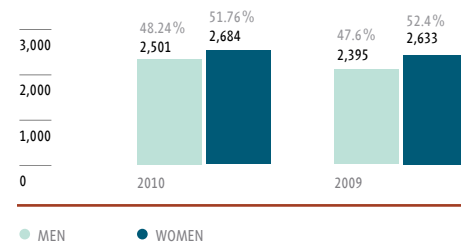
Our ultimate goal is to offer a work environment that –within a transparent and stringent policy framework– encourages professional growth and personal development opportunities. For such reason, every year we introduce new training, development, health and internal communication initiatives and volunteering and benefit opportunities for Banco Galicia's active employees, their families and retired employees.

All the Bank's employees are subject to Collective Bargaining Agreement and *Asociación Bancaria de Empleados del Banco* is the union's representative where affiliation is absolutely voluntary.

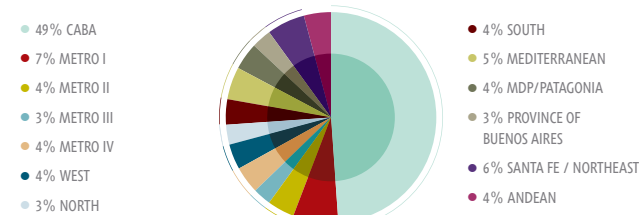


Our Employees' Profile

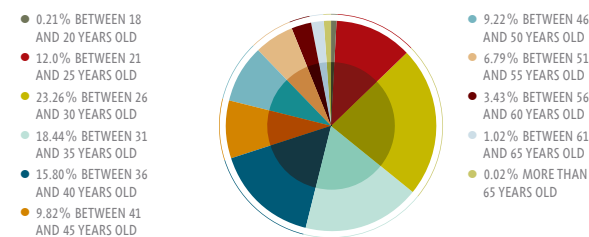
Employee Distribution by Gender



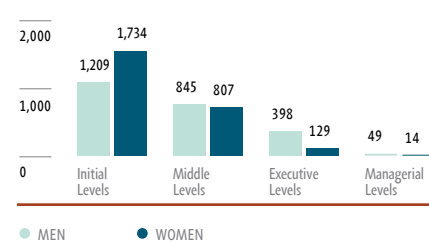
Distribution by Geographic Area



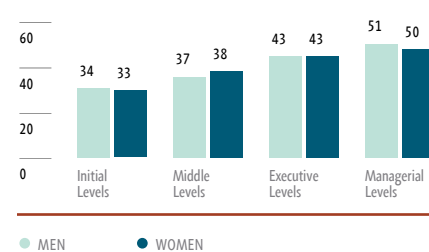
Distribution by Age



Distribution by Position



Average Age by Position



5.99% TURNOVER RATE⁵⁵
 TURNOVER RATE BY GENDER - FEMALE: 2.51%
 TURNOVER RATE BY GENDER - MALE: 3.48%

RECRUITMENT AND SELECTION

During 2010, 157 employees joined the company. New applications are posted on our website and other specialized web pages. In addition, the Bank makes agreements with universities and attends other events to promote itself. Applicants are subject to a strict, though inclusive, selection process led by the Human Resources Department and business divisions. Additionally, employees themselves recommend acquaintances for job positions in the Bank.

The advisors of our Human Resources team support and guide employees as from the moment they join the Bank. They further assist in evaluating employees' potential, establishing training needs to promote full development of their capabilities, and help them to get acquainted with their new roles, while managing inquiries, and cooperating with internal conflict resolution.

A staff phone line is available for inquiries about administrative issues.

Internal Job Posting Program

The internal job search offers growth opportunities for employees in the organization. When a job vacancy is identified, it is posted on our Intranet and employees may apply for it according to the requirements of the position. In 2010, 25 internal job postings were carried out, and 6 position changes were implemented. Also, during the year, 408 promotions were completed, which shows the Bank's commitment to its staff development.

⁵⁵ In 2010, 301 employees left the company. In the segment below 30 years old, turnover amounted to 7.88%; in the segment between 31 and 50 years old it amounted to 4.63% and above 50 years old, 4.79%. There was a 7.49% turnover in branches, and 4.11% in central areas.



JÓVENES PROFESIONALES (YOUNG PROFESSIONALS) PROGRAM

THIS PROGRAM WAS RELAUNCHED IN 2010. IT OFFERS YOUNG PROFESSIONALS WITH OUTSTANDING PERSONAL TRAITS, AN APPROPRIATE PROFILE, WITH SCARCE WORK EXPERIENCE, HIGHLY MOTIVATED AND EAGER TO JOIN A CHALLENGING WORK ENVIRONMENT TO GAIN PROFESSIONAL EXPERIENCE AND RECEIVE CUSTOMIZED DEVELOPMENT ASSISTANCE.

THIS IS A COMPREHENSIVE DEVELOPMENT PROGRAM WITH A STRONG INVESTMENT IN TRAINING. IT IS AIMED AT GENERATING NEW RESOURCES WITH HIGH POTENTIAL TO OCCUPY MANAGERIAL POSITIONS AND INCORPORATING PROFESSIONALS THAT CONTRIBUTE TO OUR ORGANIZATION AND PRODUCE OUTSTANDING RESULTS.

PARTICIPANTS RECEIVE THE LABOR PRACTICE CONCEPTS AND VALUES THEY WILL APPLY IN THEIR EVERYDAY ACTIVITIES, AND DURING THE WHOLE WORKING YEAR, THEY ARE SUPPORTED BY A MENTOR WHO GUIDES THEM THROUGH THEIR FIRST STEPS IN CORPORATE LIFE.

IN 2010, 40 YOUNG EMPLOYEES JOINED THE BANK UNDER THIS MODALITY, AND THIS PROGRAM IS EXPECTED TO BE EXTENDED BASED ON THE AGREEMENTS SIGNED WITH DIFFERENT UNIVERSITIES.

TRAINING AND DEVELOPMENT

Our Training and Education Focal Points

The Department in charge of training was reorganized in 2010, based on its commitment to keep on offering the necessary tools for employees’ personal and professional development. The approach changed from a functional scheme to a project/business-related scheme, so as to promote our human resources specialization in strategic matters, enable the proper understanding of needs and deliver innovative and high-quality solutions.

An integral coaching strategy was designed, which includes a wide range of actions and methodologies: E-learning activities, reading material, face-to-face workshops, virtual sessions, support resources, practical activities, on site coaching, internships with business experts, among others.

Generación Galicia Program

A training video library has been created through Galicia TV initiative. In addition, a new platform started being developed to increase internal efficiency, simplify administrative processes for training course registration, and mainly to provide key management information for employees’ training.

Galicia Escuela

As part of the training strategy, during 2010, new modalities were incorporated, such as case studies and play activities to enable knowledge acquisition and strengthening. As a way of driving continuous improvement, the educational content of *Escuela de Gerentes y Líderes de Equipo* (School of Managers and Team Leaders) modules was reviewed.

Also, a Coach Strengthening Program was undertaken by the employees who are members of internal trainers’ network. This network consists of more than 360 people who share their expertise and knowledge through workshops and road shows, receive trainees at branches and central areas, and by sharing tasks at the training branch. The Strengthening Program coached branch network employees to take up new challenges within their career plan.

Training programs are structured in three areas: Comprehensive Training for Key Positions, Training for Development and Ongoing Training.



Labor Inclusion Program

This program endeavors to promote integration and education to people with disabilities or from less-favored sectors of society. An education contract is signed for a 9-month period, which includes training and support to develop work capabilities that promote equal opportunities at work.

Upon completion of the contract term, participants’ performance is globally assessed and, according to the vacancies available in the sector, permanent positions at the Bank are assigned.

For this Program execution, alliances are built up with CSOs specialized in the area, such as *Par* Foundation and *Fundación de Organización Comunitaria* (FOC).

So far since its launch in 2007, 20 people joined this program after going through several stages: Selection, training and integration to the position, and follow-up of performance assessment by different areas within the Human Resources Division and the Corporate Social Responsibility Division.

Those that joined the Bank under this initiative were selected to occupy positions in the Customer Contact Center, the Operations sector and the Data Quality project carried out by the Change Management Department. To date, 11 people have been confirmed in their positions upon the request of the sector where they worked, based on their superb performance after completion of the learning contract.

Training Programs

Scope	Description	Target Audience	Number of Participants	Training Hours ⁵⁶
Training for Development	Negotiation Workshops, Communication, Report Writing, Oral Presentations, Project Management, Personal Productivity, More Efficient Meetings, Integrated Vision of the Banking Business, Management of “Y” Generation Work Teams	Employees in general	2,176	53,971
	Skills Development Management Program ⁵⁷	Supervisors of small work teams		
	<i>Programa de Gerenciamiento Bancario</i> (Banking Management Program) 3 rd Edition	Branch managers and Head Office’s middle managers with a high potential		
	<i>Liderazgo Inspirador</i> (Inspirational Leadership) ⁵⁸ at middle management level	Leading employees at branches and central areas		
	Foreign language courses, external courses and scholarships for postgraduate education and master’s degrees	Employees in general		
	Generic Managerial Competencies Program addressed to leverage effectiveness for goal achievement, reach outstanding performance levels, improve communication quality, which will streamline action coordination, contribute to strengthen confidence levels, commitment and mutual respect. Duration: 5 months	Employees (Managers, Leaders and Chiefs)		
Comprehensive Training for Key Positions	Programs addressed to initial training for promotions and new employees, and focused on incorporating key knowledge and skills to reach high performance levels at the position	Employees in general	539	49,134
Ongoing Training	Education activities related to project launching and strategic initiatives for the Bank	Employees in general	27,402	143,599

Target Audience

	People who attended		Face-to-face training hours		E-learning training participants		E-learning training hours		Hours per individual	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Central Areas	2,572	887	55,146	47,608	709	232	425	196	25.6	20
Branches	15,498	3,553	165,364	103,984	10,972	9,250	25,770	14,305	66	45
Total for the Bank	18,070	4,440	220,510	151,592	11,681	9,482	26,195	14,501	48	33

56. All cases include e-learning and face-to-face courses.

57. Jointly with Universidad Católica Argentina.

58. In association with USAL University. 6-month duration.



PERFORMANCE ASSESSMENT AND COMPENSATIONS

Assessment Methods

Banco Galicia has various tools to measure employees' performance and growth. In 2010, the Performance Assessment process introduced an Evaluation System that includes managerial levels.

The Managerial Appraisal system is based on the analysis of quantitative and qualitative indicators related to corporate values: Team vision, innovation, leadership, cooperation and commitment to sustainable management development.

Besides, models focused on talent identification were extended, such as Assessment of Abilities -Feedback 360°⁵⁹ where employees may recognize personal aspects or traits, by means of interviews, that contribute to their self-knowledge and enable them to outline an action plan on areas to improve, and build up on their strengths. By December 2010, 24% of all branch managers had participated. Apart from that, 324 employees were assessed by the *Assessment on the employee's potential*.

Responsibilities and relevant goals for the entire year are evaluated during the first quarter of the subsequent year. Then, new goals are established and a plan is defined for those opportunities for improvement that were identified during the assessment process.

In 2010, 81.8% assessments were completed. They help:

- Evaluate each employee's contribution to the organization in accordance with his/her position.
- Enhance the relationship between employees and their supervisors within a context of clear rules and common expectations.
- Recognize achievements and identify opportunities for improvement.
- Allow employees to express their needs and professional aspirations.
- Define their professional development plan.

The assessment outcome impact on different Human Resources processes, and facilitate the implementation of specific actions for each employee, e.g. internal job postings, promotions and scholarships.



Compensation

Banco Galicia's compensation policy offers an attractive salary package to employees, in order to provide equal internal opportunities and maintain external competitiveness. This policy defines the compensation strategy according to four key factors: Position (scope and complexity of each position); personal performance of duties and contribution to results; personal traits and potential; and market values. This strategy is based on tools, such as position assessment and job category segmentation, and positioning and monitoring of the compensation market.

For the purpose of maintaining Banco Galicia's position in the market, the average salary increase during the year was above the general market average.

Within the challenges set for 2010 and with the purpose of strengthening our work team towards the achievement of results that support the Bank performance and also stimulate their motivation to achieve the goals set, the variable compensation system was extended to all our employees. Variable compensation is calculated according to the results of the Managerial Appraisal System.

Recognitions

The Bank has introduced several instances to recognize employees' efforts and career path.

Every three months, employees are rewarded for outstanding business performance in Wholesale and Retail Banking. These awards are granted according to different business indicators defined for each position and function.

Also, employees with 25 and 40 years of service receive medals in an annual celebration as a reward to their efforts and support.

BENEFITS AND FOUNDATION

Integral Benefit Plan

Banco Galicia offers employees an array of benefits that cover a wide diversity of interests. Since 2010 the Integral Benefit Plan has been structured in four levels: Health, well-being, the future and Scheduled Internal Benefits (BIP, as per its initials in Spanish), plus the support of Banco de Galicia Foundation with more than 40 years of existence.

Major achievements reached in 2010 for each area include:

Health

At Banco Galicia we endeavor to provide employees with a safe and healthy place of work, by developing different activities focused on promoting people well-being.

Every employee is covered by the health-care provider system and we have emergency coverage, and a doctor's office for primary health care.

In 2010, a vaccination program was implemented for employees, through which 2,045 employees were vaccinated and received relevant information.

The Bank worked also on the prevention of diseases. As winter approached, the prevention measures for H1N1 Flu were reinforced through awareness campaigns about the importance of proper hand washing and personal care measures to reduce the risk of contracting the disease. Alcohol-based hand gel was distributed in all the Bank's premises for internal use. Additionally, insect repellent and information were provided to prevent dengue virus spreading at affected areas.

In 2010, five elementary courses on first aid and advanced courses on cardiopulmonary resuscitation were given by *Cruz Roja Argentina* (Argentina Red Cross). Some 122 employees attended these courses.

Banco Galicia also offers an Integral Safety Management program administered by the Safety Department to communicate preventive information.

Additionally, for more than 15 years, Santiago Salud has been providing medical care for employees through doctors' offices, adhered medical centers, emergency care centers, testing laboratories, diagnostic imaging, and discounts in pharmacies and opticians in the Autonomous City of Buenos Aires and Greater Buenos Aires, among others.

⁵⁹ This tool integrates information from all the parties with whom the person daily interacts (i.e. employees, peers and supervisors). Thus, it becomes an effective tool for personal development and learning.

The Future

Banco Galicia strives to help all employees drive their projects forward.

As for economic support, in 2010 the Bank granted more loans, with an increase in the average amount per transaction. In general terms, personal loan rates decreased and mortgage loans were mainly used for home purchase and improvement.

Loans to Employees Settled in 2010		
Type of Loan	Number of Loans	Total Amount (in Pesos)
Personal Loans	1,781	39,289,039
Mortgage Loans	96	16,914,818
Mortgage Loans for Construction	4	982,000

The Bank further granted loans for emergencies, discounts on home and automobile insurance, and theft in ATMs insurance policies free of charge. Discounts were given for fees related to maintenance and activity of savings accounts, current accounts and credit cards.

With the purpose of encouraging our employees' professional development, the Bank also offers a Scholarship Program⁶⁰. Agreements are signed with major universities and educational institutions in Argentina.

- Support is granted under two modalities:
- 100% cost paid by the Bank: For postgraduate courses or programs.
 - 70% cost paid by the Bank: For master's degrees.

Scholarship Program				
	Number of Scholarships		Training Hours	
	2010	2009	2010	2009
Scholarships Awarded through Application	24	24	2,823	7,326
Scholarships Offered	102	59	16,523	23,610
Total Scholarships ⁶¹	126	83	19,346	30,936

60. Eligible applicants should have a university degree, not have been granted a scholarship before and have a high score in the performance assessment. Applicants to postgraduate scholarships must have worked at the Bank for 3 years or more.
61. Although the number of scholarships granted increased as compared to 2009, training hours decreased because in 2010 there were more postgraduate scholarships with less training hours.

Well-being

As part of the actions to support the work-life balance of our employees, we continued with the implementation of the Family Workshop in alliance with *Proyecto Padres* (Parents' Project) Foundation. Some 98 employees attended these workshops.

The Program for Professional Mothers continued, with the attendance of 31 employees either pregnant or with little children; these mothers shared a forum for open discussion and development to integrate family and work.

Besides, the Family Day is celebrated in different regions across the country.

We endeavor to support our employees throughout their major life stages. These initiatives include a present for employees on their birthday, and a \$ 700 voucher to use at a home appliance chain for employees getting married.



AT BANCO GALICIA'S EMPLOYEES CLUB, ACTIVE AND RETIRED EMPLOYEES SHARE A SAFE RECREATIONAL ENVIRONMENT WITH THEIR FAMILIES, ENTERTAINMENT FOR CHILDREN AND A COMFORTABLE CAMPING AREA. THE CLUB HAS 2,471 MEMBERS. THIS YEAR SOCCER FIELDS WERE REFURBISHED AND DURING THE WEEK-ENDS PARENTS AND CHILDREN COULD ENJOY SPORT ACTIVITIES AND GAMES COORDINATED BY PHYSICAL EDUCATION TEACHERS. THE CLUB GROUNDS ARE RENTED FOR SCHOOLS' SPORT ACTIVITIES. THIS PROVIDED THE NECESSARY FUNDS TO MAKE REFURBISHMENTS.



Scheduled Internal Benefits (BIP, as per its initials in Spanish)

This program encourages employees to actively participate in different integration events and obtain important discounts.

- Activities carried out over the year include:
- **BIP in Sports:** Sport practice and a healthy lifestyle is encouraged through the organization of soccer, tennis, paddle, rugby and squash tournaments, marathons with our running team which, in turn, promote employees' integration. Employees also have discounts at gyms. This benefit is available for all branches in Argentina, and provides employees with places to practice sports.
 - **BIP in Culture:** Private movie exhibitions and theatre performances. One thousand movie tickets were distributed among employees.
 - **BIP Activities:** Year-end party, so-called "after office" across Argentina, our kids visit the Bank, cookery and fashion workshops, yoga classes and chorus. Shows and games were organized during winter holidays for employees and their children, where more than 180 kids participated.
 - **BIP Discounts:** BIP purchase portal with discounts on products and services from different brands. At present, more than 300 benefits are available.

BIP Beneficiaries		
Activity	Target Audience	Attendees
Our Kids Visit the Bank	Employees' Children	180
Year-end Party	Employees	4,800
Private Movie Exhibitions	Employees	600
Private Theatre Performances	Employees	800
Marathon	Employees	396
Soccer Tournament	Employees	590
Tennis Tournament	Employees	56

BEING PART OF THE MUTUAL BENEFITS ASSOCIATION FOR THE BANK'S EMPLOYEES IS A TRADITION HIGHLY APPRECIATED BY STAFF. IT OFFERS DISCOUNTS ON PURCHASES AND FOR GOING OUT, ECONOMIC AID, PARTICIPATION IN SWEEPSTAKES TO WIN PRODUCTS, TRAVELS AND ITEMS ON SPECIAL DATES. IT CURRENTLY HAS 1,522 MEMBERS.



Banco Galicia Foundation

The Foundation has been working for more than 40 years to satisfy our active and retired employees’ needs, and those of their families, for the purpose of enhancing the quality of life.

As in previous years, different activities were carried out in 2010.

Foundation Programs ⁶²		
Program	2010	2009
Vaccination Program: Reimbursement for the vaccines included in the Vaccination Plan in force for children under 18. The amount to be credited is related to the coverage of the employee's health insurance.		
Amount of Vaccines:	938	604
Student's Plan: It distributes, at the beginning of the school period, a complete set of school supplies and, if needed, school overalls for the employees' children. Also, the Bank provides an extraordinary child allowance at the beginning of the school year.		
Sets of School Supplies:	3,010	3,113
School Overalls:	1,147	1,203
Extraordinary Allowance up to \$180:	2,410	2,472
Scholarships: Monthly economic support to employees who have been working at the Bank for more than one year, to help them finish university. These are renewed every four months.		
Total Number of Scholarships Awarded:	352	386
Vacation Camps: For employees' children from 5 to 13 years. These are carried out at the Bank's Club. The Bank continued providing an allowance to children of employees from the provinces.		
Number of Employees' Children all Over the Country - Summer:	599	511
Number of Employees' Children all Over the Country - Winter:	237	-
Distribution of Furnishings: Distribution of furniture, computers, printers and other property in good condition –which the Bank does not use anymore– to CSOs, schools and hospitals.		
Computers and Printers:	38	123
Miscellaneous Furniture:	816	1,831
IT and Electronic Elements:	565	467
Layettes: Gift to parents who have a child in order to welcome the new member of the family.		
Number of Layettes Given:	287	257
Allowances for Emergency Situations: Assistance for employees who make special requests upon critical situations. The Foundation analyzes the situations and tries to provide the requested support.		
Number of Allowances Given:	3,176	3,213

62. Report covers the October 2009/September 2010 period, according to the Annual Report.

ORGANIZATIONAL WORK ENVIRONMENT

The work environment survey is an important tool that provides us with information to devise various global action plans, and make an internal diagnosis for all the Bank’s members.

Among the challenges set by the Organizational Development and Human Resources office for 2010, we decided to conduct this survey on an annual basis. We also introduced new cut-off points in reports related to managerial and leadership positions, and included questions related to the awareness of the Bank’s organizational values.

Two additional work environment surveys were made in 2010, i.e. Great Place to Work® and the usual study conducted by an external consulting firm, where 91 % of employees participated. Conclusions of both studies were thoroughly analyzed to identify those opportunities for improvement on which we should continue working, and strengths we should uphold. This resulted in an action plan for 2011, mainly focused on strengthening:

- A proper work-life balance.
- Cooperation among sectors.
- Enhancement of technology resources to provide a better service.
- Promptness and responsiveness in customer service processes.



63. Closed / Resolved / Assigned status.

INTERNAL COMMUNICATION AND CHANGE MANAGEMENT

The Bank’s traditional communication channels continue to support the objective to get closer to our employees.

- **E-Company:** The Bank’s internal and major communication portal. It further provides access to work management tools and tools for employees.
- **Banco al Día:** A formal communication tool used by the Chief Executive Officer to inform the Bank’s major issues every month. It is addressed to all employees, facilitating an open communication between the Chief Executive Officer and employees.
- **E-Company Summaries:** Through a weekly e-mail, we send the more outstanding pieces of news in the month.
- **Notigal:** A quarterly magazine that includes the most significant initiatives implemented by the different divisions. In 2010, a special edition was published, called *Notigal Kids*, for fathers and mothers in the Bank.
- **BIP Newsletter:** A publication that emphasizes main benefits focused on different regions of Argentina.

- **Eventos Galicia:** Portal where employees may download pictures of Bank’s events and institutional activities.

- **Contact HR by phone:** A team of experts assist employees in HR-related issues. This is supplemented by an Intranet enquiry system, which allows following up issues and getting performance indicators. Total number of queries received: 6,900 and total number of calls answered: 18,888. According to Remedy⁶³ index, 10,170 cases were resolved.

During this year, a new channel, called *Galicia TV*, was developed to introduce the use of videos for internal communication campaigns that reinforces the existing channels; apart from serving other training purposes.

In addition, during 2010 the Bank created a Support Team made up of business specialists who provided dedicated support to 3,500 employees involved in major change projects at Branches, which resulted in quicker resolution of incidents and answering to queries.

A RELATIONSHIP THAT AIMS FOR PROGRESS AND FAIRNESS



BANCO GALICIA'S SOCIAL ACCOUNTABILITY 2010: SUSTAINABILITY REPORT WITH A B+ APPLICATION LEVEL DETERMINED BY THE GRI'S GUIDELINES.

WE HAVE ATTAINED THE GOAL OF REACHING THE B+ APPLICATION LEVEL WITH REGARD TO THE G3 GUIDELINE OF THE GLOBAL REPORTING INITIATIVE (GRI), WHAT REFLECTS AN ONGOING IMPROVEMENT IN OUR PROCESSES AND A BETTER INTERNAL ORGANIZATION. ALL OF THIS ALLOWED US TO DEEPEN THE CONTENTS AND STRENGTHEN THE QUALITY OF OUR REPORT.

CHALLENGE FOR 2011

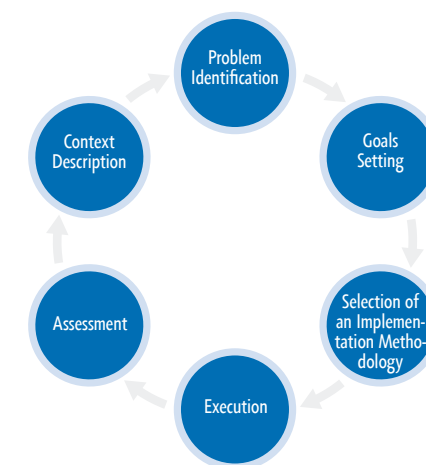
TO IMPROVE THE ASSESSMENT OF OUR SOCIAL INVESTMENT THROUGH THE DEVELOPMENT OF A MEASUREMENT METHOD THAT INCLUDES NEW AREAS IN ORDER TO ENHANCE IMPACT INDICATORS. WE WANT TO REACH MORE PEOPLE IN THE BEST MANNER, BY IMPROVING THE PROGRAMS WE PROMOTE.

CONSTANZA GORLERI
CORPORATE SOCIAL
RESPONSIBILITY MANAGER

Community development is a priority for the Bank. That is why we undertake a number of initiatives that contribute to the creation of more social promotion and fairness opportunities.

Our social investment strategy is based on three major focal points with regard to work with the community: Education, employment and health. The purpose of our strategy is to generate social capital and transfer capabilities that contribute to both individual and common progress. In turn, we foster activities related to the preservation and restoration of historical heritage and we support the volunteering program.

Management cycle of Banco Galicia's social programs:



All the programs developed by the Bank are carried out together with other actors –such as social organizations, public entities and academic institutions–, what makes it possible to improve the impact programs have on the areas they relate to.

Furthermore, specific contributions are made to different entities in order to help them strengthen their existing initiatives. In 2010 the Bank made contributions to 62⁶⁴ Civil Society Organizations (CSOs) in this manner.

A comprehensive understanding of the context is essential to find solutions that are in line with social problems. For this reason we support the publishing of the *Barómetro de la Deuda Social Argentina* (Barometer of the Argentine Social Debt) developed by Universidad Católica (UCA)⁶⁵.

Banco Galicia and the Community

Presence in the Provinces	24
Alliances with Organizations	78
Community Programs	53
Beneficiaries	
Students	46,129
Institutions	517
Teachers	2,634
Schools	672
Entrepreneurs	4,694
Patients	392,959
Unemployed	4,146

⁶⁴. 42 CSOs received institutional support and 20 received support based on their projects in the areas of health, labor and education.

⁶⁵. Source of the context data included in this chapter: UCA - ODSA (2010), *Barómetro de la Deuda Social Argentina 2004 - 2009* (Barometer of the Argentine Social Debt 2004 - 2009).

EDUCATION

Value for your Future

TWO OF THE CURRENT EDUCATION-RELATED GOALS ARE THE STRENGTHENING OF ALL LEVELS OF EDUCATION AND ALL EDUCATIONAL INSTITUTIONS AND THE POSSIBILITY THAT MORE STUDENTS FROM LOW-INCOME SECTORS OF THE POPULATION HAVE ACCESS TO HIGHER LEVELS OF EDUCATION.

THEREFORE, BANCO GALICIA SUPPORTS EDUCATIONAL PROJECTS UNDER THE “VALUE FOR YOUR FUTURE” PROGRAM, WITH THE MAIN PURPOSE OF FOSTERING LEARNING OPPORTUNITIES FOR YOUNG STUDENTS AT RISK AND IMPROVING EDUCATION QUALITY, STRENGTHENING THE CAPABILITIES OF TEACHERS AND EDUCATION MANAGEMENT AGENCIES.

Results	
Presence in the Provinces	24
Community Programs ⁶⁶	17
Alliances with Organizations	28
Support to CSOs	2
Beneficiaries	
Institutions	290
Schools	591
Students	43,629
Teachers	2,022

⁶⁶. Out of the 17 programs, 16 are described in the table included in the following page, and 1 is described on page 18.

⁶⁷. The complete program description can be found in the CSR 2009 Report, page 50.



Promotion of Higher Education

ONLY 5% OF YOUNG PEOPLE FROM THE 25% MOST UNDERPRIVILEGED SECTOR OF THE POPULATION HAD ACCESS TO AND COMPLETED UNIVERSITY; WHILE THIS PERCENTAGE REACHES 44% WITHIN THE 25% MOST PRIVILEGED SECTOR OF THE POPULATION.

Through the “*Potenciamos tu Talento*” ⁶⁷ (We Leverage your Talent) and “*Aporte a Fondo de Becas*” (Contribution to the Scholarship Fund) programs we favor the entrance of low-income young students to university and their permanence in university. These students are chosen based on merit and effort.

The *Potenciamos tu Talento* program –which has been implemented for three years now– envisages the support of individuals through a mentor and a monthly allowance to 62 young students so that they can study at public universities.

In turn, the Bank granted scholarships to 29 young students to study at private universities with which agreements are entered into.

PROFESSIONAL PRACTICE PROGRAM

APPROACH

THE PROFESSIONAL PRACTICE PROGRAM WAS DEVELOPED AND IMPLEMENTED WITH THE PURPOSE OF ENHANCING THE HIGHER EDUCATION INCENTIVE PROGRAM. THIS WAY, A SYNERGY IS CREATED BETWEEN TWO MAJOR FOCAL POINTS FOR THE BANK: WORK PROMOTION AND EDUCATION. THIS PROGRAM ALLOWS SCHOLARSHIP HOLDERS IN THE LAST YEARS OF THEIR COURSES OF STUDIES TO HAVE AN APPROACH TO THE LABOR MARKET, THUS FOSTERING THE DEVELOPMENT OF SKILLS AND COMPETENCIES THAT ARE ESSENTIAL FOR THEIR PROFESSION.

ACTION PLAN

STUDENTS WHO ARE GRANTED A SCHOLARSHIP CANNOT HAVE PENDING SUBJECTS FROM PREVIOUS YEARS, SHOULD HAVE COMPLETED THE FIRST THREE YEARS OF THEIR COURSE OF STUDIES AND SHOULD HAVE TAKEN PART IN THE USUAL SELECTION PROCESS FOR ENTERING THE BANK: INTERVIEWS, MEDICAL EXAMINATION AND PSYCHOTECHNICAL EVALUATION. THE APPRENTICESHIP CONTRACT IS FOR 9 MONTHS AND, DURING THE TERM OF THIS PROFESSIONAL PRACTICE, EACH STUDENT HAS A MENTOR WHO PROVIDES SUPPORT.

RESULTS

IN DECEMBER 2010 THE FIRST THREE STUDENTS GRANTED A SCHOLARSHIP ENTERED THE PROGRAM.

Education				
Initiative	Project / Program	Organization	Description	Reach
Promotion of Higher Education	<i>Potenciamos tu Talento</i> (We Leverage your Talent)	Marista Foundation, Grupo Puentes Civil Association	Monthly allowance and personalized support for underprivileged young people so that they study at public universities	Province of Buenos Aires and Neuquén
	<i>Aporte a Fondo de Becas</i> (Contribution to the Scholarship Fund)	Marzano Foundation, UDESA, UTD, USAL, ITBA, UCA and U. Austral	Support through scholarships granted to low-income young people to study at private universities with which we have entered into agreements. The Bank makes contributions to the Scholarship Fund of each university	National
	<i>Enfermeros 2011</i> (Nurses 2011)	Cruz Roja Argentina	Assistance through scholarships granted to students of the nursing course of studies	CABA
Financial Education	<i>Taller de Planificación Económica</i> (Economic Planning Workshop)	Conciencia Civil Association	Aimed at raising awareness among secondary students regarding the importance of saving, personal planning, the establishment of goals and the banking system, by means of workshops	Jujuy, Formosa, Tucumán, Santiago del Estero, Chaco, Misiones, Corrientes, Entre Ríos, Santa Fe, Córdoba, San Juan, Mendoza, Buenos Aires
School Permanence	<i>Red Cimientos</i> (Cimientos Network)	Cimientos	We support Red Cimientos to extend the reach of the scholarship program to the provinces. Families also receive –for free– the service of opening and maintaining a savings account to manage grants	National
	<i>Programa de Alfabetización Complementaria</i> (Supplementary Literacy Program)	Pies Descalzos, Actuar Hoy Foundation	Training through educational workshops that allow young students to reinforce their sense of belonging with regard to the school, encouraging them to continue and finish their studies	Buenos Aires and CABA
Training Activities	<i>Certamen Escolar</i> (School Competition)	FADAM - Federación Argentina de Amigos de Museos (Argentine Federation of Museum Friends)	The Bank supports the work of teachers by awakening children's interest in knowing and respecting the history and the cultural and natural heritage of Argentina. The 2010 Edition of the competition was about outstanding men and women in Argentina	National
	<i>Familia Educadora</i> (Family Educator)	CUBA Foundation	Strengthening of the educator role of parents whose families are poor so that they can support their children's education, in turn strengthening the bonds among the different actors in the community they belong to	Buenos Aires
	<i>Acercamiento al Arte</i> (Approach to Art)	Amigos del Museo Nacional de Bellas Artes Association (AAMNBA), Teatro Colón Foundation	Promotion of art among children and young students who attend public schools	CABA
Institutional Strengthening	Schools of the 200th Year	IIPE - Unesco / UDESA	Its purpose is to improve basic conditions for learning with regard to students in schools with a low-quality education, favoring the development of the main academic areas and better education and institutional administration conditions	Tucumán, Corrientes and Chaco
	Nexos	CIPPEC	Aimed at establishing autonomous capabilities in the provinces to discuss, design and justify the decisions on education policy	National
	<i>Potenciar Comunidades</i> (Communities Enhancement)	Los Grabo	Invitation to rural organizations to submit network community projects that are funded and supported, thus promoting long-term development strategies	Buenos Aires
	<i>Enseñar es Liderar</i> (Teaching is Leading)	“Grupo San Felipe” Foundation	Its purpose is to choose the best professionals and train them as transformation leaders, assign them to the most impoverished schools, support them during their assignment, measure and assess their performance and that of their students’, and train them as “education reform ambassadors”	CABA and Buenos Aires
	8 th National Reading Marathon	Leer Foundation	Aimed at making people aware of the importance of reading for personal development and the growth of societies. Winners are trained and winning institutions are offered distance pedagogical advice	National
	<i>Premio Comunidad a la Educación</i> (Community Award to Education)	La Nación Newspaper	Aimed at supporting the efforts and achievements of schools that carry out projects for the improvement of education quality; making them visible, fostering the participation of all the educational community and promoting creativity	National
	Infrastructure and Equipment	Department of Economic Sciences of the UBA, Young Men's Christian Association (YMCA)	Its goal is to help schools and universities be in good condition with regard to buildings and equipment	CABA, Escobar (Buenos Aires)

WORK PROMOTION

Value for Your Development

ONLY 20.1% OF INDIVIDUALS WHO HAVE RECEIVED A VERY LOW JOB TRAINING OR ELSE PROFESSIONAL EDUCATION HAS ACCESS TO DECENT EMPLOYMENT, WHILE THIS FIGURE INCREASES TO 61.4% WITH REGARD TO HIGH LEVELS OF EDUCATION.

BEING CAPABLE OF HAVING ACCESS TO A FAIR AND PROPER JOB NOT ONLY IS A WAY OF MAKING A LIVING, BUT ALSO HAS A SIGNIFICANT HUMAN AND SOCIAL FUNCTION.

RECOGNIZING THE IMPORTANCE OF WORK AS MAIN MEANS OF SUPPORT AND DIGNITY FACTOR FOR PEOPLE, THROUGH THE "VALUE FOR YOUR DEVELOPMENT" PROGRAM WE CONTRIBUTE TO INITIATIVES THAT PROMOTE LABOR MARKET INTEGRATION AND FOSTER ENTREPRENEURIAL SPIRIT.

THE GOALS SET FOR THIS FOCAL POINT ARE GEARED TOWARDS TRAINING INDIVIDUALS FROM LESS-FAVORED SECTORS OF SOCIETY, ENABLING THE CREATION OF MICRO- AND SMALL-SIZED COMPANIES BASED ON SUSTAINABLE ENTERPRISES, CONTRIBUTING TO FUND MICROFINANCE INSTITUTIONS (IMFS AS PER ITS INITIALS IN SPANISH) AND DEFINING INTEGRATION POLICIES FOR UNDERPRIVILEGED OR DISABLED PEOPLE⁶⁸.

Results	
Presence in the Provinces	24
Community Programs	15
Alliances with Organizations	20
Support to CSOs	7
Beneficiaries	
Entrepreneurs	4,694
Unemployed	4,146



Promoting the Development of Sustainable Micro-enterprises⁶⁹

7 OUT OF 10 JOB POSITIONS ARE OFFERED BY PYMES, WHICH ACCOUNT FOR 45% OF THE ARGENTINE GDP⁷⁰.

The program named "Del Microemprendimiento a la PyME" (From the Micro-Enterprise to the Small and Medium-Sized Companies (SMEs) aims at contributing to the formalization of the productive activities of individuals who already have a sustainable micro-enterprise, and fostering the creation of jobs, favoring those entrepreneurs who had to face major socio-economic difficulties when starting their business.

The program is divided into two years. During the first year the 408 entrepreneurs registered received intensive training on issues related to the creation of small- and medium-sized companies.

The second stage of the program took place in 2010, where all participants received a virtual mentoring aimed at helping them finish their business plan. At this stage, 68 participants –out of 161– finished their business plans. These entrepreneurs received advice from a professional specialized in corporations, aimed at the formalization of their businesses. At the end of the year, 9 entrepreneurs achieved this goal, thus being able to get a soft loan to invest in working capital. In this respect, 7 loan applications were received by the Bank, which were granted.

MICROFINANCE

WE STRENGTHENED OUR COMMITMENT TO FUND MICROFINANCE INSTITUTIONS (IMFS) BY INCREASING THE REACH OF THE AGREEMENT ENTERED INTO WITH RED ARGENTINA DE INSTITUCIONES DE MICRO-CRÉDITO (ARGENTINE NETWORK OF MICRO-CREDIT INSTITUTIONS) (RADIM AS PER ITS INITIALS IN SPANISH), IN ORDER TO OFFER FUNDING TO ALL OF ITS MEMBERS. IN 2010, LOANS TO FINANCE WORKING CAPITAL WERE GRANTED FOR A TOTAL AMOUNT OF \$ 1,767,000.

⁶⁸. The labor inclusion program is described in the chapter on Employees.

⁶⁹. The complete program description can be found in the CSR 2009 Report, page 52.

⁷⁰. Source: Professional Council on Economic Sciences, 2010.

Work Promotion

Initiative	Project / Program	Organization	Description	Reach
Promotion of Microfinance	<i>Línea de Fondeo a Instituciones de Microfinanzas</i> (Funding Line for Microfinance Institutions)	Agreement with RADIM	The Bank offered funding to IMFs that are members of the RADIM (CSOs and S.A.). The IV Microfinance Sessions were provided support	Buenos Aires, CABA, Mendoza, Misiones, Jujuy, San Luis, Córdoba and Tucumán
	<i>Hacia una Mesa Compartida</i> (Towards a Shared Table)	<i>Cáritas Comisión Nacional</i>	Aimed at providing entrepreneurs with technical training on micro-credits and marketing forums	Diócesis Merlo - Moreno (Buenos Aires)
Promotion of Entrepreneurs	<i>Del Microemprendimiento a la PyME</i> (From the Micro-Enterprise to the Small- and Medium-Sized Companies)	FUNDES	Its purpose is to train entrepreneurs in order to ease the formalization of the productive activities of individuals who already have a sustainable micro-enterprise, and foster the creation of jobs	National
	<i>Emprendedores Tecnológicos</i> (Technological Entrepreneurs)	<i>Junior Achievement Argentina</i> Foundation	Competition aimed at university students of technology-related courses of study. Its purpose is to promote efforts to come up with innovative ideas, foster the creation of enterprises and contribute to the education of young students	Buenos Aires and Córdoba
	<i>Jóvenes Emprendedores</i> (Young Entrepreneurs)	<i>Impulsar</i> Foundation	Assistance granted to projects carried out by young entrepreneurs	Tucumán, Salta, Córdoba and Misiones.
Training for Employability	<i>Servicio de Empleo</i> (Employment Services)	AMIA	Workshops aimed at increasing work opportunities and employability conditions	CABA, Buenos Aires, Córdoba, Santa Fe and Mendoza
	<i>Escuela Taller</i> (Workshop School)	<i>GCBA - Dirección General Casco Histórico</i> (GCBA's Historic Quarter General Department)	This project organizes training and employment, with the purpose of generating skilled workers for the recovery of building heritage	CABA
	<i>Talleres de Formación en Oficios</i> (Trade Workshops)	<i>Oficios</i> Foundation	Scholarships granted to students of the Masonry Workshop	Buenos Aires
		<i>Fundación Social para el Bienestar de la Gente</i> (Social Foundation for the Well-being of People)	Development of skills and potential for the inclusion of women and young people from La Boca neighborhood, who are poor and/or unemployed, in the labor market	La Boca - CABA
		<i>Red Misión</i>	Training on tailoring offered to low-income women with the purpose of providing tools and comprehensive training that will allow them to be better individuals, better mothers and possibly entrepreneurs	Villa Astolfi - Buenos Aires
	<i>Talleres de Formación Artística</i> (Art training workshops)	<i>Camping Musical Bariloche Association</i>	Improvement of art professionals through their participation in the International Piano Seminar	Río Negro
	<i>Formación Laboral para Jóvenes</i> (Work Training for Young People)	<i>Reciduca</i> Foundation	Support to young people so that they complete their education, thus favoring the transition from the school stage to the labor stage	Northern area of GBA
		<i>Fundación de Organización Comunitaria</i> (Community Organization Foundation)	It promotes the comprehensive education of adolescents and young people so that they can finish studying and get training to enter the labor market. Training on information technology tools	Southern area of GBA, Buenos Aires
		<i>Cáritas Buenos Aires</i> <i>Pescar</i> Foundation	Labor training with a specialization in professional areas aimed at young people from low-income sectors, through a network of Educational Centers inside companies	Buenos Aires, Corrientes, Mendoza, Salta, Santa Fe, Santiago del Estero and Córdoba
Labor Integration of Individuals with Disabilities	<i>Educación para el Empleo</i> (Education for Employment)	PAR Foundation	Development of a work profile for individuals with disabilities, pursuant to market requirements, in order to favor the job searching process	CABA and Buenos Aires
	<i>Empleo con Apoyo</i> (Assisted Employment)	<i>Discar</i>	Labor integration of individuals with disabilities and follow-up by trained professionals	CABA
Rural Development	<i>Mejoras Productivas para el Crecimiento Económico y Social de los Pequeños Productores</i> (Productive Improvements for the Economic and Social Growth of Small-sized Producers)	<i>Cruzada Patagónica</i> Foundation	Development opportunities for families from rural communities, fostering sustainable family agriculture through diversification and productive improvements	Neuquén
	INTERRIS	ArgenINTA	Restructuring of systems for the protection of fruit crops against frosts into ecologically compatible methods, in Northern Patagonia	Río Negro
	<i>Recuperación de pueblos en riesgo de desaparecer</i> (Recovery of Towns that Are at Risk of Disappearing)	<i>Responde</i>	Promotion of the town of Berna through the application of development tools and the offering of training to enterprises related to hand-made production and tourism	Santa Fe

HEALTH

Value for Your Health

UNDER POVERTY CONDITIONS, SERIOUS HEALTH PROBLEMS AFFECT 4 OUT OF 10 PEOPLE, WHILE IN MIDDLE-CLASS PROFESSIONAL LEVELS SUCH PROPENSITY IS LOWER: 2 OUT OF 10 PEOPLE.

THROUGH THE PROGRAMS INCLUDED IN “VALUE FOR YOUR HEALTH”, WE DEVELOP AND SUPPORT PROJECTS THAT IMPROVE THE SITUATION OF HOSPITALIZED PATIENTS AND THE MEDICAL CARE OF LESS-FAVORED PEOPLE, WE FOSTER INITIATIVES FOR THE PREVENTION OF CHILDREN MALNUTRITION AND HELP DIFFERENT INSTITUTIONS WITH THE PURPOSE OF CONTRIBUTING TO THE INVESTIGATION, TRAINING, AWARENESS AND TREATMENT OF DISEASES.

Results	
Presence in the Provinces	21
Community Programs	21
Alliances with Organizations	30
Support to CSOs	11
Beneficiaries	
Institutions	227
Schools	81
Patients	392,959
Trained Beneficiaries	2,500
Community Leaders	612



Programa de Mejoras en Hospitales, Centros de Salud y Salas (Hospitals and Health Centers Improvement Program)

MORE THAN 14 MILLION PEOPLE ONLY HAVE PUBLIC HOSPITALS TO RESORT TO WHEN THEY SUFFER HEALTH PROBLEMS SINCE THEY DO NOT HAVE ANY OTHER SOCIAL OR ELSE PRIVATE HEALTH COVERAGE.

The purpose of this Program is to foster the development of public health institutions in the provinces and maintain their social function, as well as to promote the work of doctors and the quality of the assistance rendered to patients.

Improvement Plans Carried Out in 2010		
Location	Hospital	Improvement Implemented
La Plata Buenos Aires	<i>Hospital Italiano de La Plata</i> <i>Asoc. Socorros Mutuos</i>	Equipment for the Pediatric Intensive Care Unit.
Guauguaychú Entre Ríos	<i>Hospital Centenario</i>	Equipment for the areas of pediatrics and speech and hearing therapy
Paraná Entre Ríos	<i>Centro de Salud</i> <i>“Cecilia Grierson”</i>	Equipment for the Health Center
Rosario Santa Fe	<i>Hospital Dr. Roque Sáenz Peña - Rosario</i>	Equipment for the areas of obstetrics, cardiology and dentistry
Venado Tuerto Santa Fe	<i>Hospital SAMCO</i> <i>Alejandro Gutierrez</i>	Equipment for the serology area of the hospital's laboratory
Reconquista Santa Fe	<i>Hospital Central</i> <i>Olga Stuky de Rizzi</i>	Infrastructure improvements and equipment for the emergency room
San Francisco Córdoba	<i>Hospital Regional</i> <i>José Bernardo Iturraspe</i>	Infrastructure improvements for the hospitalization service
Villa María Córdoba	<i>Centro de Asistencia Pública</i>	Infrastructure improvements for the Health Center facilities
Vicuña Mackenna Córdoba	<i>Hospital Dr. E Carrozzi - Vicuña Mackenna</i>	Equipment for the X-ray room
Santiago del Estero	<i>Hospital Independencia</i>	Equipment for the surgery service

Additionally, contributions are made to hospitals located in CABA. During 2010, the Bank helped several institutions with the purchase of equipment: Through COAS and the *N. Salvatori Foundation*, the Bank helped the *Hospital Pirovano*; through the *Policía Federal Argentina Foundation*, it helped the Hospital “Churruca -Visca”; through the *Dr. Juan A. Fernández Foundation*, it helped the *Hospital Fernández* and, through the *Asistencia Social del Hospital de Clínicas “José de San Martín” Foundation*, the Bank helped that hospital.

Health				
Initiative	Project / Program	Organization	Description	Reach
Prevention of Malnutrition	<i>Prevención de la Desnutrición Infantil</i> (Preventing Children Malnutrition)	CONIN Foundation	Training offered to social leaders to contribute to the prevention of children malnutrition	Buenos Aires, La Pampa, Misiones, Neuquén, Chubut, La Rioja, Santiago del Estero, Tucumán, Formosa, Santa Fe, San Luis, Salta, Jujuy
	<i>Ampliación Centro CONIN</i> (Centro CONIN Expansion)	<i>Haciendo Camino</i> Foundation	Contribution to the expansion of the <i>Centro CONIN de Prevención y Promoción Humana</i> (CONIN Center for Prevention and Human Promotion), which provides assistance to children from 0 to 5 years who are at risk both socially and as regards nutrition	Santiago del Estero
	<i>Lo nuestro a la Olla</i> (Our Products in the Pan)	FONRES	Creation of a website where the public is given advice on how to take advantage of the food included in the family shopping basket at good prices, thus promoting budget, tasteful and healthy cooking	National
	<i>Plan Solidario Agropecuario</i> (Agriculture and Livestock Solidarity Plan)	Solidagro	Reinforcement of nutrition mainly in children, together with school support and a crafts workshop	Chaco and Santa Fe
Support to the Investigation, Training, Awareness and Treatment of Diseases	<i>Cuidar y Vivir</i> (Caring and Living)	ACIAPO	Its aim is to early detect neoplastic diseases to reduce morbidity and mortality in children	Buenos Aires
	<i>Grupos de Apoyo</i> (Support Groups)	EMA - <i>Esclerosis Múltiple Argentina</i> (Multiple Sclerosis Argentina)	Its purpose is to improve the quality of life of patients with multiple sclerosis, to spread information on this problem and train professionals devoted to the diagnosis and treatment of this disease	CABA
	<i>Formación para el Tratamiento de Enfermedades</i> (Training for the Treatment of Diseases)	H. Garrahan Foundation	Scholarships for training in the area of Pediatric Pathology	CABA
		SAD (<i>Sociedad Argentina de Diabetes</i>) (Argentine Society of Diabetes)	Scholarships for training doctors in diabetes care	CABA
		Hosp. Austral	Support to the Food Allergy Congress	Pilar - Buenos Aires
	<i>Acción Social</i> (Social Action)	Fundaler	Scholarships aimed at investigations with regard to asthma	Tucumán
		FUNDALEU	Treatment of low-income patients who have leukemia	Corrientes, CABA
		<i>Salud Ocular y Prevención de Ceguera</i> (Eye Health and Prevention of Blindness)	<i>Fundación Oftalmológica del NOA</i> (Argentine North Western Region Ophthalmology Foundation)	La Rioja
Promotion of the Well-being of Individuals with Disabilities	<i>Detección de Enfermedades</i> (Detection of Diseases)	FEI - <i>Endocrinología Infantil</i> (Children Endocrinology)	Detection of congenital hypothyroidism and phenylketonuria in newborns	Misiones
	<i>Prevención de Gripe y Dengue</i> (Flu and Dengue Prevention)	<i>Centro de Estudios Infectológicos</i> Foundation	Spreading, within the educational community, of practical recommendations for the prevention of flu and dengue	CABA
	<i>Enfermedades Zoonóticas</i> (Zoonotic diseases)	FABA	This program fosters the prevention of diseases transmitted by pets and the responsible care of animals	Buenos Aires
	<i>Vacunas</i> (Vaccination)	Hosp. de Tigre	Donation of 500 vaccines against swine flu	Buenos Aires
	<i>Puesta en valor del Centro</i> (Updating of the Center)	Schoenstatt	Support to the community kitchen of the <i>Valoremos la Vida</i> Center for the Disabled	Buenos Aires
	<i>Estimulación Temprana</i> (Early Stimulation)	Las Lomas Oral	Comprehensive and personalized education for hearing-impaired children	Buenos Aires
	<i>Rehabilitación Pediátrica</i> (Pediatric Rehabilitation)	ALPI	Building of a new pediatric care center for the diagnosis and treatment of neuromotor diseases	CABA
	<i>Puesta en valor SUM</i> (Updating of the Room for Multiple Purposes)	COPIDIS - (GCBA)	Recovery of the <i>Instituto de Rehabilitación Psicofísica's</i> (IREP) room for multiple purposes within the framework of a comprehensive reform	CABA
Integration of Vulnerable Groups	<i>Apoyo Familiar</i> (Family Support)	Tzedaká	Contribution with regard to the food, housing and health needs of families	CABA
	<i>Reformas Edilicias</i> (Building Reforms)	<i>María del Rosario de San Nicolás Association</i>	Expansion of the home for girls who are victims of child abuse and under judicial guard	CABA, Villa de Mayo Buenos Aires
	<i>Integración a través de Espacios Creativos</i> (Integration through Creative Forums)	<i>Manos Abiertas</i> Foundation, Lekotek	Promotion of health through art sessions. Promotion of integration through play activities in playrooms	CABA

Programa de Prevención de la Desnutrición Infantil (Children Malnutrition Prevention Program)

1 OUT OF 10 BOYS, GIRLS AND ADOLESCENTS IN ARGENTINA IS AT RISK WITH REGARD TO NUTRITION.

We believe this severe problem should be dealt with in a comprehensive manner. That is why Banco Galicia developed, together with CONIN, the Programa de Prevención de la Desnutrición Infantil (Children Malnutrition Prevention Program). The program is aimed at providing training to local social leaders (teachers, sanitary agents and representatives of intermediate associations, among others) so that they act as agents with regard to nutrition-related matters and the healthy development of children, with emphasis on malnutrition in early childhood. In this respect, contents related to eating habits, affective development and the growth and development of children are dealt with.

This nationwide activity has been implemented for three years now. This call for social leaders is made together with local social organizations, thus boosting their ongoing work. In 2010, 22 training sessions were offered together with 206 organizations and 75 schools, where 601 social leaders attended.



PROGRAMA INTERACTIVO DE AYUDA POR REGIONES (PRIAR - REGION-BASED INTERACTIVE ASSISTANCE PROGRAM): A Combination of Commitment and Dedication

PRIAR is a volunteering program created in 2001 by the initiative of the Bank's employees, which is developed within the framework of the *Ayudando a Ayudar* Civil Association.

The purpose of volunteers is to offset the effects of poverty through sustainable solidarity projects destined to public welfare organizations with the purpose of covering the food, health, education and recreation needs of the underprivileged in all the regions of Argentina where the Bank is present.

PRIAR is a clear example of the commitment and dedication of team leaders, the volunteers from the branches who coordinate projects and the Head Office teams, which provide support through periodic campaigns to raise funds and get materials. The outcome of each project is a new capacity or attribute for the organization.

During 2010, 9 new projects were incorporated: 7 Head Office campaigns were carried out, as well as the well-known *Circuito de Golf PRIAR* (PRIAR Golf Circuit), which ended with the *Torneo Nacional de Golf* (National Golf Tournament), with record fundraising. In turn, the money from the sale of the Bank's file paper to recycling institutions was as well added to the PRIAR's funds.

Furthermore, the contribution the Bank's employees make through automatic debit increased 20% in 2010, as a result of the adhesion of new volunteers and the increase in the contribution of employees who have already been participating in this proposal.

PRIAR Indicators		
	2010	2009
Beneficiaries	16,572	15,306
Volunteers	3,251	3,080
Projects since the Program's Inception	115	106
Projects Completed	89	84
Projects under Execution	28	22



Programa Interactivo de Ayuda por Regiones (PRIAR - Region-Based Interactive Assistance Program)

Location	Institution	Beneficiaries	Description
San Salvador de Jujuy - Jujuy	Primary School No. 451	500	Provision of heaters and fans, building of a sandbox and playground, gathering of clothes.
Salta - Salta	Nuestra Señora de Itatí Parrish	100	Purchase of educational material for the workshops offered there
J. J. Castelli - Chaco	School No. 960 in Impenetrable	39	Building repairs and creation of a library
Escaba de Abajo - Tucumán	School No. 190	80	General repairs to the school
Posadas - Misiones	Majanaim Children Home	30	Building of a pavilion and provision of an industrial washing machine and drying machine
Goya - Corrientes	Santa Rita Goya Community Kitchen	180	Building of a kitchen and preparation of a farm
Reconquista - Santa Fe	"Ayúdame a Ayudar" Community Kitchen	40	Water supply for the kitchen and sanitary facilities
Córdoba - Córdoba	FONBEC	7	Its aim is to make it possible that outstanding students continue studying, thus avoiding school drop-out due to the lack of economic resources, during the 2009-2010 school year
Río Cuarto - Córdoba	San Antonio de Padua Hospital (Casa Lubetkin)	22	Helping the hospital with the maintenance and improvement of its facilities and equipment
Ullúm - San Juan	Ullúm - Multiple Education School	40	Purchase of a bus for the transportation of students. Provision of toys and candies
Guaymallén - Mendoza	Nuestra Señora del Milagro Association	220	Provision of shoes, clothes, toys, candies and educational material, and supply of paint for the children home
San Rafael - Mendoza	San José Moscati Community - Rama Caída Psychiatric Institution	80	Extension of the nursery room and finishing of bathrooms
Bragado - Bs. As.	School No. 14 - Fragata Sarmiento	100	Building reforms in bathrooms and security wall
Chacabuco - Buenos Aires	Miguel Máximo Gil Association	30	Provision of toys, tennis shoes, clothes and food for children
Chacabuco - Buenos Aires	Supplementary Educational Center No. 801	140	Equipping classrooms with educational materials and books
La Rreja - Buenos Aires	Jesús de Nazareth Children Home	30	General repairs and conditioning of electrical installations. Installation of gas mains. Provision of toys, candies, educational material, clothes
Lanús - Buenos Aires	Special Education School for the Blind and Visually Impaired No. 506	295	Goal: To provide the school with materials for daily work as well as heaters, fans, a radio console and an extension of the kindergarden. Equipping of a playground
L. de Zamora - Bs. As.	Casa del Niño Nuevo Sol Foundation	125	Building reforms in sanitary facilities
Olivos - Buenos Aires	Maximiliano Kolbe Missionary Center (San Pedro and San Pablo Parrish)	30	Repairs to the Parrish roof and conditioning of the room for multiple purposes at the missionary center
Tigre - Buenos Aires	"Los Bajitos" Community Kitchen	235	Construction completion and equipment for a playground and the kitchen
T. Lauquen - Bs. As.	School for Adults No. 701	200	Building and equipping of a computer room and a library
CABA	Claudina Thevenet Therapeutic Center	138	Building of sanitary facilities for disabled individuals
CABA	Roffo Hospital	22	Purchase of air conditioning units and microscopes for the pathology sector
Neuquén - Neuquén	Caritas Felices Community Kitchen	150	Building repair and provision of equipment
Gral. Roca - Río Negro	Emmanuel School Community Kitchen	200	Creation and fitting of a room for multiple purposes. Provision of miscellaneous elements
Río Grande - Tierra del Fuego	Centro Educativo y de Formación Laboral (Educational and Work Training Center)	450	Total repair and conditioning of the facilities. Provision of educational material
Ushuaia - Tierra del Fuego	Las Gaviotas Experimental School	27	Purchase of educational material
Ushuaia - Tierra del Fuego	Caminito de Colores Kindergarden	195	Equipment for the computer room and building of a room for multiple purposes. Provision of educational material, toys and candies

CASA DEL NIÑO FOUNDATION NUEVO SOL CHILDREN HOME

PROJECT: HEAD OFFICE - OPERATIONS DIVISION, CUSTOMERS
AND PRODUCTS MANAGEMENT DEPARTMENT

LOCATION: BANDFIELD, LOMAS DE ZAMORA DISTRICT, BUENOS AIRES.

CASA DEL NIÑO FOUNDATION'S NUEVO SOL CHILDREN HOME RECEIVES MORE THAN 80 CHILDREN AND 40 ADOLESCENTS WHO ARE AT SOCIAL RISK WITH THE PURPOSE OF GUARANTEEING THEIR FOOD, HEALTH AND LEARNING NEEDS ARE MET, STRENGTHENING AND ACCOMPANYING THE FUNCTION OF THEIR FAMILY, THE COMMUNITY AND SCHOOL. ITS PURPOSE IS TO AVOID SCHOOL DROP-OUT AND SOCIAL EXCLUSION, THROUGH THE APPLICATION OF COMPREHENSIVE EDUCATION PROGRAMS AND CULTURAL ACTIVITIES. THE FACILITIES NEEDED BUILDING REFORMS. IN FOUR MONTHS, AND THANKS TO THE PRIAR, MATERIALS COULD BE PURCHASED AND CONSTRUCTION WORKS WERE CARRIED OUT. NOWADAYS, CHILDREN AND ADOLESCENTS CAN HAVE ACCESS TO BATHROOMS THAT ARE IN EXCELLENT CONDITIONS AND USE THE PLAYGROUND ALL YEAR ROUND. WHAT IS MORE, THE COMPUTER ROOM WAS EQUIPPED WITH TABLES, A CAROUSEL AND A SWING WERE PROVIDED FOR THE PLAYGROUND, AND TOYS AND CLOTHES WERE OFFERED AS PRESENTS FOR CHRISTMAS AND THE THREE WISE MEN'S DAY.



OUR CONTINUOUS VISITS TO THE HOME ALLOWED US TO MEET CHILDREN, GET INVOLVED AND BE MORE WILLING TO WORK WITH THEM. THIS WAY, TOGETHER WITH ALL THE DEPARTMENT EMPLOYEES, WE ACHIEVED THE GOAL SET.

WE BELIEVE THIS WAY WE ARE DOING OUR PART TO IMPROVE THE FUTURE OF YOUNG PEOPLE IN ARGENTINA. THIS IS WHY WE HAVE NO DOUBTS WITH REGARD TO CONTINUING CARRYING OUT THIS TASK, ADDING NEW GOALS.

WE KNOW WE CAN DO IT IF WE GET TOGETHER, ADDING THE SUPPORT OF MORE BANK EMPLOYEES, OUR FAMILIES AND CUSTOMERS, WHO MADE THIS FIRST STEP POSSIBLE.

SONIA ILLESCAS,
PABLO ARANDA AND
EDUARDO RUBIO.



CULTURAL HERITAGE

We Support the Commemoration of the 200th Anniversary of May Revolution

In the year of the 200th anniversary of May Revolution, we promoted the exhibition “Buenos Aires desde una esquina” (Buenos Aires from a Corner), which makes reference to the history of the city, taking as focal point the emblematic corner of Perón and Reconquista streets, a crucial part of the Bank's identity, where the Corporate Tower is nowadays located. As part of this exhibition, a urban archeology exhibition was held, with objects representative of more than 200 years of history that were found in that same corner.



Publication of an Unpublished Work

The Bank published the unpublished work “Caaporá: Un ballet indígena en la modernidad” (Caaporá: An Indigenous Ballet in Modern Times), written by Ricardo Güiraldes and with illustrations by Alfredo Gonzalez Garaño. Manuscripts were recovered by historian María Elena Babino. The proceeds from the sale of the book will be used for restoration works of the Ricardo Güiraldes Museum –located in San Antonio de Areco, Province of Buenos Aires–, which was affected by a flood at the end of 2009.



FADAM⁷¹ - Banco Galicia School Competition

Primary school students from all over the country were invited to send their works on outstanding men and women in Argentina between 1810 and 1910. The first prize for winning students was a trip to Buenos Aires, as well as commemorative medals, and the school received educational material.



“Chau Indiferencia” (Goodbye Indifference) Program

Within the framework of this program developed by the Fundación Americana para la Educación⁷² (American Foundation for Education), during 2010 copies of the National Constitution were given to employees, as well as material with highlighted questions and answers to know the National Constitution in depth. The purpose of this was that collaborators could get a deep knowledge of the foundations of our republican and democratic system, which are the guarantees of fair and equal development.



71. Federación Argentina de Amigos de Museos (Argentine Federation of Museum Friends) <http://www.fadam-fadam.blogspot.com/>
72. www.fundacionamericana.org.ar

OUR ALLIES: SUPPLIERS

A RELATIONSHIP
BASED ON STRONG AND
LONG-LASTING BONDS



BANCO GALICIA'S SOCIAL
ACCOUNTABILITY 2010: FOSTERING
ENVIRONMENTALLY-RESPONSIBLE
PRACTICES AMONG OUR SUPPLIERS.

WE INVITED OUR SUPPLIERS DURING 2010
TO JOIN OUR COMMITMENT TO THE ENVI-
RONMENT. FURTHERMORE, WE CONTINUED
WITH THE SYSTEMATIZATION OF EMPLOY-
EES' VISITS TO SUPPLIERS, FOR WHICH
WE OUTLINED PROCEDURE STANDARDS
AND LAUNCHED A VALUE PROGRAM AIMED
AT THE SMES OF OUR SUPPLY CHAIN.
BASED ON SUCH PROGRAM, WE FOSTERED
SUSTAINABLE AND CORPORATE SOCIAL
RESPONSIBILITY PRACTICES.

CHALLENGE FOR 2011

WE WILL CONTINUE CONSOLIDATING OUR
BONDS WITH SUPPLIERS THAT ARE COM-
MITTED TO SUSTAINABLE MANAGEMENT,
AND NEW SUPPLIERS WILL BE INVITED TO
JOIN THIS COMMITMENT. IN THIS SENSE,
OUR GOAL IS TO MAKE PROGRESS TOWARDS
THE IMPLEMENTATION OF OUR VALUE
PROGRAM WITH THE COMPANIES THAT
HAVE ALREADY JOINED IT AND TO INCREASE
ITS IMPACT BY GETTING OTHER COMPANIES
INVOLVED.

MIGUEL PEÑA
CORPORATE SERVICES
DIVISION MANAGER



In Banco Galicia we believe that our relationships with our
supply chain have a direct impact on the business results;
therefore, we are working to build long-standing and successful
relationships that enable the development of our suppliers'
business on the one hand, while we can achieve –at the
same time– our final goal of providing our customers with a
distinctive service.

Work with our supply network is aimed at both, increasing
the operating efficiency of both parties –through adequate use
of our resources– and developing a long-term business relation-
ship, for which we bet on communication and knowledge by
extending our contact channels.

We have an extensive supply network, composed of 2,704
suppliers of different business size and activity.

Suppliers Network	
Goods	Services
• Supplies: Stationery and Office Supplies; Checks and Plastic Cards	• Lease of Real Property
• Information Technology	• Consulting
• Merchandising	• Publicity
• Building Equipment	• Cleaning Services
• Accountable Assets (vehicles)	• Training Services
• Purchase and Sale of Real Property	• Transport Services
	• Insurances
	• Hotel and Travel Expenses
	• Security
	• Construction Companies



“Galicia Compras” Portal

This portal constitutes a channel to communicate with suppliers, through which companies may purchase, sell, and finance all their indirect goods and services produced or required.

This tool enables companies to access offers of products and services, ranging from office and ordinary supplies to specialized services, as well as potential customers.

Suppliers’ Development

In order to foster the development of our supply network, a set of actions have been designed to strengthen the relationship with our suppliers and to facilitate their progress by means of:

- Formalizing a process for the assessment, development, and retention of suppliers, for which we visit their production plants. This action lets us learn about their performance in connection with the environment.
- Defining the factors that will be taken into consideration when requesting documents from such suppliers.

Programa VALOR (VALUE Program) ⁷⁵

It is strategic for the Bank that its SMEs’ suppliers apply the Bank’s Corporate Social Responsibility principles when they manage their companies, so that they can meet the sustainability standards associated with the supply and distribution chain.

Programa VALOR is an initiative launched by the IDB and carried out by AMIA and FOMIN⁷⁶ to which the Bank has adhered, which aims at fostering the implementation of CSR measures, prioritizing such SMEs that are part of our value chain.

It is a proposal that enables companies to remain competitive and integrated with more dynamic economy sectors, providing them with training, consulting, follow-up, and measurement services.

The Bank expects to achieve the following –through this initiative– from the SMEs involved:

- High-level training in Corporate Social Responsibility matters and specialized consulting services.
- Improvement of their ability to review their business strategy in a systematized manner.
- Development of an improvement plan directly related to their type of company.
- A better relationship with stakeholders.
- A reduction in their costs and risks.
- Strengthening of their regulatory system.

The work plan consists of the following phases:

- 1) A meeting to introduce and raise awareness of the sustainability value and the approach to CSR.
- 2) A diagnostic work about SMEs by the program general consultants.
- 3) Work together with the technical consultants, where each SME receives technical assistance through our consulting services, which will enable the design of an improvement plan, then, its implementation and follow-up to identify deviations so that applicable adjustments can be made.

⁷⁵. Visit www.valor.amia.org.ar to learn more about this program.
⁷⁶. Fondo Multilateral de Inversiones (Multilateral Investment Fund)



The Bank’s hiring procedure is based on certain assessment and selection criteria, which privilege hiring people or companies that share our principles and values. Since 2007, we have a Code of Conduct for Suppliers⁷³, where the Bank defines its commitments and expectations as regards its suppliers.

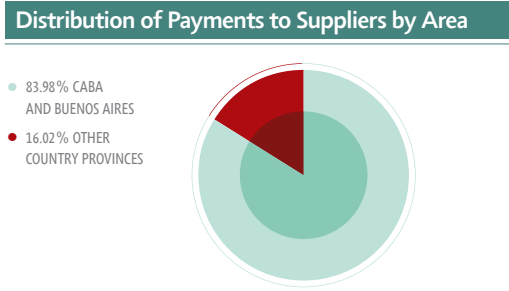
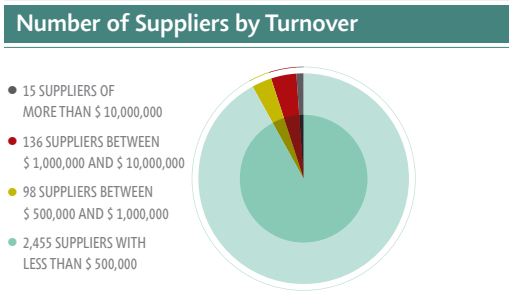
The main topics covered in such Code of Conduct are: Banco Galicia’s Principles and Values related to the respect for the laws and fight against corruption, business loyalty and honesty, and the Principles of the United Nations Global Compact. Accepting such Code of Conduct is a compulsory requirement to work with the Bank. Besides such Code, since 2010, our suppliers are required to learn about and express their agreement with our Environmental Policy⁷⁴.

The following are some services currently provided by the Bank to improve its service to suppliers:

- **Current Account Viewer:** To learn about a bill status through an innovative and practical tool.
- **Queries and/or Complaints:** All queries and/or complaints are processed fast and effectively through our service channel.
- **Biddings:** A resource called Banco Galicia Market Research (*Explorador de Mercado de Banco Galicia*) has been made available for biddings.

⁷³. Visit http://www.bancogalicia.com/eGalicia/Home/Paginas_y_Secciones_Varias/Otros_Archivos/Codigo_de_conducta.pdf to read the Code of Conduct for Suppliers full text
⁷⁴. For more information see the Environmental chapter.

Total Number of Active Suppliers		
	2010	2009
Suppliers	2,704	2,410



OUR CONCERN: ENVIRONMENT

PROTECTING OUR ENVIRONMENT



BANCO GALICIA'S SOCIAL ACCOUNTABILITY 2010: INTERNAL CAMPAIGN TO RAISE AWARENESS AND STRENGTHEN OUR EXTERNAL RELATIONS WITH ENVIRONMENTAL SPECIALISTS.

WE HAVE ACHIEVED OUR GOAL OF INCREASING THE ENVIRONMENTAL AWARENESS AMONG THE BANK'S EMPLOYEES. WE HAVE EXCEEDED THE GOALS PROPOSED FOR 2009 WITHIN THE FRAMEWORK OF THE ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATION PURSUANT TO THE ISO 14001 STANDARD, BY INCREASING THE SCOPE OF SUCH TRAINING COURSES AND THE NUMBER OF ACTIVITIES THAT FOSTER ENVIRONMENT PROTECTION AWARENESS. AT THE EXTERNAL LEVEL, WE HAVE BEEN ACTIVELY INVOLVED IN NATIONAL AND INTERNATIONAL MEETINGS IN CONNECTION WITH ENVIRONMENTAL ISSUES. THUS, WE CONTINUE ADOPTING INSPIRING PRACTICES AND ASSOCIATING THE BANK WITH OTHER ORGANIZATIONS COMMITTED TO PROTECTING THE ENVIRONMENT SO AS TO LEVERAGE EFFORTS AND TO PROMOTE EXCHANGE FORUMS.

CHALLENGE FOR 2011

TO STRENGTHEN THE BANK'S COMMITMENT TO ENVIRONMENTAL MANAGEMENT BY MAKING INVESTMENTS IN NEW IT TOOLS THAT ENABLE COMPLIANCE WITH THE ENVIRONMENTAL RISK POLICY WHEN LOANS ARE GRANTED. IN TURN, WE WILL MAKE MORE MEASUREMENTS AS TO THE CARBON FOOTPRINT FOR EACH OF OUR CORPORATE CUSTOMERS IN ORDER TO COMPLY WITH THE THREE SCOPE OF THE GHG PROTOCOL.

MARCELO PONCINI
CREDIT AND ENVIRONMENT MANAGER



In the last decade, the environment-related topics reached the top of the list in the world's political and economic agenda. Argentina has a leading role within a scenario where a significant increase in the world population has been forecasted –reaching 9,200 million people in 2050 (UN, 2008)– which will apply –as a result– a significant pressure on natural resources: Argentina is within the category of 10 countries which –in the aggregate– have 60% of the soil capacity that may be used for the production of such natural resources and for providing environmental services, such as capturing CO₂⁷⁷.

We strengthened our commitment to protecting the environment by launching activities that raise awareness, and help improve and preserve the environment. Such activities were aimed at our stakeholders, being aware that an environmental change should be a collective challenge.

We developed activities for the employees to provide training and raise awareness of our Environment Management System, being convinced that in order to achieve a better environmental performance each and every employee of Banco Galicia should get involved.

We offer our customers credit lines to apply environmental improvements on their production systems.

We also made a contribution to the scientific community for the bio-diversity preservation through the Environmental Conservation Fund ("FOCA", as per its initials in Spanish).

⁷⁷ Living Planet Report, 2010.

ENVIRONMENTAL MANAGEMENT SYSTEM

In December 2010, we completed the Re-certification of our Environmental Management System (SGA as per its initials in Spanish) for Banco Galicia's Corporate Tower under ISO 14001: 2004 standard, which was granted by Bureau Veritas, which included the Environmental Awareness Program, the Resource Optimization Program, the Electric Power, Water, and Natural Gas Saving Program and the Indirect Environmental Risk Management Program.

Environmental Awareness Program

We focused on increasing staff awareness of the initiatives required to improve our environmental performance and of the importance of everyone's cooperation with the success of these activities.

Visits to the Corporate Tower

In 2010 we launched a program to visit the Corporate Tower aiming at touring around the offices –thus improving awareness of some environmental aspects and of the impacts of our activities on the environment– and at promoting the adoption of more eco-friendly practices. During this year, 11 visits were made and 244 employees joined them.

Online Course on SGA

520 people increased their degree of awareness of the initiatives developed to minimize our environmental impact through the design and implementation of an Environmental Management training course.



78. Zona Ingenia's system operation is described on page 37.

79. Contest winners for the three categories were: Sofia Nuñez (6 years old), Diego Julián Barbieri Baldomir (10 years old), and Facundo Alcaraz (10 years old). They received a bicycle as a prize. The second and third positions in each category received a microscope and a science kit respectively. All the contestants received one of the following books: "La ecología a tu alcance" (Ecology within Your Reach, by Francois Michel), "Ecología para los más chiquitos" (Ecology for Kids, by Susana L. De Romero and Ana María M. De Buratti), and "Ecología: Nuestro planeta en peligro" (Ecology: Our Planet is in Danger, by Norma Cantón).

Getting Ready for an Emergency Response

During 2010 special training courses were developed for Floor Managers. Such training included a course by the Argentine Red Cross about some guidelines to apply in case of accidents, disasters, and emergencies at the workplace. Also, during this year, 6 evacuation drills were performed in our main buildings, including "closing meetings" to evaluate improvement opportunities.

Environmental Improvement Contest

A contest was launched through "Zona Ingenia"⁷⁸ aiming at gathering proposals from all Bank staff members to improve our performance in the management of water and paper consumption, in the generation of urban solid wastes, and in the consumption of energy and the carbon footprint. 20 proposals were submitted and a special recognition was given to all participants.

2nd Environmental Drawing Contest⁷⁹

240 kids participated in this contest. In this edition we included a new category so that children from schools and other social organizations that are the beneficiaries of our PRIAR corporate volunteering program could participate in this event.

Environmental Expenses and Investments

	2010 Amount in Pesos
Waste Disposal and Environmental Remediation and Reduction of Emissions Costs.	16,144.43
Prevention and Environmental Management Costs Related to the Bank Operations.	167,598.80
Prevention and Environmental Management Costs Related to Projects External to the Bank.	404,290.44
Total	588,033.67

GREATER AWARENESS, BETTER RESULTS

WE STARTED MAKING EMPLOYEE SURVEYS TO ESTABLISH A DIAGNOSIS OF OUR EMPLOYEES' LEVEL OF AWARENESS OF OUR ENVIRONMENTAL POLICY AND THE PROGRAMS IMPLEMENTED BY THE BANK.

32% OF THE EMPLOYEES SURVEYED HAD ALREADY PARTICIPATED IN THE CORPORATE TOWER VISIT PROGRAM AND 14% HAD ALREADY MADE THE ONLINE COURSE. THE OTHER 54% HAD PERFORMED NO DIRECT AWARENESS ACTIVITY. SUCH RESULTS SHOW THAT TRAINING ACTIVITIES HAD A POSITIVE IMPACT ON EMPLOYEES, BOTH, AS REGARDS THE BANK'S INITIATIVES RELATED TO ENVIRONMENTAL CARE (94.5% OF THE EMPLOYEES SURVEYED SAID THEY WERE AWARE OF THEM) AND THE INCORPORATION OF MORE ECO-FRIENDLY PRACTICES FROM OUR EMPLOYEES.

What of the Items below Do You Cooperate with?

Rational Use of Water and Closing Faucets when Not Used	100	0
Not Printing Unnecessary Copies	98	2
Paper Recycling	98	2
Reduction of Paper Consumption	98	2
Optimization of the Energy Used	94	6
Shut Down of PCs when Leaving the Office	88	12
Printers are Configured to Print on Both Paper Sides	88	12
Re-use of Paper	87	13
Electronic Devices are Unplugged when Not Used	72	28
Exchange of Plastic and Cardboard Glasses by Cups	70	30
Others	49	51

Actions taken in % ■ Yes ■ No



Resource Optimization Program

We will continue promoting higher efficiency in the use of office materials. During this period, our efforts were focused on reducing the amount of white paper used and measuring the use of printer cartridges, which are two of the resources mostly used in our activity. We also improved actions related to waste management.

Waste Management

Paper Recycling

We increased the volume of white recycled paper used by 14% when compared to 2009, while the amount of paper sent to our files has decreased, for which total number of recycled tons is lower than the paper amount recycled last year.

Paper Recycling				
Indicator	Unit	Reach	Annual Consumption	
			2010	2009
White Recycled Paper	Tons	Main Buildings ⁸⁰	76	65
Recycled Paper for the Files	Tons	Main Buildings	262	615



Recycling of Plastic Bottle Caps

Since 2008 we participate in a Program from *Fundación Garrahan* (Garrahan Children’s Hospital) for Recycling Plastic Bottle Caps.

This year we increased the volume of recycled caps by 55% when compared to last year. Since we started this program, we have collected 469 kg of donated plastic bottle caps.

Plastic Bottle Caps for Recycling (in kg)			
Total Accumulated Number	2010	2009	2008
469	275	125	69

Electronic Wastes

We give different types of treatment to electronic wastes based on their condition. Technologies that have become obsolete for the Bank’s technological requirements are donated, if possible, to social organizations. Deteriorated equipment is delivered to a specialized supplier that disassembles them and separates disposable materials and provides adequate disposal for each type of material.

In 2010, 2,571 items of property were donated and treated, which represents 146% more than in 2009.

Fluorescent Tubes

This year, 652 kg of fluorescent tubes from our Corporate Tower were delivered to a specialized company for their treatment and final disposal⁸¹, which granted us the respective certificate.

80. Corporate Tower (Tte. Gral. J. D. Perón 430), Head Office (Tte. Gral. J. D. Perón 407) and Padelai (Tte. Gral. J. D. Perón 518).

White Paper Consumption

In 2010 the Bank made a massive campaign to achieve awareness of the rational use of white paper which included changes in processes and the adjustment of efficient practices in critical consumption areas⁸².

For instance, as proposed by the Data Processing and Communications Division, the Payroll Processing Division reduced 25,000 sheets of paper in their monthly consumption, which represents, cutting three less trees per month.

Paper Consumption				
Indicator	Unit	Scope	Annual Consumption	
			2010	2009
White Paper Consumption	Ton	The entire Bank	280	248 ⁸³
Printer Cartridges	Units	The entire Bank	10,007	6,954

Program for Saving Electric Power, Water and Natural Gas

During this period, there was a 20% reduction in water consumption, although number of floors used in our Corporate Tower has increased when compared to 2009.

New initiatives were developed to reduce energy consumption. Among other actions, 106 CRT traditional monitors were replaced by LCD monitors, which are more efficient in terms of energy consumption. This monitor renovation generated annual savings of 7.23 MWh (26.02 GJ) in their electrical consumption. This initiative also generates an estimated annual 3.73 ton reduction of CO² equivalent.

Energy Savings				
Resource	Unit	Scope	Annual Consumption	
			2010	2009
Water Consumption	m ³	Main Buildings	41,809	52,474
Natural Gas Consumption	m ³	Main Buildings	70,401	68,813
	GJ ⁸⁴		2,746	2,684
Gasoil Consumption	Liters	Main Buildings	22,505	19,158
	GJ		820	698
Power Consumption	MWh	Main Buildings	19,563	19,621
	GJ		70,430	70,636

Indirect Environmental Risk Management

During 2010, environmental and social risk management analyses were carried out on 208 investments projects from the Bank’s customers. Financing for such projects exceeds 750,000 pesos and such financing is granted for a period of over 2 years. In addition, 21 follow-up visits to customers were made within the scope of such project in order to check compliance with the terms and conditions of loans granted in previous years, and 2 visits were made to customers prior to the approval of credit transactions. In both cases, the purpose of such visits was to evaluate the specific environmental aspects involved and to learn about the environmental management systems implemented in each case.

Composition of the Investment Portfolio Subject to the IFC’s Environmental Analysis ⁸⁵						
	Amount (in Thousand Pesos)		Number		Share by Activity (% of Total Amount)	
	2010	2009	2010	2009	2010	2009
Agriculture, Livestock, Hunting, and Related Services	143,026	-	65	-	21	-
Manufacturing of Textile Products	13,000	-	2	-	1.9	-
Mining and Quarrying Operations, Others	5,250	-	3	-	0.8	-
Food and Beverage Products	104,497	-	24	-	15.4	-
Manufacturing of Basic Chemical Substances	13,890	619	5	1	2	56.3
Manufacturing of Paper and Paper Products	25,996	-	3	-	3.8	-
Editing, Printing and Playing of Recorded Material	2,000	-	2	-	0.3	-
Production and Manufacturing of Wood and Cork Products	-	480	-	1	-	43.7
Manufacturing of Poke, Production of Oil By-products	8,775	-	2	-	1.3	-
Manufacturing of Non-metallic Mineral Products	9,494	-	2	-	1.4	-
Manufacturing of Common Metals	1,000	-	1	-	0.1	-
Manufacturing of Metal Products, Others	2,200	-	2	-	0.3	-
Manufacturing of Machinery and Appliances, Others	2,000	-	2	-	0.3	-
Manufacturing or Trailers and Semi-trailers	2,600	-	1	-	0.4	-
Manufacturing of Rubber and Plastic Products	7,804	-	4	-	1.1	-
Manufacturing Sector, Others	6,500	-	1	-	1.0	-
Construction	62,532	-	24	-	9.2	-
Retail	37,875	-	14	-	5.6	-
Retail, except for Automotives	15,750	-	7	-	2.3	-
Sale, Maintenance and Repair of Automotives	24,029	-	9	-	3.5	-
Social and Health Services	3,630	-	2	-	0.5	-
Corporate Services, Others	12,963	-	3	-	1.9	-
Association Services, Others	800	-	1	-	0.1	-
Leisure Services and Related Services	5,800	-	2	-	0.9	-
IT and Related Services	1,000	-	1	-	0.1	-
Land Transport Service	49,384	-	19	-	7.3	-
Transport-related Services	7,980	-	2	-	1.2	-
Real Estate Services	86,000	-	3	-	12.6	-
Waste and Wastewater Disposal	24,800	-	2	-	3.6	-
Total	680,575	1,099	208	2	100.0	100.0

81. They are waste final disposal plants whose facilities have been specifically adapted to store hazardous wastes, as established by environmental safety regulations.
82. The indicator was increased due to a notice sent to all customers informing them about a regulation issued by the Argentine Central Bank.
83. The indicated amount includes consumption of continuous printing paper forms for a total of 40 kg, which was not included in the amount reported in the CSR 2009 Report.
84. 1 GJ (gigajoules) = 109 J (joule). 1J = 1 Ws (watt- second) = 0.2389 calories.
85. Such composition includes the analysis performed on granted and rejected loans.

THE EQUATOR PRINCIPLES

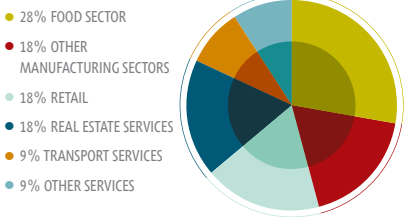
In compliance with the Equator Principles⁸⁶, signed by the Bank in 2007, we carried out an environmental and social assessment of all investment projects of more than \$ 15,000,000.

An assessment under these Principles contemplates the analysis of several social and environmental project aspects, and after these analysis, projects are classified based on three social or environmental risk categories: H (high), M (medium), L (low).

In 2010, 11 projects were assessed and classified under these Principles:

Credits under the Equator Principles	
Equator Principles Category	Number of Projects under Assessment
A	0
B	0
C	11
Total	11

Projects by Type of Activity



86. See more information at www.galiciasustentable.com
87. We continued offering the Environment Credit Line, which is a Bank's own credit line aimed at financing capital goods for the optimization, transformation, or restructuring of production processes to improve the environmental performance of its corporate customers.

Exchange Forums

Banco Galicia attended the Annual Meeting of Financial Institutions that signed the Equator Principles, which was held in Washington DC last June. Then, the Bank attended a meeting held in Beijing as part of a process to review the "Principles", aimed at drawing up a vision and a strategic plan to ensure that these principles continue being a "Golden Standard" to manage environmental and social risks at financial institutions.

On the other hand, the Bank participated in a Round of Consultations organized by the International Finance Corporation (IFC) to review the "Performance Standards" and attended both meetings, one held in Washington DC and another inter-disciplinary meeting held in Bogota, where the Bank interacted with different Latin American Companies, customers and NGOs.

Training Sessions

In 2010, we increased by 200% the number of hours for training on environmental and social risk assessment for investment projects: 255 employees received 510 hours of training on this topic through the Environmental and Social Risk Assessment module offered within this training program for Branch Corporate Officers (OFES as per its initials in Spanish) and our Branch Managers.

Additionally, the Credit Department –to support the training sessions provided– has organized training sessions by specialists where 53 people were trained in 106 hours.

Training Sessions		
Division	Participants	Hours
Credit Environmental Risk (Branches)	53	106
Credit Environmental Risk (Central Areas)	132	264
Risk Assessment and Credit Management	70	140

ENVIRONMENTAL IMPROVEMENT LINES⁸⁷

We offer our customers credit lines aimed at financing investment projects that comply with the requirements of reducing the environmental impact by using less polluting fuels, and using limited resources –such as water and electric power– more efficiently; such projects should also evidence an environmental improvement.

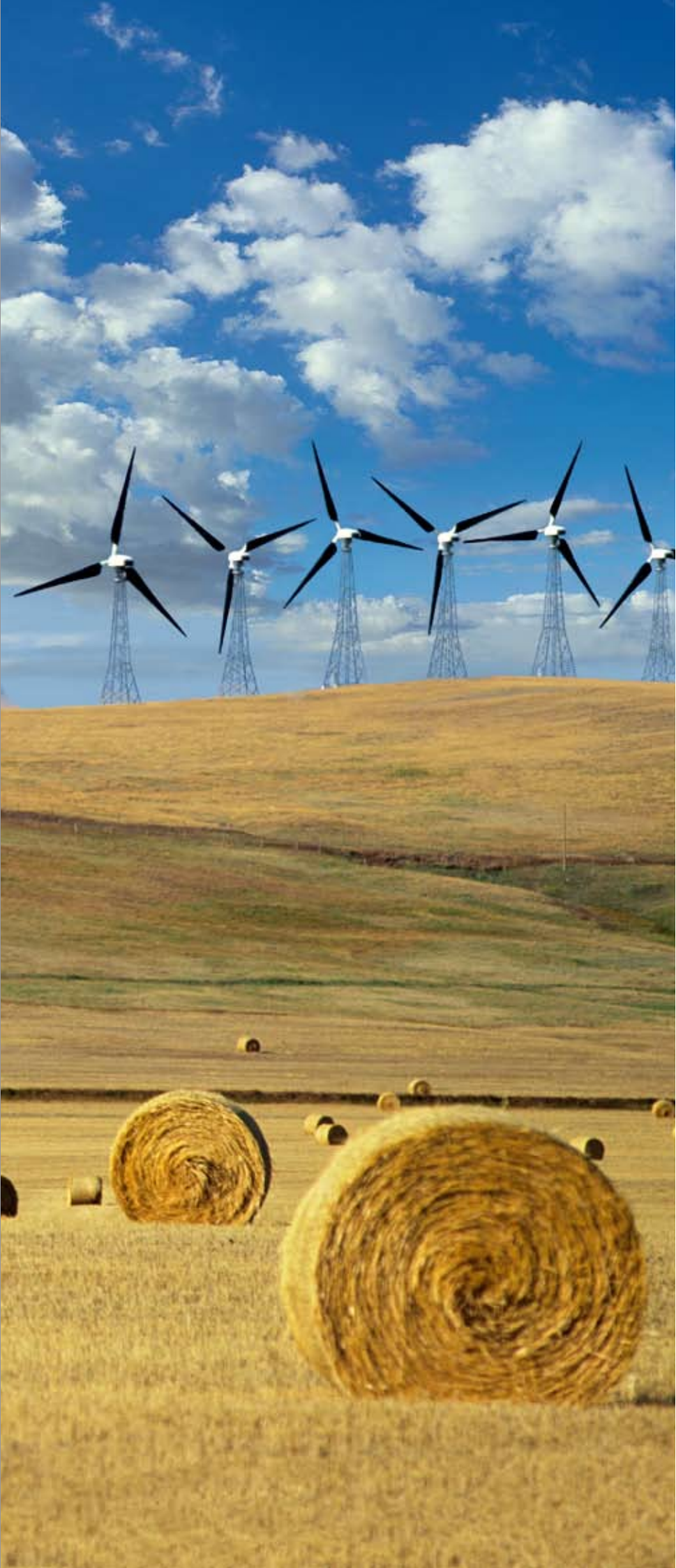
Green Lines for Agro-industrial Companies (IFC)

Through this 20,000,000 dollar credit line repayable in 5 years, we finance sustainable investment projects from agro-industrial companies whose initiatives are within any of the following categories:

- Energetic efficiency: Reduction of the electric power consumed by the energy unit produced or delivered, or by product unit.
- Cleaner Production: Minimizing wastes and emissions from industrial processes or maximizing production to achieve the best use of the materials or energy.
- Renewable energies: Generation of electricity or heat from renewable sources.

To get this credit line, the environmental improvements should be certified by a professional who should be external to organization that takes the credit line.

During 2010, a credit line for US\$ 750,000 was approved in connection with this type of credit line to provide financing for an agricultural-livestock operation project.



CLIMATE CHANGE

Our Carbon Footprint⁸⁸

In 2010, we calculated the carbon dioxide emissions generated by our activity at the Corporate Tower and main buildings.

For such measurement we used "The Greenhouse Gas Protocol Initiative" (GHC Protocol) which lets us understand, quantify, and manage our greenhouse effect gases. Such initiative was developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

This year, we extended our measurement to the first scope of the GHG Protocol (direct emissions), and included in our typical calculations the estimations of the emissions produced by our fleet of vehicles⁸⁹.

Banco Galicia's Carbon Footprint		
Indicator	Tons of CO ₂ equivalent	
	2010	2009
Direct Emissions - Scope 1	590 ⁹⁰	182
Indirect Emissions - Scope 2	10,095	9,493
Other Indirect Emissions - Scope 3	506	238

In 2010 again, Banco Galicia signed the Carbon Disclosure Project, a non-for-profit organization which, since 2000, collects information about greenhouse gas emissions from companies, as well as its plans as to climate change.

Since the Bank adhered to this initiative, we have committed to publicly disseminate the risks and opportunities that the climate change represents for the Bank, as well as our direct and indirect greenhouse effect emissions.

88. The carbon footprint is the measurement of the impact on the environment caused by humans' activities. Such impact is determined based on the amount of greenhouse effect gases produced, which is measured in carbon dioxide units.
89. This calculation has been estimated taking into account the fuel consumption of 54 vehicles owned by Banco Galicia. For the estimations of the amount of fuel used based on the amount spent by such fleet of vehicles during 2010, an annual average was calculated (January through December 2010) at the lowest fuel price for Common, Super, and Premium gasoline at gas stations in the City of Buenos Aires, as reported on a website with Fuel Prices from the National Secretary of Energy (Resolution 1104/2004 from the National Secretary of Energy): <http://res1104.se.gov.ar/consultaprecios.cess.php>. Based on the estimations of the number of liters; the calculation of the emissions resulting from such consumption was made with a tool provided by the GHG Protocol.
90. The increase is due to the inclusion of the estimation of emissions from our fleet of vehicles (corresponding to 369 equivalent tons of CO₂ equivalent).

ENVIRONMENTAL
CONSERVATION FUND

Since the Bank has committed to the environmental protection and global sustainability principles, last year we launched the Environmental Conservation Fund (FOCA, as per its initials in Spanish) as it was the Year of Biodiversity, aiming at encouraging researchers and civil society organizations (CSOs) to develop management or conservation projects for wild fauna and flora species at risk and/or in danger of extinction. 162 candidates participated in this event.

The following were the six project winners⁹¹:

- Survey on wetlands and the sanitary condition of the ruddy-headed goose (Chloephaga rubidiceps) in the province of Buenos Aires, by Román Baigún (Fundación de Historia Natural Félix de Azara). Characterization of wetlands in the locations of San Cayetano, Tres Arroyos and Coronel Borrego, situated in the southern part of the Buenos Aires province, the Ruddy-headed Goose’s habitat.
- Restoration of degraded forests and conservation of the genetic diversity of Aspidosperma polyneuron by Paula Campanello (National University of Misiones; CONICET). Restoration of forests and conservation of the Aspidosperma polyneuron (Palo Rosa), a big tree from the Misiones thick forest, which is in danger of extinction.
- Ecology and Conservation of the Franciscana Dolphin from the south of Buenos Aires by Humberto Cappozzo (National Natural Science Museum and CONICET). Conservation of the Franciscana Dolphin, which lives along the Province of Buenos Aires sea shore.
- Biology of the conservation of the Loggerhead sea turtle (Caretta caretta) and the Leatherback sea turtle (Dermochelys coriacea) by Victoria Carman González (Fundación AquaMarina). Rehabilitation and return of Loggerhead and Leatherback sea turtles to their natural habitat.
- Project for the conservation of the Giant Armadillo (Priodontes maximus) in the provinces of Chaco and Santiago del Estero by Gustavo Porini (Fundación de Historia Natural Félix de Azara). Identification of conservation areas for the Giant Armadillo in the north of the Santiago del Estero province and the east of Chaco.
- Why are the whales from the Valdes Peninsula dying? by Marcela Uhart (Wildlife Conservation Society). Periodical monitoring and recording of the Southern Right Whale’s death in the Valdes Peninsula.

91. For more details about this project winners visit www.galiciasustentable.com.ar

On November 4, during a special event, subsidies were given to the researchers and the CSOs selected by a recognized panel of experts:

Museologist Claudio Bertonatti (Vida Silvestre), Pablo Luis Tubaro (CONICET), Jorge Victor Crisci (CONICET & UNLP - University of La Plata), Roberto Bo (UBA - University of Buenos Aires), Daniel Ramadori (from the office of the Argentine Secretariat of Environmental and Sustainable Development).

THROUGH OUR CAMPAIGN “VOTE AND CONTRIBUTE TO ENVIRONMENTAL CONSERVATION”, THE BANK’S EMPLOYEES SELECTED THE 7TH PROJECT TO FINANCE WITH THE FUNDS COLLECTED THROUGH THE SALE OF PAPER RECOVERED FROM THE OFFICES AND RECYCLED.

THE 6 PROJECTS VOTED BY THE EMPLOYEES RECEIVED A “SPECIAL MENTION” FROM THE ENVIRONMENTAL CONSERVATION FUND. THE WINNER PROJECT WAS “MEASURES FOR THE MITIGATION OF THREATS TO CONSERVATION OF THE SOUTH ANDEAN DEER”, SUBMITTED BY: EDUARDO RAMILO (NATIONAL PARKS ADMINISTRATION). 600 EMPLOYEES VOTED.

Primary Performance Indicators (IBASE)

	2010			2009		
Basis for the Calculation	Amount (in Pesos)			Amount (in Pesos)		
Net Income (NI)	469,134,000.00			171,847,000.00		
Operating Income	2,317,917,000.00			1,893,458,717.00		
Gross Payroll (GP)	509,642,428.79			402,512,183.70		
Internal Social Indicators	Amount (in Pesos)	% of GP	% of NOI	Amount (in Pesos)	% of GP	% of NOI
Food ⁹²	0.00	-	-	2,431,442.51	0.60	0.13
Mandatory Social Security Contributions ⁹²	160,338,582.76	31.46	6.92	124,367,291.15	30.90	6.57
Health ⁹²	8,104,748.95	1.59	0.35	8,755,740.07	2.18	0.46
Education ⁹²	457,737.34	0.09	0.02	440,000.35	0.11	0.02
Culture ⁹²	1,595,151.69	0.31	0.07	941,614.37	0.23	0.05
Professional Development and Training ⁹²	7,540,027.96	1.48	0.33	3,835,623.78	0.95	0.20
Child Care Centers and Assistance for Child Care ⁹²	2,958,803.29	0.58	0.13	2,561,006.00	0.64	0.14
Total Internal Indicators	180,995,051.99	35.51	7.81	143,332,718.23	35.61	7.57
External Social Indicators	Amount (in Pesos)	% of GP	% of NOI	Amount (in Pesos)	% of GP	% of NOI
Education	1,677,260.33	0.33	0.07	1,309,708.95	0.33	0.07
Labor Promotion	880,961.43	0.17	0.04	727,058.69	0.18	0.04
Health and Social Inclusion	1,232,033.19	0.24	0.05	1,055,219.81	0.26	0.06
Corporate Volunteering	64,736.24	0.01	0.00	51,176.21	0.01	0.00
Restoration of Cultural Heritage	505,304.15	0.10	0.02	470,950.85	0.12	0.02
Others - Special Contributions	167,754.98	0.03	0.01	161,070.90	0.04	0.01
Total Contribution to the Society	4,528,050.32	0.89	0.20	3,775,185.41	0.94	0.20
Taxes (Excluding Social Security Contributions)	780,535,950.42	153.15	33.67	638,866,651.65	158.72	33.74
Total External Indicators	785,064,000.74	154.04	33.87	642,641,837.06	159.66	33.94
Environmental Indicators						
Total of Investments in the Environment	588,033.67	0.12	0.03	238,796.77	0.06	0.01
Indicators Regarding Staff						
Number of Employees at the End of the Fiscal Year	5,185			5,028		
Number of Admissions During the Fiscal Year	458			96		
Turnover Ratio (%)	5.99			7.40		
Number of Employees of More than 45 Years	1,062			992		
Number of Women Employees	2,684			2,633		
Percentage of Managerial Positions Filled by Women	22.22			16.00		
Relevant Information Regarding CSR						
Total Work-related Accidents	53			87		
Social and/or Environmental Projects Were Defined by (Areas Involved in the Definition)	CSR Division			CSR Division		
The Standards Regarding Health and Safety in the Workplace Were Defined by (Areas Involved in the Definition)	Board of Directors and Managers			Board of Directors and Managers		
As Regards Union-related Issues and Collective Bargaining, the Institution...	Follows the Guidelines of the ILO			Follows the Guidelines of the ILO		
Days Away from Work Due to Strikes	0			0		
Number of Union Representatives	100			58		
When Choosing Suppliers, the Same Standards Regarding Ethical, Environmental and Social Responsibility as the Bank's:	Are Required			Are Required		
In the Case of Employees Involved in Voluntary Activities, the Bank	Provides Support and Encouragement			Provides Support and Encouragement		
Total Added Value (Figures Stated in Thousands of Pesos) ⁹³						
Total Added Value	2,543,950.00			1,828,818.00		
Value Obtained by Shareholders Reinvested in the Company	-			-		
Net Added Value	2,543,950.00			1,828,818.00		
Added Value Distributed						
Government (Taxes)	351,153.00			229,858.00		
Shareholders' Dividends ⁹⁴	100,094.00			-		
Reinvestment of Income ⁹⁵	1,128,925.00			865,367.00		
Employees ⁹⁶	963,778.00			733,593.00		

92. These refer to voluntary contributions made by Banco Galicia. In the case of "Food", it corresponds to non-salary tickets that were discontinued since 2009.

93. The total added value represents, in monetary terms, the wealth created by the Bank which is distributed among the different stakeholders. Thus, employees receive part of the added value through the compensation they are paid, social security contributions and benefits granted; the State

receives part of it through taxes, assessments and rates received; and shareholders through the distribution of profits. The Bank reinvests part of the added value it created, allocating it to maintain and/or increase the ability to create wealth and investing in the community.

94. This proposal for distribution of dividends shall be submitted to the stockholders during next Ordinary Shareholders' Meeting and the amount to be distributed should be previously authorized by the Superintendency

of Financial and Foreign Exchange Institutions."Therefore, profit distribution resulting from the steps mentioned above may be different from the amount indicated in this proposal.

95. It includes the reinvestment of income and fiscal year gains and losses net of cash dividends.

96. It includes Administrative Services Hired.

GRI Indicators – Communication on Progress (COP)

This report has been prepared based on the Global Reporting Initiative G3 International Guideline with its Sector-specific Supplement for the Financial Sector for the application level B + . We also comply with our commitment to the United Nations Global Compact through this table, since we are submitting the Communication on Progress (COP).

	Reported	Page No. - Direct Answer
1. Strategy and Analysis		
1.1. Statement from the Most Senior Decision-maker	●	4-5
1.2. Description of Main Impacts, Risks and Opportunities	●	4-5, 14, 17, 74-75
2. Organization Profile		
2.1. Name of the Organization	●	10
2.2. Primary Brands, Products and/or Services	●	26
2.3. Operating Structure	●	13
2.4. Location of the Corporate Headquarters	●	Buenos Aires, Argentina
2.5. Countries where the Organization Conducts Operations	●	Banco Galicia does not carry out significant activities abroad
2.6. Nature of Ownership and Legal Form	●	10
2.7. Markets Served	●	11, 26, 28-30, 33-34
2.8. Scale of the Reporting Organization	●	10-11
2.9. Significant Changes During the Reporting Period	●	13, 29. Acquisiton of Compañía Financiera Argentina
2.10. Awards and Distinctions Received During the Reporting Period	●	21
3. Report Parameters		
3.1. Reporting Period for Information Provided	●	2010
3.2. Date of Most Recent Previous Report.	●	CSR 2009 Report*
3.3. Reporting Cycle	●	Annual
3.4. Contact Point for Questions Regarding the Report	●	84
3.5. Process for Defining Report Content	●	8
3.6. Boundary of the Report	●	8
3.7. Limitations on the Scope of the Report	●	The environmental performance indicators are only measured at main buildings
3.8. Aspects that May Influence Comparisons between Periods and/or Organizations	●	There are no such aspects
3.9. Measurement Techniques for Data and Databases for Calculations	●	8, 11, 39, 47, 75, 77, 79
3.10. Description of Possible Effects of Re-expressing the Information Included in Previous Reports	●	75
3.11. Significant Changes from Previous Reporting Periods	●	No significant changes
3.12. Location of Contents Identifying the Page Numbers or Web Links	●	80
3.13. Policy and Practice with Regard to External Assurance	●	82
4. Governance, Commitments and Engagement with Stakeholders		
4.1. Governance Structure	●	12
4.2. Characteristics of the Highest Governance Body's Chair	●	12
4.3. Number of Execute Members of the Highest Governance Body, whether Independent or Not	●	12, 13
4.4. Communication Methods between Shareholders and Employees with the Highest Governance Body	●	14
4.5. Linkage between Compensation for Members of the Highest Governance Body and Executives, and the Performance of the Organization	●	13
4.6. Processes in Place to Avoid Conflicts of Interest in the Highest Governance Body	●	13. Included in the Code of Ethics and the Principles and Purposes of Banco Galicia. CSR 2005 Report* (pgs. 10, 11)
4.7. Procedure for the Definition of Training and Expertise Requirements for the Members of the Highest Governance Body to Lead the Organization Strategy in its Social, Environmental, and Economic Aspects	●	15. CSR 2006 Report* (pg. 10)
4.8. Banco Galicia's Mission Statement, Values, and Internal Code of Conduct Relevant to Sustainability	●	7, 10. CSR 2005 Report* (pg. 10, 11)
4.9. Procedures for the Supervision of the Organization Economic, Social, and Environmental Management	●	12, 13
4.10. Procedures for the Evaluation of the Highest Governance Body Performance	●	13
4.11. Adoption of the Precautionary Principle	●	13, 75

	Reported	Page No. - Direct Answer
4.12. Support to Social, Environmental, and Economic Principles or Programs Developed Externally	●	18
4.13. Most Significant Memberships in Associations and Degree of Involvement	●	18
4.14. Relationship of Stakeholders with the Organization	●	9
4.15. Bases for Selection of Stakeholders	●	9
4.16. Approaches used for Stakeholders' Involvement	●	8, 14, 31, 37-40, 53, 73
4.17. Aspects of Interest that Result from the Participation of Stakeholders	●	8, 14, 37-40, 53, 73
Management Approach		
EC Economic Management Approach	●	10-11, 17, 25. Our business management integrates the generation of financial results with the creation of social value and the environmental care. We offer financial products and services adapted to the different needs of individuals and companies, through an extensive distribution network across the country
EN Environmental Management Approach	●	71-78. We have committed to the environmental preservation and promote the efficient use of natural resources to carry out our work. We have adhered to the CDP and signed the Equator Principles.
LA Management Approach on Labor Practices	●	43-53. We want to be positioned within the best companies to work for in Argentina through the development of our internal talent and high-performance organizational culture
HR Management Approach on Human Rights	●	7, 43, 68. As a signatory of the United Nations Global Compact, the Bank extends the respect for human rights to all stakeholders.
SO Management Approach on the Society	●	14, 17, 55-65. The financial sector plays an essential role in social development, as it is the backbone of productive activities. As we are relevant social players, we are committed to defining policies and strategies that foster sustainable development and meet our stakeholders' expectations. Fighting against corruption is a key element, as the Bank has signed the United Nations Global Compact.
PR Management Approach on Product Responsibility	●	37-40. The banking system is highly regulated. Our operations are ruled by the BCRA regulations, the Code of Banking Practices, the National Securities Commission, and the Advertising Self-regulation Code
Economic Performance Indicators		
EC1 Direct Economic Value Generated and Distributed	●	11, 79
EC2 Financial Consequences, Other Risks and Opportunities Due to Climate Change	●	77
EC3 Coverage of the Organization's Obligations Regarding Social Benefits Programs	●	79
EC4 Significant Financial Assistance Received from Governments	●	No financial assistance was received from the government
EC5 Range of Ratios of Standard Entry Level Wage Compared to Local Minimum Wage	●	All the salaries paid to the Bank's employees are above the adjustable minimum living wage in Argentina. The standard initial salary is 158 % higher than the adjustable minimum living wage.



Global Reporting Initiative

Indicators in Agreement with the Principles of the United Nations Global Compact.

	Reported	Page No. - Direct Answer
EC6 Policy, Practices and Proportion of Spending on Locally-based Suppliers	●	68
EC7 Procedures for Local Hiring and Proportion of Senior Managers	●	All the members of the board of directors are argentineseans
EC8 Development and Impact of Investments in Infrastructure and Services Provided for the Public Benefit.	●	57, 60-61, 64
EC9 Understanding, Description and Scope of Significant Indirect Economic Impacts	●	17, 25, 28-29, 31, 46, 54-61
Social Performance Indicators: Labor Practices and Decent Work		
LA1 Total Workforce by Employment Type, Employment Contract and Region	●	44
LA2 Total Number of Employees and Average Employee Turnover by Age Group, Gender and Region	●	44
LA3 Social Benefits provided to Full-time Employees	●	49-52. Social benefits granted by the Bank apply to all employees
LA4 Percentage of Employees Covered by Collective Bargaining Agreements	●	43
LA5 Minimum Notice Periods Related to Organizational Changes	●	Notice periods are pursuant to Argentine labor laws
LA6 Percentage of Total Workforce Represented in Health and Safety Committees	●	The Bank has no Safety Committees
LA7 Absenteeism, Sickness, and Professional Rates, Number of Lost Days and Number of Fatalities	●	Rate of absenteeism ¹ : 5,69 % Rate of sickness at work place: 0,14 % Rate of labor accidents: 1,02 %
LA8 Programs on Education, Training, Counseling, Prevention and Control of Serious Diseases	●	49. Educational, prevention, and counseling activities were performed for the employees and their families. The risk prevention initiatives reached also our community. No type of treatment was provided.
LA9 Health and Safety Topics Covered in Formal Agreements with Trade Unions	●	49
LA10 Average Hours of Training per Year per Employee, by Employee Category	●	Initial Levels: 46 hours For middle management and executives: 48 hours For management levels: 121 hours
LA11 Skills Management and Ongoing Training Programs for Employees	●	46-47
LA12 Percentage of Employees Receiving Regular Performance and Career Development Reviews	●	48
LA 13 Composition of Governance Bodies and Employees by Gender, Age Group, Minority Membership, and Other Diversity Indicators	●	44, 79
LA14 Ratio of Basic Salary of Men to Women, by Professional Category	●	At the Bank, salaries are defined pursuant to the position, notwithstanding the employee's gender.
Social Performance Indicators: Human Rights		
HR1 Percentage and Total Number of Investment Agreements that Include Human Rights Clauses	●	No agreements have been signed
HR2 Percentage of Suppliers that Have Undergone Screening on Human Rights, and Actions Taken	●	68. The Bank has no record of suppliers that were rejected for default.
HR3 Hours of Training on Policies and Procedures	●	150 hours
HR4 Total Number of Incidents of Discrimination and Actions Taken	●	There were no incidents
HR5 Activities Against Freedom of Association and Corrective Measures Taken	●	There were no such activities
HR6 Activities with Risk of Child Labor and Corrective Measures Taken	●	There were no such activities
HR7 Activities with Risk of Forced or Compulsory Labor and Corrective Measures Taken	●	There were no such activities
HR8 Percentage of Security Personnel that Received Human Rights-related Training.	●	The security companies hired by the Bank provide human rights-related training to 100 % of their employees.

	Reported	Page No. - Direct Answer
HR9 Total Number of Incidents of Violations Involving the Rights of Indigenous People and Actions Taken	●	There were no such activities
Social Performance Indicators: Company		
SO1 Nature, Scope, and Effectiveness to Assess and Manage the Impacts of Operations on Communities	●	55-61
SO2 Percentage and Total Number of Business Units Analyzed for Risks Related to Corruption	●	All business units are analyzed for risks related to corruption.
SO3 Number of Employees Who Received Anti-corruption Training	●	15. Four Directors and 10.4 % of employees completed their courses on prevention of money laundering in 2010
SO4 Actions Taken in Response to Incidents of Corruption	●	There were no incidents
SO5 Position Regarding Public Policies and Participation in their Development and Lobbying thereof	●	Activities coordinated through the Argentine Bankers Association
SO6 Financial and In-kind Contributions to Political Parties or Related Institutions	●	No such contributions were made
SO7 Total Number of Legal Actions Related to Trust Practices and Practices against Free Competition	●	There were no such legal actions
SO8 Monetary Value of Significant Penalties and Fines and Total Number of Sanctions that Do Not Derive from Non-compliance with Laws and Regulations	●	No fines were imposed for this concept
Social Performance Indicators: Product Responsibility		
PR1 Phases of the Life-cycle for Products and Services Assessed Regarding the Health and Safety of Customers	●	Such indicator does not apply to the characteristics of financial products and services.
PR2 Total Number of Incidents of Non-compliance with Regulations pursuant to Law and Voluntary Codes	●	No incidents were reported
PR3 Procedure for the Information and Labeling of Products and Services	●	Banco Galicia manages such procedure based on regulations from the BCRA, the Code of Banking Practices, and the National Securities Commission
PR4 Total Number of Non-compliances with the Regulation and the Voluntary Codes Regarding the Information and Labeling of Products and Services	●	37. Not all of the complaints received through Consumer Defense Agencies were due to non-compliance with the labeling requirement.
PR5 Practices Related to Customer Satisfaction, Including Results from Customer Satisfaction Surveys	●	37-39
PR6 Procedure and Program for the Compliance with Regulations on Marketing Communications	●	40
PR7 Total Number of Incidents of Non-compliance with the Regulations Regarding Marketing Communications	●	No incidents were reported
PR8 Total Number of Complaints Regarding Breaches of Customer Privacy and Loss of Customer's Personal Data	●	No incidents were reported
PR9 Cost of Fines for Non-compliance with the Regulations Concerning the Provision and Use of Products and Services	●	We were imposed a fine of \$ 5.966
Environmental Performance Indicators		
EN1 Materials Used, by Weight or Volume	●	75
EN2 Percentage of Materials Used that are Valued	●	
EN3 Direct Power Consumption by Primary Sources	●	75. Full indicator for Main Buildings
EN4 Indirect Energy Consumption by Primary Sources	●	75. Full indicator for Main Buildings

	Reported	Page No. - Direct Answer
EN5 Energy Saved Due to Conservation and Efficiency Improvements	<ul style="list-style-type: none">75. The 106 CRT monitors, with an estimated average power of 90 W generated after 8 hours of daily use, during 260 business days in 2010, an annual consumption of 19.92 Mwh, while LCD monitors, with an average power of 66 W (average powers based on manufacturer's technical specifications), generate an estimated annual consumption of 12.69 Mwh for the same period of time. The annual power consumption for the 106 CRT monitors calculated above generated about 10.28 tn of CO2eq a year, (being the network emission factor of 0.516 tn CO2eq. for MWh), while the power consumption of LCD monitors generates an estimated amount of 6.55 tn of CO2eq a year.	
EN6 Initiatives to Provide Energy-efficient Products and Services in Terms of Power Consumption or Based on Renewable Sources	<ul style="list-style-type: none">75	
EN7 Initiatives to Reduce the Indirect Power Consumption	<ul style="list-style-type: none">	
EN8 Total Water Collection by Source	<ul style="list-style-type: none">75. Full indicator for main buildings. Water is supplied through the public water supply network.	
EN9 Water Sources Significantly Affected by Water Collection	<ul style="list-style-type: none">Water used is mainly supplied by the public sanitation service	
EN10 Percentage and Total Volume of Water Recycled and Reuse	<ul style="list-style-type: none">No water is reused or recycled at the Bank's buildings	
EN11 Description of Land Adjacent to or Located at Protected Areas	<ul style="list-style-type: none">The Bank does not develop any activities in areas adjacent to or located at protected areas, but in urban areas, due to the nature of the services rendered	
EN12 Description of the Most Significant Impacts on Biodiversity	<ul style="list-style-type: none">Such indicator is not applied due to the nature of our activity	
EN13 Habitats Protected or Restored	<ul style="list-style-type: none">Such indicator is not applied due to the nature of our activity	
EN14 Strategies and Actions for Management of the Impact on Biodiversity	<ul style="list-style-type: none">78. Banco Galicia's activities do not imply any direct impact on biodiversity; however, we encourage research and conservation of biodiversity through our FOCA program	
EN15 Endangered Species Affected by Operations	<ul style="list-style-type: none">Such indicator is not applied due to the nature of our activity	
EN16 Total Direct and Indirect Greenhouse Gas Emissions, by Weight	<ul style="list-style-type: none">77. Such indicator is reported in full for main buildings	
EN17 Other Indirect Greenhouse Gas Emissions, by Weight	<ul style="list-style-type: none">77. Such indicator is reported in full for main buildings	
EN18 Initiatives to Reduce Greenhouse Gas Emissions and Reductions Achieved	<ul style="list-style-type: none">The reductions were achieved based on the Program for saving Electric Power and Natural Gas, which is considered an indirect action. Such reductions have been reported on EN5	
EN19 Emissions of Ozone-depleting Substances, by Weight	<ul style="list-style-type: none">Such indicator is not applied due to the nature of our activity	
EN20 NO, SO and Other Significant Air Emissions by Type and Weight	<ul style="list-style-type: none">Such indicator is not applied due to the nature of our activity	
EN21 Total Wastewater Discharge, by Quality and Destination	<ul style="list-style-type: none">The effluents generated at the main buildings are treated by the public sanitation service and are similar to domestic effluents	
EN22 Total Weight of Waste Managed, by Type and Treatment Method	<ul style="list-style-type: none">74	
EN23 Total Number and Volume of Significant Accidental Spills	<ul style="list-style-type: none">No spills were reported	

	Reported	Page No. - Direct Answer
EN24 Weight of Transported, Imported, Exported or Treated Waste Deemed Hazardous	<ul style="list-style-type: none">No waste has been exported and hazardous wastes have been reported on EN22, above	
EN25 Water Resources and Habitats Affected by the Organization's Discharges of Water and Runoff	<ul style="list-style-type: none">Such indicator is not applied due to the nature of our activity	
EN26 Initiatives to Mitigate Environmental Impacts of Products and Services	<ul style="list-style-type: none">74-75	
EN27 Percentage of Products Sold, and Their Package Material, that are Recovered by the End of their Life-cycle by Product Category	<ul style="list-style-type: none">Such indicator is not applied due to the nature of our activity	
EN28 Cost of Significant Fines and Non-monetary Sanctions for Non-compliance with Environmental Laws	<ul style="list-style-type: none">No fines were imposed on the Bank	
EN29 Significant Environmental Impacts of Transporting Products and Other Goods and Materials Used	<ul style="list-style-type: none">	
EN30 Breakdown of Total Environmental Expenses and Investments, by Type	<ul style="list-style-type: none">73	
Sector-specific Supplement		
FS1 Policies with Environmental and Social Components Applied to Business Lines	<ul style="list-style-type: none">76. CSR 2009 Report* (pg. 66)	
FS2 Processes for Assessing and Monitoring Environmental and Social Risks in Basic Business Lines	<ul style="list-style-type: none">75. More information available on CSR 2009 Report* (pg. 16)	
FS3 Processes for Monitoring Customers' Implementation of and Compliance with Environmental and Social Requirements Included in Agreements or Transactions	<ul style="list-style-type: none">75	
FS4 Processes for Improving Employees' Capabilities to Implement the Environmental and Social Policies and Procedures Applied to Basic Business Lines	<ul style="list-style-type: none">72-73, 76	
FS5 Interactions with Customers/Companies where the Organization Owns a Stake in/Business Partners Regarding Environmental and Social Risks and Opportunities	<ul style="list-style-type: none">75	
FS6 Percentage of the Total Number of Customers by Specific Region, Size and Sector	<ul style="list-style-type: none">30	
FS7 Total Monetary Value of Products and Services Designed to Deliver Social Benefits in the Basic Business Lines, by Objective	<ul style="list-style-type: none">26, 29-30, 32	
FS8 Total Monetary Value of Products and Services Designed to Deliver Environmental Benefits in the Basic Business Lines, by Objective	<ul style="list-style-type: none">76	
FS9 Scope and Frequency of Audits to Assess Environmental and Social Risk Management Policies and Procedures	<ul style="list-style-type: none">72. Two internal audits and one external audit were performed per year	
FS10 Percentage and Number of Companies Held in the Organization's Portfolio with which the Organization has Interacted on Environmental and Social Issues	<ul style="list-style-type: none">75	
FS11 Percentage of Assets Subject to Positive and Negative Environmental and Social Screening	<ul style="list-style-type: none">	
FS12 Voting Policies in Environmental and Social Issues Applicable to Shares Regarding which the Reporting Organization Holds the Right to Vote or Advice to Vote	<ul style="list-style-type: none">Banco Galicia no cuenta con este tipo de procedimiento	
FS13 Access Points in Low-populated or Economically Disadvantaged Areas, by Type	<ul style="list-style-type: none">11, 29. 43% of the Bank branches are in the provinces	
FS14 Initiatives to Improve Access to Financial Services for Disadvantaged People	<ul style="list-style-type: none">41	
FS15 Policies for the Fair Design and Sale of Products and Services	<ul style="list-style-type: none">6, 17, 40. CSR 2005 Report* (pg. 10-11) Annual Report 2009* (pgs. 70-75)	
FS16 Initiatives to Enhance Financial Education by Type of Beneficiary	<ul style="list-style-type: none">57, 79. CSR 2008 Report* (pg. 42)	

1. The absenteeism rate has been calculated based on the number of days lost out of the number of employees on business days.
* Visit the "CSR Report" section at www.galiciasustentable.com.ar
** Visit the "Institutional" section on Banco Galicia's website at www.bancogalicia.com.ar

- Full
- Partial
- Not reported



Verification Report

To the Chairman and Directors of
Banco de Galicia y Buenos Aires
Tte. Gral. Juan D. Perón 430
Autonomous City of Buenos Aires

- We have applied the procedures described in paragraph 4 below to verify the corporate responsibility indicators included in Banco de Galicia y Buenos Aires' 2010 Sustainability Report for the fiscal year ended December 31, 2010 (hereinafter the "2010 Sustainability Report"). Those indicators are the ones Banco de Galicia y Buenos Aires' Board of Directors has considered most significant with regard to stakeholders and to the directions set forth in the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI), 3.0 version.
- Banco de Galicia y Buenos Aires' Board of Directors is responsible for the information included in the "2010 Sustainability Report", as well as the design, implementation and maintenance of the processes for the creation of the report and the basis and criteria for its preparation.
- Our responsibility, pursuant to the review procedures applied, is to express a conclusion on the following aspects:
 - Whether the "2010 Sustainability Report" includes the basic contents as recommended by the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI), 3.0 version, for the B+ application level, pursuant to the self-statement made by Banco de Galicia y Buenos Aires.
 - Conformity of the procedures and controls established for the preparation, gathering and consolidation of information related to the indicators.
 - Whether the indicators subject matter of our review have been prepared pursuant to the preparation basis and criteria for the "2010 Sustainability Report".
 - The suitability and consistency of the values of the indicators subject matter of our review, corresponding to fiscal year 2010.
- We have performed our work pursuant to the rules and procedures included in the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements other than Audits or Reviews of Historical Information". In general, the procedures applied to carry out our work have been the following:
 - Verification that the basic contents recommended by the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI), 3.0 version in its B+ application level, have been included in the "2010 Sustainability Report".
 - Holding of interviews with Banco de Galicia y Buenos Aires' employees responsible for gathering information and preparing the indicators subject matter of our review.
 - Revision of supporting documents, as well as systems used to gather, calculate and consolidate the information, by Banco de Galicia y Buenos Aires, regarding the indicators subject matter of this verification.
 - Performance of substantive assessments developed to evidence, on a sampling basis, the suitability and consistency of the preparation basis and criteria for the "2010 Sustainability Report" and the data related to the indicators subject matter of our verification.
- Based on the work conducted, and pursuant to what was described in paragraph 4 above, we come to the conclusion that:
 - The "2010 Sustainability Report" includes the basic contents as recommended by the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI), 3.0 version, for the B+ application level, pursuant to the self-statement made by Banco de Galicia y Buenos Aires.
 - Procedures and controls established for the preparation, gathering and consolidation of information related to the indicators subject matter of our review provide for a reasonable basis for the obtaining thereof.
 - Indicators subject matter of our review have been prepared pursuant to the preparation basis and criteria for the "2010 Sustainability Report".
 - We have not identified any significant deviations as regards suitability and consistency of the indicators' values subject matter of our review.

Buenos Aires, March 2011

PRICE WATERHOUSE & CO.
ASESORES DE EMPRESAS S.R.L.

C.P.C.E.C.A.B.A. T° 1 F° 18

Mr. Jorge San Martín (Partner)
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Opinion Form

Your comments and suggestions on our 2010 Sustainability Report help us to continue improving the social responsibility with regard to our activities, in such a way to provide our key readers with information on issues of interest to them.

Which type of stakeholder are you?

Customer	<input type="checkbox"/>	Employee	<input type="checkbox"/>
Supplier	<input type="checkbox"/>	Community	<input type="checkbox"/>
Other: _____			

Please classify the report's attributes with a score from 1 to 10:

Design of the Report	<input type="checkbox"/>
Organization of Information	<input type="checkbox"/>
Amount of Information	<input type="checkbox"/>
Clarity of Information	<input type="checkbox"/>
Contents of the Report	<input type="checkbox"/>
Relevance of Information	<input type="checkbox"/>

Which was the most interesting chapter?

Corporate Governance	<input type="checkbox"/>	Environment	<input type="checkbox"/>
Customers	<input type="checkbox"/>	Community	<input type="checkbox"/>
Employees	<input type="checkbox"/>	Suppliers	<input type="checkbox"/>
Other: _____			

Should the amount of information be changed?

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
Why? _____			

Does learning about Banco Galicia's work concerning Sustainability improve your perception of the Bank?

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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Which additional information would you like to find in future reports?

Name: _____

Surname: _____

Telephone: _____

E-mail: _____

Please send this form by e-mail to: rsc@bancogalicia.com.ar or by regular mail to:
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Responsibility Division

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Banco Galicia's Corporate Social
Responsibility Manager

WE WOULD LIKE TO
THANK THE BANK'S
ENTIRE OPERATING GROUP
THAT WAS ENGAGED IN
THE PREPARATION OF
THIS REPORT

The CSR 2010 Report was prepared with
pulp from wood belonging to forests in
compliance with FSC (Forest Stewardship Council),
international agency that certifies that wood
comes from socially and environmentally responsible
forest practices..



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March 2011.



1810 - 2010
BICENTENNIAL YEAR



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