

# 2009

CORPORATE SOCIAL  
RESPONSIBILITY REPORT

100% OF GRI INDICATORS  
COMPLIED WITH

NEW INTERNAL STRUCTURE, MORE  
DYNAMIC AND EFFICIENT

MORE BENEFITS FOR CUSTOMERS  
AND THEIR FAMILIES

INCREASE IN THE USE OF ALTERNATIVE  
OPERATION CHANNELS

INNOVATION IN E-LEARNING  
FOR EMPLOYEES

ISO 14001: ENVIRONMENTAL  
MANAGEMENT SYSTEMS

ALLIANCES WITH  
SUSTAINABLE SUPPLIERS

RECOGNITION AS THE BEST  
BANK IN ARGENTINA

GROWTH IN SOCIAL  
INVESTMENT





# 2009

CORPORATE SOCIAL  
RESPONSIBILITY REPORT

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BANCO GALICIA, IN ITS CAPACITY AS AN ARGENTINE BANK COMMITTED TO THE REALITY OF THE COUNTRY, AIMS AT BEING ACCOUNTABLE FOR ITS OPERATIONS AND MEETING THE EXPECTATIONS OF ITS WELL-DEFINED STAKEHOLDERS: EMPLOYEES, CUSTOMERS, SHAREHOLDERS, SUPPLIERS AND THE COMMUNITY.

THE ANNUAL CORPORATE SOCIAL RESPONSIBILITY REPORT PRESENTS OUR ECONOMIC, SOCIAL AND ENVIRONMENTAL PERFORMANCE BASED ON INTERNATIONALLY-RENOWNED GUIDELINES.

THIS DOCUMENT IS A STRATEGIC WORK TOOL THAT ALLOWS US TO DETERMINE PRIORITIES THAT CREATE VALUE, PROMOTE ACTION PLANS AND ASSESS THE RESULTS THEREOF.

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IT IS WITH GREAT SATISFACTION THAT I PRESENT THIS FIFTH CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT, WHICH DESCRIBES THE BANK'S STRATEGY TOWARDS SUSTAINABLE DEVELOPMENT AND STRENGTHENS THE EFFORTS MADE TO REPORT -IN A TRANSPARENT MANNER- THE TRIPLE MANAGEMENT WE ARE RESPONSIBLE FOR: ECONOMIC, SOCIAL AND ENVIRONMENTAL.

THIS IS A KEY DOCUMENT TO SET THE FUTURE MANAGEMENT GOALS AND TO ACCOMPANY THE BANK'S LONG-TERM OBJECTIVES. I APPRECIATE THE PARTICIPATION OF THE RENOWNED PROFESSIONALS WHO PROVIDED THEIR TESTIMONIALS, THUS ADDING VALUE TO THE PUBLICATION.

YEAR 2009 WAS A COMPLEX YEAR THAT CAN BE DIVIDED IN TWO. THE FIRST PART WAS CHARACTERIZED BY THE ECONOMIC CRISIS THAT HAD STARTED IN 2008 AND AFFECTED DIFFERENT SOCIAL ACTORS, WHICH SITUATION HAD A DIRECT IMPACT ON OUR BUSINESS. THE SECOND PART SHOWED SIGNS OF A HIGHER LEVEL OF ACTIVITY AND ALLOWED THE BANK TO RESUME ITS PATH OF GROWTH.

WITHIN THIS SCENARIO, THE BANK COULD ACHIEVE GROWTH, IMPROVING ITS FINANCIAL CONDITION AND MEETING THE NEEDS OF ITS CUSTOMERS, WHICH REACHED 1,900,000 INDIVIDUALS AND APPROXIMATELY 50,000 COMPANIES. THE MAINSTAY OF THIS ACHIEVEMENT IS THE DAILY WORK OF MORE THAN 5,000 EMPLOYEES WHO GIVE THEIR BEST EVERY DAY.

NOTWITHSTANDING THAT, AND WITH THE PURPOSE OF IMPROVING ITS OPERATIONS, BANCO GALICIA MODIFIED ITS ORGANIZATIONAL STRUCTURE SO AS TO ACHIEVE A MORE DYNAMIC AND EFFICIENT DECISION-MAKING PROCESS. ACCOUNTANT DANIEL LLAMBÍAS WAS APPOINTED CHIEF EXECUTIVE OFFICER. FURTHERMORE, THE BANK'S SENIOR DIVISIONS WERE REDESIGNED, CERTAIN EXISTING AREAS AND SECTORS WERE CONSOLIDATED, NEW AREAS WERE CREATED AND ROLES WERE REDEFINED.

IN REGARD TO SUSTAINABILITY, TWO STRATEGIC EVENTS THAT OCCURRED IN 2009 ARE WORTH NOTING: THE LAUNCHING OF A FUNDING LINE FOR MICROFINANCE INSTITUTIONS (IMFS AS PER ITS INITIALS IN SPANISH), AND THE ISO 14001 CERTIFICATION OBTAINED BY OUR ENVIRONMENTAL MANAGEMENT SYSTEM FOR THE CORPORATE TOWER. IN ORDER TO CONTINUE STRENGTHENING THE BANK'S POSITION, WE TAKE ON ESSENTIAL CHALLENGES -MENTIONED IN THIS PUBLICATION BY THE MANAGERS IN CHARGE OF THE DIFFERENT AREAS-, WHICH INCLUDE ALL THE ORGANIZATION AND ARE IN LINE WITH THE INTERNATIONAL DEVELOPMENT AGENDA.





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 PREPARED 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.

TOWARDS THE FUTURE, THE DECREASE IN THE LEVELS OF GLOBAL UNCERTAINTY, TOGETHER WITH THE RECOVERY ACHIEVED BY THE ECONOMIES ALL OVER THE WORLD AND BY BANCO GALICIA'S MAIN BUSINESS PARTNERS IN PARTICULAR, PROVIDE A MORE POSITIVE ENVIRONMENT FOR THE BANK'S POSSIBILITIES TO GROW. THE ARGENTINE FINANCIAL SYSTEM IS EXPECTED TO CONTINUE STRENGTHENING ITS FINANCIAL STANDING AS A CONSEQUENCE OF POSITIVE NET RESULTS, WITHIN AN ENVIRONMENT OF GROWTH IN FINANCIAL BROKERAGE WITH THE PRIVATE SECTOR.

PURSUANT TO THESE MACROECONOMIC PROJECTIONS FOR 2010, BANCO GALICIA WILL TRY TO MAINTAIN ITS POSITION AS A LEADING BANK AND ATTAIN PROFITABILITY LEVELS IN LINE WITH THE MARKET'S LEVEL. THAT IS WHY WE DECIDED TO IMPROVE THE BENEFITS AND SAVINGS OPPORTUNITIES OFFERED TO OUR CUSTOMERS THROUGH CREDIT CARDS; TO INCREASE OUR "RETAIL" TIME DEPOSIT BASE; TO TARGET THE HIGHEST-POTENTIAL SEGMENTS, MAINLY SMALL-AND MEDIUM-ENTERPRISES (SMEs); TO INCREASE THE PENETRATION INTO THE LARGE COMPANIES AND CORPORATIONS SECTOR; TO IMPROVE THE TRANSACTIONAL BANKING AND ELECTRONIC BANKING, AND TO ACHIEVE OPERATING EFFICIENCY GROWTH. IN TURN, WE WILL CONTINUE INVESTING IN TECHNOLOGY WITH THE PURPOSE OF STRENGTHENING THE INFRASTRUCTURE THAT SUPPORTS BUSINESS MANAGEMENT.

FINALLY, I WOULD LIKE TO SHARE WITH ALL THE READERS MY WISH THAT THIS YEAR OF THE 200TH ANNIVERSARY OF MAY REVOLUTION, ALL ARGENTINEANS COULD LAY THE FOUNDATIONS TO MAKE THIS A BETTER COUNTRY FOR US AND FOR THE FUTURE GENERATIONS. BANCO GALICIA, WHICH HAS ACCOMPANIED THE HISTORY OF ARGENTINA FOR 105 YEARS, RENEWS ITS COMMITMENT TO THE DEVELOPMENT OF THE FINANCIAL SYSTEM AND THE GROWTH OF ARGENTINA. THE PROGRESS ACHIEVED DURING THE YEAR PUTS THE BANK IN A FAVORABLE POSITION WHEN FACED WITH THIS CHALLENGE.



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





## WHICH IS BANCO GALICIA'S STRATEGY AS REGARDS SUSTAINABILITY?

IN BANCO GALICIA WE AIM AT INCLUDING THE BEST INTERNATIONAL PRACTICES AND PROVIDING POLICIES AND PROGRAMS THAT ARE IN LINE WITH SUSTAINABILITY STANDARDS. THIS HAS TO DO WITH CONSIDERING THE DEVELOPMENT OF THE ORGANIZATION, TREATING STAFF IN A GOOD MANNER, THE PROGRESS OF THE COMMUNITY AND ENVIRONMENTAL MANAGEMENT, TAKING CARE OF THE FUTURE GENERATIONS' WELL-BEING.

THIS PHILOSOPHY IS TRANSLATED INTO CONCRETE EVENTS: WE BECAME THE FIRST ARGENTINE BANK THAT ADHERED TO THE EQUATOR PRINCIPLES, WHICH REPRESENT AN ACTION FRAMEWORK TO MANAGE AND ASSESS THE ENVIRONMENTAL AND SOCIAL RISKS OF INVESTMENT PROJECTS; WE MEASURE OUR CARBON FOOTPRINT; WE SUBMIT INFORMATION TO THE CARBON DISCLOSURE PROJECT, THE MOST IMPORTANT INITIATIVE ON CLIMATE CHANGE AND FINANCIAL MARKETS; WE LAUNCHED A CREDIT LINE TO PROMOTE THE WORK OF MICROFINANCE INSTITUTIONS (IMFS), REACHING ENTREPRENEURS FROM LOW-INCOME SECTORS WHO ARE EXCLUDED FROM THE TRADITIONAL FINANCIAL SYSTEM; WE PROMOTE THE TRAINING AND COMPREHENSIVE DEVELOPMENT OF OUR EMPLOYEES AND WE CONTINUE IMPLEMENTING AND PROFESSIONALIZING OUR PROJECTS WITH THE COMMUNITY AIMED AT SOCIAL INCLUSION.

IT IS WORTH MENTIONING THAT THIS YEAR, DUE TO THE IMPLEMENTATION OF OUR ENVIRONMENTAL MANAGEMENT SYSTEM AND THE DEFINITION OF A SPECIFIC POLICY, WE WERE THE FIRST BANK IN ARGENTINA THAT OBTAINED THE ISO 14001 CERTIFICATION -ENVIRONMENTAL MANAGEMENT SYSTEMS- FOR THE CORPORATE TOWER. FURTHERMORE, IN ORDER TO IMPROVE AWARENESS OF THIS PRIORITY ISSUE, WE LAUNCHED THE "GALICIASUSTENTABLE.COM" WEBSITE, A FORUM TO SPREAD LEADING-EDGE INITIATIVES AND THE COMMITMENTS TAKEN ON BY THE BANK. THROUGH THIS SITE, WE ALSO PROVIDE SPECIFIC INFORMATION TO OUR STAKEHOLDERS.

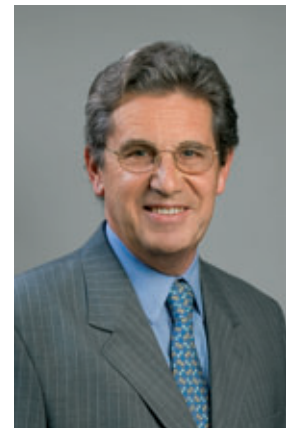
THROUGH THE INCORPORATION OF THE BEST PRACTICES, THE BANK AIMS AT CONTINUING WITH THE OPTIMIZATION OF ITS PERFORMANCE AND MAKING IT POSSIBLE THAT MORE PEOPLE KNOW HOW WE CONDUCT OUR BUSINESS.

## HOW IS CORPORATE SOCIAL RESPONSIBILITY INTEGRATED INTO THE BUSINESS?

CORPORATE SOCIAL RESPONSIBILITY MUST BE BASED ON SOMETHING VERY SIMPLE, BUT AT THE SAME TIME VERY POWERFUL: TO BE CLEAR ABOUT WHAT COMPANY IS DESIRED AND MANAGE IT CORRECTLY AND HONESTLY. DUE TO THE FACT THAT THE FINANCIAL SYSTEM IS A CORE MECHANISM FOR THE FUNCTIONING AND DEVELOPMENT OF MODERN ECONOMY, PROFESSIONAL ETHICS AND ORGANIZATIONAL INTEGRITY -ALWAYS IMPORTANT REGARDING ANY ACTIVITY- ARE ESPECIALLY RELEVANT.

THE PROMOTION OF THESE PRINCIPLES AND VALUES SHOULD START FROM THE HIGHEST POSITIONS IN THE BANK AND THEN EXTEND THROUGHOUT THE COMPANY. DUE TO THE FACT THAT THOSE PRINCIPLES AND VALUES HOLD A TRANSVERSE POSITION IN DAILY PRACTICES, WE MANAGED TO DRAW UP THE REGULATORY FRAMEWORK AND THE WAY TO MANAGE BUSINESS. THUS, WE FOSTER OPPORTUNITIES, INNOVATIONS AND COMPETITIVE ADVANTAGES THAT MAKE THE DIFFERENCE IN BANCO GALICIA AND IN THE BEHAVIORS THAT CHARACTERIZE OUR EMPLOYEES. IN THIS REGARD, SEVEN YEARS AGO, AND BY THE INITIATIVE OF OUR EMPLOYEES, THE BANK CREATED THE CORPORATE VOLUNTEERING PROGRAM (PRIAR), WHICH CONTINUES STRENGTHENING ITS PURPOSE TO IMPROVE THE QUALITY OF LIFE OF PEOPLE MOST IN NEED. SINCE ITS INCEPTION, 106 PROJECTS WERE IMPLEMENTED, WHICH REACHED MORE THAN 15,000 BENEFICIARIES -OF ALL AGES- NATIONWIDE.

NOWADAYS, CSR IS A DISTINCTIVE ASPECT OF OUR ORGANIZATIONAL CULTURE AND IS AN ESSENTIAL PART OF OUR LONG-TERM GOALS. IN BANCO GALICIA WE ARE SURE WE NEED TO BOOST FINANCIAL ACTIVITY, PROMOTING, AT THE SAME TIME, THE SUSTAINABLE DEVELOPMENT OF SOCIETY.



*Daniel Llambías*

>> **Daniel Llambías**  
Chief Executive Officer



"THE LEADING COMPANIES IN TODAY'S WORLD CONSIDER THEMSELVES CITIZENS, THAT IS TO SAY, SIGNIFICANT ACTORS REGARDING THE CREATION OF COMMUNITY LIFE. LUCKILY, IN ARGENTINA THERE ARE ALSO COMPANIES THAT UNDERSTAND THE IMPORTANCE OF GETTING INVOLVED IN THE SOCIAL DEVELOPMENT OF THEIR COMMUNITIES. APART FROM THEIR LEGAL OBLIGATIONS, THESE COMPANIES ALSO PROVIDE CAPABILITIES AND RESOURCES THAT CONTRIBUTE TO IMPROVING THE QUALITY OF LIFE OF THE SOCIETY WHERE THEY CONDUCT BUSINESS.

100 %  
OF GRI INDICATORS  
COMPLIED WITH

THIS IS THE CASE OF BANCO GALICIA, WHICH SOCIAL RESPONSIBILITY ACTIONS ARE NOT ONLY PROFESSIONAL, BUT ALSO INSPIRING AND RESOURCE-MOBILIZING AS WELL. FOR INSTANCE, THIS IS WHAT HAPPENS WITH VOLUNTEERING PROGRAMS, WHICH CONTRIBUTE TO THE CREATION OF THE ESSENTIAL ASSET A SOCIETY NEEDS IN ORDER TO DEVELOP: MUTUAL TRUST.

THE STRATEGICALLY-ORIENTED CAPABILITIES AND RESOURCES OF A COMPANY SUCH AS BANCO GALICIA ARE A TOOL FOR CHANGE AND A DRIVING ENGINE FOR DEVELOPMENT PROCESSES. THIS STRATEGIC VISION ALLOWS US TO DEAL WITH THE CAUSES OF PROBLEMS AND NOT ONLY THE SIGNS, USE THE EXISTING AND POTENTIAL ASSETS AND CAPABILITIES OF THE COMMUNITY, AND SEARCH FOR THE SUSTAINABILITY OF THE SOLUTIONS SUGGESTED. THANKS TO ITS RESPONSIBLE ACTIONS, BANCO GALICIA CONTRIBUTES TO THE CREATION OF WHAT WE NEED THE MOST IN ARGENTINA: THE IDEA OF COMMUNITY."

>> Enrique Valiente Noailles  
Member of the Founding Council  
Navarro Viola, Cippec, and Compromiso  
Foundation.





## Accompanying the long-term strategy

In Banco Galicia we believe CSR is a management model that covers all the value chain of our business and includes economic, social and environmental performance. Its practice is regulated by the main Principles and Purposes<sup>1</sup> and the Code of Ethical Conduct of the Bank<sup>2</sup>.

The annual preparation of our Report is within the framework of a key organizational process: definition of policies, implementation of initiatives and assessment of results achieved.

This fifth CSR Report was created following the G3 Guideline of the Global Reporting Initiative (GRI)<sup>3</sup>, the most accepted volunteering framework worldwide, with the Sector-specific Supplements for the Financial Sector<sup>4</sup>. This year, we complied with all the C+ Application Level indicators and, in turn, we took the Social Balance of the IBASE<sup>5</sup> as a reference.

1. In order to learn about the Bank's Principles and Purposes, please refer to the CSR 2008 Report that can be found in [www.e-galicia.com/galiciasustentable](http://www.e-galicia.com/galiciasustentable).

2. The Code is at the disposal of all employees in the Intranet, and is regularly released through electronic mail and training.

3. For more information, please visit [www.globalreporting.org](http://www.globalreporting.org).

4. Sector-specific Supplements are supplementary to the G3 Guideline and include performance indicators specific for each sector. They are used as a contribution to the framework guidelines.

5. Guide on information reporting through which companies can provide information on projects, benefits and social and environmental actions aimed at employees, investors, market analysts, shareholders and the community. This Balance model provides specific information on the economic value created by the institution. For more information, please visit [www.balancosocial.org.br](http://www.balancosocial.org.br)



### CHALLENGE FOR 2010

THE GOAL IS TO BE IN LINE WITH THE PARAMETERS OF GRI'S B+ APPLICATION LEVEL.

Constanza Gorleri  
Corporate Social Responsibility Manager



When it comes to establishing the Report's structure and contents, the Materiality Analysis<sup>6</sup> was useful to determine the significance of the information we provide based on the communication with our stakeholders and on the revision of internal and external sources.

The main areas of this report are defined by the Board of Directors and the General Division. All the Bank's areas are involved in the identification and creation of quantitative and qualitative indicators, and they as well take part in the revision of drafts. The CSR Division is responsible for leading this process.

6. Materiality Principle of the Global Reporting Initiative's 2006 Guide: information included in the Report shall cover those aspects and indicators that reflect the significant social, environmental and economic impacts of the organization or else those that could have a substantial influence on the assessments and decisions of stakeholders.

## Working on the expectations regarding the Report

In order to continue improving, the Bank listens to the opinions and expectations of its stakeholders. An independent consulting firm made a telephone survey, consisting of a representative sample of: customers (both individuals and companies), suppliers, communicators, representatives of Civil Society Organizations (CSOs) and opinion leaders, among others.

Furthermore, this year the Bank added a survey conducted among the Bank employees, which made it possible to compare results to the abovementioned survey made to external parties.

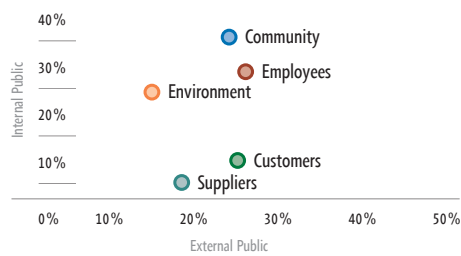
The most outstanding results of the survey on the 2008 CSR report are the following:

- The contents of the Report were given a score of 8.43 over 10
- For 78.5% of survey respondents, the testimonials of social referents who are not from the Bank add credibility to the Report
- 99.25% of respondents expressed interest in continuing to receive Banco Galicia's Reports
- The degree of knowledge regarding the value the Bank places on its CSR reached 58.6%, an increase when compared to previous years
- In-depth reading of the 2008 Report decreased 32.1 percentage points when compared to the previous Report
- 57.6% of external respondents and 45% of our employees answered that the Bank should give priority to the educational programs when allocating resources<sup>7</sup>.

In both surveys, the Bank asked about the importance of the CSR Report's chapters for the readers thereof and, based on this question, it carried out a comparative analysis so as to identify the most significant chapters for the different sectors targeted by Banco Galicia.

## Content importance analysis

Comparative analysis between surveys made to internal and external public.



In line with the results achieved, employees believe the Bank's commitment to foster activities for the development of the community<sup>8</sup> is among the 10 more favorable indicators of the Bank.

In general, the existence of or else the need for this model is not in question. In its stead, the assessment on the quality of its functioning and the real achievements attained arise. This entails the challenge to communicate and explain the work being carried out more effectively. Our commitment is aimed at reducing the gap between our performance and what people knows about the work carried out.

In this regard, the CSR Report is also published in the Bank's website with the purpose of favoring its reach. Also, in order to make reading easier and in line with the results of the survey, a summarized version is prepared pursuant to the GRI's guidelines. This year, the CSR Report will be translated into English.

What is more, the Bank has other two communication channels open to receive queries or else comments: email address of the CSR Division<sup>9</sup>, website with a section exclusively of CSR, form to submit an opinion on the CSR Report and Customer Contact Center.

## Map of our stakeholders

When identifying and selecting our stakeholders, we take into consideration three key attributes of institutions and individuals: commitment, influence and closeness. The level of commitment is recognized with regard to the relationship developed, determined by rights and obligations. Influence has to do with the ability to take part -either positively or negative-ly- in the Bank's policies and transactions, and the other way round, whether informally or at the institutional level. Closeness is 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. These attributes can converge in some groups in particular.

7. The second percentage refers to the employees who answered a survey on the CSR Report.

8. Organizational Climate Survey, 2009.

9. [rsc@bancogalicia.com.ar](mailto:rsc@bancogalicia.com.ar)



Stakeholders	Actors	Reasons for Stakeholders' participation in Banco Galicia	Banco Galicia's commitment	Main responsibilities/ activities	Mechanisms to detect their expectations
Shareholders	Grupo Financiero Galicia S.A. and minority shareholders.	These are the main sources of funds for the Bank, which carry out the corresponding contributions when the business or else regulatory needs so require.	Commitment to a profitability level in line with the capital invested. Appropriate periodic distribution of profits and sustained growth of operations.	<ul style="list-style-type: none"> <li>- Communication through accounting and financial reports of the business.</li> </ul>	<ul style="list-style-type: none"> <li>- Shareholders' Meeting.</li> </ul>
Employees	Employees (recruited without regard to their race, color, religion, origin, nationality, age, sex or marital status).	They are essential actors for business success and an element inherent to the Bank's responsibility as a generator of employment and social capital.	Commitment to the comprehensive development of individuals and the assurance of equitable compensation.	<ul style="list-style-type: none"> <li>- Implementation of the Code of Ethics.</li> <li>- Creation of a healthy environment that allows employees to grow both personally and professionally.</li> <li>- Ongoing education, development and training.</li> <li>- Health and safety management.</li> <li>- Internal communication tools and activities.</li> <li>- Benefits and activities for recreation and relaxation.</li> <li>- Family-Work Balance.</li> <li>- Voluntary retirement program/policies on dismissal.</li> </ul>	<ul style="list-style-type: none"> <li>- Career follow-up interviews.</li> <li>- Telephone support for employees.</li> <li>- Focal groups.</li> <li>- Organizational Work Environment Survey.</li> <li>- e-company.com (Intranet).</li> <li>- e-galicia.com (Bank's website).</li> <li>- Annual and quarterly publications.</li> <li>- Banco Galicia al Día (communication with the CEO).</li> </ul>
Customers	Individuals, companies (small- and medium-sized and large companies), Government and Universities.	The purchase of the Bank's products and services by customers is the reason of the business and the source of income for the Bank.	Commitment to business ethics and the offer of quality financial and transactional solutions with the highest levels of efficiency and effectiveness.	<ul style="list-style-type: none"> <li>- Broad and updated range of services and products that meets the needs of all the consumer and corporate sectors.</li> <li>- Financial products: loans, accounts, insurance policies and credit/debit cards.</li> <li>- Benefits for customers.</li> <li>- Training for companies.</li> <li>- Activities related to the agriculture and livestock and SMEs sectors.</li> <li>- Customer quality and service.</li> <li>- Granting of loans to customers.</li> <li>- Development of technologies.</li> <li>- Geographic coverage.</li> </ul>	<ul style="list-style-type: none"> <li>- Field studies.</li> <li>- Customer satisfaction comparative research.</li> <li>- Customer Contact Center.</li> <li>- Focal groups.</li> <li>- Market share.</li> <li>- e-galicia.com (Bank's website).</li> <li>- GaliciaSustentable.com (website).</li> </ul>
Suppliers	Small- and medium-sized and large companies that supply products and services.	They are an important link in the value chain. Therefore, it is essential that they offer quality and value products and services in a responsible manner.	Commitment to transparency and to the development of strong and long-lasting business relationships.	<ul style="list-style-type: none"> <li>- Communication channels.</li> <li>- Responsible supplier selection process: assessment, monitoring and auditing.</li> <li>- Analysis of consumables usage in order to identify sustainable supply solutions.</li> <li>- Implementation of the Code of Conduct.</li> <li>- Development of suppliers.</li> <li>- Regional contracting.</li> </ul>	<ul style="list-style-type: none"> <li>- e-galicia.com (Bank's website).</li> <li>- GaliciaSustentable.com (website).</li> <li>- Ongoing communication.</li> </ul>
Community	Civil society organizations (CSO)	They are major allies that provide specific knowledge on the socio-economic environment and the needs of communities, so as to effectively implement our social investment.	Commitment to social fairness.	<ul style="list-style-type: none"> <li>- Development and implementation -through alliances- of projects in the following areas: education, work promotion, health and restoration of historical heritage.</li> </ul>	<ul style="list-style-type: none"> <li>- Follow-up meetings.</li> <li>- Management reports.</li> <li>- e-galicia.com (Bank's website).</li> <li>- GaliciaSustentable.com (website).</li> </ul>
	Beneficiaries of the social programs promoted by the Bank.	These are the final beneficiaries of the resources used by the Bank and the programs implemented by it.		<ul style="list-style-type: none"> <li>- Participation in programs.</li> <li>- Allocation of resources.</li> </ul>	<ul style="list-style-type: none"> <li>- Situation analyses.</li> <li>- Assessment of the programs.</li> <li>- Field visits.</li> </ul>
	International entities, public organizations, academic institutions, business organizations and the media.	These are experts that help us carry out projects and programs for the benefit of our stakeholders.		<ul style="list-style-type: none"> <li>- Promotion of institutional capabilities.</li> <li>- Granting of awards and recognitions.</li> <li>- Advertising self-regulation.</li> <li>- Accompanying of the Tax Credit System.</li> <li>- Training and education.</li> <li>- Spreading of the CSR.</li> <li>- Socio-economic and environmental reports/ knowledge of realities.</li> </ul>	<ul style="list-style-type: none"> <li>- Participation in sessions and seminars.</li> <li>- Periodic meetings.</li> <li>- Creation of exchange forums.</li> <li>- Ongoing communication.</li> <li>- e-galicia.com (Bank's website).</li> <li>- GaliciaSustentable.com (website).</li> </ul>



## INCREASE IN THE USE OF ALTERNATIVE OPERATION CHANNELS

### Organization

Banco Galicia, domestic bank with a history of over 100 years, is one of the largest banks in the Argentine financial system. Through a network of traditional and alternative distribution channels, the Bank reaches a full spectrum of customers, both individuals and corporations, with an array of products and services. Among private-sector banks, Banco Galicia is in the third place as regards total loans and in the fourth place as regards total deposits<sup>10</sup>.

### Grupo Financiero Galicia

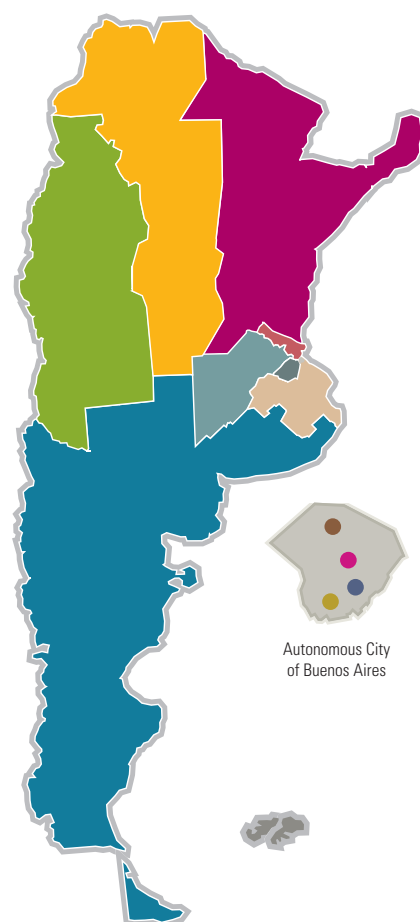
The most important asset of Grupo Financiero Galicia S.A. (GFG)<sup>11</sup>, holding company organized under the laws of Argentina, is its interest in Banco Galicia, regarding which it holds 94.7% of the capital stock and voting rights.

Its purpose is to be one of the leading comprehensive financial services companies and to continue strengthening Banco Galicia's position as one of the largest banks in Argentina.

### Geographic Scope

This year, Banco Galicia strengthened the structure of the branch network it had established in 2008, devised in order to carry out a closer follow-up of business transactions. The Bank is present in all the country through a network divided in 12 areas, with 237 branches.

In 2009, a branch was open in the Autonomous City of Buenos Aires (CABA) and two other branches were merged, being located in Hurlingham and Temperley.



**CHALLENGE FOR 2010**

TO MAINTAIN A LEADING POSITION, REACHING PROFITABILITY LEVELS IN LINE WITH THE CAPITAL INVESTMENT AND THE EXPECTED EVOLUTION OF THE FINANCIAL SYSTEM. FOR THAT PURPOSE, IT IS NECESSARY TO MAKE AN APPROPRIATE ALLOCATION OF RESOURCES THAT ALLOWS NOT ONLY TO COMPLY WITH THE PROFITABILITY OBJECTIVE, BUT ALSO TO ACHIEVE EQUITABLE GROWTH WITHIN THE COMMUNITIES WHERE WE CARRY OUT OUR ACTIVITIES.

Raúl Seoane

Manager in charge of the Planning and Financial Control Division

**Banco Galicia's figures - Year 2009**

Banco de Galicia y Buenos Aires S.A. <sup>12</sup>	Unit	As of December 31, 2009	As of December 31, 2008
<b>Personnel</b>			
Employees	number	5,028	5,324
Investment in personnel <sup>13</sup>	millions of Pesos	702	618
<b>Customers</b>			
Customers	number	1,982,543	1,865,157
- Individuals	number	1,933,026	1,819,275
- Companies	number	49,517	45,882
<b>Products and services</b>			
Total loans	millions of Pesos	11,525	9,899
Loans to the non-financial private sector <sup>14</sup>	millions of Pesos	11,111	8,118
- Individuals	millions of Pesos	4,295	3,224
- Companies	millions of Pesos	6,816	4,894
Credit cards managed	number	1,349,084	1,232,328
<b>Market share<sup>15</sup></b>			
- Total deposits	%	6.31	5.93
- Deposits from the private sector	%	7.81	7.59
- Total loans	%	6.95	6.17
- Loans to the private sector	%	7.7	6.13
<b>Distribution platform</b>			
Branches in Argentina	number	237	238
- Autonomous City of Buenos Aires and Greater Buenos Aires	number	135	136
- Provinces	number	102	102
<b>Alternative channels</b>			
- ATMs	number	666	620
- Self-service terminals	number	765	754
- e-banking transactions	number	124,273,097	84,983,204
- Telephone banking transactions	number	5,396,470	6,487,000
<b>National, provincial and municipal taxes<sup>12</sup></b>			
The Bank's total contribution	millions of Pesos	638	472
Taxes on account of third parties	millions of Pesos	28,915	24,682
- Withholdings	millions of Pesos	3,759	2,958
- Collections	millions of Pesos	25,155	21,724
<b>Financial information</b>			
Net operating income <sup>16</sup>	millions of Pesos	1,893	1,531
Net income for the fiscal year	millions of Pesos	171.8	195.2
Investment in fixed assets and others	millions of Pesos	103	147

10. Source: Argentine Central Bank. Information as of November 2009.

11. www.gfgsa.com

12. For the fiscal year.

13. Compensation, social security contributions, catering services, other benefits (medical assistance, uniforms and equipment, training and others).

14. Includes residents abroad.

15. Only Banco de Galicia y Buenos Aires. Based on daily information published by the Argentine Central Bank.

16. 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.



## NEW INTERNAL STRUCTURE, MORE DYNAMIC AND EFFICIENT



“COMPANIES ARE LEADING ACTORS IN THE CREATION OF THE COMMUNITY AND OF PUBLIC ASSETS, AND BANKS IN PARTICULAR ARE A MAJOR DRIVING ENGINE FOR SUCH CREATION, AS THEY ARE PROVIDERS OF AN ESSENTIAL SERVICE: CREDIT IN ITS DIFFERENT FORMS. WITHIN THIS APPROACH, THE BUSINESS SECTOR –WITH ITS SOCIAL INVESTMENT PROGRAMS- PROVIDES A SCENARIO THAT IMPROVES ACCESS TO OPPORTUNITIES.

WHEN EXERCISING ITS BUSINESS CITIZENSHIP, THE BANKING SECTOR ADDS A DISTINCTIVE VALUE AND LEVERAGES RESOURCES THAT MAKE IT POSSIBLE TO MULTIPLY AND STREAMLINE SOCIAL TRANSFORMATION.”

>> Carlos March

AVINA | *Liderazgos para el Desarrollo Sostenible en América Latina* (Leadership for the Sustainable Development in Latin America)

Banco Galicia’s Board of Directors is made up of eight directors who hold executive positions -two of whom are independent<sup>17</sup>-, and four alternate directors.

The Board of Directors is in charge of promoting the Bank’s business purposes and general strategies, as well as its policies. It establishes the acceptable risk levels and monitors the implementation of the defined goals and strategies by the Chief Executive Officer. The Board of Directors has direct control functions regarding the Auditing and the Prevention of Money Laundering and Funding of Terrorist Activities areas.

The members of the Board represent Banco Galicia before banks and organizations from the business sector, and they as well take part in institutions which purpose is to outline a common agenda aimed at sustainable development<sup>18</sup>.

As the main governing body, it guides the Bank’s approach to CSR and fosters practices that generate economic, social and environmental value. The Board gets periodic reports from the CSR Division and holds meetings with it, at least once every semester, to assess the implementation of the goals proposed and establish new management challenges.



### Executive Directors<sup>19</sup>:

- Antonio Garcés - Chairman
- Sergio Grinenco - Vice Chairman
- Enrique Mariano Garda Olaciregui - Director
- Luis Ribaya - Director
- Guillermo Juan Pando - Director
- Pablo Gutiérrez - Director

17. Pursuant to the independence criteria set forth by the regulations of the National Securities Commission (CNV). The Board of Directors has one director less than the previous year, since one director left the position he held upon being appointed Chief Executive Officer.

18. The list of institutions is included in the chapter named "Banco Galicia as a Social Actor."

19. To see the complete resumés of Directors, please refer to the 2006 CSR Report in [www.e-galicia.com/galiciasustentable](http://www.e-galicia.com/galiciasustentable).

## Compensation

The Directors, the Chief Executive Officer and the Division Managers receive a fixed compensation and a variable compensation pursuant to the Bank's policy on compensation and incentives, which takes into consideration aspects related to the responsibility of the position, the contribution to results and the adequacy regarding market values.

## New organizational design with a mid -and long- term vision

This year, the Bank defined a new organizational structure aimed at managing the immediate effects of the international crisis and meeting -in a more dynamic and efficient way- the needs of the stakeholders with whom it has a relationship, with a mid -and long- term vision.

This new design led to the creation of sectors focused, organized and specialized pursuant to the different segments and products, with the purpose of providing a value proposal to each type of customer. As part of this reorganization, the Board of Directors created the position of Chief Executive Officer (CEO) and appointed Mr. Daniel A. Llambías, accountant, to occupy such position. The Chief Executive Officer is in charge of implementing the Bank's strategic goals and coordinating the Division Managers Committee.

The appointed CEO has a long career path in the Bank and has extensive knowledge of the financial activity. Mr. Llambías started to work at the Bank in 1964 as office junior in the Correspondence office and, throughout his career, he worked in the Foreign Trade and Large-Corporations departments, and he was Product Manager, Business Area Manager and Executive Director of the Wholesale Business area. Later, in 2001, he was appointed Director of the Bank, position he held until he took on this new challenge.



## Committees

The Board of Directors meets -mainly as regards Committees- at least three times a week and every time any of its members so requires. The main issues dealt with are related to the conduction of business, in compliance with regulations set forth in the law and the bylaws. The Committees are made up of Directors, the Chief Executive Officer and Managers related to each specific area of interest.

This year, as a consequence of the restructuring implemented, a new organization of Committees was devised, which shall be operative since 2010. Two existing committees were unified (the Financial Risk Policy Committee and the Asset and Liabilities Committee, now turned into the Assets and Liabilities Management Committee); two new committees were created (the Segments and Business Management Committee and the Planning and Management Control Committee); the functions of all of the above committees were determined and the number of members thereof was modified.

From the CSR perspective, the Planning and Management Control Committee is especially important since it determines the Bank's current situation, sets the goals on which the Bank has to work and establishes global policies, among which the CSR is included.

## Communication channel with the General Division

In 2009, Banco Galicia launched "*Banco al Día*" (Online Bank), an email address through which the important issues that have an influence on the Bank's performance are informed monthly. Its creation makes communication possible between the General Division and employees, thus fostering a "back and forth" dialogue with employees.

Committee	Responsibility
Information Technology	It oversees and approves the plans for the development of new systems and processes to improve the quality of services.
Audit	It monitors the management policies and procedures to ensure the transparency of decision-making processes and the conduction of transactions.
Control and Prevention of Money Laundering and Funding of Terrorist Activities	It plans and coordinates the policies on prevention and control of money laundering and prevention of terrorism, and enforces compliance therewith. (The Anti-Money Laundering Unit -UAL- reports to this Committee).
Credit	It analyzes and grants credit pursuant to criteria regarding optimization of financial results and minimization of associated risks, including both environmental and social analysis criteria.
Risk Management <sup>20</sup>	It approves the strategies aimed at the administration of business risks to anticipate changes in the financial market so as to strengthen credibility and trust with regard to the Bank.
Human Resources	Its purpose is to provide fair and proper working conditions that allow the personal and professional development of the Bank's employees.
Committee for Information Integrity <sup>21</sup>	It oversees the implementation of policies and procedures aimed at guaranteeing the preparation and presentation of reliable Financial Statements pursuant to the Generally Accepted Accounting Principles (GAAP).
Management of Assets and Liabilities	It analyzes the evolution of the Bank's business from a financial point of view, in regard to fund raising and the placement of such funds in different assets. It controls liquidity, interest rate and currency mismatches.
Planning and Management Control	It is in charge of the analysis, definition and follow-up of the balance sheet and the consolidated income statements, trying to maximize results so as to make a more efficient contribution to the Bank's development and its integration into community. It sets the budget for the CSR Division.
Segments and Business Management	It examines the evolution of each type of business and the gains and losses thereof, so as to identify strategies focused on each customer segment.
Customer Assistance	It receives customers' complaints and deals with them in order to achieve an ongoing improvement in service quality.





## Risk Management

A core part of the banking activity's responsibility is to implement a sensible risk management. For this reason, Banco Galicia assesses the Financial, Operational and Credit risks related to its operations. The Bank is also committed to providing clear and transparent information to strengthen confidence in the financial system.

### CHALLENGE FOR 2010

BASED ON THE BEST PRACTICES AND WITH THE PURPOSE OF ATTAINING AN EFFECTIVE RISK MANAGEMENT SYSTEM, BANCO GALICIA PLANS TO CARRY OUT A THOROUGH REVISION OF ALL THE POLICIES AIMED AT MITIGATING RISKS, INTEGRATING THEM WITH THE SUBSIDIARIES. IN TURN, THE BANK PROPOSES TO CONTINUE DEVELOPING AUTOMATIC TOOLS THAT WOULD MAKE IT POSSIBLE TO DETECT, MEASURE AND MONITOR ALL THE RISKS UNDERTAKEN.

Juan Carlos L' Affitto  
Manager of the Risk Management Division

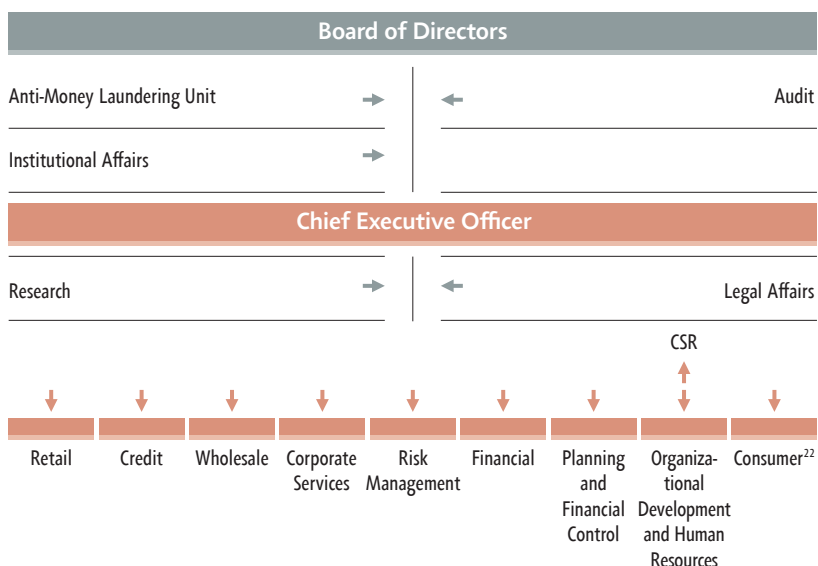
## Prevention of financial crimes

Banco Galicia prevents financial crimes through the following: compliance with the regulatory framework in force both in Argentina and internationally, development of initiatives to stop our products from being used for criminal purposes, early detection of any incident and implementation of specific training courses.

### Prevention of money laundering

	Participants		Hours	
	2009	2008	2009	2008
Face-to-face training courses	247	563	594	2,330
E-training courses	181	735	389	1,293
Total	428	1,298	983	3,623

## New organization chart



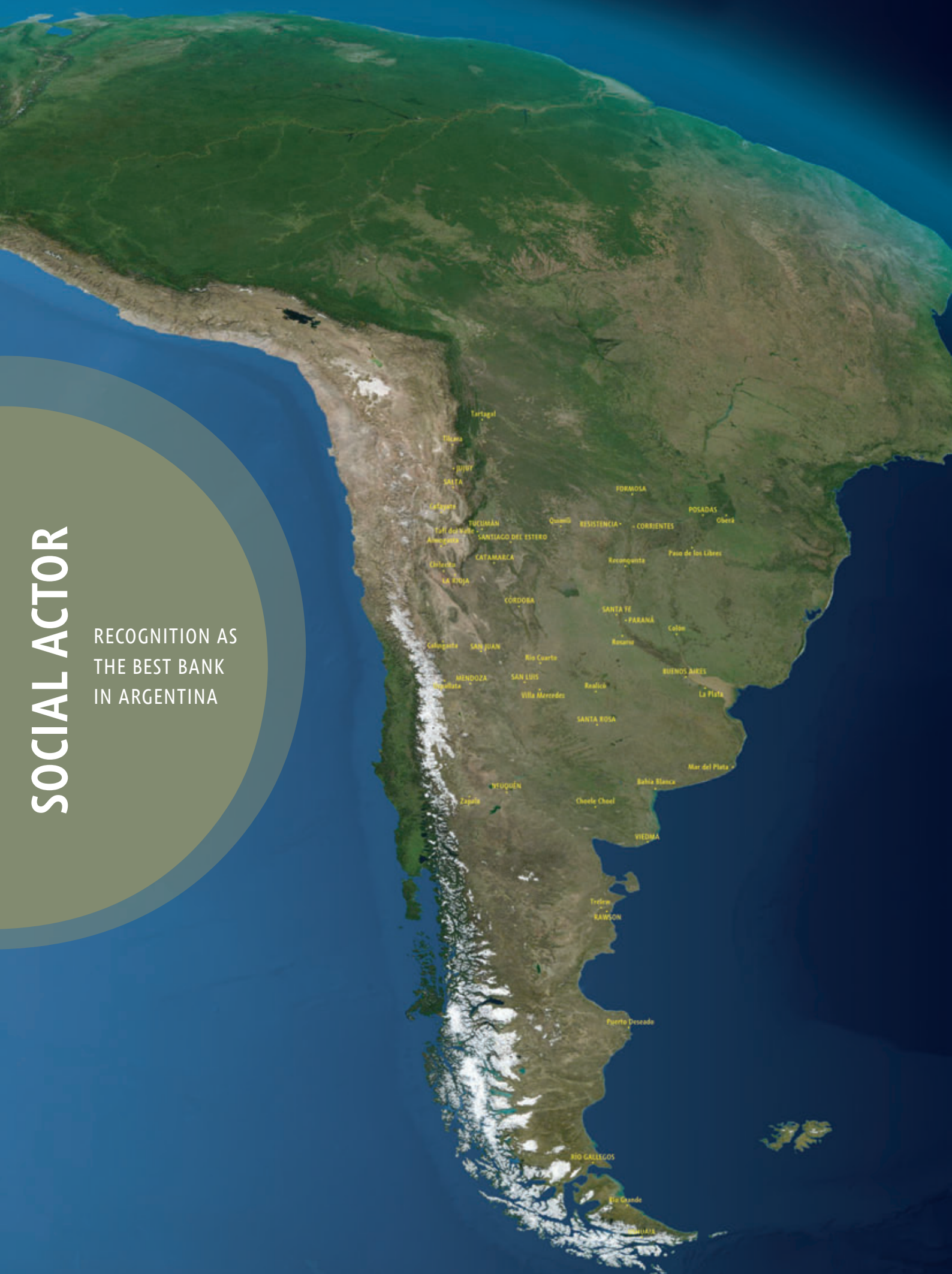
20. The Basel II framework is voluntarily implemented: these are guidelines on supervision standards, criteria and recommendations on banking practices so that banks can improve their risk measuring and management capabilities.

21. This Committee was created to comply with the provisions of the Sarbanes-Oxley Act (USA), rule issued in 2002 to regulate financial, accounting and auditing activities that is applicable to all the companies that list their shares on the most important stock exchanges in the United States of America.

22. Through Tarjetas Regionales S.A.

# SOCIAL ACTOR

RECOGNITION AS  
THE BEST BANK  
IN ARGENTINA







“CSR IS THE EXPRESSION OF THE COMMITMENT TO SOCIETY TAKEN ON BY COMPANIES. IT IS THE FIRM DECISION TO PROMOTE HUMAN DEVELOPMENT IN ITS MULTIPLE ASPECTS, WITH THE PURPOSE OF FAVORING THE CREATION OF A FAIR SOCIETY.

BASED ON THIS BELIEF, WE WORK JOINTLY WITH BANCO GALICIA –WITH WHICH WE SHARE OUR LONG-STANDING COMMITMENT TO COMMON GOOD- AND WE CARRY OUT INITIATIVES THAT FAVOR THE COMPREHENSIVE DEVELOPMENT OF THE MOST VULNERABLE SECTORS OF SOCIETY.”

>> **Gabriel Castelli**  
CEO - C  ritas Nacional

## A priority policy: sustainable development

Financial institutions have an essential role in society. Among their main functions we can mention deposit raising, investment channeling and promotion of credit granting to families and companies. The bancarization of the population allows us to make economy activity more transparent and provide growth, progress and well-being opportunities to the different sectors.

As part of its management model, Banco Galicia set as a goal to contribute to the Millennium Development Goals established by the United Nations through community programs aimed at promoting social fairness<sup>23</sup>.

We believe our active cooperation in exchange forums with Civil Society Organizations (CSOs) is relevant since it is an inherent part of our social responsibility. In Argentina, we take part in the United Nations Global Compact, IDEA, *Instituto Argentino de Responsabilidad Social Empresaria* (Argentine Institute of Corporate Social Responsibility) (IARSE as per its initials in Spanish), *Consejo Publicitario Argentino* (Argentine Advertising Council), *Grupo de Fundaciones y Empresas* (Foundations and Companies Group), *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) and *Fundaci  n Empresaria para la Calidad y la Excelencia* (Business Foundation for Quality and Excellence). From this collaboration, there arise productive guidelines to think, direct, manage and implement processes and programs aimed at public good.

The sustainable development strategy is coordinated by the CSR Division and is based on 3 Cs: Coordination, Training and Communication (in Spanish “*Coordinaci  n, Capacitaci  n y Comunicaci  n*”).

## Challenges stemming from our financial activities

We contribute to sustainable development through priority goals linked to our business activity and “know-how”. We are aimed at:

**1. Contributing to access to credit for those who are excluded from the traditional financial system.** We support Microfinance Institutions (IMFs) through training and the creation of a funding line for such IMFs, aimed at the development of their portfolios. Its purpose is to reach entrepreneurs from low-income sectors so that they can successfully overcome poverty.

**2. Promoting financial education in society.** Our “*Taller de Planificaci  n Econ  mica*” (Economic Planning Workshop) was designed so that young people can get notions of money management, among other aspects, and thus find it easier to achieve their desired goals.

**3. Fostering leadership programs that improve the abilities of individuals who promote the development of their communities and the country.** We believe that fostering leadership abilities in outstanding individuals leads to positive changes in the quality of life of people influenced by such individuals and, therefore, we support initiatives to empower them in their daily tasks. An example of this is the *Programa para la Prevenci  n de la Desnutrici  n Infantil* (Children Malnutrition Prevention Program), an alliance between the Bank and CONIN, which provides training to social leaders in their own communities.

**4. Promoting institutional capabilities in relevant social organizations.** We invest in technological transfer projects, human resources training, assessment and strategic planning projects geared towards CSOs, technical teams that work on public issues and suppliers so as to favor -regarding the above- the implementation of an effective, efficient and sustainable management. As part of this goal, in 2010 the Bank will work on the alliance with the AEDROS<sup>24</sup> to add new training sessions in the provinces of Argentina.

<sup>23</sup>. The Millennium Goals, adopted by the international community in 2000, are the development aspirations of the world as a whole. These also include universally-accepted values, from freedom and responsibility towards future generations to the right to have access to primary education and health care.

<sup>24</sup>. Asociaci  n de Ejecutivos en Desarrollo de Recursos para Organizaciones Sociales.





## Tax Credit System: education and work

This model makes it possible to finance equipment acquisition projects for educational institutions chosen by the *Instituto Nacional de Educación Tecnológica* (National Institute for Technological Training) (INET as per its initials in Spanish)<sup>25</sup> and foster training for the appropriate use thereof. Since its inception five years ago, this initiative sponsored 45 projects in 14 provinces and thus contributed \$ 2,324,996<sup>26</sup>.

## Communicating the CSR to produce positive changes

In Banco Galicia we are sure we have to spread our CSR-related work among the Bank's employees and outside the Bank so as to foster its further growth. Thus, and through different proposals, we provide information on our policies, practices and programs, we share experiences and generate spheres of awareness.

Among the internal actions carried out, the following are worth noting:

- Weekly publication of articles on CSR policies, practices and programs in the Intranet
- Access to all the Bank's CSR Reports through our website
- CSR email address where we receive comments and queries.
- Distribution of books related to CSR issues or that deal with social interest matters
- Offering of tickets to attend forums and conferences sponsored by the CSR Division, together with relevant actors.

At the external level, different divisions took part in sessions and panels to exchange experiences with entrepreneurs, borrowers of microcredit, CSOs, among others. The purpose of these sessions and panels was to favor new communication channels and share knowledge in order to improve the conduction of operations.

This year, the Bank launched Galicia-Sustentable.com, a website designed to spread good practices.

### CHALLENGE FOR 2010

"OUR PURPOSE IS TO CONTINUE TAKING AN ACTIVE PART IN ALL THE MANAGEMENT AND DISCUSSION SECTORS THAT DEAL WITH ISSUES RELATED TO NEW CHALLENGES PRESENTED IN SOCIETIES ALL OVER THE WORLD: INTERNATIONAL FINANCE CORPORATION (IFC), INTER-AMERICAN DEVELOPMENT BANK (IDB), INTER-AMERICAN INVESTMENT CORPORATION (IIC), ANDEAN DEVELOPMENT CORPORATION (CAF AS PER ITS INITIALS IN SPANISH) AND THE INTERNATIONAL MONETARY FUND (IMF). THIS PARTICIPATION IS STRATEGIC IN ORDER TO EXCHANGE EXPERIENCES AND DISCUSS AVAILABLE FINANCING ALTERNATIVES FOR SUSTAINABLE INITIATIVES."

Pablo León  
Financial Division Manager

25. 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.

26. To learn about all the financed projects, please visit [www.e-galicia.com/galiciasustentable](http://www.e-galicia.com/galiciasustentable).



## Awards and Honors granted to Banco Galicia:

The Bank was awarded honors that are in addition to its daily award: being chosen by its customers. After a year of considerable effort and great dedication on the part of employees, the commitment to excellence was recognized.



- "BANCO DEL AÑO. ARGENTINA" (BANK OF THE YEAR. ARGENTINA) AWARD, GIVEN BY THE BRITISH MAGAZINE "THE BANKER"
- FIRST MORE SUSTAINABLE BANK IN ARGENTINA / EIGHT IN LATIN AMERICA, GRANTED BY LATINFINANCE IN ASSOCIATION WITH MANAGEMENT & EXCELLENCE, SPANISH CONSULTING FIRM
- FINALIST AT THE *BANCA SUSTENTABLE PARA AMÉRICA LATINA* (SUSTAINABLE BANK FOR LATIN AMERICA) AWARD, ORGANIZED BY FINANCIAL TIMES AND IFC
- THE 2008 CSR REPORT OBTAINED THE GOLD EIKON AWARD IN THE FINANCIAL COMMUNICATIONS CATEGORY (IMAGEN MAGAZINE)
- AWARD TO THE SOLIDARITY ENTREPRENEUR IN THE COMPANIES-WORK CATEGORY GIVEN TO "VALOR A TU DESARROLLO. PROGRAMA DE PROMOCIÓN LABORAL" (VALUE FOR YOUR DEVELOPMENT. WORK PROMOTION PROGRAM) BY *FORO ECUMÉNICO SOCIAL*
- SPECIAL MENTION FOR COMMUNICATION SOCIAL RESPONSIBILITY GIVEN TO THE *PREMIO A LA GESTIÓN SOLIDARIA DEL CAMPO* (RURAL SOLIDARITY AWARD), WHICH IS PRESENTED BY BANCO GALICIA AND CHACRA MAGAZINE
- JERRY GOLDENBERG AWARD TO "EXCELLENCE IN COMMUNICATIONS: BEST SERVICE ADVERTISER"
- AMBA 2009 AWARD TO FINANCIAL MARKETING, AND SPECIAL MENTION TO THE INTERNET CAMPAIGN GIVEN TO "TU ESTILO GALICIA", BY *ASOCIACIÓN DE MARKETING BANCARIO ARGENTINO*
- SILVER EFFIE AWARD TO "ADVERTISING EFFICIENCY" GRANTED BY EFFIE AWARDS ARGENTINA
- 2009 STATEMENT TO BE OF INTEREST GRANTED BY THE ARGENTINE MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY TO "VALOR A TU FUTURO. TALLER DE PLANIFICACIÓN ECONÓMICA" (VALUE FOR YOUR FUTURE. ECONOMIC PLANNING WORKSHOP)
- RECOGNITION GIVEN BY *FUNDACIÓN IMPULSAR* FOR ACCOMPANYING THE DEVELOPMENT OF YOUNGSTERS THROUGH THE *PROGRAMA JÓVENES EMPRENDEDORES* (YOUNG ENTREPRENEURS PROGRAM)
- DISTINCTION FOR THE BANK'S COMMITMENT TO THE EDUCATION OF CHILDREN AND YOUNG PEOPLE IN ARGENTINA GRANTED BY *CIMENTOS*
- DISTINCTION FOR THE BANK'S CONTINUOUS SUPPORT TO PUBLIC HEALTH GRANTED BY *COAS*
- DISTINCTION GIVEN TO THE BANK FOR BEING A SIGNIFICANT BENEFACTOR, BY *INSTITUTO TECNOLÓGICO DE BUENOS AIRES* (ITBA)
- DISTINCTION GIVEN BY *RED SAN ANDRÉS DE INICIATIVAS SOCIALES* (SAN ANDRÉS NETWORK OF SOCIAL INITIATIVES) FOR OUR CONSTANT SUPPORT
- TZEDAKÁ'S RECOGNITION FOR THE BANK'S COLLABORATION WITH THE CREATION OF A DIFFERENT PRESENT AND FUTURE FOR THOUSANDS OF PEOPLE THROUGHOUT ARGENTINA
- *LEER* FOUNDATION'S RECOGNITION FOR SUPPORTING THE COMMITMENT TO THE LITERACY OF CHILDREN IN ARGENTINA
- DISTINCTION GIVEN BY THE *SAGRADA FAMILIA* FOUNDATION FOR CONTRIBUTING TO THE PROMOTION OF INDIVIDUALS AND THEIR FAMILIES, FACILITATING ACCESS TO FAIR AND PROPER HOUSING

# 2004



Adherence to the United Nations Global Compact

# 2005



Creation of the CSR Division



Creation of the 1st report following the GRI and the IBASE

# 2006



Development of the Code of Conduct for Suppliers



Creation of "Oportunidades Galicia" (Galicia Opportunities). Supplementary training, scholarship program and internal job postings

→ → → → → **Improvement process** →



Adherence to the Code of Banking Practices



Increase in our participation in intercompany and civil society initiatives



Launching of the Solidarity Rounding Up Program

27. Initiative that serves as an action framework to manage and assess the environmental and social risks of investment projects.  
 28. These programs are focused on our three focal points regarding work with the community: Education, Job Promotion and Health.  
 29. Project aimed at promoting and favoring integration of people in social underprivileged situations or people with special capabilities to the labor market.  
 30. The CDP is the major global project on climate change and financial markets. Its purpose is to disclose quality information from which a rational response to climate change shall be generated. For that purpose, institutions have to answer a disclosure questionnaire on this phenomenon. Being involved with the CDP also contributes to attracting investors interested in making investments in environmentally-responsible companies.  
 31. The Copenhagen Communiqué was an appeal made by the most important executives of international companies to reach an agreement that deals with this problem at the Copenhagen Summit on climate change, carried out in December 2009.



# 2007



Addition of the G3 guidelines of the GRI



Adherence to the Equator Principles<sup>27</sup>

# 2008



Adherence to the Carbon Disclosure Project<sup>30</sup>



Addition of the GRI's Sector-specific Supplements for the Financial Sector

# 2009



ISO 14001 Certification granted to the Environmental Management System



Adherence to the Copenhagen Communiqué<sup>31</sup>

## → → sustainable development → → →



Launching of flagship programs with the community<sup>28</sup>



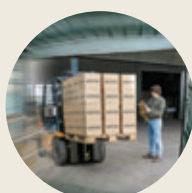
Beginning of the measurement of greenhouse gas emissions by the Bank to calculate the carbon footprint



Microcredit line for IMFs



Creation of the Labor Inclusion program<sup>29</sup>



Addition of environmentally-friendly efficiency criteria to purchase specifications related to office supplies and marketing materials



Launching of the GaliciaSustentable.com website



Commencement of the "Separemos para Reciclar" (Let's Classify to Recycle) Campaign



New Environmental Credit Line



A system that allows to achieve a rational energy consumption is adopted

## CUSTOMERS

MORE BENEFITS  
FOR CUSTOMERS  
AND THEIR  
FAMILIES

### Cajero automático

Extracciones  
Consultas  
Pagos  
Depósitos

### Cajero automático

Extracciones  
Consultas  
Pagos

CAJERO  
AUTOMÁTICO

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"OUR SOCIETIES ARE EAGER FOR TRANSPARENCY. MUCH OF THIS TRANSPARENCY HAS TO DO WITH THE ABILITY OF INDIVIDUALS AND COMPANIES TO BE ACCOUNTABLE, MAINLY WHEN THEY HAVE UNDERTAKEN VALUE CREATION COMMITMENTS FOR THEMSELVES AND FOR THE OTHERS.

COMPANIES THAT ADOPT BUSINESS MODELS IN LINE WITH SUSTAINABLE DEVELOPMENT VALUES AND THAT, CONSEQUENTLY, HAVE COMPREHENSIVE POLICIES ON THE COMMUNICATION OF THEIR PROGRESS IN THAT REGARD, ARE CONTRIBUTING MUCH VALUE TO THE SOCIETIES WHERE THEY DO BUSINESSES AND, THUS, TO THEIR OWN BRANDS.

BANCO GALICIA'S TRACK RECORD IS MORE THAN OUTSTANDING, NOT ONLY BECAUSE OF THE TECHNICAL QUALITY OF ITS ANNUAL REPORTS BUT ALSO BECAUSE THOSE REPORTS ARE TRUE REFLECTIONS OF THE COMMITMENT AND PROFESSIONALIZATION THAT CHARACTERIZE THE CONTINUOUS SEARCH FOR THE BEST ECONOMIC, SOCIAL AND ENVIRONMENTAL PERFORMANCE. BANCO GALICIA IS A COMPANY THAT HAS A PREDOMINANT POSITION AMONG THE GROUP OF LEADING BANKS IN ARGENTINA."

>> Luis Ullua

CEO of *Instituto Argentino de Responsabilidad Social Empresaria*  
(Argentine Institute of Corporate Social Responsibility) (IARSE)

Banco Galicia is an institution with a highly renowned trademark, which has the broadest scope as regards financial services in Argentina, and one of the major customer bases in the financial system. The Bank has a distribution platform throughout Argentina and alternative channels to meet its customers' needs. Because of its track record and performance, the Bank has a leading position in the credit card market and in the agriculture and livestock and the SMEs sectors.

During the first semester of 2009, the economic environment was recessive. The reactivation that took place in the second semester was led by SMEs' activity. That is why the Bank, loyal to the commitment taken on with companies, had an active role as regards financing to SMEs. The mainstay of this decision is based on the fact that SMEs contribute significantly to the Argentine GDP, they are the major employers in the country and, due to their structure, they are more flexible when it comes to adapting to market changes and carrying out innovative projects. Thus, loans granted were a significant driving engine for the Bank's activity and contributed to the growth of Argentina. During the year, \$ 19,605 million were used to finance the productive sector.





“

**CHALLENGE FOR 2010**

IN 2010, OUR CHALLENGE IS TO INCREASE OUR MARKET SHARE, PLACING SPECIAL EMPHASIS ON FINANCING AND BENEFITS FOR THE BUSINESS AND PROFESSIONALS SEGMENT, INCLUDING ENTREPRENEURS WHOSE ENTHUSIASM, DEDICATION AND COMMITMENT TO IMPROVEMENT AND GROWTH GENERATE STRONG FOUNDATIONS FOR PROGRESS.

Juan Sarquís  
Manager in charge of the Retail Banking Division

”

**Individuals**

We render financial services to different customer segments: professionals, employees, entrepreneurs, students and retired persons throughout Argentina.

For those who are choosing us for the first time and those who have been accompanying us for some time now, we continuously try to improve the quality and accessibility of our products, making a commitment to guarantee ethical marketing practices and opportunities to create economic and social value.

**Loans**

In line with the purpose of rendering financial services to meet our customers' needs in an affordable and quick manner, from July until September we massively offered a signature credit line at 24% interest rate, with a maximum term of 60 months and amounts up to \$ 150,000.

We also launched *Préstamo 24* (24 Loan), product outstanding because of the loan granting process and access to a preferential rate, for different sectors.

**Consumer credit lines**

	2009	2008
Total amount (millions of Pesos)	1,126	956
Number of people	85,046	97,083
Average amount (in Pesos)	13,240	9,848

**More benefits to our customers**

Providing more benefits to our customers is a distinctive feature of our service, which we try to continue developing. Therefore, we enter into agreements with different companies to offer special promotions in key areas of home economy: supermarkets, department stores, clothing and pharmacies, among others. During the year, 790 active promotions were carried out through 2,300 stores.

The “*Todo Suma* (Everything Counts)” benefit club provided benefits to 604 families during 2009, being worth noting the distribution of 16 new cars, 60 32” LCD TVs and 528 gift cards for \$ 1,000.

The Aerolíneas Plus program continued growing. This year, 114,491 tickets were redeemed, allowing beneficiaries to travel for free inside and outside Argentina. In 2009, a total of 60,082 customers enjoyed this benefit, figure higher than in previous years since certain groups of customers of the Bank and American Express were rewarded with 20% and 30% more points for their purchases, and due to the modification of the Program's terms and conditions, which extended the validity of points from 2 to 3 years as long as the account has air travel-related transactions.

“

**CHALLENGE FOR 2010:**

WE WILL CONTINUE BROADENING OUR WORK AREA TO REACH -WITH OUR QUALITY PRODUCTS AND WARM CUSTOMER SERVICE- INDIVIDUALS WHO ARE LESS-FAVORED FROM THE SOCIO-ECONOMIC POINT OF VIEW, AND THUS INCLUDE THEM IN THE FORMAL CREDIT CIRCUIT. THIS TASK ALSO IMPLIES THE TUTORSHIP WORK OF ACCOMPANYING AND TEACHING HOW TO USE THE CREDIT LINE GRANTED IN AN APPROPRIATE MANNER. THIS WAY, WE WILL POSITIVELY CONTRIBUTE TO IMPROVE THEIR QUALITY OF LIFE AND THAT OF THEIR FAMILIES, PROVIDING THEM WITH MORE DEVELOPMENT OPPORTUNITIES, WHAT WILL IN TURN LEAD TO A BETTER FUTURE.

Sebastián Pujato  
Chief Executive Officer of  
Tarjetas Regionales S.A.

”



## Insurance

This business segment completes the wide range of products offered by the Bank, providing customers and their families with protection and peace of mind in case of any loss. The Bank offers the following insurance policies: automobile, home, theft in ATMs, personal accident, purse theft and office package insurance policies.

We currently have 723,527 customers with 794,133 insurance policies, 136,417 of which are home insurance policies. During 2009, Banco Galicia took advantage of the synergies among its affiliated companies, with the purpose of enlarging the Bank's scope and benefits.

## Credit Cards

We grant nationwide financing through our credit and debit cards: Visa, Visa Electrón, American Express and Master Card.

In 2009, 217,197 cards were issued, what extends the Bank's reach.

## Regional Credit Card Companies

**Tarjeta Naranja:** it is the only card in Argentina with a 3-installment and 0% interest rate plan (named "Zeta") in supermarkets and service stations. This year the company launched "Blog Naranja", the first blog in Argentina pertaining to a financial services company; and "Naranja Móvil", product that allows card holders to credit money to their cell phones for making purchases.

**Tarjeta Mira:** it offers customers installment plans with no interest rate and a blog where they can communicate with the company. Tarjeta Mira also started to carry out fund-raising initiatives that relate its customers to CSOs chosen by them. Customers are able to make fixed contributions or else a specific contribution to such CSOs. Organizations are chosen because they are representative in the area and have urgent needs.

**Tarjetas Cuyanas (it issues Tarjeta Nevada):** the company added leading-edge technology that will make it possible to develop new and better intermediation services providing added value to more than 400,000 members. This way, a new SMS service was launched, by means of which all subscribed members automatically receive in their cell phones online details of the transactions carried out with their credit cards and the credit balance after the transaction. It further offers a 3-installment and 0% interest rate plan (Nevaplan) in most of the adhered stores.

	2009	2008	Variation
Customers	2,944,544	2,864,709	2.8%
Purchases in stores (in millions of Pesos)	9,061	7,550	20%
Loans granted (in millions of Pesos)	706	629	12.2%
Number of employees	3,936	3,898	1%
Loan portfolio <sup>32</sup> (in millions of Pesos)	3,377	3,249	3.9%

32. It includes loans transferred to financial trusts and loans granted on behalf and to the order of BGBA.



## BANCO GALICIA'S SOCIAL ACCOUNTABILITY - "2009 CHALLENGES": TU ESTILO GALICIA

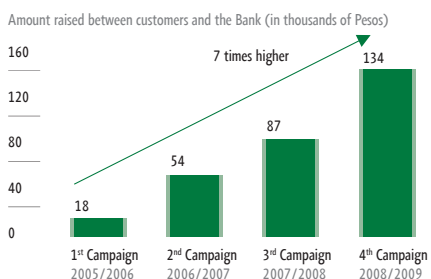
THIS WEBSITE, EXCLUSIVELY DEVISED FOR OUR FEMALE CUSTOMERS, CONTINUED TO DEVELOP DURING 2009. "TU ESTILO GALICIA" IS A FORUM DESIGNED FOR INFORMATION EXCHANGE AND SPREADING OF SPECIAL BENEFITS. AMONG OTHER INITIATIVES, THE FOLLOWING WERE CARRIED OUT: AWARENESS CAMPAIGNS FOR THE PREVENTION OF BREAST CANCER; FORUMS FOR FEMALE CUSTOMERS -WHO SHARE A SOLIDARITY SPIRIT- TO CONNECT AND ENGAGE IN HELPING TASKS; PROGRAMS FOR THE DEVELOPMENT OF MICRO-ENTERPRISES; TRAINING PROGRAMS AND A JOB BANK.

## Solidarity Rounding Up

The purpose of this program is to raise funds for specific projects presented by non-profit organizations. The projects' impact is assessed in terms of direct beneficiaries and the geographic scope of the initiative, and priority is given to those proposals that are aimed at meeting unsatisfied and pressing needs.

Through this initiative, Banco Galicia customers can request the rounding up of the amount to be paid for their credit card statement, thus donating such difference<sup>33</sup>. The Bank doubles the amount raised through customers' donations.

### 4 Solidarity Rounding Up Campaigns



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 campaign. In 2009, the total amount transferred due to the Solidarity Rounding Up and the Marathon reached \$ 274,439.92.

### 4<sup>th</sup> Campaign – 2008/2009:

- Purchase of two electroscalpels, two fetal monitors and one portable heart defibrillator for the *Hospital General de Agudos Bernardino Rivadavia*, COAS
- "Educar e integrar superando distancias" (Education and integration breaking through barriers) program: training sessions for teachers in the area of special sports and sports exhibitions in San Luis, Entre Ríos, Salta and Córdoba, Cecilia Baccalupo Foundation
- Family Strengthening Program: non-formal education activities for children from 0 to 6 years and school support for children up to 12 years in Buenos Aires, *Aldeas Infantiles SOS*.
- National Annual Disability Awareness Campaign to develop communication tools (postcards, brochures, spots) for university students, *La Usina*.

### 5<sup>th</sup> Campaign – 2009/2010:

Funds will be used for the projects of the following organizations:

- *Instituto Leloir* Foundation
- *Claudina Thévenet* Foundation
- *Asociación de Amigos de la Biblioteca Provincial para Discapacitados Visuales* (Friends Association of Provincial Library for Visually Impaired Individuals)
- Work conducted by Mario Pantaleo, priest

<sup>33</sup>. 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.





**CHALLENGE FOR 2010**

WE PLAN TO INCREASE FINANCING ALTERNATIVES TO PROVIDE MORE BENEFITS TO ALL THOSE WHO TAKE PART IN THE VALUE CHAIN. WE WILL ALSO CONTINUE CREATING INITIATIVES THAT PROMOTE THE PROFESSIONALIZATION AND VISIBILITY OF OUR CUSTOMERS' ACTIVITIES, SUCH AS TRAINING-RELATED ACTIONS AND THE SEVERAL AWARDS WE HAVE BEEN SUPPORTING.

Gastón Bourdieu  
Manager in charge of the Wholesale Banking Division

**Companies**

Through different products and services, Banco Galicia reaches approximately 50,000 corporate customers -small- and medium-sized and large companies- from all the economic sectors, in all the provinces. With the purpose of establishing closer, long-lasting and efficient relationships with customers, the Bank has professional officers throughout the country, who are in charge of providing customer service and specialized advisory services.

Banco Galicia also has Corporate Banking Centers which offer answers that imply customized decisions taken locally, with the necessary support. This year, 2 new Centers in Quilmes and Neuquén were added to the 6 existing Centers located in Mar del Plata, Rosario, Mendoza, Córdoba, Tucumán and Corrientes.

In order to strengthen the Bank's understanding of customers' expectations, 11,955 visits were made all over the country to listen to customers' opinions. Meetings were held, where an average of 15 businessmen from different economic sectors attended, as well as executives from the Wholesale Banking Area.

The Bank works as well with other essential channels that allow fostering higher-quality service: e-galicia.com, Galicia Office -the corporate electronic banking solution- and Fonobanco Empresas.

**Corporate customers by regions in Argentina**

Region	Number of Customers	
	2009	2008
01 Mar del Plata / Patagonia	3,878	3,664
02 Mediterranean	5,824	5,271
03 Metro I	8,100	7,138
04 Metro III	2,923	2,701
05 North	2,701	2,471
06 West	2,552	2,285
07 Andean	2,837	2,611
08 Metro II	4,122	4,563
09 Metro IV	3,728	3,318
10 Province of Buenos Aires	3,929	3,815
11 Santa Fe / Northeast of Argentina	6,162	5,627
12 South	2,761	2,418
Total	49,517	45,882

**Financing granted to companies**

Loans by economic sector (in millions of Pesos)	2009	2008
Agriculture and livestock	1,803	1,271
Trade	1,649	1,172
Construction	177	77
Manufacturing sector	2,082	1,587
Services	1,249	963
Others	214	36
Total loans <sup>34</sup>	7,174	5,106

34. It includes individuals with commercial activities.





## Loans

Through different credit lines, Banco Galicia offers financing from working capital to mid- and long-term investment projects. During 2009, 62% of the total loan portfolio was used to strengthen the productive sector.

During the year, an event worth noting was the Bank's launching of a broad range of short-, mid- and long-term loans at fixed-, variable- or combined rates for \$ 1,200 million, aimed at SMEs from all the economic sectors, to finance working capital and capital goods.

## Producir Conservando (Producing while Preserving) Foundation

Banco Galicia is a founding partner of the *Producir Conservando* (Producing while Preserving) Foundation, an institution supporting the agriculture and livestock sector in the challenge of attaining the integration of all the participants in the agrifood chain. Its purpose is to promote production "conservation systems" within the sector, as well as create and disclose information related to the sector that is significant to the Argentine economy.



### IFC's credit line

In May 2005, the IFC granted the Bank US\$ 40 million and, at the end of 2007, granted a new trench for US\$ 50 million.

**Purpose:** to finance investment projects in Argentina, granted to SMEs from different economic sectors.

**Loan characteristics:** long-term loan: 8 years, including a grace period during which the customer only pays interests.

**Results until 2009:** 118 transactions were conducted, for a total of US\$ 87.4 million.

### Financiamiento con el Fondo Tecnológico Argentino (Argentine Technological Fund) (FONTAR as per its initials in Spanish)

In 2006, the Bank entered into an agreement with FONTAR.

**Purpose:** to finance technological innovation projects carried out by companies from the manufacturing/industrial sector.

**Loan characteristics:** financing in Pesos of new capital goods, either national or imported, for the modernization or technological innovation of products or else productive processes. 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. Furthermore, the company has to add intangible assets such as technological developments to go from the pilot stage to the industrial stage.

**Results until 2009:** 71 projects were approved for \$ 81 million.

### Credit Program - IDB San Juan No. 1798/OC AR

Since the beginning of 2008, the Bank has been offering its SMEs customers from all the business sectors different credit lines from the IDB to finance the development of long-term investment projects in the province of San Juan. Within the framework of this credit program, we took part –together with the Argentine Central Bank and the San Juan Quality Program- in money auctions in order to finance our customers from the SMEs sector.

**Purpose:** to support, through credit, the increase in the productive capacity of micro-small- and medium-sized companies that carry out projects in the province of San Juan.

**Loan characteristics:** financing in Pesos, at a fixed interest rate, and for a term of up to 15 years.

**Results until 2009:** \$ 2.3 million were placed in IDB credit lines in 10 loan transactions.

### Time deposits Program from the ANSES - Fondo de Garantía de Sustentabilidad Argentino (Argentine Fund for a Sustainability Guarantee) (FGS as per its initials in Spanish) - Law 26,425

We offered SMEs from all the economic sectors a credit line to finance working capital and the purchase of goods and/or services.

**Purpose:** to boost productive activity and the creation of jobs for the Argentine economy as a whole.

**Loan characteristics:** used for the purchase of goods and services and/or use for working capital. In Pesos and at a fixed interest rate.

**Results until 2009:** \$ 142.6 million in 1,537 transactions.

### Estímulo al Crecimiento (Growth Incentive) Program of the Undersecretaryship of Small- and Medium- Enterprises and Regional Development (Sepymes as per its initials in Spanish)

In 2009, and in different bids for subsidized interest rates, we were granted \$ 46,400,000 to finance SMEs' working capital and fixed assets, from all the economic sectors throughout Argentina.

**Purpose:** to improve the conditions of access to credit for micro-, small- and medium-sized companies.

**Loan characteristics:** fixed rate financing in Pesos for working capital and capital goods.

**Results until 2009:** \$ 30.12 million<sup>35</sup>.

## E-galicia.com

Technological tools are an essential channel for customers' transactions, since customers can make payments and queries in a fast and efficient way, as well as get information on the Bank's services and benefits. In 2009, monetary transactions in Pesos reached 8,599,805 between Galicia Home Banking (individuals) and Galicia Office (companies).

### BANCO GALICIA'S SOCIAL ACCOUNTABILITY "2009 CHALLENGES": GALICIA COMEX

THE FIRST FOREIGN TRADE ONLINE COMMUNITY, CONSTANTLY UPDATED REGARDING INTERNATIONAL BUSINESS, WAS MADE A REALITY AND IT HAS 5,196 REGISTERED USERS TO DATE.

35. The figure represents the balance pending collection.

36. This year, the Foreign Trade and Factoring workshops were not carried out. The closing ceremonies of the *Diplomaturas Ejecutivas en Comercio Internacional* (Foreign Trade Executive Diplomas) were carried out. These Diplomas have the academic support of Universidad Siglo XXI and were carried out in 2008.

37. EGEA has the academic support of Sociedad Rural Argentina and Universidad Católica de La Plata.

### Training for companies<sup>36</sup>

*Instituto Vasco Argentino de Formación Tecnológica* (Basque-Argentinian Institute for Technological Training) (IFT as per its initials in Spanish)

The Bank supports its activities, which are aimed at providing technical training to laborers, technicians and professionals. The IFT teaches computer design, automation and conventional machining courses, among others. This way, it facilitates access to the labor market and improves the competitiveness of employer SMEs.

**Students who attended the courses in 2009:** 475

**Courses offered in 2009:** 55

**Teachers in 2009:** 11

Universidad Austral

En 2009, we entered into an agreement to finance the research project on the purchase habits of Argentine agriculture and livestock producers carried out together with Universidad de Purdue (USA).

Furthermore, since August 2006, there has been a cooperation framework agreement by means of which the Bank takes part in the University's Agribusiness Project as founding company. Within this framework, we are involved in the Agribusiness Project that includes the Executive Master in Agribusiness and some special programs and seminars. We offer special discounts to customers and employees who are interested.

**Students who attended the Master in 2009:** 42

**Graduates in the 2007-2009 period:** 45

**Teachers:** 40 permanent teachers and some guest lecturers

**Special programs and seminars:** Agribusiness Management Program, "Approaches to the Strategic Vision of Agribusiness" and "With the illusion of changing" seminars.

*Programa de Educación a Distancia* (E-learning training program) (EGEA as per its initials in Spanish)<sup>37</sup>

We support the e-training program for individuals related to the agroindustrial chain. It includes Technical Training and Managerial Training courses. We also offer training courses for rural teachers.

**Students who attended the courses in 2009:** 353

**Courses offered in 2009:** 16

*Centro de Estudios e Investigación para la Dirigencia Agroindustrial* (Research Center for the Agroindustrial Management) (CEIDA as per its initials in Spanish)

We continue offering financial support to the Center so that it is able to provide education and training to individuals with managerial vocation related to public issues. The Bank's executives were involved in the creation of the program's contents.

**Number of students:** 80







## Galicia Rural: supporting production

The Galicia Rural card continues to be the leader in this market since the Bank works actively so that customers are able to finance their production tools, consumables and services needed for the agriculture and livestock activities. Commissions obtained from purchases made through the Galicia Rural card are used to make donations to social projects determined together with our partner institutions:

- **Aapresid:** the *Federación de Institutos Agrotécnicos Privados de la República Argentina* (Group of Private Agrotechnical Institutes of the Argentine Republic) benefited 142 agrotechnical schools and approximately 18,200 students and 3,000 teachers
- **AACREA:** its *Programa Líderes* (Leaders Program) favored 300 people until 2009, and the *Programa de Padrinazgo a Escuelas* (School Sponsorship Program) reached 134 institutions located in 13 provinces, i.e. more than 16,500 students and 2,700 teachers

During the year, several agreements were entered into with leading companies from the sector in order to offer, through the Galicia Rural card, financing at 0% interest rate and terms from 90 to 180 days (total financial cost: 1.5%) for the purchase of seeds, agrochemicals, fertilizers, bulk liquefied gas, machines and services, among others.

## Galicia Convenios (Galicia Agreements)

Through the Agreements and Networks area, the Bank carries out strategic alliances with prime companies to offer benefits to the whole value chain. By means of these agreements, the Bank benefits the companies that supply goods and services and customers, which get more advantageous financing conditions. Nowadays, the Bank has 75 agreements aimed at financing the needs of customers related to financial loans and leasing.

The Vendor System allows companies to finance the sale of supplies and services in a dynamic and safe manner, through the installation of a custom-made software in their offices. The use of this system increases the term of financing to customers, makes it possible to increase sales and minimize collection days, thus using the working capital in a more convenient manner. Through these loans, during 2009 the Bank granted financing for \$ 128 million.

## Supporting the development of small-sized companies

Supporting the development of small-sized companies is a priority to boost productive activity in Argentina. Therefore, the Bank works to meet this segment's needs and to favor access thereof to credit and the rest of the financial services.

Nowadays, the Bank has approximately 31,000 small-sized companies as customers, to which service is rendered by more than 250 officials specialized in issues related to this segment.

Out of the total small-sized companies that carry out transactions through current account, half can get loans for working capital and capital goods. Furthermore, almost 186,500 people collect their salaries through Banco Galicia, since 9,775 companies have payroll deposit agreements in force.

A credit line at special rates was offered so that small-sized companies from the industrial sector could start conducting transactions with the Bank. This campaign was focused on the Northeast region, Comodoro Rivadavia and Neuquén.

In order to strengthen its commitment to this segment, this year the Bank carried out a research to listen to customers' concerns and thus improve the Bank's offer of products and services to meet their needs according to the different geographic regions.



## Awards sponsored by Banco Galicia<sup>38</sup>

3<sup>rd</sup> Edition of the Banco Galicia-*Revista Chacra a la Gestión Solidaria del Campo* (Banco Galicia-Chacra Magazine's Rural Solidarity) Award

Its purpose is to increase the visibility, promotion and spreading of the CSOs working for the rural communities in Argentina. In 2009, 56 programs participated.

The selection of winning programs is carried out by a well-known panel of judges that assesses the programs based on replicability, sustainability and innovation criteria.

### WINNERS:

#### FOOD:

- Award: "Quiero más" program, by Grupo Puentes Civil Association.
- Special Mention: "Educación Alimentaria Nutricional a Maestros Rurales" (Education on Nutritional Food for Rural Teachers), by CESNI.

#### EDUCATION:

- Award: "Programa Educativo de Becas de Estudio y Desarrollo Comunitario" (Educational Program regarding Study and Community Development Grants), by Rugby Solidario Civil Association.
- Special Mention: "Iniciativas para mejorar la calidad de la educación en ámbitos rurales de la Argentina" (Initiatives to improve education quality in rural areas in Argentina), by ETIS - Equipo de Trabajo e Investigación Social.

#### WORK PROMOTION:

- Award: "Producción Asociativa de carne de cerdo de alta calidad en familias de bajos recursos" (Association Production of high-quality pork meat in families from low-income sectors), by Contribuir al Desarrollo Local Civil Association.
- Special Mention: "Programa Caprino Lechero para Pequeños Productores" (Caprine Dairy Program for Small-sized Producers), by Fundapaz.

#### HEALTH:

- Award: "INOT-HI (There's water)", by Fundación Marista.
- Special Mention: "Salud oftalmológica para todos" (Eye health for everyone), by Fundación para la Atención Rural Oftalmológica (FARO).

Each entity that won the award in its category received a statuette and a money contribution to foster its work replicability.



*Premio a la Excelencia Agropecuaria La Nación - Banco Galicia 2009* (2009 La Nación-Banco Galicia's Agriculture and Livestock Excellence Award)

In alliance with La Nación, this award is given to recognize men and women from rural areas who are outstanding because of their innovation and sustained efforts towards the productive development of Argentina. In this 7th edition, 203 applications from Argentine companies and individuals were received.

### WINNERS:

- FARMER: Pago Viejo S.A.
- APIARIST: Cooperativa Cosar
- WINE PRODUCER: San Pedro de Yacochuya
- HERDSMAN: Las Tranqueras, from Horacio and M. Lavallo
- EDUCATOR: Juan Carlos Breguy, Federación de Institutos Agrotécnicos Privados
- AGRICULTURAL MACHINERY: Carlos Mainero y Cía.
- FORESTER: Asociación Forestal Argentina
- POULTRY FARMER: Granja Tres Arroyos
- FRUIT GROWER: Faro Capital S.A.
- HORTICULTURALIST: Argentbio
- AGRIFOOD INDUSTRY: La Sibila S.A.
- AGRIFOOD INNOVATION: Abrantes S.A.
- CATTLE PRODUCER: Desde el Sur S.A.
- FISH FARMER: Laurihué, from Cañuelas
- DAIRY PRODUCER: Fernando Fourcade S.A.
- AGRITOURISM PROPOSAL: Haras Ampascachi
- RESEARCH PROJECT: Biotechnology Institute of the INTA
- AGRICULTURE AND LIVESTOCK OUTREACH WORK: Animal Health Group of the INTA Balcarce

CAPA<sup>39</sup> - Banco Galicia Award given to agriculture and livestock-related journalism:

With this distinction, the Bank tries to identify and promote the best journalists specialized in the agriculture and livestock sector so as to reward those professionals that are committed to information transparency and communication with the community.

The following were the agriculture and livestock-related journalism products awarded in 2009:

- RADIO: *El Informe String-Agro* (Cerealista Radio, Rosario)
- TELEVISION: *Bichos de Campo* (América 24, Bs. As.)
- PRINT MEDIA: *Suplemento Campo* (La Nación Newspaper, Buenos Aires)
- INTERNET: Agrositio.com (Buenos Aires)

The following were the best agriculture and livestock-related journalists in 2009:

- RADIO: Susana Merlo (Radio Colonia, Buenos Aires)
- TELEVISION: Carina Rodríguez (América Rural, Bs. As.)
- PRINT MEDIA: Fernando Bertello (La Nación Newspaper, Buenos Aires)
- INTERNET: Carlos Vedoya Recio (NEA Rural, Misiones)

<sup>38</sup>. The Premio a la Excelencia Exportadora La Nación-Banco Galicia (La Nación-Banco Galicia Excellence in Exports Award) will be given in 2010. Furthermore, the Bank launched the Premio Mentores a la Micro, Pequeña y Mediana Empresa (Mentor Award to Micro-, Small- and Medium-sized Companies) granted by MATERIABIZ, which purpose is to support the micro-, small- and medium-sized companies so that they achieve a sustainability self-assessment process and analyze their leaders' capabilities.

<sup>39</sup>. Círculo Argentino de Periodistas Agropecuarios.

## Quality Assurance

### Outperforming service expectations

Throughout the year, the Bank worked on providing training to employees and enhancing internal processes so as to continue improving performance indicators. Among the achievements attained, the following are worth noting:

- New agreements were entered into among the Bank's different areas to enhance processes related to them and to determine improvement indicators.
- A new communication and participation channel was created: Zona Ingenia, where employees can suggest improvements as regards services offered and customer service.
- The Bank created the first group of quality facilitators, whose main function is to connect the Bank's entire influence group so as to have an impact on the value chain.
- New customer satisfaction indicators were added, what led to a higher transverse presence of quality assurance within the organization.

#### BANCO GALICIA'S SOCIAL ACCOUNTABILITY - "2009 CHALLENGES": QUALITY ASSURANCE - ISO 9001 CERTIFICATIONS

LAST YEAR, THE BANK SET AS A GOAL TO OBTAIN FIVE CERTIFICATIONS THAT HAVE A SIGNIFICANT IMPACT ON CUSTOMERS. EVEN THOUGH SUCH GOAL WAS NOT ATTAINED IN 2009, THE FOLLOWING WAS ACHIEVED:

- CERTIFICATION OF "COBRANZA INTEGRADA GALICIA" (GALICIA INTEGRATED COLLECTION), OUR FIRST PRODUCT OBTAINING THE CERTIFICATION.
- REVALIDATION OF THE "PRIVATE BANKING SERVICE MODEL" PROCESS AND UPDATING TO THE 2008 VERSION.
- REVALIDATION OF THE "BRANCH NETWORK TRAINING" PROCESS AND UPDATING TO THE 2008 VERSION.

THE SERVICE MODEL FOR THE HIGH-INCOME SEGMENT WAS ANALYZED. FURTHERMORE, THE BANK IMPLEMENTED COURSES ON THE ISO 9001 STANDARD, AIMED AT MORE THAN 1,000 USERS OF THE BRANCH NETWORK. THE BANK IS CURRENTLY WORKING ON THE CERTIFICATION OF THE FOLLOWING: *PRÉSTAMOS GALICIA 24* (24 GALICIA LOANS) AND *GALICIA ADMINISTRADORA DE FONDOS* (GALICIA FUND MANAGER).

### Service Quality Level

The Service Quality Level in branches is part of the incentive plan and is structured through the following indicators:

#### 1. Customer Satisfaction:

it measures service perception through an ongoing daily telephone survey. The Bank's average score for 2009 was 8.84 (in a scale from 1 to 10). The following are the attributes being surveyed and the average scores thereof:

- Kindness: 8.98
- Commitment: 8.98
- Knowledge: 8.93
- Advisory services<sup>40</sup>: 8.97
- Waiting times<sup>41</sup>: 8.07

#### 2. Mystery Shopper:

it records compliance with the service standards used in every contact with the Bank's customers. This year, the Bank met 93.7% of the established standards.

40. This year, the "Store comfort" indicator was replaced by "Advisory services".

41. A new weighting was created for the calculation method.

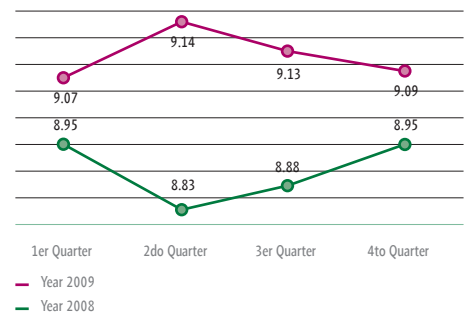
#### 3. Management of Complaints in Branches:

it measures the punctuality in the answers given to complaints in branches and customers' suggestions. In 2009, 96.5% of complaints were answered in due time.

The annual average of the Service Quality Level, as assessed by our customers, was 9.11. Pursuant to the Customer Satisfaction Survey, 95% of the branches attained the goal (8.80) while 58% exceeded this goal.

#### Service Quality Level

Rating in a scale from 1 to 10







## Accessibility in our branch network

We increased the reach of ATMs to get closer to our customers. The Bank replaced 104 ATMs in branches and 11 self-service terminals, and installed 52 new ATMs and 11 new terminals throughout Argentina. In 2009, 57,319,750 transactions were carried out in ATMs, and 19,225,234 in self-service terminals.

Banco Galicia strengthens its leading position as a provider of innovative banking services in Argentina with the acquisition of a new ATM -the only one of its kind in the market- that allows to make cash deposits without using envelopes. This technology immediately authorizes deposits in Galicia accounts, and money is credited online. This way, the transaction speeds up and deposits are automatized. Cash is validated immediately<sup>44</sup>.

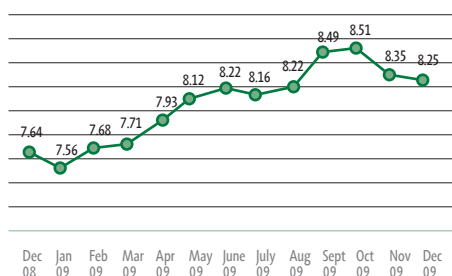
## Waiting times management

The Bank is working on its waiting times improvement plan through the following: assistance to branches per customer segment and geographic area, monthly outcomes survey, measurement of real waiting times, comparisons with perceived waiting times, follow-up of a special group of customers and program for the control of the most critical branches.

These measures have had an impact on our customers' perception since the indicator improved 1.47 points when compared to the previous year.

### Waiting times in tellers <sup>42</sup>

(rating in a scale from 1 to 10)



## Listening to customers' opinions

In order to meet our customers' needs, the Bank implemented the following as well: satisfaction surveys -related to ATMs, corporate services, private banking and business proactivity, among others-, field research with visits to points of contact with customers and tools such as focal groups with employees and customers.

At the Consumer Defense agencies in the city of Buenos Aires we handled, on average, 12 monthly complaints, reaching an 84% level of agreement. Meanwhile, in the provinces an average of 28 monthly complaints was recorded, with a similar level of agreement<sup>43</sup>.

## Customer Contact Center (CCC)

In order to ease the Bank's provision of services, the Customer Contact Center is in charge of dealing with and managing complaints through specialized officers and high-precision specific systems. The purpose is to render efficient services to the people who communicate with the Center.

This Center constantly monitors the Bank's quality assurance and applies different mechanisms aimed at guaranteeing the continuous improvement of processes and the understanding of individual customers.

### Accessibility

	2009	2008
<b>Branches with special bathrooms</b>		
Total number	87	87
as a percentage of total number of branches	37	37
<b>Branches with ramps</b>		
Total number	114	113
as a percentage of total number of branches	48	47
<b>Branches with elevators for disabled people</b>		
Total number	43	45
as a percentage of total number of branches	18	

42. The figure for December 2008 does not agree with that published in the previous CSR Report due to the fact that in 2009 the Bank worked with a new weighting for the calculation method. In order to make such information comparable to the assessments for 2009, the figure for December 2008 was recalculated following the new criterion.

43. The latter indicator has not been verified.

44. A first stage -developed in the Head Office- includes deposits with debit card in the customers' own accounts in Banco Galicia. Soon, customers will be able to make deposits to third parties' accounts in Banco Galicia with no need to use a debit card.

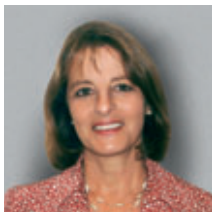
45. This indicator was not reported in the 2008 CSR Report.

# EMPLOYEES

INNOVATION IN  
E-LEARNING FOR  
EMPLOYEES







"THE RESEARCH ON FAMILY-RESPONSIBLE COMPANIES CARRIED OUT BY THE IAE SHOWS THAT THE BANK IS INTERESTED IN THIS ISSUE AND IS GEARING TOWARDS THAT DIRECTION, BUT THAT THERE IS STILL A LONG WAY TO GO.

BANCO GALICIA'S INTEREST IN THE BALANCE BETWEEN ITS EMPLOYEES' WORK AND FAMILY LIFE IS AS WELL EVIDENCED BY THE CONCEPTUAL AND EMOTIONAL SUPPORT BY MEANS OF THOUGHTS AND PIECES OF ADVICE OFFERED TO RECENT FATHERS AND MOTHERS. THEREFORE, THE SIGNIFICANT EXPERIENCE OF HAVING A CHILD IS IN FACT PERCEIVED AS AN INCREASE IN THE EMPLOYEE'S PERSONAL ABILITIES THAT THE BANK VALUES AND PROTECTS.

THE BALANCE STRATEGY IS BASED ON THE FACT THAT IT IS MORE HUMANE TO WORK WHEN THE PERSON IS COMPLETE THAN FRAGMENTED. GUARANTEEING A FAMILY LIFE BALANCED WITH WORK REQUIREMENTS FAVORS THE COMMITMENT OF PEOPLE TOWARDS THEIR WORK. THE PROMOTION OF EMPLOYEES' FAMILY LIFE IS AN UNDENIABLE CONTRIBUTION TO SOCIAL HARMONY AS A WHOLE."

>> Paola Delbosco

Teacher at the *Centro de Conciliación Familia-Empresa* (Center for Family-Company Balance) of the IAE Business School, Universidad Austral.



Banco Galicia is proud of its employees, who show a high level of commitment to the institution and a strong orientation to work, and it tries to provide employees with comprehensive growth opportunities within a framework of a healthy environment.

During the year, and in order to favor the integration of employees who work in the provinces and guarantee their access to knowledge, the Bank added technological innovations, continued to support the Scholarship Program, strengthened the network of internal trainers and maintained the ongoing investment in the education and training of leaders. In turn, Banco Galicia added a CSR module to the orientation session as regards the Bank and also to the Comprehensive Training Programs.

When compared to 2008, the number of members of staff decreased due to the policy on expense control and unfilled vacancies. The *Jóvenes Profesionales* (Young Professionals) Program was postponed, and 6 people adhered to the Bank's early retirement plan. The number of hours of both face-to-face and e-training decreased, and the Supplementary Training Program was discontinued.

All the Bank's permanent employees are subject to Collective Bargaining Agreements. These agreements applicable to staff are the result of collective negotiations and determine work guidelines (functions, determination of schedules, categories, among others) and compensation guidelines. The *Asociación Bancaria Sociedad de Empleados de Bancos (La Bancaria)* (Association of Banks' Employees) is the union's representative.

All the employees have special benefits, which can be related to the banking activity or not, in order to improve their life quality and that of their families.



	Women	Men
Total employees in 2008	2,796	2,528
Total employees in 2009	2,633	2,395
<b>Distribution by position in 2009</b>		
Initial levels	1,707	1,175
Medium levels	785	790
Executive levels	132	381
Managerial levels	9	49
<b>Average age by position in 2009</b>		
Initial levels	32.5	34.1
Medium levels	38.5	37.9
Executive levels	42.9	43.4
Managerial levels	51.9	51.7



## Our Policies

Banco Galicia has policies, in line with the Code of Conduct, aimed at fostering equal opportunities among its employees, making its promotion process transparent and providing fair compensation.

The Development Committees, made up of leading employees who belong to the Human Resources Division and the business line, agree on and validate promotions, guaranteeing vacant positions are filled by the most suitable employees. For internal job postings, the Bank uses the *Oportunidades Galicia* (Galicia Opportunities) tool, which allows each employee to build its career inside the Bank pursuant to its professional interests. In 2009, the Bank received 1,349 applications, published 74 job postings and selected 37 people.

The Bank works on diversity issues in order to guarantee there are no differences between men and women regarding hiring and professional development. Banco Galicia also asks its employees not to have a secondary economic activity that may affect the Bank's goals and business so as to avoid any kind of conflicts of interest.

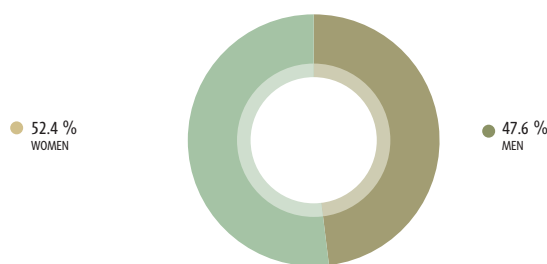
## Compensation policy

Banco Galicia takes on the commitment to manage the compensation of employees based on the Principle of Fairness, exceeding the legal regulatory framework in force. This policy defines the compensation strategy for employees according to four key factors: position, performance, personal traits and potential, and market values.

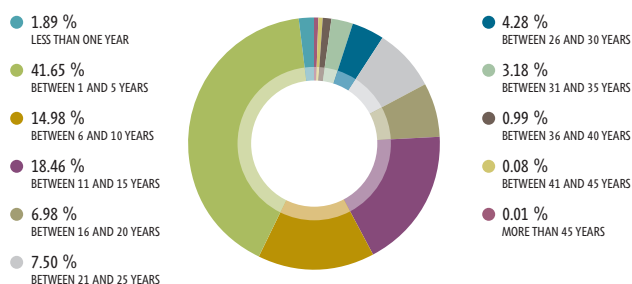
## Policy on incentives

The Bank has a result-oriented incentive system for managers, which focus is placed on "meritocracy". In order to assess individual performances, this policy takes two areas into consideration. A "hard" area based on quantitative indicators measured by the degree of goal achievement, and a "soft" area, related to qualitative indicators. This last assessment was adapted pursuant to strategic criteria from the CSR point of view: now the Bank's corporate values and the individual's contribution to the consolidation of the CSR culture both inside and outside the Bank are taken into consideration.

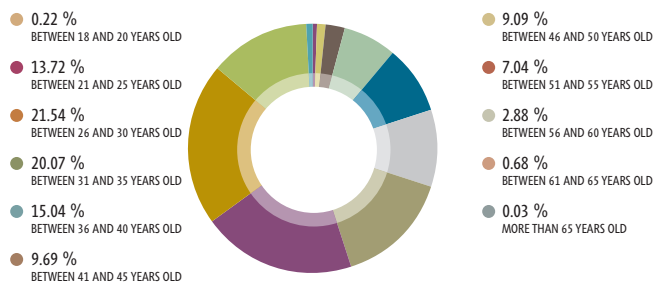
### Distribution by Gender



### Distribution by Seniority



### Distribution by Age





### CHALLENGE FOR 2010

WE WILL TRY TO DETERMINE AN INCENTIVE REGIME THAT INCLUDES ALL MEMBERS OF STAFF, WHICH IS ADAPTED TO GOALS AND TO THE NEW FUNCTIONAL ORGANIZATION. WE WILL STRENGTHEN THE MANAGERIAL DEVELOPMENT PROCESSES AND IMPLEMENT THE WORK ENVIRONMENT SURVEY ON AN ANNUAL BASIS.

Enrique Behrends  
Organizational Development and  
Human Resources manager



## Organizational Work Environment Survey

This survey –anonymous, confidential and processed by an external consulting firm- is carried out to get to know the opinions of employees on key issues regarding work and life at the Bank. In 2009, participation reached 93 % of staff.

The work environment survey is an important tool to analyze the organizational situation and define new policies and practices. The importance thereof is based on the relationship that exists between work environment and commitment, individual performance and business results.

This year, a key methodological decision was made: the addition of the “neutral factor”, what allows for more accurate measurements. Therefore, new opportunities for improvement can be identified in a more thorough manner, thus achieving a more transparent survey result.

When comparing this year’s survey to the one carried out the previous year, and in general, figures show a decrease as regards the uncertainty of the financial activity. Furthermore, this decrease has to do with the different expectations and interests each of the generations have regarding the Bank; what requires a management strengthened and organized by segments.

Answers showed the following:

### Working at the Bank

- 75 % of respondents are satisfied about working at Banco Galicia
- 77 % of respondents are satisfied with the benefits provided by the Bank
- 59 % of respondents have a balance between their work and personal life
- 64 % of respondents believe the training they receive is useful for their work development

### Ethics and Values

- 82 % of respondents agree with Banco Galicia’s project (vision, mission and values)

### Quality Assurance

- 78 % of respondents answered affirmatively when asked about the existence of the Bank’s commitment to meet customers’ needs
- 86 % of respondents know which are the quality standards applicable to customer service

### Work environment

- 75 % of respondents believe the Bank is committed to the development of activities that contribute to the community
- 65 % of respondents think Banco Galicia implements practices and programs that create value for stakeholders (customers, employees, shareholders, suppliers and the community)
- 63 % of respondents believe the Bank answers quickly to the changes in the working environment.

### BANCO GALICIA’S SOCIAL ACCOUNTABILITY - “2009 CHALLENGES: LABOR INCLUSION PROGRAM

THE EMPLOYABILITY PROGRAM AIMED AT YOUNG PEOPLE FROM LOW-INCOME SECTORS OR ELSE YOUNG PEOPLE WITH SPECIAL NEEDS CONTINUED TO BE STRENGTHENED IN ITS DIFFERENT STAGES: SELECTION, TRAINING AND INTEGRATION.

IN 2009, WE ATTAINED OUR GOAL OF INCREASING THE NUMBER OF NEW ADDITIONS TO THE PROGRAM, WITH 9 NEW EMPLOYEES. ALL OF THEM GO THROUGH TRAINING, WHICH IS DIVIDED INTO TWO STAGES: A GENERAL ORIENTATION AS REGARDS THE BANK AND SPECIFIC TRAINING ON PRODUCTS, SYSTEMS AND PROCESSES RELATED TO THE POSITION TO BE FILLED. INTEGRATION AS REGARDS THE POSITION AND THE ASSIGNED TASKS IS GRADUAL, BEING SUPPORTED BY PERMANENT FOLLOW-UP ON THE PART OF THE IMMEDIATE SUPERVISOR.

BESIDES THE WORK CONDUCTED IN ALLIANCE WITH FOC AND PAR FOUNDATION, THIS YEAR SEELIGER Y CONDE ARGENTINA STARTED TO PARTICIPATE. THIS IS A CONSULTING FIRM THAT WORKS ON ISSUES REGARDING THE INTEGRATION OF INDIVIDUALS WITH DISABILITIES.



## Change Management

The Change Management Department encourages transverse professional development through the participation in corporate projects. During the year, 4,170 people were helped with the implementation of 12 projects. This team started to increasingly include more employees from the business or support lines in projects, to help them get new knowledge and skills that would allow them to be in a better position for internal opportunities to grow, expand their vision and improve their employability.

## Our training focal points

The Bank fosters its employees' employment skills through different training programs so that employees can improve their abilities for the position they hold and thus ease the application of knowledge in critical situations.

The training we offer is structured and organized based on the following programs<sup>46</sup>:

1. Ongoing Training
2. Training for Development
3. Comprehensive Training for Key Positions

<sup>46</sup>. Due to budget constraints resulting from the complex economic environment, the Supplementary Training Program was discontinued in 2009.

## Ongoing Training

Its purpose is to offer employees training actions related to the needs of the position they hold, so as to support the employee's education and development towards performance improvement.

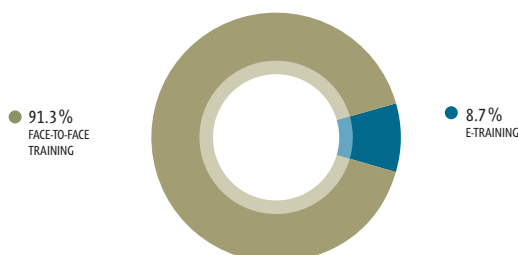
Through the organization of curriculums and with the support of a Training Portal named Generación Galicia, this program offers:

- E-training courses and self-study activities mainly aimed at knowledge acquisition
- Face-to-face workshops and courses;
- Online collaborative activity (Webcast) which, through a virtual session, optimizes training times and bridges gaps, thus promoting integration and knowledge exchange at the Bank
- Interactive simulations aimed at easing the development of key skills.

	People who attended		Total number of hours		Hours per individual	
	2009	2008	2009	2008	2009	2008
Central Areas	887	1,683	47,644	54,288	20	33
Branches	3,553	6,344	118,289	323,430	45	92
<b>Total for the Bank</b>	<b>4,440</b>	<b>8,027</b>	<b>165,933</b>	<b>377,718</b>	<b>33<sup>47</sup></b>	<b>73<sup>47</sup></b>

<sup>47</sup>. The total for the Bank corresponds to the ratio between total training hours and the Bank's total members of staff.

## Total Training Hours







## Training for Development

It is aimed at favoring our employees' professional growth, and thus fosters the specialization in different areas of business. Its implementation is structured through leadership promotion and the awarding of training scholarships to the different hierarchical levels.

### Leadership Program

This program is aimed at strengthening our employees' skills so that they are of advantage to: the development of skills for high-performance teams, the strengthening of business results and the continuation of the quality of service –both internal and external- in the long run.

Training		
Program	Participants	Duration
<i>Programa de Gerenciamiento Bancario</i> (Banking Management Program) - ADEN	Branch managers and Head Office's middle managers with a high potential	160 hours
<i>Programa de Liderazgo y Gestión de Personas</i> (Leadership and Staff Management Program) USAL	Employees in charge of subordinate staff	40 hours

### Scholarship Program

With the purpose of encouraging our outstanding employees' professional development, we maintained our Scholarship Program and we offered employees the possibility to do Masters and Postgraduate courses in renowned universities and educational institutions throughout Argentina, with full or partial help as per the program selected. Investment was mainly focused on studies related to the banking activity: finance, administration and business.

	Number of scholarships		Training hours	
	2009	2008	2009	2008
Subtotal of scholarships awarded through application	24	55	7,326	11,242
Subtotal of scholarships offered	59	66	23,610	12,825
Total scholarships	83	121	30,936	24,067

## Comprehensive Training for Key Positions

This program tries to develop human and technical skills particular of key positions so as to obtain high levels of performance in the short term. During 2009, 11 comprehensive programs were carried out, aimed at providing training to the following positions in the branch network:

- Branch managers
- High-income sector team leaders
- Prefer officers
- Employees in charge of Customer Service
- Treasurers
- Corporate officers

All of them include both internships and practices in centralized areas and on site, as well as courses and workshops.

### Comprehensive Training Program

	2009	2008
Training hours	47,813	271,880
Participants	296	980

### Scholarships for postgraduate education





## Galicia Escuela

During 2009, we strengthened our network of internal trainers who, in different activities, make our employees' development and training easier. We also carried out hands-on activities and coordinated internships, aimed at facilitating the transfer of knowledge through experience, with the essential support of business experts. Therefore, we increased the participation of managers in the role of mentors to strengthen the career development of their team members.

## Assessment methods

We have different tools for a complete analysis that allows our staff to grow:

- **Performance assessment:** new assessment criteria were defined and assessment raters were trained; and the clarification of the roles and responsibilities to be examined were added. In 2009, 93 % of assessments were finished and each employee received feedback aimed at its professional development. Assessment results allowed Banco Galicia to recognize each employee's contribution to the Bank, identify the main training needs and determine action plans so as to support an improvement in performance.
- **Assessment of abilities - Feedback 360°:** more than 358 assessments were carried out by different members of the Bank, who worked with the examinee to get a more objective, comprehensive and realistic view of the individual.
- **Assessment on the employee's potential:** 254 employees were assessed by a specialist who can recognize work areas for the development of the individual. This tool is used for the awarding of scholarships, the participation in Comprehensive Training Programs and whenever an individual's profile has to be validated for a specific position.

## New technologies to offer equal opportunities

Under the Innovations Plan, the Bank developed two tools to offer all employees equal opportunities of having access to knowledge, thus getting closer in spite of geographical distances, and to improve the training program.

- **Virtual Classrooms (Webcast):** these allow experts and entry-level employees to be connected through different applications (chat or audio) that ease the exchange of experiences.
- **Collaborative sites for Initial Training Programs (Sharepoint):** these disseminate training materials and manage to enhance interaction among participants, experts and the training team.



## Family-Work Balance

The “family-work” balance is an essential goal to favor people’s quality of life and the creation of an environment appropriate so that they can develop their full potential. Corporate management should take this balance into consideration since it improves performance levels, commitment to the organization and productivity within it.

We continued with the implementation of the Family Workshop and the Program for Professional Mothers in alliance with *Proyecto Padres* (Parents’ Project) Foundation, both aimed at providing forums for the exchange of and reflection on family-related issues.

In 2009 the Bank launched a Guide on “Committed Parenting” as a support tool for parents/mothers and their bosses. During the year, this material was distributed to 72 employees who were expecting a child, and to branch and head office managers. This document includes rules, procedures and benefits the Bank offers its employees when they have a baby<sup>48</sup>.

### Family Workshop

Meetings aimed at accompanying parents who work at the Bank and their couples with regard to the problems of modern families. This year 2 meetings were held, where issues related to the use of the Internet and the presence of media in the life of children were dealt with. During the year, 53 parents attended.

*Proyecto Padres*  
(Parents’ Project)  
Foundation

### Program for Professional Mothers (Maternity Coaching)

Workshop for pregnant women and mothers who return to work after maternity leave, where issues such as the following are dealt with: pregnancy, birth, basic care of the newborn, mother-child relationship, work and personal life balance, maternity leave and care for a healthy development. During the year, 60 women attended these meetings.

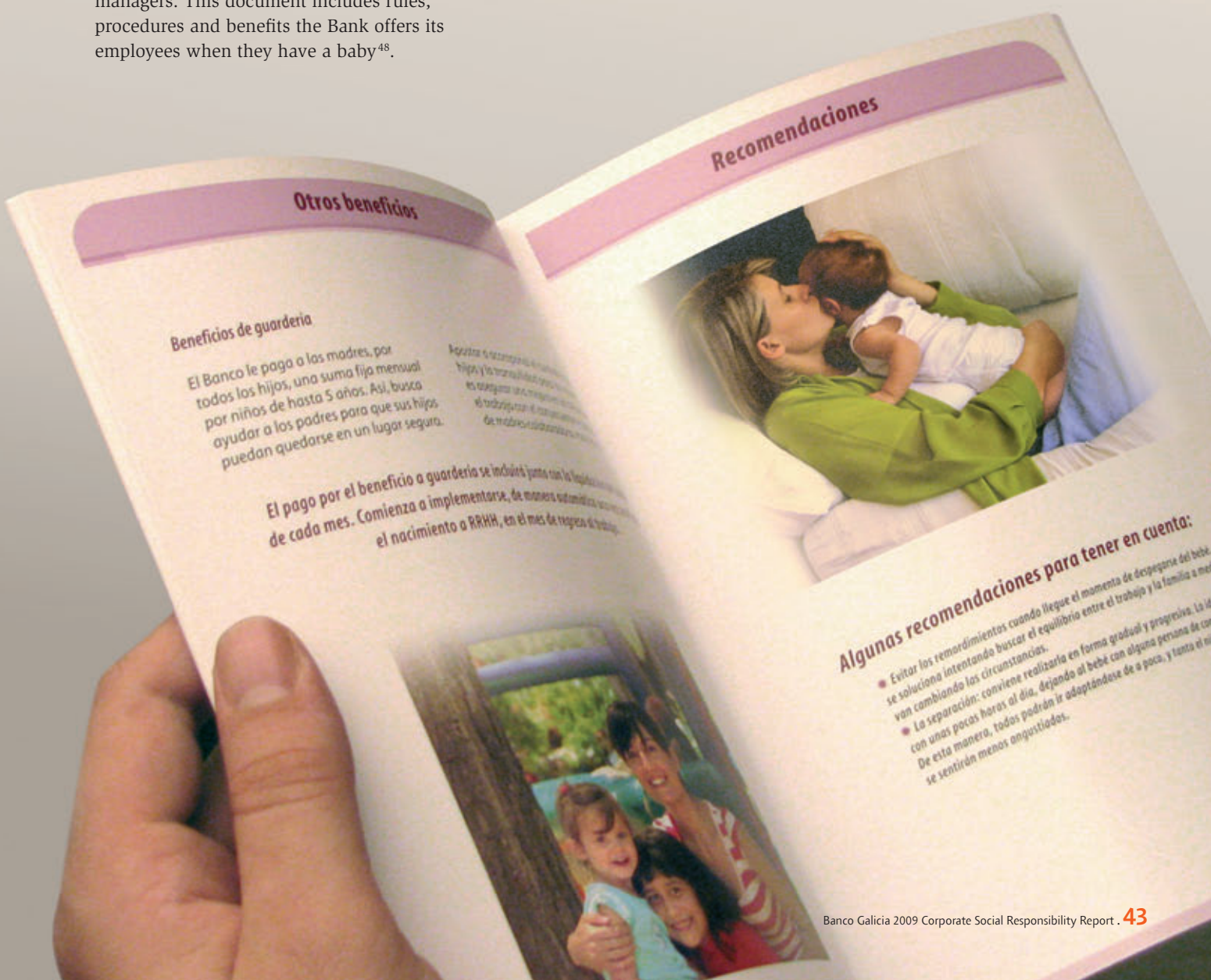
*Proyecto Padres*  
(Parents’ Project)  
Foundation

### First aid and cardiopulmonary resuscitation course

Training to learn how to react in case of an emergency while waiting for medical treatment. A total of 3 courses were given in 2009 and 105 employees registered thereto.

*Cruz Roja Argentina*  
(Argentina Red Cross)

48. The study “*Hacia una empresa flexible y familiarmente responsable*” (Towards a flexible and family-responsible company) by the IAE – Universidad Austral shows that Banco Galicia is a “slightly enriching” company in the transition to an “enriching” company. This entails most of the work-life balance policies are implemented with a high degree of acceptance. Among the outstanding aspects of these policies, family services are worth noting.







## Health

This year was characterized by two important health problems: dengue and swine flu. Therefore, we designed prevention campaigns.

- **Campaign for the prevention of dengue:** we provided information on the problem through e-mail messages sent to employees from the affected areas, and also included such information in e-company publications, posters for bulletin boards and plates in plasma TVs. We also distributed insect repellent in critical branches.
- **Campaign for the prevention of swine flu:** we dealt with the issue through e-mail messages with significant information sent to every employee, e-company publications, informative video with advice provided by an infectious disease specialist, posters in bulletin boards, plates in plasma TVs at the Corporate Tower and distribution of gel alcohol in the head office and in branches<sup>49</sup>.

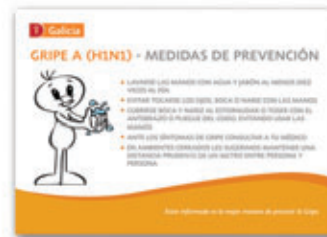
In turn, every employee is covered by the health-care provider system and we have emergency coverage as well. At the main building there is a doctor's office for primary health care.

We also continued encouraging a healthy lifestyle among employees through the organization of soccer, tennis, paddle and squash tournaments and free yoga classes, among others.

## Safety

Evacuation drills are part of our usual activities in the buildings of the Bank's central areas. During 2009, 4 drills were carried out and, for the implementation thereof, training was offered to employees in the buildings of the central areas.

The following were outstanding measures: addition of employees' personal safety issues to the banking safety training programs; increase in the number of vehicles that monitor and verify ATMs in non-working days and at non-working times, and increase in the monitoring of the closed circuit television system in branches.



## Benefits

### Business-related benefits

The Bank maintained its benefits for employees: mortgage and personal loans, credit cards and current accounts. The Bank offers employees completely free the Bank's products and services: Life insurance, savings accounts, current accounts, credit cards, loans and special rates and premiums. These benefits were received by employees and, except for mortgage loans, by retired employees of the Bank.

### Type of loan granted to employees<sup>50</sup>

	Number	Amount
Personal loans	1,350	22,529,186
Mortgage loans <sup>50</sup>	57	7,214,620
Mortgage loans for construction	12	1,816,000
Total	1,419	31,559,806

Even though we granted fewer loans and charged an interest rate higher than the previous year, we increased the average amount per transaction.

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

This program offers benefits and a purchase portal to have access to discounts in products and services, agreements with companies, corporate events and tickets for the theatre and the cinema, among others. During the year, BIP carried out 14 exclusive activities for employees, in which 2,587 employees participated.

Since 2009, the Bank implemented the BIP program in the provinces and the "Proponé tu propio beneficio" (Suggest your own benefit), through which employees can suggest stores they know.

49. As a preventive measure, this year the "Family Day" planned during the winter holidays was cancelled.

50. Until September 2009, the Bank discontinued the granting of mortgage loans. In the first months of this year, some transactions pending from 2008 were notarized. Nowadays, the Bank resumed the granting of mortgage loans, aimed at the purchase of the sole and permanent residence.





## Communication as a management tool

To maintain the dialogue with employees, we have different internal communication channels:

- **E-company:** Intranet updated daily that provides news on Retail and Wholesale Banking, CSR, Human Resources and other sectors. In 2009, a new section was created: “*Desarrollo de Nuestro Negocio*” (Development of our Business), which groups useful information on products, services, campaigns and frequent queries for branches.
- **E-mail boxes:** boxes for internal and benefits communication for employees.
- **Notigal:** quarterly magazine that includes the most significant actions carried out by the Bank’s employees. This year, a new format with more sections was launched, with the addition, for instance, of news by areas. This publication replaces the annual publication.
- **E-company Summary:** through a monthly e-mail, we send the 10 more outstanding pieces of news.
- **BIP Newsletter:** publication with benefits, discounts and activities.
- **Telephone Support for Employees:** assistance and advisory services line.

## Banco Galicia’s Employees Club

The Club, which has 1,945 members, is a common and family-oriented place for the Bank’s employees and retired employees. In 2009:

- Its facilities were lent to public non-profit organizations.
- During the swimming-pool season, recreational activities were carried out for nearly 1,000 people a day during the weekend.
- A new park for children was built.

## Mutual Benefits Association for the Bank’s employees: 25 years providing benefits to its members

Santiago, the Bank’s Mutual Association, has 1,536 members, including 224 retired employees and 106 affiliates<sup>51</sup>. Among its benefits, the 10% to 20% discounts in certain medications in adhered pharmacies are worth noting. This year, the Bank increased the amount of the birth, marriage and death subsidies, as well as that of the subsidy offered to retired employees, in line with the current cost of living. These measures are aimed at increasing the purchasing power of members, mainly in the case of retired employees.

<sup>51</sup>. Affiliates are former employees who continue making contributions.



# FOUNDATION

MORE THAN 40  
YEARS WORKING  
FOR THE  
WELL-BEING OF  
EMPLOYEES

## BANCO GALICIA'S SOCIAL ACCOUNTABILITY - "2009 CHALLENGES: SCHOLARSHIP PROGRAM

THIS INITIATIVE -FOR THE BANK'S  
EMPLOYEES WHO STUDY AT UNIVERSITY  
OR POST-SECONDARY INSTITUTIONS  
COURSES RELATED TO THE BANK'S  
MAIN ACTIVITIES- CONTINUED TO BE  
IMPLEMENTED SO THAT THEY CAN FINISH  
THEIR STUDIES.

THIS YEAR, THE BANK INCREASED THE MAXI-  
MUM SALARY REQUIRED, THUS INCREASING  
THE NUMBER OF EMPLOYEES WHO ARE  
ELIGIBLE TO RECEIVE A SCHOLARSHIP.



Banco Galicia Foundation was created to accompany the development of the Bank's employees and their families. Nowadays, having been working for over 40 years, the Foundation continues providing employees with services aimed at their well-being.

- **Vaccination Program:** reimbursement for the vaccines included in the Vaccination Plan in force for children under 18 years. The amount to be credited is related to the coverage of the employee's health insurance.
- **Student's Plan:** it distributes, during 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.
- **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.
- **Vacation camps:** for employees' children from 5 to 13 years. These are carried out at the Bank's Club. This year, only the summer vacation camp was carried out. The winter vacation camp was preventively suspended due to the risk of swine flu transmission. The Bank continued providing an allowance to children of employees from the provinces.
- **Distribution of layettes:** gift to parents who have a child in order to welcome the new member of the family.
- **Children's Day:** celebration held at the Bank's Club. In 2009, toys were collected for the School for the Blind and Visually Impaired No. 506 in Lanús. The project was part of the Corporate Volunteering Program (PRIAR).
- **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.
- **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.



"I STARTED WORKING AT BANCO GALICIA IN 1947 AND, THANKS TO THE BANK, I COULD STUDY BANKING ORGANIZATION AND TECHNIQUES AT THE SAME TIME. DURING MY CAREER, I SAW THE FOUNDATION COME INTO EXISTENCE. MY SON –WHO NOWADAYS WORKS AT THE BANK- RECEIVES THE BENEFITS OF THE STUDENT'S PLAN THROUGH THE DISTRIBUTION OF SCHOOL OVERALLS AND SUPPLIES FOR MY GRANDDAUGHTERS, WHO ALSO ENJOY THE VACATION CAMP.

I SPECIALLY HIGHLIGHT THAT, WHENEVER I HAD ANY HEALTH PROBLEM, ASSISTANCE WAS IMMEDIATE, OVERCOMING ANY INCONVENIENCES."

>> Rubén Enrique Robira  
Banco Galicia's retired employee

The Foundation in Numbers		
Indicator	2009	2008
<b>Vaccination Program</b>		
Number of reimbursements for vaccines	604	479
<b>Student's Plan</b>		
Sets of school supplies	3,113	2,884
School overalls	1,203	1,078
Extraordinary allowances for \$150	2,472	2,147
<b>Scholarships</b>		
Total number of scholarships awarded	386	379
Scholarships during the first semester	187	181
Scholarships during the second semester	199	198
<b>Vacation camp<sup>52</sup></b>		
Total number of employees' children	361	571
Total number of children of employees from the provinces	150	55
<b>Layettes</b>		
	257	302
<b>Allowances for emergency situations</b>		
	3,213	3,078
<b>Santiago Salud</b>		
Employees	3,511	3,616
Retired employees	700	711
Former employees	834	838
Total number of members	5,045	5,165
<b>Distribution of furnishings</b>		
Computers and printers	123	698
Miscellaneous furniture	1,831	2,198
Computer and electronic elements	467	320

## Santiago Salud

Since 1995, Santiago Salud has been providing medical care for employees and retired employees who are members. This service is rendered through Banco Galicia Foundation. Its benefits include doctors' offices, adhered medical centers, emergency care centers and testing laboratories, among others. Furthermore, discounts are offered in pharmacies and opticians in the Autonomous City of Buenos Aires and Greater Buenos Aires.

52. It corresponds to the 2009 summer vacation camp since the winter vacation camp was cancelled due to the health emergency declared because of the swine flu.

# COMMUNITY

GROWTH  
IN SOCIAL  
INVESTMENT

# Galici



**"IN AN UNEQUAL COUNTRY, INVESTMENT IN EDUCATION IS STRATEGIC SO AS TO DECREASE INEQUALITIES. BANCO GALICIA'S ACTIONS IN THE AREA ARE AN EXPRESSION OF THE POSSIBILITY TO REFLECT UNIFIED MANAGEMENT ASSOCIATED WITH AN INCLUSION CRITERION, AIMED AT PUBLIC PURPOSES.**

**THE FUTURE OF NATIONS INCREASINGLY DEPENDS ON THE RELATIONSHIPS BETWEEN THE EDUCATIONAL SYSTEM AND THE PRODUCTIVE, TECHNOLOGICAL AND SERVICE SYSTEM. WITHOUT THAT, DEVELOPMENT OPPORTUNITIES WANDER OFF."**

» José Luis Roces  
Deputy rector of the *Instituto Tecnológico Buenos Aires* (ITBA)

#### Results

Presence in	24 provinces
Alliances with	94 organizations
Community Programs	96
Beneficiaries	183 institutions
	734 schools
	37,948 students
	1,945 teachers
	4,258 entrepreneurs
	4,144 unemployed
	388,461 patients <sup>53</sup>

53. In 2009, a significant increase was noted in the number of beneficiary patients in comparison to the previous year, due to the launching of the *Mejoras en Hospitales y Centros de Salud* (Hospitals and Health Centers Improvement) Program in the provinces. This offset the decrease in beneficiaries in the area of education, as a consequence of the end of the *Hacia el Bicentenario* (Towards the 200th years) Program, developed in alliance with the Argentine Secretariat of Culture.

In Banco Galicia, we take on the commitment to contribute to the community by means of initiatives that foster the creation of a fair society. In order to improve its investment in this regard, the Bank works on three focal points:

**Education: Value for your Future**

**Work Promotion: Value for your Development**

**Health: Value for your Health**

The purpose of this work is to promote initiatives that generate capabilities and contribute to the individual and common progress. The implementation thereof is carried out through programs that entail a professionalization and planning level higher than particular actions. For their execution throughout Argentina, alliances are built up with CSOs, public entities and academic institutions.

Three years have elapsed since the launching of the Bank's flagship programs: "*Taller de Planificación Económica*" (Economic Planning Workshop), "*Del microemprendimiento a la PyME*" (From the Micro-Enterprise to the SME) and "*Prevención de la Desnutrición Infantil*" (Children Malnutrition Prevention). All of the above have been consolidated as projects that are sustainable in time. At the same time, new programs were devised and organizations we support started to participate.

For the second consecutive year, the Bank supported the *Barómetro de la Deuda Social Argentina* (Barometer of the Argentine Social Debt) of *Universidad Católica Argentina* (Argentine Catholic University) (UCA as per its initials in Spanish), a tool used as a basis for the creation and revision of programs pursuant to the most urgent and pressing needs. This publication is also used to analyze the appropriate allocation of resources.





Value for your Future

THE EDUCATIONAL FOCAL POINT, GROUNDED IN ITS CAPACITY TO FAVOR EQUAL OPPORTUNITIES, IS STRUCTURED IN TWO AREAS THAT TAKE INTO CONSIDERATION DIFFERENT LEVELS AND PEDAGOGICAL STAGES:

1. FOMENTO A LA FORMACIÓN  
(TRAINING PROMOTION)

EDUCATIONAL PROJECTS AIMED AT OFFERING OPPORTUNITIES TO HAVE ACCESS TO AND REMAIN IN SCHOOL, DISSEMINATING PUBLIC-INTEREST ISSUES AMONG CHILDREN AND ADOLESCENTS AND CARRYING OUT EXTRACURRICULAR ACTIVITIES. IT ALSO INCLUDES PROGRAMS THAT FOSTER ACCESS TO HIGHER EDUCATION.

2. MEJORA DE LA CALIDAD EDUCATIVA  
(EDUCATIONAL QUALITY IMPROVEMENT)

PROJECTS DEVISED TO STRENGTHEN THE CAPABILITIES OF PUBLIC OR ELSE PRIVATE AGENCIES, WHETHER THROUGH TEACHER TRAINING OR ELSE THE EMPOWERMENT OF EDUCATIONAL INSTITUTIONS.

Results	
Presence in	24 provinces
Alliances with	32 organizations
Community Programs	35
Beneficiaries	14 institutions
	665 schools
	27,296 students
	852 teachers



University scholarships: awarding merit and effort

The University Scholarship Program aims at favoring the entry of young students to university and their permanence in university. These young students are selected based on their merit and effort. This initiative is divided into two major focal points:

Potenciamos tu Talento (We Leverage your Talent)

Support is provided to young underprivileged students between 17 and 20 years with an express will and interest in continuing their education. Its implementation has two areas:

- 1. personalized support
- 2. economic resources (scholarships)

The program’s goal is that students can get a university degree -related to the banking activity-, and thus favor their future qualified integration to the labor market. In order to implement the program, the Bank works in association with CSOs which supported the education of those young students during primary/ secondary education and which, therefore, are aware of their skills and dedication. The Bank made an alliance with *Marista* Foundation –through which the program will be extended to Neuquén next year-, and *Grupo Puentes Civil* Association will start participating. During the second year of implementation, the Program has already granted scholarships to 38 young students, financing their complete course of studies. Every year, new students are added to the program and a follow-up is made pursuant to dedication, commitment and performance criteria.

Contributions to the Scholarship Funds

The Bank grants subsidies for the scholarship funds of academic institutions that have alliances with the Bank: Universidad Torcuato Di Tella, Universidad de San Andrés, UCA, Universidad del Salvador, Instituto Tecnológico de Buenos Aires and CEIDA.

## Investing in financial education: Economic Planning Workshop

This workshop, created by the Bank and implemented in alliance with *Conciencia* Association, is aimed at working with young students who are enrolled in the last year of secondary school in public and private schools on the importance of saving, personal planning and the banking system. By means of two meetings, the Bank seeks to support students so that they can identify their personal goals and the ways to achieve them. The purpose is that students are able to apply the knowledge they get at the workshop to their reality.

During 2009, the workshop benefited 1,345 students and 60 teachers in 30 schools. For 89% of students, the activity was useful to think in a different way about management of their money, and 98% considered this workshop should continue to be carried out in other schools.



Project	Organization	Description	Reach
<b>Fomento a la Formación (Training Promotion)</b>			
Economic Planning Workshop	<i>Conciencia</i> Association	Its purpose is to increase the awareness of secondary students regarding the importance of saving, personal planning, the establishment of goals and the banking system so that they can apply the knowledge they get to their own reality and to the surrounding reality.	Santa Fe, Jujuy, Salta, Tucumán, CABA, Misiones, Córdoba, Buenos Aires
Promotion of Higher Education	UDES, UTDT, USAL, ITBA and <i>Marista</i> Foundation	Aimed at granting scholarships for higher education and making contributions to the Scholarship Fund.	National
School grants	<i>Cimientos</i> Foundation, <i>Conciencia</i> Association, <i>La Salle</i> Foundation	The program offers educational opportunities to the children of low-income families who are enrolled in primary education. Families also receive –for free– the service of opening and maintaining a savings account to manage grants.	National
Secondary school permanence	<i>Reciduca</i> Foundation	Aimed at achieving the permanence at school of secondary students at risk of dropping out of school.	Autonomous City of Buenos Aires
<b>Mejora de la Calidad Educativa (Educational Quality Improvement)</b>			
Schools of the 200 <sup>th</sup> year	IIPE/ UNESCO - UDESA	Its purpose is to improve basic conditions for learning, for students in schools with a low-quality education, favoring the development of the main academic areas and better education and institutional administration conditions.	Corrientes, Tucumán y Chaco
Training for rural school teachers	<i>Escolares</i> Foundation	This program provides rural teachers with tools to update their education in literacy techniques and develop strategies to prevent school drop-off and favor the creation of libraries.	Santiago del Estero
Nexos	CIPPEC	Aimed at establishing autonomous capabilities in the provinces to discuss, design and justify the decisions on education policy.	National
Potenciar	<i>Los Grobo</i> Foundation	Supports projects from institutions in rural communities that work together on issues of interest locally.	Buenos Aires (Bellocq)
7 <sup>th</sup> National Reading Marathon	Leer Foundation	Creation of reading spaces at schools, for teachers, students and their families.	National
"Con lupa de historiador" (With a historian point of view) school competition	FADAM	The purpose of the competition is to awaken curiosity in children by playing to be a historian, investigating and telling history events of the area where they live that are part of the region's cultural heritage.	National
Premio Comunidad a la Educación (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

## Value for your Development

THROUGH THE WORK PROMOTION FOCAL POINT, THE BANK CARRIES OUT PROGRAMS THAT CONSIDER WORK AS AN ESSENTIAL SOCIAL RELATIONSHIP THROUGH WHICH INDIVIDUALS ARE INTEGRATED INTO SOCIETY. THIS FOCAL POINT IS IMPLEMENTED IN TWO AREAS: *PROMOCIÓN DE LA INSERCIÓN LABORAL DE GRUPOS VULNERABLES* (PROMOTION OF LABOR MARKET INTEGRATION FOR VULNERABLE GROUPS) AND *FORMACIÓN PARA LA EMPLEABILIDAD* (TRAINING FOR EMPLOYABILITY).

THE GOALS SET ARE THE FOLLOWING:

- TO TRAIN PEOPLE FROM UNDERPRIVILEGED SECTORS.
- TO EASE THE CREATION OF MICRO- AND SMALL-SIZED COMPANIES BASED ON SUSTAINABLE ENTERPRISES.
- TO CONTRIBUTE TO FUND IMFs
- TO DEFINE INTEGRATION POLICIES FOR UNDER PRIVILEGED OR DISABLED PEOPLE.

THESE GOALS ARE ESSENTIAL TO ALLOW ENTRANCE TO THE LABOR MARKET TO THOSE WHO WERE NOT ABLE TO ENTER AFTER THE CRISIS AND DURING THE SLOW REACTIVATION PROCESS. THUS, "THE INCLUSION OF EXTENSIVE UNDERPRIVILEGED SECTORS IN QUALITY EMPLOYMENT AND IN THE MODERNIZATION PROCESSES IS ONE OF THE CHALLENGES WE FACE AS A SOCIETY" (*OBSERVATORIO DE LA DEUDA SOCIAL ARGENTINA*, 2009 - OBSERVATORY OF THE ARGENTINE SOCIAL DEBT, 2009)<sup>54</sup>.

Results	
Presence in	24 provinces
Alliances with	22 organizations
Community Programs	20
Beneficiaries	4,258 entrepreneurs
	4,144 unemployed

54. Observatory of the Argentine Social Debt, "Changes in the Labor Market indicators", UCA, Buenos Aires, 2009.



## Towards the strengthening and growth of productive enterprises

The Bank created the "*Del microemprendimiento a la PyME*" (From the Micro-Enterprise to the SME) program, which is now in its second edition, to contribute to the training of entrepreneurs all over the country and the formalization of their businesses.

The beneficiaries of this program are those individuals who have an enterprise at least one year old, which is not organized as a company and has had an annual turnover higher than \$ 100,000 during the last year.

Its development is structured in five stages:

1. Registration through a form available at e-galicia.com.
2. Distribution of the Orientation Guide "How to transform your micro-enterprise into a SME" to every registered individual. In 2009, 448 entrepreneurs were registered.
3. Training to entrepreneurs in different areas of Argentina, determined pursuant to the number of individuals registered. In 2009, training was given in: Autonomous City of Buenos Aires, Mendoza, Mar del Plata, Rosario, Córdoba, Salta, Tucumán and Neuquén. Four full-time workshops were offered in each of the aforementioned areas. Issues such as the following were dealt with at the workshops: business plan and strategic planning, accounting and finance, marketing and tax and legal aspects.
4. Virtual support to those individuals who start the process for the formalization of their businesses.
5. Loans at a subsidized interest rate for those individuals who complete formalization of their businesses.

FUNDES is in charge of providing training, with the support of: IAE, Grameen Mendoza Foundation, Par Foundation, UCA, Employment Services of the AMIA, Impulsar Foundation and the Ministry of Labor, Employment and Social Security.



## The Bank strengthens its commitment to financial inclusion: Microcredit line for Microfinance Institutions (IMFs)

Based on the belief that micro-credits are a sustainable strategy to overcome poverty, the Bank launched a line that grants loans to Microfinance Institutions (IMFs), which in turn grant micro-credit to individuals from low-income sectors. The guidelines for this line provide for the following: loans granted to IMFs are aimed at creating or else increasing their portfolio, and micro-credits shall be used for working capital.

We entered into an agreement with the *Red Argentina de Instituciones de Micro-crédito* (Argentine Network of Micro-credit Institutions) (RADIM as per its initials in Spanish) under the above-mentioned framework. The maximum amount per IMF shall not exceed \$ 1,000,000 in case of being a member of the RADIM or, otherwise, \$ 500,000.

During 2009, loans were granted to:

- Women's World Banking Foundation
- Grameen Mendoza Foundation
- *Entre Todos* Civil Association

The total amount granted as loans in 2009 was \$ 1,420,000.



Microprestataria de Pro Mujer Argentina

Project	Organization	Description	Reach
<b>Labor Market Integration for Vulnerable Groups</b>			
<i>Del microemprendimiento a la PyME</i> (From the Micro-Enterprise to the SMEs)	FUNDES	Purpose: to train entrepreneurs, ease the formalization of the individuals' productive activities who already have a sustainable micro-enterprise, and foster the creation of jobs.	National
<i>Mejoras Productivas</i> (Productive Improvements)	Cruzada Patagónica	Aimed at encouraging growth and improvement in the life quality of people from rural areas in the region, boosting productive activities.	Neuquén - Río Negro
<i>Hacia el sueño de una mesa compartida II</i> (Towards the dream of a shared table II)	Cáritas	Aimed at supporting entrepreneurs with technical training, micro-credits and a marketing forum.	Buenos Aires (Merlo - Moreno)
Creation of the Responde Cultural Center	Responde	Its purpose is to create a cultural and educational growth space that allows creating innovative social and economic development possibilities.	Santa Fe (San Francisco). Second stage.
<i>Adopte un Joven</i> (Sponsor a Youngster)	Impulsar	The purpose of the project is to support unemployed or subemployed young people who have no economic resources and are scarcely experienced so that they can start their own enterprise, thus boosting the creation of jobs.	Buenos Aires
<i>Desafío: Cursos de formación auxiliar contable y call-center</i> (Challenge: accounting assistant and call center training courses)	FOC (Fundación de Organización Comunitaria)	It promotes the comprehensive education of adolescents and young people so that they can finish studying and get training to enter the labor market.	Buenos Aires
<i>Escuela Taller</i> (Workshop School)	Dirección General Casco Histórico del GCBA (GCBA's Historic Quarter General Department)	Organizes training and employment, generating skilled workers for the recovery of building heritage.	Autonomous City of Buenos Aires
<i>Proyecto de Desarrollo Productivo</i> (Productive Development Project)	Fundación CUBA	Aimed at fostering the local development of the neighborhood through training, micro-credits and productive organization.	Buenos Aires (Fátima)
<i>Sabores en La Boca</i> (Flavors in La Boca)	Fundación Social para el Bienestar de la Gente (Social Foundation for the Well-being of People)	Its purpose is to develop food preparation skills in poor individuals from La Boca neighborhood.	Autonomous City of Buenos Aires
<i>Empleo con Apoyo</i> (Assisted Employment)	Discar	Tries to include individuals with intellectual disabilities in the labor market, assisting them through support professionals during the entire process of integration into the company.	Autonomous City of Buenos Aires
<b>Formación para la Empleabilidad (Training for Employability)</b>			
<i>Estrategias para la búsqueda de empleo</i> (Strategies for job searching)	AMIA	Training is provided to individuals who try to enter the labor market for the first time or those who try to enter again, thus allowing them to increase their chances to do so.	Buenos Aires, CABA, Tucumán, Córdoba, Santa Fe, Mendoza, Salta.
<i>Servicio de Integración Laboral</i> (Labor Integration Service)	PAR	Aimed at training individuals with disabilities so that they can develop a work profile pursuant to market requirements and have a more significant role during job searching.	CABA, Buenos Aires



## Value for your Health

THE HEALTH-RELATED FOCAL POINT IS AIMED AT DEVELOPING PROGRAMS THAT IMPROVE THE QUALITY OF CARE OF HOSPITALIZED PATIENTS, THE EQUIPMENT OF HEALTH INSTITUTIONS, THE PREVENTION OF DISEASES; AND SUPPORTING RESEARCH INITIATIVES SIGNIFICANT FOR THE POPULATION'S WELL-BEING.

ITS IMPLEMENTATION IS STRUCTURED IN TWO AREAS:

- **FOMENTO A LA SALUD E INTEGRACIÓN DE GRUPOS VULNERABLES** (HEALTH PROMOTION AND INTEGRATION OF VULNERABLE GROUPS): IT PROMOTES THE WELL-BEING OF THE LESS-FAVORED SECTORS.
- **MEJORAS EN HOSPITALES Y CENTROS DE SALUD** (HOSPITALS AND HEALTH CENTERS IMPROVEMENT): IT CARRIES OUT DEVELOPMENT PLANS IN THESE ORGANIZATIONS.

## Hospitals and Health Centers Improvement Program:

During 2009, the Bank strengthened its long-standing track record of supporting health institutions through the restatement and launching of the “*Programa de Mejora en Hospitales y Centros de Salud*” (Hospitals and Health Centers Improvement Program) for Argentina’s different provinces. This program’s goal is to contribute to the progress of institutions -mainly public ones- and therefore enhance the life quality of patients and the work of doctors.

During the program’s first year, branch managers from the Northeast and Northwest of Argentina<sup>55</sup> and their respective teams were required to identify hospitals to which provide contributions through a specific improvement project. Each institution’s needs are acknowledged together with the authorities thereof, and Cáritas provides advisory services regarding priorities, thus analyzing the impact and sustainability of the work plan. Funds are used for: equipment, hospital resources and infrastructure. In turn, the CSR Division receives the proposals and approves them.

The following improvement plans were carried out during the year:

1. *Hospital Municipal Emilio Ferreyra* (Necochea, Buenos Aires): equipment for the neonatology unit.
2. *Hospital Rural Charadai* (Chaco): general equipment.
3. *Hospital “Dr. J. R. Vidal”* (Corrientes): equipment for the urology unit and Emergency Service.
4. *Hospital Militar Salta* (Salta): equipamiento para las salas de Cirugía General.
5. *Hospital de Niños “Dr. Héctor Quintana”* (San Salvador de Jujuy): equipment for the bacteriology laboratory.
6. *Centro de Salud Namqom* (Formosa): general equipment for the hospital, including the dentistry service. del hospital incluyendo el servicio de odontología.
7. *Hospital de Pediatría Nivel III “Dr. Fernando Barreyro”* (Posadas, Misiones): equipment for the pediatric recovery room.

Results	
Presence in	22 provinces
Alliances with	40 organizations
Community Programs	41
Beneficiaries	169 institutions
	388,461 pacientes
	10,652 students
	1,093 teachers

55. Exceptionally, other regions of the country can be included.

## Preventing children malnutrition: an unavoidable investment for the future

In alliance with CONIN, the Bank developed the *Programa para la Prevención de la Desnutrición Infantil* (Children Malnutrition Prevention Program) aimed at providing training to social leaders –sanitary agents, persons in charge of community kitchens and child care centers, and rural teachers, among others- in their own communities, so as to make people aware of the seriousness of the issue and the prevention thereof. Since its inception in 2007, the Program provided training to more than 1,200 community leaders.

This program is implemented through a workshop put on by specialists from the CONIN, focused on the three main areas of early development: pediatrics, nutrition and emotional stimulation.

This project is supplemented by “*Lo Nuestro a la Olla*” (Nutritious Recipes for Cooking), initiative from the FONRES that provides recipes, advice and information to prepare nutritious food at low cost.



Project	Organization	Description	Reach
<b>Fomento a la Salud e Integración de Grupos Vulnerables (Health Promotion and Integration of Vulnerable Groups)</b>			
<i>Prevención de la desnutrición infantil</i> (Preventing children malnutrition)	CONIN	The program aims at contributing to the prevention of children malnutrition through training and providing value to the social bonds of communities.	National
<i>Fortalecimiento de ONGs</i> (Strengthening of NGOs)	CESNI	Training materials aimed at CSOs devoted to food assistance are created.	CABA
Nutried National Award	Nutried	The winning initiative aimed at decreasing children malnutrition is given support.	Misiones
<i>Apoyo familiar</i> (Family Support)	Tzedaká	This project contributes to the nutrition, housing and health needs of low-income families.	CABA
<i>Plan Solidario Agropecuario</i> (Agriculture and Livestock Solidarity Plan)	Solidagro	This project strengthens the nutrition of individuals, mostly children, and finances school support with materials included, as well as the crafts workshop.	Corrientes, Chaco and Santa Fe
<i>Programa de prevención de adicciones</i> (Program for the prevention of addictions)	Diocese of San Isidro - Conferencia Episcopal Argentina	The purpose is to carry out national meetings and provide advice to the Dioceses, as well as foster publications and information on the different proposals thereof.	National
Grants	Sociedad Argentina de Diabetes (Argentine Society of Diabetes)	Grants are awarded to doctors from the provinces to attend the course for graduates in the area of diabetes.	CABA
<i>Grupos de apoyo en Salud Mental</i> (Mental Health Support Groups)	EMA	These groups render services to patients with multiple sclerosis and are coordinated by a group of professionals.	CABA
<i>Prevención de enfermedades zoonóticas</i> (Prevention of zoonotic diseases)	FABA	This program fosters the prevention of diseases transmitted by animals and the responsible care of animals.	Buenos Aires
<i>Un tesoro en cada niño</i> (A treasury in every child)	Fleni	This allows for the early detection of hearing loss in order to start a treatment and make it possible to achieve a normal sensorineural development.	Buenos Aires (Escobar)
<i>Asesoría Legal a enfermos de cáncer</i> (Legal advice to individuals who have cancer)	ACIAPO	Its aim is to provide legal assistance to individuals who have cancer so that they can have access to the medications they are entitled to receive by law.	CABA y Buenos Aires
<i>Casa de la Esperanza</i> (House of Hope)	Manos Abiertas	Psychological care and comprehensive assistance are provided to low-income individuals.	Buenos Aires (San Miguel)
<b>Mejoras en Hospitales y Centros de Salud (Hospitals and Health Centers Improvement)</b>			
<i>Mejoras en Hospitales y Centros de Salud</i> (Hospitals and Health Centers Improvement)	Cáritas Argentina	It supports health institutions through the provision of equipment, hospital resources and infrastructure in order to promote the life quality of patients who resort to the health care system, mainly the public system.	North-east and Northwest of Argentina
<i>Adquisición de equipamiento</i> (Purchase of equipment)	COAS	Pieces of equipment were provided to the following hospitals: Francisco J. Muñiz, José M. Penna, Materno Infantil Ramón Sardá, Ramos Mejía and Dr. A. Zubizarreta.	CABA
<i>Adquisición de equipamiento</i> (Purchase of equipment)	Policia Federal Argentina Foundation	5 ambulances were donated to Hospital Churrucá.	CABA
<i>Adquisición de equipamiento</i> (Purchase of equipment)	Dr. Juan A. Fernández Foundation	3 binocular microscopes, 1 for the laboratory and 2 for the pathologic anatomy area of Hospital Fernández.	CABA
<i>Adquisición de equipamiento</i> (Purchase of equipment)	Fundaleu	Monitors for patients.	CABA
<i>Adquisición de equipamiento</i> (Purchase of equipment)	Lalcec	Mammogram machine.	Santa Fe
<i>Mejoras en el Hogar</i> (Home Improvements)	Hogar de tránsito del Niño Jesús Foundation	Its aim is to protect, stimulate and educate children and adolescents under legal ward by decision of juvenile court judges.	Buenos Aires



PRIAR: voluntary commitment

The PRIAR (Region-Based Interactive Assistance Program) was created 7 years ago by the initiative of the Bank’s employees, and today is developed under the “Ayudando a Ayudar” (Helping to help) Civil Association. Its mission is to offset the effects of poverty through sustainable solidarity projects with different institutions.

Volunteers actively participate in all the regions of Argentina where the Bank is present, by providing material assistance, time and support to different organizations so as to improve the life quality of children, adults and the elderly from the less-favored sectors of society.

The PRIAR’s work is structured under team leaders for each area, who assess the proposals submitted by volunteers and lead the task force. Once the beneficiary organization was chosen, and in accordance with the needs that have been identified, an action plan is devised, which shall be implemented by the branch network volunteers, their families and customers.

Volunteers from the Head Office take part in the projects by providing support through periodic collaboration campaigns and activities to raise the funds and get the materials needed.

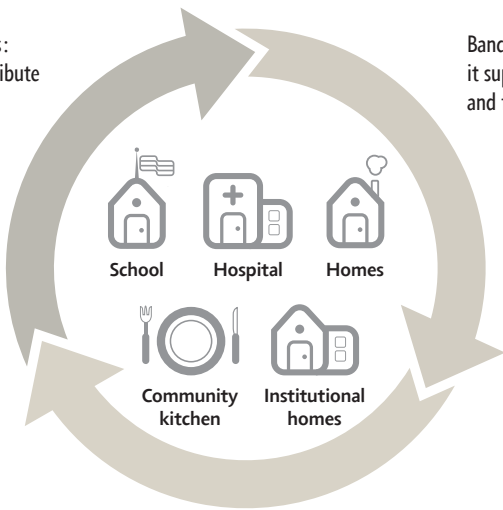
Volunteers	3,080
Projects since the program’s inception	106
Projects completed	84
Projects under execution	22
Beneficiaries	15,306



All the Bank’s employees can suggest an institution to help

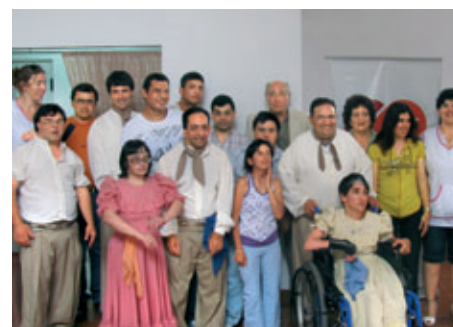
Volunteers: they contribute with their time and skills, and generate resources

Banco Galicia: it supports and facilitates



Customers and family members: they take part in the initiative

Location	Institution	Beneficiaries	Description
Bragado - Buenos Aires	School N°14 - Fragata Sarmiento	100	Provision of equipment and repair of damaged parts.
Chacabuco - Buenos Aires	Miguel Máximo Gil Association	30	Provision of an industrial washing machine and furniture to put the children's clothes.
Pila - Buenos Aires	El Jagüel de María	48	"Young adults home". Building of a house where young people can live within the home.
La Rreja - Buenos Aires	Jesús de Nazareth Children Home	30	General repairs and conditioning of electrical installations. Installation of gas mains.
Hurlingham - Buenos Aires	Fundación María Virgen Children Home	170	Comprehensive assistance.
Lanús - Buenos Aires	Special Education School for the Blind and Visually Impaired N° 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 kindergarten.
Bella Vista - Buenos Aires	Fundación Argentina Científica Establo Terapéutico (FACET)	30	Building of half a wall surrounding the exercise ring to avoid sand from scattering.
Reconquista - Santa Fe	"Ayudame a Ayudar" Community Kitchen	40	Water supply for the kitchen and sanitary facilities.
Guaymallén - Mendoza	Nuestra Señora del Milagro Association	220	Repair of an external playground.
San Rafael - Mendoza	San José Moscati Community - Rama Caída Psychiatric Institution	80	Extension of the nursery room and finishing of bathrooms.
La Rioja - La Rioja	Congregation of Dominican Sisters	20	General repairs, equipment for classrooms and dining room.
Ullúm - San Juan	Multiple Education School	40	Purchase of a bus for the transportation of students.
Río Cuarto - Córdoba	Nuevo Hospital Foundation	22	Provision of the funds necessary to end the construction of the house.
San Francisco - Córdoba	Colegio Jesús de la Misericordia	48	Equipment and repair of carpentry and sewing workshops.
Córdoba - Córdoba	FONBEC	7	Its aim is to make it possible that outstanding students continue studying, thus avoiding school drop-out due to lack of economic resources, during the 2008-2009 school year.
Escaba de Abajo - Tucumán	School N°190	80	Building of a ceiling for a covered patio, equipment for the computer workshop and creation of a farm.
Salta - Salta	Nuestra Señora de Itatí Parish	100	Equipment for the community room and obtaining the furnishings for the development of the different workshops offered.
Gral. Roca - Río Negro	Emmanuel School Community Kitchen	200	Creation and fitting of a room for multiple purposes.
Goya - Corrientes	Santa Rita Goya Community Kitchen	180	Building of a kitchen and preparation of a farm.
Posadas - Misiones	Majanian Children Home	30	Building of a pavilion and provision of an industrial washing machine and drying machine.
Ushuaia - Tierra del Fuego	Caminito de Colores Kindergarden	200	Equipment for the computer room and building of a room for multiple purposes.
Río Grande - Tierra del Fuego	Centro Educativo y de Formación Laboral (Educational and Work Training Center)	466	Total repair and conditioning of the facilities.





"YEAR 2009 WAS FULL OF VERY SIGNIFICANT EXPERIENCES FOR THE PRIAR'S VOLUNTEERS AND THE COMMUNITY OF FRATERNIDAD NEIGHBORHOOD. WE WORK FROM THE SMALLEST THINGS ON TO CONTRIBUTE TO THE SUPPORT AND EDUCATION OF CHILDREN AND YOUNG PEOPLE WHO ATTEND THE WORKSHOPS ORGANIZED AT NUESTRA SEÑORA DE ITATÍ PARISH.

WE CARRY OUT DIFFERENT ACTIVITIES: WE HELP WITH THE CONSTRUCTION OF THE KINDERGARTEN AND CONTRIBUTE SCHOOL SUPPLIES AT THE BEGINNING OF THE SCHOOL YEAR, AND WE SHARE HOT CHOCOLATE, MOVIES, HAIRDRESSERS' SATURDAYS AND MUSIC AND FOLKLORE WORKSHOPS.

OUR COMMITMENT TO THESE NEIGHBORHOODS WHICH ARE SO MUCH IN NEED CONTINUES DURING 2010, YEAR IN WHICH WE WANT TO CARRY OUT MORE ACTIVITIES FOR CHILDREN AND YOUNG PEOPLE, AND TRADE WORKSHOPS FOR ADULTS, SO AS TO ALLOW THEM TO GET ACCESS TO BETTER JOB OFFERS."

>> Rosana Pujol  
Team Leader - PRIAR Salta

## Accompanying the development of children from Nuestra Señora de Itatí Parish - Salta

Nuestra Señora de Itatí Parish is located in the Fraternidad-Villa del Valle neighborhood in the city of Salta. Every day, 230 children of different ages go to the Parish to get education, food and support. Its purpose is to provide school support and favor their employment opportunities, getting them out from social underprivileged situations.

When the PRIAR's volunteers from the Mediterranean area were faced with the poverty situation in the neighborhood, they started a campaign to help the Parish. The initial project, which started in 2005, was the construction of classrooms so that children could learn new trades. For that purpose, a brick making factory, a concrete mixer, wheelbarrows, shovels and hoses were obtained. With these tools, we manage to build the classrooms, start providing training to young people and manufacture bricks.

At the same time, a nursery school was built, aimed at accommodating the youngest children and providing them with early stimulation. The second stage of the project was the equipping of this space and, thanks to the team work, furnishings were collected (mainly: chairs and tables), as well as mats and toys. Within the framework of recreational activities, children got some surprise gifts such as new school supplies and overalls.

Nowadays, we are working on finishing equipping classrooms so as to offer the workshops all year round. Results achieved boost the commitment to new challenges that improve the life quality of residents of Fraternidad-Villa del Valle neighborhood.





## Celebrating cultural heritage

Complete remodeling of the Anthropology Room in La Plata Museum

The Bank contributed to the complete remodeling of a new Anthropology exhibition room named “*Ser y pertenecer, un recorrido por la evolución humana*” (To be and to belong, traveling along human evolution), in La Plata Museum of Natural Sciences.

The room –where work was conducted during two years- is mainly focused on human evolution and diversity, and invites to travel along the evolution of men. In order to offer a quality exhibition, an interdisciplinary team made up of researchers, professionals and technicians was called, and 25 pieces were bought in the United States of America (high-quality replicas).

Since the planning stage, this room was thought of as a proposal with audiovisual,

multimedia and interactive resources, where visitors can have a more participatory experience. A special sector was designed for blind people, where pieces have an explanation in Braille; and an explanatory video was shot in sign language for deaf people.

In turn, this project entailed the preservation of architectural heritage in this 78 square-meter room, such as the restoration of an original decorative trim, the floor and ceiling.

The project also included the writing of a book that includes a compilation of content, images and illustrations specially prepared for the exhibition. Apart from that, a monthly magazine distributed for

free in schools throughout Argentina published a fold-out with a timeline featuring the major findings of human evolution.

In total, the investment for this project amounted to \$ 445,334.

We also took part in other restoration projects:

- Museo Nacional de Arte Decorativo (National Museum of Decorative Art) (Autonomous City of Buenos Aires)
- San Ignacio de Loyola Parish (Autonomous City of Buenos Aires)
- Nuestra Señora de Pilar Parish (Autonomous City of Buenos Aires)
- Santa Rosa de Lima Parish (Pilar, Buenos Aires)





# SUPPLIERS

ALLIANCES WITH  
SUSTAINABLE  
SUPPLIERS







"ONE OF THE DISTINCTIVE VALUES OF BANCO GALICIA IS THE ADOPTION OF THE CSR CONCEPT AS A TRANSVERSE MODEL THAT GOES THROUGHOUT THE BUSINESS VALUE CHAIN AND WHERE ALL AREAS ACTIVELY TAKE PART IN THE PROCESS. THIS AWARENESS ON THE IMPORTANCE OF THE RELATIONSHIP WITH ALL STAKEHOLDERS -AND THE SUSTAINABLE MANAGEMENT THEREOF- INEVITABLY LEADS TO HIGHER COMPETITIVENESS.

BANCO GALICIA'S ACTIONS REFLECT THE OPEN DIALOGUE AND THE ACKNOWLEDGEMENT OF NEW STAKEHOLDERS RELATED TO THE BANK'S BUSINESS.

SUPPLIERS ARE ONE OF THE STAKEHOLDERS THAT OFFER MORE POSSIBILITIES TO WORK JOINTLY AS REGARDS CSR ISSUES. COMMITTED TO THE BELIEF THAT THE SUCCESS OF SUPPLIERS IS AS WELL THE SUCCESS OF THE CORPORATE CUSTOMER, BANCO GALICIA WORKS ON THE SPREADING OF GOOD PRACTICES THROUGH A SPECIFIC CODE OF CONDUCT AND DISCUSSION PANELS WITH SMEs AND ENTREPRENEURS."

>> **Ernesto Tocker**  
Director of the VALOR Program  
AMIA BID FOMIN

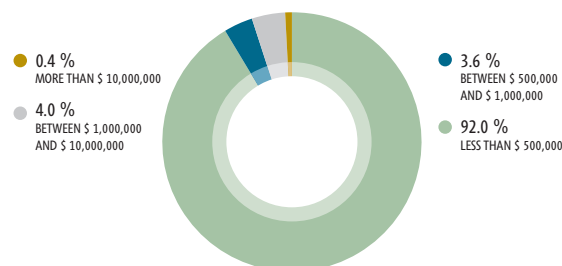
Banco Galicia works with an heterogeneous group of suppliers as regards size and areas of operation. Through the year, 682 suppliers were added. With the purpose of diversifying purchases, some of them are small-sized companies that market supplies.

Within a context of an increasing interdependence, taking care of the supply chain is a priority to foster long-term business and trust relationships which have a direct impact on the Bank's performance.

That is why the Bank, before agreeing on a purchase, sets criteria for the assessment and selection of suppliers. Those suppliers that are new have to sign the Code of Conduct prepared in 2007 by the CSR Division and the Purchasing Division, which establishes the commitments taken on by the Bank and what is expected from them. All suppliers with whom Banco Galicia works adhere to this set of rules.

	2009	2008
Total number of suppliers	2,410	2,511

Number of suppliers by turnover





“

**CHALLENGE FOR 2010**

STRENGTHENING OUR ENVIRONMENTAL MANAGEMENT SYSTEM AND INCREASING OUR CLOSENESS TO SUPPLIERS THROUGH VISITS -WITH STANDARDIZED GUIDELINES- TO THE SEVERAL COMPANIES THAT OFFER US PRODUCTS AND SERVICES. THIS WILL BE FOR THE BENEFIT OF BOTH PARTIES AND WILL HAVE A POSITIVE IMPACT IN SOCIAL TERMS.

Miguel Peña  
Manager in charge of the Corporate Services Division

”

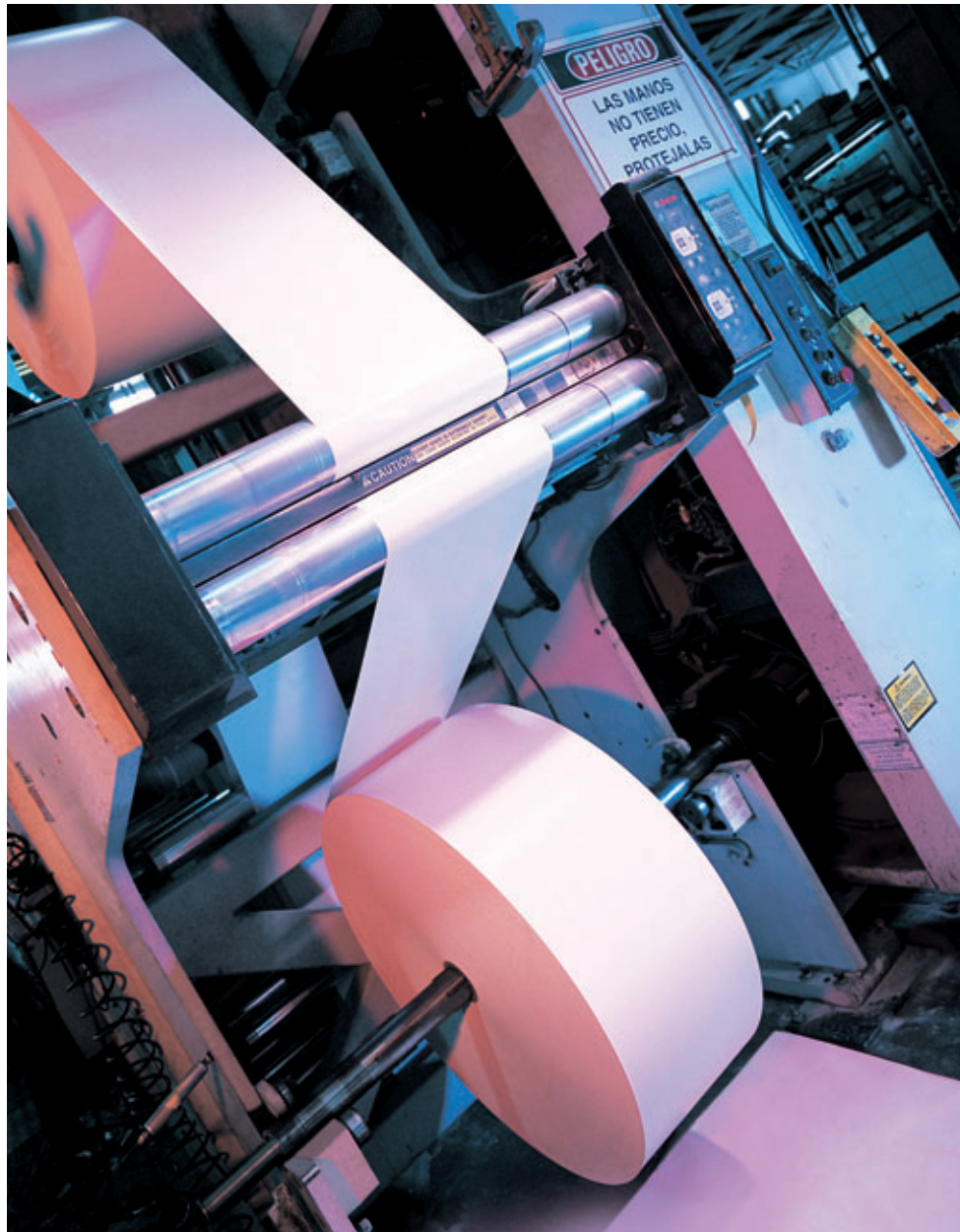
The following are some of the issues dealt with in the Code:

- Banco Galicia's principles and values
- Principles of the United Nations Global Compact: human rights, labor conditions, work environment and fight against corruption
- Respect for the law and tax proceedings
- Business loyalty and honesty

In order to strengthen this commitment, visits were paid to certain major suppliers to verify the application of the agreed parameters.

The Bank has a new portal, “Galicia Compras”, as the new and main channel to communicate with suppliers, apart from being the Bank's business electronic channel. Through Galicia Compras, companies can sell, purchase and finance all the goods and services they produce or else they need.

During 2009, the Bank specially worked on encouraging its suppliers to start offering degradable supplies, or else supplies that do not affect the environment.



## Fostering suppliers' development

We implemented measures to improve the relationship with suppliers and favor their progress through the following:

- Formalization of the process for the assessment, development and retention of suppliers
- Addition of formal financial standing controls within the assessment for the approval of suppliers.
- Design of a procedure that allows analyzing credit behavior of those suppliers who are also the Bank's customers
- Implementation of processes that make it possible to monitor improvements
- Definition of factors that will be taken into consideration when requesting documents to suppliers



### **BANCO GALICIA'S SOCIAL ACCOUNTABILITY - "2009 CHALLENGES": FAVORING SUPPLIERS WHO HAVE THE SAME VALUES AS THE BANK'S**

THE ENVIRONMENTAL MANAGEMENT SYSTEM (SGA AS PER ITS INITIALS IN SPANISH) IMPLIES, AMONG OTHER ASPECTS, THE SPREADING OF THE BANK'S ENVIRONMENTAL POLICY WITHIN OUR SUPPLIERS SO AS TO GUARANTEE THE COMMON PRACTICE OF CONDUCTING RESPONSIBLE TRANSACTIONS. DURING THE VISITS MADE IN 2009, WE OBSERVED THAT, IN GENERAL, SUPPLIERS TEND TO PROTECT THE ENVIRONMENT THROUGH THE MODIFICATION OF THEIR TOXIC WASTE CIRCUITS AND THE STRENGTHENING OF THEIR EMPLOYEES' HYGIENE AND PHYSICAL SAFETY.



# RACIONALIZACIÓN DE ENERGÍA, AGUA Y GAS NATURAL.

Preservando los recursos naturales.

## ENVIRONMENT

ISO 14001:  
ENVIRONMENTAL  
MANAGEMENT  
SYSTEM

Galicia

OPTIMIZACIÓN DE RECURSOS DE OFICINA.  
Reduciendo nuestra huella ecológica.

Galicia

CONCIENTIZACIÓN AMBIENTAL.  
Fomentando conductas sustentables.

Galicia

AMBIENTALES INDIRECTOS.





"BANCO GALICIA HAS EVIDENCED AN UNDENIABLE LEADING POSITION AS REGARDS THE ADDITION OF ENVIRONMENTAL AND SOCIAL STANDARDS TO ITS TRANSACTIONS. IT IS THE ONLY BANK IN ARGENTINA AND ONE OF THE EIGHT BANKS IN LATIN AMERICA THAT ADOPTED THE EQUATOR PRINCIPLES FOR THE FINANCING OF PROJECTS, BASED ON THE SOCIAL AND ENVIRONMENTAL STANDARDS OF THE INTERNATIONAL FINANCE CORPORATION (IFC AS PER ITS INITIALS IN ENGLISH), THE WORLD BANK GROUP'S PRIVATE INVESTMENT BRANCH. BANCO GALICIA IS CONTRIBUTING TO THE INCREASE IN SUSTAINABILITY WITHIN THE FINANCIAL SECTOR. THE IFC VERIFIED THAT THE APPLICATION OF SUSTAINABILITY POLICIES BRINGS ABOUT TANGIBLE BENEFITS IN THE AREAS RELATED TO RISK MANAGEMENT, ASSET QUALITY OF THE LOAN PORTFOLIO OR NEW PRODUCTS.

IN 2009, BANCO GALICIA SHOWED ITS LEADERSHIP ONCE MORE WHEN IT ORGANIZED A MEETING WITH THE EXECUTIVES OF THE LATIN AMERICAN BANKS THAT ADOPTED THE EQUATOR PRINCIPLES.

THE IFC IS PROUD OF HAVING BANCO GALICIA AMONG ITS CUSTOMERS, SINCE THE BANK SHARES IFC'S VALUES AND VISION OF BOOSTING THE SUSTAINABLE DEVELOPMENT OF THE PRIVATE SECTOR IN DEVELOPING COUNTRIES."

>> Enrique Cañas  
Country Manager and Resident  
Representative - IFC (Argentina)

After years of ongoing commitment to the environment, where efforts were focused on the identification, reduction and mitigation of our direct and indirect environmental impact and on the development of initiatives to improve our performance in this regard, in 2009 we focused on strengthening and consolidating our strategy on the issue.

With this goal in mind, and based on international standards, we systematized the initiatives we fostered, thus turning them into programs, and we reorganized the structure to add new activities later. This reorganization work allowed us to define our Environmental Policy and develop an Environment Management System that obtained the ISO 14001: 2004 certification for the Corporate Tower. Furthermore, in 2009 we strengthened our awareness tasks through communication campaigns aimed at the entire staff and through [GaliciaSustentable.com](http://GaliciaSustentable.com).

This way, we extended the scope of our environmental management with a long-term focus.

### Banco Galicia obtained the ISO 14001: 2004 certification

During 2009, Banco Galicia was the first bank in Argentina to achieve the ISO 14001:2004 certification for its operations. Given by Bureau Veritas Argentina, the certification proves the Bank has an Environmental Management System for the Corporate Tower, which was developed pursuant to the requirements set forth in the regulation.

This system reflects the commitments taken on in the Environmental Policy to promote the ongoing management improvement, minimizing both the direct and indirect impact of our activity as a financial institution.





#### CHALLENGE FOR 2010

WE WILL INCREASE THE INTERNAL AWARENESS OF ALL EMPLOYEES TO ENCOURAGE GOOD PRACTICES AT THE BANK. AT THE EXTERNAL LEVEL, WE WILL CONTINUE PARTICIPATING IN SPECIALIZED FORUMS TO IMPROVE OUR WORK REGARDING THE MINIMIZATION OF OUR ENVIRONMENTAL IMPACT.

WE WILL ALSO WORK TO EXTEND OUR MEASURING OF THE CARBON FOOTPRINT IN THE THREE AREAS OF THE GFH PROTOCOL.

Marcelo Poncini  
Manager in charge of the Credit and Environment Division



### Environmental Policy

As per our Environmental Policy, we are committed to:

1. Guaranteeing compliance with applicable environmental laws in force and with the commitments regarding the preservation of a sustainable environment to which we adhere as organization.

2. Avoiding pollution and improving our environmental performance through the constant enhancement of our practices and operations.

3. Fostering an effective use of natural resources available to carry out work.

4. Raising environmental awareness among our employees, customers, suppliers and the community, determining responsible action frameworks which add sustainable value to our performance.







### Environmental Management System

Through four programs, we systematized the initiatives fostered during the last years.

#### Program for electric power, water and natural gas saving

We continued with the optimization of the Corporate Tower's performance, with measures that allow for a more effective use of electric power, water and natural gas.

#### Environmental awareness program

Banco Galicia carries out communication and education activities -both internal and

external- aimed at introducing the Bank's environmental management initiatives and providing knowledge on the issues dealt with by the environmental agenda of Argentina. In turn, the Bank tries to raise awareness on how every organization or individual can contribute to a cleaner environment.

In 2009, the Bank launched GaliciaSustentable.com, a digital forum for the communication of the initiatives and activities that reflect the Bank's commitment to sustainable development. This forum also includes news related to the issues currently dealt with by the agenda, and advice to foster environmentally-responsible behaviors among Internet users.



## Resource optimization program

The Bank continues optimizing the use of paper and other office supplies, fostering practices both in the offices as well as the supply chain.

- Paper recycling: we continue carrying out measures to reinforce positive habits related to waste generation.
- Disposal of cartridges and tonner: we take waste cartridges and tonner to our suppliers, who make the final and appropriate disposal thereof and inform the Bank about the treatment applied to each piece of waste.
- Disposal of electronic waste: those damaged electronic elements that cannot be reconditioned are sent to a specialized supplier that correctly separates the disposable materials and makes the final disposal thereof in an appropriate manner. In 2009, 1,045 computer elements were disposed of.

### Environmental indicators

Indicator	Unit	Annual consumption <sup>56</sup>	
		2009	2008
White paper consumption	Tons	208	207
White recycled paper	Tons	65	60
Recycled file paper	Tons	615	236
Water consumption	m <sup>3</sup>	52,474	52,872
Natural gas consumption	m <sup>3</sup>	68,813	58,633
Gas oil consumption	Liters	19,158	19,400
Power consumption	Mwh	19,621	19,208

56. The scope of the environmental indicators is annual. In the 2008 Corporate Social Responsibility Report, indicators were erroneously included as monthly averages since the value reported corresponded to the annual consumption average for each supply.

57. Pursuant to Comunicado "A" 4972 of the Argentine Central Bank (BCRA) dated August 20, 2009, loans granted by the financial institution for an amount higher than \$ 750,000 are part of this portfolio.

58. The variations observed in the table above when compared to the 2008 CSR Report are basically due to the reclassification of activities from customers included in the same item. The amounts shown are stated in U.S. Dollars.

## Indirect environmental risk management program

### Sustainable investment

In line with the Bank's adherence to the Equator Principles, we maintained the requirement to assess, using environmental and social criteria, every investment project that we finance and belongs to our portfolio of corporate customers<sup>57</sup>.

Due to the complex economic environment of Argentina, during 2009 the Bank did not finance projects of the sort covered by the Equator Principles. However, we applied an environmental analysis system to projects for lower amounts. Within the framework of this sustainability credit assessment, two new loans for a non-accumulated total amount of \$ 1,098,693 were granted.

### Training Sessions

The Bank continued offering the Environmental and Social Risk Assessment within the training program for our Credit Risk Analysts. During 2009, 168 hours of training were offered in that area, what implies a 55 % decrease.

### Composition of the investment portfolio subject to the IFC's environmental analysis<sup>58</sup>

	Amount		Number		Market share by activity (amounts)	
	2008	2009	2008	2009	2008	2009
Growing of cereals, oilseeds and forage seeds	38,254,500	37,454,500	48	47	43.8 %	42.9 %
Citrus fruits growing	1,500,000	1,500,000	1	1	1.7 %	1.7 %
Other fruits growing	1,400,000	1,400,000	2	2	1.6 %	1.6 %
Growing of vegetables, legumes, flowers and plants	2,510,000	2,510,000	2	2	2.9 %	2.9 %
Growing of sacchariferous plants	800,000	800,000	1	1	0.9 %	0.9 %
Vine-growing	300,000	300,000	1	1	0.3 %	0.3 %
Cattle rearing	5,745,000	6,745,000	12	13	6.6 %	7.7 %
Agriculture and livestock operation	23,635,477	23,435,477	36	35	27.0 %	26.8 %
Agriculture and livestock services	700,000	700,000	1	1	0.8 %	0.8 %
Manufacturing of oils and greases	1,000,000	1,000,000	1	1	1.1 %	1.1 %
Wine manufacturing	200,000	200,000	1	1	0.2 %	0.2 %
Manufacturing of toiletry and cleaning products	1,000,000	1,000,000	1	1	1.1 %	1.1 %
Manufacturing of chemical products	2,000,000	2,000,000	1	1	2.3 %	2.3 %
Manufacturing of machinery and appliances	800,000	800,000	1	1	0.9 %	0.9 %
Wholesale sale of raw materials, agriculture and forestry	4,450,000	4,450,000	4	4	5.1 %	5.1 %
Wholesale sale of other agriculture and livestock raw materials	1,279,523	1,279,523	3	3	1.5 %	1.5 %
Hospitality	1,200,000	1,200,000	2	2	1.4 %	1.4 %
Transportation	625,000	625,000	1	1	0.7 %	0.7 %
Total	87,399,500	87,399,500	119	118	100.0 %	100.0 %

### Composition of the investment portfolio subject to environmental analysis

	Amount (in Pesos)	Number	Variation by activity (amounts)
Manufacturing of basic chemical substances	618,999	1	56.3 %
Production and manufacturing of wood and cork products	479,640	1	43.7 %
Total	1,098,639	2	100.0 %



**BANCO GALICIA'S SOCIAL ACCOUNTABILITY - "2009 CHALLENGES": "SEPARAMOS PARA RECICLAR" (LET'S CLASSIFY TO RECYCLE) PAPER RECYCLING CAMPAIGN**

THE BANK CONTINUED MINIMIZING THE DIRECT IMPACT ON THE ENVIRONMENT THROUGH THE RECYCLING CAMPAIGN, WHICH HAD A POSITIVE TREND DURING THE YEAR. FURTHERMORE, THE SCOPE OF THE PROYUNGAS FOUNDATION'S PROJECT WAS ENLARGED, SINCE BY BEING VOTED BY 520 COLLABORATORS IT RECEIVED THE AMOUNT OBTAINED FROM THE SALE OF RECYCLABLE PAPER. FUNDS MADE IT POSSIBLE TO BUILD NEW PATHS AND WALKS INSIDE PARQUE YALA (JUJUY). A NEW ITEM IS AIMED AT THE ENVIRONMENTAL RESTORATION OF THE PUBLIC SPACE THROUGH THE REFORESTATION WITH NATIVE SPECIES.

**Exchange Sessions of Latin American Banks that signed the Equator Principles**

Banco Galicia hosted this meeting, organized by the Credit Division together with the IFC. Within this environment, items related to social environmental analysis were considered, issues related to climate change and other environmental problems related to credit in each country were discussed, and experiences were exchanged together with specialists from the IFC.

**Commitment regarding paper**

As part of its commitment to the paper recycling campaign, the Credit and Financial Processing department decided to work on the optimization of paper consumption.

The members thereof analyzed printing circuits and some work processes became digital. This way, the sector decreased its paper consumption in more than 26,000 sheets of paper a year.



**"Green" credit line**

The Bank started to offer the Environment Credit Line, aimed at financing capital goods for the optimization, transformation or restructuring of productive processes to improve the environmental performance of its corporate customers.

This credit line has been approved by the Office of Instruments for the Sustainable Development of Argentina (*Dirección de Instrumentos para el Desarrollo Sustentable de la Nación*).



## Banco Galicia and climate change

### Carbon Disclosure Project

Banco Galicia, in its capacity as an institution that adheres to the Carbon Disclosure Project, publicly discloses the risks and opportunities climate change entails for the organization, the Bank's direct and indirect greenhouse gas emissions (GHG) for each fiscal year, its strategy regarding the decrease in these emissions and the Board of Directors' initiatives in this regard.

In 2009, Banco Galicia adhered to the Carbon Disclosure Project: apart from spreading information on climate change, in its capacity as institutional investor it tries to encourage the extension of this practice to new organizations.

### Banco Galicia attended the Copenhagen Summit on Climate Change

Through the Copenhagen Communiqué, Banco Galicia participated in the fifteenth Conference of Parties to the Framework Agreement of the United Nations on Climate Change (COP 15). Therefore, it responded to the international appeal to reach an agreement on the solutions to mitigate the climate change threat, reducing global CO<sub>2</sub> emissions, which could be in force after having finished commitments determined by the Kyoto Protocol for 2012.

59. It includes natural gas and gas oil. The value for 2008 was restated by the verified value, including the emissions due to gas oil consumption.



### Carbon footprint

We assess the carbon dioxide emissions of the activities carried out by our Corporate Tower and main buildings.

The system used is the Greenhouse Gas Protocol Initiative (GHG Protocol), devised by two institutions related to the promotion of sustainable development: World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). This tool is one of the most widely used by organizations and companies all over the world to understand, quantify and manage their greenhouse gas emissions.

The GHG Protocol suggests three areas that can group emissions for their classification; Banco Galicia reports its emissions in each of these areas, corresponding to natural gas and gas oil consumption, electric power use from the mains and our employee's trips.

#### Scope 1

Direct emissions: these are the emissions that arise from sources controlled by the Bank.

- Banco Galicia reports the emissions from natural gas consumption at its Corporate Tower and its main buildings.

#### Scope 2

Indirect emissions: these include emissions that arise from the consumption of electric power from the mains (external source).

- The Bank reports emissions due to its electric power consumption at the Corporate Tower and its main buildings.

#### Scope 3

Other indirect emissions: these are those emissions that arise from other external sources.

- One of the indirect sources of emissions due to our activities consists in business trips made by employees. Since 2008, the Bank reported the emissions from these trips, both in domestic and international flights.

### Banco Galicia's Carbon Footprint

Indicator	Unit	2009	2008
Direct emissions - Scope 1	Equivalent CO <sub>2</sub> tons	182	167 <sup>59</sup>
Indirect emissions - Scope 2	Equivalent CO <sub>2</sub> tons	9,493	9,066
Other indirect emissions - Scope 3	Equivalent CO <sub>2</sub> tons	238	377

For the coming years, the Bank will try to increase its work on its carbon footprint for each of the three scopes of the GHG Protocol.

## Primary Performance Indicators (IBASE)

	2009			2008		
<b>Basis for the calculation</b>	<b>Amount (in Pesos)</b>			<b>Amount (in Pesos)</b>		
Net Income (NI)	171,847,000			195,262,000.00		
Operating income	1,893,458,717			1,531,640,000.00		
Gross payroll (GP)	402,512,183.70			334,849,439.17		
<b>Internal social indicators</b>	<b>Amount (in Pesos)</b>	<b>% of GP</b>	<b>% of NOI</b>	<b>Amount (in Pesos)</b>	<b>% of GP</b>	<b>% of NOI</b>
Food <sup>60</sup>	2,431,442.51	0.60	0.13	15,173,330.00	4.53	0.99
Mandatory social security contributions	124,367,291.15	30.90	6.57	99,554,300.00	29.73	6.50
Health <sup>60</sup>	8,755,740.07	2.18	0.46	8,939,318.66	2.67	0.58
Education <sup>60</sup>	440,000.35	0.11	0.02	494,703.00	0.15	0.03
Culture <sup>60</sup>	941,614.37	0.23	0.05	1,119,594.44	0.33	0.07
Professional development and training <sup>60</sup>	3,835,623.78	0.95	0.20	5,777,093.14	1.73	0.38
Child care centers and assistance for child care <sup>60</sup>	2,561,006.00	0.64	0.14	2,426,335.34	0.72	0.16
Total internal indicators	143,332,718.23	35.61	7.57	133,484,674.58	39.86	8.72
<b>External social indicators <sup>60</sup></b>	<b>Amount (in Pesos)</b>	<b>% of GP</b>	<b>% of NOI</b>	<b>Amount (in Pesos)</b>	<b>% of GP</b>	<b>% of NOI</b>
Education	1,309,708.95	0.33	0.07	1,164,248.47	0.35	0.08
Labor promotion	727,058.69	0.18	0.04	641,729.39	0.19	0.04
Health and social inclusion	1,055,219.81	0.26	0.06	907,330.18	0.27	0.06
Corporate volunteering	51,176.21	0.01	0.00	46,263.86	0.01	0.00
Restoration of cultural heritage	470,950.85	0.12	0.02	482,909.97	0.14	0.03
Others	161,070.90 <sup>61</sup>	0.04	0.01	158,455.00	0.05	0.01
Total contribution to the society	3,775,185.41	0.94	0.20	3,400,936.86	1.02	0.22
Taxes (excluding social security contributions)	638,866,651.65	158.72	33.74	471,785,413.08	140.89	30.80
Total external indicators	642,641,837.06	159.66	33.94	475,186,349.94	141.91	31.02
<b>Environmental indicators <sup>60</sup></b>						
Total of investments in the environment	238,796.77	0.06	0.01			
<b>Indicators regarding staff</b>						
Number of employees at the end of the fiscal year	5,028			5,324		
Number of admissions during the fiscal year	96			664		
Turnover ratio (%)	7.4			10		
Number of employees of more than 45 years	992			1,169		
Number of women employees	2,633			2,796		
Percentage of managerial positions filled by women	16			14		
<b>Relevant information regarding CSR</b>						
Total work-related accidents	87			60		
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	58			77		
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		
<b>Total added value (figures stated in thousands of Pesos) <sup>62</sup></b>						
Added value distributed	1,828,818			1,478,313		
Value obtained by shareholders reinvested in the company	-			-		
Net added value	1,828,818			1,478,313		
Added value distributed - Government (taxes)	229,858			187,232		
Shareholders' dividends	-			-		
Reinvestment of income	865,367			661,346		
Employees	733,593			629,735		

60. These refer to voluntary contributions made by Banco Galicia. In the case of "Food", it corresponds to non-salary tickets.

61. It corresponds to 34 beneficiary institutions.

62. 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.



## GRI Indicators – Communication on Progress (COP)

In order to prepare this 2009 Corporate Social Responsibility Report, we used the G3 Guideline of the Global Reporting Initiative, with its Sector-specific Supplement for the Financial Sector.

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PR2 (A) Total number of incidents of non-compliance with regulations pursuant to law and voluntary codes.	N/A
PR3 (P) Procedure for the information and labeling of products and services.	(25)
PR4 (A) Total number of incidents of non-compliance with information and labeling of products and services.	(20)
PR5 (A) Practices related to customer satisfaction.	34-35
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EN8 (P)	Total water collection by source.	68
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EN11 (P)	Land owned, leased or managed with a high biodiversity value in unprotected areas.	N/A
EN12 (P)	Impacts on protected and unprotected areas with a high biodiversity value.	N/A
EN13 (A)	Habitats protected or restored.	N/A
EN14 (A)	Strategies and actions in force and planned for managing impacts on biodiversity.	N/A
EN15 (A)	Number of species which habitats are in areas affected by operations.	N/A
EN16 (P)	Total direct and indirect greenhouse gas emissions, by weight.	70
EN17 (P)	Other indirect greenhouse gas emissions, by weight.	(27)
EN18 (A)	Initiatives to reduce greenhouse gas emissions and reductions achieved.	70, (28)
EN19 (P)	Emissions of ozone-depleting substances, by weight.	70
EN20 (P)	NO, SO and other significant air emissions by type and weight.	N/A
EN21 (P)	Total wastewater discharge, by quality and destination.	N/A
EN22 (P)	Total weight of waste managed, by type and treatment method.	68, (29)
EN23 (P)	Total number and volume of significant accidental spills.	N/A
EN24 (A)	Weight of transported, imported, exported or treated waste deemed hazardous.	N/A
EN25 (A)	Water resources and habitats affected by the organization's discharges of water and runoff	N/A
EN26 (P)	Initiatives to mitigate environmental impacts of products and services.	69
EN27 (P)	Percentage of products sold that are claimed at the end of their useful life.	N/A
EN28 (P)	Cost of significant fines and non-monetary sanctions for non-compliance with environmental laws.	(20)
EN29 (A)	Significant environmental impacts of transporting products and other goods and materials used.	N/A
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#### Sector-specific supplements

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FS15	Policies for the fair design and sale of products and services.	9, 17, 34-35
FS16	Initiatives to enhance financial education by type of beneficiary.	53, (31)

- (1) Buenos Aires, Argentina.
- (2) Banco Galicia does not carry out significant activities abroad.
- (3) Banco Galicia's CSR Report is made manually.
- (4) Apart from the changes included in the chapter on corporate governance, no other significant changes were recorded in 2009.
- (5) No changes occurred as regards the scope and coverage of the 2009 CSR Report.
- (6) The Board of Directors communicates with Shareholders at the ordinary and extraordinary Shareholders' Meetings and through the Investor Relations Department.
- (7) Included in the Code of Ethics and the Main Principles and Purposes of Banco Galicia.
- (8) It will be reported in the 2010 CSR Report.
- (9) The Bank did not receive significant financial assistance from the Government during 2009.
- (10) All the salaries paid to the Bank's employees are above the adjustable minimum living wage in Argentina. The standard initial salary is 146% higher than the adjustable minimum living wage.
- (11) Indicator that is not significant due to the fact that Banco Galicia mainly conducts transactions in Buenos Aires (80% in Buenos Aires, 20% in the provinces).
- (12) Indicator that is not significant due to the fact that Banco Galicia mainly conducts transactions in Argentina. All the members of the Board of Directors are Argentines.
- (13) There is no difference between benefits for full-time employees and part-time employees.
- (14) Notice periods are pursuant to Argentine labor laws.
- (15) Banco Galicia has no Health and Safety Committee.
- (16) There were 6,638 days lost due to sickness and 156 days lost due to work-related accidents.
- (17) At the Bank, salaries are defined pursuant to the position, notwithstanding the employee's gender.
- (18) The Bank's contribution to the protection of human rights is within the framework of its three mainstays regarding action with the community, extending them to all stakeholders.
- (19) 32 hours.
- (20) None.
- (21) In 2009, no human rights-related training was offered to security personnel.
- (22) There were no incidents of corruption.
- (23) Through the *Asociación de Bancos Argentinos* (ADEBA).
- (24) The Bank did not make contributions to political parties in 2009.
- (25) Banco Galicia's actions are ruled by the regulations of the Argentine Central Bank, the Code on Banking Regulation and the National Securities Commission (CNV).
- (26) Banco Galicia is a member of the *Consejo Publicitario Argentino's* Education Committee.
- (27) This is under a systematization process.
- (28) Banco Galicia has carried out activities in former periods when building the central building, and is currently analyzing new alternatives.
- (29) Banco Galicia does not carry out a measurement of the reduction and disposal of technological products.
- (30) Banco Galicia does not have this type of procedure.
- (31) For more information, please refer to the 2008 CSR Report, page 42.

N/A: Not applicable



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## **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

1. We have applied the procedures described in paragraph 4 below to verify the corporate responsibility indicators included in the Schedule to Banco de Galicia y Buenos Aires' 2009 Corporate Social Responsibility Report for the fiscal year ended December 31, 2009 (hereinafter the "2009 Corporate Social Responsibility 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.
2. Banco de Galicia y Buenos Aires' Board of Directors is responsible for the information included in the "2009 Corporate Social Responsibility 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.
3. Our responsibility, pursuant to the review procedures applied, is to express a conclusion on the following aspects:
  - Whether the "2009 Corporate Social Responsibility Report" includes the basic contents as recommended by the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI), 3.0 version, for the C+ 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.
  - Indicators subject matter of our review have been prepared pursuant to the preparation basis and criteria for the "2009 Corporate Social Responsibility Report".
  - The suitability and consistency of the values of the indicators subject matter of our review, corresponding to fiscal year 2009.
4. 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 C+ application level, have been included in the "2009 Corporate Social Responsibility 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 "2009 Corporate Social Responsibility Report" and the data related to the indicators subject matter of our verification.
5. Based on the work conducted, and pursuant to what was described in paragraph 4 above, we come to the conclusion that:
- The "2009 Corporate Social Responsibility Report" includes the basic contents as recommended by the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI), 3.0 version, for the C+ 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 "2009 Corporate Social Responsibility 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 2010

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



(Partner)

C.P.C.E.C.A.B.A. T° 1 F° 18

Jorge San Martín  
Public Accountant (UB)  
C.P.C.E.C.A.B.A. T° 119 F° 71



## OPINION FORM

Your comments and suggestions on our 2009 CSR 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 ☐ Employee ☐  
Supplier ☐ Community ☐  
Other ☐

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

Design of the Report ☐  
Organization of information ☐  
Amount of information ☐  
Clarity of information ☐  
Contents of the report ☐  
Relevance of information ☐

### Which was the most interesting chapter?

Corporate Governance ☐ Environment ☐  
Customers ☐ Community ☐  
Employees ☐ Suppliers ☐  
Other ☐

### Should the amount of information be changed?

YES ☐ NO ☐

Why?

If your answer is YES, please indicate how you believe it should be changed.

More information ☐  
Less information ☐

Do you believe that the communication of social responsibility issues affects Banco Galicia's image?

YES ☐ NO ☐

Which additional information would you like to find in future reports?

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Name:

Surname:

Telephone:

E-mail:

Please send this form by e-mail to:  
[rsc@bancogalicia.com.ar](mailto:rsc@bancogalicia.com.ar)  
or through regular mail

Banco Galicia's Corporate Social  
Responsibility

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This publication was prepared by  
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Banco Galicia's Corporate Social  
Responsibility Manager

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March 2010.



The 2009 CSR 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 environ-  
mentally responsible forest practices.





