



Galicia

June 2010



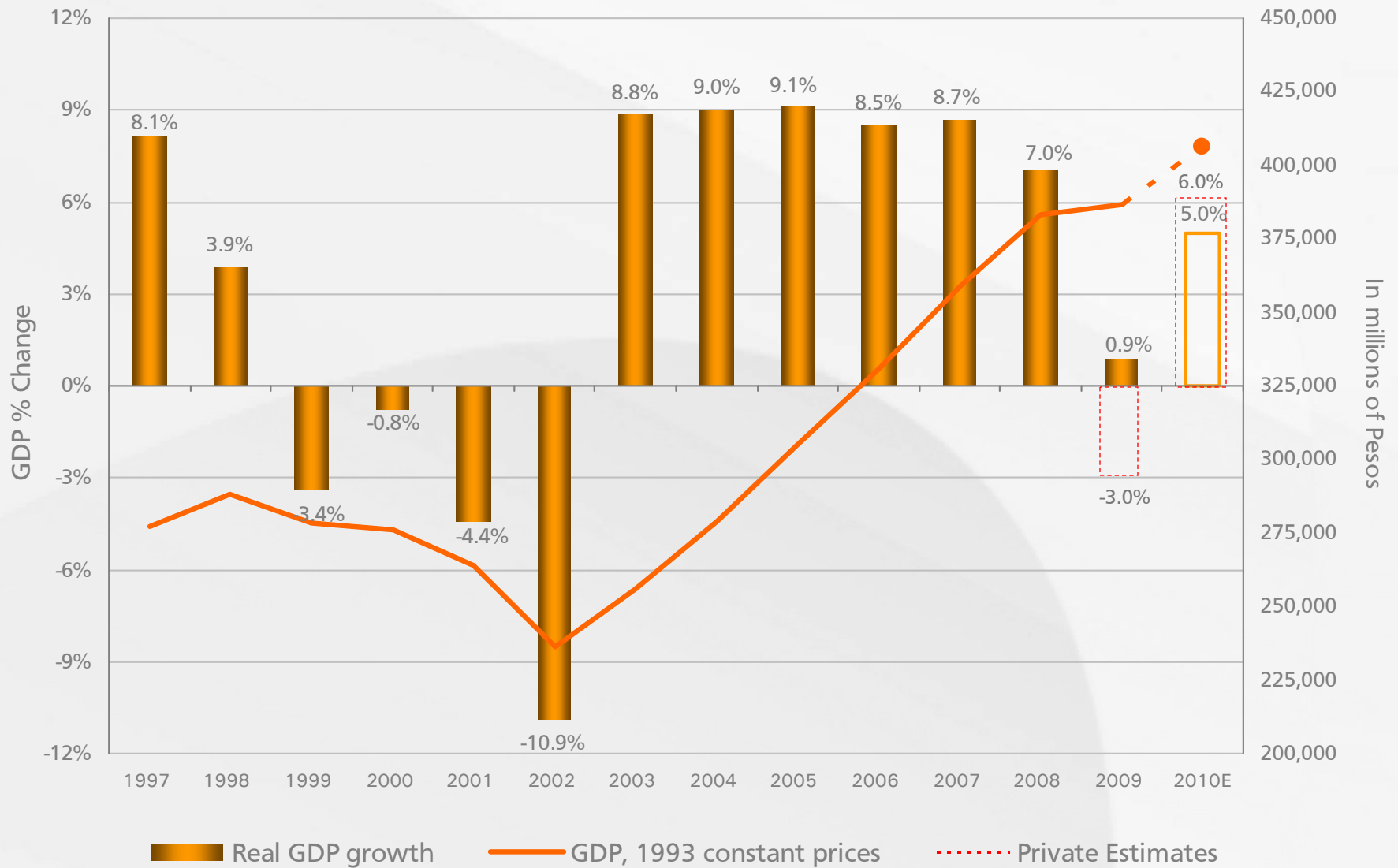
ABCDEFGHIJKLMNOPQRSTUVWXYZ  
ABCDEFGHIJKLMN O PQRSTU VWXYZ  
ABCDEFGHIJKLMN O PQRSTU VWXYZ  
ABCDEFGHIJKLMN O PQRSTU VWXYZ



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

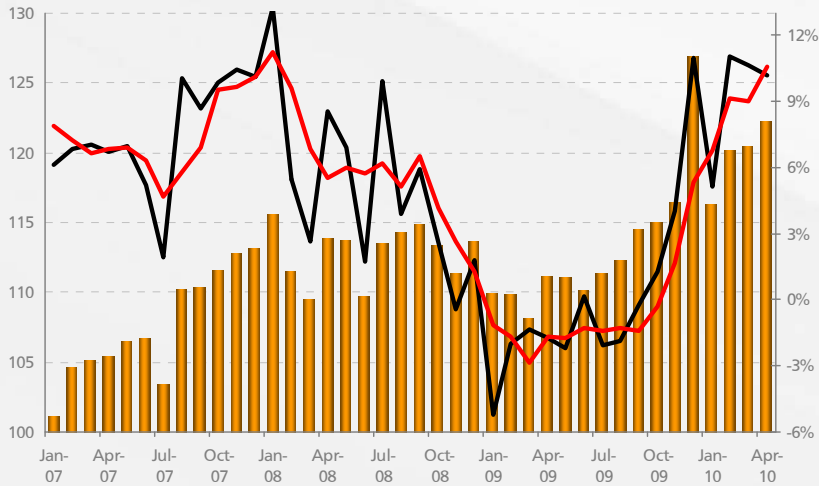


# The Argentine Economy



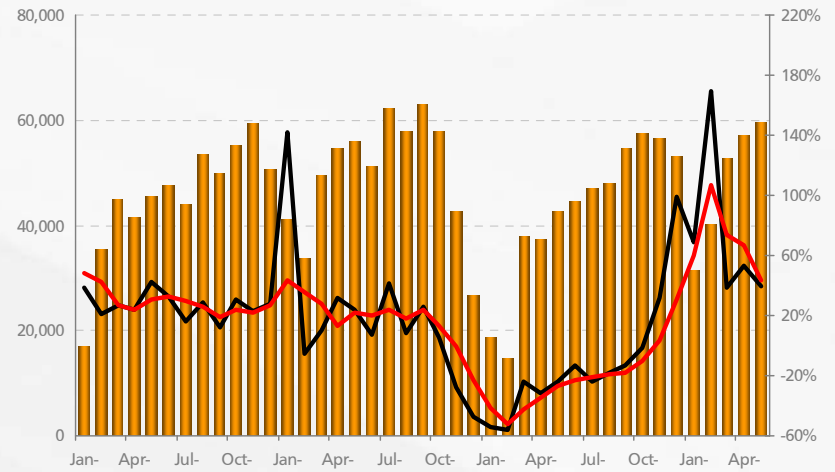
E: Last available median of market forecasts published by the Argentine Central Bank, as of June 9, 2010.

### Monthly Industrial Activity Estimate



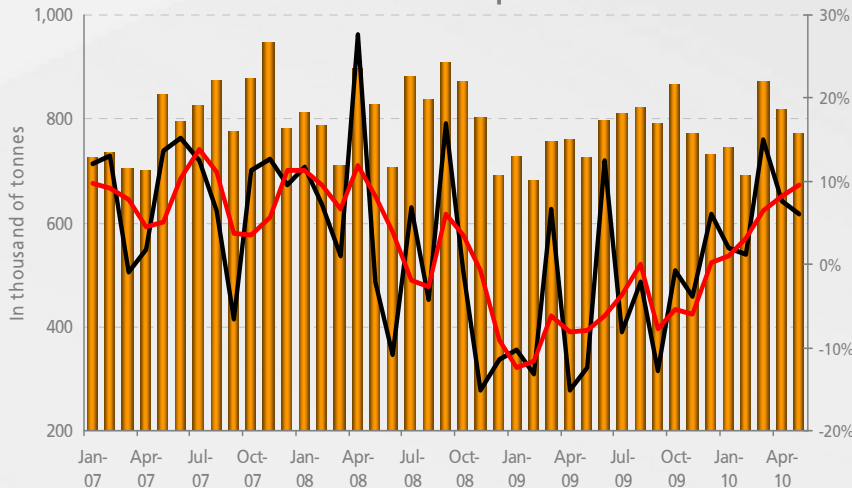
■ Monthly Industrial Estimator — Y-o-Y % Change — Y-o-Y % Change (3mo Mov. Avg.)  
 Dec'06=100.  
 INDEC  
 As of April 30, 2010.

### Automotive Production



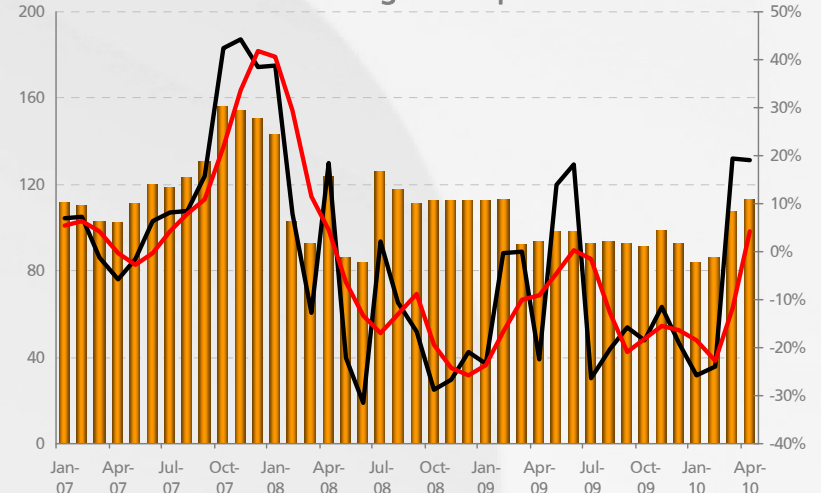
■ Production — Y-o-Y % Change — Y-o-Y % Change (3mo Mov. Avg.)  
 ADEFA  
 As of May 31, 2010.

### Cement Dispatch



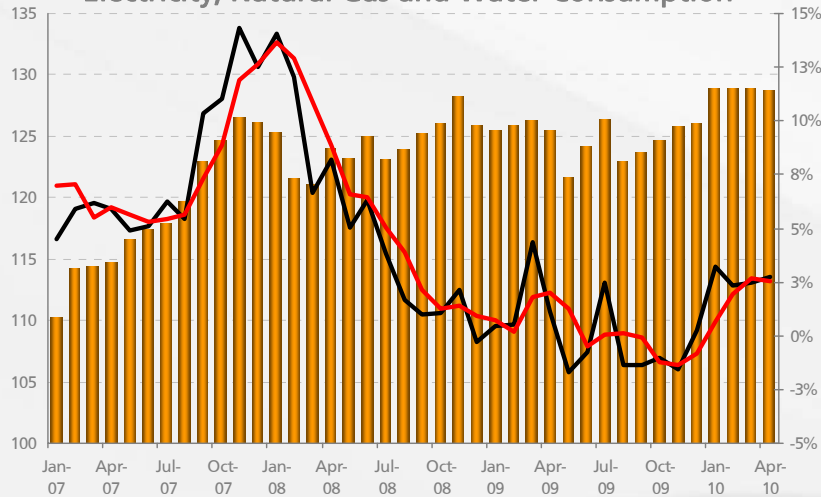
■ Cement Dispatch — Y-o-Y % Change — Y-o-Y % Change (3mo Mov. Avg.)  
 AFCP  
 As of May 31, 2010.

### Cargo Transport



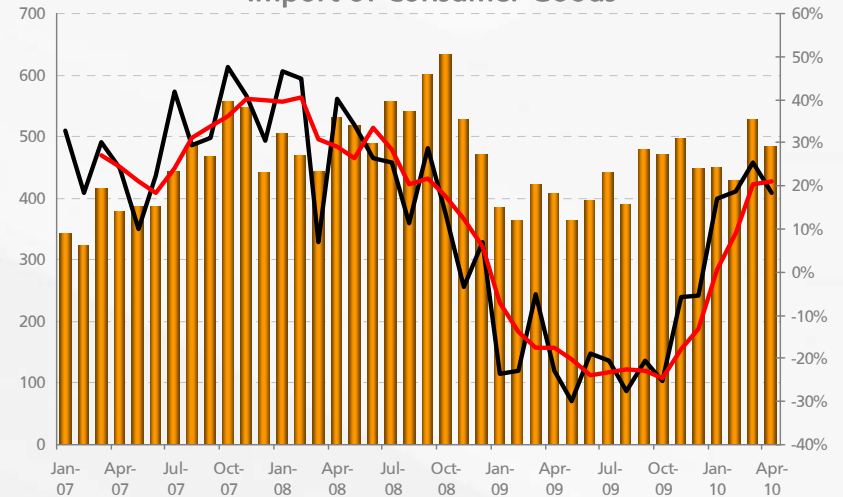
■ Cargo Transport — Y-o-Y % Change — Y-o-Y % Change (3mo Mov. Avg.)  
 Dec'04=100.  
 As of April 30, 2010.

### Electricity, Natural Gas and Water Consumption



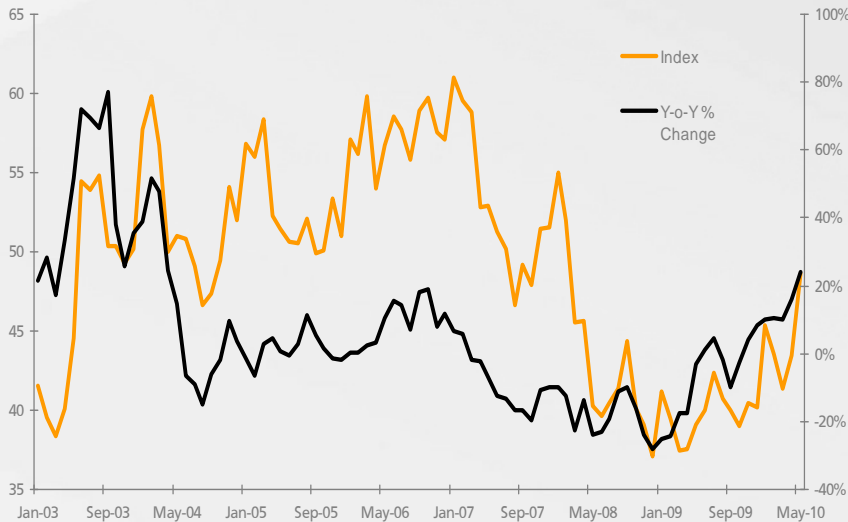
■ Electricity, Natural Gas and Water 
 — Y-o-Y % Change 
 — Y-o-Y % Change (3mo Mov. Avg.)  
 Dec'04=100.  
 As of April 30, 2010.

### Import of Consumer Goods



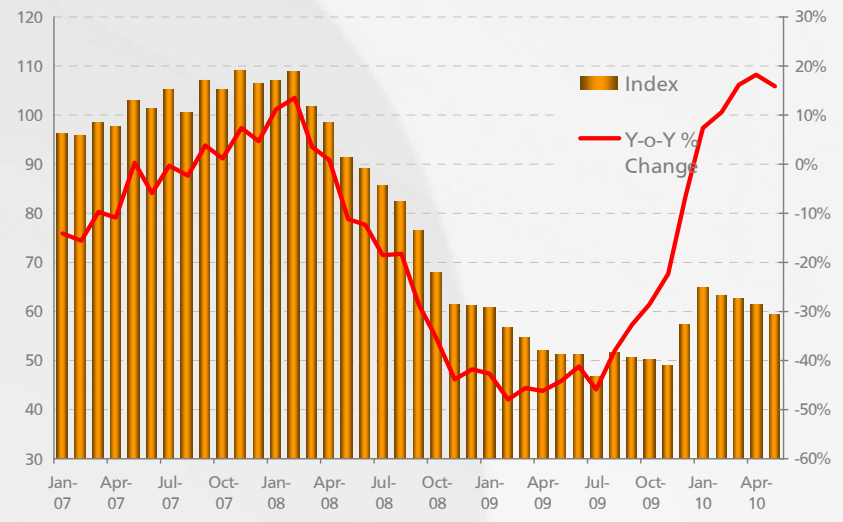
■ Imports 
 — Y-o-Y % Change 
 — Y-o-Y % Change (3mo Mov. Avg.)  
 Dec'93=100.  
 As of April 30, 2010.

### Consumer Confidence Index



Universidad Di Tella. As of May 31, 2010.

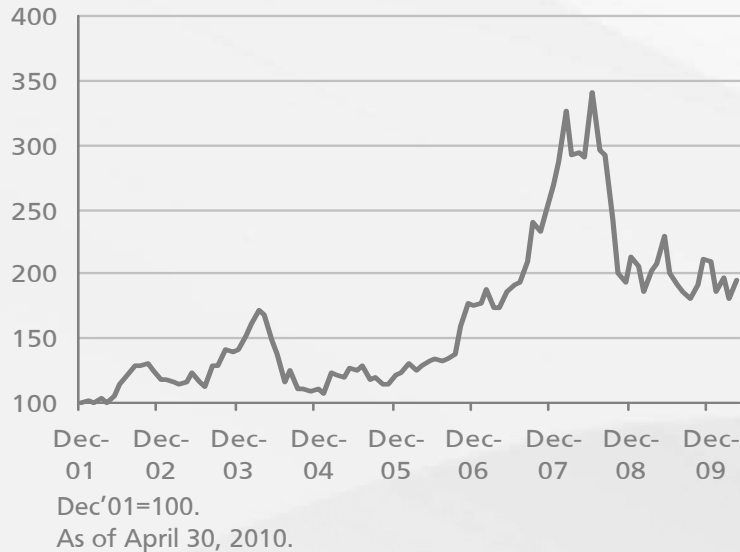
### Labor Demand Index



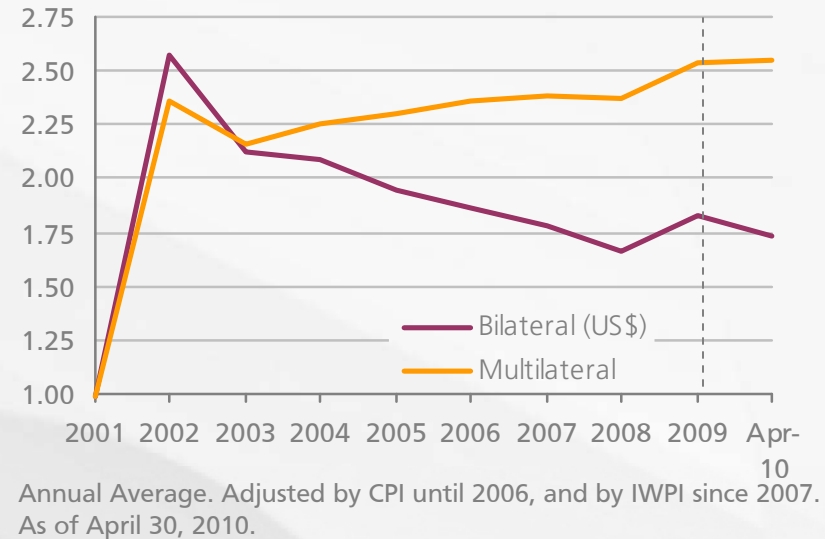
Dec'00=100.  
 Universidad Di Tella. As of May 31, 2010.



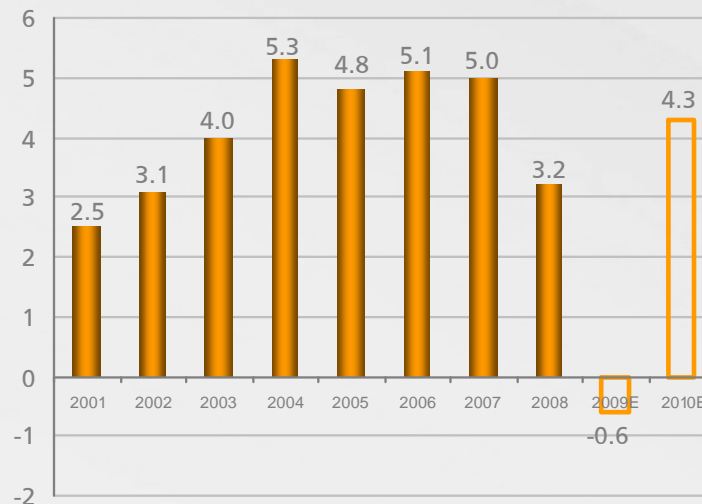
### Agricultural Commodity Prices



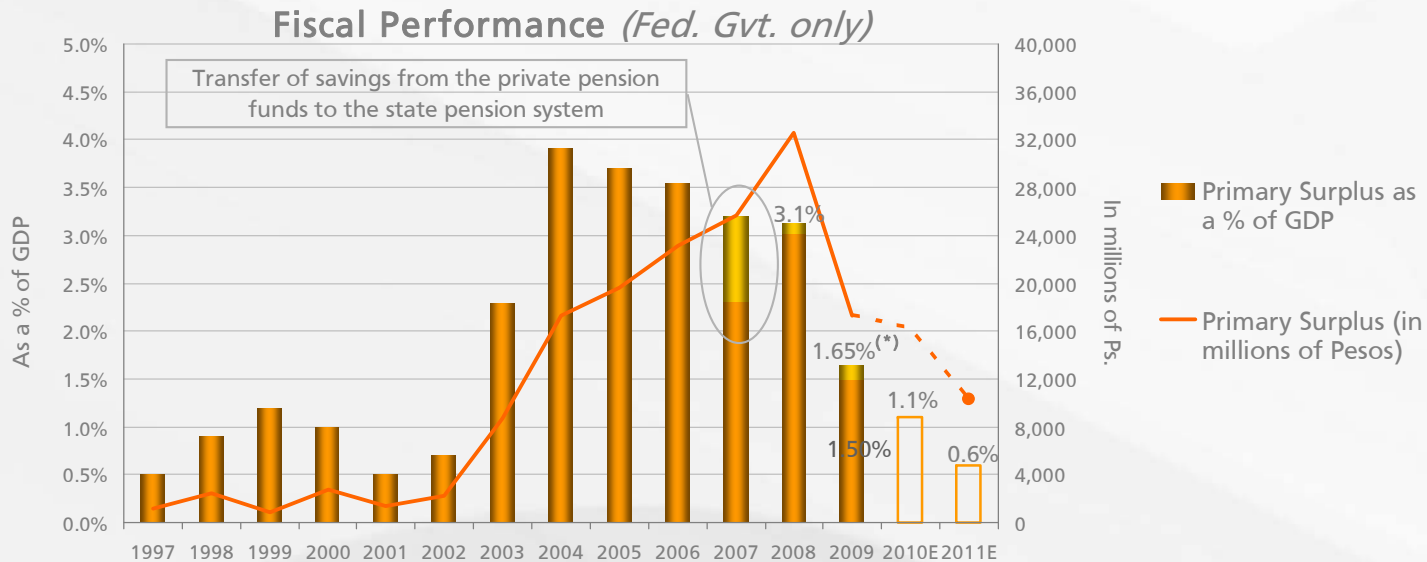
### Real Exchange Rate



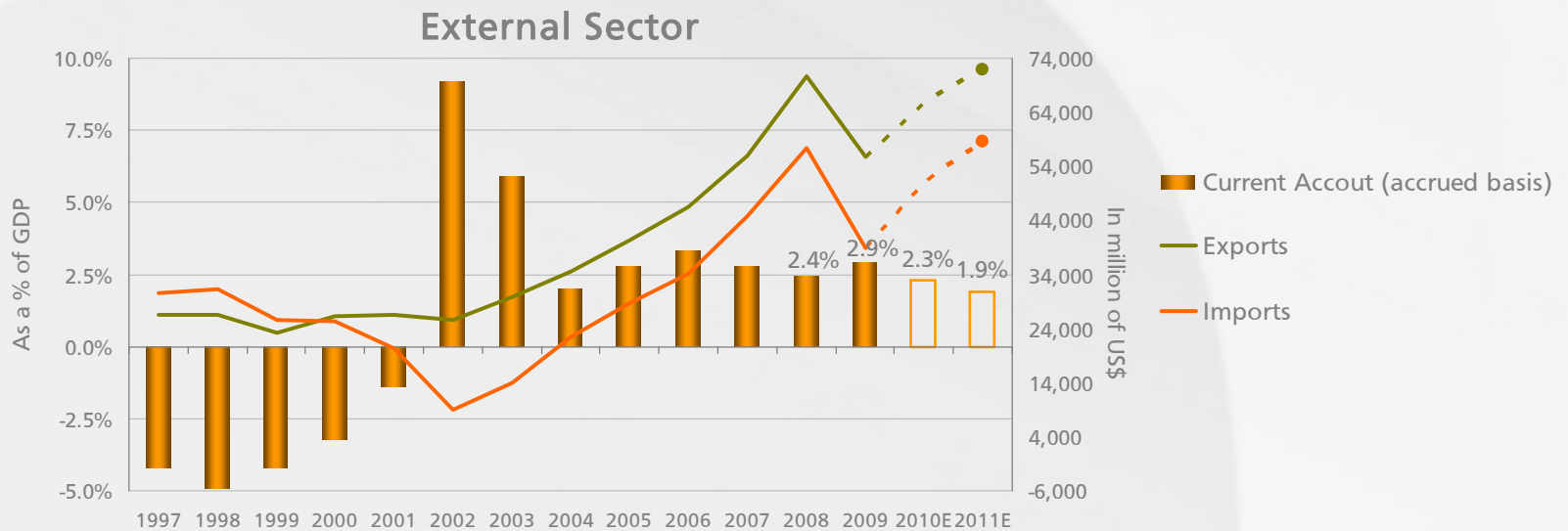
### World GDP Growth



International Monetary Fund: World Economic Outlook, April 2010.



(\* ) Not considering the transfer of savings from the private pension funds to the state pension system and the related interest income, the Primary Surplus would have been -0.15%.

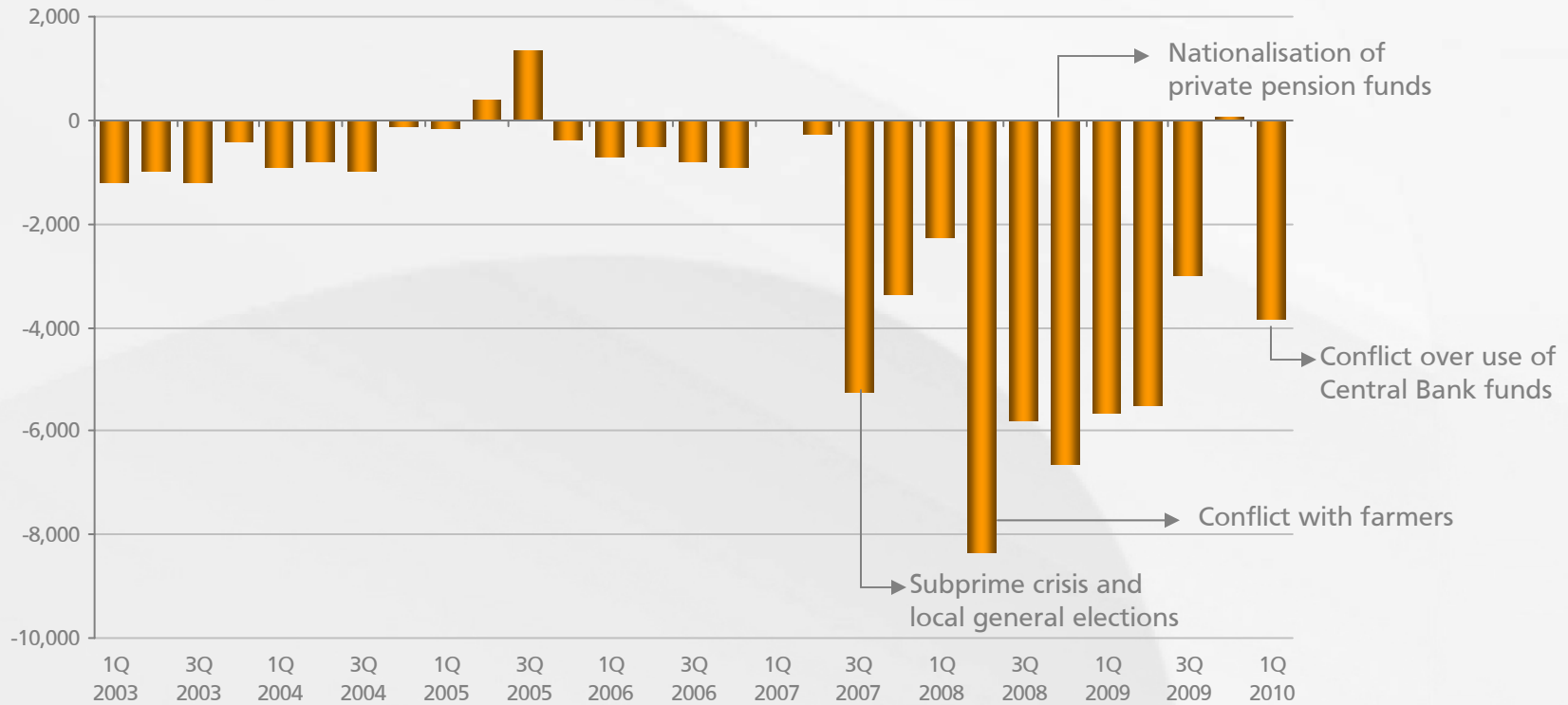


E: Last available median of market forecasts published by the Argentine Central Bank, as of June 9, 2010.



## Private-Sector Capital Outflows

(In million of US\$)



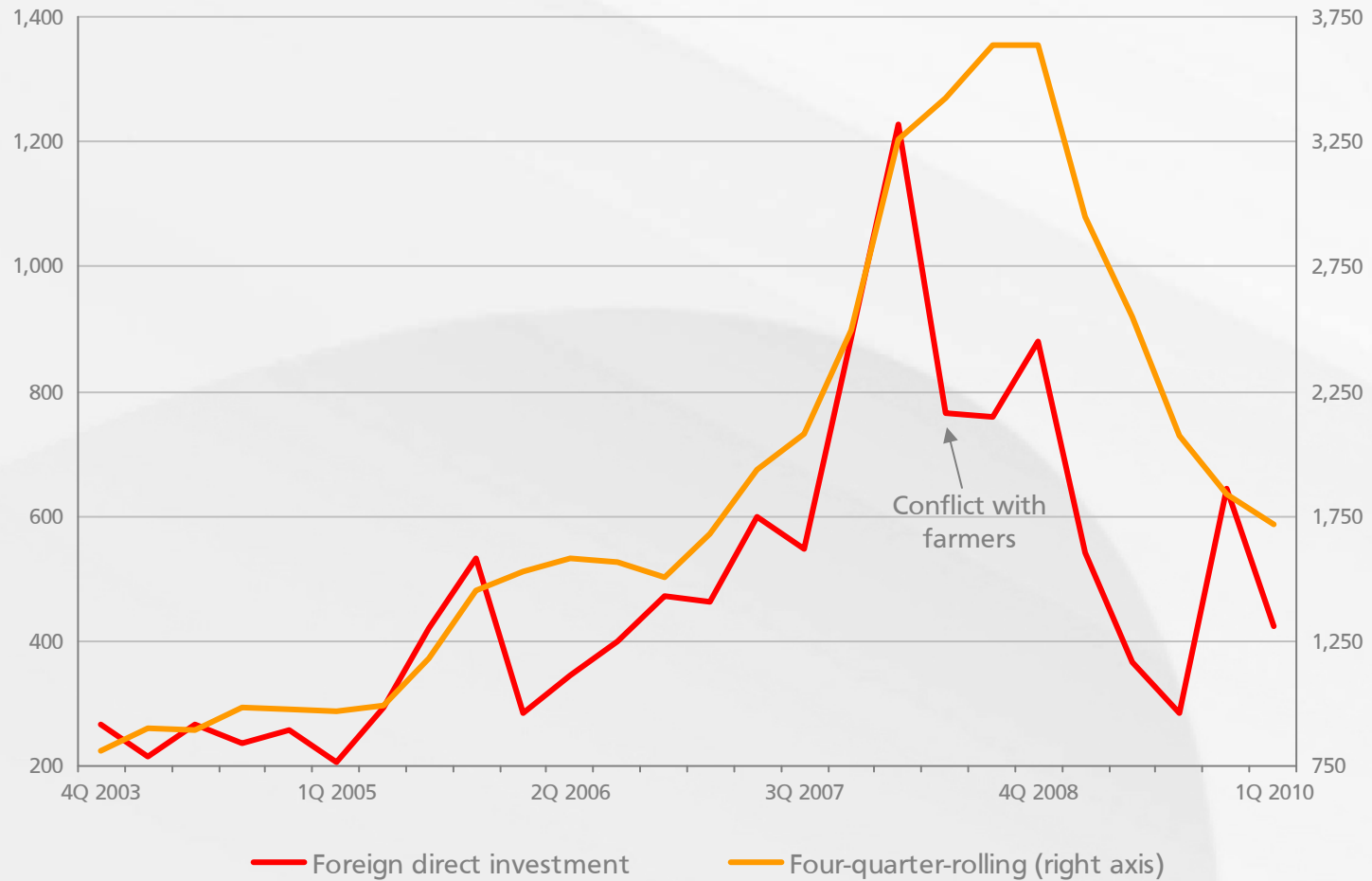
Source: Argentine Central Bank

As of March 31, 2010.



### FDI Performance

(In million of US\$)

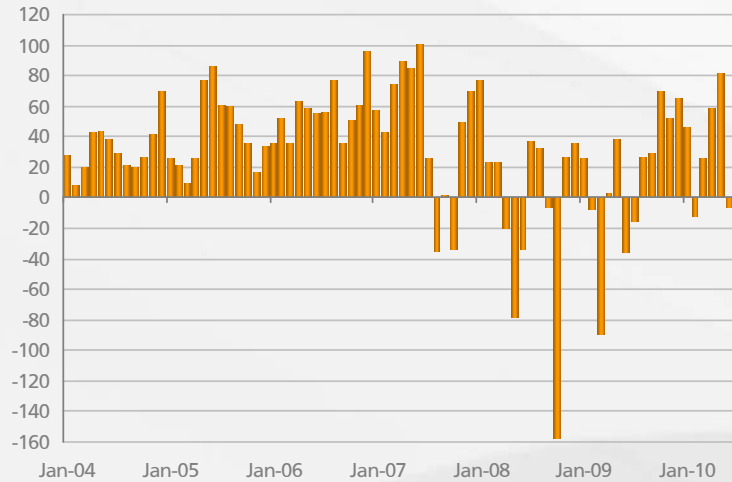


Source: Argentine Central Bank

As of March 31, 2010.

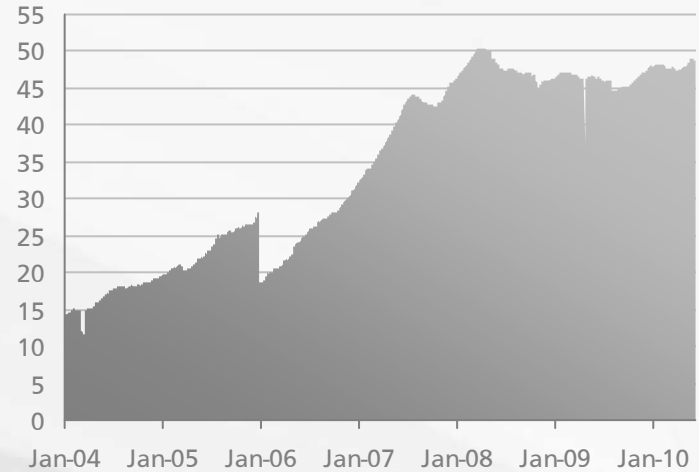
**Central Bank's FX Market Average Daily Intervention**

*(In millions of Dollars)(\*)*



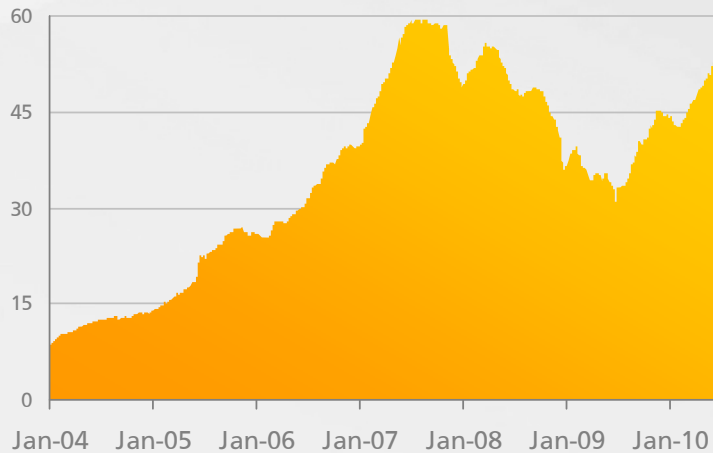
**International Reserves**

*(In billions of Dollars)(\*)*



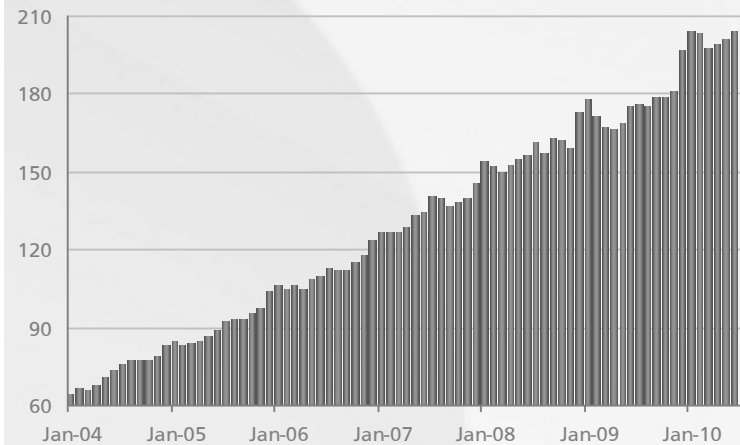
**Stock of Lebac (\*\*)**

*(In billions of Pesos)(\*)*

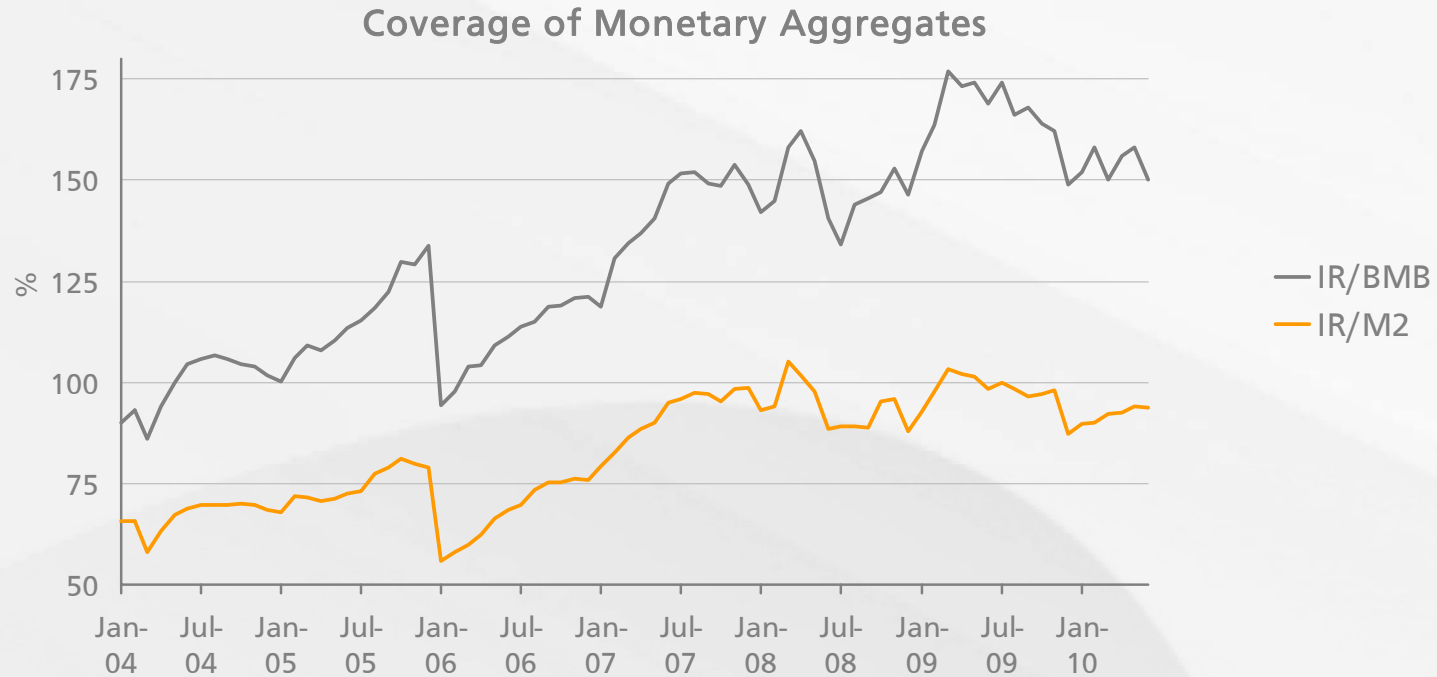


**M2**

*(Monthly average in billions of Pesos)(\*)*



(\*) As of June 4, 2010.



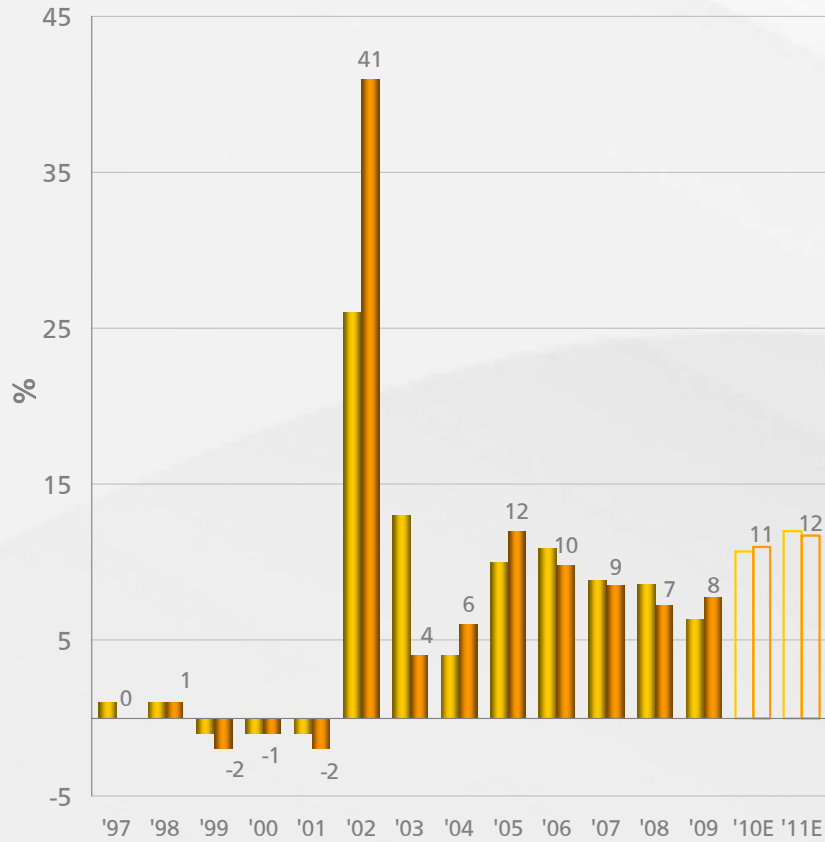
IR: international reserves of the Argentine Central Bank.

BMB: monetary base + "quasi-monies" + net position of the Argentine Central Bank in securities sold/bought under repurchase/resell agreements.

M2: currency held by the public + transactional deposits in pesos.

As of June 4, 2010.

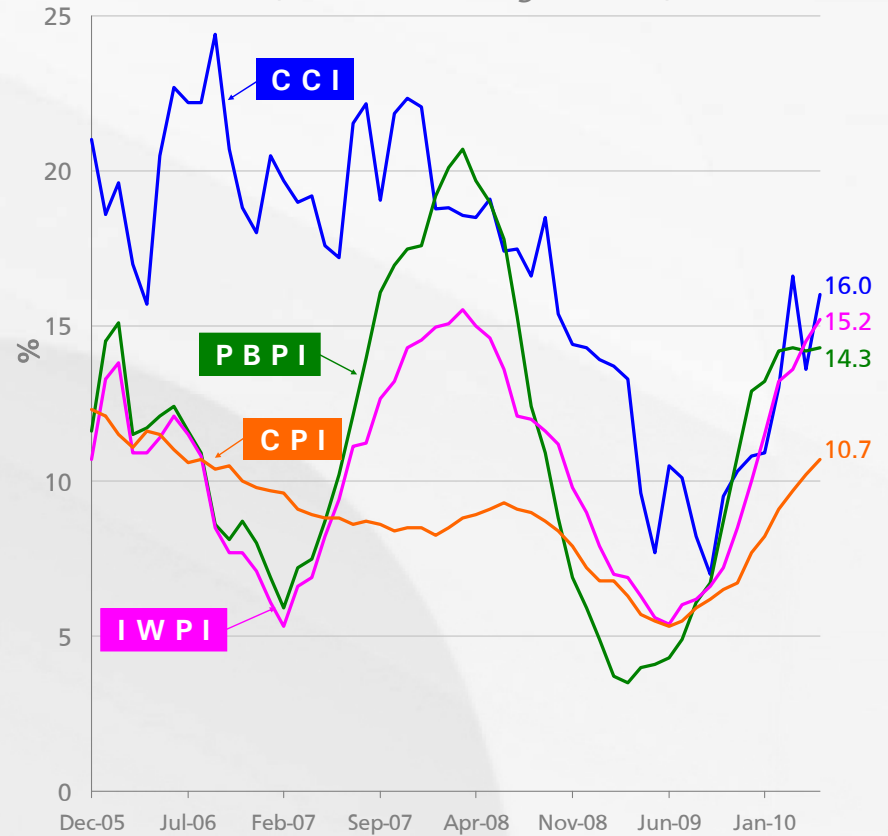
### CPI (annual variation)



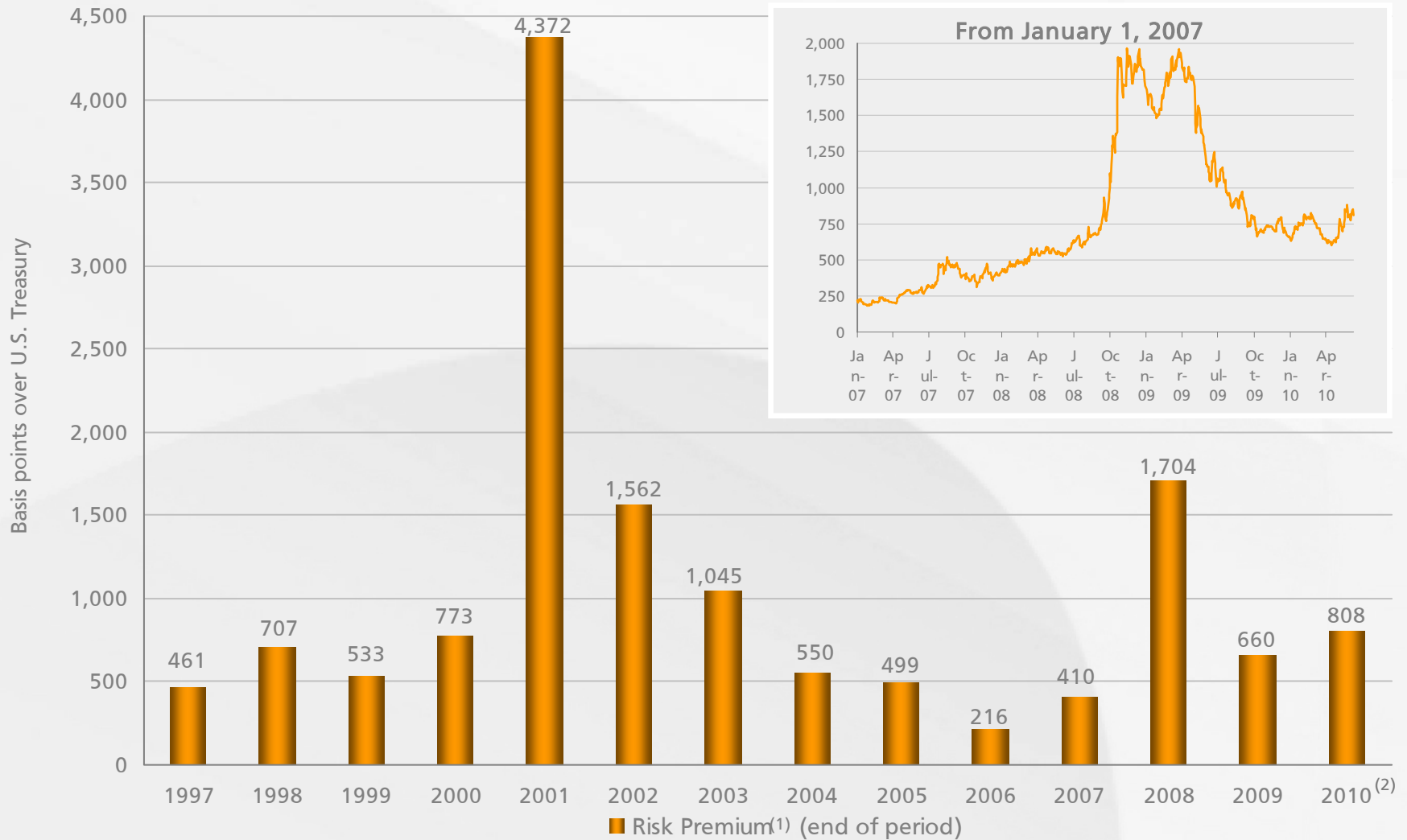
■ CPI (average)      ■ CPI (end of period)

E: Last available median of market forecasts published by the Argentine Central Bank, as of June 9, 2010.

### Other Measures (12 months trailing variation)



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



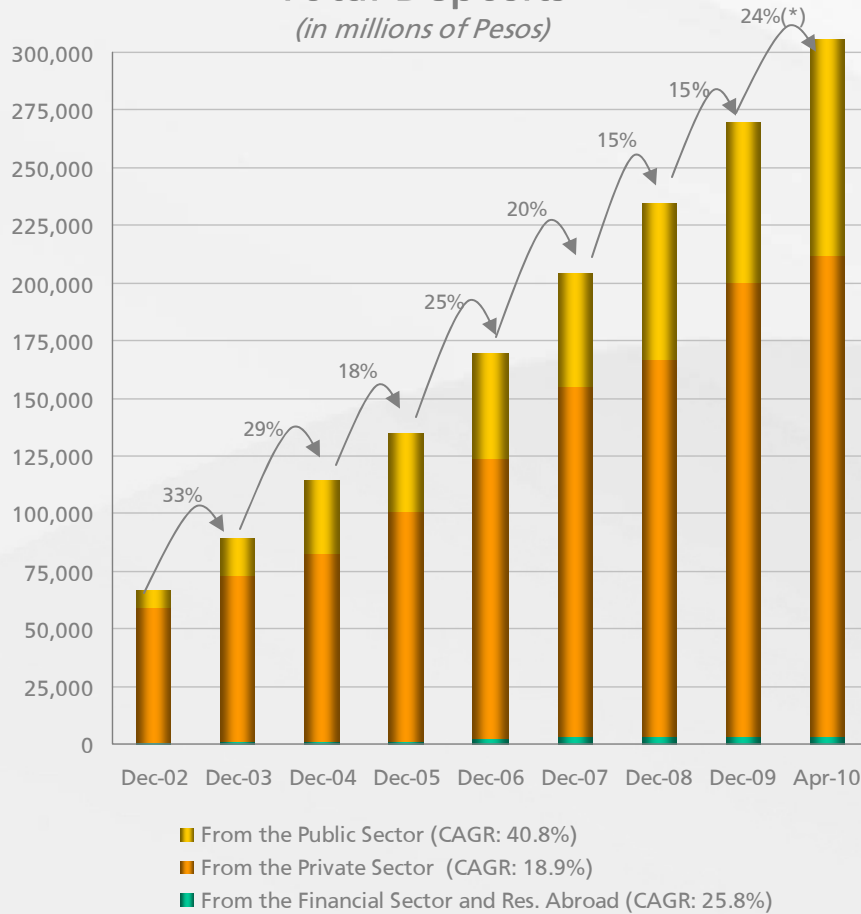
(1) As measured by the EMBI+ for Argentina except for the period between 2002 and 2004 when it corresponds to the spread over Treasury of the Boden 2012.

(2) As of June 10, 2010.

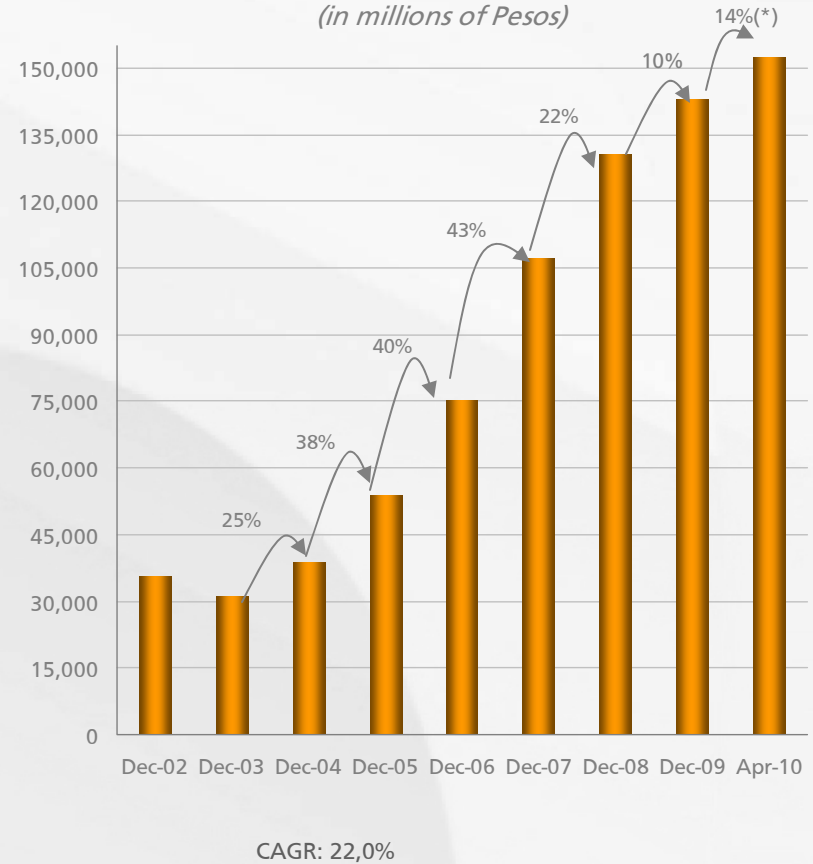


# The Argentine Financial System

## Total Deposits (in millions of Pesos)



## Loans to the Private Sector (in millions of Pesos)

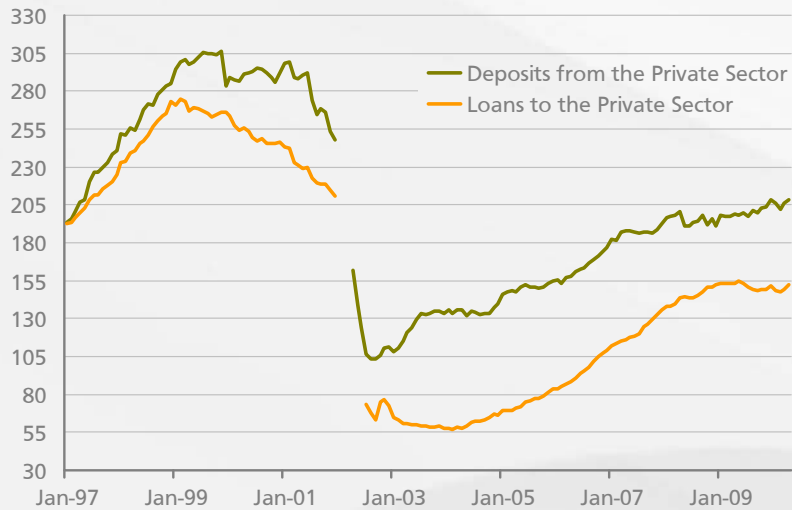


(\*) Apr-10 vs. Apr-09 variation.

CAGR: Dec-02 / Apr-10.

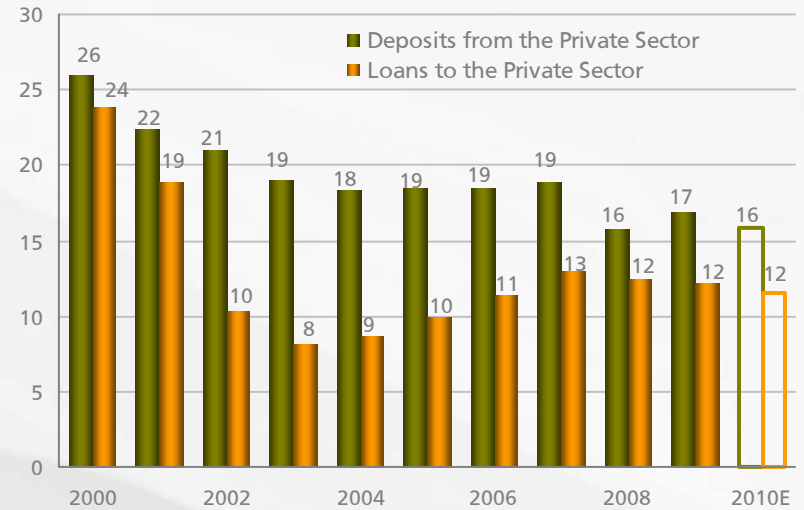
As of April 30, 2010.

In billions of constant Pesos (\*)



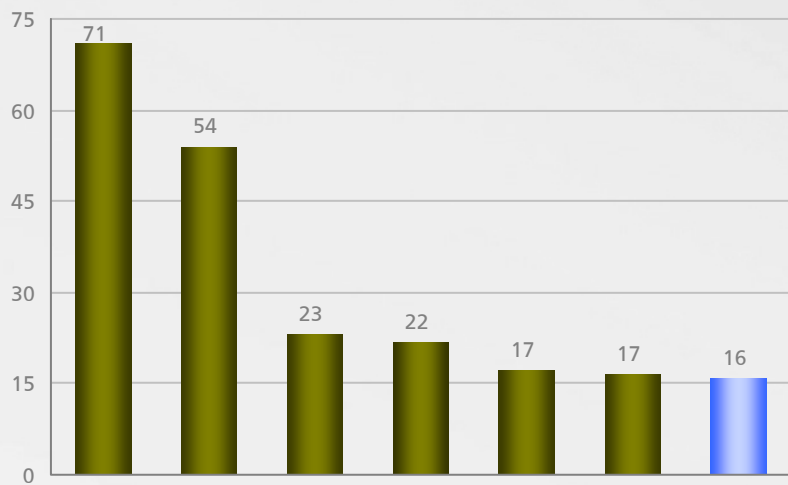
(\*) Adjusted by IWPI. In millions of Pesos of April 2010.  
As of April 30, 2010.

As a % of GDP



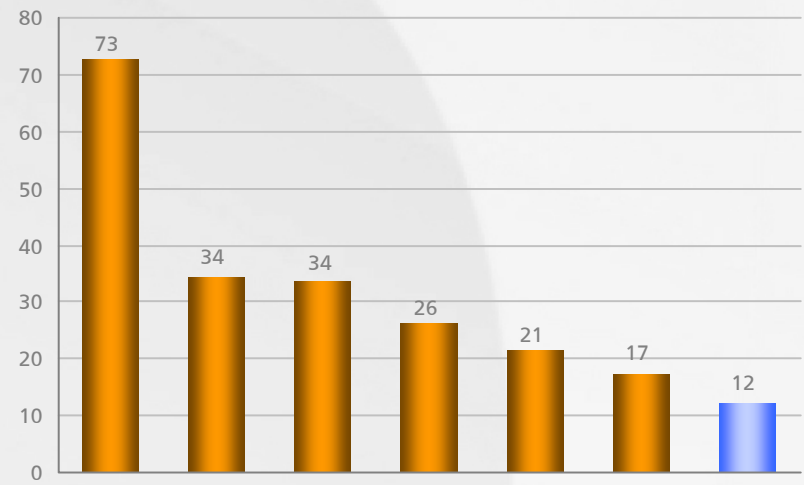
E: Last available median of market forecasts published by the Argentine Central Bank, as of June 9, 2010.

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



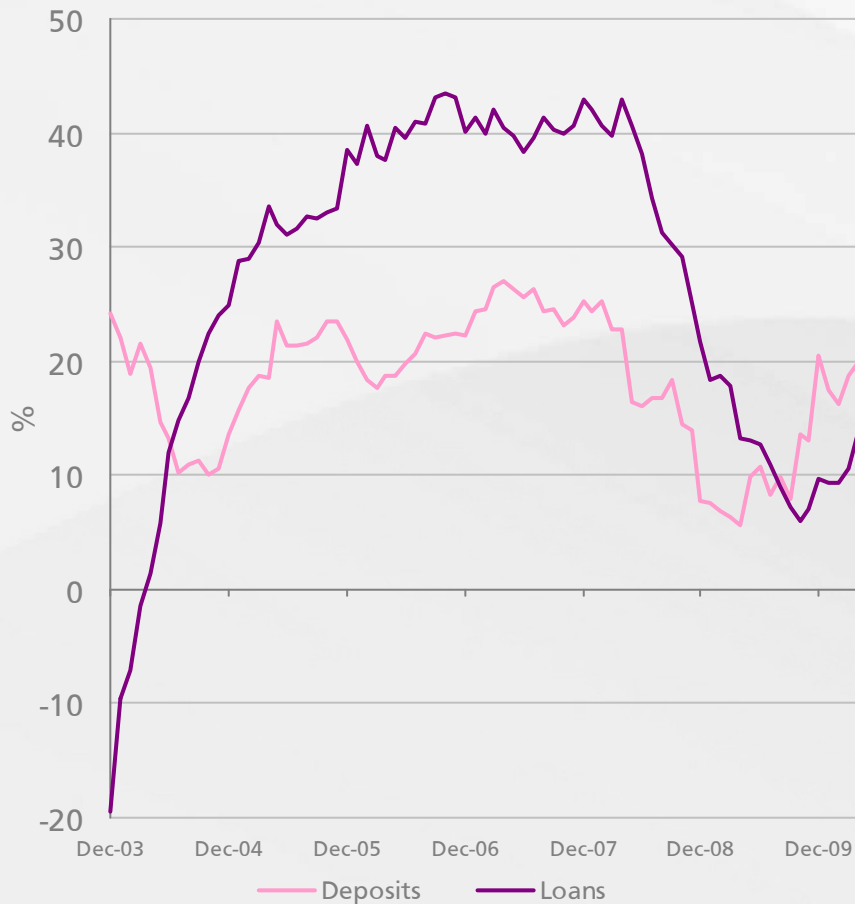
As of December 31, 2008.

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

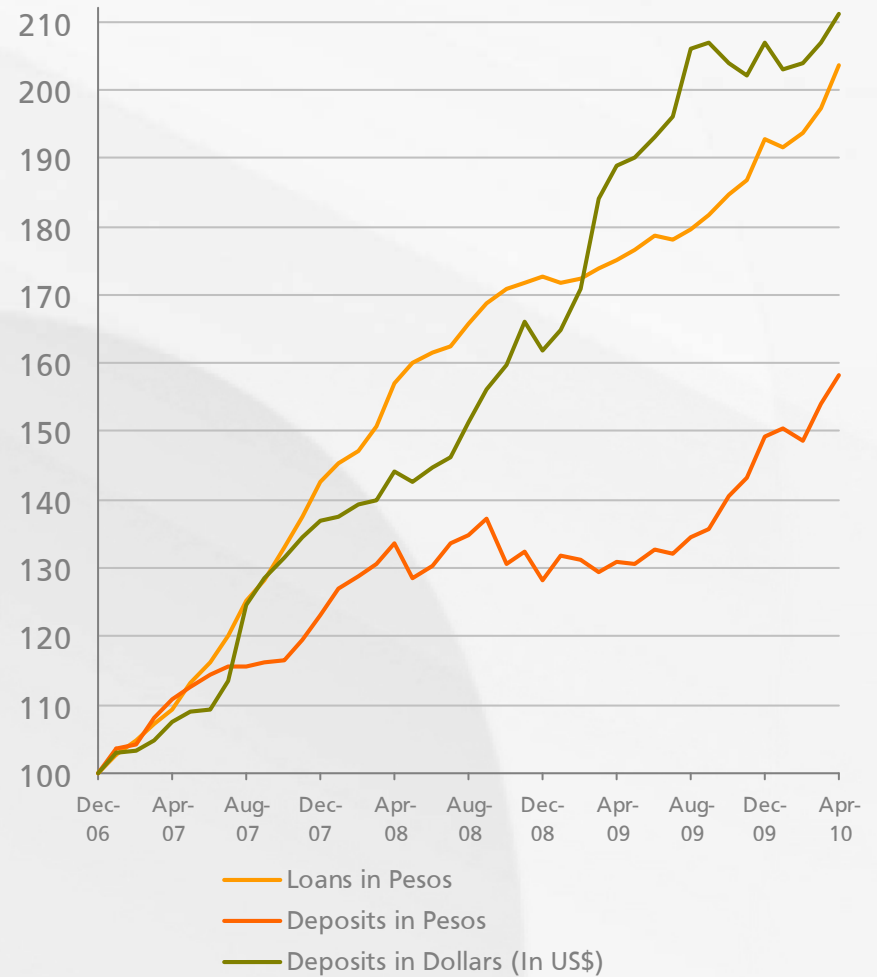


As of December 31, 2008.

### Y-O-Y Monthly % Change

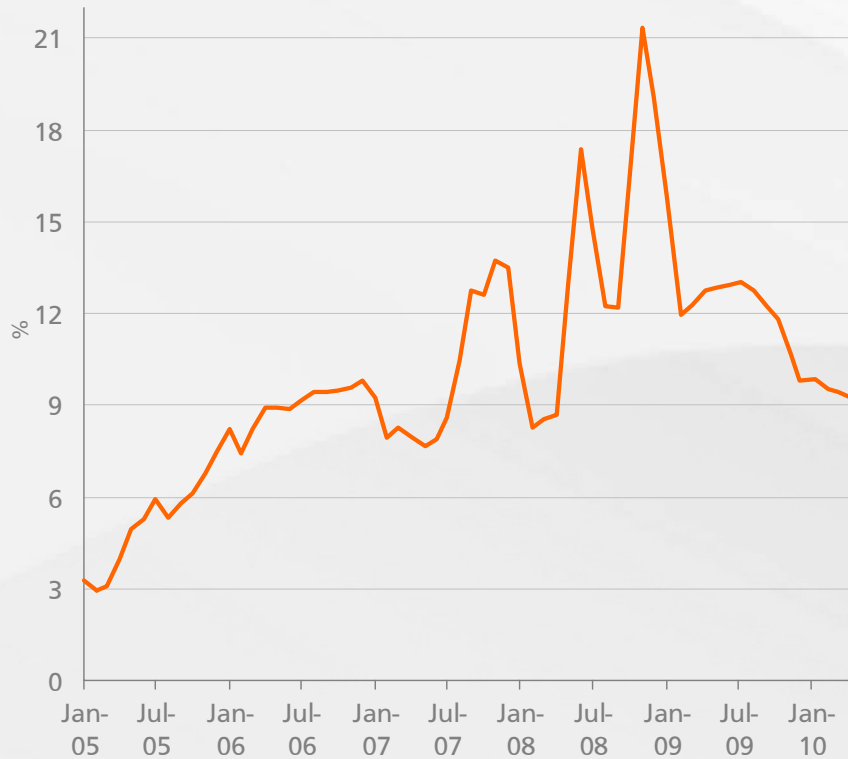


### Dec'06=100



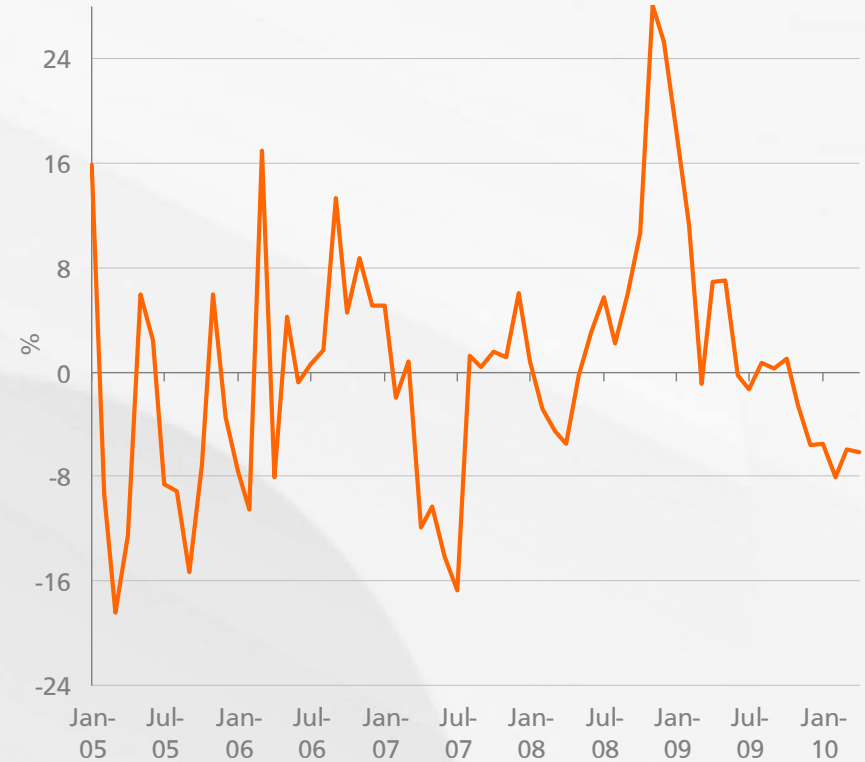
### Nominal Interest Rates

*(monthly averages)*



### Real Interest Rates

*(monthly averages, adjusted by IWPI)<sup>(2)</sup>*

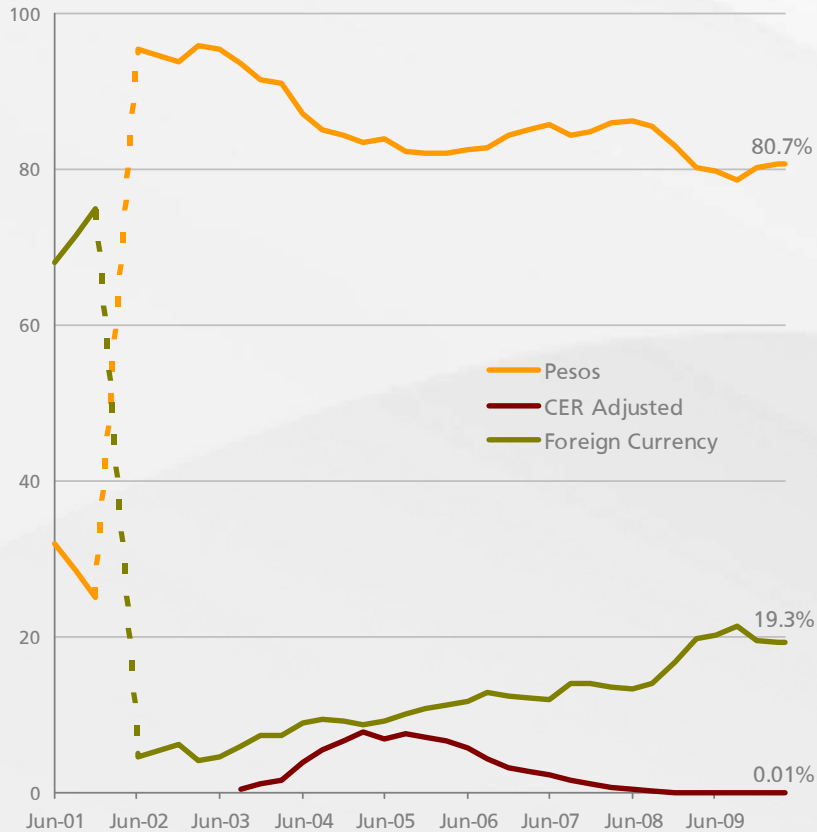


— BADLAR Private Banks <sup>(1)</sup>

- (1) Private Banks' 30-day time deposits rate, for deposits over Ps. 1 million.
- (2) Using the monthly IWPI annualized.

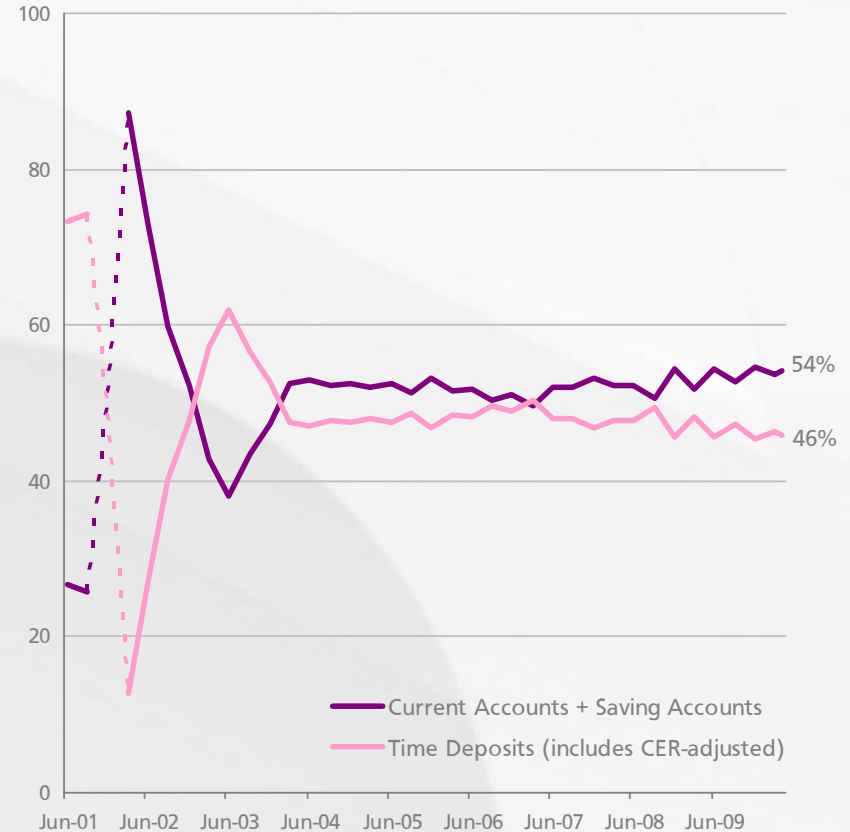
### By Currency

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



### By Type of Deposit

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



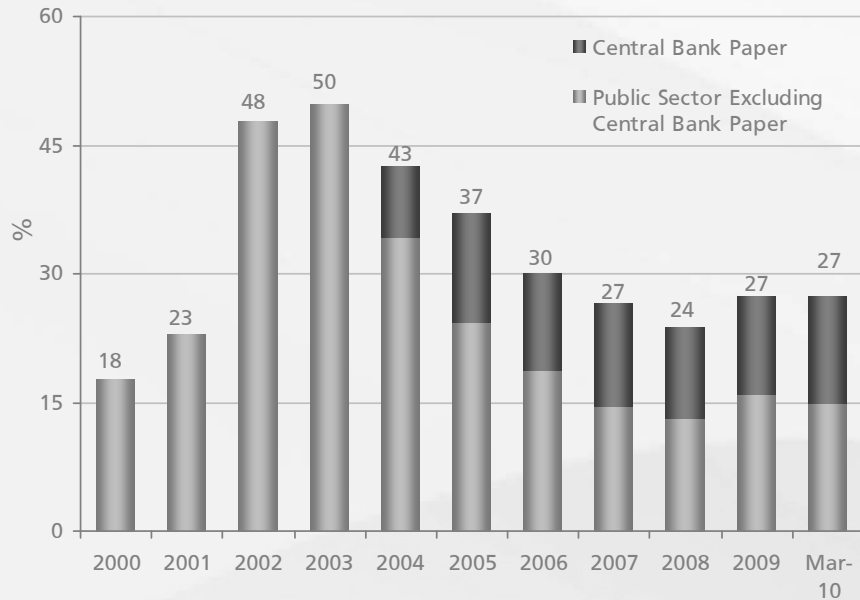
Deposit data is not shown for the period January-March 2002, because as a result of the devaluation and the pesification measures, figures are not homogeneous for that period.



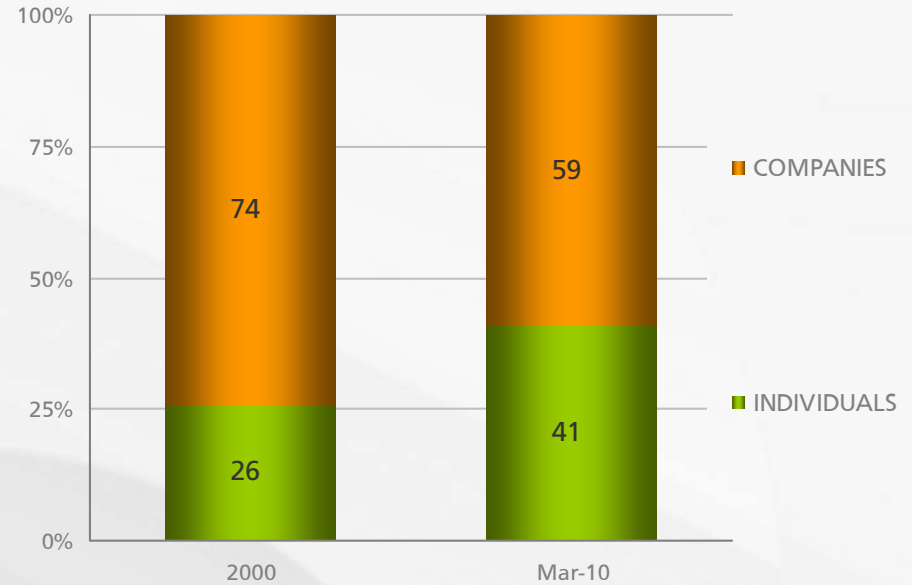
	December 2001		March 2010	
	Number	Market Share Private-Sector Deposits (%)	Number	Market Share Private-Sector Deposits (%)
<b>Banking Institutions</b>	<b>86</b>	<b>100</b>	<b>66</b>	<b>100</b>
Government-Owned Banks	13	30	12	33
Private-Sector Banks	73	70	54	67
- Domestic Banks	34	15	33	34
- Foreign Banks	39	55	21	34

## Exposure to the Public Sector

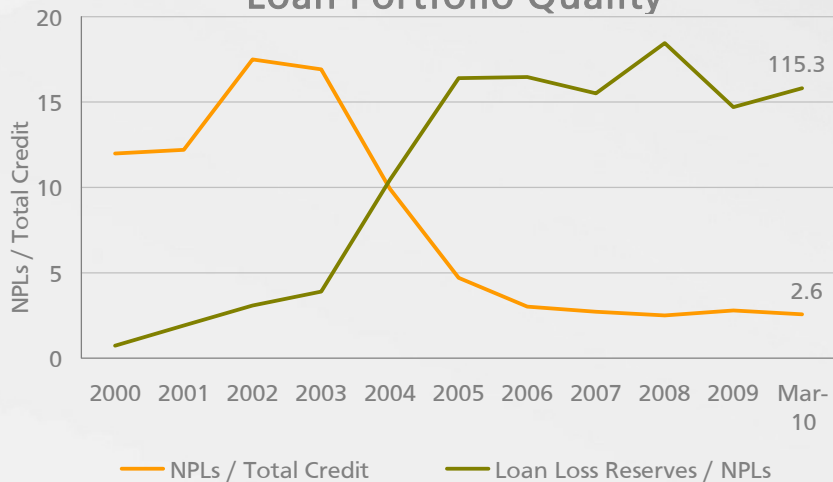
(As a % of Total Assets)



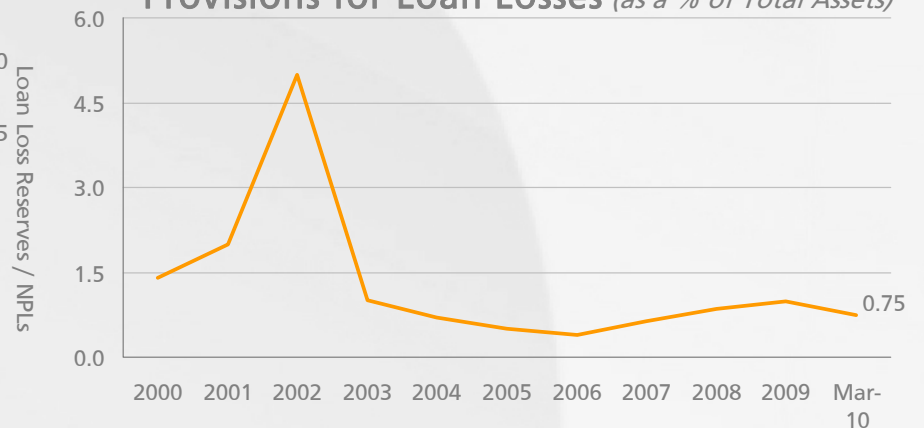
## Composition of Loans to the Private Sector



## Loan Portfolio Quality



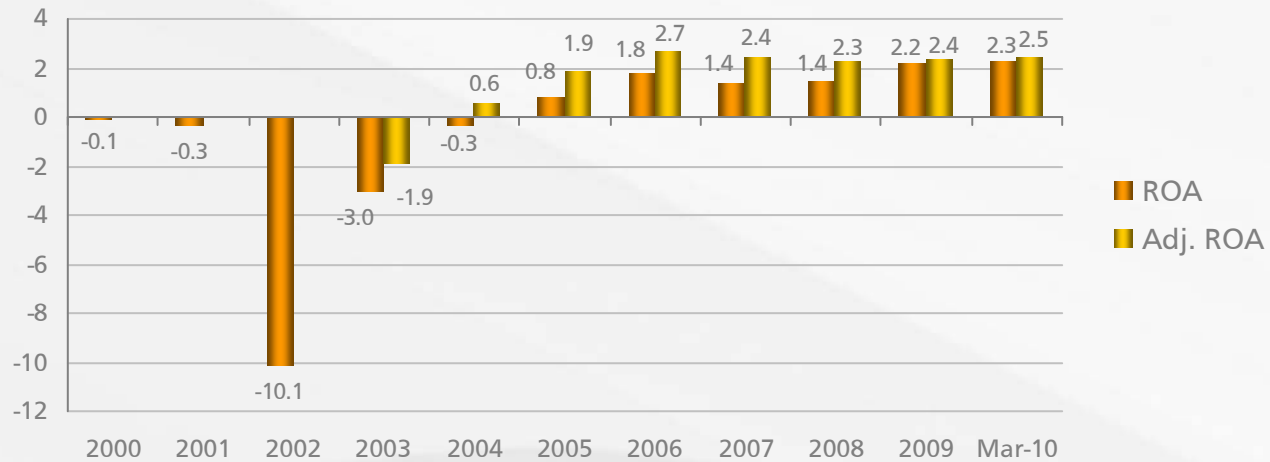
## Provisions for Loan Losses (as a % of Total Assets)



As of March 31, 2010.

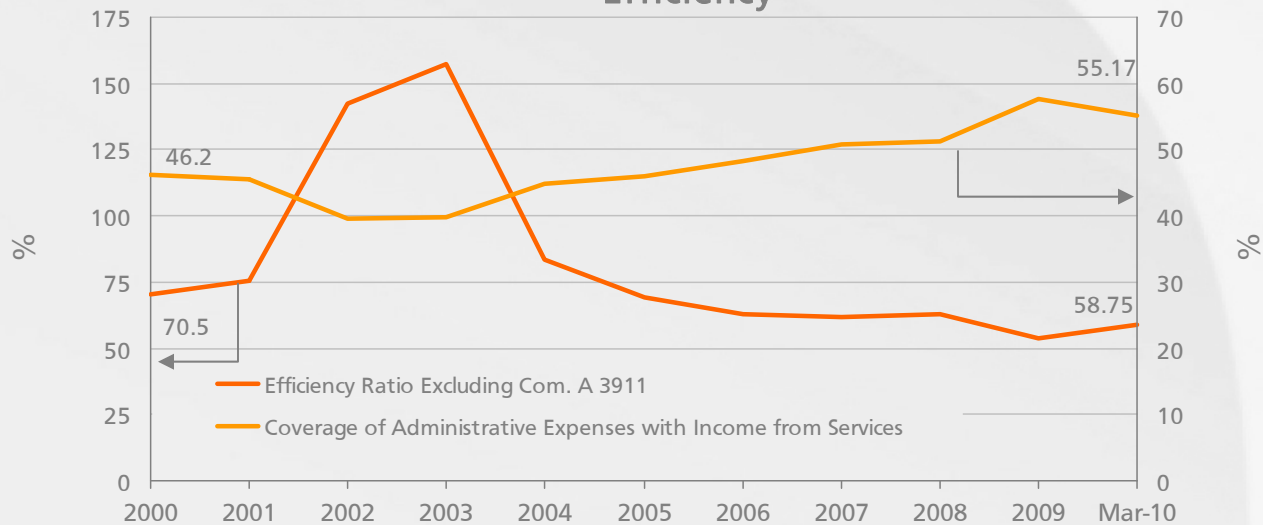


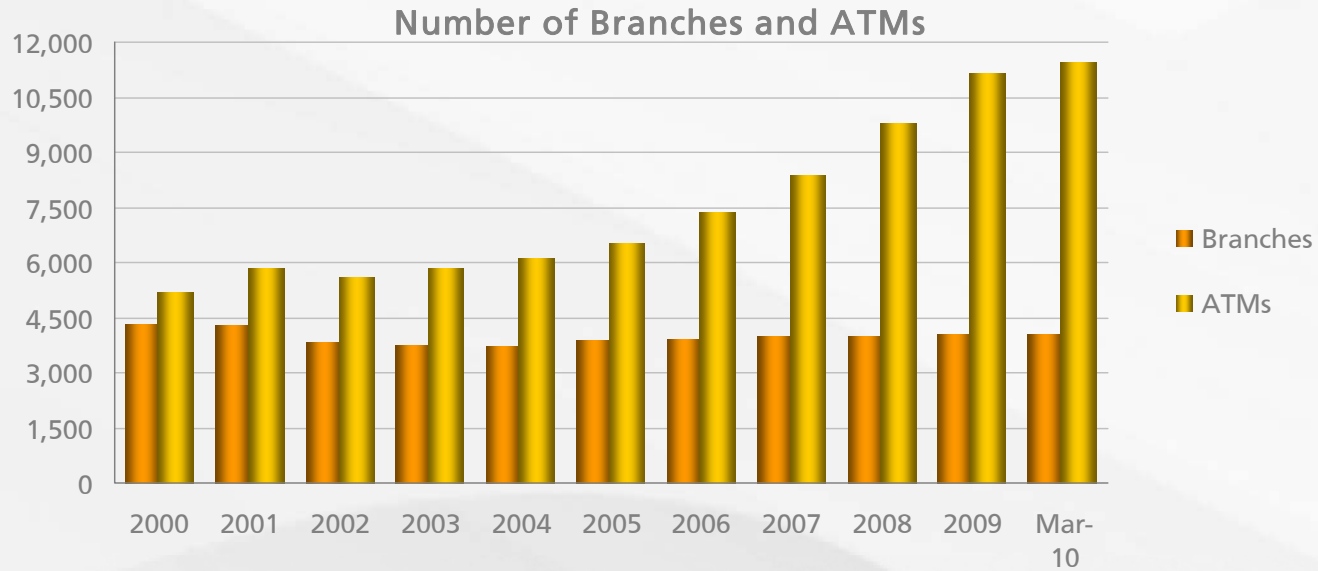
## Return on Assets



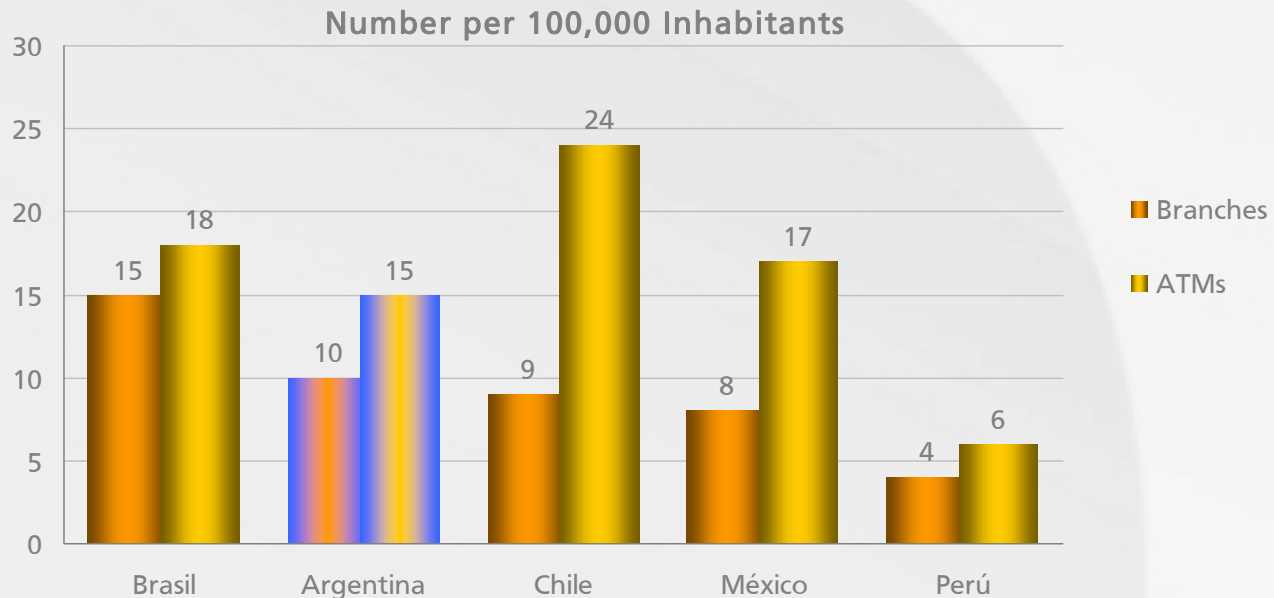
ROA: return on average assets; Adj. ROA: adjusted by losses from amortization of amparo claims and adjustments to the valuation of public-sector assets pursuant to Communiqué "A" 3911.

## Efficiency





As of March 31, 2010.



As of December 31, 2007.



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## Strengths

- High liquidity.
- Peso-based intermediation.
- Central Bank reserves and capacity to face a crisis.
- Improved asset mix – Increase in business with private sector.

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## Opportunities

- Low level of financial depth.
- Existing capacity similar to comparable financial systems.
- Increase in concentration.

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## Challenges

- Lack of long-term funding.
- Reach a greater customer base - Bancarization.
- Increase cross-selling of financial products.
- Quality of loan portfolio.

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## Threats

- Domestic macro and institutional environment.
  - Inflation and dollarization.
  - Global crisis: shape of recovery.
-



# Banco Galicia



## March 2010

● Assets	Ps.28.4 bn
● Loans	Ps.14.0 bn
● Deposits	Ps.18.0 bn
● Equity	Ps. 2.2 bn

*Number of:*

● Bank Branches	236
● Reg. Credit-Card Cos. Offices	156
● Employees	9,123
● Clients	5.0 M



- One of the largest and most dynamic private-sector banks in Argentina.
- More than 100 years of experience.
- Strong brand name.
- One of the most valuable financial services franchises of the country.
- One of the largest and most diversified distribution platforms.
- Wide offering of market-leading financial products and services.
- State-of-the-art technology.

## Market share of private-sector deposits

	%
1 Nación	14.6
2 Santander Río	9.5
3 Provincia de Buenos Aires	8.9
4 BBVA Banco Francés	8.4
<b>5 Galicia</b>	<b>8.0</b>
6 Macro	7.0
7 HSBC	5.4
8 Credicoop	5.2
9 Ciudad	5.0
10 Citibank	4.0
<b>TOTAL</b>	<b>75.9</b>

## Market share of loans to the private-sector <sup>(1)</sup>

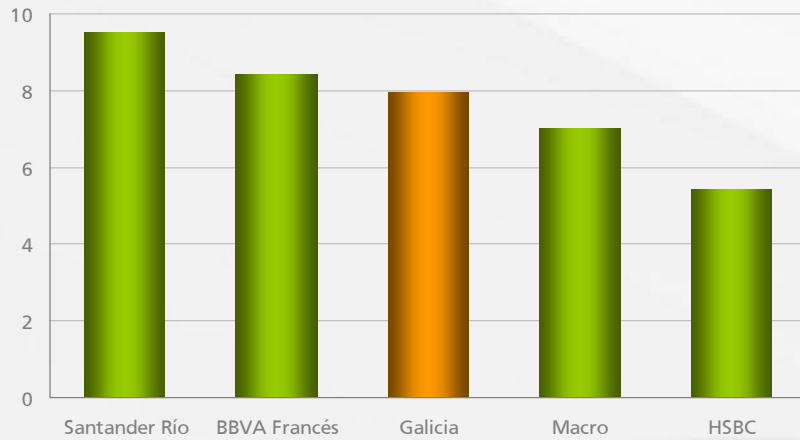
	%
1 Nación	13.7
2 Santander Río	9.8
<b>3 Galicia<sup>(2)</sup></b>	<b>7.9</b>
4 Macro	7.6
5 BBVA Banco Francés	6.6
6 Provincia de Buenos Aires	6.0
7 HSBC	5.3
8 Ciudad	4.0
9 Credicoop	3.9
10 Citibank	3.7
<b>TOTAL</b>	<b>68.5</b>

(1) Includes securitized loans and leasing.

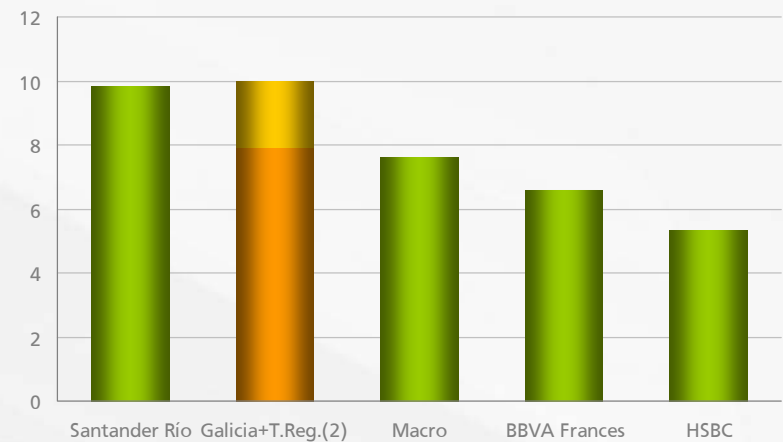
(2) Considering CFA, the Bank's market share of loans to the private-sector would be 8.73%.

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

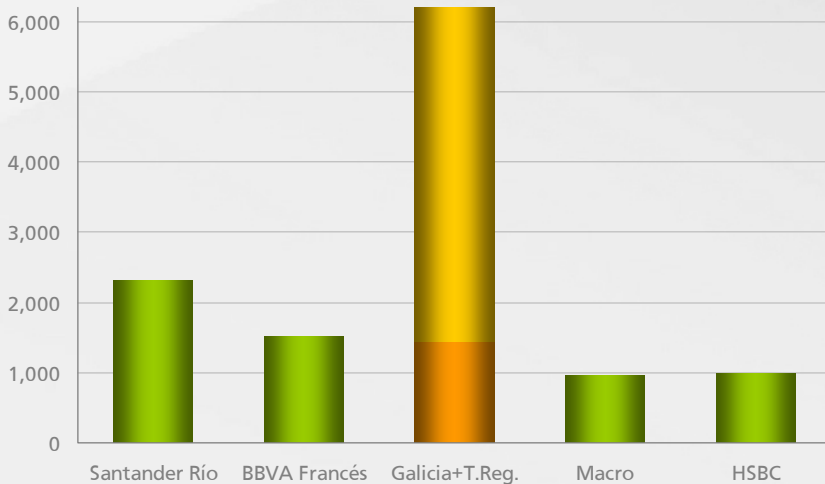
Market Share of Private-Sector Deposits (%)



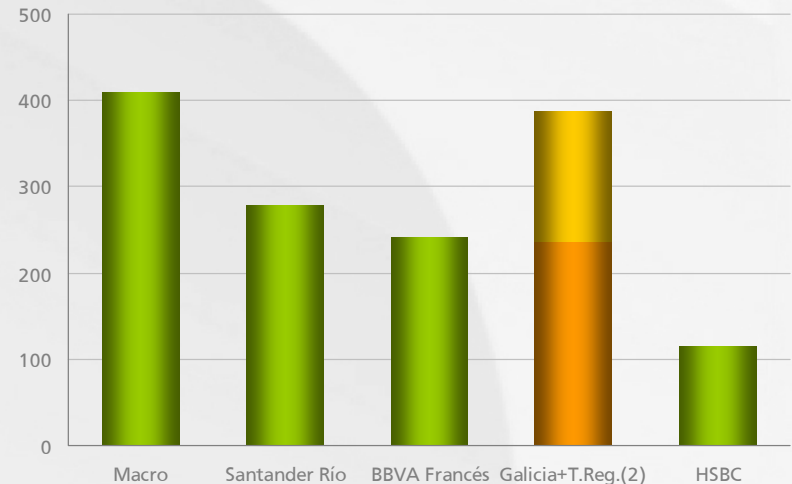
Market Share of Loans to the Private Sector (%) <sup>(1)</sup>



Credit Cards Managed (in thousands)



Branches (number)



(1) Includes securitized loans and leasing.

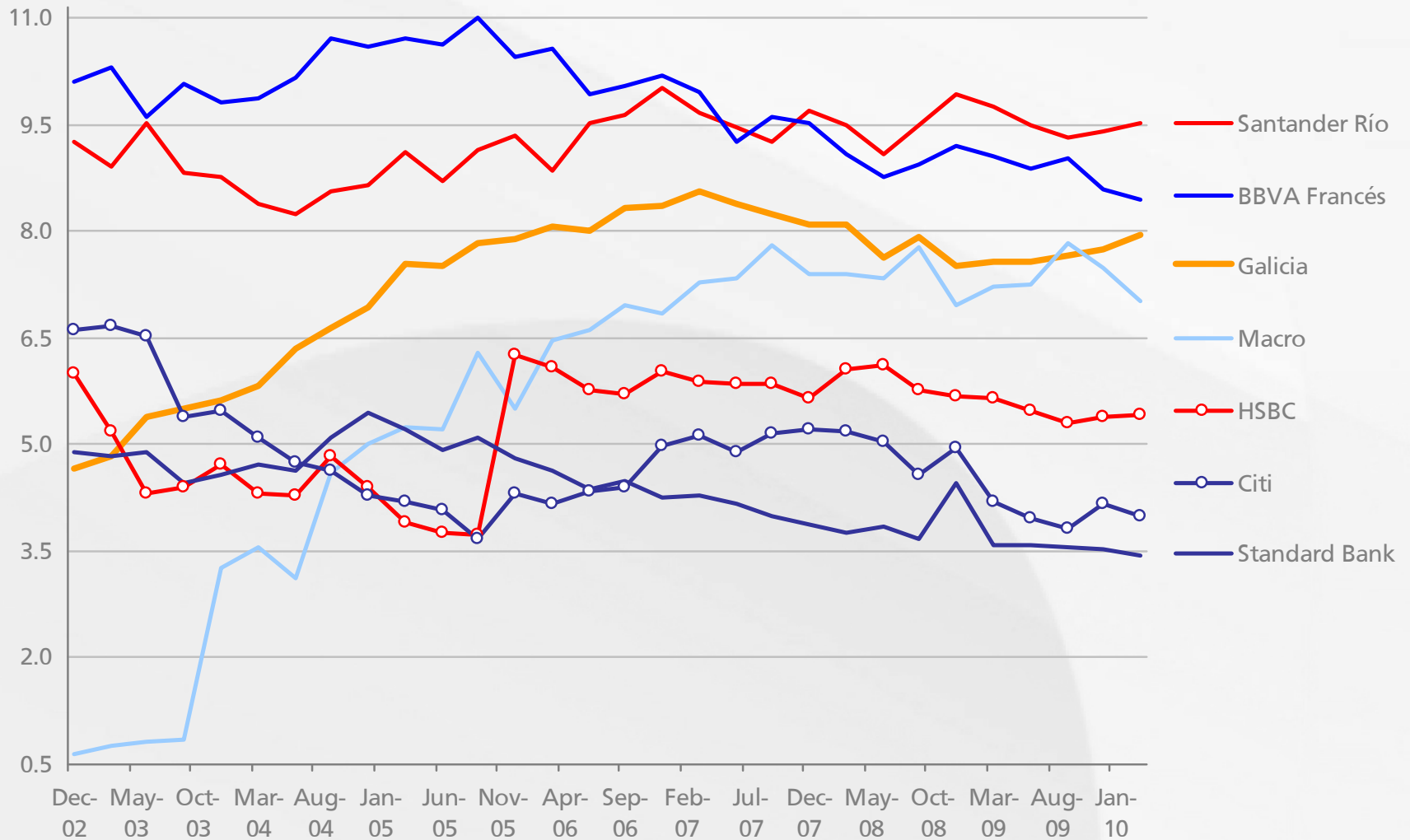
(2) Considering CFA, the Bank's market share in loans to the private sector would be 8.73% and the number of branches would be 447.

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

As of March 31, 2010.



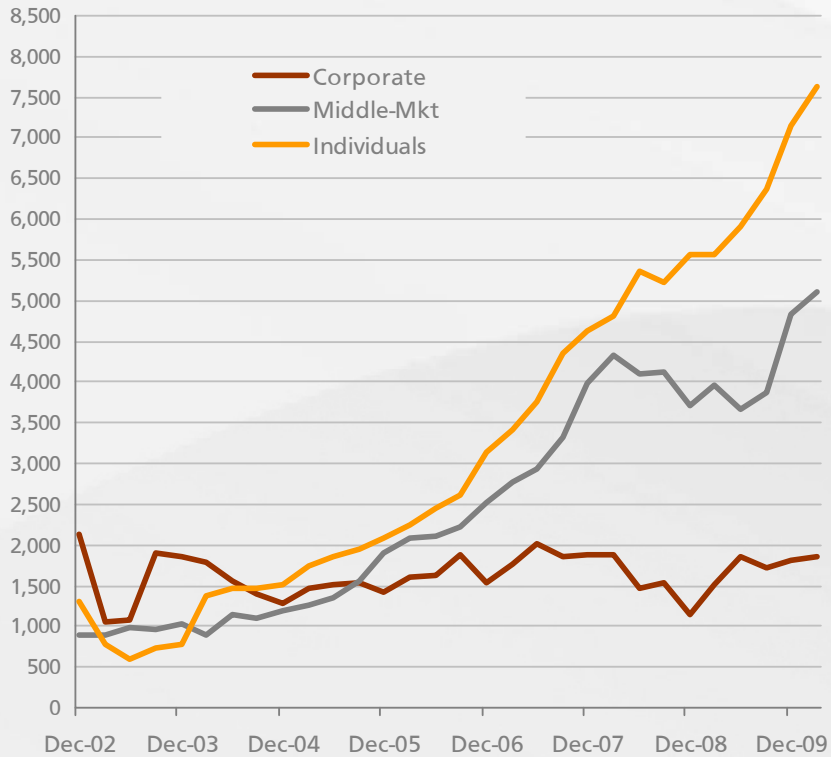
## Market Share of Private-Sector Deposits



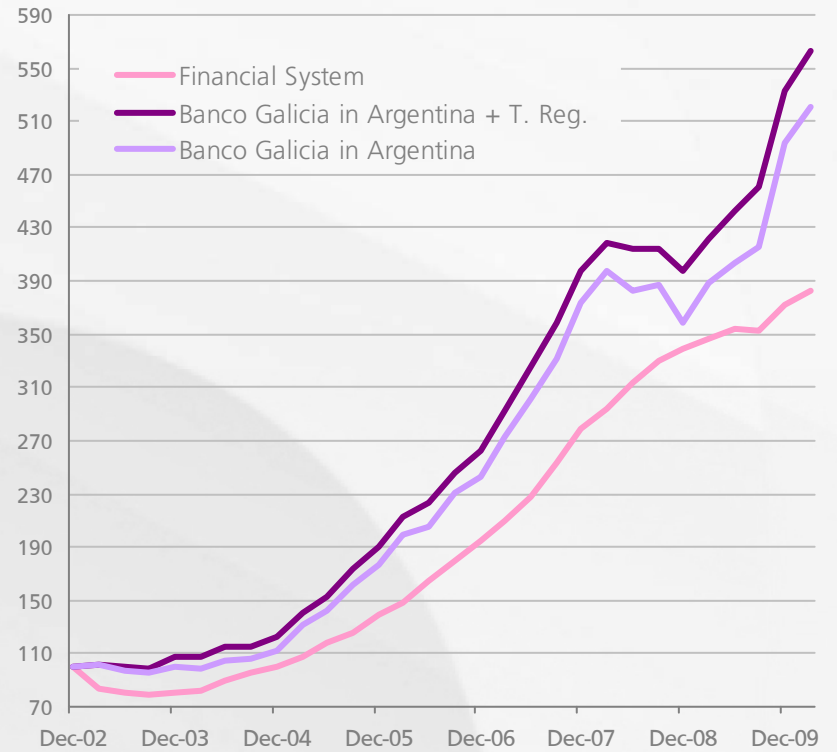
Source: Argentine Central Bank - Superintendency of Financial and Exchange Institutions - monthly information.

As of March 31, 2010.

**By Type of Borrower (Consolidated)**  
*(In millions of Pesos)*

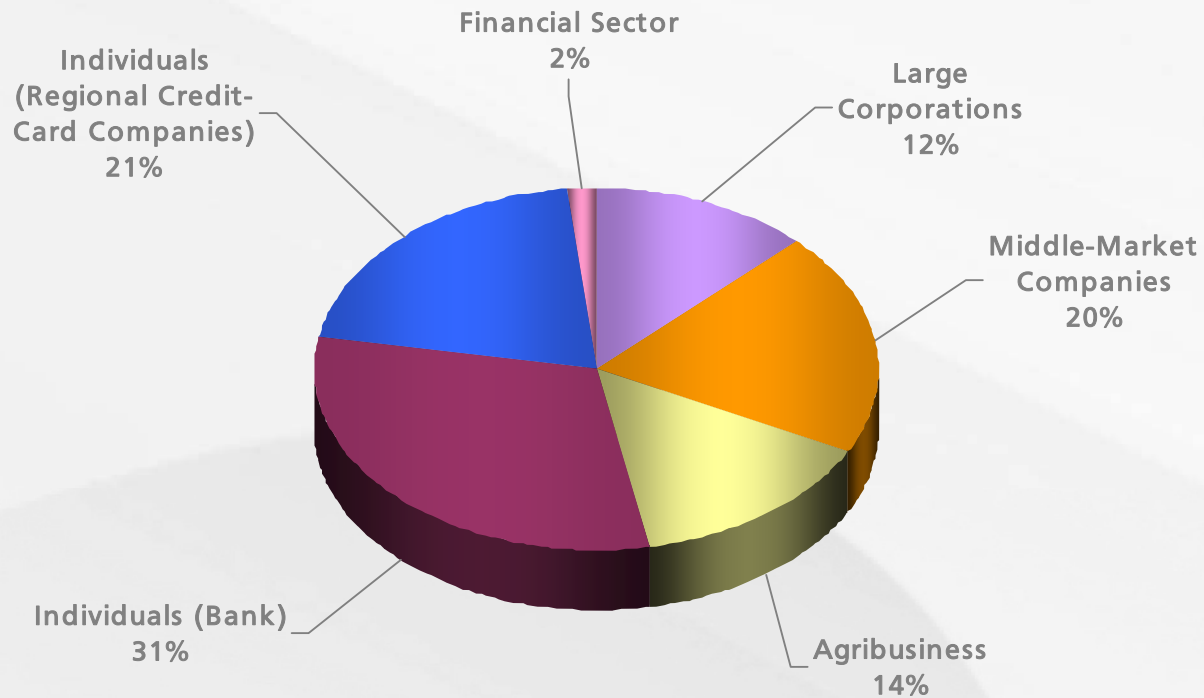


**Comparison with the System**  
*(Dec 02=100)*

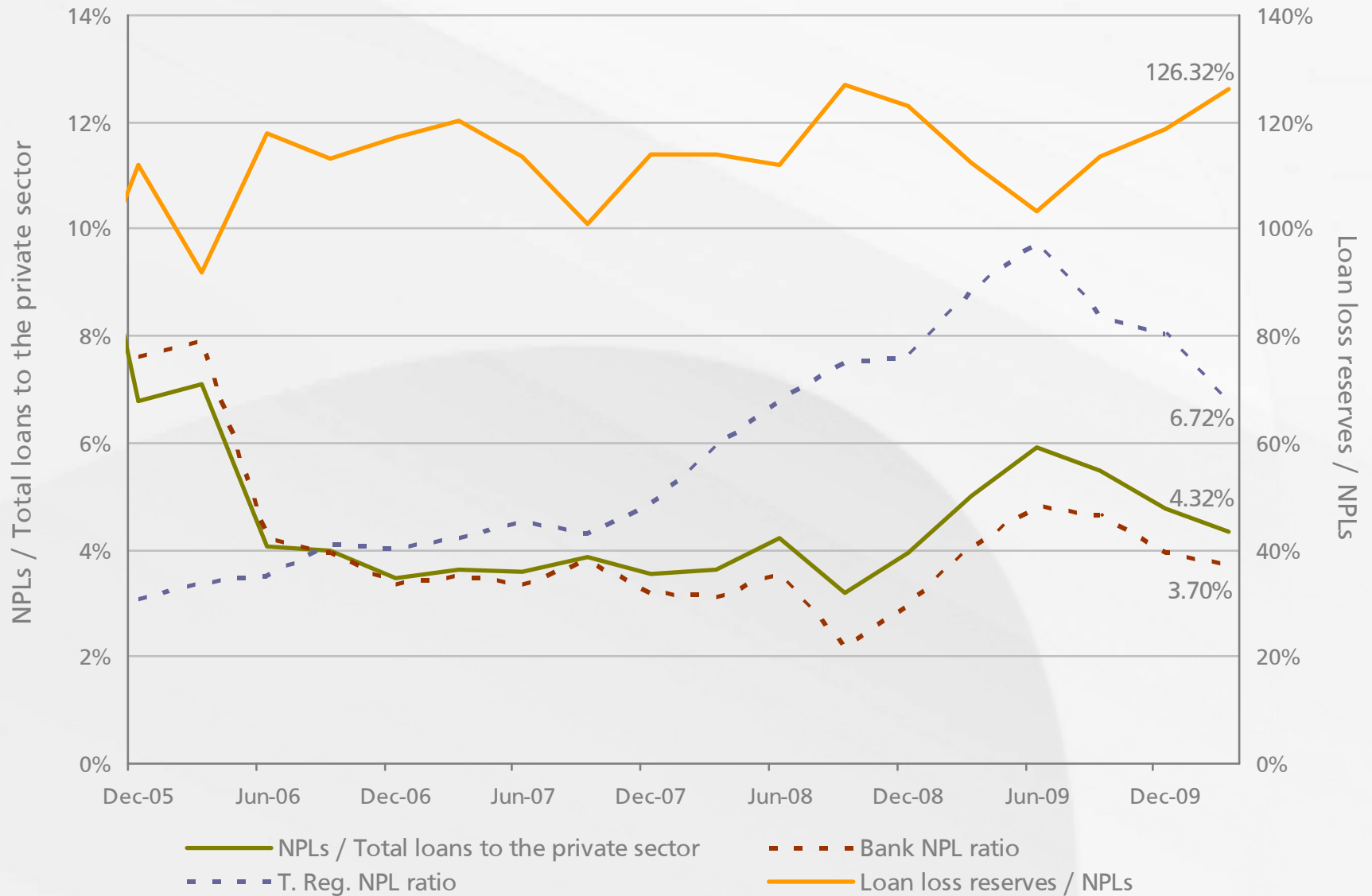


T. Reg: Regional credit-card companies.

As of March 31, 2010.



Consolidated Gross Loans to the Private Sector: Ps.14,851 million





	Dec-02	Mar-10	Variation	
			Abs.	%
<b>•Employees</b>	6,054	9,123	3,069	51
- Banco Galicia	4,113	5,067	954	23
- Regional Credit-Card Cos. and Other Subsidiaries	1,941	4,056	2,115	109
<b>•Distribution Platform</b>				
Branches				
- Bank Branches in Argentina	229	236	7	3
- Regional Credit-Card Cos. Branches	87	156	69	79
<b>•Electronic Banking Transactions <sup>(1)</sup> (in thousands, per month)</b>	4,996	29,379	24,383	488
<b>•Products</b>				
Deposit Accounts <sup>(*)</sup>	1,063	1,767	704	66
Credit Cards <sup>(*)</sup>	1,596	6,125	4,529	284
- Banco Galicia <sup>(*)</sup>	498	1,367	869	174
- Regional Credit-Card Cos. <sup>(*)</sup> ( <i>Proprietary brands and others</i> )	1,098	4,758	3,660	333
Debit Cards <sup>(*)</sup>	801	1,485	684	85
<b>•Client Base <sup>(*)</sup></b>	2,013	4,997	2,984	148

(\*) In thousands.

(1) ATMs, Self-Service Terminals, Phone Banking and e-banking.

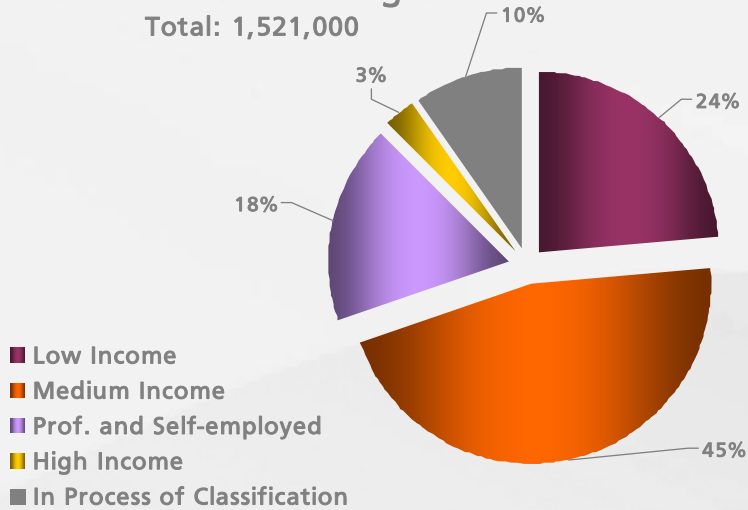


Total: 5.0 million

13.4% CAGR since December'02

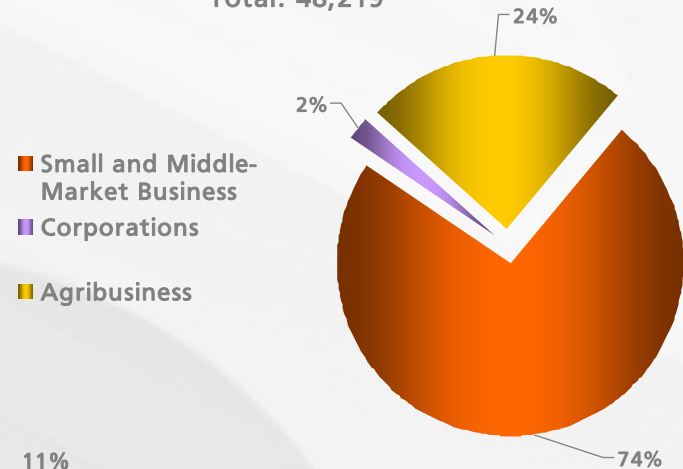
## Consumer Banking<sup>(1)</sup>

Total: 1,521,000



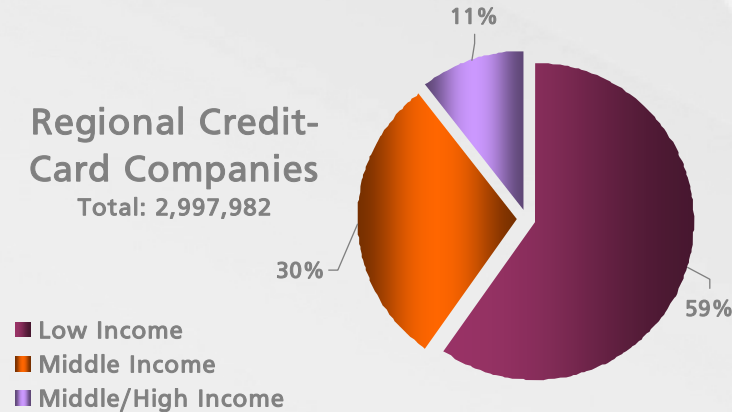
## Corporate Banking<sup>(1)</sup>

Total: 48,219



## Regional Credit-Card Companies

Total: 2,997,982



(1) Consumer Banking and Corporate Banking do not include 427,369 and 2,089 credit card cohorts, respectively.



## Debt Reduction

*In millions of Dollars*

	NY Branch Jul-02	Galicia Uruguay / Galicia Cayman Ltd. Dec-02 / Jul-03	Head Office and Cayman Branch May-04	Total
Original Debt Amount	328	1,136	1,476	2,940
Original Average Life New Debt (years)	4.1	4.4	8.1	6.2
Debt Reduction after Restructuring	328	1,136 <sup>(2)</sup>	1,009	2,473
Debt Amount, as of May 12, 2010 <sup>(1)</sup>	0	0	467	467

## Capital Generation *(in millions of Dollars)*

	Total
Tier 1	292 <sup>(3)</sup>
Tier 2	230
<b>Total</b>	<b>522</b>

Amortization	1,216
BGU's Debt Exchanges	503
Cancellation Due to Repurchases	421
Capitalization of 2014 Notes by GFG	102
Exchanges and Voluntary Reductions	99
BGU's Debt Prepayment (Sep'08/May'09)	64
Forgiveness by GFG	43
Mandatory Prepayment	25

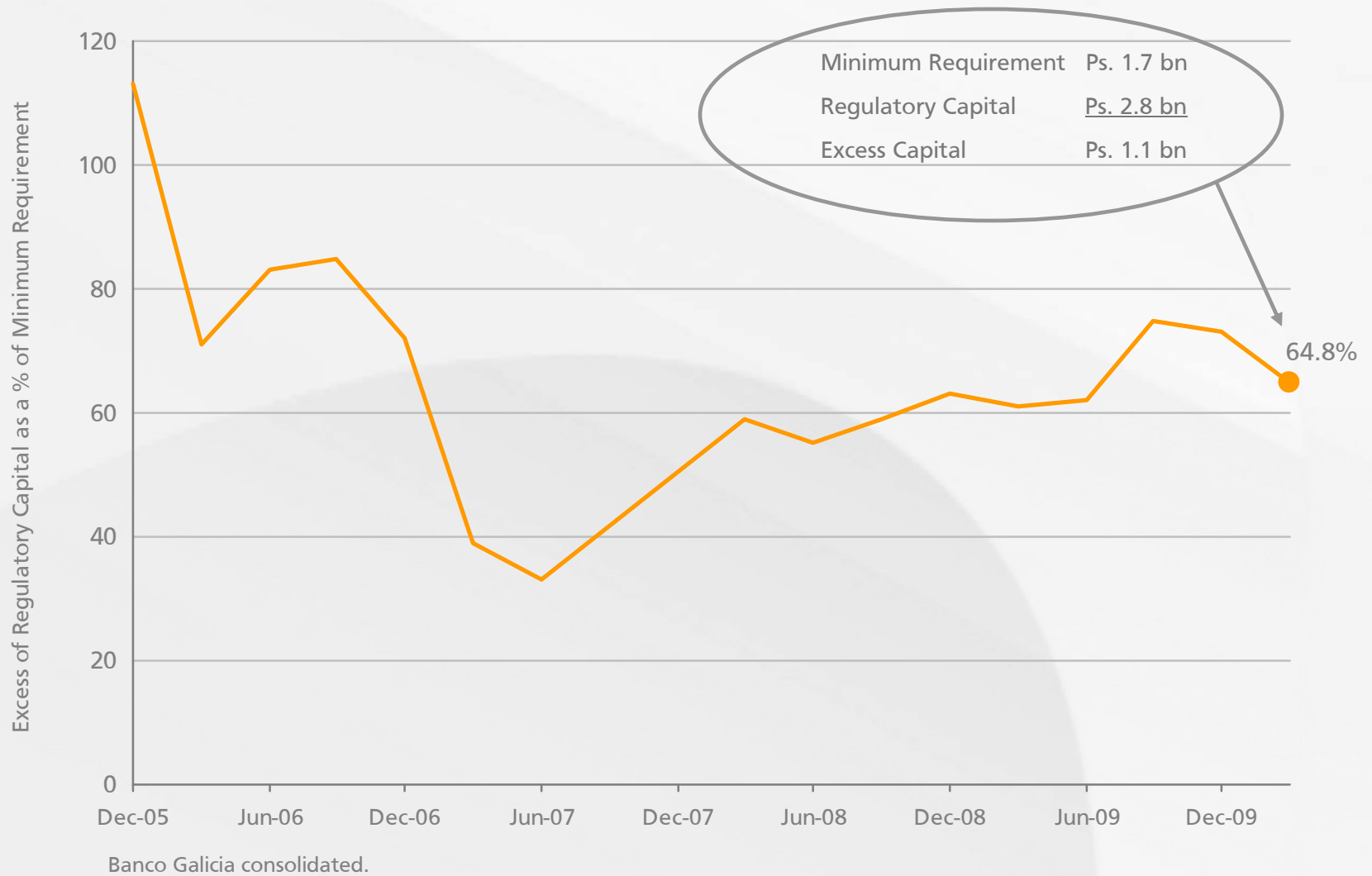
## GFG's Interest

Before the Capital Increase	93.60%
After the Capital Increase	94.66%

(1) Only principal.

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

(3) Includes US\$ 43 million from Grupo Galicia's debt forgiveness and US\$ 157 million from the FY2007 capital increase.





		Mar-09	Mar-10	Absolute Var.	
O P E R A T I O N A L	Assets	Liquidity	4,660 <sup>(1)</sup>	6,210	1,550
		Exposure to the Private Sector <sup>(2)</sup>	12,060	15,568	3,508
		Other	2,578	2,911	333
		<b>TOTAL</b>	<b>19,298</b>	<b>24,689</b>	<b>5,391</b>
	Liabilities	Deposits	14,685	17,975	3,290
		Other	5,121	6,188	1,067
		<b>TOTAL</b>	<b>19,806</b>	<b>24,163</b>	<b>4,357</b>
R E S I D U A L	Assets	Exposure to the Public Sector	4,928	3,433	(1,495)
		-BOGAR	180	-	(180)
		-BODEN 2014	452	-	(452)
		-Discount <sup>(3)</sup>	188	-	(188)
		-BONAR 2015	-	610	610
		-BODEN 2012	2,502	1,266	(1,236)
		-Discount	661	612	(49)
		-Other	945	945	0
		Difference from Amparo Claims	293	233	(60)
	<b>TOTAL</b>	<b>5,221</b>	<b>3,666</b>	<b>(1,555)</b>	
	Liabilities	Restructured Foreign Debt	2,468	1,849	(619)
		Other	260	156	(104)
<b>TOTAL</b>		<b>2,728</b>	<b>2,005</b>	<b>(723)</b>	
<b>Operational Bank Assets / Total Assets</b>		<b>78.7%</b>	<b>87.1%</b>		

(1) Includes Ps.337 million of Nobacs 2010 from the exchange of Secured Bonds for public sector assets.

(2) Does not include Securitized Loans. As of March 2009: Bank: Ps.400 million, Regional Credit Card Companies: Ps.434 million. As of March 2010: Bank: Ps.186 million; Regional Credit Card Companies: Ps.120 million.

(3) Special Investment.

<i>(In millions of Pesos)</i>	1Q'09	4Q'09	1Q'10	Absolute Var.	
				1Q'10/ 1Q'09	1Q'10/ 4Q'09
Net Financial Income <sup>(1)</sup>	370	429	410	40	(19)
Net Income from Services	335	409	430	95	21
Net Charge for Loan Losses	(170)	(164)	(106)	64	58
- Provisions for Loan Losses	(178)	(174)	(121)	57	53
- Bad Debts Recovered	8	10	15	8	5
Administrative Expenses	(436)	(541)	(569)	(133)	(28)
<b>Net Operating Income</b>	<b>99</b>	<b>132</b>	<b>165</b>	<b>66</b>	<b>33</b>
Net Other Income / (Losses)	(14)	(13)	(29)	(15)	(16)
Income Tax	(27)	(39)	(46)	(19)	(7)
<b>Adjusted Net Income</b>	<b>58</b>	<b>81</b>	<b>90</b>	<b>32</b>	<b>9</b>
Amortization of Amparo Claims	(28)	(27)	(29)	(2)	(2)
<b>Net Income / (Loss)</b>	<b>30</b>	<b>54</b>	<b>61</b>	<b>31</b>	<b>7</b>

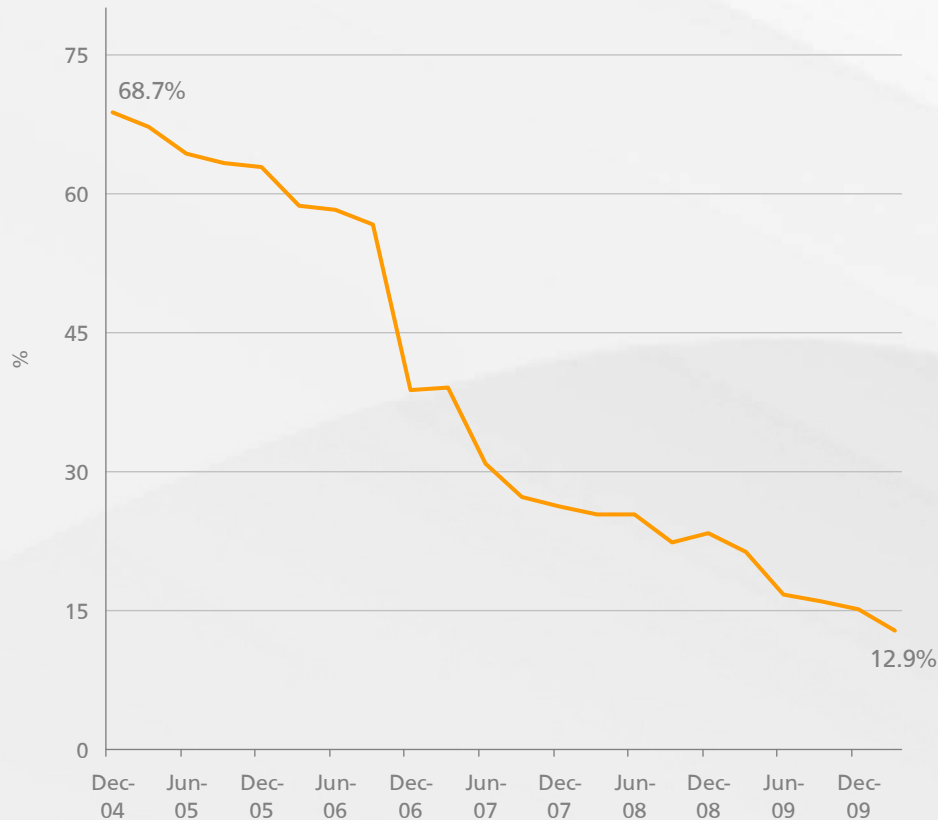
(1) Includes income from security margins on repo transactions.



<i>(In millions of Pesos)</i>	FY 2008	FY 2009	Absolute Var. 2009/ 2008
Net Financial Income <sup>(1)</sup>	1,178	1,545	367
Net Income from Services	1,233	1,472	239
Net Charge for Loan Losses	(320)	(602)	(282)
- Provisions for Loan Losses	(395)	(640)	(245)
- Bad Debts Recovered	76	38	(38)
Administrative Expenses	(1,725)	(1,948)	(223)
<b>Net Operating Income</b>	<b>367</b>	<b>467</b>	<b>100</b>
Net Other Income / (Losses)	(50)	(56)	(6)
Income Tax	(82)	(130)	(48)
<b>Adjusted Net Income</b>	<b>235</b>	<b>281</b>	<b>46</b>
Amortization of Amparo Claims	(40)	(109)	(70)
<b>Net Income / (Loss)</b>	<b>195</b>	<b>172</b>	<b>(23)</b>

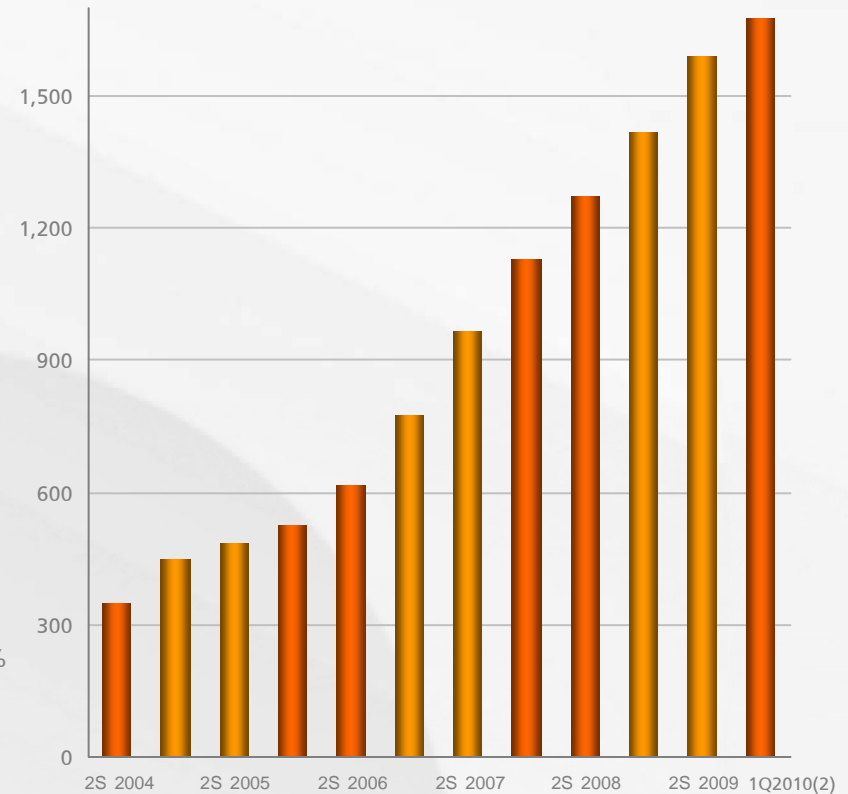
(1) Includes income from security margins on repo transactions.

### Residual Bank Assets as a % of Total Assets



As of March 31, 2010.

### Net Operating Revenues <sup>(1)</sup>



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

(2) Semiannualized (1Q x 2).



## Objectives

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

## Strategy

- Grow in loan origination to the private sector and reduce exposure to the public sector.
- Funded mainly through deposit growth.
- Consolidate leadership in agribusiness, SMEs and consumer finance.
- Improve penetration in large corporate segment.
- Grow in transactional banking and e-banking.
- Increase operating efficiency.



- More than 100 years of experience.
- Strong brand name.
- One of the most valuable financial services franchises in Argentina.
- Broad customer base.
- Wide offering of market-leading financial products and services.
- Largest consumer finance operation.
- Leading provider of credit cards and electronic banking services.
- Leader in agribusiness and medium-sized enterprises sectors.
- Strong IT capabilities.