ANNUAL REPORT
INTEGRATED REPORT

2019 ECONOMIC, SOCIAL AND ENVIRONMENTAL PERFORMANCE



Grupo Financiero Galicia

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THIS DOCUMENT IS SUPPLEMENTED BY AN EXPANDED REPORT
AVAILABLE IN: GALICIASUSTENTABLE.COM/II2019

ANNUAL REPORT
INTEGRATED REPORT

2019 ECONOMIC, SOCIAL AND ENVIRONMENTAL PERFORMANCE

OUR OBJECTIVE:

"IMPROVE THE DAY-TO-DAY LIVES OF MORE PEOPLE"

Grupo Financiero Galicia

LETTER FROM THE CHAIRMAN



ESTIMATED SHAREHOLDERS,

I AM PLEASED TO ADDRESS YOU TO PRESENT THE INTEGRATED REPORT CORRESPONDING TO THE 21ST FISCAL YEAR, CLOSED ON DECEMBER 31, 2019, IN WHICH GRUPO FINANCIERO GALICIA S.A. GIVES AN ACCOUNT OF THE INCOMES OF THE ECONOMIC, SOCIAL AND ENVIRONMENTAL MANAGEMENT.

ON THE INTERNATIONAL LEVEL, DURING 2019, TWO EVENTS MARKED THE GEOPOLITICAL DYNAMICS AND ADDED GLOBAL UNCERTAINTY: THE TRADE CONFLICT BETWEEN THE UNITED STATES AND CHINA, ALTHOUGH AT THE END OF THE YEAR THEY APPROVED THE FIRST PHASE OF AN AGREEMENT, AND THE "BREXIT", WHICH CONCLUDED WITH THE UNITED KINGDOM'S WITHDRAWAL FROM THE EUROPEAN UNION AS OF JANUARY 31, 2020.

IN THE UNITED STATES, THE GNP INCREASED 2.3% AND UNEMPLOYMENT FELL TO THE MINIMUM LEVEL IN 50 YEARS. THE FEDERAL RESERVE REDUCED RATES BY 25 BASIS POINTS IN JULY, SEPTEMBER AND OCTOBER IN TURN, TO A RANGE OF 1.5% - 1.75% AND HELD THEM STILL IN DECEMBER. LIKEWISE, THE INDEXES OF DEVELOPED MARKET SHARES ROSE 24% AND THOSE OF EMERGING MARKETS INCREASED 15%.

IN OUR COUNTRY, THE REALITY WAS VERY DIFFERENT. YEAR 2019 WAS MARKED BY A BUSY ELECTORAL CALENDAR, WITH THE PASO PRIMARY ELECTIONS, THE GENERAL ELECTIONS OF THE PROVINCES AND THE NATION, AND THE SUBSEQUENT TRANSFER OF POWER ON DECEMBER 10. SURVEYS AND SUCCESSIVE ELECTIONS DETERMINED THE EVOLUTION OF THE ECONOMY AND INDUSTRIES, WHERE EITHER CONTINUITY OR A CHANGE OF POLITICAL SIGNS WAS AT STAKE, AND IT WAS A SCENARIO THAT PARALYZED INVESTMENT AND CONSUMPTION DECISIONS. THE ECONOMY SHRANK AGAIN AND BOTH INFLATION AND INTEREST RATES WERE AT MUCH HIGHER LEVELS THAN EXPECTED, SO CREDIT SHRANK SHARPLY IN REAL TERMS.

ELECTORAL UNCERTAINTY GENERATED VOLATILITY IN ALL FINANCIAL ASSETS, CAUSING A SHARP DECLINE OF SHARES AND BONDS. THIS WAS ACCOMPANIED BY A SIGNIFICANT WITHDRAWAL OF DOLLAR DEPOSITS FROM THE FINANCIAL SYSTEM THAT BANKS WERE ABLE TO DEAL WITH, BECAUSE THEY DID NOT HAVE CURRENCY MISMATCHES AND HAD VERY HIGH LIQUIDITY POSITIONS. THE GOVERNMENT HAD TO RESTRUCTURE THE SHORT-TERM DEBT AND IMPLEMENT EXCHANGE CONTROLS.

WITHIN THIS CONTEXT, PRIVATE ANALYSTS ESTIMATE THAT THE ARGENTINE ECONOMY WOULD HAVE SHRANK AROUND 2.5% DURING 2019, WHICH, IN TURN, HAD AN IMPACT ON THE UNEMPLOYMENT RATE THAT ROSE DURING THE 12 MONTHS UP TO SEPTEMBER 30, 2019 –LATEST AVAILABLE DATA– FROM 9.0% TO 9.7% OF THE ECONOMICALLY ACTIVE POPULATION.

INTEREST RATES IN ARGENTINE PESOS EXHIBITED A STRONG VOLATILITY BOTH IN THE YIELD OF THE LELIQ AND THE BADLAR RATE BY THE END OF THE YEAR, AT 55% AND 39% RESPECTIVELY.

THE EXCHANGE RATE INCREASED BY 58.4%, FROM PS. 37.8 TO PS. 59.9 PER US DOLLAR. ON THE OTHER HAND, THERE WAS AN IMPROVEMENT IN TERMS OF THE FISCAL AND CHECKING ACCOUNT POSITION: THE NATIONAL PUBLIC SECTOR REGISTERED A PRIMARY DEFICIT OF -0.4% OF THE GDP. AFTER THE PAYMENT OF INTERESTS, THE TOTAL DEFICIT WAS -3.8% OF THE GDP, WHILE THE CHECKING ACCOUNT SURPLUS WAS AROUND 1.4% OF THE GDP, SHOWING AN IMPROVEMENT OF -2.1% IN 2018.

AS FOR GRUPO FINANCIERO GALICIA, THE NET INCOME FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019 TOTALED PS. 41,557 MILLION, WHICH IS MUCH HIGHER THAN PS. 14,427 MILLION RECORDED IN FISCAL YEAR 2018. ABOUT 85% OF SAID INCOME WAS GENERATED BY BANCO GALICIA, 11% BY TARJETAS REGIONALES, AND THE REST BY SUDAMERICANA HOLDING (GALICIA SEGUROS) AND BY GALICIA ADMINISTRADORA DE FONDOS (FIMA MUTUAL INVESTMENT FUNDS). THE INCOME FOR THE FISCAL YEAR MEANT A RETURN ON AVERAGE ASSETS OF 6.5% AND A RETURN ON AVERAGE SHAREHOLDERS' EQUITY OF 56.4%. IT IS IMPORTANT TO MENTION THAT THESE FIGURES ARE EXPRESSED IN NOMINAL TERMS, AND IF AN ADJUSTMENT BY INFLATION WAS MADE, THE RETURN ON AVERAGE SHAREHOLDERS' EQUITY WOULD HAVE BEEN OF APPROXIMATELY 20%.

AS OF DECEMBER 31, 2019, BANCO GALICIA'S ESTIMATED PARTICIPATION IN THE TOTAL LOANS TO THE PRIVATE SECTOR REACHED 11.6%, SHOWING

A GROWTH OF 106 BASIS POINTS IN THE YEAR, WHILE THE ESTIMATED PARTICIPATION IN PRIVATE SECTOR DEPOSITS REACHED 9.9%, WITH A DECREASE OF 116 BASIS POINTS. THE DECLINE OF DEPOSITS IN THE MARKET SHARE WAS MAINLY BECAUSE DUE TO THE HIGH LIQUIDITY FACING US, WE DECIDED NOT TO VALIDATE THE INTEREST RATES OF CERTAIN INSTITUTIONAL DEPOSITS.

ALTHOUGH THE EVOLUTION OF ECONOMY CONTINUED TO NEGATIVELY AFFECT THE LEVEL OF CONSUMPTION, THE COST OF FUNDING, AND THE DEFAULT, TARJETAS REGIONALES HAD A NET INCOME OF PS. 5,637 MILLION AS THEY BEGAN TO BEAR FRUIT OF THE EFFORTS UNDERTAKEN IN DIGITAL TRANSFORMATION, EFFICIENCY, AND IN THE IMPROVEMENT OF RISK MANAGEMENT AND RECOVERY MODELS. ADDITIONALLY, NARANJAX WAS LAUNCHED, WHICH IS A VIRTUAL WALLET THAT HAS A UNIFORM VIRTUAL KEY (CVU), ENABLES PEOPLE TO CHARGE AND PAY WITH A QR CODE AND RECHARGE TRANSPORT CARDS, AND THAT WILL CONTINUE DEVELOPING NEW FEATURES.

SUDAMERICANA HOLDING HAD AN INCOME OF PS. 1,150 MILLION, 76% HIGHER THAN THE PREVIOUS YEAR, MAINLY DUE TO THE INCREASE IN FINANCIAL INCOME BECAUSE OF AN EFFICIENT MANAGEMENT OF ITS MANAGED ASSETS IN AN ENVIRONMENT OF HIGH INTEREST RATES. IN TURN, IT CONTINUED WITH ITS PRODUCT DIVERSIFICATION STRATEGY, LEVERAGED ON THE DIGITAL PLATFORM AND SUPPLEMENTING THE FACE-TO-FACE CHANNEL.

AS FOR GALICIA ADMINISTRADORA DE FONDOS, THOUGH FIMA FUNDS WERE NEGATIVELY IMPACTED AS OF AUGUST –LIKE THE REST OF THE SYSTEM'S COMMON INVESTMENT FUNDS—, MANAGED EQUITY GREW 35% COMPARED TO THE PREVIOUS YEAR, REACHING PS. 81,750 MILLION AND A MARKET SHARE OF 9.6%. AS A RESULT, THEY OBTAINED A NET INCOME OF PS. 317 MILLION, 25% LOWER THAN FISCAL YEAR 2018. DURING THE FIRST MONTHS OF 2020, SUSTAINED GROWTH OF MANAGED ASSETS IS BEING OBSERVED, HAVING RECENTLY EXCEEDED PS. 100,000 MILLION.

IN EARLY FEBRUARY 2019, PRISMA, VISA CREDIT CARD PROCESSING COMPANY AND BANELCO NETWORK OPERATOR, WAS SOLD. THE COMPANY WAS VALUED IN US$1,420 MILLION, THE BANK BEING OWNER OF MORE THAN 15% OF SAID COMPANY. LIKE THE REST OF THE SHAREHOLDER BANKS, BANCO GALICIA SOLD 51% OF ITS HOLDING, COMMITTING ITSELF TO SELLING THE REMAINING 49% WITHIN A PERIOD OF 3 YEARS.

ON ANOTHER NOTE, THE COMPANIES OF THE GROUP OBTAINED EXCELLENT RESULTS IN THE SURVEY "GREAT PLACE TO WORK 2019" ONCE AGAIN: BANCO GALICIA RANKED FIRST AND TARJETA NARANJA RANKED SECOND AMONG THE BEST COMPANIES TO WORK FOR, WITHIN THE CATEGORY OF COMPANIES WITH MORE THAN 1,000 EMPLOYEES, AND GALICIA SEGUROS RANKED FIFTH WITHIN THE CATEGORY OF COMPANIES WITH 251 TO 1,000 EMPLOYEES.

OUR LABOR, DECISIONS AND ACHIEVEMENTS ALWAYS FALL WITHIN THE FRAMEWORK OF SUSTAINABLE MANAGEMENT, FOCUSING ON THE COMMON GOOD AND CARING FOR THE ENVIRONMENT, COMPLYING WITH THE PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT AND THE SUSTAINABLE DEVELOPMENT GOALS, THUS CONTRIBUTING TO THE 2030 GLOBAL AGENDA.

ALTHOUGH 2019 PRESENTED THE CHALLENGES NOTED ABOVE, AT GRUPO FINANCIERO GALICIA WE CONTINUE TO INVEST IN THE DIGITAL TRANSFORMATION OF OUR BUSINESS, IMPROVING PRODUCTS, PROCESSES AND OUR CUSTOMERS' EXPERIENCE.

BY 2020, THE FIRST MEASURES OF THE GOVERNMENT AIM TO ACHIEVE A FISCAL BALANCE AND THE REDUCTION OF INFLATION, WITH A SCENARIO OF LOWER INTEREST RATES THAT WOULD CONTRIBUTE TO THE RETURN OF CREDIT TO THE PRIVATE SECTOR, WHICH WILL ALLOW US TO FULFILL OUR ROLE AS FINANCIAL INTERMEDIATORS, WHICH IS ESSENTIAL FOR THE DEVELOPMENT OF THE ARGENTINE ECONOMY. THE RESULT OF THE RESTRUCTURING OF THE SOVEREIGN DEBT WILL BE ESSENTIAL TO ACHIEVE THE ABOVE MENTIONED OBJECTIVES.

TO CONCLUDE, ON BEHALF OF THE BOARD OF DIRECTORS OF GRUPO FINANCIERO GALICIA, I WOULD LIKE TO THANK THE SHAREHOLDERS FOR THEIR CONTINUED SUPPORT, THE 9,718 EMPLOYEES OF THE COMPANIES OF THE GROUP FOR THEIR COMMITMENT AND DEDICATION, SUPPLIERS FOR THEIR COLLABORATION, AND CUSTOMERS FOR THEIR LOYALTY.



EDUARDO J. ESCASANY
CHAIRMAN OF THE BOARD OF DIRECTORS
AUTONOMOUS CITY OF BUENOS AIRES
FEBRUARY 20, 2020

INTRODUCTION TO THE INTEGRATED REPORT

We are submitting our second Grupo Financiero Galicia Report under the International Integrated Reporting Council's (IIRC) Integrated Reports Framework where we communicate the significant actions taken by the companies of the Group in 2019, as well as their annual financial and non-financial income.

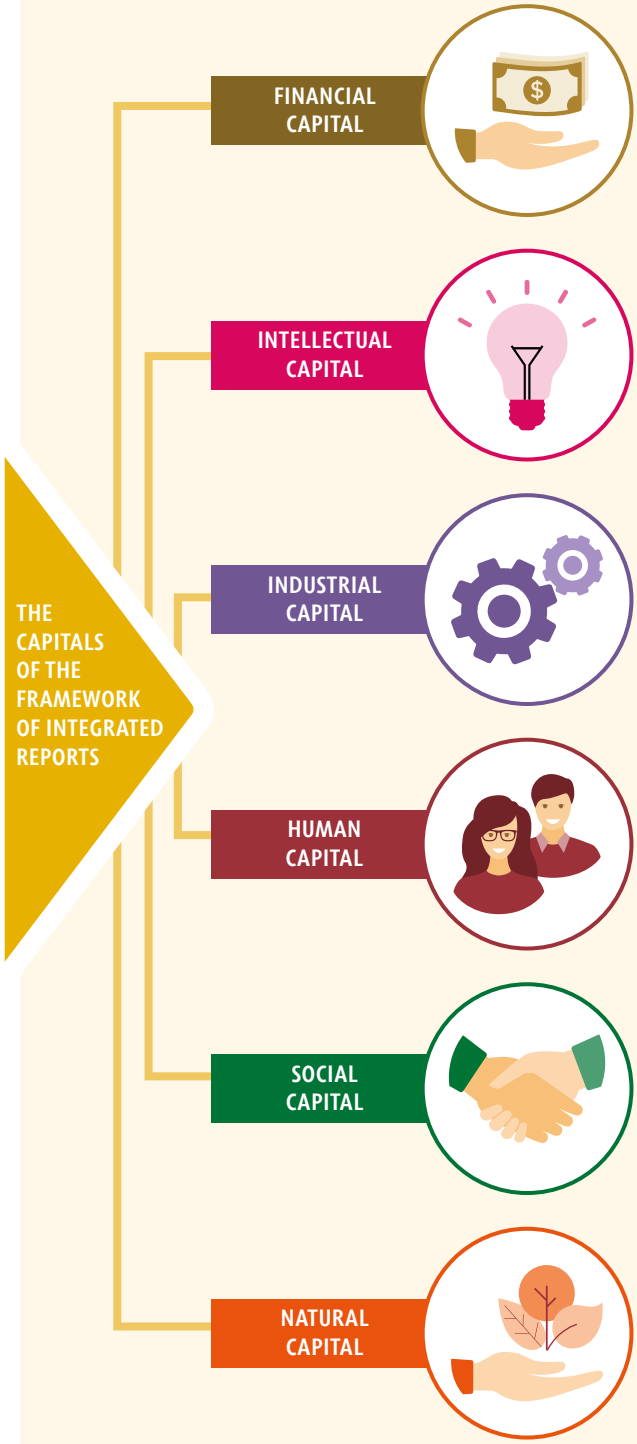
The purpose of this document is to account for the Group's economic, social and environmental performance from a perspective of value creation based on six capitals, which in turn follows the guidelines of the Global Reporting Initiative (GRI) Standards, the UN Sustainable Development Goals, the 10 Principles of the Global Compact, the ISO 26000 Standard, the Carbon Disclosure Project (CDP), and the UNEP FI Principles for Responsible Banking to which Banco Galicia adhered in September 2019.

In order to draft this Report, we conducted a materiality analysis aligned with the new Strategic Vision of the Group, in which we identified the key management and reporting issues so that they reinforce our social role in the financial industry and contribute to help with the growth of the production sector by means of companies financing, and to the social welfare through saving, investment and loans in pursuit of a common goal: local sustainable development.



- SHAREHOLDERS
- INVESTORS
- REGULATORY AUTHORITIES
- CUSTOMERS
- EMPLOYEES
- COMMUNITY
- SUPPLIERS
- ENVIRONMENT

THE CAPITALS OF THE FRAMEWORK OF INTEGRATED REPORTS



GRI STANDARDS

THIS REPORT HAS BEEN DRAFTED IN COMPLIANCE WITH THE EXHAUSTIVE OPTION OF GRI STANDARDS.

Guidelines governing our management

APOYAMOS AL PACTO MUNDIAL

OBJETIVOS DE DESARROLLO SOSTENIBLE

UNEP FINANCE INITIATIVE PRINCIPLES FOR RESPONSIBLE BANKING

PROTOCOL OF ARGENTINE SUSTAINABLE FINANCING

EQUATOR PRINCIPLES

BYMA

ISO 26000 SOCIAL RESPONSIBILITY

CDP DISCLOSURE INSIGHT ACTION

Adherence to the UNEP FI Principles for Responsible Banking

Through the accession of Banco Galicia to the Principles of Responsible Banking promoted by the United Nations Environment Program Financial Initiative (UNEP FI), launched in September 2019, the Group became one of its founding signatories, committing to strategically align their business with the Sustainable Development Goals and the Paris Agreement.

By signing the Principles for Responsible Banking, the Bank became the only Argentine, domestically-owned financial institution to join a coalition of 130 banks worldwide holding more than 47 trillion US dollars in assets, committing itself to play a decisive role in helping to attain a sustainable future. This initiative was the beginning of the most significant partnership so far between the global banking industry and the UN.

The six Principles for Responsible Banking provide an effective framework to identify and systematically leverage the new business opportunities created by the emerging sustainable development economy, while helping spot and address any related risks effectively.

Under these guidelines, the signatory financial institutions undertake to continue furthering specific steps for climate action and business sustainability.



PRB 1: ALIGNMENT
To align the business strategy so as to meet the needs of individuals and the goals of society, as expressed in the SDGs, the Paris Agreement and the relevant national and regional frameworks.



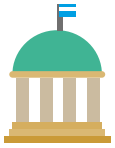
PRB 2: IMPACT
To increase positive impacts and reduce the negative ones, managing the risks to people and the environment resulting from our activities, products and services.



PRB 3: CUSTOMERS
To work responsibly with our customers to encourage sustainable practices and enable economic activities that create shared prosperity for present and future generations.



PRB 4: STAKEHOLDERS
To inquire, engage and partner proactively and responsibly with relevant stakeholders to achieve society's goals.



PRB 5: CORPORATE GOVERNANCE AND GOAL SETTING
To implement the commitment to these Principles through effective corporate governance and a culture of responsible banking, showing ambition and responsibility when setting public goals related to the most significant impacts.



PRB 6: TRANSPARENCY AND ACCOUNTABILITY
To review the individual and collective implementation of these Principles periodically, and be transparent and accountable in terms of the positive and negative impacts and our contribution to society's goals.

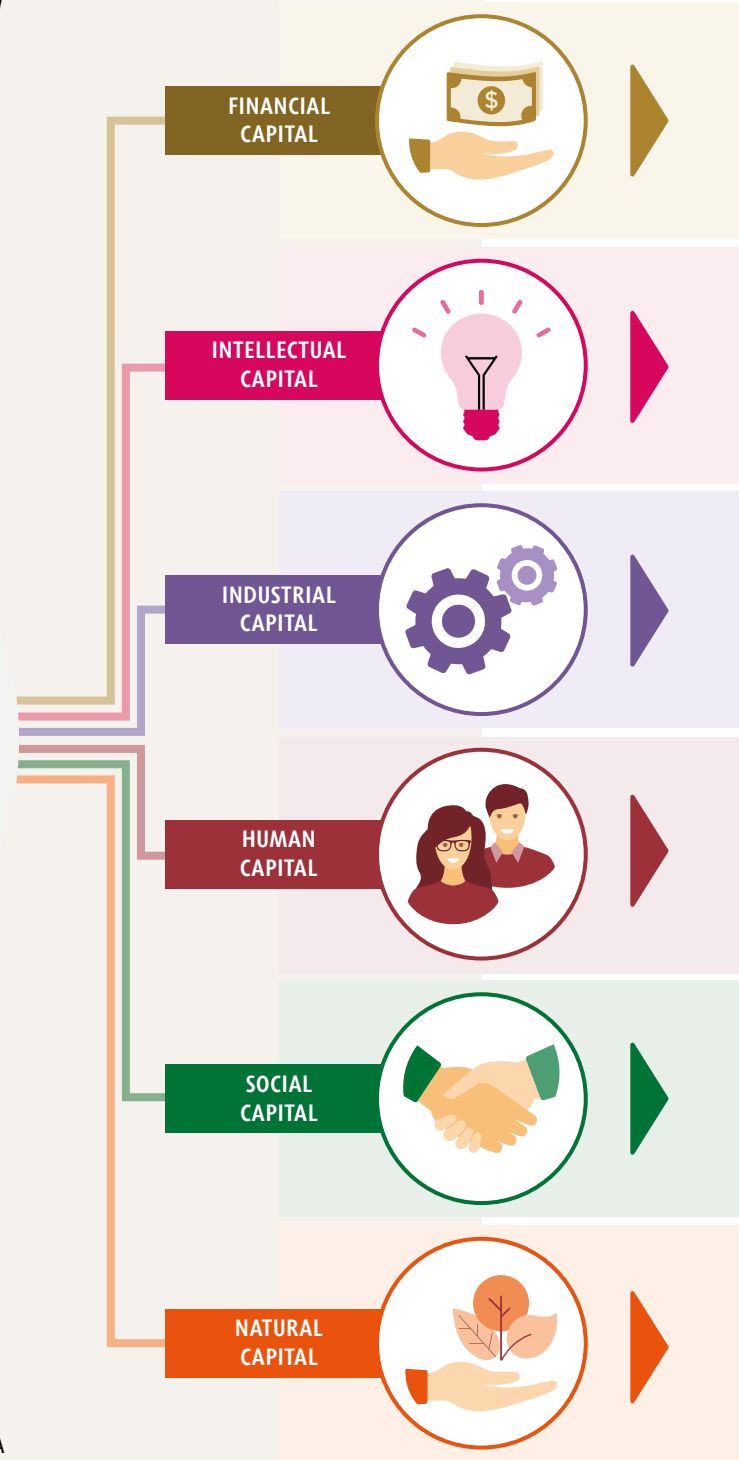
1. PRB: Principles for Responsible Banking

HOW DO WE CREATE VALUE?

IN A CONTEXT OF DIGITAL TRANSFORMATION AND EVOLUTION IN STAKEHOLDERS' DEMANDS, THIS YEAR WE SET FORTH A NEW STRATEGIC VISION AND BUSINESS GOALS IN TERMS OF SIZE, VALUATION, EXPERIENCE AND EFFICIENCY.

WITHIN THIS FRAMEWORK, WE TOOK A FURTHER STEP TOWARDS THE CONSOLIDATION OF KEY PERFORMANCE INDICATORS AND TARGETS THAT SHOULD BE MANAGED TO OPTIMIZE OUR IMPACTS AND BECOME A COST-EFFECTIVE, EFFICIENT AND SUSTAINABLE FINANCIAL PLATFORM.





BY DOING THIS EXERCISE, WE IDENTIFIED THE SUSTAINABLE DEVELOPMENT GOALS (SDG) MOST SUPPORTED BY OUR MANAGEMENT, AND WE ALIGNED OUR PERFORMANCE AND INCOME WITH THE PRINCIPLES FOR RESPONSIBLE BANKING (PRB), THUS COMPLYING WITH EACH AND EVERY GLOBAL COMMITMENT AS AN ENTITY OF THE FINANCIAL SECTOR TO FOSTER SUSTAINABLE DEVELOPMENT.

THIS APPROACH WAS RECOGNIZED WITH AWARDS AND DISTINCTIONS, AND THAT ALLOWS US TO CONTINUE BUILDING A SOLID BRAND, A BENCHMARK IN THE SECTOR AND IN OUR COUNTRY.

GROUP BUSINESS GOAL[PRB5]	2019 MATERIAL ISSUE ASSOCIATED TO GRI[PRB1]	RELEVANT SDGS[PRB1,PRB2]	TARGETS AND INCOME 2019[PRB2]	PRB
VALUATION				
TO BE THE LARGEST AND MOST VALUABLE FINANCIAL GROUP IN ARGENTINA	• Economic performance • Risk	1 8 16 1.1, 8.2, 16.5	• ROE • Net Income • Efficiency Ratio	• PRB2 • PRB2 • PRB2
EXPERIENCE				
TO OFFER A DISTINCTIVE CUSTOMER EXPERIENCE	• Customer Experience • Digital Transformation	9 9.4	• Customer Satisfaction (NPS) • Investment in infrastructure and systems	• PRB4 • PRB3
SIZE				
TO TURN THE GROUP INTO A FINANCIAL PLATFORM WITH THE BEST AND MOST SECURE TECHNOLOGIES	• Presence in the Market • Customer security and privacy	8 9 10 8.10, 9.3, 10.2	• Market Share (deposits and loans) • Digital customers • Cybersecurity performance	• PRB3 • PRB3 • PRB3
EFFICIENCY				
TO HAVE THE BEST TALENT	• Talent attraction and retention	4 5 8 10 4.3, 4.4, 4.5, 5.1, 5.5, 8.5, 8.6, 8.8, 10.2	• Diversity and inclusion • Work environment management • Internal Development Promotion	• PRB4 • PRB4 • PRB4
SIZE				
TO PROMOTE LOCAL DEVELOPMENT	• Multisector Articulation • Management of Programs with a Social Impact • Relation with key suppliers	1 3 4 8 11 17 1.4, 3.2, 3.8, 4.1, 4.3, 4.b, 8.3, 8.6, 8.7, 11.4, 17.17	• Presence in national and international initiatives • Financial Inclusion • Social Impact Measurement • Supplier Evaluation and Development	• PRB3 • PRB3, PRB5 • PRB4 • PRB4
EXPERIENCE				
TO MINIMIZE ENVIRONMENTAL IMPACTS	• Environmental management • Issuances • Products and services under social and environmental criteria	7 8 12 13 17 7a, 7b, 7.2, 7.3, 8.4, 12.2, 12.4, 12.5, 13.1, 13.3, 13.b, 17.19	• Management of critical consumption and waste • Measurement of carbon footprint • Environmental and social risk analysis • Percentage of green portfolio	• PRB2 • PRB2 • PRB3 • PRB3

PRESENTATION OF THE GROUP ORGANIZATION AND STRUCTURE



GRUPO FINANCIERO GALICIA

BANCO GALICIA 100%

NARANJA 83%

OTHER 17%

	BANCO GALICIA	NARANJA
CUSTOMERS[3]	2,721,215*	3,013,743
EMPLOYEES	6,118	3,079
BRANCH OFFICES	326	202
CUSTOMERS OPERATING IN DIGITAL CHANNELS	57.72%	48.69%

Founded in 1905, **BANCO GALICIA** is one of the largest private-sector domestically-owned banks in the Argentine financial system. Through its physical and digital distribution channels, the Bank markets a broad spectrum of financial products and services to individuals and corporations across the country. Banco Galicia defines customer experience and digital transformation as strategic focuses to achieve successful growth efficiently. The Bank also promotes sustainable management that is grounded on the belief that business can only grow successfully if operations are conducted based on their social and environmental impact. This responsibility is supported by principles and purposes that guide the conduct of our employees and is reflected and materialized in our policies, practices and programs.

NARANJA is the main credit card issuer in Argentina and the leading brand in the interior of the country. It was launched in Córdoba in 1985 to provide in-house customer financing at the sports store Salto 96, founded by physical education professors, David Ruda and Gerardo Asrin. In 1995, Banco Galicia turned into its shareholder, thus favoring its expansion throughout Argentina, together with new financial plans and services for customers. This confidence accelerated and strengthened its growth. In 2017 it renewed its identity by changing its name to just Naranja, with the aim of expanding the product and service portfolio through omnichannel marketing, innovation and digital transformation. As a result of ongoing developments, this year, Banco Galicia launched Naranja X, a technological company created with the vision of becoming an operating system for the people, seeking to solve their financial and non-financial life.

*As of 2019, the counting criterion was modified compared to that of 2018, based on Active customers and Responsible Tax payers.

GRUPO FINANCIERO GALICIA[2] INCLUDES BANCO DE GALICIA Y BUENOS AIRES S.A.U, (BANCO GALICIA), TARJETAS REGIONALES S.A. (NARANJA), SUDAMERICANA HOLDING S.A. (GALICIA SEGUROS), GALICIA ADMINISTRADORA DE FONDOS S.A. E IGAM L.L.C**.
CREATED IN 1999 AND ORGANIZED UNDER THE LAWS OF THE ARGENTINE REPUBLIC, GRUPO FINANCIERO GALICIA IS ONE OF THE MAJOR FINANCIAL SERVICES HOLDING COMPANIES IN THE COUNTRY.
IT PROVIDES SAVINGS, CREDIT AND INVESTMENT OPPORTUNITIES TO BOTH INDIVIDUALS AND COMPANIES, AND ITS BOARD OF DIRECTORS IS DEEPLY COMMITTED TO CUSTOMER EXPERIENCE AND SUSTAINABLE DEVELOPMENT.

GALICIA SEGUROS 87.5%

12.5%

GALICIA ADMINISTRADORA DE FONDOS 100%

CUSTOMERS	2,179,224
EMPLOYEES	390
BRANCH OFFICES	_[1]
FIRST 100% DIGITAL, SELF-MANAGED INSURANCE	100%

CUSTOMERS	67,499
EMPLOYEES	44
BRANCH OFFICES	_[4]
NUMBER OF OPERATIONS THROUGH DIGITAL CHANNELS	97.8%

GALICIA SEGUROS started conducting its business activities in 1996. It is a consolidated company with more than 20 years in the industry, leading in Home, Theft, and Personal Accident insurance, with financial support and a clear customer-oriented approach. It has not only the most complete coverage, but also the simplest service and the warmth of being present in people's lives supporting all their needs. And this always comes with responsible financial management to ensure business profitability. In 2016 the company restated its strategy and redefined its corporate purpose and values within the framework of the organizational culture and change project.

Since 1958, **GALICIA ADMINISTRADORA DE FONDOS** has been managing FIMA mutual funds, distributed by Banco Galicia through its multiple channels (branch network, Galicia Online Banking, and Investments Center, among others). The company has a team of asset management professionals who manage the FIMA's family of funds, designed to satisfy the requirements of individual, business, and institutional investors.

1. Galicia Seguros' Head Office is located at Maipu 241, Autonomous City of Buenos Aires. Even though it does not have branches of its own, it has customer service officers at Banco Galicia's Corporate Banking Centers throughout Argentina.
2. Grupo Financiero Galicia will hereinafter be referred as Group.
3. The information shows each company's customers, considering that the same customer can be accounted for in more than one company.
4. Galicia Administradora de Fondos operates through all Banco Galicia's branches
** Holding Company of Galicia Valores.

2019 HIGHLIGHTS

FINANCIAL CAPITAL



PROFITABILITY AND CREDIT STANDING

The Group increased its creditworthiness level and profitability through efficient management, both in nominal and real terms.



NEW BUSINESS LINES

NaranjaX was launched within the framework of new business strategies.



ISSUANCE OF DEBT SECURITIES

Banco Galicia has issued Class VI and VII Debt Securities, placing in the market US$ 83 million and Ps. 4,182 million, respectively.

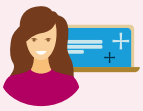


INTELLECTUAL CAPITAL



ORGANIZATION OF THE FIRST TRIBES

The Group is taking steps forward to develop a new organizational design based on a criterion of agility to enhance customers' experience.



CREATION OF THE DIGITAL TRANSFORMATION OFFICE

Banco Galicia created this Office to accompany the employees with the digital transformation based on the OKR (Objectives & Key Results) Methodology: a collaborative process of working to achieve certain goals.



NEW LEARNING MODEL

Banco Galicia consolidated the Digital Academy, a space to develop key skills for the transformation, with initiatives according to different needs for the development of new roles.

MANUFACTURED CAPITAL



LAUNCH OF NARANJA X

NaranjaX is a technological company, an app created with the vision of becoming the operating system of the people, seeking to solve their financial and non-financial life.



LAUNCH OF FONDO FUTURO

Galicia Seguros launched the first retirement insurance 100% digital procurement, thus becoming the first company in Argentina to be able to issue a policy under this modality.



LAUNCH OF "E-CHECK": THE ELECTRONIC CHECK

Banco Galicia implemented electronic checks operation, where the SMEs customers issued 4,800 e-checks, making it the main platform to operate with a market share of 75% of electronic checks.



SOCIAL CAPITAL

REINFORCEMENT OF FINANCIAL EDUCATION PROGRAM

In addition to the Banco Galicia in-person workshops with young people and adults, there are office visits for high schools and hands-on advice for the efficient use of money in social media. Besides, Naranja launched training meetings on personal finances for female entrepreneurs and teenagers.

REINFORCEMENT OF THE "POTENCIAMOS TU TALENTO" PROGRAM

The Bank expanded the geographic scope of its University Scholarship Program to 11 provinces, helping 211 students.

17-YEAR COMMITMENT WITH VOLUNTEERING

Through Interactive Program Aid by the Region (Programa Interactivo de Ayuda por Regiones, PRIAR) of Banco Galicia and Galicia Seguros, and the Naranja volunteering program, 19% of all the companies of the Group actively participate in solidarity projects that seek to leave a certain skill installed in public good entities.

HUMAN CAPITAL

GPTW RANKING

Work environment management is a key pillar of our administration to achieve an excellent employee experience. This is carried out using the Great Place to Work survey, where Banco Galicia ranked 1st, Naranja 2nd, and Galicia Seguros 5th this year.

IMPLEMENTATION AND DESIGN OF A NEW TALENT MAPPING

The concepts of Learning and Agility were included this year to identify profiles with great transformation skills, recognizing the importance of critical knowledge and the need to build up loyalty in this respect.

LAUNCH OF GALICIA AGILE CAMP

In order to experience agility first hand, take up challenges, engage in purposeful conversations and get to know new paths to follow, spaces combining the best features of an Open Space, Plenary Talks, Lightning Talks and Recreational Activities were created.

NATURAL CAPITAL

EXPANSION OF ISO 14001 TO PLAZA GALICIA

Banco Galicia certified its Plaza Galicia building—LEED Gold certification—under ISO 14001/2015 for the first time, and recertified its Torre Corporativa Galicia building for the tenth year in a row.

ENERGY EFFICIENCY AND RENEWABLE ENERGIES

Banco Galicia achieved a 30% of electric power consumption from renewable energy sources, outdoing the 12% required by law for 2019.

FUND FOR ENVIRONMENTAL CONSERVATION (FOCA)

With 54 financed and 1,190 submitted projects, Fondo para la Conservación Ambiental (FOCA) completes its lifecycle after having published 8 compilations with the outcomes of all funded projects addressing issues such as biodiversity conservation, sustainable agricultural practices, efficient energy use and waste management.

102-18

02

CORPORATE GOVERNANCE



THE GROUP CORPORATE GOVERNANCE IS IN THE HANDS OF ITS BOARD OF DIRECTORS, WHICH HAS ROLES AND RESPONSIBILITIES THAT ARE DEFINED ACCORDING TO CURRENT APPLICABLE LAWS IN OUR COUNTRY. THE BOARD LOOKS AFTER THE SUSTAINABILITY OF THE BUSINESS AND SOCIETY IN GENERAL, BY MEANS OF RESPONSIBLE, TRANSPARENT AND EFFICIENT DECISION-MAKING TO CONTRIBUTE TO SUSTAINABLE DEVELOPMENT FROM OUR ROLE AS A FINANCIAL INSTITUTION.

CORPORATE GOVERNANCE

THE HIGHEST GOVERNING BODY OF THE GROUP IS THE BOARD OF DIRECTORS, WHICH IS FORMED BY A CHAIRMAN, A VICE-CHAIRMAN, 7 REGULAR DIRECTORS AND 4 ALTERNATE DIRECTORS. THE BOARD DEFINES THE LONG-TERM BUSINESS STRATEGY FOCUSING ON STAKEHOLDERS' DEMANDS AND EXPECTATIONS, REFERENCE SOCIAL AGENTS, AND THE GUIDELINES AND STANDARDS WHICH WE ADHERE TO.

THE BOARD HOLDS FORMAL MEETINGS AT LEAST ONCE A MONTH TO SET BUSINESS GOALS, APPROVE BUDGETS AND STRATEGIC AND INVESTMENT MANAGEMENT PLANS, AND VALIDATE THE SOCIAL AND ENVIRONMENTAL POLICY.

AS A FINANCE GROUP, OUR COMPANIES ARE GOVERNED BY A WIDE RANGE OF RULES AND REGULATIONS. OUR OPERATIONS COMPLY WITH THE BCRA LEGISLATION[4] AND THE CODE OF PRACTICE.

AS A COMPANY LISTED IN THE MARKETS OF THE UNITED STATES OF AMERICA, THE GROUP COMPLIES WITH THE REQUIREMENTS SET FORTH BY THE SARBANES OXLEY ACT (SOX)[5]. FURTHERMORE, THE GROUP COMPLIES WITH THE CORPORATE GOVERNANCE PRINCIPLES SET FORTH IN THE CODE ON CORPORATE GOVERNANCE[5] REQUIRED BY THE RULES OF THE NATIONAL SECURITIES COMMISSION (COMISIÓN NACIONAL DE VALORES, CNV).

BOARD OF DIRECTORS OF GRUPO FINANCIERO GALICIA

EDUARDO J. ESCASANY	Chairman
PABLO GUTIÉRREZ	Vice Chairman
ABEL AYERZA	Regular Director
FEDERICO BRAUN	Regular Director
SILVESTRE VILA MORET	Regular Director
DANIEL A. LLAMBIAS	Regular Director
ENRIQUE M. GARDA OLACIREGUI* **	Regular Director
RICARDO A. GONZALEZ* **	Regular Director
CLAUDIA ESTECHO*	Regular Director
PEDRO A. RICHARDS	Regular Director
SERGIO GRINENCO	Alternate Director
ALEJANDRO M. ROJAS LAGARDE*	Alternate Director
ANA M. BERTOLINO*	Alternate Director

* Independent Director

** After Enrique M. Garda Olaciregui passed away on December 30, 2019, this position has been filled by Ricardo A. Gonzalez until the next Shareholders' Meeting.

SUPERVISORY COMMITTEE

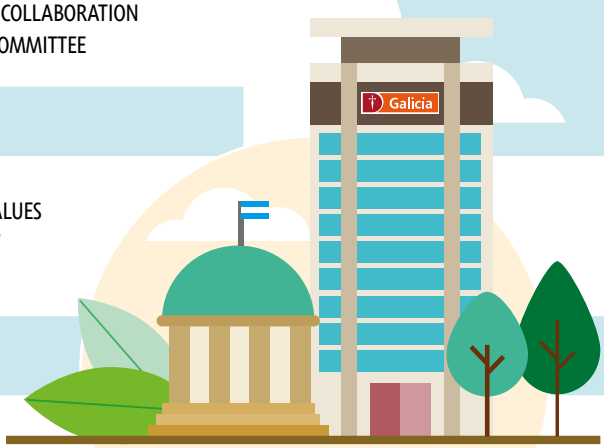
ANTONIO ROBERTO GARCÉS	Syndic
JOSÉ LUIS GENTILE	Syndic
OMAR SEVERINI	Syndic
MIGUEL NORBERTO ARMANDO	Alternate Syndic
FERNANDO NOETINGER	Alternate Syndic
HORACIO TEDÍN	Alternate Syndic

4. http://www.bcra.gov.ar/
5. SOX aims to create a transparency framework for the financial activities and reports of companies listed on the New York Stock Exchange.
6. This Code includes good corporate governance guidelines to provide business management with greater transparency.

IT IS EVALUATED BY THE SHAREHOLDERS' MEETING, WITH THE COLLABORATION OF THE SUPERVISORY COMMITTEE

IT DEVELOPS FEATURES UNDER THE VALUES OF RESPONSIBILITY, TRANSPARENCY, RESPECT AND CONFIDENCE IN WORK TEAMS

IT EVALUATES THE PERFORMANCE OF THE GROUP AND ITS LEADERS BASED ON THE PROPOSED BUSINESS GOALS



OUR CORPORATE GOVERNANCE

IT HAS A COMPENSATION POLICY RELATED WITH BUSINESS SUSTAINABILITY

ITS PERSONAL AND PROFESSIONAL ATTRIBUTES STAND OUT

ENGAGES IN PERMANENT TRAINING DISSEMINATES OUR SUSTAINABILITY PRINCIPLES IN MEETINGS, FORUMS AND CONGRESSES

IT COMMUNICATES FLUENTLY WITH THE STAKEHOLDERS THROUGH THE STRATEGIC MANAGEMENT

AUDIT COMMITTEE

It was created as a body with no executive functions, whose purpose is to provide the Company's Board of Directors with assistance in overseeing the Financial Statements, as well as in controlling the company and its subsidiaries. This Committee complies with requirements established by local and foreign regulations, on the markets where the Company's securities are listed. Its activities include the issuance of the report on the activities carried out; the annual planning of the Committee's activities and the allocation of means for its operation; the evaluation on the independence, working plans and performance of the External and Internal Audits; the evaluation of reliability of the financial information submitted to the Regulatory Authorities and the industries where its shares are listed; and the issuance of an Annual Report assessing the reasonableness of Directors' compensation.

EXECUTIVE COMMITTEE

The Executive Committee was formed to contribute to the management of the Company's ordinary and usual business for a more efficient fulfillment of the Company's Board of Directors' mission. Some of its duties include: gathering legal, economic, financial and business information on the Company's subsidiaries and investee companies, making investment decisions, appointing the Company's first-tier managers, proposing a strategic plan for the Company and its subsidiaries, making annual budget estimates for the Board of Directors, and performing risk assessments.

ETHICS, CONDUCT AND INTEGRITY COMMITTEE

The Ethics, Conduct and Integrity Committee was created as part of the action taken within the framework of the Company's Ethics and Integrity Program, in order to promote compliance with standards, principles of good conduct and the Code of Ethics. The objective of this Committee is, among other duties that may be contemplated in the legal standards, to monitor and analyze reports of conducts contrary to the Code of Ethics, and rule on them; to evaluate the evolution and effectiveness of the entity's Ethics and Integrity Program; and to plan, coordinate and supervise compliance with the relevant policies approved by this Committee.

NOMINATIONS AND COMPENSATION COMMITTEE

The Nomination and Compensation Committee was created to facilitate the analysis and monitoring of several issues based on good corporate governance practices. The purpose of this Committee is mainly to assist the Board of Directors in the preparation of the proposal to nominate candidates to fill the positions in the Board of Directors; prepare and design a succession plan for the members of the Board of Directors, especially for the Chairman of the Board and the Chairman of the Audit Committee, taking into account their duties, background, training and professional experience; and determine the compensation levels in accordance with industry standards considering the duties, levels of complexity and variety of the topics addressed, for similar companies.

DISCLOSURE COMMITTEE

This Committee was created with the purpose of complying with what is recommended by the Sarbanes-Oxley Act of 2002 of the United States of America, since Grupo Financiero Galicia is a listed company on the NASDAQ Capital Market. Some of its functions are: monitoring the Company's internal controls, reviewing the financial statements and other information published, preparing the reports on the activities carried out by the Committee for the Board of Directors. The Committee's operation has been gradually adapted to local legislation and currently performs important administrative and information functions that are used by the Board of Directors and the Audit Committee, thus contributing to the transparency of the information provided to the markets.

Strategic Management

In addition to the Group's Board of Directors, the companies that form it have a corporate governance structure that includes the General Manager of Banco Galicia and an Executive Committee made up of 10 Area Managers. They carry out executive functions for comprehensive compliance with the Strategic Vision and the specific business plans of each entity.

BANCO GALICIA

SERGIO GRINENCO	Chairman
RAÚL H. SEOANE	Vice Chairman
GUILLERMO JUAN PANDO	Secretary Director
MARIA ELENA CASASNOVAS[1]	Regular Director
JUAN CARLOS L'AFFLITTO	Regular Director
GASTÓN BOURDIEU	Regular Director
ENRIQUE GARCÍA PINTO[3]	Alternate Director
IGNACIO A. GONZALEZ[2]	Alternate Director
AUGUSTO ZAPIOLA MACNAB[2]	Alternate Director

NARANJA

ALEJANDRO ASRIN	Chairman
DAVID RUDA	Honorary Chairman

GALICIA SEGUROS

SEBASTIÁN GUTIÉRREZ	Chairman

GALICIA ADMINISTRADORA DE FONDOS

EZEQUIEL ROSALES	Chairman

1. Independent Director
2. Independent Directors
3. Deceased 02-18-2020

- FABIÁN KON — GENERAL MANAGER
- BRUNO FOLINO — PLANNING AND FINANCING
- PABLO LEÓN CASTRO — FINANCIAL BANKING
- MARCELO IRAOLA — WHOLESALE BANKING
- MIGUEL PEÑA — TARJETAS REGIONALES
- FLAVIO DOGLIOLO — CUSTOMER EXPERIENCE
- MARCELA FERNIE — INTEGRATED CORPORATE SERVICES
- GERMÁN GHISONI — RETAIL BANKING
- SEBASTIÁN GUTIÉRREZ — GALICIA SEGUROS
- DIEGO RIVAS — RISK MANAGEMENT
- RAFAEL BERGES — INDIVIDUALS

03

COMPREHENSIVE RISK MANAGEMENT



GRUPO FINANCIERO GALICIA, THROUGH ITS BOARD OF DIRECTORS, IS COMMITTED TO MANAGING RISKS IN A COMPREHENSIVE MANNER IN COMPLIANCE WITH CURRENT STANDARDS; GUIDING EVERY ACTION TOWARDS THE BUSINESS GOALS, ENSURING A MANAGEMENT WITHIN AN ETHICAL FRAMEWORK, AND IN COMPLIANCE WITH THE CURRENT POLICIES AND REGULATIONS.

INTERNAL RISK CONTROL STRUCTURE

THE RISK MANAGEMENT DEPARTMENT, ALONG WITH OTHER CORPORATE GOVERNANCE AREAS, ARE RESPONSIBLE FOR GRUPO FINANCIERO GALICIA'S COMPREHENSIVE RISK MANAGEMENT FOLLOWING THE BEST INTERNATIONAL PRACTICES, ENSURING INDEPENDENCE FROM OTHER BUSINESS AREAS, BUT, AT THE SAME TIME, PARTICIPATING IN BUSINESS DECISION-MAKING AND BEING ORIENTED TOWARDS OPTIMIZING RISK PROFILE BY USING STATE-OF-THE-ART TOOLS AND SYSTEMS FOR IDENTIFYING, MEASURING, MONITORING AND MITIGATING EACH AND EVERY TYPE OF RISK.

TO ENSURE INTERNAL RISK CONTROL AND MANAGEMENT, WE HAVE 3 LEVELS OF COMMITTEES IN PLACE AT BANCO GALICIA. THEY MAKE UP THE INTERNAL CONTROL STRUCTURE INVOLVED IN TERMS OF DEFINITION, ASSESSMENT, AND MONITORING:

3 LEVELS OF INTERNAL CONTROL

LEVEL 1

BOARD OF DIRECTORS COMMITTEES

Risk and Capital Allocation Committee (CoRAC); Strategy and New Business Committee; Asset and Liability Committee (ALCO); Liquidity Crisis Committee; Money Laundering and Terrorist Financing Prevention and Control Committee; Compliance Committee; High Credits Committee, Low Credits Committee, and Protection and Defense of Financial Services Users Committee.

LEVEL 2

INTERNAL COMMITTEES FOR THE IMPLEMENTATION OF THE RISK STRATEGY

Financial Risk Committee; Operational Risk and IT Committee; Wholesale Policy Committee, Retail Policy Committee, Model Risk Committee, Conduct Committee; Capital Committee; Information Assets Protection Committee; and Reputation Risk Crisis Committee.

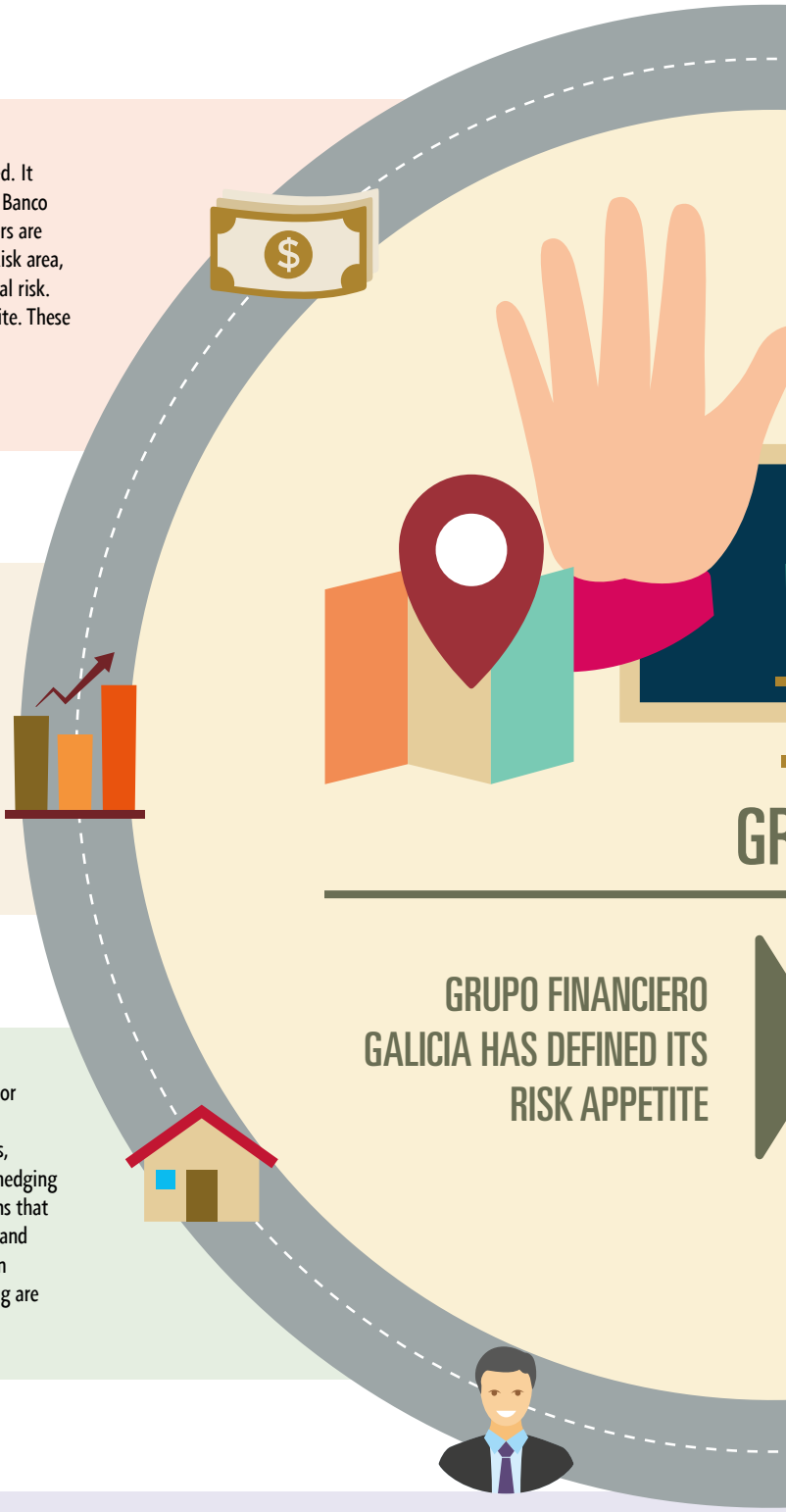
LEVEL 3

INTERNAL RISK CONTROL COMMITTEES

Senior Loan Committee;
Classification and Review Committee.

CAPITAL RISK (or Solvency)

It is considered as one of the most relevant risks to be measured and mitigated. It entails not having enough capital to meet unexpected losses and to maintain Banco Galicia's market share. In order to accurately measure this risk, two capital tiers are monitored, namely: Economic Capital and Regulatory Capital. The Financial Risk area, within the Risk Management Department, is responsible for monitoring capital risk. Financial Risk follows up the Profitability and Solvency metrics in Risk Appetite. These are the main indicators due to their strategic relevance.



FINANCIAL RISK

This phenomenon is inherent in financial brokerage. The exposure to different financial risk factors is a natural circumstance in this industry and, even though it cannot be avoided completely, factors, such as financial asset and product prices and quotes, interest rate fluctuations, etc., should be identified and managed under a specific policy framework, considering risk appetite to fulfill long-term strategic goals.

CREDIT RISK

Credit risk stems from the possible losses that can be sustained due to the total or partial non-compliance with financial obligations undertaken in connection with consumer financing by customers or counterparties. To manage these risk factors, several loan portfolio classification indicators are monitored (portfolio quality, hedging for nonperforming portfolio, default, roll rates, etc.) in order to detect situations that may affect the normal course of business and noncompliance with the strategy, and cause undesired results and/or situations of vulnerability when facing changes in market conditions. Portfolio classification and portfolio concentration monitoring are carried out in accordance with Central Bank rules and regulations.

OPERATIONAL RISK

It refers to the risk of losses resulting from the failures or inadequacy of internal processes, human resources and IT systems, or stemming from external events. This definition includes the legal risk. Operational risk management involves the financial institution's policies, practices, procedures and structures for proper management. The Bank developed a new tool in 2019 to analyze more quickly the risks related to new products and services before market launch. This tool is intended to guarantee that all areas are aware of any new launches, while identifying and assessing any associated risks in order to pass them on to the corporate governance, and ensure compliance with current rules and regulations.



ROUP RISK MAP

IN THIS WAY, THE GROUP SETS THE LEVEL OF RISK IT IS WILLING TO TAKE IN ORDER TO ACHIEVE THE STRATEGY DEFINED BY THE SHAREHOLDERS. THIS RISK IS MONITORED BY MEANS OF METRICS AND THRESHOLDS ASSOCIATED WITH THE MAIN RISKS TAKEN BY THE COMPANIES OF THE GROUP, WHICH HAVE 8 DIMENSIONS:

IT RISK

These risks are associated with the use, ownership, operation, involvement, influence and/or implementation of IT solutions at the entity (data theft, affected accounts, destroyed files, non-operative systems or degraded services), and they can have strategic, financial, operational, regulatory, legal and/or reputational consequences, even more so in a context where technology has a high impact on business development. Banco Galicia's management approach has comprised, since 2019, the inclusion of new risk sources, the introduction of these issues in "Agility" discussions (related to the Digital Transformation process), the development of a table with different indicators, and internal documentation improvements.

CYBERSECURITY RISK

It is a subset of IT risks and consists of threats, vulnerabilities and potential impacts that can affect the Group's processes and/or technologies. Customer- and service-focused improvements were made this year in digital channels, such as replacement of the Coordinates Card with a Token, detecting unusual behaviors, etc.

REPUTATIONAL RISK

It derives from perceptions of the Bank by different stakeholders[6], whose opinion may negatively impact on capital, income, business development expectations or funding sources. It can stem from the materialization of other risks: Legal, Compliance, Operational, Technological, Strategic, Market, Liquidity, Credit risks, etc. Since 2019, the Bank has protocols and agreements between different areas to address the treatment of emerging issues, as well as tools to manage more expeditiously any situation that may damage your Image and Brand in Social Networks.

ENVIRONMENTAL AND SOCIAL RISK

Banco Galicia manages indirect loan risks and analyzes potential environmental and social risks which may be posed by the investment projects it finances. This analysis is conducted for financial loans of Ps. 23.6 million, and the Equator Principles are applied to loans of US$20 million or more. This is the only local bank that has voluntarily endorsed this international initiative. Furthermore, it monitors any projects financed through the Green Bond.

WE BOOST CORPORATE POLICIES PRONE TO MITIGATE VERIFIED (OR POTENTIAL) DEVIATIONS FROM THE ACCEPTED RISK LEVELS. THIS YEAR WE COULD MAINTAIN 82.1% OF THE METRICS BELOW APPETITE THRESHOLDS.[7]

6. To know the Group's stakeholders, see page XX.
7. The measurement was made on a total of 50 metrics that measure the performance of the risks which the Bank is exposed to.

04

CONTEXT IN WHICH THE GROUP OPERATES



- THE ECONOMY
- THE FINANCIAL SYSTEM
- OPPORTUNITIES AND RISKS
- PRINCIPAL TRENDS



THE ECONOMY

The international context was marked by the return to expansive policies by the main central banks of the world, after starting to harden those policies slowly in 2018.

At local level, after a first half of the year where the harsh monetary policy had started to slowly contain the increase of the U.S. dollar exchange rate and inflation, the volatility created by the elections encouraged the depreciation of the peso, inflation acceleration and an interest rate surge that resulted in a deeper recession. Additionally, the absence of capital markets caused the government to implement short-term debt reprofiling and capital controls. The year ended with foreign exchange controls, interest rate cuts and temporary advance transfers by the Central Bank to the Treasury, leaving behind the previous contractionary monetary policy.

In 2019, global stock market indices recovered from marked drops by the end of 2018 in the face of the reinforcement of expansive monetary policies by major Central Banks, as well as the economic soundness of China and the United States. Particularly, the Federal Reserve joined the accommodative trend by reducing the benchmark interest rate ranges in three consecutive meetings during the end of 2019, after increasing them on four occasions the previous year. Conversely, global investors increased their risk aversion in view of the rising trade tension between the United States and the European Union, on the one hand, and the United States and China, on the other, and as a result of a greater slowdown in economic growth worldwide, mainly in the Eurozone. In spite of this, optimism resurged by the end of the year after China and the United States confirmed they had approved the first phase of a potential trade agreement to be signed in January 2020.

In this context, political uncertainty in Argentina resulting from the outcome of the Primary Elections (PASO) held in August finally closed the doors to the voluntary debt market for the Sovereign, while the expected disbursements from multilateral organizations were delayed, leading to emergency measures (such as the unilateral short-term debt reprofiling) in order to complete the financial program for the year.

The political/electoral atmosphere had an impact on the exchange and financial markets, intensifying their volatility. The Central Bank dealt with exchange rate hikes through several measures, such as interest rate increases, changes to the foreign exchange intervention policy, and changes to minimum cash requirements for financial institutions, to name just a few. At the same time, the monetary policy continued along the path outlined at the end of 2018, with monthly monetary goals which were adjusted on some occasions to meet the demand for money or the absorption/expansion of the monetary base as a result of the purchase/sale of foreign currency.

Nevertheless, after the Primary Elections, the Central Bank imposed new foreign exchange controls, which were tightened after the General Elections and were aimed at restraining the decline of International Reserves, in addition to implementing an expansive monetary policy, especially after the change of government, by means of temporary advance transfers to the Treasury and interest rate cuts. Furthermore, a tax on foreign currency purchases for saving purposes or with no specific use was imposed by the end of 2019, hindering the access to foreign currency. This tax adds to the quota per individual which was implemented after the election.

From a fiscal point of view, 2019 ended with a primary deficit of 0.5% of the GDP. This is an improvement compared to the "red" posted in 2018, which was partly caused by the implementation of new export taxes and the statistical rate increase, in addition to a slight cut in monetary subsidies and moderate capital expenditure.



THE FINANCIAL SYSTEM

Total loans provided to the private sector by the financial system climbed to Ps. 2,460,218 million in December 2019, up by 15.6% against the same month in 2018. Consumer loans, consisting of loans granted through credit cards and personal loans, posted the greatest growth, a 21.9% increase, totaling Ps. 985,658 million as of December 31, 2019. Likewise, commercial loans, consisting of current account overdrafts and drafts/bills (signature and purchased/discounted loans), finally totaled Ps. 980,919 million, an increase of 12.5% YoY. Mortgage loans, which were growing above the total a year ago, reported a 6.0% increase in the past 12 months, totaling Ps. 237,675 million by the end of the year.

Total deposits in the financial system climbed to Ps. 4,777,159 million as of the end of December 2019, up by 18.6% as compared to December 31, 2018. Deposits from the non-financial private sector increased 25.3% annually, climbing to Ps. 3,935,726 million, while public sector deposits totaled Ps. 757,545 million, down by 11.6% YoY. Within private sector deposits, transaction deposits ended at Ps. 2,281,213 million, a 28.3% hike YoY, and term deposits ended at Ps. 1,541,756 million, a 20.6% annual growth.

The nonperforming portfolio of loans to the non-financial private sector was 5.0% in November 2019, up from 2.9% the previous year. Hedging with allowances for private sector nonperforming loans was 99%, 27 p.p., i.e. lower than the measurement reported in the same month of 2018.

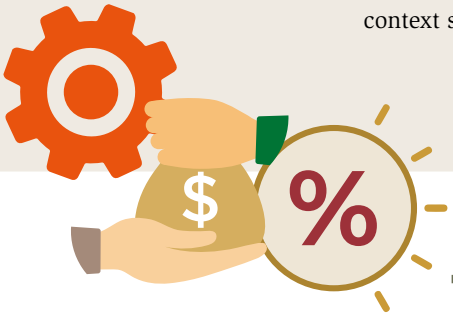


OPPORTUNITIES AND RISKS



In this framework, the risks and opportunities faced by GFG are noteworthy. The economic instability experienced by the country in recent years stands out as one of the greatest risks. Years of contraction of activities, exchange rate volatility, high inflation, excessive regulations on the sector and the implementation of reforms with uncertain outcomes are only examples of the challenges that the financial sector, in general, and Grupo Financiero Galicia, in particular, must face. In addition, as a consequence of some level of economic openness, the international context started to have a significant impact on the local economy. Thus, if certain events were to increase global uncertainty and affect emerging countries, they would have consequences in our country.

There are, however, opportunities in the financial business, mainly represented by the potential for growth. Argentina continues to show a financial system depth that is much lower than that seen in comparable countries such as Brazil, Colombia and Chile. Thus, in a scenario of macroeconomic normalization, the system could quintuple or more in the coming years (as measured using the Loan/GDP ratio).



PRINCIPAL TRENDS

Argentina's Financial Program for 2020 has not been completed yet. Access to debt market has not recovered yet and, at the same time, the new Governance has announced its intention to refrain from requesting the draw of the remaining financing authorized under the Stand-By Agreement executed with the International Monetary Fund (IMF). The new Government is developing a debt restructuring proposal, although the details of the schedule to be submitted to creditors is still unknown.

As regards the foreign exchange market, the current controls will give rise to a relatively stable context. After the depreciation that occurred in 2019, the price of the U.S. dollar is likely to tend to decrease throughout 2020, as long as the Central Bank allows the Argentine peso quotation to increase at a rate below local inflation.

With respect to the monetary policy, 2019 was mostly characterized by a great interest rate increase for the purpose of containing the devaluation of the Argentine peso. Nevertheless, the monetary policy became more relaxed by the end of the year. This is likely to continue in 2020, with interest rate cuts and Argentine pesos issuance.

In the fiscal front, the Ley de Solidaridad y Reactivación Productiva (passed at the end of 2019) set forth an increase of export taxes and the personal property tax rate, in addition to eliminating some changes planned for 2020, which would have had a negative impact on revenue if they had been implemented (for example, reduction of the highest income tax rate). Moreover, the application of the pension hike formula was cancelled and it will need to be reviewed by midyear. Instead, the Executive branch will grant discretionary increases to retired people, individuals with pension benefits, and welfare plan beneficiaries. All these changes would support tax revenue and reduce non-discretionary public expenditure to a moderate level, resulting in a positive impact on the primary fiscal income. However, discretionary adjustments could countervail completely the effect of increased revenue, leaving the primary income at similar levels as reported in 2019.

The financial system will continue to mediate with the private sector, while maintaining its funding structure based on deposits, generating short-term loans and maintaining high liquidity levels. For 2020, credit (in local currency), in terms of gross domestic product, is projected to grow again after two years of decline.

05

FINANCIAL CAPITAL



MANAGED WITH EFFICIENCY AND TRANSPARENCY



WE WORK TO BE THE LARGEST AND MOST VALUABLE HOLDING IN THE ARGENTINE FINANCIAL SYSTEM. OUR GOAL IS TO BE PROFITABLE BASED ON AN EFFICIENT MANAGEMENT OF RESOURCES, INNOVATIVE IN DESIGNING NEW BUSINESSES AND MANAGING RISKS WHILE HAVING SUSTAINABILITY AND CARE FOR SOCIETY IN MIND. WE PROMOTE TRANSPARENT ACCOUNTABILITY WITH OUR CUSTOMERS, EMPLOYEES, SHAREHOLDERS AND INVESTORS TO FIGHT AGAINST MONEY LAUNDERING AND ANY ACT OF CORRUPTION.





- **ANALYSIS OF EQUITY AND INCOME EVOLUTION**
- **REGULATORY CAPITAL**

ROE[1.2]	56.38
ROA[1.2]	6.47
FINANCIAL MARGIN[3]	20.93
EFFICIENCY RATIO[4]	38.77
CREDITWORTHINESS	16.70
INDEBTEDNESS	5.99

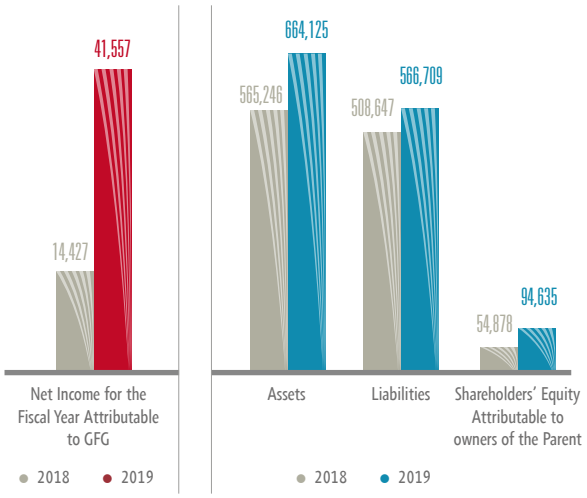
ANALYSIS OF CHANGES IN EQUITY AND INCOME

In the following analysis of changes in equity and income for fiscal year 2019, unless there is clarification to the contrary, data for GFG is consolidated, on a line-by-line basis, with the financial statements of the companies it controls directly or indirectly.

GFG and its subsidiaries are required to report their incomes in accordance with the conceptual framework based on the International Financial Reporting Standards ("IFRS") established by the Argentine Central Bank (BCRA); accordingly, the financial statements and this report are submitted in accordance with such standards.

SELECTED CONSOLIDATED INFORMATION

In millions of Argentine Pesos



1. Net income of the period attributable to GFG.
2. Annualized.
3. (Net income from interest + net income from commissions + net income of financial instruments + quotation difference + insurance premiums + certain items included in other operating income and expenses)/average profitable assets.
4. (Personnel expenses + administrative expenses + depreciation and impairment of assets)/(net income from interest + net income from commissions + net result from financial instruments + quotation difference + insurance premiums + certain items included in other operating income and expenses).



CONSOLIDATED ASSETS AND LIABILITIES

Assets

GFG's consolidated assets composition is detailed below:

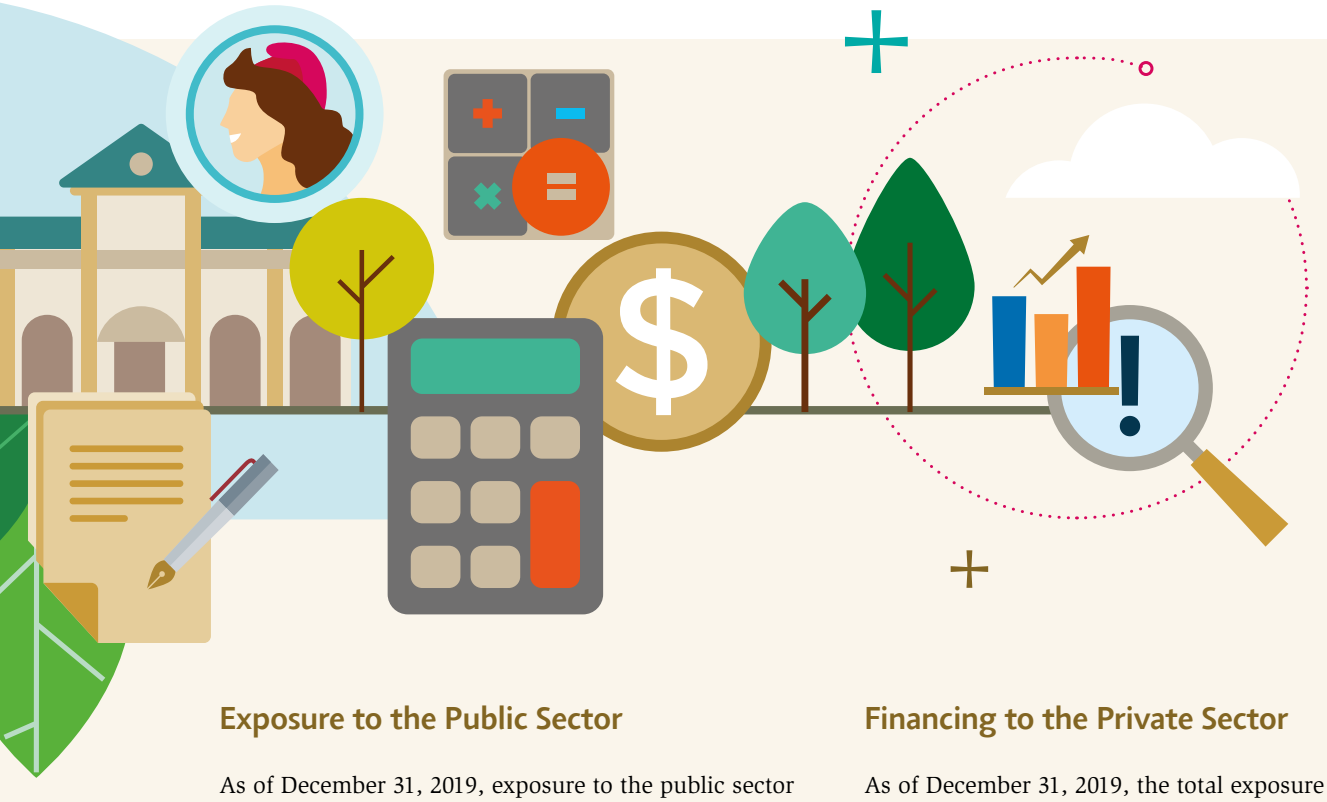
In millions of Argentine Pesos

	12/31/19	%	12/31/18	%
Cash and Due from Banks	130,819	20	143,309	25
Debt securities	65,690	10	75,989	13
Net loans and other financing	362,865	54	286,953	51
Other Financial Assets [13]	72,810	11	38,312	7
Property, plant and equipment	14,088	2	10,885	2
Intangible Assets	5,506	1	3,744	1
Others [14]	12,308	2	5,650	1
Assets Held for Sale	39	-	404	-
Total Assets	**664,125**	**100**	**565,246**	**100**

13. It includes derivative financial instruments, repurchase transactions, other financial assets, other debt securities, financial assets pledged as collateral, and investments in equity instruments.
14. It includes current income tax assets, deferred income tax assets, insurance contracts assets and other non-financial assets.

SALE OF PRISMA MEDIOS DE PAGO S.A.

IN FEBRUARY 2019, BANCO GALICIA SOLD **51%** OF ITS SHAREHOLDING IN PRISMA MEDIOS DE PAGO S.A., EQUIVALENT TO **3,182,444** SHARES, FOR **US$104** MILLION.



Exposure to the Public Sector

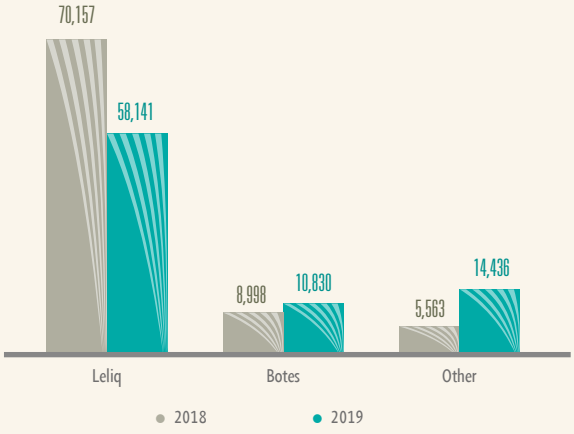
As of December 31, 2019, exposure to the public sector amounted to Ps. 113,464 million, with an increase of 31% compared to the previous fiscal year. A decrease of Ps. 12,070 million was registered in instruments issued by the BCRA. Excluding debt securities issued by the BCRA, such decrease was of Ps. 25,327 million, representing 4% of total assets, while as of December 31, 2018 such exposure amounted to Ps. 14,564 million, representing 3% of total assets.

NET EXPOSURE TO THE PUBLIC SECTOR
In millions of Argentine Pesos

	12/31/19	12/31/18
Government Securities - Net Position	**83,407**	**84,718**
Other Financial Assets	**30,057**	**2,059**
Repurchase transactions - BCRA	29,996	2,002
Loans and Other Financing	29	13
Trust certificates of participation and securities	32	44
Total Net Exposure to the Public Sector [24]	**113,464**	**86,777**

24. Deposits with the BCRA are not included, since these are assets through which Minimum Cash requirements set up by such entity are complied with.

Government Securities
In millions of Argentine Pesos



Financing to the Private Sector

As of December 31, 2019, the total exposure to the private sector amounted to Ps. 425,828 million, with an annual increase of 27%.

FINANCING TO THE PRIVATE SECTOR[25]
In millions of Argentine Pesos

	12/31/19	12/31/18
In Argentine pesos	**308,573**	**218,696**
Loans[25]	253,011	180,141
UVA-adjusted loans	26,936	17,438
Financial Leases	705	1,185
Debt securities	616	858
Other Financing [26]	27,305	19,074
In Foreign Currency	**117,255**	**117,407**
Loans	92,926	93,906
Financial Leases	1,521	1,013
Debt securities	334	4,338
Other Financing[26]	22,474	18,150
Total Financing to the Private Sector	**425,828**	**336,103**

25. Before allowances.
26. It includes off-balance-sheet items in connection with guarantees granted.

This increase is mainly due to the escalation in the loan portfolio in Argentine Pesos (42%).

Net loans and other financing

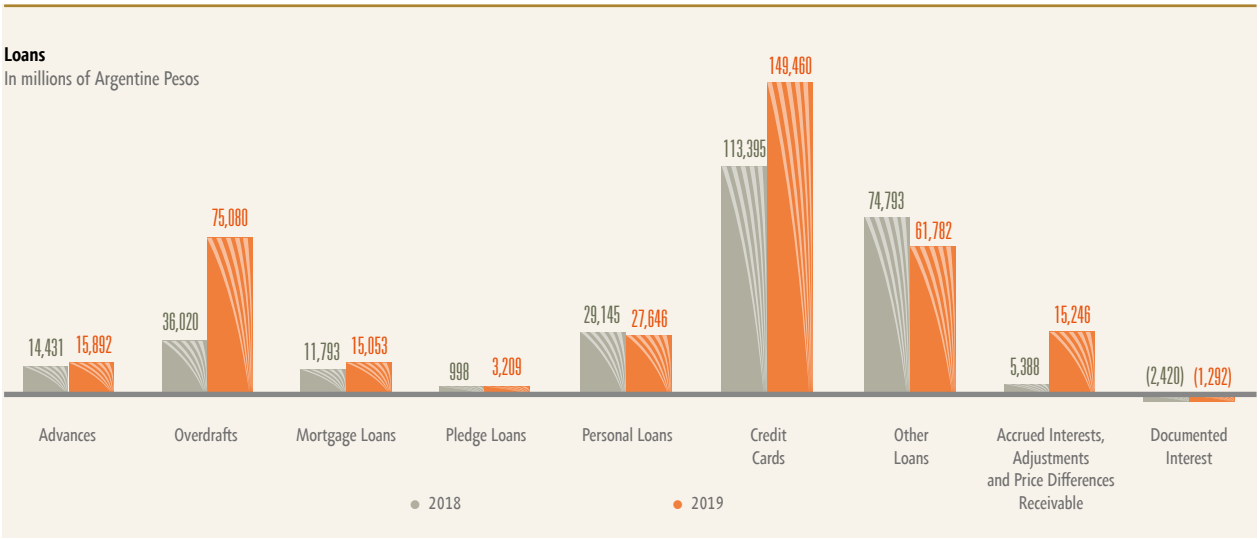
During 2019, **net loans and other financing** amounted to Ps. 362,865 million, being the most important item, with a 54% share of assets.

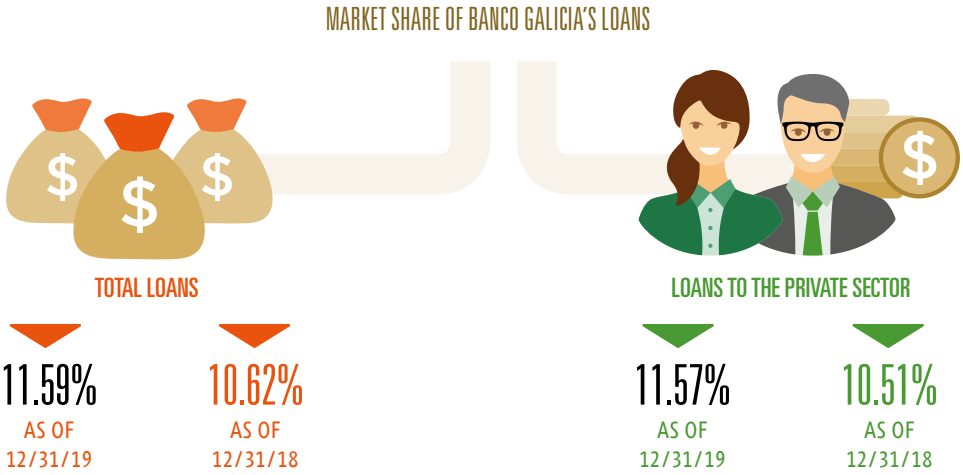
Loans to the private sector before allowances increased by 28%, as compared to the end of fiscal year 2018. Such increase was caused by the increase of documented loans (108%) and credit cards loans (32%).

BREAKDOWN OF LOANS AND OTHER FINANCING PORTFOLIO [16]
In millions of Argentine Pesos

	12/31/19	12/31/18
Financial Institutions	**10,818**	**7,943**
Loans	10,796	7,942
Other Financing	22	1
Non-financial Private Sector and Residents Abroad	**373,578**	**290,412**
Loans	362,076	283,543
Financial Leases	2,226	2,198
Other Financing	9,276	4,671
Non-financial Public Sector	**7**	**12**
Total Loans and Other Financing	**384,403**	**298,367**
Allowances	(21,538)	(11,414)
Loans	(21,281)	(11,307)
Financial Leases	(44)	(29)
Other Financing	(213)	(78)
Total Loans and Other Financing, Net	**362,865**	**286,953**

16. Before allowances.





Quality of the Loan Portfolio



COVERAGE OF NON-ACCRUAL LOAN PORTFOLIO **103.38%**

ANALYSIS OF THE LOAN PORTFOLIO QUALITY

In millions of Argentine Pesos, except for ratios

	12/31/19	12/31/18
Total Loans [17]	**372,879**	**291,497**
Non-Accrual Loan Portfolio [18]		
With preferred guarantees	1,286	492
With other guarantees	1,325	737
Without guarantees	17,975	9,096
Total Non-Accrual Loan Portfolio	**20,586**	**10,325**
Allowances for Uncollectible Accounts Risk	**21,281**	**11,307**
Ratios (%)		
Non-accrual Loan Portfolio as a Percentage of Loans to the Private Sector	5.52	3.54
Allowances for Uncollectible Accounts Risk / Loans to the Private Sector	5.71	3.88
Allowances for Uncollectible Accounts Risk / Non-Accrual Loan Portfolio	103.38	109.51
Non-Accrual Loan Portfolio with Guarantees/Non-Accrual Loan Portfolio	12.68	11.90

17. Before allowances.
18. The non-accrual loan portfolio includes loans with problems and medium risk loans, with high risk of insolvency and high risk, uncollectible and uncollectible due to technical regulations.

As of the year-end, the non-accrual loan portfolio amounted to Ps. 20,586 million, representing 5.52% of total loans to the private sector, and showing an increase of 198 basis points compared to the 3.54% registered in fiscal year 2018.

The coverage ratio of the non-accrual loan portfolio increased to 103.38% at the end of the fiscal year, compared to 109.51% registered in the end of fiscal year 2018.

In terms of private sector financing –which includes certain other receivable financial asset accounts, warranties granted and unused balances of loans granted– the non-accrual portfolio ratio represented a 4.94%, and its coverage reached 112.59%, compared to a 3.16% and 108.02%, respectively, as of December 31, 2018.

CHARGES FROM UNCOLLECTIBLE ACCOUNTS RISK - LOANS

In millions of Argentine Pesos, except for ratios

	12/31/19	12/31/18
Average Loans	**339,528**	**262,920**
Allowances for Uncollectible Accounts Risk at the Beginning of the Fiscal Year	**11,307**	**5,974**
Changes in the Allowances for Uncollectible Accounts Risk		
- Allowances made during the Fiscal Year	16,697	9,652
- Uses	(4,849)	(4,319)
- Reversals and adjustments	(1,874)	-
Allowance for Uncollectible Accounts Risk at Fiscal Year-End	**21,281**	**11,307**
Provisions Charged to Income during the Fiscal Year		
- Allowances for Loan Losses made (A)	(16,697)	(9,652)
- Direct Charges (B)	(781)	(568)
- Bad Debt Recovered [19]	394	399
Net Charge to the Income Statement	**(17,084)**	**(9,821)**
Ratios (%)		
- Charges (A+B) / Average Loans	5.15	3.89
- Net Charge to the Statement of Income / Average Loans	5.03	3.74

19. Recorded in Operating Income.

During 2019, allowances for loan portfolios were made for Ps. 16,697 million and charge offs were made for Ps. 4,849. Direct charges to the income statement represented a loss of Ps. 781 million. The net charge to the income statement amounted to Ps. 17,084 million, representing a 5.03% of the average loan portfolio for the fiscal year.

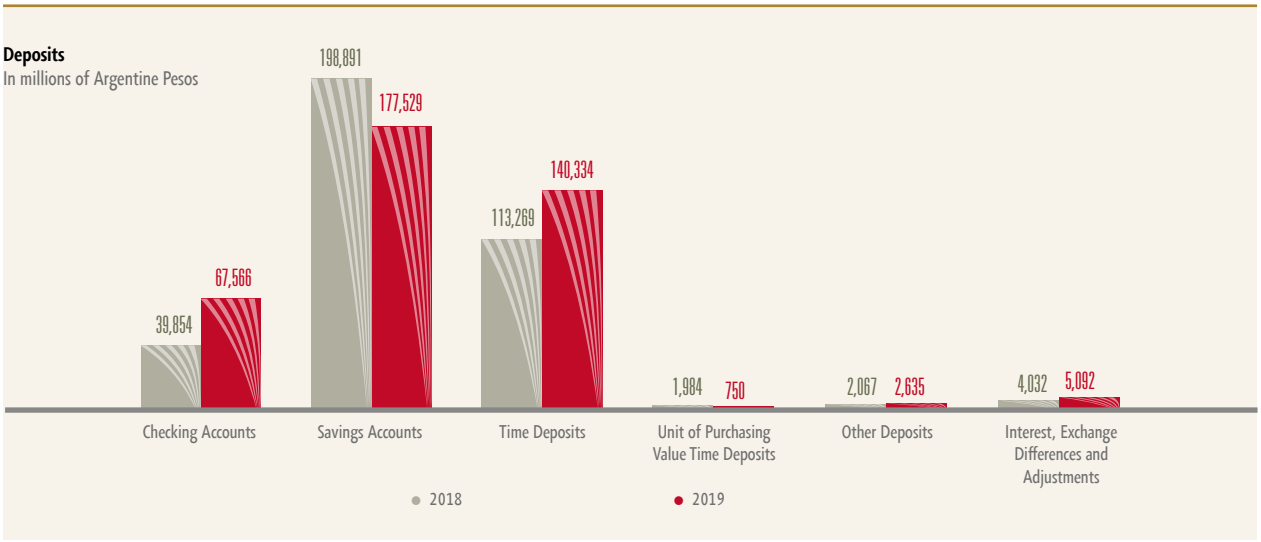
Funding and Liabilities

The structure and main components of the consolidated funding were as follows:

LIABILITIES AND SHAREHOLDERS' EQUITY
In millions of Argentine Pesos

	12/31/19	%	12/31/18	%
Deposits	**393,906**	**59**	**360,097**	**64**
Credit Lines	**22,724**	**3**	**19,446**	**3**
Argentine Central Bank	23	-	29	-
Local Banks	5,972	1	7,303	1
International banks and agencies	16,729	2	12,114	2
Subordinated and Non-Subordinated Debt Securities[1]	**44,740**	**7**	**39,752**	**7**
Other Liabilities[2]	**105,339**	**16**	**89,352**	**16**
Net Equity	**97,416**	**15**	**56,599**	**10**
Total Liabilities and Net Equity	**664,125**	**100**	**565,246**	**100**

30. Each item includes principal, interest accrued, exchange rate differences and premiums payable, as well as the Unit of Purchasing Value adjustment, where applicable.
31. It includes debts with stores due to credit card transactions, third-party billing in Argentine Pesos and foreign currency, miscellaneous obligations and allowances, among others.



The main sources of funding are private sector's deposits, which account for a 59% of total resources (including shareholders' equity).

Deposits

As of December 31, 2019, deposits amounted to Ps. 393,906 million, an increase of a 9% compared to the previous fiscal year. Such increase was mainly due to the escalation of fixed term deposits of a 24% and of deposits in checking accounts of a 70%.

MARKET SHARE OF BANCO GALICIA'S DEPOSITS



TOTAL DEPOSITS		PRIVATE SECTOR DEPOSITS	
8.23%	8.85%	9.92%	11.08%
AS OF 12/31/19	AS OF 12/31/18	AS OF 12/31/19	AS OF 12/31/18

MATURITY OF DEPOSITS[1] PURSUANT TO THEIR AGREED TERM
In millions of Argentine Pesos

								12/31/19
	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Up to 1 Year	1-5 Years	More than 5 years	Total
Argentine pesos	**241,984**	**1,892**	**270**	**404**	**244,550**	**11**	**-**	**244,561**
Savings Accounts	58,064	-	-	-	58,064	-	-	58,064
Demand Deposits	69,809	-	-	-	69,809	-	-	69,809
Time Deposits	114,111	1,892	270	404	116,677	11	-	116,688
Argentine pesos + Unit of Purchasing Value Adjustment	**1,833**	**75**	**13**	**3**	**1,924**	**-**	**-**	**1,924**
Savings Accounts	1,175	-	-	-	1,175	-	-	1,175
Time Deposits	658	75	13	3	749	-	-	749
Foreign currency[2]	**142,508**	**2,583**	**497**	**618**	**146,206**	**42**	**-**	**146,248**
Savings Accounts	89,849	-	-	-	89,849	-	-	89,849
Demand Deposits	32,070	-	-	-	32,070	-	-	32,070
Time Deposits	20,589	2,583	497	618	24,287	42	-	24,329
Total	**386,325**	**4,550**	**780**	**1,025**	**392,680**	**53**	**-**	**392,733**
Savings Accounts	**149,088**	**-**	**-**	**-**	**149,088**	**-**	**-**	**149,088**
Demand Deposits	**101,879**	**-**	**-**	**-**	**101,879**	**-**	**-**	**101,879**
Time Deposits	**135,358**	**4,550**	**780**	**1,025**	**141,713**	**53**	**-**	**141,766**

(1) Only principals, exclusive of interest. It includes Unit Purchasing Value (UVA) adjustment, if applicable.
(2) Stated in Argentine pesos, at a exchange rate of Ps. 59.90 per U.S. Dollar.

The highest concentration of time deposit maturities was in terms of up to 90 days, representing 96% of all time deposits. During December, the average term of collection of non-adjustable fixed term deposits in Argentine pesos was 41 days; for Unit of Purchasing Value-adjustable deposits, the average term was 195 days; and in foreign currency it was approximately 54 days.

Credit Lines

Local Banks and Agencies

As of December 31, 2019, credit lines granted by local banks and agencies amounted to Ps. 5,620 million.

This amount (principal plus interest) mainly corresponds to Ps. 5,094 million received from the Argentine Investment and Foreign Trade Bank (BICE), and Ps. 504 million of call received by the Bank.

International banks and agencies

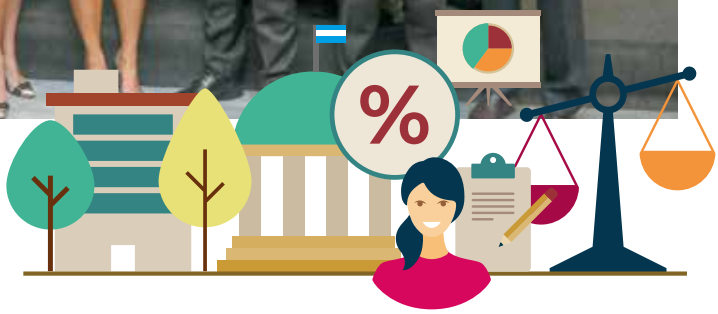
As of December 31, 2019, credit lines granted by international banks and agencies amounted to Ps. 17,104 million. This amount (principal plus interest) represented a US$-denominated debt subject to foreign law of which, mainly, Ps. 9,970 million corresponded to prefinancing and foreign trade transactions, and Ps. 5,562 million corresponded to funds received from the IFC.



Galicia Innovation Award.



PYME Clarín Banco Galicia 2019 Award



Debt securities

The debt securities are detailed below:

In millions of Argentine Pesos

	Currency	12/31/19	12/31/18
Banco Galicia			
Subordinated	USD	15,499	9,768
Simple	Ps.	12,734	9,200
Simple	USD	-	2,472
Green Bond	Ps.	6,170	3,851
Tarjeta Naranja			
Simple	Ps.	8,691	12,499
Tarjeta Naranja [33]			
Simple	Ps.	1,646	1,962
Total Debt Securities		**44,740**	**39,752**

33. Debt securities absorbed by Tarjeta Naranja S.A. resulting from the merger with Tarjetas Cuyanas S.A.

DEBT SECURITIES ISSUANCE

BANCO GALICIA HAS ISSUED CLASS VI AND VII DEBT SECURITIES, PLACING IN THE MARKET **US$82,7** MILLION AND **PS. 4,182** MILLION, RESPECTIVELY.

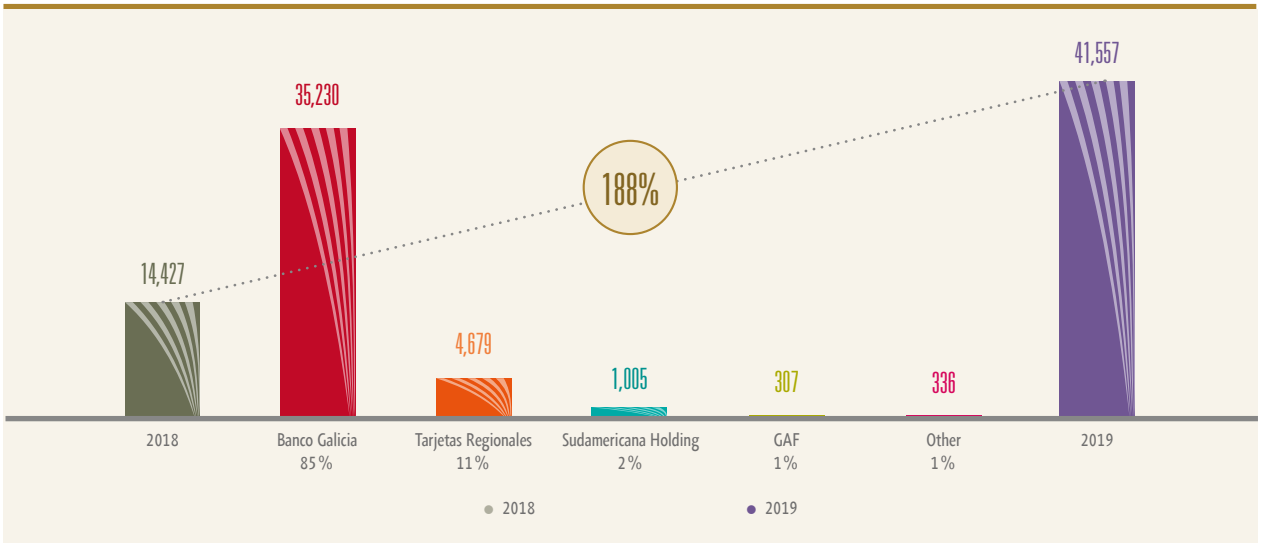
As of December 31, 2019, debt securities amounted to Ps. 44,740 million, of which Ps. 29,241 million corresponded to a Ps.-denominated debt, which comprised Ps. 18,904 million corresponding to debt securities and "Green Bonds" issued by Banco Galicia, and Ps. 10,337 million to debt securities issued by Tarjeta Naranja (including debt securities issued by Tarjetas Cuyanas that were absorbed due to the merger between both companies).

The debt denominated in US$ totaled Ps. 15,499 million, corresponding to subordinated obligations with a maturity date in 2026.

STATEMENT OF INCOME

During the fiscal year, GFG reached a net profit of Ps. 41,557 million, accounting for an increase of 188% as compared to the positive income of Ps. 14,427 million of fiscal year 2018. The comprehensive income attributable to GFG amounted to Ps. 41,757 million, with an increase of 191% as compared to the previous fiscal year.

INCOME EVOLUTION
In millions of Argentine Pesos



CONSOLIDATED STATEMENT OF INCOME
In millions of Argentine Pesos

	12/31/19	12/31/18
Net Income from Interest	30,239	27,324
- Interest Income	107,790	65,685
- Interest Expenses	(77,551)	(38,361)
Net fee income	22,467	18,319
- Fee income	28,345	21,109
- Fee related expenses	(5,878)	(2,790)
Net results from financial instruments	55,898	15,053
Exchange rate differences on gold and foreign currency	7,474	3,122
Other Operating Income.	16,237	7,587
Income from insurance activities	3,057	2,386
Loan and other receivables loss provisions	(20,340)	(10,326)
Net Operating Income	**115,032**	**63,465**
Personnel Expenses	(20,228)	(14,002)
Administrative Expenses	(19,936)	(14,457)
Depreciation and Impairment of Assets	(2,562)	(1,186)
Other Operating Expenses	(21,281)	(12,612)
Operating Income	**51,025**	**21,208**
Income tax	(8,510)	(6,471)
Income by discontinued operations [38]	-	52
Net Income for the Fiscal Year	**42,515**	**14,789**
Net income for the year attributable to non-controlling interest	958	362
Net Income for the Fiscal Year Attributable to GFG	**41,557**	**14,427**
Other Comprehensive Income	200	(75)
Total Comprehensive Income	**42,715**	**14,714**
Comprehensive income attributable to non-controlling interest	958	362
Comprehensive Income Attributable to GFG	**41,757**	**14,352**

38. Net of Income Tax

The annual income increase was mainly due to the 81% increase in net operating income resulting from a higher net income from financial instruments (271%), mitigated by higher loan and other receivables loss provisions (97%).

The return on average assets of the fiscal year amounted to 6.47%, and on average shareholders' equity, to 56.38%, as compared to 3.37% and 30.53%, respectively, of the previous fiscal year.



INVESTMENT IN NARANJAX

GRUPO FINANCIERO GALICIA CONTRIBUTED WITH PS. 500 MILLION TO TARJETAS REGIONALES IN ORDER TO DEVELOP THE NARANJA DIGITAL BUSINESS, COMPAÑÍA FINANCIERA S.A.U.

Yield of interest-earning assets and interest-bearing liabilities

The average balance of interest-earning assets and the related yields were:

YIELD OF INTEREST-EARNING ASSETS
In millions of Argentine pesos, except for rates (%)

	12/31/19		12/31/18	
	Principal	Rate	Principal	Rate
Interest-earning assets				
In Argentine pesos	**314,195**	**50.17**	**214,574**	**35.21**
Government Securities	92,476	59.37	33,763	39.40
Loans	202,333	44.22	173,445	34.20
Other interest-earning assets	19,386	68.47	7,366	39.87
In Foreign Currency	**115,415**	**4.53**	**74,344**	**5.06**
Government Securities	10,924	(17.34)	5,839	3.48
Loans	101,914	6.44	67,119	5.11
Other interest-earning assets	2,577	4.49	1,386	9.24
Total interest-earning assets	**429,610**	**37.91**	**288,918**	**27.45**

Average cost-effective assets amounted to Ps. 429,610 million, accounting for an increase of Ps. 140,692 million (49%), compared to Ps. 288,918 million from the previous fiscal year. Of said growth, Ps. 34,795 million correspond to the increase in the average loan portfolio in foreign currency. The average yield of cost-effective assets was 37.91%, with an increase of 1,046 basis points during the year.

The average interest rate on total loans was 31.56%, as compared to 16.09% for fiscal year 2018. The average interest rate of Ps.-denominated loans was 44.22%, 1,002 basis points higher than the 34.20% for 2018.

The average position of government securities was Ps. 103,400 million, Ps. 63,798 million higher than the Ps. 39,602 million for fiscal year 2018, due to the increase of Ps. 58,713 million in the average position of Ps.-denominated government securities.

The average yield of government securities position was 59.37% for the fiscal year, 1,997 basis points higher than the 39.40% for fiscal year 2018, as a result of a higher average rate in Argentine pesos of 1,797 basis points.

The average balance of interest-bearing liabilities and the related costs were:

YIELD ON INTEREST-BEARING LIABILITIES
In millions of Argentine pesos, except for rates (%)

	12/31/19		12/31/18	
	Principal	Rate	Principal	Rate
Interest-bearing liabilities				
In Argentine pesos	**190,481**	**38.74**	**133,943**	**27.74**
Savings Accounts	33,133	1.26	28,035	0.80
Time Deposits	129,784	46.87	80,637	34.49
Debt securities	22,711	42.96	19,866	35.71
Other interest-bearing liabilities	4,853	57.34	5,405	37.45
In Foreign Currency	**169,048**	**1.69**	**114,073**	**1.46**
Savings Accounts	103,473	-	68,780	-
Time Deposits	27,364	1.02	23,202	1.07
Debt securities	18,873	7.70	8,976	8.11
Other interest-bearing liabilities	19,338	5.83	13,115	5.21
Total Interest-bearing liabilities	**359,529**	**21.32**	**248,016**	**15.65**



XVII La Nación - Banco Galicia Award to Agricultural Excellence 2019.

Average interest-bearing liabilities amounted to Ps. 359,529 million, 45% higher than the Ps. 248,016 million in fiscal year 2018. This variation resulted from the increase of Ps. 93,100 million in total interest-bearing deposits (savings accounts and fixed time deposits), which amounted to Ps. 293,753 million at end of the fiscal year, whereas they amounted to Ps. 200,654 million at the end of the previous fiscal year.

Of the total average deposits, Ps. 162,917 million corresponded to Ps.-denominated deposits, and Ps. 130,836 million corresponded to foreign currency-denominated deposits, compared to Ps. 108,672 million and Ps. 91,982 million, respectively, in fiscal year 2018. Average deposits in Argentine pesos grew by 50%, with a 18% increase in deposits in savings accounts and 61% in fixed time deposits. Average deposits in foreign currency grew by 42% during the fiscal year, with a 50% increase in deposits in savings accounts and a 18% increase in fixed time deposits.

The average rate of fixed time deposits, which amounted to 20.95% during the fiscal year, was 686 basis points higher than that noted in the previous fiscal year, for the total interest-bearing deposits (savings accounts and fixed time deposits). Interest-bearing deposits in Argentine pesos accrued a 37.60% average interest rate, 1,180 basis points higher than the 25.80% rate in fiscal year 2018. On the other hand, foreign currency-denominated interest-bearing deposits amounted to 0.21%, 6 basis points lower than the 0.27% average rate in 2018.

The average balance of debt securities amounted to Ps. 41,584 million, Ps. 12,741 million higher than the Ps. 28,842 million in the previous fiscal year. The cost of average debt securities amounted to 26.96%, 16 basis points lower than the 27.12% average rate in 2018.

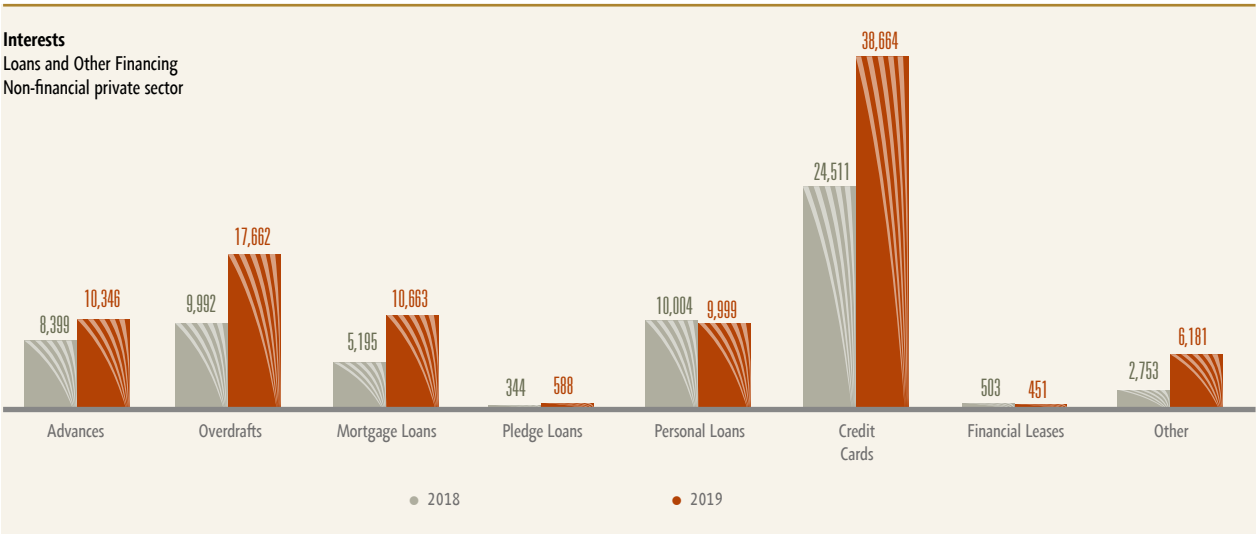


Net Income from Interest

The net income from interest of the fiscal year amounted to Ps. 30,239 million, while in fiscal year 2018 it amounted to Ps. 27,324 million.

INTEREST INCOME
In millions of Argentine Pesos

	12/31/19	12/31/18
Cash and Due from Banks	7	1
Corporate securities	308	303
Government securities	3,931	1,285
Loans and Other Financing	97,207	63,489
Financial Sector	2,653	1,787
- Non-Financial Private Sector	94,554	61,702
Repurchase transactions	6,337	607
Total Interest Income	**107,790**	**65,685**



INTEREST EXPENSES
In millions of Argentine Pesos

	12/31/19	12/31/18
On Deposits	(61,461)	(28,064)
- Savings Accounts	(5)	(4)
- Time Deposit and Term Investments	(54,143)	(24,436)
- Credit Card Loans	(7,313)	(3,624)
Financing from financial institutions	(1,985)	(953)
Repurchase transactions	(542)	(175)
Other financial liabilities	(8,110)	(1,507)
Debt securities	(5,453)	(7,662)
Total Interest Expenses	**(77,551)**	**(38,361)**
Net Income from Interest	**30,239**	**27,324**

The income on interests for the fiscal year amounted to Ps. 107,790 million, showing a 64% increase when compared to the Ps. 65,685 million in fiscal year 2018. The increase resulted from the increase of interests generated by loans and other financing from the non-financial private sector (53%).

Interest expenses for the fiscal year amounted to Ps. 77,551 million, with a 102% increase when compared to the Ps. 38,361 million in 2018. The variation was due to the 121% increase in fixed time deposits and term investments.

Net fee income

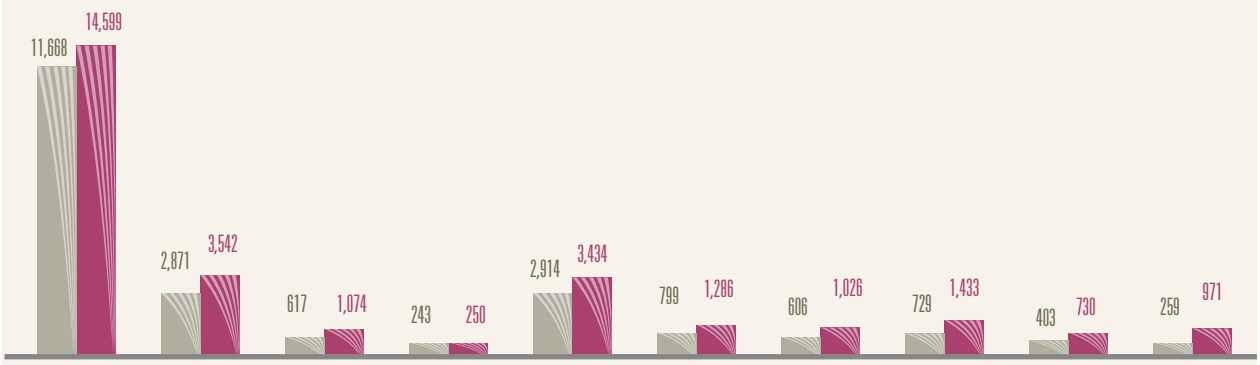
The net fee income amounted to Ps. 22,467 million, 23% higher than the Ps. 18,319 million of fiscal year 2018.

The most significant increases were recorded in fees related to credit cards of Ps. 2,931 million (25%) and Utility-Bills collection services of Ps. 704 million (97%).

The fee related expenses amounted to Ps. 5,878 million, 111% higher than those registered in 2018.

Total deposit accounts as of December 31, 2019 reached 5.2 million, with an 11% increase when compared to the same date of the previous year.

Fee income
In millions of Argentine Pesos





Net income from Financial Instruments

In millions of Argentine Pesos

	12/31/19	12/31/18
Government securities income	49,644	12,227
BCRA	51,557	10,536
Other	(1,913)	1,691
Corporate securities income	5,236	1,245
Income from Derivative Financial Instruments	1,034	1,581
- Forward Operations	1,121	1,685
- Options	(87)	(104)
- Income on other financial assets/ liabilities	(16)	-
Net income from Financial Instruments	**55,898**	**15,053**

The net income on financial instruments in the fiscal year was Ps. 55,898 million, Ps. 40,845 million (271%) higher than the Ps. 15,053 million of fiscal year 2018, as a result of the increase in income from government securities (306%).

Exchange rate differences on gold and foreign currency

The income from the difference between the prices of gold and foreign currency for the fiscal year amounted to Ps. 7,474 million, 139% higher than the Ps. 3,122 million profit obtained in the previous fiscal year. This result includes a Ps. 10,461 million gain from foreign currency trading.

Other Operating Income.

In millions of Argentine Pesos

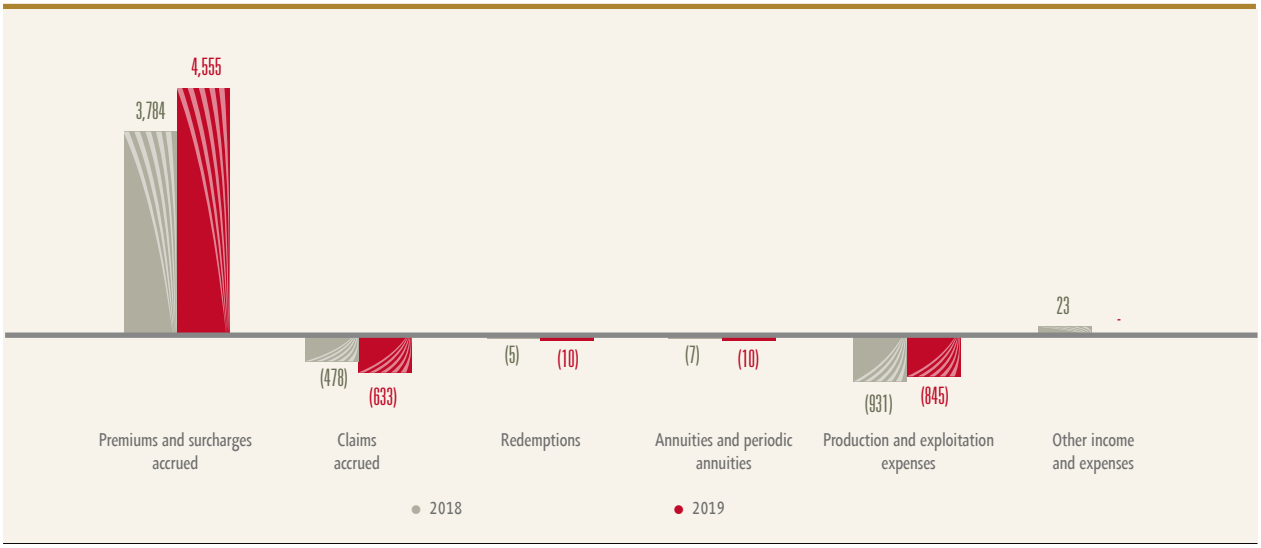
	12/31/19	12/31/18
Other financial income	1,152	349
Fees from bundles of products	3,425	2,282
Rental of safety boxes	611	423
Other income for services	2,425	1,068
Other adjustments and interest from miscellaneous credits	1,793	1,352
Other	6,831	2,113
Total Other Operating Income	**16,237**	**7,587**

Other operating incomes amounted to Ps. 16,237 million, Ps. 8,650 million (114%) higher than the Ps. 7,587 million registered in fiscal year 2018.

Income from insurance activities

The composition of income from insurance activities, as of the indicated dates, was the following:

INSURANCE INCOME - DIFFERENCE BETWEEN PREMIUMS COLLECTED AND CLAIM-BASED EXPENSES [42]
In millions of Argentine Pesos



42. Exclusive of administrative expenses and taxes.

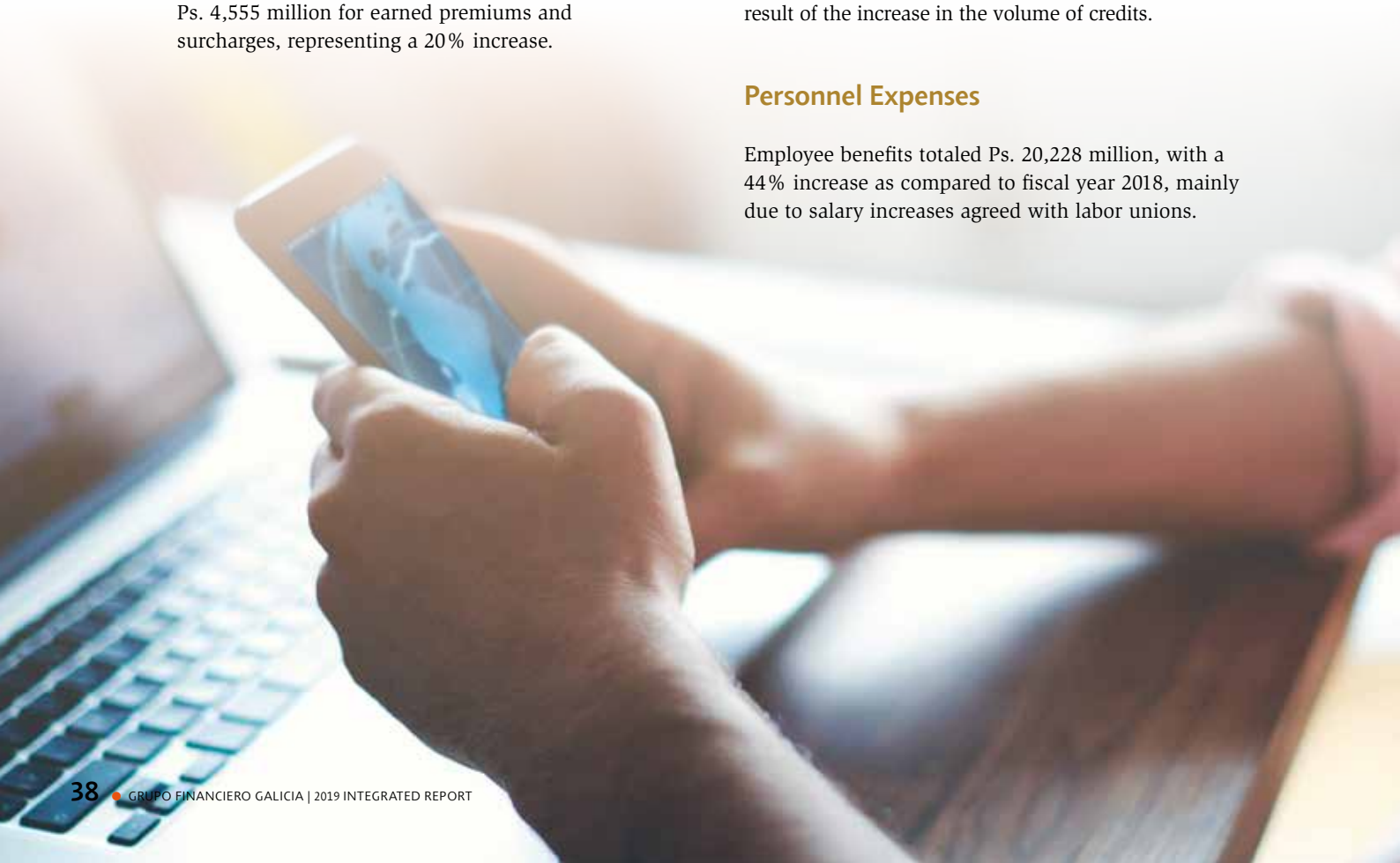
Insurance trading income (excluding administrative expenses and taxes, net of deletions of transactions between related companies) totaled Ps. 3,057 million at the end of the fiscal year, Ps. 621 million higher than the Ps. 2,386 million in fiscal year 2018. In this sense, during 2019, Galicia Seguros achieved a total of Ps. 4,555 million for earned premiums and surcharges, representing a 20% increase.

Loan and other receivables loss provisions

The loan and other receivables loss provisions amounted to Ps. 20,340 million, Ps. 10,014 million (97%) higher than those obtained in the previous fiscal year. This increase was due to the evolution of credits in arrears related to individual customers' portfolio and higher regulatory charges on the normal portfolio as a result of the increase in the volume of credits.

Personnel Expenses

Employee benefits totaled Ps. 20,228 million, with a 44% increase as compared to fiscal year 2018, mainly due to salary increases agreed with labor unions.



Administrative Expenses

In millions of Argentine Pesos

	12/31/19	12/31/18
Fees and compensations for services	2,463	1,489
Fees to directors and Statutory auditor	134	135
Publicity, promotion and research expenses	1,770	1,079
Taxes	4,212	2,756
Maintenance and Repairs of Assets and Systems	2,859	1,200
Electricity and communications	1,496	861
Representation and Travel Expenses	106	259
Stationery and office supplies	314	193
Rentals	81	681
Hired administrative services	2,050	1,745
Security	797	724
Insurance	106	71
Other	3,548	3,264
Total administrative expenses	**19,936**	**14,457**

In fiscal year 2019, administrative expenses totaled Ps. 19,936 million, accounting for a 38% increase compared to the Ps. 14,457 million in the previous fiscal year. This increase was mainly due to higher maintenance and repairs expenses (138%) and higher taxes and fees (53%).

Other Operating Expenses

In millions of Argentine pesos, except for percentages

	12/31/19	12/31/18
Contribution to the Deposit Insurance Fund	704	425
Other financial income	1,582	519
Turnover tax	10,712	7,191
- Financial	7,130	4,743
- Services	3,147	2,241
- Credit Card Loans	435	207
Other fee-related expenses	5,484	3,084
Charges for other provisions	1,421	863
Claims	282	249
Other	1,096	281
Total Other Operating Expenses	**21,281**	**12,612**

Other operating expenses totaled Ps. 21,281 million, 69% higher than the Ps. 12,612 million recorded in the previous fiscal year. This increase was mainly generated by gross income tax growth by 49%.

Income Tax

The income tax charge for fiscal year 2019 was Ps. 8,510 million, representing an increase of Ps. 2,039 million (32%) compared to fiscal year 2018.

THE TAX INFLATION ADJUSTMENT ESTABLISHED IN THE INCOME TAX LAW WAS APPLIED IN THE FISCAL YEAR.



UNIT OF MEASUREMENT AND EXPECTED LOSS

THE FINANCIAL STATEMENTS AND THE INFORMATION INCLUDED IN THIS REPORT, CORRESPONDING TO THE FISCAL YEAR ENDED DECEMBER 31, 2019 OF GRUPO FINANCIERO GALICIA, DO NOT CONTEMPLATE THE RESTATEMENT CRITERIA ESTABLISHED IN IAS 29, "FINANCIAL INFORMATION IN HYPERINFLATIONARY ECONOMIES", NOR POINT 5.5, "IMPAIRMENT LOSS", OF IFRS 9, "FINANCIAL INSTRUMENTS".

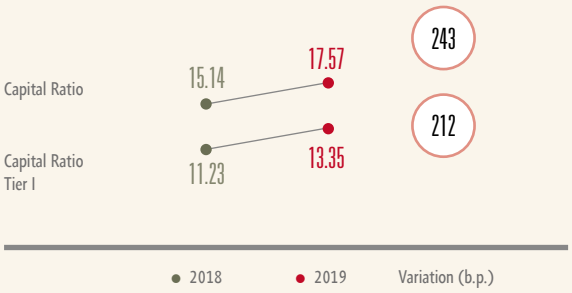
FOR THE YEAR 2019, THE SHAREHOLDERS' EQUITY AND THE INCOME OF THE FISCAL YEAR RESTATED IN HOMOGENEOUS CURRENCY, AND CONSIDERING THE EXPECTED LOSS EFFECT, WOULD AMOUNT TO PS. 111,764 MILLION AND PS. 21,932 MILLION, RESPECTIVELY.



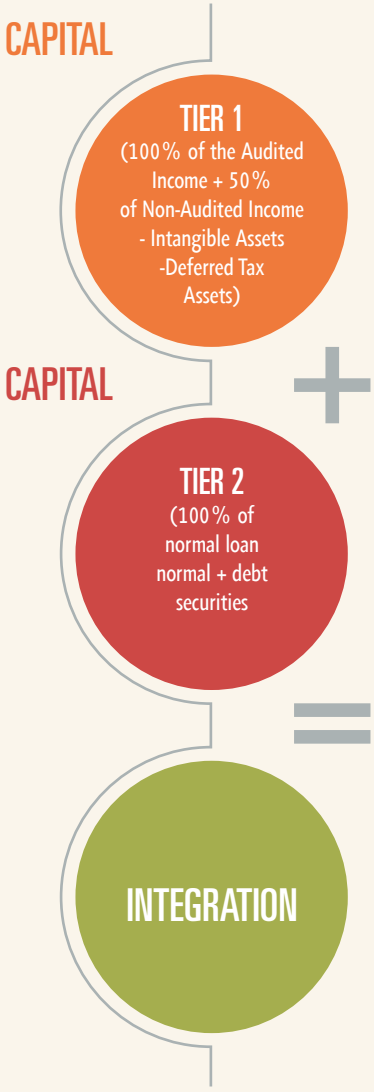
REGULATORY CAPITAL

Grupo Financiero Galicia, as well as the companies it controls, are regulated by the General Companies Act. In Section 186, the law establishes the minimum capital amount of a corporation. Through Decree 1331/12, which came into force on October 8, 2012, such amount was determined to be Ps. 100,000 (one hundred thousand pesos).

Banco Galicia



With regard to Regulatory Capital, Banco Galicia must comply with the regulations set forth by the Argentine Central Bank. These regulations are based on the Basel Committee methodology, and establish the minimum capital a financial institution is required to maintain in order to cover the different risks inherent to its business activity and which are incorporated into its assets, mainly: credit risk, generated both by exposure to the private sector and to the public sector; operational risk, generated by the losses resulting from the non-adjustment or failures of internal processes; and industry risk, generated by positions in securities and foreign currency.





REGULATORY CAPITAL
In millions of Argentine Pesos, except for ratios

	12/31/19	12/31/18
Shareholders' Equity of Banco Galicia	**77,911**	**43,971**
Minimum capital required (a)	**37,662**	**27,163**
- Credit risk	29,149	22,171
- Market Risk	905	969
- Operational Risk	7,608	4,023
Principal Integration (b)	**80,785**	**49,329**
- Tier One	61,393	36,584
- Tier Two	19,392	12,745
Difference (b – a)	**43,123**	**22,166**
Risk Assets	**459,900**	**325,853**
Ratios (%)		
- Net Equity as a % of Assets of Banco Galicia	13.07	8.64
- Excess Over Minimum Capital Requirement	114.50	81.60
- Total Capital Ratio [47]	17.57	15.14
- Ratio Tier I capital	13.35	11.23

47. Total Capital Integration/Risk-Weighted Assets.

As of December 31, 2019, the Bank's computable capital was Ps. 43,123 million (114.50%) higher than the minimum capital requirement of Ps. 37,662 million. As of December 31, 2018, this excess amounted to Ps. 22,166 million (81.60%).

The capital requirement increased by Ps. 10,499 million compared to December 31, 2018, mainly due to the increase related to: i) the growth of financing balances: Ps. 6,978 million, mainly due to the impact of the variation in exchange rates; and ii) operational risk: Ps. 3,585 million.

Capital integration increased Ps. 31,456 million compared to December 31, 2018, due to an increase in Tier I common stock of Ps. 24,809 million, mainly caused by the increase in income, partially offset by higher deductions resulting from intangible assets and the deduction of credit balances from deferred tax assets.

Tier II common stock Tier II registered an increase of Ps. 6,647 million as a result of: i) the impact of the increase in the exchange rates on the 100% calculation of subordinated debt securities for a nominal value of US$250 million issued on July 19, 2016; and ii) the increase in the computable balance of the allowance for uncollectibles on the normal portfolio.

Insurance Companies

The insurance companies controlled by Sudamericana Holding S.A. and its subsidiaries must meet the minimum capital requirements set by the Argentine Superintendency of Insurance.

The regulatory agency requires insurance companies to maintain a minimum capital level based on:
- the line of insurance in which they operate;
- premiums and surcharges issued, and
- claims.

The minimum required capital must then be compared to computable capital, which arises from subtracting non-computable assets, such as deferred charges, pending capital contributions, proposed distribution of profits and excess investments in authorized instruments, among others, from the net equity.

As of December 31, 2019, the computable capital of the companies controlled by Sudamericana Holding S.A. exceeded the minimum capital requirement of Ps. 815 million by Ps. 275 million.

Sudamericana Holding S.A. also owns Galicia Broker Asesores de Seguros S.A., a company dedicated to the brokerage in different lines of insurance that is regulated by the provisions set out in the General Companies Act.

06

INTELLECTUAL CAPITAL



WITH A FOCUS ON DIGITAL TRANSFORMATION



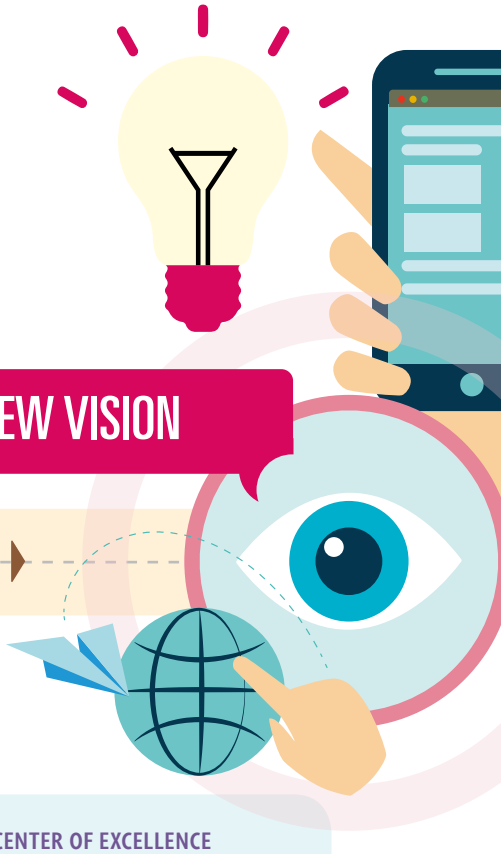


WE TRANSFORM OUR WAY OF THINKING AND DOING. WE LEARNED TO RECOGNIZE THE ABUNDANCE OF AVAILABLE OPPORTUNITIES AND RESOURCES, TO GENERATE SUSTAINABLE BONDS BASED ON COLLABORATION, TO RELENTLESSLY CONTRIBUTE WITH VALUE, TO THINK IN A SIMPLE MANNER, TO TEST, TO MAKE MISTAKES AND LEARN FAST, TO EMPOWER OURSELVES BASED ON OUR RESPONSIBILITIES TO DELIVER EXCEPTIONAL RESULTS, TO MANAGE UNCERTAINTY AND MINIMIZE RISKS, TO UNDERSTAND TECHNOLOGY AS AN ENABLER AND TO MAKE DECISIONS BASED ON DATA.

- **DIGITAL TRANSFORMATION**
- **INNOVATION IN TRAINING TO SUPPLEMENT TRANSFORMATION**

ON THE ROAD TO TRANSFORMATION

WE PROMOTE A NEW WAY OF WORKING; WE INCORPORATE A NEW VISION AND WE USE A NEW LANGUAGE.



NEW VISION

AGILE MINDSET



THE FIRST **CENTER OF EXCELLENCE (COE AGILE)** THAT ENSURES THE RIGHT USE OF THE FOLLOWING METHODOLOGIES IS CREATED: SCRUM, KAMBAN AND LEAN, MAINLY.

THEN IN 2019, OTHER COES WERE ADDED TO ESCALATE AGILITY:

- COE OKR PLANNING ✓
- COE DESIGN ✓
- COE ADVANCED ANALYTICS ✓

COES

WE LIVE IN A DYNAMIC CONTEXT, IN WHICH CUSTOMERS AND NEW COMPETITORS CHALLENGE US TO CHANGE CONTINUOUSLY.

CUSTOMER EXPERIENCE

2018

GOLD RULES

NPS

THERE ARE 2 MOMENTS IN WHICH WE MEASURE THE QUALITY OF OUR SERVICES: WHEN WE SERVE OUR CUSTOMERS AND WHEN THEY FILE A CLAIM AND WE MANAGE TO SOLVE IT.

WE USE THE **NET PROMOTER SYSTEM** TO MEASURE THE VALUE PERCEPTION OF A CUSTOMER TOWARDS OUR COMPANIES.

30.30%	NPS BANCO GALICIA
49 POINTS*	NPS NARANJA
41.65%	NPS GALICIA SEGUROS

* Naranja measures its NPS in points

2019

TO ACCELERATE THE TRANSFORMATION, WE REDEFINED OUR VISION AS A GROUP AND DEVELOPED OUR OBJECTIVE.

- FINANCIAL PLATFORM
- OPERATIONAL EFFICIENCY
- REGIONAL DESIGN
- BEST TALENTS
- CUSTOMER EXPERIENCE
- SUSTAINABILITY

OTD

THE **DIGITAL TRANSFORMATION OFFICE** OF BANCO GALICIA WAS CREATED WITH THE AIM OF ACCOMPANYING EMPLOYEES –FORM TRAINING TO WORKSHOPS– THROUGH TRANSFORMATION.

ADDITIONALLY, THE OFFICE WORKED ON UPDATING SYSTEMS, AUTOMATING PROCESSES AND ON A NEW WAY OF DOCUMENTING THAT IS MORE ACCESSIBLE, AGILE AND SIMPLE.

OKRS

OBJECTIVES AND KEYS RESULTS BEGIN TO BE SET, WHICH ALLOW FOR THE DEFINITION OF SHORT-TERM TRANSVERSAL GOALS WITH A BIAS TOWARDS GROWTH, TRANSPARENCY, FOCUS, AUTONOMY, LEARNING AND OVERCOMING OBSTACLES.

THIS TRANSFORMATION WAS ACCOMPANIED BY A METHODOLOGY CAPABLE OF MEASURING THE ***LEARNING AGILITY*** OF EACH EMPLOYEE: THEIR CAPACITY AND WILLINGNESS TO LEARN FROM EXPERIENCE AND APPLY THOSE LEARNINGS TO THE SUCCESSFUL PERFORMANCE OF EACH SITUATION.

LEARNING AGILITY

THE **FIRST TRIBES**, MULTIDISCIPLINARY TEAMS EMPOWERED TO DELIVER VALUE THROUGH AGILE PROCESSES IN WHICH LEARNING, INNOVATION AND COLLABORATION ARE THE WAY TO GENERATE DIGITAL, SUSTAINABLE AND SCALABLE SOLUTIONS, WERE CREATED.

FIRST TRIBES

- COLLECTIONS AND PAYMENTS
- EVERYDAY BANKING
- LENDING
- SEGMENTS
- CUSTOMER TRIPS
- OMNICALITY

FULL AGILE ORGANIZATION



BANCO GALICIA MODEL

CHANNELS	SEGMENTS TRIBES	PRODUCTS/ SERVICES TRIBES	SERVICES CIRCLE

- ENABLING TRIBES
- EXPERTISE CENTERS
- SUPPORT AREAS



INNOVATION IN TRAINING TO ACCOMPANY TRANSFORMATION

THE DIGITAL TRANSFORMATION BRINGS NEW CHALLENGES IN WHICH LEARNING IS A KEY FACTOR: LEARNING INWARDS AND CO-CREATING WITH OTHERS. TODAY, MORE THAN EVER, THE TRAINING OF OUR EMPLOYEES IS ESSENTIAL TO ACCOMPANY THESE CHANGES AND GENERATE CAPABLE, CREATIVE AND ENTHUSIASTIC TEAMS THAT WORK ON INNOVATION AND ON THE DEVELOPMENT OF PRODUCTS AND SERVICES THAT ARE AT THE FOREFRONT OF THE MARKET TO CREATE A DIFFERENTIATING EXPERIENCE.

THAT IS WHY, THE COMPANIES OF THE GROUP CREATE DIGITAL TRAINING PLATFORMS AND TOOLS.





Launching Galicia Innovation

Aligned to this culture, **Banco Galicia** launched "Galicia Innovation", a new initiative focused on finding fintechs that connect to the Bank, co-creating new solutions for SMEs. This year we gathered more than 250 proposals from the entrepreneurial ecosystem, leaving 10 finalist ideas that were valued and evaluated by SMEs, allies and benchmarks of Bank innovation. Three of them received awards for a total of Ps. 800,000: Che! Programadora, Mujer Financiera and GPay. In the framework of the meeting, expert talks were given on digital transformation in the Argentine financial industry.

Digital Academy

Banco Galicia created a program aimed at developing the key skills for transformation, in three dimensions: the mindset, anchored in the Galicia Culture; the methodological dimension, linked to new ways of organizing and doing things; and the techniques, linked to new capabilities in a specific area of knowledge.

Campus Galicia

Campus Galicia is our online, collaborative, open and flexible learning platform that allows us to bring simpler content with innovative formats. It fosters interaction with experts and makes it easier for employees to access content on demand, with learning itineraries tailored according to their interests and business requirements. With a focus on self-development, each employee takes a leading role and chooses what they want to be trained in according to their personal career plan and not just based on their current position.



Rolling Classroom

Rolling Classroom is an Academy designed by **Banco Galicia** aimed at generating spaces that bring fundamental and strategic knowledge closer to business growth and people's development. The different areas of the country were visited, and disruptive development spaces were created that allowed the teams to be trained by expanding their commercial tools, with creative proposals to generate an impact on the audience through an emotional link and with key messages. In this way, the employees of our Branch Network have direct and face-to-face experiences about the pillars that drive the transformation of Galicia, expanding their opportunities and skills, and awakening their prominence.

Development of digital talent in Naranja

Naranja moved forward with the mapping of digital talent in 100% of its leaders and employees in a project that we call "The digital factory". Its goal was to generate individual and organizational development strategies, and place people in the right place in an efficient way so as to optimize their management. Thus, 114 incoming employees participated in the digital talent management process and 100% received their feedback; and all the teams started their self-development plan based on the mapping information.

In addition, Naranja's employees participated in meetings and talks that enhance their tools and transformation and learning processes in new technologies. Among them, Meet Up of Google Ads and Meet up of data Science en Casa Naranja, the international event "World product day" based in Casa Naranja; and other meetings such as Arq Comf, WeComf, PyData, Córdoba Service Jam and Agiles Latinoamerica.

07

INDUSTRIAL CAPITAL



EXPANDING THE BUSINESS ECOSYSTEM





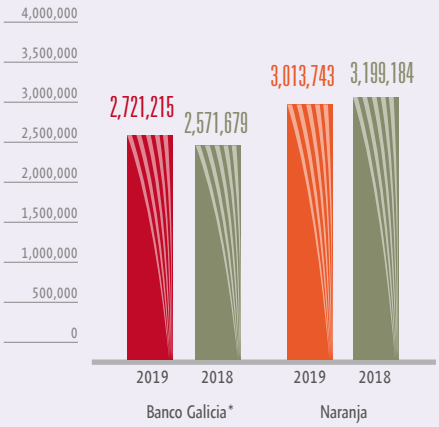
ALIGNED WITH GLOBAL TRENDS IN THE FINANCIAL SECTOR, THAT'S CONSTANTLY EVOLVING, WE DEVELOP NEW DIGITAL TOOLS AND NEW REMOTE AND AGILE CHANNELS TO FACILITATE OPERATIONS. WE INVEST IN THE CREATION OF NEW ACCESSIBLE AND SAFE PRODUCTS AND SERVICES THAT PROVIDE DEVELOPMENT OPPORTUNITIES FOR EACH CUSTOMER PROFILE.



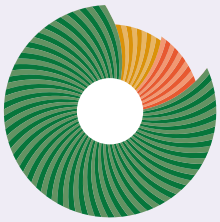
- CUSTOMERS' PROFILE
- SERVICE CHANNELS
- BUSINESS SEGMENTS
- PRODUCTS AND SERVICES
- PROMOTIONS AND BENEFITS
- CYBERSECURITY

CUSTOMERS' PROFILE

NUMBER OF CUSTOMERS PER COMPANY

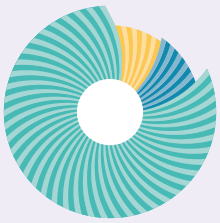


INDIVIDUAL CUSTOMERS BY BANK SEGMENT



9.8% Businesses and Professionals
11.2% High Income
79% People Segment

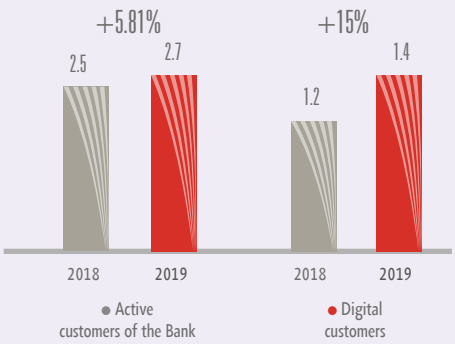
BUSINESS CUSTOMERS BY BANK SEGMENT



77.2% SMEs
16.4% Agro
4.07% Companies
1.4% Financial Matters / Bank
0.92% Corporative

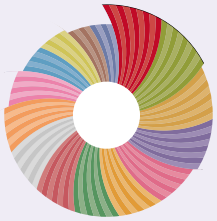
DIGITAL CUSTOMERS

During 2019, the base of digital customers grew at a faster rate than the base of Bank customers.



Business coverage by geographic area

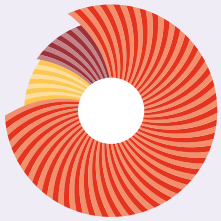
BANCO GALICIA



9.1% West
8.8% South
8.1% Coast
7.3% Meter I
6.9% North
7% Mediterranean
6.8% Meter IV
7.2% Mountain Area
6.9% NE/NW
6.5% Meter V
6.6% Meter III
4.8% Sea and Pampa
5.1% Meter II
4.3% Buenos Aires Province
4.6% Patagonia



NARANJA



21% NW
14.8% NE
10.2% AMBA 2
10.8% Center
10% Córdoba Capital
8.4% Patagonia
7.8% Cuyo
6.9% Gold Region
5.80% AMBA 1
4.30% INBA



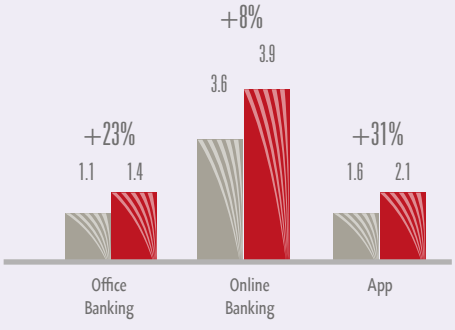
GALICIA SEGUROS



61.5% Center
4.8% Cuyo
10% NE
14.8% NW
8.9% Patagonia



TRANSACTIONS GROWTH DIGITAL CHANNELS



* As of 2019, the counting criterion was modified compared to year 2018, based on Active and Responsible Tax-paying clients.

SERVICE CHANNELS

Digital channels

WE UNDERTOOK THE STRATEGIC COMMITMENT TO TRANSFORM OURSELVES IN A COMPREHENSIVE FINANCIAL PLATFORM, THAT PROVIDES AGILE AND EFFICIENT SERVICES TO MAKE LIFE EASIER FOR OUR CUSTOMERS. THUS, WE CONTINUE INNOVATING IN DIGITAL CHANNELS TAILORED FOR DIFFERENT PEOPLE AND ORGANIZATIONS.

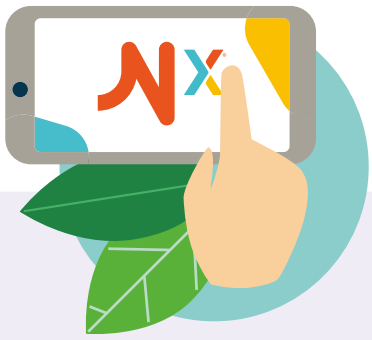
57.72% DIGITAL CUSTOMERS OF THE BANK

48.69% NARANJA DIGITAL CUSTOMERS

26.46% RISE OF INTERACTIONS FROM FACEBOOK



Banco Galicia, **Naranja**, **and Galicia Seguros** have websites that are permanently renovated, and allow people to know and operate with all the services and benefits offered by the companies. They offer cutting-edge apps for people and companies, and telephonic attention, as well as personalized attention by WhatsApp and virtual assistants to solve inquiries about keys and other processes.



NARANJA X IS BORN

THIS YEAR IT LAUNCHED A VALUE PROPOSAL TO CONTINUE INNOVATING, AND IMPROVING CLIENTS' EXPERIENCE. NARANJA X IS A TECHNOLOGICAL COMPANY THAT WAS CREATED WITH THE VISION OF BECOMING AN OPERATING SYSTEM FOR PEOPLE, AIMED AT PROVIDING A SOLUTION FOR FINANCIAL AND NON-FINANCIAL LIFE. FOR THAT, AN APP WAS DEVELOPED WHEREBY PEOPLE MAY LOAD MONEY, REQUEST A FREE SMARTPHONE INSURANCE, BUY AND SELL DOLLARS, SEND OR RECEIVE MONEY BETWEEN ACCOUNTS, PAY OR CHARGE WITH A QR CODE AND RECHARGE TRANSPORTATION CREDIT THROUGHOUT THE COUNTRY WITH SUBE OR THE BUS NETWORK.

Cybersecurity

Companies have rigorous information security and data privacy plans and drive awareness plans for all employees.

Their goal is to protect themselves from the emerging high complexity threats, enabling the anticipation of potential significant security events that affect Banco Galicia, Naranja, and Galicia Seguros.



Physical channels

326	BRANCHES OF BANCO GALICIA
202	BRANCHES OF NARANJA
1,034	ATMS OF BANCO GALICIA
1,020	SELF-SERVICE TERMINALS OF BANCO GALICIA

Banco Galicia and Naranja have facilities for face-to-face services, bringing services close to customers. Likewise, Galicia Seguros leverages the infrastructure of Banco Galicia to provide personalized attention.

With the focus on improving the experience, Banco Galicia transformed attention to migrate to the automatic or digital channels, with the Self-Service Terminal with extended schedules and exclusive money withdrawal channels for customers in a simpler way, without the Debit Card. In all branches, 100% of market transactions can be made through Automatic Banking. In addition, it has trained employees to accompany people and companies in their needs and financial businesses.

Naranja designed a new service model in its branches, called Casas del futuro. These are spaces that allow us to provide face-to-face services, resolution of problems with the first contact and more personalized training for digital tools. The strategy is to use cutting-edge technology that is simple, intuitive and facilitating. In 2019 it opened the Casas del futuro in San Isidro, Pacheco, Palermo, Caballito, Río IV, Río Ceballos, Alta Córdoba and O'Higgins.





Physical and digital accessibility

The Group's objective is to be accessible to everyone. This includes the improvement of physical accessibility to buildings, and digital communications and online sites. At the end of 2019, 100 branches of the Bank were certified by ALPI Civil Association as accessible for people with reduced mobility and certified as accessible to Plaza Galicia.

In digital matters, the advances entail two aspects, customer access and transaction platforms, and communication in social media and networks; among which the following actions stand out:

- ATMs with audio system for people with visual impairment or blindness.
- Pilots of a model of attention for deaf people and people with hearing loss by means of a device with an audio system.
- Online Banking Galicia already has an accessible Login and main Dashboard.
- Accessible buttons with more than 44 pixels of height recommended for hands with tremors.
- All mails, new landings and high traffic are responsive and adapt to different devices.
- It optimized the htmls and landings code with the correct tags so that it worked well on the various reading devices.
- It implemented the use of more inclusive fonts —with sizes above 14px and good line spacing—, and worked with dark typographic colors in all of the Bank's communications so as to improve reading levels and exceed the AAA inclusiveness ratio.

At the Naranja branches, the focus was placed on providing greater accessibility to services starting with financial education in new technologies, and supported by the installation of new self-consulting terminals. All the projects of modernization or reforms of the branches and spaces are carried out with the idea of accessibility. Likewise, Naranja has documentation and information for customers in Braille, thus ensuring access to blind people.

BUSINESS SEGMENTS



Individuals

Banco Galicia serves more than 2,700,000 customers, 77% of which are Individuals –starting at the base of the pyramid and up to high-income customers– who make personal use of the products and services offered by the entity based on the profile of each type of customer and their needs, with the aim of improving their quality of life.



Private Banking

Private Banking offers a differential and professional financial service to people with high equity, through the administration of their investments and financial advice with highly trained officers.

High Income

Galicia Éminent is the Premium service of Banco Galicia. Its mission is that its clients always receive differential and exclusive attention, through 3 pillars of service: personalized relationship, exclusive benefits and experiences, and agile and simple processes.

Business, Professionals y SMEs

Banco Galicia encourages the growth of 255,900 businesses, professionals and companies offering differentiated products and services, to accompany them in the professionalization of their management, with knowledge and tools that expedite their operations and promote the exchange of experiences among their own businessmen.

PROMOTIONS AND BENEFITS

THE COMPANIES OFFER A DIFFERENTIATED VALUE PROPOSAL FOR EACH CUSTOMER PROFILE, ADDING NEW DISCOUNTS AND BENEFITS YEAR AFTER YEAR, ACHIEVING HIGH USER SATISFACTION.

BUENOS NEGOCIOS MEETINGS

THERE WERE 3 DAYS IN THE WEST AREA (BUENOS AIRES), MAR DEL PLATA AND TUCUMÁN WITH THE PARTICIPATION OF MORE THAN 1,700 ENTREPRENEURS AND SMES, WHO ACQUIRED BUSINESS MANAGEMENT TOOLS THROUGH TALKS WITH EXPERTS AND NETWORKING ACTIVITIES.



WHOLESALE CORPORATE

Banking

Made of 300 economic groups, whose annual invoices start at Ps. 3,000 million or that, given the complexity of their businesses and / or their multinational profile, require very specific attention in terms of financial advice and structuring. The active portfolio of the segment showed an annual growth of 20% and 73% in deposits.

Companies

It comprises companies of all economic activities, except for the agricultural sector, whose annual invoices are between Ps. 400 million and Ps. 3,000 million. In 2019, the volume of active portfolio stagnated compared to the previous year, with a 10% growth in the average cash balance.

Agricultural Sector

It is the only segment determined by customer activity, regardless of its profile and size. That is why the Bank develops a model of attention based on specialization, understanding that technology and digital solutions are the key.

28% GROWTH IN TRANSACTIONS OF GALICIA RURAL CARD

GALICIA RURAL CARD REMAINED ONE OF THE MOST VALUED PRODUCTS FOR COVERING THE FINANCIAL NEEDS OF CUSTOMERS, BEING THE LEADER AMONG PRIVATE BANKS, WITH A 63% MARKET SHARE. THE INTER-ANNUAL GROWTH IN LOAN VOLUME REACHED 70%, BEING THE LEADING BANK IN FINANCING THE SECTOR. IN TERMS OF TREASURY VOLUME, IT SHOWED AN INCREASE OF 16% DURING 2019.

Investment Banking and Capital Market

Banco Galicia consolidated its position in the Capital Market and Investment Banking structuring various financial products tailored for corporate, SME and agricultural companies. In this regard, the Bank organized more than 50 transactions, including 16 syndicated and structured loans, 6 restructurations and 28 issuances in the capital market, with a wide variety of products which included, among others, debt securities, short-term securities, letters and financial trusts.

LOYALTY AND RELATIONSHIP WITH COMPANIES

BANCO GALICIA ORGANIZES DIFFERENT MEETINGS WITH CLIENTS: AGRICULTURAL FAIRS AND EXHIBITIONS –THE 13TH EDITION OF EXPOAGRO AND THE 133RD INTERNATIONAL EXHIBITION OF LIVESTOCK, AGRICULTURE AND INDUSTRY–; MORE THAN 60 TALKS ON POLITICS AND ECONOMICS FOR COMPANIES; REGIONAL LUNCHES THAT GENERATE A BOND WITH CUSTOMERS; AND MORE THAN 15 EVENTS WITH CORPORATE CUSTOMERS, HIGHLIGHTING TRIPS, SPECIAL ACTIONS, SPORTS SHOWS, AFTER OFFICES AND PARTICIPATION IN OUTSTANDING BUSINESS CONGRESSES.

FINANCIAL BANKING INCLUDES COMMERCIAL MANAGEMENTS, FINANCIAL INSTITUTIONS, THE PUBLIC SECTOR, *TRADING & GLOBAL MARKETS* AND INVESTMENT PRODUCTS AND GLOBAL CUSTODY. WITHIN ITS RESPONSIBILITIES ARE THE COMMON INVESTMENT FUNDS (FIMA) BUSINESS, THE BANK BEING THE MAIN CHANNEL OF DISTRIBUTION FOR THIS TYPE OF PRODUCTS.



Public Sector

It is responsible for commercially interacting with the various State agencies in its three dimensions: National, Provincial and Municipal, providing financial solutions, and accomplishing a commercial management with 690 organizations.



Trading & Global Markets

The commercial management allowed to continue increasing the number of non-resident investors, mainly the United States, England, Brazil and Chile.

IN THE FOREIGN EXCHANGE MARKET AND IN THE FUTURES MARKET, BANCO GALICIA KEPT THE FIRST PLACE IN THE MAE RANKING, WHILE IN THE ROFEX RANKING IT ENDED AGAIN IN THE FOURTH PLACE (THIRD AMONG FINANCIAL INSTITUTIONS). IN FOREIGN TRADE THE OPERATED VOLUME WAS A 47% HIGHER THAN THE VALUES OF 2018. THE PURCHASE AND SALE OF BANKNOTE DOLLARS SLIGHTLY INCREASED ITS VOLUME, FROM US$6,521 MILLION IN 2018 TO US$6,657 MILLION IN 2019.

Commercial

It is the responsibility of this management to consolidate the positioning in the segment of Institutional Customers (Funds, FGS-Anses and Insurance Companies) and to channel investments of other segments of legal persons (Corporate, Companies, Public Sector and Financial Institutions).

The management seeks to deepen cross-selling of financial products and to promote the use of transactional products (collections and payment) and custody of assets, promoting the integral development of the entire range of products.

The income generated by this segment remained at increasing levels with a positive variation greater than 60% compared to the previous fiscal year.

Investment Products and Global Custody

During 2019 it continued developing Investment Products and relaunched the Global Custody service, increasing the positioning of the product, mainly with a focus on the segments of Insurance Companies and Corporate Companies; with an annual growth of 123% in assets in custody (AUC), and 65% of Insurance Companies (measured in number of customers).

Financial Institutions

It is responsible, at the international level, for commercial relations with correspondent banks, international credit agencies, official credit banks, and export credit insurance companies, and, at the local level, for the bond with banks, financial companies, exchange bureaus, and other entities that carry out related activities.

102-7



PRODUCTS AND SERVICES

WITH A STRATEGIC VISION TO BECOME A FINANCIAL PLATFORM, WE PROVIDE PRODUCTS AND SERVICES TAILORED FOR EACH CUSTOMER, INDIVIDUAL OR COMPANY. AMONG THOSE PRODUCTS AND SERVICES, WE HIGHLIGHT PERSONAL AND MORTGAGE LOANS, INSURANCE FOR INDIVIDUALS AND COMPANIES, CREDIT CARDS, FOREIGN TRADE, BUSINESS FINANCING, INVESTMENT, AND FONDOS FIMA.

Personal Loans

During the first semester, **Banco Galicia**'s interest rates were stable, which allowed loans to be placed at levels of Ps. 1,300 million per month. Since August, loans were affected due to a significant increase in the interest rates, falling to Ps. 850 million per month, and, in turn, the acquisition of the Unit of Purchasing Value modality stopped. Subsequently, customers took loans again, reaching levels similar to the beginning of 2018, with Ps. 1,450 million per month.

15,661 MILLION IN PERSONAL LOANS ISSUED BY BANCO GALICIA

1,009 MILLION IN LOANS ISSUED BY NARANJA

In **Naranja**, customers can get cash and return it in fixed installments and in Argentine pesos, through the digital channels, Naranja Online, the App and the Casas.

Mortgage Loans

246 THOUSAND MORTGAGE LOANS GRANTED BY BANCO GALICIA.

The granting of Unit of Purchasing Value Mortgage Loans was directly affected by the economic context of the country. In the first months of the year, prior to the escalation of the dollar this year, the monthly average placement was Ps. 17 million, and then fell to Ps. 11 million. The biggest impact was with the foreign exchange restriction, which led to place Ps. 2 million in December.

During 2019, Ps. 246 million were granted in mortgage loans, of which approximately an 80% corresponds to the Unit of Purchasing Value modality, while 20% was placed in Procrear, a subsidized line with several requirements in order to gain access to it.

Insurance for people and companies

Galicia Seguros has a wide range of products that, in turn, has a large number of modules of insured sums, fully covering the different needs of customers, based on their occupation, age or income level. Insurance is sold to customers of Banco Galicia as well as of Naranja, so that its scope includes the entire country and every segment.

It offers specific coverage through its Broker, so that each company feels protected and has support in everything it needs. This way, you can expand your scope by providing comprehensive advice, with insurance options for employees or for a company's equity, coverage for agricultural activities or contractual warranties.

Along with the launch of Fondo Futuro, it updated the coverage of Family Protection (life) insurance in order to adapt it to the current needs of customers. It is important to note that, should the customer hire both insurances, they may deduct up to Ps. 24,000 from the income tax base (Ps. 12,000 are deducted for each insurance) for 2019. This amount increases to Ps. 38,000 for year 2020.

At the same time, it retained the leadership in the Combined Family and Robbery Coverage sector.

DISTRIBUTION ACCORDING TO THE TYPE OF POLICY

	2018	2019
Life	59%	45%
Patrimonial	41%	55%

FONDO FUTURO: NEW 100% ONLINE RETIREMENT PRODUCT

FONDO FUTURO IS THE FIRST RETIREMENT INSURANCE WITH 100% DIGITAL PROCUREMENT. IT IS A LOW-RISK MEDIUM OR LONG TERM SAVINGS AND INDIVIDUAL PENSION SYSTEM. IT WORKS AS A RETIREMENT SUPPLEMENT, TO CARRY OUT A DESIRED PLAN. THE PERSON INSURED MAY PARTIALLY OR TOTALLY WITHDRAW THE FUNDS, AS WELL AS INCREASE, DECREASE OR SUSPEND THE CONTRIBUTIONS MADE, WITHOUT GENERATING ANY DEBT WITH THE ENTITY. THUS, GALICIA SEGUROS HAS BECOME IN THE FIRST COMPANY OF ARGENTINA TO BE ABLE TO ISSUE A 100% ONLINE POLICY WITH THIS TYPE OF INSURANCE.





Credit

The companies of the Group respond to the needs of their customers with an outstanding offer of services and benefits of credit and debit cards. For six years, Naranja has been the main issuer of credit cards nationwide, and the leading brand in the interior of the country. This new technology allows for contactless payment operations, which are faster and safer for customers.



12,258 ADDITIONAL DEBIT CARDS ISSUED IN THE YEAR OF ITS LAUNCH

IT IMPLEMENTED THE ADDITIONAL DEBIT CARD, POSITIONING ITSELF AS THE FIRST BANK TO LAUNCH IT IN OUR COUNTRY. THIS PRODUCT ALLOWS THE ACCOUNT HOLDER TO REQUEST A PHYSICAL CARD FOR ANYONE FROM THE AGE OF 14, WITHOUT HAVING TO BE A CO-ACCOUNT HOLDER AND ACCESSING THE SAME FEATURES WITH THE OPTION OF SETTING EXTRACTION AND PURCHASE LIMITS. THIS WAY, IT SEEKS TO REDUCE THE USE OF CASH AT THE SAME TIME THAT IT INCREASES EDUCATION AND FINANCIAL INCLUSION.

CREDIT CARDS

	2018	2019
BANCO GALICIA		
Visa	**3,136,166**	**3,043,612**
"Gold"	744,771	704,979
International	1,282,617	1,095,163
National	50,091	34,968**
"Business"	148,549	157,967
"Signature"	359,477	459,996
"Platinum"	550,661	590,539
Galicia Rural	**18,188**	**16,687**
American Express	**893,314**	**749,303**
"Gold"	280,239	211,802
International	184,437	122,173
"Platinum"	270,068	237,968
"Signature"	158,570	177,360
Mastercard	**1,050,041**	**1,175,833**
"Gold"	284,340	313,874
Mastercard	414,559	416,327
Argencard	148	93
"Platinum"	170,202	212,354
"Black"	180,792	233,185
NARANJA	**8,817,871**	**8,559,157**
Regional Brands*	4,777,286	4,605,250
Visa	3,503,792	3,451,277
Mastercard	491,231	453,760
American Express	45,562	48,870
Total	**13,915,580**	**13,544,592**

* It includes Nevada and Naranja Cards
** It does not include Galicia Ahora cards

SOLIDARITY INITIATIVES

The companies of the Group boost programs with mixed contributions: "Solidarity Rounding" of Banco Galicia and "Solidarity Debit" of Naranja, with the objective of generating social value by contributing with to public good entities.

253,494,813 AMOUNT COLLECTED WITH SOLIDARITY DEBIT OF NARANJA

61 TOTAL OF ORGANIZATIONS BENEFICIARIES OF SOLIDARITY ROUNDING SINCE THE BEGINNING



Financing to Companies

20% 20% OF THE FINANCING VOLUME ARE ISSUED TO MIPYMES [MYSMES]

Banco Galicia offers financing to short, medium, and long term companies, transactional services and operations in Foreign Trade. Thus, it accompanies companies that reach a broad spectrum of economical activities from industry, agriculture, services, and marketing. Among the products and services it offers, the following stand out:

- **LOANS WITH SDR WARRANTIES:** We finance MiPyMEs of all the productive areas. In 2019, Ps. 3,500 million were granted, financing more than 1,000 companies.
- **GALICIA AGREEMENTS:** We finance 500 companies for Ps. 2,000 million.
- **GREEN BOND:** During 2019, we keep accompanying projects of Renewable Energies and Energy Efficiency by financing more than US$44.09 million.



LAUNCHING OF E-CHECKS

BANCO GALICIA IMPLEMENTED OPERATIONS WITH ELECTRONIC CHECKS, SAVING 1.4 MILLION SHEETS OF PAPER. CUSTOMERS (48% SMES) ISSUED 4,800 E-CHECKS, WHAT MAKES THE BANK THE MAIN PLATFORM TO OPERATE, WITH A MARKET SHARE OF 75% OF ELECTRONIC CHECKS ISSUED.

Foreign trade

3RD BANK IN NUMBER OF OPERATIONS

12% MARKET SHARE IN TOTAL VOLUME

The volume operated by Banco Galicia in foreign trade operations was US$11,125 million, obtaining a 12.0% market share. Of such amount, US$3,043 million correspond to exports and imports of goods, with a 12.8% market share. In terms of volume, this makes it the third bank of the country.

Customers have special lines of financing: *forfaiting*, *leasing* of imports, financing of imports and exports, Aval and *Stand By*.

Besides, Galicia Seguros offers surety policies for every need: Temporary import or export, differences in law, value or lack of documentation, land transit and replacement of precautionary measures.

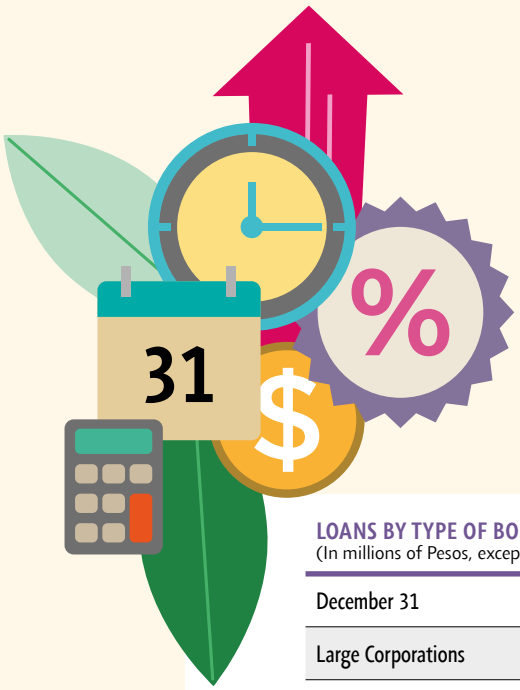
LOANS BY ECONOMIC AREA
(In millions of Pesos, except for percentages)

December 31	2018	%	2019	%
Financial Sector	7,942	3%	10,796	3%
Residents Abroad	5,248	2%	7,404	2%
Services	13,771	6%	27,896	9%
Agriculture and Livestock	31,852	13%	47,804	15%
Consumption	93,282	38%	126,073	40%
Retail and wholesale trade	20,589	9%	23,101	7%
Construction	3,224	1%	4,500	1%
Manufacturing Industry	50,537	21%	48,598	15%
Others[54]	16,570	7%	21,624	8%
Total Loans	243,015	100%	317,796	100%
Allowances	(7,263)		(15,488)	
Total Net Loans	**235,752**		**302,308**	

Investments

7.35% MARKET SHARE OF THE BANK IN FIXED TIME DEPOSITS OF LESS THAN ONE MILLION ARGENTINE PESOS

The Bank offers Fixed Term deposits in pesos or dollars, with the possibility of Periodic Interest Payments, and Adjustable by Unit of Purchasing Value with an additional interest rate. It provided preferential rates in digital channels, appropriate for the different segments, and campaigns are periodically carried out to attract new investors. In 2019, it extended the constitution schedule in digital channels from 6 a.m. to 10 p.m.



FIMA Funds

Galicia Administradora de Fondos is a company that since 1960 is dedicated to the administration of the FIMA Common Investment Funds that are distributed through the different commercial channels of Banco Galicia. It has a wide range of investment funds designed for each investor profile, which allows all types of investors to easily access the Capital Market. During 2019, the following initiatives stood out:

• **Hacete Cliente Landing:** We allow any user who enters our website fondosfima.com.ar, to become a customer of Banco Galicia and Fima 100% digitally with this option. In few steps and just by taking a selfie, those people who are not yet customers can become customers and they don't even need to be physically present at any branch.

•**Start of Transactions Expansion from 4 a.m.:** Subscription and rescue operations can be carried out in the broadest hours of operation of the market, from 4 a.m. to 4 p.m., through any of our digital channels: Galicia Online Banking, Office Banking and the Galicia App.

• **Customer Account and Scheduled Transactions Registration in the App from 4 p.m. to 8 p.m.:** Since 2019, the App allows you to schedule operations of up to 60 days and manage customer account registration through this channel.

• **New FIMA Mix I portfolio composition as of 10/29/19:** We relaunched this fund with the goal of adapting to market requirements and providing a new alternative that operates in Argentine pesos but in a mixed portfolio of Latin American bonds and ETFs of shares listed on the New York Stock Exchange. With this fund, a new category is inaugurated in Fima in year 2019: international mixed income funds that enable operations in Argentine pesos in foreign markets, in addition to the existing ones.

• **Composition Change of FIMA Capital Plus:** We adapted this FCI that aimed at beating inflation, so that it evolved according to the exchange rate $ / US$ and that allowed us to have our savings in Argentine pesos but in dollarized assets.

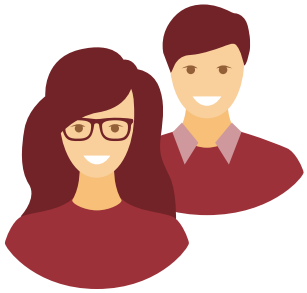
• **Fima Placement Agents:** This distribution channel that began in 2018 ends 2019 with eight allies that market our FIMA Funds throughout the country.

LOANS BY TYPE OF BORROWER
(In millions of Pesos, except for percentages)

December 31	2018	%	2019	%
Large Corporations	91,754	38%	111,627	35%
SMEs	48,462	20%	66,633	21%
Individuals	93,253	38%	126,059	40%
Financial Sector	7,942	3%	10,796	3%
Residents Abroad	5,248	2%	7,404	2%
Others[54]	(3,644)	-1%	(4,723)	(1%)
Total Loans	243,015	100%	317,796	100%
Allowances	(7,263)		(15,488)	
Total Net Loans	**235,752**		**302,308**	

08

HUMAN CAPITAL





PROMOTING AN AGILE, DIVERSE, AND INCLUSIVE CULTURE



WE POTENTIATE TALENT AS A KEY ASSET TO MAKE OUR STRATEGY COME TRUE AND STAY ALIGNED TO A CONSTANT TRANSFORMATION. WE PROMOTE THE TRAINING OF COLLABORATIVE AND DYNAMIC WORK TEAMS, IN SEARCH OF AN EXCELLENT WORK ENVIRONMENT AND FOCUSED ON RESULTS. TRAINING AND DEVELOPMENT ARE KEY FACTORS THAT NOT ONLY GENERATE LOYALTY OF HIGH PROSPECTS, BUT ALSO IMPROVE THE EMPLOYABILITY CONDITIONS OF PEOPLE.

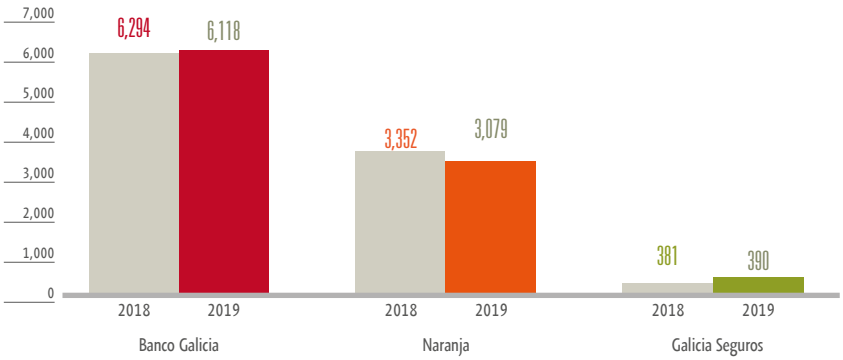


- PROFILE OF OUR EMPLOYEES
- WORK ENVIRONMENT MANAGEMENT
- DIVERSITY
- LEADERS FOR TRANSFORMATION

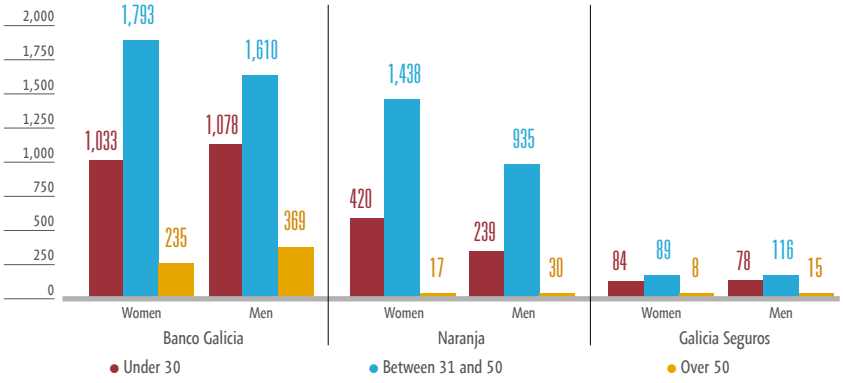
PROFILE OF OUR EMPLOYEES

EMPLOYEES **9,631**

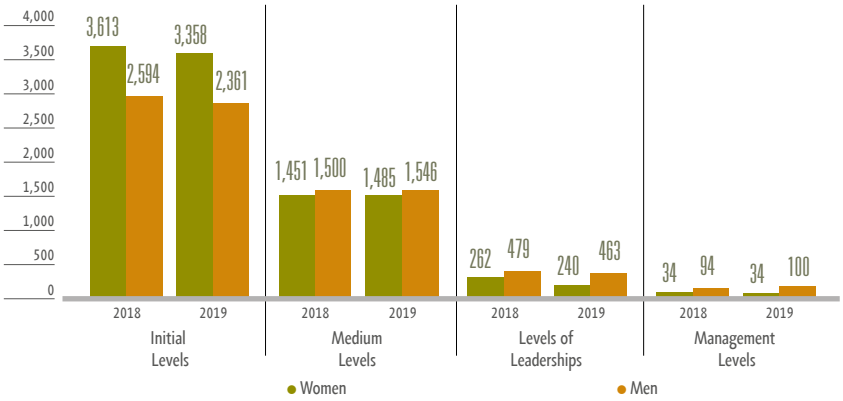
DISTRIBUTION OF EMPLOYEES PER COMPANY



NUMBER OF EMPLOYEES ACCORDING TO AGE AND GENDER



DISTRIBUTION OF EMPLOYEES PER GENDER AND POSITION



GENERATIONAL BREAKDOWN



26.6% Z GENERATION (1990 - to the present)

43.6% MILLENNIALS (1980 - 1989)

28.6% X GENERATION (1961 - 1979)

1.2% BABY BOOMERS (1947 - 1960)



RECOGNIZE

43,884 STARS AWARDED

We understand that recognizing is a key practice to consolidate a culture of trust. That is why we recognize individual and group achievements by means of StarMeUp, an application that enables 360° and 100% transparent recognition of those who best represent organizational values.

We have comprehensive benefit programs that help improve the quality of life and well-being of employees. Banco Galicia and Seguros Galicia in an alliance launched a protocol for assistance to victims of violence that aims at providing comprehensive support to any collaborator who undergoes a violent situation.

TAKE CARE

+70 BENEFITS - AVAILABLE FOR ALL EMPLOYEES



TALENT ACQUISITION AND RETENTION

We look for the best local talents that, in turn, feel identified with our values and culture. We achieve this through massive referral and recruitment programs, while promoting the self-development and internal mobility of our employees.

With a focus on acquiring and retaining talent for transformation, events are organized with different design and technology communities, to generate interest and capture the required profiles.

66.45% OF THE BANK'S JOB OPENINGS WERE COVERED WITH INTERNAL EMPLOYEES.

WORK ENVIRONMENT MANAGEMENT

Work environment management is a key pillar of our administration to achieve an excellent employee experience. We do it through the Great Place to Work methodology, which has five key indicators to analyze performance: credibility, respect, impartiality, pride and camaraderie. This allows us to follow good practices in order to achieve a fluid and open communication between employees and their leaders, and thus transmit with integrity the vision of the company.

GRUPO FINANCIERO GALICIA POSITION IN GPTW

1ST PLACE	2ND PLACE	5TH PLACE
BANCO GALICIA	NARANJA	GALICIA SEGUROS

8,934 EMPLOYEES ANSWERED THE SURVEY OF THE COMPANIES OF THE GROUP

INSPIRE

We promote different coaching spaces, leader schools and dialogue and exchange meetings that allow our leaders to converse with a purpose, co-create and share experiences as well as inspire their work teams.

823 LEADERS PARTICIPATED IN THE ANNUAL MEETING



SPEAKING AND LISTENING

We promote continuous and transparent conversations with employees to generate a culture of trust and development by means of tools such as Workplace and Better Me. Besides, we generate face-to-face meetings in which our leaders meet employees and thus, promote their conversations.

5,656 EMPLOYEES RECEIVED FEEDBACK THROUGH BETTER ME



DEVELOP

We accompany the transformation by implementing training programs that help accelerate the development of key skills, enhance motivation and commitment and maximize the contribution of our employees.

We create digital training platforms and tools for our employees; promoting agile, simple, and disruptive training experiences.

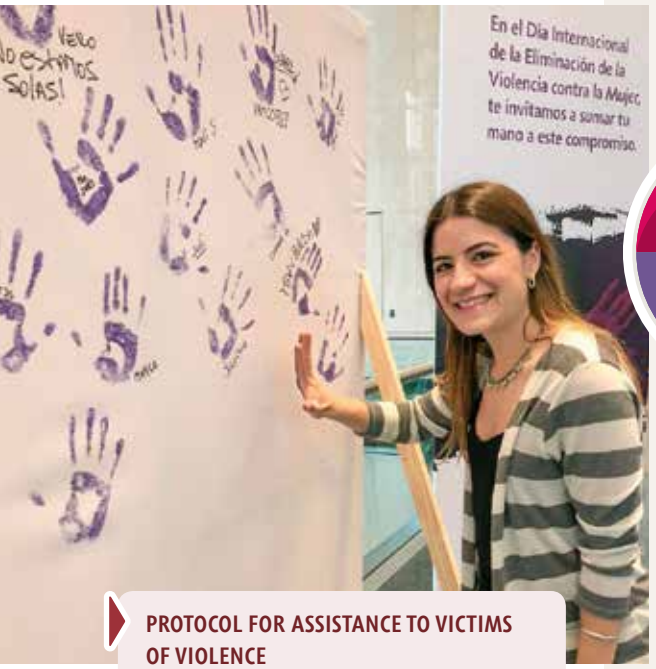
15 HOURS OF TRAINING PER PERSON

103-2, 103-3, 405-1, SDG 5.1, SDG 5.5, SDG 8.5

DIVERSITY

We are an organization with doors open to diversity, to employees of different ages, gender, sexual orientation, religion, political orientation, trajectories and profiles. We believe that diversity generates innovation in the business, improves the work environment, attracts and retains talent, generates value as an employer brand and sustainability to the business.

We define our Diversity and inclusion strategy as entailing **four specific axes of work** that translate into goals within the organization; and they are also transversal, as they reach our work with the community.



PROTOCOL FOR ASSISTANCE TO VICTIMS OF VIOLENCE

A PROTOCOL FOR ASSISTANCE TO VICTIMS OF VIOLENCE THAT AIMS TO PROVIDE COMPREHENSIVE SUPPORT TO ANY EMPLOYEE WHO EXPERIENCES VIOLENCE WAS LAUNCHED. IT IS CONFIDENTIAL, FLEXIBLE, AND CONSIDERS THE FOLLOWING ASPECTS:

- LEGAL COUNSELLING
- PSYCHOLOGICAL COUNSELLING
- ECONOMIC ASSISTANCE

FOR THIS PURPOSE,
A VICTIM OF VIOLENCE ASSISTANCE TEAM WAS CREATED, IN ORDER TO ACCOMPANY AND ADVISE EMPLOYEES THROUGHOUT THE PROCESS.





DISABILITIES

We promote integration and job training of people with disabilities in our staff and also in our chain of value. We also work to be an accessible bank by incorporating improvements in both physical accessibility to our buildings, as well as optimizing the digital accessibility of our communications and our online websites.

WE RECEIVED THE SEAL AS A **COMPANY COMMITTED TO INCLUSION** GRANTED BY THE NATIONAL DISABILITY AGENCY, FOR BEING ONE OF THE MOST INCLUSIVE COMPANIES IN ARGENTINA



GENDER

We promote equal opportunities and the empowerment of women. To delimit the gender strategy, we rely on information obtained from an internal diagnosis, and on the opinion of the female employees themselves. Therefore, we define 4 internal management axes: balance, equal pay, talent development and flexibility. In turn, our external strategy is based on empowering female customers through our segments and accompanying them at different times of their lives, providing them with training, financial education and networking spaces. After signing the United Nations Principles of Empowerment of Women in 2018, we made progress in the design of the action plan, which allowed us to identify the work focuses and goals to be met. As a result, we achieved an advanced level with the UN Women Self-Diagnostic Tool, as a company that has developed and implemented policies and practices in all business functions of its organization.

WE WERE RECOGNIZED BY GREAT PLACE TO WORK ARGENTINA AS ONE OF **THE BEST PLACES TO WORK FOR WOMEN** (NARANJA[1ST.] GALICIA[2ND])



FIRST JOB

We promote training for the first employment of young people from vulnerable socio-economic contexts. This year, Banco Galicia incorporated 15 students with scholarships from its Potenciamos Tu Talento Program, who completed their academic training by conducting a one-year professional practice in different areas of the Bank.

WE TRAINED **165** YOUNGSTERS WITHIN THE FRAMEWORK OF EXPERIENCIA GALICIA AND ENTRENAMIENTO PARA EL TRABAJO PROGRAMS AND PROFESSIONAL PRACTICES



GENERATIONS

We promote initiatives to promote the adaptation of employees to new market needs.

80% AGILE POSITIONS WITH INTERNAL PROFILES

LEADERS IN TRANSFORMATION

Collaborative work has an important place in Transformation, so great focus was placed on the development of programs, practices and tools that foster cooperation and strengthen trust among employees.

Each company adapted these criteria to its own culture, highlighting Conociéndonos of Banco Galicia (Meeting of leaders and employees from different areas with an open agenda), the national meeting of Naranja leaders (with the participation of more than 500 people in Córdoba) and the training programs fostered by Galicia Seguros.

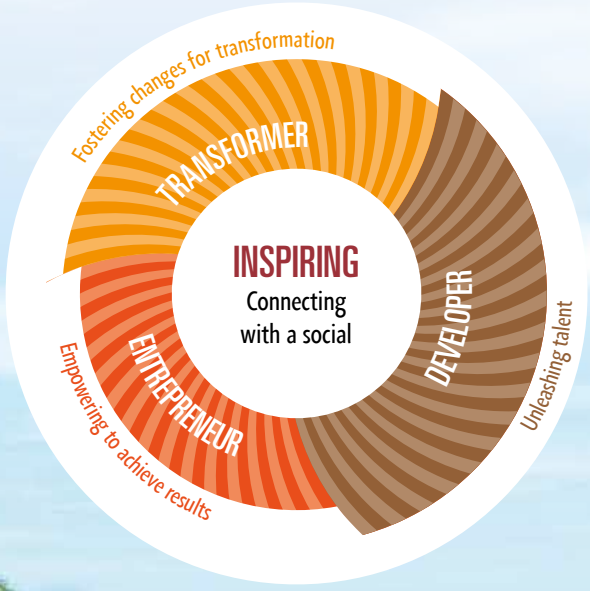
Skills models and profile mapping

This year, Banco Galicia consolidated its new competencies model, which incorporated the challenges that this way of working and bonding requires.

This process not only allowed to identify the specialist talent and the need to retain it, and recognize the importance of their critical knowledge, but also, by incorporating concepts of *learning agility*, it contributed to the identification of competencies for profile mapping with a great capacity for transformation. It enabled us to rethink recognition linked to the added value, and to be able to identify our hotbed of critical talent.

GALICIA *AGILE CAMP*

TWO MEETINGS WERE HELD FOR LEADERS OF THE COMPANIES OF THE GROUP, WITH THE AIM OF LIVING AGILITY FIRST HAND, TAKING CHALLENGES, TALKING WITH A PURPOSE, AND DISCOVERING NEW PATHS. THESE SPACES WERE CREATED COMBINING THE BEST FEATURES OF AN *OPEN SPACE*, PLENARY TALKS, LIGHTNING TALKS AND RECREATIONAL ACTIVITIES.





09

SOCIAL CAPITAL



COMMITTED TO SUSTAINABLE DEVELOPMENT





103-2, 103-3



BASED ON OUR ETHICAL PRINCIPLES AND VALUES, WE RECOGNIZE OURSELVES AS A RELEVANT SOCIAL ACTOR WITH AN IMPACT ON THE ISSUES THAT CONCERN SOCIETY. WE PROMOTE SUSTAINABLE DEVELOPMENT BASED ON THREE CENTRAL PILLARS: STRATEGIC SOCIAL INVESTMENT THROUGH THE IMPLEMENTATION OF PROGRAMS THAT RESPOND TO THE EDUCATION, EMPLOYMENT, HEALTH AND VOLUNTEERING AXIS, IMPACT FINANCING TO ACCOMPANY TRIPLE IMPACT ENTREPRENEURS THROUGH TRAINING AND FINANCING TO PROMOTE THEIR BUSINESS, AND VALUE CHAIN MANAGEMENT.



- **SOCIAL INVESTMENT STRATEGY**
- **IMPACT FINANCING**
- **SOCIAL INVESTMENT PROGRAMS**
- **VALUE CHAIN MANAGEMENT**

SOCIAL INVESTMENT STRATEGY

PS. 83,689,192.8 TOTAL CONTRIBUTION TO COMPANY

1,500,250 RECIPIENTS

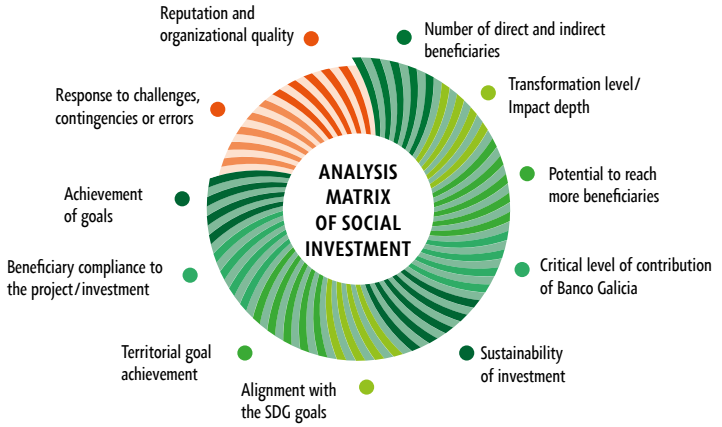
24 PRESENCE IN PROVINCES

In Grupo Financiero Galicia we are committed to the integral and sustainable development of our society, and we work on our own programs and support to third-party initiatives, always in alliance with specialist actors in our axes of action and the public sector, since we understand that the greatest impact and scalability in social investment is generated with the articulation and collective participation.

The programs to be implemented are as follows: Own or Badge Programs, Strategic Alliances, institutional support and Programs with mixed contributions. They are carried out based on a diagnosis of the needs of local communities and the capacity to respond of the companies of the Group.

Based on said diagnosis, goals and objectives are defined, the actions to be implemented are planned and then monitored through the Social Investment Analysis Matrix (MAIS).

In 2019, we made new adaptations to the MAIS with the purpose of measuring the contribution made by organizations and their programs accompanied by the Bank, as regards empowerment of women and equal opportunities. Among the frameworks of reference used are the Principles of Empowerment of Women (WEPs) promoted by the Global Compact and UN WOMEN.



ORGANIZATIONAL PERFORMANCE

20%

SOCIAL RETURN ON INVESTMENT

80%



IMPACT FINANCING

- MICROFINANCE
- MEZZOFINANCE
- SOCIAL IMPACT BOND

SOCIAL INVESTMENT STRATEGY PROGRAMS

- EDUCATION*
- EMPLOYMENT*
- HEALTH*
- PATRONAGE
- VOLUNTEERING

VALUE CHAIN MANAGEMENT

- SELECTION
- COMMUNICATION
- RESPONSIBLE PURCHASES

TYPES OF APPROACHES / **LINES OF WORK**

	TOTAL	EDUCATION	EMPLOYMENT	HEALTH
Badge Programs[1]	8 Programs	3	3	2
Strategic Alliances	72 organizations	37	18	17
Volunteering	36 organizations	20	2	14
Institutional support	54 Organizations	14	14	26
Initiatives with customers[2]	373 Organizations	-	-	-
Recipients[3]	631 Schools	624	7	0
	102,681 students	100,521	1,105	1,055
	1,103 teachers	540	163	400
	3,738 entrepreneurs	0	3,738	0
	312 unemployed people	0	312	0
	1,464,438 patients	0	-	1,464,438

*Each of these axes are implemented through 3 types of Programs: Badge, Strategic Alliances and Institutional Contributions.

1. Coordinated with 52 organizations for its implementation.
2. Solidarity Debit of Naranja and Solidarity Rounding of Banco Galicia, more information in Extended Report.
3. Beneficiaries in volunteering programs are included.

IMPACT FINANCING

PS. 18,502,270.74 GRANTED IN CREDIT TO MICROFINANCE INSTITUTIONS



Impact investment today represents, in the world, US$238 trillion of assets being invested or with the intention of being invested with this method, and grows at an annual rate of 17%, having doubled from 2017 to 2018. Latin America is the second destination along with Sub-Saharan Africa in terms of assets under management and destination of funds with 14% of the world total, growing at an annual rate of 21%.

From 2016 to 2018, it is observed that investors interested in this type of investment from the region doubled their capital invested in Latin America. Then, a migration of traditional funds from Venture Capital (VC) and Private Equity (PE) towards the consideration of issues of impact was observed. They mostly use private debt instruments (and their variants) and seek market returns. Impact investments in companies began to migrate to developing and at scale companies, and between 2017 and 2018 the first 27 exits were reported (LAVCA Survey 2019). Microfinance and agriculture are still the main investment industries in the region, and there is an upward trend in the industry of technology applied to the impact. On the other hand, it is observed that the availability of capital tailored to the needs of the market and the absence of appropriate investment vehicles are two of the most challenging conditions identified in Latin America for the development of this type of investments.

Banco Galicia is a pioneer in this type of investment in the country, observing the market opportunity materialized in the ability to generate innovation in financial tools so that capital may move towards solutions to the critical social and environmental problems facing the country.

In this sense, Banco Galicia accompanies triple impact entrepreneurs to boost their businesses. In partnership with Mayma and Sistema B, training and empowerment of businesses with an economic, social and environmental impact on our country are promoted. The first Social Impact Bond (BIS) of Argentina was boosted. In addition, the Bank offers 2 microcredit lines for microentrepreneurs and impact entrepreneurs; accompanies the training of 28 Microfinance Institutions (MFIs) members of RADIM; and it has the Mezzofinance line of credit for enterprises that have a business with a scale perspective, and contemplate, from their genesis, the social and environmental impact of their activities.

Likewise, Banco Galicia, together with the Board of Directors of the Argentine National Advisory Board on Impact Investment, organized the annual Global Steering Group on Impact Investment event in Buenos Aires from November 18-20, 2019 (www.gsgii.org/summit), giving impact investment in Argentina and Latin America a privileged position. The event was attended by more than 500 representatives from the financial sector, governments and international organizations from around the world, and it was a unique opportunity for local companies and projects to connect with their peers or global investors.



SUSTAINABILITY COMMISSION OF THE ASSOCIATION OF ARGENTINE BANKS - ADEBA

BANCO GALICIA LEADS AND ACTIVELY PARTICIPATES IN THIS COMMISSION, CREATED IN 2017, SO THAT THE PARTNERS OF THE ASSOCIATION OF ARGENTINE BANKS (ADEBA) EXCHANGE KNOWLEDGE AND GOOD PRACTICES IN THE FIELD OF SUSTAINABILITY. THE CHALLENGE TOWARDS THE FUTURE IS TO INCREASE THE PARTICIPATION AND SCOPE OF THE ARGENTINE FINANCIAL SYSTEM IN TERMS OF SUSTAINABILITY, AND THAT SUCH CHANGE IS TRANSLATED IN CONCRETE ACTIONS. THE WORK GROUP OF THE COMMITTEE ON SUSTAINABLE FINANCE ENDED THE YEAR WITH THE SIGNING OF THE PROTOCOL OF SUSTAINABLE FINANCE OF ARGENTINA.

Image above: Mariana Arias Fotos

SOCIAL INVESTMENT STRATEGY PROGRAMS

FINANCIAL EDUCATION - ECONOMY







779 SCHOOLS

28,441 STUDENTS

996 TEACHERS

The companies of the Group develop financial education programs with the objective of empowering people in all the stages of their lives for making responsible economic and financial decisions, and teaching them to use digital media and electronic banking that improve their financial inclusion.

Banco Galicia has an EconoMía digital platform that provides practical tools to understand the economy and maintain a financial balance over time. This is supplemented by face-to-face workshops taught by employees who participate as volunteers.

Additionally, together with the Argentine Central Bank (BCRA), "Learning to Save" and "Financial Skills for Life" workshops were organized in public schools in Mendoza. Also, in partnership with the ANSES, 15 workshops for the elderly were held in 4 provinces.

On the other hand, both the Bank and Naranja, held personal finance Meetups for women entrepreneurs.



UNIVERSITY SCHOLARSHIPS - POTENCIAMOS TU TALENTO PROGRAM





211 STUDENTS WITH SCHOLARSHIPS IN 2019

17 ALLIED ORGANIZATIONS

11 PROVINCES

This program of Banco Galicia, which works together with 17 social organizations specialized in the subject, has its focus on accompanying talented young people in an integral way, both economically and giving advice and monitoring throughout their career, seeking not only to be a bridge between secondary and university studies, but also to promote the completion of those studies.

In 2019, 45 new students entered the Program, reaching a total of 211 students with scholarships currently studying in public universities in different parts of the country.

Since the beginning of the program, which is a hotbed of talent, 51 young people have already participated in Professional Practices and Experiencia Galicia programs. Several of them continue to work within the Bank full time.

At the same time, the Bank makes contributions to scholarships funds of private universities: T. Di Tella, San Andrés, UCA, ITBA and Universidad Austral. Under this modality, 231 young people have been accompanied.

Each year, a meeting is held that brings together all students with scholarships of the program in order to recognize graduates, share good practices and provide training that supplements their training.



VOLUNTEERING

PRIAR



19% OF THE STAFF ACTIVELY PARTICIPATES IN VOLUNTEER ACTIONS

+40 PROJECTS DRIVEN IN THE YEAR

We enhance the solidarious enthusiasm of employees.

PRIAR, the volunteering program of Banco Galicia and Galicia Seguros seeks to implement projects that leave installed capacities, while Naranja promotes volunteering by dedicating 16 monthly work hours to develop activities.

VALUE CHAIN MANAGEMENT

In the companies of the Group we work to establish solid and long-term relationships with our suppliers, seeking to streamline our selection and hiring processes, and generate development opportunities for local businesses.

Profile of our Suppliers

7,762 ACTIVE SUPPLIERS

PS. 33,504 MILLION IN PAYMENTS TO SUPPLIERS

Practices of selection, hiring and assessment of suppliers

With the commitment of guaranteeing transparency and efficiency in our selection and hiring processes, we work within each company of the Group on systems and tools that streamline these actions and benefit current and potential suppliers, as well as the business.

SUPPLIERS OF GRUPO FINANCIERO GALICIA

	BANCO GALICIA	NARANJA	GALICIA SEGUROS
Number of Active Suppliers			
2018	3,201	4,250	502
2019	2,755	4,518	489
Payments to suppliers (in Argentine pesos)			
2018	15,265,776,448	3,887,708,662	1,457,034,733
2019	23,468,670,877.46	8,597,621,762	1,437,825,881.59

DISTRIBUTION OF NUMBER OF SUPPLIERS BY REGION

	BANCO GALICIA	NARANJA	GALICIA SEGUROS
Autonomous City of Buenos Aires and Buenos Aires Province	2,141	1,153	419
Center	271	1,514	22
Patagonia	92	409	0
Cuyo	84	414	3
NE	76	453	4
NW	91	575	5



Banco Galicia

Within our dealing with suppliers, we apply our Codes of Ethics and Conduct, the formal commitment with the Environmental Policy, and the implementation of audits to ensure compliance with agreed contracts, and social and environmental standards.

This year, the Bank launched the unique supply process, in which it centralizes in a single management the entire purchasing process with the SAP Ariba online platform, managing the searches of the company in the market, price negotiations, documentation and contracts of purchases, and reception of payments and invoices.

Communication and dialogue

We seek to continue strengthening ties with our suppliers based on a close and transparent relationship from different communication and dialogue channels adapted to each company profile: telephone, e-mail, meetings with purchasing teams, visits to suppliers and on-site audits. In addition, we have an ethical line so that suppliers can give account of their relationship with the companies of the Group.

Responsible purchases

The companies of the Group have a strong commitment to support entrepreneurs and triple impact companies so as to contribute to their growth and that of local communities.

In 2019, Banco Galicia relaunched its Sustainable Suppliers Guide, that promotes responsible purchases. Suppliers must meet certain sustainability criteria, both in the social and environmental level. To facilitate the search of products, offering companies are grouped into areas. It is also possible to generate searches by zone to facilitate the delivery and purchase of local products. The Guide is free for consumers and suppliers. It is permanently updated, both in terms of the inclusion of new suppliers and their products. It is available in: galiciasustentable.com



10

NATURAL CAPITAL



BOOSTING RENEWABLE ENERGIES AND ENERGY EFFICIENCY





103-1, 103-2, 103-3



WE WORK ON MORE EFFICIENT MANAGEMENT PROCESSES AND TOOLS THAT ALLOW US TO MINIMIZE OUR DIRECT ENVIRONMENTAL IMPACT, FOCUSING ON REDUCING ENERGY CONSUMPTION AND ON REPLACING THE SOURCES WE USE WITH RENEWABLE RESOURCES. WE BOOST THE CREATION OF PRODUCTS THAT ACCOMPANY OUR CUSTOMERS IN THEIR TRIPLE IMPACT INVESTMENTS.

- ENVIRONMENTAL MANAGEMENT
- ENERGY AND CARBON FOOTPRINT
- OPTIMIZATION OF RESOURCES
- 10 YEARS OF THE FUND FOR ENVIRONMENTAL CONSERVATION
- INDIRECT RISK MANAGEMENT AND IMPACT FINANCING

ENVIRONMENTAL MANAGEMENT

We maintain a constant focus on the rational handling and use of natural resources, a strategy that allows us to improve our environmental performance and increase operational efficiency.

CERTIFICATION OF CORPORATIVE BUILDINGS

WITHIN THE FRAMEWORK OF ITS ENVIRONMENTAL MANAGEMENT SYSTEM, THIS YEAR, BANCO GALICIA CERTIFIED ITS LEED ORO PLAZA GALICIA BUILDING UNDER ISO 14001/2015 AND RECERTIFIED FOR THE TENTH CONSECUTIVE YEAR THE GALICIA TOWER. THE TOTAL OF EMPLOYEES WORKING IN CERTIFIED BUILDINGS ESCALATED FROM 20% TO 33% COMPARED TO 2018.

WITHIN OUR ENVIRONMENTAL MANAGEMENT, WE HIGHLIGHT:

ENERGY AND CARBON FOOTPRINT

32% AVERAGE ENERGY OF RENEWABLE SOURCES IN CORPORATE BUILDINGS OF BANCO GALICIA

100% OFFSETTING OF CARBON FOOTPRINT EVENTS OF NARANJA

OPTIMIZATION OF RESOURCES

26.16% REDUCTION IN PAPER CONSUMPTION OF THE GROUP

3,411 KG OF PLASTICS RECYCLED BY THE GROUP

ENVIRONMENTAL AWARENESS

10 YEARS OF FOCA

54 FINANCED PROJECTS

INDIRECT RISK MEASUREMENT AND IMPACT FINANCING

36 PROJECTS EVALUATED UNDER ENVIRONMENTAL AND SOCIAL CRITERIA

16 PROJECTS FINANCED WITH THE GREEN BOND

ENERGY AND CARBON FOOTPRINT

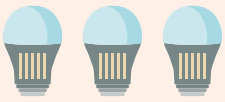
We invest in reducing our energy consumption and gradually converting our energy matrix, incorporating energy from renewable sources. Thus, we contribute with the deceleration of climate change.

Energy

As of July 2019, **Banco Galicia** began to produce renewable energy for itself from the "La Castellana II" wind farm, reaching an average of 32% of the total energy consumed in its corporate buildings, Torre Galicia and Casa Matriz. Renewable energy consumption began at 20% in July and increased every month to reach 42% in December. This means that the consumption of renewable energy exceeded the 12% minimum required by Law 27,191 as of December 31, 2019 in these two buildings, which are within the scope of the law, and even exceeded what is established by law for December 2025.

This replacement of conventional energy by wind energy represents an approximate decrease of 1,005.8 tn of CO_2, equivalent to 4.5% of the Footprint generated by electric power consumption of the entire bank.

Besides, the Efficient Energy Project was launched in the branches. Said project mainly involved the replacement to light fixtures with LED technology, and the replacement of air conditioners in 138 branches, which represents 90% of the network.



12% ENERGY EFFICIENCY IN THE BRANCH NETWORK WITH THE REPLACEMENT OF LED LUMINAIRES AND AIR CONDITIONING EQUIPMENTS

Likewise, **Naranja** implemented measures that favor the optimization of energy consumption, through new technologies and strategies to minimize environmental impact: it incorporated LED technology, extended the frequencies of maintenance of air conditioners, modified fuel use processes for its reuse, used washbasin paints and, in Casa Naranja, implemented an efficient system of lighting and ventilation to reduce the use of air conditioners.



CONSUMPTION OF NATURAL RESOURCES

	ELECTRICITY		NATURAL GAS		DIESEL		PETROL	
	2018	2019	2018	2019	2018	2019	2018	2019
BANCO GALICIA	56,513.8 MW/h 203,449.3 GJ	50,118.8 MW/h 180,429 GJ	261,708.3 m^3 10,206.6 GJ	210,155.1 m^3 8,196.05 GJ	16,589 L 603.8 GJ	12,471.08 L 453.95 GJ	535.5 L 17.7 GJ	472.9 L 15.61 GJ
NARANJA	5,563.0 MW/h 20,026.9 GJ	7,343 Mw/h 26,436.22 GJ	57,345.4 m^3 2,236.5 GJ	56,125.62 m^3 2,188.43 GJ	8,976 L 326.7 GJ	9,874 L 359.41 GJ	- -	- -
GALICIA SEGUROS	1,482.4 MW/h 5,336.7 GJ	1,325.11 MW/h 4,770.4 GJ	2,500 m^3 97.5 GJ	2,587 m^3 100.89 GJ	4,424 L 161.03 GJ	2,100 L 76.44 GJ	- -	- -

Carbon footprint

25% REDUCTION OF SCOPE 2 OF THE CARBON FOOTPRINT OF BANCO GALICIA

28% OF BANCO GALICIA CARBON FOOTPRINT OFFSETTING

Banco Galicia reports to the Carbon Disclosure Project (CDP), publicly reporting its greenhouse gas emissions. Given that most of the footprint corresponds to Scope 2, our initiatives focus mainly on energy efficiency and renewable energies. In 2019, the Scope 3 measurement was expanded, incorporating GHG emissions generated by paper consumption and recycling, consumption and disposal of print cartridges and the generation of RAEEs.

The Bank will also offset 8,212 equivalent COQ of its 2019 Carbon Footprint during 2020, through 2 projects in Misiones: We will continue working with World Wide Fund for Nature in the conservation of 11.9 ha of the Uruguayan Wildlife Reserve, and with Banco de Bosques to save 25,000 m^2 of the native forest "Curvas del Uruagua-í".

Naranja measures its carbon footprint since 2017 based on the guidelines of the ISO 20121 Standard for the development of sustainable events. In 2019 it extended the reach of the footprint to its branches. In addition, it measures and compensates for the environmental impact of its events, in relation to the transport it uses, the waste it generates and the energy it consumes. The 2018 events were mitigated in 2019 by two projects: the conservation of the Atlantic Forest next to the Banco de Bosques with the recovery of 6,375 m^2 of the Urugua-í Provincial Park of Misiones, and the planting of 300 trees of native species in the Natural Water Reserves "Los Manantiales" in Río Ceballos and "Los Quebrachitos" in Unquillo.

EMISSIONS OF GREENHOUSE GASES IN TONS OF CO_2EQ

	BANCO GALICIA		NARANJA	
	2018	2019	2018	2019
Direct emissions				
Scope 1	1,036	1,048	149	160
Other indirect emissions				
Scope 2	29,813	22,228	2,242	6,144
Scope 3	7,156	6,087	-	4,927
TOTAL	38,005	29,363	2,391	11,231.2
Intensity of GHG emissions				
	0.13	0.11	0.08	0.77
% of offset carbon footprint				
	-	28%	-	100%*

* It corresponds to 100% offsetting of carbon footprint events of Naranja.

IMPROVEMENT IN THE SCORE IN THE CARBON DISCLOSURE PROJECT (CDP)

THIS YEAR, BANCO GALICIA'S CDP SCORE ESCALATED FROM "C" TO "B-", REACHING A HIGHER LEVEL THAN THE REPORTING COMPANIES IN SOUTH AMERICA, WHICH HAVE AN AVERAGE "C" RATING.

THE CDP SCORE REPORT ALLOWS COMPANIES TO IDENTIFY THE MOST CRITICAL ASPECTS IN ORDER TO IMPROVE THEIR CLIMATE MANAGEMENT STRATEGIES.

OPTIMIZATION OF RESOURCES

In all the companies of the Group we engage in the responsible treatment of waste and the efficient use of office materials, as well as the optimization of our processes in order to minimize our environmental impact.

31% OF PAPER CONSUMPTION REDUCTION IN BANCO GALICIA

RECYCLED OR SUSTAINABLE FINAL DISPOSAL OF THE GROUP

	Unit of Measurement	2018	2019
PAPER AND CARDBOARD	tn	249	317,230
PLASTIC	kg	6,462	2,744.1
PLASTIC CAPS	kg	415	667
RAEE	kg	40,325	70,209.5
SPECIAL WASTE	tn	3.99	1.70
	lt	440	3,300
TONER CARTRIDGES	Units	2,674	2,418
AVU	lt	930	601.5

ENVIRONMENTAL AWARENESS

The Group promotes environmental awareness within the internal and external public and trains its employees in matters such as waste separation, monitor shutdown, reduction of disposable plastics and carbon footprint measurement.

10 Years of the Fund for Environmental Conservation

54 FINANCED PROJECTS

8 COMPILATIONS PUBLISHED

179 PROJECTS RECEIVED

After 10 consecutive years, the FOCA, finishes a stage with great achievements that contributed in a sustained way to improve the environmental impact from the financing of environmental conservation and management projects, in which the work of numerous universities, public organizations of research and government, and Civil Society Organizations (OSC) were represented.

In 2019, the subject addressed was "Biodiversity, energy and urban environments." Each of the 4 winners received Ps. 250,000 for implementing their Project. In addition, the analysis of the 2017 8th edition "Biodiversity and Mammals Conservation" was launched, with the main results of the Projects financed through FOCA. The series already has 8 volumes that are going to be launched two years after the funds are granted.

2019 Winning Projects

"RED-BELLIED SQUIRREL: A NEW INVASIVE SPECIES IN THE DRYLANDS OF ARGENTINA"
Dr. María Fernanda Cuevas, from the Argentine Institute of Drylands Investigations (IADIZA), Executive Unit of CONICET - CCT Mendoza.



"500RPM: WIND ENERGY AND RURAL DEVELOPMENT IN CHUBUT"
Lic. Luciana Proietti Audisio from Foundation 500RPM.



"IMPACT OF HUMAN ACTIVITIES ON THE HEALTH OF MARINE MAMMALS OF THE VALDÉS PENINSULA PROTECTED NATURAL AREA DECLARED A WORLD HERITAGE SITE (UNESCO) AND BIOSPHERE RESERVE"
Dr. in Veterinary Science Carla Fiorito of the Center for the Study of Marine Systems (CESIMAR), CONICET, CENPAT.



"SPACE ATLAS: GREEN AREAS AND ACCESSIBILITY INDEX OF ARGENTINE CITIES"
Mg. Antonio Vázquez Brust of Fundación Bunge y Born



- 2019: Biodiversity, energy and urban environments
- 2018: Waste Management to prevent and mitigate contamination
- 2017: Biodiversity and Mammals Conservation
- 2016: Biodiversity and Birds Conservation
- 2015: Sustainable Agricultural Practices
- 2014: Loss of Biodiversity in Argentina
- 2013: Renewable Energy Sources
- 2012: Water Conservation and Aquatic Environments
- 2011: Conservation of Woodlands as Ecosystems
- 2010: Threatened Species Conservation



INDIRECT RISKS ASSESSMENT AND IMPACT FINANCING

Indirect risk measurement and Impact Financing

The Group is committed to incorporating criteria for the administration of Environmental and Social Risks (AyS) in its decisions related to credit transactions. For this, it is our intention to align with the best international practices.

Banco Galicia continued conducting an environmental and social analysis of long-term investment projects according to the amount financed:

- From **PS. 23.6 MILLION** an environmental and social risk analysis is carried out.
- From **US$5 MILLION** Performance Standards of the International Financial Corporation (IFC) apply.
- From **US$20 MILLION** Equator Principles apply

Projects analyzed in social and environmental levels

NUMBER OF PROJECTS BY SECTOR	
Agricultural, silviculture and fishing	9
Trade Others	2
Construction and Materials	4
Energy, Mining and Water	9
Food and beverage industry	2
Chemistry and Plastic Industry, Ref. Oil	5
Other	5
Total	**36**

Equator Principles

In the last 10 years, Banco Galicia has been the only Argentine bank that adheres to the Equator Principles. Projects are classified into 3 risk categories: high, medium and low. This year the following topics were incorporated: climate change, scope of the principles, social risks and human rights, regulations applicable to designated and non-designated countries.

Green Bond

In 2018, Banco Galicia issued the first Green Bond in the private sector in Argentina to collect US$100 million in order to expand its loan program for environmental efficiency projects. The bond was fully subscribed by the International Finance Corporation (IFC). Up to 2019, the Bank placed 50% of the total US$100 million of the Green Bond. As to the number of projects, 88% corresponds to renewable energy and 12% to energy efficiency.

Statement of Bond Placement up to December 2019

US$100 MILLION	BOND TOTAL
US$53.33 MILLION	FINANCED IN PROJECTS
16	LIQUIDATED PROJECTS

11

SCHEDULES



- CODE OF CORPORATE GOVERNANCE
- FINANCIAL STATEMENTS
- POLICY ON DIVIDENDS AND PROPOSED DISTRIBUTION OF PROFITS

CODE OF CORPORATE GOVERNANCE

A) DUTIES OF THE BOARD OF DIRECTOR

PRINCIPLES

I. The Company shall be led by a professional, trained Board of Directors that shall be in charge of establishing the necessary basis to ensure the sustainable success of the Company. The Board of Directors is in charge of safeguarding the Company and the rights of all its Shareholders.

II. The Board of Directors shall be in charge of determining and promoting the corporate culture and values. In performing their duties, the Board of Directors shall guarantee the observance of the highest standards of ethics and integrity based on the best interest of the Company.

III. The Board of Directors shall be in charge of ensuring a strategy inspired in the Company's vision and mission, which is aligned with its culture and values. The Board of Directors shall engage constructively with the Management to ensure the correct development, execution, monitoring and modification of the Company's strategy.

IV. The Board of Directors shall permanently control and supervise the Company's administration, ensuring that the Management takes actions aimed at implementing the strategy and business plan approved by the Board of Directors.

V. The Board of Directors shall have the necessary mechanisms and policies to perform their duties, as a whole and each member individually, efficiently and effectively.

1. The Board of Directors generates an ethical work culture and establishes the Company's vision, mission and values.

102-26

Grupo Financiero Galicia S.A. (hereinafter, the "Company") is a Financial Services Holding of Argentine capitals, committed to the local development, created in 1999 under the laws of the Argentine Republic. The Company conducts its business activities through its subsidiaries, providing savings, credit, asset protection and investment opportunities for both individuals and companies.

The Company seeks to create value, beyond its offer of financial products and services, to generate a positive impact on the quality of life and the environment of the communities where it operates, for our customers, employees and society as a whole.

Since our creation, the Company works in line with a business vision to harmonically integrate business strategy with respect and ethical values, the community and the environment.

The Company is constantly committed to innovation and continuous improvement in its work. Within the above framework, we are committed to transparency in communicating our actions and ongoing dialogue with our stakeholders.

The Board of Directors promotes the following **ethical values:**

- **Honesty:** Comportarse de manera honrada, recta, razonable y justa.
- **Responsabilidad:** Behaving in an honest, equitable, straight and fair manner.
- **Responsibility:** Performing duties in accordance with the institutional objectives.
- **Information Confidentiality:** Respecting and ensuring respect for the confidential nature of the information.
- **Enforcement of the Law:** Conducting activities in compliance with the applicable standards in the locations where we do business.

These ethical and organizational values are reflected in the Code of Ethics of the Company.

2. 2. The Board of Directors sets the Company's general strategy and approves the strategic plan designed by the Management, taking into account environmental, social and corporate governance factors. The Board of Directors supervises the plan implementation and monitors its execution by the Management.

102-20, 102-26

The Board of Directors of Grupo Financiero Galicia annually approves the consolidated Strategic Plan of

the Company where the management objectives are established. The permanent information flows between the Board of Directors, the Executive Committee and the first-tier managers based on macroeconomic and financial industry projections, play a vital role in generating the guidelines in search of their long-term aspiration, namely, that all its subsidiaries together be the largest and most valuable financial platform in Argentina, with regional design, offering a distinctive customer experience and leading the industry in operational efficiency, counting on the best talents and contributing to the sustainable development of the country.

Grupo Financiero Galicia's subsidiaries prepare and approve their Annual Budget and the Business Plan including the relevant policies on economic, social and environmental matters. Said plans are then evaluated and consolidated by the Company with the assistance of the Management and the Executive Committee, to be subsequently integrated into a single strategic plan to be approved and monitored by the Company's Board of Directors.

Likewise, the Executive Committee monitors the business status of each subsidiary, as well as the compliance with the Company's budgeted financial objectives. The Board of Directors periodically analyzes the evolution of the Company's financial position, considering the needs inherent to the business, the macroeconomic variables and the objectives established.

In terms of sustainability, the Sustainability Department of the subsidiary Banco Galicia coordinates, communicates and trains the sustainability activities of the Group of companies in terms of issues that affect the entity, both internally and externally. Particularly, its duty is to integrate the different areas into the same sustainability vision, and encourage them to identify specific challenges and opportunities in their activities for the creation of social and environmental value.

3. The Board of Directors supervises the Management and ensures that the latter designs, implements and maintains an adequate internal control system with clear reporting lines.

102-26

The Board of Directors is in charge of setting up the organizational structure, by creating the Committees and the Departments it deems necessary, as well as establishing their duties and responsibilities. Likewise, since it is the higher administration body of the Company, it is responsible and accountable for conducting the Company's management, monitoring the Company's operation and performance, while verifying that the administration validly implements the defined strategy to reach its objectives.
The Company has an Audit Committee, which was created as a body with no executive functions, whose purpose is to provide the Company's Board of Directors with assistance in overseeing the Financial Statements, as well as in controlling the company and its subsidiaries. This Committee complies with requirements established by local and foreign regulations, on the markets where the Company's securities are listed. Its activities include the issuance of the report on the activities carried out; the annual planning of the Committee's activities and the allocation of means for its operation; the evaluation on the independence, working plans and performance of the External and Internal Audits; the evaluation of the reliability of the financial information submitted to the Regulatory Authorities and the industries where its shares are listed; and the issuance of an Annual Report assessing the reasonableness of Directors' compensation.

The Executive Committee was created to contribute with the management of the Company's ordinary and usual business for a more efficient fulfillment of the Company's Board of Directors' mission. Its duties include gathering legal, economic, financial and business information on the Company's subsidiaries and investee companies; making investment decisions; appointing the Company's first-tier managers; proposing a strategic plan for the Company and its subsidiaries; making annual budget estimates for the Board of Directors, and performing risk assessments.

There is also an Ethics, Conduct and Integrity Committee that was created as part of the actions taken within the framework of the Company's Ethics and Integrity Program, in order to promote respect for the normative, the principles of good conduct and the Code of Ethics. The objective of this Committee, among other duties as legal standards may

contemplate, is to monitor and analyze reports of conducts contrary to the Code of Ethics, and rule on them; evaluate the evolution and effectiveness of the entity's Ethics and Integrity Program; and plan, coordinate and supervise compliance with the relevant policies approved by this Committee.

The Company has also established a Nomination and Compensation Committee to facilitate the analysis and monitoring of several issues based on good corporate governance practices. The purpose of this Committee is mainly to assist the Board of Directors in the preparation of the proposal to nominate candidates to fill the positions in the Board of Directors; prepare and design a succession plan for the members of the Board of Directors, especially for the Chairman of the Board and the Chairman of the Audit Committee, considering their duties, background, training and professional experience; and determine the compensation levels in accordance with industry standards considering the duties, levels of complexity and variety of the topics addressed, for similar companies.

On the other hand, the Disclosure Committee was created with the purpose of complying with recommendations set by the Sarbanes-Oxley Act (SOX) of 2002 of the United States of America, since Grupo Financiero Galicia is a listed company on the Nasdaq Capital Market. Some of its duties include: monitoring the Company's internal control; reviewing the Financial Statements and other information published; and preparing the reports for the Board of Directors on the activities carried out by the Committee.
The Committee's operation has been gradually adapted to local legislation and it currently performs significant administrative and information duties; this information is used by the Board of Directors and the Audit Committee, thus contributing to the transparency of the information provided to the industries.

The General Manager reports to the Board of Directors and their role is to implement the Company's strategic objectives and coordinate the Financial & Administrative Department that is mainly responsible for evaluating investment alternatives; plan and coordinate the administration of financial resources; meet the requirements of the various controlling bodies, the needs for information and internal control; provide support to the activities carried out by the Board of Directors and the different Committees, comply with the established budget; and plan, prepare, coordinate, control, and provide financial information to the stock exchanges where the Company's shares are listed, and to regulatory authorities.

The tasks related to the information and internal control of each controlled company are defined and performed in each one of them with the utmost rigor. This is particularly uncompromising in the main subsidiary, Banco Galicia, where said regulatory requirements are complied with, as it is a financial entity regulated by the Central Bank of Argentina (Banco Central de la República Argentina, BCRA). In addition to the applicable local regulations, Grupo Financiero Galicia, in its capacity of a listed Company on the United States of America's industries, complies with the certification of its internal controls pursuant to Section 404 of the Sarbanes Oxley Act (SOX). The Company's internal controls are monitored by the Audit Committee, which also gathers and analyzes the information submitted by the main controlled companies.

4. The Board of Directors designs corporate governance structures and practices, appoints the person responsible for their implementation, monitors their effectiveness, and suggests changes, if necessary.

The Board of Directors directs and supervises the effectiveness of corporate governance structures and practices defined by the regulations in force through the various committees, suggesting, if necessary, all modifications deemed appropriate. Likewise, there are especially designed matrices to verify diverse aspects such as the internal controls, the independence of Directors and the regulatory updates. This task is performed by the Financial Administrative Department of the Company.

5. The members of the Board of Directors have enough time to perform their duties professionally and efficiently. The Board of Directors and its committees count on clear, formalized standards for their operation and organization, which are disclosed through the website of the Company.

The Board of Directors meets formally at least once a month, and whenever the circumstances or issues to be dealt with require. In addition, all members of the Board of Directors also participate in at least one of the following Committees: Audit Committee; Executive Committee; Ethics, Conduct and Integrity Committee; Nomination and Compensation Committee; and Disclosure Committee.

The Executive Committee meets weekly, the Audit Committee meets in accordance with a previously established work plan which includes and foresees monthly formal meetings. The Nomination and Compensation Committee and the Ethics, Conduct and Integrity Committee meet semi-annually, and whenever the circumstances or issues to be dealt with require. Likewise, the participation of Directors in the Disclosure Committee is intended to address specific topics.

The Board of Directors and the Company's committees count on clear, formalized standards for their operation and organization. The Committees count on Internal Regulations which have been opportunely approved by the Board of Directors and are available on the Company's website. Likewise, the Board of Directors' operation is defined by the Company's Bylaws which can also be consulted on the Company's website.

B) THE PRESIDENCY IN THE BOARD OF DIRECTORS AND THE CORPORATE SECRETARIAT

PRINCIPLES

VI. The Chairman of the Board of Directors is in charge of leading its members and ensuring effective fulfillment of the Board duties. The Chairman shall generate a positive work dynamics and promote the constructive participation of its members, as well as ensure that members have the elements and information required for decision making. This also applies to the Chairmen of each Committee of the Board of Directors regarding their relevant tasks.

VII. The Chairman of the Board of Directors shall lead processes and establish structures seeking the commitment, impartiality and competence of its members, as well as the better operation of the body as a whole and its evolution according to the needs of the Company.

VIII. The Chairman of the Board of Directors shall ensure that the entire Board of Directors be involved and responsible for the General Manager succession.

6. The Chairman of the Board of Directors is responsible for the proper organization of its meetings, sets the agenda ensuring the collaboration of the other members, and provides them with the necessary materials with sufficient time to enable them to participate in the meetings efficiently and properly informed. The above responsibilities also apply to the Chairmen of the Committees as regards their meetings.

The Chairman of the Board of Directors is responsible for conducting and organizing its meetings with the support of the Company's General Management.

The Board of Directors' meetings are called in accordance with the Chairman's instructions, informing date, time and the agenda to be addressed. The General Management distributes the necessary materials to attend the meetings. However, the

Directors may request the additional documentation they deem relevant.

The Chairmen and/or Coordinators of the Committees ensure that Directors and other members receive the call to the meetings and the documentation to be analyzed sufficiently in advance. They are also responsible for verifying that deliberations and decision making be included in the relevant minutes.

7. The Chairman of the Board of Directors ensures the proper internal operation of the Board by implementing formal processes for annual evaluation.

102-27, 102-28

The Chairman of the Board of Directors ensures the proper operation of this Administration Body in compliance with the provisions set by the applicable regulations and the Company's Bylaws. The Directors have proven knowledge and experience to hold their offices and comply with their responsibilities.

The Regular Directors make an annual self-evaluation regarding the Board of Directors' performance as the Administration Body, and their individual roles as its members. Each evaluation is sent to the Chairman of the Board of Directors for their relevant analysis and for designing the action plan. The results of the self-evaluations are kept by the Chairman.

8. The Chairman generates a positive, constructive work space for all the members of the Board of Directors and ensures that they receive continuous training to keep updated and be able to properly fulfill their duties.

102-27

The Chairman leads the Board of Directors and is in charge of generating conditions so that all the Directors are informed and may pose their viewpoints and opinions freely and comfortably. The Chairman of the Board of Directors ensures that decisions are agreed upon, as a result of the exchange of ideas and opinions, and made unanimously, stating for the records the minority positions and their fundamentals.

The Chairman normally presents the issues to be addressed and expresses his/her opinion at the end of the discussions in order to allow the rest of the Directors to state their views without conditions, encouraging a dynamic dialogue and transparency.

The Directors are constantly updated and trained as a result of the different topics they shall cover, such as the presentations on the economic outlook they receive, the regulatory updates explained when addressing the issues of the subsidiaries, the tasks they develop in the different committees where they participate, and the attendance of their members to forums, conferences and congresses, both in the country and abroad.

Their training and development is based not only on the technical and regulatory updates, but also on developing the critical competencies to foster the future of the organization.

9. The Corporate Secretariat supports the Chairman of the Board of Directors in the effective administration of this body and collaborates in the communication between Shareholders, Board of Directors and Management.

The duties of the Corporate Secretariat are designed and conducted by the General Management and the Financial & Administrative Department, which assists the Board in its tasks and obligations and collaborates in the communication between the Board of Directors and the Shareholders.

Its main tasks are:
- to facilitate the proper development of the Board of Directors' meetings;
- to assist the Chairman in convening and preparing the Agenda of the Board of Directors' meetings;
- to guide and obtain legal advice to assist the Board of Directors in all the topics of legal nature or related to the Bylaws or the Corporate Governance standards;
- to keep and safeguard the Corporate Books;
- to record the development of the topics addressed at the meetings in the Minutes' Books;
- to include these minutes, after their approval, in the Corporate Books;
- to ensure that the Board of Directors' activity complies with legal standards, Bylaws, and internal regulations and procedures of the Company;

- to ensure that the Company's procedures and good governance standards are complied and periodically reviewed;
- to provide support in organizing the Shareholders' Meetings, ensuring the Shareholders are recorded, and the participation of all Directors in the meetings
- to participate in the Shareholders' Meetings of the subsidiaries.

Likewise, according to the contract for the provision of services signed with the subsidiary Banco Galicia, the Board of Directors may require the assistance of the Bank's Board of Directors Secretariat to collaborate with the tasks deemed necessary.

10. The Chairman of the Board of Directors ensures the participation of all its members in designing and approving a succession plan for the General Manager of the Company.

The supervision of succession plans for first-tier managers is in charge of the Executive Committee with the approval of the Board of Directors. Taking into account the issuing entity's personnel structure, said plans are individually designed.

C) COMPOSITION, NOMINATION, AND SUCCESSION OF THE BOARD OF DIRECTORS

PRINCIPLES

IX. The Board of Directors must have adequate levels of independence and diversity allowing it to make decisions in the best interest of the Company, avoiding group thinking and decision making by individuals or dominant groups within the Board.

X. The Board of Directors shall ensure that there are formal procedures in the Company for the proposal and nomination of candidates to hold positions in the Board of Directors within the framework of a succession plan.

11. At least two members of the Board of Directors shall have the status of independent members, in accordance with the current criteria established by the Argentine Securities and Exchange Commission.

The Board of Directors of Grupo Financiero Galicia is the maximum Administration Body of the Company. It is composed of nine Regular Directors and three Alternate Directors who have the knowledge and skills required to clearly understand their responsibilities and duties within the framework of Corporate Governance, and work with the loyalty and diligence of a good businessman.

The Board of Directors is composed of two independent Regular Directors and two independent Alternate Directors.

12. There is a Nomination Committee in the Company, composed of at least three (3) members, and chaired by an independent director. If the Chairman of the Board of Directors chairs the Nomination Committee, the Chairman shall refrain from participating when addressing the designation of their own successor.

102-24, ODS 5.5

The Company has created the Nomination and Compensation Committee which is composed of 5 Regular Directors, two of them independent. In addition, said Committee is chaired by an Independent Director.

The Committee meets at least once in a semester, and whenever there are topics requiring to be addressed. Among other duties that may be contemplated in the legal standards, the Committee's responsibilities are as follows: 1) to prepare the proposal to nominate candidates to fill the positions in the Board of Directors; 2) to prepare and design a succession plan for the members of the Board of Directors, especially for the Chairman and the Chairman of the Audit Committee, considering their duties, background, training and professional experience; and 3) to determine the compensation levels in accordance with industry standards, considering the duties, levels of complexity and variety of the topics addressed for similar companies.

13. Through the Nomination Committee, the Board of Directors designs a succession plan for its members that guides the pre-selection process of candidates to fill vacancies and takes into account the non-binding recommendations made by its members, the General Manager and the Shareholders.

102-24, ODS 5.5

Even though the selection of new members of the Board of Directors is the exclusive power of the Shareholders' Meeting, in accordance with the provisions of the General Companies Act, the Company has created a Nomination and Compensation Committee responsible for designing a succession plan for its members and guiding the pre-selection process of candidates.

14. The Board of Directors implements an Orientation Program for their newly elected members.

102-24, ODS 5.5

The new Directors who join the Company have the profile, skills, vast experience, the necessary knowledge of the financial industry and the skills required to develop within the framework of the Board of Directors.

Furthermore, like the rest of the Directors, they are constantly updated and trained through the various presentations taking place in the Board of Directors, in addition to attendance to forums, conferences and congresses, both in the country and abroad.

This position does not mean that in the event of specific orientation needs for the new members, updates would be carried out regarding updates of regulations, management of new businesses, or even corporate governance, hiring consulting services or specific training if necessary.

D) COMPENSATION

PRINCIPLES

XI. The Board of Directors shall generate incentives through the compensation to align the Management - led by the General Manager - and the Board of Directors with the Company's long-term interests in such a way so that all Directors equitably comply with their obligations regarding all their Shareholders.

15. There is a Compensation Committee in the Company, composed of at least three (3) members. All the members are independent or non-executive directors.

102-35, 102-36

There is a Nomination and Compensation Committee in Grupo Financiero Galicia, composed of 5 Directors, 2 of which are independent. This Committee is chaired by an Independent Director.

Regarding the compensation of the Directors, it is determined by the Committee, considering market standards, considering the duties, levels of complexity and variety of the topics addressed for similar companies.

Additionally, in accordance with current regulatory requirements, the Audit Committee issues an Annual Report that is published at the web page of the Argentine Securities and Exchange Commission (Autopista de la Información Financiera, AIF) regarding the reasonableness of the compensation paid to the Administration Body, based on reports specifically prepared by prestigious consultants.

16. The Board of Directors, through the Compensation Committee, establishes a Compensation Policy for the General Manager and members of the Board of Directors.

102-35, 102-36

The Compensation Policy for first-tier managers and the members of the Board of Directors is in line with industry standards for similar companies, considering the complexity, variety and dedication of the tasks.

The compensation of the members of the Board of Directors is determined by the Nomination and Compensation Committee as explained above, while the Executive Committee is responsible for establishing the Compensation Policy of first-tier managers.

E) CONTROL ENVIRONMENT

PRINCIPLES

XII. The Board of Directors shall ensure that there is a control environment in place, consisting of internal controls designed by the Management, namely, the internal audit, risk management, regulatory compliance and external audit, thus establishing the necessary lines of defense to ensure integrity in Company's operations and financial reports.

XIII. The Board of Directors shall ensure that there is a comprehensive risk management system in place, allowing the Management and the Board of Directors to efficiently lead the company towards its strategic objectives.

XIV. The Board of Directors shall ensure that there is a person or department (depending on the size and complexity of the business, the nature of its operations and the risks faced) in charge of the Company's internal audit. This audit, to assess and audit the Company's internal controls, corporate governance processes and risk management, must be independent, unbiased, and have clearly established reporting lines.

XV. The Board of Directors' Audit Committee shall be composed of qualified and experienced members, and shall fulfill their duties in a transparent and independent manner.

XVI. The Board of Directors shall establish adequate procedures to ensure the independent and effective action of the External Auditors.

17. The Board of Directors determines the risk appetite of the Company, and also monitors and guarantees that a comprehensive risk management system is in place to identify, evaluate, decide the course of action and monitor the risks faced by the company, including -among others- environmental, social and business-related risks in the short and long term.

102-35, 102-36

Grupo Financiero Galicia, through its Board of Directors, manages the risk in a comprehensive manner, ensuring compliance with the regulations in force, guiding the management to the objectives established by the Shareholders, and guaranteeing businesses conducted within an ethical framework and policies conforming to the best practices on this matter.

In order to have timely information and an agile and efficient structure that allows responding and adapting to the prevailing macro and microeconomic variables, it is advisable that the tasks related to information and internal risk control of each company making up the economic group be defined and executed pursuant to the risk policies defined for each of them according to its operation.

This is particularly uncompromising in the main subsidiary, Banco Galicia, since it is a financial entity regulated by the BCRA. In addition to the applicable local regulations, Grupo Financiero Galicia, in its capacity of a listed Company on the United States of America's industries, complies with the certification of its internal controls pursuant to Section 404 of the Sarbanes Oxley Act (SOX).

The Company's risk management is monitored by the Audit Committee, which also gathers and analyzes the information submitted by the main controlled companies.

18. The Board of Directors monitors and reviews the effectiveness of the independent internal audit and guarantees the resources for the implementation of an Annual Audit Plan based on risks and a direct report line to the Audit Committee.

The Board of Directors monitors and reviews the effectiveness of the internal audit through the Company's Audit Committee. This Committee carries out an annual evaluation of the plans and the performance of the Internal Audit - which is subcontracted to the Internal Audit team of the subsidiary Banco Galicia - by analyzing its Methodology and Annual Work Plan, meetings held and reports issued.

The Internal Audit Management of the subsidiary Banco Galicia depends directly of the Board of Directors and is functionally dependent of the Audit Committee, informing both of them on an ongoing basis about the results of the audits and work performed.

It is structured in specialized sectors as follows:

- Systems Audit.
- Centralized Processes Audit and Branches Audit.
- Credit Risk Audit.

Its mission is to evaluate and monitor the effectiveness of the internal control system in order to ensure: i) compliance with the objectives and strategy set by the Board of Directors; ii) the effectiveness and efficiency of the operations; iii) the reliability of the accounting information; and iv) compliance with applicable laws and regulations.

Annually, prior to the end of each fiscal year, Internal Audit submits the annual work plan, called the Annual Internal Audit Plan, for consideration and approval of the Audit Committee.

This planning contains references to the Minimum Standards framework for the evaluation of the internal control system, Standards related to the effectiveness of controls on Accounting and Financial reports, Corporate Governance Practices, the definition of the relevant Cycles and the tasks to be carried out (surveys and evaluation, control and essential tests), and the detail of Cycles, Processes and Systems involved.

The Management has an Internal Audit Procedure Manual, which establishes, among other items, guidelines for the function, scope of work, and responsibilities; this manual is annually reviewed and updated, if applicable, by notifying the Audit Committee.

Furthermore, the Audit Committee evaluates the internal control in force in the Entity and main Subsidiaries, which also complies with the provisions of section 404 of the Sarbanes Oxley Act and, as such, the operation of the administrative-accounting system; the evaluation is made through the analysis of the reports issued by the Internal and External Audits, the Supervisory Commission, and the analysis of the process supporting the certifications of sections 302 and 906 of the Sarbanes Oxley Act carried out by the Company's Disclosure Committee.

19. The Internal Auditor or the members of the Internal Audit Department are independent and highly qualified resources.

Grupo Financiero Galicia has subcontracted the internal audit duties to the Internal Audit Department of the main subsidiary Banco Galicia due to their training level, structure, and knowledge of the financial activity. The Internal Audit of Banco Galicia counts on highly trained resources, practically all of them are professionals with a university degree.

The Internal Audit Management designs and implements an internal and external training plan in financial, business and accounting matters, as well as in other areas, identifying and assigning responsible persons as specialized resources, among others, in the following topics:

- Operations/Accounting
- Financial Matters
- Prevention of Money Laundering and Terrorism Financing
- Foreign Trade
- Risk Management
- Protection of Financial Services Users
- Cybersecurity/Computer Security
- Automatic Banking
- Telecommunications/Internet/Mobile Internet
- Data mining

The Board of Directors, through the Audit Committee, ensures unrestricted access for the Internal Audit to all the Sectors and information of the Company, necessary for performing their work.

The Internal Audit is responsible for evaluating and monitoring the effectiveness of the internal control system, to provide reasonable assurance regarding the achievement of the following objectives:

- Compliance with the objectives and strategies set by the Board of Directors
- Effectiveness and efficiency of operations
- Reliability of the Accounting Information
- Compliance with the applicable laws and standards

The Internal Audit Management complies with an annual work plan whose planning and scope is based on the identification and evaluation of the entity's risks, as well as the identification and impact of the objectives set.

An annual report is issued on the status of the follow-up of Observations, and plans or actions for their regularization. These reports are submitted to the Audit Committee to be addressed at this Committee's meeting.

Having a reporting model approved by the Audit Committee in place provides a solid communication base, needed to mitigate the risks and ensure that all relevant information is received and analyzed by the Committee in a timely and complete manner.

20. The Board of Directors' Audit Committee works based on Internal Regulations in place. This Committee is mostly composed of independent directors, and is chaired by one of them; it does not include the General Manager. Most of its members have professional experience in financial and accounting areas.

The Audit Committee is a body with no executive functions, whose purpose is to assist the Board of Directors in overseeing the Financial Statements, as well as in controlling the Group and its subsidiaries. This Committee is governed by the Standards included in the Internal Regulations. It is composed of three Board of Directors' members, two of them are independent pursuant to the standards of the Argentine Securities and Exchange Commission.

The Committee Chairman is also independent. There is also an accounting and financial expert in the Committee. However, all the members of the Audit Committee have broad and proven professional experience in the area of finances, and accounting knowledge.

This Committee complies with the requirements established by local legislation, as well as the requirements established by Sarbanes Oxley Act (SOX) of the United States of America. Its activities include, among others, the annual planning of its own activities and the allocation of means for its operation; the evaluation of the independence, work plans and performance of the external and internal Audits; the evaluation of the rules of conduct through the analysis of the legal and regulatory regulations in force and the Code of Ethics; the expression of opinions regarding the reasonableness of the proposals made by the Board of Directors regarding fees and Options Plans for the Board of Directors' shares; the issuance of an Informed Opinion regarding transactions with related parties; the revision of the operations in which there is a conflict of interest with members of the corporate bodies or Controlling Shareholders; the issuance, at least annually, of a report that accounts for the treatment given during the year to the issues of its competence; the revision of the reports issued by the internal audit according to current regulations on internal control; the analysis of the fees billed by the external auditors; the expression of its opinion on the proposal of the Board of Directors for the appointment of the external auditors to be hired by the Company; the supervision of the application of policies regarding information on risk management; and the revision of the operations in which there is a conflict of interest with members of the corporate bodies or Controlling Shareholders.

The Committee members work jointly and meet in accordance with a previously approved plan. The Committee normally meets at least once a month, or with higher frequency whenever addressing some topic so requires, or when any of its members deems it convenient. The quorum required for valid sessions is at least two members of the Committee.

The topics addressed by the Committee are recorded in Minutes which are transcribed in the special books enabled for this purpose.

21. The Board of Directors, with opinion of the Audit Committee, approves a policy for selecting and monitoring external auditors; this policy defines the indicators to be considered when submitting the recommendation on the continuation or substitution of the External Auditor to the Shareholders' Meeting.

The Audit Committee carries out an annual evaluation of the independence, work plans and performance of the External Auditors, through the analysis of the different services provided, the reports issued, the interviews carried out, the correspondence exchanged, and the reading of the documentation requested by the Committee. Likewise, in compliance with the provisions of the regulations in force, the Audit Committee annually submits to the Argentine Securities and Exchange Commission a report on the proposals of the Board of Directors for the appointment of the External Auditors and the compensation for Directors, for each fiscal year.

The Board of Directors, through the Audit Committee, approves and monitors the External Auditor Plan to ensure that they are independent, professional standards are complied with, there are no limitations for fulfilling their duties, and they perform the evaluation of the internal control processes related to the information in the financial statements under these criteria.

Furthermore, the General Shareholders' Meeting is responsible for appointing professionals who fulfill the External Auditor duties. No member of the Supervisory Commission performs the External Audit or belongs to the firm that provides the External Audit services. The professional in charge of the Internal Audit is not the same individual as the professional performing the External Audit duties.

F) ETHICS, INTEGRITY, AND COMPLIANCE

PRINCIPLES

XVII. The Board of Directors shall design and establish appropriate structures and practices to promote a culture of ethics, integrity and compliance with regulations that prevent, detect and address serious corporate or personal faults.

XVIII. The Board of Directors shall ensure the implementation of formal mechanisms to prevent, and otherwise deal with, conflicts of interest that may arise in the administration and management of the Company. There must be formal procedures seeking to ensure that transactions between related parties are performed with a view to the best interest of the Company and the equitable treatment for all its shareholders.

22. The Board of Directors approves a Code of Ethics and Conduct which reflects the values and the ethical and integrity principles, as well as the Company's culture. The Code of Ethics and Conduct is communicated and applicable to all Company's Directors, Managers and Employees.

102-35, 102-36

Grupo Financiero Galicia's Code of Ethics is formally approved by the Board of Directors, and it is subscribed by all the members of the Company, adhering to its content and committing to carry out their duties with impeccable honesty, responsibility and transparency. This instrument is public and can be consulted, by the Shareholders and/or any interested party, on the Company's website.

The Code of Ethics and Conduct reflects the values and the ethical and integrity principles, as well as the Company's culture. The ethical values to be sustained by all the employees are the following: Honesty, Responsibility, Security, Information Confidentiality, Enforcement of the Law and Commercial Loyalty.

It also considers, among other related aspects, impartiality, transparency and honesty in business, management of conflicts of interest, and responsibility with the community. It contains guidelines for the actions of collaborators, namely, directors, managers and employees.

All the Company's employees annually certify their knowledge of the Code of Ethics through their signature, as a renewal of adherence to said Code; besides, they answer a brief questionnaire in this regard.

The Financial & Administrative Department is in charge of complying with and monitoring the degree of knowledge of this Code.

23. The Board of Directors periodically establishes and reviews an Ethics and Integrity Program, based on risks, dimension and economic capacity. The plan is visibly and unequivocally supported by the Management who designates an internal responsible person to design, coordinate, supervise and periodically evaluate the program for its effectiveness. The program provides for: (i) periodic trainings to directors, administrators and employees on ethics, integrity and compliance issues; (ii) internal channels for

reporting irregularities, open to third parties and adequately disseminated; (iii) a whistleblowers protection policy against reprisals, and an internal investigation system that respects the rights of those being investigated and imposes effective penalties on violations to the Code of Ethics and Conduct; (iv) integrity policies on bidding procedures; (v) mechanisms for periodic risk analysis, Program monitoring and evaluation; and (vi) procedures to verify the integrity and track record of third parties or business partners (including due diligence to verify irregularities, illegal acts, or vulnerabilities appearing during the processes of corporate transformation and acquisitions), including suppliers, distributors, service providers, agents, and intermediaries.

In Grupo Financiero Galicia there is an Ethics and Integrity Program in place, promoted by the General Management. The Board of Directors has designated an internal responsible person to work in the Financial & Administrative Department to design, coordinate, supervise, and periodically evaluate the program for its effectiveness. The Board of Directors approved a new Code of Ethics, within the framework of said program, during fiscal year 2019.

The Company's Ethics and Integrity Program provides for: (i) periodic trainings to directors, administrators and employees on ethics, integrity and compliance issues; (ii) internal channels for reporting irregularities, open to third parties and adequately disseminated; (iii) a whistleblowers protection policy against reprisals, and an internal investigation system that respects the rights of those being investigated and imposes effective penalties on violations to the Code of Ethics and Conduct; and (iv) mechanisms for periodic risk analysis, Program monitoring and evaluation.

Grupo Financiero Galicia considers that, as a holding which does not conduct commercial activities, it is not necessary to establish the following items in the Company's Ethics and Integrity Program: (v) integrity policies on bidding procedures; and/or (vi) procedures to verify the integrity and track record of third parties or business partners (including due diligence to verify irregularities, illegal acts, or vulnerabilities appearing during the processes of corporate transformation and acquisitions), including suppliers, distributors, service providers, agents, and intermediaries.

The information below is worth noting as regards the items included in the program:

(i) periodic trainings to directors, administrators and employees on ethics, integrity and compliance issues.
All Company's employees annually certify their knowledge of the Code of Ethics through their signature-adherence to said Code and by answering a brief questionnaire.

(ii) internal channels for reporting irregularities, open to third parties and adequately disseminated.
Grupo Financiero Galicia considers it vitally important that the employees feel safe when deciding to report any action that they consider violates this Code, and invites them to communicate their concerns openly by providing as much information as possible for the investigation. In the event that the collaborator considers that there is a deviation from the guidelines established in the Code of Ethics, they will be able to analyze the problem with the immediate supervisor, the General Management, or, alternatively, communicate with the Ethics Line by using any of the authorized channels:
- Via e-mail to: denuncias@gfgsa.com
- Via the website, using Contact us at: www.gfgsa.com
- Requesting a personal interview.

(iii) a whistleblowers protection policy against reprisals, and an internal investigation system that respects the rights of those being investigated and imposes effective penalties on violations to the Code of Ethics and Conduct.
All contacts and investigations are treated with the utmost confidentiality and in accordance with applicable laws and regulations. In order to preserve their identity, employees may opt for anonymous reporting.

Their reports shall be addressed by the Ethics, Conduct and Integrity Committee. This Committee shall not make any final decision on the investigation until the reported party has been properly listened to.

Grupo Financiero Galicia believes in its employees' integrity until the violation to this Code of Ethics has been proven. Similarly, the cases shall be investigated when it is suspected that, after a violation to any of these rules, there has been a pact of silence between employees, or concealment of information necessary

to discover it. If it is discovered that some of these faults, or their reporting, cause acts of revenge or direct or indirect reprisals, measures shall be taken against those who carry them out.

(v) mechanisms for Program periodic risk analysis, monitoring and evaluation.

Grupo Financiero Galicia has an Integrity Program in place whose objective is based on the compliance with the requirements and best practices. It aims to identify, prevent and eliminate corruption risks, as well as minimize any other risk that may have a significant effect on our integrity through the application of the Code of Ethics, which is periodically reviewed by the Ethics, Conduct and Integrity Committee.

24. The Board of Directors ensures that there are formal mechanisms in place to prevent and address conflicts of interest. For transactions between related parties, the Board of Directors approves a policy that establishes the role of each corporate body; it defines how to identify, manage and disclose those transactions that are harmful to the company, or only to certain investors.

102-25

The Code of Ethics of Grupo Financiero Galicia establishes that every collaborator of the Company is responsible for identifying and reporting situations that may trigger a conflict of interest with Grupo Financiero Galicia. If a conflict of interest, doubts or questions arise about a potential conflict of interest, employees are encouraged to discuss them or make them known without delay to the Ethics, Conduct and Integrity Committee.

As provided in its Internal Regulations, the Audit Committee shall intervene in cases involving transactions where there is, or there may be, a conflict of interest with members of the corporate bodies or the Controlling Shareholders; also, if applicable in accordance with the current regulations, it shall provide the industry with the relevant information in a timely manner.

G) PARTICIPACIÓN DE LOS ACCIONISTAS Y PARTES INTERESADAS

PRINCIPLES

XIX. The Company shall treat all Shareholders equitably. It shall ensure equal access to non-confidential and relevant information for decision-making at the Company's Shareholders' Meetings.

XX. The Company shall promote the active participation of all Shareholders, properly informed, especially in relation to the composition of the Board of Directors.

XXI. The Company shall have a transparent Dividend Distribution Policy aligned to its strategy.

XXII. The Company shall take into account the interests of its stakeholders.

25. The Company's website discloses financial and non-financial information, providing timely and equal access to all Investors. The website has a specialized area to address the Investors' enquiries.

102-21, 102-37

Grupo Financiero Galicia's own website (www.gfgsa.com) allows public access, it is permanently updated and provides corporate legal, accounting, financial, regulatory information and its Bylaws.

The website also features a communication channel with Investors, analysts and the general public. Furthermore, these stakeholders have the possibility to subscribe to the "E-Mail Alerts" system, which allows them to be updated via e-mail of all the publications on the Company's Financial Statements, documentation and press releases.

Informative meetings are held any time an Investor, or group of Investors, so requires. Moreover, at the presentation of the Quarterly Financial Statements, the Company holds a conference call to present the results, where the stakeholders can interact directly,

by asking questions to an official designated for that purpose.

The Company has a Industry Relations Manager who is responsible for the communication and dissemination of financial, Bylaws and legal information, in Spanish and English, through the CNV web site, Argentine Stock Exchange and Markets (Bolsas y Mercados Argentinos, BYMA), Córdoba Stock Exchange (Bolsa de Comercio de Córdoba), Electronic Open Market (Mercado Abierto Electrónico, MAE), Nasdaq (National Association of Securities Dealers Automated Quotation), and SEC (Securities and Exchange Commission).

In addition, the Company responds to inquiries and/or provides the information requested by potential Investors, analysts and Shareholders.

26. The Board of Directors shall ensure that there is a procedure in place to identify and classify its stakeholders, and a communication channel for them.

102-21, 102-37

Grupo Financiero Galicia, through the Annual Integrated Report, describes its economic, social and environmental performance and organizational perspectives in the current context, and the essential issues to achieve the objectives and business strategy in the short, medium and long term. The Integrated Report is externally verified by PWC Argentina and is also validated by the "Global Reporting Initiative (GRI) Content Index Service" and the "SDG Mapping" service.

Considering that reputation and trust are crucial aspects that currently define the relationship between companies and their stakeholders, it is important to note that the definition of the long-term business strategy must necessarily include compliance with the expectations of all its Stakeholders.

The Company considers that a truthful and effective communication is achieved with all its stakeholders through the adoption of standards that guarantee transparency and access to clear, specific, and adequate information in terms of organizational, economic and financial matters, and undoubtedly the Annual Integrated Report accounts for this information. Consequently, the communication to all audiences is based on an articulated work between the key areas of the Companies, thus generating value to their stakeholders and contributing to the sustainable development of our Company.

Additionally, a survey of the Integrated Report is carried out every year, as part of the Materiality Analysis, aiming at knowing the expectations of the key stakeholders on this publication, to follow the continuous improvement path in accountability matters.

The mapping of key stakeholders of the Companies allows them to know their audiences, characteristics, concerns, opinions, and expectations, and thus be able to respond to their demands and establish long-term relationships. The main key audiences identified are: people, institutions, organizations, and companies.

Likewise, the Company and the subsidiaries maintain communication channels with said stakeholders to address and receive the different interactions arising in this context; in particular, the Company maintains mailboxes in its website to receive communications from shareholders, analysts or general public, which are answered and addressed by trained personnel.

27. Prior to the Shareholders' Meeting, the Board of Directors sends to them a "provisional information package" that allows the Shareholders, through a formal communication channel, to make non-binding comments and share dissenting opinions with the Board of Directors' recommendations; the Board of Directors, when sending the final information package, shall have to expressly issue an opinion on said comments, as deemed necessary.

To call the Shareholders' Ordinary Meetings, the Company publishes notices in the Official Gazette of the Argentine Republic, the newspaper La Nación, the Buenos Aires Stock Exchange, the Electronic Open Market, the Córdoba Stock Exchange, the Argentine Securities and Exchange Commission, the Nasdaq, and the Securities and Exchange Commission of the United States of America.

In addition, the Company makes available to all Shareholders a website of its own (www.gfgsa.com), freely accessible and permanently updated. Said website adjusts to current regulations, and Shareholders and the general public have available the legal, accounting, Bylaws and regulatory information as required.

The Company also has a website which includes an inquiry channel, addressed by the personnel in charge of Investors Relationships. This unit not only promotes the holding of meetings and telephone conferences with Shareholders and holders of other securities, which are attended by one of the Directors or senior officers of the entity, but is also available to Shareholders and investors for their inquiries.

The inquiries, comments and/or recommendations are individually answered to the person who makes them. The Shareholders, in accordance with the General Companies Act, have the possibility to participate in the Shareholders' Meetings and make all the comments they deem relevant. It is important to highlight that the personnel performing this duty are under no circumstances authorized to provide information that implies placing the person requesting it in a position of privilege or advantage over other Shareholders or investors.

All the information required to attend the Shareholders Meeting is provided by the Company in English and Spanish languages. We emphasize that the attendance to the Shareholders' Meetings in recent years has been above 85% of the social capital, a percentage considered as a very relevant participation for an open company.

28. The Company Bylaws consider that the Shareholders can receive the information packages for the Shareholders' Meeting through virtual media, and participate in Meetings by using electronic means of communication enabling the simultaneous transmission of sound, images and words, ensuring the principle of equal treatment to participants.

The Company Bylaws currently does not provide the participation in the Shareholders' Meetings by using virtual or electronic means of communication enabling the simultaneous transmission of images, sounds and words. Participation and the principle of equality are guaranteed for all shareholders, regardless of their place of residence. The General Companies Act contemplates the participation of the Shareholders in the meeting either in person, or through their representation by proxy.

29. The Dividend Distribution Policy is aligned with the strategy and clearly establishes the criteria, frequency and conditions under which said distribution shall take place.

The profit distribution policy is based on the regulatory framework, current economic and financial situation affecting the Company and the principles and mission provided by the entity framework. The Mission adopted by the Company is to establish itself as an economic group of financial services companies, the largest and most valuable financial platform in Argentina, with regional design, offering a distinctive customer experience and leading the industry in operational efficiency, counting on the best talents and contributing to the sustainable development of the country.

Consequently, the Company's Dividend Distribution Policy is aimed at an adequate return of the capital invested by its Shareholders that shall include, among other already mentioned factors, the obligation to set up the legal reserve, the indebtedness of the company, the requirements of the businesses of the investee companies, the regulations to which they are subject and, essentially, that the profits shown in their financial statements are to a great extent, holding gains (losses), and not realized and liquid gains, a condition required by Article 68 of the General Companies Act to allow its distribution as dividends. The proposal for the distribution of dividends resulting from said analysis must be approved by the Shareholders' Meeting when addressing the Financial Statements for each fiscal year.

FINANCIAL STATEMENTS



FOR THE YEAR COMMENCED JANUARY 1, 2019 AND ENDED DECEMBER 31, 2019, IN COMPARATIVE FORMAT

FINANCIAL STATEMENTS

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format.

Fiscal Year No. 21 commenced January 1, 2019

Registered Address:
Tte. Gral. Juan D. Perón 430 Piso 25°
City of Buenos Aires - Argentina

Main Activity:
Financial and Investment Matters

Registration Number with the Superintendency of Corporations:
12,749

Correlative Number with the Superintendency of Corporations:
1,671,058

Registration Date with the Superintendency of Corporations:
- Of Bylaws: September 30, 1999
- Of last amendment to Bylaws: September 11, 2019

Expiration Date of Bylaws:
June 30, 2100

Data of the Parent Company:

Name:
EBA HOLDING S.A.

Main Activity:
Financial and Investment Matters

Interest of the Parent Company in Equity
as of 12.31.19: 19.71%

Interest of the Parent Company in Votes
as of 12.31.19: 55.11%

Equity Composition as of 12.31.19 (Note 31):

Figures stated in thousand Argentine pesos, except for "quantity" and "No. of votes per each share"

					Shares
Quantity	Type	No. of votes per each share	Subscribed	Paid-in	Registered
281,221,650	Class "A" Ordinary Shares, nominal value 1	5	281,222	281,222	281,222
1,145,542,947	Class "B" Ordinary Shares, nominal value 1	1	1,145,543	1,145,543	1,145,543
1,426,764,597			**1,426,765**	**1,426,765**	**1,426,765**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format.
Figures stated in thousand Argentine pesos, except as otherwise provided.

Items	Notes	12.31.19	12.31.18
Assets			
Cash and Due from Banks	**5**	**130,819,165**	**143,309,428**
Cash		52,728,463	21,189,989
Financial Institutions and Correspondents		78,090,702	122,119,439
- Argentine Central Bank (BCRA)		75,542,241	119,190,612
- Other, local and foreign financial institutions		2,548,461	2,928,827
Debt Securities at fair value through profit or loss	**6**	**65,690,460**	**75,989,171**
Derivative Financial Instruments	**7**	**1,398,539**	**1,785,640**
Repurchase transactions	**8**	**30,075,478**	**2,068,076**
Other Financial Assets	**9**	**8,242,578**	**8,990,443**
Loans and Other Financing	**10**	**362,865,288**	**286,952,492**
Non-financial Public Sector		6,829	11,777
Argentine Central Bank		22,374	533
Other Financial Institutions		10,687,560	7,872,353
To the Non-financial Private Sector and Residents Abroad		352,148,525	279,067,829
Other Debt Securities	**11**	**19,045,411**	**14,489,766**
Financial Assets Pledged as Collateral	**12**	**11,550,586**	**10,817,492**
Current Income Tax Assets	**13**	**40,503**	**2,510,384**
Investments in Equity Instruments	**14**	**2,497,466**	**161,054**
Property, Plant and Equipment	**16 and 17**	**14,087,709**	**10,885,015**
Intangible Assets	**18**	**5,506,114**	**3,743,723**
Deferred Income Tax Assets	**19**	**7,237,080**	**867,139**
Assets from Insurance Contracts	**20**	**1,181,512**	**953,620**
Other Non-Financial Assets	**21**	**3,848,430**	**1,318,628**
Non-current Assets Held for Sale	**22**	**38,715**	**404,106**
Total Assets		**664,125,034**	**565,246,177**

The accompanying Notes and Schedules are an integral part of these Consolidated Financial Statements.

Signed for identification purposes
with our report dated February 20, 2020.
PRICE WATERHOUSE & CO. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

Dr. Sebastián Morazzo
Public Accountant (U.M.)
Professional Association of Economic Sciences,
CABA, Book 347 Folio 159

Eduardo J. Escasany
Chairman

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By Supervisory Committee

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION -continued-

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format.
Figures stated in thousand Argentine pesos, except as otherwise provided.

Items	Notes	12.31.19	12.31.18
Liabilities			
Deposits	**23**	**393,905,510**	**360,097,275**
Non-financial Public Sector		1,933,141	8,569,383
Financial Sector		450,934	711,737
Non-financial Private Sector and Residents Abroad		391,521,435	350,816,155
Liabilities at Fair Value through Profit or Loss	**24**	**1,422,157**	**2,144,664**
Derivative Financial Instruments	**7**	**881,099**	**1,835,789**
Repurchase transactions	**8**	**-**	**1,948,559**
Other Financial Liabilities	**25**	**71,362,718**	**63,235,042**
Financing Received from the Argentine Central Bank and other Financial Institutions	**26**	**22,723,687**	**19,446,028**
Debt Securities	**27**	**29,240,851**	**29,983,653**
Current Income Tax Liabilities	**41**	**10,327,869**	**5,873,075**
Subordinated Debt Securities	**28**	**15,499,212**	**9,767,874**
Provisions	**29**	**2,764,298**	**1,449,323**
Deferred Income Tax Liabilities	**19**	**58,596**	**385,721**
Liabilities from Insurance Contracts	**20**	**1,468,635**	**1,103,220**
Other Non-financial Liabilities	**30**	**17,053,881**	**11,377,079**
Total Liabilities		**566,708,513**	**508,647,302**
Shareholders' equity			
Capital stock	31	1,426,765	1,426,765
Paid-in capital		10,951,132	10,951,132
Capital Adjustments		278,131	278,131
Profit Reserves		40,279,645	25,024,870
Retained Earnings		-	2,827,741
Other Comprehensive Income		142,452	(57,361)
Income for the Year	43	41,557,118	14,427,034
Shareholders' Equity Attributable to Parent Company's Owners		**94,635,243**	**54,878,312**
Shareholders' Equity Attributable to Non-controlling Interests	**49**	**2,781,278**	**1,720,563**
Total Shareholders' Equity		**97,416,521**	**56,598,875**

The accompanying Notes and Schedules are an integral part of these Consolidated Financial Statements.

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Eduardo J. Escasany
Chairman

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By Supervisory Committee

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CONSOLIDATED STATEMENT OF INCOME

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Items	Notes	12.31.19	12.31.18
Interest Income	32	107,789,648	65,684,529
Interest Expenses	32	(77,550,996)	(38,360,494)
Net Income from Interest		**30,238,652**	**27,324,035**
Fee Income	32	28,345,551	21,109,105
Fee-related Expenses	32	(5,878,463)	(2,790,518)
Net Fee Income		**22,467,088**	**18,318,587**
Net Income from Financial Instruments measured at Fair Value through Profit or Loss	32	55,897,894	15,053,353
Income from Derecognition of assets measured at Amortized Cost		193,399	192,847
Exchange rate differences on gold and Foreign Currency	33	7,473,356	3,121,895
Other Operating Income	34	16,044,343	7,394,207
Income from insurance activities	35	3,057,429	2,386,329
Loan and other receivables loss provisions	36	(20,339,667)	(10,326,630)
Net Operating Income		**115,032,494**	**63,464,623**
Personnel Expenses	37	(20,228,138)	(14,001,751)
Administrative Expenses	38	(19,936,118)	(14,457,117)
Depreciation and Impairment of Assets	39	(2,562,645)	(1,185,729)
Other Operating Expenses	40	(21,280,687)	(12,611,558)
Operating Income		**51,024,906**	**21,208,468**
Share of profit from Associates and Joint Ventures		-	-
Income before Taxes from Continuing Operations		**51,024,906**	**21,208,468**
Income Tax from Continuing Operations	41	(8,509,483)	(6,471,218)
Net Income from Continuing Operations		**42,515,423**	**14,737,250**
Income from Discontinued Operations	22	-	74,776
Income Tax from Discontinued Operations	41	-	(22,882)
Net Income for the Year		**42,515,423**	**14,789,144**
Net Income for the year attributable to parent company's owners		41,557,118	14,427,034
Net Income for the year attributable to non-controlling interests	49	958,305	362,110

Items			
Earnings per Share	**43**		
Net income attributable to Parent Company's owners		41,557,118	14,427,034
Net income attributable to Parent Company's owners adjusted by dilution effects		41,557,118	14,427,034
Weighted Average of Ordinary Shares Outstanding for the Year		1,426,765	1,426,765
Diluted Weighted Average of ordinary shares outstanding for the year		1,426,765	1,426,765
Basic Earnings per Share		**29.13**	**10.11**
Diluted Earnings per Share		**29.13**	**10.11**

The accompanying Notes and Schedules are an integral part of these Consolidated Financial Statements.

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Eduardo J. Escasany
Chairman

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By Supervisory Committee

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CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Items	Notes	12.31.19	12.31.18
Net Income for the Year		**42,515,423**	**14,789,144**
Items of Other Comprehensive Income (OCI) that may be reclassified to profit or loss for the year			
Income or loss from Financial Instruments at fair value through Other Comprehensive Income (IFRS 9, Point 4.1.2a)			
Income for the Year from financial instruments at fair value through OCI*	32	189,095	(74,640)
Other Comprehensive Income*		**10,718**	**-**
Total Other Comprehensive Income that may be reclassified to profit or loss for the year		**199,813**	**(74,640)**
Total Other Comprehensive Income		**199,813**	**(74,640)**
Total Comprehensive Income		**42,715,236**	**14,714,504**
Total Comprehensive Income Attributable to Parent Company's owners		41,756,931	14,352,394
Total Comprehensive Income Attributable to Non-controlling Interests	49	958,305	362,110

* Net of Income Tax.
The accompanying Notes and Schedules are an integral part of these Consolidated Financial Statements.

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format.
Figures stated in thousand Argentine pesos, except as otherwise provided.

Changes	Notes	Capital Stock	Paid-in capital	Equity Adjustments
		Outstanding	Share premium	
Balances as of 12.31.18		**1,426,765**	**10,951,132**	**278,131**
Capital Contribution from Non-controlling Interests	**49**	**-**	**-**	**-**
Distribution of profits				
- Cash Dividends	42	-	-	-
- Other Reserves		-	-	-
Total Comprehensive Income for the Year				
Net Income for the Year	43	-	-	-
Other Comprehensive Income for the Year		-	-	-
Balances as of 12.31.19		**1,426,765**	**10,951,132**	**278,131**
Balances as of 31.12.17		**1,426,765**	**10,951,132**	**278,131**
Acquisition of Non-controlling Interests	**49**	**-**	**-**	**-**
Dividends Distribution from Tarjetas Regionales S.A.	**49**			
Distribution of profits				
- Cash Dividends	42	-	-	-
- Other Reserves		-	-	-
Total Comprehensive Income for the Year				
Net Income for the Year	43	-	-	-
Other Comprehensive Income for the Year		-	-	-
Balances as of 12.31.18		**1,426,765**	**10,951,132**	**278,131**

Other Comprehensive Income		Profit reserves		Retained Earnings	Total Shareholders equity attributable to parent company´s owners	Total Shareholders' equity of non-controlling interests	Total Shareholders' equity
Accumulated Income (Loss) from Financial Instruments at Fair Value Through OCI	Other	Legal Reserve	Other Reserves				
(57,361)	**-**	**340,979**	**24,683,891**	**17,254,775**	**54,878,312**	**1,720,563**	**56,598,875**
-	**-**	**-**	**-**	**-**	**-**	**102,410**	**102,410**
-	-	-	-	(2,000,000)	(2,000,000)	-	(2,000,000)
-	-	-	15,254,775	(15,254,775)	-	-	-
-	-	-	-	41,557,118	41,557,118	958,305	42,515,423
199,813	-	-	-	-	199,813	-	199,813
142,452	**-**	**340,979**	**39,938,666**	**41,557,118**	**94,635,243**	**2,781,278**	**97,416,521**
17,279	**-**	**315,679**	**17,074,889**	**11,157,210**	**41,221,085**	**1,935,196**	**43,156,281**
-	**-**	**-**	**504,833**	**-**	**504,833**	**(504,833)**	**-**
-	**-**	**-**	**-**	**-**	**-**	**(71,910)**	**(71,910)**
-	-	-	-	(1,200,000)	(1,200,000)	-	(1,200,000)
-	-	25,300	7,104,169	(7,129,469)	-	-	-
-	-	-	-	14,427,034	14,427,034	362,110	14,789,144
(74,640)	-	-	-	-	(74,640)	-	(74,640)
(57,361)	**-**	**340,979**	**24,683,891**	**17,254,775**	**54,878,312**	**1,720,563**	**56,598,875**

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Items	Notes	12.31.19	12.31.18
Cash flow from operating activities			
Income for the year before income tax		**51,024,906**	**21,208,468**
Adjustments to Obtain Cash Flows from Operating Activities:			
Loan and other receivables loss provisions		20,339,667	10,326,630
Depreciation and Impairment of Assets		2,562,645	1,185,729
Other Transactions		(10,810,564)	3,733,717
Decreases from Operating Assets:			
Debt Securities at Fair Value through Profit or Loss		(1,425,450)	10,789,088
Derivative Financial Instruments		1,515,829	448,049
Repurchase Transactions		6,268,028	618,177
Other Financial Assets		5,283,132	(3,077,485)
Loans and Other Financing			
- Non-financial Public Sector		5,314	(11,465)
- Argentine Central Bank		(21,168)	-
- Other Financial Institutions		(545,515)	(1,002,088)
- Non-financial Private Sector and Residents Abroad		(48,984,137)	(48,528,195)
Other Debt Securities		814,809	(8,939,365)
Financial Assets Pledged as Collateral		1,803,043	(4,070,319)
Investments in Equity Instruments		120,266	307,522
Other Non-financial Assets		(2,609,743)	626,594
Increase/(Decrease) from Operating Liabilities:			
Deposits			
- Non-financial Public Sector		(7,210,876)	7,385,258
- Financial Sector		(307,721)	(1,330,454)
- Non-financial Private Sector and Residents Abroad		(54,056,011)	83,829,393
Liabilities at Fair Value through Profit or Loss		(1,451,330)	1,458,684
Derivative Financial Instruments		(996,798)	1,223,224
Repurchase Transactions		(3,512,676)	(1,219,178)
Other Financial Liabilities		(8,876,521)	24,282,311
Provisions		(122,844)	(20,844)
Other Non-financial Liabilities		5,668,469	1,635,451
Income Tax Collections/Payments		(7,906,347)	(5,117,190)
Total cashflow from operating activities (a)		**(48,431,593)**	**95,741,712**

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CONSOLIDATED STATEMENT OF CASH FLOWS -continued-

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Items	Notes	12.31.19	12.31.18
Cash flows from investment activities			
Payments:			
Purchase of Property, Plant and Equipment, Intangible Assets and Other Assets	17	(5,523,256)	(5,163,855)
Purchase of equity interests in Associates and Joint Ventures	49	-	(924,140)
Other payments related to investment activities		-	(3,862)
Collections:			
Sale of Property, Plant and Equipment; Intangible Assets and Other Assets		1,184,592	67,156
Dividends earned		120,265	277,722
Discontinued Operations/Sale of equity interests in Associates and Joint Ventures		2,310,568	926,542
Total cashflows from investment activities (B)		**(1,907,831)**	**(4,820,437)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments:			
Unsubordinated Debt Securities		(8,937,824)	(3,731,618)
Argentine Central Bank		(6,226)	(2,424)
Financing from Local Financial Institutions		(1,475,147)	(3,405,174)
International Banks and Financial institutions		(5,302,218)	(8,402,272)
Leases		(597,306)	-
Dividends	42	(2,000,000)	(1,200,000)
Collections:			
Unsubordinated Debt Securities		7,433,142	14,265,093
Capital Contribution	49	102,410	-
Argentine Central Bank		-	10,972
Financing from Local Financial Institutions		1,073,051	5,081,470
International Banks and Financial Institutions		240,348	7,375,328
Total cash flows from financing activities (C)		**(9,469,770)**	**9,991,375**
Monetary loss related to cash and cash equivalents (C)		**66,940,395**	**35,565,579**
Increase/(decrease) incash and cash equivalents (A+B+C+D+)		**6,131,201**	**136,478,229**
Cash and cash equivalents at the beginning of the year	**5**	**225,858,938**	**89,380,709**
Cash and cash equivalents at the closing of the year	**5**	**231,990,139**	**225,858,938**

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Syndic

NOTE 1. ACCOUNTING POLICIES AND BASIS FOR PREPARATION

Grupo Financiero Galicia S.A. (hereinafter, "the Company", and jointly with its subsidiaries, "the Group") is a financial services holding company incorporated in September 14, 1999 under the laws of Argentina. The Company's main asset is its interest in Banco de Galicia y Buenos Aires S.A.U.. Banco de Galicia y Buenos Aires S.A.U. (hereinafter, "Banco Galicia" or "the Bank") is a private bank offering a wide range of financial services, both to individuals and companies. Likewise, the Company has a controlling interest in Tarjetas Regionales S.A. which maintains investments related to the issuance of credit cards and supplementary services; Sudamericana Holding S.A., a company engaged in the insurance business; Galicia Administradora de Fondos S.A., a mutual fund management company; Galicia Warrants S.A., a warrant issuing company; and IGAM LLC, a company engaged in assets management.

These Consolidated Financial Statements have been approved and authorized for publication through Minute of Board of Directors' meeting No. 601 dated February 20, 2020.

1.1. Adoption of the International Financial Reporting Standards (IFRS)

The Group, by virtue of the fact that it falls within the scope of Art. 2, Section I, Chapter I of Title IV: Periodic Information Regime of the National Securities Commission (CNV) regulations, presents its Financial Statements in accordance with the Argentine Central Bank valuation and exposure standards. In accordance with provisions in the aforementioned article, we inform that:

- Grupo Financiero Galicia S.A.'s corporate purpose is exclusively to perform financial and investment activities;
- investments in Banco de Galicia y Buenos Aires S.A.U and Tarjetas Regionales S.A., the latter under Argentine Central Bank's consolidated supervision regime (Communication "A" 2989 and its supplements), represent 95.93% of Grupo Financiero Galicia S.A.'s assets, being the main assets of the Company;
- 96.03% of Grupo Financiero Galicia S.A. revenues are from its share profit in the companies mentioned in the preceding item;
- Grupo Financiero Galicia S.A. holds 100% interest in the Capital Stock of Banco de Galicia y Buenos Aires S.A.U, and 83% in the Capital Stock of Tarjetas Regionales S.A., thus being the controlling company in both.

The Argentine Central Bank, through Communications "A" 5541 and its amendments, established the convergence plan to International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), for the entities under its supervision, for the years commenced from January 1, 2018 onwards, with the exception of the application of point 5.5 (impairment loss) of IFRS 9 "Financial Instruments" and IAS 29 "Financial Information in Hyperinflationary Economies", both temporarily excepted until January 1, 2020; from this fiscal year onwards, the regulations on Financial Assets Impairment and restatement of Financial Statements in current currency will have to be applied, in accordance with the provisions of Communications "A" 6430, "A" 6651, "A" 6778, "A" 6847, and "A" 6849. The last Communication established the use of a special measurement criterion for the Non-financial Public Sector debt instruments, which are temporarily excluded from the scope of application of point 5.5 of the IFRS 9. Consequently, as of January 1, 2020, the Financial Institutions will be allowed to recategorize said instruments measured at fair value through profit or loss and fair value through other comprehensive income (OCI), as per the amortized cost criterion. The incorporation value will be the accounting value as of that date. The accrual of interest and secondary items will be interrupted while the book value is above its recoverable value for those instruments for which the aforementioned option has been exercised.

The Argentine Central Bank provided that standards on "Minimum Allowances for Uncollectible Accounts Risk" will maintain a "regulatory" scope, notwithstanding that the financial statements will be recorded according to the IFRS-based accounting framework established by said Institution. Financial Institutions must temporarily deduct from their Regulatory Capital (Responsabilidad Patrimonial Computable, RPC) the positive difference between the "regulatory" allowance calculated according to the standards on "Minimum Allowances for Uncollectible Accounts Risk" and the accounting allowance for the last fiscal year, whichever is the greater, and the new accounting allowance calculated according to point 5.5. of IFRS 9.

Additionally, as described in Note 22, for valuation at fair value of shareholding in Prisma Medios de Pago SA, the Superintendency of Financial Institutions has established that, for its recognition, it cannot exceed the proportion received in cash at the time of the sale.

It has been concluded that the Consolidated Financial Statements reasonably present the financial position, financial yield and cash flows, in accordance with the IFRS-based accounting framework established by the Argentine Central Bank, taking into account what is described in Note 1.2. (b) Measurement Unit.

1.2. Bases for preparation

These Consolidated Financial Statements have been prepared in accordance with the IFRS-based accounting framework established by the Argentine Central Bank in Note 1.1.

The preparation of the Consolidated Financial Statements requires that estimates and evaluations be made to determine the amount of recorded assets and liabilities, and contingent assets and liabilities disclosed at the date of issuance thereof, as well as income and expenses recorded in the year. In this regard, estimates are made to be able to calculate at a given time, among others, the recoverable value of the assets; allowances for uncollectible accounts risks and other contingencies; depreciation and impairment of assets; and the income tax charge. The real future income may differ from estimates and evaluations as of the date of preparation of these Consolidated Financial Statements.

The areas involving a greater degree of judgment or complexity, or areas where the assumptions and estimates are significant for the Consolidated Financial Statements are described in Note 2.

(a) Going concern

As of the date of these Consolidated Financial Statements, there are no uncertainties regarding events or conditions that may give rise to doubts about the possibility of the Group continuing to operate normally as a going concern.

(b) Measurement Unit

The Consolidated Financial Statements of the Group recognize the variations in the purchasing power of the currency until February 28, 2003; as of that date, the adjustment for inflation has been discontinued, in accordance with the Argentine Central Bank's Communication "A" 3921.

Law No. 27,468 passed in November 2018 repealed the prohibition to present the Financial Statements adjusted for inflation established by Executive Order 664/2003, delegating its application to each controlling authority. In that regard, on February 22, 2019, through Communications "A" 6651 and "A" 6778, the Argentine Central Bank established that the entities subject to its control must restate the Financial Statements in constant currency for the years commenced from January 1, 2020 onwards. Likewise, on December 26, 2018 the CNV issued General Resolution No. 777/2018 authorizing the issuer entities to present accounting information in homogeneous currency for the Annual Financial Statements, for interim and special periods closing as of December 31, 2018, this date included, with the exception of Financial Institutions and Insurance Companies.

IAS 29 "Financial Information in Hyperinflationary Economies" requires that the Financial Statements of an entity whose functional currency is that of a hyperinflationary economy, be restated in terms of the current measuring unit at the closing date of the reporting period, regardless of whether they are based on the historical cost or the current cost method. For this purpose, in general, inflation taking place from the acquisition date or the revaluation date, as appropriate, must be computed in non-monetary items. These requirements also include the comparative information of the Financial Statements. The restatement mechanism of IAS 29 establishes that monetary assets and liabilities shall not be restated, as they are stated in the current measuring unit at the closing of the reporting period. Assets and liabilities subject to adjustments based on specific agreements, will be adjusted according to such agreements. Non-monetary items measured at their current values at the end of the reporting period, such as net realizable value or others, will not be restated. The remaining non-monetary assets and liabilities will be restated by a general price index. The loss or profit from the net monetary position will be included in the net income of the reporting period, disclosing this information in a separate item.

For the purpose of concluding whether an economy is categorized as hyperinflationary under the terms of IAS 29, the standard details a series of factors to consider, including the occurrence of an accumulated inflation rate in three years close to or exceeding 100%. For this reason, according to IAS 29, the Argentine economy must be considered as hyperinflationary as of July 1, 2018.

IAS 29 has not been applied in these Financial Statements, in compliance with the regulations of the aforementioned Argentine Central Bank Communications "A" 6651 and "A" 6778.

The application of IAS 29 "Financial Information in Hyperinflationary Economies" has widespread effects on the Financial Statements; therefore, the reported balances would be significantly affected, increasing the Group's equity and their income as of December 31, 2019 to Ps. 111,764 million and Ps. 21,932 million, respectively, while as of December 31, 2018, the equity would have amounted to Ps. 92,492 million and the income for the year to Ps. (4,950) million, respectively. In determining the aforementioned equity and income, the impact of applying point 5.5 (impairment loss) of IFRS 9 was also considered pursuant to the provisions of Communication "A" 6841 (see Notes 1.1. and 1.12.)

(c) Comparative Information

Balances as of December 31, 2018 exposed in these Consolidated Financial Statements, for comparison purposes, arise from the Financial Statements as of those dates.

Certain reclassifications have been made on the relevant figures for the Consolidated Financial Statements presented in comparative form in order to maintain consistency in the exposure with the figures for this fiscal year.

(d) New Accounting Standards

Pursuant to the provisions of the Articles of Incorporation of the Argentine Central Bank and the Financial Institutions Act, the Argentine Central Bank shall issue its opinion regarding its approval for Financial Institutions as new IFRS, or amendments or repeals of those in force, are approved, and once these changes are adopted through the Adoption Circulars issued by the Argentine Federation of Professional Councils in Economic Sciences (Federación Argentina de Consejos Profesionales en Ciencias Económicas, FACPCE). In general, the early application of any IFRS will not be accepted, unless it is specifically approved at the time of its adoption.

The new standards adopted by the Group as of January 1, 2019 are detailed below.

IFRS 16 "Leases": In January 2016, the IASB issued IFRS 16 "Leases" that establishes the new principles for recognizing, measuring, presenting and disclosing information on leases. Under IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time, in exchange for a consideration. In that case, it requires the lessee to recognize a liability for the present value of the agreed future payments, discounted at the implicit rate of the contract or, failing that, at the lessee's incremental financing rate and an asset for the right of use of the underlying asset. This criterion must be applied to all lease contracts, and its application is optional for agreements whose terms do not exceed 12 months, and where the leased assets are considered of low value. For the accounting of the lessors, the classification established in IAS 17 in Operating and Finance leases is maintained. This standard is effective for annual periods commencing on or after January 1, 2019.

The Group had to change its accounting policies as a consequence of adopting IFRS 16. The Group decided to adopt the new standards retrospectively, but recognized the cumulative effect of the initial application of the new standard as of January 1, 2019 (See Note 16).

IFRIC 23 "Uncertainty about the Income Tax Treatment: this interpretation clarifies how the recognition and measurement requirements of IAS 12, "Income Tax", are applied when there is uncertainty about the income tax treatment. This standard was published in June 2017 and came into force for the years commencing as of January 1, 2019. Its application did not have any significant impact on the Group.

Early termination options with negative compensation - amendment to IFRS 9: this amendment to IFRS 9 allows entities to measure at amortized cost certain instruments that allow advance payment with negative compensation. These assets, including certain loans and bonds, should be measured at fair value with offsetting entry to income. To be measured at amortized cost, the negative compensation must be a "reasonable compensation for early termination" and the asset must be held within a business model whose objective is 'to hold to collect'. This standard is effective for annual periods commencing on or after January 1, 2019. Its application did not have any significant impact on the Group.

Investments in associates and joint ventures - amendments to IAS 28: the amendments clarify accounting in associates and joint ventures for which the equity method does not apply. The entities must account for said investments in accordance with IFRS 9 "Financial Instruments" before applying the impairment requirements of IAS 28 "Investments in associates and joint ventures". This standard is effective for annual periods commencing on or after January 1, 2019. Its application did not have any significant impact on the Group.

2015-2017 Improvement Cycles: The following improvements were agreed in December 2017, being effective for annual periods commencing on or after January 1, 2019.

- IFRS 3: It was clarified that obtaining the control of a joint operation is a business combination made in stages.
- IFRS 11: It was clarified that the party obtaining the joint control of a business that is a joint operation must not measure again its prior interest in the joint operation.
- IAS 12: It was clarified that tax consequences of dividends on financial instruments classified as equity must be recognized according to where the past transactions or events that generated distributable profits were originally recognized.
- IAS 23: It was clarified that, if a specific loan is pending after the qualifying asset is ready to be used or sold, then said loan becomes a general loan.

The application of this standard did not have any significant impact.

(e) Changes in Accounting Policies

As indicated in Note 1.2. (d), the Group has adopted IFRS 16 "Leases" retrospectively as of January 1, 2019, but has not modified the comparative balances for the year 2018, as allowed by the temporary regulations thereof. Therefore, the reclassifications and adjustments derived from the new Lease standard are recognized in the Statement of Financial Position as of January 1, 2019. The new accounting policies are disclosed in Note 1.13.

Following the adoption of IFRS 16, the Group recognized lease liabilities related to leases that had been classified as operating leases under the previous standard (IAS 17). These liabilities were measured at the present value of the remaining lease payments, discounted by using the lessee's incremental financing rate as of January 1, 2019. The weighted average lessee's incremental financing rate applied to lease liabilities as of January 1, 2019 was 37.94% for contracts in Argentine pesos and 8.60% for contracts in foreign currency.

(i) Practical expedients used

When applying IFRS 16 for the first time, the Bank has used the following practical expedients enabled by the standard:

- the use of a single discount rate, in a lease portfolio with reasonably similar characteristics;
- continuing with the assessment prior to the application of the new standard on whether leases were onerous, so as not to carry out an impairment test: the Group did not have any onerous contracts as of January 1, 2019;
- recording as short-term leases the operating leases with a remaining period under 12 months as of January 1, 2019;
- excluding the initial direct costs to measure the right-of-use asset as of the initial application date; and
- using the entire information available at the assessment date to determine the lease term when the contract includes extension or termination options.

The Group has also opted for not reassessing if a contract is or contains a lease on the initial application date. For contracts concluded prior to the transition date, the Group maintained the assessment carried out under IAS 17 and IFRIC 4 "Determining Whether an Arrangement Contains a Lease".

(ii) Measurement of Lease Liabilities as of the initial application date:

	Balance as of 01.01.19
Operating leases commitments disclosed as of December 31, 2018	4,408,075
Discounted at the incremental financing rate as of the initial application date	3,250,942
(Minus): short-term leases not recognized as liabilities	-
(Minus): low-value leases not recognized as liabilities	-
Plus/(Minus): contracts reassessed as leases	-
Plus/(Minus): adjustments for different treatment of extension or termination options	-
Plus/(Minus): adjustments related to changes in the index or rate affecting variable payments	50,400
Lease Liabilities recognized as of January 1, 2019	**3,301,342**

(iii) Measurement of right-of-use assets

Right-of-use assets were measured for an amount equal to lease liabilities.

(iv) Adjustments recognized in the Statement of Financial Position as of January 1, 2019

The change in the accounting policies affected the following items of the Statement of Financial Position as of January 1, 2019:

- Property, Plant and Equipment – Increase of Ps. 3,550,942.
- Right-of-use Assets - Increase of Ps. 3,250,942.
- Deferred Tax Assets – Increase of Ps. 975,283.
- Lease Liabilities – Increase of Ps. 1,515,683.

(f) New accounting standards and amendments issued by the IASB that have not been adopted by the Group

The new standards, amendments and interpretations published are detailed below; however, they have not yet come into force for fiscal years commenced January 1, 2019, and have not been adopted in advance.

IFRS 17 "Insurance Contracts": On May 18, 2017, the IASB issued IFRS 17 "Insurance Contracts", which provides a comprehensive, principle-based framework for the measurement and presentation of all insurance contracts. The new standard will replace IFRS 4 "Insurance Contracts" and requires that insurance contracts be measured using current compliance cash flows and that revenues be recognized as the service is provided during the coverage period. This standard is effective for fiscal years commencing on or after January 1, 2021. The Group is evaluating the impact of adopting this new standard.

Definition of "Material" - Amendments to IAS 1 and IAS 8: The IASB has amended IAS 1 "Presentation of Financial Statements" and NIC 8 "Accounting Policies, Changes in Accounting Estimates, and Errors related to the concept of Material".

Particularly, the aforementioned amendments clarify the following:

- the reference to hiding information addresses situations where the effect is similar to omitting or falsifying said information, and that an entity evaluates the materiality of the financial statements as a whole; and
- the meaning of "primary users of the general purpose Financial Statements" to whom those Financial Statements are addressed, defining them as "investors, lenders and other current and potential creditors", who should be based on the general purpose Financial Statements for a great part of the financial information they need.

This amendment is effective as of January 1, 2020 and is not expected to have any significant impact.

Definition of "Business" - Amendment to IFRS 3: the new definition of Business includes a comprehensive set of activities and assets that can be directed and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. Yields such as lower costs and other economic benefits are excluded from the above definition.

This amendment is effective as of January 1, 2020 and is not expected to have any significant impact.

Reform to the interest rate benchmark - Amendments to IFRS 9, IAS 39 and IFRS 7: these amendments provide some reliefs regarding the reform to the interest rate benchmark such as LIBOR and other rates offered in the interbank market. Reliefs are related to hedge accounting and to the fact that the mentioned reform should not cause the end of hedge accounting, considering the IFRS currently in force. However, hedge ineffectiveness must continue to be recorded in the Statement of Income. These amendments are effective as of January 1, 2020. These amendments are not expected to have any significant impact.

There are no other IFRS or IFRIC interpretations that are not effective and that are expected to have a significant impact on the Group.

1.3. Consolidation

Subsidiaries are those entities, including structured entities, where the Group is in control because (i) it has the power to direct relevant activities of the investee, which significantly affect its returns; (ii) it has exposure, or rights, to variable returns for its interest in the investee; and (iii) it has the ability to use its power over the investee to affect the amount of the investor's returns. The existence and effect of the substantive rights, including potential voting rights, are taken into account when evaluating whether the Group has control over another entity. For a right to be substantive, the holder must have the practical ability to exercise it whenever necessary to make decisions on the direction of the relevant activities of the entity. The Group may be in control of an entity even when possessing less than the majority of the voting rights.

Likewise, the protective rights of other investors, such as those related to substantive changes in the activities of the investee or applied only in exceptional circumstances, do not prevent the Group from having control over an investee. The subsidiaries are consolidated from the date the control is transferred to the Group, and they cease to be consolidated as of the date on which the control ceases.

The subsidiaries with which these Consolidated Financial Statements have been consolidated in their different levels are detailed in Note 15.
For the purposes of consolidation, the subsidiaries' Financial Statements for the year ended December 31, 2019 were used, covering the same period of time with respect to the Group's Financial Statements. Sudamericana Holding S.A.'s Financial Statements have been adjusted so that they present criteria similar to those applied by the Group for the preparation of the Consolidated Financial Statements.

Credits and debts and the income arising from transactions between the Group's members not disclosed to third parties were eliminated from the Consolidated Financial Statements.

Non-controlling interest is that part of a subsidiary's net income and equity attributable to interests that are not directly or indirectly owned by the Company. Non-controlling interest is a separate component of the Group's equity.
In accordance with the provisions of IFRS 3 "Business combinations", the acquisition method is used to account for the acquisition of subsidiaries. The identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured at their fair values on the acquisition date.

Business goodwill is measured as the difference between the net of the amounts at the acquisition date of the identifiable assets acquired, the liabilities assumed, the consideration transferred, the amount of the non-controlling interest in the acquiree, and the fair value of an interest in the acquiree prior to the acquisition date.

The consideration transferred in a business combination is measured at the fair value of the assets transferred by the acquirer, the liabilities incurred by the acquirer with the previous owners of the acquiree, and the equity interests issued by the acquirer. The transaction costs are recognized as expenses in the periods in which the costs have been incurred and the services have been received, except for the transaction costs incurred to issue equity instruments that are deducted from equity, and the transaction costs incurred to issue debt that are deducted from their book value.

1.4. Transactions with the non-controlling interest

The transactions with the non-controlling interest are considered transactions with the Group's Shareholders. For acquisitions of non-controlling interest, the difference between any remuneration paid and the corresponding interest in the book value of the net assets acquired from the subsidiary are recognized in equity. Profits and losses for sale of interest, while maintaining control, are also recognized in equity.

1.5. Associates

Associates are entities over which the Group has significant direct or indirect influence, but not control; generally, this implies holding between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method, and are initially recognized at cost. The book value of the associates includes the business goodwill identified in the acquisition less the accumulated impairment losses, if any. Dividends received from the associated entities reduce the book value of the investment in associates. Other changes subsequent to the acquisition of the Group's interest in the net assets of an associate are recognized as follows: (i) the Group's share in the profits or losses of the associated entities is recorded in the Statement of Income as Share of Profit from Associates and Joint Ventures and (ii) the Group's share in Other Comprehensive Income is recognized in the Statement of Other Comprehensive Income and presented separately. However, when the Group's share in losses in an associate equals or exceeds its interest in it, the Group will cease to recognize its share in the additional losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized profits on transactions between the Group and its associates are eliminated to the extent of the Group's share in the associates; unrealized losses are also eliminated unless the transaction provides evidence of impairment of the transferred asset.

1.6. Segment reporting

An operating segment is a component of an entity (a) that conducts business activities from which it can obtain income and incur expenses (including revenues and expenses related to transactions with other components of the same entity); (b) whose operating income is regularly reviewed to make decisions about the resources to be allocated and assess its performance; and (c) for which confidential financial information is available.

Segment reporting is presented in a coherent manner with the internal reports provided to the Board of Directors, who is in charge of making the Group's strategic decisions and is responsible for allocating resources and assessing the performance of the operating segments.

1.7. Foreign currency translation

(a) Functional Currency and Presentation Currency

The figures included in the Consolidated Financial Statements corresponding to each entity forming the Group are stated in their functional currency, i.e., in the currency used in the primary economic environment where it operates. The Consolidated Financial Statements are presented in Argentine pesos, which is the Group's functional and presentation currency. (See Note 1.2).

(b) Transactions and balances

The transactions in foreign currency are translated into the functional currency at the exchange rate in force on the transactions or the valuation dates, when the items are measured at closing exchange rate. Profits and losses in foreign currency resulting from the settlement of these transactions and the translation of monetary assets and liabilities in foreign currency at closing exchange rate, are recognized in the Statement of Income in the item "Exchange rate differences on gold and foreign currency", except when they are deferred in equity by transactions which qualify as cash flows hedges, if appropriate.

Assets and liabilities in foreign currency have been valued at the reference exchange rate of the US dollar defined by the Argentine Central Bank in force at the closing of operations on the last business day of each month.

As of December 31, 2019 and December 31, 2018, balances in US dollars were translated at the reference exchange rate (Ps. 59.895 and Ps. 37.8083, respectively) established by the Argentine Central Bank. Foreign currencies other than the US dollar have been translated into this currency using the types of exchange rate reported by the Argentine Central Bank.

1.8. Cash and due from banks

The item Cash and Due from Banks includes the available cash and bank deposits freely available, which are liquid short-term instruments with maturity less than three months from the origination date.

The assets exposed as available are recorded at their amortized cost which is close to its fair value.

1.9. Financial instruments

Initial recognition

The Group recognizes a financial asset or liability in its Consolidated Financial Statements, as appropriate, when it becomes part of the contractual clauses of said financial instrument. Purchases and sales are recognized at the trading date when the Group buys or sells the instruments.

In the initial recognition, the Group measures financial assets or liabilities at fair value, plus or minus, for instruments not recognized at fair value through profit or loss, transaction costs that are directly attributable to the acquisition itself, such as fees and commissions.

When the fair value differs from the cost value of the initial recognition, the Group recognizes the difference as follows:

a. When the fair value is according to the market value of the financial asset or liability, or is based on a valuation technique solely using market values, the difference is recognized as profit or loss, as appropriate.
b. In other cases, the difference is deferred and the recognition over time of the profit and loss is individually determined. The difference is amortized over the life of the instrument until the fair value can be measured based on market values.

Financial assets

a. Debt Securities

The Group considers as debt instruments those instruments considered financial liabilities for the issuer, such as loans, government and private securities, bonds and customer accounts receivable.

Classification

As established by IFRS 9, the Group classifies financial assets according to how they are subsequently measured: at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss, based on:

- the Group's business model to manage financial assets; and
- the characteristics of the contractual cash flows of the financial asset.

Business Model

The Business Model refers to the mode in which the Group manages a set of financial assets to reach a specific business objective. It represents the manner in which the Group holds the instruments to generate funds.

Business Models that the Group can follow are listed below:
- Hold the instruments until their maturity;
- Hold the instruments in the portfolio to collect the cash flows and, in turn, sell them when deemed convenient; or
- Hold the instruments for their trading.

The Group's Business Model does not depend on the intentions that it may have for an individual instrument. Therefore, this condition is not an instrument-by-instrument classification approach, but it is determined from a higher level of aggregation.

The Group only reclassifies an instrument when, and only when, the business model to manage assets is modified. The reclassification is performed from he commencement of the period where the change takes place. Said change is not expected to be frequent, and changes have not been recorded in this fiscal year.

Characteristics of Cash Flows

The Group evaluates whether the cash flow of grouped instruments is not significantly different from the flow that would receive solely for interest; otherwise, they shall be measured at fair value through profit or loss.

Based on the foregoing, there are three categories of Financial Assets:

(i) Financial Assets at amortized cost:
Financial Assets are measured at amortized cost when:
(a) the financial asset is within a business model whose objective is to hold the financial assets in order to obtain the contractual cash flows; and
(b) the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are only payments of principal and interest on the amount of outstanding principal.

These financial instruments are initially recognized at their fair value plus the directly attributable incremental transaction costs, and are subsequently measured at amortized cost.

The amortized cost of a financial asset is equal to its acquisition cost less its accumulated amortization plus accrued interest (calculated according to the effective interest method), net of any impairment loss.

(ii) Financial Assets at fair value through Other Comprehensive Income:
Financial Assets are measured at fair value through Other Comprehensive Income when:
(a) the financial asset is within a business model whose objective is achieved by obtaining the contractual cash flows and selling financial assets; and
(b) the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are only payments of principal and interest on the amount of the outstanding principal.

These financial instruments are initially recognized at their fair value plus the directly attributable incremental transaction costs, and are subsequently measured at fair value through other comprehensive income. Profits and losses arising from changes in the fair value are included in Other Comprehensive Income within a separate equity component. Impairment losses or reversals, income for interest and exchange profits and losses are recognized through profit or loss. At the time of its sale or disposal, the accumulated profit or loss previously recognized through Other Comprehensive Income is reclassified from equity to the Statement of Income.

(iii) Financial Assets at fair value through profit or loss:
Financial Assets at fair value through profit or loss are the following:
- Instruments held for trading;
- instruments specifically designated at fair value through profit or loss; and
- instruments with contractual conditions which do not represent cash flows that are only payments of principal and interest on the amount of the outstanding principal.

These financial instruments are initially recognized at their fair value and any valuation in fair value is recognized in the Statement of Income.

The Group classifies a financial instrument as held for trading if it is acquired or incurred primarily for the purpose of selling or repurchasing it in the short term, or if it is part of a portfolio of financial instruments that are jointly managed and for which there is evidence of short-term earnings, or is a derivative instrument that is not in a qualified hedge ratio. Derivative instruments and held-for-trading securities are classified as held for trading and are recognized at fair value.

Additionally, Financial Assets can be valued at fair value through profit or loss when, by doing so, the Group eliminates or significantly reduces a measurement or recognition inconsistency.

b. Equity Instruments

Equity instruments are so considered by its issuer; this means that they are instruments which do not contemplate a contractual obligation to pay, and evidence a residual interest on the issuer's asset after deducting its entire liabilities.

Said instruments are valuated at fair value through profit or loss, except when, at the time of the initial recognition, the irrevocable option had been used to measure them at fair value through Other Comprehensive Income. This method is only applicable when the instruments are not held for trading and income shall be accounted in Other Comprehensive Income with no reclassification possibility, even when they are realized. Dividends receivable arising from said instrument shall be recognized through profit or loss solely when the Group is entitled to collect the payment.

Financial Liabilities

Classification

The Group classifies their financial liabilities at amortized cost, using the effective interest method, except for:
- Financial liabilities valuated at fair value through profit or loss, including derivative financial instruments
- Liabilities arising from the transfer of financial assets not complying with the requirement of derecognition from accounts
- Financial guarantee contracts
- Commitments to grant loans at a lower rate than market rate

Financial liabilities valued at fair value through profit or loss: the Group may choose to use, at the beginning, the irrevocable option to designate a liability at fair value through profit or loss, if, and only if, in doing so, it reflects a better measurement of financial information because:

- the Group eliminates or significantly reduces a measurement or recognition inconsistency which would otherwise be exposed in the valuation;
- if the financial assets and liabilities, or a group of financial assets or liabilities, are managed and their performance is evaluated on a fair value base, according to a documented investment strategy or risk management; or
- a main contract contains one or more implicit derivative instruments, and the Entity had opted for designating the entire contract at fair value through profit or loss.

Financial guarantee contract: Guarantees contracts are those contracts requiring the issuer to make specific payments to reimburse the holder for the loss incurred when a specific debtor does not comply with its payment obligation at its maturity, in accordance with the original or amended conditions of a debt
instrument.

Financial guarantee contracts and loan grant commitments at a lower rate than the market rate are initially valued at fair value, and subsequently measured at the higher value that arises from making a comparison between the commission pending accrual at fiscal year closing and the applicable impairment provision.

Derecognition of Financial Instruments

Financial Assets

A financial asset or, where applicable, a part of a financial asset or a part of a group of similar financial assets, is derecognized when: (i) the rights to receive cash flows from the asset have expired; or (ii) the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay all of the cash flows received immediately to a third party under a pass-through agreement; and all the risks and rewards of the asset have also been substantially transferred, or, in case all the risks and rewards of the asset had not been substantially transferred or retained, the control of the asset has been transferred.

When the contractual rights of receiving the cash flows generated by the asset have been transferred, or a transfer agreement has been executed, the entity evaluates if it has retained, and to what extent, the risks and awards inherent in asset ownership. When substantially all the risks and rewards inherent in asset ownership have not been transferred or retained, nor has control of the asset been transferred, the asset continues to be recognized in accounting to the extent of its continued implication over it.

In this case, the related liability is also recognized. The transferred asset and the related liability are measured in such a way so as to reflect the rights and obligations that the Group had retained.

A continuing implication that takes the form of a collateral on the transferred asset is measured as the smallest amount between (i) the original carrying amount of the asset, and (ii) the maximum amount of consideration received that would be required to be returned.

Financial Liabilities:

A financial liability is derecognized when the obligation to pay has finished, has been cancelled, or has expired. When an existing financial liability is exchanged by another of the same borrower under significantly different conditions, or the conditions are significantly modified, such exchange or modification is treated as a derecognition of the original liability and a new liability is recognized, the difference between the value in books of the initial financial liability and the consideration paid is recognized in the Consolidated Statement of Income. When the renegotiation conditions are not significantly different, or the conditions are not significantly modified, the flows of the modified financial liabilities are discounted at the rate of the original contract.

1.10. Derivative financial instruments

Derivative financial instruments, including foreign currency contracts, currency futures, forward contracts, interest rate swaps, currency swaps, interest rate options, and foreign currency options are recorded at their fair value.

All derivative financial instruments are recorded as assets when the fair value is positive, and as liabilities when the fair value is negative, against the agreed price. The changes in the fair value of derivative financial instruments are included in the Income for the year.

In these Consolidated Financial Statements, the Group has not applied hedge accounting.

1.11. Repurchase transactions

Reverse Repurchase Transactions

According to the account derecognition principles of IFRS 9, these transactions are considered as secured financing, since the risk has not been transferred to the counterpart.

Financing granted through reverse repurchase transactions are recorded in the "Repurchase Transactions" accounts, classifying them according to the counterpart in financial debtors, Argentine Central Bank, and non-financial debtors, and considering the asset received as collateral.

At the closing of each month, accrued interest receivable are imputed to the "Repurchase Transactions" account with offsetting entry in "Interest Income". The underlying assets received for the reverse repurchase transactions will be recorded in Off-Balance Sheet Items. At the closing of each month, these accounts disclose the notional values of current transactions measured at fair value, and translated into its equivalent in Argentine pesos, if appropriate. The assets received that had been sold by the Group are not deducted, but derecognized only when the repo transaction finishes, recording a liability in kind for the obligation to deliver the security sold.

Repurchase Transactions

Financing received through repurchase transactions are recorded in the "Repurchase Transactions" accounts, classifying them according to the counterpart in financial creditors, Argentine Central Bank, and non-financial creditors, and considering the asset pledged as collateral.

In these transactions, when the receiver of the underlying asset obtains the right to sell it or pledge it as collateral, this is reclassified to the "Financial Assets Pledged as Collateral" accounts. At the closing of each month, these assets are measured according to their former category prior to the repo transaction, and income is recorded in the relevant accounts in accordance with the asset type.

At the closing of each month, accrued interest payable are imputed to the "Repurchase Transactions" account with offsetting entry in "Interest Expenses".

1.12. Allowances for loan losses

Regarding the allowances for the Uncollectible Accounts risk, the standards on "Minimum Allowances for Uncollectible Accounts Risk" in section 8 of the Argentine Central Bank Liquidity and Solvency Circular (Circular de Liquidez y Solvencia, LISOL), which are detailed below, are still in force:

The following minimum provisioning guidelines must be applied on the total amounts of customers' debts:

Commercial Portfolio	Consumption Portfolio, or Portfolio which may be considered equivalent to Consumption	With Preferred Guarantees	Without Preferred Guarantees
Normal situation	Normal situation	1%	1%
In observation	Low Risk	3%	5%
In negotiation or under refinancing agreements	N/A	6%	12%
With problems	Medium Risk	12%	25%
High Risk of Insolvency	High Risk	25%	50%
Uncollectible	Uncollectible	50%	100%
Uncollectible due to Technical Reasons	Uncollectibl due to Technical Reasons	100%	100%

Financing under "A" preferred guarantees will be provisioned at 1% regardless of the customer's category.
The aforementioned debtors' categories are made up as follows:
- Commercial Portfolio: It comprises all financing except for:
• consumption or housing loans; and
• financing of commercial nature up to the equivalent of 100% of the reference value established in said standard.
- Consumption Portfolio: It includes financing excluded from the preceding point.

Likewise, the situation assigned to each commercial portfolio debtor is determined based on the repayment capacity of the customer and, only in second place, based on the liquidation of its assets while, for the consumption portfolio, and the portfolio which may be considered equivalent to consumption, the situation assigned to each debtor is based on the degree of compliance with their obligations.

Among other specific regulations, the Group has opted for the option of interrupting the accrual of interest for those customers classified in an irregular situation until December 31, 2019.

Expected Credit Loss Model - Application of point 5.5 (impairment) of IFRS 9

IFRS 9 provides for an expected credit loss model, by which financial assets are classified in three stages of impairment, based on changes in credit rating quality since their initial recognition, which establish the manner in which an entity measures impairment losses and applies the effective interest rate method. Pursuant to Note 1.1., the application of the aforementioned model is temporarily exempted, until January 01, 2020.

If the impairment model provided for in point 5.5 of IFRS 9 had been applied, a decrease in the Group's Shareholders' Equity of approximately Ps. 1,974 million would have been recorded as of December 31, 2019.

On the other hand, as mentioned in Note 1.1., the Argentine Central Bank Communication "A" 6847 provided that the Non-Financial Public Sector debt instruments will be temporarily excluded from the scope of application of IFRS 9, so they will not fall within the scope of regulations on impairment of financial assets.

If the impairment model provided for in the accounting framework established by the Argentine Central Bank for fiscal years commenced as of January 1, 2020 had been applied, a decrease in the Group's Shareholders' Equity of approximately Ps. 1,509 million would have been recorded as of December 31, 2019.

1.13. Leases

1.13.1. Lease activities of the Group

The Group is the lessee of various properties to be used in its ordinary course of business. Lease contracts are generally made for fixed periods, from 1 to 20 years, but in some cases there may be price agreements for shorter periods with extension options. Lease terms are individually negotiated and contain a wide range of different terms and conditions. This type of contracts do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Until the 2018 fiscal year, Property, Plant and Equipment leases were classified as either finance leases or operating leases. From January 1, 2019, leases are recognized as a right-of-use asset and a corresponding liability, on the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments based on an index or a rate, initially measured using the index or rate on the initial date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease, if it can be determined; or otherwise, the Group's incremental borrowing rate will be applied, which is the rate that the lessee would have to pay to borrow the necessary funds to obtain an asset of similar value to the right-of- use asset, in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period, to produce a constant, periodic interest rate on the remaining balance of the liability for each period.

Right-of-use assets are measured at their cost, comprising the following:
- the amount of the initial measurement of the lease liability;
- any lease payment made on or before the initial date, less any lease incentives received;
- any initial direct cost; and
- restoration costs.

Right-of-use assets are depreciated over the shorter of the asset useful life and the lease term on a straight line method.

Payments related to short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are small physical spaces to place equipments which are owned by the Group.

1.13.2. Extension and Termination Options

The extension and termination options are included in several Property, Plant and Equipment leases. These options are used to maximize the operational flexibility in terms of managing the assets used in our operations. Most of the extension and termination options held are excercisable only by the Group and not by the respective lessor.

1.14. Property, plant and equipment

The Group has used the option provided in IFRS 1 "First-time Adoption of IFRS" and has used the fair value as attributed cost for certain items of Property, Plant and Equipment as of the date of transition to the IFRS.

Assets are measured at their acquisition or construction cost, net of accumulated depreciations and/or accumulated impairment losses, if any. The cost includes the expenses directly attributable to the acquisition or construction of the items.

Property, Plant and Equipment acquired through business combinations were initially valued at the estimated fair value at the time of acquisition. Subsequent costs are included in the value of the asset or are recognized as a separate asset, as appropriate, if and only if they are likely to generate future economic benefits for the Group, and its cost can be reasonably measured. When improvements are made to the asset, the book value of the replaced asset is derecognized, the new asset being amortized for the amount of years of remaining useful life.

Repair and maintenance costs are recognized in the Consolidated Statement of Income for the year in which they are incurred.
The depreciation of these assets is calculated by the straight-line method, applying sufficient annual rates to extinguish their values at the end of the estimated useful life. If an asset includes significant components with different useful lives, they are recognized and depreciated as separate items.

The residual values of Property, Plant and Equipment, the useful lives and the depreciation methods are reviewed and adjusted if necessary, at the closing date of each fiscal year, or when there are signs of impairment.

The book value of the Property, Plant and Equipment is immediately reduced to its recoverable amount when it is greater than the estimate of the recoverable value.

Profits and losses from the sale of Property, Plant and Equipment elements are calculated by comparing the income obtained to the book value of the respective asset, and included in the Statement of Income.

1.15. Intangible Assets

1.15.1. Licenses

Licenses acquired individually are initially valued at cost, while those acquired through business combinations are recognized at their estimated fair value at the acquisition date.

At the closing date of these Consolidated Financial Statements, intangible assets with a defined useful life are presented net of accumulated depreciation and/or accumulated impairment losses, if any. These assets are subject to impairment tests annually, or when there is evidence of impairment.

The licenses acquired by the Group have been classified as intangible assets with a defined useful life, being amortized in a linear manner throughout the period of the license.

Intangible assets with an indefinite useful life are the assets arising from contracts or other legal rights, that can be renewed without significant cost, and for which, based on an analysis of all relevant factors, there is no foreseeable limit of the period along which the asset is expected to generate net cash flows for the Group. These intangible assets are not amortized, but are submitted, annually or when there are impairment indications, to annual tests of value recovery, either individually or at the level of the cash generating unit. The determination of the indefinite useful life is annually reviewed to confirm if it continues being applicable.

1.15.2. Software

The costs related to software maintenance are recognized as expense when incurred. The development, acquisition and implementation costs that are directly attributable to software design and testing, identifiable and monitored by the Group, are recognized as assets.

The costs incurred in software development, acquisition or implementation, recognized as intangible assets, are amortized by applying the straight-line method along their estimated useful lives.

1.16. Assets held for sale and discontinued operations

1.16.1. Assets Held for Sale

Assets Held for Sale and Discontinued Operations", will be exposed separately from the rest of the assets.

An asset may be classified as available for sale (including loss of control of a subsidiary) if its carrying amount will be primarily recovered by a sale transaction, rather than its continued use.

In order to comply with the above classification, an asset must comply with the following conditions:
- be available for immediate sale in "as is" conditions;
- the Management must be bound by a plan to sell the asset, and have actively begun a program to find a buyer and complete the plan;
- its sale must be actively negotiated, at a fair price in relation to its current fair value;
- the sale is expected to be agreed upon within one year from its reclassification date; and
- significant changes on the plan are unlikely to occur, neither its withdrawal.

The assets, or groups of assets, classified as available for sale in accordance with the provisions of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", are measured at the lesser value of the book value and their fair value less cost of sale at the closing.

The Group shall not depreciate the asset while it is classified as Held for Sale, or while it is part of a group of assets for disposal classified as Held for Sale.

1.16.2. Discontinued Operations

A discontinued operation is a component of the Group that has been disposed of, or that has been classified as Held for Sale and complies with any of the following conditions:
- It represents a line of business or a geographical area, which is significant and can be considered as separated from the rest;
- It is part of a single coordinated plan to have a business line, or a geographic area of the operation, which is significant and can be considered as separated from the rest; or
- It is an independent entity, exclusively acquired to resell it.

Any profit or loss arising from re-measuring an asset (or group of assets for its disposal) classified as Held for Sale, which does not meet the definition of discontinued operation, will be included in the Income of Continuing Operations.

1.17. Depreciation and impairment of non-financial assets

Assets with indefinite useful life are not subject to amortization, and they go through annual impairment tests. Unlike the previous assumption, depreciable assets are subject to impairment tests when events or circumstances occur that indicate that their book value may not be recovered or, at least, on an annual basis.

Depreciation and impairment losses are recognized when the book value exceeds their recoverable value. The recoverable value of assets is the greater of the net amount that it would obtain from its sale, or its value in use. For the impairment tests, the assets are grouped at the lowest level where they generate identifiable cash flows (cash generating units). The book value of non-financial assets other than the goodwill over which depreciation and impairment have been recorded, are reviewed at each reporting date for verifying possible depreciation and impairment reversals.

1.18. Trust assets

The assets held by the Group in its trustee role are not reported in the Consolidated Statement of Financial Position, because the Group is not in control of the trust or the risks and rewards of the assets. Fees received from trust activities are recorded in Fee Income.

1.19. Offsetting

Financial assets and liabilities are offset by reporting the net amount in the Consolidated Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

1.20. Financing received from the argentine central bank and other financial institutions

The amounts owed to other Financial Institutions are recorded at the time the principal is advanced to the economic group by the bank. Non-derivative financial liabilities are measured at amortized cost. In the event that the Group repurchases its own debt, this is eliminated from the Consolidated Financial Statements, and the difference between the residual value of the financial liability and the amount paid is recognized as a financial income or expense.

1.21. Provisions and contingencies

In accordance with the IFRS-based accounting framework adopted by the Argentine Central Bank, an Entity will have a provision if:

a. it has a current obligation (either legal or implicit) as a consequence of a past event;
b. the Entity is likely to have to dispose of resources which incorporate future economic benefits to cancel said obligation; and
c. a reliable estimate can be made of the obligation amount.

It will be understood that the Group has an implicit obligation if (a) as a result of previous practices or public policies, the Group has assumed certain liabilities; and (b) as a result, it has created expectations that it will comply with those obligations.

The Group recognizes the following provisions:

- For labor, civil and commercial lawsuits: provisions are determined based on the lawyers' reports on the status of the lawsuits and the estimate made on the bankruptcy possibilities to be faced by the Group, as well as on past experience regarding this type of lawsuits.
- For miscellaneous risks: provisions are set up to face contingent situations that may give rise to obligations for the Group. When estimating the amounts, the probability of their materializing is taken into account, considering the opinion of the Group's legal advisors and professionals.

The amount recognized as provision must be the best estimate of the disbursement needed to cancel such obligation, at the end of the year being reported.
When the financial effect produced by the discount becomes important, the amount of the provision must be the present value of the disbursements that are expected to be required to cancel the obligation by using a pre-tax interest rate that reflects the current market conditions on the value of money and the specific risks for said obligation. The increase in the provision for the lapsing of time is recognized in the Net Financial Income item of the Statement of Income.

The Group will not record the positive contingencies, except those arising from deferred taxes and those which materialization is virtually certain.
At the date of issuance of these Consolidated Financial Statements, the Group Directors understand that there have been no elements that allow determining the existence of other contingencies that may be materialized and generate a negative impact on these Consolidated Financial Statements, as detailed in Note 29.

1.22. Other non-financial liabilities

Non-financial accounts payable are accrued when the counterpart has complied with its obligations under the contract, and they are valuated at amortized cost.

1.23. Debt securities

The Group's Debt Securities are measured at amortized cost. If the Group purchases debt securities of their own, the obligation in Liabilities related to said debt securities is considered extinguished, and, therefore, it is derecognized. In the event that the Group repurchases its own debt, this is eliminated from the Consolidated Financial Statements, and the difference between the residual value of the financial liability and the amount paid is recognized as a financial income or expense.

1.24. Assets and liabilities arising from insurance contracts

The valuation and recording of assets and liabilities arising from the Group's insurance contracts is performed pursuant to the IFRS 4 "Insurance Contracts" criteria.

Assets from Insurance Contracts

Insurance contracts are contracts where the Group (the insurer) has accepted an insurance risk from another party (the insured) by agreeing to compensate the insured if a specified uncertain future event (the insured event) adversely affects the insured.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the rest of its useful life, even if the insurance risk is significantly reduced during this period, unless all rights and obligations are extinguished or expire.

The insurance contracts offered by the Group include property insurance that covers fire, combined family insurance, theft and similar risks, property damage, personal accidents, among other risks. Life insurance and Retirement insurance contracts are also included.

Total premiums are recognized as of the policy issuance date as an account receivable. At the same time, a reserve is recorded in Liabilities for unearned premiums representing premiums for risks which are not due yet. The unearned premiums are recognized as Income for the contract period, which is also the coverage and risk period. The book value of insurance accounts receivable is reviewed for impairment provided that events or circumstances indicate that the book value may not be recoverable. Impairment loss is recorded in the Statement of Income.

Liabilities recognized by the Insurance Activity

Debts with Insured Persons

Reserves for Insurance claims represent debts with insured persons for claims reported to the company, and an estimate of the claims that have already been incurred but have not yet been reported to the company (Incurred but Not Reported, IBNR). Reported claims are adjusted based on technical reports received from independent appraisers.

Debt with Reinsurers and Coinsurers

The Group mitigates the risk for some of its insurance business through coinsurance or reinsurance contracts in other companies. For coinsurance, the Company associates with another company to cover a risk, by assuming only a percentage of it and, therefore, also of the premium. For reinsurance, the risk is transferred to another insurance company both in proportional (as a risk percentage) and non-proportional form (the excess of loss above a certain limit is covered). The transferred reinsurance agreements do not exempt the Group from its obligations with the insured persons.

Coinsurance and reinsurance liabilities represent balances owed under the same conditions, and the amounts payable are estimated in a manner consistent with the contract that gave rise to them.

Debts with Producers

They represent liabilities with insurance producers and independent agents arising from the commissions for the insurance transactions they bring for the Group's companies. The checking account balances with said entities are also included.

Technical Commitments

Technical reserves include reserves for future benefit obligations under their life, annuity and accident insurance policies, and reserves for retirement insurance contracts.

The Group evaluates, at the end of the reporting period, the adequacy of the insurance liabilities it has recognized, using current estimates of future cash flows from its insurance contracts. Should the evaluation show that the carrying amount of its liabilities for insurance contracts (minus deferred acquisition costs and related intangible assets) is not adequate, considering the estimated future cash flows, the total amount of the deficiency will be recognized in Income. In accordance with IFRS 4, the Group must determine the adequacy of the amount in books recorded in accordance with the guidelines established in IAS 37.

1.25. Shareholders' equity

The accounts included in this item are stated in currency that has not contemplated the variation of the price index since February 2003, except for the "Capital Stock" item, which has been maintained at nominal value. The adjustment arising from its restatement is included in "Equity Adjustments".

Ordinary shares are classified in Shareholders' Equity and remain recorded at their nominal value. When any company forming part of the Group buys Company shares (treasury shares in portfolio), the payment made, including any costs directly attributable to the transaction (net of taxes) is deducted from the Shareholders' Equity until the shares are canceled or sold.

1.26. Profit reserves

According to Art. 70 of the General Companies Act, the Company and its subsidiaries, except Banco Galicia, must transfer to Legal Reserve 5% of the profit for the year, until said reserve reaches 20% of the capital stock plus the balance of the Capital Adjustment account.

Regarding Banco Galicia, in accordance with the regulations established by the Argentine Central Bank, it is appropriate to allocate to Legal Reserve 20% of the profits for the year, net of the eventual adjustments of previous fiscal years, if applicable. However, for the allocation of Other Reserves, the Financial Institutions must comply with the Argentine Central Bank provisions of the Amended Text on dividends distribution detailed in Note 52.

1.27. Dividends distribution

The dividends distribution to the Group's Shareholders is recognized as liability in the Consolidated Financial Statements in the year in which the dividends are approved by the Group's Shareholders.

1.28. Revenue recognition

Financial income and expenses are recorded for all debt instruments according to the effective interest method, by which all positive or negative income that are an integral part of the effective rate of the transaction are deferred.

The income included in the effective interest rate includes disbursements or income related to the creation or acquisition of a financial asset or liability, such as, for example, the preparation and processing of the documents necessary to conclude the transaction and the compensation received by the granting of credit agreements. The Group records all its non-derivative financial liabilities at amortized cost, except those included in the item "Liabilities at Fair Value through Profit or Loss" which are measured at reasonable value.

It should be noted that the fees received by the Group for the origination of syndicated loans are not part of the effective rate of the product, these being recognized in the Statement of Income at the time the service is provided, as long as the Group does not retain part of it, or this is maintained in the same conditions as the rest of the participants. Nor are the fees received by the Group for the negotiations in the transactions of a third party part of the effective rate, these being recognized at the time they are perfected.

IFRS 15 establishes the principles to be applied by a company to account for income and cash flows from contracts for the sale of goods or services to its customers.

The amount to be recognized will be that amount reflecting the payment to which it is expected to be entitled for the services rendered.

The Group's income from services is recognized in the Statement of Income to the extent the performance obligations are complied with, thus deferring those revenues related to customer loyalty programs, which are provisioned based on the fair value of each point and its redemption rate, until they are exchanged by the customer and can be recognized in the income for the year.

Retail product and service fees related to savings and checking account operations have a monthly charging frequency; safe deposit boxes fees are charged quarterly; renewal of credit cards is charged annually, and bond and shares transactions are charged on each transaction performed.

Additionally, fees for wholesale products corresponding to maintenance of accounts, deposits and withdrawals between entities, are charged on a monthly basis; foreign trade transactions are charged on each transaction.

1.29. Income tax

The Income tax charge for the year comprises the current and the deferred taxes. The tax is recognized in the Consolidated Statement of Income, except when there are items that must be directly recognized in Other Comprehensive Income. In this case, income tax related to said items is also recognized in the same Statement.

The current income tax charge is calculated based on the tax laws promulgated, or substantially promulgated as of the date of the Statement of Financial Position in the countries where the Group operates and generates taxable profit. The Group periodically evaluates the position assumed in tax returns as regards the situations in which tax laws are subject to interpretation. Likewise, when applicable, the Group sets up provisions on the amounts that it expects to be paid to tax authorities.

The entire deferred income tax is determined by the liability method, on the temporary differences that arise between the tax bases of assets and liabilities and their respective accounting values. However, the deferred tax that arises from the initial recognition of an asset or a liability in a transaction not corresponding to a business combination, which at the time of the transaction does not affect neither the profit nor the accounting or taxable loss, is not recorded. Deferred tax is determined using tax rates (and legislation) that have been promulgated as of the date of the financial statements, and are expected to be applicable when the deferred tax asset is done, or the deferred tax liability is paid.

Deferred tax assets are only recognized to the extent that future tax benefits are likely to occur against which temporary differences can be used.

The Group recognizes a deferred tax liability for taxable temporary differences related to investments in subsidiaries and affiliates, unless the following two conditions are met:
(i) The Group controls the time when the temporary differences will be reversed.
(ii) Said temporary difference is not likely to be reversed at a foreseeable time in the future.

The balances of deferred income tax of assets and liabilities are offset when there is a legal right to offset current active taxes with current passive taxes, and when they relate to the same tax authority as the Group, or the different subsidiaries where there is intention and possibility to settle the tax balances on a net basis.

1.30. Earnings per share

The basic earnings per share is determined by the ratio between the income attributable to the Group's ordinary Shareholders, excluding the after-tax effect of the benefits of the preferred shares, and the average of outstanding ordinary shares.

Likewise, the diluted earnings per share is that arising from adjusting both the income attributable to the Shareholders and the average of outstanding ordinary shares, due to the effects of the potential conversion into equity instruments of all those option obligations held by the Group at the closing.

NOTE 2
CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of Consolidated Financial Statements in accordance with the IFRS-based accounting framework requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgment in the application process of the accounting standards established by the Argentine Central Bank to establish the Group's accounting policies.

The Group has identified the following areas involving a greater degree of judgment or complexity, or areas where the assumptions and estimates are significant for the Consolidated Financial Statements and which are essential to understand the underlying informative accounting/financial risks.

a. Fair value of derivatives and other instruments

The fair value of financial instruments not quoted in active markets is determined by using valuation techniques. Said techniques are periodically validated and reviewed by independent qualified personnel of the area which created them. All the models are evaluated and adjusted before they are used, to ensure that their results reflect the current information and comparative market prices. To the extent possible, the models use only observable information; however, factors such as credit risk (both the Group's own risk and the counterpart's), volatilities and correlations require the use of estimates. Changes in the assumptions about these factors can affect the reported fair value of the financial instruments.

b. Impairment losses on loans and advance payments

The Group performs estimates on the customers' repayment abilities to determine the corresponding provisioning level according to the Argentine Central Bank regulations.

Said estimates are made with the corresponding periodicity required by the Argentine Central Bank minimum provisioning standards.

Required Allowances

The Argentine Central Bank requires minimum allowances for the different categories in which the customers are classified, whose rates vary in accordance with these categories and the existence of guarantees. The percentages are applied on the entire commitments of the customer, considering both principal and interest. Allowance on the normal portfolio is general, while for the other categories is individually attributed. The standards establish the suspension of accrual or the setting up of allowances for 100% of the interest corresponding to customers classified as "With Problems and Medium Risk" or in lower quality categories. .

c. Impairment of non-financial assets

Intangible assets with finite lives and Property, Plant and Equipment are amortized or depreciated throughout their estimated useful life in a linear manner. The Group monitors the conditions related to these assets to determine if the events and circumstances justify a review of the remaining amortization or depreciation period, and if there are factors or circumstances that imply impairment in the value of the assets that cannot be recovered.

The Group has applied judgment to identify impairment indicators for Property, Plant and Equipment and intangible assets. The Group has determined that there were no impairment indicators for any of the years presented in its Consolidated Financial Statements.

d. Income tax and deferred tax

Significant judgment is required when determining assets and liabilities for current and deferred taxes. The current tax is provisioned according to the amounts expected to be paid; the deferred tax is provisioned on the temporary differences between the tax bases of the assets and liabilities and their book values, at the rates expected to be in force at the time of their reversal.

A deferred tax asset is recognized to the extent that there is a probability that future taxable profits are available against which temporary differences can be used, based on Management's budgets as regards the amounts and timing of the future taxable earnings. Then, the possibility must be determined of deferred tax assets to be used and offset against future taxable profits. Actual income may differ from these estimates, for example, changes in tax legislation or the outcome of the final review of tax returns by the Tax Authority and the tax courts.

Future tax profits and the amount of tax benefits that are likely in the future are based on a medium-term business plan prepared by the Administration which is based on expectations considered reasonable.

NOTE 3
FINANCIAL INSTRUMENTS

In Schedule P "Categories of Financial Assets and Liabilities", the measurement categories are exposed for the items in the Consolidated Statement of Financial Position and fair value hierarchies.

As of the indicated dates, the Group maintains the following portfolios of financial instruments:

Portfolio of Instruments as of 12.31.2019	Fair Value through Profit or Loss	Amortized Cost	Fair Value through OCI
Assets			
Argentine Central Bank Bills and Notes	58,141,095	-	-
Government Securities	6,700,187	-	-
Corporate Securities	849,178	-	-
Derivative Financial Instruments	1,398,539	-	-
Repurchase Transactions	-	30,075,478	-
Other Financial Assets	5,024,505	3,218,073	-
Loans and Other Financing	-	362,865,288	-
Other Debt Securities	-	3,129,105	15,916,306
Financial Assets Pledged as Collateral	1,735,692	9,814,894	-
Investments in Equity Instruments	2,497,466	-	-
Liabilities			
Deposits	-	393,905,510	-
Liabilities at Fair Value through Profit or Loss	1,422,157	-	-
Derivative Financial Instruments	881,099	-	-
Other Financial Liabilities	-	71,362,718	-
Financing Received from the Argentine Central Bank and other Financial Institutions	-	22,723,687	-
Debt Securities	-	29,240,851	-
Subordinated Debt Securities	-	15,499,212	-

Portfolio of Instruments as of 12.31.2018	Fair Value through Profit or Loss	Amortized Cost	Fair Value through OCI
Assets			
Argentine Central Bank Bills and Notes	70,151,772	-	-
Government Securities	4,699,806	-	-
Corporate Securities	1,137,593	-	-
Derivative Financial Instruments	1,785,640	-	-
Repurchase Transactions	-	2,068,076	-
Other Financial Assets	4,303,431	4,687,012	-
Loans and Other Financing	-	286,952,476	-
Other Debt Securities	-	5,360,721	9,129,045
Financial Assets Pledged as Collateral	3,459,712	7,357,780	-
Investments in Equity Instruments	161,054	-	-
Liabilities			
Deposits	-	360,097,275	-
Liabilities at Fair Value through Profit or Loss	2,144,664	-	-
Derivative Financial Instruments	1,835,789	-	-
Repurchase Transactions	-	1,948,559	-
Other Financial Liabilities	-	63,235,042	-
Financing Received from the Argentine Central Bank and other Financial Institutions	-	19,446,028	-
Debt Securities	-	29,983,653	-
Subordinated Debt Securities	-	9,767,874	-

NOTE 4
FAIR VALUES

The Group classifies the fair values of the financial instruments in 3 levels, according to the quality of the data used for their determination.

Fair Value Level 1: The fair value of financial instruments traded in active markets (as publicly traded derivative instruments, debt securities or instruments available for sale) is based on the quoted market prices (not adjusted) as of the date of the reporting period. If the quoted price is available and there is an active market for the instrument, this will be included in Level 1. Otherwise, it will be valued in Level 2.

Fair Value Level 2: The fair value of financial instruments not traded in active markets, for example, derivatives available over-the-counter, is determined using valuation techniques that maximize the use of observable information and place the least possible trust in the Group's specific estimates. If all the relevant variables to establish the fair value of a financial instrument are observable, the instrument is included in Level 2. If the variables to determine the price are not observable, the instrument will be valued in Level 3.

Fair Value Level 3: If one or more relevant variables are not based on observable market information, the instrument is included in Level 3. This is the case of unquoted financial instruments.

This means that, if there are no observable market prices for its validation, the instrument will be included in Level 3. The instrument will return to Level 1 only when it has observable market quote, and it will maintain that Level as long as it continues quoting. This is called Transfer between Levels.

Valuation techniques

The valuation techniques to determine the Fair Values include:
- Market prices or quotes of similar instruments
- Determination of the estimated current value of the instruments

The valuation technique to determine the Level 2 fair value is based on data other than the quote price included in Level 1, which are directly observable for assets or liabilities (i.e., prices). For those instruments with no trading in the secondary market and which, if having to reverse positions, the Group would have to sell them to the Argentine Central Bank at the rate originally agreed in accordance with the provisions of the controlling authority, the price has been prepared based on said rate accrual.

The valuation technique to determine the Level 3 fair value of financial instruments is based on the price drawn by curve, which is a method that compares the spread between the sovereign bond curve and the average cut-off rates of primary issuances, representing the different segments, according to the different risk ratings. If there are no representative primary issuances throughout the month, the following variants will be used:

(i) Secondary market prices of instruments under the same conditions, which had quoted in the evaluation month.
(ii) Bidding and/or secondary market prices of the previous month, which will be taken based on their representativeness.
(iii) Spread calculated in the previous month, and it will be applied to the sovereign curve, in accordance to their reasonableness.
(iv) A specific margin is applied, defined according to historical yields of instruments under the same conditions, based on a substantiated justification.

Based on the foregoing, the rates and spreads are determined to be used to discount the future cash flows and generate the instrument price.

All the modifications to the valuation methods are previously discussed and approved by the Group's key personnel.

The Group's financial instruments measured at fair value at fiscal year closing are detailed below:

Portfolio of Instruments as of 12.31.2019	Level 1 FV	Level 2 FV	Level 3 FV
Assets			
Argentine Central Bank Bills and Notes	-	58,141,095	-
Government Securities	1,507,757	-	5,192,430
Corporate Securities	664,317	-	184,861
Derivative Financial Instruments	-	1,398,539	-
Other Financial Assets	4,987,105	37,400	-
Other Debt Securities*	15,916,306	-	-
Financial Assets Pledged as Collateral	703,669	-	1,032,023
Equity Instruments	162,003	-	2,335,463
Liabilities			
Liabilities at Fair Value through Profit or Loss	1,422,157	-	-
Derivative Financial Instruments	-	881,099	-
Total	**22,519,000**	**58,695,935**	**8,744,777**

* For Government Securities at fair value through Other Comprehensive Income.

Portfolio of Instruments as of 12.31.2018	Level 1 FV	Level 2 FV	Level 3 FV
Assets			
Argentine Central Bank Bills and Note	54,008	70,097,764	-
Government Securities	2,952,344	1,278,048	469,414
Corporate Securities	308,755	36,270	792,568
Derivative Financial Instruments	-	1,785,640	-
Other Financial Assets	4,264,431	39,000	-
Other Debt Securities*	9,129,045	-	-
Financial Assets Pledged as Collateral	3,184,346	275,366	-
Equity Instruments	26,795	-	134,259
Liabilities			
Liabilities at fair value through profit or loss	1,366,785	777,879	-
Derivative Financial Instruments	-	1,835,789	-
Total	**18,552,939**	**70,898,420**	**1,396,241**

* For Government Securities at fair value through Other Comprehensive Income.

The evolution of instruments included in Level 3 Fair Value is detailed below:

Level 3	12.31.18	Transfers*	Recognition	Derecognition	Income	12.31.19
- Government Securities	469,414	6,845,464	14,764,235	(15,994,479)	(892,204)	5,192,430
- Corporate Securities	792,568	(3,537)	5,711,082	(6,537,013)	221,761	184,861
- Financial Assets Pledged as Collateral	-	2,176,092	954,328	(1,747,082)	(351,315)	1,032,023
- Equity Instruments	134,259	(15,704)	2,346,863	-	(129,955)	2,335,463
Total	**1,396,241**	**9,002,315**	**23,776,508**	**(24,278,574)**	**(1,151,713)**	**8,744,777**

* Including the changes in level of the financial instruments classified as Level 3 fair value as described above.

Level 3	31.12.17	Transfers*	Recognition	Derecognition	Income	12.31.18
- Government Securities	165,214	1,032,909	8,448,863	(9,311,230)	133,658	469,414
- Corporate Securities	976,700	320,265	5,314,682	(6,144,835)	325,756	792,568
- Equity Instruments	56,684	-	-	-	77,575	134,259
Total	**1,198,598**	**1,353,174**	**13,763,545**	**(15,456,065)**	**536,989**	**1,396,241**

* Including the changes in level of the financial instruments classified as Level 3 fair value as described above.

The Group's policy is to recognize transfers between the fair value levels only at the closing dates of fiscal year. Transfers occurred because the instruments without observable valuation prices were reclassified at Level 3, and the instruments with observable market quotes at the closing of the year were reclassified at Level 1. This means that the Level 1 instrument ceased to quote; therefore, it was transferred to Level 3 and vice versa.

The difference between the book value and the fair value of the main assets and liabilities recorded at amortized cost as of December 31, 2019 and December 31, 2018 is detailed below:

Items of Assets/(Liabilities) as of 12.31.19	Book value	Fair value	Level 1 FV	Level 2 FV	Level 3 FV
Assets					
Cash and Due from Banks	130,819,165	130,819,165	130,819,165	-	-
Repurchase Transactions	30,075,478	30,075,478	30,075,478	-	-
Loans and Other Financing	362,865,288	362,160,279	-	-	362,160,279
Other Financial Assets	3,218,073	3,788,291	6,778	-	2,771,513
Other Debt Securities	3,129,105	3,135,609	-	-	3,135,609
Financial Assets Pledged as Collateral	9,814,894	9,814,894	9,814,894	-	-
Liabilities					
Deposits	393,905,510	394,061,893	-	-	394,061,893
Financing Received from the Argentine Central Bank and other Financial Institutions	22,723,687	21,709,108	-	-	21,709,108
Debt Securities	29,240,851	29,626,673	29,626,673	-	-
Subordinated Debt Securities	15,499,212	14,972,940	-	-	14,972,940
Other Financial Liabilities	71,362,718	71,362,709	-	-	71,362,709

Items of Assets/(Liabilities) as of 12.31.18	Book value	Fair value	Level 1 FV	Level 2 FV	Level 3 FV
Assets					
Cash and Due from Banks	143,309,428	143,309,428	143,309,428	-	-
Repurchase Transactions	2,068,076	2,068,076	2,068,076		
Loans and Other Financing	286,952,476	289,581,428	-	-	289,581,428
Other Financial Assets	4,687,012	4,687,012	4,687,012	-	-
Other Debt Securities	5,360,721	5,502,706	763,126	-	4,739,580
Financial Assets Pledged as Collateral	7,357,780	7,357,780	7,357,780	-	-
Liabilities					
Deposits	360,097,275	359,875,025	-	-	359,875,025
Financing Received from the Argentine Central Bank and other Financial Institutions	19,446,028	17,689,372	-	-	17,689,372
Debt Securities	29,983,653	29,269,086	29,269,086	-	-
Subordinated Debt Securities	9,767,874	8,513,061	-	-	8,513,061
Repurchase Transactions	1,948,559	1,952,153	-	-	1,952,153
Other Financial Liabilities	63,235,042	63,235,113	-	-	63,235,113

NOTE 5
CASH AND CASH EQUIVALENTS

Cash equivalents are held to comply with short-term payment obligations, rather than for investment or similar purposes. For a financial investment to be qualified as cash equivalent, it has to be easily convertible into a certain amount of cash and be subject to an insignificant risk of changes in its value. Therefore, such an investment will be a cash equivalent when its maturity is close, namely three or less months from its acquisition date. Interests in the principal of other entities will be excluded from cash equivalents.

Cash items and their equivalents are detailed below:

	12.31.19	12.31.18
Cash and Due from Banks	130,819,165	143,309,428
Argentine Central Bank Bills and Notes up to 90 days	58,141,095	70,117,158
Reverse repurchase Transactions Debtors	29,996,370	2,057,558
Local Interfinancial Loans	-	938,000
Overnight Placements in Foreign Banks	7,874,718	5,300,681
Mutual Funds	4,669,863	3,850,114
Time Deposits	488,928	285,999
Total Cash and Cash Equivalents	**231,990,139**	**225,858,938**

The risk analysis for cash and cash equivalents is presented in Note 45. The information with related parties is disclosed in Note 50.

NOTE 6
DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group's Debt Securities at fair value through profit or loss are detailed in Schedule A.

The credit rating quality of debt securities is disclosed in Note 45.

NOTE 7
DERIVATIVE FINANCIAL INSTRUMENTS

Forward exchange contract with no delivery of the underlying asset

The Electronic Open Market (Mercado Abierto Electrónico, MAE) and the Rosario Forward Market (ROFEX) have trading areas for the conclusion, recording and settlement of forward financial transactions between their Agents, including Banco Galicia. In general, the settlement of these transactions is made without delivering the underlying asset. The settlement is carried out daily in Argentine pesos for the difference, if any, between the closing price traded of the underlying asset and the closing price or value of the underlying asset of the previous day, the price difference impacting on Income.

The transactions are recorded in Off-balance Sheet Items The accrued balances pending settlement are exposed in the "Derivative Financial Instruments" line, in Assets and/or Liabilities, as appropriate.

Interest rate SWAPS

These transactions are traded within the scope of the MAE, and feature the daily or monthly settlement in Argentine pesos of the variation between the cash flows calculated at a variable rate (Private Badlar for a period of 30 to 35 days) and the cash flows calculated at a fixed rate or vice versa on the notional agreed, the price difference impacting on Income.

Below there appear the amounts of the agreed transactions as of the indicated dates:

	Underlying Asset	Type of Settlement	12.31.19*	12.31.18*
Currency Forward Transactions				
Purchases	Foreign currency	Daily Difference	18,207,108	38,861,567
Sales	Foreign currency	Daily Difference	12,652,852	32,277,374
Customers' Purchases	Foreign currency	Daily Difference	9,939,003	3,673,954
Customers' Sales	Foreign currency	Daily Difference	15,469,476	10,156,620
Interest Rate Swaps				
Swaps	Other	Other	360,242	460,242
Other Currency Swaps	Other	Other	-	1,561
Repurchase transactions				
Forward Purchases	Government Securities	With Delivery of Underlying Asset	-	1,965,824
Forward Sales	Government Securities	With Delivery of Underlying Asset	29,968,733	2,061,516

* Notional values.

For further details, refer to Schedule O.

NOTE 8
REPURCHASE TRANSACTIONS

As of the indicated dates, the Group maintains the following repurchase transactions:

	12.31.19	12.31.18
Debtors for Reverse Repurchase Transactions of Government Securities	29,996,370	2,057,558
Interest Accrued Receivable for Reverse Repurchase Transactions	79,108	10,518
Total Repurchase Transactions - Assets	**30,075,478**	**2,068,076**

	12.31.19	12.31.18
Creditors for Repurchase Transactions of Government Securities	-	1,943,805
Interest Accrued Payable for Repurchase Transactions	-	4,754
Total Repurchase Transactions - Liabilities	**-**	**1,948,559**

At the closing of previous fiscal year, the Group maintained Repurchase Transactions, for which it carried out cash sales transactions of a security, agreeing upon the forward purchase transaction, thereby retaining substantially all the risks and benefits associated with the instruments, recognizing them in "Financial Assets Pledged as Collateral", for not meeting the provisions of point 3.4.2 (Derecognition of assets), of IFRS 9 "Financial Instruments".

	12.31.19	12.31.18
Reverse Repurchase Transactions recorded in Off-balance Sheet Items.	29,968,733	2,061,516
Repurchase transactions recorded in Financial Assets Pledged as Collateral.	-	1,965,824

The residual values of the assets transferred in Repurchase Transactions are presented in Note 7 and Schedule O, if applicable.

NOTE 9
OTHER FINANCIAL ASSETS

As of the indicated dates, the balances of Other Financial Assets correspond to:

	12.31.19	12.31.18
Receivables from spot sales of foreign currency pending settlement	79,227	1,947,184
Receivables from spot sales of Government Securities pending settlement	179,091	1,607,601
Sundry Debtors	4,624,201	810,756
Mutual Funds	4,987,105	4,264,431
Premiums from financial guarantee contracts	643,334	153,973
Other	518,365	209,978
Minus: Allowances	(2,788,745)	(3,480)
Total	**8,242,578**	**8,990,443**

The credit rating quality analysis of Other Financial Assets as of December 31, 2019 was as follows:

	Debtors for Sale of Foreign Currency	Debtors for Cash Sale of Government Securities to be Settled	Sundry Debtors	Mutual Funds	Premiums from financial guarantee contracts	Other
To be Due	79,227	179,091	4,510,695	4,987,105	643,334	518,365
Past-due Without Impairment	-	-	-	-	-	-
Impaired/Uncollectibles	-	-	113,506	-	-	32,473
Minus: Allowances	-	-	(2,788,745)	-	-	-
Total	**79,227**	**179,091**	**1,835,456**	**4,987,105**	**643,334**	**518,365**

The credit rating quality analysis of Other Financial Assets as of December 31, 2018 was as follows:

	Debtors for Sale of Foreign Currency	Debtors for Cash Sale of Government Securities to be Settled	Sundry Debtors	Mutual Funds	Premiums from financial guarantee contracts	Other
To be Due	1,947,184	1,607,601	807,276	4,264,431	153,973	209,978
Past-due Without Impairment	-	-	-	-	-	-
Impaired/Uncollectibles	-	-	3,480	-	-	-
Minus: Allowances	-	-	(3,480)	-	-	-
Total	**1,947,184**	**1,607,601**	**807,276**	**4,264,431**	**153,973**	**209,978**

The main factors considered by the Group to determine the impaired assets are their due date status and the possibility to realize the related collateral, if appropriate.

The information with related parties is disclosed in Note 50.

The movements in the Allowance for Uncollectibles of Other Financial Assets are disclosed in Schedule R.

The application of point 5.5 (impairment loss) of IFRS 9, Expected Credit Loss Model, is temporarily exempted until January 1, 2020 (see Notes 1.1. and 1.12).

NOTE 10
LOANS AND OTHER FINANCING

The composition of the Loans and Other Financing portfolio as of the indicated dates is detailed below:

	12.31.19	12.31.18
Non-financial Public Sector	**6,829**	**11,777**
Argentine Central Bank	**22,374**	**533**
Financial Institutions	**10,687,560**	**7,872,353**
Loans	10,795,553	7,942,382
Minus: Allowances	(107,993)	(70,029)
Non-financial Private Sector and Residents Abroad	**352,148,525**	**279,067,829**
Loans	362,075,866	283,543,722
- Advances	15,892,268	14,430,578
- Overdrafts	75,080,343	36,020,263
- Mortgage Loans	15,052,635	11,793,007
- Pledge Loans	3,208,665	997,958
- Personal Loans	27,645,893	29,144,931
- Credit Cards	149,459,966	113,395,362
- Other Loans	61,782,565	74,793,302
- Accrued Interest, Adjustments and Quotation Differences Receivable	15,245,566	5,388,298
- Documented Interest	(1,292,035)	(2,419,977)
Finance leases	2,225,646	2,198,047
Other Financing	9,276,666	4,670,518
Minus: Allowances	(21,429,653)	(11,344,458)
Total	**362,865,288**	**286,952,492**

The classification of Loans and Other Financing, as per situation and guarantees received, is detailed in Schedule B.

The concentration of Loans and Other Financing is detailed in Schedule C.

The breakdown for terms of Loans and Other Financing is detailed in Schedule D.

The movements in the Allowance for Loans and Other Financing losses is detailed in Schedule R.

The application of point 5.5 (impairment) of IFRS 9, Expected Credit Loss Model, is temporarily exempted until January 1, 2020 (see Notes 1.1. and 1.12). The risk analysis for Loans and Other Financing is presented in Note 45. The information with related parties is disclosed in Note 50.

NOTE 11
OTHER DEBT SECURITIES

The Group's Other Debt Securities are detailed in Schedule A.

The movements in the Allowance for Other Debt Securities losses are detailed in Schedule R.

The application of point 5.5 (impairment) of IFRS 9, Expected Credit Loss Model, is temporarily exempted until January 1, 2020 (see Notes 1.1. and 1.12).

NOTE 12
FINANCIAL ASSETS PLEDGED AS COLLATERAL

The Financial Assets Pledged as Collateral valuated in accordance with their underlying asset for the years under analysis are detailed below:

	12.31.19	12.31.18
Deposits as Collateral	4,025,086	3,663,499
Special Accounts as Collateral - Argentine Central Bank	7,525,500	5,188,169
Forward Purchases of monetary regulatory instruments	-	53,736
Other	-	1,912,088
Total	**11,550,586**	**10,817,492**

The restricted availability assets are detailed in Note 52.2.

NOTE 13
CURRENT INCOME TAX ASSETS

As of the indicated dates, the balances of current income tax assets correspond to:

	12.31.19	12.31.18
Tax Advances	40,089	2,509,970
Minimum Notional Income Tax - Tax Credit	414	414
Total	**40,503**	**2,510,384**

NOTE 14
INVESTMENTS IN EQUITY INSTRUMENTS

The Group's Investments in Equity Instruments are detailed in Schedule A.

NOTE 15
INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Interests in subsidiaries

Basic information related to the consolidated controlled companies is detailed below:

Company	Direct or Indirect Shareholding		% Direct or Indirect Interest	
	12.31.19	12.31.18	12.31.19	12.31.18
Banco de Galicia y Buenos Aires S.A.U.	668,549,353	668,549,353	100.00	100.00
Cobranzas Regionales S.A.	8,300	8,300	83.00	83.00
Galicia Administradora de Fondos S.A.	20,000	20,000	100.00	100.00
Galicia Broker Asesores de Seguros S.A.	71,310	71,310	99.99	99.99
Galicia Retiro Compañía de Seguros S.A.	7,727,271	7,727,271	99.99	99.99
Galicia Seguros S.A.	1,830,883	1,830,883	99.99	99.99
Galicia Valores S.A.	1,000,000	1,000,000	100.00	100.00
Galicia Warrants S.A.	1,000,000	1,000,000	100.00	100.00
IGAM LLC	73,996,713	-	100.00	-
Naranja Digital Compañía Financiera S.A.U.	652,567,500	-	83.00	-
Nargelon S.A.	12,000	-	100.00	-
Ondara S.A.	12,955,140	13,636,990	83.85	83.85
Sudamericana Holding S.A.	185,653	185,653	100.00	100.00
Tarjeta Naranja S.A.	2,344	2,344	83.00	83.00
Tarjetas Regionales S.A.	894,552,668	894,552,668	83.00	83.00

The balances of the subsidiaries in accordance with the IFRS-based accounting framework established by the Argentine Central Bank as of the indicated dates are detailed below:

Company				12.31.19
	Assets	Liabilities	Shareholders' equity	Income*
Banco de Galicia y Buenos Aires S.A.U.	596,094,394	518,182,921	77,911,473	35,442,325
Cobranzas Regionales S.A.	531,168	259,318	271,850	160,515
Galicia Administradora de Fondos S.A.	449,556	72,094	377,462	316,868
Galicia Broker Asesores de Seguros S.A.**	49,949	28,585	21,363	39,472
Galicia Retiro Compañía de Seguros S.A.**	358,725	281,196	77,529	15,236
Galicia Seguros S.A.**	2,916,616	1,908,129	1,008,487	903,132
Galicia Valores S.A.U.	2,243,090	2,111,958	131,132	65,415
Galicia Warrants S.A.	291,638	58,116	233,522	48,486
IGAM LLC	2,246,087	2,113,455	132,632	58,635
Naranja Digital Compañía Financiera S.A.U.	878,416	261,287	617,129	35,438
Nargelon S.A.	822	-	822	-
Ondara S.A.	27,328	519	26,809	4,320
Sudamericana Holding S.A.**	4,051,010	2,261,386	1,789,624	1,136,421
Tarjeta Naranja S.A.	63,194,179	48,135,731	15,058,448	5,738,949
Tarjetas Regionales S.A.	65,458,634	49,096,849	16,361,785	5,637,091

* Income attributable to the controlling company. It does not include Other Comprehensive Income.
(**) Income for the 12-month period ended December 31, 2019.

Company				12.31.18
	Assets	Liabilities	Shareholders' equity	Income*
Banco de Galicia y Buenos Aires S.A.U.	511,238,049	467,266,696	43,971,353	11,536,182
Cobranzas Regionales S.A.	110,115	67,750	42,365	6,887
Galicia Administradora de Fondos S.A.	674,108	229,514	444,594	422,050
Galicia Broker Asesores de Seguros S.A.**	26,475	13,382	13,093	25,056
Galicia Retiro Compañía de Seguros S.A.**	249,069	186,776	62,293	24,293
Galicia Seguros S.A.**	2,703,486	1,654,652	1,048,834	544,122
Galicia Valores S.A.U.	258,936	39,877	219,059	66,678
Galicia Warrants S.A.	317,200	132,164	185,036	45,620
Fideicomiso Financiero Saturno Créditos	17,055	1,184	15,871	(2,586)
Ondara S.A.	22,511	22	22,489	1,636
Sudamericana Holding S.A.**	3,162,126	1,909,065	1,253,061	653,051
Tarjeta Naranja S.A.	51,194,581	41,875,082	9,319,499	2,068,688
Tarjetas Regionales S.A.	52,701,740	42,579,675	10,122,065	2,130,058

* Income attributable to the controlling company. It does not include Other Comprehensive Income
** Income for the 12-month period ended December 31, 2019.

NOTE 16
LEASES

This Note provides information for leases where the Group is the lessee:

Amounts recognized in the Statement of Financial Position:

	12.31.19
Book value of right-of-use asset[1]	2,510,142
Lease Liabilities[2]	3,768,154

(1) Recorded in the Property, Plant and Equipment item, for right of use of real property, see Note 17.
(2) Recorded in the item Other Financial Liabilities, see Note 25.

The previous year, the Group only recognized lease assets and liabilities in relation to leases that were classified as "finance leases" according to IAS 17 "Leases". The Assets were presented in the item Property, Plant and Equipment. For the adjustments recognized in the adoption of IFRS 16 on January 1, 2019, refer to Note 1.2.(e).

Amounts recognized in the Statement of Income:

	12.31.19
Charge for depreciation of right-of-use assets[1][2]	663,110
Interest Expenses[3]	304,731
Expenses related to short-term leases[4]	20,880
Expenses related to low-value assets leases[4]	60,120
Sublease Income[5]	1,294

(1) Depreciation for right of use of Real Property.
(2) Recorded in the item Depreciation and Impairment of Assets, see Note 39.
(3) Recorded in the item Other Operating Expenses, Lease Interest, see Note 40.
(4) Recorded in the item Administrative Expenses, see Note 38.
(5) Recorded in the item Other Operating Income, see Note 34.

The total financial flows related to leases amounted to Ps. 957,546.

NOTE 17.
PROPERTY, PLANT AND EQUIPMENT

The changes in Property, Plant and Equipment are detailed in Schedule F.

The accounting values of Property, Plant and Equipment do not exceed the recoverable values.

NOTE 18.
INTANGIBLE ASSETS

The changes in the Intangible Assets are detailed in Schedule G.

The accounting values of Intangible Assets do not exceed the recoverable values.

NOTE 19.
DEFERRED INCOME TAX ASSETS/LIABILITIES

The changes in deferred income tax assets/liabilities for the years ended December 31, 2019 and December 31, 2018 are the following:

Deferred Tax Assets

Item	12.31.18	Variation for the year	Other	12.31.19
Valuation of Securities	(17,800)	150,025	(126,520)	5,705
Other Financial Assets	(1,026)	748	-	(278)
Loans and Other Financing	775,315	1,428,441	501,188	2,704,944
Property, Plant and Equipment	(16,953)	(41,589)	(1,224,590)	(1,283,132)
Intangible Assets	-	(30,704)	(27,096)	(57,800)
Accumulated Losses	3,288	44,381	-	47,669
Other Non-financial Assets	15,796	(5,502)	(33,414)	(23,120)
Non-current Assets Held for Sale	-	(587,470)	(60,340)	(647,810)
Other Financial Liabilities	18,969	(8,461)	(38,593)	(28,085)
Subordinated Debt Securities	-	5,812	(17,597)	(11,785)
Provisions	71,237	87,987	312,277	471,501
Other Non-financial Liabilities	13,746	3,288	405,599	422,633
Foreign Currency Quotation Differences	3,710	(709)	3	3,004
Inflation adjustment deferral	-	5,538,760	-	5,538,760
Other	857	75,293	18,724	94,874
Totals	**867,139**	**6,660,300**	**(290,359)**	**7,237,080**

Deferred Tax Liabilities

Item	12.31.18	Variation for the year	Other	12.31.19
Valuation of Securities	(126,523)	(182)	126,523	(182)
Other Financial Assets	(28,713)	(2,098)	1,106	(29,705)
Loans and Other Financing	495,974	-	(501,188)	(5,214)
Property, Plant and Equipment	(1,323,970)	617	1,251,329	(72,024)
Intangible Assets	(27,310)	-	27,310	-
Other Non-financial Assets	(33,414)	7,115	26,299	-
Non-current Assets Held for Sale	(60,340)	-	60,340	-
Subordinated Debt Securities	(17,597)	-	17,597	-
Provisions	332,015	16,698	(313,268)	35,445
Other Non-financial Liabilities	404,044	-	(405,576)	(1,532)
Inflation adjustment deferral	-	15,423	-	15,423
Other	113	(807)	(113)	(807)
Totals	**(385,721)**	**36,766**	**290,359**	**(58,596)**

Deferred Tax Assets

Item	31.12.17	Variation for the year	Other	12.31.18
Valuation of Securities	(13,164)	(5,460)	824	(17,800)
Other Financial Assets	-	-	(1,026)	(1,026)
Loans and Other Financing	554,489	220,611	215	775,315
Property, Plant and Equipment	(10,901)	(6,081)	29	(16,953)
Intangible Assets	(47)	47	-	-
Accumulated Losses	157	74	3,057	3,288
Other Non-financial Assets	21,951	(5,704)	(451)	15,796
Non-current Assets Held for Sale	-	(1,425)	1,425	-
Other Financial Liabilities	19,067	181	(279)	18,969
Provisions	47,717	23,520	-	71,237
Other Non-financial Liabilities	1,382	16,039	(3,675)	13,746
Foreign Currency Quotation Differences	3,758	(48)	-	3,710
Other	(64)	1,574	(653)	857
Totals	**624,345**	**243,328**	**(534)**	**867,139**

Deferred Tax Liabilities

Item	31.12.17	Variation for the year	Other	12.31.18
Valuation of Securities	11,323	(137,846)	-	(126,523)
Other Financial Assets	(25,240)	(4,499)	(1,026)	(28,713)
Loans and Other Financing	269,774	226,200	-	495,974
Property, Plant and Equipment	(1,355,552)	31,611	(29)	(1,323,970)
Intangible Assets	210,993	(238,303)	-	(27,310)
Other Non-financial Assets	(30,231)	(3,634)	451	(33,414)
Non-current Assets Held for Sale	(244,277)	185,362	(1,425)	(60,340)
Subordinated Debt Securities	(13,770)	(3,827)	-	(17,597)
Provisions	100,070	231,945	-	332,015
Other Non-financial Liabilities	335,205	69,218	(379)	404,044
Other	(1,499)	81	1,531	113
Totals	**(743,204)**	**356,308**	**1,175**	**(385,721)**

Likewise, the statute of limitations for tax losses is as follows:

Fiscal Year of Generation	Amount	Fiscal Year of Expiry	Deferred Tax Assets
2018	10,960	2023	3,288
2019	147,937	2024	44,381
			47,669

NOTE 20
ASSETS/LIABILITIES FROM INSURANCE CONTRACTS

The assets related to insurance contracts, as of the indicated dates, are detailed below:

Assets from Insurance Contracts	12.31.19	12.31.18
Premiums Receivable	1,157,672	938,922
Credits with Reinsurers	641	5,361
Fees Receivable	3,714	2,455
Other	19,485	6,882
Total	**1,181,512**	**953,620**

The liabilities related to insurance contracts, as of the indicated dates, are detailed below:

Liabilities from Insurance ontracts	12.31.19	12.31.18
Debts with Insured Persons	597,791	373,600
Debts with Reinsurers	3,350	9,702
Debts with Coinsurers	1,468	2,639
Debts with Producers	302,402	185,930
Technical Commitments	817,418	571,225
Pending Claims in charge of Reinsurers	(253,794)	(39,876)
Total	**1,468,635**	**1,103,220**

Debts with Insured Persons	12.31.19	12.31.18
Equity Insurance	**396,514**	**105,517**
Direct Administrative Insurance	320,483	60,118
Direct Insurance in Lawsuits	11,255	9,966
Direct Insurance in Mediation	1,604	426
Settled Claims Payable	5,608	1,609
Pending Claims, Active Reinsurance and Retrocession	2,107	1,038
Claims Incurred but Not Reported (IBNR)	55,457	32,360
Life Insurance	**201,096**	**268,074**
Direct Administrative Insurance	175,748	243,850
Direct Insurance in Lawsuits	5,523	4,752
Direct Insurance in Mediation	6,538	668
Settled Claims Payable	417	1,424
Pending Claims, Active Reinsurance and Retrocession	6,900	4,400
Claims Incurred but Not Reported (IBNR)	5,861	12,714
Redemptions Payable	109	265
Creditors for Premiums to be Refunded	-	1
Retirement Insurance	**181**	**9**
Annuities Payable in Arrears	8	9
Other	173	-
Total	**597,791**	**373,600**

Debt with Reinsurers and Coinsurance	Checking Account	Reinstatement Premiums	Minimum Deposit Premium to be Accrued	Deposits as Collateral	Pending Claims in charge of Reinsurers	Total
IBNR in charge of Reinsurers	21,026	-	(17,676)	-	(253,794)	(250,444)
Debts with Coinsurers	1,468	-	-	-	-	1,468
Total as of 12.31.19	**22,494**	**-**	**(17,676)**	**-**	**(253,794)**	**(248,976)**
Total as of 12.31.18	**24,491**	**-**	**(12,150)**	**-**	**(39,876)**	**(27,535)**

Debts with Producers	12.31.19	12.31.18
Checking Account - Producers	81,497	45,225
Fees for Premiums Receivable	190,342	113,238
Production Expenses Payable	30,563	27,467
Total	**302,402**	**185,930**

Technical Commitments	12.31.19	12.31.18
Ongoing and Similar Risks	**448,501**	**327,392**
Premiums and Surcharges	434,639	316,672
Premiums for Liabilities Reinsurance	(14,490)	(14,516)
Active Reinsurances	28,259	25,236
Insufficient Premiums	93	-
Mathematical Reserves	**368,917**	**243,833**
Mathematical Reserves for Individual Life Insurance	115,376	80,545
Mathematical Reserves for Individual Retirement Insurance	67,731	67,088
Mathematical Reserves for Annuities	135,007	95,179
Provision for Mathematical Reserve Recomposition	28	7
Fluctuating Funds	50,775	1,014
Total	**817,418**	**571,225**

Liabilities for Insurance were recorded in accordance with the Liability Adequacy Testing, using current estimates of the future cash flows from insurance contracts. The assumptions used are detailed below:

Mortality Table	GAM 94
Investment (Discount) Rate	2.74%
Life Insurance Reference Rate	Projection of Life Insurance Reference Rate based on CER proportion, starting from 1.19% for voluntary retirement, and 0.88% for Annuities.
Administrative Expenses	453 for voluntary retirement and 620 for Annuities.

NOTE 21
OTHER NON-FINANCIAL ASSETS

The composition of Other Non-Financial Assets is detailed below:

	12.31.19	12.31.18
Shareholders	279,299	-
Advances of fees to Directors and Syndics	4,564	2,071
Advances to Personnel	2,064	50,385
Tax Credits	481,751	119,146
Payments made in Advance	970,268	449,374
Advances for Purchase of Assets	1,212,695	83,167
Investment Properties*	153,794	156,982
Other Sundry Assets measured at cost	455,086	395,735
Assets Taken in Defense of Credits	3,640	14,762
Other	285,269	47,006
Total	**3,848,430**	**1,318,628**

* The changes in Investment Properties are detailed in Schedule F.

The information with related parties is disclosed in Note 50.

NOTE 22
NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Group has classified the following assets as Assets Held for Sale and Discontinued Operations:

	12.31.19	12.31.18
Interests in Companies		
Prisma Medios de Pago S.A.	-	212,831
Other Debt Securities		
Financial Trust: Crecere III, IV, V, VI, VII and VIII	-	188,947
Property, Plant and Equipment		
Real Property	38,715	2,328
Total	**38,715**	**404,106**

Prisma Medios de Pago S.A.: In the previous fiscal year, the interest in Prisma Medios de Pago S.A. was classified as Assets Held for Sale, with a book value as of December 31, 2018 amounting to Ps. 212,831.

Within the framework of the divestment commitment assumed by Prisma Medios de Pago S.A. and its shareholders before the National Commission for the Defense of Competition, on February 1, 2019, the transfer of 3,182,444 ordinary Book-entry shares of NV Ps. 1 each and one vote per share owned by the Bank in Prisma Medios de Pago SA in favor of AL ZENITH (Netherlands) B.V. (a company linked to Advent International Global Private Equity), equivalent to 51% of the Bank's shareholding in that company.

After the closing of the fiscal period, the process to determine the final sales price has finished. The total price of the transaction amounted to the sum of thousand USD 104,469, of which, on February 1, 2019 (date on which the transfer of the shares was perfected), Banco Galicia received thousands of USD 63,073; the payment of the difference, that is, the sum of thousands of USD 41,396 will be paid during the next 5 years, which, as per the Argentine Central Bank's regulations, is fully provisioned.

Likewise, 49% of the remaining holding, as it does not comply with the requirements established in IFRS 5 to be considered a Non-current Asset Held for Sale, has been reclassified to Private Securities measured at fair value through profit or loss, and exposed in Investments in equity instruments. In accordance with regulations of the Superintendency of Financial Institutions, the recognized value was reduced to the proportion received in cash at the time of sale. However, the measurement criteria used are subject to review.

NOTE 23
DEPOSITS

The composition of the Deposits as of the indicated dates is detailed below:

	12.31.19	12.31.18
In Argentine pesos	**250,537,893**	**197,429,716**
Checking Accounts	67,565,801	39,854,371
Savings Accounts	59,493,868	61,128,663
Time Deposits	116,003,459	89,204,808
Time Deposits - Unit of Purchasing Value (UVA)	750,248	1,984,548
Other	1,696,681	1,273,540
Interest and Adjustments	5,027,836	3,983,786
In Foreign Currency	**143,367,617**	**162,667,559**
Savings Accounts	118,036,277	137,762,699
Time Deposits	24,329,623	24,064,063
Other	938,188	792,809
Interest and Adjustments	63,529	47,988
Total	**393,905,510**	**360,097,275**

The concentration of Deposits is detailed in Schedule H.

The breakdown of Deposits per remaining terms is detailed in Schedule I.

The breakdown of Deposits per Sector is detailed in Schedule P.

The information with related parties is disclosed in Note 50.

NOTE 24
LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Liabilities at fair value through profit or loss are detailed in Schedules I and P. They include the operations involving obligations due to transactions with Government Securities of third parties.

NOTE 25
OTHER FINANCIAL LIABILITIES

The item composition as of the indicated dates is detailed below:

	12.31.19	12.31.18
Creditors for Purchases to be Settled	56,331	1,512,197
Collections and Other Transactions on Behalf of Third Parties	11,735,939	7,646,888
Obligations for Purchase Financing	48,034,052	36,894,587
Creditors for Purchase of foreign currency to be Settled	1,643,463	14,409,983
Accrued Fees Payable	507,847	344,570
Sundry Items subject to Minimum Cash	647,130	507,101
Sundry Items Not Subject to Minimum Cash	4,110,845	1,316,159
Leases Payable	3,768,154	-
Other Financial Liabilities	858,957	603,557
Total	**71,362,718**	**63,235,042**

NOTE 26
FINANCING RECEIVED FROM THE ARGENTINE CENTRAL BANK AND OTHER FINANCIAL INSTITUTIONS

The item composition as of the indicated dates is detailed below:

	12.31.19	12.31.18
Argentine Central Bank Financing	22,449	28,675
Correspondent	373,901	1,583,638
Financing from Local Financial Institutions	5,597,950	5,719,582
Financing from Foreign Financial Institutions	10,469,987	7,474,069
Financing form International Financial Institutions	6,259,400	4,640,064
Total	**22,723,687**	**19,446,028**

The following chart details the credit lines with financial institutions and agencies, both local and international, as of the indicated dates:

Financial Institutions and/or Agencies	Placement Date	Currency	Term*	Rate*	Maturity	Amount as of 12.31.19**
Local Institutions						
BICE	Sundry Dates	Ps.	1,778 days	47.0	Sundry Dates	1,941,272
BICE	Sundry Dates	USD	1,762 days	5.8	Sundry Dates	887,961
Call Taken	30.12.2019	Ps.	3 days	41.6	01.02.2020	501,000
Argentine Central Bank	30.12.2019	Ps.	3 days	-	01.02.2020	22,449
Other Lines[1]	Sundry Dates	Ps.	364 days	53.9	Sundry Dates	2,267,717
International Institutions						
Correspondents	12.31.2019	USD	2 days	-	01.02.2020	373,901
IFC	Sundry Dates	USD	1,355 days	4,74	Sundry Dates	5,561,678
Pre-financing[2]	Sundry Dates	USD	167 days	6.03	Sundry Dates	10,667,530
IDB	Sundry Dates	USD	361 days	5.73	Sundry Dates	500,179
Total						**22,723,687**

* Weighted average.

** Including principal and interest.

(1) For credit lines of the regional credit card companies.

(2) This line is made up of, among others, the following institutions: Banco de la Nación Argentina, Citibank NA, Standard Chartered Bank, CAF, Inter-American Development Bank USA, Banco Itau Uruguay S.A., Banque de Commerce et de Placements and Banco Santander.

Financial Institutions and/or Agencies	Placement Date	Currency	Term*	Rate*	Maturity	Amount as of 12.31.18**
Local Institutions						
BICE	Sundry Dates	Ps.	1,838 days	50.88	Sundry Dates	2,844,547
BICE	Sundry Dates	USD	1,792 days	4.36	Sundry Dates	115,799
Call Taken	12.28.18	Ps.	5 days	55.94	01.02.19	804,056
Argentine Central Bank	12.28.18	Ps.	5 days	-	01.02.19	27,681
Argentine Central Bank	12.18.18	USD	5 days	-	01.02.19	994
Other Lines(1)	Sundry Dates	Ps.	364 days	45.89	Sundry Dates	1,955,180
International Institutions						
Correspondents	12.31.18	USD	2 days	-	01.02.19	1,583,638
IFC	Sundry Dates	USD	945 days	5.78	Sundry Dates	4,591,008
Pre-financing(2)	Sundry Dates	USD	235 days	3.96	Sundry Dates	5,643,958
IDB	Sundry Dates	USD	351 days	4.44	Sundry Dates	1,879,167
Total						**19,446,028**

* Weighted average.

** Including principal and interest.

(1) For credit lines of the regional credit card companies.

(2) This line is made up of, among others, the following institutions: Banco de la Nación Argentina, Citibank NA, Standard Chartered Bank, CAF, Inter-American Development Bank USA, Banco Itau Uruguay S.A., Banque de Commerce et de Placements and Banco Santander.

NOTE 27
DEBT SECURITIES

The current Issuance Programs for Debt Securities are detailed below:

Company	Authorized Amount*	Type of Debt Security	Program Term	Approval Date by the S. Meeting	CNV Approval
Grupo Financiero Galicia S.A.	Thousands of USD 100,000	Simple, Non-convertible into Shares	5 years	03.09.09 ratified on 08.02.12	Resolution No. 16,113 dated 04/29/09 and extended by Resolution No. 17,343 dated 05/08/14 and Provision No. DI-2019-63-APN-GE#CNV dated 08/06/19. Authorization of Increase, Resolution No. 17,064 dated 04/25/13
Banco de Galicia y Buenos Aires S.A.U.	Thousands of USD 2,100,000	Simple, non-convertible into shares, subordinated or not, adjustable or not, with or without guarantees	5 years	04.28.05, 04.14.10, 04.29.15 and 11.09.16	Resolution No. 15,228 dated 11/04/05 and extended by Resolution No. 16,454 dated 11/11/10 and Resolution No. 17,883 dated 11/20/15. Increase of the amount approved by Resolutions No. 17,883 dated 11/20/15, No. 18,081 dated 06/10/16, No. 18,480 dated 01/26/17 and No. 19,520 dated 05/17/18.
	Thousands of USD 2,100,000	Simple, non-convertible into shares	-	04.25.19	Frequent Issuer Registration No. 11, granted by Resolution No. RESCFC-2019-2055-APN-DIR#CNV, dated 11/13/19 of the CNV's Board of Directors
Tarjeta Naranja S.A.	Thousands of USD 650,000	Simple, non-convertible into shares	5 years	03.08.12	Resolution No. 16,822 dated 05/23/12 and extended by Resolution No. 17,675 dated 05/21/15
Tarjetas Cuyanas S.A.**	Thousands of USD 250,000	Simple, non-convertible into shares	5 years	03.30.10 ratified on 04.06.10 and 02.15.13	Resolution No. 16,328 dated 05/18/10. Authorization of Increase, Resolution No. 17,072 dated 05/02/13

* Or its equivalent in any other currency.

** Company merged with Tarjeta Naranja S.A. as of October 1, 2017

Among the Programs detailed in the preceding chart, the following issuances of Issued Non-subordinated Debt securities, net of repurchase of own Debt securities, are effective as of December 31, 2019:

Company	Placement Date	Class No.	NV	Term	Maturity Date	Rate	Issuance Authorized by CNV	Book Value* as of 12.31.19
Simple, non-convertible into shares								
In Argentine pesos								
Banco Galicia	02.17.17	III	Thousands of USD 150,537 (1)	36 Months	-	(2)	02.06.17	1,060,496
Banco Galicia	05.18.17	IV	Ps. 2,000,000	36 Months	-	(3)	05.08.17	1,731,308
Banco Galicia	04.26.18	V Series I	Ps. 4,209,250	24 Months	-	(4)	04.18.18	3,867,585
Banco Galicia	04.26.18	V Series II	Ps. 2,032,833	36 Months	-	(5)	04.18.18	1,802,598
Banco Galicia	11.25.19	VII (6)	Ps. 4,182,280	6 Months	-	(7)	11.13.19	4,271,544
Tarjeta Naranja S.A.	06.29.16	XXXIV Series II	Ps. 475,397	1,461 days	06.29.20	Minimum Rate 32%/Badlar +4.67%	06.21.16	395,853
Tarjeta Naranja S.A.	09.27.16	XXXV Series II	Ps. 774,389	1,461 days	09.27.20	Minimum Rate 26%/Badlar +3.99%	09.15.16	655,174
Tarjeta Naranja S.A.	04.11.17	XXXVII	Ps. 3,845,700	1,826 days	04.11.22	Minimum Rate 15%/Badlar +3.50%	03.30.17	4,341,930
Tarjeta Naranja S.A.	04.10.18	XL Series II	Ps 1,402,500	914 days	10.10.20	Minimum Rate 27%/Badlar +3.69%	03.27.18	1,463,896
Tarjeta Naranja S.A.	11.15.18	XLI Series II	Ps. 343,555	547 days	05.15.20	Badlar +10%	-	351,555
Tarjeta Naranja S.A.	02.19.19	XLIII	Ps. 1,583,895	547 days	08.18.20	Badlar +7%		1,482,756
Tarjeta Naranja S.A.**	07.26.16	XXV	Ps. 400,000	1,461 days	07.26.20	Minimum Rate 30%/Badlar +3.94%	07.13.16	424,009
Tarjeta Naranja S.A.**	10.24.16	XXVI Series II	Ps. 350,327	1,461 days	10.24.20	Minimum Rate 26%/Badlar +4.00%	10.14.16	372,994
Tarjeta Naranja S.A.**	02.10.17	XXVII Series II	Ps. 500,000	1,095 days	02.10.20	Minimum Rate 23.5%/Badlar +3.50%	02.02.17	475,731
Tarjeta Naranja S.A.**	06.09.17	XXVIII Series II	Ps. 371,825	1,461 days	06.09.21	Minimum Rate 25%/Badlar +3.70%	05.29.17	373,802
Total								**23,071,231**

* Including principal and interest.

** Debt securities absorbed by Tarjeta Naranja S.A. resulting from the merger with Tarjetas Cuyanas S.A.

(1) In accordance with the issuance conditions, they were converted into Ps. 2,360,360. The foreign exchange risk is assumed by the investor because the services of interest and principal are calculated based on the amount of principal in Argentine pesos and converted into payments in US dollars on each payment date.

(2) Variable rate equivalent to simple arithmetical average of private Badlar rates plus 2.69%, to be paid quarterly from May 17, 2017 onwards.

(3) Variable rate equivalent to simple arithmetical average of private Badlar rates plus 2.98%, to be paid quarterly from August 18, 2017 onwards.

(4) 25.98% Fixed Annual Nominal Rate, interest and amortization will be paid fully at maturity.

(5) Variable rate equivalent to simple arithmetical average of private Badlar rates plus 3.5%, to be paid quarterly from July 26, 2018 onwards. The amortization of this series will be made at maturity.

(6) Issued under the Frequent Issuer Regime.

(7) Variable rate equivalent to simple arithmetical average of private Badlar rates plus 4%, to be paid on February 25 and May 25.

Among the Programs detailed in the preceding chart, the following issuances of Issued Non-subordinated Debt securities, net of repurchase of own Debt securities, are effective as of December 31, 2018:

Company	Placement Date	Class No.	NV	Term	Maturity Date	Rate	Issuance Authorized by CNV	Book Value* as of 12.31.18
Simple, non-convertible into shares								
In Argentine pesos								
Banco Galicia	02.17.17	III	Thousands of USD 150,537[1]	36 Months	-	[2]	02.06.17	2,471,648
Banco Galicia	05.18.17	IV	Ps. 2,000,000	36 Months	-	[3]	05.08.17	2,126,523
Banco Galicia	04.26.18	V Series I	Ps. 4,209,250	24 Months	-	[4]	04.18.18	4,898,450
Banco Galicia	04.26.18	V Series II	Ps. 2,032,833	36 Months	-	[5]	04.18.18	2,174,984
Tarjeta Naranja S.A.	04.13.16	XXXIII Series II	Ps. 366,908	1,095 days	04.13.19	Minimum Rate 37%/Badlar +5.4%	03.28.16	412,803
Tarjeta Naranja S.A.	06.29.16	XXXIV Series II	Ps. 475,397	1,461 days	06.29.20	Minimum Rate 32%/Badlar +4.67%	06.21.16	541,106
Tarjeta Naranja S.A.	09.27.16	XXXV Series II	Ps. 774,389	1,461 days	09.27.20	Minimum Rate 26%/Badlar +3.99%	09.15.16	728,000
Tarjeta Naranja S.A.	12.07.16	XXXVI Series II	Ps. 636,409	1,095 days	12.07.19	Minimum Rate 25.25%/Badlar +4%	11.23.16	648,695
Tarjeta Naranja S.A.	04.11.17	XXXVII	Ps. 3,845,700	1,826 days	04.11.22	Minimum Rate 15%/Badlar +3.50%	03.30.17	4,083,446
Tarjeta Naranja S.A.	11.13.17	XXXVIII	Ps. 503,333	546 days	05.13.19	Minimum Rate 29.05%/ MR20+4%	11.07.17	538,056
Tarjeta Naranja S.A.	02.14.18	XXXIX	Ps. 754,539	546 days	08.14.19	Minimum Rate 26.75/MR20 +3.4%	02.02.18	803,823
Tarjeta Naranja S.A.	04.10.18	XL Series I	Ps. 597,500	548 days	10.10.19	Fixed Rate 25.98%	03.27.18	708,732
Tarjeta Naranja S.A.	04.10.18	XL Series II	Ps 1,402,500	914 days	10.10.20	Minimum Rate 27%/Badlar +3.69%	03.27.18	1,547,760
Tarjeta Naranja S.A.	11.15.18	XLI Series I	Ps. 854,102	365 days	11.15.19	Fixed Rate 54%	-	905,479
Tarjeta Naranja S.A.	11.15.18	XLI Series II	Ps. 343,555	547 days	05.15.20	Badlar +10%	-	346,775
Tarjeta Naranja S.A.	12.17.18	XLII	Ps. 1,266,303	287 days	09.30.19	Fixed Rate 58%	-	1,234,147
Tarjeta Naranja S.A.**	05.05.16	XXIV Series II	Ps. 234,309	1,095 days	05.05.19	Minimum Rate 37%/Badlar +4.98%	04.22.16	172,255
Tarjeta Naranja S.A.**	07.26.16	XXV	Ps. 400,000	1,461 days	07.26.20	Minimum Rate 30%/Badlar +3.94%	07.13.16	430,504
Tarjeta Naranja S.A.**	10.24.16	XXVI Series II	Ps. 350,327	1,461 days	10.24.20	Minimum Rate 26%/Badlar +4.00%	10.14.16	358,563
Tarjeta Naranja S.A.**	02.10.17	XXVII Series II	Ps. 500,000	1,095 days	02.10.20	Minimum Rate 23.5%/Badlar +3.50%	02.02.17	500,457
Tarjeta Naranja S.A.**	06.09.17	XXVIII Series I	Ps. 128,175	730 days	06.09.19	Minimum Rate 25%/Badlar +3.05%	05.29.17	126,755
Tarjeta Naranja S.A.**	06.09.17	XXVIII Series II	Ps. 371,825	1,461 days	06.09.21	Minimum Rate 25%/Badlar +3.70%	05.29.17	374,000
Total								**26,132,961**

* Including principal and interest.

** Debt securities absorbed by Tarjeta Naranja S.A. resulting from the merger with Tarjetas Cuyanas S.A.

(1) In accordance with the issuance conditions, they were converted into Ps. 2,360,360. The foreign exchange risk is assumed by the investor because the services of interest and principal are calculated based on the amount of principal in Argentine pesos and converted into payments in US dollars on each payment date.

(2) Variable rate equivalent to simple arithmetical average of private Badlar rates plus 2.69%, to be paid quarterly from May 17, 2017 onwards.

(3) Variable rate equivalent to simple arithmetical average of private Badlar rates plus 2.98%, to be paid quarterly from August 18, 2017 onwards.

(4) 25.98% Fixed Annual Nominal Rate, interest and amortization will be paid fully at maturity.

(5) Variable rate equivalent to simple arithmetical average of private Badlar rates plus 3.5%, to be paid quarterly from July 26, 2018 onwards. The amortization of this series will be made at maturity.

On June 21, 2018, Banco de Galicia y Buenos Aires S.A.U. issued the "Green Bond" acquired entirely by the International Finance Corporation, the line is for 7 years and interest is paid semiannually. There is a 36-month period of grace for payment of principal, and then repayments of 9 semiannual installments. As of December 31, 2019, the book value amounts to Ps. 6,169,620, and it amounted to Ps. 3,850,692 as of December 31, 2018.

The repurchases of own Debt securities as of the indicated dates are detailed below:

Company	DS Class	Nominal Value as of 12.31.19	Book Value as of 12.31.19
Banco de Galicia y Buenos Aires S.A.U.	Class V - Series II	5,000	5,384
Tarjeta Naranja S.A.	Class XXXV - Series II	38,500	37,074
Tarjeta Naranja S.A.	Class XXXVII	1,468	25,029
Tarjeta Naranja S.A.	Class XL Series II	34,500	31,978
Tarjeta Naranja S.A.	Class XLI Series II	15,000	15,951
Tarjeta Naranja S.A.	Class XLIII	16,500	13,397
Tarjeta Naranja S.A.**	Class XXV	8,000	8,314
Tarjeta Naranja S.A.**	Class XXVI – Series II	10,000	11,276
Tarjeta Naranja S.A.**	Class XXVII – Series II	17,442	18,606
Tarjeta Naranja S.A.**	Class XXVIII – Series II	8,254	8,473
Total			**175,482**

* Including principal and interest.
** Debt securities absorbed by Tarjeta Naranja S.A. resulting from the merger with Tarjetas Cuyanas S.A.

Company	DS Class	Nominal Value as of 12.31.18	Book Value* as of 31.12.18
Banco de Galicia y Buenos Aires S.A.U.	Class III	38,772	36,437
Banco de Galicia y Buenos Aires S.A.U.	Class V - Series II	48,000	47,178
Tarjeta Naranja S.A.	Class XXXV - Series II	51,500	49,783
Tarjeta Naranja S.A.	Class XXXVI - Series II	10,000	10,546
Tarjeta Naranja S.A.	Class XXXVII	11,783	184,535
Tarjeta Naranja S.A.	Class XXXVIII	3,870	4,135
Tarjeta Naranja S.A.	Class XXXIX	5,000	5,351
Tarjeta Naranja S.A.	Class XL Series II	16,000	17,504
Tarjeta Naranja S.A.	Class XLI Series I	1,000	936
Tarjeta Naranja S.A.	Class XLI Series II	19,000	20,227
Tarjeta Naranja S.A.	Class XLII	50,000	54,389
Tarjeta Naranja S.A.**	Class XXIV Series II	80,000	82,947
Tarjeta Naranja S.A.**	Class XXV – Series II	9,000	8,984
Tarjeta Naranja S.A.**	Class XXVI – Series II	25,000	27,027
Tarjeta Naranja S.A.**	Class XXVII – Series I	36,761	37,282
Tarjeta Naranja S.A.**	Class XXVII – Series II	5,488	5,757
Tarjeta Naranja S.A.**	Class XXVIII – Series II	8,254	8,501
Total			**601,519**

* Including principal and interest.
** Debt securities absorbed by Tarjeta Naranja S.A. resulting from the merger with Tarjetas Cuyanas S.A.

The information with related parties is disclosed in Note 50.

NOTE 28
SUBORDINATED DEBT SECURITIES

Among the Global Programs detailed in Note 27, at the closing of the year, the following issuances of issued Subordinated Debt Securities, non-convertible into shares, are in force:

Company	Placement Date	Currency	Class No.	NV	Term	Maturity Date	Rate	Issuance Authorized by CNV	Book Value as of 12.31.19*
Banco de Galicia y Bs. As. S.A.U.	07.19.16	USD	-	Thousands of USD 250,000	120 months(1)	-	(2)(3)	06.23.16	15,499,212

Company	Placement Date	Currency	Class No.	NV	Term	Maturity Date	Rate	Issuance Authorized by CNV	Book Value as of 12.31.18*
Banco de Galicia y Bs. As. S.A.U.	07.19.16	USD	-	Thousands of USD 250,000	120 months(1)	-	(2)(3)	06.23.16	9,767,874

* Including principal and interest.
(1) The amortization will be made in full at maturity, on July 19, 2026, unless they are redeemed in full, at the issuer's option, at a price equal to 100% of the outstanding principal plus accrued and unpaid interest.
(2) Annual fixed rate of 8.25% from the date of issuance until July 19, 2021, this date included, and margin to be added to the Benchmark Readjustment annual nominal rate of 7.156% until the maturity date. Said interest agreed upon will be paid semiannually, on January 19 and July 19 from 2017 onwards.
(3) The net proceeds from the placement of this issuance were used for the integration of working capital, loan granting, other financing and other destinations contemplated in the Law on Debt Securities and Argentine Central Bank regulations.

NOTE 29
PROVISIONS

The item composition as of the indicated dates is detailed below:

	12.31.19	12.31.18
For administrative, disciplinary and criminal penalties	5,306	5,306
For termination benefits	171,358	86,926
Eventual Commitments	17,332	-
Other	2,570,302	1,357,091
Total	**2,764,298**	**1,449,323**

The movements in the Provisions item for fiscal year 2019 are detailed in Schedule I.

For further details, see Note 46.

NOTE 30
OTHER NON-FINANCIAL LIABILITIES

The item composition as of the indicated dates is detailed below:

	12.31.19	12.31.18
Creditors for sale of assets	442,164	267,858
Tax withholdings and collections payable	3,815,161	2,901,402
Payroll and social contributions payable	4,735,172	2,841,885
Withholdings on payroll payable	269,554	185,624
Fees to Directors and Syndics	71,128	54,799
Value Added Tax	637,492	527,577
Sundry Creditors	2,996,871	1,598,731
Taxes Payable	2,644,861	1,838,045
Obligations arising from contracts with customers	1,215,370	1,071,636
Retirement payment orders pending settlement	74,145	37,198
Other Non-financial Liabilities	151,963	52,324
Total	**17,053,881**	**11,377,079**

Deferred income arising from contracts with customers includes liabilities for Quiero! customer loyalty program. The Group estimates the value of the points assigned to customers in the aforementioned program, by applying a mathematical model that considers assumptions about redemption percentages, fair value of redeemed points based on the combination of available products and customer preferences, as well as the expiration of unused points. As of December 31, 2019 the amount of Ps. 1,017,081 has been recorded for unredeemed loyalty points, while this amount was Ps. 918,375 as of December 31, 2018.

The following chart shows the consumption estimate of recorded liabilities at the closing of this fiscal year.

Item	Terms			Total
	Up to 12 months	Up to 24 months	More than 24 months	
Liabilities for Quiero! Customer Loyalty Program	437,687	367,414	211,980	1,017,081

NOTE 31
CAPITAL STOCK

The composition of Capital stock is detailed in Schedule K.

There are no own shares in the Company's portfolio.

In Argentina, the Company's shares are quoted in the Argentine Stock Exchanges and Markets (BYMA) and Mercado Abierto Electrónico S.A. (MAE) Likewise, the shares are quoted in the United States of America in the National Association of Securities Dealers Automated Quotation (NASDAQ), under the American Depository Receipt (ADRs) program, of which The Bank of New York Mellon is the depositary agent.

NOTE 32
BREAKDOWN OF INCOME

The breakdown of: Net Income from Interest, Net Fee Income, and Net Income from Financial Instruments measuredat Fair Value through Profit or Loss, is detailed in Schedule Q.

NOTE 33
EXCHANGE RATE DIFFERENCES ON GOLD AND FOREIGN CURRENCY

The item composition as of the indicated dates is detailed below:

Arising from:	12.31.19	12.31.18
For purchase-sale of foreign currency	10,460,765	5,041,512
For valuation of assets and liabilities in foreign currency	(2,987,409)	(1,919,617)
Total	**7,473,356**	**3,121,895**

NOTE 34
OTHER OPERATING INCOME

The item composition as of the indicated dates is detailed below:

	12.31.19	12.31.18
Fees for product packages	3,424,599	2,282,395
Other adjustments and interest on sundry credits	1,793,179	1,351,671
Rental of safety deposit boxes	611,314	423,376
Other financial income	958,565	156,757
Other income for services	2,426,875	1,068,228
Income for sale of non-current assets held for sale	4,302,618	371,515
Other sundry credits	2,527,193	1,740,265
Total	**16,044,343**	**7,394,207**

NOTE 35
INCOME FROM INSURANCE ACTIVITIES

The item composition as of the indicated dates is detailed below:

	12.31.19	12.31.18
Premiums and surcharges accrued	4,554,806	3,783,891
Claims accrued	(633,139)	(477,638)
Redemptions	(10,094)	(4,887)
Fixed and periodic annuities	(9,484)	(6,937)
Production and exploitation expenses	(845,120)	(930,578)
Other income and expenses	460	22,478
Total	**3,057,429**	**2,386,329**

NOTE 36
LOAN AND OTHER RECEIVABLES LOSS PROVISIONS

The item composition as of the indicated dates is detailed below:

	12.31.19	12.31.18
Loan and other receivables loss provisions	16,664,078	9,733,014
Other Debt Securities loss provisions	111,045	24,643
Other Financial Assets loss provisions	2,785,265	1,337
Direct charge offs	779,279	567,636
Total	**20,339,667**	**10,326,630**

For further details about the charges for Uncollectible Accounts, refer to Schedule R.

NOTE 37
PERSONNEL EXPENSES

The breakdown of the item is included below, as of the indicated dates:

	12.31.19	12.31.18
Payroll	12,439,917	8,500,980
Social Contributions on Payroll	2,710,672	1,915,347
Personnel Compensations and Rewards	3,949,829	2,864,079
Services for Personnel	596,860	411,737
Other Short-term Personnel Expenses	448,659	262,792
Other Long-term Personnel Expenses	82,201	46,816
Total	**20,228,138**	**14,001,751**

NOTE 38
ADMINISTRATIVE EXPENSES

The Group presented its Statement of Income under the by-function-of-expense method. In accordance with this method, the expenses are classified according to their function as part of the "Administrative expenses" item.

The following table provides the additional information required on the nature of expenses and their relation to the function, as of the indicated dates:

	12.31.19	12.31.18
Fees and Remunerations for Services	2,463,071	1,488,877
Directors and Syndics' Fees	134,458	135,606
Advertisingfi and Publicity	1,770,314	1,078,668
Taxes	4,211,598	2,755,967
Maintenance and Repairs of Assets and Systems	2,859,117	1,200,039
Electricity and Communications	1,495,944	860,609
Representation and Travel Expenses	105,737	258,841
Stationery and Office supplies	314,384	192,676
Rentals	81,001	681,557
Administrative Services under Contract	2,050,287	1,744,827
Security	796,515	724,580
Insurance	105,973	70,816
Armored Transportation Services	1,699,946	1,130,571
Other	1,847,773	2,133,483
Total	**19,936,118**	**14,457,117**

NOTE 39
DEPRECIATION AND IMPAIRMENT OF ASSETS

The item composition as of the indicated dates is detailed below:

	12.31.19	12.31.18
Depreciation of Property, Plant and Equipment	1,816,014	825,222
Amortization of organization and development expenses	744,811	358,169
Other	1,820	2,338
Total	**2,562,645**	**1,185,729**

The composition of Property, Plant and Equipment depreciation and impairment is detailed in Schedule F.

The composition of amortizations of organization and development expenses is detailed in Schedule G.

NOTE 40
OTHER OPERATING EXPENSES

The item composition as of the indicated dates is detailed below:

	12.31.19	12.31.18
Turnover tax	10,712,118	7,191,154
Contribution to the Deposit Insurance Scheme	703,739	424,630
Charges for other provisions	1,421,197	862,572
Claims	281,728	249,077
Other financial income	1,581,553	518,565
Credit-card-related expenses	3,665,736	2,391,463
Other service-related expenses	1,818,625	693,578
Interest on leases	304,731	-
Other sundry credits	791,260	280,519
Total	**21,280,687**	**12,611,558**

NOTE 41
INCOME TAX/DEFERRED TAX

The following is a reconciliation between the income tax charged to income as of December 31, 2019, as compared to the previous fiscal year, and the income tax that would result from applying the current tax rate on accounting profit:

	12.31.19	12.31.18
Income before income tax for the year	(51,316,345)	(21,208,604)
Current tax rate	30%	30%
Income for the year at Tax Rate	**(15,394,904)**	**(6,362,581)**
Permanent Differences at Tax Rate		
- Income for equity Instruments	-	188,321
- Untaxed Income	88,079	91,188
- Donations and other non-deductible expenses	9,457	19,452
- Other	(152,595)	(394,564)
- Allowance for Impairment	7,651	(1,888)
- Tax Inflation Adjustment	1,372,818	-
- Tax Inflation Adjustment Deferral	5,554,183	-
- Tax adjustment under Law 27,430	(85,798)	(34,028)
Total income tax charge for the year	**(8,601,109)**	**(6,494,100)**

	12.31.19	12.31.18
Current Income Tax	**(15,441,308)**	**(6,940,280)**
Variation of Deferred Tax*	6,697,066	599,636
Tax Return adjustment from previous fiscal year	143,133	(153,456)
Total income tax charge for the year	**(8,601,109)**	**(6,494,100)**

* See Note 19.

	12.31.19	12.31.18
Current Income Tax	(15,441,308)	6,940,280
Tax Advances	5,113,439	(1,067,205)
Current Income Tax Liabilities	**(10,327,869)**	**5,873,075**

As of December 31, 2019, several claims for refund of the Income Tax paid in excess for the years 2014, 2015, 2016, 2017 and 2018, for the amounts of Ps. 433,815, Ps. 459,319, Ps. 944,338, Ps. 866,842 and Ps. 3,646,842, respectively, were submitted by Banco Galicia to the Federal Administration of Public Revenue (Administración Federal de Ingresos Públicos, AFIP). These presentations are based on Argentine jurisprudence that establishes the unconstitutionality of the rules disabling the application of the adjustment for tax inflation, resulting in confiscatory situations. As the AFIP delayed its resolution, the corresponding judicial claims were filed. At the closing of these Financial Statements, Banco Galicia does not record assets related to the contingent assets derived from the aforementioned presentations.

Tax Reform

On December 29, 2017, the Argentine Executive Branch promulgated Law 27,430 on Income Tax. This law has introduced several changes regarding the income tax, whose key components are as follows:
Income tax rate: The Income tax rate for Argentine companies will be gradually reduced from 35% to 30% for fiscal years beginning on January 1, 2018 through December 31, 2019, and 25% for fiscal years beginning as of January 1, 2020, this date included.
- Tax on Dividends: The law established a tax on dividends or profits distributed, among others, by Argentine companies or permanent establishments to: human persons, undivided estates or foreign beneficiaries, with the following considerations: (i) dividends arising from profits generated during the years beginning January 1, 2018 until December 31, 2019 will be subject to a 7% withholding tax; and (ii) dividends arising from earnings obtained for fiscal years beginning January 1, 2020 onwards will be subject to 13% withholding tax.
The dividends arising from benefits obtained until the year preceding the year commenced January 1, 2018 will continue to be subject, for all beneficiaries thereof, to the 35% withholding on the amount exceeding the accumulated tax-exempt distributable earnings (transition period for equalization tax).
- Optional tax revaluation: The regulations establish that, at the option of the Companies, these may carry out the tax revaluation of the assets located in the country, and which are affected to the generation of taxable earnings. The special tax on the amount of the revaluation depends on the asset, being 8% for real property which are not inventories, 15% for real property which are inventory, and 10% for personal property and the rest of the assets. Once the option is exercised for a certain asset, the remaining assets of the same category must be revaluated. The taxable income arising from the revaluation is not subject to the income tax, and the special tax on the revaluation amount will not be deductible from said tax.

On December 23, 2019, the Argentine Executive Branch promulgated Law 27,541, which introduced several changes for processing the Income Tax:
- Income tax rate: the reduction is suspended of the tax rate for fiscal years commenced up to January 1, 2021, this date included; therefore, for fiscal years closing on December 31, 2020 and December 31, 2021, the rate is established at 30%.
- Inflation adjustment: The inflation adjustment for the first and second fiscal year commenced January 1, 2019, must be charged one sixth (1/6) in that fiscal period, and the remaining five sixths (5/6), in equal parts, in the following five immediate fiscal periods.

As of the closing date of these Consolidated Financial Statements, the Group verified that the parameters established by the Law on Income Tax for the application of the tax inflation adjustment are met; consequently, said adjustment has been considered to determine the year tax. The effect of the deferral of five-sixths of the inflation taxable income has been recognized as a deferred tax asset. (See Note 19).

NOTE 42
DIVIDENDS

The Ordinary and Extraordinary Shareholders' Meeting held on April 25, 2019 approved the Financial Statements as of December 31, 2018 and the treatment of income for the year ended on that date.

Dividends approved by said Meeting amounted to Ps. 2,000,000 and represented Ps. 1.40 (figures stated in Argentine pesos) per share. On May 9, 2019, the aforementioned dividends were paid to the Group's Shareholders.

The Ordinary and Extraordinary Shareholders' Meeting held on April 24, 2018 approved the Financial Statements as of December 31, 2017 and the treatment of income for the year ended on that date.

Dividends approved by said Meeting amounted to Ps. 1,200,000 and represented Ps. 0.84 (figures stated in Argentine pesos) per share. On May 9, 2018, the aforementioned dividends were paid to the Group's Shareholders.

NOTE 43
EARNINGS PER SHARE

Earnings per share are calculated by dividing the income attributable to the Group's Shareholders into the weighted average of the outstanding ordinary shares in the year. Since the Group does not have preferred shares or debt convertible into shares, the basic earnings is equal to the diluted earnings per share.

	12.31.19	12.31.18
Net Income for the year attributable to parent company's owners	41,557,118	14,427,034
Weighted Average Common Shares	1,426,765	1,426,765
Earnings per Share	**29.13**	**10.11**

NOTE 44
SEGMENT REPORTING

The Group determines the segments based on Management Reports that are reviewed by the Board of Directors, which updates them as they change.

Reportable segments are made up of one or more operating segments of similar economic characteristics, distribution channels and regulatory environments.

The composition of each business segment is described below:
a. Bank: It represents the income of the banking business.
b. Regional credit cards: It represents the income of the regional credit card business and includes the consolidated income of Tarjetas Regionales S.A. with its subsidiaries, namely: Cobranzas Regionales S.A., Ondara S.A., Tarjeta Naranja S.A., and Naranja Digital Compañía Financiera S.A.U.
c. Insurance: It represents the income of the insurance companies and includes the consolidated income of Sudamericana Holding S.A. with its subsidiaries, namely: Galicia Retiro Cía. de Seguros S.A., Galicia Seguros S.A. and Galicia Broker Asesores de Seguros S.A.
d. Other Businesses: It exposes the income of Galicia Administradora de Fondos S.A., Galicia Warrants S.A., IGAM LLC, Galicia Valores S.A.U., and Grupo Financiero Galicia S.A.; the latter, net of income eliminations for permanent interests in other companies.
e. Adjustments: It comprises the consolidation adjustments and the elimination of transactions between the subsidiaries.

The operating income of the Group's different operating segments are monitored separately for the purpose of making decisions about the allocation of resources and the performance evaluation of each segment. Segment performance is evaluated based on the operating profit or loss and is measured consistently against the operating profit and loss of the Consolidated Statement of Income.

When a transaction occurs, transfer prices between the operating segments are arms' length prices, in a similar manner to transactions with third parties. Afterwards, the revenues, the expenses and the income arising from the transfers between the operating segments are eliminated from the consolidation.

The Group operates in a geographic segment, namely Argentina.

The segment reporting as of the indicated dates is detailed below:

	Bank	Regional Credit Cards	Insurance	Other Businesses	Adjustments	Total as of 12.31.19
Net Income from Interest	21,339,182	7,878,227	704,210	40,133	276,900	30,238,652
Net Fee Income	12,946,111	10,241,854	-	219	(721,096)	22,467,088
Net Income from Financial Instruments measured at fair value through profit or loss	53,493,369	2,105,005	62,671	236,849	-	55,897,894
Income from Derecognition of assets measured at Amortized Cost	193,399	-	-	-	-	193,399
Exchange rate differences on gold and foreign currency	7,133,452	115,583	1,030	223,291	-	7,473,356
Other Operating Income	12,671,163	3,368,789	284,627	681,079	(961,315)	16,044,343
Income from insurance activities	-	-	1,622,139	-	1,435,290	3,057,429
Loan and other receivables loss provisions	(16,005,410)	(4,331,173)	-	(3,084)	-	(20,339,667)
Personnel Expenses	(14,793,274)	(4,556,427)	(677,352)	(201,085)	-	(20,228,138)
Administrative Expenses	(14,344,077)	(5,013,828)	(436,165)	(263,208)	121,160	(19,936,118)
Depreciation and Impairment of Assets	(1,886,978)	(569,107)	(99,626)	(6,934)	-	(2,562,645)
Other Operating Expenses	(17,298,425)	(3,844,969)	(50,459)	(92,632)	5,798	(21,280,687)
Operating Income	**43,448,512**	**5,393,954**	**1,411,075**	**614,628**	**156,737**	**51,024,906**
Share of profit from Associates and Joint Ventures	180,183	-	-	-	(180,183)	-
Income before Taxes on Continuing Operations	**43,628,695**	**5,393,954**	**1,411,075**	**614,628**	**(23,446)**	**51,024,906**
Income Tax on Continuing Operations	(8,398,416)	243,353	(260,673)	(93,747)	-	(8,509,483)
Net Income from Continuing Operations	**35,230,279**	**5,637,307**	**1,150,402**	**520,881**	**(23,446)**	**42,515,423**
Net Income from Discontinued Operations	**-**	**-**	**-**	**-**	**-**	**-**
Net Income for the year	**35,230,279**	**5,637,307**	**1,150,402**	**520,881**	**(23,446)**	**42,515,423**
Other Comprehensive Income	**213,794**	**-**	**(13,981)**	**-**	**-**	**199,813**
Net Income for the year Attributable to Non-controlling Interests	**-**	**216**	**-**	**-**	**958,089**	**958,305**
Income for the year Attributable to Parent Company's Owners	**35,444,073**	**5,637,091**	**1,136,421**	**520,881**	**(981,535)**	**41,756,931**

	Bank	Regional Credit Cards	Insurance	Other Businesses	Adjustments	Total as of 12.31.18
Net Income from Interest	19,247,064	7,515,704	423,261	28,680	109,326	27,324,035
Net Fee Income	10,247,962	9,136,338	-	(1,144)	(1,064,569)	18,318,587
Net Income from Financial Instruments measured at fair value through profit or loss	14,018,843	696,439	21,800	316,271	-	15,053,353
Income from Derecognition of assets measured at Amortized Cost	192,847	-	-	-	-	192,847
Exchange rate differences on gold and foreign currency	3,099,604	(49,659)	4,119	67,831	-	3,121,895
Other Operating Income	5,703,095	955,451	162,835	715,501	(142,675)	7,394,207
Income from insurance activities	-	-	1,234,081	-	1,152,248	2,386,329
Loan and other receivables loss provisions	(6,511,338)	(3,816,514)	-	-	1,222	(10,326,630)
Personnel Expenses	(9,497,938)	(3,939,385)	(472,254)	(92,174)	-	(14,001,751)
Administrative Expenses	(8,617,710)	(5,304,020)	(340,319)	(219,588)	24,520	(14,457,117)
Depreciation and Impairment of Assets	(837,139)	(286,227)	(58,532)	(3,831)	-	(1,185,729)
Other Operating Expenses	(10,646,448)	(1,906,678)	(377)	(56,833)	(1,222)	(12,611,558)
Operating Income	**16,398,842**	**3,001,449**	**974,614**	**754,713**	**78,850**	**21,208,468**
Share of profit from Associates and Joint Ventures	109,606	-	-	-	(109,606)	-
Income before Taxes on Continuing Operations	**16,508,448**	**3,001,449**	**974,614**	**754,713**	**(30,756)**	**21,208,468**
Income Tax on Continuing Operations	(5,022,676)	(871,309)	(321,563)	(255,670)	-	(6,471,218)
Net Income from Continuing Operations	**11,485,772**	**2,130,140**	**653,051**	**499,043**	**(30,756)**	**14,737,250**
Net Income from Discontinued Operations	**72,970**	**-**	**-**	**1,806**	**-**	**74,776**
Net Income for the year	**(21,893)**	**-**	**-**	**(989)**	**-**	**(22,882)**
Other Comprehensive Income	**11,536,849**	**2,130,140**	**653,051**	**499,860**	**(30,756)**	**14,789,144**
Net Income for the year Attributable to Non-controlling Interests	**(64,086)**	**-**	**(10,554)**	**-**	**-**	**(74,640)**
Income for the year Attributable to Parent Company's Owners	**667**	**82**	**-**	**-**	**361,361**	**362,110**
Income for the year Attributable to Parent Company's Owners	**11,472,096**	**2,130,058**	**642,497**	**499,860**	**(392,117)**	**14,352,394**

	Bank	Regional Credit Cards	Insurance	Other Businesses	Adjustments	Total as of 12.31.19
Assets						
Cash and Due from Banks	129,142,190	4,127,303	75,769	707,662	(3,233,759)	130,819,165
Debt Securities at Fair Value through Profit or Loss	65,697,956	-	36,607	51	(44,154)	65,690,460
Derivative Financial Instruments	1,398,539	-	-	-	-	1,398,539
Repurchase Transactions	30,075,478	-	-	-	-	30,075,478
Other Financial Assets	3,042,384	4,544,284	319,821	343,721	(7,632)	8,242,578
Loans and Other Financing	312,028,891	50,036,392	263,419	2,515,162	(1,978,576)	362,865,288
Other Debt Securities	16,129,038	1,323,513	1,724,188	-	(131,328)	19,045,411
Financial Assets Pledged as Collateral	11,541,906	7,064	408	1,616	(408)	11,550,586
Current Income Tax Assets	-	15,413	-	25,090	-	40,503
Investments in Equity Instruments	2,497,466	-	-	-	-	2,497,466
Equity investments in subsidiaries, Associates and Joint Ventures	254,171	-	-	-	(254,171)	-
Property, Plant and Equipment	12,389,297	1,469,273	201,682	27,457	-	14,087,709
Intangible Assets	4,431,531	1,019,510	55,073	419,307	(419,307)	5,506,114
Deferred Income Tax Assets	4,441,150	2,622,981	72,537	100,412	-	7,237,080
Assets from Insurance Contracts	-	-	1,181,512	-	-	1,181,512
Other Non-financial Assets	2,985,682	292,901	119,994	452,022	(2,169)	3,848,430
Non-current Assets Held for Sale	38,715	-	-	-	-	38,715
Total assets	**596,094,394**	**65,458,634**	**4,051,010**	**4,592,500**	**(6,071,504)**	**664,125,034**
Liabilities						
Deposits	397,839,586	-	-	-	(3,934,076)	393,905,510
Liabilities at Fair Value through Profit or Loss	1,422,157	-	-	-	-	1,422,157
Derivative Financial Instruments	881,099	-	-	-	-	881,099
Other Financial Liabilities	37,931,718	31,891,050	-	2,089,640	(549,690)	71,362,718
Financing Received from the Argentine Central Bank and other Financial Institutions	20,455,970	2,937,657	3,089	-	(673,029)	22,723,687
Debt Securities	18,908,535	10,507,798	-	-	(175,482)	29,240,851
Current Income Tax Liabilities	9,214,324	931,453	149,212	32,880	-	10,327,869
Subordinated Debt Securities	15,499,212	-	-	-	-	15,499,212
Provisions	2,499,406	108,360	128,532	28,000	-	2,764,298
Deferred Income Tax Liabilities	-	-	34,628	23,968	-	58,596
Liabilities from Insurance Contracts	-	-	1,472,643	-	(4,008)	1,468,635
Other Non-financial Liabilities	13,530,914	2,720,531	473,282	390,895	(61,741)	17,053,881
Total liabilities	**518,182,921**	**49,096,849**	**2,261,386**	**2,565,383**	**(5,398,026)**	**566,708,513**

	Bank	Regional Credit Cards	Insurance	Other Businesses	Adjustments	Total as of 12.31.18
ASSETS						
Cash and Due from Banks	142,049,486	1,364,452	55,184	67,746	(227,440)	143,309,428
Debt Securities at Fair Value through Profit or Loss	75,973,903	54,008	83,476	19,394	(141,610)	75,989,171
Derivative Financial Instruments	1,785,640	-	-	-	-	1,785,640
Repurchase Transactions	2,068,076	-	-	-	-	2,068,076
Other Financial Assets	4,676,322	3,623,010	234,640	499,583	(43,112)	8,990,443
Loans and Other Financing	243,276,079	45,313,187	426,175	930,182	(2,993,131)	286,952,492
Other Debt Securities	13,630,604	-	990,929	-	(131,767)	14,489,766
Financial Assets Pledged as Collateral	10,812,499	4,993	-	-	-	10,817,492
Current Income Tax Assets	2,226,343	11,939	82,004	12,980	177,118	2,510,384
Investments in Equity Instruments	161,054	-	-	-	-	161,054
Equity investments in subsidiaries, Associates and Joint Ventures	203,116	-	-	-	(203,116)	-
Property, Plant and Equipment	9,869,201	834,886	177,932	2,996	-	10,885,015
Intangible Assets	3,259,794	422,877	61,050	419,309	(419,307)	3,743,723
Deferred Income Tax Assets	-	788,252	74,857	4,030	-	867,139
Assets from Insurance Contracts	-	-	957,210	-	(3,590)	953,620
Other Non-financial Assets	841,826	284,136	18,669	170,418	3,579	1,318,628
Non-current Assets Held for Sale	404,106	-	-	-	-	404,106
TOTAL ASSETS	**511,238,049**	**52,701,740**	**3,162,126**	**2,126,638**	**(3,982,376)**	**565,246,177**
LIABILITIES						
Deposits	361,302,407	-	-	-	(1,205,132)	360,097,275
Liabilities at Fair Value through Profit or Loss	2,685,471	-	-	-	(540,807)	2,144,664
Derivative Financial Instruments	1,835,789	-	-	-	-	1,835,789
Repurchase Transactions	1,948,559	-	-	-	-	1,948,559
Other Financial Liabilities	41,012,767	23,244,061	-	-	(1,021,786)	63,235,042
Financing Received from the Argentine Central Bank and other Financial Institutions	17,490,792	2,131,037	56	-	(175,857)	19,446,028
Debt Securities	15,527,765	14,979,260	-	-	(523,372)	29,983,653
Current Income Tax Liabilities	5,444,474	38,137	203,147	87,864	99,453	5,873,075
Subordinated Debt Securities	9,767,874	-	-	-	-	9,767,874
Provisions	1,248,998	64,997	78,328	57,000	-	1,449,323
Deferred Income Tax Liabilities	289,493	-	60,748	35,480	-	385,721
Liabilities from Insurance Contracts	-	-	1,146,515	-	(43,295)	1,103,220
Other Non-financial Liabilities	8,712,307	2,122,183	420,271	71,480	50,838	11,377,079
TOTAL LIABILITIES	**467,266,696**	**42,579,675**	**1,909,065**	**251,824**	**(3,359,958)**	**508,647,302**

NOTE 45
CAPITAL MANAGEMENT AND RISK POLICIES

The tasks related to the information and internal control of each controlled company under Grupo Financiero Galicia S.A., are defined and performed with the utmost rigor by each of them.

In addition to the applicable local regulations, Grupo Financiero Galicia S.A., in its capacity as a listed Company on the United States of America's markets, complies with the certification of its internal controls pursuant to Section 404 of the Sarbanes Oxley Act (SOX). The Company's risk management is monitored by the Audit Committee, which also gathers and analyzes the information submitted by the main controlled companies.

In risk policy matters, the policy assumed by Banco Galicia takes into account the different aspects of the business and the operations, following the main guidelines of internationally recognized standards.

The specific function of the integral management of risks faced by Banco Galicia has been assigned to the Risk Area Management, ensuring its independence from the rest of the business areas by depending directly on the Banco's General Management and, at the same time, being involved in the decisions of each of them. Additionally, the control and prevention of risks related to assets laundering, terrorist financing, and other illegal activities, are assigned to the Assets Laundering Prevention Management depending on the Board of Directors. The mission of both managements is to assure the Board of Directors is fully knowledgeable of the risks the Banco is exposed to, being in charge of designing and proposing the required policies and procedures for their identification, prevention, evaluation, follow-up, control and mitigation.

The specified Risk Appetite framework counts on different levels of risk acceptance, both in individual and consolidated terms. Within this framework, metrics have been defined which are monitored in order to detect situations that may affect the normal course of business, cause noncompliance with the strategy or undesired outcomes, and/or situations of vulnerability when facing changes in market conditions. The Risk and Capital Allocation Committee considers and controls the Banco risk profile through the Risk Appetite Report, and defines the actions to be carried out if eventual deviations from the defined thresholds take place.

Capital Management

The Company's objectives are to generate returns for its Shareholders, benefits for other stakeholders and maintain an optimum capital structure. Said capital structure will consider the investment needs in the subsidiaries and new undertakings, maintaining the expected profitability levels and complying with the established liquidity and solvency objectives.

The subsidiary Banco Galicia determines the minimum capital requirement for each risk in accordance with the Argentine Central Bank regulations. Capital risk management cuts across the remaining risks. The Senior Management is in charge of monitoring, supervising, adjusting and ensuring compliance with the proposed objectives for its administration.

Through the Capital Adequacy Assessment Process (reflected in the Capital Self-Assessment Report - Informe de Autoevaluación de Capital, IAC), the ratio between the available own equity capital and the resources necessary to maintain an adequate risk profile is evaluated. In addition, this process enables to identify both the economic capital needs and the relevant sources to cover them.

To conduct the stress tests, four scenarios are defined with different probability of occurrence which could affect solvency and liquidity. Scenarios with greater probability of occurrence are used for the management stress tests and are taken as the reference when defining the Risk Appetite thresholds. Scenarios with lower probability of occurrence, or greater associated severity, are used for the Recovery Plan, where the protocol defined for situations or events that may compromise the Banco's operational capacity is exposed.

On the other hand, according to the guidelines established by the Argentine Central Bank, financial institutions must maintain capital ratios to reduce the associated risks. It should be noted that, as of December 31, 2019 and December 31, 2018, Banco Galicia complied with the minimum capital requirement determined in accordance with the provisions of the Argentine Central Bank regulations.

The Regulatory Capital is composed of the basic Shareholders' Equity and the complementing Shareholders' Equity. The balance of those items for Banco Galicia as of December 31, 2019 and December 31, 2018 is detailed below:

	12.31.19	12.31.18
Basic Shareholders' Equity	74,314,620	41,863,969
(Deductible items)	(12,922,467)	(5,279,643)
Equity Tier I	**61,392,153**	**36,584,326**
Complementing Shareholders' Equity	19,392,341	12,745,132
Equity Tier II	**19,392,341**	**12,745,132**
Regulatory Capital	80,784,494	49,329,458

A detail of Regulatory Capital is exposed below:

	12.31.19	12.31.18
Credit Risk	29,148,582	22,170,572
Market Risk	904,939	969,226
Operational Risk	7,608,102	4,023,443
Requirement	37,661,623	27,163,241
Integration	80,784,494	49,329,458
Excess	43,122,871	22,166,217

Financial Risks

The Financial Risk is a phenomenon inherent in financial brokerage. Exposure to the different financial risk factors is a natural circumstance that cannot be fully eliminated without affecting the Group's long-term economic viability. However, the lack of risk exposure management becomes one of the main short-term threats. The risk factors must be identified and managed within a specific framework and policies, which include the profile and the risk propensity, as it been decided to assume to achieve the long-term strategic objectives.

Market Risk

The "price risk" is the possibility of incurring losses arising from the market price variation in listed financial assets subject to trading. The financial assets subject to "trading" or allocated to "own positions" will be public and private debt securities, shares, currencies, derivatives and debt instruments issued by Argentine Central Bank.

The brokerage/trading operations allowed and regulated by the Policy are the following:

- Brokerage of Government Securities and Provincial Securities
- Currency brokerage in the Spot Market and the Futures Market.
- Brokerage of Interest Rate derivatives: Interest Rate Futures and Interest Rate Swaps.
- Brokerage of Debt instruments issued by Argentine Central Bank.
- Brokerage of third-party Debt securities.
- Shares brokerage.

For 2019 fiscal year, the following limits were established within which the estimated risk must be framed for each described instrument:

Risk	Política de límites
Currency	Ps 250 million
Fixed income	Ps 680 million
Interest Rate Derivatives	Ps 70 million

The daily management of the "price risk" (Market) is carried out within the approved strategy, whose objective is to maintain the Group's presence in the different currency, fixed income, variable income and derivatives markets, obtaining the maximum possible return from brokerage, without exposing it to excessive risk levels. Finally, the designed policy contributes to transparency and facilitates the perception of the risk levels to which it is exposed. To measure and control the risk arising from the variation in the prices of the financial instruments that make up the trading or brokerage portfolio, the model known as "Value at Risk" (or "VaR") is used, which measures the potential loss generated by the different financial instruments at each moment of time, under certain critical parameters.

Currency Risk

The exposure to exchange rate risk at the year closing per type of currency is detailed below; figures stated in million Argentine pesos:

Currency	Balances as of 12.31.19			
	Monetary Financial Assets	Monetary Financial Liabilities	Derivatives	Net position
US Dollar	195,115	(196,431)	22	(1,294)
Euro	2,281	(293)	-	1,988
Canadian Dollar	85	(4)	-	81
Real	1	-	-	1
Swiss Franc	32	(17)	-	15
Other	76	(4)	-	72
Total	**197,590**	**(196,749)**	**22**	**863**

Currency	Balances as of 12.31.18			
	Monetary Financial Assets	Monetary Financial Liabilities	Derivatives	Net position
US Dollar	194,516	(196,598)	101	(1,981)
Euro	1,988	(557)	-	1,431
Canadian Dollar	42	(9)	-	33
Real	30	-	-	30
Swiss Franc	21	(13)	-	8
Other	49	(2)	-	47
Total	**196,646**	**(197,179)**	**101**	**(432)**

Currency	Variation	Balances as of 12.31.19		Balances as of 12.31.18	
		Income	Equity	Income	Equity
US Dollar	10%	129	(1,423)	198	(2,178)
	-10%	(129)	(1,164)	(198)	(1,782)
Euro	10%	199	2,187	143	1,575
	-10%	(199)	1,789	(143)	1,289
Canadian Dollar	10%	8	89	3	36
	-10%	(8)	73	(3)	30
Real	10%	-	1	3	33
	-10%	-	1	(3)	27
Swiss Franc	10%	1	16	1	9
	-10%	(1)	13	(1)	7
Other	10%	7	79	5	53
	-10%	(7)	65	(5)	43

Interest Rate Risk

The different sensitivity of assets and liabilities to changes in the "market interest rates" exposes the Group to the "interest rate risk". This is the risk of the financial margin and the Shareholders' Equity economic value varying as a consequence of the fluctuation of market interest rates. The magnitude of this variation is related to the sensitivity of the interest rate of the Group's Assets and Liabilities structure.

This risk factor (the change in interest rates) impacts on two key variables: the Net Financial Income (Resultado Financiero Neto, RFN) and the Shareholders' equity Present Value (Valor Presente del Patrimonio Neto, VP).

These methodologies imply a "short-term" approach (RFN), for which a "base case scenario" is submitted to an "interest rate" increase estimating the Financial Income variation. Maximum limits are established for said changes in the variables subject to control. For "long-term approach" (VP), statistical simulations of interest rates are performed and a "critical" scenario is obtained, arising from the exposure to the interest rate risk presented by the balance sheet structure. The economic capital is obtained from the difference resulting from the "critical" scenario and the balance sheet market value.

The chart below details the Group's interest rate risk exposure. The chart presents the residual values of assets and liabilities, classified by renegotiation interest or expiration dates, whichever is the shortest.

Assets and liabilities at Variable Rate	Term in days					Total
	Up to 30 days	From 30 to 90	From 90 to 180	From 180 to 365	More than 365	
As of 12.31.18						
Total financial assets	205,717,873	31,633,572	33,104,131	43,318,473	168,405,494	482,179,543
Total financial liabilities	317,505,256	24,996,087	7,287,605	4,351,288	90,658,702	444,798,938
Net Amount	**(111,787,383)**	**6,637,485**	**25,816,526**	**38,967,185**	**77,746,792**	**37,380,605**
12.31.19						
Total financial assets	201,696,219	51,089,507	51,228,446	44,962,192	250,198,194	599,174,558
Total financial liabilities	277,333,453	45,123,367	24,609,169	3,436,256	155,808,144	506,310,389
Net Amount	**(75,637,234)**	**5,966,140**	**26,619,277**	**41,525,936**	**94,390,050**	**92,864,169**

The chart below shows the sensitivity against an additional possible variation in the interest rates for the next fiscal year, considering the composition as of December 31, 2019. The percentage of variation was determined considering 100 basis points (bp) budgeted by the Group for the year 2019; these changes are considered reasonably possible based on the observation of market conditions.

	Additional variation in Interest rate	Increase/(Decrease) in Net Income Tax in Argentine pesos	Increase/(Decrease) in Shareholders' Equity in Argentine pesos
Decrease in Interest rate	-100 bp	(260,051)	-0.3%
Increase in Interest rate	+100 bp	260,051	0.3%

Liquidity Risk

It contemplates the risk which the Group cannot offset, or a position it cannot undo at market price since:

- there is no sufficient secondary market for the assets in the position; or
- there are market alterations.

In daily measuring and follow up of "stock liquidity", an internal model is used contemplating the behavior characteristics of the Group's main funding sources. This model, based on the Group's experience regarding the evolution of deposits and other obligations, determines the "liquidity requirements" that apply to the liabilities subject to policy, and generates the "management liquidity requirement". In determining these liquid resources, the residual term of the liabilities is also contemplated, as well as the currency in which they are nominated. The resulting liquidity requirement is distributed in the "eligible assets" established by the policy. The management liquidity requirement, together with the minimum legal cash requirements, constitute the total available liquidity.

The daily liquidity management is complemented by the estimate of the daily available funds or needs, considering the opening balance in the Argentine Central Bank account, deducting the minimum daily requirement and including the main daily movements. From the above, the excess/deficiency balance is obtained that will be taken into account by the operators in order to place funds or cover the financing needs.

The monthly monitoring and control of liquidity from the "flow" perspective, called liquidity mismatch/liquidity gap, is performed by estimating the mismatches accumulated within the first year as a percentage of total liabilities. The gap methodology used (contractual gaps) is consistent with the best international practices in the field.

On the other hand, the follow up and measuring the concentration of deposits is carried out. For the purpose of mitigating this risk factor, the policy designed limits the participation, over total deposits, of two groups of customers, namely the first 10 customers and the second 50 customers.

The following is an analysis of the maturities of assets and liabilities, based on the remaining period as of December 31, 2019 and December 31, 2018, based on the undiscounted cash flows.

	Less than 1 Month	From 1 to 6 months	From 6 to 12 months	From 12 months to 5 years	Greater than 5 years	Total as of 12.31.19
Assets						
Debt Securities at Fair Value through Profit or Loss	64,916,862	879,594	14,428	155,733	5,257	65,971,874
Derivative Financial Instruments	1,398,539	-	-	-	-	1,398,539
Repurchase Transactions	30,724,621	-	-	-	-	30,724,621
Other Financial Assets	8,242,578	-	-	-	-	8,242,578
Loans and Other Financing	132,248,533	130,902,612	59,409,315	96,240,488	26,439,424	445,240,372
Other Debt Securities	20,672,074	-	-	-	-	20,672,074
Financial Assets Pledged as Collateral	11,550,586	-	-	-	-	11,550,586
Investments in Equity Instruments	2,497,466	-	-	-	-	2,497,466
Liabilities						
Deposits	358,461,867	41,752,103	2,184,736	77,374	32	402,476,112
Liabilities at Fair Value through Profit or Loss	1,422,157	-	-	-	-	1,422,157
Derivative Financial Instruments	881,099	-	-	-	-	881,099
Other Financial Liabilities	71,226,543	26,119	28,766	114,185	13	71,395,626
Financing Received from the Argentine Central Bank and other Financial Institutions	3,720,364	10,793,401	4,281,429	6,204,079	-	24,999,273
Debt Securities	3,468,325	18,258,388	4,152,415	10,134,085	683,635	36,696,848
Subordinated Debt Securities	607,968	-	607,968	5,346,737	16,892,186	23,454,859

	Less than 1 Month	From 1 to 6 months	From 6 to 12 months	From 12 months to 5 years	Greater than 5 years	Total as of 12.31.18
Assets						
Debt Securities at Fair Value through Profit or Loss	76,849,406	249,268	373,823	1,035,345	157,067	78,664,909
Derivative Financial Instruments	1,785,640	-	-	-	-	1,785,640
Repurchase Transactions	2,112,250	-	-	-	-	2,112,250
Other Financial Assets	9,056,190	-	-	-	-	9,056,190
Loans and Other Financing	93,109,786	102,383,777	55,974,479	65,838,369	9,507,527	326,813,938
Other Debt Securities	14,491,625	-	-	-	-	14,491,625
Financial Assets Pledged as Collateral	10,817,492	-	-	-	-	10,817,492
Investments in Equity Instruments	161,054	-	-	-	-	161,054
Liabilities						
Deposits	334,200,194	29,585,189	3,188,378	76,741	36	367,050,538
Liabilities at Fair Value through Profit or Loss	2,144,664	-	-	-	-	2,144,664
Derivative Financial Instruments	1,835,789	-	-	-	-	1,835,789
Repurchase Transactions	1,948,559	-	-	-	-	1,948,559
Other Financial Liabilities	63,065,272	27,072	33,365	146,180	7,145	63,279,034
Financing Received from the Argentine Central Bank and other Financial Institutions	7,013,910	8,149,083	3,181,270	7,455,499	72,524	25,872,286
Debt Securities	1,301,031	7,657,224	13,262,785	26,226,582	1,260,277	49,707,899
Subordinated Debt Securities	384,557	-	384,557	3,378,758	11,422,006	15,569,878

The credit quality rating of debt securities as of December 31, 2019 is stated below:

Rating	Government Securities				Argentine Central Bank Bills	Private Securities	Total
	Argentine Government Bonds	Provincial Bonds	Autonomous City of Buenos Aires Bonds	Treasury Bills			
AAA	310,150	-	-	6,232,989	-	-	6,543,139
AA+	-	-	44,295	-	-	5,310	49,605
AA	-	-	-	-	-	95,913	95,913
AA-	-	-	-	-	-	10,959	10,959
A+	-	-	-	-	-	129,010	129,010
A1+	-	-	-	-	-	469,378	469,378
A-	-	-	-	-	-	35,891	35,891
A3	-	-	-	-	-	75,278	75,278
Baa1	-	-	76,146	-	-	-	76,146
BBB	9,457	-	-	-	-	15,117	24,574
B-	-	-	-	-	-	4,654	4,654
C	-	-	-	-	-	7,668	7,668
No rating	27,150	-	-	-	58,141,095	-	58,168,245
Total	**346,757**	**-**	**120,441**	**6,232,989**	**58,141,095**	**849,178**	**65,690,460**

The credit quality rating of debt securities as of December 31, 2018 is stated below:

Rating	Government Securities				Argentine Central Bank Bills	Private Securities	Total
	Argentine Government Bonds	Provincial Bonds	Autonomous City of Buenos Aires Bonds	Treasury Bills			
AAA	1,473,352	-	-	2,116,944	-	78,658	3,668,954
Aaa	-	-	-	-	-	36,622	36,622
Aaa.ar	-	-	-	-	-	196,475	196,475
AA+	-	-	37,166	-	-	20,875	58,041
AA	-	-	-	-	-	283,224	283,224
AA (arg)	-	-	-	-	-	11,161	11,161
raAA	-	447,942	-	-	-	-	447,942
AA-	-	-	-	-	-	276	276
A+	-	-	-	1,071	-	141,125	142,196
A1.ar	-	-	-	-	-	14,063	14,063
A	-	-	-	70,350	-	3,047	73,397
A(arg)	-	-	-	-	-	29,450	29,450
A-	-	-	-	-	-	41,041	41,041
A3.ar	-	146,997	-	-	-	-	146,997
BBB+	-	-	-	-	-	1,326	1,326
Baa1.ar	-	-	5,073	-	-	9,775	14,848
BBB	11,544	9,110	-	-	-	26,956	47,610
BBB (arg)	-	-	-	-	-	31,173	31,173
BBB-	-	266,229	-	-	-	-	266,229
Baa3.ar	-	113,517	-	-	-	-	113,517
B+	511	-	-	-	-	-	511
B-	-	-	-	-	-	3,098	3,098
CCC (arg)	-	-	-	-	-	209,248	209,248
No rating	-	-	-	-	70,151,772	-	70,151,772
Total	**1,485,407**	**983,795**	**42,239**	**2,188,365**	**70,151,772**	**1,137,593**	**75,989,171**

The Group provisions the loans according to the type of loan portfolio, carrying out an individual analysis for each customer for those classified as "Commercial Portfolio" or "Portfolio which may be considered equivalent to Consumption", and a mass analysis based on the days of arrears for those customers classified as "Consumption Portfolio". The provisioning criteria followed by the Group can be seen in Note 1.12.

Those credits classified as uncollectible for 7 months are eliminated from the Group's assets, and are recognized in "Off-balance Items".

The credit quality rating for financing granted is detailed in Schedule B.

The breakdown for terms of Loans and Other Financing is detailed in Schedule D.

Changes in the allowances are detailed in Schedule R.

The impact of allowances on income is detailed below (without the allowance on normal situation portfolio) as of the indicated dates.

	12.31.19	12.31.18
Allowances for Consumption Portfolio	8,503,229	5,523,133
Allowances for Commercial Portfolio and equivalents	6,957,455	1,944,788
Total	**15,460,684**	**7,467,921**

In accordance with the provisioning standards adopted by the Group, the loans to the financial sector and the eventual liabilities in normal situation should not generate impairment losses. The allowance on the normal portfolio as of December 31, 2019 and December 31, 2018 amounts to Ps. 6,248,478 and Ps. 4,006,540, respectively.

The application of point 5.5 (impairment loss) of IFRS 9, Expected Credit Loss Model, is temporarily exempted until January 1, 2020 (see Notes 1.1. and 1.12).

Operational Risk

The operational risk management comprises the identification, assessment, follow up, control and mitigation of said risk. This is a continuous process carried out all over the Group, fostering a risk management culture across all the Organization levels, through an effective policy and a Program directed by the Senior Management.

Identification

The starting point for management is risk identification and their connection with the controls established to mitigate them, considering both internal and external factors that may affect the development of the processes. The outcomes of the above activity are recorded in a risks registry, acting as a central repository of the nature and status of each risk and its controls.

Assessment

Once the risks have been identified, the magnitude is established, in terms of impact, frequency and probability of risk occurrence, considering the existing controls. The combination of impact and probability of occurrence determines the level of risk exposure. Finally, the estimated risk levels are compared to the pre-established criteria, considering the balance of potential benefits and adverse results.

Follow up

The follow up process enables the detection and correction of possible deficiencies in the policies, processes and procedures, and their updating.

Risk control and mitigation

Risk control ensures compliance with the internal policies and analyzes the risks and the relevant responses to avoid, accept, reduce or share them, aligning them with the defined risk tolerance.

IT Risk

The Group manages Information Technology (IT) Risk inherent in its products, activities and business processes. In turn, it manages the risk associated to the relevant information systems, the information technology and security processes. It also comprises the risks arising from the subcontracted activities and the services provided by its suppliers.

Reputational Risk

It can stem from the materialization of other risks: Legal, Compliance, Operational, Technological, Strategic, Market, Liquidity, Credit risks, etc.

The stakeholders are at the center of this function, being considered when establishing any type of mitigation measure.

Banco Galicia's reputational risk management function is within the Compliance Management, seeking to obtain a more comprehensive vision, and be able to make immediate decisions to protect the entity's image and reputation through the use of tools that allow monitoring and following up the perception of the different stakeholders.

Banco Galicia defined an internal policy in order to reduce the occurrence of reputational events with negative impact, by defining a governance model with roles and responsibilities, and identifying critical scenarios that require management and visibility.

Contacts were established with key business areas, creating a work scheme based on synergy and permanent communication with the aim of spreading the risk culture in the organization.

The Reputational Crisis Committee is in charge of becoming aware of the events that might affect the Banco's reputation. If an event of the above characteristics takes place, all the required information is gathered in the least possible time in order to make assertive decisions, formally declare the crisis status, if appropriate, and define the action plan to mitigate the crisis. Said Committee also determines the communication strategy to follow, considering the affected stakeholders. Finally, it follows up the strategy and its actions until the crisis is deactivated.

Strategic Risk

Strategic risk is the risk arising from an inappropriate business strategy, or an adverse change in the forecasts, parameters, objectives and other functions supporting that strategy.

It represents the possibility of fluctuations occurring in the placements, which may prevent Banco Galicia or its subsidiaries from generating the expected income. This eventual impact on income would be due to the decrease in revenues or the increase in costs, beyond the budgeted amounts.

Assets Laundering Risk

Regarding control and prevention of Assets Laundering and Terrorist Financing Prevention, Banco Galicia complies with the regulations established by the Argentine Central Bank, the Financial Information Unit (Unidad de Información Financiera, UIF) and Law No. 25,246 and its amendments, which create the UIF within the scope of the National Treasury and Public Finance Ministry, with functional independence. This agency is in charge of the analysis, processing and transmission of the information received, in order to prevent both assets laundering and terrorist financing.

The Banco has promoted the implementation of measures designed to fight the use of the international financial system by criminal organizations. For this purpose, it has implemented control policies, procedures and structures that are applied with a "risk-based approach", enabling to carry out the operations monitoring according to the individually defined "customer profile", based on the information and documentation related to their economic, equity and financial position, in order to detect transactions that should be considered unusual, and their eventual report to the UIF in the relevant cases. The framework for the management inherent in this activity is the Assets Laundering Prevention (Prevención de Lavado de Activos, PLA) Management, responsible for the implementation of control and prevention procedures, as well as their communication to the rest of the organization, through the writing of the corresponding manuals and the training of all employees. Likewise, the management is periodically reviewed by the Internal Audit.

The Bank has appointed a Director as Compliance Officer, as established by the UIF Resolution 121/11 and amendments, who is responsible for ensuring compliance and implementation of the relevant procedures and obligations. The Banco contributes to the prevention and mitigation of the risks of these criminal behaviors related to transactions, becoming involved in the process of adopting international regulatory standards.

Cybersecurity Risk

The use of current technologies provides us with a significant amount of tools that streamline and improve the Banco's processes, positively impacting on our products and services. However, along with the aforementioned benefits, there appear on the scene risks and/or threats related to these new opportunities offered by digital technologies.

The risk linked to cybersecurity is an inherent issue in the incorporation of these new technologies. For Banco Galicia, among its essential objectives, the management of these risks stands out, as well as the awareness of all personnel and customers about the considerations in the use of the mentioned technologies. In this regard, it is critical for the organization to thoroughly understand its internal processes, the tools used and the available techniques, in order to reduce the risks related to cybersecurity matters.

NOTE 46
CONTINGENCIES AND COMMITMENTS

a) Tax Aspects

At the date of preparation of these Consolidated Financial Statements, with varying degrees of progress, there are ongoing review and resolution processes filed by provincial and CABA tax authorities, mainly related to issues arising from the application of the turnover tax.

These processes and their eventual effects are subject to permanent monitoring and, although it is considered that tax obligations have been complied with in accordance with current regulations, adequate allowances have been established according to the evolution recorded by each of the processes.

b) Consumer Advocacy Associations

Consumer associations, invoking their representation, have filed claims to Banco Galicia about the collection of certain financial charges.

The Group considers that the resolution of these disputes will not have significant impact on its equity.

c) Penalties applied to Banco de Galicia y Buenos Aires S.A.U. and preliminary proceedings filed by the Argentine Central Bank

The penalties applied and the preliminary proceedings filed by the Argentine Central Bank are detailed in Note 52.

The recorded contingency provisions are detailed below:

	12.31.19	12.31.18
Other contingencies	2,525,957	1,329,142
For commercial lawsuits/legal matters	2,102,244	1,058,636
For labor lawsuits	169,013	96,311
For claims and credit cards	1,097	1,097
For guarantees granted	1,142	1,142
For other contingencies	252,461	171,956
For termination benefits	171,358	86,926
Eventual Commitments	17,332	-
Difference for dollarization of judicial deposits - Communication "A" 4686	44,345	27,949
Administrative, disciplinary and criminal penalties	5,306	5,306
Total	**2,764,298**	**1,449,323**

NOTE 47
OFF-BALANCE-SHEET ITEMS

In the normal course of business, in order to meet the financing needs of customers, some transactions are processed which are recorded off-balance sheet. These instruments expose the Group to credit risk, in addition to the financing recognized in the asset. These financial instruments include commitments to extend credit, letters of credit reserve, guarantees granted and acceptances.

The same credit policies are used for agreed credits, guarantees and loan granting. Pending commitments and guarantees do not represent an unusual credit risk.

Agreed Credits

They are commitments to grant loans to a customer at a future date, subject to compliance with certain contractual agreements that, in general, have fixed expiration dates or other termination clauses, and may require payment of a commission.

Commitments are expected to expire without recourse to them. The total amounts of the agreed credits do not necessarily represent future cash requirements. The solvency of each customer is assessed on a case-by-case basis.

Guarantees Granted

The issuer bank commits itself to refund the loss to the beneficiary if the guaranteed debtor breaches their obligation at expiry date.

Documentary export/import credits

They are conditional commitments issued by the Group to guarantee a customer's compliance as regards a third party.

Liabilities for foreign trade operations

They are conditional commitments for foreign trade transactions.

Our exposure to the loss of credit in the event of noncompliance by the other party in the financial instrument is represented by the notional contractual amount of the same investments.

The credit exposure for these transactions is detailed below:

	12.31.19	12.31.18
Agreed Credits	20,071,554	14,947,369
Documentary export/import credits	2,596,376	1,080,047
Guarantees Granted	16,133,160	16,292,630
Liabilities for foreign trade operations	1,702,021	234,609

The commissions related to the aforementioned items as of the indicated dates were the following:

	12.31.19	12.31.18
For Agreed Credits	78,763	100,409
For Documentary export/import credits	73,180	57,095
For Guarantees Granted	194,989	71,086

The credit risk for these instruments is essentially the same as that involved in extending credit facilities to the customers.

To grant guarantees to our customers, we may require counter-guarantees, classified by type and amounting to:

	12.31.19	12.31.18
Other Preferred Guarantees received	929,660	6,796,492
Other guarantees received	523,786	296,362

Additionally, checks to be debited and to be credited, as well as other elements in the collection process, such as notes, invoices and miscellaneous items, are recorded in memorandum accounts until the related instrument is approved or accepted.

The risk of loss in these offsetting transactions is not significant.
El riesgo de pérdida en estas transacciones de compensación no es significativo.

	12.31.19	12.31.18
Values to be debited	5,370,342	3,448,362
Values to be credited	6,755,857	4,443,878
Values for collection	38,507,579	27,625,864

Group acts as a trustee under trust agreements to guarantee obligations arising from various contracts between parties; the amounts recorded in trust funds and the securities held in escrow, as of the indicated dates, are as follows:

	12.31.19	12.31.18
Trust Funds	6,963,520	5,868,530
Securities held in escrow	465,282,717	432,046,616

These trusts are not consolidated because the Group does not exercise control over them.

NOTE 48
TRANSFERS OF FINANCIAL ASSETS

All portfolio sales carried out by the Group are without recourse; therefore, they all qualify for the full derecognition of financial assets.

When this derecognition takes place, the difference between the book value and the value in the offsetting entry is charged to Income.

NOTE 49
NON-CONTROLLING INTEREST

The following tables provide information on each subsidiary with a non-controlling interest.

The percentages of non-controlling interests on the capital and votes as of the indicated dates are detailed below.

Company	Location	12.31.19	12.31.18
Cobranzas Regionales S.A.	Córdoba - Argentina	17.0000%	17.0000%
Galicia Broker Asesores de Seguros S.A.	CABA - Argentina	0.0056%	0.0056%
Galicia Retiro Compañía de Seguros S.A.	CABA - Argentina	0.0001%	0.0001%
Galicia Seguros S.A.	CABA - Argentina	0.0002%	0.0002%
Ondara S.A.	CABA - Argentina	16.1500%	16.1500%
Naranja Digital Compañía Financiera S.A.U.	CABA - Argentina	17.0000%	-
Tarjeta Naranja S.A.	Córdoba - Argentina	17.0000%	17.0000%
Tarjetas Regionales S.A.	CABA - Argentina	17.0000%	17.0000%

The changes in the Group's non-controlling interests, as of the indicated dates, were the following:

Company	Balance as of 12.31.18	Purchases . Contributions . Sales	Cash dividends	Profit sharing in Income for the year	Balance as of 12.31.19
Cobranzas Regionales S.A.	9,331	-	-	(27,288)	(17,957)
Galicia Broker Asesores de Seguros S.A.	1	-	-	-	1
Galicia Retiro Compañía de Seguros S.A.	1	-	-	-	1
Galicia Seguros S.A.	1	-	-	-	1
Naranja Digital Compañía Financiera S.A.U.	-	-	-	(6,024)	(6,024)
Ondara S.A.	4,730	-	-	370	5,100
Tarjeta Naranja S.A.	1,550,054	-	-	976,986	2,527,040
Tarjetas Regionales S.A.	156,445	102,410	-	14,261	273,116
Total	**1,720,563**	**102,410**	**-**	**958,305**	**2,781,278**

Company	Balance as of 12.31.17	Purchases . Contributions . Sales	Cash dividends	Profit sharing in Income for the year	Balance as of 12.31.18
Cobranzas Regionales S.A.	8,160	-	-	1,171	9,331
Galicia Broker Asesores de Seguros S.A.	1	-	-	-	1
Galicia Retiro Compañía de Seguros S.A.	1	-	-	-	1
Galicia Seguros S.A.	1	-	-	-	1
Ondara S.A.	4,470	-	120	140	4,730
Tarjeta Naranja S.A.	1,805,269	(504,833)	(102,000)	351,618	1,550,054
Tarjetas Regionales S.A.	117,294	-	29,970	9,181	156,445
Total	**1,935,196**	**(504,833)**	**(71,910)**	**362,110**	**1,720,563**

The summary information of the subsidiaries is included in Note 15.

NOTE 50
TRANSACTIONS WITH RELATED PARTIES

Related parties are all the entities that control another entity, whether directly or indirectly through other entities, are under the same control, or can exert significant influence over the financial or operational decisions of another entity.

The Group controls another entity when it has power over the financial and operational decisions of other entities, and in turn, obtains benefits from it.

On the other hand, the Group considers that it has joint control when there is an agreement between the parties on the control of a common economic activity.

Finally, those cases where the Group exerts significant influence means the capacity to participate in the decisions of the financial policy and the company's operations. Shareholders with an interest equal to or greater than 20% of the Group's total votes or its subsidiaries are considered to exert a significant influence. In determining said situations, not only the legal aspects are observed but also the nature and substance of the relationship. Additionally, the key personnel of the Group's Management (members of the Board of Directors and Managers and their subsidiaries), as well as the entities over which the key personnel can exert significant influence or control are considered related parties.

50.1. Controlling Entity

The Group is controlled by:

Name	Nature	Main Activity	Location	Interest %
EBA Holding S.A.	55.11% of voting rights	Financial and Investment Matters	CABA - Argentina	19.71%

Remunerations of Key Personnel

Remunerations received by the Group's key personnel as of December 31, 2019 and December 31, 2018, amount to Ps. 801,744 and Ps. 522,038, respectively.

50.2. Composition of Key Personnel

The composition of key personnel as of the indicated dates is as follows:

	12.31.19	12.31.18
Regular Directors	74	67
General Manager	2	1
Area Managers	10	11
Department Managers	67	70
Total	**153**	**149**

50.3. Transactions with Related Parties

The following chart shows the total credit assistance granted by the Group to key personnel, syndics, main shareholders, their relatives up to second degree of consanguinity or first of affinity (according to the Argentine Central Bank's definition of related natural person) and any company related to any of the above whose consolidation is not required.

	12.31.19	12.31.18
Total amount of credit assistance	1,101,736	956,439
Number of addressees (quantities)	283	329
- Natural persons	229	269
- Legal entities	54	60
Average amount of credit assistance	3,893	2,907
Maximum assistance	437,802	362,713

Financing, including restructured financing, was granted in the normal course of business and substantially on the same terms, including interest rates and guarantees, as those opportunely in force for granting credit to unrelated parties. Likewise, they did not imply any risk for uncollectible accounts greater than normal, nor did they present any other unfavorable conditions.

The information about the assistance provided to related parties based on debtor quality, its instrumentation and the preferred guarantees, is stated in Schedule N.

50.4. Balances between Related Parties

Below there appear the balances of transactions with related parties as of the indicated dates

	12.31.19	12.31.18
Assets		
Cash and Due from Banks	3,233,759	227,440
Debt Securities at Fair Value through Profit or Loss	44,154	141,610
Other Financial Assets	7,632	43,128
Loans and Other Financing	1,978,576	2,993,131
Other Debt Securities	131,328	131,767
Other Non-financial Assets	2,169	-
Financial Assets Pledged as Collateral	408	-
Total Assets	**5,398,026**	**3,537,076**
Liabilities		
Deposits	3,934,076	1,205,132
Other Financial Liabilities	549,690	1,021,786
Financing Received from the Argentine Central Bank and other Financial Institutions	673,029	175,857
Debt Securities	175,482	523,372
Liabilities at Fair Value through Profit or Loss	-	540,807
Liabilities from insurance contracts	4,008	43,295
Other Non-financial Liabilities	61,741	26,827
Total Liabilities	**5,398,026**	**3,537,076**

	12.31.19	12.31.18
Income		
Net Income from Interest	276,900	109,326
Net Fee Income	(721,096)	(1,064,569)
Income from insurance activities	1,435,290	1,152,248
Other Operating Income	(961,315)	(142,675)
Administrative Expenses	121,160	24,520
Other Operating Expenses	5,798	-
Total Income	**156,737**	**78,850**

NOTE 51
ACQUISITION OF DEBT-REPRESENTING SECURITIES UNDER ART. 35 BIS OF THE LAW ON FINANCIAL INSTITUTIONS

Banco Finansur S.A. operations were temporarily suspended by the Argentine Central Bank from November 9, 2017 until February 9, 2018. On January 12, 2018, Banco Galicia reported on its participation in the process established by Art. 35 Bis of the Law on Financial Institutions. In turn, on March 9, 2018, Banco Galicia reported that the Argentine Central Bank had approved the transfer of certain preferential liabilities of Banco Finansur S.A., in exchange for debt-representing securities, through the instrumentation of a Private Financial Trust named Fidensur.

Said Trust has not been consolidated since the Group is not exposed to variable yields (its exposure is limited to the residual value of the fiduciary debt value), nor is it entitled to additional benefits at an annual nominal rate of 28% interest over the debt security residual value, nor does it have the capacity to influence on the increase in these yields.

The Group has fully provisioned the debt-representing securities as of December 31, 2019, while as of December 31, 2018, they were in the "Other Debt Securities" item, valuated at amortized cost for a value of Ps. 74,773.

NOTE 52
ADDITIONAL INFORMATION REQUIRED BY THE ARGENTINE CENTRAL BANK

52.1. Deposit insurance scheme

Through Law No. 24,485 and Executive Order No. 540/95, the creation of the Deposit Insurance System was arranged, in order to cover the risk of bank deposits in addition to the privileges and protection system established in the Law on Financial Institutions.

By Executive Order No. 1127/98, the National Executive Branch established the maximum coverage limit of the insurance system including demand or time deposits, either in Argentine pesos and/or foreign currency. As of March 1, 2019, this limit was established at Ps.1,000.

Deposits made by other financial institutions (including time certificates acquired by secondary trading) are not included in this system, nor deposits made by persons directly or indirectly related to the institution, deposits of securities, acceptances or guarantees, or deposits made at a rate higher than the rate periodically established by the Argentine Central Bank.

The deposits whose ownership has been acquired via endorsement, financial products offering additional incentives to the interest rate, and the fixed balances from deposits and other transactions excluded, are also excluded from this system. This system has been implemented through the creation of a fund denominated "Deposit Insurance Scheme" (Fondo de Garantía de los Depósitos, FGD", administered by Seguros de Depósitos S.A. (SEDESA) and whose shareholders are the Argentine Central Bank and the financial institutions in the proportion defined by SEDESA based on the contributions to the aforementioned fund.

For each institution, the monthly contribution to the Fund is 0.015% on the monthly average of all deposits comprised.

52.2. Restricted assets

As of December 31, 2019, there are restrictions to freely available assets as follows:

Banco de Galicia y Buenos Aires S.A.U.

a) Cash at Banks and Government Securities

	12.31.19	12.31.18
For activities in Rosario Forward Market	1,309,372	379,006
For appraisals from repurchase transactions	-	584,631
For debit/credit cards transactions	2,264,694	2,151,565
For attachments	9,410	211
Liquid offsetting entry required to operate as CNV agents	10,754	20,410
For contribution to MAE Joint Guarantee Fund	89,850	260,210
Guarantees of loan lines from the Inter-American Development Bank	-	85,067
Guarantees of the Competitiveness Program for Regional Economies	326,814	165,665
For other transactions	14,921	11,953

b) Escrow accounts

Escrow accounts have been opened in the Argentine Central Bank for the operations related to the electronic clearing houses, cancellation checks and other similar operations which as of the indicated dates amounted to:

	12.31.19	12.31.18
Escrow accounts	7,525,500	5,188,169

c) Deposits in favor of the Argentine Central Bank

	12.31.19	12.31.18
Unavailable deposits due to exchange transactions	533	533

d) Interests in other Companies

The item "Interests in other Companies" includes the amount of 1,222,406 ordinary, registered, non-endorsable, non-transferable shares of Electrigal S.A., whose transfer is subject to the approval of the national authorities, in accordance with the terms of the duly signed concession contract.

e) Contributions to the Risk Fund of Garantizar S.G.R.

Banco de Galicia y Buenos Aires S.A.U., in its capacity as protector partner in the Risk Fund of Garantizar S.G.R., binds itself to maintain the contributions for a 2-year term.

	12.31.19	12.31.18
Contributions to the Fund	990,000	390,000

Galicia Valores S.A.

	12.31.19	12.31.18
Liquid offsetting entry required to operate as CNV agents	16,713	9,568
Guarantees linked to surety bonds	1,000	-

Tarjeta Naranja S.A.

	12.31.19	12.31.18
Attachments arising from judicial cases	2,341	1,803
Guarantees linked to rental contracts	6,764	4,993

Galicia Administradora de Fondos S.A.

	12.31.19	12.31.18
Liquid offsetting entry required to operate as Collective Investment Products Administration Agents of Mutual Funds as required by CNV*	10,139	9,095

* As of December 31, 2019, it corresponds to 1,480,660 shares of Fima Premium Class "B" Mutual Fund.

The total amount of restricted assets for the reasons stated above in the aforementioned controlled companies, as of the indicated dates, is as follows:

	12.31.19	12.31.18
Total Restricted Assets	12,578,805	9,262,879

52.3. Trust activities

a) Guarantee Trust Contracts:

Purpose: In order to ensure compliance with the obligations arising from contracts, the intervening parties have agreed to deliver to Banco de Galicia y Buenos Aires S.A.U., as trust owners, the sums to be applied, as listed below:

Contract Date	Trustor	Balances of trust funds	Maturity [1]
04.17.12	Exxon Mobil	8,208	04.19.21
09.12.14	Port Workers Cooperative	1,156	09.12.20
04.14.16	Rios Belt	172	12.31.20
05.24.17	MSU	155	07.29.20
Total		**9,691**	

(1) The sums will be released monthly until the cancellation of the trustors' obligations, or until the expiration date, whichever occurs first.

b) Financial Trust Contracts:

Purpose: To administer and exercise trust property of the trusted assets until the cancellation of the Debt Securities and Fiduciary Certificates:

Contract Date	Trust	Balances of trust funds	Maturity*
12.06.06	Gas I	102,053	12.31.20
05.14.09	Gas II	6,784,669	12.31.22
02.10.11	Cag S.A.	389	12.31.20
06.08.11	Mila III	12,208	12.31.20
01.09.11	Mila IV	792	12.31.20
09.14.11	Cag S.A. II	607	12.31.20
02.13.14	Mila V	5	12.31.20
06.06.14	Mila VI	5	12.31.20
06.18.14	Red Surcos II	1,356	12.31.20
10.03.14	Mila VII	5	01.20.21
01.13.15	Red Surcos III	767	12.31.20
01.27.15	Mila VIII	5	12.31.20
05.18.15	Mila IX	260	09.15.21
08.24.15	Mila X	5	12.20.21
10.30.15	Mila XI	5	01.15.22
01.14.16	Mila XII	272	11.15.21
02.05.16	Red Surcos IV	870	12.31.20
05.13.16	Mila XIII	387	09.15.22
09.01.16	Mila XIV	387	01.31.23
10.27.16	Mila XV	5,890	03.31.23
01.10.17	Mila XVI	387	06.30.23
02.24.17	Mila XVII	18,758	09.30.23
06.12.17	Mila XVIII	23,559	01.31.24
10.27.17	Mila XIX	47	05.31.24
02.16.18	Mila XX	141	09.30.24
Total		**6,953,829**	

* The date is estimated, since the effective expiration date will be when all the Trust Assets are distributed.

c) Activities as Escrow Agent:

Banco de Galicia y Buenos Aires S.A.U. has been designated as Escrow Agent of National Treasury sureties in favor of ENARSA (Energía Argentina S.A.), and assigned in favor of Nación Fideicomisos S.A. as the Trustee of "ENARSA-BARRAGAN" and "ENARSA-BRIGADIER LOPEZ" Financial Trusts.

Said sureties guarantee the payment of all the obligations of the aforementioned Trusts.

Banco de Galicia y Buenos Aires S.A.U., as Escrow Agent, safeguarded the documentation of the National Treasury sureties and was responsible for managing all the legal and notarial aspects in relation to their execution; when the obligation was extinguished, sureties were returned to BICE Fideicomisos S.A. on October 22, 2019.

As of December 31, 2019, balances for said operations amounted to Ps. 408, and they amounted to Ps. 1,304,097 and Ps. 408 as of December 31, 2018. The transactions detailed above are recorded in Off-balance Sheet Items, Trust fund.

d) Creation of Financial Trusts

As of December 31, 2019 and December 31, 2018, the Group records in its own portfolio, participation certificates and Debt Securities from financial trusts amounting to Ps. 345,411 and Ps. 4,641,339, respectively.

52.4. Compliance with regulations required by the national securities commission

52.4.1. Agents - Minimum liquid offsetting entry required

Within the framework of CNV Resolution No. 622/13, Banco de Galicia y Buenos Aires S.A.U. has been duly registered with said agency in the following categories: Escrow Agent for Collective Investment Products in the Financial Trustors' Registry No. 54, and Settlement and Integral Compensation Agent No. 22 (AlyC and AN - INTEGRAL).

As of December 31, 2019, for the Escrow Agent for Collective Investment Products in the Financial Trustors' Registry, the required Shareholders' Equity amounts to Ps. 22,401, and the minimum required offsetting entry is Ps. 11,200.

For AlyC and AN - INTEGRAL, said requirement amounts to Ps. 22,182, with the minimum required liquid offsetting entry of Ps. 11,091, which the Bank integrated with Treasury Bills linked to dollars (Lelinks), registered in escrow accounts of Caja de Valores (Principal 100100).

Likewise, Galicia Valores S.A.U. has been authorized to act as "Settlement and Compensation Agent and Trading Agent - Own Portfolio" as established in CNV General Resolution No. 622/13. In accordance with the expected requirements, the minimum Shareholders' Equity required to operate in this category amounts to Ps. 22,182 and the minimum offsetting entry amounts to Ps. 11,091.

As of December 31, 2019, the offsetting entry is integrated in a demand account held at Banco Galicia for an amount of thousands of USD 280.

Galicia Administradora de Fondos S.A., Escrow Agent for Collective Investment Products, Mutual Funds, as of December 31, 2019 had integrated the minimum offsetting entry with 1,480,660 shares of Fima Premium B Mutual Fund.

52.4.2. Escrow Agents for Collective Investment Products, Mutual Funds

Likewise, in compliance with Art. 7 of Chapter II, Title V of said resolution, Galicia Administradora de Fondos S.A., as Escrow Agent for Collective Investment Products, Mutual Funds ("depositary company) of mutual funds: "FIMA ACCIONES", "FIMA P.B. ACCIONES", "FIMA RENTA EN PESOS", "FIMA AHORRO PESOS", "FIMA RENTA PLUS", "FIMA PREMIUM", "FIMA AHORRO PLUS", "FIMA CAPITAL PLUS", "FIMA ABIERTO PYMES", "FIMA MIX I", "FIMA RENTA DOLARES I" and "FIMA RENTA DOLARES II", hereby states that the total quantity held in escrow as of December 31, 2019 is 11,045,967,403 shares, their cash value being Ps. 80,719,884, which is reflected in the account "Depositors of Securities Held in Escrow". At the closing of previous fiscal year, securities held in escrow amounted to the quantity of 9,623,110,829 shares and their cash value was Ps. 60,431,318.

Next, the equities of the Mutual Funds as of the indicated dates are detailed below:

Fondo Común de Inversión	12.31.19	12.31.18
FIMA Acciones	403,081	328,125
FIMA P.B. Acciones	691,359	718,431
FIMA Renta en pesos	234,565	245,333
FIMA Ahorro pesos	2,664,049	9,891,974
FIMA Renta Plus	147,607	145,308
FIMA Premium	68,786,916	29,475,771
FIMA Ahorro Plus	2,731,723	9,967,609
FIMA Capital Plus	113,239	205,069
FIMA Abierto PyMES	584,054	312,788
FIMA Mix I	57,114	6,686
FIMA Renta USD I*	1,659,818	7,373,261
FIMA Renta USD II*	543,510	1,554,263
FIMA Renta Fija Internacional	2,009,672	193,618
FIMA Acciones Latinoamericanas USD*	93,177	13,082
Total	**80,719,884**	**60,431,318**

* Valued at the reference exchange rate of the US Dollar defined by the Argentine Central Bank, see Note 1.7.(b).

All the transactions detailed above are recorded in Off-balance Sheet Items, Securities held in escrow.

The aforementioned Mutual Funds have not been consolidated, since the Group is not their controlling company, because the depository role does not imply, in this case:
- power over the trust to manage relevant activities;
- exposure or right to variable yields;
- capacity to influence over the amount of the yields to receive for the implication.

52.4.3. Safeguarding Documentation

In accordance with CNV General Resolution No. 629, Banco de Galicia y Buenos Aires S.A.U. informs that it is in possession of supporting documentation of accounting and management operation safeguarded at AdeA (Tax ID. No. 30-68233570-6) Plant III, located in Ruta Provincial 36 km 31.5 N° 6471 (PC 1888) Bosques, Province of Buenos Aires, legal domicile at Av. Pte. Roque Sáenz Peña 832 Piso 1, CABA.

52.5. Accounts identifying compliance with minimum cash

As of December 31, 2019, the balances recorded in the regulatory items are the following:

Item	In Currency			In Securities - Government securities	
	Ps.	Thousands of USD	Euros*	PS.	Thousands of USD
Checking Accounts held in Argentine Central Bank	29,950,825	745,161	28	-	-
Escrow accounts held in Argentine Central Bank	6,680,980	14,100	-	-	-
National Treasury Bonds in Argentine pesos at fixed rate, maturity November 2020	10,615,788	-	-	-	-
Liquidity Bills	14,732,766	-	-	-	-
Sub-account 60 Minimum Cash in Settlement Central Office (Central de Registro y Liquidación, CRYL) of Government Securities and debt instruments issued by Argentine Central Bank	-	-	-	608,000	1,431
Total for Integration of Minimum Cash	**61,980,359**	**759,261**	**28**	**608,000**	**1,431**

* Stated in thousands of USD.

52.6. Penalties applied to banco de galicia y buenos aires s.A.U. And preliminary proceedings filed by the argentine central bank

Penalties applied to Banco de Galicia y Buenos Aires S.A.U. pending as of December 31, 2019:

UIF Proceedings -Docket 68/09. Penalty Notification date: February 25, 2010. Reason for the penalty: Alleged omission of suspicious transactions reporting in alleged violation to Law No. 25,246. Banco de Galicia y Buenos Aires S.A.U., a Director and an officer were fined under said proceedings, for the amount of Ps. 4,483. Status of the Case: Room I of the National Court of Appeals for Federal Administrative Disputes partially revoked the penalties, releasing Eduardo A. Fanciulli of responsibility and reducing the fines imposed. The UIF, Banco de Galicia y Buenos Aires S.A.U. and Mr. Enrique M. Garda Olaciregui filed extraordinary federal appeals to the Argentine Supreme Court of Justice (Corte Suprema de Justicia de la Nación, CSJN). Accounting processing: An allowance of Ps. 5,306 is recorded as of December 31, 2019 and December 31, 2018.

Proceeding No. 1544. Penalty Notification date: November 9, 2018. Reasons of the penalty: Alleged infraction to provisions established in Argentine Central Bank Communication "A" 6242, SINAP 1 – 61. Banco de Galicia y Buenos Aires S.A.U., three Directors and certain responsible officers were fined for the amount of Ps. 1,497. Status of the Case: The appeal to the penalty will be filed before the National Court of Appeals for Federal Administrative Disputes of the Federal Capital, under the terms of Article 42 of Law No. 21,526, amended by Law No. 24,144; Room V was designated to issue judgment.

Subsequent to the closing of these Statements, the Bank has been notified by the Argentine Central Bank of the commencement of Proceeding No. 1570, Docket No. 388/128/19 for an alleged breach of point 2.2 of the Amended Text of the Financial Disciplinary Regime. It is being analyzed by the Institution, estimating that its resolution will not have any significant impact on its equity.

52.7. Issuance of debt securities

The issuances of Debt securities are detailed in Notes 27 and 28.

52.8. Restrictions To Distribution Of Profits

According to Art. 70 of the General Companies Act, Grupo Financiero Galicia S.A. must transfer to Legal Reserve 5% of the profit for the year, until said reserve reaches 20% of the capital stock plus the balance of the Capital Adjustment account.

As regards Banco Galicia, Argentine Central Bank regulations stipulate that 20% of the profits as per the Statement of Income at the end of the year must be allocated to Legal Reserve, plus (or minus) the Adjustments of the previous fiscal years and minus the accumulated loss, if any, at the closing of the previous fiscal year.

This proportion is applied regardless of the Legal Reserve to the capital stock ratio. Whenever the Legal Reserve is used to absorb losses, profits may only be distributed again when the Reserve value reaches 20% of the Capital stock plus the Capital Adjustment.

In accordance with the conditions established by the Argentine Central Bank, profits may only be distributed to the extent that Income is positive, after deducting the following items from the Retained Earnings, in addition to the Legal Reserve and that set forth in Bylaws, whose set up be enforceable: the difference between the book value and the market value of public sector assets, and/or Argentine Central Bank's debt instruments not valued at market price, the amounts activated by deposits-related judicial causes, and the non-accounted adjustments required by the Argentine Central Bank and the external audit.

In addition, another requirement in order to be able to distribute profits is to comply with the minimum capital technical ratio.

This ratio, exclusively for these purposes, will be determined excluding the aforementioned items from the Assets and the Retained Earnings. Likewise, the existing exceptions in requirements, integration and/or minimum capital position will not be computed.

The Argentine Central Bank established that a capital conservation margin must be maintained in addition to the minimum capital requirement, equivalent to 3.5% of risk-weighted assets. Said margin must exclusively be integrated with Tier I, net of deductibles. Income distribution will be limited when the level and composition of the institution's Regulatory Capital puts said distribution within the range of the capital conservation margin.

Likewise, distributions of income may not occur with earnings arising from the application of the IFRS for the first time, on which a special equity Reserve was set up that may only be used for its capitalization, or the absorption of eventual losses of Retained Earnings.

The Argentine Central Bank provided, effective August 30, 2019, that Income distributions must have its previous authorization. In said authorization process, the Superintendency of Financial and Exchange Institutions (Superintendencia de Entidades Financieras y Cambiarias, SEFyC) will take into account, among other elements, the potential effects of the application of section 5.5. of IFRS 9, related to impairment loss of financial assets, and the restatement of financial statements due to inflation. (See Note 1).

In Tarjeta Naranja S.A.'s Ordinary and Extraordinary Shareholders' Meeting held on March 16, 2006, it was decided to establish as maximum limit for dividends distribution the 25% of the realized and liquid earnings of each fiscal year; this restriction will be in force while the Company's Shareholders' equity is lower than Ps. 300,000.

In the Price Supplement for Class XXXVII Debt securities, Tarjeta Naranja S.A. undertook not to distribute dividends exceeding 50% of the net income; and for excesses over certain debt ratios.

In addition to statements in the previous paragraphs, distributions of positive income may not occur if they arise from the first-time application of the IFRS; they will set up a special equity Reserve that may only be used for its capitalization, or the absorption of negative Retained Earnings.

52.9. Capital management and transparency policy in terms of corporate governance

Grupo Financiero Galicia S.A.

Board of Directors

The Board of Directors of Grupo Financiero Galicia is the maximum Management Body of the Company. It is composed of nine Regular Directors and three Alternate Directors who must have the knowledge and skills required to clearly understand their responsibilities and duties within Corporate Governance, and work with the loyalty and diligence of a good businessman.

In accordance with the Bylaws, both Regular and Alternate Directors hold office for up to three years, are partially renewed each year and may be indefinitely reelected.

The Company complies with adequate standards both regarding total number of Directors, and number of independent Directors. Additionally, its Bylaws

provides for the adequate flexibility to adjust the number of Directors to eventual variations in the conditions in which the Company operates, between three and nine Directors.

The Board of Directors, in all relevant aspects, complies with the recommendations of the Code of Corporate Governance included in Schedule IV of Title IV of the National Securities Commission regulations (TN 2013) Likewise, controls are carried out on the application of corporate governance policies defined by regulations in force, through the Executive Committee, the Audit Committee and the Disclosure Committee. The Committees periodically reports to the Board of Directors, who becomes aware of the decisions of each Committee, and the relevant matters are recorded in the Minutes of their meetings.

Executive Committee

In July, 2018, the Board of Directors of Grupo Financiero Galicia S.A. approved the creation and the Regulations of the Executive Committee. The Executive Committee is composed of five Regular Directors, and its purpose is to contribute to the management of the Company's ordinary and usual business for a more efficient fulfillment of the Company's Board of Directors' mission..

Audit Committee

The Audit Committee established by Law No. 26,831 on Capital Markets and the CNV Regulations, is composed of three Directors, two of them independent, and complies with the requirements of the Sarbanes-Oxley Act of the United States of America.

Its responsibility is to provide the Company's Board of Directors with assistance in overseeing the Financial Statements, as well as in controlling Grupo Financiero Galicia and its subsidiaries.

Disclosure Committee

The Disclosure Committee was created in compliance with the recommendation in Sarbanes-Oxley Act of United States of America, and it is composed of the General Manager, the Administrative-Financial Manager and two supervisors of the Administrative-Financial Management.

Some of its duties include: monitoring the Company's internal control, reviewing the Financial Statements and other information published, preparing the reports for the Board of Directors on the activities carried out by the Committee. The Committee's operation has been gradually adapted to local legislation and currently performs important administrative and information functions that are used by the Board of Directors and the Audit Committee, thus contributing to the transparency of the information provided to the markets.

Basic Ownership Structure.

Grupo Financiero Galicia is a Company whose purpose is exclusively to conduct financial and investment activities as per Art. 31 of the General Companies Act. This means it is a holding company, engaged in managing its shareholdings, equity and resources.

Among the companies where it takes part, Banco de Galicia y Buenos Aires S.A.U. outstands as its main asset, whose holding reaches 100% of the capital stock. This Company, as it is a banking institution, is subject to certain regulatory restrictions imposed by the Argentine Central Bank. Among them, there is a restriction limiting holding to a maximum 12.5% of the Capital stock, in companies not performing complementary activities.

Therefore, Grupo Financiero Galicia is the direct and indirect holder of those interests performing activities defined as non-complementary.

The structure of Grupo Financiero Galicia is reduced, since it is a holding company of a group of financial services. This is why certain organizational aspects which are typical of large operating companies are not applicable to the Group.

Finally, it should be noted that Grupo Financiero Galicia is under the control of another pure holding company, denominated EBA Holding S.A., which possesses the sufficient number of votes to form the corporate will at the Shareholders' meetings, although it does not conduct any management activity on the Group.

Compensation Systems

The Directors' compensation is submitted to the consideration of the Ordinary Shareholders' Meeting and is established within the limits set forth by the Law and Bylaws.

The Audit Committee issues an opinion on the reasonableness of the compensation proposals for the Directors, considering market standards.

Business Conduct Policy.

Since its establishment, a constant characteristic of Grupo Financiero Galicia S.A. has been the broad respect for Shareholders' rights, the reliability and accuracy of the information provided, the transparency of their policies and decisions, and the good judgment in the disclosure of strategic business issues..

Code of Ethics;

Grupo Financiero Galicia S.A. has a formally approved Code of Ethics that guides its policies and activities, it considers aspects related to the business impartiality and conflicts of interests, and how the collaborator must act in order to identify a breach of the Code of Ethics.

Banco de Galicia y Buenos Aires S.A.U.

The Board of Directors of Banco Galicia is the highest Management Body of the Company. As of the date of preparation of these Consolidated Financial Statements, it is composed of six Regular Directors and three Alternate Directors who have the knowledge and skills required to clearly understand their responsibilities and duties within Corporate Governance, and work with the loyalty and diligence of a good businessman.

Banco Galicia complies with adequate standards both regarding total number of Directors, and number of independent Directors. Additionally, its Bylaws provide for the adequate flexibility to adjust the number of Directors to eventual variations in the conditions in which the Institution operates.

The Annual General Shareholders' Meeting is entitled to determine the number of Directors, both independent and non-independent, and designate them. Out of the seven Regular Directors, one of them is independent. Likewise, two of the Alternate Directors are independent. The independence concept is defined in CNV and Argentine Central Bank regulations.

In terms of prevention of conflicts of interest, provisions in the General Companies Act and the Capital Markets Act are applied.

As established in the Bylaws, both Regular and Alternate Directors hold office for up to three years, are partially renewed by thirds (or fraction not less than three) each year, and may be indefinitely reelected.

The Board of Directors meets formally at least once a week, and any time any Director so requires, and is responsible for the general administration of Banco Galicia, taking all the necessary decisions for that purpose. The Board of Directors' members, in variable numbers, also make up the Commissions and Committees created, so they remain permanently informed of the course of the Institution's operations and become aware of the decisions made in said bodies, which are recorded in the relevant Minutes.

Additionally, the Board of Directors receives a monthly report prepared by the General Manager, whose objective is to communicate the relevant issues and events discussed at the different meetings held between the Board and the Senior Management. The Board of Directors becomes aware of said reports, and this is recorded in the Minutes.

As regards the training and development of Directors, the Bank has established a program, reviewed every nine months, by which they regularly attend courses and seminars of various kinds and topics.

In accordance with the activities carried out by the Banco, legislation in force and corporate strategies, the following committees have been created to achieve an effective control of all the activities carried out in the Institution:

- Risk and Capital Allocation Committee.
It is in charge of approving and analyzing the allocation of capital, the setting up of risk policies, and the Banco's risk monitoring..

- High Credits Committee
Its duty is to approve and subscribe the ratings and grants of transactions of high-risk customers and groups, that is: greater than 2.5% of the Bank's individual Regulatory Capital; customers included in Communication "A" 2373 on Credit Rating Gradation or its modifications; public sector customers whose risk level exceeds 0.05% of the Bank's individual Regulatory Capital; credits to financial institutions (local or foreign), and related customers who, when exceeding the mentioned amount of risk, require approval of 2/3 of the Board of Directors.

- Low Credits Committee
Its duty is to approve and subscribe the ratings and grants of transactions of medium-risk customers and groups, equivalent to amounts higher than 1% of the Bank's individual Regulatory Capital.

- Asset and Liability Committee (ALCO)
It is responsible for analyzing the collection of resources and placement in different assets, monitoring and controlling liquidity mismatches, interest rates and currencies, and managing such mismatches.

- Systems Committee
It is responsible for supervising and approving development plans of new systems and their budgets, supervising the budgetary control of developments; approving the general designs of the systems structure, the main processes and the systems implemented, and supervising the quality of the services, within the policies established by the Board of Directors.

- Audit Committee
The Committee is responsible for assisting the Board of Directors in exercising the Banco's control duties, including its controlled and investee companies, in order to reasonably ensure the following objectives:
- Effectiveness and efficiency of operations;
- Reliability of the Accounting Information;
- Compliance with the applicable laws and standards; and
- Compliance with the objectives and strategies set by the Board of Directors.

- Money Laundering and Terrorist Financing Prevention and Control Committee (CPLA/FT)
It is the body in charge of planning, coordinating and ensuring compliance with the policies established and approved by the Board of Directors on this matter.

- Disclosure Committee
It is in charge of promoting compliance with the provisions of Sarbanes-Oxley Act (2002) of U.S.

- Human Resources and Governance Committee
The Human Resources and Governance Committee, depending on the nature of the issues to be discussed, is subdivided into the Nominating Committee and the Compensation Committee. Nominating Committee Mission: It is responsible for submitting the succession of the General Manager and Area Managers. At the request of the shareholder, for the selection of new Board of Directors members it can pre-select candidates with a non-binding opinion. Compensation Committee Mission: It is responsible for submitting, analyzing and suggesting the compensation of the Board of Directors, General Manager and Area Managers. It monitors the performance matrix of Department Managers and Area Managers. It is responsible for defining the Organizational Design and approving all the practices set by the People Area.

- Profit and Loss Report Committee
It is responsible for monitoring the management and the income, and evaluating the macroeconomic global situation.

- Liquidity Crisis Committee
It is responsible for assessing the situation in the face of a liquidity crisis, and deciding the actions to be implemented aimed at its resolution.

- Strategy and New Businesses Committee
It is responsible for the analysis of new business.

- Compliance Committee
It is in charge of promoting respect for Banco Galicia's rules, principles of good conduct and ethical values, and mitigating the non-compliance risk, through the definition of policies, the establishment of controls and reports in the best interest of the entity, its employees, shareholders and customers.

- Financial Services User Protection Committee
It is responsible for following up the activities carried out by Banco Galicia's managerial levels involved in the internal process of user protection, in order to properly comply with legal and regulatory standards.

- Information Assets Protection Committee
It is responsible for generating/providing an agile, executive working environment for the definition of strategies/policies and decision-making related to the Banco's information security.

For this institution, Senior Management includes the General Manager and the Area Managements reporting to the General Manager. Area Managements are detailed below:
- Retail Banking Area Management
- Wholesale Banking Area Management
- Financial Banking Area Management
- Integrated Corporate Services Area Management
- People Area Management
- Risks Area Management
- Planning Area Management
- Customer Experience Area Management

The main duties of the Senior Management include:
- Ensuring that the Institution's activities are consistent with the business strategy, the policies approved by the Board of Directors, and the risks to be assumed.
- Implementing the policies, procedures, processes and controls necessary to manage operations and risks wisely, comply with the strategic objectives set by the Board of Directors and ensure that the Board receives relevant, complete and timely information that allows it to evaluate the management and analyze whether responsibilities assigned are effectively fulfilled.
- Monitoring the Managers of the different areas, in a manner consistent with the policies and procedures established by the Board of Directors, and establishing an effective internal control system.

Basic Ownership Structure

Banco Galicia is controlled by Grupo Financiero Galicia, who holds total control over its shares and votes. In turn, the Banco owns interests as controlling company of complementary companies, and non-controlling interests in companies whose controlling company is the Banco's own controlling company. From a business point of view, this structure enables the Banco to leverage relevant synergies ensuring its customers' loyalty and additional businesses. All business relationships with these companies, whether permanent or occasional, are carried out at arms' length, both for controlling or non-controlling interests. The Board of Directors of Grupo Financiero Galicia submits to the Meeting's vote the sense of the vote to be cast, as Parent Company, at the Banco's Shareholders' Meeting. The same modality of transparency and information related to its controlled and investees companies is applied at the Banco's Meetings, where their Directors and officers are always present, and the Board of Directors always provides specific information about the activities of the Company..

Business Conduct Policy and/or Code of Ethics

The Banco has a formally approved Code of Ethics that guides its policies and activities; it considers aspects related to business impartiality and conflicts of interests, and how the collaborator must act in order to identify a breach of the Code of Ethics, seeking the intervention of the Conduct Committee.

Information related to practices on Personnel Economic Incentives

The Human Resources and Governance Committee, composed of two Regular Directors, the General Manager and the Organizational Development and Human Resources Area Manager, is in charge of establishing the compensations policy for Banco Galicia's personnel.

Banco Galicia's policy is to manage the integral compensation of its employees based on the equity, meritocracy and fairness principles, within the framework of the legal regulations in force.

Taking into account this policy, aiming at providing an impartial and equitable basis, through the design and implementation of fixed and variable compensation management tools for each employee, based on the magnitude, scope and complexity of the responsibilities of each position, the individual performance in compliance with them, the contribution to income, and their adaptation to market values, in order to:
- Attract and cultivate the loyalty of personnel of the quality required to achieve the business strategy and objectives.
- Be a vehicle of individual motivation.
- Facilitate decentralized management to manage compensations.
- Enable the effective budgetary control of personnel costs.
- Ensure internal equity to monitor and assure external and internal equity in the payment of fixed and variable compensations; the Compensations area uses market surveys issued by specialized consultants in compensation, and makes it available to the Senior Management and the Human Resources Committee, in accordance with the market positioning policies defined by the management for the different levels of the organization.

In order to guide people to obtain achievable outcomes contributing to the overall performance of the Banco/Area, and to increase the motivation for the common achievement of the objectives, differentiating the individual contribution, there are different variable compensations systems at Banco Galicia:

1) Commercial Incentives Scheme, and/or Incentives on Commissions, for commercial areas.
2) Annual Bonus Scheme, for managerial levels, area heads and rest of employees not included in the Commercial Incentives Scheme. The Annual Bonus is defined based on the individual performance and general Banco's income, and is paid on the first quarter of the following fiscal year. To determine the variable compensation of the Senior Management and Middle Management, the Managerial Management Assessment System is used. It has been designed including both qualitative and quantitative KPIs (Key Performance Indicators). Quantitative KPIs are specifically built considering at least three characteristics.

a) Outcomes
b) Business volume and size.
c) Projection: These are indicators that protect the business towards the future (e.g.: quality, internal and external customer satisfaction, risk coverage, workplace environment, etc.).

The weight or incidence of each of them is annually monitored and adjusted, in accordance with the strategy approved by the Board of Directors.
The interaction of these three characteristics seeks to ensure that results and growth incentives are consistent with the risk thresholds defined by the Board of Directors. On the other hand, there is no deferred payment of Variable Compensation subject to the occurrence of future or long-term events, considering that the business environment in the Argentine financial market is characterized by being basically transactional, with lending and borrowing operations with very short maturity terms.
The annual budget and management control is carried out, in general, monthly, and if in detail, quarterly, and contain different risk indicators including the relationship between compensations and assumed risks. The sole instrument used for payment of variable compensation is payment in cash. There are no share-based instruments. Every change in the policy is sent to the Human Resources and Governance Committee, for its consideration.

NOTE 53
CONTEXTO ECONÓMICO EN EL QUE OPERA EL GRUPO

The Group operates in an economic context whose main variables have deepened their volatility, evidenced in a significant devaluation of the currency, an accumulated inflation of 53.8% to December 2019; and a 2.5% fall in GDP to September in annual terms. The significant devaluation of the Argentine peso as of August accelerated the dollarization of investment portfolios and the outflow of deposits in dollars from the financial system (consequently generating a fall in Argentine Central Bank reserves), and an increase in the reference interest rate.

Faced with this circumstance, the Argentine Government and the Argentine Central Bank have established certain measures; among them, the following: limits for the acquisition of foreign currency for savings by natural persons; prior Argentine Central Bank authorization to make up external assets for companies, and to pay debts to foreign related companies; establishment of specific deadlines to declare and settle exports, deferral of payment of certain public debt instruments and price control on fuels. The new administration has modified some of the above measures. A 30% tax was imposed on the acquisition of foreign currency; an increase in the tax rate for exports of agricultural products; an increase in the tax rate on personal property; the suspension of increases in rates of public services for a period of 180 days; double workers' compensation for dismissals for a period of 180 days, and total or partial exemption of contributions to all small and medium enterprises, in addition to a moratorium with a new plan for paying off debts.

This context continues on the date of issuance of these Financial Statements. The Group's key personnel permanently monitors the evolution of the variables that affect their business, to define their course of action and identify the potential impacts on their financial position. These Financial Statements must be read taking into account the circumstances described above.

Signed for identification purposes
with our report dated February 20, 2020.
PRICE WATERHOUSE & CO. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

Dr. Sebastián Morazzo
Public Accountant (U.M.)
Professional Association of Economic Sciences,
CABA, Book 347 Folio 159

Eduardo J. Escasany
Chairman

Signed for identification purposes
with our report dated February 20, 2020.
By Supervisory Committee

Omar Severini
Syndic

SCHEDULE A - DETAIL OF PUBLIC AND PRIVATE SECURITIES

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Item		Holding				Position
	Fair value level	Book Balance		No Options	Options	Final
		12.31.19	12.31.18			
Debt securities at fair value through profit or loss		**65,690,460**	**75,989,171**	**66,003,993**	**-**	**66,003,993**
Local		**65,690,460**	**75,989,171**	**66,003,993**	**-**	**66,003,993**
Government Securities		**6,700,187**	**4,699,806**	**7,013,720**	**-**	**7,013,720**
Argentine Government Bonds	Level 1	337,891	1,466,270	668,827	-	668,827
Argentine Government Bonds	Level 2	-	-	-	-	-
Argentine Government Bonds	Level 3	8,866	19,137	8,866	-	8,866
Provincial Government Bonds	Level 1	-	538,591	-	-	-
Provincial Government Bonds	Level 2	-	-	-	-	-
Provincial Government Bonds	Level 3	-	445,204	-	-	-
City of Buenos Aires Bonds	Level 1	120,441	37,166	120,441	-	120,441
City of Buenos Aires Bonds	Level 2	-	-	-	-	-
City of Buenos Aires Bonds	Level 3	-	5,073	-	-	-
Treasury Bills	Level 1	1,049,425	910,317	-	-	-
Treasury Bills	Level 2	-	1,278,048	-	-	-
Treasury Bills	Level 3	5,183,564	-	6,215,586	-	6,215,586
Argentine Central Bank Bills		**58,141,095**	**70,151,772**	**58,141,095**	**-**	**58,141,095**
Lebacs	Level 1	-	54,008	-	-	-
Liquidity Bills	Level 2	58,141,095	70,097,764	58,141,095	-	58,141,095
Corporate Securities		**849,178**	**1,137,593**	**849,178**	**-**	**849,178**
Debt securities	Level 1	614,317	270,470	614,317	-	614,317
Debt securities	Level 2	-	-	-	-	-
Debt Securities	Level 3	140,773	418,728	140,773	-	140,773
Debt Securities from financial trusts	Level 1	50,000	38,285	50,000	-	50,000
Debt Securities from financial trusts	Level 2	-	-	-	-	-
Debt Securities from financial trusts	Level 3	44,088	63,559	44,088	-	44,088
Fiduciary Participation Certificates	Level 1	-	-	-	-	-
Fiduciary Participation Certificates	Level 2	-	36,270	-	-	-
Fiduciary Participation Certificates	Level 3	-	310,281	-	-	-

SCHEDULE A - DETAIL OF PUBLIC AND PRIVATE SECURITIES -continued-

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Item	Fair value level	Holding		No Options	Options	Position Final
		12.31.19	Book Balance 12.31.18			
Other debt securities		**19,045,411**	**14,489,766**	**19,045,411**	**-**	**19,045,411**
Measurement at Fair Value through OCI		**15,916,306**	**9,129,045**	**15,916,306**	**-**	**15,916,306**
Local		**15,916,306**	**9,129,045**	**15,916,306**	**-**	**15,916,306**
Government Securities		**15,916,306**	**9,129,045**	**15,916,306**	**-**	**15,916,306**
Argentine Government Bonds	Level 1	15,845,886	9,074,420	15,845,886	-	15,845,886
City of Buenos Aires Bonds	Level 1	70,420	54,625	70,420	-	70,420
Measurement at Amortized Cost		**3,129,105**	**5,360,721**	**3,129,105**	**-**	**3,129,105**
Local		**3,129,105**	**5,358,890**	**3,129,105**	**-**	**3,129,105**
Government Securities		**2,336,588**	**222,588**	**2,336,588**	**-**	**2,336,588**
Argentine Government Bonds		1,440	3,255	1,440	-	1,440
Treasury Bills		2,335,148	219,333	2,335,148	-	2,335,148
Argentine Central Bank Bills		**-**	**-**	**-**	**-**	**-**
Lebacs		-	-		-	
Corporate Securities		**792,517**	**5,136,302**	**792,517**	**-**	**792,517**
Debt Securities		427,675	485,923	427,675	-	427,675
Debt Securities from financial trusts		508,481	4,710,353	508,481	-	508,481
Other		13,629	-	13,629	-	13,629
Allowances for Uncollectible Accounts Risk*		(157,268)	(59,974)	(157,268)	-	(157,268)
From abroad		**-**	**1,831**	**-**	**-**	**-**
Government Securities		**-**	**1,831**	**-**	**-**	**-**
Treasury Bills		-	1,831	-	-	-
INVESTMENTS IN EQUITY INSTRUMENTS		**2,497,466**	**161,054**	**2,497,466**	**-**	**2,497,466**
Measured at Fair Value through Profit or Loss		**2,497,466**	**161,054**	**2,497,466**	**-**	**2,497,466**
Local		**2,455,303**	**132,839**	**2,455,303**	**-**	**2,455,303**
Shares	Level 1	125,198	2,030	125,198	-	125,198
Shares	Level 3	2,330,105	130,809	2,330,105	-	2,330,105
From abroad		**42,163**	**28,215**	**42,163**	**-**	**42,163**
Shares	Level 1	36,805	24,765	36,805	-	36,805
Shares	Level 3	5,358	3,450	5,358	-	5,358

* It includes the allowance relevant to the normal portfolio (Communication "A" 2729, as amended and complemented). (See Schedule R)

SCHEDULE B - CLASSIFICATION OF LOANS AND OTHER FINANCING, AS PER SITUATION AND GUARANTEES RECEIVED For

the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Item	12.31.19	12.31.18
Commercial portfolio		
In normal situation	**181,842,808**	**146,830,040**
With Preferred Guarantees and Counter-guarantees "A"	1,900,091	7,695,607
With Preferred Guarantees and Counter-guarantees "B"	13,016,751	7,905,793
Without Preferred Guarantees or Counter-guarantees	166,925,966	131,228,640
With Special Follow-up - In observation	**404,508**	**1,796,907**
With Preferred Guarantees and Counter-guarantees "B"	324,899	8,000
Without Preferred Guarantees or Counter-guarantees	79,609	1,788,907
With problems	**-**	**467,228**
With Preferred Guarantees and Counter-guarantees "B"	-	439,072
Without Preferred Guarantees or Counter-guarantees	-	28,156
With High Insolvency Risk	**2,682,021**	**201,322**
With Preferred Guarantees and Counter-guarantees "B"	759,369	29,047
Without Preferred Guarantees or Counter-guarantees	1,922,652	172,275
Uncollectible	**2,472,004**	**299**
With Preferred Guarantees and Counter-guarantees "A"	43,689	-
With Preferred Guarantees and Counter-guarantees "B"	166,337	-
Without Preferred Guarantees or Counter-guarantees	2,261,978	299
Total commercial portfolio	**187,401,341**	**149,295,796**
CONSUMPTION AND HOUSING PORTFOLIO		
Normal compliance	**221,259,364**	**174,682,592**
With Preferred Guarantees and Counter-guarantees "A"	166,064	242,856
With Preferred Guarantees and Counter-guarantees "B"	18,075,462	14,207,918
Without Preferred Guarantees or Counter-guarantees	203,017,838	160,231,818
Low Risk	**6,509,508**	**5,672,926**
With Preferred Guarantees and Counter-guarantees "A"	15,262	12,629
With Preferred Guarantees and Counter-guarantees "B"	209,305	152,754
Without Preferred Guarantees or Counter-guarantees	6,284,941	5,507,543
Medium Risk	**4,215,825**	**4,231,590**
With Preferred Guarantees and Counter-guarantees "A"	7,404	2,265
With Preferred Guarantees and Counter-guarantees "B"	162,521	108,582
Without Preferred Guarantees or Counter-guarantees	4,045,900	4,120,743
High Risk	**6,440,071**	**4,310,993**
With Preferred Guarantees and Counter-guarantees "A"	-	11,616
With Preferred Guarantees and Counter-guarantees "B"	174,667	49,860
Without Preferred Guarantees or Counter-guarantees	6,265,404	4,249,517
Uncollectible	**5,209,980**	**1,158,610**
With Preferred Guarantees and Counter-guarantees "A"	11,932	9,916
With Preferred Guarantees and Counter-guarantees "B"	119,688	64,262
Without Preferred Guarantees or Counter-guarantees	5,078,360	1,084,432
Uncollectible due to Technical Reasons	**904**	**6,797**
Without Preferred Guarantees or Counter-guarantees	904	6,797
TOTAL CONSUMPTION AND HOUSING PORTFOLIO	**243,635,652**	**190,063,508**
GRAND TOTAL[1]	**431,036,993**	**339,359,304**

(1). Reconciliation between Schedule B and the Statement of Financial Position:

	12.31.19	12.31.18
Loans and Other Financing	362,865,288	286,952,492
Other Debt Securities	19,045,411	14,489,766
Agreed Credits and Guarantees Granted accounted off-balance sheet	40,503,111	32,554,655
Plus Allowances for Uncollectible Accounts	21,694,914	11,474,461
Plus adjustments to the IFRS-based accounting framework, not computable for the Statement of Debtor's Financial Position	6,572,922	4,239,608
Minus others not computable for the Statement of Debtor's Financial Position	(3,728,347)	(1,222,633)
Minus Government securities measured at Fair Value through OCI	(15,916,306)	(9,129,045)
Total	**431,036,993**	**339,359,304**

SCHEDULE C - CONCENTRATION OF LOANS AND OTHER FINANCING

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Number of Customers	Financing			
	12.31.19		12.31.18	
	Debt Balance	% on total portfolio	Debt Balance	% on total portfolio
10 largest customers	44,020,866	10	38,508,659	11
next 50 largest customers	65,756,034	15	52,229,882	15
next 100 largest customers	30,972,704	7	22,627,832	7
Rest of Customers	290,287,389	68	225,992,931	67
Total[1]	**431,036,993**	**100**	**339,359,304**	**100**

(1) Reconciliation between Schedule C and the Statement of Financial Position:

	12.31.19	12.31.18
Loans and Other Financing	362,865,288	286,952,492
Other Debt Securities	19,045,411	14,489,766
Agreed Credits and Guarantees Granted accounted off-balance sheet	40,503,111	32,554,655
Plus Allowances for Uncollectible Accounts	21,694,914	11,474,461
Plus adjustments to the IFRS-based accounting framework, not computable for the Statement of Debtor's Financial Position	6,572,922	4,239,608
Minus others not computable for the Statement of Debtor's Financial Position	(3,728,347)	(1,222,633)
Minus Government Securities measured at fair value through OCI	(15,916,306)	(9,129,045)
Total	**431,036,993**	**339,359,304**

SCHEDULE D - BREAKDOWN PER TERMS OF LOANS AND OTHER FINANCING

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

The following chart shows the fall of future contractual flows, including interest and secondary items to accrue until expiration of the contracts.

Item	Past-due Loan Portfolio	Terms until maturity						Total
		1 Month	3 Months	6 Months	12 Months	24 Months	More than 24 months	
Non-financial Public Sector	-	769,997	-	-	-	-	-	769,997
Financial Sector	-	5,548,063	2,591,417	1,139,878	2,554,012	2,742,300	771,816	15,347,486
Non-financial Private Sector and Residents Abroad	18,845,456	171,455,652	70,939,228	73,747,954	65,993,752	85,782,245	55,109,528	541,873,815
TOTAL	**18,845,456**	**177,773,712**	**73,530,645**	**74,887,832**	**68,547,764**	**88,524,545**	**55,881,344**	**557,991,298**

SCHEDULE F - CHANGES IN PROPERTY, PLANT AND EQUIPMENT

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Item	Value at the beginning of the year	Estimated useful life, in years	Recognition	Derecognition
Measurement at Cost				
Real Property	7,963,783	50	131,454	(74,653)
Furniture and facilities	1,038,054	10	104,617	(55,433)
Machines and Equipment	3,189,815	3 and 5	959,421	(62,314)
Vehicles	55,926	5	41,737	(9,867)
Right of use of Real Property.	-	-	3,173,252	-
Furniture acquired through Finance Leases	7,956	5	-	-
Sundry	594,384	5 and 10	107,517	(2,025)
Works in progress	878,695	-	512,980	(208)
Total	**13,728,613**		**5,030,978**	**(204,500)**

Item	Value at the beginning of the year	Estimated useful life, in years	Recognition	Derecognition
Measurement at Cost				
Real Property	7,862,752	50	118,771	(37,053)
Furniture and facilities	612,714	10	210,027	(44,073)
Machines and Equipment	2,599,211	3 and 5	719,843	(95,566)
Vehicles	36,947	5	24,561	(5,749)
Furniture acquired through Finance leases	8,123	5	-	-
Sundry	383,232	5 and 10	103,918	(4,276)
Works in progress	479,183	-	765,847	(27,821)
Total	**11,982,162**		**1,942,967**	**(214,538)**

SCHEDULE F – CHANGES IN INVESTMENT PROPERTIES

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided.

The movements of Investment Properties recorded under item "Other Non-financial Assets" are detailed below:

Item	Value at the beginning of the year	Estimated useful life, in years	Recognition
Measurement at Cost			
Rented Real Property	165,390	50	-
Total	**165,390**		**-**

Item	Value at the beginning of the year	Estimated useful life, in years	Recognition
Measurement at Cost			
Rented Real Property	165,108	50	-
Total	**165,108**		**-**

Transfers					Depreciation	Residual value as of	
	Accumulated	Transfers	Derecognition	For the year	At closing	12.31.19	12.31.18
36,857	(765,882)	-	65,841	(158,392)	(858,433)	7,199,008	7,197,901
351,634	(371,436)	-	53,909	(158,126)	(475,653)	963,219	666,618
104,931	(1,487,646)	-	61,701	(722,024)	(2,147,969)	2,043,884	1,702,169
-	(19,043)	-	7,442	(13,961)	(25,562)	62,234	36,883
-	-	-	-	(663,110)	(663,110)	2,510,142	-
-	(7,956)	-	-	-	(7,956)	-	-
(83,944)	(191,635)	-	58	(97,122)	(288,699)	327,233	402,749
(409,478)	-	-	-	-	-	981,989	878,695
-	**(2,843,598)**	**-**	**188,951**	**(1,812,735)**	**(4,467,382)**	**14,087,709**	**10,885,015**

Transfers					Depreciación	Residual value as of	
	Accumulated	Transfers	Derecognition	For the year	At closing	12.31.18	31.12.17
19,313	(647,738)	-	30,013	(148,157)	(765,882)	7,197,901	7,215,014
259,386	(279,351)	(35,788)	42,651	(98,948)	(371,436)	666,618	333,363
(33,673)	(1,134,515)	35,788	93,672	(482,591)	(1,487,646)	1,702,169	1,464,696
167	(13,651)	(95)	3,141	(8,438)	(19,043)	36,883	23,296
(167)	(8,051)	95	-	-	(7,956)	-	72
111,510	(108,458)	-	645	(83,822)	(191,635)	402,749	274,774
(338,514)	-	-	-	-	-	878,695	479,183
18,022	**(2,191,764)**	**-**	**170,122**	**(821,956)**	**(2,843,598)**	**10,885,015**	**9,790,398**

Derecognition	Transfers				Depreciation	Residual value as of	
		Accumulated	Derecognition	For the year	At closing	12.31.19	12.31.18
(1,787)	-	(8,408)	1,878	(3,279)	(9,809)	153,794	156,982
(1,787)	**-**	**(8,408)**	**1,878**	**(3,279)**	**(9,809)**	**153,794**	**156,982**

Derecognition	Transfers				Depreciation		Valor residual al
		Accumulated	Derecognition	For the year	At closing	12,31,18	31,12,17
-	282	(5,142)	-	(3,266)	(8,408)	156,982	159,966
-	**282**	**(5,142)**	**-**	**(3,266)**	**(8,408)**	**156,982**	**159,966**

SCHEDULE G - CHANGES IN INTANGIBLE ASSETS

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Item	Value at the beginning of the year	Estimated useful life, in years	Recognition
Measurement at Cost			
Licenses	1,858,049	5	1,579,733
Intangible assets acquired through Finance leases	26,352	5	-
Other Intangible Assets	3,709,813	5	2,085,797
Total	**5,594,214**		**3,665,530**

Item	Value at the beginning of the year	Estimated useful life, in years	Recognition
Measurement at Cost			
Licenses	1,109,037	5	948,626
Intangible assets acquired through Finance leases	26,352	5	-
Other Intangible Assets	1,438,457	5	2,272,262
Total	**2,573,846**		**3,220,888**

SCHEDULE H - CONCENTRATION OF DEPOSIT ACCOUNTS

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Number of Customers			Deposit accounts	
	12.31.19		12.31.18	
	Debt Balance	% on total portfolio	Debt Balance	% on total portfolio
10 largest customers	27,901,731	7	26,929,214	7
next 50 largest customers	33,953,316	9	21,892,330	6
next 100 largest customers	18,400,829	4	15,684,961	4
Rest of Customers	313,649,634	80	295,590,770	83
Total	**393,905,510**	**100**	**360,097,275**	**100**

Derecognition	Transfers	Accumulated	Derecognition	For the year	Amortization Al cierre	Residual value as of 12.31.19	12.31.18
(205,361)	(769,686)	170,829	(463,991)	-	(1,062,848)	2,169,573	1,088,363
(26,352)	(26,352)	26,352	-	-	-	-	-
(1,807,008)	(1,054,453)	683,212	(280,820)	-	(652,061)	3,336,541	2,655,360
(2,038,721)	**(1,850,491)**	**880,393**	**(744,811)**	**-**	**(1,714,909)**	**5,506,114**	**3,743,723**

Derecognition	Transfers	Accumulated	Derecognition	For the year	Amortization Al cierre	Residual value as of 12.31.18	31.12.17
(199,614)	(656,551)	174,759	(287,894)	-	(769,686)	1,088,363	452,488
-	(25,753)	-	(599)	-	(26,352)	-	599
(906)	(985,683)	906	(69,676)	-	(1,054,453)	2,655,360	452,774
(200,520)	**(1,667,987)**	**175,665**	**(358,169)**	**-**	**(1,850,491)**	**3,743,723**	**905,861**

SCHEDULE I - BREAKDOWN OF FINANCIAL LIABILITIES PER REMAINING TERMS

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

The following chart shows the fall of future contractual flows, including interest and secondary items to accrue until expiration of the contracts, undiscounted.

Item	Terms until Maturity 1 Month	3 Months	6 Months	12 Months	24 Months	More than 24 months	Total
Deposit Accounts [1]	358,461,867	36,630,070	5,122,033	2,184,736	23,413	53,993	402,476,112
- Non-financial Public Sector	1,642,786	313,363	-	-	-	-	1,956,149
- Financial Sector	450,934	-	-	-	-	-	450,934
- Non-financial Private Sector and Residents Abroad	356,368,147	36,316,707	5,122,033	2,184,736	23,413	53,993	400,069,029
Liabilities at Fair Value through Profit or Loss	1,422,157	-	-	-	-	-	1,422,157
Derivative Financial Instruments	881,099	-	-	-	-	-	881,099
Repurchase Transactions	-	-	-	-	-	-	-
Other Financial Liabilities	71,226,543	14,266	11,853	28,766	49,396	64,802	71,395,626
Financing Received from the Argentine Central Bank and other Financial Institutions	3,997,848	6,440,202	4,385,899	4,504,237	3,297,047	2,907,032	25,532,265
Debt Securities	3,118,083	5,344,144	13,240,531	4,176,371	5,682,640	6,289,406	37,851,175
Subordinated Debt Securities	607,968	-	-	607,968	1,215,935	21,022,988	23,454,859
Total	**439,715,565**	**48,428,682**	**22,760,316**	**11,502,078**	**10,268,431**	**30,338,221**	**563,013,293**

(1) Maturities as of the first month include:
- Checking Accounts Ps. 64,981,553.
- Savings Accounts Ps. 180,314,499.
- Time Deposits Ps. 110,225,705.
- Other Deposits Ps. 2,939,696.
- Interest to accrue Ps. 414.

SCHEDULE J – CHANGES IN PROVISIONS

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Item	Balances at the beginning of the year	Increases	Decreases		Balances as of 12.31.19	Balances as of 12.31.18
			Reversals of allowances for loan losses	Charge offs		
From liabilities						
For administrative, disciplinary and criminal penalties	5,306	22	-	(22)	5,306	5,306
Provisions for termination benefits	86,926	97,648	-	(13,216)	171,358	86,926
Other	1,357,091	1,437,593	(50,318)	(156,732)	2,587,634	1,357,091
Total provisions	**1,449,323**	**1,535,263**	**(50,318)**	**(169,970)**	**2,764,298**	**1,449,323**

SCHEDULE K - COMPOSITION OF THE CAPITAL STOCK

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Class	Shares							Capital stock	
	Quantity	Nominal value per share*	Votes per Share	Issued		Pending issuance or distribution	Allocated	Paid-in	Not Paid-in
				Outstanding	Portfolio shares				
Class "A"	281,221,650	1	5	281,222	-	-	-	281,222	-
Class "B"	1,145,542,947	1	1	1,145,543	-	-	-	1,145,543	-
Total	**1,426,764,597**			**1,426,765**	**-**	**-**	**-**	**1,426,765**	**-**

* Nominal value per share stated in Argentine pesos.

SCHEDULE L - BALANCES IN FOREIGN CURRENCY

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Items	Headquarters and branches in the country	12.31.19				12.31.19	12.31.18
			US Dollar	Euro	Real	Other	
Assets							
Cash and Due from Banks	91,065,989	91,065,989	88,580,639	2,285,329	1,134	198,887	95,156,786
Debt Securities at Fair Value through Profit or Loss	5,562,978	5,562,978	5,562,978	-	-	-	1,459,314
Derivative Financial Instruments	-	-	-	-	-	-	-
Other Financial Assets	509,807	509,807	509,807	-	-	-	696,796
Loans and Other Financing	94,703,196	94,703,196	94,675,714	26,730	-	752	95,270,654
- Argentine Central Bank	-	-	-	-	-	-	-
- Other Financial Institutions	1,634,122	1,634,122	1,634,122	-	-	-	1,019,533
- To the non-financial Private Sector and Residents Abroad	93,069,074	93,069,074	93,041,592	26,730	-	752	94,251,121
Other Debt Securities	5,312,818	5,312,818	5,312,818	-	-	-	4,338,728
Financial Assets Pledged as Collateral	2,597,410	2,597,410	2,597,410	-	-	-	3,350,460
Investments in Equity Instruments	42,163	42,163	36,805	5,358	-	-	28,215
Assets from Insurance Contracts	-	-	-	-	-	-	2,695
Other Non-financial Assets	14,145	14,145	14,145	-	-	-	23,313
Total assets	**199,808,506**	**199,808,506**	**197,290,316**	**2,317,417**	**1,134**	**199,639**	**200,326,961**
Liabilities							
Deposits	143,367,596	143,367,596	143,367,596	-	-	-	162,667,559
- Non-financial Public Sector	77,758	77,758	77,758	-	-	-	6,225,968
- Financial Sector	13,890	13,890	13,890	-	-	-	9,866
- Non-financial Private Sector and Residents Abroad	143,275,948	143,275,948	143,275,948	-	-	-	156,431,725
Liabilities at Fair Value through Profit or Loss	372,732	372,732	372,732	-	-	-	115,761
Derivative Financial Instruments	2,203	2,203	2,203	-	-	-	21,173
Repurchase Transactions	-	-	-	-	-	-	1,894,876
Other Financial Liabilities	12,902,325	12,902,325	12,602,546	272,381	-	27,398	8,003,308
Financing Received from the Argentine Central Bank and other Financial Institutions	17,991,249	17,991,249	17,917,356	73,893	-	-	13,814,564
Debt Securities	6,169,620	6,169,620	6,169,620	-	-	-	3,850,692
Subordinated Debt Securities	15,499,212	15,499,212	15,499,212	-	-	-	9,767,874
Liabilities from insurance contracts	2,457	2,457	2,457	-	-	-	2,967
Other Non-financial Liabilities	479,633	479,633	479,633	-	-	-	283,327
Total liabilities	**196,787,027**	**196,787,027**	**196,413,355**	**346,274**	**-**	**27,398**	**200,422,101**

SCHEDULE N - ASSISTANCE TO RELATED ENTITIES

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Items/ Situation	Normal	With Special Follow-up/Low Risk	With Problems/Medium Risk	
			Not past due	Past due
Loans and Other Financing	**629,788**	**-**	**-**	**-**
- Advances	**42,222**	**-**	**-**	**-**
With Preferred Guarantees and Counter-guarantees "A"	-	-	-	-
With Preferred Guarantees and Counter-guarantees "B"	-	-	-	-
Without Preferred Guarantees or Counter-guarantees	42,222	-	-	-
- Overdrafts	**384,503**	**-**	**-**	**-**
With Preferred Guarantees and Counter-guarantees "A"	-	-	-	-
With Preferred Guarantees and Counter-guarantees "B"	-	-	-	-
Without Preferred Guarantees or Counter-guarantees	384,503	-	-	-
- Mortgage loans and Pledge loans	**35,185**	**-**	**-**	**-**
With Preferred Guarantees and Counter-guarantees "A"	-	-	-	-
With Preferred Guarantees and Counter-guarantees "B"	25,004	-	-	-
Without Preferred Guarantees or Counter-guarantees	10,181	-	-	-
- Personal Loans	**1,288**	**-**	**-**	**-**
With Preferred Guarantees and Counter-guarantees "A"	-	-	-	-
With Preferred Guarantees and Counter-guarantees "B"	-	-	-	-
Without Preferred Guarantees or Counter-guarantees	1,288	-	-	-
- Cards	**149,919**	**-**	**-**	**-**
With Preferred Guarantees and Counter-guarantees "A"	-	-	-	-
With Preferred Guarantees and Counter-guarantees "B"	-	-	-	-
Without Preferred Guarantees or Counter-guarantees	149,919	-	-	-
- Other	**16,671**	**-**	**-**	**-**
With Preferred Guarantees and Counter-guarantees "A"	-	-	-	-
With Preferred Guarantees and Counter-guarantees "B"	633	-	-	-
Without Preferred Guarantees or Counter-guarantees	16,038	-	-	-
Debt Securities	**97,192**	**-**	**-**	**-**
Investments in Equity Instruments	**201,815**	**-**	**-**	**-**
Eventual Commitments	**172,941**	**-**	**-**	**-**
Total	**1,101,736**	**-**	**-**	**-**
Allowances	**7,270**	**-**	**-**	**-**

With High Insolvency Risk/High Risk		Uncollectible	Uncollectible due to Technical Reasons		Total
Not past due	Past due			12.31.19	12.31.18
-	**-**	**-**	**-**	**629,788**	**624,172**
-	**-**	**-**	**-**	**42,222**	**367,390**
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	42,222	367,390
-	**-**	**-**	**-**	**384,503**	**65,702**
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	384,503	65,702
-	**-**	**-**	**-**	**35,185**	**34,616**
-	-	-	-	-	-
-	-	-	-	25,004	30,847
-	-	-	-	10,181	3,769
-	**-**	**-**	**-**	**1,288**	**2,050**
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,288	2,050
-	**-**	**-**	**-**	**149,919**	**146,205**
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	149,919	146,205
-	**-**	**-**	**-**	**16,671**	**8,211**
-	-	-	-	-	-
-	-	-	-	633	2,946
-	-	-	-	16,038	5,265
-	**-**	**-**	**-**	**97,192**	**97,057**
-	**-**	**-**	**-**	**201,815**	**72,015**
-	**-**	**-**	**-**	**172,941**	**163,195**
-	**-**	**-**	**-**	**1,101,736**	**956,439**
-	**-**	**-**	**-**	**7,270**	**7,212**

SCHEDULE O - DERIVATIVE FINANCIAL INSTRUMENTS

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Type of Contract	Objective of the Operations	Underlying Asset	Type of Settlement	Scope of Negotiation or Counterpart	Weighted average term originally agreed	Residual Weighted average term	Weighted average term to Settle Differences	Amount*
Forwards in foreign currency								
OTC- Purchases	Brokerage-Own account	Foreign currency	Daily difference	MAE	3	1	1	590,805
OTC- Sales	Brokerage-Own account	Foreign currency	Daily difference	MAE	2	1	1	466,425
ROFEX - Purchases	Brokerage-Own account	Foreign currency	Daily difference	ROFEX	4	2	1	17,616,303
ROFEX - Sales	Brokerage-Own account	Foreign currency	Daily difference	ROFEX	6	3	1	12,186,427
Forwards with customers								
Purchases	Brokerage-Own account	Foreign currency	At maturity of differences	OTC - Country residents - Non-financial sector	4	3	133	9,939,003
Sales	Brokerage-Own account	Foreign currency	At maturity of differences	OTC - Country residents - Non-financial sector	3	2	90	15,469,476
Repurchase transactions								
Forward Sales	Brokerage-Own account	Argentine Government Securities	With Delivery of Underlying Asset	MAE	-	-	-	29,968,733
Swaps with customers								
Swaps of Fixed Interest Rate for Variable Rate	Brokerage-Own account	Other	Other	MAE	27	4	1	360,242

* It corresponds to notional amount.

SCHEDULE P - CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Items	Amortized Cost	Fair value through OCI	Fair value through profit or loss		Fair value hierarchy	
			Mandatory measurement	Level 1	Level 2	Level 3
Financial assets						
Cash and due from banks	**130,819,165**	**-**	**-**	**-**	**-**	**-**
Cash	52,728,463	-	-	-	-	-
Financial institutions and correspondents	78,090,702	-	-	-	-	-
Debt securities at fair value through profit or loss	**-**	**-**	**65,690,460**	**2,172,074**	**58,141,095**	**5,377,291**
Derivative financial instruments	**-**	**-**	**1,398,539**	**-**	**1,398,539**	**-**
Repurchase transactions	**30,075,478**	**-**	**-**	**-**	**-**	**-**
Argentine central bank	30,075,478	-	-	-	-	-
Other financial institutions	-	-	-	-	-	-
Other financial assets	**3,218,073**	**-**	**5,024,505**	**4,987,105**	**37,400**	**-**
Loans and other financing	**362,865,288**	**-**	**-**	**-**	**-**	
Non-financial public sector	6,829	-	-	-	-	-
Argentine Central Bank	22,374	-	-	-	-	-
Other financial institutions	10,687,560	-	-	-	-	-
Non-financial private sector and residents abroad	352,148,525	-	-	-	-	-
- Advances	15,892,268	-	-	-	-	-
- Overdrafts	75,080,343	-	-	-	-	-
- Mortgage loans	15,052,635	-	-	-	-	-
- Pledge loans	3,208,665	-	-	-	-	-
- Personal loans	27,645,893	-	-	-	-	-
- Credit cards	149,459,966	-	-	-	-	-
- Finance leases	2,181,990	-	-	-	-	-
- Other	63,626,765	-	-	-	-	-
Other debt securities	**3,129,105**	**15,916,306**	**-**	**15,916,306**	**-**	**-**
Financial assets pledged as collateral	**9,814,894**	**-**	**1,735,692**	**703,669**	**-**	**1,032,023**
Investments in equity instruments	**-**	**-**	**2,497,466**	**162,003**	**-**	**2,335,463**
Total financial assets	**539,922,003**	**15,916,306**	**76,346,662**	**23,941,157**	**59,577,034**	**8,744,777**
Financial liabilities						
Deposits	**393,905,510**	**-**	**-**	**-**	**-**	**-**
Non-financial public sector	1,933,141	-	-	-	-	-
Financial sector	450,934	-	-	-	-	-
Non-financial private sector and residents abroad	391,521,435	-	-	-	-	-
- Checking accounts	66,169,034	-	-	-	-	-
- Savings accounts	177,300,220	-	-	-	-	-
- Time deposits and term investments	140,539,356	-	-	-	-	-
- Other	7,512,825	-	-	-	-	-
Liabilities at fair value through profit or loss	**-**	**-**	**1,422,157**	**1,422,157**	**-**	**-**
Derivative financial instruments	**-**	**-**	**881,099**	**-**	**881,099**	**-**
Repurchase transactions	**-**	**-**	**-**	**-**	**-**	**-**
Argentine Central Bank	-	-	-	-	-	-
Other financial institutions	-	-	-	-	-	-
Other financial liabilities	**71,362,718**	**-**	**-**	**-**	**-**	**-**
Financing received from the argentine central bank and other financial institutions	**22,723,687**	**-**	**-**	**-**	**-**	**-**
Debt securities	**29,240,851**	**-**	**-**	**-**	**-**	**-**
Subordinated debt securities	**15,499,212**	**-**	**-**	**-**	**-**	**-**
Total financial liabilities	**532,731,978**	**-**	**2,303,256**	**1,422,157**	**881,099**	**-**

SCHEDULE Q - BREAKDOWN OF INCOME

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Items	Net Financial Income/(Expense)	OCI
For measuring Financial Assets at fair value through profit or loss	**55,985,111**	**291,439**
Government Securities	49,643,599	276,128
Income from Corporate Securities	5,235,870	-
Income from Derivative Financial Instruments	1,121,513	-
- Forward transactions	1,121,513	-
Income from Other Financial Assets	(15,871)	15,311
For measuring Financial Liabilities at fair value through profit or loss	**(87,217)**	**-**
Income from Derivative Financial Instruments	(87,217)	-
- Repurchase Transactions	-	-
- Interest rate swaps	(87,217)	-
Total as of 12.31.19	**55,897,894**	**291,439**

For measuring Financial Assets at fair value through profit or loss	**15,182,658**	**(74,640)**
Government Securities	12,226,990	(74,640)
Income from corporate securities	1,245,125	-
Income from Derivative Financial Instruments	1,710,521	-
- Forward Transactions	1,710,521	-
Income from Other Financial Assets	22	-
For measuring Financial Liabilities at fair value through profit or loss	**(129,305)**	-
Income from Derivative Financial Instruments	(129,305)	**-**
- Repurchase Transactions	(25,223)	-
- Interest Rate Swaps	(104,082)	-
Total as of 12.31.18	**15,053,353**	**(74,640)**

SCHEDULE Q - BREAKDOWN OF INCOME -continued-

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

	12.31.19	12.31.18
Interest and Adjustments for applying the effective interest rate of financial assets at amortized cost		
Interest Income		
From Cash and Due from Banks	6,713	660
For Corporate Securities	308,053	302,726
For Government Securities	3,931,215	1,285,346
For Loans and Other Financing	97,207,049	63,488,683
- Non-financial Public Sector	-	255
- Financial Sector	2,652,548	1,786,578
- Non-financial Private Sector	94,554,501	61,701,850
· Advances	10,345,698	8,398,748
· Mortgage Loans	10,662,643	5,195,098
· Pledge Loans	588,411	344,272
· Personal Loans	9,998,793	10,004,138
· Credit Cards	38,664,399	24,511,426
· Finance leases	451,111	503,021
· Other	23,843,446	12,745,147
For Repurchase transactions	6,336,618	607,114
- Argentine Central Bank and Other Financial Institutions	6,336,618	607,114
Total	**107,789,648**	**65,684,529**
Interest Expenses		
For Deposits	61,460,514	28,064,129
- Non-financial Private Sector	61,460,514	28,064,129
· Savings Accounts	5,166	4,307
· Time deposits and term investments	54,143,166	24,435,828
· Other	7,312,182	3,623,994
For Financing received from the Argentine Central Bank and other Financial Institutions	1,984,755	952,892
For Repurchase transactions	542,233	174,405
- Other Financial Institutions	542,233	174,405
For Other financial liabilities	1,086,929	1,507,097
For Debt Securities	11,465,688	7,050,907
For Subordinated Debt Securities	1,010,877	611,064
Total	**77,550,996**	**38,360,494**
Fee Income		
Fee related to credit cards	13,006,023	13,542,889
Fee related to insurance	1,074,463	617,020
Fee related to obligations	7,483,120	4,494,874
Fee related to credits	3,626,490	532,334
Fee related to loan commitments and financial guarantees	284,495	175,720
Fee related to securities	1,174,191	866,237
Fee for collections management	417,275	27,525
Fee for foreign and exchange transactions	1,279,494	852,506
Total	**28,345,551**	**21,109,105**
Fee-related Expenses		
Fee related to transactions with securities	399,587	47,969
Fee related to credit cards	2,947,694	2,170,266
Other	2,531,182	572,283
Total	**5,878,463**	**2,790,518**

SCHEDULE R - CORRECTION OF VALUE FOR LOSSES - ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS RISK

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

Item	Balances at the beginning of the year	Increases	Decreases		Balances as of 12.31.19	Balances as of 12.31.18
			Reversals of allowances for loan losses	Charge offs		
Other Financial Assets	**3,480**	**2,785,265**	**-**	**-**	**2,788,745**	**3,480**
Loans and Other Financing	**11,414,487**	**16,664,078**	**-**	**6,540,919**	**21,537,646**	**11,414,487**
- Other Financial Institutions*	70,029	37,964	-	-	107,993	70,029
- Advances	394,859	2,043,741	-	395,401	2,043,199	394,859
- Mortgage Loans	83,939	343,255	-	25,269	401,925	83,939
- Pledge Loans	10,911	7,086	-	9,332	8,665	10,911
- Personal Loans	842,725	1,423,148	-	1,204,144	1,061,729	842,725
- Credit Cards	5,140,390	6,837,412	-	3,965,043	8,012,759	5,140,390
- Finance leases*	5,338	40,394	-	2,076	43,656	5,338
- Other* **	4,866,296	5,931,078	-	939,654	9,857,720	4,866,296
Private Securities*	**59,974**	**111,045**	**13,751**	**-**	**157,268**	**59,974**
TOTAL ALLOWANCES	**11,477,941**	**19,560,388**	**13,751**	**6,540,919**	**24,483,659**	**11,477,941**

* It includes the allowance relevant to the normal portfolio (Communication "A" 2729, as amended and complemented).
** It includes other Loans and Other Financing

Signed for identification purposes
with our report dated February 20, 2020.
PRICE WATERHOUSE & CO. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

Dr. Sebastián Morazzo
Public Accountant (U.M.)
Professional Association of Economic Sciences,
CABA, Book 347 Folio 159

Eduardo J. Escasany
Chairman

Signed for identification purposes
with our report dated February 20, 2020.
By Supervisory Committee

Omar Severini
Syndic

PROPOSED DISTRIBUTION OF PROFITS

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided
Cifras expresadas en miles de pesos

Distributable Income[1]	**79,087,350**
Legal Reserve	**-**
Distributable Balance	**79,087,350**
Distributed Income	**41,557,118**
To Optional Reserve for developing new businesses and supporting investees	37,557,118
To Optional Reserve for Future Distribution of Profits[2]	4,000,000
Appropriated Retained Earnings	**37,530,232**

(1) It includes Retained Earnings, plus Optional Reserve, minus purchase of minority interest.
(2) It is proposed to delegate to the Board of Directors the power to use up to a maximum of Ps. 4,000,000 from said Reserve to pay dividends, provided an at least equal amount in cash has been received as a dividend from subsidiary Banco de Galicia y Buenos Aires S.A.U.

Signed for identification purposes
with our report dated February 20, 2020.
By Supervisory Committee

Eduardo J. Escasany
Chairman

Omar Severini
Syndic

SUMMARY OF ACTIVITY AS OF December 31, 2019

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format
Figures stated in thousand Argentine pesos, except as otherwise provided

The objective of Grupo Financiero Galicia S.A. is to establish itself as a leading company for rendering full financial services and, simultaneously, continue to consolidate Banco de Galicia and Buenos Aires S.A.U.'s position as one of the leading companies in Argentina, complementing its operations and businesses through interests in present or future companies and undertakings, whose objectives are related to the financial activity as understood in modern economy.

Net Income for the year attributable to parent company's owners represented profit amounting to Ps. 41,557,118. This income has been primarily generated as a consequence of the valuation of interests in subsidiaries.

The Ordinary and Extraordinary Shareholders' Meeting held on April 25, 2019, in accordance with current regulations, established the following allocation for Retained Earnings as of December 31, 2018:

To Cash dividends	2,000,000
To Special Reserve for first application of IFRSs	2,827,741
To Optional Reserve for Future Income Distributions	12,427,034

Equity structure - main items of consolidated balance sheet

Items	12.31.19	12.31.18	31.12.17	01.01.17
Assets				
Cash and Due from Banks	130,819,165	143,309,428	58,955,287	65,766,446
Debt Securities at Fair Value through Profit or Loss	65,690,460	75,989,171	28,952,979	15,640,125
Derivative Financial Instruments	1,398,539	1,785,640	525,362	124,521
Repurchase transactions	30,075,478	2,068,076	9,676,101	-
Other Financial Assets	8,242,578	8,990,443	7,000,496	3,607,250
Loans and Other Financing	362,865,288	286,952,492	192,801,946	133,918,776
Other Debt Securities	19,045,411	14,489,766	2,729,876	1,611,401
Financial Assets Pledged as Collateral	11,550,586	10,817,492	6,330,557	5,478,854
Current Income Tax Assets	40,503	2,510,384	189,238	130,538
Investments in Equity Instruments	2,497,466	161,054	75,806	101,563
Investments in Subsidiaries, Associates and Joint Ventures	-	-	-	155,656
Property, Plant and Equipment and Intangible Assets	14,087,709	10,885,015	9,790,398	8,532,328
Intangible Assets	5,506,114	3,743,723	905,861	830,327
Deferred Income Tax Assets	7,237,080	867,139	624,345	621,066
Assets from Insurance Contracts	1,181,512	953,620	671,664	521,230
Other Assets	3,848,430	1,318,628	2,194,125	1,727,911
Non-current Assets Held for Sale	38,715	404,106	5,885,054	5,926,083
Total Assets	**664,125,034**	**565,246,177**	**327,309,095**	**244,694,075**

Liabilities	**12.31.19**	**12.31.18**	**12.31.17**	**01.01.17**
Deposits	393,905,510	360,097,275	200,728,891	150,377,065
Liabilities at Fair Value through Profit or Loss	1,422,157	2,144,664	-	-
Derivative Financial Instruments	881,099	1,835,789	573,218	157,599
Repurchase Transactions	-	1,948,559	1,131,127	1,644,714
Other Financial Liabilities	71,362,718	63,235,042	37,488,925	31,299,292
Financing Received from the Argentine Central Bank and other Financial Institutions	22,723,687	19,446,028	7,869,048	6,896,316
Debt Securities	29,240,851	29,983,653	13,735,029	11,857,717
Current Income Tax Liabilities	10,327,869	5,873,075	2,523,025	1,812,424
Subordinated Debt Securities	15,499,212	9,767,874	4,828,018	4,065,255
Provisions	2,764,298	1,449,323	607,455	384,876
Deferred Income Tax Liabilities	58,596	385,721	743,204	966,403
Liabilities from Insurance Contracts	1,468,635	1,103,220	809,809	626,393
Other Non-financial Liabilities	17,053,881	11,377,079	13,115,065	9,990,957
Total Liabilities	**566,708,513**	**508,647,302**	**284,152,814**	**220,079,011**
Shareholders' Equity Attributable to Parent Company's Owners	94,635,243	54,878,312	41,221,085	23,163,181
Shareholders' Equity Attributable to Non-controlling Interests	2,781,278	1,720,563	1,935,196	1,451,883
Total Shareholders' Equity	**97,416,521**	**56,598,875**	**43,156,281**	**24,615,064**

Income structure - main items of the consolidated statement of income

Items	12.31.19	12.31.18	31.12.17
Net Income from Interest	30,238,652	27,324,035	19,440,500
Net Fee Income	22,467,088	18,318,587	15,185,536
Other Financial Income	63,564,649	18,368,095	7,111,195
Other Operating Income	16,044,343	7,394,207	3,788,026
Income from insurance activities	3,057,429	2,386,329	2,054,553
Loan and other receivables loss provisions	(20,339,667)	(10,326,630)	(4,604,058)
Net Operating Income	**115,032,494**	**63,464,623**	**42,975,752**
Personnel Expenses	(20,228,138)	(14,001,751)	(10,680,052)
Administrative Expenses	(19,936,118)	(14,457,117)	(9,785,940)
Depreciation and Impairment of Assets	(2,562,645)	(1,185,729)	(784,753)
Other Operating Expenses	(21,280,687)	(12,611,558)	(8,144,958)
Operating Income	**51,024,906**	**21,208,468**	**13,580,049**
Share of profit from Associates and Joint Ventures	-	-	197,395
Income before Taxes from continuing Operations	**51,024,906**	**21,208,468**	**13,777,444**
Income Tax from continuing Operations	(8,509,483)	(6,471,218)	(4,335,394)
Net Income from Continuing Operations	**42,515,423**	**14,737,250**	**9,442,050**
Income from Discontinued Operations	-	74,776	-
Income Tax on Discontinued Operations	-	(22,882)	(185,362)
Net Income for the year	**42,515,423**	**14,789,144**	**9,256,688**
Other Comprehensive Income	**199,813**	**(74,640)**	**(266,903)**
Total Comprehensive Net income	**42,715,236**	**14,714,504**	**8,989,785**
Net Income for the year attributable to parent company's owners	41,756,931	14,352,394	8,364,008
Net Income for the year attributable to non-controlling interests	958,305	362,110	625,777

Structure of consolidated cash flows

Items	12.31.19	12.31.18	31.12.17
Total from Operating Activities	(49,431,593)	95,741,712	(1,142,575)
Total from Investment Activities	(1,907,831)	(4,820,437)	(2,032,585)
Total from Financing Activities	(9,469,770)	9,991,375	10,174,265
Inflation Effect	66,940,395	35,565,579	4,428,812
	6,131,201	**136,478,229**	**11,427,917**

Ratios

Liquidity

Since the consolidated items come primarily from Banco de Galicia y Buenos Aires S.A.U., the individual liquidity ratio of said Entity is detailed below:

Items	12.31.19	12.31.18	31.12.17
Liquid Assets* as % of Transactional Deposits	92.38	89.70	68.61
Liquid Assets* as % of Total Deposits	57.66	59.32	45.65

* Liquid Assets include: cash and due from banks, government securities, call money and overnight placements, repurchase transactions and escrow accounts.

Solvency

Items	12.31.19	12.31.18	31.12.17
Solvency	16.70	10.79	14.51

Fixed capital

Items	12.31.19	12.31.18	31.12.17
Fixed Capital*	2.95	2.59	3.27

* Investments in Associates and Joint Ventures, plus Property, Plant and Equipment, plus Intangible Assets, over Total Assets.

Profitability

Items	12.31.19	12.31.18	31.12.17
Return on Average Assets*	6.47	3.37	3.49
Return on Average Shareholders' Equity*	56.38	30.53	30.19

* Annualized.

Interests in other controlled companies

Banco de Galicia y Buenos Aires S.A.U.

Founded in 1905, Banco de Galicia y Buenos Aires S.A.U. is one of the largest private-sector banks in the Argentine financial system, leading the provision of financial services all over the country.

As a universal Bank, with varied distribution channels, it offers a wide range of financial services to its customers, both individuals and companies, and operates one of the most extensive and diversified distribution networks of the Argentine private financial sector, with 326 branches.

As of December 31, 2019, the Bank recorded a total comprehensive income of Ps. 35,442,325, representing Ps. 23,971,562 more than the profit recorded on the previous fiscal year, amounting to Ps. 11,470,763, an increase of 209% The greater income compared to the fourth quarter of 2018 was mainly due to the increase of the Net Operating Income to Ps. 45,856,168. This effect was essentially attenuated by the growth of: i) Administrative Expenses plus Personnel Expenses amounting to Ps. 11,039,015, and ii) Other Operating Expenses for Ps. 7,701,763.

Net operating income for fiscal year 2019 amounted to Ps. 91,769,862 million, with a 100% increase over the Ps. 45,913,694 million of the previous fiscal year. The positive evolution was due to greater Net Income from: i) Financial Income for Ps. 43,587,269 (253%), and ii) Other Operating Income for Ps. 6,970,481 (122%). Charges for Uncollectible Accounts amounted to Ps. 16,072,842, 147% higher than those recorded in the previous fiscal year, mainly due to the evolution of credits in arrears related to individual customers' portfolio and higher regulatory charges on the normal portfolio as a result of the credits volume increase. Administrative Expenses plus Personnel Expenses totaled Ps. 29,137,351, a 61% growth.

Total financing to the private sector reached Ps. 369,471,507, with 28% growth in the last 12 months, and total deposits amounted to Ps. 397,839,586, a 10% increase compared to the previous fiscal year. As of December 31, 2019, the Bank's estimated market share of loans to the private sector was 11.57%, its estimated market share of deposits from the private sector was 9.92%, while as of December 31, 2018, these were 10.51% and 11.08%, respectively.

Tarjetas Regionales S.A.

Tarjetas Regionales S.A. was incorporated as a Stock Company on September 23, 1997. Its corporate purpose is to conduct financial and investment activities, and its main activity is to hold investments (holding) in issuers of non-banking credit cards and companies which provide complementary services to the mentioned activity.

Tarjetas Regionales is currently the majority shareholder of Naranja, the main credit card issuer in Argentina and the leading brand in the interior of the country. In 2019, as a result of ongoing development, Naranja launched Naranja X, a technological company created with the vision of becoming an operating system for individuals, aimed at providing them with a solution for financial and non-financial matters.

As of December 31, 2019, Tarjetas Regionales S.A. recorded earnings for Ps. 5,637 million, 165% higher than in the previous fiscal year. Net operating income amounted to Ps. 19,378 million, increasing 34% against 2018, while Fee Income increased by 12%. The Loan and other receivables loss provisions totaled Ps. 4,331 million, 13% higher than the Ps. 3,816 million recorded in the previous fiscal year.

Sudamericana Holding S.A.

Sudamericana Holding S.A is a holding company engaged in life, retirement and equity insurance, in addition to insurance brokerage. Grupo Financiero Galicia S.A. interest amounts to 87.50%. Banco de Galicia y Buenos Aires S.A.U. is the owner of the remaining 12.50% of the capital stock.

Investment in the insurance business is another aspect of the general plan of Grupo Financiero Galicia S.A. to consolidate its position as a leading provider of financial services.

Joint production of the Insurance Companies controlled by Sudamericana Holding S.A., which provide coverage in Life, Retirement and Equity Insurance, amounted to Ps. 4,749,727 for fiscal year 2019.

As of December 31, 2019 said Companies had approximately 3.2 million policies/certificates in force in the whole insurance business in which they operate.

As to commercial management, in a more challenging context for the industry due to the macroeconomic situation, the objective is maintained of increasing company sales and diversifying the product portfolio by offering new products. As a result of this effort, the volume of cumulative premiums in fiscal year 2019 exceeded by 31.33% the previous fiscal year volume.

Galicia Administradora de Fondos S.A.

Since 1958, Galicia Administradora de Fondos has been managing FIMA mutual funds, distributed by Banco Galicia through its multiple channels (branch network, Galicia Online Banking and Investments Center, among others). The company has a team of asset management professionals who manage the FIMA's family of funds, designed to satisfy the requirements of individual, business, and institutional investors.

Grupo Financiero Galicia owns 100% of Galicia Administradora de Fondos S.A.'s shares.

The equity of the Mutual Funds is diversified in different assets, in accordance with its investment object (for example, Government and private securities, shares, time deposits, among others).

The total equity managed increased by 35% against the previous closing, reaching a volume under management of Ps. 81,750 million and a market share of 9.6% as of December 31, 2019.

Galicia Warrants S.A.

The Shareholders of Galicia Warrants S.A are Grupo Financiero Galicia, holder of 87.5% of its shares and Banco de Galicia y Buenos Aires S.A.U., holder of 12.5%.

Galicia Warrants S.A. is currently rebalancing the business lines. To do this, it is analyzing the principal trends of its products.

IGAM LLC

IGAM LLC was created on July 3, 2019, as a holding Company of companies of securities agents, headquartered in Delaware, United States.

Grupo Financiero Galicia is the owner of 100% of the Company shares.

IGAM LLC is the holder of 100% of the shares of Galicia Valores S.A.U. and Nargelon S.A., the latter incorporated in Montevideo, Uruguay.

Perspectives

Argentina's Financial Program for 2020 has not been completed yet. Access to debt market has not recovered yet and, at the same time, the new Government has announced its intention to refrain from requesting the draw of the remaining financing authorized under the Stand-By Agreement executed with the International Monetary Fund (IMF). The new Government is developing a debt restructuring proposal, although the details of the scheme to be submitted to creditors is still unknown.

As regards the foreign exchange market, the current controls will give rise to a relatively stable context. After the depreciation that occurred in 2019, the price of the U.S. dollar is likely to tend to decrease throughout 2020, as long as the Central Bank allows the Argentine peso quotation to increase at a rate below local inflation.

With respect to the monetary policy, 2019 was mostly characterized by a great interest rate increase for the purpose of containing the devaluation of the Argentine peso. Nevertheless, the monetary policy became more relaxed by the end of the year. This is likely to continue in 2020, with interest rate cuts and moderate issuance of Argentine pesos.

In the fiscal front, the Solidarity and Productive Reactivation Act (Ley de Solidaridad y Reactivación Productiva, passed at the end of 2019) set forth an increase of export taxes and the personal property tax rate, in addition to eliminating some changes planned for 2020, which would have had a negative impact on revenue if they had been implemented (for example, reduction of the highest income tax rate). Moreover, the application of the pension hike formula was cancelled and it will need to be reviewed by midyear. All these changes would support tax revenue and reduce non-discretionary public expenditure to a moderate level, resulting in a positive impact on the primary fiscal income. However, discretionary adjustments could countervail completely the effect of increased revenue, leaving the primary income at similar levels as reported in 2019.

Figures stated in thousand Argentine pesos, except as otherwise provided
Within the above scheme, the Group will further its objective of strengthening its leadership position in the market. The quality of its products and services provided to current and future customers will continue to be the central focus, in addition to continuing the process of improving operational efficiency as a key factor in generating value for customers and shareholders.

The Group's business growth takes place within the framework of sustainable management; therefore, it will continue to seek new opportunities for value creation aimed at the common good and environmental care.

Autonomous City of Buenos Aires, February 20, 2020.

Signed for identification purposes
with our report dated February 20, 2020.
PRICE WATERHOUSE & CO. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

Dr. Sebastián Morazzo
Public Accountant (U.M.)
Professional Association of Economic Sciences,
CABA, Book 347 Folio 159

Eduardo J. Escasany
Chairman

Signed for identification purposes
with our report dated February 20, 2020.
By Supervisory Committee

Omar Severini
Syndic

Independent auditor's report

To the Chairman and Directors of
Grupo Financiero Galicia S.A.
Tte. Gral. Juan D. Perón 430 - 25th floor
Autonomous City of Buenos Aires

Report on the Financial Statements

We have performed an audit of the accompanying consolidated financial statements of Grupo Financiero Galicia S.A. (hereinafter the "Entity") and its controlled companies, which include the Consolidated Statement of Financial Position as of December 31, 2019, and the related Consolidated Statement of Income and Other Comprehensive Income, Consolidated Statement of Changes in Shareholders' Equity and Consolidated Statement of Cash Flows for the fiscal year then ended, as well as a summary of significant accounting policies and other explanatory information disclosed in Notes and Schedules, which supplement them.

The balances and other information for fiscal year 2018 are an integral part of the financial statements audited mentioned above and, therefore, should be considered in connection with those financial statements.

Board of Directors' Responsibility

The Entity's board of directors is responsible for the preparation and presentation of the consolidated financial statements, in accordance with the accounting framework established by the Argentine Central Bank (the B.C.R.A.). In addition, the board of directors is responsible for the existence of the internal control they may deem necessary to enable the preparation of financial statements free from material misstatements resulting from errors or irregularities.

Auditors' Responsibility

Our responsibility is to express an opinion on the accompanying consolidated financial statements based on our audit. We have conducted our audit in accordance with the Argentine auditing standards provided in Technical Pronouncement No. 37 of the Argentine Federation of Professional Councils in Economic Sciences (F.A.C.P.C.E.). Those standards require that we comply with the ethical requirements, as well as we plan and perform the audit in order to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit entails performing procedures to obtain judgmental evidence regarding the amounts and other information disclosed in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements in the consolidated financial statements. When performing such risk assessment, the auditor should consider the appropriate internal control relevant for the Entity's preparation and fair presentation of the consolidated financial statements in order to design adequate audit procedures, based on the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes an assessment on the adequacy of the accounting policies applied, the reasonableness of the accounting estimates made by the Entity's Board of Directors and the presentation of the consolidated financial statements as a whole.

We consider that the judgmental evidence we have obtained provides enough and adequate basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, Grupo Financiero Galicia S.A.'s and its controlled companies' consolidated financial position as of December 31, 2019, its consolidated comprehensive income, consolidated changes in shareholders' equity and consolidated cash flows for the fiscal year then ended, in accordance with the accounting standards established by the Argentine Central Bank.

Emphasis of matter

Without changing our opinion, as mentioned in Note 1.1 to the consolidated financial statements, the accompanying consolidated financial statements have been prepared in accordance with the accounting framework established by the Argentine Central Bank. Such standards differ from the professional accounting standards in force. In such note, the Entity has identified the effect on the financial statements derived from the different valuation and disclosure criteria.

Paragraph on Other Issues

Without changing our opinion, we draw attention to the fact that these consolidated financial statements have been prepared in accordance with Argentine Central Bank's accounting reporting framework, and that such framework presents material and overall differences with the professional accounting standards in force (International Financial Reporting Standards - IFRS) adopted by the Argentine Federation of Professional Councils in Economic Sciences (F.A.C.P.C.E.). These differences are because Argentine Central Bank's accounting framework does not contemplate applying section 5.5 "Impairment" of IFRS 9 "Financial Instruments" and International Accounting Standard No. 29 "Financial Reporting in Hyperinflationary Economies" and that the valuation of equity investments disclosed in Note 22 which are measured at fair value estimated by the Entity, contain an adjustment required by the Argentine Central Bank . The Entity has quantified the effect of applying International Accounting

Standards No. 29 “Financial Reporting in Hyperinflationary Economies” and section 5.5 “Impairment” of IFRS 9 “Financial Instruments” in Notes 1.2 and 1.12 to these consolidated financial statements. For the sake of an accurate interpretation, these consolidated financial statements should be read considering such circumstances.

Report on the Compliance with Regulations in force

As required by the regulations in force, we report that:

a) The consolidated financial statements of Grupo Financiero Galicia S.A. as of December 31, 2019 have been transcribed to the “Inventory and Balance Sheet” book and, insofar as concerns our field of competence, they are in compliance with the provisions of the General Corporations Law, and pertinent resolutions of the Argentine Central Bank and the National Securities Commission.

b) The separate financial statements of Grupo Financiero Galicia S.A. arise from accounting records kept, in all formal aspects, in compliance with legal regulations, which maintain the security and integrity conditions based on which they were authorized by the Argentine National Securities Commission.

c) We have read the Informative Review, on which, insofar as concerns our field of competence, we have no observations to make.

d) As of December 31, 2019, Grupo Financiero Galicia S.A.’s accrued debt with the Argentine Integrated Social Security System, which arise from the Entity’s accounting records, amounted to $167,948.46, which was not yet due at that date.

e) As required by Title IV, Section I, Chapter I, Article 2 of the Argentine National Securities Commission’s regulations, we report that:

e.1) Grupo Financiero Galicia S.A.’s corporate purpose is exclusively related to financial and investment activities.

e.2) The equity investment in Banco de Galicia y Buenos Aires S.A.U. and Tarjetas Regionales S.A., the second one subject to the consolidated supervision requirements issued by the Argentine Central Bank (Communiqué “A” 2989, and complementary), represents 95.93% of Grupo Financiero Galicia S.A.’s assets, being the Entity’s main asset.

e.3) 96.03% of Grupo Financiero Galicia S.A.’s income stems from the share of profit (loss) of the entities mentioned in e.2).

e.4) Grupo Financiero Galicia S.A. has a 100% equity interest in Banco de Galicia y Buenos Aires S.A.U. and an 83% equity interest in Tarjetas Regionales S.A., thus having control over such entities.

f) As required by Title II, Section VI, Chapter III, Article 21, Subsection b) of the Argentine National Securities Commission’s regulation, we report that the total fees billed to the Entity for auditing and audit related services in the fiscal year ended December 31, 2019, represents:

f.1) 100% of total fees billed to the Entity for services in that fiscal year.

f.2) 11% of total fees billed to the Entity and its controlling, controlled and related companies for auditing and audit related services in that fiscal year.

f.3) 11% of total fees billed to the Entity and its controlling, controlled and related companies for services in that fiscal year.

g) We have read the information included in Note 52.4 to the consolidated financial statements as of December 31, 2019 regarding the requirements established by the National Securities Commission about the Minimum Shareholders’ Equity and the Minimum Liquidity, on which, insofar as concerns our field of competence, we have no observations to make.

h) We have applied the anti-money laundering and anti-terrorist financing procedures for Grupo Financiero Galicia S.A. set forth in the corresponding professional standards issued by the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires.

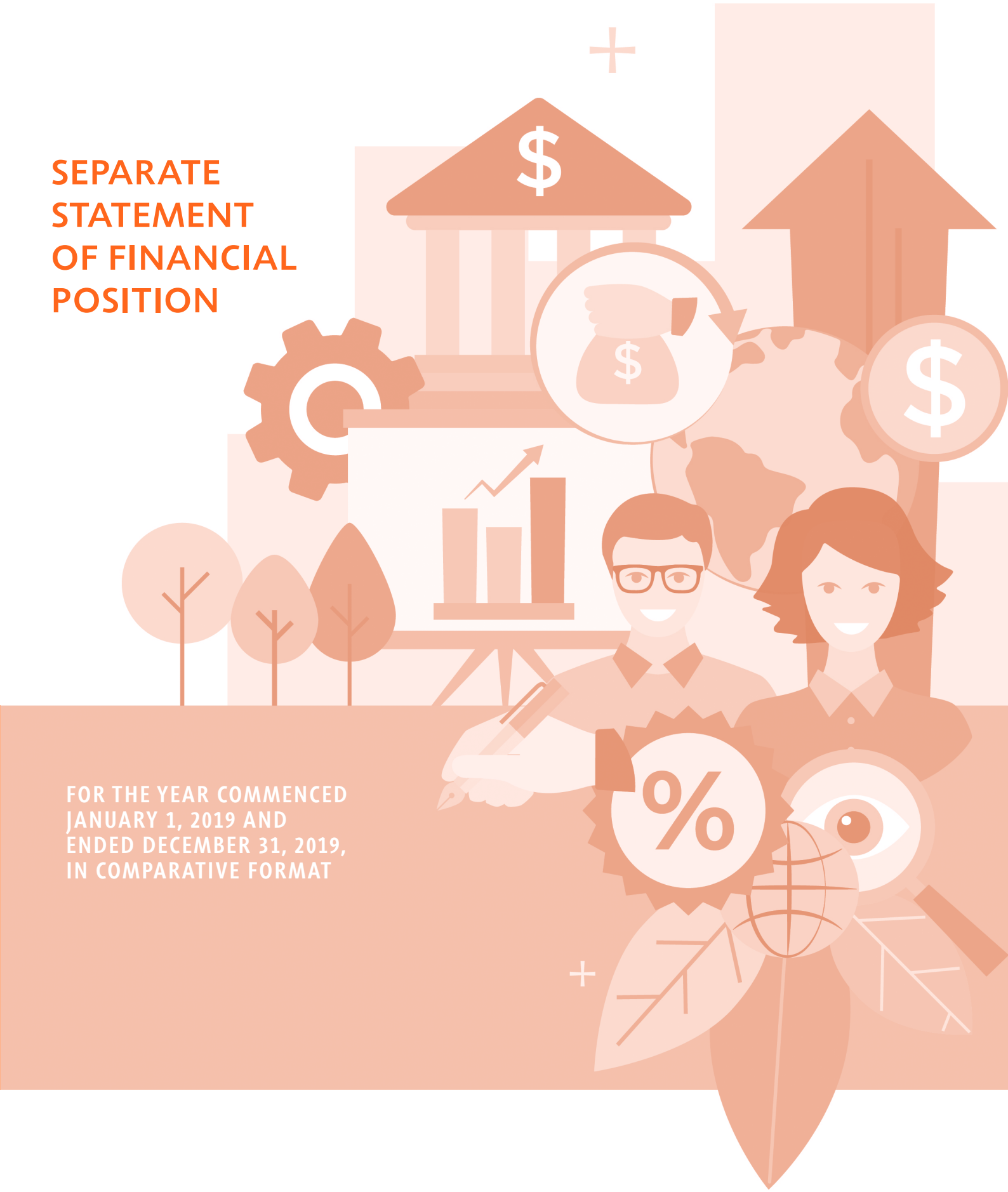
Autonomous City of Buenos Aires, February 20, 2020.

PRICE WATERHOUSE & CO. S.R.L



(Partner)
C.P.C.E.C.A.B.A. T° 1 F° 17
Dr. Sebastián Morazzo
Public Accountant (U.M.)
Professional Association of Economic Sciences,
CABA, Book 347 Folio 159

SEPARATE STATEMENT OF FINANCIAL POSITION



FOR THE YEAR COMMENCED JANUARY 1, 2019 AND ENDED DECEMBER 31, 2019, IN COMPARATIVE FORMAT

SEPARATE STATEMENT OF FINANCIAL POSITION

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format.
Figures stated in thousand Argentine pesos, except as otherwise provided.

	Notes	12.31.19	12.31.18
Assets			
Cash and Due from Banks	**5**	**95.982**	**6.904**
Cash		10	19
Financial Institutions and Correspondents		95.972	6.885
- Other, local and foreign financial institutions		95.972	6.885
Debt Securities at Fair Value through Profit or Loss (Schedule A)	**4**	**-**	**19.394**
Other Financial Assets	**6**	**3.751**	**11.326**
Loans and Other Financing	**7**	**726.515**	**849.061**
To the non-financial Private Sector and Residents Abroad		726.515	849.061
Investments in Subsidiaries, Associates and Joint Ventures	**8**	**94.190.296**	**54.471.742**
Property, Plant and Equipment (Schedule F)	**9**	**5.428**	**1.588**
Deferred Income Tax Assets	**10**	**73.626**	**4.030**
Other Non-financial Assets	**11**	**279.588**	**662**
Total Assets		**95.375.186**	**55.364.707**
Liabilities			
Current Income Tax Liabilities	**13**	**13.079**	**47.060**
Other Non-financial Liabilities	**14**	**307.557**	**20.028**
Total Liabilities		**320.636**	**67.088**
Shareholders' equity			
Capital stock	15	1.426.765	1.426.765
Paid-in Capital		10.951.132	10.951.132
Capital Adjustments		278.131	278.131
Profit Reserves		40.698.952	25.444.177
Retained Earnings		-	2.827.741
Other Comprehensive Income		142.452	(57.361)
Income for the year		41.557.118	14.427.034
Total Shareholders' Equity		**95.054.550**	**55.297.619**

The accompanying Notes and Schedules are an integral part of these Separate Financial Statements.

Signed for identification purposes
with our report dated February 20, 2020.
PRICE WATERHOUSE & CO. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

Dr. Sebastián Morazzo
Public Accountant (U.M.)
Professional Association of Economic Sciences,
CABA, Book 347 Folio 159

Eduardo J. Escasany
Chairman

Signed for identification purposes
with our report dated February 20, 2020.
By Supervisory Committee

Omar Severini
Syndic

SEPARATE STATEMENT OF INCOME

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format.
Figures stated in thousand Argentine pesos, except as otherwise provided.

	Notes	12.31.19	12.31.18
Interest Income		6,597	435
Interest Expenses		-	-
Net Income from Interest	16	**6,597**	**435**
Net Income from Financial Instruments measured at Fair Value through Profit or Loss	16	82,506	155,712
Exchange rate differences on gold and foreign currency	17	149,394	42,750
Other Operating Income	18	22,819	9,937
Net Operating Income		**261,316**	**208,834**
Personnel Expenses	19	(8,136)	(4,435)
Administrative Expenses	20	(150,933)	(112,901)
Depreciation and Impairment of Assets	21	(280)	(239)
Other Operating Expenses	22	(13,743)	(6,765)
Operating Income		**88,224**	**84,494**
Share of profit from Associates and Joint Ventures		41,455,215	14,394,844
Income before Taxes from continuing Operations		**41,543,439**	**14,479,338**
Income Tax from continuing Operations	23	13,679	(53,121)
Net Income from Continuing Operations		**41,557,118**	**14,426,217**
Income from Discontinued Operations		-	1,806
Income Tax on Discontinued Operations	23	-	(989)
Net Income for the year		**41,557,118**	**14,427,034**
Earnings per Share			
Net earnings attributable to Parent Company's Shareholders	25	41,557,118	14,427,034
Plus: Dilutive effects inherent in potential Ordinary Shares		-	-
Net earnings attributable to Parent Company's Shareholders adjusted by dilution effects		41,557,118	14,427,034
Weighted Average of Ordinary Shares Outstanding in the year		**-**	**-**
Plus: Weighted Average of the number of Additional Ordinary shares with dilutive effects		-	-
Diluted Weighted Average of ordinary shares outstanding for the year		1,426,765	1,426,765
Basic Earnings per Share		**29.13**	**10.11**
Diluted Earnings per Share		**29.13**	**10.11**

The accompanying Notes and Schedules are an integral part of these Separate Financial Statements.

SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format.
Figures stated in thousand Argentine pesos, except as otherwise provided.

	Notes	12.31.19	12.31.18
Net Income for the year		**41,557,118**	**14,427,034**
Items of Other Comprehensive Income that may be reclassified to income for the year		**-**	**-**
Income of the year from the inclusion of Other Comprehensive Income from subsidiaries		199,813	(74,640)
Total Other Comprehensive Income that may be reclassified to income for the year		**199,813**	**(74,640)**
Total Other Comprehensive Income		**199,813**	**(74,640)**
Total Comprehensive Income		**41,756,931**	**14,352,394**

The accompanying Notes and Schedules are an integral part of these Separate Financial Statements.

Signed for identification purposes
with our report dated February 20, 2020.
PRICE WATERHOUSE & CO. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

Dr. Sebastián Morazzo
Public Accountant (U.M.)
Professional Association of Economic Sciences,
CABA, Book 347 Folio 159

Eduardo J. Escasany
Chairman

Signed for identification purposes
with our report dated February 20, 2020.
By Supervisory Committee

Omar Severini
Syndic

SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format.
Figures stated in thousand Argentine pesos, except as otherwise provided.

Changes	Notes	Capital stock	Paid-in Capital	Equity Adjustments	Other Comprehensive Income	Reserves from profits		Retained Earnings	Total SE
		Outstanding	Share premium		Other	Legal	Other	First-time IFRS	Income	
Balances as of 12.31.18		**1,426,765**	**10,951,132**	**278,131**	**(57,361)**	**340,979**	**25,103,198**	**2,827,741**	**14,427,034**	**55,297,619**
Income Distribution - Reserves		-	-	-	-	-	15,254,775	(2,827,741)	(12,427,034)	-
Income Distribution - Dividends		-	-	-	-	-	-	-	(2,000,000)	(2,000,000)
Total Comprehensive Income for Fiscal Year 2019										
Net Income for Fiscal Year 2019		-	-	-	-	-	-	-	41,557,118	41,557,118
Other Comprehensive Income for Fiscal Year 2019		-	-	-	199,813	-	-	-	-	199,813
Balances as of 12.31.19		**1,426,765**	**10,951,132**	**278,131**	**142,452**	**340,979**	**40,357,973**	**-**	**41,557,118**	**95,054,550**
Adjusted Balances as of 12.31.17		**1,426,765**	**10,951,132**	**278,131**	**17,279**	**315,679**	**17,999,029**	**2,526,299**	**8,630,911**	**42,145,225**
Income Distribution - Reserves		-	-	-	-	25,300	7,104,169	-	(7,129,469)	-
Income Distribution - Dividends		-	-	-	-	-	-	-	(1,200,000)	(1,200,000)
Retained Earnings 2017		-	-	-	-	-	-	301,442	(301,442)	-
Total Comprehensive Income for Fiscal Year 2018										
Net Income for Fiscal Year 2018		-	-	-	-	-	-	-	14,427,034	14,427,034
Other Comprehensive Income for Fiscal Year 2018		-	-	-	(74,640)	-	-	-	-	(74,640)
Balances as of 12.31.18		**1,426,765**	**10,951,132**	**278,131**	**(57,361)**	**340,979**	**25,103,198**	**2,827,741**	**14,427,034**	**55,297,619**

The accompanying Notes and Schedules are an integral part of these Separate Financial Statements.

Signed for identification purposes
with our report dated February 20, 2020.
PRICE WATERHOUSE & CO. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

Dr. Sebastián Morazzo
Public Accountant (U.M.)
Professional Association of Economic Sciences,
CABA, Book 347 Folio 159

Eduardo J. Escasany
Chairman

Signed for identification purposes
with our report dated February 20, 2020.
By Supervisory Committee

Omar Severini
Syndic

SEPARATE STATEMENT OF CASH FLOWS

For the year commenced January 1, 2019 and ended December 31, 2019, in comparative format.
Figures stated in thousand Argentine pesos, except as otherwise provided.

Item	Notes	12.31.19	12.31.18
Cash flow from operating activities			
Income for the year before Income Tax		**41,543,439**	**14,481,144**
Adjustments to Obtain Cash Flows from Operating Activities:			
Depreciation and Impairment of Assets		280	239
Share of profit from Associates and Joint Ventures		(41,455,215)	(14,394,844)
Other Adjustments		7,666	35,314
Net Increases/(Decreases) from Operating Assets:			
Derivative Financial Instruments		-	11,638
Other Financial Assets		(48)	(15)
Other Non-financial Assets		(278,805)	3,518
Net Decreases from Operating Liabilities:			
Other Operating Liabilities		279,795	3,079
Income Tax Payments		(90,019)	(21,509)
Total from operating activities (a)		**7,093**	**118,564**
Cash flows from investment activities			
Payments:			
Purchase of interests in Associates and Joint Ventures		(38,513)	(924,140)
Purchase of Property, Plant and Equipment		(4,120)	-
Contributions to Controlled Companies		(573,997)	-
Collections:			
Sale/Liquidation of Interests in Associates and Joint Ventures		451	248
Discontinued Operations		-	28,965
Dividends Collection		2,391,473	1,151,864
Total From Investment Activities (B)		**1,775,294**	**256,937**
Cash flows from financing activities			
Payments:			
Dividends		(2,000,000)	(1,200,000)
Total financing activities (C)		**(2,000,000)**	**(1,200,000)**
Inflation effect (C)		**157,121**	**47,731**
Increase/(decrease) of cash (C+B+C+D)		**(60,492)**	**(776,768)**
Cash and cash equivalents at the beginning of the year		**886,670**	**1,663,438**
Cash and cash equivalents at the closing of the year	**5**	**826,178**	**886,670**

Signed for identification purposes
with our report dated February 20, 2020.
PRICE WATERHOUSE & CO. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

Dr. Sebastián Morazzo
Public Accountant (U.M.)
Professional Association of Economic Sciences,
CABA, Book 347 Folio 159

Eduardo J. Escasany
Chairman

Signed for identification purposes
with our report dated February 20, 2020.
By Supervisory Committee

Omar Severini
Syndic

NOTE 1
ACCOUNTING STANDARDS AND BASES FOR PREPARATION

Grupo Financiero Galicia (hereinafter, "the Company", is a financial services holding company incorporated in September 14, 1999 under the laws of Argentina. The Company's investment in Banco de Galicia y Buenos Aires S.A.U. is its main asset. Banco de Galicia y Buenos Aires S.A.U. is a private bank offering a wide range of financial services, both to individuals and companies. Likewise, the Grupo is the parent company of Tarjetas Regionales S.A., which maintains investments related to the issuance of credit cards and supplementary services; Sudamericana Holding S.A., a company consolidating insurance activities; Galicia Administradora de Fondos S.A., a mutual fund management company; Galicia Warrants S.A., a warrant issuing company; and IGAM LLC, a company engaged in assets management.

These Separate Financial Statements have been approved and authorized for publication through Board of Directors' Minutes No. 601 dated February 20, 2020.

1.1. Adoption of the International Financial Reporting Standards (IFRS)

The Group, by virtue of the fact that it falls within the scope of Art. 2, Section I, Chapter I of Title IV: Periodic Information Regime of CNV Regulations, presents its Financial Statements in accordance with the BCRA valuation and exposure standards. In accordance with provisions in the aforementioned article, we inform that:

- Grupo Financiero Galicia's corporate purpose is exclusively to perform financial and investment activities;
- investments in Banco de Galicia y Buenos Aires S.A.U and Tarjetas Regionales S.A., the latter under BCRA's consolidated supervision regime (Communication "A" 2989 and its supplements), represent 95.93% of Grupo Financiero Galicia S.A.'s assets, being the main assets of the Company;
- 96.03% of Grupo Financiero Galicia S.A. revenues are from its share of profit in the companies mentioned in the preceding item;
- Grupo Financiero Galicia S.A. holds 100% interest in the capital stock of Banco de Galicia y Buenos Aires S.A.U, and 83% in the capital stock of Tarjetas Regionales S.A., thus being the controlling company in both.

The BCRA, through Communications "A" 5541 and its amendments, established the convergence plan to International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), for the entities under its supervision, for the years commenced from January 1, 2018 onwards, with the exception of the application of point 5.5 (impairment loss) of IFRS 9 "Financial Instruments" and IAS 29 "Financial Information in Hyperinflationary Economies", both temporarily excepted until January 1, 2020; from this fiscal year onwards, the regulations on Financial Assets Impairment and restatement of Financial Statements in current currency will have to be applied, in accordance with the provisions of Communications "A" 6430, "A" 6651, "A" 6778, "A" 6847, and "A" 6849. The last Communication established the use of a special measurement criterion for the Non-financial Public Sector debt instruments, which are temporarily excluded from the scope of application of point 5.5 of the IFRS 9. Consequently, as of January 1, 2020, the Financial Institutions will be allowed to recategorize said instruments measured at fair value through profit or loss and fair value through other comprehensive income (OCI), as per the amortized cost criterion. The incorporation value will be the accounting value as of that date. The accrual of interest and secondary items will be interrupted while the book value is above its recoverable value for those instruments for which the aforementioned option has been exercised.

The BCRA provided that standards on "Minimum Allowances for Uncollectible Accounts Risk" will maintain a "regulatory" scope, notwithstanding that the financial statements will be recorded according to the IFRS-based accounting framework established by said Institution. Financial Institutions must temporarily deduct from their Regulatory Capital (Responsabilidad Patrimonial Computable, RPC) the positive difference between the "regulatory" allowance calculated according to the standards on "Minimum Allowances for Uncollectible Accounts Risk" and the accounting allowance for the last fiscal year, whichever is the greater, and the new accounting allowance calculated according to point 5.5. of IFRS 9.

Additionally, as described in Note 22 to the Consolidated Financial Statements, for valuation at fair value of Banco de Galicia y Buenos Aires S.A.U.'s shareholding in Prisma Medios de Pago S.A., the Superintendency of Financial Institutions has established that, for its recognition, it cannot exceed the proportion received in cash at the time of the sale.

It has been concluded that the Separate Financial Statements reasonably present the financial position, financial yield and cash flows, in accordance with the IFRS-based accounting framework established by the BCRA, taking into account what is described in Note 1.2. (b) Measurement Unit.

1.2. Bases for preparation

These Separate Financial Statements have been prepared in accordance with the IFRS-based accounting framework established by the BCRA in Note 1.1.

The preparation of the Separate Financial Statements requires that estimates and evaluations be made to determine the amount of recorded assets and liabilities, and contingent assets and liabilities disclosed at the date of issuance thereof, as well as income and expenses recorded in the year. In this regard, estimates are made to be able to calculate at a given time, among others, the recoverable value of the assets; allowances for uncollectible accounts risks and other contingencies; depreciation and impairment of assets; and the income tax charge. The real future income may differ from estimates and evaluations as of the date of preparation of these Separate Financial Statements.

(a) Going concern

As of the date of these Separate Financial Statements, there are no uncertainties regarding events or conditions that may give rise to doubts about the possibility of the Company continuing to operate normally as a going concern.

(b) Measurement Unit

The Separate Financial Statements recognize the variations in the purchasing power of the currency until February 28, 2003; as of that date, the adjustment for inflation has been discontinued, in accordance with the BCRA's Communication "A" 3921.

Law No. 27,468 passed in November 2018 repealed the prohibition to present the Financial Statements adjusted for inflation established by Executive Order 664/2003, delegating its application to each controlling authority. In that regard, on February 22, 2019, through Communications "A" 6651 and "A" 6778, the BCRA established that the entities subject to its control must restate the Financial Statements in constant currency for the years commenced from January 1, 2020 onwards. Likewise, on December 26, 2018 the CNV issued General Resolution No. 777/2018 authorizing the issuer entities to present accounting information in homogeneous currency for the Annual Financial Statements, for interim and special periods closing as of December 31, 2018, this date included, with the exception of Financial Institutions and Insurance Companies.

IAS 29 "Financial Information in Hyperinflationary Economies" requires that the Financial Statements of an entity whose functional currency is that of a hyperinflationary economy, be restated in terms of the current measuring unit at the closing date of the reporting period, regardless of whether they are based on the historical cost or the current cost method. For this purpose, in general, inflation taking place from the acquisition date or the revaluation date, as appropriate, must be computed in non-monetary items. These requirements also include the comparative information of the Financial Statements. The restatement mechanism of IAS 29 establishes that monetary assets and liabilities shall not be restated, as they are stated in the current measuring unit at the closing of the reporting period. Assets and liabilities subject to adjustments based on specific agreements, will be adjusted according to such agreements. Non-monetary items measured at their current values at the end of the reporting period, such as net realizable value or others, will not be restated. The remaining non-monetary assets and liabilities will be restated by a general price index. The loss or profit from the net monetary position will be included in the net income of the reporting period, disclosing this information in a separate item.

For the purpose of concluding whether an economy is categorized as hyperinflationary under the terms of IAS 29, the standard details a series of factors to consider, including the occurrence of an accumulated inflation rate in three years close to or exceeding 100%. For this reason, according to IAS 29, the Argentine economy must be considered as hyperinflationary as of July 1, 2018.

IAS 29 has not been applied in these Financial Statements, in compliance with the regulations of the aforementioned BCRA Communications "A" 6651 and "A" 6778.

The application of IAS 29 "Financial Information in Hyperinflationary Economies" has widespread effects on the Financial Statements; therefore, the reported balances would be significantly affected, the Company's equity and their income as of December 31, 2019 amounting to Ps. 112,678 million and Ps. 21,932 million, respectively, while as of December 31, 2018, the equity would have amounted to Ps. 93,406 million and the income for the year to Ps. (4,950) million, respectively. In determining the aforementioned equity and income, the impact of applying point 5.5 (impairment loss) of IFRS 9 was also considered pursuant to the provisions of Communication "A" 6841 (see Notes 1.1. and 1.12.)

(c) Comparative Information

Balances as of December 31, 2018 exposed in these Consolidated Financial Statements, for comparison purposes, arise from the Financial Statements as of those dates.

Certain reclassifications have been made on the relevant figures for the Consolidated Financial Statements presented in comparative form in order to maintain consistency in the exposure with the figures for this fiscal year.

(d) Changes in Accounting Policies/New Accounting Standards

Pursuant to the provisions of the Articles of Incorporation of the BCRA and the Financial Institutions Act, the BCRA shall issue its opinion regarding its approval for Financial Institutions as new IFRS, or amendments or repeals of those in force, are approved, and once these changes are adopted through the Adoption Circulars issued by the Argentine Federation of Professional Councils in Economic Sciences (Federación Argentina de Consejos Profesionales en Ciencias Económicas, FACPCE). In general, the early application of any IFRS will not be accepted, unless it is specifically approved at the time of its adoption.

The new standards adopted by the Company as of January 1, 2019 are detailed below

IFRS 16 "Leases": In January 2016, the IASB issued IFRS 16 "Leases" that establishes the new principles for recognizing, measuring, presenting and disclosing information on leases. Under IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time, in exchange for a consideration. In that case, it requires the lessee to recognize a liability for the present value of the agreed future payments, discounted at the implicit rate of the contract or, failing that, at the lessee's incremental financing rate and an asset for the right of use of the underlying asset. This criterion must be applied to all lease contracts, and its application is optional for agreements whose terms do not exceed 12 months, and where the leased assets are considered of low value. For the accounting of the lessors, the classification established in IAS 17 in Operatingand Finance leases is maintained. This standard is effective for annual periods commencing on or after January 1, 2019.

IFRIC 23 "Uncertainty about the Income Tax Treatment": this interpretation clarifies how the recognition and measurement requirements of IAS 12, "Income Tax", are applied when there is uncertainty about the income tax treatment. This standard was published in June 2017 and came into force for the years commencing as of January 1, 2019. Its application did not have any significant impact on the Company.

Early termination options with negative compensation, IFRS 9: This amendment to IFRS 9 allows entities to measure at amortized cost certain instruments that allow advance payment with negative compensation. These assets, including certain loans and bonds, should be measured at fair value with offsetting entry to income. To be measured at amortized cost, the negative compensation must be a "reasonable

compensation for early termination" and the asset must be held within a business model whose objective is 'to hold to collect'. This standard is effective for annual fiscal years commencing on or after January 1, 2019. Its application did not have any significant impact on the Company.

Investments in Associates and Joint Ventures - amendments to IAS 28: The amendments clarify accounting in Associates and Joint Ventures for which the equity method does not apply. The entities must account for said investments in accordance with IFRS 9 "Financial Instruments" before applying the impairment requirements of IAS 28 "Investments in associates and joint ventures". This standard is effective for annual fiscal years commencing on or after January 1, 2019. Its application did not have any significant impact on the Company.

2015-2017 Improvement Cycles: The following improvements were agreed in December 2017, being effective for annual periods commencing on or after January 1, 2019.
- IFRS 3: It was clarified that obtaining the control of a joint operation is a business combination made in stages.
- IFRS 11: It was clarified that the party obtaining the joint control of a business that is a joint operation must not measure again its prior interest in the joint operation.
- IAS 12: It was clarified that tax consequences of dividends on financial instruments classified as equity must be recognized according to where the past transactions or events that generated distributable profits were originally recognized.
- IAS 23: It was clarified that, if a specific loan is pending after the qualifying asset is ready to be used or sold, then said loan becomes a general loan.
The application of this standard did not have any significant impact.

(e) New accounting standards and amendments issued by the IASB that have not been adopted by the Company

The new standards, amendments and interpretations published are detailed below; however, they have not yet come into force for fiscal years commenced January 1, 2019, and have not been adopted in advance.

IFRS 17 "Insurance Contracts": On May 18, 2017, the IASB issued IFRS 17 "Insurance Contracts", which provides a comprehensive, principle-based framework for the measurement and presentation of all insurance contracts. The new standard will replace IFRS 4 "Insurance Contracts" and requires that insurance contracts be measured using current compliance cash flows and that revenues be recognized as the service is provided during the coverage period. This standard is effective for fiscal years commencing on or after January 1, 2021. The impact of adopting this new standard is being evaluated.

Definition of "Material" - Amendments to IAS 1 and IAS 8: The IASB has amended IAS 1 "Presentation of Financial Statements" and NIC 8 "Accounting Policies, Changes in Accounting Estimates, and Errors related to the concept of Material".

Particularly, the aforementioned amendments clarify the following:
- The reference to hiding information addresses situations where the effect is similar to omitting or falsifying said information, and that an entity evaluates the materiality of the financial statements as a whole; and
- the meaning of "primary users of the general purpose Financial Statements" to whom those Financial Statements are addressed, defining them as "investors, lenders and other current and potential creditors", who should be based on the general purpose Financial Statements for a great part of the financial information they need.

This amendment is effective as of January 1, 2020 and is not expected to have any significant impact.

Definition of "Business" - Amendment to IFRS 3: The new definition of Business includes a comprehensive set of activities and assets that can be directed and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. Yields such as lower costs and other economic benefits are excluded from the above definition.

This amendment is effective as of January 1, 2020 and is not expected to have any significant impact.

Reform to the interest rate benchmark - Amendments to IFRS 9, IAS 39 and IFRS 7: These amendments provide some reliefs regarding the reform to the interest rate benchmark such as LIBOR and other rates offered in the interbank market. Reliefs are related to hedge accounting and to the fact that the mentioned reform should not cause the end of hedge accounting, considering the IFRS currently in force. However, hedge ineffectiveness must continue to be recorded in the Statement of Income. These amendments are effective as of January 1, 2020. These amendments are not expected to have any significant impact.

There are no other IFRS or IFRIC interpretations that are not effective and that are expected to have a significant impact on the Group.

1.3. Subsidiaries and associates

Subsidiaries are all the entities over which Grupo Financiero Galicia exerts control. The Company controls an entity when it is exposed, or has the right, to obtain variable yields for its involvement in the investee, and has the ability to use the power to manage the entity's operational and financial policies, to influence those yields. The subsidiaries are consolidated from the date the control is transferred to the Company, and they cease to be consolidated as of the date on which the control ceases.

Associates are those entities over which the Company has significant influence, i.e., the power to intervene in the decisions involving financial policy and operation of the investee, without having control.

In accordance with the provisions of IAS 27 and 28, in the Separate Financial Statements, investments in subsidiaries and associates will be accounted for using the "equity method" or the "proportional consolidated method".

When using the proportional consolidated method, the investments are initially recognized at cost, and said amount is increased or decreased to recognize the investor's share in the entity's profits and losses after the acquisition/ incorporation date. Likewise, the identifiable net assets and contingent liabilities acquired in the initial investment in a subsidiary and/or associate are originally valued at their fair values as of the date of said investment. If appropriate, the value of interests in subsidiaries and associates includes the goodwill recognized as of that date. When the Company's share of losses is equal to or exceeds the value of the interest in said entities, the Company does not recognize any additional losses, except when there are legal or assumed obligations to provide funds or make payments on their behalf.

The share of profits and losses of subsidiaries and associates is recognized in the line "Share of profit from Associates and Joint Ventures", in the Separate Statement of Income. The share in other Income of subsidiaries and associates

is allocated in the line "Interest in Associates and Joint Ventures accounted for using the equity method", of the Separate Statement of Other Comprehensive Income.

The Company determines, as of the date of each report, if there is objective evidence that an investment in a subsidiary or associate entity is not recoverable. If this is the case, the impairment amount is calculated as the difference between the recoverable value of said investment and its accounting value, recognizing the resulting amount in "Income from Associates and Joint Ventures", in the Separate Statement of Income.

Likewise, the protective rights of other investors, such as those related to substantive changes in the activities of the investee or applied only in exceptional circumstances, do not prevent the Group from having control over an investee. The subsidiaries are consolidated from the date the control is transferred to the Group, and they cease to be consolidated as of the date on which the control ceases.

1.4. Foreign currency translation

(a) Functional Currency and Presentation Currency

The figures included in the Separate Financial Statements for the Company are stated in their functional currency, i.e., in the currency used in the primary economic environment where it operates. The Separate Financial Statements are presented in Argentine pesos, which is the Company's functional and presentation currency.

(b) Transactions and balances

The transactions in foreign currency are translated into the functional currency at the exchange rate in force on the transactions or the valuation dates, when the items are measured at closing exchange rate. Profits and losses in foreign currency resulting from the settlement of these transactions and the translation of monetary assets and liabilities in foreign currency at closing exchange rate, are recognized in the Statement of Income in the item "Exchange rate differences on gold and foreign currency", except when they are deferred in equity by transactions which qualify as cash flows hedges, if appropriate.

Assets and liabilities in foreign currency have been valued at the reference exchange rate of the US dollar defined by the BCRA in force at the closing of operations on the last business day of each month.

As of December 31, 2019 and December 31, 2018, balances in US dollars were translated at the reference exchange rate (Ps. 59.895 and Ps. 37.8083, respectively) established by the BCRA. Foreign currencies other than the US dollar have been translated into this currency using the types of exchange rate reported by the BCRA.

1.5. Cash and due from banks

The item Cash and Due from Banks includes the available cash and bank deposits freely available, cash equivalents and other investments, which are liquid short-term instruments with maturity less than three months from the origination date.

The assets exposed as available are recorded at their amortized cost which is close to its fair value.

1.6. Financial instruments

1.6.1. Initial Recognition

The Company recognizes a financial asset or liability in its Separate Financial Statements, as appropriate, when it becomes part of the contractual clauses of said financial instrument. Purchases and sales are recognized at the trading date when the Company buys or sells the instruments.

In the initial recognition, the Company measures financial assets or liabilities at fair value, plus or minus, for instruments not recognized at fair value through profit or loss, transaction costs that are directly attributable to the acquisition itself, such as fees and commissions.

When the fair value differs from the cost value of the initial recognition, the Company recognizes the difference as follows:
- When the fair value is according to the market value of the financial asset or liability, or is based on a valuation technique solely using market values, the difference is recognized as profit or loss, as appropriate.

a. Financial Assets

Debt Securities

The Company considers as debt securities those instruments considered financial liabilities for the issuer, such as loans, government and private securities, and bonds.

Classification

As established by IFRS 9, the Company classifies financial assets according to how they are subsequently measured: at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss, based on:
- the business model to manage financial assets; and
- the characteristics of the contractual cash flows of the financial asset

Business Model

The Business Model refers to the mode in which a set of financial assets is managed to reach a specific business objective. It represents the manner in which the instruments are held to generate funds.

Business Models that the Group can follow are listed below:
- Hold the instruments until their maturity;
- Hold the instruments in the portfolio to collect the cash flows and, in turn, sell them when deemed convenient; or
- Hold the instruments for their trading.

The Business Model does not depend on the existing intentions for an individual instrument. Therefore, this condition is not an instrument-by-instrument classification approach, but it is determined from a higher level of aggregation.

The Company only reclassifies an instrument when, and only when, the business model to manage assets is modified. Changes have not been recorded in this fiscal year.

Characteristics of Cash Flows

The Company evaluates whether the cash flow of grouped instruments is not significantly different from the flow that would receive solely for interest and principal; otherwise, they shall be measured at fair value through profit or loss.

Based on the foregoing, there are three categories of Financial Assets:
(i) Financial Assets at amortized cost:
Financial Assets are measured at amortized cost when:
(a) the financial asset is within a business model whose objective is to hold the financial assets in order to obtain the contractual cash flows; and
(b) the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are only payments of principal and interest on the amount of outstanding principal.

These financial instruments are initially recognized at their fair value plus the directly attributable incremental transaction costs, and are subsequently measured at amortized cost.

The amortized cost of a financial asset is equal to its acquisition cost less its accumulated amortization plus accrued interest (calculated according to the effective interest method), net of any impairment loss.

(ii) Financial Assets at fair value through Other Comprehensive Income:
Financial Assets are measured at fair value through Other Comprehensive Income when:
(a) the financial asset is within a business model whose objective is achieved by obtaining the contractual cash flows and selling financial assets; and
(b) the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are only payments of principal and interest on the amount of outstanding principal.

These financial instruments are initially recognized at their fair value plus the directly attributable incremental transaction costs, and are subsequently measured at fair value through other comprehensive income. Profits and losses arising from changes in the fair value are included in Other Comprehensive Income within a separate equity component. Impairment losses or reversals, income for interest and exchange profits and losses are recognized through profit or loss. At the time of its sale or disposal, the accumulated profit or loss previously recognized through Other Comprehensive Income is reclassified from equity to the Statement of Income.

(ii) Financial Assets at fair value through profit or loss:
Financial Assets at fair value through profit or loss are the following:
- Instruments held for trading;
- instruments specifically designated at fair value through profit or loss; and
- instruments with contractual conditions which do not represent cash flows that are only payments of principal and interest on the amount of the outstanding principal.

These financial instruments are initially recognized at their fair value, and any profit or loss is recognized in the Statement of Income as they are realized.

The Company classifies a financial instrument as held for trading if it is acquired or incurred primarily for the purpose of selling or repurchasing it in the short term, or if it is part of a portfolio of financial instruments that are jointly managed and for which there is evidence of short-term earnings, or is a derivative instrument that is not in a qualified hedge ratio. Derivative instruments and held-for-trading securities are classified as held for trading and are recognized at fair value.

b. Financial Liabilities

Classification

The Company classifies their financial liabilities at amortized cost, using the effective interest method, except for:
- Financial liabilities valuated at fair value through profit or loss, including derivative financial instruments
- Liabilities arising from the transfer of financial assets not complying with the requirement of derecognition from accounts
- Financial guarantee contracts
- Commitments to grant loans at a lower rate than market rate

Financial liabilities valued at fair value through profit or loss: the Company may choose to use, at the beginning, the irrevocable option to designate a liability at fair value through profit or loss, if, and only if, in doing so, it reflects a better measurement of financial information because:
- the Company eliminates or significantly reduces a measurement or recognition inconsistency which would otherwise be exposed in the valuation;
- if the financial assets and liabilities are managed and their performance is evaluated on a fair value base, according to a documented investment strategy or risk management; or
- a main contract contains one or more implicit derivative instruments, and the Entity had opted for designating the entire contract at fair value through profit or loss.

Financial guarantee contract: Guarantees contracts are those contracts requiring the issuer to make specific payments to reimburse the holder for the loss incurred when a specific debtor does not comply with its payment obligation at its maturity, in accordance with the original or amended conditions of a debt instrument.

Financial guarantee contracts and loan grant commitments at a lower rate than the market rate are initially valued at fair value, and subsequently measured at the higher value that arises from making a comparison between the commission pending accrual at fiscal year closing and the applicable impairment provision.

1.6.2. Derecognition of Financial Instruments

a. Financial Assets

A financial asset or, where applicable, a part of a financial asset or a part of a group of similar financial assets, is derecognized when: (i) the rights to receive cash flows from the asset have finished; or (ii) the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay all of the cash flows received immediately to a third party under a pass-through agreement; and all the risks and rewards of the asset have also been substantially transferred, or, in case all the risks and rewards of the asset had not been substantially transferred or retained, the control of the asset has been transferred.

When the contractual rights of receiving the cash flows generated by the asset have been transferred, or a transfer agreement has been executed, the entity evaluates if it has retained, and to what extent, the risks and awards inherent in asset ownership. When substantially all the risks and rewards inherent in asset ownership have not been transferred or retained, nor control of the asset has been transferred, the asset continues to be recognized in accounting to the extent of its continued involvement over it.

In this case, the related liability is also recognized. The transferred asset and the related liability are measured in such a way so as to reflect the rights and obligations that the Company had retained.

A continuing implication that takes the form of a collateral on the transferred asset is measured as the smallest amount between (i) the original carrying amount of the asset, and (ii) the maximum amount of consideration received that would be required to be returned.

b. Financial Liabilities

A financial liability is derecognized when the obligation to pay has finished, has been cancelled, or has expired. When an existing financial liability is exchanged by another of the same borrower under significantly different conditions, or the conditions are significantly modified, such exchange or modification is treated as a derecognition of the original liability and a new liability is recognized, the difference between the value in books of the initial financial liability and the consideration paid is recognized in the Consolidated Statement of Income.

1.7. Allowances for uncollectible accounts risk Expected Credit Loss Model - Application of point 5.5 (impairment loss) of IFRS 9

IFRS 9 provides for an expected credit loss model, by which financial assets are classified in three stages of impairment, based on changes in credit rating quality since their initial recognition, which establish the manner in which an entity measures impairment losses and applies the effective interest method. Pursuant to Note 1.1., the application of the aforementioned model is temporarily exempted, until January 01, 2020.

If the impairment model provided for in point 5.5 of IFRS 9 had been applied, a decrease in the Company's Shareholders' Equity of approximately Ps. 1,718 million would have been recorded as of December 31, 2019.

On the other hand, as mentioned in Note 1.1., the BCRA Communication "A" 6847 provided that the Non-Financial Public Sector debt instruments will be temporarily excluded from the scope of application of IFRS 9, so they will not fall within the scope of regulations on impairment of financial assets.

If the impairment model provided for in the accounting framework established by the BCRA for fiscal years commenced as of January 1, 2020 had been applied, a decrease in the Company's Shareholders' Equity of approximately Ps. 1,253 million would have been recorded as of December 31, 2019.

1.8. Property, plant and equipment

Assets are measured at their acquisition or construction cost, net of accumulated depreciations and/or accumulated impairment losses, if any. The cost includes the expenses directly attributable to the acquisition or construction of the items.

Subsequent costs are included in the value of the asset or are recognized as a separate asset, as appropriate, if and only if they are likely to generate future economic benefits for the Company, and its cost can be reasonably measured. When improvements are made to the asset, the book value of the replaced asset is derecognized, the new asset being amortized for the amount of years of remaining useful life.

Repair and maintenance costs are recognized in the Consolidated Statement of Income for the year in which they are incurred.

The depreciation of these assets is calculated by the straight-line method, applying sufficient annual rates to extinguish their values at the end of the estimated useful life. If an asset includes significant components with different useful lives, they are recognized and depreciated as separate items.

The residual values of Property, Plant and Equipment, the useful lives and the depreciation methods are reviewed and adjusted if necessary, at the closing date of each fiscal year, or when there are signs of impairment.

The book value of the Property, Plant and Equipment is immediately reduced to its recoverable amount when it is greater than the estimate of the recoverable value.

Profits and losses from the sale of Property, Plant and Equipment elements are calculated by comparing the income obtained to the book value of the respective asset, and included in the Consolidated Comprehensive Income.

1.9. Assets held for sale and discontinued operations Discontinued Operations

A discontinued operation is a component of the Company that has been disposed of, or that has been classified as Held for Sale and complies with any of the following conditions:
- It represents a line of business or a geographical area, which is significant and can be considered as separated from the rest;
- It is part of a single coordinated plan to have a business line, or a geographic area of the operation, which is significant and can be considered as separated from the rest; or
- It is an independent entity, exclusively acquired to resell it.

Any profit or loss arising from re-measuring an asset (or group of assets for its disposal) classified as Held for Sale, which does not meet the definition of discontinued operation, will be included in the Income of Continuing Operations.

1.10. Depreciation and impairment of non-financial assets

Assets with indefinite useful life are not subject to amortization, and they go through annual impairment tests. Unlike the previous assumption, depreciable assets are subject to impairment tests when events or circumstances occur that indicate that their book value may not be recovered or, at least, on an annual basis.

Depreciation and impairment losses are recognized when the book value exceeds their recoverable value. The recoverable value of assets is the greater of the net amount that it would obtain from its sale, or its value in use. For the impairment tests, the assets are grouped at the lowest level where they generate identifiable cash flows (cash generating units). The book value of non-financial assets other than the goodwill over which depreciation and impairment have been recorded, are reviewed at each reporting date for verifying possible depreciation and impairment reversals.

1.11. Offsetting

Financial assets and liabilities are offset by reporting the net amount in the Consolidated Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

1.12. Provisions/contingencies

In accordance with the IFRS-based accounting framework adopted by the BCRA, an Entity will have a provision if:
a. it has a current obligation (either legal or implicit) as a consequence of a past event;
b. the Entity is likely to have to dispose of resources which incorporate future economic benefits to cancel said obligation; and
c. a reliable estimate can be made of the obligation amount.

It will be understood that an entity has an implicit obligation if (a) as a consequence of previous practices or public policies, the Company has assumed certain liabilities; and (b) as a result, it has created expectations that it will comply with those obligations.

The Company recognizes the following provisions:
For labor, civil and commercial lawsuits: provisions are determined based on the lawyers' reports on the status of the lawsuits and the estimate made on the possibilities of losses to be faced by the Company, as well as on past experience regarding this type of lawsuits.

For miscellaneous risks: provisions are set up to face contingent situations that may give rise to obligations for the Company. When estimating the amounts, the probability of their materializing is taken into account, considering the opinion of the Company's legal advisors and professionals.

The amount recognized as provision must be the best estimate of the disbursement needed to cancel such obligation, at the end of the year being reported.

When the financial effect produced by the discount becomes important, the amount of the provision must be the present value of the disbursements that are expected to be required to cancel the obligation by using a pre-tax interest rate that reflects the current market conditions on the value of money and the specific risks for said obligation. The increase in the provision for the lapsing of time is recognized in the Net Financial Income item of the Statement of Income.

The Company will not record the positive contingencies, except those arising from deferred taxes and those which materialization is virtually certain.
At the date of issuance of these Separate Financial Statements, the Company Directors understand that there have been no elements that allow determining the existence of other contingencies that may be materialized and generate a negative impact on these Separate Financial Statements, as detailed in Note 46 of the Consolidated Financial Statements.

1.13. Other non-financial liabilities

Non-financial accounts payable are accrued when the counterpart has complied with its obligations under the contract, and they are valuated at amortized cost.

1.14. Capital stock and capital adjustments

The accounts included in this item are stated in currency that has not contemplated the variation of the price index since February 2003, except for the "Capital stock" item, which has been maintained at nominal value. The adjustment arising from its restatement is included in "Equity Adjustments".

Ordinary shares are classified in Shareholders' Equity and remain recorded at their nominal value. When any company forming part of the Group buys Company shares (treasury shares in portfolio), the payment made, including any costs directly attributable to the transaction (net of taxes) is deducted from the Shareholders' Equity until the shares are canceled or sold.

1.15. Profit Reserves

According to Art. 70 of the General Companies Act, the Company must transfer to Legal Reserve 5% of the profit for the year, until said reserve reaches 20% of the Capital stock plus the balance of the Capital Adjustment account.

1.16. Dividends distribution

The dividends distribution to the Company's Shareholders is recognized as liability in the Separate Financial Statements in the year in which the dividends are approved by the Shareholders.

1.17. Recognition of income

Financial income and expenses are recorded for all debt instruments according to the effective interest method, by which all positive or negative income that are an integral part of the effective rate of the transaction are deferred.

The income included in the effective interest rate includes disbursements or income related to the creation or acquisition of a financial asset or liability.

1.18. Income tax

The Income tax charge for the year comprises the current and the deferred taxes. The tax is recognized in the Statement of Income for the year, except when there are items that must be directly recognized in Other Comprehensive Income. In this case, income tax related to said items is also recognized in the same Statement.

The current income tax charge is calculated based on the tax laws promulgated, or substantially promulgated as of the date of the Statement of Financial Position in the countries where the Company operates and generates taxable profit. The Company periodically evaluates the position assumed in tax returns as regards the situations in which tax laws are subject to interpretation. Likewise, when applicable, the Group sets up provisions on the amounts that it expects to be paid to tax authorities.

The entire deferred income tax is determined by the liability method, on the temporary differences that arise between the tax bases of assets and liabilities and their respective accounting values. However, the deferred tax that arises from the initial recognition of an asset or a liability in a transaction not corresponding to a business combination, which at the time of the transaction does not affect neither the profit nor the accounting or taxable loss, is not

recorded. Deferred tax is determined using tax rates (and legislation) that have been promulgated as of the date of the Balance Sheet, and are expected to be applicable when the deferred tax asset is done, or the deferred tax liability is paid.

Deferred tax assets are only recognized to the extent that future tax benefits are likely to occur against which temporary differences can be used.

The Company recognizes a deferred tax liability for taxable temporary differences related to investments in subsidiaries and affiliates, unless the following two conditions are met:
(i) The Company controls the time when the temporary differences will be reversed.
(ii) Said temporary difference is not likely to be reversed at a foreseeable time in the future.

The balances of deferred income tax of assets and liabilities are offset when there is a legal right to offset current active taxes with current passive taxes, and when they relate to the same tax authority where there is intention and possibility to settle the tax balances on a net basis.

1.19. Earnings Per Share

The basic earnings per share is determined by the ratio between the year income attributable to the Company's ordinary Shareholders, excluding the after-tax effect of the benefits of the preferred shares, if appropriate, and the average of outstanding ordinary shares in this fiscal year.

Likewise, the diluted earnings per share is that arising from adjusting both the year income attributable to the Shareholders and the average of outstanding ordinary shares, due to the effects of the potential conversion into equity instruments of all those option obligations held by the Company at the closing, if appropriate.

NOTE 2
CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of Separate Financial Statements in accordance with the IFRS-based accounting framework requires the use of certain critical accounting estimates.

The Company has identified the following areas involving a greater degree of judgment or complexity, or areas where the assumptions and estimates are significant for the Financial Statements and which are essential to understand the underlying informative accounting/financial risks:

a. Impairment of non-financial assets

Intangible assets with finite lives and Property, Plant and Equipment are amortized or depreciated throughout their estimated useful life in a linear manner. The Company monitors the conditions related to these assets to determine if the events and circumstances justify a review of the remaining amortization or depreciation period, and if there are factors or circumstances that imply impairment in the value of the assets that cannot be recovered.

The Company has applied judgment to identify impairment indicators for Property, Plant and Equipment and intangible assets. The Company has determined that there were no impairment indicators for any of the years presented in its Separate Financial Statements.

b. Income tax and deferred tax

Significant judgment is required when determining assets and liabilities for current and deferred taxes. The current tax is provisioned according to the amounts expected to be paid; the deferred tax is provisioned on the temporary differences between the tax bases of the assets and liabilities and their book values, at the rates expected to be in force at the time of their reversal.

A deferred tax asset is recognized to the extent that there is a probability that future taxable profits are available against which temporary differences can be used, based on Management's budgets as regards the amounts and timing of the future taxable earnings. Then, the possibility must be determined of deferred tax assets to be used and offset against future taxable profits. Actual income may differ from these estimates, for example, changes in tax

legislation or the outcome of the final review of tax returns by the Tax Authority and the tax courts.

Future tax profits and the amount of tax benefits that are likely in the future are based on a medium-term business plan prepared by the Administration which is based on expectations considered reasonable.

NOTE 3
FINANCIAL INSTRUMENTS

In Schedule P "Categories of Financial Assets and Liabilities", the measurement categories are exposed for the items in the Separate Statement of Financial Position and fair value hierarchies.

As of the indicated dates, the Group maintains the following portfolios of financial instruments:

Portfolio of Instruments as of 12.31.2019	Fair Value through Profit or Loss	Amortized Cost	Fair Value through OCI
Assets			
Other Financial Assets	3,681	70	-

Portfolio of Instruments as of 12.31.2019	Fair Value through Profit or Loss	Amortized Cost	Fair Value through OCI
Assets			
Government Securities	19,394	-	-
Other Financial Assets	11,311	15	-

NOTE 4
FAIR VALUES

The Company classifies the fair values of the financial instruments in 3 levels, according to the quality of the data used for their determination.

Fair Value Level 1: The fair value of financial instruments traded in active markets (as publicly traded derivative instruments, debt securities or instruments available for sale) is based on the quoted market prices (not adjusted) as of the date of the reporting period/fiscal year. If the quoted price is available and there is an active market for the instrument, this will be included in Level 1. Otherwise, it will be valued in Level 2.

Fair Value Level 2: The fair value of financial instruments not traded in active markets, for example, derivatives available over-the-counter, is determined using valuation techniques that maximize the use of observable information and place the least possible trust in the Company's specific estimates. If all the relevant variables to establish the fair value of a financial instrument are observable, the instrument is included in Level 2. If the variables to determine the price are not observable, the instrument will be valued in Level 3.

Fair Value Level 3: If one or more relevant variables are not based on observable market information, the instrument is included in Level 3. This is the case of unquoted equity instruments. This means that, if there are no observable market prices for its valuation, the instrument will be included in Level 3. The instrument will return to Level 1 only when it has observable market quote, and it will maintain that Level as long as it continues quoting. This is called Transfer between Levels.

Valuation Techniques

The valuation techniques to determine the Fair Values include:
- Market prices or quotes of similar instruments
- Determination of the estimated current value of the instruments

The valuation technique to determine the Level 2 fair value is based on data other than the quote price included in Level 1, which are directly observable for assets or liabilities (i.e., prices).

The valuation technique to determine the Level 3 fair value of financial instruments is based on the price drawn by curve, which is a method that compares the spread between the sovereign bond curve and the average cut-off rates of primary issuances, representing the different segments, according to the different risk ratings. If there are no representative primary issuances throughout the month, the following variants will be used:

(i) Secondary market prices of instruments under the same conditions, which had quoted in the evaluation month.
(ii) Bidding and/or secondary market prices of the previous month, which will be taken based on their representativeness.
(iii) Spread calculated in the previous month, and it will be applied to the sovereign curve, in accordance to their reasonableness.
(iv) A specific margin is applied, defined according to historical yields of instruments under the same conditions, based on a substantiated justification.

Based on the foregoing, the rates and spreads are determined to be used to discount the future cash flows and generate the instrument price.

All the modifications to the valuation methods are previously discussed and approved by the Company's key personnel.

The Company's financial instruments measured at fair value at fiscal year closing are detailed below:

Portfolio of Instruments as of 12.31.19	Level 1 FV	Level 2 FV	Level 3 FV
Assets			
Other Financial Assets	3,681	-	-
Total	**3,681**	**-**	**-**

Portfolio of Instruments as of 12.31.18	Level 1 FV	Level 2 FV	Level 3 FV
Assets			
BCRA Bills	19,394	-	-
Other Financial Assets	11,311	-	-
Total	**30,705**	**-**	**-**

NOTE 5
CASH AND CASH EQUIVALENTS

Cash items and their equivalents are detailed below:

	12.31.19	12.31.18
Cash and Due from Banks	95,982	6,904
BCRA Bills and Notes up to 90 days	-	19,394
Overnight Placements in Foreign Banks	476,764	58,603
Mutual Funds	3,681	11,311
Time Deposits	249,751	790,458
Total Cash and Cash Equivalents	**826,178**	**886,670**

NOTE 6
OTHER FINANCIAL ASSETS

The composition of Other Financial Assets as of the indicated dates is detailed below:

Item	12.31.19	12.31.18
Quoted Mutual Funds	3,681	11,311
Other	70	15
Total	**3,751**	**11,326**

NOTE 7
LOANS AND OTHER FINANCING

The composition of the Loans and Other Financing portfolio as of the indicated dates is detailed below:

	12.31.19	12.31.18
Non-financial Private Sector and Residents Abroad	**726,515**	**849,061**
Loans	726,515	849,061
- Advances	-	-
- Overdrafts	-	-
- Mortgage Loans	-	-
- Pledge Loans	-	-
- Personal Loans	-	-
- Credit Cards	-	-
- Other Loans	476,764	58,603
- Accrued Interest, Adjustments and Quotation Differences Receivable	-	-
- Documented Interest	-	-
Finance leases	-	-
Other Financing	249,751	790,458
Minus: Allowances	-	-
Total	**726,515**	**849,061**

The following chart shows the fall of future contractual flows, including interest and secondary items to be accrued until expiration of the contracts.

		Terms until Maturity						
Item	Past-due Loan Portfolio	1 Month	3 Months	6 Months	12 Months	24 Months	More than 24 months	Total
Non-financial Private Sector and Residents Abroad	-	726,515	-	-	-	-	-	726,515
Total	**-**	**726,515**	**-**	**-**	**-**	**-**	**-**	**726,515**

The risk analysis for Loans and Other Financing is presented in Note 26. The information with related parties is disclosed in Note 27.

The application of point 5.5 (impairment loss) of IFRS 9, Expected Credit Loss Model, is temporarily exempted until January 1, 2020 (see Notes 1.1. and 1.7).

NOTE 8
INTERESTS

Interests in other companies

Interests in subsidiaries

The balances of the subsidiaries in accordance with the IFRS-based accounting framework established by the BCRA as of the indicated dates are detailed below:

Company	Tenencia de acciones directa e indirecta		% Participación	
	12.31.19	12.31.18	12.31.19	12.31.18
Banco de Galicia y Buenos Aires S.A.U.	795,973,974	795,973,974	100.00	100.00
Galicia Administradora de Fondos S.A.	20,000	20,000	100.00	100.00
Galicia Valores S.A.U.	1,000,000	1,000,000	100.00	100.00
Galicia Warrants S.A.	1,000,000	1,000,000	100.00	100.00
IGAM LLC	73,996,713	-	100.00	-
Sudamericana Holding S.A.	185,653	185,653	100.00	100.00
Tarjetas Regionales S.A.	894,552,668	829,886,209	83.00	83,00

Company	Valor en libros	
	12.31.19	12.31.18
Banco de Galicia y Buenos Aires S.A.U.	77,911,473	43,969,163
Galicia Administradora de Fondos S.A.	377,463	422,365
Galicia Valores S.A.U.	-	2,191
Galicia Warrants S.A.	204,331	161,907
IGAM LLC	132,631	-
Sudamericana Holding S.A.	1,565,921	1,096,426
Tarjetas Regionales S.A.	13,998,477	8,819,690
Total	**94,190,296**	**54,471,742**

Company	12.31.19			
	Assets	Liabilities	Shareholders' equity	Income
Banco de Galicia y Buenos Aires S.A.U.	596,094,394	518,182,921	77,911,473	35,442,325
Galicia Administradora de Fondos S.A.	449,525	72,062	377,463	222,005
Galicia Warrants S.A.	291,638	58,116	233,522	48,486
IGAM LLC	2,246,087	2,113,455	132,632	58,635
Sudamericana Holding S.A.*	4,051,010	2,261,386	1,789,624	1,136,421
Tarjetas Regionales S.A.	65,458,634	49,096,849	16,361,785	5,637,091

* Income for the 12-month period ended December 31, 2019..

Company	12.31.18			
	Assets	Liabilities	Shareholders' equity	Income
Banco de Galicia y Buenos Aires S.A.U.	511,338,168	467,369,006	43,969,162	11,536,182
Galicia Administradora e Fondos S.A.	674,108	229,514	444,594	422,050
Galicia Valores S.A.U.	258,936	39,877	219,059	66,678
Galicia Warrants S.A.	317,200	132,164	185,036	45,620
Sudamericana Holding S.A.*	3,133,815	1,880,775	1,253,060	642,496
Tarjetas Regionales S.A.	10,155,713	34,769	10,120,944	2,130,061

* Income for the 12-month period ended December 31, 2018.

The Ordinary and Extraordinary Shareholders' Meeting held on April 24, 2018 approved the reform to Article 1 of the Bylaws, by amending the denomination from Banco de Galicia y Buenos Aires S.A. to Banco de Galicia y Buenos Aires S.A.U. The BCRA, through Resolution No. 200 issued by its Board of Directors on July 5, 2018, did not object to the above change of denomination. On October 2, 2018, the Superintendency of Corporations registered this amendment under Number 18709 of Book 91 of Stock Companies.

On October 3, 2019, the Ordinary and Extraordinary Shareholders' Meeting of Galicia Valores S.A. approved the reform to Title I of the Bylaws, by amending the Company's denomination to Galicia Valores S.A.U. On January 7, 2020, the Superintendency of Corporations registered this amendment under Number 449 of Book 98 of Stock Companies.

NOTE 9
PROPERTY, PLANT AND EQUIPMENT

The changes in Property, Plant and Equipment are detailed in Schedule F. The accounting values of Property, Plant and Equipment do not exceed the recoverable values.

NOTE 10
ASSETS/LIABILITIES FOR DEFERRED INCOME TAX

The changes in deferred income tax assets/liabilities for the years ended December 31, 2019 and December 31, 2018 are the following:

Deferred Tax Assets

Item	12.31.18	Charges for the year	Other	12.31.19
Valuation of Securities	-	(135)	-	(135)
Other Financial Assets	(1,026)	703	-	(323)
Property, Plant and Equipment	87	(80)	-	7
Accumulated Losses	2,927	(2,927)	-	-
Other Non-financial Assets	(451)	451	-	-
Other Non-financial Liabilities	1,636	(1,367)	-	269
Inflation Adjustment Deferral	-	74,615	-	74,615
Other	857	(1,664)	-	(807)
Total	**4,030**	**69,596**	**-**	**73,626**

Deferred Tax Assets

Item	31.12.17	Charges for the year	Other	12.31.18
Valuation of Securities	-	(824)	824	-
Other Financial Assets	-	-	(1,026)	(1,026)
Property, Plant and Equipment	-	58	29	87
Accumulated Losses	-	(130)	3,057	2,927
Other Non-financial Assets	-	-	(451)	(451)
Non-current Assets Held for Sale	-	(1,425)	1,425	-
Other Non-financial Liabilities		5,311	(3,675)	1,636
Other	-	928	(71)	857
Total	**-**	**3,918**	**112**	**4,030**

Deferred Tax Liabilities

Item	31.12.17	Charges for the year	Other	12.31.18
Other Financial Assets	(1,026)	-	1,026	-
Property, Plant and Equipment	29	-	(29)	-
Other Non-financial Assets	(451)	-	451	-
Non-current Assets Held for Sale	1,425	-	(1,425)	-
Other Non-financial Liabilities	379	-	(379)	-
Other	(1,531)	-	1,531	-
Total	**(1,175)**	**-**	**1,175**	**-**

NOTE 11
OTHER NON-FINANCIAL ASSETS

The composition of Other Non-Financial Assets is detailed below:

	12.31.19	12.31.18
Shareholders- Refund of Personal Property Tax	279,299	-
Payments made in Advance	289	662
Total	**279,588**	**662**

NOTE 12
ISSUANCE OF DEBT SECURITIES.

The current Global Issuance Programs for Debt Securities are detailed below:

Company	Authorized Amount*	Type of Debt Security	Program Term	Approval Date by the S. Meeting	CNV Approval
Grupo Financiero Galicia S.A.	Thousands of USD 100,000	Simple, Non-convertible into Shares	5 years	03/09/09 ratified on 08/02/12	Resolution No. 16,113 dated 04/29/09 and extended by Resolution No. 17,343 dated 05/08/14 and Provision No. DI-2019-63-APN-GE#CNV dated 08/06/19. Authorization of Increase, Resolution No. 17,064 dated 04/25/13

* Or its equivalent in any other currency.

The Company had not Debt Securities as of December 31, 2019 and December 31, 2018.

NOTE 13
CURRENT INCOME TAX LIABILITIES

Se detalla a continuación la composición del rubro a las fechas indicadas:

	12.31.19	12.31.18
Current Income Tax	**(55,875)**	**(56,888)**
Tax Advances	42,796	9,828
Current Income Tax Liabilities	**13,079**	**47,060**

NOTE 14
OTHER NON-FINANCIAL LIABILITIES

The item composition as of the indicated dates is detailed below:

	12.31.19	12.31.18
Payroll and social contributions payable	2,013	894
Withholdings on payroll payable	98	74
Sundry Creditors	25,459	16,331
Taxes Payable	279,644	2,728
Fees Payable	338	-
Other Non-financial Liabilities	5	1
Total	**307,557**	**20,028**

NOTE 15
CAPITAL STOCK

The composition of Capital stock is detailed in Schedule K.

There are no own shares in the Company's portfolio.

In Argentina, the Company's shares are quoted in the Argentine Stock Exchanges and Markets (BYMA) and Mercado Abierto Electrónico S.A. (MAE) Likewise, the shares are quoted in the United States of America in the National Association of Securities Dealers Automated Quotation (NASDAQ), under the American Depository Receipt (ADRs) program, of which The Bank of New York Mellon is the depositary agent.

NOTE 16
BREAKDOWN OF INCOME

The breakdown of Net Income from Interest and Net Income from Financial Instruments measuredat Fair Value through Profit or Loss, is detailed below.

Net Income from Financial Instruments measuredat Fair Value through Profit or Loss	12.31.19	12.31.18
For measuring Financial Assets at fair value through profit or loss		
Government Securities	5,206	159,359
Income from Corporate Securities	77,300	9,461
From measuring Financial Liabilities at Fair Value through Profit or Loss		
Income from Derivative Financial Instruments		
- Net Forward Purchases of Foreign Currency	-	(13,108)
Totals	**82,506**	**155,712**

Interest Income	12.31.19	12.31.18
From Cash and Due from Banks	6,597	435
Total	**6,597**	**435**

NOTE 17
EXCHANGE RATE DIFFERENCES ON GOLD AND FOREIGN CURRENCY

The item composition as of the indicated dates is detailed below:

Arising from:	12.31.19	12.31.18
For valuation of assets and liabilities in foreign currency	149,394	42,750
Total	**149,394**	**42,750**

NOTE 18
OTHER OPERATING INCOME

The item composition as of the indicated dates is detailed below:

	12.31.19	12.31.18
Recovery of expenses related to the ADR Issuance Program	22,819	9,937
Total	**22,819**	**9,937**

NOTE 19
PERSONNEL EXPENSES

The breakdown of the item is included below, as of the indicated dates:

	12.31.19	12.31.18
Payroll	5,049	3,115
Social Contributions on Payroll	1,173	691
Personnel Compensations and Rewards	1,397	245
Services for Personnel and other services	517	384
Total	**8,136**	**4,435**

NOTE 20
ADMINISTRATIVE EXPENSES

The Company presented its Statement of Income under the by-function-of-expense method. In accordance with this method, the expenses are classified according to their function as part of the item "Administrative expenses".

The following table provides the additional information required on the nature of expenses and their relation to the function, as of the indicated dates:

	12.31.19	12.31.18
Fees and Remunerations for Services	32,785	20,919
Fees to Directors and Syndics	87,173	70,076
Taxes	18,782	9,053
Electricity and Communications	118	10
Representation and Travel Expenses	39	186
Stationery and Office supplies	130	428
Administrative Services under Contract	1,326	995
Insurance	1,330	619
Other	9,250	10,615
Total	**150,933**	**112,901**

NOTE 21
DEPRECIATION AND IMPAIRMENT OF ASSETS

The item composition as of the indicated dates is detailed below:

	12.31.19	12.31.18
Depreciation of Property, Plant and Equipment	280	239
Total	**280**	**239**

NOTE 22
OTHER OPERATING EXPENSES

The item composition as of the indicated dates is detailed below:

	12.31.19	12.31.18
Turnover tax for Financial Brokerage	13,210	6,458
Turnover tax on another revenue	52	302
Donations	443	-
Other	38	5
Total	**13,743**	**6,765**

NOTE 23
INCOME TAX/DEFERRED TAX

The following is a reconciliation between the income tax charged to income as of December 31, 2019, as compared to the previous fiscal year, and the income tax that would result from applying the current tax rate on accounting profit:

	12.31.19	12.31.18
Income before income tax for the year	41,743,252	14,406,504
Current tax rate	30%	30%
Income for the year at Tax Rate	**(12,522,976)**	**(4,321,951)**
Permanent Differences at Tax Rate		
- Income from Interests in subsidiaries	12,449,469	4,272,642
- Untaxed Income	1,767	-
- Other Non-deductible Expenses	(1,289)	(2,340)
- Other	(4,501)	(2,138)
- Tax adjustment under Law 27,430	13	(323)
- Tax Inflation Adjustment	16,581	-
- Tax Inflation Adjustment Deferral	74,615	-
Total income tax charge for the year	**13,679**	**(54,110)**

	12.31.19	12.31.18
Current Income tax*	**(55,875)**	**(56,888)**
Variation of Deferred Tax[1]	69,596	3,918
Tax Return adjustment from previous fiscal year	(42)	(1,140)
Total income tax charge for the year	**13,679**	**(54,110)**

* See Note 13.
(1) See Note 10.

Tax Reform

On December 29, 2017, the Argentine Executive Branch promulgated Law 27430 on Income Tax. This law has introduced several changes regarding the income tax, whose key components are as follows:

- Income tax rate: The Income tax rate for Argentine companies will be gradually reduced from 35% to 30% for fiscal years beginning on January 1, 2018 through December 31, 2019, and 25% for fiscal years beginning as of January 1, 2020, this date included.

- Tax on Dividends: The law established a tax on dividends or profits distributed, among others, by Argentine companies or permanent establishments to: human persons, undivided estates or foreign beneficiaries, with the following considerations: (i) dividends arising from profits generated during the years beginning January 1, 2018 through December 31, 2019 will be subject to a 7% withholding tax; and (ii) dividends arising from earnings obtained for fiscal years beginning January 1, 2020 onwards will be subject to 13% withholding tax.

The dividends arising from benefits obtained until the year before the year commenced as of January 1, 2018 will continue to be subject, for all beneficiaries thereof, to the 35% withholding on the amount exceeding the accumulated tax-free distributable income (transition period for equalization tax).

- Optional tax revaluation: The regulations establish that, at the option of the Companies, these may carry out the tax revaluation of the assets located in the country, and which are affected to the generation of taxable earnings. The special tax on the amount of the revaluation depends of the asset, being 8% for real property which are not inventories, 15% for real property which are inventory, and 10% for personal property and the rest of the assets. Once the option is exercised for a certain asset, the remaining assets of the same category must be revaluated. The taxable income arising from the revaluation is not subject to the income tax, and the special tax on the revaluation amount will not be deductible from said tax.

On December 23, 2019, the Argentine Executive Branch promulgated Law 27,541, which introduced several changes for processing the Income Tax:

- Income tax rate: the reduction is suspended of the tax rate for fiscal years commenced up to January 1, 2021, this date included; therefore, for fiscal years closing on December 31, 2020 and December 31, 2021, the rate is established at 30%.

- Inflation adjustment: The inflation adjustment for the first and second fiscal year commenced January 1, 2019, must be charged one sixth (1/6) in that fiscal period, and the remaining five sixths (5/6), in equal parts, in the following five immediate fiscal periods.

As of the closing date of these Separate Financial Statements, the Company verified that the parameters established by the Income Tax Act for the application of the tax inflation adjustment are met; consequently, said adjustment has been considered to determine the year tax. The effect of the deferral of five-sixths of the inflation taxable income has been recognized as a deferred tax asset. (See Note 12).

NOTE 24
DIVIDENDS

The Ordinary and Extraordinary Shareholders' Meeting held on April 25, 2019 approved the Financial Statements as of December 31, 2018 and the treatment of income for the year ended on that date.

Dividends approved by said Meeting amounted to Ps. 2,000,000 and represented Ps. 1.40 (figures stated in Argentine pesos) per share. On May 9, 2019, the aforementioned dividends were paid to the Group's Shareholders.

The Ordinary and Extraordinary Shareholders' Meeting held on April 24, 2018 approved the Financial Statements as of December 31, 2017 and the treatment of income for the year ended on that date.

Dividends approved by said Meeting amounted to Ps. 1,200,000 and represented Ps. 0.84 (figures stated in Argentine pesos) per share. On May 9, 2018, the aforementioned dividends were paid to the Group's Shareholders.

NOTE 25
EARNINGS PER SHARE

Earnings per share is calculated by dividing the income attributable to the Company's Shareholders into the weighted average of the outstanding ordinary shares in the year. Since the Company does not have preferred shares or debt convertible into shares, the basic earnings is equal to the diluted earnings per share.

	12.31.19	12.31.18
Income attributable to the Company's Shareholders	41,557,118	14,427,034
Weighted Average of outstanding shares (thousands)	1,426,765	1,426,765
Earnings per Share	**29.13**	**10.11**

NOTE 26
CAPITAL MANAGEMENT AND RISK POLICIES

In addition to the applicable local regulations, Grupo Financiero Galicia S.A., in its capacity as a listed Company on the United States of America's markets, complies with the certification of its internal controls pursuant to Section 404 of the Sarbanes Oxley Act (SOX). The Company's risk management is monitored by the Audit Committee, which also gathers and analyzes the information submitted by the main controlled companies.

Capital Management

The Company's objectives are to generate returns for its Shareholders, benefits for other stakeholders and maintain an optimum capital structure. Said capital structure will consider the investment needs in the subsidiaries and new undertakings, maintaining the expected profitability levels and complying with the established liquidity and solvency objectives.

Market Risk

The following are the sensitivity analyses of Income and Equity as to reasonable changes in the exchange rates in relation to the Company's functional currency.

During 2017, each instrument was assigned a holding period in accordance with market depth (previously, the time horizon were 10 trading sessions for the entire trading operation).

The exposure to exchange rate risk at the year closing per type of currency is detailed below:

Currency				Balances as of 12.31.19
	Monetary Financial Assets	Monetary Financial Liabilities	Derivatives	Net position
US Dollar	572,505	(22,502)	-	550,003
Total	**572,505**	**(22,502)**	**-**	**550,003**

Currency				Balances as of 12.31.18
	Monetary Financial Assets	Monetary Financial Liabilities	Derivatives	Net position
US Dollar	84.660	(12.839)	-	71.821
Total	**84.660**	**(12.839)**	**-**	**71.821**

Currency	Variation	Balances as of 12.31.19		Balances as of 12.31.18	
		Income	Equity	Income	Equity
US Dollar	10%	55,000	605,003	7,182	79,003
US Dollar	-10%	(55,000)	495,003	(7,182)	64,639

Interest Rate Risk

The different sensitivity of assets and liabilities to changes in the "market interest rates" exposes the Company to the "interest rate risk". This is the risk of the financial margin and the Shareholders' Equity economic value varying as a consequence of the fluctuation of market interest rates. The magnitude of this variation is related to the sensitivity of the interest rate of the Company's Assets and Liabilities structure.

Operational Risk

The operational risk management comprises the identification, assessment, follow up, control and mitigation of said risk. This is a continuous process carried out all over the Group, fostering a risk management culture across all the Organization levels.

Identification

The starting point for management is risk identification and their connection with the controls established to mitigate them, considering both internal and external factors that may affect the development of the processes. The outcomes of the above activity are recorded in a risks registry, acting as a central repository of the nature and status of each risk and its controls.

Assessment

Once the risks have been identified, the magnitude is established, in terms of impact, frequency and probability of risk occurrence, considering the existing controls. The combination of impact and probability of occurrence determines the level of risk exposure. Finally, the estimated risk levels are compared to the pre-established criteria, considering the balance of potential benefits and adverse results.

Follow up

The follow up process enables the detection and correction of possible deficiencies in the policies, processes and procedures, and their updating.

Risk control and mitigation

Risk control ensures compliance with the internal policies and analyzes the risks and the relevant responses to avoid, accept, reduce or share them, aligning them with the defined risk tolerance.

IT Risk

The Group manages Information Technology (IT) Risk inherent in its products, activities and business processes. In turn, it manages the risk associated to the relevant information systems, the information technology and security processes. It also comprises the risks arising from the subcontracted activities and the services provided by its suppliers.

Reputational Risk

It can stem from the materialization of other risks: Legal, Compliance, Operational, Technological, Strategic, Market, Liquidity, Credit risks, etc.

The stakeholders are at the center of this function, being considered when establishing any type of mitigation measure.

Strategic Risk

Strategic risk is the risk arising from an inappropriate business strategy, or an adverse change in the forecasts, parameters, objectives and other functions supporting that strategy.

NOTE 27
TRANSACTIONS WITH RELATED PARTIES

Related parties are all the entities that control another entity, whether directly or indirectly through other entities, are under the same control, or can exert significant influence over the financial or operational decisions of another entity.

The Company controls another entity when it has power over the financial and operational decisions of other entities, and, in turn, obtains benefits from it. On the other hand, the Company considers that it has joint control when there is an agreement between the parties on the control over a common economic activity.

Finally, the cases in which the Company has significant influence are due to the power to influence over the financial and operational decisions of another entity, but is not able to exercise control over them. Shareholders with an interest equal to or greater than 20% of the Company's or its subsidiaries' total votes are considered to exert a significant influence.

In determining said situations, not only the legal aspects are observed but also the nature and substance of the relationship.

Additionally, the key personnel of the Company's Directors and Management (members of the Board of Directors, and Managers), as well as the entities over which the key personnel can exert significant influence or control, are considered related parties.

Controlling Entity

The Group is controlled by:

Name	Nature	Main Activity	Location	Interest %
EBA Holding S.A.	55.11% of voting rights	Financial and Investment Matters	CABA - Argentina	19.71%

Remunerations of Key Personnel

Remunerations to the Company's key personnel as of December 31, 2019 and December 31, 2018, amount to Ps. 87,173 and Ps. 70,076, respectively.

Composition of Key Personnel

The composition of key personnel as of the indicated dates is as follows:

	12.31.19	12.31.18
Regular Directors	9	9
Total	**9**	**9**

Transactions with Related Parties

The Company has not been a party to, or granted loans to:

(i) companies that directly or indirectly, through one or more intermediaries, control or are controlled by the Company;
(ii) associates, (i.e., a consolidated company where the Company exerts significant influence, or which significantly exerts influence on the Company).
(iii) persons who have, directly or indirectly, an interest with voting power in the Company that gives them a significant influence on the Company, and, where appropriate, ascendants, descendants, spouses or siblings of said person (i.e., close members of the family that could influence or be influenced by that person in their relations with the Company);
(iv) key Directors or Managers;
(v) companies with a substantial interest, and whose ownership involves any of the persons described in (iii) or (iv) and/or who can exert a significant influence on the Company. For the purposes of this paragraph, it includes companies owned by the directors or main shareholders of the Company having a key member of the administration in common with Grupo Financiero Galicia S.A., as applicable.

Balances between Related Parties

The transactions performed with subsidiaries as of the indicated dates are detailed below:

Banco de Galicia y Buenos Aires S.A.U.	12.31.19	12.31.18
Assets		
Cash and Due from Banks	85,308	487
Loans and Other Financing	249,751	790,458
Total	**335,059**	**790,945**
Liabilities		
Other Non-financial Liabilities	-	85
Total	**-**	**85**

Income	12.31.19	12.31.18
Interest Income	161,865	82,534
Administrative Expenses	(5,114)	(4,469)

NOTE 28
ADDITIONAL INFORMATION REQUIRED BY THE BCRA

28.1. Restrictions to distribution of profits

According to Art. 70 of the General Companies Act, Grupo Financiero Galicia S.A. must transfer to Legal Reserve 5% of the profit for the year, until said reserve reaches 20% of the capital stock plus the balance of the Capital Adjustment account. When this Reserve decreases for any cause, profits cannot be distributed until the Reserve reaches said 20%.

28.2. Capital management and transparency policy in terms of corporate governance

Board of Directors

The Board of Directors of Grupo Financiero Galicia is the maximum Management Body of the Company. It is composed of nine Regular Directors and three Alternate Directors who must have the knowledge and skills required to clearly understand their responsibilities and duties within Corporate Governance, and work with the loyalty and diligence of a good businessman.

In accordance with the Bylaws, both Regular and Alternate Directors hold office for up to three years, are partially renewed each year and may be indefinitely reelected.

The Company complies with adequate standards both regarding total number of Directors, and number of independent Directors. Additionally, its Bylaws provides for the adequate flexibility to adjust the number of Directors to eventual variations in the conditions in which the Company operates, between three and nine Directors.

The Board of Directors, in all relevant aspects, complies with the recommendations of the Code of Corporate Governance included in Schedule IV of Title IV of the National Securities Commission regulations (TN 2013).

Likewise, controls are carried out on the application of corporate governance policies defined by regulations in force, through the Executive Committee, the Audit Committee and the Disclosure Committee. The Committees periodically reports to the Board of Directors, who becomes aware of the decisions of each Committee, and the relevant matters are recorded in the Minutes of their meetings.

Executive Committee

In July, 2018, the Board of Directors of Grupo Financiero Galicia S.A. approved the creation and the Regulations of the Executive Committee. The Executive Committee is composed of five Regular Directors, and its purpose is to contribute to the management of the Company's ordinary and usual business for a more efficient fulfillment of the Company's Board of Directors' mission.

Audit Committee

The Audit Committee established by Law No. 26,831 on Capital Markets and the CNV Regulations, is composed of three Directors, two of them independent, and complies with the requirements of the Sarbanes-Oxley Act of the United States of America.

Its responsibility is to provide the Company's Board of Directors with assistance in overseeing the Financial Statements, as well as in controlling Grupo Financiero Galicia and its subsidiaries.

Disclosure Committee

States of America, and it is composed of the General Manager, the Administrative-Financial Manager and two supervisors of the Administrative-Financial Management.

Some of its duties include: monitoring the Company's internal control, reviewing the Financial Statements and other information published, preparing the reports for the Board of Directors on the activities carried out by the Committee. The Committee's operation has been gradually adapted to local legislation and it currently performs important administrative and information functions that are used by the Board of Directors and the Audit Committee, thus contributing to the transparency of the information provided to the markets.

Basic Ownership Structure

Grupo Financiero Galicia is a Company whose purpose is exclusively to conduct financial and investment activities as per Art. 31 of the General Companies Act. This means it is a holding company, engaged in managing its shareholdings, equity and resources.

Among the companies where it takes part, Banco de Galicia y Buenos Aires S.A.U. outstands as its main asset, whose holding reaches 100% of the capital stock. This Company, as it is a banking institution, is subject to certain regulatory restrictions imposed by the BCRA. Among them, there is a restriction limiting holding to a maximum 12.5% of the Capital stock, in companies not performing complementary activities.

Therefore, Grupo Financiero Galicia is the direct and indirect holder of those interests performing activities defined as non-complementary.

The structure of Grupo Financiero Galicia is reduced, since it is a holding company of a group of financial services. This is why certain organizational aspects which are typical of large operating companies are not applicable to the Group.

Finally, it should be noted that Grupo Financiero Galicia is under the control of another pure holding company, denominated EBA Holding S.A., which possesses the sufficient number of votes to form the corporate will at the Shareholders' meetings, although it does not conduct any management activity on the Group.

Compensation Systems

The Directors' compensation is submitted to the consideration of the Ordinary Shareholders' Meeting and is established within the limits set forth by the Law and Bylaws.

The Audit Committee issues an opinion on the reasonableness of the compensation proposals for the Directors, considering market standards.

Business Conduct Policy

Since its establishment, a constant characteristic of Grupo Financiero Galicia S.A. has been the broad respect for Shareholders' rights, the reliability and accuracy of the information provided, the transparency of their policies and decisions, and the good judgment in the disclosure of strategic business issues.

Code of Ethics

Grupo Financiero Galicia S.A. has a formally approved Code of Ethics that guides its policies and activities, it considers aspects related to the business impartiality and conflicts of interests, and how the collaborator must act in order to identify a breach of the Code of Ethics.

Signed for identification purposes
with our report dated February 20, 2020.
PRICE WATERHOUSE & CO. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

Dr. Sebastián Morazzo
Public Accountant (U.M.)
Professional Association of Economic Sciences,
CABA, Book 347 Folio 159

Eduardo J. Escasany
Chairman

Signed for identification purposes
with our report dated February 20, 2020.
By Supervisory Committee

Omar Severini
Syndic

SCHEDULE A - DETAIL OF PUBLIC AND PRIVATE SECURITIES

For the twelve-month fiscal year ended December 31, 2019, in comparative form.
Figures stated in thousand Argentine pesos, except as otherwise provided.

Item	Holding				Position		
	Fair value	Fair Value Level	Book Balance		No Options	Options	Final
			12.31.19	12.31.18			
Debt securities at fair value through profit or loss	-	-	-	19,394	-	-	-
Local	**-**	**-**	**-**	**19,394**	**-**	**-**	**-**
Letes in USD - Type: LTDF9	-	Level 1	-	19,394	-	-	-

SCHEDULE F - CHANGES IN PROPERTY, PLANT AND EQUIPMENT

For fiscal year commenced January 1, 2019 and ended December 31, 2019, in comparative form.
Figures stated in thousand Argentine pesos, except as otherwise provided.

Item	Value at the beginning of the year	Estimated useful life, in years	Recognition	Derecognition	Transfers	Depreciation				Residual value as of	
						Accumulated	Derecognition	For the year	At closing	12.31.19	12.31.18
Measurement at cost											
Vehicles	1,952	5	4,120	-	-	364	-	280	644	5,428	1,588
Total	**1,952**		**4,120**	**-**	**-**	**364**	**-**	**280**	**644**	**5,428**	**1,588**

Item	Value at the beginning of the year	Estimated useful life, in years	Recognition	Derecognition	Transfers	Depreciation				Residual value as of	
						Accumulated	Derecognition	For the year	At closing	12.31.18	12.31.17
Measurement at cost											
Vehicles	1,952	5	-	-	-	125	-	239	364	1,588	1,827
Total	**1,952**		**-**	**-**	**-**	**125**	**-**	**239**	**364**	**1,588**	**1,827**

SCHEDULE K - COMPOSITION OF THE CAPITAL STOCK

For fiscal year commenced January 1, 2019 and ended December 31, 2019, in comparative form.
Figures stated in thousand Argentine pesos, except for "quantity" and "No. of votes per each share".

Class	Shares						Capital stock	
	Quantity	Nominal value per share	Votes per share	Issued		Pending issuance or distribution	Allocated	Paid-in	Not paid-in
				Outstanding	Portfolio shares				
Class "A"	281,221,650	One Argentine peso per Share	5	281,222	-	-	-	281,222	-
Class "B"	1,145,542,947	One Argentine peso per Share	1	1,145,543	-	-	-	1,145,543	-
Total	**1,426,764,597**			**1,426,765**	**-**	**-**	**-**	**1,426,765**	**-**

SCHEDULE L - BALANCES IN FOREIGN CURRENCY

For fiscal year commenced January 1, 2019 and ended December 31, 2019, in comparative form.
Figures stated in thousand Argentine pesos, except as otherwise provided.

Items	Headquarters and branches in the country	12.31.19	US Dollar	Euro	Real	Other	12.31.19	12.31.18
Assets								
Cash and Due from Banks	95,689	95,689	95,689	-	-	-		6,663
Debt Securities at Fair Value through Profit or Loss	-	-	-	-	-	-		19,394
Other Financial Assets	52	52	52	-	-	-		-
Loans and Other Financing	**476,764**	**476,764**	**476,764**	**-**	**-**	**-**		**58,603**
- Non-financial Public Sector	-	-	-	-	-	-		-
- BCRA	-	-	-	-	-	-		-
- Other Financial Institutions	476,764	476,764	476,764	-	-	-		58,603
- To the non-financial Private Sector and Residents Abroad	-	-	-	-	-	-		-
Total assets	**572,505**	**572,505**	**572,505**	**-**	**-**	**-**		**84,660**
Liabilities				**-**	**-**	**-**		
Other Non-financial Liabilities	22,502	22,502	22,502	-	-	-		12,839
Total liabilities	**22,502**	**22,502**	**22,502**	**-**	**-**	**-**		**12,839**

SCHEDULE P - CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

For fiscal year commenced January 1, 2019 and ended December 31, 2019, in comparative form.
Figures stated in thousand Argentine pesos, except as otherwise provided.

Items*	Amortized Cost	Fair value through OCI	Fair value through profit or loss		Fair value hierarchy		
			Initially designated, or according to 6.7.1 of IFRS 9	Mandatory Measurement	Level 1	Level 2	Level 3
Financial Assets							
Cash and Due from Banks	**95,982**	**-**	**-**	**-**	**-**	**-**	**-**
- Cash	10	-	-	-	-	-	-
- Financial Institutions and Correspondents	95,972	-	-	-	-	-	-
Debt Securities at Fair Value through Profit or Loss	-	-	-	-	-	-	-
Other Financial Assets	70	-		3,681	3,681		
Loans and Other Financing	**726,515**	**-**	**-**	**-**	**-**	**-**	**-**
- Non-financial Private Sector and Residents Abroad	726,515	-	-	-	-	-	-
Total financial assets	**822,567**	**-**	**-**	**3,681**	**3,681**	**-**	**-**

* There were no liabilities that could be classified as financial liabilities as of the closing date.

Signed for identification purposes
with our report dated February 20, 2020.
PRICE WATERHOUSE & CO. S.R.L.
C.P.C.E.C.A.B.A. T° 1 F° 17

Dr. Sebastián Morazzo
Public Accountant (U.M.)
Professional Association of Economic Sciences,
CABA, Book 347 Folio 159

Eduardo J. Escasany
Chairman

Signed for identification purposes
with our report dated February 20, 2020.
By Supervisory Committee

Omar Severini
Syndic

ADDITIONAL INFORMATION TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended December 31, 2019, in comparative form.
Figures stated in thousand Argentine pesos, except as otherwise provided.

I. General issues on the company's activity

1. Specific and significant legal regimes that imply contingent flattenings or restatements of benefits provided for under such regulations.
None.

2. Significant changes in the activities of the company or other similar circumstances occurred during the years included in the financial statements that affect their comparability with those presented in previous fiscal years, or which could affect it when presenting statements for future fiscal years.
None.

3. Clasificación de los saldos de créditos y deudas en las siguientes categorías:

a. Due
As of December 31, 2019 and December 31, 2018, there were no credits or debts due.

b. Without established term on demand
As of December 31, 2019 and December 31, 2018, there were no credits or debts without established term on demand.

c. To be due

	Other Financial Assets	Loans and Other Financing	Current Income tax Assets	Deferred Income Tax Assets	Other Non-Financial Assets
1st. Quarter	3,751	726,515	56	-	279,482
2nd. Quarter	-	-	42,686	-	106
3rd. Quarter	-	-	-	-	-
4th. Quarter	-	-	-	-	-
Over a year	-	-	-	73,626	-
Total to be due as of12.31.19	**3,751**	**726,515**	**42,742**	**73,626**	**279,588**

	Other Financial Assets	Loans and Other Financing	Current Income tax Assets	Deferred Income Tax Assets	Other Non-Financial Assets
1st. Quarter	11,326	849,061	-	-	-
2nd. Quarter	-	-	-	-	68
3rd. Quarter	-	-	-	-	-
4th. Quarter	-	-	-	-	594
Over a year	-	-	-	4,030	-
Total to be due as of 12.31.18	**11,326**	**849,061**	**-**	**4,030**	**662**

	Other Financial Liabilities	Current Income Tax Liabilities	Deferred Income Tax Liabilities	Other Non-financial Liabilities
1st. Quarter	-	-	-	27,359
2nd. Quarter	-	13,079	-	279,299
3rd. Quarter	-	-	-	-
4th. Quarter	-	-	-	-
Over a year	1	-	-	898
Total to be due 12/31/19	**1**	**13,079**	**-**	**307,556**

	Other Financial Liabilities	Current Income Tax Liabilities	Deferred Income Tax Liabilities	Other Non-financial Liabilities
1st. Quarter	-	-	-	19,238
2nd. Quarter	-	47,060	-	-
3rd. Quarter	-	-	-	174
4th. Quarter	-	-	-	-
Over a year	-	-	-	616
Total to be due as of 12/31/18	**-**	**47,060**	**-**	**20,028**

4. Classification of credits and debts, so that information is provided regarding the financial effects derived from their servicing.

a. Accounts in foreign currency are detailed in Schedule L.
The Company did not have accounts to record payments in kind as of December 31, 2019 and December 31, 2018.

b. The Company did not have balances subject to the adjustment clause as of December 31, 2019 and December 31, 2018.

c. The balances accruing interest and those not accruing interest as of the indicated dates are detailed below:

	Other Financial Liabilities	Current Income Tax Liabilities	Deferred Income Tax Liabilities	Other Non-financial Liabilities	Other Non-Financial Assets
Not accruing interest	70	-	42,742	73,626	279,588
At Variable Rate	3,681	476,764	-	-	-
At Fixed Rate	-	249,751	-	-	-
Total as of 12.31.19	**3,751**	**726,515**	**42,742**	**73,626**	**279,588**

	Other Financial Liabilities	Current Income Tax Liabilities	Deferred Income Tax Liabilities	Other Non-financial Liabilities	Other Non-Financial Assets
Not accruing interest	15	-	-	4,030	662
At Variable Rate	11,311	58,603	-	-	-
At Fixed Rate	-	790,458	-	-	-
Total as of 12.31.18	**11,326**	**849,061**	**-**	**4,030**	**662**

	Other Financial Liabilities	Current Income Tax Liabilities	Deferred Income Tax Liabilities	Other Non-financial Liabilities
Not accruing interest	-	13,079	-	307,556
At Variable Rate	-	-	-	-
At Fixed Rate	1	-	-	-
Total as of 12.31.19	**-**	**13,079**	**-**	**307,556**

	Other Financial Liabilities	Current Income Tax Liabilities	Deferred Income Tax Liabilities	Other Non-financial Liabilities
Not accruing interest	-	47,060	-	20,028
At Variable Rate	-	-	-	-
At Fixed Rate	-	-	-	-
Total as of 12.31.18	**-**	**47,060**	**-**	**20,028**

5. Detail of interest percentages in companies included in art. 33 Of law no. 19,550, Per capital and total votes. Debit and/or credit balances, both per company and segregated as provided for in the above points 3 and 4.

See Notes 8 and 27 to the Separate Financial Statements.

II. Physical inventory count of inventories:

7. Periodicity and scope of physical inventory counts of inventories.
The company did not have inventories as of December 31, 2019 and December 31, 2018.

III. Current values

8. Sources of data used to calculate the current values used to valuate inventories, fixed assets and other significant assets.
See notes 1 and 2 to the separate financial statements.

Fixed assets
9. If there are technically revalued fixed assets, indicate the method followed to calculate the use of the "reserve for technical revaluation" for the year, when part of it had been previously reduced to absorb losses.

The company did not have technically revalued fixed assets as of December 31, 2019 and December 31, 2018.

10. The total value of unused fixed assets due to obsolescence must be reported, as stated in the balance sheet.

The company did not have unused fixed assets due to obsolescence as of December 31, 2019 and December 31, 2018.

IV. Interests in other companies

11. Interests in other companies exceeding that allowed by art. 31 Of law no. 19,550 And plans to regularize the situation.

The purpose of the Company is to perform financial and investment activities; therefore, the limitation provided for in Article 31 of Law No. 19,550 regarding interests in other companies does not apply.

V. Recoverable securities

12. Criteria followed to determine the significant "recoverable values" of inventories, fixed assets and other assets, used as limits for their respective accounting valuations.

See notes 1 and 2 to the separate financial statements.

VI. Insurance

13. Insurance covering tangible assets.
As of December 31, 2019 and December 31, 2018, the detail of contracted insurance for fixed assets was as follows:

Insured Assets	Covered Risk	Insured amount as of 9.30.19	Book Value as of 12.31.19	Book Value as of 12.31.18
Vehicles	Robbery, theft, fire or total loss	8,909	5,428	1,588

VII. Positive and negative contingencies

14. Elements taken into account to calculate the allowances whose balances, taken individually or jointly, exceed two percent (2%) of equity.

None.

15. Contingent situations as of the date of the financial statements whose likelihood of occurrence is not remote, and whose effects on equity have not been booked, indicating whether the lack of registration is based either on its likelihood of occurrence, or on the difficulties to quantify said effects.

As of December 31, 2019 and December 31, 2018, there were no contingent situations whose likelihood is not remote and whose effects on equity have not been booked.

VIII. Irrevocable advances on account of future subscriptions

16. Status of the procedure for their capitalization

As of December 31, 2019 and December 31, 2018 there were no irrevocable contributions on account of future subscriptions.

17. Cumulative unpaid dividends from preferred shares

As of December 31, 2019 and December 31, 2018, there were no cumulative unpaid dividends from preferred shares.

18. Conditions, circumstances or terms for cessation of the restrictions to the distribution of retained earnings, including those arising from the use of the legal reserve to absorb final losses still pending refund.

See note 28.1 To the separate financial statements.

This is to ratify the printed signatures appearing on the preceding pages, from page No. 1 to page No. 171, whose content is also ratified.

Independent Auditor's Report

To the Chairman and Directors of
Grupo Financiero Galicia S.A.
Tte. Gral. Juan D. Perón 430 - 25th floor
Autonomous City of Buenos Aires

Report on the Financial Statements

We have performed an audit of the accompanying separate financial statements of Grupo Financiero Galicia S.A. (hereinafter the "Entity") and its controlled companies, which include the Separate Statement of Financial Position as of December 31, 2019, and the related Separate Statement of Income and Other Comprehensive Income, Separate Statement of Changes in Shareholders' Equity and Separate Statement of Cash Flows for the fiscal year then ended, as well as a summary of significant accounting policies and other explanatory information disclosed in Notes and Schedules, which supplement them

The balances and other information for fiscal year 2018 are an integral part of the financial statements audited mentioned above and, therefore, should be considered in connection with those financial statements.

Board of Directors' Responsibility

The Entity's board of directors is responsible for the preparation and presentation of the separate financial statements, in accordance with the accounting framework established by the Argentine Central Bank (the B.C.R.A.). In addition, the board of directors is responsible for the existence of the internal control they may deem necessary to enable the preparation of financial statements free from material misstatements resulting from errors or irregularities.

Auditors' Responsibility

Our responsibility is to express an opinion on the accompanying separate financial statements based on our audit. We have conducted our audit in accordance with the Argentine auditing standards provided in Technical Pronouncement No. 37 of the Argentine Federation of Professional Councils in Economic Sciences (F.A.C.P.C.E.). Those standards require that we comply with the ethical requirements, as well as we plan and perform the audit in order to obtain reasonable assurance about whether the separate financial statements are free from material misstatements.

An audit entails performing procedures to obtain judgmental evidence regarding the amounts and other information disclosed in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements in the separate financial statements. When performing such risk assessment, the auditor should consider the appropriate internal control relevant for the Entity's preparation and fair presentation of the separate financial statements in order to design adequate audit procedures, based on the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes an assessment on the adequacy of the accounting policies applied, the reasonableness of the accounting estimates made by the Entity's Board of Directors and the presentation of the separate financial statements as a whole.

We consider that the judgmental evidence we have obtained provides enough and adequate basis for our audit opinion.

Opinion

In our opinion, the accompanying separate financial statements present fairly, in all material respects, Grupo Financiero Galicia S.A.'s and its controlled companies' separate financial position as of December 31, 2019, its separate comprehensive income, separate changes in shareholders' equity and separate cash flows for the fiscal year then ended, in accordance with the accounting standards established by the Argentine Central Bank.

Emphasis of matter

Without changing our opinion, as mentioned in Note 1.1 to the separate financial statements, the accompanying separate financial statements have been prepared in accordance with the accounting framework established by the Argentine Central Bank. Such standards differ from the professional accounting standards in force. In such note, the Entity has identified the effect on the financial statements derived from the different valuation and disclosure criteria.

Paragraph on Other Issues

Without changing our opinion, we draw attention to the fact that these separate financial statements have been prepared in accordance with Argentine Central Bank's accounting reporting framework, and that such framework presents material and overall differences with the professional accounting standards in force (International Financial Reporting Standards - IFRS) adopted by the Argentine Federation of Professional Councils in Economic Sciences (F.A.C.P.C.E.). These differences are because Argentine Central Bank's accounting framework does not contemplate applying section 5.5 "Impairment" of IFRS 9 "Financial Instruments" and International Accounting Standard No. 29 "Financial Reporting in Hyperinflationary Economies" and that the valuation of equity investments disclosed in Note 1.1 which are measured at fair value estimated by the Entity, contain an adjustment required by the Argentine Central Bank . The Entity has quantified the effect of applying International Accounting Standards No. 29 "Financial Reporting

in Hyperinflationary Economies" and section 5.5 "Impairment" of IFRS 9 "Financial Instruments" in Notes 1.2 and 1.7 to these separate financial statements. For the sake of an accurate interpretation, these separate financial statements should be read considering such circumstances.

Report on the Compliance with Regulations in force

As required by the regulations in force, we report that:

a) The separate financial statements of Grupo Financiero Galicia S.A. as of December 31, 2019 have been transcribed to the "Inventory and Balance Sheet" book and, insofar as concerns our field of competence, they are in compliance with the provisions of the General Corporations Law, and pertinent resolutions of the Argentine Central Bank and the National Securities Commission.

b) The separate financial statements of Grupo Financiero Galicia S.A. arise from accounting records kept, in all formal aspects, in compliance with legal regulations, which maintain the security and integrity conditions based on which they were authorized by the Argentine National Securities Commission.

c) We have read the Additional Information to the Notes to the Financial Statements required by Title IV, Chapter III, Article 12 of the Argentine National Securities Commission's regulations, on which, insofar as concerns our field of competence, we have no observations to make.

d) As of December 31, 2019, Grupo Financiero Galicia S.A.'s accrued debt with the Argentine Integrated Social Security System, which arise from the Entity's accounting records, amounted to $167,948.46, which was not yet due at that date.

e) As required by Title IV, Section I, Chapter I, Article 2 of the Argentine National Securities Commission's regulations, we report that:

e.1) Grupo Financiero Galicia S.A.'s corporate purpose is exclusively related to financial and investment activities.

e.2) The equity investment in Banco de Galicia y Buenos Aires S.A.U. and Tarjetas Regionales S.A., the second one subject to the consolidated supervision requirements issued by the Argentine Central Bank (Communiqué "A" 2989, and complementary), represents 95.93% of Grupo Financiero Galicia S.A.'s assets, being the Entity's main asset.

e.3) 96.03% of Grupo Financiero Galicia S.A.'s income stems from the share of profit (loss) of the entities mentioned in e.2).

e.4) Grupo Financiero Galicia S.A. has a 100% equity interest in Banco de Galicia y Buenos Aires S.A.U. and an 83% equity interest in Tarjetas Regionales S.A., thus having control over such entities.

f) As required by Title II, Section VI, Chapter III, Article 21, Subsection b) of the Argentine National Securities Commission's regulation, we report that the total fees billed to the Entity for auditing and audit related services in the fiscal year ended December 31, 2019, represents:

f.1) 100% of total fees billed to the Entity for services in that fiscal year.

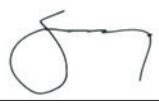
f.2) 11% of total fees billed to the Entity and its controlling, controlled and related companies for auditing and audit related services in that fiscal year.

f.3) 11% of total fees billed to the Entity and its controlling, controlled and related companies for services in that fiscal year.

g) We have applied the anti-money laundering and anti-terrorist financing procedures for Grupo Financiero Galicia S.A. set forth in the corresponding professional standards issued by the Professional Council in Economic Sciences of the Autonomous City of Buenos Aires.

Autonomous City of Buenos Aires, February 20, 2020.

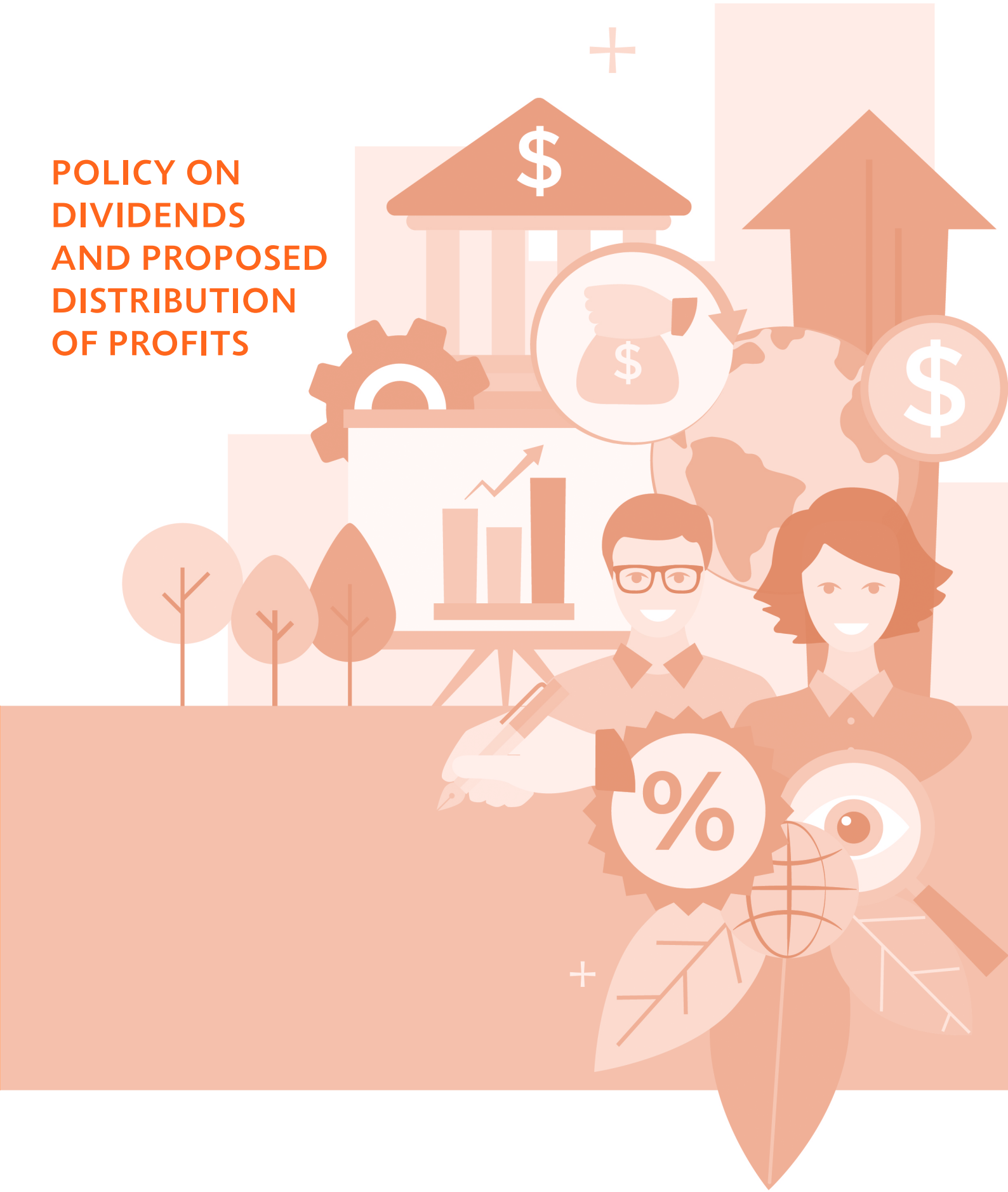
PRICE WATERHOUSE & CO. S.R.L



(Partner)

C.P.C.E.C.A.B.A. T° 1 F° 17
Dr. Sebastián Morazzo
Public Accountant (U.M.)
Professional Association of Economic Sciences,
CABA, Book 347 Folio 159

POLICY ON DIVIDENDS AND PROPOSED DISTRIBUTION OF PROFITS



POLICY ON DIVIDENDS

Grupo Financiero Galicia's policy for the distribution of dividends envisages the following, among other factors: (i) the obligatory nature of establishing a legal reserve,(ii) the Company's financial condition and potential indebtedness, (iii) the requirements of controlled companies, and(iv) that the profits recorded in the financial statements are realized and liquid profits, a requirement of Section 68 of the General Corporations Law so that it is possible to distribute them as dividends.

The proposal to distribute dividends arising from such analysis has to be approved at the Shareholders' Meeting that discusses the Financial Statements corresponding to each fiscal year.

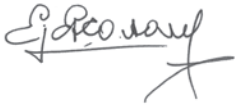
PROPOSED DISTRIBUTION OF PROFITS

At the close of the fiscal year ended on December 31, 2019, the Retained Earnings amounted to $79,087,350,433.18, which includes $41,557,117,565.73 for profits for the fiscal year.

The Board of Directors will propose the following distribution:

Distributable Income(1)	79,087,350,433.18
Legal Reserve	-
Distributable Balance	**79,087,350,433.18**
Distributed Income	**41,557,117,565.73**
To Optional Reserve for developing new businesses and supporting investees	37,557,117,565.73
To Optional Reserve for Future Distribution of Profits(2)	4,000.000,000.00
Retained Earnings	**37,530,232,867.45**

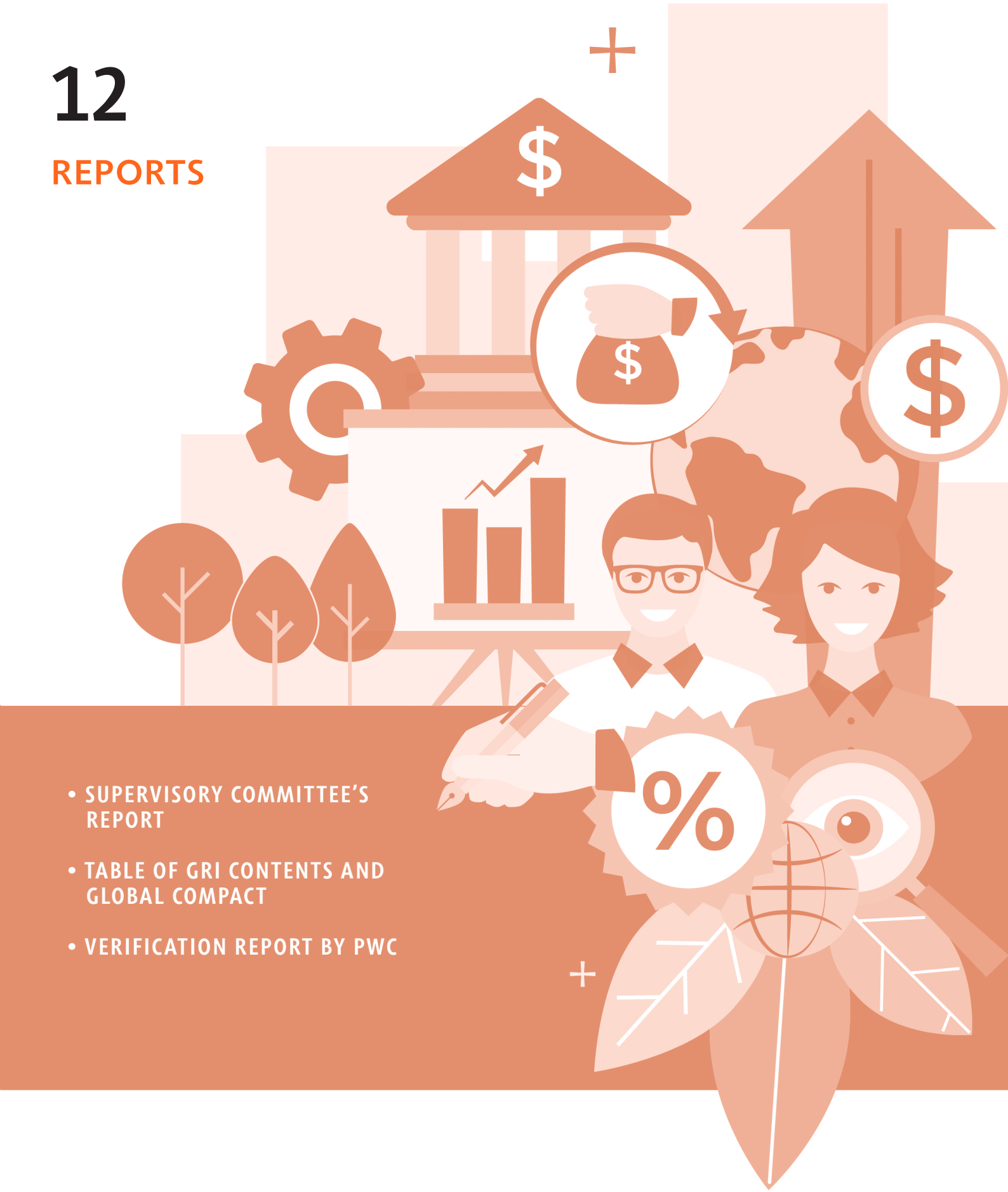
(1) It includes Retained Earnings, plus Optional Reserve, minus purchase of minority interest.
(2) It is proposed to delegate to the Board of Directors the power to use up to a maximum of Ps. 4,000,000,000.00 from said Reserve to pay dividends, provided an at least equal amount in cash has been received as a dividend from subsidiary Banco de Galicia y Buenos Aires S.A.U.



Eduardo J. Escasany
Chairman
Autonomous City of Buenos Aires,
February 20, 2020.

12

REPORTS



- SUPERVISORY COMMITTEE'S REPORT
- TABLE OF GRI CONTENTS AND GLOBAL COMPACT
- VERIFICATION REPORT BY PWC

SUPERVISORY COMMITTEE'S REPORT

To Shareholders and Directors of
Grupo Financiero Galicia S.A.
Registered Address: Tte. Gral. Juan D. Perón 430 – 25th Floor
Autonomous City of Buenos Aires
Tax ID. N° 30-70496280-7

Overdrafts reviewed

1. In our capacity as members of the Supervisory Committee of Grupo Financiero Galicia S.A., in accordance with the provisions of paragraph 5 of Article 294 of the General Companies Act, we have examined the attached Consolidiated Financial Statements and Separate Financial Statements of Grupo Financiero Galicia S.A. (hereinafter the "Company") comprising:

- the Annual Report,
- the consolidated and Separate Statements of Financial Position as of December 31, 2019,
- the Consolidated and Separate Statements for Income and Other Comprehensive Income for fiscal year ended December 31, 2019
- the Consolidated and Separated Statements of Changes in Equity and Cash Flows for the fiscal year ended on said same date,
- an overview of the significant accounting policies and other explanatory information included in the notes, schedules and profit distribution project; and
- the limited Review Report.

Figures and other information relevant to fiscal year 2018 are an integral part of the aforementioned financial statements and are presented for the purpose of being interpreted exclusively in relation to the figures and the information for the current fiscal year.

Responsibility of the directors in relation to the financial statements

2. The Board of Directors of the Grupo Financiero Galicia S.A. is responsible for the preparation and reasonable presentation of the financial statements in accordance with the accounting framework established by the Argentine Central Bank (BCRA). Also, it is responsible for establishing the internal control deemed necessary to enable preparation of financial statements that are free of significant inaccuracies derived from errors or irregularities.

Responsibility of the syndic

3. Our responsibility is to express an opinion about the documents detailed in point 1, based on the review performed within the scope detailed in point 4.

4. Our work was performed in accordance with the legal standards of the Syndic Commission in force in the Argentine Republic and those established in Technical Resolution No. 15 of the Argentine Federation of Professional Councils of Economic Sciences (Federación Argentina de Consejos Profesionales de Ciencias Económicas, FACPCE). These standards require that the review of the financial statements be carried out in accordance with the current professional auditing standards and those issued by the Argentine Central Bank, and include the verification of the consistency of the overdrafts reviewed with the information on the corporate decisions exposed in minutes, and the adequacy of these decisions to the law and bylaws in relation to their formal and documentary aspects. To perform our professional task on the overdrafts detailed in point 1, we have considered the audit carried out by the external auditors Price Waterhouse & Co. SRL, who issued their audit report dated February 20, 2020 without qualifications, in accordance with the auditing standards established in Technical Resolution No. 37 of the FACPCE and with the auditing standards issued by the Argentine Central Bank (BCRA). This review included the verification of the work planning, the nature, scope and timeliness of the procedures applied and the results of the audit performed by said professionals. The current auditing standards require the auditor to fulfill the ethical requirements and to plan and execute the audit in order to obtain a reasonable certainty as to whether the financial statements are free of significant misstatements or not. An audit implies the application of procedures to obtain

elements of judgement about the figures and other information presented in the financial statements. The selected procedures depend on the auditor's judgment, including the assessment of the risk of significant improprieties in the financial statements. In making such risk assessment, the auditor should consider the relevant internal control for the preparation and reasonable presentation by the Company of the financial statements, in order to design the appropriate audit procedures, depending on the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also comprises an assessment of the adequacy of the accounting policies applied, the reasonableness of the accounting estimates made by the Company's Board of Directors and the presentation of the financial statements as a whole.

In relation to the Annual Report, we have verified that it contains the information required by the General Companies Act and that its numerical data are consistent with the Company's accounting records and relevant documentation, for which we are responsible. The allowances and projections on future events contemplated in the aforementioned document are the responsibility of the Board of Directors.

Since it is not our responsibility to carry out a management control, the review did not extend to the criteria and business decisions of the various areas of the Company, which are the sole responsibility of the Board of Directors.

We also inform that, in compliance with the legal controls which are our responsibility, during the fiscal year we have applied the remaining procedures described in Article 294 of Law 19,550 that we consider necessary according to the circumstances, including, among others, the control of the constitution and subsistence of the directors' guarantee.

Opinion

- Based on the review carried out, within the scope described in point 4, and considering the external auditors' report, in our opinion, the financial statements mentioned in point 1 of this report are presented in all its significant aspects, reasonably, and in accordance with the accounting standards of the Argentine Central Bank.

- In compliance with the legal controls which are our responsibility, we have no objections.

- With respect to the Annual Report of the Board of Directors relevant to the fiscal year ended December 31, 2019, we have no objections regarding our competence, being the Board of Directors solely responsible for making any statements about future events. Likewise, we have carried out a review of the report on the degree of compliance with the Corporate Governance Code, attached as a schedule to the Annual Report prepared by the Management Body pursuant to Resolution 797/2019 of the CNV. As a result of our review, no aspect has been revealed that makes us believe that said schedule contains significant errors or has not been prepared in all its significant aspects in accordance with the aforesaid General Resolution of the CNV.

Emphasis paragraphs

Without modifying our opinion:

i) As indicated in Note 1.1., the accompanying financial statements have been prepared in accordance with the accounting framework established by the BCRA. These standards differ from the current professional accounting standards. In the aforementioned note, the Company has identified the effect on the financial statements derived from the different valuation and exposure criteria.

ii) We call the attention to the fact that the financial statements mentioned in point 1 have been prepared in accordance with Argentine Central Bank's accounting reporting framework,

and that such framework presents material and overall differences with the professional accounting standards in force (International Financial Reporting Standards - IFRS) adopted by the Argentine Federation of Professional Councils in Economic Sciences (F.A.C.P.C.E.). These differences are because Argentine Central Bank's accounting framework does not contemplate International Accounting Standard No. 29 "Financial Reporting in Hyperinflationary Economies" or applying section 5.5 "Impairment" of IFRS 9 "Financial Instruments" and the valuation of Investments in Equity Instruments, described in Note 22 and 1.1, measured at fair value estimated by the Company, contain an ajustment required by the Argentine Central Bank. The Company has only quantified the differences related to the application of International Accounting Standard No. 29 "Financial information in hyperinflationary economies" and Section 5.5 "Impairment Loss" of IFRS 9 "Financial Instruments" in Notes 1.2 and 1.7 to these financial statements. The financial statements must be read, for their correct interpretation, in the light of these circumstances.

Report on other legal and regulatory requirements

We inform that:

i) Grupo Financiero Galicia S. A.'s consolidated and separate financial statements as of December 31, 2019 stem from accounting records kept, in all formal aspects, in compliance with legal regulations prevailing in Argentina;

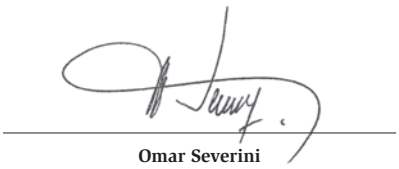
ii) Grupo Financiero Galicia S.A.'s consolidated and separate financial statements as of December 31, 2019 have been transcribed to the "Inventory and Balance Sheet" book and are in compliance with the provisions of the General Corporations Law, and pertinent resolutions of the Argentine Central Bank and the National Securities Commission;

iii) we have read the Limited Review Report and the additional information to the notes to the Separate financial statements required by Article 12, Chapter III, Title IV of the National Securities Commission regulations, on which we have no comments to make within the scope of our responsibility;

iv) we have read the information included in Note 52.4 to the consolidated financial statements, as of December 31, 2019 regarding the requirements established by the National Securities Commission about the Minimum Shareholders' Equity and the Minimum Liquidity, on which, insofar as concerns our field of competence, we have no observations to make, and.

v) as required by Article 21, Chapter III, Section VI, Title II and by Article 4, subsection d), Chapter I, Title XII of the National Securities Commission regulations on the independence of the external auditor, the quality of the audit policies applied, and the Company's accounting policies, the aforementioned report by the external auditor includes the statement of having applied the current audit standards, which include the independence requirements, and does not contain qualifications in relation to the application of the standards issued by the Argentine Central Bank.

Autonomous City of Buenos Aires, February 20, 2020.



Omar Severini
by Supervisory Committee

GRI CONTENT INDEX

The 2019 Integrated Report of Grupo Financiero Galicia was drafted following the guidelines of the GRI Standards, obtaining the validation of PWC Argentina. This report has been elaborated in accordance with exhaustive option of GRI Standards.

For the Content Index Service, GRI has confirmed that the GRI content index in the report is clear, and that the references for each included content correspond to the indicated sections of the report.

For the SDG Mapping Service, GRI has confirmed that the contents included in the content index have been compared to the SDGs.

Through this publication and the 2018 Integrated Report, Banco Galicia gives an account of the 2019 Communication on Progress, in compliance with the 10 principles of the United Nations Global Compact.

References
II: 2019 Integrated Report of Grupo Financiero Galicia
IA: Extended 2019 Report of Grupo Financiero Galicia
CGS: Corporate Governance Code [CGS]

Contents that respond to the Principles of the United Nations Global Compact of Banco Galicia

GRI Standard	Content	Page/Direct Response	Omission	Sustainable Development Goals (SDG)	
GRI 101: 2016 Fundamentals					
GENERAL CONTENT					
GRI 102: 2016 General Content	Organization Profile				
	102-1 Name of Organization	II: 8-9.			√
	102-2 Activities, brands, products and services	II: 8-9, 50, 53-55. IA: 6.2.			√
	102-3 Location of headquarters	Buenos Aires, Argentina.			√
	102-4 Location of transactions	II: 50. IA: 6.1.4. Grupo Financiero Galicia does not carry out significant activities abroad.			√
	102-5 Ownership and legal structure	Grupo Financiero Galicia S.A.			√
	102-6 Markets Served	II: 8-9, 50, 53-55.			√
	102-7 Size of organization	II: 26, 50, 56-59, 62. IA: 6.2.			√
	102-8 Information about employees and other workers	II: 62. IA: 7.1. The division according to the type of contract was replaced with the position, because it was more significant.		8.5	√
	102-9 Supply chain	II: 72.			√
	102-10 Significant changes in the organization and its supply chain	II: 8-9, 10, 51. IA: 6.1.3.			√
	102-11 Precaution Principle or Approach	II: 16-19, 76, 79. IA: 4.1, 4.1.1.			√
	102-12 External Initiatives	II: 4-6, 79. IA: 1.6, 8.1.1, 8.3.1-8.3.5, 10-14.			√
	102-13 Membership in associations	II: 4-6, 79. IA:1.6, 8.1.1, 10, 12.			√
	Strategy				
	102-14 Declaration of senior executives responsible for decision making	II: 2-3.			√
	102-15 Main impacts, risks and opportunities	II: 2-3, 4-7, 16-19. IA: 2.1, 2.2, 4.1			√
	Ethics and Integrity				
	102-16 Values, principles, standards and conduct regulations	II: 4-7, 16-19, 76. IA: 1.5, 1.6, 3.3, 4.1-4.3, 6.5, 8.5.2.			√
	102-17 Advisory mechanisms and ethical concerns	IA: 4.2, 4.3.			√
	Governance				
	102-18 Governance Structure	II: 12-15. IA: 3.1.			√
	102-19 Delegation of authority	II: 13-15. IA: 3.1.			√
	102-20 Responsibility at the executive level for economic, environmental and social issues	II: 13-14. CGS: 2.			√
	102-21 Inquiry to stakeholders about economic, environmental and social issues	II: 4. IA: 1.4. CGS: 25, 26. The inquiries are made within the framework of the drafting of the report, and shared with the corporate governance.			√
	102-22 Composition of the highest governance body and its committees	II: 13-15. IA: 3.1.		5.5	√
	102-23 Chairman of the highest governance body	II: 13, 15.			√
	102-24 Nomination and selection of the highest governance body	CGS: 12, 13, 14.		5.5	√
	102-25 Conflicts of interests	IA: 4.2, 4.3. CGS: 24			√
	102-26 Role of the highest governance body in the selection of objectives, values and strategy	II: 13-15. CGS: 1, 2, 3.			√
	102-27 Collective knowledge of the highest governance body	IA: 3.2. CGS: 7, 8.			√
	102-28 Performance evaluation of the highest governance body	IA: 3.2. CGS: 7. External factors are not considered in the evaluation.			√
	102-29 Identification and management of economic, environmental and social impact	II: 2-3, 6-7. IA: 1.1, 1.3, 2.1, 2.2, 10. The Executive Committee defines strategic objectives and sustainability goals, and draws on surveys and studies on stakeholders.			√
	102-30 Effectiveness of risk management processes	II: 13-14, 17-19. IA: 4.1.			√
	102-31 Revision of economic, environmental and social issues	II: 2-3, 6-7. IA: 1.1, 1.3, 2.1, 2.2, 10. The strategic goals and material issues are checked annually.			√
	102-32 Role of the highest governance body in sustainability reporting	The General Manager and the Executive Committee check, approve and are responsible for the Sustainability Report.			√
	102-33 Communication of Critical Concerns	IA: 1.4. The corporate governance knows the stakeholders' opinions, claims and expectations about Area Managers.			√
	102-34 Nature and total number of critical concerns	II: 44. IA: 1.4, 4.2, 5.2, 10. The "important concerns" are the stakeholders' statements that may have an impact in the business o some key audience.			√
	102-35 Compensation Policies	CGS: 15, 16, 17, 22.			√

GRI Standard	Content	Page/Direct Response	Omission	Sustainable Development Goals (SDG)	
GENERAL CONTENT					
GRI 102: 2016 General Content	102-36 Process to determine compensation	CGS: 15, 16, 17, 22.			√
	102-37 Stakeholders involvement in compensations	CGS: 25, 26. In addition to market research conducted by external consultants, no other type of inquiry is carried out to stakeholders.			√
	102-38 Total annual offsetting ratio		Confidentiality Issues. The total of this standard is not reported. Given the local context in which Grupo Financiero Galicia's activities unfold, this information is confidential to safeguard the personal security of our employees and the highest positions in the entity.		√
	102-39 Ratio of percentage increase of total annual offsetting		Response equal to that included in content 102-38.		√
	Participation of stakeholders				
	102-40 Stakeholders list	II: 4. IA: 1.4.			√
	102-41 Collective bargaining agreements	99.36% employees of Banco Galicia are covered in collective bargaining agreements, 93.40% of Naranja and 97.44% of Galicia Seguros.		8.8	√
	102-42 Stakeholders Identification and Selection	IA: 1.4.			√
	102-43 Approach for stakeholders participation	II: 4-5, 44, 51-52, 63, 73. IA: 1.1, 1.3, 1.4, 5.2, 7.2, 7.6, 8.1.			√
	102-44 Key Mentioned Issues and Concerns	II: 4-5, 44, 51-52, 63. IA: 1.1, 1.3, 4.2, 5.2, 7.2, 7.6, 8.1.			√
	Practices for drafting reports				
	102-45 Entities included in the consolidated financial statements	Banco Galicia, Naranja and Galicia Seguros.			√
	102-46 Definition of the contents of the reports and the coverage of the subject	II: 4-5. IA: 1.1.			√
	102-47 List of material issues	IA: 1.1.			√
	102-48 Re-expression of the information	II: 8-9, 10, 51. IA: 6.1.3.			√
	102-49 Changes in the drafting of reports	II: 4-5. IA: 1.1.			√
	102-50 Period covered by the report	Year 2019.			√
	102-51 Date of last report	January to December 2018.			√
	102-52 Cycle of drafting of reports	Annual.			√
	102-53 Contact point for questions about the report	II: 86.			√
	102-54 Statement of drafting of the report in accordance with GRI Standards	This report has been elaborated in accordance with exhaustive option of GRI Standards.			√
	102-55 Index of GRI Content	II: 80-84. IA: 14.			√
	102-56 External Verification	II: 85. IA: 15.			√
MATERIAL ISSUES					
Economic performance					
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.			√
	103-2 The management approach and its components	II: 2-3, 4-5, 6-7, 25, 26. IA: 1.1, 2.1.			√
	103-3 Assessment of the management approach	II: 2-3, 4-5, 6-7, 8-9, 26. IA: 1.1, 2.1.			√
GRI 201: 2016 Economic Performance	201-1 Direct Economic Value Generated and Distributed	II: 26, 39, 68. IA: 9.5.		8.2, 9.4	√
	201-2 Financial Implications and other risks and opportunities derived from of climate change	II: 79. IA: 9.5. No financial consequences were registered due to climate change in the companies of the Group.		13.1	√
	201-3 Obligations of the defined benefit plans and other retirement plans	In addition to the benefits plan established according to the labor law , there is no independent fund in the companies of the Group for this purpose, for its employees.			√
	201-4 Financial Assistance received from the government	No help was received on the part of the Argentine State.			√
Presence in the Market					
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.			√
	103-2 The management approach and its components	II: 2-3, 4-5, 6-7, 8-9, 25, 26. IA: 1.1, 2.1.			√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 8-9, 26. IA: 1.1.			√
GRI 202: 2016 Presence in the Market	202-1 Ratio of standard initial category salary by sex versus local minimum wage	The standard initial salary of the employees of Grupo Financiero Galicia exceeds the Minimum Vital and Mobile Salary of Argentina (SMVM) by 224.77%, that of Naranja by 118% and that of Galicia Seguros by 276.68%.		5.1, 8.5	√
	202-2 Proportion of senior executives hired from the local community	IA: 3.1. The companies of the Group give preference to local hiring, provided that the requirements of the position are met.		8.5	√
Indirect economic impact					
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.			√
	103-2 The management approach and its components	II: 4-5, 6-7, 25, 43, 49, 67-68, 73. IA: 1.1, 8.2, 8.5.1, 8.5.4.			√
	103-3 Assessment of the management approach	II: 4-5, 6-7, 25, 43, 49, 67-68, 73. IA: 1.1, 8.2, 8.5.1, 8.5.4.			√
GRI 203: 2016 Indirect Economic Impact	203-1 Investments in supported infrastructures and services	II: 45, 52, 68. IA: 6.1.5, 8.2, 8.3.3.		9.4	√
	203-2 Significant indirect economic impact	II: 44-45, 68, 73. IA: 8.2, 8.5.4.		3.8, 8.2, 8.3, 8.5	√
Purchasing Practices					
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.			√
	103-2 The management approach and its components	II: 2-3, 6-7, 72-73. IA: 1.1.			√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 72-73. IA: 1.1.			√
GRI 204: 2016 Purchasing Practices	204-1 Proportion of expenditure on local suppliers	II: 72.		8.3	√
Anti-corruption					
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.			√
	103-2 The management approach and its components	II: 4-5, 6-7, 17-19. IA: 1.1, 4.2, 4.3, 4.4.			√
	103-3 Assessment of the management approach	II: 4-5, 6-7, 17-19. IA: 1.1.			√
GRI 205: Anti-corruption 2016	205-1 Evaluated transactions for risks related to corruption	II: 17-19. IA: 4.2, 4.3, 4.4. All the business units of the companies of the Group are analyzed for corruption.		16.5	√
	205-2 Communication and training on anti-corruption policies and procedures	II: 17-19. IA: 4.2, 4.3, 4.4.		16.5	√
	205-3 Confirmed cases of corruption and measures taken	No cases were registered.		16.5	

GRI Standard	Content	Page/Direct Response	Omission	Sustainable Development Goals (SDG)	
MATERIAL ISSUES					
Materials					
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7, 75, 76, 78. IA: 1.1, 1.3, 2.1.			√
	103-2 The management approach and its components	II: 2-3, 6-7, 75, 76, 78. IA: 1.1, 9.3.			√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 75, 76, 78. IA: 1.1, 9.3.			√
GRI 301: 2016 Materials	301-1 Materials used per weight or volume	II: 78.		8.4, 12.2.	√
	301-2 Recycled Inputs	II: 78. Banco Galicia uses reusable envelopes that contain a percentage of recycled paper.		8.4, 12.2, 12.5.	√
	301-3 Reusable products and packaging materials		Not applicable. As the Group's activities are connected to financial services, its companies do not market products that allow the indicator to be calculated.	8.4, 12.2, 12.5.	√
Energy					
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7, 75-77. IA: 1.1, 1.3, 2.1.			√
	103-2 The management approach and its components	II: 2-3, 6-7, 75-77. IA: 1.1.			√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 75-77. IA: 1.1.			√
GRI 302: 2016 Energy	302-1 Energetic Consumption inside the organization	II: 76-77.		7.2, 7.3, 8.4, 12.2, 13.1	√
	302-2 Energetic Consumption outside the organization		Information not available. Grupo Financiero Galicia did not carry out this type of analysis; therefore, information is not available. Its systematization will be evaluated in the medium term.	7.2, 7.3, 8.4, 12.2, 13.1	√
	302-3 Energy Intensity	II: 76-77.	Information partially available The information published includes Banco Galicia and Naranja, but it does not include Galicia Seguros. At this moment, only Banco Galicia and Naranja report this indicator. Its systematization will be evaluated in the medium term.	7.3, 8.4, 12.2, 13.1	√
	302-4 Reduction of Energetic Consumption	II: 76-77.		7.3, 8.4, 12.2, 13.1	√
	302-5 Reductions in the energy requirements of products and services	II: 76-77.		7.3, 8.4, 12.2, 13.1	√
Issuances					
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.			√
	103-2 The management approach and its components	II: 2-3, 6-7, 75-77. IA: 1.1, 9.2.			√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 75-77. IA: 1.1, 9.2.			√
GRI 305: 2016 Emissions	305-1 Direct emissions of GHG (Scope 1)	II: 77. IA: 9.2.	Information partially available The information published includes Banco Galicia and Naranja, but it does not include Galicia Seguros. At this moment, only Banco Galicia and Naranja report this indicator. Its systematization will be evaluated in the medium term.	12.4, 13.1	√
	305-2 Indirect emissions of GHG when generating energy (Scope 2)	II: 77. IA: 9.2.	Information partially available The information published includes Banco Galicia and Naranja, but it does not include Galicia Seguros. At this moment, only Banco Galicia and Naranja report this indicator. Its systematization will be evaluated in the medium term.	12.4, 13.1	√
	305-3 Other Indirect Emissions of GHG (Scope 3)	II: 77. IA: 9.2.	Information partially available The information published includes Banco Galicia and Naranja, but it does not include Galicia Seguros. At this moment, only Banco Galicia and Naranja report this indicator. Its systematization will be evaluated in the medium term.	12.4, 13.1	√
	305-4 Intensity of GHG emissions	II: 77. IA: 9.2.	Information partially available The information published includes Banco Galicia and Naranja, but it does not include Galicia Seguros. At this moment, only Banco Galicia and Naranja report this indicator. Its systematization will be evaluated in the medium term.	13.1	√
	305-5 Reduction of GHG emissions	II: 77. IA: 9.2.		13.1	√
	305-6 Emissions of substances that affect the ozone layer (SAO)		Information not available. Grupo Financiero Galicia did not carry out this type of analysis; therefore, information is not available. Its systematization will be evaluated in the medium term.	12.4	√
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions		Not applicable. This indicator does not apply to Grupo Financiero Galicia since it is a financial entity and has no significant emissions of NO, SO and other emissions.	12.4	√
Effluents and waste					
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.			√
	103-2 The management approach and its components	II: 2-3, 6-7, 75-76, 78. IA: 1.1.			√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 75-76, 78. IA: 1.1.			√
GRI 306: 2016 Effluents and waste	306-1 Water discharge according to its quality and destination		Not applicable. This information is not reported, since the Group's main buildings and branches are located in urban areas and the effluents generated are treated by the public health service.		√
	306-2 Waste by type and disposal method	II: 76, 78. IA: 9.3.			√
	306-3 Significant Spills		Not applicable. This information is not reported due to the activity of the Group, given that its financial services operations do not generate spills.		√

GRI Standard	Content	Page/Direct Response	Omission	Sustainable Development Goals (SDG)	
MATERIAL ISSUES					
	306-4 Dangerous Waste Transportation	II: 78. Through proper management of our waste we facilitate their transformation into resources once again. The waste that cannot be recycled or reused is transported and disposed of in a responsible manner			√
	306-5 Water bodies affected by water spills and/or runoffs.		Not applicable. This information is not reported since the Group's offices and branches are located in urban runoff areas of the organization, and our operations have no significant impact in protected natural areas or unprotected areas of high biodiversity.		√
Environmental Assessment of Suppliers					
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.			√
	103-2 The management approach and its components	II: 2-3, 6-7, 72-73. IA: 1.1, 8.5.2, 8.5.4.			√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 72-73. IA: 1.1, 8.5.2, 8.5.4.			√
GRI 308: 2016 Suppliers Environmental Assessment	308-1 New suppliers that have gone through evaluation and selection filters in accordance with environmental criteria.	II: 72-73. IA: 8.5.4.			√
	308-2 Negative environmental impact in the supply chain and measures taken	II: 72-73. IA: 8.5.4. No negative environmental impact was detected in the supply chain.			√
Employment					
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.			√
	103-2 The management approach and its components	II: 2-3, 6-7, 61-63. IA: 1.1, 7.1.			√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 61-63. IA: 1.1, 7.1.			√
GRI 401: 2016 Employment	401-1 New hiring of employees and staff turnover	II: 62. IA: 7.1.		8.5, 8.6	√
	401-2 Benefits for full-time employees that are not given to part-time or temporary employees	II: 62-63. IA: 7.9.		3.2, 8.5	√
	401-3 Parental Leave	IA: 7.9.2.		5.1, 8.5	√
Training and Teaching					
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.			√
	103-2 The management approach and its components	II: 2-3, 6-7, 44-47, 61-63, 65. IA: 1.1, 7.4, 7.7, 7.8.			√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 44-47, 61-63, 65. IA: 1.1, 7.4, 7.7, 7.8.			√
GRI 404: 2016 Training and Teaching	404-1 Average hours of training per year, per employee	II: 63. IA: 7.7.		4.3, 4.4, 4.5, 5.1, 8.2, 8.5	√
	404-2 Programs to improve employees' skills and to help transition	II: 44-47, 62-63, 65. IA: 7.4, 7.7, 7.8.		8.2, 8.5	√
	404-3 Percentage of employees who receive periodic evaluations of performance and professional development	IA: 7.7.		5.1, 8.5	√
Diversity and equal opportunities					
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.			√
	103-2 The management approach and its components	II: 2-3, 6-7, 61-64. IA: 1.2, 8.3. Respect for people and the struggle against discrimination are an essential part of our human resources management.			√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 61-64. IA: 1.1, 7.3.			√
GRI 405: 2016 Diversity and equal opportunities	405-1 Diversity in governance bodies and employees	II: 13, 15, 62, 64. IA: 3.1, 7.1, 7.3.		5.1, 5.5, 8.5	√
	405-2 Ratio of basic salary and compensation of women compared to men	The companies of the Group make no difference between the salary of men and women under the same working conditions.		5.1, 8.5	√
Freedom of association and collective bargaining					
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.			√
	103-2 The management approach and its components	II: 2-3, 4-5, 6-7, 61, 72-73. IA: 1.1, 4.2, 4.3, 8.5.2, 12.			√
	103-3 Assessment of the management approach	II: 2-3, 4-5, 6-7, 61, 72-73. IA: 1.1, 4.2, 4.3, 8.5.2, 12.			√
GRI 407: 2016 Freedom of association and collective bargaining	407-1 Transactions and suppliers whose right to freedom of association and collective bargaining could be at risk.	II: 72-73. IA: 4.2, 4.3, 8.5.2, 12. No risks were registered.		8.8	√
Child Labor					
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.			√
	103-2 The management approach and its components	II: 2-3, 4-5, 6-7, 61, 72-73. IA: 1.1, 4.2, 4.3, 8.5.2, 12.			√
	103-3 Assessment of the management approach	II: 2-3, 4-5, 6-7, 61, 72-73. IA: 1.1, 4.2, 4.3, 8.5.2, 12.			√
GRI 408: 2016 Child Labor	408-1 Transactions and Suppliers at significant risk of child labor cases	II: 72-73. IA: 4.2, 4.3, 8.5.2, 12. No risks were registered.		8.7	√
Forced or compulsory labor					
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.			√
	103-2 The management approach and its components	II: 2-3, 4-5, 6-7, 61, 72-73. IA: 1.1, 4.2, 4.3, 8.5.2, 12.			√
	103-3 Assessment of the management approach	II: 2-3, 4-5, 6-7, 61, 72-73. IA: 1.1, 4.2, 4.3, 8.5.2, 12.			√
GRI 409: 2016 Forced or compulsory labor	409-1 Transactions and Suppliers at significant risk of forced or compulsory labor cases	II: 72-73. IA: 4.2, 4.3, 8.5.2, 12 No risks were registered.		8.7	√
Local Communities					
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.			√
	103-2 The management approach and its components	II: 2-3, 6-7, 67-68. IA: 1.1.			√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 67-68. IA: 1.1.			√
GRI 413: 2016 Local Communities	413-1 Transactions with local community participation, evaluations of impact and development programs	II: 68-71. IA: 6.3.1, 8.1, 8.3.1-8.3.5.			√
	413-2 Transactions with significant actual and potential negative impact in the local communities	II: 68. IA: 8.1. No negative impact was detected.		1.4	√
Social Assessment of Suppliers					
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.			√
	103-2 The management approach and its components	II: 2-3, 6-7, 67, 72-73. IA: 1.1, 8.5.2, 8.5.4.			√
	103-3 Assessment of the management approach	II: 2-3, 6-7,67, 72-73. IA: 1.1, 8.5.2, 8.5.4.			√
GRI 414: 2016 Social Assessment of Suppliers	414-1 New suppliers that have gone through selection filters in accordance with social criteria.	II: 72-73. IA: 8.5.4.		8.8	√
	414-2 Negative social impact in the supply chain and measures taken	II: 72-73. IA: 8.5.4. No negative social impact was detected in the supply chain.		8.8	√

GRI Standard	Content	Page/Direct Response	Omission	Sustainable Development Goals (SDG)
MATERIAL ISSUES				
Customers Health and Security				
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.		√
	103-2 The management approach and its components	II: 2-3, 6-7, 17-19, 49, 51. IA: 1.1, 6.5.		√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 17-19, 49, 51. IA: 1.1, 6.5.		√
GRI 416: 2016 Customer Health and Security	416-1 Assessment of impact in health and security of the categories of products or services.	II: 51. IA: 6.5.		√
	416-2 Cases of non-compliance related to impact in health and security of the categories of products or services.	IA: 4.6. No incidents were registered.		√
Customers Privacy				
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.		√
	103-2 The management approach and its components	II: 2-3, 6-7, 17-19, 49, 51. IA: 1.1, 4.2, 4.3, 4.6, 6.5.		√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 17-19, 49, 51. IA: 1.1, 4.2, 4.3, 4.6, 6.5.		√
GRI 418: 2016 Customers Privacy	418-1 Substantiated claims regarding violations of customer privacy and loss of customer information	IA: 4.6, 6.5.		√
Portfolio of products with social and environmental benefits				
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.		√
	103-2 The management approach and its components	II: 2-3, 6-7, 8-9, 49-50, 67, 69, 79. IA: 1.1, 4.1.1, 6.2.1, 6.3.1, 8.2.		√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 8-9, 49-50, 67, 69, 79. IA: 1.1, 4.1.1, 6.2.1, 6.3.1, 8.2.		√
	Percentage of the portfolio for business lines according to region, dimension and area of activity.	II: 8-9, 50, 79.		√
	Monetary value of products and services designed to provide a specific social benefit for each business line broken down according to their purpose	II: 50, 56-57, 69-71. IA: 6.3.1, 8.2, 8.5.4.		√
	Monetary value of products and services designed to provide a specific environmental benefit for each business line broken down according to their purpose	II: 79. IA: 8.5.4.		√
Accessibility				
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.		√
	103-2 The management approach and its components	II: 2-3, 6-7, 49, 52. IA: 1.1, 6.1.5.		√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 49, 52. IA: 1.1, 6.1.5.		√
	Access points in sparsely populated or economically disadvantaged areas by type	II: 52. IA: 6.1.4, 6.1.5.		√
	Initiatives to improve access of disadvantaged people to financial services	II: 52. IA: 6.1.4, 6.1.5, 8.2, 8.3.1.		√
Work Environment				
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.		√
	103-2 The management approach and its components	II: 4-5, 6-7, 61, 63. IA: 1.1, 7.2.		√
	103-3 Assessment of the management approach	II: 4-5, 6-7, 61, 63. IA: 1.1, 7.2.		√
	Number of employees that take the work environment survey	II: 63. IA: 7.2.		√
Public-private cooperation				
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.		√
	103-2 The management approach and its components	II: 2-3, 6-7, 67-68. IA: 1.1.		√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 67-68. IA: 1.1.		√
	Number of alliances with organizations of the civil society	II: 4-5. IA: 1.6, 8.1.1.		√
Stakeholders' engagement in social actions				
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.		√
	103-2 The management approach and its components	II: 2-3, 6-7, 67-68, 71. IA: 1.1.		√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 67-68, 71. IA: 1.1.		√
	Actions with a social impact with customers	IA: 6.3.1.		√
	Volunteering Actions	II: 73. IA: 8.3.5.		√
Digital Transformation				
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.		√
	103-2 The management approach and its components	II: 2-3, 6-7, 43-45, 49, 51. IA: 1.1, 5.1.		√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 43-45, 49, 51. IA: 1.1, 5.1.		√
	Growth of customers using digital channels	II: 51.		√
Customer Experience				
GRI 103: 2016 Management Approach	103-1 Explanation of the material issue and its coverage	II: 4-5, 6-7. IA: 1.1, 1.3, 2.1.		√
	103-2 The management approach and its components	II: 2-3, 6-7, 43, 44. IA: 1.1, 5.3.		√
	103-3 Assessment of the management approach	II: 2-3, 6-7, 43, 44. IA: 1.1, 5.3.		√
	NPS Income	II: 44. IA: 5.3.		√

Independent limited assurance report on Annual Report 2019 Integrated Report of Grupo Financiero Galicia S.A.

To the Chairman and Directors of
Grupo Financiero Galicia S.A.
Tte. Gral. Juan D. Perón 430
Autonomous City of Buenos Aires, Argentina

INTRODUCTION

We have been hired by the directors of Grupo Financiero Galicia S.A. (hereinafter, "the Company") to carry out a limited assurance analysis of certain information contained in the 2019 Annual Integrated Report of Economic, Social and Environmental Performance of Grupo Financiero Galicia (hereinafter, "the Annual Report") for the fiscal year ended on December 31, 2019. The preparation of the Annual Report is the responsibility of the Board of Directors of the Company. Our work was carried out by a multidisciplinary team which comprises public accountants, graduates in business administration and graduates in environmental management.

Information subjected to analysis

Our limited assurance work consisted in reviewing the following information contained in the Annual Report:

- The GRI quantitative and qualitative contents detailed in the "GRI Content Index" were identified with the √ symbol.
- The Board of Directors of the Company stated that the Report has been prepared in accordance with the Exhaustive option of the GRI Standards and with the International Framework <IR> Integrated Report, according to the International Integrated Reporting Council ("IIRC").

The scope of our review includes only the information contained in the above mentioned section of the Annual Report, corresponding to the period started on January 1, and ended on December 31, 2019; therefore, we have not performed any procedure with respect to any previous periods or any of the other elements included in the 2019 Annual Report.

Criteria under which the 2019 Annual Report was prepared (hereinafter, "The Criteria")

The quantitative and qualitative GRI contents detailed in the "GRI Content Index", identified with the √ symbol, and the statement made by the Board of Directors of the Company that the GRI Standards guidelines have been complied with, were prepared in accordance with the recommendations and principles included in said guide, standard version 2016, in Exhaustive compliance. Likewise, they comply with the International Framework <IR> Integrated Report, according to the IIRC.

Inherent Limitations

Non-financial information is subject to its own limitations different to financial information, given its nature and the methods used to determine, calculate, sample or estimate values. Qualitative interpretations of relevance, materiality and accuracy of the information are subject to individual assumptions and criteria.

Responsibility of the Board of Directors for the information included in the 2019 Annual Report

The Board of Directors of the Company is responsible for the preparation of the information included in the Annual Report, drafted in accordance with the above mentioned Criteria. Said responsibility includes the design, implementation and maintenance of the internal control necessary for such information to be free of significant errors, whether due to fraud or error.

Independency and Quality Control

We have complied with the standards of independence and other ethical requirements included in the Code of Ethics for Public Accountants issued by the Council of International Standards of Ethics for Accountants, which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

Our firm applies the International Quality Control Standards 1 and, therefore, maintains a comprehensive quality control system that includes documented policies and procedures on compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion about the information included in the 2019 Annual Report that is detailed in the "Information subject to analysis" section, based on the review procedures we have performed and the evidence we have obtained. We have carried out our review work in accordance with the International Standard on Security Commitments (NICS) 3000 issued by the International Audit and Assurance Standards Board (IAASB), adopted in Argentina through Technical Resolution No. 35 of the Argentine Federation of Professional Councils of Economic Sciences (FACPCE), which requires that we comply with ethical requirements, and that we plan and execute our task in order to obtain a limited assurance on whether the information identified in the "Information subject to analysis" section is free of significant inaccuracies.

A limited assurance work involves the evaluation, based on selective tests, of the use of the Criteria by the Company's Management for the preparation of the information subject to analysis identified above, mainly evaluating the risks of significant inaccuracies in the preparation of such information due to fraud or error and the general presentation of the information subject to analysis. A limited assurance job is substantially less in scope than a reasonable assurance job, both in relation to risk assessment procedures, the understanding of internal control, and the procedures performed in response to the risks identified.

The performed procedures were based on our professional judgment. They include inquiries, observation of the processes carried out, inspection of documents, analytical procedures, assessment of suitability of the quantification and evaluation methods of the policies applied.

Our work consisted, among other procedures, in:

Evaluating the design of the key processes and controls to monitor, register and report the selected information. Our work does not include testing the effectiveness of the operational controls for the period under analysis;

- Performing tests, on a selective basis, to verify the information submitted;

Conducting interviews with the management and senior executives to evaluate the application of the GRI Standards;

- Inspecting, on a selective basis, documentation to corroborate the statements of the management and senior executives in our interviews;
- Reviewing the GRI Content Index to consider the management's statement regarding the application of the GRI Standards.
- Reviewing the guidelines with the International Framework <IR> Integrated Report, according to the IIRC.

Conclusion

On the basis of the work described in this report, nothing caught our attention that made us think that the information subject to analysis included in the "Information subject to analysis" section has not been prepared, in all its significant aspects, in accordance with the identified Criteria.

Autonomous City of Buenos Aires, February 20, 2020.

PRICE WATERHOUSE & CO. S.R.L.



(Partner)

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QUOTATION

Class “B” ordinary shares of Grupo Financiero Galicia are listed in the Buenos Aires Stock Exchange, in the Electronic Open Market, in the Cordoba Stock Exchange and, in the form of ADRs (American Depositary Receipts), in the Nasdaq Capital Market of the United States, under the GGAL symbol.

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