

1st. quarter

2023



Financial Report

Grupo Financiero Galicia S.A.

Grupo Galicia

Grupo Financiero Galicia

Buenos Aires, Argentina, May 23, 2023, Grupo Financiero Galicia S.A. (“Grupo Galicia” o “GFG”, BYMA/NASDAQ: GGAL), announced its financial results for the first quarter of fiscal year 2023, ended on March 31, 2023.

This report is a summary analysis of Grupo Galicia’s financial condition and results of operations as of and for the periods indicated above. For a correct interpretation, this report must be read in conjunction with GFG’s financial statements, as well as with all other information periodically filed with the National Securities Commission (www.cnv.gob.ar), the Buenos Aires Stock Exchange (www.labolsa.com.ar), the Cordoba Stock Exchange (www.bolsacba.com.ar) and the Nasdaq (www.nasdaq.com).

Readers of this report must note that this is a free translation made from an original version written and expressed in Spanish. Therefore, any matters of interpretation should be referred to the original version in Spanish.

Diego Rivas
Chief Financial Officer

Pablo Firvida
Investor Relations Officer



The information in this report was adjusted and restated to constant currency, in accordance with IAS 29 “Financial Information in Hyperinflationary Economies” except otherwise noted.

Conference Call

May 24, 2023
12:00 am (Eastern Time)
1:00 pm (Argentina)

+1 786 697 3501

866 580 3963

Password:
Grupo Financiero Galicia

Please join the call 5 minutes before the booked start time to allow the operator to transfer you into the call by the scheduled start time

Grupo Galicia

Grupo Galicia includes Banco de Galicia y Buenos Aires S.A.U. (Galicia), Tarjetas Regionales S.A. (Naranja X), Sudamericana Holding S.A. (Galicia Seguros), Galicia Asset Management S.A.U. (Fondos Fima), IGAM LLC (Inviu), Galicia Securities S.A.U. and Agri Tech Investments LLC (Nera).

It is one of the main financial services holding companies in the country. It provides savings, credit and investment opportunities to people and companies with a high commitment of its board of directors in customer experience and sustainable development.



Highlights



Ps.18,126 million

Net income for the quarter

+71% vs. 1Q 2022

9.79%

ROE

+385 bp vs. 1Q 2022

73.63%

Efficiency

-468 bp vs. 1Q 2022

Ps.12.29

Net profit
per share

8,742

Employees

7,000

Deposits
accounts
Galicia
In thousands

22.90%

Capital Ratio

463

Branches and other
points of sale

13,538

Credit cards
In thousands

Selected financial information



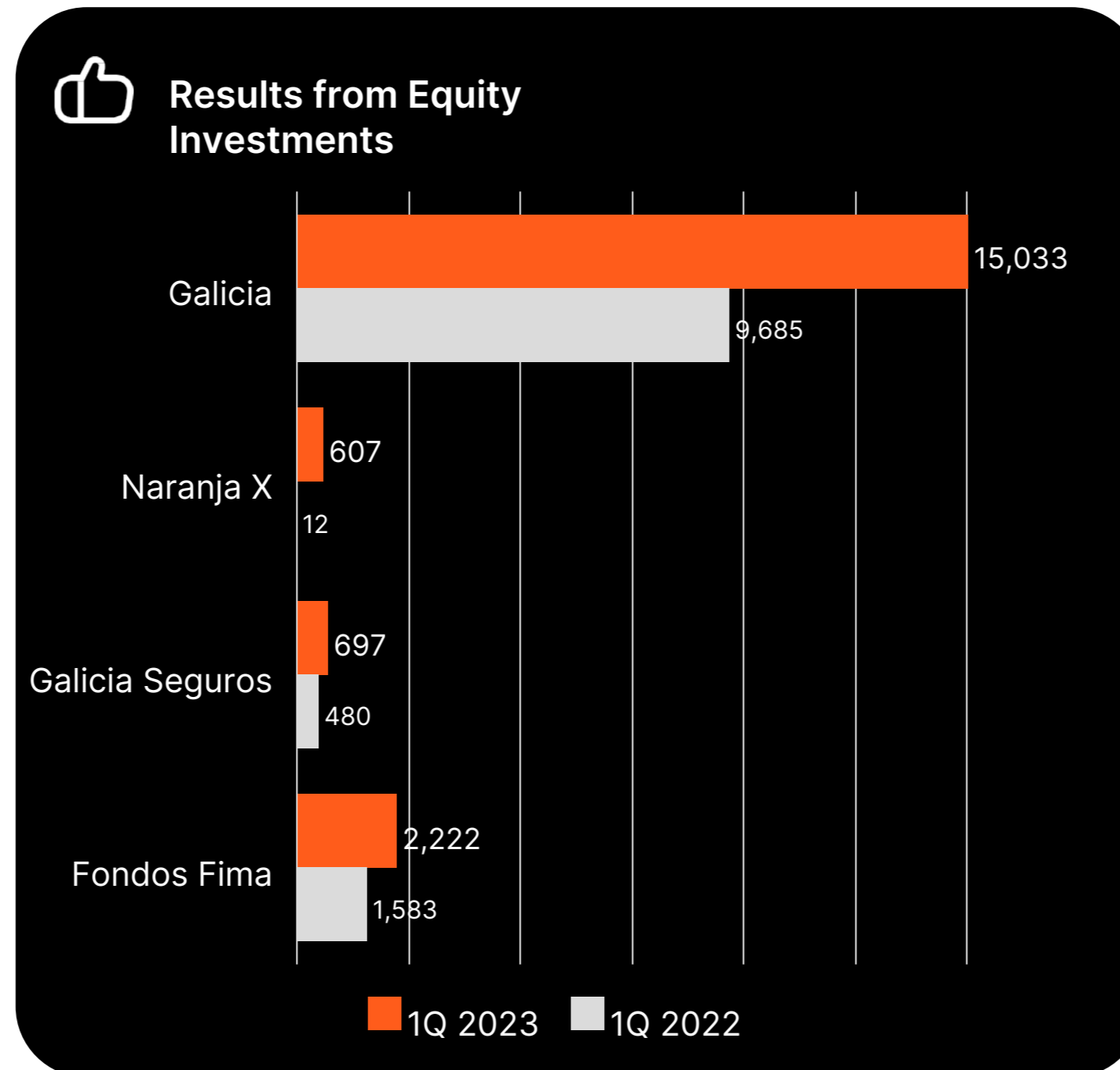
Selected ratios					
Percentages	2023		2022		Variation (bp)
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22
ROA	1.86	2.89	1.12	(103)	74
ROE	9.79	14.82	5.94	(503)	385
Financial Margin	25.00	22.73	19.87	227	513
Efficiency ratio	73.63	63.64	78.30	999	(468)
Capital ratio ⁽¹⁾	22.90	24.68	22.98	(178)	(8)
NPL Ratio	2.68	2.52	3.23	17	(55)
Allowance for loan losses / Private-sector financing	4.81	4.96	5.73	(15)	(92)
Coverage	179.11	196.87	177.12	(1,775)	199
Non-accrual portfolio with guarantees to non-accrual portfolio	7.89	6.77	9.74	112	(184)
Cost of risk	3.68	4.94	2.55	(126)	113

(1) Galicia consolidated with Naranja X.

Results for the quarter

Net income attributable to GFG for the quarter amounted to Ps.18,126 million, which represented a 1.86% annualized return on average assets and a 9.79% annualized return on average shareholder's equity.

Said result is mainly due to profits from its interest in Galicia (Ps.15,033 million), in Fondos Fima (Ps.2,222 million), in Galicia Seguros (Ps.697 million), and in Naranja X (Ps.607 million).



Income Statement

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Net interest income	113,572	17,281	60,045	557	89	
Net fee income	37,987	38,295	33,770	(1)	12	
Net results from financial instruments	55,316	157,376	74,938	(65)	(26)	
Gold and foreign currency quotation differences	12,194	9,149	3,665	33	233	
Other operating income	35,386	32,755	23,617	8	50	
Underwriting income from insurance business	4,025	4,158	4,509	(3)	(11)	
Loan loss provisions	(15,063)	(20,667)	(11,359)	(27)	33	
Net operating income	243,417	238,347	189,185	2	29	
Personnel expenses	(30,313)	(33,813)	(27,055)	(10)	12	
Administrative expenses	(26,227)	(29,721)	(27,198)	(12)	(4)	
Depreciations and devaluations of assets	(7,731)	(9,309)	(7,849)	(17)	(2)	
Other operating expenses	(44,633)	(47,911)	(33,108)	(7)	35	
Operating Income	134,513	117,593	93,975	14	43	
Results from the net monetary position	(105,901)	(79,837)	(76,595)	33	38	
Results from associates and joint ventures	(277)	(145)	(127)	91	118	
Income tax	(10,209)	(10,488)	(6,638)	(3)	54	
Net income	18,126	27,123	10,615	(33)	71	
Other comprehensive income	29	384	170	(92)	(83)	
Total comprehensive income	18,155	27,507	10,785	(34)	68	

Selected financial information

Balance Sheet

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Assets						
Cash and due from banks	495,238	544,806	590,019	(9)	(16)	
Debt securities	59,439	964,449	628,955	(94)	(91)	
Net loans and other financing	1,461,091	1,529,545	1,648,385	(4)	(11)	
Other financial assets	1,553,583	847,356	627,628	83	148	
Investment in subsidiaries, associates and joint ventures	1,066	812	791	31	35	
Property, bank premises, equipment	139,791	140,992	144,523	(1)	(3)	
Intangible assets	46,346	46,883	50,206	(1)	(8)	
Other assets	43,151	45,973	41,884	(6)	3	
Assets available for sale	2	1	80	100	(98)	
Total assets	3,799,707	4,120,817	3,732,471	(8)	2	
Liabilities						
Deposits	2,292,087	2,607,480	2,309,695	(12)	(1)	
Financing from financial entities	42,280	45,574	48,543	(7)	(13)	
Other financial liabilities	429,094	426,735	374,234	1	15	
Negotiable obligations	71,196	81,930	72,131	(13)	(1)	
Subordinated negotiable obligations	52,528	55,273	56,843	(5)	(8)	
Other liabilities	152,596	162,055	142,775	(6)	7	
Total liabilities	3,039,781	3,379,047	3,004,221	(10)	1	
Total Shareholders' equity	759,926	741,770	728,250	2	4	



Since 1905, Galicia work for the development of Argentina, being the main private bank controlled by national capital. Through its assisted and digital distribution channels, it markets a wide range of financial products and services for individuals and companies throughout the country. Galicia defines the customer experience and digital transformation as strategic focuses to efficiently achieve successful growth.



Highlights



Ps.15,033 million

Net income

+55% vs. 1Q 2022

10.14%

ROE

+351 bp vs. 1Q 2022

75.98%

Efficiency

-256 bp vs. 1Q 2022

23.47%

Capital Ratio

-62 bp. vs. 1Q 2022

2.88%

Cost of risk

+151 bp. vs. 1Q 2022

305

Branches

5,472

Employees

11.69%

Market share:
Loans to the private sector

-39 bp vs. 1Q 2022

9.75%

Market share: Deposits
to the private sector

-44 bp vs. 1Q 2022

7,000

Deposit
accounts
In thousands

5,029

Credit
Cards
In thousands

2.50%

Portfolio Quality

-61 bp. vs. 1Q 2022

186.00%

Coverage

+578 bp. vs. 1Q 2022

83%

Digital
clients

Results for the quarter

In the first quarter of 2023, Galicia registered a net income of Ps.15,033 million, Ps.5,348 million (55%) higher than the result of the same quarter of the previous year, which represented an annualized ROE of 10.14% and an ROA of 1.80%.

The operating result was higher by Ps.29,436 million (38%) compared to the first quarter of 2022, as a result of a higher net operating income.

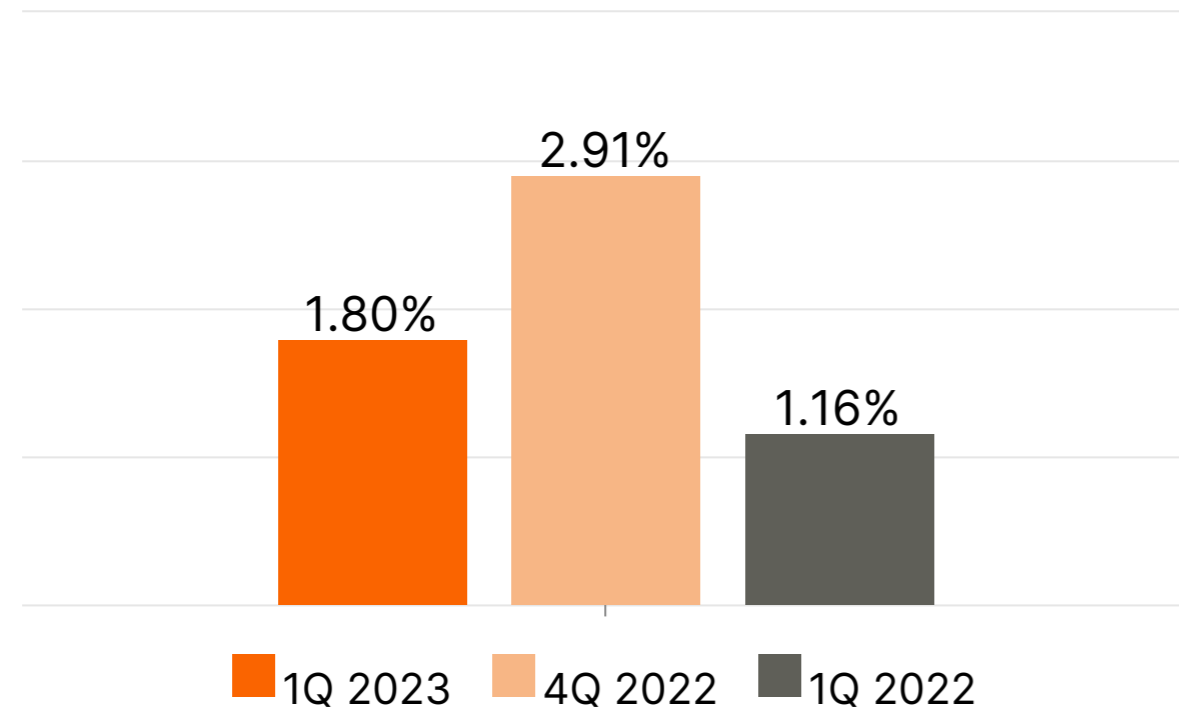
Net operating income reached Ps.186,318 million, Ps.43,539 million (30%) higher than the Ps.142,779 million in the same quarter of the previous year, mainly as a result of a higher net interest income for Ps.53,653 million (166%), offset by a lower net result from financial instruments of Ps.25,571 million (34%). It is important to highlight that the portfolio of instruments issued by the Argentine Central Bank (Leliqs) acquired as of January 1, 2023 is valued at amortized cost, recording its yield in net interest income.

Income Statement

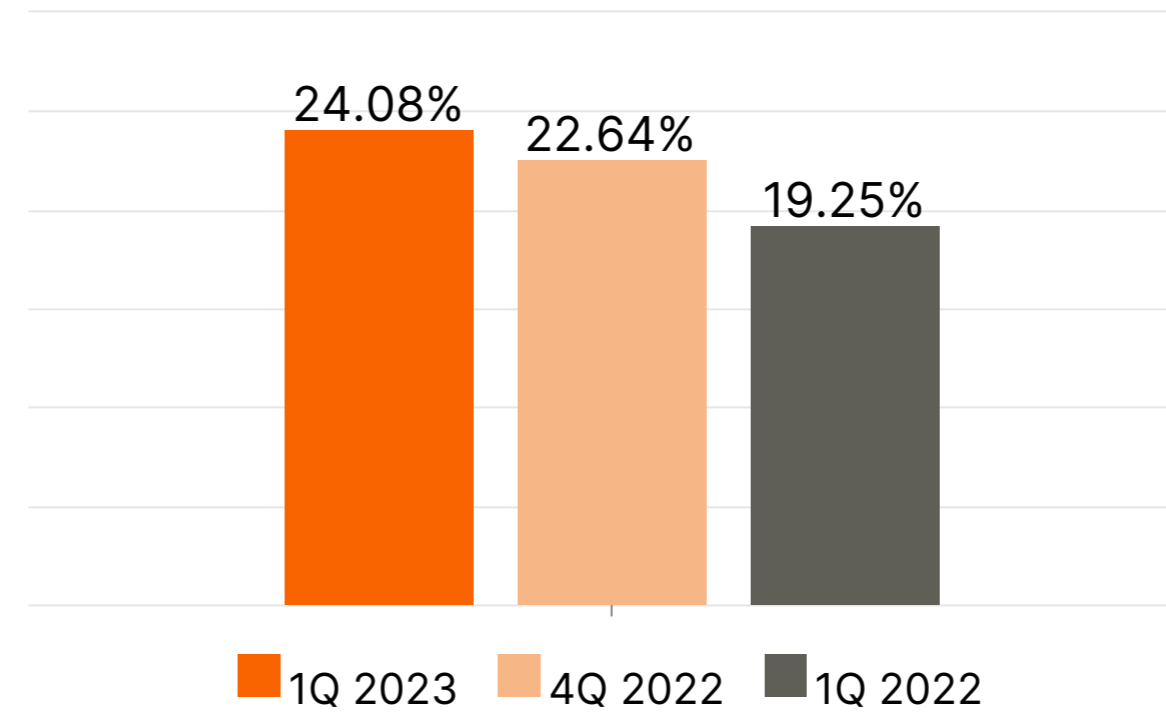
In millions of pesos, except otherwise noted	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Net interest income	85,948	334	32,295	25,633	166	
Net fee income	20,655	20,493	18,197	1	14	
Net results from financial instruments	50,311	144,753	75,882	(65)	(34)	
Gold and foreign currency quotation	11,729	9,152	3,318	28	253	
Other operating income	26,747	24,631	17,804	9	50	
Loan-loss provisions	(9,072)	(14,390)	(4,717)	(37)	92	
Net operating income	186,318	184,973	142,779	1	30	
Personnel expenses	(21,605)	(24,476)	(17,743)	(12)	22	
Administrative expenses	(18,195)	(21,152)	(19,627)	(14)	(7)	
Depreciations and devaluations of assets	(6,499)	(7,077)	(6,397)	(8)	2	
Other operating expenses	(33,839)	(37,134)	(22,268)	(9)	52	
Operating income	106,180	95,134	76,744	12	38	
Results from the net monetary position	(84,954)	(66,638)	(61,808)	27	37	
Results from associates and joint businesses	(174)	(46)	(33)	278	427	
Income tax	(6,019)	(3,737)	(5,218)	61	15	
Net Income	15,033	24,713	9,685	(39)	55	
Other comprehensive income	(1)	(2)	108	50	(101)	
Total comprehensive income	15,032	24,711	9,793	(39)	53	

Profitability and efficiency

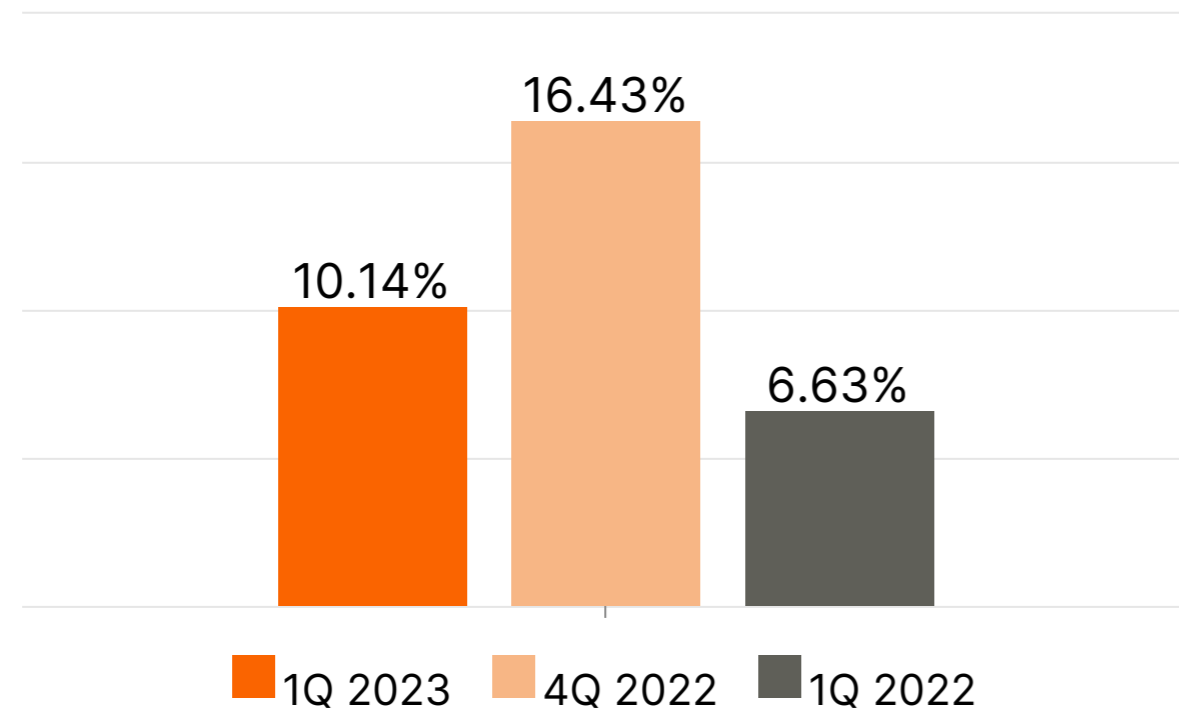
ROA



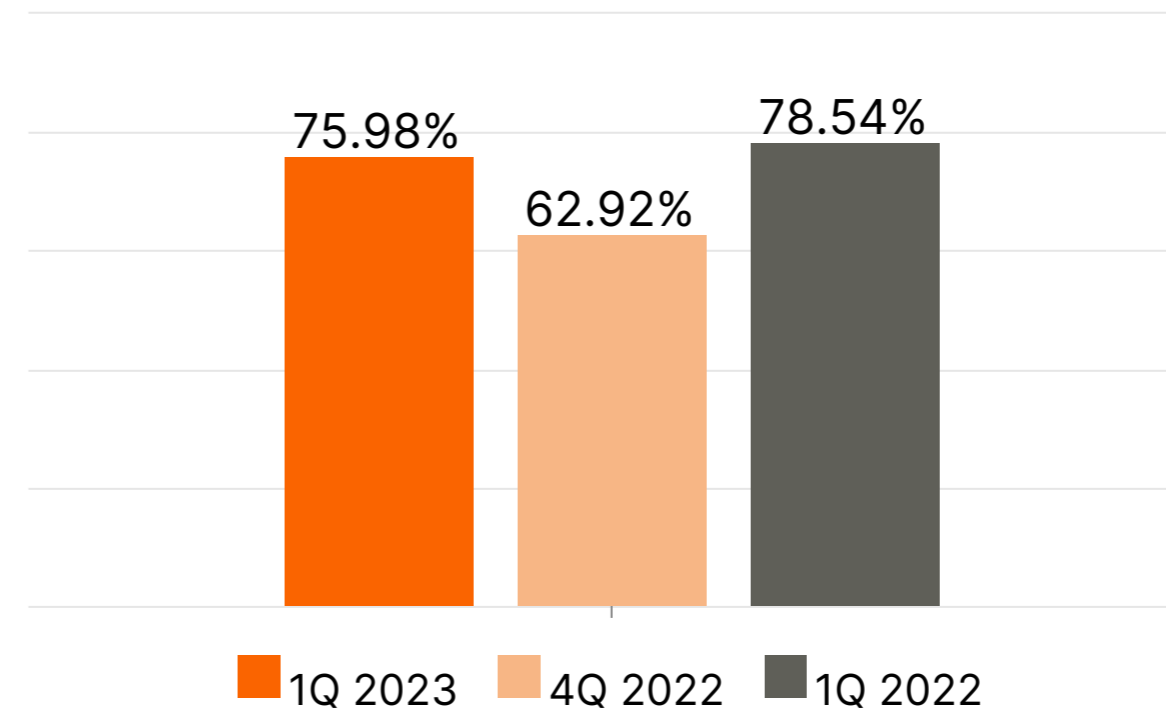
Financial margin



ROE



Efficiency ratio



Yields and rates

Interest-earning assets⁽¹⁾

Average balances: in millions of pesos. Yields and rates: annualized nominal %

	2023				2022				Variation (% bp)	
	1Q		4Q		1Q		vs. 4Q22		vs. 1Q22	
	Avg Bce	Yield	Avg Bce	Yield	Avg Bce	Yield	Avg Bce	Yield	Avg Bce	Yield
In pesos	2,142,628	68.05	2,274,856	65.68	2,013,131	42.40	(6)	237	6	2,565
Government securities	1,022,540	74.44	1,060,796	75.33	739,269	44.61	(4)	(89)	38	2,983
Loans	882,090	61.22	981,356	57.13	1,080,937	37.49	(10)	409	(18)	2,373
Other interest-earning assets	237,998	65.88	232,704	57.71	192,925	61.47	2	817	23	441
In foreign currency	84,772	4.69	96,609	7.36	100,986	6.98	(12)	(267)	(16)	(229)
Government securities	8,849	(4.07)	7,396	(2.76)	2,662	(17.19)	20	(131)	232	1,312
Loans	74,332	5.73	87,538	4.84	95,055	5.61	(15)	89	(22)	12
Other interest-earning assets	1,591	4.53	1,675	183.72	3,269	66.50	(5)	(17,919)	(51)	(6,197)
Interest-earning assets	2,227,400	65.64	2,371,465	63.30	2,114,117	40.71	(6)	234	5	2,493

(1) Does not include foreign currency quotation differences. Annual nominal interest rates were calculated using a 360-day denominator.

Average earning assets reached Ps.2,227,400 million, registering an increase of Ps.113,283 million (5%), compared to the first quarter of 2022. This increase was mainly the result of an increase in the volume of government securities in pesos for Ps.283,271 million (38%), offset by a decrease in the volume of loans in pesos for Ps.198,847 million (18%).

The average lending rate for the quarter of the year was 65.64%, representing an increase of 2,493 b.p., compared to the same quarter of the previous year. This variation is mainly justified by higher average yields on government securities in pesos (2,983 bp) and higher average yields on loans in pesos (2,373 bp).

Interest-bearing liabilities⁽¹⁾

Average balances: in millions of pesos. Yields and rates: annualized nominal %

	2023				2022				Variation (% bp)	
	1Q		4Q		1Q		vs. 4Q22		vs. 1Q22	
	Avg Bce	Yield	Avg Bce	Yield	Avg Bce	Yield	Avg Bce	Yield	Avg Bce	Yield
In pesos	1,503,042	57.49	1,559,520	55.97	1,439,209	28.35	(4)	152	4	2,914
Saving accounts	215,178	0.01	227,913	0.01	266,098	0.02	(6)	—	(19)	(1)
Time deposits	934,735	69.01	1,003,642	69.06	833,027	37.51	(7)	(5)	12	3,150
Other Deposits	313,466	61.68	315,553	54.73	320,077	27.60	(1)	695	(2)	3,408
Debt securities	4,155	77.30	6,507	66.08	9,755	40.96	(36)	1,122	(57)	3,634
Other interest-bearing liabilities	35,508	63.46	5,905	45.43	10,252	31.09	501	1,803	246	3,237
In foreign currency	414,080	1.77	378,975	1.86	432,427	1.44	9	(9)	(4)	33
Saving accounts	262,613	—	226,613	—	258,255	—	16	—	2	—
Time deposits	68,698	1.43	66,404	1.42	74,644	0.59	3	1	(8)	84
Other Deposits	12,958	—	12,262	—	19,610	—	6	—	(34)	—
Debt securities	57,948	9.36	59,178	9.36	67,258	8.06	(2)	—	(14)	130
Other interest-bearing liabilities	11,863	7.86	14,518	3.99	12,660	2.90	(18)	387	(6)	496
Interest-bearing liabilities	1,917,122	45.46	1,938,495	45.39	1,871,636	22.13	(1)	7	2	2,333

(1) Does not include foreign currency quotation differences. Annual nominal interest rates were calculated using a 360-day denominator.

Interest bearing liabilities reached Ps.1,917,122 million, registering an increase of Ps.45,486 million (2%) in relation to the same period of 2022, mainly due to an increase in time deposits in pesos for Ps.101,708 million (12%), offset by a decrease in:

- saving accounts in pesos for Ps.50,920 million (19%)
- debt securities in foreign currency for Ps.9,310 million (14%)

Likewise, the average rate on interest-bearing liabilities was 45.46%, registering an increase of 2,333 b.p. with respect to the first quarter of the previous year, as a consequence of the increase in the rate on time deposits in pesos for 3,150 bp and in other deposits in pesos for 3,408 bp.

Net interest income

Net interest income for the quarter amounted to Ps.85,948 million, with a Ps.53,653 million (166%) increase compared to the Ps.32,295 million profit from the same quarter of 2022.

Interest Income

In millions of pesos, except otherwise noted	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Private sector securities	8	8	10	—	(20)	
Public sector securities	143,495	58,674	21,570	145	565	
Loans and other financing	135,873	141,802	102,146	(4)	33	
Financial sector	1,152	2,170	1,211	(47)	(5)	
Non-financial private sector	134,721	139,632	100,935	(4)	33	
Overdrafts	16,288	23,231	10,973	(30)	48	
Promissory notes	53,861	53,469	40,347	1	33	
Mortgage loans	12,155	14,114	10,495	(14)	16	
Pledge loans	2,819	3,089	2,697	(9)	5	
Personal loans	15,751	15,491	14,879	2	6	
Credit-card loans	32,675	29,238	20,274	12	61	
Financial leases	541	433	127	25	326	
Pre-financing and export financing	318	262	719	21	(56)	
Other	313	305	424	3	(26)	
Other interest-earning assets	24,354	19,858	12,137	23	101	
Interest income	303,730	220,342	135,863	38	124	

Interest income for the quarter reached Ps.303,730 million, 124% higher than the Ps.135,863 million registered in the first quarter of 2022.

This increase was a consequence of:

- higher interest on public sector securities measured at amortized cost for Ps.121,925 million (565%), due to the interest accrued on the portfolio of the instruments issued by the Argentine Central Bank (Leliq) acquired from January 1, 2023.
- higher interest on loans and other financing for Ps.33,727 million (33%), as a consequence of higher income on promissory notes (33%), overdrafts (48%) and credit-card loans (61%).

Interest expenses totaled Ps.217,782 million, registering an increase of 110%, compared to the same quarter of 2022.

This increase was a consequence of:

- higher interest expenses on time deposits and term investments for Ps.83,283 million (106%), due to the increase in the interest rate.
- higher expenses on other deposits for Ps.26,248 million (119%), due to an increase in the interest rate.

Interest expenses

In millions of pesos, except otherwise noted	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Deposits	209,855	216,707	100,326	(3)	109	
Saving accounts	8	9	10	(11)	(20)	
Time deposits and term investments	161,510	173,525	78,227	(7)	106	
Other	48,337	43,173	22,089	12	119	
Financing from financial institutions	153	286	278	(47)	(45)	
Repurchase agreement transactions	249	385	515	(35)	(52)	
Other interest-bearing liabilities	5,466	149	98	3,568	5,478	
Negotiable obligations	1,011	1,368	1,197	(26)	(16)	
Subordinated Negotiable obligations	1,048	1,113	1,154	(6)	(9)	
Interest expenses	217,782	220,008	103,568	(1)	110	

Net fee income

Net Fee Income

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Credit cards	10,410	10,398	9,549	—	9	
Deposit accounts	4,908	5,771	4,958	(15)	(1)	
Insurance	1,088	1,061	1,261	3	(14)	
Financial fees	23	10	18	130	28	
Credit- related fees	80	70	143	14	(44)	
Foreign trade	1,054	938	1,540	12	(32)	
Collections	2,933	3,057	1,998	(4)	47	
Utility-Bills collection services	3,431	3,030	2,940	13	17	
Mutual Funds	820	688	562	19	46	
Other	1,342	1,179	1,034	14	30	
Total fee income	26,089	26,202	24,003	—	9	
Total expenditures	(5,434)	(5,709)	(5,806)	(5)	(6)	
Net fee income	20,655	20,493	18,197	1	14	

The net fee income reached Ps.20,655 million, registering an increase of 14% compared to Ps.18,197 million in the first quarter of 2022.

This increase was mainly due to:

- higher income from collections for Ps.935 million (47%), due to an update of prices.
- higher income generated by credit cards for Ps.861 million (9%).

Net income from financial instruments

The net result of financial instruments was Ps.50,311 million, Ps.25,571 million lower than the Ps.75,882 million recorded in the same quarter of 2022. This decrease was a consequence of the change in the valuation model of the instruments issued by the Argentine Central Bank that were acquired as of January 1, 2023. This went from being measured at fair value to amortized cost, which represented a decrease of Ps.22,000 million (44%).

Net Income from Financial Instruments

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Government securities	47,763	141,230	66,503	(66)	(28)	
Argentine Central Bank	28,361	131,167	50,361	(78)	(44)	
Other	19,402	10,063	16,142	93	20	
Private sector securities	2,438	2,357	6,441	3	(62)	
Derivative financial instruments	110	1,165	797	(91)	(86)	
Forward transactions	545	1,556	797	(65)	(32)	
Options	(435)	(391)	—	11	—	
Results from derecognition of assets	—	1	2,141	(100)	(100)	
Net income from financial instruments	50,311	144,753	75,882	(65)	(34)	

Gold and foreign currency quotation differences

The result for the difference in the price of gold and foreign currency for the quarter was a profit of Ps.11,729 million, Ps.8,411 million (253%) higher than the profit of Ps.3,318 million registered in the same quarter of the previous year. This result includes a gain of Ps.1,901 million from the purchase and sale of foreign currency.

Other operating income

In the first quarter, other operating income amounted to Ps.26,747 million, registering an increase of Ps.8,943 million (50%) compared to those registered in the same quarter of 2022. This higher result was mainly due to the increase in other adjustments and interest on miscellaneous receivables for Ps.9,714 million (164%), as a consequence of the valuation of titles in guarantee.

Other Operating Income

In millions of pesos, except otherwise noted	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Other financial income	440	78	374	464	18	
Fees from bundles of products	5,201	4,520	5,255	15	(1)	
Rental of safe deposit boxes	1,097	1,300	1,406	(16)	(22)	
Other fee income	1,306	939	940	39	39	
Other adjustments and interest on miscellaneous receivables	15,651	15,863	5,937	(1)	164	
Other	3,052	1,931	3,892	58	(22)	
Total other operating income	26,747	24,631	17,804	9	50	

Loan-loss provisions

Loan loss provisions for the quarter totaled Ps.9,072 million, Ps.4,355 million (92%) higher than those made in the same quarter of the previous year. This increase was the consequence of higher delinquencies.

Personnel expenses

Personnel expenses reached Ps.21,605 million, registering an increase of Ps.3,862 million (22%) compared to the same quarter of 2022, as a result of the impact of salary increase agreements, as well as the 4% increase in staff.

Administrative expenses

Administrative expenses for the quarter reached Ps.18,195 million, registering a decrease of Ps.1,432 million compared to the first quarter of the previous year. This decrease in administrative expenses was a consequence of lower expenses for maintenance and repairment of goods and IT for Ps.703 million (15%) and for hired administrative services for Ps.427 million (10%).

Administrative Expenses

In millions of pesos, except otherwise noted	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Fees and compensations for services	515	2,682	870	(81)	(41)	
Fees to directors and syndics	52	32	47	63	11	
Publicity, promotion and research expenses	991	853	709	16	40	
Taxes	3,755	4,088	4,151	(8)	(10)	
Maintenance and repairment of goods and IT	4,059	3,466	4,762	17	(15)	
Electricity and communications	994	1,123	1,093	(11)	(9)	
Representation expenses	—	(1)	4	(100)	(100)	
Stationery and office supplies	51	681	47	(93)	9	
Hired administrative services	3,677	3,911	4,104	(6)	(10)	
Security	560	527	513	6	9	
Insurance	220	192	304	15	(28)	
Other	3,321	3,598	3,023	(8)	10	
Total administrative expenses	18,195	21,152	19,627	(14)	(7)	

Depreciation and devaluation of assets

The result for depreciation and devaluation of assets reached Ps.6,499 million, registering an increase of 2% compared to the same quarter of 2022.

Other operating expenses

Other operating expenses for the quarter reached Ps.33,839 million, which represented an increase of Ps.11,571 million (52%), compared to the Ps.22,268 million recorded in the first quarter of the previous year.

This increase was mainly generated by:

- higher expenses for turnover tax for Ps.7,868 million (54%), due to an increase in the gross income tax from financial operations, as a consequence of the increase in the holding of Leliqs.
- higher charges for other provisions for Ps.3,109 million (59%), increase in discounts on credit cards and payroll accounts.

Other Operating Expenses

In millions of pesos , except otherwise noted

	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Contribution to the Deposit Insurance Fund	920	873	930	5	(1)	
Other financial results	—	781	—	(100)	—	
Turnover tax	22,357	25,384	14,489	(12)	54	
On financial income	15,263	17,341	9,927	(12)	54	
On fees	6,265	7,104	4,029	(12)	55	
On other items	829	939	533	(12)	56	
Other fee-related expenses	8,353	5,072	5,244	65	59	
Charges for other provisions	793	3,693	564	(79)	41	
Claims	571	552	292	3	96	
Other	845	779	749	8	13	
Total other operating expenses	33,839	37,134	22,268	(9)	52	

Income tax

The income tax charge was Ps.6,019 million, Ps.801 million lower than in the first quarter of 2022.

Other comprehensive income

In the first quarter of 2023, Galicia records a loss of Ps.1 million in other comprehensive income (OCI). In the same quarter of fiscal year 2022, there was a total profit of Ps.108 million, generated by securities valued at fair value with changes in other comprehensive income (Bote).

Selected financial information

Balance Sheet

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Assets						
Cash and due from banks	484.731	528.603	582.531	(8)	(17)	
Debt securities	55.325	963.641	622.931	(94)	(91)	
Net loans and other financing	1.104.924	1.166.113	1.276.275	(5)	(13)	
Other financial assets	1.453.889	736.325	607.758	97	139	
Equity investments in subsidiaries, associates and joint businesses	1.885	1.738	1.710	8	10	
Property, bank premises, equipment	125.393	126.229	127.397	(1)	(2)	
Intangible assets	41.019	42.028	44.800	(2)	(8)	
Other assets	19.466	18.269	16.250	7	20	
Assets available for sale	2	1	80	100	(98)	
Total assets	3.286.634	3.582.947	3.279.732	(8)	—	
Liabilities						
Deposits	2.264.534	2.583.533	2.317.370	(12)	(2)	
Financing from financial entities	10.452	12.767	17.614	(18)	(41)	
Other financial liabilities	214.894	188.416	160.401	14	34	
Nonnegotiable obligations	6.816	15.074	25.282	(55)	(73)	
Subordinated negotiable obligations	52.528	55.273	56.843	(5)	(8)	
Other liabilities	186.370	116.883	135.975	59	37	
Total liabilities	2.735.594	2.971.946	2.713.485	(8)	1	
Shareholders' equity	551.040	611.001	566.247	(10)	(3)	
Foreign currency assets and liabilities						
Assets	648.463	679.038	556.453	(5)	17	
Liabilities	536.878	568.074	544.753	(5)	(1)	
Net forward purchases/(sales) of foreign currency ⁽¹⁾	(7.720)	(36.527)	(14.820)	(79)	(48)	
Net global position in foreign currency	103.865	74.437	(3.120)	40	3.429	

(1) Recorded off-balance sheet.

Level of activity

Financing

As of March 31, 2023, financing to the private sector reached Ps.1,260,307 million, registering a 9% decrease compared to the same period of the previous year. This drop is mainly due to decreases in loans in pesos for Ps.170,113 million (15%) and in foreign currency for Ps.20,188 million (23%), offset by an increase in other financing in foreign currency for Ps.71,506 million (304%).

The market share of total loans to the private sector as of March 31, 2023 reached 11.69%, which represents a decrease of 39 bp compared to the first quarter of 2022.

Financing to the Private Sector⁽¹⁾

In millions of pesos, except otherwise noted	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
In pesos	1,097,954	1,153,994	1,272,499	(5)	(14)	
Loans	991,468	1,036,967	1,161,581	(4)	(15)	
UVA-adjusted loans	68,166	71,375	77,937	(4)	(13)	
Financial leases	3,866	3,617	689	7	461	
Other financing ⁽²⁾	34,454	42,035	32,292	(18)	7	
In foreign currency	162,353	160,672	112,024	1	45	
Loans	66,833	81,202	87,021	(18)	(23)	
Financial leases	524	713	1,513	(27)	(65)	
Other financing ⁽²⁾	94,996	78,757	23,490	21	304	
Total financing to the private sector	1,260,307	1,314,666	1,384,523	(4)	(9)	

(1) Includes IFRS adjustments.

(2) Includes certain off-balance sheet accounts related to guarantees granted.

As of March 31, 2023, the loan portfolio and other financing net of provisions reached Ps.1,104,924 million, registering a 13% decrease compared to the first quarter of the previous year.

The main decreases in:

- promissory notes for Ps.107,748 million (22%),
- credit cards for Ps.35,458 million (8%)
- pre-financing and financing of exports for Ps.14,874 million (53%).

Breakdown of loans and other financing

In millions of pesos, except otherwise noted	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Financial entities	8,525	16,639	18,064	(49)	(53)	
Loans	8,524	16,634	18,046	(49)	(53)	
Other financing	1	5	18	(80)	(94)	
Non-financial private sector and residents abroad	1,142,127	1,199,178	1,330,589	(5)	(14)	
Loans	1,117,943	1,172,910	1,308,493	(5)	(15)	
Overdrafts	101,722	107,283	90,975	(5)	12	
Promissory notes	380,801	390,268	488,549	(2)	(22)	
Mortgage loans	20,070	23,617	37,752	(15)	(47)	
Pledge loans	27,147	31,179	35,450	(13)	(23)	
Personal loans	112,766	110,649	125,689	2	(10)	
Credit-card loans	382,960	404,570	418,418	(5)	(8)	
Pre-financing and financing of exports	13,296	16,832	28,170	(21)	(53)	
Other Loans	17,361	30,018	11,461	(42)	51	
Accrued interest, adjustments and foreign currency quotation differences receivable	67,534	65,038	75,588	4	(11)	
Documented interest	(5,714)	(6,544)	(3,559)	(13)	61	
Financial leases	4,390	4,330	2,202	1	99	
Other financing	19,794	21,938	19,894	(10)	(1)	
Non-financial public sector	1,712	1,563	2	10	85,500	
Total loans and other financing	1,152,364	1,217,380	1,348,655	(5)	(15)	
Allowances	(47,440)	(51,267)	(72,380)	(7)	(34)	
Loans	(46,909)	(50,747)	(71,667)	(8)	(35)	
Financial leases	(41)	(35)	(20)	17	105	
Other financing	(490)	(485)	(693)	1	(29)	
Net loans and other financing	1,104,924	1,166,113	1,276,275	(5)	(13)	

Exposure to the Argentine public sector

Net Exposure to the Argentine Public Sector⁽¹⁾

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Government securities' net Position	1,180,770	1,448,064	1,066,224	(18)	11	
Measured at fair value	35,453	957,210	624,673	(96)	(94)	
Leliq	—	876,670	454,384	(100)	(100)	
Other	35,453	80,540	170,289	(56)	(79)	
Measured at amortized cost	1,145,317	490,854	433,667	133	164	
Botes	52,020	57,517	68,981	(10)	(25)	
Lecer	65,867	333,706	364,686	(80)	(82)	
Lediv	17,780	42,251	—	(58)	—	
Leliq	763,388	—	—	—	—	
Bono Dual	94,028	38,551	—	144	—	
Other	152,234	18,829	—	709	—	
Measured at fair value through OCI	—	—	7,884	—	(100)	
Botes	—	—	7,884	—	(100)	
Other receivables resulting from financial brokerage	140,398	115,785	61,447	21	128	
Repurchase agreement transactions -Argentine Central Bank	138,659	114,176	61,375	21	126	
Loans and other financing	1,713	1,568	20	9	8,465	
Trust certificates of participation and securities	26	41	52	(37)	(50)	
Total exposure to the public sector	1,321,168	1,563,849	1,127,671	(16)	17	

(1) Excludes deposits with the Argentine Central Bank, which constitutes one of the items by which the Bank complies with minimum cash requirements.

As of March 31, 2023, the net exposure to the public sector reached Ps.1,321,168 million, registering a 17% increase in the last twelve months, as a result of a greater holding of Leliq for Ps.309,004 million (68%).

Excluding the instruments issued by the Argentine Central Bank (Leliq and Lediv) and the repurchase agreement transactions, the net exposure to the public sector was Ps.401,341 million, equivalent to 12% of total asset, while in the first quarter of 2022 said exposure was Ps.611,912. million, representing 19% of total asset.

Funding and liabilities

Deposits amounted to Ps.2,264,534 million as of March 31, 2023, registering a 2% decrease compared to the first quarter of the previous year. This decrease was the result of a lower volume of current accounts in pesos for Ps.91,557 million (20%) and a lower volume of saving accounts in pesos for Ps.35,428 million (14%), offset by a higher volume of time deposits in pesos for Ps.97,146 million (11%).

Deposits

In millions of pesos, except otherwise noted	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
In pesos	1,830,354	2,123,289	1,884,154	(14)	(3)	
Current accounts	366,964	362,062	458,521	1	(20)	
Saving accounts	222,552	279,816	257,980	(20)	(14)	
Time deposits	952,605	953,990	855,459	—	11	
UVA-adjusted time deposits	27,224	43,109	46,285	(37)	(41)	
Other	211,878	426,268	238,114	(50)	(11)	
Interests and adjustments	49,131	58,044	27,795	(15)	77	
In foreign currency	434,180	460,244	433,216	(6)	—	
Saving accounts	261,010	280,622	250,461	(7)	4	
Time deposits	65,238	71,215	74,965	(8)	(13)	
Other	107,821	108,283	107,647	—	—	
Interests and adjustments	111	124	143	(10)	(22)	
Total deposits	2,264,534	2,583,533	2,317,370	(12)	(2)	

Total deposit accounts as of March 31, 2023 reached 7.0 million, with an increase of 11% compared to the same date of the previous year.

The market share in private sector deposits reached 9.75% as of March 31, 2023, registering a decrease of 44 bp compared to the first quarter of 2022.

Financial liabilities amounted to Ps.284,690 million, registering an increase of Ps.24,550 million (9%) compared to the Ps.260,140 million registered in the first quarter of 2022.

The variation was mainly due to an increase in other financial liabilities for Ps.62,530 million (137%), due to a decrease in creditors related to the purchase of public sector securities. This increase was offset by a decrease in negotiable obligations for Ps.18,466 million (73%).

Financial Liabilities

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Financial entities	10,452	12,767	17,614	(18)	(41)	
Financing from credit-card purchases	77,185	81,623	74,301	(5)	4	
Negotiable obligations	6,816	15,074	25,282	(55)	(73)	
Subordinated negotiable obligations	52,528	55,273	56,843	(5)	(8)	
Creditors from purchases of foreign currency	107	24,404	9,034	(100)	(99)	
Collections on account of third parties	29,306	30,875	31,300	(5)	(6)	
Other financial liabilities	108,296	51,514	45,766	110	137	
Total financial liabilities	284,690	271,530	260,140	5	9	

Liquidity

Liquidity

Percentages, except otherwise noted	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Cash and due from banks	484,731	528,603	582,531	(8)	(17)	
Government securities	603,969	747,335	523,636	(19)	15	
Call-money	600	5,458	(405)	(89)	248	
Overnight placements in correspondent banks	14,679	30,131	9,277	(51)	58	
Repurchase agreement transactions	145,048	127,466	57,127	14	154	
Escrow accounts	41,077	48,723	36,111	(16)	14	
Other financial assets	3,072	232	4,341	1,224	(29)	
Total liquid assets	1,293,176	1,487,948	1,212,618	(13)	7	
Liquidity ratios (%)						Variation (bp)
Liquid assets as a percentage of transactional deposits	114.32	106.83	93.80	749	2,052	
Liquid assets as a percentage of total deposits	57.11	57.59	52.33	(48)	478	

As of March 31, 2023, the Bank's liquid assets represented 114.32% of the Bank's transactional deposits and 57.11% of its total deposits, as compared to 93.80% and 52.33%, respectively, as of March 31, 2022.

Assets quality

The non-accrual financing portfolio (that includes certain items of other financial assets and guarantees granted) amounted to Ps.31,505 million as of March 31, 2023, representing 2.50% of private-sector financing, recording a 61 bp decrease as compared to the 3.11% recorded in the same quarter of 2022. Considering the provisions on unused balances of credit cards and overdrafts, the Bank's coverage of the non-accrual portfolio with total allowances for loan losses reached 186.00%, compared to 180.22% of a year before.

Financing Portfolio Quality

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Non-accrual Financings	31,505	28,332	43,049	11	(27)	
With preferred guarantees	1,501	1,387	2,196	8	(32)	
With other guarantees	804	532	1,996	51	(60)	
Without guarantees	29,200	26,413	38,857	11	(25)	
Allowance for loan losses	58,598	64,121	77,582	(9)	(24)	
Relevant ratios (%)						Variation (bp)
NPL Ratio	2.50	2.15	3.11	35	(61)	
Allowance for loan losses to loans to the private sector	4.64	4.87	5.60	(23)	(96)	
Coverage	186.00	226.32	180.22	(4,032)	578	
Non-accrual loans with guarantees to non-accrual financing	7.32	6.77	9.74	55	(242)	
Cost of risk	2.88	4.42	1.37	(154)	151	

During the quarter, Ps.2,092 million were charged off against the allowance for loan losses and direct charges to the income statement for Ps.109 million were made.

Analysis of Loan Loss Experience

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Allowance for loan losses						
At the beginning of the quarter	64,121	61,795	89,508	4	(28)	
Changes in the allowance for loan losses						
Provisions charged to income	8,964	14,243	4,535	(37)	98	
Charge offs	(2,092)	(207)	(3,906)	911	(46)	
Inflation effect	(12,395)	(11,710)	(12,555)	6	(1)	
Allowance for loan losses at the end of the quarter	58,598	64,121	77,582	(9)	(24)	
Charge to the income statement						
Provisions charged to income	(8,964)	(14,243)	(4,535)	(37)	98	
Direct charge offs	(109)	(148)	(194)	(27)	(44)	
Bad debts recovered	1	983	802	(100)	(100)	
Net charge to the income statement	(9,072)	(13,408)	(3,927)	(32)	131	

Capitalization

The minimum capital requirement and the corresponding integration are presented below. Balances are disclosed in accordance with the applicable regulation valid and in currency of each period.

Regulatory Capital					
In millions of pesos, except otherwise noted	2023		2022		Variation (%)
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22
Minimum capital required (A)	183,503	152,794	93,359	20	97
Allocated to credit risk	130,180	109,408	70,049	19	86
Allocated to market risk	9,731	6,642	1,172	47	730
Allocated to operational risk	43,592	36,744	22,138	19	97
Computable capital (B)	527,226	478,634	274,928	10	92
Tier I	484,747	442,495	243,763	10	99
Tier II	42,479	36,139	31,165	18	36
Excess over required capital (B) (A)	343,723	325,840	181,569	5	89
Risk weighted assets	2,246,390	1,870,089	1,141,478	20	97
Ratios (%)					Variation (bp)
Total capital ratio	23.47	25.59	24.09	(212)	(62)
Tier I capital ratio	21.58	23.66	21.36	(208)	22

As of March 31, 2023, the Bank's computable capital amounted to Ps.527,226 million, and the minimum capital requirement for that same period was Ps.183,503 million, leaving an available margin of Ps.343,723 million (187%). This excess was Ps.181,569 million (194%) as of the same date in 2022.

The minimum capital requirement increased Ps.90,144 million as compared to March 31, 2022, mainly due to the growth of the regulatory requirements on risk weighted assets. Computable capital increased Ps.252,298 million in the same period, primarily as consequence of the results generated during the quarter and to an increase of the accounting shareholders' equity as a result of the inflation adjustment. The total capital ratio was 23.47%, decreasing 62 bp during the last twelve months and a decrease of 212 bp compared to December 31, 2022. This decrease was a consequence of the approval or dividends.

NaranjaX

Naranja X is the fintech entity of Grupo Galicia that assists clients to promote the use of money. Naranja X creates technological solutions for the personal and business financials of millions of Argentines. Naranja X's biggest challenge is being easily accessible to customers and providing them with simple tools to help them grow, improve their quality of life and access a world of possibilities



Highlights



Ps.607 million

Results for the quarter

+4,958% vs. 1Q 2022

2.36%

ROE

+231 bp vs. 1Q 2022

70.15%

Efficiency ratio

+344 bp vs. 1Q 2022

2,757

Employees

8,509

Credit cards
in thousands

158

Branches and
other points
of sale

Results for the quarter

In the first quarter, Naranja X registered a net income of Ps.607 million, Ps.595 million (4,958%) lower than the result recorded for the same period of the previous year, mainly as a result of a higher operating result for Ps.4,741 million (37%), offset by a greater negative result for the monetary position for Ps.3,581 million (28%).

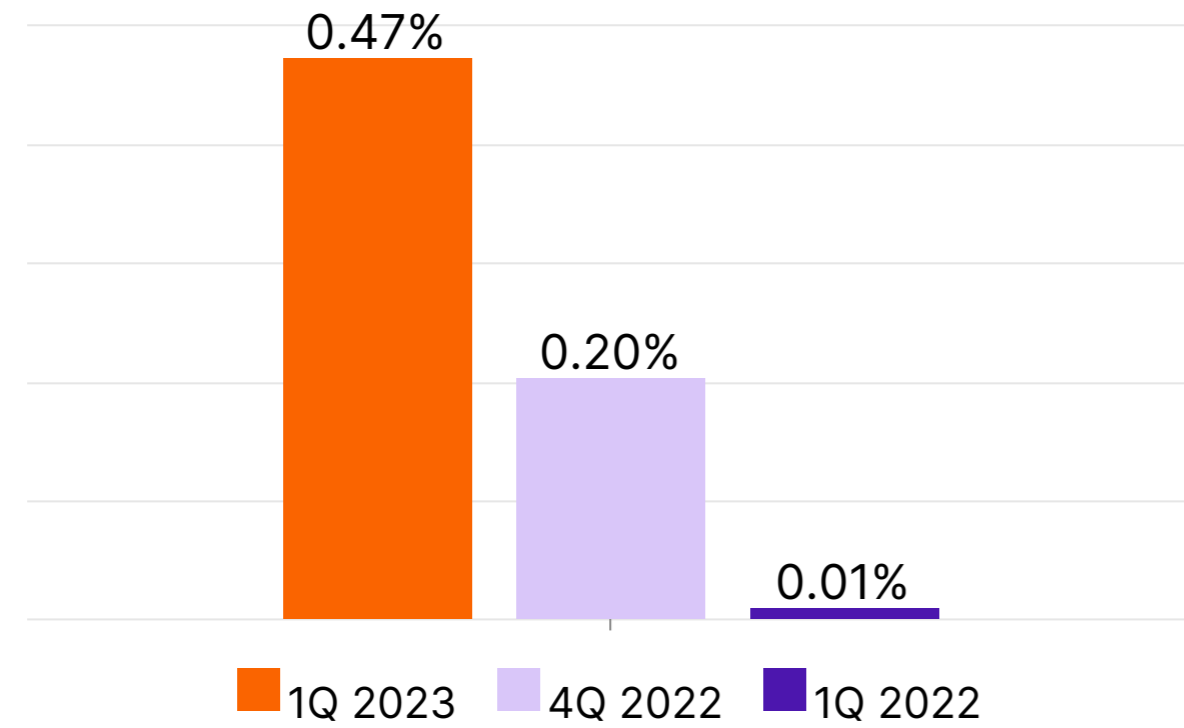
The operating result reached Ps.17,593 million, 37% higher than the Ps.12,852 million in the same quarter of 2022. The result for the quarter represented, on an annualized basis, an ROA of 0.47% and an ROE of 2.36%, while in the first quarter of 2022 they represented 0.01% and 0.05%, respectively.

Net operating income for the quarter amounted to Ps.42,631 million, which meant an increase of 11% compared to the same quarter of 2022. This increase was the result of a higher net result from financial instruments for Ps.657 million (252%), offset by lower interest results for Ps.1,065 million (4%).

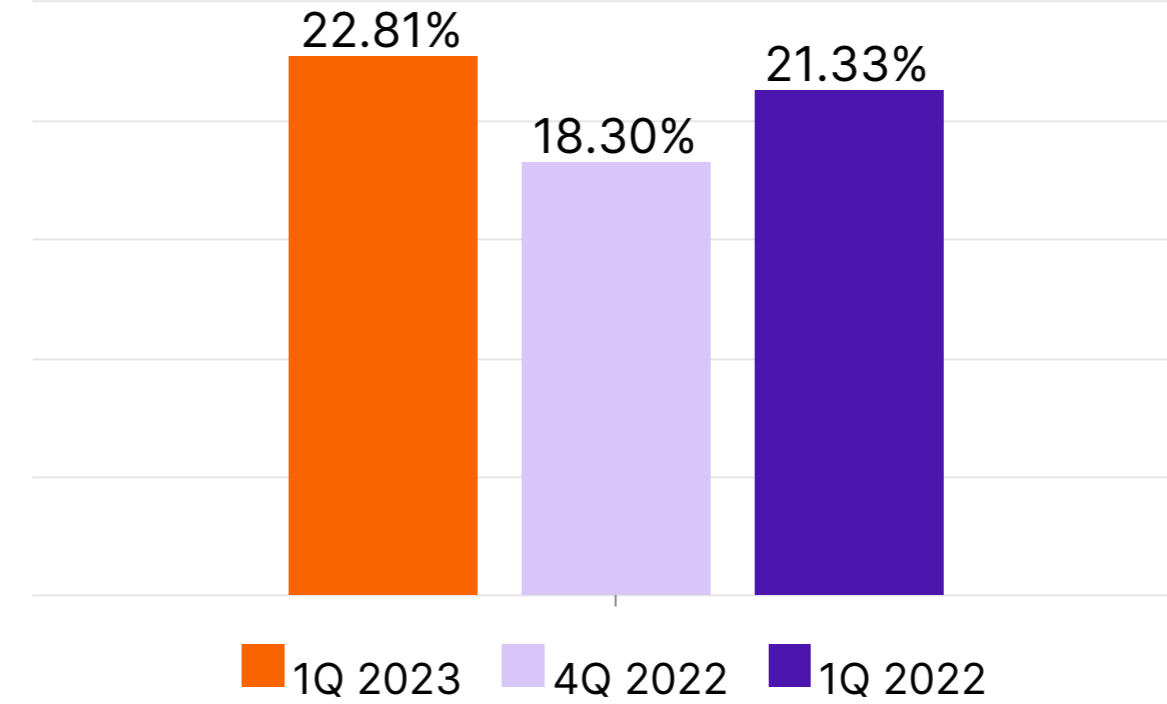
Income Statement					
In millions of pesos, except otherwise noted	2023		2022		Variation (%)
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22
Net interest income	26,163	13,639	25,098	92	4
Net fee income	17,830	18,369	16,581	(3)	8
Net results from financial instruments	918	10,507	261	(91)	252
Gold and foreign currency quotation differences	(126)	(88)	141	43	(189)
Other operating income	3,837	4,353	3,142	(12)	22
Loan loss provisions	(5,991)	(6,278)	(6,644)	(5)	(10)
Net operating income	42,631	40,502	38,579	5	11
Personnel expenses	(7,019)	(7,870)	(7,377)	(11)	(5)
Administrative expenses	(7,028)	(7,583)	(6,646)	(7)	6
Depreciations and devaluations of assets	(1,016)	(2,087)	(1,211)	(51)	(16)
Other operating expenses	(9,975)	(10,039)	(10,493)	(1)	(5)
Operating income	17,593	12,923	12,852	36	37
Results from the net monetary position	(16,272)	(9,764)	(12,691)	67	28
Income tax	(714)	(2,898)	(149)	(75)	379
Net income	607	261	12	133	4,958
Other comprehensive income	3	—	—	—	—
Total comprehensive income	610	2,460	12	(75)	4,983

Profitability and efficiency

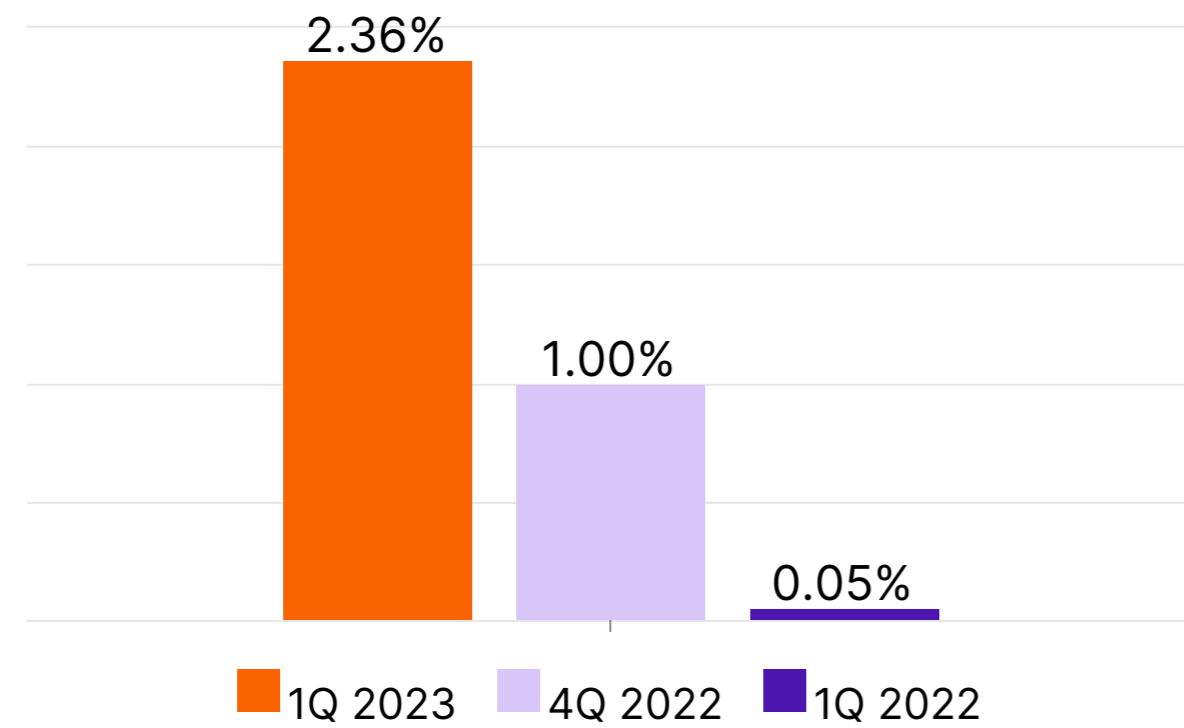
ROA



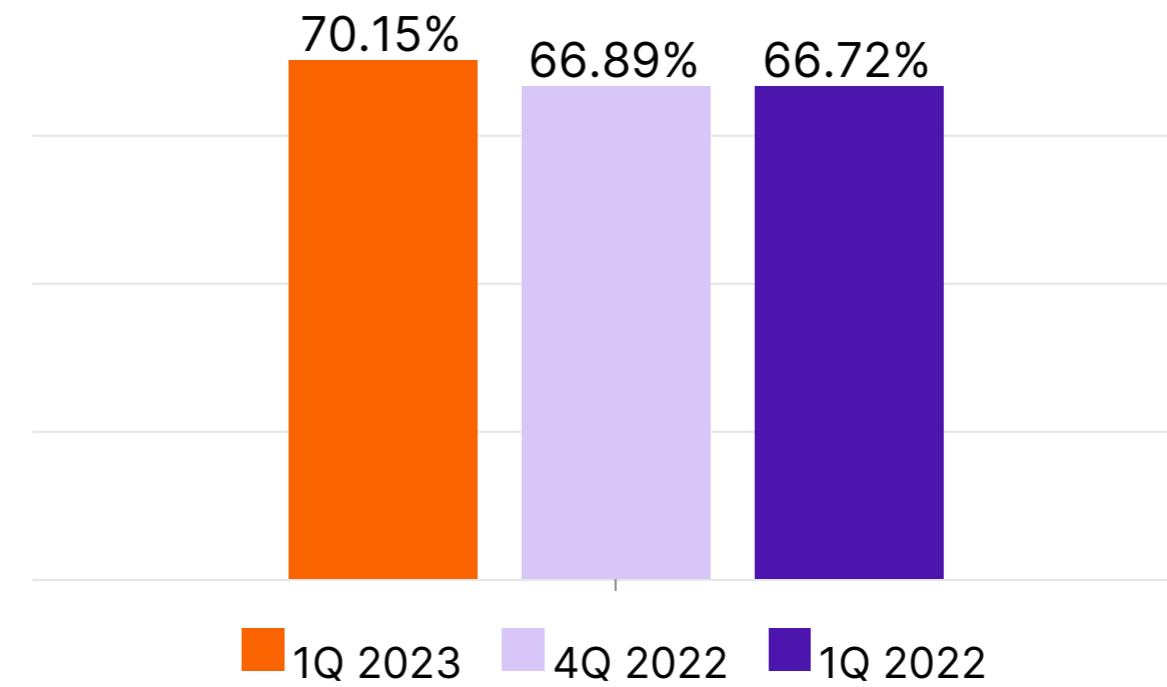
Financial margin



ROE



Efficiency ratio



Selected financial information

Balance Sheet

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Assets						
Cash and due from banks	5,634	8,068	7,524	(30)	(25)	
Debt securities	1,112	245	3,882	354	(71)	
Net loans and other financing	374,609	402,849	409,147	(7)	(8)	
Other financial assets	91,841	100,782	7,735	(9)	1,087	
Property, bank premises, equipment	14,458	14,620	14,771	(1)	(2)	
Intangible assets	3,978	4,022	5,060	(1)	(21)	
Other non-financial assets	10,159	15,242	12,748	(33)	(20)	
Total assets	501,791	545,828	460,867	(8)	9	
Liabilities						
Deposits	35,850	32,835	1,690	9	2,021	
Financing from financial entities	51,144	73,063	70,676	(30)	(28)	
Other financial liabilities	217,535	241,409	205,420	(10)	6	
Negotiable obligations	70,713	72,237	48,937	(2)	44	
Other non-financial liabilities	20,906	21,251	31,554	(2)	(34)	
Total liabilities	396,148	440,795	358,277	(10)	11	
Shareholders' equity	105,643	105,033	102,590	1	3	

Assets quality

Loan Portfolio Quality

Percentages, except otherwise noted	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Non-accrual loans	14,718	14,422	14,462	2	2	
Allowances for loan losses and provisions	20,065	20,047	24,285	—	(17)	
Ratios (%)						Variation (bp)
NPL Ratio	3.78	3.46	3.37	32	41	
Allowance for loan losses to loans to the private sector	5.15	4.81	5.66	35	(50)	
Coverage	136.33	139.01	167.92	(268)	(3,159)	
Cost of risk	6.43	6.12	6.46	31	(3)	

As of March 31, 2023, taking into consideration the provisions for unused credit-card balances, the coverage ratio amounted to 136.33%, compared to 167.92% on the same date of the previous year.

Analysis of Loan Loss Experience

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Allowances for loan losses						
At the beginning of the quarter	20,047	19,239	22,845	4	(12)	
Changes in the allowance for loan losses						
Provisions charged to income	5,525	5,682	5,557	(3)	(1)	
Reversals of allowances for loan losses	(747)	(676)	(607)	11	23	
Charge off	(835)	(1,163)	(114)	(28)	632	
Effect of inflation	(3,925)	(3,035)	(3,396)	29	16	
Allowance for loan losses at the end of the quarter	20,065	20,047	24,285	—	(17)	
Charge to the income statement						
Provisions charged to income	(5,525)	(5,682)	(5,557)	(3)	(1)	
Direct charge offs	(466)	(595)	(1,087)	(22)	(57)	
Bad debt recovered	252	307	227	(18)	11	
Net charge to the income statement	(5,739)	(5,970)	(6,417)	(4)	(11)	



Galicia Seguros' commercial activity began in 1996 as a member of Grupo Galicia. Today it is a leader in home, theft, and personal accident insurance.



Highlights



Ps.797 million

Net income for the quarter

+45% vs. 1Q 2022

51.07%

ROE

+1,508 bp vs. 1Q 2022

85.99%

Combined Ratio

+128 bp vs. 1Q 2022

349

Employees

2,647

Polices
In thousands

1,905

Clients
In thousands

Results for the quarter

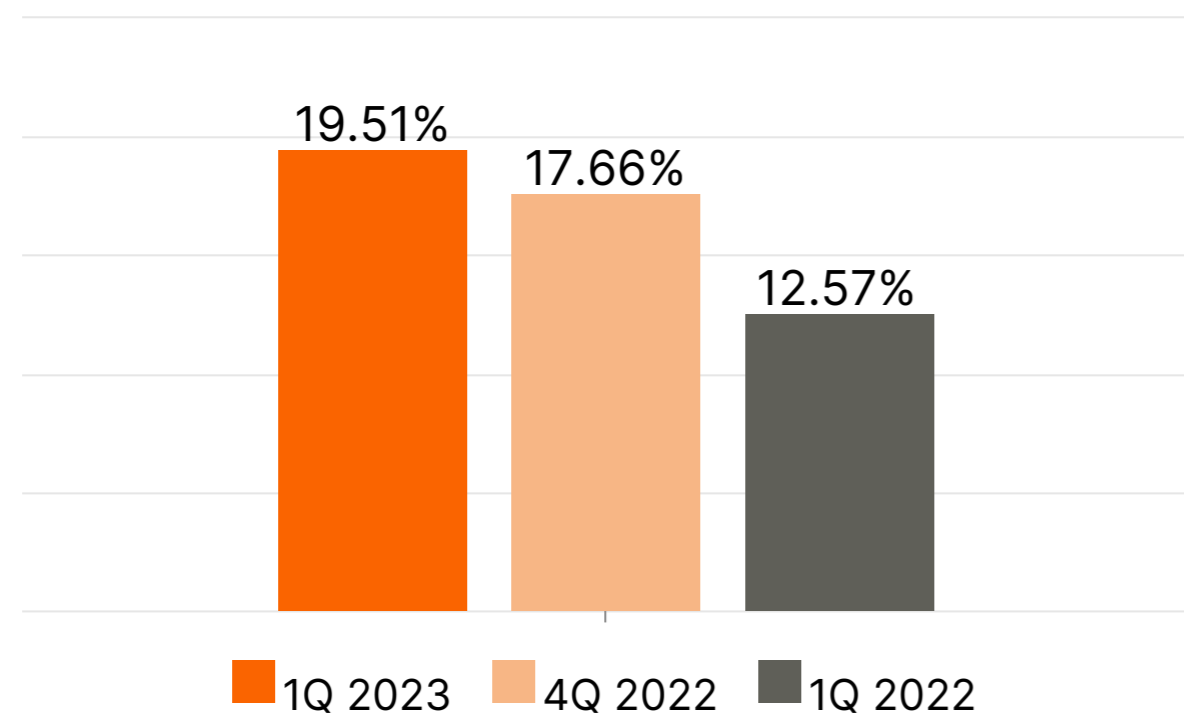
Income Statement

In millions of pesos, except otherwise noted

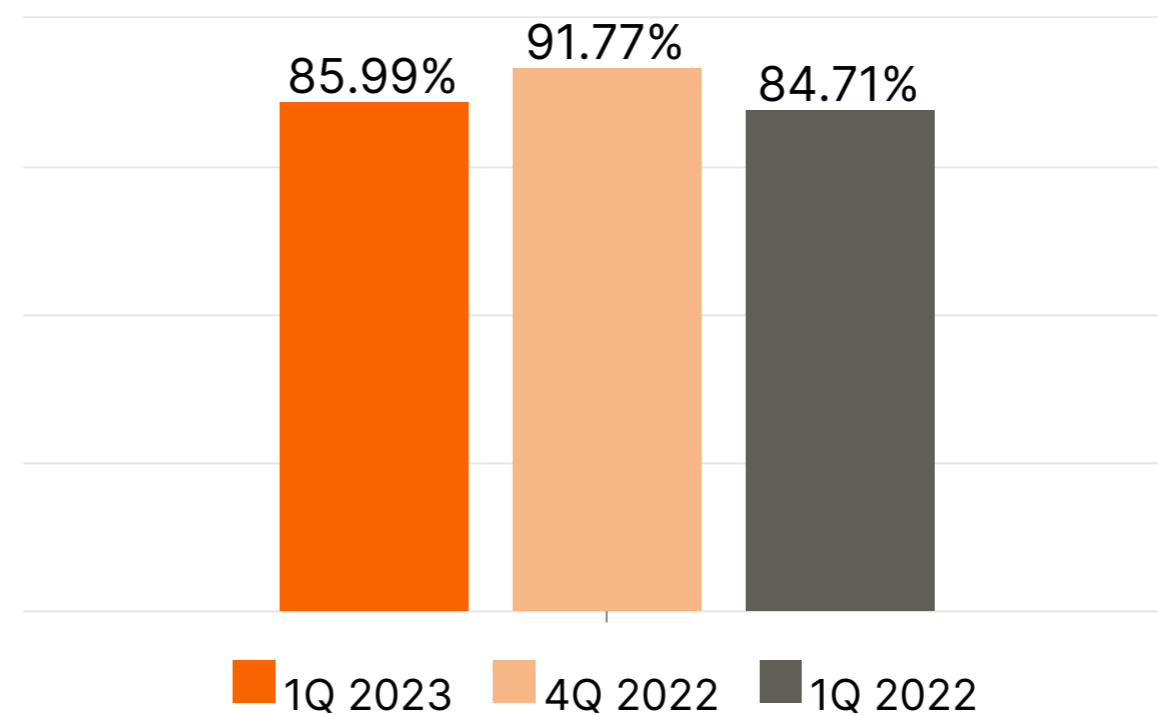
	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Earned premium	6,634	6,774	6,991	(2)	(5)	
Incurred claims	(1,187)	(1,114)	(1,312)	7	(10)	
Withdrawals	(10)	(40)	(6)	(75)	67	
Life annuities	(9)	(8)	(10)	13	(10)	
Acquisition and general expenses	(2,910)	(2,830)	(2,913)	3	—	
Other income and expenses	(94)	(73)	(27)	29	248	
Underwriting income	2,424	2,709	2,723	(11)	(11)	
Interest income	2,201	2,313	2,431	(5)	(9)	
Net results from financial instruments	(1,006)	(764)	(1,922)	32	(48)	
Gold and foreign currency quotation differences	26	3	22	767	18	
Other operating income	254	185	131	37	94	
Net operating income	3,899	4,446	3,385	(12)	15	
Personnel expenses	(948)	(1,412)	(1,071)	(33)	(11)	
Administrative expenses	(402)	(620)	(380)	(35)	6	
Depreciations and devaluations of assets	(147)	(124)	(206)	19	(29)	
Other operating expenses	(12)	(12)	(2)	—	500	
Operating income	2,390	2,278	1,726	5	38	
Results from the net monetary position	(1,024)	(747)	(514)	37	99	
Income tax	(569)	(754)	(664)	(25)	(14)	
Net income	797	777	548	3	45	
Other comprehensive income	(11)	(3)	73	(267)	(115)	
Total comprehensive income	786	774	621	2	27	

Profitability and efficiency

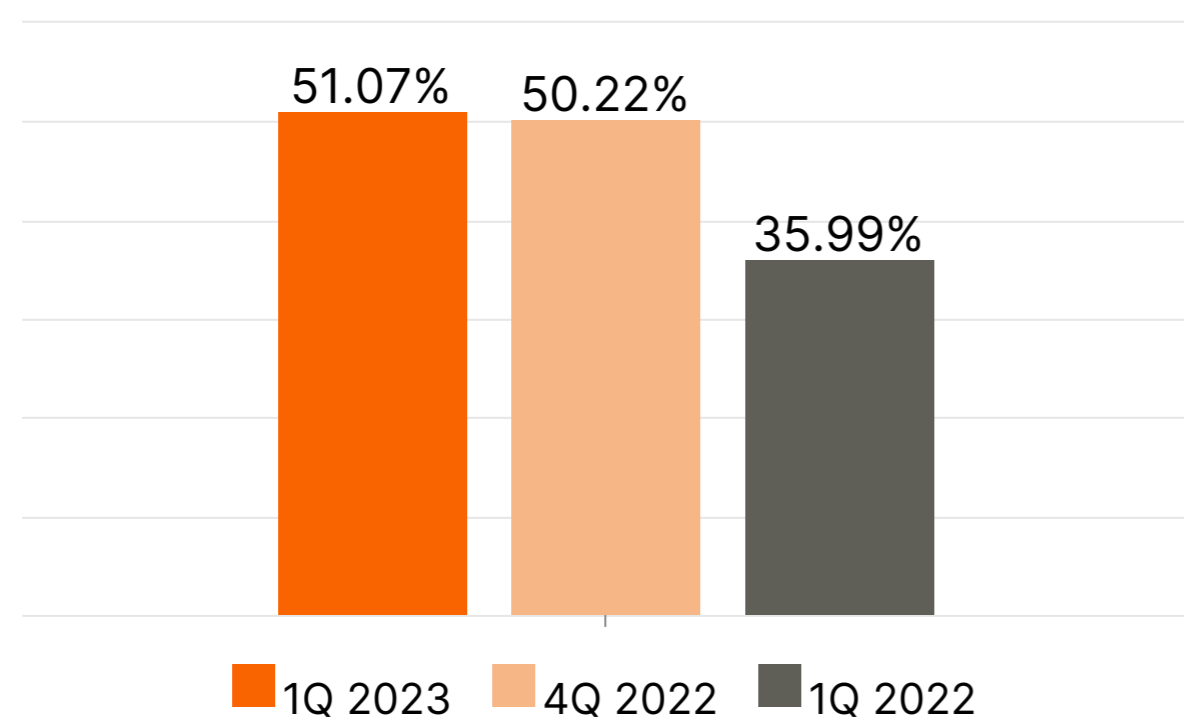
ROA



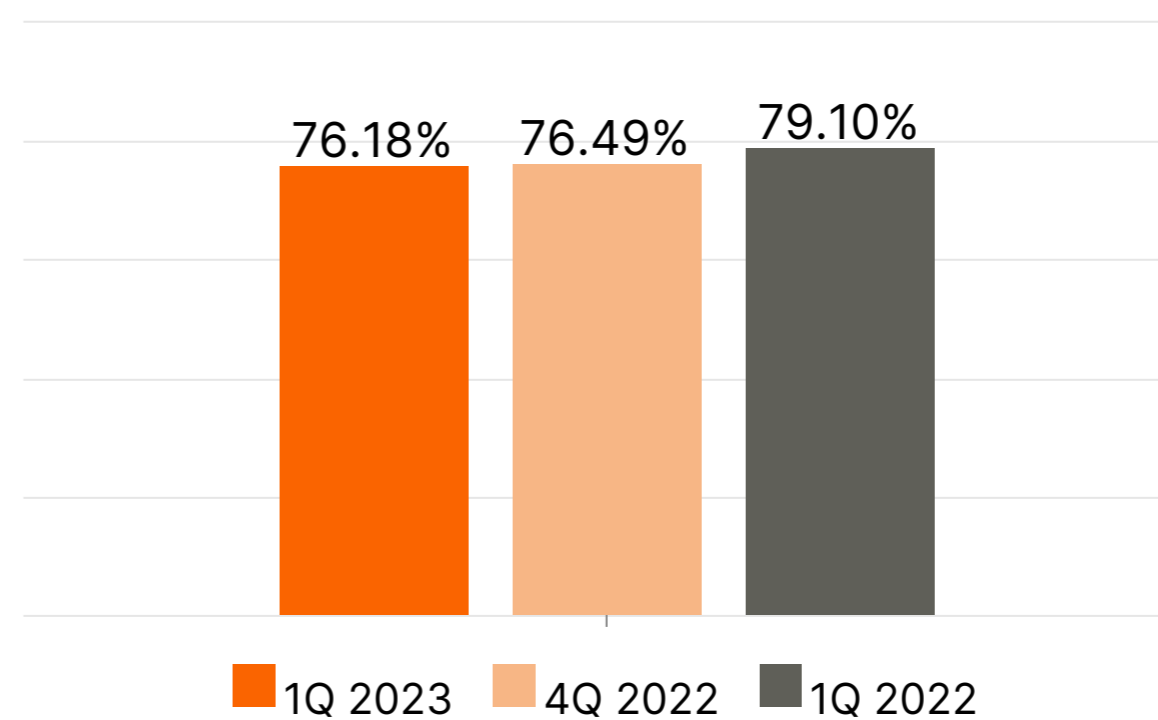
Combined ratio



ROE



Efficiency ratio



Selected financial information

Balance Sheet

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Assets						
Cash and due from banks	73	16	45	356	62	
Debt securities	172	141	151	22	14	
Net loans and other financing	—	7	18	(100)	(100)	
Other financial assets	7,054	8,712	6,139	(19)	15	
Property, bank premises, equipment	319	504	2,133	(37)	(85)	
Intangible assets	395	90	208	339	90	
Assets for insurance contracts	—	6,004	6,828	(100)	(100)	
Other non-financial assets	7,219	1,184	299	510	2,314	
Total assets	15,232	16,658	15,821	(9)	(4)	
Liabilities						
Financing received from financial institutions	—	—	233	—	(100)	
Liabilities for insurance contracts	—	6,225	7,512	(100)	(100)	
Other non-financial liabilities	9,586	4,055	2,409	136	298	
Total liabilities	9,586	10,280	10,154	(7)	(6)	
Shareholders' equity	5,646	6,378	5,667	(11)	—	

Fondos Fima

Since 1958, Fondos Fima has been managing mutual funds, distributed by Galicia through its multiple channels and other agents.



Highlights



Ps.2,222 million

Net income for the quarter

+40% vs. 1Q 2022

Ps.926

Assets under management
In billions

+2% vs. 1Q 2022

12.6%

Market share

+100 bp vs. 1Q 2022

28

Employees

14

Assets under management

Results for the quarter

Income Statement

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Net interest income	122	67	41	82	198	
Net results from financial instruments	1,378	917	527	50	161	
Gold and foreign currency quotation differences	5	6	2	(17)	150	
Other operating income	4,648	3,994	3,162	16	47	
Net operating income	6,153	4,984	3,732	23	65	
Personnel and administrative expenses	(309)	(356)	(340)	(13)	(9)	
Other operating expenses	(335)	(275)	(199)	22	68	
Operating income	5,509	4,353	3,193	27	73	
Results from the net monetary position	(1,006)	(739)	(770)	36	31	
Income tax	(2,281)	(1,722)	(840)	32	172	
Net income	2,222	1,892	1,583	17	40	

Assets under management

Mutual fund

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Fima Premium	735,475	758,715	632,492	(3)	16	
Fima Ahorro Pesos	42,707	34,554	61,156	24	(30)	
Fima Ahorro Plus	72,748	62,983	85,946	16	(15)	
Fima Capital Plus	26,552	39,189	33,078	(32)	(20)	
Fima Renta en Pesos	21,659	23,216	43,119	(7)	(50)	
Fima Renta Plus	10,656	10,109	40,201	5	(73)	
Fima Abierto Pymes	1,884	1,751	2,423	8	(22)	
Fima Acciones	4,938	4,642	2,874	6	72	
Fima PB Acciones	3,548	3,143	2,456	13	44	
Fima Mix I	3,089	3,294	4,905	(6)	(37)	
Fima Mix II	476	172	—	177	—	
Fima Renta Acciones Latinoamerica	129	135	184	(4)	(30)	
Fima Renta Fija Internacional	1,306	1,388	1,689	(6)	(23)	
Fima Sustentable ESG	584	336	—	74	—	
Total assets under management	925,751	943,627	910,523	(2)	2	

Selected financial information

Balance Sheet

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	1Q	4Q	1Q	vs. 4Q22	vs. 1Q22	
Assets						
Cash and due from banks	1,717	1,416	1,201	21	43	
Debt securities	166	—	—	—	—	
Net loans and other financing	—	1,284	—	(100)	—	
Other financial assets	6,159	6,183	4,118	—	50	
Other non-financial assets	—	—	3	—	(100)	
Total assets	8,042	8,883	5,322	(9)	51	
Liabilities						
Other non-financial liabilities	4,578	3,216	2,497	42	83	
Total liabilities	4,578	3,216	2,497	42	83	
Shareholders' equity	3,464	5,667	2,825	(39)	23	

Relevant information



Negotiable obligations

On April 27, 2023, Naranja X issued the Class LVIII Negotiable Obligations for Ps.12.215 million, maturing in 12 months and with a rate of Badlar +5.0%.

Dividends

On April 25, 2023, at the Ordinary Shareholders' Meeting of Grupo Galicia, the payment of cash dividends for Ps.35,000 million was approved, which represents Ps.23.73 per share. Their payment was made on May 9, 2023.

ESG



Annual Report - ESG Integrated Report

Grupo Galicia published its Integrated ESG 2022 Report that reflects the progress of its Environmental, Social and Governance agenda.

This document allows you to capture a value creation model for the entire Group within the framework of sustainable management, linking financial results with social-environmental impacts.

In 2022, with the aim of continuing to promote its contribution to sustainable development, it deepened the double materiality exercise, understanding the context in which it carries out its businesses (material issues) and the impact they generate in the country.

In addition, it used as a cover, a digital work of art created through the use of blockchain technology that expresses the Group's identity as a leader in sustainability, innovation and agility.



Sustainable financing lines

Banco Galicia launched two lines of sustainable financing:

- Sustainable financing line for SMEs that carry out a business with a social, economic and environmental impact.
- Diversity Line together with Resiliencia SGR for companies that promote diversity in the 5 axes (gender, disability, sexual diversity, employment generation and socioeconomic vulnerability).

Pro Mujer Negotiable Obligation

In February 2023, Pro Mujer issued the Negotiable Obligation in the amount of Ps.200 million, with a maturity of 12 months and guaranteed by a pool of leading banks in Argentina, including Banco Galicia. This issuance is the first gender bond issued in the country under the recently implemented Regimen Simplificado ("Simplified Regime") for the issuance of bonds with social impact.

Pampa Energía Negotiable Obligation

In May 2023, Pampa Energía issued two notes, class 16 and class 17 for a total of US\$82.7 million. The ON class 16 in dollars at a fixed rate of 4.99% in order to improve its maturity profile and the ON class 17, the second green bond in pesos issued by Pampa, with a variable interest rate Badlar +2% maturing in May 2024 for Ps.5,980 million (equivalent to approximately US\$27 million) to finance the construction of the Parque Eólico Pampa Energía VI.

Banco Galicia was one of the placement agents.

Regulatory changes



Communication "A" 7719 - Distribution of results.

The Argentine Central Bank, through Communication "A" 7719, repealed the suspension of the distribution of results of financial institutions, effective as from April 1, 2023. Additionally, it allows financial institutions to distribute profits in 6 equal, monthly and consecutive installments for up to 40% of the amount established in the dividend distribution rules.

Communication "A" 7720 - Productive line.

The Argentine Central Bank, through Communication "A" 7720, incorporates as from April 1, 2023 and until September 30, 2023 the 2023 quota of the "Linea de financiamiento para la inversión productiva MiPyME".

Communication "A" 7767 - Interest rates.

The Argentine Central Bank, through Communication "A" 7767, provides for an increase in the interest rates as from May 16, 2023 of the following deposits:

- Time deposits of individuals: 97% TNA (154% of TEA).
- Time deposits not included in the previous point: 90% TNA (138% of TEA).
- Deposits with early cancellation option in UVA: 91.80% or 93.80% TNA according to certain conditions.
- Productive line: for investment projects the rate is 76% and for working capital 88% TNA.

Glossary and additional information



Combined ratio: (acquisition and general expenses + personnel expenses + administrative expenses + depreciations and devaluations of assets + incurred claims + other income and expenses) / (earned premiums + withdrawals + life annuities).

Cost of risk: (loan-loss provisions + loan-loss provisions on unused balances of credit-cards and overdrafts, and on guarantees granted) / average financing.

Coverage: (allowance for loan losses + provisions for unused balances of credit-cards and overdrafts and guarantees granted) / non-accrual financing.

Digital customers: number of customers with login in digital channels in the last 30 days.

Efficiency ratio: (personnel expenses + administrative expenses + depreciation and devaluations of assets) / (divided by net interest income plus net fee income + net result from financial instruments + foreign currency quotation differences + insurance premiums earned + certain items included in other operating income -other financial income, fees from bundles of products, rental of safe deposits boxes and other fee income- and expenses -contribution to the deposit insurance fund, other financial expenses, other fee-related expenses and turnover tax on financial income and fees- + result from the net monetary position).

Financial margin: (net interest income + net result from financial instruments + foreign currency quotation differences + underwriting income from insurance business + certain items included in other operating income -other financial income- and expenses -contribution to the deposit insurance fund, other financial expenses and turnover tax on financial income-) / average balance of interest-earning assets.

Non-accrual portfolio: includes loans classified under the following categories of the Argentine Central Bank classification: With Problems and Medium Risk, High Risk of Insolvency and High Risk and Uncollectible.

NPL ratio: non-accrual portfolio / total financing.

ROA: net income attributable to the company on average assets.

ROE: net income attributable to the company on average shareholders' equity.

Inflation, exchange rate and interest rates

	2023				2022
	1Q	4Q	3Q	2Q	1Q
Consumer price index (IPC) ⁽¹⁾	1,381.1601	1,134.5875	967.3076	793.0278	676.0566
Consumer price index (IPC) (%)	21.73	17.29	21.98	17.30	16.07
Wholesale price index (IPIM) (%) ⁽²⁾	19.73	18.21	22.19	16.75	15.52
Acquisition value unit (UVA) ⁽³⁾	218.27	185.03	154.72	129.08	108.9
Exchange rate (Ps./US\$) ⁽⁴⁾	208.99	177.13	147.32	125.22	110.98
Badlar ⁽⁵⁾ (quartely averages)	70.09	69.18	59.37	45.71	38.6

(1) Published by the INDEC (National Institute of Statistics)

(2) Internal Wholesale Price Index. Source: INDEC (National Institute of Statistics and Censuses of the Argentine Republic).

(3) Private banks' 30-day time deposits rate for amounts over Ps.1 million.

(4) Argentine Central Bank reference exchange rate Communication "A" 3500. On the last business day of each period.

(5) Argentine Central Bank reference rate for time deposits greater than one million pesos from private banks.

Contact us



web

www.gfgsa.com



e-mail

inversores@gfgsa.com
asg@gfgsa.com



Phone

+54 11 6329 4881