

4th. quarter

2023



Financial Report

Grupo Financiero Galicia S.A.

Grupo Galicia

Grupo Financiero Galicia

Buenos Aires, Argentina, March 4, 2024, Grupo Financiero Galicia S.A. (“Grupo Galicia” o “GFG”, BYMA/NASDAQ: GGAL), announced its financial results for the fourth quarter and for the year, ended on December 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), BYMA (www.byma.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

March 05, 2024
11:00 am (Eastern Time)
13:00 pm (Argentina)

+1 786 697 3501

Password:
GFG42023

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., Agri Tech Investments LLC (Nera), Galicia Investments LLC and Galicia Ventures LP.

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



Highlights



Ps.336,232 million

Net income for the year

+110% vs. 2022

17.39%

ROE

+861 bp vs. 2022

60.37%

Efficiency

-1,383 bp vs. 2022

Ps.58.96

Net profit
per share

9,489

Employees

23.74%

Capital Ratio

441

Branches and other
points of sale

Ps.86,946 million

Net income for the quarter

+25% vs. 4Q 2022

17.02%

ROE

+220 bp vs. 4Q 2022

53.20%

Efficiency

-973 bp vs. 4Q 2022

11,177

Deposits
accounts
Galicia

In thousands

13,098

Credit cards
In thousands

Selected financial information



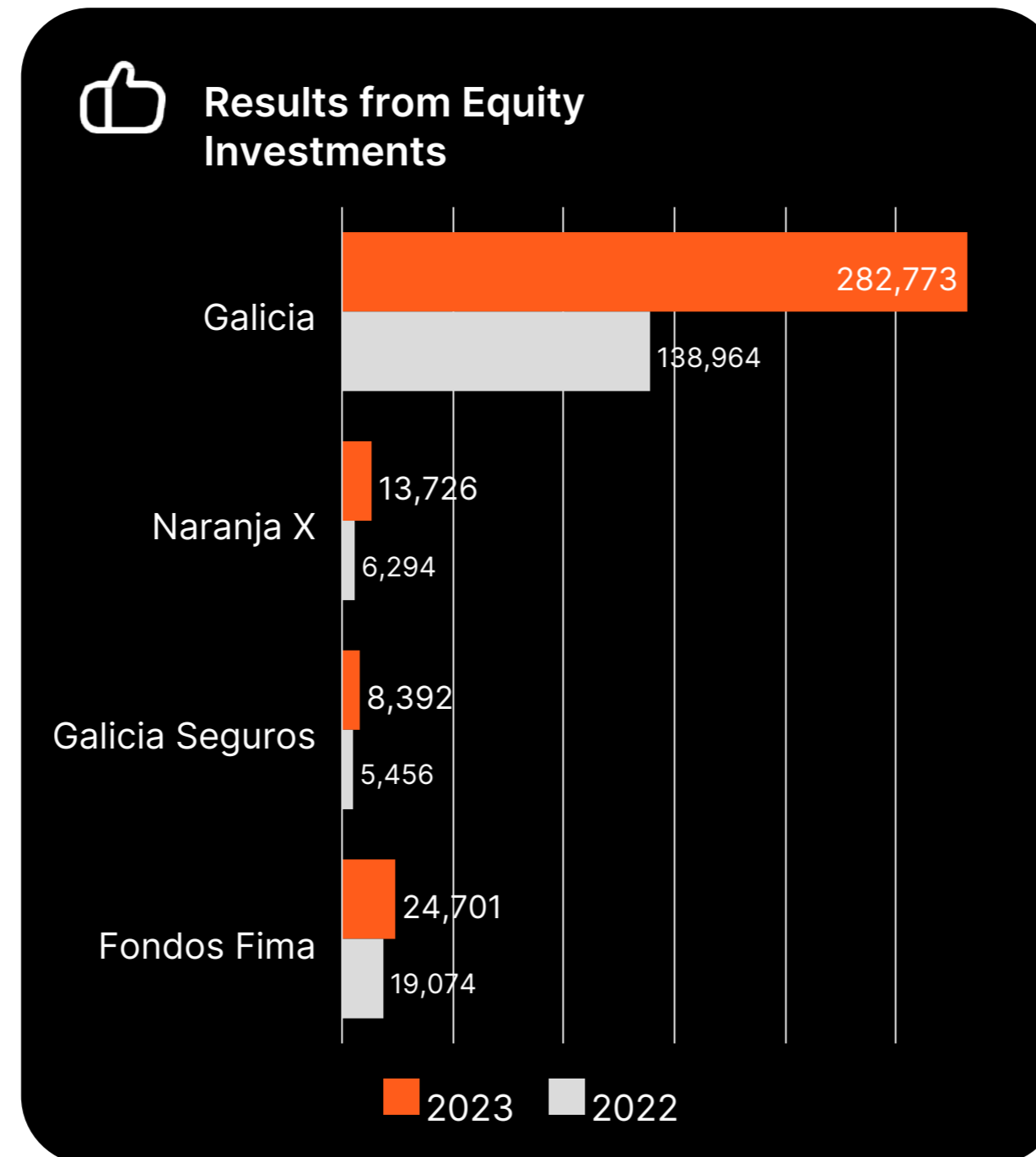
Selected ratios					
Percentages	2023		2022	Variation (bp)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22
ROA	3.49	3.36	2.89	13	60
ROE	17.02	17.03	14.82	(1)	220
Financial Margin	65.27	34.39	22.81	3,089	4,246
Efficiency ratio	53.20	68.86	62.92	(1,566)	(973)
Capital ratio ⁽¹⁾	23.74	24.53	24.68	(79)	(94)
NPL Ratio	2.45	2.75	2.63	(30)	(18)
Allowance for loan losses / Private-sector financing	3.67	3.63	4.96	4	(129)
Coverage	149.35	131.62	188.44	1,772	(3,909)
Non-accrual portfolio with guarantees to non-accrual portfolio	4.74	4.66	4.29	8	45
Cost of risk	6.51	4.12	5.08	239	143

(1) Galicia consolidated with Naranja X.

Results for the fiscal year

Net income attributable to GFG for the fiscal year 2023 amounted to Ps.336,232 million, which represented a 3.38% return on average assets and a 17.39% return on average shareholder's equity.

Said result is mainly due to profits from its interest in Galicia (Ps.282,773 million), in Fondos Fima (Ps.24,701 million), in Naranja X (Ps.13,726 million), and in Galicia Seguros (Ps.8,392 million).



Income Statement

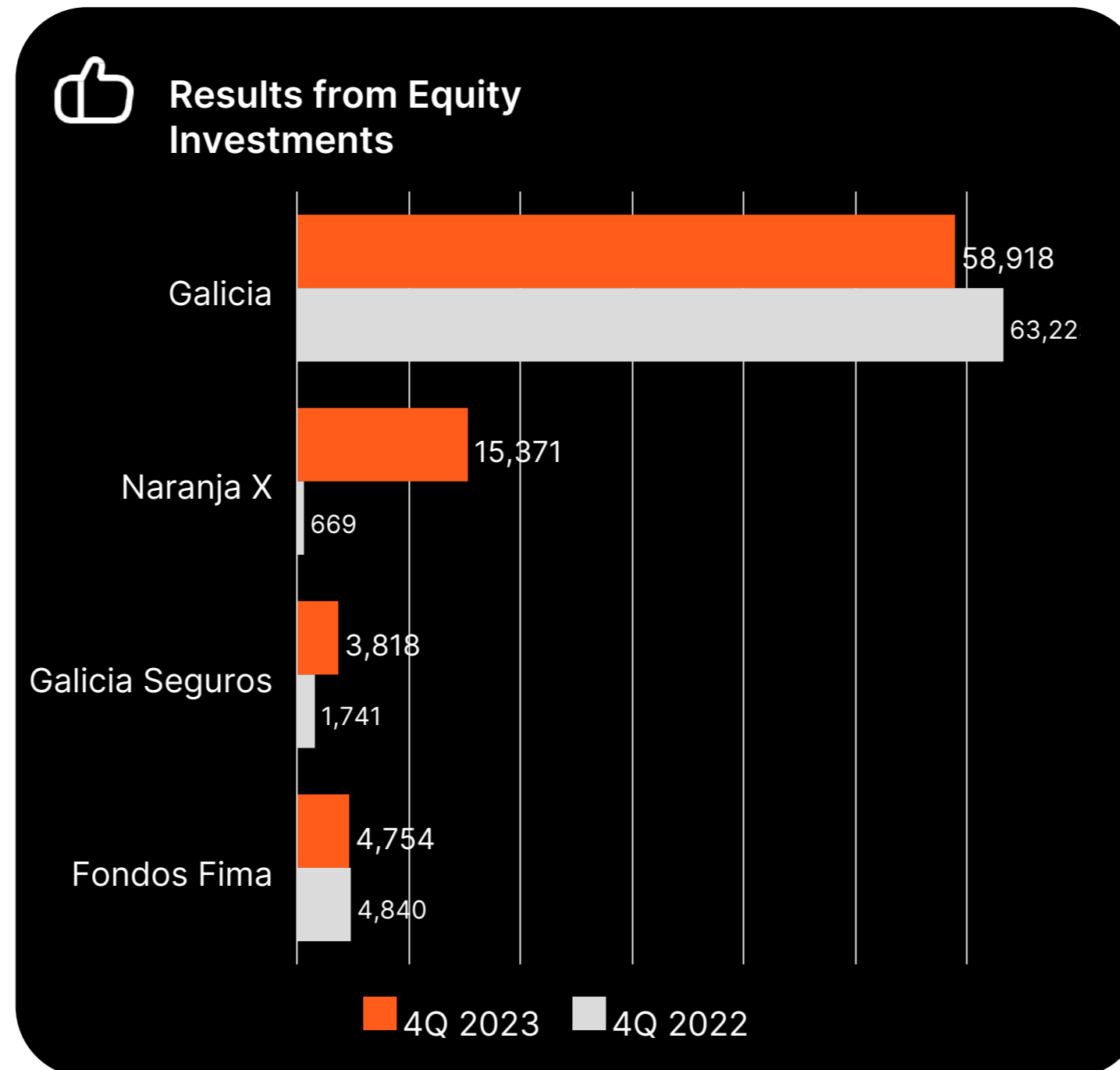
In millions of pesos, except otherwise noted

	2023	2022	Variation
	12M	12M	(%)
Net interest income	1,727,686	470,992	267
Net fee income	471,430	422,076	12
Net results from financial instruments	315,896	1,071,507	(71)
Gold and foreign currency quotation differences	612,575	62,668	877
Other operating income	378,738	227,324	67
Underwriting income from insurance business	6,895	42,635	(84)
Loan loss provisions	(186,666)	(161,399)	16
Net operating income	3,326,554	2,135,803	56
Personnel expenses	(356,139)	(301,726)	18
Administrative expenses	(297,802)	(279,214)	7
Depreciations and devaluations of assets	(84,431)	(86,811)	(3)
Other operating expenses	(530,617)	(396,786)	34
Operating Income	2,057,565	1,071,266	92
Results from the net monetary position	(1,518,771)	(849,258)	79
Results from associates and joint ventures	2,930	(1,700)	272
Income tax	(205,492)	(60,058)	242
Net income	336,232	160,250	110
Other comprehensive income	1,524	1,224	25
Total comprehensive income	337,756	161,474	109

Results for the quarter

Net income attributable to GFG for the quarter amounted to Ps.86,946 million, which represented a 3.49% annualized return on average assets and a 17.02% annualized return on average shareholder's equity.

Said result is mainly due to profits from its interest in Galicia (Ps.58,918 million), in Fondos Fima (Ps.4,754 million), in Galicia Seguros (Ps.3,818 million) and in Naranja X (Ps.15,371 million).



Income Statement

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22	
Net interest income	583,644	447,138	44,211	31	1220	
Net fee income	121,738	123,605	111,608	(2)	9	
Net results from financial instruments	13,241	88,712	402,587	(85)	(97)	
Gold and foreign currency quotation differences	416,811	94,171	24,801	343	1581	
Other operating income	98,049	111,712	70,149	(12)	40	
Underwriting income from insurance business	(20,062)	6,708	10,638	(399)	(289)	
Loan loss provisions	(61,541)	(41,735)	(54,275)	47	13	
Net operating income	1,151,880	830,311	609,719	39	89	
Personnel expenses	(125,563)	(76,099)	(86,496)	65	45	
Administrative expenses	(86,611)	(72,700)	(72,714)	19	19	
Depreciations and devaluations of assets	(22,047)	(22,059)	(23,815)	—	(7)	
Other operating expenses	(153,658)	(139,503)	(125,869)	10	22	
Operating Income	764,001	519,950	300,825	47	154	
Results from the net monetary position	(585,761)	(404,597)	(204,237)	45	187	
Results from associates and joint ventures	4,454	(561)	(370)	(894)	(1304)	
Income tax	(95,748)	(31,686)	(26,830)	202	257	
Net income	86,946	83,106	69,388	5	25	
Other comprehensive income	1,070	(67)	983	(1,697)	9	
Total comprehensive income	88,016	83,039	70,371	6	25	

Selected financial information

Balance Sheet

In millions of pesos, except otherwise noted

	2023		2022	Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22
Assets					
Cash and due from banks	1,995,885	1,134,710	1,393,686	76	43
Debt securities	598,795	111,285	2,467,189	438	(76)
Net loans and other financing	3,099,982	3,491,275	3,911,710	(11)	(21)
Other financial assets	3,756,222	4,295,148	2,168,724	(13)	73
Investment in subsidiaries, associates and joint ventures	2,650	1,980	2,077	34	28
Property, bank premises, equipment	355,259	359,496	360,675	(1)	(2)
Intangible assets	122,235	117,493	119,932	4	2
Other assets	353,980	94,069	117,604	276	201
Assets available for sale	75	44	3	69	2308
Total assets	10,285,083	9,605,500	10,541,600	7	(2)
Liabilities					
Deposits	5,707,780	5,870,898	6,670,283	(3)	(14)
Financing from financial entities	138,129	132,132	116,684	5	18
Other financial liabilities	1,358,399	1,035,811	1,091,770	31	24
Negotiable obligations	92,716	116,720	209,587	(21)	(56)
Subordinated negotiable obligations	205,613	135,089	141,395	52	45
Other liabilities	764,497	385,008	414,334	99	85
Total liabilities	8,267,134	7,675,658	8,644,053	8	(4)
Total Shareholders' equity	2,017,949	1,929,842	1,897,547	5	6



Since 1905, Galicia works 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.282,773 million

Net income for the year

+103% vs. 2022

18.18%

ROE

+888 bp vs. 2022

60.59%

Efficiency

-1,342 bp vs. 2022

10.90%

Market share:
Loans to the private sector

-89 bp vs. 4Q 2022

24.75%

Capital Ratio

-84 bp vs. 4Q 2022

9.90%

Market share: Deposits
to the private sector

-69 bp vs. 4Q 2022

299

Branches

5,765

Employees

Ps.58,918 million

Net income for the quarter

-7% vs. 4Q 2022

14.20%

ROE

-223 bp vs. 4Q 2022

57.14%

Efficiency

-486 bp vs. 4Q 2022

2.34%

Portfolio Quality

+19 bp vs. 4Q 2022

141.60%

Coverage

-8,474 bp vs. 4Q 2022

7,417

Deposit
accounts
In thousands

4,367

Credit
Cards
In thousands

5.24%

Cost of risk

+65 bp vs. 4Q 2022

3.97%

Cost of risk 12M

+97 bp vs. 2022

89%

Digital
clients

Results for the fiscal year

In fiscal year 2023, Galicia registered a net income of Ps.282,773 million, Ps.143,809 million (103%) higher than the result of the previous year, which represented an ROE of 18.18% and an ROA of 3.34%.

Net operating income was Ps.2,601,593 million, Ps.985,427 million (61%) higher, compared to the Ps.1,616,166 million recorded in the previous year. This increase was mainly due to a higher net interest result of Ps.1,225,563 million (518%) and a higher result from the price difference of gold and foreign currency of Ps.\$319,735 million (784%), offset by a lower net result from financial instruments for Ps.857,254 million (84%).

It is important to highlight that the portfolio of instruments issued by the BCRA (Leliqs) acquired as of January 1, 2023 is valued at amortized cost, recording its performance in the net interest result. The portfolio acquired prior to that date recorded its performance as net income from financial instruments.

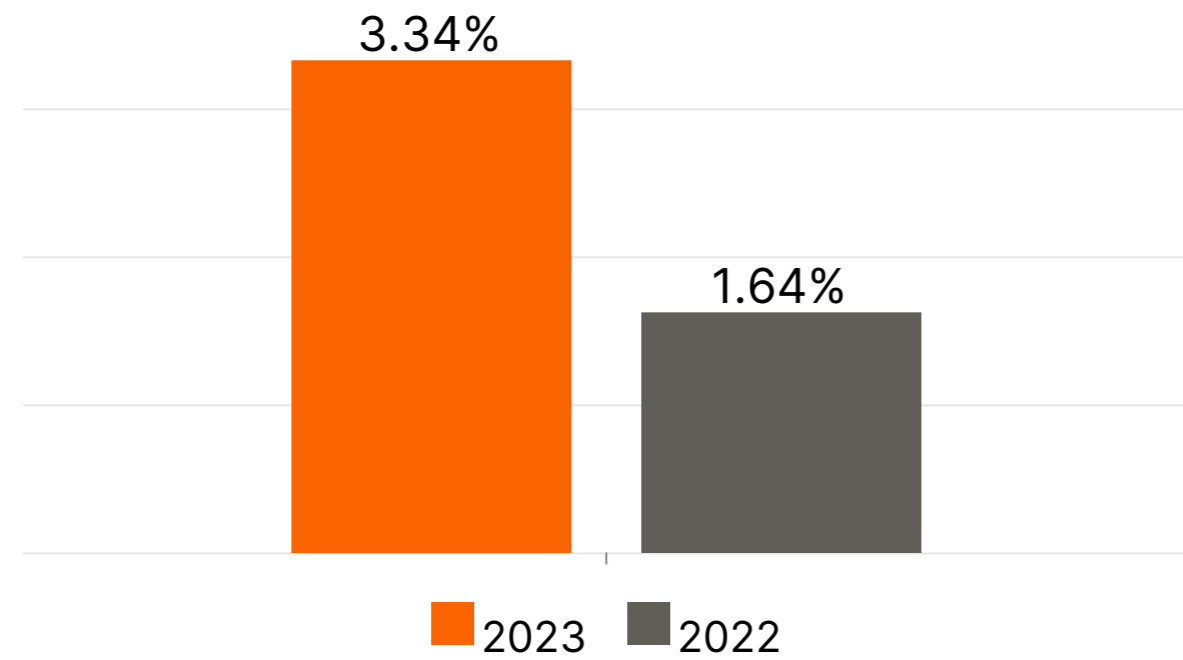
However, the net result for the year was negatively affected by inflation, reaching the result from the net monetary position, Ps.1,225,234 million, a loss 78% higher than in 2022.

Income Statement

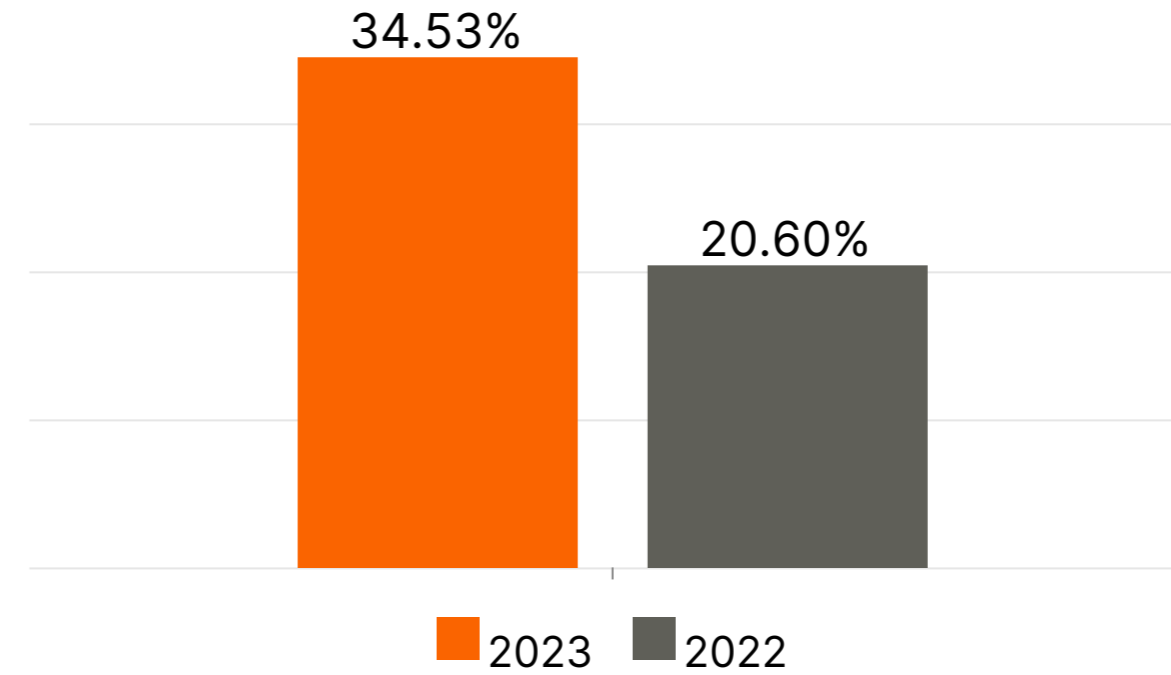
In millions of pesos, except otherwise noted	2023	2022	Variation
	12M	12M	%
Net interest income	1,461,943	236,380	518
Net fee income	291,308	255,932	14
Net results from financial instruments	159,175	1,016,429	(84)
Gold and foreign currency quotation differences	532,623	60,255	784
Other operating income	278,827	155,900	79
Loan-loss provisions	(122,283)	(108,730)	12
Net operating income	2,601,593	1,616,166	61
Personnel expenses	(251,555)	(208,152)	21
Administrative expenses	(204,567)	(197,212)	4
Depreciations and devaluations of assets	(70,168)	(69,151)	1
Other operating expenses	(410,391)	(285,170)	44
Operating income	1,664,912	856,481	94
Results from the net monetary position	(1,225,234)	(689,940)	78
Results from associates and joint businesses	(905)	(879)	3
Income tax	(156,000)	(26,698)	484
Net Income	282,773	138,964	103
Other comprehensive income	14	575	(98)
Total comprehensive income	282,787	139,539	103

Profitability and efficiency

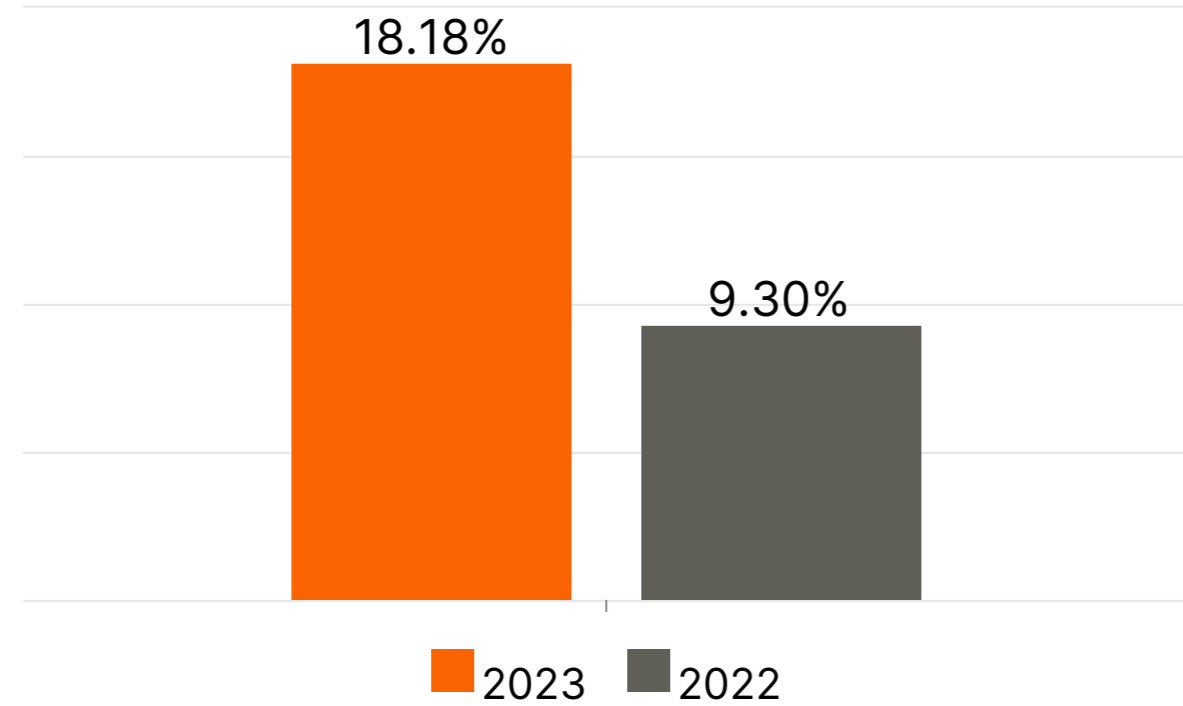
ROA



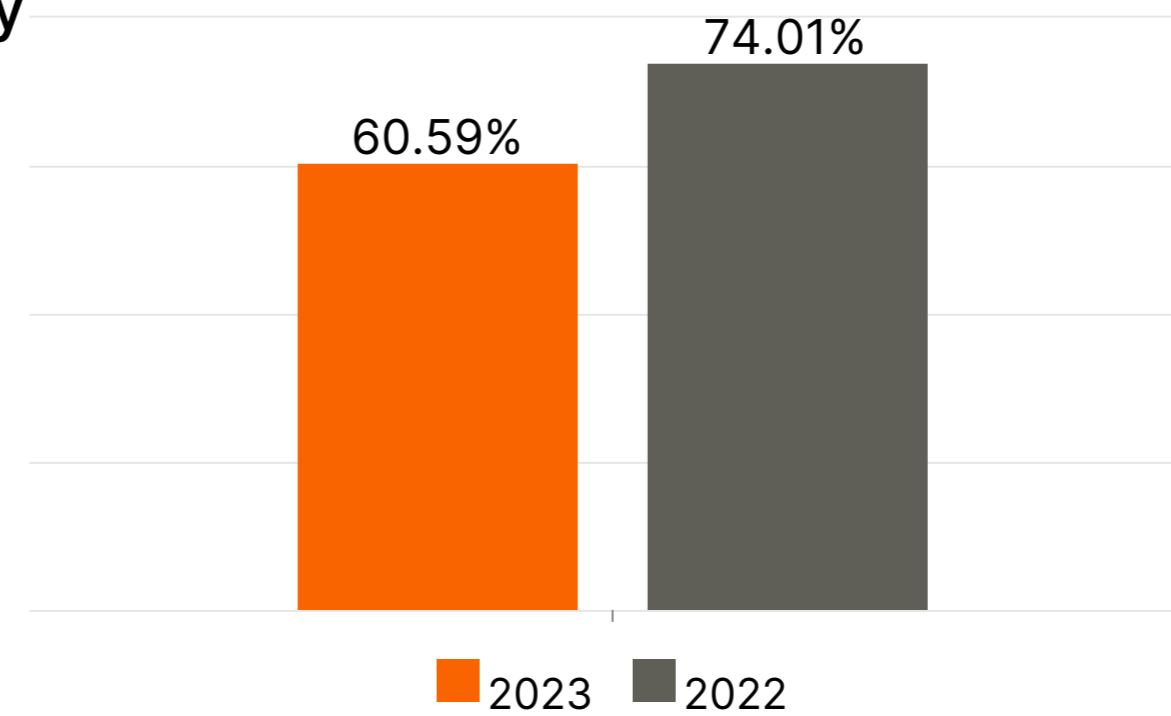
Financial margin



ROE



Efficiency ratio



Results for the quarter

In the fourth quarter of 2023, Galicia registered a net income of Ps.58,918 million, Ps.4,307 million (7%) lower than the result of the same quarter of the previous year, which represented an annualized ROE of 14.20% and an ROA of 2.97%.

The operating result was Ps.368,646 million (151%) higher than in the fourth quarter of 2022, as a consequence of a higher net operating income. However, the result for the quarter was negatively affected by inflation, reaching the result for the net monetary position, Ps.475,765 million loss, 179% higher than the same quarter of 2022.

Net operating income reached Ps.895,930 million, Ps.422,744 million (89%) higher than the Ps.473,186 million in the same quarter of the previous year, mainly as a consequence of a higher result from government securities. 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 performance in the net interest result.

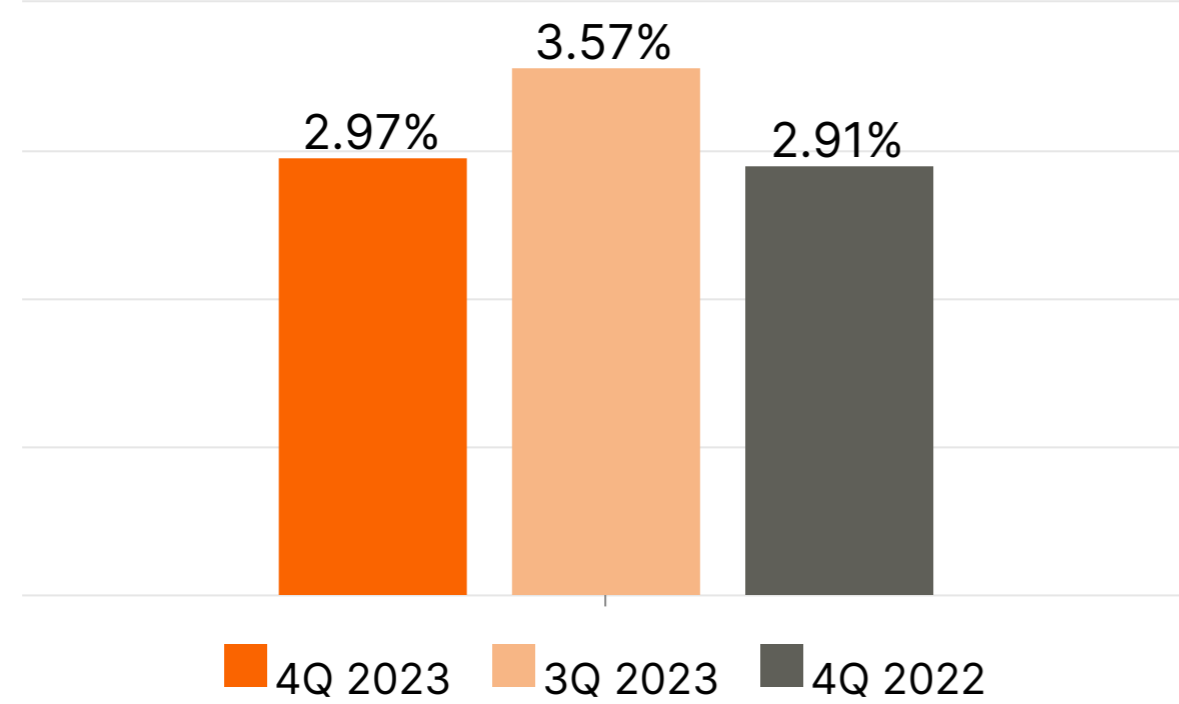
Additionally, the result from the difference in the price of gold and foreign currency increased as a result of the devaluation of the exchange rate and the positive exposure in foreign currency. The depreciation of the peso against the dollar of 131% in the quarter.

Income Statement

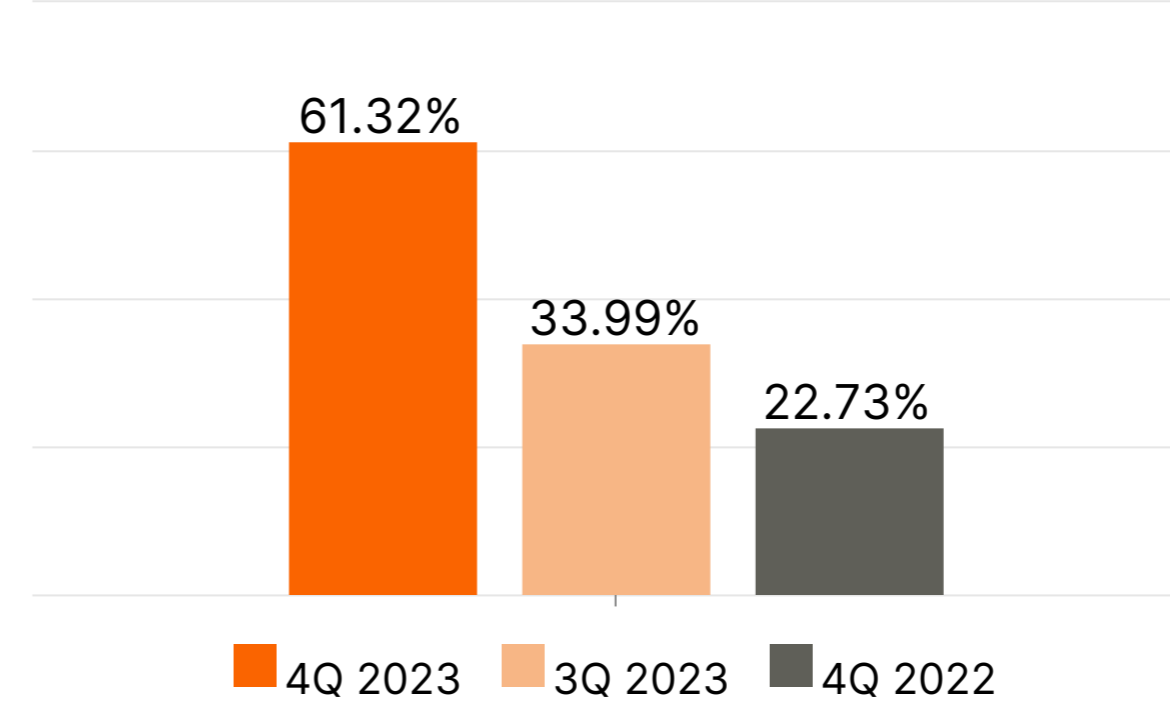
In millions of pesos, except otherwise noted	2023		2022		Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22	
Net interest income	513,679	388,126	856	32	59,909	
Net fee income	74,387	78,016	66,070	(5)	13	
Net results from financial instruments	(68,694)	55,825	370,298	(223)	(119)	
Gold and foreign currency quotation differences	344,545	89,823	24,810	284	1,289	
Other operating income	70,324	83,581	49,368	(16)	42	
Loan-loss provisions	(38,311)	(30,595)	(38,216)	25	—	
Net operating income	895,930	664,776	473,186	35	89	
Personnel expenses	(89,603)	(53,345)	(62,610)	68	43	
Administrative expenses	(57,753)	(49,945)	(50,797)	16	14	
Depreciations and devaluations of assets	(18,330)	(18,487)	(18,102)	(1)	1	
Other operating expenses	(118,224)	(110,593)	(98,303)	7	20	
Operating income	612,020	432,406	243,374	42	151	
Results from the net monetary position	(475,765)	(326,047)	(170,470)	46	179	
Results from associates and joint businesses	(39)	(440)	(119)	(91)	(67)	
Income tax	(77,298)	(27,539)	(9,560)	181	709	
Net Income	58,918	78,380	63,225	(25)	(7)	
Other comprehensive income	14	(3)	(2)	(567)	(800)	
Total comprehensive income	58,932	78,377	63,223	(25)	(7)	

Profitability and efficiency

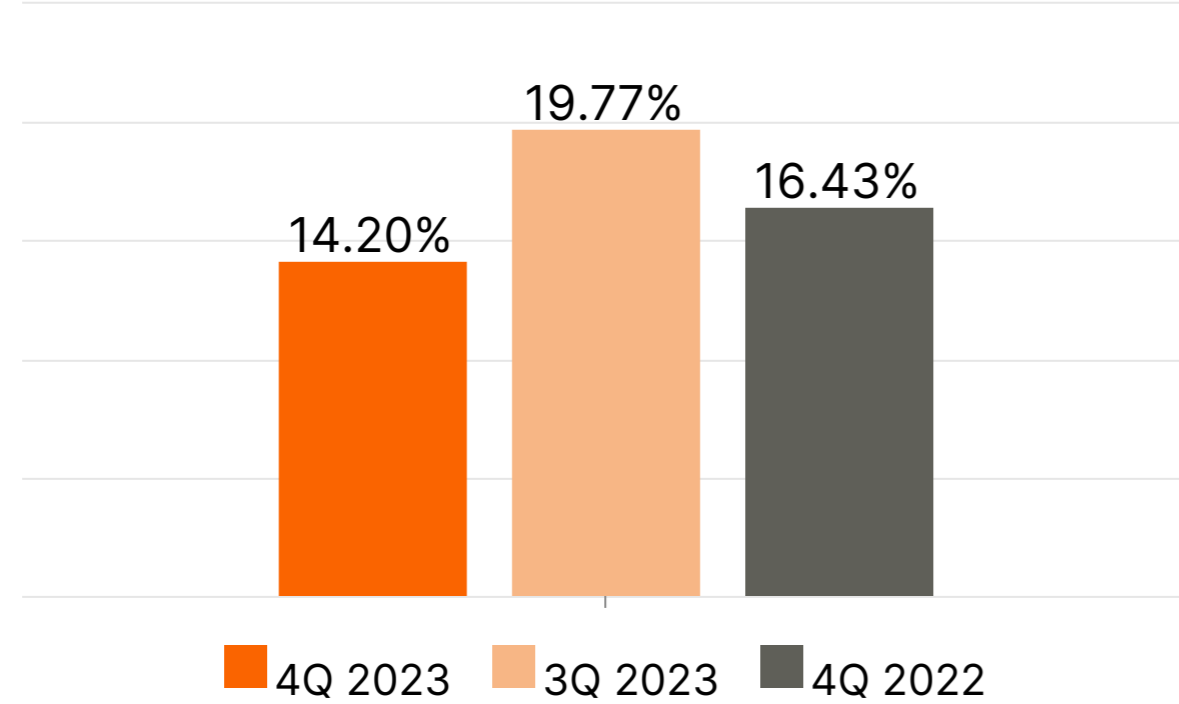
ROA



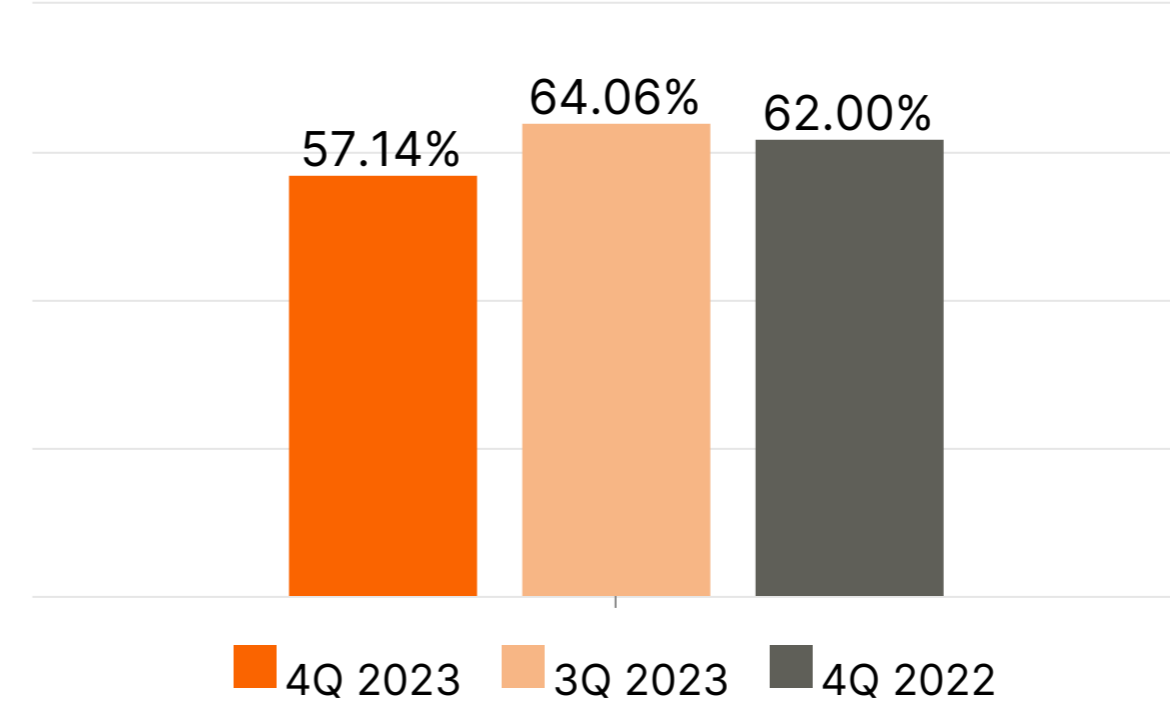
Financial margin



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)					
	4Q		3Q		4Q vs. 3Q23		vs. 4Q22			
	Avg Bce	Yield	Avg Bce	Yield	Avg Bce	Yield	Avg Bce	Yield		
In pesos	4,043,852	116.76	5,280,599	93.77	5,830,815	65.55	(23)	2,299	(31)	5,121
Government securities	1,089,635	160.08	2,357,445	110.50	2,713,659	75.33	(54)	4,958	(60)	8,475
Loans	2,020,768	91.92	2,204,182	77.79	2,521,592	56.88	(8)	1,413	(20)	3,504
Other interest-earning assets	933,449	119.97	718,972	87.92	595,564	57.68	30	3,205	57	6,229
In foreign currency	621,061	(20.35)	426,458	53.38	245,691	7.40	46	(7,373)	153	(2,775)
Government securities	423,754	(31.70)	224,964	70.91	17,498	(2.99)	88	(10,261)	2322	(2,871)
Loans	124,012	5.71	157,049	5.56	223,908	4.84	(21)	15	(45)	87
Other interest-earning assets	73,295	1.21	44,445	133.67	4,285	183.72	65	(13,246)	1611	(18,251)
Interest-earning assets	4,664,913	98.51	5,707,057	90.75	6,076,506	63.20	(18)	776	(23)	3,531

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

Average interest-earning assets reached Ps.4,664,913 million, registering a decrease of Ps.1,411,593 million (23%), compared to the fourth quarter of 2022. This decrease was mainly the result of a lower volume of government securities in pesos for Ps.\$1,624,024 million (60%) and of loans in pesos for Ps.500,824 million (20%).

The average yield on interest-earning assets for the quarter was 98.51%, representing an increase of 3,531 bp, compared to the same quarter of the previous year. This variation is mainly justified by higher average yields on government securities in pesos (8,475 bp) and by higher average yields on other interest-earning assets in pesos (6,229 bp).

Interest-bearing liabilities⁽¹⁾

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

	2023		2022		Variation (% bp)					
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22					
	Avg Bce	Yield	Avg Bce	Yield	Avg Bce	Yield				
In pesos	2,784,365	96.94	3,759,366	85.31	3,989,462	55.97	(26)	1,163	(30)	4,097
Saving accounts	409,258	0.02	461,547	0.02	583,033	0.01	(11)	—	(30)	1
Time deposits	1,434,434	123.39	2,495,500	99.11	2,567,450	69.06	(43)	2,428	(44)	5,433
Other Deposits	875,043	100.43	685,701	92.28	807,228	54.73	28	815	8	4,570
Debt securities	—	—	—	—	16,645	66.08	—	—	(100)	(6,608)
Other interest-bearing liabilities	65,630	76.83	116,618	86.65	15,106	45.43	(44)	(982)	334	3,140
In foreign currency	949,350	1.99	964,566	1.91	969,468	1.86	(2)	8	(2)	13
Saving accounts	583,706	—	620,273	—	579,707	—	(6)	—	1	—
Time deposits	119,457	1.93	146,212	1.77	169,870	1.42	(18)	16	(30)	51
Other Deposits	16,638	0.02	23,688	—	31,368	—	(30)	2	(47)	2
Debt securities	142,397	9.12	146,576	8.55	151,385	9.36	(3)	57	(6)	(24)
Other interest-bearing liabilities	87,152	4.12	27,817	11.84	37,138	3.99	213	(772)	135	13
Interest-bearing liabilities	3,733,715	72.80	4,723,932	68.28	4,958,93	45.39	(21)	452	(25)	2,741

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

Interest bearing liabilities reached Ps.3,733,715 million, registering a decrease of Ps.1,225,215 million (25%) in relation to the same period of 2022, mainly due to a decrease in time deposits in pesos for Ps.1,133,016 million (44%).

Likewise, the average rate on interest-bearing liabilities was 72.80%, registering an increase of 2,741 bp with respect to the fourth quarter of the previous year, as a consequence of the increase in the interest rate on other deposits in pesos for 4,570 bp and time deposits in pesos for 5,433 bp.

Net interest income

Net interest income for the quarter amounted to Ps.513,679 million, with a Ps.512,823 million increase compared to the Ps.856 million profit from the same quarter of 2022.

Interest Income

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22
Private sector securities	1	—	22	—	(95)
Public sector securities	487,906	662,301	150,096	(26)	225
Loans and other financing	470,712	430,617	362,752	9	30
Financial sector	4,628	5,416	5,551	(15)	(17)
Non-financial private sector	466,084	425,201	357,201	10	30
Overdrafts	55,560	57,449	59,427	(3)	(7)
Promissory notes	205,911	192,506	136,780	7	51
Mortgage loans	51,533	38,187	36,105	35	43
Pledge loans	7,262	7,238	7,901	—	(8)
Personal loans	44,470	42,238	39,627	5	12
Credit-card loans	98,655	84,578	74,793	17	32
Financial leases	1,643	1,792	1,106	(8)	49
Pre-financing and export financing	370	402	670	(8)	(45)
Other	680	811	792	(16)	(14)
Other interest-earning assets	234,649	101,667	50,799	131	362
Interest income	1,193,268	1,194,585	563,669	—	112

Interest income for the quarter reached Ps.1,193,268 million, 112% higher than the Ps.563,669 million registered in the fourth quarter of 2022.

This increase was a consequence of:

- higher interest on public sector securities measured at amortized cost for Ps.337,810 million (225%), due mostly 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 other interest-earning assets for Ps.183,850 million (362%),
- higher interest on loans and other financing for Ps.107,960 million (30%), due to an increase in promissory notes (51%), mortgage loans (43%) and credit cards (32%).

Interest expenses totaled Ps.679,589 million, registering an increase of 21%, compared to the same quarter of 2022. This increase was a consequence of higher interest expenses on other deposits for Ps.109,264 million (99%), generated by the average increase in the volume of deposits.

Interest expenses

In millions of pesos, except otherwise noted	2023		2022		Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22	
Deposits	662,783	777,169	554,364	(15)	20	
Saving accounts	16	19	23	(16)	(30)	
Time deposits and term investments	443,063	618,953	443,901	(28)	—	
Other	219,704	158,197	110,440	39	99	
Financing from financial institutions	1,067	663	732	61	46	
Repurchase agreement transactions	1,422	3,644	986	(61)	44	
Other interest-bearing liabilities	11,073	21,852	385	(49)	2,776	
Negotiable obligations	156	210	3,498	(26)	(96)	
Subordinated Negotiable obligations	3,088	2,921	2,848	6	8	
Interest expenses	679,589	806,459	562,813	(16)	21	

Net fee income

Net Fee Income

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22	
Credit cards	32,517	31,764	26,590	2	22	
Deposit accounts	13,865	14,936	14,445	(7)	(4)	
Insurance	2,026	2,407	2,455	(16)	(17)	
Financial fees	98	121	23	(19)	326	
Credit- related fees	468	527	422	(11)	11	
Foreign trade	2,247	3,002	2,514	(25)	(11)	
Collections	7,893	8,314	7,822	(5)	1	
Utility-Bills collection services	7,628	8,297	7,752	(8)	(2)	
Mutual Funds	2,116	2,039	1,761	4	20	
Fees from bundles of products	11,172	12,060	11,561	(7)	(3)	
Other	8,719	7,771	5,325	12	64	
Total fee income	88,749	91,238	80,670	(3)	10	
Total expenditures	(14,362)	(13,222)	(14,600)	9	(2)	
Net fee income	74,387	78,016	66,070	(5)	13	

The net fee income reached Ps.74,387 million, registering an increase of 13% compared to Ps.66,070 million in the fourth quarter of 2022.

This increase was mainly due to:

- higher income from credit cards for Ps.5,927 million (22%), as a result of higher commissions per issuing agent, offset by lower expenses related to the Quiero! benefits program.
- higher income from other for Ps.3,394 million (64%), coming from the trading of securities.

Net income from financial instruments

The net result of financial instruments was Ps.68,694 million, Ps.438,992 million lower than the Ps.370,298 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, which went from being measured from fair value to amortized cost. Without taking these securities into account, the net result of financial instruments decreased by 298%, as a result of a lower result from other government securities (448%).

Net Income from Financial Instruments

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22
Government securities	(89,574)	7,614	361,285	(1,276)	(125)
Argentine Central Bank	—	—	335,542	—	(100)
Other	(89,574)	7,614	25,743	(1,276)	(448)
Private sector securities	5,004	27,112	6,028	(82)	(17)
Derivative financial instruments	9,583	(5,200)	2,981	(284)	221
Forward transactions	12,929	(615)	3,980	(2,202)	225
Options	(3,346)	(4,585)	(999)	(27)	235
Results from derecognition of assets	6,291	26,299	4	(76)	157,175
Net income from financial instruments	(68,694)	55,825	370,298	(223)	(119)

Gold and foreign currency quotation differences

The result from quotation differences of gold and foreign currency for the quarter was a profit of Ps.344,545 million, Ps.319,735 million (1,289%) higher than the profit of Ps.24,810 million registered in the same quarter of the previous year. This result includes a gain of Ps.364,309 million due to net position valuation, as a consequence of the 131% increase in the exchange rate.

Other operating income

In the fourth quarter, other operating income amounted to Ps.70,324 million, registering an increase of Ps.20,956 million (42%) 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.16,529 million (41%), as a consequence of the valuation of collateral securities, and to the increase in other income of Ps.3,497 million (67%).

Other Operating Income

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22	
Other financial income	679	848	200	(20)	240	
Rental of safe deposit boxes	3,296	3,236	3,326	2	(1)	
Other fee income	545	455	64	20	752	
Other adjustments and interest on miscellaneous receivables	57,108	55,119	40,579	4	41	
Other	8,696	23,923	5,199	(64)	67	
Total other operating income	70,324	83,581	49,368	(16)	42	

Loan-loss provisions

Loan loss provisions for the quarter totaled Ps.38,311 million, Ps.95 million higher than those recorded in the same quarter of the previous year.

Personnel expenses

Personnel expenses reached Ps.89,603 million, registering an increase of Ps.26,993 million (43%) compared to the same quarter of 2022, as a result of the 6% increase in staff and of salary increases above inflation.

Administrative expenses

Administrative expenses for the quarter reached Ps.57,753 million, registering an increase of Ps.6,956 million compared to the fourth quarter of the previous year. This increase was a consequence of higher taxes for Ps.4,074 million (39%).

Administrative Expenses

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22	
Fees and compensations for services	4,851	2,283	6,858	112	(29)	
Fees to directors and syndics	72	89	82	(19)	(12)	
Publicity, promotion and research expenses	2,792	2,462	2,183	13	28	
Taxes	14,530	12,658	10,456	15	39	
Maintenance and repairment of goods and IT	10,278	9,407	8,867	9	16	
Electricity and communications	2,719	2,862	2,871	(5)	(5)	
Stationery and office supplies	425	303	247	40	72	
Hired administrative services	11,635	9,220	10,004	26	16	
Security	1,461	1,542	1,348	(5)	8	
Insurance	488	426	492	15	(1)	
Other	8,502	8,693	7,389	(2)	15	
Total administrative expenses	57,753	49,945	50,797	16	14	

Depreciation and devaluation of assets

The result for depreciation and devaluation of assets reached Ps.18,330 million, registering an increase of 1% compared to the same quarter of 2022.

Other operating expenses

Other operating expenses for the quarter reached Ps.118,224 million, which represented an increase of Ps.19,921 million (20%), compared to the Ps.98,303 million recorded in the fourth quarter of the previous year. This increase was mainly generated by:

- higher expenses for turnover tax for Ps.8,852 million (14%), 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.10,356 million (64%), due to an increase in commissions for salary agreements.

Other Operating Expenses

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22	
Contribution to the Deposit Insurance Fund	1,864	2,215	2,235	(16)	(17)	
Other financial results	4,639	(347)	2,001	(1437)	132	
Turnover tax	73,789	75,748	64,937	(3)	14	
On financial income	62,686	66,310	44,361	(5)	41	
On fees	6,879	5,845	18,171	18	(62)	
On other items	4,224	3,593	2,405	18	76	
Other fee-related expenses	26,641	26,155	16,285	2	64	
Charges for other provisions	6,129	1,150	9,441	433	(35)	
Claims	2,487	4,276	1,412	(42)	76	
Other	2,675	1,396	1,992	92	34	
Total other operating expenses	118,224	110,593	98,303	7	20	

Income tax

The income tax charge was Ps.77,298 million, Ps.67,738 million higher than in the fourth quarter of 2022, mainly, as a consequence of a higher operating result.

Other comprehensive income

In the fourth quarter of 2023, Galicia recorded a gain of Ps.14 million in other comprehensive income (OCI).

Selected financial information

Balance Sheet

In millions of pesos, except otherwise noted

	2023	2022	Variation (%)		
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22
Assets					
Cash and due from banks	1.923.493	1.079.462	1.352.239	78	42
Debt securities	462.568	96.048	2.465.120	382	(81)
Net loans and other financing	2.239.356	2.704.528	2.982.002	(17)	(25)
Other financial assets	3.432.960	3.983.895	1.884.686	(14)	82
Equity investments in subsidiaries, associates and joint businesses	5.692	4.625	4.446	23	28
Property, bank premises, equipment	320.754	325.038	322.912	(1)	(1)
Intangible assets	102.860	105.371	107.514	(2)	(4)
Other assets	185.324	35.579	46.736	421	297
Assets available for sale	75	44	4	70	1775
Total assets	8.673.082	8.334.590	9.165.659	4	(5)
Liabilities					
Deposits	5.544.973	5.743.033	6.609.023	(3)	(16)
Financing from financial entities	43.517	34.347	32.760	27	33
Other financial liabilities	757.634	526.403	482.119	44	57
Nonnegotiable obligations	15.537	13.977	38.560	11	(60)
Subordinated negotiable obligations	207.787	135.089	141.395	54	47
Other liabilities	449.665	286.709	298.776	57	51
Total liabilities	7.019.113	6.739.558	7.602.633	4	(8)
Shareholders' equity	1.653.969	1.595.032	1.563.026	4	6
Foreign currency assets and liabilities					
Assets	2.757.764	1.813.275	1.737.069	52	59
Liabilities	2.237.640	1.290.358	1.453.209	73	54
Net forward purchases/(sales) of foreign currency ⁽¹⁾	82.711	(11.716)	(93.440)	(806)	(189)
Net global position in foreign currency	602.835	511.201	190.420	18	217

(1) Recorded off-balance sheet.

Level of activity

Financing

As of December 31, 2023, financing to the private sector reached Ps.2,750,021 million, registering a 18% decrease compared to the same period of the previous year. This drop was mainly due to decreases in loans in pesos for Ps.704,817 million (27%) and in foreign currency for Ps.45,564 million (22%).

The market share of total loans to the private sector as of December 31, 2023 reached 10.90%, which represents a decrease of 89 bp compared to the fourth quarter of 2022.

Financing to the Private Sector⁽¹⁾

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22	
In pesos	2,204,230	2,694,930	2,951,684	(18)	(25)	
Loans	1,947,884	2,416,020	2,652,701	(19)	(27)	
UVA-adjusted loans	138,536	157,331	182,585	(12)	(24)	
Financial leases	5,943	8,955	9,252	(34)	(36)	
Other financing ⁽²⁾	111,867	112,624	107,146	(1)	4	
In foreign currency	545,791	399,882	410,849	36	33	
Loans	162,160	151,052	207,724	7	(22)	
Financial leases	509	656	1,825	(22)	(72)	
Other financing ⁽²⁾	383,122	248,174	201,300	54	90	
Total financing to the private sector	2,750,021	3,094,812	3,362,533	(11)	(18)	

(1) Includes IFRS adjustments.

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

As of December 31, 2023, the loan portfolio and other financing net of provisions reached Ps.2,239,356 million, registering a 25% decrease compared to the fourth quarter of the previous year.

The main decreases were in:

- promissory notes for Ps.290,704 million (29%),
- credit cards for Ps.161,692 million (16%),
- personal loans for Ps.100,464 million (35%)
- overdrafts for Ps.100,323 million (37%)

Breakdown of loans and other financing

In millions of pesos, except otherwise noted

	4Q	2023 3Q	2022 4Q	Variation (%) vs. 3Q23	Variation (%) vs. 4Q22
Financial entities	27,338	39,880	42,541	(31)	(36)
Loans	27,297	39,880	42,529	(32)	(36)
Other financing	41	—	12	—	242
Non-financial private sector and residents abroad	2,294,421	2,759,585	3,067,122	(17)	(25)
Loans	2,221,283	2,684,523	3,000,481	(17)	(26)
Overdrafts	174,121	227,904	274,444	(24)	(37)
Promissory notes	711,798	966,083	1,002,502	(26)	(29)
Mortgage loans	37,916	39,884	60,416	(5)	(37)
Pledge loans	45,093	57,733	79,761	(22)	(43)
Personal loans	182,590	239,013	283,054	(24)	(35)
Credit-card loans	873,253	930,247	1,034,945	(6)	(16)
Pre-financing and financing of exports	32,591	17,737	38,913	84	(16)
Other Loans	16,080	45,196	76,789	(64)	(79)
Accrued interest, adjustments and foreign currency quotation differences receivable	161,288	181,397	166,398	(11)	(3)
Documented interest	(13,447)	(20,671)	(16,741)	(35)	(20)
Financial leases	6,452	9,611	11,077	(33)	(42)
Other financing	66,686	65,451	55,564	2	20
Non-financial public sector	461	—	3,998	—	(88)
Total loans and other financing	2,322,220	2,799,465	3,113,661	(17)	(25)
Allowances	(82,864)	(94,937)	(131,659)	(13)	(37)
Loans	(81,614)	(93,653)	(129,817)	(13)	(37)
Financial leases	(134)	(158)	(90)	(15)	49
Other financing	(1,116)	(1,126)	(1,752)	(1)	(36)
Net loans and other financing	2,239,356	2,704,528	2,982,002	(17)	(25)

Exposure to the Argentine public sector

Net Exposure to the Argentine Public Sector⁽¹⁾

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22	
Government securities' net Position	2,518,686	3,262,545	3,704,340	(23)	(32)	
Measured at fair value	421,525	74,232	2,448,673	468	(83)	
In pesos	(5,576)	14,400	114,969	(139)	(105)	
Adjusted by CER	89,143	26,884	65,841	232	35	
In foreign exchange	18,118	15,222	16,330	19	11	
Bono Dual	319,840	17,726	8,894	1,704	3,496	
Leliq	—	—	2,242,639	—	(100)	
Measured at amortized cost	2,097,161	3,188,313	1,255,667	(34)	67	
In pesos	574,879	218,833	183,241	163	214	
Adjusted by CER	1,071,316	790,601	865,723	36	24	
In foreign exchange	64,667	—	—	—	—	
Bono Dual	—	261,036	98,620	(100)	(100)	
Leliq	96,523	1,625,198	—	(94)	—	
Lediv	289,776	292,645	108,083	(1)	168	
Other receivables resulting from financial brokerage	1,065,137	546,479	296,174	95	260	
Repurchase agreement transactions -Argentine Central Bank	1,064,534	546,412	292,082	95	264	
Loans and other financing	502	—	4,010	—	(87)	
Trust certificates of participation and securities	101	67	82	51	23	
Total exposure to the public sector	3,583,823	3,809,024	4,000,514	(6)	(10)	

(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 December 31, 2023, net exposure to the public sector reached Ps.3,583,823 million, registering a decrease of 10% in the last twelve months, as a result of a lower holding of Leliqs at fair value for Ps.2,242,639 million, offset by a greater holding of public securities in pesos at amortized cost for Ps.391,638 million.

Excluding the instruments issued by the BCRA (Leliq and Lediv) and repo operations, the net exposure to the public sector was Ps.2,132,990 million, equivalent to 25% of the total asset, while in the fourth quarter of 2022 said exposure was of Ps.1,357,710 million, representing 15% of total asset.

If the securities had been valued at fair value at amortized cost, excluding the instruments issued by the BCRA, an increase in said securities of Ps.444,274 million would be generated.

Funding and liabilities

Deposits amounted to Ps.5,544,973 million as of December 31, 2023, registering a 16% decrease compared to the fourth quarter of the previous year. This decrease was the result of a lower volume of time deposits in pesos for Ps.1,483,682 million (61%).

Deposits

In millions of pesos, except otherwise noted

	2023		2022	Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22
In pesos	3,730,320	4,729,627	5,431,656	(21)	(31)
Current accounts	672,887	596,770	926,204	13	(27)
Saving accounts	492,148	474,924	715,808	4	(31)
Time deposits	956,751	2,182,576	2,440,433	(56)	(61)
UVA-adjusted time deposits	49,886	30,242	110,279	65	(55)
Other	1,413,161	1,259,686	1,090,447	12	30
Interests and adjustments	145,487	185,429	148,485	(22)	(2)
In foreign currency	1,814,653	1,013,406	1,177,367	79	54
Saving accounts	1,162,660	602,900	717,869	93	62
Time deposits	185,018	136,354	182,177	36	2
Other	466,568	273,878	277,003	70	68
Interests and adjustments	407	274	318	49	28
Total deposits	5,544,973	5,743,033	6,609,023	(3)	(16)

Total deposit accounts as of December 31, 2023, reached 7.4 million, with an increase of 9% compared to the same date of the previous year.

The market share of private sector deposits reached 9.90% as of December 31, 2023, registering a decrease of 69 bp compared to the fourth quarter of 2022.

Financial liabilities amounted to Ps.1,024,475 million, registering an increase of Ps.329,641 million (47%) compared to the Ps.694,834 million registered in the fourth quarter of 2022.

The variation was mainly due to an increase in other financial liabilities for Ps.222,936 million (169%) and in subordinated negotiable obligations for Ps.66,392 million (47%).

Financial Liabilities

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22	
Financial entities	43,517	34,347	32,760	27	33	
Financing from credit-card purchases	235,329	191,912	208,802	23	13	
Negotiable obligations	15,537	13,977	38,562	11	(60)	
Subordinated negotiable obligations	207,787	135,089	141,395	54	47	
Creditors from purchases of foreign currency	36,473	2,338	62,428	1460	(42)	
Collections on account of third parties	130,991	75,996	78,982	72	66	
Other financial liabilities	354,841	256,157	131,905	39	169	
Total financial liabilities	1,024,475	709,816	694,834	44	47	

Liquidity

Liquidity

Percentages, except otherwise noted	2023		2022		Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22	
Cash and due from banks	1,923,493	1,079,462	1,352,239	78	42	
Government securities	446,917	1,157,598	2,423,066	(61)	(82)	
Call-money	4,772	6,381	13,964	(25)	(66)	
Overnight placements in correspondent banks	16,617	35,010	77,080	(53)	(78)	
Repurchase agreement transactions	1,062,729	548,067	326,074	94	226	
Escrow accounts	95,090	109,556	124,638	(13)	(24)	
Other financial assets	1,777	16,027	587	(89)	203	
Total liquid assets	3,551,395	2,952,101	4,317,648	20	(18)	
Liquidity ratios (%)						Variation (bp)
Liquid assets as a percentage of transactional deposits	91.75	102.73	121.18	(1,098)	(2,943)	
Liquid assets as a percentage of total deposits	64.05	51.40	65.33	1,265	(128)	

As of December 31, 2023, the Bank's liquid assets represented 91.75% of the Bank's transactional deposits and 64.05% of its total deposits, compared to 121.18% and 65.33%, respectively, as of December 31, 2022.

Assets quality

The non-accrual financing portfolio (that includes certain items of other financial assets and guarantees granted) amounted to Ps.64,309 million as of December 31, 2023, representing 2.34% of private-sector financing, recording a 19 bp increase as compared to the 2.15% 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 141.60%, compared to 226.34% of a year before.

Financing Portfolio Quality

In millions of pesos, except otherwise noted

		2023	2022	Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22
Non-accrual Financings	64,309	76,130	72,471	(16)	(11)
With preferred guarantees	2,991	3,555	3,538	(16)	(15)
With other guarantees	1,247	1,481	1,361	(16)	(8)
Without guarantees	60,071	71,094	67,572	(16)	(11)
Allowance for loan losses	91,060	101,799	164,031	(11)	(44)
Relevant ratios (%)				Variation (bp)	
NPL Ratio	2.34	2.46	2.15	(12)	19
Allowance for loan losses to loans to the private sector	3.31	3.29	4.88	2	(157)
Coverage	141.60	133.72	226.34	788	(8,474)
Non-accrual loans with guarantees to non-accrual financing	6.59	6.61	6.76	(2)	(17)
Cost of risk	5.24	3.85	4.59	139	65

During the quarter, Ps.1,227 million were charged off against the allowance for loan losses and direct charges to the income statement for Ps.273 million were made.

Analysis of Loan Loss Experience

In millions of pesos, except otherwise noted

		2023	2022	Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22
Allowance for loan losses					
At the beginning of the quarter	101,799	138,779	158,081	(27)	(36)
Changes in the allowance for loan losses					
Provisions charged to income	38,039	30,240	37,846	26	1
Charge offs	(1,227)	(7,754)	(530)	(84)	132
Inflation effect	(47,551)	(59,466)	(31,366)	(20)	52
Allowance for loan losses at the end of the quarter	91,060	101,799	164,031	(11)	(44)
Charge to the income statement					
Provisions charged to income	(38,039)	(30,240)	(37,846)	26	1
Direct charge offs	(273)	(353)	(371)	(23)	(26)
Bad debts recovered	2,555	1,673	2,519	53	1
Net charge to the income statement	(35,757)	(28,920)	(35,698)	24	—

Capitalization

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

Regulatory Capital

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22	
Minimum capital requirement (A)	454,011	304,041	152,794	49	197	
Allocated to credit risk	288,667	219,541	109,408	31	164	
Allocated to market risk	52,838	10,963	6,642	382	696	
Allocated to operational risk	112,506	73,537	36,744	53	206	
Computable capital (B)	1,376,284	932,072	478,634	48	188	
Tier I	1,295,436	897,071	442,495	44	193	
Tier II	80,848	35,001	36,139	131	124	
Excess over required capital (B) (A)	922,273	628,031	325,840	47	183	
Risk weighted assets	5,561,837	3,720,576	1,870,089	49	197	
Ratios (%)						Variation (bp)
Total capital ratio	24.75	25.05	25.59	(30)	(84)	
Tier I capital ratio	23.29	24.11	23.66	(82)	(37)	

As of December 31, 2023, the computable capital was Ps.1,376,284 million and the minimum capital requirement was Ps.454,011 million, leaving an excess of Ps.922,273 million (203%). This excess was Ps.325,840 million (213%) as of the same date in 2022.

The capital requirement increased by Ps.301,217 million and the computable capital increased by Ps.897,650 million, compared to the fourth quarter of 2022. This increase was a consequence of the results generated in the year and the higher value of the accounting net worth, as a consequence of the application of the inflation adjustment. The total capital ratio was 24.75%, registering a decrease of 84 bp compared to the fourth quarter of 2022 and a decrease of 30 bp with respect to the third quarter of 2023.

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.13,726 million

Net income for the year

+118% vs. 2022

2,673

Employees

142

Branches and
other points of sale

5.14%

ROE

+278 bp vs. 2022

67.91%

Efficiency ratio

-344 bp vs. 2022

8,731

Credit cards
In thousands

3,760

Deposit accounts
In thousands

Ps.15,371 million

Results for the quarter

+2,198% vs. 4Q 2022

22.41%

ROE

+2,141 bp vs. 4Q 2022

52.88%

Efficiency ratio

-1,402 bp vs. 4Q 2022

Results for the fiscal year

Naranja X registered a net result for the fiscal year 2023 of Ps.13,726 million, Ps.7,432 (118%) million higher than the result recorded in the previous year mainly as a consequence of a higher operating result of Ps.109,159 million (77%), offset by a greater negative result due to the net monetary position of Ps.95,516 million.

The net result for the year represented, on an annualized basis, an ROA of 1.06% and an ROE of 5.14%, while in 2022 they represented 0.52% and 2.36%, respectively.

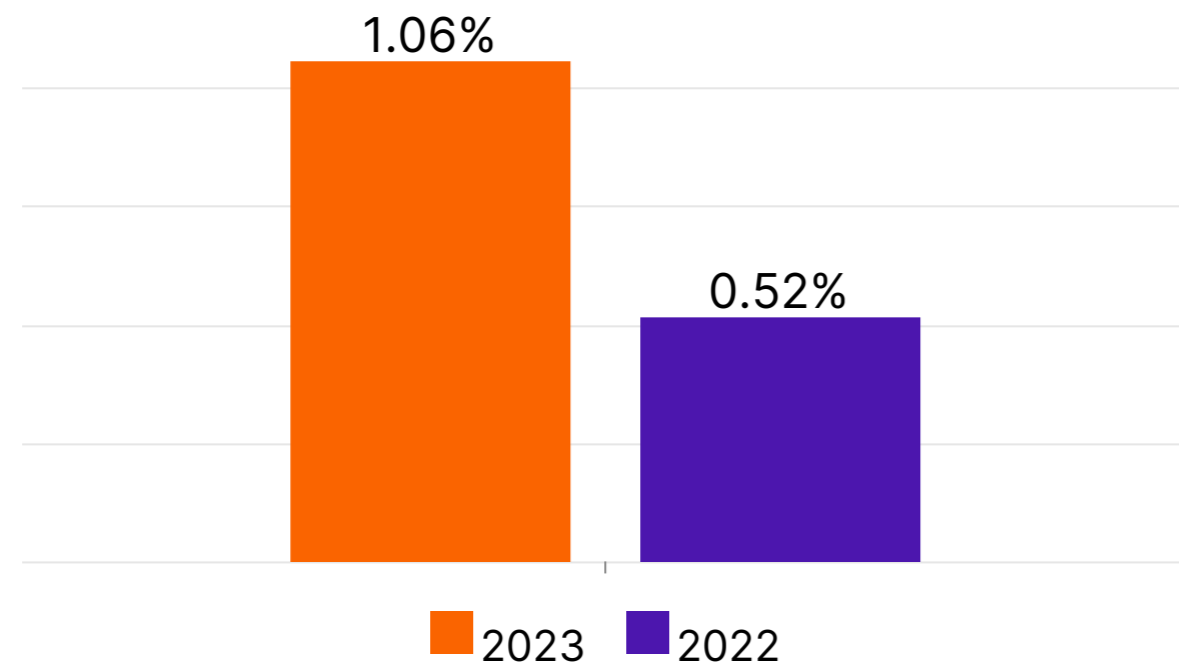
Net operating income for the year amounted to Ps.523,255 million, which meant an increase of 28% compared to 2022, as a result of:

- higher net result from financial instruments (132%): increase in the yield of government securities, mainly Dual bonds.
- higher net interest income (24%): increase of interests on credit card loans and higher holdings of government securities valued at amortized cost.

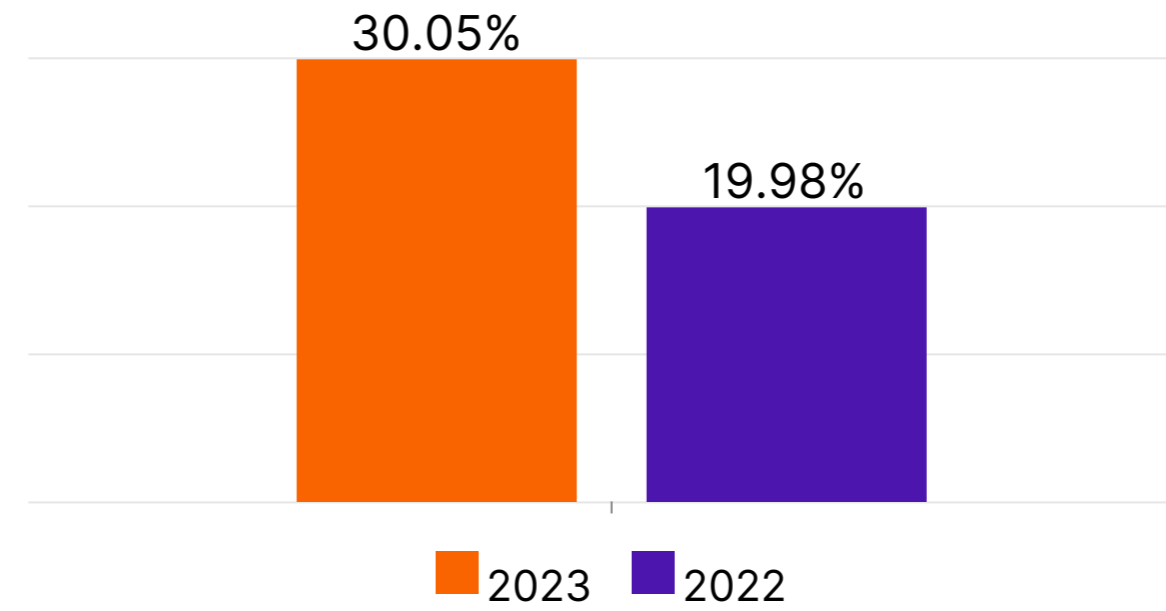
Income Statement			
In millions of pesos, except otherwise noted	2023	2022	Variation
	12M	12M	%
Net interest income	260,609	209,708	24%
Net fee income	186,248	175,335	6%
Net results from financial instruments	96,592	41,604	132%
Gold and foreign currency quotation differences	4,934	(408)	(1309%)
Other operating income	39,256	35,796	10%
Loan loss provisions	(64,384)	(52,668)	22%
Net operating income	523,255	409,367	28%
Personnel expenses	(77,675)	(76,070)	2%
Administrative expenses	(76,730)	(69,712)	10%
Depreciations and devaluations of assets	(12,178)	(15,617)	(22%)
Other operating expenses	(105,570)	(106,025)	—%
Operating income	251,102	141,943	77%
Results from the net monetary position	(225,077)	(129,561)	74%
Income tax	(12,299)	(6,088)	102%
Net income	13,726	6,294	118%

Profitability and efficiency

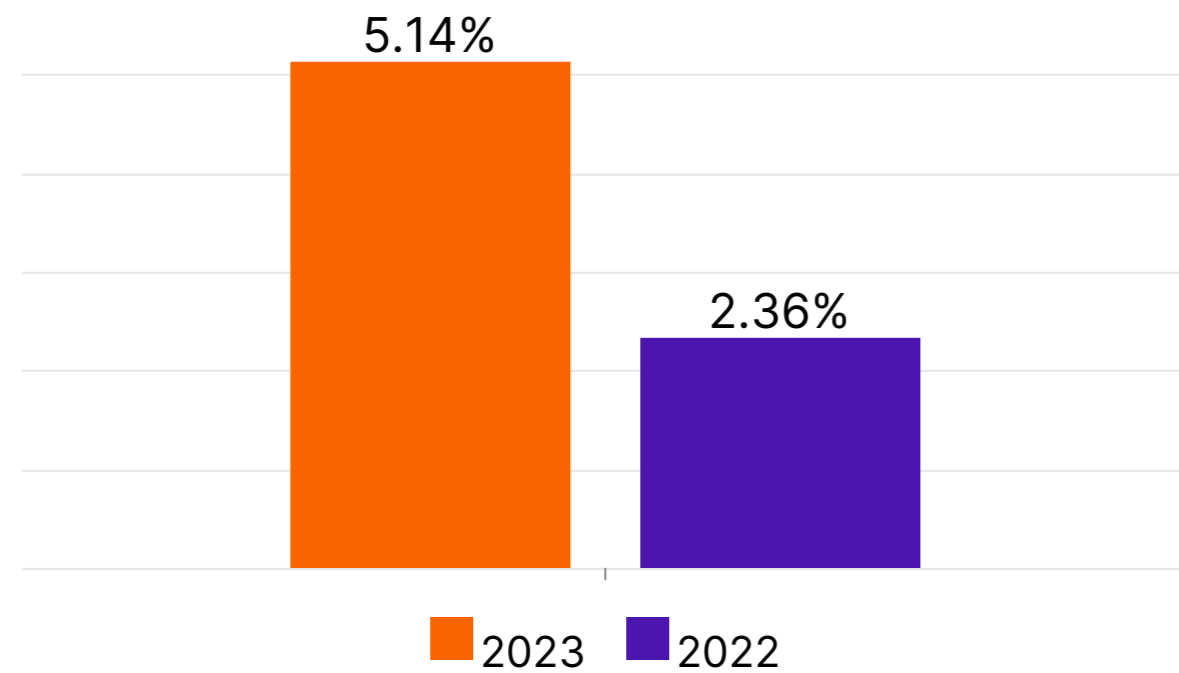
ROA



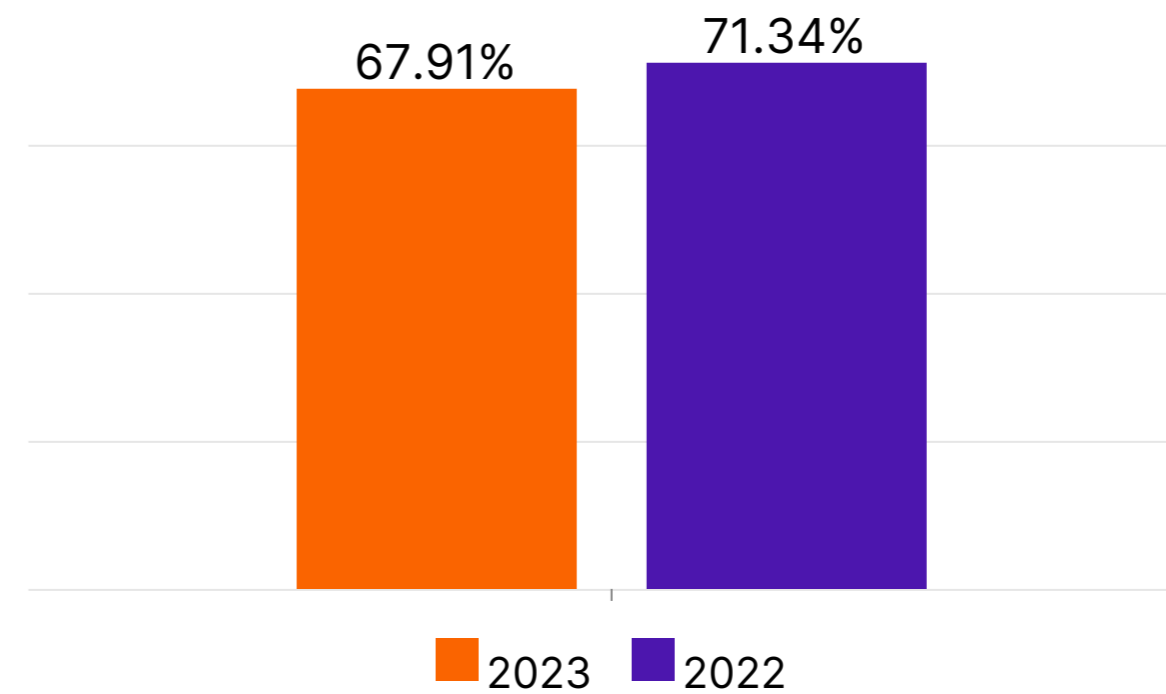
Financial margin



ROE



Efficiency ratio



Results for the quarter

In the fourth quarter, Naranja X registered a net income of Ps.15,371 million, Ps.14,702 million (2,198%) higher than the result recorded in the same period of the previous year. This is due to the increase in operating income for the quarter, reaching Ps.102,680 million, 210% higher than the Ps.33,070 million in the same quarter of 2022.

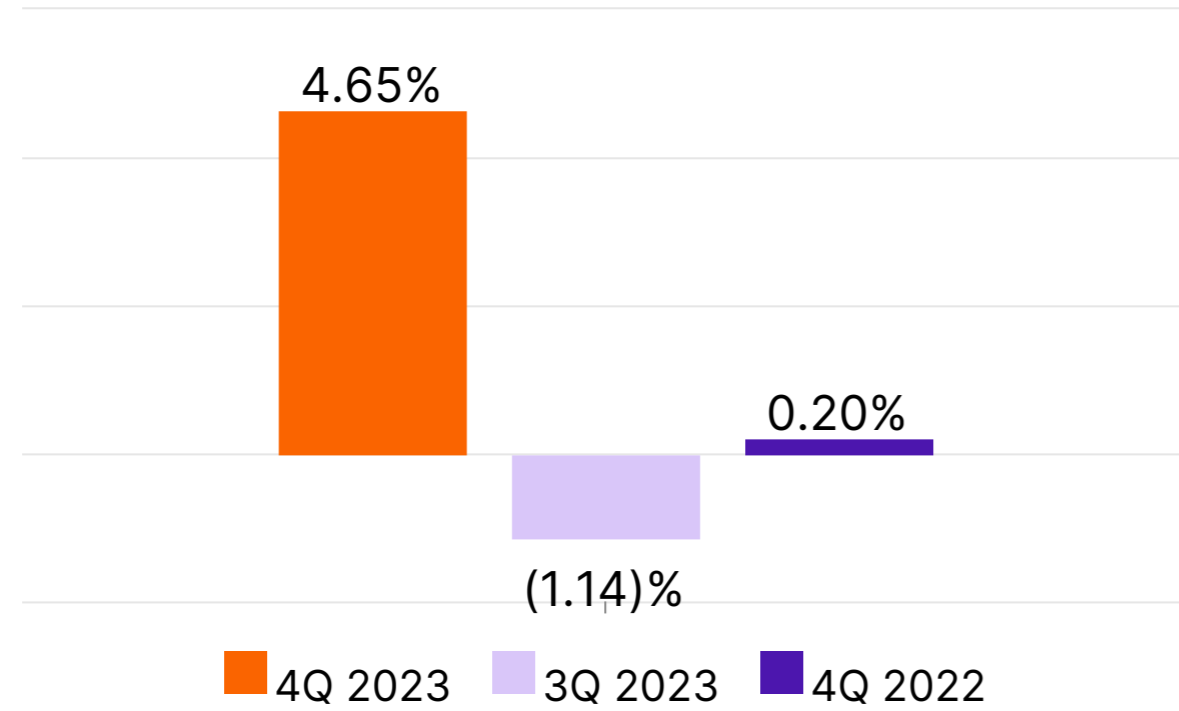
Net operating income increased by Ps.76,881 million (74%), mainly as a result of an increase in financial instruments of Ps.41,562 million (155%) and interest income of Ps.36,834 million (106%).

The result for the quarter represented, on an annualized basis, an ROA of 4.65% and an ROE of 22.41%, while in the fourth quarter of 2022 they represented 0.20% and 1.00%, respectively.

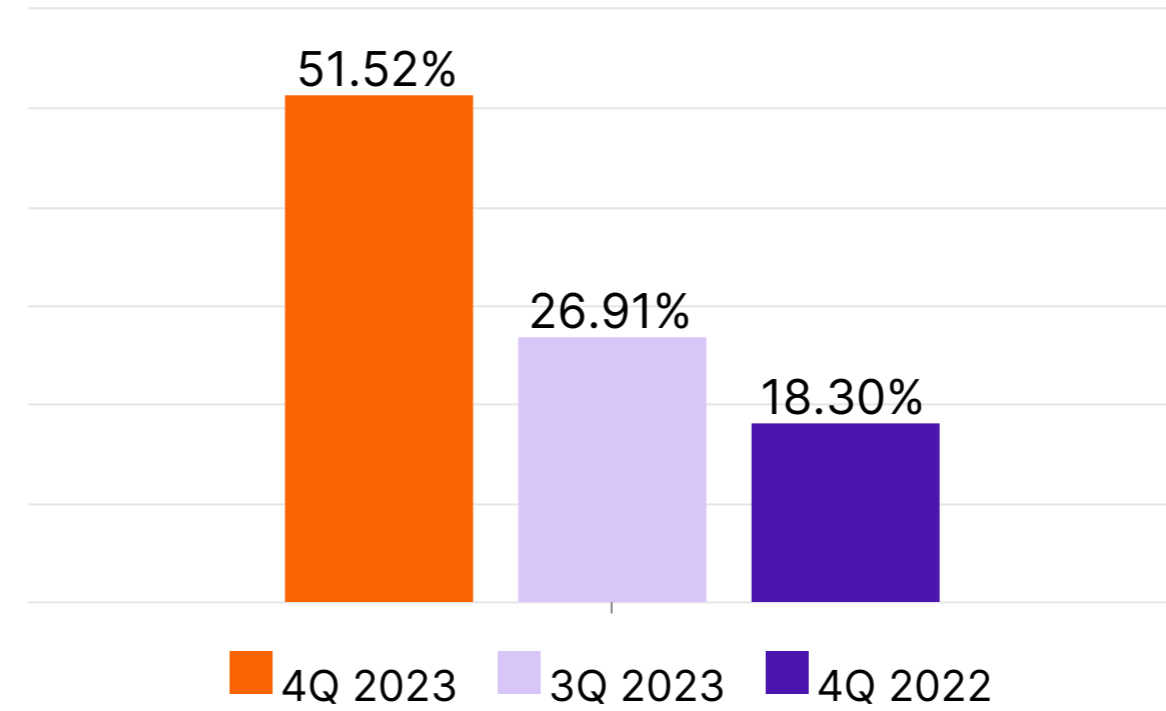
Income Statement					
In millions of pesos, except otherwise noted					
	2023	2022	Variation (%)		
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22
Net interest income	71,725	57,579	34,891	25	106
Net fee income	48,351	46,962	46,990	3	3
Net results from financial instruments	68,442	16,554	26,880	313	155
Gold and foreign currency quotation differences	5,644	(7)	(225)	(80,729)	(2,608)
Other operating income	9,561	10,387	11,133	(8)	(14)
Loan loss provisions	(23,231)	(11,139)	(16,058)	109	45
Net operating income	180,492	120,336	103,611	50	74
Personnel expenses	(23,181)	(17,664)	(20,130)	31	15
Administrative expenses	(21,083)	(19,735)	(19,397)	7	9
Depreciations and devaluations of assets	(3,315)	(3,178)	(5,335)	4	(38)
Other operating expenses	(30,233)	(25,199)	(25,679)	20	18
Operating income	102,680	54,560	33,070	88	210
Results from the net monetary position	(81,752)	(59,635)	(24,987)	37	(227)
Income tax	(5,557)	1,494	(7,414)	(472)	(25)
Net income	15,371	(3,581)	669	(529)	2,198
Other comprehensive income	419	(310)	—	(235)	100
Total comprehensive income	15,790	(3,891)	669	(506)	2,260

Profitability and efficiency

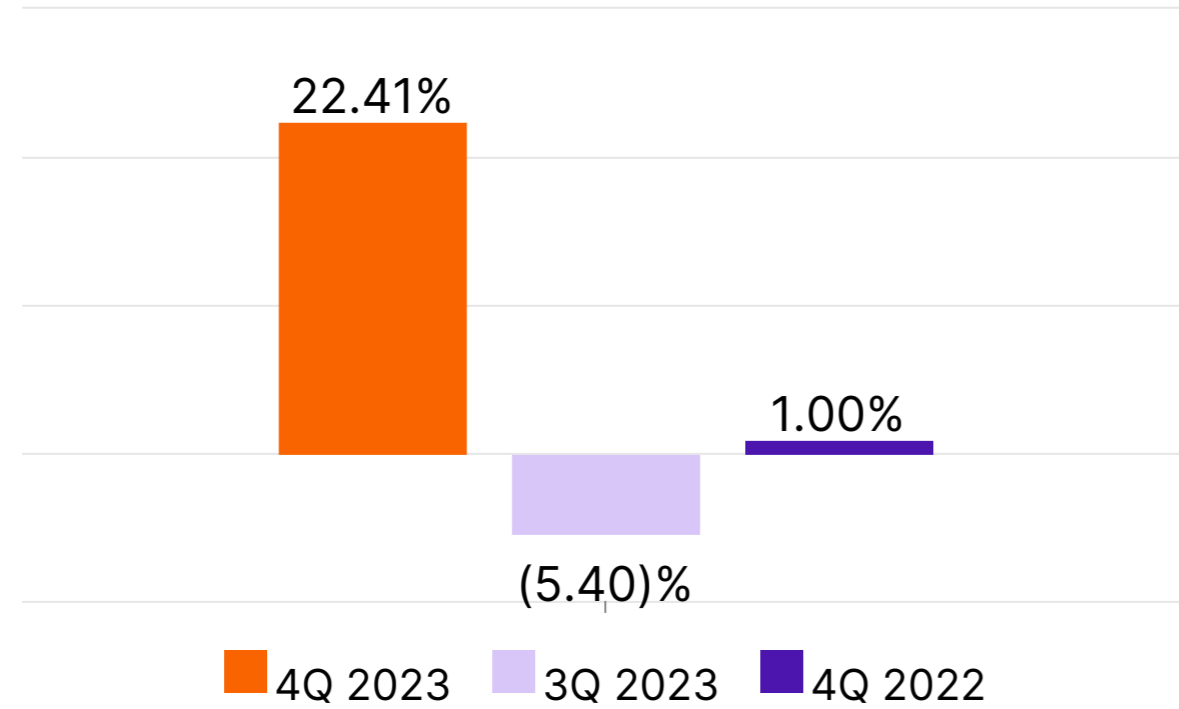
ROA



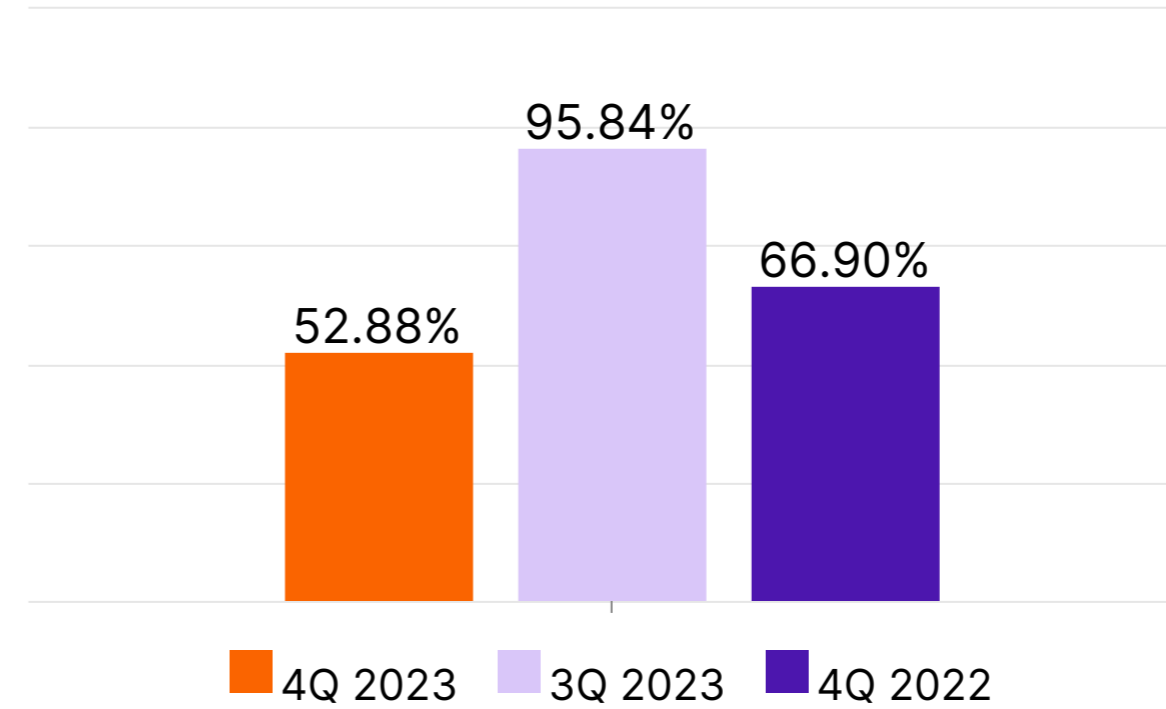
Financial margin



ROE



Efficiency ratio



Selected financial information

Balance Sheet

In millions of pesos, except otherwise noted

	4Q	2023 3Q	2022 4Q	Variation (%) vs. 3Q23	Variation (%) vs. 4Q22
Assets					
Cash and due from banks	19,500	23,953	20,640	(19)	(6)
Debt securities	63,364	20,447	626	210	10,022
Net loans and other financing	922,161	836,709	1,030,541	10	(11)
Other financial assets	268,997	269,905	257,814	—	4
Property, bank premises, equipment	32,595	34,407	37,400	(5)	(13)
Intangible assets	8,782	9,090	10,289	(3)	(15)
Other non-financial assets	36,490	24,264	38,992	50	(6)
Total assets	1,351,889	1,218,775	1,396,302	11	(3)
Liabilities					
Deposits	205,593	152,614	83,996	35	145
Financing from financial entities	151,642	143,311	186,904	6	(19)
Other financial liabilities	555,247	493,658	617,556	12	(10)
Negotiable obligations	89,197	121,109	184,792	(26)	(52)
Other non-financial liabilities	74,401	48,064	54,368	55	37
Total liabilities	1,076,080	958,756	1,127,616	12	(5)
Shareholders' equity	275,809	260,019	268,686	6	3

Assets quality

Loan Portfolio Quality

Percentages, except otherwise noted

	2023		2022		Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22	
Non-accrual loans	25,172	31,899	36,892	(21)	(32)	
Allowances for loan losses and provisions	42,600	40,395	51,284	5	(17)	
Ratios (%)						Variation (bp)
NPL Ratio	2.75	3.79	3.46	(104)	(71)	
Allowance for loan losses to loans to the private sector	4.65	4.80	4.81	(15)	(16)	
Coverage	169.23	126.63	139.01	4,260	3,022	
Cost of risk	9.89	4.96	3.00	494	689	

Taking into consideration the provisions for unused credit-card balances, the coverage ratio as of December 31, 2023, amounted to 169.23%, compared to 139.01% on the same date of the previous year.

Analysis of Loan Loss Experience

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22	
Allowances for loan losses						
At the beginning of the quarter	40,395	50,946	49,215	(21)	(18)	
Changes in the allowance for loan losses						
Provisions charged to income	22,080	10,072	14,533	119	52	
Reversals of allowances for loan losses	(3,189)	(5,706)	(1,728)	(44)	85	
Charge off	(827)	(736)	(2,974)	12	(72)	
Effect of inflation	(15,859)	(14,181)	(7,762)	12	104	
Allowance for loan losses at the end of the quarter	42,600	40,395	51,284	5	(17)	
Charge to the income statement						
Provisions charged to income	(22,080)	(10,072)	(14,533)	119	52	
Direct charge offs	(1,151)	(1,067)	(1,523)	8	(24)	
Bad debt recovered	764	951	786	(20)	(3)	
Net charge to the income statement	(22,467)	(10,188)	(15,270)	121	47	



Galicia Seguros' s commercial activity began in 1996 as a member of the Galicia Group. Provides insurance solutions for individuals, SMEs, large companies and the agricultural sector. Its commitment is reflected in a wide network of marketing channels that facilitate access to coverage adapted to the needs of each client.



Highlights



Ps.9,270 million

Net income for the year

+22% vs. 2022

47.96%

ROE

-239 bp vs. 2022

139.81%

Combined Ratio

+5,171 bp vs. 2022

815

Employees

3,544

Polices

In thousands

1,905

Clients

In thousands

Ps.4,043 million

Net income for the quarter

+103% vs. 4Q 2022

58.03%

ROE

+784 bp vs. 4Q 2022

199.64%

Combined Ratio

+10,787 bp vs. 4Q 2022

Sura

Starting in the fourth quarter of 2023, Sudamerica Holding consolidates with Sura Argentina.

Results for the fiscal year

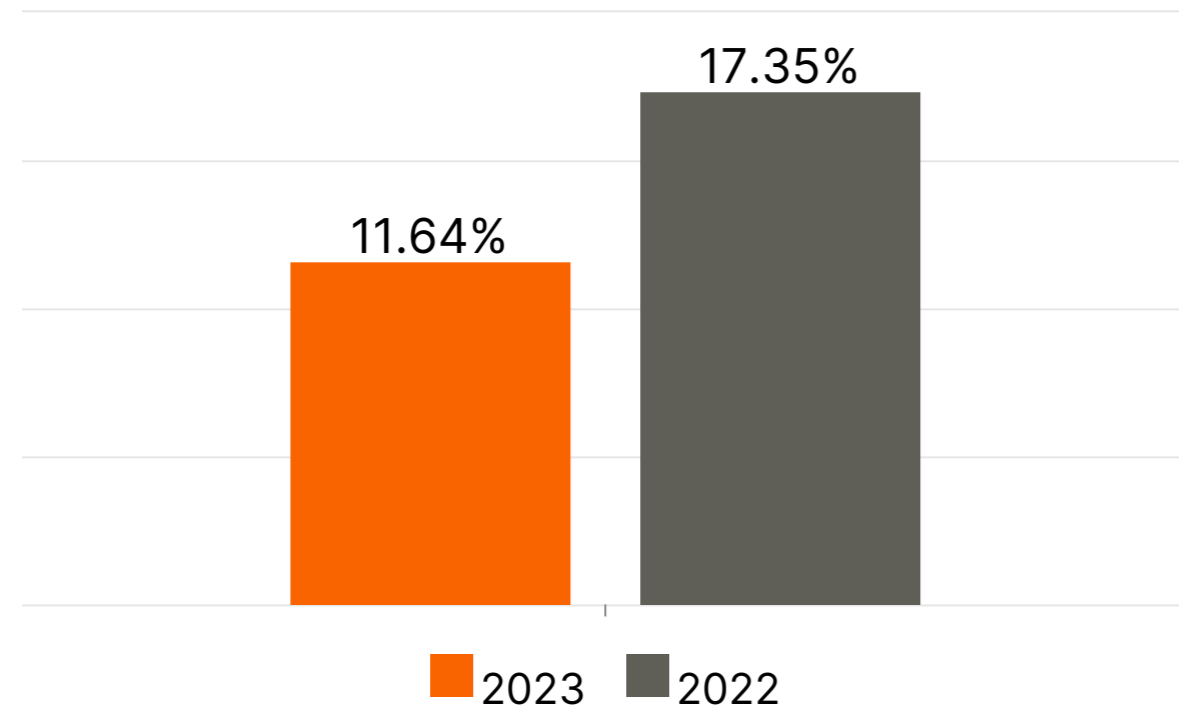
Income Statement

In millions of pesos, except otherwise noted

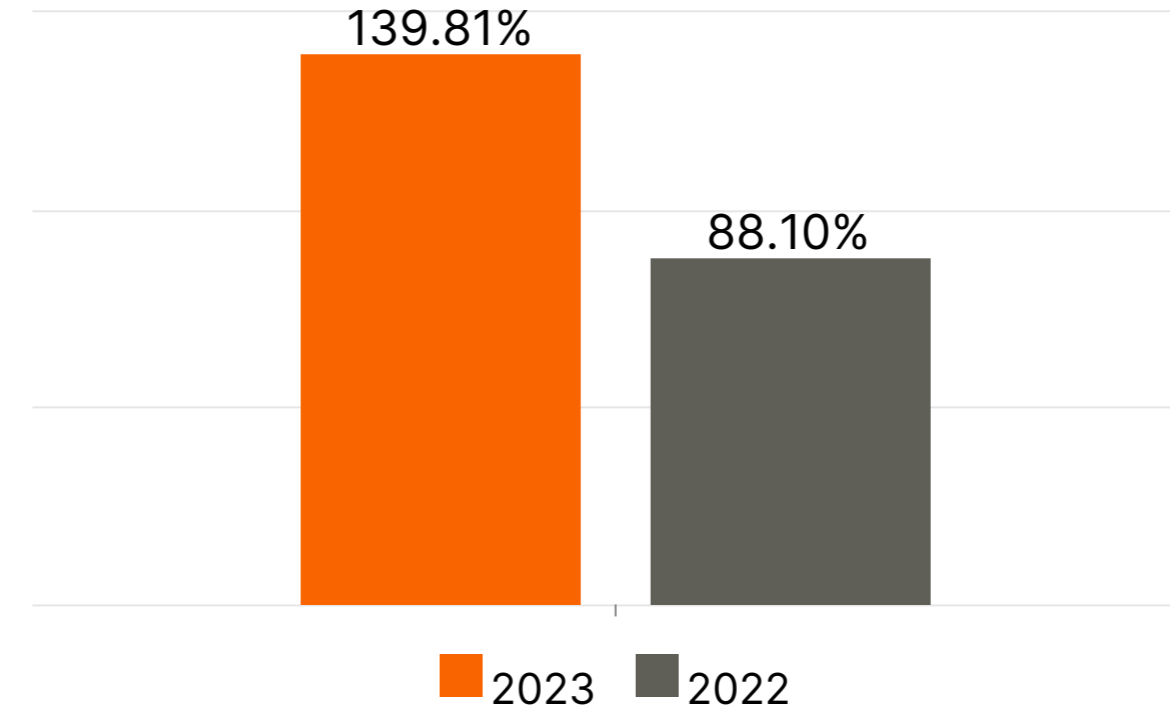
	2023	2022	Variation
	12M	12M	%
Earned premium	91,521	69,419	32
Incurred claims	(25,941)	(12,226)	112
Withdrawals	(198)	(249)	(20)
Life annuities	(78)	(97)	(20)
Acquisition and general expenses	(36,172)	(29,596)	22
Other income and expenses	(37,594)	(545)	6,798
Underwriting income	(8,462)	26,706	(132)
Interest income	8,101	29,839	(73)
Net results from financial instruments	(11,600)	(20,281)	(43)
Gold and foreign currency quotation differences	54,442	14	N/A
Other operating income	8,909	2,740	225
Net operating income	51,390	39,018	32
Personnel expenses	(17,412)	(11,534)	51
Administrative expenses	(9,171)	(5,236)	75
Depreciations and devaluations of assets	(1,278)	(1,715)	(25)
Other operating expenses	(50)	(35)	43
Operating income	23,479	20,498	15
Results from the net monetary position	(18,333)	(6,080)	202
Results from associates and joint businesses	4,877	—	N/A
Income tax	(753)	(6,800)	(89)
Net income	9,270	7,618	22
Other comprehensive income	183	75	144
Total comprehensive income	9,453	7,693	23

Profitability and efficiency

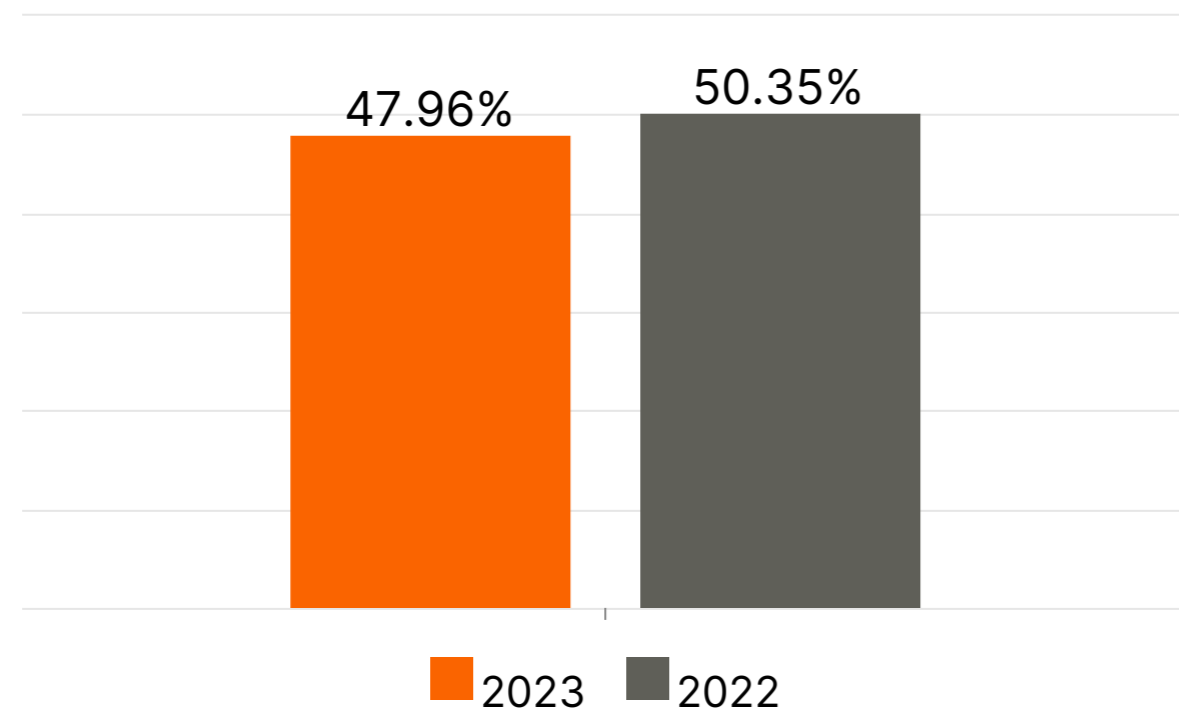
ROA



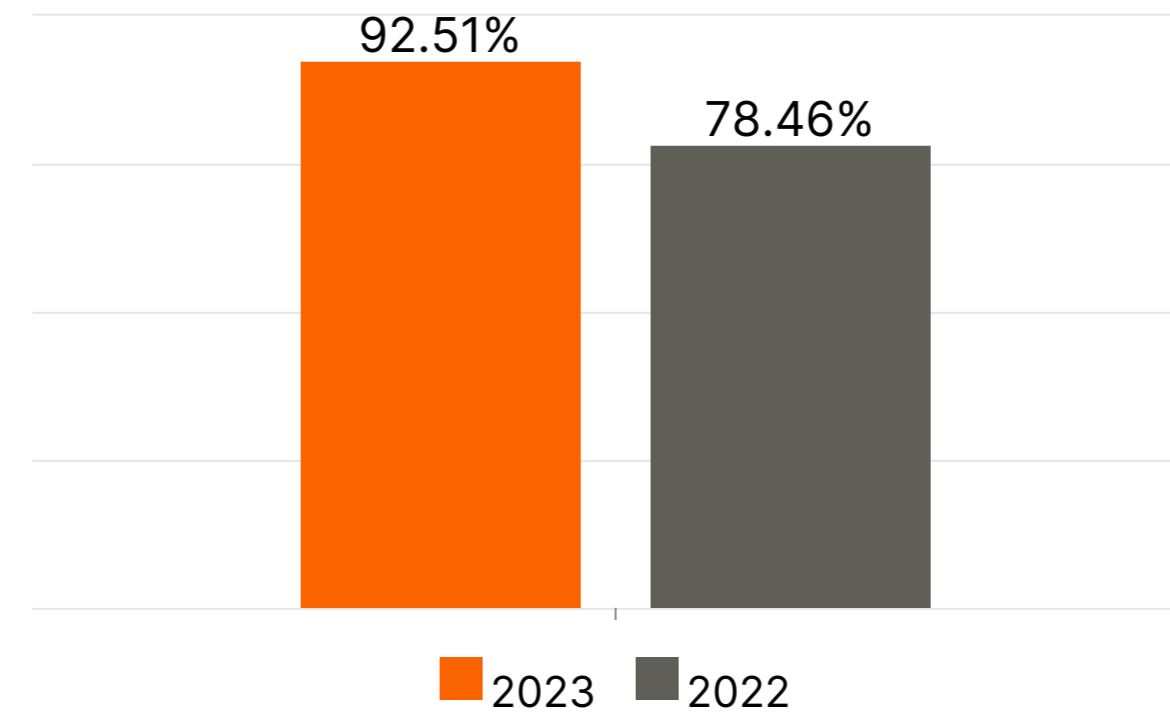
Combined Ratio



ROE



Efficiency Ratio



Results for the quarter

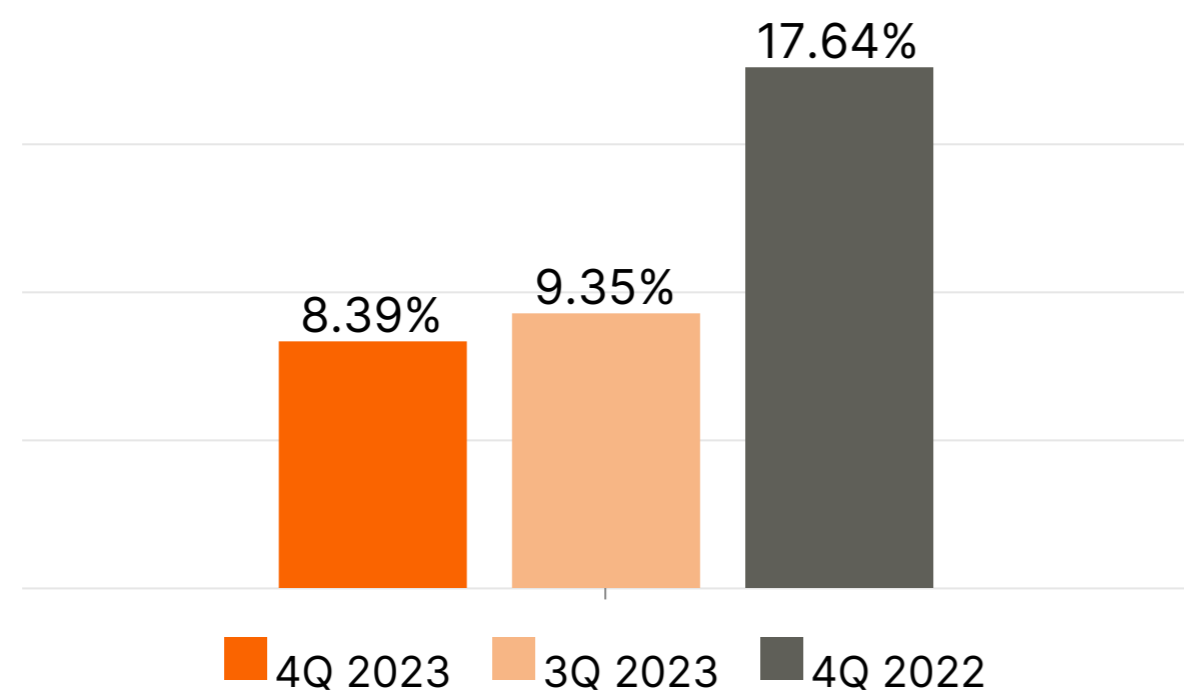
Income Statement

In millions of pesos, except otherwise noted

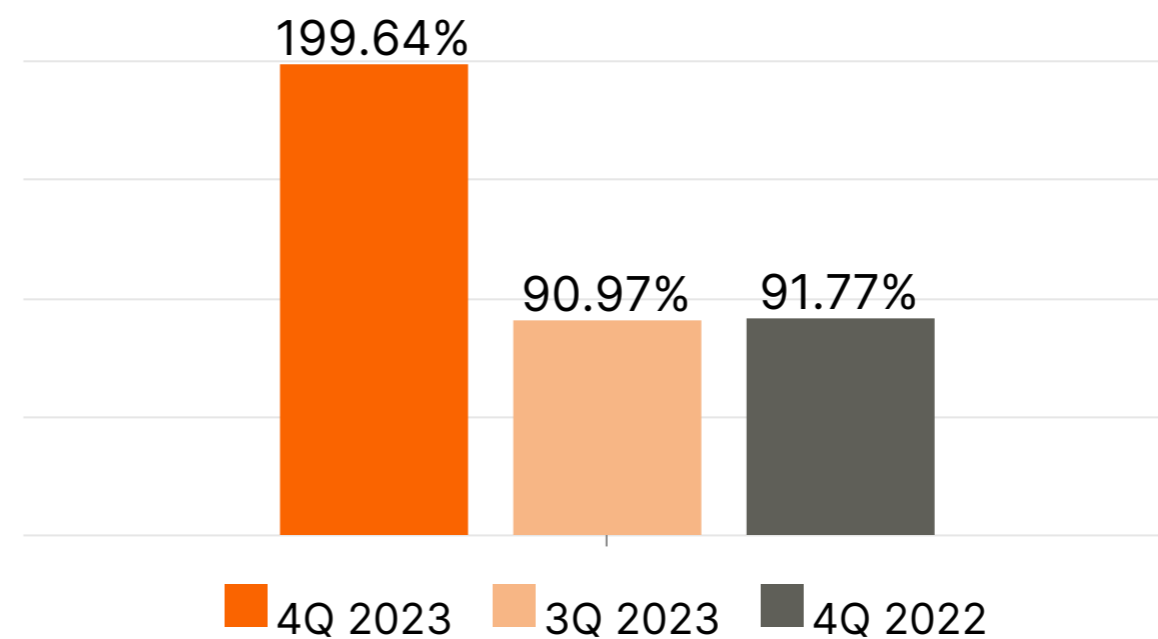
	2023		2022		Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22	
Earned premium	41,799	16,203	17,329	158	141	
Incurred claims	(17,101)	(2,942)	(2,850)	481	500	
Withdrawals	(51)	(44)	(103)	16	(50)	
Life annuities	(17)	(18)	(20)	(6)	(15)	
Acquisition and general expenses	(13,878)	(7,276)	(7,238)	91	92	
Other income and expenses	(37,049)	(197)	(186)	N/A	N/A	
Underwriting income	(26,297)	5,726	6,932	(559)	(479)	
Interest income	(4,806)	4,086	5,916	(218)	(181)	
Net results from financial instruments	(9,676)	(194)	(1,953)	4,888	395	
Gold and foreign currency quotation differences	54,316	43	5	N/A	N/A	
Other operating income	4,989	2,257	470	121	961	
Net operating income	18,526	11,918	11,370	55	63	
Personnel expenses	(9,576)	(2,665)	(3,611)	259	165	
Administrative expenses	(5,527)	(1,414)	(1,588)	291	248	
Depreciations and devaluations of assets	(180)	(191)	(317)	(6)	(43)	
Other operating expenses	(20)	1	(31)	(2,100)	(35)	
Operating income	3,223	7,649	5,823	(58)	(45)	
Results from the net monetary position	(8,917)	(4,493)	(1,907)	98	368	
Results from associates and joint businesses	4,877	—	—	—	—	
Income tax	4,860	(2,100)	(1,928)	(331)	(352)	
Net income	4,043	1,056	1,988	283	103	
Other comprehensive income	181	(22)	(9)	(923)	(2,111)	
Total comprehensive income	4,224	1,034	1,979	309	113	

Profitability and efficiency

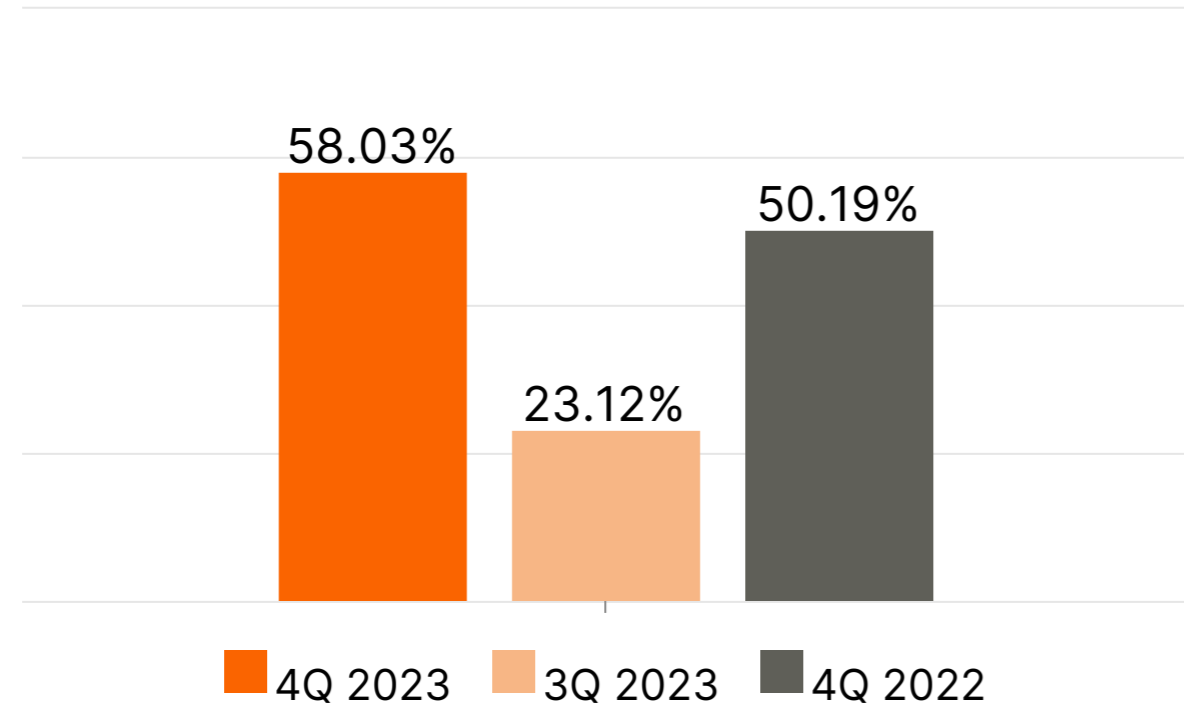
ROA



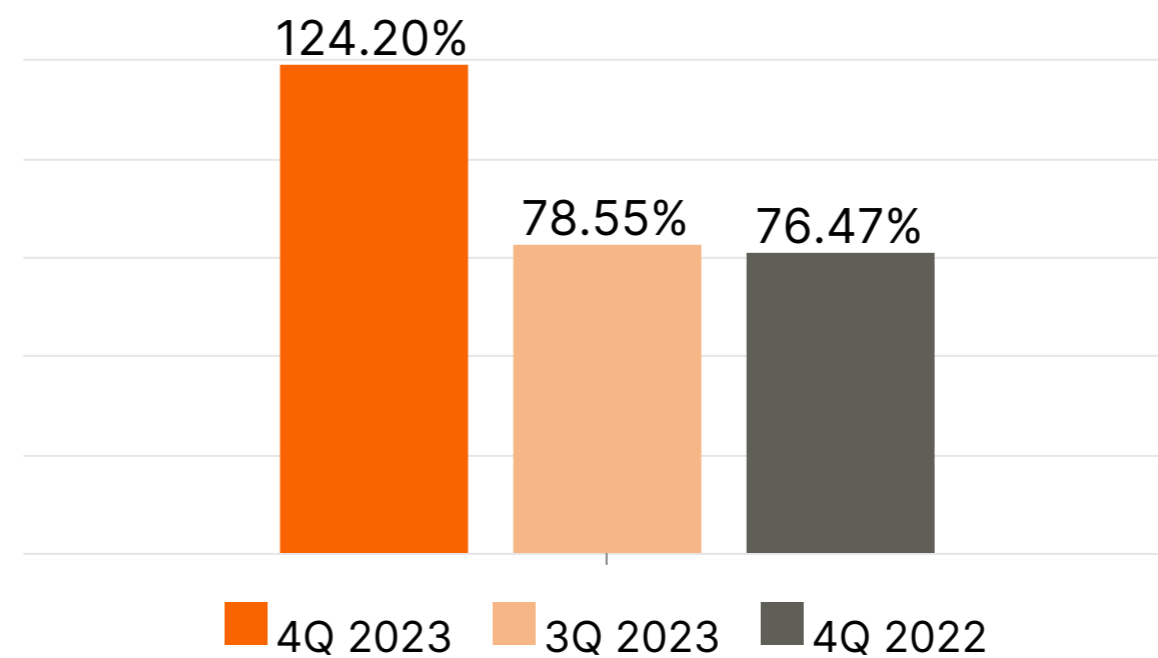
Combined ratio



ROE



Efficiency ratio



Selected financial information

Balance Sheet

In millions of pesos, except otherwise noted

	4Q	2023 3Q	2022 4Q	Variation (%) vs. 3Q23	Variation (%) vs. 4Q22
Assets					
Cash and due from banks	4,506	385	40	1,070	N/A
Debt securities	69,021	1,249	361	5,426	N/A
Net loans and other financing	—	23	19	(100)	(100)
Other financial assets	32,739	23,117	22,287	42	47
Property, bank premises, equipment	2,623	834	1,289	215	103
Intangible assets	8,524	838	230	917	3,606
Assets for insurance contracts	90,347	14,123	15,359	540	488
Other non-financial assets	27,962	3,557	3,028	686	823
Total assets	235,722	44,126	42,613	434	453
Liabilities					
Liabilities for insurance contracts	163,293	14,127	15,925	1,056	925
Other non-financial liabilities	44,313	11,143	10,373	298	327
Total liabilities	207,606	25,270	26,298	722	689
Shareholders' equity	28,116	18,856	16,315	49	72

Fondos Fima

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



Highlights



Ps.24,701 million

Net income for the year

+30% vs. 2022

Ps.3,484

Assets under management
In billions

+44% vs. 4Q 2022

11.2%

Market share
+50 bp vs. 4Q 2022

Ps.4,754 million

Net income for the quarter

-2% vs. 4Q 2022

32

Employees

14

Assets under management

Results for the fiscal year

Income Statement

In millions of pesos, except otherwise noted

	2023	2022	Variation
	12M	12M	%
Net interest income	—	274	(100)
Net results from financial instruments	21,256	7,218	194
Gold and foreign currency quotation differences	130	37	251
Other operating income	46,747	38,475	21
Net operating income	68,133	46,004	48
Personnel and administrative expenses	(3,299)	(3,603)	(8)
Other operating expenses	(3,741)	(2,516)	49
Operating income	61,093	39,885	53
Results from the net monetary position	(17,722)	(7,564)	134
Income tax	(18,670)	(13,247)	41
Net income	24,701	19,074	30

Results for the quarter

Income Statement

In millions of pesos, except otherwise noted

		2023	2022	Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22
Net interest income	—	—	172	N/A	(100)
Net results from financial instruments	8,455	4,764	2,345	77	261
Gold and foreign currency quotation differences	76	27	15	181	407
Other operating income	11,984	11,560	10,219	4	17
Net operating income	20,515	16,351	12,751	25	61
Personnel and administrative expenses	(937)	(750)	(911)	25	3
Other operating expenses	(1,130)	(903)	(701)	25	61
Operating income	18,448	14,698	11,139	26	66
Results from the net monetary position	(7,166)	(5,462)	(1,895)	31	278
Income tax	(6,528)	(4,130)	(4,404)	58	48
Net income	4,754	5,106	4,840	(7)	(2)

Assets under management

Mutual fund

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22	
Fima Premium	2,880,466	2,252,761	1,940,895	28	48	
Fima Ahorro Pesos	59,509	73,901	88,393	(19)	(33)	
Fima Ahorro Plus	99,933	90,388	161,119	11	(38)	
Fima Capital Plus	224,334	130,307	100,251	72	124	
Fima Renta en Pesos	81,130	46,753	59,389	74	37	
Fima Renta Plus	55,316	26,304	25,859	110	114	
Fima Abierto Pymes	6,798	6,104	4,478	11	52	
Fima Acciones	28,374	27,195	11,874	4	139	
Fima PB Acciones	16,308	16,693	8,041	(2)	103	
Fima Mix I	18,612	13,841	8,427	34	121	
Fima Mix II	4,212	2,645	439	59	859	
Fima Renta Acciones Latinoamerica	530	313	346	69	53	
Fima Renta Fija Internacional	4,757	3,250	3,550	46	34	
Fima Sustentable ESG	3,661	2,647	862	38	325	
Total assets under management	3,483,940	2,693,102	2,413,923	29	44	

Selected financial information

Balance Sheet

In millions of pesos, except otherwise noted

	2023		2022		Variation (%)	
	4Q	3Q	4Q	vs. 3Q23	vs. 4Q22	
Assets						
Cash and due from banks	4,139	4,035	3,622	3	14	
Debt securities	—	129	—	(100)	—	
Other financial assets	24,636	18,435	15,816	34	56	
Other non-financial assets	1	20	—	(95)	—	
Total assets	28,776	22,619	22,723	27	27	
Liabilities						
Other non-financial liabilities	9,539	8,138	8,227	17	16	
Total liabilities	9,539	8,138	8,227	17	16	
Shareholders' equity	19,237	14,481	14,496	33	33	

Relevant information



Negotiable obligations

On January 11, 2024, Banco Galicia issued the Class XIII Negotiable Obligations for Ps.24,727 million, maturing in 6 months and with an interest rate of Badlar +2.0%.

On February 5, 2024, Naranja X issued the Class LXI Negotiable Obligations for Ps.35,000 million, maturing in 12 months and with an interest rate of Badlar +3.5%.

ESG



Credits with a differential rate to producers who trace the carbon footprint of their crops.

With the aim of contributing to the promotion of sustainable agricultural practices, Banco Galicia joined the CNH industrial ecosystem to award green credits to producers who comply with the non-overlapping of layers. The program consists of offering financial incentives to producers who apply for the CNH Capital license, in order to promote the technological development of producers, according to their contribution to mitigating the environmental effect of their activity.

The Galicia Forest continues to grow

In 2023, Banco Galicia expanded the Galicia Forest, a project that promotes the restoration of the degraded ecosystem and strengthens the bond between people and nature. More than 2,500 specimens of native trees were planted next to Eco House and Bayka. This action made it possible to offset 7,577 tons of CO2.

First certification to Grupo Galicia from the SGA

Grupo Galicia certified its Environmental Management System (EMS) under the ISO 14001:2015 standard to reduce its impact on the environment.

IDB, portfolio decarbonization

Banco Galicia launched the Project together with IDB Invest to design a strategic Sustainable Finance plan to walk the path towards decarbonization. The objectives of this project were climate portfolio analysis, taxonomy update, KPI design, GHG measurement and monitoring, implementation of TCFD recommendations and establishment of reduction goals for NetZero.

Regulatory changes



Global net foreign currency position. Contact position

Effective between October 13, 2023 and December 6, 2023, the Argentine Central Bank provided, through communication "A" 7891, that financial entities will not be able to increase the daily currency spot position without their prior consent. foreign currency with respect to the level recorded by the entity at the close of October 12, 2023. Through communication "A" 7910, the Argentine Central Bank established that, effective between December 7 and 31, the daily cash position of foreign currency may not exceed the lowest that arises from comparing the level recorded on October 12 and December 6, 2023.

For the same dates, it establishes that entities may cover the daily cash position, up to zero, with LEDIVs, which for this purpose may be computed in this position and/or national public securities in foreign currency or linked to the evolution of that currency.

Financing to the non-financial public sector

The Argentine Central Bank provided, through communication "A" 7921, that national government securities that are acquired by primary subscription and that have liquidity options sold by the Argentine Central Bank on them, will be excluded from the credit limits provided for in the regulations on " Financing to the non-financial public sector".

Interest rates

The Argentina Central Bank, in its communication "A" 7922, established, effective as of December 19, 2023, to modify the rates of the following impositions and financing:

- Fixed-term deposits from individuals: 110% TNA.
- Fixed-term deposits not included in the previous point: 110% TNA.
- Deposits with early cancellation option in Purchasing Value Units ("UVA"): this will be freely agreed upon.

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 / 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
	2Q	1Q	4Q	3Q	2Q
Consumer price index (IPC) ⁽¹⁾	3,533.1922	2,304.9242	1709.6115	1381.1601	1134.5875
Consumer price index (IPC) (%)	53.29	34.82	23.78	21.73	17.29
Wholesale price index (IPIM) (%) ⁽²⁾	84.07	38.75	23.08	19.73	18.21
Acquisition value unit (UVA) ⁽³⁾	463.4	337.84	272.76	218.27	185.03
Exchange rate (Ps./US\$) ⁽⁴⁾	808.48	350.01	256.68	208.99	177.13
Badlar ⁽⁵⁾ (quartely averages)	124.25	103.46	85.97	70.09	69.18

(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.

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