

2nd. quarter

2024



Financial Report

Grupo Financiero Galicia S.A.

Grupo Galicia

Grupo Financiero Galicia

Buenos Aires, Argentina, August 22, 2024, Grupo Financiero Galicia S.A. (“Grupo Galicia” o “GFG”, BYMA/NASDAQ: GGAL), announced its financial results for the second quarter, ended on June 30, 2024.

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

August 23, 2024
11:00 am (Eastern Time)
12:00 pm (Argentina)

+1 786 697 3501

Password:
GFG2024

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, Galicia Ventures LP and Galicia Holdings US, Inc.

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.711,882 million

Net income for the period attributable to GFG

+138% vs. 6M 2023

37.56%

ROE

+1,980 bp vs. 6M 2023

33.79%

Efficiency

-2,089 bp vs. 6M 2023

Ps.277.34

Net profit
per share

26.39%

Capital Ratio

9,380

Employees

441

Branches and other
points of sale

Ps.408,985 million

Net income for the quarter attributable to GFG

+90% vs. 2Q 2023

42.52%

ROE

+1,657 bp vs. 2Q 2023

33.02%

Efficiency

-1,447 bp vs. 2Q 2023

13,332

Deposits
accounts
In thousands

13,461

Credit cards
In thousands

Selected financial information



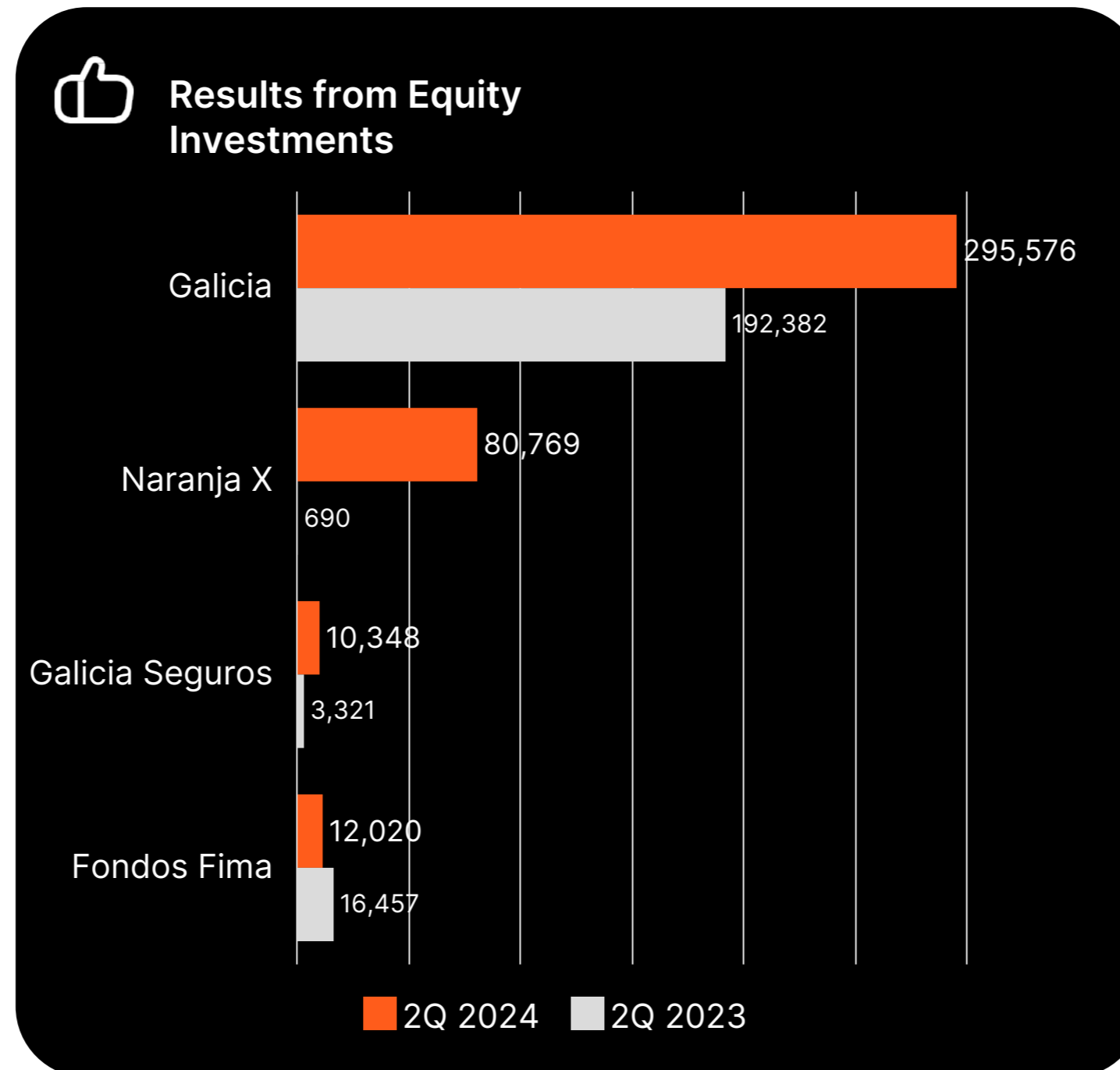
Selected ratios						
Percentages	2024		2023		Variation (bp)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
ROA	9.73	7.10	4.86	263	487	
ROE	42.52	32.44	25.95	1,008	1,657	
Financial Margin	53.00	74.87	30.32	(2,187)	2,268	
Efficiency ratio	33.02	34.69	47.49	(167)	(1,447)	
Capital ratio ⁽¹⁾	26.39	29.91	23.07	(352)	332	
NPL Ratio ⁽¹⁾	2.65	2.28	3.08	37	(43)	
Allowance for loan losses / Private-sector financing	4.06	3.68	4.53	38	(47)	
Coverage ⁽¹⁾	153.50	161.60	147.23	(810)	627	
Non-accrual portfolio with guarantees to non-accrual portfolio ⁽¹⁾	2.81	3.74	3.93	(93)	(112)	
Cost of risk	8.61	6.56	4.33	205	428	

(1) Galicia consolidated with Naranja X.

Results for the quarter

Net income attributable to GFG for the quarter amounted to Ps.408,985 million, which represented a 9.73% annualized return on average assets and a 42.52% annualized return on average shareholder's equity.

Said result is mainly due to profits from its interest in Galicia (Ps.295,576 million), in Naranja X (Ps.80,769 million), in Fondos Fima (Ps.12,020 million) and in Galicia Seguros (Ps.10,348 million)



Income Statement

In millions of pesos, except otherwise noted

	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
Net interest income	1,272,851	1,631,990	812,068	(22)	57	
Net fee income	201,426	192,769	203,077	4	(1)	
Net results from financial instruments	186,105	254,460	130,262	(27)	43	
Gold and foreign currency quotation differences	42,099	43,480	127,353	(3)	(67)	
Other operating income	76,847	109,565	88,141	(30)	(13)	
Underwriting income from insurance business	48,962	9,118	17,892	437	174	
Loan loss provisions	(145,507)	(102,427)	(81,438)	42	79	
Net operating income	1,682,783	2,138,955	1,297,355	(21)	30	
Personnel expenses	(171,650)	(154,566)	(138,303)	11	24	
Administrative expenses	(157,106)	(141,639)	(128,357)	11	22	
Depreciations and devaluations of assets	(35,536)	(34,767)	(36,937)	2	(4)	
Other operating expenses	(227,694)	(367,651)	(221,623)	(38)	3	
Operating Income	1,090,797	1,440,332	772,135	(24)	41	
Results from the net monetary position	(460,788)	(979,260)	(462,918)	(53)	—	
Results from associates and joint ventures	(604)	(1,662)	(458)	(64)	32	
Income tax	(220,360)	(156,622)	(93,378)	41	136	
Net income	409,045	302,788	215,381	35	90	
Net Income Attributable to Non-controlling Interests	60	(109)	—	(155)	—	
Net Income Attributable to Grupo Galicia	408,985	302,897	215,381	35	90	
Other comprehensive income	374	(304)	802	(223)	(53)	
Total comprehensive income	409,419	302,484	216,183	35	89	
Total comprehensive income Attributable to Non-controlling Interests	60	(109)	—	(155)	—	
Total comprehensive income Attributable to Grupo Galicia	409,359	302,593	216,183	35	89	

Selected financial information

Balance Sheet

In millions of pesos, except otherwise noted

	2024		2023	Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23
Assets					
Cash and due from banks	2,594,258	2,575,153	2,037,004	1	27
Debt securities	1,589,735	608,573	223,159	161	612
Net loans and other financing	6,427,604	5,457,893	6,857,060	18	(6)
Other financial assets	5,629,132	5,862,287	7,883,047	(4)	(29)
Investment in subsidiaries, associates and joint ventures	2,499	3,102	4,443	(19)	(44)
Property, bank premises, equipment	654,742	644,179	649,627	2	1
Intangible assets	221,383	224,988	217,832	(2)	2
Other assets	200,847	320,986	152,647	(37)	32
Assest from insurance contracts	126,900	134,673	27,460	(6)	362
Assets available for sale	17	17	7	—	143
Total assets	17,447,117	15,831,851	18,052,286	10	(3)
Liabilities					
Deposits	8,739,435	7,966,473	11,141,433	10	(22)
Financing from financial entities	218,098	209,034	202,684	4	8
Other financial liabilities	3,289,825	2,117,332	1,989,044	55	65
Negotiable obligations	123,490	176,069	265,759	(30)	(54)
Subordinated negotiable obligations	234,551	255,271	244,604	(8)	(4)
Other liabilities	812,988	912,288	861,408	(11)	(6)
Liabilities from insurance contracts	224,591	265,174	27,304	(15)	723
Total liabilities	13,642,978	11,901,641	14,732,236	15	(7)
Total Shareholders' equity	3,804,139	3,930,210	3,320,050	(3)	15



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.585,178 million

Net income for the period

+124% vs. 6M 2023

37.14%

ROE

+1,760 bp vs. 6M 2023

30.04%

Efficiency

-2,151 bp vs. 6M 2023

11.89%

Market share:
Loans to the private sector

+12 bp vs. 2Q 2023

28.76%

Capital Ratio

+512 bp. vs. 2Q 2023

10.49%

Market share: Deposits
to the private sector

+57 bp vs. 2Q 2023

299

Branches

5,745

Employees

Ps.295,577 million

Net income for the quarter

+54% vs. 2Q 2023

36.90%

ROE

+733 bp vs. 2Q 2023

31.78%

Efficiency

-1,170 bp vs. 2Q 2023

1.98%

Portfolio Quality

-11 bp. vs. 2Q 2023

160.30%

Coverage

+1,186 bp. vs. 2Q 2023

7,724

Deposit
accounts

In thousands

4,356

Credit
Cards

In thousands

36.90%

ROE

+733 bp vs. 2Q 2023

31.78%

Efficiency

-1,170 bp vs. 2Q 2023

6.50%

Cost of risk

+165 bp. vs. 2Q 2023

5.48%

Cost of risk 6M

+63 bp. vs. 6M 2023

89%

Digital
clients

Results for the quarter

In the second quarter of 2024, Galicia registered a net income of Ps.295,577 million, Ps.103,195 million (54%) higher than the result of the same quarter of the previous year, which represented an annualized ROE of 36.90% and an ROA of 8.95%.

The operating result was Ps.213,987 million (34%) higher than in the second quarter of 2023, 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 a Ps.375,329 million loss, 1% higher than the same quarter of 2023.

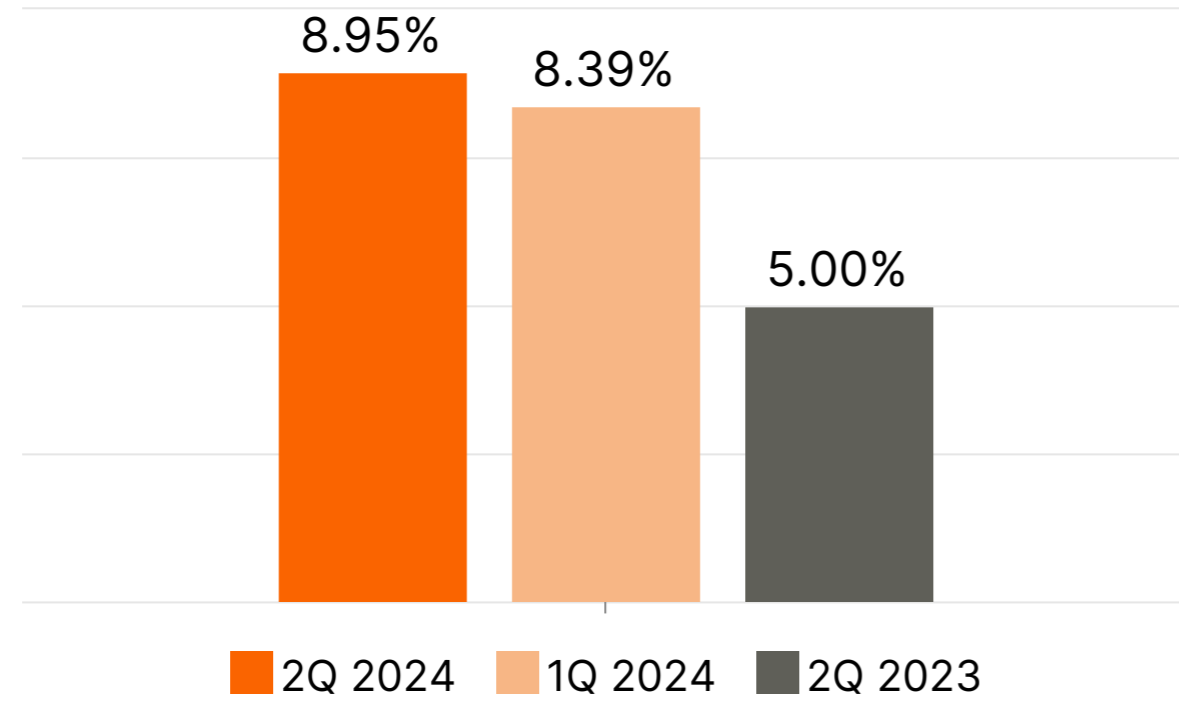
Net operating income reached Ps.1,258,296 million, Ps.243,920 million (24%) higher than the Ps.1,014,376 million in the same quarter of the previous year, mainly as a consequence of a higher net interest income for Ps.318,263 million (46%) and a higher net results from financial instruments for Ps.56,235 million (72%), offset by lower results from gold and foreign currency quotation differences for Ps.85,494 million (69%).

Income Statement

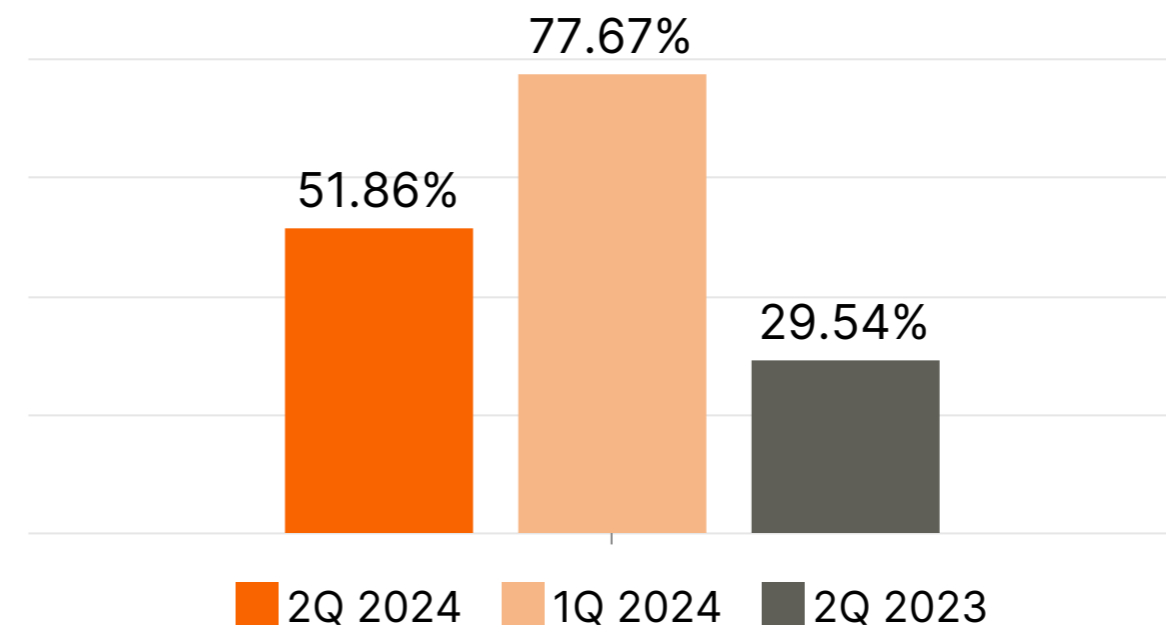
In millions of pesos, except otherwise noted	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
Net interest income	1,011,498	1,399,610	693,235	(28)	46	
Net fee income	118,660	116,061	126,058	2	(6)	
Net results from financial instruments	134,188	189,947	77,953	(29)	72	
Gold and foreign currency quotation differences	37,999	34,167	123,493	11	(69)	
Other operating income	37,716	44,879	48,672	(16)	(23)	
Loan-loss provisions	(81,765)	(56,082)	(55,035)	46	49	
Net operating income	1,258,296	1,728,582	1,014,376	(27)	24	
Personnel expenses	(124,226)	(101,856)	(95,887)	22	30	
Administrative expenses	(107,189)	(92,397)	(90,467)	16	18	
Depreciations and devaluations of assets	(26,255)	(26,755)	(30,069)	(2)	(13)	
Other operating expenses	(159,485)	(255,074)	(170,799)	(37)	(7)	
Operating income	841,141	1,252,500	627,154	(33)	34	
Results from the net monetary position	(375,329)	(788,602)	(370,508)	(52)	1	
Results from associates and joint businesses	409	(3,602)	34	(111)	1,103	
Income tax	(170,644)	(170,694)	(64,298)	—	165	
Net Income	295,577	289,602	192,382	2	54	
Other comprehensive income	809	22	12	3,577	6,642	
Total comprehensive income	296,386	289,624	192,394	2	54	

Profitability and efficiency

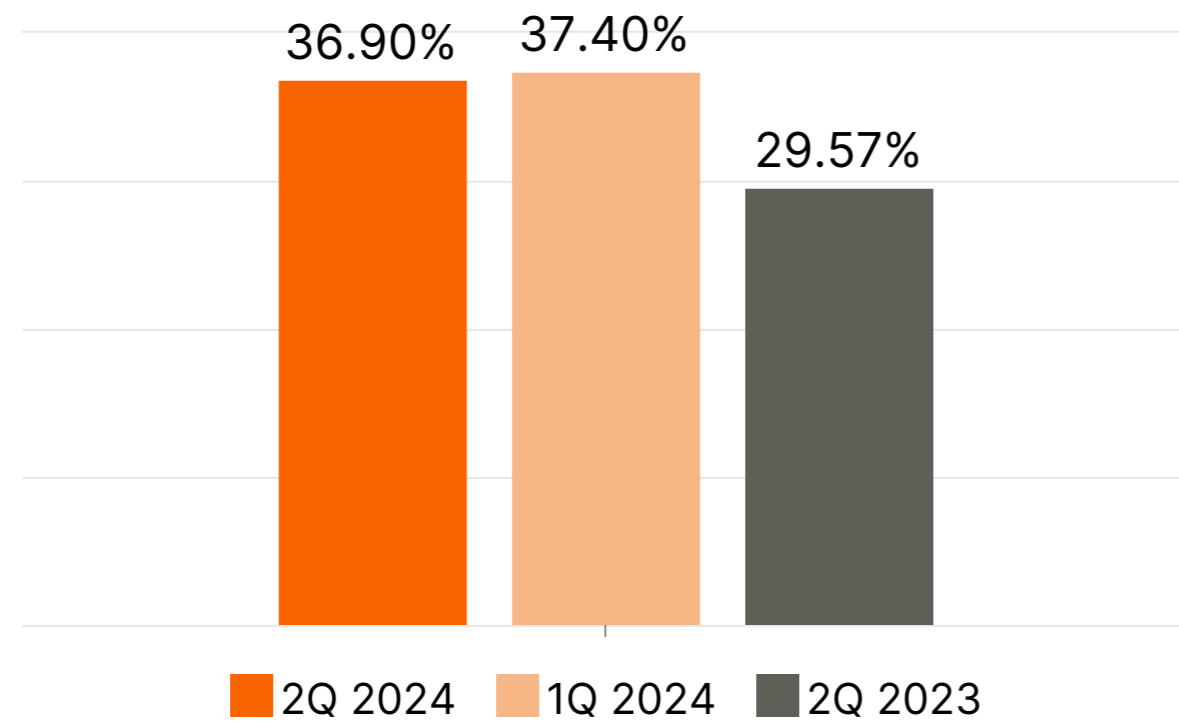
ROA



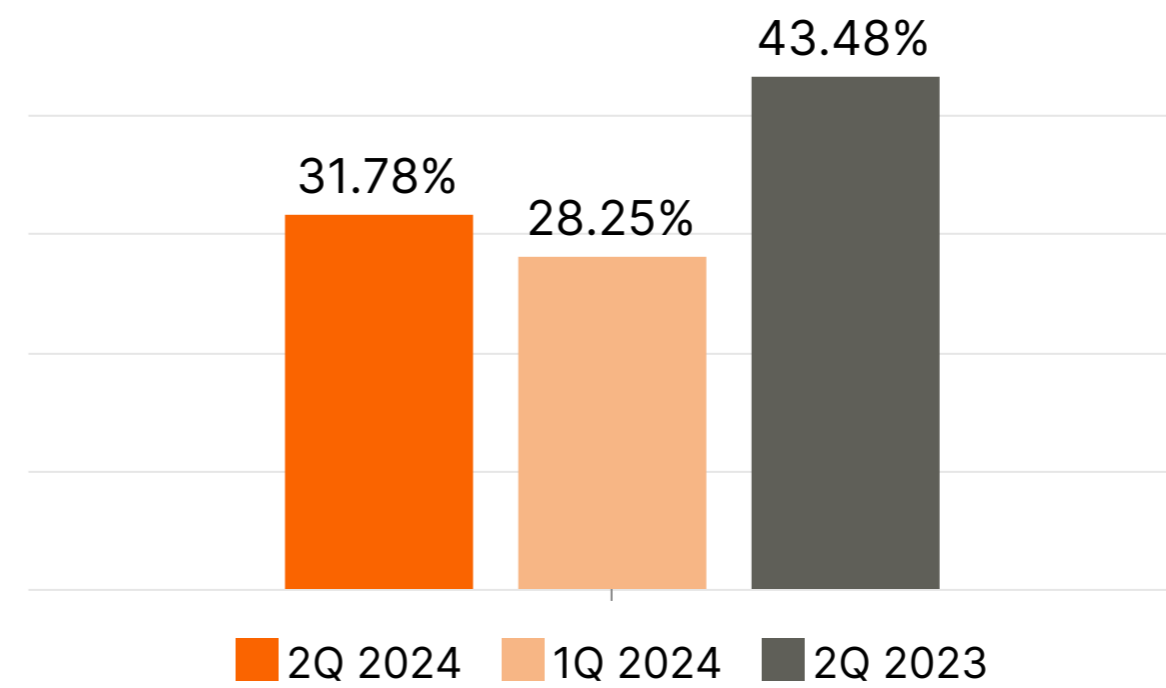
Financial margin



ROE



Efficiency ratio



Yields and rates

Interest-earning assets⁽¹⁾

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

	2024		2023		Variation (% bp)					
	2Q	1Q	2Q	vs.1Q24	vs.2Q23					
	Avg Bce	Yield	Avg Bce	Yield	Avg Bce	Yield				
In pesos	7,412,160	83.58	6,982,756	136.22	9,648,979	80.27	6	(5,264)	(23)	331
Government securities	2,532,323	125.06	1,822,376	255.33	4,400,617	96.33	39	(13,027)	(42)	2,873
Loans	2,778,846	75.75	2,746,975	102.05	4,154,549	67.99	1	(2,630)	(33)	776
Other interest-earning assets	2,100,991	43.93	2,413,405	85.17	1,093,813	62.28	(13)	(4,124)	92	(1,835)
In foreign currency	1,234,033	25.18	831,448	49.32	906,506	25.56	48	(2,414)	36	(38)
Government securities	465,071	60.06	498,568	79.98	307,801	36.77	(7)	(1,992)	51	2,329
Loans	670,969	4.53	271,204	4.03	325,144	5.98	147	50	106	(145)
Other interest-earning assets	97,993	1.07	61,676	0.58	273,561	36.21	59	49	(64)	(3,514)
Interest-earning assets	8,646,193	75.24	7,814,204	126.97	10,555,485	75.57	11	(5,173)	(18)	(33)

(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.8,646,193 million, registering a decrease of Ps.1,909,292 million (18%), compared to the second quarter of 2023. This decrease was mainly the result of a lower volume of government securities in pesos for Ps.1,868,294 million (42%) and of loans in pesos for Ps.1,375,703 million (33%), offset by a higher volume of other interest-earning assets in pesos for Ps.1,007,178 million (92%).

The average yield on interest-earning assets for the second quarter was 75.24%, representing a decrease of 33 bp, compared to the same quarter of the previous year. This variation is mainly justified by lower average yields on other interest-earning assets in foreign currency (3,514 bp), offset by higher average yields on government securities in pesos (2,873 bp).

Interest-bearing liabilities⁽¹⁾

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

	2024		2023		2024		2023		Variation (% bp)	
	2Q	1Q	2Q	1Q	vs.1Q24	vs.2Q23	vs.1Q24	vs.2Q23	vs.1Q24	vs.2Q23
	Avg Bce	Yield	Avg Bce	Yield	Avg Bce	Yield	Avg Bce	Yield	Avg Bce	Yield
In pesos	4,102,497	45.62	3,991,574	85.21	6,876,395	70.39	3	(3,959)	(40)	(2,477)
Saving accounts	656,041	0.02	595,438	0.02	872,463	0.02	10	—	(25)	—
Time deposits	1,998,016	61.73	1,746,863	113.29	4,512,615	82.39	14	(5,156)	(56)	(2,066)
Other Deposits	1,124,955	42.38	1,343,483	87.47	1,290,230	75.18	(16)	(4,509)	(13)	(3,280)
Debt securities	25,853	52.25	26,157	92.74	—	—	(1)	(4,049)	—	5,225
Other interest-bearing liabilities	297,632	49.63	279,633	79.67	201,087	75.69	6	(3,004)	48	(2,606)
In foreign currency	2,024,584	1.14	2,249,225	1.85	1,723,920	1.76	(10)	(71)	17	(62)
Saving accounts	1,466,801	—	1,577,018	—	1,095,589	—	(7)	—	34	—
Time deposits	232,033	1.79	261,550	1.61	269,552	1.75	(11)	18	(14)	4
Other Deposits	40,535	—	33,011	—	39,858	—	23	—	2	—
Debt securities	246,317	6.08	296,255	9.75	254,784	7.54	(17)	(367)	(3)	(146)
Other interest-bearing liabilities	38,898	10.09	81,391	10.42	64,137	10.10	(52)	(33)	(39)	(1)
Interest-bearing liabilities	6,127,081	30.92	6,240,799	55.17	8,600,315	56.63	(2)	(2,425)	(29)	(2,571)

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

Interest bearing liabilities reached Ps.6,127,081 million, registering a decrease of Ps.2,473,234 million (29%) in relation to the same period of 2023, mainly due to a decrease in time deposits in pesos for Ps.2,514,599 million (56%).

Likewise, the average rate on interest-bearing liabilities was 30.92%, registering a decrease of 2,571 bp with respect to the second quarter of the previous year, as a consequence of the decrease in the interest rate on other deposits in pesos for 3,280 bp.

Net interest income

Net interest income for the quarter amounted to Ps.1,011,498 million, with a Ps.318,263 million (46%) increase compared to the Ps.693,235 million profit from the same quarter of 2023.

Interest Income

In millions of pesos, except otherwise noted

	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
Private sector securities	—	—	162	—	(100)	
Government securities	722,949	1,065,779	1,052,938	(32)	(31)	
Loans and other financing	528,070	702,332	712,560	(25)	(26)	
Financial sector	3,273	5,257	6,958	(38)	(53)	
Non-financial private sector	524,797	697,075	705,602	(25)	(26)	
Overdrafts	67,784	92,226	90,755	(27)	(25)	
Promissory notes	159,014	248,573	295,426	(36)	(46)	
Mortgage loans	84,766	130,925	73,886	(35)	15	
Pledge loans	8,062	7,781	12,940	4	(38)	
Personal loans	80,351	68,544	76,050	17	6	
Credit-card loans	119,862	145,673	151,013	(18)	(21)	
Financial leases	1,444	1,738	2,994	(17)	(52)	
Pre-financing and export financing	1,811	503	1,042	260	74	
Other	1,703	1,112	1,496	53	14	
Repurchase agreement transactions	235,484	491,100	145,649	(52)	62	
Interest income	1,486,504	2,259,210	1,911,309	(34)	(22)	

Interest income for the quarter reached Ps.1,486,504 million, 22% lower than the Ps.1,911,309 million registered in the second quarter of 2023.

This decrease was a consequence of:

- lower interest on government securities for Ps.329,989 million (31%),
- lower interest on loans and other financing for Ps.184,490 million (26%), as a result of lower income from promissory notes (46%).

Interest expenses totaled Ps.475,006 million, registering a decrease of Ps.743,068 million (61%), compared to the same quarter of 2023. This decrease was a consequence of lower interest expenses on time deposits and term investments for Ps.621,258 million (67%), generated by the decrease in the annual nominal interest rate and the average volume of deposits.

Interest expenses

In millions of pesos, except otherwise noted	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
Deposits	428,579	789,629	1,173,143	(46)	(63)	
Saving accounts	26	24	35	8	(26)	
Time deposits and term investments	309,365	495,816	930,623	(38)	(67)	
Other	119,188	293,789	242,485	(59)	(51)	
Financing from financial institutions	943	1,594	1,147	(41)	(18)	
Repurchase agreement transactions	1,065	3,927	1,726	(73)	(38)	
Other interest-bearing liabilities	35,965	52,448	36,809	(31)	(2)	
Negotiable obligations	3,620	6,395	358	(43)	911	
Subordinated Negotiable obligations	4,834	5,607	4,891	(14)	(1)	
Interest expenses	475,006	859,600	1,218,074	(45)	(61)	

Net fee income

Net Fee Income

In millions of pesos, except otherwise noted

	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
Credit cards	48,045	48,538	44,470	(1)	8	
Deposit accounts	20,712	18,579	26,228	11	(21)	
Insurance	3,812	3,064	4,267	24	(11)	
Financial fees	437	50	2	774	N/A	
Credit- related fees	998	720	732	39	36	
Foreign trade	9,241	5,984	5,199	54	78	
Collections	12,515	11,309	14,529	11	(14)	
Utility-Bills collection services	10,951	10,384	14,675	5	(25)	
Mutual Funds	4,067	3,699	3,492	10	16	
Fees from bundles of products	18,550	17,998	24,593	3	(25)	
Other	15,113	18,477	11,718	(18)	29	
Total fee income	144,441	138,802	149,905	4	(4)	
Total expenditures	(25,781)	(22,741)	(23,847)	13	8	
Net fee income	118,660	116,061	126,058	2	(6)	

The net fee income reached Ps.118,660 million, registering a decrease of 6% compared to Ps.126,058 million in the second quarter of 2023.

This decrease was mainly due to lower income from fees collected from bundles of products for Ps.6,043 million (25%) and lower income from fees related to deposits accounts for Ps.5,516 million (21%), offset by higher income from foreign trade fees for Ps.4,042 million (78%).

Net income from financial instruments

The net result from financial instruments was Ps.134,188 million, Ps.56,235 million higher than the Ps.77,953 million recorded in the same quarter of 2023. This increase was a consequence of a higher result from government securities of Ps.83,066 million (414%), offset by a lower result from private sector securities for Ps.37,710 million (83%).

Net Income from Financial Instruments

In millions of pesos, except otherwise noted

	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
Government securities	103,131	118,708	20,065	(13)	414	
Argentine Central Bank	—	—	—	—	—	
Other	103,131	118,708	20,065	(13)	414	
Private sector securities	7,844	4,634	45,554	69	(83)	
Derivative financial instruments	93	(33,534)	(5,206)	(100)	(102)	
Forward transactions	1,940	(27,123)	(2,755)	(107)	(170)	
Options	(1,847)	(6,411)	(2,451)	(71)	(25)	
Results of other financial assets/liabilities	4	8	—	(50)	—	
Results from derecognition of assets	23,116	100,131	17,540	(77)	32	
Net income from financial instruments	134,188	189,947	77,953	(29)	72	

Gold and foreign currency quotation differences

The result from quotation differences of gold and foreign currency for the quarter was a Ps.37,999 million profit, Ps.85,494 million (69%) lower than the profit of Ps.123,493 million registered in the same quarter of the previous year. This result included a gain of Ps.19,157 million due to purchase and sale of foreign currency.

Other operating income

In the second quarter, other operating income amounted to Ps.37,716 million, registering a decrease of Ps.10,956 million (23%) compared to those registered in the same quarter of 2023. This lower result was mainly due to the decrease in other for Ps.9,446 million (48%).

Other Operating Income

In millions of pesos, except otherwise noted

	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
Other financial income	2,506	1,120	(139)	124	(1903)	
Rental of safe deposit boxes	5,705	3,817	5,258	49	9	
Other fee income	695	730	618	(5)	12	
Other adjustments and interest on miscellaneous receivables	18,479	28,837	23,158	(36)	(20)	
Other	10,331	10,375	19,777	—	(48)	
Total other operating income	37,716	44,879	48,672	(16)	(23)	

Loan-loss provisions

Loan loss provisions for the quarter totaled Ps.81,765 million, Ps.26,730 million (49%) higher than those recorded in the same quarter of the previous year.

Personnel expenses

Personnel expenses reached Ps.124,226 million, registering an increase of Ps.28,339 million (30%) compared to the same quarter of 2023, as a result of the 4% increase in staff, salary increase agreements with the Union and an increase in provisions for personnel compensations and rewards.

Administrative expenses

Administrative expenses for the quarter reached Ps.107,189 million, registering an increase of Ps.16,722 million (18%) compared to the second quarter of the previous year. This increase was a consequence of higher taxes for Ps.6,455 million (28%) and higher expenses for maintenance and repairment of goods and IT for Ps.6,397 million (37%).

Administrative Expenses

In millions of pesos, except otherwise noted

	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
Fees and compensations for services	6,877	4,902	4,476	40	54	
Fees to directors and syndics	204	207	188	(1)	9	
Publicity, promotion and research expenses	5,220	2,217	4,798	135	9	
Taxes	29,519	23,154	23,064	27	28	
Maintenance and repairment of goods and IT	23,627	22,426	17,230	5	37	
Electricity and communications	5,533	5,545	4,836	—	14	
Stationery and office supplies	479	619	556	(23)	(14)	
Hired administrative services	20,475	16,277	16,884	26	21	
Security	2,829	2,154	2,515	31	12	
Insurance	1,004	1,160	756	(13)	33	
Other	11,422	13,736	15,164	(17)	(25)	
Total administrative expenses	107,189	92,397	90,467	16	18	

Depreciation and devaluation of assets

The result for depreciation and devaluation of assets reached Ps.26,255 million, registering a decrease of 13% compared to the same quarter of 2023.

Other operating expenses

Other operating expenses for the quarter reached Ps.159,485 million, which represented a decrease of Ps.11,314 million (7%), compared to the Ps.170,799 million recorded in the second quarter of the previous year. This decrease was mainly generated by:

- lower expenses for turnover tax for Ps.39,970 million (33%), due to a decrease in income tax from financial operations, offset by
- higher charges for other for Ps.18,970 million (932%).

Other Operating Expenses

In millions of pesos, except otherwise noted

	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
Contribution to the Deposit Insurance Fund	2,828	2,847	3,861	(1)	(27)	
Other financial results	(2,904)	2,904	624	(200)	(565)	
Turnover tax	81,593	133,043	121,563	(39)	(33)	
On financial income	71,513	110,024	112,701	(35)	(37)	
On fees	7,051	14,260	4,646	(51)	52	
On other items	3,029	8,759	4,216	(65)	(28)	
Other fee-related expenses	46,541	44,445	36,427	5	28	
Charges for other provisions	7,102	66,572	2,840	(89)	150	
Claims	3,320	2,901	3,449	14	(4)	
Other	21,005	2,362	2,035	789	932	
Total other operating expenses	159,485	255,074	170,799	(37)	(7)	

Income tax

The income tax charge was Ps.170,644 million, Ps.106,346 million higher than in the second quarter of 2023, mainly, as a consequence of a higher operating result.

Other comprehensive income

In the second quarter of 2024, Galicia recorded a gain of Ps.809 million in other comprehensive income (OCI).

Selected financial information

Balance Sheet

In millions of pesos, except otherwise noted

	2024	2023	Variation (%)		
	2Q	1Q	2Q	vs.1Q24	vs.2Q23
Assets					
Cash and due from banks	2.487.540	2.454.635	1.968.317	1	26
Debt securities	1.439.753	441.006	179.966	226	700
Net loans and other financing	4.611.132	3.908.096	5.287.325	18	(13)
Other financial assets	5.020.772	5.283.931	7.376.897	(5)	(32)
Equity investments in subsidiaries, associates and joint businesses	6.324	6.601	8.716	(4)	(27)
Property, bank premises, equipment	593.842	583.556	585.536	2	1
Intangible assets	187.088	189.414	195.404	(1)	(4)
Other assets	78.390	178.274	74.901	(56)	5
Assets available for sale	17	17	7	—	143
Total assets	14.424.858	13.045.530	15.677.069	11	(8)
Liabilities					
Deposits	8.339.471	7.695.598	10.966.819	8	(24)
Financing from financial entities	33.644	50.366	45.547	(33)	(26)
Other financial liabilities	2.065.599	1.043.261	974.397	98	112
Nonnegotiable obligations	44.182	54.030	24.472	(18)	81
Subordinated negotiable obligations	234.551	256.268	244.604	(8)	(4)
Other liabilities	606.437	682.998	694.699	(11)	(13)
Total liabilities	11.323.884	9.782.521	12.950.538	16	(13)
Shareholders' equity	3.100.974	3.263.009	2.726.531	(5)	14
Foreign currency assets and liabilities					
Assets	3.738.827	3.459.239	3.504.058	8	7
Liabilities	3.027.119	3.038.846	2.340.727	—	29
Net forward purchases/(sales) of foreign currency ⁽¹⁾	(80.118)	45.372	(11.856)	(277)	576
Net global position in foreign currency	631.590	465.765	1.151.475	36	(45)

(1) Recorded off-balance sheet.

Level of activity

Financing

As of June 30, 2024, financing to the private sector reached Ps.5,435,805 million, registering a 7% decrease compared to the same period of the previous year. This decrease was mainly due to a reduction in loans in pesos, amounting to Ps.1,247,420 million (26%), offset by an increase in loans in foreign currency for Ps.507,148 million (159%).

The market share of total loans to the private sector as of June 30, 2024, reached 11.89%, which represented an increase of 12 bp compared to the second quarter of 2023.

Financing to the Private Sector⁽¹⁾

In millions of pesos, except otherwise noted

	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
In pesos	4,184,889	3,602,381	5,251,359	16	(20)	
Loans	3,486,106	3,135,944	4,733,526	11	(26)	
UVA-adjusted loans	298,984	267,746	315,983	12	(5)	
Financial leases	8,456	8,695	19,103	(3)	(56)	
Other financing ⁽²⁾	391,343	189,996	182,747	106	114	
In foreign currency	1,250,916	1,021,850	614,954	22	103	
Loans	825,449	517,073	318,301	60	159	
Financial leases	508	569	1,662	(11)	(69)	
Other financing ⁽²⁾	424,959	504,208	294,991	(16)	44	
Total financing to the private sector	5,435,805	4,624,231	5,866,313	18	(7)	

(1) Includes IFRS adjustments.

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

As of June 30, 2024, the loan portfolio and other financing net of provisions reached Ps.4,611,132 million, registering a 13% decrease compared to the second quarter of the previous year.

The main decreases were in:

- promissory notes for Ps.481,911 million (26%),
- credit cards for Ps.432,323 million (24%).

Breakdown of loans and other financing

In millions of pesos, except otherwise noted

	2024	2023	Variation (%)		
	2Q	1Q	2Q	vs.1Q24	vs.2Q23
Financial entities	17,650	11,108	67,161	59	(74)
Loans	17,650	11,108	67,161	59	(74)
Non-financial private sector and residents abroad	4,738,292	4,026,983	5,419,865	18	(13)
Loans	4,592,889	3,909,655	5,300,649	17	(13)
Overdrafts	655,415	497,352	481,848	32	36
Promissory notes	1,387,563	1,155,936	1,869,474	20	(26)
Mortgage loans	44,331	45,371	77,115	(2)	(43)
Pledge loans	70,718	54,525	114,219	30	(38)
Personal loans	425,018	302,400	487,020	41	(13)
Credit-card loans	1,357,421	1,263,609	1,789,744	7	(24)
Pre-financing and financing of exports	158,858	152,488	47,849	4	232
Other Loans	198,381	112,668	117,411	76	69
Accrued interest, adjustments and foreign currency quotation differences receivable	307,387	340,632	350,899	(10)	(12)
Documented interest	(12,203)	(15,326)	(34,930)	(20)	(65)
Financial leases	8,964	9,264	20,765	(3)	(57)
Other financing	136,439	108,064	98,451	26	39
Non-financial public sector	5,311	164	12,576	3,138	(58)
Total loans and other financing	4,761,253	4,038,255	5,499,602	18	(13)
Allowances	(150,121)	(130,159)	(212,277)	15	(29)
Loans	(147,104)	(128,182)	(210,011)	15	(30)
Financial leases	(190)	(249)	(201)	(24)	(5)
Other financing	(2,827)	(1,728)	(2,065)	64	37
Net loans and other financing	4,611,132	3,908,096	5,287,325	18	(13)

Exposure to the Argentine public sector

Net Exposure to the Argentine Public Sector⁽¹⁾

In millions of pesos, except otherwise noted

	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
Government securities' net Position	5,331,345	3,105,448	6,238,628	72	(15)	
Measured at fair value	1,500,780	451,188	100,276	233	1,397	
In pesos	814,883	11,051	15,221	7,274	5,254	
Adjusted by CER	64,744	39,502	58,759	64	10	
In foreign exchange	8,322	26,067	19,766	(68)	(58)	
Bono Dual	612,831	374,568	6,530	64	9,285	
Measured at amortized cost	2,267,073	2,654,260	6,138,352	(15)	(63)	
In pesos	280,127	263,382	466,467	6	(40)	
Adjusted by CER	1,849,144	2,211,525	688,569	(16)	169	
In foreign exchange	102,624	67,121	—	53	—	
Bono Dual	—	—	747,111	—	(100)	
Leliq	—	—	3,776,915	—	(100)	
Lediv	35,178	112,232	459,290	(69)	(92)	
Measured at fair value through OCI	1,563,492	—	—	—	—	
In pesos	1,563,492	—	—	—	—	
Other receivables resulting from financial brokerage	665,404	2,132,507	788,538	(69)	(16)	
Repurchase agreement transactions -Argentine Central Bank	660,093	2,132,343	775,843	(69)	(15)	
Loans and other financing	5,311	164	12,576	3,138	(58)	
Trust certificates of participation and securities	—	—	119	—	(100)	
Total exposure to the public sector	5,996,749	5,237,955	7,027,166	14	(15)	

(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 June 30, 2024, net exposure to the public sector reached Ps.5,996,749 million, registering a decrease of 15% in the last twelve months, as a result of a reduction in the portfolio of Leliq at amortized cost for Ps.3,776,915 million, offset by an increase of securities adjusted by CER at amortized cost for Ps.1,160,575 million and of government securities in pesos at fair value through OCI for Ps.1,563,492 million.

Excluding the instruments issued by the BCRA (Leliq and Lediv) and repurchase agreement transactions, the net exposure to the public sector was Ps.5,301,478 million, equivalent to 37% of the total asset, while in the second quarter of 2023 said exposure was Ps.2,993,380 million, representing 23% of total asset.

If the securities had been valued at fair value instead of at amortized cost, excluding the instruments issued by the BCRA, this would generate a decrease in said securities of Ps.119,476 million.

Funding and liabilities

Deposits amounted to Ps.8,339,471 million as of June 30, 2024, registering a 24% decrease compared to the second quarter of the previous year. This decrease was the result of a lower volume of time deposits in pesos for Ps.2,672,107 million (58%).

Deposits

In millions of pesos, except otherwise noted

	2024		2023	Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23
In pesos	5,791,819	5,205,868	9,098,566	11	(36)
Current accounts	1,055,042	891,236	1,228,633	18	(14)
Saving accounts	924,610	670,263	1,131,354	38	(18)
Time deposits	1,917,014	2,108,633	4,589,121	(9)	(58)
UVA-adjusted time deposits	115,288	98,549	98,876	17	17
Other	1,614,085	1,205,483	1,745,065	34	(8)
Interests and adjustments	165,780	231,704	305,517	(28)	(46)
In foreign currency	2,547,652	2,489,730	1,868,253	2	36
Saving accounts	1,545,563	1,522,080	1,120,290	2	38
Time deposits	301,843	231,814	273,639	30	10
Other	699,705	735,378	473,754	(5)	48
Interests and adjustments	541	458	570	18	(5)
Total deposits	8,339,471	7,695,598	10,966,819	8	(24)

Total deposit accounts as of June 30, 2024, reached 7.7 million, with an increase of 8% compared to the same date of the previous year.

The market share of private sector deposits reached 10.49% as of June 30, 2024, registering an increase of 57 bp compared to the second quarter of 2023.

Financial liabilities amounted to Ps.2,377,976 million, registering an increase of Ps.1,088,957 million (84%) compared to the Ps.1,289,019 million registered in the second quarter of 2023.

The variation was mainly due to an increase in other financial liabilities for Ps.977,717 million (220%) and an increase in creditors from purchases of foreign currency for Ps.46,006 million.

Financial Liabilities

In millions of pesos, except otherwise noted

	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
Financial entities	33,644	50,366	45,546	(33)	(26)	
Financing from credit-card purchases	419,218	342,448	395,772	22	6	
Negotiable obligations	44,182	54,031	24,473	(18)	81	
Subordinated negotiable obligations	234,551	256,267	244,604	(8)	(4)	
Creditors from purchases of foreign currency	46,452	52,012	446	(11)	N/A	
Collections on account of third parties	176,856	195,660	132,822	(10)	33	
Other financial liabilities	1,423,073	453,141	445,356	214	220	
Total financial liabilities	2,377,976	1,403,925	1,289,019	69	84	

Liquidity

Liquidity						
Percentages, except otherwise noted	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
Cash and due from banks	2,487,540	2,454,635	1,968,317	1	26	
Government securities	1,065,625	194,966	3,369,284	447	(68)	
Call-money	5,005	—	22,663	—	(78)	
Overnight placements in correspondent banks	169,162	112,304	103,958	51	63	
Repurchase agreement transactions	675,673	2,145,932	802,344	(69)	(16)	
Escrow accounts	185,801	165,745	222,008	12	(16)	
Other financial assets	4,031	794	1,753	408	130	
Total liquid assets	4,592,837	5,074,376	6,490,327	(9)	(29)	
Liquidity ratios (%)						Variation (bp)
Liquid assets as a percentage of transactional deposits	80.13	104.92	125.84	(2,479)	(4,571)	
Liquid assets as a percentage of total deposits	55.07	65.94	59.18	(1,087)	(411)	

As of June 30, 2024, the Bank's liquid assets represented 80.13% of the Bank's transactional deposits and 55.07% of its total deposits, compared to 104.92% and 65.94%, respectively, as of June 30, 2023.

Asset quality

The non-accrual financing portfolio (that includes certain items of other financial assets and guarantees granted) amounted to Ps.107,789 million as of June 30, 2024, representing 1.98% of private-sector financing, recording a 67 bp decrease as compared to the 2.65% recorded in the same quarter of 2023.

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 160.30%, compared to 160.78% of a year before.

Financing Portfolio Quality

In millions of pesos, except otherwise noted

	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
Non-accrual Financings	107,789	96,603	155,173	12	(31)	
With preferred guarantees	3,223	3,787	5,930	(15)	(46)	
With other guarantees	2,184	1,534	3,185	42	(31)	
Without guarantees	102,382	91,282	146,058	12	(30)	
Allowance for loan losses	172,790	143,395	249,486	20	(31)	
Relevant ratios (%)						Variation (bp)
NPL Ratio	1.98	2.09	2.65	(11)	(67)	
Allowance for loan losses to loans to the private sector	3.18	3.10	4.25	8	(107)	
Coverage	160.30	148.44	160.78	1,186	(48)	
Non-accrual loans with guarantees to non-accrual financing	5.02	5.51	5.87	(49)	(85)	
Cost of risk	6.50	4.85	3.77	165	273	

During the quarter, Ps.26,226 million were charged off against the allowance for loan losses and direct charges to the income statement for Ps.482 million were made.

Analysis of Loan Loss Experience

In millions of pesos, except otherwise noted

		2024	2023	Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23
Allowance for loan losses					
At the beginning of the quarter	143,395	163,701	269,482	(12)	(47)
Changes in the allowance for loan losses					
Provisions charged to income	81,284	55,657	54,427	46	49
Charge offs	(26,226)	(15,179)	(11,792)	73	122
Inflation effect	(25,663)	(60,784)	(62,631)	(58)	(59)
Allowance for loan losses at the end of the quarter	172,790	143,395	249,486	20	(31)
Charge to the income statement					
Provisions charged to income	(81,283)	(55,658)	(54,429)	46	49
Direct charge offs	(482)	(424)	(606)	14	(20)
Bad debts recovered	3,504	1,362	1,879	157	86
Net charge to the income statement	(78,261)	(54,720)	(53,156)	43	47

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	2024		2023	Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23
Minimum capital requirement (A)	777,746	607,997	232,783	28	234
Allocated to credit risk	503,939	413,061	166,304	22	203
Allocated to market risk	15,438	8,109	12,500	90	24
Allocated to operational risk	258,369	186,827	53,979	38	379
Computable capital (B)	2,741,038	2,363,657	673,691	16	307
Tier I	2,649,863	2,277,915	621,028	16	327
Tier II	91,175	85,742	52,663	6	73
Excess over required capital (B) (A)	1,963,292	1,755,660	440,908	12	345
Risk weighted assets	9,530,221	7,426,063	2,849,228	28	234
Ratios (%)	Variation (bp)				
Total capital ratio	28.76	31.83	23.64	(307)	512
Tier I capital ratio	27.80	30.67	21.80	(287)	600

As of June 30, 2024, the computable capital was Ps.2,741,038 million and the minimum capital requirement was Ps.777,746 million, leaving an excess of Ps.1,963,292 million (252%). This excess was Ps.440,908 million (189%) as of the same date in 2023.

The capital requirement increased Ps.544,963 million and the computable capital increased Ps.2,067,347 million, compared to the second quarter of 2023. This increase was a consequence of the results generated in the period and the higher value of the accounting net worth, which in turn, was a result of the application of the inflation adjustment. The total capital ratio was 28.76%, registering an increase of 512 bp compared to the second quarter of 2023 and a decrease of 307 bp with respect to the first quarter of 2024.

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.107,593 million

Net income for the period

+2,991% vs. 6M 2023

41.88%

ROE

+4,041 bp vs. 6M 2023

41.16%

Efficiency ratio

-2,824 bp vs. 6M 2023

Ps.80,772 million

Results for the quarter

+11,606% vs. 2Q 2023

61.21%

ROE

+6,063 bp vs. 2Q 2023

33.61%

Efficiency ratio

-3,509 bp vs. 2Q 2023

2,629

Employees

9,105

Credit cards
In thousands

5.05%

Market share:
Loans

129

Branches and
other points of sale

77%

Digital clients

3.28%

Market share:
Deposits

Ps.356,792

Average balance of
deposits
In millions

5,608

Deposit accounts
In thousands

Results for the quarter

In the second quarter, Naranja X registered a net income of Ps.80,772 million, Ps.80,082 million, higher than the result recorded in the same period of the previous year. This was due to the increase in operating income for the quarter, reaching Ps.170,842 million, 94% higher than the Ps.87,845 million in the same quarter of 2023.

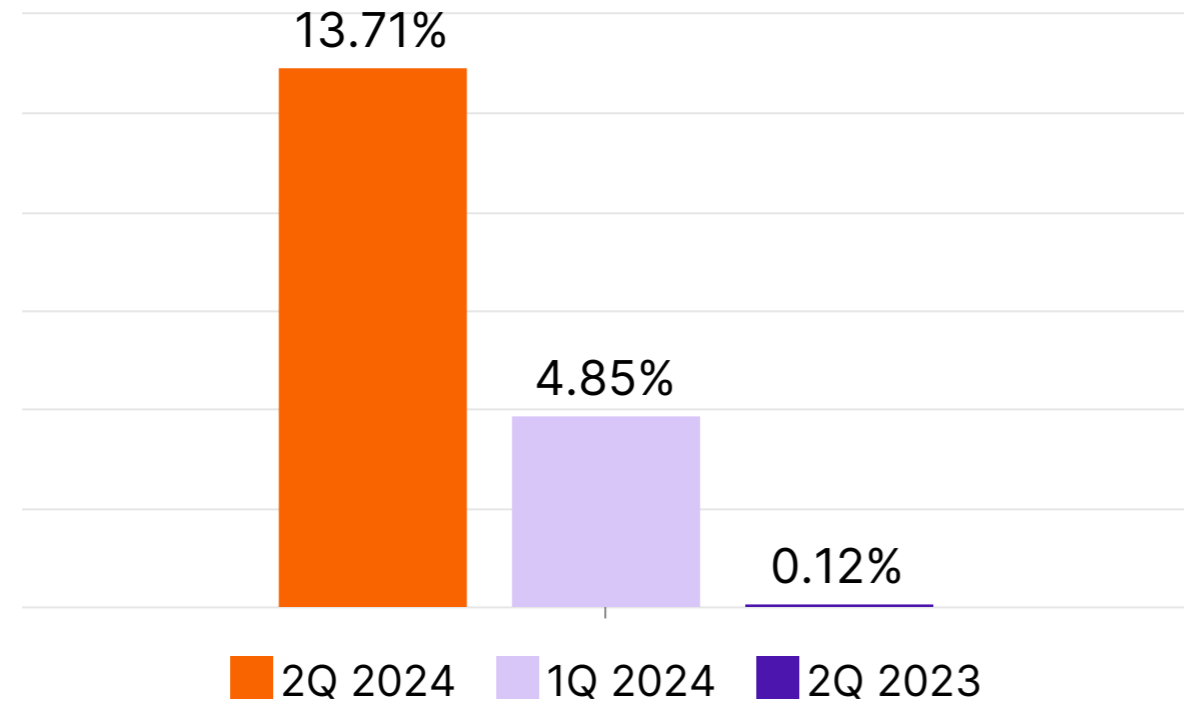
Net operating income increased by Ps.97,868 million (48%), mainly as a result of an increase in net interest income of Ps.118,515 million (102%), offset by an increase in loan loss provisions of Ps.37,337 million (141%).

The result for the quarter represented, on an annualized basis, an ROA of 13.71% and an ROE of 61.21%, while in the second quarter of 2023 they represented 0.12% and 0.58%, respectively.

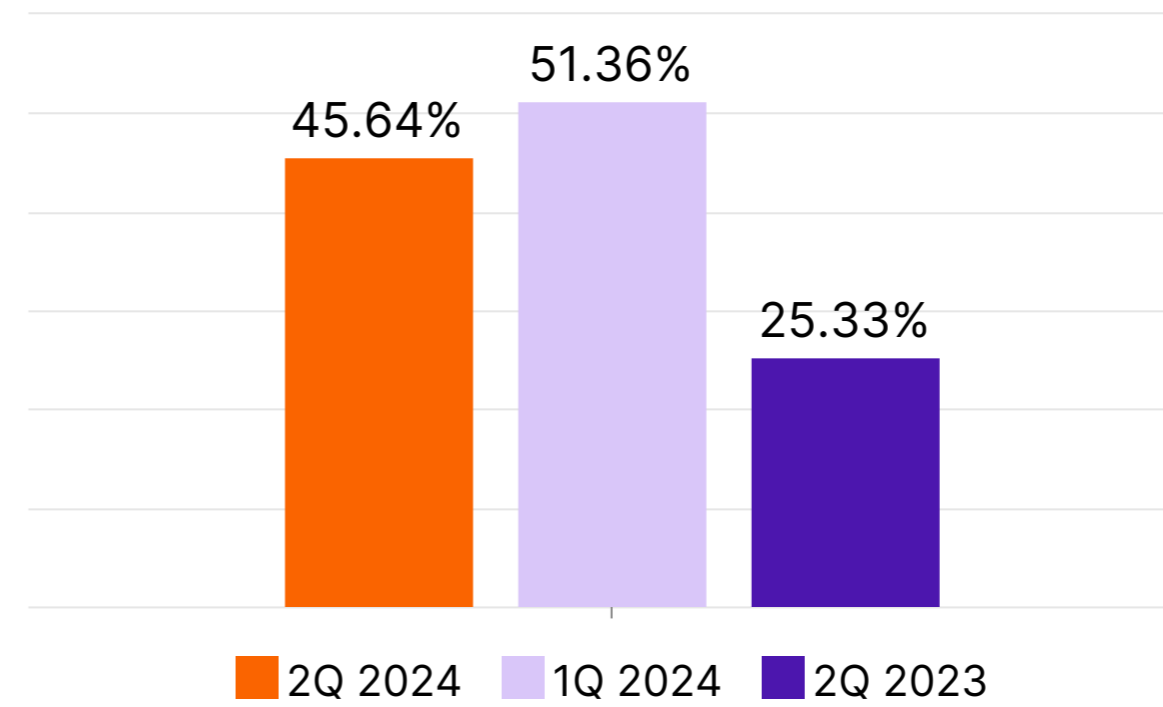
Income Statement					
In millions of pesos, except otherwise noted	2024		2023		Variation (%)
	2Q	1Q	2Q	vs.1Q24	vs.2Q23
Net interest income	234,256	226,032	115,741	4	102
Net fee income	89,412	76,254	81,485	17	10
Net results from financial instruments	18,620	26,104	16,625	(29)	12
Gold and foreign currency quotation differences	1,099	3,150	(684)	(65)	(261)
Other operating income	22,047	19,933	17,062	11	29
Loan loss provisions	(63,742)	(46,345)	(26,405)	38	141
Net operating income	301,692	305,128	203,824	(1)	48
Personnel expenses	(34,236)	(34,650)	(33,926)	(1)	1
Administrative expenses	(39,301)	(38,200)	(32,250)	3	22
Depreciations and devaluations of assets	(6,272)	(5,620)	(5,544)	12	13
Other operating expenses	(51,041)	(52,355)	(44,259)	(3)	15
Operating income	170,842	174,303	87,845	(2)	94
Results from the net monetary position	(64,271)	(142,802)	(75,634)	(55)	(15)
Income tax	(25,799)	(4,680)	(11,521)	451	124
Net income	80,772	26,821	690	201	N/A
Other comprehensive income	(343)	(485)	640	(29)	(154)
Total comprehensive income	80,429	26,336	1,330	205	5,947

Profitability and efficiency

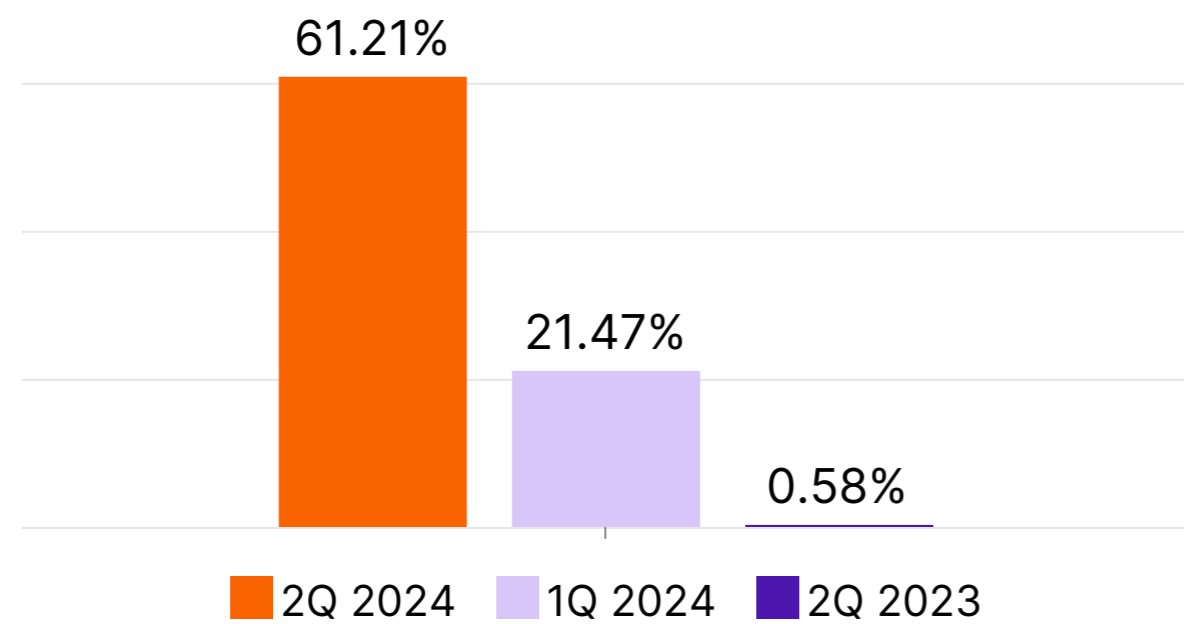
ROA



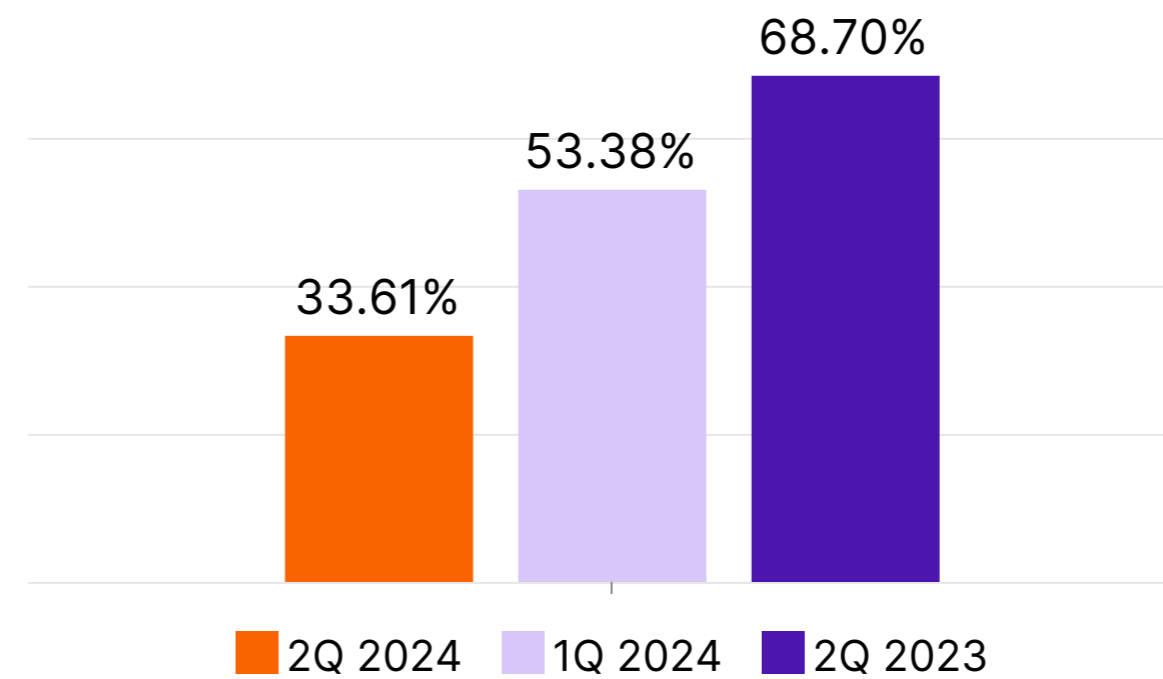
Financial margin



ROE



Efficiency ratio



Selected financial information

Balance Sheet

In millions of pesos, except otherwise noted

	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
Assets						
Cash and due from banks	44,630	31,437	31,539	42	42	
Debt securities	45,002	45,603	44,840	(1)	—	
Net loans and other financing	1,943,738	1,599,854	1,670,256	21	16	
Other financial assets	527,971	474,045	452,884	11	17	
Property, bank premises, equipment	57,242	57,469	64,583	—	(11)	
Intangible assets	13,971	14,956	16,611	(7)	(16)	
Other non-financial assets	54,476	57,537	48,849	(5)	12	
Total assets	2,687,030	2,280,901	2,329,562	18	15	
Liabilities						
Deposits	517,259	350,784	218,285	47	137	
Financing from financial entities	310,808	228,059	259,053	36	20	
Other financial liabilities	1,081,063	930,544	1,003,439	16	8	
Negotiable obligations	84,881	127,250	268,367	(33)	(68)	
Other non-financial liabilities	125,994	122,103	106,008	3	19	
Total liabilities	2,120,005	1,758,740	1,855,152	21	14	
Shareholders' equity	567,025	522,161	474,410	9	20	

Assets quality

Loan Portfolio Quality

Percentages, except otherwise noted

	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
Non-accrual loans	84,976	45,489	76,476	87	11	
Allowances for loan losses and provisions	123,239	86,277	91,587	43	35	
Ratios (%)						Variation (bp)
NPL Ratio	4.35	2.88	4.42	147	(7)	
Allowance for loan losses to loans to the private sector	6.32	5.46	5.29	86	103	
Coverage	145.03	189.66	119.76	(4,463)	2,527	
Cost of risk	14.03	11.72	6.07	231	796	

Taking into consideration the provisions for unused credit-card balances, the coverage ratio as of June 30, 2024, amounted to 145.03%, compared to 119.76% on the same date of the previous year.

Analysis of Loan Loss Experience

In millions of pesos, except otherwise noted

	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
Allowances for loan losses						
At the beginning of the quarter	86,277	76,583	92,275	13	(7)	
Changes in the allowance for loan losses						
Provisions charged to income	61,850	45,010	24,302	37	155	
Reversals of allowances for loan losses	(4,188)	(5,188)	(4,356)	(19)	(4)	
Charge off	(4,565)	(620)	(2,090)	636	118	
Effect of inflation	(16,135)	(29,508)	(18,544)	(45)	(13)	
Allowance for loan losses at the end of the quarter	123,239	86,277	91,587	43	35	
Charge to the income statement						
Provisions charged to income	(61,850)	(45,010)	(24,301)	37	155	
Direct charge offs	(1,892)	(1,335)	(2,104)	42	(10)	
Bad debt recovered	975	1,093	1,260	(11)	(23)	
Net charge to the income statement	(62,767)	(45,252)	(25,145)	39	150	



Galicia Seguros

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.(10,003) million

Net income for the period attributable to Seguros

-233% vs. 6M 2023

(64.27)%

ROE

-11,898 bp vs. 6M 2023

93.26%

Combined Ratio

+461 bp vs. 6M 2023

752

Employees

2,616

Clients

In thousands

3,256

Policies

In thousands

13

Agencies

Ps.11,491 million

Net income for the quarter attributable to Seguros

+200% vs. 2Q 2023

178.41%

ROE

+12,279 bp vs. 2Q 2023

52.24%

Combined Ratio

-3,912 bp vs. 2Q 2023

Sura

As of the fourth quarter of 2023, Sudamericana Holding consolidates with Sura Argentina.

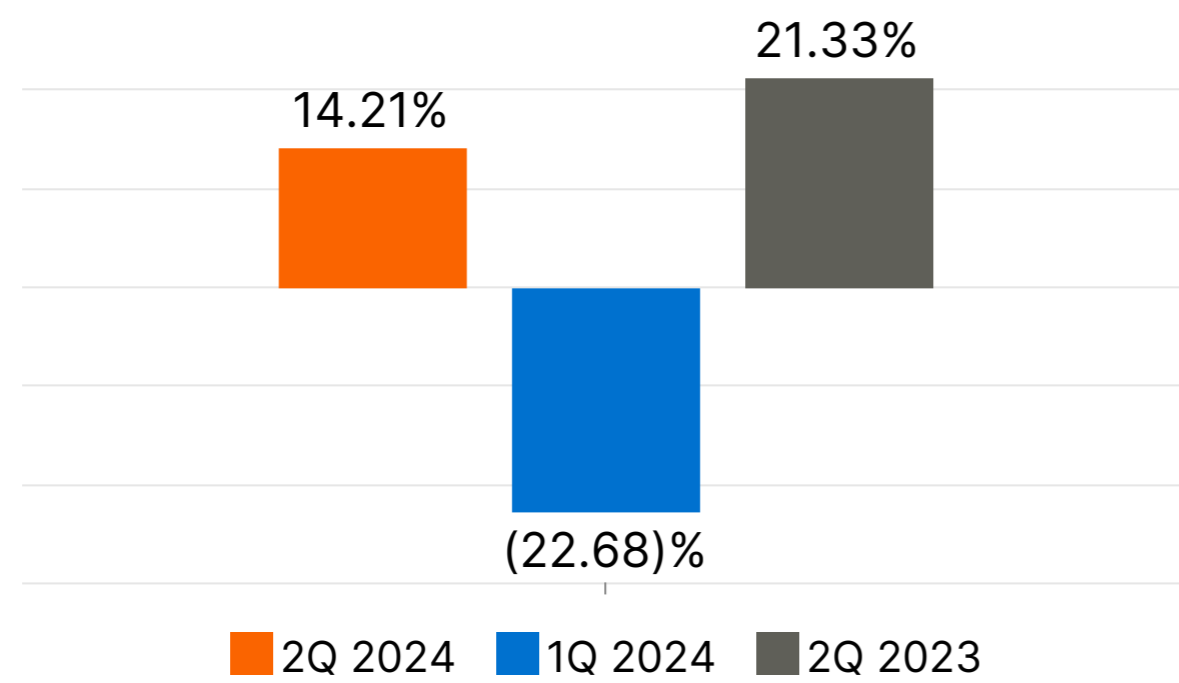
Results for the quarter

Income Statement

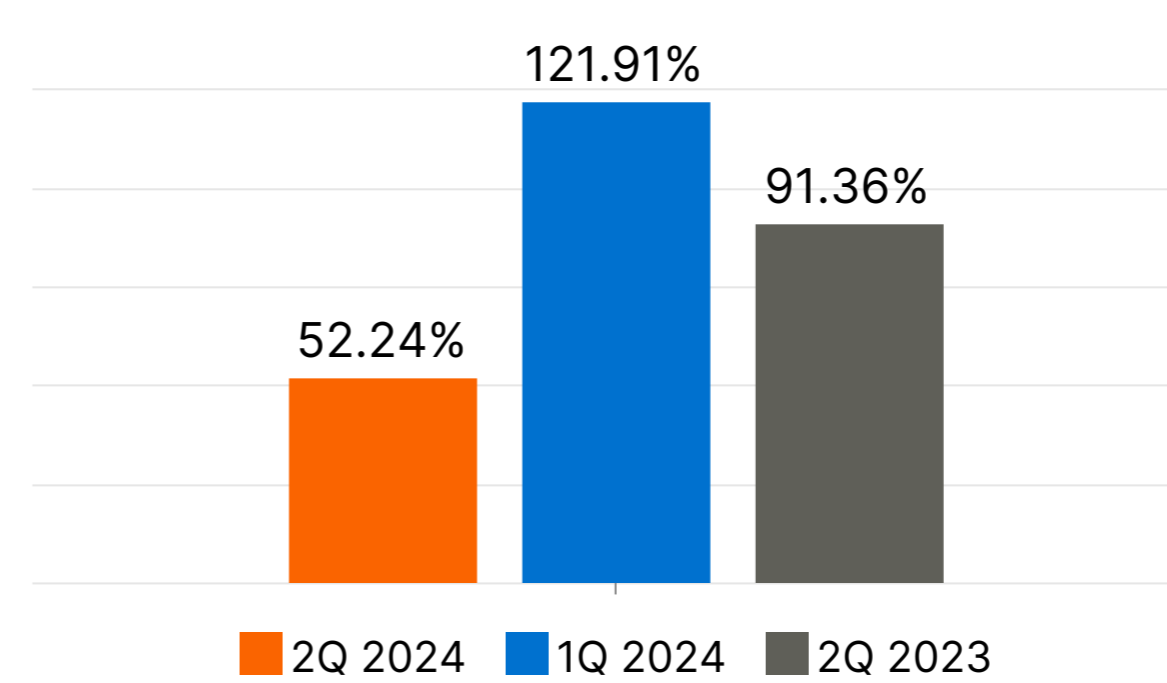
In millions of pesos, except otherwise noted	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
Earned premium	87,991	63,793	29,749	38	196	
Incurred claims	(27,876)	(34,555)	(5,144)	(19)	442	
Withdrawals	(58)	(69)	(140)	(16)	(59)	
Life annuities	(25)	(28)	(37)	(11)	(32)	
Acquisition and general expenses	(20,310)	(20,109)	(13,616)	1	49	
Other income and expenses	476	(2,169)	(192)	(122)	(348)	
Underwriting income	40,198	6,863	10,620	486	279	
Interest income	10,149	13,844	5,735	(27)	77	
Net results from financial instruments	2,220	6,067	1,516	(63)	46	
Gold and foreign currency quotation differences	252	6,432	29	(96)	769	
Other operating income	2,722	3,827	1,824	(29)	49	
Net operating income	55,541	37,033	19,724	50	182	
Personnel expenses	(8,220)	(11,086)	(4,936)	(26)	67	
Administrative expenses	(5,132)	(7,741)	(2,161)	(34)	137	
Depreciations and devaluations of assets	(2,635)	(2,016)	(955)	31	176	
Other operating expenses	(6,328)	(52,176)	—	(88)	—	
Operating income	33,226	(35,986)	11,672	(192)	185	
Results from the net monetary position	(8,484)	(7,596)	(4,141)	12	105	
Results from associates and joint businesses	—	—	—	—	—	
Income tax	(13,191)	21,979	(3,699)	(160)	257	
Net income	11,551	(21,603)	3,832	(153)	201	
Net Income Attributable to Parent Company's Owners	60	(109)	—	(155)	—	
Net Income Attributable to Non-controlling Interests	11,491	(21,494)	3,832	(153)	200	
Other comprehensive income	(383)	291	95	(232)	(503)	
Total comprehensive income	11,168	(21,312)	3,927	(152)	184	
Total comprehensive income Attributable to Non-controlling Interests	60	(109)	—	(155)	—	
Total comprehensive income Attributable to Parent Company's Owners	11,108	(21,203)	3,927	(152)	183	

Profitability and efficiency

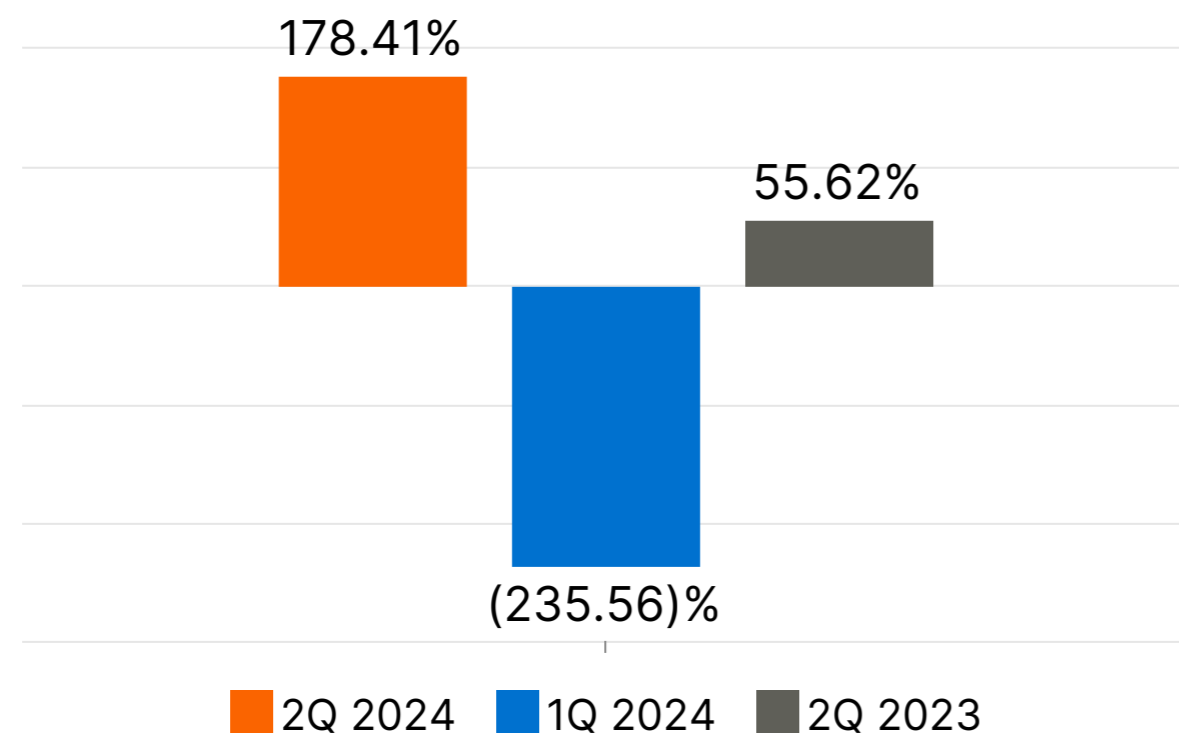
ROA



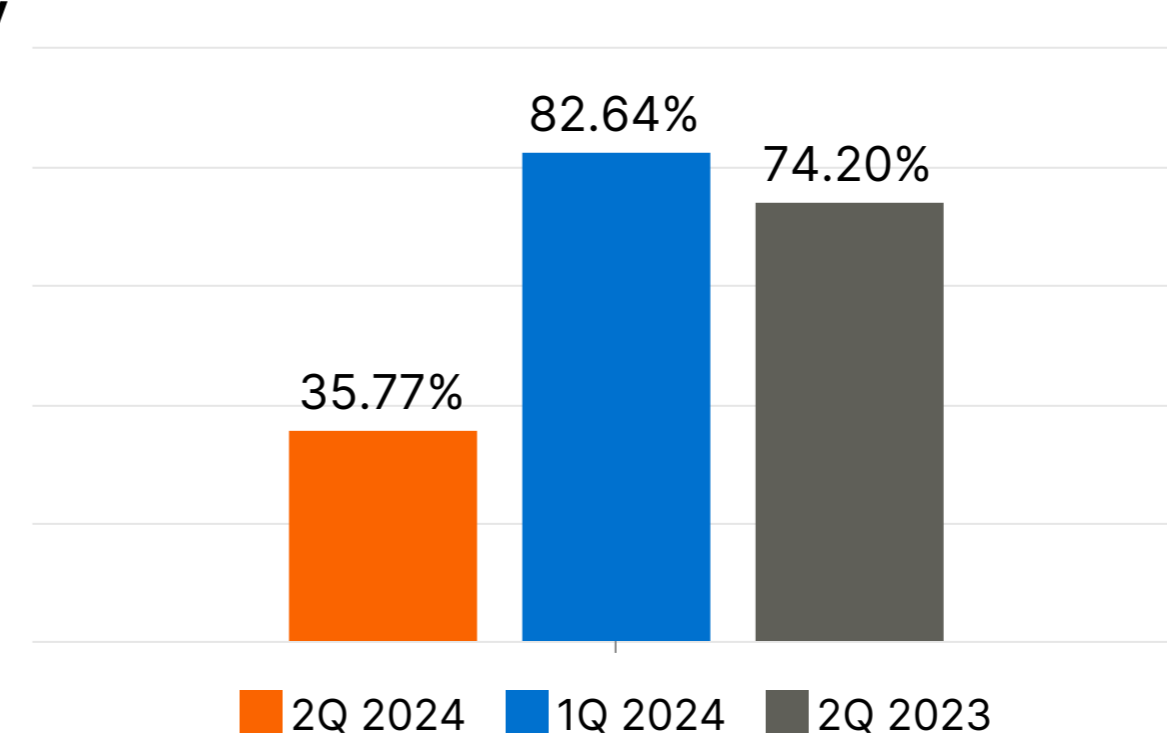
Combined ratio



ROE



Efficiency ratio



Selected financial information

Balance Sheet

In millions of pesos, except otherwise noted

		2024	2023	Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23
Assets					
Cash and due from banks	2,552	4,003	1,089	(36)	134
Debt securities	70,198	90,648	933	(23)	7,424
Net loans and other financing	—	—	30	—	(100)
Other financial assets	35,282	42,082	38,282	(16)	(8)
Property, bank premises, equipment	5,128	4,622	1,230	11	317
Intangible assets	17,055	17,123	1,650	—	934
Assets for insurance contracts	126,900	134,673	27,467	(6)	362
Other non-financial assets	44,747	58,770	6,140	(24)	629
Total assets	301,862	351,921	76,821	(14)	293
Liabilities					
Liabilities for insurance contracts	224,591	265,174	27,330	(15)	722
Other non-financial liabilities	43,624	57,514	19,602	(24)	123
Total liabilities	268,215	322,688	46,932	(17)	471
Shareholders' equity	33,647	29,233	29,889	15	13

Fondos Fima

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



Highlights



Ps.25,390 million

Net income for the period

-5% vs. 6M 2023

Ps.5,371

Assets under management
In billions

+23% vs. 2Q 2023

12.8%

Market share

+200 bp vs. 2Q 2023

Ps.12,020 million

Net income for the quarter

-27% vs. 2Q 2023

29

Employees

16

Assets under management

Results for the quarter

Income Statement

In millions of pesos, except otherwise noted

	2024		2023	Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23
Net interest income	—	—	(561)	—	(100)
Net results from financial instruments	2,858	6,183	8,112	(54)	(65)
Gold and foreign currency quotation differences	11	12	25	(8)	(56)
Other operating income	23,984	21,393	20,336	12	18
Net operating income	26,853	27,588	27,912	(3)	(4)
Personnel and administrative expenses	(1,630)	(1,533)	(1,477)	6	10
Other operating expenses	(1,482)	(1,526)	(1,528)	(3)	(3)
Operating income	23,741	24,529	24,907	(3)	(5)
Results from the net monetary position	(4,024)	(9,226)	(4,536)	(56)	(11)
Income tax	(7,697)	(1,933)	(3,914)	298	97
Net income	12,020	13,370	16,457	(10)	(27)

Assets under management

Mutual fund

In millions of pesos, except otherwise noted

	2024		2023	Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23
Fima Acciones	68,193	47,147	46,103	45	48
Fima PB Acciones	36,436	27,108	26,208	34	39
Fima Renta en Pesos	77,555	76,123	100,060	2	(22)
Fima Ahorro Pesos	233,870	105,036	186,203	123	26
Fima Renta Plus	61,313	67,011	55,793	(9)	10
Fima Premium	4,499,300	3,258,621	3,400,842	38	32
Fima Ahorro Plus	216,946	156,786	306,300	38	(29)
Fima Capital Plus	112,567	146,852	192,731	(23)	(42)
Fima Abierto Pymes	10,427	10,404	9,024	—	16
Fima Mix I	23,987	24,625	23,332	(3)	3
Fima Mix II	6,618	7,107	4,146	(7)	60
Fima Renta Fija Internacional	5,238	6,118	5,848	(14)	(10)
Fima Sustentable ESG	4,696	3,874	3,181	21	48
Fima Acciones Latinoamericanas Dólares	473	632	602	(25)	(21)
Fima Renta Fija Dólares	3	4	—	(25)	—
Fima Mix Dólares	13,757	4	—	N/A	—
Total assets under management	5,371,379	3,937,452	4,360,373	36	23

Selected financial information

Balance Sheet

In millions of pesos, except otherwise noted

	2024		2023		Variation (%)	
	2Q	1Q	2Q	vs.1Q24	vs.2Q23	
Assets						
Cash and due from banks	8,199	6,155	7,066	33	16	
Debt securities	48	52	—	(8)	—	
Net loans and other financing	10	2	—	400	—	
Other financial assets	33,438	25,187	37,394	33	(11)	
Other non-financial assets	44	300	12	(85)	267	
Total assets	41,739	31,696	44,472	32	(6)	
Liabilities						
Other non-financial liabilities	10,636	12,617	12,093	(16)	(12)	
Total liabilities	10,636	12,617	12,093	(16)	(12)	
Shareholders' equity	31,103	19,079	32,379	63	(4)	

Relevant information



Dividends

On June 18, 2024, Grupo Galicia made cash dividends available in the amount of Ps.146,119 million as of June 28, 2024, as approved at the Shareholders' Meeting on April 30, 2024.

Additionally, on July 16, 2024, Grupo Galicia made cash dividends available starting July 24, in the amount of Ps.152,807 million.

Negotiable obligations

On August 2, 2024, Banco Galicia issued the Class XIV Negotiable Obligation for Ps.35,384 million, maturing in 6 months and with an interest rate of Badlar +4.5%.

ESG



Green Fund for Environmental Sustainability

In June, together with the Municipality of Mendoza, Banco Galicia launched the second edition of the Green Fund for Environmental Sustainability (FOVE). This Fund aims to promote, finance and enhance applied research and outreach projects, aimed at producing innovative solutions on environmental issues in the Metropolitan Area of Mendoza, which require scientific knowledge or technological development. In addition, it aims to enable universities, academic institutions, NGOs and research centers to present projects on environmental issues.

First green bond for the City of Mendoza

In June, as part of Banco Galicia's sustainable finance agenda, the Municipality of Mendoza placed a bond with the social, green and sustainable label (SVS) for 24 months for a total of Ps.500 million. Galicia, as the city's financial agent, promoted and led the transaction as the exclusive organizer and issuer. The proceeds from the placement will be used to finance the energy transition plan, through the installation of photovoltaic modules in green spaces and municipal buildings.

Sustainability Week

In June, Banco Galicia was present at IDB Invest's Sustainability Week, where Galicia's challenges and commitments to drive change towards a low-carbon economy were shared.

GLI Forum

In June, Banco Galicia joined Pro Mujer's #ForoGLILatam2024 hashtag, where more than 900 people from 23 countries met to discuss how to generate conversations and networks that allow them to promote gender-focused investment in Latin America.

Regulatory changes



Financing the Public Sector

With communications “A” 8020 and 8058, the Argentina Central Bank (BCRA) excluded from the limits on “Financing to the non-financial public sector”, the “Capitalizable National Treasury Bills in pesos” (LECAP) that are subscribed primarily for its own portfolio as of May 16, 2024, for up to the amount equivalent to the accumulated decrease in the balance of passive repurchase agreements with the BCRA registered at the close of operations on May 15, 2024, and until the date of integration of such LECAP; it also included those acquired in the secondary market as of July 5, 2024. With communication “A” 8061, the Central Bank modified and established that the “Fiscal Liquidity Bills” (LeFi) acquired by financial entities are excluded from the credit limits established in Section 6.

Through communication “A” 8063, the BCRA established that national public securities whose liquidity options agreed with the Argentine Central Bank are rescinded will be excluded from the limits.

Suspension of transfers with the BCRA. New operation of Purchase-Sale of Fiscal Liquidity Bills (LeFi)

Through communication “A” 8060, the arrangement of new passive repurchase transactions through the BCRA round is suspended as of July 22. From that date, financial institutions may purchase from the BCRA “Fiscal Liquidity Bills” issued by the National State. Entities may sell all or part of their holdings of these Bills to the BCRA.

Liquidity Options Termination Call

The Argentine Central Bank, through communication “B” 12847, reported that it will offer financial institutions the possibility of terminating liquidity options for public securities. The price at which each contract will be terminated recognizes the holders of said instruments a value equivalent to the premium in pesos agreed upon in due time, proportional to the number of days remaining until the end of each contract, and increased according to the variation of the CER index from the date on which it was paid until the date of settlement of the termination.

Minimum Capital. Adjustments.

Through communications “A” 8066, 8067 and 8068, the BCRA made changes to the rules on Credit Risk Coverage, Credit Risk and Operational Risk, to align local standards with Basel.

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 + withdrawals + life annuities) / (earned premiums).

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 clients: 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

	2024	2024	2023	2023	2023
	2Q	1Q	4Q	3Q	2Q
Consumer price index (IPC) ⁽¹⁾	6,351.7145	5,357.0929	3533.1922	2304.9242	1709.6115
Consumer price index (IPC) (%)	18.57	51.62	53.29	34.82	23.78
Wholesale price index (IPIM) (%) ⁽²⁾	9.90	36.97	84.07	38.75	23.08
Acquisition value unit (UVA) ⁽³⁾	1042.74	786.10	463.40	337.84	272.76
Exchange rate (Ps./US\$) ⁽⁴⁾	911.75	857.42	808.48	350.01	256.68
Badlar ⁽⁵⁾ (quartely averages)	44.14	101.56	124.25	103.46	85.97

(1) Published by the INDEC (National Institute of Statistics and Censuses of the Argentine Republic)

(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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