



Grupo Financiero Galicia S.A. (GGAL)

Updated January 24th, 2026 by Nikolaos Sismanis

Key Metrics

Current Price:	\$54	5 Year Annual Expected Total Return:	-1.2%	Market Cap:	\$8.5 B
Fair Value Price:	\$45	5 Year Growth Estimate:	0.0%	Ex-Dividend Date:	02/02/2026
% Fair Value:	119%	5 Year Valuation Multiple Estimate:	-3.5%	Dividend Payment Date:	02/09/2026
Dividend Yield:	2.1%	5 Year Price Target	\$45	Years Of Dividend Growth:	0
Dividend Risk Score:	F	Sector:	Financials	Rating:	Sell

Overview & Current Events

Grupo Financiero Galicia S.A. is Argentina's largest domestically owned private financial group, serving an ecosystem of over 9 million customers through its diverse subsidiaries. Its flagship brand, Banco Galicia, has been a leader in retail and corporate banking since 1905, and recently solidified its dominance by acquiring HSBC's Argentine operations, adding 1 million high-income clients and 100 branches to its network. Beyond traditional banking, the group operates the digital-first platform Naranja X, which boasts over 2.8 million daily active users, and the FIMA mutual fund family, the country's leading asset manager. With a nationwide footprint of nearly 400 branches, the company integrates legacy institutional strength with a modern digital payment and insurance ecosystem that underpins the Argentine economy. The stock trades at a market cap of \$8.5 billion and pays dividends on a monthly basis.

On November 25th, 2025, Grupo Financiero Galicia reported its Q3 results for the period ending September 30th, 2025. The company's top-line performance showed Net Interest Income of roughly \$911.3 million, a 24% year-over-year increase driven by a 90% expansion in the private sector loan book. This was supported by Net Fee Income of \$298.1 million, representing a 21% rise as the group leveraged the integration of HSBC Argentina's client base.

However, Net Loss was \$64.2 million, down from a net income of \$227.8 million in 3Q 2024. This resulted in a Loss per ADR of \$0.40 USD, primarily caused by \$77.1 million in non-recurring integration and restructuring expenses related to the HSBC acquisition. We expect EPS of about \$2.90 for FY2025, but have applied a \$5.00 "earnings power" in our estimates to reflect earnings potential under "normal conditions".

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$3.63	\$3.13	\$3.78	(\$0.86)	\$3.44	\$2.48	\$2.21	\$2.54	\$8.69	\$12.05	\$2.90	\$5.00
DPS	\$0.06	\$0.08	\$0.12	\$0.36	\$0.31	\$0.08	\$0.06	\$0.39	\$1.12	\$2.37	\$1.13	\$1.13
Shares¹	1300.3	1300.3	1332.6	1426.8	1426.8	1442.7	1474.7	1474.7	1474.7	1483.1	1579.7	1600.0

Grupo Financiero Galicia's volatile EPS reflects the highly unstable Argentinian macroeconomic environment and the bank's strategic adaptations. Between 2015 and 2017, EPS remained relatively stable (averaging ~\$3.50) as the bank benefited from a period of credit expansion and a more predictable currency environment. However, the 2018–2019 crisis triggered a sharp downturn. Specifically, 2018 saw a negative EPS as the massive peso devaluation forced the bank to recognize heavy foreign exchange losses and increased provisions for credit risk.

The subsequent era (2020–2022) benefited from "inflation-indexed growth." Although nominal earnings appeared to recover, the underlying driver was the implementation of IAS 29 (Hyperinflationary Accounting), which restates financial results to reflect the loss of purchasing power. During this period, EPS was also supported by high-yield government instruments (Leliqs), which banks used to sterilize excess liquidity. The most dramatic shift occurred in 2023–2024, where EPS surged to \$8.69 and then \$12.05, respectively. This "super-cycle" was driven by record-high net interest margins from government securities and a massive non-recurring gain from the HSBC Argentina acquisition in late 2024.

¹ Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Moving forward, we don't forecast EPS growth as extraordinary gains from high interest rates and the HSBC acquisition normalize. Our outlook is capped by Argentina's extreme currency volatility, which threatens USD-denominated returns. Moreover, shifting from lucrative government debt to traditional private-sector lending introduces margin compression and significant execution risks. Overall, we believe it's utterly impossible to forecast the bank's earnings direction. We also don't forecast any growth with regard to the monthly dividend, whose rate varies from month to month.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	5.8	9.2	11.6	---	6.9	4.0	4.0	3.4	1.6	3.0	10.7	9.0
Avg. Yld.	0.3%	0.3%	0.3%	0.8%	1.3%	0.8%	0.7%	4.6%	8.0%	6.6%	2.1%	2.5%

GGAL's low single-digit P/Es reflect a significant "country risk" discount. These multiples valuation accounts for extreme currency unpredictability, high sovereign debt exposure, and regulatory hurdles that often restrict the repatriation of earnings to international shareholders. Essentially, the market applies a heavy "uncertainty discount" to future cash flows, keeping multiples compressed regardless of local profitability. Today, shares trade at 10.7x our "earnings power" estimate. Still, we believe the stock is modestly overvalued today. We have applied a more prudent P/E of 9.0.

Safety, Quality, Competitive Advantage, & Recession Resiliency

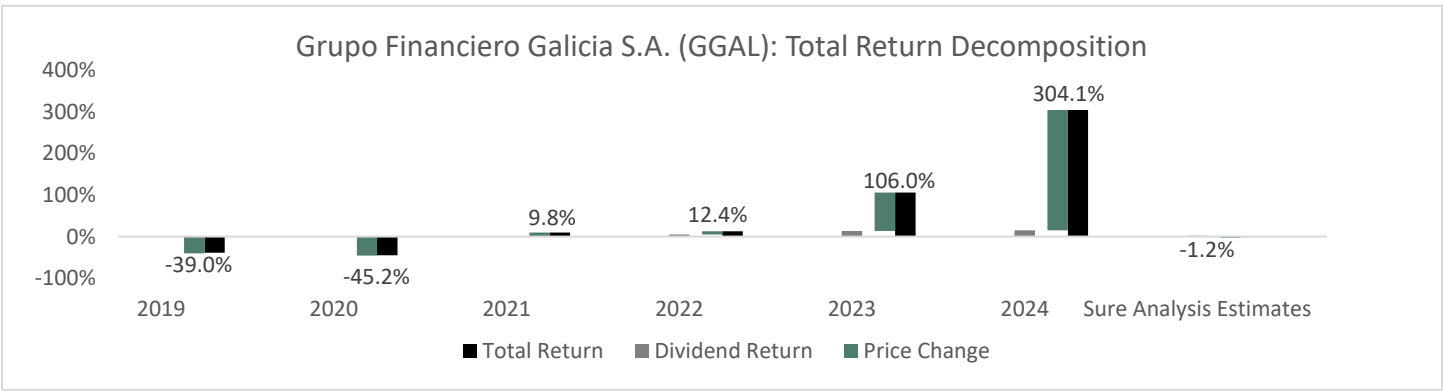
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	2%	3%	3%	---	9%	3%	3%	16%	13%	20%	23%	23%

The group maintains a Tier 1 capital ratio notably above local requirements, serving as a vital buffer against Argentina's structural instability. Its primary edge is a dominant, low-cost deposit base and a hybrid ecosystem that pairs a massive physical network with the high-growth Naranja X digital platform. That said, unlike investing in U.S. banks, shareholders face extreme risk from "Blue Chip Swap" (CCL) volatility. Even if local profits soar, a sharp peso devaluation can instantly erase USD-denominated ADR value. Additionally, high exposure to sovereign debt and stringent capital controls, which can abruptly freeze dividend repatriations, create a risk profile far more volatile than that of typical Western financial institutions.

Final Thoughts & Recommendation

Despite its market-leading resilience and expanding digital ecosystem, an investment in Grupo Financiero Galicia ultimately functions as a leveraged bet on Argentina's macroeconomic stability, where the potential for high-yield recovery is constantly balanced against the existential threats of currency collapse and restrictive capital controls. Because of these reasons, as well as the fact that we view the stock as overvalued and the lack of progressive dividend growth, we rate the stock a sell.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	4,185	3,717	3,764	3,888	4,293	4,235	4,976	9,628	21,478	12,032
Gross Profit	-	-	-	-	-	-	-	-	-	-
Gross Margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
SG&A Exp.	-	-	-	-	-	-	-	-	-	-
D&A Exp.	24	20	47	42	53	54	152	211	285	210
Operating Profit	785	603	828	825	1,096	1,104	1,356	2,680	7,043	4,271
Operating Margin	18.8%	16.2%	22.0%	21.2%	25.5%	26.1%	27.3%	27.8%	32.8%	35.5%
Net Profit	508	435	570	524	881	379	346	394	1,142	1,768
Net Margin	12.1%	11.7%	15.2%	13.5%	20.5%	8.9%	6.9%	4.1%	5.3%	14.7%
Free Cash Flow	1,607	1,632	(662)	247	1,108	1,673	3,171	(1,230)	65	30
Income Tax	303	227	262	230	176	296	178	147	698	649

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	12,495	15,308	17,387	15,009	11,092	12,584	16,376	19,113	12,721	31,741
Cash & Equivalents	2,458	3,816	3,422	4,015	2,142	2,017	2,220	2,363	2,383	6,162
Accounts Receivable										
Inventories										
Goodwill & Int. Ass.	156	0	48	99	92	172	207	217	151	295
Total Liabilities	11,291	13,930	15,094	13,506	9,465	10,445	13,430	15,672	10,225	25,848
Accounts Payable										
Long-Term Debt	2,959	3,355	1,410	1,572	414	336	276	201	203	518
Shareholder's Equity	880	1,011	1,764	1,174	1,273	1,723	2,393	2,796	2,032	4,853
LTD/E Ratio	2.64	2.61	0.67	1.13	0.76	0.33	0.28	0.26	0.24	0.36

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	4.0%	3.1%	3.5%	3.2%	6.7%	3.2%	2.4%	2.2%	7.2%	8.0%
Return on Equity	40.5%	33.6%	31.1%	27.6%	56.3%	20.1%	13.6%	12.3%	38.5%	42.1%
ROIC	11.7%	9.8%	13.4%	15.2%	29.5%	13.4%	10.4%	9.7%	30.7%	31.9%
Shares Out.	1300.3	1300.3	1332.6	1426.8	1426.8	1442.7	1474.7	1474.7	1474.7	1483.1
Revenue/Share	32.08	28.48	28.14	27.15	29.98	29.58	33.63	65.06	145.13	75.48
FCF/Share	12.32	12.51	(4.95)	1.72	7.74	11.68	21.43	(8.31)	0.44	0.19

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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