Grupo Financiero Galicia S.A. (GGAL)

Updated May 25th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$44	**5 Year Annual Expected Total Return:**	3.8%	**Market Cap:**	$7.4 B
Fair Value Price:	$45	**5 Year Growth Estimate:**	0.0%	**Ex-Dividend Date:**	06/04/2026[1]
% Fair Value:	97%	**5 Year Valuation Multiple Estimate:**	0.7%	**Dividend Payment Date:**	06/11/2026
Dividend Yield:	3.4%	**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 $7.4 billion and pays dividends on a monthly basis.

On May 13th, 2026, Grupo Financiero Galicia reported its Q1 results for the period ending March 31st, 2026. The bank posted GAAP net income attributable to Grupo Galicia of about $48.1 million, or $0.30 per ADR, down 66% year over year, as high loan-loss provisions continued to pressure profitability. Net operating income was about $1.20 billion, supported by a 13% increase in net interest income, while operating income improved 85% quarter over quarter. Banco Galicia generated about $34.5 million in net income, and the group maintained a strong 23.3% capital ratio despite weaker asset quality. We expect EPS of about $4.00 for FY2026, 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.13	$3.78	($0.86)	$3.44	$2.48	$2.21	$2.54	$8.69	$12.05	$1.44	***$4.00***	***$5.00***
DPS	$0.08	$0.12	$0.36	$0.31	$0.08	$0.06	$0.39	$1.12	$2.37	$1.13	***$1.50***	***$1.50***
Shares[2]	1300.3	1332.6	1426.8	1426.8	1442.7	1474.7	1474.7	1474.7	1483.1	1604.2	***1604.2***	***1700.0***

Grupo Financiero Galicia's volatile EPS reflects the highly unstable Argentinian macroeconomic environment and the bank's strategic adaptations. In 2016 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. Still, 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.

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[1] Estimated dates based on past dividend dates.
[2] 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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In 2025, Adjusted ADR EPS normalized to $1.44 as gains from government securities faded and the bank shifted from the HSBC integration to core private-sector loan growth, partly offset by higher loan-loss provisions.

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	9.2	11.6	---	6.9	4.0	4.0	3.4	1.6	3.0	35.5	***8.7***	***9.0***
Avg. Yld.	0.3%	0.3%	0.8%	1.3%	0.8%	0.7%	4.6%	8.0%	6.6%	2.2%	***3.4%***	***3.3%***

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 8.7x our "earnings power" estimate. We believe the stock is slightly undervalued today. We have applied a fair P/E of 9.0.

Safety, Quality, Competitive Advantage, & Recession Resiliency

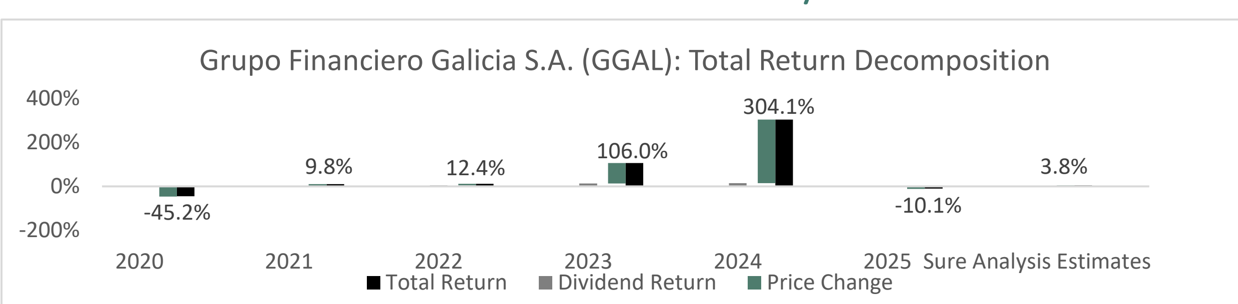
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	3%	3%	---	9%	3%	3%	16%	13%	20%	78%	***30%***	***30%***

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, the lack of noteworthy total return prospects, and the absence of progressive dividend growth, we rate the stock a sell.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	3,717	3,764	3,888	4,293	4,235	4,976	9,628	21,478	12,032	10,530
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.	20	47	42	53	54	152	211	285	210	238
Operating Profit	603	828	825	1,096	1,104	1,356	2,680	7,043	4,271	1,452
Operating Margin	16.2%	22.0%	21.2%	25.5%	26.1%	27.3%	27.8%	32.8%	35.5%	13.8%
Net Profit	435	570	524	881	379	346	394	1,142	1,768	157
Net Margin	11.7%	15.2%	13.5%	20.5%	8.9%	6.9%	4.1%	5.3%	14.7%	14.9%
Free Cash Flow	1,632	(662)	247	1,108	1,673	3,171	(1,230)	65	30	28
Income Tax	227	262	230	176	296	178	147	698	649	74

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	15,308	17,387	15,009	11,092	12,584	16,376	19,113	12,721	31,741	31,540
Cash & Equivalents	3,816	3,422	4,015	2,142	2,017	2,220	2,363	2,383	6,162	6,302
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Goodwill & Int. Ass.	0	48	99	92	172	207	217	151	295	263
Total Liabilities	13,930	15,094	13,506	9,465	10,445	13,430	15,672	10,225	25,848	26,190
Accounts Payable	-	-	-	-	-	-	-	-	-	-
Long-Term Debt	3,355	1,410	1,572	414	336	276	201	203	518	383
Shareholder's Equity	1,011	1,764	1,174	1,273	1,723	2,393	2,796	2,032	4,853	4,414
LTD/E Ratio	2.61	0.67	1.13	0.76	0.33	0.28	0.26	0.24	0.36	0.47

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.1%	3.5%	3.2%	6.7%	3.2%	2.4%	2.2%	7.2%	8.0%	0.5%
Return on Equity	33.6%	31.1%	27.6%	56.3%	20.1%	13.6%	12.3%	38.5%	42.1%	2.8%
ROIC	9.8%	13.4%	15.2%	29.5%	13.4%	10.4%	9.7%	30.7%	31.9%	2.0%
Shares Out.	1300.3	1332.6	1426.8	1426.8	1442.7	1474.7	1474.7	1474.7	1483.1	1604
Revenue/Share	28.48	28.14	27.15	29.98	29.58	33.63	65.06	145.13	75.48	65.55
FCF/Share	12.51	(4.95)	1.72	7.74	11.68	21.43	(8.31)	0.44	0.19	0.17

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