



**First
Quarter
2024**

Quarterly Report

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1. About Banco Popular

Banco Popular S.A. is an entity with more than 70 years in the Colombian market and is part of the Grupo Aval Financial Conglomerate, one of the most representative business groups in the country and one of the leading banking groups in the region.

Banco Popular has stood out in the market for its value offer, tailored to its main customer segments, providing competitive products and services that contribute to the economic development of the country. As for its clients in the individual segment, the Bank is a leader in the senior segment, offering products such as payroll loans, mortgage loans, insurance, investment products and credit cards, among others.

Likewise, Banco Popular has managed to develop its value offer for the legal entity segments, through commercial credit, cash management, foreign trade and treasury products, building solid relationships with public entities and companies in the productive fabric of the country.

During the last period, the company received ratification of the risk ratings by BRC Ratings S&P and Value & Risk Rating, detailed below:

BRC Ratings S&P

- Short-Term Debt BRC 1+ of Banco Popular S. A.
- Long-Term Debt AAA.

Value & Risk Ratings

- Short-Term Debt VrR 1+ (One More).
- Long-Term Debt AAA (Triple A).

FINANCIAL RESULTS FOR THE FIRST QUARTER OF 2024

(Expressed in millions of Colombian pesos)

- As of March 31, 2024, the Bank reported a quarterly Accumulated Net Loss of \$92,807, which resulted in indicators of Return on Average Assets (ROA) at the end of the first quarter of 2024 of -1.2% and a Return on Equity Average (ROE) of -14.6%.
- Total Assets were \$29,821,872. Total Liabilities were \$27,299,766.
- Gross Portfolio closed at \$21,646,997, decreasing 12.2% when compared to the first quarter of 2023 and increasing 1.3% compared to the end of 2023. Portfolio Quality by Temporality reached a level of 4.5% and the C, D, E Quality indicator, totaled 5.6%.
- The Portfolio Quality Indicator greater than 30 days was 4.5% and the Portfolio Quality Indicator greater than 90 days was 3.3%. Consolidated Net Cost of Risk for the quarter was 1.3%.
- Deposits totaled \$23,395,646, representing 85.7% of Total Liabilities. Savings Accounts contribute 50.2%, followed by CDTs (Term Deposit Certificates) with 45.4% of Total Deposits, Checking Accounts with 4.2% and Other Deposits with 0.2%.
- The Deposits over Net Portfolio Indicator in the first quarter of 2024 was 1.15x.
- The Total Solvency Indicator was 12.7% under Basel III standards, while Basic Solvency was 11.0%.
- Accumulated Net Interest Margin (NIM) was 2.5% as of March 31, 2024, increasing 51 bps compared to December 31, 2023. NIM of Investments was -0.7% and that of Portfolio was 3.0%.
- The Commission Income Indicator for the first quarter of 2024 was 4.7%, with a growth of 0.16% compared to December 31, 2023.
- The Accumulated Efficiency Indicator was 148.6%, and Operating Expenses on Average Assets was 4.0% for the first quarter of 2024.

2. Quarterly Information

2.1. Financial Information

BANCO POPULAR S.A.							
Separate Condensed Statement of Financial Position							
Millions of Colombian pesos	March 2024	December 2023	March 2023	March 2024 / December 2023		March 2024 / March 2023	
				Abs.	%	Abs.	%
ASSETS							
Cash and Cash Equivalents	2,030,481	1,959,241	2,094,642	71,240	3.6%	(64,161)	-3.1%
Investment Financial Assets:							
Financial Assets held for Trading	563,670	554,557	432,742	9,113	1.6%	130,928	30.3%
Financial Assets available for Sale	2,277,812	2,170,991	2,136,742	106,821	4.9%	141,070	6.6%
Financial Assets held to Maturity	1,816,883	1,806,114	1,868,050	10,769	0.6%	(51,167)	-2.7%
Impairment of Financial Investment Assets	(690)	(690)	(690)	-	-	-	-
Total Financial Investment Assets, Net	4,657,675	4,530,972	4,436,844	126,703	2.8%	220,831	5.0%
Loan and Financial Leasing Portfolio, Net	20,292,497	20,119,425	23,305,121	173,072	0.9%	(3,012,624)	-12.9%
Other Accounts Receivable, Net	337,872	291,461	296,192	46,411	15.9%	41,680	14.1%
Investments in Subsidiaries, Associates and Joint Ventures, Net	916,627	909,888	935,443	6,739	0.7%	(18,816)	-2.0%
Non-current Assets held for Sale	21,082	21,082	-	-	-	21,082	-
Tangible Assets, Net	476,150	476,950	571,546	(800)	-0.2%	(95,396)	-16.7%
Intangible Assets, Net	368,436	361,170	292,727	7,266	2.0%	75,709	25.9%
Income Tax Asset							
Current	324,235	288,341	174,177	35,894	12.4%	150,058	86.2%
Deferred	394,439	316,671	140,055	77,768	24.6%	254,384	181.6%
Other Assets	2,378	2,644	1,390	(266)	-10.1%	988	71.1%
Total Assets	29,821,872	29,277,845	32,248,137	544,027	1.9%	(2,426,265)	-7.5%
LIABILITIES AND EQUITY							
LIABILITIES							
Financial Liabilities at Fair Value	21,806	32,809	16,817	(11,003)	-33.5%	4,989	29.7%
Financial Liabilities at Amortized Cost	26,552,512	25,870,706	28,582,368	681,806	2.6%	(2,029,856)	-7.1%
Accounts Payable and other Liabilities	314,605	380,109	349,565	(65,504)	-17.2%	(34,960)	-10.0%
Provisions	14,376	14,197	18,693	179	1.3%	(4,317)	-23.1%
Employee Benefits	396,467	385,139	403,501	11,328	2.9%	(7,034)	-1.7%
Total Liabilities	27,299,766	26,682,960	29,370,944	616,806	2.3%	(2,071,178)	-7.1%
EQUITY							
Subscribed and Paid-in Capital	77,253	77,253	77,253	-	-	-	-
Premium on Share Placement	63,060	63,060	63,060	-	-	-	-

BANCO POPULAR S.A.
Separate Condensed Statement of Financial Position

<i>Millions of Colombian pesos</i>	March 2024	December 2023	March 2023	March 2024 / December 2023		March 2024 / March 2023	
				Abs.	%	Abs.	%
Reserves and Retained Earnings	2,367,834	2,457,864	2,789,811	(90,030)	-3.7%	(421,977)	-15.1%
Other Comprehensive Income	13,959	(3,292)	(52,931)	17,251	-524.0%	66,890	-126.4%
Equity	2,522,106	2,594,885	2,877,193	(72,779)	-2.8%	(355,087)	-12.3%
Total Liabilities and Equity	29,821,872	29,277,845	32,248,137	544,027	1.9%	(2,426,265)	-7.5%

BANCO POPULAR S.A.
Separate Condensed Statement of Results

<i>Millions of Colombian pesos</i>	March 2024	December 2023	March 2023	March 2024 / December 2023		March 2024 / March 2023	
				Abs.	%	Abs.	%
Income from Interests and Similar	788,674	3,433,121	918,731	(2,644,447)	-77.0%	(130,057)	-14.2%
Expenses from Interests and Similar	(646,217)	(2,943,645)	(775,510)	2,297,428	-78.0%	129,293	-16.7%
Net Income from Interests and Similar	142,457	489,476	143,221	(347,019)	-70.9%	(764)	-0.5%
Losses due to Impairment of Financial Assets, Net	(95,954)	(251,339)	(79,032)	155,385	-61.8%	(16,922)	21.4%
Net Income from Interests after Impairment Loss	46,503	238,137	64,189	(191,634)	-80.5%	(17,686)	-27.6%
Net Income from Commissions and Fees	21,721	75,349	17,873	(53,628)	-71.2%	3,848	21.5%
Net Income from Assets and Liabilities at Fair Value through Profit or Loss	28,266	122,769	27,349	(94,503)	-77.0%	917	3.4%
Other Income	30,456	142,412	52,895	(111,956)	-78.6%	(22,439)	-42.4%
Other Expenses	(294,071)	(1,212,270)	(344,824)	918,199	-75.7%	50,753	-14.7%
Loss before Income Taxes	(167,125)	(633,603)	(182,518)	466,478	-73.6%	15,393	-8.4%
Income Tax	(74,318)	(286,194)	(91,433)	211,876	-74.0%	17,115	-18.7%
Net Loss Profit for the Period	(92,807)	(347,409)	(91,085)	254,602	-73.3%	(1,722)	1.9%

Main Indicators	March 2024	December 2023	March 2023
Profitability Ratios			
ROA	-1.2%	-1.1%	-1.1%
ROE	-14.6%	-12.6%	-12.6%
Accumulated Administrative Efficiency (Administrative Expenses + Personnel without Depreciation / Profits, Interests and Investments without Dividends + Net Commissions + Other Operational)	148.6%	161.1%	177.2%
Portfolio Quality			
Portfolio Quality by Temporality	4.5%	4.1%	3.4%
Quality C, D, E, Total	5.6%	5.2%	4.4%
Solvency	12.7%	13.3%	10.8%

2.2. Analysis of the Statement of Financial Situation

(Expressed in Millions of Colombian pesos)

2.2.1. Assets

The Bank's Assets were \$29,821,872 at the close of March 31, 2024, compared to the Assets recorded at the close of December 31, 2023, for \$29,277,845, with an increase of \$544,027, which in percentage terms represented a net increase of 1.9%.

Cash

As of March 31, 2024, the balance of Cash and Deposits in central banks was \$2,030,481, increasing 3.6% compared to December 31, 2023, and decreasing 3.1% compared to March 31, 2023.

Credit Portfolio

There is an increase in the Credit Portfolio of \$173,072, compared to December 31, 2023, and a decrease of \$3,012,624 compared to March 31, 2023.

During the first quarter of 2024, portfolio placements took place, which represented a gross increase of 3.9% in the commercial segment and 0.6% in consumption compared to December 31, 2023, mainly in the portfolio of Promissory Notes in \$101,941 and higher ordinary Loan Disbursements of \$178,108.

As of March 31, 2024, the consumer portfolio represented 68.0% of the total gross portfolio, followed by 26.7% in the commercial portfolio and 5.3% in the mortgage portfolio. Repos and Interbank closed at \$8,293, showing a decrease of 42.4% compared to December 31, 2023. The portfolio provision was \$1,354,500 as of March 31, 2024, causing a net portfolio balance worth \$20,292,497.

The following table shows additional details about the Credit Portfolio by product:

Millions of Colombian pesos	Portfolio Classification			March 2024 / December 2023		March 2024 / March 2023	
	March 2024	December 2023	March 2023	Abs.	%	Abs.	%
Portfolio and Leasing Portfolio							
Commercial Portfolio and Commercial Leasing	5,770,857	5,556,859	6,829,572	213,998	3.9%	(1,058,715)	-15.5%
Consumer Portfolio and Consumer Leasing	14,722,896	14,640,277	16,469,873	82,619	0.6%	(1,746,977)	-10.6%
Mortgage Portfolio and Mortgage Leasing	1,144,214	1,162,135	1,229,513	(17,921)	-1.5%	(85,299)	-6.9%
Microcredit Portfolio and Microcredit Leasing	738	967	1,504	(229)	-23.7%	(766)	-50.9%
Total Portfolio and Leasing Portfolio	21,638,705	21,360,238	24,530,462	278,467	1.3%	(2,891,757)	-11.8%
Repos, Interbank and Others	8,293	14,391	123,003	(6,098)	-42.4%	(114,710)	-93.3%
Total Portfolio and Leasing Portfolio	21,646,998	21,374,629	24,653,465	272,369	1.3%	(3,006,467)	-12.2%
Portfolio and Leasing Portfolio Provision	(1,354,500)	(1,255,204)	(1,348,344)	(99,296)	7.9%	(6,156)	0.5%

Portfolio Classification

Millions of Colombian pesos	March 2024	December 2023	March 2023	March 2024 / December 2023		March 2024 / March 2023	
				Abs.	%	Abs.	%
Commercial Portfolio and Commercial Leasing Provision	(295,394)	(296,935)	(305,220)	1,541	-0.5%	9,826	-3.2%
Consumer Portfolio and Consumer Leasing Provision	(1,021,669)	(921,506)	(1,006,525)	(100,163)	10.9%	(15,144)	1.5%
Mortgage Portfolio and Mortgage Leasing Provision	(37,364)	(36,670)	(36,489)	(694)	1.9%	(875)	2.4%
Microcredit Portfolio and Microcredit Leasing Provision	(73)	(93)	(110)	20	-21.5%	37	-33.6%
Total Portfolio and Leasing Portfolio at Amortized Cost	20,292,498	20,119,425	23,305,121	173,073	0.9%	(3,012,623)	-12.9%

The table below details distribution of the Credit Portfolio and Leasing Operations, according to its risk rating, in compliance with the standards established by the Financial Superintendence of Colombia.

Portfolio Classification

Millions of Colombian pesos	March 2024	December 2023	March 2023	March 2024 / December 2023		March 2024 / March 2023	
				Abs.	%	Abs.	%
"A" Normal	20,110,620	19,942,315	23,193,292	168,305	0.8%	(3,082,672)	-13.3%
"B" Acceptable	315,976	311,961	252,026	4,015	1.3%	63,950	25.4%
"C" Poor	273,397	279,528	247,204	(6,131)	-2.2%	26,193	10.6%
"D" Difficult Collection	400,129	391,408	378,129	8,721	2.2%	22,000	5.8%
"E" Uncollectible	538,583	435,026	459,811	103,557	23.8%	78,772	17.1%
Total Credit Portfolio and Financial Leasing	21,638,705	21,360,238	24,530,462	278,467	1.3%	(2,891,757)	-11.8%
Repos, Interbank and Others	8,293	14,391	123,003	(6,098)	-42.4%	(114,710)	-93.3%
Total Portfolio, Leasing and Others	21,646,998	21,374,629	24,653,465	272,369	1.3%	(3,006,467)	-12.2%

Below are the main indicators of the Credit Portfolio:

Name of Indicator	March 2024	December 2023	March 2023
Portfolio "C", "D" & "E" / Total Portfolio	5.60%	5.18%	4.42%
Portfolio Overdue for more than 30 days / Total Portfolio	4.52%	4.21%	2.33%
Portfolio Overdue for more than 90 days / Total Portfolio	3.33%	3.00%	2.19%
Portfolio Provision / Portfolio "C", "D" & "E"	111.75%	113.49%	124.25%
Portfolio Provision / Portfolio overdue for more than 30 days	138.44%	139.44%	235.87%
Portfolio Provision / Portfolio overdue for more than 90 days	188.01%	196.08%	250.56%
Portfolio Provision / Total Portfolio	6.26%	5.88%	5.50%
Provision Expense. Net / Portfolio "C", "D" & "E"	8.44%	29.97%	8.05%
Provision Expense. Net / Overdue Portfolio of more than 30 days	10.45%	40.06%	15.29%
Provision Expense. Net / Overdue Portfolio of more than 90 days	14.19%	52.89%	16.24%
Provision Expense. Net / Total Average Portfolio	1.25%	1.25%	0.35%

Name of Indicator	March 2024	December 2023	March 2023
Penalties / Total Average Portfolio	0.01%	0.77%	0.17%

Investment Portfolio

As of March 31, 2024, the Net Investment Portfolio closed with \$4,657,675, showing an increase of 2.8% compared to December 31, 2023, and increasing 5.0% compared to March 31, 2023.

Financial Assets Available for Sale represent 48.9% of the Total Portfolio, followed by Investments Held to Maturity 39.0% and Financial Assets Held for Trading 12.1%. The following table presents the Investment Portfolio:

Financial Investment Assets							
Millions of Colombian pesos	March 2024	December de 2023	March 2023	March 2024 / December 2023		March 2024 / March 2023	
				Abs.	%	Abs.	%
Financial Assets Held for Trading							
Investments in Debt Securities	226,692	244,701	255,177	(18,009)	-7.4%	(28,485)	-11.2%
Investments in Equity Instruments	310,971	274,879	161,090	36,092	13.1%	149,881	93.0%
Derivative Trading Instruments	26,007	34,977	16,474	(8,970)	-25.6%	9,533	57.9%
Total Financial Assets Held for Trading	563,670	554,557	432,741	9,113	1.6%	130,929	30.3%
Financial Assets Available for Sale							
Investments in Debt Securities	2,081,603	1,979,120	1,963,792	102,483	5.2%	117,811	6.0%
Investments in Equity Instruments	196,208	191,871	172,949	4,337	2.3%	23,259	13.4%
Total Financial Assets Available for Sale	2,277,811	2,170,991	2,136,741	106,820	4.9%	141,070	6.6%
Investments Held to Maturity	1,816,883	1,806,114	1,868,050	10,769	0.6%	(51,167)	-2.7%
Investment Provisions	(690)	(690)	(690)	-	-	-	-
Total Financial Investment Assets	4,657,674	4,530,972	4,436,842	126,702	2,8%	220,832	5,0%

2.2.2. Liabilities

The Bank reported \$27,299,766 of Liabilities as of March 31, 2024, with an increase compared to December 31, 2023, of 2.3% and a decrease of 7.1% compared to March 31, 2023.

The Bank's main source of funding is Deposits, representing 88.1% of Total Financial Liabilities at Amortized Cost, followed by Bonds 7.5% and Financial Obligations 4.3%.

Deposits

Deposits were \$23,395,646 as of March 31, 2024, increasing 3.1% compared to December 31, 2023 and decreasing 6.1% compared to March 31, 2023. For the first quarter of 2024, of the Total Financial Liabilities at Amortized Cost, Savings Accounts represent 44.3%, CDTs 40.0% and Checking Accounts 3.7%.

Composition of the Deposits is presented below:

Deposits at Amortized Cost							
Millions of Colombian pesos	March 2024	December 2023	March 2023	March 2024 / December 2023		March 2024 / March 2023	
				Abs.	%	Abs.	%
Current Accounts	987,279	1,036,388	1,070,784	(49,109)	-4.7%	(83,505)	-7.8%
Term Deposit Certificates	10,607,827	10,465,150	12,331,256	142,677	1.4%	(1,723,429)	-14.0%
Savings Accounts	11,753,684	11,144,573	11,465,046	609,111	5.5%	288,638	2.5%
Other Deposits	46,856	37,987	40,560	8,869	23.3%	6,296	15.5%
Total Deposits	23,395,646	22,684,098	24,907,646	711,548	3.1%	(1,512,000)	-6.1%

Loans from Banks and Others

Loans from Banks and Others reached \$331,590 in the first quarter of 2024, increasing 6.7% compared to December 31, 2023, and decreasing 23.8% compared to March 31, 2023.

Bonds

The composition of the Investment Securities as of March 31, 2024, is as follows:

CURRENT ISSUES OF BONDS IN CIRCULATION							
(Expressed in Colombian pesos)							
Class	ISSUE #	Date of Issue	Sub Series	Indicator	Due date	Amount per Series	Rate
SUBORDINATED BONDS	FIRST SUBORDINATED	10/12/2016	C10	CPI	10/12/2026	144,922,000,000	4.13%
ORDINARY BONDS	FIFTEENTH	02/04/2020	B5	Fixed Rate	4/02/2025	217,540,000,000	6.12%
			B7	Fixed Rate	4/02/2027	119,000,000,000	6.29%
ORDINARY BONDS	SIXTEENTH	07/15/2021	B5	Fixed Rate	07/15/2026	267,285,000,000	6.78%
			C5	CPI	07/15/2026	114,715,000,000	2.58%
			D3	IBR	07/15/2024	118,000,000,000	1.59%
ORDINARY BONDS	SEVENTEENTH	11/11/2021	B3	Fixed Rate	11/11/2024	256,299,000,000	7.34%
			C5	CPI	11/11/2026	105,705,000,000	3.38%
ORDINARY BONDS	EIGHTTEENTH	03/10/2022	B3	Fixed Rate	03/10/2025	332,948,000,000	10.20%
			C5	CPI	03/10/2026	53,102,000,000	3.84%
SUBORDINATED BONDS	PRIVATE ISSUE	10/10/2023	PRIVATE ISSUE	IBR	10/10/2025	250,000,000,000	7.70%

2.2.3. Total Equity and Regulatory Capital

Equity as of March 31, 2024, was \$2,522,106, decreasing 2.8% compared to December 31, 2023, and 12.3% compared to March 31, 2023.

The Bank's solvency indicators as of March 31, 2024, under Basel III standards, were 12.7% for Total Solvency and 11.0% for Basic Solvency.

Ordinary Basic Equity decreased \$79,816 in the first quarter of 2024 compared to December 31, 2023, mainly due to the loss for the year.

Additional Equity decreased by \$11,979 compared to December 31, 2023, which corresponds to a decrease in the weighting of the subordinated Bonds issued in 2016 for \$7,702 and the general Credit Portfolio Provision of \$4,277.

Assets Weighted by Risk Level (APNR) increased \$235,330, mainly in assets weighted at 100% for \$260,800, which are composed of the increase in: Loans in Default \$111,865, Loans granted to large companies without risk classification \$75,030 and Deferred Tax \$77,767.

Below are the main solvency figures:

Solvency Ratio			
<i>Millions of Colombian pesos</i>	March 2024	December 2023	March 2023
Technical Equity	2,456,182	2,547,977	2,304,744
Total Basic Equity	2,120,368	2,200,184	2,123,769
Additional Equity	335,814	347,793	180,975
Assets Weighted by Risk Level	19,358,489	19,109,451	21,277,194
Assets Weighted by Loan Risk	16,905,475	16,670,145	18,253,118
Assets Weighted by Market Risk	918,348	923,539	1,345,974
Assets Weighted by Operational Risk	1,534,666	1,515,767	1,678,102
Total Solvency Ratio	12.7%	13.3%	10.8%
Basic Solvency Ratio	11.0%	11.5%	10.0%

3. Income Statement

(Expressed in Millions of Colombian pesos)

Accumulated Net Loss for the first quarter of 2024 was \$92,807, mainly explained by Net Interest Income \$142,457, Impairment Losses on Financial Assets \$95,954, Net Commissions \$21,721, Net Income from Assets and Liabilities at Fair Value through Profit or Loss \$28,266, Other Income \$30,456, Other Expenses \$294,071 and income from Tax Income \$74,318.

Net Interest Income

Net Interest Income							
Millions of Colombian pesos	March 2024	December 2023	March 2023	March 2024 / December 2023		March 2024 / March 2023	
				Abs.	%	Abs.	%
Interest Income							
Interest from Credit portfolio	697,838	3,035,188	793,629	(2,337,350)	-77.01%	(95,791)	-12.1%
Income from Deposits	20	21	-	(1)	-	20	-
Interest Income from Other Accounts Receivable	8,098	40,841	11,465	(32,743)	-80.17%	(3,367)	-29.4%
Interest from Investments in Debt Securities	82,718	357,071	113,637	(274,353)	-76.83%	(30,919)	-27.2%
Total Interest Income	788,674	3,433,121	918,731	(2,644,447)	-77.03%	(130,057)	-14.2%
Interest and Similar Expenses							
Checking Accounts	542	2,550	547	(2,008)	-78.7%	(5)	-0.9%
Savings Deposits	225,409	989,733	277,089	(764,324)	-77.2%	(51,680)	-18.7%
Term Deposit Certificates	336,443	1,585,411	400,460	(1,248,968)	-78.8%	(64,017)	-16.0%
Total Deposits	562,394	2,577,694	678,096	(2,015,300)	-78.2%	(115,702)	-17.1%
Financial Obligations							
Interbank and Overnight Funds	3,389	26,185	8,927	(22,796)	-87.1%	(5,538)	-62.0%
Loans from Banks and Others	6,812	25,010	7,656	(18,198)	-72.8%	(844)	-11.0%
Bonds and Investment Securities	55,627	246,069	65,614	(190,442)	-77.4%	(9,987)	-15.2%
Obligations with Rediscount Entities	17,995	68,687	15,218	(50,692)	-73.8%	2,777	18.2%
Total Financial Obligations	83,823	365,951	97,415	(282,128)	-77.1%	(13,592)	-14.0%
Total Interest and Similar Expenses	646,217	2,943,645	775,511	(2,297,428)	-78.05%	(129,294)	-16.7%
Net Interest Income	142,457	489,476	143,220	(347,019)	-70.90%	(763)	-0.5%

Net Interest Income as of March 31, 2024, was \$142,457, decreasing 70.9% compared to December 31, 2023, and 0.5% compared to March 31, 2023.

There was a decrease of 78.0% and 16.7% in Total Interest and Similar Expenses, compared to December 31, 2023, and March 31, 2023, respectively. This reduction occurred due to a decrease in the intervention rate of the Bank of the Republic due to the decreasing trend in inflation in the first quarter of 2024, and interest on CDTs and Savings Accounts decreased by \$115,697.

Provision for Financial Assets

Net Provision expense grew 21.4% compared to the first quarter of 2023, reaching \$95,954, because of an increase in Overdue Loans, especially in the consumer segment.

Net Provision for Losses due to Impairment of Portfolio and Other Assets							
Millions of Colombian pesos	March 2024	December 2023	March 2023	March 2024 / December 2023		March 2024 / March 2023	
				Abs.	%	Abs.	%
Provision for Loan Portfolio and Interest Receivable	102,893	292,330	87,753	(189,437)	-64.8%	15,140	17.3%
Recovery of Penalties	(6,940)	(40,991)	(8,720)	34,051	-83.1%	1,780	-20.4%
Total Net Prov. for Losses due to Portfolio Impairment and Others	95,953	251,339	79,033	(155,386)	-61.8%	16,920	21.4%

Commissions and Other Operating Income

Gross Commission Income accumulated as of the first quarter of 2024 was \$41,839, decreasing 74.5% compared to December 31, 2023, and increasing 2.3% compared to March 31, 2023, mainly due to banking services and transaction fees of credit and debit cards.

Accumulated Commission Expenses closed at \$20,118.

Net Commission Income of \$21,721 decreased 71.2% compared to December 31, 2023, and increased 21.5% compared to the first quarter of 2023.

Other Income amounted to \$30,456, mainly coming from:

1. Income from Participation Method and Dividends \$24,969, mainly from Corficolombiana and ACH Colombia, respectively.
2. Gain on Sale of Property and Equipment for Own Use \$2,165.
3. Other Operating Income, \$3,322.

Commissions and Other Income are detailed below:

Net Interest Income

<i>Millions of Colombian pesos</i>	March 2024	December 2023	March 2023	March 2024 / December 2023		March 2024 / March 2023	
				Abs.	%	Abs.	%
Income from Commissions and Other Services							
Banking Service Commissions	28,603	114,468	28,786	(85,865)	-75.0%	(183)	-0.6%
Credit and Debit Card Commissions	12,887	47,841	11,673	(34,954)	-73.1%	1,214	10.4%
Commissions from Money Orders, Checks and Checkbooks	256	1090	311	(834)	-76.5%	(55)	-17.7%
Office Network Services	93	399	110	(306)	-76.7%	(17)	-15.5%
Total Income from Commissions and Other Services	41,839	163,798	40,880	(121,959)	-74.5%	959	2.3%
Expenses for Commissions and Other Services	20,118	88,449	23,007	(68,331)	-77.3%	(2,889)	-12.6%
Net Income from Commissions and Other Services	21,721	75,349	17,873	(53,628)	-71.2%	3,848	21.5%
Net Income from Assets and Liabilities at Fair Value through Profit or Loss	28,266	122,769	27,349	(94,503)	-77.0%	917	3.4%
Net Gain on Marketable Investments	20,346	64,136	22,667	(43,790)	-68.3%	(2,321)	-10.2%
Net Gain on Trading Derivative Financial Instruments	7,920	58,633	4,682	(50,713)	-86.5%	3,238	69.2%
Other Income							
Exchange Adjustments	(1,401)	(38,168)	(881)	36,767	-96.3%	(520)	59.0%
(Net (Loss) Gain on Sale of Investments	(9)	(306)	103	297	-97.1%	(112)	-108.7%
Adjustment to Fair Value of Investment Properties	734	4,353	184	(3,619)	-83.1%	550	298.9%
Profit from Sale of Non-Current Assets Held for Sale	-	2,996	-	(2,996)	-100.0%	-	-
Dividends and Participation Method	24,969	77,892	46,773	(52,923)	-67.9%	(21,804)	46.6%
Other Operating Income	6,163	95,645	6,716	(89,482)	-93.6%	(553)	-8.2%
Total Other Income	30,456	142,412	52,895	(111,956)	-78.6%	(22,439)	-42.4%

4. Additional Information

The Bank's senior management has maintained constant supervision and has not been informed of any operation or event that could have a significant and unexpected impact on its financial situation.

On the other hand, for each dimension of Corporate Governance, Sustainability and Risks, the material changes during the first quarter of 2024 (Jan – Mar) are listed below:

4.1. Corporate Governance

In relation to what was revealed in the last Quarterly Periodic Report, during the first quarter of 2024, the following material Corporate Governance matters at Banco Popular S.A. took place:

General Assembly of Shareholders. Following a call made considering the required procedures and authorizations, on March 21, 2024, the meeting of the General Assembly of Shareholders was held. The report containing the matters that were put for consideration by the Assembly and its decisions was published through the website of the Financial Superintendency and the Entity's website, as well as the list of the Board of Directors that was elected, project of loss absorption, reform of bylaws, sustainable management report, separate and consolidated financial statements corresponding to the year 2023 with its notes, report of the Statutory Auditor and certification of the Legal Representative and accountant.

Likewise, on April 15, 2024, the chapter dedicated to practices, policies, processes and indicators in relation to social and environmental issues, including climate issues, was published in compliance with the provisions of External Circular 031 of 2021 issued by Financial Superintendence.

Reform of Bylaws. At the General Assembly of Shareholders held on March 21, 2024, a reform of the Bank's bylaws was approved, duly legalized and registered, with the objective of changing the number of members of the Board of Directors from five (5) main and five (5) alternates to nine (9) members without alternates.

Appointment of members of the Board of Directors. The General Assembly of Shareholders, in its ordinary session held on March 21, 2024, appointed the following Directors of the Board:

- Mauricio Hernando Amador Andrade
- Javier Díaz Molina
- Luz Piedad Rugeles Ardila
- Diego Fernando Solano Saravia
- María Ximena Lombana Villalba
- Juan Pablo Zárate Perdomo
- Luis Ernesto Mejía Castro
- Ernesto José Gutiérrez de Piñeres Luna
- Natalia Ramírez Carrizosa

Shareholders Agreement. On March 8, 2024, an amendment to the Shareholders' Agreement between Grupo Aval, Banco de Bogotá, Banco de Occidente and Banco Popular was signed, where Banco Popular acquired the status of controller of Corficolombiana, establishing that Banco Popular would include in the election list of the Board of Directors of Corficolombiana, at least one name proposed by Banco de Bogotá, Banco de Occidente and Grupo Aval, respectively.

Resignation of Financial Vice President. On March 8, 2024, the Bank's Board of Directors accepted the resignation of Mr. Juan Felipe Vásquez Mora as Financial Vice President, who held the position until March 29, 2024. The information was revealed to the market through the websites of both Financial Superintendency and the Entity.

4.2. Risk Management System

During 2023, Banco Popular completed execution of the regulatory requirements of Circular 018 of 2021 (SIAR), which establishes the implementation of a system that integrates Risk Management. This is how the Bank aligns itself with the provisions of the circular, updating the policies for comprehensive risk management, the governance structure of risk management and its functions, the models for risk management and data aggregation.

During the first quarter of 2024, the Risk Appetite Framework was updated, which, although it has specific governance, is subordinated to the Bank's Comprehensive Risk Management Guidelines.

In the first quarter of 2024, activities were completed to incorporate the guidelines established in External Circular 013 of 2023 of the Financial Superintendency related to compilation of information corresponding to interdependent operations and deposits on demand of real estate trust, guarantee and administration businesses in the Net Stable Financing Coefficient (CFEN) Reports.

Main Impacts, Risks and Opportunities

Risk management has become a fundamental work pillar for financial entities that, after the severity of the crises that have occurred, are forced to respond and implement complex mitigation measures and greater resilience to external events. In this way, entities can timely identify threats to financial systems, sustainability and consumer confidence.

In this context, Banco Popular produces an annual report with a general summary of the risks that constitute cause for concern and alert. These are extracted from the main sources on the subject, addressing events from six categories: Economic, Political, Social, Environmental, Regulatory and Technological, with a comprehensive analysis that begins with the international situation and, subsequently, continues with the identification of vulnerabilities at the national and local level.

This report is prepared with the objective of expanding knowledge of the current context of financial activity, understanding the macroeconomic trends that at the industry level may be affecting the banking business at a local and international level, and understanding the risks that are impacting banking establishments. In this sense, this report serves as a basis to review and update the Bank's relevant risks for the year 2024.

Relevant Risks 2024

Financial:

- Credit Portfolio impairment
- Financial impact on Investment Portfolio
- Funding structure
- Impact on RTILB due to Balance structure
- Adverse liquidity scenario

Environment:

- Climate Risk
- Instability from social, political and economic crisis
- Political risk and its effects on the Bank's results
- Competition due to regulatory environment and market trends

Strategic:

- Digital transformation lag of the bank compared to the sector
- Loss of clients due to service provision dissatisfaction

Operative:

- Due to technological infrastructure issues, some channels have been unable to provide transactional services
- Massive leaks of critical data due to cyber threats and/or cyber attacks

Risk Culture

- The Bank's vice presidency has implemented quarterly risk management metrics for each unit depending on its role in the organization regarding Financial Risks, Operations, ABAC, SARLAFT, SOX, Portfolio, and Information Security. This risk management indicator facilitates continuous improvement in risk management practices by fostering the involvement of diverse organizational leaders in ensuring due diligence of instructions and effectively managing various organizational risks.
- All training modules for different risk systems were created for all Bank staff and are attached coverage statistics.
- The implementation of SIAR has allowed the organization to monitor the entity's risk profile and risk appetite.

Risk Management First Quarter 2024

✓ Market Risk Management

During the first quarter of 2024, portfolios kept a low risk profile, the Bank maintained exposure to market risks, reaching \$82 billion with the standard methodology at the end of March, where the interest rate risk factor was the one with the greatest contribution. During this period, controls established in market risk management were carried out, ensuring that the positions and results remained within the approved limits. Additionally, continuity was given to the standards established in the Market Risk Management System that allow adequate measurement and control of market risk.

✓ Liquidity Risk Management

During the last quarter, a solid liquidity position was maintained, with ample high-quality liquidity buffers. The Bank maintained an average of \$4 trillion in high-quality liquid assets. In general, the liquidity ratios are above the regulatory thresholds for the period, with the thirty-day liquidity coverage ratio standing at 145.5% as of March 31 and the Net Stable Financing Ratio (CFEN) at 111.5%.

Controls established in liquidity risk management were carried out, ensuring that the limits and alerts remained within the approved levels. In addition, Liquidity Risk Management System standards were continued, which allow for adequate measurement and control of liquidity risk.

✓ Risks of Money Laundering and Terrorist Financing

Compliance Management continues to develop SARLAFT activities to manage risks identified from the analysis of internal and external contexts, which have been managed within the concept of continuous improvement, aimed at reasonably minimizing their existence and mitigating them through implementation of controls.

The Board of Directors has monitored the activities of Compliance Management on a quarterly basis, through reports presented by the compliance officer regarding actions carried out and other elements included in current regulations.

✓ Fraud Prevention

During the first quarter of 2024, the Bank continues to strengthen the transactional fraud prevention strategy, focusing on digital channels. Reduction in fraud due to social engineering is more than 70% compared to the first quarter of 2023.

Likewise, implementation and refinement of more than 180 rules in transactional monitoring tools is highlighted, resulting in fraud detection of 96.5% of the total transactions of the period.

Finally, the activity of permanently sending educational communications to clients is continuing to prevent fraud in its various forms. During the first quarter, communications have been focused on Cybersecurity in your language, and Smishing, trading and Internet scams.

✓ Cybersecurity, Information Security and Privacy Risk

Throughout the first quarter of 2024, we continued to provide support to other Bank departments in identifying risks and defining controls for various digital projects and initiatives. The annual follow-up visit plan for critical third parties was established, along with the annual communication, training, and awareness plan on Information Security and Cybersecurity for Bank employees and customers. We also continued to assist process owners in identifying and valuing their information assets.

Specialized security tests were carried out on our internal technological infrastructure and on the one in cyberspace, to identify possible vulnerabilities or deficiencies in controls defined for the Bank's protection. At the end of March, there was no evidence or report of situations that could be framed as information security and/or cybersecurity incidents.

Encompassing both risk management and privacy concerns, we continued to provide internal support to the Bank in addressing requests from the Superintendency of Industry and Commerce regarding the protection of personal data rights and implemented the planned activities within the Comprehensive Personal Data Program for this quarter.

✓ Business Continuity

For the first quarter of the year, individual tests were executed on the process recovery plan – BCP, with different recovery strategies implemented on the Bank's critical subprocesses, simultaneously reaching 100% effectiveness.

A joint test was carried out, including the process recovery plan (BCP) with the participation of 20 critical processes with different recovery strategies and the technology recovery plan (DRP) with the mobilization of 22 critical IT services to the Alternate Data Processing Center (CAPD) with successful results.

Likewise, the annual plan established for monitoring the business continuity plan and executing tests with the Critical Suppliers identified for continuity risk has been satisfactorily executed.

✓ Operational Risk

The methodology for operational risk management is continued, with good administration of risk events, executing actions aimed at strengthening management and registration of operational risk events, through the development of reports that ensure opportunity and quality in event management.

4.3. ESG Criteria Management – Sustainability

During the first quarter of 2024, there have been no material changes in environmental, social issues, or aspects related to climate change, in relation to the last 2023 Sustainable Management Report.



Quarterly Report

**First
Quarter
2024**