banco popular

First Quarter

PERIODIC QUARTERLY Report

SUPERVISED BY FINANCIAL SUPERINTENDENCE OF COLOMBIA

Content

CORPORATE QUARTERLY REPORT
FIRST QUARTER OF 2025 (January – March)

About Banco Popular

Banco Popular S.A., hereinafter the Bank, is a Colombian private joint stock company with a long-standing presence in the financial market. Its main corporate purpose is to engage in the activities, operations, and services proper to a banking institution, within the legal framework prescribed by law. It may also, through the auction process, sell, exchange, or otherwise dispose of movable property, real estate, or other negotiable items. It may likewise make and maintain investments in companies and businesses authorized by law, either in Colombia or abroad.

The Bank has its main office in the city of Bogotá and provides its services in Colombia through branches, cash extensions, banking correspondents, payroll centers, collection centers, and both its own ATMs and those of the Aval network, as well as through various digital channels.

The Bank has a clear Strategic Roadmap for the next three years (2024–2026), built on the fundamental pillars of maintaining a business focused on serving its target customer segment, a strong balance sheet, and efficient operations. Its strategy is centered on the customer, fostering trust, sharing knowledge, developing its human talent, and promoting innovation.

The Bank is committed to the silver economy, where its main strategy is based on offering an inclusive value proposition aimed at customers over the age of 50, with innovative products, differentiated service models that balance human and digital interactions, and access to benefits designed specifically for this segment. Accordingly, the Bank has the intent and conviction to becoming the benchmark bank for the silver economy, developing initiatives that enable it to position itself as an ally to its customers over the age of 50, offering inclusive financial products and supporting this population segment in achieving their goals at this stage of life.

In terms of corporate and government banking, the strategy is focused on designing services and solutions to address the financial needs of enterprises and government entities. This strategy delivers specialized solutions that include customized products to foster economic growth, sustainability, and the efficient management of financial resources. Banco Popular seeks to build long-term relationships based on trust, which involves not only providing suitable products but also offering continuous support to ensure the financial success and sustainable growth of its customers.

Regarding the robust balance sheet dimension, the Bank is developing strategies to achieve stable and cost-efficient funding by increasing deposits from individuals. These initiatives involve investments in digital channels and products, along with the design of attractive savings deposit products for customers. Cost-efficient funding is also being promoted through deeper penetration in the territorial government and mid-sized enterprise segments by offering transactional products for collections and payments.

Lastly, in the efficient operating model dimension, the Bank is advancing various initiatives to optimize its expense structure and accelerate the time to launch products or new functionalities to the market. Among the key initiatives is the scaling up of the Bank's Agile Model, through which its technology capabilities are being strengthened. Additionally, work is being done to transform the Bank's end-to-end processes with a focus on customer service, aiming to reduce turnaround times and improve service quality.

The Bank is part of Conglomerado Financiero Aval, one of the most prominent financial groups in Colombia and one of the leading banking groups in Central America by asset volume. In this context, it benefits from the support of Grupo Aval Acciones y Valores S.A., which holds a majority ownership stake in its capital and serves as both the Bank's parent company and the holding entity of Conglomerado Financiero Aval, driving its strategic advancement and supporting the fulfillment of its mission and strategic objectives.

In August 2024, BRC Ratings, a company of S&P Global S.A. SCV, confirmed the AAA and BRC 1+ ratings of Banco Popular S.A. It also confirmed the AAA rating of the ordinary bonds and the AA+ rating of the subordinated bonds under the Ordinary and/or Subordinated Bond Issuance and Placement Program of Banco Popular S.A., for up to COP 14 trillion.

In 2025, the Bank will celebrate its 75th anniversary and will continue to implement and rigorously monitor the various initiatives we have outlined to advance our strategy. Accordingly, we will continue to develop our operations, products, and services with a clear focus on our customers and target segments, consolidating the strength of our balance sheet and improving our operational efficiency.

1. Macroeconomic Environment

Economic Context and Gross Domestic Product (GDP)

In terms of economic activity, the year 2024 was marked by relatively moderate growth, although higher than the rate recorded in 2023. Final figures show that Gross Domestic Product (GDP) recorded annual growth of 1.8%, slightly surpassing market expectations. It is worth noting that, according to recent trends, the lowest point of the economic cycle occurred between the second quarter of 2023 and the first quarter of 2024. From that point onward, growth is expected to exceed 2% annually.

One of the most relevant aspects has been the improved performance of household consumption, which accounts for approximately 75% of GDP. This component recorded growth of 2.0%, its best result since the first quarter of 2023. Although the growth was not substantial, it does reflect a significant recovery in the current context.

In the external environment, there are signs of a slowdown in the global economy, in contrast to the resilience observed in previous periods. This slowdown is linked to renewed trade tensions between the United States and its main partners, which has led to downward revisions in global growth projections. While the short-term impact on Colombia may be marginal, it is identified as one of the main risks to economic growth in 2025.

Inflation and Monetary Policy

The year 2024 closed with a significant correction in inflation, which fell by more than 408 basis points, from 9.28% to 5.20%. At the end of 2024 and the beginning of 2025, inflation stabilized at 5.20% and resumed a downward trajectory in March, reaching 5.09%.

Food inflation, which had been the main driver of disinflation in recent years, experienced a change in trend. Since September 2024, it has shown a steady increase, reaching 4.67%, compared to 1.75% in September.

The Housing and Utilities sector maintained high inflation throughout 2024, falling from 9.26% to 6.96%. This trend is mainly attributed to rising energy and gas prices and, especially, to rents, which were adjusted upward by 9%, following the inflationary trend of 2023.

As for the minimum wage, the 9.54% increase (equivalent to a real increase of 4.34%) mirrors the adjustment implemented in 2022. Although an inflation spike as sharp as that experienced in 2022 (from 5.62% to 13.12%) is not expected, this increase may pose a challenge to sustaining the downward inflation trend observed over the past two years.

Additionally, the international context has shifted due to the possible resurgence of tariff policies in the United States, which could fuel global inflation. This phenomenon has contributed to the strengthening of the dollar, which has negatively affected Colombia in terms of the exchange rate. The rise in the value of the dollar is expected to generate increased inflationary pressure due to the pass-through effect, which would primarily impact food prices.

Fiscal Situation

Tax revenue in 2024 reached COP 244 trillion, representing a decrease of COP 18 trillion compared to 2023 and a shortfall of COP 14 trillion relative to the target set for the year.

Over the past five years, government spending as a percentage of GDP has increased from 18.7% to 24.4%, surpassing even the levels seen during the pandemic. This increase has driven the country's indebtedness, which rose from 48.4% to 56.9% of GDP over the same period.

The country's fiscal situation has influenced decisions regarding monetary policy. One of the main reasons why the Banco de la República did not reduce its benchmark rate significantly (-275 basis points vs. -408 basis points of the CPI) was the state of the country's fiscal accounts.

The fiscal deficit for 2025 is projected at -6.9%, while debt is expected to increase to 62.5% of GDP. This scenario will pose greater challenges for further rate cuts by the Banco de la República and will affect both the foreign exchange and fixed income markets.

Exchange Rate

The dollar experienced high volatility in Colombia in 2024, reached a minimum of COP 3,750 and closing the year at a high of COP 4,406. Much of the high volatility observed in 2024 can be attributed to global dollar movements. In particular, during the second half of the year, the Colombian peso closely followed regional trends, which were marked by sharp devaluations of the Mexican and Brazilian currencies.

At the beginning of 2025, the DXY Index, which measures the value of the dollar against major international currencies such as the euro, yen, and pound sterling, exceeded 110 points, reaching its highest level since 2022.

As for the dollar outlook in Colombia, it is expected to remain at an average of around COP 4,250, with high volatility. This projection is based on expectations of a new phase of high volatility, particularly since much of the dollar's behavior will depend on the policies and messaging of the United States government, whose protectionist stance could increase inflationary and exchange rate risk in international markets.

2. Outstanding Issuances

OUTSTANDING BOND ISSUANCES IN CIRCULATION							
Class	**# Issuance**	**Issuance Date**	**Subseries**	**Indicator**	**Maturity Date**	**Amount per Series**	**Coupon Rate**
SUBORDINATED BONDS	FIRST SUBORDINATED	10/12/2016	C10	CPI	10/12/2026	144,922,000,000	4.13%
ORDINARY BONDS	FIFTEENTH SERIES	02/04/2020	B5	Fixed Rate	02/04/2025	217,540,000,000	6.68%
			B7	CPI	02/04/2027	119,000,000,000	3.08%
ORDINARY BONDS	SIXTEENTH SERIES	07/15/2021	B5	Fixed Rate	07/15/2026	267,285,000,000	6.78%
			C5	CPI	07/15/2026	114,715,000,000	2.56%
ORDINARY BONDS	SEVENTEENTH SERIES	11/11/2021	C5	CPI	11/11/2026	105,705,000,000	3.38%
ORDINARY BONDS	EIGHTEENTH SERIES	03/10/2022	B3	Fixed Rate	03/10/2025	332,948,000,000	10.20%
			C5	CPI	03/10/2027	53,102,000,000	3.84%

3. Separate Financial Results

3.1 Main Figures and Indicators

- As of March 31, 2025, the Bank reported accumulated net income of COP 2.243 billion, resulting in the following profitability indicators: return on average assets (ROA) for the first quarter of 2025 was 0.03%, and return on average equity (ROE) was 0.3%.

- Total assets amounted to COP 31.3 trillion. Total liabilities stood at COP 28.9 trillion.

- Gross loan portfolio closed at COP 21.9 trillion, representing an increase of 2.8% compared to year-end 2024, and 0.9% compared to the first quarter of 2024. Loan portfolio quality by maturity stood at 3.4%, while the C, D, and E quality indicator totaled 4.2%.

- The indicator for loan portfolio over 30 days was 3.4%, and for portfolio over 90 days was 2.6%. The consolidated net cost of risk for the quarter was 0.99%.

- Amortized cost deposits totaled COP 26.1 trillion, accounting for 93.2% of total liabilities. Savings accounts represented 49.1%, followed by time deposits (CDTs) with 46.3%, checking accounts with 4.4%, and other deposits with 0.2%.

- The total solvency ratio was 11.9% under Basel III standards, while the basic solvency ratio was 10.1%.

- The total solvency ratio was 11.9% under Basel III standards, while the basic solvency ratio was 10.1%.

- The accumulated Net Interest Margin (NIM) was 4.4% as of March 31, 2025, increasing by 117 basis points compared to the fourth quarter of 2024. The NIM on Investments was 1.6%, and on the Loan Portfolio was 5.0%.

- The Fee Income ratio for the first quarter of 2025 was 5.6%, growing by 72 basis points compared to the fourth quarter of 2024.

- The accumulated Efficiency ratio was 96.7%, and the ratio of Operating Expenses to Average Assets was 4.4% as of March 31, 2025.

Main Indicators	March 2025	December 2024	March 2024
Profitability Ratios			
ROA	0.03%	-0.8%	-1.2%
ROE	0.3%	-9.1%	-14.6%
Accumulated Administrative Efficiency (Administrative and personnel expenses excluding depreciation / Interest income and investment income excluding dividends + net fees + other operating income)	**96.7%**	**117.5%**	**148.6%**
Loan Portfolio Quality			
Loan portfolio quality by maturity	3.4%	3.6%	4.5%
C, D, E total quality	4.2%	4.7%	5.6%
Solvency	**11.9%**	**12.1%**	**12.7%**

3.2 Financial Position

BANCO POPULAR S.A.
Separate Condensed Interim Financial Position

Millions of Colombian pesos	March 2025	December 2024	March 2024	March 2025 / December 2024 Abs	March 2025 / December 2024 %	March 2025 / March 2024 Abs	March 2025 / March 2024 %
ASSETS							
Cash and cash equivalents	3,027,162	1,746,184	2,030,481	1,280,978	73.4%	996,681	49.1%
Investment financial assets:							
Financial assets held for trading	737,255	757,400	563,670	(20,145)	-2.7%	173,585	30.8%
Financial assets available for sale	2,397,435	2,042,437	2,277,812	354,997	17.4%	119,623	5.3%
Financial assets held to maturity	1,267,643	1,268,851	1,816,883	(1,208)	-0.1%	(549,240)	-30.2%
Impairment of investment financial assets	(668)	(668)	(690)	-	0.0%	22	-3.2%
Hedging derivative instruments	9,198	7,752	-	1,446	100.0%	9,198	100.0%
Total financial investment assets, net	**4,410,863**	**4,075,772**	**4,657,675**	**335,090**	**8.2%**	**(246,812)**	**-5.3%**
Loan portfolio and financial leases, net	20,826,611	20,209,476	20,292,497	617,135	3.1%	534,114	2.6%
Other accounts receivable, net	472,107	511,345	337,872	(39,237)	-7.7%	134,235	39.7%
Investments in subsidiaries, associates, and joint ventures, net	933,873	912,344	916,627	21,529	2.4%	17,246	1.9%
Non-current assets held for sale	18,722	18,722	21,082	-	0.0%	(2,360)	-11.2%
Tangible assets, net	508,619	487,749	476,150	20,871	4.3%	32,469	6.8%
Intangible assets, net	399,385	390,836	368,436	8,549	2.2%	30,949	8.4%
Income tax asset							

BANCO POPULAR S.A. Separate Condensed Interim Financial Position							
				March 2025 / December 2024		March 2025 / March 2024	
Millions of Colombian pesos	**March 2025**	**December 2024**	**March 2024**	**Abs**	**%**	**Abs**	**%**
Current	195,147	154,929	324,235	40,218	26.0%	(129,088)	-39.8%
Deferred	466,731	456,195	394,439	10,536	2.3%	72,292	18.3%
Other assets	3,300	3,300	2,378	-	0.0%	922	38.8%
Total assets	**31,262,520**	**28,966,852**	**29,821,872**	**2,295,669**	**7.9%**	**1,440,648**	**4.8%**
LIABILITIES AND EQUITY							
LIABILITIES							
Financial liabilities at fair value	28,322	17,239	21,806	11,083	64.3%	6,516	29.9%
Financial liabilities at amortized cost	27,977,455	25,713,445	26,552,512	2,264,010	8.8%	1,424,943	5.4%
Hedging derivative instruments	139	-	-	139	100.0%	139	100.0%
Accounts payable and other liabilities	403,772	404,691	314,605	-919	-0.2%	89,167	28.3%
Provisions	14,416	14,680	14,376	-264	-1.8%	40	0.3%
Employee benefits	432,672	425,457	396,467	7,215	1.7%	36,205	9.1%
Total liabilities	**28,856,776**	**26,575,512**	**27,299,766**	**2,281,264**	**8.6%**	**1,557,010**	**5.7%**
EQUITY							
Subscribed and paid-in capital	77,253	77,253	77,253	-	0.0%	-	0.0%
Share placement premium	63,060	63,060	63,060	-	0.0%	-	0.0%
Retained earnings	2,228,282	2,456,213	2,460,641	227,931	-9.3%	(232,359)	-9.4%
Net Profit (Loss) for the Period	2,243	(226,699)	(92,807)	228,942	-101.0%	95,050	-102.4%
Other comprehensive income	34,906	21,513	13,959	13,393	62.3%	20,947	150.1%
Equity	**2,405,744**	**2,391,340**	**2,522,106**	**14,404**	**0.6%**	**116,362**	**-4.6%**
Total liabilities and equity	**31,262,520**	**28,966,852**	**29,821,872**	**2,295,668**	**7.9%**	**1,440,648**	**4.8%**

Financial Position Analysis

Assets

The Bank's assets totaled COP 31.3 trillion as of March 31, 2025, compared to COP 28.9 trillion as of December 31, 2024, reflecting an increase of COP 2.3 trillion, which represented a 7.9% rise.

Cash

As of March 31, 2025, the balance of cash and deposits with central banks was COP 3.0 trillion, up 73.4% compared to December 31, 2024, and 49.1% compared to March 31, 2024.

Loan Portfolio

There was an increase in the gross loan portfolio of COP 591.705 billion compared to December 31, 2024, and an increase of COP 203.326 billion compared to March 31, 2024.

During the first quarter of 2025, the payroll loan portfolio increased by COP 388.095 billion, ordinary loans by COP 208.942 billion, and loans funded with resources from other entities by COP 88.150 billion.

As of March 31, 2025, the consumer loan portfolio accounted for 68.1% of the gross loan portfolio, followed by commercial loans at 27.3%, and mortgage loans at 4.6%. Repos and interbank operations closed at COP 152 million, down COP 14.782 billion compared to December 31, 2024. The loan loss provision totaled COP 1.0 trillion as of March 31, 2025, resulting in a net loan portfolio of COP 20.8 trillion.

The following annex provides additional details on the loan portfolio by product:

Loan Portfolio Classification							
				March 2025 / December 2024		March 2025 / March 2024	
	March 2025	December 2024	March 2024	Abs	%	Abs	%
Consumer and Consumer Leasing Portfolio	14,887,828	14,537,601	14,722,896	350,227	2.4%	164,932	1.1%
Commercial and Commercial Leasing Portfolio	5,961,306	5,669,415	5,770,857	291,891	5.1%	190,449	3.3%
Mortgage and Mortgage Leasing Portfolio	1,000,860	1,036,422	1,144,214	(35,562)	-3.4%	(143,354)	-12.5%
Repos, Interbank, and Others	152	14,934	8,293	(14,782)	-99.0%	(8,141)	-98.2%
Microcredit and Microcredit Leasing Portfolio	178	247	738	(69)	-27.9%	(560)	-75.9%
Total Loan and Leasing Portfolio	**21,850,324**	**21,258,619**	**21,646,998**	**591,705**	**2.8%**	**203,326**	**0.9%**
Provision for Loan and Leasing Portfolio	**(1,023,713)**	**(1,049,143)**	**(1,354,501)**	**25,430**	**-2.4%**	**330,788**	**-24.4%**
Provision for Commercial and Commercial Leasing Portfolio	(267,550)	(253,195)	(295,390)	(14,355)	5.7%	27,840	-9.4%
Provision for Consumer and Consumer Leasing Portfolio	(720,630)	(760,316)	(1,021,666)	39,686	-5.2%	301,036	-29.5%
Provision for Mortgage and Mortgage Leasing Portfolio	(35,475)	(35,575)	(37,367)	100	-0.3%	1,892	-5.1%
Provision for Microcredit and Microcredit Leasing Portfolio	(58)	(57)	(78)	(1)	1.8%	20	-25.6%
Total Loan and Leasing Portfolio at Amortized Cost	**20,826,611**	**20,209,476**	**20,292,497**	**617,135**	**3.1%**	**534,114**	**2.6%**

The following is a breakdown of the loan and leasing portfolio by risk rating, in accordance with the standards established by the Financial Superintendence of Colombia:

Loan Portfolio Classification							
				March 2025 / December 2024		March 2025 / March 2024	
	March 2025	December 2024	March 2024	Abs	%	Abs	%
“A” Normal	20,740,810	20,087,015	20,110,620	653,795	3.3%	630,190	3.1%
“B” Acceptable	196,389	161,136	315,975	35,253	21.9%	(119,586)	-37.8%
“C” Deficient	162,283	205,191	273,397	(42,908)	-20.9%	(111,114)	-40.6%
“D” Difficult Collection	366,361	398,808	400,129	(32,447)	-8.1%	(33,768)	-8.4%
“E” Uncollectible	384,329	391,535	538,584	(7,206)	-1.8%	(154,255)	-28.6%

Total Loan Portfolio and Financial Leasing	**21,850,172**	**21,243,685**	**21,638,705**	**606,487**	**2.9%**	**211,467**	**1.0%**
Repos, Interbank, and Others	152	14,934	8,293	(14,782)	-99.0%	(8,141)	-98.2%
Total Loan and Leasing Portfolio and Accounts Receivable	**21,850,324**	**21,258,619**	**21,646,998**	**591,705**	**2.8%**	**203,326**	**0.9%**

The following are the main loan portfolio indicators:

Indicator Name	March 2025	December 2024	March 2024
“C”, “D” & “E” Portfolio / Total Portfolio	4.2%	4.7%	5.6%
Portfolio Past Due More Than 30 Days / Total Portfolio	3.4%	3.7%	4.5%
Portfolio Past Due More Than 90 Days / Total Portfolio	2.6%	2.8%	3.3%
Loan Loss Provisions / “C”, “D” & “E” Portfolio	112.1%	105.4%	111.7%
Loan Loss Provisions / Portfolio Past Due More Than 30 Days	136.9%	134.6%	138.4%
Loan Loss Provisions / Portfolio Past Due More Than 90 Days	177.3%	176.4%	188.0%
Loan Loss Provisions / Total Portfolio	4.7%	4.9%	6.3%
Provision Expense, Net / “C”, “D” & “E” Portfolio	21.6%	18.6%	8.4%
Provision Expense, Net / Portfolio Past Due More Than 30 Days	27.6%	23.4%	10.5%
Provision Expense, Net / Portfolio Past Due More Than 90 Days	36.2%	30.5%	14.2%
Provision Expense, Net / Average Total Portfolio	1.0%	1.0%	1.3%
Write-Offs / Average Total Portfolio	1.9%	1.9%	0.01%

Investment Portfolio

As of March 31, 2025, the net investment portfolio stood at COP 4.4 trillion, showing an 8.2% increase compared to December 31, 2024, and a 5.5% decrease compared to March 31, 2024.

Financial assets available for sale represented 54.5% of the total portfolio, followed by investments held to maturity at 28.8%, and trading financial assets at 16.7%. The following table presents the investment portfolio:

Investment Financial Assets							
				March 2025 / December 2024		March 2025 / March 2024	
	March 2025	December 2024	March 2024	Abs	%	Abs	%
Financial Assets Held for Trading							
Investments in Debt Securities	199,156	222,553	226,692	(23,397)	-10.5%	(27,536)	-12.1%
Investments in Equity Instruments	522,538	509,445	310,971	13,093	2.6%	211,567	68.0%
Trading Derivatives	15,561	25,402	26,007	(9,841)	-38.7%	(10,446)	-40.2%
Total Financial Assets Held for Trading	**737,255**	**757,400**	**563,670**	**(20,145)**	**-2.7%**	**173,585**	**30.8%**
Financial Assets Available for Sale							
Investments in Debt Securities	2,181,186	1,831,928	2,081,603	349,258	19.1%	99,583	4.8%
Investments in Equity Instruments	216,249	210,509	196,208	5,740	2.7%	20,041	10.2%

Total Financial Assets Available for Sale	**2,397,435**	**2,042,437**	**2,277,811**	**354,998**	**17.4%**	**119,624**	**5.3%**
Investments Held to Maturity	**1,267,643**	**1,268,851**	**1,816,883**	**(1,208)**	**-0.1%**	**(549,240)**	**-30.2%**
Investment Provisions	(668)	(668)	(690)	-	0.0%	22	-3.2%
Total financial investment assets	**4,401,665**	**4,068,020**	**4,657,674**	**333,645**	**8.2%**	**(256,009)**	**-5.5%**

Liabilities

As of March 31, 2025, the Bank reported liabilities of COP 28.9 trillion, an increase of 8.6% compared to December 31, 2024, and 5.7% compared to March 31, 2024.

The Bank's main source of funding is deposits, representing 93.2%, followed by financial obligations at 3% and bonds at 3.8% of total financial liabilities at amortized cost.

Deposits

Deposits totaled COP 26.1 trillion as of March 31, 2025, increasing by 16.3% compared to December 31, 2024, and by 11.4% compared to March 31, 2024. For the first quarter of 2025, of total deposits, savings accounts represented 49.1%, time deposits 46.3%, checking accounts 4.4%, and other deposits 0.2%.

The breakdown of deposits is as follows:

Deposits at Amortized Cost							
				March 2025 / December 2024		March 2025 / March 2024	
	March 2025	December 2024	March 2024	Abs	%	Abs	%
Checking Accounts	1,141,613	984,150	987,279	157,463	16.0%	154,334	15.6%
Certificates of Time Deposits	12,060,978	11,184,419	10,607,827	876,559	7.8%	1,453,151	13.7%
Savings Accounts	12,803,199	10,174,621	11,753,684	2,628,578	25.8%	1,049,515	8.9%
Other Deposits	56,489	59,545	46,856	(3,056)	-5.1%	9,633	20.6%
Total Deposits	**26,062,279**	**22,402,735**	**23,395,646**	**3,659,544**	**16.3%**	**2,666,633**	**11.4%**

Repo Transactions and Others

Repurchase agreements, banks, and banking correspondents decreased by COP 736.869 billion compared to December 31, 2024, and by COP 146.234 billion compared to March 31, 2024.

Bank Loans and Others

Foreign bank loans and lease liabilities reached COP 281.263 billion in the first quarter of 2025, down 22.4% compared to December 31, 2024, and 15.2% compared to March 31, 2024.

Total Equity and Regulatory Capital

Equity as of March 31, 2025, stood at COP 2.4 trillion, reflecting an increase of 0.6% compared to December 31, 2024, and a decrease of 4.6% compared to March 31, 2024.

The Bank's solvency indicators as of March 31, 2025, under Basel III standards, were 11.9% for Total Solvency and 10.1% for Basic Solvency.

Common Equity Tier 1 (CET1) decreased by COP 1.525 billion in the first quarter of 2025 compared to December 31, 2024, mainly due to accumulated losses from prior periods, the current period result, and the appropriation of retained earnings.

Additional Equity declined by COP 7.303 billion compared to December 31, 2024, corresponding to a decrease in subordinated debt.

Risk-Weighted Assets (RWA) increased by COP 302.536 billion, primarily in Category III credit risk-weighted assets, which rose by COP 236.918 billion.

The main solvency figures are as follows:

Solvency Ratio			
	March 2025	**December 2024**	**March 2024**
Technical Equity	**2,270,640**	**2,279,468**	**2,456,182**
Total Basic Equity	1,943,278	1,944,803	2,120,368
Additional Equity	327,362	334,665	335,814
Risk-Weighted Assets	**19,156,745**	**18,862,776**	**19,358,489**
Credit Risk-Weighted Assets	17,372,173	17,069,637	16,905,475
Market Risk-Weighted Assets	167,802	188,523	918,348
Operational Risk-Weighted Assets	1,616,770	1,604,616	1,534,666
Solvency Ratio	**11.85%**	**12.08%**	**12.69%**
Total Basic Solvency Ratio	**10.14%**	**10.31%**	**10.95%**

3.3 Income Statement

BANCO POPULAR S.A. Separate Income Statement				March 2025 / December 2024		March 2025 / March 2024	
	March 2025	December 2024	March 2024	Abs	%	Abs	%
Interest Income and Similar Revenue	766,826	3,104,696	788,674	(2,337,870)	-75.3%	(21,848)	-2.8%
Interest Expense and Similar Costs	(498,042)	(2,324,616)	(646,217)	1,826,574	-78.6%	148,175	-22.9%
Net Interest Income and Similar Revenue	**268,784**	**780,080**	**142,457**	**(511,296)**	**-65.5%**	**126,327**	**88.7%**
Impairment Losses on Financial Assets, Net	(47,865)	(183,722)	(95,954)	135,857	-73.9%	48,089	-50.1%
Net Interest Income After Impairment Losses	**220,919**	**596,358**	**46,503**	**(375,439)**	**-63.0%**	**174,416**	**375.1%**
Net Fee and Commission Income	29,350	82,890	21,721	(53,540)	-64.6%	7,629	35.1%
Net Gain (Loss) on Financial Assets and Liabilities at Fair Value Through Profit or Loss	38,000	49,390	28,266	(11,390)	-23.1%	9,734	34.4%
Other Income	30,726	128,663	30,456	(97,937)	-76.1%	270	0.9%
Other Expenses	(327,968)	(1,210,785)	(294,071)	882,817	-72.9%	-33,897	11.5%
Loss Before Income Taxes	**(8,973)**	**(353,484)**	**(167,125)**	**344,511**	**-97.5%**	**158,152**	**-94.6%**
Income Taxes	11,216	(126,785)	74,318	(115,569)	-91.2%	63,102	-84.9%
Net Profit (Loss) for the Period	**2,243**	**(226,699)**	**(92,807)**	**228,943**	**-101.0%**	**95,051**	**-102.4%**

Net income for the first quarter of 2025 was COP 2.243 billion, primarily explained by: net interest income and similar revenue of COP 268.784 billion, impairment loss of COP 47.865 billion, other income of COP 98.076 billion, other expenses of COP 327.968 billion, and income tax of COP 11.216 billion.

Net Interest Income

Net interest income				March 2025 / December 2024		March 2025 / March 2024	
	March 2025	December 2024	March 2024	Abs	%	Abs	%
Interest income							
Interest on loan portfolio	670,943	2,718,974	691,167	(2,048,031)	-75.3%	(20,224)	-2.9%
Interest from deposits	4	47	20	(43)	-91.5%	(16)	-80.0%
Interest on other accounts receivable	4,605	34,578	8,098	(29,974)	-86.7%	(3,493)	-43.1%
Interest on investments in debt securities	75,380	289,753	82,718	(214,373)	-74.0%	(7,338)	-8.9%
Other interest	15,894	61,344	6,671	(45,450)	-74.1%	9,223	138.3%

Total interest income	**766,826**	**3,104,696**	**788,674**	**(2,337,870)**	**-75.3%**	**(21,848)**	**-2.8%**
Interest Expense and Similar Costs							
Checking Accounts	556	2,797	542	(2,241)	-80.1%	14	2.6%
Savings deposits	145,358	763,749	225,409	(618,391)	-81.0%	(80,051)	-35.5%
Term deposit certificates	298,527	1,263,615	336,443	(965,088)	-76.4%	(37,916)	-11.3%
Total Deposits	**444,441**	**2,030,161**	**562,394**	**(1,585,720)**	**-78.1%**	**(117,953)**	**-21.0%**
Financial obligations							
Interbank and overnight funds	2,836	19,791	3,389	(16,955)	-85.7%	(553)	-16.3%
Bonds and investment securities	32,814	190,059	55,627	(157,245)	-82.7%	(22,813)	-41.0%
With rediscount entities, bank loans, and others	17,951	84,605	24,807	(66,654)	-78.8%	(6,856)	-27.6%
Total Financial Obligations	**53,601**	**294,455**	**83,823**	**(240,854)**	**-81.8%**	**(30,222)**	**-36.1%**
Total Interest and Similar Expenses	**498,042**	**2,324,616**	**646,217**	**(1,826,574)**	**-78.6%**	**(148,175)**	**-22.9%**
Net Interest Income	**268,784**	**780,080**	**142,457**	**(511,296)**	**-65.5%**	**126,327**	**88.7%**

Net interest income as of March 31, 2025, was COP 268.784 billion, showing an increase of 88.7% compared to March 31, 2024.

A decrease of 78.6% was recorded in total interest and similar expenses. Compared to March 31, 2024, they fell by 22.9%.

Provisions for Financial Assets

Net provision expense decreased by 50.1% compared to March 31, 2024, reaching COP 47.865 billion, due to a reduction in past-due loans, especially in the consumer segment.

Net Provisions for Loan Portfolio and Other Asset Impairment							
				March 2025 / December 2024		March 2025 / March 2024	
	March 2025	December 2024	March 2024	Abs	%	Abs	%
Provision for loan portfolio and interest receivable	59,487	238,931	102,894	(179,444)	-75.1%	(43,407)	-42.2%
Recovery of charge-offs	(11,622)	(55,209)	(6,940)	43,587	-78.9%	(4,682)	67.5%
Total Net Provisions for Loan Portfolio and Other Asset Impairment	**47,865**	**183,722**	**95,954**	**(135,857)**	**-73.9%**	**(48,089)**	**-50.1%**

Fees and Other Operating Income

Gross fee income for the first quarter of 2025 was COP 49.298 billion, an increase of 17.8% compared to March 31, 2024, mainly driven by fees from banking services and credit and debit card transactions. Total accrued commission expenses stood at COP 19.948 billion.

Net fee income for the first quarter of 2025 was COP 29.350 billion, down 64.6% compared to December 31, 2024, and up 35.1% compared to March 31, 2024.

Other income amounted to COP 30.726 billion, mainly from:

1. Income from equity method and accrued dividends, COP 28.292 billion.
2. Net foreign exchange gain, COP 12.854 billion.
3. Other operating income, COP 14.390 billion.

Fees and other income are detailed as follows:

Net interest income				March 2025 / December 2024		March 2025 / March 2024	
	March 2025	December 2024	March 2024	Abs	%	Abs	%
Income from Fees and Other Services							
Banking service fees	38,364	126,607	28,603	(88,244)	-69.7%	9,760	34.1%
Credit and debit card fees	10,540	42,583	12,886	(32,043)	-75.2%	(2,346)	-18.2%
Fees on wire transfers, checks, and checkbooks	246	1,046	256	(800)	-76.5%	(10)	-3.9%
Branch network services	148	409	93	(261)	-63.8%	55	59.1%
Total Income from Fees and Other Services	**49,298**	**170,645**	**41,838**	**(121,348)**	**-71.1%**	**7,459**	**17.8%**
Fee and Other Service Expenses	**19,948**	**87,755**	**20,118**	**(67,807)**	**-77.3%**	**(170)**	**-0.8%**
Net Income from Fees and Other Services	**29,350**	**82,890**	**21,721**	**(53,540)**	**-64.6%**	**7,629**	**35.1%**
Net Gain (Loss) from Financial Assets or Liabilities Held for Trading	**37,865**	**49,391**	**28,266**	**(11,526)**	**-23.3%**	**9,599**	**34.0%**
Net gain on marketable investments	20,735	56,931	20,346	(36,196)	-63.6%	389	1.9%
Net gain on trading derivatives	17,130	(7,540)	7,920	24,670	-327.2%	9,210	116.3%
Other Operating Income							
Foreign exchange adjustments	(12,854)	31,983	(1,401)	(44,837)	-140.2%	(11,453)	817.5%
Net (loss) gain on sale of investments	-	10,418	(9)	(10,418)	-100.0%	9	-100.0%
Gain on sale of non-current assets held for sale	-	-	-	-	0.0%	-	0.0%
Fair value adjustment of investment properties	898	(3,811)	734	4,709	-123.6%	164	22.3%
Dividends and Equity Method	28,292	28,385	24,969	(93)	-0.3%	3,323	13.3%
Other operating income	14,390	61,687	6,163	(47,297)	-76.7%	8,227	133.5%
Other Operating Income	**30,726**	**128,662**	**30,456**	**(97,936)**	**-76.1%**	**270**	**0.9%**

4. Consolidated Financial Results

4.1 Financial Position

Condensed Consolidated Statement of Financial Position							
				March 2025 / December 2024		March 2025 / March 2024	
	March 2025	December 2024	March 2024	Abs	%	Abs	%
ASSETS							
Cash and cash equivalents	8,341,423	7,391,183	7,233,308	950,240	12.9%	1,108,115	15.3%
Marketable Assets	5,584,328	5,069,884	4,851,968	514,444	10.1%	732,361	15.1%
Investments in Debt Securities	6,388,540	6,003,119	6,826,713	385,421	6.4%	(438,173)	-6.4%
Investments in Equity Instruments	1,823,486	1,587,312	1,519,411	236,174	14.9%	304,075	20.0%
Hedging Derivatives	13,130	9,054	2,783	4,076	45.0%	10,347	371.8%
Loan portfolio and financial leases, net	23,528,051	23,033,288	23,100,206	494,763	2.1%	427,845	1.9%
Other accounts receivable, net	22,217,952	23,281,315	22,168,424	(1,063,363)	-4.6%	49,528	0.2%
Non-current assets held for sale	28,606	25,696	21,360	2,910	11.3%	7,246	33.9%
Investments in subsidiaries, associates, and joint ventures, net	921,647	1,134,485	861,261	(212,838)	-18.8%	60,386	7.0%
Tangible assets, net	4,300,764	4,246,621	4,102,063	54,143	1.3%	198,700	4.8%
Concession Contracts	14,180,844	14,314,560	13,568,427	(133,716)	-0.9%	612,417	4.5%
Capital gain	248,942	248,942	250,278	-	0.0%	(1,335)	-0.5%
Other Intangible Assets	644,169	636,658	596,776	7,511	1.2%	47,393	7.9%
Income Taxes	1,196,359	1,079,691	1,062,661	116,668	10.8%	133,698	12.6%
Other	333,614	319,396	303,788	14,218	4.5%	29,827	9.8%
Total assets	**89,751,857**	**88,381,205**	**86,469,427**	**1,370,652**	**1.55%**	**3,282,430**	**3.80%**
LIABILITIES AND EQUITY							
LIABILITIES							
Negotiable Financial Liabilities	161,272	100,299	212,144	60,973	60.8%	(50,872)	-24.0%
Hedging Derivatives	7,807	5,250	14,299	2,557	48.7%	(6,492)	-45.4%
Customer Deposits	34,711,171	30,719,640	31,370,215	3,991,531	13.0%	3,340,956	10.7%
Financial obligations	23,337,507	25,383,160	23,716,948	(2,045,654)	-8.1%	(379,441)	-1.6%
Provisions	572,033	580,712	482,455	12,342	2.2%	89,578	18.6%
Income Taxes	5,844,483	5,724,878	5,837,863	119,605	2.1%	6,620	0.1%
Employee Benefits	533,005	533,956	500,251	(951)	-0.2%	32,754	6.5%
Other	6,241,539	7,104,964	6,438,212	(884,441)	-12.4%	(196,671)	-3.1%
Total liabilities	**71,408,817**	**70,152,859**	**68,572,387**	**1,255,958**	**1.8%**	**2,836,432**	**4.1%**
EQUITY							
Subscribed and paid-in capital	77,253	77,253	77,253	-	0.0%	-	0.0%
Share placement premium	60,104	61,297	61,926	(1,193)	-1.9%	(1,822)	-2.9%
Reserves and Retained Earnings	2,328,550	2,332,172	2,585,270	(3,622)	-0.2%	(256,720)	-9.9%
Other comprehensive income	80,950	66,216	54,845	14,734	22.3%	26,105	47.6%

Condensed Consolidated Statement of Financial Position							
				March 2025 / December 2024		March 2025 / March 2024	
	March 2025	December 2024	March 2024	Abs	%	Abs	%
Equity Attributable to Controlling Interests	**2,546,857**	**2,536,938**	**2,779,294**	**9,919**	**0.4%**	**(232,437)**	**-8.4%**
Non-controlling Interests	**15,796,181**	**15,691,408**	**15,117,747**	**104,773**	**0.7%**	**678,434**	**4.5%**
Total Equity	**18,343,038**	**18,228,346**	**17,897,041**	**114,692**	**0.6%**	**445,997**	**2.5%**
Total liabilities and equity	**89,751,855**	**88,381,205**	**86,469,428**	**1,370,650**	**1.6%**	**3,282,429**	**3.8%**

4.2 Income Statement

Condensed Consolidated Statement of Income							
				March 2025 / December 2024		March 2025 / March 2024	
	March 2025	December 2024	March 2024	Abs	%	Abs	%
Interest income	1,033,880	4,178,336	1,061,695	(3,144,456)	-75.3%	(27,815)	-2.6%
Interest Expenses	(1,186,003)	(5,361,700)	(1,453,691)	4,175,697	-77.9%	267,688	-18.4%
Net Interest Income	**(152,123)**	**(1,183,364)**	**(391,996)**	**1,031,241**	**-87.1%**	**239,873**	**-61.2%**
Impairment Losses on Financial Assets, Net	(54,428)	(314,110)	(77,767)	259,682	-82.7%	23,339	-30.0%
Net Interest Income After Impairment Losses	**(206,551)**	**(1,497,474)**	**(469,763)**	**1,290,923**	**-86.2%**	**263,212**	**-56.0%**
Income from Fees and Commissions	78,756	429,943	103,081	(351,187)	-81.7%	(24,325)	-23.6%
Expenses from Fees and Commissions	(23,124)	(104,913)	(24,570)	81,789	-78.0%	1,446	-5.9%
Net Income from Fee and Commission Contracts	**55,632**	**325,030**	**78,511**	**(269,398)**	**-82.9%**	**(22,879)**	**-29.1%**
Income from Sale of Goods and Services	2,641,453	10,867,353	2,542,014	(8,225,900)	-75.7%	99,439	3.91%
Cost of Goods and Services Sold	(1,865,875)	(8,015,154)	(1,638,715)	6,149,279	-76.7%	(227,160)	13.86%
Net Income from Sale of Goods and Services	**775,578**	**2,852,199**	**903,299**	**(2,076,621)**	**-72.8%**	**(127,721)**	**-14.14%**
Net Gain on Negotiable Financial Instruments	(3,815)	450,267	100,290	(454,082)	-100.8%	(104,105)	-103.8%
Net Income from Financial Instruments at Fair Value Other Than Negotiable	96,702	350,919	104,484	(254,217)	-72.4%	(7,782)	-7.4%
Other Income	365,971	325,826	234,147	40,145	12.3%	131,824	56.3%
Other Expenses	(416,999)	(1,762,220)	(418,034)	1,345,221	-76.3%	1,035	-0.2%
Income Before Income Tax	**666,519**	**1,044,547**	**532,935**	**(378,028)**	**-36.2%**	**133,584**	**25.1%**
Income Taxes	(228,376)	(510,207)	(203,468)	281,831	-55.2%	(24,908)	12.2%
Period results	**438,143**	**534,340**	**329,467**	**(96,197)**	**-18.0%**	**108,676**	**33.0%**
Net Income Attributable to Controlling Interests	(2,508)	(316,122)	(80,919)	313,614	-99.2%	78,411	-96.9%
Net Income Attributable to Non-controlling Interests	440,651	850,462	410,385	(409,811)	-48.2%	30,266	7.4%
Net Income	**438,143**	**534,340**	**329,466**	**(96,197)**	**-18.0%**	**108,677**	**33.0%**

5. Comprehensive Risk Management

For the Comprehensive Risk Management dimension, the material changes during the first quarter of 2025 (January–March) are outlined below:

5.1 Market Risk

In the first quarter, the average Value at Risk (VaR), using the standard methodology, reached COP 18.316 billion, COP 63.815 billion lower than the average for the previous quarter, mainly due to the reclassification of positions from the Trading Book to the Banking Book of the investments that comprise the liquidity buffer. By market risk factor, VaR continues to result mainly from the interest rate risk factor, and its value remains moderate in relation to the size of the balance sheet.

During this quarter, the risk appetite for the year was updated, considering the business plan and market conditions. In addition, adjustments were made to the control framework to strengthen risk management.

Furthermore, the established controls for market risk management were implemented, ensuring that positions and results remained within the approved limits. Likewise, to ensure adequate monitoring of market risk activities, periodic monitoring and control reports were distributed to senior management and other internal and external stakeholders, and adherence to the standards established in the Market Risk Management System continued, enabling proper measurement and control of market risk.

5.2 Credit Risk

Loan Portfolio Quality

Over the past year, the Bank's loan portfolio balance increased by 1.29% (approximately COP 278.000 billion), as a result of higher disbursement levels in both the commercial and consumer loan portfolios (payroll loans). It is worth noting that the Bank has strengthened its lending policies, which aim to improve the risk profile of new disbursements.

During 2024, the Bank adhered to Public Notice 017 of 2023, issued by the Financial Superintendence of Colombia (SFC), which allowed for the application of the decumulation phase of countercyclical provisions for the consumer portfolio. This process concluded in October 2024. Additionally, in November 2024, the Bank adhered to Public Notice 014 of 2024 issued by the SFC, which allowed the deferral of the establishment of the countercyclical provision component for new disbursements made from that month through March 31, 2025, in order to continue mitigating the impact on the value of credit risk provisions.

Improvements implemented in business rules aimed at filtering customers with better risk profiles have positively impacted the quality of the loan portfolios. This has been evidenced through the analysis of loan vintages and the indicators of past due and at-risk loan portfolios, which have shown better performance compared to the past two years. This result has also been supported by portfolio recovery strategies.

As of the end of March 2025, the consumer loan portfolio's CDE risk indicator reached 3.90%, 54 basis points below the figure reported at the end of December 2024 (4.44%), thus continuing the downward trend seen since the second half of 2024. Coverage by maturity for the consumer loan portfolio stood at 135%, maintaining a positive trend despite the decumulation process of the countercyclical provision.

The commercial and mortgage loan portfolios continue to show stability in their risk indicators and maintain good performance. For the coming months of 2025, loan portfolio quality indicators are expected to remain similar to those observed in this first quarter, along with a higher loan placement volume.

Past Due Portfolio Indicators (ICV) by Credit Type

As a result of the credit risk management described above, the Bank closed March 2025 with the following results:

- ICV for Commercial Loans: 2.30%.
- ICV for Consumer Loans: 3.46%.
- ICV for Mortgage Loans: 6.43%.
- Total Bank ICV: 3.28%

5.3 Liquidity Risk

During the first quarter of 2025, a solid liquidity position was maintained, with ample high-quality liquidity buffers. The Bank maintained an average of COP 5.32 trillion in high-quality liquid assets during this quarter.

The average 30-day liquidity coverage ratio, using the standard methodology, stood at 133%, 13% lower than the average of the previous quarter, mainly due to higher liquidity requirements from contractual maturities of CDT and bonds. The Net Stable Funding Ratio averaged 113.2% for the quarter, lower than that recorded in the previous quarter, primarily due to a decline in deposits, particularly in the Government and Corporate segments.

The controls established in liquidity risk management were carried out, ensuring that the limits and alerts remained within the approved thresholds. Additionally, the standards set forth in the Comprehensive Risk Management System continued to be followed, allowing for appropriate measurement and control of liquidity risk.

During this quarter, the activities proposed to strengthen the Liquidity Contingency Plan were completed, incorporating the best market practices. Additionally, the methodology adopted by the Bank to determine the proportion of demand deposits that may be classified as operational deposits for wholesale clients in the real sector, supervised financial institutions, and open-ended mutual funds without permanence agreements was submitted to the regulator for a non-objection opinion, in compliance with the guidelines established in Chapter XXXI of the Basic Accounting and Financial Circular of the Financial Superintendence.

5.4 Interest Rate Risk of the Banking Book

During the quarter, the controls established for interest rate risk management in the banking book were carried out, ensuring compliance with policies and guidelines, as well as adherence to the approved risk appetite thresholds for the management indicators of this risk.

Accordingly, at the close of the quarter, the estimated impact on the Net Interest Margin (NIM) and the Economic Value of Equity (EVE) from a parallel upward shift of one hundred (100) basis points in interest rates reached COP 128.653 billion and COP 54.206 billion, respectively.

5.4 Cybersecurity, Information Security, and Operational Privacy Risk

For the first quarter of the year, the indicators related to risk management in cybersecurity, information security, and operational privacy remained within levels deemed acceptable by the Bank. No significant events were reported, nor were any incidents detected that compromised information security, demonstrating the strength of existing controls and the effectiveness of continuous monitoring.

Additionally, information security and cybersecurity awareness campaigns were conducted for customers via social media and for employees through internal emails and intranet posts, along with training sessions for both third parties and employees aimed at minimizing incidents related to social engineering.

5.5 Money Laundering and Terrorism Financing Risk

During the first quarter of the year, the SARLAFT work plan was successfully executed, enabling proper management of risks associated with money laundering, terrorism financing, and financing of weapons of mass destruction. This included a sound analysis of risk evolution, compliance with the reports required by applicable regulations, and the monitoring of risk-generating factors. Therefore, we can affirm that the Bank's SARLAFT complies with the provisions of Part I, Title IV, Chapter IV of the Basic Legal Circular, providing the reasonable assurance necessary to protect the Bank from these risks.

As part of this risk management process, we highlight progress in the use of artificial intelligence tools, which have enabled significant efficiencies in the operational and analytical capacity of the work team.

In addition, there was continued reinforcement of the risk culture through the Zero Tolerance campaign, which, using short animated videos, had a positive impact on all Bank employees regarding ethics, customer and supplier due diligence, and other key operational management controls.

5.6 Operational Risk

As of March 2025, a total of 1,191 operational risks had been identified across the Bank's processes, mitigated by 5,066 controls. Residual risks remained within levels deemed acceptable by the Bank. During the first quarter of the year, a total of 543 operational risk events were recorded, divided into 149 type A events, which generate losses and impact the income statement, and 394 type B events, which do not generate losses and do not affect the Bank's income statement.

Gross losses from operational risk events in the quarter amounted to COP 1.472 billion, primarily resulting from labor relations and occupational safety, customers, products and business practices, and external fraud.

5.7 Business Continuity

During the first quarter of the year, no deviations were observed in the business continuity risk appetite indicators.

Below is a summary of the most relevant matters managed during the period:

- To strengthen the Bank's technological infrastructure and its Disaster Recovery Plan (DRP), the Main Data Processing Center (CPD) was successfully relocated from General Management to a Tier IV Data Processing Center. This is the highest accreditation granted for data center classification based on structure, performance, and reliability, offering 99.995% availability, robust infrastructure, and fault tolerance, ensuring high reliability and service availability.

- Individual tests of the Business Continuity Plan (BCP) were conducted using the different recovery strategies implemented for the Bank's critical subprocesses, achieving 97% effectiveness across them simultaneously.

- Likewise, the annual plan for monitoring the Business Continuity Plan and conducting tests with critical suppliers identified for continuity risk has been successfully implemented.

5.8 Fraud Prevention

During the first quarter of 2025, the Bank continued its proactive and adaptive approach to transactional fraud prevention, focusing on intelligent real-time and near-real-time transaction monitoring. More than 150 refinements were made to detection rules, models, and algorithms, optimizing the sensitivity and accuracy of anti-fraud systems without compromising the customer experience.

Performance indicators remained within the risk appetite defined by the Bank, reflecting the effectiveness of the prevention model and the operational maturity of the control frameworks.

In parallel, the Bank reinforced its educational front through monthly awareness campaigns targeting our customers, aligned with the primary threats identified. The thematic focus during each month was as follows: Cybersecurity and digital fraud modalities, prevention of card swapping, and social engineering techniques such as phishing, smishing, and identification of fraudulent emails.

These integrated actions not only contributed to effectively reducing fraud attempts but also strengthened our customers' digital confidence and resilience, in line with the principles of operational sustainability and financial consumer protection.

6. Corporate Governance

During the first quarter of 2025, the following material Corporate Governance matters occurred at the Bank:

Following a call issued in accordance with the required procedures and authorizations, the General Meeting of Shareholders was held on March 27, 2025. The report detailing the matters submitted for the Meeting's consideration and its decisions was published on the website of the Financial Superintendence and the Entity's website. This included the loss absorption project, sustainable management report, separate and consolidated financial statements for fiscal year 2024 with their notes, the statutory auditor's report, and the certification by the Registered Agent and accountant.

The Meeting also elected the Board of Directors for the term from April 2025 to March 2026, which was composed as follows:

1. Mauricio Hernando Amador Andrade (*).
2. Javier Diaz Molina.
3. Paula Durán Fernández.
4. Diego Fernando Solano Saravia.
5. María Ximena Lombana Villalba (*).
6. Juan Pablo Zárate Perdomo (*).
7. Luis Ernesto Mejía Castro.
8. Ernesto José Gutiérrez de Piñeres Luna.
9. Natalia Ramírez Carrizosa (*).

(*) Independent members.

Additionally, on April 11, 2025, the Bank's Board of Directors approved the formation of the following support committees:

Risk Committee

1. Mauricio Amador Andrade (*) – Chair.
2. Juan Pablo Zárate Perdomo (*).
3. Ernesto Gutiérrez de Piñeres Luna.

(*) Independent members.

Audit Committee

1. Natalia Ramírez Carrizosa (*) – Chair.
2. Mauricio Hernando Amador Andrade (*).
3. Diego Solano Saravia.
   (*) Independent members.

Corporate Governance and Sustainability Committee

1. María Ximena Lombana Villalba (*) – Chair.
2. Paula Durán Fernández (**).
3. Javier Díaz Molina.
4. Luis Ernesto Mejía Castro.

(*) Independent members.
(**) Will begin duties once duly sworn in before the Financial Superintendence.

The information was disclosed to the market through the website of the Financial Superintendence and the Entity's website.

7. Sustainable Management (ESG)

As part of the institutional strategy and the ongoing organizational transformation processes, the Bank is currently advancing in the update of its Double Materiality Assessment, a fundamental exercise for identifying and managing the actual and potential positive and negative impacts derived from its operations, as well as associated financial risks and strategic opportunities.

This process is being carried out with the support of a consulting firm specialized in sustainability. Their expertise has been instrumental in structuring the assessment in line with the identification of global and sectoral trends, risks, opportunities, and relevant impacts, thereby ensuring alignment with the current business strategy.

During the consultation phase, various stakeholders have participated and contributed their perspectives and experiences. This involvement is of utmost importance to ensure that the Double Materiality Assessment accurately reflects the expectations and priorities of strategic actors.

The results of this assessment are expected to be presented in the next quarterly report, which will detail the identification of relevant material matters and their integration with the Bank's Sustainability Strategy.

8. Glossary

Business Continuity Plan (BCP): A documented set of procedures, resources, and information required for the recovery of critical processes in the event of an unexpected interruption.

Disaster Recovery Plan (DRP): A documented set of procedures and information developed, compiled, and maintained for use in the event of an incident or interruption in the technology platform affecting business operations.

Contingency Operations Center (COC): A generic term that normally refers to an alternate facility that can be used in the event of an incident that disables the main facilities where processes or services are carried out.

Alternate Data Processing Center (CAPD): A location where an entity's information is processed when it is not possible to do so in the Primary Data Processing Center (CPD), which may be owned by the entity or by a third party.

Primary Data Processing Center (CPD): A location where the resources required to process an entity's information are concentrated, which may be owned by the entity or by a third party.

Money Laundering and Terrorism Financing Risk Management System (SARLAFT): A set of stages and elements for managing the risk of money laundering, terrorism financing, and financing of weapons of mass destruction to which Banco Popular may be exposed.

Double Materiality Assessment: A process that evaluates both the impacts that an organization's activities have on the environment and society, and the effects that environmental, social, and governance (ESG) factors have on the organization itself. This assessment is approached from two perspectives: Impact Materiality and Financial Materiality.

First Quarter

PERIODIC QUARTERLY Report

SUPERVISED BY FINANCIAL SUPERINTENDENCE OF COLOMBIA