Management and Sustainability Report

2025

VIGILADO SUPERINTENDENCIA FINANCIERA DE COLOMBIA

banco popular

Management and Sustainability Report

2025

The bank for the **best time of your life**

Year-End Periodic Report

Corporate Name
Banco Popular S.A

Head Office
Calle 17 N° 7 -35
Banco Popular Building

Website
www.bancopopular.com.co

Senior Management
Principal Officers
María Fernanda Suárez Londoño
President
Diana Constanza Polanía Ruiz
Senior Financial Manager
Giselle Tocora González
Comptrollership Manager
Darío Rendón Franco
Vice President of Treasury and Subsidiaries (Acting)
Luis Fernando Gómez Falla
Vice President of People and Customer Experience
María Mercedes Machado Ángel
Vice President of Corporate and Government Banking
Óscar Jimenéz Díaz
Vice President of Credit
Adriana Ramos
Vice President of Human Talent Experience (Acting)
Mateo Ravagli Torres
Vice President of Technology and Operations
Helber Alonso Melo Hernández
Vice President of Risk
Andrés De La Rosa Martínez
Vice President of Corporate Affairs and Sustainability, and General Secretary
Andrea Rueda Alarcón
Vice President of Strategy and Transformation (Acting)

Board of Directors
Mauricio Hernando Amador Andrade
Javier Díaz Molina
Paula Durán Fernández
Juan Pablo Zárate Perdomo
María Ximena Lombana Villalba
Diego Fernando Solano Saravia
Luis Ernesto Mejía Castro
Ernesto José Gutiérrez de Piñeres Luna
Natalia Ramírez Carrizosa

Control Bodies
Giselle Tocora González
C.M. Comptrollership Manager

KPMG S.A.S.
William Fernando Cruz Malagón
Statutory Auditor of Banco Popular S.A.

BDO Colombia Audit S.A.S. BIC
Luis Fernando Gómez González
Audit and Assurance Partner

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Banco Popular Colombia

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Letter from the President

María Fernanda Suárez
President of Banco Popular S.A.

In a challenging macroeconomic environment that differed from initial projections, marked by inflationary pressures, high intermediation rates, volatility in financial markets, significant regulatory changes, and accelerated technological transformation in the sector (especially due to the implementation of the instant payments system), we continued to advance with determination in executing our strategy, strengthening the Bank's financial position and reaffirming our commitment to sustainable value creation for Colombia.

This was also a year of profound institutional significance. We celebrated 75 years of history supporting millions of Colombians and took a significant step in the Bank's evolution with the renewal of our brand, reaffirming our purpose of being **"The bank for the best time of your life."** This vision recognizes the country's demographic shifts and our firm conviction to support people throughout their life cycle, with special emphasis on the silver segment (50+), a growing population segment that is increasingly long-lived, active, and diverse. Likewise, we launched our cultural transformation strategy for human talent, **"BanPop,"** aimed at creating a corporate culture centered on the customer, collaborative work, and organizational agility. This strategy promotes values such as doing everything for our customers, working together toward a common purpose, evolving with simplicity and speed, building healthy relationships that foster well-being at work, and advancing toward the achievement of objectives with responsibility and integrity.
The results of 2025 reflect disciplined, prudent, and focused management. In a challenging context, we achieved a significant recovery in the Bank's performance, returning to positive financial results, strengthening equity, and consolidating a stronger and more resilient balance sheet. The growth in assets and deposits, the improvement in the financial margin, and the reduction in operating expenses reflect the effectiveness of the strategic decisions adopted and our ability to adapt to environments with responsibility and a long-term vision. As a result, we closed fiscal year 2025 with positive financial results, represented by a net accounting profit of COP$15,078 million, which reflects an increase in profit of more than COP$241,000 million compared to 2024.

The execution of our strategy was structured around three fundamental pillars. First, a focused business strategy, which allowed us to concentrate capabilities and efforts on the segments that we, with absolute conviction, consider to be our target. In this way, in retail banking, we deepened the Silver Economy Strategy, aimed at supporting people over 50 years of age with a comprehensive value proposition that combines financial products, experiences, education, and well-being. With this purpose, in November 2025 we launched The Silver Club, www.clubplateado.com, the first open and free digital platform in Colombia designed to support people over 50 in their physical, emotional, and financial well-being, establishing itself as a space for support, inclusion, and community building.

Likewise, we continued to deepen our "phygital" customer service model, which combines physical and digital channels according to our customers' preferences or needs. We advanced in our technological transformation, including our channels such as mobile banking and the web portal, where improvements specifically designed to enhance the customer experience were implemented. The Bank now has stable, efficient, and user-friendly channels, which include, among others, voice-enabled functionalities, Bre-B transfers, and transactions via WhatsApp. Likewise, we launched innovative products for our customers, such as the Silver Account designed for savings with competitive returns, as well as the Millionaire CDT, specifically designed for people over 50 years old seeking a fixed monthly income. Additionally, we launched our Visa debit and credit cards in a limited edition inspired by the FIFA World Cup 2026, as part of the partnership established between Grupo Aval and its financial entities with Visa, becoming official sponsors of the event and allowing our cardholders to experience the tournament in a differentiated way and with benefits not available to the general public.

In the corporate banking segment, loan portfolio growth was in line with the market, and significant progress was achieved in strengthening relationships with corporate clients. Adjustments were implemented in pricing methodology and in the way risk is measured, which has supported more competitive proposals and strengthened our presence in this segment.
In the government banking segment, thanks to a strategy focused on deepening relationships with existing clients, the Bank not only maintained its market share in lending, but also achieved strong performance in operating and transactional liabilities through the implementation of cash management solutions, as well as in attracting new clients. The Bank has an exclusive tool for the government segment that supports better identification of client needs, adjustment of the product and service offering, and greater value contribution to commercial relationship management.

Regarding our second strategic pillar, focused on maintaining a strong balance sheet, during 2025 we carried out appropriate management of interest rate risk in the banking book, strengthening the measurement, control, and governance models of this risk. Active asset and liability management (ALM), together with the use of hedging strategies and disciplined funding, helped us contain and manage the delta of Economic Value of Equity (EVE delta), reducing the Bank's exposure to adverse interest rate scenarios and strengthening the long-term stability of the balance sheet and equity.
To this end, we also implemented efficient funding management, supported by the implementation of multiple levers aimed at cost optimization, which generated notable growth in retail deposits.

Likewise, to strengthen the Bank's balance sheet, in 2025 we completed a common share issuance and a subordinated bond issuance for a total value of one hundred billion pesos, significantly strengthening the Bank's regulatory capital and expanding solvency margins. This process had the decisive support of our majority shareholder, Grupo Aval, whose backing was fundamental in reinforcing the Bank's financial strength and supporting the execution of our strategy, reflecting confidence in Banco Popular's direction and its ability to generate sustainable value over time.

Regarding our third strategic pillar, focused on an efficient operating model, in 2025 we developed an ambitious digital transformation and technological modernization agenda. We made progress in process automation and simplification, in stabilizing and improving channel availability, and in adopting new digital capabilities, including advanced analytics and artificial intelligence. These efforts contributed to a significant reduction in operational incidents, a substantial improvement in customer and employee experience, and strengthened operational continuity and resilience.

In terms of sustainability and corporate governance, in 2025 we updated our sustainability model, incorporated the results of the double materiality assessment into strategic decision-making, and strengthened the integration of social, environmental, and governance criteria into business management. As a reflection of this process, the Bank participated for the first time in the Dow Jones Sustainability Index Corporate Sustainability Assessment (CSA), obtaining satisfactory results that reflect progress across economic, social, and governance dimensions. Likewise, we reached a 93% adoption level of the recommendations of the Country Code (Código País, Spanish acronym) and once again received the Investor Relations (IR (Investor Relations, Spanish acronym)) Recognition from the Colombian Stock Exchange, reflecting the Bank's evolution toward an increasingly robust, transparent corporate governance model aligned with leading market practices.

Looking ahead to 2026, the Bank will face significant challenges that we will address with the same responsibility and strategic vision. We will continue managing risks arising from macroeconomic changes, while further deepening digital transformation and the responsible use of artificial intelligence. We will strengthen the management of emerging risks—especially those related to cybersecurity, technology, sustainability, and the macroeconomic environment—and preserve financial strength in a highly competitive and demanding regulatory context. We will also continue consolidating a customer-centric organizational culture and reaffirm our leadership as a reference bank in Colombia's silver economy.

Finally, I would like to express sincere gratitude to the Board of Directors for their strategic guidance, to our employees for their commitment and service vocation, to our customers for their trust, and to our shareholders and strategic partners, especially Grupo Aval, for their continued support. Thanks to this joint effort, Banco Popular moves forward firmly toward a more sustainable, resilient, and human future, reaffirming its purpose of accompanying people and institutions at the best time of their lives.

Sincerely,

María Fernanda Suárez Londoño
President
Banco Popular S.A.

About This **Report**

[GRI 2-3]

The Management and Sustainability Report of Banco Popular S.A. presents its stakeholders with the progress and results of management activities carried out during the period from January 1 to December 31, 2025, regarding its main financial, economic, corporate governance, social, and environmental matters.

This report is prepared in accordance with the requirements of the Commercial Code, the Corporate Best Practices recommendations under Código País (Corporate Governance Country Code, Spanish acronym) issued by the Financial Superintendency of Colombia (SFC, Spanish acronym), the guidelines of External Circulars 012 of 2022 and 031 of 2021 issued by the SFC, the criteria of the Sustainability Accounting Standards Board (SASB) for commercial banks, and the reporting standards included in the Investor Relations (IR) framework of the Colombian Stock Exchange. Likewise, this report was prepared using the Global Reporting Initiative (GRI) Standards, 2021 edition, as a sustainability reporting framework.

This report is structured into seven chapters:

In the first chapter, an integrated overview of Banco Popular S.A. is presented, highlighting the Board of Directors and Senior Management, as well as its corporate strategy and alignment with the sustainability model. It also discloses the main figures, recognitions, and memberships that reflect the organization's performance and commitment during the reporting period.

The second chapter addresses Profitability with Purpose, highlighting financial figures as well as the evolution of the Bank's strategy, including commercial results of the retail banking, corporate banking, and government banking segments, as well as customer experience, corporate governance development, risk management, and commitment to ethics and compliance.

The third chapter presents Opportunity for All, reflecting the Bank's progress in cultural transformation and human talent management, as well as its focus on well-being, inclusion, and social impact initiatives for clients and users.
The fourth chapter presents the environmental strategy and the eco-efficient operating model.

The fifth chapter includes information regarding the Bank's subsidiaries.

The sixth chapter includes a glossary with terms defined within the report, and finally, the seventh chapter includes the annexes.

Additionally, the separate financial statements and consolidated financial statements of the Bank are included, which will be published in due course on its corporate website.

The financial information included in this document has been prepared in accordance with the Colombian Financial Reporting and Accounting Standards (NCIF (Colombian Financial Reporting and Accounting Standards, Spanish acronym)), established under Law 1314 of 2009, regulated by the Annex to Decree 2420 of 2015, and other amending decrees issued by the National Government.

With regard to non-financial information, the report was assured by BDO Audit S.A.S, which issued an independent assurance report. The scope of this assurance focused on a representative sample of 21 indicators prioritized jointly with Grupo Aval.

Banco Popular ColombiaThe report is available on our website: Banco Popular Colombia

The report is available on our website: www.bancopopular.com.co

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About Banco Popular

1.1. Our Bank
[GRI 2-1; 2-2; 2-6]

Banco Popular S.A. (hereinafter, the Bank) is a Colombian private joint-stock commercial corporation with more than 75 years of experience in the financial market, and has been committed to providing financial support and services to all its customers so that they may achieve their goals.

Its main corporate purpose is the development of activities, operations, and services inherent to a banking institution, within the applicable legal framework. Likewise, through its auction platform ("Martillo"), it engages in the sale, exchange, or any other form of disposal of movable and immovable assets or other negotiable goods, as well as the execution and maintenance of investments in companies and businesses authorized by law in Colombia or abroad.

The Bank is domiciled in the city of Bogotá and provides its services throughout Colombia through branches, cash office extensions, banking correspondents, payroll lending centers, collection centers, and its proprietary ATMs and the Red Aval ATM network, as well as through various digital channels. The Bank is part of the Aval Financial Conglomerate, one of Colombia's leading financial groups. It is also backed by Grupo Aval Acciones y Valores S.A., its parent company and holding entity of the Financial Conglomerate Aval, which strengthens its strategic development and fulfillment of its institutional purpose.

1.2. Our Board of Directors

The Board of Directors of Banco Popular S.A. is characterized by its extensive experience and specialized knowledge in the financial sector. Based on the professional profiles and competencies of its members, it provides strategic guidance based on leading international practices, seeking to ensure management alignment with the Bank's corporate objectives.

For more information about the Board of Directors, please refer to the Corporate Governance Report.

1.3. Senior Management

The Senior Management of Banco Popular S.A. is responsible for executing the strategic roadmap. Within the framework of the 2024–2026 strategy, the Board of Directors approved an organizational reconfiguration at the executive levels.
This structure is led by the President, María Fernanda Suárez Londoño, together with a team of nine Vice Presidents and two managers who report directly to the Presidency.

1.4. Banco Popular Strategy

In 2025, Banco Popular S.A. advanced a strategy aimed at strengthening its positioning as a profitable, sustainable, and customer-centric bank, moving toward a stage of greater maturity and disciplined execution. The strategic roadmap was defined by three main pillars:

i) Focus on strategic segments: The Bank reaffirmed its focus on the 50+ segment, public employees, regional entities, and companies, seeking to increase its market share in these segments through a focused product portfolio and a differentiated value proposition.

ii) Financial strength: The institution prioritized maintaining a robust balance sheet, optimizing funding, and strengthening the management of capital, liquidity, and risks.

iii) Operational efficiency: In parallel, the Bank promoted a more efficient operating model, incorporating technological and process modernization, channel improvements, and data strategies, including advanced analytics initiatives as well as the use of artificial intelligence.

Additionally, the year was influenced by a challenging macroeconomic environment, more adverse than the variables initially projected by market analysts, which generated pressure on the profitability of the financial system. It was also marked by the sustained acceleration of sector digitalization, especially with the instant payments system. In this context, in 2025 the Bank defined a strategic agenda focused on preserving financial strength, enhancing competitiveness, and responding effectively to the needs of its target segments.

In 2025, the Bank celebrated its 75th anniversary and, continuing its evolution process, launched a brand and purpose renewal, aiming to be "The bank for the best time of your life." In this new stage, the Bank offers experiences, products, and services designed to respond to the challenges and opportunities of the silver economy, which is based on Colombia's demographic transition, where more than 14 million people are currently over 50 years of age. This group will represent more than 45% of the population by 2050.

We transform together to make the best time of life possible.

Faced with this demographic shift, the Bank took on a leading role in the financial ecosystem. The proposal focuses on supporting this population group, recognizing that longevity does not represent an ending, but rather a phase of new opportunities and reinvention.

With its brand transformation, the Bank presents the following value proposition to Colombia:

- Supporting the silver population segment in making the best time of life a reality.
- Celebration of the "happy age" as a stage that honors experience, wisdom, and knowledge.
- Recognition of emotional, physical, and financial wealth.
- Promotion of reinvention and vitality, moving beyond the traditional concept of retirement.
- Implementing active listening as a core methodology to address and improve customer experiences.

In corporate and government banking, the strategy is focused on designing services and solutions to meet the financial needs of companies and government entities.

Strategic objectives and priorities

The Bank's strategic objectives for 2025 were concentrated on:

Short term:

Consolidating sustainable financial results, consistently improving customer experience, and strengthening operational stability.

Medium term:

Deepening a focused business model, supported by digital, analytical, and operational capabilities that support future growth and the Bank's sustainability.

The strategy prioritized segments where the Bank has structural competitive advantages: customers over 50 years old and government entities. This focus allowed the Bank to concentrate resources, capabilities, and commercial efforts on differentiated value propositions aligned with the specific needs of each segment.

Strategic pillars of action

As indicated, the 2025 strategy was structured around three main strategic pillars, summarized as follows:

The first pillar, focused business, aimed to strengthen the value proposition and customer experience. In retail banking, the approach for customers over 50 years old was deepened, prioritizing simplicity, support, security, and trust. In corporate and government banking, progress was made in strengthening service capabilities and digital solutions with the aim of improving the experience and consolidating long-term relationships.

The second pillar, strong balance sheet, focused on disciplined and sustainable financial management. In 2025, the Bank prioritized the use of analytics and specialized capabilities for asset and liability management (ALM), made progress in diversifying funding sources, and strengthened capital, liquidity, and interest rate risk management models, in line with leading industry practices and regulatory requirements.

The third pillar, efficient operating model, focused on scaling operational transformation by prioritizing process simplification and automation, structurally reducing friction, and strengthening channel stability. Throughout the year, these actions helped improve internal efficiency, reduced operational incidents, and strengthened the Bank's execution capacity, supported by a model of strategic indicators and data-driven decision-making.

Innovation, digitalization, and strategic governance

Innovation and digitalization acted as cross-cutting enablers of the strategy, improving customer experience, strengthening operational efficiency, and advancing financial inclusion, especially for populations with higher digital vulnerability. These advances helped close access gaps and consolidate a closer and more reliable relationship with customers.
Strategy execution and monitoring were carried out under a solid corporate governance framework, with the active participation of Senior Management and the Board of Directors, through formal instances for monitoring strategic, financial, and operational indicators. This model supported alignment between strategy, execution, and results.

Overall, 2025 represented a year of strategic consolidation for the Bank. It strengthened its competitive position, achieved a significant improvement in results and profitability compared to previous periods, and laid strong foundations for sustainable value creation in the coming years.

1.5. Sustainability Strategy
[GRI 2-13; 2-22]

The sustainability strategy of Banco Popular S.A. is aligned with its business model, guiding decision-making and long-term management with the aim of supporting sustainable and profitable growth over time. This approach incorporates environmental, social, and governance (ESG) factors in a cross-cutting manner, supporting the management of impacts, risks, and opportunities relevant to the business and its stakeholders.

In 2025, sustainability was formally and structurally integrated into the Bank's business strategy, positioning it as an enabler of value creation and long-term management. In response to the strategic priorities of the business, the Bank clearly defined its contribution to becoming a sustainable institution by incorporating ESG criteria into decision-making processes.

This process was supported by an updated double materiality assessment, whose results were used to identify, prioritize, and manage relevant impacts, risks, and opportunities. Based on this exercise, the Bank designed and adopted a new Sustainability Model, restructured key internal processes, and updated its Sustainability Policy.

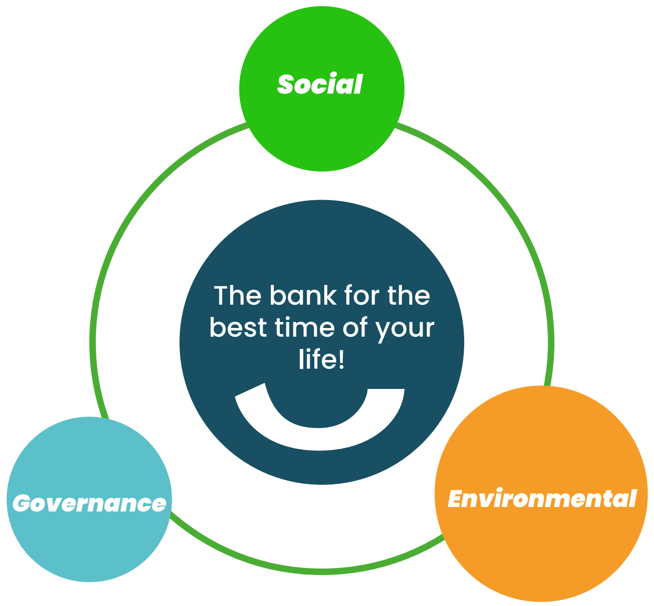
This approach is aligned with the institutional purpose of being **"The bank for the best time of your life"** for its customers, strengthening the creation of economic and social value in the short, medium, and long term.

Sustainability Model

[GRI 3-1; 3-3]

The sustainability model of Banco Popular S.A. was adopted as a strategic framework for transforming organizational culture and integrate sustainability into corporate management. In addition, it establishes the guidelines that steer the management of ESG matters and their alignment with the business strategy.

The sustainability model is structured into three interrelated dimensions:



- Cultural transformation
- Ecosystem of accessible and inclusive products
- Inclusive finance
- Financial education and well-being for customers and users

- Performance and profitability
- Innovation and digital transformation
- Corporate Governance

- Eco-efficiency strategy

8 DECENT WORK AND ECONOMIC GROWTH — Being a Bank **that transforms** its culture to make the best time of life possible

16 PEACE, JUSTICE AND STRONG INSTITUTIONS — Being a Bank that leverages its **corporate governance** to drive its strategy

1 NO POVERTY, 4 QUALITY EDUCATION, 10 REDUCED INEQUALITIES — Being the leading Bank in Colombia **that understands the needs of an increasingly aging population**

13 CLIMATE ACTION — Being a Bank that understands its **risks and opportunities** with regard to environmental matters, including climate-related ones, for their management and administration, in accordance with applicable regulations

The strategic pillars that guide management and decision-making are as follows:

A Economic growth, profitability, and innovation

Promote the Bank's economic growth and profitability through innovation and digital transformation, with an ecosystem of accessible and inclusive products, services, and channels, and the strengthening of inclusive finance.

B Culture, well-being, inclusion, and social equity

- Promote financial inclusion, economic well-being, and autonomy for customers over 50 years old, especially older adults (60 years or older).
- Transform culture and talent management to promote well-being, inclusion, and equity, and support the achievement of strategic objectives.

C Purpose-driven governance

Strengthen Corporate Governance as a mechanism to drive strategy and support responsible management.

D Responsible and coherent environmental management

Identify, measure, assess, and manage environmental and climate risks and opportunities through an eco-efficient operating model and compliance with the applicable regulatory framework.

Sustainability Policy

[GRI 2-23; 2-24]

In 2025, Banco Popular S.A. updated its Sustainability Policy, reaffirming its conviction that corporate value creation is strengthened through the integration of economic development, social well-being, and environmental balance. This Policy positions sustainability as a strategic pillar that guides decision-making and the Bank's relationships, with a long-term vision. Likewise, the Bank adopts responsible business practices, aligning its management with international frameworks and standards, the United Nations Sustainable Development Goals (SDGs; ODS in Spanish), and the commitments of the Paris Agreement.

The scope of the Policy applies to the Bank and extends to suppliers, customers, strategic partners, and other stakeholders. The Policy is approved by the Board of Directors and executed by Senior Management, and constitutes the institutional framework that guides strategic planning and sustainability management across all areas of the Bank.

Sustainability Governance and Management

[GRI 2-9; 2-12; 2-13] [CSA.S&P]

The Bank's sustainability governance is designed to support the effective integration of ESG criteria, including those related to climate change, into strategy, decision-making, and corporate management.

The Board of Directors is the highest governance and oversight body for sustainability matters. It defines strategy, approves social and environmental policies, and monitors their implementation. For this purpose, it is supported by the Corporate Governance and Sustainability Committee, a Board support body responsible for assessing the alignment of strategy and policies with corporate objectives and best practices.

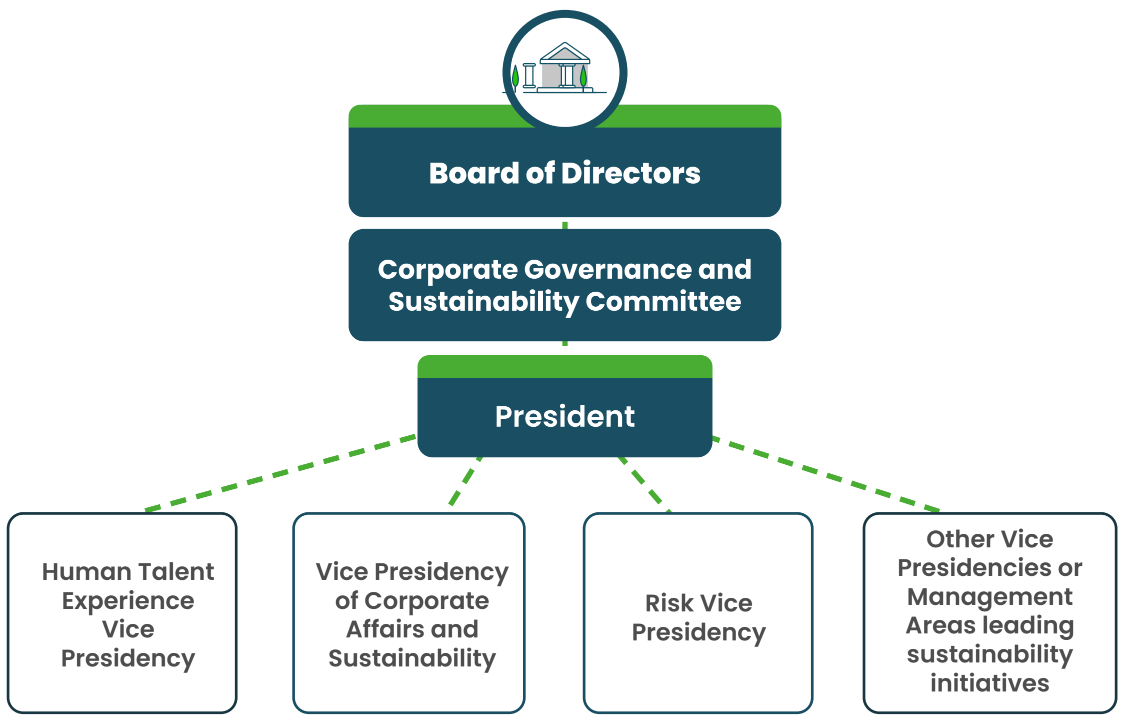
The President, with the support of the Vice President of Corporate Affairs and Sustainability (CSO), is responsible for the implementation of the sustainability strategy, integrating ESG principles into the business model, and periodically reporting progress to the Board of Directors.

The CSO leads the execution of the Corporate Sustainability Policy, coordinates cross-cutting initiatives, monitors ESG (Environmental, Social, and Governance) commitments, consolidates and discloses sustainability information, and promotes stakeholder training when applicable.

The Risk Vice Presidency identifies, assesses, and manages socio-environmental and climate risks and opportunities, in accordance with applicable regulations and best practices.

The Human Talent Experience Vice Presidency leads initiatives related to diversity, equity, and inclusion (DEI), cultural transformation, organizational well-being, and eco-efficiency, promoting a culture aligned with ESG principles.

Additionally, the Grupo Aval Sustainability Committee coordinates corporate guidelines and the adoption of international standards, supporting consistency in the integration of ESG principles across the sustainability strategies of the conglomerate's entities.



Double Materiality Analysis

[GRI 3-1; 3-2] [CSA.S&P]

During the first half of 2025, Banco Popular S.A. updated its double materiality assessment, supporting alignment with corporate strategy, sustainability objectives, and international standards. This analysis was conducted under the principle of double materiality, considering both internal impacts on the Bank's financial performance and operational results, and external impacts on society and the environment. The process included the participation of internal and external stakeholder groups in the identification of material topics, ensuring the relevance and representativeness of prioritized issues. In addition, material topics were prioritized through a materiality matrix and other assessment tools that support visualization of the strategic relevance and impact of each issue.

Double Materiality Process

1. Consolidation of potential topics
2. Stakeholder consultations
3. Definition of impacts, risks, and opportunities (IROs)
4. Internal assessment and heat map development
5. Double materiality matrix

1 Analysis of 16 internal Bank documents, complemented by the evaluation of 18 high-value external sources of a regulatory, sectoral, and industry-related nature, as well as international sustainability frameworks and standards and ESG reports. As a result, a set of 21 potentially material topics was identified.

2 Assessment of the relevance of potential sustainability topics based on the participation of 10 internal and external stakeholder groups, incorporating both the impact and financial perspectives in a balanced manner.

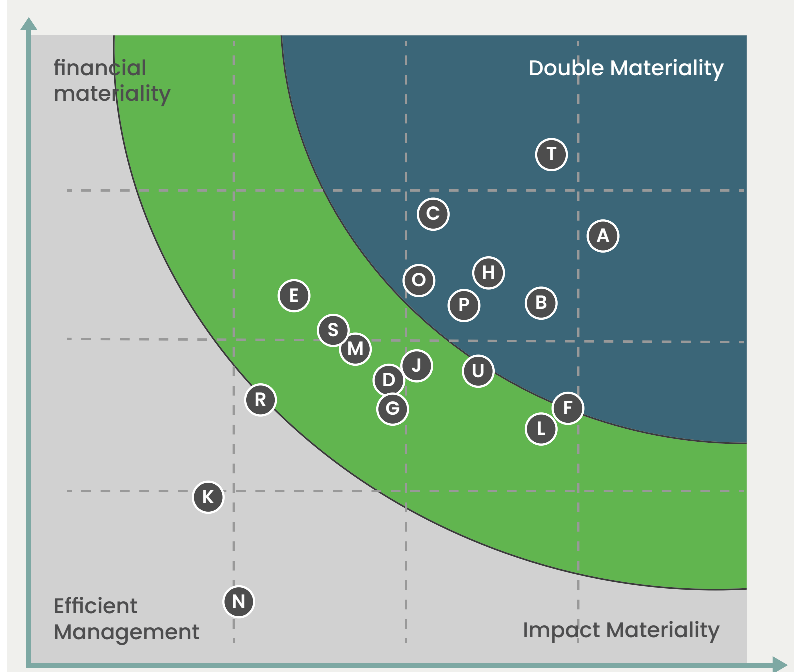
Internal stakeholder groups:
- Shareholders
- Investors
- President
- Board of Directors
- Senior Management

External stakeholder groups:
- Customers
- Suppliers
- Workers
- Subsidiaries
- Industry associations

3 Identification of 42 impacts (positive and negative), 22 risks and 25 opportunities.

4 Prioritization of topics based on 857 responses obtained from the different stakeholder groups through interviews, surveys and focus groups.

Double Materiality Matrix



DOUBLE MATERIALITY
T Economic performance and profitability
A Digital innovation and transformation
C Inclusive finance
B Accessible and inclusive product ecosystem
H Cultural transformation
P Corporate governance and ESG (Environmental, Social, and Governance) risk management
O Financial education for customers and users

FINANCIAL MATERIALITY
E Climate change risk and opportunity management
S Strategic alliances

IMPACT MATERIALITY
F Efficient operating model
L Customer experience and satisfaction
U Information security and privacy
J Talent management (Diversity and Inclusion)

TECHNICAL MANAGEMENT
D Open financial ecosystem
M Social commitment and impact
G Responsible environmental management
R Regulatory environment management
E Sustainable supply chain
N Stakeholder communication

The double materiality assessment is conducted at least once every two years, complemented by annual reviews to ensure timely response to significant changes in the business, regulatory environment, and stakeholder expectations.

The results of the assessment were approved by the Board of Directors of Banco Popular S.A., reflecting its commitment to the sustainability strategy and the creation of economic, social, and environmental value, supporting effective and strategic management of impacts, risks, and opportunities.
This approach allows the Bank to respond proactively to emerging challenges, maximize opportunities and positive impacts, and support long-term resilience and sustainability. Based on this analysis, and the subsequent integration of prioritized topics into the Bank's internal processes, the incorporation of these findings into the Enterprise Risk Management (ERM) process is promoted, supporting the effective use of this information in strategic decision-making.

Andrés De la Rosa Martínez, Vice President of Corporate Affairs and Sustainability and Secretary General of the Bank, at the Premio Innova Mayor ceremony, where the institution was awarded second place in the "Innovación Silver" category, an award presented by Universidad del Rosario and Porvenir S.A.

Stakeholder Engagement

[GRI 2-29]

The Bank recognizes that continuous and transparent dialogue with Stakeholders is essential for organizational sustainability. Therefore, it identifies and analyzes its main audiences, promotes communication through multiple channels and engagement mechanisms, and develops actions that strengthen relationships and support effective responses to their needs.

This engagement is carried out in a systematic manner and integrated into the sustainability strategy and risk management processes, supporting the consideration of stakeholder opinions, expectations, and priorities in the identification of material issues, the planning of ESG initiatives, and strategic decision-making.

Main Stakeholders and Communication Channels

Stakeholders	Communication Channels
Shareholders and investors	Shareholders' Meeting Shareholder and Investor Relations Office Request and report handling Website Social media Management and Sustainability Report
Board of Directors	Ordinary meetings in accordance with the approved schedule and work plan, as well as extraordinary meetings Board Committees Management and Sustainability Report Grupo Aval Board of Directors meetings
Subsidiaries	Participation in Boards of Directors Subsidiary Committees Corporate policies; Executive support Corporate communications Reports and disclosures Cross-cutting and Group projects
Employees	Meetings Corporate communications Intranet Surveys Request handling Management and Sustainability Report
Suppliers	Policies Procurement Department Website Forums and discussion spaces
Government and regulatory authorities	Meetings Reports Request handling Initiatives Official reports Website Management and Sustainability Report
Media and opinion leaders	Interviews Press releases Reports Website Social media Meetings Press conferences Spokespersons at events
Community and society	Management and Sustainability Report Request handling, where applicable

The information obtained from Stakeholder groups is incorporated into the double materiality assessment, and therefore into strategic decision-making, through the development of initiatives addressing the prioritized double materiality topics, supporting the generation of economic, social and environmental value through projects, policies, and operations in a balanced manner.

Sustainable Development Goals

Banco Popular S.A., as part of Grupo Aval Acciones y Valores S.A., a leading financial group, recognizes its responsibility to promote actions that contribute to the achievement of the global targets established in the United Nations Sustainable Development Goals (SDGs)
Under this premise, six of the 17 goals have been prioritized as they are the most relevant and consistent with the nature of the Bank's activities and its strategic objectives.

SDGs	Description
10 REDUCED INEQUALITIES	Credit, savings, and service products for retail customers place special focus on individuals over 50 years old, particularly older adults (60 years or older), as a historically underserved group.
4 QUALITY EDUCATION	Banco Popular S.A. is committed to promoting the financial well-being of its customers through comprehensive support, including personalized guidance, financial education, and tools that facilitate responsible financial management.
1 NO POVERTY	The Bank offers the "Posible" Credit Card product, backed by the National Guarantee Fund (FNG, Spanish acronym), promoting credit inclusion for pensioners with and without credit history and with income between 1 and 2 SMMLV (Monthly Legal Minimum Wage, Spanish acronym).
8 DECENT WORK AND ECONOMIC GROWTH	The Bank's labor practices and employee benefits contribute to the creation of quality employment and, together with tax compliance, act as drivers of Colombia's economic development.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	The Bank maintains an organizational structure aligned with legal requirements and adopts leading Corporate Governance practices, including strengthened governance bodies, risk management, continuous improvement of the internal control system, ethics and compliance, and transparency in disclosures. It also maintains systems to prevent corruption, fraud, and bribery risks.
13 CLIMATE ACTION	The Bank manages environmental and climate impacts, risks, and opportunities through initiatives aimed at an eco-efficient operating model and remains committed to compliance with applicable regulatory frameworks.

1.6. Bank in Figures

The most relevant figures of Banco Popular S.A. during 2025 were as follows:

Financial Performance (figures in COP)

Assets
2024: 29.0 trillion
2025: 31.3 trillion

Net income
2024: -226,699 million
2025: 15,078 million

Equity
2024: 2.4 trillion
2025: 2.5 trillion

Gross margin
2024: 1.0 trillion
2025: 1.5 trillion

Total gross loan portfolio
2024: 21.0 trillion
2025: 22.4 trillion

Total deposits
2024: 22.4 trillion
2025: 25.8 trillion

Economic value generated and distributed
2024: 3.4 trillion
2025: 3.5 trillion

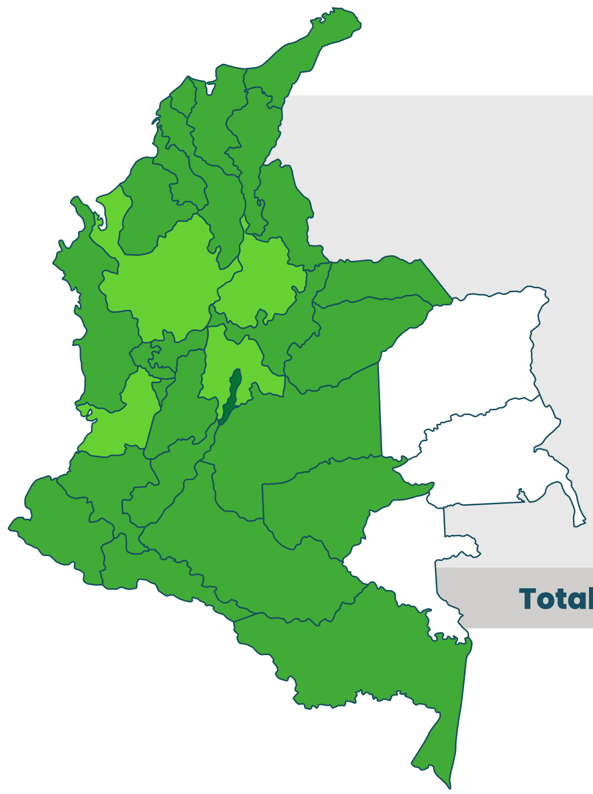
Customers (year-end 2025)
877,335

Employees 2025[1]:
3,485
Women 61%
Men 39%

Mobile and Online Banking Channel Adoption:
Bre-B Adoption

Suppliers 2025: **1,111**

Physical Service Channels – Banco Popular



Regions	Number of branches	Number of ATMs	Number of banking correspondents
Bogotá and Cundinamarca	49	152	31
Noroccidente	59	211	27
Sur	66	199	28

Total: 174 Branches · 562 ATMs · 86 Banking correspondents

[1]Includes permanent employees, SENA trainees, and temporary workers.

1.7. Recognitions and Memberships

Distinctions for innovation and service excellence

Innova Mayor Award:

Innovation" category, a recognition granted by Universidad del Rosario and Porvenir. The award highlighted the comprehensive silver economy strategy, which drives financial inclusion and well-being for people over 50 years old as an initiative aimed at improving their quality of life, selected among more than 400 applications.

Portafolio Awards:

The Bank was a finalist in the 2025 Portafolio Awards in the Customer Service category, with the "Mijos" strategy, competing among more than 800 companies. This recognition reflects the implementation of a phygital strategy, which integrates physical and digital channels to offer a close, secure, and efficient service experience, as well as the "Mijo Assistants" support model, designed to provide personalized support to customers.

Leadership recognitions

President of Banco Popular. María Fernanda Suárez Londoño

- Selected as one of the 20 People of the Year of Hora 20 (Caracol Radio).
- Recognized by Merco in the ranking of the 5 best leaders in the country in the financial sector.
- Recognized by Forbes Colombia in the list of the 100 Most Powerful Women of 2025.
- Recognized by Portafolio among the CEOs with the greatest digital impact in Colombia.
- Recognized by La República as one of the most influential people in business and economy in Colombia (2025 list).
- Participation in the first Silver Economy Forum Europe–Latin America and the Caribbean in Barcelona as panelist in "Silver Finance – Silver Products and Channels."

Credit ratings

In September 2025, Value and Risk Rating S.A. reaffirmed the Bank's ratings, maintaining AAA (Triple A) with a stable outlook for long-term debt and VrR 1+ (One Plus) for short-term debt, confirming its maximum payment capacity and financial strength.

Ratings, rankings, memberships and affiliations

[GRI 2-28]

Sustainable1	**Corporate Sustainability Assessment (CSA) of S&P Global** Evaluates the environmental, social and governance performance of participating companies. The Bank participated for the first time and the results were private.
bvc nuam ir	**Bolsa de Valores de Colombia (BVC), "IR"** An initiative of the BVC that recognizes companies for implementing leading practices in Investor Relations, information disclosure, and corporate governance to strengthen trust and credibility in the market. In 2025, the Bank reached 87.4%, improving compared to the previous year.
PCAF Partnership for Carbon Accounting Financials	**Partnership for Carbon Accounting Financials (PCAF)** The Partnership for Carbon Accounting Financials (PCAF) is a global initiative that establishes guidelines for the measurement and disclosure of Greenhouse Gas Emissions (GHG) associated with credit and investment activities. In 2025, Grupo Aval entities joined this initiative, aligning their approach at a corporate level.
UNEP Finance Initiative – Principles for Responsible Banking	**Principles for Responsible Banking** An initiative of the United Nations (UN) that provides recommendations on aligning financial institutions' strategies with the Sustainable Development Goals (SDGs) and the Paris Agreement, integrating sustainability into their core business to generate positive impacts on society. The Bank has been a signatory since 2021.
Protocolo Verde Asobancaria	**Green Protocol** A voluntary agreement between the financial sector and the National Government, aimed at coordinating efforts to promote the country's sustainable development, protect the environment, and encourage the responsible and efficient use of natural resources. The Bank has been a signatory since 2017.
Protocolo Social Diversidad | Equidad | Inclusión	**Social Protocol** A voluntary agreement between the National Government and financial sector entities led by Asobancaria, which seeks to promote diversity, equity and inclusion (DEI) across the entire value chain of financial institutions in Colombia. The Bank has been a signatory since 2025.
Friendly Biz	**Friendly BIZ** A leading market certification that recognizes companies as discrimination-free workplaces for talent. Since 2020, the Bank has received the Friendly BIZ seal for having policies, processes and procedures that strengthen diversity, equity and inclusion for diverse population groups.

2

Profitability with Purpose

2.1. Economic Growth, Profitability, and Innovation

2.1.1. Macroeconomic Context

Economic Growth

During 2025, Colombia showed positive economic momentum. According to average data reported by the National Administrative Department of Statistics (DANE, by its Spanish acronym), by the third quarter, aggregate demand recorded an increase of 2.8%.

The strong performance of gross domestic product (GDP) was mainly driven by the positive performance of household consumption, which was a key driver of trade activity. During the first quarter, this category recorded growth of 3.9%, which strengthened significantly in the second quarter, reaching 5.6%. In the third quarter, according to figures from the National Administrative Department of Statistics (DANE, by its Spanish acronym), this category remained stable.

Among the sectors that recorded growth, public spending played a significant role in the expansion of aggregate demand. In the first quarter, an increase of 3.5% was recorded; in the second quarter, it showed a slowdown (1.8%); and in the third quarter, it rebounded significantly, reaching growth of 8.0%.

Although certain components of aggregate demand show signs of recovery, some key sectors continue to experience a slowdown. For example, the construction sector, which is essential for job creation, recorded negative variations during the first three quarters of 2025: it declined by 3.5% in the first quarter, maintained a similar trend in the second quarter, and contracted by 1.8% in the third quarter, according to DANE (National Administrative Department of Statistics, Spanish acronym). Mining and extractive activities also recorded a contraction, which is relevant given the country's high dependence on raw material exports. The sector declined by 5.0% in the first quarter, experienced its sharpest drop in the second quarter (-10.2%), and declined again by 5.7% in the third quarter. These sectoral results reflect the challenges facing the economy in revitalizing its productive capacity and sustaining the pace of recovery.

For 2026, aggregate demand is expected to continue to accelerate, driven by household consumption and public spending. However, significant challenges remain related to upward inflationary pressures and the public spending budget, given the Government's significant fiscal challenges. The energy transition outlined in the National Development Plan (NDP 2022–2026) could continue to affect certain export-related activities.

Monetary Policy

In terms of monetary policy, both inflation and the intervention rate of Banco de la República closed the year with less favorable results. At the beginning of 2025, expectations indicated inflation close to 4.25%, accompanied by a more flexible monetary policy, with an interest rate of approximately 7.30%. However, inflation performance throughout the year deviated from this scenario. In January, inflation stood at 5.22%, showing initial signs of a downward trend that reached its lowest level in June (4.82%).

In this context of moderating inflation, Banco de la República reduced its intervention rate by 25 basis points, bringing it to 9.25%. However, persistent inflationary pressures once again placed renewed pressure on consumer prices. Starting in July, inflation began to rebound, reaching its highest level of the year in October (5.51%), and ultimately closing 2025 at 5.10%, only 10 basis points below the 2024 level (5.20%).

In 2026, the 23.7% increase in the minimum wage is expected to generate significant inflationary pressures, and therefore market analysts have anticipated a more restrictive stance by Banco de la República.

Exchange Rate Performance

In foreign exchange markets, at the beginning of 2025, expectations pointed to the U.S. dollar trading at approximately COP $4,300, considering that 2024 had closed at COP $ 4,400, in a context marked by the change of government in the United States. However, the global economy was marked by political and trade tensions, including disputes over tariffs and technology between the United States and other countries. These decisions contributed to a depreciation of the U.S. dollar, consistent with the U.S. Government's objective of making its products more competitive. The market reacted with uncertainty amid this growing environment of trade tensions. As a result, the DXY fell below 100 points starting in March, reaching a low of 96.88 and closing 2025 at 98.32, levels not seen since 2021.

The weakening of the U.S. dollar generated an appreciation trend across Latin American currencies. Consistent with this trend, the Colombian peso also appreciated, further supported by Government interventions in the debt market. As a result, in 2025 the Colombian peso appreciated by 14.41% compared to the end of 2024, moving from COP $4,400 to COP $3,770. However, if the Colombian currency had followed a similar pattern to other regional currencies or the DXY, it would have closed at approximate levels of COP 3,900 (Brazil), COP 3,810 (Mexico),COP 3,997 (Chile), COP 4,005 (DXY). This indicates that although Colombia led regional currency appreciation, its final level remains within ranges consistent with global foreign exchange market movements.

Regarding 2026, the outlook continues to point to an appreciation bias for the Colombian peso, considering the global environment, particularly in Latin America.

2.1.2. Financial Position

In 2025, Banco Popular S.A. advanced decisively in its comprehensive transformation process, aimed at strengthening its financial sustainability and consolidating its position within the silver economy. During this year, the Bank carried out a cross-functional transformation process, strengthening the value proposition through the relaunch of the brand and the renewal of the corporate culture. These actions, accompanied by rigorous balance sheet management and a strategic focus on efficiency and growth, helped strengthen the Bank's financial foundations and continue advancing in the modernization of its business model.

In 2025, as a result of disciplined management and the institutional transformation process, the Bank consolidated the strength of its financial structure. Assets reached COP $31,314,997 million as of year-end December, reflecting an increase of COP $2,348,145 million (+8.11%) compared to the previous year.

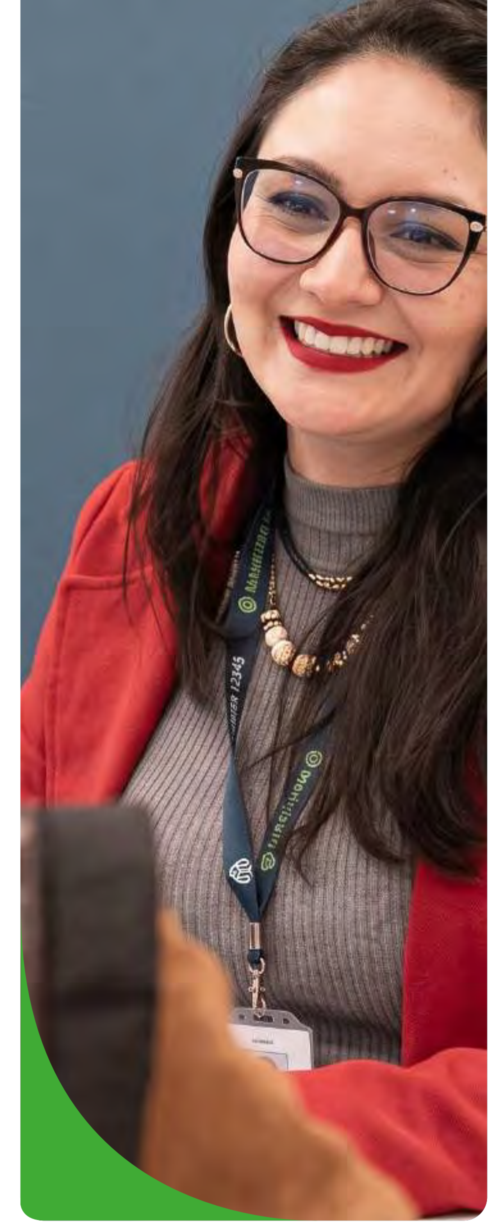
This performance reflects the implementation of strategic decisions aimed at optimizing the composition of the asset portfolio and responding to the dynamics of the economic environment and the financial market. Likewise, deposits performed favorably and recorded an increase of COP $2,249,666 million (+8.47%), in line with the positive evolution of assets. This growth contributed to strengthening the balance sheet structure, consistent with market trends and with the Bank's strategy of moving toward more efficient and lower-cost funding sources. This structure underscores the Bank's financial strength and its capacity to manage funding resources prudently and sustainably.

With respect to results for the year, the Bank's financial performance in 2025 confirms the effectiveness of the strategies implemented throughout the year. Below are the comparative figures between 2025 and 2024, prepared under NCIF (Financial Accounting and Reporting Standards, Spanish acronym) accepted in Colombia for separate financial statements, which illustrate the Bank's positive performance trend.

Financial Position Statement (Figures in millions of pesos)	2024	2025
Assets	$28,966,852	$31,314,997
Cash and cash equivalents	$1,746,184	$1,644,596
Credit portfolio and financial leasing (1)	$21,258,619	$22,416,978
Impairment of credit portfolio and financial leasing	-$1,049,143	-$1,015,912
Investment financial assets	$4,068,020	$5,137,572
Other assets (2)	$2,943,172	$3,131,762
Liabilities	$26,575,512	$28,825,179
Deposits	$22,402,734	$25,789,301
Other liabilities	$4,172,778	$3,035,878
Equity	$2,391,340	$2,489,818

(1) Includes repurchase agreements (repos) and interbank transactions.

(2) Includes other accounts receivable, investments in subsidiary companies, associates, and joint ventures, net tangible and intangible assets, income tax assets; derivative hedging instruments; and other assets.

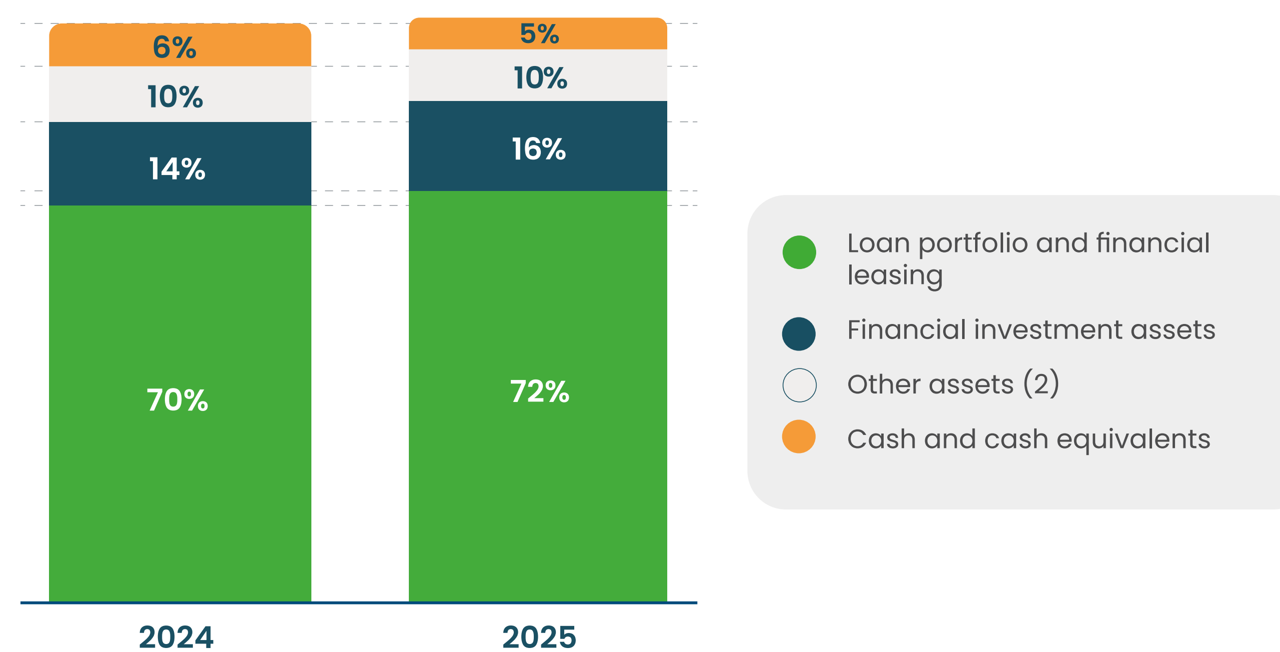


Composition of Assets

As of December 2025, the Bank's net loan portfolio and financial leasing once again remained the primary component of total assets, representing 72% of total assets, reinforcing its role as the Bank's main source of value generation. This line item recorded an increase of COP 1,158,359 million (+5.5%) compared to 2024, reflecting healthy growth aligned with the strategic priorities of commercial deepening and strengthening the credit portfolio.

Financial investment assets represented 16% of total assets, remaining a strategic component of the Bank's financial management. This line item recorded significant growth of COP 1,069,553 million (+26.3%) compared to 2024, driven by timely decisions aimed at capturing market opportunities and optimizing portfolio profitability.

In terms of liquidity, cash and cash equivalents represented 5% of total assets, a level that supports adequate resource availability for operations, regulatory compliance, and meeting customers' transactional needs. This component recorded a decrease of COP 101,588 million (-5.82%) compared to 2024, as a result of strategic cash management aimed at optimizing resource allocation and improving balance sheet efficiency.



Loan Portfolio

As of year-end December 2025, the Bank's loan and financial leasing portfolio amounted to COP 22,416,978 million, recording growth of 5.52% compared with the previous year. This performance reflects portfolio stability and progress in executing the strategies defined for each segment. The main changes by loan portfolio type are presented below:

- The consumer loan portfolio and consumer leasing portfolio reached COP 15.3 trillion, with growth of COP 782,558 million (+5.38%), and maintained a 68% share of the total portfolio. Of this segment, 97% corresponds to payroll-deducted loans, a product for which a repricing strategy was implemented during the year, contributing to improved profitability and sustainability of the portfolio.

- The commercial loan portfolio and commercial leasing portfolio increased by COP 528,638 million (+9.32%), consolidating a 28% share of the total portfolio. This positive result is associated with the strategy aimed at strengthening disbursements in indexed-rate products, which made it possible to capture new business opportunities in a competitive environment.

- The housing loan portfolio and housing leasing portfolio recorded a decrease of COP 137,773 million (-13.29%), equivalent to 4% of the total portfolio. This reduction is aligned with the strategy defined for this business line, focused on strengthening portfolio quality and prioritizing segments that generate greater value.

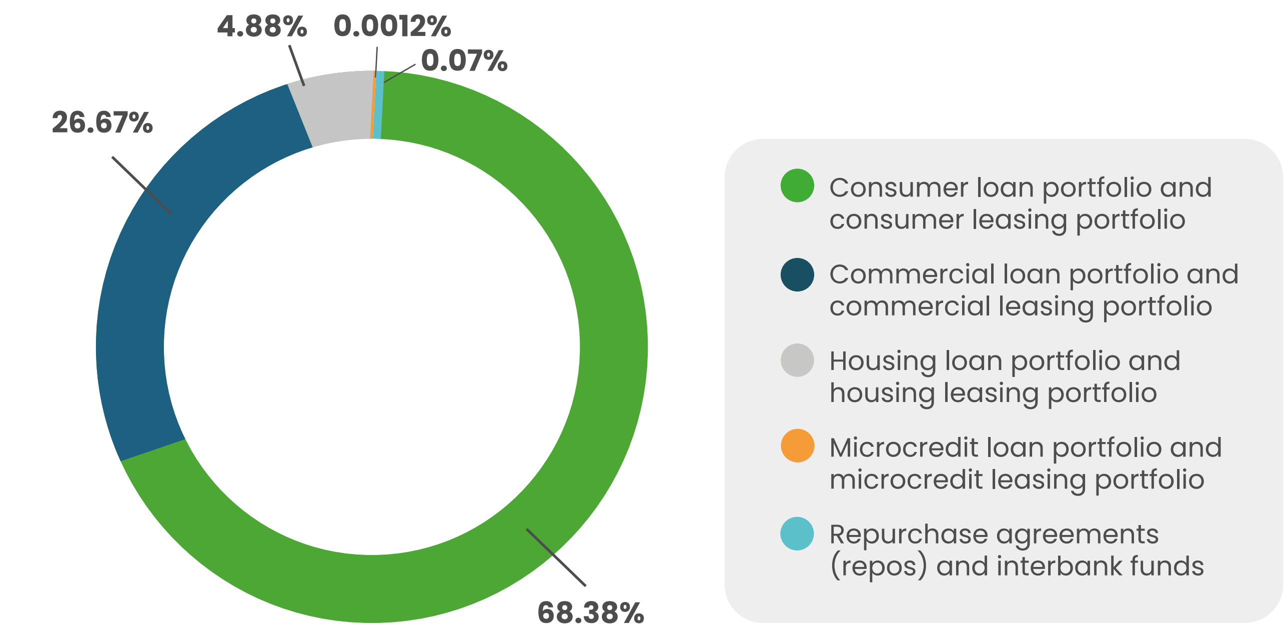
Taken together, these changes show a stable portfolio consistent with the Bank's institutional strategy. Growth in the focus products and the deliberate adjustment in the housing and housing leasing segments reflect the Bank's ability to manage its portfolio with an emphasis on profitability, quality, and efficiency, responding proactively to market conditions.

Credit Portfolio Composition Table
(Figures in millions of pesos)

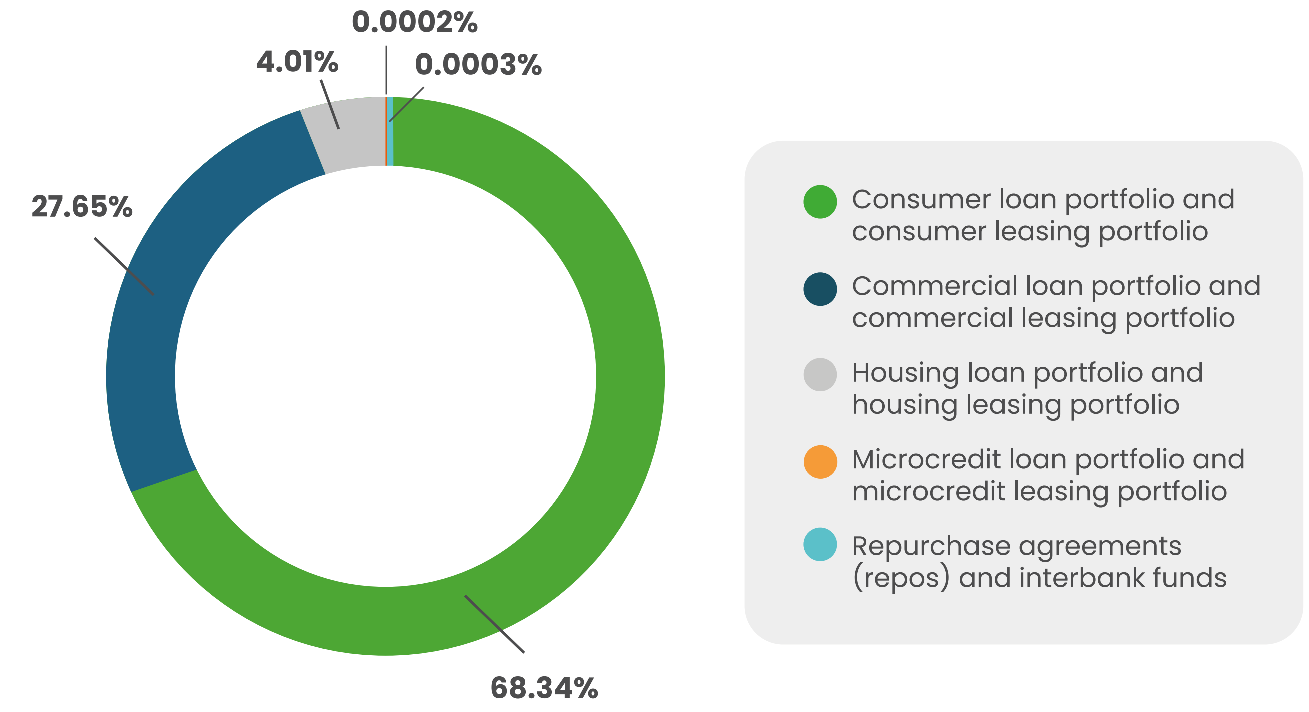
	December 2024	December 2025
Consumer loan portfolio and consumer leasing	$14,537,601	$15,320,159
Commercial loan portfolio and commercial leasing	$5,669,415	$6,198,053
Housing loan portfolio and housing leasing	$1,036,422	$898,649
Microcredit loan portfolio and microcredit leasing	$247	$51
Repurchase agreements and interbank loans	$14,934	$66
Total net portfolio	$21,258,619	● $22,416,978

● Total net loan portfolio, including accounts receivable.

December 2024



December 2025

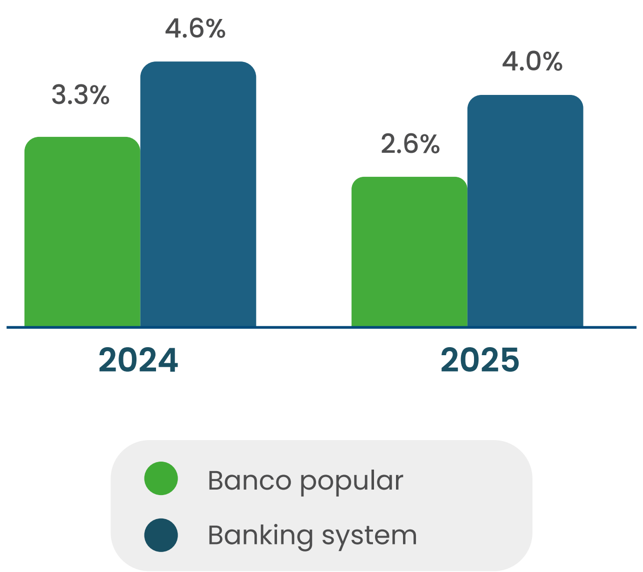


Loan Portfolio Quality

As of year-end December 2025, the Bank's past-due loan portfolio ratio stood at 2.6%, improving by 95 bps (basis points) compared with the 3.5% recorded in 2024. This positive performance reflects the appropriate application of lending policies and the effectiveness of credit risk management strategies, supported by the solid performance of the payroll-deducted loan portfolio. These elements have supported rigorous and sustainable control over delinquency levels, and the result is in line with the downward trend observed in the banking system, whose ratio stood at around 4.0% in 2025.

Accordingly, the Bank continues to maintain a past-due loan portfolio level significantly below the sector average, underscoring the quality of its portfolio and the strength of its risk management.

Loan Portfolio Quality Indicator



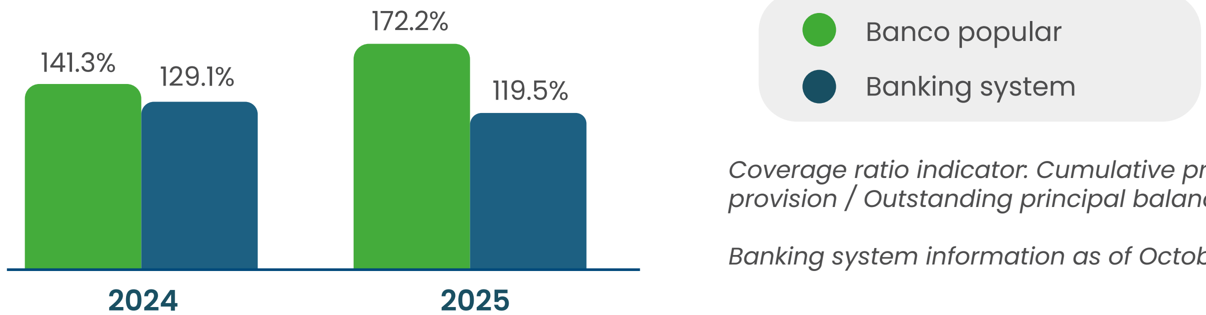
Loan Portfolio Coverage

The Bank has historically maintained a prudent and consistent approach to risk management, as evidenced by its ability to sustain coverage levels that are sound and above the average of the financial system. This performance reaffirms the effectiveness of its credit policies, provisioning frameworks, and discipline in risk management, which support the Bank's capacity to address challenges associated with delinquency with strength and resilience.

As of the close of 2025, the Bank reported a coverage ratio of 172.2%, representing an increase of 390 bps compared with the 133.2% reported in 2024. This increase is attributable to the re-accumulation process of the countercyclical component of provisions in the consumer loan portfolio, following the implementation of Circulars CE017 and CE014 during 2024. Despite the regulatory adjustments, the Bank continues to show a strong capacity to absorb potential portfolio deterioration.

In comparison with the banking system, whose coverage level closed at 119.5% in 2025, the Bank maintains a leading position with a significantly higher ratio. This result strengthens its financial soundness profile and underscores the robustness of its provisioning policy in light of market performance.

Portfolio Coverage Ratio



Coverage ratio indicator: Cumulative principal provision / Outstanding principal balance 30+

Banking system information as of October 2025

In 2025, the Bank's liabilities recorded growth of COP 2,249,667 million (+8.47%) compared with the close of 2024, reaching a total of COP 28,825,179 million. This performance reflects the execution of strategic initiatives aimed at optimizing the balance sheet structure, prioritizing lower-cost liabilities and improving funding efficiency.

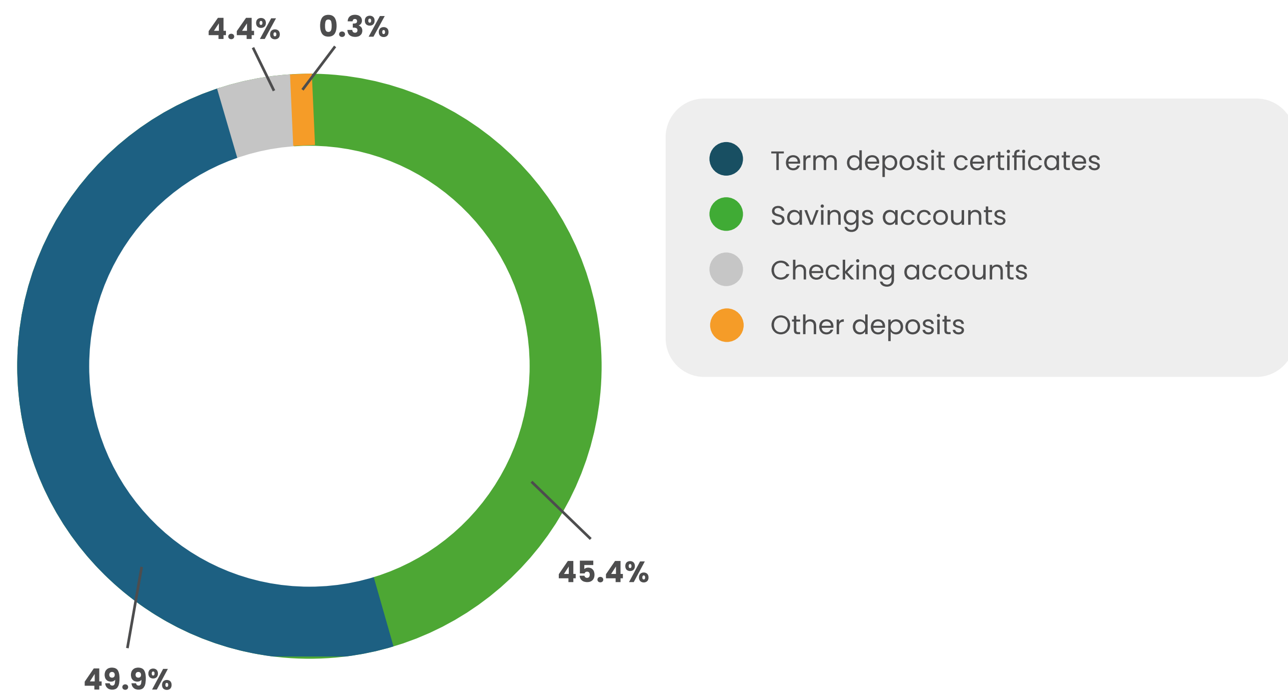
Customer deposits, which account for 89% of liabilities, increased by 15.1% compared with December 2024, reaching a total of COP 25,789,300 million. Within this composition, term deposit certificates, or CDTs (Certificates of Deposit, by their Spanish acronym), grew by 9.2%, reflecting customers' preference for instruments offering greater stability and consolidating their share at 47% of deposits. In turn, savings accounts increased by 22.8%, in line with the strategy of promoting more efficient funding sources, while maintaining their 48% share of total deposits.

Financial obligations decreased by 37.9%, as a result of effective management of short- and long-term liabilities that strengthened the Bank's financing capacity. Interbank funds and repurchase agreements (repos) also recorded a decrease, standing at COP 250,097 million, equivalent to 12% of financial obligations. This performance is associated with prudent liquidity management during the year-end closing season.

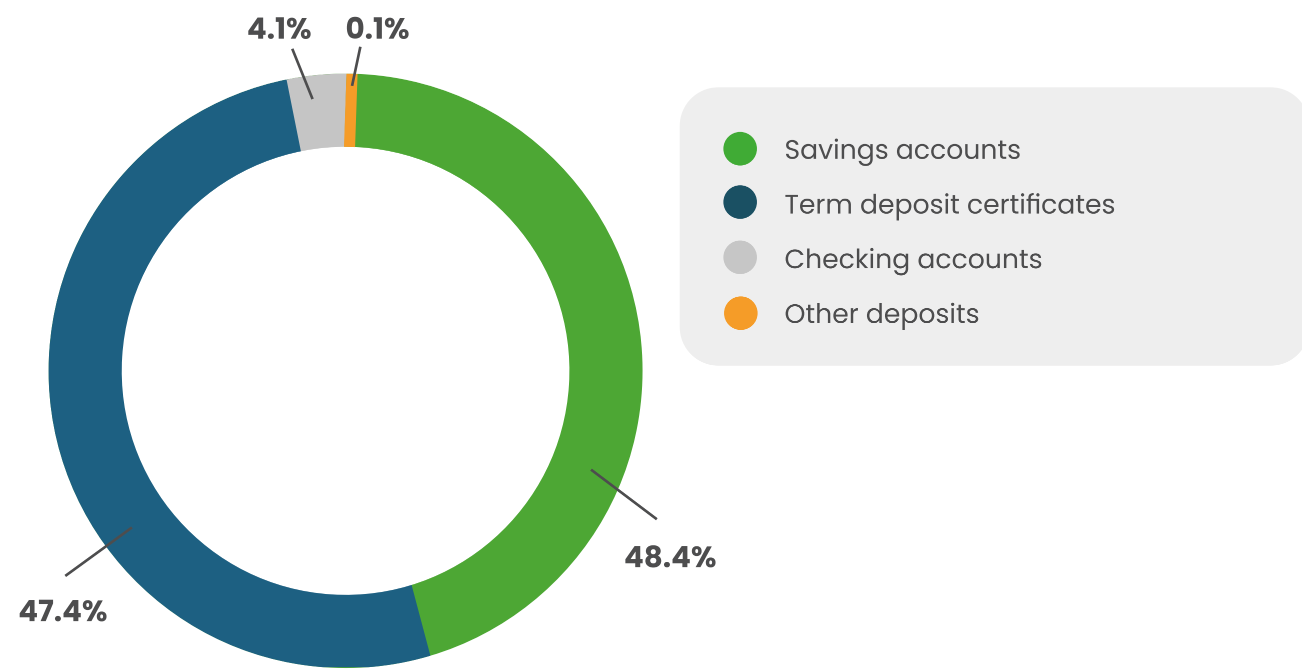
The Bank continues to consolidate a robust financial structure, aligned with its institutional strategy and regulatory requirements, thereby underscoring its soundness and funding management capacity.

Liabilities Composition Table (Figures in millions of pesos)	December 2024	December 2025
Savings accounts	$10,174,621	$12,491,974
Certificates of deposit / Term deposits	$11,184,419	$12,214,936
Checking accounts	$984,150	$1,053,789
Other deposits	$59,545	$28,601
Total customer deposits	$22,402,735	$25,789,300
Interbank funds and repurchase agreements	$761,735	$250,097
Investment securities	$1,623,495	$1,118,675
Bank loans and other credits	$362,280	$175,140
Obligations with rediscounting entities	$563,200	$513,585
Total financial obligations	$3,310,710	$2,057,498
Total liabilities at amortized cost	$25,713,445	$27,846,798
Total liabilities	$26,575,512	$28,825,179

Composition of customer deposits 2024



Composition of customer deposits 2025



Equity

As of year-end December 2025, the Bank's equity amounted to **COP 2,489,818 million**, recording growth of 4.1% compared with **COP 2,391,340 million** reported in 2024. This increase is primarily attributable to the profits generated during fiscal year 2025, amounting to **COP 15,078 million**, as well as to the positive effect derived from the share premium, contributing to the strengthening of the Bank's equity position. Additionally, other comprehensive income (ORI) increased by **COP 63,165 million**, driven by the improved performance of debt securities investments classified in the portfolio at fair value through other comprehensive income (ORI), reflecting favorable market conditions and active management of the investment portfolio.

Equity Composition Table (Figures in millions of pesos)

	December 2024	December 2025
Reserves	$2,504,722	$2,510,696
Other comprehensive income	$21,513	$63,165
Unappropriated retained earnings	-$48,507	-$289,436
Net income for the period	-$226,699	$15,078
Stock issuance premium	$63,060	$111,454
Subscribed and paid-in capital	$77,253	$78,861
Total equity	$2,391,340	$2,489,818

With respect to its composition, 97.5% corresponds to capital accounts (subscribed and paid-in capital, share premium, appropriated reserves, and the loss for the current fiscal year), and 2.5% corresponds to other comprehensive income (ORI).

Solvency Ratio

	December 2024	December 2025
Leverage ratio	6.70%	6.34%
Basic solvency ratio	10.31%	10.68%
Additional basic solvency ratio	10.31%	10.68%
Total solvency ratio	12.08%	12.66%

The Bank's solvency ratio improved by 58 basis points, rising from 12.08% in 2024 to **12.66%** as of year-end 2025. This strengthening reflects both the increase in regulatory capital and the evolution of risk-weighted assets (RWA; APNR, Spanish acronym), in line with the capital and risk management strategies implemented during the year.

The solvency level reached in 2025 not only supports compliance with regulatory requirements, but also reflects the strengthening of the Bank's capital base and financial soundness. With a regulatory minimum of 10.5%, the Bank closed the year with a buffer of 216 basis points, maintaining a robust and adequate capital position to support its sustainable growth.

Regulatory capital

- In August 2025, a capitalization in the amount of COP 50,002 million and an issuance of subordinated bonds for an additional COP 50,000 million were carried out, significantly strengthening the Bank's regulatory capital.
- At year-end, accumulated earnings amounted to COP 15,078 million, contributing positively to regulatory capital.

Risk-weighted assets (RWA; APNR, Spanish acronym)

- In July 2025, Decree 0573 of 2025 entered into force, establishing a phased reduction in the risk weighting of payroll-deducted loans, reducing such weighting from 75% to 70% during the second half of 2025, thereby generating a favorable effect on the calculation of risk-weighted assets (RWA).
- Additionally, the Bank's assets grew by COP 2,367,734 million, impacting the calculation base of the solvency ratio.

Income Statement

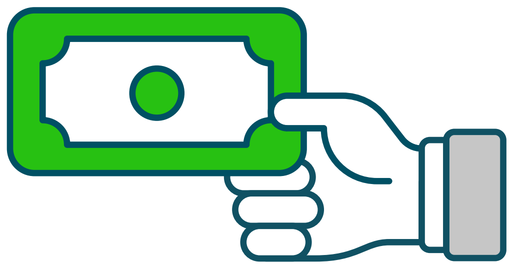
Income Mix

In 2025, interest income totaled COP 3,173,050 million, reflecting an increase of COP 68,354 million (+2.2%) compared with 2024. This growth was driven primarily by the consumer loan portfolio, which contributed 61.4% of income and reflected the effects of the repricing strategy implemented throughout the year.

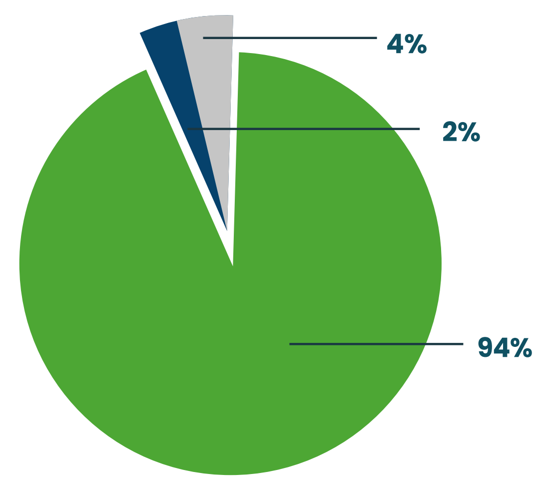
The commercial loan portfolio, with a 20.3% share, recorded a lower volume compared with the previous year; however, the loan portfolio remained the main source of interest income, accounting for 87.5% of the total and reinforcing its role as a fundamental pillar of the income structure.

Income from investments in debt securities amounted to COP 306,293 million. This performance was influenced by the upward interest rate cycle of Banco de la República (Central Bank of Colombia) and by the volatility of the financial markets associated with domestic and international economic policy factors.

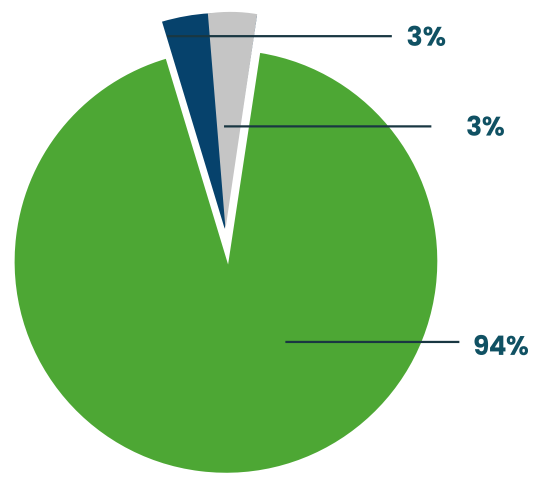
Meanwhile, fee and commission income recorded strong growth of 48.67%, totaling COP 123,229 million. This result is primarily attributable to the solid performance of payroll-deducted loan credit assessment fees, reflecting stronger commercial activity and efficient management of the service portfolio.



Income Mix 2024



Income Mix 2025



Expenses

In 2025, interest and similar expenses totaled COP 1,988,282 million, recording a decrease of 14.47% compared with COP 2,324,616 million in 2024. This performance reflected the solid results achieved in funding management, the optimization of the balance sheet structure, and the improvement in net interest margin, driven by strategic decisions aimed at reducing the cost of liabilities.

The decrease in expenses was primarily attributable to the decline in interest expense on deposits, which fell by COP 224,929 million (-11.08%). This was accompanied by reductions in key items such as interbank and overnight funds (-66.3%), CDTs (Certificates of Term Deposit, Spanish acronym) (-6.4%), and savings deposits (-18.8%), as well as lower expenses associated with bonds and investment securities (-41.1%) and obligations with rediscount entities (-28.7%). These results demonstrate active and efficient funding management throughout the year.

With respect to operating expenses, a decrease of COP 102,679 million (-9.28%) was recorded in 2025. This result represents a significant achievement for the Bank, as it reflects the effectiveness of active expense control, which made it possible to offset the impact of inflation and generate meaningful efficiencies. The decrease was driven especially by the disciplined management of administrative expenses, contributing to the strengthening of the Bank's operating performance.

Profit

In 2025, the Bank recorded a substantial improvement in its pre-tax result, reducing losses from COP 353,484 million in 2024 to COP 31,663 million, equivalent to a recovery of 91.04%. This result reflects the positive impact of the strategies implemented throughout the year to strengthen profitability and optimize financial operations.

In line with this recovery, net income for the year closed at COP 15,078 million in 2025, compared with a loss of COP 226,699 million in 2024. This improvement confirms the favorable trend in financial performance and the gradual return to positive profitability.

Although challenges remain in the operating environment, the progress achieved reflects the effect of strong net interest margin management, sustained business growth, and strict discipline in expense control and operational efficiency improvement. Taken together, these factors indicate a clear path toward consolidating the Bank's financial recovery in the short term.

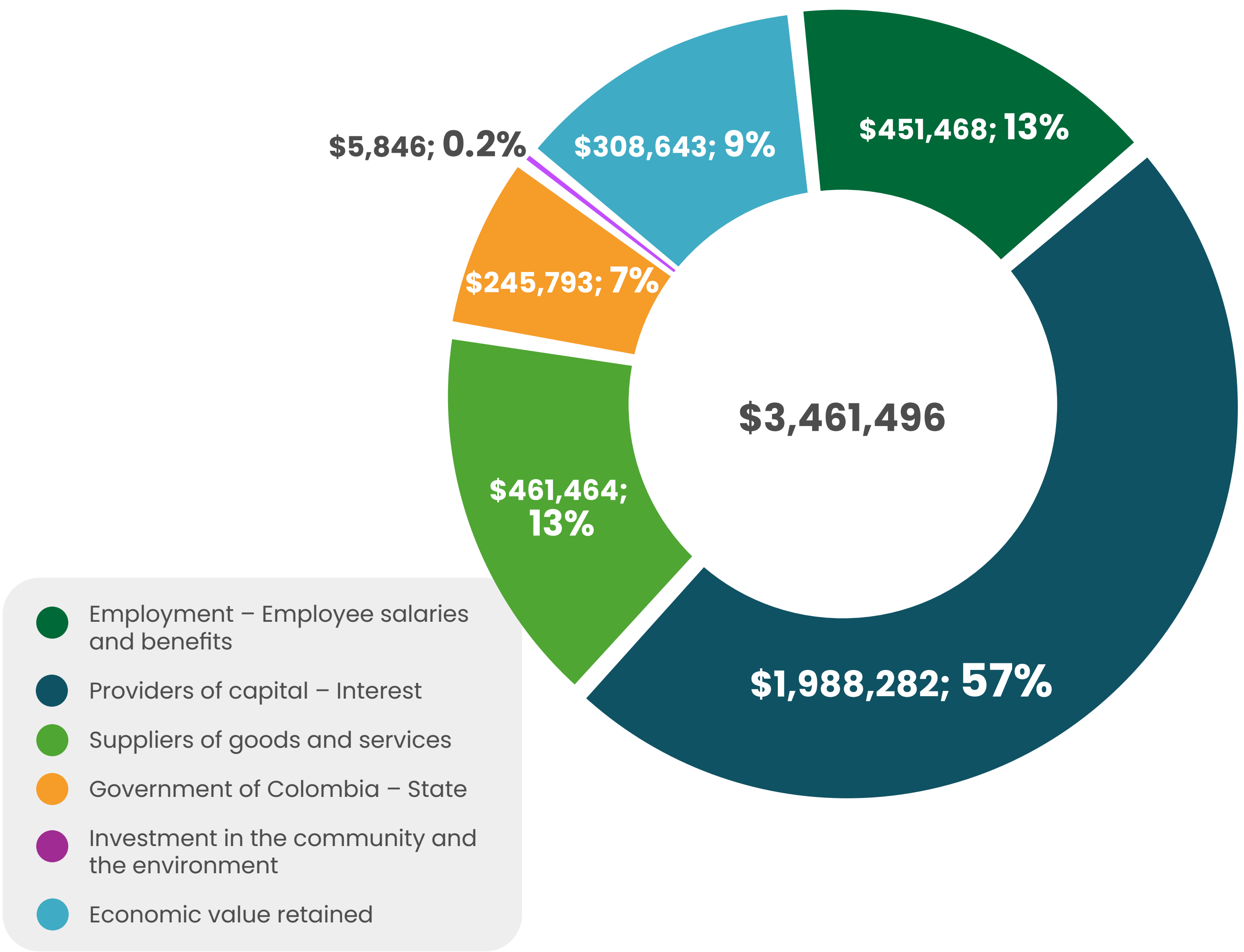
[CE 012/22] Material Transactions Carried Out with Related Parties of the Issuer

In compliance with the provisions of External Circular 012 of 2022, regarding the disclosure of material transactions carried out with related parties, the Bank reports that all transactions and outstanding balances with related parties have been disclosed in the Notes to the Financial Statements, prepared in accordance with International Financial Reporting Standards (IFRS).

Specifically, the corresponding information, including the nature of the relationships, the types of transactions carried out, the amounts involved, and the outstanding balances as of the end of the period, is detailed in the Related Party Disclosure Notes included in the Bank's separate financial statements. Consequently, and as permitted under CE 012/22, the Bank expressly refers to such notes, which contain the information required in this section.

Economic value generated, retained, and distributed (figures in millions)
[GRI 201-1]

In 2025, the Bank generated and distributed value to its stakeholders amounting to **COP 3,461,496 million.**



[37]7.4.1.2.6.

2.1.3. Strategy Evolution

2.1.3.1. Focused Business

Retail Banking

Silver Economy Strategy

In 2025, the Bank advanced a transformation aimed at supporting people over the age of 50 in this stage of life. This commitment responds to the country's demographic changes and was reflected in an offering that combines financial products, exclusive benefits, and a service model that balances human interaction with digital solutions.

Colombia is currently undergoing a historic demographic transition, with more than 14 million people now over the age of 50. This group represents an expanding economic force: it is more active, longer-lived, and more aware of its financial health. In Latin America, the annual spending of this segment exceeds USD 580 billion, and this figure is projected to grow steadily over the next decade, positioning the 50+ population as a priority segment for inclusion and sustainable growth. Against this backdrop, the Silver Economy Strategy became a key pillar for the Bank, not only because of its commercial focus, but also because of its broader purpose: to redefine the way banking supports those who are in a stage of life that, far from being a period of closure, is instead a phase of reinvention and opportunity.

In this regard, the Bank designed an **inclusive value proposition** that combines specialized financial products, relevant experiences, and tailored benefits adapted to the needs and expectations of this segment. This offering supported **the onboarding of more than 30,000 clients aged 50+ and the opening of more than 424,000 products,** thereby strengthening the economic empowerment of this mature population.

Silver Club

As part of the strengthening of the Silver Economy Strategy, the Bank launched and promoted the **Silver Club**, an initiative designed to support people over the age of 50 during this stage of life through a comprehensive digital ecosystem. This space brings together content, experiences, benefits, and services built around the real interests, expectations, and needs of this segment, extending the scope of the value proposition beyond the strictly financial relationship.

Silver Club is designed for both Bank customers and non-customers, with the aim of promoting inclusion, facilitating access to relevant information and services, and building long-term relationships based on support, closeness, and trust. This openness reinforces the Bank's role as an institution committed to the well-being of the 50+ population, regardless of their commercial relationship with the Bank.

The purpose of the Silver Club is to support overall well-being and active longevity by strengthening financial capabilities, promoting physical and emotional health care, encouraging lifelong learning, and fostering community building. To this end, the ecosystem is structured around pillars including well-being and health, education and knowledge, personal finance, entertainment and experiences, and social engagement, supported by strategic partnerships and the Bank's institutional backing.

From a sustainability perspective, the Silver Club seeks to help close access gaps, strengthen financial and social inclusion, and generate shared value, in alignment with the Bank's commitment to supporting people throughout their entire life cycle and to responding responsibly to the country's demographic changes.

Dimensions of **the Silver Economy**

Physical health - Emotional health - Financial health

These initiatives reaffirm the institution's commitment to a more inclusive country that recognizes the value of older adults, positioning the Bank as a reference in promoting comprehensive well-being and as a strategic partner in building an economy that recognizes and enhances the contribution of the 50+ population.

Since its launch in October, the Silver Club has positioned itself as a key ecosystem for supporting and promoting the well-being of people over the age of 50, reaching more than 12,000 registered individuals in its first months of operation. This result reflects the strong public interest in a proposal that integrates health, well-being, financial education, entertainment, and community, and that is open to both Bank customers and non-customers. The positive response reflects the relevance of the model and supports the goal of exceeding 185,000 registrations in 2026, strengthening Banco Popular's commitment to inclusion, active longevity, and the generation of sustainable social value.

Segmentation and Customer-Centric Service

The Bank's retail banking business is structured into segments defined according to customers' stage of life. This segmentation is based on what inspires, concerns, and matters to users of financial institutions, as well as on their economic preferences and behaviors. These segments include pensioners and formal workers, with a primary focus on public- and private-sector employees, who are offered differentiated value propositions according to their life stage.

The Silver Economy does not represent a conventional market, as its needs go beyond the strictly financial sphere and require comprehensive solutions that promote well-being, autonomy, and security. In this regard, the Bank's offering is structured around four fundamental pillars:

Phygital service model:

Integrates human service with digital solutions, prioritizing empathetic, close, and effective service, supported by technological tools that reduce friction and optimize the customer experience.

Meaningful experiences:

Implements in-house initiatives and partnerships with strategic stakeholders that promote comprehensive physical, mental, and emotional well-being, taking into account the needs and preferences specific to each stage of life.

Financial education and well-being:

Promotes the development of capabilities and skills for making informed decisions regarding savings, investment, indebtedness, and retirement planning. Likewise, it encourages the generation of additional income and entrepreneurship as mechanisms for economic empowerment.

Differentiated and tailored offering with relevant products:

Facilitates the fulfillment of customers' dreams and goals through credit, savings, insurance, and assistance products adapted to their realities, with channels and personalized experiences.

This strategy has contributed to a significant transformation within the Bank. The inclusion of older adults has been positioned not only as a commercial approach, but also as a cross-cutting commitment that permeates all levels of the organization, reaffirming its purpose of positioning itself as a reference in the Silver Economy in the country.

Retail Banking Customers and Loan Portfolio

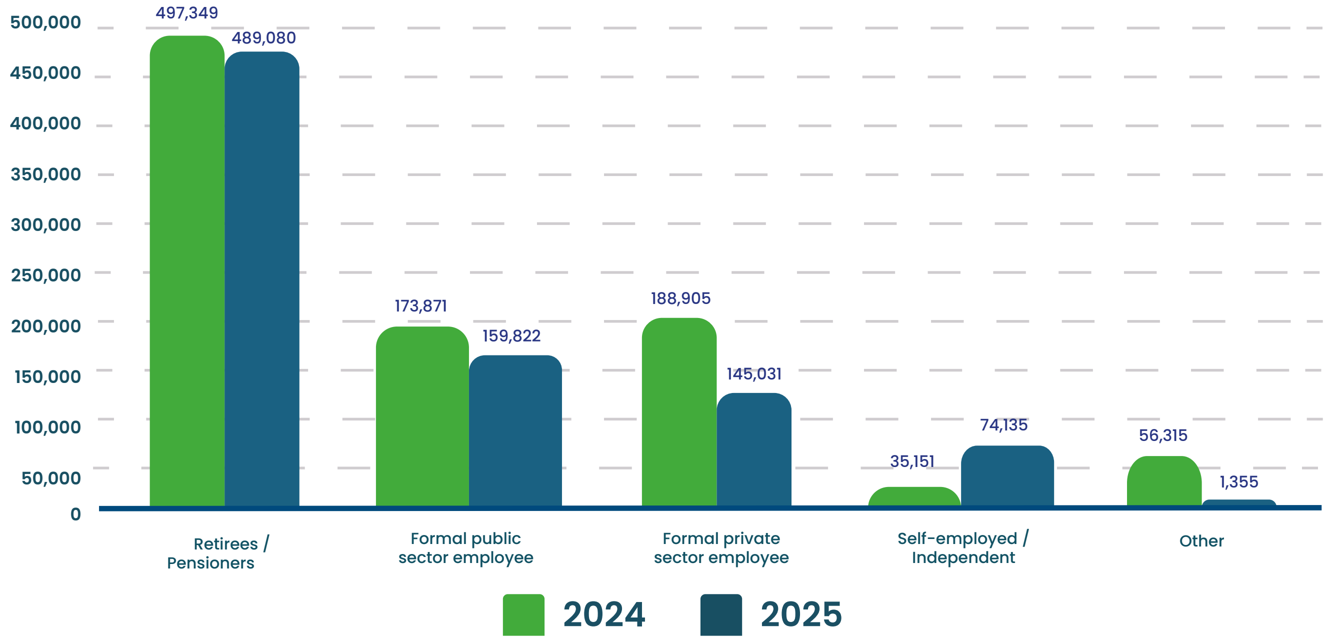
Retail banking customers are grouped into three main segments: formal workers in the public and private sectors, pensioners, and self-employed individuals. These segments represent profiles with diverse motivations, ranging from the pursuit of entrepreneurship and personal freedom to the strengthening of family ties, the fulfillment of personal projects, and social contribution based on accumulated experience.

This diversity of needs and aspirations positions the Bank as a specialized institution that supports its customers in pursuing their goals throughout the different stages of life.
In the coming years, accelerated development of the 50+ segment is anticipated and, complementarily, the exploration of new sub-segments, such as the preferred segment, with the aim of strengthening average profitability.

Active Clients 2025	2025
Natural persons	869,423
Older adults (> 60 years of age)	476,119

As of year-end 2025, the Bank recorded a total of 8**69,423 active individual customers (4)**, of whom **476,119 were older adults** (over 60 years of age).

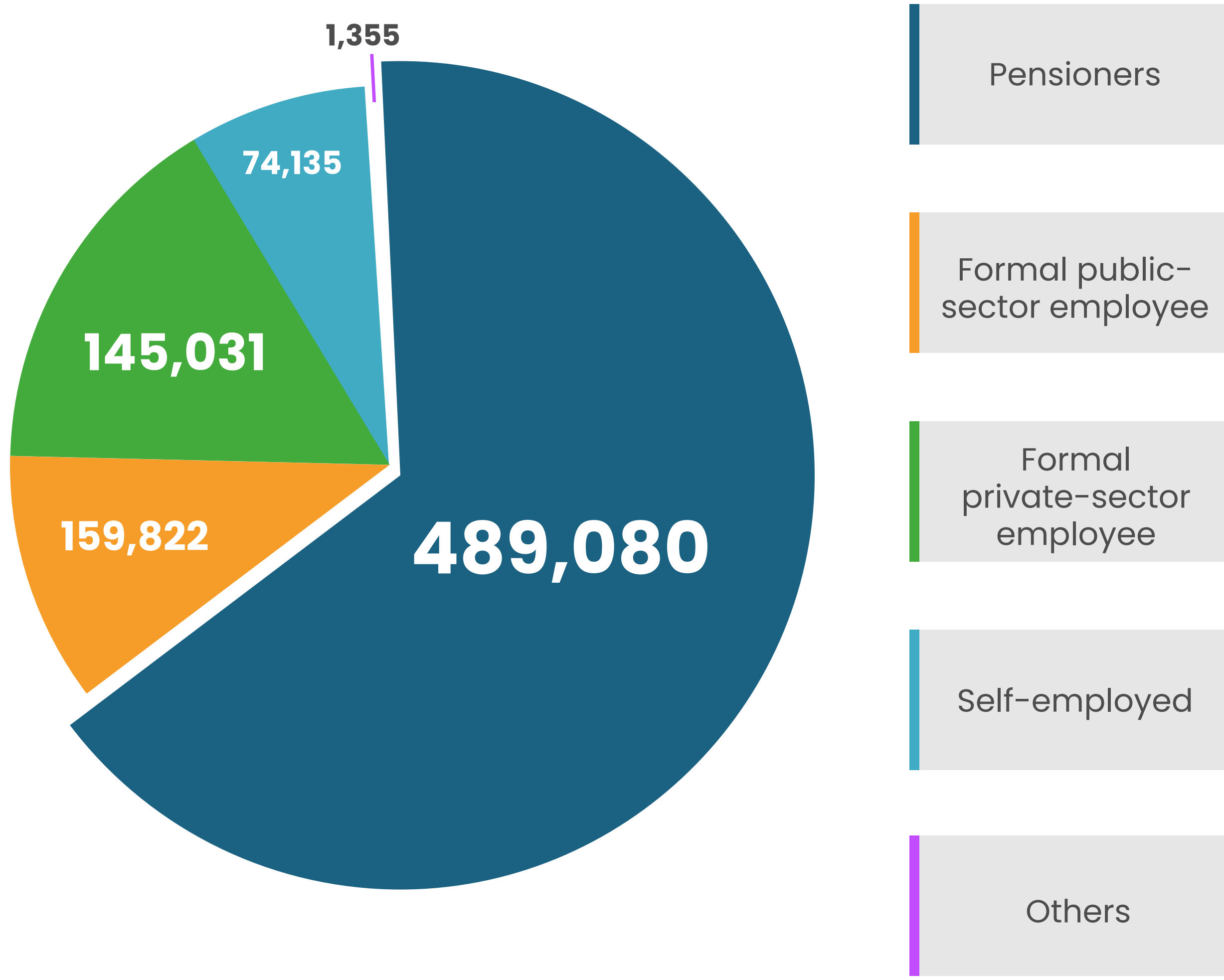
Product	Number of clients by product type active 2025	Total number of active clients 2025	Percentage of active clients 2025
Checking accounts	1,654	869,423	0.19%
Savings accounts	640,912	869,423	73.72%



Total clients:	
2024	951,591
2025	869,423

[4]During 2025, the Bank recorded a decrease in the total number of customers, declining from 951,591 in 2024 to 869,423 in 2025. This change is mainly explained by a cleansing process involving approximately 87,000 records, aimed at improving the quality and accuracy of the customer database.
Despite the overall reduction, significant growth was observed in the self-employed segment, which more than doubled, suggesting improved identification and classification of this profile.
By contrast, the formal employee segments in the public and private sectors posted significant declines, mainly associated with the cleansing of inactive customers or customers that had been incorrectly segmented. The pensioner segment remained relatively stable, reflecting greater consistency and loyalty. Overall, this process helped consolidate a more accurate customer base aligned with the Bank's commercial reality, although with a lower total volume.

Customers by Segment: Personal Banking 2025

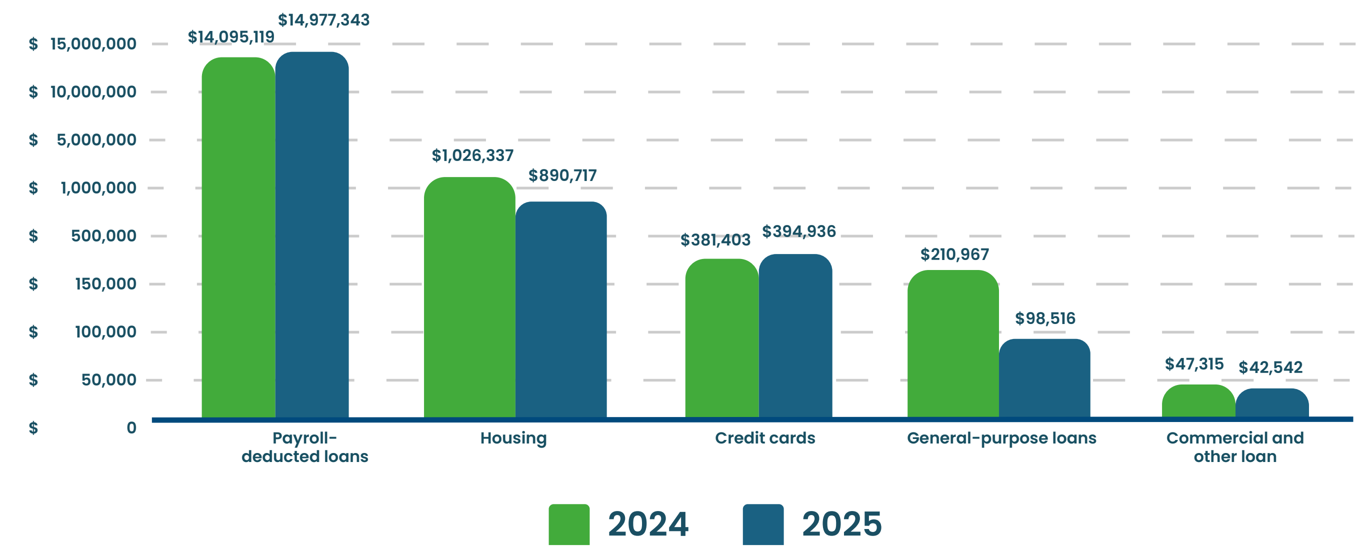


The Bank's total loan portfolio reached a balance of **COP 16.4 trillion in 2025**, reflecting positive performance aligned with its business strategy. This result was driven primarily by the strength of the payroll-deducted loan product, which remained the main contributor to the portfolio, with a balance of **COP 14.98 trillion**, reinforcing its relevance within the Bank's lending structure.

Additionally, credit card growth was notable, recording an improvement compared with 2024 and reaffirming its importance within customers' responsible consumption and its contribution to portfolio diversification. Meanwhile, the housing, general-purpose, and commercial and other loan lines showed adjustments associated with both the economic cycle and strategies aimed at risk optimization.

Taken together, the loan portfolio showed stable development, maintaining a structure consistent with the Bank's role as a financial partner to individuals, especially within the silver segment.

Loan Portfolio by Product Line (in millions)



Total: 2024 COP 15,761,139
2025 COP 16,404,054

The commercial loan portfolio performed favorably relative to the market, achieving growth 1.6 times higher than that of the sector, which reflects the Bank's ability to continue advancing steadily even in challenging environments. This performance should be viewed within a context in which the highest growth among competitors was 12%, equivalent to 2.4 times the market, highlighting Banco Popular's competitive strength and its ability to strengthen key segments while maintaining portfolio quality.

Relevant Products

The Bank offers each of its target segments a portfolio of financial products designed to retain existing customers and attract new customers. This value proposition includes investment solutions, accessible loans, differentiated credit cards, and an insurance portfolio aimed at promoting financial inclusion and the responsible use of products, supported by an institution recognized in the market.

Product	Product description
Pension account	Designed for pensioners, with no administration fee, unlimited withdrawals within the Red Aval network, 4x1000 tax exemption, Fogafín insurance coverage of up to COP$50 million, and the option to divide funds into savings pockets.
Payroll account	For employees, with no maintenance fee, unlimited withdrawals, free national transfers and money orders, discounts at partner merchants, and easy digital account opening.
Silver account	For individuals seeking a high-yield demand deposit alternative, with no maintenance fee, unlimited withdrawals, free transfers to any bank, daily interest accrual, and discounts across merchant categories when using the debit card.
CDT	Secure investment starting from $300,000. Online account opening, interest credited to the account of your choice, and interest payment options of monthly, quarterly, semi-annual, annual, and at maturity, positioning it as a flexible product.
Payroll-deduction loan	Payroll- or pension-deducted loan, with no co-signer or credit history required. Fixed installments and rates, terms starting from 12 months, and amounts ranging from COP$1 million to COP$520 million. Available to employees, pensioners, and members of the Public Security Forces under a signed agreement.
Diamante credit card	For pensioners with income starting from 2 minimum wages. No maintenance fee, TuPlús points accumulation, purchases in up to 36 installments, and special assistance services and discounts.
PoSíble credit card	For pensioners with income between 1 and 2 minimum wages, even with no credit history. TuPlús points, access to presales, discounts at merchants, price protection insurance, and financial literacy support.
Auténtica credit card	Aimed at women. 5% cashback in two chosen categories (home, health, travel, restaurants), no maintenance fee with minimum purchases, payments in up to 36 installments, international assistance, and discounts at partner brands.
Insurance and assistance services	Products designed for the Bank's target segments, with coverage up to age 80 for life, health, critical illness, and fraud insurance. Medical, dental, and funeral assistance coverage with no age or tenure limit, as well as road, home, and pet coverage tailored to customers' needs.

A solid strategy for deposit products for individual customers supported 25% growth, positioning the Bank among the fastest-growing institutions in the system. The focus on pension and payroll accounts as the foundational products of the customer relationship grew steadily. In addition, the launch of initiatives such as the Silver Account and the Millionaire CDT (Term Deposit Certificate, Spanish acronym) attracted more than COP 1.5 trillion, achieving a balanced relationship between returns for customers and profitability for the Bank. All of this helped the Bank's customer penetration in accounts close at 88% as of December 2025.

Payroll-deducted lending recorded a lower number of transactions relative to its customer base, a performance consistent with its less transactional nature. Meanwhile, credit cards achieved growth in the portfolio, supported by life-cycle management of existing customers, resulting in billing growth of 7.4% (+COP 60,821 million) in 2025 compared with 2024. At the same time, voluntary cancellations were reduced by 21%, and progress was made in the development of functionalities such as digital wallets (Google Pay) and bundled sales processes with payroll-deducted loans. In addition, commemorative cards for the FIFA World Cup 2026™ were launched as part of the growth strategy that will support 2026. Taken together, this performance reflects a balanced portfolio in which deposit products sustain operating activity and loan products contribute strategic value to the Bank's portfolio.

Additionally, 2025 performance reflected significant progress in payroll-deducted lending and commercial productivity, in line with the strength observed in transactional products. The Bank also ranked #1 in payroll-deducted loan disbursements (17.5%) and achieved a balance share of 19.1%, ranking second in the market and reinforcing its position in a key business line for the silver segment.

This result was supported by a historically high productivity level across the network, with an average of 83.4 products per advisor and an individual performance benchmark close to 134 products, reflecting effective commercial management. Likewise, the Bank strengthened its value proposition for the Silver segment with 18,000 50+ assistance products sold, representing growth of 78%. This result reflects strong market acceptance of the new wellness and protection portfolio, complementing the activity of transactional products and the Bank's leadership in payroll-deducted lending and commercial productivity.

Meaningful Experiences

The Bank strengthened its value proposition through experiences designed to enhance closeness, well-being, and the human relationship with its customers. These initiatives were aimed at promoting inclusion, facilitating access to services, and fostering digital education, thereby contributing to community building and reflecting the institution's commitment to sustainability. Each action was focused on improving quality of life, providing comprehensive solutions, and supporting customers in their personal and financial development, positioning the institution as a strategic partner in the evolution toward a more human-centered and responsible banking model.

In the areas of entertainment and quality of life, recreational and cultural activities were promoted to create spaces for connection and interaction, complemented by health and wellness programs. Through strategic partnerships with optical service providers, gyms, and medical centers, tangible benefits were offered aimed at caring for physical and emotional health, reflecting the Bank's aim to go beyond the financial sphere and adding value to the daily lives of its customers. These actions strengthened confidence in the brand and reinforced a more human and empathetic bond with the population served.

Financial and digital education became a central pillar of the strategy through initiatives such as **Café Digital,** developed in the Bogotá and Cundinamarca regional office, focused on the use of digital channels and featuring specialized content for the 50+ segment. These activities promoted autonomy and confidence in managing resources. Likewise, the **Silver Club** ecosystem was strengthened as a comprehensive space for well-being and interaction, complemented by strategic partnerships that expanded access to essential services.

These experiences helped strengthen digital inclusion and customers' ability to make safe and efficient use of technological tools, fostering their economic and social empowerment.

Finally, joint activities were carried out with the country's main paymasters, such as Colpensiones, Porvenir, and Cremil, as well as with compensation funds such as Compensar. These actions created spaces for guidance, financial education, and recreation, consolidating customer trust and satisfaction. Likewise, special dates such as Pensioners' Month and Teachers' Month were recognized through a differentiated offering of financial products and talks on financial health, comprehensive well-being, and digital education. These initiatives enhanced the customer experience and reaffirmed the Bank's commitment to sustainability, inclusion, and the building of a more connected, healthier, and better-prepared community to address future challenges.

Financial Well-Being

The Bank promotes a set of initiatives and services aimed at strengthening the financial well-being of its customers, with special emphasis on the silver population, in line with its commitment to inclusion, sustainability, and the Silver Economy Strategy. The purpose of these actions is to develop financial capabilities, promote informed decision-making, and support economic planning throughout the life cycle, generating social value and contributing to greater autonomy and financial sustainability.

Among these initiatives, the following stand out:

50+ Digitalization Approach

Offers educational and recreational content in branches designed to foster lifelong learning and the adoption of healthy financial habits.

Financial Advisory Services and Consejero Aval

Provide personalized guidance in branches to facilitate understanding of products, the responsible management of resources, and safe decision-making, thereby strengthening trust and closeness with customers.

The Bank is advancing in the implementation of a specialized pension advisory service aimed at supporting individuals in the early planning of their retirement. This service seeks to support long-term financial security and well-being by providing tools that enable people to face the challenges of later life stages with confidence.

With these initiatives, the Bank reaffirms its role as a strategic partner in the comprehensive well-being of older adults, reinforcing its position in the development of a banking model that is close, inclusive, and aligned with the country's demographic trends. In this way, the institution positions itself as a reference in promoting financial education, digital inclusion, and responsible planning, helping improve the quality of life of its customers and contributing to the sustainable development of society.

Business Banking

The Bank's Business Banking division is the strategic unit responsible for serving companies across the country, segmented according to their level of sales. This unit includes business, corporate, and institutional banking, offering solutions that support clients' growth, operations, and long-term sustainability. This segment represents an essential pillar of the Bank's business model, accounting for 25% of the total loan portfolio and contributing 55% of Business Banking and Government profit.

In 2025, the Bank made significant progress in portfolio diversification and in the reactivation of clients with solid risk profiles, with a special focus on strategic sectors with strong economic performance. Likewise, risk management policies were strengthened and service processes were optimized through the creation of specialized service desks, which provide enhanced support for disbursements, liability products, and service levels.

In terms of products, digital initiatives focused on improving the customer experience were implemented, especially in collection processes, which are key to attracting operating liabilities. Cross-selling of foreign trade products was also strengthened with the support of the treasury desk, supporting the provision of efficient hedging solutions for foreign currency transactions. For 2026, priorities focus on continuing to innovate transactional channels, strengthening consultative support, and reinforcing the value proposition with Bre-B, Fiduciaria, Alpopular, and El Martillo, integrating tailored solutions. These efforts aim to position Business Banking as a driver of the Bank's growth and as a strategic partner in business development in Colombia.

Business Banking Products and Services

During 2025, new collection reconciliation tools were implemented, simplifying customers' operating processes, along with improvements in the generation and visualization of bank statements. Additionally, new classes of accounts were developed with differentiated interest settlement schemes, supporting greater flexibility and alignment with market needs.

In the area of tax collection, the Bank focused its strategy on large taxpayers, who represented 69% of the total amount collected, especially in taxes such as income tax, VAT (Value Added Tax), and withholding tax. In compliance with current regulations, technological developments were implemented to expand the offering of collection concepts, enabling a more robust and comprehensive portfolio for taxpayers.

Likewise, with respect to financing, efforts were made to offer customers alternatives according to their economic activity through Bancóldex, Finagro, and Findeter credit lines, adapting maturities to their investment needs or working capital requirements.

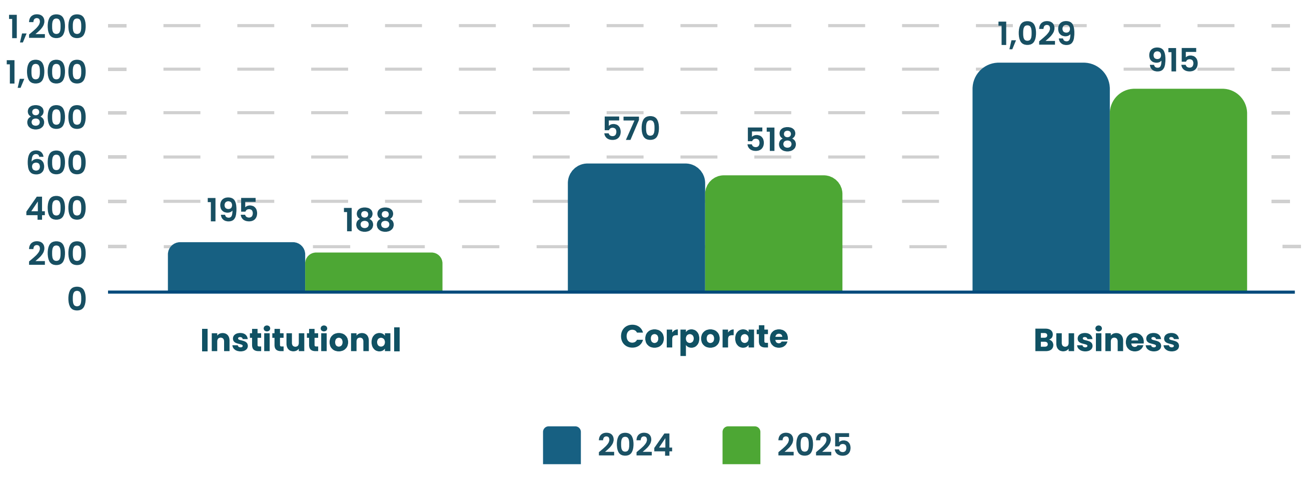
These initiatives, together with other functional improvements, reinforce Banco Popular's commitment to operating efficiency, process digitalization, and the financial sustainability of its business customers.

Legal Entity Clients

The Bank has **coverage across 85% of the national territory** within the business banking segment, where it serves **7,912 active customers** classified as legal entity customers. These organizations, of various sizes and sectors, play a key role in the country's economy.

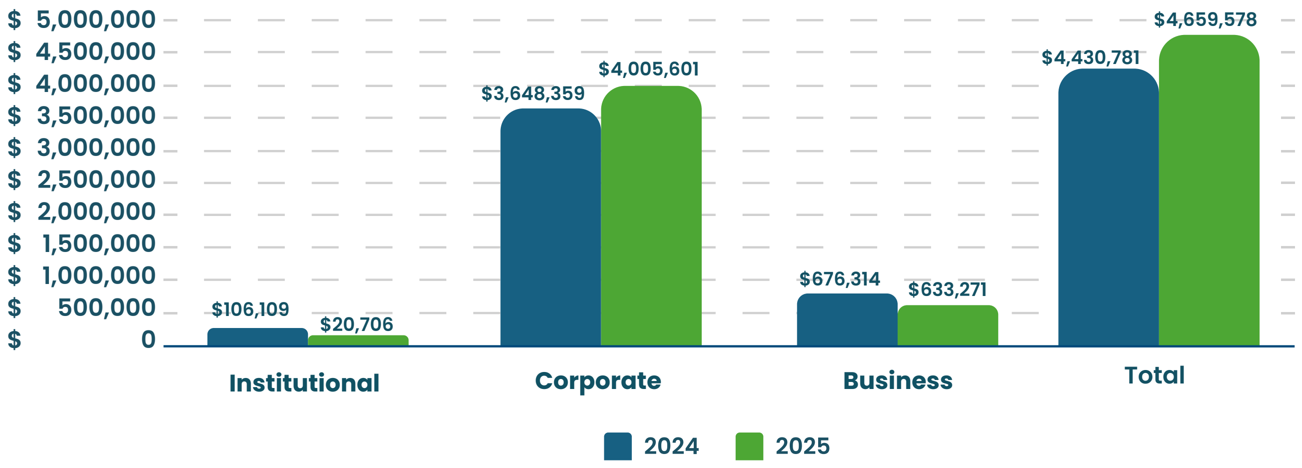
Through a segmented service model, the Bank offers comprehensive financial solutions that support the operations, liquidity, growth, and sustainability of these organizations. Its portfolio includes financing products, treasury services, transactional channels, and general advisory support, contributing to business development and to Colombia's economic and social development.

Legal Entity Clients [5] [6]



[5] Legal Entity Clients served by Business Banking
[6] The reduction in the number of companies from 2024 to 2025 is attributable to a strategy of closing inactive customers in order to cleanse the customer database.

Business Banking Commercial Loan Portfolio (millions) [7]



In 2025, the Business Banking commercial loan portfolio recorded growth of 5.15%. The balance closed at COP 4.67 trillion, with a strategic reduction in Institutional Banking and growth in Corporate Banking, highlighting structured finance transactions such as Túnel del Oriente and Termotasajero.

In Business Banking, growth of 2.36% was achieved, replacing higher-risk portfolio exposure with new strategic clients. Active and focused commercial management helped strengthen long-term relationships and offer solutions aligned with working capital and investment needs. The evolution of the portfolio, composed of the Institutional, Corporate, and Business Banking segments, reinforces the Bank's commitment to responsible business development and the generation of sustainable financial value.

[7]The 2024 year-end figures have been updated to reflect a strategic segmentation change implemented in 2025 for a group of relevant customers. These changes mainly include the reclassification of 456 TINs (Tax Identification Numbers; NIT Spanish acronym) from the SME (Small and Medium-Sized Enterprise) segment to business segments (339 with loan portfolio exposure and 395 with deposits), as well as the reclassification of 32 customers from the Government segment to the Corporate segment. The purpose of these changes is to align the evaluation base with the 2025 year-end results and to ensure the comparability of data between periods.

Share of the Commercial Loan Portfolio by Productive Sector, According to Grupo Aval Classification

In 2025, the Business Banking customer base was distributed across various economic sectors, with the most representative being energy (24.88%), construction (9.40%), and road infrastructure (7.27%). This multi-segment approach supports the development of differentiated service strategies tailored to the specific dynamics of each industry.

Sector-based management prioritizes an offering aligned with the needs and production cycles of each sector, strengthening financing capacity, helping mitigate risks and promoting strategic investment in key sectors for the country's economic development.

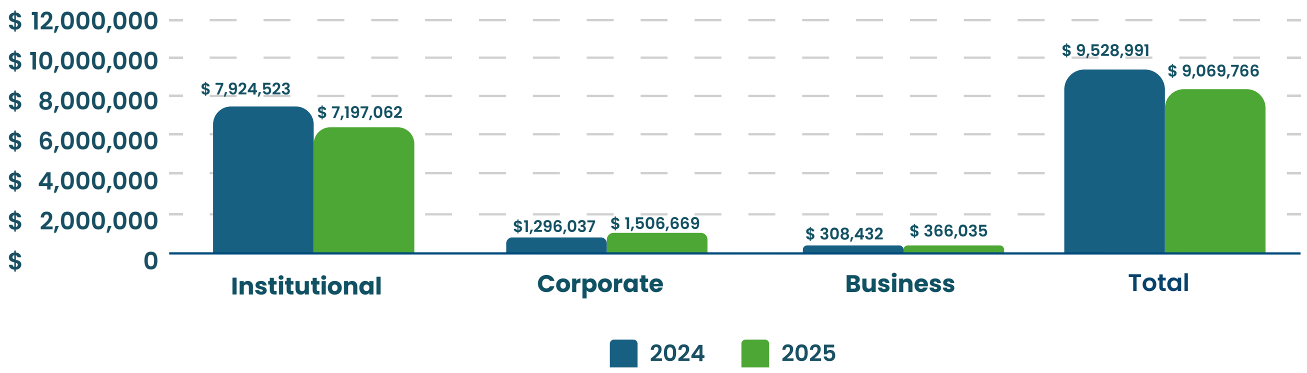
Productive Sector	Number of Clients	% of Commercial Portfolio
Oil & gas	14	6.91%
Energy	19	24.88%
Cement	1	0.22%
Road infrastructure	4	7.27%
Construction	77	9.40%
Agricultural / Livestock	124	2.87%
Agro-industrial	24	4.46%
Chemical	24	0.92%
Educational	14	2.77%
Other	723	40.31%
Total	**1,024**	**100%**

Business Banking Deposit Balances

In 2025, deposits from the business segments accounted for 32% of the Bank's total funding, highlighting their strategic importance. The Bank worked with the business and corporate segments on value-added solutions to support efficient cash management.

Additionally, technological solutions aimed at increasing operating collections were implemented. During the year, deposit-gathering tools for the corporate and business segments were prioritized, improving the cost of funding. These efforts were aligned with the reduction of balances in the institutional market and the increase in balances in corporate and business banking, seeking efficiency gains and a stronger contribution margin for the banking business.

Business Banking Deposits (millions)[8]



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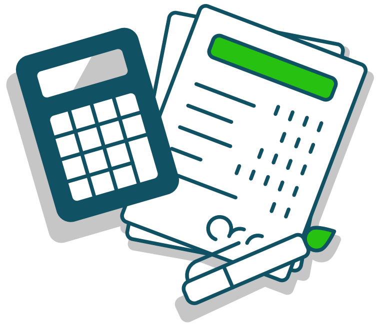
Development Loan Portfolio Performance

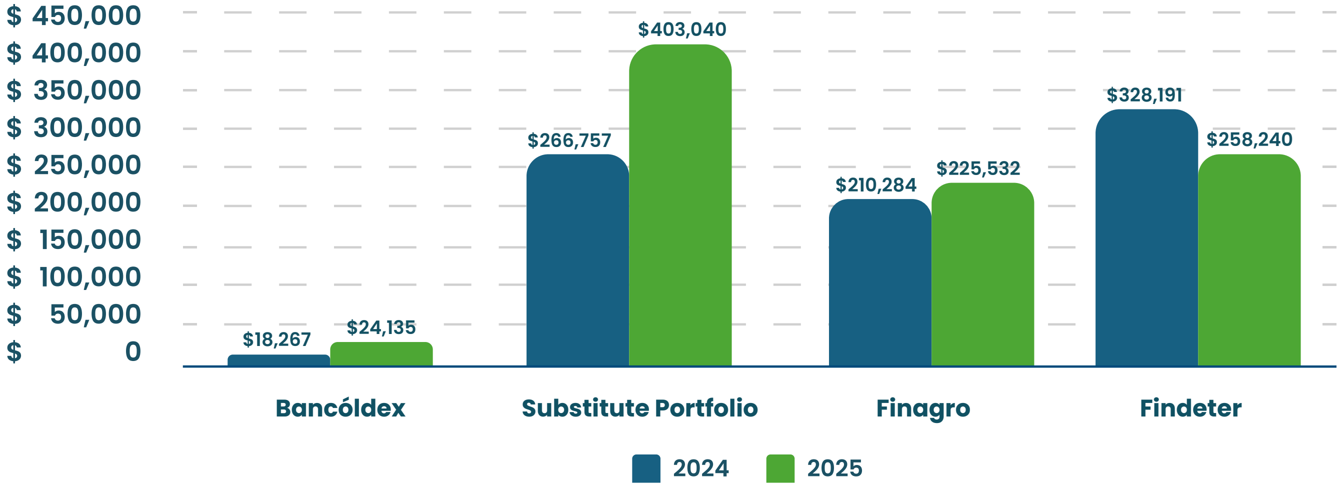


In 2025, the Bank's development credit portfolio reached COP 910.9 billion, recording growth of 7.45% compared with 2024. This performance was driven by a 51% increase in the substitutive portfolio, which accounted for 44% of the total.

With respect to development programs:

- FINAGRO (Fund for the Financing of the Agricultural Sector, Spanish acronym) maintained its leadership with a 25% share.
- FINDETER (Territorial Development Financial Institution, Spanish acronym) represented 28%, despite a 21% reduction.
- BANCÓLDEX (Bank of Foreign Trade of Colombia, Spanish acronym) grew by 32%, reaching a 3% share.

Development loan portfolio (millions)



Government Banking

Government Banking is responsible for leading the strategy and business structuring for public sector clients, supported by the SIG (Integrated Government System, Spanish acronym). This system supports the identification of new business opportunities, in accordance with current regulations, to structure transactional and credit operations, and to update continuous training programs for the sales team within the framework of the commercial operations model.

Through the government segment, the Bank serves clients related to territorial entities, decentralized entities, and national-level public entities. For this purpose, it offers a value proposition that aims to address the specific needs of the public sector, including products such as:

- Long-term financing lines to cover investment projects.
- Demand and term financial instruments for the management of surplus liquidity.
- Cash management tools for income management and payment optimization

These solutions support entities in better projecting their cash flow and honor their budgetary commitments. Additionally, complementary services are offered, such as:

- Martillo, through which entities sell or dispose of assets and real estate to generate additional income.
- Fiduciary instruments and Alarchivo documentary management services, whose services are provided through the Bank's subsidiaries, strengthening the value proposition.

The Bank's track record, experience, and specialized expertise in public sector ecosystems, together with its extensive presence throughout the national territory, position it as a specialized and reliable institution with solid backing in this sector.

During 2025, the Bank reinforced its **commercial service model**, adjusting the type of support according to three management layers:

- **Layer 1:** Expert Relationship Managers, in charge of national-level entities and special, category 1, and category 2 territorial entities, characterized by sophisticated clients requiring high-level personalized service.
- **Layer 2:** Territorial Government Managers, who provide support to territorial entities of categories 1, 2, and 3, served through the branch network.
- **Layer 3:** Specialized Business Desk for territorial entities and their decentralized agencies of categories 4, 5, and 6, which address specific needs and present tailored proposals to clients.

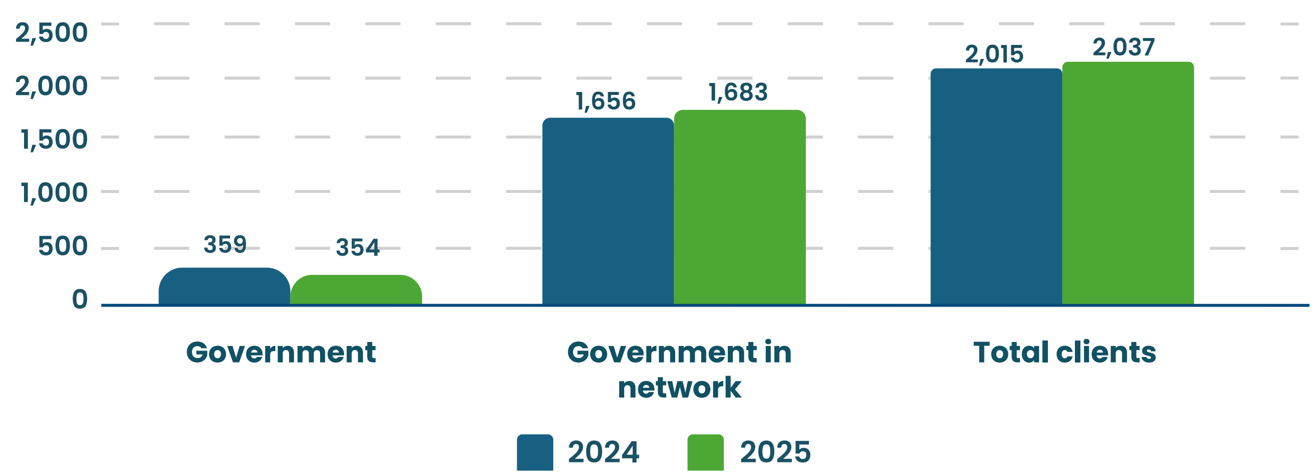
The implementation of this coverage strategy helped improve service and customer experience, optimizing the sales cycle and contributing to regional development through timely support with specialized products that meet clients' needs and support their projects.

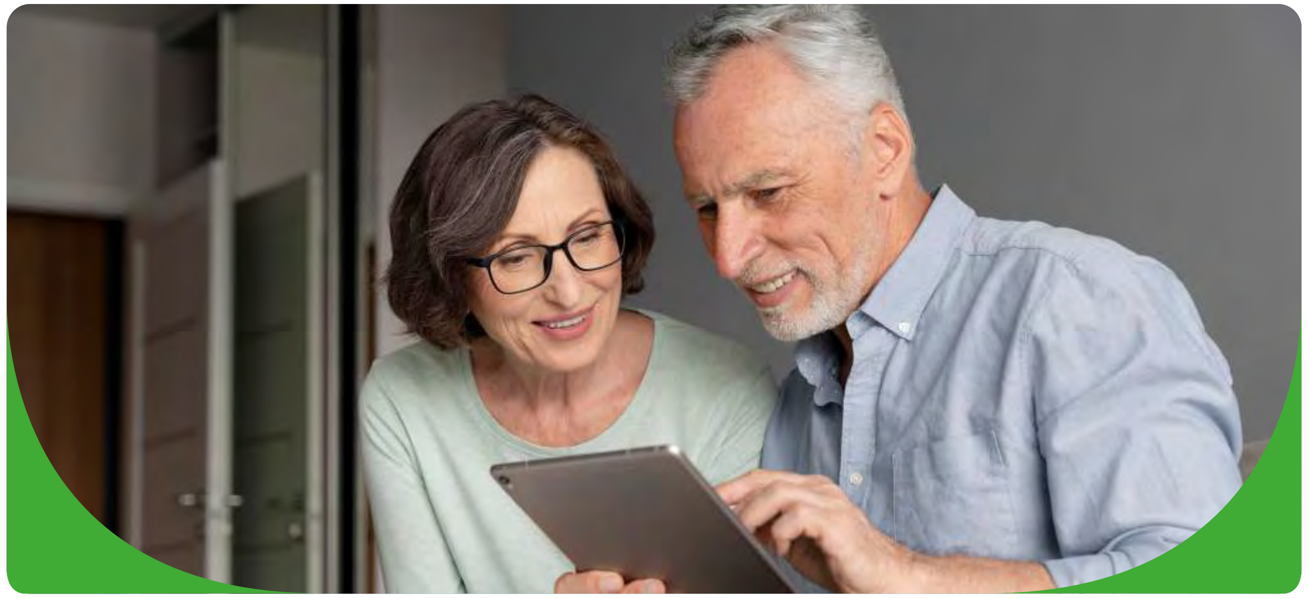
Government Banking Customers

Government Banking serves clients from the Central Government, territorial entities (departments, municipalities, districts, among others), and decentralized entities. Given that the creation of new public entities in Colombia is limited, the Bank focused on deepening relationships within its current portfolio more effectively..

As a result, the Bank acquired new public sector clients, primarily territorial and decentralized entities, served through the branch network nationwide.

Clients Served by Government Banking



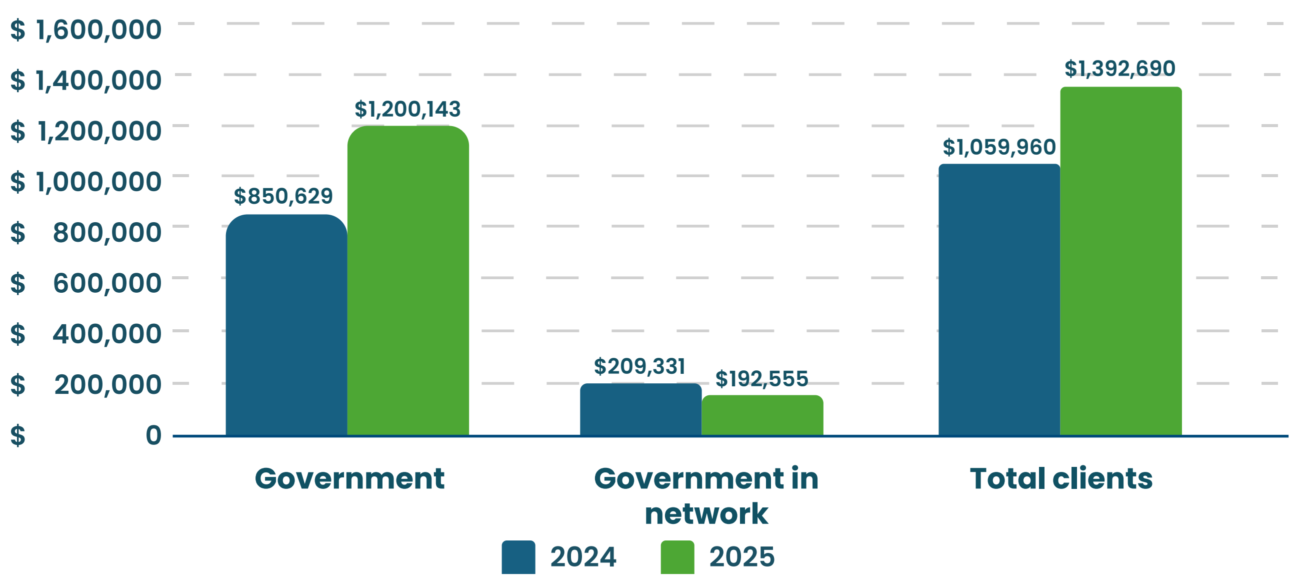


Government Banking Total Loan Portfolio

In 2025, the total loan portfolio of the government banking segment recorded a positive performance, with growth of COP 332,738 million compared with the close of 2024. Fifteen new credit contracts were signed for a total value of COP 817,295 million, valid for 2025 and 2026.

The dynamics of funding acquisition, primarily for regional development plans, helped increase lending balances. It is important to highlight that asset-side business supports the Bank's funding strategy; therefore, margin consistency is continuously reviewed from a comprehensive perspective.

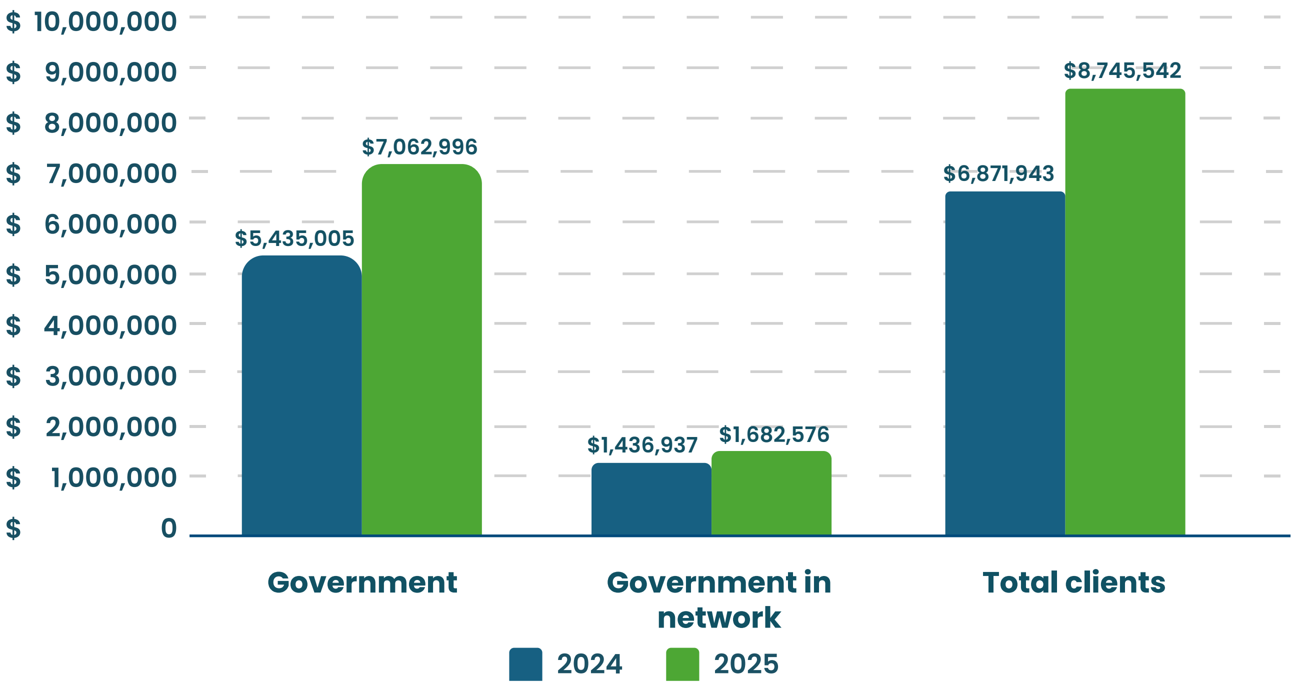
Total Government Banking Loan Portfolio (millions)



Government Banking Deposit Balances

With respect to deposit balances from government banking clients, during 2025, work continued to deepen operating resources in the territorial segment. This effort, supported by the sales force differentiated by each segment layer, helped recover more than COP 2 trillion in savings and checking account balances.

Government Banking Deposit Balance (millions)



Hiring of Technological Partners as a Strategic Enabler for Government Banking

In 2025, the Bank achieved a significant milestone in its government banking strategy by engaging seven specialized technology partners, to strengthen the range of solutions for the management, settlement, and collection of territorial entities.

This initiative addresses the growing demand from the public sector for comprehensive, secure, and scalable technological platforms that support multi-channel collection schemes, optimize operational processes, and support proper integration with financial institutions. The inclusion of these providers expands the Bank's transactional portfolio and reinforces its position as a strategic ally of the public sector at the national level.

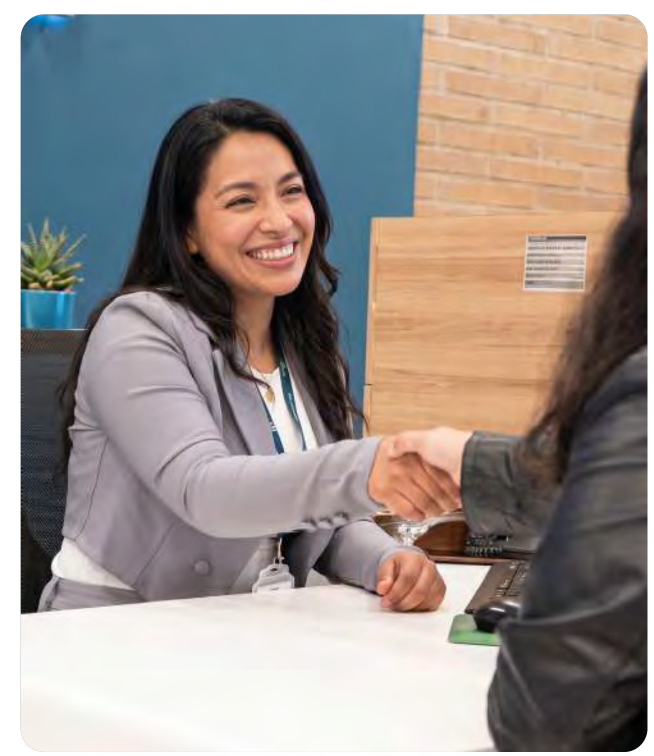
Additionally, this strategy serves as a key enabler for generating new business and increasing liabilities, as well as for deepening the reach of collection products and digital payment methods. The network of technological partners facilitates the accelerated implementation of digital solutions and serves as a strategic lever for the adoption and widespread use of Bre-B (Real-Time Payment System, Spanish name), both in territorial entities and in private sector companies, contributing to interoperability, operational efficiency, and the strengthening of the transactional bond with customers.

Customer Experience

Customer experience is a core pillar of the Bank's business model and an enabler for generating trust, satisfaction, and loyalty. To this end, the Bank seeks to provide timely, clear, and appropriate access to financial products and services, strengthening long-term relationships and contributing to sustainability and the generation of social value.

Through its customer experience model, the Bank coordinates policies, initiatives, programs, and projects aimed at improving service quality, strengthening service channels, driving digitalization, and supporting inclusive and accessible service throughout the customer life cycle.

In 2025, the Bank strengthened its customer-centric culture through training and awareness programs, continuous measurement of experience, and Voice of the Customer analysis to drive improvements in products, segments, and channels. Additionally, feedback was provided to customer-facing areas to reinforce knowledge and skills.



Customer Satisfaction Measurement

[CSA.S&P]

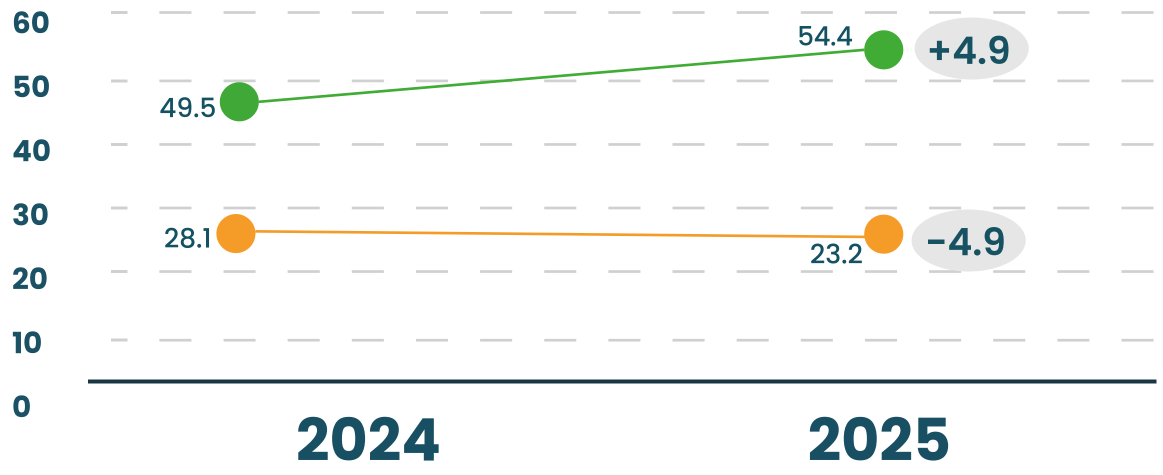
The Bank measures and monitors customer experience using the Net Promoter Score (NPS), the Customer Effort Score (CES)9, and the implementation of relational and transactional surveys. This monitoring is complemented by the analysis of the Voice of the Customer (VOC), a detailed procedure in which users' comments and verbatims10 are examined to identify critical root causes and classify them based on their impact on service. The monitoring and setting of NPS targets are carried out in coordination with the product, segment, and channel areas.

In 2025, the NPS for individual customers was 54.4, exceeding the set target (53.5) and growing by more than four points compared to 2024. Meanwhile, the Customer Effort Score (CES) recorded a result of 23.2, decreasing by more than four points compared to 2024, reflecting a reduction in perceived effort and, consequently, higher customer satisfaction. Taken together, both indicators reflect an improvement in the customer experience.

9 The Bank uses the NPS (Net Promoter Score) and CES (Customer Effort Score) indicators as tools to measure the level of customer satisfaction. During the period analyzed, a total of 18,650 individual customers and 4,462 corporate customers responded to the surveys, representing 80.7% and 19.3% of the total surveyed customers, respectively.

10 Textual, word-for-word quotes of what a user, customer, or interviewee expresses, without modifications, summaries, or interpretations.

Customer Satisfaction and Effort



Source: First Relational Study 2025 / Qualtrics – Segment Management and Customer Experience.

- What is the probability that you would recommend Banco Popular? Scale of 1 to 10: Promoters (9 or 10), Passives (7 or 8), and Detractors (0 to 6).
- CES: How easy or difficult was it for the Banco Popular customer to complete a process or interaction? Very easy, Easy, Neither easy nor difficult, Difficult, and Very difficult.

As part of the strengthening of a customer-centric culture, a training program on the experience model was conducted in 2025 for branch managers and advisors. The initiative brought together 31 groups from different cities, reaching approximately 900 employees.

Service and Experience Model

As a complement to the value proposition, initiatives have been developed that have become references in the market, standing out for their impact and recognition among customers.

- **Mijo Assistants,** an initiative that began operating with eleven participants, 80% of whom were pensioners. Currently, the initiative is moving toward expansion, positioning itself as a reference for the silver economy. After starting with ten branches served, the program evolved to reach more than 20 locations. This expansion incorporated external assistants, including former Bank employees and young people previously affiliated as SENA (National Learning Service, Spanish acronym) apprentices, totaling more than ten assistants distributed between Cali and Bogotá. Through coordinated efforts and community support, this initiative has strengthened closeness with customers and promoted digital education, closing the year with 6,800 customers enrolled in the Silver Club, thereby strengthening an ecosystem of services and benefits designed to improve the quality of life of older adults.
- In 2025, the Línea Verde (Green Line) strengthened the experience of customers over the age of 50 through a differentiated service model that improved efficiency and satisfaction, achieving an NPS of 53.4 and an average handling time of less than one minute.

The main actions included:

- Implementation of the 50+ option in the IVR (Interactive Voice Response) and the creation of a specialized skill.
- Process optimization: elimination of audio prompts, reduction of call-back times, and script adjustments.
- Training in service skills and follow-up on repeat cases.
- Adherence measurement with action plans to ensure continuous improvement.

- Strengthening the management of requests, complaints, and claims (PQR, Spanish acronym), especially for customers over the age of 50, achieving faster, clearer, more effective, and reliable service. First-level resolution capacity was increased, accompanied by continuous training and awareness processes for advisors in the various work units, leading to more consistent responses aligned with customer needs. At the same time, quality assurance in responses was strengthened, and the monitoring of service level agreements (SLAs; ANS Spanish acronym) with resolution areas was reinforced, supporting compliance with timelines and service standards. These initiatives strengthened a more agile and transparent experience, increasing satisfaction and trust within the 50+ segment.
- In 2025, the Bank made significant progress in customer experience management, achieving a Total Relational NPS (Net Promoter Score) of 54.4%, the highest value recorded by the Bank and 4.9 points above 2024. This result reflects a reduction in detractors and an increase in promoters, driven by portfolio improvements, process simplification, digital strengthening, and the development of service skills. This performance reaffirms the effectiveness of continuous NPS monitoring and the joint efforts across products, segments, and channels as a solid foundation for addressing the challenges of 2026, which will focus on experience standardization, innovation, and a deeper understanding of each segment and life stage.

Management of Requests, Complaints, and Claims

[GRI 2-25; 418-1] [CSA.S&P]

The customer experience model is part of the Financial Consumer Service System (SAC, Spanish acronym), and it involves ongoing monitoring and tracking of the management of PQR (Requests, Complaints, and Claims, Spanish acronym) inventories, as well as a timely escalation scheme to relevant areas when specialized analysis and the definition of solutions are required. Additionally, collaboration is promoted among the business, operations, technology, and risk areas to structure tactical plans aimed at resolving the root causes of recurring issues observed in PQRs (Requests, Complaints, and Claims, Spanish acronym) and preventing the recurrence of cases. The operational and management model for PQRs (Requests, Complaints, and Claims, Spanish acronym) has significant visibility within the Bank and supports the evaluation of service perception and effectiveness, as well as the analysis of the entire process flow, from first-level resolution, the quality of filings, and timely escalations, to inventory control, the review of responses before they are sent, case closures, and final delivery to the customer.

In addition to being a tool available to customers and users to make requests and express dissatisfaction, PQRs (Requests, Complaints, and Claims, Spanish acronym) allow the Bank to consider the voice of the customer to review and adjust internal processes and products within the value proposition, and to strengthen the Bank's service promise. Effective management focuses on the resolution of cases through in-depth analysis while challenging customer-facing timelines, identifying root causes, preventing recurrences, and protecting the experience; all of which contributes to trust, the building of value for the customer, and the Bank's profitability and reputation. A transactional satisfaction survey is conducted through a monthly sample of closed cases managed by the Customer Experience Management Department as a source for measuring the NPS. Similarly, monthly quality assurance was conducted through a sampling of telephone contacts with customers in order to understand their perception of the service received, with a focus on recurring cases, pensioners, and high-amount claims. Additionally, the management of escalated cases is monitored under the SLAs (Service Level Agreements; ANS Spanish acronym) defined with each area of the Bank, as well as the productivity and assertiveness of the analysts in the various work units, information that is available on control dashboards.

En 2025 el Banco:

- Advanced toward more agile responses, increasing the number of processes handled within a range of 0 to 5 days.
- Strengthened first-level resolution through the provision of tools and knowledge in the call center and the branches.
- Implemented low-value claim policies that allow for immediate resolution.

For 2026, the implementation of automation using AI and other tools is planned to streamline analysis and information searches. In addition, as part of Grupo Aval, the entities participate in permanent working groups aimed at standardizing best practices, reviewing the end-to-end (E2E) process, and identifying synergies that drive self-management, the shared use of tools, and the review of policies and processes, with the purpose of continuing to evolve in the management of requests, complaints, and claims.

Physical and Digital Channels Individuals

- **Physical Branches**

The Bank has a branch network that offers sales and advisory services, as well as teller services for customers and users. During 2025, the Bank relocated two traditional branches: El Edén (Bogotá) and Cabecera del Llano (Bucaramanga), with the aim of strategically positioning them in modern facilities for customers.

At the close of 2025, the branch network consisted of 166 traditional branches and 8 commercial branches (express), for a total of 174 branches, distributed across 29 of the 32 departments of Colombia and in 92 cities and municipalities nationwide.

Regarding transactional volume and amounts, a summary of the Bank's branch network is presented below:

Concept[11]	2022	2023	2024	2025*
Number of monetary and non-monetary transactions (in thousands)	8,961	6,621	6,456	6,432
Amount of transactions (in millions)	$38,477,684	$56,671,529	$61,580,476	$56,313,471

- **Automated Teller Machines (ATMs)**

The Bank has its own network of 562 ATMs (Automated Teller Machines), plus 2,730 ATMs through the Aval Network, which allows the Bank to serve customers and users in 300 cities and municipalities across 31 departments of the country. Through this channel, users can carry out various transactions, such as inquiries, debit card withdrawals, withdrawals with temporary codes, contactless (NFC) withdrawals, cash advances, debit card PIN changes, transfers, payment of obligations, utility bill payments, and payments to private agreements. As of the close of December 2025, 17.1 million successful transactions were completed at the Bank's ATMs, totaling COP 8,838,400 million.

For 2026, the implementation of new functionalities in the Grupo Aval ATM (Automated Teller Machine) network is planned, including an increase in withdrawal limits, a digital marketing module, and withdrawals using a QR (Quick Response) code.

- **Banking Correspondents (CB; Spanish acronym)**

Banking correspondents allow Aval Network customers to make deposits, debit card withdrawals, withdrawals with temporary codes, inquiries, transfers, utility bill payments, and private agreements.

[11]*New SFC (Financial Superintendency of Colombia, Spanish acronym) Report, Format 413 – Period from January to November 2025.

As of the close of December 2025, the Bank had 86 of its own service points located in the department of Santander and in large retail stores nationwide. These are part of the Aval Network of banking correspondents, which by 2025 reached more than 123,000 points distributed throughout the national territory, bringing financial services closer to more people across the country. As of the close of December 2025, 371,465 successful transactions were completed at banking correspondents, totaling COP 264,224 million.

- **Aval Network Service Points**

Concept	Branches	ATMs	Banking Correspondents
Number of service points	1,021	2,738	123,292
Available services for Aval customers:	Payroll deduction withdrawal Card withdrawal Deposits Wire transfers Payment of obligations Check payment	Payroll deduction debit withdrawal Debit card withdrawal Deposits Balance inquiry and statement Password change Transfers Payment of utility services and others Card replacement	Payroll deduction debit withdrawal PIN withdrawal Deposits Payment of obligations Payment of utility services and others Payroll payments

In 2025, information on the Bank's portfolio of products and services was shared on its website, including the benefits and terms and conditions of deposit and loan products, as well as information on services and updates. This effort supported access to clear and timely information for users, recording 4,407,165 individuals who visited the website during the reporting period.

- **Digital Channels: Website and Mobile Banking**

The Bank's digital channels showed significant growth in the number of digital customers, with a **15.7%** increase compared to 2024, reaching a **44%** digital adoption rate. This was accompanied by **80%** growth in monetary transactions, supported by new functionalities and the digital payments strategy promoted by the Banco de la República (Central Bank of Colombia) (Bre-B, Spanish name).

The channel strategy aimed to close gaps in basic functionalities, improve user experience, and drive innovation, with a focus on differentiating various services. Some examples of this included: voice payment commands, Bre-B transfers via WhatsApp, and contact address books, which created market differentiation and were also highly aligned with the silver segment.

- **Bre-B (Real-Time Payment System) for Individual Customers**

By the end of the year, the Bank sought to ensure that customers with deposit accounts had at least one "key" registered in the payment system. A total of 2,312,000 Bre-B transactions were carried out in 2025 (October–December), with 1,138,000 transactions occurring in December, reflecting the rapid adoption of this payment method. Initiatives such as the "Llavetón" helped customers understand this change through educational efforts and in-person support at branches. Furthermore, efforts to position a key such as the "TAG AVAL," which offers the benefit of personalization, became both a significant differentiator and a key strategy to encourage the use of this payment method among the silver population, thanks to how easy it is to remember.

Business Banking

In 2025, the Bank made significant progress in managing channels and transactional products, improving operational efficiency and the customer experience. New functionalities were implemented in the ICBS Business Portal, along with improvements in reconciliation files. Additionally, developments were made to generate new information for inquiries, reports, and security, and 24/7 operational continuity was supported.

These developments have facilitated customers' operational processes in segments such as government, institutional, corporate, and business banking regarding service times and technological integration, strengthening a more agile and robust service model.

Number of Customers Registered on the Business Portal

At the close of 2025, the business portal—which includes all TINs (Tax Identification Numbers; NIT Spanish acronym) affiliated with the Bank (corporate, business, government, network government, and SMEs (Small and Medium-Sized Enterprises; Pymes Spanish acronym) in the network)—reached 8,823 customers, of which 4,857 were active. Of these companies, 96% logged into the channel, and 80% performed monetary transactions, confirming the portal's position as the main digital interaction channel for corporate customers.

The business mobile app also showed progressive growth, with 633 active companies and 1,070 registered users. This performance highlights the importance of continuing to advance the strategy of strengthening channels and developing mobile functionalities that increase adoption.

Number of Customers

2024	2025
8,426	8,823

The NPS of the business portal showed significant improvement, rising from ***24.9*** *in the cumulative 2024 period to* ***74.7*** *in the cumulative 2025 period, exceeding the established target of 62. This result reflects a significant improvement in the perception and satisfaction of business customers and confirms a more stable, agile, and reliable digital experience, which has a direct impact on the channel rating.*

This performance resulted from the execution of focused action plans, including the following:

- Strengthening proactive communications with customers.
- Improvement in training and support processes for business users and commercial teams.
- Actions aimed at operational stabilization and optimization of the portal's user experience.

The analysis of the results also enabled the identification of clear areas for improvement, primarily associated with the channel's usability and design, platform stability and speed, and the simplification of payment and transfer processes, which have been established as strategic priorities for the evolution of the business portal and the continued improvement of the customer experience.

Bre-B and the Evolution of the Payment Ecosystem

The Bank actively participated in implementing of the Bre-B (Real-Time Payment System, Spanish name) platform, strengthening its role in the modernization of the payment ecosystem in Colombia. QR (Quick Response) collection schemes were enabled for merchants, improving the immediate payment experience and the operational efficiency of companies.

In addition, together with Grupo Aval, use cases such as referenced collection and immediate payments for companies were developed, which will support scaling this offering to the corporate, business, and government segments. These initiatives position the Bank as a key player in the interoperability and digitalization of business payments.

2.1.3.2. Robust Balance Sheet

During the period, the Bank achieved significant progress in optimizing its balance sheet management. The management of Interest Rate Risk in the Banking Book (IRRBB; RTILB, by its Spanish acronym) supported a reduction in the Delta EVE (Economic Value of Equity; VEP, by its Spanish acronym), resulting in a significant decrease in exposure that even exceeded projections. These results were achieved through the implementation of levers aimed at strengthening the funding structure and optimizing costs. Key highlights include the execution of hedging strategies using swaps and an increased share of demand deposits with cost reductions, together with a restructuring of CDT (Term Deposit Certificate, by its Spanish acronym) maturities, thereby strengthening the stability of the balance sheet.

In addition, the strategic use of interest rate swaps (IRS) not only supported the optimization of funding costs and strengthened Interest Rate Risk in the Banking Book management, but also contributed to greater stability in Other Comprehensive Income (OCI; ORI Spanish acronym). The alignment between the positions of the available-for-sale portfolio and the IRS hedges reduced OCI sensitivity to rate curve volatility, mitigating equity impacts and improving the Bank's financial predictability. This comprehensive approach strengthened more stable and resilient balance sheet management, aligned with asset and liability management (ALM) practices.

Furthermore, new functionalities were developed in treasury operations that increased flexibility and added value for corporate clients, supported by a commercial strategy of specialized advisory and proactive follow-up, contributing to the Bank's positioning and the deepening of commercial relationships.

Treasury Management

Investment portfolio

The balance sheet investment portfolio (available-for-sale investments) closed 2025 with a value of COP 3.08 trillion. The strategic objective of this portfolio was to maintain the necessary liquidity buffer while generating returns and maintaining prudent management focused on preserving value and optimizing the risk-return profile in an environment of high financial volatility under current market conditions. This portfolio increased by COP 1.16 trillion compared to the close of 2024 (2024 closing portfolio: COP 1.92 trillion) as a result of the investment strategies implemented.

Outstanding Bond Issues in Circulation

Class	Issue #	Issue Date	Subseries	Index	Maturity Date	Amount (pesos)	Rate
Subordinated Bonds	First	12/10/2016	C10	IPC*	12/10/2026	$144,922,000,000	4.13%
Ordinary Bonds	Fifteenth	4/02/2020	B7	IPC	4/02/2027	$119,000,000,000	3.08%
Ordinary Bonds	Sixteenth	15/07/2021	B5	Fixed rate	15/07/2026	$267,285,000,000	6.78%
			C5	IPC	15/07/2026	$114,715,000,000	2.56%
Ordinary Bonds	Seventeenth	11/11/2021	C5	IPC	11/11/2026	$105,705,000,000	3.38%
Ordinary Bonds	Eighteenth	10/03/2022	C5	IPC	10/03/2027	$53,102,000,000	3.84%

* CPI: Consumer Price Index (IPC, by its Spanish acronym).

Behavior and Performance of the Bank's Shares

During 2025, the daily average share price of Banco Popular was COP 151.03, reflecting stable performance throughout the year. The closing price stood at COP 124, a value that matches the minimum recorded during the period. Regarding trading volume, COP 113.4 million was traded in spot transactions during the year, across 20 operations. Overall, the Bank's shares showed stable performance, with a moderate average price and a slight decrease compared with the previous year's closing price.

Portfolio Composition and Risk Management

The balance sheet investment portfolio is composed of treasury securities (TES), with a distribution of 74% in fixed-rate instruments and 26% in Real Value Units (UVR, by its Spanish acronym), with an average duration of 1.9 years. The fixed-rate share was increased by COP 886,000 million and, simultaneously, the share in Real Value Units (UVR, by its Spanish acronym) increased by COP 274,000 million. The objective of this strategy was to improve profitability and reduce the duration of the portfolio.

Trading Investment Portfolio

The trading investment portfolio closed the year with a value of COP 215,605 million and an average duration of 0.70 years. This portfolio is primarily composed of liquid instruments with a distribution of 67% in fixed-rate instruments, 28% indexed to the Banking Reference Indicator (IBR, Spanish acronym), and 5% indexed to the CPI (Consumer Price Index; IPC, by its Spanish acronym), supporting defensive and flexible management amid the challenging conditions observed in the final quarter, which anticipated a demanding 2026.

In 2025, the management of the investment portfolio was carried out while maintaining the necessary liquidity to navigate an environment of high volatility, maintaining an appropriate balance among profitability, duration, liquidity, and risk management.

3.1.3.3.Efficient Operating Model

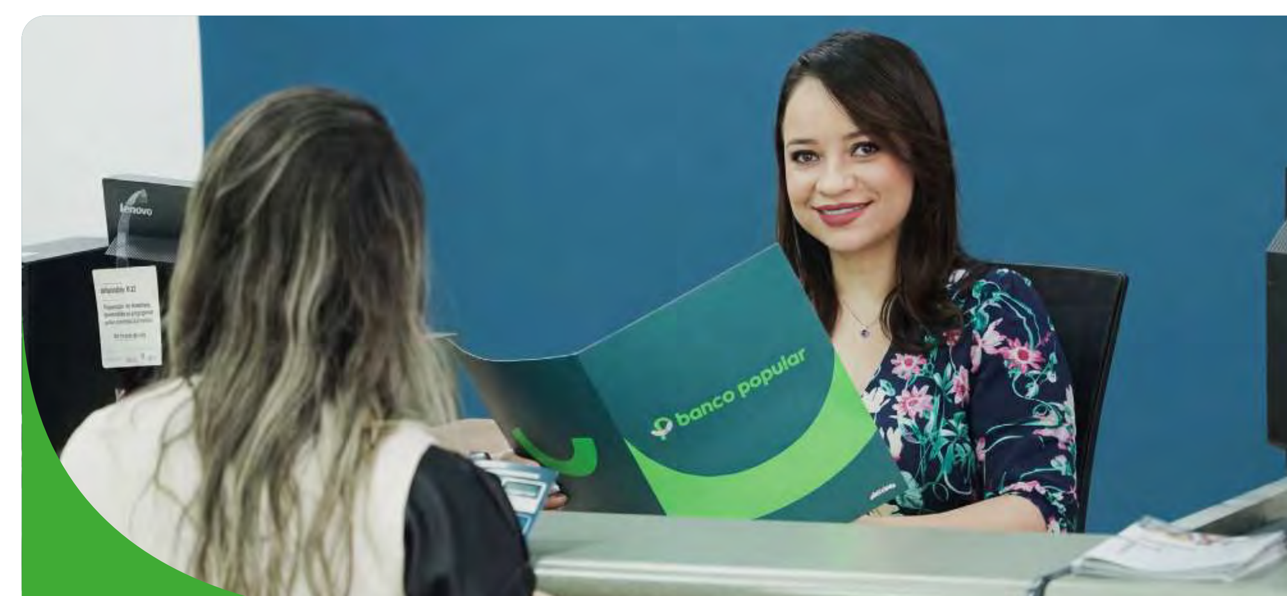
Digital Transformation and Innovation

The Bank's digital transformation and innovation comprise a set of strategies, capabilities, and technological solutions aimed at strengthening the business model, improving the customer experience, and expanding access to financial services in a secure, efficient, and inclusive manner. This strategic pillar focuses primarily on improving the customer experience and financial inclusion, with a special emphasis on the segments where the Bank holds a differentiated position, such as 50+ customers, government entities, and the corporate segment. Digital transformation therefore serves as a key enabler for responding to new market expectations and supporting the Bank's long-term sustainability.

Digital transformation and innovation create value by optimizing internal processes, reducing operational friction, and enhancing the use of digital channels, contributing to greater efficiency, service continuity, and improved financial results. This work is managed through a transformation plan led and coordinated by the Vice-Presidency of Digital Transformation. Additionally, it relies on the active participation of the Vice-Presidencies of Technology, Operations, Retail Banking, and Legal/Corporate Banking. Looking ahead to 2026, the Bank has adopted an ambitious transformational vision aimed at deepening the digital impact on customers, processes, and internal capabilities.

Transformation Progress:

- Widespread adoption of Bre-B, which resulted in a four-fold increase in the volume of monetary transfers made by customers.
- Reduction of nearly 80% in digital channel disruptions and the preservation of positive financial results throughout the year.
- Streamlining of processes, expanding access to automation at scale and the use of Artificial Intelligence.
- Enabling functionalities aimed at simplifying processes, providing customers with new self-service tools and fraud-reduction measures.



Strategy and Capacity Building for Digital Transformation and Innovation

The Bank has a digital transformation roadmap composed of transformational initiatives and strategic projects aligned with business objectives. This roadmap is supported by principles of technological architecture, data management, and cybersecurity, and is developed in alignment with the guidelines of Grupo Aval and the expectations of regulatory authorities. The strategy prioritizes continuous improvement of the customer experience, operational efficiency, and the responsible adoption of new technologies, thereby strengthening the resilience, security, and sustainability of the Bank's operating model.

Training in Digital Transformation and Innovation

The Bank has continuously strengthened internal capabilities in digital transformation and innovation through training programs aimed at different levels of the organization. These training sessions have addressed topics such as Process Automation (RPA), Artificial Intelligence, data analytics, and new technologies applied to the business, combining internal training spaces with support from specialized providers.

Training actions have been directed from the Board of Directors to employees in product teams, operational areas, and support areas, promoting a cross-cutting digital culture. This approach has supported the alignment of technical and strategic capabilities, facilitated the adoption of new solutions, and strengthened data- and technology-based decision-making.

Implemented Initiatives and Technologies

In developing its projects and initiatives, the Bank has incorporated new technologies aimed at modernizing processes, improving the customer experience, and strengthening security. These technologies have enabled progress toward a more agile, scalable, and customer-centric operating model.

The main technologies implemented include:

- Process automation.
- Use of advanced analytics and business intelligence tools.

- Artificial Intelligence (AI) solutions
- Development and integration of Application Programming Interfaces (APIs)
- Strengthening of cybersecurity
- Evolution of digital channels, including the mobile application and the web portal

Fintech Programs or Alliances

The Bank maintains alliances with fintech companies aimed at strengthening operational and analytical capabilities, especially in credit origination processes and data analysis. These alliances allow for the complementing of the Bank's internal capabilities, accelerating the implementation of technological solutions, and generating efficiencies in key business processes, while maintaining a focus on customer experience and responsible risk management.

Open Finance Mechanisms

With respect to Open Finance, and in anticipation of its mandatory implementation, the Bank has been working on enabling the ecosystem of APIs required by regulations and on initiating a process of educating its customers on how to use these mechanisms, offering free benefits such as personal finance management solutions, which will be available to the entire group of Aval entities in 2026.

Likewise, the Bank is working to be prepared for the implementation of Open Finance in Colombia and to provide timely value-added solutions for its customers, as well as with mechanisms that improve the offering for both new and existing customers, contributing to the financial development of Colombia and greater banking penetration and an enhanced offering for financial consumers.
This entire process is carried out with strong discipline, aimed at supporting the secure exchange of information, customer protection, and the creation of more personalized financial solutions that strengthen the Bank's competitiveness in an environment of greater openness and interoperability.

Digital Adoption

Digital adoption is a key pillar for Banco Popular, as it supports stronger customer relationships, expanding access to financial services, and improving operational efficiency, while maintaining high security standards. For the Bank, the adoption of digital channels supports scalability and efficiency gains; for customers, especially those in the 50+ segment, it represents greater autonomy, confidence, and ease in managing their financial operations.

The digital adoption strategy combines the continuous improvement of channels, the design of simple and intuitive functionalities, and support actions for customers with greater digital vulnerability. As a result, the Bank has recorded a positive evolution in digital adoption levels, reaching 44% digital customers in 2025.

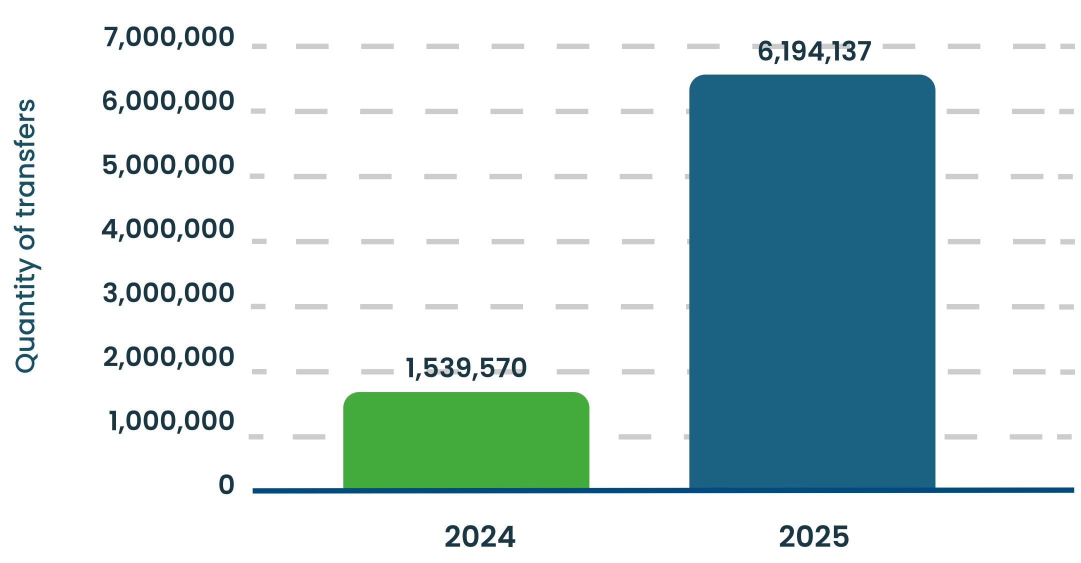
This approach seeks to close digital gaps and contribute to positive social impact, with a special emphasis on the digital inclusion of 50+ customers.

Additionally, the Bank has implemented specific strategies to increase digital adoption, prioritizing customers in the 50+ segment, who face greater challenges in the use of digital technologies. These strategies include functionalities adapted to the segment, improvements in channel usability, personalized support through the "Asistentes Mijo" (Mijo Assistants) program, and digital financial education actions. Among the main challenges, the increased transactional use and the strengthening of digital trust stand out. These aspects will continue to be priorities in 2026. The growth of the digital customer base highlights the Bank's progress in consolidating its digital strategy and its focus on financial inclusion. In 2024, the Bank had approximately 328,000 digital customers, a figure that increased to 380,000 digital customers in 2025, representing year-over-year growth of +16%. This growth includes the adoption of digital channels within the 50+ segment, a population in which the Bank has concentrated its efforts to reduce technological barriers and promote a secure and reliable digital experience.

The Bank maintains a sustained commitment to investing in digital transformation and innovation as a pillar for the evolution of its business model. In 2024, the investment allocated to these fronts amounted to approximately COP 83,523 million, while in 2025 it reached COP 91,721 million, reflecting year-over-year growth of approximately 10%. These resources were primarily directed toward the modernization of digital channels, process automation, data analytics, cybersecurity, and the strengthening of technological capabilities.

During 2025, the Bank significantly strengthened its digital transaction volume by improving its channels and reducing operational friction. As a result, incidents in digital channels were reduced by approximately 80%, improving service continuity and customer experience. Likewise, the adoption of Bre-B allowed for an increase in the number of monetary transfers made by customers, consolidating this channel as one of the main enablers of the Bank's digital transaction volume.

Number of Digital Monetary Transfers



Artificial Intelligence (AI)

[CSA.S&P]

During 2025, the Bank defined a strategy to drive the use of Artificial Intelligence (AI) across all levels, with the objective of improving operational efficiency, increasing the adoption of digital capabilities, and enriching the customer experience. This strategy is structured around three complementary pillars that guide its implementation and scaling:

Personal Productivity:

This pillar is focused on enabling tools and capabilities that allow employees to incorporate AI into their daily work. Within this framework, employees have Copilot as a tool to improve productivity in daily activities, an initiative that is coordinated with the efforts of Grupo AVAL and its strategic alliance with Microsoft to enhance synergies at the corporate level. In addition, training processes are being developed to strengthen knowledge about Copilot's capabilities and promoting its effective adoption in daily work.

Intelligent Automation:

This pillar focuses on transforming processes through the integration of Artificial Intelligence (AI), optimizing manual tasks and moving them toward more agile and automated operations. On this front, AI is incorporated to improve the development cycle of technological solutions, accelerate time-to-market, and increase efficiency in the delivery of digital capabilities. Likewise, AI solutions are integrated to strengthen branch operations and risk management processes, as well as to optimize the PQR handling process, supporting quality, consistency, and timeliness in responses to customer requests.

Strengthening the Customer Experience:

Through the use of Artificial Intelligence (AI) in fraud management and prevention processes, contributing to a more secure, reliable, and customer-protection-focused operation.

The strategy is underpinned by a governance and ethics framework that promotes the scalability of AI solutions under principles of control, transparency, and responsible use. This framework includes a reference data and analytics architecture that supports centralized management, as well as a framework with standardized components for testing, deploying, and scaling Artificial Intelligence solutions, leveraged by the development of a robust data platform.

Looking ahead to 2026, the Bank continues to strengthen the adoption of Artificial Intelligence through the development of technical capabilities, the enhancement of knowledge and training programs, the consolidation of a hyper-automation program, the evolution of the data platform, and the reinforcement of the governance model and the AI framework, with the aim of maximizing its strategic and operational impact.

Technology and Operations

In 2025, the Technology and Operations strategy made significant progress through initiatives that contributed to the Bank's strategic objective of establishing an efficient operating model. This was achieved by leveraging integrated capabilities, operational stabilization, and technological modernization, directly impacting efficiency, reliability, and the experience of customers and users.

One of the most relevant changes was the integration of the Technology and Operations functions, which supported the establishment of a common vision for the operating model. This vision was structured around four strategic pillars: speed, efficiency, experience, and reliability, which guide the transformation of the model in the short and medium term. The defined roadmap includes three progressive phases: operational integration and stabilization; process redesign and digitalization; and evolution toward a more autonomous, intelligent operation supported by advanced analytics and automation.

In line with this vision, progress was made in identifying relevant improvement opportunities in productivity, structure, and costs, as well as in defining strategic efficiency levers aimed at process simplification, digitalization, strengthening the service model, and leveraging technological capabilities. These initiatives were accompanied by a cross-cutting emphasis on organizational culture, change management, and alignment between areas.

Among the most relevant aspects of 2025 management, the sustained improvement in platform stabilization indicators and service availability stood out. This strengthened operational resilience, an increase in channel availability, and the acceleration of the modernization of technological architecture. These advances contributed to greater service continuity and a more reliable experience for customers, establishing a solid foundation for the subsequent stages of transformation.

Additionally, progress was made in cloud migration and the relocation of the primary data center to a Tier IV category data center. Redundancy in infrastructure components was improved, the strengthening of IT talent continued, the initiative backlog was prioritized, and specialized "clans" focused on business lines were formed. Furthermore, progress was made in the evolution of end-to-end digital capabilities and the implementation of an ambidextrous operating model, generating efficiencies, improving project control, and accelerating the delivery of value to the business. In this context, the incorporation of technologies such as AI, advanced analytics, automation, and robotics began to deliver concrete results in terms of productivity as well as reductions in time and costs, highlighted by successful pilot programs with high scalability potential. This effort contributed to positioning technology as a core enabler of the corporate strategy.

For 2026, the Technology and Operations strategy will focus on priority challenges related to deepening cultural change management, promoting more agile and collaborative results-oriented ways of working. Likewise, the integration of Technology and Operations aims to continue improving products, services, and channels through the optimization of processes and customer experience. This involves the challenge of rethinking the technological frontier, strengthening the responsible use of AI, managing technological risks, and aligning innovation, speed, and control as pillars for a sustainable and competitive operation.

2.2. Purpose-Driven Governance

2.2.1. Corporate Governance

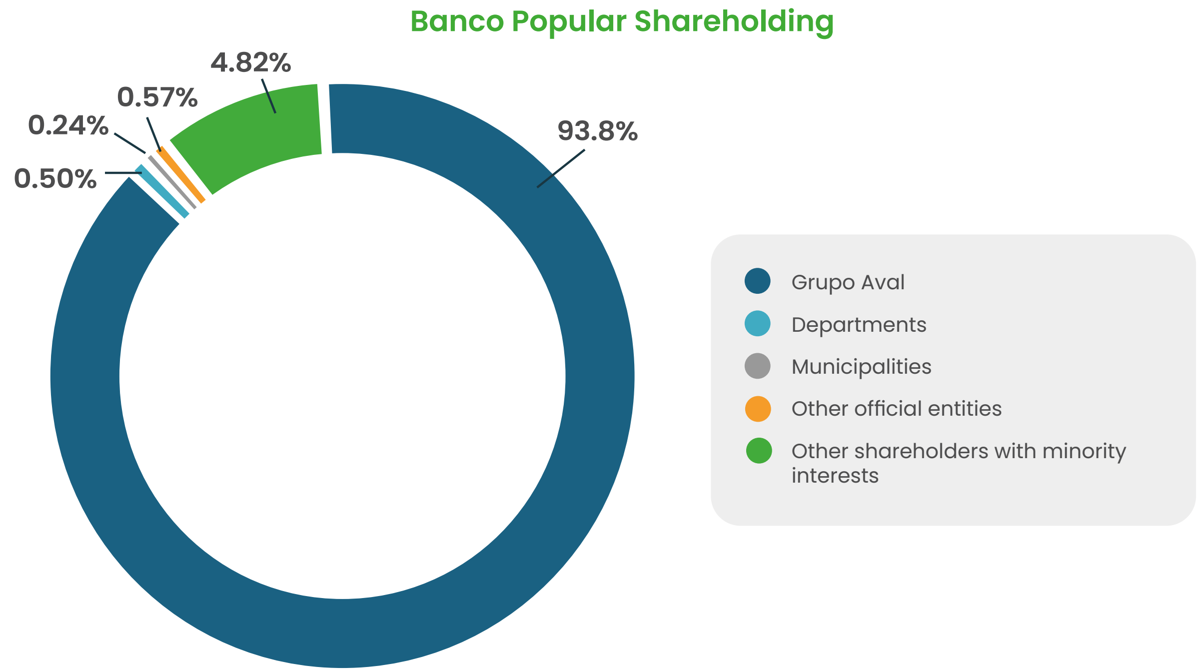
Corporate Governance Report
January–December 2025 Period

Banco Popular recognizes the importance of continuously strengthening its Corporate Governance as a fundamental tool for sustainable development and value creation for its shareholders and other Stakeholders. This report is presented jointly by the Board of Directors and the President of the Bank, and its purpose is to provide information to the broader market regarding the development of the Bank's corporate governance during 2025, in accordance with applicable regulatory provisions and leading Corporate Governance practices.

I. Ownership Structure
[Recommendation 33.3] [CE21] [CSA.S&P]

As of December 31, 2025, the Bank's authorized capital amounted to one hundred billion pesos, legal currency (COP 100,000,000,000), represented by ten billion (10,000,000,000) common shares with a par value of ten pesos, legal currency (COP 10) each. The Bank's subscribed and paid-in capital amounted to seventy-eight billion, eight hundred sixty-one million, thirty-nine thousand, seven hundred fifty pesos M/L (COP 78,861,039,750), divided into seven billion, eight hundred eighty-six million, one hundred three thousand, nine hundred seventy-five (7,886,103,975) shares. The shareholding structure is illustrated in the chart below.

Shareholder Composition



As of that date, the shareholder Grupo Aval Acciones y Valores S.A., holds a majority stake of 93.87% in the Bank's capital, serving as the Bank's parent company and the financial holding company of the Aval Financial Conglomerate.

The shareholders Grupo Aval Acciones y Valores S.A., Seguros de Vida Alfa S.A., Seguros Alfa S.A., and Inverprogreso S.A. are entities that are part of the Aval Financial Conglomerate, with a 94.64% ownership interest in the Bank's capital. Furthermore, the beneficial owner is Dr. Luis Carlos Sarmiento Angulo, who is also the controlling individual of the business group to which the Bank belongs. The shares of Banco Popular S.A. are common, registered, freely negotiable, and dematerialized. They are also registered in the National Registry of Securities and Issuers (RNVE, Spanish acronym) under Resolution 1422 of November 11, 1993, issued by the SFC (Financial Superintendency of Colombia, Spanish acronym), and they have been listed on the Colombian Stock Exchange (BVC, Spanish acronym) since November 11, 1993. Common shares grant holders, among other rights, the right to participate in the deliberations of the General Meeting of Shareholders, to vote therein, and to receive a proportional share of declared profits based on their shareholding.

The members of the Bank's Board of Directors do not hold shares of Banco Popular, either directly or indirectly, and during 2025, there were no share transactions involving members of the Board of Directors, Senior Management, or other officers of the Bank.

In 2025, no agreements were entered into among the Bank's shareholders. Furthermore, as of this date, the Bank does not hold treasury shares, in accordance with the provisions of letter b) of Article 10 of the Organic Statute of the Financial System.

Significant Changes in the Bank's Shareholding Structure

During 2025, there was a change in the Bank's shareholding structure resulting from an issuance and placement process for common shares subject to pre-emptive rights, in accordance with the Issuance Regulations and the information prospectus prepared for that process. As a result of the issuance, the number of common shares outstanding increased from 7,725,326,503 to 7,886,103,975. Grupo Aval Acciones y Valores S.A. subscribed for 160,771,704 shares, changing its shareholding in the Bank from 7,241,936,738 to 7,402,708,442 common shares. Consequently, the percentage of Grupo Aval's ownership interest changed from 93.74% to 93.87%. The Bank's new subscribed and paid-in capital was registered with the Bogotá Chamber of Commerce.

The SFC (Financial Superintendency of Colombia, Spanish acronym) approved the corresponding Subscription and Placement Regulations via Resolution No. 1079 of May 30, 2025, and authorized the public offering of the common shares offered in the primary market via Resolution No. 1144 of June 11, 2025, thereby complying with the applicable regulatory requirements for the capitalization process. In 2025, the Bank issued COP 50,000 million in common shares on the Colombian Stock Exchange.

In 2025, the Bank issued COP 50,000 million in common shares on the Colombian Stock Exchange.

Shareholder Services

Through the Bank's corporate website, under the "Shareholder and Investor Relations" tab, the contact information for the Corporate Governance and Sustainability Management department is available as the shareholder and investor service office, enabling them to submit and resolve inquiries[12]. During 2025, 56% of shareholder requests corresponded to shareholding status and tax certificates, 17% to the settlement and payment of dividends, 8% to share transfers, and the remainder to other matters. All requests were addressed.

[12] CE36 Shareholder and Investor Participation.

II. Management Structure
CE26] [CE27] [GRI 2-10] [Recommendation 33.3]

Board of Directors

The Board of Directors is the highest governing body of the Bank, whose main function is to determine the general policies of the Bank, as well as approving and periodically monitoring the strategic plan, business plan, and management objectives, and seeking to ensure that the President, Senior Management, and other Bank employees comply with and align with those policies. Likewise, it is responsible for exercising the other functions established under current regulations and in the Bylaws and Internal Regulations of the Board of Directors.

Appointment and remuneration
[GRI 2-19; 2-20] [CE26]

The Board of Directors is appointed annually by the General Shareholders' Meeting, in compliance with legal and statutory regulations, as well as the guidelines approved through the Board of Directors' Appointment and Remuneration Policy. This policy determines the criteria applicable to the appointment of Directors13, including the qualifications, professional profile, and experience that each of the Directors must have, as well as the procedure for presenting and evaluating proposals and candidates, and the rules for determining the remuneration of this body.

The General Shareholders' Meeting, meeting on March 27, 2025, appointed the current Board of Directors through the list proposal presented by the majority shareholder, Grupo Aval Acciones y Valores S.A. Among the relevant changes presented, the appointment of Dr. Paula Durán Fernández as a new member of the Board of Directors should be highlighted. In the same session, the Assembly approved the fees payable for attendance at the meetings of the Board of Directors and its support Committees, which can be consulted in the tab labeled "Shareholder and Investor Relations" under the Assemblies section.

[13]GRI 2-10 Appointment and remuneration policy of the highest governance body of Banco Popular.

The SFC authorized the appointment of the appointed Directors; the supporting documents, including their résumés, are held in the Bank's records.

The fees of the members of the Board of Directors were paid as approved by the General Shareholders' Meeting. The maximum amount of fees is determined by the number of meetings of the Board of Directors and its support Committees in which each of the Directors participates, multiplied by the fee value approved per session; this constitutes the only remuneration component approved for said body, and therefore remuneration systems involving stock options or variable remuneration are not contemplated.

Composition of the Board of Directors[14]
[GRI 2-9] [CE27] [CSA.S&P]

The Bank's Board of Directors is composed of nine (9) principal members and no alternate members, who possess relevant knowledge and experience in the financial sector, as well as the suitability, professionalism, skills, and competencies necessary to exercise their functions and assume the responsibilities of their position, which is aligned with a robust and sustainable Corporate Governance structure that continues to strengthen over time. Likewise, the profiles of the members of the Board of Directors align with the entity's corporate strategy. The composition of the Bank's Board of Directors is as follows:

[14]The members of the Board of Directors are not politically exposed persons (PEPs) and are not considered employees or executives of the Bank.

Board of Directors

Board of Directors Key Figures

27
Meetings held during the year

93%
Attendance rate

44%
Independent

33%
Women

58
Average age of Directors

7.3
Average years of Board tenure

Luis Ernesto Mejía Castro

Nationality
Colombian

Position
Chairman of the Board of Directors, Banco Popular. Businessman, consultant in mining and energy matters.

Age
Over 60 years of age

Year appointed
2024

Other Boards
Tecnoquímicas; Promigas; Jaramillo Mora Constructora; Sion Grupo; Ozono; Universidad ICESI; Fundación Ernesto Mejía Amaya and Fundación Casa de la Madre y el Niño.

Education
Attorney from Universidad de San Buenaventura de Cali; Master's in Business Administration from ICESI.

Professional experience
- Minister of Mines and Energy and consultant in mining and energy matters.
- He served as Chairman of the Boards of Directors of Isagen S.A. E.S.P. and Mayagüez S.A., and as a member of the Boards of Directors of Banco W S.A.; Alianza Fiduciaria S.A., Financiera de Desarrollo Nacional, Internacional Compañía de Financiamiento, among others

% Attendance
89%

Committees
Corporate Governance and Sustainability Committee

PEP*
No

Areas of expertise
Industry, mining and energy, legal, strategy and finance.

Mauricio Hernando Amador Andrade

Nationality
Colombian

Position
Independent financial consultant

Age
Over 70 years of age

Year appointed
2002

Education
Business Administrator from Universidad Javeriana, with specializations in Financial Analysis from Chase Manhattan Bank Banco del Comercio, as well as in Senior Management from Universidad Externado and in the Executive Development Program from Inalde Business School at Universidad de la Sabana.

Professional experience
- Financial Vice President at Liberty Seguros de Vida, at Latinoamericana de Seguros de Titularizadora Colombiana, and at Seguros del Comercio.
- President of Pensiones y Cesantías Santander, of Davivir, and of Leasing del Comercio. International Agreements Coordinator at Banco de la República.
- Regional Manager at Banco del Comercio. Graduate and Master's Program Professor in Social Security at Universidad Externado and member of its research team.

% Attendance
96%

Committees
Risk Committee; Audit Committee

PEP*
No

Areas of expertise
Finance, pension and severance funds, insurance, strategy and risk.

Javier Díaz Molina

Nationality
Colombian

Position
Executive President of the National Foreign Trade Association – Analdex

Age
Over 60 years of age

Year appointed
2002

Other Boards
Alpopular Almacén General de Depósito S.A.; ProColombia; and Zona Franca Tayrona.

Education
Economist from the National University of Colombia.

Professional experience
- Technical Vice President of Analdex.
- Member of the Boards of Directors of Procolombia, Kappa Colombia and Fiducóldex.

% Attendance
100%

Committees
Corporate Governance and Sustainability Committee

PEP*
No

Areas of expertise
Economics, finance, strategy, corporate governance, foreign trade.

Paula Durán Fernández

Nationality
Colombian

Position
Corporate Vice President of Sustainability and Strategic Projects at Grupo Aval Acciones y Valores S.A.

Age
40–60 years of age

Year appointed
2025

Other Boards
Fundación Promigas; Aval Soluciones Digitales S.A. Dale; and GOU Payments S.A.

Education
MBA and Business Administrator from Universidad de los Andes. Economist from the **University of Western Sydney.**

Professional experience
- Vice Presidency of Strategy and Sustainability at Corficolombiana.
- Advisor to the Ministry of Commerce, Industry and Tourism.
- Coordinator for Colombia's accession to the OECD.
- Advisor to the Office of the President of the Republic of Colombia.
- Administrative and Financial Director at the Faculty of Business Administration of Universidad de los Andes.

% Attendance
88%

Committees
Corporate Governance and Sustainability Committee

PEP*
No

Areas of expertise
Corporate governance and sustainability, business administration, finance and strategy.

PEP*:
Politically Exposed Person (PEP) as defined by Decree 1674 of October 21, 2016.

Meets the independence criteria adopted by the Bank for the appointment of members of the Board of Directors and of the Supporting Committees established in the Internal Rules of Procedure of the Board of Directors, which is aligned with Colombian Law 964 of 2005.

Meets the CSA independence criteria.

Diego Fernando Solano Saravia

Nationality
Colombian

Position
Corporate Financial Vice President of Grupo Aval Acciones y Valores S.A.

Age
Over 60 years of age

Year appointed
2019

Other Boards
Aval Banca de Inversión.

Education
Systems Engineer from Universidad de los Andes, with a Master's in Business Administration from The Wharton School, University of Pennsylvania.

Professional experience
- Corporate Planning Vice President at Grupo Aval Acciones y Valores.
- Previously, member of the Boards of Directors of Corficolombiana, Fondo de Pensiones y Cesantías Porvenir, Megabanco and Promigas.
- Associate Principal at McKinsey & Co.

% Attendance
93%

Committees
Audit Committee

PEP*
No

Areas of expertise
Engineering, finance, administration, risk management, internal control and financial planning.

María Ximena Lombana Villalba

Nationality
Colombian

Position
Attorney and member of other Boards of Directors

Age
40–60 years of age

Year appointed
2024

Other Boards
Grupo Nutresa S.A.; Fundación Nutresa; Fundación Politécnico Minuto de Dios; EPS Sanitas.

Education
Attorney from Universidad del Rosario, with a Master's in Commercial Law from Université Paris II Panthéon-Assas, Paris, France, and a Master's in International Business Law from Washington College of Law, American University, Washington, United States.

Professional experience
- Minister of Commerce, Industry and Tourism.
- Minister Plenipotentiary (Embassy of Colombia in Spain and Embassy of Colombia in France).
- Secretary General at Bancóldex S.A.
- General Secretariat of the Ministry of the Interior.
- First Secretary at Colombia's Mission to the United Nations.
- Researcher at the OAS Legal Department. IDB Executing Unit Manager – ANDJE. Executing Unit Manager – IDB PNG. Consultant at the IDB Executing Unit – PNG. She has served as a tenured professor of Corporate Law at Universidad del Rosario.

% Attendance
100%

Committees
Corporate Governance and Sustainability Committee

PEP*
No

Areas of expertise
Legal, financial, risk management, corporate governance, sustainability and strategy.

Juan Pablo Zárate Perdomo

Nationality
Colombian

Position
Chairman of the Board of Directors of Interconexión Eléctrica S.A. E.S.P. –ISA–

Age
40–60 years of age

Year appointed
2024

Other Boards
Interconexión Eléctrica S.A. E.S.P. (ISA) and Administradora de Fondos de Pensiones y Cesantías Protección S.A.

Education
Economist from Universidad de los Andes.

Professional experience
- Technical Deputy Minister at the Ministry of Finance and Public Credit.
- Director of Macroeconomic Policy at the Ministry of Finance and Public Credit.
- Director of Financial Stability at Banco de la República.
- Has served on the Boards of Directors of Ecopetrol and Colombia Telecomunicaciones. Acting Director of Fogafin.
- President of the Governing Board of the Financial Regulation Unit.
- Member of the Advisory Council of the Financial Superintendency of Colombia.

% Attendance
85%

Committees
Risk Committee

PEP*
No

Areas of expertise
Economics, financial sector, financial regulation, capital markets, and strategy.

Ernesto José Gutiérrez de Piñeres Luna

Nationality
Colombian

Position
Corporate Vice President of Technology at Grupo Aval Acciones y Valores S.A.

Age
40–60 years of age

Year appointed
2024

Other Boards
Aval Valor Compartido AVC, Coomeva Emergencia Médica S.A.S. – CEM and GOU Payments S.A.

Education
Systems Engineer from Universidad del Norte, with executive training in E-Commerce and Strategic Sales Management at the University of California, E-Business Management at Universidad Industrial de Santander, and an Executive MBA from Universidad de los Andes.

Professional experience
- Has held key roles in digital transformation, technology and innovation at multinational companies, including Dole Food Company, Alpina and Colsubsidio.
- Vice President of Science and Technology at Ecopetrol.
- Co-founder and CEO of Seyneikun.
- Has been recognized as one of the 50 most influential technology leaders in Latin America by HITEC for three consecutive years, and has received distinctions from ANDI and Forbes for his leadership in innovation and digital transformation in Colombia.

% Attendance
96%

Committees
Risk Committees

PEP*
No

Areas of expertise
Technology, business management, innovation, risk management, sustainable energy, strategy and finance.

Natalia Ramírez Carrizosa

Nationality
Colombian

Executive Director of Maitamá Investments

Age
40–60 years of age

Year appointed
2024

Other Boards
Vivendum S.A.S.

Education
Civil Engineer from Universidad de los Andes with a Master's in Technology and Public Policy from the Massachusetts Institute of Technology.

Professional experience
- Consultant at Booz Allen Hamilton.
- Organizational Effectiveness Manager at Ecopetrol.
- Partner at Arcadia Capital Partners.
- Managing Director for Colombia, Central America and the Caribbean at Lazard.

% Attendance
89%

Committees
Audit Committee

PEP*
No

Areas of expertise
Strategy, M&A, economics, business, investment banking and finance.

The profiles of the members are available at the following link

Members of the Bank's Board of Directors who sit on the Boards of Directors of subordinate companies or hold executive positions at the Parent Company

Dr. Javier Díaz Molina sits on the Board of Directors of Alpopular Almacén General de Depósitos S.A., a subordinate entity of the Bank.

In addition, Drs. Diego Fernando Solano Saravia, Paula Durán Fernández, and Ernesto José Gutiérrez de Piñeres Luna, non-independent members of the Bank's Board of Directors, hold executive positions at Grupo Aval Acciones y Valores S.A., the majority shareholder of the Bank.

Conduct of meetings
[CE30, CE31] [Recomendation 19.4.]

During 2025, the Board of Directors held ordinary meetings in accordance with the schedule and work plan approved by this body[15], and extraordinary meetings when urgent matters and/or those of special relevance required attention. In total, 27 meetings were held, of which 23 were ordinary and 4 were extraordinary, most of which were held in person. The agenda and frequency of the meetings allowed the Board to guide the Bank's management and conduct effective oversight of strategic and control matters. Likewise, the Board of Directors performed its duties based on the regulatory compliance program defined for this body and relied on the support of its Committees, which report on the fulfillment of their mandates and present proposals for adjustments to policies subject to Board approval, in accordance with regulatory or market requirements.

The rules regarding the deliberative and decision-making quorum for holding Board of Directors meetings are defined in the Bylaws and in the Internal Regulations for the Functioning of the Board of Directors[16]; in the year 2025, a quorum was present at all meetings of this body.

Board of Directors Evaluation
[GRI 2-18]

As part of the implementation of leading practices and Corporate Governance guidelines, the Bank conducted the Board of Directors evaluation process for the 2025 period. The purpose of the evaluation is to identify and establish agreements within the Board of Directors and with Senior Management regarding actions to strengthen the different factors that affect the performance of the Board of Directors and the relationship with the Group's governance bodies.

In line with leading Corporate Governance practices, evaluations alternate between internal and external. Therefore, in 2025, the Board of Directors as a collective body, and its committees, conducted the performance evaluation with support from Governance Consultants, an independent external firm with more than 15 years of experience evaluating Boards of Directors of major companies in Latin America.

The evaluation corresponding to the 2025 period was carried out based on the analysis of corporate instruments and the completion of questionnaires by the 9 members of the Board and 13 members of the Senior Management team. In addition to an analysis of the structure, composition, and attendance of the Board of Directors, the evaluation addressed the following dimensions:

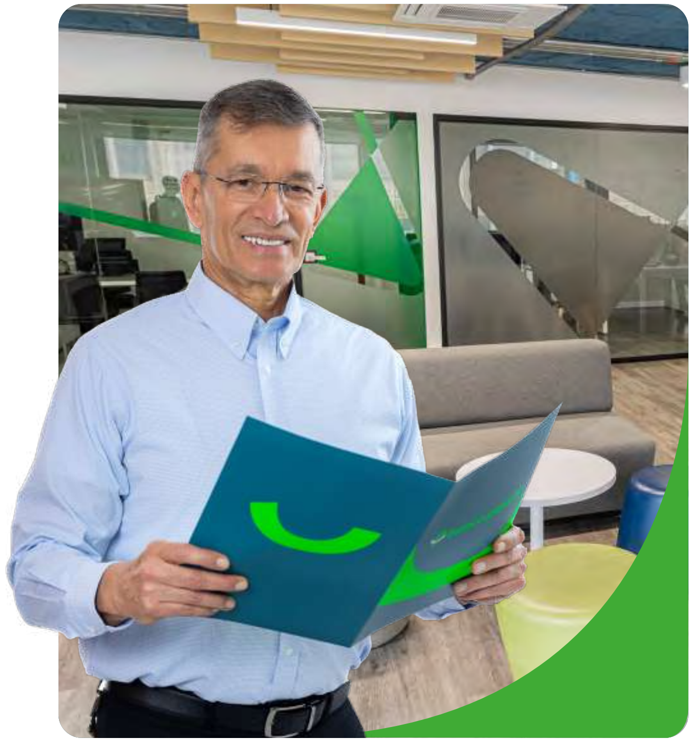
i). Contribution and fulfillment of responsibilities; ii). Focus of the Board; iii). Dynamics and operations; iv). Roles of the Board of Directors (Chairman and Secretary); and v). Support Committees.

The average result of the Board of Directors' evaluation was 8.6/10 from the perspective of the Board of Directors and 9.0/10 from the perspective of the members of Senior Management.

[15] Recommendation 19.1.

[16] CE27 Regulations of the highest governance body of Banco Popular.

The evaluation reflects a significant transformation of the Bank and progress in the evolution of the structure and functioning of its Board of Directors, within the framework of a modernization and cultural change process. This exercise helped identify opportunities to deepen the Board's strategic involvement and reinforce the prioritization of its agenda, focusing on the consolidation of the business model and the long-term vision.



Main Reports and Approvals
[Recommendation 33.3] [GRI 2-12] [CE26]

The Bank's Board of Directors, committed to fulfilling the Bank's strategic objectives, actively deliberated on the topics presented, with strategic and management matters standing out as priorities. Within this framework, they addressed the financial results and budget compliance for the year, projections for 2026, as well as comprehensive reviews of the progress of the transformation program and operational model efficiency initiatives. Additionally, priority was given to deposit strategy matters, corporate and government banking, payroll loan (libranzas) leadership, and the evolution of digital channels.

Likewise, in a session dedicated exclusively to strategic matters, analyses were presented to the Board of Directors on the environmental outlook and key trends in the financial system, including global and regional banking evolution, technological disruption, and the impacts of artificial intelligence on productivity, efficiency, and business models. Similarly, demographic changes and their effect on future demand were reviewed, highlighting the opportunity of the silver economy as a strategic segment for the Bank. The Board evaluated the pillars of the institutional strategy and the progress on strategic KPIs for 2025 and the 2030 aspiration. The strategic definitions for legal entities were analyzed, aimed at strengthening assets and liabilities in the corporate, business, and government segments, as well as the strategic definitions for each of the commercial banking business lines. In the same manner, the Board reviewed the guidelines for updating the operating model, technological priorities, and the actions required to support the Bank's sustainability, profitability, and competitiveness toward 2030.

Additionally, matters related to identified material risks, financial figures, projections, and indicators were addressed. Reports on the functioning of the financial, non-financial, and operational risk management systems were also presented to the Board of Directors. Periodic management reports from subsidiaries were also included, as well as presentations on regulatory projects and regulations issued by the SFC (Superintendencia Financiera de Colombia), and legal contingencies.

In addition to presentations for the approval of operations, acts, and contracts, in accordance with the powers established for the Board of Directors, approvals, adjustments, or updates to manuals, policies, codes, and regulations were submitted for the Board's consideration, to comply with current regulations and contributing to the sustainable development of the Bank. The most relevant developments regarding the matters addressed by the Board of Directors are highlighted below:

- Approval of updates proposed by management regarding the Risk Appetite Framework (MAR, Spanish acronym), the Risk Appetite Statement (DAR, Spanish acronym), the Comprehensive Risk Management System (SIAR) Policy, the Market Risk Management (GRM) Policy; the Policy for exposure and concentration of Risks between Banco Popular and the entities that make up the Financial Conglomerate and its Affiliates, and the inclusion of the Large Exposures Policy in the SARC (Credit Risk Management System, Spanish acronym).
- Approval and issuance of the Subscription and Placement Regulations for common shares.
- Review and approval of the Policy for the prevention of discrimination, violence, and sexual harassment, the Purchasing and Procurement Policy, the Incentives Policy, the Speculative Swaps Product – Customers, the update to the Derivatives Policy, the approval of the Indicator Policy and limits for country risk exposure, and adjustments to the Leasing Policy.
- Approval of the adoption and/or adjustments of the sustainability, sustainable purchasing, tax, and occupational health and safety policies.
- Approval of the update to the Grupo Aval Institutional Policy Framework.
- Approval of the update to the Financial Consumer Service System (SAC, Spanish acronym) manual.
- During the period evaluated, the Board of Directors received, analyzed, and considered the reports and evaluations carried out by the Statutory Auditor and the Bank's Comptroller Department, following a review by the Audit Committee. Additionally, Management presented the corresponding action plans, which were monitored to verify compliance.
- The Board of Directors performed the respective follow-up on the reports presented by the risk rating agencies.

In order to promote active participation and deliberation by the members of the Board of Directors, Management submitted in a timely manner the relevant materials available prior to each session, enabling the Directors to review and analyze in advance the matters submitted for their consideration, allowing them to participate in discussions and make informed decisions.

For this purpose, during 2025, the Board of Directors' online SharePoint site was used to transmit information to the Board. Through this tool, documentation was received securely and in a timely manner, with continuously updated access to the Bank's strategic indicators and risk dashboard. All information made available to the members of the Board of Directors was managed with due responsibility and under strict confidentiality standards.

Advisory Support and Training

[Recommendation 33.3] [GRI 2-17]

During 2025, the Directors received specialized internal and external support and advice to strengthen their knowledge and skills in the following areas:

Matters	Topics	Speaker/Support
Regulatory and Compliance	SIAR	Dr. Helber Alonso Melo Hernández, Vice President of Risk Management at the Bank.
	ABAC, SARLAFT, Cybersecurity and Information Security	Dr. Alberto Lozano Vila, Founder of Infolaft Academy. International speaker specialized in prevention of money laundering and terrorism financing.
	Internal Controls	Dr. Helber Alonso Melo Hernández, Vice President of Risk Management at the Bank.
	Conflict of Interest Management	Dr. Camilo Martínez Beltrán, partner and director of the firm Martínez, Quintero, Mendoza, González, Laguado & De La Rosa.
Trends	Open Finance: Regulatory and technological implications of Open Finance	Dr. Milena Zuluaga Tafur, Leader of the Open Finance office at ADL.
	Immediate Payment System – SPI	Dr. Jorge Castaño Gutiérrez, Corporate Vice President of Financial Assets and Efficiency of Grupo Aval.
	Microsoft training – adoption of Copilot artificial intelligence tools	María Paula Duque, Cristián Mahecha, and Dayana Valero, Microsoft representatives.
Sustainability	Corporate Sustainability Assessment (CSA) – ESG criteria in corporate strategy	Drs. Omar Ortiz, Regional Sustainability Director, and Luis Albarrán, Sales Director, Sustainability & Energy Transition – Latin America, from S&P Global.
	Diversity and Inclusion	Dr. Cecilia Pinzón Reyes, Founder & Managing Partner of Be to Grow Consulting.
	Climate Risks in the Financial Sector	Dr. Margarita María Casas Rodríguez, Partner for Sustainability and Climate Change at PwC Colombia.
Macroeconomic	Economic and sectoral analysis of national and international scope	National Association of Financial Institutions (ANIF).

The participation of the members of the Banco Popular Board of Directors in the First Meeting of Boards of Directors of Grupo Aval, held in May 2025, should be highlighted. The purpose of this event was to align the conglomerate's strategic vision, analyze the economic and digital environment, and strengthen corporate governance practices within the Group. The participation of the Bank's Directors supported contributions to the development of Grupo Aval's strategic agenda and reinforced its alignment with the conglomerate's corporate guidelines.

Chairman of the Board of Directors

[CSA.S&P]

Dr. Luis Ernesto Mejía Castro is the Chairman of the Board of Directors. During 2025, the Chairman of the Board ensured that members received timely information with sufficient advance notice prior to each meeting. Likewise, he was responsible for coordinating, planning, and directing the development of meeting agendas, presiding over the meetings and promoting effective debates. Additionally, he reviewed and signed the respective minutes with the support of the Vice President of Corporate Affairs and Sustainability and General Secretary. The Chairman of the Board of Directors does not hold the status of an employee of the Bank, and his functions are set forth in the Internal Regulations of the Board of Directors[17].

Secretary of the Board of Directors

The Vice President of Corporate Affairs and Sustainability and General Secretary of the Bank serves as Secretary of the Board of Directors and its support Committees. In performing his duties, he convened the members according to the established schedule, coordinated the preparation of agendas based on the annual work plan approved by the Board of Directors, and led the preparation and review of minutes and signed them, as well as the issuance of the corresponding certifications and extracts.

Board of Directors Support Committees

[GRI 2-9] [CE27, CE30]

The Bank's Board of Directors has the following support Committees:

Audit Committee

The Audit Committee is composed of three members of the Board of Directors, a majority of whom are independent. The objective of this Committee is to assist the Board of Directors in evaluating the Internal Control System, as well as its continuous improvement, to support the proper fulfillment of the duties of the Board of Directors. The Directors who serve on it have the knowledge and experience related to the functions of this Committee. During 2025, the Audit Committee performed its duties and responsibilities; these are described in greater detail within the Internal Control Report, which includes the activities conducted by the Audit Committee in 2025.

The composition of the Committee is as follows:

Audit Committee Members
Natalia Ramírez Carrizosa (*) (Chair of the Committee)
Mauricio Hernando Amador Andrade (*)
Diego Fernando Solano Saravia

(*) Independent members.

Meetings held: 10

Attendance percentage[18]: 100%

Functions: These are established in the Operating Regulations and in current legislation.

Corporate Governance and Sustainability Committee

[Recommendation 18.7] [CSA.S&P]

The Corporate Governance and Sustainability Committee is composed of four members of the Board of Directors. Its primary purpose is to support the Board in approving and overseeing of policies, guidelines, and procedures related to Corporate Governance and Sustainability. During 2025, the Committee conducted, among others, the following activities:

- Review of the Management and Sustainability Report of the Board of Directors and the President of the Bank for the year 2024, including the Annual Corporate Governance Report.
- Review of the results of the double materiality assessment and the update of the Bank's sustainability model.
- Approval of the 2025 Board of Directors Training Program.
- Review of the monitoring reports on the Bank's ESG (Environmental, Social, and Governance; ASG in Spanish) matters.
- Analysis of the results of the 2024 Board of Directors self-assessment process.
- Review of the submission to the S&P Global Corporate Sustainability Assessment (CSA – DJSI).

[17] GRI 2-11 Chair of the highest governance body of Banco Popular.

[18] The Directors were appointed at the Board of Directors session on April

The Directors who serve on it have experience and knowledge in risk management and control matters. The composition is as follows:

Members of the Corporate Governance and Sustainability Committee
María Ximena Lombana Villaba * (Chair of the Committee)
Paula Durán Fernández
Luis Ernesto Mejía Castro
Javier Díaz Molina

(*) Independent members.

Meetings held[19]: 3

Attendance percentage[20]: 88%

Functions: These are established in the Operating Regulations and in current legislation.

Risk Committee

The Risk Committee is composed of 3 members of the Board of Directors, a majority of whom are independent. The objective of this Committee is to assist the Bank's Board of Directors in fulfilling its oversight responsibilities regarding risk management, for identifying, measuring, controlling, and monitoring, on a consolidated basis, the risks to which both the Bank and its subsidiaries are exposed, within a holistic framework that promotes an institutional culture focused on prevention.

During 2025, the Risk Committee conducted, among others, the following activities:

- Periodic review of financial and non-financial risk management reports.
- Analysis of RAS (Risk Appetite Statement; DAR Spanish acronym) indicators and alerts against Risk Appetite.
- Review of credit risk and country risk reports.
- Monitoring of emerging risks, relevant risks, and conduct risks.
- Review of the progress of the Technology Plan.
- Risk management of subsidiaries.
- Evaluation of the Stress Testing Framework (EPR 2025, Spanish acronym) and its results.
- Review of proposed updates to risk policies.

The Directors who serve on it have experience and knowledge in risk management and control matters. The composition is as follows:

Members of the Risk Committee
Mauricio Hernando Amador Andrade (*) (Chair of the Committee)
Juan Pablo Zárate Perdomo (*)
Ernesto José Gutiérrez de Piñeres Luna

(*) Independent members.

Meetings held[21]: 14

Attendance percentage per seat of the current Directors 98%[22]

Functions: These are established in the Operating Regulations[23] and in current legislation.

[19] The Directors were appointed at the Board of Directors session on April 11, 2025.

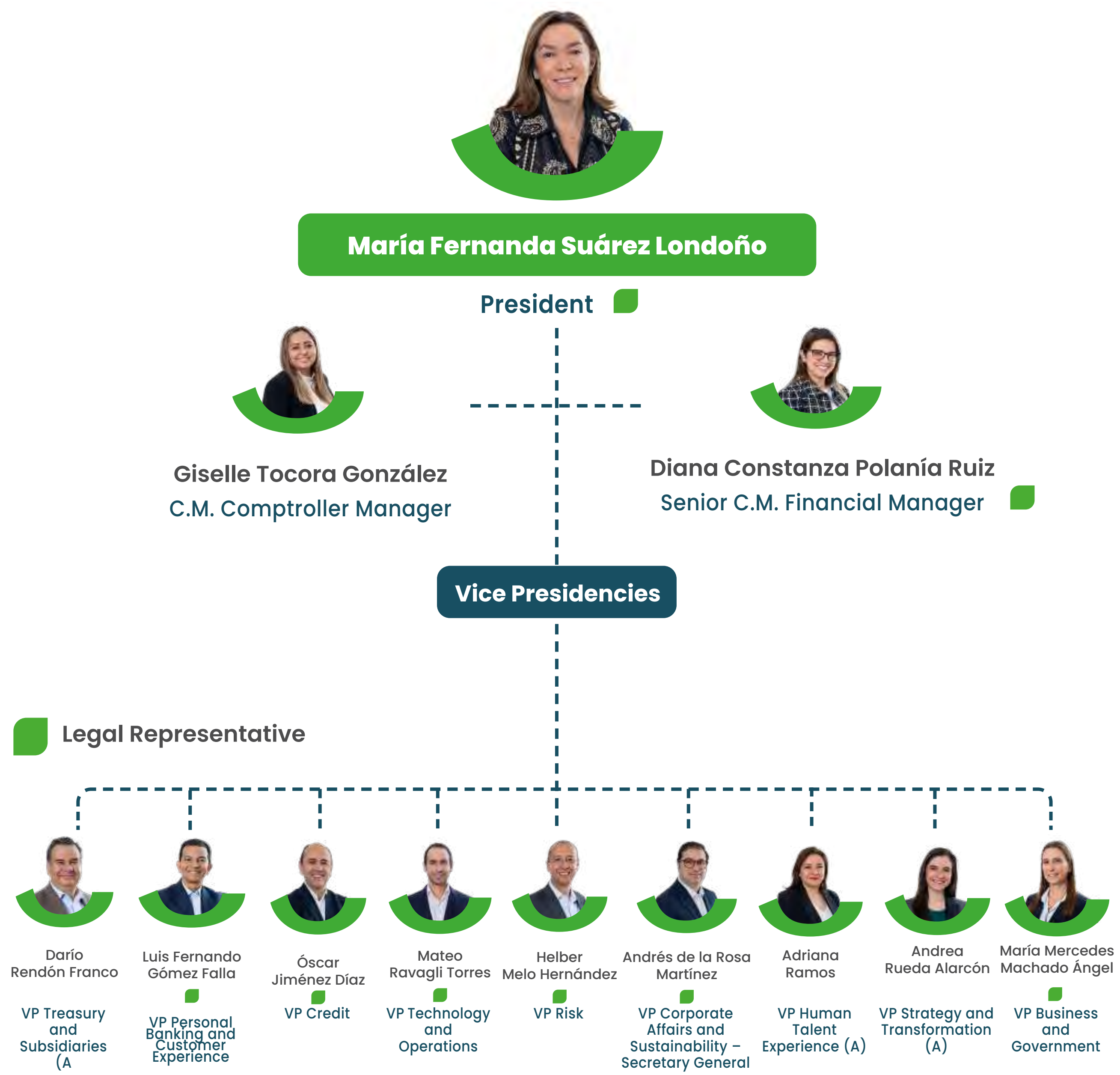
[20] The Directors were appointed at the Board of Directors session on April 11, 2025.

[21] The Directors were appointed at the Board of Directors session on April 11, 2025.
[22] Attendance percentage per seat of the current Directors.
[23] Recommendation 8.25.

Composition of Senior Management

[CE28]

The Senior Management of Banco Popular S.A. is responsible for executing and developing the Bank's strategy, as well as for achieving its short-, medium-, and long-term objectives. It is composed of the President of Banco Popular S.A., the Vice Presidents, and the Managers who report directly to the President's Office.



The profiles of the executives are available at this link.

The President, the Vice Presidents, and the General Secretary serve as legal representatives of the Bank. Furthermore, Dr. Diana Constanza Polanía Ruiz, Financial Manager, serves as legal representative for matters related to the financial statements, and Dr. Aura Janeth Salazar Herrera serves as legal representative for regulatory reporting purposes.

Material Changes in the Bank's Senior Management

During 2025, the Board of Directors accepted the resignation of Dr. Óscar Rocha Murgas from the position of Vice President of Treasury and Subsidiaries and as legal representative, a role he performed until July 31, 2025. Similarly, it accepted the resignation of Dr. Nubia Inés Sanabria Nieto from the position of Vice President of Human Talent Experience and as legal representative of the Bank, a role she performed until October 31, 2025. Likewise, the resignation of Dr. Jorge Enrique Jaimes Jaimes from the position of Vice President of Operations and as legal representative was accepted, a role he performed until November 14, 2025. Additionally, Dr. Ricardo Quijano Rueda served as Vice President of Technology until November 14, 2025.

In addition, the Board of Directors approved adjustments to the Bank's Senior Management structure that took effect on November 15, 2025. These adjustments included the unification of the Vice Presidencies of Technology and Operations into a single area, to strengthen the integration and efficiency of technological and operational processes. In implementing this decision, the Board of Directors appointed Dr. Mateo Ravagli Torres, who had been serving as Vice President of Strategy and Transformation, as the new Vice President of Technology and Operations. The Bank is currently carrying out the corresponding processes to appoint replacements for the positions of Vice President of Human Talent Experience, Vice President of Treasury and Subsidiaries, and Vice President of Strategy and Transformation.

The details of the changes described above were reported to the market in a timely manner through the Bank's corporate website and the SFC (Financial Superintendency of Colombia, Spanish acronym), as well as through the published quarterly reports.

President's Executive Committee

The Executive Committee of the President's Office supports the President of the Bank in strategic management and in monitoring the initiatives, goals, and objectives essential to the fulfillment of the strategic plan. It is composed of the President, the Vice Presidents and direct-report managers, and includes the occasional participation of Presidents or representatives of subsidiaries for the presentation of relevant reports.

Appointment and Remuneration of Members of Senior Management

[GRI 2-20] [Recommendation 24.3] [CE26]

For the appointment of members of Senior Management, aspects such as education, experience, professional background, and the personal qualities required for the position are taken into account, among others. In this regard, the Bank has a Strategic Human Resources Management (GETH, Spanish acronym) model within which the succession management process is developed. This process identifies potential successors to fill key positions within the organization, determining whether requirements are met in terms of competencies, skills, experience, and level of readiness for the position.

This information is reported to the Board of Directors and the President of the Bank, which are responsible for appointing members of Senior Management, as follows:

Board of Directors

- Vice Presidents
- Secretary General
- Comptroller Manager
- Legal Representatives

President

Managers who report directly to the President

The Human Resources compensation policy is aligned with the Corporate Bylaws, which establish that it is the duty of the Board of Directors to set the remuneration for both the President of the Bank and its Vice Presidents, as well as the Comptroller Manager, with the option to delegate the determination of the remuneration for these latter positions to the President of the Bank. Likewise, the Bank has determined that the compensation for Senior Management will consist of a fixed remuneration that includes the compensation components corresponding to each of these positions, in accordance with the best compensation and salary practices in the labor market. This allows the Bank to remain competitive and support the retention of highly qualified personnel who are capable of assuming the responsibility of guiding others to achieve the defined corporate and professional objectives.

Salary increases for Senior Management executives are made following a performance management evaluation and are approved by the Bank's Board of Directors, taking into account the internal policies set by Management and corporate guidelines.

Performance Management of Senior Management

[Recommendation w 24.5] [CE31]

The evaluation process for Senior Management executives is conducted in accordance with corporate guidelines. This process begins with the definition of indicators for the members of Senior Management, establishing minimum and maximum performance goals for each of them, in line with the strategy. It is conducted periodically throughout the year through the Bank's established procedure called "encuentros positivos" (positive encounters, Spanish acronym), which take place between the President and each of her direct reports. The objective of these encounters is to review and monitor the Bank's results, which in turn serve as input for each executive's indicators and affect their results, as well as to recognize and provide feedback on the competencies, skills, and abilities of each leader to support their continuous development. The Strategic Planning Management maintains control of the indicators, and the competency information for each leader is maintained by the Manager of the Human Resources Center of Excellence.

At the Bank, the evaluation of Senior Management positions is carried out according to the methodology defined at the corporate level, which includes the definition and assessment of cross-cutting and functional objectives aligned with the business strategy and with specific compliance targets for each objective.

III. Related Party Transactions

[CE33]

The details of transactions with related parties are included in the financial statements, in the note titled "Related Parties," and relevant contracts are likewise reflected in the Business Group report.

IV. Risk Management System

[Recommendation 33.3] [CE35]

The Bank has a Comprehensive Risk Management System (SIAR, Spanish acronym), in compliance with the provisions of Chapter XXXI of the Basic Accounting and Financial Circular of the Financial Superintendency of Colombia (Financial Superintendency of Colombia, Spanish acronym SFC).

The detailed explanation of the Risk Management carried out by the Bank is included in the "Comprehensive Risk Management" section of the Management and Sustainability Report.
Furthermore, considering the financial results of recent years, as well as the macroeconomic situation of the country during the year 2025, the Bank has continuously monitored the impact on the net interest margin due to high financing costs, taking actions aimed at restoring profitability.

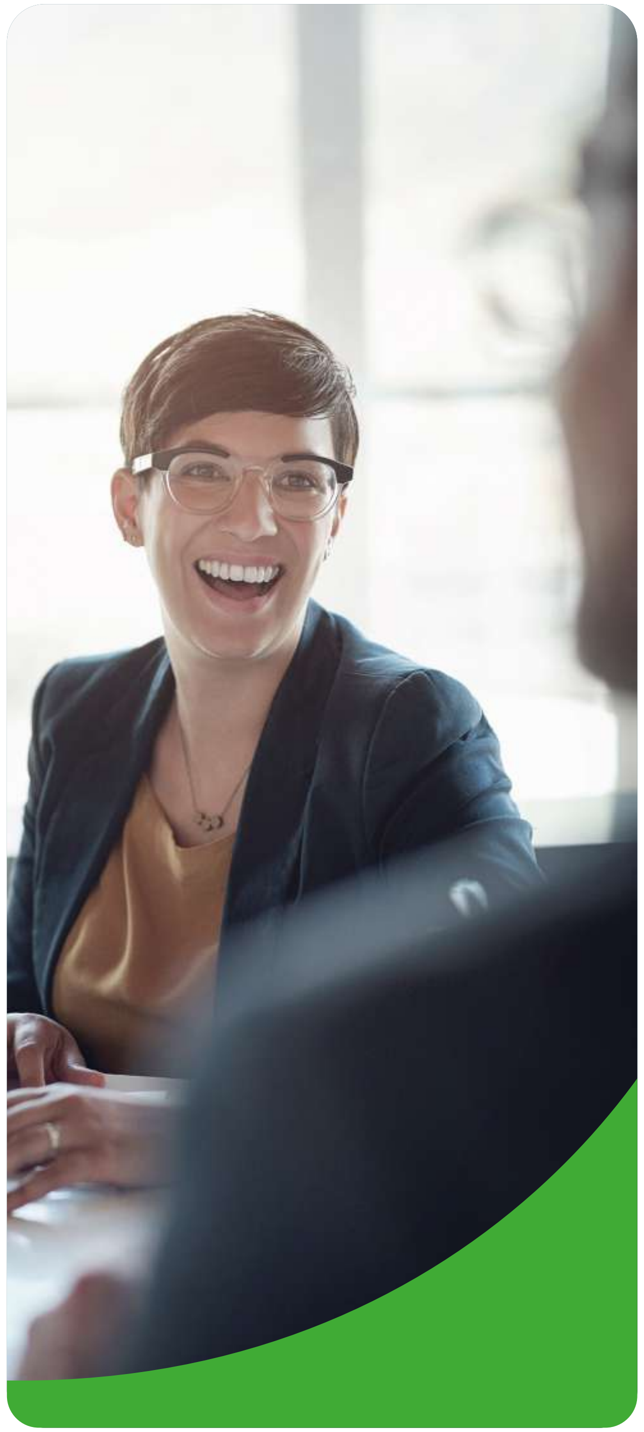
During 2025, no risk events occurred that were material to the Bank. The identified events were analyzed in detail, and the necessary action plans were established to support their mitigation. Further details can be found in the "Comprehensive Risk Management" section, which is part of the Management and Sustainability Report.

Additionally, the Audit Committee supported the oversight and evaluation of accounting procedures, the relationship with the Statutory Auditor and, in general, the review of the Bank's Governance and Control Architecture. The main activities conducted by the Audit Committee during the year 2025 are detailed in the Internal Control Report.

Internal Control System

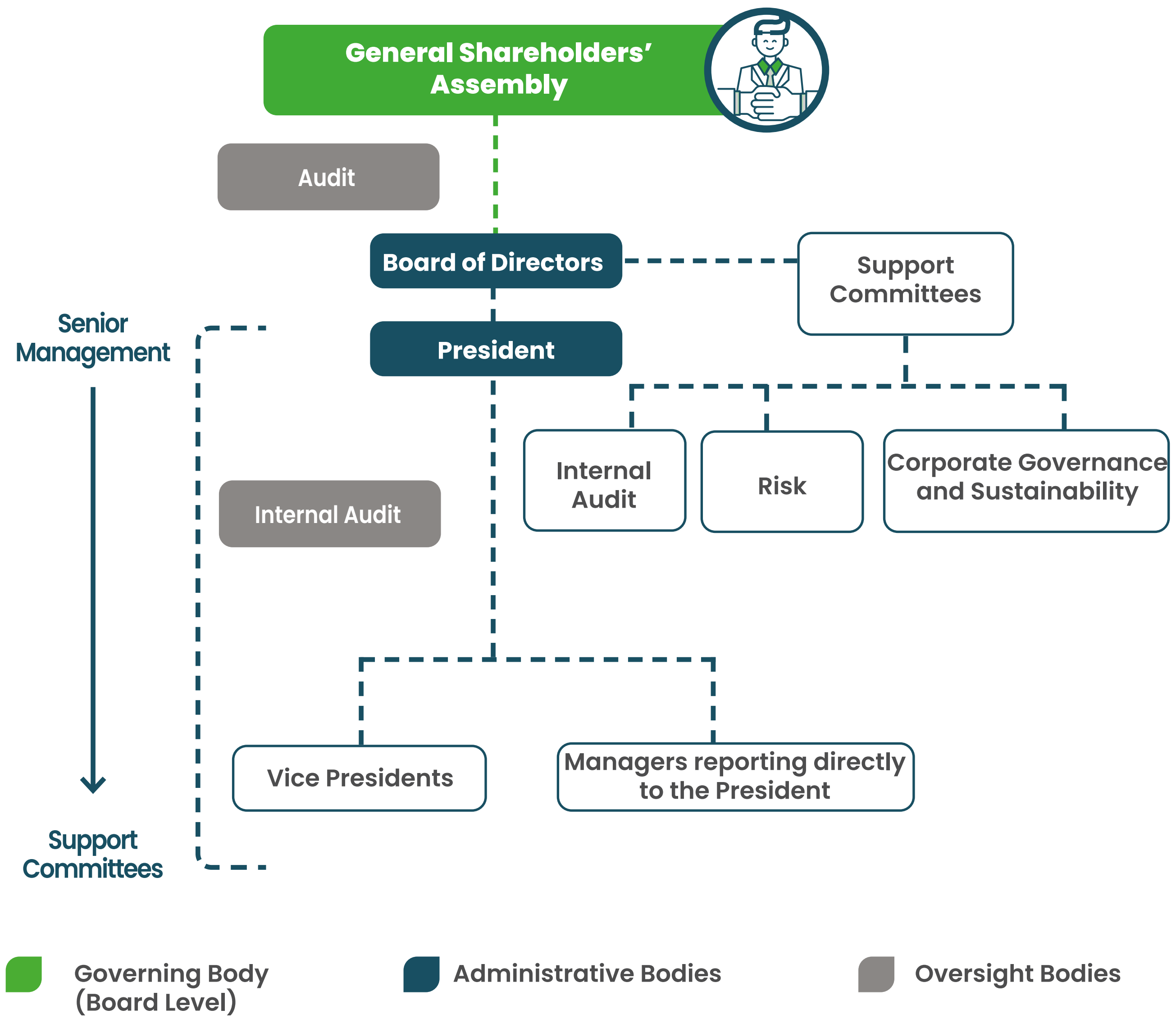
[Recomendation 33.3] [CE35]

The details of the Bank's Internal Control System are included in the "Comprehensive Risk Management" section of the Management and Sustainability Report.



V. Governance and Control Architecture

Banco Popular, in developing its Comprehensive Internal Control System, has a transparent structure aligned with the achievement of its objectives, as presented below:



VI. General Shareholders' Meeting

[CE21, CE34]

During 2025, the General Shareholders' Meeting met in accordance with the legal and statutory provisions governing its operation. The notice of meeting for said assembly was issued in accordance with the provisions of the Bank's Bylaws and other applicable regulations.

Ordinary Meeting of March 27, 2025	
Quorum	A quorum of **95.60%** of shares in circulation was registered, representing **7,385,756,168** shares, which was maintained throughout the entire session. **Format:** In person, in the Bank's Board of Directors meeting room.
Topics Covered	During the meeting, the following matters were presented and approved: • During the meeting, the following matters were presented and approved: • 2024 Sustainable Management Report. • Annual Corporate Governance Report. • Report of the Board of Directors on the effectiveness of the Internal Control System 2024. • Separate and consolidated financial statements for 2024, together with their notes and annexes. • Statutory Auditor's Report, with clean opinion and evaluation of the internal control system. • Substitute proposal for the absorption of 2024 losses. • Report of the Financial Consumer Ombudsman 2024. • Election of Board of Directors for the period April 2025 – March 2026, and the setting of fees. • Election of the Statutory Auditor (KPMG S.A.S.) and allocation of fees, fixed at $2,227,911,000 M/Cte., plus VAT, for the period from April 2025 to March 2026, with a total of 16,620 hours allocated, at an average of 1,385 hours per month. Additionally, expenses for carrying out its work were approved, such as travel, telephone, and postal or courier service, in the amount of $89,104,000 M/Cte. • Election of the Financial Consumer Ombudsman for the period 2025 – March 2027. • Approval of the decision on donations for the year 2025. The proposals approved by the General Shareholders' Assembly may be consulted or downloaded from the corporate website of the Bank in the "Shareholder and Investor" section.

The notice of meeting for the Assembly, shareholders' rights and obligations, and the characteristics of the shares comprising the share capital were made available to investors and the market generally through the Bank's corporate website, under the [Shareholder and Investor Relations section], available in both Spanish and English. This space contains the corporate governance documents, as well as information on directors, shareholders, assemblies, financial statements, quarterly reports, relevant market information, administrative sanctions, the statutory audit, the corporate agenda, useful links, and frequently asked questions.

Additionally, prior to the holding of the Ordinary General Shareholders' Meeting, an exclusive access link was enabled for duly registered shareholders to consult all information corresponding to each agenda item.

Furthermore, the fees approved by the General Shareholders' Meeting for the services of the Statutory Audit can be consulted on the Bank's corporate website.

VII. Management of Conflicts of Interest

[GRI 2-15; 2-11] [CE32]

The Bank has rules of conduct aimed at seeking to ensure that decisions are made objectively in all cases and for the benefit of the Bank, in order to prevent conflicts of interest from arising in decisions involving Directors, members of Senior Management, and, in general, Bank employees. In accordance with the foregoing, instructions for preventing, managing, and resolving conflicts of interest, as well as the definition of conduct that generates conflicts of interest, are provided in the Code of Good Corporate Governance and its annexes, the Code of Ethics and Conduct, and the ABAC Policy.

As part of the ABAC (Anti-Bribery and Anti-Corruption) Risk Management System, the Bank monitors situations that may generate conflicts of interest through measurement and monitoring methods based on leading compliance practices, promoting a culture of integrity and transparency. In 2025, an application was developed to facilitate the reporting of conflicts of interest by all Bank employees, with the aim of supporting reporting by 100% of the workforce. This initiative not only responds to regulatory standards but also provides Senior Management and the Board of Directors with a clear view of potential associated risks, facilitating more effective supervision and strengthening the internal control system.

In the year 2025, the members of the Board of Directors did not have situations of permanent conflicts of interest (disqualifications) that would prevent them from continuing to perform their duties. Additionally, the Directors abstained from participating in discussions or making decisions to prevent potential conflicts between their private interests and the interests of the Bank. In each case, these abstentions were made following verification of compliance with current policies and were approved by unanimous vote of the other members of the Board who participated in the decision. The number of abstentions was recorded in the minutes of the Board of Directors; a summary for the year 2025 is presented below: Luis Ernesto Mejía Castro (8); María Ximena Lombana (5); Juan Pablo Zárate Perdomo (4); Paula Durán Fernández (4); Diego Solano Saravia (3); Ernesto José Gutiérrez (2); Javier Díaz Molina (2); and Mauricio Amador Andrade (1).

Mechanisms for Resolving Conflicts of Interest Between Companies in the Same Conglomerate and Their Application During the Fiscal Year

The Bank has the policy for the identification, communication, management, and control of conflicts of interest of the Aval Financial Conglomerate, which applies to conflicts of interest that arise or may arise in operations carried out by the entities that make up the Conglomerate, or between these and the entities and/or persons related to it and/or its administrators, including those operations carried out with proprietary resources or those arising from third-party asset management activities.

This Policy establishes: (i) non-exhaustive criteria for identifying situations that could generate a conflict of interest, (ii) the duty to disclose this situation in a timely manner, as well as the obligation to abstain from carrying out the questioned operation, participating, or influencing the decision to be adopted, (iii) the mechanisms for managing the conflict through bodies such as the Executive Committee of the Presidency, the Board of Directors, or the Shareholders' Assembly, and finally (iv) the control of these situations through the application of self-control and self-regulation criteria as appropriate tools to comply with the policy.

Lastly, for the correct application of the Policy, each situation must be analyzed according to the following criteria: (i) transparency in entering into transactions under market conditions and prices, respecting the balance between the parties, (ii) the identification of a materiality consistent with the nature and size of the operation, establishing thresholds for escalating matters to the respective bodies, (iii) the application of exposure limits and credit or counterparty quotas, as applicable, and (iv) the implementation of information barriers to prevent the exchange of privileged information.
During the year 2025, the aforementioned Policy was correctly applied, and no material conflicts of interest occurred.

VIII. Claims Regarding Compliance with the Code of Good Corporate Governance

No claims were reported in relation to compliance with the Bank's Code of Good Corporate Governance.

IX. Implementation of Best Corporate Practices

Banco Popular is committed to the continuous implementation of good corporate governance practices, developing and strengthening its sustainability model as a strategic objective. This is achieved through the strengthening of its governance bodies and practices that seek to protect the rights and equitable treatment of shareholders, as well as an adequate control architecture and transparency of financial and non-financial information. The Board of Directors, through the Corporate Governance and Sustainability Committee, has contributed to the development of the strategy for implementing good governance measures. Furthermore, the Bank follows Grupo Aval's Board of Directors guidelines.

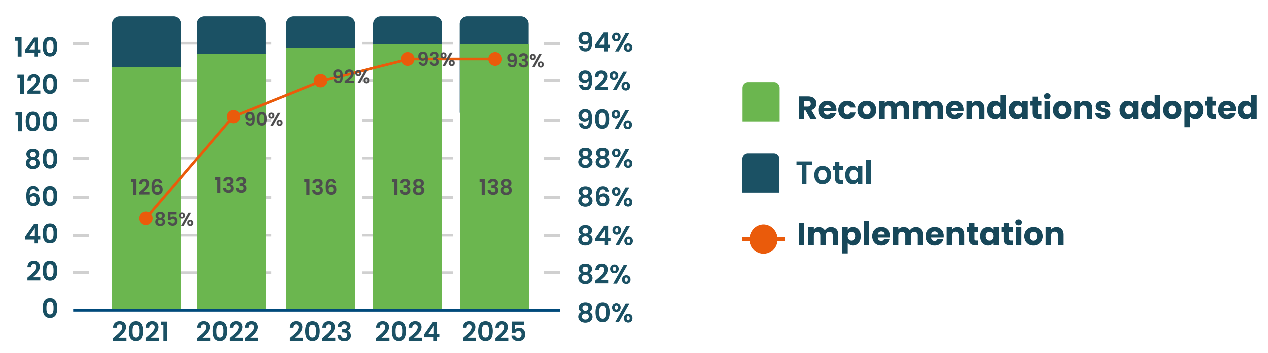
The Bank participated for the first time in the Corporate Sustainability Assessment (CSA) by S&P Global Ratings, in line with its corporate strategy and objectives. The results remained private, and the Bank achieved strong performance in the social, governance, and economic dimensions.

Additionally, the Bank once again received the IR Recognition 2025-2026, awarded by the Colombian Stock Exchange (Bolsa de Valores de Colombia). This recognition highlights the quality of the information the Bank shares with the market and reinforces our commitment to transparency, sustainability, and good corporate governance, strengthening the trust of our shareholders, investors, and stakeholders. In 2025, the Bank achieved a score of 88.4% out of a 100% scale, reflecting our effort to deliver clear and complete information on financial, social, environmental, and governance aspects.

Report on the Implementation of Best Corporate Practices - Country Code (Código País)

In compliance with the provisions of External Circular 028 of 2014, issued by the SFC (Superintendencia Financiera de Colombia), the Bank filled out and submitted the Report on the Implementation of Best Corporate Practices (Country Code) to said entity on January 28, 2026. This report was structured observing the guidelines contained in the aforementioned circular and was subsequently published to the market through the corresponding relevant information channels and the Bank's website.

The chart presented below illustrates the Bank's evolution regarding the adoption of the Country Code recommendations over the last five (5) years, in accordance with the strengthening plan defined by Management. As of the date of the report, the Bank has adopted 138 out of the 148 evaluated recommendations, which reflects sustained and consistent progress in corporate governance matters.



2.2.2. Internal Control System Report

Report of the Board of Directors on the 2025 Review of the Effectiveness of the Internal Control System

The Board of Directors agreed to present to the Bank's General Assembly of Shareholders the following report on the operation of the Internal Control System in 2025:

The Audit Committee is a body that reports to the Board of Directors, composed of three (3) of its members, and supports the Board in performing its duties regarding the Internal Control System (ICS), with responsibility for its evaluation and continuous improvement. During 2025, ten meetings of the Audit Committee were held on January 20 and 30, February 26, April 24, May 28, July 15, August 11 and 20, November 13, and December 18. In addition, during the first quarter of 2026, two sessions have been held, on January 22 and February 23.

In accordance with the provisions of Part I, Title I, Chapter VI of the Basic Legal Circular issued by the SFC regarding the Internal Control System, the Audit Committee and the Board of Directors have monitored the elements of the Internal Control System currently in place at Banco Popular, supported by the reports and presentations submitted by the areas responsible for management and by the supervisory and control bodies.

Likewise, the Comptroller Management team performs the Bank's internal audit function, has adequate resources to carry out its work, and maintains the necessary independence for professional practice, as required by regulations, with confirmation mechanisms available for each employee of the Comptroller's Management, so that such independence remains in place.

In order to evaluate the control environment, risk management, information and communication activities, as well as control, follow-up, and monitoring activities regarding the Bank's Internal Control, the meetings of the Audit Committee addressed, among others, the topics detailed below, for which timely and appropriate information was provided to the Board of Directors:

- Review and analysis of the 2025 Statutory Auditor's 2025 work plan, which includes the Financial Audit, Compliance Audit, and Internal Control Audit. In specific matters, it addressed, among others, risk assessment, determination of materiality thresholds for qualifying audit differences, key audit matters under International Standard on Auditing (ISA) 701 (NIA 701 by its Spanish acronym), evaluation of manual and automated controls of business processes, risk management systems applicable to the Bank, evaluation of internal control over information technology, cybersecurity, and other legal controls, as well as the audit of financial information reporting, based on the established schedule. Likewise, the presentation of the engagement team and statement regarding compliance with independence requirements in the exercise of the statutory audit service.
- Evaluation of the main findings identified by the Bank's Comptroller's Management, the Corporate Comptroller's Office of Grupo Aval Acciones y Valores, and the Statutory Audit based on the reports submitted, including the improvement opportunities identified and follow-up on the action plans defined by the Bank's areas.

- Review of the report on the results of the audit of financial reporting to comply with the requirements of the Sarbanes-Oxley Act (SOX), applicable to the entities controlled by Grupo Aval Acciones y Valores, given that it is registered with the United States SEC.

- Review of the cybersecurity report from the Comptroller's Management, which reported the alerts and attacks addressed, noting that no situations occurred that could be classified as information security or cybersecurity incidents; however, taking into account events and situations that occurred at the Bank's vendors, management was requested to present a cybersecurity and information security assessment plan for contracted third parties according to their criticality.

- Follow-up on the continuous improvement of action plans derived from the oversight by internal and external control bodies, to support implementation and the non-repetition of identified situations.

- Review of reports on cases reported through the Ethics Line and the results of their evaluation, as well as reports on potential fraud reports submitted, the corresponding investigations carried out, and the actions taken.

- Monitoring of audit activities performed in the subsidiaries.

- Follow-up on the execution of the internal audit plan during the year 2025, review of materiality criteria, as well as the assessment of the internal auditor's conclusion regarding the operation, effectiveness, and reliability of theBank's internal control system, which provides reasonable assurance for the development and control of operations, and proper risk management. Likewise, regarding the internal auditor's opinion on the comprehensive risk management system (SIAR, by its Spanish acronym), the anti-money laundering and terrorism financing risk management system (SARLAFT, by its Spanish acronym), the financial consumer service system (SAC, by its Spanish acronym), the comprehensive risk management system (SIAR, by its Spanish acronym), and the liquidity contingency plan, all of which are managed in accordance with the applicable regulatory requirements.

- Follow-up on compliance with instructions and execution of action plans defined for internal control, especially those related to weaknesses detected by the Comptroller's Office and the Bank's Management regarding certain aspects of the accounting process and framework, information parameterizations, and manual entries.

- Review of the Bank's separate general-purpose and consolidated financial statements, notes to those statements, and other annexes corresponding to the year 2025, as well as the Statutory Auditor's report on the financial statements and its conclusion on the internal control environment, and the preparation of the corresponding report addressed to the Board of Directors.

- Review of the Business Group report and the profit distribution project.

- Monitoring of the most relevant institutional requirements presented by the Financial Superintendency (SFC, by its Spanish acronym) and of Industry and Commerce (SIC, by its Spanish acronym) during the year 2025.

- **Review of the Annual Corporate Governance Report** corresponding to the year 2025, following a prior review by the Corporate Governance and Sustainability Committee of the Board of Directors.

- **Evaluation of the Statutory Auditor's service proposal** for the period between April 2026 and March 2027.

- Review of the audit quality assurance and improvement program, as well as the evaluation of the work carried out by the Comptroller's Management in 2025, with favorable results. The work performed by this Management was consistent with satisfactory execution of the 2025 Audit Plan for the Bank and its subsidiaries; likewise, it carried out audit work on matters in addition to those included in the Plan, in accordance with requests made by the Board of Directors and the Superintendencia Financiera (SFC, by its Spanish acronym).

- Approval of the risk-based audit plan of the Comptroller's Management for the year 2026, the respective meeting schedule, and the budget.

In the year 2025, the Board of Directors, following a prior review by the Audit Committee, appointed Dr. Giselle Tocora González as the Bank's Comptroller Manager.

Likewise, the Audit Committee supervised the Bank's internal control structure and verified that the designed procedures reasonably safeguard its assets, as well as the existence of controls to verify that operations comply with adequate levels of approval, authorization, and recording. Additionally, the Bank's Management strengthened the internal control area of the Vice Presidency of Risks, making required changes in terms of structure, processes, and controls, in line with the Bank's commitment to the continuous improvement of the internal control system.

Considering the monitoring carried out by the Audit Committee, as well as the various reports presented by Management, the Comptroller's Management, and the Statutory Audit, the Internal Control System (SCI, by its Spanish acronym) is adequate and aligned with the regulations set forth in Part I, Title I, Chapter VI of the Basic Legal Circular issued by the SFC (by its Spanish acronym).

2.2.3. Legal and Regulatory Compliance

The Bank has a methodology for the ongoing monitoring of regulatory initiatives with a potential business impact. The purpose of this management is to proactively support regulatory processes, participate in forums for the analysis and discussion of draft regulations, identify relevant opportunities for the business, and guide internal areas in the appropriate adoption of regulatory provisions once they enter into force.

In 2025, the regulatory monitoring methodology was executed, which supported the following:

- Identification of regulatory initiatives with the greatest impact on the Bank.
- Design and execution of a regulatory intervention work plan aimed at the technical review of the draft regulations and participation in the corresponding discussion spaces.
- Development of regulatory impact analyses and advisory support for regulatory implementation to the responsible areas in cases where the regulations were effectively issued.

For the year 2026, the Bank will continue to strengthen this process to maintain ongoing monitoring of pending regulations and new regulatory provisions that impact the entity, in order to support timely compliance, efficient implementation, and proper management of the risks and opportunities derived from the regulatory environment.

Compliance with Legislation and Regulations

[GRI 2-27; 205-1]

The Bank develops its operations within a framework of legal and administrative compliance and maintains a permanent commitment to compliance with the legal and regulatory standards applicable to its corporate purpose, as well as with the requirements of control bodies and the provisions contained in its corporate bylaws.

Similarly, the Bank has respected and complied with the decisions adopted by the General Assembly of Shareholders and by the Board of Directors, within the scope of their legal and statutory authority.

During the year 2025, the Bank did not record any non-compliance with applicable legislation or regulations that resulted in the imposition of sanctions or fines, whether monetary or non-monetary, by the competent authorities.

Likewise, the Bank reports compliance with current provisions on the free circulation of invoices issued by vendors or suppliers, in accordance with the provisions established in the legal standards on the matter, especially in Law 1676 of 2013. Additionally, the Bank reports compliance with applicable intellectual property regulations, including those regarding copyright.

Litigation, Judicial and Administrative Proceedings

[GRI 205-3] [FN-CB-510a.1]

In compliance with legal disclosure obligations, the Bank reports the status of litigation arising from judicial or administrative proceedings. In this regard, **no actions were recorded against the Bank that had a material impact on its operations, its financial situation, or its stability**. Similarly, the Bank focuses its efforts on preventing conduct associated with unfair competition and/or monopolistic practices, reaffirming its commitment to legal and regulatory compliance that promotes free competition. In this context, the Bank states that no legal actions have been brought against the Bank related to unfair competition, monopolistic practices, and/or free competition.

The total amount of monetary losses resulting from judicial proceedings, as well as the figures for provisions and legal contingencies used during the year, are included in the financial statements, specifically in Note 21: Provisions for Legal Contingencies and Other Provisions.

To date, the Bank has no actions relating to unfair competition and/or monopolistic practices and against free competition. On the other hand, to date, the Bank has no fines, monetary sanctions, or litigation associated with non-compliance with environmental, social, economic, or governance matters.

Finally, the Bank has not adopted any corrective actions as a result of monetary losses in the financial industry, as no such situation occurred.

2.2.4. Risk Management

I. Comprehensive risk management

Governance Structure

[CSA.S&P]

Risk management at the Bank is led by Senior Management and embedded in its processes, led by the Vice Presidency of Risks and the Vice Presidency of Credit, and supervised by the Board of Directors through the Board Risk Committee, which supports the Board of Directors in overseeing comprehensive risk management. This committee is responsible for monitoring the consolidated identification, measurement, control, and monitoring of the risks to which the Bank is exposed. Additionally, the Bank has other internal bodies that support this management, such as: the Financial Risk Committee, the Non-Financial Risk Committee, the SARC Committee (by its Spanish acronym), the Continuity Committee, the Subsidiaries Committee, the Ethics Committee, the Anti-Fraud Desk, and the GAP Committee (by its Spanish acronym).

The Bank has a Comprehensive Risk Management System (SIAR, by its Spanish acronym), which includes, among others, the methodologies for the proper identification, measurement, control, and monitoring of risks, such as the Risk Appetite Framework (MAR, by its Spanish acronym), Risk Policies, Risk Governance, and all the documentation (including systems and infrastructure) that support the SIAR (by its Spanish acronym), supporting the proactive assessment and mitigation of threats that could affect the achievement of strategic objectives.

Through the Vice Presidency of Risks, guidelines are managed and established for different types of risks, including: financial (market, liquidity, balance sheet, interest rate risk in the banking book), operational, money laundering and terrorism financing, cybersecurity and information security, country risk, and conduct risk. Similarly, the Bank also manages fraud and bribery risk (ABAC), transactional fraud, internal control, SOX, business continuity, social and environmental risks, relevant risks, and emerging risks. In turn, the Vice Presidency of Credit is responsible for establishing the guidelines for credit granting and managing credit risk; during 2025, the required analyses for large exposures were implemented, thus shaping the risk governance within the Bank's structure and configuring risk governance in its entirety.

Comprehensive Risk Management responds to the standards established by the SFC (by its Spanish acronym), ISO 31000, the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and the Control Objectives for Information and Related Technology (COBIT), as well as the Sarbanes-Oxley Act (SOX). Risk Management Systems are intended to provide reasonable assurance regarding the achievement of objectives at the strategic, operational, and compliance levels, as well as in information reporting. This management is carried out based on the three lines model, as shown below:

In turn, the Internal Comptroller's Office and the Statutory Audit validate the processes and controls and, based on their independent evaluation, provide feedback on the Bank's risk management so that the required improvements are incorporated to reduce the likelihood of risk materialization. During the year 2025, the Internal Comptroller's Office carried out the following audits regarding risk management: SIAR (by its Spanish acronym), SARLAFT (by its Spanish acronym), ABAC, market risk management, liquidity risk, operational risk, fraud, and business continuity. As a result of these audits, opportunities aimed at the continuous improvement of risk management processes were identified, the management and implementation of which are under the responsibility of the Vice Presidency of Risks.

Risk Management Processes

[CSA.S&P]

For appropriate implementation of risk management systems, the Bank establishes processes that include controls that are part of the Bank's value chain. These processes are intended to provide reasonable assurance in the fulfillment of objectives at the strategic, operational, and compliance levels, as well as in information reporting. This objective is achieved through the timely identification and management of risks, along with the implementation and execution of effective controls by each of the areas, which are incorporated into the risk and control matrices of each process. Likewise, the activities required for the management of the Risk Appetite Framework and the Risk Appetite Statement have been implemented through risk indicators that support the prevention of risk event materialization. In addition, a stress testing exercise is conducted on an annual basis, the results of which are presented in the monitoring forums established by the Bank.

Additionally, and in order to reasonably safeguard financial reporting information and comply with the provisions of the SOX Act (Sarbanes-Oxley), the Bank has identified the risks and controls in the processes involved in financial reporting at each of the stages: initiation, authorization, processing, recording, reporting, and disclosure. This supports the sufficiency of those controls. During 2025, monitoring was carried out on 96 risks and 345 SOX controls; as part of the management process for these risks, 13 new controls were created and 232 controls were updated, derived from improvements and changes in the operating environment.

In this context, the risks and controls related to financial reporting are independently audited by the Internal Comptroller's Office and by the Statutory Auditor, in their capacity as the Bank's External Auditor. As a result of this work, during 2025, the Statutory Auditor issued an independent opinion on the Bank's internal control, concluding that it was effective.

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Within the framework of the three lines of defense model, the process-owning areas, in their role as the first line, are responsible for identifying and evaluating key risks in the risk matrices, as well as implementing controls and mitigation actions. In turn, the Vice Presidency of Risks defines the policies and methodology, supports and advises the areas in identifying risks and defining controls, and monitors the management of risks and controls. It is also responsible for proposing the Risk Appetite, taking into consideration the proposals and inputs from the first line, and monitoring the status of the Entity's risk management. The third line is mainly constituted by the Internal Audit and the Statutory Audit, which is responsible for independently evaluating the effectiveness of the Entity's Risk Appetite Framework, as well as the processes and systems that comprise it, and timely reports the results of said evaluation to the Audit Committee of the Board of Directors.

In addition, Senior Management and the Board of Directors supervise risk management, including the monitoring of established indicators, through specialized committees and the Board Risk Committee.

Regarding the Risk Appetite Framework, its development encompasses five main processes: preparation, approval, communication, monitoring, and independent review, which are the responsibility of different actors within the Bank. Risk appetite is defined and updated periodically under the supervision of Senior Management and risk committees, and it materializes in the definition of risk indicators through which risk and exposure limits are monitored. Likewise, preventive, corrective, and monitoring controls are implemented and regularly reviewed to support the effectiveness of comprehensive risk management. For risk analysis, structured methodologies are used to evaluate exposure by considering impact, probability, and materiality, as well as scenario analysis and stress testing tailored to specific business factors. Internal risk exposure is reviewed monthly by Senior Management and the Board of Directors through specialized risk committees and the Board Risk Committee. In these spaces, the results of the established risk indicators, the monitoring of limits, and the review of proposed mitigating actions in the event of exceeding those limits are examined.

Within the framework established within the Bank, independent evaluations are carried out. On the one hand, these are conducted by the Internal Comptroller's Office team, which, through its objective and independent activity, supports Senior Management by identifying gaps in a timely manner in the functioning of processes and the controls established for risk mitigation.

On the other hand, the Statutory Auditor, in its capacity as an independent External Auditor, carries out the evaluation of the Comprehensive Risk Management System (SIAR, by its Spanish acronym) as part of its auditing procedures. During the year 2025, the Statutory Auditor also conducted audits on the management of Operational, Market, Liquidity, and Interest Rate Risk in the Banking Book, with satisfactory results. In the process, areas for improvement and recommendations were identified, which have already been implemented or are currently being addressed by the Bank in accordance with the agreed action plan.

Education and Training:

Risk Culture

Annually, and through interdisciplinary work between the Risk and Human Talent Management areas, the Bank designs a training plan aimed at strengthening knowledge in risk management across each of the fronts of the SIAR, SARLAFT, Corruption Risk - ABAC, Ethics, Operational Risk, SOX, Cybersecurity, Information Security, Business Continuity, and Financial Risks.

For the year 2025, content related to conduct risk, fraud prevention, and personal data were included. The training framework was divided into courses with general content, aimed at all Bank employees, as well as specialized sessions with specific teams, according to the needs of each of the risk verticals, reaching a total of 238 sessions, equivalent to 10,298 hours in 2025.

In addition to this plan, and with the aim of strengthening the risk culture, a risk management learning day and the different verticals—called "Risk Day"—was held during the second half of the year. In this space, through interactive activities, questions regarding risk management were clarified, and its importance within the Bank's process management was highlighted.

Additionally, specific training on SOX financial reporting assurance and operational risk was designed and executed through in-person and virtual courses, which addressed the following topics:

- 11 targeted training sessions focused on the design, operation, and relevance of controls that ensure the reasonableness of financial reporting, in which 816 people participated.
- 6 training sessions focused on operational risk management, addressing topics such as risk identification, implementation and execution of effective controls, and risk event reporting and monitoring, with 1,072 participants.
- Through the Bank's self-training platform, courses in SOX and Operational Risk Management were completed by 3,163 employees, as of the course completion date.
- Training in Internal Control, SOX, and Operational Risks provided to all Board members.

Integration of risk criteria in innovation and operations:

Risk criteria are integrated into the development of new products and services, supporting the alignment of innovation processes and operations in alignment with the company's risk appetite.

Risk-linked incentives:

In order to support objectivity and independence in decision-making, the risk management function is structured under a remuneration model that excludes variable compensation linked to risk management.

Relevant changes

During 2025, the Unified Risk Management Methodology was implemented, which establishes criteria for risk administration and management, as well as the guidelines for sustaining risk management and the Internal Control System, to support compliance with national and international regulations and alignment with COSO, as an adopted practice for Internal Control management. Additionally, methodologies for managing conduct risk, large exposures, and country risks were implemented.

In 2025, the Bank changed in the structure of the Vice Presidency of Risks through the creation of the Internal Control and Risks Management Office, which is responsible for operational risk management and the internal control system. This adjustment aims to strengthen comprehensive risk management within the Bank. The Management Offices for Compliance, Financial Risks, Risk Analytics, Transactional Fraud Prevention and Large Exposures remain in place, as well as the Cybersecurity, Information Security, Privacy, and Business Continuity Management Office.

II. Credit Risk Management System (SARC)

The SARC is the set of policies, procedures, tools, and controls that the Bank has implemented to identify, measure, control, and monitor credit risk to which it is exposed in its lending operations.

The main achievements include:

- The identification of risks that could affect customers' payment capacity, contributing to an improvement in portfolio quality indicators.
- The implementation of measurement and monitoring methodologies that have supported the identification of sectors with higher and lower risk levels, based on which focused strategies were developed for those segments. These include the generation of responsible origination policies, exposure limits, and collection strategies aimed at reducing the impact of risk.
- Additionally, permanent monitoring of the portfolio's evolution was performed through early warnings and stress testing in order to anticipate potential deterioration.

In 2026, priorities are focused on the automation of early warnings and the strengthening of cybersecurity in data handling. This includes the challenge of mitigating over-indebtedness and the loss of payment capacity derived from potential increases in inflation, within an environment of uncertainty marked by multiple regulatory, legal, and political changes.

Portfolio Quality

Portfolio Quality Index (ICR):

The ICR (by its Spanish acronym) measures the proportion of the portfolio classified in risk categories B, C, D, and E against the total portfolio, supporting the evaluation of its quality and the level of exposure to deterioration.

Performance in 2025:

- **Commercial:** Started at 5.23% and closed at 4.51%, showing a consistent improvement.
- **Consumer:** Reduced from 5.26% to 4.04%, reflecting more robust management in origination and monitoring.
- **Housing:** Remained around 4.5% throughout the year, decreasing by 9 bps compared to December 2024.

The ICR presented a favorable trend across all segments, showing an improvement in portfolio quality and the effectiveness of preventive strategies.

Looking ahead to 2026, the main challenge will be to sustain this decline, especially in higher-risk products such as credit cards; as well as managing the risk associated with the increase in personal insolvency proceedings, and continuing to strengthen analytical capabilities to anticipate potential deterioration and timely adjust risk policies.

Past-Due Portfolio Indicators (ICVT) by Credit Modality

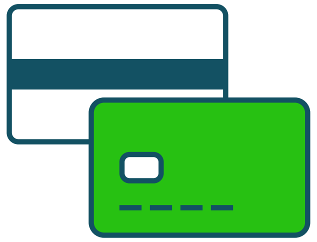
The ICVT (by its Spanish acronym) measures the proportion of the past-due portfolio against the total, reflecting the overall delinquency level.

Performance:

- **Commercial:** Improved by 43 bps, dropping from 2.48% to 2.05%, reflecting strong performance throughout the year.
- **Consumer:** Started at 3.68% and closed at 2.56%, showing a sustained improvement.
- **Payroll Loans (Libranzas):** Went from 2.92% to 2.12%, with an equally positive trend.
- **Credit Cards:** Although remaining at higher levels, decreased from 10.40% to 6.48%, evidencing a significant reduction in delinquency.
- **Housing:** Remained stable around 6%, with slight variations.

In 2025, the **ICVT** showed a general downward trend as a result of efficient management in both collection and credit origination processes.

For 2026, the challenge will be to sustain this improvement in a challenging economic environment by strengthening early warning frameworks, risk segmentation, and timely adjustments to portfolio policies.



Strengthening of Credit Processes and Policies

Measurement and Monitoring Method:

The strengthening of credit processes and policies is measured through adherence indicators, random reviews, and regulatory compliance analyses, supported by digital platforms and decision engines that support automated monitoring.

During 2025, milestones were achieved such as the updating of policies in ODM (by its Spanish acronym), the stabilization of the digital workflow, the implementation of rules for rejecting clients with an insolvency flag, and the deployment into production of viability services for external sales forces.

For 2026, priorities include full process automation, the integration of environmental and social criteria into policies, and the optimization of predictive models, while facing challenges related to adapting to new regulations and consolidating a unified system that supports agility and control in credit origination.

Collection Management

The Bank's collection management model is focused on containment strategies in early delinquency brackets and recovery strategies for advanced delinquency through external agencies and attorneys for the consumer portfolio. The commercial portfolio is managed by corporate negotiators. Both models are focused on portfolio containment and offering solutions to customers.

The main achievements in collection management for 2025 include:

- Stability in contactability indicators, remaining at approximately 42%.
- **An improvement of 500 bps** in the indicators for consumer portfolio roll rates in early delinquency brackets.

- Development of various strategies and campaigns for the normalization and recovery of current portfolios.
- **Implementation of the operational standardization tool** for payroll loans, resulting in a reduction in provisions of nearly COP **$4,000 million.**
- Focus on the recovery management of the commercial portfolio, contributing to provision reversals of COP $16,000 million.
- **Generation of extraordinary income** from the sale of written-off portfolios amounting to COP **$6,700 million.**
- **Exploration and implementation of automation** for critical processes associated with collection strategies, containment, and operations.
- **Analysis, alert generation, and sector-specific management** regarding the misuse of personal insolvency proceedings and their exponential growth, which impacts portfolio quality and financial statements.

In 2026, priorities are focused on sustaining portfolio quality and mitigating the impact on provisions, addressing macroeconomic risks such as over-indebtedness, loss of payment capacity, and the rise in insolvency proceedings, among others.

Large Exposures

During 2025, the Bank managed compliance with current regulations regarding large exposures and risk concentration, in accordance with the instructions issued by the SFC. Management was supported by periodic measurement and monitoring of individual, aggregate, and sector-specific exposures and connected counterparty group exposures, based on Common Equity Tier 1 capital (Patrimonio Básico Ordinario), as well as the application of internal limits and alert thresholds. For the upcoming year, the Bank will continue strengthening the monitoring processes and the governance framework for large exposures.

III. Financial Risks

Market Risk

The Bank actively participates in the money, foreign exchange, and capital markets, with the objective of meeting both its own needs and its customers' needs, in compliance with established policies and risk levels. In this context, it manages various portfolios of financial assets, within approved limits and risk levels.

Market risk arises from the Bank's open positions in investment portfolios consisting of debt securities, financial derivative instruments, equity instruments recorded at fair value, and interbank funds. It is associated with adverse changes in risk factors such as interest rates, inflation, exchange rates, stock prices, credit spreads of the instruments, their volatility, as well as liquidity in the markets where the Bank operates.

The standard methodology used for measuring market risk corresponds to that established in Annex 6 of Chapter XXXI of the SFC. Additionally, for the daily management and control of the portfolio's market risk, the Value at Risk (VaR) is calculated using a parametric model that measures the maximum expected loss, with a 95% confidence level and a one-day time horizon, against probable changes in the risk factors that affect the value of the instruments. To estimate volatility, a time window of the last 500 business days is used, applying an exponential decay factor that assigns less weight to older observations. Simultaneously, the Conditional VaR is calculated daily to determine the expected loss value in the event that the VaR is exceeded, at a 99% confidence level, applying uniform weights to all observations. Unlike VaR, this measurement allows for the capture of the risk of significant losses with a low probability of occurrence.

In addition to estimates under current conditions, simulations with extreme market movements are performed to establish an estimate of capital requirements, using extreme scenarios that have occurred in the past.

The market risk function monitors daily that the market positions to which the Bank is exposed remain within approved limits, and it evaluates the results and relevant variations in the approved metrics. The definition of market risk limits is a dynamic process and forms part of the annual limit update plan, which is approved in accordance with the established governance framework.

In 2025, the rollout of swap operations for speculative purposes was achieved, aimed at strengthening the active management of positions and capitalizing on value opportunities in the interest rate market. The risk function executed the necessary adaptation activities to support proper monitoring and control of these operations, as well as compliance with regulatory and internal guidelines. Likewise, during the year, progress was made in strengthening control processes by incorporating metrics for monitoring market conduct.

For the upcoming year, the Bank faces the challenge of advancing its treasury strategy, which is oriented toward incorporating new products, such as fixed-income instruments and derivatives. This will require adjustments to measurement models, adaptation to current regulatory frameworks, strengthening of internal controls, and upgrades to the technological infrastructure, in order to guarantee efficient management aligned with best market practices.

Liquidity Risk

The Bank, due to its intermediation activities and funding structure, is exposed to liquidity risk. The most relevant regulatory metrics for monitoring this risk are:

- Liquidity Risk Indicator: Evaluates short-term resilience and seeks to maintain the availability of high-quality liquid assets to meet contractual and non-contractual commitments in a 30-day stress scenario. This measurement is performed in accordance with the guidelines established in Annex 9 of Chapter XXXI of the SFC (Financial Superintendency of Colombia, by its Spanish acronym).
- CFEN (Net Stable Funding Ratio, by its Spanish acronym): Aims to support the Bank's stable funding sources of deposits to fund operations and support its assets, requiring solid balance sheet structures in the medium and long term. This measurement is carried out in accordance with the guidelines established in Annex 12 of Chapter XXXI of the SFC (Financial Superintendency of Colombia, by its Spanish acronym).

On a daily basis, the aforementioned indicators are estimated and complemented with internal models and additional metrics, such as short-term liquidity, survival horizon, concentration of depositors, and liquidity buffer, in order to conduct comprehensive monitoring of liquidity risk exposure. Additionally, simulations of the liquidity risk indicator are performed under three scenarios with different levels of criticality regarding key components, which are used as tools to determine risk appetite and support the decisions of management units.

Likewise, the Bank has early warning liquidity indicators, both quantitative and qualitative, which support the early identification of liquidity stress situations or potential weaknesses in the funding and liquidity structure. These indicators include external variables related to market behavior, as well as internal variables associated with the Bank's own performance.

In 2025, the Liquidity Contingency Plan was strengthened by adopting market practices, and the regulator's non-objection was obtained for the proposed methodology to determine the proportion of demand deposits that can be classified as operational deposits for the wholesale real-sector client segments, supervised financial entities, and open-ended collective investment funds without a lock-up period, in compliance with the guidelines established in Chapter XXXI of the Basic Accounting and Financial Circular of the SFC (Financial Superintendency of Colombia, by its Spanish acronym).

For the coming year, a relevant challenge will be to conduct the evaluation and initiate the operationalization of the internal capital adequacy and liquidity self-assessment processes (PAC and PAL), coordinated with the new EPR (Stress Testing Framework, by its Spanish acronym), as established in External Circular 021 of 2025 issued by the SFC (Financial Superintendency of Colombia, by its Spanish acronym). This will involve adjustments to the governance framework, methodologies, reporting, and technological infrastructure, among others, to support compliance with the new regulation.

Interest Rate Risk in the Banking Book

The Bank analyzes the probable impact of interest rate variations on the Economic Value of Equity (EVE) and the Net Interest Margin (NIM). The standard methodology used for the measurement of Interest Rate Risk in the Banking Book (IRRBB; RTILB by its Spanish acronym) corresponds to that established in Annex 15 of Chapter XXXI of the SFC (Financial Superintendency of Colombia, by its Spanish acronym).

The NIM (Net Interest Margin; MNI by its Spanish acronym) corresponds to the difference between the interest income from assets and the interest cost of the interest-rate-sensitive liabilities in the banking book, for a one-year time horizon. This metric makes it possible to identify short-term risks and complements the measurement of the EVE (Economic Value of Equity; VEP by its Spanish acronym), which is estimated as the difference between the present value of assets and the present value of liabilities in the banking book sensitive to interest rates, and allows for the identification of long-term risks.

To estimate these metrics, methodologies are used that consider the behavior of certain products, such as:

- Non-maturity deposits, which are modeled using variables such as the relationship between the interest rates paid to customers and market reference rates, as well as their stability and depletion over time.
- Prepayment rates, which are modeled according to historical and estimated behavior for fixed-rate loan portfolio products, which constitutes a relevant factor given the share of the payroll-deducted loan portfolio in the total portfolio.

During 2025, with the entry into force of the regulations applicable to IRRBB (Interest Rate Risk in the Banking Book; RTILB by its Spanish acronym), a robust governance and control framework was consolidated, methodologies and metrics were refined, and limits and thresholds were aligned with the new regulation. This supported consistent monitoring of critical indicators, product behavior, and the balance sheet, both for the management and planning units and for the defined risk governance bodies. Additionally, a weekly report was implemented that strengthens operational control and responsiveness to market movements and the balance sheet, and progress was made in the construction of the internal model.

Furthermore, in 2025, support was provided for the process of structuring and monitoring balance sheet hedges through interest rate swaps, to manage the EVE (Economic Value of Equity; VEP by its Spanish acronym), under the governance of the ALCO (Asset and Liability Committee; GAP by its Spanish acronym).

For 2026, adjustments and refinements in the calibration of the internal model are planned to allow for better scenario modeling, greater precision, and disaggregation in the estimation, as well as continued support for the structuring of other types of hedges..

IV. Non-Financial Risks

Privacy Risk
[CSA.S&P]

Personal data privacy risk is under the supervision of the Vice Presidency of Risks, which is responsible for the comprehensive management of the various risks to which the Bank is exposed, with the objective of supporting institutional strength, operational stability, and compliance with the applicable regulatory framework.

Additionally, the Vice Presidency supervises risks associated with third parties through the ARI (Information Risk Management, by its Spanish acronym) process, which is integrated into the Bank's general risk management framework. Within this process, the ARI51 milestone – Third-Party Security Review stands out, designed to evaluate and support the security of third parties that process or manage information on behalf of the Bank.

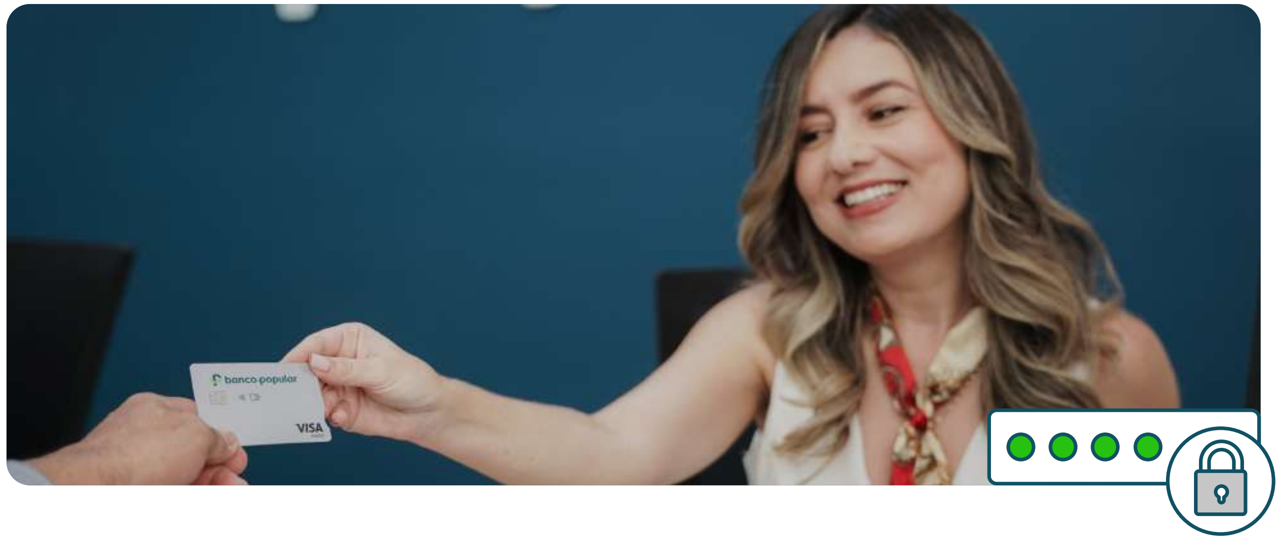
Under this approach, the Bank has formally established its Privacy and Personal Data Protection Policy, which is operationalized through the implementation of the PIGDP (Comprehensive Personal Data Management Program, by its Spanish acronym). Both instruments are aligned with Law 1581 of 2012, Decree 1074 of 2015, and other regulations applicable to the financial sector. This internal regulatory framework supports governance of the information life cycle (collection, use, storage, transmission, and disposal) for customers, employees, and suppliers, safeguarding the principles of legality, transparency, and confidentiality. Likewise, the Bank classifies and manages basic, semi-private, and sensitive data, applying technical measures proportional to the risk and formalizing contracts for data transfers within and outside of Colombia.

In accordance with the Principle of Transparency, the entity reports that collected data is used exclusively for the performance of the contractual relationship and those purposes for which the data subject has provided prior, express, and informed authorization. Consequently, the Bank does not perform processing other than those established in the authorization for the processing of personal data.

To support the implementation of the policy, the Bank has designated the Cybersecurity, Information Security, Privacy, and Continuity Management function as the unit responsible for supervising data protection initiatives. Furthermore, a Personal Data Protection Delegate (PDPD) has been appointed, responsible for supporting the effective implementation of the Bank's data protection policies and procedures. The PDPD is responsible for supervising compliance with applicable data protection regulations and promoting practices for the secure and responsible management of personal data throughout the entity.

As part of the control and compliance framework, and within the scope of the Information Security and Cybersecurity Policy, the Bank has established corrective and disciplinary measures applicable in the event of non-compliance with obligations related to personal data protection and information security. These measures support application aligned with current legal and regulatory provisions.

These provisions are formally established in the document "Information Security and Cybersecurity Guidelines," particularly in sections 6.10.14 and 4, which regulate compliance with security policies, the proper use of internet and intranet services, and the general observance of institutional guidelines regarding information security.



Cybersecurity and Information Security Risk

[FN-CB-230a.2]

The Bank recognizes that information, regardless of the medium in which it is found, is a vital asset and must be protected to ensure the proper development of its operations. Therefore, it declares its commitment, beginning with Senior Management, to the development of skills, competencies, and the allocation of the technical and human resources necessary to protect its information and that of its financial consumers through the implementation of mechanisms and protocols that strengthen its capabilities to protect itself, withstand, and respond to internal threats and/or threats in cyberspace that could compromise the confidentiality, integrity, availability, and privacy of the information, considering the Bank's size and level of risk exposure; as well as in the design, approval, and implementation of individual policies that support the general policy and establish the guidelines for the protection and safeguarding of the information.

The Bank has defined a risk management methodology for information security and cybersecurity, based on corporate guidelines and grounded in the principles of confidentiality, integrity, availability, and privacy of information, as well as the impact these risks may have on the entity.

The Board of Directors and Senior Management conduct a semi-annual monitoring of the results of the Cybersecurity and Information Security Management Systems.

Information Security and Cybersecurity Governance

[CSA.S&P]

The Bank has defined a governance and risk management structure governed by the macro-process "Managing Information Risk" and the process "Cybersecurity and Information Security Governance." Likewise, the Information Security and Cybersecurity Policy has been defined and implemented, which complements and formalizes roles and responsibilities, explicitly incorporating the Audit Committee in accordance with External Circular 008 of 2023.

Information Security is integrated into the corporate risk framework; likewise, a periodic semi-annual assessment is carried out based on impact and probability, the results of which are reported to Senior Management and the established committees.

The Bank recognizes that information, regardless of the medium in which it is found, is a vital asset that must be protected to ensure the proper development of its operations. Therefore, it declares its commitment, beginning with Senior Management, to the development of skills, competencies, and the allocation of the technical and human resources necessary to protect its information and that of its financial consumers through the implementation of mechanisms and protocols that allow for the strengthening of its capabilities to protect itself, withstand, and respond to internal threats and/or threats in cyberspace that could compromise the confidentiality, integrity, availability, and privacy of the information, considering the Bank's size and level of risk exposure.

The Bank's Senior Management reaffirms its commitment to the development of skills and the allocation of the necessary resources for the design, approval, and implementation of individual policies that support the general policy and establish the guidelines for the protection and safeguarding of the information. Furthermore, both the Board of Directors and Senior Management conduct a semi-annual monitoring of the results of the Cybersecurity and Information Security Management Systems.

Formal Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves the Security Policy and risk appetite; considers reports from the Chief Information Security Officer; approves resources for the Information Security Management System (ISMS).
Risk Committee of the Board of Directors	Support committee of the Board of Directors in the supervision of those risks.
Information Security and Cybersecurity Committee (Bank)	Approves the strategy and model; evaluates indicators and adopts corrective actions; promotes development and training.
Corporate Security Committee (Group)	Defines corporate principles and guidelines; coordinates crisis management and technological updates.
Audit Committee	Reviews and recommends the Information Security Policy for Board approval
Vice President of Risk Management	Presents the Policy to the Board; proposes risk appetite; monitors and reports Information Security and Cybersecurity risk management; allocates resources.
Chief Information Security and Cybersecurity Officer	Designs, implements and updates the ISMS; defines guidelines; advises Senior Management/ Board; designs indicators and awareness program; communicates incidents to regulatory bodies.
Information Security and Cybersecurity Unit	Develops and verifies the ISMS; manages incidents; evaluates risks and third parties; conducts effectiveness tests; defines testing strategy and training.
Information Owners (Risk Owners)	Identify, evaluate and treat risks; classify assets; define security requirements; self-evaluate controls.
Technology Resource Administrators / Information Security Leader	Apply standards and controls; manage tools; monitor events and report; maintain platform security.
Senior Management	Oversees implementation of strategies and policies; promotes projects; evaluates and proposes resources; complies with the policy.
Employees and Third Parties	Comply with guidelines, report incidents, and participate in awareness activities; establish communication in case of incidents.

The Bank has an Information Security Committee which oversees policies, risks, and incidents related to Cybersecurity and Information Security, ensuring that strategic decisions take into account the protection of information and critical technological infrastructure.

Chief Information Security Officer (CISO):

The Bank has appointed a CISO (Chief Information Security Officer) as the executive responsible for information security. The CISO reports directly to the Senior Management team and is responsible for the cybersecurity strategy, incident management, and the integration of information security into the Bank's risk management processes.

Responsibilities:

- Design, develop, implement, and update the Information Security and Cybersecurity Management System, in line with the Bank's requirements and guidelines.
- Define the guidelines and policies to protect information according to the value or level of criticality defined by the responsible parties.
- Advise Senior Management and the Board of Directors on matters deemed necessary regarding Information Security and Cybersecurity, in order to facilitate monitoring and appropriate decision-making.
- Propose the organizational structure required for the development of the Information Security and Cybersecurity Model.
- Design and develop clear, objective, and verifiable management indicators that reflect the performance of the Information Security and Cybersecurity Management System.
- Design and develop the Bank's awareness program.
- Communicate Information Security and Cybersecurity incidents, their impacts, and the remediation actions taken to control authorities and other stakeholders.
- Reports to Senior Management/Risk Vice Presidency and reports results to the Board of Directors; designs the indicators and the awareness program, and manages communication with control entities.

The CISO (Chief Information Security Officer) and other executives in charge of information security have solid experience, professional backgrounds, and qualities in Information Security, Cybersecurity, and Information Systems Management. Their leadership combines strategic and operational capabilities, allowing them to effectively anticipate, evaluate, and mitigate information risks.

On the Bank's Board of Directors, the role of Dr. Ernesto José Gutiérrez de Piñeres is highlighted, as he has performed strategic and high-impact functions in digital transformation, technology, and innovation in various companies, and has been recognized for his experience in technology, innovation, and transformation. Additionally, he is the Corporate Vice President of Technology of Grupo Aval and the leader of the corporate strategy on these matters.

Information Security Management Program

[CSA.S&P]

The Bank maintains a formal information security program aimed at supporting the confidentiality, integrity, availability, and privacy of information, preventing incidents, and supporting operational continuity. The program covers critical systems, processes, and technologies, and is based on the annual training plan, the execution of vulnerability tests and intrusion tests, the monitoring of indicators of the RMF (Risk Management Framework; MGR by its Spanish acronym) and the RAS (Risk Appetite Statement; DAR by its Spanish acronym), the review of cybersecurity and information security policies and guidelines, the periodic presentation of results to the corresponding committees, and annual reviews or reviews following significant structural or technological changes.

1. Analysis of new or emerging threats: The Bank has a Cyberintelligence and early warning service that allows the Bank to remain up to date on emerging trends in cybersecurity, as well as to identify attacks directed at its technological infrastructures.

2. Analysis of attack vectors: The Bank receives relevant information from strategic providers regarding potential attack vectors. These alerts focus primarily on threats such as malware (Trojans and ransomware), spoofing of the Bank's portals and application, as well as new vulnerabilities that could jeopardize information security. The most relevant functions of the program include:

- Developing, implementing, updating, and verifying the proper functioning of the Information Security and Cybersecurity Management System, establishing Information Security and Cybersecurity guidelines, procedures, and standards in line with the Bank's requirements.
- Developing, implementing, and controlling the Information Security and Cybersecurity Incident Management Program.
- Participating in projects that handle critical information assets defined by the information owner, to support the application of the defined Information Security and Cybersecurity guidelines; and defining the Information Security and Cybersecurity testing strategy.
- Evaluating the risks associated with Information Security and Cybersecurity in applications, products, operating systems, tools, and networks.
- Researching new forms, products, and IT protection services that support the identification and development of initiatives to strengthen the Bank's security levels.
- Executing security reviews of the Bank's critical third parties to evaluate the degree of compliance with security policies and guidelines.

The Bank has business continuity plans that establish contingency and recovery procedures for information security incidents. These plans are reviewed and tested periodically to support operational resilience in the face of potential interruptions.

On a periodic basis, the Bank performs intrusion testing (Ethical Hacking) on critical assets, as well as Red Team exercises and vulnerability scanning tests, as part of the risk identification process. Additionally, in compliance with the Bank's high-quality standards, it is required that all systems undergo vulnerability and Ethical Hacking testing before being moved into production, thereby supporting their robustness against potential threats.

The Bank has a formal process for employees to report Cybersecurity and Information Security incidents, as well as suspicious activities, to the Vice-Presidencies of Risk and Technology. Reports are managed, investigated, and escalated according to established procedures, supporting a timely and effective response.

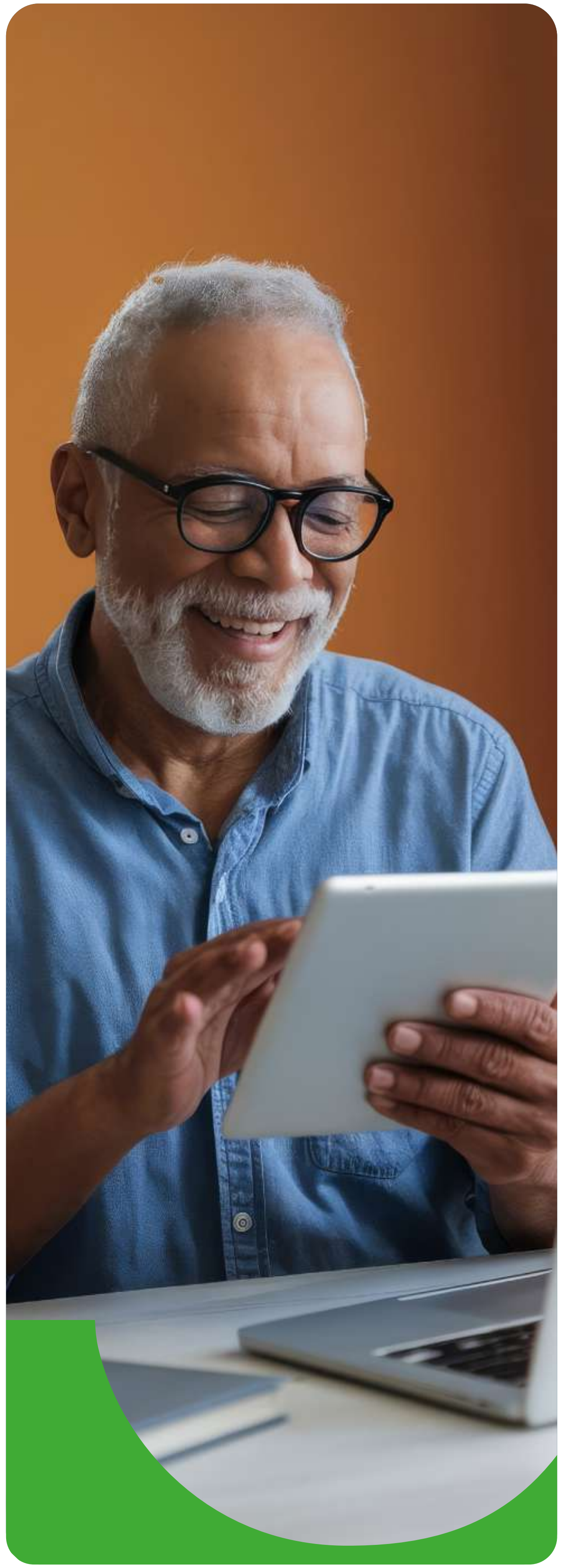
2025 Results

The Bank performed intrusion tests (Ethical Hacking) on critical assets, as well as Red Team exercises (simulations of real attacks) and vulnerability scans as part of the risk identification process. Additionally, and in compliance with the Bank's high-quality standards, all systems were required to undergo vulnerability and Ethical Hacking testing prior to being launched in production, ensuring their robustness against potential threats.

The Bank maintained an "A" rating in the Cybersecurity scoring for cyber risk conducted by the SFC (Financial Superintendency of Colombia, by its Spanish acronym). Specialized security tests were also performed on internal technological infrastructure and infrastructure exposed in cyberspace to identify potential vulnerabilities or deficiencies in the defined controls for the Bank's protection.

During the period, the evaluation project of the Information Security and Cybersecurity Maturity Model was executed, achieving a result of 4.42, which confirms the Bank's commitment to information security. Likewise, vulnerability tests on internal infrastructure and databases were performed, results analyzed, and follow-ups conducted, along with the execution of phishing tests via bot, with satisfactory results in terms of organizational culture.

Timely coverage was provided in addressing requests related to assessments from an information security and personal data protection perspective, classification of information assets, and management of critical third parties. Furthermore, the training plan for information security, cybersecurity, and personal data protection was fulfilled, an awareness tool was implemented, and a controlled phishing exercise with a malware attachment was conducted.



Likewise, phishing tests were carried out with the objective of evaluating the Bank's ability to respond to social engineering attacks, including an advanced scenario that incorporated an Artificial Intelligence (AI) bot. The level of exposure and the response capacity of employees were also assessed, with positive results that indicate an improvement in the security culture.

A cyberattack simulation involving an impact on the database of the critical GoAnyWhere platform was conducted, along with a restoration test in a controlled environment, with activation of the INTERNAL CSIRT. During 2025, the control authorities conducted internal and external information security audits aligned with international standards such as ISO 27001. These audits covered all critical systems, evaluating compliance with security and cybersecurity policies, controls, and procedures, and led to the implementation of the corresponding corrective actions.

Incidents involving third parties and internal matters were managed and addressed in a timely manner; and the Bank reports that, as of the close of December, there was no evidence or reporting of situations that could be classified as information security and/or cybersecurity incidents.

Claims received and resolved related to the handling of personal data

[GRI 2-25; 418-1] [CSA.S&P]

Claims regarding personal data management	Received	Resolved	Percentage of claims resolved
Customer privacy	1,298	1,298	100%
Customer privacy received from third parties acting on behalf of the customer	0	0	0%
Customer privacy received from regulatory authorities	0	0	0%
Total	1,298	1,298	100%

Cases of Customer Data Leaks, Theft, or Loss and Their Monetary Costs

During the period under review, one (1) case related to the leakage, theft, or loss of customer data involving a third party was identified, which did not generate monetary losses for the organization. No cases of this nature associated with information not linked to customers were recorded. The event was managed in accordance with internal security and control protocols, with no material financial, legal, or operational impacts.

Organizational Data Breaches and Affected Account Holders

[FN-CB-230a.1]

During 2025, one (1) data breach occurred, associated with a technology provider, affecting 1.63% of the total active customers and compromising information corresponding to 15,330 account holders. In response to the incident, the Bank activated its response and mitigation protocols, adopting corrective technological, operational, and training-related actions aimed at containing the risk, reducing its potential spread, and strengthening information security controls.

The measures implemented included the immediate disconnection of VPN (Virtual Private Network) access, the execution of exhaustive scans using EDR (Endpoint Detection and Response) and antivirus tools, the verification of technical evidence, the strengthening of access controls through MFA (Multi-Factor Authentication), and the migration of technological infrastructure to cloud environments, as well as the updating of next-generation cybersecurity solutions.

Additionally, preventive actions were developed for data subjects through formal communications (mailing and SMS (Short Message Service)), including recommendations to mitigate the risks of social engineering and impersonation, thereby strengthening the protection of personal information.

The event did not generate monetary losses or financial impacts for the organization and was managed in accordance with internal guidelines and information security practices.

Initiatives for 2026

In 2026, periodic cybersecurity incident simulations will continue to be carried out in order to train and strengthen the team's capabilities, supporting knowledge of the response protocols for different attack taxonomies (malware, denial of service, Trojans). These activities will make it possible to challenge the Cybersecurity and Information Security incident response process, seeking alignment with the incident response protocol of the Corporate CSIRT (Computer Security Incident Response Team). In addition, the process of conducting regular social engineering tests on employees will continue, with the objective of identifying possible weaknesses and promoting the continuous improvement of cybersecurity practices and knowledge, thereby strengthening the Bank's security posture.

Documents (Policies, guidelines, and procedures) will be reviewed in light of new technologies, emerging risks, corporate guidelines, and new regulations, where required, in order to ensure their continuous updating. Likewise, the Entity's third-party management process will be optimized, and the most relevant actions will be implemented to improve the institution's posture and maturity level.

In support of a personal data culture, in 2025 the Bank conducted a consulting engagement to assess the level of maturity and strengthen the Comprehensive Personal Data Management Program, with the objective of implementing improvements in 2026.

Operational Risk

The identification, measurement, control, and monitoring of operational risks are the responsibility of the first line, composed of the leaders responsible for processes. These leaders, with the support and guidance of the Risk Vice Presidency and its support areas, execute the risk and internal control management cycle, through which the Bank seeks to support the relevance and sufficiency of identified risks and their alignment with the defined risk appetite, taking into account changes in strategy, processes, products, channels, or the eventual materialization of risks.

This process is carried out through the Unified Risk Management Methodology implemented during 2025. The risk and internal control management cycle comprises the following stages:

The methodology applied is defined in the operational risk and internal control management process, and the results obtained from its application to the processes constitute the Bank's operational risk map.

Among the main achievements of 2025, the following stand out:

- Residual risk levels remained within accepted thresholds.
- Update of internal regulations for operational risk management.
- Completion of the sufficiency review of 39% of risks and 36% of process controls, supporting the optimization and updating of risks and controls in accordance with changes in processes.
- Development of automations that support effective monitoring of the closure of operational risk events.
- Implementation of Power BI dashboards for the monitoring of indicators and operational risk appetite.
- Implementation of an internal-use application for the registration of requests related to risks and controls.

During this period, no risk event was recorded that was material for the entity; however, opportunities for improvement were identified for processes and controls through the establishment of the necessary action plans to mitigate them.

For 2026, the main challenges focus on continuing the development of automations that support more effective monitoring and management of operational risks, as well as on the development of forward-looking risk indicators that facilitate anticipation of future threats. Additionally, close and timely support to the first line will be strengthened in the Bank's strategic projects, promoting the continuous improvement of appropriate risk management from the early stages of execution.

Conduct Risk

During 2025, within the framework of the implementation of the guidelines established in the External Supervisory Guide on Conduct Risk issued by the SFC (Financial Superintendency of Colombia, by its Spanish acronym) in 2023, the Bank carried out various activities aimed at fulfilling the objectives defined for its implementation, among which the following stand out:

- Implementation of the Unified Risk Management Methodology, which establishes the guidelines for the identification, measurement, treatment, and monitoring of conduct risks.
- Identification of risks and controls in the Bank's processes directly related to the financial consumer.
- Awareness-raising and training for the areas responsible for processes with an impact on the financial consumer, regarding their functions in conduct risk management. Implementation of the Incentive Policy approved by the Bank's Board of Directors.
- Periodic analysis of complaints and claims that could be related to conduct risk.

This effort responds to regulatory guidelines, but also reinforces the Bank's commitment to transparency, integrity, and meeting the expectations of its users and customers. By identifying, measuring, controlling, and mitigating the risks associated with conduct, the Bank strengthens its ability to offer products and services that are clear, accessible, and aligned with the needs of the financial consumer.

For 2026, the challenges focus on consolidating knowledge regarding conduct risk management by all employees and third parties, as well as on the development of automations that enable greater efficiency in the monitoring of potential occurrences associated with this risk.

Business Continuity

The Bank has a Business Continuity Management System (SGCN by its Spanish acronym), composed of the Crisis Management, Emergency, Disaster Recovery (DRP), Business Continuity (BCP), and Crisis Communication Plans, which ensure the Bank's ability to operate in the event of disruptions affecting the availability of the critical products, services, and processes offered to customers.

Likewise, it has an Alternate Data Processing Center (CAPD, by its Spanish acronym) classified as Tier IV and a Contingency Operations Center (COC, by its Spanish acronym), both of which are essential to support the continuity of operations in exceptional situations.

Main achievements:

- Relocation of the primary data center to a Tier IV data center (NAOS Data Processing Center (CPD, by its Spanish acronym)), improving service availability, redundancy in infrastructure components, and resilience to failures.
- Assessment of the BCMS maturity model, obtaining a score of 4.08, reflecting a strong maturity model aligned with international standards.
- Successful execution of a comprehensive test in September, with activation of all plans that make up the BCMS (Business Continuity Management System; SGCN by its Spanish acronym), participation of critical third parties, transfer of services to the Alternate Data Processing Center (CPDA, by its Spanish acronym), activation of strategies for critical processes, the Crisis Management Plan, the Internal CSIRT (Computer Security Incident Response Team, by its English acronym), and the Emergency Plan, including evacuation of Headquarters.
- Participation in national and district evacuation drills, as well as internal Emergency Plan tests.
- Update of the BIA at the strategic level and for critical products, services, and processes, including the measurement of financial impacts.
- Training of 3,163 employees in the BCMS (Business Continuity Management System; SGCN by its Spanish acronym), as of the course completion date, including virtual training for the branch and regional network.

For 2026, the Bank will prioritize the automation of internal processes, the strengthening of the recovery strategy for an earthquake scenario in Bogotá, and the implementation of the most relevant and high-impact recommendations identified in the assessment of the BCMS (Business Continuity Management System; SGCN by its Spanish acronym) maturity model.

Fraud Prevention

During 2025, the Bank steadily strengthened its comprehensive management of transactional fraud risk through the implementation of solutions that supported fraud prevention in real time. In addition, transactional monitoring management was enhanced through alert notifications with bi-directional interaction with customers, expanding the Bank's capacity for the timely detection of atypical behavior across credit card, debit card, banking portal, and mobile application channels. These advances supported the maintenance of management indicators within the defined risk appetite, strengthening customer experience and the effectiveness of transactional monitoring.

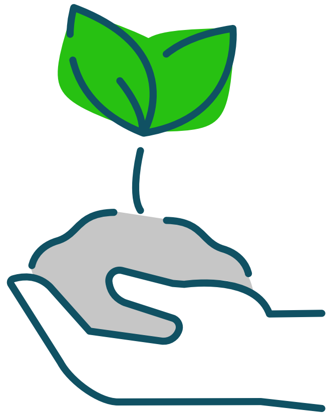
With respect to 2026, the Bank will focus its efforts on strengthening transactional fraud prevention and detection strategies in digital channels through the adjustment of specific rules associated with the growth of instant payments (Bre-B, Spanish name) and the initial incorporation of solutions supported by Artificial Intelligence (AI).

Environmental and Social Risks (SARAS, by its Spanish acronym)

The Bank is in the process of designing and implementing Environmental and Social Risk Management, including climate-related risks, in accordance with the provisions of Chapter XXXIII of the Basic Accounting and Financial Circular of the SFC (Financial Superintendency of Colombia, by its Spanish acronym), as added by External Circular 015 of October 3, 2025. To this end, various activities have been carried out aimed at supporting compliance with the regulatory framework applicable to the Bank and advancing its commitment to being a sustainable company that creates experiences aimed at positively transforming people's lives, contributing to the construction of a sustainable future in social, economic, and environmental terms for future generations. In this regard, several key aspects have been addressed, among which the following stand out:

- Approval by the Board of Directors of the Sustainability Policy.
- Launch of the climate risk management diagnostic process, including physical and transition risks in the Bank's assets and lending operations.
- Designation of those responsible for the design and implementation of environmental, social, and climate-related risk management.
- Interdisciplinary working groups for the development of policies, methodological guidelines, and procedures for the implementation of environmental and social risk management, including climate-related risks.

For 2026, the Bank will continue the implementation process for the management of environmental and social risks, including climate-related risks, such as: i) Compliance with the deadlines established by the SFC (Financial Superintendency of Colombia, by its Spanish acronym); ii) Structuring of a robust and comprehensive policy that seeks regulatory compliance and alignment with national and international standards; iii) Definition of guidelines and methodological criteria that enable environmental and social risk management, including climate-related risks, in accordance with the principles of proportionality and relevance; iv) Education and training of employees. This implementation process redefines risk management, strengthens resilience, and creates opportunities for innovation in sustainable risk management.



V. Compliance Management

In 2025, the Compliance Management System consolidated key processes, achieving a comprehensive regulatory update and strengthening the culture of compliance through training programs, internal audits with favorable results, and alignment of the Compliance Management System in accordance with ISO 37301:2016 and NTC 6671:2023, as well as with the Anti-Bribery Management System (ABMS; SGAS by its Spanish acronym) in accordance with ISO 37001:2025.

For 2026, opportunities have been identified associated with the integration of advanced analytics tools and the expansion of corporate ethics training programs, with the objective of enhancing cross-functional collaboration and supporting a proactive and sustainable compliance approach.

Anti-Money Laundering and Counter-Terrorist Financing Risk

[CSA.S&P]

The Bank has a SARLAFT policy (Anti-Money Laundering and Counter-Terrorist Financing Risk Management System, by its Spanish acronym) that establishes procedures designed to prevent and mitigate risks associated with money laundering and terrorist financing. This policy guides Know Your Customer (KYC) processes, ensuring the proper identification and verification of information before and during the business relationship. It also includes the ongoing monitoring of transactions in order to detect unusual or suspicious operations.

Another relevant component is the assessment of risks by type of customer, product, channel, and jurisdiction, which supports the assignment of differentiated risk profiles and the application of proportional controls. Additionally, procedures are established for reporting suspicious activities, supporting the traceability and confidentiality of the information. These policies are reviewed and updated at least once a year, or whenever there are regulatory changes or changes in the entity's risk profile.

The Bank has specialized technological systems for the monitoring of suspicious activities, which integrate transactional analysis tools and rules engines that support the identification of unusual transactions in real time. These systems incorporate advanced algorithms and Artificial Intelligence (AI)-based capabilities aimed at recognizing complex behavior patterns and correlations that could indicate money laundering or terrorist financing risks. Likewise, they support the automatic generation of alerts, the prioritization of cases according to risk level, and support for investigations through analytical dashboards and full transaction traceability. This technological infrastructure is continuously updated in order to adapt to regulatory changes and new risk typologies.

Within the Know Your Customer process, one relevant activity is the proper identification and monitoring of Politically Exposed Persons (PEPs), who are classified as individuals with an extreme risk profile. This level of risk requires the application of due diligence measures, including the verification of their information and the express approval of their onboarding by Senior Management, supporting compliance with regulatory standards and the mitigation of associated risks.

The Bank is periodically subject to verifications and audits of its processes in order to ensure regulatory compliance and the effectiveness of its controls. The most recent assessment was carried out in December 2025, identifying opportunities for improvement that contribute to strengthening the risk management system, and the related action plans are currently in the process of implementation.

Each year, a comprehensive training plan is designed that addresses mandatory regulatory topics and incorporates actions adapted to the Bank's specific context. This plan includes the use of audiovisual media and pedagogical strategies aimed at generating an effective impact throughout all employees and suppliers, supporting a practical understanding aligned with compliance objectives.

The Bank maintains a strategic approach of continuous improvement in the prevention of money laundering and terrorist financing (ML/TF), consolidating processes, tools, and controls that evolve permanently in response to emerging risks. This commitment is reflected in the adoption of practices aligned with the national and international regulatory standards, as well as in the integration of advanced risk management methodologies that strengthen transparency, integrity, and confidence in all operations.

During 2025, the Anti-Money Laundering and Counter-Terrorist Financing Risk Management System (SARLAFT, by its Spanish acronym) was strengthened through the application of measurement and monitoring methods based on risk indicators, control effectiveness analysis, and transactional monitoring with automated alerts. Among the main achievements were the optimization of regulatory reporting and the consolidation of a prevention culture through specialized training. During 2025, the entity did not receive any fines or sanctions, nor were investigations initiated in relation to compliance with SARLAFT (Anti-Money Laundering and Counter-Terrorist Financing Risk Management System, by its Spanish acronym).

For 2026, opportunities are focused on the incorporation of advanced analytics and Artificial Intelligence (AI) tools to strengthen predictive risk management. Priorities include continuous improvement in data quality, adaptation to new regulatory requirements, management of risks arising from disruptive technologies, and the sustainability of the model in a changing environment.

Anti-Bribery and Anti-Corruption – ABAC

[CSA.S&P]

The Board of Directors of Banco Popular has approved and actively promotes the Anti-Bribery and Anti-Corruption Risk Management Policy, reaffirming the principle of zero tolerance for bribery, both domestic and transnational, and any form of corruption. As the highest decision-making body, the Board of Directors, through this policy, defines its scope of application and oversees compliance with it, ensuring that strategic and operational decisions are carried out under the highest ethical standards.

Additionally, associated procedures are established through which the Bank promotes a corporate culture oriented toward the prevention of and fight against these offenses, ensuring that all operations are conducted in strict compliance with the Foreign Corrupt Practices Act (FCPA), the ISO 37001 International Standard on Anti-Bribery Management Systems, the Colombian Penal Code, and the Anti-Corruption Statute (Law 1474 of 2011). This regulatory framework reinforces transparency, integrity, and accountability at every level of the organization.

The Anti-Bribery and Anti-Corruption Risk Management Policy has been implemented across the Bank and all its subsidiaries under a homogeneous approach aligned with the high ethical standards. Compliance is supported through a permanent monitoring scheme led from the parent entity, which makes it possible to evaluate the effectiveness of controls and the proper application of procedures at all organizational levels.

The policy is published on the Bank's website and forms an integral part of the Code of Ethics and Conduct, providing public access to it and consolidating its role as a fundamental pillar of the corporate culture and the prevention of improper practices.

In compliance with anti-bribery and anti-corruption regulations, Banco Popular and its subsidiaries expressly prohibit employees and third parties from making, promising, or authorizing any transfer of money, goods, or anything of value to public or private officials, domestic or foreign, or to any person, when the purpose is to improperly influence acts or omissions in order to obtain unjustified advantages.

For the prevention and mitigation of these risks, the policy establishes formal and documented procedures that include the identification of areas and processes with greater exposure to bribery or corruption risks; due diligence and evaluation of third parties with links to the State; analysis of the type of transactions carried out; definition of red flags; and the adoption of proportional preventive, corrective, and disciplinary measures in the event of non-compliance.

Additionally, the Bank strengthened anti-bribery and anti-corruption risk management through the monitoring of accounting accounts, the review of special transactions, the analysis of sensitive transactions, and the follow-up of reports related to conflicts of interest and critical third parties. During 2025, one of the main achievements was the automation of processes, which made it possible to reduce manual activities, optimize resources, and support the integrity and reliability of the information.

The policy establishes strict guidelines on gifts, invitations, donations, sponsorships, and contributions, which must be made without any expectation of reciprocity, under criteria of transparency, due diligence, and prior authorization, and in no case in cash or cash equivalents. These provisions include specific rules for political and public contributions, which may only be made under formal approval, traceability, and legality criteria, to prevent their use as mechanisms for bribery or improper influence.

The Bank has formal procedures for the reporting, analysis, and investigation of possible violations of the policy, supporting confidentiality, protection against retaliation, and the application of proportional investigations. Within this framework, it has the Ethics Line as an institutional channel for the receipt of complaints, which enables anonymous and secure reporting. Relevant cases and results of these processes are analyzed by the corresponding internal bodies and reported to the corporate governance bodies, supporting supervision, traceability, and control from the highest level of the organization.

Violations of the Anti-Bribery and Anti-Corruption Policy and the Code of Ethics and Conduct give rise to the application of proportional disciplinary and corrective measures, in accordance with the Internal Work Regulations and the Collective Bargaining Agreement, taking into consideration the seriousness of the misconduct, the economic impacts, and the reputational effects. In cases where warranted, the Bank may pursue legal action before the competent authorities.

This comprehensive approach reaffirms Banco Popular's commitment to the highest standards of corporate governance, transparency, and accountability, strengthening a robust system for the prevention, detection, and response to bribery and corruption risks, actively supported by the Board of Directors as the Bank's highest decision-making body.

During 2025, the Bank implemented a comprehensive anti-bribery and anti-corruption training and awareness plan aimed at employees, critical areas, the branch network, and new hires through in-person, virtual, and microlearning strategies. These actions strengthened the zero-tolerance culture, awareness of reporting channels, and the institutional commitment to ethics and integrity.

Fines and/or Sanctions

During 2025, the organization did not record any fines, non-monetary sanctions, or cases brought to litigation associated with non-compliance with current social, environmental, and/or economic regulations. Consequently, no legal impacts or financial costs related to this risk were generated, reflecting the Bank's regulatory compliance management and effective preventive management.

Whistleblowing / Ethics Reporting Channel

[GRI 2-16; 2-26] [CSA.S&P] [FN-CB-510a.2]

The Bank has a formal ethics reporting mechanism (Whistleblowing / Ethics Line), established within the framework of the Code of Ethics and Conduct and the corporate compliance policies, as an integral part of its corporate governance and risk management system. The purpose of this channel is to identify, report, investigate, and manage potential regulatory breaches, unethical conduct, malpractice, fraud, or any other irregularity that may arise within the organization or its affiliated entities.

The Code of Ethics and the operation of the Ethics Line are publicly available on Banco Popular's institutional website and form part of the content disclosed in the corporate sustainability and corporate governance reports, thereby supporting access for all stakeholders.

The Ethics Line operates under formal and documented procedures that support the confidentiality of information, protection against retaliation, and the application of proportional, objective, and independent investigations. The Bank allows whistleblowers to submit reports either anonymously or by name, without the need to disclose their identity or provide contact information, under strict security parameters that ensure the confidentiality of the reports received.

The handling of reports is led by the Comptroller Management Department, which is responsible for the receipt, analysis, investigation, follow-up, and closure of cases. This process is supported, when necessary, by other areas and specialized professionals, including handwriting experts, thereby ensuring sound, traceable, and duly documented conclusions. In addition, a periodic report is submitted to the Audit Committee, the supporting body of the Board of Directors in this matter.

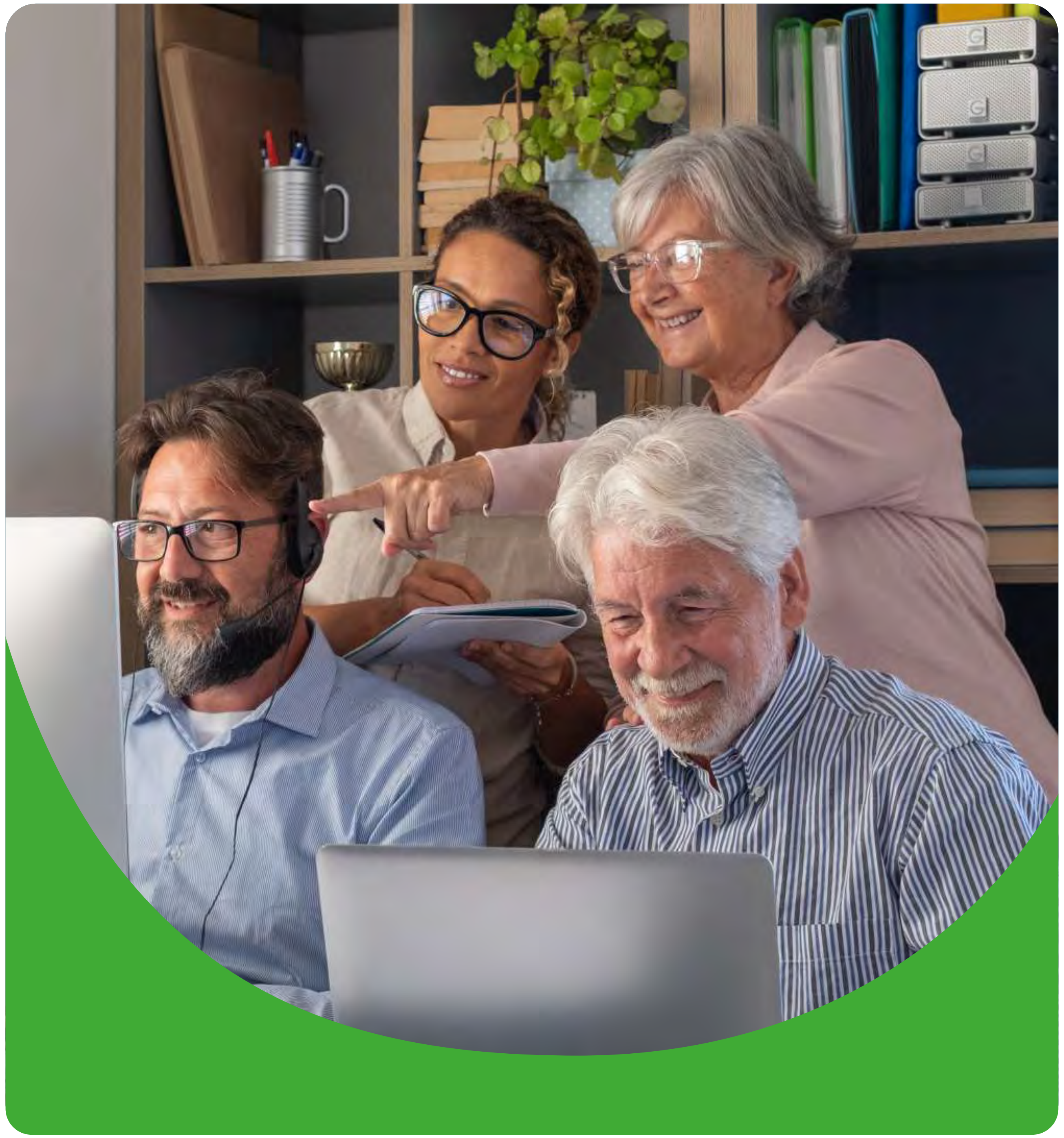
Banco Popular's Ethics Line is administered internally under a functional independence scheme, with controls that ensure impartiality in the receipt, analysis, and investigation of reports.

The Bank guarantees that individuals who report irregularities in good faith and choose to identify themselves will not be subject to retaliation, threats, discriminatory measures, or sanctions, except for those that may apply due to their eventual participation in the facts under investigation, in accordance with the zero-tolerance policy against retaliation.

In cases in which irregular situations are identified, the corresponding actions are adopted according to the nature and seriousness of the facts, which may include disciplinary, administrative, legal, or criminal measures, in accordance with the Internal Work Regulations and current regulations. Where applicable, the Bank proactively informs the competent authorities and cooperates with the control entities, sharing the results of internal investigations and the required information.

The Code of Ethics and Conduct is approved by the Board of Directors, as the Bank's highest decision-making body, which exercises periodic oversight over its effectiveness through the corresponding corporate governance committees.

During 2025, the Ethics Line remained an active and effective reporting channel. In total, **150 reports** were received, all of which were handled in accordance with the established procedures, supporting confidentiality, timely follow-up, and appropriate case closure. No reports were received through channels other than the Ethics Line. Likewise, no Human Rights violations materialized, nor were any reports classified as high impact in this matter.



Ethics Line

[CSA.S&P] [GRI 205-3]

Ethics Hotline	2025
Reports received – Banco Popular ethics hotline	110
Reports received – Aval ethics hotline	40
Total reports received	150

Cases by stakeholder group	2025
Employee / Collaborator	80
Client	64
Shareholder	0
Supplier	6
Total	150

Type of Report	Number of Reports Received
Possible fraud	40
Malpractice / Misconduct	69
Possible corruption	0
Money laundering	0
Possible workplace harassment	21
Human Resources (freedom of association, union matters, payroll)	20
High-impact Human Rights violations	0
Total	150

The reports received corresponded primarily to employees, clients, and suppliers, and were mostly associated with potential misconduct, fraud, and labor-related matters. These results made it possible to strengthen preventive and continuous improvement actions, such as reinforcing reporting channels, periodically reviewing internal policies and controls, and conducting awareness activities on ethics and conduct.

As part of the mechanism's effectiveness approach, the Bank periodically evaluates the performance of the Ethics Line through management indicators that include the number of reports received, their classification by type of complaint and stakeholder group, case handling times, case closure status, and the implementation of corrective actions. These results are analyzed by the Comptroller's Office and reported to Senior Management and the Board of Directors, enabling the identification of trends, the strengthening of preventive controls, and the continuous improvement of the system.

This comprehensive approach reaffirms Banco Popular's commitment to transparency, accountability, and integrity, ensuring that the Ethics Reporting Channel operates as a reliable and accessible mechanism aligned with international standards of good corporate governance and sustainability.

Operations assessed for risks related to corruption

[GRI 205-1, 205-3]

During 2025, 100% of the operations identified as relevant (22) were assessed in relation to corruption risks, within the framework of the internal control system and the organization's compliance program.

Risk management was supported by preventive and continuous monitoring mechanisms, including the review of accounting accounts, the analysis of special operations and sensitive transactions, as well as the follow-up of employee reports, conflicts of interest, and third parties (TPIs, by its Spanish acronym).

These actions enabled the identification of early alerts, the measurement of risk exposure, and the assurance of alignment with internal policies.

As a result of these assessments, no cases of corruption were confirmed during the reporting period; therefore, no risk materialization occurred.

VI. Relevant and Emerging Risks

[SFC CE012/22]

The Bank has implemented the Methodology for the Management of Relevant and Emerging Risks, with a comprehensive framework for the identification, measurement, treatment, and monitoring of relevant risks. This methodology defines a structured, systematic, and cross-cutting process that supports the identification of threats that could affect the achievement of strategic objectives, the sustainability of the business, and the Bank's financial stability.

Relevant Risks
Identification and analysis process:

The relevant risk management cycle includes, among others, the following key activities::

- Analysis of the external context, considering the assessment of the economic, financial, and socio-political environment at the national and international levels.
- Analysis of the internal context, carried out through working sessions and interviews with Senior Management and the Bank's areas.
- Analysis of the main changes in the Bank's strategy, strategic objectives, business, and organizational structure.
- Alignment of relevant risks with the Bank's strategic pillars, ensuring consistency between risk management and strategy.
- Identification of trends in risk and control monitoring, based on the analysis of events, indicators, and early warning signs.
- Definition of treatment actions for the mitigation of identified relevant risks.
- Establishment of indicators and early warning signals that make it possible to anticipate potential risk materializations.

Annual report and approval by the Board of Directors

As a result of this process, the Bank prepares an annual relevant risk report, which considers the main threats that could hinder the achievement of the business strategy. These risks are analyzed and classified into six categories: political, economic, social, technological, environmental, and legal.

The report is submitted for review and approval by the Board of Directors, as the Bank's highest decision-making body, supporting adequate oversight and alignment with corporate governance and comprehensive risk management guidelines.

Relevant risks approved for management in 2025

For 2025, the Board of Directors approved the following relevant risks, together with their inherent and residual risk assessment:

No	Risk	Inherent Risk Rating	Residual Risk Rating
1	Potential impacts on Banking Book Interest Rate Risk, Liquidity, and CFEN due to the funding structure.	Extreme	Moderate
2	Deterioration in the quality of the credit portfolio.	Extreme	Moderate
3	Speed of competitive growth – including payroll-deducted loans (Libranzas) – and the presence of new market players.	Extreme	Moderate
4	Service deficiencies and customer loss (channels, complaints & inquiries, response times).	Extreme	Moderate
5	Failure to meet digital transformation goals, process optimization, and efficiency targets.	Extreme	High
6	Massive critical data breaches, cybersecurity threats, and untimely adoption of artificial intelligence (AI).	Extreme	High
7	Regulatory changes and shifts in the economic and political environment.	Extreme	Moderate
8	Misalignment of human talent and organizational culture with the Bank's Bank's strategy.	High	Moderate
9	Deterioration in solvency due to macroeconomic and structural factors.	Extreme	Moderate

Management, monitoring, and follow-up

The identified relevant risks are managed through specific mitigating actions designed to reduce the likelihood of materialization of identified root causes. Additionally, the Bank uses key risk indicators as continuous monitoring tools designed to generate preventive alerts of potential materializations and facilitating timely decision-making.

During 2025, the Board of Directors, through the Risk Committee, carried out periodic monitoring of the results of the established indicators, evaluating mitigation actions and defining adjustments when necessary. This framework ensures supports continuous oversight and reinforces the integration of relevant risk management into the Bank's corporate governance system.

Emerging Risks

[CSA.S&P]

Through its Methodology for the Management of Relevant and Emerging Risks, the Bank defines emerging risks as those unknown or previously unmanaged risks that may arise as a result of changes in the organizational context, including social, political, economic, environmental, technological, legal, and ethical factors.

Identification and assessment:

The identification of emerging risks is carried out through trend analysis and the assessment of their impact on the Bank's strategic objectives and business model. For a risk to be classified as emerging, it must meet the following criteria:

- Be a new or emerging risk, not previously managed.
- Have a significant long-term impact (3 to 5 years or more) on the Bank's strategy.
- Originate externally, that is, derive from events beyond the Bank's direct control.
- Have the potential to substantially affect results, reputation, or operational continuity.

The identified risks are documented in an annual emerging risk report, which is approved by the Board of Directors, as the Bank's highest decision-making body. Periodic oversight of the implementation of actions is carried out through the corresponding corporate governance committees, supporting the traceability and effectiveness of the mitigation plan. The emerging risks identified for 2025 are presented below:

1. Trade or geopolitical conflicts between countries classified as global powers.
2. Macroeconomic volatility, including fluctuations in GDP, unemployment, and inflation.
3. Cyber fraud associated with emerging technologies.
4. Social polarization and migration or forced displacement.
5. The spread or outbreak of health events that impact the Bank's and its subsidiaries' normal operations.
6. Extreme weather events.
7. Significant increase in country risk.
8. Transformation of the financial market due to changes in financial consumer behavior.
9. Pace of technological advancement adoption.

Main Emerging Risks 2025

Selected for their speed of emergence and their potentially significant long-term impact.

Risk 1: Pace of technological advancement adoption

a. **Description:** The accelerated technological disruption and adoption of emerging technologies globally, the digitalization of the sector, and the use of AI in the financial sector continuously transform the way institutions operate and compete, enabling substantial improvements in processes, greater operational efficiency, and enhanced responsiveness to the market and customers. However, cybercriminal networks have also increased their use of AI tools, enhancing their ability to carry out more sophisticated attacks and making them more difficult to predict or identify in a timely manner, which could affect resilience against external threats and raise customer and regulatory expectations.

If the pace and magnitude of global technological advances—unpredictable and unprecedented over the next 3 to 5 years—exceed the Bank's pace of adaptation, structural changes in architecture, technology governance, and cyber-resilience capabilities may be required, potentially affecting the service model and trust.

b. **Risk category: Technological.**

c. **Potential impact on the business:**

The risk is significant for the Bank due to its impact on the business and the need to adapt its strategy, as indicated below:

- Loss of competitiveness by failing to match competitors' pace of innovation through the use of new technologies, especially in products and digital advisory services. A slow pace of automation and use of AI in credit processes for the Bank's focus products, such as payroll-deducted loans, in which the Bank holds a 19.2% market position, increases operating costs and slows response times, affecting competitiveness and net interest margin by not capturing the efficiencies that AI provides to other market participants.
- Loss of strategic customers: 12% of the country's banked population over the age of 50 are clients of Banco Popular, which is the Bank's focus segment, due to a lack of capacity to provide simple, inclusive, and secure services that prevent attrition resulting from operational friction or fear of fraud, which could lead to a migration of deposits to competitors with stronger digital infrastructures.
- Impact on the Bank's investment plan due to the need to migrate to modern architectures (cloud, microservices, data/AI), which may require greater investment in resilience, data, and cybersecurity and less in traditional expansion.
- Vulnerability to fraud: Without real-time AI-based monitoring tools, the Bank has limited capacity to identify identity impersonation attacks (deepfakes) and complex financial fraud, which would result in direct economic losses and increased claims-related expenses.

d. **Mitigation actions:** The entity has defined actions focused on the identification and gradual closing of gaps and the protection of critical assets:

- Monitoring of technological infrastructure and its level of modernization compared to peers in the financial sector and international developments, in order to identify potential gaps and analyze the feasibility of upgrades.
- Front-to-end digitalization plan for focus products, payroll-deducted loans, managed on critical legacy systems.
- Feasibility analysis for the implementation of advanced anti-phishing controls, deepfake (voice/video) detection, and multimodal identity verification in order to identify AI-generated threats.
- Training: intensive awareness programs for employees and clients on the detection of social engineering and sophisticated fraud.
- Technology investment governance: Quarterly reporting to Senior Management on the status of technological infrastructure and gap remediation.

Risk 2: Cyber fraud associated with emerging technologies

a. **Description:** The transformation of the external digital threat landscape due to the growth and intensification of the use of Generative AI has enabled an increase in the number of financial fraud cases through the creation of high-fidelity deepfakes (voice and image) and fake news that manipulate the market and the Bank's customers. For the Bank, this risk is concentrated in attackers' ability to rapidly adopt AI tools to circumvent traditional identification methods and carry out advanced social engineering, making prediction and mitigation more difficult. Additionally, as transactional profiling models become more sophisticated through AI tools, the risk of biases and systemic errors inherent in the implementation of autonomous processes increases, which could compromise fairness and transparency in financial decision-making, as well as lead to an increase in claims, higher costs, and an impact on the trust of the Bank's customers.

b. **Risk category:** Technological.

c. **Potential impact on the business:** The risk is significant for the Bank due to its impact on the business and the need to adapt its strategy, as indicated below:

- Impact on personal banking business models: Identity impersonation in credit product origination processes such as payroll-deducted loans or credit cards, due to the lack of advanced biometrics or deepfake detection, compromises portfolio quality and the trust of paying entities in the case of payroll-deducted loans, especially for the Bank considering that our strategy has a special focus on clients over 50 years of age, who are more vulnerable to this type of event.
- Erosion of trust among vulnerable clients: A mass fraud event or the perception of digital insecurity may trigger a massive withdrawal of deposits and rejection of the adoption of digital products, especially among older individuals, which could affect the Bank's operating model.
- Increase in associated costs and regulatory risks: Late detection of sophisticated fraud may lead to an increase in claims, compensation expenses, and legal provisions, as well as indirect impacts on reputation and regulatory compliance.
- Impact on digital resilience and technology strategy: The need to implement advanced monitoring systems, biometrics, and reliable autonomous processes may require strategic investments in cybersecurity and technological modernization, affecting resource allocation and the prioritization of strategic projects.

d. **Mitigation actions:** To anticipate and mitigate the potential effects of this emerging risk, the Bank has implemented a strategic mitigation framework that includes:

- Strengthening of traditional security: implementation of strong authentication and two-way communication protocols with the client through the use of AI and Machine Learning tools, prior to conducting security calls for atypical transactions or changes to customer information.

- Preventive Education Programs: awareness initiatives for clients, especially older adults, regarding social engineering tactics, positioning customers as a first line of defense.
- Crisis governance and pattern monitoring: implementation of an internal interdisciplinary task force that analyzes reported fraud patterns to adjust blocking rules, as well as anticipate emerging trends from external actors.
- Alliances with specialized third parties: evaluation of "security-as-a-service" (SaaS) models to strengthen fraud detection and prevention where the Bank requires external developments.

VII. Internal Control, SOX

The Bank's Internal Control System (SCI, by its Spanish acronym) consists of the set of policies, principles, rules, procedures, and verification and evaluation mechanisms established by the Board of Directors, Senior Management, and other Bank employees, in order to provide reasonable assurance in the achievement of its strategic and process objectives, through risk management and the effectiveness of controls, in accordance with applicable regulations and practices. The Bank maintains an SCI consistent with its risk profile, strategic and business plan, the nature, size, and complexity of the activities it carries out, as well as the economic environment and markets in which it operates. To achieve its purposes, the Bank establishes as principles of its Internal Control System: self-control, self-regulation, and self-management.

The SCI identifies components related to the control environment, risk assessment, control activities, information, communication, and monitoring, taking into account the elements and governance and control architecture that enable its appropriate functioning and continuous improvement, based on COSO, through the Bank's three lines of defense that form part of the Internal Control model.

The Bank as a whole participates in the Internal Control System. To support its follow-up and monitoring, the Board of Directors, its supporting committees, and Senior Management are responsible for evaluating its functioning, as well as compliance with strategic objectives and the definition of the organizational culture. For this purpose, specific controls and processes have been implemented to support its continuous strengthening.

3

Opportunity for All

Culture, well-being, inclusion, and social equity

3.1. Internal Social

3.1.1 Cultural Transformation

At the Bank, human talent is viewed not merely as a resource, but as a strategic pillar that drives organizational transformation and business sustainability. Each employee represents a key asset in achieving strategic objectives, and their continuous development enables the organization to respond with agility, resilience, and excellence to changes in its operating environment. In this regard, human talent management supports innovation, value creation, and the strengthening of institutional performance.

During 2025, the Bank made significant progress with the launch of the **BanPop organizational culture, aligned with the institutional strategy.** The Bank implemented initiatives designed to create value for both employees and clients. Among these was the **Asistentes Mijos** initiative, which seeks to leverage the experience and empathy of individuals aged 50+ to guide clients across different products, as well as specific training programs for managers and advisors focused on deepening portfolio knowledge and strengthening risk management capabilities.

For 2026, the main challenges focus on strengthening an **organizational culture consistent with changes in the environment,** consolidating leadership as a driver of execution, and continuing to advance the development of strategic capabilities, promoting innovation, including the adoption and responsible use of **artificial intelligence.** This is supported by an **agile organizational structure aligned with the strategy,** prepared to respond in a timely and efficient manner to business and client needs.

banpop Culture

In 2025, the Bank defined and implemented the BanPop Culture Model, designed to embed behaviors and practices that reinforce the institutional identity and promote a culture consistent with the Bank's corporate principles and strategy. This model serves as a guiding framework for decision-making, internal relationships, and strategic execution, contributing to sustainable results aligned with the institutional purpose. The model is grounded in the Bank's purpose: **"We transform together to make possible the best time of your life,"** placing clients and employees at the center of the business. This vision translates into a culture that guides organizational behavior, strengthens strategic alignment, and mobilizes teams toward a common objective. BanPop culture is expressed through five pillars that guide the Bank's daily work:

We do **everything** for **our clients**	Every action is aimed at generating value, well-being, and simple, safe, and satisfying experiences for clients.
We work **together** for **a single purpose**	Alignment around a common goal enables the strategy to be executed with greater agility, consistency, and effectiveness.
We evolve fast and **make it simple**	Innovation and process simplification are essential to responding to a constantly changing competitive environment.
We build **healthy** relationships and **enjoy** life at work	Well-being, development, and trust-building are at the heart of the strategy, fostering environments of learning and growth.
We reach our goals with **responsibility and integrity**	Results are achieved under ethical principles, with institutional accountability and a commitment to sustainability.

Key initiatives associated with the model include:

banpop Day

This initiative brings the Bank's leaders closer to the day-to-day operations of commercial offices, strengthening leadership that is approachable, human, and connected to the reality of the teams

banpop Cracks

This recognition initiative highlights employees and teams that contribute to strategic projects, promoting engagement, motivation, and a high-performance culture.

The impact of the BanPop Culture Model is reflected in greater clarity regarding how strategic objectives are achieved, in the strengthening of the sense of belonging, and in a more consistent execution of the strategy. Culture is consolidated as a **common framework that aligns decisions, behaviors, and priorities,** generating value for both clients and employees.

Labor Practices

[CSA.S&P]

Aligned with the BanPop Culture Model, the Bank has formalized an institutional commitment to promoting dignified, equitable, and inclusive working conditions. This commitment is supported by corporate policies approved by Senior Management. The Bank's approach extends beyond regulatory compliance and is aligned with high standards in labor rights, gender equity, well-being, and occupational health and safety, integrating these principles into the human talent strategy and organizational decision-making processes. The management of labor practices is aligned with the Bank's strategic objectives and is subject to periodic monitoring through governance bodies and the teams responsible for Human Talent. This commitment is implemented through clear guidelines aimed at:

- Support **fair and competitive compensation**, periodically reviewed in relation to market conditions and cost of living.
- Promote practices that enable **equitable compensation**, supported by objective job and profile evaluation systems, without gender discrimination
- Promote balanced working hours, with **clear limits on working time** and formal mechanisms for work disconnection.
- Promote **effective rest,** through statutory leave and additional benefits.
- Strengthen **social protection** by complementing mandatory schemes with additional coverage.

The Bank recognizes freedom of association and social dialogue as essential elements of sustainable labor relations. In this regard, it maintains formal and ongoing communication and participation channels with workers' organizations, enabling the timely identification of concerns, the management of labor risks, and the strengthening of mutual trust.

The Bank reaffirms its ongoing commitment to generating dignified, fair, and equitable working conditions for all its employees, convinced that their well-being is essential for sustainable growth and long-term value creation.

Labor Practices Programs

[CSA.S&P]

To support the effective implementation of its commitments, the Bank has developed a set of structured labor practices programs designed to support continuous improvements in employees' quality of life and strengthen their connection with the organization. These programs provide comprehensive coverage across the workforce and are periodically monitored to assess their effectiveness and impact.

- **Fair wages and economic stability**

The Bank provides competitive salaries, well above the current statutory minimum wage, supporting employees' economic stability and ability to meet basic needs.

- **Equitable compensation and non-discrimination**

The Bank has a job **evaluation system** that supports the assignment of compensation in an objective and transparent manner, based on the role, responsibilities, and impact of the position. This system is applied across the organization and serves as a basis for strengthening pay equity between women and men, helping mitigate risks of wage gaps and discrimination.

- **Working hours, disconnection, and well-being**

With regard to work-life balance, the Bank operates under a **40-hour workweek**, below the Colombian legal standard, supported by a Work Disconnection Policy that applies to the entire workforce. Overtime, when required for operational reasons, is authorized under defined procedures and compensated in accordance with applicable law. This framework contributes to strengthening overall well-being.

- **Vacation and effective rest**

In addition to statutory leave, the Bank grants a **conventional** vacation bonus, significantly exceeding regulatory minimums. Through an annual planning protocol, the effective use of vacation time is actively promoted, mitigating risks associated with unplanned absenteeism and the deterioration of physical and mental well-being.

- **Supplementary social protection**

As part of its comprehensive approach to well-being, the Bank offers a complementary **health insurance policy** for employees and their immediate family, reinforcing the coverage of the General Health Social Security System and contributing to greater security and stability.

- **Labor relations and social dialogue**

The implementation of these practices is complemented by a **structured labor relations model,** which includes formal forums for dialogue and participation, such as:

- *Claims Commission*
- *Childcare Committee*
- *Conciliation Committee*
- *Joint Occupational Health and Safety Committee*
- *Housing Committee*
- *Workplace Coexistence Committee*
- *Education Committee*

These forums enable the continuous monitoring of working conditions, the preventive management of conflicts, and the identification of opportunities for improvement, thereby strengthening the sustainability of labor relations.

Through this comprehensive approach, the Bank has strengthened its management of labor practices, helping reduce social risks, strengthens talent retention, and promotes healthy and productive work environments, directly contributing to operational continuity and the achievement of strategic objectives.

Employees

[GRI 2-7; 2-8] [CSA.S&P][24]

In alignment with its responsible human talent management approach, the Bank systematically monitors of the composition of its workforce, considering variables such as type of contract, gender, employment category, working hours, and strategic profiles. This information serves as a key input for planning, decision-making, and the identification of social risks in the short, medium, and long term.

Contracts	2024 - Women	2024 - Men	2024 - Total	2025 - Women	2025 - Men	2025 - Total
Permanent direct contract	1,821	1,165	2,986	1,818	1,186	3,004
Apprentices & SENA	82	47	129	90	39	129
Total direct	1,903	1,212	3,115	1,908	1,225	3,133
Temporary / transitional	221	131	352	232	120	352
Total	2,124	1,343	3,467	2,140	1,345	3,485

Employees by Job Category, Gender and Contract Type	No. Women	No. Men	Total
Top Management	4	6	10
Middle Management – Permanent direct	28	44	72
Junior Management – Permanent direct	127	126	253
Functional areas – Permanent direct	1,659	1,010	2,669
Total – Permanent direct	1,818	1,186	3,004
Functional areas – SENA Apprentices	90	39	129
Total – Apprentices & SENA	90	39	129
Total employees	1,908	1,225	3,133

[24] By virtue of the entry into force of the Labor Reform (Law 2466 of 2025), the apprenticeship contract acquires the nature of a special employment contract. Consequently, Apprentices and SENA apprentices become categorized as employees with direct contracts. This change implies a methodological adjustment in the calculation and classification of the total number of employees, which may affect the comparability of figures with previous periods.

The reported information covers 100% of employees, including direct contracts and SENA apprentices.

As of the end of 2025, the Bank had **3,133 employees,** of whom **60.9% were women,** reflecting sustained majority participation within the organization. This supports the practice of maintaining female participation above 55% of the total direct workforce. This composition reflects the Bank's ability to attract and retain female talent, contributing to diverse work environments that strengthen innovation, engagement, and organizational efficiency.

In 2025, women represented **67%** of employees in commercial and business functions25, a proportion aligned with their participation in the total workforce. This indicator is used as an input to strengthen strategies for attracting, developing, and retaining female talent in roles that are key to business sustainability.

STEM Employees[26]

[GRI 2-7; 2-8] [CSA.S&P]

Category	No. Women	No. Men	Total
Permanent direct contract	177	341	518
Apprentices & SENA	0	1	1
Temporary / transitional	15	7	22
Total employees	192	349	541

As part of its digital transformation strategy, the Bank monitors the participation of women in STEM roles (Science, Technology, Engineering, and Mathematics). In 2025, the Bank had 541 STEM employees, of whom 192 were women, representing 35.5% of this group. This indicator is actively managed within the workforce planning model, with the aim of progressively increasing female participation in technological and analytical profiles, considered critical for business evolution and innovation.

[15]The Bank classifies as revenue-generating functions those directly linked to commercial management and to the Vice Presidency of Individuals, Companies and Government, and the Vice Presidency of Treasury and Subsidiaries.

[26]STEM employees use their knowledge of science, technology, engineering, or mathematics in their daily responsibilities. To be classified as a STEM employee, the individual must have a STEM-related qualification and use this knowledge in their operational role. Positions include, among others, the following: computer programmer, web developer, statistician, logistics specialist, engineer, physicist, scientist (definition according to DJSI).

[GRI 2-7; 2-8]

Category	No. Women	No. Men	Total
Under 30 – Permanent direct	222	131	353
Between 30 and 50 – Permanent direct	1,305	703	2,008
Over 50 – Permanent direct	291	352	643
Total – Permanent direct	1,818	1,186	3,004
Under 30 – Apprentices & SENA	89	38	127
Between 30 and 50 – Apprentices & SENA	1	1	2
Over 50 – Apprentices & SENA	0	0	0
Total – Apprentices & SENA	90	39	129
Total employees	1,908	1,225	3,133

As of the end of 2025, the Bank had 3,133 direct employees, with a balanced age structure that enables the combination of experience, institutional continuity, and talent renewal.

Total Employees by Region

[GRI 405-1]

Region	Count
Andean	2,581
Pacific	231
Caribbean	215
Orinoquía	52
Amazonian	45
Insular	9
Grand Total	**3,133**

[GRI 2-17]

Employees by educational level and gender	Women on permanent contracts	Men on permanent contracts	Total permanent	Women apprentices and SENA	Men apprentices and SENA	Total apprentices and SENA	Total direct employees
High school diploma	1,049	701	1,750	90	39	129	1,879
Technical degree	74	46	120	0	0	0	120
Technologist degree	94	58	152	0	0	0	152
Bachelor's degree	570	355	925	0	0	0	925
Graduate specialization	27	15	42	0	0	0	42
Master's degree	4	11	15	0	0	0	15
Total	**1,818**	**1,186**	**3,004**	**90**	**39**	**129**	**3,133**

National and Foreign Employees by Employment Category

[GRI 2-7]

The Bank has a predominantly national workforce, with a limited participation of foreign employees (3 individuals).

Diversity, Equity, and Inclusion (DEI)

[CSA.S&P]

The Bank recognizes that diversity, equity, and inclusion (DEI) are fundamental pillars of its organizational culture, as a safe, diverse, and inclusive environment enhances innovation, creativity, and talent retention. During 2025, the institution focused its efforts on strengthening the regulatory framework, raising awareness among its teams, and participating in best practices, thereby consolidating its commitment to an equitable, respectful work environment.

The Bank has a **DEI Policy** and, during 2025, the **Policy for the Prevention of Discrimination, Violence, and Sexual Harassment** was approved by the Board of Directors. These policies:

- Are grounded in current national regulations.
- Reaffirm the principle of zero tolerance for conduct that violates human dignity.
- Establish clear mechanisms for protection, response, and corrective action.
- Apply across stakeholder groups.

These initiatives support a safe and equitable framework, promoting inclusion across all dimensions of the organization and reinforcing a culture of respect.

Strategic DEI Initiatives

In 2025, the Bank implemented key actions to close gaps and strengthen diversity, equity, and inclusion:

Conscious leadership
Training for the Board of Directors and the Executive Committee on unconscious bias, aimed at fostering alignment around diversity and inclusion applied to executive decision-making.

Training programs
Webinars on "Female Empowerment" and "New Masculinities," with the participation of more than 635 employees, reaching 65% coverage of the total workforce.

DEI characterization survey
An anonymous and confidential questionnaire that enabled the identification of specific needs and the definition of an action plan with measurable objectives for 2026.

Renewal of strategic memberships
Reaffirmation of Grupo Aval's corporate membership with the Diversity Chamber, consolidating the Bank's participation in diverse talent markets.

Dissemination and training on the Policy for the Prevention of Discrimination, Violence, and Sexual Harassment
Directed at all employees through virtual training, with participation by over 873 employees.

Participation in the Inclusive + Talante Fair
Organized by the Bogotá Chamber of Commerce, where approximately 120 individuals received assistance and had the opportunity to learn about available vacancies, contributing to employer brand positioning and strengthening business engagement in inclusive employment environments.

[CSA.S&P]

Employees by minority groups

Total: 59

2025

Group	2025
LGBTIQ+	27
Migrant	3
Ethnic communities (Indigenous peoples, Raizal, Palenquero and Rrom)	14
Afro-descendant	15

Through the Characterization Survey, representative information was collected to map the presence of LGBTIQ+ populations, migrants, ethnic communities (Indigenous peoples, Raizales, Palenqueros, and Rrom), and Afro-descendants within the organization. This process identified a total of 59 employees belonging to these groups.

Employees with some degree of disability

Type of Disability	No. of Persons with Disabilities (PWD)
Visual impairment (disability degree +25%)	0
Hearing impairment (disability degree +25%)	2
Deafblindness	0
Intellectual (cognitive) disability	0
Psychosocial (mental) disability	1
Physical disability (reduced mobility)	5
Multiple disabilities	4
Total	12

Regarding the inclusion of persons with disabilities, the Bank recorded 12 employees with some degree of disability, including hearing, physical, psychosocial, and multiple disabilities. This systematic record enables the implementation of workplace integration measures and reasonable accommodations, supporting an inclusive environment that promotes full participation and professional development for all employees. The Bank complements these actions with awareness programs, diversity mapping, and continuous monitoring of indicators, strengthening an organizational culture based on equal opportunities, respect, and inclusion.

New Hires

[GRI 2-9; 401-1] [CSA.S&P]

The management of new hires is a key component of the Bank's human talent strategy, as it supports operational continuity, strengthens critical capabilities, and supports talent renewal in alignment with the business's strategic priorities. During 2025, the Bank maintained a balanced approach to internal mobility and the recruitment of external talent, prioritizing efficiency, equity, and sustainability in the recruitment process.

[CSA.S&P][27]

Average hiring costs by job category	2025
Top Management	$53,207,702
Middle Management	$22,915,635
Junior Management	$1,127,517
Functional Areas	$1,091,499
Total average hiring cost	$1,928,726

The Bank monitors the average hiring cost per person and by employment category as part of its efficient human capital management and control of costs associated with workforce growth and renewal. Although costs vary depending on the complexity of the position and the level of specialization required, this indicator is used as an input to optimize recruitment processes, assess the financial impact of turnover and growth, and prioritize internal mobility in strategic roles.

[27] The average hiring cost per person and by employment category must consider all direct and indirect expenses associated with the recruitment process. This includes: internal or outsourced recruitment and selection services; licenses or subscriptions for the use of technological platforms for job postings or specialized software; tools for the assessment of skills, personality, and competencies; pre-employment medical examinations and background checks (employment, judicial, academic, etc.); and logistical, administrative, and legal costs inherent to the onboarding process.

Vacancies filled by internal employees	2025
Number of open vacancies	708
Number of vacancies filled by internal employees	270
Vacancies filled by internal employees (%)	38%

Internal mobility is used as a structural mechanism to fill positions at different levels, ensuring cultural alignment and continuity in strategy execution. This reflects an active internal promotion and talent development policy that contributes to retaining organizational knowledge, reducing hiring time and costs, and strengthening employee engagement and career paths.

New hires during 2025 by employment category and gender

[GRI 2-9; 401-1] [CSA.S&P]

Job Category	No. Women	No. Men	Total new hires
Top Management	1	1	2
Middle Management	0	7	7
Junior Management	12	12	24
Functional Areas	150	125	275
Total	**163**	**145**	**308**

As of the end of 2025, the Bank hired 308 new employees, with a balanced gender distribution: 52.9% women and 47.1% men, reflecting an inclusive recruitment approach aligned with principles of equity.

New hires during 2025 by age range and gender

[GRI 401-1] [CSA.S&P]

The analysis by age group reflects a clear focus on talent renewal and sustainability:

Under 30 years of age: 171 new hires

55.5%

with notably higher female participation.

Between 30 and 50 years of age: 133 new hires

43.2%

a key segment for filling technical, commercial and leadership positions.

Over 50 years of age: 4 new hires

1.3%

associated with highly specialized profiles or specific experience.

This distribution enables the Bank to balance experience, continuity, and generational renewal.

All new employees incorporated in 2025 were of Colombian nationality.

New employees by age range and gender	*No. Women*	*No. Men*	*Total new hires*
Under 30	100	71	171
Between 30 and 50	63	70	133
Over 50	0	4	4
Total	**163**	**145**	**308**

Employee Movements

[GRI 401-1]

Employee departures and turnover are strategic human capital indicators, as it directly impacts operational continuity, the retention of critical knowledge, and the sustainability of the Bank's talent. During 2025, **290 employee movements** were recorded, and their distribution by gender, age, employment category, and nationality provided key information for strategic decision-making and the design of retention initiatives.

Employee Departures by Gender	No. Women	No. Men	Under 30	30–50	Over 50	Total
Voluntary resignation	62	62	20	93	11	124
Dismissal	12	12	4	16	4	24
Mutual agreement	8	4	0	7	5	12
Retirement (including early retirement)	38	18	0	1	55	56
Contract expiration and/or failure to pass probationary period	39	32	64	7	0	71
Death	0	3	0	2	1	3
Total departures	159	131	88	126	76	290

Of the total departures, **159 were women and 131 were men**, reflecting overall balance, while also highlighting areas of risk in certain segments:

Employee Departures by Job Category	Top Mgmt (N+1)	Middle Mgmt (N+2)	Junior Mgmt (N+3)	Functional Areas	Total
Voluntary resignation	3	7	15	99	124
Inter-company transfer within Grupo Aval	0	0	0	0	0
Dismissal	0	0	0	24	24
Mutual agreement	0	1	6	5	12
Retirement (including early retirement)	2	4	3	47	56
Contract expiration / probation failure	0	0	0	71	71
Death	0	0	0	3	3
Total departures	5	12	24	249	290

During 2025, the Bank recorded a total of 290 departures. Of these, 289 corresponded to national personnel and one to foreign personnel. The departure of the foreign employee was due to voluntary resignation.

Turnover

[GRI 401-1] [CSA.S&P]

During 2025, the organization's total turnover rate was **9.28%**, while voluntary turnover reached **3.97%.** These indicators are periodically monitored to strengthen retention, internal mobility, and succession planning.

Category	Subcategory	2024	2025
Gender	Women	7.13%	8.33%
	Men	8.79%	10.69%
Age	Under 30	1.65%	18.33%
	Between 30 and 50	4.73%	6.26%
	Over 50	1.38%	11.81%
Job Category	Top Management	18.41%	50%
	Middle management	43.53%	16.66%
	Junior management	68.65%	9.48%
	Functional Areas	6.48%	8.89%
Nationality	Nationals	9.02%	9.23%
	Foreign nationals	0%	33.33%

Training and Development

[CSA.S&P]

Employees with Career Development Plans

[GRI 401-1]

The Bank supports the sustainability of human talent through structured career development plans focused on internal mobility, retention of key talent, and the development of critical capabilities. During 2025, 197 employees benefited in strategic areas such as Digital Solutions, Cybersecurity, Corporate Governance, Credit Analytics, and Innovation. These initiatives support the alignment of competency development with corporate strategy, strengthen organizational culture, foster innovation, and enhance the customer experience.

Turnover and Training –Employees with Career Development Plans

Employees with Career Development Plans	No. of employees	% of employees
Employees with career development plans	147	4.69%
Employees with competency development programs	20	0.63%

Career development plans are designed to support the continuity of strategic talent, strengthen internal mobility, and reinforce technical specialization.

Investment in Training and Development

[GRI 404-1; 404-2] [CSA.S&P]

During 2025, Banco Popular invested $599 million in training, strengthening talent development as a strategic pillar of the business. This represents a significant increase compared to 2024 ($330 million). Key programs were implemented in leadership, commercial and operational skills, and customer experience for the Branch Network and Corporate Banking. In addition, initiatives were developed in financial risk, non-financial risk, ethics, tailored training for General Management areas, and induction programs. Some training actions did not require direct financial investment. These initiatives contributed to sustainable value creation by strengthening performance, talent development, and employee engagement.

Investment in Training and Development	2024	2025
Total training and development hours	207,085	205,593
Average training and development hours per employee	67.52	65.6
Average investment in training and development programs (COP)	$107,667	$171,879

Direct and Indirect Employees 2025	*Direct*	*Indirect*	*Total*
Number of trained employees	3,133	352	3,485
Total training and development hours	205,593	23,099	228,692
Average training hours per employee	65.62	65.62	65.62
Percentage of training hours	89.9%	10.1%	100%

The training programs were aimed at direct employees and contract workers, as shown in the chart. In addition, 48 people received training through service provision, with the goal of strengthening capabilities, promoting best practices, and creating value. Ongoing training programs were implemented in leadership, comprehensive risk management and ethics, customer service, and the development of commercial, operational, and technological skills, as well as customized training for General Management areas.

Training and Development by Gender 2025	Women	Men	Total
Number of trained employees	1,908	1,225	3,133
Total training and development hours	125,206	80,387	205,593
Average training hours per employee	65.62	65.62	65.62
Percentage of training hours	60.89%	39.10%	100%

Training programs are aimed at all employees, regardless of gender, and focus on strengthening the capabilities required to perform their roles and contribute to organizational results and strategy execution.

Training and Development by Age Range 2025	Under 30	30–50	Over 50	Total
Number of trained employees	480	2,010	643	3,133
Total training and development hours	31,498	131,900	42,195	205,593
Average training hours per employee	65.62	65.62	65.62	65.62
Percentage of training hours	15.32%	64.15%	20.52%	100%

Training programs were developed with coverage across all age ranges, supporting equal access to competency development. The training initiatives were designed cross-functionally for the target population of each program.

Training and Development by Job Category 2025	Top Management (N+1)	Middle Management (N+2)	Junior Management (N+3)	Functional Areas	Total
Number of trained employees	10	72	253	2,798	3,133
Total training and development hours	656	4,725	16,602	18,361	205,593
Average training hours per employee	65.60	65.63	65.62	65.62	65.62
Percentage of training hours	0.31%	2.29%	8.07%	89.30%	100%

During 2025, specific training programs were implemented by employment category, supporting the development of competencies aligned with the responsibilities of each role. The initiatives strengthened technical, leadership, and management skills, supporting the alignment of talent with the Bank's strategic objectives.

Training and Development by Nationality 2025	Nationals	Foreign nationals	Total
Number of trained employees	3,130	3	3,133
Total training and development hours	205,396	197	205,593
Average training hours per employee	65.62	65.67	65.62
Percentage of training hours	99.90%	0.09%	100%

The training initiatives were implemented across the organization, regardless of nationality, and aligned with the functions and responsibilities of each position, supporting equal opportunities in talent development.

During 2025, the Bank developed a comprehensive training and development plan aimed at strengthening technical capabilities, leadership, and organizational culture, with cross-cutting benefits for employees.

In the area of **diversity, equity, and inclusion,** 3,003 employees were trained, with a total of 1,502 training hours, contributing to an organizational culture based on respect, equity, and appreciation for diversity.

In **information security, technology risks, and cybersecurity,** 2,869 employees participated, accumulating 2,869 training hours. These initiatives included the Board of Directors, Senior Management, middle management, and functional areas, supporting a comprehensive understanding of associated risks, responsibilities, and controls. As part of this strategy, a learning fair was held on Risk Day, and the BanPop My Safe Place initiative was launched through interactive activities aimed at raising awareness across the organization.

In addition, the Bank strengthened **leadership competencies** through a specific training plan, in which **more than 107 employees** were trained, with a total of **204 training hours,** contributing to the development of management skills and the strengthening of organizational performance.

Types of Training
[CSA.S&P]

The Bank implements structured talent development programs aimed at strengthening competencies, enhancing leadership, accelerating digital transformation, and reinforcing an organizational culture aligned with corporate strategy. These programs go beyond basic or regulatory training and are designed to contribute to sustainable improvements in performance, productivity, and business competitiveness. Their effectiveness is monitored through internal performance, productivity, turnover, operational efficiency, and cultural alignment indicators.

1. Coaching or Mentoring

The leadership and coaching program was designed to strengthen leadership competencies at different levels of the organization, integrating coaching tools focused on commercial management, leadership, coaching skills, individual development plans, and human talent development. The program aims to consolidate high-performance teams by enhancing leaders' ability to inspire, support, and develop their teams, improve goal management, strengthen strategic decision-making, and promote professional growth. The impact of the program is internally evaluated through team performance, the execution of commercial objectives, the retention of key talent, and improvements in customer experience indicators.

Impacts on the business:

- Increase commercial productivity.
- Develop talent and consolidate high-performance teams.
- Strengthen a culture of support and conscious leadership.
- Improve customer experience and service quality.

2. Teams and Networking

Program: Diploma Programs, Conferences, and Alliances

During 2025, the Bank promoted training programs through diploma programs, participation in conferences, and strategic alliances, including sector events such as the Banking Convention, congresses organized by Asobancaria, ANDI, Asofiduciarias, and other specialized forums. These initiatives enabled the technical and regulatory updates for teams, the exchange of leading practices in the financial sector, and the strengthening of strategic networks with key market players.

Team-based learning and networking foster a cross-functional view of the business, strengthens the ability to anticipate regulatory, financial, and commercial challenges, and promotes applied innovation. The Bank monitors the benefits of these initiatives by identifying improvements in decision-making, the adoption of leading practices, and the strengthening of technical capabilities in key areas.

Impacts on the business:

- Reinforce the Bank's institutional presence and leadership in strategic financial and business sector forums.
- Strengthen commercial, risk, compliance, and treasury capabilities, with a positive impact on decision-making.
- Generate strategic alliances and business opportunities through high-level networking.
- Improvement in technical updating and brand positioning as a bank committed to training and market leading practices.

3. Leadership Programs

The Bank implemented leadership programs aimed at different levels of the organization, including Senior Management, managers, and Branch Network leaders. These included the High-Impact Leaders Diploma Program, workshops on leadership and assertive communication, and the Foundations of Coaching Diploma Program, developed with university certification.

These programs aimed to strengthen leadership competencies, effective communication, decision-making, accountability, and team management,contributing to more efficient execution of strategic projects, reduced operational risks, and retention of key talent. The impact of these initiatives is monitored through internal performance, strategic alignment, and management results indicators.

Impacts on the business:

- Improve the execution of strategic projects, especially in technology and transformation areas.
- Reduce operational risks through more effective and conscious leadership.
- Strengthen retention and development of key talent.
- Increase alignment between leadership and corporate strategy.

4. Cultural Education

The Banpop Leaders Meeting and the launch of the Culture Model served as a strategic forum to align leaders with the Bank's cultural pillars, leadership expectations, and their role as promoters of the organizational culture. This initiative supported the transition from a declared culture to one that is understood and embraced in practice.

and applied in day-to-day decision-making. The Bank monitors the impact of cultural education through internal assessments of alignment, consistency in decision-making, and improvements in cross-functional coordination, thereby strengthening strategy execution and the customer experience.

Impacts on the business:
- Align leaders under a unified approach to decision-making.
- Reduce misalignments across areas and teams.
- Accelerate strategic execution.
- Strengthen leadership as a lever for cultural transformation.
- Improve customer experience through better-aligned teams.

5. Digital Transition Programs

The Bank developed training programs in Artificial Intelligence and Technology, focused on the adoption of tools such as Microsoft Copilot and other digital solutions. These programs supported employees in optimizing tasks, improving productivity, and strengthening decision-making through the use of emerging technologies. The effectiveness of these programs is evaluated through internal indicators of operational efficiency, technology adoption, and process optimization, contributing to the Bank's digital transformation strategy.

Impacts on the business:

- Increase productivity and operational efficiency through task automation.
- Improve quality and agility in decision-making.
- Advance digital transformation and strengthen digital competencies.
- Consolidate a culture of innovation and technology adoption.

In 2025, the Bank promoted a comprehensive training strategy focused on leadership, innovation, and the overall well-being of employees. These programs are available to employees at different levels and functions, and their impact is continuously evaluated through internal indicators that support analysis of the strategic return on investment in human capital.

Performance Evaluation

[CSA.S&P]

Employee Performance Evaluation	No. women evaluated	No. men evaluated	Total evaluated	Frequency
Performance evaluation by objective management	917	424	1,341	Once a year
Multidimensional evaluation (e.g. 360º)	858	719	1,577	Quarterly
Agile conversations	858	719	1,577	Quarterly
Total	1,776	1,143	2,919	-

The Bank has a strategic Performance Management process that is applied to all direct employees, ensuring equal access to evaluation and feedback for their professional development. This process is conducted annually for leaders and professionals and is aligned with the organizational strategy, supporting the continuous assessment and improvement of employee performance.

Within the management model, periodic feedback sessions and agile conversations are conducted on an ongoing basis, regularly reviewing employees' progress against established objectives. This supports the alignment of individual and collective results with the Bank's strategic goals.

The results of these evaluations not only help measure performance, but also serve as key inputs for talent-related decisions, including:

- Identification of training and competency development opportunities.
- Definition of individual development plans and career paths.
- Decision-making regarding the assignment of responsibilities based on performance results, promotions, and talent management.

Through this approach, the Bank supports the role of performance evaluations in employees' professional growth, strengthening strategic alignment, results achievement, and organizational effectiveness.

Employee Well-being

[GRI 404-3] [CSA.S&P]

The Bank is committed to employee well-being and therefore uses the eNPS **(Employee Net Promoter Score)**. This indicator measures employee loyalty through a targeted recommendation question.it is an engagement indicator that reflects employees' level of commitment to the organization. The results are distributed into three groups:

- **Promoters:** Employees who are loyal to the organization and willing to recommend it to friends and family.
- **Neutrals or Passives:** Employees who may be satisfied, but are not fully loyal to the organization and may be attracted by better conditions.
- **Detractors:** Employees who are dissatisfied with the organization and may generate reputational risk.

Employee Satisfaction Measurement	2024	2025
Employee satisfaction	92%	75.7%
Employee Net Promoter Score (eNPS)	72.9%	68.8%
% of employees who responded to the survey	84%	76%

Gender Pay Gap

[GRI 2-21; 405-2] [CSA.S&P]

The Bank conducts an annual analysis of pay equity and the gender pay gap, considering both the mean and the median of salaries and bonuses, and breaking down the results by employment level and gender. This analysis helps identify salary differences and establish action plans aimed at reducing internal gaps and supporting compensation aligned with each role's impact on the organization.

The results of the analysis reflect the following:

- Mean gender pay gap: 26.6%
- Median gender pay gap: 8.7%
- Mean bonus gap: 26.3%
- Median bonus gap: 9.5%

Salary Ratio | Job Category	2025
Middle Management	0.5
Junior Management	0.9
Functional Areas	1.5

Salary Ratio by Gender	Women	Men
Functional areas – local minimum wage ratio	5.48	6.93

Annual Compensation & Increase Ratio	Median	Mean
Total annual compensation	7	6.1
Percentage increase in total annual compensation	66.7%	64%

Total Unionized Employees

[GRI 2-30] [CSA.S&P]

Covered	2025
Employees covered by collective bargaining agreements	2,844

Employee Well-being and Benefits

[CSA.S&P]

At the Bank, employee well-being is a strategic priority. Through comprehensive initiatives, the Bank seeks to strengthen physical, emotional, and family well-being, while promoting a flexible and motivating work environment, thereby contributing to employee satisfaction, productivity, and talent retention.

Health and Well-being

The Bank provides emotional support and guidance services for employees and their families through the "Estamos Contigo" ("We Are With You") line, offering assistance in workplace situations, family matters, and personal emergencies. In addition, healthy lifestyles are promoted through activities and agreements that facilitate access to medical and dental services, prepaid medicine, and virtual assistance, supporting comprehensive and timely care for health-related needs.

Working Conditions

The Bank maintains a firm commitment to employee well-being through workplace flexibility policies that allow employees to select their working hours within predefined ranges, promoting work-life balance. This policy applies to all employees, supporting comprehensive coverage and equity in its implementation. Additionally, the Bank has enabled supplementary, on-site, and remote work modalities, as well as autonomous and mobile arrangements, allowing work to be performed from different environments while maintaining operational continuity and service quality.

The standard workweek is 40 hours for all direct employees, below the statutory maximum, and supports consistent conditions across the workforce. Overtime is carried out only on an exceptional basis and is compensated in accordance with current regulations, complying with labor protection and employee well-being standards.

Family Benefits

Recognizing the importance of supporting employees in their caregiving roles, the Bank offers paid parental leave programs for both primary and non-primary caregivers, promoting equity and equality in the workplace. In addition, educational benefits, financial assistance, and credit programs are provided, strengthening the financial and educational well-being of employees and their families.

Breastfeeding and Childcare

[GRI 401-2]

The Bank has breastfeeding rooms in Bogotá, Medellín, and Cali, providing mothers with safe spaces for expressing, storing, and transporting breast milk, with established schedules and support that promote balance between motherhood and working life. These facilities reflect the Bank's commitment to the health and comprehensive development of employees' families.

The well-being and flexibility policies implemented contribute to tangible benefits for both employees and the organization. By supporting physical and emotional health, facilitating work-family balance, and offering a flexible work environment, these policies help strengthen motivation, reduce absenteeism, increase productivity, and foster talent retention. These actions reinforce an inclusive organizational culture aligned with the Bank's strategic objectives.

Family Employees benefited, amount allocated, and % of employees covered		Amount Invested and Number of Employees Benefited
Children's education	972	$3,402,185,226
University-level children's education	355	$1,127,496,037
Daycare enrollment	212	$119,703,483
Daycare monthly fee	227	$999,683,747
Funeral assistance – employee & family	73	$364,571,244
Maternity benefit	74	$317,394,260
Special needs children's education	38	$419,302,906
Prepaid healthcare	1933	$7,188,636,685

Employees

Employees benefited, amount allocated and % of employees covered

Employees	Number	Bonuses – Amount allocated and employees benefited
Special bonus for tellers	416	$915,938,286
Retirement bonus	14	$1,707,721,250
Relocation between cities	17	$75,025,874
Severance / indemnification	7	$506,909,834

Prima

Employees benefited, amount allocated and % of employees covered

Prima	Number	Amount Allocated and Beneficiary Employees
Service bonus	3,041	$17,629,335,297
Semi-annual extra bonus	3,041	$14,377,982,954
Vacation bonus	2,527	$15,895,205,664
Seniority – Loyalty bonus	544	$16,729,282,135
Annual extra bonus	339	$882,616,446
Lodging allowance	281	$118,396,985

Auxilios

Employees benefited, amount allocated and % of employees covered

Auxilios	Number	Amount Allocated and Beneficiary Employees
Transportation allowance	2,977	$6,153,152,009
Eyeglass frames	2,898	$1,937,725,055
Prescription lenses	2,896	$1,945,737,418
Contact lenses	2,833	$3,453,636,922
Disability / sick leave subsidy	650	$494,074,001
Employee education allowance	131	$523,185,155
Pension retirement allowance	52	$605,076,680
Housing allowance	73	$1,480,253,426
Extended sick leave subsidy	123	$192,455,819

Allowances & Subsidies

Allowances & Subsidies	Employees Benefited	Amount Allocated
Medical treatment continuity allowance	50	$127,658,958
Bank contribution – mutual fund	2,080	$171,728,250
Maintenance allowance	26	$365,897,457
Meal / food allowance	2,144	$8,656,183,784
Housing loans	235	$51,080,893,321
Home repair allowance	61	$3,347,481,072
Vehicle allowance / loan	36	$2,890,128,000
Disability life insurance policy	12	$1,155,485,571
Total permanent direct employees	3,004	$168,119,853,018

Type of Leave

[CSA.S&P]

The Bank has a Business Partner team that provides ongoing support to employees in formalizing, managing, and taking maternity, paternity, and other types of leave. This support contributes to regulatory compliance and the proper administration of leave periods. The details of the leave granted during the reporting period are presented below, disaggregated by type and number of leaves granted

Type of Leave	No. of leaves granted
Maternity leave	72
Paternity leave	60
Shared parental leave	0
Parental leave by adoption	0
Bereavement leave	240
Domestic calamity leave	834
Voting leave	68
Marriage leave	0
Paid time off (hours or days)	2,382
Unpaid leave	13
Total	**3,669**

3.1.2. Occupational Safety and Health

[GRI 403-1; 403-2] [CSA.S&P]

The Bank maintains its commitment to the well-being of its human capital through an Occupational Health and Safety Policy approved by the Board of Directors. This policy underpins the Occupational Health and Safety Management System (SG-SST) (Spanish acronym), which guarantees 100% coverage of workers, including direct employees, contractors, subcontractors, temporary staff, SENA apprentices, and any individual under the supervision of the entity.

The implementation of the system is governed by the Colombian legal framework, which includes Law 1562 of 2012, Decree 1072 of 2015, Resolution 0312 of 2019, among others. The scope of the system covers all occupational risk activities inherent to the financial sector across all customer service offices and administrative areas nationwide.

Additionally, OHS criteria have been formally incorporated into procurement processes and contractual requirements, ensuring that suppliers comply with the standards defined in current regulations. Finally, the entity works toward continuous improvement through the prioritization and integration of action plans with measurable targets, specifically designed to address and mitigate identified risks in all administrative areas and customer service offices nationwide.

The results of these assessments drive continuous improvement, resulting in the updating of procedures, specialized training, epidemiological surveillance programs (PVE) (Spanish acronym), and corrective, preventive, and improvement action plans (ACPM) (Spanish acronym).

Hazard Identification and Risk Assessment

[GRI 403-2]

To prevent occupational injuries and illnesses, the system includes the periodic conduct of risk and hazard assessments aimed at proactively identifying any factor that may cause harm in the workplace. These actions are complemented by the integration of emergency preparedness and response protocols and the systematic evaluation of progress in risk mitigation against established objectives. Likewise, the Bank ensures the quality of its work environment through audits conducted by the Occupational Risk Administrator (ARL) (Spanish acronym) and the Colombian Safety Council (CCS) (Spanish acronym), in addition to periodic reporting to the Ministry of Labor.

To minimize or eliminate risks, the hierarchy of controls is applied, following the order of elimination, substitution, engineering controls, administrative controls, and personal protective equipment (PPE).

Operational management includes formal procedures for investigating work-related injuries, occupational diseases, and incidents, enabling the identification of root causes and the prevention of recurrence.

The hazard identification and assessment process is based on the Hazard Identification and Risk Assessment Matrix (IPERV) (Spanish acronym), which is updated annually (or whenever significant changes occur in the operational environment), in accordance with the guidelines of the Colombian Technical Guide GTC 45. Additionally, the Bank develops OHS training programs aimed at strengthening the prevention culture and mitigating the occurrence of operational incidents and occupational risks.

[GRI 403-5]

In 2025, 93% of employees received Occupational Health and Safety (OHS) training, completing a total of 24,215 hours.

Rights, Participation, and Employee Protection

The Bank promotes a culture of prevention and participation through formal channels such as the Joint Occupational Health and Safety Committee (COPASST) (Spanish acronym), the Workplace Coexistence Committee (CCL) (Spanish acronym), and the institutional application "Soluciones a tu medida" (Spanish name). In this way, protection against retaliation is guaranteed for workers who report hazards or exercise their right to withdraw from work situations that pose an imminent risk to their health or integrity.

To ensure the effectiveness of the system, the Bank guarantees consultation and active participation of employees and their representatives. The quality of the system is supervised by the Occupational Health and Safety (SST) (Spanish acronym) Department, the Infrastructure Department, and the Talent Experience Management, whose members hold the required legal competencies and licenses.

Incident Investigation and Reporting

[GRI 403-9; 403-10]

In the event of incidents, workplace accidents, or occupational diseases (AT/EL) (Spanish acronym), the Bank has formal procedures in place for their investigation in accordance with applicable regulatory parameters. As a result of this monitoring, during the reporting year 15 workplace accidents were recorded among direct employees, of which 87% corresponded to women and 13% to men. This reporting process seeks to identify root causes in order to determine corrective and preventive actions through the hierarchy of controls and to prevent the recurrence of such events.
All records and supporting documentation are centrally managed through internal channels and on the ARL platforms, ensuring traceability and compliance with reporting requirements to the competent authorities when the complexity of the case so requires.

Days of incapacity due to workplace accidents and/or illness by gender

[CSA.S&P] [GRI 403-9; 403-10]

	2024	2025
Sick leave days – Women	13,214	7,297
Sick leave days – Men	5,291	3,709
Total sick leave days	18,505	11,006

Absenteeism Rate

[GRI 403-9] [CSA.S&P]

The absenteeism rate corresponds to the total number of days not worked by employees during a given period, regardless of the cause, and is not limited exclusively to absences resulting from work-related accidents or occupational illnesses. This indicator includes sick leave associated with common illnesses (such as colds, fever, or influenza), as well as absences related to undeclared personal reasons.

	2024	2025	Objective 2025
Data Coverage for the Absenteeism Rate (Percentage of Direct Employees Hired by the Company)	100%	100%	
Total number of scheduled workdays for the year	240	245[28]	
Total number of hours scheduled to be worked this year	5,733,120	6,140,680	
Absence - Women	2.89%	1.56%	
Absence - Men	1.82%	1.24%	
Total – Absences	4.71%	2.8%	4%

[28] Banco Popular's absenteeism rate is calculated as: (Number of days of absence during the reporting period / Total number of scheduled workdays during the reporting period) × 100. Authorized or scheduled absences, such as vacations, study leave, and maternity or paternity leave, among others, are not included in the calculation of this indicator.

3.2 External Social

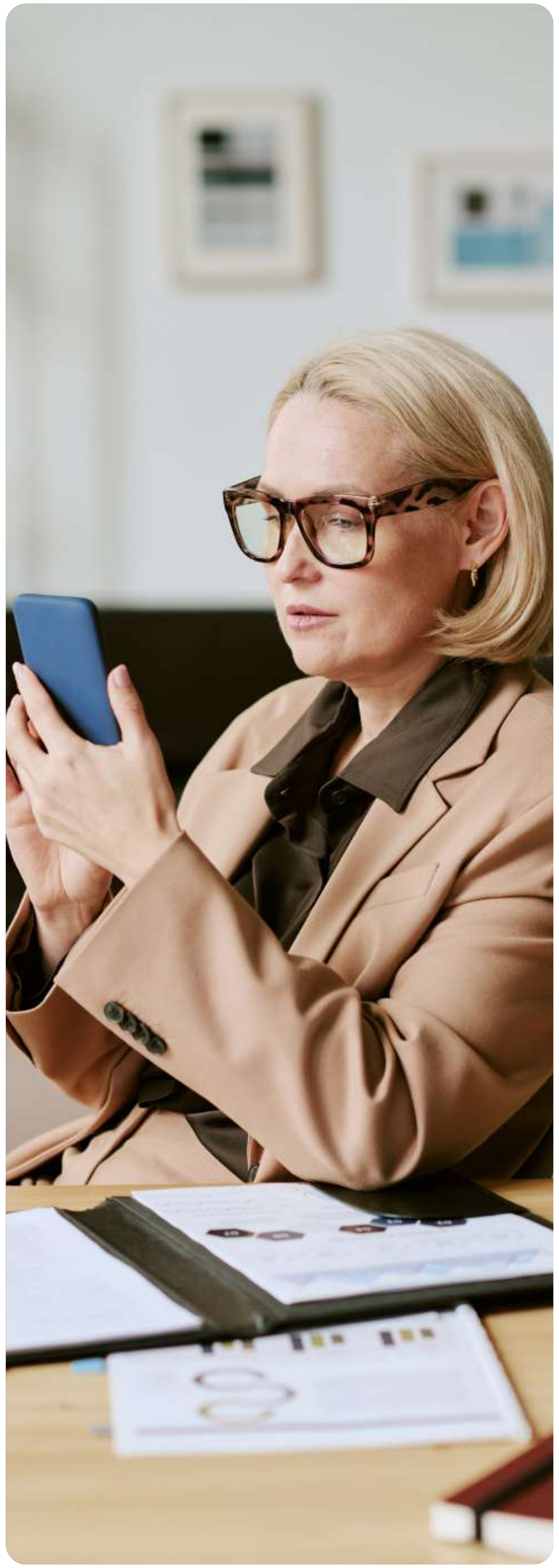
3.2.1. Supplier Management

[GRI 2-6; 204-1; 201-1]

The supply chain is a strategic process that enables the centralized and timely management of, and response to, the Bank's administrative, operational, and technological needs, supporting the value proposition of products and services for customers and fostering equitable, transparent, and long-term relationships with suppliers.

From this perspective, supply chain management creates significant value by contributing to the Bank's financial performance and sustainability. Through resource optimization, efficiency gains, and avoided costs, the Bank generates positive impacts that support the product and service value proposition for both the Bank and its customers, while strengthening responsible and sustainable relationships with suppliers.

In 2025, the Board of Directors of the Bank approved the Sustainable Procurement Policy, which supports the incorporation of sustainability criteria into purchasing and contracting processes for goods and services. This policy is aligned with Grupo Aval's sustainable procurement guidelines and applies to the procurement and contracting of goods and services prioritized within the Bank's supply chain process.



In this context, the Bank reaffirms its commitment to integrating environmental, social, and governance (ESG) criteria into purchasing and procurement processes, with the aim of embedding sustainability across the supply chain. In this way, the Bank seeks to ensure that the acquisition of goods and services meets institutional needs, contributes to lower environmental impact, promotes quality of life, and supports stakeholders' economic growth. Likewise, the Bank aims to acquire goods and services under principles of effectiveness, efficiency, timeliness, and transparency in accordance with ethical and responsible purchasing practices, and to avoid contracting with suppliers for which there is evidence of sanctions for non-compliance with human rights, occupational health and safety, or legal, tax, environmental, or labor regulations.

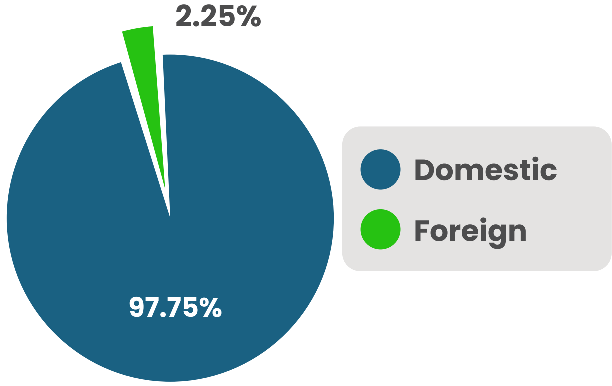
The Bank's sustainable purchasing process is governed by the following guidelines:

1. Incorporate sustainability criteria into quotation and evaluation processes for the procurement and purchase of prioritized goods and services.
2. Promote awareness programs aimed at suppliers regarding the importance of adopting sustainability criteria in their internal management and in the goods and services they offer.
3. Share experiences and leading practices in sustainable purchasing with other companies and organizations, in order to contribute to the continuous improvement of associated practices.

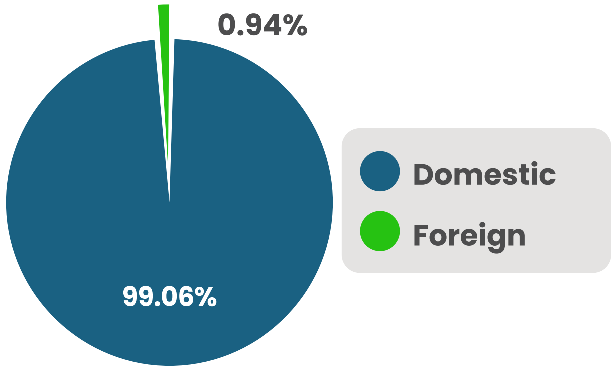
Given the importance of the supply chain in meeting the Bank's needs, opportunities have been identified to strengthen competitiveness and continue advancing the incorporation of sustainability criteria. In this context, and taking into account the relevance of sustainability for Grupo Aval and the Bank, sustainable purchasing initiatives have been developed, whose main challenge is to define a training and capacity-building plan for suppliers and strategic partners, to enhance the quality and effectiveness of the processes and services provided to the Bank and its customers, as well as promoting good sustainability practices in these organizations.

The Bank has technological tools that facilitate comprehensive monitoring of the procurement process, supporting efficient and controlled management of the purchasing and procurement of goods and services from domestic and foreign suppliers, with a prioritized focus on strengthening the participation of local suppliers; encouraging market research and the identification of new trends to develop relationships with new suppliers.

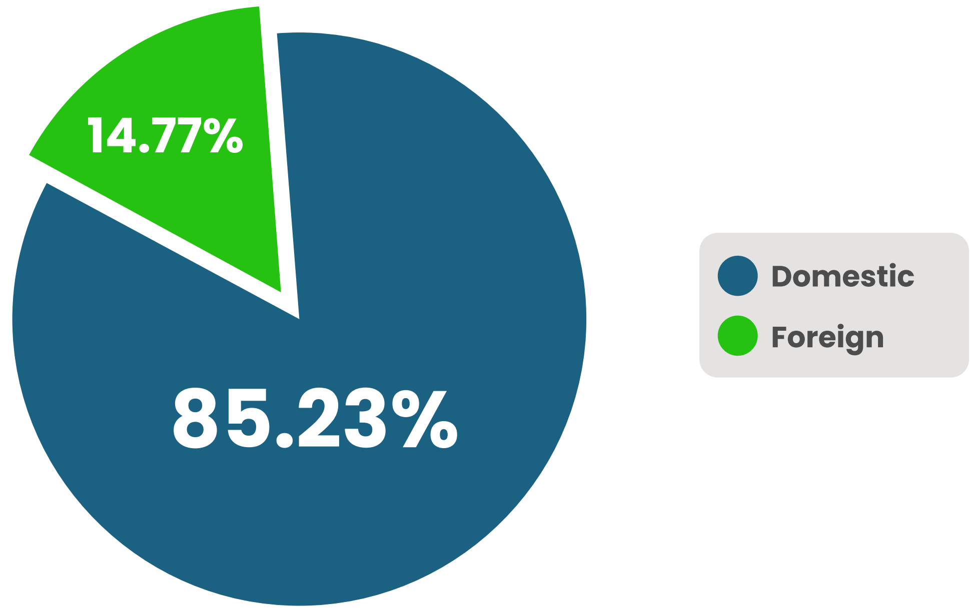
Total domestic and foreign suppliers



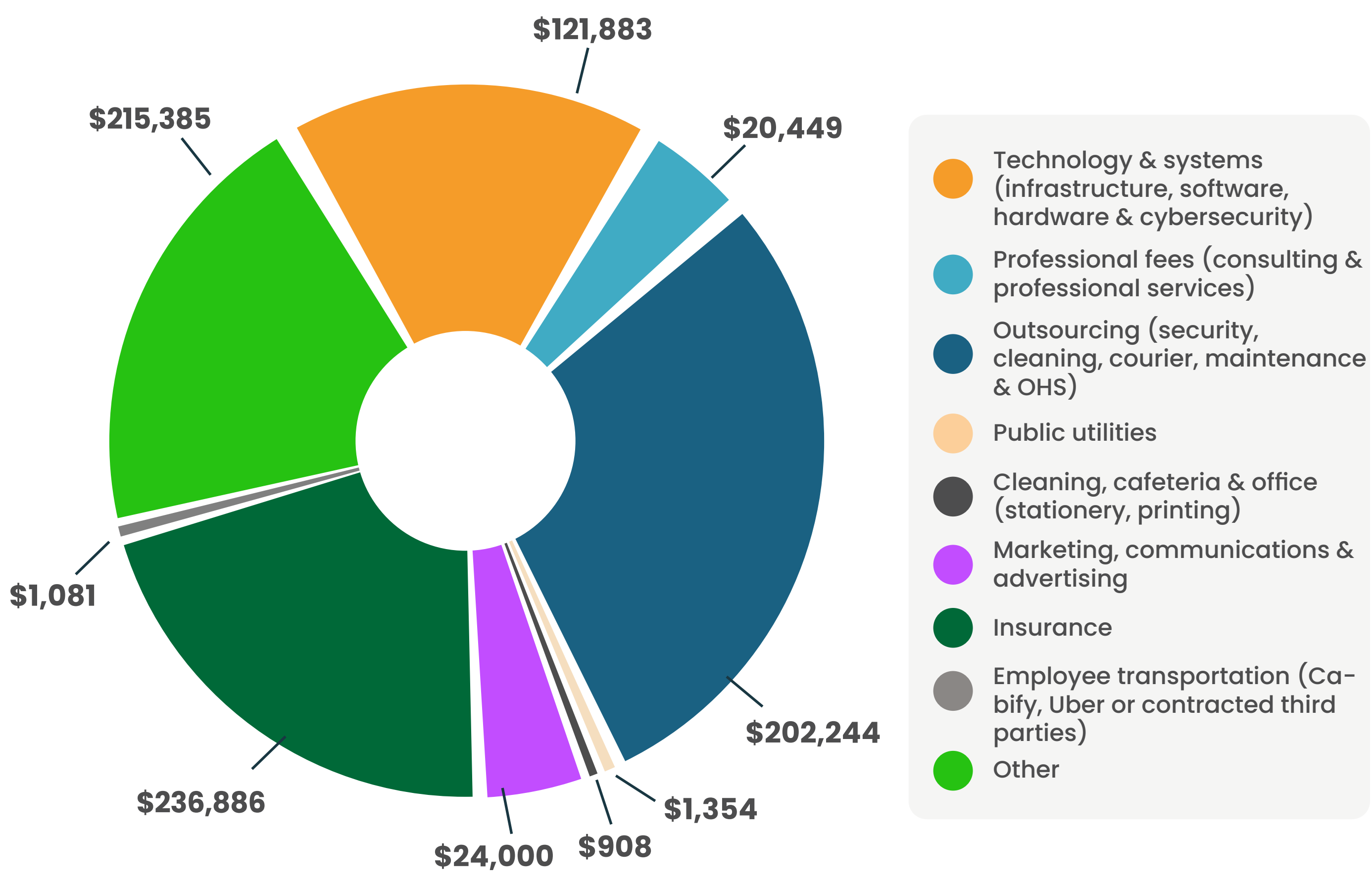
Purchases from domestic and foreign suppliers



Total new domestic and foreign suppliers



Supplier categories with highest spend proportion (COP millions)



Additionally, supplier evaluation information and sustainability data sheets are collected in order to migrate them to tools with automated workflows. This process improves processing efficiency, information reliability, and real-time access to results, while enabling the evaluated aspects to be measured in greater depth.

Spending in each category is monitored and controlled by 125 contract administrators, who periodically assess spending performance in relation to the approved budget and the contractual conditions agreed upon with suppliers. This work helps identify variations, detect deviations at an early stage, and generate opportunities for improvement, supporting efficient management aligned with established objectives.

***$12,442 million** in costs were avoided through efficient resource management and information technology tools, contributing to the Bank's strategic pillar of Efficient Operations.*

Regarding supplier evaluation, the Bank has a review workflow that supports the annual process with strategic partners, user areas, and procurement stakeholders through a tool that enables tracking statistics on sustainability, governance, environmental, and diversity matters, providing insight into each company's current status across the different areas assessed.

[GRI 414-1; 308-1]
*In 2025, the Bank evaluated **18.9%** of its total suppliers and **10.23%** of new suppliers under environmental, social, human rights, and corporate governance criteria.*

Finally, the Bank focuses on the implementation of new indicators that support the classification of both suppliers and strategic partners in terms of sustainability and inclusion. To this end, progress will be made in implementing dashboards through the optimization of technological tools, strengthening comprehensive supply chain management.

3.2.2. Social Impact

The Bank views social impact as a cross-cutting pillar of its strategy and as an essential component for the creation of sustainable value. In a context marked by demographic transformations, gaps in access to the financial system, and challenges in economic and digital education the entity focuses its management on generating positive and measurable effects on people's quality of life, with a focus on older adults.

In alignment with its purpose of being The bank for the best time of your life, the Bank promotes the placement of loans and access to financial products and services for clients over 50 years of age, especially those aged 60 and above. This purpose involves going beyond the traditional role of a financial intermediary to act as an agent of positive impact on this population's quality of life, strengthening their economic well-being, autonomy, and financial inclusion. This strategy supports the financial inclusion and well-being of older adults in Colombia, considering the historical lag in their access to and use of financial products. At the same time, it represents a strategic opportunity for the sustainable growth of the Bank and the country, in light of the demographic transition toward a more longevity-driven economy.

As part of its commitment to generating positive social impact, the Bank developed and implemented various initiatives focused on education, inclusion, and financial well-being. Through both digital and in-person strategies, the entity promoted access to clear and timely information, strengthened financial and digital capabilities, and facilitated the responsible and secure use of financial products, services, and channels. These actions help reduce access barriers, foster economic autonomy, and strengthen long-term relationships based on trust and support.

In a context in which population aging is becoming a global trend, the Bank identified in 2025 that this demographic transformation represents a relevant source of economic and social opportunities for Colombia. With the aim of understanding, measuring, and addressing this phenomenon, the entity presented its Silver Economy Report, a technical document aimed at analyzing the impact and potential of this segment in the financial market. This report was established as a tool for strategic decision-making and as a reference input for the sector, reaffirming the Bank's commitment to leadership in the development of inclusive financial solutions aligned with the country's demographic and social changes.

Sustainable Finance

[CSA.S&P]

In 2025, the Bank consolidated sustainability as a strategic pillar of the business, incorporating Environmental, Social, and Governance (ESG) criteria into decision-making and into the design of financial products and services. This approach supports the generation of long-term economic and social value, aligning the Bank's offering with the country's challenges in inclusion, well-being, and sustainable development.

Based on the double materiality analysis, the entity identified two strategic impact opportunities:

- Financial inclusion of populations with limited access to the financial system.
- Economic well-being and financial autonomy of clients over 50 years of age, especially older adults (60 years or older).

In this context, the Bank reports its Social Portfolio in accordance with the definitions established by the Colombian Banking and Financial Institutions Association (Asobancaria, its Spanish acronym), which incorporate classification criteria aligned with the Social Bond Principles of the International Capital Market Association (ICMA) and international leading practices. The Bank remains committed to operating under a socially responsible financial model, through a comprehensive offering of products, services, channels, and processes designed to meet the needs of prioritized segments.

This portfolio supports the traceability of resources, the measurement of social impact, and consistency in the reporting of results. The results of the Bank's social portfolio are grouped into two segments:

1. **Financing to individuals (Consumer Finance):** credit products aimed at clients with limited access to the financial system, with a focus on social and economic inclusion.

2. **Corporate financing (Corporate Finance):** loans whose borrower is a micro, small, or medium-sized enterprise (MiPymes, its Spanish acronym), or whose proceeds were used by the borrower for social infrastructure, with an intended direct impact on income generation and community well-being.

Financing to individuals (financial inclusion):

General Category	Total portfolio balance 2025 (COP)	No. of placements 2025	Placed portfolio 2025 (COP)
Women	$ 781,612,356,859	6,325	$ 230,785,951,240
Youth	$ 129,533,305,897	2,874	$ 72,669,352,236
Persons with disabilities	$ 3,665,426,414	93	$ 2,148,873,368
Ethnic groups	$ 79,112,297,046	1,141	$ 51,084,608,608
Older adults	$ 9,986,703,335,895	76,502	$ 3,823,103,376,636
Migrant population	$ 1,230,953,858	6	$ 106,231,339
Total financial inclusion	$ 10,981,857,675,969	86,941	$ 4,179,898,393,427

Rules:

- Persons with disabilities: Individuals identified as persons with disabilities.
- Older adults: Individuals ≥ 60 years of age without disabilities.
- Low-income older adults: Individuals ≥ 60 years of age, with income ≤ 3 SMMLV (Statutory Monthly Minimum Wage, its Spanish acronym), without disabilities.
- Ethnic groups: Individuals belonging to an MURIC ethnic group, its Spanish acronym, without disabilities. Includes migrants, older adults, youth, and women.
- Migrant population: Non-Colombian individuals who do not belong to an ethnic group and do not have disabilities.
- Women: Women between 29 and 59 years of age, with income ≤ 3 SMMLV, who do not belong to an ethnic group, are not migrants, and do not have disabilities.
- Youth: Individuals between 14 and 28 years of age, with income ≤ 3 SMMLV, regardless of gender, who do not belong to an ethnic group, are not migrants, and do not have disabilities.

Clarifications:

- Individuals between 29 and 59 years of age with income above 3 SMMLV, who do not belong to ethnic groups, are not migrants, do not identify as LGBTIQ+, and do not have disabilities.
- Youth (14–28 years of age) with income above 3 SMMLV.

During 2025, the older adults segment was consolidated as the main component of the Bank's financial inclusion portfolio for individuals. This segment accounted for the largest proportion of the portfolio, with an outstanding balance of $9.9 trillion, reflecting its strategic relevance within the social focus of the business.

The management of this portfolio is framed within the prioritization defined through the double materiality analysis, aimed at promoting the economic well-being and financial autonomy of clients aged 50 and over, especially those aged 60 and above. This approach recognizes the structural barriers faced by this population group in accessing formal financial products and their growing importance in the country's demographic structure.

Serving older adults helps strengthen their financial inclusion, supporting financial stability and income continuity, in line with a socially responsible business model and the Bank's sustainability strategy.

In addition, the Bank maintained a relevant presence in other financial inclusion segments, such as ethnic groups, women, youth, persons with disabilities, and migrant populations, reinforcing a diversified approach that contributes to reducing credit access gaps and expanding the customer base within the formal economy.

Corporate financing (corporate finance):

i. MiPymes Portfolio:

General Category	Total portfolio balance 2025 (COP)	No. of placements 2025	Placed portfolio 2025 (COP)
Microenterprises	$ 42,649,138,845	15	$ 11,574,034,561
Small businesses	$ 111,556,647,605	124	$ 72,009,851,977
Medium-sized businesses	$ 417,453,433,894	289	$ 289,704,538,602
Rural: small-scale producer	$ 12,629,829,823	8	$ 5,568,298,767
Total SME portfolio	$ 584,289,050,167	436	$ 378,856,723,907

Rules:

- Micro, small, and medium-sized enterprises under MURIC rules (Spanish acronym).
- In rural cases, small producers (including low-income small producers) and medium-sized producers are considered, according to the classification of the National Agricultural Credit Commission, including financing to associative schemes and community enterprises (for example, producer associations).

ii. Social Infrastructure Portfolio:

General Category	Total portfolio balance 2025 (COP)	No. of placements 2025	Placed portfolio 2025 (COP)
Healthcare	$15,175,111,976	–	–
Education	$91,031,982,613	–	–
Public goods & services*	$14,941,588,892	2	$10,941,588,892
Social/Priority housing (VIS/VIP)	$1,440,675,952	–	–
Total social infrastructure	$122,589,359,433	2	$10,941,588,892

Rules:

- **Social infrastructure – Health:** Loans under the FINDETER credit line.
- **Social infrastructure – Education and public goods and services:** Loans under the FINDETER credit line, excluding Health items. Includes education, energy, telecommunications, drinking water, basic sanitation, community facilities, and mobility.

The social infrastructure portfolio totaled $122,589 million, primarily allocated to projects in education, health, housing, and public services, with an intended direct impact on community well-being.

Overall, the structure and performance of the Bank's Social Portfolio reflect the integration of social issues into the business strategy, supporting risk management, opportunity identification, and demonstration of the Bank's contribution to development.

Financial Inclusion

[CSA.S&P]

The Bank has developed a portfolio of products and services aimed at reducing financial inclusion gaps for unbanked individuals and those with limited access to the formal financial system, prioritizing adaptability to customers' repayment capacity and addressing the specific needs of older clients, a historically underserved group. In addition, the entity monitors financial capabilities in order to design offerings aligned with customer needs.

Financial products and services tailored to vulnerable populations:

- **Pension account and payroll account:** low-cost transactional accounts with no maintenance fees, enabling pensioners and employees to receive, manage, and save their income securely and with liquidity. These accounts include automated savings features and transaction notifications, promoting economic autonomy and financial education.
- **Silver Account:** a specialized product for individuals over 50 years of age, offering an attractive 8% E.A. (effective annual rate), no maintenance fee, and unlimited free withdrawals at Aval Network ATMs. This account allows free transfers to any bank, daily interest accrual, and access to discounts in retail, health, travel, and other categories, providing a financial solution designed for the well-being and savings growth of the silver economy.
- **Diamond credit card:** targeted at pensioners seeking a payment method with exclusive benefits, offering TuPlús points accumulation, domestic and international purchases with financing of up to 36 months, and waiver of the maintenance fee. Its design includes assistance services, special discounts, and access to Grupo Aval experiences, positioning it as an attractive option for pensioners with income starting from two minimum wages who seek a card with enhanced benefits and controlled costs.
- **Authentic credit card:** primarily designed for women, offering 5% cashback in two selectable categories such as home, health, travel, or restaurants, in addition to no maintenance fee if minimum spending requirements are met. It allows payments of up to 36 months, includes international assistance and contactless technology, and offers discounts with partner brands, positioning it as an attractive option for those seeking tangible benefits and rewards for frequent use.
- **PoSíble credit card:** backed by the National Guarantee Fund (Fondo Nacional de Garantías), providing accessible credit for pensioners with low income or no credit history. Conditions are adapted to each customer's repayment capacity, with progressive limits and rates, promoting responsible access to credit and strengthening financial history.
- **Payroll-deducted loans and term deposits (Certificates of Deposit, CDs):** designed for older clients and fixed-income workers, with adjusted rates and flexible terms. These products support secure savings and financial planning, strengthening the economic stability of vulnerable segments.
- **Specialized insurance:** microinsurance products tailored to the needs of older adults and other vulnerable groups, such as protection against illness, accidents, death, and property risks. The insurance products are affordable, easy-to-understand, and prioritize risks relevant to the target population, contributing to reducing financial vulnerability.
- **Silver Club:** the first open and free digital platform in Colombia aimed at older adults, designed to support their physical, emotional, and financial well-being. The platform allows users to manage savings goals, access educational content, and conduct secure digital transactions, fostering digital financial inclusion and recurring use of banking services.

Comprehensive Inclusion Strategy

The Bank complements its financial offering with a partnership strategy that expands benefits into health, education, recreation and home assistance. This strategy recognizes that the needs of older adults are not solely financial and seeks to promote their overall well-being. In addition, impact indicators are monitored—such as average savings per customer, number of digital transactions, and user satisfaction—to continuously assess and improve product effectiveness.

The Bank plans to strengthen products that promote purpose-driven savings, designed to support silver customers in achieving their personal and financial goals, along with a range of specialized insurance products that provide comprehensive protection according to each stage of life.

During 2025, the Silver Economy Strategy achieved:

- **+108,000** accounts opened between silver accounts and pension accounts
- **+11,000** PoSíble and Diamante credit cards issued.
- **+248,000** payroll-deducted loans granted.
- **+55,000** customers over 50 with term deposits (CDT).

The analysis shows that basic transactional products, such as the Pension Account and the Payroll Account, account for the highest level of activity, confirming their relevance in the bank–customer relationship.
Although the Silver Account has a smaller customer base, it records frequent and recurring use, reflecting adoption of digital financial inclusion by older adults.

Key Products

Product	Active clients	No. of transactions	Contribution to financial inclusion
Pension account	439,312	44,657,514	The pension account facilitates financial inclusion for retirees by offering a fee-free transactional product tailored to fixed and periodic income. It enables pensioners to receive their pension securely, manage their resources with permanent liquidity, and build savings through automated tools. Additionally, access to transaction notifications strengthens financial control and promotes greater economic autonomy for this population.
Payroll account	225,577	24,235,280	The payroll account promotes financial inclusion for workers by eliminating access barriers such as administrative fees and enabling salary deposits through the formal financial system. Its transactional features allow for efficient income management, payments and transfers, and the development of saving habits. These characteristics encourage the continued use of banking services and contribute to improved financial literacy.
Silver account	77,103	8,297,482	Designed for adults over 50 years of age, it offers competitive returns, free withdrawals and transfers, daily interest credits, and benefits in retail, health and travel, strengthening financial inclusion for the silver economy.
Term deposit (CDT)	91,431	13,356	A formal, secure and easy-to-understand savings option for people with stable incomes. It enables medium- and long-term financial planning through fixed rates and defined terms, promoting wealth accumulation for segments seeking stability and low risk.
Payroll-deducted loan	369,158	6,892,357	The payroll-deducted loan expands access to formal financing for pensioners and fixed-income workers through direct payroll deduction, offering better rate and term conditions, fostering responsible borrowing and economic stability.
Diamante credit card	41, 114	673,911	Expands access to formal credit for pensioners with no maintenance fee, long-term financing options, points accumulation and special discounts, promoting digital consumption and responsible credit use.
PoSíble credit card	6,635	47,001	Enables access to formal credit for pensioners with low incomes or no credit history, backed by the National Guarantee Fund, fostering responsible borrowing and the building of a financial track record.
Auténtica credit card	20,989	383,148	Aimed at promoting women's financial inclusion through selectable cashback categories, maintenance fee waiver under clear conditions and benefits with partner brands, supporting their economic autonomy.
Insurance	286, 625	N/A	Specialized microinsurance products expand financial inclusion by offering affordable and easy-to-understand protection mechanisms for older adults and other vulnerable groups, strengthening their economic resilience.

CLUB Plateado

In 2025, the Bank took a significant step in strengthening its positioning in the silver economy with the launch of **Club Plateado**, a digital platform designed as a value ecosystem that promotes both physical and virtual spaces focused on entertainment, health, education, digital skills development, and emotional support. This comprehensive approach recognizes the silver population as an active segment, with expectations of well-being, lifelong learning, and social participation, and promotes more autonomous, connected, and productive longevity.

Beyond the financial offering, Club Plateado moved beyond the traditional product model by establishing itself as an interactive community built around content, experiences, and benefits aligned with the real needs and preferences of the segment. In this way, the Bank strengthened its value proposition, positioning itself not only as a provider of financial services, but also as a close ally in older adults' personal and social development.

As part of the ecosystem activation and adoption strategy, the Bank carried out in-person outreach and support initiatives aimed at facilitating access to Club Plateado and encouraging active participation by the segment. These activities took place within the framework of community events in shopping centers, particularly during Christmas novena gatherings in the cities of Bogotá, Medellín, and Manizales, settings that fostered direct engagement and trust-building.

At each event, the Bank set up in-person service stands where detailed information about Club Plateado was provided, informational and promotional materials were distributed, and attendees were assisted with registration and navigation of the digital portal. This proximity-based strategy helped reduce access barriers and strengthen adoption of the ecosystem.

As a result, approximately 550 people participated in Bogotá, Medellín, and Manizales, of whom 115 successfully registered. These results reflect both the segment's interest and the role of in-person support as a key enabler of digital inclusion.

Club Plateado has become a strategic initiative with high social impact, reinforcing the Bank's positioning as a reference in the silver economy and as an institution committed to more human-centered and inclusive banking aligned with the country's demographic transformations.

Financial Education

[CSA.S&P] [FN-CB-240a.4]

In a context of demographic transformation marked by increased longevity, financial health has become a strategic factor in the silver economy and a key enabler of well-being, autonomy, and quality of life throughout the life cycle. For the Bank, understanding and addressing the financial needs of a longer-lived population involves developing capabilities that support individuals in managing resources with confidence in the present, face unforeseen events with greater security, and plan for the future with confidence, in alignment with its purpose of supporting customers at every stage of their financial lives.

Through its financial education strategy, the Bank designs and implements financial education and inclusion programs aimed at strengthening the knowledge, skills, and attitudes of its customers and users regarding the use of financial products and services, associated concepts and risks, and informed and responsible decision-making. This strategy is managed under the framework of the policies and guidelines of the Financial Consumer Service System (SAC, Spanish acronym) and industry leading practices, supporting the promotion of trust-based relationships, the protection of financial consumers' rights, and the fostering of conscious and appropriate use of banking services.

i. Digital Café on the Move

> *"Thank you for taking the time; sometimes one feels invisible when it comes to these matters."*
>
> *Participating customer.*

Through practical training capsules, financial and digital literacy sessions focused on self-management were conducted. These spaces helped simplify complex concepts, facilitating the efficient use of the Bank's services. The initiative focused on strengthening financial well-being by providing useful tools that.support customers' autonomy and security within the digital ecosystem.

"Café Digital en Movimiento" (Digital Café on the Move) was a financial education and digital inclusion initiative conducted in 2025 to support older adults in their relationship with banking and technology. The program was grounded in a philosophy of closeness, trust, and recognition, valuing the silver segment as full economic actors, capable of learning, making informed decisions, and building long-term relationships with the Bank through pedagogical spaces based on dialogue and guidance.

This program was developed in partnership with 101ideas.co and implemented in the Bank's urban and semi-urban branches, combining digital financial education with a socio-emotional approach that redefined the banking experience. Key aspects of the initiative are as follows:

- **11** sessions held at Banco Popular's urban and semi-urban branches.
- **788** older adult participants, primarily retired women.
- **2** pedagogical components per session: digital and financial education, and socio-emotional support and trust-building.
- Topics addressed:
  - Online security and fraud prevention.
  - Creation and management of secure passwords.
  - Download, navigation, and autonomous use of the Bank's App.
  - Trust, emotions, and perceptions of technology.

- Results:
  - Improvement in participants' digital and financial literacy.
  - Strengthening of the trust-based relationship with the Bank.

ii. Mijo Assistants

This initiative served as a key lever for financial education and digitalization. Its implementation actively promoted the use of digital channels (Mobile Banking – MB and Banking Portal – BP) and enrollment in Silver Club, strengthening customer relationships and providing a close, empathetic, and personalized support experience.

Through direct assistance at branches, Mijo Assistants facilitated the adoption of digital tools, the registration of keys, and the management of products of interest, contributing to financial inclusion and increased levels of customer self-management. In 2025, this initiative benefited a total of **1,050 people**, delivering results aligned with the Bank's strategy in terms of digital transformation, customer loyalty, and service efficiency.

iii. Financial Education Program: Misión La Guajira

The Bank participated in **the Misión La Guajira** program led by Grupo Aval and Promigas, aimed at addressing community needs. As part of this alliance, the Bank focused its participation on the design and implementation of a financial education program called **"Cuidar lo Esencial,"** under **the Finanzas Prácticas initiative,** whose objective is to strengthen financial and community management capacities to support the sustainability of water and energy projects through training processes designed from a practical, participatory approach that respects the worldview of Indigenous communities. The content addresses topics such as savings, community contributions, cash flow management, and basic financial management for community projects.

This project began in 2025 with a pilot phase that included in-person sessions and on-site support provided by the expert firm Libertat, Bank officials, as well as partners from the Misión La Guajira program. The main results are as follows:

- **+95** people trained in financial education and community management.
- **16** communities impacted in the municipalities of Manaure and Uribia.
- **5** community water and energy committees supported.
- **3** days of in-person intervention in the first phase of the pilot.
- An average of **19** participants per workshop, more than double what was initially projected.

The pilot results reflected strong receptiveness from the communities, with participation levels exceeding initial estimates and active demand for a second phase, which will continue in 2026.

iv. Financial Education Web Portal

In partnership with Visa, the Bank developed the Financial Education web portal, integrating the Finanzas Prácticas initiative, which offers structured content to support better-informed financial decision-making at different stages of life. The portal is organized around three pillars: plan, learn, and practice, offering tools such as simulators, calculators, budget planners, and templates that promote savings, goal planning, and the responsible use of financial products.

2025 Results:

- **+3,000** visits to the portal.
- Content with the highest engagement: savings and investment calculators.
- Main regions of access: Bogotá, Valle del Cauca, Antioquia, Atlántico, and Cundinamarca.

v. Educational activities on security recommendations, the use of digital channels, and updates on products and services

As part of the implementation of the new immediate payment system Bre-B, the Bank conducted two educational sessions called **"llavetones,"** through which in-person and personalized support was provided. These sessions were open to all Colombians, regardless of their financial institution, to facilitate the registration of keys in the system. As a result of these sessions, more than 21,000 keys were registered, supporting the use of fast, free, and secure digital payment methods.

In addition, educational campaigns were implemented targeting customers and users, focused on the registration and use of digital channels to receive and send money through Bre-B, reaching a total of **94,551 people** over a four-month period.

In addition, informational sessions on various financial education topics were conducted for customers. The sessions focused on educators and retirees should be highlighted from the Retirement Fund of the Military Forces (CREMIL, its Spanish acronym) regarding the Insolvency Law, with a total of 260 participants.

vi. Financial Education Sessions during Teachers' Month

To strengthen ties with the education sector, financial education sessions were held during Teachers' Month, focused on providing practical methodologies and promoting educators' overall well-being. This initiative reached a total of **4,392 beneficiaries** in 2025.

vii. Financial education on social media

During the year, Banco Popular strengthened its financial education strategy on social media, using platforms such as Facebook, Instagram, X and LinkedIn to share educational content, practical advice, and prevention resources to diverse audiences clearly and accessibly. Through monthly programming, the Bank addressed key topics related to financial well-being and security, with an emphasis on fraud prevention and the responsible use of digital channels.
Content disseminated included pieces on:

- Cybersecurity in everyday language.
- Prevention of scams and digital fraud.
- Identity theft and social engineering fraud.
- Secure use of digital channels and payment methods.
- Artificial intelligence and new fraud modalities.
- Recommendations for secure purchases and transactions.

As a result of this content strategy, during the period analyzed, 91 posts related to financial education and security were published on social media.

- Up to **93,300** users reached.
- Up to **129,800** impressions.
- Up to **77,700** views.
- Maximum engagement rate of **28.11%.**[29]

Additionally, during the year, 199 posts related to **financial well-being** were published, aimed at strengthening users' financial knowledge, habits, and capabilities through preventive and educational content.
Content disseminated included pieces on:

- Responsible money management and expense control.
- Savings and personal financial planning.
- Responsible use of credit and conscious indebtedness.
- Prevention of financial risks and protection of financial health.
- Proper use of financial products and services.
- Practical advice for financial decision-making in everyday life.

Some key figures:

- Up to 48,600 users reached in a single post.
- Up to 62,400 impressions.
- Up to 31,200 views.
- Maximum engagement rate of 22.4%.

Corporate Volunteering

Corporate volunteering is part of the initiatives within the Bank's sustainability model and promotes the active participation of employees in causes that inspire and motivate them, generate value for the community, while also strengthening organizational culture.

i. A day of connection and well-being with Fundación Jeymar

In 2025, a volunteer day was held with Fundación Jeymar, an experience focused on comprehensive support for older adults. During the activity, Banco Popular employees shared time, conversations, and recreational activities with the Foundation's residents, in a space designed to foster emotional well-being, active listening, and human connection. The activity helped recognize and value the life stories of older adults, create meaningful moments of closeness, and reaffirm the importance of care and support at this stage of life.

Key aspects:

- **45 participating employees.**
- **79** older adults impacted.
- **6** hours dedicated.

[29]The maximum engagement rate corresponds to the highest percentage of interaction recorded by an individual post during the period analyzed.

ii. Gift Collection Drive: Misión La Guajira

As part of the Misión La Guajira program, the Bank joined a Christmas gift collection drive, promoting the voluntary participation of its employees and strengthening an organizational culture based on solidarity and social commitment. Through this collective effort, **247 gifts** were collected; in addition, **4 volunteers** participated in the delivery of the gifts, which were distributed to children in La Guajira.

Social Contribution

[GRI 203-1]

In 2025, the Bank reaffirmed its commitment to social development and strengthening equitable access to justice by allocating resources to **Fundación Servicio Jurídico Popular,** an organization aimed at supporting the effective exercise of legal rights for individuals in situations of economic vulnerability. This contribution was made in accordance with the guidelines defined by the General Shareholders' Meeting and received due authorization from the Board of Directors.

The Foundation carries out its work through legal advisory and judicial representation services, contributing to reducing gaps in access to justice and promoting equal conditions before the legal system. In this way, the Bank channels its social investment toward initiatives with an intended direct and measurable impact on communities facing structural barriers to the defense of their rights.

During 2025, the Bank's social contribution amounted to **COP 396 million**, resources that supported individuals in vulnerable situations, strengthening access to justice and contributing to tangible social impact for vulnerable populations.

These initiatives reflect the Bank's purpose of making "the best time of your life" possible through actions that strengthen the social fabric, foster intergenerational solidarity, and generate shared value for the community.

4

Balance with the Planet

4.1. Environmental Strategy

The Bank has consolidated its environmental strategy based on an eco-efficient operating model and strengthened climate management, aimed at optimizing the use of natural resources such as water and energy, reducing environmental impacts, and promoting climate change mitigation.

Through the implementation of recognized operational practices, preventive and corrective maintenance programs, as well as the gradual incorporation of more efficient technologies, the Bank has made sustained progress in reducing resource consumption and associated emissions, thereby strengthening operational efficiency and environmental performance.

In addition, the Bank fosters an internal culture of environmental responsibility, encouraging the participation of its employees in sustainable initiatives and practices. This comprehensive approach reinforces the organization's capacity to address climate challenges and generates shared value for its stakeholders by promoting responsible performance, strengthening trust, and contributing to environmental protection.

Eco-efficient Operating Model

The eco-efficient operating model is a key component of the Bank's sustainability and corporate environmental responsibility strategy. By optimizing resource use, incorporating clean technologies, and promoting responsible practices, the Bank seeks to reduce environmental impacts and enhance operational efficiency.

This commitment generates shared value by supporting regulatory compliance, improving performance indicators, and reinforcing stakeholder trust. For customers, it translates into spaces designed to reduce energy and water consumption, lower the environmental footprint, and promote a culture of responsible resource use; and for society and the environment, it represents a tangible contribution to the protection of natural resources and to climate change mitigation.
For its implementation, the Bank has developed the Comprehensive Environmental Management Program (PIGA, by its Spanish acronym), composed of four subprograms: the Energy Management Program (PROURE, by its Spanish acronym), the Efficient Water Use and Savings Program (PUEAA, by its Spanish acronym), the Comprehensive Waste Management Program (PGIRS, by its Spanish acronym), and the Environmental Culture and Awareness Program.

These subprograms focus on identifying opportunities for improvement and implementing the corresponding action plans, which include consumption reduction projects and awareness campaigns. Each initiative includes monitoring metrics to assess the impact and effectiveness of the actions implemented. In this regard, the Bank established an annual reduction target of 5% for these resources for the 2023–2025 period; in 2026, targets will be adjusted based on business performance and corporate guidelines.

The Bank's objective is to be recognized as an institution that integrates sustainability into its business strategy, generating tangible and lasting benefits for its stakeholders.

In 2025, the Bank achieved significant progress in energy efficiency and water consumption, reflecting its commitment to reducing environmental impact.

Water Management
[GRI 303-1; 303-3; 303-5] [CSA.S&P]

Key results:

- **13.7%** reduction in 2025, from 48,000 m³ to 41,410 m³.
- A reduction of 6,590 m³ of water in 2025 through responsible management and continuous monitoring.
- Consolidation of continuous monitoring and preventive actions to promote efficient water use in offices.
- Strengthening of targeted campaigns in high-consumption areas, contributing to awareness and savings.

The Bank manages water responsibly, promoting its efficient use and the reduction of waste. In its offices nationwide, the water supply comes from authorized water and sewerage utilities, and, therefore, an equivalent volume is assumed to be discharged into the sewer system

In addition, the Bank permanently monitors water consumption through the Fracttal and Energy Master tools, which support tracking to identify deviations and promptly address atypical behavior. This systematic management facilitates the identification of consumption trends, guiding the definition of action plans focused on optimization, preventive maintenance, and the continuous improvement of water performance nationwide.

Water Consumption 2025	
Total water consumption (m³)	41,410
Water consumption per employee	11.9
Reduction target	5%
13.7% reduction in consumption compared to 2024	

Water Consumption 2024 - 2025	2024	2025
Water consumption (m³)	48,000	41,410

Energy Management
[GRI 302-1; 302-3] [CSA.S&P]

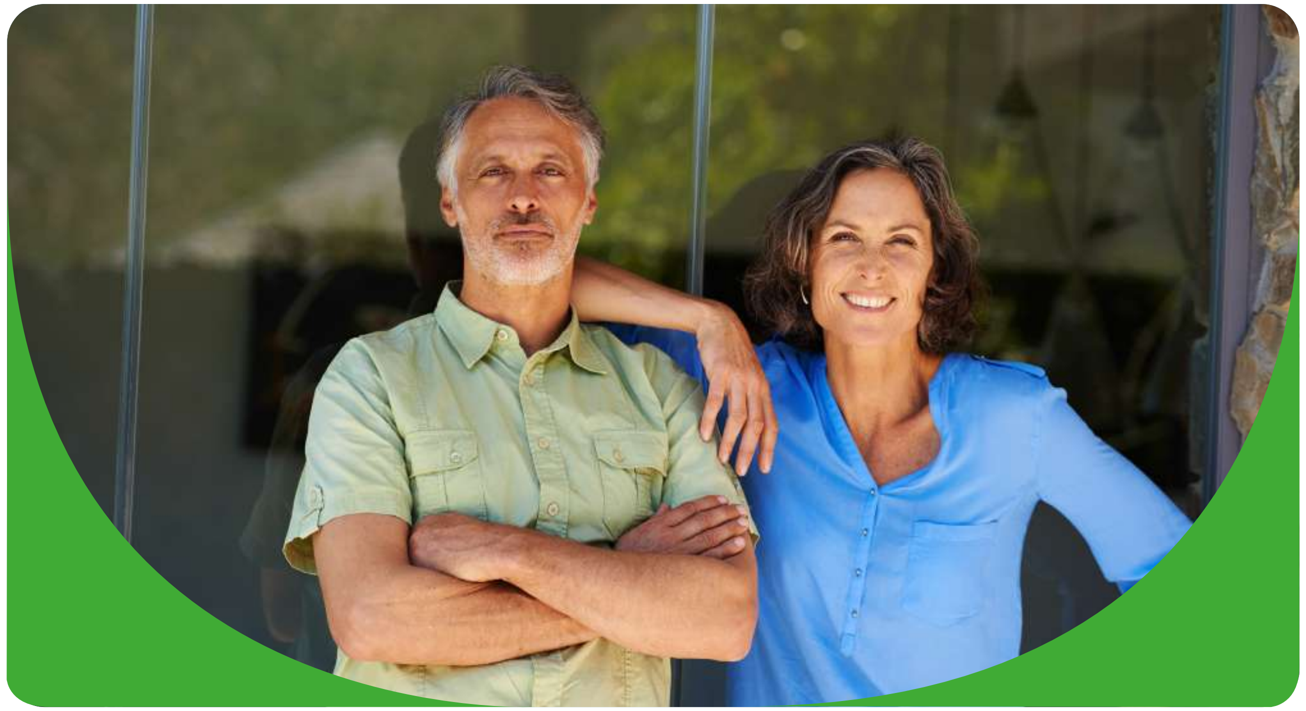
Key results:

- **19% reduction** in energy consumption, decreasing from 12,024 MWh in 2024 to 9,663 MWh in 2025, as a result of initiatives led by the Energy Committee (Mesa de Energía, by its Spanish acronym), a management mechanism aimed at reducing consumption in offices and administrative sites.
- Strengthening of **renewable energy generation** across the country.
- Optimization of electricity supply through a change in energy retailer in 35 high-consumption offices.
- Completion of the plan to **replace traditional lighting fixtures with LED technology** across the branch network.
- **Optimization of electrical networks** through analysis and action plans at high-consumption locations.
- **Automation of lighting shutoff** in offices with high deviation and high consumption.
- Monthly monitoring and follow-up to support the **shutoff of lights and air conditioning** during non-operating hours.
- **Automation of lighting** shutoff in 11 offices with high deviation and high consumption.

Responsible and sustainable energy consumption is a strategic priority for the Bank and, in line with its eco-efficient operating model, the institution has implemented strategies aimed at optimizing energy use, reducing environmental impacts, and progressively incorporating more efficient technologies, thereby strengthening environmental performance and promoting responsible energy management across its operations.

The Bank permanently monitors energy consumption through specialized tools that support periodic tracking, early identification of deviations, and the timely adoption of preventive and corrective actions. This ongoing management facilitates improved energy performance, drives operational efficiency, and strengthens responsible energy use nationwide.

Energy Consumption by Type 2025	
Energy consumption (MWh)	9,663
Energy consumption per employee (MWh)	2.79
Reduction target	5%
19.6% reduction in consumption compared to 2024	



Information	Energy Type	Unit	2024	2025
Total grid electricity consumption	Grid electricity (national network)	MWh	12,024	9,663
Total renewable energy generation	Renewable sources	MWh	77	109
Energy covered by REC certificates	REC-backed electricity	MWh	-	123.3
Backup generator fuel consumption	Backup generator diesel	Gallons	10,712	4,725

In 2025, the Bank increased renewable energy generation from 77 MWh to 109 MWh, supported by monthly monitoring through Energy Master and deviation control. In 2026, the goal will be to optimize monitoring and expand renewable energy sources.

Energy consumption	
2024	2025
12,024	9,663

Renewable Energy:

In alignment with its climate strategy and commitments, since 2025 the Bank has been promoting renewable energy generation projects nationwide, aimed at helping mitigate the environmental and climate impacts of its operations and strengthening its eco-efficient operating model. Currently, the Bank has renewable (photovoltaic) generation systems installed at the Riohacha and Tocaima offices and is advancing an expansion plan that includes the installation of solar photovoltaic systems in 13 offices nationwide. Installations have already been completed in San Francisco and Barrancabermeja, consolidating significant progress in the transition toward cleaner energy sources.

Looking ahead to 2026, the strategic priority will be to complete the installation of photovoltaic systems in the remaining offices. Once the system operates at 100% capacity for 360 days of the year, approximately 720 MWh of additional renewable energy could be incorporated. In addition, the Bank will continue strengthening the monitoring and tracking of energy generation from existing systems and those that come into operation, supporting their efficiency and performance.

Furthermore, during 2025 the Bank changed its energy retailer in 35 of the 60 planned offices, incorporating electricity from renewable sources through Renewable Energy Certificates (RECs), an action that reinforces the Bank's commitment to its long-term energy and climate strategy.

Comprehensive Waste Management

[GRI 306-4; 306-5] [CSA.S&P]

The Bank's comprehensive waste management is based on the circular economy model, which seeks to reduce waste generation, optimize resource use, and reincorporate materials into production cycles. Within this framework, the Bank implements actions aimed at source reduction, reuse, and recovery of waste generated in its operations, in line with its eco-efficient operating model and sustainability commitment.

Additionally, the Bank prioritizes recycling through specialized and duly authorized waste managers, strengthening the proper handling of hazardous and special waste through certified entities responsible for treatment and final disposal. These practices ensure compliance with applicable environmental regulations and contribute to environmental protection, reinforcing a responsible operating model aligned with a more circular economy.

Recoverable Waste 2025 (Kg)	
Paper / document waste	2,798
Cardboard	1,872.4
Plastic	378
Glass	114
Sorted waste	1001
Scrap metal	24
Total	6,187.4
Hazardous waste recycled / reused	627
Total waste not directed to disposal	**6,814.4**

Comprehensive Wast Management 2024–2025	2024	2025
Waste not directed to disposal (Kg)	5,558	6,814.4

During 2025, the Bank increased waste recovery by 23% compared to 2024, as a result of strengthened measurement, control, and traceability processes in waste management across its operations. This progress reflects the institution's commitment to the circular economy, the optimization of material use, and the reduction of waste sent to final disposal.

Likewise, the management of unused items, whether due to deterioration, physical damage, obsolescence, technological upgrades, or rebranding, is managed in a planned and responsible manner based on the requirements of the Bank's offices and departments, prioritizing recovery, value generation, and environmentally appropriate final disposal, in line with comprehensive waste management.

In 2025, a total of 2,193 furniture units were sold through formal sales processes, promoting their reuse and extending their useful life, in accordance with circular economy principles.

Waste Management for Disposal

As part of its commitment to environmental practices, the Bank manages and properly disposes of its hazardous waste through specialized providers, supporting treatment in accordance with applicable regulations and environmentally appropriate final disposal.

During 2025, hazardous waste was managed as follows:

Hazardous wast disposed of in a secure landfill cell or Neutralized:

303 kg

Additionally, 4,007 units of Waste Electrical and Electronic Equipment (WEEE, Waste Electrical and Electronic Equipment; RAEE, by its Spanish acronym) were managed, supporting their recovery and responsible handling, in line with circular economy principles.

Environmental Incident Reporting: At the Bank, no non-compliance with environmental laws or regulations was reported, nor were any sanctions or fines of this nature imposed.

4.2. Climate Management

Carbon Footprint

[GRI 305-1; 305-2; 305-3] [CSA.S&P]

The Bank has progressively strengthened its climate management in response to the global challenges of climate change, in alignment with international sustainability standards. The Bank adopts and promotes national and international recognized practices to support positive environmental outcomes and responsibly manage its operations.

The measurement of Greenhouse Gas (GHG) emissions nationwide is a key component of climate management, providing a methodological basis for defining mitigation and adaptation plans. During the reporting period, the Bank conducted its fifth consecutive emissions estimation exercise, considering both direct and indirect emissions, following the methodological guidelines of the Greenhouse Gas Protocol (GHG Protocol), NTC ISO 14064-1:2020, and the Intergovernmental Panel on Climate Change (IPCC) guidelines

The most representative emissions from Scopes 1, 2, and 3 (excluding financed emissions) were included, expressed in tons of CO_2 equivalent (tCO_2e), adopting a control approach covering both directly and indirectly controlled sources, thereby supporting a comprehensive and consistent inventory.

Corporate Carbon Footprint 2025			
Scope 1	Emission source		Total (tCO2e)
Scope 1	Fossil fuels – mobile sources	Liquid and gaseous fuels (mobile)	16.90
	Fossil fuels – stationary sources	Liquid and gaseous fuels (stationary)	46.41
	Refrigerant gas leakage	Refrigeration equipment	45.01
		Fire extinguishers	168.06
TOTAL SCOPE 1			276.38
Scope 2	Electricity consumption	Location Based	937.35
		Market Based	11.95
TOTAL SCOPE 2			925.39
Scope 3	Business travel	Corporate flights	76.72
	Purchased goods and services	Paper consumption	48.18
	Waste generated in operations	Waste treatment & and disposal	32.45
	Capital goods	IT equipment	522.28
	Employee	Transportation	606.64
TOTAL SCOPE 3			1,286.32
TOTAL			**2,488.09**

Scope 3 Emissions by Category (tCO_2e) – 2025

Categories	Emissions (TCO_2e)
(1) Purchased goods and services	48.18
(2) Capital goods	522.28
(5) Waste generated in operations	32.45
(6) Business travel	76.72
(7) Employee commuting	606.64
Total	**1,286.32**

2025 Carbon Footprint (tCO_2e)

Scope	2025
Scope1	276.38
Scope 2	925.39
Scope 3	1,286.32
Total	**2,488.09**

Carbon Footprint 2022–2024 (tCO_2e)

Scope	2022	2023	2024
Scope1	342.2	346.3	263.2
Scope 2	1,559.7	2,226.4	1,690.2
Scope 3	180.8	134.7	145.7
Total	**2,083.8**	**2,707.5**	**2,099.1**

The 2025 carbon footprint showed an increase compared to 2024, which was expected because, during this period, the measurement methodology was strengthened and a greater number of categories within Scope 3 (excluding financed emissions) were incorporated, expanding inventory coverage and accuracy. This adjustment reflects a more comprehensive approach and the Bank's commitment to rigorous emissions quantification; therefore, 2025 has been established as the baseline year for climate management. As a result of this strengthening, the Bank will be better positioned to implement short-, medium-, and long-term actions to mitigate GHG emissions.

Carbon Footprint Intensities

[GRI 305-4]

Variable	Result	Units
Employees	0.713931	tCO_2e / Employee
Revenue	0.000719	tCO_2e / COP Million

Looking ahead to 2026, the Bank aims to advance the measurement of its financed emissions, corresponding to Scope 3, Category 15, in accordance with the methodology of the Partnership for Carbon Accounting Financials (PCAF). This project is expected to strengthen the management of indirect emissions associated with the Bank's financial activity and deepen its understanding of climate-related impacts.

The implementation of this methodology will contribute to decision-making and to the progressive development of actions aimed at supporting a greater positive environmental impact, in line with sustainability and climate responsibility principles.

Corporate Carbon Footprint Offsetting

Climate change has intensified its environmental, social, and economic impacts at both national and global levels, highlighting the need for different sectors to strengthen their climate management. Under verifiable technical criteria aligned with international standards and recognized practices, the Bank has progressively advanced in the measurement, management, and strengthening of its carbon footprint, in accordance with methodologies for quantifying greenhouse gas (GHG) emissions, with the purpose of contributing to the mitigation of climate-related impacts. As part of this effort, the Bank voluntarily initiated the offsetting of its GHG emissions through the purchase of carbon credits. In 2025, for the first time, it offset an amount equivalent to 100% of its calculated Scope 1, 2, and 3 emissions (excluding Category 15) corresponding to 2024, through the offsetting of 2,100 tCO_2e through the REDD+ PAZcífico Sur Project, an initiative aimed at forest conservation, the strengthening of carbon sinks, and the generation of social benefits for 18 Afro-descendant communities in Nariño, contributing to the sustainable development of the territory.

Additionally, the Bank offset 2,490 tCO_2e, corresponding to an amount equivalent to 100% of its calculated Scope 1, 2, and 3 emissions (excluding Category 15) for 2025, through the purchase of carbon credits from the REDD+ Guainía Project. This project reduces emissions by preventing deforestation and conserving forests located in the Indigenous reserves of Almidón La Ceiba, Caranacoa-Yuri Laguna Morocoto, Venado, Paujil-Limonar, and the Cuiarí and Isana Rivers, in the department of Guainía. The initiative strengthens the protection of strategic ecosystems, promotes respect for the rights of Indigenous communities, and supports their participation in the sustainable management of their territory.

Climate Risk Management

[CSA.S&P]

As part of strengthening its climate risk management, and in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the provisions of External Circular 031 of 2021 issued by the Financial Superintendency of Colombia, the Bank advanced in strengthening its analyses for the identification and assessment of physical and transition risks. For further information, please refer to the annex of this report.

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Subsidiaries

Alpopular General Bonded Warehouse S.A.

Alpopular General Bonded Warehouse S.A., hereinafter, Alpopular, is domiciled in Bogotá D.C., Colombia. Since 1996, Banco Popular has maintained a controlling interest in Alpopular as a subsidiary. As of December 31, 2025, Banco Popular S.A. holds a 71.10% equity interest.

Alpopular's corporate purpose is the storage, preservation and custody, handling and distribution, and the purchase and sale of goods and products of domestic and foreign origin, the issuance of Certificates of Deposit and Warehouse Warrants, and the granting of direct credit to its customers or the management of such credit on their behalfin accordance with applicable law. Consistent with its corporate purpose, Alpopular has carried out Customs Brokerage activities since 1969 pursuant to authorization granted by the National Tax and Customs Directorate (DIAN, its Spanish acronym).

Alpopular is a corporation (sociedad anónima) providing financial services, incorporated in accordance with Colombian law through Public Deed No. 6498 dated December 22, 1967, and authorized to operate by Financial Superintendency of Colombia pursuant to Resolution 3140 dated September 24, 1993.

Fiduciaria Popular S.A.

Fiduciaria Popular S.A. is a private corporation providing financial services. Its principal corporate purpose is the execution and management of trust businesses in general, as well as all activities that trust companies are authorized to carry out under applicable law and regulations.

On January 2, 2026, Banco Popular S.A. and the other participating entities informed the market, through the publication of relevant information, of the completion of the partial spin-off process of Fiduciaria Bogotá S.A., Fiduciaria de Occidente S.A., and Fiduciaria Popular S.A.,.through which these companies, without being dissolved or liquidated, transferred all of their fiduciary activities to Aval Fiduciaria S.A. This transaction included the transfer of managed trust businesses and products, collective investment funds, and the assets, liabilities, and contractual positions associated with such activity.

The spin-off was formalized through Public Deed No. 2647 dated December 19, 2025, executed before Notary Office 37 of Bogotá D.C., and was registered on January 1, 2026, with the Chambers of Commerce of Bogotá and Cali. The process received prior approval from the Financial Superintendency of Colombia through Resolution No. 1777 dated September 23, 2025.

Corficolombiana

Under a shareholders' agreement among Grupo Aval Acciones y Valores S.A., Banco Popular S.A., Banco de Bogotá S.A., and Banco de Occidente S.A., Banco Popular S.A. obtained controlling-entity status of Corporación Financiera Colombiana S.A. ("Corficolombiana") in accordance with Articles 260 and 261 of the Colombian Commercial Code and the requirements of IFRS 10. The execution of this agreement does not entail any change in the equity interest currently held by the signatories in Corficolombiana. The agreement was signed on November 22, 2023, and was subsequently amended on March 8, 2024.

Corficolombiana S.A. is a financial institution authorized to operate by the Financial Superintendency of Colombia through a resolution dated October 18, 1961. The Corporation's corporate purpose is to actively manage an investment portfolio through controlled and non-controlled investments in strategic sectors, including infrastructure, energy and gas, agribusiness, and hotels.

As of December 31, 2025, Banco Popular directly holds a 5.20% economic interest in Corficolombiana S.A.

For further accounting and financial information on subsidiaries, please refer to the 2025 Consolidated Financial Statements.

6

Glossary

A

ABAC: Anti Bribery and Anti Corruption" (ABC): In Spanish, "Antisoborno y Anticorrupción.

ADL: Aval Digital Lab: Aval Digital Lab.

ALM: Asset and Liability Management (ALM): Gestión de activos y pasivos.

ANIF: ANIF (Spanish acronym): National Association of Financial Institutions (Asociación Nacional de Instituciones Financieras).

ANS: (Acuerdos de Nivel de Servicio, Spanish acronym): Service Level Agreements (SLAs).

AP: (Ajuste por Plazo, Spanish acronym): Maturity Adjustment.

APIs: API Integration: Application Programming Interface Integration (Integración de Interfaces de Programación de Aplicaciones).

APNR: (Activos Ponderados por Nivel de Riesgo, Spanish acronym): Risk-Weighted Assets (RWA).

ASG: (Ambiental, Social y de Gobernanza, Spanish acronym): Environmental, Social, and Governance (ESG).

ATM: Automated Teller Machine" (ATM): In Spanish, "Cajero Automático.\

B

BCP: Business Continuity Plan (Process Recovery)

BDO Audit S.A.S.: Audit firm providing statutory audit, consulting, business advisory, tax, and outsourcing services

BI: Business Intelligence

IDB (BID, Spanish acronym): Inter-American Development Bank

BRDPS: Assets received in lieu of payment (Bienes Recibidos en Dación de Pago, Spanish acronym)

BVC: Colombian Stock Exchange (Bolsa de Valores de Colombia, Spanish acronym)

C

CAPD: Alternate Data Processing Center (Centro Alterno de Procesamiento de Datos, Spanish acronym)

CB: Banking correspondents (Corresponsales Bancarios, Spanish acronym)

CBCF: Basic Accounting and Financial Circular (Circular Básica Contable y Financiera, Spanish acronym)

CDT: Fixed-Term Certificate of Deposit (Certificado de Depósito a Término, Spanish acronym)

CES: Customer Effort Score

CFA (Colateral Financiero Admisible, Spanish acronym): Eligible Financial Collateral

CFEN (Coeficiente de Financiación Estable Neta, Spanish acronym): Net Stable Funding Ratio (NSFR)

CIC (Componente Individual Contracíclico, Spanish acronym): Countercyclical Individual Component

CIP (Componente Individual Procíclico, Spanish acronym): Procyclical Individual Component

CISO: Chief Information Security and Cybersecurity Officer

COBIT: Control Objectives for Information and Related Technology.

COC (Centro de Operaciones de Contingencia, Spanish acronym): Contingency Operations Center

COSO: Committee of Sponsoring Organizations of the Treadway Commission.

CRCC (Cámara de Riesgo Central de Contraparte, Spanish acronym): Central Counterparty Risk Clearing House

CSA: Corporate Sustainability Assessment (Corporate Sustainability Index).

D

DANE (Departamento Administrativo Nacional de Estadística, Spanish acronym): National Administrative Department of Statistics

DAR (Declaración de Apetito de Riesgo, Spanish acronym): Risk Appetite Statement

DEI: Diversity, Equity, and Inclusion

DRP: Disaster Recovery Plan

DTN (Dirección del Tesoro Nacional, Spanish acronym): National Treasury Directorate.

DXY: U.S. Dollar Index.

E

E2E: End-to-End.

eNPS: Employee Net Promoter Score.

EPR (Esquema de Pruebas de Resistencia, Spanish acronym): Stress Testing Framework.

EVE: Economic Value of Equity.

G

GEI (Gases de Efecto Invernadero, Spanish acronym): Greenhouse Gases (GHG).

GHG Protocol: Greenhouse Gas Protocol.

GRI: Global Reporting Initiative.

GRL (Gestión de Riesgo de Liquidez, Spanish acronym): Liquidity Risk Management.

GRM (Gestión de Riesgo de Mercado, Spanish acronym): Market Risk Management.

I

IA (Inteligencia Artificial, Spanish acronym): Artificial Intelligence (AI).

IASB: International Accounting Standards Board (Consejo de Normas Internacionales de Contabilidad).

IBR (Indicador Bancario de Referencia, Spanish acronym): Colombian Bank Reference Rate (IBR).

ICETEX (Instituto Colombiano de Crédito Educativo y Estudios Técnicos en el Exterior, Spanish acronym): Colombian Institute of Educational Credit and Technical Studies Abroad.

ICNR (Intereses Causados No Recaudados, Spanish acronym): Accrued but Uncollected Interest.

ICR (Índice de Calidad de Cartera, Spanish acronym): Loan Portfolio Quality Index.

ICVT: Past-Due Loan Portfolio.

Informe de aseguramiento: Professional assurance service that provides stakeholders with confidence regarding the reliability of an organization’s financial and non-financial information.

IP (Instrumentos Financieros, Spanish acronym): Financial Instruments.

IPC (Índice de Precios al Consumidor, Spanish acronym): Consumer Price Index (CPI).

IR: Recognition granted to issuers that voluntarily adopt best practices in information disclosure and investor relations by the Colombia Stock Exchange.

IRL (Riesgo de Liquidez, Spanish acronym): Liquidity Risk.

J

JD (Junta Directiva, Spanish acronym): Board of Directors
JDBR (Junta Directiva del Banco de la República, Spanish acronym): Board of Directors of the Banco de la República

K

KPIs: Key Performance Indicators.

L

LAFT (Lavado de Activos y Financiación del Terrorismo, Spanish acronym): Money Laundering and Terrorist Financing.

M

MAR (Marco de Apetito de Riesgo, Spanish acronym): Risk Appetite Framework.

Martillo: Specialized service for auctions, foreclosures, and direct sales.

MFA: Multi-Factor Authentication.

MGR (Marco de Gestión de Riesgos, Spanish acronym): Risk Management Framework.

MNI (Margen Neto de Interés, Spanish acronym): Net Interest Margin (NIM).

MRC (Modelos de Referencia Cartera Comercial, Spanish acronym): Commercial Loan Portfolio Reference Models.

MRCO (Modelos de Referencia Cartera de Consumo, Spanish acronym): Consumer Loan Portfolio Reference Models.

MWh: Megawatt-hour.

N

NCIF (Normas de Contabilidad e Información Financiera, Spanish acronym): Accounting and Financial Reporting Standards.
NFC (Retiros sin Contacto, Spanish acronym): Contactless Withdrawals.
NIC (Normas Internacionales de Contabilidad, Spanish acronym): International Accounting Standards (IAS).
NIIF (Normas Internacionales de Información Financiera, Spanish acronym): International Financial Reporting Standards (IFRS).
NPS: Net Promoter Score.

O

ODS (Objetivos de Desarrollo Sostenible, Spanish acronym): Sustainable Development Goals (SDGs).
ORI (Otro Resultado Integral, Spanish acronym): Other Comprehensive Income (OCI).

P

Pbs: Basis Points.
PCAF: Partnership for Carbon Accounting Financials.
PDI (Pérdida Dado el Incumplimiento, Spanish acronym): Loss Given Default (LGD).
PDPD (Política de Datos Personales y Datos, Spanish acronym): Personal Data Protection Policy.
PGIRS (Plan de Gestión Integral de Residuos Sólidos, Spanish acronym): Comprehensive Solid Waste Management Program.
PI (Probabilidad de Incumplimiento, Spanish acronym): Probability of Default (PD).
PIB (Producto Interno Bruto, Spanish acronym): Gross Domestic Product (GDP).
PIGA (Plan Institucional de Gestión Ambiental, Spanish acronym): Comprehensive Environmental Management Program.
PIGDP (Plan Institucional de Gestión de Datos Personales, Spanish acronym): Comprehensive Personal Data Management Program.
PND (Plan Nacional de Desarrollo, Spanish acronym): National Development Plan.
PQR (Peticiones, Quejas y Reclamos, Spanish acronym): Petitions, Complaints, and Claims.
PROURE (Programa de Uso Racional y Eficiente de Energía, Spanish acronym): Energy Management Program.
PUEAA (Plan de Uso Eficiente y Ahorro del Agua, Spanish acronym): Efficient Water Use and Savings Program

Q

QR: Quick response

R

RAEE (Residuos de Aparatos Eléctricos y Electrónicos, Spanish acronym): Waste Electrical and Electronic Equipment (WEEE)

REC: Renewable Energy Certificates (Certificados de Energía Renovable, Spanish acronym).

RNVE (Registro Nacional de Valores y Emisores, Spanish acronym): National Registry of Securities and Issuers

RPA: Robotic Process Automation

RTILB (Riesgo de Tasa de Interés del Libro Bancario, Spanish acronym): Interest Rate Risk in the Banking Book (IRRBB)

S

S.A.S. (Sociedad por Acciones Simplificada, Spanish acronym): Simplified Stock Company

S.A. (Sociedad Anónima, Spanish acronym): Corporation

SAC (Sistema de Atención al Consumidor Financiero, Spanish acronym): Financial Consumer Service System

SARAS (Sistema de Administración de Riesgos Ambientales y Sociales, Spanish acronym): Environmental and Social Risk Management System

SARC (Sistema de Administración de Riesgo de Crédito, Spanish acronym): Credit Risk Management System

SARLAFT (Sistema de Administración del Riesgo de Lavado de Activos y de la Financiación del Terrorismo, Spanish acronym): Anti-Money Laundering and Counter-Terrorist Financing Risk Management System

SASB: Sustainability Accounting Standards Board.

SCI (Sistema de Control Interno, Spanish acronym): Internal Control System

SFC (Superintendencia Financiera de Colombia, Spanish acronym): Financial Superintendence of Colombia

SGAS (Sistema de Gestión Antisoborno, Spanish acronym): Anti-Bribery Management System

SGCN (Sistema de Gestión de Continuidad del Negocio, Spanish acronym): Business Continuity Management System

SGSI (Sistema de Gestión de Seguridad de la Información, Spanish acronym): Information Security Management System

SIAR (Sistema Integral de Administración de Riesgos, Spanish acronym): Comprehensive Risk Management System

SIG (Sistema Integrado de Gobernanza, Spanish acronym): Integrated Governance System

SMS (Servicio de Mensajes Cortos, Spanish acronym): Short Message Service

SOX Sarbanes-Oxley Act

SST (Seguridad y salud en el trabajo, Spanish acronym): Occupational Health and Safety

STEM (Ciencia, Tecnología, Ingeniería y Matemáticas, Spanish acronym): Science, Technology, Engineering and Mathematics

T

T.P.: Tarjeta profesional (Contador/Revisor Fiscal)

TCFD: Task Force on Climate-related Financial Disclosures

TCO: Títulos de corto plazo

tCO2e: Toneladas de dióxido de carbono equivalente. Es una unidad de medida que se utiliza

para cuantificar las emisiones de gases de efecto invernadero (GEI)

TES: Títulos de tesorería

TPIs: Terceras Partes Interesadas

TPM: Tasa política monetaria

TRM: Tasa representativa del mercado

TTGD: Tasa de tributación depurada del grupo

U

UVR: Unidad de valor real

7

Annexes

7.1. GRI Content Index

GRI Standard	Content	Location / Direct response
GRI 2 Content Index – General Disclosures		
2-1	Organizational details	Pg. 6 / 1.1. Our Bank
2-2	Entities included in the organization's sustainability reporting	Pg. 6 / 1.1. Our Bank
2-3	Reporting period, frequency and contact point	Pg. 5 / About this report
2-4	Restatement of information	[GRI 303-5] GRI 303-5] During the reporting period, the Bank strengthened its water consumption measurement process, which involved a methodological adjustment compared to the previously used approach. As a result of this update, the 2024 data was recalculated, generating significant variations in the previously reported information. This change reflects improvements in data collection and consolidation mechanisms, with the aim of increasing the accuracy, traceabilityand reliability of the data.
2-5	External assurance	Three quotes are requested, evaluating years of experience in verifying the Management and Sustainability Report, market representation, standardized parameters and economic offer. The procurement area continues the process verifying compliance with purchasing parameters. Annexes. Assurance Letter

GRI Standard	Content	Location / Direct response
GRI 2 Content Index – General Disclosures		
2-6	Activities, value chain and other business relationships	Pg. 6 / 1.1. Our Bank. Pg. 84 / 3.2.1. Supplier management
2-7	Employees	Pg. 78, 79 & 80 / 3.1.1. Cultural transformation
2-8	Workers who are not employees	Pg. 78 & 79 / 3.1.1. Cultural transformation
2-9	Governance structure and composition	Pg. 10 / 1.5. Sustainability strategy. Pg. 45 & 49 / 2.1.1. Corporate governance. Pg. 81 & 82 / 3.1.1. Cultural transformation
2-10	Nomination and selection of the highest governance body	Pg. 45 / 2.1.1. Corporate governance
2-11	Chair of the highest governance body	Pg. 54 / 2.1.1. Corporate governance
2-12	Role of the highest governance body in overseeing the management of impacts	Pg. 10 / 1.5. Sustainability strategy. Pg. 90 / 2.1.1. Corporate governance
2-13	Delegation of responsibility for managing impacts	Pg. 9 & 10 / 1.5. Sustainability strategy
2-14	Role of the highest governance body in sustainability reporting	The Board of Directors reviewed and approved the 2025 Management and Sustainability Report, in minutes 2841 dated February 23, 2026
2-15	Conflicts of interest	Pg. 54 / 2.2.1. Corporate governance
2-16	Communication of critical concerns	Pg. 70 / 2.2.4. Risk management
2-17	Collective knowledge of the highest governance body	Pg. 48 / 2.2.1. Corporate governance. Pg. 80 / 3.1.1. Cultural transformation

GRI Standard	Content	Location / Direct response
GRI 2 Content Index – General Disclosures		
2-18	Evaluation of the performance of the highest governance body	Pg. 47 / 2.2.1. Corporate governance
2-19	Remuneration policies	Pg. 45 / 2.2.1. Corporate governance
2-20	Process to determine remuneration	Pg. 45 & 52 / 2.2.1. Corporate governance
2-21	Annual total compensation ratio	Pg. 172 / 3.1.1. Transformación cultural
2-22	Statement on sustainable development strategy	Pg. 9 / 1.5. Sustainability strategy
2-23	Policy commitments	Pg. 10 / 1.5. Sustainability strategy
2-24	Embedding policy commitments	Pg. 10 / 1.5. Sustainability strategy
2-25	Processes to remediate negative impacts	Pg. 37 / 2.1.3.4. Customer experience
2-26	Mechanisms for seeking advice and raising concerns	Pg. 70 / 2.2.4. Risk management
2-27	Compliance with laws and regulations	Pg. 57 / 2.2.3. Legal and regulatory compliance

GRI Standard	Content	Location / Direct response
GRI 2: Contenidos generales / General Disclosures		
2-28	Membership associations	Pg. 15 / Recognitions and memberships
2-29	Approach to stakeholder engagement	Pg. 12 / 1.5. Sustainability strategy
2-30	Collective bargaining agreements	Pg. 89 / 3.1.1. Cultural transformation
GRI 3: Temas materiales		
3-1	Process to determine material topics	Pg. 10 & 11 / 1.5. Sustainability strategy
3-2	List of material topics	Pg. 11 / 1.5. Sustainability strategy
3-3	Management of material topics	Pg. 10 / 1.5. Sustainability strategy
GRI 201: Economic Performance		
201-1	Direct economic value generated and distributed	Pg. 24 / 2.1.2. Financial position. Pg. 94 / 3.2.1. Supplier management
GRI 203: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	Pg. 102 / 3.2.2. Social impact
GRI 204: Procurement Practices		
204-1	Proportion of spending on local suppliers	Pg. 94 / 3.2.1. Supplier management
GRI 205: Anti-corruption		
205-1	Operations assessed for corruption-related risks	Pg. 57 / 2.2.3. Legal & regulatory compliance. Pg. 72 / 2.2.4. Risk management
205-3	Confirmed incidents of corruption and actions taken	Pg. 57 / 2.2.3. Legal & regulatory compliance. Pg. 71 & 72 / 2.2.4. Risk management

GRI Standard	Content	Location / Direct response
GRI 302: Energy		
302-1	Energy consumption within the organization	Pg. 104 / 4.1. Environmental strategy
302-3	Energy intensity	Pg. 104 / 4.1. Environmental strategy
GRI 303: Water and Effluents		
303-1	Interactions with water as a shared resource	Pg. 104 / 4.1. Environmental strategy
303-3	Water withdrawal	Pg. 104 / 4.1. Environmental strategy
303-5	Water consumption	Pg. 104 / 4.1. Environmental strategy
GRI 305: Emissions		
305-1	Direct GHG emissions (Scope 1)	Pg. 106 / 4.2. Climate management
305-2	Energy-indirect GHG emissions (Scope 2)	Pg. 106 / 4.2. Climate management
305-3	Other indirect GHG emissions (Scope 3)	Pg. 106 / 4.2. Climate management
305-4	GHG emissions intensity	Pg. 108 / 4.2. Climate management
GRI 306: Waste		
306-4	Waste diverted from disposal	Pg. 105 / 4.1. Environmental strategy
306-5	Waste directed to disposal	Pg. 105 / 4.1. Environmental strategy
GRI 308: Environmental Assessment of Suppliers		
308-1	New suppliers that were screened using environmental criteria	Pg. 95 / 3.2.1. Supplier management

GRI Standard	Content	Location / Direct response
GRI 401: Employees		
401-1	New employee hires and employee turnover	Pg. 81, 82, 83 & 84 / 3.1.1. Cultural transformation
401-2	Benefits provided to full-time employees that are not provided to part-time or temporary employees	Pg. 89 / 3.1.1. Cultural transformation
GRI 403: Occupational Health and Safety		
403-1	Occupational health and safety management system	Pg. 92 & 93 / 3.1.2. Occupational health and safety
403-2	Hazard identification, risk assessment and incident investigation	Pg. 92 & 93 / 3.1.2. Occupational health and safety
403-5	Worker training on occupational health and safety	Pg. 93 / 3.1.2. Occupational health and safety
403-9	Work-related injuries	Pg. 93 / 3.1.2. Occupational health and safety
403-10	Work-related ill health	Pg. 93 / 3.1.2. Occupational health and safety
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	Pg. 85 / 3.1.1. Cultural transformation
404-2	Programs for upgrading employee skills and transition assistance programs	Pg. 85 / 3.1.1. Cultural transformation
404-3	Percentage of employees receiving regular performance and career development reviews	Pg. 88 / 3.1.1. Cultural transformation
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Pg. 80 / 3.1.1. Cultural transformation
405-2	Ratio of basic salary and remuneration of women to men	Pg. 88 / 3.1.1. Cultural transformation

GRI Standard	Content	Location / Direct response
GRI 414: Evaluación social de los proveedores / Social Assessment of Suppliers		
414-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pg. 37 / 2.1.3.4. Customer experience. Pg. 66 / 2.2.4. Risk management
GRI 418: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pg. 37 / 2.1.3.4. Customer experience. Pg. 66 / 2.2.4. Risk management

7.2 External Circular 031 of 2021

Table of Contents

1. Banco Popular's Sustainability Strategy

For information on the procedures implemented to identify material information, please refer to Chapter "1.4 Sustainability Strategy" of the Management and Sustainability Report, which describes the procedures implemented to identify material information and the reasons supporting its materiality.

2. Climate Matters

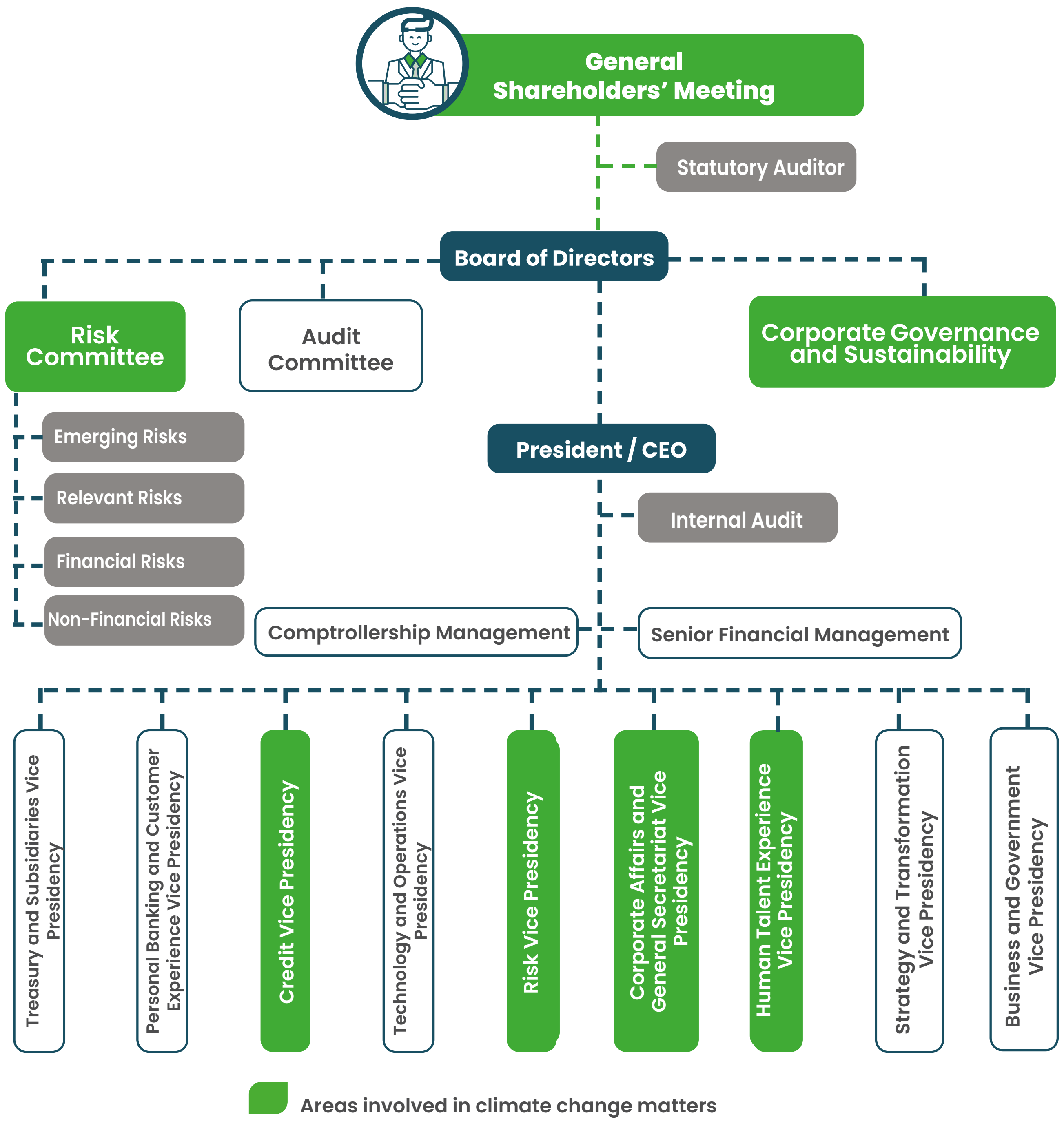
This chapter, Banco Popular's Climate Report, aims to disclose to Stakeholders, in a clear, consistent, and comparable manner, information related to the management of risks and opportunities associated with climate change under the framework of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and associated international standards. This report includes the implementation of governance practices, strategy, management of physical and transition risks, climate-related metrics and targets, as well as matters related to the Bank's resilience under different scenarios.

2.1. Governance

The Bank's current Corporate Governance structure (Figure 1) consists of the General Shareholders' Meeting, the Board of Directors and its support Committees, the President, Vice Presidencies and/or management offices that report directly to the President, and other administrative support committees.

These governance bodies include specialized areas that address, among other aspects, matters related to the Bank's climate risk management, which are highlighted below:

Figure 1. Banco Popular Corporate Governance Structure



As of the end of December 2025, the Bank had 174 branches nationwide.

In this context, the following section describes selected functions of the Board of Directors and its committees that have the greatest impact on Risk management and the handling of climate change-related matters at the Bank.

2.1.1. Role of the Board of Directors

The Bank's Board of Directors is the highest governance and oversight body and has ultimate responsibility for defining strategic and oversight guidelines, including environmental, social, and governance (ESG) matters and climate-related issues.

The Board of Directors has knowledge of ESG matters and regularly participates in training processes that support keeping it up to date on these topics. During 2025, specific training on climate risks was provided and the relevance of the Board's role in oversight, strengthening its analytical and decision-making capabilities in this area.

2.1.1.1. Committees Supporting the Board of Directors

Corporate Governance and Sustainability Committee

In performing its duties, the Board of Directors is supported by the Corporate Governance and Sustainability Committee, a specialized technical and advisory body that assists the Board in approving, overseeing, and monitoring policies, guidelines, and practices related to corporate governance and sustainability, without replacing the Board's responsibilities.

In sustainability matters, the Committee reviews policies and strategies and recommends them for approval by the Board of Directors of the Bank's sustainability model; monitors their implementation; promotes participation in initiatives aligned with the institutional strategy; and reviews the annual sustainability management report, including matters related to the management of risks and opportunities associated with climate change.

Risk Committee

The purpose of this Committee is to assist the Bank's Board of Directors in fulfilling its oversight responsibilities regarding Risk management by identifying, measuring, controlling, and monitoring, on a consolidated basis, the risks to which both the Bank and its subsidiaries are exposed, within a holistic framework that promotes an institutional culture focused on prevention.

The risks managed by the Bank are classified as follows: Emerging Risks, Relevant Risks, Financial Risks, and Non-Financial Risks. Climate risk was included in the list of Relevant Risks in 2023 and was subsequently considered an Emerging Risk in 2024 and 2025.

2.1.2. Role of Senior Management

The Bank's Senior Management is composed of the President, the Vice Presidents, and the Managers who report directly to her. Within this framework, Senior Management monitors key environmental indicators under the adopted eco-efficiency strategy, such as water and energy consumption, waste management, carbon footprint, and offsetting, and periodically reports to the Corporate Governance and Sustainability Committee and the Board of Directors on progress, identified risks, and key milestones related to climate management.

Vice Presidency of Corporate Affairs and Sustainability, and General Secretariat

The Vice Presidency of Corporate Affairs and Sustainability is responsible for implementing the Bank's Sustainability Policy, integrating initiatives across different areas to support coherent and effective management; monitoring progress on commitments established in environmental, social, and corporate governance matters, including those related to climate change; proposing guidelines; consolidating, analyzing, and disclosing sustainability information; and providing timely ESG training to different Stakeholders. The Vice President of Corporate Affairs and Sustainability serves as the Chief Climate Officer.

Vice Presidency of Risk Management

The Bank's Risk Vice Presidency is responsible for the Bank's Comprehensive Risk Management; therefore, its functions include proposing guidelines and policies related to the management of these risks and supporting the existence of an adequate Internal Control System. Likewise, it will lead the implementation of SARAS (Environmental and Social Risk Management System, its Spanish acronym), which includes the identification and management of risks and opportunities.
related to social and environmental matters, including those related to climate change, in accordance with applicable regulations and leading practices.

Vice Presidency of Credit

The Vice Presidency of Credit is responsible for the administration and management of the Bank's credit Risk. Within its role, it manages and consolidates credit information that serves as the primary input for analyses of portfolio exposure and sensitivity to physical and transition risks. It will also play an important role in the implementation of SARAS (Environmental and Social Risk Management System, its Spanish acronym), particularly in the administration of the process for identifying, assessing, and controlling environmental and social risks, including climate risks.

These processes will support the incorporation of properly informed risk considerations into credit decisions and support the management of portfolios exposed to climate risks in a manner consistent with Senior Management guidelines.

2.2. Strategy

The Bank recognizes that risks and opportunities associated with climate change may have financial impacts on its business model, loan portfolio, operational continuity, and relationships with its Stakeholders. In this context, this matter is addressed in an integrated manner within the Bank's strategic direction, consistent with its business approach, Sustainability strategy, and Comprehensive Risk Management System.

In line with its corporate and sustainability strategies, the Bank has been developing strategies aimed at progressively incorporating, in accordance with applicable regulations, the monitoring of environmental matters, including climate-related issues. In addition, it is advancing the gradual implementation of the Environmental and Social Risk Management System, including climate risks (SARAS, its Spanish acronym), under the principles of relevance and proportionality established by the Bank.

Similarly, the Bank has made progress in integrating ESG factors and strengthening an internal culture of eco-efficiency, promoting practices focused on the efficient use of resources. These actions include the incorporation of reduction targets for water and energy consumption, as well as resource recovery initiatives, contributing to a more efficient and resilient operation.

Furthermore, the Bank is a signatory to the Principles for Responsible Banking (PRB), developed through a partnership between banking institutions worldwide and the United Nations Environment Programme Finance Initiative (UNEP FI). The adoption of the six PRB principles formalizes the institutional commitment to align the Bank's strategy, management, and decision-making with the Sustainable Development Goals and the Paris Agreement. Within this framework, the initiative identifies four global priorities: (i) climate change, (ii) nature and biodiversity, (iii) healthy and inclusive economies, and (iv) human rights. These priorities guide financial institutions in identifying, assessing, and managing their most significant impacts, as well as in defining measurable targets, action plans, and mechanisms for monitoring and periodic reporting.

Consistent with its sustainability model, the Bank has prioritized the SDG on Climate Action, promoting its analysis within the Risk management framework, to contribute to the achievement of this global objective.

2.3. Risk Management

The Bank is committed to continuing to strengthen its capacity to identify and assess risks and opportunities related to climate change, to integrate them in a structured manner into its sustainability strategy and comprehensive risk management framework. In line with the above, the Bank has made efforts to identify and understand physical and transition climate risks that could affect its operations and portfolio, as well as to identify climate-related opportunities, in accordance with the recommendations of the TCFD.

The Bank has a strategy focused on the silver economy, the financial inclusion of older adults, and the service to companies and government entities, which entails presence in territories that may present varying levels of exposure to climate events affecting both the Bank's infrastructure and its portfolio due to potential impacts on repayment capacity.

2.3.1. Physical Risks

The methodology for identifying physical risks is presented below related to climate change, aimed at identifying and analyzing the main climate factors that may affect operations and the exposure of the Bank's loan portfolio. The exercise was conducted using information from recognized external sources that support technical consistency, including the Institute of Hydrology, Meteorology and Environmental Studies (IDEAM, its Spanish acronym), the Colombian Geological Service (SGC, its Spanish acronym), the Intergovernmental Panel on Climate Change (IPCC), the Network for Greening the Financial System (NGFS), the World Bank, and the Financial Superintendency of Colombia (SFC, its Spanish acronym).

2.3.1.1. Methodology for Identification

Physical risks arise from the effects of climate change, which may trigger sudden acute events or long-term chronic transformations in climate patterns. For a bank, these risks may affect branch operations, the value of assets and collateral, as well as customers' repayment capacity.

- Acute risks: Risks caused by disasters, such as increased severity of extreme weather events, including heatwaves, heavy rainfall, and floods.

- Chronic risks: : Risks associated with long-term changes in climate patterns (e.g., sustained high temperatures), which may cause sea level rise or persistent heatwaves.

To identify physical risks, during 2025 the Bank made progress in a structured climate risk identification exercise, applying a methodology to the Bank's branches and to the assets in its loan portfolio (consumer, commercial, and mortgage portfolios) across different locations in the country, based on short-, medium-, and long-term scenarios. This analysis integrated territorial information with climate scenarios, including the following risks:

Table 1. Types of Acute and Chronic Physical Risks

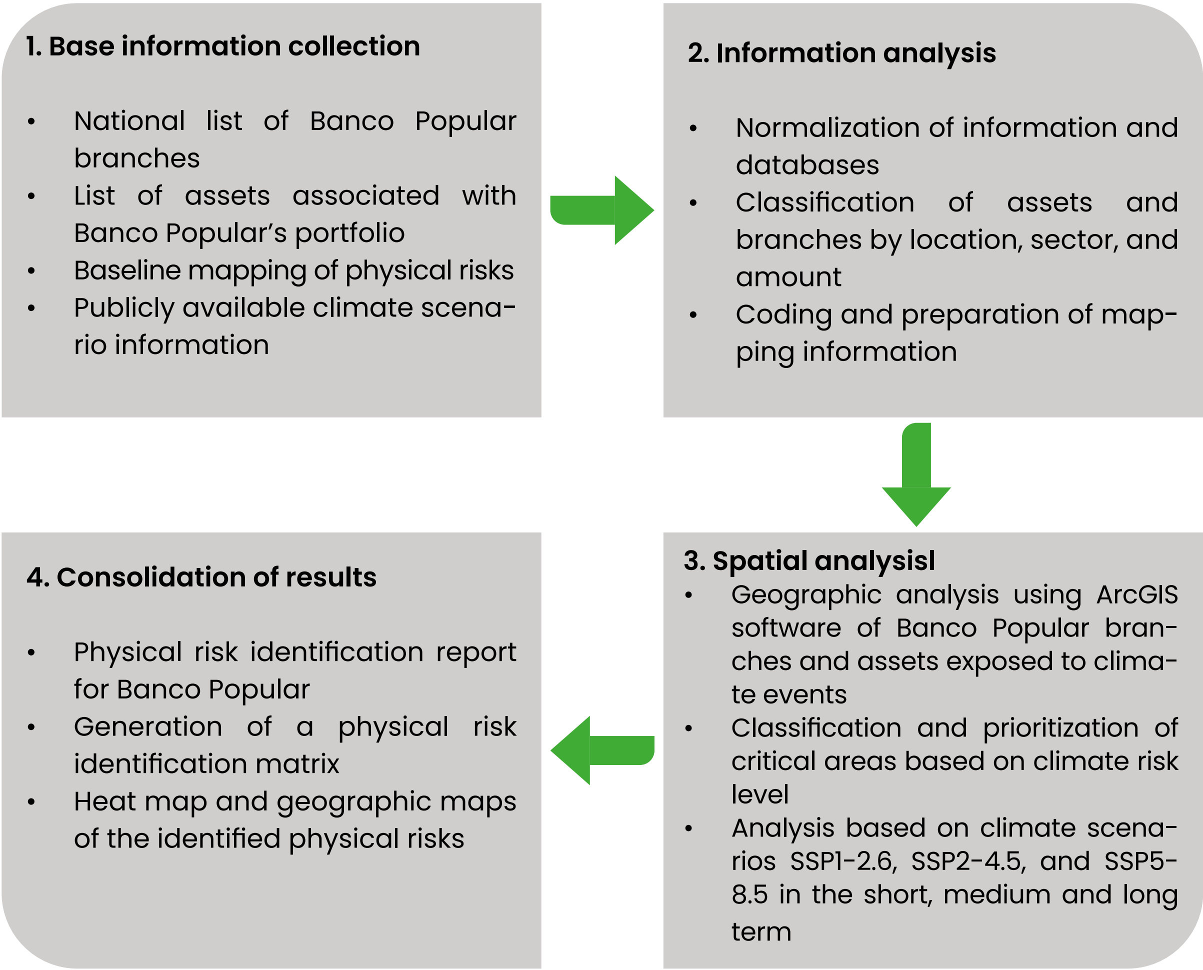
Risk Type	Climate-related risk	
Physical risks	Acute risks	Mass movements (landslides)
		Floods
	Chronic risks	Droughts
		Temperature

The identification of physical risks related to climate change was carried out through a geospatial analysis of the location of the Bank's branches. This information was cross-referenced against publicly available national data on climate hazards, territorial vulnerability levels, and risks associated with extreme events such as floods, landslides (mass movements), and droughts.

The publicly available information used to analyze the RCP 4.5 and RCP 8.5 scenarios, for short- and medium-term horizons, has limitations that require updating. This is because the publicly provided precipitation change layers from IDEAM show duplications, resulting in identical outputs for both time horizons.

This methodology supports the prioritization of critical areas and decision-making aimed at climate change adaptation and resilience

Figure 2. Methodology for Identifying the Bank's Physical Risks



2.3.1.2. Risk Assessment

Risk is defined as the probability of losses occurring in a given geographic location and within a specific period of time. This risk results from the interaction of two fundamental variables: hazard and vulnerability, both of which are necessary for risk to materialize.

In this context, risk assessment was conducted by adapting a matrix based on the risk assessment methodology proposed by the National Planning Department (Departamento Nacional de Planeación, its Spanish acronym). This matrix was designed to identify and classify the climate risk level to which the Bank's branches and loan portfolio are exposed, combining the level of hazard of the climate events analyzed with the vulnerability of the territories where the assets are located.

To facilitate application, five risk levels were established: very low, low, medium, high, and very high, defined in line with the available geographic information on climate hazards and territorial conditions.

In cases where specific geographic information on hazard or vulnerability levels was not available, the risk assessment was supplemented by analyzing additional geographic layers.

Figure 3. Risk Assessment Matrix

Hazard \ vulnerability	Very high	High	Medium	Low	Very low
Very high	Very high risk	Very high risk	High risk	Medium risk	Low risk
High	Very high risk	High risk	High risk	Medium risk	Low risk
Medium	High risk	High risk	Medium risk	Medium risk	Low risk
Low	High risk	Medium risk	Medium risk	Low risk	Low risk
Very low	Medium risk	Low risk	Low risk	Low risk	Very low risk

2.3.1.3. Methodology for Climate Change Scenario Analysis

The analysis of the risk level associated with climate events that could affect the Bank's branches and portfolio was conducted using three climate scenarios developed by the IPCC (SSP1-2.6, SSP2-4.5, and SSP5-8.5). These scenarios reflect different emissions pathways and their effects on changes in precipitation and temperature levels. The main characteristics of the climate scenarios used are described below:

1. SSP1-2.6 Scenario:
Represents a world that has made significant progress toward sustainability, with an emphasis on achieving global development goals and reducing inequality.

- **Characteristics:**
- Strong international cooperation.
- High investment in education and health.
- Rapid adoption of renewable energy technologies.
- Significant reduction in poverty and inequality.
- Low population growth due to high standards of education and health.

2. SSP2-4.5 Scenario:
Describes a world in which trends largely follow historical patterns. Progress toward sustainable development is uneven across regions.

- **Characteristics:**
- Moderate economic growth.
- Gradual improvement in education and health.
- Mixed progress in reducing inequality.
- Continued reliance on fossil fuels, with partial adoption of renewable energy.
- Medium population growth.

3. SSP5-8.5 Scenario:
Represents a scenario of rapid economic growth driven by intensive use of fossil fuels.

Characteristics:
- High economic growth.
- Technological development focused on fossil fuels.
- High energy demand.
- Low investment in sustainable practices.
- High population growth associated with strong economic conditions.

In addition, the analysis was conducted across three time horizons:

- Short term (ST) – 2020–2040
- Medium term (MT) – 2040–2060
- Long term (LT) – 2060–2080

Increases in the intensity and frequency of rainfall raise the risk of landslides (mass movements) and floods by saturating the soil, reducing its cohesion, and generating instability in sensitive terrain. Likewise, variability in precipitation, whether due to intense rainfall or accumulated rainfall over prolonged periods, may exceed the capacity of drainage systems and water bodies, causing overflows and water accumulation in vulnerable areas. In addition, sustained increases in temperature, combined with prolonged dry periods, intensify the risk of drought by accelerating evaporation and reducing water availability.

2.3.1.4. Results – Physical Risks

2.3.1.4.1. Physical Risks Associated with Branches

To analyze physical risks associated with branches, the Bank assessed their exposure to different climate hazards in order to identify potential vulnerabilities arising from climate change-related physical events. In particular, variables related to landslides (mass movements), floods, and droughts were analyzed, considering their potential impact on physical infrastructure and operational continuity.

This exercise provided a more structured view of current exposure and supported preventive management of these types of risks. Based on this assessment, the following results were obtained:

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A landslide (mass movement) is a process through which a volume of material composed of rock, soil, earth, debris, or rubble moves downslope due to gravity. These phenomena, commonly known as landslides or slope failures, are recurrent in Colombia due to the country's topographic conditions (IDIGER, its Spanish acronym).

In this context, an analysis was conducted to determine the risk level to which Banco Popular's branches nationwide are exposed to this type of event. The detailed analysis is presented below.

Figure 4. Landslide Results for Branches

Current Risk

Risk Level	No. of branches	Share (%)
Very high risk	0	0%
High risk	3	1.51%
Medium risk	63	31.66%
Low risk	92	46.23%
Very low risk	41	20.60%
Total	199	100

Risk under Climate Change Scenarios

Risk Level under Climate Scenario SSP1-2.6	Short Term (ST) 2020–2040	Medium Term (MT) 2040–2060	Long Term (LT) 2060–2080
Very high risk	–	0	0
High risk	–	38	39
Medium risk	–	73	78
Low risk	–	78	72
Very low risk	–	10	10

Risk Level under Climate Scenario SSP2-4.5	Short Term (ST) 2020–2040	Medium Term (MT) 2040–2060	Long Term (LT) 2060–2080
Very high risk	0	0	0
High risk	49	49	58
Medium risk	76	76	79
Low risk	61	61	51
Very low risk	13	13	11

Level under Climate Scenario SSP5-8.5	Short Term (ST) 2020–2040	Medium Term (MT) 2040–2060	Long Term (LT) 2060–2080
Very high risk	0	0	0
High risk	20	20	54
Medium risk	84	84	74
Low risk	71	71	59
Very low risk	24	24	12

As shown, over longer time horizons and under more severe climate scenarios, there is a gradual upward trend in landslide risk affecting Banco Popular's branches, particularly under the SSP5-8.5 scenario, where the number of branches classified as high risk increases from 20 in the 2020–2040 period to 54 in 2060–2080.

Likewise, the departments of Cundinamarca, Valle del Cauca, and Antioquia concentrate the highest number of branches with high risk levels in the long term.

These results provide the Bank with a forward-looking view of its exposure to this type of event and highlight the importance of maintaining periodic monitoring of its evolution. This analysis serves as a relevant input for strengthening climate risk management and supporting the progressive definition of measures that contribute to the operational resilience of the branch network.

- **Acute Physical Risk – Flooding**

Floods occur when excess water covers areas that are normally dry. Although they are a natural process in the regulation of water systems, modifications to these systems or the occupation of flood-prone areas can cause severe damage. Among the factors that increase flood risk are extreme rainfall events, often associated with climate variability, as well as inadequate water body management.

With regard to vulnerability, the main risk arises when settlements and constructions are located along riverbanks or within protected areas of water bodies (IDIGER, its Spanish acronym). In this context, an analysis was conducted to determine the level of risk faced by Banco Popular's branches nationwide from these events. The detailed analysis is presented below.

Figure 5. Flood Results for Branches

Current Risk

Risk Level	No. of branches	Share (%)
High risk	1	0.50%
Medium risk	26	13.05%
Low risk	172	86.43%
Total	199	100

Risk under Climate Change Scenarios

Risk Level under Climate Scenario SSP1-2.6	Short Term (ST) 2021–2040	Medium Term (MT) 2041–2060	Long Term (LT) 2061–2080
High risk	–	10	12
Medium risk	–	118	121
Low risk	–	71	66

Risk Level under Climate Scenario SSP2-4.5	Short Term (ST) 2021–2040	Medium Term (MT) 2041–2060	Long Term (LT) 2061–2080
High risk	9	9	15
Medium risk	142	142	153
Low risk	48	48	31

Risk Level under Climate Scenario SSP5-8.5	Short Term (ST) 2021–2040	Medium Term (MT) 2041–2060	Long Term (LT) 2061–2080
High risk	7	7	13
Medium risk	83	83	141
Low risk	109	109	45

As shown in the scenarios, there is a progressive trend in the level of flood risk affecting Banco Popular's branches as time horizons extend, particularly under more severe climate scenarios. Under the SSP5-8.5 scenario, the number of branches classified as high risk increases from 7 in the short term to 13 in the long term, while those classified as medium risk increase from 83 to 141 over the same period, reflecting greater relative exposure in certain locations.

These results provide the Bank with a forward-looking view of its exposure to this type of event and highlight the importance of maintaining periodic monitoring of its evolution. Such monitoring is expected to strengthen climate Risk management and support the gradual identification of measures that contribute to operational resilience and business continuity.

- **Chronic Physical Risk – Drought**

Droughts occur when precipitation decreases over a prolonged period in a region, leading to water scarcity in soils, water bodies, and aquifers. Although they are part of natural climate cycles, their frequency and intensity may be exacerbated by climate change and the unsustainable use of water resources. Among the factors that increase drought risk are deforestation, unplanned agricultural expansion, and the overexploitation of water sources.

In this context, an analysis was conducted under different climate change scenarios to determine the level of risk faced by Banco Popular's branches nationwide from these events. The detailed analysis is presented below.

Figure 6. Drought Results for Branches

Risk under Climate Change Scenarios

Risk Level under Climate Scenario SSP1-2.6	Short Term (ST) 2021–2040	Medium Term (MT) 2041–2060	Long Term (LT) 2061–2080
High risk	–	–	–
Medium risk	199	199	199
Low risk	–	–	–

Risk Level under Climate Scenario SSP2-4.5	Short Term (ST) 2021–2040	Medium Term (MT) 2041–2060	Long Term (LT) 2061–2080
High risk	–	–	–
Medium risk	199	199	199
Low risk	–	–	–

Risk Level under Climate Scenario SSP5-8.5	Short Term (ST) 2021–2040	Medium Term (MT) 2041–2060	Long Term (LT) 2061–2080
High risk	–	–	42
Medium risk	199	199	157
Low risk	–	–	–

The drought risk analysis shows a high degree of stability in risk levels under the low- and medium-emissions climate scenarios considered (SSP1-2.6 and SSP2-4.5), in which all branches remain at a medium risk level across all evaluated time horizons.

This result indicates that, under these climate pathways, no significant changes are projected in the Bank's exposure to drought events, with conditions remaining similar to current levels and no increase toward high risk levels is observed. This stability is maintained in the short, medium, and long term, suggesting that the severity and frequency of such events would not change significantly in the areas where branches are located.

However, the high-emissions scenario (SSP5-8.5) projects a gradual variation in risk levels, particularly in the long term, where 42 branches (21.11%) are classified as high risk, while 157 branches (78.89%) remain at medium risk. This result indicates that, under more severe climate conditions, certain locations could experience greater relative exposure to drought events. In this context, the Bank will monitor these conditions to assess their evolution, given the long-term nature of the potential impact.

Finally, for the drought variable, the current scenario was not considered, as this risk has a predominantly chronic nature and its materialization becomes more evident over future time horizons. For this reason, the analysis focused on forward-looking climate scenarios, which allow for a more appropriate assessment of the potential evolution of this risk in the short, medium, and long term.

- **Classification of Physical Risks by Time Horizon**

The estimated risk level results are presented below for each of the categories analyzed, as well as their potential materialization across the different time horizons (short, medium, and long term).

Table 2. Results by Category across Time Horizons

Climate Risk	Category	Risk Level	Time Horizon
Physical	Floods	Low – Medium	ST & MT
	Mass movements (landslides)	Low – Medium	ST & MT
	Droughts	Low	LT

2.3.1.4.2. Physical Risks Associated with the Loan Portfolio

Physical Risk from Floods, Landslides (Mass Movements), and Drought Associated with the Loan Portfolio

With regard to the loan portfolio, low risk levels currently predominate across the commercial, consumer, and mortgage portfolios with respect to the physical risks analyzed, which is a favorable aspect for the Bank. However, the analysis identifies pockets of exposure at high risk levels (Tables 3, 4, and 5), as well as a progressive increase in such exposure under severe climate scenarios in the medium and long term. This could result in impacts on repayment capacity of certain customer segments and on the value of collateral, particularly in long-term portfolios.

Table 3. Exposure to Acute Physical Risk from Flooding

High flood risk exposure	Current	SSP1-2.6		SSP2-4.5			SSP5-8.5		
		MT	LT	ST	MT	LT	ST	MT	LT
Commercial loan portfolio	0.003	0.05	0.97	0.86	0.86	0.97	0.86	0.86	0.87
Consumer loan portfolio	0.48	1.64	2.21	4.48	4.48	9.75	3.73	3.73	6.71
Mortgage loan portfolio	0.09	6.03	7.69	1.24	1.24	2.60	1.16	1.16	1.52
Total portfolios	**0.57**	**7.72**	**10.87**	**6.58**	**6.58**	**13.32**	**5.75**	**5.75**	**9.1**

Table 4. Exposure to Acute Physical Risk from Landslides (Mass Movements)

High landslide risk exposure	Current	SSP1-2.6		SSP2-4.5			SSP5-8.5		
		MT	LT	ST	MT	LT	ST	MT	LT
Commercial loan portfolio	0.04	34.20	34.27	34.20	34.20	34.35	0.05	0.05	34.21
Consumer loan portfolio	0.56	11.94	12.56	12.72	12.72	15.73	2.98	2.98	15.28
Mortgage loan portfolio	0.35	16.01	16.17	15.80	15.80	17.23	1.73	1.73	16.14
Total portfolios	**0.95**	**62.15**	**63**	**62.72**	**62.72**	**67.31**	**4.76**	**4.76**	**65.63**

Table 5. Exposure to Chronic Physical Risk from Drought

High drought risk exposure	SSP1-2.6			SSP2-4.5			SSP5-8.5		
	ST	MT	LT	ST	MT	LT	ST	MT	LT
Commercial loan portfolio	–	–	–	–	–	–	–	–	10.18
Consumer loan portfolio	–	–	–	–	–	–	–	–	15.54
Mortgage loan portfolio	–	–	–	–	–	–	–	–	46.98
Total portfolios	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**72.70**

These results indicate that the aggregate exposure of the portfolio remains at controlled levels; however, climate change is a relevant factor to be considered within the Bank's strategic analysis, given its potential impact in the medium and long term. In this regard, monitoring and differentiated Risk management by sector and region will continue to be strengthened, as well as the gradual incorporation of these variables into planning processes and strategic decision-making.

2.3.1.4.3. Chronic Physical Risk – Temperature

To assess the exposure of the commercial, consumer, and mortgage portfolios to chronic physical risk associated with rising temperatures, a sectoral analysis was conducted using the three climate scenarios defined by the IPCC (SSP1-2.6, SSP2-4.5, and SSP5-8.5) and the short-, medium-, and long-term horizons. This exercise helps identify the distribution of clients by economic sector according to different temperature increase ranges (< 1°C, between 1°C and 2°C, and > 2°C), and analyze their evolution over time under different emissions pathways.

- Climate Scenarios by Productive Sector in the Commercial Portfolio

The Bank has developed a forward-looking view of the potential effects of temperature increases on the sectors that make up the commercial portfolio, supporting monitoring and the gradual incorporation of this factor into comprehensive Risk analysis.

Table 6. Results under Climate Scenarios SSP1-2.6, SSP2-4.5, and SSP5-8.5

Climate scenario	Result	Short term (ST) 2020 – 2040			Medium term (MT) 2040 – 2060			Long term (LT) 2060 – 2080		
		< 1 °C	> 1 y < 2 °C	> 2 °C	< 1 °C	> 1 y < 2 °C	> 2 °C	< 1 °C	> 1 y < 2 °C	> 2 °C
SSP1-2.6	**Total**	103	407	9	71	400	48	16	446	57
	Percentage (%)	19.9%	78.4%	1.7%	13.7%	77.1%	9.2%	3.1%	85.9%	11%
SSP2-4.5	**Total**	102	379	38	8	426	85	–	97	422
	Percentage (%)	19.7%	73%	7.3%	1.5%	82.1%	16.4%	–	18.7%	81.3%
SSP5-8.5	**Total**	93	388	38	–	100	419	–	–	519
	Percentage (%)	17.9%	74.8%	7.3%	–	19.27%	80.73%	–	–	100%

Under the climate scenarios analyzed, clients within the Bank's commercial portfolio show gradual exposure to temperature increases over time. In the short term, most sectors are concentrated in the 1°C to 2°C increase range, reflecting moderate change conditions. However, in the medium and long term, a progressive transition toward increases above 2°C can be observed, even under more favorable climate pathways.

- **Climate Scenarios – Consumer Portfolio**

Table 7. Results under Climate Scenarios SSP1-2.6, SSP2-4.5, and SSP5-8.5

Climate scenario	Result	Short term (ST) 2020 – 2040			Medium term (MT) 2040 – 2060			Long term (LT) 2060 – 2080		
		< 1 °C	> 1 y < 2 °C	> 2 °C	< 1 °C	> 1 y < 2 °C	> 2 °C	< 1 °C	> 1 y < 2 °C	> 2 °C
SSP1-2.6	**Total**	328	1,288	47	181	1,343	139	86	1,374	203
	Percentage (%)	19.72%	77.45%	2.83%	10.88%	80.76%	8.36%	5.17%	82.62%	12.21%
SSP2-4.5	**Total**	309	1,259	95	20	1,299	344	–	321	1,342
	Percentage (%)	18.58%	75.71%	5.71%	1.20%	78.11%	20.69%	–	19.30%	80.70%
SSP5-8.5	**Total**	274	1,294	95	–	319	1,344	–	8	1,655
	Percentage (%)	16.48%	77.81%	5.71%	–	19.18%	80.82%	–	0.48%	99.52%

Across the three climate scenarios assessed, clients in the consumer portfolio show progressive exposure to temperature increases over time. In the short term, most clients fall within the 1°C to 2°C increase range, reflecting moderate change conditions and consistent behavior across different segments, including self-employed individuals, retirees, and employees from both the public and private sectors.

- **Climate Scenarios – Mortgage Portfolio**

Table 8. Results under Climate Scenarios SSP1-2.6, SSP2-4.5, and SSP5-8.5

Climate scenario	Result	Short term (ST) 2020 – 2040			Medium term (MT) 2040 – 2060			Long term (LT) 2060 – 2080		
		< 1 °C	> 1 y < 2 °C	> 2 °C	< 1 °C	> 1 y < 2 °C	> 2 °C	< 1 °C	> 1 y < 2 °C	> 2 °C
SSP1-2.6	Total (No.)	146	558	23	83	579	65	39	594	94
	Percentage	20.08%	76.75%	3.16%	11.42%	79.64%	8.94%	5.36%	81.71%	12.93%
SSP2-4.5	Total (No.)	136	548	43	7	559	161	–	142	585
	Percentage	18.71%	75.38%	5.91%	0.96%	76.89%	22.15%	–	19.53%	80.47%
SSP5-8.5	Total (No.)	118	566	43	–	138	589	–	5	722
	Percentage	16.23%	77.85%	5.91%	–	18.98%	81.02%	–	0.69%	99.31%

Clients in the mortgage portfolio show progressive exposure to temperature increases across the different time horizons. In the short term, most are concentrated within the 1°C to 2°C increase range, reflecting moderate warming conditions that are relatively homogeneous among private-sector employees, public-sector employees, and retirees.

However, in the medium and long term, the proportion of clients located in areas with temperature increases above 2°C gradually rises, a trend that becomes more pronounced under the SSP2-4.5 and SSP5-8.5 scenarios. In particular, under the SSP5-8.5 scenario, a significant share of the portfolio falls within higher temperature ranges in the long term, highlighting the importance of continuing to strengthen the monitoring of these factors in climate Risk management.

2.3.2. Transition Risks

2.3.2.1. Methodology for Identifying Transition Risks

Transition risks arise from society's accelerated response in shifting toward a low-carbon economy, such as political, fiscal, and regulatory changes, technological transformations, and market dynamics. These factors may directly affect the Bank's operations, as well as its assets and liabilities, resulting in financial and reputational risks.

Table 9. Types of Transition Risks

Risk type	Climate-related risk
Transition risks	Mass movements (landslides)
	Floods
	Droughts
	Temperature

The identification of transition risks was conducted through a structured methodology aligned with the recommendations of the TCFD and the leading practices promoted by UNEP FI for the banking sector. This methodology, focused exclusively on the identification phase, seeks to anticipate risk factors associated with the transition to a low-carbon economy. The process included:

Figure 7. Methodology for Identifying Transition Risks

1. Definition of the Corporate Context

- Identify relevant business lines, products, and customer segments.
- Determine operations and portfolio composition.

2. Benchmarking of Transition Risks in the Banking Sector

- Review TCFD reports from banking sector peers.
- Identify common and emerging transition risks in the financial sector.
- Incorporate relevant findings into the internal identification process to strengthen the sectoral perspective.
- Document differences and similarities with respect to the Bank's portfolio exposure.

3. Selection of Transition Scenarios

- Select reference scenarios (NGFS) that include relevant variables.
- Translate scenarios into financial variables applicable to banking activities, such as sectoral exposure or credit risk.
- Assess the sensitivity of portfolio sectors under each scenario.

4. Categorization of Transition Risks

- Classify risks into: regulatory, technological, market, and reputational.
- Identify specific events or changes that could generate disruptions.
- Link risks to the economic sectors financed by the institution.

5. Sectoral Exposure Mapping

- Analyze the sectoral composition of the loan portfolio.
- Use tools such as portfolio heat maps.

6. Consolidation of Results

- Prepare the transition risk identification report for Banco Popular.
- Develop a transition risk identification matrix.
- Develop a heat map of identified transition risks.

In this context, transition risks are analyzed based on four main dimensions: market risks, reputational risks, technological risks, and regulatory risks, supporting a comprehensive assessment of their potential impact on the Bank's business model and financial stability.

Figure 8. Definitions of Transition Risks

Market Risks Rising commodity costs	Market risks arising from higher energy, input, and service costs driven by the climate transition, affecting both clients' repayment capacity and the Bank's own operating expenses, thereby increasing the need to strengthen climate risk management.
Market Risks Shifts in consumer behaviour	Risks stemming from consumers shifting preferences toward sustainable financial products and services; failure to adapt the portfolio and climate strategies in a timely manner could result in loss of market relevance, client loyalty, and competitive positioning.
Reputational Risks Heightened stakeholder concern	Reputational risk if the climate and sustainability strategy is not continuously strengthened, as investors, regulators, and other Stakeholders expect active management of climate-related risks and opportunities; failure to do so could restrict access to financing and undermine institutional trust.
Technological Risk Low-emission technology transition costs	Technological risk associated with the costs of adopting low-emission technologies across both own operations and financed sectors, which may hinder large-scale implementation and limit clients' ability to adapt to evolving market requirements.
Regulatory and Legal Risk *Increasing climate obligations*	Growing regulatory risk driven by the tightening of national and international climate and environmental risk management requirements (e.g. Circular 031); failure to align processes and capabilities in a timely manner with these frameworks could result in sanctions, operational restrictions, and loss of confidence from regulators and investors.

2.3.2.2. Results of Transition Risks

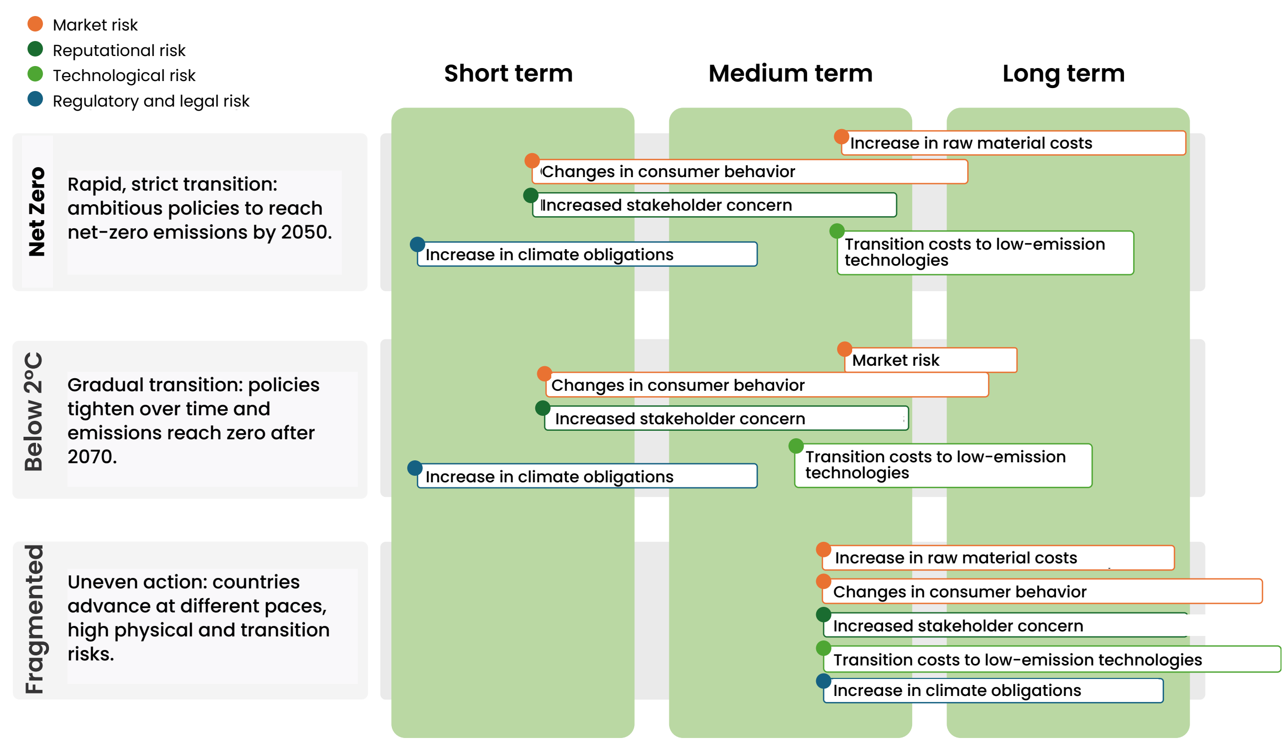
The main transition risks assessed are presented below under different time horizons, considering factors such as the evolution of regulation toward a low-carbon economy, changes in the costs and availability of raw materials, the need to adopt cleaner technologies, and the growing expectations of consumers, investors, and authorities.

Table 10. Transition Risk Results across Time Horizons

Climate risk	Categoría	Risk level	Time horizon
Transition	Market risks – Increase in the cost of raw materials	High	MT & LT
	Market risks – Changes in consumer behavior	Low–Medium	ST & MT
	Increased concern from Stakeholders	Medium	ST & MT
	chnological risks – Transition costs to low-emission technologies	Low	MT & LT
	Regulatory and legal risks – Regulatory and legal risk due to increased climate obligations	Medium–High	ST

Additionally, transition risks were identified under the transition risk terminology proposed by the TCFD. For this purpose, these risks were analyzed under three scenarios developed by the Network for Greening the Financial System (NGFS): the Net Zero 2050 scenario, the Below 2°C scenario, and the Fragmented World scenario.

Figure 9. Results of NGFS Climate Scenarios



This analysis strengthens the management of these risks within the Bank's comprehensive Risk management framework.

2.3.3. Climate Risk Management and Mitigation

The Bank used a technical framework to identify and define the risks requiring deeper assessment. This process was based on the following components:

1. **Physical Risk Matrices (Hazard x Vulnerability):**

Based on the geospatial analysis conducted, branches and portfolio assets were assessed against risks such as landslides (mass movements), floods, and droughts. This methodology helps identify geographic areas and portfolio segments with high and very high risk levels, supporting decision-making for prioritization and management.

2. **Transition Risk Analysis:**

Transition risks were identified and assessed using criteria aligned with TCFD recommendations, considering regulatory, market, technological, and reputational risks. Prioritization focuses on sectors with greater exposure to regulatory changes, energy transition, Stakeholder pressure, or the adoption of new technologies, in accordance with the composition of the Bank's portfolio.

3. **Risk Prioritization:**

Risks that could affect portfolio quality and business operational continuity are prioritized. As a result, the Bank has a heat map identifying the associated climate risk, its category, and its impact within the portfolio. With a classification ranging from very low to very high, this tool supports visualization of potential impacts on each if any of the identified risks materialize.

2.3.4. Mitigation and Adaptation Measures

2.3.4.1. Mitigation

Within the framework of Grupo Aval's Climate Strategy, the Bank will make progress in implementing climate change mitigation measures, consistent with its role as a financial institution and with the comprehensive risk management approach adopted by the Group. These actions will be developed in accordance with the principles of proportionality and relevance, considering the nature and characteristics of the Bank's business.

2.3.4.2. Adaptation

With regard to adaptation, the Bank seeks to focus its efforts on strengthening its capacity to anticipate, manage, and mitigate physical risks associated with climate change. To this end, it began with the physical and transition risk analyses described above.

2.3.5. Business Opportunities and Strategic Resilience to Climate Change

Climate change and the transition toward a low-carbon economy not only require effective Risk management by the Bank, but also represent strategic opportunities to strengthen its business model. These opportunities may support the Bank in diversifying its portfolio, support clients in their adaptation and productive transformation processes, and respond to new financial needs associated with climate change mitigation and adaptation. They also arise from the evolution of the regulatory and market environment, as well as from the growing incorporation of environmental criteria into investment and financing decisions.

In this context the Bank has identified a set of opportunities that may contribute to mitigating financial risks, strengthening its strategic positioning, and enhancing its capacity to respond to different climate scenarios.

Table 11. The Bank's Climate Opportunities

Type of opportunity	Opportunity	Description	Horizon
Energy sources	Increase in own renewable energy generation	Installation of solar panels at prioritized facilities to increase renewable energy use, reduce operating costs, and lower Scope 2 emissions. This initiative supports the Bank's reputational positioning in climate management.	Short and medium term
Resource efficiency	Eco-efficiency initiatives	Strengthening internal practices for the efficient use of energy, water, and other resources, supporting more sustainable operational decisions. These actions contribute to reducing costs and lower greenhouse gas emissions.	Short term
Market Access / Capabilities	ESMS	Implementing ESMS strengthens comprehensive Risk management by incorporating the climate dimension and supports the identification of mitigation and adaptation opportunities. It also serves as a strategic enabler for the development of green products.	Short term
Resilience	Alliances, initiatives & strategies	Participation in Sustainability and climate change initiatives, regulatory frameworks, and strategic alliances, strengthening internal capacity building and the adoption of international standards, in line with the Bank's business proportionality and relevance.	Short term
	Specialized Training and Capacity Building	Strengthening internal capabilities through training programs on climate change, sustainability, and applicable regulation. This training supports informed decision-making and reinforces organizational resilience against climate risks.	Short term
Products and Services	Financing of sustainable initiatives	Development of credit lines aligned with Colombia's Green Taxonomy, in accordance with the strategic analyses to be defined.	Medium and long term

The identification of opportunities is complemented by an analysis of the Bank's strategic resilience to climate risks. Recognizing the uncertainty associated with available information and the fact that impacts may vary depending on the climate scenario, time horizon, and type of risk, the Bank will continue to deepen its analysis of its climate strategy in order to comprehensively understand how these factors may affect its business model, operations, and loan portfolio.

Based on the physical and transition Risk assessment exercise, the Bank has an initial basis for understanding its level of exposure and vulnerability, as well as to define lines of action aimed at strengthening its response capacity. In this context, for the 2026–2027 period, the Bank plans to further strengthen the resilience analysis of its climate-related strategic definitions, supported by the implementation of SARAS (Environmental and Social Risk Management System, its Spanish acronym) and the results obtained from the risk and opportunity identification exercises. This process will support a deeper assessment of the institutional strategy's capacity to respond to different climate scenarios and the progressive adjustment of comprehensive risk management mechanisms.

Additionally, the Bank will continue to strengthen its internal capabilities and progressively refine the methodologies and data used in these analyses, in line with the evolution of regulatory frameworks and leading practices in the financial sector. These advances will serve as inputs for strategic decision-making and for the continuous strengthening of the business model in response to the challenges and opportunities arising from climate change.

2.3.6. Implementation of the Environmental and Social Risk Management System, including Climate Risks (ESMS)

In accordance with the provisions of External Circular 015 of 2025 issued by the Financial Superintendency of Colombia (SFC, its Spanish acronym), the Bank is advancing in implementing ESMS in compliance with the guidelines established in Sections I and II of such regulation, to meet the deadlines set forth therein. As part of this process, internal working groups have been established to strengthen the structuring of methodologies and to define the roles and responsibilities of the teams involved in managing environmental, social, and climate risks, in accordance with the nature, size, complexity, and risk profile of the Entity. In this context, the Bank will submit the Environmental and Social Risk Management Policy, including Climate Risks, to the Board of Directors for approval, taking into account the principles of relevance and proportionality established in the Circular.

2.4. Metrics and Targets

2.4.1. Management of Climate Metrics

The Bank currently has a set of metrics that are reported annually in the Management and Sustainability Report. These metrics support the monitoring of environmental performance and serve as the foundation for the development of more advanced climate indicators in future stages of the climate strategy.

2.4.1.1. Environmental Metrics

The Bank conducts annual monitoring of operational environmental performance indicators, including energy consumption, water consumption, and waste management. These metrics are consolidated and form part of its eco-efficiency strategy.

Table 12. Environmental Indicators

Source / consumption	2024	2025
Energy consumption (MWh)	12,024	9,663
Water consumption (m³)	48,000	41,410
Waste (Kg)	5,558	6,187.4

2.4.1.2. Emissions Metrics

The Bank currently reports Scope 1, 2, and 3 Greenhouse Gas (GHG) emissions (excluding Category 15 – financed emissions), with the aim of incorporating them into its annual reports.

Table 13. Historical GHG Emissions

GHG Emissions (TonCO2e)				
Scope	**2022**	**2023**	**2024**	**2025**
Scope 1	342.2	346.3	263.2	276.38
Scope 2	1,559.7	2,226.4	1,690.2	925.39
Scope 3	180.8	134.7	145.7	1,286.32
Total	**2,083.8**	**2,707.5**	**2,099.1**	**2,488.09**

As part of its commitment to climate action, the Bank voluntarily made progress in offsetting its GHG emissions through the purchase of carbon credits. In 2025, for the first time, it offset 100% of its calculated Scope 1, 2, and 3 emissions (excluding Category 15), corresponding to 2024, by offsetting 2,100 tCO_2e from a REDD+ project focused on forest conservation, strengthening carbon sinks, and generating social benefits for local communities.

Similarly, the Bank offset 2,490 tCO_2e, equivalent to 100% of its calculated Scope 1, 2, and 3 emissions (excluding Category 15) for 2025, through a REDD+ project aimed at reducing deforestation, protecting strategic ecosystems, and strengthening the sustainable territorial management carried out by Indigenous communities.

2.4.1.3. Metrics associated with physical and transition risks

In line with Grupo Aval's climate strategy, the Bank is progressively strengthening a set of metrics aimed at measuring and managing physical and transition risks, including progressive measurement and management of its carbon footprint.

2.4.1.3.1. Carbon footprint management

Grupo Aval and its entities track metrics aimed at measuring, reducing, offsetting, and neutralizing the greenhouse gas (GHG) emissions associated with their operations. These metrics focus primarily on Scope 1 and Scope 2 emissions, and progressively on the main categories of Scope 3.

2.4.1.3.2. Financed emissions

Likewise, since 2025, Grupo Aval and the Bank have been signatories of the Partnership for Carbon Accounting Financials (PCAF), reaffirming their commitment to strengthen the measurement, management, and disclosure of financed emissions, as well as to developing targets aligned with leading international practices. As a result, the Bank will progressively advance the measurement of its financed emissions in 2026 and 2027.

2.4.2. Identification of climate targets

2.4.2.1. Emissions Reduction Targets

For 2025, the Bank had a 5% reduction target for energy and water consumption, as part of its actions aimed at strengthening resource-use efficiency. These initiatives are linked to the work the Bank has been developing to establish emission reduction and offset targets focused on its corporate carbon footprint, aimed at optimizing resource consumption and progressively advancing toward offsetting 100% of its operational emissions (excluding financed emissions).

3. SASB Disclosure

The Bank discloses information related to Sustainability and the accounting metrics established in the SASB sustainability standard, in accordance with the sectoral guide for "Commercial Banks". The information presented corresponds to the close of fiscal year 2025:

Disclosure Topic	Accounting Metric	Code	Response
Sustainability Disclosure Topics and Metrics			
Data Security	(1) Number of data breaches, (2) percentage of data breaches involving personally identifiable information (PII), (3) number of account holders affected	FN-CB-230a.1	Data breach cases: 1 (Technology provider) Data breach percentage: 1.63% Affected account holders: 15,330 The Bank managed the incident in a timely manner through the implementation of internal and external corrective actions of a technological and training nature, as well as through third-party verification activities. With regard to personal data protection, it addressed and resolved 100% of the complaints received during the period, with no monetary impacts arising from the incident.
Data Security	Description of the approach to identifying and addressing data security risks	FN-CB-230a.2	The Bank has a methodology for identifying vulnerabilities in information systems that may represent a risk to data security. To this end, it uses the ARI41 Vulnerability Testing Execution process, through which vulnerabilities and threats associated with information security and cybersecurity are systematically identified, assessed, and addressed, covering both technological assets and critical business processes. With regard to the management of identified risks and vulnerabilities, the Bank applies a methodology for administering information asset risks, both physical and digital. This methodology helps identify, assess, and address information security and cybersecurity vulnerabilities and threats, determining for each risk the level of impact and probability, the inherent risk, the residual risk, and the treatment actions to be implemented. It also encompasses operational procedures, management processes, the use of technology, employee training, and the management of third parties and business partners. In addition, trend analysis of attacks on information systems is conducted on an ongoing basis. Based on this exercise, relevant trends have been identified related to phishing attacks, code injection, identity spoofing (including attacks on biometric mechanisms), ransomware aimed at operational disruption, and supply chain attacks, both software and data. In the event of data breaches, the Bank has policies and procedures defined in the RRI11 Information Security and Cybersecurity Incident Management process, as well as in document A-RRI-0001 Information Security Incident Response Plan. These guidelines establish the directives for informing customers in a timely manner when incidents occur that compromise the security of their data. The Bank also actively addresses emerging cyber threats, particularly those associated with mobile banking services, virtual banking (for both individuals and businesses), and transactional channels exposed on the internet. Attack vectors evaluated include the use of artificial intelligence applied to biometrics for identity spoofing, fraud driven by the use of generative artificial intelligence, malware, ransomware, supply chain attacks, and the exploitation of APIs with weaknesses in their business logic. With regard to the regulatory environment, the Bank operates under the guidelines set out in the SFC's Basic Legal Circular, the Single Circular of the Superintendency of Industry and Commerce, and the PCI-DSS standard, among other applicable regulatory frameworks for information security and data protection. Finally, the approach adopted by the Bank reflects a high degree of alignment with international standards and reference frameworks for data security management. In particular, alignment was identified with the ISO/IEC 27001 series and with the NIST Cybersecurity Framework (CSF) version 1, obtaining a score of 4.2 out of 5 on the maturity model, corresponding to a level of "managed".

Disclosure Topic	Accounting Metric	Code	Response
Sustainability Disclosure Topics and Metrics			
Financial Inclusion and Capacity Building	(1) Number and (2) amount of loans outstanding qualified for programs designed to promote small businesses and community development	FN-CB-240a.1	see table 1 below. The indicator corresponding to loans directed at community development is calculated based on the number of disbursements and the balances at the close of the period for individuals over 60 years of age, in accordance with the Bank's prioritization of this segment.
	(1) Number and (2) amount of past-due and non-performing loans qualified for programs designed to promote small businesses and community development	FN-CB-240a.2	see table 2 below
	Number of no-fee retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	see text and table 3 below
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	see table 4 below

Targeted loans	Total disbursements	Total balance 2025 (COP)
MSMEs	428	$324,724,711,207
Community Development	78,250	$3,820,508,140,625

The indicator corresponding to loans directed at community development is calculated based on the number of disbursements and the balances at the close of the period for individuals over 60 years of age, in accordance with the Bank's prioritization of this segment.

Targeted loans	Classification	Total disbursements	Total balance 2025
MSMEs	Past-due loans	10	$30,762,183,791
	Non-performing loans	2	$458,830,080
Community Development	Past-due loans	897	$31,488,689,776
	Non-performing loans	443	$12,667,471,649

No-fee accounts: defined as bank accounts with no recurring fixed charges for product administration, monthly or annual maintenance fees, or minimum average balance requirements.
Unbanked: those who have no account at a formal financial institution (e.g., savings, checking) nor any other regulated financial product (credit, card, insurance) that allows them to actively participate in the formal financial system.
Underbanked customers: those who have access to the formal financial system (e.g., some account, credit, or insurance) but in a very limited, unproductive way, or with significant barriers that prevent them from making full use of it;.e., they are below the optimal level of financial inclusion: they use very few products, the products are inadequate, they have high costs, restricted access, or marginal use.
Underserved customers: those who have no access, have limited access, or face any other limitation to accessing general financial services, often due to a limited or non-existent credit history. These tend to be young people, migrants, older adults, ethnic minorities, low-income individuals, among others.

Item	Previously unbanked or underbanked customers
No-fee checking and savings accounts opened during the reporting period	58,990
Total active checking and savings accounts	409,075

Program or initiative	Specific target group	Exclusion barrier addressed	Relationship with financial inclusion	Reach
Financial Education Program: Misión La Guajira	Persons living in rural or geographically hard-to-reach areas and Indigenous communities	1. Low financial literacy 2. Geographical gaps 3. Socio-cultural barriers	Program aimed at strengthening financial inclusion in indigenous communities of La Guajira, through the design and implementation of "Cuidar lo Esencial", a financial education initiative focused on developing savings skills, cash flow management, community contributions, and basic project management. Through a practical, participatory approach that is respectful of local worldviews, the program promotes skills for the sustainability of water and energy projects, encouraging access to, use of, and responsible leveraging of financial tools in traditionally excluded populations.	95 persons
Financial Education Web Portal	Customers and non-customers	1. Low Financial Literacy 2.Limited Understanding of the Financial System	In partnership with Visa, the Bank developed a Financial Education Web Portal that integrates the Finanzas Prácticas initiative, providing structured educational content to support informed financial decision-making at different stages of life. The portal is organized around three pillars—Plan, Learn, and Practice—and offers resources such as financial calculators, simulators, budget planners, and downloadable templates to promote saving, goal planning, and the responsible use of financial products. During the reporting period, the website attracted more than 3,000 visits.	N/A
Customer Communications on Banking Security and Financial Well-Being	Customers and non-customers	1. Low Financial Literacy 2.Limited Understanding of the Financial System	This initiative aimed to enhance the knowledge of both customers and non-customers regarding banking security and financial well-being.	N/A

Disclosure Topic	Accounting Metric	Code	Program or initiative	Specific target group	Exclusion barrier addressed	Relationship with financial inclusion	Reach
Sustainability Disclosure Topics and Metrics							
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	Disclosure of product portfolio information and financial education at branches	Customers in general	1. Lack of products and services adapted to customer needs 2. Low financial literacy	This initiative aimed to strengthen customers' knowledge of the Bank's product portfolio, as well as financial education and banking security.	N/A
			Publication of product and service portfolio information on the website	Customers and non-customers	1. Lack of awareness of the financial system	This initiative sought to strengthen customers' knowledge of the Bank's product portfolio and promote financial inclusion. In 2025, the website had a total of 4,407,165 visitors.	N/A
			Llavetones	Customers and non-customers	1. Low adoption of digital payment methods 2. Predominant use of cash	Pedagogical campaigns aimed at Bank customers and customers of other financial institutions, oriented toward registering keys to receive money free of charge, quickly, and securely, as well as to make transfers to other keys via Bre-B.	94,551 participants
			Information sessions for payroll offices on the Insolvency Law (Cremil)	Older adults (+60 years) / Women	1. Low financial literacy 2. Lack of awareness of the financial system	Educational activities aimed at customers to strengthen their understanding of the financial system and the Insolvency Law.	260 participants
			Mijo Assistants	Older adults (+60 years)	1. Age-based exclusion 2. Perceived discrimination	The Mijo Assistants initiative was positioned as a strategic lever for financial education and digitalization. Its implementation actively promoted the use of digital channels (Mobile Banking – BM and Banking Portal – PB) and enrollment in the Club Plateado. This initiative strengthened customer relationships and generated results aligned with the Bank's overall strategy.	1,050 beneficiaries

Disclosure Topic	Accounting Metric	Code	Program or initiative	Specific target group	Exclusion barrier addressed	Relationship with financial inclusion	Reach
Sustainability Disclosure Topics and Metrics							
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	Café digital en movimiento	Older adults (+60 years) / Women	1. Low financial literacy 2. Low adoption of digital payment methods	Café Digital en Movimiento was a financial education and digital inclusion initiative to support older adults in their relationship with banking and technology. The program was grounded in a philosophy of closeness, trust, and recognition, valuing the silver segment as full economic actors, with the capacity to learn, make informed decisions, and build long-term relationships with the bank, through educational spaces based on conversation and support.	788 participants
			Silver Solutions – IDB	Older adults (+60 years) / Women	1. Age-based exclusion 2. Low adoption of digital payment methods	With the purpose of strengthening the financial inclusion of people over 60 years of age in Latin America and the Caribbean, this created a phygital experience adapted to the silver segment. The project focused on providing personalized support that, in addition to offering exclusive benefits, served as a tool to help bridge the digital divide through practical financial education, aligned with the Bank's sustainability objectives.	1,795 beneficiaries
			Financial education sessions: Teachers' Month	Teachers	Lack of awareness of the financial system	With the aim of strengthening ties with the education sector, financial education sessions were developed during Teachers' Month. The initiative focused on providing practical methodologies oriented toward teachers' overall well-being.	4,392 teachers

Disclosure Topic	Accounting Metric	Code	Response
Sustainability Disclosure Topics and Metrics			
Incorporation of Environmental, Social and Governance Factors in Credit Analysis	Description of the approach to incorporating environmental, social, and governance (ESG) factors in credit analysis	FN-CB-410a.2	Banco Popular is in the process of incorporating ESG factors into its credit analysis, in alignment with the provisions of the SFC's Circular 015 of 2025. In this context, during 2026, progress will be made and initiatives will be implemented aimed at integrating these factors into the Bank's credit analysis processes, under the principles of materiality, proportionality, and relevance.
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	FN-CB-410b.1	During 2025, the Bank did not measure its financed emissions. However, as part of the strengthening of its environmental and climate management, in 2026 the measurement process for these emissions will be initiated, to be developed under the methodological framework of the Partnership for Carbon Accounting Financials (PCAF) with the aim of advancing the identification, monitoring, and management of the impacts associated with its financing portfolio.
	Gross exposure of each sector by asset class	FN-CB-410b.2	
	Percentage of gross exposure included in the calculation of financed emissions	FN-CB-410b.3	
	Description of the methodology used to calculate financed emissions	FN-CB-410b.4	
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-competitive practices, market manipulation, malpractice, or other laws or regulations related to the financial industry	FN-CB-510a.1	In 2025, Banco Popular was not involved in any legal proceedings related to fraud, use of insider information, anti-competitive practices, unfair competition, market manipulation, malpractice, or other laws or regulations related to the financial industry. This absence of such situations reflects the effectiveness of the procedures and controls implemented to mitigate this type of risk within the organization.
	Description of whistleblowing policies and procedures	FN-CB-510a.2	The Bank has a formal ethics reporting mechanism (Whistleblowing / Ethics Line), established within the framework of the Code of Ethics and Conduct and the corporate compliance policies, as an integral part of its corporate governance system and risk management. This channel is aimed at identifying, reporting, investigating, and managing potential regulatory non-compliance, conduct contrary to ethics, malpractice, fraud, or any other irregular situation that may arise in the organization or its affiliated entities. The Code of Ethics and the operation of the Ethics Line are publicly available on Banco Popular's institutional website and form part of the content disclosed in the corporate sustainability and corporate governance reports, supporting access for all Stakeholder groups. The Ethics Line operates under formal and documented procedures that support the confidentiality of information, protection against retaliation, and the application of proportionate, objective, and independent investigations. The Bank allows whistleblowers to submit reports anonymously or with identification, without needing to reveal their identity or provide contact details, under strict security parameters that support the confidentiality of the reports received. The management of reports is led by the Comptroller's Office, responsible for receiving, analyzing, investigating, monitoring, and closing cases. When necessary, this process is accompanied by other specialized areas and professionals (handwriting expertssupporting solid, traceable, and duly documented conclusions. Additionally, a periodic report is submitted to the Audit Committee, a body that supports the Board of Directors in this matter. The Bank's Ethics Line is managed internally under a functional independence framework, with controls that support impartiality in the receipt, analysis, and investigation of complaints. The Bank seeks to ensure that persons who report irregularities in good faith and choose to identify themselves will not be subject to retaliation, threats, discriminatory measures, or sanctionsexcept for measures that may apply due to their potential participation in the events under investigation, in accordance with the zero-tolerance policy on retaliation. In cases where irregular situations are identified, the corresponding actions are taken in accordance with the nature and gravity of the events, which may include disciplinary, administrative, legal, or criminal measures, in accordance with the Internal Labor Regulations and applicable regulations. When applicable, the Bank informs the competent authorities and cooperates with oversight bodies, sharing the results of internal investigations and the information required. The Code of Ethics and Conduct is approved by the Board of Directors, as the Bank's highest decision-making body, which periodically supervises its effectiveness through the corresponding corporate governance committees. During 2025, the Ethics Line remained an active and effective reporting channel. In total, 150 reports were received and managed in accordance with established procedures, supporting confidentiality, timely follow-up, and proper case closure. No complaints were received through channels other than the Ethics Line. Likewise, no cases of human rights violations were recorded, nor any complaints classified as high-impact in this area.

<table>
<tr><th>Disclosure Topic</th><th>Accounting Metric</th><th>Code</th><th>Response</th></tr>
<tr><td colspan="4">Sustainability Disclosure Topics and Metrics</td></tr>
<tr><td rowspan="2">Systemic Risk Management</td><td>Score on the global systemically important banks (G-SIB) assessment, by category</td><td>FN-CB-550a.1</td><td>Currently, Banco Popular is not part of the global systemically important banks (G-SIB) assessment.</td></tr>
<tr><td>Description of the approach to incorporating the results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities</td><td>FN-CB-550a.2</td><td>The results of stress tests, both mandatory and voluntary, together with the capital planning reports required under the SFC's prudential regulatory framework, are essential instruments for the strategic management of our institution. These exercises make it possible to assess the strength of our balance sheet against adverse macroeconomic scenarios, identify vulnerabilities in the risk structure, and anticipate capital and liquidity needs. Integrating these results into capital planning ensures that we maintain adequate prudential buffers, aligned with regulatory requirements and with our own risk tolerance. In turn, this discipline strengthens the confidence of supervisors, investors, and clients, and ensures that our strategic decisions are grounded in robust, forward-looking analysis. The findings from stress tests and prudential reports are incorporated into our long-term strategy, guiding the efficient allocation of capital toward strategic businesses, risk diversification, the design of responsible credit policies, liquidity management, product development, and investment planning, ensuring that our institution is prepared to face changing environments with resilience and a forward-looking vision.</td></tr>
<tr><td colspan="4">Activity Metrics</td></tr>
<tr><td rowspan="2">Activity Parameters</td><td>(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business</td><td>FN-CB-000.A</td><td>
<table>
<tr><th>Item</th><th>Individuals</th><th>MSMEs</th></tr>
<tr><td>Number of active checking accounts at year-end 2025</td><td>1,724</td><td>2,321</td></tr>
<tr><td>Value of active checking accounts at year-end 2025</td><td>$36,357,599,390</td><td>$191,533,696,890</td></tr>
<tr><td>Number of active savings accounts at year-end 2025</td><td>707,635</td><td>2,467</td></tr>
<tr><td>Value of active savings accounts at year-end 2025</td><td>$3,184,705,178,704</td><td>$1,444,243,889,155</td></tr>
</table>
</td></tr>
<tr><td>(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate</td><td>FN-CB-000.B</td><td>
<table>
<tr><th>Loans</th><th>2025</th></tr>
<tr><td>Number of disbursements – personal</td><td>137,078</td></tr>
<tr><td>Amount of disbursements – personal</td><td>$6,965,541,837,998</td></tr>
<tr><td>Balance to date – personal</td><td>$16,404,054,455,247</td></tr>
<tr><td>Number of disbursements – MSMEs</td><td>428</td></tr>
<tr><td>Amount of disbursements – MSMEs</td><td>$373,288,425,140</td></tr>
<tr><td>Balance to date – MSMEs</td><td>$571,659,220,344</td></tr>
<tr><td>Number of disbursements – corporate</td><td>1,212</td></tr>
<tr><td>Amount of disbursements – corporate</td><td>$4,671,974,158,250</td></tr>
<tr><td>Balance to date – corporate</td><td>$6,071,394,305,071</td></tr>
</table>
</td></tr>
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3.1. Disclosure of Indicators – Banco Popular Subsidiaries

The Bank will consider the integration of environmental, social, and governance (ESG) guidelines and practices with its subsidiaries, taking into account the size, proportionality, and materiality of the matters involved.

Furthermore, considering that its subsidiary Corporación Financiera Colombiana S.A. meets the application criteria of this instruction and belongs to Issuer Group A, Stakeholders are advised to consult the information regarding its social and environmental matters, including climate-related issues, in the report published by the Corporation on the subject.

7.3. External Circular 012 of 2022

Chapter	Description	Section
General	Cover page	Cover page, back cover
	Table of Contents	Table of Contents
	Glossary	Glossary
Part One- General Aspects of Ope-rationsGeneral Aspects of Operations	Description of the issuer's business purpose	1. About Banco Popular, 2.1.3.1 Focused Business
	Litigation, judicial, and administrative pro-ceedings	2.2.3. Legal and Regulatory Compliance
	Relevant risks and mitigation mechanisms	2.2.4. Risk Management / VI Relevant and emerging risks
Part Two –Market and Financial Performance-Market	Behavior / Performance of securities in tra-ding systems	2.1.3.2.1. Treasury management
	Information on the issuer's capital partici-pation and material matters related to its ownership structure	2.2.1. Corporate Governance / I. Ownership structure
	Financial information for the period compa-red to the immediately preceding period	2.1.2. Financial position
	Management commentary and analysis on operating results and separate/consolida-ted financial position, including key finan-cial indicators and their analysis	2.1.1. Macroeconomic context, 2.1.2. Financial position, 7. An-nexes / Separate Financial State-ments
	Quantitative and qualitative analysis of market risk exposure from investments and market-sensitive activities	2.2.4. Risk Management / II. Credit Risk Management System (SARC) and Large Exposures
	Material transactions with related parties	2.1.2. Financial position
	Description and evaluation of the issuer's controls and procedures for recording, pro-cessing, and analyzing the information re-quired to file the year-end report with the RNVE in a timely manner	7. Annexes / Issuer Certificates
	Controls for filing the year-end report	7. Annexes / Issuer Certificates

Chapter	Description	Section
Part Three –Sustainabili-ty Practices and Respon-sible InvestmentSustai-nability	Corporate Governance analysis	2.2.1. Corporate Governance
	Practices, policies, processes, and indica-tors related to environmental and social criteria implemented by the issuer	1.5 Sustainability Strategy, 3. Opportunity for All, 4. Balance with the Planet
Annexes	(i) Individual or separate, and consolidated, year-end financial statements, as appli-cable, in accordance with the provisions of subsection 7.4.1.2.3 of this chapter	Separate Financial Statements
	(ii) Any material change that has occurred in the issuer's financial statements between the period covered by the year-end report and the date on which public disclosure is authorized	Separate Financial Statements

7.4. Issuer Certifications

ISSUER CERTIFICATION

In my capacity as legal representative of BANCO POPULAR S.A. (hereinafter, the "Bank"), and in compliance with the provisions of item (i) of Article 7.4.1.2.7 of Annex 1, Chapter I, Title V, Part III of the Basic Legal Circular (Basic Legal Circular, its Spanish acronym in Spanish), I hereby certify that the financial information included in the Year-End Periodic Report for fiscal year 2025 covers all material aspects of the Bank's business.

In witness whereof, this certification is signed on February 23, 2026.

DIANA POLANIA RUÍZ
Senior Financial Manager
Legal Representative
BANCO POPULAR S.A.

ISSUER CERTIFICATION

In my capacity as legal representative of BANCO POPULAR S.A. (hereinafter, the "Bank"), and in compliance with the provisions of item (ii) of Article 7.4.1.2.7 of Annex 1, Chapter I, Title V, Part III of the Basic Legal Circular (Basic Legal Circular, its Spanish acronym in Spanish), I hereby certify that:

The Bank has an Internal Control System (SCI, its Spanish acronym), which includes a set of policies, principles, rules, and procedures aimed at providing reasonable assurance regarding the achievement of its objectives, in accordance with the provisions of Title I, Chapter VI, Part I of the Basic Legal Circular, which regulates the SCI for entities supervised by the Financial Superintendency of Colombia (SFC, its Spanish acronym), as well as leading practices. This system is consistent with the Bank's risk profile, strategic and business plan, and with the nature, size, and complexity of its operations and the environment in which it operates.

The System is based on the principles of self-control, self-regulation, and self-management, promoting individual and organizational responsibility. It includes the components of Control Environment, Risk management, control activities, information, and monitoring.

Its operation and continuous improvement are supported by the COSO framework and the Bank's three lines model: (a) first line: process-owning areas, responsible for identifying and assessing key risks in risk matrices, as well as implementing controls and mitigation actions; (b) second line: the Vice Presidency of Risk Management, which defines policies and methodology, supports and advises areas in risk identification and control definition, and monitors risk and control management; and (c) third line: the Internal Audit Management Office (Gerencia de Contraloría, its Spanish acronym) and the Statutory Auditor (Revisoría Fiscal, its Spanish acronym), which are responsible for independently evaluating the effectiveness of the Bank's Risk Appetite Framework, as well as the processes and systems that comprise it.

The SCI has an adequate structure, sufficient resources, and independence for the Internal Audit Management Office and the Statutory Auditor to provide reasonable assurance regarding operational effectiveness, the reliability of financial information, and appropriate Risk management.

The Bank's SCI was evaluated during 2025 by the Board of Directors and its Audit Committee, supported by the various evaluations and reports presented by Management, the Internal Audit Management Office, and the Statutory Auditor, in accordance with current regulations. During the period evaluated, Risk management was monitored and actions were carried out to support the continuous improvement of the SCI, in accordance with reviews conducted by Management, the Internal Audit Management Office, and the Statutory Auditor, as well as by supervisory and oversight authorities.

As a result of the evaluations performed it is concluded that the Bank's Internal Control System is adequate and is compliant with the provisions of the SFC's Basic Legal Circular.

In witness whereof, this certification is signed on February 23, 2026.

HELBER MELO

HELBER MELO HERNÁNDEZ
Vice President of Risk Management
Legal Representative
BANCO POPULAR S.A.

7.5. BDO Assurance Report

Ladies and Gentlemen,
Shareholders and other Stakeholder groups of
Banco Popular S.A.
Bogotá D.C., Colombia

Independent Practitioner's Limited Assurance Report

Scope

We have performed a limited assurance engagement on the information detailed in Annex A of this document (hereinafter, the subject matter information) of Banco Popular S.A., "hereinafter, the "Bank," which will be included in the Management and Sustainability Report for the period from January 1 to December 31, 2025.

Our limited assurance engagement was conducted solely in relation to the selected sustainability information included in Annex A. Our assurance report does not extend to information,from prior periods to any other information in the Management and Sustainability Report not included in Annex A, or to any other information related to the Report that may contain images, audio, or video. Accordingly, we do not express a conclusion or any other form of assurance on such information.

Responsibilities of Management of Banco Popular S.A.

Management is responsible for the preparation of the subject matter information, in accordance with the following applicable criteria:

- Global Reporting Initiative (GRI) Standards —Usage option: with reference to GRI, effective in 2025.
- Sustainability Accounting Standards Board (SASB) Standards effective in 2025 for the Commercial Banks sector.
- Criteria set forth in the S&P Global Sustainable1 Corporate Sustainability Assessment (CSA) 2025 questionnaire.
- Criteria defined by the Bank for the full preparation of the 2025 double materiality assessment process.

Management is also responsible for the selection of the applicable criteria used.

The preparation of the subject matter information requires Management to establish and interpret the criteria, make determinations regarding the relevance of information to be included, and make estimates and assumptions that affect the reported information. Management's selection of different, yet acceptable, measurement techniques, estimates, or assumptions could have resulted in materially different amounts or metrics being reported. Obtaining sufficient and appropriate evidence to support our limited assurance conclusion does not reduce the inherent uncertainty in the amounts and disclosures.

Management is also responsible for internal control as Management determines is necessary to enable the preparation of the subject matter information that is free of material misstatement, whether due to fraud or error.

Our Independence and Quality Management

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), together with the relevant ethical requirements in Colombia, and have fulfilled all other applicable ethical responsibilities, which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies International Standard on Quality Management 1 (ISQM 1) — Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement, and operate a quality management system that includes policies or procedures related to compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the subject matter information, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance withInternational Standard on Assurance Engagements 3000 (Revised), ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB). This standard requires us to conclude whether anything has come to our attention that causes us to believe that the information detailed in Annex A has not been prepared, in all material respects, in accordance with the applicable criteria.

A limited assurance engagement is substantially narrower in scope than a reasonable assurance engagement with respect to both risk assessment procedures — including the understanding of internal control — and the procedures performed in response to the assessed risks.

Our engagement included, among others, the following procedures:

a. Through inquiries, we obtained an understanding of the relevant Control Environment and information systems of the Bank; however, we did not evaluate the design of specific control activities, obtain evidence regarding their implementation, or test their operating effectiveness.
b. Understanding the tools used to generate, aggregate, and report the information.

Understanding the tools used to generate, aggregate, and report the subject matter information, through inquiries with those responsible for the related processes.

c. Understanding, inquiries with representatives delegated by Management, and direct verification of the process carried out by the Bank in 2025 for the complete preparation of its double materiality assessment, including the engagement of its Stakeholder groups in this process.

d. Interviews with Bank personnel to understand its business and the preparation process of the 2025 Management and Sustainability Report.

e. Interviews with Bank personnel at the corporate level responsible for the information to be reported, to understand the process of collecting, consolidating, and presenting the subject matter information.

f. Verification of calculation criteria and their appropriate application in accordance with the methodologies described in the criteria of the indicators subject to assurance, as set out in the scope indicated in Annex A.

g. Performing analytical procedures to support the reasonableness of the data.

h. Comparison of the information presented in the Management and Sustainability Report with the information from the relevant underlying sources, to determine whether it has been appropriately included in the 2025 Management and Sustainability Report.

i. Analysis of the data collection and internal control processes for the quantitative data reflected in the Report, with respect to the reliability of the information, using analytical procedures and sampling-based verification tests.

j. Review of the information to be included in the 2025 Management and Sustainability Report, comparing it against the criteria defined by GRI 1 – Foundation, GRI 2 – General Disclosures, and GRI 3 – Material Topics, as applicable under the usage declaration adopted by the Bank. These procedures were performed based on the version of the Management and Sustainability Report provided by the Bank to BDO on February 25, 2026.

k. Applying substantive tests on a selective random basis to the subject matter information prepared by management, to determine the applicable standards and indicators and corroborate that data has been appropriately measured, recorded, collected, and reported, through:

> i. Inspection of policies and procedures established by the Bank. ii. Inspection of supporting documents of internal and external origin. iii. Recalculations. iv. Comparison of the content presented by Management with the criteria set forth in the criteria section of this report.

Annex A details the subject matter information included in the scope of our work.

The procedures performed in a limited assurance engagement vary in nature and timing, and are more limited in extent than those in a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

Significant Inherent Limitations

The selected sustainability information is subject to inherent uncertainty due to the use of non-financial information, which is subject to greater inherent limitations than financial information, given the nature of the methods used to determine, calculate, sample, or estimate such information. In preparing the selected information, the Bank makes qualitative interpretations regarding the relevance, materiality, and accuracy of the information, which are subject to assumptions and judgments.

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the subject matter information indicated in Annex A of this report — which will in turn be included in the Bank's 2025 Management and Sustainability Report for the period from January 1 to December 31, 2025 — has not been prepared, in all material respects, in accordance with the applicable criteria referenced in Annex A.

Other Matter

Our assurance engagement does not extend to information relating to prior periods.

Restriction on Use of the Report

This report is issued solely for the purpose set out in the first paragraph and must not be used for any other purpose or distributed separately to other parties. This report relates only to the matters described in the preceding sections and the subject matter information included in Annex A, and does not extend to any other financial or non-financial information included in the Bank's Management and Sustainability Report for the period from January 1 to December 31, 2025, nor to its financial statements taken as a whole.

Action Plans

BDO Audit S.A.S BIC will provide the Bank, through a separate report, with action recommendations for the future preparation of the Management and Sustainability Report. These recommendations do not modify the conclusion expressed in this report and are intended to strengthen the Bank's process for preparing, managing, measuring, reviewing, reporting, and communicating its sustainability indicators.

Víctor Manuel Ramírez Vargas
Audit and Assurance Partner
Certified Public Accountant License

Member ofBDO Audit S.A.S BIC
Bogotá D.C., March 3, 2026.

ANNEX A

Details of the assurance criteria are presented below and the qualitative and quantitative information subject to assurance, which form an integral part of our independent limited assurance report on Banco Popular S.A.'s Management and Sustainability Report for the period from January 1 to December 31, 2025.

A.1. Scope of Limited Assurance – Quantitative Information

GRI Standard	Description	Value
2-7	Employees	Permanent direct contracts Women: 1,818 Men: 1,186 TOTAL: 3,004
		Apprentices and SENA Women: 90 Men: 39 TOTAL: 129
		TOTAL DIRECT Women: 1,908 Men: 1,225 TOTAL: 3,133
		Temporary transitional Women: 232 Men: 120 TOTAL: 352
		TOTAL Women: 2.140; TOTAL Men: 1.345: TOTAL: 3,485
		Employees by job category, gender, and contract type Senior management women 4 Senior management men: 6 TOTAL 10
		Mid-level management: Permanent contract Women: 28 Men: 44 TOTAL 72

2-7	Employees	Junior Management: Permanent contract Women: 127 Men: 126 TOTAL: 253
		Functional areas – Direct: Permanent contract Women: 1,659 Men: 1,010 TOTAL: 2.669
		Functional areas – SENA apprentices Women: 90 Men: 39 TOTAL: 129
		STEM employees by job category, gender, and contract type – Direct: Permanent contract Women: 177 Men: 341 TOTAL: 518
		SENA apprentices Women: 0 Men: 1 TOTAL: 1
		Temporary transitional employees Women: 15 Men: 7 TOTAL: 22
		Employees by age, gender, and contract type –Under 30 years of age – Direct permanent contract Women: 222 Men: 131 TOTAL: 353
		Employees by age, gender, and contract type – Between 30 and 50 years of age – Direct permanent contract Women: 1,305 Men: 703 TOTAL: 2,008

2-7	Employees	Employees by age, gender, and contract type – Over 50 years of age – Direct permanent contract Women: 291 Men: 352 TOTAL: 643
		Under 30 years of age – Apprentices and SENA Women: 89 Men: 38 TOTAL: 127
		Between 30 and 50 years of age – Apprentices and SENA Women: 1 Men: 1 TOTAL: 2
		Over 50 years of age – Apprentices and SENA Women: 0 Men: 0 TOTAL: 0
201-1	Economic Value Generated and Distributed	Economic value: 3,461,496,252,057 COP Distributed value: 3,152,852,986,997 COP Retained value: 308,643,265,060 COP
302-1	Energy Consumption within the Organization	9,663 MWh
306-4	Waste Diverted from Disposal	6814.4kg
306-5	Waste Directed to Disposal	303kg
303-5	Water Consumption	41,410 m3
305-1	Direct GHG Emissions (Scope 1)	276.38 tCO2e
305-2	Indirect GHG Emissions (Scope 2)	925.39 tCO2e
305-3	Other Indirect GHG Emissions (Scope 3)	1,286.32 tCO2e
305-4	**GHG Emissions Intensity**	
	Intensity by revenue	0.000719 tCO2e
	Intensity per employee	0.713931 tCO2e

405-2	Ratio of basic salary and remuneration of women to men	Mean gender pay gap: 26,6% Median gender pay gap: 8,7% Mean bonus gap: 26,3% Median bonus gap: 9,5% Salary ratio by job category: • Mid-level management: 0,5 • Junior management: 0,9 • Functional areas: 1,5 Salary ratio by gender : Functional areas, local minimum wagel: • Women: 5,48 • Men: 6,93

SASB Standard	Description	Value
SASB FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personal data, (3) number of account holders affected	Data breach cases: 1 Percentage of data breaches: 1.63% Account holders affected: 15,330
SASB FN-CB-240a.1	(1) Number and (2) amount of outstanding loans qualified for small business and community development programs	(1) Number For SMEs: 428 For the community: 78.250 (2) Amount For SMEs: 324.724.711.207 COP For the community: 3.820.508.140.625 COP
SASB FN-CB-240a.2	(1) Number and (2) amount of past-due and non-accrual loans qualified for small business and community development programs	(1) Number: SMEs – past-due: 10 Community – past-due: 897 SMEs – non-accrual: 2 Community – non-accrual: 443 (2) Amount: SMEs – past-due: 30.762.183.791 COP Community – past-due: 31.488.689.776 COP SMEs – non-accrual: 458.830.080 COP Community – non-accrual: 12.667.471.649 COP

SASB CB-510a.1	Total amount of monetary losses resulting from legal proceedings related to fraud, insider trading, anti-competitive practices, unfair competition, market manipulation, malpractice, or other financial industry laws or regulations	0 COP
SASB FN-CB-510a.2	Description of policies and whistleblowing procedures for reporting irregularities	Number of reports received through the Ethics Line: 150

S&P CSA Question	Description	Value
Dow Jones 3.4.3. – CSA	Absenteeism rate	• Data coverage for the absenteeism rate (percentage of direct employees hired by the Bank): 100% • Total number of scheduled working days in the year: 245 • Total scheduled working hours in the year: 6,140,680 • Absence – Women: 1.56% • Absence – Men: 1.24% • Total absenteeism: 2.8%

A.2. Scope of Limited Assurance – Qualitative Information

GRI Standard	Description
403-1	Occupational Health and Safety Management System **Verified text:** The Bank maintains its commitment to employee well-being through an Occupational Health and Safety Policy, approved by the Board of Directors. This policy underpins the Occupational Health and Safety Management System (SG-SST), which seeks to ensure 100% coverage of all workers, including direct employees, contractors, subcontractors, mission workers, SENA apprentices, and any person under the entity's supervision. The system is implemented under the Colombian legal framework, including Law 1562 of 2012, Decree 1072 of 2015, and Resolution 0312 of 2019, among others.
403-1	The scope of the system covers all occupational risk activities typical of the financial sector across all public-facing branches and administrative areas throughout the national territory. Additionally, OHS criteria have been formally incorporated into procurement processes and contractual requirements, seeking to ensure that suppliers comply with the standards set forth in current regulations. Finally, the entity works toward continuous improvement by prioritizing and integrating action plans with quantifiable targets, specifically designed to address and mitigate identified risks across all administrative areas and public-facing branches nationwide. The results of these assessments support continuous improvement, leading to the updating of procedures, specialized training, epidemiological surveillance programs (PVE), and corrective, preventive, and improvement action plans (ACPM).
403-2	Hazard Identification, Risk Assessment, and Incident Investigations **Verified text:** To help prevent occupational injuries and illnesses, the system includes periodic risk and hazard assessments aimed at proactively identifying factors that could cause harm in the workplace. These actions are complemented by the integration of emergency preparedness and response protocols and systematic evaluation of progress in risk mitigation against established objectives. The Bank also supports the quality of its work environment through audits by the Occupational Risk Administrator (ARL) and the Colombian Safety Council (CCS), as well as periodic reports to the Ministry of Labor. To minimize risks, the hierarchy of controls is applied, following the order of elimination, substitution, engineering controls, administrative controls, and personal protective equipment (PPE). Operational management includes formal procedures for investigating injuries, occupational illnesses, and work-related incidents, supporting root cause identification and recurrence prevention. The hazard identification and assessment process is based on the Hazard Identification and Risk Assessment Matrix (IPERV), updated annually (or whenever significant changes occur in the operational environment), in accordance with Colombian Technical Guide GTC 45. Additionally, the Bank develops OHS training programs to strengthen its prevention culture and help reduce the occurrence of operational incidents and occupational risks.

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SASB Standard	Description
SASB CB-510a.1	Total amount of monetary losses resulting from legal proceedings related to fraud, insider trading, anti-competitive practices, unfair competition, market manipulation, malpractice, or other financial industry laws or regulations. **Verified text:** In 2025, Banco Popular was not involved in any legal proceedings related to fraud, insider trading, anti-competitive practices violations, unfair competition, market manipulation, malpractice, or other financial industry laws or regulations. This absence of such situations reflects the effectiveness of the procedures and controls implemented to mitigate such risks within the organization.
SASB FN-CB-510a.2	Description of policies and procedures for reporting irregularities (whistleblowing). **Verified text:** The Bank has a formal whistleblowing mechanism (Ethics Line / Línea Ética), established within the framework of the Code of Ethics and Conduct and corporate compliance policies, as an integral part of its Corporate Governance and Risk management system. This channel aims to identify, report, investigate, and manage potential regulatory breaches, unethical conduct, malpractice, fraud, or any other irregular situation occurring within the organization or its related entities. The Code of Ethics and the Ethics Line are publicly available on the Bank's institutional website and disclosed in corporate sustainability and governance reports, supporting access for all Stakeholder groups. The Ethics Line operates under formal, documented procedures that support information confidentiality, protection against retaliation, and proportional, objective, and independent investigations. Reports may be submitted anonymously or by identified reporters, without requiring personal contact details, under strict security parameters that support confidentiality. Complaint management is led by the Comptroller's Office, responsible for the reception, analysis, investigation, follow-up and closure of cases. This process is supported, when necessary, by other areas and specialized professionals (graphologists), supporting solid, traceable, and properly documented conclusions. Additionally, periodic reports are submitted to the Audit Committee as a body supporting the Board of Directors on this matter. The Ethics

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SASB FN-CB-510a.2	Line is managed internally under a functional independence scheme, with controls that guarantee impartiality the receipt, analysis, and investigation of reports. The Bank seeks to ensure that individuals who report irregularities in good faith and choose to identify themselves will not be subject to retaliation, threats, discriminatory measures, or sanctions —except for measures that may arise from their potential involvement in the investigated facts — in line with the Bank's zero-tolerance policy on retaliation. Where irregularities are identified, appropriate actions are taken according to the nature and severity of the facts, which may include disciplinary, administrative, legal, or criminal measures, in accordance with the Internal Work Regulations and applicable law. When applicable, the Bank notifies the competent authorities and cooperates with oversight bodies, sharing the results of internal investigations and required information. The Code of Ethics and Conduct is approved by the Board of Directors, as the Bank's highest decision-making body, which periodically oversees its effectiveness through the relevant Corporate Governance committees. During 2025, the Ethics Line remained an active and effective reporting channel. A total of 150 reports were received, all managed in accordance with established procedures, supporting confidentiality, timely follow-up, and proper case closure. No reports were received through channels other than the Ethics Line. Additionally, no human rights violations were recorded, nor were any reports classified as high-impact in this regard.

Dow Jones Standard	Description
Dow Jones 1.5.3 - CSA	Crime Prevention: Corporate Policy and Procedures **Verified text:** The Bank has a SARLAFT policy that establishes procedures designed to prevent and mitigate risks associated with money laundering and terrorist financing. This policy guides Know Your Customer (KYC) processes, supporting the proper identification and verification of information before and during the commercial relationship. It also includes continuous transaction monitoring to detect unusual or suspicious operations. Another key component is risk assessment by client type, product, channel, and jurisdiction supporting the assignment of differentiated risk profiles and the application of proportional controls. Procedures are also established for reporting suspicious activities, supporting traceability and information confidentiality. These policies are reviewed and updated at least once a year, or whenever regulatory changes or shifts in the entity's risk profile occur. The Bank has specialized technology systems for monitoring suspicious activities, integrated with transactional analysis tools and rule engines that support real-time detection of unusual operations. These systems incorporate advanced algorithms and artificial intelligence capabilities designed to recognize complex behavioral patterns and correlations that could indicate money laundering or terrorist financing risks. They also enable automatic alert generation, case prioritization by risk level, and support for investigations through analytical dashboards and full operational traceability. This technological infrastructure is continuously updated to adapt to regulatory changes and emerging risk typologies. Within the customer due diligence process, a key activity is the proper identification and monitoring of Politically Exposed Persons (PEPs), who are classified as individuals with an extreme risk profile. This risk level requires the application of enhanced due diligence measures, including information verification and express approval of their onboarding by Senior Management, ensuring compliance with regulatory standards and mitigation of associated risks. The Entity periodically undergoes process reviews and audits to ensure regulatory compliance and the effectiveness of its controls. The most recent assessment was conducted in December 2025, identifying improvement opportunities that contribute to

Dow Jones 1.5.3 - CSA	the strengthening of the Risk management system, with corresponding action plans currently under implementation. A comprehensive annual training plan is designed that not only addresses mandatory regulatory topics, but also incorporates actions tailored to the Bank's specific context. This plan includes the use of audiovisual media and pedagogical strategies aimed at generating an effective impact across all staff and suppliers, ensuring practical understanding aligned with compliance objectives. The Bank maintains a strategic approach of continuous improvement in the prevention of money laundering and terrorist financing (ML/TF), consolidating processes, tools, and controls that permanently evolve in response to emerging risks. This commitment is reflected in the adoption of practices aligned with the highest national and international regulatory standards, as well as in the integration of advanced Risk management methodologies that strengthen transparency, integrity, and trust across all operations. During 2025, the Anti-Money Laundering and Terrorism Financing Risk Management System (SARLAFT) was strengthened through the application of risk indicator-based measurement and monitoring methods, control effectiveness analysis, and transactional monitoring with automated alerts. Key achievements include the optimization of regulatory reports and the consolidation of a prevention culture through specialized training. During 2025, the entity received no fines or sanctions and initiated no investigations related to SARLAFT compliance. For 2026, opportunities are focused on incorporating advanced analytics and artificial intelligence tools to strengthen predictive Risk management. Priorities include continuous improvement in data quality, adaptation to new regulatory requirements, management of risks arising from disruptive technologies, and the sustainability of the model in a changing environment.

Dow Jones Standard	Description
Dow Jones 3.7.1 – CSA	Privacy Policy: Systems and procedures **Verified text:** The personal data privacy risk is overseen by the Risk Vice-Presidency, responsible for the comprehensive management of the various risks to which the Bank is exposed, with the aim of ensuring institutional soundness, operational stability, and full compliance with the applicable regulatory framework. The Vice-Presidency also supervises third-party-related risks through the Information Risk Management (ARI) process, which is integrated into the Bank's general Risk management framework. Within this process, milestone ARI51 — Third-Party Security Review — stands out, designed to assess and support the security of third parties that process or manage information on behalf of the Bank. Under this approach, the Bank has formally established its Privacy and Personal Data Protection Policy, implemented through the Comprehensive Personal Data Management Program (PIGDP). Both instruments are aligned with Law 1581 of 2012, Decree 1074 of 2015, and other applicable regulations for the financial sector. This internal regulatory framework governs the information life cycle (collection, use, storage, transmission, and deletion) for clients, employees, and suppliers, safeguarding the principles of legality, transparency, and confidentiality. The Bank also classifies and manages basic, semi-private, and sensitive data, applying risk-proportional technical measures and formalizing contracts for data transfers within and outside Colombia. In application of the Transparency Principle, the entity informs that collected data is used exclusively for the development of the contractual relationship and the purposes expressly and informedly authorized by the data subject. Accordingly, the Bank does not carry out any processing beyond what is established in the personal data processing authorization. To support policy implementation, the Bank has designated the Cybersecurity, Information Security, Privacy, and Continuity Management function as the unit responsible for overseeing data protection initiatives.
Dow Jones 3.7.1 - CSA	Additionally, a Personal Data Protection Delegate (DPDP) has been appointed, responsible for supporting the effective implementation of the Bank's data protection policies and procedures. The DPDP is responsible for overseeing compliance with applicable data protection regulations and promoting leading practices for the secure and responsible management of personal data throughout the entity. As part of the control and compliance framework, and within the scope of the Information Security and Cybersecurity Policy, the Bank has established corrective and disciplinary measures applicable in cases of non-compliance with obligations related to personal data protection and information security. These measures support action aligned with current legal and regulatory standards. These provisions are formally established in the document "Information Security and Cybersecurity Guidelines," particularly in sections 6.10.14 and 4, which regulate compliance with security policies, the proper use of internet and intranet services, and general adherence to institutional information security guidelines.

Concept	Procedure Applied by the Bank	Scope of Limited Assurance – BDO
Current double materiality analysis available in 2025	Full preparation of Banco Popular S.A.'s double materiality analysis during 2025.	Verification procedures through observation, inquiry, and documentary inspection regarding: This verification was carried out with respect to the review of the methodological document defined by the Bank for the preparation of 2025 double materiality assessment, which, according to the Bank, will be valid for two years and included the participation of internal and external stakeholders, as well as the identification and prioritization of Sustainability-related impacts, risks, and opportunities. The calculations used to define materiality thresholds and the final development of the matrix including impact materiality, financial materiality, and double materiality topics were also reviewed.

ANNEX B

Banco Popular's 2025 Management and Sustainability Report.
To access the Assurance Letter issued by BDO Audit S.A.S. BIC and delivered to Banco Popular S.A., please click on the following link.

2025 Management and Sustainability Report

Corporate Name
Banco Popular S.A

Head Office
Calle 17 N° 7 -35
Banco Popular Building

Website
www.bancopopular.com.co

Social Media
Bcopopular
Banco Popular
Bco_Popular
BancoPopularCol
Banco Popular Colombia

banco popular