

# 2025



# Quarterly Periodic Report

## Second Quarters

VIGILADO SUPERINTENDENCIA FINANCIERA DE COLOMBIA

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# About Banco Popular

Banco Popular S.A., hereinafter the “Bank”, is a private Colombian corporation with extensive experience in the financial market. Its main corporate purpose is to engage in the activities, operations, and services proper to a banking institution, within the legal framework prescribed by law. Likewise, it conducts, through the “El Martillo” auction platform, the sale or exchange or any other form of transfer of movable property, real estate, or other negotiable items.

The Bank has its principal place of business in the city of Bogotá, and provides its services in Colombia through branches, teller extension points, banking correspondents, a payroll-deduction loans center, collection centers, and its own ATMs and those of the Aval network, as well as through various digital channels.

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

The Bank is committed to the Silver Economy (economía plateada), where our main strategy is to offer an inclusive value proposition aimed at customers over 50 years of age, with innovative products, differentiated service models that balance human and digital interaction, and access to benefits designed specifically for this segment. Accordingly, the Bank has the firm purpose and conviction to become the benchmark bank for the population over 50, offering financial products inclusively and supporting this population segment in achieving their goals at this stage of life.

In May 2025, the Bank presented its new brand and purpose, seeking to be “The Bank for the best moments of life”, and a committed partner in accompanying, celebrating, and building with people the moments that truly matter. In this new stage, the Bank offers experiences, products, and services designed strategically to respond to the challenges and opportunities posed by the Silver Economy.

Additionally, the Bank has published a report on the [Silver Economy](#), a transformative force that is redefining the present and future of our society. At the Bank, we firmly believe that accompanying people over the age of 50 is not only a responsibility, it is also one of the most promising opportunities for economic development, financial innovation, and collective well-being. Colombia is in the midst of a historic demographic transition, with more than 14 million people in the country now over the age of 50. This age group has been steadily increasing its impact on the economy, as it is increasingly active, longer-lived, and more aware of its financial health. In Latin America, annual spending by people over 50 exceeds USD 580 billion, and this number is projected to grow rapidly over the next decade.

This is no small figure. It signals where we should focus our strategies for inclusion, service, and sustainable growth. At Banco Popular, we have taken up this challenge as our banner. We are preparing to offer products and services that will enable us to become an ally to this population segment, helping them make the best moments of life possible.

In corporate and government banking, our strategy focuses on designing services and solutions to address the financial needs of enterprises and government entities. This strategy offers specialized solutions that include customized products that foster economic growth, sustainability, and the efficient management of financial resources. The Bank seeks to establish lasting relationships based on trust, which implies not only an appropriate product offering, but also continuous support that ensures the financial success and sustainable growth of its customers.

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

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

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

In July 2025, BRC Ratings, S&P Global, in its periodic review, confirmed the AA+ long-term debt rating of the Subordinated Bonds Issuance and Placement Program of Banco Popular S.A., for up to COP 14 trillion.

In 2025, the Bank celebrated its 75th anniversary and will continue to implement and rigorously monitor the initiatives we have set out to advance our strategy, therefore continuing our operations, products, and services with a clear focus on our customers and target segments, consolidating the strength of our balance sheet and improving our operating efficiency.

# 1. Macroeconomic Environment

## International Economic Context

During the first half of 2025, the international environment was marked by the resurgence of trade tensions driven by tariff measures taken by the Government of the United States, which caused a significant shift in investor appetite globally. This scenario led to lower demand for U.S. assets and a correction in the country's main stock indices. In response, the Federal Reserve (Fed) decided to maintain the federal funds rate in a range of 4.25% to 4.50%. Likewise, the Fed anticipates lower economic growth, a rebound in inflation affected by tariff tensions, and a limited reduction in interest rates, estimated at 0.5 percentage points by year-end 2025.

## National Economic Context

At the national level, market attention has focused on the fiscal situation. According to the Medium-Term Fiscal Framework (MFMP) 2025, the fiscal deficit is projected to exceed 7.1% of GDP and the debt level is expected to exceed 60% of GDP. In terms of growth, the Colombian economy has shown signs of recovery. Growth in the first quarter of 2025 was 2.7%, one of the best readings in the past three years. For the remainder of the year, this dynamic is expected to continue, with average annual growth also at 2.7%.

## Inflation and Monetary Policy

In 2025, inflation in Colombia continues on a downward trend. Since November 2024, the Consumer Price Index (CPI) has stabilized around 5%. In June it fell significantly, from 5.05% in May to 4.82% year over year. Nonetheless, factors persist that limit a faster correction, including a high degree of price indexation, exchange rate volatility, and fiscal expansion.

Monetary policy has reacted cautiously. In the first half of the year, the policy rate was reduced by 25 basis points to 9.25%. The real interest rate stands near 4.40%, above its estimated neutral level of 2.70%.

## Dollar Performance

In 2025, the U.S. dollar has shown a downward trend globally, as a result of the reactivation of tariff policies by the U.S. Government. This change in the international landscape reduced appetite for dollar-denominated assets, bringing the DXY index below 100 points. Locally, this dollar weakness has been offset by an increase in sovereign risk perception, driven mainly by fiscal deterioration.

## 2. Outstanding Issuances

### Bonds

OUTSTANDING BOND ISSUANCES IN CIRCULATION							
Class	# Issuance	Issuance Date	Subseries	Indicator	Maturity Date	Amount per Series	Coupon Rate
SUBORDINATED BONDS	FIRST SUBORDINATED	October 12, 2016	C10	CPI	October 12, 2026	COP 144,922,000,000	4.13%
ORDINARY BONDS	FIFTEENTH SERIES	February 04, 2020	B7	CPI	February 04, 2027	COP 119,000,000,000	3.08%
ORDINARY BONDS	SIXTEENTH SERIES	July 15, 2021	B5	Fixed Rate	July 15, 2026	COP 267,285,000,000	6.78%
			C5	CPI	July 15, 2026	COP 114,715,000,000	2.56%
ORDINARY BONDS	SEVENTEENTH SERIES	November 11, 2021	C5	CPI	November 11, 2026	COP 105,705,000,000	3.38%
ORDINARY BONDS	EIGHTEENTH SERIES	March 10, 2022	C5	CPI	March 10, 2027	COP 53,102,000,000	3.84%

### Shares

On May 30, 2025, the Superintendencia Financiera de Colombia (Financial Superintendence of Colombia, SFC) authorized the Issuance and Placement Regulations for Ordinary Shares of Banco Popular S.A. Likewise, by Resolution No. 1144 of June 11, 2025, it authorized the corresponding Public Offering. Accordingly, on July 18, 2025, the Bank published in the newspaper El Tiempo the Public Offering Notice for the First Stage, for the exercise of preemptive rights, of the Ordinary Share issuance that ended on August 8, 2025. Similarly, on August 13, 2025, the Public Offering Notice for the Second Stage was published in El Tiempo, for the exercise of accretion rights.



## 3. Separate Financial Results

### 3.1 Main Figures and Indicators

- As of June 30, 2025, the Bank reported accrued net income of COP 7,800 million, with return on average assets (ROA) for the first quarter of 2025 of 0.1% and return on average equity (ROE) of 0.7%.
- Total assets were COP 32.1 trillion. Total liabilities stood at COP 29.6 trillion.
- The gross loan portfolio closed at COP 22.1 trillion, up 3.8% versus year-end 2024 and 2.5% versus second quarter 2024. Loan portfolio quality by maturity stood at 2.9%, and the C, D, and E risk-grade indicator totaled 3.8%.
- The indicator for loan portfolio past due more than 30 days was 3.0%, and past due more than 90 days was 2.2%. The consolidated net cost of risk for the semester was 0.6%.
- Deposits at amortized cost totaled COP 26.9 trillion, representing 91% of total liabilities. Savings accounts accounted for 50.2%, certificates of deposit (CDTs) for 45.4%, checking accounts for 4.2%, and other deposits for 0.2%.
- The total solvency ratio was 11.8% under Basel III standards, and the basic solvency ratio was 10.1%.
- The accumulated net interest margin (NIM, Margen Neto de Interés, MNI) was 4.5% as of June 30, 2025, up 11 basis points versus the first quarter of 2025. The investments NIM was 1.6% and the loan portfolio NIM was 5.2%.
- The fee income indicator for the first half of 2025 was 5.4%, down 17 basis points versus the first quarter of 2025.
- The accumulated efficiency indicator was 90.2% and the Ratio of Operating Expenses to Average Assets was 4.2% as of June 2025.

Main Indicators	June 2025	December 2024
<b>Profitability Ratios</b>		
ROA	0.1%	-0.8%
ROE	0.7%	-9.1%
<b>Administrative efficiency ratio (administrative and personnel expenses, excluding depreciation, divided by interest and investment income excluding dividends + net commissions + other operating income).</b>	<b>90.2%</b>	<b>117.5%</b>
<b>Loan Portfolio Quality</b>		
Loan portfolio quality by maturity	2.9%	3.6%
C, D, E total quality	3.8%	4.7%
<b>Solvency</b>	<b>11.8%</b>	<b>12.1%</b>

## 3.2 Financial Position

BANCO POPULAR S.A. Separate Condensed Statement of Financial Position							
Millions of Colombian pesos	June 2025	December 2024	June 2024	June 2025 / December 2024		June 2025 / June 2024	
				Absolute	%	Absolute	%
<b>ASSETS</b>							
Cash and cash equivalents	3,309,533	1,746,184	2,460,951	1,563,349	89.5%	848,582	34.5%
<b>Financial investment assets:</b>							
Financial assets held for trading	775,136	757,400	688,060	17,736	2.3%	87,076	12.7%
Financial assets available for sale	2,608,349	2,042,438	2,326,453	565,911	27.7%	281,896	12.1%
Financial assets held to maturity	1,220,988	1,268,851	1,807,329	(47,863)	-3.8%	(586,341)	-32.4%
Impairment of financial investment assets	(668)	(668)	(668)	-	0.0%	-	0.0%
Hedging derivatives	8,078	7,752	-	326	100.0%	8,078	100.0%
<b>Total financial investment assets, net</b>	<b>4,611,883</b>	<b>4,075,773</b>	<b>4,821,174</b>	<b>536,110</b>	<b>13.2%</b>	<b>(209,291)</b>	<b>-4.3%</b>
Loan portfolio and financial leases, net	21,088,710	20,209,476	20,219,644	879,234	4.4%	869,066	4.3%
Other accounts receivable, net	512,127	511,345	312,003	782	0.2%	200,124	64.1%
Investments in subsidiaries, associates, and joint ventures, net	944,216	912,344	941,993	31,872	3.5%	2,223	0.2%
Non-current assets held for sale	-	18,722	18,722	(18,722)	-100.0%	(18,722)	-100.0%
Tangible assets, net	485,469	487,749	450,651	(2,280)	-0.5%	34,818	7.7%
Intangible assets, net	403,976	390,836	375,160	13,140	3.4%	28,816	7.7%
<b>Income tax asset</b>							
Current	231,801	154,929	360,465	76,872	49.6%	(128,664)	-35.7%
Deferred	465,027	456,195	445,160	8,832	1.9%	19,867	4.5%
Other assets	2,877	3,300	2,548	(423)	-12.8%	329	12.9%
<b>Total assets</b>	<b>32,055,619</b>	<b>28,966,853</b>	<b>30,408,471</b>	<b>3,088,767</b>	<b>10.7%</b>	<b>1,647,148</b>	<b>5.4%</b>
<b>LIABILITIES AND EQUITY</b>							
<b>LIABILITIES</b>							
Financial liabilities at fair value	30,683	17,239	9,515	13,444	78.0%	21,168	222.5%
Financial liabilities at amortized cost	28,743,011	25,713,445	27,162,025	3,029,566	11.8%	1,580,986	5.8%
Hedging derivatives	717	-	-	717	100.0%	717	100.0%
Accounts payable and other liabilities	418,674	404,691	351,090	13,983	3.5%	67,584	19.2%
Provisions	12,100	14,680	14,294	-2,580	-17.6%	(2,194)	-15.3%
Employee benefits	424,390	425,457	395,883	-1,067	-0.3%	28,507	7.2%
<b>Total liabilities</b>	<b>29,629,575</b>	<b>26,575,512</b>	<b>27,932,807</b>	<b>3,054,063</b>	<b>11.5%</b>	<b>1,696,768</b>	<b>6.1%</b>
<b>EQUITY</b>							
Subscribed and paid-in capital	77,253	77,253	77,253	-	0.0%	-	0.0%
Share placement premium	63,060	63,060	63,060	-	0.0%	-	0.0%
Retained earnings	2,226,826	2,456,213	2,459,556	-229,387	-9.3%	(232,730)	-9.5%
Net profit (loss) for the period	7,792	(226,699)	(156,477)	234,491	-103.4%	164,269	-105.0%
Other comprehensive income	51,113	21,513	32,273	29,600	137.6%	18,840	58.4%
<b>Equity</b>	<b>2,426,044</b>	<b>2,391,340</b>	<b>2,475,665</b>	<b>34,704</b>	<b>1.5%</b>	<b>(49,621)</b>	<b>-2.0%</b>
<b>Total liabilities and equity</b>	<b>32,055,619</b>	<b>28,966,852</b>	<b>30,408,472</b>	<b>3,088,768</b>	<b>10.7%</b>	<b>1,647,147</b>	<b>5.4%</b>



## Financial Position Analysis

### Assets

The Bank's assets totaled COP 32.1 trillion as of June 30, 2025, versus COP 29.0 trillion as of December 31, 2024, an increase of COP 3.1 trillion, equivalent to 10.7%.

### Cash

As of June 30, 2024, the balance of cash and deposits in central banks was COP 3.3 trillion, up 89.5% versus December 31, 2024, and up 34.5% versus June 30, 2024.

### Loan Portfolio

The gross loan portfolio increased by COP 816,954 million versus December 31, 2024, and by COP 547,890 million versus June 30, 2024. During the first half of 2025, the consumer portfolio increased by COP 576,252 million, the commercial portfolio increased by COP 322,943 million, the mortgage portfolio decreased by COP 67,327 million, and repos and interbank loans decreased by COP 14,766 million.

As of June 30, 2025, the consumer loan portfolio accounted for 68.5% of the gross loan portfolio, followed by commercial loans at 27.1%, and mortgage loans at 4.4%. Repos and interbank loans closed at COP 168 million, a decrease of COP 14,766 million versus December 31, 2024. The loan loss provision was COP 1.0 trillion as of June 30, 2025, resulting in a net loan portfolio of COP 21.1 trillion. The following annex provides additional details on the loan portfolio by product:

Loan Portfolio Classification							
	June 2025	December 2024	June 2024	June 2025 / December 2024		June 2025 / June 2024	
				Absolute	%	Absolute	%
Consumer portfolio and consumer leasing	15,113,853	14,537,601	14,601,588	576,252	4.0%	512,265	3.5%
Commercial portfolio and commercial leasing	5,992,358	5,669,415	5,784,908	322,943	5.7%	207,450	3.6%
Mortgage portfolio and mortgage leasing	969,095	1,036,422	1,114,281	(67,327)	-6.5%	(145,186)	-13.0%
Repos, interbank, and others	168	14,934	26,364	(14,766)	-98.9%	(26,196)	-99.4%
Microcredit portfolio and microcredit leasing	99	247	542	(148)	-59.9%	(443)	-81.7%
<b>Total loan and leasing portfolio</b>	<b>22,075,573</b>	<b>21,258,619</b>	<b>21,527,683</b>	<b>816,954</b>	<b>3.8%</b>	<b>547,890</b>	<b>2.5%</b>
<b>Provision for loan and leasing portfolio</b>	<b>(986,863)</b>	<b>(1,049,143)</b>	<b>(1,308,039)</b>	<b>62,280</b>	<b>-5.9%</b>	<b>321,176</b>	<b>-24.6%</b>
Provision for commercial portfolio and commercial leasing	(266,275)	(253,195)	(301,800)	(13,080)	5.2%	35,525	-11.8%
Provision for consumer portfolio and consumer leasing	(688,643)	(760,316)	(969,119)	71,673	-9.4%	280,476	-28.9%
Provision for mortgage portfolio and mortgage leasing	(31,913)	(35,575)	(37,050)	3,662	-10.3%	5,137	-13.9%
Provision for microcredit portfolio and microcredit leasing	(32)	(57)	(70)	25	-43.9%	38	-54.3%
<b>Total loan and leasing portfolio at amortized cost</b>	<b>21,088,710</b>	<b>20,209,476</b>	<b>20,219,644</b>	<b>879,234</b>	<b>4.4%</b>	<b>869,066</b>	<b>4.3%</b>

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

Loan Portfolio Classification							
	June 2025	December 2024	June 2024	June 2025 / December 2024		June 2024 / June 2024	
				Absolute	%	Absolute	%
"A" Normal	21,019,182	20,087,015	19,939,428	932,166	4.6%	1,079,753	5.4%
"B" Acceptable	224,224	161,136	305,290	63,088	39.2%	(81,066)	-26.6%
"C" Deficient	165,819	205,191	288,196	(39,371)	-19.2%	(122,376)	-42.5%
"D" Doubtful	327,640	398,808	437,839	(71,168)	-17.8%	(110,199)	-25.2%
"E" Uncollectible	338,540	391,535	530,567	(52,995)	-13.5%	(192,026)	-36.2%
<b>Total loan portfolio and financial leasing</b>	<b>22,075,405</b>	<b>21,243,685</b>	<b>21,501,319</b>	<b>831,720</b>	<b>3.9%</b>	<b>574,086</b>	<b>2.7%</b>
Repos, interbank, and others	168	14,934	26,364	(14,766)	-98.9%	(26,196)	-99.4%
<b>Total loan and leasing portfolio and accounts receivable</b>	<b>22,075,573</b>	<b>21,258,619</b>	<b>21,527,683</b>	<b>816,954</b>	<b>3.8%</b>	<b>547,890</b>	<b>2.5%</b>

The main loan portfolio indicators are as follows:

Indicator Name	June 2025	December 2024	June 2024
"C", "D", and "E" portfolio over total portfolio	3.8%	4.7%	5.8%
Portfolio past due more than 30 days over total portfolio	3.0%	3.7%	4.5%
Portfolio past due more than 90 days over total portfolio	2.2%	2.8%	3.4%
Loan loss provisions over "C", "D", and "E" portfolio	118.6%	105.4%	104.1%
Loan loss provisions over portfolio past due more than 30 days	151.3%	134.6%	134.6%
Loan loss provisions over portfolio past due more than 90 days	203.9%	176.4%	177.6%
Loan loss provisions over total portfolio	4.5%	4.9%	6.1%
Provision expense, net, over "C", "D", and "E" portfolio	11.0%	18.6%	12.4%
Provision expense, net, over portfolio past due more than 30 days	14.2%	23.4%	16.0%
Provision expense, net, over portfolio past due more than 90 days	18.8%	30.5%	21.1%
Provision expense, net, over average total portfolio	0.6%	1.0%	0.7%
Write-offs over average total portfolio	0.9%	1.9%	0.47%

## Investment Portfolio

As of June 30, 2025, the net investment portfolio closed at COP 4.6 trillion, up 13.2% versus December 31, 2024, and down 4.5% versus June 30, 2024. Financial assets available for sale represented 56.1% of the total portfolio, investments held to maturity 27.3%, and trading financial assets 16.7%. The following table presents the investment portfolio:

Financial Investment Assets							
	June 2025	December 2024	June 2024	June 2025 / December 2024		June 2025 / June 2024	
				Absolute	%	Absolute	%
<b>Financial assets held for trading</b>							
Investments in debt securities	258,698	222,553	219,318	36,145	16.2%	39,380	18.0%
Investments in equity instruments	487,762	509,445	409,976	(21,683)	-4.3%	77,786	19.0%
Trading derivatives	28,676	25,402	58,765	3,274	12.9%	(30,089)	-51.2%
<b>Total financial assets held for trading</b>	<b>775,136</b>	<b>757,400</b>	<b>688,059</b>	<b>17,736</b>	<b>2.3%</b>	<b>87,077</b>	<b>12.7%</b>
<b>Financial assets available for sale</b>							
Investments in debt securities	2,387,561	1,831,928	2,119,996	555,633	30.3%	267,565	12.6%
Investments in equity instruments	220,788	210,509	206,457	10,279	4.9%	14,331	6.9%

Financial Investment Assets							
				June 2025 / December 2024		June 2025 / June 2024	
	June 2025	December 2024	June 2024	Absolute	%	Absolute	%
<b>Total financial assets available for sale</b>	<b>2,608,349</b>	<b>2,042,437</b>	<b>2,326,453</b>	<b>565,912</b>	<b>27.7%</b>	<b>281,896</b>	<b>12.1%</b>
<b>Investments held to maturity</b>	<b>1,220,988</b>	<b>1,268,851</b>	<b>1,816,883</b>	<b>(47,863)</b>	<b>-3.8%</b>	<b>(595,895)</b>	<b>-32.8%</b>
Investment provisions	(668)	(668)	(668)	-	0.0%	-	0.0%
Hedging derivatives	8,078	7,752	-	326	4.2%	8,078	0.0%
<b>Total financial investment assets</b>	<b>4,611,883</b>	<b>4,075,772</b>	<b>4,830,727</b>	<b>536,111</b>	<b>13.2%</b>	<b>(218,844)</b>	<b>-4.5%</b>

## Liabilities

The Bank reported COP 29.6 trillion in liabilities as of June 30, 2025, up 11.5% versus December 31, 2024, and up 6.1% versus June 30, 2024. The Bank's main source of funding is deposits, representing 90.6%, followed by bonds at 3.6% and financial obligations at 2.8% of total financial liabilities at amortized cost.

## Deposits

Deposits were COP 26.8 trillion as of June 30, 2025, up 19.9% versus December 31, 2024, and up 14.8% versus June 30, 2024. For the first half of 2025, of total deposits, savings accounts represented 50.2%, certificates of deposit (CDs) represented 45.4%, checking accounts 4.2%, and other deposits 0.2%.

The breakdown of deposits is as follows:

Deposits at Amortized Cost							
				June 2025 / December 2024		June 2025 / June 2024	
	June 2025	December 2024	June 2024	Absolute	%	Absolute	%
Checking accounts	1,122,534	984,150	987,279	138,384	14.1%	135,255	13.7%
Certificates of time deposits (CDTs)	12,203,825	11,184,419	10,607,827	1,019,406	9.1%	1,595,998	15.0%
Savings accounts	13,481,272	10,174,621	11,753,684	3,306,651	32.5%	1,727,588	14.7%
Other deposits	43,876	59,545	46,856	(15,669)	-26.3%	(2,980)	-6.4%
<b>Total deposits</b>	<b>26,851,507</b>	<b>22,402,735</b>	<b>23,395,646</b>	<b>4,448,772</b>	<b>19.9%</b>	<b>3,455,861</b>	<b>14.8%</b>

## Repo transactions and other items

Repo transactions, banks, and correspondents decreased by COP 722,027 million versus December 31, 2024, and by COP 6,089 million versus June 30, 2024.

## Bank loans and others

Foreign bank loans and lease liabilities reached COP 246,008 million in the first half of 2025, down 32.1% versus December 31, 2024, and down 30.4% versus June 30, 2024.

## Total Equity and Regulatory Capital

Equity as of June 30, 2025, was COP 2.4 trillion, up 1.5% versus December 31, 2024, and down 2.0% versus June 30, 2024. The Bank's solvency indicators as of June 30, 2025, under Basel III standards, were 11.9% for Total Solvency and 10.1% for Basic Solvency.

Common Equity Tier 1 increased by COP 8,574 million in the first half of 2025 versus December 31, 2024, mainly due to accumulated losses from prior periods, current period profit, and the appropriation of retained earnings. Additional Tier 1 decreased by COP 12,153 million versus December 31, 2024, due to a decrease in subordinated debt and the amount of general impairment.

Risk-weighted assets (RWA) increased by COP 378,023 million, mainly due to an increase of COP 467,663 million in Category III credit risk RWA and a decrease of COP 91,197 million in Category IV.

The main solvency figures are as follows:

Solvency Ratio		
	June 2025	December 2024
<b>Technical equity</b>	<b>2,275,889</b>	<b>2,279,468</b>
Total basic equity	1,953,377	1,944,803
Additional equity	322,512	334,665
<b>Risk-weighted assets (RWA)</b>	<b>19,256,971</b>	<b>18,862,776</b>
Credit risk-weighted assets	17,447,660	17,069,637
Market risk-weighted assets	185,234	188,523
Operational risk-weighted assets	1,624,077	1,604,616
<b>Solvency ratio</b>	<b>11.82%</b>	<b>12.08%</b>
<b>Total basic solvency ratio</b>	<b>10.14%</b>	<b>10.31%</b>

## 3.3 Income Statement

BANCO POPULAR S.A. Separate Income Statement							
	June 2025	December 2024	June 2024	June 2025 / December 2024		June 2025 / June 2024	
				Absolute	%	Absolute	%
Interest income and similar revenue	1,569,056	3,104,696	1,582,902	(1,535,640)	-49.5%	(13,846)	-0.9%
Interest expense and similar costs	(1,004,094)	(2,324,616)	(1,253,836)	1,320,522	-56.8%	249,742	-19.9%
<b>Net interest income and similar revenue</b>	<b>564,962</b>	<b>780,080</b>	<b>329,066</b>	<b>(215,118)</b>	<b>-27.6%</b>	<b>235,896</b>	<b>71.7%</b>
Impairment losses on financial assets, net	(106,351)	(183,722)	(143,858)	77,371	-42.1%	37,507	-26.1%
<b>Net interest income after impairment losses</b>	<b>458,611</b>	<b>596,358</b>	<b>185,208</b>	<b>(137,747)</b>	<b>-23.1%</b>	<b>273,403</b>	<b>147.6%</b>
Net fee and commission income	56,836	82,890	44,717	(26,054)	-31.4%	12,119	27.1%
Net gains (losses) on financial assets and liabilities at fair value through profit or loss	67,903	49,390	25,286	18,513	37.5%	42,617	168.5%
Other income	58,689	128,663	71,053	(69,974)	-54.4%	(12,364)	-17.4%
Other expenses	(645,941)	(1,210,785)	(602,708)	564,844	-46.7%	(43,233)	7.2%
<b>Income before income taxes</b>	<b>(3,902)</b>	<b>(353,484)</b>	<b>(276,444)</b>	<b>349,582</b>	<b>-98.9%</b>	<b>272,542</b>	<b>-98.6%</b>
Income tax	(11,694)	(126,785)	(119,967)	115,091	-90.8%	108,273	-90.3%
<b>Net profit (loss) for the period</b>	<b>7,792</b>	<b>(226,699)</b>	<b>(156,477)</b>	<b>234,491</b>	<b>-103.4%</b>	<b>164,269</b>	<b>-105.0%</b>

The accumulated net profit for the first half of 2025 was COP 7,792 million, explained mainly by net interest and similar income of COP 564,962 million, impairment loss of COP 106,351 million, other income of COP 183,428 million, other expenses of COP 645,941 million, and Income tax of COP 11,694 million.

## Net Interest Income

Net interest income							
				June 2025 / December 2024		June 2025 / June 2024	
	June 2025	December 2024	June 2024	Absolute	%	Absolute	%
Interest income							
Interest on loan portfolio	1,363,169	2,718,974	1,377,859	(1,355,805)	-49.9%	(14,690)	-1.1%
Interest on deposits	9	47	29	(38)	-80.9%	(20)	-69.0%
Interest on other accounts receivable	9,859	34,578	17,403	(24,719)	-71.5%	(7,544)	-43.3%
Interest on investments in debt securities	151,273	289,753	165,787	(138,480)	-47.8%	(14,514)	-8.8%
Other interest	44,746	61,344	21,824	(16,598)	-27.1%	22,922	105.0%
Total interest income	1,569,056	3,104,696	1,582,902	(1,535,640)	-49.5%	(13,846)	-0.9%
Interest expense and similar costs							
Checking accounts	1,441	2,797	1,456	(1,356)	-48.5%	(15)	-1.0%
Savings deposits	310,423	763,749	439,303	(453,326)	-59.4%	(128,880)	-29.3%
Term deposit certificates	595,942	1,263,615	658,136	(667,673)	-52.8%	(62,194)	-9.5%
Total deposits	907,806	2,030,161	1,098,895	(1,122,355)	-55.3%	(191,089)	-17.4%
Financial obligations							
Interbank and overnight funds	3,706	19,791	5,009	(16,085)	-81.3%	(1,303)	-26.0%
Bonds and investment securities	58,149	190,059	104,308	(131,910)	-69.4%	(46,159)	-44.3%
With rediscount entities, bank loans, and others	34,433	84,605	45,624	(50,172)	-59.3%	(11,191)	-24.5%
Total financial obligations	96,288	294,455	154,941	(198,167)	-67.3%	(58,653)	-37.9%
Total interest and similar expenses	1,004,094	2,324,616	1,253,836	(1,320,522)	-56.8%	(249,742)	-19.9%
Net Interest Income	564,962	780,080	329,066	(215,118)	-27.6%	235,896	71.7%

Net interest income as of June 30, 2025, was COP 564,962 million, showing an increase of 71.7% compared to June 30, 2024. Total interest and similar expenses decreased 56.8% compared with December 31, 2024, and 19.9% compared with June 30, 2024.

## Provisions for Financial Assets

Net provision expense decreased by 26.1% versus June 30, 2024, reaching COP 106,351 million, as a result of a decrease in the past-due portfolio, especially in the consumer segment.

Net provisions for loan portfolio and other asset impairment							
				June 2025 / December 2024		June 2025 / June 2024	
	June 2025	December 2024	June 2024	Absolute	%	Absolute	%
Provision for loan portfolio and interest receivable	143,473	238,931	158,293	(95,458)	-40.0%	(14,820)	-9.4%
Recovery of charge-offs	(37,122)	(55,209)	(14,435)	18,087	-32.8%	(22,687)	157.2%
Total Net provisions for loan portfolio and other asset impairment	106,351	183,722	143,858	(77,371)	-42.1%	(37,507)	-26.1%

## Fees and Other Operating Income

Gross fee income accrued in the first half of 2025 was COP 97,382 million, up 13.2% versus June 30, 2024, mainly due to banking service fees. Accrued fee expenses closed at COP 40,546 million. Net fee income accrued in the first half of 2025 was COP 56,836 million, down 31.4% versus December 31, 2024, and up 27.1% versus June 30, 2024. Other income totaled COP 58,689 million, mainly from:

1. Other operating income of COP 37,406 million.
2. Equity method income and accrued dividends of COP 33,079 million.
3. Gain on sale of non-current assets held for sale of COP 5,752 million.
4. Net foreign exchange gain of COP 18,565 million.

Fees and other income are detailed as follows:

Net interest income							
				June 2025 / December 2024		June 2025 / June 2024	
	June 2025	December 2024	June 2024	Absolute	%	Absolute	%
<b>Income from Fees and Other Services</b>							
Banking service fees	76,250	126,607	60,630	(50,357)	-39.8%	15,620	25.8%
Credit and debit card fees	20,429	42,583	24,704	(22,154)	-52.0%	(4,275)	-17.3%
Fees on wire transfers, checks, and checkbooks	486	1,046	518	(560)	-53.5%	(32)	-6.2%
Branch network services	217	409	186	(192)	-46.9%	31	16.7%
<b>Total Income from Fees and Other Services</b>	<b>97,382</b>	<b>170,645</b>	<b>86,038</b>	<b>(73,263)</b>	<b>-42.9%</b>	<b>11,344</b>	<b>13.2%</b>
<b>Fee and Other Service Expenses</b>	<b>40,546</b>	<b>87,755</b>	<b>41,321</b>	<b>(47,209)</b>	<b>-53.8%</b>	<b>(775)</b>	<b>-1.9%</b>
<b>Net Income from Fees and Other Services</b>	<b>56,836</b>	<b>82,890</b>	<b>44,717</b>	<b>(26,054)</b>	<b>-31.4%</b>	<b>12,119</b>	<b>27.1%</b>
<b>Net gains (losses) on financial assets or liabilities held for trading</b>	<b>67,903</b>	<b>49,391</b>	<b>25,286</b>	<b>18,512</b>	<b>37.5%</b>	<b>42,617</b>	<b>168.5%</b>
Net gain on marketable investments	41,480	56,931	33,808	(15,451)	-27.1%	7,672	22.7%
Net gain on trading derivatives	26,712	(7,540)	(8,522)	34,252	-454.3%	35,234	-413.4%
Net loss on hedging activities	(289)	-	-	(289)	100.0%	(289)	100.0%
<b>Other Operating Income</b>							
Foreign exchange adjustments	(18,565)	31,983	22,037	(50,548)	-158.0%	(40,602)	-184.2%
Net loss (gain) on sale of investments	(3)	10,418	(9)	(10,421)	-100.0%	6	-66.7%
Gain on sale of non-current assets held for sale	5,752	-	-	5,752	0.0%	5,752	0.0%
Fair value adjustment of investment properties	1,020	(3,811)	748	4,831	-126.8%	272	36.4%
Dividends and Equity Method	33,079	28,385	32,345	4,694	16.5%	734	2.3%
Other operating income	37,406	61,687	15,932	(24,281)	-39.4%	21,474	134.8%
<b>Other Operating Income</b>	<b>58,689</b>	<b>128,662</b>	<b>71,053</b>	<b>(69,973)</b>	<b>-54.4%</b>	<b>(12,364)</b>	<b>-17.4%</b>



## 4. Consolidated Financial Results

### 4.1 Financial Position

Condensed Consolidated Statement of Financial Position							
			June 2025 / December 2024		June 2025 / June 2024		
	June 2025	December 2024	June 2024	Absolute	%	Absolute	%
<b>ASSETS</b>							
Cash and cash equivalents	7,913,559	7,391,183	7,594,222	522,376	7.1%	319,337	4.2%
Marketable Assets	6,893,314	5,069,884	4,930,440	1,823,430	36.0%	1,962,874	39.8%
Investments in debt securities	6,586,985	6,003,119	7,440,489	583,866	9.7%	(853,504)	-11.5%
Investments in Equity Instruments	1,945,488	1,587,312	1,594,545	358,176	22.6%	350,943	22.0%
Hedging Derivatives	17,123	9,054	6,482	8,069	89.1%	10,641	164.2%
Loan portfolio and financial leases, net	23,744,674	23,033,288	24,014,553	711,386	3.1%	(269,879)	-1.1%
Other accounts receivable, net	22,373,364	23,281,315	22,248,397	(907,951)	-3.9%	124,967	0.6%
Non-current assets held for sale	9,883	25,696	19,001	(15,813)	-61.5%	(9,118)	-48.0%
Investments in subsidiaries, associates, and joint ventures, net	977,508	1,134,485	968,216	(156,977)	-13.8%	9,292	1.0%
Tangible assets, net	4,337,749	4,246,621	4,155,756	91,128	2.1%	181,993	4.4%
Concession Contracts	14,148,551	14,314,560	13,881,675	(166,009)	-1.2%	266,876	1.9%
Goodwill	248,942	248,943	250,278	(1)	0.0%	(1,336)	-0.5%
Other Intangible Assets	648,206	636,658	607,022	11,548	1.8%	41,184	6.8%
Income tax	1,294,017	1,079,691	1,285,883	214,326	19.9%	8,134	0.6%
Other	331,859	319,396	305,202	12,463	3.9%	26,657	8.7%
<b>Total assets</b>	<b>91,471,222</b>	<b>88,381,205</b>	<b>89,302,161</b>	<b>3,090,017</b>	<b>3.50%</b>	<b>2,169,061</b>	<b>2.43%</b>
<b>LIABILITIES AND EQUITY</b>							
<b>LIABILITIES</b>							
Negotiable Financial Liabilities	237,279	100,299	124,330	136,980	136.6%	112,949	90.8%
Hedging Derivatives	13,170	5,250	13,866	7,920	150.9%	(696)	-5.0%
Customer Deposits	35,409,081	30,719,640	32,956,187	4,689,441	15.3%	2,452,894	7.4%
Financial obligations	24,314,058	25,383,160	24,904,229	(1,069,102)	-4.2%	(590,171)	-2.4%
Provisions	467,831	580,712	476,437	(112,881)	-19.4%	(8,606)	-1.8%
Income tax	5,704,921	5,724,878	5,683,313	(19,957)	-0.3%	21,608	0.4%
Employee Benefits	528,238	533,956	496,786	(5,718)	-1.1%	31,452	6.3%
Other	6,118,790	7,104,964	6,655,198	(986,174)	-13.9%	(536,408)	-8.1%
<b>Total liabilities</b>	<b>72,793,368</b>	<b>70,152,859</b>	<b>71,310,346</b>	<b>2,640,509</b>	<b>3.8%</b>	<b>1,483,022</b>	<b>2.1%</b>
<b>EQUITY</b>							
Subscribed and paid-in capital	77,253	77,253	77,253	-	0.0%	-	0.0%
Share placement premium	60,104	61,297	61,297	(1,193)	-1.9%	(1,193)	-1.9%
Reserves and Retained Earnings	2,325,125	2,332,172	2,488,445	(7,047)	-0.3%	(163,320)	-6.6%
Other comprehensive income	97,996	66,216	62,994	31,780	48.0%	35,002	55.6%
<b>Equity Attributable to Controlling Interests</b>	<b>2,560,478</b>	<b>2,536,938</b>	<b>2,689,989</b>	<b>23,540</b>	<b>0.9%</b>	<b>(129,511)</b>	<b>-4.8%</b>
<b>Non-controlling Interests</b>	<b>16,117,376</b>	<b>15,691,408</b>	<b>15,301,825</b>	<b>425,968</b>	<b>2.7%</b>	<b>815,551</b>	<b>5.3%</b>
<b>Total Equity</b>	<b>18,677,854</b>	<b>18,228,346</b>	<b>17,991,814</b>	<b>449,508</b>	<b>2.5%</b>	<b>686,040</b>	<b>3.8%</b>
<b>Total liabilities and equity</b>	<b>91,471,222</b>	<b>88,381,205</b>	<b>89,302,160</b>	<b>3,090,017</b>	<b>3.5%</b>	<b>2,169,062</b>	<b>2.4%</b>

## 4.2 Income Statement

Condensed Consolidated Statement of Income							
				June 2025 / December 2024		June 2025 / June 2024	
	June 2025	December 2024	June 2024	Absolute	%	Absolute	%
Interest income	2,105,676	4,178,336	2,130,326	(2,072,660)	-49.6%	(24,650)	-1.2%
Interest Expenses	(2,378,131)	(5,361,700)	(2,830,972)	2,983,569	-55.6%	452,841	-16.0%
<b>Net Interest Income</b>	<b>(272,455)</b>	<b>(1,183,364)</b>	<b>(700,646)</b>	<b>910,909</b>	<b>-77.0%</b>	<b>428,191</b>	<b>-61.1%</b>
Impairment losses on financial assets, net	(136,134)	(314,110)	(160,338)	177,976	-56.7%	24,204	-15.1%
<b>Net interest income after impairment losses</b>	<b>(408,589)</b>	<b>(1,497,474)</b>	<b>(860,984)</b>	<b>1,088,885</b>	<b>-72.7%</b>	<b>452,395</b>	<b>-52.5%</b>
Income from Fees and Commissions	158,118	429,943	216,714	(271,825)	-63.2%	(58,596)	-27.0%
Expenses from Fees and Commissions	(46,967)	(104,913)	(50,101)	57,946	-55.2%	3,134	-6.3%
<b>Net Income from Fee and Commission Contracts</b>	<b>111,151</b>	<b>325,030</b>	<b>166,613</b>	<b>(213,879)</b>	<b>-65.8%</b>	<b>(55,462)</b>	<b>-33.3%</b>
Income from Sale of Goods and Services	5,107,244	10,867,353	5,124,042	(5,760,109)	-53.0%	(16,798)	-0.33%
Cost of Goods and Services Sold	(3,733,167)	(8,015,154)	(3,503,903)	4,281,987	-53.4%	(229,264)	6.54%
<b>Net Income from Sale of Goods and Services</b>	<b>1,374,077</b>	<b>2,852,199</b>	<b>1,620,139</b>	<b>(1,478,122)</b>	<b>-51.8%</b>	<b>(246,062)</b>	<b>-15.19%</b>
<b>Net Gain on Negotiable Financial Instruments</b>	<b>76,427</b>	<b>450,267</b>	<b>249,192</b>	<b>(373,840)</b>	<b>-83.0%</b>	<b>(172,765)</b>	<b>-69.3%</b>
<b>Net Income from Financial Instruments at Fair Value Other Than Negotiable</b>	<b>186,046</b>	<b>350,919</b>	<b>186,629</b>	<b>(164,873)</b>	<b>-47.0%</b>	<b>(583)</b>	<b>-0.3%</b>
<b>Other income</b>	<b>548,544</b>	<b>325,826</b>	<b>176,206</b>	<b>222,718</b>	<b>68.4%</b>	<b>372,338</b>	<b>211.3%</b>
<b>Other expenses</b>	<b>828,096</b>	<b>(1,762,220)</b>	<b>(863,460)</b>	<b>2,590,316</b>	<b>-147.0%</b>	<b>1,691,556</b>	<b>-195.9%</b>
<b>Income Before Income Tax</b>	<b>1,059,560</b>	<b>1,044,547</b>	<b>532,935</b>	<b>15,013</b>	<b>1.4%</b>	<b>526,625</b>	<b>98.8%</b>
Income tax	(381,034)	(510,207)	(333,232)	129,173	-25.3%	(47,802)	14.3%
<b>Period results</b>	<b>678,526</b>	<b>534,340</b>	<b>199,703</b>	<b>144,186</b>	<b>27.0%</b>	<b>478,823</b>	<b>239.8%</b>
Net Income Attributable to Controlling Interests	(4,272)	(316,122)	(176,274)	311,850	-98.6%	172,002	-97.6%
Net Income Attributable to Non-controlling Interests	682,798	850,462	517,377	(167,664)	-19.7%	165,421	32.0%
<b>Net Income</b>	<b>678,526</b>	<b>534,340</b>	<b>341,103</b>	<b>144,186</b>	<b>27.0%</b>	<b>337,423</b>	<b>98.9%</b>

## 5. Comprehensive Risk Management

For the Comprehensive Risk Management dimension, the following material changes were identified during the second quarter of 2025 (April to June):

### 5.1 Market Risk

During the second quarter of 2025, a low risk profile was maintained. The average Value at Risk (VaR), using the standard methodology, reached COP 15,269 million, COP 3,034 million lower than the average of the previous quarter, mainly due to a shorter portfolio duration. The interest rate risk factor remains the most relevant.

During the quarter, the control process was strengthened by incorporating market conduct monitoring processes. In addition, the established controls in market risk management were carried out, ensuring that positions and results remained within the approved limits and thresholds. As part of market risk monitoring activities, reports were submitted to the different governing bodies, enabling adequate measurement and control of market risk.

### 5.2 Liquidity Risk

During the second quarter of 2025, a solid liquidity position was maintained, with ample high-quality liquidity buffers. The Bank maintained an average of COP 5.77 trillion in high-quality liquid assets during the quarter.

The average 30-day Liquidity Coverage Ratio, using the standard methodology, reached 149%, 16% higher than the average of the previous quarter, mainly as a result of lower liquidity requirements due to contractual maturities and an increase in the high-quality liquid asset cushion. The Net Stable Funding Ratio averaged 113.4% for the quarter, similar to the previous quarter, mainly due to the stability of the funding structure.

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

### 5.3 Interest Rate Risk of the Banking Book

At the end of the second quarter of 2025, the established controls for banking book interest rate risk were carried out, ensuring compliance with policies and guidelines, and ensuring that the management indicators for this risk remained on the path defined by the Bank to reach the established risk appetite thresholds.

## 5.4 Credit Risk

### Loan Portfolio Quality

During the last year (June 2024 to June 2025), the Bank's loan portfolio balance grew by 2.95%, driven by higher disbursement levels in both commercial loans and consumer loans (payroll loans), given increased market demand. The Bank has strengthened underwriting policies to improve the risk profile of new loans.

In 2024, the Bank applied External Circular 017 of 2023 issued by the SFC, which allowed the decumulative phase of countercyclical provisions for the consumer portfolio, a process that ended in October 2024. Additionally, in November 2024, the Bank availed itself of External Circular 014 of 2024 issued by the SFC, which allowed not constituting countercyclical provisions for new disbursements from that month through March 31, 2025. Starting in April 2025, the Bank began the process of re-accumulating the countercyclical provisions that had been decumulated or not constituted, a process projected to be completed in 18 months.

Improvements implemented in business rules to filter customers with better risk profiles have favorably impacted the quality of credit portfolios, as shown by cohort analyses and portfolio indicators, with better performance than in the previous two years. Recovery management also improved, with new mitigation strategies and tools implemented, which increased containment of portfolio rollovers and improved consumer portfolio risk indicators.

As of the end of June 2025, the consumer portfolio's "C", "D", and "E" risk indicator reached 3.38%, 106 basis points below the indicator at December 2024 (4.44%), continuing the downward trend observed since the second half of 2024.

The commercial and mortgage loan portfolios continue to show stability in their risk indicators and maintain good performance.

### Past-due portfolio indicators (ICV) by credit type:

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

- ICV for Commercial Loans: 1.81%.
- ICV for Consumer Loans: 2.97%.
- ICV for Mortgage Loans: 6.76%.
- **Total Bank ICV: 2.83%**

## 5.5 Cybersecurity Risk and Information Security

During the second quarter, indicators associated with cybersecurity risk management, information security, and data privacy remained within ranges considered acceptable by the Bank. There were no security incidents that compromised confidentiality, integrity, or availability of information, which reaffirms the effectiveness of the technical and administrative controls implemented.

Awareness activities aimed at customers and employees were reinforced on creating secure passwords and identifying suspicious emails and links, with a focus on preventing digital fraud, the secure use of electronic channels, and protection against social engineering threats such as smishing, phishing, and vishing. These campaigns were disseminated through social media, internal emails, and interactive virtual sessions.

The Bank continues to report to the Comisión de Regulación de Comunicaciones (Communications Regulatory Commission, CRC) the misuse and unauthorized use of short codes through which criminals, acting on behalf of the Bank, send suspicious links that direct users to fake websites to steal customer access credentials.

Regarding the Bank's maturity level, and in line with the rating of the controls within each domain under ISO 27001:2022, a maturity level of 4.2 was established for 2025, together with continuous improvement actions.

The Bank also performs security reviews of its suppliers, with special monitoring of critical suppliers, issuing recommendations that contribute to the continuous improvement of their security capabilities.

## 5.6 Money Laundering and Terrorism Financing Risk

During the second quarter, the Bank continued to comply with the SFC's regulations in its procedures. The stages of SARLAFT for identification, measurement, control, and monitoring of risk are reflected in management indicators that remain within the risk appetite threshold. Evaluation, monitoring, and awareness activities also continued, in line with SARLAFT's pillars.

The management indicators evaluated for the second quarter are within the appetite threshold, and the residual risk report is low, in accordance with the limits approved by the Board of Directors.

## 5.7 Operational Risk

Operational risk management has been strengthened and complies with current regulations. The Bank continues to strengthen a culture of responsibility for risk management at all levels of the entity, emphasizing root cause analysis when risk events occur, and strengthening criticality analysis for outsourced processes, covering the assessment of the process and the third party, and the various risk types. The internal control system has also been strengthened by applying a unified risk management methodology.

## 5.8 Business Continuity

During the second quarter of 2025, there were no deviations in business continuity risk appetite indicators.

## 5.9 Fraud Prevention

During the second quarter of 2025, the Bank continued proactive and adaptive management of its transactional fraud prevention strategy, carrying out the corresponding monitoring activities.

To address the entry and transactional growth of new digital and immediate payment and transfer services (Transfiya, Redeban Immediate Payment System Pilot, SPI), rules were adjusted in the various fraud prevention tools, with a special focus on the risk engine, which has enabled loss prevention without compromising customer experience. As a result, performance indicators remained within the risk appetite defined by the Bank, reflecting the effectiveness of the prevention model and the operational maturity of the control schemes.

Awareness campaigns aimed at customers continued, aligned with the main identified threats. The monthly focus topics were: Vishing, SIM swap, phishing, QRishing, and in June, protect your mid-year bonus (reinforcement on the main typologies).

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

# 6. Sustainable Management (Social, Environmental, and Corporate Governance Matters)

During the second quarter of 2025, the following material changes occurred in Sustainability matters:

The Bank updated its double materiality analysis, in line with its strategy and commitment to sustainability. To this end, a rigorous process of reviewing and updating material issues was implemented, through analysis of impacts, risks, and opportunities, aligned with international standards, best practices, and stakeholder expectations.

The double materiality approach applied by the Bank recognizes that relevant sustainability issues are not only related to their impact on the entity's financial and operational situation, but also to their effects on society, its surroundings, and the environment. As a result, impacts, risks, and opportunities in social, environmental, and corporate governance matters



were identified and prioritized, the proper management of which is relevant to the sustainability and continuity of the business. The results of the double materiality analysis are presented below, providing evidence of the financial relevance of the social and environmental impact of the issues evaluated.

### Double Materiality Matrix

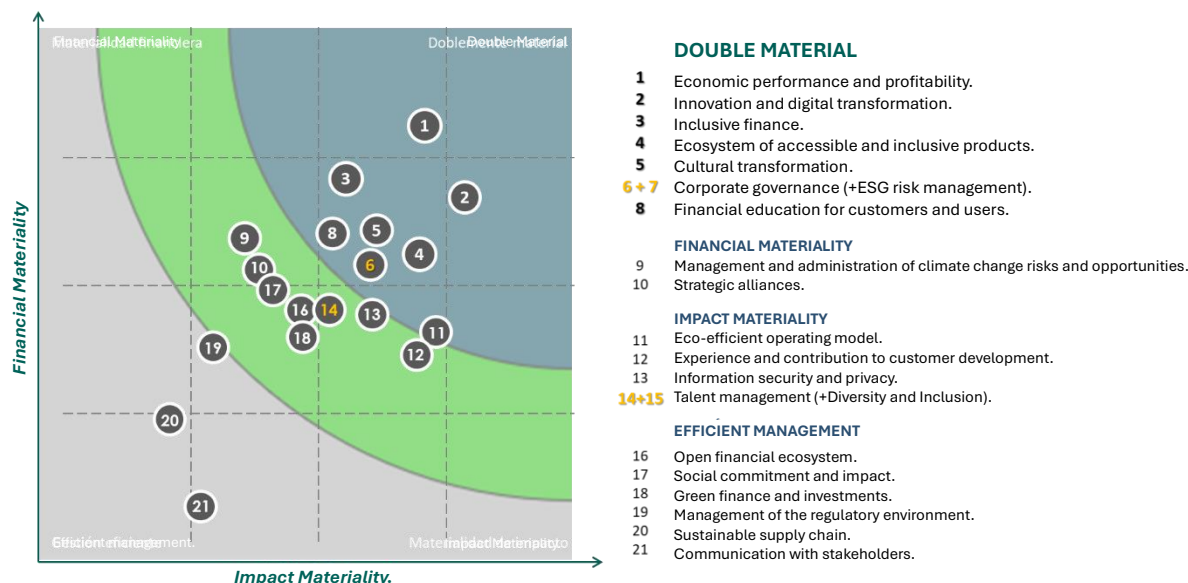


Figure 1. Prioritization of material issues.

The following issues were identified as doubly material in this matrix<sup>1</sup>:

- (1) Economic performance and profitability.
- (2) Innovation and digital transformation.
- (3) Inclusive finance.
- (4) Accessible and inclusive product ecosystem.
- (5) Cultural transformation.
- (6) Corporate governance.
- (7) Financial education for customers and users.

In line with the results of the double materiality exercise, the Bank reviewed and updated its strategic goals and objectives for the Sustainability model. This process constitutes a key tool for strengthening the organization's ability to anticipate and adapt to the main challenges and opportunities in the different social, economic, and environmental dimensions.

This exercise was reviewed and approved by the Board of Directors, after prior review by the Corporate Governance and Sustainability Committee. This reaffirms the commitment of the highest level of corporate governance to a strategic vision supported by ESG criteria, aimed at consolidating a resilient, inclusive, and sustainable business model.

Detailed information on the *Double Materiality Analysis Report*, including the processes, methodologies, and results associated with the identification, analysis, and review of

<sup>1</sup> The definitions of each of the issues identified as doubly material can be consulted in detail in the "Glossary" section.

material issues, as well as their impact on the business strategy. This document is aligned with international best practices and is available for consultation via the following [link](#).

During June and July 2025, the Bank submitted S&P Global's Corporate Sustainability Assessment (CSA), aligned with its corporate strategy and objectives. The results of this assessment will be disclosed privately.

### **Corporate Governance Matters**

In relation to what was disclosed in the last quarterly report, the following material corporate governance matters occurred, which have also been disclosed to the market through relevant information:

**Resignation and appointment of Comptroller.** Mr. Walter Saldaña Vergara submitted his resignation from the position of Comptroller, which was accepted and communicated in a timely manner to the relevant authority. The resignation took effect on June 13, 2025. Subsequently, at a session on July 25, 2025, the Bank's Board of Directors designated Ms. Giselle Tocora González as the new Comptroller. This information was disclosed to the market through the websites of the Financial Superintendence of Colombia and the Bank.

**Resignation of Vice President of Treasury and Subsidiaries.** On July 25, 2025, the Bank's Board of Directors accepted the resignation presented by Mr. Óscar Rocha Murgas from the position of Vice President of Treasury and Subsidiaries, as well as from his functions as legal representative of the Bank. Mr. Rocha Murgas held this position until July 31, 2025. The Bank is currently in the process of designating the person who will assume this position. This information was disclosed to the market through the websites of the Financial Superintendence of Colombia and the Bank.

**Share issues.** Related information about the current share issue is available on the Bank's website, in the "About Us" section, "Shareholder and Investor Relations" subsection, "Share Issue" option, and can be consulted directly [here](#).

## **7. Glossary**

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

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

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

2025



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