



# 1Q2026 CONSOLIDATED EARNINGS RESULTS CALL TRANSCRIPT

GRUPO AVAL ACCIONES Y VALORES S.A.

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### Operator

Welcome to Grupo Aval's First Quarter 2026 Consolidated Results Conference Call. My name is Regina, and I will be your operator for today's call.

Grupo Aval Acciones y Valores S.A., Grupo Aval is an issuer of securities in Colombia and in the United States SEC. As such, it is subject to compliance with securities regulation in Colombia and applicable U.S. securities regulation. Grupo Aval is also subject to the inspection and supervision of the Superintendency of Finance as holding company of the Aval Financial conglomerate.

The consolidated financial information included in this document is presented in accordance with IFRS as currently issued by the IASB. Unconsolidated financial information of our subsidiaries and the Colombian banking system are presented in accordance with Colombian IFRS, as reported, the Superintendency of Finance. Details of the calculations of non-IFRS measures such as ROAA and ROAE, among others, are explained when required in this report.

On November 27, 2025, Banco de Bogota's subsidiary, Multi Financial Holding, Inc. MFG, entered into a share purchase agreement with BAC International Corporation, BIC, a subsidiary of BAC Holding International Corp. for the disposal of 99.57% of the issued and outstanding shares of Multi Financial Group, Inc. MFG, the parent company of Multibank Inc.

For comparability purposes only, we have prepared and present supplemental unaudited pro forma financial information for the periods prior to 4Q '25, which reflects the reclassification of the operations relating to MFG as noncurrent assets and liabilities held for sale and discontinued operations. This supplemental unaudited pro forma financial information does not intend to represent and should not be considered indicative of the results of operations or financial position that would have been achieved had the transaction occurred on the dates assumed nor is it intended to project our results of operations or financial position for any future period or date.

The pro forma financial information is unaudited and the completion of the external audit for the year ended December 31, 2025, may result in adjustments to the unaudited pro forma financial information presented herein. This report includes forward-looking statements. In some cases, you can identify these forward-looking statements by words such as may, will, should, expects, plans, anticipates, believes, estimates, predicts, potential, or continue or the negative of these and other comparable words. Actual results and events may differ materially from those anticipated herein as a consequence of changes

in general, economic, and business conditions, changes in interest and currency rates, and other risks described from time to time in our filings with the Registro Nacional de Valores y Emisores and the SEC.

Recipients of this document are responsible for the assessment and use of the information provided herein. Matters described in this presentation and our knowledge of them may change extensively and materially over time, but we

expressly disclaim any obligation to review, update, or correct the information provided in this report, including any forward-looking statements, and do not intend to provide any update for such material developments prior to our next earnings report.

The financial statements of Grupo Aval Acciones y Valores S.A. in accordance with Colombian regulations must be filed with the market and with the Superintendency of Finance with the opinion of an external auditor. At the time of this quarterly call, this process is still ongoing. The content of this document and the figures included herein are intended to provide a summary of the subjects discussed rather than a comprehensive description. When applicable in this document, we refer to billions as thousands of millions.

I will now turn the call over to Ms. Maria Lorena Gutierrez Botero, Chief Executive Officer. Ms. Maria Lorena Gutierrez Botero, you may begin.

### **Maria Lorena Gutierrez Botero (CEO)**

Good morning, everyone, and thank you for joining us for our first quarter 2026 conference call. I am here with Diego Solano, our CFO, Camilo Pérez, Chief Economist of Banco de Bogotá, and Jorge Castaño, VP of Financial Assets and Efficiencies.

Before turning to our financial results, I would like to highlight two significant corporate developments of the quarter.

- First, on March 18th, Banco de Bogotá completed the sale of 99.57% of MFG for USD 464 million, concentrating on its strategic focus and strengthening its capital position.
- Second, I'm pleased to announce the appointment of Juan Carlos Echeverry as incoming CEO of Banco de Bogotá, whose leadership we are confident will drive the next chapter of the bank's strategy.

Our attributable net income reached COP 337 billion, a decrease of 2.3% compared to 1Q25. During this quarter, we recorded the equity tax, which amounted to COP 312 billion in operating expenses with a COP 210 billion impact in attributable net income, reducing this quarter's ROAE by approximately 457 basis points. Excluding this one-time effect, our underlying performance reflects improving trends across our businesses.

The quarter was characterized by improving asset quality and cost of risk, a strong contribution from our non-financial sector, and continued progress on operational efficiency. Funding cost pressures, driven by the renewed tightening cycle, and the impact of the equity tax were the main headwinds.

This is also a strategically significant quarter for Grupo Aval. We launched our 2026–2031 corporate strategy — a long-term framework that reflects our ambition to increase our relevance in the markets where we operate, to capture efficiencies and deploy technology in a structured and disciplined way, and to generate real impact for all of our stakeholders.

Our strategy is organized around three core axes — Relevance, Opportunities, and Impact — and materializes through ten strategic pillars that will orient our evolution as a Group over the next five years.

- Under the Relevance axis, we are focused on strengthening our leadership position, deepening client centricity, and optimizing capital allocation.

- Under Opportunities, we are accelerating efficiency and standardization, leading digital transformation, and turning data and artificial intelligence into competitive advantages.
- Under Impact, we are committed to developing our talent, upholding the highest standards of corporate governance and risk management, and ensuring that our growth generates a positive impact for society and the environment.

This strategy is a shared commitment across Grupo Aval to consolidate our position as Colombia's leading financial group.

Now I would like to invite Jorge Castaño, our VP, to share our advancements in other strategic matters. Jorge?

**Jorge Castaño (VP of Financial Assets and Efficiency)**

Thank you Maria Lorena, and good morning everyone. Turning to the first pilar that Maria Lorena mentioned.

**Profitable business**

The purchase and assumption transaction of Itaú's personal banking business by Banco de Bogotá marks a defining moment in Grupo Aval's retail banking strategy. Once fully executed, this transaction is expected to deliver +\$3.3 trillion in consumer portfolio growth — equivalent to 34 months of organic expansion — while adding +\$3.2 trillion in mortgage lending, positioning Banco de Bogotá in third place in the Colombian housing market with a 12.8% market share. On the deposit side, we expect personal deposits from individuals to grow by +\$4.1 trillion, representing approximately 20 months of accelerated organic growth and reaching a historic high of 9.3% market share.

On the client side, the bank will add approximately 277,000 new customers, double its Premium segment with 35,000 new high-value clients, and expand the Preferent segment by 60%, adding 97,000 clients. Taken together, these results confirm that this transaction is not merely a growth initiative — it is a structural repositioning of Banco de Bogotá as a relevant force in Colombian retail banking, a unique opportunity to update and relaunch its personal banking business and a key step in its evaluation as a universal bank and flagship entity of Grupo Aval.

We are expecting to receive regulatory authorization from both the competition authority — the SIC — and the financial regulator — the SFC — within the coming weeks. Once clearance is obtained, Banco de Bogotá is fully prepared to execute a disciplined 90-day integration roadmap. The operational groundwork, covering systems convergence, client migration protocols, and commercial team alignment, has been developed in parallel with the regulatory process, ensuring zero lag between approval and execution. The Panama operations — comprising a U\$6.8 million loan portfolio and U\$140 million in deposits — will be incorporated into the consolidated balance sheet within this same window, reinforcing capital efficiency and cross-border synergies from day one.

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**AVAL Fiduciaria**

Now turning to AVAL Fiduciaria, our asset management entity. The company successfully completed its integration process on January 2, 2026, establishing a strong foundation with COP 198 trillion in assets under management, a platform of 33 Collective Investment Funds, and 5,700 trust mandates. This milestone is further validated by the

highest counterparty risk and portfolio management ratings awarded by Fitch Ratings and subsequently reaffirmed by BRC Ratings — S&P Global, reflecting the institution's commitment to operational excellence and investor confidence.

During the first quarter of 2026, Aval Fiduciaria reinforced its industry leadership. The company holds a 19% market share in commissions, with revenue growing by 12.5% to reach COP 152.8 billion. Assets under management grew 4.2% in the quarter to COP 206.5 trillion, with Collective Investment Funds gaining 149 basis points of market share to 22.3% — capturing more than half of total market growth. The client base expanded by 4.7% in the quarter and 13% year-over-year. On profitability, the company posted a ROE of 33.5% with net income of COP 22.0 billion for the first quarter. Operational efficiency improved materially as well, bringing the cost-to-income ratio to 65.5%, an improvement of approximately 10 percentage points.

Looking ahead, AVAL Fiduciaria continues to execute under its "Destino 2031" strategy, highlighted by a collaboration with BlackRock through the "Meta decisiva" solution — which gives Colombian retail investors access to balanced global ETF portfolios — alongside continued investment in digital channels to democratize access to its full product suite.

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## **GOU Payments**

Regarding GOU Payments. The company continued to strengthen its position as Grupo Aval's interoperable payments and value-added services platform. During the period, GOU secured two critical regulatory milestones: certification from the Financial Superintendence of Colombia and authorization from Banco de la República to operate within the Bre-B ecosystem .

Commercial traction is already visible. Controlled pilots have engaged more than 120 users in an initial phase designed to validate performance ahead of full rollout. On the collections side, GOU is enabling the "Bre-B by Aval" button across its existing base of 22,000 active agreements in Aval Pay Center, while 635 corporate clients with specialized integrations are currently progressing through final development and implementation — representing a significant near-term revenue opportunity as interoperable collections accelerate across the ecosystem.

Underpinning this growth is a proprietary technology platform built to the highest standards of security, resilience, and operational capacity, capable of delivering value added products and services to both financial and non-financial institutions. Finally, we are strengthening both the organizational structure and the executive team, bringing in senior professionals with a proven track record and strong recognition across the fintech payments industry. This investment in talent and infrastructure is designed to ensure best-in-class product development and the most effective commercial rollout possible as GOU moves toward full-scale deployment.

## **AVC**

A Central pillar of our 2026-2031 corporate strategy is the capture of efficiencies and synergies across the Group through our shared service center, AVC.

In procurement we have already taken over and stabilized Banco de Bogotá, Banco de Occidente, AV Villas, GOU Payments and Aval Valor Compartido. During the second quarter we will take over Banco Popular, Aval Fiduciaria and Grupo Aval Holding; and we aim to end the year with Dale!, Porvenir, and Corfi and its subsidiaries.

This center will operate on a manageable spending base of \$1.4 trillion pesos and for 2026 we have a \$62 billion savings goal. Most of our contractual renegotiations are due in the 4th quarter, for which we project \$32 billion in savings, that would be equivalent to a 9% yearly savings run rate over the manageable spending base.

In technology, during the second quarter we began implementing a unified cloud migration roadmap for Grupo Aval. We will optimize our technology infrastructure, including data centers, and modernize the telecommunications network across the group.

In property management we have already taken over and stabilized our 4 Colombian Banks and Corfi. This center manages a \$720 billion portfolio of assets, with a target to raise the commercialization rate from 27% to 37% this year.

In human talent, We manage payroll for 40,000 employees. In attraction and selection, we are managing 750 monthly openings on average, our internal satisfaction score is 4.7 out of 5, and we will aim to reduce the average time-to fill from 24 days to 22 days.

And in physical channels and security, AVC oversees and has taken control of 4,110 properties across our banks, establishing an optimization program across the network.

That concludes my segment, across every pillar we discussed today Grupo Aval is executing with discipline and building the foundation for sustained profitable growth. Back to you Maria Lorena.

### **María Lorena Gutierrez Botero (CEO)**

Thank you, Jorge.

Now, let me now walk you through the key macroeconomic developments of the quarter.

The global environment has grown more complex since our last call. The escalation of the conflict in the Middle East has introduced a new layer of uncertainty, pressuring oil prices and global supply chains. These dynamics are moderating global growth prospects for 2026.

On the domestic front, GDP growth decelerated to 2.3% in the fourth quarter of 2025, down from 3.4% in the third quarter, as private consumption moderated, and investment further declined amid deteriorating investor confidence. Early 2026 data reaffirms these trends. According to DANE's economic activity indicator, the economy grew just 1.5% in the January–February period, driven almost entirely by the services sector. We expect a 2026 full-year GDP growth of approximately 2.4%.

On inflation, price pressures have increased. Annual inflation reached 5.68% in April 2026, its highest reading since September 2024. We project inflation at 6.2% for 2026, with a gradual return toward the 4% range expected by 2028.

The Central Bank raised the policy rate by a cumulative 200 basis points during the first quarter, above market expectations and what was priced into the IBR. With these increases, the rate reached 11.25% at end of March. In

its most recent April meeting, against market expectations and within a tense relationship with the government, the Central Bank's Board unanimously decided to maintain its intervention rate. This was the last rate decision meeting before the first and second presidential elections rounds.

As of March, the Colombian Peso had strengthened nearly 13% over the past twelve months, supported by strong remittance inflows and a broadly weaker U.S. dollar, helping contain inflation on the import side.

Camilo will elaborate on our economic outlook. Camilo?

**Camilo Perez ( Banco de Bogota's Chief Economist)**

Thank you Maria Lorena, and good morning everyone.

- The Colombian economy registered growth slightly above 2% in the first quarter of the year, marking its lowest expansion rate in a year and a half, as a result of the weakening of several key sectors.
- In particular, the performance of the agriculture, mining, manufacturing, and construction sectors largely explains the low growth.
- In the absence of investment, private consumption and public spending are consolidating as the driving forces of the Colombian economy.
- For households, in a scenario of double-digit wage growth and lower inflation for goods than for services, due to the appreciation of the peso, families have maintained their spending levels on durable goods, with some sectors of industry and commerce being the biggest beneficiaries.
- Meanwhile, despite its moderation due to the rapid and high increase in prices, household consumption of services remains positive, favoring sectors such as accommodation and food services, entertainment, and professional activities, among others. Given that household spending is driven by income levels and not necessarily by borrowing, the financial sector continues to experience low growth. In fact, the continued weakness in investment, due to elevated uncertainty and higher interest rates, poses challenges to the sector's performance.
- For the remainder of the year, amidst the impact of the war in the Middle East, tighter local financial conditions, a prolonged period of challenges for key sectors and electoral uncertainty, the Colombian economy is projected to register economic growth of 2.4%.
- Turning to prices, inflation rebounded from 5.1% at the end of 2025 to 5.7% in April 2026 due to increased pressures in non-rental services, food, and goods.
- For the remainder of the year, the upward trend in inflation is expected to continue due to the lagged effect of the minimum wage increase, higher energy commodity prices resulting from the conflict in the Middle East, the arrival of El Niño, and the potential depreciation of the peso.
- Inflation is expected to end 2026 at around 6.2%, before slowly moderating toward the target starting in 2027.

- On the fiscal front, a slight improvement is projected compared to the previous year. In 2026, for the first time in four years, the government is expected to meet its revenue target thanks to the adjustments made to its Financial Plan.
- Regarding spending, the failure to approve the 2025 Financing Law would force the government to implement a \$16.3 trillion expenditure cut if it cannot secure sufficient revenue to support it. However, this cut will be insufficient to improve public finances.
- Thus, a primary fiscal deficit of 3.1% of GDP is estimated for 2026, lower than the 3.5% of GDP observed in 2025, representing a marginal improvement that does not alter the structural situation of the fiscal front. In fact, Standard & Poor's lowered Colombia's rating from BB to BB-, adjusting the outlook from negative to stable.
- Given the improvement in revenue and a containment of spending, the government has had sufficient liquidity to implement debt management operations, including dollar purchases to close the Total Return Swap, repurchases and redemptions of domestic and external debt, as well as internal debt swaps.
- Thus, the performance of several local assets has been influenced by the government actions, particularly the exchange rate, public debt, and liquidity.
- Against this backdrop, with inflation and inflation expectations rebounding and the fiscal situation remaining vulnerable, Banco de la República raised its interest rate by 200 basis points in the first quarter to 11.25%.
- However, following a clash with the government and amid the political uncertainty surrounding the elections, the central bank's board unanimously opted to pause the rate hiking cycle in April, though this does not imply the end of adjustments.
- The central bank would have additional room to increase its interest rate by between 50 and 100 basis points, which would bring the benchmark rate to around 12.25% by the end of the year.
- With a scenario of higher domestic interest rates and a favorable result of the March legislative elections, which confirmed the absence of absolute majorities in Congress, the local exchange rate extended its downward trend, reaching its lowest level since 2021, near \$3,500 pesos per dollar.
- However, this trend was contained by dollar purchases made by the government. Likewise, the uncertainty surrounding the presidential elections diluted the appreciation trend of the Colombian peso.
- Ultimately, the election results are increasingly becoming the main catalyst for the future of the country's economy and institutions, although high uncertainty persists just days before the first round. In a potential second round, the results appear quite close, so only after the election will the proposed macroeconomic scenario be validated.

### **María Lorena Gutierrez Botero (CEO)**

Thank you, Camilo. Turning to our financial results.

Gross loans ended March at COP 193.6 trillion, increasing 6.0% compared to 2025, and deposits reached COP 216.8 trillion, increasing 11.7% over the last twelve months.

The Central Bank's strong shift toward a more restrictive monetary policy and the higher yield on Colombia's sovereign debt have pressured our consolidated funding costs. Our banks have closely followed, reviewing pricing adjustments and setting action plans to navigate this environment.

We continue to make progress in growing our retail funding base, which provides a more stable and cost-effective source of funding. Notably, the spread between yield on loans and cost of deposits in our banking segment held at 5.3%.

Regarding our non-banking subsidiaries, Porvenir delivered strong results despite significant volatility in both the equity and the fixed income markets. Corficolombiana had a strong quarter as well, boosted by seasonal dividends and higher inflation expectations for 2026, which benefited revenues from the infrastructure sector.

Now, I would like to pass the call to Diego, who will give details of our results. Diego?

### **DIEGO SOLANO (CFO)**

Thank you, María Lorena.

I will start on pages 9 and 10 with a few charts showing the growth rate and quality of our loan portfolio relative to the rest of the Colombian banking system. For comparability reasons, these are unconsolidated figures under Colombian IFRS, as published by the Superintendency of Finance.

#### **Starting on page 9:**

- Over the twelve-month period ending in February 2026, Aval and the rest of the banking system continued to gain momentum. Growth for the system was primarily driven by large corporates, institutional and government in commercial loans, and by unsecured products in consumer loans.
- Our strategy remains consistent. We have deliberately prioritized portfolio quality and risk-adjusted returns over volume growth. We have focused on local currency commercial loans, and personal loans and credit cards in consumer loans. We continue to be selective in large corporate commercial loans, given the aggressive pricing competition currently present.
  - Our Peso denominated commercial loans market share increased 10 basis points year-on-year to 26.3% and remained flat over the quarter.
  - Regarding our Dollar denominated commercial loans, where we have historically been overweight, we reduced our market share by 231 bps to 36.8%. In addition, in peso terms, the balances of dollar denominated commercial loans were negatively impacted by the 8.9% appreciation of the Colombian Peso over the year.
- As a result of the above, our market share for commercial loans fell 15 bps over the year and increased 3 basis points over the quarter.
- In consumer loans, to reduce rate sensitivity, we continue diversifying our portfolio toward higher yielding and shorter-term loans, reducing our concentration in payroll lending.
  - We gained 147 bps of share in personal loans y-on-y and 49 bps over the quarter, raising our market share to 22.0%. The Itau consumer business acquisition will take us up to market weight in personal loans.

- As part of our effort to re-invigorate our credit card business, where we lost 11 bps over the quarter and 151 bps y-on-y, we launched the FIFA-VISA alliance. The Itau consumer business acquisition will add 2 percentage points of share in credit cards to 17.3% we held at end of quarter.
  - We maintain our leadership position in payroll lending, with a 41.7% market share. We reduced our share in payroll lending 49 basis points over the quarter accumulating 178 basis points y-on-y.
- Overall, our market share for consumer loans closed at 28.7%, with a 17 basis points decrease over the quarter and 98 y-on-y.
  - Moving on to mortgages, we continued gaining market share, with a 12 pbs increase over the quarter and 89 bps y-on-y.
  - As a result of the abovementioned, we closed our market share in total loans at 25.0%, stable over the quarter and 30 basis points lower than a year earlier.

**On page 10:**

- Loan quality for both the system and Aval banks continues to show an improvement across loan categories. Our banks continue to exhibit better loan portfolio quality to the system in all loan categories.

**I will now move to the consolidated results of Grupo Aval under IFRS.**

**Starting on page 11,**

- Assets grew 2.4% over the year to 338 trillion pesos and contracted 3.2% over the quarter, impacted by the divestiture of MFG. Excluding the MFG assets MFG, quarterly and yearly growth were 2.1% and 9.2%.
- In terms of mix, other assets, which included the assets held for sale related to MFG in 4Q25, declined from 17.1% to 12.5% of total assets in 1Q26, as MFG's assets were derecognized following the completion of the divestiture.
- On the bottom of the page, Gross Loans grew 6.0% over the year and 1.5% during the quarter. Our Peso denominated loans increased 8.0% and 2.2%, respectively.
  - Commercial loans grew 5.0% year-on-year and 1.6% over the quarter. Peso denominated commercial loans grew 8.6% year-on-year and 2.9% quarter-on-quarter, while US Dollar denominated commercial loans grew 0.1% y-on-y and decreased 3.3% q-on-q in dollar terms.
  - Our dollar denominated loans account for 8.1% of our total portfolio after the MFG divestiture and come primarily from the US agencies of Banco de Bogotá, our trade finance activities, and the offshore subsidiaries of Banco de Bogotá and Banco de Occidente. These loans were affected by an appreciation of the Colombian Peso of 12.7% year-on-year and a 2.6% quarter-on-quarter
- Consumer loans grew 4.2% year-on-year and 0.5% during the quarter:
  - a) Payroll loans, that account for 54% of our consumer loans, grew 0.8% year-on-year and contracted 0.5% over the quarter.
  - b) Personal loans, that account for 27% of our consumer loans, grew 14.1% over the year and 3.5% during the quarter.

- c) Credit Cards, that account for 11% of our consumer loans, grew 1.2% year-on-year and contracted 0.4% quarter-on-quarter,
- d) Automobile loans, that account for 7% of our consumer loans, increased 1.3% year-on-year and 0.5% quarter-on-quarter.
- Finally, Mortgages grew 16.8% year-on-year and 3.5% over the quarter.

### **On Page 12 we present Funding and Deposits evolution**

- Total funding reached 281 trillion pesos, growing 8.9% year-on-year and 1.9% over the quarter.
- Total deposits, which account for around 3/4ths of our funding, grew to 217 trillion pesos, growing 11.7% year-on-year and 4.5% over the quarter.
- Saving deposits drove the overall deposit performance and gained share in our mix. Saving deposits grew 17.8% year-on-year and 6.2% during the quarter, a strong performance that reflects our continued efforts to deepen our retail funding base and diversify our funding mix.
- Our Deposit to Net Loans ratio increased to 116%, responding to higher volatility. This further pressed our total NIM, adding to the challenging benchmark rate increase.

### **On Page 13 we present the evolution of our total capitalization, our attributable shareholders equity and the capital adequacy ratios of our banks.**

- During the quarter, dividends of 755 billion pesos were declared to our shareholders. In addition, 708 billion pesos of dividends were declared to minorities at our subsidiaries.
- As a result, our “Total Equity” decreased 3.3% over the quarter and increased 3.0% year on year. Our “Attributable Equity” decreased 3.5% over the quarter and increased 3.6% year on year.
- Total Solvency and Tier 1 ratios were relative stable in most of our banks. In the case of Banco de Bogotá, the increase in solvency reflects the derecognition of risk weighted assets coming from MFG after the sale was completed. In addition, Banco de Bogotá and Banco de Occidente’s solvency ratios reflect dividends distributed in March.

### **On page 14 we present our NIM**

- Net interest income reached 2.2 trillion during 1Q26, increasing 14.3% compared to 4Q25 and decreasing 4.1% compared to 1Q25.
- Total NIM increased 39 bps to 3.34% q-on-q and decreased 45 bps y-on-y.
  - a) Our consolidated NIM on loans contracted to 4.40% during the quarter, down from 5.05% in 4Q25, mainly driven by the ongoing repricing of our cost of funds in response to the higher rate environment.

b) Our NIM on investments recovered to 0.25%, up from negative 3.10% during 4Q25, reflecting a mild recovery in local capital markets. The quarter was also marked by a strong performance from FX and derivatives that complemented our banks' trading strategies.

- Focusing on our banking segment:
  - The total NIM of our banking segment expanded 31 bps over the quarter to 4.15%, due to the same dynamics that affected our consolidated NIM.
  - NIM on loans was 4.98%, decreasing 55 bps quarter-on-quarter. This incorporates a 69-bps q-o-q decrease in NIM on retail loans to 6.47% and a 46-bps q-o-q decrease in NIM on commercial loans to 3.86%.
- The timing mismatch between a faster repricing of liabilities than assets is the primary driver of the NIM on Loans compression observed this quarter. This effect will be partially reduced as commercial floating loans reprice with a lag of a few months. In addition, we held a relatively high liquidity profile to position our banks for eventual volatility, further pressing our NIM.

**On Page 15 we present Yields and Cost of Funds.**

- Interest rate dynamics of our loans and funding are driven by the movements in the average benchmark rate in Colombia. The average Central Bank intervention rate increased approximately 100 bps during 1Q26, while our consolidated cost of deposits increased 16 bps to 6.75%.

**On pages 16 through 18, we present several Loan Portfolio Quality ratios.**

**On page 16:**

- Credit quality continues to improve during the quarter.
- 90-day PDLs were 3.13% (a 16-bps improvement relative to last quarter and 68-bps over 12 months). 30-day PDLs were 4.30% (a 7-bps improvement over 3 months and 94-bps over 12 months).
- PDL formation continued to decelerate. New 90-day PDLs in the quarter were COP 766 billion. The coverage ratio on 90-day PDLs strengthened to 137.2%, up from 134.3% in 4Q25.
- Commercial 30-day PDL were 3.86%, a 2-bps increase over 3 months. 90-day PDLs were 3.34% a 14-bps decrease over the quarter.
- We recorded an 18-bps decrease in consumer 30-day PDL to 4.49% and 90-day PDLs decrease 21 bps to 2.58%.
- Mortgages 30-day PDL and 90 PDLs improved 26-bps and 19 bps q-on-q.
- Finally, the ratio of Charge-offs to average 90-day PDLs was 0.64 times.

**On page 17:**

- The share of our loan portfolio classified as stage 1 continued to improve, reaching 90.3% of the total portfolio, up from 89.0% in 1Q25, 89.8% in 4Q25, reflecting the ongoing improvement in credit quality across all segments.

- The allowance for stage 2 and 3 as a percentage of loans classified as stage 2 and 3 was materially stable during the quarter for total loans.

**On page 18:**

- Our net cost of risk was 1.8%, increasing 6 bps q-on-q and improving 36 bps y-on-y. Our gross cost of risk was 2.1% in 1Q26, stable quarter-on-quarter.
- Net cost of risk for consumer loans was 4.1% in the quarter, a slight uptick from 3.8% in 4Q25, driven primarily by credit cards. Net cost of risk for commercial loans remained contained at 0.7%.

**On page 19 we present net fees and other income**

- Gross Fee Income grew 6.9% year-on-year and decreased 1.0% quarter-on-quarter. Net fee income increased 10.0% and decreased 0.7% respectively. Gross Fee income was driven by a 5.0% increase in banking fees, 6.9% in pension fees, and 14.3% in trust activities.
- Income from the non-financial sector was around 1.3x times of that recorded in 1Q25, due to the positive impact of higher inflation on concession revenues. Energy and gas contributed 255 billion, broadly in line with prior periods.
- Finally, on the bottom of the page, the year-on-year increase in other operating income is mainly explained by higher Derivatives and FX Gains.
- Net income from other financial instruments at fair value decreased 92 billion from 348 billion, due to the one-time fair value recognition of 303 billion related to Promigas pipelines in 4Q25 discussed on our previous call.

**On Page 20 we present some efficiency ratios.**

- Total other expenses reached COP 2,565 billion during 1Q26, increasing 20.3% year-on-year and 6.4% quarter-on-quarter. This is largely explained by the equity tax, which is recorded under general and administrative expenses and accounts for 312 billion pesos.
- Without the impact of the equity tax, OPEX grew 5.7% year-on-year and decreased 6.6% quarter-on-quarter versus a seasonally high 4<sup>th</sup> quarter. Underlying expense growth remains more moderate and broadly in line with our cost control targets.
- Operating taxes, excluding the equity tax, accounted 22.9% of the total expenses.
- Personnel expenses increased 5.1% year-on-year to COP 830 billion, impacted by the 23% minimum wage increase on part of our workforce.
- Cost to assets for the quarter was 3.0%, including a 36-pbs negative impact from the equity tax, and remained stable year-on-year at 2.6% when excluding this expense.

- Our Quarterly Cost to Income improved to 53.9%, mainly due to a higher income from the non-financial sector and net fees. Excluding the equity tax, cost to income was 47.3%, following the same drivers.

**Finally, on Page 21 we present our net income and profitability ratios.**

- Attributable Net Income was 337 billion pesos or 14.2 pesos per share. This includes 351 billion pesos from continuing operations and a net loss of 15 billion pesos related to discontinued operations.
- The equity tax had a negative impact of 210 billion pesos on our attributable net income during the quarter. Excluding this one-time impact, our net income from continued operations would have been 561 billion.
- Our ROAA and ROAE for the quarter were 0.9% and 7.4%, respectively. Excluding the effect of the equity tax, ROAA and ROAE would have been 1.2% and 12.0%.

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**I will now summarize our general guidance for 2026. We expect:**

- Loan growth in the 9.5% area, with Commercial loans growing in the 6.5% area and retail loans growing in the 14% area.
- Our Consolidated NIM in the 3.9% area, with NIM on loans in the 4.4% area.
- NIM of our banking segment in the 4.8% area, with NIM on loans in the 5.2% area.
- Cost of risk, net of recoveries, in the 1.9% area.
- Cost to assets in the 2.85% area, incorporating a 9-bps impact of the equity tax.
- Income from the non-financial sector of 1.3 times of that for 2025.
- A fee income ratio at the 22% area.

Finally, we expect our 2026 ROAE to be in the 9.25% area, incorporating a 114bps impact of the equity tax.

Back to you Maria Lorena.

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**MARIA LORENA GUTIERREZ (CEO)**

Thank you, Diego. Before moving into questions and answers, I would like to share some final thoughts on Colombia and Grupo Aval in 2026.

The environment we are navigating in 2026 is undeniably complex, with political and electoral uncertainty, persistent inflation, a renewed monetary tightening cycle, and a challenging global backdrop.

We have the experience and the tools to navigate it, and we are better positioned today than we were at the start of the previous cycle. Our balance sheet is more resilient, as shown by the diversification of our loan portfolio and our

funding structure. We have decreased the duration of our loan book which will enable us to reprice the cycle faster than before. On the funding side, we have reduced maturity and repricing gaps, growing in segments less sensitive to interest rates. In addition, we have reduced interest rate risk sensitivity using interest rate swaps among other derivative tools.

On profitability, we expect a ROAE in the 9.25% area for the year, incorporating: 1) the 114 bps negative effect of the equity tax, and 2) the impact of the tightening cycle on our NIM over the following quarters.

Looking ahead, our path is clear. We will deepen our relevance with clients, accelerate the capture of efficiencies through technology and operational integration, and continue unlocking the value of our non-financial businesses through Corficolombiana. All of this is anchored in our 2026–2031 corporate strategy, our roadmap to consolidating Grupo Aval as Colombia's leading financial group.

Colombia's financial sector will continue to be a pillar of trust and investment regardless of the political cycle. Grupo Aval will continue playing that role with discipline and a long-term perspective.

We are now open for questions.

#### **Operator**

Our first question will come from the line of Brian Flores with Citibank.

#### **Brian Flores (Citibank)**

I have a first one is a clarification on the guidance. Just wanted to check with you if you mentioned that the group's NIM on loans for the year is expected at 4.4%, which is the level you finished this quarter. I think that's my first question. If -- depending on the answer, I have a follow-up.

#### **Diego Fernando Solano Saravia (CFO)**

The answer is yes. It is 4.4%.

#### **Brian Flores (Citibank)**

No, I just wanted to understand -- so how should we understand the positioning of the group in the cycle, right? Because the NIM level is coming from 4.6%, went to all the way to 5%. So should we understand that now the sensitivity is a bit lower in the sense that as rates have continued to go up, you will have maybe muted effects on the NIM. Just wanted to clarify that.

#### **Diego Fernando Solano Saravia (CFO)**

Yes. Brian, I think that the best way to think about it is throughout the year, given that you're going to see volatility throughout the next few quarters. The reason for this volatility is that the repricing mismatch between assets and liabilities. For example, during this quarter, we had a strong repricing of our liability side and very mild on the asset side. What we started to see at the end of the quarter that will reflect on the next quarter is a recovery of NIM. However, we do expect, as Camilo mentioned before, further Central Bank actions.

By the way, the Central Bank action, the last one that we had hasn't been yet or did not reflect in the first quarter because it happened at the end of the first quarter. So we're going to see that happening, and that might also press the third quarter moving forward. So that's the reason why I would say that given that you're going to see volatility in the repricing process, I would stick to what we expect on average during the year.

**Brian Flores (Citibank)**

Okay. Perfect. And then another clarification on the guidance. You mentioned the ROE for the year, your expectation is 9.25% with 114 bps impact from the equity -- from the wealth tax, right?

**Diego Fernando Solano Saravia (CFO)**

Yes. Before moving into that, I think you also asked regarding positioning, and I want to emphasize something that Maria Lorena mentioned. And it is over these past years; we've been rebalancing our portfolio actively as well as our deposit side. Part of what we've done and let me repeat part of what I said during the presentation is to lower our exposure to payroll lending and increase our exposure to products on the retail side that reprice much faster. We also have reduced our position in dollar-denominated assets that have a lower NIM to try to enhance our NIM on the asset side. On the liability side, even though it takes much longer to be able to see consequences of what we're doing, we are strongly working on the retail side deposits.

So regarding positioning, trying to summarize what I said is we expect this to be a milder cycle than what we saw the last time around where we were much more liability sensitive than what we currently are. Then regarding ROE, I'm going to try to summarize what we're guiding into. Basically, you might have seen that there were some changes that we did in our guidance, but some of them compensate what we will feel from the equity tax and also the pressure from the Central Bank actions. I would say, roughly, we already have a clear view on how to compensate at least half of what happened from the equity tax and continue to work actively in trying to compensate the rest. So our guidance for efficiency actually is not bringing down or being affected by the full impact of the equity tax, but it already has around roughly half of that compensated.

On the other hand, we are building in a tougher interest rate environment than what we expected before. Also, we're building in more liquidity in our balance sheet preparing to the electoral volatility. You might imagine that this liquidity is very expensive because it has basically a 0 NIM or slightly negative NIM that has affected us during this quarter. Perhaps after the electoral cycle, we might loosen that position. But we're seeing a tougher NIM environment. However, we have a few positives. One of the positives here is our cost of risk continues to behave better than what we expected before. That's coming in. And as I mentioned before, we're also working strongly on the efficiency side, and you saw Jorge Castano's presentation that focused on actions rather than the actual results, but these are the actions that will lead us to these kind of results.

A final one from your very good question, Brian. If you think our previous guidance was 10.5%. We have roughly 1.2 percentage point impact from the equity tax. We have a strong impact from the NIM, and we're compensating up. So all in all, if you strip away the equity tax, we actually lowered our guidance in roughly 20 basis points or something of that order of magnitude.

**Operator**

Our next question will come from the line of Carlos Gomez with HSBC.

**Carlos Gomez (HSBC)**

Just a bit different. Can you tell us how the pension reform is going to affect your business and whether you think that Porvenir should be part of your portfolio for the long run? And also, again, if this – maybe this is not the right time, but what are the prospects of simplification of your structure and reducing the number of different units in the coming 3, 4 years in your opinion?

**Diego Fernando Solano Saravia (CFO)**

Let me take these ones, and I'm going to pass it on to Maria Lorena. Regarding the pension reform, as we've mentioned in the past, the pension reform actually balances out to, let's say, something similar from a value perspective that is the pension reform reduces growth long term, and I'm going to qualify what long term means, but also increases returns in the short term. Long term means when you take into consideration that an average affiliate to the pension system is around 38 years old and that the resources will be managed by the pension funds for the remainder of their active life before they retire. The contraction of what we're going to see there with current affiliates will start being relevant around after year 10.

So during the first years, you're going to see volumes that are not strongly affected by the reform. However, it does change the expected sizes thereafter. Yes, Porvenir is actually a strong part of our business. It's both Porvenir and as you see, the trust business are things we're working on. We are working not only on our intermediation business, but we're also considering as one of our pillars to work on the asset management and the fee-generating businesses in addition to what we do in intermediation.

**Operator**

Our next question will come from the line of Yuri Fernandes with JPMorgan.

**Yuri Rocha Fernandes (JP Morgan Chase & Co)**

I have a question regarding loan growth on the guidance. And if I heard correctly, I think you're still guiding for 9.5%. That is just no adjustments from the previous around 10% that you had before. And consumer loans are still growing fast on your guidance, right, 14%. My question is more in line of what Brian was talking about the cycle, right? Like if there is a higher uncertainty in Colombia, inflation, higher rates, everything that we are seeing, do you think like that keeping this growth of consumer loans is the best move? I'm just checking if maybe being a little bit more cautious and growing a little bit less would not be in this kind of framework. So just checking your comfort of accelerating the growth in consumer. I know Aval has been recovering market share. But again, just checking about the time and about the cycle. And then I have a second question regarding AV Villas. I was just checking the presentation and caught a little bit my attention the core capital of that unit. I know it is overall small for the group. But if you can comment about the core capital of AV Villas, why it's moved down while the other subsidiary they moved up? And if you feel comfortable with that level of 9.3% core capital Tier 1.

**Diego Fernando Solano Saravia (CFO)**

We'll start first with your last question. That's a very easy one. If you look at our solvency ratios, our banks, use mainly core equity Tier 1 and are not strong users of AT1 or Tier 2 either. Then you also mentioned that AV Villas is a small operation. So we can act very easily on AV Villas regarding potential support, and it would likely come not from equity, but from hybrid bonds as we did in the past. AV Villas is doing very well from the commercial side. So that's the reason why you see consumption of solvency and it is consumption due to a very healthy growth. Then to your question, I should clarify that this guidance includes Itau as part of the numbers. So going back to some of the numbers, the Itau transaction will add around 2 percentage points in share of credit cards. It will also add to our personal loans business. And it's basically the main driver of that kind of growth. In absence of Itau, you're right, we would have been guiding into much milder growth more in line with nominal GDP growth or something in that order of magnitude.

**Operator**

Our next question will come from the line of Daniel Mora with CrediCorp Capital.

**Daniel Mora (CrediCorp Capital)**

I have a couple of questions. The first one is regarding OpEx and efficiency. Can you please review what will be the OpEx savings per year during the next phase of the strategy with Aval Valor Compartido and efficiency target that you expect to reach in this year '26 and in the medium term? That would be my first question. And the second one is regarding Corficolombiana. Can you provide further color of the impact of inflation at Corficolombiana, especially in the infrastructure business in the report, you mentioned that it considers the inflation expectations, but I would like to understand if it is indeed expectations or they are full inflation. I would like to understand if this is just a one-off impact or considering the upward trend in inflation [Technical Difficulty]?

**Diego Fernando Solano Saravia (CFO)**

Yes. Regarding OpEx, we're working on multiple fronts. Those that Jorge mentioned will be running by the end of this year at a run rate of around \$30 million to \$40 million dollars per year. And that's an initial phase of what we're going to be doing. And then not included in what we discussed here, we're strongly working on the technology side. And in a later call, we can get back to that point where we see substantial opportunities to work on. Regarding Corfi, the way it works is these concessions, given that the rights received on the concessions, some of those are tied to inflation do adjust up with expected annual inflation. That compensates in part the very strong increase in cost of funds that they have. So there's some sort of an offset. But if you were to think only of Corficolombiana, not the financial sector as a line, but Corficolombiana as a whole, they are being affected by higher interest rates and the income from inflation on the concessions is not enough to compensate -- to fully compensate what they're feeling from the funding cycle.

**Operator**

Our next question is a follow-up from the line of Carlos Gomez with HSBC.

**Carlos Gomez (HSBC)**

I came back to the line because I think there was a question that was not answered before. I just wanted to know if there's something you would like to address regarding the possible consolidation of the group in the next 3 or 4 years.

**Maria Lorena Gutierrez Botero (CEO)**

This is a question that we hear all the time. We are working on having efficiencies on having synergies between -- among banks. And we have a good integration with the few key initiatives this year. So we are on the way to be more efficient, to have more impact and to have scale. So we are working on that, but no more to say.

**Carlos Gomez (HSBC)**

Okay. I just wanted to make sure that you had the opportunity. And since we are at it, anything you can do to improve the liquidity of the stock?

**Diego Fernando Solano Saravia (CFO)**

Yes. Our liquidity has been increasing not enough to our satisfaction, part of what we are doing from the investor relationship side is working strongly on communication, but there are further actions that we would need to do to increase liquidity. There is no plans for a secondary or a new issue at this point. So the actions would be more on stock management rather than additional stock issue.

**Operator**

Our next question will come from the line of Santiago Villanueva with Davivienda Corredores.

**Santiago Villanueva (Corredores Davivienda)**

I just have 2 questions. My first question is, I see that in 2025, the 4 banks gained nearly 60 basis points in retail funding market share. And by 2026, they have already gained 45 basis points. But most of that profit has come from Bogota and Popular. I'd like to know what your market share expectations are for this segment in 2026 and what you have planned to help Occidente and Villas to contribute a little bit more? And my second question is, could you provide us a little more detail on the performance of the infrastructure segment in Corficolombiana for this quarter?

**Diego Fernando Solano Saravia (CFO)**

Yes. And I don't have a figure. I'm happy to give it out to you later on. That's public information. I just don't have a number here. But you're right, we've been more successful on Popular and Banco Bogota bringing in retail deposits, but you can be sure that we're working with all of the banks to ensure that all contribute to the very relevant strategic objectives. Regarding infrastructure, I think that was covered in the previous question. You have the one-time effects of changes in inflation expectations that improve the performance of the infrastructure business. However, as I mentioned, over the year, we're going to have a higher interest rate environment that will partially offset what we received during the first quarter. So it's very much related to what I discussed before.

**Maria Lorena Gutierrez Botero (CEO)**

Regarding businesses in Corficolombiana, as you know, so Colombia doesn't have new projects in infrastructure and the government is not just open one project in the last 4 years. So given that we are finishing our concessions, the construction of the concession. So we are looking for projects outside Colombia. So this is part of our strategy. And we hope that the new government, whatever we will have new projects in infrastructure. But given that right now, we don't have, and we are looking at abroad.

**Operator**

And this will conclude our question-and-answer session. Ms. Maria Lorena Gutierrez Botero, I turn the call back over to you.

**Maria Lorena Gutierrez Botero (CEO)**

So thank you to you for being with us today and see you in the next call. Have a good day.

**Operator**

Thank you, ladies and gentlemen. This concludes today's conference. Thank you for participating. You may now disconnect.