



## 4Q2025 CONSOLIDATED EARNINGS RESULTS CALL TRANSCRIPT

GRUPO AVAL ACCIONES Y VALORES S.A.

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### Operator

Welcome to Grupo Aval's Fourth Quarter 2025 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 and thank you for joining Grupo Aval's fourth quarter and full-year 2025 earnings call. I am joined today by Diego Solano, our Chief Financial Officer; Camilo Pérez, Chief Economist at Banco de Bogotá; and Paula Durán, Corporate Vice President of Sustainability and Strategic Projects.

I would like to start by highlighting the positive evolution of our results during 2025, despite the challenging and volatile local and global environment.

We reached COP 1.7 trillion in net income during 2025; a 70% increase compared to the previous year and more than twice that of 2023. This improvement was primarily driven by stronger contributions from our banking business and a record performance year by Porvenir.

Since our last call, we completed important milestones in line with our strategic focus to strengthen and focus on our strategic priorities: first, we completed the merger of our trust companies; second, we reached an agreement to acquire Banco Itaú's Colombian retail business; third, we reached an agreement to divest MFG; and fourth, Corfi has successfully completed transactions that will grow its business in the short term.

- On January 2<sup>nd</sup>, 2026, we successfully merged our fiduciary businesses from Fiduciaria Bogotá, Fiduciaria de Occidente, and Fiduciaria Popular into Aval Fiduciaria. This transaction consolidates our trust services into a single stronger entity, enhancing our value proposition for existing and new customers, and generating operational efficiencies. We expect this to result in an increase our market share in trust fee income and AUMs, and improve the profitability of this business.
- On December 23<sup>rd</sup>, 2025, Banco de Bogotá announced the acquisition of Banco Itaú's retail banking business in Colombia and Panama. This move reinforces Banco de Bogotá's focus on the affluent segment, enhances the quality of our client mix, and strengthens our competitive positioning in Colombia. The acquisition is expected to add around 267,000 clients with \$6.5 trillion in loans and \$4.1 trillion in deposits. The deal excludes Itaú's corporate banking and is pending regulatory approval.

- On November 27<sup>th</sup>, Banco de Bogotá announced that it had reached an agreement to sell MFG, a Panamanian bank, to BAC. This unit had delivered modest results since its acquisition in 2020 and required a larger scale to achieve the desired performance. The divestment of MFG strengthens Banco de Bogotá's position to pursue a stronger growth in its core market and reallocates capital toward businesses with stronger strategic alignment and long-term potential. The sale process for this operation is expected to close over the following months, following regulatory approvals in Panama. This quarter, Multi Financial Group's balance sheet and P&L have been classified as discontinued operations.
- Corfi announced two major acquisitions:
  - Corfi announced the agreement to participate with a 51% stake in Sencia, the concessionaire of the 29-year public-private partnership for the renovation, construction, operation, and maintenance of Bogotá's Nemesio Camacho stadium complex. Sencia will develop a \$2.4 trillion project includes a new 50,000-seat stadium, cultural and commercial components, public space development, and mobility solutions.
  - In the energy and gas sector, Promigas signed an agreement to acquire 100% of Zelestra's renewable energy generation platform, reinforcing its transformation into a multi-energy platform with operations in Colombia, Chile, and Peru. This transaction adds a portfolio of more than 19 solar and storage projects totaling 1.4 GW of contracted capacity and over 2.1 GW under development, supporting diversification of non-regulated businesses and stable long-term contracted revenues, subject to regulatory approvals in Colombia and Peru.

Regarding results from continued operations for the quarter, positive trends continue to consolidate during the quarter. Our risk-adjusted NIM on loans for the quarter stood at 3.34%, the highest level in 3 years, while our cost-of-risk continued its positive trend. Return on average equity came in slightly below our initial expectations, mainly due to a weaker-than-expected NIM on investments triggered by volatile local and international capital markets, and the one-time effects related to the MFG sale agreement, which Diego will explain in detail.

I will now pass on to Paula who will go over our sustainability achievements for the year. Paula?

**Paula Durán, Corporate Vice President of Sustainability**

Thank you, Maria Lorena. Good morning, everyone.

In the fourth quarter, we closed an extraordinary year for sustainability, further consolidating our ESG strategy — one where profitability is built by integrating strong financial performance, measurable social impact, and responsible environmental management.

Our framework is structured around three pillars: Returns with Purpose, Opportunities for All, and Environmental Balance. Under our first pillar, Returns with Purpose we continued to scale sustainable finance.

Our sustainable loan portfolio reached COP 44.9 trillion, including COP 36.2 trillion in social lending and COP 8.7 trillion in green lending. Social lending included targeted credit lines for senior citizens, housing, women entrepreneurs, coffee growers, and microbusinesses. Green lending supported renewable energy, infrastructure,

sustainable mobility, and water management projects, among others. In our investment portfolio, Maria Lorena already mentioned our agreement with Zelestra that reinforces our commitment to clean energy.

We also received important external recognitions. In the S&P Corporate Sustainability Assessment, we achieved a historic score of 81 out of 100 and were included in the S&P Sustainability Yearbook 2026. Additionally, Banco de Bogotá, Corficolombiana, Banco de Occidente, and Promigas were also included in the Yearbook — demonstrating the consistency and consolidation of our sustainability strategy across the Group.

In the MSCI assessment, we improved our rating to BBB, driven by stronger social impact metrics and enhanced responsible investment practices.

Our second pillar, Opportunities for all, this pillar focuses on generating inclusive growth and shared value. We calculated the total economic value generated and distributed, which reached COP 41 trillion in 2025. In this value distributed:

- More than 31,000 suppliers received COP 11 trillion
- Our 67,500 employees also earned COP 3.8 trillion
- We paid COP 3.4 trillion in taxes
- We generated COP 13 trillion in returns for our clients

Additionally, we invested COP 70 billion in voluntary social programs benefiting more than 2 million people, focusing on community infrastructure, education and research, socioeconomic development, and the promotion of culture, arts, and sports.

Through Misión La Guajira — the most significant private-sector social initiative in Colombia — we fulfilled our commitments, benefiting more than 21,500 people across 80 communities with potable water, electricity, and connectivity. The program also included financial education initiatives and support for over 1,500 Wayúu artisans, fostering sustainable livelihoods. We also supported the Vamos Pa'lante scholarship program, exceeding our fundraising goal and reaching COP 11.1 billion, benefiting more than 1,200 students.

Our third pillar, Environmental Balance, we joined the Partnership for Carbon Accounting Financials (PCAF), committing to measuring the contributions associated with our financial activities. We also launched our Nature Strategy, aligned with TNFD, and began its pilot implementation within one of our entities.

At the Group level, we also achieved tangible eco-efficiency improvements:

- Energy consumption reduced by 9.6%
- Renewable energy use increased to 38%
- Water consumption reduced by 2%
- Waste generation decreased by 9%

In summary, we closed 2025 with meaningful progress across all three pillars — reinforcing our position as the Aval that drives, supports, and transforms businesses.

We continue to generate opportunities, promote sustainable development, and create long-term value for our shareholders and all stakeholders.

Thank you.

**María Lorena Gutierrez Botero (CEO)**

Thank you, Paula.

Now moving to the macro environment, a lot has happened since our last call that has changed our expectations for 2026. A massive and untechnical increase in minimum wages has triggered a substantial increase in inflation expectations and has prompted a strong stance from the Central Bank to control inflation expectations. These recent events add to the increase in real interest rate expectations that resulted from growing concerns on the current administrations fiscal discipline.

As a result, since our last call, we have raised 200 bps our expectations on 2026 inflation, and 350bps year-end-2026 Central Bank Intervention Rate, changing the improvement trends we previously anticipated.

2025 was characterized by elevated global uncertainty. The year was marked by abrupt changes in U.S. economic policy, increased trade tensions, and greater economic fragmentation. Despite these challenges, global growth proved resilient, reaching an estimated 3.3%, supported by a second half recovery, higher investment, and accelerated adoption of artificial intelligence technologies.

In Colombia, economic activity remained resilient. GDP growth closed at 2.6% for 2025, driven primarily by household consumption and public spending.

However, the GDP outlook remains challenging. Investment levels stand at historically low levels, and the country's fiscal deficit is among the largest globally, despite interest savings achieved through the Government's liability management strategy. Household consumption and government spending alone cannot sustain structural economic growth if investment remains absent and the Government continues to crowd out the private sector.

Inflation closed the year at 5.1%, remaining above the central bank's target range. Furthermore, inflationary pressures derived from the 23.7% increase in the minimum wage, led to the beginning of a new restrictive cycle in monetary policy, as evidenced by a 100 bps increase in the Central Bank rate in January.

Moving on to the exchange rate, the weaker U.S. Dollar and the heavy Dollar inflows, from remittances and the National Government liability management strategies, led to a 14.8% appreciation of the Colombian Peso relative to the U.S. dollar.

Camilo will now elaborate on our economic outlook. Camilo?

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

Thank you, Maria Lorena, and good morning.

- The Colombian economy grew by 2.6% in 2025, below the consensus estimate and that of the technical staff from the central bank.
- The surprise came from the investment results, with gross fixed capital formation growing only 1.3%.
- The weak growth in investment was offset by the dynamism of machinery and equipment, which registered an annual increase of 9% due to the needs faced by businesses to meet higher domestic demand.
- Meanwhile, investment in housing, infrastructure, and intellectual property contracted annually. As a result, Colombia ended 2025 with an investment rate of 16.6% of GDP, the lowest level so far this century. Ultimately, high levels of uncertainty, elevated interest rates due to persistent inflation, and large fiscal deficits have led the country to face a complex investment landscape, with the financial, mining and energy, construction, and communications sectors being the most impacted.
- Conversely, the economy found support in household and public sector spending. On the household side, higher income from wages, remittances, government transfers, coffee exports and tourism, led to an acceleration in private consumption growth, from 1.6% in 2024 to 3.6% in 2025.
- Growth in goods expenditure surpassed that of services. As a result, sectors such as commerce, lodging, food, transportation, recreation, and services in general, continued their upward trend.
- In manufacturing, while growth was observed, in line with increased household demand for goods, the appreciation of the peso reduced the competitiveness of local production.
- Meanwhile, amid the suspension of the Fiscal Rule and the higher budget execution, public spending increased from 0.6% growth in 2024 to 7.1% in 2025, the highest rate since 2021.
- Although public spending boosted local activity, it was financed with increased debt, leading to a widening of the primary fiscal deficit. Thus, the fiscal stimulus appears unsustainable and ultimately displaced the private sector, in an example of crowding-out.
- In the external sector, lower national competitiveness, explained by the appreciation of the Colombian peso against the dollar, and higher labor hiring costs, led to exports moderating their growth rate from 3.3% in 2024 to 1.8% in 2025.
- By 2026, amid more adverse financial conditions, weakening private consumption, a more challenging fiscal situation, and high uncertainty surrounding the elections, the Colombian economy is projected to moderate its growth rate to 2.4%.
- Turning to prices, inflation ended 2025 at 5.1%, virtually unchanged from 2024. Here, inflation improvements in rents and regulated prices were offset by increased pressure on food, goods, and services different from rents.
- At this point, higher labor costs resulting from the significant minimum wage increase, the reduction in working hours, and the approval of labor reform weighed on inflation of goods and services. Meanwhile, high household and government spending limited the scope of improvement in inflation.

- By 2026, the minimum wage increase of over 23%, which in real terms was the highest in history, will lead to a resurgence of inflation. Specifically, inflation is expected to end 2026 at around 6.2%.
- The impact on inflation is not greater thanks to the appreciation of the Colombian peso and its effect on the price of imports, as well as the policy of reducing gasoline prices, and the lower indexation base for rents.
- On the fiscal front, the Government closed 2025 with the highest primary fiscal deficit, which excludes interest payments, since the crisis of the 1990s and the pandemic.
- The Government addressed the high spending pressures with active debt issuance, using alternative mechanisms such as the direct sale of TES to PIMCO and swaps of short for long term debt (TES). Calculations by our Economic Research team indicate that the Ministry of Finance issued more than \$110 billion in Treasury Bonds (TES) in 2025, when the stipulated limit was \$95 billion.
- For 2026, no major changes are anticipated on the fiscal front. In fact, the deficit could exceed 7% of GDP, given the absence of the Fiscal Rule and again considering high spending and weak revenues.
- With this scenario, where inflation is rebounding and the fiscal situation remains vulnerable, the Central Bank would consolidate an upward trend in interest rates. Our Economic Research team expects the benchmark interest rate to rise from 9.25% at the end of 2025 to 11.75% by mid-2026, a level at which it would remain for at least a year.
- With a scenario of higher domestic interest rates, a weak dollar globally due to Donald Trump's policies in the United States, and expectations of lower rates from the Federal Reserve, the exchange rate closed 2025 at \$3,780, 15% lower than at the end of 2024.
- However, in the second half of the year, the downward trend in the exchange rate intensified due to the government's sale of dollars. In the second half of the year, the government more than USD7 billion, an amount not seen since the pandemic.
- In 2026, the Colombian peso is expected to continue finding support from the wider interest rate differential, the international outlook, and the nation's ample dollar availability. However, the election results will be crucial. Currently, the exchange rate is expected to remain below \$4,000 to the dollar throughout the year.
- Regarding the dynamics of dollar flows in the Colombian economy, it is important to note that, for the first time in history, remittances surpassed oil exports as the primary source of dollars of the economy. This further consolidates the diversification of the export basket.
- Finally, the legislative and presidential elections, to be held in the first half of 2026, will define the country's economic future. It is too early to draw conclusions about the election results, but the central scenario is based on the expectation that Colombia will have a more fiscally disciplined government, which will reduce uncertainty and promote investment and, in general, will make public policy decisions based on technical criteria that boost economic growth.

Thank you. Back to you María Lorena.

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

Thank you, Camilo. Turning to our financial results, 2025 was a transition year.

In the banking segment, gross loans ended the year at COP 190.1 trillion, increasing by 4.8% compared to 2024.

Profitability improved meaningfully, supported by a sharp decline in funding costs that expanded the spread between loan yields and funding costs by 41 basis points. Cost of risk improved from 2.3% to 1.9%, reflecting stronger consumer portfolio performance and disciplined underwriting. Expense growth remained below the increase in the minimum wage, improving efficiency metrics.

As a result, return on equity in the banking segment reached double digits. Banco Popular and Banco AV Villas returned to profitability, and Banco de Bogotá and Banco de Occidente continued improving their results.

Despite of week market results at year end, Porvenir delivered its strongest annual performance to date. Assets under management reached \$271.2 trillion and increased 14.9% and a ROAE reached 21.2%.

Corfi worked throughout the year to lay the foundations for a new growth cycle driven by portfolio rotation and entry into high-potential sectors. Deleveraging efforts and a decline in rates led to a 16% reduction in funding costs, reflected in lower debt levels and more favorable interest rates. Finally, operational efficiencies continued to materialize following the exit from financial services.

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 11 and 12 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 11:**

- During 2025, loans for the banking system grew 2.1% in real terms, with mortgages growing 6.3%, consumer loans 1.48% and commercial loans 0.7%, all in real terms.
- During 2025, we continued focusing on profitable growth. We focused on local currency commercial loans in segments other than large corporates and on personal loans and credit cards in consumer lending.
- Our Peso denominated commercial loans market share remained unchanged at 26.3%.
- We are selective in large corporate commercial loans, given the aggressive pricing competition present throughout the year, where we lost 204 basis points. However, we gained 131 basis points of market share in local currency denominated commercial loans other than large corporates.
- We gained market share in products and segments where we were under-weighted, such as factoring (where we gained 543 bps to 24.2%) and government loans (where we gained 219 bps to 23.0%).

- Regarding our Dollar denominated commercial loans, where we have historically been overweight, we reduced our market share by 356 bps to 35.3%. In addition, in peso terms, the balances of dollar denominated commercial loans were negatively impacted by the 14.8% appreciation of the Colombian Peso over the year.
- As a result of the above, our market share for commercial loans fell 37 bps.
- In consumer loans, we focused on diversifying our portfolio toward higher yielding and shorter-term loans, reducing our concentration in payroll lending.
  - We gained 138 basis points of market share personal loans to 21.5%. The Itau consumer business acquisition will take us to market weight.
  - To support our credit card business, we also launched the FIFA-VISA alliance, where we gave up 132bps to 17.4%.
  - All of this, while maintaining our leadership position in payroll lending, where we have a 42.2% market share, where we reduced our share 127 bps. The Itau consumer business acquisition will add us 2 pps of share.
- Overall, our market share for consumer loans closed at 28.9%, with a 53 basis points decrease.
- Moving on to mortgages, we continued gaining market share, with a 117 basis points increase in the year.
- As a result of the abovementioned, we closed our market share in total loans at 25.0%, 28 basis points lower than in 2024.

**On page 12:**

- Loan quality for both the system and Aval banks showed an improvement during the year 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.
- As mentioned by Maria Lorena, Banco de Bogotá entered into a share purchase agreement to sell MFG, a Panamanian bank. As a result, in December 2025, we classified this operation as non-current assets and liabilities held for sale and discontinued operations.
- For ease of comparison with previously reported periods, we are showing retrospectively on this call pro-forma balances and ratios, reclassifying MFG as non-current assets and liabilities held for sale and discontinued operation.

**On page 13, we present assets and loans:**

- Assets grew 6.4% year-on-year and 1.5% over the quarter to COP 349 trillion.
- Fixed income investments, which account for 15.8% of our assets, reached COP 55.2 trillion, growing 21.2% year-on-year and decreasing 0.2% over the quarter.

- Gross loans, which account for 54.7% of our assets, reached COP 190.9 trillion, growing by 4.6% year-on-year and 1.5% over the quarter.
- Growth metrics were affected by a 4.2% appreciation of the Colombian Peso during the quarter and 14.8% over the year.
- Peso denominated loans, that now account for 91.3% of gross loans, grew 6.8% year-on-year and 1.7% during the quarter.
- Commercial loans expanded by 1.9% year-on-year and 1.1% over the quarter. Peso denominated commercial loans, that account for 84.7% of gross loans, grew 5.5% year-on-year and 1.4% during the quarter.
- Dollar denominated commercial loans, which account for 15.3% of commercial loans, grew 0.4% year-on-year and 3.9% during the quarter in dollar terms. In Peso terms, our dollar denominated loans contracted 14.5% year-on-year and 0.5% quarter-on-quarter.
- Consumer loans grew 4.7% year-on-year and 1.2% during the quarter:
  - Personal loans grew 12.0% year-on-year and 5.0% during the quarter.
  - Credit cards contracted 1.5% year-on-year and increased 2.9% during the quarter.
  - Auto loans grew 0.6% year-on-year and 1.1% during the quarter.
  - Payroll loans increased 3.2% year-on-year and decreased 0.9% during the quarter.
- Mortgages grew 19.6% year-on-year and 3.9% during the quarter.

**On Page 14, we present the evolution of Funding and Deposits:**

- Total funding increased 8.7% year-on-year and 1.4% during the quarter. Interbank borrowing grew 28.0% year-on-year, in line with the expansion of our trading investment portfolio as mentioned before, and account for 8.2% of total funding.
- Deposits, that account for around 3/4ths of our funding, grew 11.2% year-on-year and 3.6% quarter-on-quarter.
- Our deposit-to-net loans ratio closed at 113%.

**On Page 15, we present the evolution of our total capitalization, our attributable shareholders' equity, and the capital adequacy ratios of our banks:**

- Our "Total Equity" increased 0.3% over the quarter and 4.8% y-on-y, while our "Attributable Equity" increased 0.2% over the quarter and 5.7% year-on-year.
- Total Solvency and Tier 1 ratios evidence a relative stability in most of our banks.

**On page 16, we present our NIMs:**

- Net interest income reached 9.3 trillion for the year, increasing 17.4% compared to 2024. Total NIM for the year increased 28 bps to 3.78% in 2025.
- Our consolidated NIM on loans expanded by 28 bps year-on-year to 4.71%, while NIM on investments decreased by 8 bps to 0.82%.
- NIM on loans incorporates a 84-bps year-on-year expansion of NIM on retail loans to 6.33%, and a 18 bps year-on-year contraction of NIM on commercial loans to 3.50%.
- Focusing on our banking segment,
  - The total NIM of our banking segment expanded 8 bps over the year to 4.47%, due to the same dynamics that affected our consolidated NIM.
  - NIM on loans was 5.24%, increasing 9 bps year-on-year. This incorporates a 69-bps year-on-year increase in NIM on retail loans to 6.90% and a 39-bps year-on-year decrease in NIM on commercial loans to 4.02%.
- Quarterly NIM was negatively impacted by adverse capital market performance, driven by a 3.48% negative NIM on investments. In contrast, NIM on loans for the quarter reached 5.05%, 48 bps higher than for the previous quarter and the best result in 12 quarters.
- As discussed by Maria Lorena, the recent shift in the monetary cycle in response to recent government decisions will act as a headwind for NIM over the next quarters.
- The development of our financial diversification strategic pillar continues to pay off. We have diversified our funding sources toward less sensitive “non-maturing deposits”, including individuals and cash management linked deposits. Our banks lowered maturity and repricing gaps, and actively implemented interest rate hedging strategies.

**On page 17, we present our yield on loans, cost of funds, spreads:**

- On a consolidated basis, the average yield on loans for the year decreased 126 bps to 12.06%, while the annual average 3-month IBR decreased 158-bps to 9.4%.
- Our consolidated cost of deposits decreased 148 bps during the year to 6.63%, while our cost of funds decreased by 141-bps to 6.82%.

**On pages 18 through 20, we present several Loan Portfolio Quality ratios:**

**Starting on page 18:**

- Loan portfolio quality ratios continued improving during the quarter.
- PDL metrics continued to improve in all categories:
  - 30-day PDL formation for the year reached COP 4.2 trillion, 32.8% lower than in 2024.

- 30-day PDLs were 4.37% (a 98-bps improvement over 12 months and a 27-bps over the quarter). 90-day PDLs were 3.29% (a 77-bps improvement over 12 months and a 11-bps over the quarter).
- Commercial 30-day PDLs were 3.84%, a 101-bps improvement year-on-year and 38-bps q-on-q. 90-day PDLs were 3.48%, a 91-bps improvement over the year and 19-bps over the quarter.
- Consumer 30-day PDLs improved 117 bps year-on-year and 16 bps over the quarter to 4.67%. 90-day PDLs improved 63 year-on-year and 5 bps during the quarter to 2.79%.
- Mortgages 30-day PDLs and 90-day PDLs improved 8 bps and 10 bps respectively over the quarter to 6.18% and 3.75%, respectively.
- Finally, the ratio of charge-offs to average 90-day PDLs for 2025 was 0.82 times.

**On page 19:**

- The share of our portfolio classified as Stage 1 grew to 89.8%, while Stage 3 decreased for a sixth consecutive quarter to 5.7%, driven by improvements in our consumer portfolio.
- Coverage (measured as allowances for Stages 2 and 3 as a percentage of Stages 2 and 3 loans) was 33.6%, decreasing 545 bps relative to a year earlier, due an improvement in the mix.

**On page 20:**

- In 2025 cost of risk, net of recoveries fell 38 bps to 1.9%, in line with our expectations for the year. For consumer loans, cost of risk, net of recoveries improved 157 basis points to 4.2%. This includes a 449-bps improvement in personal loans to 8.4%.
- For commercial loans, cost of risk, net of recoveries was 0.7%.
- During 4<sup>th</sup> Q 2025, Cost of risk, net of recoveries fell 27 bps to 1.7%, the lowest in 12 quarters, driven by decreases in both commercial and consumer portfolios, of 36 bps to 0.6% and 23 bps to 3.8% respectively.

**On Page 21, we present net fees and other income:**

- Annual Gross fee income grew 6.8%, while net fee income increased 5.3%. Quarterly gross and net fee income increased 8.5% and 9.6% year-on-year.
- In terms of annual gross fees, pension and trust fees grew 9.1% and 14.9%, boosted by performance-based management fees that followed the positive returns of the financial markets throughout the year.
- Our annual income from the non-financial sector was 84% of that recorded in 2024, mainly due to a lower contribution from the infrastructure sector. Quarterly income was affected by a lower income from the Energy & Gas and Infrastructure sectors. This was partially offset by income from Hotels.
- Finally, at the bottom of the page, the annual increase in other operating income is mainly driven by a 605 billion improvement in Derivatives and FX gains. Hedging strategies relating to the non-financial sector are registered under foreign exchange gains and accounted for an 863 billion pesos yearly improvement.

- During the quarter, one of Promigas' gas transportation pipelines measured at fair value reverted to the company as PP&E and implied a one-time fair value recognition of 303 billion. This effect was registered under "Net income from other financial instruments mandatory at FVTPL".
- This positive effect was offset by the one-time remeasurement of deferred tax liabilities 359 billion pesos.
- Net / net, the transaction had a 56 billion negative effect on net income, and 12 billion on Aval's attributable net income.

**On Page 22, we present some efficiency ratios:**

- Cost-to-assets remained flat at 2.6% for 2024 and 2025.
- Annual cost-to-income improved 101 bps to 52.2% over the year. On a quarterly basis it reached 54.9%, 550 bps lower year-on-year.
- Annual expenses grew 9.6% during the year. General and administrative expenses grew 9.4% year-on-year.
- Personnel expenses grew 6.9% year-on-year, well below the 9.5% increase in Colombia's minimum wage.

**Finally, on Page 23 we present our net income and profitability ratios.**

- Attributable net income from continued operations for the quarter was COP 474 billion, 67.5% higher than the same quarter of the previous year.
- Total attributable net income for the year reached COP 1.7 trillion or COP 72.5 per share, increasing 69.6% compared to the previous year.
- Our annual return on average assets was 1.0% and our annual return on average equity was 9.6%, 28 bps and 366 bps above 2024, respectively.
- In terms of discontinued operations, the results contributed by the MFG operations to Aval's attributable net income add to 18 billion.

To wrap-up, we are updating our guidance to reflect changes in the macro environment impacting our businesses. We expect:

- Loan growth in the 10.0% area, with Commercial loans growing at 7% and retail loans growing at 14%.
- Total NIM in the 4.3% area, with NIM on loans in the 4.7% area.
- NIM of our banking segment in the 5.1% area, with NIM on loans in the 5.4% area.
- Cost of risk, net of recoveries, in the 2.0% area.
- Cost to assets in the 2.8% area.
- Income from the non-financial sector of 1.3 times that for 2025.
- A fee income ratio at the 21% area.

- Finally, we expect our 2026 ROAE to be in the 10.5% area.
- This guidance does not incorporate the recently announced wealth tax, which we estimate could have an impact on ROAE in the 1.0 percentage point area.

**MARIA LORENA GUTIERREZ (CEO)**

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

We expect 2026 to continue to be challenging in Colombia given the effects of political volatility and electoral uncertainty. Economic conditions are expected to remain challenging, both locally and globally. We expect GDP growth to remain moderate in 2026, amid a restrictive monetary environment. The massive minimum wage increase will put pressure on our cost base and that of our customers. Inflation will remain above the Central Bank's target range, which implies a return to a higher for longer interest rate environment.

Despite this backdrop, we strongly believe that we should remain focused in our strategy and improving our business and abstain from echoing uncertainty. The financial sector will continue to be a pillar of trust and investment.

We expect to continue growing our financial business and invest through Corfi in the non-financial sector in the region during 2026. As a result, we expect to continue strengthening our core business, supported on an expansion in risk-adjusted NIM on loans, commercial and operational effectiveness and stronger fee generation.

In 2026, we will continue delivering new and innovative products. In addition, during this year we expect to see increases in efficiencies from shared service and IT integration initiatives, and strengthening a client centered unified corporate culture.

We are now open for questions.

**Operator**

Our first 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 the new tax for companies. I would like to know what did you understand for liquid equity as it says that it is gross equity minus debt for the tax? I would like to understand how it will be applied for Banks of Aval, you already mentioned a 1% point for the consolidated ROE, but I would like to understand what will be the impact across Bank of Aval? That will be the first question.

And the second one is also on regulatory issues and regarding taxes, considering the previous economic emergency decree was put on hold, what is the effective tax rate that you are using in your numbers? Are you considering the 15% tax surcharge or paying, for example, deferred taxes?

**Diego Fernando Solano Saravia (CFO)**

Okay. I'll try to answer you, of course. I can't be a tax adviser here for you, but our understanding of how the network tax works is similar to what we've experienced in the past, and it is subtracting from the tax base, the equity tax base of the bank or the company, its tax acquisition price of the shares it holds in its taxable balance sheet. That's the way it is expected to work, and it is similar to what has been in the past, the kind of language that we've seen in what has come up to date is basically the same that we saw in 2014.

Regarding what happens to the group, yes, attributable should be something in the order of magnitude of 1 percentage point. And if you think that the attributable equity of Grupo Aval is roughly 55%, 60% of the consolidated group. If you add what our group will be contributing to the tax in that sense would be almost twice of what we do attributable to our shareholders.

Regarding how we calculate our tax in our guidance. The number comes out something similar to 35%. That is a combination of the taxes that we have to pay for our financial companies that have a surcharge in our numbers of 5% and then the taxes that other companies pay less those that have some exceptions. So...

**Maria Lorena Gutierrez Botero (CEO)**

But it means that is without the economic emergency...

**Diego Solano (CFO)**

Exactly.

**Maria Lorena Gutierrez Botero (CEO)**

For the situation that we have before that.

**Diego Fernando Solano Saravia (CFO)**

Exactly. That is what we expect on our base. And as I mentioned, the equity tax would add up to that around 5 percentage points if you were to make our calculation based on marginal tax.

**Operator**

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

**Brian Flores (Citibank)**

Can you provide an update on the guidance you provided in the third quarter regarding loan growth, cost of risk, and ROE? I think it would be very useful. And then just to confirm, basically, you're saying your base case is no change in the tax rate, right? You're basically saying we have no surcharge and we have no wealth tax. That is the base case implied in the guidance, right?

**Diego Fernando Solano Saravia (CFO)**

Yes. The 10.5%, you're right, the 10.5% basically takes taxes as well, not the taxes from the emergency, and that's why we are guiding into an additional effect that we could have from the wealth tax. Regarding our guidance, we

have slightly reduced our guidance on growth. And regarding ROE, there is an implied 150 basis points reduction in guidance and ROE compared to our last call.

**Brian Flores (Citibank)**

Okay. So just to confirm here, you were, if I'm not mistaken, guiding for a range of 12% to 12.5%. We're basically going to 11% or close to 11%. Is this...

**Diego Fernando Solano Saravia (CFO)**

Just restating, we are in the 10.5% area guiding. Last time we were in the 12% area with an upward bias at that point.

**Brian Flores (Citibank)**

Okay. If I may, you basically are explaining that you are seeing no changes in the tax rate, slightly lower loan growth. So which is the driver here on the reduction? Is it -- I know you're liability sensitive or not as asset sensitive as other banks, so it could be the NIM? Or do you think this is more related to cost of risk? Because you mentioned efficiencies should be better in 2026 and onwards from what I understood.

**Diego Fernando Solano Saravia (CFO)**

Yes. It's a combination of several things. One and the main driver is a better mix of our loan portfolio that is also helping us to cope with the kind of behavior of the Central Bank rate that will imply a relatively better NIM year-on-year. There could be a reduction if you take the numbers that we had for the fourth quarter that was the best quarter in NIM, as I mentioned. However, year-on-year that there's an improvement.

There's other things that are going to happen, and it is we expect Porvenir to have a better performance than what we had guided before, basically for 2 reasons. One, higher minimum wage implies higher fees from contributions from our customers. And then a higher interest rate environment is positive for Porvenir. On top of that, we have the other inorganic discussions that Maria Lorena pointed out that we expect to help us. We expect to see our mix improve. You've seen that throughout the past years, we've been moving towards retail to the retail segment. We've been working strongly on improving that organically and organically. That also improves our performance.

And actually, when we compare our cost of risk, there is no change in cost of risk. The other area that-- where we could see a substantial improvement is NIM coming from investments. In general terms, we've seen volatility in this year, and there's been points in time as was fourth quarter where NIM on investments was negative on our results.

**Brian Flores (Citibank)**

Super clear. I am very sorry to insist here. Just that I don't understand because if you're assuming no change in cost of risk and you're assuming a better mix and what I understood is a stable NIM, but then you're mentioning basically the reduction on ROE is of 100 bps year-over-year in the guidance. Is this only coming directly from a reduction in your expectations of loan growth, which I assume they were around 8% in the last call?

**Diego Fernando Solano Saravia (CFO)**

Yes. I have to correct myself. I just pulled out our guidance last time. We have actually a slight pickup on retail. And we also have, as I mentioned before, when you look at our effective tax rate, we're also building in a higher tax rate for this year.

**Operator**

There are no further questions at this time. Ms. Maria Lorena Gutierrez Botero, I turn the call back over to you.

**Maria Lorena Gutierrez Botero (CEO)**

I just want to say thank you for being here with us and see you in 3 months. Bye.

**Operator**

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