

**BBVA**

**4Q 2025**

**Earnings Call  
Transcript**

BBVA Colombia



# Earnings Call 4Q 2025

**Intro [Santiago Ramos]:** Good morning everyone, and welcome to BBVA Colombia's fourth quarter 2025 earnings call. My name is Santiago Ramos from ALM & Investor Relations. Joining us today are Alejandro Reyes, Principal Economist from Research, Carlos Gabriel Garcia, Head of Financial Planning & Performance, Nicolas Tripodi, Head of Retail Credit Risk, Paula Galindo, Manager of Investor Relations, and Daniel Patron, Head of ALM & Investor Relations.

As a reminder, today's presentation will be available for download on our website under the Investor Relations section. Please be informed that this call is being recorded.

To participate, you can use the chat feature or simply raise your hand using the button located at the bottom right section of your screen.

Our agenda for today includes key highlights from the quarter, a brief overview of the macroeconomic landscape, insights into our financial performance, and a recall on recent achievements.

Without further ado, I'll now hand over the call to Daniel Patron.

**Slide 3 [Daniel Patron]:** Thank you Santiago, and good morning to all. My name is Daniel Patron and I'm the Head of ALM & Investor Relations at BBVA Colombia. It's my pleasure to welcome you to our fourth quarter earnings call, where we'll recall the main figures from this quarter. Throughout the session, I'll invite members of the panel to share their insights on specific topics.

Let's start with slide 3, where we review the key highlights from the fourth quarter. We'll see these topics in more detail as we go through the presentation.

As of December 2025, we posted a net profit of COP 453 billion which represents a year-over-year increase of 255.1% as the materialization of the efforts made throughout the year to return to profitability. When compared with December 2024, our loan portfolio grew by 6.5%.

The efficiency ratio stood at 57.3%, slightly below (-0.2%) the same figure from December 2024. Thanks to the focus on profitability and the quick repricing of our interest-bearing liabilities, our gross margin keeps growing and achieved a 7.9% increase compared to the same period last year.

Our capital position remained strong as of December, as our Common Equity Tier 1 (CET1) ratio stood 266 basis points above the minimum regulatory level. Capital formation has been favored by the recovery of asset quality to previous levels, with cost of risk sitting at 2.2%, which is 1.2% below the number seen back in December 2024.

With that introduction of the quarter, I'll now hand over the call to Alejandro Reyes, Principal Economist from BBVA Research, who will provide an economic outlook. Alejandro, over to you.

**Slide 4 y 5 [Alejandro Reyes]:** Thank you Daniel. On the economic front, we have observed a resilient economy, with activity improving gradually in the last year to reach a 2.6% annual growth in 2025, above the 1.5% in 2024 and 0.7% in 2023. This recovery has been mainly supported by consumption, both private and public. In the case of private consumption, both durable and semidurable goods have seen stronger performance, helped by an appreciation of the peso, reduction of interest rates and improvement in household income and outlook of the labor market, with high employment growth and low unemployment rates. On the other hand, investment has continued to show a weak performance, mainly from housing construction.

Going forward, we expect internal demand to start to see a moderation in its dynamic, particularly in the second half of the year with more clear effects in 2027. This will be driven by the effects of higher interest rates and inflation on household expenditure, but also from an expected moderation in employment growth. Investment is expected to remain weak, with a small improvement in construction but a weakening of machinery and equipment. All in all, GDP will grow close to 2.8% in 2026 but only 1.8% in 2027.

This scenario is in part driven by an important increase in the minimum wage for 2026 that has pushed inflation expectations upward in a context of demand pressures, this implies a headline inflation for 2026 of 6.5% with some upward risks related to a potential "el niño" in the second half of the year and the scarcity of natural gas. With this trend in inflation in mind, the Central Bank has started a swift hiking cycle, with a 200bp increase in the first months of the year. We expect interest rates to continue rising in the next couple of months, potentially at a lower pace, to reach 12.25%. This movement, both in its celerity and size, is intended to contain inflation expectations and allow inflation in the mid term to converge again to the inflation target.

Finally, the fiscal balance has remained high in the last couple of years, due to an overproportionate increase in expenditure relative to revenue. We expect the fiscal deficit, both total and primary, to remain high in 2026 and thus maintain the pressure on the risk premia and public debt yields. The efforts by the Government to increase revenue have not been successful in part because they have not been accompanied with austerity measures on the expenditure. Fiscal consolidation remains a big challenge and is not expected in the short term.

Daniel, back to you.

**Intro Performance [Daniel Patron]:** Thank you Alejandro. Now, I'll hand over the call to Carlos Gabriel so he can walk us through our performance during the quarter.

**Slide 6 y 7 [Carlos Gabriel Garcia]:** Thank you Daniel. Let's turn to business activity. As we closed the fourth quarter of 2025, we maintained solid momentum across the franchise. The total loan portfolio grew 6.5% year over year, driven by a strong 12.0% expansion in the commercial segment—fully aligned with our strategic focus.

In consumer, we successfully returned to growth, with the portfolio increasing 2.0% as asset quality improved and market share was regained. The mortgage segment also showed steady progress, growing 3.0% versus the same period in 2024. Overall, these trends confirm the effectiveness of our strategic repositioning: rebalancing toward higher-value commercial lending while building a more profitable and sustainable growth profile. This shift is clearly reflected in the financial recovery presented on slide 7.

For the full year, the key highlight is the significant improvement in profitability, in line with our guidance. The bank reported a cumulative net profit of COP 453 billion by the end of the fourth quarter, marking a sharp turnaround from the COP 292 billion loss recorded in 2024. This recovery was primarily driven by a normalization of net provisions, which declined 34.1% year over year, indicating that we have moved beyond the peak of credit deterioration and strengthened our risk management cycle.

Net interest income also continued to grow, increasing 11.0% year over year, supported by commercial portfolio expansion and disciplined margin management. On the cost side, we maintained strict control, with operating expenses decreasing 0.4% year over year—well below both revenue growth and inflation—resulting in strong positive operating leverage.

In summary, this quarter marks a clear turning point: the bank has returned to sustainable profitability and is well positioned as we enter 2026.

Over to you Daniel.

**Slide 8 [Daniel Patron]:** Thank you Carlos. Moving ahead to slide 8, let's dive into the highlights of our funding strategy.

Compared to September, as of December our total funding grew by 3.5%, surpassing COP 82 trillion and representing 80% of the bank's liabilities. The change from Q3 to Q4 was mainly explained by a 10% increase in savings account balances, while term deposits and checking accounts maintained relatively stable. The funding mix remains similar to the one seen in Q3 and in previous periods, where saving accounts represent around 40% of the funding, while term deposits stand at 50%. Overall, the funding trend aligns with the growth of the loan portfolio.

Having stable funding sources reinforces our financial position, propelling our sustainable growth goals and allowing the compliance of both regulatory and internal liquidity requirements.

And now, allow me to pass on the call to Nicolas Tripodi, who will provide details into our credit portfolio and risk management strategies during the quarter.

**Slide 9 [Nicolas Tripodi]:** Thank you, Daniel. Good morning everyone.

In the fourth quarter, the cost of risk stands at 2.2%, broadly aligned with the sector. The NPL ratio declines to 3.0%, below the sector's 3.1%. The NPL plus write-offs ratio stands at 7.2%, outperforming the sector at 9.3%.

In consumer, while the NPL remains above the system, including write-offs we see a better position at 13.1% versus 14.8%. Early-stage delinquency inflows in the retail portfolio stand at 1.1%, improving from 1.5% last year, confirming a stable risk dynamic.

We continue to focus our growth strategy on payroll clients, while improving our decision models, using mitigants to support profitability, and staying close to clients to protect their financial health. Overall, we see these positive trends continuing, with recent growth building a stronger base that should support more stable and improving performance going forward.

Daniel, over to you. Thank you.

**Intro Capital [Daniel Patron]:** Thank you Nicolas for your insights regarding asset quality trends. Now lets move to slide 10 where Carlos Gabriel is going to provide details regarding our capital position.

**Slide 10 [Carlos Gabriel Garcia]:** Thank you Daniel. During the fourth quarter of 2025, the total capital adequacy ratio increased to 13.38%, representing a gain of 19 basis points compared to September 2025. This positive performance was mainly driven by a strengthening of CET1 capital, which increased by COP 82 billion. This result was supported by solid net income generation (+COP 221 billion), which more than offset the rise in regulatory deductions, primarily related to intangible assets (COP 86 billion) and deferred tax assets (COP 42 billion). As a result, the CET1 ratio reached 9.66%, exceeding the minimum regulatory requirement by 266 basis points.

Tier 2 capital remained relatively stable, with a slight decrease of COP 58 billion. This was mainly due to the natural amortization of subordinated debt instruments (-COP 18 billion) and the appreciation of the Colombian peso against the U.S. dollar, which reduced the value of USD-denominated instruments.

On the other hand, risk-weighted assets (RWA) decreased by COP 690 billion, mainly driven by a reduction in operational risk RWA, reflecting efficiency improvements in the calculation of the Operational Risk Indicator (ORI), contributing approximately 10 basis points.



In conclusion, we maintain a strong capital position, with a buffer of 188 basis points, to support the growth of our business in line with our strategy.

Daniel, back to you.

**Slide 11 [Daniel Patron]:** Thank you, Carlos. It is my pleasure to share with you a summary of the efforts made by BBVA, demonstrating a strong commitment to Colombia through its social programs and community investment initiatives, benefiting more than 154,000 people.

In education, the bank supported over 81,000 beneficiaries, mainly through scholarships for Bancamía children and vulnerable students. This reflects BBVA's focus on expanding access to opportunities and supporting low-income populations through financial inclusion.

In volunteerism, employees played an active role, contributing 5,469 hours across 26 initiatives. These actions mobilized hundreds of volunteers to support communities, strengthen education, and generate social impact across different regions of the country.

In humanitarian aid, BBVA invested COP 780 million, delivering more than 13,700 aid packages and supporting over 55,000 people in vulnerable areas such as Chocó, helping communities affected by emergencies.

**Slide 12 [Daniel Patron]:** Additionally, BBVA Colombia continues to strengthen its nationwide presence, with 311 branches and 1,392 ATMs, reaching 100% of the country and supported by more than 5,100 employees. This is complemented by solid international and local ratings, including BB+ from Fitch, Baa3 from Moody's, and AAA at the local level.

Thank you for your attention today. We are pleased to present these Q4 2025 results, which reflect our strategy to drive profitable and sustainable growth.

We will now open the call for questions.

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**Closing [Santiago Ramos]:** Since there are no questions, we conclude the call here. Thank you.

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