



2Q 2026

Earnings Call Transcript

BBVA Colombia

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Intro [Paula Galindo]: Good morning everyone, and welcome to BBVA Colombia's second quarter 2026 earnings call. My name is Paula Galindo, Investor Relations Manager. Joining me today are Alejandro Reyes, Principal Economist from Research, Carlos Gabriel Garcia, Head of Financial Planning & Performance, Nicolas Tripodi, Head of Retail Credit Risk, 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 note 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 recap of our recent achievements.

And with that, I'll hand over the call to Daniel Patron.

Slide 3 [Daniel Patron]: Thank you Paula, and good morning to all. My name is Daniel Patron. It's my pleasure to welcome you to our second quarter earnings call, where we'll review the main highlights of the 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 quarter. We'll see these topics in more detail as we go through the presentation.

As of June 2026, we posted a net profit of **COP 475 billion** which represents a year-over-year increase of **228.9%** as the materialization of the efforts made throughout the year to return to profitability. When compared with June 2025, our loan portfolio grew by **7.6%**.

The efficiency ratio stood at **54.4%**, below (-1.0%) the same figure from June 2025. Thanks to the focus on profitability and the continuous optimization of our funding structure, our gross margin keeps growing and achieved a **22.9%** increase compared to the same period last year.

Our capital position remained strong as of June, as our Common Equity Tier 1 (CET1) ratio stood **297 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 **2.0%**, which is **0.4%** below the number seen back in June 2025.

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. The economy has seen an acceleration in activity in the second quarter of 2026, with a 3.5% y/y growth. This result continues to be supported by strong public consumption, resilient private consumption backed by strong durable goods

consumption and an acceleration in machinery and equipment growth. On the other side, construction investment, mainly housing and other buildings, continues to show weak performance in contractive territory and exports show no growth in the quarter. In our view part of the observed growth is transitory and we expect some moderation in the second half of the year. Growth for 2026 should be close to 2.6%, similar to that observed in 2025. In addition to this particular behavior, the strength in consumer and investment goods that have a significant imported component has pushed imports and increased the external imbalance for the economy. This can also be seen through the current account deficit that accelerated towards 3.5% in the second quarter, compared to the 1.0% of the first. For 2027, we expect some transitory moderation in activity, given the higher inflation and interest rates, with annual growth of 2.1% (with an upward bias through a possible stronger investment).

Inflation continues to trend upward in the year to date, increasing to 6.24% in August, 114bps above the end of 2025 print. This movement has been generalized with particular incidence of the minimum wage increase, food price hikes due to climate distortions and strong internal demand that has at least partially compensated the important appreciation of the COP. We expect inflation to continue its upward path in the next months, with a relevant impact of “El Niño”. Inflation is expected to close 2026 near 7.0% with an upward bias given an increasing probability of this “El Niño” becoming a very strong phenomenon. This shock should be in principle transitory, but might affect inflation expectations. For 2027, inflation should moderate, closing at 5.6% with significant help from food inflation after a normalization of climate conditions. In this context, BanRep has increased rates by 275bps in the year to date, reaching a 12.0% rate with a clear contractive stance with regards to the real rate. We expect interest rates to remain at the current level for the good part of 2027 and only start a gradual reduction cycle in September 2027, to close that year at 11.25%. Despite this, the upward bias on inflation, the risks on the fiscal consolidation, and the strength of the demand may imply an upward bias on monetary policy, that could partially be compensated by the accumulated appreciation of the COP.

Finally, on the fiscal front, the new government has announced a fiscal strategy that starts by making the fiscal reality more transparent, which implies an additional need for funding both for 2026 and 2027. In addition, they confirmed an expenditure reduction for 2026 and with the new budget, they also announced they included expenditure commitments and other changes in assumptions that led to a 9.4% fiscal deficit. The plan is complemented by the expected introduction of a fiscal bill that aims to reduce 2.2pp of GDP in expenditures and further adjustments to be included in the National Development Plan. On the external front, recent growth in imports with a more moderate behavior of exports has led to a widening of the external imbalance, this is expected to continue in the remainder of the year and in 2027. In part, this performance is explained by a very strong appreciation of the COP, supported by government and private inflows in the first half of the year and more recently by the expectation of inflows from new external financing sources for the government.

Daniel, back to you.

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

Slide 6 y 7 [Carlos Garcia]: Thank you Daniel. Let's turn to business activity. As we closed the **second quarter** of 2026, we maintained solid momentum across the franchise. Year-to-date, the

portfolio showed strong expansion, led by an **11%** growth in the commercial segment, fully aligned with our strategic focus.

In consumer, we sustained our growth momentum, with the portfolio increasing **4.0%** YTD as asset quality improved. The mortgage segment also showed steady progress, growing **4.0%** YTD. Overall, these trends confirm the effectiveness of our strategic repositioning: rebalancing towards 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 **second quarter**, the key highlight is the significant and continued improvement in profitability, fully in line with our guidance. The bank reported an accumulated net profit of **COP 475 billion** for **2Q2026**, marking a sharp turnaround compared to the **COP 144 billion** recorded in 2Q2025. This recovery was primarily driven by a normalization of net provisions (impairments), which declined **23.6%** year over year, indicating that we have moved beyond the peak of credit deterioration and strengthened our risk management cycle, bringing the Cost of Risk down to **1.9%** (down from 2.6% in 2Q2025).

Net interest income also continued to grow **4.7%** year over year, supported by commercial portfolio expansion and disciplined margin management, which maintained a healthy interest margin of **37%**. On the cost side, while **operating expenses grew 11.9%**, our efficiency ratio improved further to **53%**—resulting in strong positive operating leverage.

In summary, this quarter marks a clear consolidation of our recovery: the bank has solidified its return to sustainable profitability and is well positioned as we progress through the second half of 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 the same period last year, total funding grew by approximately **10%**, reaching **COP 88.2 trillion** and representing **80%** of the bank's liabilities. Compared to the last quarter, the increase was mainly driven by a **5.1%** growth in savings account balances, while term deposits increased modestly and checking account balances declined slightly. As a result, the funding mix remained broadly consistent with previous quarters, with savings accounts representing around **42%** of total funding and term deposits accounting for approximately **48%**. Overall, the funding trend continues to support the growth of the loan portfolio.

Maintaining a stable funding base 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.

Asset quality continued to perform in line with our expectations during the second quarter. The cost of risk closed at **2.0%**, with a coverage ratio of **87.0%**.

The NPL ratio declined to 2.7%, below the sector at 3.0%. Overall, including write-offs, BBVA remains better positioned, with an NPL plus write-offs ratio of 6.4%, compared with 9.0% for the sector.

By portfolio, mortgage and commercial continue to show strong performance. Mortgage NPL stood at 2.3%, below the sector's 2.9%, while commercial NPL remained at 0.3%, below the sector's 0.6%.

Consumer still remains above the system, with an NPL ratio of 5.0% versus 4.0%, but the trend continues to improve, down from 6.0% last quarter and 7.0% one year ago.

Going forward, we will continue growing the commercial segment with appropriate safeguards in vulnerable sectors, while in retail we will continue driving asset growth among payroll clients and preserving disciplined risk selection.

In summary, we see asset quality remaining stable, within guidance, and on an improving trend.

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 is going to provide details regarding our capital position.

Slide 10 [Carlos Garcia]: During the second quarter of 2026, the total capital adequacy ratio increased to 13.80%, supported by a solid capital position and stable growth in credit risk-weighted assets.

CET1 capital stood at COP 6.26 trillion, increasing by COP 411 billion compared to the previous quarter. This increase was mainly driven by strong net income generation, as well as a reduction in regulatory deductions. As a result, the CET1 ratio increased by 30 basis points to 9.97%, standing 297 basis points above the minimum regulatory requirement.

Tier 2 capital decreased, mainly due to the appreciation of the COP against the USD, given that a portion of the subordinated funding is denominated in USD.

On the other hand, risk-weighted assets (RWA) increased by COP 2.3 trillion, mainly driven by credit risk as a result of growth in the corporate loan portfolio, while market and operational risk increased to a lesser extent.

As a result, total regulatory capital increased by COP 343 billion, further strengthening our capital base and contributing to the improvement in the total capital adequacy ratio.

In conclusion, we continue to maintain a strong capital position, providing ample capacity to support business growth while preserving comfortable capital buffers above regulatory requirements.

Slide 11 y 12 [Daniel Patron]: Thank you, Carlos.

Beyond our financial performance, BBVA Colombia continues to reinforce its long-term commitment to the country. During the first half of 2026, nearly **35,000** people benefited from our



education and social support initiatives, including more than **150** beneficiaries of scholarship programs.

At the same time, we maintain a strong nationwide presence, with **311** branches, **1,392** ATMs and more than **5,100** employees, reaching **100%** of the country.

Our solid credit profile is also reflected in our ratings: BB+ from Fitch and Baa3 from Moody's at the international level, as well as AAA locally from Fitch.

Thank you for your attention today. We are pleased to have presented our second quarter 2026 results, which reflect our strategy of delivering profitable and sustainable growth while reinforcing our commitment to Colombia.

We will now open the call for questions.

Closing [Paula Galindo]: Since there are no questions, we conclude the call here. Thank you.

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