MOODY'S RATINGS

CREDIT OPINION

20 July 2026

Update

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RATINGS

Itau Colombia S.A.

Domicile	Colombia
Long Term CRR	Baa2
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Not Assigned
Long Term Deposit	Baa3
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Itau Colombia S.A.

Update following rating affirmation, outlook remains stable

Summary

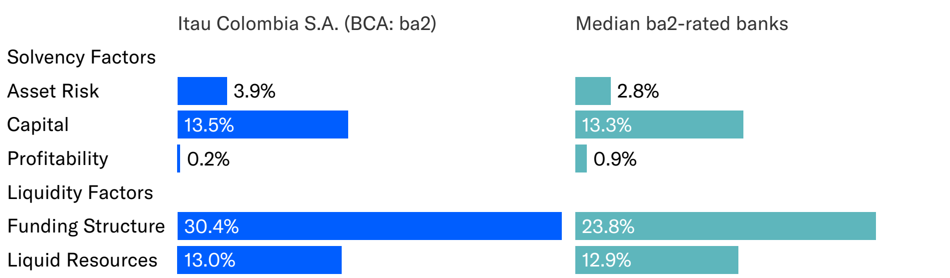
Itau Colombia S.A. (Itau Colombia) has a baseline credit assessment (BCA) of ba2 that reflects the bank's stable capital metrics and problem loan ratios over the past five quarters, and the recent business reorganization involving the divestment of its retail operations in June that will likely improve the earnings generation in the medium term. The affirmation of the ba2 BCA also takes into account near-term pressures on profitability related to the costs associated with sale process, which will be partly offset by a capital injection of up to COP 400 billion to be made by shareholders, Banco Itaú Chile (Itaú Chile, A3 stable, baa2), in second semester of 2026.

We also assign local and foreign currency deposit ratings of Baa3 and Prime-3, long- and short-term, respectively to Itau Colombia. The ratings incorporate the BCA of ba2 and our assessment of very high affiliate support from Itau Chile.

Exhibit 1

As of March 2026

Scorecard ratios



For the problem loan and profitability ratios, we review the latest three year-end figures as well as the most recent intra-year ratio, where applicable, and base our starting point o the weaker of the average of this period and the latest figure. For the capital ratio, we use the latest figure. For the funding structure and liquid asset ratios, we use the latest year-end figures.
Source: Moody´s Ratings

Credit strengths

» Track record of strong asset quality metrics, reflecting large share of corporate loans and conservative risk management policies

» Volume of liquid assets has remained consistently adequate in recent years

» Capital metrics are better positioned than most of its peer Colombian banks

Credit challenges

» Profitability continues to be pressured by relatively high interest rates in Colombia, with a negative effect on funding costs

» The bank's divestment of the retail business and full transition to a solely commercial banking model bears execution risk and reduces earnings diversification

Rating outlook

The stable outlook on the long-term deposit ratings reflects our expectation that the bank's solvency and liquidity will remain broadly at levels consistent with their recent trend in the next 12 to 18 months.

Factors that could lead to an upgrade

» Itaú Colombia's BCA could be upgraded if the bank demonstrates material and consistent improvement in the generation of recurring earnings, while also strengthening its capital position and maintaining strong asset quality metrics while leveraging its regional corporate banking.

» A one-notch upgrade of Itaú Colombia's BCA would also result in a one-notch upgrade of the bank's deposit ratings, reflecting our assessment of very high affiliate support.

Factors that could lead to a downgrade

» Conversely, downward pressure on Itaú Colombia's BCA could result from sustained deterioration in asset quality and profitability over the next 18 months, which would weaken the bank's capacity to absorb credit losses.

» Given the very high probability of affiliate support, a one-notch downgrade of the bank's BCA would exert limited downward pressure on its deposit ratings.

Key Indicators

Exhibit 2

Itau Colombia S.A. (Consolidated Financials) [1]

	03-26 [2]	12-25 [2]	12-24 [2]	12-23 [2]	12-22 [2]	CAGR/Avg. [3]
Total Assets (COP Billion)	31,985.5	30,748.5	30,220.1	29,710.1	30,904.7	1.1 [4]
Total Assets (USD Million)	8,742.8	8,139.7	6,859.6	7,669.1	6,373.6	10.2 [4]
Problem Loans / Gross Loans (%)	3.9	4.2	4.0	3.6	2.8	3.7 [5]
Net Interest Margin (%)	3.8	3.8	4.2	2.8	4.0	3.7 [5]
PPI / Average RWA (%)	2.3	2.2	2.2	2.0	1.8	2.1 [6]
Net Income / Tangible Assets (%)	0.4	0.2	0.3	-0.1	0.2	0.2 [5]
Cost / Income Ratio (%)	74.7	74.7	71.5	70.2	72.6	72.8 [5]
Gross Loans / Due to Customers (%)	106.6	102.0	107.5	107.1	122.9	109.2 [5]
Core Banking Liquidity (Non-HQLA) / Tangible Banking Assets (%)	12.6	13.0	13.3	10.7	8.1	--
Less-stable Funds (Non-LCR) / Tangible Banking Assets (%)	34.3	30.4	26.9	13.6	17.5	--

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods. Further to the publication of our revised methodology in November 2025, only ratios from annual 2024 onwards included in this report apply reported risk weights for all exposures, discontinuing our previously applied standard adjustment for certain government securities.

Sources: Moody's Ratings and company filings

Profile

Itau Colombia S.A. (Itau Colombia) is a universal bank that offers loans, deposits and other banking services to individuals, small and medium-sized enterprises, and large companies. However, the bank is transitioning to a predominantly corporate- and treasury-focused business model following the divestment of its retail operations, approved on June 12, 2026. Itaú Colombia is the ten largest bank in Colombia in term of loans, with about 2.5% market share of loans as of March 2026. At the same date, the bank reported total consolidated assets of COP32 trillion ($8.7 billion) and a loan portfolio of around COP20.4 trillion ($5.5 billion).

The bank operates as a subsidiary of Banco Itaú Chile, which directly owned 95% of its total capital as of March 2026. Itaú Colombia's ultimate parent is Itaú Unibanco Holding S.A. (Ba2 stable), the largest retail bank by assets in Brazil.

Detailed credit considerations

Asset risk profile should improve with the retail divestment, but higher rates and inflation will continue to challenge delinquency rates

We assign a baa2 asset risk score that reflects our problem loans to gross loans ratio of 3.9%, which we consider to be moderate. Itaú Colombia's asset quality is supported by its corporate-focused lending franchise, disciplined underwriting standards and moderate credit costs. Commercial loans accounted for around two-thirds of gross loans as of May 2026, with the remainder consisting primarily of consumer and mortgage exposures. The bank has maintained resilient asset performance through economic cycles. The bank's problem loan ratio, measured as Stage 3 loans under IFRS as a share of gross loans, improved to 3.9% in March 2026 from an average of 4.1% over the previous two years.

Following the planned transfer of the retail portfolio, the loan book will become fully concentrated in corporate lending, which should strengthen the bank's risk profile and eliminate its exposure to higher-risk retail segments. As of March 2026, the corporate portfolio's 90 days past-due loan problem loan ratio stood at 3.4%, higher than the industry's average of 2.8% - while the portfolio grew 6.8% YoY – levels that will be challenged by higher interest rates and inflation in the Colombian economy. Management expects loan growth to remain in the mid-single digits over the coming years. Itaú Colombia continues to maintain adequate loan-loss reserves, at 117% of problem loans, providing a strong buffer against unexpected losses. The bank's coverage ratio compares favorably with that of Colombia's largest banking peers, supporting its asset quality profile.

Capital position remains adequate

We assign a baa3 capital score that reflects our tangible common equity to risk-weighted assets ratio of 13.5%, which we consider to be moderate, and is adjusted to incorporate Itaú's growth plan.

Itaú Colombia maintains adequate capitalization levels, supported by prudent capital management. Capitalization metrics will be temporarily affected by the costs associated with the divestment of the retail business. However, they are expected to recover following the transfer of the portfolio and a planned capital injection of up to COP 400 billion from its parent, Itaú Chile. The proposed capital injection underscores the strategic importance of the Colombian franchise within the group and should support future growth in the bank's corporate lending business.

On a regulatory basis, the bank reported a Common Equity Tier 1 (CET1) ratio of 12.2% and a total capital ratio of 15.2% as of March 2026. Both ratios were comfortably above the minimum regulatory requirements of 7.5% and 10.5%, respectively. We expect Itaú Colombia to maintain comfortable capital buffers above minimum regulatory requirements over the next 12 to 18 months.

Profitability remains constrained, but retail exit could improve efficiency over time

We assign a b2 profitability score, reflecting our net income to tangible assets ratio of 0.2%, which we view as weak and below that of rated Colombian banking peers. Itaú's profitability has historically been constrained by limited scale in retail banking, resulting in an efficiency ratio weaker than peers (75% versus 55% for peers as of March 2026). Following the decision to divest its Colombian retail unit, profitability is expected to improve over the medium term, after absorbing one-off expenses related to the corporate restructuring, which carries execution risks. The bank is expected to leverage its regional corporate banking franchise to expand its local commercial banking business and gradually bring its efficiency ratio closer to peer levels, below 50%.

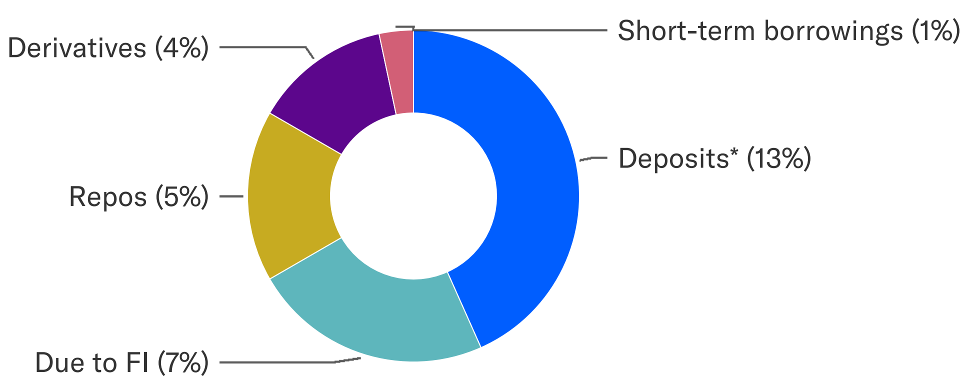
As of March 2026 pre-tax income increased 97% YoY, driven primarily by a significant decline in provisioning expenses, higher foreign-exchange-related income, and gains from loan sales. Credit costs improved to 0.6% in March 2026 from 1.2% a year earlier, reflecting favorable asset quality trends and lower provisioning needs. These factors offset pressure from operating expenses and a still challenging operating environment. However, higher tax expenses led to a decline in net income YoY.

Funding profile reflects a high reliance on corporate deposits

We assign a baa3 funding structure score that reflects our less-stable funds to tangible banking assets ratio of 30.4%, which we consider to be moderate. Itaú Colombia's funding profile is characterized by a relatively large reliance on institutional funding sources, reflecting the bank's modest share of retail deposits in the Colombian banking system, which accounted for approximately 2% of total system deposits as of March 2026. The sale of the retail business will further reshape the bank's funding profile, leaving it more reliant on corporate clients and institutional funding sources, which tend to be less stable and have shorter tenors than retail deposits.

We assign a baa3 liquid resources score that reflects our core banking liquidity to tangible banking assets ratio of 13.0%, which we consider to be moderate. Itaú Colombia's liquid assets consist primarily of cash and highly liquid securities, largely comprising Colombian government securities.

Exhibit 3
Limited retail deposits result in greater reliance on less-stable funding sources
Breakdown of less-stable funds as a % of tangible banking assets as of December 2025



*Deposits are weighted at 20%
Source: Moody's Ratings

Itaú Colombia's ratings are supported by Colombia's Moderate+ Macro Profile

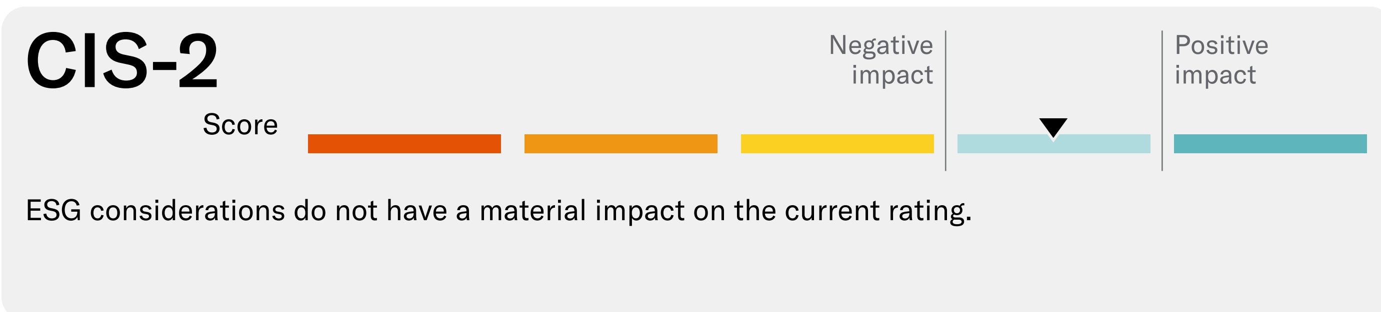
Banks in Colombia benefit from the country's generally favorable growth dynamics and prudent fiscal and monetary frameworks that have enabled the country to weather severe shocks. These strengths are partially offset by Colombia's moderate per capita income levels, external risks amid high current account deficits and rising social tensions stemming from comparatively high levels of income inequality and other social demands, which in turn contribute to political risks.

Credit penetration continues to be moderate in Colombia despite an expansion in the past two decades, limiting risks from indebtedness. However, risks arise from banks' relatively large loan concentrations, which reflect the relevance of a number of large groups of affiliated companies in the country's economy. Colombian banks' funding benefits from a stable deposit base that limits the system's reliance on more fickle market funding, though banks' deposit base is largely sourced from corporations and institutional investors, which are more sensitive to price moves. The Colombian banking system is relatively concentrated, with the five largest banks accounting for a combined 70% of the consolidated system's total loans, which supports banks' strong pricing power.

ESG considerations

Itaú Colombia S.A.'s ESG credit impact score is CIS-2

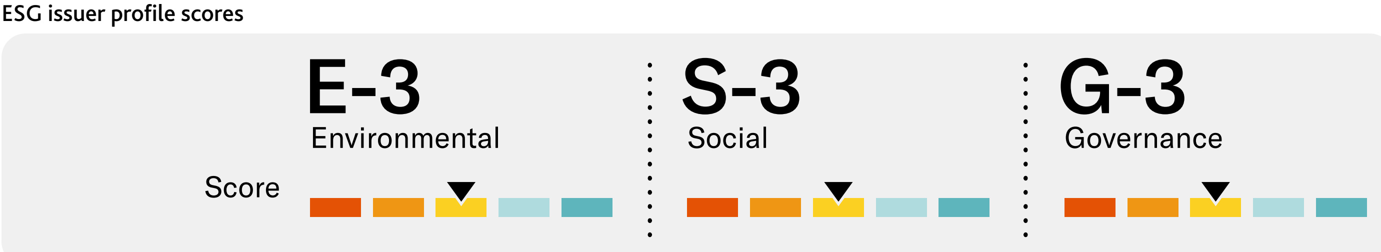
Exhibit 4
ESG credit impact score



Source: Moody's Ratings

Itaú Colombia's **CIS-2** indicates that ESG considerations do not have a material impact on the ratings to date. Despite its concentrated ownership, Itaú Colombia has robust corporate governance practices that are in line with those of its ultimate parent. However, the bank still faces execution risks associated with the restructuring and growth of its retail banking operation in Colombia.

Exhibit 5
ESG issuer profile scores



Source: Moody's Ratings

Environmental

Itaú Colombia faces moderate environmental risks because of its indirect exposure to carbon transition risks related to its corporate banking activity. In line with its peers, the bank is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals.

Social

Itaú Colombia has moderate exposure to customer relations risk stemming from the divestment of its retail bank, which could create tensions with former clients during the execution of the deal. This risk is mitigated by the bank's long track record of managing sensitive customer data, as well as its appropriate culture, governance and compliance functions, which support adherence to regulatory standards.

Governance

Itaú Colombia has moderate exposure to governance risk related to the execution of its retail banking divestment and corporate banking growth strategy, as well as its concentrated ownership and control by Itaú Unibanco Holding S.A. Because Itaú Colombia is wholly owned by the Itaú Group, we align its board structure, policies and procedures score with that of its parent, reflecting the bank's strategic importance, public affiliation with the parent, parent-level oversight of its board and the regulated nature of both entities.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Affiliate Support

Itaú Colombia's adjusted BCA of baa3 is two notches above the bank's standalone BCA of ba2 because it incorporates our assessment of very high parental support from Banco Itaú Chile, with a standalone BCA of baa2.

Government Support

There is a low likelihood of government support for Itaú Colombia's deposits. This reflects the bank's small market share of deposits in Colombia, and hence, modest systemic consequences that would result from an unsupported failure. Consequently, the bank´s deposit ratings of Baa3 do not benefit from any additional uplift due to government support.

Counterparty Risk (CR) Assessment

The long-term CR Assessment is one notch above the bank's Adjusted BCA of baa3. Itaú Colombia's CR Assessment is one notch above the bank's deposit rating of Baa3, reflecting our view that its probability of default is lower for operating obligations than for deposits.

Counterparty Risk Ratings (CRRs)

Itaú Colombia's long-term global local and foreign currency CRRs are positioned at Baa2, one notch above the bank's adjusted BCA and deposit ratings.

Rating methodology and scorecard factors

Exhibit 6
Rating Factors

Macro Factors							
Weighted Macro Profile	**Moderate +**	**100%**					
Factor		**Historic Ratio**	**Initial Score**	**Expected Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency							
Asset Risk							
Problem Loans / Gross Loans		3.9%	baa2	↔	baa3	Sector concentration	
Capital							
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)		-	-	-	ba1	Expected trend	
Profitability							
Net Income / Tangible Assets		0.2%	b2	↔	b3	Earnings quality	
Combined Solvency Score			baa3		ba2		
Liquidity							
Funding Structure							
Less-stable Funds / Tangible Banking Assets		30.4%	baa3	↓	ba1	Expected Trend	
Liquid Resources							
Core Banking Liquidity / Tangible Banking Assets		13.0%	baa3	↔	baa3		
Combined Liquidity Score			baa3		ba1		
Financial Profile			baa3		ba2		
Qualitative Adjustments					Adjustment		
Business and Geographic Diversification					0		
Complexity and Opacity					0		
Strategy, Risk Appetite and Governance					0		
Total Qualitative Adjustments					0		
Sovereign or Affiliate constraint					Baa3		
BCA Scorecard-indicated Outcome - Range					ba1 - ba3		
Assigned BCA					ba2		
Affiliate Support notching					2		
Adjusted BCA					baa3		

Instrument Class	**Loss Given Failure notching**	**Additional notching**	**Preliminary Rating Assessment**	**Government Support notching**	**Local Currency Rating**	**Foreign Currency Rating**
Counterparty Risk Rating	1	0	baa2	0	Baa2	Baa2
Counterparty Risk Assessment	1	0	baa2 (cr)	0	Baa2(cr)	
Deposits	0	0	baa3	0	Baa3	Baa3

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Ratings

Ratings

Exhibit 7

Category	Moody's Rating
ITAU COLOMBIA S.A.	
Outlook	Stable
Counterparty Risk Rating	Baa2/P-2
Bank Deposits	Baa3/P-3
Baseline Credit Assessment	ba2
Adjusted Baseline Credit Assessment	baa3
Counterparty Risk Assessment	Baa2(cr)/P-2(cr)
PARENT: BANCO ITAU CHILE	
Outlook	Stable
Counterparty Risk Rating	A2/P-1
Bank Deposits	A3/P-2
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa1
Counterparty Risk Assessment	A2(cr)/P-1(cr)

Source: Moody's Ratings

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