MOODY'S
RATINGS

# Rating Action: Moody's Ratings affirms Itaú Colombia's Baa3 deposit ratings; stable outlook

14 Jul 2026

New York, July 14, 2026 -- Moody's Ratings (Moody's) has today affirmed Itaú Colombia S.A.'s (Itaú Colombia) long- and short-term local and foreign currency deposit ratings at Baa3 and Prime-3, respectively, following the affirmation of the bank's baseline credit assessment (BCA) at ba2 and adjusted BCA at baa3. We also affirmed the bank's long- and short-term local and foreign currency counterparty risk ratings at Baa2 and Prime-2, respectively, and long- and short-term counterparty risk assessments (CRA) at Baa2(cr) and Prime-2(cr), respectively. The outlook on the long-term bank deposit ratings remains stable.

RATINGS RATIONALE

In affirming Itaú Colombia's ba2 standalone BCA, we recognize 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 fully approved 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, that will be partly offset by an up to COP 400 billion capital injection to be made by shareholders, Banco Itaú Chile (A3 stable, baa2), in second semester of 2026.

Itaú Colombia's ba2 BCA remains constrained by the low profitability metrics that lag peers. As of March 2026, the bank's net income to tangible assets ratio was just 0.36%, up from 0.18% for full-year 2025, supported by business growth and lower provisioning expenses. Its efficiency ratio remained relatively flat at 74.7% over the same period and is expected to converge toward a peer-comparable level below 50% in the medium term after exiting its retail operation, supported by the bank's regional corporate banking franchise.

Capitalization will likely face near-term pressure from divestment-related costs, estimated to be approximately of 200 basis points to March 2026 TCE ratio, which will be compensated by an up to COP 400 billion capitalization that will continue to support its growth plan in the next 4 years.

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 4.2% at year-end 2025, as the bank continued to focus on adopting restrictive credit policies and reduced the pace of loan origination of its retail portfolio. The corporate portfolio's 90 days past-due loan ratio stood at 3.4% in March 2026, higher than the industry's average of 2.8% in the period. Itaú Colombia continues to maintain adequate loan-loss reserves, at 117% of problem loans in March 2026, providing an adequate buffer against unexpected losses.

The sale of the retail platform will also reshape the bank's funding profile, leaving it more reliant on corporate clients and institutional funding, which tend to be less stable and shorter term. As of March 2026, less stable funds represented 34.3% of tangible assets, while core banking liquidity represented 12.6% of tangible banking assets. The bank's regulatory liquidity ratios remained comfortably above minimum requirements.

Itaú Colombia's Baa3 long-term local and foreign currency deposit ratings incorporate our assessment of a very high likelihood of affiliate support from its immediate parent, Banco Itaú Chile, resulting in a two-notch uplift from the bank's ba2 BCA. The stable outlook on Itaú Colombia's deposit ratings reflects our expectation that the bank will maintain sound asset quality and adequate loss-absorption buffers.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

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.

Conversely, downward pressure on Itau 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.

The principal methodology used in these ratings was Banks published in November 2025 and available at https://ratings.moodys.com/rmc-documents/454566. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

The net effect of any adjustments applied to rating factor scores or scorecard outputs under the primary methodology(ies), if any, was not material to the ratings addressed in this announcement.

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