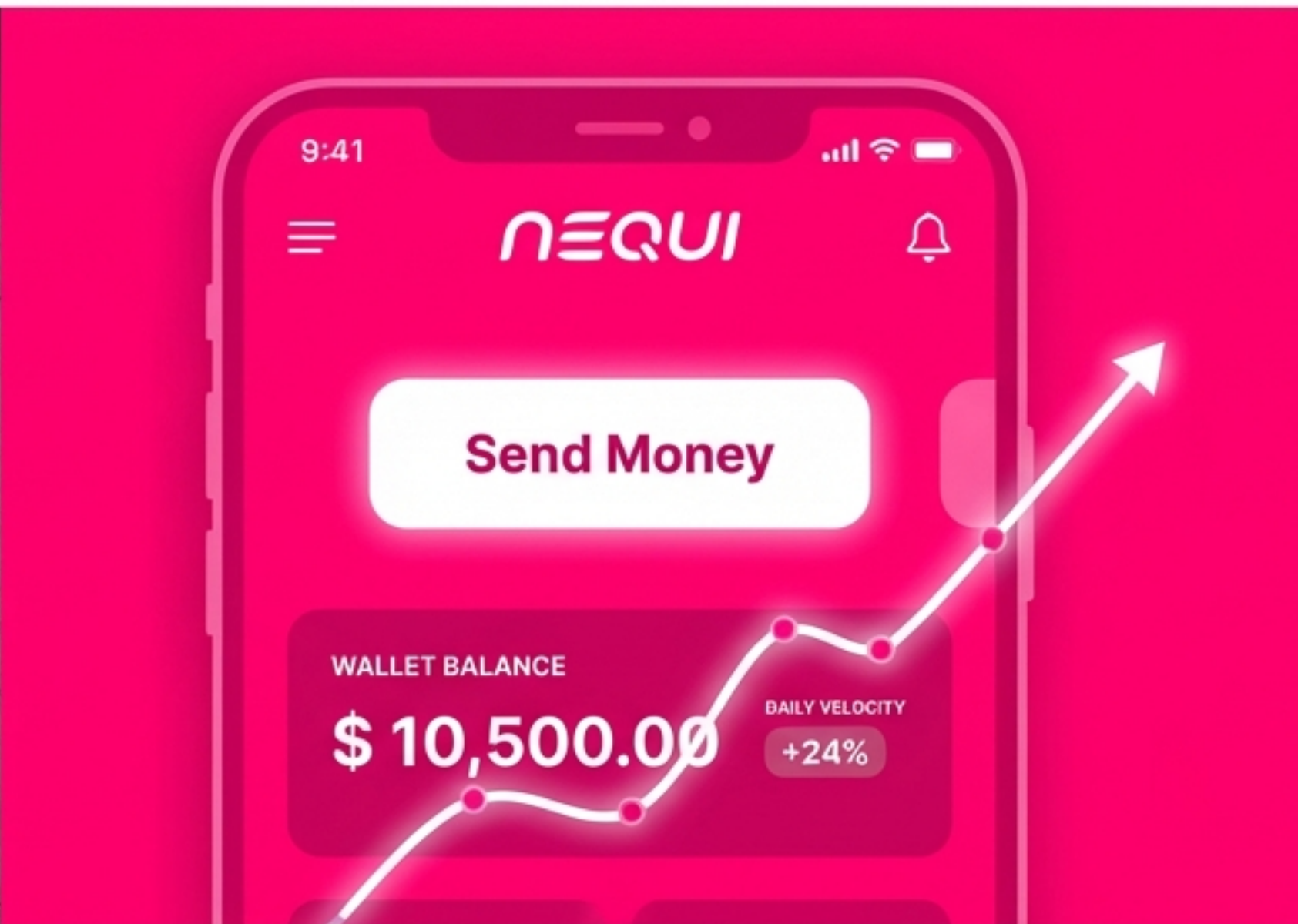
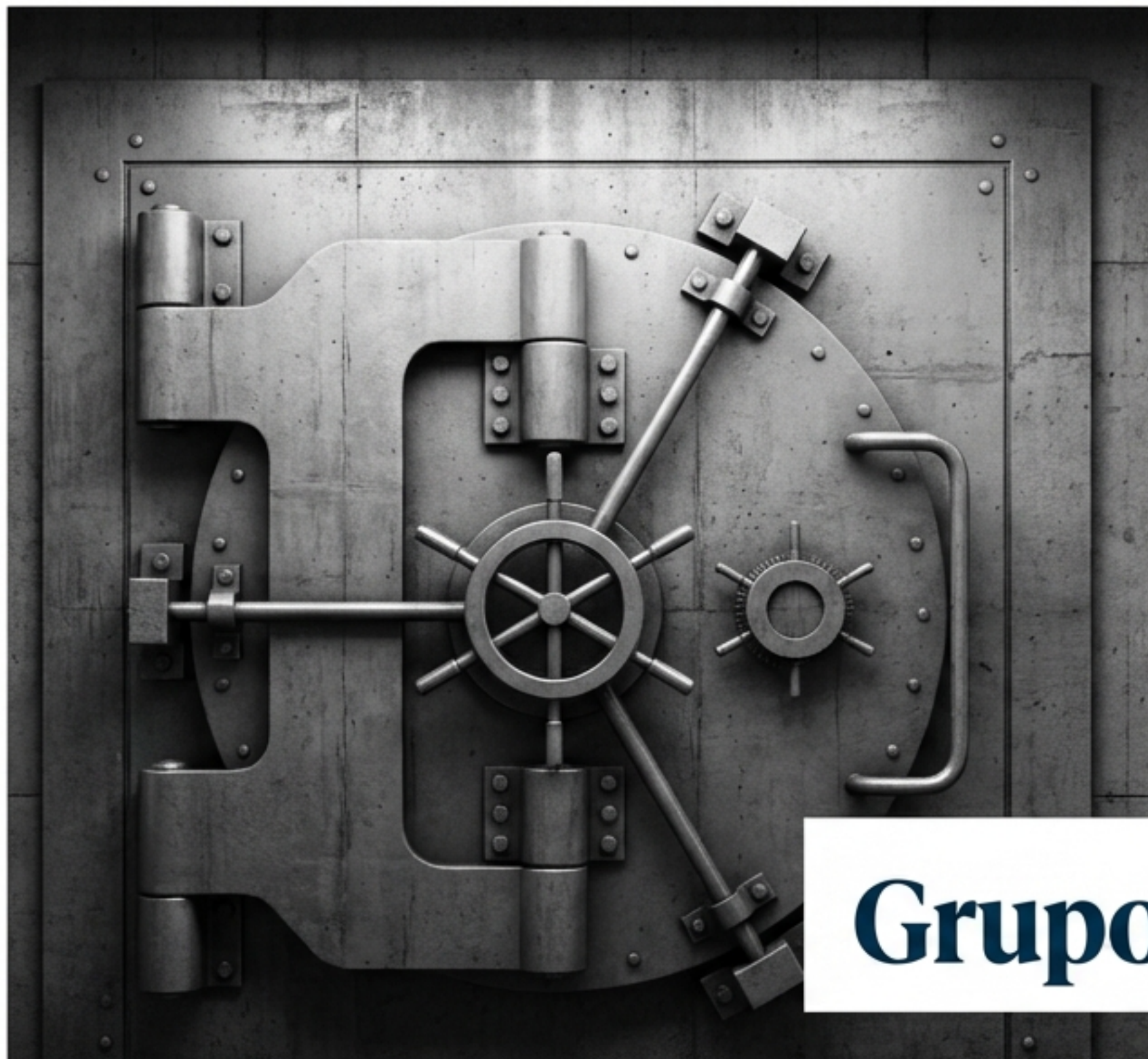




Grupo Cibest (NYSE: CIB)

Value in Volatility: An elite financial holding company navigating the **Colombian macroeconomic storm.**

Investment Analysis |
Adjusted Fiscal Year 2025 Data

Executive Summary:

Micro Excellence vs. Macro Headwinds



THE PIVOT

Transition to Holding Co. structure
un-trapped regulatory capital.
Divestiture of Banistmo for
\$1.4B cash.



THE GEM

Nequi (21.9M active users) creates
a zero-cost funding moat. Unit
economics altered by near-zero
marginal costs.



THE DISCIPLINE

Aggressive buybacks (31.9% of
authorization) and 60% dividend
payout ratio preferred over
empire building.

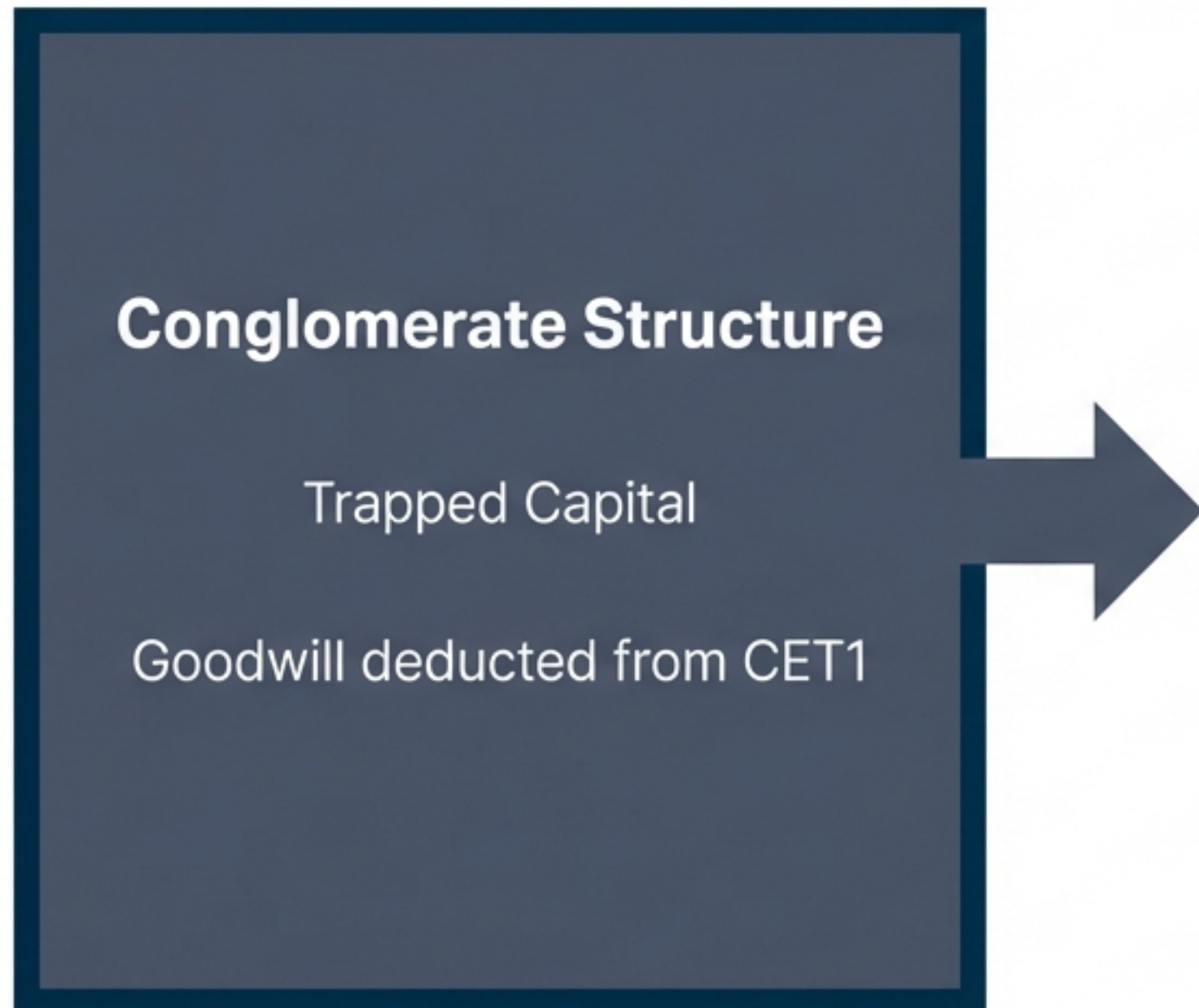


THE RISK

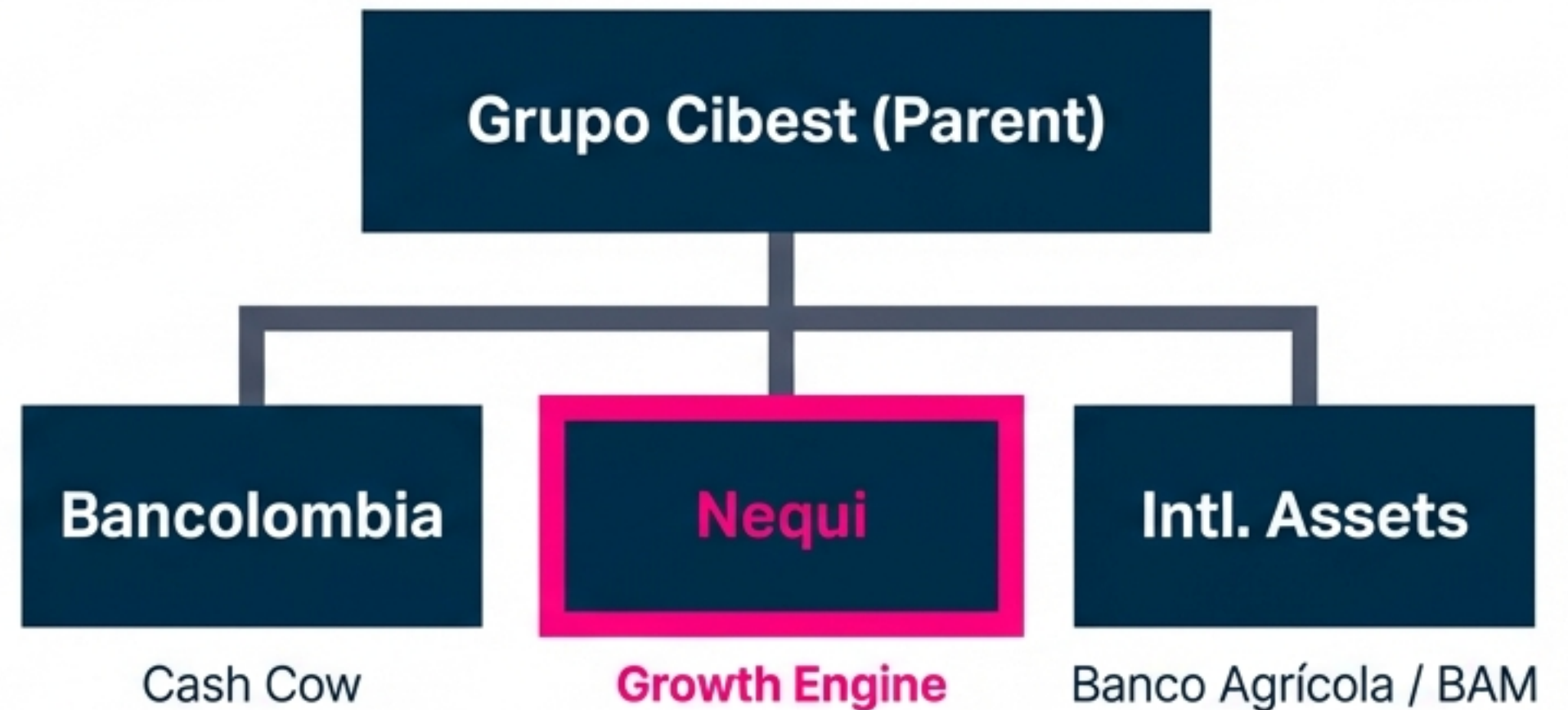
Colombia stagflation (2.5% GDP),
sticky inflation (6.4%), and
regulatory tax pressure (35% ETR).

Corporate Evolution: De-consolidating to Un-trap Regulatory Capital

BEFORE: Bancolombia S.A.



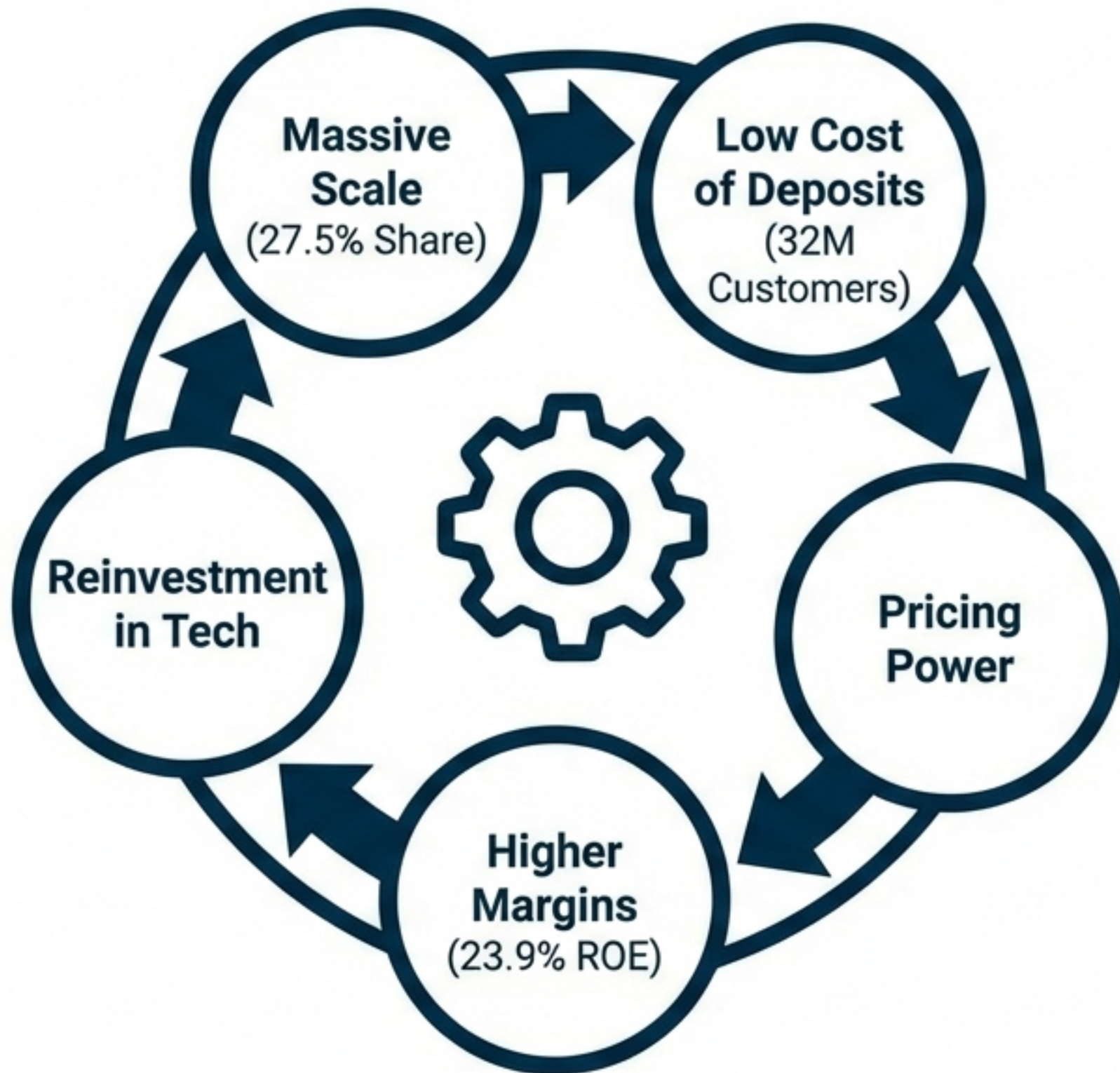
AFTER: Grupo Cibest (Holding Co.)



Insight:

Double Leverage at conservative 101% allows parent-level debt capacity for buybacks without violating operating bank covenants

The Apex Predator of Colombian Banking



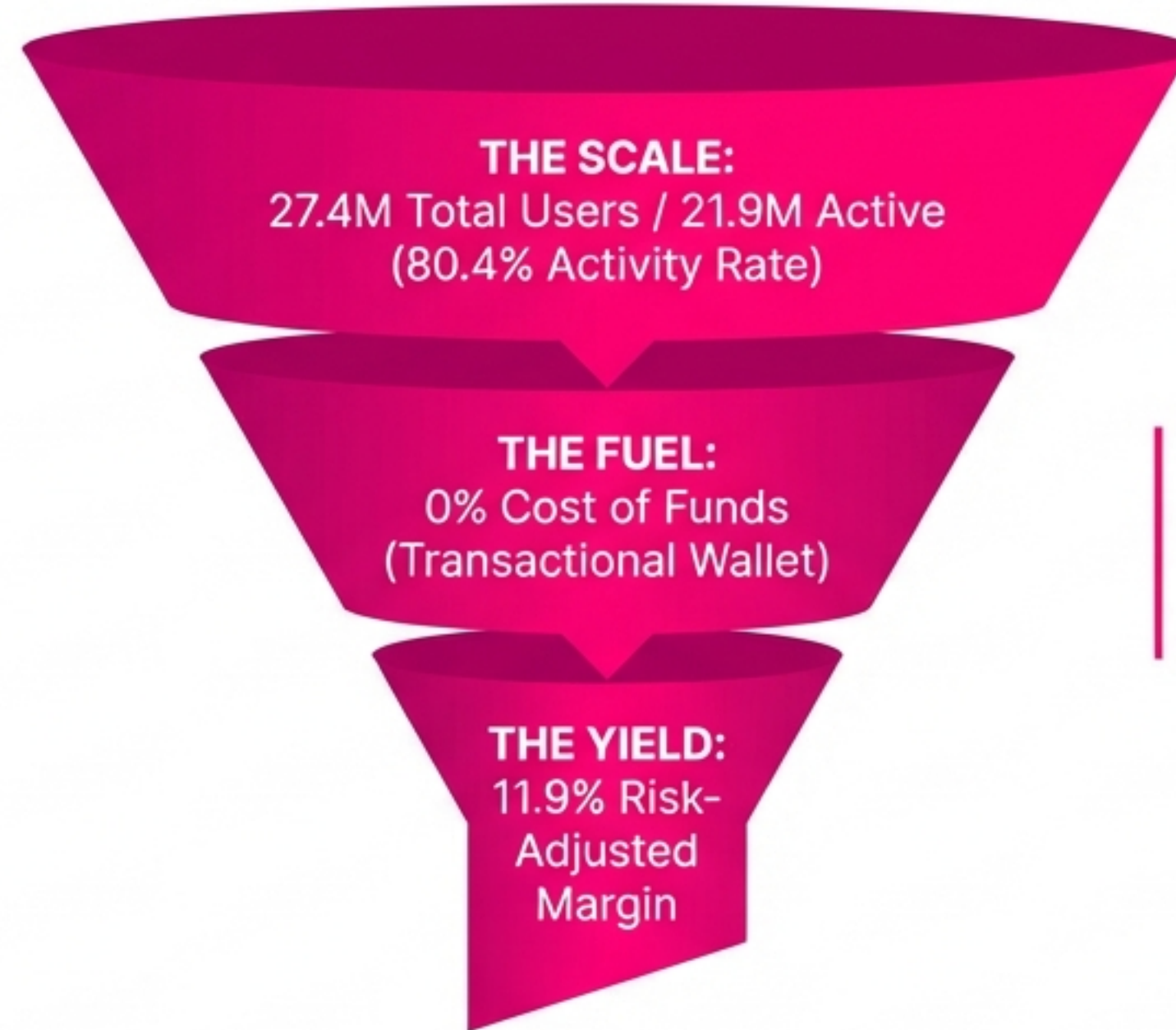
Efficiency Ratio (Lower is Better)

Bancolombia: 46.8%

Elite
Efficiency

Sector Average: ~77.0%

The Digital Jewel: Nequi Alters Unit Economics



2.32 Billion

Transactions in Q4 '25

Nequi is a customer acquisition engine with near-zero marginal cost.

Rationalizing the Geography: ROE Over Flags on a Map



KEEP (Banco Agrícola)

- Status: Cash Cow
- 24.8% Market Share
- Dollarized Economy

FIX (BAM)

- Status: The Drag
- 9.5% Market Share
- 5.3% ROE vs 13% Cost of Equity

SOLD (Banistmo)

- Status: The Exit
- \$1.418B Cash Divestiture
- Exiting low-return market

Management focus has shifted from empire building to capital efficiency.

The Colombian Anchor: Stagflation & Sticky Inflation



Inflation
6.4%

Target: 3%



Policy Rate
11.0%

Choking Demand



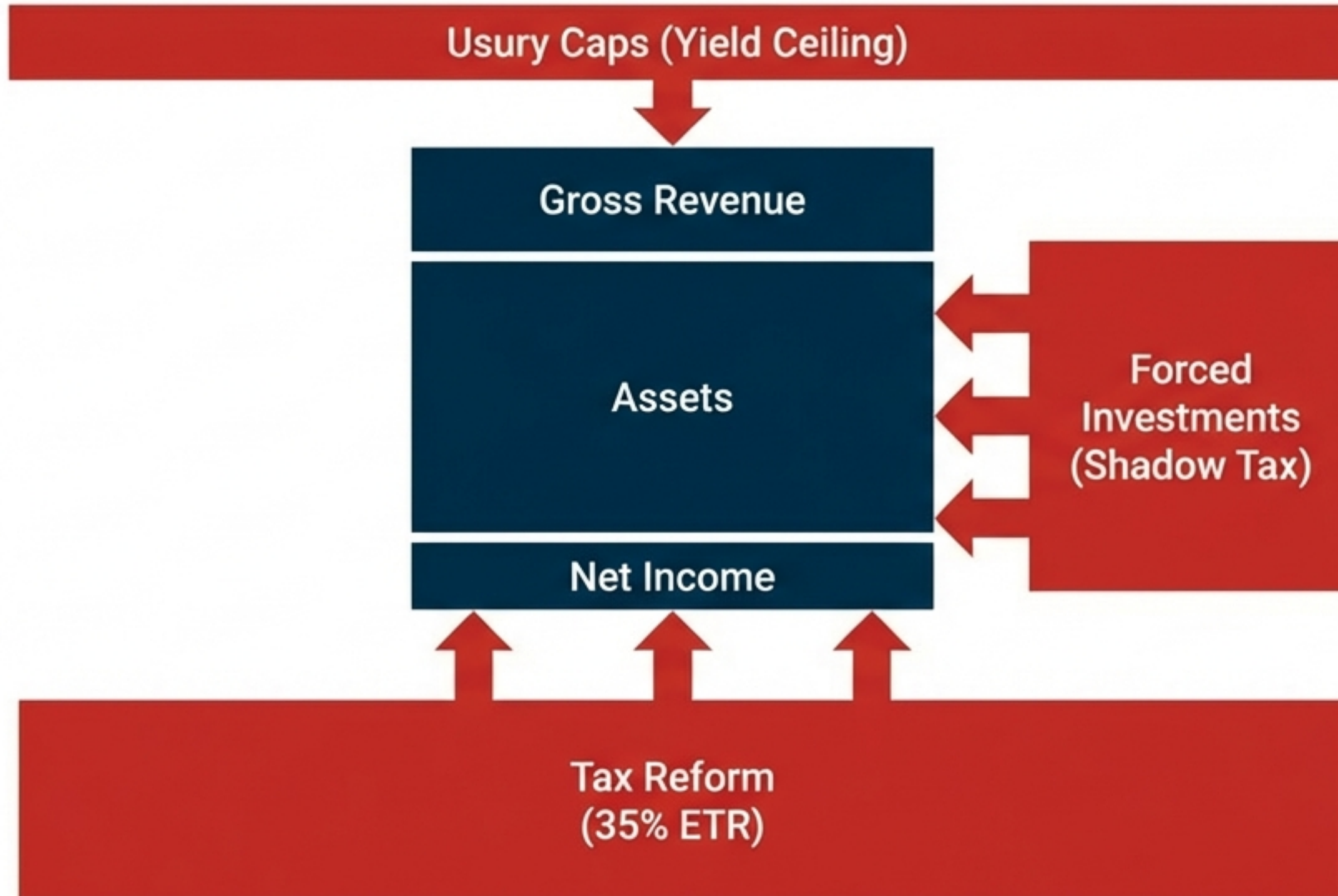
GDP Growth
2.5%

Stagnant



“Real loan growth is practically zero. Nominal growth merely keeps pace with inflation.”

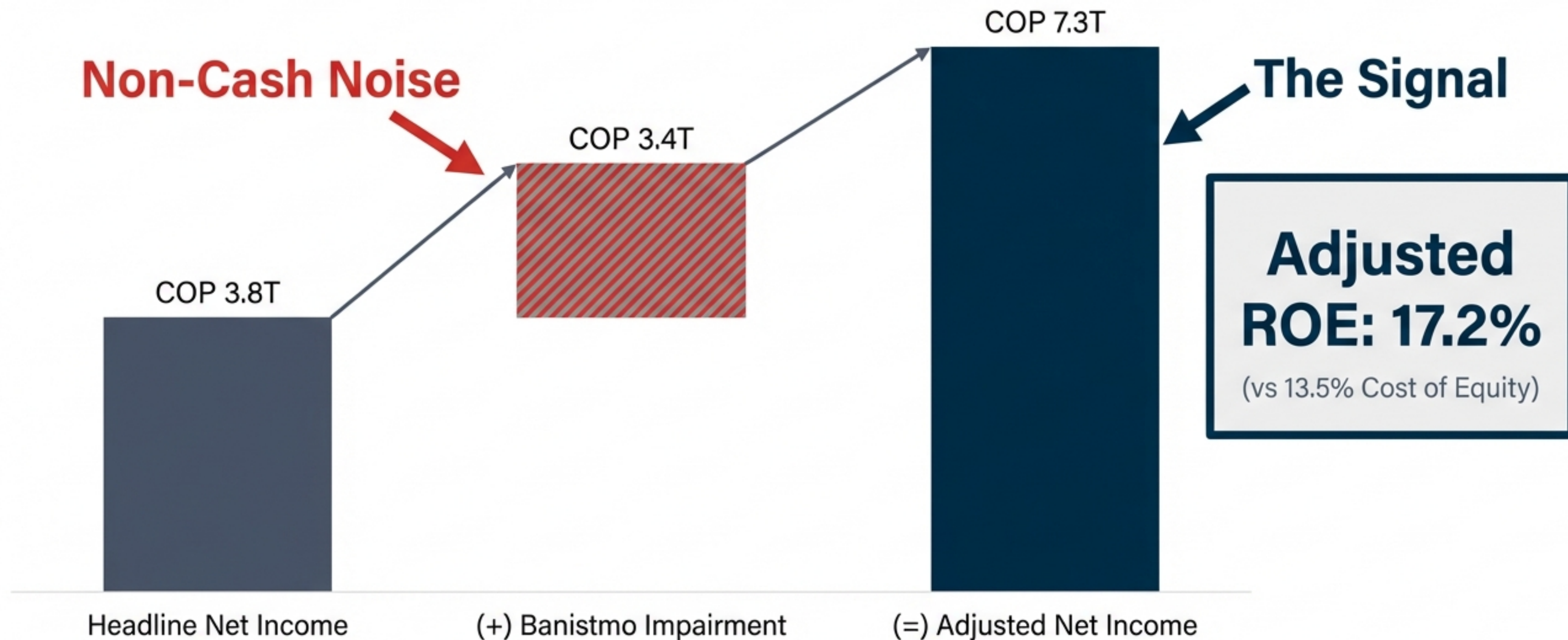
Navigating the Regulatory Obstacle Course



The bank must run faster via operational efficiency just to stay in place against regulatory friction.

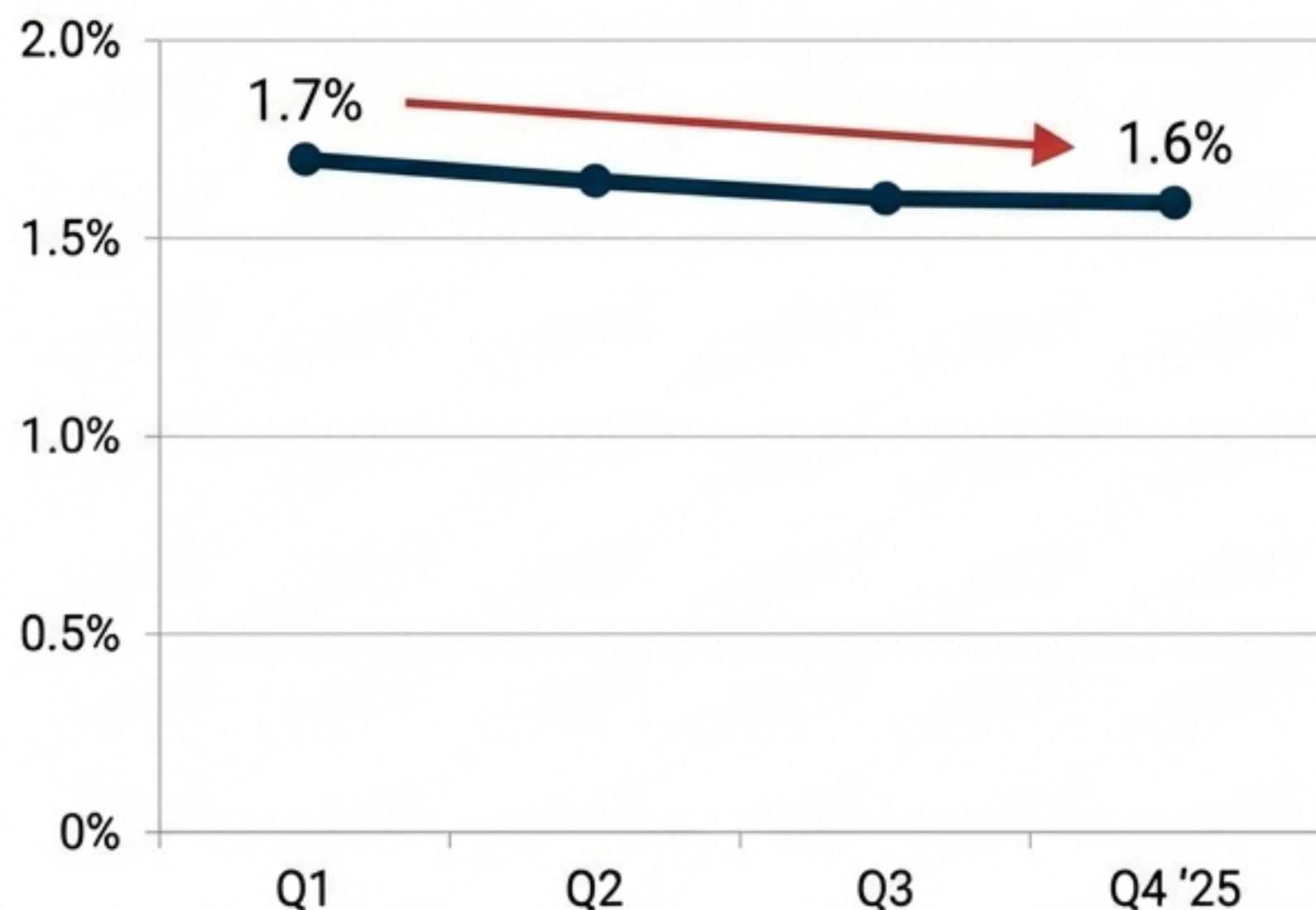
Earnings Power Beneath the Accounting Noise

Waterfall (Bridge) Chart for FY 2025 Net Income

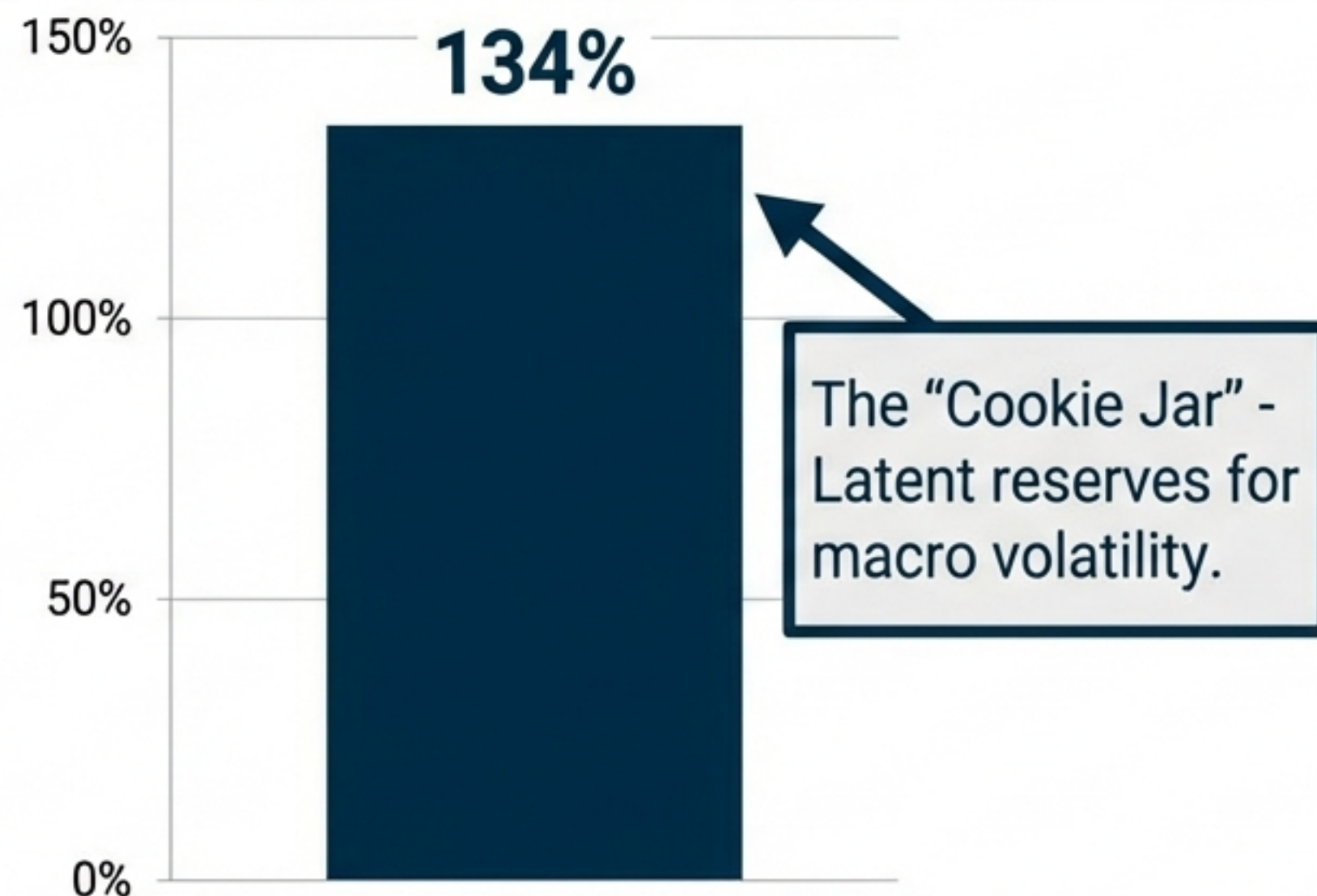


A Fortress Balance Sheet Buffered for Uncertainty

Cost of Risk (Normalization)

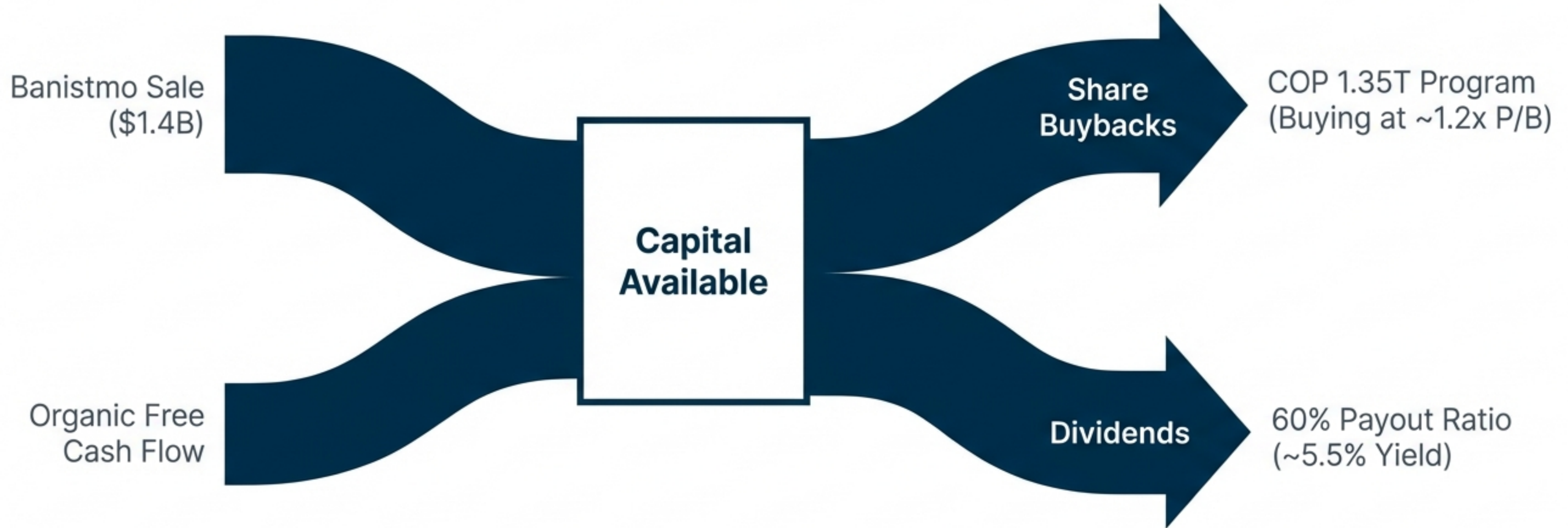


Coverage Ratio



Stage 3 (Non-performing) loans declined to 6.0% in Q4 '25.
Conservative accounting creates a buffer.

Capital Allocation: From Empire Building to Shareholder Return



Intellectual Honesty: Admitting the 2013 acquisition mistake and fixing it.

Growth in a Stagnant Economy?



Digital Monetization

Harvesting Nequi user base. Loan book +50% projected.



The Squeeze

Gaining share from sub-scale peers via low-cost deposit pricing.



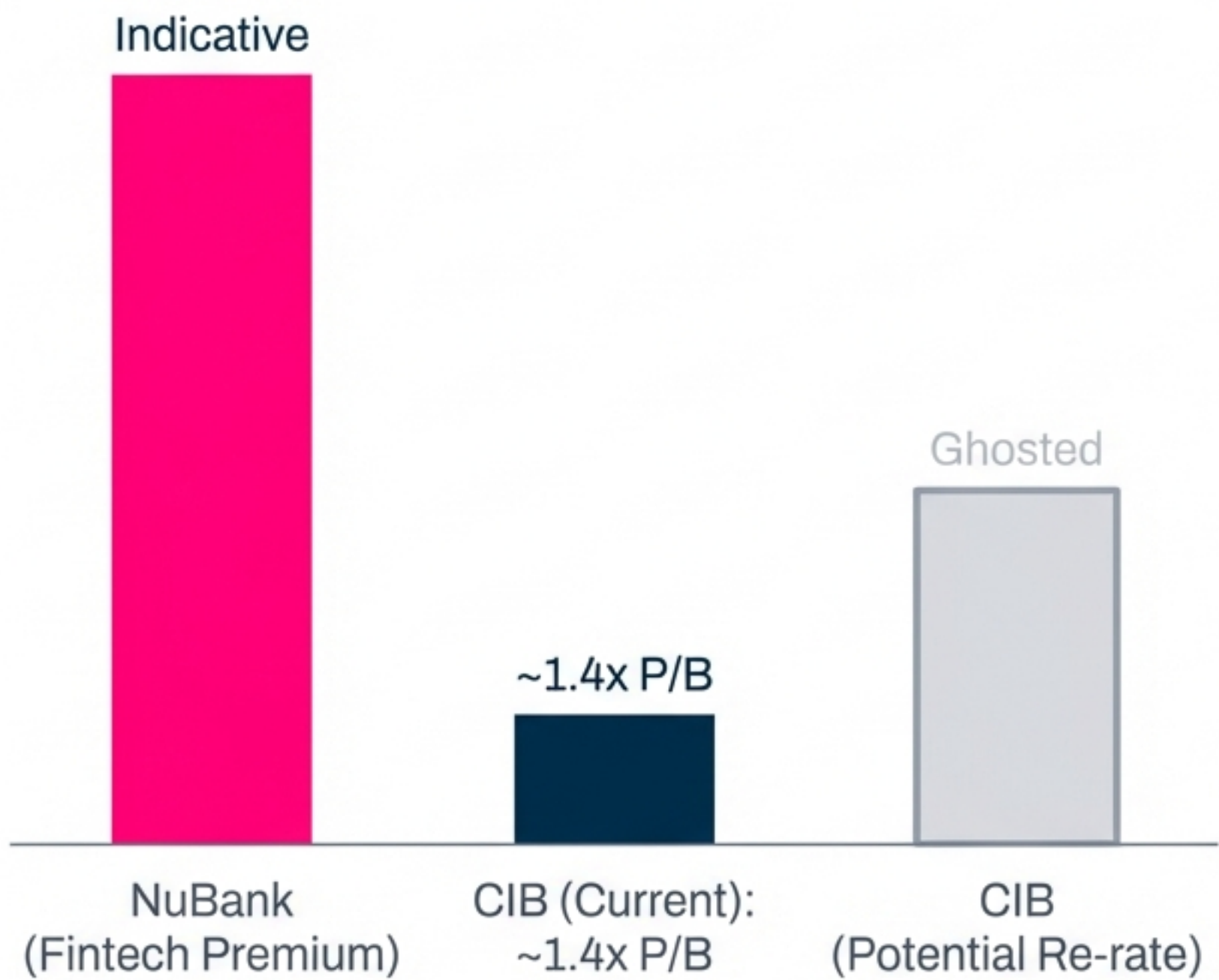
NO M&A

Explicit rejection of low-return acquisitions.

Real loan growth is near 0%; growth comes from efficiency and cross-sell

Valuation: Pricing the Transformation

Price-to-Book (P/B) Valuations



Sensitivity Matrix

	ROE 14%	ROE 17%	ROE 20%
Bear Case	-0.23	0.53	1.64
Base Case	1.03	Requires 17%+ ROE to justify current price.	2.70
Bull Case	2.5x	5.0x	10.0x

Market currently assigns zero SOTP premium to Nequi.

Unlocking Value: The Catalyst Timeline



Conclusion: High Quality, High Risk

THE BUY CASE

- Elite Capital Allocation
- **Nequi** Spin-off Catalyst
- 17.2% ROE > Cost of Equity
- 5.5% Dividend Yield

THE WATCH CASE

- Petro Policy Risk
- **Sticky Inflation (6.4%)**
- **Nequi Credit Risk**

Verdict: The best house in a turbulent neighborhood.